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Congressional Record

PROCEEDINGS AND DEBATES OF THE 98th CONGRESS, FIRST SESSION

SENATE—*Tuesday, July 29, 1986*

(Legislative day of Monday, July 28, 1986)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Eternal God, we praise and thank you for the release of Father Jenco and rejoice with his family and friends. But we remember that there are still hostages. We pray for them: Terry Anderson, David Jacobsen, Thomas Sutherland. Their temptation must be strong to believe that they are forgotten—that no one cares—that nothing is being done for their release * * * and undoubtedly their captors promote this way of despair. Gracious Father, help us never to forget—never to be indifferent—never to cease praying. And grant, Lord, that all that ought to be done for their freedom will be done by those who should be doing it. We pray for their families and friends who daily experience enervating vacillation between hope and hopelessness, expectation, and despair. Encourage them in their loneliness and keep them aware of the many who care and pray. We ask this in the name of Jesus Christ, whose mission was to set the captive free. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished and able majority leader, Senator ROBERT DOLE, is recognized.

Mr. DOLE. Mr. President, I thank the distinguished Presiding Officer, Senator THURMOND, of South Carolina.

SCHEDULE

Mr. DOLE. Under the standing order, the leaders have 10 minutes each.

RESERVATION OF MINORITY LEADER'S TIME

Mr. DOLE. The distinguished minority leader is unavailable this morning, necessarily unavailable. I ask unanimous consent that his time be reserved.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOLE. That will be followed by special orders for Senators HAWKINS, PROXMIRE, and PRYOR for not to exceed 5 minutes each.

There will be a period for routine morning business not to extend beyond the hour of 10 a.m.

Following routine morning business—we might just extend morning business to 10:30.

At 10:30, we shall be on Senate Resolution 28. The question will be, Shall television coverage of the Senate continue with the proposed rules changes? There are 12 hours of debate time provided under the resolution.

I hope it will not take 12 hours. We cannot amend the resolution, so there would only be debate. The Rules Committee has made certain changes in what we may or may not do. That will be discussed by Senator MATHIAS and Senator FORD, so I see no reason to spend a great deal of time on Senate Resolution 28.

There is another resolution dealing with the use of tapes that could take some time—again I hope not more than a couple of hours. Senator STEVENS has an amendment, Senator QUAYLE may also have one. I am advised Senator GORE may have a couple of amendments, and there may be others. Again, that is a matter I hope we can dispose of today.

The important thing is that we get back to work on the debt limit extension. We have been patiently waiting for about 2 or 3 days while the authors of Gramm-Rudman-Hollings try to agree on ways to modify their amendment. I hope that today we can go to work on that amendment in earnest if it means staying here late into the evening. We must complete action on the debt limit extension if we are going to complete action on a number of other matters before the scheduled—I underline scheduled—August 15 recess.

Mr. President, I hope that Senators GRAMM, RUDMAN, and HOLLINGS will be prepared today to vote up or down on their amendment, or do something later today. Let us find out one way or the other and move on to other amendments. There are other Senators who have amendments who are willing to offer those amendments. I hope we can really get into the serious business of that today and complete action on the debt ceiling tomorrow.

I guess there will be votes today, but not before 4 p.m.

HAPPY BIRTHDAY, POWERFUL WOMEN

Mr. DOLE. Mr. President, very briefly, now and then, we recognize those who pass another milestone, another birthday. I have indicated before that I am surrounded by powerful women—in the Senate by my colleague, Mrs. KASSEBAUM, whose birthday is today, and at home by the Secretary of Transportation, whose birthday is today. So I extend birthday greetings to both Elizabeth and NANCY as they start another year.

I will not mention what year they are in now, but I hope they are starting another year, another successful year.

SENATOR NANCY KASSEBAUM'S 54TH BIRTHDAY

Mr. President, I know all of my colleagues will want to join me today in sending birthday greetings to the junior Senator from Kansas—NANCY LANDON KASSEBAUM.

As I said, today also happens to be the birthday of my wife Elizabeth—so July 29 is a day graced by the birthdays of two of my favorite women.

NANCY is much more than just my Kansas colleague—she is a good and loyal friend. She is a thoughtful and articulate voice in the area of foreign policy and the Federal budget. But she never forgets her Kansas roots—roots,

I might add, that are deep in the soil and spirit of Kansas, planted there by her ancestors, including her wonderful father, Alf Landon.

So, once again I extend my personal happy birthday to NANCY, and wish her good health and fortune during the next year.

Mr. President, I ask unanimous consent to have printed in the RECORD an article in today's Washington Post, entitled "The Quiet Diplomat From Kansas," it is an excellent account of Senator KASSEBAUM's roll in foreign policy.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A QUIET DIPLOMAT FROM KANSAS

(By Ewen MacAskill)

"Do you have to cuss and chew tobacco to be heard in this town?" a congressional aide asked last week, reflecting on the quiet style that has always set his boss, Sen. NANCY LANDON KASSEBAUM apart from her colleagues.

But the question was rhetorical: As the sponsor of a bill to impose limited sanctions against South Africa, Kassebaum has lately become an important bellwether of Republican feeling in the Senate—and has emphasized her emergence as a voice to be heard on foreign affairs.

Heard but not listened to at the White House. On the eve of President Reagan's speech on South Africa last Tuesday, Kassebaum, who chairs the Senate Subcommittee on African Affairs, and two other senators met with Reagan and warned him against rejecting sanctions against South Africa. They told him that if he did not put pressure on Pretoria, the Republican-controlled Senate would follow the House in enacting sanctions. The president's speech didn't reflect the advice, and Kassebaum said she was "deeply disappointed."

The importance of Kassebaum's visit—like that of her fellow Senate Republicans Richard G. Lugar and Majority Leader Robert J. Dole—is that her recent calls to action on South Africa represent a reversal of her long-held position on that issue.

In January 1985, Kassebaum said, "I don't believe economic sanctions are the answer. I don't see it forcing South Africa in any different direction. That's what I see reinforcing their bunker mentality, and may well force severe economic disruption."

Now, angered by the state of emergency declared June 12 by the Pretoria government and exasperated with the failure of the U.S. "constructive engagement" policy to bring about reforms, she has endorsed limited sanctions such as denying landing rights to South African planes and barring new investment in South Africa. Some version of these proposals is considered likely to pass the Senate. And if these were to fail to achieve results, Kassebaum does not rule out a total embargo.

She is also prepared to consider other forms of action. "As The Economist points out this week, if we're really serious about doing something dramatic, we would sell the gold reserves that each of our countries hold," she said. "And if we start to move those out on the market, the price of gold would certainly come tumbling down.

"I don't endorse that dramatic approach at this point because I think the repercussions would be enormous. I am still torn and still would argue that it won't help anyone to have South Africa reduced to economic chaos." But she added: "You can't totally rule it out."

For a woman who has a reputation for shunning publicity. Kassebaum is in the center of controversy. For one whose instincts are conservative, especially in foreign and fiscal policy, she now speaks eloquently against the administration position.

Colleagues and others who deal with her have a simple explanation: Kassebaum, they say, has a rare independence. She has demonstrated it on a series of issues from abortion, one which she takes a prochoice position, to the nomination of Daniel A. Manion as a federal appeals court judge, which she opposed.

This has caused her to run afoul of some of her constituents, who feel she is too liberal, but she won reelection in 1984 with 76 percent of the vote. Her aides and others who know her well said that she has managed to retain her popularity because she is seen as being sincere in what one aide described as her Hamlet-like struggle with issues.

Kassebaum's life in politics is partly the legacy of her father. Alf Landon was governor of Kansas from 1933 to 1937 and ran for president in 1936, but was able to take only two states. As a child, she would listen by a ventilator in her bedroom to dinner conversations, where the topic was always politics.

She discusses issues with her father, now 98, but said of him, "Although he denies this vehemently now, he was not one who ever thought there would be a woman in the U.S. Senate, much less his daughter. He comes from an era where it is just hard for him to adjust to talking politics to me." She laughed, "It doesn't bother me, 'cause I understand him."

Kassebaum, who turns 54 today, holds a master's degree in diplomatic history from the University of Michigan. She then settled down to domestic life and had four children.

She was divorced in 1979. Her entry to the Senate that year owed much to her father's name; her qualifications—one year as an aide to former senator James Pearson and service on a Kansas school board—were not rated high by political observers. But she has since become popular in her own right, as her easy reelection attests.

Her constituents like her for, among other things, her love of Kansas, where she returns every other weekend to her parents' home, or to her farm, or another part of the state. One aide said: "Even if she had a chance of a trip that would take her to Italy, Greece, Hong Kong and Taihiti, she would perfer to go to Topeka.

"She is atypical of Washington . . . She has a modest house in a nice neighborhood, has no maid and drives a modest car. She does not go to power-brokering parties. She is not into Washington." He added, "If the job is not the beginning and end of your life, you can afford to be courageous."

One of only two women in the Senate, Kassebaum dislikes tokenism. When asked to attend opening ceremonies at the Republican National Convention in Dallas in 1984, she is reported to have said that she did not want to attend merely as window dressing, "a bauble on a tree."

Even today, Kassebaum's stance on South Africa cannot be called radical. The sanctions she proposes are far more moderate than those passed by the House last month. And she thought Secretary of State George P. Shultz's statement on South Africa last week before the Senate Foreign Relations Committee—which most observers thought was only marginally tougher than the president's speech—contained good ideas and that the president' speech would have been better received if he had had a similar emphasis. Shultz's message was "unfortunately a bit tarnished because of the president's speech," she said.

Obviously one of the keys, I believe, to negotiations is the release of Nelson Mandela because he is the one leader—I suppose just by the fact that he has been in prison for so long—who has risen to heroic proportions and can pull a lot of factions together."

But Kassebaum is above all else a realist. She cautions against thinking that sanctions will bring a turnaround in the South African government's policy.

"We would be fooling ourselves if we really thought it was going to cause South Africa to cry uncle," she said. "But I think at this point it is necessary for us to to try a different mix of pressures, to really clearly signal whose side we're on."

Mr. DOLE. Mr. President, I reserve the remainder of my time.

RECOGNITION OF SENATOR HAWKINS

The PRESIDING OFFICER (Mr. GORTON). Under the previous order, the Senator from Florida [Mrs. HAWKINS] is recognized for not to exceed 5 minutes.

THE BOLIVIA-UNITED STATES DRUG ERADICATION SUCCESS

Mrs. HAWKINS. Mr. President, I wish to applaud the success of the Bolivian-United States cooperative international agreement for illegal narcotic eradication. It is not only a bold initiative for a Latin American country to work with the United States military forces in a Latin country, but it is also a bold step to show the world that we will work with any country that produces drugs or refines drugs, using our military, in order to eradicate the drug.

Since the U.S. Senate and the House of Representatives passed the Hawkins-Rangel amendment, which links foreign aid to drug eradication in a country of origin to the amount of eradication that takes place in the country of origin, we have seen a dramatic shift in the attitude of four countries who grow this deadly crop.

Why should we, as American citizens, subsidize those countries that are poisoning our children? That was the theory and the logic that went behind the Hawkins-Rangel amendment which was attached to the foreign aid bill 2 years ago. This year, as we implement that law, giving a report card every 6 months on the actual eradication efforts, we see nations such as Bolivia, where 50 percent of the world's total cocaine is grown—the world's total supply of cocaine, 50 percent from one miserably poor country—we

see Bolivia's attention shifting to their own internal matters.

The surprise element was very necessary for this to be remarkably successful. That, unfortunately, was not the fact. However, we are making great progress. All nations are watching.

□ 0940

As my colleagues know, Florida is under a crack epidemic right now, crack being the cheap form, the deadly form of cocaine that becomes addictive with one puff. I will introduce legislation this day that will make cocaine totally illegal. We must have a better handle on cocaine in our own country. We can, however, point with great pride to the fantastic steps taken so far in this country.

I compliment the First Lady for keeping our attention on this problem. I was with the President last Wednesday and Thursday, and we discussed each time this deadly drug which threatens the future of this country and peace in the world. I commend the President and Mrs. Reagan for their attention and ask my colleagues to join me in commending the U.S. military forces for once more answering the call of duty.

I yield the floor.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 5 minutes.

WHY IS THE PROPOSED ARMS CONTROL AGREEMENT WORTHLESS?

Mr. PROXMIRE. Mr. President, let us assume the most optimistic results develop out of the current arms control proposals. Assume that the Soviet Union agrees to a 50-percent reduction in offensive nuclear arms on both sides. In return for this United States concession, the United States agrees that we will renegotiate the ABM Treaty of 1972 to provide two changes. First, the United States will drop the treaty provision which permits either side to withdraw from the treaty on 6-months' notice. We agree to abide by the treaty through the year 2,000. Second, after that date the United States will be free to develop, test, produce and deploy its star wars antimissile defense. Of course, the Soviets would be free to do the same.

This is probably the best deal the United States could win. Star wars certainly cannot be deployed before 1996 in any event. Given the budget restraints, the recent spectacular disappointments in both space and nuclear technologies, and the colossal technological problems that lie in the way of the strategic defense initiative, the year 2000 would be just about the earliest the SDI project could move out of the laboratory, if it is to proceed in a measured and reasonably efficient way. So this kind of agreement would seem like a clear and decisive U.S. victory.

Now consider such an agreement from the standpoint of the Soviet Union. Why would they buy this deal? They would be giving up half of their highly respected offensive nuclear capability. What would they get in return? Answer: just about nothing. Even a delay in pushing star wars beyond the research lab until the year 2000 would mean nothing because from a practical standpoint it will be the year 2000 and probably much later—if ever—before star wars would be ready to ride out beyond the laboratory.

On the other hand, time is on the Soviet side and against star wars. Just think of all the likely developments that could kill star wars. First, of course, there is the judgment of the vast majority of American physicists as reported in exhaustive polls that star wars cannot and will not work. Second, there is a similar judgment of former Defense Secretaries that star wars is an impossible dream. Third, there is the widely reported view of most of the top experts in the American scientific establishment that star wars cannot do the job. Fourth, there is the abundant documentation that star wars will cost $1 trillion or more to produce and deploy and between $100 and $200 billion annually to maintain and modernize. Fifth, there is the conspicuous vulnerability of star wars to an offensive attack and the strong likelihood that the cost to the Soviet Union of researching, producing and deploying the weapons to make that attack would be a small fraction of the cost of the star wars defense.

There is a final and most decisive obstacle in the way of a star wars success. By the year 2000 there will have been four Presidential elections. If the victor in any one of those four elections opposes star wars, it is dead. The prospect that this enormously costly, technologically fragile, long-shot weapon system could survive each of these four Presidential elections is a very small, indeed.

Does Secretary Gorbachev know all this? Of course, he does. Then why does he concede anything to win an agreement that would give the appearance, but not the reality of slowing star wars? Answer: he might very well do so because the mutual reduction of 50 percent of the offensive nuclear missiles on both sides would also have no real strategic significance. We would give up nothing by a meaningless delay of star wars. The Soviets give up nothing by cutting their enormously excessive nuclear arsenal in half. The Soviet Union has 10,000 strategic warheads. The United States has 10,000 strategic warheads. Suppose the agreement cuts both sides down to 5,000 strategic warheads. Does that advance arms control one iota? No. Does it reduce the effective nuclear strength of the Soviet Union in any significant way? No. The National Academy of Science has found that if 1 percent of the Soviet's present arsenal strikes American cities, there would instantly be 35 to 55 million dead Americans. We could do the same to the Soviet Union with an equally tiny proportion of our nuclear arsenal. So what happens with the diminished arsenals? What happens is that it then takes 2 percent instead of 1 percent of the arsenal of each side to finish off the other. Big deal.

But do I hear those who differ argue that maybe a star wars defense will be able to stop 99 percent of the Soviet offensive missiles? Mr. President, let us assume that happens with respect to the present Russian stationary land based nuclear arsenal. But if we go ahead with the proposed agreement, we—under the rosiest conceivable assumptions—would not be able to finish the full deployment of our star wars defense until the year 2010. That is about 25 years from now. And what will the Soviet arsenal look like in the year 2010? Keep in mind that the Soviets will have had 25 years to prepare for star wars. So what kind of offensive nuclear deployment will they have? Stationary land based missiles sitting in the Soviet Union 6,000 miles away from their American targets? No way.

The Soviet arsenal, under those circumstances 25 years from now, would be largely submarine and bomber based. It would be entirely mobile. And how does star wars defend against such a nuclear arsenal? Can it reach such Soviet missiles in their burst phase, which is the heart of the presently conceived star wars? No. Can it plot the trajectory of missiles launched a few miles off our coast from submarines or from bombers that fly at the speed of sound anywhere in the Earth's vast air envelope? No.

So what will the proposed arms control agreement buy? It will cost a trillion dollars plus to build our star wars. The proposed arms control agreement may cut offensive nuclear missiles by 50 percent. But does it strengthen our national security? It does not, not one whit.

DR. CARY HAS SERVED THE SENATE WELL

Mr. PROXMIRE. Mr. President, the Attending Physician of the Congress, Dr. Freeman H. Cary, will soon retire

after 14 years of distinguished service here on Capitol Hill.

Mr. President, Dr. Cary has done a fine job. He has made himself available at a moment's notice. His attitude has always been a constructive, positive one. And make no mistake about it, dealing with 535 Senators and Representatives, most of whom have very definite opinions about the state of their health, is no easy task.

In short, I think we owe a debt of gratitude to Dr. Cary for his wisdom, his thoughtfulness, and his skill in coping with our physical problems.

MYTH OF THE DAY

Mr. PROXMIRE. Mr. President, my myth of the day is that the steep decline in the value of the U.S. dollar will result in a dramatically improved U.S. competitiveness and the rapid end of record U.S. trade deficits.

In fact, the continued flow of red ink in the U.S. trade deficit has led to speculation that the 1986 trade deficit will exceed the record $148 billion deficit achieved in 1985.

Not only has the U.S. merchandise trade deficit continued but for the first time in almost 30 years, agricultural products recorded a monthly trade deficit in May.

Import-damaged U.S. industries continued to be battered by foreign competition this year in spite of the declining value of the dollar on world markets.

For example, U.S. production of nonrubber footwear decreased in the first quarter of 1986 by 6 percent while imports increased by 27 percent. This resulted in import penetration rising to a new record 82 percent.

When we look at the potential effects of the weaker dollar and stronger yen, a number of factors reduce the potential benefits to U.S. producers.

In a number of cases such as certain computer memory chips, video cassette, and compact disc players, the United States no longer produces these consumer items and U.S. manufacturers are unlikely to reenter the field.

This situation might well result in a greater trade deficit as U.S. consumers are forced to pay more for the imported products unavailable from domestic producers.

In a similar manner, the voluntary quotas on Japanese auto imports, when combined with the increased value of the yen, has resulted in Americans paying more for their Japanese automobiles but no decline in the number of cars being sold and exported to us by the Japanese.

Clearly, the weak U.S. dollar has not substantially improved the U.S. balance of trade and it is now evident that it is unlikely to do so in the near term.

RECOGNITION OF SENATOR PRYOR

The PRESIDING OFFICER. Under the previous order, the Senator from Arkansas [Mr. PRYOR] is recognized for not to exceed 5 minutes.

IT IS NOT JUST DOD THAT COULD USE A LITTLE REFORM

Mr. PRYOR. Mr. President, in the Congress, we have a procedure that is known as reprogramming. It permits executive branch agencies to shift money which has already been appropriated from one program to another. Sometimes this money is simply not needed for the original purpose. Sometimes a program has become such a high priority that funds must be siphoned off from other purposes. To allow what is called management flexibility, the Congress does not require a new law to be passed to permit reprogramming. Congress does not require a new law that does anything to invoke any rules relative to how we reprogram funds. We only ask that certain committees in the House and the Senate look at reprogramming requests to make certain that everything is OK.

I always thought of reprogramming as a rather simple and sensible process, Mr. President. Then my suspicions were aroused. Last summer, I learned that the Department of Defense had reaped itself a $44 billion windfall for inflation that never occurred during the past 5 years. Then I was told by Secretary Weinberger that $13 billion of that $44 billion had been reprogrammed. I thought this was a lot of money to be spent without full congressional review.

I decided to look into the reprogramming process. I found that the process was not as simple, nor was it as sensible, as I had originally thought.

I found that there were things about reprogramming I had never known—a lot of things.

I found that DOD did not reprogram $13 billion in the last 5 years; I found it had reprogrammed $29 billion.

I found that only half of that $29 billion ever had any congressional approval; the rest was only notified to Congress after the reprogramming occurred.

I found that since 1981, DOD had started 304 new budget line items through reprogramming and that it had terminated 261.

I found that the Defense Department's procurement accounts were the most common source of reprogramming—indicating that Congress may be overfunding those accounts.

To the Defense Department's credit, I found that it has been assiduously following its own reprogramming rules and regulations.

But, most interesting of all, I found that, while all the executive branch agencies had formal written rules to control their reprogramming processes, we in Congress have no written rules at all. We have only unwritten, informal procedures.

I found that each congressional committee that reviews reprogramming has different procedures.

Some committees have hearings; most have none.

Some committees have mark ups; most have none.

In some committees, all the Members take a look at the reprogrammings, but in most it is only a very select few.

Senators not on the right committees have no voice on reprogrammings at all.

In some committees, in some instances, the staff are the only ones who look at reprogrammings.

In some committees, the staff uses the telephone to approve reprogrammings.

Mr. President, how did these facts surface? I asked the GAO to conduct a study. It has just been completed. I am told it is the first comprehensive study of reprogramming ever printed. I found the GAO's report so fascinating that I have sent a copy of it to every Senator.

What the study tells us is that we do not have consistency in how Congress handles reprogrammings; we have chaos. We do not have thorough oversight; we have almost no oversight. We do not have accountability; we have an almost subterranean process where, for one agency alone—the Defense Department—$29 billion has been used up for purposes that 90 percent of the Members of Congress have no say in.

Many of us have been quite harsh with the Defense Department and have told it to reform. We have told it to clean up its procurement rules; we have told it to make officials accountable for their actions, and we have told it to reorganize.

It is very clear from the GAO study that Congress needs to engage in a little reforming of itself. The only reason why we have not broken any reprogramming rules is because we have none. Half the time no one in Congress has any voice on reprogrammings because they occur before we learn about them. The other half of the time most of us have no say either. When there is a review of reprogrammings, in some committees it is a review procedure that does not reach any Senators, and other times it gets to only a very few.

Mr. President, if these practices had been going on in some Federal agency, many Senators would be very critical, and we would pass laws to bring order, accountability, and oversight to the offender. But, in this case, the problem is in our own backyard. Unless we want to be hypocrites, we should clean

up our own mess, just as we demand that others clean up theirs.

I strongly urge all Senators to read carefully the GAO study that I have sent to them. In a short period of time, I will introduce a proposal designated to reform Congress's reprogramming procedures. Before that proposal reaches its final form, I hope Senators will join with me to put together a set of rules that will bring reasonable and effective reform to Congress itself.

Mr. President, Congress has no moral basis to criticize others for waste, sloppy procedures and the absence of accountability, unless its own house is in order. Right now, the House and the Senate are in a state of reprogramming disorder. If we cannot reform ourselves, what right do we have to demand it of others?

□ 0950

Mr. PROXMIRE. Mr. President, will the Senator from Arkansas yield?

Mr. PRYOR. I yield.

Mr. PROXMIRE. Mr. President, I commend the Senator from Arkansas. He is speaking on an extraordinarily important subject. He testified before the Joint Economic Committee a few days ago on this subject. He is right.

Twenty-nine billion dollars is reprogrammed and spent in areas where Congress has given no approval at all. This is a clear contradiction of our constitutional responsibility. There is no question about it.

Furthermore, on the inflation issue, the Defense Department has consistently overestimated the inflation. As a result, they have gotten funds that Congress did not intend them to get, and they reprogrammed them in any way they wished, without any real guidance by Congress. Sometimes a chairman of a subcommittee or a committee will approve and a ranking member will approve; sometimes they do not.

I would like to go on, but the time is limited. I do commend the Senator. He is talking on an extremely important subject.

I hope he will include me in working on any legislation he has in mind. I would like to work with him on it, because I think it can save Congress and the country billions of dollars a year.

Mr. PRYOR. Mr. President, I appreciate the remarks of the distinguished Senator from Wisconsin, who has led for a number of years—long years—the fight against waste.

What we are talking about here is not necessarily waste. I am not saying that it is absolute waste. But it is a circumvention of the right of Congress to use oversight and accountability as to how these programs and how these funds are totally taken out of the purview of the Congress of the United States and how they are spent—just about any way some of these agencies want to spend them.

I thank the very distinguished Senator from Wisconsin.

ORDER OF PROCEDURE

The PRESIDING OFFICER. Does the majority leader wish to reclaim some of his leader time?

Mr. DOLE. Yes.

The PRESIDING OFFICER. The majority leader is recognized.

GOLDEN GAVEL AWARD FOR SENATOR GORTON

Mr. DOLE. Mr. President, as of 9:50 this morning, the distinguished occupant of the chair, the senior Senator from Washington [Mr. GORTON], has presided over the Senate for 100 hours in this Congress.

Senator GORTON will be awarded the Golden Gavel Award for the time and dedication he has given the Senate by presiding during the 99th Congress.

The senior Senator from Washington has been a Member of the U.S. Senate for three Congresses. This is the third Golden Gavel Award he has received during his tenure in the Senate.

I congratulate the Presiding Officer.

EXPORT ENHANCEMENT PROGRAM

Mr. DOLE. Mr. President, I should like to indicate very quickly that it is my understanding that on the House side there may be some action afoot to duplicate what happened on the floor of the Senate last week with respect to the Export Administration Act, in the Export Enhancement Program, with reference to trading with the Soviet Union, or the sale of grain to that country.

In my view, there has been a frank discussion of this program at the White House as recently as yesterday morning, and I hope that the administration will carefully review our trade with the Soviet Union.

Our amendment was crafted very carefully. It simply says that if we are going to trade we have to be competitive. So far as I know, no one objects to trade with the Soviet Union, depending on what we trade. If it is high technology or some other commodity that should not be in the hands of the Soviet Union, obviously we are not suggesting that. It seems to me that if we are going to trade, we have to be competitive, and that is the only argument.

I know that other countries which are now filling the market we have lost with the Soviet Union over the years are clamoring for no action. They do not want to lose the markets.

The Secretary of State discussed this, I guess, with the Prime Minister of Australia and others in the European community who have been busily engaged in subsidizing their own exports for a number of years. So I suggest that it is high time we become competitive. It is time to be aggressive in the administration of the export enhancement program.

This is not an effort to subsidize communism. This is an effort to be competitive.

I suggest that if Secretary Shultz or anyone else in the administration wants to vote on whether or not we should trade with the Soviet Union, that is another matter. So far as I know, that is not an issue. The issue is whether or not they should participate in a program passed by Congress last December, signed by the President; and so far as I know, it is still operative.

So I think that what should happen is that the House and the Senate conferees should go to conference and get it done; but I would rather have the administration get it done. In any event, one way or the other, we should have a movement.

I particularly want to thank my colleague from South Dakota, Senator ABDNOR, for his active assistance in getting this matter to the floor. A number of other Senators on both sides of the aisle participated—Mr. MELCHER, Mr. NICKLES, Mr. ANDREWS, Mr. DIXON, and others. I am not trying to pick out individuals, but we did have an earlier discussion with Senator ABDNOR, and I think the record should reflect that.

Mr. President, I yield any time I have remaining to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida.

□ 1000

WHITE HOUSE CONFERENCE ON ILLICIT DRUG USE AND CONTROL

Mrs. HAWKINS. Mr. President, I am today introducing a joint resolution calling on the President to convene a White House Conference on Illicit Drug Use and Control.

The President and the First Lady have shown admirable leadership on this issue. We are particularly grateful for the President's recent bold initiative committing U.S. military personnel and equipment in direct support of Bolivian military operations against cocaine laboratories and traffickers. This operation has been a great success. It has thrown the cocaine traffickers in the Beni and the Chapare regions into total disarray, according to news reports, with the price of coca leaves dropping dramatically. I hope we can build on the momentum from this successful initiative and expand our efforts, especially on the domestic demand side of the problem.

This joint resolution differs from earlier legislation calling for a White House Conference on Narcotics Abuse and Control in several ways.

First, I believe we need a White House Conference to facilitate implementation of existing recommendations, not to provide a forum for further study, rhetoric, and debate which would further delay action. Clearly another high level Government study producing yet another raft of recommendations far down the road is not what we need now.

The President's Commission on Organized Crime just spent over 2 years and about $3 million to conduct a comprehensive study of our Nation's drug problem. The results of this excellent analysis together with its recommendations were just released in March of this year in a report entitled "America's Habit."

These recommendations have not received the attention and focus they clearly deserve from the Congress, the executive branch, State and local officials, or the private sector.

In addition, the Congress has charged the National Drug Policy Enforcement Board to produce a national drug strategy this summer, which I understand we will be receiving soon. It makes little sense to call for another study until we use the studies we have already called for.

Second, I believe that this Conference should provide a forum for the President to motivate to explain, and to deliver marching orders to those key movers and shakers in our society who up to now have not been part of the solution. Therefore, my resolution would call for less representation at the Conference of Government officials, and more representation of key private sector leaders from sectors such as the news media, the entertainment industry, professional sports, the health profession, the legal profession, the business community, academia, labor unions, education, and so on.

This joint resolution is intended as a tribute to the leadership of President Reagan, in particular his leadership on the drug issue. But clearly more can be done, many Government officials and many key private sector leaders could be prodded to take more effective action against our drug problem. I believe a White House Conference will contribute substantially to this cause. I trust my colleagues will agree with me.

Mr. President, I ask unanimous consent to have Senate Joint Resolution 381 printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 381

Whereas the damage to our society from the use of illicit drugs in the United States is increasing each year;

Whereas the social and economic cost in the United States of illicit drug use, including increased health care costs, lost productivity, and related crime and violence, is estimated to be more than $100 billion annually, and there is a direct relationship between narcotics abuse and criminal activity and street violence;

Whereas the President's Commission on Organized Crime, in its final report, stated that narcotics trafficking is the most serious organized crime problem in the world today and is the most widespread and lucrative organized crime activity in the United States, producing revenues exceeding $110 billion annually, and that insofar as the violence and corruption associated with illicit drug use and trafficking threatens the stability of friendly nations, our own national security is jeopardized;

Whereas President Reagan has repeatedly emphasized the importance of the fight against illicit drug use, demonstrated leadership, and taken some effective action against illicit drug trafficking and use;

Whereas the Office of Drug Abuse Policy in the White House has been refining our national strategy for reducing demand for illicit drugs;

Whereas the 1984 National Narcotics Act has charged the National Drug Policy Enforcement Board with producing a National and International Drug Law Enforcement Strategy which is about to be presented to the Congress;

Whereas the President's Commission on Organized Crime recently completed a thorough high-level comprehensive review and study of all aspects of our Nation's growing drug problem including the causes therefore and the strategy to deal with it along with important recommendations for future policy and implementation;

Whereas this President's Commission Report entitled "America's Habit: Drug Abuse, Drug Trafficking, and Organized Crime" was only recently completed and released on March 3, 1986;

Whereas many of these recommendations have not yet received the high-level attention and consideration and implementation that they deserve, either in the Congress or the executive branch, or in the private sector;

Whereas many of the causes and potential solutions to our Nation's epidemics of drug use lie within the scope of competency of the news media, the entertainment industry, the academic community, the sports profession, the health profession, the business community, the labor unions, the teaching profession, and other segments of the private sector; and

Whereas, in order to address these drug use and control issues in a more coordinated and higher visibility manner that responds to the crisis situation at hand, it is necessary to convene at the highest level of Government and the private sector, a conference: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This resolution may be cited as the "White House Conference on Illicit Drug Use and Control Resolution of 1986".

SEC. 2. AUTHORIZATION OF CONFERENCE.

The President shall call a White House Conference on Illicit Drug Use and Control (in this resolution referred to as the "Conference"), in accordance with this resolution, not later than 6 months after the date of the approval of this resolution in order to foster implementation of existing policy and consider recommendations from the March 1986 President's Commission Report, "America's Habit: Drug Abuse, Trafficking, and Organized Crime", and to consider additional recommendations for further action to control the illicit production, trafficking, and distribution of narcotics internationally and in the United States and to prevent illicit drug use and treat abuse.

SEC. 3. PURPOSES OF CONFERENCE.

(a) IN GENERAL.—The purposes of the Conference are—

(1) to assist in implementing and refining a national strategy (encompassing international, Federal, State and local, and private sector activities) to reduce demand for, to interdict trafficking in, and to suppress production of, illicit drugs.

(2) to increase public awareness of, and to focus attention on, various recommendations and policy initiatives on the problems of illicit drug use and control (including issues of enforcement of narcotics laws and of prevention, treatment, and rehabilitation of narcotics users);

(3) to pool information and experiences in order vigorously and directly to attack illicit drug use at all levels, local, State, Federal, and international.

(b) SPECIFIC CONSIDERATIONS.—The Conference shall specifically review—

(1) the National and International Drug Law Enforcement Strategy as presented by the National Drug Policy Enforcement Board.

(2) the National Strategy for Prevention of Drug Abuse and Drug Trafficking as prepared by the Office of Drug Abuse Policy in the White House.

(3) the recommendations of the President's Commission on Organized Crime as they relate to illicit drug use and control, and the private sector as well as the public sector,

(4) the impact of recently enacted laws (including the Comprehensive Crime Control Act of 1984 and the Balanced Budget and Emergency Deficit Reduction Act of 1985) on efforts to control trafficking in narcotics and to prevent and treat illicit drug use,

(5) the extent to which the sanctions in section 481 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291) have been, or should be, used in encouraging foreign states to comply with their international responsibilities respecting narcotics control, and

(6) the role of the news media, the entertainment industry, academia, professional and amateur sports, the health profession, the legal profession, the teaching profession, the business community and labor unions, in contributing to our Nation's drug problems and solutions thereto.

SEC. 4. CONFERENCE REPORT AND FOLLOWUP ACTIONS.

(a) FINAL REPORT.—Not more than 6 months after the date on which the Conference is convened, a final report of the Conference shall be submitted to the President and the Congress. The report shall include the findings and recommendations of the Conference as well as progress toward implementation of existing recommendations and proposals for any executive, legislative, or private sector action necessary to implement the recommendations of the Conference or the March 1986 President's Report. The final report of the Conference shall be available to the public.

(b) FOLLOWUP ACTIONS.—The President shall report to the Congress, as appropriate,

following the submission of the final report of the Conference, on the status and implementation of the findings and recommendations of the Conference.

SEC. 5. ORGANIZATION OF CONFERENCE.

(a) PARTICIPATION OF APPROPRIATE CABINET OFFICERS AND OTHER OFFICIALS AND INDIVIDUALS.—The President shall—

(1) ensure the active participation in the Conference of appropriate cabinet officers, and

(2) shall provide for the involvement in the Conference of other appropriate public officials and private sector representatives.

(b) ASSISTANCE OF FEDERAL AGENCIES.—All Federal departments, agencies, and instrumentalities shall provide such support and assistance as may be necessary to facilitate the planning and administration of the Conference.

(3) NO PAYMENT OF INDIVIDUAL EXPENSES.—Each participant in the Conference shall be responsible for his or her expenses related to attending the Conference and shall not be reimbursed from funds appropriated to carry out this resolution.

(d) DETAIL OF STAFF.—Appropriate cabinet officers may detail employees to work on the planning and administering of the Conference without regard to section 3341(b) of title 5, United States Code.

(e) RESTRICTION ON EXPENDITURES AND CONTRACTING.—New spending authority or authority to enter contracts as provided in this resolution shall be effective only to such extent and in such amounts as are provided in advance in appropriation Acts.

SEC. 6. EFFECTIVE DATE.

This resolution shall become effective on October 1, 1986.

SEC. 7. DEFINITIONS.

In this resolution:

(1) ILLICIT DRUG.—The term "illicit drug" includes—

(A) a narcotic drug (as defined in section 102(17) of the Controlled Substances Act, 21 U.S.C. 802(17)),

(B) a drug (as defined in section 1 of Article I of the Single Convention on Narcotics Drugs, signed at New York, New York, on March 30, 1961), and

(C) a drug or substance listed in a schedule under the Convention on Psychotropic Substances signed at Vienna, Austria, on February 21, 1971.

(2) APPROPRIATE CABINET OFFICER.—The term "appropriate cabinet officers" means the Attorney General, the Secretary of State, the Secretary of Health and Human Services, the Secretary of Defense, the Secretary of the Treasury, the Secretary of Transportation, the Secretary of Education, and such other cabinet officers as have responsibilities respecting narcotics abuse and control (including combating illicit production, trafficking, or distribution of narcotics).

The PRESIDING OFFICER (Mr. STEVENS). The Senator from South Carolina is recognized.

RECENT ADMINISTRATION TEXTILE INITIATIVES

Mr. HOLLINGS. Mr. President, the moment of decision draws near with respect to international trade.

We have tried to impress over the years that it is not free trade, it is not fair trade, but competitive trade. No one in his right mind would think otherwise.

We live in a dynamic global community where one can produce anything anywhere: Electric subassemblies in Singapore, automobiles in Africa, high technology in Brazil, semiconductors down in Mexico. So the competition is not just between the cultural and natural resources of a particular country, but between governments. After the Marshall plan the governments of Western Europe and the governments of the Pacific Rim moved in and used their governments to set the pace, erect various tariff barriers outside the General Agreement on Tariffs and Trade, and over a 30-year period since President Eisenhower we have been in a struggle.

Under President Kennedy we got the seven-point program, one price cotton, later the multifiber arrangement, and at the moment we have withheld a vote for the override of President Reagan's veto of H.R. 1562, the textile bill, pending the administration's negotiation of a new multifiber arrangement. This has been proceeding over the past year. The administration was on notice that we expected some rollbacks in trade because the various textile agreements, some 34 agreements have been more or less violated. For example, Taiwan had agreed back in 1982 to limit their growth to 1½ percent. It has been 15 times that amount. Now we know it has been 15 percent. That is why we were asking for rollbacks, to bring back the flow of imports to what was agreed to in 1981.

Now we see with dismay the headline in the Washington Post this morning. It is dramatic in two respects. With respect to textiles and our bilateral agreement with the country of South Africa, we thought that with the violations and transshipments they would hold it down, and instead of holding it down, they have allowed a 4-percent increase in the items covered by the agreement.

President Reagan himself had promised this Congress, Senator THURMOND, and other leaders in the textile industry, in public statements to regulate and control the flow of imports in accordance with the increase in domestic consumption. The increase has been right at 1 percent, now South Africa gets a 4-percent increase. But it is four times the amount of one-third of South Africa's textile shipments. Two-thirds of their shipments, particularly yarns, coming into the United States of America are not covered whatsoever. So that is two-thirds that is unlimited and that is importing unemployment into the United States.

So that is all extralegal beyond the intent, beyond the promise of the administration. But more than anything else, the administration talked in categorical terms on economic sanctions, and while not coming out for those particular sanctions they said that they abhor apartheid in South Africa. They said, We were not going to use our economic policies here in the United States to sustain apartheid. And then have our negotiators instead of not economically sustaining it, giving absolute support and increases to it. They are rewarding South Africa, of all things. It is just incomprehensible.

We in Congress are thinking about competitive trade and thinking about the abhorrent policy of apartheid on the one hand and, of going to South Africa and increasing their ability to dump imports here on the other hand, realize this policy makes no sense.

I just cannot see the connection between the administration's statements, its rhetoric, and the policy itself.

It was John Mitchell in an administration past who said watch what we do, not what we say. I think perhaps Mr. Mitchell is back in the Government somewhere. I have not been able to find him, but I find that rampant with respect to international trade.

Here we have the so-called agreements with Taiwan and Hong Kong. The administration said it was seeking a freeze of textile apparel imports. Under the multifiber arrangement we allow them to negotiate agreements. No agreements are required.

The fact of the matter is that the European Economic Community, using their authority under the multifiber arrangement, started imposing restrictions on imports into the European Economic Community, and have cutback their deficit in textile trade by $2 billion.

Now that is all amidst the charge that any such actions would be in violation of GATT. That is all amidst the charge that any such actions to control imports into the European Economic Community would result in devastating retaliation.

We hear that in the United States all the time. If we do anything, there is going to be retaliation. Retaliation is competition. Competing is exactly what this economic contest is all about. We juse refuse to compete.

We have the high cards. We have the richest market in the world. We are the one that is in a position to retaliate. Actually, the retaliation already underway is against us.

And like Franklin Roosevelt during the days of the Depression, in order to keep the banks open he closed the doors; in order to save the farms he plowed under the crops. We, in turn, in order to remove the barriers, are going to have to raise certain barriers and then remove them both if we are going to get freer exchange.

□ 1010

All of us want a freer exchange in international trade. But Taiwan, Korea, and Hong Kong were supposed

to be treated the way the European Economic Community treated its trading partners in 1981. Instead, what we find here is an increase of 8.8 percent for Hong Kong over the next 6 years.

Now, the administration calls this a victory. They keep announcing these various victories right and left, in June and during this month of July, in order to lay the groundwork for the August 6 vote on the House side on the veto override. They say, "Look what we have done; what a wonderful job. We have got these very restrictive textile agreements with Taiwan and Hong Kong with growth rates of 0.5 percent, 1 percent, and 1.5 percent." All of those sound minimal, but those 3 to 6 years, they add up to 8 percent in the case of Hong Kong. And the increases keep right on going into the agreements with the approval of violations over the past 5 years.

Over the past 5 years, we have lost 250,000 textile jobs in America. These agreements only give the illusion of trade restraint. In reality, they allow Hong Kong and Taiwan to solidify the huge and ill-gotten gains that they have made in the market over the years. And, given the administration's poor record of enforcement, even these new higher levels are in danger of being exceeded. These agreements fall far short of a freeze, the objective the administration announced in February.

The agreements represent a slap in the face to 2 million hard-working American textile and apparel workers, who are writing me in desperation. My staff said we could bring out big stacks of letters that we have been receiving, which really show the workers' reliance on us up here. I do not want to try to demonstrate the number of letters.

The point is that they actually wrote 3,200,000 personal letters to the President of the United States, with yet a single letter to be acknowledged. The President says, "What letters?" when asked by Congressmen and Senators who visited him. He did not even know about the letters. But I wish to acknowledge that mail. I wish to acknowledge those letters.

I want to point out the problems with these agreements. According to Hong Kong negotiators, our agreement with Hong Kong gives improvements in flexibility. Well, you got to watch it when you hear that word and wonder what it means. Millions of yards that were allotted but not used under the old agreement, were not removed but were put into the new agreement. That is what they call flexibility. And, of course, the potential for damage there is enormous.

For example, in 1986, Hong Kong can ship up to 15½ million square yards of cotton twill fabric using their 1985 quota. This will result in an increase from 1985 to 1986 of 41 percent.

Now, let us emphasize that, because we are hearing about these small percentages for growth—0.5, 1.0, and 1.5 percent. The truth of the matter is, playing this percentage game, We must look at the actual facts and we find using flexibility within the agreement there is an allowable increase in cotton twill fabric of 42 percent.

We have had, Mr. President, as an aside, a 100-percent increase in textile and apparel imports over the past 5 years—100 percent increase—when we were experiencing, at best, a 1- or 2-percent increase in domestic growth. And, in this year, for the first 5 months, January through May, there was a 23-percent increase over the 100-percent increase. So you can understand the reason for these letters and the concern, because we are going out of business.

The agreement permits Hong Kong to borrow up to 5 percent each year in any particular category. Again, so-called flexibility. For example, a Hong Kong shirt quota of 684,479 dozen could effectively be increased in 1986 by 48,598 dozen shirts, and by the last year of the agreement could be increased by 109,027 dozen shirts.

Unless you get the trade experts and those who practice in Customs to read the fine print and understand the language, the administration can say: "Hail the conquering hero. Look at the small percentages." But, when you read the full text and the truth comes out, you can see that our negotiators have not negotiated. They have just sold out.

The administration tried to negotiate a textile agreement with the South Koreans this weekend in Berne, Switzerland, but were unsuccessful. They will be trying again in the next few weeks. If this textile agreement is anything like the trade package the administration announced last week—we're in trouble. Last Monday, the administration said that the Koreans had agreed to let us sell 40 million packs of cigarettes—about 1 percent of their market—in South Korea. The catch is our cigarettes will cost $1.50 a pack due to import tariffs and taxes, while Korean cigarettes cost only 60 cents a pack. What kind of a deal is that? The Koreans will permit us to sell cigarettes—at a price 1½ times the price of their cigarettes. How many packs does the President really think we will be able to sell at $1.50 a pack?

I think this is "Let's Make a Deal" time for the administration—any deal will do. They need to show some agreements to give the appearance of responding to the problem of our trade deficit—now running at an annual rate of $170 billion a year. They don't care what the deal is, just so they have a deal. Let me cite some further examples.

The United States also reached an agreement with Turkey recently. Imports from Turkey have increased astronomically since they started shipping to the United States in 1982. In 1985 alone, imports increased 54 percent. In the first 4 months of 1986, imports from Turkey have increased 70 percent. This new agreement places limits on 14 categories of textiles and apparel. In those 14 categories, the limits set were extremely generous to the Turks. In 1985, all of Turkey's shipments amounted to about 100 million square yards. Restraints on the 14 categories amounted to over 113 million square yards. As for the other 112 categories of textiles and apparel, there are no limits on the Turks at all.

Turkey had over 8 million square yards in embargo at the time of the negotiations. All over shipments were forgiven. Just like that. Forgiven. You've violated our procedures and agreements—we forgive you.

As the State Department put it, "Turkey is extending its market here for its textile products very rapidly." This is quite an understatement. The Turks had set a goal of getting a $400 million textile quota from us—in effect, more than tripling their trade. The administration acknowledged that Turkey can reach that goal in the next 5 years, if its imports continue to grow at their current pace.

Why has the United States been so generous to Turkey? I think the answer lies in a quote from an official at the State Department. This official stated, "We do not link the textile issue directly to the defense and economic cooperation negotiations, but it will improve the general atmosphere and make an agreement more likely." With that kind of thinking from Foggy Bottom, the U.S. textile and apparel industry will continue to watch their jobs shipped overseas—sacrificed at the altar of our State Department's foreign policy—to keep its friends happy.

Let me hit on a few more highlights of this administration's textile policy. On December 31, 1985, the United States textile agreement with Japan expired. At that time, the Government of Japan promised not to increase textile and apparel imports into this country while negotiations were underway. This year, we are still negotiating and Japan has increased its imports by 20 percent. We are being hoodwinked in international trade competition and unfortunately our own administration is an all-too-willing accomplice.

Let me point out what's happening with the President's new Caribbean Basin Initiative [CBI] Program for textile and apparel imports. The purpose of this new CBI Program was to encourage the Caribbean countries to use U.S.-made fabric, cut in the United States, in their apparel production. To accomplish this, the CBI countries

were to be given guaranteed levels of access for apparel made from fabric cut in the United States. Four CBI countries have negotiated new agreements with the United States. Restraints have been imposed in 9 of 116 product categories. In these 9 categories, these 4 countries have guaranteed growth of 350 percent. The agreement with Jamaica contains a quota on shirts, which is way over current trade and not 1 square yard of that fabric is required to be of United States origin. So much for the President's new CBI plan. There are now 20 more countries waiting in line for these agreements.

The State Department has no awareness whatsoever of the Government they represent. And the concern of the people they represnt is best evidenced by the South African agreement in textiles that surfaced this morning. It was negotiated at the end of June. Now they are trying to say it is not formalized and will not tell you exactly what it is. But we know now. We know now. It is at least a 4-percent increase and we are trying to cut trade to South Africa to bring an awareness of reality to the Botha government. And while we are trying to do that in every way practical and possible through Krugerrands, through trade, through the Export-Import Bank, through every device this National Government can think of, we have got the State Department negotiators saying, "Well, you know, there ain't nobody here but us chickens. We will continue to go ahead and negotiate and give away our textile market because, well, we are a rich country back there in the United States."

Let me say this. The true wealth of a nation is its capacity to produce. It is being reflected now in the stock market. We are beginning to understand that the most competitive of industries cannot compete on account of this lackadaisical giveaway attitude of the State Department and the Federal Government. Textiles has had an increase of productivity of 5 percent a year for the past 5 years. The industry itself has invested over $10 billion in new plants and machinery. They even have a new attitude—"Quality Is Free," the book by Phil Crosby is read by—I cannot call them now workers or employees—but associates. And I can tell you here and now they are very proud and very industrious and very productive. The industrial worker of the United States of America is the most productive in the world. The Japanese are not No. 1. They are always giving you that percentage, that they have increased by a greater percentage. Well, the Japanese are not near the U.S. industrial worker, and we are being sold a bill of goods in the political forum by those greedy industrialists, the multinationals, the retailers, the big banks, the big farm combines that babble this nonsense about free trade and protectionism. And we are going out of business and losing that capacity to produce, all in the zeal of making more and more money, losing the jobs, the backbone, economically and industrially, of this Nation.

Our agreement with Taiwan was referred to by the administration as a rollback of 7 percent from the level attained during the 12-month period ending May 1986. This agreement is not a rollback and it is not a freeze. The administration's attempt to characterize this as a rollback is deceitful. They are just playing with the numbers. They take an unorthodox baseline—May 1985 to May 1986—and say imports will decrease. This only masks a 21 percent surge in Taiwan's imports which took place in the first 5 months of 1986.

□ 1020

Using that period, they do not even talk of their 21 percent increase for the first 5 months.

Mr. President—These agreements are not a victory. Hong Kong and Taiwan will continue increasing their exports to us from 1986 on—and this is on top of the 104 percent growth that Taiwan has accomplished in the past 5 years. If this is their idea of success, it is time to bring the negotiators home. We cannot afford any more victories like this.

Make no mistake about it, there will be job losses in the United States due to these new agreements. Not just in South Carolina or Georgia or North Carolina or Tennessee, but all across this country.

Textiles are found in Alaska. They make garments in Alaska, in Hawaii, Texas, California, all of the States are involved here, and particularly the Midwest with the agricultural sector of our textile and apparel industry. It is truly a national industry that is suffering with a national impact. Countries violate thier agreements, and then our negotiators go around and confirm these violations.

From January to May of 1986, over $9.2 billion of textile and apparel imports have flowed into this country. Over 5.3 billion square yards of textiles and apparel have been imported so far this year—an increase of 23 percent over the same period last year.

If we keep up the record pace set in the first 5 months, imports of textiles and apparel will reach 12.7 billion square yards in 1986—a new record and almost a 20 percent increase over 1985.

Mr. President, since the beginning of this administration we have gone from a $4.1 billion deficit in the balance of textile and apparel trade alone to over a $21.3 billion deficit in the balance of textile and apparel trade. I remember just a few short years ago we had a policy of balanced trade and were worried about a $5 billion to $10 billion deficit. Now it is over $20 billion in textiles alone. It has got to be stopped. The only way to stop it is to get sobriety within the administration. They are on a binge. They are not administering.

One word—enforcement—is all the Congress is asking for. The truth of the matter is our textile bill is a culmination of 34 agreements that need to be enforced.

If we could get the enforcement of these particular agreements—bilaterals of the United States with the Philippines, the United States with Japan, the United States with Korea, Taiwan—we would withdraw our textile bill. The only reason for its introduction is to obtain a licensing system so that enforcement can be facilitated. We can look at it. We do not need any more trade laws in the Congress. What we need is enforcement of the trigger price mechanism, the antidumping provisions, the countervailing duties, and the escape clause. We have over the years in the Congress been spewing out various restrictions and controls trying to hold onto our automobile industry, hold our steel industry, hold our cameras, electronics, hand tools, machine tools, computers, semiconductors, and airplanes. It just pays not to produce in the United States of America.

It is a sad commentary on the attitude of the State Department and the administration, which has been typical of all administrations, both Republican and Democrat, that you see the surfacing of the terms of the agreement with South Africa. They are telling South Africa in essence formally just continue to let it flow—two thirds of your trade will not be controlled.

I only indulge the Senate at this time for the additional time of course in that the other Members are dutifully listening here and do not wish to speak. I do appreciate them listening and giving me their undivided attention, particularly the Presiding Officer.

Mr. President, let me make the observation again that America, the old Yankee trader, has just got to get back in the saddle now and start trading once again. Let us not have the fear about a war starting, a trade war. It is in the fourth quarter. It is absolutely ridiculous. You can produce anything anywhere and there is no way in the world to cutoff or wreck that so-called war. We have a mobile, modern-day industry with the capability of extending the technical and industrial arts and skills with training programs, we have done it with the most humble people in my own home State. The only way we could bring industry to South Carolina was to institute a technical training system. Now in a short period of time we can train and make robots, semiconductors, and the so-

called high-tech. Incidentally, high tech is not that high skilled.

So these individuals in South Carolina, in Korea, in Singapore, in Indonesia, or the world around can easily and quickly setup facilities anywhere, so that there are not any walls. They are talking about the days of David Ricardo in 1817 when trade was hardly a part of our gross national product—less than 1 percent. Today it exceeds 10 percent, and the deficit is over $150 billion.

The United States has become a debtor nation. The United States' industrial backbone and capacity to continue as a world power diminishes each day. This is not simply a textile problem or a single industry problem. It is a national problem of enforcement and awareness. We cannot be setting around like Fat Uncle Sam and not worry about it, let the Third World, let the Latin American nations, let the South Africans take over the industries, and we will make the airplanes and computers. I heard that 25 years ago. Now it begs the question. They are making airplanes in Japan. U.S. companies are now forced to go over where they cannot only produce but receive protection.

The fundamental of Government is to protect. We have the Army to protect from enemies without, the FBI to protect us from enemies within, the environmental laws to protect the air we breathe and the water we drink, OSHA to protect the working place, Social Security to protect from the ravages of old age, and unemployment compensation to protect from the loss of a job.

These are the fundamentals of Government, to protect, and what we are doing is we are failing in our duty. We act like simpletons. The distinguished President on January a year ago raised his hand, "I pledge to preserve, protect, and defend." Down in the Senate Chamber he is talking protection. Protectionism—and they have some kind of silly ideology or philosophy that is unrealistic and totally nonsense. They all jump up and down and say, "No, we cannot start protectionism." What they are saying is we cannot start competing. We are going to continue the giveaway with the State Department.

Well, it has been surfacing in South Africa, and perhaps for different reasons, we will get more attention given to this particular problem. It is a desperate circumstance for the United States with not paying our bills and running $220 billion deficits on the one hand; and even if we balance the budget and get the dollar down to its proper value, we would not increase one item of trade in the Pacific rim.

□ 1030

It is not the dollar value there. It is the nontariff barriers that have been raised by way of competition. Their governments are competing; ours is not.

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

(During the foregoing remarks the following occurred:)

The PRESIDING OFFICER. If the Senator will suspend for just a moment, please, under a previous order there will now be a period for the transaction of routine morning business not to extend beyond the hour of 10:30 a.m. with statements therein limited by Senators to 5 minutes each.

Mr. HOLLINGS. I thank the distinguished Presiding Officer.

SOVIET JEWRY

Mr. DIXON. Mr. President, I rise today to join my colleagues in the "congressional call to conscience" vigil for Soviet Jews and to express my profound concern about the continuing plight of the Soviet Union's Prisoners of Conscience. It is distressing that the Soviet Union not only refuses to increase the rate of Jewish emigration, but over the last 6 years it has sharply cut the rate.

As Americans, we are accustomed to rights and freedoms that Soviet Jews can only dream of. We cannot ignore the plight of Soviet Jews. It is not merely an internal matter for the Soviet authorities. The magnitude of this violation of fundamental human rights is too great. The civilized world's outrage will continue as long as the Soviet system denies basic freedoms to this oppressed minority.

An examination of the emigration statistics proves how grave the situation is. It indicates steady and severe decline in Jewish emigration from the Soviet Union. During the era of détente, emigration expanded until it peaked in the late 1970's and then began its rapid fall. From the peak of 51,320 in 1979, the number of Jewish emigrants plunged to a scant 896 in 1984. In 1985, only 1,139 people were allowed to gain their freedom. From whatever motivation the Soviet Government has, it has decided to deny thousands of suffering would-be emigrants the opportunity to leave the country.

The tragedy, however, does not end there. Not only do thousands of Jews have to suffer the pain of being denied emigration, but they are also endlessly harassed. Immediate and unfavorable consequences befall those who seek to emigrate, including economic reprisal, educational discrimination, physical violence, and alienation. As the effects of discrimination have increased, the situation for Jews in the Soviet Union has further deteriorated.

Mr. President, it is essential that we demonstrate our continued concern with the human rights situation in the U.S.S.R. and we focus the world's attention on the plight of the Soviet Jews. We can no longer remain silent while human rights are clearly being violated in that country. The Soviet Union must be made aware that the American people and their Government are deeply concerned. Soviet Jews do not have any allies in their country. They look to us as their only hope.

EULOGY FOR JOHN P. EAST

Mr. DIXON. Mr. President, today, I join with my fellow Senators in expressing sorrow at the loss of our friend and colleague, Senator John P. East. Although we sometimes disagreed on issues, those differences never diminished the degree of respect that I held for his intelligence and integrity.

Senator East was well aquainted with Illinois. He was born in our State capital, Springfield, and he earned his law degree from my alma mater, the University of Illinois.

I had the opportunity to get to know Senator East best from my service with him on the Armed Services Committee. I learned that Senator East was a man deeply committed to the security of our Nation. He was guided by his conscience, and was unswerving in his determination.

This determination went far beyond his political life. John East was, as his colleagues from North Carolina has called him, "a profile in courage." He was able to rise above his disability to pursue a distinguished academic and political career, in addition to raising a family.

The loss of Senator East has left a void in this Chamber. His friendliness, sincerity, and courage to stick to his conscience will be sorely missed.

Mr. President, my sincere condolences go out to his wife Priscilla, his two daughters, and other family members during their time of mourning. They should be comforted by the knowledge that John East was a man dedicated to his God, his country, and his conscience.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

RADIO AND TELEVISION COVERAGE OF SENATE PROCEEDINGS

The PRESIDING OFFICER. The question before the Senate is, Shall radio and television coverage continue after this date and shall the rules changes contained in Senate Resolution 28 continue?

There shall be 12 hours of debate on this question to be equally divided and

controlled by the two leaders or their designees. Who yields time?

Mr. FORD. Mr. President, I ask unanimous consent that the time for a quorum call be equally divided, and I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1050

Mr. FORD. Mr. President, I ask unanimous consent that the call for the quorum be dispensed with.

The PRESIDING OFFICER (Mr. RUDMAN). Without objection, it is so ordered.

□ 1100

Mr. MATHIAS. Mr. President, we have arrived at the final step in a long journey. I do not want to take the time of the Senate to repeat all the details of the history of that journey, but it might be useful, as we begin this discussion, to touch on some of the recent highlights.

That recent history began when Howard Baker, then majority leader, submitted a resolution, Senate Resolution 20, on January 6, 1981, calling for both radio and TV broadcast of the Senate. The Rules Committee held several hearings on Senate Resolution 20 and, on September 31, 1981, reported it favorably without amendment. After extensive consideration in February and April 1982, Senate Resolution 20 was amended, and approved as amended by a vote of 95–1. The amendment required the Rules Committee to return to the floor within 60 days with a resolution containing regulations and/or rules changes felt necessary for implementation of the coverage. TV could not begin until the second resolution was approved.

The committee held hearings on the regulations necessary for TV and reported a new resolution, Senate Resolution 436 on June 27, 1982. The 97th Congress adjourned sine die before that resolution was adopted.

Senate Resolution 66, substantially the same as Senate Resolution 436, was submitted in the 98th Congress, received hearings, and was reported without recommendation on June 28, 1983. The 98th Congress adjourned without taking action on Senate Resolution 66.

A number of resolutions proposing approval of radio and TV broadcasting from the Senate were submitted during 1985, and hearings were held on September 17 and 18, 1985. Members of the Senate and representatives of the media from both Washington, DC, and elsewhere testified.

On November 19, 1985, Senate Resolution 28 was reported with amendments. One of the amendments was to strip all of the rules changes from the resolution. It was the committee's desire that the rules changes be considered during an initial test period of broadcasting. On February 20, 1986, Senate Resolution 28 was recommitted to the committee with instructions to report back forthwith, with an amendment. On the same day, the resolution was reported back with an amendment.

On February 27, 1986, Senate Resolution 28 was agreed to by the Senate as amended, placing the Senate in the television age.

Senate Resolution 28, as amended and agreed to, has a number of significant provisions: It approved TV as a test only in the initial stage; final approval would not come until the Senate considered the results of the test. Some, but not all of the proposed rules changes originally contained in Senate Resolution 28 were restored to the resolution. The test, limited to in-house distribution over the congressional cable, could—and did—begin on May 1. Public access to the broadcast could—and did—begin on June 1. The television coverage was to end on July 15, and did. However, on the same day, by agreeing to Senate Resolution 444, the Senate authorized that "television coverage of the Senate shall resume July 21, 1986, under the same basis as provided under section 5 of Senate Resolution 28 unless the Senate votes pursuant to section 15 of Senate Resolution 28 to end coverage."

That brings us to today, July 29, when the Senate is to consider if the rules changes and radio and TV are to be made permanent. That is the business at hand. The test period is concluded, and the Senate is to now decide, based on 2½ months of actual experience, if the rules changes and radio and TV broadcast should continue.

ACTIONS OF THE RULES COMMITTEE

Mr. President, Senate Resolution 28 charged the Rules Committee with responsibility for several activities during the test period. Section 4 states, "The Committee on Rules and Administration may adopt such procedures and such regulations, which do not contravene the regulations made by this resolution, as it deems necessary to assure the proper implementation of the purposes of this resolution."

COMMENTS AND SUGGESTIONS ON TV

In carrying out those duties, we sought the advice and comments of Senators and other observers. Many of these comments were very astute, and they were compiled in a document titled "Comments and Suggestions on TV." I am not going to take the time of the Senate to read that document at this time. Instead, I request unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMENTS AND SUGGESTIONS ON TV

From Senator Dole: (Comments and suggestions from the Democratic ad hoc committee are included in Senator Dole's comments and suggestions.)

Special Orders.—Should consideration be given to continuing present practice of granting Special Orders at a fixed hour in the morning, set a fixed hour at a different time of day (or night), or should they be permitted on a scattered basis at various intervals during the day (for example, while the Senate is conducting lengthy quorum calls). Alternatively, consider Special Orders two mornings per week, so as not to interrupt the committee hearing process.

CHAMBER-PHYSICAL FACILITY AND DECORUM

Staff Conduct on the Floor.—Request the Rules Committee review Senate Rule XXIII and existing Regulations Controlling the Admission of Employees of Senators and Senate Committees to the Senate Floor, with a view toward eliminating unnecessary personnel on the Senate Floor, and specifically to restrict movement of staff near or behind speaking Senators. The Sergeant at Arms should be instructed to strictly enforce the existing regulations and review the number of outstanding unlimited floor privileges granted to staff. Staff has been too visible on TV, particularly when the camera is focused on Senators speaking from the back rows.

Consideration should be given to removal of the two staff couches on each side of the Chamber and the remaining couches and chairs should be moved closer together. This will help eliminate congestion near doors to the Chamber.

Visual Aids.—Should consideration be given to the limitation (size, types) on the use of visual aids? There is particular concern about the display of commercial products that are visibly recognized by product name.

Physical Appearance.—Should color of walls in the Chamber be changed as well as the color of the drape behind the Presiding Officer and should the carpet on the Chamber floor be changed?

Presiding Officer.—Should the President pro Tempore be requested to develop guidelines of decorum for the Presiding Officer. Specific recommendations include removal of the telephone, installation of a small TV monitor so that the Presiding Officer can observe when he or she is on-camera, and/or installation of a red light which will be illuminated whenever the Presiding Officer is on camera.

TECHNICAL PROBLEMS

Cameras.—Camera Angles are bad. Consideration should be given to lowering the cameras into the Chamber itself while insuring that such movement does not destroy the aesthetics of the Chamber. Camera crews should be instructed to "tighten up" shots of Senators so that to the extent possible, the picture does not include staff or other individuals in the background.

Consider placement of small compact TV monitors within the Chamber, particularly at a spot visible to the leadership.

Consider the addition of a red light, or other device, attached to the TV cameras in the Chamber, to indicate when individual cameras are actually broadcasting the picture.

Audio.—Quality continues to deteriorate. Consideration should be given to purchasing a new audio system, possibly a cordless one, capable of screening out as much background conversation as possible. Senators should be reminded that the existing system picks up much background noise and conversations. It is understood that some of the difficulties with the sound in the Chamber relates to the fact that the P.A. system in the Chamber is not tied in with the TV audio system.

Develop a lavaliere or necklace apparatus for mikes for Senators Kassebaum and Hawkins to free their hands from having to hold a mike.

Place a speaker, with on/off and volume control knob, on the desk of the Presiding Officer. Some Senators have complained about difficulty in hearing while presiding, particularly since the speaker at the desk is off when the microphone is on.

Eliminate audio coverage during Roll Call votes. (Senator Dole is personally opposed to this suggestion.)

The suggestion of providing an audio-link between the Parliamentarian and the Presiding Officer is opposed by Senator Dole.

An audio-link between the Parliamentarian and the camera crew or TV control room is also objectionable to Senator Dole.

Graphic/Captioning.—Stop displaying "Time remaining on vote" during Roll Call votes.

Captioning.—The Rules Committee, working with the legislative staff of the Secretary of the Senate, should develop standard language for captions to be displayed for Quorums Calls, Roll Call Votes, Recess, etc. Language describing specific provisions of legislative measures, however, should be developed by staff more familiar with the legislation—such as the Party Conferences or Policy Committees.

Consider the desirability of displaying a running summary of Roll Call Votes as they occur, and/or a breakdown of the totals on each vote by party affiliation.

Other.—There is an immediate need to clarify what uses are permitted of the videotapes of the Senate proceedings, specifically by: Senators, Party Conferences, incumbent and non-incumbent candidates for the Senate, independent expenditure organizations, and the TV networks.

Request that the Rules Committee gather the information necessary to allow us to examine the possibility of having closed captioning for the deaf.

From Senators Ford, Bentsen, Pryor, DeConcini, Gore (Combined letter):

Graphics.—Stop displaying "Time Remaining on Vote". Rules Committee should draft standard graphics language to describe legislation, amendments, motions and votes. Consider the desirability of displaying a breakdown of vote totals by party affiliation.

Audio.—Provide a "necklace" for the female members so that they do not have to hold the mike in their hands. Purchase a new audio system for the Senate floor. Shut off audio coverage during roll call votes. Install an audio link between the Parliamentarian and the Presiding Officer. Install an audio link between the Parliamentarian and the camera operators. Caution Senators that background conversations often are picked up by an open microphone.

Decorum.—Prohibit the display by Senators of commercial products on the floor. Ask the President pro tempore to establish new guidelines of decorum for occupants of the Chair. Guidelines for staff conduct on the floor should be strictly enforced.

Quorum Calls.—Majority Leader should encourage Senators to come to the floor and speak as if in Morning Business when a quorum call of long duration is expected. Extended quorum calls will remain the most difficult problem with which the Senate must deal as it adjusts to TV coverage. The Leadership should engage in early discussions of TV coverage with representatives of C-SPAN, and the subject of quorum calls be addressed. The music is entirely too loud. It should be continued, although at a lower volume.

Paint the walls of the Chamber.

Encourage all Senators to remain standing at their desks while speaking.

From Senator Stevens and Senator Ford:

Resolve the question of whom the cameras should follow in a situation where one Senator has the floor and another Senator asks him or her to yield or answer a question, nor does it indicate whom the cameras should follow when several Senators are seeking recognition.

Supplementary guidelines should be developed to guide the camera operators. Idea of setting up an audio link between the Parliamentarian and the director of the camera operators should be investigated.

The Rules Committee staff has developed captions to be used during TV coverage of the Senate. Rather than just announcing the final result of a particular roll call vote, the TV crew might provide a running summary of the vote similar to the one provided during TV coverage of the House. Senator Stevens believes that the majority and minority managers of the bill before the Senate should be identified in addition to the two Leaders.

All Senators be encouraged to remain standing at their desks while speaking; a roaming speaker will draw attention to empty seats in his or her vicinity.

Recommend that a request be made to the President pro Tempore to set guidelines of decorum for the occupant of the Chair. Issues to be addressed should include use of the telephone, reading, writing, and communicating with the Parliamentarian. The Parliamentarian should communicate with the Presiding Officer electronically through an audio link.

Consideration should be given to beginning every day with Pending Business, rather than with "Special Orders." "Special Orders" could begin at noon each day, or at 1 p.m. when the Senate convenes at noon. This would convey a more positive image of the Senate to the viewing public. Such Orders should not be scheduled late in the day so as to lead to their proliferation.

From Senator Kassebaum:

Microphones.—Small clip on mikes are easier to use and produce better sound than those mikes now being used.

Small wireless mikes in the portable lecterns used by some Senators when they speak from their desk have a wider range and would be able to pick up statements even when Senators walk around.

Audio Controls.—Audio to the Chamber's public address system and the audio being fed to the TV audience should be separated. That would enable an audio engineer to filter out unwanted noise and boost the quality of TV sound where necessary.

Background.—Make people more aware of their conduct in the Chamber.

Portable Lecterns.—The camera angles tend to be quite severe. Portable lecterns help to reduce that angle.

Presiding Officer.—Some type of warning light has been suggested to let the Presiding Officer know he or she is on TV. The danger of this lies in the Presiding Officer jumping to attention like a person being awakened by an alarm clock. Perhaps the director can hit the warning light ten seconds before the Presiding Officer is about to go on the air.

From Senator Wilson:

Limit the number of staff in the Chamber.

The Rules Committee should exercise authority over admission to the Floor by permitting staff on the Floor only when accompanying a Senator.

Remove the couches from the rear of the Chamber.

Abolish the use of charts in the Chamber.

Schedule Special Orders and the end of the day.

From Senator Harkin and Senator Dole:

Suggested the advisability of doing captioning for the hearing impaired.

From Senator Rudman and Senator Heflin:

Does section 6 of Senate Resolution 28, prohibit Senators from using tape duplications of such coverage outside the Senate? Concerned that the plain meaning of S. Res. 28 would seem to prohibit any outside use of video tapes of floor proceedings and that such tapes are being used in violation of the resolution.

From Senator Weicker:

Recommends that the Committee prohibit the use of all charts, graphs or other visual aids on the Senate floor. The Committee, in conjunction with the joint Senate leadership should make all necessary charts or graphs available on every Senator's desk, much the way bills and committee reports are made available, prior to consideration of a measure. The burden of providing each cloakroom with a particular graph or chart would fall on the Senator who wishes to refer to it during the course of a debate.

From Senator Levin:

If the use of tape duplications is going to be allowed it is important to place restrictions on their use which will prevent abuse. An important precedent applies in the case of franked mail (Section 3210 (f) of Title 39 of the USC). The same restriction should apply to the use of tape duplications of floor proceedings. Senators should not be able to use personal or campaign funds to pay the cost of preparing or sending videotapes by satellite. Only official funds should be used. This would also prevent the development of two classes of Senators—those who have access to personal or campaign funds to supplement their official allowances, and those who do not.

From Senator Proxmire:

Gavel-to-gavel coverage is unnecessary. If coverage was limited to major bills the American people could see that Senate at work while having the boredom factor lowered by a factor of 10.

Visual aids should be permitted. What constitutes an "acceptable" visual aid should be left to the discretion of each Senator. If that approach is not acceptable, then a prohibition of these aids would be preferable to the maze of bureaucratic rules which would surely be circumvented.

To help resolve the issue of political use of tapes of Senate television simply prohibit the use of broadcasts, except by accredited news organizations, of a Senator speaking unless the Senator in question had given his or her express permission. Then, if a tape were misused for political purposes, it would be clear who was responsible.

One way to improve the quality of live in the Senate would be to turn off the cameras

after 7 PM. This would be a powerful incentive to use time wisely during the day.

From the Honorable Jo-Anne L. Coe, Secretary of the Senate:

It is the National Archives' practice to maintain 1" broadcast tape as the permanent "archive-quality" master recording and to use a ¾" tape as a reference copy. In addition to a 1" master video tape, the National Archives would like the Senate to provide the ¾" tape on the assumption that making a second copy at the time of broadcast would save the government a substantial amount of money.

The Archives does not require a separate audio tape.

Coe memo to Dole re memo from Senators Stevens and Ford:

Reservations about having an audio link between the Parliamentarian and the camera crew and between the Parliamentarian and the Presiding Officer. Have the cameras shoot only the head and shoulders of the Presiding Officer and not include the Parliamentarian and the Clerks in the TV picture.

Opposed to including a display of a running summary of roll call votes. This is one step closer to electronic voting.

Agrees that all Senators be encouraged to remain standing at their own desks while speaking and encouraged to remain as stationery as possible while speaking. Also supports the recommendation that the President pro Tempore be asked to establish guidelines of decorum for the Presiding Officer, including possibly the elimination of the telephone from the Chair.

From The Honorable Ernest E. Garcia, Sergeant at Arms:

Cameras.—During active debate on the floor six cameras are inadequate to cover all 104 vital positions. In order to avoid missed shots, or shots of Senators with the extreme profiles, eight cameras are necessary.

Camera Capability.—It is my understanding that a camera will be available later this summer that can be chip charted and registered from the control room (remote CCUs).

Camera Location.—Severe angles on the Majority and Minority Leaders can be corrected by lowering the cameras located in the press gallery.

The cameras could either be placed on platforms hanging over the railing beneath the press gallery, or on pedestals on the floor of the Senate, or behind slots in the wall; or one camera could be placed behind the curtain behind the presiding officer.

The area in the gallery in which the cameras are located should be secured from visitors in order to reduce the likelihood of picture interference.

Camera Heads.—Shot boxes should have the ability to preset at least 100 shots and contain joy sticks instead of knobs. Also, digital pads should be large enough to be easily read and touched.

Camera Operations.—Every camera should have an operator.

Senate Chamber.—Recommended that the walls around the chamber be painted a light blue or buff and that the curtain behind the presiding officer be changed to a more elegant fabric. A new carpet should be installed.

Switcher.—A new switcher would have to meet the needs of the Senate and be able to accommodate eight cameras, provide two mix and effects banks, furnish a clean feed to the networks, and have the ability to easily split screens.

Video Tape Machines.—There should be three one inch video tape machines and three VHS recorders/players.

Character Generator.—The RGU2 Chyron now being used is adequate and should be continued. There should be a backup character generator to identify the members in the event the Chyron were to fail.

A separate audio system exclusively for television is necessary.

In order to accommodate the requirements of the Library of Congress and the Archives, three reel of reel recorder/players, having the capability to record sessions at very slow speeds should be purchased for the new control room.

Some modifications in the design of the control room would make the operation more efficient.

Recommends that the Recording Studio be authorized to produce ½-inch tape copies for the Archives and Library of Congress at a cost of approximately $140 a day. As an alternative, the Senate would provide the Archives with a one-inch video tape copy and the Library of Congress with an audio tape copy—at a cost of approximately $580 a day. Recommends that transfer of the tapes occur 30 days after production.

CURRENT STATUS OF RULE FOR ADMISSION OF STAFF TO THE FLOOR

Each Senator and Committee Chairman has submitted to the Sergeant at Arms a list of staff who can apply for a floor pass. The only requirement, according to Rule XXIII, is that the staff listed be on the Senate payroll. Thus, the number of staff on each Senator's or Committee's list varies greatly. Admission to the Senate Floor is allowed as follows:

Committees—4 cards to each Committee having jurisdiction of pending legislation.

Committees—2 cards to each Committee with a 15 minute limitation.

Staff of Senators and Vice President—2 cards for each Senator and Vice President (1 for Senate Chamber and 1 for Senate Lobby).

An exception is made if an individual Senator requests unanimous consent to allow additional staff on the floor.

Admittance to the floor without a pass has been granted as follows:

	Staff
Leadership offices:	
Vice President	3
President pro tempore	5
Majority leader	9
Assistant majority leader	12
Minority leader	1
Minority whip	5
Secretary of the Senate	30
Sergeant at Arms	13
Democratic policy	22
Republican conference	3
Republican policy	9
Legal counsel	8
Legislative counsel	4
Office of classified security information	1
Committees:	
Appropriations	84
Agriculture, Nutrition, and Forestry	1
Armed Services	3
Budget	7
Commerce, Science, and Transportation	4
Energy and Natural Resources	3
Environment and Public Works	4
Finance	4
Foreign Relations	4
Joint Committee on Taxation	2
Judiciary	4
Veterans' Affairs	2
Total	247

From Robert Vastine, Staff Director, Republican Conference:

A quick route to some minimum protection for incumbents against "unscrupulous" challengers would simply be to pass a Senate Resolution, or an amendment to S. Res. 28, which would provide for disciplinary action against a newly seated Senator who has made political use of videotapes against an incumbent. The challenger would enter the Senate under a cloud.

It would do nothing to prevent the independent political action committees from making use of the tapes as they are not inhibited by any provision of a Senate rule.

From Phil Jones, Chairman, Executive Committee, Radio-TV Correspondents' Galleries:

Take shot of a Senator who is being addressed by another colleague.

Provide reaction shots of members who may be listening intently to a speaker, or other reaction shots that add to the drama and flavor of the debate.

Helpful if more medium and wide angle shots were taken during the debates.

Address complaints about floor sound quality.

Do something about wall colors and carpet.

Staff should be aware that they are often seen on camera and should not talk and fool around.

Whatever you do, don't start limiting the shots or trying to control what the viewer sees.

It would be most helpful if the broadcast news industry could be provided a clean feed without the character generated captions or crawls. This would enhance the quality of the excerpts that are to be used in TV news stories and could be provided without interfering with the information that would continue to be seen on the closed circuit system.

From Adoreen M. McCormick, Legislative Liaison Officer, Library of Congress:

PROPOSED METHODS FOR TRANSFER OF SENATE VIDEO RECORDINGS

1. Original recordings made avaiable to the Library of Congress on 1" type "C" videotape 90 days after the initial recording, in batches of two months of recordings.

The Senate Recording Studio will provide service to the public for the initial 60 days. If they follow HOR hoperating procedures, they will cease service at that time. An additional 30 days will enable personnel to prepare for the transfer. Every 90 days, the Library will pick up 60 days of recordings in progression.

2. The Senate Recording Studio will notify the M/B/RS Divison of the count of tapes delivered every six months and the Division will purchase replacement tapes for the Senate Recording Studio using the American Television and Radio Archives funds appropriated for this purpose.

3. The Library may make the recordings available for scholarly use at viewing stations on the Library premises as soon as the processing of the videotapes is completed by the Division. The Division will make reference copies for such scholarly uses.

4. The Library will make duplicates of videotapes available to the public using the pricing structure established by the Senate Recording Studio, requiring those who order copies to sign the order form listing restrictions to the use of such duplicates, including a statement explaining that the video copy is not the official record of the

Senate, but is the record of words spoken on the floor of the Senate.

5. The Library will not use the original tapes given by the Senate for reference purposes, but will make duplicate copies for that purpose. The originals will be considered master copies and will be preserved for posterity using technology appropriate at the time of need.

6. Loan of original tapes back to the Senate Recording Studio will be made only after the Library makes a copy for safekeeping.

Mr. MATHIAS. Mr. President, these comments were summarized into major categories. I will report on action taken by the committee on each category.

An original resolution (S. Res. 447) was reported on July 16, 1986.

The first action was taken on July 16 and concerned the use of copies of video tapes. The committee voted to amend section 6 of Senate Resolution 28 to return it to the original language adopted by the committee on November 19, 1985, and to make the change effective June 1, 1986. The wording in section 6 had been changed by the final amendment of February 27, 1986.

I will read section 6 as it now stands in Senate Resolution 28 and then the wording the committee recommends, and as contained in Senate Resolution 447, which has been reported by the Rules Committee and is now pending in the Senate for action after the vote on Senate Resolution 28:

SEC. 6. As Agreed to (February 27, 1986): The use of tape duplications of radio coverage of the proceedings of the Senate for political purposes is strictly prohibited; and any such tape duplication furnished to any person shall be made on the condition that it not be used for political purposes. The use of tape duplications of television coverage for any purpose outside the Senate is strictly prohibited until the Senate provides otherwise.

SEC. 6. As Reported (November 19, 1985): The use of tape duplications of broadcast coverage of the proceedings of the Senate for political or commercial purposes is strictly prohibited; and any such tape duplication furnished to any person shall be made on the condition that it not be used for political or commercial purposes.

Again, this latter version is contained in Senate Resolution 447, whose approval will restore the original language.

□ 1110

Major items on which the committee acted on July 25:

First. Equipment—cameras and sound system—and a permanent control room:

The Architect of the Capitol was authorized to install a new sound system, to move the TV control room to a permanent location, and arrange it for eight cameras but buy only one additional camera at this time. This will keep the costs within the $3,500,000 originally authorized in Senate Resolution 28. While the committee agreed with recommendations from both the Sergeant at Arms and the Architect of the Capitol that eight cameras are desirable, the committee did not wish to exceed the budget at this time. The committee compromised on seven cameras because it was felt that to continue operating with only six cameras jeopardized the capability to produce an adequate picture during times of possible camera failure.

Second. The committee approved procedures for the preparation and archival storage of tape copies of the proceedings and limits which may be placed on their use. These procedures must be approved by the Senate. An amendment to Senate Resolution 447 which was filed on July 28 will accomplish that purpose.

Mr. President, I will summarize those procedures and ask unanimous consent that they be printed in their entirety in the RECORD.

There being no objection, the material ordered to be printed in the RECORD, as follows:

PROCEDURES FOR VIDEO AND AUDIO TAPE COPY AND ARCHIVAL STORAGE

The Senate Recording Studio may make video and audio copies for Senators and the Senate Radio and Television Correspondents Gallery, and such other news gathering, educational, or information distributing entities as may be authorized by the Committee on Rules and Administration to receive such broadcasts.

Members of the galleries may make recordings at the actual time of occurrence.

After a 30-day holding period in the Senate:

Records (archival quality tape containing sound and video) will be transferred to the Library of Congress and the National Archives.

Records will remain the property of the Senate, permanently.

Records will be made available for public viewing under normal Library of Congress and the National Archives practices.

Copies of audio and video tape may be made for the general public, researchers, and other users under the following conditions:

The Library of Congress and the National Archives may charge a fee that recovers the cost of copying.

Persons obtaining copies must sign a waiver that states: "The video recordings of the United States Senate that are deposited in the (National Archives and Records Administration or Library of Congress) were made to facilitate broadcast media coverage of Congressional proceedings and serve as historical records for research purposes. Any reproduction that may be made from the sound or picture or both shall not be used or made available for use as partisan political campaign material to promote or oppose the candidacy of any person for elective public office. In addition, reproductions may not be broadcast with commercial sponsorship except as part of bona fide news programs and public affairs documentary programs. No reproductions shall be used in any commercial advertisement.

"The signature below indicates that I have been informed about the above restrictions and that I (and the organization that I represent) will comply with them."

Signature.....
Organization.....
Date.....

Mr. MATHIAS. The recording studio is authorized to make copies for the media. Members of the radio-TV gallery may make copies as the proceedings occur. After 30 days the Secretary of the Senate will transfer tapes to the Library of Congress and the National Archives. Both the Library and the Archives may provide tape copies, upon request, and can charge for their cost. Persons receiving copies will be required to sign a waiver stating that they will not use the tapes for political or commercial purposes.

Third. The committee dealt with the use of display materials on the Senate floor by issuing a regulation under the authority of Standing Rule XXXIII. That provides for some control of graphics that are used by Senators during the course of debate.

Mr. President, I will summarize that regulation and ask unanimous consent that it be printed in its entirety in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REGULATION ISSUED BY THE COMMITTEE ON RULES AND ADMINISTRATION UNDER AUTHORITY OF STANDING RULE XXXIII, JULY 25, 1986

THE USE OF DISPLAY MATERIALS IN THE SENATE CHAMBER

Graphic displays in the Senate Chamber are limited to the following:

Charts, photographs, or renderings:

Size—No larger than 24 inches wide by 30 inches high.

Where—On an easel stand at the rear of Chamber.

When—Only at the time the Senator is engaged in debate.

Number—No more than two may be displayed at a time.

Mr. MATHIAS. The regulation limits displays to charts, photographs, or renderings no larger than 24 inches high by 30 inches wide. They must be on easels at the rear of the Chamber. A Senator may display no more than two such graphics while he or she is actually engaged in debate.

Fourth. The committee disposed of the other major categories as follows:

OPERATOR PROCEDURES

The committee staff will draft general directions for the guidance of operators of television cameras.

DECORUM

The comments relating to presiding officers will be referred to the President pro tempore with a request for his comments. A signal light will be installed at the desk so that the presiding officer will be aware that the camera is about to be focused on the chair.

A letter will be sent to the Sergeant at Arms requesting his suggestions for maintaining decorum of members of the staff who may be present on the floor.

FLOOR PROCEDURES

The comments relating to floor procedures and special orders will be referred to the Majority Leader for his information.

GRAPHICS

The Rules Committee staff will review the wording of banners to insure precision of definitions. The Rules Committee staff is surveying systems for captioning for the hearing impaired and will report findings to the committee when they are complete.

AUDIO

The improved audio facilities were under consideration by the Architect and they are included in the Architect's plans for permanent facilities as approved by the committee.

FACILITIES

The other facilities that are required for broadcasting are also included in the Architect's plan and have been considered and approved by the committee.

Mr. President, that brings us up to the present time.

I reserve the remainder of my time and yield to the distinguished Senator from Kentucky, the ranking minority member of the Rules Committee.

The PRESIDING OFFICER. The distinguished Senator from Kentucky is recognized.

Mr. FORD. Mr. President, I thank the Chair, and I thank my distinguished friend and chairman of the Rules Committee and, Mr. President, I compliment Senator MATHIAS for his description of the facts leading up to this point today in our consideration of TV in the Senate.

Not only has he given a vivid description of the facts, but his patience and leadership I think have played a vital part in our arriving at this point today.

Mr. President, I am very pleased to join with my friend, the distinguished chairman of the Rules Committee, in urging our colleagues to approve the permanent continuation of television coverage of Senate floor proceedings. Like life itself, television broadcast coverage of Senate proceedings is not perfect, but during the recent test period it has clearly proven itself a worthy method of enlarging the public viewing audience of Senate action.

On April 8, 1981, when the Rules Committee first began serious consideration of the proposal to televise Senate proceedings, I said:

> The principal present consideration, it seems to me, is whether this vast increase in the public gallery audience to the debates in the Senate chamber can be made without harmful impact on the important work that goes on there. Because we all recognize the great value of a fully informed public, the decision to make the Senate's proceedings accessible to the the television viewing public should be affirmative unless the evidence is clear that either financial costs exceed potential benefits, or that the deliberations of the Senate will be materially harmed by such televising.

The test period results, I feel sincerely, have demonstrated that we can televise our proceedings without material harm. I am also pleased to report to the Senate that the Rules Committee has managed, in my opinion, to develop and approve a budget for the continuation of television and radio coverage on a permanent basis which is less than previously estimated and that is within the amount approved in Senate Resolution 28.

There are some troublesome questions incident to TV in the Senate for which totally satisfactory answers are still not in hand. I am confident, however, that with time and experience, we will find those answers, and the step we now take will become more and more a useful and constructive extension of democracy in action for the American people.

There will probably be problems along the way. Progress is never easy. Nor is it always universally acknowledged to be good. I predict, however, that TV in the Senate, this marvelous extension of the Senate Gallery, will prove to have lasting usefulness to our people, and, on balance, to be beneficial to the function and durability of our form or government.

That durability of our form of Government, Mr. President, I think is extremely important. The more the general public understands and deliberations of this body the more they will come to support, I think, the efforts that are being made here and the more input they will have as it relates to the decisions that we make.

So, Mr. President, I am very pleased to stand here today and to have been a part of the proceedings that bring us to the point of making television permanent in the U.S. Senate.

Mr. President, I yield the floor.

□ 1120

Mr. MATHIAS. Mr. President, the Senator from Kentucky is very modest in saying he was a part. He was an extremely important part of bringing broadcast coverage to the Senate floor. His thinking on this subject was critical. He moved with the times. We at one time thought we might be limited in our coverage to Radio FORD.

Because at the time when it seemed like a hopeless dream to get television coverage, the Senator from Kentucky had proposed that at least we go to radio coverage and see how we liked the electronic age in that manifestation. But, with his help and guidance, we were able to provide for full electronic coverage. And that is and has been an extremely important factor in reaching this point.

I would agree with him it has been a satisfactory test, satisfactory from the point of view of the American public, because we have had reactions from all over the country, from all parts of America, people who have visited the Senate in a very real way sitting in their living rooms, looking at their televisions, understanding how the Senate works, getting some sense of what kind of people Senators are and thereby engaging in a realistic way with their Government. And that is an important and essential feature of democracy.

I do not believe that very many Senators now would want to turn off the lights. Perhaps it is useful for us to say at this point just a few words about what we may expect in the next few hours.

Under the provisions of Senate Resolution 28, we do not have very many options. We are precluded from amendments, so this debate, although we have provided 12 hours for it, is a rather simple debate; 12 hours of debate on the subject, equally divided, and then the question is whether we shall continue this coverage and the rules changes.

The resolution does not provide for amendments, so it is an up or down question. But there are, as we all know, some changes that should be made. And at some point after the action on Senate Resolution 28, we will then move to Senate Resolution 447, which makes some alterations which we believe to be desirable. That resolution would in fact be open to amendment, and that is the point at which Senators who wish to offer amendments may do so.

But the important thing is to get the vote on Senate Resolution 28 as quickly as possible. I hope we would not need to consume the whole of the 12 hours, but we will have to wait and see about that. We will be guided by the wishes of the majority leader and minority leader and other Members of the Senate.

But at this point, I think we would invite other Senators to comment on Senate Resolution 28 and on the experiences they have observed on the actual coverage of the Senate up to this point.

Mr. FORD. Mr. President, let me just compliment my colleague for explaining the parliamentary procedure as it relates to the position we are in. We have one question to answer today, and that question is: Will we continue to have television in the Senate? The answer will be a yes or no, without any amendments before that vote. We also then have a procedure in the Senate which says that we can amend. That will come after we have made the decision whether we will have TV permanently in the Senate or not.

So, I hope that our colleagues that have something to say about TV in the Senate will come forward and make

their statements and, hopefully, Mr. President, before too much longer, say 5 or 6 o'clock, that we could have the final vote on Senate Resolution 28. I would be hopeful that that would come very quickly and would be overwhelming in its support.

Mr. President, I will suggest the absence of a quorum and I ask unanimous consent that the time consumed by the quorum be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will now call the roll.

The legislative clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is to ordered.

Mr. MATHIAS. Mr. President, I ask unanimous consent that during the recess of the Senate today between the hours of 12 noon and 2 p.m. that 2 hours be considered as having been consumed with respect to the time limitation on the question pursuant to section 15 of Senate Resolution 28, the television in the Senate resolution.

The PRESIDING OFFICER. Is there objection?

Mr. FORD. Mr. President, reserving the right to object, and I will not object, we have cleared this unanimous consent on our side. There are no objections and so, therefore, I will support the Senator's request.

The PRESIDING OFFICER. Hearing no objection, it is so ordered.

Mr. MATHIAS. Mr. President, I suggest the absence of a quorum and ask that the time be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1130

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Maryland.

Mr. MATHIAS. Mr. President, I ask unanimous consent that I may proceed as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEATH OF W. AVERELL HARRIMAN

Mr. MATHIAS. Mr. President, when the news of the death of Averell Harriman was broadcast on Saturday my first impulse was to think that a remarkable life is over, a great career is ended. But after a moment I reflected that it was not quite so because so much of Averell Harriman's work will live on for many years.

In the first place, he provided an example for several generations of Americans; an example of what public service can mean. He undertook public service because he felt it was the thing that he should do. He was not required to do it. He was not under any obligation or necessity to do it. But he did it and he did it superbly. He set for all of us a standard for public service; public service that he carried on far beyond the normal years in which people seek relief from public responsibility. He did it with grace, and with dignity, and I am sure with a certain degree of pleasure and satisfaction to himself.

I recall on one occasion when he went to West Point to receive the Sylvanus Thayer Award. He was required to go through a number of complicated evolutions during the drill, and after it was over, I asked him how he knew what to do. He said at his age he simply had to conclude that what he did was the right thing.

With Averell Harriman, what he did usually was the right thing, and that has made him a remarkable American and much admired by his fellow countrymen.

In the area of foreign policy, he has made unusual and distinguished contributions. He was what I might call a pragmatic idealist or perhaps an idealistic pragmatist.

□ 1140

He had no illusions about foreign policy questions because he was very clear-sighted. He felt it was important that the United States have the best possible relationship with the Soviet Union, but he was under no illusions about the difficulty of achieving a satisfactory relationship with the Soviet Union or about the problems that would be created by the Soviet Union itself in working toward a better relationship.

But he hung onto the job. He maintained an open line of communications with people in the Soviet Union as well as with the Soviet leadership. He was viewed there as an open-minded and fair observer and, therefore, he was treated with rare courtesy and great respect whenever he visited the Soviet Union.

But he could be tough. I remember on one occasion in a meeting at which I was privileged to be present he was talking with the leader of an African republic about the standards of conduct that the United States expected for the protection of human life and respect for human dignity. It was as tough and direct and forceful a statement as I have ever heard—face to face, eyeball to eyeball, conveying a message that was understandable and understood.

In a very real way, Averell Harriman's influence and work in foreign policy will be carried on, particularly through the Harriman Institute which he founded and generously endowed. I am sure that the work of the institute will perpetuate many of the themes in which he was interested in his life and maintain many of the fields in which he was particularly active.

In domestic politics, Averell Harriman had a strong sense of public responsibility and compassion. He was deeply troubled by what he considered to be the insensitivity of Government to human problems, and some of his most fundamental decisions with respect to political issues and his own participation in political life stemmed from this personal perception of what a government owed to its own people in terms of care and concern.

He was a great friend. He never was too busy to talk, to listen to a problem, or to give the advice that he drew out of his long experience. He was a generous host. There gathered around his table some of the most interesting people of his generations—not a single generation but the several generations with whom he had shared most of the century. For himself, he had a wide circle of acquaintances, all of whom will miss his presence and his influence and his friendship.

He was interested in art, and he had an intimate knowledge of art. He had a superb collection and he enjoyed living with pictures. It was not a collection assembled on the recommendations of others; it was a collection of pictures that he liked and which he knew and appreciated. It was a collection that reflected his interests and his taste and his knowledge. It was a remarkable kind of mirror of himself and one that helped to illuminate the extraordinary person that he was.

His interest in art was something entirely personal and yet will continue to be reflected in the pictures which he collected. It is an impression that will last for years to come.

Mrs. Mathias joins with me in expressing to Mrs. Harriman our sympathy on the death of Averell Harriman, but also in expressing our great appreciation for the privilege of having been his friends.

Mr. President, I yield the floor.

THE DEATH OF W. AVERELL HARRIMAN

Mr. FORD. Mr. President, it is difficult to be as eloquent as my good friend from Maryland has been about his knowledge and association of years with our departed friend. Averell Harriman's life was a constant reflection, in my opinion, of the best in what a dedicated public servant can give to his country. Blessed with a long life, he remained active almost up to his

last breath searching for new answers and new policies. I refer to him as a big D and a little d Democrat.

I had not had the opportunity to know Averell Harriman, except by reputation. I was somewhat concerned about my first visit with him. He made me feel at ease. We chatted about many things. I felt fortunate to have the opportunity to listen to what he had learned and what he thought was in the best interest of this country and his ability to express that in terms all could understand. As my distinguished friend has said, during his life when he used diplomacy, it came in various forms, whether it was gentle persuasion or a stern discussion.

I am proud to say that Mr. Harriman was virtually Mr. Democrat to many of his countrymen. A man of brilliance, a man of culture and dignity. He served with humility, with persistence, with compassion, and, above all, with grace.

His friends were many and, like myself, I am sure all join in expressing our sorrow at his passing and our sincere sympathy to his family.

RECESS UNTIL 2 P.M.

Mr. FORD. Mr. President, I ask unanimous consent that the Senate now recess until the hour of 2 p.m., and that the time for the recess be equally divided and charged against the 12 hours under Senate Resolution 28.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Thereupon, the Senate, at 11:49 a.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. MATTINGLY).

□ 1400

RADIO AND TELEVISION COVERAGE OF SENATE PROCEEDINGS

Mr. FORD. Mr. President, now that the Republican conference is over, the managers of the bill are very hopeful that those who would have remarks as it relates to TV in the Senate would come to the Chamber and do that, particularly between the hours of 2 and 4 o'clock. I do not see anybody here who would like to make a speech. I waxed eloquent before lunch, and I am sure that you would not want to hear the same speech twice.

So I encourage my colleagues now to come to the Senate floor and make their statements on how great television in the Senate will be and how well it has done and then we can vote an overwhelming majority later on today and proceed with TV in the Senate, of which I am very much in support.

Mr. President, seeing no one present, I ask unanimous consent that both sides be charged equally, and I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the clerk dispense with further reading of the roll.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Parliamentary inquiry, Mr. President. Am I correct in assuming that there is assigned time on each side at this point?

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. How much time do we have on our side?

The PRESIDING OFFICER. Four hours and 10 minutes.

Mr. DOMENICI. I ask unanimous consent that I be permitted to use 15 minutes of the time allotted for matters not pertaining to the matter before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

RELEASE OF FATHER JENCO IN EASTERN LEBANON

Mr. DOMENICI. Mr. President, the parishioners of Our Lady of Belen Catholic Church in Belen, NM, have a very special connection to this past weekend's release of Father Jenco in eastern Lebanon. These parishioners have prayed hard for their former—1979-81—parish priest, Rev. Lawrence Jenco who was captured in Beirut by Shiite Moslems and held prisoner for exactly 563 days.

The great joy and new hope for the release of the remaining captives is shared by all those around the world who believe in the power of prayer and positive action. Father Jenco's release is the answer to these prayers. The wonderful parishioners in Belen, NM, never gave up, even when they heard the official policy pronouncements that the administration would not negotiate with terrorists. The hope for release has seemed virtually hopeless as no earthly avenue seemed to be open for his release by terrorists who were demanding the release of 17 of their own kind from prison in Kuwait.

In Belen, NM, parishioners formed a Free the Captives Committee to keep world attention focused on the fate of the captive Americans, especially their former parish priest, Father Jenco. I met with one of Father Jenco's sisters, Mihelich Franceschini. She had been in Albuquerque for a music and prayer festival honoring the captives and multiplying the prayers for their release. She saw, firsthand, the effects of the powerful prayer effort from nearby Belen. She told me about the great impression this special New Mexico effort made on her. Our meeting gave me a special quiet kind of hope for a release that seemed impossible, given the tough demands and record of previous killings by the Shiite Moslem kidnapers.

I joined the many prayers emanating from the focal point in Belen, NM. It is my true belief that the selection of Father Jenco as the prisoner to be released was directly affected by the sincere and constant vigil held on his behalf in Belen and in churches and homes throughout America and the believing world.

We are now receiving conflicting signals from the Moslem captors. Some believe that the release of Father Jenco is an important gesture of the Lebanese people's "great desire for healing and to see peace" between warring Christian and Moslem groups. On the other hand, the tape of hostage David Jacobsen conveys the message from the captors that Father Jenco's release was a final "goodwill gesture," and the lives of the remaining hostages would be at risk if Islamic Jihad's—holy war—conditions were not met.

Today, I ask my colleagues to join the many prayer groups worldwide asking for the release of all the hostages. In Father Jenco's words, "Don't forget—there are three more to come." Today is a day of great joy and gratitude for the first release. May we turn this joy into a renewed prayer effort targeted at the healing of the deep and ancient wounds in the fractured Middle East. I also thank the beautiful parishioners at Our Lady of Belen Catholic Church for their fine example, and I ask them to continue their special efforts on behalf of peace and healing in the entire Middle East. We are uplifted by the first success. Careful action, backed by powerful prayer, can bring new hopes and more releases of innocent victims.

□ 1410

MONETARY POLICY

Mr. DOMENICI. Mr. President, I want to talk a little about the Chairman of the Federal Reserve Board and his statements a few days and some statements he made today before committees of Congress.

I want to say right up front that there is probably no one serving the public for whom this Senator from New Mexico has more respect and admiration than Paul Volcker. I think economic historians will put him down in the history books alongside the truly great Americans in terms of exercising discretionary powers in difficult times to solve some of our most difficult economic problems.

However, last week, Chairman Volcker appeared before the Senate

Banking Committee for his semiannual report to Congress, and just today, he testified on the House side. In his testimony, the chairman provided little reason to expect that interest rates would drop significantly or soon.

I fear the distinguished Chairman of the Federal Reserve Board, in that regard, may be on the right track, but inclined to move too slowly. In my judgment, the risks to our own and the world economy are too lightly regarded.

Mr. President, we need lower interest rates in this country and in the rest of the world—not just somewhat lower interest rates but much lower interest rates. Instead, real interest rates—that is, interest rates adjusted for the inflation rate—are higher today in every major industrial country than they were at the time of the G-5 meeting last September. There is a false euphoria around that interest rates have fallen. The simple fact is that over the past 10 months, inflation has fallen much faster in the United States and worldwide than have interest rates. Thus, we still have among the highest real interest rates in any economic period in America's modern industrial era.

In my opinion—and I say this reluctantly because, as I said, I have the highest regard for the Chairman of the Federal Reserve Board and for what he has done—this is unacceptable in a world that is dragging the bottom, in terms of real economic growth. There is no question that our economy and the economies of most of our industrial allies are dragging the bottom. Growth was actually flat or down in most of Europe and Japan in the first quarter. The second quarter appears to be only a little better.

The Commerce Department reported last week that the U.S. economy was up only 1.1 percent in the second quarter. Frankly, this is with very little momentum to take us into the second half of 1986.

Without any disrespect for the Chairman of the Federal Reserve Board, he and his central bank counterparts, in my judgment, are fighting the last war. We have allowed the fight against inflation to go on too long. We need a policy which recognizes that the delicate balance of economic forces in the world is gradually tipping in favor of deflation, not inflation.

There is certainly a tendency to see the recent oil price drop as a short-term event and one whose effects will pass very quickly. This is both wrong and dangerous. The process of adjustment to lower oil prices is just the beginning, and we have a long way to go if OPEC is to take 4 million barrels a day out of non-OPEC world production. This they would have to do in order to cause oil prices to spiral upward, as some fear to be right around the corner. Actually world oil production is higher today than it was a year ago, and consumption has changed very little.

In this long process of adjustment, the recent drop in inflation is not temporary, but one which will be with us for many months, if not years. Indeed, the story is just the reverse of the 1970's. In the 1980's, lower oil prices will lower production costs, and the slow transition of resources out of the energy sector will hold down the overall economy. In this world, inflation could be 2 to 2.5 percent, rather than the 4-percent rate of recent years.

Yes, it is possible that the lower value of the dollar will raise the prices of imports. But, looking at a slow growth world, the consensus seems to point to most foreigners holding down prices and taking the economic losses rather than losing U.S. market share.

Yes, it is possible that the lower dollar will take the lid off of the prices of our own domestically produced goods, but that is hard to imagine in a world in which our own exports will still face intense competition abroad.

Yes, it is possible that higher import prices, or the fear of higher import prices, will get into our wage base. But that is not likely, with better than 7-percent unemployment—and much higher unemployment rates abroad.

Yes, it is true that we have not made as much progress on the deficit as some would like. But the fact is that high real interest rates and low economic growth make it virtually impossible to show dramatic progress on the deficit—or, in these difficult economic times, to get the necessary support to cut the deficit.

The simple fact is that today the world economy is running on empty. The drop in oil prices represents a potential shift of some $300 billion in world trade to nonoil world trade 2 to 3 years into the future.

Yet, slow growth here in the United States and in the other industrial contries make it difficult to see how we get from here to there.

Indeed, slow growth in the industrial countries is not very encouraging for the developing countries who depend on strong export growth.

□ 1420

Whatever the Federal Reserve's concerns, the passage to a better economic future is not through real interest rates or, said another way, we cannot get there with real interest rates as high as they are. It seems to me to be asking more than any economic system can produce.

We can look for inflation in every corner and at every turn. We can always find a "what if." But, in so doing, as I have said, we are "fighting the last war." We are adopting a "Maginot Line" approach to economic policy with outdated tactics and misdirected strategy. We should be concerned, in this very fragile world, with the need to strive for progress and, in, so doing, we must take some chances.

These chances may entail some inflation risk, but so be it.

The preponderance of economic evidence points to the risks of lower, not higher prices and, unfortunately, to lower, not higher, economic growth.

In 1982, we easily recognized the economic dangers because we were in a recession. Today, the dangers are disguised in a veneer of prosperity, and a very thin veneer at that.

The chairman is rightly concerned that other countries change their economic policies before we change ours.

But, it is neither constructive, nor is it realistic to look to our industrial counterparts for economic leadership. We need to take the lead. We must insist that other countries follow. But, we must take the lead in lowering interest rates and lowering them far more aggressively than we have to date.

The world needs lower real interest rates. We must take the risks in establishing this new interest rate environment. Although these risks may appear great to some, they are not truly great considering the alternative.

OIL IMPORT FEE

Now, Mr. President, just as an aside, I would like to take a minute to discuss one possible way to link the need to reduce the budget deficit with our problems in the energy sector.

As I indicated earlier, the current oil contract price is about $12 to $13 per barrel and the spot market price for Brent North Sea crude is less than $9 per barrel.

U.S. oil production will be devastated at such prices. And, it clearly appears to be OPEC's intention to force a substantial amount of non-OPEC oil out of production.

One way to protect our own domestic oil industry and slow the transition to lower oil prices is an oil import fee.

We could raise $7.4 billion in revenues in fiscal year 1987 alone with a $5 per barrel fee and $22.1 billion over 3 years.

If we put on only a $3 per barrel fee, we could raise $4.4 billion in fiscal year 1987 and $13.2 billion over 3 years.

These are substantial amounts of revenue and the burden such a fee might impose on consumers would be offset dramatically by the relief it would provide to the energy sector of the United States.

I have talked about an oil import fee many times in the past. It may be that now is the appropriate time to consider this proposal again in a serious manner.

Mr. President, I yield the floor.

Mr. FORD. Mr. President, I yield 10 minutes to the distinguished Senator from Illinois [Mr. DIXON].

Mr. DIXON. Thank you, Mr. President.

I thank my distinguished colleague from Kentucky.

RECENT ICC DECISION SOUNDS THE DEATH KNELL FOR NS-CONRAIL MERGER

Mr. DIXON. Mr. President, last Thursday the Interstate Commerce Commission, by a 4-to-1 vote, turned down the merger of the Santa Fe Railway Co. and the Southern Pacific Transportation Co. As a result, the Santa Fe will be forced to sell SP, an almost unprecedented action in modern railroad merger history.

I am not here today, however, to discuss the Santa Fe merger. Instead, I would like to comment on what this decision means for the Norfolk Southern's proposal to purchase Conrail.

As you know, in January of this year, the Senate decided in S. 638 to sell the federally owned Conrail to Norfolk Southern. I thought this decision was a mistake at the time and I still believe it is wrong. Rather than selling Conrail to Norfolk Southern and creating the largest railway in the Nation, I believe that Conrail should be sold to the public. A public offering avoids the serious antitrust problems which flow from an NS-Conrail combination, while still providing well over $1 billion—and more likely close to $2 billion—in cash to help meet our Gramm-Rudman-Hollings obligations.

When the sale legislation was before the Senate, I argued, along with many of my colleagues, that a Conrail-Norfolk Southern merger would never pass muster under the antitrust laws. The Department of Transportation, joined by the Department of Justice, has consistently stated that any antitrust concerns could be taken care of. However, one of the main reasons the ICC seems to have denied the Santa Fe-Southern Pacific merger was that they could not find a reasonable and workable package of conditions.

Secretary Dole may now regret offering to send the Norfolk Southern-Conrail transaction to the ICC for its review because the anticompetitive consequences presented by the Santa Fe case are less than half as large as those problems presented by the Norfolk Southern proposal. According to the Department of Justice, the Santa Fe merger presented antitrust problems of approximately 6.2 million tons of freight, or about $240 million in revenues. In comparison, a Conrail-Norfolk Southern merger creates serious antitrust concerns for over 19 million tons of freight, or about $527 million in revenues, over three times as much tonnage and over twice as much revenue as the Santa Fe merger.

Although the ICC's written decision will not be out until fall, two Commissioners, Malcolm M.B. Sterrett and J.J. Simmons, specifically commented on the competition issues. As Simmons reported, "the anticompetitive effects outweigh the public benefits." Given this background, it is simply not reasonable for anyone to further contend that the Interstate Commerce Commission or any other independent antitrust review authority would approve the Conrail-Norfolk Southern merger. If the Santa Fe decision means anything, it means that the ICC would not approve a Conrail-NS combination.

The ICC decision, however, is not the only blow the Norfolk Southern proposal has suffered in recent months, Mr. President. Recent developments involving the Guilford system, which under the NS proposal is to play a key role in addressing antitrust concerns by acquiring significant NS-Conrail mileage, further serve to demonstrate its fundamental flaws.

As I have stated before, Guilford is in a very weak financial situation and could not possibly handle the competition that a Conrail-Norfolk Southern merger would create. Furthermore, statistics show that the railroads that now form Guilford reported a net loss from 1982 to 1984 of nearly $30 million, even after employee wage holdings and Government subsidies. In 1984, the first full year of Guilford's merged operation, its net railway operating income declined, its fixed charge coverage declined, and its operating ratio worsened.

Today, Guilford is in even more serious shape than it was when the Senate evaluated it in January. Its basic financial weakness is no longer the only reason it is hopelessly unsuitable to acquire lines from a combined Conrail-NS, it is also now facing serious labor problems. Recently, the U.S. district court found Guilford in violation of the Railway Labor Act and collective-bargaining agreements. It makes no sense to even consider giving Guilford a key role in any Conrail sale; its labor problems, and the way it has chosen to address those problems, make any Guilford involvement impossible.

The ICC decision and the Guilford labor problems, therefore, sound the death knell for any proposal to sell Conrail to the Norfolk Southern. But even though the Norfolk Southern proposal is dead, Conrail must still be sold and can still be sold. A public offering will still work. Indeed, it offers the only chance to return Conrail to the private sector quickly. I urge my colleagues, therefore, to take another look at the public offering proposal, and then to join me in working to see that we use that means to return Conrail to the private sector this year.

Mr. President, I thank my distinguished friend from Kentucky and yield back the remainder of my time.

□ 1430

Mr. FORD. Mr. President, I yield 10 minutes to the distinguished Senator from California [Mr. CRANSTON].

Mr. CRANSTON. I thank my friend from Kentucky.

PROPOSED SOUTH AFRICA SANCTIONS LEGISLATION

Mr. CRANSTON. Mr. President, I rise to speak on the subject of apartheid and the need for strong sanctions against the Government of South Africa until it ends the abomination of that violent racial discrimination.

Mr. President, the Senate Foreign Relations Committee will begin Thursday the important process of advancing a meaningful South Africa sanctions bill.

I want to pay tribute at the outset of this process to our chairman, DICK LUGAR, who has been responsive to my request that our committee act with dispatch, and who has agreed to move up the markup to this week at my request.

The time has come to call the roll on this issue.

We must vote in the Foreign Relations Committee—as we will this week.

We must vote in the full Senate—and I for one will do all in my power to ensure that the Senate votes on the South Africa issue and sends a bill to the White House before we break for the August recess. In pressing this effort, I will be backed by a strong bipartisan coalition absolutely committed to prompt Senate action against apartheid.

The failure of the President to lead on this issue has left it to Congress to give voice and legislative meaning to Americans' repugnance of apartheid. It is time for us to move beyond the White House policy of do-nothingism and to act in a considered, constructive, and effective manner. I am hopeful that the Foreign Relations Committee can reach a bipartisan agreement on an effective anti-apartheid sanctions measure, one that will merit the support of a substantial, veto-proof majority of the full Senate.

I am proud to be the author of the strongest anti-apartheid measure pending in the Senate, S. 2570, which is identical to the House-passed bill. And I have been pleased to work with Senators KENNEDY and WEICKER and other colleagues on related proposals.

I believe that in confronting an evil as clear as apartheid, no half-way measures will suffice.

American action against apartheid is a strategic imperative—we must let the oppressed black majority who will inevitably come to rule in Pretoria know that America stands with them, that we stand for democracy and against facism, racism, and oppression. The future standing of America

throughout the African continent hangs in the balance. Today the racists in Pretoria are the Communists' best allies—for in the perpetuation of apartheid lies the most certain path to an ultimate takeover of South Africa by forces hostile to the United States.

Of equal importance, American action against apartheid is, I believe, a moral obligation. U.S. Senators have only a limited influence over events in South Africa; the oppressed black majority is virtually powerless as it is beaten, whipped and denied even the most basic and fundamental human rights. We have an obligation to use our limited power as a progressive force, to use our power to make peaceful democratic change possible lest we make violent revolution the only means by which repression can be ended.

Americans, ultimately refused to do business with the Nazi Germany of Adolf Hitler. So, too, must we now declare that we will no longer profit by and conduct commerce with racist South Africa.

I regret that, in my judgment the measure advanced by Chairman LUGAR—while a constructive step forward—will not have sufficient impact on those who monopolize political and economic power in Pretoria. Therefore, at an appropriate point in the committee proceedings, I will call for a vote on my bill, S. 2570—which would establish an embargo on all United States trade with South Africa and provide for an orderly withdrawal of American investments there. I believe this is the most desirable action for the Senate to take and I am prepared to take this issue to the floor.

This bill, the measure that I will offer in the committee, the measure that has passed the House, contains three sanctions effective 6 months after enactment:

First, a total trade embargo on imports from and exports to South Africa, including South African-occupied Namibia.

Second, a total ban on U.S. investment, including bank loans; disinvestment would have to occur within 6 months.

Third, a ban on landing of South African Airways in the United States.

There are virtually no exemptions or loopholes, other than a proviso allowing exports of medicine to South Africa and imports of those strategic minerals which the President certifies are in short supply.

In the event S. 2570 is not adopted by the committee, I am also prepared to advance other proposals for the committee's consideration, based upon the work of the Eminent Person's Group and of the Commonwealth of Nations. Some of these provisions—such as the ban on intelligence cooperation—are even stronger than S. 2570.

These amendments, which have been developed in close consultation with Senators KENNEDY and WEICKER, will be designed to strengthen the markup vehicle before the Foreign Relations Committee, the proposal of Chairman LUGER. I am pleased that the chairman's proposal crosses the legislative Rubicon and finally comes out in favor of—albeit very limited—punitive economic sanctions.

The purpose of the strengthening amendments which I will offer is quite simple: in order to protect America's strategic interests, we must increase the cost of perpetuating apartheid for the white minority regime in Pretoria. As a package, my substitute proposal seeks to accomplish the following:

First. Makes new investment ban total, covering reinvestment and bank loans.

Second. Extends ban on imports from parastatals—steel, some coal—to include ban on imports from sectors of South African economy largely controlled by monopolies—all steel, coal, uranium, agriculture, food, textiles.

Third. Makes ban on computer sales total and requires United States computer companies to disinvest their South African holdings.

Fourth. Limits visas to those Secretary finds necessary to help end apartheid.

Fifth. Bans all banking between United States and South Africa, including freeze on South African individual assets in United States.

Sixth. Bars United States-South Africa military and intelligence cooperation.

Seventh. Cancels tax agreements.

Eighth. Prohibits any military/paramilitary exports or imports.

Ninth. Makes landing rights ban two-way.

Tenth. Prohibits assistance to South African energy companies.

Eleventh. Bars United States Government contracting with, procurement from South Africa and bars United States Government promotion of trade and tourism with South Africa.

Twelfth. Bars all United States petroleum exports to South Africa.

The Cranston substitute would provide for the lifting of all sanctions in the event the South African Government releases Nelson Mandela and all other political prisoners, unbans political organizations and enters into negotiations with truly representative leaders of the black majority.

I look forward to working with Chairman LUGAR in the days and weeks ahead to pass a strong economic sanctions bill and to place our Nation back on the right side of history.

RADIO AND TELEVISION COVERAGE OF SENATE PROCEEDINGS

Mr. FORD. Mr. President, I see no other Senator who wishes to speak. We have had some time that has been available to Senators. They have been able to come to the floor and speak on various and sundry issues. I have absolutely no objection to that.

But I certainly hope that some who are favorably inclined toward TV in the Senate or even those who oppose it would come to the Senate floor and make some kind of a comment.

Mr. MATHIAS. Mr. President, if the Senator from Kentucky would yield, I am wondering if he would reflect the sentiment on his side of the aisle as to any early vote on the subject. If there is no desire to speak, if minds are made up, if speech is unnecessary, we can dispose of this matter.

□ 1440

Mr. FORD. I say to my distinguished colleague that I, for one, am perfectly willing to vote now. But it is not possible for me to give that assurance to the distinguished Senator. We have some Members, I believe on both sides, who have asked that we not have any votes until somewhere after 4 o'clock.

So under those circumstances, we have about 1 hour and 15 minutes before serious consideration can be given to a time certain.

Mr. MATHIAS. I understand the necessities, but I think Members either should speak now——

Mr. FORD. Or forever hold their peace.

Mr. MATHIAS. If not forever hold their peace, at least not to let the time get away from us at this point, and come in at the end of the day, who want to argue about this subject. There is opportunity now to come to the floor. I hope they will do it promptly.

Mr. FORD. Mr. President, I certainly agree with the distinguished Senator from Maryland that time is available. He and I both are here on the floor as managers of the bill. Those who would like to speak, I wish would come on, rather than wait until after 4 o'clock, 5 o'clock, 6 o'clock, and decide they want to make a speech.

I am hopeful that we can hear from our colleagues in the next hour or 1 hour and 15 minutes.

Seeing no one wishing to speak, Mr. President, I suggest the absence of a quorum. Mr. President, I ask unanimous consent that the time be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescined.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I yield from our side 10 minutes to the distinguished Senator form Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. I thank the Chair. I thank my colleague from Kentucky.

Mr. DOLE. Does the Senator want 10 more minutes?

Mr. EXON. No; I think 10 will be quite adequate. But I thank the majority leader for his usual courtesy.

Mr. ARMSTRONG. Before the Senator begins, would he yield to me perhaps 15 or 20 seconds?

Mr. EXON. I am happy to yield to my friend from Colorado.

Mr. ARMSTRONG. I thank my friend for his courtesy.

PERMANENT, GAVEL-TO-GAVEL TELEVISION COVERAGE

Mr. ARMSTRONG. Mr. President, it was Victor Hugo who wrote "There is one thing stronger than all the armies in the world: and that is an idea whose time has come." Very clearly the idea of televising the Senate has come.

Mr. President, today the Senate has the historic opportunity to permanently establish gavel-to-gavel broadcasts of its debates to the American public. I urge my colleagues to vote in favor of broadcast coverage.

This is an important matter for the country and one the Senate has given the utmost care and consideration. Indeed, the cautious, deliberative nature of the Senate has been exhibited to the fullest in the 40 years the Senate has discussed placing television cameras in the galleries. The Senate first allowed cameras in committee hearings in 1948, but despite countless commission recommendations and legislative proposals for fuller coverage, a Senate debate was not broadcast even by radio until the 1977 Panama Canal Treaty debate.

As the years went by however, the body of evidence in favor of televised debate became overwhelming, since State legislatures, national legislatures in other countries, and the House of Representatives all successfully adopted television coverage. In 1982, the Senate by an overwhelming 95 to 1 vote authorized radio and television coverage of Senate proceedings, but legislation to implement the coverage was not approved in subsequent years.

This year the efforts of the past coalesced with renewed interest among Senators, and cameras are now in the galleries and there seems little doubt they are here to stay. Even in this dramatic year, though, the Senate has introduced the cameras in a step-by-step approach that has examined the consequences at every juncture.

In February, the Senate debated for 25 hours over a 9-day period many questions and concerns about the impact of television on the Senate. Many Senators were rightfully concerned about changes to an institution crafted by our Founding Fathers to balance the interests of the small States and minorities against those of the more populous States and majorities. These Senators appreciated the Senate's longer election cycles and rules that allows the body to thoughtfully examine the issues of the day. Also, Senators had healthy concerns about the power of television—a medium that the average child will spend more time watching than will be spent in the classroom.

Concerns were voiced that cameras would compel Senators to talk on every subject endlessly and disrupt Senate operations. Others felt the public might not understand peculiarities of the Senate—long quorum calls, nongermane amendments, filibusters, and the general difficulty of accomplishing business in the Senate.

On the other side, Senators argued the impact of the cameras would be slight or maybe even improve the Senate. Rather than leading to showboating, the cameras would restrain Senators, make speeches more concise, limit sloppy practices, and increase the Nation's understanding of the Senate's business and practices.

The Senate debated these matters at length and proposals were put forth on ways to accommodate the intrusion of the cameras in the Senate's business, by altering Senate rules and limiting televised debates. But, some proposals to change the Senate often went to the heart of the Senate and would have affected exactly those changes some feared from the presence of the cameras. In the end, no one could say exactly what impact the cameras would have on the Senate or what the best remedy would be if there was a problem.

At the same time, I believe the ideas took hold that there was nothing happening in the Senate that the people should not know about—that, in fact, the people have a right to know. The only way people are going to know is by using television, the most up-to-date communications technology and the principal source of news for most people. It was time to take a chance.

Nine amendments were considered and five adopted, and six rollcall votes were taken. Finally, by a vote of 67 to 21, the Senate agreed to permanently establish radio coverage and embark on a series of test periods for television coverage. The first test period broadcast just to Senate offices and began May 1. The second test period inaugurated public broadcasts and began June 2.

During the test periods, Senators have learned much about camera angles, lighting, and background. Adhoc committees of Senators have been formed to gather comments and suggestions on improving the broadcasts. The Rules Committee has reviewed these proposals and adjustments have been made in a variety of ways from a lighter blue curtain behind the Presiding Officer to regulations on the size and number of charts and graphs.

Frankly, though, the cameras have had negligible effect on the operation of the Senate. During the test period, the Senate has worked on measures ranging from Smithsonian laboratories in the Canal Zone to a historic revision of the Tax Code. The fundamental principles that established the Senate have continued to operate and affirmed in a recent report by the Congressional Research Service:

> * * * television coverage has changed the patterns of the Senate floor activity very little. The results of this study show the Senate to be a selectively deliberative body rather than a generally deliberative one. Most of the Senate's floor time was, and continues to be spent, considering only a few measures at great length.

The American public seems to be the greatest beneficiary of Senate television broadcasts. While not all areas of the country yet have the cable hookups to watch Senate debates, coverage will increase through time and all areas benefit from news organizations' greater access to the debates. Where service has been established, positive response have included these respondents to a C-SPAN call-in:

> I hope the Senate * * * keeps the TV coverage, because I'm sure there are a lot of people who think the way I do—they'd like to be able to see and judge for themselves.
>
> I've been dying to watch the Senate—they have more time to deliberate, discuss * * *
>
> I can't describe the sense of pride I felt in an institution that I'd given up on—let me correct that—two institutions I'd given up on: Televison and the U.S. Senate.

The comments from the public are backed by the public opinion polls. A Washington Post/ABC survey found that 41 percent of the people watch "very frequently" or "fairly frequently" the Senate broadcasts, and that 54 percent of those had a favorable impression of the Senate. A more recent Harris Poll found that 75 percent approve of congressional broadcasts.

In urging my colleagues to take this final—almost inevitable at this point—step for full and permanent coverage of televised coverage of the Senate, I quote Senator Howard Baker who urged the Senate in this direction for so many years:

> Ours (the Senate) is intended as a moderating influence on the nation. Ours is a forum in which the rights of minority opinion are accorded greater weight than anywhere else on Earth * * *. If this special character is lost in the public debate of significant issues, the country will be much the poorer for it.

I again thank my friend for yielding.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I thank the Chair very much.

PROFESSOR ANATOLY RABEN, AND A CONGRESSIONAL CALL TO CONSCIENCE VIGIL

Mr. EXON. Mr. President, Jewish emigration from the Soviet Union reached a high in 1979 when 51,320 men, women, and children were allowed to seek new homes overseas. Since that time, however, the number of emigrants has declined dramatically, reaching a low of only 896 in 1984. In 1985, the number was 1,140, a very small number but the first positive trend since 1978.

This behavior by the Soviet authorities is perplexing to Americans and, indeed, people around the world. Equally perplexing is the manner in which the Soviet officials deal with those who request permission to emigrate. A case in point is that of Prof. Anatoly Raben.

Here is a man who has not only served his nation well, and his family, but he served well his nation in time of war and peace. But this man also followed a career in medicine to help his fellow man. Professor Raben was born in 1923 and first experienced the hardship of life under the Soviet system when in 1932, his father was arrested and served 4 years in prison. In 1937, his father was again arrested and then executed.

Shortly afterward, the terror and confusion of the Stalinist period was interrupted by the Second World War and Anatoly Raben found himself in the Soviet Red army. He served 3 months as a private in 1941 before attending medical school. From 1944 to 1945, he was the chief physician of a tank regiment which fought in the Soviet Union, Poland and, eventually, Germany. He was wounded in 1945 and received the order of the red star and eight military medals.

In October 1950, Anatoly was arrested and accused as the "son of an enemy of the people." He was held at several prisons and tortured. After refusing to sign any confession, he spent nearly 4 years in a labor camp for political prisoners. Anatoly's mother, Sophia, was also arrested 2 weeks after Anatoly's arrest and internally exiled for 4 years.

Upon his release, Professor Raben embarked upon a medical career that earnd him great respect for his expertise. He was a highly prolific writer and published about 200 scientific papers and 7 medical books. His youngest daughter, Nina, also followed him into the medical profession.

Then, in 1979, everything changed when Professor Raben applied for permission to emigrate from the Soviet Union. As punishment for seeking to join relatives in the West, this renowned specialist was forced to resign from his positions at the Moscow Cancer Research Institute as well as his numerous editorial posts. Not until 3 years later, in early 1982, did he learn that his application had been refused on the basis that he had "no grounds to apply for an emigration visa."

Mr. President, I find it incomprehensible that a man such as this, one who fought so long and hard for his nation and whose family suffered so horribly under the Stalinist system that even the Soviets have repudiated, should be so sadly mistreated. Yet Professor Raben is one among many hundreds of thousands who have been victimized by Soviet repression.

The Soviet Union wants to rank among the great and respected nations of the world. Membership in this club, however, requires the consent of its members. Yet no nation which values its people could grant the Soviet Union the respect it wants. The Soviets must learn that respect must be earned; it cannot be bullied no matter how many thousands of tanks and missiles are built or millions of innocent people oppressed.

This is the point I wish to emphasize to the Soviet leadership. I ask, what threat can Professor Raben pose to the Soviet Union? If a man who has so nobly served both his nation and fellow man is a threat to a nation, where is the strength of that nation? I urge the Soviet leadership to live up to the international commitment they made under the Helsinki accords and allow Professor Raben, his family, and others who may also desire it, the right to emigrate.

I simply conclude, Mr. President, by saying the case history that I have referred to is not just one individual in the Soviet Union today. It is countless individuals, thousands of individuals that are being treated unfairly by that Government. I think it is particularly important to those of us who have a legitimate concern in this area as all Americans should, and as most Americans do that we speak up from time to time when it is appropriate and at times when it is not appropriate to keep the pressure on the Soviet Union to make changes in their emigration policies.

□ 1450

Mr. DOLE. Mr. President, I understand there are still two or three speakers on the question of TV in the Senate. Senator BYRD will be back about 4 o'clock. He wishes to speak. If there is no further request, I understand we can have a vote on Senate Resolution 28 which would occur before 5 o'clock.

I can also inform my colleagues that Senators DOMENICI and CHILES have been working on a modification of Gramm-Rudman-Hollings. I am uncertain of the status of that, but hopefully there will be some word on that in the next hour or so.

There is a chance we could have completion of Senate Resolution 28 and really go to work on the Gramm-Rudman-Hollings amendment, which I know will please the Senator from Nebraska who is anxiously awaiting the opportunity to call up his amendment.

Mr. EXON. Will the Senator yield for a question?

Mr. DOLE. I am happy to yield.

Mr. EXON. Could the majority leader be any more specific than what he just related with regard to when we might have some kind of an agreement by all of the powers that be? Are they any closer to coming up with the latest unabridged fix, tinkering, with Gramm-Rudman-Hollings, or are they still in the disarray that we heard about yesterday?

Mr. DOLE. I think it is somewhere in there.

Mr. EXON. Would it be fair to say it is in that general area?

Mr. DOLE. I mean somewhere and somewhere.

Mr. EXON. I thank the majority leader for his usual candor. I would only say that we have been marking a lot of time, in the opinion of this Senator needlessly, when we have a lot of work to do. I think possibly that probably is the opinion of the majority leader. But I understand the difficult circumstances that the majority leader finds himself in today and probably could not say any more if he wanted to.

Mr. DOLE. Mr. President, I have indicated that we really need to get moving on the debt limit extension because there are a lot of Senators who have some ideas about additional amendments. Some relate to the debt ceiling and some do not. But if, in fact, amendments are to be offered, we need to bring them up and vote and go on to something else.

I am sympathetic with the Senator from Nebraska, who has been waiting patiently—well, maybe not patiently—since maybe Thursday or Friday.

Mr. EXON. Wednesday, I believe.

Mr. DOLE. Maybe last Wednesday.

Mr. EXON. Right.

Mr. DOLE. I would say in defense of the principal authors that they are, of course, meeting with the Budget chairman and the ranking member of the Budget Committee in the hope that they will support their amendment. As I understand, there are only a couple of little things they need to work out. That may not be magical. There may still be opposition.

Mr. President, I ask unanimous consent that I may proceed with the time to be charged against the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORTEGA AT THE UNITED NATIONS

THE IRONY OF ORTEGA'S PERFORMANCE

Mr. DOLE. Mr. President, Sandinista Leader Daniel Ortega's performance during his current stay in the United States is raising irony to an art form.

After spending the last 3 months cracking down on the church in Nicaragua and forcing some of its most prominent leaders into exile, he went to services last Sunday in New York to show us what a pious fellow he really is. After spending the last 7 years building up his military machine, attacking his democratic neighbors, supporting subversion and sowing unrest in Central America, he took to the podium at the United Nations this morning to accuse us of aggression. And after scuttling the latest and most promising negotiating proposal from the Contadora nations, he blames us for sabotaging a peaceful settlement in Central America.

WE KNOW THE TRUTH

And, you know, when you have the complete freedom to speak, even to speak total bunk, as you do at the United Nations or here in our Democratic system—the freedom which is so totally lacking in Ortega's Nicaragua, I might add—then you can fool some of the people some of the time. And at the United Nations I often have the feeling you might even be able to fool most of the people most of the time. But let Mr. Ortega understand this. He is not fooling the Senate of the United States. And he is not fooling the American people.

We know the root of the problem in Central America. It is growing right there in Managua, where the Sandinistas are hatching their plans for the continued suppression of their own population, the continued intimidation of their neighbors and the continued cozying up to Moscow and Havana.

A FAREWELL MESSAGE FOR ORTEGA

And we know the solution to the problem, too. It is to support the democratic resistance forces who want to take their country back from Kremlin control and Sandinista repression. It is to force the Sandinistas into a negotiated settlement which ends Nicaragua's military alliance with the Soviets and Cubans, reverses its military buildup, stops its attacks on its neighbors and leads to the establishment of a democratic political system.

I presume Mr. Ortega will be packing up soon to return to Managua. In all honesty, I cannot say that I am sorry to see him go. But I do hope that we can soon get to work on the most appropriate farewell message for him that I can think of—a quick, affirmative vote on the assistance package for the Contras.

Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1500

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ARMSTRONG). Without objection, it is so ordered.

Mr. FORD. Mr. President, I yield to the distinguished Senator from Wisconsin [Mr. PROXMIRE] 20 minutes.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

HOW SENATE TV WILL NOT WORK IN THE PUBLIC INTEREST

Mr. PROXMIRE. Mr. President, if television in the Senate were not controlled by Senators, for Senators, and obviously under those circumstances to make Senators look as good as possible, it might serve the public interest. At times it might serve the public interest well. How could it do this? Here is an example. As we all know, Senators are elected and reelected very largely on the basis of how much money they can raise to tell their story on commercial television. An increasing amount of that money is raised from political action committees. Those political action committees, in most cases, have a definite, clearcut, economic interest in how Senators vote on legislation. The head of one political action committee, representing the home builders, once put it bluntly: "When I make a contribution from my PAC, I buy legislation."

Of course, that is not always the situation. But it is a rare day when a PAC donates to a candidate's campaign chest when they know the candidate will vote against their legislative interest. It is an even rarer day when they donate to a candidate when the candidate has opposed or has promised to oppose their legislative interest. Let us not kid ourselves; political action committees have prospered and multiplied because those who organize them and those who contribute to them believe they can advance their special economic interests.

Many defenders of PAC's answer that these organizations represent their right of petition and free speech at its most wholesome. They argue that contending and competitive PAC's provide the practical basis for public debate that can, through commercial television, reach into millions of American homes that otherwise would not know anything about many issues that are fundamental to their lives. They argue that this is democracy at work. This is democracy at is practical best.

Mr. President, this is nonsense. PAC funding is overwhelmingly one-sided. There are, for example, 10 times as many business PAC's as there are labor PAC's. That force has been a far more important element in shifting the Congress from a favorable view of labor's interest to a favorable view of business' interests than the so-called Reagan revolution. That force, the PAC revolution has been coming on with a rush. In the past 12 years, the number of labor-union-sponsored political action committees has increased very little. On the other hand, the number of PAC's has exploded, and their financial resources have exploded with them. Occasionally the principal legislative contention may represent a dollar-for-dollar standoff between rival PAC's of roughly equal financial strength. More often, the differences are between groups like the National Association of Realtors that make huge PAC contributions and the fair housing groups, who have no PAC's and make no contributions. And regardless of the public interest merits of the case, the well-heeled, freely contributing PAC's almost always win, especially if they are up against public interest groups that have little or no PAC funding.

What has all this to do with TV in the Senate? How can Senate TV overcome this? Here is how: The prime defense of PAC's is that they are required to make full disclosure. So its supporters claim the public knows what kind of contributions they make. They know to whom the contributions are made. If the public feels that a Senator has been influenced to vote for a measure because of PAC contributions, it can and often will vote against the Senator when he runs for reelection.

How about this? Is this not an effective safeguard? The answer is: No, it is not. It is not, because the record of PAC contributions is never publicly related to a Senator's votes on the floor of the Senate except by a rival candidate, who obviously has a special personal interest in discrediting his opponent.

Here is where TV in the Senate could and should come in. This Senator has been working on a requirement that every Senator be required to furnish to the Secretary of the Senate a list of his PAC contributions on any legislation called up that relates to which the leadership has indicated will be the PAC's legislative interest. When the Senator casts his vote on the issue, the contribution would be disclosed on television.

For example, if the Senate voted to delete an amendment to the pending housing bill to insert guidelines into the law that were sponsored by the National Association of Realtors and opposed by fair housing groups, the

television monitor would carry a subtitle at the time of the vote: "Senator Smith votes aye for the amendment. Senate Smith received $12,000 in PAC contributions from Realtor PAC's."

This would make PAC disclosure timely and relevant. It would provide an opportunity for the viewing public to get an instant and direct understanding of whether, in their judgment, contributions from PAC's do buy legislation. It would also tell them something, perhaps, about the motives of their elected representative.

So why do I not offer this amendment? I do not offer this amendment because I have talked to a number of my colleagues about it, and I have achieved a few laughs, a few eye-rolling, "Oh, no's" and no encouragement. I have not offered it because I now know it would not pass. If it did pass, it would make television in the Senate serve a real public purpose.

But it could only hurt incumbent Senators. And who will vote on these TV rules? Incumbent Senators, and only incumbent Senators. So, yes, indeed, TV in this body will serve the interest of Senators. But in doing so, it will not serve the interest of the public on those many occasions where a frank and full disclosure of what really motivates Senate performance would serve the public interest.

OPENING PANDORA'S BOX

Mr. President, let me speak more generally on this subject. The Senate will vote to continue televising its proceedings. There is no question about it. It will do so by a thumping majority, a thumping majority of both Republicans and Democrats. We know that.

Those of us who oppose this measure will be characterized as behind the times. No more telling criticism can be made in today's society, where toddlers play with computers, teenagers program them, and their parents see a generation gap opening in front of their eyes.

□ 1510

Many people will even wonder why it took the Senate so long to approve of television. When historians look for a phrase to characterize the last 40 years, they may well call our era the age of television. This Senator cannot think of any other technological innovation which has had as great an influence on the daily lives of Americans.

It has changed everything from how we pray to how we play. Someone once wrote that if you visited an undeveloped country, gave every resident $1,000, and returned after a year, you would not see much of a change. But if you gave every family a television, then after a year that society would be changed in the most fundamental ways.

Television is the Che Guevara of modern society. It is a revolutionary tool of such power that even those firebrands of the American revolution—Patrick Henry and Sam Adams—would think twice before approving it. Little wonder that in most of the world, even in those countries with a free press, television remains firmly under the Government's control.

Why, then, has it taken the Senate four decades to get with it? Here is a natural. Politicians make a living by influencing the public. And television is the most influential medium the mind of man has yet invented. Why, then, did we decide to stay off the tube for 40 long years?

The answer to that question, Mr. President, comes in two parts. First, in general, television is powerful but it can be powerfully bad as well as powerfully good. Second, to be specific, we have yet to decide how the Senate as an institution will deal with television. In our rush to be televised, we have swept aside the contentious questions of how to change our rules.

Look first at the question of television in general. It is a medium which will reward the demagogue. Recall those flickering films of Adolf Hitler speaking at Nuremberg. Fifty years later, with full knowledge of the evil to come, those films of Hitler still have an intense, fascinating quality to them.

Yet no demagogue of comparable power has come to power in the age of television. Why not? In this country the networks have controlled access to television. And in other countries, the government has performed the same function.

Even as I am speaking, however, technology is changing. The networks are not as dominant as they once were. It is easier and easier, meaning cheaper and cheaper, to televise something.

Many of my colleagues are worried about the effect of this trend on political debate. They look at the television evangelists and mutter. They criticize the administration because of its emphasis on imagery. Perhaps they want to get on television themselves and stem this tide. They hope that the cool, rational discussion of public issues on the floor of the Senate will serve as a counterweight to the fire and brimstone of the evangelists.

What a vain and false hope. Assume that two new Senators came to this body. On the one hand, you have a clone of, say, Tom Brokaw or Dan Rather or Peter Jennings—handsome, cool, rational, and extremely skilled on television. On the other hand, you have a twin of the evangelist Jimmy Swaggert—handsome also but passionate, a true believer, and just as skilled on television. Who would make the more effective Senator in the age of television? I would place my bet on the passionate true believer.

There's a simple explanation for my bet. In the old days, taverns used to display a sign—"No arguments about religion or politics." They enforced this rule for a good reason. Such arguments might start rationally but they usually became passionate. And they ended in a good brawl. Political opinions are held passionately and true believers will often win an argument, even when the facts point the other way.

This Senator believes that television will make it easier for demogogues to win election to the Senate. Instead of an institution where sharp differences are ground down and compromised, this floor will become a place where they are sharpened. This change will not take place suddenly, but take place it will.

What about the Senate rules, Mr. President? Will they not make it more difficult for the demagogues?

Well they might, but we have not really debated how television will affect the rules which govern our debates. We have not because that would be controversial. We have gone on television, knowing that it will result in rules changes but with no knowledge of where we will end up.

Let me raise a couple of caution flags. I have said that the Senate is going to make boring TV. If proof of that statement is needed, look at what happened on the Senate floor on Wednesday and Thursday of last week. We were supposedly going to be debating an issue of great moment—how to repair the Gramm-Rudman law.

That debate, as we know, never took place. In its place, we substituted long quorum calls. Senators were not loafing. They were off the floor privately negotiating how to resolve differences over the proposed fix. For viewers who tuned in, expecting a lively debate, what they got was boring, boring, boring.

That set of circumstances is not unusual in the Senate. But I predict it will become so. Long quorum calls, while Senators negotiate among themselves, what many see as the essence of the Senate, will become obsolete. They do not make for good television.

We are going to have to make other changes to deal with the political use of Senate television. Incumbents will vote for this measure on the theory that television exposure cannot hurt them. I believe it can and will.

Here is how. We are an incumbent holding a slim but solid lead in the polls as the campaign enters its final 2 weeks. Yet all is not calm because you hear disquieting rumors that your challenger is making large buys of 30 second spots in the major TV markets in your State.

Then the first commerical goes on the air and it is a bombshell. Your op-

ponent has gone through all the Senate television tapes for the past 5 years. From them, he has assembled a 25-second pastiche of times when you stumbled verbally, were inarticulate, or looked bad. Then, to end it, he found a section where you turned to a staff member, with your microphone inadvertently live, and asked, "What's going on in here?" Bloopers programs already draw good audiences and this cleverly done commercial is a raging hit.

It is unfair. Who does not make 25 seconds worth of verbal blunders over 5 years? Yet the commercial is funny and you have almost no time to respond. Your lead evaporates. Another incumbent bites the dust.

Now, Senate rules say that no political use is to be made of Senate television. That is what the rules say. How does the Senate enforce this rule? Refusing to seat an elected Senator seems to be a drastic remedy but the only one available.

Mr. President, will any of this come to pass? Well, maybe not. Maybe the Senate rules will evolve so the Senate can control television and not the other way around. Maybe the demagogues will exercise their talents elsewhere but maybe not.

These are serious issues. We have not debated them. I hope we have not blindly opened a Pandora's box. But I am afraid we may have done exactly that.

□ 1510

Mr. President, I thank my good friend from Kentucky for so generously yielding me time. I told him I might take 20 minutes. I have taken less than that. I am happy to yield back the time to him.

Mr. FORD. Mr. President, we have two other speakers who will be here. We should be ready shortly, but while we wait I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

□ 1520

Mr. MELCHER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. Mr. President, I am informed that for the first 5 years of the Senate, from 1790 to 1795, the public did not attend the sessions. I do not think they were invited. I do not think there was any room for them. I do not think there were any provisions made for the public to view the Senate in action. But in 1795, that was corrected, and galleries were provided for the public so that they could witness the proceedings of the Senate.

Of course, in our lifetime, we expect these galleries to have some people up there, some citizens, watching us and determining for themselves how the debate unfolds and which side they are on. It is the public's right to know. This is public business that we conduct in the U.S. Senate.

Now we are starting to catch up with technology that is available. It took us several years to decide that what the House had started to do in televising their proceedings was absolutely correct. We are now on the verge of making that determination for the Senate, and I am glad we are. I am very pleased that we are. It has been a long time coming for most of us who have advocated this step to utilize the opportunity, over radio and television, to let more people in on the proceedings here on the floor of the U.S. Senate. I believe there are two basic reasons why that is necessary.

First of all, there are issues of great substance that are discussed here, debated on the Senate floor, before we arrive at a vote to determine what the course of the country will be.

□ 1530

And those issues of substance cannot be comprehended or understood without a great deal of explanation. That explanation unfolds here in the course of the events as we debate amendments to bills and arrive at final passage of bills.

The tax bill, for instance, that we just passed in the Senate that is now in conference committee, how would people in various parts of the country have any indication of a particular portion of that bill unless they were able to watch either the procedure in the House or the procedure here in the Senate as the bill itself was debated? Thre are so many provisions in it, so many different areas of the country where a provision this way either helps them or hinders them.

While we cannot lay it all out there for the public to comprehend and to realize what is in the proposed bill, we lay out a great deal more for the public to understand and comprehend through televising the procedures or on radio than was possible ever before except through the means of reading the CONGRESSIONAL RECORD afterward.

I think the preference of the public is obvious that they do want radio and television. I think radio and television are here to stay in the Senate and there will be an overwhelming vote in favor of it.

Besides that test of how can the people clearly understand what the issue is and what both sides of the issue are, there is second the most important reason why we need to take this step. It is fundamental. It is fundamental in our country as it should be. That is simply this: An informed people of the United States are better off and we have a stronger democracy as a result.

Mr. President, I shall certainly vote for this proposal, and I will do so with the feeling of our time has come, the people will be better informed and the country will be better off because the people are better informed.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Will the Senator withhold the request for a moment?

Mr. MELCHER. Yes, I withhold the request.

The PRESIDING OFFICER. Is the Senator's request that the time for the quorum call be equally divided?

Mr. MELCHER. Yes. Mr. President, I ask unanimous consent that the time be equally divided.

The PRESIDING OFFICER. The Chair thanks the Senator. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1540

Mr. HEFLIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. DANFORTH. Mr. President, I have presented my arguments against television in the Senate during debate and at hearings conducted by the Rules Committee. In a nutshell, my position is that televising the Senate will make it more difficult to address the issues. I believe we will find it is more cumbersome to conduct the people's business. Why? By their nature, politicians transform their behavior to be on television. I believe that television will put a premium on amendments, speechmaking, and 30-second reactions to the day's headlines—on behavior designed to get us on the evening news. The nature of the Senate's rules would exacerbate the effects of television. The rules are very open with respect to the recognition of Senators to speak and with respect to amendments, and we are not making significant changes in the rules. For the foregoing reasons, I will vote against permanent television in the Senate.●

● Mr. GORTON. Mr. President, Senate Resolution 28 requires the Senate to review the test of public broadcasting we have engaged in during the last few months. I am convinced that we have provided the American people with improved access to their Government, and that the Senate should stay on the air.

I would remind my colleagues that this is not the first instance in which the Senate has taken a hard look at opening its proceedings to the public. The Senate's original deliberations

were closed to all public scrutiny. The rules of the First Continental Congress in 1774 required Members "under the strongest obligation of honour, to keep the proceedings secret until the majority shall direct them to be made public."

This was a legitimate and necessary precaution for patriots who could be subject to prosecution for treason under the laws of England. The Senate, however, maintained this cloak of secrecy long after the end of our Revolutionary War.

In a 5-year long discussion of whether to open the Senate gallery, this body was faced with many of the arguments now posed by Senators who argue against televising Senate proceedings. Our predecessors were told that opening the Senate to the public would encourage Senators to make oratorical speeches to display their eloquence. It was argued that the Senate could not function properly without some procedures being held in confidence. We know that these arguments were rejected by those Senators, and that they voted in favor of opening this Chamber to the people of the United States in 1794.

Mr. Samuel Harrison Smith, one of the first true reporters of Senate debate, heralded the Senate's actions during this post-revolutionary period. He noted that opening the doors of he Senate marked the beginning of a new era in the Senate's history. Mr. Smith wrote that opening the Senate was "prelude to a more genuine sympathy between the Senate and the people of the United States" and that each supporter of an open Senate was to be congratulated as a "friend to the true principles of our republican institutions."

Mr. Smith's statement is as pertinent today as it was in 1802. We, in this age, also have engaged in a debate on open Government that has stretched over several years. We have argued over whether television will destroy our traditions of unlimited debate, and whether the access to television will change our debates into a sideshow of Senators scrambling to appear in front of the camera. I believe that Mr. Smith would agree that adoption of provisions to open the Senate Chamber to the American public promotes the true principles of our republic.

The evidence from our public broadcasting test period proves that most of the concerns expressed in debate over this issue last February were unfounded. A study conducted by the Congressional Research Service shows that there has been only one significant change in our floor proceedings attributable to live television coverage—an increase in the number of special order speeches.

Leadership action to cut the length of special orders from 15 minutes to 5 minutes, however, has ameliorated the impact of this increase in special orders. Additionally, should growth in the number of special orders affect the Senate's schedule, leadership can take the simple step of changing the time slot for special orders to cut their burdensome impacts. In any case, I do not believe an increase in special orders is sufficient reason to deny the public access to the proceedings of the U.S. Senate.

Other deliberative bodies have extended the opportunity for their citizens to monitor their proceedings through public broadcasting. International bodies such as the United Nations General Assembly and Security Council provide continuous live television feed for use by networks and other interested parties. Our neighbors to the North in Canada are allowed to watch the proceedings in their national legislature on television. The same opportunity is offered to the Japanese people by the Japanese National Diet. In all, more than 20 national legislatures now permit television coverage of floor proceedings.

I can think of no better way to let the American public reach reasoned opinions on national issues than by providing them with the opportunity to listen and watch as this body debates those issues. And this is an opportunity we can provide using modern television and radio systems.

Mr. President, the test period has dispelled the concerns expressed by many Senators that television would disrupt our proceedings. It has proven that we are capable of restraining our tendencies to extend debate in order to take advantage of camera time. This trial period has shown that vital Senate traditions are not threatened by our move into the electronic age. I believe it is time for the Senate to accommodate the American people and open itself to full public access. I urge my colleagues to take a step toward this goal by supporting a permanent extension of public broadcasting.

Mr. DURENBERGER. Mr. President, I rise to share a few comments with my colleagues on the subject of television coverage of the U.S. Senate. My feelings on this particular technological revolution in the life of the Senate were lukewarm when the Senate voted to begin this process. Today I want to say that the test period has done little to warm me on this idea.

During the so-called test period, I have made a point of asking people I come in contact with in my travels around Minnesota and Washington how they feel about Senate TV. I would say my constituents, on the whole, have not yet made up their minds, or haven't had sufficient exposure to it to make a choice. So there is no clear message there. A lot of highly paid lobbyists apparently are now charging their clients for many hours they now spend peering into the tube at those they have lobbied. I don't know if that's good for the Nation or not. And I understand that we may even need to bring on new staff in the Senate Parliamentarian's office to satisfy a growing need among the populace to understand such weighty matters as the debatability of motions to recommit with instructions. Maybe I'll have to learn myself.

My underlying concern for televising the Senate has been that the American people may be buying a better look at a worse Senate. My mandate from the people of Minnesota was to come here and change Government, to make it both better and cheaper. That policy imperative sometimes conflicts with the PR imperative that says, "If it wasn't on TV it didn't happen." In my personal experience, hearings have been delayed, sessions have been prolonged and logistics have been complicated because of TV. I am also concerned that TV, which prefers truth and justice in 30-second bites, may lead us to trivialize our debate. It is not without reason that TV has been called chewing gum for the eyes.

Maybe these are temporary or isolated problems, but I think they will further complicate the already complicated existence of U.S. Senators. I am aware that this is a minority view among the Members of this Senate. TV is here to stay. Realistically speaking, this was not a test, per se, which was passed or failed. It was a probation period, during which we could keep an eye on a potentially dangerous child.

TV in the Senate is certainly not without value. The accountability of Members of Congress to their electorates may well be enhanced by increased exposure to floor activity and/or inactivity. It may also serve to stimulate and lead the American people on matters of national policy, as they are given instant access to debates they only read about previously. The problem is we hardly know at this point the amount of either the cost or the benefit.

So the question before the Senate today will be whether to make TV permanent or to eliminate it. Given that choice, I will vote reluctantly to continue TV coverage. But I state for the RECORD that my preference would be that we look at TV over a longer period of time before we make a final decision.

Mr. President, a century ago, Henry David Thoreau lamented: "Lo! Men have become tools of their tools." I sincerely hope that years from now we are not echoing those same sentiments around here with regard to TV in the Senate.

Mr. HEFLIN. Mr. President, since June 2, 1986, the American public has

had a unique opportunity to view the actions and debates of the U.S. Senate on television during the test broadcast period. Citizens have been able to watch the formation and development of an historic effort to reform the Nation's tax laws. They have been able to watch as the Senate adopted the extension of the Higher Education Act of 1965, as the urgent supplemental appropriations bill was debated and passed. In other words, American citizens, young and old, in various parts of the Nation, with different backgrounds, education, and concerns, have had the privilege to watch as their elected U.S. Senators pass legislation which is crucial to their lives, futures, families, work, and well-being. But I do not believe that this is a privilege that should be questioned. I believe that the ability of the citizens to view the business and actions of this body is a right to which they should be entitled.

Many opponents of television in the Senate have claimed that Senators will grandstand and show off before the newly acquired cameras. Certainly there may be some of this, but the business of the Senate has not and will not be substantially altered.

Many critics of television in the Senate have alleged that the citizens of the Nation would be bored by the action of this body. I do not believe that has been true. We have had a lot of fun about this; nevertheless, I think it has been serious business. I have had a lot of fun about it. I have talked about it. On opening day, I talked about the various drugstores in this area that might have increased sales of hair spray and styling mousse and Ultra-Brite toothpaste and other various items like that. You can talk about the fact that there would be a lot of blue shirts worn and things of this sort. I think we have had some fun in the beginning, as we were dealing with something that was novel.

I also, as we have gone along, have seen a great number of visual aids presented, visual aids in the form of graphs and posters. And I humorously have said that, since the onset of television in the Senate, I have seen more posters than at any time since I was in the fifth grade.

But I really feel that, while we have had fun about it, it is something that is novel, that, nevertheless, it has proven itself to be worthy. I think that we could all agree that the result has been that the people have not been bored.

I have noticed an interest in the legislative process and a knowledge of Government among my constituents in certain letters and inquiries which did not exist before we opened this Chamber to the TV public. Such enthusiasm and zeal as I have seen, in my judgment, is beneficial to America and is beneficial to democracy.

I urge my colleagues to vote to make television in the Senate permanent. Such is the right of the public, to view our actions and proceedings.

I yield the floor.

Mr. FORD. Mr. President, I yield 15 minutes to the distinguished Senator from Louisiana, Mr. LONG.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. LONG. Mr. President, the reservations about television which I have expressed in the past have been on two levels. On a functional level, I have expressed concerns about the impact of television for reasons including its cost and the likelihood that it will encourage a surplus of speeches which do not further the business of the Senate. In larger terms, I have expressed my firm conviction that televising Senate floor proceedings will not help the Nation because it will result in greater political expediency at the expense of statesmanship.

The test period under which we have been operating was established with the goal of determining the practical consequences of broadcast coverage. This test has been a partial success in this regard.

The test period has helped us identify where cameras should be placed in the Senate Chamber and how many of them there should be. It has helped us determine how much lighting is required for our broadcasts. It has helped us identify a portion of the costs associated with television coverage and has even shown that television encourages Senators to give speeches which they were not as inclined to give prior to broadcast coverage.

However, the most important issue in this debate is one which cannot be readily identified on the basis of a test. The fundamental issue before us should be the effect that television will have on Senate business. Is televising floor proceedings in the best interest of the Nation? These concerns of mine and of other Senators cannot be readily tested.

It may first be advisable to discuss what the test period has actually shown. For one, the test period has shown us that television is costly. We will be spending at least $3.5 million this year to implement radio and television coverage of Senate proceedings. While most of this is a one time cost, if the recommendations of the Architect of the Capitol for improvements to the system are accepted, this figure may increase in the future.

These expenditures do not even include the recurring costs in terms of additional personnel, equipment, and other items that television will cause us to fund on an annual basis. It is my belief that the taxpayers do not want television at this high price.

The test period has also shown us that television encourages additional speeches and that more of these speeches are intended primarily for "home consumption." One has only to look at the dramatic increase in the number of special order speeches to know that that is the case.

In its study of the impact of television on Senate floor proceedings, the Congressional Research Service determined that since television the number of special order speeches increased by nearly 250 percent over prior years. Over 250 percent.

There are those, Mr. President, who would argue that the impact of this increase in special orders has been mitigated by the fact that the time allotted for each special order speech has been reduced from 15 minutes to 5 minutes. This may do something to address the scheduling problems that would otherwise result if the Senate adhered to the old 15-minute rule. It does nothing, however, to address the concern that television will foster an increase in speeches which do little to further the business of the Senate.

Special order speeches are by definition those which fall outside the ordinary course of Senate business and debate. While special orders serve an important role in the Senate, they do not typically concentrate on an issue that is then being debated by the Senate. Rather, they enable Senators to address issues of personal interest, without limitation that might be the case on other pending Senate business. As such, they provide a perfect forum in which a Senator may speak solely for the purpose of appealing to the voters in his State on whatever issue he desires.

We have seen that television has resulted in this nearly 250-percent increase in the number of these special orders. The CRS study refrained from concluding that this quantum increase in the number of special order speeches was reflected in other areas of floor activity and debate. Nevertheless, it seems obvious to me that certain parallels can be drawn between the increase in the number of special orders and an increase in the number and length of speeches given in debate on pending matters.

Mr. President, it should be stated that this Senator is not objecting to lengthy debate as such. Thoughtful speeches which advance debate on the floor or which persuade one's fellow Senators of the merits of an issue should always be encouraged.

What causes this Senator concern is the likelihood that television will lead to an increase in the number of speeches whose primary purpose is to appeal to the voters back home or to ensure one's reelection. In my mind, the dramatic increase in the number of special order speeches during the test period shows the potential for this to occur in all areas of debate.

Herein is the cause for concern. My fundamental objection to television is rooted in my deep concern that television in the Senate will result in an increase in political expediency at the expense of statesmanship. The Nation will not be a better place for this, Mr. President.

As we are all aware, the Senate was intended to serve a unique role. Unlike the House, whose Members are called upon to face the voters every 2 years, Senators serve 6-year terms. The drafters of the Constitution created this distinction with a specific purpose in mind. That purpose was to insure balance. Ideas which through popular appeal might gain acceptance in the House are always subject to scrutiny in the Senate, only one-third of whose Members are up for reelection at any time.

Because of this distinction, the Senate can more easily serve as a thoughtful citadel in which all ideas enter but, hopefully, only the good emerge. This is the role the Senate should play and it is this historical role which may well be compromised by television.

Mr. President, there are those who argue that televising the Senate opens our proceedings for the first time. This is not the case. For all practical purposes, Senate proceedings are open and have been open since early in our history.

The Senate gallery is open to the public. Reports from throughout the Nation monitor and cover everything that goes on in this Chamber. The question of television is not an issue of access; it is simply an issue as to the form that access takes.

In this Senator's opinion, by allowing access in the form of television we will be jeopardizing the unique role of the Senate and the national interest. Senators will find it increasingly difficult to avoid the understandable temptation to use regularly televised floor proceedings to appeal to the public, to campaign for reelection or to campaign for higher office. All of this will be at the expense of the American taxpayer.

The primary purpose of Senate floor debate is to insure that a pending measure is properly considered. It provides Senators with the opportunity to attempt to persuade one's fellow Members about the wisdom of a particular point of view, to influence the course of legislation. Yet, it is precisely this quality of debate, which should be the hallmark of the Senate, which will be placed at serious risk if television is permanently authorized.

In this Senator's opinion, the price we will pay for television in terms of loss to the Senate and to the Nation is simpy too high. For this reason, it is my intention to vote against continuing regular television coverage of Senate floor proceedings.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that that order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I ask unanimous consent that—does the Senator want the floor? The quorum call is coming out on this side. I want to make it equal. But the Senator from Alaska can get the floor in his own right and it can be charged to his side.

Mr. STEVENS. Mr. President, I would like to yield myself some of our time on this resolution if that is agreeable. I believe it is.

Mr. President, as one who remembers the many days that our former leader, Howard Baker, stood before the Senate and asked for television in the Senate. I am pleased to see us coming to the final vote on the issue. I intend to support television coverage as I have since the very first time it was proposed.

I do so as a Senator who represents a State that is 4,500 miles away. Very few of my constituents ever get the opportunity to come to the Senate, sit in the gallery, and observe the Senate in session. I view Senate television coverage, as I said repeatedly here on the floor of the Senate several months ago, an extension of the gallery to those people throughout our country, if not the world, who are interested in what is going on in the Senate and desire to be informed on our deliberations.

For that reason, I think it is a very, very salutary step that we will take today. I believe we will take the step of making television in the Senate permanent.

Having said that, however, Mr. President, I also have been one who has raised questions about the conduct of television coverage. I have, as the President knows, suggested some changes in the rules that I think should be made. And I believe eventually they will be made to assure that coverage of the Senate is fair for all concerned.

I particularly applaud the action of the Rules Committee this past Friday when it, under its power to issue regulations concerning the Senate Chamber, decreed new restrictions on the use of physical evidence on the floor of the Senate. As I said to the Senate once before, I do not believe this Chamber is a place where show and tell ought to take place. We should not by virtue of having the television cameras here be induced into using procedures or devices that we would have considered to be contrary to the rules and traditions of the Senate prior to the advent of television.

I might add that many people forget that radio came on at the same as television and will be made permanent as far as the Senate is concerned under the resolution before us. I believe that permanent radio coverage is a great advantage to individuals throughout the United States who may be unable for one reason or another to view the proceedings on the floor on television. I am sure local radio stations will become adept at making available debates on the floor, for instance, that pertain to Alaska issues, and people at home will hear the statements of not only their own elected representatives here in the Senate, but also the words of representatives of other States on issues that vitally affect our future.

I am still disturbed about one thing that has not been adequately taken care of in my judgment. That is the question of communications with the expanded gallery. I have discussed this issue with the Parliamentarian. It is my judgment that the current rules prohibit a Senator from directing any particular comments to a member of the gallery who is physically present here and observing from the gallery. If I am correct in that, then I think a Senator ought to be similarly prohibited from directing comments to the television audience and attempting to use the television audience to sway the votes of the Members here on the floor.

Television coverage is a communication device. It is a device for providing information to people and letting them decide whether or not they want to use their right—as a matter of fact, their constitutionally guaranteed right—to contact a Member of the Congress, particularly the Senate, to express their point of view.

□ 1600

But to use this newly available medium for the purpose of advocating a course of action directly to the television audience would be just as contrary to our rules, Mr. President, as my urging individuals now in the Senate gallery to go out in the halls, catch the Members of the Senate, and somehow or other try to change their point of view on what is going on here on the floor would be.

Television coverage is intended to provide information to the American public so they can use that information under their constitutional guarantees. It is not right for us to use this medium to directly urge them to take action in my judgment, any more than it would be right for a Senator to do that with persons who are physically present in the gallery.

The Parliamentarian will have to contend with that issue when it is pre-

sented here on the floor of the Senate. I do believe it will be presented.

I am pleased, as I said, that the Rules Committee has taken action now to limit the use of physical evidence on the floor, and I hope that every Member of the Senate will understand that new regulation and abide by it.

Meanwhile, Mr. President, there is still another issue to be raised, and I think we should raise that issue in the course of debate here on the question of whether television coverage will become permanent. When I vote for this resolution, as I will, I will do so believing that there is a gap as far as communications are concerned, that is, the use of the floor for photographs. I believe the time will come when we will recognize that there is still a portion of the communication media that has been denied access to the floor. We will examine the question of how photographers, an essential part of the media of our country, will obtain access to the floor.

I am not going to raise that issue in connection with this resolution. I do not believe I could anyway under the fast track provisions that put the resolution before the Senate. I do not believe that it would be proper to raise this issue now. But I intend to do so in the future. I think some provision must be made for access to the Senate Chamber for some type of photography for bona fide news purposes. I will be addressing that subject in the future months, Mr. President, but for now I am pleased to be one who will vote for the resolution before the Senate.

Mr. President, let me address one further question before I yield the floor.

That question relates to a resolution which is not before us now. I believe it is Senate Resolution 447. It came out of the Rules Committee and deals with the subject of the use of tapes. It is not before the Senate in connection with this vote but it will be called up, I understand, after this vote. I intend to oppose that resolution. I want to tell the Members of the Senate why.

Mr. President, I voted against that resolution when it came out of the Rules Committee because I believe it perpetuates an unfair dual standard as far as the use of videotapes is concerned and attempts to impose restrictions on the use of videotapes that are unenforceable.

This resolution, which would prohibit political and commercial use of tape duplications of television and radio coverage, would perpetuate a bad decision. I must say that I was part of the ad hoc committee that sent that decision here to the floor in the first place, but now I do not think we thought it through. That is the restriction on the use of the videotapes for any purpose outside the Senate. I do not believe there should be any restriction on any tape duplications. I think the Senate and all people who view the Senate should live under the first amendment. Anyone who has access to a videotape of a public debate ought to be able to use it for whatever purpose they wish.

After thinking about it long and hard, I think we were wrong to attempt to restrict the use of those videotapes.

The original report that we sent out with our original rule said that anybody who wanted to use a videotape or copy a videotape should sign a certificate that the person would not use the videotape in violation of the rule.

Well, that was fine for the people who went to the office and said, "Please sell me a copy of a videotape." But millions of people have videotape machines, and I think every Member of the Senate has one. I am sure anyone smart enough to think about running for the Senate has one.

There can be no restriction put on those tapes that will be effective except for tapes that are used by current Members of the Senate.

Senate Resolution 447 would prohibit political use of videotapes.

I think there is also an implied restriction in the resolution on the use of those tapes for what I would call semipolitical purposes. A video consultant who makes up a tape of presentations here on the floor and uses it to demonstrate to candidates how not to use television would, in my judgment, be in violation not only of the original Senate Resolution 28 but also of Senate Resolution 447. I do not believe that the original bad decision in Senate Resolution 28 should be perpetuated in any way. I do not believe the Senate should adopt Senate Resolution 447 which has been reported out of the Rules Committee.

As I said, it is not a subject for debate now, but I mention it because some people apparently have misunderstood what I said in the Rules Committee over the past couple of weeks. I said that I was going to oppose Senate Resolution 447. They assumed that I was going to oppose television in the Senate, although anyone who has been around here for the last 10 years would have a hard time understanding why I suddenly decided to become an opponent of the television in the Senate after I supported the position of the former majority leader for so many years as assistant majority leader. I worked very hard to try to get television coverage established before Senator Baker retired. I think it is a great tribute to his foresight that television coverage finally came to fruition here in the Senate.

The question of what can a person do with tape duplications is a question that must be addressed by the Senate, and I hope that Members of the Senate will think twice about putting into effect an extension or even a revision of the rule that was in effect during the test period. That rule, in my judgment, has not worked and cannot work fairly and should not be put into effect. We should not put any restrictions on the use of either the tapes from radio or from television as far as this Senate is concerned.

As I said, I want to tell the Senate as someone who has looked into it that I do not think such restrictions could be effective in the long run against anyone, even including a Member of the Senate. If one of our Members goes out and uses a clip from television in the Senate on videotape in his election campaign and is reelected I do not think we are going to stand around and chastise that person, nor do I think if someone challenges a current Member of the Senate using a videotape and finds that he or she is successful and reports here to the Senate that we are going to chastise that person either. It is an ineffective restriction. It will not be possible to fairly administer it. I intend to oppose it.

If my good friend from Kentucky wants to do so, I think we could put into effect a quorum call with the time to be charged equally, if that is his desire.

Mr. FORD. First, Mr. President, may I have a moment or two on my time?

The PRESIDING OFFICER. The Senator from Kentucky,

Mr. FORD. I sympathize totally with my distinguished friend from Alaska as it relates to trying to work out the use of how the use of taping of proceedings of the Senate should be handled. We are trying to plow new ground, if I can use a Kentucky term. We are somewhat different from the House in our debate procedures, in our rules, et cetera, such as we must speak from our desks. There are a lot of things that are different here in the Senate than in the House.

But it is my understanding that the language in the House legislation providing for TV in the House has been very effective. That means cooperation, cooperation from both sides, that we are very careful with the responsibility we have in representing our constituency and our responsibility to the ongoing demand for confidence in this Chamber.

□ 1610

I think we have to be very careful that a challenger in a political campaign, or an incumbent should be very careful, that we not use just the words from radio tape or the words and the imagery from TV, that they are not taken out of context. I think there are a lot of things that we have to do.

I also agree with my distinguished friend that not everything is thought through. Those things come by experience. We find that something we are doing is utterly wrong so we have the opportunity, as Members of the Senate, to make those changes.

My friend served on what we refer to here as an ad hoc committee viewing TV in the Senate during the in-house use of TV before it went public. I served on a small ad hoc committee from our side of the aisle. We tried our best to help the situation as it relates to our ability to use television, if I could use that term, so we can extend the Senate Chamber beyond the galleries of the Senate.

I think as we move into the direction of additional time on television, we shall find some things we have done that we want to correct and things that we have failed to do. We want to correct that also. There will be rules changes we will want to visit as they relate to television in the Senate.

The point I want to make, Mr. President, is not until we have some experience with TV in the Senate, will we be able to make a final judgment. We cannot think of everything that might happen. We cannot find the crystal ball that will give us all this information. We are human. TV in the Senate is not perfect because we are not perfect, but we can make the effort to improve it as we go along.

I am very pleased that the distinguished Senator from Alaska is going to vote in favor of the resolution for the continuation of TV in the Senate. The resolution of the Rules Committee, on which he serves as a very strong member, Senate Resolution 447, will be available for amendments, where Senate Reolution 28 is only for debate and a vote to continue TV in the Senate or to halt its use. I know the Senator from Alaska will have adequate opportunity and there will be others who will have an opportunity to offer amendments to the proceedings of the Senate related to television.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. FORD. I shall be delighted to yield to my friend.

Mr. STEVENS. Mr. President, I have listened to my good friend from Kentucky. He is my good friend, and we have worked on this issue a great deal off the floor. I do not think there is anyone who deserves more credit than the Senator from Kentucky for our finally reaching the day when we will vote on approving permanent coverage of the Senate by television and radio. So I want the Senator to realize that I make my statement on the basis of that good friendship.

I do believe that it is time that we consider where we are going in the future as far as the use of this coverage and that we opt now, rather than restrict the use of this coverage, to open it up to all under the full concept of the first amendment. I believe when the Senator really has reviewed the period that we have been through and the indecision and confusion that the temporary rules in effect during the trial period has produced, he will see the factors that are motivating this Senator to say that we should not have any restrictions on the use of this coverage.

I also hope, just in closing, once again, that perhaps I shall enlist my good friend from Kentucky in the whole subject of when and how photographers may have access to our floor. I would like to suggest that if we ever do that one of the most distinguished photographers I know is our former majority leader. Perhaps, we could invite him back for the privilege of taking the first commercial photograph on the floor of the Senate at some time when we are both here. I am not suggesting that it is going to happen overnight, however, Mr. President.

Mr. FORD. Mr. President, I thank my distinguished friend. I was privileged to yield the floor to him.

We have eloquent debate in this Chamber and that debate sways individuals from time to time. I am sure that the distinguished Senator from Alaska will be eloquent in his debate and I am sure that he would like to sway many Members. That is the name of the game. I would be one of the first to join him in asking the former majority leader to come and take a photograph of the Senate Chamber. As the distinguished Senator from Alaska said, it will not be in the next day or two and I hope both of us will be here to observe the former majority leader taking the first photograph in the U.S. Senate.

Mr. STEVENS. I thank the Senator very much.

Mr. FORD. Mr. President, I see no other Senator at the moment. It is my information that all Senators who have been mentioned, with one exception, have spoken. It appears that we are moving along. I do urge my colleagues, if there are others who are within the sound of my voice who would like to make a statement that relates to television in the Senate, that they move quickly to the Senate floor because this Senator, as I believe other Senators are, is anxious that we proceed with the vote and move on to the other items that will take the rest of the afternoon and some have said into the evening. So the sooner we can vote on this question, the sooner we shall be able to debate and vote on those other items.

Mr. President, I suggest the absence of a quorum.

I ask unanimous consent that the time be equally divided between both sides on the quorum call.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1630

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I ask unanimous consent that I be permitted to speak for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I find myself once again casting a vote of dissent in the Senate, this time on the issue of televising the proceedings of this Chamber. At this moment, we are being asked to rush this resolution through because who in their right mind could possibly be opposed to "Government in the sunshine," to "Government out in the open"?

Mr. President, let me make this point very clear. There is a big difference between Government in the sunshine and Government in the bright lights of television. The former seeks the truth; the latter panders to political posturing, to electioneering, and to the predictable inclinations which attend any forum that involves TV cameras. Television in the Senate will not bring Government out into the open. What television brought to deliberation to the Senate is more form and less substance, less actual debate and, of course, more press consciousness, which already threatens to paralyze the Senate.

We can look back to the crime package that came up during the early days of Senate TV. Where was Government in the sunshine when the provisions of this mystery bill were being formulated? The TV lights were not shining when the details of the bill were being cranked out off the Senate floor. No, the TV lights were shining when everyone met on the floor, to give a Madison Avenue glitz to the bill, for the consumption of the public, with congratulations enough for everyone.

Those who doubt the impact of TV on the quality of debate in the Senate need only look to the recent tax bill proceedings. What a coincidence that we had a record number of requests for special orders the first day! The special orders alone would have carried us into the night if we had not shortened the durations given to those press statements known as special orders. Or take the recent supplemental appropriations bill. Look how long this relatively noncontroversial bill sat on the floor. In the case of neither the tax bill nor the supplemental bill could any objective observer fairly de-

scribe the debate as spirited or enlightening. Debate in the Senate now is but a chain of monologs. While I have been discouraged at the decreasing quality of debate this institution has seen for quite some time, TV has pushed us from bad to worse.

This brings to mind a very obvious permanent change which television in the Senate will bring: Prime time proceedings. It was our experience that both the tax bill and the supplemental could not move until the Sun was about to set each day. It only makes sense: If you are going to go to the floor, do not compete with the soap operas. Get your shot at prime time publicity when the voters are home and primed for live drama. That thinking makes good press sense, but it makes bad legislation.

So, Mr. President, the trial period of television in the Senate did not move me in any direction other than further away from the proposition.

I believe the Senate is adopting this change with great haste because of the immediate benefits which accrue to all incumbents and others with political ambition. There is nothing wrong with that so far as personal politics are concerned, but does it enhance the proceedings of the Senate?

There is a Chinese proverb which reads: "Fishes see the worm, not the hook." Mr. President, the hidden hook here is further deterioration in an institution which is quickly losing its claim to being the greatest deliberative body on the Earth. The hook is a hoax on the American public that television will pull the "deal cutting" out of the back rooms of the Capitol and bring Government out into the sunshine.

Mr. President, I share the frustration that the majority leader has felt, that Senator PRYOR, Senator DANFORTH, and others who are reformists have felt, about the dysfunctioning of the Senate. But instead of being a cure, instead of being tough medicine, television in the Senate has further eroded the deliberative process by making press considerations the overriding concern of an institution which is already press conscious to a fault. I dissent from this resolution and must oppose it.

Thus ends my monolog in prime time TV.

Mr. GORE. Mr. President, I ask unanimous consent that I be allowed to proceed for 10 minutes and that it be charged against the time allocated to this side of the aisle.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. Mr. President, I did not want the Senator from Oregon, my friend, to leave, feeling that he had engaged merely in a monolog, because his words are always listened to very carefully. Although I am going to proceed to disagree with the conclusions he reached, I did not want him to feel that it was a monolog.

I think the experiment we have just completed has been a spectacular success. In just 3 months on the air, the overwhelming opinion among our colleagues is that this experiment has succeeded, and succeeded magnificently. Televising the Senate was an experiment in democracy—one of many since our forefathers took a chance on open government. Through the years, our political systems has thrived on its ability to adapt and grow.

Over the last decade, the chief obstacle to televising Senate proceedings was the fear that television would change the nature of the institution, that Senators would make long-winded speeches and that significant rules changes would be needed for the Senate to make the adjustment to television.

I think the test period has shown us all that television poses no such threat to the Senate's cherished traditions and time-tested procedures. In an effort to allay these potential concerns, I asked the Library of Congress to do a comprehensive study of Senate proceedings during the test period and to compare it to similar periods in previous Congresses.

□ 1640

The Congressional Research Service report, which was released last week, confirmed what most of us have felt all along and I quote from a conclusion of that report: "Television coverage has changed the patterns of Senate floor activity very little."

CRS examined 20 categories of floor activities and found one one—special orders—that had changed as a result of television. Special orders increased by 250 percent from 1984 to 1986. However, because of a rules change suggested by the minority leader limiting the length of each special order, the overall time spent on special orders during the test period increased by an average of only 17 minutes per day, just a little over a quarter of an hour each day in additional time spent on special orders.

In fact, special orders have given Senators a chance to make short topical speeches in areas of special concern. Many have felt this is a beneficial change. In fact, it is precisley what happened with 1-minute speeches when cameras were introduced in the House of Representatives.

The report determined that the Senate is "spending a higher proportion of its session time on legislative business," after the introduction of television. During the test period the Senate spent 61 percent of its time actually debating pending measures, that is, a third more than it spent on legislative matters during the comparable period in 1982. Television has forced us to focus more intently on the job we're here to do.

CRS also found that:

First, while session time increased over the periods studied, this trend had started in 1984 and is largely due to the extensive debate on the tax bill;

Second, the time spent on quorum calls declined sharply; and

Third, the number of unanimous-consent requests declined significantly, although CRS does not attribute that change solely to television.

When I first offered a compromise proposal in the Rules Committee to televise Senate proceedings, I urged the Senate to proceed in measured steps so that Senators could decide for themselves how little or how much effect the cameras would have.

The CRS report provides the analytical proof that most Senators have felt intuitively during the test period that television has not disrupted this institution. If anything, television has helped keep this institution on its toes.

On March 19, 1979, when the other body opened up its proceedings to television coverage, I predicted that television had the potential to transform the democratic process in our legislative branch of government.

Now, throughout Congress, it is in the process of doing just that. Americans today know more than ever before about their country, their Government, and themselves. Here in the Senate we have given the people a chance to see and hear for themselves exactly what their elected Senate is doing. We recognized that the democratic process of participation in self-government should not come to an end on election day; it should begin there—for the challenges we now confront are far too great to give the American people a voice only once every 2 years.

The miracle has just begun. We have unleased a revolution in democratic participation. And best of all, it will only enhance the accomplishments and prestige of this remarkable institution. In time, we may find that we need to make a few changes. But our political system will always be better off for what we have done. The Senate is nearly 200 years old, and yet it is even now being revitalized by this new era in representative democracy. It remains as fresh and vital as our founders imagined and more responsive than they could ever dream.

So, Mr. President, I hope that my collegues will look carefully at the CRS analysis of what our experience has been during the test period, but, of course, no analysis is as important as the intuitive feel that a majority of the Members of this institution have about the effect television is having and will continue to have on this institution. I am comforted that in conver-

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sations with my colleagues on both sides of the aisle I have found an overwhelming support for the continuation of open television and radio coverage of the Senate. I certainly urge my colleagues to vote "aye" on the resolution when the final vote comes.

Mr. President, later on we will be considering some questions related to Senate Resolution 447 which will address some suggested changes in the rules governing the use of tapes and the manner in which the television proceedings are carried out, and I will have other thoughts to express on this occasion.

But at this time I commend all of those who have had a part in making this experiment possible and urge my colleagues in the strongest possible terms to vote in favor of making television and radio coverage of the Senate permanent.

I yield back the remainder of my time.

Mr. President, I ask unanimous consent that the quorum call that I am about to suggest be divided equally between the time allocated to the majority and minority leaders.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1720

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COCHRAN). Without objection, it is so ordered.

Mr. DOLE. Mr. President, I hope we can vote on this resolution quickly. I know some Senators are involved in the Rehnquist hearing. I just left there myself and I know there are some Senators involved there, making statements. It is hoped the witness will be able to make a statement sometime later this evening.

TV IN THE SENATE—MAKE IT PERMANENT, WITH CHANGES

Mr. President, later today, the Senate reaches an historic crossroads: Will the television cameras and microphones that have been allowed to enter this Chamber after so many years be permitted to stay, or will they be switched off, perhaps forever?

That is exactly the question we face as our grand experiment with the electronic media comes to its conclusion today. However, I believe we can tell the Senate technicians they will not have to roll up all that cable, or that the local TV guides will have to scratch out next week's listings. In my view, television and radio are here to stay.

Mr. President, we are about to vote on whether or not we are going to continue television. As I have said, I do not think there is any dispute about it. As far as this Senator knows, the vote will be overwhelming. But we do face the question whether we are going to make this experiment permanent or more or less permanent. We can always change it. It seems to me that we have had fairly good success.

MEETING THE GOALS

We have had a 5-month-long experiment. For the most part, it has been a good one. We set out, first with radio, then with television, to build an "electronic bridge" to the American people, to open this Chamber to the electorate, and to make certain that the debates that help shape this Nation are only a dial away. Thanks to the efforts of many of my colleagues, and scores of people behind the scenes, we are meeting those lofty goals, slowly but surely.

I know some Members have a different view of that. I heard the statement of the distinguished Senator from Louisiana [Mr. LONG]. There is no one in this body I respect more than the distinguished Senator from Louisiana. But I know that if we discipline ourselves and work together, we can continue to provide information to the American people. I think we can help shape the debate. I think the American people will also be helpful and be a discipline. So I hope the resolution is approved with an overwhelming vote.

In my view, the sooner we vote to make the cameras and the microphones permanent, the sooner we ensure that the "eyes and ears of the people" will have a permanent place in the halls of their democracy.

SOME GLITCHES

That is not to say we have not had some glitches along the way; we have, and they will need fixing. The distinguished members of the "ad hoc" study committees, on both sides of the aisle, have done a splendid job bringing some of these problems to our attention.

First, there are some technical questions: We know that the sound system in the Chamber should be a lot better. We know that there have been complaints about the color of the walls, and how it makes some Members look like they are standing in "split-pea soup"; and that the camera angles for many Members—particularly the leadership down in front—are not exactly flattering. But these are mainly cosmetic concerns.

We also have real legal and political issues to address.

I thank the distinguished Senator from Alaska [Mr. STEVENS] for focusing on this, as well as the Senator from Kentucky [Mr. FORD] and others. I am not sure what the resolution will be. The questions are: Who can use these videotapes? Can they be used by political opponents, news organizations? Who can use the tapes? Nobody? Anybody? We need answers to these questions as quickly as we can obtain the answers.

There are also questions about what kinds of visual aids should be permitted on the Senate floor. Because of television, we have seen a proliferation of graphs and charts, almost to the point that we may soon consider selling advertising space on the back walls. That question will be addressed by the Rules Committee.

In any event, these questions will be addressed on a continuing basis by the leadership, the Rules Committee and other concerned colleagues. I know that the distinguished minority leader, and the chairman and ranking minority member of the Rules Committee, have been real leaders on the TV issue, and I shall continue to work with them to turn our experiment into a "day-to-day fixture" on Capitol Hill.

TV AND RADIO FOR THE PEOPLE

Above all, let us keep in mind our bottom line: We are here to serve the people, and in my mind, making television and radio permanent is the way to go.

Mr. President, let me read just a brief excerpt from one of the many letters I have received on our experiment. It comes from a gentleman in New York who writes: "We Americans have the right to see and hear our people in Washington * * *."

That's what it's all about. So I suggest we not pull the plug.

I also suggest that, if at all possible, we have a vote on this matter in the next few moments.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

W. AVERELL HARRIMAN

Mr. PELL. Mr. President, I deeply grieve at the news of the death of Averell Harriman. From our Nation's viewpoint, I grieve that a man who has given so much prescience and leadership is no longer with us to be honored. And, from a personal viewpoint, I grieve that a friend, who has played a very real role in my own life, is no longer with us.

The thread of Averell Harriman's work and wisdom is woven into much of our Nation's fabric. Since World War I, he has been part of its warp and woof. From childhood he was educated and expected to be a leader, and

as a young man at college or in business or later, in Government, he always was. No matter whether he was engaged in athletics, business or Government, he exhibited the same winning qualities of persistence and patience, a thorough and detailed knowledge of the subject at hand, and a steadfastness and singleness of purpose. He believed, as do I, that financial freedom and the possession of money should not be just enjoyed or used to make more money, but rather, for the governance and benefit of one's community and country.

Speaking in a personal vein, I know that I have long considered him as something of a role model from the day in 1952 when I resigned from the American Foreign Service to be deputy director of his campaign for the Presidency in Washington. I found myself sympathizing with him as he sought public approval of his quest for the Presidency, whether here, in the District of Columbia, or at the Chicago Democratic National Convention. While we won the District campaign by a very substantial margin, good fortune did not smile on our Chicago efforts.

I truly mourn his death and his departure from our national stage and extend my wife's and my deepest condolences to his wife, Pamela, and his daughters, Kathleen and Shirley. And I add that I thought his funeral at St. Thomas' Church in New York was a marvelous sendoff for a great gentleman.

□ 1730

RADIO AND TELEVISION COVERAGE OF SENATE PROCEEDINGS

Mr. FORD. Mr. President, apparently we have just one more Senator who wishes to speak on TV in the Senate, and I think there could be an agreement made that whatever time remains will be yielded back and we then go to a vote, I would hope probably half an hour earlier. But I know of no other Members who wish to speak other than the Democratic leader, and he would be the last speaker on this side. I have not had any indications from the other side. So, Mr. President, I ask unanimous consent that the time be charged equally and suggest the absence of a quroum.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1740

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. BYRD. Mr. President, I yield myself such time as I may require.

I make a parliamentary inquiry: What is the question that will be before the Senate at the close of the 12 hours or the yielding back of time?

The PRESIDING OFFICER. The question before the Senate is, "Shall radio and television coverage continue after this date, and shall the rules changes contained in Senate Resolution 28 continue?"

Mr. BYRD. I thank the Chair.

I ask for the yeas and nays on the question.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I will not speak long. I have just gotten back to the Senate a little while ago, after attending the funeral services in New York for the late Averell Harriman, and I understand that, in all likelihood, I am the final speaker on this matter today. I should alert Senators that I will not be long and that, in the event there is no other speaker on this matter, the final vote will probably occur within a half hour.

Mr. President, since the opening day of this Congress, when I introduced legislation to broadcast Senate proceedings, I have spoken many times on why I believe TV and radio in the Senate have been long overdue. I will not go over those reasons at length again today.

There are some questions that have arisen with regard to the test period. The test period for television coverage, as shown publicly, began on June 2 and closed as of July 15, for 3 days of Senate session, and, then subsequent thereto, has continued.

One question is, "Was the test period that began on June 2 a success?"

Another question: "Were the fears of opponents borne out?"

Another question might be: "Were the hopes of proponents fulfilled?"

To answer these questions, we have a large number of sources on which to draw. The Congressional Research Service, at the request of Senator ALBERT GORE of Tennessee, has produced a study of the effect of television on Senate proceedings during a test period. C-SPAN again polled Senators to guage support.

We have heard from some of the 8 million homes now getting C-SPAN II. We have heard from news directors of some local stations around the country. We have read the editorial pages of newspapers from around the country.

First, the statistics—the Congressional Research Service study and the C-SPAN poll:

The Congressional Research Service found that the only significant change in our proceedings attributed directly to live television coverage was the 250-percent increase in the number of special order speeches over the same period in 1984 and 1982. While the authors of the report will not link two other changes directly to televising of Senate proceedings, they are worth noting.

Given those last two points, I am sure that we will be able to cite television in the Senate as one of the reasons why 1986 proves to be a year in which the Senate began to streamline its proceedings and began to clean up its act. It has made some progress. There is still some way to go.

As to the increase in special orders, we need to remember that the time for special orders was reduced from 15 to 5 minutes.

In the face of the old "grandstanding charge," I will say what I have said before: The people who watch television know posturing when they see it, and take that into account in judging the speaker. New York Times columnist James Reston echoed just that sentiment when he wrote:

> Television, with its daily pictures of what happens in the House and Senate, can identify better than print journalism the political frauds, merely by putting them on the screen and letting them talk.

The C-SPAN poll shows that the number of Senators favoring televised proceedings has increased by 10—from 67 to 77—since the test period began. We will soon have a rollcall vote and will know what the final returns are. So I would say that some of our colleagues must be reading some of the same kind of mail I have been reading from my constituents and have been hearing some of the same comments that I have been hearing. The judgments on us were tough but not harsh, and they showed that people were watching and reacting.

What did they tell us?

First, a strengthened Senate voice is now heard in the national debate. Individual citizens, like a viewer in Colorado Springs, CO, wrote C-SPAN:

> I can't describe the sense of pride I felt in an institution that I'd given up on—let me correct that—two institutions I'd given up on! Television and the U.S. Senate.

A news director from Tallahassee, FL, told the National Association of Broadcasters that TV in the Senate "will be positive in the long run * * * most useful to us for daily news coverage on monitoring critical issues."

The Utica Daily Press (N.Y.) editorialized: "For those who may be interested in what happens to their country and themselves, however, the 'U.S. Senate Show' may prove to be one of the most important shows on TV."

Second, our constituents wonder what took us so long. They see this as their due. Or, as a recent retiree from Dayton, OH, wrote C-SPAN: "I hope the Senate * * * (keeps) the TV coverage, because I'm sure there are a lot of people who think the way I do—they'd like to be able to see and judge for

themselves." That view is echoed by a free-lance interior designer in Clarkston, MI: "I'm totally fascinated. I can't believe there's a discussion about taking them (the Senate) off the air. I think, as a public citizen, we have a right to see our politicians in action."

□ 1750

We have finally caught up with the technology that has allowed the American people for 30 years to share their successes and their failures, their hopes and their griefs. Our action comes just in time, and not just for the immediate debates on South Africa, Contra aid, defense spending priorities, and SALT II. Surely, those are issues our constituents deserve to see debated.

But the Senate action today also will allow us to honor the 200th anniversary of the U.S. Senate in a way appropriate to the democracy it serves.

I met last Friday with Senators DOLE, THURMOND, STENNIS, SIMON, and HATFIELD to discuss plans for the celebration of the 200th anniversary of the U.S. Senate and the U.S. House of Representatives. The conversation turned not to the immediate debates before us, but to the uniqueness of the institution of the Senate, and the importance of conveying that uniqueness to the people. The public will help us celebrate the Senate's 200th year.

I believed from the beginning of the TV debate that the Senate's unique role in our Government, and as compared to other legislative bodies in the world, could be preserved * * * even with the cameras on. The test period has proved that that is the case. Now the cameras and microphones can help us convey that uniqueness and our pride in it to the world.

Mr. Presidents, William Gladstone, who was Chancellor of the Exchequer three times and Prime Minister of Great Britain four times, referred to the U.S. Senate as "that remarkable body, the most remarkable of all the inventions of modern politics." It is a remarkable body because it is a unique body.

I have been confident and I am still confident that even with televised coverage of Senate debates and deliberations, the Senate will not give up its uniqueness.

In addition thereto, Mr. President, the people of this country are entitled to see their elected representatives in the U.S. Senate in action, are entitled to hear the debates, are entitled to see and watch their Senators as they speak on subjects of importance and as their Senators offer amendments and cast votes. The people are entitled to know, and that is the essence of our representative democracy. Televising the Senate debates and deliberations strengthens that representative form of democracy. Talleyrand was the most influential figure in Europe for almost 40 years, second in his time, only to Napoleon I. Talleyrand said, there is more wisdom in public opinion than in Napoleon, Voltaire, or all the ministers of state, present and to come. Talleyrand might very well have been speaking for all time, and he was right.

There is wisdom in public opinion, but it must be an informed opinion. That is the essence of what we are voting on here. What we are about to vote on accommodates an informed public opinion.

Woodrow Wilson said that the informing function of the Congress was more to be desired than the legislative function. That is what we are talking about, the informing function of this body.

Television, that new medium that has not been around very long, is the medium by which the American body politic can be best informed.

I am confident that the Senate will vote overwhelmingly to permanently provide for television and radio coverage of Senate debates. With that permanent coverage, the permanent changes in the rules which have been embodied in Senate Resolution 28 will stand.

Mr. President, I yield the floor.

TIME LIMIT ON EXTENSION FOR SUBMISSION OF RECOMMENDATIONS TO BUDGET COMMITTEE

Mr. WEICKER. Mr. President, I ask unanimous consent that Senate committees have until 12 noon Wednesday, July 30, 1986, to submit recommendations to the Senate Budget Committee pursuant to section 2 of Senate Congressional Resolution 120.

The PRESIDING OFFICER. Without objection, it is so ordered.

□ 1800

RADIO AND TELEVISION COVERAGE OF SENATE PROCEEDINGS

The PRESIDING OFFICER. Who yields time?

Mr. MATHIAS. Mr. President, I yield 2 minutes to the Senator from New Hampshire.

Mr. RUDMAN. Mr. President, could I possibly have 4 minutes?

Mr. MATHIAS. I yield 4 minutes to the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 4 minutes.

Mr. RUDMAN. I thank the distinguished chairman of the Rules Committee.

Mr. President, I sat here and listened to the remarks of the distinguished Democratic leader and there is very little that he said that I could find disagreement with, which is why I come to the floor at this moment to indicate why I will vote against the resolution. Because is would seem that all that the Democratic leader has said is correct and much has been said in a similar vein by many of our colleagues.

I believe that the public ought to know what goes on here. They ought to know it in finite detail. But I also believe that the principal role of the U.S. Senate is to do the people's business, to do it promptly, to do it efficiently, and to do it with as little distraction as possible.

I had said originally that there were two rules changes which I believe were absolutely vital if television in the Senate were not to turn this institution into something that it has never been in its history, and that it is not to be, but I have a feeling that it will be.

Those two rules changes were to eliminate the double filibuster, which we now have here, which allows Members to come to the Senate floor and to thwart the majority leader from bringing legislation to the floor, filibuster that, have that overcome, and then filibuster the bill which, for all intents and purposes, leads to much mischief being done in this Chamber.

But by far the most important matter that I thought should be addressed, which the Rules Committee certainly considered but obviously could not get the two-thirds vote to make the changes and thus come with this as a clean resolution without major rules changes, is this one: Many of us in this body feel that there ought to be a motion to restrict any amendment which is not relevant or germane unless there is a supermajority in this body which says that that amendment ought to be heard. We do not have that rule.

I am going to make a prediction. You see, the technology that people talk about here today is not the technology that has simply been discussed, the technology that allows gavel-to-gavel broadcast of these proceedings. At any one time, several hundred thousand or several million Americans might be watching depending on what the business is.

But, unfortunately, or fortunately, with satellite technology, any Senator can come to this floor and make a statement or a speech on any matter with our rules and that will be immediately broadcast to the satellite into his home television or her home television station for use on the evening news, which is going to be the greatest use of television in the Senate, by a body that is obviously occupied by people who run for elective office. In my view, that is going to lead to a spawning of even more nongermane, irrelevant amendments which are going to occupy the time of the U.S. Senate and keep us from doing our business.

I will not cite them, because I do not wish to embarrass anyone, but there is

not a Member of this body that does not have an issue in his or her home State that the people back home would not just love to hear that Senator get up and talk about and see it on the evening news and think that he or she was really doing something to help that constituency when, as we all know, Mr. President, those kinds of amendments make great reading and great watching but, in most cases, get about as far as the clerk's rollcall desk and die, luckily, a natural death. But we are going to see that and we are going to see it this fall because this is an election year.

So I will simply wind up by saying this: I hope I am wrong. I hope that this body, which the Democratic leader spoke of with such knowledge of the history and such feeling, I hope that he is right, I hope that this makes this place better, not worse, in terms not of informing the American people, but in terms of doing the people's business, which is why we are here.

If these two rules changes were adopted, I would vote for this resolution with great enthusiasm. I will vote against it, reluctantly, because I fear that, without these rules changes, this place will become something that none of us wish to be.

I think it is regrettable that people believe we will change the rules later. Let me remind all of my friends and colleagues, it takes two-thirds to change a rule here. And I find it very unlikely that these two rules, which have great appeal to some of our Members, will receive the requisite two-thirds vote. So I will vote against, with reluctance, this resolution and hope that I am wrong.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. RUDMAN. I thank the chairman for yielding me the time.

The PRESIDING OFFICER. Who yields time?

Mr. FORD. Mr. President, I know of no one on my side that has asked for time, and there is time remaining on both sides. I am prepared to yield back the time that has been assigned to me, provided it has been cleared on my side with the Democratic leader.

Mr. BYRD. Mr. President, will the distinguished Senator yield?

Mr. FORD. Yes.

Mr. BYRD. Mr. President, if the distinguished Senator would allow us about 5 minutes, or a little more, to run the Cloakroom lines just to make sure that no other Senator wishes to speak on this subject, then I will be glad to convey to him what responses we have.

Mr. MATHIAS. Mr. President, I think both Cloakrooms should advise Members that we are in a position where we can vote and wish to vote promptly. I hope that we could do so.

Mr. FORD. Mr. President, would my distinguished friend say 10 minutes, and then we attempt to go to a vote, providing the two leaders have no objection?

Mr. MATHIAS. I would think 6:15 is a good target.

Mr. President, since we have 10 minutes——

The PRESIDING OFFICER. Does the Senator from Kentucky yield the floor?

Mr. FORD. Yes.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. RUDMAN. Will the Senator from Maryland yield for 30 seconds?

Mr. MATHIAS. I am happy to yield to the Senator.

Mr. RUDMAN. Mr. President, it was pointed out to me that possibly I might have said something which was not theoretically correct and I want to correct the record. It takes a simple majority to change the rules. We all understand that. We also understand that anyone who wishes not to change the rules merely filibusters that rule change, in which case it would take two-thirds of those voting. I want to make the record clear on that point. I am sure the Democratic leader was very kind in not rising to correct me, but I did recognize that was an erroneous statement.

Mr. BYRD. Mr. President, will the distinguished Senator yield? We do have a few minutes.

Mr. MATHIAS. I yield.

Mr. BYRD. Mr. President, I would be happy to support the distinguished Senator's proposal that there be a motion which, if supported by a supermajority, would provide against nongermane amendments. As a matter of fact, that was one of the rules changes that I included in my earlier package to the Rules Committee in connection with my proposal to televise the coverage of Senate debates, but the committee did not support that proposed rules change. I hope that, at some future time, we can make such a rules change.

I think that would go a long way toward relieving the Senate of having to vote so many times on the same nongermane subject in a given session. It would save the Senate's time, and repeated votes on the same nongermane matter throughout a session do not serve any purpose on behalf of the people, really, either.

I thank the Senator for his observation.

Mr. MATHIAS. Mr. President, did the Senator from Arkansas wish to speak?

Mr. PRYOR. Mr. President, I thank the distinguished Senator from Maryland. I was not prepared to speak, but did we decide to vote at 6:15?

Mr. MATHIAS. We expressed a hope that we could vote at 6:15.

Mr. PRYOR. I wonder if we might put that in some sort of decision form? Is it possible to run the hotlines by that period of time?

The Democratic leader says they are running the hotlines.

I was just going to make an observation. I did not want to prolong the debate and I am ready to vote, but if we have 2 or 3 minutes, I was going to make an observation. I certainly do not want to take the time from the distinguished chairman of the Rules Committee to do so.

Mr. MATHIAS. Well, if the Senator would like some time for his brief observation, I have a few observations of my own, but they can be deferred until the Senator expresses his.

□ 1810

Mr. PRYOR. I thank the Senator for allowing me to make the brief statement. Inasmuch as this afternoon we have heard several suggestions for possible rules changes, possible changes in the procedures by which this body conducts itself, I would like to respectfully draw the attention of my colleagues to a proposal that I am considering.

I will be honest with the distinguished chairman of the Rules Committee. I am not certain it would work in this body, but it might, and that is a similar proposal to the one the House of Representatives uses when amendments are in order to the bill at the desk or the legislation under consideration by the body.

For example, in the House of Representatives it is my understanding that the Clerk reads the bill by titles and, if, for example, the Senator from Kentucky had an amendment to title III, and the clerk had finished reading title III, the Senator from Kentucky was not here at that particular time, he would have basically forfeited his opportunity to amend that particular bill in that particular section.

We all know what happens to us on a major bill, like a defense authorization bill, for example. When we know there might be 40, 50, and even more amendments, all of us have a tendency to wait and not offer it the first day or maybe not offer it the second day. We will know about maybe the third day we might come to the Senate floor and offer the amendment to that particular piece of legislation.

For the life of me I do not understand, and I guess it is because of comity, maybe it is because of respect for our colleagues or whatever the case may be—I do not understand why there are not more occasions when whoever is handling the bill does not move to third reading and final passage because we have gotten very lax in the way we kind of come over at our leisure and decide to introduce an amendment.

I am just thinking about looking at the possibility of a similar provision to the House provision in the timeliness of amending legislation. This particular rules change I certainly have not served notice on. But I did want my colleagues to think about it, and hopefully to discuss it as we go forward.

Mr. MATHIAS. I assure the Senator from Arkansas that the Rules Committee would be happy to entertain any suggestion he may make on any subject, including the one that he has discussed.

I say to him, if the wisdom of experience is of any value, I have served on several committees in my time which consider changes to the rules, and that has been one that has been considered. It is remarkable. I am sure the minority can testify it is remarkable how much that particular suggestion can generate in the way of controversy and debate. But if the Senator from Arkansas wishes to raise it again, we are not afraid of controversy around here. We will take it on.

Mr. BYRD. Mr. President, I apologize for taking the floor again. But the Senate is awaiting the response to the telephone inquiries as to whether or not other Senators wish to speak, and as to whether Senators are prepared now to vote.

Mr. MATHIAS. The message has gone out that it is time to fish or cut bait.

Mr. BYRD. Yes; the message has gone out.

I want to compliment the Senator from Arkansas on his proposal. I would certainly want to study it. I think it is worthy of consideration. I want to compliment him also on the fact that he is interested in the rules, and he has had such an interest for a long time. I think that he, as a member of the ad hoc group which I appointed, along with Senator FORD and others, has been of great service to the Senate in making recommendations to the joint leadership, especially with regard to what changes in procedures and regulations ought to be had in connection with television coverage.

While we are waiting at the moment, and I can assure my colleagues that I am not keeping the Senate from voting because I happen to know that there is one Senator who needs another 5 minutes, I shall take this opportunity to make a suggestion that ought to be taken seriously; that is, Senators should know there is no motion in the Senate in practice or in the rules to move an amendment or to shut off debate. Moving the previous question is not recognized in this body.

So many times I hear Senators say, "Mr. President, I move the amendment"; "Mr. President, I move the adoption of the amendment"; "Mr. President, I move the adoption of the resolution."

Senators will note carefully the rules and the precedents. If a Senator wants a vote on his amendment, on a resolution, or a bill, he needs only to sit down. And if no other Senator seeks recognition, the Chair will immediately put the question for a vote.

Senators who wish to have an immediate vote on a matter may not get an immediate vote because another Senator may seek recognition. But it will not speed matters any to move the adoption of an amendment, because the Chair is still going to say "Is there further debate?" In so doing, the Chair is recognizing that there may be other Senators who would want to debate the matter before voting.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. BYRD. Yes, I am happy to yield.

Mr. JOHNSTON. Occasionally the Chair has been known to be asleep. [Laughter.]

Mr. MATHIAS. That was pretelevision.

Mr. BYRD. I hope Senators will accept this observation in the spirit that I make it. Under the situation which now obtains in which there is television coverage, there are political science students, there are lawyers, there are judges, there are high school teachers, and there are college professors watching the Senator on television. I think they should see a Senate that operates in accordance with rules. There are quite a few members of legislatures around this country who know a good bit about parlimentary procedure. I hope that when they watch the Senate they do not get the feeling that the Senate is less circumspect about its rules and about the enforcement of its rules than are some of our State legislatures. I have served in both Houses of the West Virginia Legislature.

But I say this again just for the record, and hope that Senators will note it in the RECORD—they are under the Senate rules. Under Senate procedures and Senate practices the Chair will not recognize and put a motion to adopt an amendment, a motion to adopt a resolution, or a motion for passage of a bill.

It is not a motion that is recognized here. The sooner Senators understand that and stop using that motion, I am sure the RECORD will appear better and probably the Parlimentarian will feel more at ease.

Mr. President, I make a parlimentary inquiry. Is there a motion under the rules, under the procedures, or in the practices of the Senate to adopt a pending amendment, or to move the adoption of a resolution or to move passage of a bill?

The PRESIDING OFFICER (Mr. WEICKER). The Chair advises the distinguished Senator from West Virginia that there is no such rule.

Mr. BYRD. Mr. President, I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Mr. President, may I ask the minority leader if he has any further requests for time or whether we are ready, as far as he knows, to vote?

Mr. BYRD. Mr. President, I have had no request for time from other Senators. I believe the two managers may, as far as I am concerned, yield back the remaining time.

Mr. MATHIAS. Mr. President, I have some final observations.

Mr. President, we all know the old saying, "Fish or cut bait." Well, the time has come for the U.S. Senate to do just that—fish or cut bait—on the question of whether to allow television coverage of its proceedings.

The Senate cannot be accused of skimming over this issue. Senators have studied this subject with extraordinary diligence; we have held exhaustive hearings, we have debated the pros and cons at great length—some would say interminably—we have examined the possible consequences on the institution of the Senate, on its Members, on the public in exquisite detail. We have even tested the impact of television in the Senate—first in-house, and now to the world at large.

Over the years many Senators have worried about the effects of television coverage on Senate proceedings. They were worried that television would change the quality of debate or the quantity of debate. Others worried that technology could not meet the Senate's demands, that the lights would have to be too bright, that the cameras would intrude on the business of the Senate, that the costs would be prohibitive.

But, Mr. President, these fears have been proven groundless. Senate procedure has remained intact, Senators continue to debate—sometimes eloquently, sometimes less so—in the Senate tradition. The lights have not blinded any Senators, and the costs have been contained.

The only change has been that the public is better informed, the public can now see what goes on in the Senate, the public can follow our activities and better understand how government works and how laws are made.

We felt a breath of fresh air when we brought television in the Senate. Let us keep the doors and windows open between the Senate and the American living room. It is seldom that an action can be taken that has no adverse impact, but televising the Senate proceedings is such an action.

Let it never be said that the Senate closed the door on the electronic age. Let us act now to keep that door open permanently. Let us vote favorably on

Senate Resolution 28 and move promptly to the consideration of Senate Resolution 447.

□ 1820

Mr. President, I am prepared to yield the time remaining on this side.

Mr. FORD. Mr. President, I am prepared to yield back the remainder of time on this side.

The PRESIDING OFFICER. All time having been yielded back, the question before the Senate is, Shall radio and television coverage continue after this date, and shall the rules changes contained in Senate Resolution 28 continue?

The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. GOLDWATER] is necessarily absent

I further announce that, if present and voting, the Senator from Arizona [Mr. GOLDWATER] would vote "nay."

The PRESIDING OFFICER (Mr. HECHT). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 78, nays 21, as follows:

[Rollcall Vote No. 165 Leg.]

YEAS—78

Abdnor	Eagleton	Melcher
Andrews	Evans	Metzenbaum
Armstrong	Exon	Mitchell
Baucus	Ford	Moynihan
Bentsen	Glenn	Murkowski
Biden	Gore	Nickles
Bingaman	Gorton	Packwood
Boren	Gramm	Pell
Boschwitz	Harkin	Pressler
Bradley	Hart	Pryor
Broyhill	Hatch	Riegle
Bumpers	Hawkins	Rockefeller
Byrd	Heflin	Roth
Chafee	Heinz	Sarbanes
Chiles	Humphrey	Sasser
Cochran	Kasten	Simon
Cohen	Kennedy	Specter
Cranston	Kerry	Stafford
D'Amato	Lautenberg	Stevens
DeConcini	Leahy	Symms
Denton	Levin	Thurmond
Dixon	Lugar	Trible
Dodd	Mathias	Warner
Dole	Matsunaga	Weicker
Domenici	McClure	Wilson
Durenberger	McConnell	Zorinsky

NAYS—21

Burdick	Hollings	Nunn
Danforth	Inouye	Proxmire
Garn	Johnston	Quayle
Grassley	Kassebaum	Rudman
Hatfield	Laxalt	Simpson
Hecht	Long	Stennis
Helms	Mattingly	Wallop

NOT VOTING—1

Goldwater

□ 1840

The PRESIDING OFFICER. The question is decided in the affirmative.

Mr. MATHIAS. Mr. President, I move to reconsider the vote.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. DOLE. Mr. President, there will be no more votes this evening. I am advised by Senators GRAMM and RUDMAN, not by HOLLINGS, and Senator DOMENICI they will be prepared to vote tomorrow on their amendment which will probably mean we can start the ball rolling on the debt extension and dispose of that amendment and move on to other amendments tomorrow and late into the evening.

Mr. SARBANES. What time does the leader expect that the first vote will occur tomorrow?

Mr. DOLE. He would think it is going to be noon at least.

ANTI-APARTHEID AMENDMENT TO THE DEBT CEILING ACT

Mr. KENNEDY. Mr. President, for every day that goes by without the Senate enacting strong economic sanctions against the Government of South Africa, the moral standing of the United States diminishes—not only in all Africa but throughout the world. As the strongest Nation on Earth, as the most powerful democracy, as the leader of the Free World, the United States should be taking the lead in the struggle to end apartheid in South Africa.

The perception that the United States is the last best friend of apartheid was strengthened by President Reagan's speech last week. The best way for the United States to reclaim the high ground is for the Senate to act and to act now.

Today, Senators WEICKER, CRANSTON, and I are submitting the text of our proposed legislation on South Africa. We intend to offer this legislation—the Anti-Apartheid Act of 1986—as an amendment to the Debt Ceiling Act.

We support the strongest possible legislation imposing the strongest possible economic pressure against the Government of South Africa. For that reason, we urge the Senate to vote for the Dellums bill already passed by the House of Representatives and introduced by us as S. 2570. If that legislation becomes law, it will require all U.S. corporations to sever their ties with South Africa, and it will impose a total embargo on United States-South African trade.

But in the event this proposal fails to receive the support of a majority of Senators, we intend to press the Anti-Apartheid Act of 1986 as an alternative—in the form of this amendment to the Debt Ceiling Act.

This legislation is based on a package of sanctions that have been endorsed by the cochairmen of the Eminent Persons Group—General Obasanjo, the former Chief of State of Nigeria, and Malcolm Fraser, the former Prime Minister of Australia—and that were included in the Commonwealth Accord on South Africa issued by the 49 members of the Commonwealth of Nations last October.

The leaders of the Commonwealth are meeting in London at the beginning of next week—August 3-5—and Senate action in support of these sanctions will increase the likelihood of similar responses from the Commonwealth nations. This is precisely the type of joint action and concerted pressure that the architects of apartheid cannot ignore. And the U.S. Senate cannot ignore this chance to lead.

This is the second year that Congress has debated the issue of sanctions against South Africa. Three Senate committees have examined the issue in 1986. The Senate Foreign Relations Committee held its third day of hearings today. The issues are clear, and the time has come for the Senate to act.

Mr. President, I ask unanimous consent to have printed in the RECORD a brief summary of our amendment to the Debt Ceiling Act, a comparison with the sanctions proposed by Senator LUGAR, and the text of our amendment. I also ask unanimous consent that the amendment be printed for the benefit of the Senate.

(The text of the amendment is printed in today's RECORD under "Amendments submitted.")

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF KENNEDY-WEICKER-CRANSTON ANTI-APARTHEID AMENDMENT TO THE DEBT CEILING ACT

The sanctions contained in this amendment are based on measures recommended by the Eminent Persons Group during the recent visit of the Co-Chairmen to Washington, D.C. and by the Commonwealth of Nations as set forth in its Accord on South Africa issued October 20, 1985. This amendment would also codify the President's Executive Order of September 9, 1985. In addition, this legislation contains a program of increased assistance to South Africans disadvantaged by apartheid and to the Front Line States, as well as a ban on cooperation between U.S. and South African military and intelligence services.

ECONOMIC SUPPORT

$25 million for South Africans disadvantaged by apartheid, in the form of scholarships, assistance to trade unions and black businesses, alternative education and community development programs.

$30 million for the Beira Corridor Project to improve the transportation infrastructure of the Front Line States.

ECONOMIC SANCTIONS

Ban on new U.S. bank loans to South Africa.

Ban on new investment by U.S. companies doing business in South Africa, including the re-investment of profits.

Ban on South African banks doing business in the United States, and a freeze on South African deposits in U.S. banks.

Ban on U.S. government contracts with South African corporations inside or outside South Africa.

Ban on South African aircraft landing in the U.S. and U.S. aircraft landing in South Africa.

Ban on U.S. government assistance for trade, investment or tourism in South Africa.

Requirement that U.S. computer companies sever all ties with South Africa.

TRADE SANCTIONS

Ban on U.S. nuclear trade with South Africa.

Ban on the importation of South African gold coins, uranium, steel, coal, agricultural products, food and textiles.

Ban on the import or export of military equipment—arms, munitions, vehicles, paramilitary equipment, etc.

Ban on the export of U.S. oil and computers to South Africa.

DIPLOMATIC SANCTIONS

Permit visas only for travel by South Africans to the U.S. that will contribute to the ending of apartheid.

Direct the President to notify South Africa of U.S. intention to terminate tax agreements.

Ban cooperation between U.S. and South African military and intelligence services.

WAIVER

All sanctions will be lifted in the event the South African government releases Nelson Mandela and all other political prisoners, ends the ban on political organizations, and enters into negotiations with truly representative leaders of the black majority.

COMPARISON OF LUGAR AND KENNEDY-WEICKER-CRANSTON LEGISLATION

Provision	Lugar	Kennedy-Weicker-Cranston
Codification of executive order	Yes	Yes.
Ban new investment	Only for non-Sullivan signatories	Yes, including reinvestment of profits.
Ban imports from South Africa	Only for companies owned by South African Government.	Uranium, steel, coal, textiles, arms, agriculture products, food.
Visas	Denied to South African officials	Granted only when travel will contribute to end of apartheid.
Landing rights	South African aircraft prohibited from landing in United States.	All air links severed.
Banking	South African Government and companies owned by Government prohibited from using U.S. banks.	South African banks may not do business in United States; U.S. citizens may not use South African banks; South African deposits in U.S. banks frozen.
Waiver	If any 2 of following 4 conditions: release of Mandela, lifting of state of emergency, unbanning of political parties, repeal of Group Areas Act.	Following conditions must be met: release of Mandela and other political prisoners, unbanning of political organizations, negotiations with representatives of black majority.
Gold sales	President authorized to sell gold to lower price	No.
Ban bank loans to private sector	No	Yes.
Ban exports to South Africa	No	Oil, computers, arms.
Ban U.S. Government contracts with South Africa.	No	Yes.
Ban U.S. Government assistance for trade, investment of tourism in South Africa.	No	Yes.
Require U.S. computer companies to sever ties with South Africa.	No	Yes.
Terminate tax agreements	No	Yes.
Ban cooperation between United States and South African military and intelligence services.	No	Yes.

Mr. WEICKER. Mr. President, I wish to reiterate my comments of last week on the matter of South Africa, understanding that the time is short.

I see a great deal of jockeying and negotiating between individuals and philosophies, between political parties.

What is lost in all of this is that whatever is tailored should be tailored to the needs of the blacks of South Africa and to the plight that they find themselves in.

It is not to accommodate the philosophies or political parties in this country. That is not the purpose of sanctions.

The purpose of sanctions is to do away with the continued degradation and subhumanization of an entire people.

I would hope that both in committee and on this floor the U.S. Senate will send out a clear message as to whose side we are on, that we do not worry about our sensibilities, be they individual or be they partisan, that we understand unless the United States does stand up, the mayhem, the death, tragedy, and the tears that is South Africa today will not end. There is a price to be paid for our delay.

I would hope that the bill sponsored by Senators KENNEDY, CRANSTON, and myself would prevail.

I certainly also understand the business of compromise as between ourselves. If I feel that the Lugar bill is not tough enough, and it is not, at least as reported, then let us have a meeting of the minds, but whatever the product is, let us make it effective.

I yield the floor.

DEATH OF EDWARD A. GARMATZ

Mr. MATHIAS. Mr. President, it is my unhappy duty to advise the Senate of the death in Baltimore on July 22 of Edward A. Garmatz, of Maryland, who served 13 terms as a Representative in the Congress.

I feel his death as the personal loss of a friend I have known for a quarter of a century. When I came to the other body, he was already a senior Member and a power in the Democratic Party. He never allowed either his seniority or the width of the aisle to limit his willingness to help a younger colleague. He was always willing to offer a word of advice or the lessons he had learned from experience. In the hard life of politics such consideration is not soon forgotten.

The Maryland delegation has always acted with remarkable unity of purpose when any State issue was at stake. This was the case throughout Representative Garmatz' service, but unity had a special meaning when he led a fight to protect the Port of Baltimore.

Mrs. Mathias joins me in expressing our sympathy to Mrs. Garmatz, who married Representative Garmatz nearly 50 years ago and who was with him when he died.

I ask unanimous consent that several articles and an editorial entitled "Eddie Garmatz," published in the

Sun and the Evening Sun, be included in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From Baltimore Evening Sun, July 23, 1986]

FORMER REPRESENTATIVE GARMATZ DIES AT 83

(By Carl Schoettler)

Edward A. Garmatz, an old-style crab feast-clubhouse-Christmas turkey-East Baltimore politician who served 13 terms as Democratic congressman from the 3rd District, died yesterday of cancer in the Mayfield home where he lived for more than 40 years. He was 83.

When Garmatz died about 8 p.m., his wife, Ruth, was at his side.

Garmatz voted straight Democratic, 100 per cent labor and about 110 per cent for U.S. shipping and maritime interests.

He rose through the old seniority system during his 25½ years in the House of Representatives to become chairman of the Merchant Marine and Fisheries Committee.

One chronicler observed that Garmatz stood for Maryland shipbuilding first, American shipbuilding second and foreign shipbuilding never.

He supported subsidies for American shipbuilding, laws encouraging use of American-flag ships, money for dredging Baltimore harbor and even research into the propagation of the blue crab. He was an early, and continuing, supporter of Adm. Hyman Rickover and atomic-powered submarines and ships.

He fought against the St. Lawrence Seaway, condemned a Defense Department purchase of British ships as "a harbinger of doom," chided President Dwight D. Eisenhower for taking the Queen Elizabeth to Europe instead of the S.S. United States and sought the elimination of sea nettles from Maryland waters.

But Garmatz's most remarkable fight came five years after he left office. He was indicted for taking bribes while in the House from shipping company executives.

To the embarrassment of federal prosecutors in Newark and Baltimore, attorneys Arnold Weiner and Albert Figinski, found one of the executives had faked diaries to incriminate Garmatz. The charge was dismissed by Judge Alexander Harvey 2nd—in the federal courthouse named for Garmatz only five years before.

Garmatz was the last of that formidable congressional trio that included his friends George Fallon and Samuel Friedel. They toted up about 70 years of service in the House and served on the most powerful congressional committees. Garmatz was the last to leave office.

Facing a battle with the young Paul Sarbanes, whose 4th Congressional District was merged with the 3rd after redistricting in 1972, Garmatz decided to quit. He said his health was bad.

"I feared no opponent," he said, in his retirement statement. "Nor do I fear any now. I have always been known to fight hard and clean campaigns down to their very end, and to stand up to any opponents. In this respect I have not changed."

Sarbanes today praised Garmatz for his service and loyalty to the state.

"I join with all Marylanders in honoring a distinguished public servant who gave a lifetime of faithful and dedicated service to his fellow citizens," Sarbanes said. "Congressman Edward Garmatz, in all of his public life, stayed close to those he represented and cared deeply for their concerns."

Garmatz served in Congress during the administrations of presidents Harry Truman, Eisenhower, John Kennedy, Richard Nixon and Lyndon Johnson. But he not only never lost touch with his East Baltimore roots he also remained a pretty good friend of amazing numbers of the people who voted for him.

"He was just a super guy," said Gene Raynor, who has observed Baltimore politicians for about 30 years from his posts on the elections board.

"He's always been a gentleman of the first order: his appearance, his manner, how he spoke, how he held himself."

Garmatz was a tall, erect man who grew a bit portly in middle-age. He wore subdued three-piece suits, often with a Maryland black-eyed susan as a boutonnier and a four-pointed white handkerchief in the breast pocket. A diamond stickpin frequently gleamed under the splendidly dimpled Windsor knot in his tie.

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He did. And D'Alesandro delivered Little Italy's 3rd precinct, 3rd Ward, the famous "Third of the Third," for Garmatz, 537 to 57 for his benigned opponents.

Baltimore politics were much simpler in those days. On the eve of his retirement, Garmatz told Larry Carson, an Evening Sun reporter:

"I used to put a quarter barrel of beer in the back of my car and drive around and find somebody having a birthday or something and we'd set it up and 15 to 25 people would come in.

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He rolled over such worthies as Harry Kemper, an East Baltimore grocer; Joseph Bertorelli, the late state senator; Robert J. Gerstung, now a District court judge running for a Circuit Court post; and James E. Chew, who rose up from Garmatz's Civic Democratic Club to try to smite the boss.

"Jim Chew is a nice Guy," Garmatz said mildly.

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And he was a gregarious man who loved it all. He'd drink Scotch and water, but never more than two with his buddies at the old political hangouts like the Mallard Bar in the Hotel Emerson, the Hunt Room of the Southern Hotel, the Sportsman at the Lord Baltimore and lately at the Waterfront Hotel in Fells Point.

Garmatz was born Feb. 7, 1903, the son of Herman Garmatz, a mattress maker, and his wife, Mary, who kept a grocery store. He went to Public School 94 and the old Polytechnic Institute, then spent four years learning to be an electrician.

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He worked in the maintenance department of the American Brewery until he got his first political job as a clerk with the Maryland Racing Commission. When a

police magistrate joined the armed forces in World War II, Garmatz asked for the job because the pay was better: $4,000 a year.

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"All you need is a little two-plus-two-equals-four common sense," he said to Carson.

"You don't have to be a Harvard graduate or a Rhodes scholar. The way they decide things today I wish electricians and plumbers were making [court decisions]."

Garmatz married Ruth Thelma Burchard on March 20, 1937, and she survives him. He is also survived by his sister, Elizabeth, of Washington, D.C., who was his administrative assistant in Washington for many years.

Garmatz attended St. Matthew Lutheran Church. Funeral arrangements were being made by the John C. Miller funeral establishment, 6415 Belair Road.

[From Baltimore Evening Sun, July 24, 1986]

EDDIE GARMATZ

Back in the 1960s three major committees of Congress were dominated by Baltimoreans. Samuel N. Friedel of the Seventh District chaired the Administration Committee, George H. Fallon of the Fourth ran Public Works and Edward A. Garmatz of the Third headed Merchant Marine and Fisheries. The triumvirate rolled up a total of 70 years of service on Capitol Hill. Garmatz, the last survivor, died Tuesday at 83.

These old timers achieved their power in a politically simpler era; not with college degrees and legal eminence, but from the training ground of ward and precinct politics. Garmatz, an electrician and a union man, was the textbook example. He drummed up votes for Thomas D'Alesandro Jr.'s congressional campaigns, and when "Old Tommy" became mayor of Baltimore, Garmatz inherited the right to succeed him in Congress.

Representing a maritime-oriented district, he mixed a zeal to get work for U.S.—and especially Baltimore—shipyards with an inexhaustible devotion to his East Baltimore constituents. They loved him for it. In many of his primary and general elections over 26 years, the tall, genial and courtly congressman ran unopposed.

One constituent tells this story: When he put in a call for Garmatz to discuss some minor issue, he mentioned only in passing that his wife was sick with the flu. An hour or so later the doorbell rang. It was a florist, delivering a lavish bouquet for his wife. The gesture was typical of Eddie Garmatz.

[From Baltimore Evening Sun, July 24, 1986]

GARMATZ IS DEAD AT 83; WAS CITY CONGRESSMAN

(By David Michael Ettlin)

Edward A. Garmatz, who maneuvered his way through Baltimore's old ward-and-precinct political system to become a feisty and powerful 13-term congressman, died at his Lake Avenue home last night of lung cancer. He was 83.

Mr. Garmatz, for whom the federal courthouse in Baltimore is named, served in the House of Representatives from 1947 through 1972 and was chairman of the Merchant Marine and Fisheries Committee when he chose not to run for a 14th term.

A native of East Baltimore and product of the city's public schools, Eddie Garmatz was an electrician by trade and worked, among other places, for the American Brewery here before getting his first reward for an increasingly active role as a soldier in precinct and ward politics—a clerkship with the Maryland Racing Commission.

Mr. Garmatz recalled, in a 1972 interview, asking Democratic Party bosses to name him as the replacement for a police magistrate who had entered military service in World War II.

"It was a better-paying job, $4,000 a year," he said. "Now they get $25,000 a year and you can't get near them with a 10-foot pole."

And he recalled how another magistrate—in a thinly veiled reference to petty bribes—advised him, "Eddie, don't be one of those $15 judges."

"I never took a nickel," he said

He had no legal experience, but then, he said, legal experience was not necessary: "All you need is a little 2 plus 2 equals 4 common sense."

But Mr. Garmatz had more than common sense—he had political savvy. He allied himself with one of Baltimore's most powerful politicians, Thomas J. D'Alesandro Jr., managing his successful campaigns for Congress and then, in 1947, for mayor.

"I used to put a quarter-barrel of beer in the back of my car and drive around and find somebody having a birthday party or something, and we'd set it up and 15 to 25 people would come in," Mr. Garmatz recalled. "Then Tommy would just drop by accidentally, you know, and say 'Hi' all around and then we'd leave and go set up another one."

Tommy D'Alesandro returned the favor, orchestrating the nomination of Mr. Garmatz by the Democratic Central Committee for the vacant 3rd Congressional District seat—a seat he won in the 1947 special election and would keep for the next quarter-century.

A staunch friend of shipping and labor—Mr. Garmatz proudly retained his membership in the International Brotherhood of Electrical Workers (AFL-CIO)—he fought in the House and in the Merchant Marine Committee on behalf of that constituency and these ideals: Maryland shipbuilding first, American shipbuilding second, and foreign shipbuilding never.

He was the driving force behind the Merchant Marine Act of 1970, which was aimed at reviving the American fleet.

In 1965, Mr. Garmatz saw his political power threatened. The Supreme Court's "one man, one vote" ruling, which the General Assembly failed to resolve in its regular session, would have cut away a sizable chunk of his bailiwick, which cut across East and Southeast Baltimore and the heart of the central city.

He would have wound up with a portion of Anne Arundel County. He said he would be happier if the Dundalk area of Baltimore County were added to his district instead: "They are more my type of people. They are maritime people."

And the "maritime people" regarded him as one of their type, too.

In the 1964 campaign, in which he defeated City Councilman John A. Pica in the primary (he was unopposed in the general election), Thomas W. Gleason, in a personal letter sent to each longshoreman, cited Mr. Garmatz as "one of the best friends the longshoremen have ever had.

"Eddie Garmatz not only is a friend of the longshoremen and the International Longshoremen's Association, but he is one of the best friends labor has ever had in Congress . . . a card-carrying union man."

All the praise did not come from labor. After hearings regarding the Federal Maritime Commission, Rear Adm. John Harlee said the "entire commission feels that the state of Maryland is fortunate in having a congressman who is so deeply interested in our maritime affairs and in our nation's world trade and commerce."

In 1963, he opposed a contract for "jumboizing" (extending the length of a vessel) two Navy ships because the midsections were to be build in Japan. He wanted work to be done in private American yards, keeping those yards available in case of a national emergency.

He felt so strongly about America-first shipbuilding that in 1962 he criticized President Eisenhower for voyaging to Europe on the British liner Queen Elizabeth instead of the "queen of the Atlantic"—the United States.

Mr. Garmatz cited health reasons for his decision in 1972 not to seek re-election, reversing the announcement made a year earlier that he would run again.

Had he run again, Mr. Garmatz would have faced—because of redistricting—a contest against then-freshman Representative Paul S. Sarbanes in the 3rd District or could have decided to run in Anne Arundel County's then new 4th District.

"I feared no opponent then, nor do I fear any now," Mr. Garmatz said in announcing his retirement. "I have always been known to fight hard and clean campaigns down to their very end, and to stand up to any opposition. In this respect I have not changed."

Mr. Garmatz found himself faced with a new opponent in 1977 in the form of federal prosecutors.

Out of office more than four years, he was indicted on a charge of conspiring to accept $15,000 in bribes from two shipping companies in return for promoting legislation favorable to those firms.

The indictment was returned, after a six-month investigation, by a grand jury panel meeting in the federal courthouse that had just been named for him.

The dedication of an abstract sculpture commissioned for the outside of the Garmatz courthouse was postponed until resolution of the case—dismissal in January 1978, at the request of the prosecutors, who acknowledged that their key witness, the president of United States Lines, had fabricated evidence.

Mr. Garmatz, leaving the courthouse, told a reporter he knew that "the name Garmatz is going to remain on the building."

On learning of Mr. Garmatz's death last night, the aging Mr. D'Alesandro declared, "Maryland and the city of Baltimore have lost a fine public servant. His capacity as chairman of the Merchant Marine and Fisheries Committee did much for the port of Baltimore and the state of Maryland. I've always found him humane, kind, sincere, and he's a very good friend of mine. I mourn his loss."

Mr. Garmatz, who lived on East Lake Avenue, is survived by his wife of 49 years, the former Ruth Thelma Burchard, and a sister, who had been his top aide, Elizabeth Garmatz of Washington.

Funeral arrangements were incomplete last night.

[From Baltimore Evening Sun, July 26, 1986]

OFFICIALS, FRIENDS FONDLY REMEMBER "EDDIE" GARMATZ

(By Katie Gunther)

Edward A. Garmatz, the 13-term Baltimore congressman who died Tuesday, was remembered fondly at his funeral yesterday as a plain-spoken man of the people named Eddie who "voted pretty straight Democrat, 100 percent for labor, but 110 percent for U.S. shipping."

"I'm proud to have always had him introduce me as his Republican buddy," said Representative Helen Delich Bentley, R-Md.-2nd, who delivered the second eulogy during the service at St. Matthew's United Church of Christ in Mayfield.

"Thank you, Ed, for making so many lives so much brighter," she said with emotion.

Mr. Garmatz, 83, died at his home of lung cancer. He had served in the House of Representatives from 1947 to 1972 and was chairman of the Merchant Marine and Fisheries Committee when he decided not to run for a 14th term. The federal courthouse in Baltimore is named for him.

The 11 a.m. service drew about 200 friends, neighbors and politicians, past and present, to the beige stone church nestled in a quiet, green community just north of Clifton Park.

Early arrivals included Representative Barbara A. Mikulski, who now holds Mr. Garmatz's 3rd District seat, and Frances Haussner, of the famous East Baltimore restaurant. They stopped briefly to trade reminiscences of the late congressman.

"Oh, he was always so easy to please," Mrs. Haussner told Ms. Mikulski.

Baltimore City Councilman Dominic M. DiPietro, D-1st, arrived a few minutes later with Council President Clarence "Du" Burns. As the pair walked into the church, the elderly Thomas J. D'Alesandro Jr.—himself a past Baltimore congressman as well as former mayor and longtime friend of Mr. Garmatz—arrived with his wife, Nancy.

As Mr. and Mrs. D'Alesandro, both walking with the aid of canes, made their way slowly toward the church, U.S. Sen. Paul S. Sarbanes, D-Md., arrived with his wife. Mr. Sarbanes moved quickly to Mr. D'Alesandro's side, took his arm, and walked with him into the church.

Others attending the funeral included Baltimore City Council members John Schaefer, D-1st, Tony Ambridge, D-2nd, Joseph T. "Jody" Landers, D-3rd, and 6th District representatives Timothy Murphy, Joseph BiBlasi and William Myers, builder Victor Frenkil, Maryland comptroller Louis Goldstein, former lottery commissioner and veteran gubernational candidate George P. Mahoney, and Baltimore Mayor William Donald Schaefer.

Mr. Garmatz's dark brown metal coffin at the foot of the altar was covered with a blanket of red roses. His wife, Ruth, and other family members sat quietly nearby.

The Rev. Raymound Frankenfeld, pastor emeritus of St. Matthew's and Mr. Garmatz's longtime pastor, delivered a reading from the 90th Psalm and led the congregation in singing all six verses of the hymn, "Our God, Our Help in Ages Past."

After a second reading from the 121st Psalm, Mr. Frankenfeld briefly recalled his 20-year relationship with Mr. Garmatz. It is generally considered a pastor's duty to convert, the minister said, but "before long I realized that this fellow Eddie Garmatz had converted me. For years in Missouri I was a lifelong Republican. I soon realized that not all Democrats are bad people, after all."

Richard Lidinsky, Baltimore's deputy comptroller and a former aide to Mr. Garmatz, had delivered the first eulogy. "He was kind, understanding and, indeed, generous," Mr. Lidinsky said. "He represented and respected people of all faiths and races."

Mrs. Bentley recalled in her remarks her long friendship with Mr. Garmatz and their common interest in the welfare of American maritime interests. "Just to list the many, many pieces of legislation which he has championed is almost to list an encyclopedia of American maritime law," she said.

"He was always such a gentleman, always so considerate," Mrs. Bentley continued, her voice growing husky with emotion. "Oh, there are so many stories we could all tell about Eddie."

At the conclusion of the service, after prayers led by the Rev. Ralph Cook, government office holders in attendance formed a double column leading to the hearse. The pallbearers were Mr. Lidinsky; Robert E. England, director of the Maritime Institute of Technology; George E. Gephart; Capt. Thomas O'Callahan, of Florida; retired Coast Guard Capt. Frank McCare; and Edward Frier.

Mr. Garmatz was buried in Parkwood Cemetery.

EDWARD A. GARMATZ

Mr. SARBANES. Mr. President, the Nation and the people of Baltimore and Maryland have lost an outstanding public servant with the death of former Congressman Edward A. Garmatz on July 22.

A distinguished Member of the House of Representatives from 1947 through his retirement in 1972, Edward Garmatz gave a lifetime of faithful and dedicated public service to his fellow citizens. Throughout his public life, Congressman Garmatz stayed close to those he represented and cared deeply for their concerns.

I join with all Marylanders in honoring Congressman Garmatz and extending sympathy to Ruth, his devoted wife of 49 years.

Mr. President, the Baltimore Evening Sun has published an excellent review of Congressman Garmatz' public life. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GARMATZ, OLD-STYLE EX-CONGRESSMAN, DIES AT 83

(By Carl Schoettler)

Edward A. Garmatz, an old-style crab feast-clubhouse-Christmas turkey-East Baltimore politician who served 13 terms as Democratic congressman from the 3rd District, died yesterday of cancer in the Mayfield home where he lived for more than 40 years. He was 83.

When Garmatz died about 8 p.m., his wife, Ruth, was at his side.

Garmatz voted straight Democratic, 100 percent labor and about 110 percent for U.S. shipping and maritime interests.

He rose through the old seniority system during his 25½ years in the House of Representatives to become chairman of the Merchant Marine and Fisheries Committee.

One chronicler observed that Garmatz stood for Maryland shipbuilding first, American shipbuilding second and foreign shipbuilding never.

He supported subsidies for American shipbuilding, laws encouraging use of American-flag ships, money for dredging Baltimore harbor and even research into the propagation of the blue crab. He was an early, and continuing, supporter of Adm. Hyman Rickover and atomic-powered submarines and ships.

He fought against the St. Lawrence Seaway, condemned a Defense Department purchase of British ships as "a harbinger of doom," chided President Dwight D. Eisenhower for taking the Queen Elizabeth to Europe instead of the S.S. United States and sought the elimination of sea nettles from Maryland waters.

But Garmatz's most remarkable fight came five years after he left office. He was indicted for taking bribes while in the House from shipping company executives.

To the embarrassment of federal prosecutors in Newark and Baltimore, attorneys Arnold Weiner and Albert Figinski found one of the executives had faked diaries to incriminate Garmatz. The charge was dismissed by Judge Alexander Harvey 2nd—in the federal courthouse named for Garmatz only five years before.

Garmatz was the last of that formidable congressional trio that included his friends George Fallon and Samuel Friedel. They toted up about 70 years of service in the House and served on the most powerful congressional committees. Garmatz was the last to leave office.

Facing a battle with the young Paul Sarbanes, whose 4th Congressional District was merged with the 3rd after redistricting in 1972, Garmatz decided to quit. He said his health was bad.

"I feared no opponent," he said, in his retirement statement. "Nor do I fear any now. I have always been known to fight hard and clean campaigns down to their very end, and to stand up to any opponents. In this respect I have not changed."

Sarbanes today praised Garmatz for his service and loyalty to the state.

"I join with all Marylanders in honoring a distinguished public servant, who gave a lifetime of faithful and dedicated service to his fellow citizens," Sarbanes said. "Congressman Edward Garmatz, in all of his public life, stayed close to those he represented and cared deeply for their concerns."

Garmatz served in Congress during the administrations of Presidents Harry Truman, Eisenhower, John Kennedy, Richard Nixon and Lyndon Johnson. But he not only never lost touch with his East Baltimore roots he also remained a pretty good friend of amazing numbers of the people who voted for him.

"He was just a super guy," said Gene Raynor, who has observed Baltimore politicians for about 30 years from his posts on the elections board.

"He's always been a gentleman of the first order: his appearance, his manner, how he spoke, how he held himself."

Garmatz was a tall, erect man who grew a bit portly in middle-age. He wore subdued three-piece suits, often with a Maryland black-eyed susan as a boutonniere and a four-pointed white handkerchief in the breast pocket. A diamond stickpin frequently gleamed under the splendidly dimpled Windsor knot in his tie.

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DEATH OF AVERELL HARRIMAN

Mr. GORE. Mr. President, having just returned from the funeral services in New York City, I want to take this opportunity to join many others in expressing my sadness at the death of Gov. Averell Harriman. Washington has lost one of its finest citizens; America has lost a great and remarkable man.

Governor Harriman was a legendary, moral, and political force for almost a century. Born into the world of business, he looked for other worlds to conquer, and spent a lifetime paying his country back for his good fortune. Half a dozen Presidents sought his counsel and diplomatic expertise. John Kennedy once said that Harriman had held "as many important jobs as any American in our history"—and Governor Harriman would keep active in public service for another quarter century.

His accomplishments would fill three good lifetimes—New Dealer, special envoy to Britain, Ambassador to Stalin's Russia, Secretary of Commerce, architect of the Marshall Plan, Under Secretary of State, signer of the Limited Test Ban Treaty, troubleshooter extraordinaire.

We owe Governor Harriman more than we realize for his steadfast pursuit of hard-nosed peace with the Soviet Union. Governor Harriman saw past the stereotypes in dealing with the Russians, for he recognized that a successful negotiator must understand his adversary. That supreme insight lives on at the Harriman Institute for the Advanced Study of the Soviet Union at Columbia University, which may turn out to be his greatest gift to his country and the cause of peace.

Governor Harriman once said that the best thing to come out of his dealings with the Soviets was that "we have firmly established our moral position before the world." He triumphed by virtue of his own integrity and moral force. He had what David Halberstam called "a sense of country," and was himself everything his country should be—a man of immense power, who knew when not to use it.

I want to extend my deepest sympathies to Pamela Harriman, who like her husband has been a dear friend to so many of us in the Senate. The Harrimans have long been the most remarkable couple in Washington, and together set an example of public service and personal generosity that the rest of us shall forever strive to follow. We will miss the man who gave his country so much so often for so long.

DAVID SCOTT, CHAIRMAN OF THE PRESIDENT'S EXPORT COUNCIL

Mr. KASTEN. Mr. President, I rise on behalf of the President's Export

Council to honor David Scott from Wisconsin for his selfless contributions to his fellow citizens in various public forums. Tomorrow, David Scott steps down as chairman of the President's Export Council after devoting countless hours away from his personal life and from his duties as chairman of Allis-Chalmers Corp. The Council is an advisory committee established in 1973 to present business, labor, and agricultural sector views concerning international trade to the President.

Beginning in 1981 as chairman of the Council's Subcommittee on Export Administration, David Scott threw himself into very technical and difficult issues at a time when they were in the public eye. His efforts resulted in the streamlining of Government regulatory operations to reflect the concerns of the business community, and therefore better balance national security with the needs of American exporters.

After becoming chairman of the full council in 1984 he worked to increase the quality and scope of its work. Through his continuing efforts, understanding between the public and private sectors has increased. The result has been a better informed and more active exporting community, and a Government that responds better to the people it serves.

David Scott's efforts exemplify the highest ideals of what makes our democracy work; an individual's willingness to take responsibility for improving his Government and the quality of our lives. Groups other than the President's Export Council which have enjoyed his leadership include: The National Council for United States-China Trade, United States Section of the Egypt-United States Business Council, Nigeria-United States Business Council, U.S.-U.S.S.R. Business Council, Rockefeller University Council, ALS Research Foundation, Council of the Americas, Americas Society, Advisory Council of the University of Kentucky. He is a trustee of Marquette University and the Thomas Alva Edison Foundation, as well as president of the David C. Scott Foundation.

Though the President's Export Council will miss him, we know that we all will continue to benefit from his contributions.

THE LEADERSHIP OF PETER T. JOHNSON

Mr. HATFIELD. Mr. President, there are few jobs which are tougher than the post of Administrator of the Bonneville Power Administration. Peter T. Johnson has guided BPA through 5 of the most tumultuous years in its history. He recently announced that he is stepping down as Administrator in order to return to private life.

Under the leadership of Mr. Johnson, Bonneville has met every challenge it encountered. He applied management techniques from the private sector to improve the efficiency and productivity of a large Federal agency. Tight fiscal control, businesslike operations, and rate stability are the hallmarks of Mr. Johnson's tenure at BPA. He took an agency that was in danger of financial collapse and put it back on sound fiscal footing. Now ratepayers are again enjoying the low, stable rates so important to the region's economic health.

Residents of California are also benefiting greatly from our successes in holding down costs and rates. And very importantly, BPA is meeting all of its obligations to the U.S. Treasury. This year alone, BPA will be paying $580 million against the Federal investment in the Columbia River Power System.

We put the BPA on a schedule to catch up on its deferred payments to Treasury while making its current payments as well. This program met with success in 1984 when BPA sent a check to Washington to cover all of its deferrals. Today Bonneville is a valuable asset to the Federal Government, returning the taxpayers' investments with interest. Under Peter Johnson's stewardship, Bonneville adopted fiscal systems and disciplines designed to ensure that BPA continues to fully satisfy its obligations to the Treasury.

The list of Mr. Johnson's accomplishments is a long one. I would like to review some of them briefly.

When Mr. Johnson was appointed to lead Bonneville in the spring of 1981, he had no way of knowing what a great test he faced—both personally and professionally. All indications were that Bonneville was a growing, robust agency. It was gearing up to carry out the intent of a new law, the Northwest Power Act. The agency was providing the financial backing for one of the Nation's largest nuclear construction programs. And BPA's engineers were erecting several new high-voltage transmission projects across the Pacific Northwest.

Demand lines plotted on forecast charts looked like rocket trajectories. Johnson, a businessman whose professional profile reflected nothing but success and its rewards, might have expected to ride those demand lines right into the stratosphere of the utility world.

But it was not to be.

There would be no new era of cooperation among Bonneville's various customer groups, as the act envisioned. There would be no celebration of great technological successes in the nuclear power industry at Hanford and Satsop. There would be no dawning of an era of renewable resources.

Mr. Johnson would savor some sweet victories for conservation and for fish and wildlife. He would complete one major powerline and resurrect a moribund nuclear project. But he was destined to make his mark early as a rescuer, not as a builder.

The rescue often seemed too perilous to succeed. At a time when utilities in the Northwest and throughout the Nation were heavily engaged in building nuclear powerplants, Mr. Johnson pulled Bonneville out of the pack. He put the agency on a course that would save the Northwest's ratepayers billions of dollars. And he did this despite growing pressures and some strong resistance to any change from many in the region.

Johnson and BPA would have to halt the construction of two nuclear plants against the wishes of their owners. Determined to bring the projects to an orderly halt, he rejected advice to stand back and let them collapse under the enormous weight of debt and prior mismanagement. He would not allow the region and Bonneville to suffer the financial damage that would inevitably result.

Based on supply forecasts, on financing difficulties, and on the ballooning costs of construction, he also directed that projects 1 and 3 be mothballed. At the same time, he pushed for the efficient completion of project 2, then a problem-plagued plant. Today, it is in operation.

These decisions were tough, pragmatic business decisions. Mr. Johnson realized that Bonneville had become the servant of the nuclear program rather than its master. He moved decisively to reassert control.

One of the most important features of his tenure in office will be best recognized in its results—more efficient financial management and lower costs. He brought archaic financial systems of Bonneville up to date, again by adapting financial procedures from the private sector to government.

Good financial management is impossible without current, complete management information. Under Mr. Johnson's guidance, Bonneville adopted a financial management information system that integrates accounting and financial systems. It also plugs in budget formulation and monitoring, so that managers can get timely reports on the financial status of their operations and take action when needed.

Now, BPA managers can exercise tighter control over their many programs. Rather than relying on many unconnected accounting systems, they have access to a single, unified system and an official data base. This shift away from standard government accounting to business accounting systems was hailed in BPA's 1985 audit by the Arthur Anderson & Co. firm.

Another benchmark of Johnson's leadership at Bonneville was implementation of the Northwest Power Act

of 1980. The act, he said, would establish a "new order" in the region's utility industry. He described the act and the power council as an untested "experiment in political science." He was committed to see it succeed.

Johnson repeatedly stressed that he wanted the council to be "strong, effective and respected." He insisted that in all of BPA's relations with the council, this principle be followed. The staffs of BPA and the council have worked out a mutually beneficial relationship in which they challenge one another to produce a superior planning product. This is precisely the way we wanted to see the system work when we passed the act. Bonneville and the council to date have worked successfully to implement a strong regional conservation and fish and wildlife program.

BPA negotiated and executed new power sales contracts with its direct-service industrial customers and all utilities, publicly owned and investor owned, in the Pacific Northwest. The contracts enabled BPA to bring rate relief to the farm and home customers of the investor-owned utilities while preserving the preference status of the publicly owned institutions. Mr. Johnson has protected the integrity of the exchange contracts, which provide rate relief, thereby ensuring these benefits for the future.

With the completion of the rate process in 1984, BPA implemented all major provisions of the Northwest Power Act. Given the changed circumstances in the region and the diversity of interests involved, this was a major accomplishment.

In the area of power marketing, too, BPA has entered a new era. Surplus power in the Northwest has put pressure on the limited capacity of the Pacific Northwest-Pacific Southwest intertie powerlines. These lines are used to export Northwest and Canadian power to California. BPA moved to enact a new intertie access policy, which equitably distributes the benefits intertie transactions among all utilities, north and south.

Above all, Johnson recognized that the dislocation in the marketplace for power on the west coast signaled fundamental, long-term changes. With the fall of oil and gas prices, the agency could no longer count on a price advantage in the California market. BPA would have to work much harder than ever before to sell its surplus power. There was a need for international cooperation in the marketing of power resources, and he worked for mutually advantageous arrangements with Canadian producers. This has paid off handsomely for the Canadians. Last year, B.C. Hydro recorded its highest sales ever over the intertie.

And when the Government of British Columbia announced its intention to build a new dam at site C on the Peace River and to export its power to the United States, Mr. Johnson brought west coast utilities together to discuss issues. One of the results of these discussions is a potential breakthrough in trade with Canada. Interested utilities in the United States and Canada have formally agreed to study the feasibility of building the dam and moving its power south on the intertie. This agreement clearly stipulates the conditions required by BPA to protect the interests of Northwest ratepayers.

While BPA stayed on top of the situation in the export market, it also protected its sales in the Pacific Northwest. With price instability in the aluminum market and the exodus of some smelters from the region, Bonneville had to become much more creative in making rates and providing other incentives. Only by these means could Bonneville hold up its loads.

BPA offered three economic anchors to try to keep the smelters in place. The variable rate tracks the cost of a pound of aluminum up and down. The revenue Bonneville forgoes during low-price periods will be recouped when the price of ingot rises. The Conservation-Modernization Program provides up front money for companies to modernize their operations. This program helps maintain existing revenue while providing additional power to meet the region's future needs.

To serve the public, BPA must first know what the public wants and needs. Johnson understood this principle. He frequently attended public meetings so that he could hear for himself what the people were saying. He drew strength from ratepayers' comments for the decisions he would make during the supply system crisis. He directed the establishments of one of the best public involvement programs in the Federal Government.

Mr. Johnson saw the courts as a "safety net" in disputes among utilities. But he did not agree that the courts are the best place to resolve difficulties. So he initiated efforts to settle disputes out of courts when possible. The resolution of the WNP-3 lawsuit was good for ratepayers in the Northwest.

As a fisherman, Mr. Johnson had a deep personal appreciation of the region's anadromous fish. He became a firm advocate of programs to protect, mitigate, and enhance the region's fish and wildlife resources. BPA implemented major effort to improve streams for spawning and provide passage around dams and other manmade obstacles for migrating fish. BPA also worked with the Northwest Power Council to establishing a "water budget" for fish.

Many observers of the Northwest utility industry already are rating Johnson among the most effective administrators in Bonneville's history. I would agree with that assessment. It is rare to see such respect and affection for a public figure who has dealt with such controversial issues. Even those who quarreled from time to time with his decisions are sad to see him go.

The Seattle Post-Intelligencer, staunchly critical of BPA's involvement in the supply system projects, wrote: "The Pacific Northwest got lucky five years ago when Peter Johnson was appointed to head the Bonneville Power Administration."

Few in the region would disagree with that.

COMMENDING PETER JOHNSON FOR HIS ROLE AS THE ADMINISTRATOR OF THE BONNEVILLE POWER ADMINISTRATION [BPA]

Mr. GORTON. Mr. President, I am pleased to join my colleagues today in thanking Peter Johnson for doing a difficult job extremely well. Peter served as the Administrator of the Bonneville Power Administration for the past 5 years until his resignation 2 weeks ago.

In coming to BPA, Peter inherited many problems brought on by the harsh combination of recession and inflation during the 1970's. Under his skillful leadership, the Bonneville Power Administration has largely overcome the problems it faced during those years. The agency has improved its power forecasts and tightened cost controls. The agency has remained current on its obligations to the U.S. Treasury. With Peter's help and direction, Bonneville in fiscal year 1985 paid $3.4 billion interest and $900 million in principal into the Treasury. Additionally, BPA will make its scheduled repayment of $580 million on September 30 of this year.

Public confidence in BPA has improved tremendously during Peter Johnson's tenure at Bonneville. Peter has pressed customer groups to increase their cooperation efforts. He has maintained accessibility. He has adroitly handled the region's utilities with respect to contentious rate issues. When Peter spoke of the problems besetting BPA, he followed up with workable solutions.

If one pauses to contemplate all of the staggering issues that must be attended by the BPA Administrator, all of which have major effects on the economy of the Pacific Northwest, one can appreciate how important Peter's work has been. Just to highlight a few important issues facing BPA, the region's export market sales, long-term power sales, and nonfirm energy sales have all demanded a lot of Peter's own personal energy.

Peter Johnson has built a solid foundation that will provide benefits to all of the ratepayers in the Pacific North-

west. He has worked over the past 5 years to maintain affordable power rates while continuing to allow BPA to meet its obligations to U.S. taxpayers. I believe that consumers have been well served, and I am pleased to have worked with Peter Johnson. I wish Peter well in his future endeavors.

TRIBUTE TO PETER JOHNSON

Mr. MELCHER. Mr. President, I would like to add my note of appreciation for the job which Peter Johnson performed as Administrator of Bonneville Power during the past 4 years.

Peter Johnson proved to be a good Administrator of Bonneville during a challenging transition period, shortly after the passage of the Northwest Power Planning Act. In addition to implementing the act, he had to deal with other major issues such as revenue shortages and the economic problems of direct service industrial customers.

I refer to two major tasks which were accomplished by the Bonneville Power Administration during Mr. Johnson's tenure: the first phase of construction of the 500 kilovolt transmission line from Colstrip, MT, to Taft, ID, and the development of variable power rates for the aluminum industry. I worked actively with BPA and Mr. Johnson on both of these projects and know from first hand experience that both projects required considerable tenacity and persistence.

Getting the power transmission line constructed to Taft, ID, was a real challenge complicated greatly by the concerns of landowners, and the concerns of the public on esthetic and environmental issues. I look forward to working with Mr. Johnson's successor as the powerline is completed to Bell, WA. Completion of the line will enhance the prospects for marketing electricity generated in Montana to the west coast.

I understand that 100 percent of the Northwest's aluminum plants have accepted the variable power rates which were developed under Peter Johnson's tenure. That is a real milestone. It is a solid and workable mechanism for keeping the aluminum plants open and operating while also assuring rate fairness for other Bonneville customers.

I understand that Peter has not announced his future plans, but that they may have something to do with a new rod and reel. Based on his past record of tenacity, I trust that he will be successful in the most difficult of all feats—catching the big fish which set records.

HAILING OF PEACE INSTITUTE

Mr. MATSUNAGA. Mr. President, the Senate's recent unanimous passage of legislation to reauthorize the U.S. Institute of Peace for another 2 years, reflects strong public support for the Institute, whose mission is to help educate Americans about new methods for resolving conflict.

This enthusiasm is shared by the Chairman of the Institute's Board of Directors, Prof. John Norton Moore. In a recent article published in the Christian Science Monitor, Professor Moore wrote that no more pressing problem faces mankind than to reduce the risk of general war and violence. Noting that the Institute is in the long tradition of American institutional solutions to human problems, and acknowledging its widespread public support and bipartisan political support, Chairman Moore predicted that the Institute will become an important resource in the continuing struggle for world peace and human freedom.

With the thought that my colleagues will find Professor Moore's views of interest, I ask unanimous consent that his article be inserted at this point in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, June 30, 1986]

AN APPROPRIATE U.S. RESPONSE: THE PEACE INSTITUTE

(By John Norton Moore)

It is a genius of American democracy that it continually creates national institutions devoted to furthering human knowledge, understanding among nations, and freedom. Today these include, among others, the National Endowments for the Arts and Humanities, the Smithsonian Institution, the Library of Congress, the Peace Corps, the Arms Control and Disarmament Agency, and the National Endowment for Democracy.

In this tradition, a new national institution, the United States Institute of Peace, has quietly been born.

Its mandate is to encourage research, education, and information exchange in enhancing our ability to resolve and manage conflict. Its method will be the pursuit of excellence in an interdisciplinary climate of intellectual freedom. By law independent and nonpartisan, it will promote scholarship in public and private institutions around the world as well as offer its own center of excellence.

The Institute of Peace is the product of a bipartisan congressional effort of more than 200 members of Congress and the vision of a dedicated few such as Sens. Mark Hatfield, Spark Matsunaga (who chaired the blue-ribbon congressional-presidential commission that recommended establishment of the institute), Claiborne Pell, Jennings Randolph, and Robert Stafford and Rep. Dan Glickman. The first meeting of the board of directors was held Feb. 26. The board was sworn in by Chief Justice Warren Burger.

This first board of the institute has collectively earned more than 20 advanced degrees and published more than 50 books. Perhaps most fittingly, in view of the institute's strong roots in the soil of democracy, it has received an outpouring of suggestions and support from individuals all over the world, including heartwarming offers of permanent sites and other support from communities around the country.

There is no more pressing problem facing mankind than reducing the risk of general war, containing and ending regional conflicts, and ending the recurrent violence of aggressive attack, whether through armies openly on the march across international boundaries—or by concealed state-sponsored terrorism and guerrilla warfare. In addressing these problems, the Institute of Peace will not immediately make the world a safer place, but it can through time enhance our understanding of conflict and conflict resolution, and it will certainly make an important contribution to careful scholarly research and education about this great human problem. Moreover, it could have a multiplier effect as private institutions and even other nations follow suit in enhancing research and education about conflict management.

It is particularly appropriate that this new Institute of Peace should be created by the United States.

The role of the United States in the struggle against the inhumanity of war has been second to none. In the Lieber Code, through which he sought to lessen the horrors of our own civil war, President Lincoln led the world toward detailed codes of human rights for settings of armed conflict. Americans played a leading role in the Hague Peace Conferences of 1899 and 1907. An American secretary of state, William Jennings Bryan, led the world to fact-finding and "cooling off" treaties as a means of war avoidance. President Woodrow Wilson dreamed the dream that became the League of Nations. Secretary of State Frank Kellogg helped lead the world to the momentous Pact of Paris that, at least in legal terms prohibited aggressive war as a modality of foreign policy. In the aftermath of what Winston Churchill termed the "unnecessary war," President Franklin D. Roosevelt led the Allies in the creation of the United Nations, and in a speech scheduled for April 13, 1945, and never delivered because of his death a day earlier, President Roosevelt wrote simply and eloquently for all Americans: "The work, my friends, is peace. More than an end to this war—an end to the beginnings of all wars. Yes, an end, forever, to this impractical, unrealistic settlement of the differences between governments by the mass killing of peoples. Today we move against the terrible scourge of war—as we go forward toward the greatest contribution that any generation of human beings can make in this world—the contribution of lasting peace."

President Harry Truman later offered the Baruch Plan, by which the nuclear genie would have been harnessed exclusively for peaceful purposes. President John Kennedy established the Peace Corps and the Arms Control and Disarmament Agency, unique national institutions for promoting peace. And President Reagan established the National Endowment for Democracy to engage America more effectively in promotion of freedom and democracy in the global struggle for ideas. The United States Institute of Peace is an institution in this great American tradition that hopefully will make an important contribution toward the control of violence and achievement of a just peace of freedom and human dignity.

The Institute of Peace has just begun its work. It will be months before it begins supporting research and education. If its current core of support across the political spectrum is any indication, however, the in-

stitute seems destined to become an important resource in the continuing struggle for world order and human freedom.

MISDEALING WITH APARTHEID ON TEXTILES

Mr. KENNEDY. Mr. President, on June 27, negotiators from the Office of the Special Trade Representative completed and initialed a new bilateral trade agreement in Washington which grants a 4-percent annual increase in textile imports into the United States from South Africa.

In the past year, textile imports from South Africa have doubled, from about $30 million in 1984 to about $60 million in 1985, representing approximately 1 percent of all U.S. textile imports.

No provisions of U.S. law or of our multilateral trade agreements require that we accept this surge, or, in fact, negotiate at all. To the contrary, South Africa is not even a member of the current Multi-Fiber Arrangement. The administration has plenary power under existing law to prevent South African textiles from penetrating the U.S. market. The administration could have imposed a freeze, a reduction, or a total ban on textiles from South Africa.

Instead, inexplicably, they chose to grant an undeserved increase. At a time when the administration is under heavy pressure to reduce textile imports from even our closest friends, when the Senate is on the eve of taking up tough economic sanctions against South Africa, when the House of Representatives is about to vote on the President's veto of a major textile bill, the administration does South Africa a favor, sticks its finger in the eye of millions of U.S. textile workers, and guarantees an increasing share of the U.S. textile market for South Africa.

The negotiation of this accord is the latest sign of the administration's insensitivity and "business as usual" attitude toward apartheid. With a "Bridge on the River Kwai" mentality, the Special Trade Representative has constructed a textile agreement, and it is up to Congress to take it down. Instead of inviting increased textile imports from South Africa, Congress ought to include the provision shutting them off completely in the anti-apartheid legislation we enact. It is time the administration learned that America can no longer do business as usual with apartheid.

AVERELL HARRIMAN

Mr. EAGLETON. Mr. President, with the exception of Winston Churchill, no statesman of the 20th century spanned a greater period of influence over world affairs than did Averell Harriman.

From the 1930's well into the 1970's, Governor Harriman served this Nation with extraordinary skill and devotion. His advice and counsel were sought by Presidents, diplomats, Members of Congress, academicians, and journalists. Indeed, anyone who wanted a clearer picture of this world, its troubles, and its potentials could find no greater source of wisdom than Averell Harriman.

His death of July 27, 1986, at the age of 94 takes from us one of the great men of the 20th century. He will be greatly missed and cannot be replaced.

SHERMAN W. DREISESZUN

Mr. EAGLETON. Mr. President, on September 7, 1986, Sherman W. Dreiseszun will be honored by Kehilath Israel Synagogue, where he has recently been named the synagogue's honorary president for life.

Mr. Dreiseszun, throught his inspiration and foresight, has enriched the world around him. He has made outstanding personal and sustaining contributions to the Kansas City metropolitan area. His dedicated and tireless efforts have helped nurture the economic, social, and cultural status of downtown Kansas City and the surrounding areas. His years of outstanding accomplishment embody an exemplary record of service to his community.

I invite my colleagues to join me in paying tribute to Mr. Dreiseszun as one who has truly earned the recognition and respect of this body.

ERADICATING DRUG ABUSE

Mr. MOYNIHAN. Mr. President, on July 19, 1986, Mr. John Dyson—a cabinet member under the previous two Governors of New York and candidate for the U.S. Senate—unveiled a proposal that could do much to combat the flood of illicit drugs entering this country. As part of a broader effort to eradicate drug abuse, Mr. Dyson called for a new U.S. campaign to help cut the production of illicit drugs abroad, by providing technical assistance and funds to encourage the growth of agricultural crops in their place.

The need for cutting such production is all too urgent. According to the House Select Committee on Narcotics Abuse and Control, coca production in both Colombia and Peru increased from 55 tons to 150 tons during the past 2 years. In Colombia alone, estimates of the amount of land where cocoa is grown have jumped from 15,000 hectares to 25,000 hectares.

Yet, despite the need to combat drug production, Dyson's proposal to do just that was instantly dismissed by Mr. Larry Gallina, a special agent of the U.S. Drug Enforcement Agency. But as Mr. Gallina admits, a similar program during the early 1970's wiped out illicit opium production in Turkey—and, I should add, helped us break the French Connection, under which opium harvested from Turkish poppy fields was processed into heroin in Marseilles, and then smuggled into New York.

This program to eradicate Turkish opium cultivation had its genesis in September 1969, when I was President Nixon's assistant for urban affairs and traveled to discuss the heroin trade with Turkish officials. It happens that I recently described the visit in Family and Nation (1986):

> I was courteously received in Istanbul by the Turkish foreign minister, Ihsan Sabri Laglayangil. He knew well enough that poppy was grown in Anatolia; poppy seed is part of the Turkish national diet. But he knew nothing of drug use, and if the United States wanted Turkish farmers to farm differently, we would have to pay them to do so.

We subsequently did just that. During the early 1970's, when Turkey implemented a ban on poppy production (except for a small amount produced under government supervision), the United States provided $15 million to help Turkish farmers make the transition from poppy cultivation to the growth of other crops.

I went on to Paris to seek French cooperation in this fight against heroin traffic, and in a return visit met with Jean Dours, Directeur Général de la Sûreté. Now the name of the Directeur Général is known in France, but he does not give interviews and rarely meets with foreigners. This was different: an American President was concerned about an issue that increasingly involved French youth as well.

At the end the French saw they had to do something, and in time they did. With their cooperation—and with the U.S. program to support eradication of illicit Turkish opium production—we broke the French Connection and La Cosa Nostra's monopoly on heroin trafficking. As the President's Commission on Organized Crime reported on March 1986: "The La Cosa Nostra heroin monopoly lasted until 1972, when under diplomatic pressure from the United States, Turkey banned opium production and the French Connection collapsed." And Turkey's success in suppressing illegal opium production has continued to this day.

The proposal made by John Dyson would apply the principles behind this success to the current war on drugs. A program to support drug eradication similar to that which succeeded in Turkey, reoriented to suit the special circumstances of cocaine production in South America, and pursued as a part of a broader effort to eliminate drug abuse, could do much to help us win this struggle.

Mr. President, I ask unanimous consent that an article concerning this

proposal in the Albany, Times Union, be entered into the RECORD.

[From the Albany Times Union, July 19, 1986]

DYSON OFFERS PLAN TO BUY OUT FARMERS IN COCAINE TRADE

(By Bennett Roth)

Instead of battling the cocaine trade by shipping in military helicopters and army officers, the federal government should buy out the coca plant farmers in South America, Democratic U.S. Senate candidate John Dyson said in Albany Friday.

Dyson, who was making a campaign sweep through the Capital District proposed the radical solution on the steps of Albany City Hall and later at an editoral board meeting of Capital Newspapers, publishers of *The Times Union and The Knickerbocker News.*

"The thing you should do about cocaine—say in Bolivia—is to buy out the farmers. We pay people here not to grow wheat not to grow corn and milk cows," said Dyson, who said it would cost "about $250 million to $300 million to get rid of the supply of coca trees."

Dyson said he would ask the graduate school of agriculture at Cornell University—of which he is an alumnus and trustee—to "to think up what else they can grow" in those South America countries where much of the world's cocaine supply comes from. He suggested the buy-out program should take place in Bolivia, Peru and Colombia.

Federal drug enforcement officials said that a similar program to what Dyson had proposed had been tried in Turkey involving poppy plants in the early 1970s. The program to halt the spread of opium, made from poppies, failed because the poppy crop—while being mostly wiped out in Turkey—spread to other areas of the world, notably Mexico, officials said.

"There's always a country willing to fill the void. It's like a ballon half-inflated. You squeeze it and it comes up elsewhere," said Larry Gallina, special agent with the federal Drug Enforcement Agency in Washington, D.C.

Gallina took issue with Dyson's price estimate for buying out South American coca crops.

"For the kind of stuff coming out of South America it will take more than a couple of million dollars," said Gallina.

Dyson—who faces a primary battle with Ralph Nader advocate Mark Green in September—proposed his solution as an alternative to the federal program of sending of troops and helicopters to identify and then eradicate the crops.

Dyson said that his experience as an army intelligence officer in Vietnam convinced him that such spy missions to detect the coca crops and cocaine factories won't work.

The coca farmers, once they hear the sound of the helicopters, will just pick up and move the cocaine factories before the troops arrive, Dyson said.

Dyson said of Washington's current drug offensive in Bolivia, "It's not a war, or a battle or even a skirmish on drugs."

He attacked incumbent Republican Sen. Alfonse D'Amato for a recent escapade in New York City, when the senator and law enforcement officials dressed up and bought the drug "crack" on the street.

"It was the most useless publicity stunt in the history of the U.S. Senate," Dyson said. "Who doesn't know you can buy 'crack' in the streets of New York dressed in a business suit wearing a Dyson for Senate button?"

In response to Dyson's scheme to buy out South American coca farmers D'Amato spokesman Gray Lewis said Friday. "If the billionaire candidate had a firm commitment to showing his displeasure with the nations that grow illicit narcotics, he should divest himself of the financial investments in those nations."

Dyson's personal investments have been under attack lately by Green, who this week said his opponent should divest all personal holdings in companies doing business in white minority-ruled South Africa.

However, Dyson has maintained that he only invests in companies that adhere to the Sullivan principles—which mandate fair employment practices in South—and also have major operations in New York.

Dyson said that by investing in such companies as Ford and General Motors he was ensuring that jobs were created in this state.

Dyson—who since the Democratic convention has been engaged in an increasingly bitter war of words with Green—told the Capital Newspapers editiorial board that he intended to point out to the state United Auto Workers union that his Democratic opponent drives a foreign car a Swedish-manufactured Volvo.

"We're going to the UAW. We'll find out what they think of that, said Dyson, who added that he drives a Pontiac.

Green spokesman Randy Daniels confirmed that the candidate drives a 1973 Volvo, which he purchased in 1977.

"It was cheap and safe for his family," said Daniels, who added that Green would "accept John Dyson's criticism if he signs an affidavit saying that he has never bought a foreign product."

Earlier in the day, Dyson was endorsed by a number of prominent Democratic Albany politicians, including Mayor Thomas M. Whalen III, county party Chairman Leo O'Brien and state Sen. Howard Nolan.

When asked why he considered Dyson a better candidate than Green, Whalen said, "He has a background of public service, he is a person of integrity and I know John Dyson. I do not know his opponent."

Dyson also spoke to Albany civic leaders at the Steuben Athletic Club and later to Schenectady Democratic leaders, including Mayor Karen Johnson.

At the Capital Newspapers editorial board meeting Dyson spoke on a variety of topics, ranging from the recent resignation of state Education Commissioner Gordon Ambach to international terrorism.

Dyson called Ambach's leadership of the Education Department "uninspiring," and said if he had his way, he "would eliminate half of the Albany state education bureaucracy."

"They try to do too much second guessing from Albany, such as telling a school district in Schoharie County it needs two librarians," Dyson said.

He said he opposes U.S. military aid to the contras in Nicaragua, claiming that the real objective of any aid "should be to deal with the poverty in that country."

Nonetheless, he said, "We should not delude ourselves into thinking that the Sandinistas are a charming band of reformers."

Dyson also said, "We should have a deficit of about $100 billion" to ensure a healthy economy and that he would double the budget for college student loans.

TAX REFORM EDITORIAL

Mr. DOLE. Mr. President, the Baltimore Sun recently ran an op-ed piece on tax reform by a skilled and knowledgeable attorney who served as a tax counsel to the Senate Finance Committee when I was chairman of that panel. Very few individuals are as familiar with the intricacies of tax reform and the relationship between taxes and fiscal policy as Donald Susswein.

This Senator appreciates his views on such matters and asks that the text of this timely article appear in the RECORD.

The article follows:

TAX REFORM—COMPLETES REAGAN REVOLUTION

(By Donald Susswein)

WASHINGTON.—The real story in the current tax-reform debate is not the defeat of powerful lobbies at the hands of populists. Neither is it the elimination of tax loopholes for the wealthy or tax relief for 6 million poor families.

The real story is that the tax reform bill now moving through the Congress will ensure a triumph for the Reagan Revolution.

The bill's near total elimination of tax shelters is, of course, a wonderful accomplishment that will simplify economic decision-making and restore the flagging morale of the rank-and-file American taxpayer.

But the heart of the matter is this: Most tax shelters and tax preferences are not sham transactions without economic substance or effect. They simply use tax breaks to direct investment capital or consumer dollars toward one sector of the economy rather than another—toward apartment houses instead of retail stores, or home insulation instead of video cassette recorders.

By repealing most of these tax incentives and lowering tax rates, the Congress would relinquish one of the most powerful tools it has at its disposal to influence the private economy. This is precisely what Ronald Reagan asked for in his first economic address to the Congress on February 18, 1981.

"The taxing power of government," he said, "must be used to provide revenues for legitimate government purposes. It must not be used to regulate the economy or bring about social change. We've tried that, and surely we must be able to see it doesn't work."

There are other tools of industrial policy, of course. But the power of direct federal grants or federal loan guarantees pales by comparison with the $300 billion worth of annual tax incentives currently built into the tax code. And with a $200-billion federal budget deficit to deal with. Congress is likely to be unsympathetic at best to any new proposals to tinker with the economy through massive federal appropriations or the wholesale allocation of credit.

Can't the tax preferences and loopholes be restored in a few years? In theory, yes. But the wrenching process of taking on special-interest lobbies through tax reform is not likely to be quickly forgotten by members of the House or Senate tax-writing committees. And even if they universally recanted this year's reforms, it would be an extremely difficult political job—more difficult than reform itself—to put the genie of a 27 percent tax rate back into the bottle.

just to pay for low-income housing, energy conservation, oil and gas exploration or other important domestic needs.

Can't new tax preferences be created without raising the tax rates? Even though the Supreme Court invalidated the mechanism of the Gramm-Rudman-Hollings balanced-budget amendment this month, the amendment continues to exert a strong suasive force which will make that very difficult, if not impossible.

Gramm-Rudman-Hollings does not mean that there will be no more new government programs. But anything, whether it is a new spending program or a new tax preference, will have to be important enough to warrant the elimination or reduction of an existing federal program, or the highly unusual step of a general tax-rate increase.

Since the inception of the income tax in 1913, the tendency has been for personal rates to increase only during wartime. Excise increases are historically more commonplace but would also be difficult, since their regressive effect would stand out like a sore thumb in a world with a 27 percent top marginal income-tax rate.

In short, the Senate Finance Committee's radical tax reforms, together with the spirit of Gramm-Rudman-Hollings, will obstruct both the expansion of the size of government and the development of a national industrial policy of federal involvement in the private economy—two important tenets of Reaganomics.

The political conflict between guns and butter will, of course, continue. But with the possible exception of that debate over national priorities, the Reagan Revolution will have scored a triumph of politics and economics.

Mr. Susswein, a Washington lawyer, served as counsel to the Senate Finance Committee from 1981 until 1985.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

CERTIFICATION OF BINARY CHEMICAL MUNITIONS PROGRAM—MESSAGE FROM THE PRESIDENT—PM 161

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States; which was referred to the Committee on Appropriations:

To the Congress of the United States:

Pursuant to section 8093 of the Department of Defense Appropriations Act, 1986, Public Law 99-190, I hereby certify with respect to the binary chemical munitions program that the United States:

(1) has submitted to the North Atlantic Treaty Organization, a force goal stating the requirements for modernization of the United States proportional share of the NATO chemical deterrent with binary munitions and said force goal has been adopted by the North Atlantic Council;

(2) has developed, in coordination with the Supreme Allied Commander, Europe, a plan under which U.S. binary chemical munitions can be deployed under appropriate contingency plans to deter chemical weapons attacks against the United States and its allies; and

(3) has consulted with other member nations of the North Atlantic Treaty Organization (NATO) on that plan.

I note with regard to the first numbered paragraph that the force goal was adopted by the North Atlantic Council constituted as the defense Planning Committee in accordance with the North Atlantic Treaty. I am pleased to make this certification on a program so vital to our national defense. We are earnestly seeking, as our top priority in the chemical weapons area, a comprehensive and verifiable ban on all chemical weapons. Until we achieve that goal, we must maintain a safe and viable chemical weapon stockpile to deter use of chemicals by our potential adversaries. I appreciate your continued support for this program.

RONALD REAGAN.

THE WHITE HOUSE, *July 29, 1986.*

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 3:10 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 1904. An act to provide for the use and distribution of funds appropriated in satisfaction of judgments awarded to the Chippewas of the Mississippi in Docket Numbered 18-S before the Indian Claims Commission, and for other purposes; and

H.R. 4434. An act to amend the Act entitled "An Act granting a charter to the General Federation of Women's Clubs."

The enrolled bills were subsequently signed by the President pro tempore (Mr. THURMOND).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATFIELD, from the Committee on Appropriations:

Special report entitled "Allocation to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 1987 (Rept. No. 99-346).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs:

William F. Ryan, of New Jersey, to be First Vice President of the Export-Import Bank of the United States for the remainder of the term expiring January 20, 1989;

J. Michael Dorsey, of Missouri, to be an Assistant Secretary of Housing and Urban Development;

Manuel H. Johnson, of Virginia, to be Vice Chairman of the Board of Governors of the Federal Reserve System for a term of 4 years; and

Donna Pope, of Ohio, to be Director of the Mint for a term of 5 years.

(The above nominations were reported from the Committee on Banking, Housing, and Urban Affairs with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mrs. HAWKINS:

S. 2693. A bill to amend the Tariff Act of 1930, as amended, 19 U.S.C. 1301, et seq., to prohibit the importation of drug paraphernalia into the United States, and to prohibit the exportation of such articles from the United States; to the Committee on Finance.

By Mr. DIXON:

S. 2694. A bill to lower for a 3-year period the rate of duty on glass inners designed for vacuum flasks; to the Committee on Finance.

By Mr. EXON:

S. 2695. A bill to provide for an additional district court judge for the judicial district of Nebraska; to the Committee on the Judiciary.

By Mr. HEINZ:

S. 2696. A bill relating to the tariff classification of slabs of iron or steel; to the Committee on Finance.

By Mrs. HAWKINS:

S. 2697. A bill to amend the Controlled Substances Act and the Controlled Substances Import and Export Act to provide mandatory penalties for certain drug offenses involving the importation or exportation, or the manufacture, of controlled substances, and to amend schedule I of the Controlled Substances Act to include cocaine; to the Committee on the Judiciary.

By Mr. LAXALT (for himself and Mr. HECHT):

S. 2698. A bill to transfer certain public lands in Nevada to the Toiyabe, Humboldt, and Inyo National Forests; to the Committee on Energy and Natural Resources.

By Mr. SPECTER:

S. 2699. A bill to amend the Controlled Substances Act to provide mandatory minimum sentences for distribution of controlled substances to minors, to add enhanced penalties, including mandatory minimum sentences, for employment of minors in the distribution of controlled substances, and to allow States receiving forfeited assets to use such assets for youth drug abuse prevention and rehabilitation; to the Committee on the Judiciary.

By Mrs. HAWKINS:

S.J. Res. 381. Joint resolution providing for a White House Conference on Illicit Drug Use and Control; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. CRANSTON:

S. Con. Res. 156. Concurrent resolution expressing the sense of Congress concerning the need for international cooperative efforts to identify the individuals exposed to radiation as a result of the nuclear accident at Chernobyl in the Soviet Union and to monitor the health status of those individuals so as to increase, for their benefit and the benefit of the citizens of the United States and of all the world's peoples, the level of understanding of the effects of exposure to radiation; to the Committee on Foreign Relations.

By Mr. QUAYLE: (for himself, Mr. THURMOND, Mr. WEICKER, Mr. HATCH, Mr. DENTON, Mrs. HAWKINS, Mr. STAFFORD and Mr. GRASSLEY):

S. Con. Res. 157. Concurrent resolution to express the sense of the Congress that colleges and universities should enforce strict but fair antidrug use policies; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. HAWKINS:

S. 2693. A bill to amend the Tariff Act of 1930, as amended, 19 U.S.C. 1301, and the following, to prohibit importation of drug paraphernalia into the United States, and to prohibit the exportation of such articles from the United States; to the Committee on Finance.

DRUG PARAPHERNALIA LEGISLATION

Mrs. HAWKINS. Mr. President, I am today introducing a bill to prohibit the export and import of drug paraphernalia. There are other legislative initiatives to ban the domestic sale on production of drug paraphernalia and this measure will act to cut off the loophole for such items when produced and purchased abroad.

For many years, the Customs laws have prohibited the importation or exportation of certain items into the country. For example, 19 U.S.C. 1305 prohibits the importation of obscene matter, lottery tickets, treasonous and seditious materials, and articles for causing unlawful abortions. This bill provides for the civil forfeiture of any drug paraphernalia imported or brought into the United States or intended for export from the United States.

Drug paraphernalia laws are most often attacked because they are too vaguely worked. They seldom explain what is meant by the term paraphernalia. They do not indicate whether it is the use, or the possession, or the sale of paraphernalia that is prohibited. In contrast, my bill defines "drug paraphernalia" by specific objects, as well as equipment, products, and materials used, intended for use, or designated for use, essentially, to produce, package, store, test or use illicit drugs. The words "equipment, products and materials" should be interpreted according to their ordinary or dictionary meanings. They can apply to many forms of movable, tangible property. Real property, conveyances, moneys, documents and intangible property are, on the other hand, not meant to be included within these terms.

This bill provides for the civil forfeiture of drug paraphernalia imported or brought into the country illegally. Civil forfeiture actions are directed against property and are totally independent of any criminal proceedings against individuals. The legality of civil forfeiture statutes and their usefulness in helping deter unlawful actions have been repeatedly recognized by virtually every Federal and State court, including the Supreme Court of the United States. *Calero-Toledo* v. *Pearson Yacht Leasing Co.*, 416 U.S. 663, 94 S. CT. 2080 (1974). Moreover, civil forfeiture can also be an effective deterrent to commercial suppliers.

By Mr. DIXON:

S. 2694. A bill to lower for a 3-year period the rate of duty on glass inners designed for vacuum flasks; to the Committee on Finance.

LOWERING THE RATE OF DUTY ON GLASS INNERS FOR VACUUM FLASKS

Mr. DIXON. Mr. President, today, I am introducing a bill that will restore the necessary tariff equity for glass inners, a component in the manufacture of vacuum bottles.

Household Manufacturing of Prospect Heights, IL, is the parent company of Thermos, which produces these bottles. It imports the glass inners from England while other distributors have chosen to import the entire product.

Until the late 1950's, both the glass liners and the vacuum bottles were grouped under one duty classification. Although separate classifications were later established for the two items, the rates of duty remained identical.

During the mid-1960's, the rate of duty for vacuum bottles declined, while the rate of duty for glass liners remained the same. Today, the duties for glass liners continue to be much higher than those for the completed products.

The bill I am introducing would bring the tariff rates for glass liners into parity with the rate for vacuum bottles in their entirety. Enactment of this bill would save domestic producers approximately $200,000 in annual costs which is currently lost because of the discrepancy in duty rates.

This change will enable the Thermos Co. to continue to compete with the vacuum bottles being imported from Latin America and the Far East. American jobs depend on the company's ability to do so.

I urge my colleagues to support this important bill which will help save a company which has made an obvious effort to keep its operations centered in the United States.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2694

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TEMPORARY REDUCTION OF DUTIES ON GLASS INNERS.

(a) 1986.—Subpart B of part 1 of the Appendix to the Tariff Schedules of the United States is amended by inserting in numerical sequence the following new item:

		Rates of Duty			Effective Period
		1	Special	2	
"909.35.....	Glass inners designed for vacuum flasks or for other vacuum vessels (provided for in items 545.31, 545.34, 545.35, and 545.37, part 3C, schedule 5)	10.7% ad val.	9% ad val. (D,I) Free (A,E).	55% ad val.	On or before 12/31/89".

(b) AFTER 1986.—Item 909.35 of the Appendix to the Tariff Schedules of the United States, as added by subsection (a) of this section, is amended—

(1) by striking out "10.7% ad val." in rate of duty column number 1 and inserting in lieu thereof "9% ad val.", and

(2) by striking out "9% ad val. (D,I)" in the special rate of duty column.

(c) EFFECTIVE DATES.—

(1) The amendment made by subsection (a) shall apply with respect to articles entered after the date that is 15 days after the date of enactment of this Act.

(2) The amendment made by subsection (b) shall apply with respect to articles entered after December 31, 1986.

(3) For purposes of this subsection, the term "entered" means articles entered, or withdrawn from warehouse, for consumption.

By Mr. EXON:

S. 2695. A bill to provide for an additional district court judge for the judicial district of Nebraska; to the Committee on the Judiciary.

ADDITIONAL DISTRICT COURT JUDGE FOR NEBRASKA

Mr. EXON. Mr. President, the work of the Federal judiciary is frequently taken for granted by the public. In the State of Nebraska, the Federal district court is doing an outstanding job managing an extremely heavy workload. In 1985, the Nebraska Federal district ranked 12th in the Nation and first in the eighth circuit for total filings per judge. In trials completed per judge,

the Nebraska district ranked fourth in the Nation and first in the eighth circuit.

The total number of filings per 12-month period has grown from 1,117 in 1981 to 1,975 in 1985. Most experts expect this trend to continue. This heavy workload is managed by three full time judges, two senior judges, and two full time and one part time Federal magistrates.

Because of the current heavy case load and the anticipated trend for the future, I am introducing legislation to create an additional judgeship for the Federal district of Nebraska. I hope that the Senate Judiciary Committee will carefully study the workload statistics relating to the Nebraska Federal District Court and recommend this legislation to the full Senate.

Chief Judge Arlen Beam, Judge Warren K. Urbom, Judge Lyle E. Strom, senior Judge Robert Van Pelt and senior Judge Richard E. Robinson are to be saluted for their hard work and continuing efforts to make the Nebraska district a model of judicial efficiency.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2695

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President shall appoint, pursuant to section 133 of title 28, United States Code, an additional district court judge for the judicial district of Nebraska.

(2) To reflect the change made by this subsection, section 133 of title 28, United States Code, is amended by striking out the following:

"Nebraska ..... 3";

and inserting in lieu thereof the following:

"Nebraska ..... 4".

By Mrs. HAWKINS:

S. 2697. A bill to amend the Controlled Substances Act and the Controlled Substances Import and Export Act to provide mandatory penalties for certain drug offenses involving the importation or exportation, or the manufacture, of controlled substances, and to amend schedule I of the Controlled Substances Act to include cocaine; to the Committee on the Judiciary.

NARCOTICS IMPORTATION, MANUFACTURE, AND CONTROL ACT

Mrs. HAWKINS. Mr. President, I am today introducing legislation to establish mandatory sentences for the importation of large quantities of illegal drugs, and to upgrade cocaine to a schedule I drug. The mandatory sentencing portion of this bill is a companion to H.R. 1946 introduced by Congressman DUNCAN HUNTER in the House of Representatives.

I will not recite for you once again the awful statistics on drug trafficking and drug use in the United States, its impact on crime, health, education, youth, and the economy. Suffice it to say that drugs are destroying all good things in our society. We know that the President has now declared drug trafficking to be a threat to our national security.

We are clearly in need of greater deterrence against drug trafficking. Many of our laws had their sanctions weakened and watered down during the liberal experiments of the sixties and seventies.

Today, all too many of our judges still avail themselves of the wide sentencing discretion allowed them under these watered down laws to let major drug dealers off with a tap on the wrist even after conviction.

This bill strengthens mandatory penalties for large quantities of illegal drugs calling for:

A 20-year mandatory sentence for importation and manufacture of 100 grams or more of opium, morphine, codeine, or heroin; a kilogram or more of cocaine; 500 grams or more of PCP or 5 grams or more of LSD. Current law stipulates sentences up to 20 years.

A 15-year mandatory sentence for importation of lesser amounts of these drugs. Current law calls for a sentence of up to 15 years.

A 5-year mandatory sentence for importation of 50 kilograms of marijuana, 10 kilograms of hashish and/or a kilogram or more of hashish oil.

The bill also takes the dramatic step of completely outlawing the distribution and use of cocaine by making the drug a "Schedule I Narcotic" under the Controlled Substance Act. Cocaine is currently a "Schedule II Narcotic." This upgrade allows law enforcement to more tightly control the drug.

While it is frightening to behold the accelerated addition and destruction process of crack, we should not be stampeded into forgetting that crack is nothing more than a purified form of cocaine. The dividing line between crack and cocaine is indistinct and arbitrary. And if by some miracle we devised a crack specific defense that worked, who believes that no new form of sophisticated cocaine abuse would rise to take its place.

For this reason, I believe we should concentrate our attack on the generic drug, cocaine, rather than be drawn off to concentrate our attack on the current deadly cocaine sideshow of crack. By going after cocaine, we automatically go after crack and any future inventive form of cocaine abuse. I realize that attacking crack is much more palatable politically to the drug culture and those many so-called recreational users of cocaine who might look down on "crack" users. But logic and conviction would dictate an attack on crack through an attack on cocaine itself.

Current accepted medical use of cocaine is negligible. I am advised that it is confined to use as a local anesthetic for the nasal passage. Other substitute anesthetics are available for this purpose. While about 800 pounds of legal cocaine are produced each year in the United States, much of this is exported or used for research. Diversion of some of this now licit cocaine for illicit use is a near certainty.

It's time we put cocaine back where it belongs—at the head of the class with heroin as a schedule I drug with no acceptable medical use. I hope my colleagues will join me in this effort.

By Mr. LAXALT (for himself and Mr. HECHT).

S. 2698. A bill to transfer certain public lands in Nevada to the Toiyabe, Humboldt, and Inyo National Forests; to the Committee on Energy and Natural Resources.

TRANSFER OF CERTAIN PUBLIC LANDS IN NEVADA

● Mr. LAXALT. Mr. President, I introduce with my distinguished colleague, Senator HECHT, a bill to provide for implementing an interchange of management responsibilities between the Forest Service and the Bureau of Land Management in Nevada.

This proposal grows out of the proposal last year for such an interchange which would involve the entire United States. The effort is aimed at eliminating sometimes overlapping and redundant management efforts on adjacent Federal lands. It would streamline management and save the Government management costs.

The Nevada proposal following several studies of the existing management structure for the two agencies. The proposal basically blocks up a number of Forest Service management units by incorporating in them existing scattered and uneconomical BLM units. This proposal has been prepared by the two agencies working together at my request, and I am hopeful the result of that collaboration will insure administration support of this particular proposal.

I would have preferred that the Nevada Interchange initiative be included in a national interchange proposal. It appears that prospect is now unlikely but it should not deter the Senate from moving forward on an interchange proposal for Nevada or any other State in which agreement has been reached. I urge early and favorable action on this proposal.●

● Mr. HECHT. Mr. President, today I am joining my colleague Senator LAXALT in introducing the National Forests of Nevada Enhancement Act of 1986, a bill to implement the Nevada portion of the ill-fated national land exchange between the Forest Service and the Bureau of Land Management.

After long and detailed negotiations among the Nevada congressional delegation, the Nevada State government, and the Interior and Agriculture Departments, an agreement was reached on the Nevada portion of the national land exchange legislation. Now of course, it is quite clear that the national legislation is not acceptable to most of the other affected States.

However, Nevada is quite pleased with its portion of the exchange, so the entire delegation is supporting legislation of the sort being introduced today. The most important difference between this bill and the national legislation, other than the geographical scope of the bill, is the fact that this Nevada bill does not alter the existing division of responsibility for mining activity on Forest Service land. The roles of the Forest Service and the Bureau of Land Management will continue just as they are now.

From the national perspective, this bill will accomplish some savings for the Federal budget. It will smooth out some irregular boundaries between the two agencies, and therefore make land management more efficient, and easier to understand for those who use the public lands.

Specifically, this bill transfers 511,000 acres of BLM land to units of the Humboldt and Toiyabe National Forests. No changes are anticipated in the daily on-the-ground management of any of these lands after they are transferred. This bill will not affect any of the wilderness review process currently underway by either agency.

Mr. President, this is a good bill, which will reduce the Federal deficit, improve Federal land management, and enjoys the enthusiastic support of the State and local governments that it affects. I hope the Congress will be able to take rapid action on this legislation.●

By Mr. SPECTER:

S. 2699. A bill to amend the Controlled Substances Act to provide mandatory minimum sentences for distribution of controlled substances to minors, to add enhanced penalties, including mandatory minimum sentences, for employment of minors in the distribution of controlled substances, and to allow States receiving forfeited assets for youth drug abuse prevention and rehabilitation; to the Committee on the Judiciary.

JUVENILE DRUG PREVENTION ACT

Mr. SPECTER. Mr. President, I rise today to address a topic of immense concern to me, to my constituents in Pennsylvania, and to countless milions of citizens throughout the Nation. That topic is drugs, and the increasingly widespread availability of drugs to Americans, and to American youths in particular.

Most recently, the tragic cocaine-related death of Len Bias, the young basketball star from the University of Maryland, has sparked renewed controversy over athletics and drugs, and the heretofore seemingly unrecognized dangers of even one-time social use of cocaine.

The greatest current attention is on the smokeable freebase cocaine known as crack, or rock. This substance, chronicled in a cover story in the June 16, 1986, issue of Newsweek, has run rings around traditional law enforcement mechanisms principally because it is sold very cheaply, produced very simply and inexpensively, often carried only in small quantities, and yet is capable of producing a brief but extremely addictive high. As Newsweek states, the crack trade is similar to a "guerrilla insurgency," which makes an "infuriatingly enlusive target for police."

Perhaps the most frightening aspect of the popularity of crack is the impact of this drug and its underculture on our children. Pushers have concentrated on marketing this drug to children, due to its relatively cheap price, as low as $10 a hit, and the fact that it is smoked, rather than injected. Moreover, children have become instrumental in the distribution of crack. The pushers' insidious rationale is that children, if caught, are likely to be subjected to lesser penalties which allows them to return to the streets more quickly, and thus does not represent as great a disruption to the drug marketing scheme as would the arrest of adults. Use of children as pushers also makes it easier for the major dealers to remain anonymous; the intricate network of youthful and enthusiastic pushers typically knows little, if anything, about the actual operation in which they are pawns. Children also are easy to involve in these illegal activities—the offer of a new bike or a free stereo system proves to be a powerful enticement, and enables major dealers to recruit youths into illegal drug activities much more easily, and cheaply, than adults could be induced.

Such business practices obviously tempt many other youths to become involved as it is difficult for them to ignore the obvious material benefits being received by their drug-pushing peers. To these children, the rewards appear to outdistance by far any perceived detriments. Tragically, one of the major rewards being given to these children is a free dose of whatever substance they may be selling. Thus, an even more vicious cycle develops: the children continue to serve their bosses because, as drug addicts themselves, they need money to support a growing drug habit, or need the reward of free drugs from their bosses.

Some attention has been paid to this problem of children and drugs in the past. Pursuant to section 405A of the Controlled Substances Penalties Amendments Act of 1984, 21 U.S.C. 801 et seq., any person who distributes a controlled substance in, or within 1,000 feet of, a public or private school is subject to penalties double that which otherwise is in the title. For a subsequent similar offense, the offender is subject to a minimum 3 year prison term, without possibility of suspension or probation.

Similarly, in section 845 of 21 U.S.C., the distribution of a controlled substance to a person under 21 years of age subjects an offender to a double term of imprisonment or double fine, or both, for a first offense, and a triple term or fine, or both, for subsequent offenses.

Although these provisions are a start, I do not believe that they go far enough to deter the use and abuse of our Nation's children by drug dealers. Therefore, in the legislation I introduce today, I propose that a mandatory sentence of 5 years be imposed on each and every offender convicted of knowingly selling drugs to a minor, or utilizing the services of a minor in the sale or distribution of a controlled substance, or selling drugs within 1,000 feet of an elementary, middle, or high school. Such sentences would be imposed without possibility of parole.

I believe that the drastic actions of these pushers in incorporating our children into their illegal schemes require a drastic reaction on the part of this Congress to enact this mandatory jail term provision. As the former district attorney of Philadelphia, I am fully aware of the major deterrent effect which the reality of a prison sentence holds for criminals. If the price which such criminals had to pay for their actions were substantially increased, perhaps they would think twice before deciding to use children in their illegal enterprises.

Mr. President, the bill which I introduce today has another section which also is designed to protect our youth from drug dangers. This provision would allow the Attorney General to make discretionary assignments of asset forfeiture funds resulting from successful drug enforcement operations.

Pursuant to the present provisions of 21 U.S.C. § 881(e), the Attorney General may transfer funds to law-enforcement agencies which participated in the seizure, and ultimately forwards remaining funds to the General Treasury of the United States. The bill which I am offering will allow the Attorney General much greater freedom in the distribution of such funds. Specifically, it will allow the moneys to be used for antidrug purposes in addition to law enforcement. For example, the Attorney General will be able to use moneys derived from law enforcement operations to fund programs focusing on preventive education of youth and drug rehabilitation. The benefits and

logic of affording the Attorney General such discretion are obvious: if more current drug users are permanently rehabilitated, and if potential abusers are dissuaded from beginning to use drugs, then the need for law enforcement in this area will not be so acute in the future. The forfeiture money will have been very well spent if it accomplishes these objectives.

Of course, these changes do not in any way limit the Attorney General's ability to allocate all of the forfeiture proceeds to law enforcement. Rather, my bill simply increases the Attorney General's discretion, thus giving him a broader range of antidrug options.

The moneys involved are substantial and certainly can make a difference if wisely utilized. During 1985, for instance, the Drug Enforcement Administration reports that a total of $243,948,652 in asset forfeiture funds was received. For fiscal year 1986 by June 30, the total is already $243,922,166. Not all moneys are forfeited, of course. In the period October 1985–June 30, 1986, 884 applications were decided favorably with $11.9 million transferred. This result was obtained from 1,604 applications totaling $24.5 million.

I believe that this bill will enable America's parents to rest more peacefully. There is some comfort in knowing that great efforts are being made to arrest big-time drug dealers, and to close down large-scale drug operations. But there is no comfort if the majority of our high school students are uneducated in drug prevention, and the youth addiction rate in many communities is increasing. The ability to divide the available funds from drug assets forfeiture among all worthy antidrug operations will help all of us as we continue to do battle against drugs on all possible fronts.

Mr. President, I ask my colleagues to join me in supporting the legislation which I have introduced, and I ask unanimous consent that the bill be printed in the CONGRESSIONAL RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2699

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Juvenile Drug Prevention Act".

SEC. 2. MANDATORY MINIMUM SENTENCES FOR DISTRIBUTION OF CONTROLLED SUBSTANCES TO MINORS.

(a) DISTRIBUTION TO PERSONS UNDER AGE TWENTY-ONE.—Section 405 of the Controlled Substances Act (21 U.S.C. 845) is amended by adding at the end thereof the following:

"(c) In the case of any sentence imposed under this section as authorized by section 401(b)(1), the term of imprisonment shall be not less than 5 years. In the case of a minimum sentence imposed under this subsection, imposition or execution of such sentence shall not be suspended and probation shall not be granted. An individual sentenced under this subsection shall not be eligible for parole under section 4202 of title 18 until the individual has served the minimum sentence required by this subsection.".

(b) DISTRIBUTION IN OR NEAR SCHOOLS.—Subsection (c) of section 405A of the Controlled Substances Act (21 U.S.C. 845a) is amended to read as follows:

"(c) In the case of any sentence imposed under this section as authorized by section 401(b)(1), the term of imprisonment shall be not less than 5 years. In the case of a minimum sentence imposed under this subsection, imposition or execution of such sentence shall not be suspended and probation shall not be granted. An individual sentenced under this subsection shall not be eligible for parole under section 4202 of title 18 until the individual has served the minimum sentence required by such subsection.".

SEC. 3. ENHANCED PENALTIES FOR EMPLOYMENT OF PERSONS UNDER AGE EIGHTEEN TO DISTRIBUTE DRUGS.

Part D of the Controlled Substances Act is amended by adding after section 405A the following new section:

"EMPLOYMENT OF PERSONS UNDER AGE TWENTY-ONE TO DISTRIBUTE DRUGS

"SEC. 405B. (a) Any person at least eighteen years of age who violates section 401(a)(1) of this Act by employing a person under twenty-one years of age to distribute a controlled substance is (except as provided in subsection (b) of this section) punishable by (1) a term of imprisonment, or a fine, or both, up to twice that authorized by section 401(b) of this Act, and (2) at least twice any special parole term authorized by section 401(b) of this Act, for a first offense involving the same controlled substance and schedule.

"(b) Any person at least eighteen years of age who violates section 401(a)(1) of this Act by employing a person under twenty-one years of age to distribute a controlled substance after a prior conviction or convictions under subsection (a) of this section have become final, is punishable by (1) a term of imprisonment, or a fine, or both, up to three times that authorized by section 401(b) of this Act, and (2) at least three times any special parole term authorized by section 401(b) of this Act, for a second or subsequent offense involving the same controlled substance and schedule.

"(c) In the case of any sentence imposed under this section as authorized by section 401(b)(1), the term of imprisonment shall be not less than 5 years. In the case of a minimum sentence imposed under this subsection, imposition or execution of such sentence shall not be suspended and probation shall not be granted. An individual sentenced under this subsection shall not be eligible for parole under section 4202 of title 18 until the individual has served the minimum sentence required by such subsection.".

SEC. 4. USE OF FORFEITED ASSETS FOR YOUTH DRUG ABUSE PREVENTION AND REHABILITATION.

Subsection (c) of section 511 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 881(e)) is amended in the matter following clause (4) by inserting after the first sentence the following: "Forfeited property transferred to a State or local law enforcement agency pursuant to paragraph (1) may be used for law enforcement and youth drug abuse prevention and rehabilitation purposes designated by the Attorney General.".

By Mrs. HAWKINS:

S.J. Res. 381. Joint resolution providing for a White House Conference on Illicit Drug Use and Control; to the Committee on the Judiciary.

(The remarks of Mrs. HAWKINS and the text of the legislation appear earlier in today's RECORD.)

ADDITIONAL COSPONSORS

S. 519

At the request of Mr. EVANS, the names of the Senator from Michigan [Mr. LEVIN], and the Senator from Connecticut [Mr. DODD] were added as cosponsors of S. 519, a bill to require a study of the compensation and related systems in executive agencies, and for other purposes.

S. 1026

At the request of Mr. PRESSLER, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 1026, a bill to direct the cooperation of certain Federal entities in the implementation of the Continental Scientific Drilling Program.

S. 1259

At the request of Mr. THURMOND, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 1259, a bill to correct certain inequities by providing Federal civil service credit for retirement purposes and for the purpose of computing length of service to determine entitlement to leave, compensation, life insurance, health benefits, severance pay, tenure, and status in the case of certain individuals who performed service as National Guard technicians before January 1, 1969.

S. 1817

At the request of Mr. TRIBLE, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 1817, a bill to suspend temporarily most-favored-nation treatment to Romania.

S. 1888

At the request of Mr. BUMPERS, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of S. 1888, a bill to provide for a program of cleanup and maintenance on Federal public lands, national parks, recreation areas, and for other purposes.

S. 2093

At the request of Mr. ARMSTRONG, the name of the Senator from Nevada [Mr. LAXALT] was added as a cosponsor of S. 2093, a bill to recognize the organization known as the National Mining Hall of Fame and Museum.

S. 2411

At the request of Mr. D'AMATO, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 2411, a bill to prohibit possession, manufacture, sale, importation, and mailing of ballistic knives.

S. 2453

At the request of Mr. COHEN, the names of the Senator from Arizona [Mr. GOLDWATER], the Senator from Texas [Mr. GRAMM], the Senator from Wisconsin [Mr. KASTEN], the Senator from Maine [Mr. MITCHELL], the Senator from Alaska [Mr. STEVENS], and the Senator from California [Mr. WILSON] were added as cosponsors of S. 2453, a bill to enhance the capabilities of the United States to combat terrorism and other forms of unconventional warfare.

S. 2494

At the request of Mr. BRADLEY, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 2494, a bill to amend title XVIII of the Social Security Act to modify the limitations on payment for home health services under the Medicare Program to conform regulations; to assure that all legitimate costs are taken into account in calculating such limitations; to provide affected parties an opportunity to comment on revisions in Medicare policies; and to require discharge planning procedures.

S. 2498

At the request of Mr. KENNEDY, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 2498, a bill to prohibit loans to, other investments in, and certain other activities with respect to, South Africa, and for other purposes.

S. 2528

At the request of Mr. SPECTER, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 2528, a bill to establish clearly a Federal right of action by aliens and U.S. citizens against persons engaging in torture or extrajudicial killing, and for other purposes.

S. 2539

At the request of Mr. WARNER, the names of the Senator from Arkansas [Mr. PRYOR], the Senator from Vermont [Mr. STAFFORD], the Senator from New Mexico [Mr. DOMENICI], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Minnesota [Mr. DURENBERGER], and the Senator from Mississippi [Mr. STENNIS] were added as cosponsors of S. 2539, a bill to consolidate and improve provisions of law relating to absentee registration and voting in elections for Federal office by members of uniformed services and citizens of the United States who reside overseas.

S. 2593

At the request of Mr. BUMPERS, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 2593, a bill to establish the National Nuclear Safety Study Commission.

S. 2614

At the request of Mr. CHAFEE, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 2614, a bill to provide for parallel imports in order to continue to provide savings for U.S. consumers.

S. 2643

At the request of Mr. HEINZ, the name of the Senator from Illinois [Mr. DIXON] was added as a cosponsor of S. 2643, a bill to amend title 23, United States Code, to improve the program for resurfacing, restoring, rehabilitating, and reconstructing interstate highways.

S. 2646

At the request of Mr. HEINZ, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 2646, a bill to provide that no change may be made in the prospective payment rates established under section 1881(b)(7) of the Social Security Act with respect to outpatient maintenance dialysis services until certain requirements are satisfied.

S. 2665

At the request of Mr. SYMMS, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of S. 2665, a bill to amend the national maximum speed limit law.

S. 2680

At the request of Mr. THURMOND, the names of the Senator from Alabama [Mr. HEFLIN], the Senator from Michigan [Mr. RIEGLE], the Senator from Nevada [Mr. HECHT], and the Senator from Maine [Mr. COHEN] were added as cosponsors of S. 2680, a bill to amend the Internal Revenue Code of 1954 to allow a charitable contribution deduction to farmers who donate agricultural products to assist victims of natural disasters.

SENATE 2690

At the request of Mr. METZENBAUM, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 2690, a bill to prohibit certain companies who have filed for bankruptcy from discontinuing medical and life insurance benefits to retirees.

SENATE JOINT RESOLUTION 343

At the request of Mr. D'AMATO, the names of the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Minnesota [Mr. BOSCHWITZ], and the Senator from New York [Mr. MOYNIHAN], were added as cosponsors of Senate Joint Resolution 343, a joint resolution designating the week of September 21, 1986, through September 27, 1986, as "Emergency Medical Services Week."

SENATE JOINT RESOLUTION 352

At the request of Mr. METZENBAUM, the names of the Senator from Nebraska [Mr. ZORINSKY], and the Senator from West Virginia [Mr. ROCKEFELLER], were added as cosponsors of Senate Joint Resolution 352, a joint resolution to designate the week beginning September 7, 1986, as "Gaucher's Disease Awareness Week."

SENATE RESOLUTION 446

At the request of Mr. KENNEDY, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of Senate Resolution 446, a resolution condemning the Government of Chile for the death of Rodrigo Rojas de Negri.

SENATE CONCURRENT RESOLUTION 156—RELATIVE TO A NEED FOR AN INTERNATIONAL FOLLOWUP ON THE HEALTH CONSEQUENCES OF THE CHERNOBYL NUCLEAR DISASTER

Mr. CRANSTON submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 156

Whereas on or about April 26, 1986, a serious accident occurred at an operating nuclear facility at Chernobyl in the Soviet Union;

Whereas this accident resulted in significant numbers of individuals in the Soviet Union being exposed to high levels of radiation and, as a result of such exposure, some have died, many more are presently suffering ill-health effects, and tens of thousands of others are at risk of suffering future ill-health effects;

Whereas many other individuals in the Soviet Union and in other nations may have been exposed to increased levels of radiation resulting from the accident;

Whereas international collaboration, including active involvement by United States citizens, has provided invaluable assistance in treating the immediate victims of this accident;

Whereas scientific information regarding the long-term effects in humans of exposure to radiation, despite many studies over the last 40 years since the first large-scale exposure of humans to radiation, remains incomplete and the gaps in such information is a cause of ongoing controversy;

Whereas the best source of further information about the long-term health effects in humans of exposure to radiation is scientifically valid, comprehensive, long-term followup and study of individuals known to have been exposed to radiation, such as those exposed as a result of the Chernobyl accident;

Whereas such information would be of great interest and benefit to the citizens of the United States as well as to all the world's peoples;

Whereas there have been reports in the media indicating that there may be some interest on the part of the government of the Soviet Union in entering into cooperative agreements for the long-term followup and monitoring of the health status of the citizens of the Soviet Union exposed to radiation from the Chernobyl accident; and

Whereas there have also been reports in the media that efforts are underway to establish a privately-funded organization to sponsor such long-term followup and monitoring by international scientists and that the establishment of such an organization is under consideration by the government of the Soviet Union: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) the President is commended for his efforts to date to assist the government and

the people of the Soviet Union in the aftermath of the Chernobyl accident;

(2) the President should continue to offer the assistance of the United States in providing medical care and other assistance to the Soviet Union;

(3) the President should take all appropriate action, in concert with the governments of the Soviet Union and other nations whose peoples may have been affected by the Chernobyl accident, the governments of other concerned nations, international health and other international organizations, and appropriate private entities, to promote the development and implementation of comprehensive, cooperative, international efforts to identify those persons who may be at risk of adverse health effects as a result of the accident and to conduct long-term followup assessments of their health status so as to try to protect their health as well as to increase, for the benefit of the citizens of the United States as well as of all the world's peoples, the level of scientific information about the health effects in humans of exposure to radiation;

(4) the President should urge the Soviet Union to support the establishment of entities, including appropriate private entities, to carry out such followup activities and to cooperate fully with all such activities; and

(5) the President should place the promotion of such international efforts on the agenda for the next United States/Soviet Union summit meeting.

Mr. CRANSTON. Mr. President, today I am submitting Senate Concurrent Resolution 156, expressing the sense of the Congress concerning the need for international cooperative efforts to identify the individuals exposed to radiation as a result of the nuclear accident at Chernobyl in the Soviet Union and to monitor the health status of those individuals.

Without question, the accident at the Chernobyl nuclear power station in late April was one of the worst incidents involving radiation exposure in human history. Approximately 100,000 people live in the Chernobyl region, located 60 miles north of Kiev in the Ukraine, who were potentially exposed to high levels of radiation. A rad—radiation absorbed dose—is the standard unit to measure exposure to radiation. The maximum reported radiation level in the town of Chernobyl, 12 miles from the reactor site, was 15 millirad per hour (15 mR/hr). By comparison, normal background radiation in most parts of the world is about 0.01 mR/hr. So, this Chernobyl-generated maximum estimated radiation level was 1,500 times the normal background level. Some scientists have estimated that people within 2 miles of the reactor when the accident occurred might have suffered exposure to radiation levels as high as 200 to 1,500 rad. The people of Pripyat, a workers' community with a population of more than 20,000 located about 2 miles from the reactor, are likely to be especially haunted for a long while with both short- and long-term health effects of the Chernobyl disaster.

According to news accounts, 26 of the 35 most severely exposed individuals have died and approximately 300 individuals remain hospitalized, of whom about 80 patients are reported to be in extreme condition. New reports of women seeking and obtaining abortions because of exposure have recently reached the United States. Many others from the Chernobyl area may die or become ill over time as a direct result of their exposure to radiation released from the Chernobyl facility. The seriousness of this accident cannot be overstated.

Chernobyl, a name which was, until recently, unrecognizable outside of the Soviet Union, today symbolizes international concern for nuclear safety. Global environmental concerns have turned a local accident into an international crisis. Because many countries, including Poland, Sweden, Austria, East Germany, Holland, Greece, West Germany, Yugoslavia, and Luxembourg, have felt the safety of their own citizens sufficientiy threatened by this accident, these governments have instituted special public health safety measures. Scientists have detected elevated levels of environmental radiation on a much wider geographic scale, even in the United States. Fortunately, however, the elevations reported in the United States are not high enough to be dangerous.

Mr. President, along with many of my colleagues, I am deeply concerned about the threat of nuclear catastrophe. Ever since nuclear bombs were dropped on Hiroshima and Nagasaki in 1945, I have sought ways to diminish the nuclear threat. Still, in these past 41 years, the danger of exposure to radiation has escalated, as military testing and production of nuclear weapons have increased and industrial and energy-related uses have spread, causing increases in the mining, refining, and transport of radioactive materials.

As shocking as the news of the Chernobyl accident was, it was not a surprise. What is surprising, however, is how little we know about both the immediate and long-term health effects of exposure to ionizing radiation despite at least 80,000 articles published internationally before 1981 on the health effects of ionizing radiation. Virtually all we know about radiation-related health effects comes from the careful review and extensive, ongoing followup medical care and examination of those Japanese present when the bombs fell on Hiroshima or Nagasaki. Although this literature provides significant new knowledge on how exposure to radiation affects the human body, many questions remain unanswered. Forty-one years later, we can and should conduct better medical research on this subject.

Mr. President, my first reaction to the Chernobyl disaster was the horror of knowing how little could be done to reduce the suffering of those affected. Later, I came to recognize that this disaster might prove to be a God-given opportunity in disguise: A learning experience for all humanity.

Let us not miss that opportunity.

I am most encouraged to learn of the proposal made by Dr. Robert Peter Gale, the eminent University of California at Los Angeles [UCLA] bone marrow-transplant specialist assisting Soviet physicians. Dr. Gale proposes to conduct extensive followup treatment and observation of thousands of people affected by the Chernobyl accident. In this regard, Mr. President, I'd like to ask unanimous consent that two articles describing the bone marrow transplant and other medical followup work taking place in Moscow—one by Dr. Richard Champlin of UCLA, who is working with Dr. Gale in Moscow, from the July 13, 1986, Washington Post entitled "With Chernobyl's Victims"; the other by Ms. Gina Kolata from the July 4, 1986, issue of Science, "The UCLA-Occidental-Gorbachev Connection"—be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I know I join with many others the world over in applauding the heroic work of Dr. Gale and his colleagues, Dr. Champlin, Dr. Paul Terasaki of UCLA, and Dr. Yair Reisner of Israel, and in expressing my strong support for implementing extensive followup care and scientific review. According to recent reports, Soviet officials have expressed a willingness to engage in cooperative research work with members of the world scientific community and, in fact, an agreement for a joint United States-Soviet study has already been negotiated and signed by Dr. Gale and Dr. Andrei Vorobyov, a member of the U.S.S.R. Academy of Medical Sciences.

Preliminary efforts to conduct the large-scale medical and biological followup study envisioned by Dr. Gale and others in the United States, Soviet Union, and elsewhere, have already begun. Early plans for the Chernobyl study include collecting exposure data from up to 200,000 potentially exposed persons and provision of periodic, documented medical examinations over a 30-year period. In addition to Dr. Gale's involvement in this work, several U.S. Government agencies—including the Department of Energy, the National Institutes of Health, and the National Academy of Sciences—have expressed a desire to participate in the followup study effort.

In this regard, Mr. President, I note reports that one such large-scale epidemiological study is now being developed, based on the recommendations of 19 scientists from the United States, Italy, Japan, Sweden, Argentina, and

The Netherlands who met on July 8 in Los Angeles. This meeting was organized with funding provided by Mr. Armand Hammer, who has been involved from the start of the Chernobyl accident with efforts to provide emergency medical aid and to initiate followup study.

I have long known and greatly admired Armand Hammer and his generosity and charitable activities and especially his commitment to improving the relations between the American and Soviet peoples. His efforts here promise a great benefit to all humankind.

Mr. President, I ask unanimous consent that a July 18 Los Angeles Times article by Thomas H. Maugh II, which describes this proposed epidemiological study and Mr. Hammer's extensive involvement in the Chernobyl aftermath, also be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I believe very strongly that these research efforts should go one step further: I urge my colleagues to support me in a proposal to see that the research effort is truly international—neither Soviet-based nor U.S.-based. The dangers of radiation raise an international issue—an issue not restricted by international borders, with implications for all nations that possess or seek nuclear reactors for power generation or weapons or whose peoples might someday lie in the path of nuclear fallout from another nuclear disaster. In my estimation, that includes everybody on Earth.

The world community, besides providing true international legitimacy to this effort, can add significant general scientific and technological expertise as well as direct experience in dealing with other incidents of exposure to radiation.

Mr. President, before I close, I would like to extend my personal appreciation to President Reagan for his expressions of support to the people of the U.S.S.R. in this crisis and for his continuing offers of assistance in the aftermath.

I urge my colleagues to join with me as cosponsors of this resolution. I expresses the sense of the Congress that the opportunity to conduct cooperative research by an international team of scientists and experts is the single most important benefit that can come from the Chernobyl accident. It commends the President for the efforts he has made, and calls on him to continue at the next summit meeting between United States and Soviet heads of state, and specifically to seek to promote the comprehensive, international identification and examination of those at risk of adverse health effects, and the protection of the health of those individuals. We, as citizens of the United States, and as members of the global community, will all benefit from the increased knowledge about the health effects of human exposure to radiation to be derived from these efforts.

There being no objection, the articles mentioned earlier were ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 13, 1986]

WITH CHERNOBYL'S VICTIMS

(By Dr. Richard Champlin)

The phone call from Moscow came on a Sunday, at 10 in the morning. The weary voice of Dr. Robert P. Gale was barely audible: "Dick, the Soviets have agreed to let you, (Dr. Paul) Terasaki and (Yair) Reisner come. There's a 3 o'clock flight available to Moscow today. Can you make it with the supplies?"

I was excited and apprehensive, but there wasn't time to sort through feelings. I told the news to my wife, ran out the door and drove to my office on the fourth floor of the UCLA Medical Center in Westwood. There, two assistants and a doctor were already rapidly packing the last of the medical goods that would soon compose a makeshift, modern blood-typing laboratory in an aging Moscow hospital.

In the air, I had a chance to begin to contemplate the enormity of the project, and my own nervousness grew. I'd spent the last eight years performing bone marrow transplants and administering controlled dosages of radiation to leukemia victims. Now I was about to encounter the effects of the worst peacetime nuclear disaster in history. Apart from the challenges of treating so many seriously ill patients, I also felt a scientist's exhilaration at knowing that I was on the cutting edge of medicine, that I would be witness to a drama that might one day yield great knowledge.

But there was much uncertainty: How many victims would need acute medical care? What was the extent of their injuries, and how would we assess them? How would our Soviet colleagues feel about us, and what would be their level of competence and preparedness? Finally, were we risking danger to oursleves? Would the fallout reach Moscow; would our food supply be contaminated?

Once in Moscow, we felt extremely isolated. We knew only what was taking place in Hospital No. 6.

We worked 12 to 15 hours a day. We'd arrive between 9 and 10 each morning and make rounds with the hospital's two senior physicians, Drs. Angelina Guskova and Alexander Baranov. We got along very well professionally; the Latin-based terminology of medicine transcended any cultural or language differences. Guskova and Baranov supervised a hard-working group of junior physicians who reminded me of American medical residents. Many of these young Soviet doctors, most of them women, spent days at a time in the hospital caring for the most critically ill Chernobyl victims.

Two patients stand out vividly in my memory. One was a firefighter in his mid-20s who'd been part of a group called in immediately after the explosion to put out the fire. They were the first inside the plant, and this man's injuries were among the worst. He knew that he'd received a potentially fatal dose. But he wasn't terrified. He had the same stoic yet frightened look of many of my leukemia patients back at UCLA.

It was inexplicable that he was dying and that another firefighter, in the adjacent hospital room, had suffered very little tissue damage. The two men had fought alongside each other, perhaps 20 feet apart. Apparently, the radiation exposure had been patchy, unevenly distributed. A matter of 20 feet made the difference between life and death.

His condition deteriorated over the course of a few days because of extreme radiation damage to his intestines. The cells that radiation kills first are the fastest-growing ones, the bone marrow and then the cells that line the mouth and the gastrointestinal tract. Cells from other tissues grow more slowly and may be able to repair radiation damage before they divide, thus enhancing their chances for survival.

He died in the early morning. When I arrived at the hospital to make rounds, his wife stood weeping outside his door. She was being comforted by nurses while small children roamed the hallway.

The other patient who does not leave my mind was in his 30s, a Soviet doctor, not much younger than I, who lived near Chernobyl. He was introduced as a hero. Knowing the risks, he'd gone into the nuclear-reactor building in an attempt to rescue people injured in the initial explosion. He'd sacrificed himself voluntarily and in the process saved many lives. When I met him, he was still conscious, though intermittently delirious. He said hello, very simply, in Russian.

He was already showing the early signs of severe radiation exposure. His injuries were the worst of all, and his suffering grew from one day to the next. In his mouth and on his face were large black herpes simplex blisters, often the first symptoms of exposure. His skin literally broke down before our eyes. First, the sensitive folds around the groin and under the armpits became red and ulcerated. Slowly these ulcers spread across his entire body. In a matter of days, he was covered with red, weeping skin burns. He was barely recognizable toward the end. We administered morphine, constantly increasing the dosage, but even that did little to ease his misery. The membranes that lined the young doctor's intestines had eroded and he suffered severe, bloody diarrhea. He died about 12 days after the explosion, a week after receiving a transplant.

Angelina Guskova, the hospital's chief physician, is a stout, no-nonsense woman in her 50s; Alexander Baranov, in his mid-40s, bald and thin, is a hematologist in charge of bone marrow transplants. Both of them speak some English, though we still depended on the Ministry of Health officials to act as translators. When we began discussing patient care, it quickly became clear that both Guskova and Baranov were excellent clinicians with a longstanding interest in the effects of radiation.

Guskova had studied the few previous nuclear-facility mishaps worldwide as well as cases in which health-care workers had been inadvertently overexposed to laboratory radiation. She'd formulated an important method of estimating the dose of radiation absorbed by individuals during accidents. Guskova's method estimates the amount of exposure by using a formula based on how quickly the victim's white blood cell count drops and the degree of breakdown in the chromosome structure of the blood and bone marrow, which is the source of blood and the foundation of the immune system, and which looks very much like blood itself.

Because it wasn't possible to know how much radiation each victim had been ex-

posed to, her method proved an invaluable tool in our assessment of the Chernobyl victims. Based on those projections, we decided which patients needed bone marrow transplants; we gave transplants only to those victims we estimated had received 500 or more rads of radiation, the equivalent of more than 25,000 chest X-rays.

But the estimates didn't prepare us for the tremendous amount of injury to the victims' soft tissues. According to Guskova's estimates, many of the patients had received less radiation exposure during the blast than a typical cancer patient receives during standard radiation treatment. We routinely give higher dosages of therapeutic radiation for leukemia patients—but never see the degree of soft-tissue damage that the Chernobyl victims suffered.

Why Guskova's estimates of radiation exposure didn't parallel the extensive tissue damage of the victims is unclear. One possible explanation is that great amounts of radioactive particles were either inhaled or swallowed and produced damage to the skin, mouth, intestines and lungs. That damage wouldn't be reflected in the condition of the white blood cells or of the bone marrow. It's also possible that Guskova's formula was inaccurate because of the lack of information shrouding the Chernobyl accident.

Our primary task was to assist with the evaluation and care of 35 critically ill radiation victims. Before we arrived, nine of the most severely affected had been given transplants by the Soviet physicians, some using bone marrow and some using tissue taken from the livers of stillborn or aborted babies. This second procedure, known as a fetal liver transplant, is generally less effective than a bone marrow transplant and so is a last resort, employed only when a matching donor can't be found or when the patient's white blood cells are so depleted that tissue typing can't be performed.

We helped perform a total of 10 bone marrow transplants, assisting in the extraction of bone marrow from donors and the infusion of it into patients. We were introduced as American doctors to all the patients and many members of their families, who were allowed to visit but, like the physicians and nurses, had to wear sterile masks, boots and gowns—the urine, blood, stool and secretions of these patients being potentially radioactive. Though touching and hugging were not forbidden, there was little physical contact between family members. The sterile outfits interfered, and besides, the burned skin of the injured victims was extremely sensitive. Each victim would find a moment to thank us for coming. They seemed comforted knowing that American medications would be used in their care.

Despite the addition of our supplies, the Soviet doctors had to cope with a critical shortage of technology and with equipment that dates back 20 years or more. Compared to most American hospitals, the facilities were stark. The building itself was in disrepair and lacked air conditioning. The Soviets buy most of their hospital equipment from the United States and other Western countries and manufacture very little themselves.

It was apparent that they aren't equipped to handle a large number of casualties, a fact brought home most clearly by the absence of an automated blood-cell counter. Instead of determining blood counts in 20 seconds with a piece of equipment that can be found in most Beverly Hills hematologists' offices, the Soviets count blood cells under a microscope—a process that takes 30 minutes. (During our last days in the Soviet Union, a French company donated a $100,000 blood-cell counter. The Soviets were assembling it as we left.)

We had to contend with frequent mechanical breakdowns, which forced us to work longer hours to keep from delaying any transplants and risking lives. During our first transplant, a very old lab hood, used to maintain sterile conditions, began to smell like burnt rubber. When working properly, the hood blows filtered air over the tabletop surface to prevent airborne bacteria from contaminating the bone marrow preparation. The hood never worked again, but fortunately none of the bone marrow ever became contaminated. We made sure of this by preparing cultures of every bone marrow specimen.

All the bone marrow transplants were obtained from family members whose tissue types most closely matched that of the patient. Though matching tissue types entails a great deal of painstaking work, the actual transplant is relatively simple. The donor is given general anesthesia, and the six-inch needle is inserted into the hip bone, the easiest and safest place to extract marrow. More than 200 punctures are made to the bone marrow over the course of an hour.

The procedure involves sucking marrow into a syringe a teaspoon at a time until about one pint, or 10 percent of the body's bone marrow, is collected. It's then placed in a bag and injected into the patient in a procedure similar to a blood transfusion. Traveling through the bloodstream, the donor's bone marrow cells find their way to the patient's bone marrow.

The most challenging part of bone marrow transplants is keeping the victim alive, using antibiotics and other supportive measures, until the bone marrow has had a chance to engraft. It's a race between infection and the recovery of the body's immune system. Of the 19 transplant recipients, 13 died before the transplant itself had had a chance to grow. As of mid-June, the other six were still alive.

Since returning to the United States, Gale and I have continued to communicate daily, via telex, with the Soviet physicians regarding patient condition and care. We've secured additional medical supplies for them. Gale has made a second trip, and he plans to return again in late July to formalize an agreement for international cooperation in assessing the effects of the radiation on 100,000 people in the vicinity of Chernobyl.

The Soviet physicians seemed to cope with their limited resources and to handle the emergency conditions well. We were careful not to usurp their role. We had more experience in bone marrow transplants, but they had greater knowledge of accidental radiation exposure. It was a good partnership.

Early on, Gale, Terasaki, Reisner and I discussed whether we should focus on the operations and patient care, or whether we should also invest time training the Soviets in marrow transplants. We all agreed on the latter course—and it was the right decision. The instruction and training we gave to junior Soviet physicians and technicians, and the books and technology we left behind, stand as a legacy of which we are all proud.

Fortunately, none of my fears about fallout in Moscow materialized, and only once did the meter at the exit of Hospital No. 6 detect any radiation on my clothes. One evening my left shoe registered a positive reading, and I wiped the radiation off on a floor mat.

The disaster at Chernobyl demonstrated the devastating effects of radiation exposure. It illustrates the fact that adequate medical care would be impossible in a larger nuclear catastrophe. As a cancer doctor, I'm accustomed to dealing with patients who die. This was different; I was overwhelmed by the human suffering. But the fact is that the damage and human misery that would be wrought by nuclear weapons would be immeasurably worse. Chernobyl would pale by comparison.

[From Science, July 4, 1986]

THE UCLA-OCCIDENTAL-GORBACHEV CONNECTION

LOS ANGELES.—It is the end of a long afternoon for Robert Peter Gale, head of the bone-marrow transplant unit at the University of California at Los Angeles. On 7 June, he returned from Moscow where he performed 19 bone-marrow transplants on victims of the Chernobyl nuclear accident. Now he is caring for 30 "horrendously ill" patients at UCLA Medical Center and is trying to juggle the press. The afternoon of 18 June began with a long photo session for *People* magazine. Then *Life* came in. Next it was the turn of a crew from Japanese television, who had waited patiently in the hall for hours. Then *Life* called to complain that they had been promised exclusive photos, so what was *People* doing there?

Gale, a thin and intense man who pads around the building in clogs, seems exhausted yet stimulated by the constant tugs for his attention from the press, patients, physicians, and the hospital staff. And he is understandably excited by the story he has to tell. For he is the one who organized and carried out the bone-marrow transplant operations in the Soviet Union—an undertaking so complex that it rivals any battle plan. Now he is planning to enlist the help of the scientific community to follow, for the rest of their lives, as many as 100,000 to 200,000 Soviets who received doses of radiation that may result in cancer or birth defects in years to come.

Even before the nuclear reactor exploded at Chernobyl, Gale had thought about what he would do if such an accident occurred. So, in a sense, he was mentally prepared.

Gale's first thought on hearing of the accident was to offer help. As chairman of the advisory committee of the International Bone Marrow Transplant Registry, he called other committee members and suggested the group contact the Soviets. Then he devised a plan to transmit their offer of aid.

"That morning, Reagan's offer of humanitarian aid was declined, so I thought of two other channels," says Gale. One was to go through the National Cancer Institute, which had an inactive exchange program with Soviet scientists. The other, which was the plan that worked, was to go through Armand Hammer, the head of Occidental Petroleum, whose headquarters are just a few blocks from the UCLA Medical Center. Gale and Hammer have known each other for years, and Hammer has a relationship with the Soviets that goes back 65 years.

In an interview at his office at Occidental Petroleum, Hammer told *Science* the story of his involvement with the Soviets. He first visited Russia in 1921, just after he graduated from New York University Medical School. He had a 6-month hiatus before he was scheduled to begin an internship at Bellevue Hospital and decided to go to Moscow to help with a typhus epidemic.

"When I got to the area where the typhus epidemic was, I found that the principal problem was famine. I said, "Why don't you buy grain?" They were burning grain in America because they had too much," Hammer says. But the Soviets explained that they had no means to buy it.

Hammer, who was already a self-made millionaire, bought the grain for them. It was the beginning of a long and virtually unbroken trade relationship between him and the Soviets. So, on 6 May, when Gale called Hammer, Hammer sent a telegram to Mikhail Gorbachev, relaying Gale's offer of help. "The answer came back, "Please send him immediately,' " Hammer recalls. "I told him not to worry about a visa, just go. And I told him to phone me when he got there and tell me what he needs."

Gale left on 8 May. He had, he says, booked reservations on every flight to Moscow that week in order to be ready to go as soon as he got word that the Soviets wanted him. Just before he left, he "mobilized resources." Specifically, he arranged for Mortimer Bortin of the Medical College of Wisconsin, who is scientific director of the International Bone Marrow Transplant Registry, to coordinate transplant centers in case there was a need for donors—and transplant centers—outside the Soviet Union. He also contacted John Hansen of the University of Washington and arranged for him to coordinate computer data from a North American registry of potential bone-marrow donors and for John Goldman of Hammersmith Hospital in England to do the same for a European directory. Although there is only a 1 in 10,000 chance that marrow from an unrelated person will completely match any particular patient, Gale wanted to have the registry doners available. It turned out, however, that he did not need to use them.

In addition, Gale called Paul Terasaki of UCLA, a tissue-typing expert, and asked him to assemble all that he needed for tissue typing as many as 200 people. He also contacted his UCLA colleague Richard Champlin, asking him to put together antibiotics, needles, and other supplies to take care of the Chernobyl victims clinically. And he got in touch with Israeli scientist Yair Reisner, whose specialty is using plant lectins to remove T cells from bone marrow before it is transplanted. In this way, it is possible to overcome some of the difficulties of tissue mismatches. Hammer flew Terasaki, Champlin, and Reisner to Moscow.

The technology that the physicians used was first discussed in 1945, when American researchers began laboratory investigations of bone-marrow transplants because they suspected that the Germans might have an atomic bomb. If so, and if the Germans used it, the Americans reasoned, bone-marrow transplants might be the only way to save the lives of those who were near the blast.

Radiation destroys preferentially the fastest growing cells of the body—the bone-marrow cells, hair cells, the cells of the gastrointestinal tract. For that reason, people who are irradiated lose their hair, vomit, and lose their immune systems, the cells of which originate in the bone marrow.

But research on bone-marrow transplantation proceeded very slowly because it took decades for investigators to learn HLA typing, which matches the tissue type of the donor to that of the recipient. If the donor and recipient are not well matched, the T cells of the transplanted marrow attack the cells of the recipient because, to them, the recipient's cells are foreign. The result is graft-versus-host disease, which can be fatal.

One of the first times that bone-marrow transplants were used to treat patients was in 1958, when five victims of a nuclear reactor accident in Vinca, Yugoslavia, were flown to Paris for treatment. Four received transplants and survived. But HLA typing was unknown and the victims received marrow from relatives, which may or may not have matched their own. The patients' radiation does also were unknown. They may, then, have survived despite, rather than because of, their transplants.

Clinical researchers began doing bone-marrow transplants routinely about 15 years ago. The technology has become quite sophisticated and now bone-marrow transplants, when there is an HLA-matched donor, are the treatment of choice for many leukemia patients and for patients with aplastic anemia, whose bone marrow simply stopped functioning. Some investigators are giving bone-marrow transplants to patients with genetic diseases, such as thalassemia. And Gale's group is using the technique with AIDS patients who have identical twins who can serve as donors. Except for the aplastic anemia patients, all these transplant recipients must first have their own marrow almost totally destroyed through drugs and radiation.

At UCLA, says Gale, about 100 patients receive bone-marrow transplants each year. About 50% survive. The rest die of infections in the period after their transplant when they have no functioning immune system because the new marrow cells have not yet begun to grow, from organ damage caused by the tradition they received, or from graft-versus-host disease—which still occurs in nearly half of the patients, no matter how carefully their HLA types are matched. Only identical twins have no mismatch at all in their HLA types. Still, the patients are certain to die without the transplants, so even 50% odds are good.

Gale says, "I could calculate that only 30% of the patients [from Chernobyl] would have matched donors." Matched donors are almost always siblings, each of whom has a 25% chance of being the same HLA type as a patient. Parents are only partially matched because each person inherits these antigens equally from each parent. So if only parents were available to donate bone marrow, the marrow would have to be cleansed of T cells with the method developed by Reisner or a similar method using monoclonal antibodies.

When a patient receives a graft from an HLA-matched donor, the chances of graft-versus-host disease are 45%. Those chances drop to 15% if T cells are removed from the marrow before transplantation. If the marrow donor is not matched to the recipient, the chances of graft-versus-host disease are 75% without T cell removal and are 45% with it. Reisner's procedure works, but the drawback is that the chances of graft rejection increase.

Gale explains that it is virtually impossible to remove all T cells from a patient's bone marrow before transplantation, no matter how much radiation the person receives. So there are still at least a few T cells around to attack the foreign marrow that is transplanted. Ordinarily, the transplanted marrow has its own T cells, and the two sets of T cells battle it out. Since the transplanted marrow usually has far more T cells than the patient's marrow, the transplanted marrow usually takes over. But if the transplanted marrow has almost no T cells, it is more likely to lose the battle and never engraft.

An alternative to cleaning T cells from a mismatched marrow is to use liver cells from fetuses aborted in the second trimester. The fetal liver functions as a bone marrow but has no T cells. Persons who were so badly irradiated that they had essentially no blood cells left to HLA-type would be candidates for a fetal liver transplant. Fetal livers, says Gale, "are universal donors." But they are likely to be rejected for the same reason as marrows that have their T cells removed.

When Gale arrived in Moscow, he met with Soviet physicians who "gave me an inkling of the extent of radiation and the numbers of patients." The Soviets had already begun transplants on the most severely affected patients—they had performed three fetal liver transplants. Three hundred Chernobyl victims were in Moscow's Municipal Hospital No. 6. Hundreds more were hospitalized in Kiev. As many as 100 to 200 persons had received "very substantial doses of radiation—more than 3 grays," and 400 or 500 received "substantial doses—more than 1 gray," Gale remarks. "We are concerned about both groups."

Gale began ordering equipment and supplies. The Russians, he says, "had some equipment, but not enough." Occidental Petroleum has an office in Moscow with a direct line outside the country, which made it possible to call the company's Los Angeles office. "I called Richard Jacobs [in the Los Angeles office] several times a night with a big description of what I wanted. For example, I would say I needed three Baxter Travenol machines for separating blood. I needed European machines because of the [electrical] current difference. The plastic-ware for the machines was in the U.S. Occidental would launch the machines from three European countries, would send out a technician from a fourth country, and would send plastic-ware from the U.S."

All this was done at Armand Hammer's expense, as a gift to the Soviets. Hammer says the final bill is not yet in, but so far he estimates he spent about $600,000.

One problem that Gale and his colleagues faced was deciding whom to transplant. It was not clear how much radiation the patients had received, and they had to estimate, based on such things as how soon the patients began vomiting and how many blood cells they had left. In this, the physicians were aided by a Soviet publication summarizing the world's data on clinical effects of radiation. "Much of it came down to the art of medicine, not science," Gale remarks. "We took all the bits of data and gave them weights based on our personal impression."

The physicians ended up performing 19 bone-marrow transplants, six of which were fetal liver transplants. All of those who received fetal liver transplants have died because they were so severely burned by the radiation. "We would have expected one to two to survive at best if they were average patients," Gale says. Because they died of the effects of the radiation, "we can't evaluate the success of the transplants."

Of the remaining 13 transplant patients, five are still alive and are now out of immediate danger. The Soviet physicians, who had done only about 20 bone-marrow transplants in all of Russia before the Chernobyl accident, got an education in the latest techniques for this procedure. For example, they had had no experience giving the anti-rejection drug cyclosporine intravenously, yet this drug of choice for bone-marrow transplant patients cannot be given orally

because, says Gale, "you can't be sure of absorption in irradiated patients. Our mission was not only to do but to teach."

Gale plans to return to the Soviet Union on 20 July to continue following the Chernobyl victims. There can be major complications 3 months after a transplant, he notes.

For the future, Gale wants very much to see an international scientific effort to follow the 100,000 to 200,000 Soviets who received 15 to 30 times the background level of radiation when the radioactive plume from Chernobyl passed over Kiev. It is impossible to estimate the likelihood of cancer or birth defects in this population, he says. Moreover, he continues, "the actual danger to any individual is small and if an individual gets cancer, they can't know if it was caused by radiation or other factors."

"One of our jobs is to reassure," says Gale. "We don't want to cause more harm than Chernobyl. We don't want 100,000 people to live their lives in fear of cancer. Yet we want to follow them medically."

Gale signed an agreement with the Soviets committing both countries to cooperating in the long-term follow-up of this population. "Now we are focusing on what we can provide," he says. "We are calling on advice from radiation specialists and specialists in cancer, genetic disorders, and birth defects. There is a lot to be said for cooperation. And we lend an air of credibility to Soviet publications."

So the consequences of Chernobyl remain to be determined. But there is at least the hope that some scientific knowledge may be gained from all the suffering.—Gina Kolata.

[From the Los Angeles Times, July 18, 1986]

L.A. AT CENTER OF MASSIVE STUDY OF CHERNOBYL VICTIMS

(By Thomas H. Maugh II)

Industrialist Armand Hammer and UCLA immunologist Robert P. Gale left for the Soviet Union Thursday carrying recommendations from an international team of scientists for the establishment of an unprecedented study to monitor the health of up to 200,000 Soviet citizens who were exposed to radiation in the Chernobyl nuclear power plant accident.

The long-term study will be the largest human epidemiological study ever undertaken. A similar study involving the survivors of Hiroshima and Nagasaki included 80,000 people.

Thus the Chernobyl study's sheer magnitude—aside from the implications of radiation's human health effects—could generate medical data across a broad spectrum never before assembled.

At a Los Angeles press conference, Hammer and Gale also announced creation of the Armand Hammer Center for Advanced Studies in Nuclear Energy and Health, which will sponsor the work of physicians and scientists from several nations as well as their Soviet counterparts in the Chernobyl study.

FINANCED BY HAMMER

Hammer said he will personally finance the Los Angeles-based center, but he declined to reveal further financial details. Gale is to serve as president of the center. Hammer is chairman of Occidental Petroleum.

Recommendations for the Chernobyl study were developed at a July 8 meeting in Los Angeles of 19 leading scientists from the United States, Italy, Japan, Sweden, Argentina and the Netherlands. The group included radiation biologists, geneticists and hematologists.

Hammer said some of the recommendations have already been communicated to the Soviets. "They are in agreement," he said, "and are looking forward to our arrival."

Gale did not disclose any details of the Chernobyl study, but the general outline is already known. Soviet investigators are to attempt to identify every individual who was within a 30-kilometer (19-mile) radius of the Chernobyl plant at the time of the April accident.

The health of these individuals will be assessed, and then they will be monitored for the rest of their lives.

OTHER CONCERNS

"We are concerned not only about long-term cancer, genetic effects and teratogenesis (birth defects)," Gale said, "but also about cataracts, impairment of the immune system and damage to other tissues."

Gale noted that there is "some urgency" in getting the project under way. "Many of the women who were exposed to radiation were pregnant. We need to find them, determine the age of the fetus at exposure, and find out what happens to them before it is too late," he said.

The Soviets will play the major role in the Chernobyl study, Gale said. Soviet physicians will have to register all the people and provide them medical care. The international team of experts is to help primarily in the design of the study to reduce eventual ambiguities in interpretation of the data and in that interpretation itself.

"We have had extensive experience in this area, so we would like the Russians to have the benefit of our experience," Gale said.

He also disclosed at the airport press conference that a television-telephone link between Los Angeles and the Soviet Union will be established to facilitate communications and the exchange data.

While in the Soviet Union, Gale is to check on the health of the 300 patients at Hospital No. 6 that he helped treat on an earlier visit. "I spoke to Dr. (Andrei) Vorobiev five days ago," Gale said, "and he said there had been no further fatalities since I left, although many of the patients are still hospitalized." Gale said 24 of those patients had died previously.

Gale and Hammer also plan to go to Kiev, about 80 miles south of Chernobyl, to examine 200 patients Gale treated there. Earlier this week, Hammer arranged for the shipment of additional medical supplies to aid in treating those patients.

SENATE CONCURRENT RESOLUTION 157—RELATIVE TO A BAN ON DRUGS ON CAMPUS

Mr. QUAYLE (for himself, Mr. THURMOND, Mr. WEICKER, Mr. HATCH, Mr. DENTON, Mrs. HAWKINS, Mr. STAFFORD, and Mr. GRASSLEY) submitted the following concurrent resolution; which was referred to the Committee on Labor and Human Resources:

S. CON. RES. 157

Whereas illegal drug use is a serious national problem;

Whereas the Nation is witnessing an increased use of addictive and more serious drugs;

Whereas drug use is incompatible with the educational process and atmosphere which is conducive for learning;

Whereas a strong educational system is critical to the Nation's safety, productivity, and well-being, and drug abuse in our educational institutions is a threat to educational excellence;

Whereas parents have a right to expect colleges and universities to take measures to protect their sons and daughters from drugs; and

Whereas colleges and universities have a basic responsibility to care for the moral and indeed the physical well-being of their charges: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) colleges and universities should enforce strict but fair policies in order to provide drug-free environments for their students; and

(2) elected officials, parents, students, and the public should support academic and cultural institutions which focus upon these policies and responsibilities and commit themselves to eliminating drug use on campus.

● Mr. QUAYLE. Mr. President, today I am submitting along with a number of my colleagues, a concurrent resolution calling upon college and university presidents to help keep drugs off their campuses and urging them to enforce strict and fair policies to eliminate drug use by students.

Over the last few years, there has been a lot of talk about the need to improve the condition of education in our country. And yet, we have not focused on a serious impediment to excellence in our schools, and that is drug use. Drug use in postsecondary education does not attract as much attention because we all think that college students are adults and they should have greater freedoms. But, Mr. President, the freedom to destroy one's life through drug abuse is not one that we should encourage. Drugs do not promote effective learning, and they hamper educational achievement and excellence.

The problem of drugs in college is becoming all too clear with the recent and tragic death from cocaine of an all-star athlete, a college student, Lenny Bias. This is one tragedy that gets publicized, that we hear about, but there are many other college students whose lives are destroyed by drugs, or who die from drugs, whom we don't hear about.

This concurrent resolution parallels the recent request that Secretary of Education William Bennett has made to all college and university presidents. Secretary Bennett has asked the presidents to write their students, welcoming them to school in the fall and telling them, in no uncertain terms, that drugs on campus will not be tolerated. I strongly support the Secretary's call to college presidents asking for their help in keeping our schools drug free.

College students can be as easily influenced to try or use drugs by peers as junior high or high school students.

There is no reason why our colleges and universities cannot be drug free to ensure that these young adults are not pressured into trying drugs.

Students cannot learn when they are drug impaired, and drugs are, in elementary and secondary education, as well as in postsecondary education, a barrier to the excellence that we all desire in our schools and for our children.

Again, let me commend Secretary Bennett for this initiative to involve college presidents in the fight against drugs. I hope that all college and university presidents will rise in unison in condemning drug use by their students, and I urge my colleagues to cosponsor this concurrent resolution expressing our support for drug-free campuses.●

AMENDMENTS SUBMITTED

STATUTORY INCREASE IN THE PUBLIC DEBT LIMIT

KENNEDY (AND OTHERS) AMENDMENT NO. 2236

(Ordered to lie on the table.)

Mr. KENNEDY (for himself, Mr. WEICKER, Mr. CRANSTON, and Mr. LEVIN) submitted an amendment intended to be proposed by them to the joint resolution (H.J. Res. 668) increasing the statutory limit on the public debt; as follows:

At the end of the joint resolution, add the following new title:

TITLE III—ANTI-APARTHEID ACT OF 1986

SEC. 301. SHORT TITLE.

This title may be cited as the "Anti-Apartheid Act of 1986".

SEC. 302. ECONOMIC SUPPORT FOR DISADVANTAGED SOUTH AFRICANS.

Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 535. ECONOMIC SUPPORT FOR DISADVANTAGED SOUTH AFRICANS.—(a) Not less than $25,000,000 of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1987 and each fiscal year thereafter shall be available for assistance for disadvantaged South Africans. Assistance under this section shall be provided for activities that are consistent with the objective of a majority of South Africans for an end to the apartheid system, and the establishment of a society based on nonracial principles. Such activities may include scholarships, assistance to promote the participation of disadvantaged South Africans in trade unions and private enterprise, alternative education and community development programs.

"(b)(1) Not less than $1,500,000 of the amounts provided in each fiscal year pursuant to subsection (a) shall be available to carry out with respect to South Africa the human rights purposes described in section 116(e)(2)(A) of this Act, of which not less than 35 percent shall be used for direct legal and other assistance to political detainees and prisoners and their families and for support for actions of black-led community organizations to resist, through nonviolent means, the enforcement of apartheid policies.

"(2)(A) Except as provided in subparagraph (B), grants under this subsection may not exceed $10,000.

"(B) Of the amounts allocated to carry out this subsection, $100,000 shall be available each fiscal year only for grants to organizations which have available for their use resources whose value is at least equal to the amount of the grant under this subsection. Grants of up to $30,000 may be made to organizations. For purposes of this subparagraph, the term "resources" includes, in addition to cash assets, in-kind assets and contributions such as equipment, materials, and staff and volunteer time.

"(c) Assistance provided pursuant to this section shall be made available notwithstanding any other provision of law and shall not be used to provide support to organizations or groups which are financed or controlled by the Government of South Africa. Nothing in this subsection may be construed to prohibit programs which are consistent with subsection (a) and which award scholarships to students who choose to attend South African-supported institutions.

"(d) In providing assistance pursuant to this section, priority shall be given to working with and through South African nongovernmental organizations which are community-based and whose leadership and structure represent and have the support of the disadvantaged communities being served. Private organizations not based in the community, but which provide needed services to disadvantaged South Africans, may also receive assistance if such organizations and their programs have the demonstrable support of the disadvantaged communities being served.".

SEC. 303. POLICY TOWARD FRONTLINE STATES.

(a) It is the sense of the Congress that the President should discuss with the governments of the African "frontline" States the effects on them of disruptions in transportation or other economic links through South Africa and of means of reducing those effects.

(b) Of the funds authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), $30,000,000 shall be available only for the Beira Corridor Project to improve the transportation infrastructure of the Front Line States.

SEC. 304. PROHIBITIONS ON LOANS TO, NEW INVESTMENT IN, AND OTHER ACTIVITIES INVOLVING SOUTH AFRICA.

(a) PROHIBITIONS.—

(1) ON UNITED STATES PERSONS.—No United States person may, directly or through another person—

(A) make any loan or other extension of credit to, or provide funds for the purpose of making a loan or other extension of credit to, the Government of South Africa or any corporation, partnership, or other organization which is owned or controlled by the Government of South Africa, as determined under regulations which the President shall issue;

(B) otherwise make any investment in South Africa, including but not limited to an investment which consists of earnings derived from a business enterprise in South Africa;

(C) contribute technology or technological information, training, or services of any kind to the exploration for, or the research, development, or production of, new, or the expansion of existing, energy sources in, for, or on behalf of South Africa; or

(D) make any deposit in—

(i) a foreign bank which is organized under the laws of South Africa or owned or controlled by South African nationals; or

(ii) a branch of a bank or foreign bank if that branch is located in South Africa.

(2) ON CERTAIN FOREIGN BANKS.—(A) No foreign bank which is organized under the laws of South Africa or owned or controlled by South African nationals may establish or operate any branch or agency in the United States.

(b) EXCEPTIONS.—

(1) The prohibition contained in subsection (a)(1) shall not apply to any loan or extension of credit for which an agreement is entered into before July 23, 1986.

(2) The prohibition contained in subsection (a)(1)(A) shall not apply to any loan or extension of credit for any educational, housing, or health facility which is available to all persons on a nondiscriminatory basis and which is located in a geographic area accessible to all population groups without any legal or administrative restriction.

(3) The prohibition contained in subsection (a)(1)(C) shall not apply with respect to a contract entered into before July 23, 1986.

(4) The prohibition contained in subsection (a)(1)(D) shall not apply to any United States Government employee or United States journalist in South Africa.

SEC. 305. BANK DEPOSITS.

(a) IN GENERAL.—A depository institution may not, on or after the date of enactment of this Act, accept, receive, or hold a deposit from the Government of South Africa or from any person who is a citizen or national of South Africa, or from any person or corporation acting on behalf of the Government of South Africa or any citizen or national of South Africa.

(b) A depository institution may not permit the withdrawal of any existing deposit by the Government of South Africa, its agencies and instrumentalities, and controlled entities or by any person who is a citizen or national of South Africa.

(c) DEFINITIONS.—As used in subsection (a), the term "depository institution" has the same meaning as in section 19(b)(1) of the Federal Reserve Act.

SEC. 306. PROHIBITION ON CONTRACTS WITH SOUTH AFRICAN FIRMS.

On or after the date of enactment of this Act, no department, agency, or other entity of the United States may enter into a contract with any corporation or other business enterprise organized under the laws of South Africa or which is 50 percent or more beneficially owned by nationals of South Africa.

SEC. 307. PROHIBITION ON UNITED STATES GOVERNMENT PROCUREMENT FROM SOUTH AFRICA.

On or after the date of enactment of this Act, no department, agency or other entity of the United States may enter into a contract for the procurement of goods or services produced or performed in South Africa.

SEC. 308. RESTRICTIONS ON THE ISSUANCE OF VISAS TO SOUTH AFRICANS.

Notwithstanding any provision of law, the Secretary of State may not issue a visa to any national of South Africa except in cases where travel will contribute to the ending of apartheid.

SEC. 309. PROHIBITION ON THE PROMOTION OF UNITED STATES TOURISM IN SOUTH AFRICA.

None of the funds appropriated or otherwise made available by any provision of law may be available to promote United States tourism to South Africa.

SEC. 310. PROHIBITION ON LANDING RIGHTS IN THE UNITED STATES AND SOUTH AFRICA.

(a) PROHIBITION.—Notwithstanding any other provision of law, including any international agreement—

(1) the Secretary of Transportation shall prohibit the takeoff and landing in the United States of any aircraft by an air carrier owned, directly or indirectly, by the Government of South Africa or by South African nationals; and

(2) the Secretary of Transportation shall prohibit the takeoff and landing in South Africa of any aircraft by an air carrier owned, directly or indirectly, by a national of the United States or by any corporation or other entity organized under the laws of the United States or of any State.

(b) EXCEPTIONS FOR EMERGENCIES.—The Secretary of Transportation may provide for such exceptions from the prohibition set forth in subsection (a) as the Secretary considers necessary to provide for emergencies in which the safety of an aircraft or its crew or passengers are threatened.

(c) DEFINITIONS.—For purposes of this section, the terms "aircraft" and "air carrier" have the meanings given those terms in section 101 of the Federal Aviation Act of 1958 (49 U.S.C. App. 1301).

SEC. 311. PROHIBITION OF UNITED STATES GOVERNMENT ASSISTANCE TO INVESTMENT IN, OR SUBSIDY FOR TRADE WITH, SOUTH AFRICA.

None of the funds appropriated or otherwise made available by any provision of law may be available for any assistance to investment in, or any subsidy for trade with, South Africa, including but not limited to funding for trade missions in South Africa and for participation in exhibitions and trade fairs in South Africa.

SEC. 312. DISINVESTMENT OF COMPUTER INDUSTRY IN SOUTH AFRICA AND PROHIBITION ON COMPUTER EXPORTS.

(a) PROHIBITIONS.—No United States person may, directly or indirectly, make or hold any investment in South Africa in a business enterprise that sells computers, computer software, or goods or technology intended to service computers.

(b)(1) No computers, computer software, electronic components, or goods or technology intended to service computers may be exported, directly or indirectly, to South Africa.

(2) For purposes of this subsection, the term "computer" includes any computer that is the direct product of technology of United States origin.

Sec. 313. PROHIBITION ON NUCLEAR TRADE BETWEEN THE UNITED STATES AND SOUTH AFRICA.

(a) Notwithstanding any other provision of law—

(1) no license may be issued for the export to South Africa of goods or technology which are to be used in a nuclear production or utilization facility, or which, in the judgment of the Secretary of State, are likely to be diverted for use in such a facility;

(2) no authorization to engage, directly or indirectly, in the production of any special nuclear material in South Africa may be given;

(3) no license may be issued for the export to South Africa of component parts or other items or substances especially relevant from the standpoint of export control because of their significance for nuclear explosive purposes; and

(4) no retransfer to South Africa of any goods, technology, special nuclear material, components, items or substances described in paragraph (1), (2), or (3) may be approved.

(b) Nothing in this section precludes assistance for International Atomic Energy Agency (IAEA) safeguards or IAEA programs generally available to the member countries of the IAEA, or for technical programs for the purpose of reducing proliferation risks, such as for reducing the use of highly enriched uranium and activities envisaged by section 223 of the Nuclear Waste Policy Act (42 U.S.C. 10203) or for exports which the Secretary of State determines are necessary for humanitarian reasons to protect the public health and safety.

(c) The Secretary of State, the Secretary of Energy, the Secretary of Commerce, and the Secretary of the Treasury may prescribe such regulations as may be necessary to carry out this section.

SEC. 314. PROHIBITION ON THE IMPORTATION OF SOUTH AFRICAN GOLD COINS.

(a) No person, including a bank, may import into the United States any gold coin minted in South Africa or offered for sale by the Government of South Africa.

(b) For purposes of this section, the term "United States" includes the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

SEC. 315. PROHIBITION ON IMPORTATION OF SOUTH AFRICAN AGRICULTURAL PRODUCTS AND FOOD.

Notwithstanding any other provision of law, no—

(1) agricultural commodity or product thereof,

(2) article that is suitable for human consumption, that is a product of South Africa may be imported into the customs territory of the United States after the date of enactment of this Act.

SEC. 316. PROHIBITION ON IMPORTATION OF URANIUM, COAL, AND STEEL.

Notwithstanding any other provision of law, the following products of South Africa may not be imported into the United States: uranium ore, uranium oxide, and steel.

SEC. 317. PROHIBITION ON THE IMPORTATION OF MILITARY ARTICLES.

No arms, ammunition, military vehicles, or paramilitary equipment produced in South Africa or of any manufacturing data for such articles may be imported into the United States.

SEC. 318. LABOR PRACTICES OF UNITED STATES FIRMS IN SOUTH AFRICA.

(a) It is the policy of the United States to encourage strongly all United States firms in South Africa to adhere to fair labor principles which have benefited those in South Africa who have been disadvantaged by the apartheid system.

(b) Accordingly, no department or agency of the United States may intercede with any foreign government regarding the export marketing activity in any country of any national of the United States employing more than 25 individuals in South Africa who does not adhere to the principles stated in subsection (c) with respect to the national's operations in South Africa. The Secretary of State shall promulgate regulations to further define the employers that will be subject to the requirements of this subsection and procedures to ensure that such nationals may register that they have adhered to the principles.

(c) The principles referred to in subsection (b) are as follows:

(1) Desegregating the races in each employment facility;

(2) Providing equal employment opportunity for all employees without regard to race or ethnic origin;

(3) Assuring that the pay system is applied to all employees without regard to race or ethnic origin;

(4) Establishing a minimum wage and salary structure based on the appropriate local minimum economic level which takes into account the needs of employees and their families;

(5) Increasing by appropriate means the number of persons in managerial, supervisory, administrative, clerical, and technical jobs who are disadvantaged by the apartheid system for the purpose of significantly increasing their representation in such jobs;

(6) Taking reasonable steps to improve the quality of employees' lives outside the work environment with respect to housing, transportation, schooling, recreation, and health;

(7) Implementing fair labor practices by recognizing the right of all employees, regardless of racial or other distinctions, to self-organization and to form, join, or assist labor organizations, freely and without penalty or reprisal, and recognizing the right to refrain from any such activity.

(d) It is the sense of the Congress that United States nationals referred to in subsection (b) should take reasonable measures to extend the scope of their influence on activities outside the workplace, by measures such as supporting the right of all businesses, regardless of the racial character of their owners or employees, to locate in urban areas, by influencing other companies in South Africa to follow the standards specified in subsection (c), by supporting the freedom of mobility of all workers, regardless of race, to seek employment opportunities wherever they exist, and by making provision for adequate housing for families of employees within the proximity of the employee's place of work.

SEC. 319. LABOR AND PROCUREMENT PRACTICES OF THE UNITED STATES GOVERNMENT IN SOUTH AFRICA.

(a) The Secretary of State and the head of any other department or agency of the United States carrying out activities in South Africa shall promptly take, to the extent permitted by law, the necessary steps to ensure that the labor practices described in section 318(c) are applied to their South African employees.

(b) The Secretary of State and the head of any other department or agency of the United States carrying out activities in South Africa shall, to the maximum extent practicable and to the extent permitted by law, in procuring goods or services in South Africa, make affirmative efforts to assist business enterprises having more than 50 percent beneficial ownership by persons in South Africa disadvantaged by the apartheid system.

SEC. 320. NEGOTIATIONS; REPORTS TO CONGRESS.

The President shall, by means of both bilateral and multilateral negotiations, including through the United Nations, attempt to persuade the governments of other countries to adopt restrictions on activities with respect to South Africa consistent with the provisions of this title. Three months after the date of enactment of this Act, and every

three months thereafter, the President shall submit a report to the Congress on the status of negotiations under this section. Each such report shall include a description of—

(1) the extent to which other countries have adopted restrictions consistent with the provisions of this title; and

(2) the extent to which nationals of those countries have complied with any such restrictions, or have taken actions to diminish the impact on South Africa of the provisions of this title.

SEC. 321. CONSULTATION AMONG GOVERNMENT AGENCIES.

In carrying out their respective functions and responsibilities under this title, the Secretary of the Treasury and the Secretary of Commerce shall consult with the Secretary of State. Each such Secretary shall consult, as appropriate, with other government agencies and private persons.

SEC. 322. SOUTH AFRICAN STRATEGIC MINERALS.

The President shall review existing stockpile and contingency plans for ferrochrome, ferromanganese, platinum, and vanadium, to ensure the United States Government stockpiles of these minerals, together with domestic production and conservation capabilities, are adequate to meet defense and commercial needs in the event of a cutoff of supply of these minerals from South Africa for a period of up to three years.

SEC. 323. PROHIBITION ON IMPORTATION OF SOUTH AFRICAN TEXTILES.

Notwithstanding any other provision of law, no textiles may be imported from South Africa into the customs territory of the United States on or after the date of enactment of this Act.

SEC. 324. PROHIBITION ON EXPORTS OF CRUDE OIL AND PETROLEUM PRODUCTS.

(a) No crude oil or refined petroleum product which is subject to the jurisdiction of the United States or which is exported by a person subject to the jurisdiction of the United States may be exported to South Africa.

(b) Subsection (a) does not apply to any export pursuant to a contract entered into before the date of enactment of this Act.

SEC. 325. PROHIBITION ON THE SALE OR EXPORT OF MILITARY ARTICLES.

No arms, ammunition, military vehicles, paramilitary equipment, or any other items contained on the United States Munitions list which is subject to the jurisdiction of the United States or which is exported by a person subject to the jurisdiction of the United States may be exported to South Africa.

(b) Subsection (a) does not apply to any export pursuant to a contract entered into before the date of enactment of this Act.

(c) No letter of offer to sell under the Arms Export Control Act any item described in subsection (a) may be issued on or after the date of enactment of this Act.

SEC. 326. PROHIBITION ON COOPERATION WITH THE ARMED FORCES OR INTELLIGENCE SERVICES OF SOUTH AFRICA.

Notwithstanding any other provision of law, no funds may be obligated or expended for any cooperation, directly or indirectly, with the armed forces or intelligence services of the Government of South Africa.

SEC. 327. TERMINATION OF TAX TREATIES.

The President shall notify the Government of South Africa of the intention of the United States to terminate the following conventions and protocols in accordance with their terms:

(1) Convention Between the Government of the United States of America and the Government of the Union of South Africa for the Avoidance of Double Taxation and for Establishing Rules of Reciprocal Administrative Assistance With Respect to Taxes on Income, done at Pretoria on December 13, 1946, and the protocol relating thereto.

(2) Convention Between the Government of the United States of America and the Government of the Union of South Africa With Respect to Taxes on the Estates of Deceased Persons, done at Capetown on April 10, 1947, and the protocol relating thereto.

SEC. 328. ENFORCEMENT AND PENALTIES.

(a) AUTHORITY OF THE PRESIDENT.—Subject to subsection (b), the President shall take the necessary steps to ensure compliance with this title and any regulations, licenses, and orders issued to carry out this title, including establishing mechanisms to monitor compliance with this title and such regulations, licenses, and orders. In ensuring such compliance, the President may conduct investigations, hold hearings, administer oaths, examine witnesses, receive evidence, take depositions, and require by subpoena the attendance and testimony of witnesses and the production of all books, papers, and documents relating to any matter under investigation.

(b) ENFORCEMENT OF PROHIBITION ON FOREIGN BANKS.—The Comptroller of the Currency, in the case of a Federal branch or agency, and the Board of Governors of the Federal Reserve System, in the case of any other branch or agency, shall take the necessary steps to ensure compliance with section 304(a)(2), including revoking any existing authority of any foreign bank subject to the prohibition in section 304(a)(2) to establish or operate a branch or agency in the United States.

(c) PENALTIES.—

(1) FOR PERSONS OTHER THAN INDIVIDUALS.—Any person, other than an individual, that knowingly violates the provisions of this title or any regulation, license, or order issued to carry out this title shall be fined not more than $500,000.

(2) FOR INDIVIDUALS.—Any individual who knowingly violates the provisions of this title or any regulation, license, or order issued to carry out this title shall be fined not more than $250,000, or imprisoned not more than 5 years, or both.

(d) ADDITIONAL PENALTIES FOR CERTAIN INDIVIDUALS.—

(1) IN GENERAL.—Whenever a person commits a violation under subsection (c)—

(A) any officer, director, or employee of such person, or any natural person in control of such person who willfully ordered, authorized, acquiesced in, or carried out the act or practice constituting the violation, and

(B) any agent of such person who willfully carried out such act or practice,

shall be fined not more than $250,000, or imprisoned not more than 5 years, or both.

(2) RESTRICTION ON PAYMENT OF FINES.—A fine imposed under paragraph (1) on an individual for an act or practice constituting a violation may not be paid, directly or indirectly, by the person committing the violation itself.

(e) SEIZURE AND FORFEITURE OF AIRCRAFT.—Any aircraft used in connection with a violation of section 310 or any regulation, license, or order issued to carry out that section shall be subject to seizure by and forfeiture to the United States. All provisions of law relating to the seizure, forfeiture, and condemnation of articles for violations of the customs laws, the disposition of such articles or the proceeds from the sale thereof, and the remission or mitigation of such forfeitures shall apply to the seizures and forfeitures incurred, or alleged to have been incurred, under this subsection, insofar as such provisions of law are applicable and not inconsistent with the provisions of this title; except that all powers, rights, and duties conferred or imposed by the customs laws upon any officer or employee of the Department of the Treasury shall, for purposes of this subsection, be exercised or performed by the Secretary of Transportation or by such persons as the Secretary may designate.

SEC. 329. APPLICABILITY TO EVASIONS OF TITLE.

This title and the regulations issued to carry out this title shall apply to any person who undertakes or causes to be undertaken any transaction or activity with the intent to evade this title or such regulations.

SEC. 330. DEFINITIONS.

(a) IN GENERAL.—Subject to subsection (b), for purposes of this title—

(1) UNITED STATES PERSON.—The term "United States person" means any United States resident or national and any partnership, corporation, or other entity organized under the laws of the United States or of any of the several States, of the District of Columbia, or of any commonwealth, territory, or possession of the United States.

(2) INVESTMENT IN SOUTH AFRICA.—The term "investment in South Africa" means—

(A) a commitment of funds or other assets (in order to earn a financial return) to a business enterprise located in South Africa or owned or controlled by South African nationals, including—

(i) a loan or other extension of credit made to such a business enterprise, or security given for the debts of such a business enterprise;

(ii) the beneficial ownership or control of a share or interest in such a business enterprise, or of a bond or other debt instrument issued by such a business enterprise; or

(iii) capital contributions in money or other assets to such a business enterprise; or

(B) the control of a business enterprise located in South Africa or owned or controlled by South African nationals, in cases in which subparagraph (A) does not apply.

(3) SOUTH AFRICA.—The term "South Africa" includes—

(A) the Republic of South Africa;

(B) any territory under the administration, legal or illegal, of South Africa; and

(C) the "bantustans" or "homelands", to which South African blacks are assigned on the basis of ethnic origin, including the Transkei, Bophuthatswana, Ciskei, and Venda.

(4) BUSINESS ENTERPRISE.—The term "business enterprise" means any organization, association, branch, or venture which exists for profitmaking purposes or to otherwise secure economic advantage, and any corporation, partnerhsip, or other organization which is owned or controlled by the Government of South Africa, as determined under regulations which the President shall issue.

(5) BRANCH.—The term "branch" means the operations or activities conducted by a person in a different location in its own name rather than through a separate incorporated entity.

(6) SOUTH AFRICAN NATIONAL.—The term "South African national" means—

(A) a citizen of South Africa; and

(B) any partnership, corporation, or other entity organized under the laws of South Africa.

(7) CONTROL BY SOUTH AFRICAN NATIONALS.—South African nationals shall be presumed to control a business enterprise or foreign bank if—

(A) South African nationals beneficially own or control (whether directly or indirectly) more than 50 percent of the outstanding voting securities of the business enterprise or bank;

(B) South African nationals beneficially own or control (whether directly or indirectly) 25 percent or more of the voting securities of the business enterprise or bank, if no other person owns or controls (whether directly or indirectly) an equal or larger percentage;

(C) the business enterprise or bank is operated by South African nationals pursuant to the provisions of an exclusive management contract;

(D) a majority of the members of the board of directors of the business enterprise or bank are also members of the comparable governing body of a South African national;

(E) South African nationals have the authority to appoint a majority of the members of the board of directors of the business enterprise or bank; or

(F) South African nationals have the authority to appoint the chief operating officer of the business enterprise or bank.

(8) CONTROL BY UNITED STATES PERSONS.—A United States person shall be presumed to control a business enterprise in South Africa if—

(A) the business enterprise is operated by the United States person pursuant to the provisions of an exclusive management contract;

(B) a majority of the members of the board of directors of the business enterprise are also members of the comparable governing body of the United States person;

(C) the United States person has the authority to appoint a majority of the members of the board of directors of the business enterprise; or

(D) the United States person has the authority to appoint the chief operating officer of the business enterprise.

(9) LOAN.—The term "loan" includes an extension of credit as defined in section 201(h) of the Credit Control Act (12 U.S.C. 1901(h)).

(10) BANK.—The term "bank" means—

(A) any depository institution as defined in section 19(b)(1)(A) of the Federal Reserve Act (12 U.S.C. 461(b)(1)(A));

(B) any corporation organized under section 25(a) of the Federal Reserve Act (12 U.S.C. 611 et seq.);

(C) any corporation having an agreement or undertaking with the Federal Reserve Board under section 25 of the Federal Reserve Act (12 U.S.C. 601 et seq.); and

(D) any bank holding company as defined in section 2(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(a)).

(11) POLITICAL PRISONER.—The term "political prisoner" means any person in South Africa who is incarcerated or persecuted on account of race, religion, nationality, membership in a particular social group, or political opinion, but the term "political prisoner" does not include any person who ordered, incited, assisted, or otherwise participated in the persecution of any person on account of race, religion, nationality, membership in a particular social group, or political opinion.

(b) ADDITIONAL DEFINITIONS.—For purposes of—

(1) section 304(a)(1)(C)—

(A) the term "energy sources" includes both mineral and nonmineral fuel resources, including solar, geothermal, fossil, nuclear, electrical, and synthetic fuel energy resources;

(B) the term "development" includes those activities conducted to make energy sources available or usable, including drilling and the construction or other preparation of facilities or other means for the removal or conversion to usable form of any energy source;

(C) the term "production" includes those activities conducted for the removal or conversion to usable form of any energy source, including refining, milling, any other processing, generation, transmission, and storage; and

(D) the term "services" includes construction, engineering, design, management, and maintenance services;

(2) sections 304(a)(1)(D), 304(a)(2), and 328(b), the term "foreign bank" has the meaning given that term in section 1(b) of the International Banking Act of 1978 (12 U.S.C. 1301(b)); and

(3) section 304(a)(2), the terms "agency", "branch", "Federal agency", and "Federal branch" have the meanings given those terms in section 1(b) of the International Banking Act of 1978.

(c) Nothing in this section or any other provision of this Act shall be construed as constituting any recognition by the United States of the homelands referred to in subsection (a)(3)(C).

SEC. 331. TERMINATION OF CERTAIN PROVISIONS OF TITLE.

(a) DETERMINATION OF MET CONDITIONS.—If the President determines at any time that the conditions set forth in subsection (c) have been met, the President may submit a report setting forth that determination, and the basis for the determination, to the Congress.

(b) CONGRESSIONAL ACTION TERMINATING CERTAIN PROVISIONS ON THE TITLE.—Upon the enactment of a joint resolution approving a determination of the President under subsection (a) that the conditions set forth in subsection (c) have been met, the provisions of sections 304 through 328, and all regulations, licenses, and orders issued to carry out such provisions, shall terminate.

(c) STATEMENT OF CONDITIONS.—The conditions referred to in subsections (a) and (b) are that the Government of South Africa—

(1) has freed Nelson Mandela;

(2) has freed all political prisoners;

(3) has unbanned all political organizations; and

(4) has entered into good faith negotiations with truly representative leaders of the black majority for a new political system.

(d) PROCEDURES FOR CONSIDERATION OF JOINT RESOLUTIONS.—

(1) REFERRAL OF JOINT RESOLUTIONS.—All joint resolutions under this section introduced in the House of Representatives and the Senate shall be referred immediately to the appropriate committees.

(2) COMMITTEE DISCHARGE.—If the committee of either House to which a joint resolution has been referred has not reported it at the end of 30 days after its introduction, the committee shall be discharged from further consideration of the joint resolution or of any other joint resolution introduced with respect to the same matter.

(3) CONSIDERATION OF RESOLUTIONS.—A joint resolution under this subsection shall be considered in the Senate in accordance with the provisions of section 601(b)(4) of the International Security Assistance and Arms Export Control Act of 1976. For the purpose of expediting the consideration and passage of joint resolutions reported or discharged pursuant to the provisions of this subsection, it shall be in order for the Committee on Rules of the House of Representatives to present for consideration a resolution of the House of Representatives providing procedures for the immediate consideration of a joint resolution under this subsection which may be similar, if applicable, to the procedures set forth in section 601(b)(4) of the International Security Assistance and Arms Export Control Act of 1976.

(4) RECEIPT OF RESOLUTIONS FROM THE OTHER HOUSE.—If before the passage by one House of a joint resolution of that House, that House receives a joint resolution with respect to the same matter from the other House, then—

(A) the procedure in that House shall be the same as if no joint resolution had been received from the other House; but

(B) the vote on final passage shall be on the joint resolution of the other House.

(5) COMPUTATION OF LEGISLATIVE DAYS.—In the computation of the period of 30 days referred to in paragraph (2), there shall be excluded the days on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain or because of an adjournment of the Congress sine die.

(6) JOINT RESOLUTION DEFINED.—For purposes of this subsection, the term "joint resolution" means a joint resolution the matter after the resolving clause of which is as follows: "That the Congress, having received on a report by the President containing a determination under section 331(a) of the Anti-Apartheid Act of 1986, approves the President's determination.", with the date of the receipt of the report containing the determination inserted in the blank.

SEC. 332. REGULATORY AUTHORITY.

The President shall issue such regulations, licenses, and orders as are necessary to carry out this title. The President shall issue such regulations not later than 90 days after the date of the enactment of this Act.

RADIO AND TELEVISION COVERAGE OF SENATE PROCEEDINGS

GORE (AND LEVIN) AMENDMENT NO. 2237

(Ordered to lie on the table)

Mr. GORE (for himself and Mr. LEVIN) submitted an amendment intended to be proposed by him to the resolution (S. Res. 447) to amend Senate Resolution 28, as amended, agreed to February 27, 1986; as follows:

After line 9 add the following:

SEC. 2. (a) Paragraph 2 of rule XL of the Standing Rules of the Senate is amended by striking out ", or to prepare" and inserting in lieu thereof ", to prepare, or to transmit radio and television tapes of floor proceedings or".

(b) Paragraph 4(c) of rule XL of the Standing Rules of the Senate is amended by inserting "printed" after "consists entirely of".

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFARIS

Mr. ANDREWS. Mr. President, I would like to announce for the information of the public that the Select Committee on Indian Affairs will be holding a hearing on Monday, August 11, 1986, in Senate Dirksen 562, at 10 a.m., on S. 2676, a bill to provide for the settlement of water rights claims of the La Jolla, Rincon, San Pasqual, Puama, and Pala Bands of Mission Indians in San Diego County, CA, and for other purposes.

Those wishing additional information should contact Patricia Zell of the committee at 224-2251.

SUBCOMMITTEE ON FOREIGN AGRICULTURAL POLICY

Mr. HELMS. Mr. President, I wish to announce that the Subcommittee on Foreign Agricultural Policy, of the Committee on Agriculture, Nutrition, and Forestry, has scheduled a series of hearings entitled: "Preparing for the GATT: A Review of Agricultural Trade Issues."

The full committee will hold the fifth hearing of the series on Tuesday, August 5, 1986, at 9:30 a.m., in room 332, Russell Senate Office Building. This hearing, focussing on U.S. goals for agriculture in the upcoming round of trade negotiations under the GATT, will be chaired by Senator BOSCHWITZ.

For further information, please contact the committee staff at 244-2035.

SUBCOMMITTEE ON NATURAL RESOURCE DEVELOPMENT AND PRODUCTION

Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Natural Resources Development and Production Subcommittee of the Committee on Energy and Natural Resources.

The hearing will take place on Wednesday, August 20, 1986, beginning at 10 a.m. in Coeur D'Alene, IA at the Coeur D'Alene Resort Convention Center (208-765-4000). Testimony is invited regarding the state of the mining industry in the Northwest.

Those who wish to testify or wish to submit written statements should write to the Committee on Energy and Natural Resources, Subcommittee on Natural Resources Development and Production, U.S. Senate, room SD-358 Dirksen Senate Office Building, Washington, DC 20510. For further information, subcommittee staff contacts are Bob Terrell and Pat Sullivan (202-224-5205) or the office of Senator JAMES MCCLURE in Coeur D'Alene, room 307, Federal Building, office contact Ruthie Johnson (208-664-3086 or 208-765-7343).

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in SR-301, Russell Senate Office Building, on Thursday, August 7, 1986, at 2:30 p.m., to receive testimony on S. 2539, a bill to consolidate and improve provisions of law relating to absentee registration and voting in elections for Federal office by members of uniformed services and citizens of the United States who reside overseas.

Members of Congress and other interested organizations and individuals who wish to testify or submit a statement for the record are requested to contact Elaine Milliken of the Rules Committee staff at (202) 224-3449.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON FOREIGN AGRICULTURAL POLICY

Mr. DOLE. Mr. President, I ask unanimous consent that the Subcommittee on Foreign Agricultural Policy of the Committee on Agriculture, Nutrition and Forestry be authorized to meet during the session of the Senate on Tuesday, July 29, to hold a hearing entitled "Preparing for the GATT: A Review of Agricultural Trade Issues"; focusing on the impact of the Food Security Act of 1985 on agricultural trade.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, July 29, 1986, in order to receive testimony concerning the nomination of William Hubbs Rehnquist to be Chief Justice of the U.S. Supreme Court.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

RIGHT STUFF AWARD WINNERS, OCONEE COUNTY, SC

● Mr. HOLLINGS. Mr. President, I would like to honor the 23 Right Stuff Award winners and alternates in Oconee County, SC. This year's winners and alternates come from 11 Oconee County schools and represent grades 5 through 10. To be eligible for the Right Stuff Award, these students had to maintain a B+ average in science and math courses for the school year. They also had to complete or participate in extra projects in science or math as well as write an essay. To win the Right Stuff Awards, these students had to have the right stuff, and I am pleased for them, their families, schools, and teachers.

The 1986 Oconee County Right Stuff Award winners are as follows:

1986—THE RIGHT STUFF AWARDS WINNERS AND ALTERNATES

GIGNILLIAT PARK ELEMENTARY

Sixth Grade: Winner—Sara Kennedy, Mr. and Mrs. Biff Kennedy, 122 Cedar Lane, Seneca, SC. Alternate—David Olsen, Mr. and Mrs. Norman Olsen, 121 Emerald Drive, Seneca, SC.

Fifth Grade: Winner—Keisha Fleming, Mrs. Linda Fleming, 111 King Drive, Seneca, SC. Winner—Amy Dowis, Mr. and Mrs. Joe Dowis, 1410 Hiwassee Drive, Seneca, SC.

KEOWEE ELEMENTARY

Fifth Grade: Winner—William Brown, Mr. and Mrs. William Brown, 8 Craig Lane, Salem, SC. Winner—Casey Vickery, Mr. and Mrs. John Vickery, Route 1—Box 191, Seneca, SC.

Fifth Grade: Alternate—Jeff Shirley, Mr. and Mrs. Bill Shirley, Route 1—Box 236, Seneca, SC.

OAKWAY ELEMENTARY

Fifth Grade: Winner—Krissy Bonham, Mr. and Mrs. Michael Bonham, Route 4—Box 146, Seneca, SC. Alternate—Carri Gillespie, Mr. and Mrs. Don Gillespie, Route 3, Timberlake #1, Seneca, SC.

SOUTH PINE STREET ELEMENTARY

Fifth Grade: Winner—Sonya McElreath, Mr. and Mrs. Terry McElreath, Route 1—Box 213, Walhalla, SC. Winner—Emily Hamilton, Mr. and Mrs. Phil Hamilton, 149 Lovinggood Avenue, Walhalla, SC. Winner—Bradon Stephens, Mr. and Mrs. Ken Stephens, 206 Fowler Road, Walhalla, SC.

SENECA JUNIOR HIGH

Eighth Grade: Winner—Brian Sisk, Mr. and Mrs. Thomas V. Sisk, 1501 Cherokee Circle, Seneca, SC.

SENECA SENIOR HIGH

Ninth Grade: Winner—Elaine Morris, Mr. and Mrs. Robert D. Morris, Route 5—Box 468, Seneca, SC.

UTICA ELEMENTARY

Fifth Grade: Winner—Mat Shelby, Mr. and Mrs. Mike Shelby, 106 Kirk Drive, Seneca, SC. Alternate—Glen George, Mr. and Mrs. Ken George, 414 Fernwood Drive, Seneca, SC.

Sixth Grade: Winner—Scott Leslie, Mr. and Mrs. Steve Leslie, 303 Plantation Road, Seneca, SC.

WALHALLA ELEMENTARY

Fifth Grade: Winner—Chris Burns, Mr. and Mrs. Ronney Burns, Route 1—Box 358, Seneca, SC.

WALHALLA MIDDLE SCHOOL

Eighth Grade: Winner—Andrew Thorne, Mr. and Mrs. Michael Thorne, Route 1—Box 209, Seneca, SC.

Seventh Grade: Winner—Rob Calhoun, Mrs. Vickie Calhoun, 400 S. Catherine Street, Walhalla, SC.

WALHALLA SENIOR HIGH

Ninth Grade: Winner—Susan Biggers, Mr. and Mrs. Larry Biggers, Route 1—Box 469, West Union, SC.

WESTMINSTER MIDDLE SCHOOL

Seventh Grade: Winner—Rebecca Greene, Mr. and Mrs. Ted Greene, P.O. Box 475, Westminster, SC. Winner—Rob DeFoor, Mr. and Mrs. Reg DeFoor, 210 Adams Street, Westminster, SC.

I also would like to say that although it is only in its third year, the Oconee County Education Associa-

tion's Right Stuff Awards have done much to encourage student interest in the space program and to recognize outstanding achievement in math and science. The winners of this year's awards won scholarships to the U.S. Space Camp in Huntsville, AL—scholarships I might note that are provided as a result of the generosity of 90 sponsors from the businesses, industries, community organizations, schools, and individuals of Oconee County.

The efforts of these students, the Oconee County Association, and the residents of Oconee County, are to be applauded. I am pleased to see that South Carolinians are making the necessary investment in their youth and in America's future. Truly, Oconee County, SC, has the right stuff as do the distinguished winners of the 1986 Right Stuff Awards.

I would like to congratulate each of the 1986 winners and hope that one day their dreams and visions of space will become realities.●

CHIEF JUDGE PATRICIA M. WALD OF THE U.S. COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

● Mr. KERRY. Mr. President, I wish to congratulate Judge Patricia M. Wald of the U.S. Court of Appeals for the D.C. Circuit on assuming the position of chief judge. Judge Wald assumed that position on July 26, 1986. As chief judge, she follows in the footsteps of such judicial giants as David L. Bazelon, and J. Skelly Wright. She is only the second woman ever to serve as chief judge of a Federal circuit court.

Judge Wald is a graduate of Yale Law School, where she was a member of Phi Beta Kappa and the Order of the Coif. After clerking for Judge Jerome Frank on the Second Circuit Court of Appeals, she became affiliated with the noted law firm of Arnold & Porter in Washington, DC. Judge Wald was an attorney with the Office of Criminal Justice of the Justice Department in 1967–68. She then worked for D.C. Legal Services, and later for the Mental Health Law Project in Washington, where she served with distinction as litigation director. From 1977 to 1979, she was Assistant Attorney General for Legislative Affairs at the Department of Justice.

Judge Wald has a distinguished record as an expert on the subjects of juvenile justice, drug abuse issues, mental health law, administrative law, and the judicial process. She was appointed by President Carter to the D.C. circuit in 1979.

The U.S. Court of Appeals for the D.C. Circuit is second in importance only to the Supreme Court of the United States. Its jurisdiction extends over the decisions of all Federal agencies, and rules on many important issues of administrative law. The court has been a leader for many years in assuring the rights of all Americans, especially minorities, and has broken new legal ground in areas such as mental health law, communications law, and legal issues of science and technology.

In a recent interview, Judge Wald said:

> I believe that being a woman chief judge has some significance. It's important in one sense to get it over with, so that if I do well, nobody will raise an eyebrow the next time . . . After a while people should forget that I am a woman, but I should never forget it. There are still areas in which women, because of their past experience, should always try hard to make sure that some of the things that happened to them won't happen to other women.

At a time when considerations of ideology have crept into the judicial nomination process, and the qualifications of some nominees for the Federal bench have been questioned, it is gratifying to see a woman of unquestioned excellence and integrity assume the high responsibilities of the chief judge of the D.C. circuit. Judge Patricia Wald exemplifies the best in the American tradition of judicial excellence. I am confident that she will serve the American people well as chief judge of the U.S. Court of Appeals.●

A TRIBUTE TO HORACE MAYNARD LAYMAN

● Mr. HEFLIN. Mr. President, it is with deep sadness that I rise, today, to note the death of my good friend Horace Maynard Layman, of Decatur, AL, the former farm editor and assistant publisher of the Decatur Daily newspaper. Throughout his life, Maynard Layman faithfully served the citizens of his city and the State of Alabama in many, many different ways. His life is an inspiration and an example. He was dedicated to helping people, and his efforts resulted in a better way of life for citizens everywhere.

Maynard Layman grew up on his grandfather's farm during the 1910's and 1920's. His background in farming enabled him to make a tremendous contribution to agriculture. His farm column, "Mud Tavern," which appeared in the newspaper until last month, kept farmers knowledgeable of important agricultural issues and concerns. Throughout his life, he labored to further the plight of the farmer. He was chairman of the agricultural committee of the Decatur Chamber of Commerce and worked to see that there was "a farm market every day in the year for every farm product grown in the Decatur area." Decatur today is one of the finest farm marketing centers in the State of Alabama. He served on the Alabama Agriculture Center Board, he was a consultant with the Alabama Legislative Cotton Study Committee, he was a member of the original North Alabama Cotton Hardship Committee, and he was a soil conservation supervisor for 20 years. His work was especially crucial in the 1950's and 1960's, when he came to Washington many times to work with Members of Congress and national agricultural leaders in order to help farmers. He played a tremendous role in the formulation of the 1965 farm bill, which helped to make it possible for America's farmers to compete in world markets. These efforts were truly outstanding, and, yet, they represent only a fraction of the achievements which Maynard Layman made in his lifetime.

Maynard Layman's efforts to benefit his community were equally outstanding. He was extremely active in recruiting industry to the Decatur area. He was a member of the Decatur Rotary Club, and in 1982 was named a Paul Harris fellow, the single highest honor that a Rotarian can be awarded, for his leadership and service to the Decatur community and a civic organization. He was actively involved with the American Cancer Society, served as State crusade chairman, as chairman of the State committee, and in 1981 was honored as Volunteer of the Year by the State chapter. He served as president of the Alabama Educational Television Commission, as president of the Alabama Episcopal Church, and he was a member of the Alabama Ethics Commission.

Mr. President, the achievements accomplished by Maynard Layman during his incredible service throughout his life is astounding. The benefits which he made possible in the State of Alabama and in the Decatur area are truly incredible. His strong and tireless voice for his hometown and his beloved State will not be forgotten. His contributions to the cultural, spiritual, and business climate of his community and State will serve as a monument to his memory. He provided essential leadership and direction through many important years in our history.

Farmers throughout this Nation have lost a valued and dedicated spokesman for their interests and concerns. Citizens throughout Alabama have lost a trusted servant for whom no task was too great or too taxing. I have lost a great friend.

I know that I am joined in my grief by thousands of citizens in Alabama and America who were touched by the great deeds and service of Horace Maynard Layman. In our sorrow, let us remember the good that Maynard did and the contributions that he struggled to achieve. His name and reputation will long be an inspiration to us all.

I wish to extend my condolences to Mrs. Layman and her family.

Mr. President, I ask that an article which appeared in the Times Daily be printed in the RECORD.

The article follows:

LAYMAN'S DEATH CALLED GREAT LOSS TO STATE, REGION

DECATUR.—Horace Maynard Layman, a long-time Decatur newspaper executive and a well-known figure in state politics, died at his Athens home Tuesday. He was 79.

Layman, assistant to the publisher of The Decatur Daily, had triple-by-pass heart surgery June 28 and never recovered completely, family members said.

Layman went to work for The Decatur Daily in 1950 and served for many years as assistant to the late publisher Barrett Shelton, Sr.

At The Daily, Layman wore many hats. He was also the farm editor of The Daily and wrote a farm column, "Mud Tavern," that appeared in his newspaper until last month. He served as circulation manager of the newspaper for more than 20 years.

While serving as circulation manager, he supervised hundreds of young carriers who later became successful in various professions.

Probably his best known carriers, Layman said many times, were former Gov. Albert Brewer and actor Dean Jones.

Known for his civic pride, Layman was actively involved in recruiting industry to the Decatur area and counted among his successes ConAgra, Monsanto and 3M.

He was a past president of the Alabama Educational Television Commission and a former member of the Alabama Ethics Commission and the Alabama Agricultural Center Board.

"His strongest faith was to his God, and he loved to work for a better north Alabama," said Barrett Shelton, Jr., publisher and editor of The Decatur Daily.

One of Layman's closest friends, Ed Mauldin, chairman of the board of directors of Bank Independent of the Shoals, called his death "a great loss to the region and a great loss to the state. He was a great man and always put the welfare of others ahead of himself."

The funeral for Layman is scheduled at 11 a.m. today at St. John's Episcopal Church in Decatur, with burial in Decatur Cemetery.

He is survived by his wife Joyce Layman, and a daughter, Ann Riggs, Decatur.●

NUCLEAR SAFETY STUDY

● Mr. D'AMATO. Mr. President, I rise today in support of S. 2593, introduced by my distinguished colleague from Arkansas, Senator BUMPERS. This legislation establishes an independent 12-member commission of experts to study the Chernobyl nuclear accident and a broad range of domestic nuclear safety issues.

Mr. President, one of the early lessons we learned from Chernobyl is that the threat of a nuclear accident is not theoretical. Since that time, we have seen alarming press reports that indicate that this accident could have been avoided. We have seen reports that indicate that the Soviets were performing an experiment: an experiment that resulted in disaster.

Ever since the accident at the Chernobyl Power Station, there has been a great deal of concern over whether such an incident could happen here. It is essential that we learn from this unfortunate Russian accident and apply its lessons to our own nuclear industry.

Unfortunately, there has been no comprehensive, cohesive source of information regarding the incident. Most information about Chernobyl has come from a combination of the media, lobbying groups, and various government agencies with specific, limited areas of jurisdiction or expertise. I believe we would be better able to respond if all of this information were brought together in a comprehensive, organized manner.

S. 2593 does just that. It creates an independent commission comprised of 12 individuals knowledgeable in the field of nuclear science and requests of them a report on the Chernobyl incident and other nuclear issues, such as evacuation procedures and reactor design. The adequacy of evacuation procedures is of critical importance to residents living near the proposed Shoreham nuclear power facility on my native Long Island.

Mr. President, I believe it is extremely important that we take a comprehensive look at the life-and-death issues surrounding the Chernobyl accident. I urge my colleagues to join in supporting S. 2593.●

CAMPUS DRUG USE

● Mrs. HAWKINS. Mr. President, when we send our daughters and sons off to college, we bid farewell to nearly two decades of life together. When our children leave our homes, they leave our care. They leave our scrutiny. They leave our protection.

But though they no longer live in the home in which they have been raised, we hope that a part of the home goes with them—the love and caring and teaching that we have bestowed upon them when they were under our wing. We trust that we have made them strong—strong enough to resist the myriad temptations that await.

A parent should not chastise a child for making mistakes while in college. Rather, we parents should have the wisdom to offer the same understanding and concern we would have if our children were still at home. After all, college is a time of learning in all forms; not only from books and professors, but from new friends, new surroundings, new ideas, and new experiences, as well.

Parents have a right to expect that the college that they send their children to will care almost as much as they do. For a college is not just a place to live and learn. A college has the responsibility to care for the physical and moral well-being of its students.

That is why I rise today to offer my name as a cosponsor of the resolution introduced by my distinguished colleague from Indiana, Senator QUAYLE, which expresses the sense of the Congress that colleges and universities should enforce strict but fair antidrug use policies. I praise Senator QUAYLE's interest in this issue. He has displayed a willingness to stay in the drug fight over the long haul that has preceeded the current wave of interest we are now riding on the drug abuse issue. He has shown a determination that, rather than stopping with the bandied rhetoric we are all too familiar with, seeks to establish substantial goals which will change the way we are dealing with drug abuse.

As I have often said with regard to drug abuse in our Nation, it always seems that they never put a stop light on the corner until after someone's been killed.

Once again we see, in the wake of the death of Len Bias, there's a flurry of interest in the drug abuse issue.

Better late than never, I say. I would only hope that this current spasm of interest, especially on the part of the news media, does not wane—that we can maintain interest in this vexing problem long enough to have an impact.

In sounding a call to action today, I look to those men and women who have been with me from the beginning, those who are not johnny-comelatelies to the drug abuse issue. That is why I am so pleased to be able to join with Senator QUAYLE in asking colleges and universities to enforce strict but fair policies in order to provide drug-free environments for their students. I join in the resolution's pledge to support academic and cultural institutions which focus upon these policies and responsibilities, and commit themselves to eliminating drug use on campus.

America's parents and students could ask that we do nothing less.●

CALIFORNIA DESERT PROTECTION ACT

● Mr. CRANSTON. Mr. President, on February 6 I introduced S. 2061, the California Desert Protection Act, to designate 82 BLM wilderness areas, upgrade Death Valley and Joshua Tree National Monuments to National Parks and expand their boundaries, and create a new Mojave National Park. These desert lands possess outstanding scenic and natural values and fully qualify for inclusion in the national wilderness and National Park Systems. Nonetheless, many questions have been raised about the legislation and its impact on various activities in the desert. I would like to share with

my colleagues my responses to these questions.

Question 1. Why is wilderness so important? Aren't there other ways we could protect these lands and still have multiple use management?

Answer. Congress declared in 1964, after years of debate, that wilderness is an important part of our national heritage and important to the survival of many species. Congress set very high standards of protection while still allowing some multiple uses to continue. Those standards were established as the minimum necessary to protect the wilderness character of an area for present and future generations. Simple BLM land use classes do not meet the stringent requirements for wilderness and would not protect the wildernesses for future generations. Present BLM standards have not been adequate within the limited use guidelines for Class C (controlled) and L (limited).

Question 2. Will the public have an opportunity to comment on the California Desert Protection Act?

Answer. I encourage all members of the public to begin now to analyze the bill and send their questions and comments to my office. The California Desert Protection Act, like most legislation, arises as the result of a perceived need for change. I believe there is a need for change in the protection afforded the desert under current law. Initially I asked for the opinions of the environmentalists. S. 2061 reflects their proposal for the California Desert. Since the bill's introduction I have repeatedly invited additional public comment. Also the legislation will receive extensive scrutiny and thorough review during hearings in the coming years in both the House and the Senate before a single vote is taken.

Question 3. Have adequate studies been done on the millions of acres designated as wilderness under S. 2061?

Answer. The California Desert Protection Act was developed using the same information available to the BLM in its review process. An extensive inventory of the California Desert was done as part of the planning process for the California Desert Conservation Area, and volumes of detailed information was collected, including extensive public input. My bill differs only in its conclusions from the BLM. The BLM is waiting for detailed mineral studies on about 30% of the areas. So far these additional studies have developed very little new information.

Question 4. If the BLM has spent years of effort and millions of dollars studying the California Desert and developing its Desert Plan, why is this legislation necessary?

Answer. The desert study process was just one step in a continuing process. The California Desert Protection Act is the next step to manage the California Desert effectively. Congress must act to designate BLM wilderness areas or release the study areas to multiple use.

Question 5. How does S. 2061 affect private property?

Answer. Only the proposed Mojave National Park includes a substantial number of private acres. Section 414 of the bill provides that private land may be acquired only with the consent of the owner unless the property is being developed in a manner detrimental to the park. State lands may be acquired only by donation or exchange. Section 607 of the bill directs the BLM to give priority to consolidating ownership within the park and wilderness units.

Question 6. What will happen to state lands? Aren't they used for the State Teacher's Retirement Fund?

Answer. Only a very small percentage of the income of the State Teacher's Retirement Fund comes from desert lands owned by the State of California. I have consulted with the State Lands Commission and, as a result of our discussions, intend to modify the bill to allow for the trade of state lands within the proposed park and wilderness areas for other BLM lands with development potential. The State Lands Commission is very supportive of this approach to consolidating state holdings for more efficient management.

Question 7. What effect will the California Desert Protection Act have on boating and other uses along the Colorado River?

Answer. The bill will not affect navigation on the main channel of the Colorado River. It will protect some of the reedbeds and other riverside habitat in the side bays in two National Wildlife Refuges along the river. Canoeing and other non-motorized recreation may continue in these areas. Camping, hunting, and fishing are now regulated in the refuges and this will not change.

Question 8. The California Desert is used extensively by the military for aircraft training and weapon testing. Would this be changed? What will be the impact on general aviation?

Answer. Current military regulations governing flights over national parks would present some conflicts for low level flights. The exact nature of these flights, applicable regulations and their impacts on park expansions and wilderness areas is being investigated. Under current regulations, general aviation would continue unchanged. These regulations are being analyzed in the light of the recent Grand Canyon National Park accident.

Question 9. What will be the impact of S. 2061 on rock-hounding?

Answer. While some rock-hounding opportunities will no longer be available in those areas being added to the national park system, wilderness areas remain available for collectors of mineral specimens. Areas being placed in wilderness are by definition without roads, and very little loss of access will occur under the California Desert Protection Act.

Question 10. What will the impact of the California Desert Protection Act be on hunting by the public?

Answer. Hunting is allowed in wilderness areas, and serious hunters will no doubt welcome the additional protection given to wildlife by wilderness management. Hunting will not be permitted in the new national parks.

Question 11. Will the thousands of ORV users still have a place to ride?

Answer. Over four and a half million acres will remain open for current BLM multiple use management practice, including Open Areas. Over $8 million in State Off-Highway Vehicle funds from user fees and gas taxes have been used in the last few years to provide additional ORV areas in and out of the desert. Only the north end of the Algodones Dunes, south of the Mammoth Wash would be closed. This area was recommended for wilderness in the "Final EIS" for the Desert Plan. BLM changed its recommendation from "Recommended for Wilderness" to "Open for ORV use" after the Final EIS was published. The number of endangered species and sensitive plants and animals indicates it should be closed.

Question 12. Will the dirt roads in the California Desert be closed by the bill?

Answer. Tens of thousands of miles of roads remain open under the California Desert Protection Act. No currently maintained roads used for touring and sightseeing will be closed by the bill. In many cases, wilderness boundaries have been drawn specifically to allow vehicle access on existing routes.

Question 13. How will S. 2061 affect the long distance point-to-point motorcycle races in the California Desert, including the Barstow-to-Vegas race?

Answer. The legislation does not prohibit any of the point-to-point motorcycle races in the desert. However, there will need to be a slight change in the current course used for the Barstow-to-Vegas race.

Question 14. What happens to grazing under this bill?

Answer. Grazing may continue in wilderness areas. Section 410 of the bill provides that grazing in the proposed Mojave National Park will be phased out as current permits expire.

Question 15. I have heard that there are millions of dollars of minerals, including critical strategic minerals, in the California Desert. Would these be lost to development under the bill?

Answer. The major mineral commodities now being produced in the California Desert are sand and gravel. The California Desert has been intensively prospected for over a hundred years. Most studies show that there is little remaining commercially developable mineralization in the California Desert.

Question 16. What will happen to current mining under the California Desert Protection Act?

Answer. All active commercial mining will be allowed to continue under the bill.

Question 17. Will archaeologists and other scientists be able to continue to study the California Desert under S. 2016?

Answer. Yes.

Question 18. Is access by the handicapped changed by the California Desert Protection Act?

Answer. No, access would remain essentially unchanged. Tens of thousands of miles of roads remain open under the bill. In many cases, wilderness boundaries have been drawn specifically to allow vehicle access on existing routes.

Question 19. Will the new parks and wilderness areas change the way other parts of the California Desert may be used because of the Clean Air Act.

Answer. The legislation does not change air classifications. This remains under state control. Changes to the existing classes can be made only by an act of the California State Legislature and signed by the Governor.

Question 20. Are all of these proposed wilderness areas free of roads and do they have those qualities required for wilderness designation?

Answer. Absolutely. With a few exceptions, the areas proposed for wilderness have been identified in the BLM's own inventory as areas meeting the criteria of the Wilderness Act. The exceptions have been thoroughly reviewed also.

Question 21. What happens to mining claims in the new national parks?

Answer. The legislation requires first that the claims be recorded. Experience in Death Valley National Monument indicates that only 10 to 20 per cent of the claims will ever be recorded with the National Park Service

and require a validity examination. After the validity examination, the Secretary of the Interior must submit recommendations to Congress on whether the valid or patented claims should be acquired.

Question 22. Do the proposed additions to Joshua Tree National Monument include areas of enormous mineral values?

Answer. No. The Joshua Tree National Monument boundary was changed in 1951 to allow mining in support of the Korean War effort. The only area developed was around the now closed Kaiser Iron Mine at Eagle Mountain. The boundaries of the proposed additions have been drawn to exclude the developed area.

Question 23. Will entrance fees charged in these new national parks restrict traffic in the surrounding desert communities?

Answer. The California Desert Protection Act does not propose any fees for use of the new national parks. Current regulations permit the National Park Service to charge fees at the existing Death Valley and Joshua Tree National Monuments, and the Park Service has not chosen to do so. The usual practice has been to charge fees on cross-park highways only if they were constructed after the park was established, or if the road was constructed with park funds.

Question 24. I'm concerned that the National Park Service will block off most dirt roads in the desert and pave all the rest. What about it?

Answer. The bill leaves these decisions to the National Park Service as the land management agency. Current practice has been for few road improvements in the parks in the California Desert. Any road closures will be done only with full public review and comment.

Question 25. If the new national parks attract thousands of visitors, can the Park Service keep the parks from being overrun and destroying the very values they are supposed to protect?

Answer. I would anticipate an increase in visitation to these park areas. However, the National Park Service has decades of experience in providing a quality experience for the visitor while at the same time protecting the outstanding natural resources. Leaving the areas without park status would not protect them from the inevitable increase in visitors.

Question 26. Will the National Park Service restrict camping to a few overcrowded and overdeveloped camping areas?

Answer. Not necessarily. Death Valley National Monument currently permits extensive dispersed back road camping opportunities.

Question 27. Will the California Desert Protection Act close the Saline Valley hot springs to public use?

Answer. No. The bill does not address this issue.

Question 28. Will it be costly to implement the requirements of the California Desert Protection Act?

Answer. There is no requirement to purchase additional lands for the new parks and wilderness areas established under the bill. While improved management may have some increased cost, it is a small price to pay for the protection of these valuable natural resources.

Question 29. Will the California Desert Protection Act have any effect on county tax bases?

Answer. In one desert county, the property tax revenues from grazing leases and mining claims in the proposed wilderness areas are less than 1 percent of the total county budget. This minor loss of income will undoubtedly be offset by increased sales tax, bed tax, and property taxes resulting from increased tourism in the new national parks.

PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive formal notification of proposed arms sales under that act in excess of $50 million, or in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is available to the full Senate, I ask to have printed in the RECORD at this point the notifications I have received. The classified annexes referred to in two of the covering letters are available to Senators in the office of the Foreign Relations Committee, SD-423.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, July 24, 1986.

In reply refer to: I-03862/86ct.

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 86-44 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter(s) of Offer to Portugal for defense articles and services estimated to cost $45 million. Soon after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

GLENN A. RUDD,
Acting Director.

[Transmittal No. 86-44]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b)(1) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Portugal.

(ii) Total Estimated Value: Major defense equipment,[1] $22 million; other, $23 million; total, $45 million.

(iii) Description of Articles or Services Offered: Sixty-six MIM-72 CHAPARRAL missiles, five M48A2 Aerial Intercept Fire Unit Launching Stations, two AN/MPQ-54 Forward Area Alerting Radars (FAAR), support equipment and spare parts.

(iv) Military Department: Army (UKZ).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: July 24, 1986.

POLICY JUSTIFICATION

PORTUGAL—CHAPARRAL/FORWARD AREA ALERTING RADAR WEAPON SYSTEM

The Government of Portugal has requested the purchase of 66 MIM-72 CHAPARRAL missiles, five M48A2 Aerial Intercept Fire Unit Launching Stations, two AN/MPQ-54 Forward Area Alerting Radars (FAAR), support equipment and spare parts. The estimated cost is $45 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Portual; furthering NATO rationalization, standardization, and interoperability; and enhancing the defense of the Western Alliance.

The Government of Portugal needs a short-range low altitude air defense system to enhance its present air defense capability and this sale would provide for this requirement. Portugal will have no difficulty absorbing these missiles into its armed forces.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor for the CHAPARRAL-FAAR Weapon System will be the Ford Aerospace and Communications Corporation of Newport Beach, California.

Implementation of this sale will require the assignment of six additional U.S. Government personnel and three contractor representatives in Portugal for one year.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, July 24, 1986.

In reply refer to: I-03693/86.

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 86-46 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter(s) of Offer to the Netherlands for defense articles and services estimated to cost $22 million. Soon after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

GLENN A. RUDD,
Acting Director

[Transmittal No. 86-46]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b)(1) OF THE ARMS EXPORT CONTROL ACT

(i) Propective Purchaser: Netherlands.

(ii) Total Estimated Value: Major defense equipment,[1] $21 million; other, $1 million; total, $22 million.

(iii) Description of Articles or Services Offered: One thousand eight hundred seventy eight TOW II anti-armor guided missiles.

(iv) Military Department: Army (VRI)

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

[1] As defined in Section 47(6) of the Arms Export Control Act.

[1] As defined in section 47(6) of the Arms Export Control Act.

(vi) Sensitivity of Technology Contained in the Defense Articles of Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: July 24, 1986.

POLICY JUSTIFICATION

NETHERLANDS—TOW II MISSILES

The Government of the Netherlands has requested the purchase of 1.878 TOW II anti-armor guided missiles. The estimated cost is $22 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of the Netherlands; furthering NATO rationalization, standardization, and interoperability; and enhancing the defense of the Western Alliance.

Netherlands needs these TOW II missiles to upgrade its anti-armor capabilities. The Netherlands will have no difficulty absorbing these missiles into its armed forces.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be Hughes Aircraft of Tucson, Arizona.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel or contractor representatives to the Netherlands.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

ANTIFRAUD LEGISLATION COMPROMISES

● Mr. GRASSLEY. Mr. President, over the past several months, I have been working with my colleagues Senators COHEN, HATCH, and THURMOND, as well as with a broad-based business coalition led by the Chamber of Commerce and including the Aerospace Industries Association, the Electronic Industries Association and the Professional Services Council, to reach a consensus on comprehensive antifraud legislation. I am happy to report that we have reached agreement on both S. 1562, the False Claims Reform Act, reported favorably from the Judiciary Committee, and S. 1134, the Program Fraud Civil Remedies Act, reported favorably from the Governmental Affairs Committee.

I would like to express sincere thanks to my colleague, Senator COHEN, who has labored long and hard to advance antifraud provisions, as well as to Senators HATCH and THURMOND, whose efforts successfully addressed concerns raised and whose cooperation moved these important pieces of legislation forward.

● Mr. COHEN. Mr. President, I am pleased to join Senator GRASSLEY in announcing that a compromise has been reached on both his legislation and my program fraud bill that should allow the Senate to pass both measures expeditiously.

The compromises, in my judgment, meet the concerns raised by Senator HATCH and others without in any way weakening the fundamental provisions of either bill. Passage of S. 1562 and S. 1134 will send a strong signal to those individuals and companies tempted to defraud the Federal Government that such behavior will not be tolerated.

I want to take this opportunity to commend Senator HATCH and his staff, who have worked tirelessly to reach a compromise that would be fair to all concerned. Similarily, the Chamber of Commerce has shown responsible leadership in negotiating a compromise that responds to the major concerns expressed by the business community.

Finally, Senator GRASSLEY and his staff deserve much credit for their unwavering commitment to strengthening the False Claims Act.

Mr. President, I believe that the compromise amendments that we are submitting today will pave the road to enactment of S. 1134 and S. 1562, providing the Government with much-needed tools in the fight against fraud. I am pleased to yield now to the distinguished Senator from Utah for his comments.

● Mr. HATCH. Mr. President, the seriousness of fraud against the Government is well documented. A 1981 General Accounting Office report documented over 77,000 cases of fraud and other illegal activities reported in 21 agencies during a 3-year period. While the tremendous impact of such fraud is clear, particularly in light of efforts to trim the burgeoning Federal deficit, the investigatory tools, the penalties and damages, as well as the broad based administrative procedure proposed in these legislative efforts have many important implications.

A hearing was held in the Senate Judiciary Committee to examine this legislation and to outline the due process and other constitutional concerns raised by opponents of this legislation. In response to the criticisms noted at the hearing and elsewhere, Senators GRASSLEY, COHEN, THURMOND, and myself, entered into negotiations. I wish to express my gratitude and appreciation to these Senators for their diligent efforts to meet the concerns raised and to reach a compromise on these important bills.

● Mr. GRASSLEY. I ask that the agreed upon amendments, which will be offered by myself and Senator COHEN when the bills are considered on the Senate floor, be printed in the RECORD. It is my hope that the full Senate will soon approve these bills as amended and take an important and much-needed step forward in the fight to stop fraud against the taxpayers.

The material follows:

In lieu of the matter proposed to be inserted by the amendment to the text reported by the Committee on Governmental Affairs, insert the following:

SEC. 1. SHORT TITLE.

This Act may be cited as the "Program Civil Fraud Remedies Act of 1986".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) false, fictitious, and fraudulent claims and statements in Government programs are a serious problem;

(2) false, fictitious, and fraudulent claims and statements in Government programs result in the loss of millions of dollars annually by allowing persons to receive Federal funds to which they are not entitled;

(3) false, fictitious, and fraudulent claims and statements in Government programs undermine the integrity of such programs by allowing ineligible persons to participate in such programs; and

(4) present civil and criminal remedies for such claims and statements are not sufficiently responsive.

(b) PURPOSES.—The purposes of this Act are—

(1) to provide Federal agencies which are the victims of false, fictitious, and fraudulent claims and statements with an administrative remedy to recompense such agencies for losses resulting from such claims and statements, to permit administrative proceedings to be brought against persons who make, present, or submit such claims and statements, and to deter the making, presenting, and submitting of such claims and statements in the future; and

(2) to provide due process protections to all persons who are subject to the administrative adjudication of false, fictitious, or fraudulent claims or statements.

SEC. 3. PROVISION OF ADMINISTRATIVE REMEDIES FOR FALSE CLAIMS AND STATEMENTS.

(a) ESTABLISHMENT OF REMEDIES.—Title 5, United States Code, is amended by inserting after chapter 7 the following new chapter:

"CHAPTER 8—ADMINISTRATIVE REMEDIES FOR FALSE CLAIMS AND STATEMENTS

"Sec.
"801. Definitions.
"802. False claims and statements; liability.
"803. Hearing and determinations.
"804. Subpoena authority.
"805. Judicial review.
"806. Collection of civil penalties and assessments.
"807. Right to setoff.
"808. Limitations.
"809. Regulations.
"810. Reports.
"811. Effect on other law.
"812. Prohibition against delegation.

"§ 801. Definitions

"(a) For purposes of this chapter—

"(1) 'authority' means—

"(A) an executive department;

"(B) a military department;

"(C) an establishment (as such term is defined in section 11(2) of the Inspector General Act of 1978) which is not an executive department; and

"(D) the United States Postal Service;

"(2) 'authority head' means—

"(A) the head of an authority; or

"(B) an official or employee of the authority designated, in regulations promulgated by the head of the authority, to act on behalf of the head of the authority;

"(3) 'claim' means any request, demand, or submission—

"(A) made to an authority for property, services, or money (including money representing grants, loans, insurance, or benefits);

"(B) made to a recipient of property, services, or money from an authority or to a party to a contract with an authority—

"(i) for property or services if the United States—

"(I) provided such property or services;

"(II) provided any portion of the funds for the purchase of such property or services; or

"(III) will reimburse such recipient or party for the purchase of such property or services; or

"(ii) for the payment of money (including money representing grants, loans, insurance, or benefits) if the United States—

"(I) provided any portion of the money requested or demanded; or

"(II) will reimburse such recipient or party for any portion of the money paid on such request or demand; or

"(C) made to an authority which has the effect of decreasing an obligation to pay or account for property, services, or money,

except that such term does not include any claim made in any return of tax imposed by the Internal Revenue Code of 1954;

"(4) 'hearing examiner' means—

"(A) in the case of an authority to which the provisions of subchapter II of chapter 5 of this title apply, an administrative law judge appointed in the authority pursuant to section 3105 of this title or detailed to the authority pursuant to section 3344 of this title; or

"(B) in the case of an authority to which the provisions of such subchapter do not apply, an officer or employee of the authority who—

"(i) is selected under chapter 33 of this title pursuant to the competitive examination process applicable to administrative law judges;

"(ii) is appointed by the authority head to conduct hearings under section 803 of this title;

"(iii) is assigned to cases in rotation so far as practicable;

"(iv) may not perform duties inconsistent with the duties and responsibilities of a hearing examiner;

"(v) is entitled to pay prescribed by the Office of Personnel Management independently of ratings and recommendations made by the authority and in accordance with chapter 51 of this title and subchapter III of chapter 53 of this title;

"(vi) is not subject to performance appraisal pursuant to chapter 43 of this title; and

"(vii) may be removed, suspended, furloughed, or reduced in grade or pay only for good cause established and determined by the Merit Systems Protection Board on the record after opportunity for hearing by such Board;

"(5) 'investigating official' means an individual who—

"(A)(i) in the case of an authority in which an Office of Inspector General is established by the Inspector General Act of 1978 or by any other Federal law, is the Inspector General of that authority or an officer or employee of such Office designated by the Inspector General;

"(ii) in the case of an authority in which an Office of Inspector General is not established by the Inspector General Act of 1978 or by any other Federal law, is an officer or employee of the authority designated by the authority head to conduct investigations under section 803(a)(1) of this title; or

"(iii) in the case of a military department, is the Inspector General of the Department of Defense or an officer or employee of the Office of Inspector General of the Department of Defense who is designated by the Inspector General; and

"(B) who, if a member of the Armed Forces of the United States on active duty, is serving in grade O-7 or above or, if a civilian employee, is serving in a position for which the rate of basic pay is not less than the minimum rate of basic pay for grade GS-16 or above under the General Schedule;

"(6) 'knows or has reason to know', for purposes of establishing liability under section 802, means that a person, with respect to a claim or statement—

"(A) has actual knowledge that the claim or statement is false, fictitious, or fraudulent;

"(B) acts in deliberate ignorance of the truth or falsity of the claim or statement; or

"(C) acts in reckless disregard of the truth or falsity of the claim or statement.

"(7) 'person' means any individual, partnership, corporation, association, or private organization;

"(8) 'reviewing official' means any officer or employee of an authority—

"(A) who is designated by the authority head to make the determination required under section 803(a)(2) of this title;

"(B) who, if a member of the Armed Forces of the United States on active duty, is serving in grade O-7 or above or, if a civilian employee, is serving in a position for which the rate of basic pay is not less than the minimum rate of basic pay for grade GS-16 or above under the General Schedule; and

"(C) who is—

"(i) not subject to supervision by, or required to report to, the investigating official; and

"(ii) not employed in the organizational unit of the authority in which the investigating official is employed; and

"(9) 'statement' means any written representation, certification, affirmation, document, record, or accounting or bookkeeping entry—

"(A) with respect to a claim; or

"(B) with respect to—

"(i) a contract with, or a bid or proposal for a contract with;

"(ii) a grant, loan, or benefit from;

"(iii) an application for insurance from; or

"(iv) an application for employment with,

an authority, or any State, political subdivision of a State, or other party acting on behalf of, or based upon the credit or guarantee of, an authority,

except that such term does not include any statement made in any return of tax imposed by the Internal Revenue Code of 1954.

"(b) For purposes of paragraph (3) of subsection (a)—

"(1) each voucher, invoice, claim form, or other individual request or demand for property, services, or money constitutes a separate claim;

"(2) each claim for property, services, or money is subject to this chapter regardless of whether such property, services, or money is actually delivered or paid; and

"(3) a claim shall be considered made, presented, or submitted to an authority, recipient, or party when such claim is actually made to an agent, fiscal intermediary, or other entity, including any State or political subdivision thereof, acting for or on behalf of such authority, recipient, or party.

"(c) For purposes of paragraph (9) of subsection (a)—

"(1) each written representation, certification, or affirmation constitutes a separate statement; and

"(2) a statement shall be considered made, presented, or submitted to an authority when such statement is actually made to an agent, fiscal intermediary, or other entity, including any State or political subdivision thereof, acting for or on behalf of such authority.

"§ 802. False claims and statements; liability

"(a)(1) Any person who makes, presents, or submits, or causes to be made, presented, or submitted, a claim that the person knows or has reason to know—

"(A) is false, fictitious, or fraudulent;

"(B) includes or is supported by any statement which is described in clause (i) or (ii) of paragraph (2)(A); or

"(C) is for payment for the provision of property or services which the person has not provided as claimed,

shall be subject to, in addition to any other remedy that may be prescribed by law, a civil penalty of not more than $10,000 for each such claim. Except as provided in paragraph (3) of this subsection, such person shall also be subject to an assessment, in lieu of damages sustained by the United States because of such claim, of not more than twice the amount of such claim, or the portion of such claim, which is determined under this chapter to be in violation of the preceding sentence.

"(2) Any person who makes, presents, or submits, or causes to be made, presented, or submitted, a written statement that—

"(A) the person knows or has reason to know—

"(i) asserts a material fact which is false, fictitious, or fraudulent; or

"(ii)(I) omits a material fact;

"(II) as a result of such omission, such statement is false, fictitious, or fraudulent; and

"(III) the person making, presenting, or submitting such statement has a duty to include such material fact in the statement; and

"(B) contains or is accompanied by an express certification or affirmation of the truthfulness and accuracy of the contents of the statement,

shall be subject to, in addition to any other remedy that may be prescribed by law, a civil penalty of not more than $10,000 for each such statement.

"(3) An assessment shall not be made under the second sentence of paragraph (1) with respect to a claim if payment by the Government has not been made on such claim prior to the date on which a notice is issued with respect to such claim under section 803(d)(1) of this title.

"(b)(1) Except as provided in paragraphs (2) and (3) of this subsection—

"(A) a determination under section 803(a)(2) of this title that there is adequate evidence to believe that a person is liable under subsection (a) of this section, or

"(B) a determination under section 803 of this title that a person is liable under subsection (a) of this section,

may provide the authority with grounds for commencing any administrative or contractual action against such person which is authorized by law and which is in addition to any action against such person under this chapter.

"(2) A determination referred to in paragraph (1) of this subsection may be used by the authority, but shall not require such authority, to commence any administrative or contractual action which is authorized by law.

"(3) In the case of an administrative or contractual action to suspend or debar any person who is eligible to enter into contracts with the Federal Government, a determination referred to in paragraph (1) of this subsection shall not be considered as a conclusive determination of such person's responsibility pursuant to Federal procurement laws and regulations.

"§ 803. Hearing and determinations

"(a)(1) The investigating official of an authority may investigate allegations that a person is liable under section 802 of this title and shall report the findings and conclusions of such investigation to the reviewing official of the authority. The preceding sentence does not modify any responsibility of an investigating official to report violations of criminal law to the Attorney General.

"(2) If the reviewing official of an authority determines, based upon the report of the investigating official under paragraph (1) of this subsection, that there is adequate evidence to believe that a person is liable under section 802 of this title, the reviewing official shall transmit to the Attorney General a written notice of the intention of such official to refer the allegations of such liability to a hearing examiner of such authority. Such notice shall include—

"(A) a statement of the reasons of the reviewing official for the referral of such allegations;

"(B) a statement specifying the evidence which supports such allegations;

"(C) a description of the claims or statements for which liability under section 802 of this title is alleged;

"(D) an estimate of the amount of money or the value of property or services requested or demanded in violation of section 802 of this title; and

"(E) a statement of any exculpatory or mitigating circumstances which may relate to such claims or statements.

"(b)(1) Within 90 days after receipt of a notice from a reviewing official under paragraph (2) of subsection (a), the Attorney General or an Assistant Attorney General designated by the Attorney General shall transmit a written statement to the reviewing official which specifies—

"(A) that the Attorney General or such Assistant Attorney General approves or disapproves the referral to a hearing examiner of the allegations of liability stated in such notice;

"(B) in any case in which the referral of allegations is approved, that the initiation of a proceeding under section 803 of this title with respect to such allegations is appropriate; and

"(C) in any case in which the referral of allegations is disapproved, the reasons for such disapproval.

"(2) A reviewing official may refer allegations of liability to a hearing examiner only if the Attorney General or an Assistant Attorney General designated by the Attorney General approves the referral of such allegations in accordance with paragraph (1) of this subsection.

"(3) If the Attorney General or an Assistant Attorney General designated by the Attorney General transmits to an authority head a written finding that the continuation of any hearing under this section with respect to a claim or statement may adversely affect any pending or potential criminal or civil action related to such claim or statement, such hearing shall be immediately stayed and may be resumed only upon written authorization of the Attorney General.

"(c) No allegations of liability under section 802 of this title with respect to any claim made, presented, or submitted by any person shall be referred to a hearing examiner under paragraph (2) of subsection (b) if the reviewing official determines that—

"(1) an amount of money in excess of $100,000; or

"(2) property or services with a value in excess of $100,000,

is requested or demanded in violation of section 802 of this title in such claim or in a group of related claims which are submitted at the time such claim is submitted.

"(d)(1) On the date on which a reviewing official is permitted to refer allegations of liability to a hearing examiner under subsection (b) of this section, the reviewing official shall mail, by registered or certified mail, or shall deliver, a notice to the person alleged to be liable under section 802 of this title. Such notice shall specify the allegations of liability against such person and shall state the right of such person to request a hearing with respect to such allegations.

"(2) If, within 30 days after receiving a notice under paragraph (1) of this subsection, the person receiving such notice requests a hearing with respect to the allegations contained in such notice—

"(A) the reviewing official shall refer such allegations to a hearing examiner for the commencement of such hearing; and

"(B) the hearing examiner shall commence such hearing by mailing by registered or certified mail, or by delivery, of a notice which complies with paragraphs (2)(A) and (3)(B)(i) of subsection (g) to such person.

"(e)(1)(A) Except as provided in subparagraph (B) of this paragraph, at any time after receiving a notice under paragraph (2)(B) of subsection (d), the person receiving such notice shall be entitled to review, and upon payment of a reasonable fee for duplication, shall be entitled to obtain a copy of, all relevant and material documents, transcripts, records, and other materials, which relate to such allegations and upon which the findings and conclusions of the investigating official under paragraph (1) of subsection (a) are based.

"(B) A person is not entitled under subparagraph (A) to review and obtain a copy of any document, transcript, record, or material which—

"(i) is privileged under Federal or State law; or

"(ii) is an interagency or intraagency letter, memorandum, analysis, or other material which would not be available by law to a party other than an agency in a legal action to which an agency is a party.

"(2) At any time after receiving a notice under paragraph (2)(B) of subsection (d), the person receiving such notice shall be entitled to obtain all exculpatory information in the possession of the investigating official or the reviewing official relating to the allegations contained in such notice. The provisions of subparagraph (B) of paragraph (1) do not apply to any document, transcript, record, or other material, or any portion thereof, in which such exculpatory information is contained.

"(f) Any hearing commenced under paragraph (2) of subsection (d) shall be conducted by the hearing examiner on the record in order to determine—

"(1) the liability of a person under section 802 of this title; and

"(2) if a person is determined to be liable under such section, the amount of any civil penalty and assessment to be imposed on such person.

Any such determination shall be based on the preponderance of the evidence.

"(g)(1) Each hearing under subsection (f) of this section shall be conducted—

"(A) in the case of an authority to which the provisions of subchapter II of chapter 5 of this title apply, in accordance with—

"(i) the provisions of such subchapter to the extent that such provisions are not inconsistent with the provisions of this chapter; and

"(ii) procedures promulgated by the authority head under paragraph (3) of this subsection; or

"(B) in the case of an authority to which the provisions of such subchapter do not apply, in accordance with procedures promulgated by the authority head under paragraphs (2) and (3) of this subsection.

"(2) An authority head of an authority described in subparagraph (B) of paragraph (1) shall by regulation promulgate procedures for the conduct of hearings under this chapter. Such procedures shall include:

"(A) The provision of written notice of the hearing to any person alleged to be liable under section 802 of this title, including written notice of—

"(i) the time, place, and nature of the hearing;

"(ii) the legal authority and jurisdiction under which the hearing is to be held; and

"(iii) the matters of facts and law to be asserted.

"(B) The provision to any person alleged to be liable under section 802 of this title of opportunities for the submission of facts, arguments, offers of settlement, or proposals of adjustment.

"(C) Procedures to ensure that the hearing examiner shall not, except to the extent required for the disposition of ex parte matters as authorized by law—

"(i) consult a person or party on a fact in issue, unless on notice and opportunity for all parties to the hearing to participate; or

"(ii) be responsible to or subject to the supervision or direction of the investigating official or the reviewing official.

"(D) Procedures to ensure that the investigating official and the reviewing official do not participate or advise in the decision required under subsection (h) of this section or the review of the decision by the authority head under subsection (i) of this section, except as provided in subsection (j) of this section.

"(E) The provision to any person alleged to be liable under section 802 of this title of opportunities to present such person's case through oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts.

"(F) Procedures to permit any person alleged to be liable under section 802 of this title to be accompanied, represented, and advised by counsel or such other qualified representative as the authority head may specify in such regulations.

"(G) Procedures to ensure that the hearing is conducted in an impartial manner, including procedures to—

"(i) permit the hearing examiner to at any time disqualify himself; and

"(ii) permit the filing, in good faith, of a timely and sufficient affidavit alleging personal bias or another reason for disqualification of a hearing examiner or a reviewing official.

"(3)(A) Each authority head shall promulgate by regulation procedures described in

subparagraph (B) of this paragraph for the conduct of hearings under this chapter. Such procedures shall be in addition to the procedures described in paragraph (1) or paragraph (2) of this subsection, as the case may be.

"(B) The procedures referred to in subparagraph (A) of this paragraph are:

"(i) Procedures for the inclusion, in any written notice of a hearing under this section to any person alleged to be liable under section 802 of this title, of a description of the procedures for the conduct of the hearing.

"(ii) Procedures to permit discovery by any person alleged to be liable under section 802 of this title only to the extent that the hearing examiner determines that such discovery is necessary for the expeditious, fair, and reasonable consideration of the issues, except that such procedures shall not apply to documents, transcripts, records, or other material which a person is entitled to review under paragraph (1) of subsection (e) or to information to which a person is entitled under paragraph (2) of such subsection. Procedures promulgated under this clause shall prohibit the discovery of the notice required under subsection (a)(2) of this section. Procedures promulgated under this clause shall provide that requests for discovery under this clause shall not be denied unreasonably.

"(4) Each hearing under subsection (f) of this section shall be held—

"(A) in the judicial district of the United States in which the person alleged to be liable under section 802 of this title resides or transacts business;

"(B) in the judicial district of the United States in which the claim or statement upon which the allegation of liability under such section was made, presented, or submitted; or

"(C) in such other place as may be agreed upon by such person and the hearing examiner who will conduct such hearing.

"(h) The hearing examiner shall issue a written decision, including findings and determinations, after the conclusion of the hearing. Such decision shall include the findings of fact and conclusions of law which the hearing examiner relied upon in determining whether a person is liable under this chapter. The hearing examiner shall promptly send to each party to the hearing a copy of such decision and a statement describing the right of any person determined to be liable under section 802 of this title to appeal the decision of the hearing examiner to the authority head under paragraph (2) of subsection (i).

"(i)(1) Except as provided in paragraph (2) of this subsection and section 805 of this title, the decision, including the findings and determinations, of the hearing examiner issued under subsection (h) of this section are final.

"(2)(A)(i) Except as provided in clause (ii) of this subparagraph, within 30 days after the hearing examiner issues a decision under subsection (h) of this section, any person determined in such decision to be liable under section 802 of this title may appeal such decision to the authority head.

"(ii) If, within the 30-day period described in clause (i) of this subparagraph, a person determined to be liable under this chapter requests the authority head for an extension of such 30-day period to file an appeal of a decision issued by the hearing examiner under subsection (h) of this section, the authority head may extend such period if such person demonstrates good cause for such extension.

"(B) Any authority head reviewing under this section the decision, findings, and determinations of a hearing examiner shall not consider any objection that was not raised in the hearing conducted pursuant to subsection (f) of this section unless a demonstration is made of extraordinary circumstances causing the failure to raise the objection. If any party demonstrates to the satisfaction of the authority head that additional evidence not presented at such hearing is material and that there were reasonable grounds for the failure to present such evidence at such hearing, the authority head shall remand the matter to the hearing examiner for consideration of such additional evidence.

"(C) The authority head may affirm, reduce, reverse, compromise, remand, or settle any penalty and assessment determined by the hearing examiner pursuant to this section. The authority head shall promptly send to each party to the appeal a copy of the decision of the authority head and a statement describing the right of any person determined to be liable under section 802 of this title to judicial review under section 805 of this title.

"(j) The reviewing official has the exclusive authority to compromise or settle any allegations of liability under section 802 of this title against a person without the consent of the hearing examiner at any time after the date on which the reviewing official is permitted to refer allegations of liability to a hearing examiner under subsection (b) of this section and prior to the date on which the hearing examiner issues a decision under subsection (h) of this section. Any such compromise or settlement shall be in writing.

"§ 804. Subpoena authority

"(a)(1) For the purposes of an investigation under section 803(a)(1) of this title, an investigating official is authorized—

"(A) to administer oaths or affirmations; or

"(B) to require by subpoena the production of all information, documents, reports, answers, records, accounts, papers, and data not otherwise reasonably available to the authority.

"(2) In conducting an investigation under section 803(a)(1) of this title, the Inspector General of an authority may require by subpoena the attendance and testimony of witnesses if—

"(A) such Inspector General transmits a written notice to the Attorney General specifying that—

"(i) such attendance and testimony are necessary to the conduct of such investigation; and

"(ii) means other than a subpoena to obtain such attendance and testimony are inadequate; and

"(B) within 30 days after the Attorney General receives the notice required by subparagraph (A) of this paragraph, the Attorney General, the Deputy Attorney General, or an Associate Attorney General designated by the Attorney General transmits to such Inspector General a written statement approving such subpoena.

"(3)(A) Within 30 days after receiving a notice under subparagraph (A) of paragraph (2), the Attorney General, the Deputy Attorney General, or an Associate Attorney General designated by the Attorney General, shall transmit to such Inspector General a written statement approving or disapproving the subpoena with which such notice is concerned.

"(B) If a subpoena has been issued under this subsection to a person with respect to a particular allegation or set of allegations of liability under section 802 of this title, the Attorney General, the Deputy Attorney General, or an Associate Attorney General designated by the Attorney General, may not approve an additional subpoena under this subsection to such person with respect to such allegation or set of allegations unless such person requests the issuance of an additional subpoena under this subsection or unless—

"(i) the Attorney General, the Deputy Attorney General, or an Associate Attorney General designated by the Attorney General determines, after investigation, that an additional subpoena under this subsection to such person is necessary; and

"(ii) the Attorney General, the Deputy Attorney General, or such Associate Attorney General requires the Inspector General issuing such subpoena to include with such subpoena a statement specifying the determination of the Attorney General, the Deputy Attorney General, or such Associate Attorney General under clause (i) of this subparagraph and the reasons for such determination.

"(4)(A) An Inspector General of an authority may not delegate the authority of such Inspector General under paragraph (2) of this subsection to require by subpoena the attendance and testimony of witnesses to any officer or employee of the authority.

"(B) For purposes of this paragraph and paragraph (2), the term 'Inspector General' means an Inspector General of an authority in which an Office of Inspector General is established by the Inspector General Act of 1978 or by any other Federal law.

"(5)(A) Each subpoena issued under this subsection shall—

"(i) prescribe a date, time, and place at which oral testimony shall be commenced;

"(ii) describe the procedures under which, in accordance with this section, such testimony will be taken;

"(iii) notify the person receiving the subpoena of the right to be accompanied by an attorney and any other representative;

"(iv) describe the general purpose for which the subpoena is being issued and the general nature of the testimony, including the primary areas of inquiry, which will be taken pursuant to the subpoena; and

"(v) identify the investigating official designated by the Inspector General who shall conduct the investigation.

"(B) The date prescribed under clause (i) of subparagraph (A) for the commencement of oral testimony pursuant to a subpoena issued under this subsection shall be a date which is not less than 7 days after the date on which such subpoena is received, unless the Attorney General, the Deputy Attorney General, or an Associate Attorney General designated by the Attorney General, determines that exceptional circumstances are present which warrant the commencement of such testimony within a lesser period of time.

"(6)(A) Any investigating official before whom oral testimony is to be taken shall put the person giving such testimony under oath or affirmation and shall personally, or by any individual acting under the direction and in the presence of such investigating official, record and transcribe the testimony of such person.

"(B) Any investigating official before whom oral testimony under this section is to be taken shall exclude from the place where the testimony is to be taken all persons

except the person giving the testimony, the attorney and any other representative for the person giving the testimony, the attorney for the investigating official, any person who may be agreed upon by the investigating official and the person giving the testimony, and any stenographer taking such testimony.

"(C) The oral testimony of any person taken pursuant to a subpoena issued under this subsection shall be taken in the judicial district of the United States in which such person resides or transacts business, or in such other place as may be agreed upon by such person and the investigating official before whom the oral testimony of such person is to be taken.

"(D) Any person compelled to appear under a subpoena issued under this subsection may be accompanied, represented, and advised by an attorney. The attorney may advise such person, in confidence, either upon the request of such person or upon the initiative of the attorney, with respect to any question asked of such person.

"(E)(i) After the testimony of any person is fully transcribed, the investigating official shall afford the person (who may be accompanied by an attorney) a reasonable opportunity to examine the transcript of such testimony. The transcript shall be read to or by such person, unless such examination and reading are waived by such person. Any changes in form or substance which such person desires to make shall be entered and identified upon the transcript by the investigating official with a statement of the reasons given by such person for making such changes. The transcript shall then be signed by such person, unless such person in writing waives the signing, is ill, cannot be found, or refuses to sign.

"(ii) If the transcript is not signed by the person within 30 days after the date upon which the person is first afforded a reasonable opportunity to examine the transcript, the investigating official shall sign the transcript and state on the record the fact of the waiver, illness, absence of such person, or the refusal to sign, together with any reasons given for the failure to sign.

"(F) The investigating official shall certify on the transcript that the person giving testimony was duly sworn by the investigating official and that the transcript is a true record of the testimony given by such person.

"(G) The investigating official shall furnish a copy of the transcript (upon payment of reasonable charges for the transcript) to the person giving testimony.

"(H) Any person appearing for the taking of oral testimony pursuant to a subpoena issued under this subsection shall be entitled to the same fees and mileage which are paid to witnesses in the district courts of the United States.

"(b) For the purposes of conducting a hearing under section 803(f) of this title, a hearing examiner is authorized—

"(1) to administer oaths or affirmations; and

"(2) to require by subpoena the attendance and testimony of witnesses and the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence which the hearing examiner considers relevant and material to the hearing.

"(c) In the case of contumacy or refusal to obey a subpoena issued pursuant to subsection (a) or (b) of this section, an investigating official or a hearing examiner, as the case may be, may request the Attorney General to invoke the aid of any district court of the United States in the district in which such investigation or hearing is being conducted, or where the person receiving the subpoena resides or conducts business. The district courts of the United States shall have jurisdiction to issue an appropriate order for the enforcement of any such subpoena. Any failure to obey such order of the court is punishable by such court as contempt.

"§ 805. Judicial review

"(a)(1) A determination by a reviewing official under section 803 of this title shall be final and shall not be subject to judicial review.

"(2) Unless a petition is filed under this section, a determination under section 803 of this title that a person is liable under section 802 of this title shall be final and shall not be subject to judicial review.

"(b)(1)(A) Any person for whom a determination of liability under section 802 of this title has been made pursuant to section 803 of this title may obtain review of such determination in—

"(i) the United States Court of Appeals for the circuit in which such person resides or transacts business;

"(ii) the United States Court of Appeals for the circuit in which the claim or statement upon which the determination of liability is based was made, presented, or submitted; or

"(iii) the United States Court of Appeals for the District of Columbia Circuit.

"(B) Such review may be obtained by filing in any such court a written petition that such determination be modified or set aside. Such petition shall be filed—

"(i) only after such person has exhausted all administrative remedies under this chapter; and

"(ii) within 60 days after the date on which the authority head sends such person a copy of the decision of such authority head under section 803(i)(2) of this title.

"(2) The clerk of the court shall transmit a copy of a petition filed under paragraph (1) of this subsection to the authority head and to the Attorney General. Upon receipt of the copy of such petition, the authority head shall transmit to the Attorney General the record in the proceeding resulting in the determination of liability under section 802 of this title. Except as otherwise provided in this section, the courts of appeals of the United States shall have jurisdiction to review the decision, findings, and determinations in issue and to affirm, modify, remand for further consideration, or set aside, in whole or in part, the decision, findings, and determinations of the hearing examiner and the authority head, and to enforce such decision, findings, and determinations to the extent that such decision, findings, and determinations are affirmed or modified.

"(c) The findings of the hearing examiner with respect to questions of fact shall be final and conclusive, and shall not be set aside unless the decision of the hearing examiner is arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law, or if such findings are not supported by substantial evidence.

"(d) Any court of appeals reviewing under this section the decision, findings, and determinations of a hearing examiner or an authority head shall not consider any objection that was not raised in the hearing conducted pursuant to section 803(f) of this title unless a demonstration is made of extraordinary circumstances causing the failure to raise the objection. If any party demonstrates to the satisfaction of the court that additional evidence not presented at such hearing is material and that there were reasonable grounds for the failure to present such evidence at such hearing, the court shall remand the matter to the hearing examiner for consideration of such additional evidence.

"(e) Upon a final determination by the court of appeals that a person is liable under section 802 of this title, the court shall enter a final judgment for the appropriate amount in favor of the United States, and such judgment may be recorded and enforced by the Attorney General to the same extent and in the same manner as a judgment entered by any United States district court.

"§ 806. Collection of civil penalties and assessments

"(a) The Attorney General shall be responsible for judicial enforcement of any civil penalty or assessment imposed pursuant to the provisions of this chapter.

"(b) Any penalty or assessment imposed in a determination which has become final pursuant to section 803 of this title may be recovered in a civil action brought by the Attorney General. In any such action, no matter that was raised or that could have been raised in a hearing conducted under section 803(f) of this title or pursuant to judicial review under section 805 of this title may be raised as a defense, and the determination of liability and the determination of amounts of penalties and assessments shall not be subject to review.

"(c) The district courts of the United States and of any territory or possession of the United States shall have jurisdiction of any action commenced by the United States under subsection (b) of this section.

"(d) Any action under subsection (b) of this section may, without regard to venue requirements, be joined and consolidated with or asserted as a counterclaim, cross-claim, or setoff by the United States in any other civil action which includes as parties the United States and the person against whom such action may be brought.

"(e)(1) The United States Claims Court shall have jurisdiction of any action under subsection (b) of this section to recover any penalty and assessment if the cause of action is asserted by the United States as a counterclaim in a matter pending in such court. The United States may join as additional parties in such counterclaim all persons who may be jointly and severally liable with the person against whom such counterclaim is asserted.

"(2) No cross-claims or third-party claims not otherwise within the jurisdiction of the United States Claims Court shall be asserted among additional parties joined under paragraph (1) of this subsection.

"(f) The Attorney General shall have exclusive authority to compromise or settle any penalty and assessment the determination of which is the subject of a pending petition pursuant to section 805 of this title or a pending action to recover such penalty or assessment pursuant to this section.

"(g)(1) Except as provided in paragraph (2) of this subsection, any amount of penalty and assessment collected under this chapter shall be deposited as miscellaneous receipts in the Treasury of the United States.

"(2)(A) Any amount of a penalty or assessment imposed by the United States Postal Service under this chapter shall be deposit-

ed in the Postal Service Fund established by section 2003 of title 39, United States Code.

"(B) Any amount of a penalty or assessment imposed by the Secretary of Health and Human Services under this chapter with respect to a claim or statement made in connection with old age and survivors benefits under title II of the Social Security Act shall be deposited in the Federal Old Age and Survivors Insurance Trust Fund.

"(C) Any amount of a penalty or assessment imposed by the Secretary of Health and Human Services under this chapter with respect to a claim or statement made in connection with disability benefits under title II of the Social Security Act shall be deposited in the Federal Disability Insurance Trust Fund.

"(D) Any amount of a penalty or assessment imposed by the Secretary of Health and Human Services under this chapter with respect to a claim or statement made in connection with benefits under part A of title XVIII of the Social Security Act shall be deposited in the Federal Hospital Insurance Trust Fund.

"(E) Any amount of a penalty or assessment imposed by the Secretary of Health and Human Services under this chapter with respect to a claim or statement made in connection with benefits under part B of title XVIII of the Social Security Act shall be deposited in the Federal Supplementary Medical Insurance Trust Fund.

"§ 807. Right to setoff

"(a)(1) The amount of any penalty or assessment which has become final under section 803 of this title, or for which a judgment has been entered under section 805(e) or 806 of this title, or any amount agreed upon in a settlement or compromise under section 803(j) or 806(f) of this title, may be deducted from any sum, except for a refund of an overpayment of Federal taxes, then or later owing by the United States to the person liable for such penalty and assessment.

"(2) The authority head shall transmit written notice of each deduction made under this paragraph to the person liable for such penalty and assessment.

"(3) All amounts retained pursuant to this paragraph shall be remitted to the Secretary of the Treasury for deposit in accordance with section 806(g) of this title.

"(b) An authority head may forward a certified copy of any determination as to liability for any penalty or assessment which has become final under section 803 of this title, a certified copy of any judgment which has been entered under section 805(e) or 806 of this title, or a certified copy of any settlement or compromise under section 803(j) or 806(f) of this title, to the Secretary of the Treasury for action in accordance with subsection (a) of this section.

"§ 808. Limitations

"(a) A hearing under section 803(d)(2) of this title with respect to a claim or statement shall be commenced within six years after the date on which such claim or statement is made, presented, or submitted.

"(b) A civil action to recover a penalty and assessment under section 806 of this title shall be commenced within three years after the date on which the determination of liability for such penalty and assessment becomes final.

"(c) If at any time during the course of proceedings brought pursuant to this chapter the authority head receives or discovers any specific information regarding bribery, gratuities, conflict of interest, or other corruption or similar activity in relation to a false claim or statement, the authority head shall immediately report such information to the Attorney General, and in the case of an authority in which an Office of Inspector General is established by the Inspector General Act of 1978 or by any other Federal law, to the Inspector General of that authority.

"§ 809. Regulations

"(a) Within 180 days after the date of enactment of this chapter, each authority head shall promulgate rules and regulations necessary to implement the provisions of this chapter. Such rules and regulations shall—

"(1) ensure that investigating officials and reviewing officials are not responsible for conducting the hearing required in section 803(f) of this title, making the determinations required by subsections (f) and (h) of section 803 of this title, or making the collections under section 806 of this title; and

"(2) require a reviewing official to include in any notice required by section 803(a)(2) of this title a statement of the reviewing official which—

"(A) specifies that the reviewing official has determined that there is a reasonable prospect of collecting, from a person with respect to whom the reviewing official is referring allegations of liability in such notice, the amount for which such person may be liable; and

"(B) describes the financial data specified in subsection (c) of this section.

"(b) The determination required under paragraph (2)(A) of subsection (a) shall be made by the reviewing official after the consideration of the financial data specified in subsection (c) of this section.

"(c) The financial data referred to in subsections (a)(2)(B) and (b) of this section may include—

"(1) a commercial credit report with respect to the person alleged to be liable under this chapter;

"(2) an agency investigative report specifying the assets, liabilities, income, and expenses of such person;

"(3) a financial statement of such person specifying the assets, liabilities, income, and expenses of such person;

"(4) an audited balance sheet of such person; or

"(5) such financial information as is reasonably available to the authority.

"§ 810. Reports

"Not later than October 31 of each year, each authority head shall prepare and transmit to the appropriate committees and subcommittees of the Congress an annual report summarizing actions taken under this chapter during the most recent twelve-month period ending the previous September 30. Such report shall include—

"(1) a summary of matters referred by the investigating official of the authority to the reviewing official of the authority under section 803(a)(1) of this title during such period;

"(2) a summary of matters transmitted to the Attorney General under section 803(a)(2) of this title during such period;

"(3) a summary of all hearings conducted by hearing examiners under section 803(f) of this title, and the results of such hearings, during such period; and

"(4) a summary of the actions taken during such period to collect any civil penalty or assessment imposed under this chapter.

"§ 811. Effect on other law

"(a) This chapter does not diminish the responsibility of any agency to comply with the provisions of chapter 35 of title 44.

"(b) This chapter does not supersede the provisions of section 3512 of title 44.

"(c) For purposes of this section, the term 'agency' has the same meaning as in section 3502(1) of title 44.

"§ 812. Prohibition against delegation

"Any function, duty, or responsibility which this chapter specifies be carried out by the Attorney General, the Deputy Attorney General, an Associate Attorney General designated by the Attorney General, or an Assistant Attorney General designated by the Attorney General, shall not be delegated to, or carried out by, any other officer or employee of the Department of Justice.".

(b) TECHNICAL AMENDMENT.—The table of chapters for part I of title 5, United States Code, is amended by inserting after the item relating to chapter 7 the following new item:

"8. Administrative Remedies for False Claims and Statements ..... 801.".

(c) CONFORMING AMENDMENTS.—Section 504(b)(1)(C) of title 5, United States Code, is amended—

(1) by striking out "and" before "(ii)"; and

(2) by inserting before the semicolon a comma and "and (iii) any hearing conducted under chapter 8 of this title".

SEC. 4. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on the date of enactment of this Act, and shall apply to any claim or statement made, presented, or submitted on or after such date.

On page 9, line 24, strike out "$2,000" and insert in lieu thereof "$2,000,".

On page 9, line 25, after "$10,000" insert the following: "unless the court finds:

"(A) the defendant furnished officials of the United States responsible for investigating false claims violations with all information known to such defendant about such violation within 30 days after the date on which the defendant first obtained the information;

"(B) the defendant fully cooperated with any Government investigation of such violation; and

"(C) at the time the defendant furnished the United States with the information about the violation, no criminal prosecution, civil action, or administrative action had commenced under this title, with respect to such violation, and the defendant did not have actual knowledge of the existence of an investigation into such violation;

in which case the court may assess not less than $5,000".

On page 10, line 3, after "damages" insert the following: "unless the court finds the provisions of paragraphs (A) through (C), in which case the court may assess not less than 2 times the damages,'.".

On page 10, line 22, strike out the period and insert in lieu thereof a comma.

On page 10, between lines 22 and 23, insert the following:

and which were reasonably foreseeable to the defendant at the time the alleged fraud was committed or at the time of the submission of the claim or statement.

On page 11, strike out lines 1 through 6, and insert in lieu thereof the following:

"(2) acted in deliberate ignorance of the truth or falsity of the information; or

"(3) acted in reckless disregard of the truth or falsity of the information;

and no proof of specific intent to defraud is required.

On page 12, line 11, strike out the closing quotation marks and the final period.

On page 12, between lines 11 and 12, insert the following:

"(f) Any information furnished pursuant to clauses (A) through (C) of subsection (a) shall be exempt from disclosure under section 552 of title 5.".

On page 12, after "person." on line 19, strike out through line 22.

On page 13, line 15, strike out "additional extensions of the stay" and insert in lieu thereof "stays".

On page 15, line 9, strike out "(2)(C),".

On page 16, line 14, strike out "solely" and insert in lieu thereof "primarily".

On page 17, after "person" on line 10, strike out all through "action," on line 12, and insert in lieu thereof "is bringing an action which is frivolous, vexatious, or brought for purposes of harassment,".

On page 18, after "suit" on line 11, insert "or an administrative civil money penalty proceeding".

On page 18, after "party" on line 12, strike out through "media" on line 16.

On page 18, between lines 16 and 17, insert the following:

"(5)(A) No court shall have jurisdiction over an action under this section based upon the public disclosure of allegations or transactions in a criminal, civil, or administrative hearing, a congressional, administrative, or Government Accounting Office report, hearing, audit or investigation, or from the news media, unless the action is brought by the Attorney General or the person bringing the action is an original source of the information.

"(B) For purposes of this paragraph, 'original source' means an individual who has direct and independent knowledge of the information on which the allegations are based and has voluntarily informed the Government or the news media prior to an action filed by the Government.

On page 19, line 1, after "Act" insert "or under section 286, 287, or 1001 of title 18".

On page 19, line 3, strike out the closing quotation marks and the final period.

On page 19, between lines 3 and 4, insert the following:

"(h) In civil actions brought under this section by the United States, the provisions of section 2412(d) of title 28 shall apply.

On page 19, line 10, strike out "within the Department of Justice" and insert in lieu thereof "of the United States".

On page 20, line 22, strike out "Court of Claims" and insert in lieu thereof "Claims Court".

On page 21, lines 6 and 7, strike out "Court of Claims" and insert in lieu thereof "Claims Court".

On page 23, line 10, after "(b)(1)" insert "(A)".

On page 23, lines 10 and 11, strike out ", the Deputy Attorney General, or an Assistant Attorney General".

On page 23, line 14, insert ", and not otherwise reasonably available," after "relevant".

On page 23, lines 23 and 24, strike out ", the Deputy Attorney General, or an Assistant Attorney General".

On page 24, between lines 3 and 4, insert the following:

"(B) Notwithstanding the provisions of section 510 of title 28, United States Code, the Attorney General may not authorize the performance of any function of the Attorney General vested in him pursuant to this paragraph, by any other officer, employee, or agency.

On page 25, line 6, strike out "and".

On page 25, line 10, strike out the period and insert in lieu thereof a semicolon.

On page 25, between lines 10 and 11, insert the following:

"(iii) specify that such attendance and testimony are necessary to the conduct of the investigation;

"(iv) notify the person receiving the subpoena of the right to be accompanied by an attorney and any other representative; and

"(v) describe the general purpose for which the subpoena is being issued and the general nature of the testimony, including the primary areas of inquiry, which will be taken pursuant to the subpoena.".

On page 25, between lines 14 and 15, insert the following:

"(E) The date prescribed for the commencement of oral testimony pursuant to a civil investigation demand issued under this section shall be a date which is not less than seven days after the date on which demand is received, unless the Attorney General or an Assistant Attorney General designated by the Attorney General determines that exceptional circumstance are present which warrant the commencement of such testimony within a lessor period of time.

"(F) Any official before whom oral testimony under this section is to be taken shall exclude from the place where the testimony is to be taken all persons except the person giving the testimony, the attorney and any other representative for the person giving the testimony, the attorney for the Government, any person who may be agreed upon by the attorney for the Government, and the person giving the testimony, and any stenographer taking such testimony.

"(G) The Attorney General shall not authorize a second demand for oral testimony to a person unless such person requests otherwise or unless the Attorney General, after investigation, notifies that person in writing that an additional demand for oral testimony is necessary. The Attorney General may not authorize the performance of any function vested in him under this subparagraph, by any other officer, employee, or agency, notwithstanding section 510 of title 28.".

On page 42, line 10, after "$1,000,000" insert ", notwithstanding the provisions of section 3623,".

On page 42, line 13, after "years" insert ", or both".

On page 42, line 14, after "years" insert "or both, notwithstanding the provisions of section 3623".

S. 1562

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3729 of title 31, United States Code, is amended by—

(1) inserting "(a)" before "A person";

(2) striking out "$2,000" and inserting in lieu thereof "$10,000";

(3) striking out "2 times the amount of damages" and inserting in lieu thereof "3 times the amount of damages in addition to the amount of the consequential damages";

(4) striking out "not a member of the armed forces of the United States" the first place it appears;

(5) striking out "or" at the end of clause (5);

(6) striking out the period in clause (6) and inserting in lieu thereof "; or"; and

(7) adding at the end thereof the following:

"(7) knowingly makes, uses, or causes to be made or used, a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the Government.

"(b) Consequential damages as used in subsection (a) shall include damages which the United States would not have sustained but for—

"(1) the doing or commission of any of the acts prohibited by subsection (a); or

"(2) having entered into or made any contract or grant as a result of any material part of any false statement.

"(c) For purposes of this section, the terms 'knowing' and 'knowingly' mean the defendant—

"(1) had actual knowledge; or

"(2) acted in gross negligence of the duty to make such inquiry as would be reasonable and prudent to conduct under the circumstances in order to ascertain the true and accurate basis of the claim;

and no proof of intent to defraud or proof of any other element of a claim for fraud at common law is required.

"(d) For purposes of this section, 'claim' includes any request or demand whether under a contract or otherwise for money or property which is made to a contractor, grantee, or other recipient if the Government provides any portion of the money or property which is requested or demanded or if the Government will reimburse such contractor, grantee, or other recipient for any portion of the money or property which is requested or demanded.

"(e)(1) The Attorney General or his designee may apply for provisional relief to any district court having jurisdiction pursuant to section 3732 whenever he has reasonable cause to believe this section or section 3730, or 3731 may have been violated. If the court finds there is a reasonable likelihood that the United States will prevail after trial on the merits of its claims, the court shall enjoin the defendant from taking any action which the court, in the exercise of its discretion, finds reasonably likely to hinder or delay the United States in the collection of any judgment which may be obtained in such action.

"(2) In addition, the court may from time to time make such other orders as it deems appropriate, including requiring the defendant to post security for judgment, to seek the prior approval of the court before making any transfer without adequate and full consideration, paying an antecedent debt which has matured more than thirty days prior to the date of payment, or otherwise engaging in any transaction not in the usual and regular course of the defendant's business. Except as provided in this section, such application and proceedings by the Attorney General shall be governed by Rule 65 of the Federal Rules of Civil Procedure.".

SEC. 2. Section 3730 of title 31, United States Code, is amended to read as follows:

"§ 3730. Civil actions for false claims

"(a) The Attorney General diligently shall investigate a violation under section 3729 of this title. If the Attorney General finds that a person has violated or is violating section 3729, the Attorney General may bring a civil action under this section against the person. The person may be arrested and bail set for an amount of not more than $2,000 and 2 times the amount of damages sworn to in an affidavit of the Attorney General or his designee.

"(b)(1) Except as provided in subsection (e), a person may bring a civil action for a

violation of section 3729 of this title for the person and for the United States Government. The action shall be brought in the name of the Government. An action may be dismissed only if the court and the Attorney General give written consent and their reasons for consenting.

"(2) A copy of the complaint and written disclosure of substantially all material evidence and information the person possesses shall be served on the Government under Rule 4(d)(4) of the Federal Rules of Civil Procedure. The complaint shall be filed in camera, shall remain under seal for at least 60 days, and shall not be served on the defendant until the court so orders. The Government may elect to intervene and proceed with the action within 60 days after it receives both the complaint and the material evidence.

"(3) The Government may, for good cause shown, move the court for additional extensions of the stay and for extensions of the time during which the complaint shall remain under seal. Any such motions may be supported by affidavits or other submissions in camera. The defendant shall not be required to respond to any complaint filed under this section until 20 days after the complaint is unsealed and served upon him pursuant to Rule 4 of the Federal Rules of Civil Procedure.

"(4) Before the expiration of the initial 60-day period or any stays obtained, the Government shall—

"(A) proceed with the action, in which case the action shall be conducted only by the Government; or

"(B) notify the court that it declines to take over the action, in which case the action shall be conducted by the person bringing the action.

"(5) Where a person brings an action under this subsection, no person other than the Government may intervene or bring a related action based on the facts underlying the pending action.

"(c)(1) If the Government proceeds with the action, the action is conducted solely by the Government and it shall not be bound by an act of the person who initiated the action. If he so requests, the person bringing the action shall be served with copies of all pleadings filed in the action, shall be supplied with copies of all deposition transcripts (at his expense), and shall be permitted to file objections with the court and petition for an evidentiary hearing to object to any proposed settlement or to any motion to dismiss filed by the Government. The court may grant such an evidentiary hearing only upon a showing of substantial and particularized need. The person bringing the action may move the court for leave to conduct the action in the name of the United States if, after making its election to take over the suit, the Government does not proceed with the action with reasonable diligence within six months or such reasonable additional time as the court may allow after notice.

"(2) If the Government elects not to proceed with the action, the action shall be conducted by the person who initiated the action. If the Government so requests, it shall be served with copies of all pleadings filed in the action and shall be supplied with copies of all deposition transcripts (at its expense). Where a person proceeds with the action in the name of the United States pursuant to subsection (b)(2)(C), the court may nevertheless permit the Government to intervene and proceed with the action by its own attorneys at a later date upon a showing of good cause.

"(3) Notwithstanding subsection (b), the Government may elect to pursue its claim through any alternate remedy available to it, including, but not limited to, any administrative civil money penalty proceeding.

"(d)(1) If the Government proceeds with the action, including any proceeding pursuant to subsection (c)(3), the person bringing the action may receive an amount the court decides is reasonable. The amount may not be less than 10 percent, nor more than 20 percent, of the proceeds of the action or settlement of a claim and shall be paid out of those proceeds.

"(2) If the Government does not proceed with an action, the person bringing the action or settling the claim may receive an amount the court decides is reasonable for collecting the civil penalty and damages. The amount may not be less than 20 percent, nor more than 30 percent, of the proceeds of the action or settlement and shall be paid out of those proceeds.

"(3) The amount awarded under this section shall be in the discretion of the court, taking into account—

"(A) the significance of the information provided to the Government;

"(B) the contribution of the person bringing the action to the result obtained; and

"(C) whether the information which formed the basis for the suit was known to the Government.

"(4) Where the persons brought an action based solely on disclosures of specific information relating to allegations or transactions in a criminal, civil, or administrative hearing, a congressional or Government Accounting Office report or hearing, or from the news media, the court may award such sums as it deems appropriate, not to exceed 10 percent of the recovery and taking into account the significance of the information and the role of the person in advancing the case to litigation.

"(5) In addition to any other amounts awarded by the court, the court may also award the person bringing the action reasonable attorney fees and other expenses. The Government shall not be liable for the expenses or legal fees a person incurs in bringing or defending an action under this section.

"(6) If the Government does not proceed with the action and it is litigated by the person bringing the action, the court shall award to the defendant its reasonable attorney fees and expenses if the defendant prevails in such action and the court finds that the claim of the person bringing the action was clearly frivolous, vexatious, or brought for purposes of harassment. In cases where it appears that the person bringing the action is motivated by bad faith or is bringing a clearly frivolous action, the court shall require such assurances that payment of legal fees and expenses will be made, if such are awarded, as it deems appropriate before allowing the action to proceed.

"(7) After any final judgment is issued in any action brought under this section, or any alternate remedy available to the Government, any person who brought an action under subsection (b) shall have 60 days to petition the court for any award to which he is entitled under this section.

"(e)(1) No court shall have jurisdiction over an action brought by a former or present member of the armed services under subsection (b) of this section against a member of the armed forces arising out of such person's service in the armed forces.

"(2) No court shall have jurisdiction over an action brought against a member of Congress, a member of the judiciary, or a senior executive branch official if the action is based on evidence or information known to the Government when the action was brought.

"(3) For purposes of this subsection, 'senior executive branch official' means those officials listed in section 201(f) of Appendix IV of title 5.

"(4) In no event may a person bring an action under this section based upon allegations or transactions which are the subject of a civil suit in which the Government is already a party, or within six months of the disclosure of specific information relating to such allegations or transactions in a criminal, civil, or administrative hearing, a congressional or Government Accounting Office report or hearing, or from the news media.

"(f) The district courts shall have jurisdiction over any action brought under State law for the recovery of funds paid by State or local governments where such action grows out of the same transaction or occurrence as an action brought under this section.

"(g) The Attorney General or his designee is authorized to make payments from Department of Justice appropriations for information or assistance leading to a civil or criminal recovery under this section, section 3729, or sections 3731 through 3734, known as the False Claims Act. Any such payment shall be at the discretion of the Attorney General or his designee.".

SEC. 3. Section 3731 of title 31, United States Code, is amended by—

(1) inserting before the period at the end of subsection (b) the following: "or within three years after the date when facts material to the right of action are known or reasonably should have been known by the official within the Department of Justice charged with responsibility to act in the circumstances, whichever occurs last"; and

(2) inserting after subsection (b), the following new subsections:

"(c) In any action brought under this section or section 3729, 3730, 3732, or 3733, the United States shall be required to prove all essential elements of the cause of action, including damages, by a preponderance of the evidence.

"(d) Notwithstanding any contrary provision of law, the Federal Rules of Criminal Procedure, or the Federal Rules of Evidence, a final judgment rendered in favor of the United States in any criminal proceeding charging fraud or false statements, whether upon a verdict after trial or upon a plea of guilty or nolo contendere, shall estop the defendant from denying the essential elements of the offense in any action brought by the United States pursuant to this section or section 3729, 3730, 3732, or 3733.".

SEC. 4. Subchapter III of chapter 37 of title 31, United States Code, is amended by adding at the end thereof the following:

"§ 3732. False claims jurisdiction

"(a) The district courts of the United States, including such courts for Puerto Rico, the Virgin Islands, Guam, and any territory or possession of the United States, shall have jurisdiction over any action commenced by the United States under this section, or under section 3729, 3730, 3731, 3733, or 3734. Venue of any such action shall be proper in any district in which any defendant, or in the case of multiple defendants, any one defendant can be found, resides, transacts business, or in which any act prescribed by such sections is alleged by the

United States to have occurred. A summons as required by the Federal Rules of Civil Procedure shall be issued by the district court and served at any place within the United States, Puerto Rico, the Virgin Islands, Guam, any territory or possession of the United States, or in any foreign country.

"(b) The United States Court of Claims shall also have jurisdiction of any such action if the action is asserted by way of counterclaim by the United States. The United States may join as additional parties in such counterclaim all persons who may be jointly and severally liable with such party against whom a counterclaim is asserted by reason of having violated this section, or section 3729, 3730, 3731, or 3733, except that no cross-claims or third-party claims shall be asserted among such additional parties unless such claims are otherwise within the jurisdiction of the United States Court of Claims.".

SEC. 5. Subchapter III of chapter 37 of the title 31, United States Code is further amended by adding at the end thereof the following:

"§ 3733. Civil investigative demands

"(a) For purposes of this section, the term—

"(1) 'False Claims Act law' means—

"(A) this section and sections 3729 through 3731 of this title, commonly known as the False Claims Act; and

"(B) any Act of Congress enacted after this section which prohibits, or makes available to the United States in any court of the United States any civil remedy with respect to any false claim, bribery, or corruption of any officer or employee of the United States;

"(2) 'False Claims Act investigation' means any inquiry conducted by any False Claims Act investigator for the purpose of ascertaining whether any person is or has been engaged in any violation of any provision of the False Claims Act law;

"(3) 'False Claims Act investigator' means any attorney or investigator employed by the Department of Justice who is charged with the duty of enforcing or carrying into effect any False Claims Act law or any officer or employee of the United States acting under direction and supervision of such attorney or investigator in connection with a False Claims Act investigation;

"(4) 'person' means any natural person, partnership, corporation, association, or other legal entity, including any State or political subdivision;

"(5) 'documentary material' includes the original or any copy of any book, record, report, memorandum, paper, communication, tabulation, chart, or other document, or data compilations stored in or accessible through computer or other information retrieval systems, together with instructions and all other materials necessary to use or interpret such data compilations, and any product or discovery;

"(6) 'custodian' means the custodian, or any deputy custodian, designated by the Attorney General; and

"(7) 'product of discovery' includes without limitation the original or duplicate of any deposition, interrogatory, document, thing, result of an inspection of land or other property, examination, or admission obtained by any method of discovery in any judicial or administrative litigation or action of an adversarial nature, any digest, analysis, selection, compilation, or any derivation thereof, and any index or manner of access thereto.

"(b)(1) Whenever the Attorney General, the Deputy Attorney General, or an Assistant Attorney General has reason to believe that any person may be in possession, custody, or control of any documentary material, or may have any information relevant to a False Claims Act investigation, he may, prior to the institution of a civil proceeding, issue in writing and cause to be served upon such person, a civil investigative demand requiring such person to produce such documentary material for inspection and copying, to answer in writing written interrogatories, to give oral testimony concerning documentary material or information, or to furnish any combination of such material, answers, or testimony. Whenever a civil investigative demand is an express demand for any product of discovery, the Attorney General, the Deputy Attorney General, or an Assistant Attorney General shall cause to be served, in any manner authorized by this section, a copy of such demand upon the person from whom the discovery was obtained and notify the person to whom such demand is issued of the date on which such copy was served.

"(2)(A) Each such demand shall state the nature of the conduct constituting the alleged violation of a False Claims Act law which is under investigation, and the applicable provision of law.

"(B) If such demand is for production of documentary material, the demand shall—

"(i) describe each class of documentary material to be produced with such definiteness and certainty as to permit such material to be fairly identified;

"(ii) prescribe a return date for each such class which will provide a reasonable period of time within which the material so demanded may be assembled and made available for inspection, and copying; and

"(iii) identify the False Claims Act investigator to whom such material shall be made available.

"(C) If such demand is for answers to written interrogatories, the demand shall—

"(i) set forth with definiteness and certainty the written interrogatories to be answered;

"(ii) prescribe dates at which time answers to written interrogatories shall be submitted; and

"(iii) identify the False Claims Act investigator to whom such answers shall be submitted.

"(D) If such demand is for the giving of oral testimony, the demand shall—

"(i) prescribe a date, time, and place at which oral testimony shall be commenced; and

"(ii) identify a False Claims Act investigator who shall conduct the examination and the custodian to whom the transcript of such examination shall be submitted.

Any such demand which is an express demand for any product of discovery shall not be returned or returnable until twenty days after a copy of such demand has been served upon the person from whom the discovery was obtained.

"(c)(1) No such demand shall require the production of any documentary material, the submission of any answers to written interrogatories, or the giving of any oral testimony if such material, answers, or testimony would be protected from disclosure under—

"(A) the standards applicable to subpoenas or subpoenas duces tecum issued by a court of the United States to aid in a grand jury investigation; or

"(B) the standards applicable to discovery requests under the Federal Rules of Civil Procedure, to the extent that the application of such standards to any such demand is appropriate and consistent with the provisions and purposes of this section and sections 3729 through 3731.

"(2) Any such demand which is an express demand for any product of discovery supersedes any inconsistent order, rule, or provision of law (other than this section) preventing or restraining disclosure of such product of discovery to any person. Disclosure of any product of discovery pursuant to any such express demand does not constitute a waiver of any right or privilege which may be invoked to resist discovery of trial preparation materials to which the person making such disclosure may be entitled.

"(d)(1) Any such demand may be served by any False Claims Act investigator, or by any United States Marshal or Deputy Marshal, at any place within the United States.

"(2) Any such demand or any petition filed under subsection (k) may be served upon any person who is not found within the United States, in such manner as the Federal Rules of Civil Procedures prescribe for service in a foreign country. To the extent that the courts of the United States can assert jurisdiction over such person consistent with due process, the United States District Court for the District of Columbia shall have the same jurisdiction to take any action respecting compliance with this section by such person that such court would have if such person were personally within the jurisdiction of such court.

"(e)(1) Service of any such demand or of any petition filed under subsection (k) may be made upon a partnership, corporation, association, or other legal entity by—

"(A) delivering an executed copy thereof to any partner, executive officer, managing agent, or general agent thereof, or to any agent thereof authorized by appointment or by law to receive service of process on behalf of such partnership, corporation, association, or entity;

"(B) delivering an executed copy thereof to the principal office or place of business of the partnership, corporation, or entity to be served; or

"(C) depositing such copy in the United States mails, by registered or certified mail, return receipt requested, addressed to such partnership, corporation, association, or entity at its principal office or place of business.

"(2) Service of any such demand or of any petition filed under subsection (k) may be made upon any natural person by—

"(A) delivering an executed copy thereof to the person to be served; or

"(B) depositing such copy in the United States mails by registered or certified mail, return receipt requested, addressed to such person at his residence or principal office or place of business.

"(f) A verified return by the individual serving any such demand or petition setting forth the manner of such service shall be proof of such service. In the case of service by registered or certified mail, such return shall be accompanied by the return post office receipt of delivery of such demand.

"(g) The production of documentary material in response to a demand served pursuant to this section shall be made under a sworn certificate, in such form as the demand designates, by the person, if a natural person, to whom the demand is directed or, if not a natural person, by a person having knowledge of the facts and circumstances relating to such production and authorized to act on behalf of such person. The certificate shall state that all of the docu-

mentary material required by the demand and in the possession, custody, or control of the person to whom the demand is directed has been produced and made available to the custodian.

"(h) Each interrogatory in a demand served pursuant to this section shall be answered separately and fully in writing under oath unless it is objected to, in which event the reasons for the objection shall be stated in lieu of any answer, and it shall be submitted under a sworn certificate, in such form as the demand designates, by the person, if a natural person, to whom the demand is directed or, if not a natural person, by a person or persons responsible for answering each interrogatory. The certificate shall state that all information required by the demand and in the possession, custody, control, or knowledge of the person to whom the demand is directed has been submitted. To the extent that any materials are not furnished, they shall be identified and reasons set forth with particularity for each.

"(i)(1) The examination of any person pursuant to a demand for oral testimony served under this section shall be taken before an officer authorized to administer oaths and affirmations by the laws of the United States or of the place where the examination is held. The officer before whom the testimony is to be taken shall put the witness on oath or affirmation and shall personally, or by someone acting under his direction and in his presence, record the testimony of the witness. The testimony shall be taken stenographically and transcribed. When the testimony is fully transcribed, the officer before whom the testimony is taken shall promptly transmit a copy of the transcript of the testimony to the custodian. This subsection shall not preclude the taking of testimony by any means authorized by, and in a manner consistent with, the Federal Rules of Civil Procedure.

"(2) The False Claims Act investigator conducting the examination shall exclude from the place where the examination is held all other persons except the person being examined, his counsel, the officer before whom the testimony is to be taken, and any other stenographer taking such testimony.

"(3) The oral testimony of any person taken pursuant to a demand served under this section shall be taken in the judicial district of the United States within which such person resides, is found, or transacts business, or in such other place as may be agreed upon by the False Claims Act investigator conducting the examination and such person.

"(4) When the testimony is fully transcribed, the False Claims Act investigator or the officer shall afford the witness, who may be accompanied by counsel, a reasonable opportunity to examine the transcript and the transcript shall be read to or by the witness, unless such examination and reading are waived by the witness. Any changes in form or substance which the witness desires to make shall be entered and identified upon the transcript by the officer or the False Claims Act investigator with a statement of the reasons given by the witness for making such changes. The transcript shall then be signed by the witness, unless the witness in writing waives the signing, is ill, cannot be found, or refuses to sign. If the transcript is not signed by the witness within thirty days after his being afforded a reasonable opportunity to examine it, the officer or the False Claims Act investigator shall sign it and state on the record the fact of the waiver, illness, absence of the witness, or the refusal to sign, together with the reason, if any, given therefor. A refusal to sign or an unreasonable absence shall be deemed to be an acknowledgment of its accuracy and an affirmation of its contents.

"(5) The officer shall certify on the transcript that the witness was sworn by him and that the transcript is a true record of the testimony given by the witness, and the officer or False Claims Act investigator shall promptly deliver it or send it by registered or certified mail to the custodian.

"(6) Upon payment of reasonable charges therefor, the False Claims Act investigator shall furnish a copy of the transcript to the witness only, except that the Attorney General, the Deputy Attorney General, or an Assistant Attorney General may, for good cause, limit such witness to inspection of the official transcript of his testimony.

"(7)(A) Any person compelled to appear under a demand for oral testimony pursuant to this section may be accompanied, represented, and advised by counsel. Counsel may advise such person, in confidence, with respect to any question asked of such person. Such person or counsel may object on the record to any question, in whole or in part, and shall briefly state for the record the reason for the objection. An objection may be properly made, received, and entered upon the record when it is claimed that such person is entitled to refuse to answer the question on grounds of any constitutional or other legal right or privilege, including the privilege against self-incrimination. Such person shall not otherwise object to or refuse to answer any question, and shall not by himself or through counsel otherwise interrupt the oral examination. If such person refuses to answer any question, the False Claims Act investigator conducting the examination may petition the district court of the United States pursuant to subsection (k)(1) for an order compelling such person to answer such question.

"(B) If such person refuses to answer any question on the grounds of the privilege against self-incrimination, the testimony of such person may be compelled in accordance with the provisions of part V of title 18.

"(8) Any person appearing for oral examination pursuant to a demand served under this section shall be entitled to the same fees and mileage which are paid to witnesses in the district courts of the United States.

"(j)(1) The Attorney General, or his authorized designee shall designate a False Claims Act investigator to serve as custodian of documentary material, answers to interrogatories, and transcripts of oral testimony received under this section, and shall designate such additional False Claims Act investigators as he determines from time to time to be necessary to serve as deputies to such officer.

"(2) Any person upon whom any demand under subsection (b)(1) for the production of documentary material has been served shall make such material available for inspection and copying to the False Claims Act investigator designated therein at the principal place of business of such person, or at such other place as such False Claims Act investigator and such person thereafter may agree and prescribe in writing, or as the court may direct pursuant to subsection (k)(1) on the return date specified in such demand, or on such later date as such custodian may prescribe in writing. Such person may, upon written agreement between such person and the custodian, substitute copies for originals of all or any part of such material.

"(3)(A) The False Claims Act investigator to whom any documentary material, answers to interrogatories, or transcripts of oral testimony are delivered shall take physical possession thereof, and shall transmit them to the custodian who shall be responsible for the use made thereof and for the return of documentary material pursuant to this section.

"(B) The custodian may cause the preparation of such copies of such documentary material, answers to interrogatories, or transcripts of oral testimony as may be required for official use by any authorized official or employee of the Department of Justice or any authorized officer or employee of the United States acting under the direction and supervision of an attorney or investigator of the Department of Justice in connection with any False Claims Act investigation, under regulations promulgated by the Attorney General. Notwithstanding subparagraph (C) of this subsection, such material, answers, and transcripts may be used by any such person in connection with the taking of oral testimony pursuant to this section.

"(C) Except as otherwise provided in this section, while in the possession of the custodian, no documentary material, answers to interrogatories, or transcripts of oral testimony, or copies thereof, so produced shall be available for examination, without the consent of the person who produced such material, answers, or transcripts, and, in the case of any product of discovery produced pursuant to an express demand for such material, of the person from whom the discovery was obtained, by any individual other than an authorized official or employee of the Department of Justice, or an authorized officer or employee of the United States acting under the direction and supervision of an attorney or investigator of the Department of Justice in connection with any False Claims Act investigation. Nothing in this section is intended to prevent disclosure to either body of the Congress or to any authorized committee or subcommittee thereof, or to any other agency of the United States for use by such agency in furtherance of its statutory responsibilities. Disclosure to any other agency of the United States shall be allowed only upon application, made by the custodian to a United States district court, showing substantial need for use by such agency in furtherance of its statutory responsibilities.

"(D) While in the possession of the custodian and under such reasonable terms and conditions as the Attorney General shall prescribe—

"(i) documentary material and answers to interrogatories shall be available for examination by the person who produced such material or answers, or by an authorized representative of such person; and

"(ii) transcripts of oral testimony shall be available for examination by the person who produced such testimony, or his counsel.

"(4) Whenever any attorney of the Department of Justice has been designated to appear before any court, grand jury, or Federal administrative or regulatory agency in any case or proceeding, the custodian of any documentary material, answers to interrogatories, or transcripts of oral testimony may deliver to such attorney such material, answers, or transcripts for official use in connection with any such case, grand jury, or proceeding as such attorney determines to be required. Upon the completion of any

such case, grand jury, or proceeding, such attorney shall return to the custodian any such material, answers, or transcripts so delivered which have not passed into the control of such court, grand jury, or agency through the introduction thereof into the record of such case or proceeding.

"(5) If any documentary material has been produced in the course of any False Claims Act investigation by any person pursuant to a demand under this section, and—

"(A) any case or proceeding before any court or grand jury arising out of such investigation, or any proceeding before any Federal administrative or regulatory agency involving such material, has been completed, or

"(B) no case or proceeding in which such material may be used has been commenced within a reasonable time after completion of the examination and analysis of all documentary material and other information assembled in the course of such investigation, the custodian shall, upon written request of the person who produced such material, return to such person any such material (other than copies thereof furnished to the custodian pursuant to paragraph (2) of this subsection or made by the Department of Justice pursuant to paragraph (3)(B) of this subsection) which has not passed into the control of any court, grand jury, or agency through the introduction thereof into the record of such case or proceedings.

"(6) In the event of the death, disability, or separation from service in the Department of Justice of the custodian of any documentary material, answers to interrogatories, or transcripts of oral testimony produced under any demand issued pursuant to this section, or of the official relief of such custodian from responsibility for the custody and control of such material, answers or transcripts, the Attorney General or his authorized designee shall promptly (A) designate another False Claims Act investigator to serve as custodian of such material, answers, or transcripts, and (B) transmit in writing to the person who produced such material, answers, or testimony notice as to the identity and address of the successor so designated. Any successor designated under this subsection shall have, with regard to such material, answers or transcripts, all duties and responsibilities imposed by this Act upon his predecessor in office with regard thereto, except that he shall not be held responsible for any default or dereliction which occurred prior to his designation.

"(k)(1) Whenever any person fails to comply with any civil investigative demand served upon him under subsection (b) or whenever satisfactory copying or reproduction of any such material cannot be done and such person refuses to surrender such material, the Attorney General, through such officers or attorneys as he may designate, may file in the district court of the United States for any judicial district in which such person resides, is found, or transacts business, and serve upon such person a petition for an order of such court for the enforcement of this section.

"(2)(A) Within twenty days after the service of any such demand upon any person, or at any time before the return date specified in the demand, whichever period is shorter, or within such period exceeding twenty days after service or in excess of such return date as may be prescribed in writing, subsequent to service, by any False Claims Act investigator named in the demand, such person may file, in the district court of the United States for the judicial district within which such person resides, is found, or transacts business, and serve upon such False Claims Act investigator a petition for an order of such court, modifying or setting aside such demand. In the case of a petition addressed to an express demand for any product of discovery, a petition to modify or set aside such demand may be brought only in the district court of the United States for the judicial district in which the proceeding in which such discovery was obtained is or was last pending.

"(B) The time allowed for compliance with the demand, in whole or in part, as deemed proper and ordered by the court shall not run during the pendency of such petition in the court, except that such person shall comply with any portions of the demand not sought to be modified or set aside. Such petition shall specify each ground upon which the petitioner relies in seeking such relief, and may be based upon any failure of such demand to comply with the provisions of this section or upon any constitutional or other legal right or privilege of such person.

"(3) Within twenty days after the service of any express demand for any product of discovery upon, or at any time before, the return date specified in the demand, whichever period is shorter, or within such period exceeding twenty days after service or in excess of such return date as may be prescribed in writing, subsequent to service, by any False Claims Act investigator named in the demand, the person from whom such discovery was obtained may file, in the district court of the United States for the judicial district in which the proceeding in which such discovery was obtained is or was last pending, and serve upon any False Claims Act investigator named in the demand and upon the recipient of the demand, a petition for an order of such court modifying or setting aside those portions of the demand requiring production of any such product of discovery. Such petition shall specify each ground upon which the petitioner relies in seeking such relief and may be based upon any failure of such portions of the demand to comply with the provisions of this section, or upon any constitutional or other legal right or privilege of the petitioner. During the pendency of such petition, the court may stay, as it deems proper, compliance with the demand and the running of the time allowed for compliance with the demand.

"(4) At any time during which any custodian is in custody or control of any documentary material, answers to interrogatories delivered, or transcripts of oral testimony given by any person in compliance with any such demand, such person, and in the case of an express demand for any product of discovery, the person from whom such discovery was obtained, may file, in the district court of the United States for the judicial district within which the office of such custodian is situated, and serve upon such custodian, a petition for an order of such court requiring the performance by such custodian of any duty imposed upon him by this section.

"(5) Whenever any petition is filed in any district court of the United States under this section, such court shall have jurisdiction to hear and determine the matter so presented, and to enter such order or orders as may be required to carry into effect the provisions of this section. Any final order so entered shall be subject to appeal pursuant to section 1291 of title 28. Any disobedience of any final order entered under this section by any court shall be punished as a contempt thereof.

"(6) To the extent that such rules may have application and are not inconsistent with the provisions of this section, the Federal Rules of Civil Procedure shall apply to any petition under this subsection.

"(7) Any documentary material, answers to written interrogatories, or oral testimony provided pursuant to any demand issued under this section and sections 3729 through 3731 shall be exempt from disclosure under section 552 of title 5.".

SEC. 6. (a) Subchapter III of chapter 37 of title 31, United States Code, is further amended by adding at the end thereof the following:

"§ 3734. Whistleblower protection

"Any employee who is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms or conditions of such employment by his employer because of the good faith exercise by such employee on behalf of himself or others of any option afforded by this Act, including investigation for, initiation of, testimony for, or assistance in an action filed or to be filed under this Act, shall be entitled to all relief necessary to make him whole. Such relief shall include reinstatement with full seniority rights, backpay with interest, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorney fees. In addition, the employer shall be liable to such employee for twice the amount of backpay and special damages and, if appropriate under the circumstances, the court shall award punitive damages.".

(b) The table of sections for chapter 37 of title 31, United States Code, is amended by adding at the end thereof the following new items:

"3732. False claims jurisdiction.
"3733. Civil investigative demands.
"3734. Whistleblower protection.".

SEC. 7. (a) Section 286 of title 18, United States Code, is amended by striking out "$10,000" and inserting in lieu thereof "$1,000,000".

(b) Section 287 of title 18, United States Code, is amended by striking out "$10,000, or imprisoned not more than five years" and inserting in lieu thereof "$1,000,000, or imprisoned for not more than ten years".

SEC. 8. This Act and the amendments made by this Act shall become effective upon the date of enactment.●

PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive formal notification of proposed arms sales under that act in excess of $50 million, or in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is available to the full Senate, I ask to have printed

in the RECORD at this point the notification I have received. The classified annex referred to in the covering letter is available to Senators in the office of the Foreign Relations Committee, room SD-423.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY
Washington, DC, July 23, 1986.

In reply refer to: I-01390/86ct.

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 86-43 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter(s) of Offer to Thailand for defense articles and services estimated to cost $45 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

GLEN A. RUDD, *Acting Director.*

[TRANSMITTAL NO. 86-43]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b)(1) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Thailand.

(ii) Total estimated value:

	Millions
Major Defense Equipment [1]	$25
Other	20
Total	45

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: Four AH-1F Cobra TOW Helicopters, spare engines, spare parts, special tools, support personnel and test equipment.

(iv) Military department: Army (VMY).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See annex under separate cover.

(vii) Section 28 report: Included in report for quarter ending 31 March 1986.

(viii) Date report delivered to Congress: July 23, 1986.

POLICY JUSTIFICATION

THAILAND—AH-1F COBRA TOW HELICOPTERS

The Government of Thailand has requested the purchase of four Cobra TOW Helicopters, spare engines, spare parts, special tools, support personnel and test equipment. The estimated cost is $45 million.

This sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country which has been and continues to be an important force for political stability and economic progress in East Asia.

Acquisition of these helicopters will provide the Royal Thai Army with a much needed capability to counter armor threats. Thailand will have no difficulty absorbing these helicopters into its armed forces.

The sale of this equipment and support will not affect the basic military balance in the region.

The principal contractors will be Bell Helicopter Textron, Incorporated of Fort Worth, Texas and AVCO Corporation Lycoming Division of Stratford, Connecticut.

Implementation of this sale will require the assignment to Thailand of six additional U.S. Government personnel for ten days and contractor representatives as follows: three for one year and four for six months.

There will no adverse impact on U.S. defense readiness as a result of this sale.●

HSU JUNG-SHU AND CHOU CHING-YU

● Mr. KENNEDY. Mr. President, I would like to call to the attention of my colleagues the remarks of two extraordinary Taiwanese women, Hsu Jung-Shu and Chou Ching-Yu, at a press conference held in the Senate on May 20, 1986—the 37th anniversary of martial law in Taiwan. At the conference, Senator PELL and Congressmen SOLARZ, LEACH, and TORICELLI joined me in denouncing the nearly four decades of martial law and calling on the government authorities to bring democracy to Taiwan.

It was an honor to be joined by Ms. Hsu and Ms. Chou who are members of the national legislative bodies in Taiwan. Their husbands are prisoners of conscience who were arrested in 1979 in connection with the Kaohsiung incident; they were convicted by a military tribunal and sentenced to 12 years in prison.

In the wake of that experience, these two courageous women entered politics, won places in the legislature, and have been working tirelessly ever since to obtain the release of their husbands and all political prisoners in Taiwan. They have been the victims of constant harassment and intimidation, but have persevered.

I urge my colleagues to read the eloquent statements of the two women who have relentlessly pursued their goal of justice, freedom, and democracy in Taiwan.

The statements follows:

STATEMENT OF LEGISLATOR HSU JUNG-SHU, MAY 20, 1986

I am very pleased to have the opportunity to be here with you today, although this is a very solemn occasion for the people on Taiwan.

I want to thank the Members of the U.S. Congress and the American people who have shown their concern about martial law on Taiwan. We are very grateful for your support for the cause of democracy and human rights. I especially appreciate the efforts of those who have worked on behalf of my jailed husband and those who recently have expressed concern over my own situation.

I would like to draw your attention to three particularly grave aspects of martial law on Taiwan. Martial law severely restricts freedom of expression and freedom of association, and prevents direct presidential elections.

For the past year, the authorities have banned or confiscated almost every issue published by the opposition magazines. In the case of my own magazine, Taiwan Weekly, the government has banned or confiscated every issue in recent months. Since March, police and agents of the Taiwan Garrison Command—the body which administers martial law and censorship—have staged three raids on the office of the publication. Each time, these agents have arrived in the dead of night and without any of my staff present. The government has censored my magazine not because of the content of the articles, but simply because of our advocacy of democracy and human rights.

Martial law also forbids us to establish new political parties, forcing members of the democratic movement to run for office as independents. Yet, collectively, we regularly receive 30% of the vote under a highly restrictive electoral code. We are confident that if we could form a political party and could run in truly free and fair elections, we could win a far higher share of the vote. In any event, freedom of association, including the right to form political parties, is the universally recognized right of all human beings and a right no government can legitimately stifle.

The president of Taiwan is currently elected by the members of the National Assembly, who were themselves elected on the China mainland in 1949. They have remained in office on Taiwan for nearly 40 years. Since they now represent neither China nor Taiwan, the people on Taiwan are denied their right to elect their own chief executive. I am, therefore, calling for direct presidential elections by the citizens of Taiwan.

Again, thank you so much.

STATEMENT OF ASSEMBLYWOMAN CHOU CHING-YU, MAY 20, 1986

I want to thank everyone here and elsewhere who has worked long and hard to call the attention to the abuses of martial law on Taiwan.

For the past 37 years, our people's civil liberties and political rights have been abridged by the authorities who restricted these freedoms although they are to be protected by the constitution. I am proud of the people of Taiwan who are among the most intelligent, friendly and hard-working in the world and who have made the economic miracle possible. But I am ashamed of the system of martial law which deprived us of our legitimate rights despite the high living standards, education and other achievements. The longest martial law rule in modern history has severely restricted our freedoms of expression, movement, association, and assembly and damaged our international image.

For too long the people of Taiwan have been denied a representative government. The legislative bodies on Taiwan, including the National Assembly in which I sit, have seats representing all of China, mostly elected 40 years ago. Less than ten percent of the total memberships were elected on Taiwan and are subject to either direct or indirect election. However, the people of Taiwan pay all of the taxes which support the government, and perform all of the obligations incumbent on citizens. As you know, your own country was founded because your earliest leaders said, "Taxation without representation is tyranny!"

Under martial law, if we challenge the unrepresentative nature of our government, we can be charged with "sedition" for challenging "basic national policy," tried by court martial, and sent to military jails.

Under martial law, organization of new political parties is banned and those who

dare to organize do so at the risk of being court-martialed and imprisoned.

For too long, many peaceful critics and reformers have been imprisoned without the benefit of a fair trial, my dear husband, Mr. Yao Chia-wen, among them.

I also want to thank everyone here in the United States who has worked on behalf of my jailed husband and other prisoners of conscience whose only crime was to advocate democracy and human rights for all the people on Taiwan. We must continue to press on until all political prisoners are released.

In order to have a truly democratic political system on Taiwan, we must insist on lifting martial law, a general election of all parliamentary bodies and restoring the rights guaranteed by the constitution.

Again, I thank you for giving me the privilege of speaking here today.●

HOSPITAL INDUSTRY PROBLEMS

● Mr. DURENBERGER. Mr. President, I am constantly amazed at the way in which the market for delivering public services changes with the introduction of incentives for buyers of services to spend their money more wisely.

We are all beginning to understand that is what is happening in doctor and hospital services all over America. When government or business employers change the way they help the elderly or the employed by health protection, the medical service industry changes dramatically.

California is certainly a State in which this change is most dramatic. I recently read an excellent report in the Los Angeles Times by a very good reporter, Jube Shiver, Jr., which I would ask be printed following my remarks so that my colleagues can learn by example the value of the change they have helped effect through annual modifications we make in national health financing policy.

The report follows:

[From the Los Angeles Times, July 20, 1986]

HEALTH FIRMS GO UNDER THE BUDGET KNIFE

(By Jube Shiver Jr.)

The black Chevrolet Caprice that ferries American Medical International President Walter L. Weisman to his office in Beverly Hills from his Woodland Hills home is one of the few corporate comforts at AMI since industry cost-cutting forced Weisman to put his health-care company on a stern regimen.

Since last fall, Weisman—who says the car and driver enable him to get more work done during a long commute—has slashed operating budgets by a third, laid off more than 120 employees and pared everything from overnight mail to office space.

Despite the moves, AMI suffered its first-ever quarterly loss—$82 million—for the three months ended in February, 1986.

"Private industry has only begun to scratch the surface" of cost containment, Weisman said. "You think this is bad, you haven't seen anything yet. . . . A year from now, it will be even tougher in our industry."

After a decade of robust growth and record profits, the hospital industry has been hit with financial problems. Medicare, Medicaid and private insurance have restricted payments and clamped down on escalating medical fees. Hospital companies are also losing patients to health maintenance organizations and preferred-provider programs, which seek to provide lower-cost health-care services.

MAJOR CHAINS HURT

Nowhere is the new climate being felt more strongly than at the major hospital chains such as AMI, National Medical Enterprises, Humana Inc. and Hospital Corp. of America. All four have suffered declines in net income in recent months. Admissions and occupancy rates at the 73,000 beds controlled by the four chains have dropped to all-time lows.

"This has become a tough, competitive environment—no doubt about it," said Richard K. Eamer, chairman and chief executive of NME.

In response, the companies have pared staff, sold dozens of hospitals and streamlined operations. They also are becoming more aggressive, eyeing new marketing techniques and sophisticated technology to stimulate business and improve efficiency.

The changes are especially evident in Southern California—home of AMI and NME, the nation's second- and third-largest hospital chains, as well as the headquarters of the nation's largest investorowned nursing home chain and health maintenance organization.

The two hospital chains, together with eight smaller publicly held health-care companies in Southern California, had about $10 billion in revenue last year. Altogether, the 10 top California health-care firms employ about a quarter of a million people nationwide.

For all their size, however, the giant chains have captured less than 3% of the $430-billion annual health-care market. And they remain deeply dependent on the federal government's cost-conscious Medicare program—which furnishes about 40% of hospital revenue—and the equally frugal state Medicaid programs, which contribute about 15% of hospital revenue.

A report by Sanford C. Bernstein & Co., an investment research firm in New York, said stagnating Medicare rates could "force 10% of the (nation's 5,550) hospitals into bankruptcy" by 1990.

"The financial pressures on hospitals are going to continue," said Randall Huyser, a health-care analyst at Montgomery Securities in San Francisco. "Hospitals are being hit with a double whammy" of tighter Medicare fees and competitive HMOs. "If we have another freeze on (Medicare rates), hospitals are going to find the financial climate onerous."

After decades of reimbursing hospitals for their actual costs in treating patients, Medicare began trying to be a tough customer. In April, 1983, a new fee system was approved that pays hospitals fixed rates for 467 specific ailments.

At first hospitals comfortably adjusted to the new rates, which were increased 6.25% in the first few months after the start of the payment program. But trouble began when rate increases slowed.

Congress approved a scant 0.5% increase in May, 1986, and Health and Human Services Secretary Otis R. Bowen has recommended a 0.5% increase for the fiscal year beginning Oct. 1, according to the Health Care Financing Administration.

Meanwhille, states too are holding the line on money for Medicaid—the health-care program for the poor.

SHOULD BE GRATEFUL

Last month, for instance, Gov. George Deukmejian, vowing to retain a $1-billion reserve in the state budget, vetoed about $40 million in increases for California's $2.3-billion Medi-Cal program. Most of the money would have been matched by federal dollars.

Despite the cutbacks, Secretary Bowen suggested in a statement released with his recommendation that hospitals should be grateful for the small 0.5% increase in Medicare rates since "our findings show that a net decrease would be justified."

But the beleaguered hospital industry—with its high capital and labor costs—has had a tough time coping with the austerity measures.

Last Wednesday, the nation's largest health-care chain, Nashville, Tenn.-based Hospital Corp. of America, reported that its net income for the second quarter ended June 30, 1986, declined to $68.9 million from $92.6 million for the same quarter a year ago. The company said the drop occurred partly because its 1986 earnings were being compared to the second quarter of 1985 when the company reported a $45-million pretax gain ($26 million after taxes) from the exchange of 3.5 million shares of HCA's investment in Beverly Enterprises.

AMI also reported sharply lower profits. Although the hospital chain posted record revenue of $907.5 million, its net income declined 59% to $21.5 million for the three months ended May 31, 1986, compared to $52.6 million in fiscal 1985.

And Los Angeles-based NME said last month that it would sell nine hospitals and undergo a major restructuring in order to improve its sagging bottom line. NME officials said the company, which incured write-offs and charges of about $53 million, could post its first quarterly loss ever from continuing operations.

Even Humana Inc., a Louisville, Ky. hospital chain that has had a reputation as being the most profitable and efficiently run, reported that net income in the three months ended May 31, declined to $52.7 million from $58 million during the same period a year ago.

EVERYONE AFFECTED

"Everyone's been affected by cost containment," said Maurice Lewitt, chairman of Nu-Med Inc., and Encino-based hospital chain that operates 15 U.S. hospitals and two acute-care facilities in England. "All the companies are taking writeoffs and adjusting balance sheets."

For a time, hospitals and other health-care providers were able to keep their heads above water by sending patients home a few days earlier, cutting labor costs and delaying big capital equipment purchases.

"Hospitals didn't do too badly under the first two years of (new Medicare price controls) and the reason was they were able to respond to the financial incentives by managing patients better," said Robert Pattison, vice president of finance and economics at the Hospital Council of Northern Californina.

But more recently, hospitals are discovering that some of the measures they are taking to stay afloat may be exacerbating their plight.

Some hospitals have been trying to offset government cost-cutting by increasing rates for the shrinking pool of privately insured patients whose policies pay for the full cost of medical care. But that approach has forced up insurance premiums and deductibles for the privately insured and prompted

many of them to defect to less-costly HMO and preferred-provider plans which directly compete with hospitals.

COSTLY READMISSIONS

Similarly, discharging patients early to contain costs has on occasion resulted in costly readmissions. Though Medicare has encouraged early discharges because it is less costly for a patient to recover at home, patients in weaker physical condition are more likely to encounter complications that require additional hospitalization, health-care experts says.

These predicaments have made hospital management a daunting task for administrators.

Other capital-intensive service industries have been able to achieve significant cost savings by lobbying for government deregulation, computerizing many apsects of their oeprations and building more energy-efficient plants and equipment.

Hotels, for example, operate mostly with low or unskilled blue-collar workers, which helps hold down wages. They have built more energy-efficient hotel rooms and have computerized many administrative functions, such as billings and reservations that used to require scores of white collar workers.

Hospitals also are beginning to experiment with new technology and better management after years of operating outside the arena of traditional supply-and-demand market forces. But progress has been slow.

Ron Bernier, president of Health Care Systems International, a New Haven, Conn.-based firm that sells computer software designed to help hospitals manage their Medicare paper work. He said his firm's annual sales have risen to about $7 million 1985 from $1 million in 1983. But he notes that interest in computers is still less than other fields.

"Hospitals have not used computers and new management systems to the extent of other industries," Bernier said. "The banking industries and financial services industries spend about 10% of their revenues on data processing equipment and software; the equivalent (figure) in the hospital industry is less than 3%" of revenue, Bernier said.

COMPUTER SAVED MILLIONS

A new multimillion-dollar AMI computer system that keeps track of patient medical records and hospital bills at the Medical Center of North Hollywood is credited with saving millions of dollars and paring more than 70 people from the hospital payroll.

AMI President Weisman said the health-care company plans to install the computer system in all of its 96 U.S. hospitals.

Hospitals have also used techniques such as imposing productivity standards on physicians, nurses and technicians. The nutritional staff at the Medical Center, for example, is required to serve meals within a given period of time and nurses must work faster when making rounds of patients on their floor, said Katherine Winters, director of nursing.

Most importantly, however, for-profit hospitals have turned to more aggressive marketing as a way to generate new profits.

To lure expectant mothers to its maternity ward, NME's Garfield Medical Center in Monterey Park offers champagne and lobster dinners to parents who choose the hospital for their delivery. The hospital also advertises on radio and in newspapers and holds an annual health fair at which it offers free and low-cost tests to community residents. More importantly, the hospital is expanding services in areas that are more financially lucrative and reducing reliance on unprofitable services.

INSULATE THEMSELVES

In June the hospital knocked down the walls of its little-utilized medical surgery unit in order to open a large physical rehabilitation section. Physical rehabilitation is not yet fully covered by the new Medicare payment system and is therefore more profitable than medical procedures subject to federal cost containment.

The new approach, however, is unlikely to slow the tremendous growth of HMOs and the preferred-provider organizations. Called PPOs, they seek to cut medical insurance bills by giving members a choice of using certain doctors and hospitals (medical providers) who will offer services at reduced rates.

There were more than 300 PPOs in 1985 with about 5 million members, compared to just 68 PPOs in 1980, according to the American Medical Care & Review Assn. Likewise, HMOs had more than 21 million members in 1985, up from 16.7 million in 1984.

In part HMOs and PPOs achieve cost savings by insulating themselves from the immense capital and labor costs that saddle hospitals. In effect, they lease hospital services by contracting with hospitals and agreeing to supply hospitals with a steady source of patients in return for discounted medical services. Hospitals, desperate to fill their vacant beds, have little choice but to acquiesce to their main competitors.

Roger W. Wessels, executive director of NME's Garfield Medical Center in Monterey Park, says he now spends nearly half of his time reviewing contract proposals from operators of HMOs and PPOs. In the first quarter of 1986, the hospital held contracts with 30 PPOs and 10 HMOs, about 10 times the number six years ago.

"They are our competition, Wessels acknowledged. But, he added, "we need their patients" and the revenue they generate.

Though HMOs and PPOs seem to be benefiting from the financial hardship hospitals are currently undergoing, some experts expect the belt-tightening will eventually spread even to the lower-cost health-care providers.

"I think you're going to see HMOs and PPOs under the same kind of economic pressures that hospitals are under" because of a dramatic increase in competition in that health-care sector, said Jeff C. Goldsmith, a senior consulting adviser to the Ernst & Whinney accounting firm, whose 1981 book "Can Hospitals Survive?" predicted the current hard times in the hospital industry.

Yet some hospital chains, such as AMI and Humana, are diversifying into the HMO and PPO business as a way to cushion the impact of industry cost-cutting. Still, Goldsmith believes the health-care plans offer no salvation.

"That's like jumping from the frying pan into the fire," he said. "I think NME has a better chance succeeding with their strategy" of concentrating in nursing homes and other industries not completely subject to cost controls.

Even so, said Goldsmith, "the outlook is going to be grim for most health-care providers."●

PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive formal notification of proposed arms sales under that act in excess of $50 million, or in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is available to the full Senate, I ask to have printed in the RECORD at this point the notification I have received.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, July 24, 1986.

In reply refer to: I-03512/86ct.

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 86-45, concerning the Department of the Army's proposed Letter(s) of Offer to Tunisia for defense articles and services estimated to cost $60 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

GLENN A. RUDD,
Acting Director.

[Transmittal No. 86-45]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b)(1) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Tunisia.

(ii) Total estimated value:

	Million
Major defense equipment[1]	$42
Other	18
Total	60

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: Fifty-seven M198 155mm towed howitzers, 70 5-ton trucks, three 5-ton wreckers, ammunition, concurrent spare parts and support equipment.

(iv) Military department: Army (JHW).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Included in report for quarter ending March 31, 1986.

(viii) Date report delivered to Congress: July 24, 1986.

POLICY JUSTIFICATION

TUNISIA—155MM HOWITZERS

The Government of Tunisia has requested the purchase of 57 M198 155mm towed howitzers, 70 5-ton trucks, three 5-ton wreckers, ammunition, concurrent spare parts, and

support equipment. The estimated cost is $60 million.

This sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country which has been and continues to be an important force for political stability and economic progress in North Africa.

The purpose of this particular sale is to strengthen Tunisia's capability to protect itself from the potential threat of neighboring countries. Tunisia will have no difficulty absorbing these defense articles into its armed forces.

The sale of this equipment and support will not affect the basic military balance in the region.

The source of supply for the M198 155mm howitzers will be the Rock Island Arsenal, Rock Island, Illinois. The source of supply for the 5-ton trucks and 5-ton wreckers will be LTV Aerospace and Defense Corporation, AM General Division, Livonia, Michigan.

Implementation of this sale will require the assignment of 15 additional U.S. Government personnel in Tunisia for two months; the number of contractor representatives and the length of time they will be required in Tunisia have not yet been determined.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

DEATH OF WILLIAM AVERELL HARRIMAN

● Mr. GLENN. Mr. President, I wish to pay tribute to the memory of William Averell Harriman, who died last week at the age of 94.

Averell Harriman was the embodiment of the dedicated public servant. Born into a life of wealth and privilege, he was guided by a strong sense of obligation to his country. For most of his extraordinarily long and productive life, he devoted himself to public service, not only as Governor of New York, but in a wide variety of appointed offices and unofficial capacities. He served every Democratic President since Franklin D. Roosevelt with distinction and unparalleled dedication.

Perhaps his greatest contribution to the Republic was in the field of international affairs. Governor Harriman's views on United States-Soviet relations were particularly valued and developed through extensive contact with Soviet leaders. Aware of the true threat posed by the Soviet regime, he was never an ideologue. He wisely counseled that U.S. foreign policy toward the Soviet Union should be guided by firmness and patience.

Adlai Stevenson once observed that it was "the life in your years and not the years in your life that matters." Averell Harriman was blessed with both—he had one of the longest and fullest lives in American history. To me, he was a good friend and a valued advisor. He will be sorely missed.●

GREG LEMOND MAKES SPORTING HISTORY

● Mr. HECHT. Mr. President, Sunday in Paris, Nevadan Greg LeMond made sporting history. By winning the Tour de France, he became not only the first American, but also the first non-European to win cycling's most grueling and prestigious event.

The race annually winds through all of France, past the wine country of Bordeaux and through the Pyrenee and Alpine mountains. This year's race, which was run for 23 consecutive days and covered more than 2,500 miles, began on the Fourth of July and culminated with a sprint up the Champs d'Elysees. The Tour is considered to be one of man's greatest sporting events, demanding psychological fortitude as well as tremendous athletic talent and endurance.

LeMond took the lead in the most difficult portion of the race, in the Alps on July 20, and never looked back. Over 200 riders started the Tour, and in the end, only 132 remained, with LeMond leading the way. He maintained his 3-minute lead over the last week of the race, and on Sunday, survived a final challenge from the remaining riders.

It is only through long hours of dedicated training and perseverance that such a victory can be achieved. I would like to note that all of America, and we especially in Nevada, are extremely proud of Greg LeMond. His athletic achievements and sportsmanship are an inspiration to us all. I can only hope that next year at this time, I will commemorate Greg LeMond for becoming the first American to win the Tour de France a second time.●

A UNIQUE GIFT

● Mr. ABDNOR. Mr. President, the miraculous history of this Nation is built on the fact that we have had a remarkable number of ordinary people doing extraordinary deeds.

One such instance occurred recently in Winner, SD, a community in the south central part of the State.

The Tripp County Library in Winner had long since outgrown the rooms in the courthouse basement where it was housed. The need for new quarters was evident, but the resources to build new quarters simply did not exist. The area is dependent on a farm/ranch-based economy and has been battling not only Mother Nature in the form of drought, grasshoppers, and blizzards—but low farm prices, declining land values, and rising costs. A new library was only a dim hope. Enter Blanche Grossenburg.

For many years, Charlie and Blanche Grossenburg operated a farm implement business in Winner. C.J. Grossenburg Implement, Inc., at one time was the largest John Deere dealer in the country. Charlie took care of the sales and service; Blanche took care of the office. Like a lot of businesses in South Dakota, it was a family operation and it was successful because the Grossenburgs were willing to put in the time and effort necessary to serve their customers well.

The flourishing business enabled them to build a beautiful home, spacious and gracious. Family and friends were frequent and welcome guests.

On Charlie's death, the business was taken over by son Gene. Blanche continued her interest not only in business and family affairs but in the activities of the community. She had an avid interest in the library, and the fact that resources were not available for new quarters distressed her. Then she had an idea. With her family grown and in their own homes, she didn't need all the space of the house for herself. She could find smaller quarters. Why not give the house to the library?

Why not indeed! And that is just what this remarkable lady did.

On the 22nd of July, Blanche Grossenburg turned over the keys to her house to the Tripp County Library Board and Tripp County commissioners.

Tripp County has a new and spacious library.

Mr. President, I commend to the attention of my colleagues an editorial in the Winner Advocate saluting this wonderful lady, whom I have been privileged to call friend all my life.

The editorial follows:

[From Winner Advocate, July 23, 1986]

A GIFT OUR COMMUNITY WILL APPRECIATE FOREVER

Some of the greatest resources available, free to any American who wants to use them, are library books.

Books were a very precious resource in the days when the only ones in circulation were handwritten by monks. Then came Guttenburg and a new method of setting type to print pages. Pages could be mass produced and the printed word became more available.

Advances in technology made books even more plentiful in the 1800's, when high speed presses and typesetting equipment became available. Yet hundreds of thousands of Americans could not afford to purchase them. Few cities had public libraries, which were expensive to build, operate, and fill.

Then steel magnate Andrew Carnegie decided to change this. He gave away millions and millions of dollars to communities across the country for use in building libraries. The Scottish immigrant, who had received so much from his new home, wanted to give something in return. It was a gesture which countless millions of Americans have benefited from since.

For some reason Tripp County never did receive a Carnegie grant, and instead was forced, because of lack of funds, to house its library in the basement of the county courthouse.

The library was started originally by the Winner Woman's Club, which raised funds

through various projects to purchase the first books.

But the library never really had a home and has since run out of space.

Then Blanche Grossenburg made a generous donation of her home for a new library. The home, which more than meets present or future needs, was where she raised her children and where she and her late-husband C.J. Grossenburg lived for many years.

Yesterday Blanche turned over the keys to her home to the library board and county commissioners. In order to see the library project completed in her lifetime, Blanche moved out of the house several months ago.

Blanche has done for our community what Carnegie did for the country—give our library a real home.●

COMMENDING PETER JOHNSON

● Mr. McCLURE. Mr. President, It gives me great pleasure to commend Peter Johnson—a friend and fellow Idahoan—on a job well done.

Earlier this month, Peter stepped down as Administrator of the Bonneville Power Administration after serving admirably for 5 years.

Peter's performance at BPA was, to put it mildly, outstanding. That is an adjective that must be interpreted in the strictest sense when one considers that Peter's success at BPA was accomplished during an era of great tumult for the power marketing industry in general, and BPA in particular.

Peter came to BPA when the problems of the Washington public power supply system were coming to a head. Utility executives were divided on how to handle the situation, with no resolution in sight. Peter, the consummate negotiator, forged a consensus and moved swiftly to act.

Of the three WPPSS plants with BPA financial backing, Peter decided to mothball two of them and push for efficient completion of a third, which is now operating at Hanford, WA.

He knew the decision would send tremors through the Northwest economy. But he also knew the present course, unless righted, would lead to a calamity of immense proportions. He was not afraid to act, and in doing so he quickly earned the enmity of some people, but the respect of most, particularly Northwest lawmakers and the administration.

Throughout his tenure at BPA, Peter drew on his background as a business executive and entrepreneur to create a lean, well-oiled, fiscally frugal Federal agency.

This type of operation, run more like a business than a bureaucratic entity, has given rise to many notable results. Among them:

No significant increase in wholesale rates since 1983.

A progressive plan that will allow aluminum companies to pay less for electricity when the price of aluminum drops.

A solution to the surplus electricity problem that put excess pressure on powerlines used to export the surplus to California and Canada.

Bringing interest payments to the Federal Government back on schedule—an achievement which, I might add, earned Peter great praise from President Reagan when Peter met with him last week.

Implementation of the Northwest Power Act of 1980, which enabled BPA to bring rate relief to farm and residential ratepayers of investor-owned utilities while protecting the preference status of publicly owned institutions.

In addition, in an indirect way, the efficiency of the Peter Johnson-led BPA added firepower to arguments against the administration's ill-fated plan to privatize the agency.

Peter Johnson will be sorely missed by the people of the Pacific Northwest. He was always cognizant of our great dependence on affordable power, which irrigates our farmlands, cuts our timber, mines our silver, and melts and rolls our aluminum. He was a friend of our direct service industries—keenly sensitive to their market situations and the important role they play in the region's economy.

I wish Peter well in his future endeavors and thank him for the years he so faithfully served the Pacific Northwest.

And while I am saddened to see him leave, I am consoled by the fact Jim Jura will be his successor. I am confident he will guide BPA with the same policy objectives and leadership skills that highlighted Peter's tenure.●

THE PRESIDENTIAL CERTIFICATION RELATED TO THE BINARY CHEMICAL MODERNIZATION PROGRAM

● Mr. WARNER. Mr. President, last year, after several years of debate, the Congress provided its approval for the modernization of the U.S. chemical deterrent with binary munitions. This has been a very serious issue in the Congress and in the general public, and it has posed problems for those who have supported this program. Nonetheless, I believe that last year's action by the Congress approving the Binary Chemical Modernization Program was one of the most important actions we have taken on a national security program.

The modernization of the aging and increasingly ineffective U.S. chemical weapons stockpile with binary munitions will enhance deterrence, and thus reduce the likelihood that United States and allied forces will be attacked with chemical weapons. We must not forget the important lesson of history that chemical weapons are used when one side possesses them and the other side does not, or when one side enjoys a clear advantage in this area. We in Congress have an obligation to our deployed forces to never let a potential adversary enjoy this advantage.

Finally, unlike the lethal unitary munitions that comprise our chemical stockpile today, binary chemical munitions will provide us with a credible chemical deterrent that is safe for our own personnel who store and handle them.

Mr. President, congressional approval of the Binary Chemical Modernization Program was made contingent on the administration meeting a series of certification requirements. The first of these must be met prior to the initial production of 155 millimeter binary artillery shell components scheduled for October 1, 1986. This stipulates that the administration must certify to the Congress that it had submitted a force goal to NATO for the modernization of the U.S. proportional share of NATO's chemical deterrent with binary munitions, and that NATO had formally adopted this force goal. In addition, it required the administration to certify that it has developed a plan, in cooperation with the Supreme Allied Commander, Europe, to deploy binary munitions under appropriate contingencies to defend United States and allied forces. Today, the President is forwarding these certifications to the Congress.

Some of my colleagues have expressed concern because NATO's Defense Planning Committee, and not the North Atlantic Council, formally adopted this chemical weapons force goal. However, in view of France's withdrawal from NATO's military structure in 1967, NATO—with the explicit support of the North Atlantic Council including France—established the Defense Planning Committee to handle all issues related to its integral military structure. Therefore, in matters like force goals, the Defense Planning Committee is NATO's highest authority. In its markup of the fiscal year 1987 defense authorization bill, the Committee on Armed Forces adopted an amendment making the appropriate technical change to last year's act.

Concerns have also been expressed in the Congress about the reported agreement with West Germany to remove the unitary munitions currently stored there. This action has been characterized as eroding NATO's chemical deterrent capability, which presupposes that our current chemical posture poses a real deterrent. I would simply remind my colleagues that this action is consistent with explicit congressional guidance last year regarding the accelerated destruction of the existing unitary stockpile. On the military issue of forward deployment and its relationship to effective chemical deterrence, I would defer to our Su-

preme Allied Commander in Europe, General Rogers:

Binary munitions offer contingency deployment options which make peacetime forward positioning unnecessary. Once we have adequate numbers of safe, readily deployable and militarily effective binary munitions, the existing European stockpile of unitary weapons will no longer be needed.

Mr. President, at this time I would request that the President's certification be included in the RECORD. Since the binary chemical modernization program will be an issue in the upcoming fiscal year 1987 defense authorization bill, I urge my colleagues to review this material:

THE WHITE HOUSE
July 29, 1986.

TO THE CONGRESS OF THE UNITED STATES:

Pursuant to Section 8093 of the Department of Defense Appropriations Act, 1986, Public Law 99-190, I hereby certify with respect to the binary chemical munitions program that the United States:

(1) has submitted to the North Atlantic Treaty Organization, a force goal stating the requirements for modernization of the United States proportional share of the NATO chemical deterrent with binary munitions and said force goal has been adopted by the North Atlantic Council;

(2) has developed, in coordination with the Supreme Allied Commander, Europe, a plan under which U.S. binary chemical munitions can be deployed under appropriate contingency plans to deter chemical weapons attacks against the United States and its allies; and

(3) has consulted with other member nations of the North Atlantic Treaty Organization (NATO) on that plan.

I note with regard to the first numbered paragraph that the force goal was adopted by the North Atlantic Council constituted as the Defense Planning Committee in accordance with the North Atlantic Treaty. I am pleased to make this certification on a program so vital to our national defense. We are earnestly seeking, as our top priority in the chemical weapons area, a comprehensive and verifiable ban on all chemical weapons. Until we achieve that goal, we must maintain a safe and viable chemical weapon stockpile to deter use of chemicals by our potential adversaries. I appreciate your continued support for this program.

RONALD REAGAN.

STATEMENT BY THE PRINCIPAL DEPUTY PRESS SECRETARY

The President today certified to Congress that certain conditions required by Congress for the release of Fiscal Year 1986 funds for the binary chemical weapons modernization program have been met.

This certification to Congress will allow the United States to proceed with the modernization of the chemical weapons deterrent stockpile so critical to our nation's security. U.S. policy on chemical warfare remains unchanged. The U.S. renounces the first use of lethal and incapacitating chemical weapons. A comprehensive, effectively verifiable global ban on all chemical weapons remains our foremost priority. However, until such a ban is attained, we will pursue deterrence through a strong defensive posture and a credible retaliatory capability. The chemical weapons threat to U.S. forces is a world-wide threat, not limited to NATO. The small, readily-deployable stockpile of binary munitions which we seek will provide the flexibility to meet and deter this threat.

Specifically, the legislation requires that the President certify to Congress that:

The North Atlantic Treaty Organization (NATO) has adopted a binary chemical munitions force goal addressed to the United States;

The United States has developed, in coordination with the Supreme Allied Commander Europe, a plan for the deployment of binary chemical muntions under appropriate contingencies; and,

The United States has consulted with NATO member nations on that plan.

On May 15, NATO's Defense Planning Committee in Permanent Session, composed of the Permanent Representatives to NATO of the 15 nations participating in the Alliance's military structure, adopted the NATO force goals for 1987 to 1992, including the binary chemical munitions force goal addressed to the United States. Defense Ministers, meeting as the Defense Planning Committee in Ministerial Session on May 22, according to normal NATO procedures "noted" the Permanent Representatives' action. The Defense Ministers' action completes the established NATO procedure for adopting force goals for Alliance.

The United States has developed, in coordination with SACEUR, a plan for the deployment of binary chemical munitions under appropriate contingency plans.

The United States has conducted extensive consultations with Allied governments on chemical weapons issues, including consultations on the plan for deployment of chemical weapons under appropriate contingencies. On June 19, consultations with Allies on this military contingency plan were completed in the appropriate NATO forum—NATO's Military Committee, which is composed of senior military representatives from nations to NATO. The U.S. Military Representative to the Military Committee briefed the Military Committee on the U.S. plan for contingency deployment of chemical weapons. Recognizing the conclusions reached in the Defense Planning Committee and within the context of those conclusions and of national statements and reservations expressed in the Defense Planning Committee, the Military Committee took note of the briefing of the U.S. plan for the contingency deployment of chemical weapons.●

PETER JOHNSON

● Mr. EVANS. Mr. President, unlike other Members of Congress, I was able to work with Peter Johnson in two official capacities: One as the first Chairman of the Northwest Power Planning Council, and now as a U.S. Senator. Of course, I have seen Peter on many occasions here in the Senate on issues related to Bonneville and the Congress. But it was in my Chairmanship of the Power Council that I first grew to know Peter. Let me recount some of that history today.

The implementation of the Pacific Northwest Electric Power Planning and Conservation Act was an adventure for both of us. Congress passed this complex piece of legislation in 1980 after many years of deliberation. But few could envision how it would be implemented by Bonneville and the Power Council in practice. In early 1981, I was appointed Chairman of the new Council and Peter was chosen by the Reagan administration to be the new Administrator of Bonneville.

It was a new experience for both of us. I had not been actively involved in public policy decisions since my decision not to run for a fourth term as Governor in 1977. The Power Council presented a great challenge to me. We were required to develop a comprehensive fish and wildlife plan for the Columbia River and its tributaries to restore the anadromous salmon runs that were decimated by the construction of hydroelectric dams. We were also required to develop a 20-year electric power plan for the Pacific Northwest in order to forecast the power resources for our region.

Both these tasks were unprecedented firsts for the Pacific Northwest. Our region historically had been dominated by the "mandarins" of Bonneville in energy matters—the thermal power program articulated by Bonneville in the 1970's that called for construction of several baseload nuclear plants to meet the region's energy needs. Extraordinary problems with the construction and finance of these plants had seriously eroded its public confidence. I remember that first council meeting when we eight members met for the first time. We had an uncharted course ahead of us, with no precedents to guide our actions. It was a unique and challenging experience.

For Peter Johnson, the management of Bonneville was perhaps an even more challenging experience. He was indeed a successful businessman from Boise, ID, but who had no prior experience in public management. Bonneville is not an easy agency to manage. It is a large, complex organization with over 3,200 employees that operates over 13,000 miles of transmission lines as well as having responsibilities for the sale of electric power from the multipurpose dams on the Columbia.

Furthermore, Peter assumed the helm at Bonneville at an especially difficult time. WPPSS had declared a default on its ⅘ bonds, an event which shook the national bond markets. Even though Bonneville wasn't directly responsible for those bonds, the default cast a shadow on the credibility of all public utilities in the Pacific Northwest.

Also, Peter had to make probably the toughest decision during his tenure at Bonneville—the decision to halt further construction of the WPPSS 1 and 3 nuclear plants. These were the two plants that Bonneville was financially responsible for through the system called net-billing. One plant is located in the western half of Washington State; the other is located in the central part of the State on the Hanford reservation. Peter made his decision firmly after a great

deal of deliberation and soul-searching.

I have described the relationship between Bonneville and the Power Council on many occasions as one of creative tension. Peter and I helped define and create that relationship. The Pacific Northwest Power Act passed by the Congress was ambiguous in many areas concerning the delineation between the responsibilities of Bonneville and the Power Council. It wasn't always easy to strike a reasonable balance between the two groups, while carrying out the legislative intent of the Congress. The oldtime officials at Bonneville didn't appreciate the newcomers at the Power Council suddenly telling them how to manage the Columbia River streamflows in order to protect and enhance fish and wildlife. Many continued to think of the Council as an advisory group that they would listen to, but conveniently ignore when it came time to make a decision.

But Peter took a different approach. He sincerely believed that Bonneville and the Council should coexist in a spirit of mutual interdependence. In the post-WPPSS era, Bonneville cannot enjoy the credibility of the public without the Power Council. Furthermore, Congress imposed specific requirements upon the Council that only it can fulfill. Peter worked hard to make the Council-Bonneville relationship work, and, in large measure, succeeded. I enjoyed working with him when I was at the Power Council to create that legacy. He should be proud of his accomplishments in this regard.

Peter also left his mark on the financial management of Bonneville. When he assumed control in 1981, Bonneville had fallen behind in its interest and principal payments to the U.S. Treasury. He took vigorous steps to put Bonneville back on track in its repayment program. He paid back all the deferred interest in 1984. Last year, he repaid $686 million in interest and principal, including a $237 million principal repayment on the unpaid appropriated investment. He strengthened considerably the Office of Financial Requirements at Bonneville. In sum, his expertise in efficient management in the private sector served us well at Bonneville.

Finally, he accomplished all this without raising electric power rates in the 1985 rate case, a complex, quasi-judicial proceeding that set all of Bonneville's rates for the 1985-87 period. The Pacific Northwest had experienced rapid rate increase in the 5 years prior to Peter's tenure—over 500 percent wholesale power rate increases. This was the first Bonneville rate case in a decade that provided essentially level rates. Stable rates are essential to the recovery of the Pacific Northwest's economy.

Peter Johnson leaves a fine legacy through his leadership of Bonneville. His management was marked by vigorous leadership, the ability to make tough and unpopular decisions, and provision of rate stability. He boosted the morale of Bonneville's employees and gave them a sense of mission. He worked well with our Northwest congressional delegation. I know our region will miss his leadership in our energy affairs. I wish him the best in his future endeavors.●

NAUM AND INNA MEIMAN: FREEDOM DENIED

● Mr. SIMON. Mr. President, my friends, Naum and Inna Meiman, desperately want to leave the Soviet Union. Since applying for exit visas over 10 years ago, the Meimans have been subjected to constant harassment and denial of their basic rights.

Naum, who was trained as a physicist, was fired from his job and isolated from the scientific community. He is 74 years old and wants to be reunited with his only daughter, Olga, who now lives in the West. Inna, Naum's wife, is suffering from cancer. She urgently requires medical treatment that is available only in the West. Although the Meimans have gone through the proper procedures for application many times, Soviet authorities refuse to grant them their freedom.

The recent release of Father Lawrence Martin Jenco, who was held captive for 19 months, reminds us of the precious nature of freedom. This reaffirms the necessity of fighting for those who have been denied freedom.

The Meiman's freedom has been delayed for over 10 years. I appeal to the Soviet authorities to allow the Meimans permission to emigrate to Israel.●

CHESTER BOWLES

● Mr. DODD. Mr. President, Connecticut lost one of its great statesman when Chester Bowles died on May 26. Chester Bowles was an important figure on the State and National political scene for almost half a century. He was a writer, a family man, a statesman, and a family friend. I am saddened by his passing.

Like many, Chester Bowles entered public life during World War II, abandoning a successful career in advertising. Denied active duty because of an ear injury, Chet turned his formidable managerial skills to the Home Front where he organized and directed Connecticut's wartime rationing program. His able performance soon gained him national attention, and, in 1943, President Franklin Roosevelt chose Chet to head the Federal Office of Price Administration.

After the war, Chet stayed in public life. After a brief stint as head of the peace-time Office of Economic Stability, Chet returned to Connecticut to win the governorship in 1948. In 1950, he was appointed Ambassador to India and Nepal by President Harry Truman. Chet served with such distinction that President Eisenhower wanted him to stay on when Ike was elected in 1952, but Connecticut Republicans objected. After a 6-year hiatus from public office, Chet returned to Washington in 1958 as Connecticut's newly elected Congressman.

In 1960, with his impressive record of service and progressive views, Chet was mentioned as a possible Presidential candidate but instead, he was tapped to be candidate John F. Kennedy's top foreign policy adviser. During the Kennedy-Johnson administrations, Chet served as an adviser on Latin American policy and then, for 6 years, as Ambassador to India.

Chester Bowles distinguished public career spanned three decades leaving an indelible mark on the American political scene. Beyond the formible list of offices, Governor, congressman, ambassador, adviser, was an outspoken liberal, and a compassionate teacher. His unquiet opinions on civil rights and foreign policy were not always popular, but he would not be stilled. His insistence on a foreign policy based on an understanding of local people and problems is as relevant today as it was 30 years ago. The Washington Post aptly described Chester Bowles as "One of the people who, by their own lives and convictions, defined American liberalism as that generation knew and used the word."

To his wife, Dorothy, and his children, I would like to extend my warmest sympathy and condolences. Chester Bowles was truly a civilized man; we will miss his counsel, his charity, and his friendship.●

□ 1850

ORDER FOR H.R. 3108 TO BE HELD AT THE DESK

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate receives from the House H.R. 3108, a bill to amend title 17 of the United States Code, it be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR HOUSE JOINT RESOLUTION 630 TO BE HELD AT THE DESK

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate receives from the House House Joint Resolution 630, a joint resolution designating the College of Wil-

liam and Mary as an official U.S. representative, it be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

DATE FOR REPORTING S. 2477

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Armed Services have until August 8, 1986, to report S. 2477, the intelligence authorization bill, or be automatically discharged.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 a.m., Wednesday, July 30.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR WEDNESDAY

ORDER FOR RECOGNITION OF CERTAIN SENATORS

Mr. DOLE. Mr. President, I ask unanimous consent that on tomorrow, following the recognition of the two leaders under the standing order, there be special orders in favor of the following Senators for not to exceed 5 minutes each: Mrs. HAWKINS, Mr. PROXMIRE, Mr. CHAFEE, Mr. BAUCUS, Mr. SASSER, and Mr. CHILES.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that on tomorrow, following the special orders just identified, there be a period for the transaction of routine morning business, not to extend beyond 11 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. Mr. President, on tomorrow, at 11 a.m., the Senate will resume consideration of House Joint Resolution 668, the debt limit bill. Votes can be expected throughout the day on Wednesday, and the Senate will likely be asked to remain in session into the evening period.

Also, the Senate could be asked to turn to any of the legislative or executive items if little progress can be made on the debt limit. In other words, if we get into a position where we are not making progress on the debt limit, I would hope we might go to some of the nominations on the Executive Calendar. It may be that we might even be able to bring up the Commodity Futures Trading Commission extension, so that we can accomplish some of these "must" items. Time is slipping away, and we are not making much progress.

Mr. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. DOLE. I yield.

Mr. BYRD. It seems to me that we have already reached the point where we are not making progress on the debt limit extension measure. The Gramm-Rudman-Hollings amendments have all other amendments blocked on that measure. Unless unanimous consent can be gotten to set aside the Gramm-Rudman-Hollings amendments, no amendments can be offered to the debt limit.

Unless the distinguished majority leader calls up another measure or sets aside that measure or a motion is made to proceed to some other measure to displace that measure, the Senate is going to continue to be stymied from taking action.

Would the distinguished majority leader consider going to the DOD authorization bill?

Mr. DOLE. I am not certain that Senator GOLDWATER is out of the hospital. So that is one consideration. He is back in the hospital today. So I want to check that.

I am advised even by the optimists that that is going to take 6 to 8 legislative days, on the DOD authorization. As I count it, if we are here even through Saturday of this week and Saturday of next week, we will have only 13, 14, or 15 legislative days between now and August 15.

We have reconciliation to do. I assume that at some point there will be freedom fighter amendments, something with respect to South Africa.

I do not see how we can complete all that before the recess. I indicated to the Senator from Georgia [Mr. NUNN] that if we could work out a time agreement for 3 days, we probably could squeeze it in.

So I share the view of the minority leader, but I am also advised by the principals in the debate on the Gramm-Rudman amendment that they will be prepared to offer their modification tomorrow and hopefully have a vote by noon or shortly after.

Mr. BYRD. Mr. President, I would urge the distinguished majority leader to consider going to the DOD authorization bill at the very earliest even if we have to cut into the August 15 break.

Senator NUNN, who is the ranking minority member on this side, is not only ready to go to that bill but is eager to go to it, and it seems to me that that bill ought to be passed before the Senate proceeds to take up the military construction appropriation bill.

I say that because a measure authorizing appropriations should precede the measure which actually appropriates. It is the distinguished majority leader's responsibility to program the work schedule.

But we are not making any progress as it is, and every day that we wait we have just so many days less in which to consider measures which are going to have to be taken up.

Mr. DOLE. Let me indicate the bill was only available on Monday, and since that time the chairman of the committee has been hospitalized, so we could not have taken it up in any event.

Mr. BYRD. I would hope that the distinguished majority leader would move to that because as I see it, if we stay on this debt limit extension, unless we can get something up other than the Gramm-Rudman amendments, the Senate is just going to continue to spin its wheels, and we are going to be approaching, every day, closer to the August 15 break.

I want to assure the majority leader I want to see action on these measures, as he does. I want us to complete the work and I am offering my suggestions as helpful suggestions. We certainly are not making any progress as it is, and the DOD authorization measure is something that ought to precede the military construction appropriation bill, and that is the bill that has in it the Contra aid.

I hope the distinguished majority leader will consider what I intend to be helpful suggestions.

Mr. DOLE. I am sure it is frustrating. Today we did not accomplish a great deal. There was no one at fault. There were other intervening matters.

I have about reached the point on the debt limit extension. I have indicated at the policy luncheon we are going to move onto something else if people cannot have their amendments ready. They have had Friday, Saturday, Sunday, Monday, Tuesday, and you could draft the Magna Carta in that period of time.

Mr. BYRD. The Gramm-Rudman principals are working on language right now. I take it that is what the distinguished majority leader is referring to when he says that Senators should have their amendments ready.

Mr. DOLE. No. I am talking about the ones who have sort of the gate there blocking everyone else.

Mr. BYRD. The Gramm-Rudman principals?

Mr. DOLE. Yes.

Mr. BYRD. I thank the distinguished majority leader.

RECESS UNTIL TOMORROW AT 10 A.M.

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move that the Senate stand in recess until 10 a.m., Wednesday, July 30, 1986.

The motion was agreed to, and at 6:58 p.m., the Senate recessed until tomorrow, Wednesday, July 30, 1986, at 10 a.m.

HOUSE OF REPRESENTATIVES—*Tuesday, July 29, 1986*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Let us pray this day in the words of Isaac Watts:

O God, our help in ages past,
Our hope for years to come,
Our shelter from the stormy blast,
And our external home.

Under the shadow of Thy throne,
Thy saints have dwelt secure,
Sufficient is Thine arm alone,
And our defense is sure.

O God, our help in ages past,
Our hope for years to come,
Be Thou our guide while troubles last,
And our external home!

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. SENSENBRENNER. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SENSENBRENNER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 270, nays 117, answered "present" 3, not voting 40, as follows:

[Roll No. 254]

YEAS—270

Ackerman	Bevill	Byron
Akaka	Biaggi	Callahan
Alexander	Boggs	Carper
Anderson	Boland	Carr
Andrews	Boner (TN)	Chapman
Annunzio	Bonior (MI)	Chappell
Anthony	Bonker	Clinger
Applegate	Borski	Coleman (TX)
Archer	Bosco	Combest
Aspin	Boucher	Conyers
Atkins	Boxer	Cooper
AuCoin	Brooks	Coyne
Bateman	Broomfield	Daniel
Bates	Brown (CA)	Darden
Bedell	Bruce	Daschle
Beilenson	Bryant	Davis
Bennett	Burton (CA)	de la Garza
Berman	Bustamante	Dellums
Derrick	LaFalce	Roemer
Dicks	Lantos	Rose
Dingell	Latta	Rostenkowski
DioGuardi	Leath (TX)	Rowland (GA)
Donnelly	Lehman (CA)	Roybal
Dorgan (ND)	Lehman (FL)	Rudd
Dowdy	Leland	Russo
Downey	Levin (MI)	Sabo
Duncan	Levine (CA)	Savage
Durbin	Lipinski	Scheuer
Dwyer	Long	Schneider
Dymally	Lowry (WA)	Schulze
Early	Lujan	Schumer
Eckart (OH)	Luken	Seiberling
Eckert (NY)	Lundine	Sharp
Edgar	Manton	Shelby
Edwards (CA)	Markey	Shumway
English	Martin (IL)	Siljander
Erdreich	Martin (NY)	Sisisky
Evans (IL)	Matsui	Skelton
Fascell	Mazzoli	Slattery
Fazio	McCain	Smith (FL)
Fish	McCloskey	Smith (IA)
Flippo	McCurdy	Smith (NE)
Florio	McDade	Smith (NJ)
Foley	McEwen	Snyder
Ford (MI)	McHugh	Solarz
Frank	McKinney	Spence
Frenzel	McMillan	Spratt
Frost	Mikulski	St Germain
Fuqua	Miller (CA)	Staggers
Gaydos	Miller (WA)	Stallings
Gejdenson	Mineta	Stark
Gephardt	Montgomery	Stenholm
Gibbons	Moody	Stokes
Gilman	Morrison (CT)	Stratton
Glickman	Morrison (WA)	Studds
Gonzalez	Mrazek	Sweeney
Gordon	Murphy	Swift
Gradison	Murtha	Synar
Gray (IL)	Myers	Tauzin
Gray (PA)	Natcher	Taylor
Hall (OH)	Neal	Thomas (GA)
Hall, Ralph	Nelson	Torres
Hamilton	Nichols	Torricelli
Hammerschmidt	Nielson	Towns
Hatcher	Nowak	Traficant
Hawkins	Oberstar	Traxler
Hayes	Obey	Udall
Hefner	Olin	Valentine
Hendon	Ortiz	Vander Jagt
Hertel	Owens	Vento
Horton	Panetta	Visclosky
Howard	Pease	Volkmer
Hoyer	Pepper	Walgren
Hubbard	Perkins	Watkins
Huckaby	Petri	Waxman
Hughes	Pickle	Weiss
Hutto	Porter	Wheat
Jeffords	Price	Whitley
Jenkins	Pursell	Whittaker
Johnson	Quillen	Whitten
Jones (NC)	Rahall	Wirth
Jones (OK)	Rangel	Wise
Jones (TN)	Ray	Wolpe
Kanjorski	Regula	Wortley
Kaptur	Reid	Wright
Kastenmeier	Richardson	Wyden
Kennelly	Rinaldo	Yates
Kildee	Ritter	Yatron
Kleczka	Rodino	Young (AK)
Kolter	Roe	Young (MO)

NAYS—117

Armey	Chandler	Craig
Badham	Chappie	Crane
Bartlett	Cheney	Dannemeyer
Barton	Clay	Daub
Bereuter	Coats	DeLay
Bilirakis	Cobey	DeWine
Bliley	Coble	Dickinson
Boehlert	Coleman (MO)	Dornan (CA)
Boulter	Conte	Dreier
Brown (CO)	Coughlin	Edwards (OK)
Burton (IN)	Courter	Emerson
Evans (IA)	Lloyd	Schroeder
Fawell	Loeffler	Schuette
Fiedler	Lott	Sensenbrenner
Fields	Lungren	Shaw
Gallo	Mack	Shuster
Gekas	Madigan	Sikorski
Gingrich	McCandless	Skeen
Goodling	McCollum	Slaughter
Gregg	McGrath	Smith, Denny (OR)
Guarini	McKernan	Smith, Robert (NH)
Hansen	Meyers	Smith, Robert (OR)
Henry	Michel	Snowe
Hiler	Miller (OH)	Solomon
Holt	Mitchell	Strang
Hopkins	Molinari	Stump
Hunter	Monson	Sundquist
Hyde	Moorhead	Swindall
Ireland	Oxley	Tauke
Jacobs	Packard	Thomas (CA)
Kindness	Pashayan	Vucanovich
Kolbe	Penny	Walker
Kramer	Ridge	Weber
Lagomarsino	Roberts	Whitehurst
Leach (IA)	Rogers	Wolf
Lent	Roth	Young (FL)
Lewis (CA)	Roukema	Zschau
Lewis (FL)	Rowland (CT)	
Lightfoot	Saxton	
Livingston	Schaefer	

ANSWERED "PRESENT"—3

Kemp	Lowery (CA)	Mica

NOT VOTING—40

Barnard	Fowler	Moakley
Barnes	Franklin	Mollohan
Bentley	Garcia	Moore
Breaux	Green	Oakar
Campbell	Grotberg	Parris
Carney	Gunderson	Robinson
Coelho	Hartnett	Stangeland
Collins	Hillis	Tallon
Crockett	Kasich	Weaver
Dixon	Kostmayer	Williams
Dyson	MacKay	Wilson
Feighan	Marlenee	Wylie
Foglietta	Martinez	
Ford (TN)	Mavroules	

□ 1215

Mrs. ROUKEMA changed her vote from "yea" to "nay."

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mrs. Emery, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On June 24, 1986:

H.J. Res. 652. Joint resolution to provide for the temporary extension of certain programs relating to housing and community development, and for other purposes.

On July 1, 1986:

H.R. 4420. An act to amend title 10, United States Code, to revise the retirement system for new members of the uniformed services, and for other purposes.

On July 2, 1986:

H.J. Res. 297. Joint resolution to designate the week beginning July 27, 1986, as "National Nuclear Medicine Week";

H.J. Res. 429. Joint resolution to designate July 2, 1986, as "National Literacy Day";

H.J. Res. 664. Joint resolution to designate July 3, 1986, as "Let Freedom Ring Day," and to request the President to issue a proclamation encouraging the people of the United States to ring bells on such day immediately following the relighting of the torch of the Statue of Liberty; and

H.R. 4515. An act making urgent supplemental appropriations for the fiscal year ending September 30, 1986, and for other purposes.

On July 8, 1986:

H.R. 4841. An act to amend the Carl D. Perkins Vocational Education Act with respect to State allotments under the Act.

On July 9, 1986:

H.R. 237. An act to amend the Fair Debt Collection Practices Act to provide that any attorney who collects debts on behalf of a client shall be subject to the provisions of such Act; and

H.R. 5036. An act to make technical corrections to the National Foundation on the Arts and Humanities Act of 1965.

On July 11, 1986:

H.R. 4801. An act to amend section 994 of title 28, United States Code, to clarify certain duties of the U.S. Sentencing Commission.

SWEARING IN OF THE HONORABLE ALTON R. WALDON, JR., AS A MEMBER OF THE HOUSE

The SPEAKER. Will the dean of the New York delegation, Mr. STRATTON, bring to the well the newly elected Member? Any members of the New York delegation who would like to join them in the well are welcome.

Mr. WALDON appeared at the bar of the House and took the oath of office.

□ 1225

REQUEST FOR RECOGNITION OF A MEMBER

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. RANGEL] may have 1 minute to welcome the new Member. I make this request because he is a personal friend of the gentleman from New York [Mr. RANGEL].

The SPEAKER. The Chair will recognize the gentleman from New York [Mr. RANGEL].

A SPECIAL WELCOME TO THE HONORABLE ALTON R. WALDON, JR.

(Mr. RANGEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RANGEL. Mr. Speaker, I say to my colleagues that this is a great honor for me to welcome to this distinguished body ALTON R. WALDON, JR.

I remember many years ago when I first came to this House, for 6 months I was only referred to as the "person who replaced the late distinguished Adam Clayton Powell." I do not want this to happen to AL WALDON. AL WALDON follows our beloved late colleague, Joe Addabbo, but he comes here as one of the most popular State legislators we ever had coming from the County of Queens.

He came to New York City from Florida with his dad, who came to Brooklyn, worked as a longshoreman, and raised his son through the public schools of the city of New York. AL, of course, has distinguished himself in so many different areas that I do hope, when you find that area where you feel most comfortable, that you will be able to come and speak to AL WALDON, and you will find that he is going to make one great Member of the U.S. Congress. Whether we talk about his ability as a soldier where he served, how he came through the ranks as a patrolman on the New York City Police Department to become a captain, how he became a distinguished human rights specialist, or how he distinguished himself as a New York State legislator, each of you will find in your own way some reason to agree with us in New York that he is one heck of a great legislator.

The only area where I believe AL was not too successful was when he started to embark on his singing career, and I can only say one thing: After listening to the leadership of this House, even there maybe we find a talent to become a part of the House leadership.

He brings with him his wife Barbara and his three children, and I suspect he has a dog which will take care of the primaries to make certain that in this area, once he wins that primary, we have someone who will definitely be sworn in again next year.

Mr. Speaker, we welcome his friends from Queens and we welcome his friends from New York. The New York delegation, as well as the Congressional Black Caucus, feels strengthened by his presence, but we want all of you, Republicans and Democrats alike, to know that AL WALDON will make us all proud. Welcome to the House of Representatives.

AN EXPRESSION OF APPRECIATION AND THANKS BY A NEWLY ELECTED MEMBER

(Mr. WALDON asked and was given permission to address the House for 1 minute.)

Mr. WALDON. Mr. Speaker, my colleagues, how sweet it is.

I am the son of a man who could not read and write, and only in America could this happen, to have someone to come from abject poverty, from Patchen Avenue in Brooklyn and to sit in this august body.

I owe a lot to a lot of people, to my mother and father and to my friends from Brooklyn and Queens, but there is a lady and a young man representing my grandmother and his brother and sister who could not be with us today, and I think it would be appropriate, Mr. Speaker, if you see a young man who is 6 foot 3 and 260 pounds and who will be the starting offensive guard for Hobart College right up there—Iany, why don't you stand up, son?

The SPEAKER. The Chair will caution the gentleman that the Chair has been extremely lenient. The rules do not allow clapping from the gallery, and the gentleman cannot acknowledge anybody in the gallery.

Mr. WALDON. I appreciate that, Mr. Speaker. So I will not recognize my wife, Barbara, who is sitting there next to my son. I appreciate that.

The SPEAKER. The Chair will overlook that.

Mr. WALDON. Thank you, sir.

Mr. Speaker, my colleagues, this is the proudest moment of my life. I will come here and work with you 7 days a week, 24 hours a day, on behalf of the people of the Sixth Congressional District, the people of the city and State of New York, and the people of all America. Thank you for having me. God bless each and every one of you.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will announce that there will be no further 1-minute speeches until the hour of 5:45 p.m., at which time we hope the formal business of the day will be concluded.

AUTHORIZING THE SPEAKER TO DECLARE A RECESS AT ANY TIME ON THURSDAY, SEPTEMBER 18, 1986, TO RECEIVE IN JOINT MEETING THE PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that it may be in order at any time on Thursday, September 18, 1986, for the Speaker to declare a recess subject to the call of the Chair, for the purpose of receiving in joint meeting the President of the Republic of the Philippines, Corazon P. Aquino.

The SPEAKER pro tempore (Mr. FOLEY). Is there objection to the request of the gentleman from Missouri?

There was no objection.

RESIGNATION AS MEMBER OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Public Works and Transportation.

HOUSE OF REPRESENTATIVES,
Washington, DC, July 29, 1986.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House, H-204, The Capitol, Washington, DC.

DEAR MR. SPEAKER: I hereby resign from the Committee on Public Works and Transportation.

Sincerely,

CHESTER G. ATKINS,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

RESIGNATION AS MEMBER OF COMMITTEE ON SCIENCE AND TECHNOLOGY AND AS MEMBER OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Science and Technology and as a member of the Committee on Public Works and Transportation:

HOUSE OF REPRESENTATIVES,
Washington, DC, July 28, 1986.

Hon. THOMAS P. O'NEILL, Jr.,
H-204, Capitol, Washington, DC.

DEAR MR. SPEAKER: I hereby resign my positions on the House Science and Technology and Public Works and Transportation Committee, pursuant to the rules of the U.S. House of Representatives.

Very truly yours,

MICHAEL A. ANDREWS,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

RESIGNATION AS MEMBER OF COMMITTEE ON SMALL BUSINESS

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Small Business:

HOUSE OF REPRESENTATIVES,
Washington, DC, July 29, 1986.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to inform you that I hereby resign my seat on the House Committee on Small Business.

Sincerely,

JIM CHAPMAN.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

ELECTION OF MEMBERS TO CERTAIN STANDING COMMITTEES

Mr. GEPHARDT. Mr. Speaker, as chairman of the Democratic caucus and by direction of the caucus, I call up a privileged resolution (H. Res. 515) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 515

Resolved, That the following named Members be, and they are hereby, elected to the following standing committees of the House of Representatives:

Committee on Interior and Insular Affairs: Chester G. Atkins, Massachusetts;

Committee on Science and Technology: Jim Chapman, Texas;

Committee on Ways and Means: Michael A. Andrews, Texas.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 5234, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1987

Mr. WHEAT, from the Committee on Rules, submitted a privileged report (Rept. No. 99-721) on the resolution (H. Res. 516) waiving certain points of order against consideration of the bill (H.R. 5234) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1987, and for other purposes, which was referred to the House Calendar and ordered to be printed.

□ 1235

DISAPPROVING THE PRESIDENT'S RECOMMENDATION TO EXTEND CERTAIN WAIVER AUTHORITY WITH RESPECT TO ROMANIA

Mr. CRANE. Mr. Speaker, pursuant to section 152 of Public Law 93-618, the Trade Act of 1974, I move to discharge the Committee on Ways and Means from further consideration of the resolution (H. Res. 475) disapproving the President's recommendation to extend certain waiver authority under the Trade Act of 1974 with respect to Romania.

The SPEAKER pro tempore (Mr. FOLEY). The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 475

Resolved, That the House of Representatives does not approve the extension of the authority contained in section 402(c) of the Trade Act of 1974 recommended by the President to the Congress on June 3, 1986, with respect to the Socialist Republic of Romania.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Florida [Mr. GIBBONS].

Mr. GIBBONS. Mr. Speaker, I rise in opposition to the motion.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. CRANE] will be recognized for 30 minutes and the gentleman from Florida [Mr. GIBBONS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. CRANE].

Mr. CRANE. Mr. Speaker, I want to express a particular word of appreciation to my distinguished Trade Subcommittee chairman, the gentleman from Florida. He will at a later time introduce a motion to table this motion that we have under consideration, but he was gracious enough to let us address the question first. For that I am in his debt.

Let me explain first of all what this resolution is about. The President under the Trade Act can grant waivers of most-favored-nation treatment prohibitions dealing with Communist countries if those countries abide by the criteria that were established in the Jackson-Vanik bill dealing with the right of emigration. If the Congress sees fit to override a Presidential waiver, then this is the mechanism for so accomplishing that objective.

However, Mr. Speaker, at the outset let me explain that the termination date is August 3 wherein both Houses of Congress can take this action. Inasmuch as the Senate has not proceeded to prepare a companion piece, the significance of the vote that we register on this issue in the House is simply to communicate a message. It is an expression of indignation on the part of Members of the House of Representatives over the failure of the Government of Romania to live up to the criteria of Jackson-Vanik and to live up to any standards of decency with respect to observance of human rights.

The Jackson-Vanik legislation requires that a country will not be granted MFN if:

First, it denies its citizens the right or opportunity to emigrate.

Second, it imposes more than a nominal tax on emigration or on the visas or other documents required for emigration, for any purpose or cause.

Third, it imposes more than a nominal tax, levy, fine, fee, or other charge on any citizens as a consequence of the desires of such citizen to emigrate to the country of his choice.

First, on November 1, 1983, the Romanian Government announced the imposition of an emigration tax.

The tax required any prospective emigrant to reimburse his government in hard Western currency for the full cost of his or her education above the

secondary level. The levies include $2,000 for minors—I am quoting American dollar figures—$6,400 for university students, $8,000 for skilled laborers, $16,000 for engineers, and $20,000 for physicians. Since Romanian citizens are prohibited by law from possessing Western currency, though, the likelihood of would-be emigrants being able to pay the tax is very remote.

Second, former Gen. Ion Pacepa, the defector who had previously served as President Ceausescu's personal hit man, supervising assassination efforts, and in addition to that the equivalent of the head of their KGB, reported in the Washingtonian:

> Over the years, many hundreds of millions of dollars were secretly paid to Romania, along with low-interest credits issued through the DIE—
>
> Which is in effect their KGB—
>
> as bonuses for increasing the emigration quotas. For reasons of secrecy, most of the payments were made in cash and only in U.S. dollars. No other member of the Romanian government knew anything about them except the Prime Minister, who was given only a general briefing and instructed that if the matter even came up, he should vehemently deny any suggestion that Jews and Germans were being sold.

During the hearings that we had on this legislation to overturn the waiver of the ban on MFN to Romania, we had substantiating testimony from those people representing the communities in question as to reasons why Jewish emigration was permitted and emigration to West Germany was permitted. It was because the Romanian Government had this behind the scenes deal of putting a levy on the head of any Romanian citizen who wanted to get out, who was either of Jewish nationality or otherwise.

In addition to this, there are Romanians awaiting U.S. visas or refugee documents, according to the Finance Committee trade staff report to us, who have faced severe sanctions. They wait for several years, during which time they repeatedly pay to renew exit visas; namely, every 3 months, or passports every 6 months.

Once granted emigration permits, they must divest themselves of all real property at confiscatory state-set rates, and then rent what they previously owned until they leave. They are routinely fired from their jobs. They become stateless individuals with no access to social services, including schooling for their children.

In addition to these violations, clear violations of the Jackson-Vanik provisions, Mr. Speaker, there has come to develop with the passage of time the application of human rights criteria as a consideration in the waiver of MFN to Communist countries.

I have some colleagues who wish to speak on this subject, Mr. Speaker. I want to guarantee that we provide time to some of those who were eyewitnesses, having visited Romania recently, eyewitnesses to some of the atrocities, especially to organized religion in that country.

Mr. Speaker, I would like to reserve the balance of my time, because my understanding is that my distinguished committee chairman wishes to speak.

Mr. GIBBONS. Mr. Speaker, I yield 5 minutes to the chairman of the Committee on Ways and Means, the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. Mr. Speaker, I rise in opposition to the motion to discharge House Resolution 475 from the Committee on Ways and Means. House Resolution 475 would overturn the President's recent decision to extend most-favored-nation trading status for Romania for 1 more year. I oppose the motion and the resolution on both substantive and procedural grounds.

My substantive concerns over the resolution stem from the fact that title IV of the Trade Act of 1974—the Jackson-Vanik amendment—is aimed at promoting the freedom for citizens from Communist countries to emigrate to the country of their choice. It is not a human rights law, as the sponsors of House Resolution 475 would have you believe.

The annual MFN renewal process has proved to be a highly effective lever in achieving the goal of increased emigration. The numbers speak for themselves: In 1975, the year that MFN was granted to Romania, only 6,975 Romanians were allowed by their Government to leave for the United States, Israel, or Germany. In 1985, 17,350 Romanians were allowed to depart to those countries. Legal emigration from Romania now exceeds the combined total emigration from the Soviet Union, Hungary, Bulgaria, and Czechoslovakia. MFN has also strengthened our hand in improving the human rights conditions for thousands of Romanians choosing to remain in Romania but who are being persecuted for their religious or political activities.

While the resolution's sponsors are understandably disturbed over reports of human rights violations in Romania, as are we, cutting off MFN will only cut hope for the thousands of Romanians waiting to join their families in the West or seeking to start a new life here. No one supports human rights abuse and religious persecution. We don't. You don't. But the real issue here is whether we retain the leverage we now have to improve one important form of human right—freedom of emigration—or throw it away by voting to cut off MFN for Romania.

It is significant that during hearings by the Trade Subcommittee, many important religious groups and human rights organizations testified in favor of continuing MFN—from B'nai B'rith to the International League for Human Rights. The administration also supports the continuation of MFN for Romania.

The procedural concern over this motion and the resolution itself relates to their constitutionality. In the 1983 Chadha case, the Supreme Court struck down as unconstitutional the very sort of one-House veto measure represented by House Resolution 475. I strongly urge Members not to risk needless, costly, and potentially time-consuming litigation on this issue. Vote against the motion to discharge House Resolution 475 from the Ways and Means Committee.

Mr. CRANE. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Speaker, I rise in support of House Resolution 475 to disapprove the administration's request to waive key human rights provisions of the Jackson-Vanik emigration standards in order to continue most-favored-nation trade status for Romania.

I am disappointed with the administration's announcement of its plans to renew MFN for Romania for next year. There are too many unanswered questions and, unfortunately, there are too many lives being destroyed and rights being violated for us not to seriously review MFN for Romania.

Of particular concern to me is the administration's belief that MFN is posing as some sort of "leverage," a wedge for effecting domestic reforms. After visiting the country, speaking with the people, and learning of continuing reports of domestic repression, torture, and persecution, I submit that the only actions taken by the United States that translate into leverage are congressional hearings and floor action like we are taking today. Allowing preferential trade status is not leverage. It is not justice. It is a mockery of everything Americans stand for.

Second, in its statement on MFN extension to Romania, the administration said: "Granting of MFN gives U.S. companies the ability to compete in those markets." I do not dispute that this is a positive benefit for American businesses; however, the full benefit is realized only by the Romanians who get their cake—economic support—and eat it too—continuation of domestic repression. It is important to note that the United States has a trade deficit with Romania of 1 to 4.8.

There are many other unanswered questions which surface upon reading the administration's statement of renewal for Romania. What about the continued repression of religious freedoms? What about the fact those religious and political dissidents who are released from prison are not allowed to remain in Romania, but must emigrate? What about reports from high-

ranking intelligence defectors of widespread espionage activity against the United States?

We should heed the voice of Ion Pacepa, the highest ranking intelligence officer to defect from a Soviet bloc country. He has stated:

The West's support to Romania over the past 17 years, since its spectacular reaction to the Soviet invasion of Czechoslovakia, has not brought about any change in (Romania President Nicolai) Ceausescu's policies toward his own people, in terms of the economy, the standard of living, or human rights. Romania's political police are now the most oppressive in the entire Soviet bloc. The ratio of security forces to the total population is one to 15, higher than that in any Western jail. (The Washingtonian, December 1985.)

Mr. Speaker, we should also heed the voices of American citizens. I would like to read from a recent letter I received from a constituent. He said:

Although last year I co-signed a statement with Rev. George Crisan and others in favor of renewing the MFN status of Romania, this year such action would be impossible without severely suppressing the voice of my conscience. Other than high-placed officials, with obvious interest in toing the Party line, all of the Romanians I spoke with urged me to convey their disapproval regarding the efforts to renew the MFN status * * *. The Romanians I spoke with argue that to continue to grant Romania MFN status is to allow Ceausescu to plunge the country into deeper and deeper chaos, with no real benefits at all filtering down to the population in general.

Mr. Speaker, we cannot control the internal politics of another nation, nor do we seek to—we just seek to. What we seek is to recognize that we underwrite the tortures, the policies, the deaths and repression in Romania when we voluntarily continue the economic support provided under continuation of MFN. Mr. Speaker, I urge my colleagues to support this resolution. We must take action. We must disapprove the administration's plans to renew Romania's MFN status.

□ 1250

Mr. Speaker, what we would like to do when given the opportunity is to suspend the most-favored-nation status for 6 months or for 3 months, to send a message. If we do not do this, we will allow the persecution to continue to take place.

So, Mr. Speaker, I strongly urge this on frankly the second most important human rights vote that this Congress will have to deal with.

If you care deeply about the fact that a Catholic priest is beaten to death for saying that Christmas, a sacred day, should be a holiday; if you feel deeply about the persecution and torture that Father Calciu went through; if you care about the Baptist ministers that have been arrested and the Pentacostal ministers that have been arrested; if you care about these things that have happened in this country, if you care about the KGB-type secret police, if you care about the bulldozing of the churches, then I ask you to vote no on this tabling motion.

Mr. GIBBONS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I did not come here today to defend Romania. I came here to talk in America's best interest, and to talk in the best interest of freedom for people within the boundaries of Romania.

Let us look at Romania. Romania comes from that very troubled area of Europe where for thousands of years religious persecution has been a way of life. Romania comes from that southern part of Eastern Europe controlled by the Russians that does not enjoy the religious liberties of the first amendment that we cherish so highly in our society.

If you look at the whole history of Romania, you will find that it has always been a troubled country, and I regret that it still is somewhat a troubled country.

But what are the best interests of America? Romania sits upon the border of Russia. It has a frontier with Russia of over 150 miles of land, plus a lot of water. It is very near the city of Chernobyl, and it has suffered needlessly from that Russian accident there. Most of its exports to other parts of Eastern Europe, as well as to Western Europe, were cut off because of radioactive contamination.

What is Romania's policy toward the Soviet Union? When you go to Romania you find that there are no Soviet troops in Romania. The Romanian foreign policy line is independent of Russia. No Eastern bloc Warsaw Pact maneuvers are allowed to be held in Romania. Romania is trying its level best to be independent of all of the trials and tribulations and wars that have racked that area of the world.

In 1974, when we adopted the Jackson-Vanik amendment, there was very little emigration from Romania. Since that time 154,000 people have emigrated from Romania. Let me repeat that figure: 154,000 people have emigrated from Romania, either to Israel or to the West.

Romania has had a drain of its better-trained and better-educated people unmatched by any of the Eastern bloc countries. The exodus from Romania is far higher than it is from Russia. In fact, the exodus from Romania allowed by the Government is larger than from Hungary, Czechoslovakia, Russia, and Bulgaria all put together. So while we have not gotten everything out of Romania that we would like to get by the Jackson-Vanik amendment, we have gotten a whole host of things.

Freedom of religion in Romania—let us look at it, because that is the issue here. Romania is one of those areas that was dominated first of all by the Eastern Orthodox Church. However, Romania now not only recognizes Israel, but Romania has training centers for the Jewish faith that operate freely with the Government's blessing. The Army of the Lord—probably one of the most unusual Christian movements in the world, with some 500,000 people in Romania—opposes the cutoff of MFN which the Crane resolution would do. This is a group of Christians not recognized by the Romanian Government, but not persecuted by the Romanian Government either. Its members gather frequently in homes in Romania to express their own religious views.

Most of the major Jewish organizations and many of the Christian organizations who are involved with this issue supported MFN for Romania.

Romania has tried to be a good trading partner, but unfortunately Romania is stuck with a large external debt. Instead of reneging on the debt, it has cut back sharply on its imports and increased it exports.

The SPEAKER pro tempore (Mr. NATCHER). The time of the gentleman from Florida [Mr. GIBBONS] has expired.

Mr. GIBBONS. Mr. Speaker, I yield myself 1 additional minute.

So I urge my colleagues to help freedom of emigration—remember, 154,000 people have emigrated from Romania. If we deny them MFN, even for 6 months, there will be no emigration. Perhaps never again will there be any emigration of religious dissidents from Romania, or other people, not only religious dissidents.

It is important that we keep track of what is in the best interest of America. It is to continue working with this country, with its leaders—its present leaders and its future leaders—trying to promulgate our ideas of freedom of religion, freedom of speech, and freedom from Russian domination. All of these conditions are much better now than they were at the end of World War II, when Romania was unfortunately assigned to be a part of the Russian empire or sphere of domination—a historical mistake.

Mr. Speaker, when the time comes and I make the motion to table the motion of the gentleman from Illinois [Mr. CRANE] I hope that all Members will vote "aye."

Mr. CRANE. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Ohio [Mr. HALL].

Mr. HALL of Ohio. Mr. Speaker, I rise in support of the motion offered by the gentleman from Illinois [Mr. CRANE].

I encourage my colleagues on this side of the aisle to join with me to vote in favor of discharging House Resolution 475 from the Ways and Means Committee. We need a strong vote.

Discharging and passing this resolution will not end MFN for Romania. That would require action by both bodies and a signature from the President.

However, bringing this resolution up and passing it will send a strong signal to the Romanian Government that there is deep congressional concern about human rights violations and repression in Romania.

I would much prefer that we were voting today on a bill like H.R. 3599, which the gentleman from New Jersey [Mr. SMITH] and the gentleman from Virginia [Mr. WOLF] and I have introduced to temporarily suspend MFN to Romania for 6 months. During this time, the administration would assess whether progress was being made concerning religious freedom and human rights. Positive action on the part of the Romanian Government would permit MFN to be restored.

Our bill was considered at a hearing by the Subcommittee on Trade on June 10, 1986. A companion bill in the other body will be the subject of a hearing on August 1, 1986.

At this time, we have not received indications concerning when our bill might be acted upon further. A significant vote in favor of the motion to discharge before us would encourage the subcommittee to take early action on our bill.

I share the frustration of the gentleman from Illinois about the matter of MFN for Romania. For 11 years now, we have been giving MFN to Romania. I fail to see what we are getting in return. Certainly, trade with Romania remains a one-way street. In 1985, Romania exported to us about $949.7 million worth of goods, yet imported from the United States only about $206.5 million worth of goods.

More importantly, significant human rights violations continue. My special concern for the past year has been the matter of religious repression in Romania.

In July 1985, I went on a private factfinding mission to Romania, sponsored by Christian Response International. Along with the gentleman from New Jersey [Mr. SMITH] and the gentleman from Virginia [Mr. WOLF], I saw firsthand the persecution of Christian believers.

Churches have been bulldozed, Bibles have been turned into toilet paper, and pastors and lay leaders have been jailed or heavily fined for preaching. Beatings and other forms of torture are given to religious prisoners of conscience. At great personal risks, individuals would come up to us, and as they shook our hands, they would press messages into our palms about their family members in prison and other personal tribulations imposed on them. We were deeply moved by the faith and courage of the Romanian believers.

Unfortunately, the Romanian Government has no shame over its persecution of Christians. That Government will not be moved by mere expressions of concern or bad publicity. The only way to get their attention is to suspend MFN.

While I prefer the approach offered by H.R. 3599, it is very important today to send the strongest possible signal to the Romanian Government. Defeat of the motion before us might be misinterpreted by that Government as congressional approval of their repression.

I remain hopeful and confident that a bill like H.R. 3599 will eventually be enacted. In the meantime, it is imperative to keep the pressure up on Romania through whatever opportunities arise.

I commend the gentleman from Illinois for his efforts on behalf of this issue, especially in the Subcommittee on Trade. I urge my colleagues to take advantage of the motion he is offering today to place the House firmly on record against the repression in Romania. Vote "yes" on the motion to discharge House Resolution 475.

□ 1300

Mr. GIBBONS. Mr. Speaker, I yield 6 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, we find ourselves today in a rather strange situation. We are to consider House Resolution 475, disapproving the President's action extending the emigration waiver for Romania. This waiver extension allows Romania to continue to receive most-favored-nation trade status for 1 more year.

The procedure for considering this resolution, better known as the one-House veto, has been declared unconstitutional by the Supreme Court in a 1983 decision, Immigration and Naturalization Service versus Chadha. Yet, although passage of the resolution would have no legal effect, the House rules require this body to follow the procedure until the statute is repealed. So, we must take the time to go through the motions, however meaningless.

We could ask ourselves whether, if this discharge motion is passed and we move to 20 hours of debate, and if this resolution were constitutional, would the merits of the situation demand that we end most-favored-nation status for Romania. I believe we should not.

The administration, and many business and human rights groups, believe that most-favored-nation status has been an important tool in gaining increased emigration from Romania. The Council of Presidents of American Jewish Organizations, including B'nai B'rith and the American Jewish Committee, the Christian rescue Effort for Emancipation of Dissident, and the International League for Human Rights all support a continuation of most-favored-nation status along with continued pressure for further liberalization of emigration procedures.

Over the last 10 years, the number of emigrants from Romania to all parts of the world has risen from 6,975 to more than 17,000 persons. Legal emigration from Romania now far exceeds the combined emigration from the Soviet Union, Bulgaria, and Czechoslovakia. I believe, as do the organizations I have mentioned, that there is a clear relationship between the numbers of emigrants and the commercial and political leverage provided by most-favored-nation status.

We have heard of the travails of Father Calcin. He was treated in an inhuman way. But, MFN got him out. MFN won't make Romania observe our religious freedoms, but it does help relieve individual human rights problems.

In spite of a severe international debt problem that has curtailed Romanian purchases, United States-Romanian trade still exceeds $1 billion and continues to grow. United States businesses still consider Romania an important market and have supported continuing to expand the commercial relationship.

Mr. Speaker, the House has not voted on any introduced resolution involving the President's waiver authority since 1979. There was a vote on a motion to table in 1983. In 1983, this procedure was ruled unconstitutional. I believe it is important for political, commercial, and human rights leverage to continue most-favored-nation status for Romania.

Finally, I would invite the attention of this House to a letter from Secretary Shultz in which he cites the independence of Romania from the U.S.S.R. in several important respects, and his belief that MFN helps us to ameliorate what we consider human rights violations.

I urge my colleagues to vote "no" on the motion to discharge so as not to risk lengthy debate on an unconstitutional resolution.

THE SECRETARY OF STATE,
Washington, July 28, 1986.

Hon. BILL FRENZEL,
House of Representatives.

DEAR MR. FRENZEL: I have been informed that a motion has been introduced in the House of Representatives to discharge from the Committee on Ways and Means a bill, H.R. 475, which would withdraw Most Favored Nation tariff status from Romania.

The Department strongly opposes adoption of this bill. As you know, the President determined on June 3 that MFN for Romania should be renewed under the terms of the 1974 Trade Act. The Department recognizes and shares the concerns of many members of Congress about violations of human rights in Romania. We believe, however, that the access and leverage provided us by Romanian interest in MFN has given us the

ability to ameliorate those conditions. Our policy has achieved important results in human terms, including heightened emigration levels, releases of political and religious activists from jail, and access to press our concerns about religious rights issues. These gains fall short of what we would like to achieve, but in my judgment, revocation or suspension of MFN would make the human rights situation in Romania worse, not better. It also should be stressed that Romanian foreign policy continues to be independent of the Soviet Union in several important respects, and that this was an important reason for our decision to extend MFN to Romania in 1975.

With best regards,

Sincerely yours,

GEORGE P. SHULTZ.

Mr. CRANE. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Michigan [Mr. SILJANDER].

Mr. SILJANDER. Mr. Speaker, I thank the gentleman for yielding and I rise in strong support of the motion of the gentleman from Illinois [Mr. CRANE].

Mr. CRANE. Mr. Speaker, I yield such time as he may consume to our distinguished minority leader, the gentleman from Illinois [Mr. MICHEL].

□ 1310

Mr. MICHEL. Mr. Speaker, the procedural nature of this question disguises some underlying substantive questions.

I am not going to address the procedural question. I'd rather discuss one aspect of this issue that has personal meaning to me.

For some time now, I have been working with representatives of the Church of the Nazarene who have brothers and sisters in the Faith in Romania who are experiencing all kinds of harassment as Christians from their government.

My most recent information is that while things have not improved for members of that church, they are at least receiving aid packages from the United States and have not been directly persecuted recently by Romanian officials.

This is not what I call human rights improvement because under a totalitarian regime, the pressure of persecution can start again when it suits the rulers.

But, as of this moment, members of the Church of the Nazarene, a small church dedicated only to prayer and good works, are receiving aid which is at least something to be thankful for.

In years past, there have been open attacks on members of this church in the state-controlled press and aid sent from the United States never reached its intended recipients.

I believe that men and women of good will can disagree on the question of whether or not extending most-favored-nation status to Romania helps or hurts religious freedom and human rights in that country.

The President believes "existing access and influence" of the United States can be preserved by extending most-favored-nation status since, in his words, "extension of most-favored-nation status has facilitated American citizens' access to coreligionists in Romania as well as the flow of several million dollars worth of material assistance to them each year."

We are faced with the usual questions: In dealing with dictatorial regimes, is it better to take economic measures in the hopes of improving human rights, or is it better to keep already existing economic benefits as a lever to move the government toward human rights?

Neither position is, in itself, a "hard" or "soft" line. What matters is the effect each position has on improving human rights.

I must confess that in this case, my heart is with the position taken by our colleague, Mr. CRANE. Romania has had the most-favored-nation status for 11 years. No truly informed person really believes any more that Romania, under its current leadership, is mellowing or becoming more liberal. The best that can be said is that, from time to time, gestures toward the West are made.

But here is the hard part. No matter how bad we find the Romanian Government, what about the captive people of Romania? What is best for them? The answer isn't quite as clear as some of us would suggest.

If we vote for House Resolution 475, we in effect throw away the tool of most-favored-nation status. But if we vote against it—if we support the President—we retain that tool.

The question is: Which method helps the people of Romania? Which approach offers the hope of greater emigration, perhaps even limited extensions of religious freedom?

My heart tells me to vote for House Resolution 475. But my knowledge of what the religious minorities of Romania are suffering tells me that even this small tool ought to be retained in this case.

When an American coreligionist of mine goes to Romania these days to help members of the church, at least he gets into the country; at least he sees and talks to our people.

What will happen if we cut off most-favored-nation status? Will he have the same access? Will those who ask us to vote for a cutoff guaranteed that we will still have access?

I wish I knew with absolute certainty I am right. But I don't. I can only do what I think is right.

Mr. GIBBONS. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Speaker, this matter of favored-nation status for Romania and the impact of the Jackson-Vanik amendment is something that has concerned me for a number of years because of the fact that my hometown happens to be the home of the General Electric Co., in Schenectady; and the home of the large steam turbine generator business in the General Electric complex.

In fact, as you may know, this has been a very tough year for the steam turbine business. We have lost out almost completely on overseas orders, and 1 month ago the General Electric management announced, in Schenectady, that some 1,400 jobs in the steam turbine business were going to be eliminated, not only blue-collar employees, but also white-collar employees.

Over the last 3 years, because of the nonexistence of steam turbine orders, the work force in Schenectady General Electric has gone down from 27,000 to 12,000.

The one bright spot in this otherwise deplorable economic situation has been turbine orders from Romania. Back in 1982, the Romanians agreed to buy two turbine generators; these were to be financed by the Eximbank; but a few months later the Romanians defaulted on their agricultural loans from the United States and so they could no longer get the Eximbank assistance.

However, the Romanians proposed an ingenious scheme of barter to continue the production of these turbines. GE agreed to proceed piece by piece on the turbines, and in return the Romanians would provide Romanian nails to the manager of the turbine division, and also Romanian wine.

The turbine manager complained that he had Romanian nails coming out of his ears!

Moreover, as American and foreign steam turbine manufacturers wait out a revival of the steam turbine market, the Romanian authorities are still proposing to purchase two more of these quality turbines on the same barter business.

I believe we owe the people of Romania our gratitude for their unique efforts to keep the employees of one of America's greatest corporations gainfully employed for a longer period than would have been the case as a result of Romanian nails and Romanian wine. I have sampled some of the Romanian wine, but so far I haven't tried the Romanian nails.

Mr. Speaker, I don't believe that we should treat this fascinating country by denying them the most-favored-nation status which we have long granted them and which President Reagan has strongly supported.

As a result I shall vote with the gentleman from Florida [Mr. GIBBONS] and oppose the gentleman from Illinois [Mr. CRANE].

As a result of the efforts of the Romanians, they have made it possible to preserve American steam turbine technology during this economic crisis period, so that when the market situation turns up again, as it surely will turn up, that turbine customers will be seeking to buy American turbines rather than English turbines from Parsons, or Swiss turbines from Brown & Boveri, or from Hitachi in Japan.

Mr. CRANE. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Speaker, I hope the Members will vote today to permit the gentleman from Illinois to bring his resolution to the floor disapproving the President's recommendation to extend MFN to Romania for another year. No matter how Members may feel on the particular issue, I would submit that the time has come for an extensive reevaluation of human rights in Romania including emigration policy, and religious freedom. The motion before us would simply discharge House Resolution 475 from the Ways and Means Committee and, thus, permit Members to consider this important issue.

I have always believed that human rights are indivisible. They are God given, not manmade. Respect for the human rights of their citizens by the countries of the world isn't optional. Clearly it is fundamental, and is the only legitimate basis for genuine trust and friendship in bilateral relations. While the Jackson-Vanik provision of the 1974 Trade Act cites emigration policy as the chief criteria for conference of MFN, I believe the broad array of interlocking human rights must not be overlooked or trivialized. Indeed, the lives and futures of many people depend on how well we utilize the considerable leverage at our disposal.

As you know, Mr. Speaker, the President reported to Congress on June 3 that he had decided to continue MFN for Romania for another year. I think it is very significant, however, that he said he made this determination with difficulty and noted that he was "disappointed by the Romanian Government's very limited response to numerous expressions of strong United States public, congressional, and administration concern about its performance in areas of human rights and religious issues * * *."

The President said he "share(s) the strong concerns manifested among the public and in Congress regarding the Romanian Government's restrictions on religious liberties." I know the chairman of the Trade Subcommittee, Mr. GIBBONS, and ranking member, Mr. FRENZEL, also share this concern.

Mr. Speaker, it is sad but true that the Communist authorities in Bucharest continue to restrict and control the right of religion, free speech, free assembly and association. Although Mr. GIBBONS pointed out that 174,000 Romanians have emigrated, the Romanian Government officially opposes emigration, erects substantial barriers to emigrating and there are numerous family reunification cases that still await resolution. Moreover, large numbers of emigrants begs the question of the status and quality of life inside Romania.

Having said that, Mr. Speaker, let me note with guarded optimism recent progress in solving some of the hard emigration cases—progress that I hope is not intended just to coincide with our Government's review of MFN.

Just prior to the June 3 decision, Bucharest officials indicated that over 1,000 of the 1,800 pending emigration cases would be solved. Several religious prisoners have been released from jail over the last few months and are emigrating to the West, including Constantin Sfatcu, Dorel Catarama, and Emil Moranu. In March, Beni and Buni Cocar, both Baptist ministers who had been continually harassed for their faith, and then efforts to promote the Gospel of Christ were given their walking papers and are now in the United States. Of course, we all celebrated when Father Calciu, who had been imprisoned a total of 20 years, was allowed to emigrate to the United States last summer.

Clearly these developments can be construed as limited progress but many of us who are deeply committed to this cause fear that one MFN is assured for another year, the Romanians may, as the United States Helsinki Watch Committee puts it, "lapse back into its previous disregard for human rights * * *."

That, Mr. Speaker, must not be permitted to happen and all of us, together, can be instrumental in seeing that it does not. This is not a game. I urge that my colleagues vote to discharge House Resolution 475 so we can delve further into this issue.

□ 1320

Mr. GIBBONS. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. HAMILTON], the distinguished chairman of the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs.

Mr. HAMILTON. Mr. Speaker, I rise in opposition to the privileged motion of the gentleman from Illinois, and in support of the motion of the gentleman from Florida to lay the privileged motion on the table.

Mr. Speaker, the Subcommittee on Europe and the Middle East of the House Committee on Foreign Affairs has spent considerable time over the last several months in hearings with the Department of State and other agencies and individuals examining carefully the domestic situation in Romania and United States-Romanian relations.

My conclusions are: There is harsh domestic repression in Romania and there are many human rights violations. But despite these serious problems, it is in our national interest to extend MFN status to Romania for the coming year in order to try to work with Romania on these issues which are of deep concern to many of us in the Congress.

Therefore, I urge support of the President's decision of June 3, 1986, for several reasons:

First, on the narrow legal criterion of the 1974 Trade Act and Jackson-Vanik amendment which ties Romania's MFN status to emigration, Romania has been fairly responsive. During the 11 years of MFN status for Romania, over 150,000 persons have emigrated from Romania. One out of every 160 Romanians has emigrated legally.

Second, the record of 11 years of annual MFN review has provided leverage over Romania on human rights and other issues. We have had success under present policies. Our ability to continue to try to resolve 4,000 pending reunification cases concerning emigration to the United States will depend in large measure on a continuation of those policies. It is my understanding that close to half of these 4,000 cases are on their way to resolution. We hope to try to make further progress on these issues, and to keep the door open for appeals on specific cases. Denial of MFN at this time would complicate the United States ability to influence further decisions in Bucharest and would allow a difficult situation to worsen because there would be less incentive and less pressure on Romania to resolve problems.

Third, the political situation in Romania is fragile. There are likely to be some leadership changes in the Romanian Government soon. If we are entering a transition period, and the consensus is that we could be, the United States has an interest in maximizing its leverage in this period. MFN is the primary way we can do that. It will enable the United States to be a more effective player during any transition period when forces for evolutionary change in Romania are likely to become prominent. It is not in our interest to cut ourselves out of competition for influence in Romania at a time when we know the Soviets will be pressing hard. We should allow Romania an opportunity to resolve its problems with the West, and give it a way to work out its problems.

Fourth, Romania has a unique foreign and international security policy which the United States has an interest in supporting and promoting. Even though its foreign policy is circumscribed by reason of geographic and other circumstances, Romania has maintained good relations with Israel, China, West Germany, and the United States. Romania's Warsaw Pact military participation is limited. It is the only Warsaw Pact country to conduct more than 50 percent of its trade with the non-Communist world.

Fifth, MFN status for Romania has brought clear economic advantages to the United States. Over the past 11 years, United States companies have sold $3.5 billion of goods to Romania:

10,000 jobs depend on U.S. exports to Romania, jobs that might otherwise go to Japan and Western Europe. Romania today remains as big a market for United States firms as Austria, and bigger than Finland or Greece. If Romania were to lose MFN status, it would cost Romania $300 million, less than 5 percent of its hard currency earnings. Clearly denying MFN represents high costs to the United States for limited impact on Romania.

Mr. Speaker, I am sure that not all the evidence supports my conclusion. Serious persecution in Romania of small denominations of Christian believers, interference with individual freedoms and political suppression are deeply offensive. But on balance my judgment is that MFN status for Romania is appropriate. Our ability to address our concerns in Romania and to help many individuals is enhanced by the annual review of MFN status. There may come a point where our ability to use this annual review as leverage is diminished or lost. But that point is not now.

Mr. Speaker, I urge my colleagues to defeat this motion.

Mr. CRANE. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. RITTER].

Mr. RITTER. Mr. Speaker, I oppose granting MFN to Romania and rise to speak in favor of Mr. CRANE's resolution to disapprove the President's waiver request.

What are my reasons? Romania has perhaps the worst human rights record in all of Eastern Europe. In the words of former U.S. Ambassador David Funderburk:

> Romania's abysmal record on human rights and its lack of internal reforms are a mockery of declared U.S. policy goals.

It is a regime that has instituted total censorship of mail coming from outside the country. It is a regime that monitors all international telephone calls. It is a regime that supports international terrorism and runs paramilitary training schools and gives support to the PLO. It is a regime that kills clergy, bulldozes churches and has even turned Bibles into toilet paper. It is a regime that denies true religious freedom and, according to the latest report from Helsinki Watch, one which uses the clergy as policemen. It is a regime that harasses and oppresses those who wish to emigrate—sometimes even depriving them of their apartments, their jobs, their ration cards, and their schooling. It is a regime which has ordered its intelligence service to savagely beat and even assassinate Romanians abroad who have criticized the Romanian Government. It is a regime which ordered the removal of "all but a few token Jews" from military and security forces and from sensitive Government positions.

Believe me, this is only a small recitation of what is a very long list of evil behavior by that regime. The Ceaucescu regime is also engaged in a campaign of harassment and discrimination of the large Hungarian minority in Romania. The Romanian Government is intent on systematically eliminating any traces of the Hungarian language and culture. As an example, according to Helsinki Watch, all Hungarian language broadcasting is no longer allowed and a decree was recently passed which limited the number of Hungarian-speaking students at the University of Cluj to 5 percent—it had been 65 percent until that time.

Mr. Speaker, I have a wealth of additional information on the abuses of the Ceaucescu regime for any Member who wishes to contact my office. Let me close by saying that I fail to see how any of my colleagues could support such a regime through the granting of MFN. In my view, and in the view of others, such action by our country makes a mockery of America's support of human rights.

Mr. GIBBONS. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. BOUCHER].

Mr. BOUCHER. Mr. Speaker, I rise in opposition to the motion.

On Tuesday, June 3, President Reagan transmitted to the Congress his decision to continue the waiver authority currently in effect under sections 402(a) and 402(b) of the Trade Act of 1974.

In addition, the President transmitted his determination that continuation of the waiver applicable to the Socialist Republic of Romania will substantially promote the objectives of the act.

In his report to Congress, President Reagan notes that progress has been made in resolving many of the concerns of those who have challenged Romania's MFN status. According to the President, emigration from Romania has increased substantially in the 10 years since the waiver authority has been in effect. The Romanian Government's implementation of new procedures for emigration from Romania to the United States has reduced the hardships previously imposed on such emigres. And the Romanian Government has continued to honor its commitment that it would not require reimbursement of eduction costs as a precondition of emigration.

While the President's transmission does note that progress remains to be made in the area of religious liberties, the President concludes that extension of Romania's MFN status will "* * * enable us to have an impact on human rights concerns and to help to strengthen the extent of religious observance in Romania."

I concur in his determination. Indeed, notwithstanding the alleged efforts of the Romanian Government to suppress the free expression of religious values by its people, the President has concluded that the widespread practice of religion in Romania, especially among the Protestant denominations, is growing faster than in other Communist-bloc nations.

I am also concerned that suspension or revocation of Romania's MFN status could substantially reduce coal mining and export opportunities in Virginia.

Since 1977 the Government of Romania has invested over $60 million in the development of a joint coal mining venture with Island Creek Coal Co. The agreement provides for the exportation of 14 million tons of coal from the Garden Creek Pocahontas Coal Co. mine in Buchanan County, VA, to Romania over a 35-year period—1980–2015. The mine was developed expressly for the sales to Romania. In 1986, Garden Creek will deliver 500,000 tons of coal with a delivered value of $25 million to Romania. Hereafter, Romania will purchase approximately 35 to 40 percent of Garden Creek's mine production until the year 2015.

The Garden Creek Pocahontas Coal Co. employs approximately 255 miners and 55 supervisory personnel in Buchanan County where the unemployment rate hovers in the 20- to 25-percent range. With an annual payroll of approximately $12 million, secondary employment effects are substantial. In addition to the important role that Garden Creek has played in Buchanan County generating jobs and revenues, all of Garden Creeks's coal is shipped on the Norfolk Southern railway, providing over $18 million per year in revenue to Norfolk Southern. Most of Garden Creek's coal is exported through the Norfolk Southern coal piers at Norfolk, VA.

The economic benefits of Island Creek's joint venture with the Romanian Government stretch from one end of Virginia to the other. Hundreds of coal miners and railroad and port workers depend on this venture as the source of their employment, and communities from Appalachia to the Atlantic benefit from the economy activity generated by the mining, transportation and shipment of Virginia coal to Romania.

I am concerned that should Romania's MFN status be suspended or revoked, they will turn to cheaper European sources of coal to meet their import needs.

Romania's decision to invest $60 million in Buchanan County, VA, was not made solely on the basis of the economic advantages of mining and importing Virginia coal. Romania's investment reflects, to a large extent, their good faith efforts to make trade between our two nation's a two-way street. Should the flow of Romanian

products to the United States be cut or halted as a result of the suspension or revocation of MFN status, Romania will no longer have the incentive or the dollars to import our coal. That could deal a devastating blow to Buchanan County with ripple effects throughout the State.

I share President Reagan's view that we will continue to see improvements in the Romanian Government's treatment of minority religious groups if we continue the mutually beneficial flow of commerce between our two nations. Romania has responded, albeit slower that you and I might like, to our Nation's ongong expression of concern regarding their immigration policy. In addition, Romania has distinguished itself as the only Warsaw Pact nation which attended the Los Angeles Olympics and which does not participate in the Warsaw Pact's joint military exercises.

I believe that we can achieve both of our goals through cooperation rather than confrontation. Continuing our mutually beneficial trade relationship with Romania and continuing to bring diplomatic pressure on the Romanian Government to expand religious liberty go hand-in-hand.

Mr. CRANE. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Mr. Speaker, I rise in support of the motion of the gentleman from Illinois and against the motion to table.

Mr. Speaker, ever since I was first elected to this House in 1980 I have attempted to have this body do something about the fact that the United States continues to grant most-favored-nation trading status to the Communist regime of Romania. Today I hope we will finally have a chance to act and to go on the record as to our concern about religious and nationality persecution in Romania.

I will support the discharge motion to allow House Resolution 475 to the floor for a vote. I urge all of my colleagues to join me in proving to ourselves and to the whole world that we stand by the principles of America in our relations with all nations of the world.

We have imposed sanctions, embargoed and passed resolutions against many countries and many forms of human rights abuses. Romania is high on the list of human rights violators and it is past time for this House to reaffirm our belief and commitment to our principles and deny most-favored-nation status to Romania.

Mr. CRANE. Mr. Speaker, I yield such time as he may consume to the gentleman from Arizona [Mr. RUDD].

Mr. RUDD. Mr. Speaker, under the 1974 Trade Act, Communist countries that restrict emigration cannot be granted most-favored-nation status unless the President issues a waiver on the ground that emigration curbs have been relaxed. The time has come for Congress to override the President's waiver for Romania. Romania is a Communist nation that has intimate Soviet connections, blatant human rights abuses, and direct links to terrorism.

The people of Romania suffer under one of the most repressive regimes in the world. The Romanian security personnel have 1 agent for every 15 citizens—the world's highest ratio of security agents. However, Romania needs this excessive manpower to handle its censorship activities. Every single letter and package from abroad is opened, and all international telephone calls are monitored.

Even with its most-favored-nation status, Romania has grown closer—if that is possible—to the Soviet Union. Trade between the Soviet Union and Romania has dramatically increased, and a top Romanian official recently stated that "closer bonds with the Soviet Union and total reintegration within the Warsaw Pact are inevitable, sooner or later." The Washington Times recently reported that 550 Soviet advisers regulate factories in Romania, many of which manufacture Soviet weapons for export to Third World countries.

The Romanian record on human rights is atrocious. The Romanian "victory of socialism" campaign has resulted in arbitrary arrests and beatings, false criminal charges, torture, prejudged trials, and the forced incarceration of Christian believers into insane asylums. Those who apply for emigration lose their jobs, and often large bribes are demanded from relatives living abroad before exit papers are issued.

Even more startling is the direct involvement of Romania in terrorist acts. Romania has collaborated with the PLO in operations against their opponents in the West, and Romania has been declared responsible for the bombing of Radio Free Europe's Munich headquarters in February 1981.

Romania is a hostile Communist regime that mocks the democratic principles for which the United States stands. Romania has repeatedly proven that they do not deserve a $700 million trade subsidy. In the words of former U.S. Ambassador David Funderburk, "a regime that turns Bibles into toilet paper and bulldozes churches, does not deserve most-favored-nation status." I urge support of the motion and oppose the motion to table.

Mr. CRANE. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. COUGHLIN].

Mr. COUGHLIN. Mr. Speaker, I rise in support of the gentleman from Illinois and in opposition to the motion to table.

Mr. Speaker, although I do so with some reluctance, I rise today to support the pending measure to deny most-favored-nation trading status for Romania. As a cosponsor of H.R. 3599, which would suspend MFN status for Romania for 6 months, I feel compelled to support the measure before us now.

In voicing my support for this proposal, let me note that there are some arguments for continuing "business as usual" with Romania. Although it is a Warsaw Pact country, Romania must be considered something of a maverick within the Soviet bloc. It, alone among Soviet-dominated Eastern European nations, maintains relations with Israel. Of the Soviet bloc Communist countries, Romania has clearly been, relatively speaking, one of the most forthcoming on family-reunification cases.

My personal awareness of and involvement in two cases involving constituents, however, compels me to support this legislation. The first case involves Mr. Eugen Pancu, the former commercial attaché for the Romanian Government, who worked in New York City and lived there with his wife and daughter. In 1982, Romanian officials attempted to pressure him into engaging in espionage activities against the United States. He refused. Shortly thereafter he was summoned to Bucharest, the Romanian capital, for reorientation. When he returned to Bucharest he was dismissed from his post and was informed that he would not be permitted to leave Romania again.

Mr. Pancu's wife and daughter, who did not join him on his trip back to Romania, subsequently refused to leave America. They were granted political asylum by the United States in July 1982.

Since his return to Bucharest, Mr. Pancu has repeatedly sought reunification with his family in America. Although United States authorities have approved his immigration request and have intervened on his behalf with the Romanian regime, the Romanians have repeatedly denied him an emigration visa. He has been forced to take a low-paying clerk-typist position, and been pressured to divorce his wife and sever all ties to her and their daughter, who now live in Philadelphia. Repeated efforts to resolve this situation—including numerous phone calls and letters to the Romanian Ambassador and letters to Romanian President Ceausescu—have been met with stony silence by the Romanian Government.

In the other case, that of Ms. Angela Novac of Lafayette Hill, PA, the Romanians have failed to act in a timely manner to allow her fiancé, Mr. Ioan Draghici, to emigrate here. Ms. Novac and Mr. Draghici first applied to Romanian authorities for permission to marry in 1984. Since my involvement in this case in March 1985, I have written to the Romanian Ambassador four times in an effort to resolve this matter. After three letters, I finally received a response—indicating the Embassy had referred the case to the appropriate authorities in Bucharest. That was in January 1986. I have heard nothing since.

Mr. Speaker, these events, coupled with the consistent pattern of Romanian human rights violations identified by our State Department and in-

dependent observers including Helsinki Watch, compel me to support the legislation before us. President Ceausescu should understand that Americans cannot and will not condone or ignore violations of human rights.

While Romania has not been the worst violator of human rights, its record is moving in the wrong direction. Support of this measure—even if it is unlikely to be enacted—will send a message that must be heard in Bucharest.

Mr. CRANE. Mr Speaker, I yield such time as he may consume to the gentleman from California [Mr. SHUMWAY].

Mr. SHUMWAY. Mr. Speaker, while the United States generally grants most-favored-nation status [MFN] unconditionally to all trading partners, the granting of this trade preference to Communist countries is tied to their emigration policies. Under the Jackson-Vanik amendment to the Trade Act of 1974, Communist countries may be granted MFN status only if their emigration policy is relatively unrestricted.

The purpose of the Jackson-Vanik amendment is to "assure the continued dedication of the United States to fundamental human rights * * *." Specifically, the amendment establishes minimum standards for emigration policy in recognition of the inherent right of an individual to leave a country.

If a country is in substantial compliance with the Jackson-Vanik provisions, the President may request the authority to waive their application with respect to that country. For the past 10 years Romania has been granted MFN status on the basis of such a waiver. In my view, it is time to take a hard look at the policies of the Romanian Government and discontinue this charade.

For the past decade we have rewarded Romania for its independence from the Soviet Union. Romania does not participate in joint Warsaw Pact exercises and refuses to allow Soviet troops to hold these exercises on its soil. Romania is the only Eastern-bloc nation to maintain relations with Israel. The Romanian Government criticized the Soviet invasion of Afghanistan and participated in the Los Angeles Olympic games despite a Soviet boycott.

At the same time, the Romanian Government, the fifth leading arms exporter, serves as a training ground for terrorists. According to Gen. Ion Pacepa, Romanian Foreign Intelligence Director until his defection in 1978, Romania trains members of Western Communist parties in sabotage, diversion and guerrilla tactics. Romania provides political and material support to the PLO and its terrorist factions, as well as secretly cooperating with Libyan security forces. General Pacepa also stated that "Mr. Ceaucescu serves as a conduit for the transmission of embargoed Western technology to Moscow." (Wall Street Journal, January 13, 1986, p. 86)

Romania's human rights record is as disconcerting as its support for terrorism. Last year David Funderburk, former United States Ambassador to Romania, concluded that, "Romania's abysmal record on human rights and its lack of internal reforms are a mockery of declared U.S. policy goals."

The Romanian Government controls every aspect of religious activities from the printing and distribution of religious materials to the salaries of the clergy and the number of admissions to the seminaries. A request by Baptist ministers to print more Bibles, train more ministers and manage church funds without State control was denounced as antistate provocation. Churches have been demolished for petty building code infractions, such as a construction error of 1 meter. Persons who belong to churches other than the 14 recognized by the State may be arrested for disturbing the peace or unlawful assemblies. Religious leaders are subject to imprisonment and in some cases death. Rev. Gaza Palfi, arrested for his Christmas sermon in 1983 opposing a government edict making Christmas an ordinary work day, was severely beaten and died 2 months later.

Romanians who wish to leave their country must be prepared to pay a price. The bribes extracted for exit papers range from 4,000 marks for a child to 10,000 for an adult. The Ceaucescu regime also collects 7,900 marks from the West German Government for each ethnic German allowed to emigrate to West Germany. Persons wishing to emigrate must sell all of their real property at low, fixed government rates. In addition, no money may be taken out of the country.

The emigration process is lengthy and approval is not assured. In the meantime, applicants may suffer demotion or dismissal from jobs, dismissal from universities, eviction from apartments, denial of ration cards, and loss of citizenship which are all common government responses. Persons wishing to leave Romania become in effect exiles within their own country.

Romania has enjoyed MFN status for the past 10 years. During this time the persecution and restricted emigration policies have continued. Indeed the only change over the past decade has been an increasing trade deficit with Romania which exported almost $1 billion in goods to the United States in 1985, including $134 million in duty free imports, creating a deficit of over $700 million.

Romania, a country which trains terrorists and exacts a very high price from those who wish to emigrate, does not deserve the trade preferences of MFN.

Mr. CRANE. Mr. Speaker, I yield 3 minutes to my distinguished colleague of the Subcommittee on Trade, the gentleman from Pennsylvania [Mr. SCHULZE].

Mr. SCHULZE. Mr. Speaker, I rise in support of my colleague's motion to discharge House Resolution 475 from the Committee on Ways and Means for consideration by the Committee of the Whole House.

Under the provisions of the Jackson-Vanik amendment to the Trade Act of 1974, Congress mandated that most-favored-nation treatment for nonmarket economy countries be predicated on the existence of freedom of emigration from these countries. In the case of Romania, it is clear that the Romanian Government has not upheld its obligations called for under these provisions. To make matters worse, the United States Government annually condones Romania's notorious record on emigration by waiving the full requirements of Jackson-Vanik.

Just the fact that the number of Romanians allowed to emigrate in 1985 declined by 18.5 percent compared to 1984 demonstrates the unsupportability of continued MFN status for Romania.

Perhaps more important than mere numbers is the cold disregard for the basic human rights of those Romanians who apply to emigrate. Undue hardship and harassment, frequently leading to job demotion and dismissal, apartment eviction, and general ostracism by society, are synonomous with emigration. Obstacles are confronted every step of the way by those who wish to leave Romania. Examples of such obstacles range from inordinate delays in processing application forms to outright bribery.

And finally, Romania needs to realize once and for all that MFN is a privilege which carries with it responsibility. I would argue that in the trade arena Romania has been nothing but irresponsible. Not only does the Romanian Government fail to adhere to the emigration standards set forth under our trade laws, Romania continues to trade unfairly by dumping steel, shoes and textile and apparel products. This has caused irreparable harm to our Nation's manufacturing sector, and only continues to increase our trade deficit with Romania, which amounted to $743 million in 1985.

I remain convinced more than ever that MFN status must be revoked from Romania, at least temporarily, to ensure that emigration policies are promoted openly and responsibly, and to convince the Romania Government that its unfair trade practices will not go unnoticed. Thus, I strongly urge that my colleagues support the motion now before us.

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Mr. GIBBONS. Mr. Speaker, I yield 4 minutes to the gentleman from Washington [Mr. BONKER], the chairman of the Subcommittee on International Economic Policy and Trade of the Committee on Foreign Affairs.

Mr. BONKER. Mr. Speaker, I really share the concerns of those who are bringing this resolution to the House floor today, because anyone who knows anything about Romania knows that it is one of the most repressive governments anywhere in the world today, and that the Ceausescu regime is against all the tenets of freedom and liberty and democracy that we feel are important.

The concern here is how we best approach this issue. I do not believe that bringing House Resolution 475 to the

floor today is the best approach to deal with the problem.

The Jackson-Vanik amendment grants preferential trade credits on the basis of emigration policy. It is not a general human rights program.

Let me cite from section 402 of the Trade Act of 1974, which explicitly ties the granting of MFN to a country's performance on emigration only, not a general status of respect for human rights.

* * * products from any nonmarket economy country shall be eligible to receive MFN * * * if the President reports to Congress that he has received assurances that the emigration practices of that country will henceforth lead substantially to the achievement of the objectives of this section.

We are attempting to be consistent with the law that this Congress has lead out, and the President is attempting to meet the spirit and the letter of that law.

When Mr. GIBBONS, the chairman, and Mr. FRENZEL and Mr. LANTOS and I were in Romania a few years ago, there was a different problem, and it also was emigration. It involved an education tax on everybody who wanted to leave the country. They would have to pay back to the Government all of the cost of their education. Now that smacked at the emigration policy. I recall the gentlemen who are here this afternoon who were in that meeting pressing Ceausescu, even threatening him, on MFN if he were to continue with that onerous policy. He subsequently withdrew the policy, and again met the basic test of MFN, the Jackson-Vanik amendment.

My concern here is if we bring this resolution to the floor and actually override the President's waiver, we will have set a new precedent for dealing with human rights problems.

You say, well we ought to have leverage for dealing with human rights. I rather imagine that if we were to attempt an MFN standard on human rights practices around the world, somewhere between 120 and 125 countries would be involved.

We do have a human rights policy in the Foreign Assistance Act. I would have to say that if we were to engage this issue, the Committee on Foreign Affairs ought to have some jurisdiction, because that is the committee which deals basically with human rights policy in section 16(c) of that act.

So we are talking about preferential trade agreements, we are talking about emigration and we are talking about human rights, but we do not need to necessarily mix them. If we want to greatly expand our human rights policy so that we use MFN as a leverage, then we ought to deal with that more broadly and not narrowly with one country like Romania.

Mr. Speaker, again, I support those who have expressed concern over the repression that exists in that country. I have been there and I have seen the repression. But I think that we need to approach this issue responsibly and in a way that is consistent with U.S. law.

I would side with those human rights groups that feel that while the human rights abuses there are very serious, that this is not the way to deal with the problem.

Mr. Speaker, I urge that we support the motion offered by the gentleman from Florida [Mr. GIBBONS] to table House Resolution 475.

Mr. CRANE. Mr. Speaker, I yield such time as he may consume to the gentleman from Oregon [Mr. DENNY SMITH].

Mr. DENNY SMITH. Mr. Speaker, I rise in strong support of the action of the gentleman from Illinois [Mr. CRANE].

Mr. Speaker, I rise in strong support of House Resolution 475, offered by the gentleman from Illinois. Although I am normally supportive of the administration's foreign policy, flagrant and persistent human rights violations in Romania have gone unheeded for far too long.

Romania's MFN status has been renewed every year since 1974, despite its deplorable human rights record. This trade benefit has not helped the Romanian people. Nor has the United States benefited; we had a $743.3 million trade deficit with Romania in 1985. Only the repressive Ceausescu regime has reaped the economic benefits that accompany MFN status, since the state controls the economy.

Under the provisions of the Trade Act of 1974, MFN status for a Communist country is closely linked to that nation's emigration policies. Romania's policies in years past have been costly and obstructionist. Even now, family reunification remains difficult. Demotion or firing, expulsion from universities, eviction from apartments, denial of ration cards, and loss of citizenship are all common government responses to those who seek to emigrate.

Other human rights violations are rampant, even though Romania is a signatory of the Helsinki human rights accords. Those who practice their religious beliefs are continually harassed, churches are demolished for minute building code infractions, and several clergymen have died during or shortly after interrogation. Bibles that were legally imported were used by the government to make toilet paper. In addition, harsh treatment of the Hungarian minority continues unabated.

The time has come to stand up for the human rights aspirations of the Romanian people. We must vote to deny MFN status. Otherwise it will appear to the Ceausescu regime that there is little chance MFN status will ever be withdrawn. Each year—as the time for MFN renewal approaches—a few concessions are made, persecution of religious groups eases, and emigration increases slightly. Unfortunately, after years of deceit, many remain blind to the clyclical nature of these paultry symbolic concessions, and MFN status has always been approved. Once approval is given, repression and harassment resume.

If the granting of MFN status is to be an effective foreign policy tool, it must be withdrawn from Romania now. Only then will the United States be taken seriously when it offers trade concessions to Communist regimes in exchange for human rights and emigration reform. I urge all of my colleagues who share my concern for human rights to vote for adoption of this resolution.

Mr. BADHAM. Mr. Speaker, the American taxpayer is expected to do many things by many people, in and out of Government. Those who would support most-favored-nation status for Romania are asking the American taxpayer to subsidize a brutally repressive regime. This has been said many times before but for once we must be willing to stop putting the taxpayer's money where our mouths are.

In 1985, the United States ran a trade deficit of well over $700 million with the Communist Government of Romania. Under the program of most-favored-nation status, many Romanian products were shipped to the United States duty-free. So not only are we running a substantial trade deficit, we are expected to forgo normal import fees, thus contributing even further to our domestic deficit.

This would be a wrong-headed policy if we were talking about an allied democracy, but it becomes truly absurd when we allow a Communist dictatorship to take advantage of our trade policies without so much as a hint of a change in its emigration restrictions.

The burden of proof should not be upon those of us who oppose most-favored-nation status for Romania. Let those who see some improvement in the plight of the Romanian people stand here before us and show how the situation has been bettered by 10 years of most-favored-nation status. Let them respond to the Helsinki Watch Human Rights Committee when it states that Romania is one of the worst offenders of human rights in Eastern Europe. Let them respond to the thousands of Romanians who will never be allowed to leave that conquered land for freedom. Let them explain why the United States should help support a Soviet puppet that has not complied with any of the Jackson-Vanik requirements. And after they have spoken here, let them explain it to the American taxpayer.

Mr. GREEN. Mr. Speaker, no consideration of human rights abuses in Romania would be complete without mentioning the Hungarian minority in that country.

The repression of the 2.5 million Hungarian nationals in Romania, who constitute more than 10 percent of the population, continues unabated. In fact, according to testimony in congressional hearings, this repression is on the rise; in recent years, all television broadcasting in Hungarian has been stopped and Hungarian schools are being closed.

According to the State Department's Country Report on Human Rights, "In 1985 there were frequent reports of confiscations of foreign-source materials, including Hungarian-language publications, at the border * * *." In 1985 there was reportedly an increase in the number of books banned or restricted.

Since 1975, when the United States granted most-favored-nation status to Romania, it has

become increasingly clear that the goal of the Romanian Government is to destroy the very fabric of the cultural and religious life of its Hungarian citizens.

Just as the United States Government expresses its concerns for oppressed minorities in countries around the world—the Jews of the Soviet Union, the Tamil Separatists in Sri Lanka, the Sikhs of India—so must we continue to speak out on behalf of the Hungarians in Romania.

To continue to reward Romania with trade concessions while its government denies its minorities the most basic of human rights is wrong. I, therefore, urge my colleagues to send a message of hope to the beleaguered Hungarian minority and suspend MFN status for Romania.

Mr. GILMAN. Mr. Speaker, I rise in reluctant opposition to the motion of my good friend, the gentleman from Illinois [Mr. CRANE], and in support of President Reagan's decision to extend most-favored-nation status to Romania for another year.

No one in this Chamber can deny that Romania has an abysmal record on human rights. The issue, however, is not the human rights situation per se, but what good can be accomplished by our continuing imposition of trade restrictions on Romania; also we seek to improve Romanian emigration and its human rights policies.

Romania of late has been fairly responsive on emigration issues, especially family reunification cases. We have been able to make some progress on certain specific abuses of human rights. The political situation in Romania is subject to change, with the current leadership aging and under stress. It is therefore important that we should maintain our ties to the Romanian Government in order to have some access should a leadership change occur. Romania's current foreign policy of good relations with the United States, Israel, China, and West Germany, and of only limited participation in the Warsaw Pact, is of importance to our Nation.

By tabling this motion, we are not indicating our support for the intolerant aspects of Romania's policies. Rather, we are maintaining a weapon to blunt those policies in important respects. Let us discard that weapon.

Accordingly, I urge support for the motion to table the motion to discharge.

Mr. CRANE. Mr. Speaker, I yield myself the remainder of my time.

Mr. Speaker, we have heard commentary on some of the economic aspects of this relationship that we have with Romania. I think it is important to again harken back to Gen. Ion Pacepa's comments as they appeared in the Wall Street Journal.

"Mr. Ceausescu," as he indicated, "serves as a conduit for the transmission of embargoed Western technology to Moscow."

Then the Free Romania in May of this year pointed out that Romania's economic ties to the Soviet Union have increased, so indirectly we are providing assistance to the Soviet economy.

In this year, Soviet technical aid projects in Romania grew to 41 under the newest 5-year plan. Plants producing steel, electrical power, rolling stock and aircraft are being equipped with Soviet machinery. More and more Romanian plants are becoming involved in joint production arrangements using Soviet technology. Romania has also emerged as a large-scale producer of Soviet types of armaments, both for export to Russia and to Russia's clients in the Third World and elsewhere.

Finally, in conclusion, Mr. Speaker, let me again try to reframe the nature of this debate.

We have, theoretically, if my motion prevails, 20 hours allocated for debate. By a prior agreement, Mr. Speaker, I will make a unanimous-consent request if my motion prevails that that be limited to 1 hour.

Second, this is not a one-House veto. If we are going to overturn the President's action that has previously been taken, it would require companion action in the Senate, which is not contemplated, and the deadline for that action would be August 3; in any event, too short for Senate action.

What we are doing here is sending a message to those people who have been amongst the most flagrant violators of human rights, the Jackson-Vanik provisions with respect to freedom of emigration, people who have engaged in terrorist acts themselves, perpetrated by themselves, but who have also trained terrorists within their borders. These are people who have bulldozed churches and converted Bibles into toilet paper.

This, my colleagues in this body must recognize, is the only chance they are going to have to go on record and to be heard as far as having taken a public position on the issue.

I would urge all of my colleagues to vote against the motion to table and to support the resolution. It is a statement. It is a communication on this vital issue, this human rights question, and in fact is, as my colleague from Virginia noted earlier, probably the most meaningful human rights vote that this body will have the opportunity to take this year.

I urge my colleagues to defeat the motion to table and to support my resolution.

Mr. GIBBONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, many of the major human rights groups in the United States who are involved with this issue supports the motion I am about to make to table the Crane motion.

The President of the United States supports the motion. The Secretary of State supports the motion. The Secretary of Commerce supports the motion. Most of the major Jewish organizations in the United States agree with the motion I am about to make. Most of the major Christian organizations agree with that position.

PREFERENTIAL MOTION OFFERED BY MR. GIBBONS

Mr. GIBBONS. Mr. Speaker, I offer a preferential motion.

The SPEAKER pro tempore (Mr. NATCHER). The Clerk will report the preferential motion.

The Clerk read as follows:

Mr. GIBBONS moves to lay the motion of the gentleman from Illinois [Mr. CRANE] on the table.

The SPEAKER pro tempore. The question is on the preferential motion offered by the gentleman from Florida [Mr. GIBBONS].

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. GIBBONS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 216, nays 190, not voting 25, as follows:

[Roll No. 255]

YEAS—216

Ackerman	Evans (IA)	Lightfoot
Anderson	Evans (IL)	Lipinski
Andrews	Fascell	Loeffler
Annunzio	Fazio	Long
Anthony	Flippo	Lowry (WA)
Archer	Florio	Luken
Aspin	Foley	Lundine
Atkins	Ford (MI)	MacKay
AuCoin	Frank	Manton
Bateman	Frenzel	Markey
Bates	Frost	Martin (IL)
Bedell	Fuqua	Martinez
Beilenson	Garcia	Matsui
Bennett	Gejdenson	Mavroules
Bereuter	Gephardt	Mazzoli
Berman	Gibbons	McCollum
Biaggi	Gilman	McHugh
Boland	Glickman	McKinney
Bonior (MI)	Gonzalez	Meyers
Bonker	Gordon	Mica
Borski	Gradison	Michel
Bosco	Gray (IL)	Mikulski
Boucher	Gray (PA)	Miller (CA)
Boxer	Guarini	Mineta
Brooks	Hamilton	Mitchell
Brown (CA)	Hatcher	Moody
Bruce	Hawkins	Morrison (CT)
Burton (CA)	Hayes	Natcher
Bustamante	Hillis	Oakar
Carper	Horton	Oberstar
Chappell	Howard	Obey
Clay	Hoyer	Olin
Clinger	Hughes	Ortiz
Coleman (MO)	Jacobs	Owens
Combest	Jeffords	Panetta
Conte	Johnson	Pease
Conyers	Jones (NC)	Penny
Cooper	Jones (OK)	Pepper
Coyne	Jones (TN)	Perkins
Craig	Kaptur	Petri
Daschle	Kastenmeier	Pickle
de la Garza	Kennelly	Price
Dellums	Kildee	Rahall
Dicks	Kleczka	Rangel
Dingell	Kolter	Richardson
Dixon	LaFalce	Roberts
Donnelly	Lantos	Rodino
Dorgan (ND)	Leach (IA)	Roe
Dowdy	Lehman (CA)	Rostenkowski
Downey	Lehman (FL)	Roukema
Dymally	Leland	Rowland (CT)
Edgar	Lent	Rowland (GA)
Edwards (CA)	Levin (MI)	Russo
English	Levine (CA)	Sabo

Savage	St Germain	Visclosky
Scheuer	Staggers	Waldon
Schneider	Stallings	Waxman
Schroeder	Stangeland	Weber
Schumer	Stark	Weiss
Seiberling	Stokes	Wheat
Sharp	Stratton	Whitehurst
Shaw	Studds	Whitten
Shelby	Swift	Williams
Sikorski	Synar	Wilson
Sisisky	Tauke	Wirth
Skelton	Thomas (CA)	Wise
Slattery	Thomas (GA)	Wolpe
Smith (FL)	Torres	Wright
Smith (IA)	Torricelli	Wyden
Smith (NE)	Traficant	Wylie
Solarz	Vander Jagt	Yates
Solomon	Vento	Zschau

NAYS—190

Akaka	Green	Packard
Alexander	Gregg	Pashayan
Applegate	Hall (OH)	Porter
Armey	Hall, Ralph	Pursell
Badham	Hammerschmidt	Quillen
Bartlett	Hansen	Ray
Barton	Hefner	Regula
Bentley	Hendon	Reid
Bevill	Henry	Ridge
Bilirakis	Hertel	Rinaldo
Bliley	Hiler	Ritter
Boehlert	Holt	Robinson
Boggs	Hopkins	Roemer
Boner (TN)	Hubbard	Rogers
Boulter	Huckaby	Rose
Breaux	Hunter	Roth
Broomfield	Hutto	Roybal
Brown (CO)	Hyde	Rudd
Bryant	Ireland	Saxton
Burton (IN)	Jenkins	Schaefer
Byron	Kanjorski	Schuette
Callahan	Kasich	Schulze
Carr	Kemp	Sensenbrenner
Chandler	Kindness	Shumway
Chapman	Kolbe	Shuster
Chappie	Kramer	Siljander
Cheney	Lagomarsino	Skeen
Coats	Latta	Slaughter
Cobey	Leath (TX)	Smith (NJ)
Coble	Lewis (CA)	Smith, Denny (OR)
Coleman (TX)	Livingston	Smith, Robert (NH)
Coughlin	Lloyd	Smith, Robert (OR)
Courter	Lott	Snowe
Crane	Lowery (CA)	Snyder
Daniel	Lujan	Spence
Dannemeyer	Lungren	Spratt
Darden	Mack	Stenholm
Daub	Madigan	Strang
Davis	Martin (NY)	Stump
DeLay	McCain	Sundquist
DeWine	McCandless	Sweeney
Dickinson	McCloskey	Swindall
DioGuardi	McCurdy	Tallon
Dornan (CA)	McDade	Tauzin
Dreier	McEwen	Taylor
Duncan	McGrath	Traxler
Durbin	McKernan	Valentine
Dwyer	McMillan	Volkmer
Dyson	Miller (OH)	Vucanovich
Early	Miller (WA)	Walgren
Eckart (OH)	Molinari	Walker
Eckert (NY)	Monson	Watkins
Edwards (OK)	Montgomery	Whitley
Emerson	Moorhead	Whittaker
Erdreich	Morrison (WA)	Wolf
Fawell	Mrazek	Wortley
Fiedler	Murphy	Yatron
Fields	Murtha	Young (AK)
Fish	Myers	Young (FL)
Franklin	Neal	Young (MO)
Gallo	Nelson	
Gaydos	Nichols	
Gekas	Nielson	
Gingrich	Nowak	
Goodling	Oxley	

NOT VOTING—25

Barnard	Foglietta	Moakley
Barnes	Ford (TN)	Mollohan
Campbell	Fowler	Moore
Carney	Grotberg	Parris
Coelho	Gunderson	Towns
Collins	Hartnett	Udall
Crockett	Kostmayer	Weaver
Derrick	Lewis (FL)	
Feighan	Marlenee	

□ 1355

The Clerk announced the following pair:

On this vote:

Mr. Barnard for, with Mr. Lewis of Florida against.

Mr. MRAZEK and Mr. REID changed their votes from "yea" to "nay."

Messrs. WEBER, CONYERS, STANGELAND, ANDREWS, PEASE, SKELTON, BOLAND, FLIPPO, STAGGERS, and HAYES changed their votes from "nay" to "yea."

So the preferential motion was agreed to.

The result of the vote was announced as above recorded.

NATIONAL FOREST SKI AREA PERMIT ACT OF 1986

Mr. SEIBERLING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4489) to provide for ski areas on national forest lands, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4489

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Forest Ski Area Permit Act of 1986".

SEC. 2. PURPOSES.

The purposes of this Act are to—

(a) provide a unified and modern permitting process for nordic and alpine ski areas on national forest lands;

(b) provide for ski area permits which more closely reflect the acreage and other physical requirements of modern ski area development; and

(c) provide a permit system which will be more commensurate with the long-term construction, financing, and operation needs of ski areas on national forest lands.

SEC. 3. SKI AREA PERMITS.

(a) LAW APPLICABLE TO PERMITS.—The provisions of the Act of March 4, 1915 (16 U.S.C. 497) notwithstanding, the term and acreage of permits for the operation of nordic and alpine ski areas and facilities on National Forest System lands shall henceforth be governed by this Act and other applicable law.

(b) AUTHORITY.—The Secretary of Agriculture (hereinafter referred to as "the Secretary"), subject to such reasonable terms, conditions, and permit fees as he deems appropriate, is hereby authorized to issue permits (hereinafter referred to as "ski area permits") for the use and occupancy of suitable lands within the National Forest System for nordic and alpine skiing operations and purposes. A ski area permit—

(1) may be issued for a term not to exceed 40 years;

(2) shall ordinarily be issued for a term of 40 years (unless the Secretary determines that the facilities or operations are of a scale or nature as are not likely to require long-term financing or operation), or that there are public policy reasons specific to a particular permit for a shorter term;

(3) shall encompass such acreage as the Secretary determines sufficient and appropriate to accommodate the permittee's need for ski operations and appropriate ancillary facilities;

(4) may be renewed at the discretion of the Secretary;

(5) may be canceled by the Secretary in whole or in part for any violation of the permit terms or conditions, for nonpayment of permit fees, or upon the determination by the Secretary in his planning for the uses or the national forests that the permitted area is needed for higher public purposes; and

(6) may be modified from time to time by the Secretary to accommodate changes in plans or operations in accordance with the provisions of applicable law.

(c) RULES AND REGULATIONS.—Within one year after the date of enactment of this Act, the Secretary shall promulgate rules and regulations to implement the provisions of this Act, and shall, to the extent practicable and with the consent of existing permit holders, convert all existing ski area permits or leases on National Forest System lands into ski area permits which conform to the provisions of this Act within 3 years of the date of enactment of this Act.

(d) Nothing in this Act shall be deemed to amend, modify or otherwise affect the Secretary's duties under the National Environmental Policy Act, or the Forest and Rangelands Renewable Resources Planning Act as amended by the National Forest Management Act, including his duties to involve the public in his decisionmaking and planning for the national forests.

The SPEAKER pro tempore. (Mr. NATCHER). Pursuant to the rule, a second is not required on this motion.

The gentleman from Ohio [Mr. SEIBERLING] will be recognized for 20 minutes and the gentleman from Colorado [Mr. STRANG] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. SEIBERLING].

Mr. SEIBERLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4489 would institute a modernized and streamlined system for issuing permits for ski areas to operate on our national forests.

There are 170 ski areas now using national forest lands, and they presently operate under a clumsy, two permit system that gives them a long-term permit for a very small part of the land they use, while allowing the use of the vast majority of their area under a permit which has to be renewed every year.

The ski industry fears that this system—based on a 1915 law—will impede their ability to finance the growth and improvement they need to meet the demand of the public for ski facilities in the future.

H.R. 4489 replaces the dual permits with a single, long-term permit of up to 40 years, which will allow the orderly, planned development of ski facilities on the public lands and help the permittees obtain financing from private parties for that purpose.

I want to emphasize that this bill is quite clear in not doing anything to reduce the environmental standards which proposed new ski facilities or new ski areas have to meet to get approval. The committee strongly supports the comprehensive analysis of the environmental impacts of such development, and vigorous efforts of the Forest Service, working with State and local officials, to hold these developments up to a high standard and to mitigate environmental impacts.

Mr. Speaker, this is a bipartisan bill with a long list of cosponsors, but I wish to particularly single out the author of the bill, Representative TIM WIRTH of Colorado, for his initiative and leadership on this bill. In addition, our colleagues on the committee, BILL RICHARDSON, RICK LEHMAN, and MIKE STRANG have been most helpful in working to arrive at a final product that all the sponsors of the bill can support. I urge all of my colleagues to support this bill.

Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. WIRTH].

□ 1410

Mr. WIRTH. Mr. Speaker, initially I want to point out that this legislation has moved in a 120-day period of time from introduction to its debate here on the floor today. The expeditious handling of this legislation is a tribute to the leadership of the gentleman from Ohio [Mr. SEIBERLING] and the gentleman from Arizona [Mr. UDALL], and I want to express my thanks and those of all of the sponsors of the legislation for their great help.

I would also like to thank the gentleman from Texas [Mr. DE LA GARZA], the gentleman from Washington [Mr. FOLEY], and the gentleman from North Carolina [Mr. WHITLEY], who have helped us get this bill through the Committee on Agriculture, and my colleagues from the Rocky Mountain region who have helped so much on the legislation, the gentleman from Colorado [Mr. STRANG] and the gentleman from New Mexico [Mr. RICHARDSON].

Each year, Mr. Speaker, more and more Americans are using our great outdoors, and our national forests are certainly no exception. These forests are home to most of the ski areas of the West, and the use is remarkable. For example, last year, while 44 million tickets were sold to major league baseball, 55 million ski-lift tickets were sold.

Mr. Speaker, recreation and tourism is now the second largest industry in Colorado, surpassing both agriculture and mining. Skiing is a big part of that recreation industry. In Colorado alone, the ski industry generates 44,500 jobs and $132 million in State and local taxes. Overall, this industry makes a $1.3 billion contribution to the State's economy.

On the western slope of the Rockies, the ski industry is even more important to the economy. In that part of my State, skiing accounts for a remarkable 25 percent of total employment, 32 percent of retail sales, 21 percent of personal income, and 45 percent of all housing construction.

Skiing is important to Colorado, as it is to other States in the Rocky Mountain West and other regions.

However, much of the land base that makes for good skiing is controlled by the Federal Government. As a result, 28 of the total 37 ski areas in Colorado operate on national forest land. Across the country, 170 ski areas rely on national forest lands.

H.R. 4489 was designed to modernize the ski area permitting process. Under current Federal law, ski area owners can get one 30-year permit for up to 80 acres of land. But virtually all ski areas are larger than that, many are much larger. As a result, they must also get a second permit for the rest of the ski area. And this second permit must be renewed every year.

This dual permit process imposes an unnecessary regulatory burden on ski areas. More important, the 1-year permit makes it difficult for ski area operators to raise the capital they need to make the improvements that are absolutely necessary to keep our ski areas safe and world competitive.

H.R. 4489 solves this problem by providing for one consolidated permit for the entire area that is necessary to operate a ski area within a national forest. It also reflects the current financial realities by extending the maximum permit term to 40 years.

Mr. Speaker, this bill responds to a very real problem that confronts the 170 ski areas that operate within the national forests. At the same time, this bill does not reduce our commitment to protecting and enhancing wildlife habitat, fishing streams, and the scenic vista that are an integral part of an American family's ski vacation.

In sum, Mr. Speaker, this is a good bill for Colorado and other States in which skiing is an important part of their economies. It provides much-needed reform without detracting at all from the other purposes for which national forests are, and must be, managed. I urge our colleagues to support this bill.

Mr. STRANG. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the subcommittee chairman for his expeditious handling of H.R. 4489, the National Ski Area Permit Act of 1986. As you know, skiing is an integral part of our economy in Colorado. Anything we can do to encourage future development and protect existing ski areas is welcomed by the people of Colorado as well as the thousands of recreationists from all over the country who enjoy skiing.

As you know, skiing provides more recreation on less public land than any other type of recreational activity. Commercial alpine and nordic ski operators occupy less than five one hundredths of 1 percent of all national forest land, but account for almost 6 percent of current overall national forest visitor use. I know of no other recreational pursuit that includes more members of the family—that is more healthful and promotes an appreciation of the outdoors—that generates more revenues for the Forest Service and does it on such a tiny area of land.

According to the 1985 update of "The Contribution of Skiing to the Colorado Economy," the ski industry represents the largest single industry on Colorado's western slope. The industry supports over 44,500 jobs and generates over $1.3 billion per year in retail sales. In 1985, 9 million skiers visited Colorado and spent nearly $800 million. State and local tax receipts added up to $132 million.

I think you get my point—skiing is very important to the western slope and to Colorado. I know that is also important to my colleagues from Montana, Wyoming, Idaho, Utah, Nevada, and New Mexico. Mr. Speaker, as the gentleman stated, H.R. 4489 will help to change the Forest Service's antiquated method of issuing permits for ski area developments.

Currently, the Forest Service can only issue a permit for up to 80 acres for a 30-year period. If a permittee needs additional acreage for the existing ski area or needs more than 80 acres for the initial area, he must apply for a second permit which is good for 1 year at a time.

As we discovered in the hearing on H.R. 4489, investors are often reluctant to lend substantial amounts of money for developments that are permitted for 1 year even when those permits are normally renewed automatically. The ski industry originally requested changing the permit system to one permit of up to 55 years to eliminate some of the uncertainty associated with obtaining financial commitment for ski areas developments. Although the Forest Service supported the consolidation of permits, it objected to the 55-year permit of the original legislation. I believe 55 years is a reasonable request, however, the Forest Service and the ski industry support a compromise of 40 years. Therefore, in spirit of compromise, I along with other members of the Interior Committee support the 40-year compromise.

Again, Mr. Speaker, I know that 21 million skiers who made over 51 million visits to ski areas in this country

last year will appreciate what we have done here today.

Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. SHUMWAY].

Mr. SHUMWAY. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I would like to join my colleagues today in strong support of H.R. 4489, the National Forest Ski Area Permit Act of 1986. This sensible measure, introduced by my colleagues Mr. MICHAEL STRANG and Mr. TIM WIRTH, would authorize the U.S. Forest Service to issue unified 40-year leases for alpine and nordic winter ski resorts utilizing national forest lands.

As a result of provisions in the act of March 4, 1915, modern ski areas still operate under an antiquated dual permit system which limits long-term permits for use and occupancy of national forest lands to areas no greater than 80 acres and for periods no longer than 30 years. Thus, the Forest Service has administered recreational ski development under the 1915 act by issuing a single long-term permit pursuant to the act for 80 acres encompassing the most capital-intensive improvements—ski lifts, lodges and the like—while making available the balance of the area—including trails and slopes that can cover as much as 10,000 acres—under 1-year permits issued under the authority of the Organic Administration Act of 1897.

While the dual permit system may have been appropriate in the past when ski areas were smaller and relatively few in number, this system was not designed to handle the growth that this industry has witnessed. During the last two decades we have seen a meteoric growth in snow skiing in this country, making skiing clearly one of the fastest growing and most popular recreational uses of the national forests. In fact, while ski resorts occupy an aggregate total of less than 100,000 acres nationwide—a minute fraction of 1 percent of the total national forest lands—they account for over 6 percent of the recreational visitor-use on the forests.

As a general rule, the Forest Service has reliably renewed the annual permits as long as the present 30-year permit was in effect. Yet as resort facility growth requirements are needed to meet an ever increasing skier population, the present permit system poses a potential problem for the financing of ski areas and the accompanying capital-intensive facilities.

Pending tax-reform legislation creates additional uncertainty with regard to financing development of new resorts, and additional improvements to existing alpine areas. Recent trends in financing practices, the possible elimination of industrial revenue bonds, and the perception that an annual permit lacks the long-term security required for collateral for a private lender, will result in increased costs and diminished access to new capital for investment in new ski developments or for major improvements to existing areas. Therefore, new Forest Service permits should provide for an extended lease period so that they may be used as long-term collateral for financing improvements beyond the 5-10 years necessary to develop an area to the point where the project can attract additional private investment.

In conclusion, H.R. 4489 will play an important role in giving ski resort operators the flexibility to meet future capital requirements for upgrading the quality and safety of ski areas. I commend the sponsors, and strongly support the National Forest Ski Area Permit Act of 1986. I urge my colleagues to do likewise.

The SPEAKER pro tempore (Mr. NATCHER). The gentleman from California [Mr. SHUMWAY] has consumed 2 minutes.

Mr. SEIBERLING. Mr. Speaker, I yield 3 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Speaker, I am proud to be an original cosponsor of the National Forest Ski Area Permit Act along with 20 of my colleagues in the House. I am pleased that my amendment, the 40 years consolidated lease, was accepted as the compromise package. This legislation will go a long way in creating a favorable atmosphere to consolidate, expedite, and minimize the administrative burdens ski area operators face on U.S. Forest Service lands.

In my home State of New Mexico, seven ski resorts operate on a portion of my State's 29 million acres of Forest Service land at Taos, Santa Fe, Sandia Peak, Sierra Blanca, Couldcroft, Red River, and Sipapu. These areas have the capacity of accommodating 17,000 skiers per day. The ski industry is growing in New Mexico—providing jobs and economic development in New Mexico's Third Congressional .District. H.R. 4489 can only help to complement and promote the development of ski areas by creating a stable atmosphere in the granting of long-term leases.

The longer term consolidated lease—up to 40 years—is the most important feature of this legislation. It is a concept which has enjoyed bipartisan support. The longer term lease arrangement will enable ski operators to borrow money at lower terms to make improvements. The longer term lease possibility may ultimately result in ski enthusiasts being able to buy lift tickets at lower prices and assist the Forest Service in their overall long-term planning efforts.

Mr. Speaker, H.R. 4489, would simply consolidate current law and allow the Secretary of the interior to issue one permit to a ski resort that operates on over 80 acres of U.S. Forest Service land. That ski operator would have greater flexibility to make improvements including the construction of hotels and other buildings for recreation, public convenience, or safety.

Recently, a report completed by the Library of Congress stated that with current permitting practices, "(lenders) may compensate for the lack of collateral value in the Forest Service permit in several ways, including making less money available to a borrower, reducing the term of the loan, or charging a higher interest rate." This indicates that the current permitting practices may be limiting the availability of commercial loans necessary to expand or build a ski area.

Mr. Speaker, the ski industry is important to New Mexico—promoting jobs and clean industry—I urge my colleagues to think snow and to support H.R. 4489 and create an atmosphere that will stimulate growth in the ski industry.

□ 1420

Mr. STRANG. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SEIBERLING. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. LEHMAN], who is also one of the strong supporters of this bill in our committee.

Mr. LEHMAN of California. Mr. Speaker, I rise in strong support of H.R. 4489, the National Forest Ski Area Permit Act of 1986, legislation which will bring ski permitting on national forests into the 1980's. As my colleagues may know, the ski industry now must operate under an outmoded 1915 law which requires a dual permit system—one 30-year permit for use of 80 acres of land and yet another permit for the rest of a ski area, which must be obtained year after year after year.

The current system is inefficient from a land management point of view and it is inequitable from the ski industry point of view. Financing for the capital outlays associated with ski resorts is unnecessarily difficult under the present law, and I think we can all agree it is time for a change.

H.R. 4489 will improve the old system by consolidating two permits running different lengths of time into one permit for the entire ski area which may be issued for up to 40 years.

Mr. Speaker, skiers and the ski industry are a rapidly growing part of our American lifestyle and the American economy. My own district, which includes the Mammoth ski area, boasts some of the finest ski slopes in the world. I urge my colleagues to join in support of this bipartisan, balanced

legislation to update the process for ski permits on U.S. forest land.

I also thank the two gentlemen from Colorado and our subcommittee chairman, the gentleman from Ohio [Mr. SEIBERLING], for an outstanding job of expediting this bill.

Mr. SEIBERLING. Mr. Speaker, I yield 2 minutes to our distinguished colleague, the gentleman from Nevada [Mr. REID].

Mr. REID. Mr. Speaker, I would like to take this opportunity to extend my congratulations to the two gentlemen from Colorado [Mr. WIRTH and Mr. STRANG] for the fine work that they have done on this bill and the farsightedness they had in introducing this legislation.

I think it is important to point out that the permit system that is now in existence for ski operators is outdated and outmoded and it is time for a change. The dual permit system is something simply that should be replaced.

Skiing is good for Western States. Skiing is good in many respects, but it has certainly been good economically for the State of Nevada. It is a tourist-oriented economy we have in Nevada. I think that skiing has come into its own. It is now a modern sport and I think that if skiing is a modern sport, we should have modern laws that govern the operators.

The law governing the regulation of ski areas and the dual-permit system is outmoded, outdated and we should move into the modern world.

Therefore, I commend and applaud the subcommittee chairman, the gentleman from Ohio [Mr. SEIBERLING], for moving this as rapidly as he did and ask my colleagues to support this much-needed legislation.

Mr. SEIBERLING. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. NATCHER). The question is on the motion offered by the gentleman from Ohio [Mr. SEIBERLING] that the House suspend the rules and pass the bill, H.R. 4489, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 4489, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
July 28, 1986.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5, Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House at 3:50 p.m. on Monday, July 28, 1986 and said to contain a message from the President whereby he transmits the 1985 annual reports of the Department of Labor, of the Department of Health and Human Services, and of the Occupational Safety and Health Review Commission under the Occupational Safety and Health Act of 1970.

With kind regards, I am,

BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

ANNUAL REPORT ON ACTIVITIES UNDER THE OCCUPATIONAL SAFETY AND HEALTH ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. NATCHER) laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor:

(For message, see proceedings of the Senate of yesterday, Monday, July 28, 1986, at page 17841.)

GENERAL LEAVE

Mr. FAZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 5203, and that I may be permitted to include extraneous and tabular matter and charts.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

LEGISLATIVE BRANCH APPROPRIATIONS ACT, 1987

Mr. FAZIO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5203) making appropriations for the legislative branch for the fiscal year ending September 30, 1987, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from California [Mr. LEWIS] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. FRENZEL. Mr. Speaker, reserving the right to object, I probably will not object, but the thought did occur to me, however, that the time is equally divided between two ardent advocates of the bill. I know the gentlemen will see that some of us who take a less rosy view of the bill will be taken care of during the scheduled debate; I am secure in that confidence and have this overwhelming trust in the two gentlemen.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. FAZIO].

The motion was agreed to.

□ 1430

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5203, with Mr. GEPHARDT in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from California [Mr. FAZIO] will be recognized for 30 minutes and the gentleman from California [Mr. LEWIS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is a privilege to present the legislative branch appropriation bill for fiscal year 1987, H.R. 5203.

At the outset. I want to thank the members of my subcommittee who share the responsibility with me to oversee legislative appropriations: Mr. OBEY, Wisconsin; Mr. ALEXANDER, Arkansas; Mr. MURTHA, Pennsylvania; Mr. TRAXLER, Michigan; Mrs. BOGGS, Louisiana; Mr. WHITTEN, full committee chairman; Mr. LEWIS, California, ranking subcommittee; Mr. CONTE, Massachusetts, ranking full committee; Mr. MYERS, Indiana; Mr. PORTER, Illinois.

In addition, I want to acknowledge the Committee on House Administration who we work with very closely. That committee authorizes many of the items which we fund in the bill. I especially want to thank:

Chairman FRANK ANNUNZIO, BILL FRENZEL, ranking minority, and CHARLIE ROSE and BILL THOMAS, the chairman and ranking minority of the Office Systems Subcommittee. Our subcommittee has worked closely with them on the issue of telecommunications throughout the legislative branch.

The legislative branch appropriation bill for fiscal year 1987 totals $1,305,264,000. Of that amount, $774,838,100 is for congressional operations, excluding Senate items which we defer for consideration in the other body, and $530,426,000 for other agencies.

We have reduced the budget request by $178,954,900. A 12-percent reduction.

In comparison to the budget resolution, our report indicates on page 34 that we are $379 million under our section 302(b) target for budget authority. In the mandatory items, the bill is $49 million under the ceiling, and $330 million under our discretionary ceiling.

We are $351 million under the 302(b) outlay ceilings, of which $48 million are discretionary outlays and $303 million under in the mandatory accounts.

These figures do not include the permanent appropriations or the Senate items, all of which are assigned in our targets. While we do not have the final figures for those items, we can estimate them by using the CBO "baseline" estimates, which were the basis of most of the mandatory program targets used by CBO and incorporated in the Budget Committee allocations. I want to stress that these figures are not the official ones, but they are reasonable to use in making estimates.

Using those assumptions, the bill is $30.7 million under the 302(b) budget authority ceiling and $12.6 million under the outlay target.

Mr. Chairman, I will not quibble with these estimates, but I believe we are at least $24 million more under the outlay target, a sum of money that I believe will not be outlayed in fiscal 1987, even though they appear in the CBO and Budget Committee data bases.

In other words, my assessment would be that the bill is $36.6 million under the outlay target.

In comparison to fiscal year 1986, the bill is $46,286,100 above the post-Gramm-Rudman level. That is a 3.7-percent increase, which is even less than the 4.3-percent sequestration order.

If we look at the pre-Gramm-Rudman level—the bill actually enacted last year with the supplementals—we are $9.1 million less than fiscal year 1986. That is a 0.7-percent (seven-tenths of 1 percent) reduction.

Compared to fiscal 1985—2 years ago—the bill is less than 1 percent above that year. That is an average of less than 0.5-percent (five-tenths of 1 percent) increase per year.

The $46 million in increases are just a reflection of the additional costs of doing business. For example, we had to add $23 million just to pay for the merit and longevity increases for the 30,000 employees of the legislative branch funded in this bill and to fund authorized positions; we had to add $6 million for the new retirement program just for House employees; there is a $1.9 million increase for a raise for the Capitol police; we had to add $3.5 million because of increases to our FTS telephone rates, and to fund a furniture acquisition program because GSA now requires purchase instead of long-term leases; there is an additional $14.5 million for contracts, equipment, and publication price increases; and there is $12 million due to new furniture and equipment such as that provided for the colonades in the restored Thomas Jefferson Building at the Library of Congress. These increases go far beyond the $46 million above the 1986 level. We have offset some of these costs by reducing capability, reductions in staffing, and other reductions.

For example, there will be a reduction of about 2 percent in jobs of the agencies covered by the bill. We have added 30 essential new jobs. But 62 jobs have been abolished, and the bill blocks the funding of another 428 jobs. Overall, that is a reduction of 460 jobs (2 percent).

Title I of the bill is for congressional operations. It consists of $463,832,100 for the House of Representatives; $106,324,000 for joint items; $15,532,000 for the Office of Technology Assessment; $17,251,000 for the Congressional Budget Office; $70,297,000 for the Architect of the Capitol; $39,602,000 for the Congressional Research Service; and $62 million for congressional printing and binding.

In title II, there is $2,062,000 for the Botanic Garden; $182,970,000 for the Library of Congress; $6 million for Library buildings and grounds; $123,000 for the Copyright Royalty Tribunal; $33,681,000 for additional Government Printing Office programs; $304,910,000 for the General Accounting Office; and $600,000 for the Railroad Accounting Principles Board.

In title III, there are various provisions, including one that requires the Architect of the Capitol to develop a telecommunications plan that will encompass the entire legislative branch. This is an outgrowth of hearings we held on this subject, and should enable us to take advantage of the benefits of technology and cost breakthroughs in telephone equipment, and data and voice grade switches. I believe we can achieve significant savings on equipment and maintenance and do a better job of coordinating these developments throughout the legislative branch. I want to acknowledge especially the help we have had on this subject from Congressman CHARLIE ROSE, Chairman ANNUNZIO, and Congressman BILL THOMAS.

Mr. Chairman, in summary, this is a tight bill, but a responsible one. We have tried to protect the core legislative functions that are essential to an effective Congress. We have maintained the Gramm-Rudman reductions and we have trimmed the maximum amount possible.

There is no need to apologize for this bill or for the vote of any Member in support of the bill.

I urge an "aye" vote on H.R. 5203.

Mr. TRAXLER. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I yield to the gentleman.

Mr. TRAXLER. Mr. Chairman, I want to commend the distinguished chairman of this subcommittee and the ranking member, the gentleman from California [Mr. LEWIS] also, and the members of the Committee on House Administration. Through their diligent efforts, we are going to be able to have a uniform, we hope, telecommunications system; we will be able to call the Senate without placing a long distance call, or to the Library of Congress.

I think it is awfully important that the membership know the role that each of you have played in making this a possibility. It is not a reality yet, but we are working in that direction. It makes an eminent amount of sense, but when you have the kind of turf struggles that go on around this place, including the Library of Congress and elsewhere, sometimes it is difficult to do the right thing.

The gentleman is doing the right thing; the Members are appreciative of that fact, and so are the taxpayers.

□ 1440

Mr. FAZIO. I thank my friend from Michigan.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore (Mr. LEATH of Texas). The gentleman from California [Mr. FAZIO] has consumed 10 minutes.

Mr. LEWIS of California. Mr. Chairman, I yield myself as much time as I may consume.

Mr. Chairman, I would like to take a moment to share with the House my own appreciation for my chairman, VIC FAZIO, from California. All of us know that the legislative branch bill is a very difficult bill. It is not the most delightful of activities around here to work on that measure that involves developing our own expenditures, the

required appropriations for the Congress to carry out its work.

VIC FAZIO happens to have a newspaper in his region that just loves to beat legislators over the head, and it specifically likes to keep legislative bodies like the proverbial barefoot and pregnant.

In that connection they spend plenty of time beating him over the head for his leadership in this very necessary and very important area.

It is unpopular to vote for funding for your own office, committee, and staff expenses.

The appropriations bill laid before us provides funding for the work of the Congress and those agencies which are critical in terms of backup and develop the expertise we need to carry out the work for which we are all elected; such a bill should demonstrate that the Congress is willing by example to exercise the sort of budget restraint we are calling for across the board in American Government.

You, the Members, have indicated that reducing the national deficit is of highest priority. Further, you have indicated that critical to meeting that challenge is the need to reverse past patterns of growth in appropriations. The legislative branch bill is solid evidence that we are taking you seriously. Mr. FAZIO and his staff have worked hard, and this is a tight responsible bill. This bill meets our Gramm-Rudman targets as set forth for us by the budget resolution. I am pleased to report that we are neither over the budget authority, in fact we are some $49 million under, nor are we over in the currently dreaded outlay figures. This is a tough bill. We hear testimony from our colleagues requesting assistance, we hear testimony from people who want money for various special projects and interests.

We look at the money available, and we have got to tell our friends there just "ain't" no more money. We denied budget requests to every single agency for which we are responsible, including over $22 million for the House of Representatives. Our bill is $180 million less than was requested. That reflects a full 12-percent reduction from the spending requests we received from congresssional committees, Members, and our support agencies.

Every agency took Gramm-Rudman reductions. No one escaped the sequester knife.

Because spending for the legislative branch usually is larger in even-numbered years, a comparison with the 1985 appropriations is instructive. This proposal for fiscal year 1987 is just $46 million above that which was appropriated and spent in 1985; even though it includes sizable requirements such as our computers, telephone, and office equipment costs, nonetheless the bill is a fractional increase over a 2-year period, approximately 0.5-percent adjustment per year.

Chairman FAZIO has briefly outlined the provisions of the bill title by title. I need not redundantly cover that ground. But there are two very significant areas of concern that I want to provide for the attention of my colleagues regarding this bill.

First, it should be pointed out that history and tradition in our subcommittee place committee budgets in the category of mandatory appropriations. That means that committee chairmen and ranking members go out to the House Administration Committee, make their case for spending authority, and our subcommittee then automatically appropriates. The Appropriations Subcommittee responds in this fashion to almost no other area of Government. We do not do so in defense, we do not do it for programs that affect hungry children, but nonetheless in this case because of the history of the matter this essentially is automatic appropriation. Clearly, you cannot say that committee staff expansion has been somehow considerably lower than inflation. Nonetheless, in terms of the appropriations process we essentially give those committee expansions a cursory review, and we appropriate. I think this is wrong. It is something we should change in the future. I think we do a better job of controlling that pattern of growth if the Appropriations Committee helped our colleagues on the Committee on House Administration.

In another area, my concern centers around the continued escalation in the volume of congressionally initiated mail and the cost of that mail. Modernization of Congress has not automatically led to a less expensive Congress. The computer is upon us, and we are using it to a fare-thee-well. The flood of unsolicited mail that flows from these Halls, at every quiver in the legislative process, costs money. This bill reflects that reality. The Post Office Department estimates that we will need approximately $96 million to pay our postage bill this year.

The Franking Commission, I might add, under the leadership of BILL FRENZEL, will soon be sending to each Member a series of suggested changes in the Congressional Mail Program with requests for your reaction, individual Members' reactions and suggestions. Only through your serious attention to the ways and means available to us for reducing this explosive pattern of mail growth will we actually be able to control the efforts to reduce spending by the legislative branch reflected in this bill.

As a member of the Franking Commission, I will await your response, and I urge your support for many of those changes while at this hearing I urge your support for this legislative branch appropriations bill.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore (Mr. LEATH of Texas). The gentleman from California [Mr. LEWIS] has consumed 7 minutes.

Mr. FAZIO. Mr. Chairman, I yield as much time as he may consume to the chairman of the Committee on House Administration, my good friend, the gentleman from Illinois [Mr. ANNUNZIO].

Mr. ANNUNZIO. I thank Chairman FAZIO.

Mr. Chairman, I rise in support of this year's legislative branch appropriations bill. The amount requested is below last year's request before applying Gramm-Rudman. This bill holds the line on spending. It recognizes and funds only the absolutely essential needs of the Congress. The request sets an example for the executive branch on fiscal restraint. Overall the growth rate is lower than ever before. My congratulations to the fine stewardship of Chairman FAZIO, his ranking minority member, Mr. JERRY LEWIS, and the other members of the Appropriations Subcommittee for an excellent job and a responsible effort. We owe much credit to Chairman WHITTEN and ranking minority member Mr. CONTE for setting the stage for this appropriation, and all the other appropriations. They have been frugal, yet judicious, fair, and sensitive managers of the Nation's tax dollars.

In several categories there are overall reductions. Every effort will be made during this period of reduced resources to ensure that Members can continue to communicate with their constituents. That is the very heart of our jobs. My committee will try to make scarce resources go further. But do not expect any additional allowance authorization, though we will make every effort to free up as many dollars as we can.

And let me repeat a statement I made on the floor at the beginning of this session: If you vote to create any special or select committees in the next Congress, you had better be prepared to vote money for them. It would unfairly raise the expectations of various constituent groups to vote for the creation of a committee and then refuse to support the funds necessary to operate it.

I have repeated this statement time and time again. I have come to the floor of this House, and have asked Members of the Congress who want to create these committees to stop demagoging. If you vote for these committees, then have the guts to vote for the funds.

As far as the Committee on House Administration and my ranking committee member, Mr. FRENZEL, are concerned, we have cautioned repeatedly

about creating these committees, and we are going to continue to do so

I also want to mention that the House has bought a phone system. It will be much more cost effective than our present arrangement, and will save the House a substantial amount of money. Since the necessary funds for installation are not included in this bill, I will seek funding as the necessary amounts determined.

Again I want to thank Chairman FAZIO for giving me this time. I congratulate his subcommittee and the full committee for successfully completing the thankless task of sorting through all the competing financial demands of the institution and recommending reasonable sums only for those functions which are meritorious.

I want to say that in complying with the Gramm-Rudman sequestrations earlier this year, all of the committee chairmen have been most cooperative. Only where necessary have they come to the committee seeking additional funds. However, despite the fact that the cases that they brought before us were deserving, we have processed no supplemental funding resolutions. We have reduced Members' expenses, we have had to cut positions, we have done everything possible to comply with the act. But if there is an effort made this afternoon, and I am not sure whether such an effort will be made, to have an across-the-board cut, remember you are cutting the very guts of our legislative system. If this Congress cannot serve its constituents, or cannot carry on the work of is committees, then this Congress has no right to function.

So I urge all of you to vote down any attempt at an indiscriminant, across-the-board cut, because as chairman of the full Committee on House Administration, the membership of the Legislative Branch Appropriations Subcommittee and its chairman know, I have tried to hold the line. I have tried to meet the requests of the individual Members with the available resources, and I have tried to meet the requests of the chairmen and their ranking minority members.

So I ask you to vote "aye" with the subcommittee on the legislative appropriations bill, and support an orderly process of implementing the Gramm-Rudman cuts.

The CHAIRMAN pro tempore. The gentleman from Illinois [Mr. ANNUNZIO] has consumed 6 minutes.

Mr. LEWIS of California. Mr. Chairman, I yield 5 minutes to my colleague, the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, I rise, as have the three previous speakers, to salute the subcommittee for its splendid work, and to pick up on a theme that two other speakers have raised here already, and that is the prospective change in our telephone system which has been a matter, I think, of excellent cooperation and communication between a number of our committees, including the Legislative Appropriations Subcommittee and the Committee on House Administration.

□ 1455

Because of deregulation and because of an obsolescent system, we have been obliged to plan for a new system. In addition to providing better service and coordinated service, we estimate that we are going to save an awful lot of money over the next 10 years with this new system, perhaps as much as $25 million.

It has already been noted here that the gentleman from North Carolina [Mr. ROSE] and the gentleman from California [Mr. THOMAS] have been largely responsible for this and I, for one, believe that is true. But they have been supported by the gentleman from Illinois, the gentleman from California [Mr. FAZIO] and others. That is the kind of work that people on the outside, and even those of us on the inside, are really never aware of. Two members of our group spent time at nearly 100 meetings over the past year, in addition to their regular work, to work this matter out.

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I appreciate the gentleman mentioning the names, but I want to be sure the record reflects the outstanding cooperation we received from the gentleman from Minnesota [Mr. FRENZEL] on all aspects of the work in the House Administration Committee, especially on this telephone system.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for his generous comments.

Mr. Chairman, I want to go forward and suggest that what the gentleman from California [Mr. LEWIS] has said about this bill is true. The Legislative Subcommittee of the Committee on Appropriations is no longer a fun place. You cannot give out goodies to every Member who walks down the street. You have to be a little tight. Gramm-Rudman and the looming deficit has made that committee a lot less attractive. It is having to stand up and say, no, we cannot give you this, or we cannot give you that.

I want to commend the committee for its work. But I also want to tell the Members of this body that I intend to offer an amendment to help it with its work so that we can do it a little bit better than this bill. I appreciate that it is easier for me because I do not have to listen to the people who come and present the cases that committee members do.

I do not mean to second guess their judgment. I simply mean that, as a single Representative, I feel obliged to offer an amendment that does a bit more cutting than they do.

I want to invite the attention of the Members to a couple of facts. The first one is that this bill appropriates about $46 million more than the bill did last year, including supplementals, and that is a postsequester comparison. That means that this year's expenditures projected, if we assume no supplementals, are about 3.51 percent more in budget authority than last year.

I think this is one of the few subcommittees where we do not worry a great deal about outlays. They are roughly the same as budget authorities, except for small amounts that are squirreled away in some funds that do not cancel for a while.

But my problem with the bill is that we have given ourselves too-juicy an increase and I am going to ask the House to reduce some of that.

Let me now identify what some of these items are in the $46 million of increases.

The House leadership, all of them, the majority, minority wrapped up as a whole, have an increase of about 6 percent over last year. That is more than inflation. That is more than their duties would seem to require.

Committee employees, I regret to have to say, are costing 16 percent more than last year. That is an item I would identify as the statutory committee employees, or rule XI employees.

Standing committees, which in this bill are the investigative committee staff, are given a 7-percent increase, again more than twice of inflation.

The Committee on Appropriations, which is bringing us this bill, has a 10-percent increase in the moneys expended for its staff. I am sure it is looking for a tougher year next year, but I wonder how we can justifiy that.

The Doorkeeper gets 10 percent more. The Democratic Steering Committee and the Republican Conference, receive an 18-percent increase.

The Joint Committee on Printing, I doubt there are two dozen Members in this hall who could identify that committee or what it does or if indeed it ever meets, it gets a 5-percent increase, which is slightly larger than the cost of inflation.

The Office of Technology Assessment receives twice the increase of inflation. I am sure we have all read some of its reports.

The Congressional Budget Office, the world's greatest estimating group, will be given a 7-percent increase.

The GAO, that crowd that can count the beans in the jar if there are no

more than three, is getting a 6-percent increase, which is again twice the cost of inflation.

If you look on page 49, you will see that all House operations expenses are up by 7 percent or $34 million. Perhaps that increase is necessary, but I would like to give the Members a chance to vote on it.

I do not think we can convince the public that we have a handle on our fiscal problem unless we restrain our expenditures to last year's expenditures, or at least to something less than twice the rate of inflation.

We have made some cuts. We cut the Botanic Garden. We cut the Joint Committee on Taxation and the Biomedical Ethics Board and even the Architect of the Capitol.

Mr. Chairman, I do not want to go through all the accounts in the legislative appropriation budget. It is clear the committee has done a good job. It is trying to restrain itself. We have seen what I would call abnormal growth in its account over the years, and the committee has made a good step forward this year.

I will offer an amendment to eliminate that $46 million increase, which is mostly going to our employees for our own operation. I would think that if every Member worked a little bit harder and each Member's staff worked a little bit harder, we should be able to get along next year on the amount of money that was given to us.

Incidentially, my amendment will not include the Office of the Chaplain, nor the amount for the widow of one of our deceased Members, but it will include all of the others across the board. It is the usual amendment which ratifies the decision of the committee with respect to the comparative standing levels in the budget, but seeks to make an amendment to take us down to last year's budget authority level.

Mr. LEWIS of California. Mr. Chairman, I yield 8 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I, like the gentleman from Minnesota, have some concerns about the bill. For example, on page 3 of the bill I note that the furniture and furnishings account for the House of Representatives has gone up by $518,000 over last year, which is a 54-percent increase over last year's spending. One has to wonder why we need to increase furniture by 54 percent in a year in which we are attempting to maintain some semblance of order in our budgetary matters.

A more major concern for me is when I get back to page 10 of the bill and look at the amount of money for the official mail costs. The amount of money in the bill is certainly in line with the figure that we spent this year. However, there is some interesting language put into the bill, and that is that the money is going to be made available immediately upon enactment of this act, which literally means that this bill becomes a supplemental appropriation for this year's overspending in the frank mail account. That gives this gentleman some pause, because we have had quite a controversy about whether or not the House should live within its own means on franked mail. The fact is it appears as though we are not going to be able to do that based upon the last year's appropriation, and now we are coming in and suggesting that, well, we will take care of that problem by simply putting money in the next year but saying it can be spent this year, probably then short changing us for next year, which means that we will than run into the same problem again.

Far better that the House would become a little bit more responsible in its mailing patterns than to resort to this kind of legislative gimmickry.

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. FAZIO. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I would like to make clear that that language the gentleman refers to with regard to postage has been in the bill certainly as long as I have been on the committee. It is not something that has been inserted this year to deal with a particular problem.

In fact, I think it is important to point out that the Members are acting with increasing, and I might even say surprising, responsibility to reduce their mailings and the amount of money that is being spent on postage. In fact, if they keep mailing at the reduced rates that they are currently, we may well find that the amount that was cut from the $104 million that we originally provided in last year's bill, the $95.7 million that is available in the current fiscal year, might suffice. We are moving in that direction. When we know what the year-end total will be, we will make an effort to deal with that.

Mr. WALKER. Mr. Chairman, let me reclaim my time, unless the gentleman is going to yield me a little bit of time.

Mr. FAZIO. Mr. Chairman, I would be happy to respond to the gentleman's first question about furniture if the gentleman is interested.

Mr. WALKER. Mr. Chairman, I have a limited amount of time, but I am happy to yield to the gentleman from California.

□ 1505

Mr. FAZIO. Mr. Chairman, I would just simply say that this is the first year the GSA has mandated that we purchase our district office furniture. So instead of having it available to us at a lower multiyear rental or lease cost, we have to purchase it up front. That is why that percentage is as high as the gentleman indicated.

Mr. WALKER. Mr. Chairman, I thank the gentleman. That is a useful explanation. But let me say to the gentleman that the fact of the matter is that we do have a situation on franked mail cost where we are appropriating in a way which will allow this year's mail cost to be covered under next year's appropriation. That gives this gentleman some concern.

I am happy to hear from the gentleman that the Members are becoming more responsible in their mailing habits. That may be good news for the future, and hopefully that can hold up.

I had checked with the staff previously on section 303 of the bill. I am told that that section is also language that has been carried in previous years and represents no change in the act. I simply was concerned because it showed up in a place in the bill or in the report that indicated a legislative change.

Mr. Chairman, I have one final question, if I may, of the subcommittee chairman. On page 29 of the bill, in section 307, there is language that appears to be an effort to take line items out of the Budget Act with regard to Congress. In other words, it appears to this gentleman as though what we are trying to do is increase the latitude to adjust moneys within accounts under the Budget Act. Is that in fact the intent of this particular section of the bill?

Mr. FAZIO. Mr. Chairman, if the gentleman will yield, I might just indicate that I appreciate having the chance to clarify that. We simply found that under Gramm-Rudman we were operating with very, very strict requirements and we did need some additional flexibility in order to provide what I think is a very logical reorganization of funds. Should some sequestration occur in the future, I think we will be better prepared. This will not violate the tenets of the Gramm-Rudman law but enable us to avoid making, with regard to all the House accounts, what I think are very foolish and impossible choices between very, very small and very tightly defined accounts.

Mr. WALKER. Mr. Chairman, let me see if I understand this. Is the gentleman then indicating to us that should we go to sequestration and, say, sequestration demands a 3.7-percent cut, under this procedure the whole House of Representatives would be cut by the 3.7 percent, but individual accounts within the House of Representatives would not necessarily be cut by that amount; is that true?

Mr. FAZIO. We would have additional flexibility in that context, yes. The overall sequestration cut would certainly be made, but we would have additional flexibility in administering the cut.

Mr. WALKER. Mr. Chairman, if I could understand it, then, we might take 15 percent out of some accounts and leave other accounts untouched; is that true?

Mr. FAZIO. I would not speculate as to how we would perform, but we had a very difficult time with very exacting requirements under the existing law, and this is simply an effort to provide some additional flexibility to the fiscal managers of the House.

Mr. WALKER. Well, I would say to the gentleman that I think it is probably a useful management tool. I guess what this gentleman questions is, if it is a useful management tool for the Congress, why would it not be a useful management tool for some of the agencies of government? A number of them, for instance the Defense Department, would probably like to have the cuts specified in such a way that they did not go to individual line items as well.

It seems to me that once again we are exempting ourselves from some of the pain that we so gloriously like to inflict on others.

Mr. FAZIO. Mr. Chairman, if the gentleman will yield further, I understand the point he is trying to make, but we certainly would not want to be in the position of cutting a gratuity to a widow or cutting the pay of the chaplain or cutting back on some of the other very small accounts. This would really unneccessarily tie the hands of the House in the normal course of our business. For example, we were not able to handle the requirements of the Claiborne case in the Judiciary Committee because we did not have any flexibility.

Mr. WALKER. Mr. Chairman, if I may reclaim my time, I appreciate the point the gentleman is making. I simply say that we have a habit around here of seeing things from our own perspective and changing things as they affect us but not recognizing that that also should be true in other cases in actions that we take.

Mr. OBEY. Mr. Chairman, will the gentleman yield on that point?

Mr. WALKER. I am glad to yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I simply would point out—and I think the gentleman from California [Mr. LEWIS] would verify this—that I think the gentleman is inexact in one sense. The fact is that we have just provided in the foreign operations bill latitude for the administration to make the cuts that are going to be required in a number of accounts in order to reach the lower Gramm-Rudman outlay ceilings, and we have allowed the administration to pick and choose in terms of how they intend to move the money around within a limited number of accounts in order to accomplish that purpose.

So we are trying to provide the same degree of latitude on occasion for the executive branch.

Mr. WALKER. Mr. Chairman, I thank the gentleman for that explanation.

I would say it is my impression that we certainly have not done that across the board, and it simply struck this gentleman in reading through the bill that we were providing ourselves some latitude to try to escape some of the pain of that which we intend to inflict upon others.

Mr. FAZIO. Mr. Chairman, will the gentleman yield further?

Mr. WALKER. I yield to the gentleman from California.

Mr. FAZIO. Mr. Chairman, again I appreciate the gentleman's yielding.

I think the Members will remember that in the 1986 sequestration we provided some flexibility to the Defense Department, particularly in the area of personnel. We granted some flexibility to the Administrative Office of the Courts for the Judiciary Branch.

I think this is one way of keeping people from making unfair attacks on Gramm-Rudman and in that manner causing the bill to have a shorter stay with us.

Mr. WALKER. Mr. Chairman, I think the gentleman may be right, that it is useful, but I think the Members should know in considering the bill that we are in fact taking out of the perusal of the Budget Act the line-item authority that originally was there.

Mr. LEWIS of California. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, by way of commenting on the question raised by the gentleman from Pennsylvania [Mr. WALKER], let me say that he points to a fact in our bill. There is language that provides for some additional flexibility in terms of transferring funds when we run into special kinds of limitations or squeeze points in a legislative year.

For the record, I might mention, however, that in our total bill, all of the expenditures for the legislative branch and our support agencies reflect a very, very small—almost minuscule—part of a bill or a budget such as the Defense Department has. It is kind of like going to the Defense Department and limiting, by way of our own budgetary process, how much they will spend on brown shoes and how much they will spend on black shoes.

As a fact of life, we do need some flexibility in these very difficult times, and I personally believe it is appropriate in this bill.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I am happy to yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I think the gentleman is dead right. We have to have the ability to cut in some areas and let some go. I think the committee has handled that responsibly. Without flexibility, we cannot make rational cuts.

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I am happy to yield to the gentleman from California.

Mr. FAZIO. Mr. Chairman, if I might just read from the Gramm-Rudman law itself, I think it would be helpful in order to terminate this argument.

This is what it says:

The Committees on Appropriations of the House of Representatives and the Senate may, after consultation with each other, define the term "program, project, and activity," and report to their respective Houses, with respect to matters within their jurisdiction, and the order issued by the President shall sequester funds in accordance with such definition.

We are acting in total accordance with Gramm-Rudman.

Mr. COLEMAN of Texas. Mr. Chairman, I rise in support of the bill, H.R. 5203, the legislative branch appropriations for fiscal year 1987 and in opposition to the cutting amendments?

Mr. Chairman, this bill is under the fiscal year 1987 budget recommendations by $178,954,900 or 12 percent. It is under the 302(b) budget allocation in accordance with the conference report on the budget resolution by $49,067,000. Furthermore, 62 positions in the House of Representatives have been eliminated and 428 positions have not been funded and will be eliminated through attrition. This bill reprecents austerity, as it should, for the entire Federal Government.

While Members may demagogue on the issue of House funding, some basic facts must be pointed out. The bill before us today would appropriate $1,305,264,100 in fiscal year 1987. This funding includes $774.8 million for congressional operations and $530.4 million for the activities of related agencies, such as the Library of Congress, the General Accounting Office, and the Government Printing Office.

Since 1978, the average annual appropriations for the legislative branch has risen by 5.8 percent. At the same time, the price level measured by the Consumer Price Index has risen by 6.3 percent while expenditures for congressional operations have risen by only 5.7 percent. As a result, there has been a slippage of 5.3 percent over that period between expenditures and current services for congressional operations.

The bill, when compared to the regular appropriations for fiscal year 1986, is $9.133 million less. Last year, the Congress froze the fiscal year 1986 bill at the fiscal year 1985

level. Therefore, this bill is below the fiscal year 1985 level.

Mr. Chairman, this bill meets the needs of the Congress and the related agencies. It is not a glamorous bill, but it is the peoples' bill because the Congress and its agencies—the Library of Congress, the General Accounting Agency, and the Government Printing Office, are the peoples representatives. It is not a flamboyant bill—its costs are frozen below the fiscal year 1985 level. There is a lot of room for demagoguery, but there is no place for it. The committee has done its job well. The cutting amendments are nothing more than political posturing seeking to distort the facts for political gain. Gain at the expense of the people and their body, the Congress.

Mr. LEWIS of California. Mr. Chairman, I have no additional requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 5203

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Legislative Branch for the fiscal year ending September 30, 1987, and for other purposes, namely:

TITLE I—CONGRESSIONAL OPERATIONS

HOUSE OF REPRESENTATIVES

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to Grace Addabbo, widow of Joseph P. Addabbo, late a Representative from the State of New York, $75,100.

MILEAGE OF MEMBERS

For mileage of Members, as authorized by law, $210,000.

HOUSE LEADERSHIP OFFICES

For salaries and expenses, as authorized by law, $3,357,000, including: Office of the Speaker, $775,000, including $18,000 for official expenses of the Speaker; Office of the Majority Floor Leader, $688,000, including $10,000 for official expenses of the Majority Leader; Office of the Minority Floor Leader, $767,000, including $10,000 for official expenses of the Minority Leader; Office of the Majority Whip, $603,000, including $1,000 for official expenses of the Majority Whip and not to exceed $145,540 for the Chief Deputy Majority Whip; Office of the Minority Whip, $524,000, including $1,000 for official expenses of the Minority Whip and not to exceed $76,840 for the Chief Deputy Minority Whip.

MEMBERS' CLERK HIRE

For staff employed by each Member in the discharge of his official and representative duties, $170,186,000.

The CHAIRMAN. Are there any points of order against this portion of the bill?

Are there any amendments?

Mr. FAZIO. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The text of the remainder of the bill, is as follows:

COMMITTEE EMPLOYEES

For professional and clerical employees of standing committees, including the Committee on Appropriations and the Committee on the Budget, $48,000,000.

COMMITTEE ON THE BUDGET (STUDIES)

For salaries, expenses, and studies by the Committee on the Budget, and temporary personal services for such committee to be expended in accordance with sections 101(c), 606, 703, and 901(e) of the Congressional Budget Act of 1974, and to be available for reimbursement to agencies for services performed, $329,000.

CONTINGENT EXPENSES OF THE HOUSE

STANDING COMMITTEES, SPECIAL AND SELECT

For salaries and expenses of standing committees, special and select, authorized by the House, $48,311,000.

ALLOWANCES AND EXPENSES

For allowances and expenses as authorized by House resolution or law, $137,928,000, including: Official Expenses of Members, $79,300,000; supplies, materials, administrative costs and Federal tort claims, $14,536,000; furniture and furnishings, $1,475,000; stenographic reporting of committee hearings, $550,000; reemployed annuitants reimbursements, $750,000; Government contributions to employees' life insurance fund, retirement fund, Social Security fund, Medicare fund, health benefits fund, and worker's and unemployment compensation, $40,695,000; and miscellaneous items including, but not limited to, purchase, exchange, maintenance, repair and operation of House motor vehicles, interparliamentary receptions and gratuities to heirs of deceased employees of the House, $622,000.

Such amounts as are deemed necessary for the payment of allowances and expenses under this head may be transferred between the various categories within this appropriation, "Allowances and expenses", upon the approval of the Committee on Appropriations of the House of Representatives.

COMMITTEE ON APPROPRIATIONS (STUDIES AND INVESTIGATIONS)

For salaries and expenses, studies and examinations of executive agencies, by the Committee on Appropriations, and temporary personal services for such committee, to be expended in accordance with section 202(b) of the Legislative Reorganization Act, 1946, and to be available for reimbursement to agencies for services performed, $4,300,000.

SALARIES, OFFICERS AND EMPLOYEES

For compensation and expenses of officers and employees, as authorized by law, $51,136,000, including: Office of the Clerk, $13,825,000; Office of the Sergeant at Arms, including overtime, as authorized by law, $20,595,000, of which $1,896,000 shall be available only for adjustments in pay levels for the Capitol Police, as approved by the Committee on House Administration; Office of the Doorkeeper, including overtime, as authorized by law, $6,992,000; Office of the Postmaster, $2,278,000, including $46,722 for employment of substitute messengers and extra services of regular employees when required at the salary rate of not to exceed $16,278 per annum each; Office of the Chaplain, $73,000; Office of the Parliamentarian, including the Parliamentarian and $2,000 for preparing the Digest of Rules, $634,000; for salaries and expenses of the Office for the Bicentennial of the House of Representatives, $226,000; for salaries and expenses of the Office of the Law Revision Counsel of the House, $844,000; for salaries and expenses of the Office of the Legislative Counsel of the House, $2,700,000; six minority employees, $434,000; the House Democratic Steering Committee and Caucus, $700,000; the House Republican Conference, $700,000; and Other Authorized Employees, $1,135,000.

Such amounts as are deemed necessary for the payment of salaries of officers and employees under this head may be transferred between the various offices and activities within this appropriation, "Salaries, officers and employees", upon the approval of the Committee on Appropriations of the House of Representatives.

ADMINISTRATIVE PROVISIONS

SEC. 101. Of the amounts appropriated in fiscal year 1987 for the House of Representatives under the headings "Committee employees", "Standing committees, special and select", "Salaries, officers and employees", "Allowances and expenses", and "Members' clerk hire", such amounts as are deemed necessary for the payment of salaries and expenses may be transferred among the aforementioned accounts upon approval of the Committee on Appropriations of the House of Representatives.

SEC. 102. The provisions of H. Res. 320, approved November 14, 1985, establishing one additional position on the Capitol Police Force shall be permanent law with respect thereto.

SEC. 103. The provisions of H. Res. 21, approved December 11, 1985, establishing a Congressional child care center shall be permanent law with respect thereto.

SEC. 104. (a) The Clerk of the House of Representatives may dispose of used equipment of the House of Representatives, by trade-in or sale, directly or through the General Services Administration. Any direct disposal under the preceding sentence shall be in accordance with normal business practice and shall be at fair market value. Receipts from disposals under the first sentence of this subsection (together with receipts from sale of transcripts, waste paper and other items provided by law, and receipts for missing or damaged equipment) shall be deposited in the Treasury for credit to the appropriate account under the appropriation for "ALLOWANCES AND EXPENSES" under the heading "CONTINGENT EXPENSES OF THE HOUSE", and shall be available for expenditure in accordance with applicable law. As used in this subsection, the term "used equipment" means such used or surplus equipment (including furniture and motor vehicles) as the Committee on House Administration of the House of Representatives may prescribe by regulation.

(b) The proviso in the matter under the center heading "HOUSE OF REPRESENTATIVES" and the center subheading "OFFICIAL REPORTERS TO COMMITTEES" in the first section of the Act entitled "An Act making appropriations for the Legislative Branch for the fiscal year ending June 30, 1948, and for other purposes", approved July 17, 1947 (2 U.S.C. 84b), is amended by striking out "as 'Miscellaneous receipts' ".

(c) This section and the amendment made by this section shall take effect on October 1, 1986.

JOINT ITEMS

For joint committees, as follows:

CONTINGENT EXPENSES OF THE SENATE

JOINT ECONOMIC COMMITTEE

For salaries and expenses of the Joint Economic Committee, $2,736,000.

JOINT COMMITTEE ON PRINTING

For salaries and expenses of the Joint Committee on Printing, $919,000.

CONTINGENT EXPENSES OF THE HOUSE

JOINT COMMITTEE ON TAXATION

For salaries and expenses of the Joint Committee on Taxation, $4,159,000, to be disbursed by the Clerk of the House.

For other joint items, as follows:

OFFICE OF THE ATTENDING PHYSICIAN

For medical supplies, equipment, and contingent expenses of the emergency rooms, and for the Attending Physician and his assistants, including (1) an allowance of $1,000 per month to the Attending Physician; (2) an allowance of $600 per month to one Senior Medical Officer while on duty in the Attending Physician's Office; (3) an allowance of $200 per month each to two medical officers while on duty in the Attending Physician's office; (4) an allowance of $200 per month each to not to exceed eleven assistants on the basis heretofore provided for such assistance; and (5) $768,700 for reimbursement to the Department of the Navy for expenses incurred for staff and equipment assigned to the Office of the Attending Physician, such amount shall be advanced and credited to the applicable appropriation or appropriations from which such salaries, allowances, and other expenses are payable and shall be available for all the purposes thereof, $1,098,000, to be disbursed by the Clerk of the House.

CAPITOL POLICE

GENERAL EXPENSES

For purchasing and supplying uniforms; the purchase, maintenance, and repair of police motor vehicles, including two-way police radio equipment; contingent expenses, including advance payment for travel for training or other purposes, and expenses associated with the relocation of instructor personnel to and from the Federal Law Enforcement Training Center as approved by the Chairman of the Capitol Police Board, and including $80 per month for extra services performed for the Capitol Police Board by such member of the staff of the Sergeant at Arms of the Senate or the House as may be designated by the Chairman of the Board, $1,701,000, to be disbursed by the Clerk of the House: *Provided*, That the funds used to maintain the petty cash fund referred to as "Petty Cash II" which is to provide for the prevention and detection of crime shall not exceed $4,000: *Provided further*, That the funds used to maintain the petty cash fund referred to as "Petty Cash III" which is to provide for the advance of travel expenses attendant to protective assignments shall not exceed $4,000: *Provided further*, That, notwithstanding any other provision of law, the cost involved in providing basic training for members of the Capitol Police at the Federal Law Enforcement Training Center for fiscal year 1987 shall be paid by the Secretary of the Treasury from funds available to the Treasury Department.

OFFICIAL MAIL COSTS

For expenses necessary for official mail costs, $94,818,000, to be disbursed by the Clerk of the House, to be available immediately upon enactment of this Act.

CAPITOL GUIDE SERVICE

For salaries and expenses of the Capitol Guide Service, $880,000, to be disbursed by the Secretary of the Senate: *Provided*, That none of these funds shall be used to employ more than twenty-eight individuals: *Provided further*, That the Capitol Guide Board is authorized, during emergencies, to employ not more than two additional individuals for not more than one hundred twenty days each, and not more than ten additional individuals for not more than six months each, for the Capitol Guide Service.

STATEMENTS OF APPROPRIATIONS

For the preparation, under the direction of the Committees on Appropriations of the Senate and House of Representatives, of the statements for the second session of the Ninety-ninth Congress, showing appropriations made, indefinite appropriations, and contracts authorized, together with a chronological history of the regular appropriation bills as required by law, $13,000, to be paid to the persons designated by the chairman of such committees to supervise the work.

OFFICE OF TECHNOLOGY ASSESSMENT

SALARIES AND EXPENSES

For salaries and expenses necessary to carry out the provisions of the Technology Assessment Act of 1972 (Public Law 92-484), including reception and representation expenses (not to exceed $3,000 from the Trust Fund), and rental of space in the District of Columbia, and those necessary to carry out the duties of the Director of the Office of Technology Assessment under Section 1886 of the Social Security Act as amended by Section 601 of the Social Security Amendments of 1983 (Public Law 98-21), and those necessary to carry out the duties of the Director of the Office of Technology Assessment under Part B of title XVIII of the Social Security Act as amended by Section 9305 of the Consolidated Omnibus Reconciliation Act of 1985 (Public Law 99-272), $15,532,000: *Provided*, That none of the funds in the Act shall be available for salaries or expenses of any employee of the Office of Technology Assessment in excess of 143 staff employees: *Provided further*, That no part of this appropriation shall be available for assessments or activities not initiated and approved in accordance with section 3(d) of Public Law 92-484, except that funds shall be available for the assessment required by Public Law 96-151: *Provided further*, That none of the funds in this Act shall be available for salaries or expenses of employees of the Office of Technology Assessment in connection with any reimbursable study for which funds are provided from sources other than appropriations made under this Act, or be available for any other administrative expenses incurred by the Office of Technology Assessment in carrying out such a study.

CONGRESSIONAL BUDGET OFFICE

SALARIES AND EXPENSES

For salaries and expenses necessary to carry out the provisions of the Congressional Budget Act of 1974 (Public Law 93-344), $17,251,000: *Provided*, That none of these funds shall be available for the purchase or hire of a passenger motor vehicle: *Provided further*, That none of the funds in this Act shall be available for salaries or expenses of any employee of the Congressional Budget Office in excess of 226 staff employees: *Provided further*, That any sale or lease of property, supplies, or services to the Congressional Budget Office shall be deemed to be a sale or lease of such property, supplies, or services to the Congress subject to section 903 of Public Law 98-63.

ARCHITECT OF THE CAPITOL

OFFICE OF THE ARCHITECT OF THE CAPITOL

SALARIES

For the Architect of the Capitol; the Assistant Architect of the Capitol; the Executive Assistant; and other personal services; at rates of pay provided by law, $5,262,000.

TRAVEL

Appropriations under the control of the Architect of the Capitol shall be available for expenses of travel on official business not to exceed in the aggregate under all funds the sum of $20,000.

CONTINGENT EXPENSES

To enable the Architect of the Capitol to make surveys and studies, and to meet unforeseen expenses in connection with activities under his care, $100,000.

CAPITOL BUILDINGS AND GROUNDS

CAPITOL BUILDINGS

For all necessary expenses for the maintenance, care and operation of the Capitol Building and electrical substations of the Senate and House Office Buildings, under the jurisdiction of the Architect of the Capitol, including furnishings and office equipment; not to exceed $1,000 for official reception and representation expenses, to be expended as the Architect of the Capitol may approve; purchase or exchange, maintenance and operation of a passenger motor vehicle; to hereafter incur expenses authorized by the Act of December 13, 1973 (87 Stat. 704); for expenses of attendance, when specifically authorized by the Architect of the Capitol, at meetings or conventions in connection with subjects related to work under the Architect of the Capitol, $11,959,000.

CAPITOL GROUNDS

For all necessary expenses for care and improvement of grounds surrounding the Capitol, the Senate and House Office Buildings, and the Capitol Power Plant, $3,182,000.

HOUSE OFFICE BUILDINGS

For all necessary expenses for the maintenance, care and operation of the House Office Buildings, including the position of Superintendent of Garages as authorized by law, $25,227,000, of which $4,991,000 shall remain available until expended.

CAPITOL POWER PLANT

For all necessary expenses for the maintenance, care and operation of the Capitol Power Plant; for lighting, heating, and power (including the purchase of electrical energy) for the Capitol, Senate and House Office Buildings, Congressional Library Buildings, and the grounds about the same, Botanic Garden, Senate garage, and for air conditioning refrigeration not supplied from plants in any of such buildings; for heating the Government Printing Office and Washington City Post Office and heating and chilled water for air conditioning for the Supreme Court Building, Union Station complex and the Folger Shakespeare Library, expenses for which shall be advanced or reimbursed upon request of the Architect of the Capitol and amounts so received shall be deposited into the Treasury to the credit of this appropriation; $24,567,000: *Provided*, That not to exceed $1,950,000 of the funds credited or to be reimbursed to this appro-

priation as herein provided shall be available for obligation during fiscal year 1987.

LIBRARY OF CONGRESS

CONGRESSIONAL RESEARCH SERVICE

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of section 203 of the Legislative Reorganization Act of 1946, as amended by section 321 of the Legislative Reorganization Act of 1970 (2 U.S.C. 166) and to revise and extend the Annotated Constitution of the United States of America, $39,602,000: *Provided*, That no part of this appropriation may be used to pay any salary or expense in connection with any publication, or preparation of material therefor (except the Digest of Public General Bills), to be issued by the Library of Congress unless such publication has obtained prior approval of either the Committee on House Administration or the Senate Committee on Rules and Administration: *Provided further*, That, notwithstanding any other provisions of law, the compensation of the Director of the Congressional Research Service, Library of Congress, shall be at an annual rate which is equal to the annual rate of basic pay for positions at level IV of the Executive Schedule under section 5315 of title 5, United States Code.

GOVERNMENT PRINTING OFFICE

CONGRESSIONAL PRINTING AND BINDING

For authorized printing and binding for the Congress; for printing and binding for the Architect of the Capitol; expenses necessary for preparing the semimonthly and session index to the Congressional Record, as authorized by law (44 U.S.C. 902); and printing and binding of Government publications authorized by law to be distributed to Members of Congress, $62,000,000: *Provided*, That this appropriation shall not be available for printing and binding part 2 of the annual report of the Secretary of Agriculture (known as the Yearbook of Agriculture) nor for printing and binding the permanent edition of the Congressional Record authorized under 44 U.S.C. 906: *Provided further*, That, to the extent that funds remain from the unexpended balance of fiscal year 1984 and fiscal year 1985 funds obligated for the printing and binding costs of publications produced for the Bicentennial of the Congress, such remaining funds shall be available for the current year printing and binding cost of publications produced for the Bicentennial: *Provided further*, That this appropriation shall be available for the payment of obligations incurred under the appropriations for similar purposes for preceding fiscal years.

This title may be cited as the "Congressional Operations Appropriation Act, 1987".

TITLE II—OTHER AGENCIES

BOTANIC GARDEN

SALARIES AND EXPENSES

For all necessary expenses for the maintenance, care and operation of the Botanic Garden and the nurseries, buildings, grounds, and collections; purchase and exchange, maintenance, repair, and operation of a passenger motor vehicle; all under the direction of the Joint Committee on the Library, $2,062,000.

LIBRARY OF CONGRESS

SALARIES AND EXPENSES

For necessary expenses of the Library of Congress, not otherwise provided for, including development and maintenance of the Union Catalogs; custody, care and maintenance of the Library Buildings; special clothing; cleaning, laundering and repair of uniforms; preservation of motion pictures in the custody of the Library; operation and maintenance of the American Folklife Center and the American Television and Radio Archives in the Library; preparation and distribution of catalog cards and other publications of the Library; and expenses of the Library of Congress Trust Fund Board not properly chargeable to the income of any trust fund held by the Board, $136,339,000, of which not more than $4,700,000 shall be derived from collections credited to this appropriation during fiscal year 1987 under the Act of June 28, 1902, as amended (2 U.S.C. 150): *Provided*, That the total amount available for obligation shall be reduced by the amount by which collections are less than the $4,700,000: *Provided further*, That, of the total amount appropriated, $4,266,000 is to remain available until expended for acquisition of books, periodicals, and newspapers, and all other materials including subscriptions for bibliographic services for the Library, including $40,000 to be available solely for the purchase, when specifically approved by the Librarian, of special and unique materials for additions to the collections.

COPYRIGHT OFFICE

SALARIES AND EXPENSES

For necessary expenses of the Copyright Office, including publication of the decisions of the United States courts involving copyrights, $17,302,000, of which not more than $6,500,000 shall be derived from collections credited to this appropriation during fiscal year 1987 under 17 U.S.C. 708(c), and not more than $927,000 shall be derived from collections during fiscal year 1987 under 17 U.S.C. 111(d)(3) and 116(c)(1): *Provided*, That the total amount available for obligation shall be reduced by the amount by which collections are less than the $7,427,000.

BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED

SALARIES AND EXPENSES

For salaries and expenses to carry out the provisions of the Act approved March 3, 1931, as amended (2 U.S.C. 135a), $35,996,000.

COLLECTION AND DISTRIBUTION OF LIBRARY MATERIALS

(SPECIAL FOREIGN CURRENCY PROGRAM)

For necessary expenses for carrying out the provisions of section 104(b)(5) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), to remain available until expended, $390,000, of which $293,000 shall be available only for payments in any foreign currencies owed to or owned by the United States which the Treasury Department shall determine to be excess to the normal requirements of the United States.

FURNITURE AND FURNISHINGS

For necessary expenses for the purchase and repair of furniture, furnishings, office and library equipment, $5,070,000, of which $3,425,000 shall be available until expended only for the purchase and supply of furniture, shelving, furnishings, and related costs necessary for the renovation and restoration of the Thomas Jefferson and John Adams Library Buildings.

ADMINISTRATIVE PROVISIONS

SEC. 201. Appropriations in this Act available to the Library of Congress shall be available, in an amount not to exceed $101,390, of which $23,900 is for the Congressional Research Service, when specifically authorized by the Librarian, for expenses of attendance at meetings concerned with the function or activity for which the appropriation is made.

SEC. 202. (a) No part of the funds appropriated in this Act shall be used by the Library of Congress to administer any flexible or compressed work schedule which—

(1) applies to any manager or supervisor in a position the grade or level of which is equal to or higher than GS-15; and

(2) grants the manager or supervisor the right to not be at work for all or a portion of a workday because of time worked by the manager or supervisor on another workday.

(b) For purposes of this section, the term "manager or supervisor" means any management official or supervisor, as such terms are defined in section 7103(a) (10) and (11) of title 5, United States Code.

SEC. 203. Appropriated funds received by the Library of Congress from other Federal agencies to cover general and administrative overhead costs generated by performing reimbursable work for other agencies under the authority of 31 U.S.C. 1535 and 1536 shall not be used to employ more than 65 employees.

ARCHITECT OF THE CAPITOL

LIBRARY BUILDINGS AND GROUNDS

STRUCTURAL AND MECHANICAL CARE

For all necessary expenses for the mechanical and structural maintenance, care and operation of the Library buildings and grounds, $6,080,000, of which $265,000 shall remain available until expended.

COPYRIGHT ROYALTY TRIBUNAL

SALARIES AND EXPENSES

For necessary expenses of the Copyright Royalty Tribunal, $617,000, of which $494,000 shall be derived by collections from the appropriation "Payments to Copyright Owners" for the reasonable costs incurred in proceedings involving distribution of royalty fees as provided by 17 U.S.C. 807.

GOVERNMENT PRINTING OFFICE

PRINTING AND BINDING

For printing, binding, and distribution of Government publications authorized by law to be distributed without charge to the recipient, $10,700,000: *Provided*, That this appropriation shall not be available for printing and binding part 2 of the annual report of the Secretary of Agriculture (known as the Yearbook of Agriculture) nor for printing and binding the permanent edition of the Congressional Record authorized under 44 U.S.C. 906: *Provided further*, That this appropriation shall be available for the payment of obligations incurred under the appropriations for similar purposes for preceding fiscal years.

OFFICE OF SUPERINTENDENT OF DOCUMENTS

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Superintendent of Documents, including compensation of all employees in accordance with the provisions of 44 U.S.C. 305; travel expenses (not to exceed $117,000); price lists and bibliographies; repairs to buildings, elevators, and machinery; and supplying publications to the Depository Library and International Exchange Programs; $24,359,000, of which $1,378,000 representing excess receipts from the sale of publications shall be derived from the Government Printing Office revolving fund: *Provided*, That $300,000 of this appropria-

tion shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended (31 U.S.C. 1512), with the approval of the Public Printer, only to the extent necessary to provide for expenses (excluding permanent personal services) for workload increases not anticipated in the budget estimates and which cannot be provided for by normal budgetary adjustments.

GOVERNMENT PRINTING OFFICE REVOLVING FUND

The Government Printing Office is hereby authorized to make such expenditures, within the limits of funds available and in accord with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs and purposes set forth in the budget for the current fiscal year for the "Government Printing Office revolving fund": *Provided*, That not to exceed $5,000 may be expended on the certification of the Public Printer in connection with official representation and reception expenses: *Provided further*, That during the current fiscal year the revolving fund shall be available for the hire of eight passenger motor vehicles: *Provided further*, That expenditures in connection with travel expenses of the advisory councils to the Public Printer shall be deemed necessary to carry out the provisions of title 44, United States Code: *Provided further*, That the revolving fund shall be available for services as authorized by 5 U.S.C. 3109 but at rates for individuals not to exceed the per diem rate equivalent to the rate for grade GS-18: *Provided further*, That the revolving fund shall be available to acquire needed land, located in Northwest D.C., which is adjacent to the present Government Printing Office, and is bounded by Massachusetts Avenue and the southern property line of the Government Printing Office, between North Capitol Street and First Street. The land to be purchased is identified as Parcels 45-D, 45-E, 45-F, and 47-A in Square 625, and includes the alleys adjacent to these parcels, and G Street, N.W. from North Capitol Street to First Street: *Provided further*, That the revolving fund and the funds provided under the paragraph entitled "Office of Superintendent of Documents, Salaries and Expenses" together may not be available for the full-time equivalent employment of more than 5,287 workyears: *Provided further*, That the revolving fund shall be available for expenses not to exceed $25,000 to host a world-wide Public Printers' Conference.

GENERAL ACCOUNTING OFFICE

SALARIES AND EXPENSES

For necessary expenses of the General Accounting Office, including not to exceed $5,000 to be expended on the certification of the Comptroller General of the United States in connection with official representation and reception expenses; services as authorized by 5 U.S.C. 3109 but at rates for individuals not to exceed the per diem rate equivalent to the rate for grade GS-18; hire of one passenger motor vehicle; advance payments in foreign countries in accordance with 31 U.S.C. 3324; benefits comparable to those payable under sections 901(5), 901(6) and 901(8) of the Foreign Service Act of 1980 (22 U.S.C. 4081(5), 4081(6) and 4081(8), respectively); and under regulations prescribed by the Comptroller General of the United States, rental of living quarters in foreign countries and travel benefits comparable with those which are now or hereafter may be granted single employees of the Agency for International Development, including single Foreign Service personnel assigned to A.I.D. projects, by the Administrator of the Agency for International Development—or his designee—under the authority of section 636(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2396(b)); $304,910,000: *Provided*, That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the Joint Financial Management Improvement Program (JFMIP) shall be available to finance an appropriate share of JFMIP costs as determined by the JFMIP, including but not limited to the salary of the Executive Director and secretarial support: *Provided further*, That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the National Intergovernmental Audit Forum or a Regional Intergovernmental Audit Forum shall be available to finance an appropriate share of Forum costs as determined by the Forum, including necessary travel expenses of non-Federal participants. Payments hereunder to either the Forum or the JFMIP may be credited as reimbursements to any appropriation from which costs involved are initially financed: *Provided further*, That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the American Consortium on International Public Administration (ACIPA) shall be available to finance an appropriate share of ACIPA costs as determined by the ACIPA, including any expenses attributable to membership of ACIPA in the International Institute of Administrative Sciences: *Provided further*, That this appropriation shall be available to finance a portion, not to exceed $50,000, of the costs of the Governmental Accounting Standards Board: *Provided further*, That this appropriation shall be available for the expenses of planning the triennial Congress of the International Organization of Supreme Audit Institutions (INTOSAI) to be hosted by the U.S. General Accounting Office in Washington, D.C., in 1992.

RAILROAD ACCOUNTING PRINCIPLES BOARD

SALARIES AND EXPENSES

For salaries and expenses of the Railroad Accounting Principles Board, $600,000, to be expended in accordance with the provisions of H.R. 4439, 98th Congress, as passed by the House of Representatives on February 7, 1984.

TITLE III—GENERAL PROVISIONS

SEC. 301. No part of the funds appropriated in this Act shall be used for the maintenance or care of private vehicles, except for emergency assistance and cleaning as may be provided under regulations relating to parking facilities for the House of Representatives issued by the Committee on House Administration.

SEC. 302. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 303. Whenever any office or position not specifically established by the Legislative Pay Act of 1929 is appropriated for herein or whenever the rate of compensation or designation of any position appropriated for herein is different from that specifically established for such position by such Act, the rate of compensation and the designation of the position, or either, appropriated for or provided herein, shall be the permanent law with respect thereto: *Provided*, That the provisions herein for the various items of official expenses of Members, officers, and committees of the Senate and House, and clerk hire for Senators and Members shall be the permanent law with respect thereto.

SEC. 304. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 305. (a) Upon enactment into law of this Act, the Architect of the Capitol, in consultation with the heads of the agencies of the legislative branch, shall develop an overall plan for satisfying the telecommunications requirements of such agencies, using a common system architecture for maximum interconnection capability and engineering compatibility. The plan shall be subject to joint approval by the Committee on House Administration of the House of Representatives and the Committee on Rules and Administration of the Senate, and, upon approval, shall be communicated to the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate. No part of any appropriation in this Act or any other Act shall be used for acquisition of any new or expanded telecommunications system for an agency of the legislative branch, unless, as determined by the Architect of the Capitol, the acquisition is in conformance with the plan, as approved.

(b) As used in this section—

(1) the term "agency of the legislative branch" means, the office of the Architect of the Capitol, the Botanic Garden, the General Accounting Office, the Government Printing Office, the Library of Congress, the Office of Technology Assessment, and the Congressional Budget Office; and

(2) the term "telecommunications system" means an electronic system for voice, data, or image communication, including any associated cable and switching equipment.

SEC. 306. The last sentence of 44 U.S.C. 1719 is amended to read: "The printing, binding, and distribution costs of any publications distributed in accordance with this section shall be charged to appropriations provided the Superintendent of Documents for that purpose.".

SEC. 307. For purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), the term "program, project, and activity" shall be synonymous with each appropriation account in this Act, except that the accounts under the general heading "House of Representatives" shall be considered one "program, project, and activity".

This Act may be cited as the "Legislative Branch Appropriations Act, 1987".

The CHAIRMAN. Are there any points of order against the bill?

Mr. COBEY. Mr. Chairman, I do have a point of order with regard to the language on page 10 having to do with official mail costs.

The CHAIRMAN. The gentleman will state his point of order.

POINT OF ORDER

Mr. COBEY. Mr. Chairman, I make a point of order against the language on page 10, line 9, beginning with the word, "to," and all that follows on line 10, page 10.

Mr. Chairman, this is clearly legislation on an appropriation bill and as such is in violation of clause 2(b) of rule XXI.

Mr. FAZIO. Mr. Chairman, the committee concedes the point or order.

The CHAIRMAN (Mr. GEPHARDT). The point of order is conceded and sustained. The language is stricken.

□ 1515

AMENDMENT OFFERED BY MR. COBEY

Mr. COBEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COBEY: Page 3, line 7, strike "$48,000,000" and insert "$43,691,570".

Mr. COBEY. Mr. Chairman, this amendment is simple. We all know as we go home each week, as I do, and as we get the responses from the people in our districts, still the No. 1 issue and the No. 1 problem viewed by our constituents and viewed by this Member is the fact that we have this appalling deficit each year. In fact, last year it was $210 billion. This means that for 25 out of the last 26 years our Federal Government has spent more money than it has brought in. This year it looks like we are facing another budget deficit in the area of $200 billion.

Now, as I look at this legislative appropriation bill, I recognize that $1.3 billion is not an enormous part of a nearly $1 trillion budget; however, the way I feel is that we in this body must set the example.

How can we look across America to people who are in need, how can we look at the national defense of our country if we are not willing to make these cuts here in the House of Representatives, or at least to hold the line?

Now, this past year, and I do not have the committee report before me, but for the salaries of committee staff, professional and clerical, we spent over $42 million.

What I have done here, I have added the 3 percent that we are granting other Federal employees. That 3 percent brings us to $43,691,570. There may be some hidden costs within here that I do not know about, but I do not believe that we should be doing any more for our committee staffs than we are for the Federal employees in general. I do not think in these times of enormous deficits that we should be adding staffs to committees. If anything, as we have normal attrition from retirement or people quitting, perhaps we could consolidate some jobs and consolidate some functions and save some money around here.

I think the key principle is that we need to show the people of this country that we are willing to hold the line right here in Congress. Even though, granted, it is just a few million dollars in a nearly trillion dollar budget, I think it is important for us to set the example.

It is simple. It is clear. It is a reduction from $48 million down to $43,691,570. I do not think that is going to be too much pain for anybody around here. I believe that we can live within this amount of money. It is a generous, generous amount of money.

Mr. FAZIO. Mr. Chairman, I rise in opposition to the amendment. I will be brief.

I simply would like to make clear to the gentleman from North Carolina the comments that were made earlier in the general debate that point out that we have reduced employment in this bill by 2 percent, 460 jobs. We have blocked 428 jobs, in effect not allowed them to be funded. We have abolished some 62 jobs.

We are in this account able to spend up to $70 million, but the bill does not get anywhere near that amount. We are providing, as the gentleman indicated, $48 million.

I think we have seen this year how important it is to have the resources available to handle the responsibilities that can be thrust upon our committees at any time. For example, I know Members on both sides of the aisle are working very diligently on a bipartisan drug package right now.

Where are we going to get the resources to have the staff to help us carry out that assignment?

I believe that the amounts that have been provided for the core committee staff allowed by the House rules, under rule 11, which the gentleman would amend, is properly funded. If we were to cut it any more, even as the gentleman indicates in a symbolic way, than we have already, we would be tying the hands of a very significant element of this legislative branch of the Government.

Mr. Chairman, I urge a no vote on the amendment.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I am happy to yield to my colleague, the chairman of the Interior Committee, the gentleman from Arizona [Mr. UDALL].

Mr. UDALL. Mr. Chairman, I think I speak for most committee chairmen, or perhaps all of them, in saying that we have done our job or are doing our job. We have been responsible.

The committee has produced a bill that balances the need of this branch of the Government to be equal in the contest on a fair playing field to the executive branch, so I would hope that the amendment would be defeated and I associate myself with the remarks of the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, and particularly may I say to my colleague, the gentleman from North Carolina [Mr. COBEY], I want the gentleman to know that this Member is very sensitive to and appreciative of the gentleman's interest in seeing that the Congress restrains itself in its in-House expenditures across the board.

The amount that the gentleman suggests does not reflect a lot of money in limited dollar terms, but in terms of the work that we have done on this bill we have made very significant efforts to reflect the gentleman's concern, that is, to have Congress demonstrate that right here in its own House is committed to cutting the pattern of growth in Federal Government spending.

While I would resist this specific amendment and ask my Members to similarly resist it, we will as we go forward with the discussion of this bill and the amendments that will be before us have a number of opportunities to cut in other areas.

It seems to me that in this case, the gentleman is effectively testifying about his own concern regarding our levels of expense. At the same time, I would ask the gentleman to join me in serious consideration of some of the other amendments as well, and at this point I would ask for a "no" vote.

Mr COBEY. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. Yes; I am happy to yield to the gentleman from North Carolina.

Mr. COBEY. Mr. Chairman, I appreciate the work of this committee and the pressure that they are under. I know it is not easy.

The gentleman from California, the committee chairman, indicated a number of positions had been cut back. I guess that reflects the sequestration order. That is a question I wanted to ask, the sequestration order under Gramm-Rudman, is that correct?

Mr. FAZIO. Mr. Chairman, could the gentleman repeat that?

Mr. COBEY. The cutbacks to which the gentleman refers to the appropriation level of $42 million this year, I know that is a post-Gramm-Rudman situation, are those the staff cuts necessitated by Gramm-Rudman?

Mr. FAZIO. Mr. Chairman, if the gentleman will yield, we accepted the cuts last year required by Gramm-Rudman. I am indicating that the $48.3 million figure is a figure this committee has arrived at in the 1987 bill in light of the $70 million that were available to us.

We are funding the existing staff at the current salary levels here. We are not attempting to add at all and we

have absorbed those cuts. I think we have done the proper thing.

Mr. COBEY. Mr. Chairman, will the gentleman yield further?

Mr. LEWIS of California. I am happy to yield to the gentleman from North Carolina.

Mr. COBEY. If we are spending $42 million this year in order to keep the salaries level, and in my amendment I show a 3-percent increase, why do we have to go to $48 million? It must be that we are adding more staff or giving more than the 3 percent across the board, or 3 percent available for all other Federal employees. That is all I can conclude as I look at these figures.

Mr. LEWIS of California. Let me try to explain it in this way. If the gentleman will look at the details of our bill, the Budget Committee's estimate of new obligations and authority for the fiscal year 1987 were levels of $51,135,000. That was the level of expenditure request anticipated.

The job of the subcommittee is to delve into those specific areas and attempt step by step to make cutbacks.

We have done that and that is reflected in the figure of $48 million.

While I am not precisely responding to the detail of the gentleman's question, nevertheless we have tried to use a scalpel and not a machete in this process. This figure reflects the best the subcommittee could do.

Mr. COBEY. Well, Mr. Chairman, if the gentleman will yield again, I understand that. I know people are going to request what they think they need or what they think they can get and what they think is appropriate for their particular committee. I appreciate the fact the gentleman has taken it down from the request of $51 million to $48.

I guess I am approaching it from a different angle. I am starting to reflect that we are spending this year and feeling like we need to hold the line and just increase by 3 percent.

Mr. LEWIS of California. Well, Mr. Chairman, further responding to the gentleman, if one were to analyze the 1986 personnel budget approved for committees in the category that the gentleman is discussing, we had committee employees numbering 871 and standing committees and special and select committees numbering 1,225, for a total of 2,096.

In the 1987 recommended proposal, there are in committee employees 871, the exact same number of employees; and standing committees and special and select, 1,225, exactly the same number, totaling 2,096.

The adjustment seen here reflects some adjustments in general salaries, but there are some special merit increases, and so forth, that cause the figures not to be rounded out as evenly as we might like, but nonetheless reflect the committee's work.

I thank the gentleman for his question.

Mr. TAUKE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as the last exchange I think clearly pointed out, when it comes to Congress we use new methods of accounting. Obviously, if we are going to stick with the same number of employees and we are trying to provide them a 3-percent raise, we should be able to get by with a 3-percent increase in the amount of money spent for those committee employees; but of course, the fact of the matter is that there is some other money in there someplace and for what we are not exactly sure; but I would like to suggest to my Republican colleagues that as they look at this issues, they should be aware of the fact that when it comes to slicing up the pie for the committee slots in Congress, that we do not do too well. As a matter of fact, we not only do not do well, we get extremely shortchanged.

I have spent a little time trying to compile some information about the way in which staff ratios break down on committees in the House of Representatives.

Now, unlike the Senate, where the majority gets two-thirds of the committee staff and the minority gets one-third of the committee staff, in the House of Representatives it is hard to find a committee where the Republicans, the minority, have even 25 percent of the staff.

For example on the committee which has the largest number of employees, the Energy and Commerce Committee, the majority staff takes fully 85 percent of the staff slots and the minority gets 15 percent of the staff slots.

The same is true of the Committee on Government Operations. We have an 81-19 breakdown, 81 percent going to the majority, 19 percent to the minority on the Science and Technology Committee, and we could go on down the list.

These investigative staff slots that are opened up are particularly interesting. For example, in the Judiciary Committee there are 49 members on the Democratic staff for investigative purposes, 5 on the Republican staff.

Now, I know as well as most of us in this Chamber know that probably every Republican staff member is worth two or three on the other side of the aisle; but the fact still is that we are being seriously shortchanged on the minority side when it comes to the appointment of the staff, and when we put more money into the legislative appropriation, that is not more money to top the Republican side of the aisle research issues in order to participate fully in the debate. Instead, what it is, is more money that is split in a grievously unfair manner that helps the Democrats have an overwhelming research, mailing, and other support staff, that is unfair to us.

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. TAUKE. I yield to the gentleman from California.

Mr. FAZIO. Mr. Chairman, I know the gentleman is a fair-minded individual. I know the gentleman is sincere in his point, but I would want to put on the record that this is the rule 11 funding and it says in the rule itself that a third of the staff will be available to the minority.

So I do not believe there is much jurisdiction, much discretion for any chairman or subcommittee chairman to really hurt the minority inordinately. In fact, I am sure in some cases the minority does better. Maybe there is some flexibility, depending on the relationships between ranking minority members and the chairman.

But in the rule itself which provides for this guarantee of 30 professional staff per committee, the minority is protected.

□ 1530

Mr. TAUKE. I appreciate the point that the gentleman has made, because it is true that in this particular rule that we have under discussion at the moment that there is some protection for the minority, but on a general basis the minority has virtually no protection when it comes to the providing of funds for committee staff. I guess that that is the general point that I am making, that if we are going to throw more money into this legislative appropriation, that we should be fully aware of the fact that most of that money is going to support the majority staff in what is obviously an unfair apportionment of those funds.

It is my view that the only clout that the Republicans of the minority have is to withhold our votes from requests for unseemly increases in funding as we are being asked to provide at the current time.

Mr. COBEY. Mr. Chairman, will the gentleman yield?

Mr. TAUKE. I yield to the gentleman from North Carolina.

Mr. COBEY. Mr. Chairman, a quick calculation of this increase from post-Gramm-Rudman figures, a little over $42 million, to $48 million, shows an increase of over 13 percent, a little over 13 percent. That is far more than the 3 percent available to other Federal workers, and far more—we know that we see negotiations around the country, in Philadelphia and in Detroit, and we know what is going on there—and this I think is just highly inappropriate, especially in these times.

A quick calculation here of an increase of $5,500,000 for 2,000 employ-

ees comes out to $2,800 apiece. I do not know where all that money goes.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was confused by some of this discussion. The gentleman from North Carolina says, and I think properly, that if you take last year's expenditure number and add 3 percent, you should cover handsomely all the employees—not handsomely, but with the same increase that we intend to give through the bureaucracy and to legislative employees. With 3 percent, they should all be covered. As a matter of fact, if Gramm-Rudman was effective, and we actually made some real cuts, we would have less employees on hand at the end of the fiscal year, and 3 percent would be more than enough to cover the 3 percent pay raise.

The distinguished chairman says no, we are just giving everybody a normal raise. Can the chairman explain that a little better to me, please?

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from California.

Mr. FAZIO. Mr. Chairman, I would be happy to just reiterate that this is that area of the rules that provides each standing committee with their 30 professional staff—two-thirds to the majority and one-third to the minority. We fund those 30 and provide for an amount that is in accord with normal compensation for merit or cost-of-living increases. We have done nothing more than that.

I think that there are committees that probably are using this source perhaps more than they may have in the past, but I do not think that we are recommending an inordinate amount of money, given the responsibilities that our committees have here in the House of Representatives.

Mr. FRENZEL. The gentleman talked about the figure of $70 million. Would that be the number if each committee took its 30 slots and allotted them at maximum salary?

Mr. FAZIO. That is correct.

Mr. FRENZEL. OK. And the $51 million is what your staff estimated would be spent out if we maintained the same standing rate.

Mr. FAZIO. That was the request that was made of us. We reduced that request by $3.1 million.

Mr. FRENZEL. That was what was asked of you.

Mr. FAZIO. We reduced that to $48 million.

Mr. FRENZEL. Your problem, if we can continue, is that this is mandatory, and you have no choice about funding it if the committees choose to use this much.

Mr. FAZIO. Under the allowance made in the rule, we make an assumption about the level at which the committees will make use of this allowance and we try to approximate in the appropriations process what we think is reasonable.

Mr. FRENZEL. I am not sure that I disagree with you on the rule XI employees, but let your eye run down then to the standing, select, and special committees, which we call the investigative staff. Do you consider that to be a mandatory funding as well?

Mr. FAZIO. I believe, in order to deal with the requirements that the committee chairmen and ranking members have, that we have to consider both of these in that category.

Mr. FRENZEL. I thank the chairman for his contribution.

Mr. Chairman, our problem here is that we have the rule XI staff, the statutory staff, and we also have the investigative staff. Between them, they will cost $90 million this year. Then, in addition, you have the CBO staff, the OTA staff, the Appropriations Committee staff, the budget staff. When you throw all those numbers together, you are well into the hundreds of millions of dollars.

It is true that some of these are mandatory, or would seem to be. My position is, however, that if we would exercise some real diligence and try to keep the lid on all these expenditures, we could make what seem to be mandatory expenditures into discretionary expenditures. Then we could, in fact, exert some discipline on ourselves.

Mr. COBEY. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from North Carolina.

Mr. COBEY. Mr. Chairman, I appreciate the comments of the gentleman from Minnesota and his great knowledge on this subject. One point that I wanted to bring out is the fact that we face possible sequestration under Gramm-Rudman, come the fall, and I do not want to say that there are any motives here—in fact, I am not saying that—but in a sense, by raising it to $48 million, these committee staff salaries, in a sense we give that area a cushion that if sequestration comes along, the committees and their staffs will not have to cut back, like many other programs that are hit by sequestration, if those people are not already hired.

In a sense, this becomes a mechanism to protect committee staffs from sequestration under Gramm-Rudman. I am not saying that was the intent at all, but that is how it would work out.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for his contribution.

Mr. ARMEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, of course I can preface my comments with my usual regards to the committee, and as usual they are sincere. I was kidding a member of the Committee on Appropriations earlier today that we may have to call you the turnip committee because you defend your turf very well.

This amendment intrigues me, and I was particularly intrigued by the comments from the gentleman from Iowa, because there is a pattern here, a pattern that he talked about, and one that I think in effect we need to focus on, looking at it from the point of view that he raised that indeed by the staffing of Congress we load the dice in favor of the majority party as opposed to the minority party.

I think that the numbers are very clear there, and it is fairly clear to me that if you look at the staff numbers, looking at investigative staff, that rule XI certainly comes apart. But even when you allow the rule XI, I find it interesting that 42 percent of the membership of the House are afforded something like a third of the seats on committees and a third of the staff, and that is an old story.

That is an interesting story, but one that frankly is a little more partisan than I would like to be, but I would like to take a look at it from the other point of view. Let us think of committees as special-interest groups that are fostering and encouraging programs in which the members of the committee, and especially the leadership members of the committee on both sides, have invested a great deal of their political careers and a good deal of their constituents' interests. Then we see that the committee has a built-in interest in either extending spending or at least protecting from any cuts in spending.

There are a great many of us that have worked long and hard trying to find ways to make spending cuts on a line-item-by-line-item basis. The staff that we have to help us do the research and the investigation is our own congressional staff, and let me tell you, mine gets spread very, very thinly as my young staff works anywhere from 8 in the morning to 11 at night, and on weekends, trying to catch up with all the facts and figures and information that we have to work.

We do not have committee staff to help out on this process. When we come to the floor to present our amendments, we present them against the background work of enormous committee staffs, so that in effect you can say it is the public interest running against the special interests where we staff the special-interest committees.

I am not going to quarrel with anybody's work on a committee that way. I understand that, and naturally each and every one of us as a representative of our district understands our responsibility to represent our district.

□ 1540

Somebody said something earlier in this debate about a fair playing field. I am going to suggest to you that those who are committed to cutting spending do not have a fair playing field with those that are committed to increasing spending, or at least holding from cuts in spending.

The thing that tilts the playing field in favor of more spending is the committee staff that the spending side has to support its work as over and against the other side trying to make spending cuts. So this becomes a crucial amendment if we are going to get to the heart of the process by which this body year in and year out spends too much of the taxpayers' money.

I would suggest that one thing we might want to give serious consideration to is that the House has too many committees. For the life of me, I do not know the value of a select committee if it is not political posturing back home. I will tell you that whether you are a majority or minority members. I do not understand why you want to be on a committee that has no ability to bring legislation to the floor of the House.

But it gets staffed; it gets funded. It spends time, generally back in the committee members' districts, holding hearings so that that Member can demonstrate his concern over the problem.

That is what we are spending our money for. I am going to suggest to the Members of this body that if we can ever get to where we ought to be, fewer committees, fewer committee staffs, more work done by the Members of the bodies, less deference to what I have come to call the sovereignties of the committees, vote "yes" on this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. COBEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. COBEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 172, noes 237, not voting 22, as follows:

[Roll No. 256]

AYES—172

Applegate	Boehlert	Combest
Archer	Boulter	Conte
Armey	Breaux	Coughlin
Badham	Brown (CO)	Courter
Bartlett	Burton (IN)	Craig
Barton	Callahan	Crane
Bateman	Chandler	Daniel
Bedell	Chappie	Dannemeyer
Bennett	Cheney	Darden
Bentley	Coats	Daschle
Bereuter	Cobey	Daub
Bilirakis	Coble	DeLay
Bliley	Coleman (MO)	DeWine
Dickinson	Lloyd	Sharp
Dornan (CA)	Loeffler	Shaw
Dreier	Lott	Shumway
Duncan	Lowery (CA)	Shuster
Eckert (NY)	Lujan	Siljander
Edwards (OK)	Lungren	Skeen
Emerson	Mack	Slattery
Erdreich	Martin (IL)	Slaughter
Evans (IA)	McCain	Smith (NE)
Fawell	McCandless	Smith, Denny (OR)
Fiedler	McCloskey	Smith, Robert (NH)
Fields	McCollum	Smith, Robert (OR)
Fish	McEwen	Snowe
Franklin	McKernan	Solomon
Frenzel	McMillan	Spence
Gallo	Meyers	Stallings
Gekas	Michel	Stenholm
Gilman	Miller (OH)	Strang
Goodling	Miller (WA)	Stump
Gradison	Monson	Sundquist
Gregg	Moorhead	Sweeney
Hall, Ralph	Morrison (WA)	Swindall
Hammerschmidt	Nielson	Tallon
Hansen	O:.ley	Tauke
Hendon	Packard	Tauzin
Henry	Penny	Thomas (CA)
Hiler	Petri	Torricelli
Holt	Porter	Valentine
Hopkins	Pursell	Vander Jagt
Huckaby	Ray	Volkmer
Hunter	Regula	Vucanovich
Hutto	Ridge	Walgren
Hyde	Ritter	Walker
Ireland	Roberts	Weber
Jacobs	Robinson	Whitehurst
Johnson	Roemer	Whittaker
Kasich	Rogers	Wolf
Kemp	Roth	Wortley
Kindness	Roukema	Wylie
Kolbe	Rowland (CT)	Young (FL)
Kramer	Saxton	Zschau
Lagomarsino	Schaefer	
Latta	Schneider	
Leach (IA)	Schuette	
Lewis (FL)	Schulze	
Lightfoot	Sensenbrenner	

NOES—237

Ackerman	Dicks	Howard
Akaka	Dingell	Hoyer
Alexander	Dixon	Hubbard
Anderson	Donnelly	Hughes
Andrews	Dorgan (ND)	Jeffords
Annunzio	Dowdy	Jenkins
Anthony	Downey	Jones (NC)
Aspin	Durbin	Jones (OK)
Atkins	Dwyer	Jones (TN)
AuCoin	Dymally	Kanjorski
Bates	Dyson	Kaptur
Beilenson	Early	Kastenmeier
Berman	Eckart (OH)	Kennelly
Bevill	Edwards (CA)	Kildee
Biaggi	English	Kleczka
Boggs	Evans (IL)	Kolter
Boland	Fascell	Kostmayer
Boner (TN)	Fazio	LaFalce
Bonior (MI)	Florio	Lantos
Bonker	Foglietta	Leath (TX)
Borski	Foley	Lehman (CA)
Bosco	Ford (MI)	Lehman (FL)
Boucher	Ford (TN)	Lent
Boxer	Frank	Levin (MI)
Brooks	Frost	Levine (CA)
Broomfield	Fuqua	Lewis (CA)
Brown (CA)	Garcia	Lipinski
Bruce	Gaydos	Livingston
Bryant	Gejdenson	Long
Burton (CA)	Gephardt	Lowry (WA)
Bustamante	Gibbons	Luken
Byron	Glickman	Lundine
Carper	Gonzalez	MacKay
Carr	Gordon	Madigan
Chapman	Gray (IL)	Manton
Chappell	Gray (PA)	Markey
Clay	Green	Martinez
Clinger	Guarini	Matsui
Coelho	Hall (OH)	Mavroules
Coleman (TX)	Hamilton	Mazzoli
Conyers	Hatcher	McCurdy
Cooper	Hawkins	McDade
Coyne	Hayes	McGrath
Davis	Hefner	McHugh
de la Garza	Hertel	McKinney
Dellums	Hillis	Mica
Derrick	Horton	Mikulski
Miller (CA)	Rahall	Stark
Mineta	Rangel	Stokes
Mitchell	Reid	Stratton
Moakley	Richardson	Studds
Molinari	Rinaldo	Swift
Mollohan	Rodino	Synar
Montgomery	Roe	Taylor
Moody	Rose	Thomas (GA)
Morrison (CT)	Rostenkowski	Torres
Mrazek	Rowland (GA)	Towns
Murphy	Roybal	Traficant
Murtha	Rudd	Traxler
Myers	Russo	Udall
Natcher	Sabo	Vento
Neal	Savage	Visclosky
Nelson	Scheuer	Watkins
Nichols	Schroeder	Waxman
Nowak	Schumer	Weiss
Oakar	Seiberling	Wheat
Oberstar	Shelby	Whitley
Obey	Sikorski	Whitten
Olin	Sisisky	Williams
Ortiz	Skelton	Wilson
Owens	Smith (FL)	Wirth
Panetta	Smith (IA)	Wise
Pashayan	Smith (NJ)	Wolpe
Pease	Snyder	Wright
Pepper	Solarz	Wyden
Perkins	Spratt	Yates
Pickle	St Germain	Yatron
Price	Staggers	Young (AK)
Quillen	Stangeland	Young (MO)

NOT VOTING—22

Barnard	Feighan	Marlenee
Barnes	Flippo	Martin (NY)
Campbell	Fowler	Moore
Carney	Gingrich	Parris
Collins	Grotberg	Waldon
Crockett	Gunderson	Weaver
DioGuardi	Hartnett	
Edgar	Leland	

□ 1600

Mr. SEIBERLING changed his vote from "aye" to "no."

Messrs. TALLON, WYLIE, and KINDNESS and Mrs. MARTIN of Illinois changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. SWINDALL

Mr. SWINDALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment Offered by Mr. SWINDALL: Page 14, line 13, strike "$25,227,000" and insert in lieu thereof "$25,135,550."

Mr. SWINDALL. Mr. Chairman, I also ask unanimous consent to offer two amendments which I have at the desk en bloc.

The CHAIRMAN pro tempore (Mr. PANETTA). Is there objection to the request of the gentleman from Georgia?

Mr. FAZIO. Mr. Chairman, I object to the offering en bloc.

The CHAIRMAN pro tempore. Objection is heard.

Mr. SWINDALL. I thank the Chairman.

Mr. Chairman, I can still remember some 19 months ago after being sworn in to this august body the President of the United States inviting each of the freshman Members and their spouse to the White House for a get-acquainted dinner.

At that dinner he shared an anecdote about a freshman Member of Congress who went over to George-

town with a Member of the Senate and a member of the administration to discuss, undoubtedly, a piece of legislation, that kept them in Georgetown until the wee hours of the morning.

They came out to the Congressman's car, only to have the Congressman discover that he had locked his keys in the car. At that point he turned to his two colleagues and told them he was going back into the restaurant to get a coathanger so he could pry the lock open. At that point the gentleman from the Senate said he really did not think that that was a good idea. He was afraid somebody would misunderstand what he was doing and that before they could explain themselves they would find headlines the next morning saying that they had been caught in Georgetown breaking into a car.

Well, at that point the Congressman said he agreed, and what would the Senator suggest. The Senator said, "Well, I think I have a pocket knife that I think I can cut just enough of the rubber so that I can slip my finger in and unlock the door." Well, at that point the Congressman shook his head and said, "I don't think that's a very good idea either. I am afraid somebody will see what you are doing and think that you are just too stupid to know how to use a coathanger."

Well, at that point the fellow from the State Department who had been watching all of this transpire looked at both of them and said, "Frankly, I don't care how you resolve it, I just hope you do it in a hurry because it is getting ready to rain and, frankly, I am afraid you are not going to get into it in time to put your top up."

The point the President was making was that sometimes we get so caught up in the big picture that we fail to see the smaller picture, the detail.

I think that is certainly true with respect to the appropriations process.

Mr. Chairman, as we look at an appropriations process that will ultimately approach $1 trillion, it is certainly easy to think that $100,000, $200,000, even a $1 million appropriation is not significant. What my amendment which strikes $25,227,000 and substitutes the figure of $25,135,550, which is basically a $91,450 reduction to eliminate automatic elevator operators is exactly the type of issue that we all must recognize infuriates our constituents who recognize that they are making real sacrifices as we face deficit reduction measures. And here we are in our own House office buildings paying people literally $13,000 a year on a part-time basis to punch automatic elevator buttons.

My amendment does not fire anyone. It was drafted very carefully not to fire anyone but, rather, to recognize that over the last 3 years we have had exactly 100 percent turnover in the positions of automatic elevator operator in the House office buildings.

Specifically, there are 14 of these individuals. The total budget is $182,900. My amendment, if adopted, which I am sure it will be, would reduce in half that amount so that we simply do not replace these individuals as they resign.

I think it is important that we recognize that, while $91,500 may not be a great deal—of course, many people could buy a couple of homes for that amount—it is very important that we set the example in our own appropriations.

Certainly if you look at the absurdity of having automatic elevator operators and paying them that type of money, it is evident that it is a selfish luxury. I think more so than any other Member of this body, I have the right to offer this amendment because my office is literally the furthest office from this Capitol floor. I am on the fifth floor of the Cannon Building, and it literally takes me no longer than 6 minutes to walk here. I am sure many of my colleagues up on the fifth floor can relate to that.

So my point is this: We do not need to be throwing away taxpayers' dollars to pay patronage jobs.

The CHAIRMAN pro tempore. The time of the gentleman from Georgia [Mr. SWINDALL] has expired.

(By unanimous consent, Mr. SWINDALL was allowed to proceed for 2 additional minutes.)

Mr. SWINDALL. My point is these are patronage positions. I have heard arguments that they are handicapped individuals, that they are minorities, that they are senior citizens. That simply is not true.

I have checked, and they are not any of those capacities. They are patronage positions, and we pay literally $13,000 for patronage at times when individuals are being asked to take freezes in cost-of-living adjustments and what have you.

One other point I would make is that is is utterly illogical to have, as we have, for example, in the Cannon Office Building, a 4-foot by 3-foot 9-inch elevator consumed with an extra body that sits in a chair. If you go at any time to the No. 6 elevator in the Cannon House Office Building, you will find what I find when this individual is in her post: an individual sitting in a chair talking on a telephone and reading a book. I will never forget 3 weeks ago I got on that elevator, hoping to go immediately down to the bottom floor, as I had been promised, only to find that we made five stops and it took me longer to get there. And I was actually told by the Architect's Office that the purpose of this automatic elevator operator is to keep the elevator moving quickly so that Members can go rapidly to the floor.

So they are not even serving that purpose. I think we should close this argument by recognizing that the Senate did this 5 years ago. They eliminated the automatic elevator operators for their own Senate office buildings, and they seem to be faring just as well without them. I think that we can follow their prudent example by saying that we will at least do that ourselves by not rehiring individuals as they resign.

I thank the Chairman.

Mr. FAZIO. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

First of all, Mr. Chairman, I would like to congratulate the gentleman from Georgia on a very fervent rendition, in his presentation to the body. I have no desire to criticize my friend from Colorado Mr. BROWN, who has offered this amendment so frequently in recent years, but I must say I think the gentleman deserves an Oscar for his performance.

Mr. SWINDALL. I thank the gentleman.

Mr. FAZIO. This is an amendment that is often handed out to newer Members, and I do not think anyone has ever carried out this responsibility with any greater elan than the gentleman has.

Mr. SWINDALL. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I would be more than happy to yield to the gentleman from Georgia.

Mr. SWINDALL. I thank the gentleman for yielding.

Mr. Chairman, may I say that the reason that I accepted this responsibility was that when I ran last time, I found that of all the issues that I talked about in defeating a five-term incumbent was the electorate was outraged by our spending money for automatic elevator operators. They could not believe that we actually are paying money for people to punch buttons that we ourselves can punch.

I yield back.

Mr. FAZIO. I appreciate the gentleman's comment. I would simply say that when the electorate hears only one side of any given issue, it may well be that they become outraged. I hope that in the next several minutes, and I hope not to take the entire time, we could do something that would remove some of the outrage and perhaps balance the equation a little bit.

A little bit of history is always useful. In fact, I seem to have to recite it every year this time.

This amendment, as the gentleman said, is aimed at 14 people, many of them are elderly, some are disabled. They are by definition lower-income people who earn $13,000 per year.

To put it in perspective, there are 67 elevators in the House office buildings. Of these, only six have operators. A

number of people are relatively new to these jobs, but there are individuals who have been in them since October 1968, for example. I think the average citizen does not understand that, unlike the Senate, that has no time limit on their votes. Members of the House are required to be on the House floor within 15 minutes after a quorum or vote is ordered. Therefore, it is important that we have the help of these individuals to expedite the operation of the elevators so that we answer the rollcalls that we are required to make to perform our duties for our colleagues and for our constituents.

We originally had 52 operators in the House office buildings a decade ago. That has now been reduced down to a point where we have only 14 people. I believe it is responsible for us to maintain those 14 people who are necessary since they work two shifts. I think it would be a very imprudent reduction.

The Members of this body have been through this exercise many times before. I would hope they would vote "no," and I hope we could go to a vote quickly.

Mr. SWINDALL. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. If I must, I yield to the gentleman.

Mr. SWINDALL. I thank the gentleman for yielding.

Let me first of all say that I have searched and found that the statement with respect to these individuals being handicapped or elderly is simply not true with respect to the House office buildings.

Mr. FAZIO. If I could reclaim my time, I would urge that Members simply use their powers of observation, and they could rebut that argument.

Mr. SWINDALL. And second, let me make this observation, that even if that were true I think that we need to be sensitive to the elderly, handicapped and minority and low-income individuals whose taxpayer dollars are going to finance this type of nonsense.

Mr. FAZIO. I appreciate the gentleman's comment, and I reclaim my time.

Mr. LUNGREN. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I would be happy to yield to my friend from California.

Mr. LUNGREN. I thank the gentleman for yielding.

I just wonder, since we are having a problem getting our mail delivered and we seem to be able to get over here, maybe we could transfer them to sort mail and might satisfy a couple of problems that are affecting the Members.

Mr. FAZIO. I have had a number of individuals on both sides of the aisle indicate a concern about the arrival time of their mail, and I can say that, without reprogramming funds, Mr. Rota has been able to make some economies and we now have an increase in personnel in order to ensure that our mail does arrive in our offices in a relatively rapid manner.

□ 1615

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I yield to the gentleman from Kansas.

Mr. ROBERTS. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I think there is a special problem for those of us who choose to reside in the Longworth Building. I supported Mr. BROWN of Colorado in his earlier attempts for these cutbacks, but I assure you that if you do not have Jim or Catherine or Patrick in those elevators, many times they do not work.

Having been on an elevator whose door would not open during a vote, I can assure the gentleman and also my colleague from Georgia with whose intent I respect, that does present a problem.

So for those Longworth dwellers, we do have a special problem.

I hasten to add I do not know what it would cost to modernize the elevators in Longworth so they can go with the same kind of speed with regard to our other House office buildings and over in the Senate. But we do have a special problem in Longworth.

Mr. FAZIO. Mr. Chairman, I appreciate the comments, having been in the Longworth most of the time that I have been in Congress.

The CHAIRMAN pro tempore (Mr. PANETTA). The question is on the amendment offered by the gentleman from Georgia [Mr. SWINDALL].

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. SWINDALL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 168, noes 238, not voting 25, as follows:

[Roll No. 257]

AYES—168

Archer	Cobey	Eckert (NY)
Armey	Coble	Edwards (OK)
Badham	Coleman (MO)	Emerson
Bartlett	Combest	Erdreich
Barton	Conte	Fawell
Bennett	Courter	Fiedler
Bereuter	Craig	Fields
Bilirakis	Crane	Frenzel
Bliley	Daniel	Gallo
Boulter	Dannemeyer	Gekas
Brown (CO)	Darden	Gibbons
Burton (IN)	Daub	Gilman
Byron	DeLay	Gingrich
Callahan	Derrick	Glickman
Carper	DeWine	Goodling
Chandler	DioGuardi	Gradison
Cheney	Dornan (CA)	Gregg
Clinger	Dreier	Hall, Ralph
Coats	Dyson	Hamilton
Hansen	McEwen	Siljander
Hendon	McMillan	Slattery
Henry	Michel	Slaughter
Hiler	Miller (OH)	Smith (NE)
Hillis	Miller (WA)	Smith (NJ)
Hopkins	Monson	Smith, Denny (OR)
Hubbard	Montgomery	Smith, Robert (NH)
Huckaby	Moorhead	Smith, Robert (OR)
Hunter	Morrison (WA)	Snowe
Hyde	Nelson	Solomon
Ireland	Nielson	Spratt
Jenkins	Olin	Stallings
Johnson	Oxley	Strang
Jones (OK)	Packard	Stump
Kanjorski	Pashayan	Sundquist
Kasich	Pease	Sweeney
Kindness	Petri	Swindall
Kolbe	Pursell	Tallon
Kramer	Ray	Tauke
Lagomarsino	Ridge	Tauzin
Latta	Rinaldo	Thomas (CA)
Leach (IA)	Ritter	Thomas (GA)
Lewis (FL)	Roberts	Torricelli
Lightfoot	Robinson	Valentine
Livingston	Rogers	Vander Jagt
Lloyd	Roth	Volkmer
Loeffler	Roukema	Walker
Lott	Rowland (CT)	Weber
Luken	Saxton	Whittaker
Lungren	Schaefer	Wirth
Mack	Schneider	Wolf
MacKay	Schroeder	Wolpe
Madigan	Schuette	Wylie
Martin (IL)	Schulze	Young (FL)
Martin (NY)	Sensenbrenner	Zschau
McCain	Shaw	
McCandless	Shumway	
McDade	Shuster	

NOES—238

Ackerman	Dowdy	Kennelly
Akaka	Downey	Kildee
Alexander	Duncan	Kleczka
Anderson	Durbin	Kolter
Annunzio	Dwyer	Kostmayer
Anthony	Dymally	LaFalce
Applegate	Early	Lantos
Aspin	Eckart (OH)	Lehman (CA)
Atkins	Edwards (CA)	Lehman (FL)
AuCoin	English	Leland
Bateman	Evans (IA)	Lent
Bates	Evans (IL)	Levin (MI)
Bedell	Fascell	Levine (CA)
Beilenson	Fazio	Lewis (CA)
Bentley	Fish	Lipinski
Berman	Flippo	Long
Bevill	Florio	Lowery (CA)
Biaggi	Foglietta	Lowry (WA)
Boehlert	Foley	Lujan
Boggs	Ford (MI)	Manton
Boland	Ford (TN)	Markey
Boner (TN)	Frank	Martinez
Bonior (MI)	Franklin	Matsui
Bonker	Frost	Mavroules
Borski	Fuqua	Mazzoli
Boucher	Garcia	McCloskey
Boxer	Gaydos	McCollum
Brooks	Gejdenson	McCurdy
Broomfield	Gephardt	McGrath
Brown (CA)	Gonzalez	McHugh
Bruce	Gordon	McKernan
Bryant	Gray (IL)	McKinney
Burton (CA)	Gray (PA)	Meyers
Bustamante	Green	Mica
Carr	Guarini	Mikulski
Chapman	Hall (OH)	Miller (CA)
Chappell	Hammerschmidt	Mineta
Chappie	Hatcher	Mitchell
Clay	Hawkins	Moakley
Coelho	Hayes	Molinari
Coleman (TX)	Hefner	Mollohan
Conyers	Hertel	Moody
Cooper	Holt	Morrison (CT)
Coughlin	Horton	Mrazek
Coyne	Howard	Murphy
Daschle	Hoyer	Murtha
Davis	Hughes	Myers
de la Garza	Hutto	Natcher
Dellums	Jacobs	Neal
Dickinson	Jeffords	Nichols
Dicks	Jones (NC)	Nowak
Dingell	Jones (TN)	Oakar
Dixon	Kaptur	Oberstar
Donnelly	Kastenmeier	Obey
Dorgan (ND)	Kemp	Ortiz

Owens	Schumer	Traxler
Panetta	Seiberling	Udall
Penny	Sharp	Vento
Pepper	Shelby	Visclosky
Perkins	Sikorski	Vucanovich
Pickle	Sisisky	Waldon
Porter	Skeen	Walgren
Price	Skelton	Watkins
Quillen	Smith (IA)	Waxman
Rahall	Snyder	Weiss
Rangel	Solarz	Wheat
Regula	Spence	Whitehurst
Reid	St Germain	Whitley
Richardson	Staggers	Whitten
Rodino	Stangeland	Williams
Roe	Stark	Wilson
Rose	Stokes	Wise
Rostenkowski	Stratton	Wright
Rowland (GA)	Studds	Wyden
Roybal	Swift	Yates
Rudd	Synar	Yatron
Russo	Taylor	Young (AK)
Sabo	Torres	Young (MO)
Savage	Towns	
Scheuer	Traficant	

NOT VOTING—25

Andrews	Edgar	Moore
Barnard	Feighan	Parris
Barnes	Fowler	Roemer
Bosco	Grotberg	Smith (FL)
Breaux	Gunderson	Stenholm
Campbell	Hartnett	Weaver
Carney	Leath (TX)	Wortley
Collins	Lundine	
Crockett	Marlenee	

□ 1635

Mrs. VUCANOVICH, Mr. SPENCE, and Mr. McCLOSKEY changed their votes from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL: On page 29, after line 18, insert the following new section:

"SEC. 308. Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act, except for the payment to Grace Addabbo specified in the item relating to "Payments to widows and heirs of deceased Members of Congress," and except for the payment to the Office of the Chaplain specified in the item relating to "Salaries Officers and Employees" in Title I, shall be reduced by 3.51 percent."

Mr. FRENZEL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore (Mr. PANETTA). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. FAZIO. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state it.

Mr. FAZIO. Mr. Chairman, I was going to ask if the gentleman would indicate whether this is his across-the-board amendment?

Mr. FRENZEL. Mr. Chairman, if the gentleman will yield, it is my across-the-board amendment.

Mr. FAZIO. Then if it is, Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto be limited to 40 minutes, the time to be divided equally between the gentleman from Minnesota [Mr. FRENZEL] and myself.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

Mr. FRENZEL. Reserving the right to object, Mr. Chairman, would the gentleman suggest 20 minutes?

Mr. FAZIO. Mr. Chairman, if the gentleman will yield, I will be more than happy to accommodate the gentleman and, I am sure, all our colleagues with 20 minutes.

Mr. FRENZEL. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The time to be provided on this amendment is 20 minutes, the time to be equally divided between the gentleman from California [Mr. FAZIO] and the gentleman from Minnesota [Mr. FRENZEL].

The Chair recognizes the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, the gentleman from California, the distinguished subcommittee chairman and I have agreed on 20 minutes of debate because we have debated a number of these across-the-board amendments returning spending to the higher authority amount of 1986. The numbers are different in each bill.

The gentleman from California and I have agreed to this reduction in time so that the Members would have a chance to go about their business at the end of the day and both of us would be indebted to the membership if we could have order so that we could move this right along. It may be possible to do this in less than 20 minutes.

Mr. Chairman, I sent a "Dear Colleague" letter. Those of you who scanned it will understand that this year's appropriation is up about $46.2 million over last year's appropriation sub-sequestered.

Now, that is about $3.62 million above last year's appropriation, so my amendment cuts across the board 3.51 percent in an attempt to get our spending down to last year's level, that is to enact a BA freeze.

Now, there are two very small items in the appropriation that are excepted. One is the Chaplain's Office, because there is only one person in it. His salary is the whole amount. The other is payment to a widow of the House of Representatives, again the only amount in that item. I felt it was inappropriate to cut those two amounts, so I split my 3.51 cut across the rest of the budget.

Mr. Chairman, I am doing this because I think it is exceedingly important that the House get its appropriations down to a rock bottom level so that when our sequester resolution comes along, we will be able to pass a very small sequester resolution and still meet our targets.

I realize all the objections to an across-the-board amendment. They are many and numerous and I would agree with them.

There are some advantages, however, in that they ratify the imperative spending decisions made by the subcommittee so that I do not pick out one item that they like and I do not like.

What I have done is said all the items will remain the same proportion with those two small exceptions that the committee decided on, and I will make a small cut, if possible, across the board, so that we will be able to get to last year's BA.

Mr. Chairman, it is awfully easy when we are dealing with certain appropriations to take shots. I do not want to do anything that smacks of that kind of activity.

I do feel that it is appropriate, however, to suggest that this is the part of our budget that is fully spent on ourselves and our own activities. If we are going to allow ourselves these very large increases, and I pointed out in the scheduled debate that congressional operations budgets are increased over 6 percent, very nearly by 7 percent.

As a matter of fact, some of our functions, like our caucus and our conference, are increased nearly 20 percent.

I believe that if the House will make the decision that it will stand for some cuts, that it will stand for a freeze in its total operation, then we will be prepared to do good things on the reconciliation and on the sequester resolution and we will be able to tell the people of this country that we were willing to make a sacrifice first and then we asked it of everybody else.

I believe that the freeze amendment is good budget policy. It will make our lives easier when it comes time for sequestration and that it will not unnecessarily inconvenience any of our committees or ourselves.

Mr. FAZIO. Mr. Chairman, I do not need to make a lengthy defense of this budget because I think most Members understand that it is rather austere and it has been done in good faith on a bipartisan basis.

If we adopt this Frenzel amendment to cut across the board by 3.5 percent, we have in fact made a decision, and I hope we do not make it, but if we were to accept this amendment, we will have frozen our budget for the second year in a row. This would be another freeze at the sequestered level. In other words, adopted a freeze budget last year and saw it cut 4.3 percent by

Gramm-Rudman. This amendment would freeze it again.

My colleagues and my friends, this cuts at the vitals of this very important legislative branch of our Federal Government. It would do disastrous damage to our ability to uphold our constitutional duties.

We have been exceedingly responsible in the way we have marked up this bill. Since 1985 we have increased the funds by less than four-tenths of 1 percent each year. I am not aware of any other program in Government that has had that kind of restriction.

We have had a great deal of debate on all the other appropriations bills about whether we met the test of the budget resolution. I want to make clear to everyone that we have met it not only on budget authority, but we have met it on outlays as well. We have done everything that has been asked of us.

We have, I think, a responsible budget which is over last year's sequestered amount by 3.5 percent. Before Gramm-Rudman, the bill is actually down by $9.1 million.

I might point out that the executive branch request is up by 4 percent.

The CPI is projected by the Congressional Budget Office to go up by more than 4 percent. We are under both of those.

This is not a new phenomenon. The legislative branch since 1978 has averaged annual increases of only 5.8 percent. That is significantly below the executive branch increases of 8.9 percent, and less than the Consumer Price Index average increase of 6.3 percent since 1978.

In fact, therefore, we have had a decline in the legislative branch funding in real dollars since 1978.

We all understand what Gramm-Rudman has brought about. Members are complaining here on the floor of the 6- or 7-day delay in mail deliveries—I see the gentleman from Ohio [Mr. MILLER], he mentioned it to me today—in getting mail from the mail room in the Capitol to Members' offices.

But this does not just affect congressional operations or Members of Congress. This affects the entire legislative branch of Government. It means we are cutting back on the GAO. We are cutting back on the General Accounting Office in the face of increased responsibilities.

It means that despite their new responsibilities under Gramm-Rudman, this amendment would cut back some $600,000 on the Congressional Budget Office.

The GAO cut was $11 million.

It means a cut back on the Office of Technology assessment.

It seems cuts in the Library of Congress that many, many people have written Congress in protest about; this would impose further cuts in the Library of Congress of some $6.6 million, making it difficult for the blind and the physically handicapped to receive services, making it difficult to preserve the many valuable works of art and texts that are deteriorating, forcing premature closure of the reading rooms, making reductions in copyright protection activities and so forth.

If this amendment is approved and a Gramm-Rudman sequestration order is approved on top of that, the legislative branch will suffer drastically and I believe in such a manner as to make our ability to perform our services next to impossible.

We cannot trade off cutbacks in grants and loans and contract authority. We take it on the chin. We have to fire staff and give up computer resources.

It would be counterproductive. I hope Members will stick with the committee in its responsible effort. We are not even restoring the Gramm-Rudman cuts. We have simply presented the Members a bill that continues the downward trend in employment and a responsible level of fiscal expenditure.

Mr. FRENZEL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, first of all, I want to express my respect and appreciation for the task that the gentleman from California [Mr. FAZIO] and his committee have undertaken in bringing this legislation to the floor. I know that Chairman FAZIO does not have an easy job in putting together a legislative appropriation bill and it is a thankless job, because regardless of what kind of appropriation measure you bring to the floor, it is going to be controversial and it is going to invite amendments.

My concern is in sticking to a principle which I think serves us well long term and that is to hold funding levels at a freeze level on all the appropriation bills that reach the floor.

□ 1650

We all know that Gramm-Rudman sequestration faces us if we do not keep our spending measures within bounds. One of the easiest ways in my judgment to hold the line on spending is to simply say in every category that we will spend no more.

This appropriation bill, like several before it, has a somewhat higher funding level than we are spending at in this current fiscal year. The only way in which we can get it back to a freeze level is to adopt an amendment like the Frenzel amendment. With the Frenzel amendment we will bring spending in this bill back down to the post sequestration funding level for fiscal year 1986. If we carry that lower funding level forward, we stand a better chance of avoiding sequestration in the coming year. If we do face sequestration in the coming year, by freezing these appropriation bills as they come along we will face a less stringent, a less difficult, a less deep sequestration of our spending in various categories.

Again, if we want to make budget decisions less painful down the road, it seems appropriate that we take a bite out of these appropriation bills as they come to the floor by adopting a freeze amendment. I again encourage Members to take seriously the amendment offered by Mr. FRENZEL. This amendment will bring this bill down to a freeze level, and I think that it ought to be adopted.

Mr. FAZIO. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. GAYDOS.].

Mr. GAYDOS. Mr. Chairman, it is not the most pleasant duty to serve on the Subcommittee on Accounts, under the able leadership of Chairman ANNUNZIO. At one time it maybe had been considered pleasant, and a good spot, but today, the last 2 or 3 years we have been in a very difficult position.

The maker of the amendment serves on that committee with me, and I think that he would agree with me before this whole body that we were pretty tightfisted last year, and we cut things down substantially. We were accused of being unreasonable, and I as a chairman had to repeatedly and am repeatedly turning down many chairmen's requests for additional funds.

I will give you a good practical example. Chairman RODINO needed funds desperately. He had to bypass our committee and go a special route and ask for a special resolution and take the time of this House in order to fund those needs.

So I am saying to the Members of the House that we have practiced austerity in its very essence. I have a list here of what the various standing and select committees have done to abide by the austerity program indicated by Gramm-Rudman. Here are some examples. The Judiciary Committee I mentioned for their $50,000 had to go the circuitous route that they did through the special resolution. The Select Committee on Narcotics has requested a limited $5,000, which I had to refuse them—$5,000 in that very, very sensitive area. The Committee on Foreign Affairs has furloughed every employee in that committee for 5 days every month, and on and on. The Merchant Marine Committee has permanently terminated 10 employees, and the Committee on Aging will furlough most employees for 3 weeks coming up tentatively. HIS already has terminated 12 employees.

I conclude by very clumsily asking this group, look at the practicality of what this cut means.

Mr. FRENZEL. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Chairman, I hope that the Members of this body have listened to our two distinguished Members from Minnesota. I have been studying this process now I think in the last 3 weeks through several appropriations bills, and today I think that I hit on something.

I want to take the Members back to the debate on Gramm-Rudman. One Member of the body stood in the well and said rather graphically, and I remember the gestures, that Gramm-Rudman will change the way we do business in this body. I think that we need to be aware of that, because indeed the members of the Committee on Appropriations have indeed spoken, and spoken well, for how hard they have worked, and they have worked hard.

If you take a look at the budget process in this House, beginning with the President's budget, which is a budget for current services, we do have a current-services process where we indeed develop spending programs and budgets and appropriations bills by looking backward. As we look backward on what we have done in the past and how hard we have worked to hold spending down in light of our past, we do have a right to feel good about the work that we have done. And again I would commend the Appropriations Committees for doing so.

Yet they feel the frustration for those of us who continually seem to be out here saying that we must do more, and I think that Mr. FRENZEL has given us the reason. We are looking ahead. The fact is, and the Committee on the Budget will tell you, they know that when it comes time to face the music on Gramm-Rudman, we are going to be $25 billion short. We are going to face the possibility of a $25 billion sequestration. The best way in the world to minimize that pain and that heartburn at that time is to look into each and every one of these appropriation bills at this time and see where we can do more to cut spending now selectively, creatively, and responsibly, in order to avoid those very, very painful and in fact unnecessary across-the-board cuts later.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I am happy to yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Chairman, the gentleman talks about unnecessary expenses. He used the House gym as a hotel. Does he not think that was an abuse of taxpayers' money?

The CHAIRMAN pro tempore (Mr. PANETTA). The time of the gentleman from Texas [Mr. ARMEY] has expired.

Mr. FAZIO. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I would simply like to point out, in opposition to the amendment, that this bill is both within the BA and the outlay numbers in the budget resolution. So much for the argument about the budget resolution and sequestration.

I would point out that this bill has been at a virtual freeze for 2 years. In contrast, the Office of Administration for the Executive Office of the President is up 13.7 percent; the executive residence of the White House is up 17.9 percent; and the Office of Management and Budget is up 15 percent. I do not think that the Congress has to apologize in comparison to the executive branch in our frugality.

I for one am tired of having administration witnesses come down to the Appropriations Committee having two rows of backup for every witness, and we may have two or three staff people at most in the appropriations process to try to give oversight that this country has a right to expect on the administrative branch of Government.

Mr. Chairman, I urge a "no" vote on this amendment.

Mr. FRENZEL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have heard some complaints about what we will do to our budgets and how we may destroy our efficiency around here. I think that it is fair to note that the accounts that we are talking about are all expanded in this particular bill by more than the cost of living. For instance somebody complained about CBO and GAO. CBO is up 7 percent; GAO is up 6 percent. My amendment will simply bring them down to a level which will take care of them, they will be getting an inflation allowance, but no more.

Committee employees, up 16 percent; the Committee on Appropriations itself, up 10 percent. I do not think that we need those very large increases. If we need them, perhaps we can forgo them for a 1-year period while we do our best to meet the Gramm-Rudman targets that we have set for ourselves.

This is a pretty simple amendment. I think that everybody understands it. It has all the infirmities of every across-the-board amendment. It is a bit of a blunt instrument, and many Members will not be for it for that reason.

It is the best vehicle that is available for me to try to put on a freeze at 1986 BA levels.

□ 1700

I believe with respect to congressional operations, there will still be plenty of money left to run our elevators and to do our staff work and to take care of our necessary expenses.

I believe the Congress should be the very first to inflict on itself a little sacrifice so that it could then, with a clear conscience, vote for its reconciliation bills and vote for its sequester.

Mr. Chairman, I hope that this amendment will be passed.

Mr. FAZIO. Mr. Chairman, I yield 30 seconds to the gentleman from Connecticut [Mr. MORRISON].

Mr. MORRISON of Connecticut. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to the amendment. This appropriation bill is within the 1987 budget. The budget is our guideline. Arbitrary picking of freeze amounts in 1986 does not do the job. What we have to live within are the outlays and the budget authority that are in the budget.

This appropriation does so, even if one factors in what the other body's outlays and budget authority are likely to be.

For that reason, I oppose the amendment.

Mr. FAZIO. Mr. Chairman, I yield the balance of my time to my good friend, the ranking minority member of the committee, the gentleman from California [Mr. LEWIS].

Mr. LEWIS of California. Mr. Chairman, I thank my chairman for yielding and would like to close the debate by first mentioning the fact that throughout the process of developing this bill, we have had really fantastic bipartisan support as we have gone through the very difficult task of developing the appropriations measure that provides the funding for the necessary work of the Congress.

I would like to express my appreciation to my chairman, the gentleman from California [Mr. FAZIO] for his work; to the gentleman from Minnesota, BILL FRENZEL, for the work that he has been involved in in attempting to provide some restraint in terms of Federal spending as it relates to the legislative branch.

This bill is a very, very effective tool that essentially says that the Congress is providing the leadership needed that will lead toward restraint in spending.

The bill is some $350 million below the 302(b) amount in the budget, both in outlays and in authority. We are far below those projected figures.

It is very important for the membership to realize that as we all recognize, it is tough to vote for our own. In this case, we have done the job of cutting back the levels of expenditures requested.

I urge my members to swallow hard and vote for their own bill.

The CHAIRMAN pro tempore. (Mr. PANETTA). The question is on the amendment offered by the gentleman from Minnesota [Mr. FRENZEL].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. FRENZEL. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. Evidently a quorum is not present. Pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 258]

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Badham
Bartlett
Barton
Bateman
Bates
Bedell
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilirakis
Bliley
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boulter
Boxer
Brooks
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Burton (CA)
Burton (IN)
Bustamante
Byron
Callahan
Carper
Carr
Chandler
Chapman
Chappell
Chappie
Cheney
Clay
Clinger
Coats
Cobey
Coble
Coelho
Coleman (MO)
Coleman (TX)
Combest
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Craig
Crane
Daniel
Dannemeyer
Darden
Daschle
Daub
Davis
de la Garza
DeLay
Dellums
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Eckert (NY)
Edwards (CA)
Emerson
English
Erdreich
Evans (IA)
Evans (IL)
Fascell
Fawell
Fazio
Fiedler
Fields
Fish
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Franklin
Frenzel
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Gray (IL)
Gray (PA)
Green
Gregg
Guarini
Hall (OH)
Hall, Ralph
Hamilton
Hammerschmidt
Hansen
Hatcher
Hawkins
Hayes
Hefner
Hendon
Henry
Hertel
Hiler
Hillis
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Hughes
Hunter
Hutto
Hyde
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennelly
Kildee
Kindness
Kleczka
Kolbe
Kolter
Kostmayer
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Loeffler
Long
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Mack
MacKay
Madigan
Manton
Markey
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCain
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKernan
McKinney
McMillan
Meyers
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mitchell
Moakley
Molinari
Mollohan
Monson
Montgomery
Moody
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Oxley
Packard
Panetta
Pashayan
Pease
Penny
Pepper
Perkins
Petri
Pickle
Porter
Price
Pursell
Quillen
Rangel
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Rudd
Russo
Sabo
Savage
Saxton
Schaefer
Schneider
Schroeder
Schuette
Schulze
Schumer
Seiberling
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Siljander
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Snyder
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stokes
Strang
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Waldon
Walgren
Walker
Watkins
Waxman
Weaver
Weber
Weiss
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Williams
Wilson
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zschau

□ 1720

The CHAIRMAN. Four hundred two Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Minnesota [Mr. FRENZEL] for a recorded vote. Five minutes will be allowed for the vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 199, noes 209, not voting 23, as follows:

[Roll No. 259]

AYES—199

Andrews
Archer
Armey
Badham
Bartlett
Barton
Bateman
Bates
Bedell
Bennett
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boulter
Broomfield
Brown (CO)
Burton (IN)
Byron
Callahan
Carper
Chandler
Chappie
Cheney
Coats
Cobey
Coble
Coleman (MO)
Combest
Cooper
Coughlin
Courter
Craig
Crane
Daniel
Dannemeyer
Daschle
Daub
Davis
DeLay
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dreier
Duncan
Eckart (OH)
Eckert (NY)
Edwards (OK)
Emerson
English
Erdreich
Evans (IA)
Fawell
Fiedler
Fields
Fish
Franklin
Frenzel
Gallo
Gekas
Gibbons
Gilman
Gingrich
Glickman
Goodling
Gradison
Gregg
Hall, Ralph
Hamilton
Hammerschmidt
Hansen
Hendon
Henry
Hiler
Hillis
Holt
Hopkins
Hubbard
Huckaby
Hunter
Hutto
Hyde
Jacobs
Jeffords
Johnson
Jones (OK)
Kanjorski
Kasich
Kemp
Kindness
Kolbe
Kramer
Lagomarsino
Latta
Leach (IA)
Lent
Lewis (FL)
Lightfoot
Lloyd
Loeffler
Lott
Lujan
Lungren
Mack
MacKay
Madigan
Martin (IL)
Martin (NY)
McCain
McCandless
McCloskey
McCollum
McCurdy
McEwen
McGrath
McKernan
McMillan
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Monson
Moorhead
Morrison (WA)
Nelson
Nichols
Nielson
Olin
Oxley
Packard
Pashayan
Penny
Petri
Pickle
Porter
Pursell
Quillen
Ray
Regula
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rogers
Roth
Roukema
Rowland (CT)
Saxton
Schaefer
Schneider
Schuette
Schulze
Sensenbrenner
Sharp
Shaw
Shumway
Shuster
Sikorski
Siljander
Slattery
Slaughter
Smith (NE)
Smith (NJ)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Snyder
Solomon
Spence
Stallings
Stangeland
Strang
Stratton
Stump
Sundquist
Sweeney
Swindall
Tauke
Tauzin
Taylor
Valentine
Vander Jagt
Vucanovich
Walgren
Walker
Weber
Whitehurst
Whittaker
Wirth
Wise
Wortley
Wylie
Young (FL)
Zschau

NOES—209

Ackerman
Akaka
Alexander
Anderson
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Beilenson
Berman
Bevill
Biaggi
Boggs
Boland
Boner (TN)
Bonior (MI)
Borski
Bosco
Boucher
Boxer
Brooks
Brown (CA)
Bruce
Bryant
Burton (CA)
Bustamante
Carr
Chapman
Chappell
Clay
Clinger
Coelho
Coleman (TX)
Conte
Conyers
Coyne
Darden
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Edwards (CA)
Evans (IL)
Fascell
Fazio
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gonzalez
Gordon
Gray (IL)
Gray (PA)
Green
Guarini
Hall (OH)
Hatcher
Hawkins
Hayes
Hefner
Hertel
Horton
Howard
Hoyer
Hughes
Jenkins
Jones (NC)
Jones (TN)

Kaptur	Morrison (CT)	Smith (IA)
Kastenmeier	Mrazek	Solarz
Kennelly	Murphy	Spratt
Kildee	Murtha	St Germain
Kleczka	Myers	Staggers
Kolter	Natcher	Stark
Kostmayer	Neal	Stokes
LaFalce	Nowak	Studds
Lantos	Oakar	Swift
Lehman (CA)	Oberstar	Synar
Lehman (FL)	Obey	Tallon
Leland	Ortiz	Thomas (GA)
Levin (MI)	Owens	Torres
Levine (CA)	Panetta	Torricelli
Lewis (CA)	Pease	Towns
Lipinski	Pepper	Traficant
Livingston	Perkins	Traxler
Long	Price	Udall
Lowery (CA)	Rangel	Vento
Lowry (WA)	Reid	Visclosky
Luken	Richardson	Volkmer
Lundine	Rodino	Waldon
Manton	Roe	Watkins
Markey	Rose	Waxman
Martinez	Rostenkowski	Weaver
Matsui	Rowland (GA)	Weiss
Mavroules	Roybal	Wheat
Mazzoli	Rudd	Whitley
McDade	Russo	Whitten
McHugh	Sabo	Williams
McKinney	Savage	Wilson
Mica	Scheuer	Wolf
Mikulski	Schroeder	Wolpe
Miller (CA)	Schumer	Wright
Mineta	Seiberling	Wyden
Mitchell	Shelby	Yates
Moakley	Sisisky	Yatron
Mollohan	Skeen	Young (AK)
Montgomery	Skelton	Young (MO)
Moody	Smith (FL)	

NOT VOTING—23

Barnard	Edgar	Marlenee
Barnes	Feighan	Moore
Bonker	Fowler	Parris
Breaux	Grotberg	Rahall
Campbell	Gunderson	Roemer
Carney	Hartnett	Stenholm
Collins	Ireland	Thomas (CA)
Crockett	Leath (TX)	

The Clerk announced the following pair:

On this vote:

Mr. Campbell for, with Mr. Barnard against.

Mr. DERRICK changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

TWENTY-FIFTH ANNUAL BALL GAME BETWEEN DEMOCRATS AND REPUBLICANS

By unanimous consent (Mr. CONTE was allowed to proceed out of order.)

Mr. CONTE. Mr. Chairman, tonight, once again, this Congress will witness the great battle between the Democrats and Republicans on the ball diamond. This year, our 25th annual game, will be held at Four-Mile Run Baseball Park in Alexandria at 6:30. The proceeds for the game will go to Children's Hospital.

But, Mr. Chairman something has been affecting your party's team. Over the past 3 years, the Democrats—younger, swifter, more talented—at least according to MARTY RUSSO, who thinks he is 25 years old, but throws like he was 100, have not been able to win.

So I have a suggestion for your manager, the wily Mr. CHAPPELL—take samples. That's right—just like Pete Rozelle in the NFL, you should be taking samples to determine what substances are affecting your team. I want you to know that I have tested the entire Republican team and with the exception of trace or two of premium draft, they came clean.

But with your team, such a test could make a difference. I'm told that with these samples they can even determine the effect on your players of those 25 cent cigars that SABO and CHAPPELL smoke. Considering the brands they buy, it's a wonder anyone on your team can see much less hit.

These samples can also tell you the effect of sugar on MARTY RUSSO. The way that guy puts away pizza, milkshakes, and Cokes, it could be affecting his throws. The ball simply sticks to his hand.

In fact, I have heard that such a sampling effort can determine the effect of Gramm-Rudman on MIKE SYNAR. That would really be interesting to know.

So, Mr. Chairman, I urge you to follow my team's lead. It may be the key to success. With spaced-out players like BILL NELSON on your team, CHAPPELL is going to have a real challenge in bringing your team back to the reality that defeat once again looms at the hand of the mighty elephant Republican team.

UPDATE ON THE 25TH ANNUAL BALL GAME

(By unanimous consent, Mr. DOWNEY of New York was allowed to proceed out of order.)

Mr. DOWNEY of New York. Mr. Chairman, the House Democratic team is prepared to stand tall and take the test that Mr. CONTE offers, and we, like the American League this year in the All-Star Game, intend to reverse the awful trend of the last 3 years.

It is quite clear to me that the Republican team will have far better use for these plans after we are finished with them than we will for urine samples prior to the game.

You will watch the inimitable donkeys fight their way to victory, and I predict a 7-to-5 victory on our part tonight.

Mr. FAZIO. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. GEPHARDT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5203) making appropriations for the legislative branch for the fiscal year ending September 30, 1987, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 266, noes 146, not voting 19, as follows:

[Roll No. 260]

AYES—266

Ackerman	Dymally	Lent
Akaka	Dyson	Levin (MI)
Alexander	Early	Levine (CA)
Anderson	Eckart (OH)	Lewis (CA)
Andrews	Edwards (CA)	Lipinski
Annunzio	Edwards (OK)	Livingston
Anthony	English	Lloyd
Applegate	Evans (IL)	Loeffler
Atkins	Fascell	Long
AuCoin	Fazio	Lowery (CA)
Bateman	Fish	Lowry (WA)
Bates	Flippo	Luken
Bedell	Florio	Lundine
Beilenson	Foglietta	MacKay
Bennett	Foley	Madigan
Bentley	Ford (MI)	Manton
Berman	Ford (TN)	Markey
Bevill	Frank	Martin (NY)
Biaggi	Franklin	Martinez
Bliley	Frost	Matsui
Boggs	Fuqua	Mavroules
Boland	Garcia	Mazzoli
Boner (TN)	Gaydos	McCloskey
Bonior (MI)	Gejdenson	McCurdy
Bonker	Gephardt	McDade
Borski	Gibbons	McGrath
Bosco	Gilman	McHugh
Boucher	Gonzalez	McKinney
Boxer	Gordon	Mica
Brooks	Gray (IL)	Michel
Brown (CA)	Gray (PA)	Mikulski
Bruce	Green	Miller (CA)
Bryant	Guarini	Mineta
Burton (CA)	Hall (OH)	Mitchell
Bustamante	Hamilton	Moakley
Byron	Hatcher	Molinari
Callahan	Hawkins	Mollohan
Carper	Hayes	Montgomery
Carr	Hefner	Moody
Chapman	Hertel	Morrison (CT)
Chappell	Hillis	Mrazek
Clay	Holt	Murphy
Coelho	Horton	Murtha
Coleman (TX)	Howard	Myers
Conte	Hoyer	Natcher
Conyers	Huckaby	Neal
Cooper	Hutto	Nelson
Coughlin	Jeffords	Nichols
Coyne	Jenkins	Nowak
Daniel	Jones (NC)	Oakar
Darden	Jones (TN)	Oberstar
Daschle	Kanjorski	Obey
Davis	Kaptur	Ortiz
de la Garza	Kastenmeier	Owens
Dellums	Kennelly	Panetta
Derrick	Kildee	Pease
Dickinson	Kleczka	Pepper
Dicks	Kolter	Perkins
Dixon	Kostmayer	Porter
Donnelly	LaFalce	Price
Dowdy	Lantos	Quillen
Downey	Leath (TX)	Rangel
Duncan	Lehman (CA)	Reid
Durbin	Lehman (FL)	Richardson
Dwyer	Leland	Rodino

Roe	Solarz	Volkmer
Rogers	Spratt	Waldon
Rose	St Germain	Walgren
Rostenkowski	Staggers	Watkins
Rowland (GA)	Stallings	Waxman
Roybal	Stark	Weaver
Rudd	Stokes	Weiss
Russo	Stratton	Wheat
Sabo	Studds	Whitehurst
Savage	Swift	Whitley
Scheuer	Synar	Whitten
Schneider	Tallon	Williams
Schroeder	Tauzin	Wilson
Schumer	Thomas (GA)	Wise
Seiberling	Torres	Wolf
Shelby	Torricelli	Wolpe
Sikorski	Towns	Wortley
Sisisky	Traficant	Wright
Skeen	Traxler	Yates
Skelton	Udall	Yatron
Smith (FL)	Valentine	Young (AK)
Smith (IA)	Vander Jagt	Young (FL)
Smith (NJ)	Vento	Young (MO)
Snowe	Visclosky	

NOES—146

Archer	Hendon	Ridge
Armey	Henry	Rinaldo
Badham	Hiler	Ritter
Bartlett	Hopkins	Roberts
Barton	Hubbard	Robinson
Bereuter	Hughes	Roemer
Bilirakis	Hunter	Roth
Boehlert	Hyde	Roukema
Boulter	Ireland	Rowland (CT)
Broomfield	Jacobs	Saxton
Brown (CO)	Johnson	Schaefer
Burton (IN)	Jones (OK)	Schuette
Chandler	Kasich	Schulze
Chappie	Kemp	Sensenbrenner
Cheney	Kindness	Sharp
Clinger	Kolbe	Shaw
Coats	Kramer	Shumway
Cobey	Lagomarsino	Shuster
Coble	Latta	Siljander
Coleman (MO)	Leach (IA)	Slattery
Combest	Lewis (FL)	Slaughter
Courter	Lightfoot	Smith (NE)
Craig	Lott	Smith, Denny (OR)
Crane	Lujan	Smith, Robert (NH)
Dannemeyer	Lungren	Smith, Robert (OR)
Daub	Mack	Snyder
DeLay	Martin (IL)	Solomon
DeWine	McCain	Spence
DioGuardi	McCandless	Stangeland
Dorgan (ND)	McCollum	Stenholm
Dornan (CA)	McEwen	Strang
Dreier	McKernan	Stump
Eckert (NY)	McMillan	Sundquist
Emerson	Meyers	Sweeney
Erdreich	Miller (OH)	Swindall
Evans (IA)	Miller (WA)	Tauke
Fawell	Monson	Taylor
Fiedler	Moorhead	Thomas (CA)
Fields	Morrison (WA)	Vucanovich
Frenzel	Nielson	Walker
Gallo	Olin	Weber
Gekas	Oxley	Whittaker
Gingrich	Packard	Wirth
Glickman	Pashayan	Wyden
Goodling	Penny	Wylie
Gradison	Petri	Zschau
Gregg	Pickle	
Hall, Ralph	Pursell	
Hammerschmidt	Ray	
Hansen	Regula	

NOT VOTING—19

Aspin	Crockett	Hartnett
Barnard	Dingell	Marlenee
Barnes	Edgar	Moore
Breaux	Feighan	Parris
Campbell	Fowler	Rahall
Carney	Grotberg	
Collins	Gunderson	

□ 1745

The Clerk announced the following pair:

On this vote:

Mr. Barnard for, with Mr. Campbell against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. LELAND. Mr. Speaker, during the course of the vote on rollcall No. 256 I was away from the Hill and missed the vote. Had I been here, I would have voted "no."

PERSONAL EXPLANATION

Mr. WALDON. Mr. Speaker, I was with people from my district when rollcall No. 256 was acted upon by the House. I would like to have the record show that had I been here, I would have voted in the negative.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair wishes to state that he will entertain 1-minute speeches now, and after the 1-minutes the House will proceed with general debate on the transportation bill, if there is no objection. If a Member questions going into the Committee of the Whole, then the House would have completed its business. Members understand that Members who have left for the day should be protected.

A PROPOSED IMPORT FEE ON FOREIGN OIL

(Mr. JONES of Oklahoma asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES of Oklahoma. Mr. Speaker, today we are circulating a letter to the President pleading with him to use the authority he has under the existing Trade Act to impose an import fee on foreign oil and oil products.

This is a matter of national security. In the oil patch the independent domestic oil industry is literally being driven out of business by a deliberate policy of OPEC nations to drive down producer prices and to drive domestic U.S. producers out of the business. We are already trending in the direction of the late 1960's and early 1970's in which the United States is depending more and more on foreign sources and specifically OPEC sources for our energy needs.

The only thing that can change this and stabilize the domestic oil industry is to put an import fee on foreign oil to equalize the tax foreign producers would pay equal to that of domestic producers. The President has this authority, and we are asking him to use this authority. Such authority in the form of an import fee would not help big oil companies, but it is absolutely vital to independent producers and to oil patch States such as Oklahoma to keep this depression in the oil patch from continuing.

Mr. Speaker, we hope the President will listen to our plea, and I hope my colleagues will join in signing this letter to him.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO SIT ON TOMORROW DURING THE 5-MINUTE RULE

Mr. BOUCHER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be permitted to sit while the House is reading for amendment under the 5-minute rule on tomorrow, July 30, 1986. This request has been cleared by the minority.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

COMMENDATIONS FOR LAW ENFORCEMENT PERSONNEL AND ST. LAWRENCE SEAWAY EMPLOYEES

(Mr. MARTIN of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTIN of New York. Mr. Speaker, I would like to extend my personal congratulations and recognition from the Congress to employees of the St. Lawrence Seaway Development Corporation, the U.S. Border Patrol, the U.S. Immigration and Naturalization Service, and New York State Police personnel in northern New York for their handling of what could have been a sensitive international incident earlier this summer.

At 10:42 p.m. on June 25, a 27-year-old Cuban seaman, carrying only an English-Spanish dictionary and a few personal belongings, jumped from the deck of his Cuban vessel as it was transiting the St. Lawrence Seaway's Eisenhower lock in Massena, NY. The seaman's intention was to seek political asylum in the United States.

The matter was handled quickly and efficiently with only 15 minutes passing between the time he jumped ship until he departed Eisenhower lock in the custody of American officials.

The Seaway Corporation employees, following that agency's well-thought-out and written procedures addressing such circumstances, apprehended and detained the Cuban national until Immigration personnel arrived. Recognizing that he might be seeking political asylum, they made no attempt to force him back onto the ship. Hundreds of foreign-flag vessels transit the Seaway locks at Massena every year, and because many of them are from Soviet bloc nations, the Corporation's person-

nel are always mindful of the fact that such occurrences could happen, although this is the first such incident in recent years.

As you know, Mr. Speaker, ships from Communist nations are free to transit the 2,300-mile long Seaway, an international waterway jointly administered by our country and Canada. The Seaway Corporation is an operating administration of our U.S. Department of Transportation and is ably headed by Administrator James Emery.

Specifically, I want to recognize the activities of Seaway employees, Cheri Ritzmann and Sharon Roraback, and the members of the Eisenhower lock crew who were on duty at the time, Calvin Kinney, Jack Jorgenson, Roger Premo, Toban Corey, and James Hitsman. All of them handled this incident in a most professional manner.

In conversations with by colleagues over the years, Mr. Speaker, I have frequently cited the Seaway Corporation as a unique Federal agency. With less than 200 employees, it is one of the smallest of our agencies, but its employees have consistently shown us that it is one of which we can be very proud. Its employees work on a day-to-day basis with seamen from all around the world. Not only are they dedicated to their special crafts, they are on the front line as ambassadors of good will, as well. I am very proud of them and am pleased to cite their performances to my colleagues in the Congress.

□ 1755

INTRODUCTION OF LEGISLATION TO COMPEL LTV CORP. TO CONTINUE PAYING INSURANCE BENEFITS TO RETIREES

(Mr. STOKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STOKES. Mr. Speaker, today I introduced legislation along with 22 cosponsors that will compel LTV Corp., which has filed for protection from its creditors under chapter 11, to continue paying medical and life insurance benefits to its retirees until a bankruptcy court orders the cessation of such benefits.

LTV's decision to cancel health and life insurance benefits would affect 78,500 retirees and their families, including 30,000 in the Cleveland area alone. This action on the part of LTV demonstrates a callous disregard for the welfare of employees who have loyally served that company and labored to make LTV our Nation's second largest domestic steel manufacturer.

Mr. Speaker, this action on the part of LTV has potentially disastrous ramifications for retirees living on a fixed income and dependent on these benefits. Already, I have received reports of incidents whereby LTV retirees have been denied medical treatment due to the lack of insurance coverage. The fact that some of our Nation's senior citizens have been turned away from hospitals and other health care facilities is not only appalling but represents a total abandonment of LTV's responsibility to its former employees.

Yesterday, in hearings held in Cleveland, Prof. Vern Countryman of Harvard, America's foremost bankruptcy expert, testified in favor of the legislation which I have today introduced in the House. Professor Countryman stated unequivocally that the action of LTV Steel in canceling retirees' health and life insurance benefits was in violation of the law.

Mr. Speaker, I invite my colleagues to join me in the cosponsorship of this legislation.

FATHER JENCO AND GEORGE O'BRIEN

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, My home State of Illinois and the Nation recently suffered a great loss when our colleague, George O'Brien, died.

Among his many fine achievements, none was closer to George's heart than his unceasing efforts to secure the release of Father Lawrence Jenco, who is a native of Joliet, IL, in George's district.

So we greet the release of Father Jenco from his captivity with a mixture of joy and sorrow—joy that he has been returned to his family and loved ones, but sorrow that George, who had worked so long for this day, was not here to greet Father Jenco.

Last year, George came to my office with members of Father Jenco's family. He told me—as they did—of their great faith that Father Jenco would emerge from his captivity, but also of their understandable discontent over the slow and seemingly fruitless diplomatic process.

I was deeply moved by their message.

George went beyond the call of duty in this case. He journeyed to Syria to talk to officials in the hopes of gaining Father Jenco's release.

I believe that George O'Brien's persistence, his faith, his unswerving devotion to the cause of Father Jenco contributed not only to the morale of Father Jenco's family, but to the ultimate happy outcome.

I just want to say that George O'Brien's work on behalf of the Jenco family, and especially Father Jenco, was certainly one of George's finest hours.

FATHER JENCO AND GEORGE O'BRIEN

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, it was at George O'Brien's inspiration, because his health was failing, that I went ahead to Syria 1 month ago on a trip that we had planned to take together, to deliver a letter signed by 251 of our colleagues, asking the nation of Syria, and particularly its President, Mr. Assad, to do what he could to get the release of our hostages.

George was with me in spirit on that trip. He told me, from his wheelchair in the corner of the House floor just 17 days before he died, to tell President Assad that he thought Mr. Assad was sincere in his efforts to help and to please do what he could to speed this process up.

I passed those words on to President Assad just 4 days later. I told him that George O'Brien's health was failing and that George would appreciate it if he would redouble his efforts.

Now I want to express my gratitude to President Assad and the Syrian Government, because he told me that day, June 30, that we would have very good news very soon. Then he expressed himself on something that I urged him to do and that was to let the hostages communicate so that there would not be a double trauma—the psychological torture of the brothers, the families, the mothers, the wives, and the children. As we now know, President Assad kept this promise to me. The American people are grateful to know that our remaining three hostages are alive. But we are still worried for their safety and anxious for their return.

I am now going to ask the 181 Members who I could not get to in time to sign my original letter to President Assad to sign another letter expressing gratitude to President Assad for the release of Father Jenco and to ask him to get out our other three brave men.

I have a resolution I have submitted today to that effect.

SOUTH AFRICAN TEXTILE AGREEMENT

(Mr. DERRICK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERRICK. Mr. Speaker, it disgusts me to learn that Americans can continue to buy clothing made in South Africa. By doing so, we're wrapping ourselves in the misery of that country's black majority. It appalls me, as a textile State representative, to learn that South African textile imports will be allowed to increase 4 per-

cent. And that's on top of what they are already dumping on our retail stores! The administration's textile negotiators are giving the oppressive Government of South Africa even more leeway than they have given to exporters such as Taiwan and Hong Kong.

It's bad enough that we're allowing the flood of textile imports to continue robbing Americans of their jobs. But when we allow a nation such as South Africa to do it, that's downright idiotic!

PRESIDENT SHOULD IMPOSE VARIABLE RATE OIL IMPORT FEE

(Mr. TAUZIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAUZIN. Mr. Speaker, today I join my colleague, the gentleman from Oklahoma, in signing a letter to the President asking him to use the authority that he currently enjoys to impose a variable rate oil import fee before things get much worse in this country.

In Louisiana today, the unemployment rate struck a high of 13.6 percent. In my own hometown of Thibodaux, LA, the rate is 18-plus percent.

The workers in Thibodaux, LA, and throughout Louisiana who have lost their jobs have lost those jobs as surely to the flood of oil imports as have the workers from the automobile plants and steel mills of America. Those Americans in Louisiana have unfortunately been denied trade adjustment assistance, and yet nevertheless they are out of work as surely as other workers have been put out of work by imports.

The national security implications of this tide of imports is serious, too. We learned last week that the U.S. dependence on Persian Gulf oil has increased threefold in the last year, 300 percent, and that dependence on foreign oil continues to grow as Americans are put out of work in numbers that would surprise and shock you in the gulf patch of Louisiana and throughout the Southwest.

Mr. President, we call upon you, use your authority, impose an oil import fee now and protect this country and the jobs of America. We need your help.

FATHER JENCO AND GEORGE O'BRIEN

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I would like to join the distinguished minority leader, the gentleman from Illinois [Mr. MICHEL], and the distinguished gentleman from California [Mr. DORNAN] in praising the efforts of our belated Member, George O'Brien, for his efforts in attempting to secure the release of the American hostages that are presently being held and for his efforts, particularly with regard to Father Jenco, the Catholic priest who was just released.

George had his heart in this effort and discussed this with many of us, particularly with those of us on the task force on the Foreign Affairs Committee who have been trying to find a way to try to release the hostages.

George's efforts motivated many of us to try to find additional avenues.

I am pleased to have joined with the gentleman from California in his effort in making an appeal to the Syrian head of Government, President Assad. We hope in our future efforts that we will finally and eventually see George O'Brien's wish fulfilled that all the American hostages will eventually be free.

I know all my colleagues join in that prayer and in that wish.

FATHER JENCO AND GEORGE O'BRIEN

(Mr. MINETA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MINETA. Mr. Speaker, the Rev. Lawrence M. Jenco has been released from his captivity in Lebanon, and has been reunited with his family. I know all the Members of this House join with me in sending the Jencos our best wishes.

As I am sure Father Jenco knows, no man could have a more loyal and hard-working family than he has. During the 18 months he was held prisoner, Father Jenco's family tirelessly crusaded for his release. All of us who have worked with the hostage families are filled with admiration for their strength and unwavering determination.

As several of the hostage families have said, the administration has been shamefully slow in recognizing their ordeal. I am convinced that pressure from this Congress played a major role in Father Jenco's release, as it also did in Rev. Ben Weir's release earlier.

If we are to see the other American hostages, then I believe we in the Congress must maintain our support for the families and our pressure on the administration to find a solution to this all too long hostage drama.

I would also like to note with sadness that the late George M. O'Brien was a personal friend of Father Jenco, and spoke many times from this well on his behalf. I am sorry George is not with us now to share this moment.

A MESSAGE FOR ROMANIA

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, earlier today this Congress, this body, sent a message to our State Department and sent a message to the Romanian Government that 190 Members of this body, Republicans and Democrats, will no longer put up with the persecution of the Catholic Church, the Orthodox Church, the Baptist Church and the Pentecostals in the country of Romania. They are violating human rights.

There are many Members who after this vote said that if they had this at a different time they might have switched their votes.

They should know that the next time this issue comes up we are going to win, unless they change.

Congressman HALL of Ohio, Congressman SMITH of New Jersey and myself have a piece of legislation which will suspend the most-favored-nation status now held by Romania for 6 months.

We say to the Romanian Government, loosen up. Lighten up. Allow human rights to take place and be respected in Romania. If you do that, you will keep most-favored-nation status. If you do not do that, the 190 today who joined and others will be with us the next time to vote to knock out most-favored-nation status for the country of Romania.

SOCIAL SECURITY COLA

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, when inflation goes up, Social Security recipients deserve a cost-of-living adjustment [COLA]. But under current law, they will only receive a COLA if inflation is more than a 3-percent trigger level.

The 3-percent trigger is unfair to our Nation's Social Security recipents, who are denied full protection against inflation. Even worse, the trigger has been the source of endless political posturing by the President and others, who have sought to temporarily eliminate the trigger requirement shortly before key elections.

In February 1985, I introduced legislation to reduce the 3-percent trigger to 1 percent in order to afford senior citizens with permanent inflation protection and remove the Social Security COLA from political considerations. I was joined in this effort by Representatives ROYBAL, TRAXLER, and 47 others.

I am pleased to note that last week, the Ways and Means Committee approved a provision that will accomplish what we set out to do. It will

guarantee a Social Security COLA to all beneficiaries, regardless of the rate of inflation.

If it is good policy to eliminate the trigger in election years, it should be good policy every year. I strongly urge my colleagues to support this new protection for Social Security recipients.

AN EXPRESSION OF OUTRAGE OVER TEXTILE AGREEMENT WITH SOUTH AFRICA

(Mr. HEFNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HEFNER. Mr. Speaker, I am outraged to learn of the agreement this administration has reached with South Africa to allow them to increase their textile imports into the United States by 4 percent.

The administration secretly negotiated this agreement for an increase that is greater than the increase granted to Taiwan, South Korea, and Hong Kong, the major textile importers whose goods are flooding our markets and causing the loss of thousands of textile jobs in our country.

Congress has passed a textile import limitation measure which the President vetoed with the promise that better positions would be negotiated in the MFA and in bilateral agreements with our trading partners. But the agreements we see coming out of this administration—with Hong Kong, Taiwan, South Korea, and now South Africa—are calculated to further erode our domestic industry and put American workers out of jobs.

Now here we are saying to a country whose government supports apartheid and at a time when Congress is considering legislation to place sanctions against that country, that not only can they continue to import goods to the United States but they can increase imports in an area where a domestic industry has been seriously hurt by imports.

Mr. Speaker, I believe this action is wrong and that it is more important than ever that Congress override the President's veto of the textile bill.

□ 1810

THE ADMINISTRATION MUST TURN SOUTH AFRICAN TEXTILE POLICY AROUND

(Mr. ATKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. ATKINS. Mr. Speaker, there was once a football player who ran 90 yards into the wrong end zone. Football fans couldn't believe it.

Today we learned that the Reagan administration wants to increase imports of South African textiles. Those who oppose apartheid and support the U.S. textile industry can't believe it.

Last month, this House voted total U.S. disinvestment in apartheid. Pretoria's crackdown on democracy was in full force. The international outcry for tough new sanctions was deafening.

And the oblivious U.S. textile trade negotiators were practicing "destructive disengagement" from this country's ideals.

One U.S. trade official, trying to keep his head in the sand, defended the deal "solely in textile terms, not broader political terms." But in textile terms, this deal stinks.

The textiles we import from South Africa keep 10,000 Americans out of work. In 1985, we imported 98 million square yards of cloth from South Africa, more than double the amount in the year before. This agreement allows Pretoria to increase its share of the U.S. textile market eight times more than any other bilateral deal we've signed this year.

A teammate of that football player chased him down the field, trying to get him to turn around, but it was too late.

It's not yet too late for the President to turn his trade team around. If he doesn't then he will by his deeds signal clear support for the apartheid regime of P.W. Botha and a willingness to pay for that support with American jobs.

GEORGE O'BRIEN'S TIRELESS EFFORTS TO WIN FATHER JENCO'S RELEASE

(Mrs. MARTIN of Illinois asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MARTIN of Illinois. Mr. Speaker, despite his time-consuming duties and deteriorating health in the last month, the efforts of our colleague, George O'Brien, to secure the release of Father Jenco set the standard for personal commitment by a Member of this body. From almost the beginning of Father Jenco's captivity, George O'Brien worked tirelessly to win his liberation. He provided instruction, aid, and assistance to the entire Jenco family in their own 25 trips to Washington.

The first Member of Congress to go to Syria on Father Jenco's behalf, he met not only with President Assad and other Syrian officials, but with representatives of the Vatican, France, Britain, Israel, Iran, Turkey, Egypt, and the United Nations.

His efforts opened up communications channels with the highest levels of the Syrian Government.

Here George continuously acted to coordinate the efforts of the State Department, White House, NSC, CIA, and the Congress. His own 1-minute almost every day that the House was in session from mid-June to December ensured that the cause of Father Jenco would not be forgotten.

One of the members of the Jenco family said that George O'Brien at his death had gone to Heaven and found a special key to release Father Jenco. I think that we all agree, and we are very glad that the door was open.

PRESIDENT CAN RELIEVE OIL-PATCH MISERY

(Mr. WATKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WATKINS. Mr. Speaker, today I join my colleague from Oklahoma, JIM JONES, in a letter to the President of the United States, asking him to use the authority that he has at his fingertips with the stroke of the pen to be able through an executive order add an oil-import fee which would offer tremendous relief and preserve an industry in the U.S. oil patch.

Mr. Speaker, the President has that authority. We have endured pain in Oklahoma through unemployment. We have lost the greatest number of jobs ever in the history of our State, the greatest number of bankruptcies, and the greatest number of bank failures. Yet the President has such power that, with the stroke of the pen, he could relieve all this by putting on an oil-import fee and being able to allow the oil patch to survive.

Just 18 months ago we had 4,500 oil rigs drilling oil in the United States. Today we have approximately 650, the lowest number since 1930 or since we have been keeping records. That has been the disastrous policy of this administration, and this administration could do something about it if they only wanted to.

That is what I want the people in Oklahoma, Texas, Louisiana, and throughout this Nation to know, that the suffering, the destroying of families, could be prevented if the President just had the desire and will to correct it.

LTV POLICY TOWARD RETIREES IS WRONG

(Mr. VISCLOSKY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VISCLOSKY. Mr. Speaker, I join with the gentleman from Ohio [Mr. STOKES] and other of my colleagues in sponsoring legislation to require the LTV Corp. to resume providing health and life insurance coverage for company retirees, unless and until a court of competent jurisdiction orders them to cease.

On July 17 LTV Corp. filed for protection under chapter 11 bankruptcy proceedings and coldly chose not to

protect their 78,500 retirees; 4,832 of these retirees live in my district. I believe corporate management is wrong on the law, wrong in their management practices, and wrong in terms of meeting their responsibility to deal justly with those who continue to work at LTV facilities and those who have retired after faithfully contributing to the company's past success.

LTV is wrong on the law. Yesterday in testimony, Professor Countryman indicated his belief that the company is obligated to continue these payments until the company has negotiated changes with the union, or, failing that, has obtained a bankruptcy court order. Others have essentially suggested a similar position to this speaker.

LTV is wrong in terms of management practice. At a time when management should be working to bring all workers, regardless of the color of their collar together, they have pitted retirees against those in current service. They have pitted current employees at different facilities against one another. They have placed LTV union members in a position wherein they must assume the responsibility for all steel workers at other companies; companies who might be inclined to follow suit should a pattern be set.

LTV is wrong in terms of its obligation to create a just economic system. They should look more closely into the eyes of an Indiana Harbor Works employee with six children and a father who is an LTV retiree. A gentleman who last Friday had to decide whether or not to strike. I saw those eyes.

In sum, LTV corporate policy in terms of its suspension of health and life insurance benefits to its retirees is cold; it is wrong.

I trust that the action we have taken today will promptly lead to a correction of its action.

THE PRESIDENT SHOULD EXERCISE AUTHORITY TO IMPOSE IMPORT FEE

(Mrs. BOGGS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BOGGS. Mr. Speaker, falling oil prices are having a wrenching effect on the national economy. Petroleum-related employment is down well over 100,000 jobs. The number of active drilling rigs is at its lowest level since World War II.

Falling oil prices are worsening the trade balance rather than improving it because we are consuming more than in the past. In 1977 imports supplied 47 percent of all U.S. petroleum. Last year our reliance on foreign imports fell to 27 percent, yet today imports are up to 31 percent of consumption and CRS is projecting this level of consumption will rise to 50 percent by 1988. Virtually all of the increased U.S. oil imports come from OPEC countries.

The crises in American energy production:

Has caused economic hardship and unemployment in my region;

Has caused us to halt investment in finding new sources of domestic energy to replace what we are consuming today; and

Has caused increased foreign consumption which aggravates our trade balance and causes greater reliance on vulnerable energy resources from the Middle East.

President Reagan has existing Executive authority to impose import fees on strategic commodities, such as petroleum. I respectfully call on the President to exercise that authority immediately.

GRAMM-RUDMAN SUPPORTERS IGNORE CONSTITUTION, ECONOMIC REALITY

(Mr. FRANK asked and was given permission to address the House for 1 minute.)

Mr. FRANK. Mr. Speaker, you have to admire the determination of the supporters of Gramm-Rudman. In the first place, they have shown a marvelous ability not to let something as trifling as the Constitution of the United States interfere with their determination to have their way. Now they have a new obstacle that they are willing to brush aside—the American economy.

Today Paul Volcker told the Banking Committee that because of the failure of the economy to grow at the pace projected by the administration, the $144 billion deficit target for the next fiscal year by Gramm-Rudman is beyond our reach.

Maybe our reach ought to exceed our grasp, but our legislation ought not to exceed our brainpower, and I am afraid that that is what happened with Gramm-Rudman. They tried in December of 1985 to predict what the economy was going to look like over the next few years; they were wrong.

Paul Volcker, not heretofore identified with the big-spending faction of the Government, tells us now that because the economy is not performing as was expected and as assumed by Gramm-Rudman, it does not make sense to push for the $144 billion. But just as unconstitutionality did not get in the way of the Gramm-Rudman advocates, economic reality probably will not, either.

□ 1820

I hope the majority of this House will understand that what Mr. Volcker says is accurate and that we cannot, by legislative fiat, undo economic facts.

GENERAL LEAVE

Mr. LEHMAN of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 5205, and that I may be permitted to include tables, charts and other extraneous matter.

The SPEAKER pro tempore (Mr. OWENS). Is there objection to the request of the gentleman from Florida?

There was no objection.

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1987

Mr. LEHMAN of Florida. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5205) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1987, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Pennsylvania [Mr. COUGHLIN] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

□ 1821

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5205, with Mr. PANETTA in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Florida [Mr. LEHMAN] will be recognized for 30 minutes, and the gentleman from Pennsylvania [Mr. COUGHLIN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida [Mr. LEHMAN].

Mr. LEHMAN of Florida. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we submit for your consideration and for the consideration of the Committee of the Whole the bill, H.R. 5205, making appropriations for the Department of Transportation and related agencies for fiscal year 1987.

This is a good, responsible, balanced, well-crafted bill.

Before I get into the details of this particular bill, I first want to express my appreciation to the Members who serve on the Transportation Appropriations Subcommittee. The gentleman from Pennsylvania [Mr. GRAY], the gentleman from Michigan [Mr. CARR], the gentleman from Illinois [Mr. DURBIN], the gentleman from New York [Mr. MRAZEK], and the gentleman from Minnesota [Mr. SABO] all provided insight and perspective during the 3-month indepth review we gave to Federal transportation programs and policies during our hearing process. The subcommittee minority members have been equally diligent. The gentleman from Massachusetts [Mr. CONTE], the gentleman from Michigan [Mr. PURSELL], and the gentleman from Virginia [Mr. WOLF], all are to be commended for the spirit of cooperation they have displayed and the commitment they have shown to developing a safe and effective transportation system for this Nation. I want to mention the ranking minority member, the gentleman from Pennsylvania and my special friend [Mr. COUGHLIN], who has spent long hours in committee hearings and has such a broad knowledge of our transportation programs and policies. I pay tribute to his knowledge, dedication, and character, and I want him to know of my great appreciation for his sound judgment and cooperation. Mr. COUGHLIN has enabled us to work as a team, rather than on a partisan basis. And I think that has been to the benefit of this country.

Mr. Chairman, in preparation for this bill the committee developed a hearing record contained in seven volumes amounting to over 6,000 pages. Testimony was received from more than 225 witnesses including 29 Members of this body.

This was done, I think, by having such a capable staff. I have been in the private sector and in the nonprofit sector and we are running a $10 billion business on this subcommittee. We have done it with two staff members and two support staff. I want to commend Tom Kingfield, Greg Dahlberg, Linda Muir, and Janet Oakley. I also want to mention our other key staff members, Ken Kraft, associate staff with the gentleman from Pennsylvania, Mr. COUGHLIN, Jeff Jacobs, minority staff with the gentleman from Massachusetts, Mr. CONTE, and Lucy Hand of my own staff.

The committee, I believe, has carefully reviewed the programs of the Department of Transportation and related agencies, and is recommending what we consider to be sufficient funds in light of current budgetary constraints to enable these agencies to help meet the requirements of our Nation's transportation system.

Mr. Chairman, the bill before you provides for total spending on Federal transportation programs of $25.765 billion—of which $10.285 billion is new budget authority and $15.48 billion is comprised of various limitations on contract authority obligations.

In addition, the bill appropriates $14.953 billion to liquidate contract authorizations.

Mr. Chairman, in terms of new budget authority, the bill is $318.7 million, or 3 percent below the amount provided for similar activities in fiscal year 1986. The amount provided in fiscal year 1986 includes one-time appropriations made to the Coast Guard in the Department of Defense Appropriations Act 1986.

I think the Members would also be interested to know that the bill as reported by the full Appropriations Committee is about $17 million under our section 302(b) allocation for budget authority. With regard to just discretionary authority, we are only $99,000 below our section 302(b) allocation. As the Members know, under the Budget Act, the Budget Committee provides a lump sum allocation to the Appropriations Committee pursuant to section 302(a), and the Appropriations Committee then subdivides that among its 13 subcommittees. Our target for discretionary budget authority that was provided to us by the Committee on Appropriations is $9.9 billion and we are within that amount.

With respect to the major recommendations in this bill, I would call the attention of the Members to pages 2 and 3 of the report. The major bill highlights are as follows:

First, the appropriation of $2.797 billion for operations of the Federal Aviation Administration, $32.58 million more than the budget request;

Second, a provision providing for obligations of not to exceed $13.125 billion for Federal-aid highways, the same as the fiscal year 1986 level;

Third, the appropriation of $1.85 billion for operating expenses of the Coast Guard;

Fourth, a continuation of funding for the existing urban mass transportation formula grant program at a level of $2 billion;

Fifth, a total of $613 million, including funds derived by transfer, for grants to Amtrak;

Sixth, a provision providing for obligations of not to exceed $1.017 billion for airport development and planning grants;

Seventh, an appropriation of $50 million for capital improvements at the metropolitan Washington airports;

Eighth, a total of $829.914 million, including funds derived by transfer, for facilities and equipment of the Federal Aviation Administration;

Ninth, a provision providing for obligations of not to exceed $1.015 billion for the discretionary grants program of the Urban Mass Transportation Administration;

Tenth, the appropriation of $200 million for transit projects substituted for interstate highway segments;

Eleventh, the appropriation of $141.7 million for the research, engineering, and development activities of the Federal Aviation Administration;

Twelfth, a continuation of funding for the construction of the Washington metro system at the fiscal year 1986 level of $217.239 million;

Thirteenth, a general provision providing that the air traffic controllers who were fired as a result of the 1981 strike shall not, as a class, be barred from reemployment as air traffic controllers; and

Fourteenth, a general provision prohibiting the takeoff and landing of any aircraft by a foreign air carrier owned directly or indirectly by the Government of South Africa or by South African nationals.

Mr. Chairman, for the Office of the Secretary of Transportation, the bill provides a total of $73.443 million—a reduction of $5.796 million from the current level and $16.903 million above the budget. The bulk of the increase above the budget is for continuation of essential air service subsidies, which the administration proposed to eliminate. In addition, office-by-office statutory dollar breakdowns are specified in the bill for the Office of the Secretary.

With respect to the Coast Guard, a total program level of $2.417 billion is recommended—an increase of a little over $10 million above the budget request and $3.714 million over the fiscal year 1986 adjusted program level. The amounts in the bill would provide for a 5.8-percent increase in operating expenses for fiscal year 1987 and a 21-percent reduction in acquisition, construction, and improvements assuming that certain sums are made available to the Coast Guard from funds appropriated in the Department of Defense Appropriations Act 1986. With respect to acquisition, construction, and improvements, we believe such reductions are reasonable in light of the large, unexpended amounts appropriated for this activity over the last several years. The unobligated balance for this account totals over $400 million. Excluding acquisition construction, and improvements, the bill reflects more than a $120-million increase in Coast Guard program levels between fiscal years 1986 and 1987.

We believe this level provides for a balanced program with emphasis on maritime law enforcement—especially drug interdiction; national defense commitments; search and rescue capabilities; dependability and safety of Coast Guard ships, boats, aircraft, and shore facilities; and the welfare and safety needs of Coast Guard person-

nel. It will provide for 38,053 military positions and 5,654 civilian positions, which is essentially the same as the budget request.

For Coast Guard operating expenses, the bill provides a program level of $1.850 billion for fiscal year 1987. This is $107.5 million more than the amount provided for similar activities in fiscal year 1986. It is $13 million below the budget request. The reduction from the budget is based on lower than anticipated fuel costs and inflation, normal slippages in the operational dates for new vessels, shore facilities, and other equipment, and additional management efficiencies.

The bill would also require that not less than $372.983 million of the operating expenses appropriation be available for drug interdiction activities. This is in keeping with the committee's strong commitment to adequately fund such activities. I invite the Members' attention to the drug interdiction section of the report beginning on page 13, which says that we must have a more coodinated and balanced approach if we are going to make headway in fighting the battle against drugs.

The operating expense funding level of $1.850 billion will support 37,054 military positions and 4,549 civilian positions. These levels are the same as the budget request and represent increases of 2,415 military and 200 civilian positions over the fiscal year 1986 level.

For acquisition, construction, and improvements, we are recommending an appropriation of $101.86 million. This appropriation plus an estimated $102.25 million in unobligated carryover funds will provide for a total program level of $204.1 million. The total program level is comprised of $144.9 million for vessel acquisitions and improvements; $5.6 million for aircraft; $27 million for shore facilities; $3.4 million for aids to navigation; $1.2 million for command, control and communications, and related systems; and $22 million for administration, survey and design.

The sum of $364 million, as requested in the 1987 budget, is provided for the pay of retired military personnel of the Coast Guard and Coast Guard Reserve. This is based on an average of 24,673 personnel on the retired rolls.

For reserve training, $63.857 million, including $5 million derived by transfer, is recommended. This will provide for a ready reserve of 18,500 including a selected reserve of 12,500.

The bill includes $20.1 million for the basic and applied scientific research, development, test, and evaluation projects necessary to maintain and expand the technology required for the Coast Guard's operational and regulatory missions. This amount is essentially the same as the fiscal year 1986 level.

For the State recreational boating safety assistance program, we approved the budget request of $15 million.

The bill also contains appropriations of $1 million each for the deepwater port liability fund and the offshore oil pollution compensation fund.

For the Federal Aviation Administration, we are recommending a total program level of $4.906 billion, including a $1.017 billion limitation on the use of contract authority for fiscal year 1987. This is $94.373 million more than the fiscal year 1986 adjusted level, and $392.381 million more than the budget request. This level will provide sufficient funds to continue the restoration of the air traffic control system, continue modernization of the national airspace system, improve our airports, and continue important safety regulatory and research initiatives.

For FAA operations, we recommend appropriations of $2.832 billion, including $34.5 million for headquarters administration. This represents an increase of $107.3 million over the fiscal year 1986 program level of $2.725 billion. This would provide for 45,669 positions including 20,058 controllers, supervisors, and support personnel for centers and towers, and 4,595 flight service station personnel.

With respect to the air traffic control system, we recommend $978.791 million and 20,058 positions for the operation of air route traffic control centers, terminal radar approach control facilities, airport traffic control towers, and certain ancillary facilities. This is $14.3 million and 326 positions above the budget request.

We approved the proposed reductions in overhead staffing for the centers and towers, but recommend additional funds to support an increase of 326 air traffic controllers over the budget request. This increase should support a total of 15,306 air traffic control positions—the 14,306 position level reached in February 1985, plus the additional 1,000 positions announced by the Department of Transportation on September 19, 1985.

Our committee remains concerned about air traffic controller work force staffing. While the FAA has reported progress in improving air traffic control capacity, full performance level staffing is still below 60 percent at some critical centers. In addition, the FAA has been slow to fill the additional 1,000 positions announced last September. As of May 31, 1986, the air traffic controller work force level was 14,168. This is still over 300 positions short of the legislated employment level of 14,480 that must be reached by the end of fiscal year 1986.

We also recommend a partial restoration of the proposed reduction in overtime funds for air route traffic control centers. The budget assumes a reduction of 180,125 hours of overtime. This restoration of funds would support 100,000 hours of overtime to avoid unacceptable levels of system delays and to accommodate unanticipated traffic growth or other system developments.

The bill also includes $10.314 million above the budget for the certification and inspection of the airlines and of the general aviation aircraft. This increase is necessary to fully fund the additional 300 safety inspectors and support staff provided in fiscal year 1986, and another 200 inspectors in fiscal year 1987.

We are deeply concerned about the effectiveness of the FAA's aviation safety inspecton program. According to the testimony presented by the General Accounting Office, the FAA has not responded effectively to the changes deregulation has brought to the airline industry. Since deregulation, the numbers of air carriers and aircraft have increased dramatically. Yet, in the same time period, the administration proposed significant staffing reductions in such critical areas as air safety inspections. For example, between 1978 and 1983, the FAA reduced its inspector staff by 34 percent—from over 2,000 staff to 1,332 staff.

The GAO believes this slowness to respond to changing conditions was further complicated by basic management deficiencies. For instance, the FAA did not collect data on what inspections were or were not being performed or what its inspections showed. It lacked the standards necessary to provide a framework for making appropriate decisions on the minimum levels of inspections essential to ensure airline compliance with safety standards. Without adequate guidance, FAA regional officials, for the most part, gave priority to certifying new and expanding airlines rather than to inspecting existing carriers.

Although the FAA has begun to respond to these problems and has developed a long-term strategy for improving its inspection program, the GAO concluded that this program cannot adequately ensure that commercial airlines are complying with all FAA safety regulations. Additional inspectors are needed and are funded in this bill. But, this action alone will not correct all of the deficiencies identified by the GAO. Our committee, in concert with the authorizing committee, will continue pursuing the necessary management reforms to ensure that these resources are used wisely. A key part of our effort will be the comprehensive report mandated in section 321(a) of this bill.

Moving on to trust fund contributions, of the $2.797 billion provided for

FAA operating expenses in fiscal year 1987, the bill specifies that $691.048 million, or 25 percent of the total, be derived from the airport and airway trust fund. In my view, this is an artificially low level that is caused by an ill-conceived formula contained in authorizing legislation. It is one of the causes for the high trust fund balance we currently have. I would hope that the authorizing committee would change this provision to reflect a straight percentage of the amount appropriated when the program comes up for reauthorization.

For facilities and equipment, the bill contains $829.914 million for fiscal year 1987, including $1.914 million derived by transfer. This is a decrease of $120 million from the fiscal year 1986 adjusted level of $950.3 million, but is about $5 million above the budget request.

I know many Members are interested in the funding status for terminal doppler weather radars. These radars should enhance the FAA's wind shear detection capabilities. The bill includes $88 million—$22.5 million above the budget—to install these radars at 15 locations. This equipment is an interim response to the wind shear problem until the "optimized" radars are fully developed. We will continue to give the wind shear radar procurement and research and development programs top priority.

With respect to the NAS plan, our committee is becoming increasingly dissatisfied with the FAA's progress in implementing this plan. We have raised several concerns about NAS plan management in the report, which are found on pages 25 and 26. Of particular concern is the NAS plan's eroding benefit-to-cost ratio. According to the General Accounting Office, projected savings have dropped by 33 percent since fiscal year 1982, from $24.5 to $16.5 billion. In addition, the General Accounting Office has given troubling testimony to our committee questioning the benefits attributed by the FAA to several major NAS plan projects. This testimony has damaged the credibility of the FAA in assuring the Congress and the taxpayers that the NAS plan is being prudently managed.

In addition to management difficulties, projected NAS plan costs continue to grow. If related project funds provided before 1982 or required after 1992 and requisite NAS plan research and development funds are added to the official cost estimate of $11.7 billion, the NAS plan now will cost over $15 billion. This amount will increase by an estimated $550 million with the addition of the terminal doppler weather radar project. At the same time, the FAA has not realized the productivity savings from new equipment as originally predicted. The 5-month delayed submission, until September 1986, of the congressionally requested annual NAS plan update only serves to reinforce our apprehension about NAS plan management, and justifies the need for a comprehensive and realistic assessment of the plan's initial objectives and whether such objectives still can be accomplished in a cost-effective manner.

With respect to FAA research, engineering, and development, we recommend $141.7 million, which is an increase of $7.2 million over the budget request. This includes $3 million over the budget request for TCAS-III implementation and $5.5 million over the budget for airport capacity research. We have deleted the request of $1.548 million for the DUATS project.

The bill also includes a $1.017 billion obligation limitation on airport development and planning grants. This is the highest funding level ever provided for this program.

The bill also includes $35 million for the operation and maintenance of metropolitan Washington airports, and $50 million for construction projects at those airports.

We have also recommended reducing the FAA's authority to borrow from the Treasury to pay defaulted aircraft purchase loans from $125 to $75 million. Testimony indicates that the FAA has paid approximately $169 million as a result of defaulted loans. The amount of these defaults is alarming and we believe that the FAA should fully explore other alternatives with the creditors, such as rolling over the loan or extending the payment period before it agrees to pay for a default. We have, therefore, reduced the amount of borrowing authority to $75 million to give added incentive to employ such options.

FEDERAL HIGHWAY ADMINISTRATION

Under the Federal Highway Administration, the bill provides for a total fiscal year 1987 program level of $14.117 billion in highway aid. This includes a limitation of Federal-aid highway contract authority obligations of $13.125 billion. The total FHWA program level is $1.311 billion more than the budget request and almost $258 million less than that provided in fiscal year 1986.

For budget planning purposes, we have assumed that highway programs will, for the most part, be reauthorized at the same levels and to the same extent as provided in current law for fiscal year 1986.

I would like to emphasize that the highway funding levels in this bill are higher by $2 billion than the amount of income expected to come into the highway trust fund. We estimate that fiscal year 1987 outlays attributable to the highway account of the trust fund will be about $14.096 billion. This compares to estimated total fiscal year 1987 income credited to the highway account of approximately $12.053 billion, based on current law. The $2.043 billion difference will serve to reduce the estimated $9.141 billion balance in the highway account by about 12.4 percent.

The bill provides a total of $202.75 million for FHWA administrative expenses, $3.441 million below the budget request.

The bill also contains an appropriation of $23.5 million for railroad-highway crossings demonstration projects in five different cities.

A $10 million limitation on highway-related safety grants is also contained in the bill for fiscal year 1987, the same as the budget request, and an appropriation of $7 million is recommended for highway safety research and development, which is the same as the budget request.

We recommend funds for 11 additional items not in the budget request: $1.887 million for an airport-highway demonstration project, $11 million for an intermodal urban demonstration project, $9 million for reconstruction of a section of the Baltimore-Washington Parkway, $13.9 million for an expressway gap closing project, $10 million for highway safety and economic development demonstration projects, $4 million for an airport access demonstration project, $3 million for a highway-railroad grade crossing safety demonstration project, $4 million for a nuclear waste transportation safety demonstration project; $1.5 million for Theodore Roosevelt Bridge capacity improvements, and $5 million for an airport access highway demonstration project.

For motor carrier safety, the bill includes $20.447 million, $932,000 over the budget request, to continue the activities of the Bureau of Motor Carrier Safety.

The bill also provides $18 million to liquidate contract authority obligations for the Motor Carrier Safety Grant Program. This assumes enactment of authorizing legislation to provide contract authority for this program as requested by the administration.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

For the National Highway Traffic Safety Administration, the bill includes a total program level of $98.46 million for operations and research. There were over 43,500 traffic deaths in 1985 and auto accidents still kill our young people more frequently than any other cause. This is $9.63 million more than the program level proposed in the budget request.

The bill also reserves $10 million of this appropriation to finance the second year of a 3-year pilot project to implement the recommendations contained in the National Academy of Science's report "Injury in America." The committee is hopeful that the re-

search recommendations in that report can produce larger payoffs in the injury-related research work currently funded by the NHTSA.

We also recommend a limitation on obligations for the State and Community Highway Safety Grant Program of $121.06 million, an increase of $11.06 million over the budget request.

For the Alcohol Safety Incentive Grant Program, we have established a limitation on obligations of $14.4 million in fiscal year 1987. This is the same as the amount obligated in fiscal year 1986 for this program.

For safety education and information grants, we have established a combined fiscal year 1983, 1984, 1985, 1986, and 1987 obligation limitation of $4.75 million. This is the same amount as provided in fiscal year 1986. We will assess the results of past and ongoing media campaigns before we will recommend additional funding for such purposes.

Mr. Chairman, for the Federal Railroad Administration, major recommendations include a program level of $26.7 million for railroad safety, $9.8 million for railroad research and development, a program level of $26.75 million for Office of the Administrator expenses—that includes $10 million for local rail service assistance grants—$9 million for the Redeemable Preference Share Program, and $5 million for Conrail commuter transition assistance.

For Amtrak, we are recommending the sum of $613 million, including $11 million derived by transfer. Of course, the President proposed deleting all Amtrak funds and the Congress has overwhelmingly rejected this proposal year after year. We expect that all existing routes and services will be maintained at this funding level—including section 403(b) and 403(d) service under the existing funding formulas. Bill language is also included continuing the statutory conditions for rehabilitating and operating a new route between Philadelphia and Atlantic City, and establishing a 60-percent Federal match for the Westside connector project in New York City.

In addition, the bill includes $16.962 million for Northeast corridor capital improvements. This sum will be of direct benefit to Amtrak.

With regard to Amtrak, the committee report expresses displeasure over repeated allegations of abuse by mid-level Amtrak management employees of Amtrak's work force discipline and grievance process. The effects on work force morale caused by past abuses and allegations of continuing abuses can only have a negative impact on employee productivity and efforts to reduce operating costs. Therefore, we reduced the recommended subsidy by $1 million for poor management practices. The Department of Transportation inspector general has also been requested to conduct a full investigation of Amtrak's discipline and grievance process, which is described in detail on page 114 of the report. We think this problem can be remedied, and we are going to insist that Amtrak's top management make this a priority item.

For the Urban Mass Transportation Administration, a total program level of $3.481 billion is recommended for fiscal year 1987. This is $2.261 billion more than the budget request, but $50.005 million less than the adjusted fiscal year 1986 program level.

Under the Formula Grant Program, we recommend an appropriation of $2 billion. The President's budget did not request any new general fund appropriations for this program in fiscal year 1987. Instead, the budget assumed enactment of new legislation to establish a Block Grant Program funded from the mass transit account of the highway trust fund. The President's proposed block grant would reduce by two-thirds the funding going into similar transit functions in fiscal year 1986. I think this approach amounts to almost a complete abandonment of mass transit in this country and its good that such an approach was discarded by the authorizing committee.

The amount recommended for formula grants in fiscal year 1987 is $57.55 million below the amount provided in fiscal year 1986. The operating assistance component of this appropriation would not be limited in any way other than what is provided by the formulas established in the Surface Transportation Assistance Act of 1982.

The bill also includes language limiting obligations for transit discretionary grants to $1.015 billion. This is $14.457 million more than the fiscal year 1986 limitation. As stated previously, the President proposed combining this program with the Formula Grant Program and certain other highway programs into a Block Grant Program. I invite the Members' attention to pages 101 through 105 of the report for a detailed description of how these funds are to be distributed.

With respect to new starts, the bill contains $110 million for the metro rail project in Los Angeles. In last year's continuing resolution, the House approved language which required the Secretary of Transportation to negotiate a full-funding agreement for this project. Two weeks ago, the Secretary announced that agreement had been reached to proceed with metro rail construction. Groundbreaking is scheduled for September.

Metro rail will be a very cost effective use of Federal funds. In fact, 45 percent of metro rail's cost will come from non-Federal sources—almost twice that required by law. For instance, in 1980 Los Angeles County taxpayers approved a sales tax increase to help fund this project. Also, Gov. George Deukmejian has pledged $400 million in State funds toward the cost of metro rail.

The construction of this project will allow Los Angeles to begin to solve the intolerable traffic congestion and poor air quality pervasive to that city. This project has a long history of widespread, bipartisan support, and we look forward to its completion.

The bill also includes $200 million for transit projects that have been substituted for interstate highway projects. Of this amount, 50 percent is to be distributed on a formula basis and 50 percent on a discretionary basis. The discretionary funds will be distributed as outlined on pages 105 and 106 of the report.

The bill appropriates $217.239 million as authorized by Public Law 96-184, the Stark-Harris legislation, to continue construction of the Washington, DC, Metrorail system.

The bill also provides a total of $48.6 million for research and administrative expenses of UMTA.

The bill limits the administrative expenses of the St. Lawrence Seaway Development Corporation to $1.925 million, $65,000 less than the budget request. In addition, we recommended an appropriation of $2 million to complete necessary concrete repairs at the Eisenhower lock.

For the Research and Special Programs Administration, the bill contains an appropriation of $20.8 million, $776,000 more than the budget request. This would provide for three additional hazardous materials enforcement/regulatory personnel, and two additional pipeline safety inspectors above the budget request.

For the Office of the Inspector General, the bill includes an appropriation of $27.77 million. This is $140,000 more than the budget request.

Title II of the bill contains $560.25 million in new budget authority for six transportation-related agencies and commissions. This is $370,000 below the cumulative budget requests, and $11.17 million above last year's adjusted level.

More specifically, we recommend $1.975 million for the Architectural and Transportation Barriers Compliance Board, $22.4 million for the National Transportation Safety Board, a total of $47.95 million for the Interstate Commerce Commission, $434.173 million for the Panama Canal Commission, $2.297 million for the United States Railway Association, and $51,663,569 for the Federal share of interest payments for the bonded indebtedness of the Washington Metropolitan Area Transit Authority.

Mr. Chairman, there are several general provisions in this bill that will be of interest to the Members, including

section 330 dealing with limitations concerning South Africa on the awards of Government contracts; section 331 prohibiting the takeoffs and landings in the United States of South African aircraft; and section 332 dealing with the reemployment eligibility of fired air traffic controllers. The general provisions are summarized on page 120 of the report.

Mr. Chairman, the bill before the body is a fiscally responsible bill which I believe provides adequate funding for our transportation programs. I ask for its favorable consideration and approval.

Mr. Chairman, I reserve the balance of my time.

□ 1840

Mr. COUGHLIN. Mr. Chairman, I yield myself as much time as I may consume.

Mr. Chairman, it is a great pleasure to rise in strong support of the fiscal year 1987 transportation appropriations bill. Chairman BILL LEHMAN has done an outstanding job of balancing both the competing needs of the various transportation modes, and accommodating as many Members as possible who requested projects. All achieved despite the limited dollars available. Proof that miracles do happen.

This is a bill with bipartisan support. It was developed in the spirit of cooperation and shows the subcommittee's commitment to safe and effective transportation. It is a pleasure to work with the other subcommittee members, SILVIO CONTE, CARL PURSELL, FRANK WOLF, MARTY SABO, BILL GRAY, BOB CARR, DICK DURBIN, and BOB MRAZEK, on such an interesting and important assignment.

While I am mentioning the members of the subcommittee, let me also recognize the staff who work on this bill: Jeff Jacobs and Kenny Kraft for the minority and Tom Kingfield, Greg Dahlberg, Lucy Hand, Linda Muir, and Janet Oakley for the majority.

The bill provides $10,284,900,569 in new budget authority. This is about $3.3 billion above the President's budget request and the Office of Management and Budget has announced its opposition. However, the amount recommended is only $137,924,000 more than the amount enacted to date in fiscal year 1986. When the fiscal year 1986 appropriations are adjusted to reflect certain Coast Guard programs which were supplemented by money from the Defense appropriations bill, the fiscal year 1987 amount is actually $318,701,000 less than 1986. The section 302(b) allocation is $10,302,000,000. So we are under that figure.

With respect to outlays, based on CBO figures, our report shows the bill to be $13 million over the section 302(b) budget allocation in discretionary outlays but $508 million under the allocation in mandatory outlays. Overall then, the bill is $495 million under the 302(b) allocation in outlays.

With respect to last year, the bill is $252 million over in discretionary outlays but $909 million under in mandatory outlays. This is a net at $657 million under last year's outlays.

The chairman has explained what is recommended in the bill so I will not repeat it. Some of the highlights are:

First, $21 million for payments to air carriers,

Second, $1,858,800,000 for Coast Guard operating expenses,

Third, $2,800,447,000 for Federal Aviation Administration operations,

Fourth, a total of $829,914,000 for FAA facilities and equipment,

Fifth, a highway obligation ceiling of $13,125,000,000,

Sixth, an appropriation of $613 million for Amtrak,

Seventh, $2 billion for section 9 formula grants in the Urban Mass Transportation Administration,

Eighth, a general provision which bars the Secretary from denying reemployment to the fired air traffic controllers "as a Class" solely because of participation in the illegal strike,

Ninth, a general provision directing the Secretary to deny landing rights to flights originating in South Africa, and

Tenth, a general provision prohibiting UMTA from forcing privatization on local transit authorities. It should be a local decision.

It is a good bill. It is virtually at last year's level. It is under the section 302(b) allocation. For all these reasons, it deserves your support. I urge that it be passed.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. COUGHLIN] has 25 minutes remaining, and the gentleman from Florida [Mr. LEHMAN] has 11 minutes remaining.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. MOAKLEY]

Mr. MOAKLEY. Mr. Chairman, I would like to engage the gentleman from Florida, in a discussion that I believe the committee will find worthy of attention. The Boston World Trade Center is currently developing a state-of-the-art people mover for the Commonwealth Flats area of Boston. They are well on their way to establishing the first daily operating monorail in an urban center.

Mr. LEHMAN of Florida. If the gentleman will yield. The Federal role in such projects is often limited to architectural design and technical support. What is the level of Federal involvement that the Commonwealth Flats people mover is seeking?

Mr. MOAKLEY. This project has been totally funded by private and State dollars and will operate through private funding entirely. The Boston Seaport Monorail, Inc. is requesting $1 million in UMTA funding for technological and design assistance. The developers will be using this small grant to leverage $24 million in private investment.

Mr. LEHMAN of Florida. Where will this system be developed and produced?

Mr. MOAKLEY. In a time where we see more and more examples of foreign technology used to solve domestic problems, it gives me great pleasures to report that this system is being technically planned in Florida and manufactured in Vermont. The developers made the domestic production of the monorail a requirement in their contract. The Transportation Group Inc., a division of Bombardier, Inc., are the producers of the highly successful monorail system for the Disney facilities. The Boston system will incorporate proven technology and the most sophisticated design elements. The monorail will have a capacity of serving 5,000 persons per hour. It will be unlike any other existing system and is designed to deal with extreme weather conditions including, ice, snow, and high winds—not unlike those conditions found in many large, Northeastern cities with open harbors.

Mr. LEHMAN of Florida. I believe the gentleman from Massachusetts is presenting us with a unique plan for developing urban transportation technologies; an opportunity for the Federal Government to implement state-of-the-art methods to alleviate urban congestion and to provide seed funding to attract private sector support and investment.

Mr. Chairman, I believe the combination of Florida with New England technology is a pretty good combination.

Mr. MOAKLEY. I thank the subcommittee chairman, and I commend him and his committee for the diligent way they have handled the bill.

Mr. COUGHLIN. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona [Mr. MCCAIN].

Mr. McCAIN. I thank the gentleman for yielding time to me.

Mr. Chairman, for the last year, the National Park Service has been studying the issue of noise from aircraft operations over Grand Canyon National Park and how it affects the natural quiet and experience of the park. And I am sure we all are all too familiar with the recent tragic events over the Grand Canyon in which a collison of two aircraft resulted in the deaths of 26 individuals. With 50,000 flights a year currently, and projected steady increases, the problems of safety and noise must be addressed as expeditiously as possible. The House Interior Committee has approved legislation drafted by our distinguished chair-

man, Mr. UDALL, and myself, which, together with the results of the National Park Service study of aircraft operations at Grand Canyon National Park, attempts to address these issues.

However, this aircraft management plan is only half the solution. What is needed at the canyon to compliment this plan, in my opinion, is effective radar coverage. To this point, I do not believe the FAA has attempted to address my concerns in a meaningful fashion. It is my hope that the Department of Transportation or the FAA will use some funds contained in this bill or otherwise available to them, to conduct a study to determine the appropriateness of radar coverage. Before anyone rejects radar at the Grand Canyon out of hand, I believe we should have all the facts in front of us.

Mr. LEHMAN of Florida. If the gentleman will yield, I congratulate the gentleman for bringing this issue to the attention of the House. I agree with him that this matter is serious enough to deserve prompt attention and I will work with him to initiate this study as soon as possible.

Mr. COUGHLIN. I, too, congratulate the gentleman for his attention to this matter and I will assist him in his efforts to initiate this study.

Mr. McCAIN. I thank the chairman and Mr. COUGHLIN for their cooperation on this issue.

Mr. COUGHLIN. Mr. Chairman, let me just say that the subcommittee is certainly aware of the great tragedy that did occur at the Grand Canyon and particularly aware of the tremendous work that the gentleman from Arizona has done with regard to this and with regard to trying to increase both the safety and the public use of the Grand Canyon. It is a monument to his efforts. It is very important indeed. We certainly want to work with him in his effort to initiate this study.

Mr. McCAIN. Mr. Chairman, I thank the gentleman and the chairman of the subcommittee for their consideration and assistance and cooperation on this issue. With their help I believe we can resolve this issue.

Mr. LEHMAN of Florida. Mr. Chairman, at this time I have no further request for time. I reserve the balance of my time.

Mr. COUGHLIN. Mr. Chairman, I yield 4 minutes to the gentleman from Virginia [Mr. WOLF], a member of the subcommittee.

Mr. WOLF. I thank the gentleman from Pennsylvania for yield this time to me.

Mr. Chairman, I say to the chairman of the subcommittee, the gentleman from Florida [Mr. LEHMAN] that it is with deep concern that we learned recently of the Virginia Highway and Transportation Board's action to increase the restricted hours on Interstate 66 inside the Capital Beltway. As you know, the current restrictions are 7 to 9 a.m. and 4 to 6 p.m. Monday through Friday. Beginning August 4, the highway will be further restricted to 6:30 to 9 a.m. and 4 to 6:30 p.m.

Mr. LEHMAN of Florida. If the gentleman will yield, how does this decision affect the high occupancy vehicle rule on I-66?

Mr. WOLF. The board decided to adopt permanently our proposal to reduce the carpool—HOV—requirements from four to three persons and that action is to be commended. But the decision to lengthen the hours has the potential to worsen traffic congestion in northern Virginia by forcing many hundreds of cars onto already congested roads while I-66—presuming current HOV usage continues—handles an average of less than five vehicles per minute. No information has been presented which would indicate that a significant number of additional carpools could be created at the late hour of 6 p.m. each evening.

Mr. LEHMAN of Florida. What data is available on the morning hours?

Mr. WOLF. With respect to the morning hours, it is apparent that congestion has been occurring during "fringe periods" of the restricted hours, from 6:30 to 7:15 a.m. and from 8:45 to 9:45 a.m., and therefore prudent action by the board may be justified. However, much of this congestion is because aggressive enforcement of the HOV regulations is lacking. Stricter enforcement of the HOV restrictions, combined with the growing use of the Metrorail system, should reduce congestion during the restricted hours.

Mr. LEHMAN of Florida. Was the board's decision based on an extensive study?

Mr. WOLF. The principal problem with the board's action is that an adequate study and analysis were not performed. The board based its decision on only 1 day of traffic counts, just 12 days after the Metrorail Orange Line extension was opened. A decision of this magnitude which affects thousands of people in northern Virginia requires an extensive study followed by a fair opportunity for the people who will be affected to express their views. Relying on 1 day of traffic counts without the benefit of public comment is simply insufficient justification for such a major change in the operation of I-66.

Mr. Chairman, I want to be on record voicing my extreme concern over this decision and will be taking a close look at its impact on the commuters in northern Virginia. Your watchful eye on this matter, as one who has a deep commitment to meeting the country's transportation needs, would be helpful and I would appreciate your indulgence at some later date in addressing this issue should it become necessary.

Mr. LEHMAN of Florida. I can understand your concern over this matter, Mr. WOLF, and will be happy to monitor the situation on I-66 as these tighter restrictions are implemented.

Mr. WOLF. Mr. Chairman, I thank the chairman of the subcommittee.

□ 1855

Mr. LEHMAN of Florida. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. SEIBERLING].

Mr. SEIBERLING. Mr. Chairman, I have some concerns about appropriations under this bill that might support a highway project in my district which could have potentially devastating effects on an important local historic district, the village of Hudson, OH.

Title 49, United States Code, section 303, commonly known as section 4(f), requires that projects may only be approved if they "include all possible planning to minimize harm to the historic site resulting from the use" and that impinging development may only go forward if there is "no alternative." However, in considering an expansion of a Federal-aid highway which runs through Hudson, the Ohio Department of Transportation has not planned a way to minimize harm to the historic district and maintains that there is no alternative to expansion of the road within the historic area. In fact, local officials have outlined alternatives and have requested input from the State as to how adverse effects on the historic resources can be mitigated. No meaningful response has been made to either point, so far.

Clearly, planning for the highway first and mitigation of harm to historic resources last, as the State is proposing to do, will invariably put highway interests in a position superior to historic preservation interests. It is my understanding, and I seek the chairman's advice, that Congress intended for highway conflicts with historic resources to be worked out at the early planning stages and that planning for historic resources only after highway plans are firmly laid out does not meet the standard set by Congress, requiring that all possible planning be done.

Mr. LEHMAN of Florida. Mr. Chairman, if the gentleman will yield, my understanding is the same as that of the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I would add that the State's plans for the Route 91 extension through Hudson may also be premature. At this very moment, the expansion of a nearby, parallel road, Route 8, into a four-lane superhighway is being financed by the Federal Highway Trust Fund. It is expected to be completed within a few months. Would it not be more in keeping with Federal highway

policy, as well as fiscal prudence, if the State would postpone plans for expansion of Route 91 through Hudson until the effect of the completed Route 8 project can be accurately measured, and particularly its effect in realigning traffic on Route 91?

Mr. LEHMAN of Florida. That is my understanding of the Federal policy.

Mr. COUGHLIN. Mr. Chairman, I yield 6 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman from Pennsylvania for yielding this time to me.

Mr. Chairman, when we get to the appropriate point in the bill, I intend to give the House the opportunity to select once again among priorities that we may wish to address.

As the committee has pointed out, they are up against their 302 budget allocations, and so we have to look internally into the bill to try to find ways of readjusting priorities.

It would be my intent to look at the Offices of the Secretary, to look at NTSA, in order to find some moneys that are now devoted to enforcement of the 55-mile-an-hour speed limit in order to transfer those moneys to the Coast Guard for drug interdiction.

The Committee's report goes into some detail as to what is being done in the drug interdiction area. It indicates that they are not certain that this is exactly the way that we ought to proceed for the future.

I would say, though, that I have recently seen at least a preliminary proposal of the bipartisan drug plan that we have coming forward in this House, and it indicates that we are going to need another $90 million of money for the Coast Guard. Now that is $90 million that cannot be gotten within this year's budget unless we find some way to provide some funding. I do not suggest I can find $90 million. However, I do believe that there is about $20 million that can be gotten out of a law enforcement priority determination.

Let us understand that is what we would be doing here. Under this program that is funded in this bill, we now give about $20 million to local police authorities or to State police authorities for the enforcement of the 55-mile-an-hour speed limit. In other words, we place a law enforcement priority on the country that suggests that we ought to spend $20 million of taxpayers money to see to it that people drive 55 miles an hour rather than 56 miles an hour. That is exactly what we are doing. We are saying that that difference between 55 and 56 miles an hour is so important that we ought to spend $20 million on it.

I suggest that many of the American people would regard it as being a greater priority to spend the $20 million trying to interdict drugs coming into this country and giving that money to the Coast Guard to do it. That is what my amendments will seek to do.

As usual, we will have to go through a rather elaborate procedure in order to get from here to there. But it seems to me that it is a priority determination that this House may want to do, because it seems to me if you have law enforcement priorities for this country, they ought to be aimed at doing something about drugs rather than aimed at doing something about the 55-mile-an-hour speed limit.

It seems interesting to me that as the speeds have been increasing on our highways, the fatality rate has been steadily going down. However, as drugs have flowed into this country, there is no doubt that the fatality rate in drugs has gone up.

If we want to talk about saving lives, the way to save lives right now is to stop drugs rather than spending police time and effort on a 55-mile-an-hour speed limit.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, in addition to serving on the Committee on Appropriations and this subcommittee, I also have the honor of serving on the Select Committee on Narcotics Abuse and Control as the second ranking minority member on that committee.

If the gentleman were transferring funds somehow to increase the funding for drug abuse education, I would have great sympathy with what the gentleman is doing. And I might myself have some amendment to that effect at some point.

But we have in this bill right now millions of dollars for Coast Guard interdiction. Yet the Coast Guard cannot tell us in the Select Committee whether they interdict 4 percent of the drug traffic or 10 or 30 percent, particularly when it comes to cocaine, which is the epidemic at the present time. Cocaine is the basis for so-called crack. It is terribly difficult to interdict, particularly any shipments on the high seas because such a small quantity of it is so very potent.

Somehow I believe, and have believed for some time, that we have misplaced our priorities in our programs for drug abuse, and that indeed we should be spending more in drug abuse education here to discourage young people from taking drugs than in interdiction and law enforcement.

Those are all very appealing things to do. But I hope at some point the gentleman might rethink his programs for combating drugs and try to direct the funds in other directions because our ability to interdict has at best been a very minimal success.

Mr. WALKER. If the gentleman will allow me to respond, the problem is I cannot get to drug abuse education in this bill. There are no drug abuse education programs in this bill. We will have a bill coming later on, and that may be something that we want to address.

But we ought to address the war on drugs at the places where we can come up with resources.

What I am saying to the gentleman is that the bipartisan plan that is being developed around here indicates that there is a need for $90 million more for the Coast Guard. I say to the gentleman that there is no room in this bill for that additional $90 million unless we provide it. We cannot get the $90 million. I am saying that maybe we can get maybe $20 million of that. It seems to me we ought to move in that direction.

It seems to me that the other day when we had the Drug Enforcement Administration up and we had $50 million there, some of that money might have been used for educational programs, but the House turned that down.

It seems to me that there is no place that we are willing, where we can make the transfers, to come up with the money for the drug fight.

All this gentleman is attempting to do is provide some of the resources in some of these bills so that, when we get to that drug fight, we do not come back here, as the Speaker has suggested recently that we are going to do, and that is ignore the budget and ignore the deficit for this program. I do not think the American people are going to be very happy with us if we do that either.

It seems to me that when we can find places to change our priorities, now is the time to do it. That is all I am trying to do.

□ 1905

The CHAIRMAN. The gentleman from Pennsylvania [Mr. COUGHLIN] has 12 minutes remaining, and the gentleman from Florida [Mr. LEHMAN] has 6 minutes remaining.

Mr. LEHMAN of Florida. Mr. Chairman, I reserve the balance of my time.

Mr. COUGHLIN. Mr. Chairman, I have no further requests for time, but I yield myself such time as I may consume.

Let me just say first that I hope we will not take funds from programs that are today saving lives and transfer them to other programs that may be more questionable in their ability to save lives. Also I hope that we do not take funds from what are essentially very small programs in terms of the total number of dollars involved in them and transfer them to other programs that are very, very large programs in terms of the total number of dollars involved in them.

The distinguished chairman of this subcommittee, the gentleman from

Florida [Mr. LEHMAN], who is as concerned about drug abuse as any Member of this House and who is our friend, has crafted a carefully balanced bill, one that I hope will be considered and passed by this House as the subcommittee has proposed.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. COUGHLIN] yields back the balance of his time.

Does the gentleman from Florida [Mr. LEHMAN] yield back the balance of his time?

Mr. LEHMAN of Florida. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. COUGHLIN] for his remarks, and I just want to associate myself with the position that he has taken on the enforcement of the 55-mile-per-hour speed limit and the necessity for keeping those funds available for this purpose.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. LEHMAN of Florida. I yield to my friend, the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank my friend for yielding.

The implication of what the gentleman from Pennsylvania said was that the 55-mile-per-hour speed limit is in fact reducing fatalities. Now, the recent studies are showing that despite the fact that speeds are going up, the fatality rate is coming down.

Does the gentleman have information to refute that, or does the gentleman have information to refute the fact that the number of lives lost per million miles driven in foreign countries, where they have higher speed limits than we do, is in fact lower than what we have in this country?

Mr. LEHMAN of Florida. Mr. Chairman, I have a lot of facts and a lot of information. There have been 10,000 lives a year saved since 1972. I think a great many of those lives have been saved due to the enforcement of the 55-mile-per-hour speed limit.

I do not think we should be playing dollar games with programs that save lives, not only lives but mutilations and injuries to people who have been in accidents.

I believe that the cost of lives lost through the years in automobile accidents in this country is greater than the number of lives lost by heart disease and cancer combined, because car accidents are what kill young people. That is where you lose the potential years of life.

Mr. Chairman, I associate myself, as I said, with the remarks of the other gentleman from Pennsylvania [Mr. COUGHLIN], and I will oppose very strongly the position taken by the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, will the gentleman yield further?

Mr. LEHMAN of Florida. Yes, I yield to my friend, the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding.

I just wanted to point out to the gentleman, though, that if we can keep drugs off the streets, that also saves lives, and it seems to me that there is much empirical evidence that keeping drugs off the streets right now is in fact lifesaving, whereas there are all kinds of statistics which question whether or not the 55-mile-per-hour speed limit is playing any role whatsoever at the present time in saving lives.

Mr. LEHMAN of Florida. Mr. Chairman, I do not wish to continue the debate any further at this time, but I would say that we have put a floor in the Coast Guard budget of over $370 million for drug interdiction. Now the $20 million that the gentleman wants to take from highway safety is not going to make that much improvement in drug interdiction, but it could cause a lot of deaths on the highways that otherwise would not occur.

Mr. Chairman, I do not see any need to debate the matter further now, and I will yield back the balance of my time.

Mr. WALKER. I would only say, Mr. Chairman, that it is a debate worth having.

Mrs. VUCANOVICH. Mr. Chairman, I would first like to commend the members of the committee for having the integrity to restore the funding that will allow 750 positions to be retained at flight service stations around the country. The administration requested that this funding be eliminated. This is indeed a victory for the Nation's general aviation pilots who rely so heavily on flight service stations.

As you may recall, I led the effort in the 98th Congress to maintain funding of the flight service stations until the automated equipment that was to replace the FSS was in place and working. I am so pleased to see that effort being carried forth today.

The safety of the general aviation pilots should not be compromised for anything, and especially not for productivity improvement as the FAA has proposed. The FAA believes that if the existing flight services are consolidated with automated facilities right now, there would be a significant cost savings. The committee wisely was not convinced of such a savings. While I support the new automated flight service stations, I believe that the pilots of our great Nation deserve a tested, proven, and on-line replacement system before the ties are cut from the existing flight service stations. This bill provides that.

The flight service stations have performed a vital service to the general aviation pilots over the years. They aid in flight assistance on preflight, inflight, and emergencies; and in the dissemination of weather information. Without these services, the general aviation pilots would be grounded.

Once again, I commend the committee on their action and urge favorable passage of this bill. Thank you.

Ms. SNOWE. Mr. Chairman, I rise to stress the importance of funding for rural transportation. I urge my colleagues to look closely at the inequities of allocation between urban and rural transportation.

I have introduced legislation which will increase the proportion of the Urban Mass Transportation Act [UMTA] allocated to rural transportation. This legislation would increase the funding formula for section 18 of UMTA from 2.93 percent to 5 percent. This would be accomplished by reducing the percentage for each of the two urban categories by about 1 percent.

For too long, rural areas have been relying on a disproportionately low percentage of funding for transportation. Although 39 percent of the national population live in rural areas, they receive less than 3 percent of the transportation funds. Thus, increasing the rural formula allocation to 5 percent is only a small step toward equity.

In rural areas, public transportation is often the only means of transportation for the elderly and the handicapped. Thus, public transportation is of vital importance if these groups are to maintain their independent functioning in the community. Children, too, benefit from public transportation in rural areas. Many Head Start and nursery school programs depend on public systems for transporting children to and from their programs. In spite of this, numerous witnesses testified, in hearings held by the Subcommittee on Human Services of the Select Committee on Aging, that large commercial bus companies are reducing the number of rural stops because they are losing money due to the low number of riders. As a result, specialized and more economical types of public transportation are increasingly necessary in rural areas.

Currently, there are 2.5 million nonurban households with no car, and another 10.2 million households with only 1 car. Without commercial bus routes, those living in rural areas can become isolated and may find themselves without access to other systems, such as taxi service.

I recognize that all UMTA Programs have been reduced. This should serve as a challenge to all public transportation systems, rural as well as urban, to become increasingly efficient and creative in managing their Federal dollars. Although, because of labor costs, urban transportation is more costly to operate than rural transportation, funding is very skewed. At present, UMTA spends $28 per capita for transportation in large urban areas as compared to only $1 per capita in nonurban areas. I believe it is time that the rural population received a larger share of the pie.

Mr. Chairman, the current 2.93-percent setaside was established in 1982, and simply reflects a historic breakdown between urban and rural transportation. It does not reflect need or equity. I, therefore, urge my distinguished colleagues who represent urban areas to consider a more balanced division between urban and rural funding for transportation.

Mr. LEHMAN of Florida. Mr. Chairman, I have no further requests for time, I yield back the balance of my time, and I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. OWENS] having assumed the chair, Mr. PANETTA, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 5205) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1987, and for other purposes, had come to no resolution thereon.

CERTIFICATION WITH RESPECT TO THE BINARY CHEMICAL MUNITIONS PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-248)

The SPEAKER pro tempore (Mr. OWENS) laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on Appropriations and the Committee on Armed Services and ordered to be printed:

(For message, see proceedings of the Senate of today, Tuesday, July 29, 1986.)

INTRODUCTION OF BILL TRANSFERRING THE OLD U.S. CUSTOM HOUSE IN NEW YORK CITY TO THE MUSEUM OF THE AMERICAN INDIAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. UDALL] is recognized for 5 minutes.

Mr. UDALL. Mr. Speaker, I join today with several of my colleagues in introducing legislation to transfer the Old U.S. Custom House in New York City to the Museum of the American Indian.

The Museum of the American Indian is one of the great, largely undiscovered treasures of the Western Hemisphere. Presently located in cramped quarters in Upper Manhattan, the museum contains nearly a million artifacts, 70,000 negatives and prints; and 40,000 manuscripts, maps, and documents. The collection is derived from the native peoples of North, Central, and South America.

Founded in 1916 by engineer-financier George G. Heye on land donated by Archer M. Huntington, the museum's collection has grown to include a vast array of Indian artifacts: precious metal ornaments, toys and games, masks, clothing, totem poles, cooking utensils, ceramic vessels, towering house posts, dolls, weapons, and musical instruments.

It has been called the finest collection of American Indian artifacts in the world, but because of limited floor space, only a small fraction of it is on display at any given time. Many of the fragile treasures are kept in old storage facilities where changes in temperature and humidity threaten their preservation.

On those occasions when the works of the museum have been exhibited at more spacious and accessible quarters, the public response has been overwhelming. Two major exhibitions were held in 1978 and 1979 at the U.S. Custom House on Bowling Green in New York City. Each of these shows displayed more than 500 masterpieces. The 1978 exhibit, "Echoes of the Drum," attracted nearly 80,000 visitors, 1,000 a day, despite a city-wide newspaper strike. The second exhibit, "The Ancestors: Native Artisans of the Americas," also attracted great crowds and critical acclaim.

The legislation which I am introducing today would convey the Old U.S. Custom House in New York City to the Museum of the American Indian on a permanent basis, subject only to the normal restrictions and conditions imposed upon the transfer of surplus U.S. property.

Presently, the Old U.S. Custom House, designed by Cass Gilbert and completed in 1907, stands empty under the care of the General Services Administration. As the success of the 1978 and 1979 exhibits demonstrate, the Custom House would make a great showcase for the Museum of the American Indian.

The museum is desperately in need of a new facility. To adequately house its vast collection, the museum requires 100,000 to 150,000 square feet of space. The museum also needs one large building in which to consolidate its scattered facilities. At the moment, the library and research branch of the museum are located some distance from the museum itself.

The Custom House would be an ideal solution. Conveniently located on Bowling Green in Lower Manhattan's Battery Park area, it would permit the museum to expand and improve service to the public and to scholars. Most importantly, it would allow the museum to expand the public viewing area by four or five times. Space would also be available for the Educational Extension Service and the Indian Information Center, making available the computerized catalog of the collection and museum training for Native Americans. And, with appropriate renovation, the Custom House could provide climate-controlled storage for the collection and expansive library and research facilities for scholars.

Mr. Speaker, I urge the swift approval of this legislation. It would make a lasting contribution to the preservation of Native American artifacts and culture.

CONGRESSIONAL GOLD MEDAL STANDARDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, last week, together with the ranking minority member of the Consumer Affairs and Coinage Subcommittee, Mr. HILER, I introduced the Congressional Gold Medal Act. This bill would formally establish the congressional gold medal and set standards for its award.

Over the past 200 years, Congress has from time to time voted to award special congressional gold medals to persons found deserving of this high honor. The first gold medal was awarded in 1775 to George Washington. Since then the award has been voted to many distinguished Americans, such as the Wright Brothers, Charles Lindbergh, Thomas Edison, and Dr. Jonas Salk.

Over the past decade an ever-increasing number of bills calling for the award of the congressional gold medal have been introduced. In 1980, as chairman of the Subcommittee on Consumer Affairs and Coinage, I instituted a policy requiring any gold medal legislation to have at least 218 cosponsors before the subcommittee would consider the legislation. Gold medal bills are then brought to the floor under suspension of the rules, so that a two-thirds vote is required for passage. While these requirements have had some effect in assuring that medals are only awarded to those persons considered as truly worthy of this high honor, an ever-increasing number of bills have continued to be introduced.

Over the past several years I have had discussions with Members who have expressed concern that the congressional gold medal was no longer as exclusive or meaningful as it was previously. I shared those concerns, and over the past year have studied what standards should be adopted for the award of congressional gold medals.

I have discussed the development of appropriate standards with the ranking minority member of the subcommittee, Mr. HILER, who also is concerned about safeguarding the honor of the congressional gold medal. He worked closely with me in developing H.R. 5236.

In addition to the standards in the bill, the subcommittee will continue to apply the requirement that a gold medal bill must have a majority of the House, at least 218 cosponsors, before subcommittee consideration. Also, to assure that bills are nonpartisan, the subcommittee will require that a gold medal bill be sponsored by at least 40 percent of the Members of each party.

The subcommittee will apply these guidelines to any gold medal bill that has not yet attained 218 cosponsors this Congress. When the next Congress organizes, it is my intention to have these cosponsorship guidelines incorporated into the Banking Committee rules.

H.R. 5236 and these cosponsorship guidelines will assure that the congressional gold medal is awarded only for truly outstanding achievements, and will restore the medal to its rightful place of high esteem.

MILITARY FLIGHT SAFETY BILLS ARE INTRODUCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. ROSE] is recognized for 5 minutes.

Mr. ROSE. Mr. Speaker, shortly after the Arrow Air military flight crashed last December at Gander, Newfoundland, I began discus-

sions with Senator AL GORE about legislation we could introduce that would protect members of the armed services from ever again having to fly in airplanes as poorly maintained and as dangerous as the one that took 248 servicemen's lives in Gander. I am introducing legislation today, with 19 cosponsors which is the result of those discussions. Other Members of the House, including Congressmen BENNETT, NICHOLS, and HOPKINS, have also introduced legislation with the same objective, and I support their efforts. I am glad that their legislation, including the part I cosponsored, is moving through the Armed Services Committee

The thrust we are taking today is a requirement that the Federal Aviation Administration notify the Military Air Command promptly whenever a contractor airline is cited for a safety violation. Mr. Speaker, after the Gander accident the congressional investigation disclosed that the Military Air Command was going by what it was told, or not told, by the FAA, so far as safety was concerned. Under the legislation we are introducing today, the Military Air Command would know "promptly" when safety violations are found—something that is supposed to happen now, but as we sadly found out, does not. Under our legislation, the MAC could, should and would hold the flight on the ground until defects are corrected, or until a safe plane is provided.

The bill requires additional actions to make air movement safer for our troops, including "more frequent hands-on and en-route inspections, periodic rotation of field inspectors, prevention of overscheduling of flight crews," and forbids reprisals against airline employees who notify FAA of violations. It also prohibits airlines from employing FAA inspection personnel from going to work for an airline he or she inspected for 2 years after leaving the FAA.

I urge the Congress to act so that our members of the armed services will be protected against having to fly in aircraft the likes of what Arrow Air provided.

I am also introducing a resolution calling for the appropriate committees to look into whether a separate agency responsible for airline safety should be established. It may be that since the FAA is charged with the promotion of air travel, air safety should be in the hands of a different agency.

A TRIBUTE TO THE LATE HONORABLE EDWARD A. GARMATZ

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. JONES] is recognized for 5 minutes.

Mr. JONES of North Carolina. Mr. Speaker, on February 10, 1966, I was sworn in as a Member of Congress due to a special election. Following this, my first committee assignment was to the Committee on Merchant Marine and Fisheries, which at that time was chaired by the Honorable Eddie Garmatz. As do some new Members, I needed as much guidance as possible, and I found the chairman, the late Eddie Garmatz, was a friend indeed. He was very patient with me and explained the procedures and responsibilities. So, it was obvious that one of my first impressions of Members of Congress centered on Chairman Garmatz. Therefore, my memory is one of fondness and gratitude.

After he saw fit to retire from the strains of Congress, we maintained our friendship. During my multiple hospital confinements, he stayed in close touch, a gesture which I shall always appreciate. Even during the Christmas season he saw fit to remember our friendship with much appreciated and appropriate gifts. Certainly, he shall be missed by many, but perhaps by no one with any more appreciation than I.

To his family and his multiple friends, I offer my deepest sympathy. We can all be grateful for his services to this Nation during his lifetime.

□ 1915

A TRIBUTE TO THE LATE HONORABLE ED GARMATZ

The SPEAKER pro tempore (Mr. OWENS). Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

GENERAL LEAVE

Mrs. BENTLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the passing of Congressman Ed Garmatz.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

Mrs. BENTLEY. Mr. Speaker, it has been said that we see our way as well as we do because we stand on the shoulders of the leaders who have gone before us. One of those leaders passed away last week. Eddie Garmatz was a Member of this body, a chairman of its Merchant Marine Committee, a defender of America, a wise and visionary leader, and he was my friend. He called me his Republican buddy.

The battles he fought to defend the Nation's seapower and its commerce are still undecided, but we are here to continue those struggles in large part because he was here and worked so hard and so well to protect his dream of restoring the United States as a maritime power.

Yes, Eddie Garmatz, an old style crab feast, clubhouse, Christmas turkey, East Baltimore politician who served 13 terms as Democratic Congressman from the Third District of Maryland and for whom the Federal courthouse in Baltimore is named, succumbed to cancer last week.

Vintage Americana, 2 months ago on the Memorial Day weekend I attended a service at St. Stanislas Cemetery and Congressman Garmatz was there, along with city councilman, Minnie DiPietro, and Senator Joe Bonagna, and the American Legion Post from Fleet Street.

It was an extremely hot day. In fact, it was nearly 100 degrees in the Sun where we were sitting and pretty soon the former Congressman had to leave the stand because it was so hot. I was then told that he had just gotten out of the hospital the day before and it was too much for him.

When I caught up with him, I said, "Eddie, why did you come out on such a hot day?"

And he said, "Helen, I've been doing that for 40 years with that American Legion group and I couldn't miss this one." That is vintage Eddie Garmatz.

Mr. Garmatz served in Congress during the administration of Presidents Harry Truman, Dwight Eisenhower, John Kennedy, Richard Nixon, and Lyndon Johnson; but he not only never lost touch with his East Baltimore roots, he also remained a pretty good friend of amazing numbers of people who voted for him.

Garmatz voted straight democratic, a hundred percent labor, and about a hundred ten percent for U.S. shipping and maritime interests. He rose through the old seniority system during his 25½ years in the House of Representatives to become chairman of the House Merchant Marine and Fisheries Committee in 1965, and in the sixties Baltimore and Maryland were very fortunate because we had three chairmen of full committees; George Fallon, chairman of the Public Works and Transportation Committee; Sam Friedel, chairman of the House Administration Committee; and Ed Garmatz, chairman of the House Merchant Marine and Fisheries Committee. He was the last of the three to pass on.

These three powerhouses commuted regularly from Baltimore-Washington by train and a lot of business was conducted on that train in the morning. They decided there how they were going to apply that power for Baltimore and for Maryland and they did their job well.

It was a privilege for me as a newspaper editor to be able to join them on some of these trips and to learn at their feet.

During his term as chairman of the House Merchant Marine and Fisheries Committee, the legislation that was passed was almost like an encyclopedia of maritime legislation, the most famous of which, of course, as far as the merchant marine was concerned, was the passage of the 1970 Merchant Marine Act, which allowed subsidies for the construction of bulk carriers.

It was during his term that there was a first-time interest in oceanography by that committee and he placed it in the Subcommittee for Oceanography and it is still in place today.

Under his regime was passed the National Environmental Protection Act

[NEPA], which is a definitive environmental legislation.

You know, this was typical of him; although the Interior Committee really had jurisdiction there, he managed to pull it away and to get the legislation through his committee.

It was under him that Fisheries came into their own.

There was the passage of the Endangered Species Act, the Marine Mammal Protection Act, as well as the Port and Waterways Development Act, the Bridge to Bridge Radio Telephone Act, the Tug and Barge Licensing bill, and the Federal Boat Safety Act which of course was the first time that any legislation had been passed in respect to recreational boating.

A considerable amount of Panama Canal legislation was also enacted under his stewardship.

He opposed any vessels made of wood. I remember a number of the battles year after year that he and Congresswoman Lenore Sullivan, who succeeded him as chairman of the House Merchant Marine Committee, the battles they had over whether or not the *Delta Queen* could continue to sail on the Mississippi River. Every year this bill came up and every year there was almost a knockdown battle between the two of them.

I might say that she prevailed on those. The *Delta Queen* is still sailing on the Mississippi.

He formed a subcommittee for the Maritime Academy and it was also he who managed to bring the Marine Engineers Beneficial Association Training School to Baltimore for engineers.

Yes, we can say that he supported subsidies for American shipbuilding, laws encouraging the use of American flagships, money for dredging Baltimore Harbor and even research into the propagation of the blue crab.

He was an early and continuing supporter of Adm. Hyman Rickover and atomic powered submarines and ships.

He fought against the St. Lawrence Seaway, condemned the Defense Department purchase of British ships as a harbinger of doom, chided President Dwight Eisenhower for taking the *Queen Elizabeth* to Europe instead of the SS *United States* and he sought the elimination of sea nettles from Maryland waters.

In 1963 he opposed a contract for "jumbo-izing," that is extending the length of a vessel, the jumbo-izing of two Navy ships because the midsections were to be built in Japan. He wanted the work to be done in private American yards, keeping those yards available in case of a national emergency. How familiar those words are today.

Always a staunch friend of labor and shipping, Mr. Garmatz proudly retained his membership in the International Brotherhood of Electrical Workers, AFL-CIO.

He fought in the House and in the Merchant Marine Committee on behalf of that constituency and those ideals, Maryland shipbuilding first, American shipbuilding second, and foreign shipbuilding, never.

He was still an active member, I mean a card-carrying member of the IBEW when he died.

The maritime people always regarded him as one of their type. In the 1964 campaign in which he defeated city councilman John Pica in the primary, Thomas W. Gleason, in a personal letter to each longshoreman, cited Mr. Garmatz as "one of the best friends that longshoremen have ever had."

In that letter he said:

> Eddie Garmatz is not only a friend of the longshoremen and the International Longshoremen's Association, but he is one of the best friends labor has ever had in Congress—a card-carrying union man.

The thing that I think we all loved best about Eddie was that he was always a humble person, never assumed any lofty airs, and he never forgot his friends. No matter what another person's status was, Ed treated all those people with equal respect and humility.

He particularly retained a special place in his heart for the working person, for a waitress, a doorkeeper, an electrician, and always in a restaurant or at a dinner he went into the kitchen first to talk to those people who were preparing the meal before he went out to enjoy his meal.

Testimony to how these little people, the working people felt about him, was evident last week in the Capitol as the clerks, who still remembered him in the Congress, came up to me and said, "He was always such a gentleman."

Although Ed was not a person of fancy words, since his formal education was limited, he was one Member of Congress who knew how to get his bills through. He was one of the best floor managers in the business, and that was because of the way he worked with other Members of Congress and his respect for them, regardless of party. When you look at the agenda of legislation that he enacted while he was chairman, you can see how well he did his work.

One of his best friends and a working colleague was Gerald Ford when he was minority party leader. They frequently worked together to push through several pieces of maritime legislation. Ed called on Mr. Ford when he needed him, and he always was given that support.

Ed did not have any legal experience, but he did not think that mattered much. He always would say, "All you need is a little two-plus-two-equals-four common sense."

"You don't have to be a Harvard graduate or a Rhodes scholar. The way they decide things today, I wish we had more electricians and plumbers making court decisions and in the legislature."

That was typical Ed Garmatz.

He grew up in Baltimore near Gay and Federal Streets, not far from downtown. He first got into politics in the old 14th precinct of the 8th ward around North Avenue and Gay Street in the heyday of clubhouse politics. He remembered in a newspaper interview that he first joined the Colonial Pleasure Club. Later on he counted 65 political clubs in his Third Congressional District.

He said, "We need to take hayrides and my friends got interested in politics that way."

His early job was in the maintenance department of the American Brewery until he got his first political job as a clerk with the Maryland Racing Commission. After that he became a police magistrate. When a friend joined the Armed Forces in World War II, Ed said, "I would like to have your job," because the pay was better. It was $4,000 a year.

He started out in politics as an ally of Thomas D'Alesandro, Jr., who also was at his funeral services last week. When D'Alesandro became mayor in 1947, he handpicked Garmatz as his successor for the Third Congressional District seat. Garmatz had been D'Alesandro's treasurer and campaign manager.

In 1947, Garmatz spent $8,500 to get elected to that first term and THOMAS O'NEILL, who was the Sun's political writer at the time, called the election "unusually expensive."

However, Garmatz once reported spending only $250 1 year when he ran unopposed. He was unopposed in five primary and four general elections. When he did have opponents, he routinely demolished them by margins of two, three, four, and five to one.

D'Alesandro predicted that Garmatz would get more than his two opponents at one time, and he did. He got an independent Democrat and a Republican, city councilman Simon Jarosinki and Ed Panetti, and D'Alesandro then delivered Little Italy's third precinct, third ward, the famous "Third of the Third" for Garmatz, 537 to 57 for his benighted opponents.

□ 1930

Baltimore politics were much simpler in those days. Eddie recalled his relationship with Tommy D'Alesandro as his campaign manager. He said:

> I used to put a quarter barrel of beer in the back of my car and drive around and find somebody having a birthday or something and we'd set it up and 15 to 25 people would come in. Then Tommy would drop by, accidentally, you know, and say "Hi." After he had shaken hands all around, we would leave and go set up at another place. We

would do that three or four nights a week just to get him acquainted with the people.

Gene Raynor, who is head of the Baltimore City Board of Elections Supervisors, described Mr. Garmatz as a man with a great sense of humor. No matter how he felt, he wanted to say something to make people smile. He always wanted to do something to make people feel good. His generosity was his byword.

For example, he bought dollar bills from the mint in pads like notepaper and would peel them off for kids for birthdays and graduation. He did not want to slight the adults, so he had giant-type bills printed up in ones or fives, sometimes even hundreds, and he would peel them off, handing them to adults, always with a smile. As Gene Raynor said, he always enjoyed a joke, and wanted to make people feel good.

Another person who remembered him so well was Richard Lidinsky, who is now the deputy comptroller of the city, but who was Eddie's aide for several years. He said:

Eddie was just a great guy. Nobody will know of his benevolence to many, many people. Wherever he felt there was a need, he came forward.

Richard described that in a eulogy at the funeral services last week.

Garmatz ran 365 days a year, always quickening his pace a bit during an election season, and he wanted that daily commute because he was able to stay closer to the voters. Even on the last time he attended a public event, on that very hot day, he stood tall and erect. He had grown a bit portly in his middle age, and he always wore three-piece suits, subdued, always with a Maryland black-eyed-susan as a boutonniere, and a four-pointed white handkerchief in the breast pocket. A diamond stickpin frequently gleamed under the splendidly dimpled Windsor knot in his tie.

He grew bald early on, wore glasses and a small neat mustache cut in the style of the leading men of the thirties, and after the LBJ years, affected a trademark wide-brimmed western Stetson hat, although in his early years in Congress he occasionally wore a homburg. In the summer his Stetson hat was a straw hat, and in the winter it was a grey felt.

Yes, we in Maryland and all those who knew him shall truly miss this man who contributed so much to his home State and to our country through his long years of dedication.

Those of us who knew him in Congress, those on the streets of his district, and those who viewed him from afar can only look back with fondness and respect on his many contributions and thank the Lord that he had the strength and will to take the lead in the service of his country.

Mr. Speaker, there is another side to Congressman Ed Garmatz that we all knew about and that was his devotion to his wife and sister.

The Honorable Richard A. Lidinsky, deputy comptroller of the city of Baltimore, said it so eloquently at the funeral service:

But this was only a part of the whole man, Eddie Garmatz, for it can be proudly stated that he was the devoted, dedicated husband and constant companion of his lovely and gracious wife, Ruth, for 49 years. Without her steadfast support and understanding, capped by her love and devotion, Eddie's accomplishments would have been difficult, if not impossible to achieve.

And, Ed's sister, Elizabeth, who served so conscientiously and efficiently as his top aide in Congress, is due acknowledgement and gratitude for her part in his career.

And I would like to note that his last words just before he slipped into his coma, were: "Take care of Ruth."

He was always so worried about her because she had been in frail and failing health in recent years. Ed frequently said he had to hurry home from an event because he was concerned about "my Ruth."

Mr. HOYER. Mr. Speaker, last Tuesday, July 22, the Port and city of Baltimore lost one of their best friends of the post-World War II era with the death of former Congressman Edward A. Garmatz, who served in this House from 1947 to 1972.

The Baltimore Sun last week termed Congressman Garmatz' philosophy as being, "Maryland shipbuilding first, American shipbuilding second, and foreign shipbuilding never."

The health of the Port of Baltimore and its shipping-related industries was the first issue of concentration for Congressman Garmatz in his 13 terms in this House. In time, he assumed the chairmanship of the Merchant Marine and Fisheries Committee, which we all know is the most important committee in all the House in terms of the shipping industry.

Perhaps the most lasting testament to the effectiveness of Congressman Garmatz was adoption by the Congress of the Merchant Marine Act of 1970 which helped to rejuvenate American shipbuilding. In recognition of all of his efforts on behalf of the Third District and the people of Maryland, the Federal building in Baltimore is named in his honor. That monument and his legislative achievements will long stand as reminders of Congressman Garmatz' commitment to the people of Baltimore.

I join the House in sending our condolences and prayers to Congressman Garmatz' wife, Ruth, and his sister, Elizabeth Garmatz.

Ms. MIKULSKI. Mr. Speaker, I rise today to pay tribute to former Congressman Edward A. Garmatz who passed away last week in Baltimore at the age of 83.

Eddie Garmatz was my Congressman when I was growing up in east Baltimore. He was my predecessor in this office. I considered him a friend and an adviser.

During his 25 years in Congress, Eddie Garmatz helped the Port of Baltimore flourish. As the powerful chairman of the House Merchant Marine and Fisheries Committee, Congressman Garmatz laid the foundation for the enactment of the Merchant Marine Act of 1970.

This important piece of legislation provided a vital boost to the shipping industry in Baltimore and around our country. It boosted an industry but it also boosted our city's economy. It created new jobs in our shipbuilding and ship repair yards.

Around the streets and neighborhoods of east Baltimore, where he himself was born and raised, Congressman Garmatz was known simply as "Mr. Garmatz."

He was a proud man. He was proud of his city, his State, and his Polish heritage. In fact, he was one of the first persons of Polish background ever elected to the U.S. Congress.

In Congress, he fought for the port community but that's not all he did. He worked tirelessly with Mayor Tommy D'Alesandro, Jr., and others to create new jobs and new economic growth for our city.

And he fought just as hard in Congress for programs to maintain our strong national security. He was a strong man and he wanted our Nation to be just as strong.

But with everything he was involved in—with his chairmanships and his other activities—one thing that stands out the most about Eddie Garmatz was that he was never too busy to take time to talk to individual people who were having trouble with the Federal Government.

Eddie Garmatz was elected to Congress term after term because he knew how to be a good representative of the people. He never forgot his roots and he never lost sight of where he was going.

He taught me many things during his life and what I thank him for the most is that he taught me how to be a good Member of Congress.

We all mourn his passing.

Mr. MITCHELL. Mr. Speaker, first of all, I would like to commend Congresswoman HELEN BENTLEY for providing the time for this remembrance of former Congressman Edward Garmatz.

On July 22, 1986, Edward Garmatz lost a battle with cancer. Edward Garmatz represented Baltimore for 12 terms and retired as the dean of the Maryland congressional delegation.

While sadness over his recent death remains with us, the strength of Edward Garmatz' life and his commitment to his constituents will be remembered for many years to come. There are not many who will forget or cease to benefit from his significant contributions and leading role as chairman of the House Merchant Marine and Fisheries Committee. He was an expert on maritime matters which were a priority to many of his constituents working the Baltimore port.

I join my colleagues in extending heartfelt sympathy to Edward Garmatz' family and in expressing admiration of his service to others.

Mr. DE LA GARZA. Mr. Speaker, I rise today to take a moment to pay homage to my departed friend and former colleague, Edward Alexander Garmatz. As I take this opportunity to add little grains of sand to that which was Eddie Garmatz, I recall how when I came here as a young fellow in 1965, I was privileged to serve under this tutelage on the Committee on Merchant Marine and Fisheries. I will always remember the finesse and proficiency with which he executed his responsibilities as com-

mittee chairman. He was truly masterful and particularly helpful in both guiding a novice and helping a younger Member to get his feet planted squarely on the ground. For that knowledge, I will always owe him a debt of gratitude.

The range of fond memories I have of Eddie's expertise are many, but among them, I will remember the first year I served on his committee, how I sent him Texas Rio Grande Valley Ruby Red grapefruit. From that good day until the day of his death, Eddie Garmatz ordered Ruby Red grapefruit from the Alamo Fruit Co. in my district. His constancy in this respect was just another sign of the stability which resulted in his translating his exceptional skills as a legislator into substantive achievements on behalf of his State and his country.

Just as each member of a committee imparts an indelible impression, each chairman leaves behind a legacy. Eddie Garmatz will long be remembered not only as a great Congressman, but also as a great chairman.

For having had the privilege of knowing Eddie Garmatz, I am grateful. For serving with him, I am indeed a better man.

Mr. HORTON. Mr. Speaker, I want to express my appreciation to my colleagues from Maryland, HELEN BENTLEY and BARBARA MIKULSKI, for arranging this special order during which we can pay tribute to a dear friend and former colleague we lost last week, Edward A. Garmatz.

From 1947 to 1972, Eddie served in the House of Representatives for the people of Maryland. As a 7-year chairman of the Merchant Marine and Fisheries Committee, he was a champion for the U.S. merchant marine fleet. Even during his long tenure in the House, he never relinquished his membership in the International Brotherhood of Electrical Workers. His dedication to the American workers and proper working conditions made him a leader in the labor field, and a constant friend to union members.

Eddie led—and eventually won—the battle for passage of the Merchant Marine Act of 1970. Although our merchant marine fleet is still beleaguered, particularly in the Great Lakes, that legislation proved to be of great assistance to that ailing industry.

For the 10 years during which Eddie and I served together in Congress, I considered him a true friend and an ally in the work to sustain our merchant marine and to ensure basic worker rights. We shall miss him.

My wife, Nancy, and I wish to express our deep regrets to Eddie's widow, Ruth, and to the Garmatz family.

Mr. ANNUNZIO. Mr. Speaker, I rise to join with my colleagues in the House of Representatives in paying tribute to the Honorable Edward A. Garmatz, whose death on July 22 was a great loss to the people of this Nation.

Representing the Third Congressional District of Maryland for 25 years before his retirement in 1972, Eddie Garmatz had an outstanding record of service as a strong supporter of the America shipbuilding industry. As chairman of the House Merchant Marine and Fisheries Committee from 1966 to 1972, he was highly respected for his expertise on maritime matters, and I was privileged to have had the opportunity to serve with him on this committee. He was especially sensitive to the needs of the Baltimore port, and worked tirelessly on behalf of his constituents whom he so ably represented.

Congressman Garmatz was a fine legislator, and served the people of the Third Congressional District of Maryland with distinction. He will be missed by all those whom he served, and all those who know him.

Mrs. Annunzio and I extend our deepest sympathy to the members of his family who survive him.

Mr. DANIEL. Mr. Speaker, many Members of this body were saddened last week by the passing of our former colleague, Edward Alexander Garmatz.

When I arrived here as a freshman Member in 1969, Eddie Garmatz had been long on the scene. He was "Mr. Merchant Marine" to me, as he was to many others, for the depth and breadth of his knowledge on the subject was awesome.

Not only was he a source of much information and good advice, he was an exceptional human being, who demonstrated his concern for his constituents and his concern for a robust merchant marine capability in a hundred different ways.

Nor did his concern cease when he left this body. For many years, he served in an advisory capacity to the Maritime Institute, and thus extended his influence to new and succeeding generations of merchant seamen.

I am told that the last time anyone saw him, he was still wearing a blackeyed susan in his lapel, a symbol of his loyalty to the State of Maryland, and an affirmation all flower-lovers share of the triumph of hope.

Eddie is gone, but his influence will be felt by those he left behind in this body and by American seaman who continue to sail the seas of this world.

Mrs. HOLT. Mr. Speaker, I rise to honor the memory of Edward A. Garmatz, a former Member of this House who served our Nation with great distinction and is remembered with affection by all who knew him.

His congressional district embraced the Port of Baltimore; he became chairman of the Merchant Marine and Fisheries Committee, and he was a zealous and effective advocate for the American shipbuilding and merchant shipping industries.

I should note that the Port of Baltimore is the hub of the Maryland economy, and Mr. Garmatz is remembered for his contributions to the work and improvement of this port, which is one of our Nation's greatest.

Before the congressional redistricting after the 1970 census, Mr. Garmatz represented the northern part of the district I currently represent, and I know the affection with which he is remembered by my constituents in that area.

He served 13 terms in the House of Representatives, and that fact attests to the popularity he achieved because of his attentiveness to the needs of the people he represented.

Mr. Garmatz was a noble Marylander, a dear friend, and one who deserves the lasting honor and respect of his State and our country.

Mr. BOLAND. Mr. Speaker, I am pleased to join my colleagues in paying tribute to Edward Garmatz, who passed away last week.

I had the pleasure and privilege of serving with Eddie Garmatz during most of his 13 terms in Congress. I knew him to be a man of great political ability, deep personal conviction, and sound judgment. Eddie's public service career began as a union leader, he then served as a police magistrate, and became a political organizer before coming to serve in Congress. While in the House, Eddie Garmatz chaired the House Merchant Marine and Fisheries Committee for 6 years and was the dean of the Maryland State congressional delegation. As chairman of the Merchant Marine Committee, he was known as an expert on maritime matters and was key in the development of the Port of Baltimore. he was an unabashed proponent of the American maritime industry, and I believe that history has shown that his warnings about the direction in which that industry was headed were correct.

Eddie Garmatz was proud of Baltimore. He never forgot that his roots were in that fine city and he never forgot that responsibility that he owed to his constituents, many of whom were his friends and neighbors. The people of Baltimore and the people of Maryland were well represented by Eddie Garmatz and I believe that they recognized that fact. I know that all the people of Maryland have been saddened by his passing, as have those of us who served in this House with him.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GUNDERSON (at the request of Mr. MICHEL), for today and tomorrow, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. LIGHTFOOT) to revise and extend their remarks and include extraneous material:)

Mr. LEACH of Iowa, for 60 minutes, on August 6.

(The following Members (at the request of Mr. LEHMAN of Florida) to revise and extend their remarks and include extraneous material:)

Mr. UDALL, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. ROSE, for 5 minutes, today.

Mr. JONES of North Carolina, for 5 minutes, today.

Mr. BONIOR of Michigan, for 60 minutes, on July 31.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LIGHTFOOT) and to include extraneous matter:)

Mr. GRADISON in two instances.
Mr. BROOMFIELD in three instances.
Mr. SOLOMON.
Mr. HENRY.
Mr. SILJANDER.
Mr. BADHAM.
Mr. DENNY SMITH.
Mr. COURTER in two instances.
Mr. RITTER
Mr. IRELAND.
Mr. KEMP.
Mr. MCEWEN.
Mr. HORTON.
Mr. HAMMERSCHMIDT.
Mr. EVANS of Iowa.
Mr. STANGELAND.

(The following Members (at the request of Mr. LEHMAN of Florida) and to include extraneous matter:)

Mr. FAZIO.
Mr. MICA.
Mr. UDALL.
Mr. RAHALL.
Mr. RANGEL.
Mrs. BOGGS.
Mr. EVANS of Iowa in two instances.
Mr. FLORIO.
Mr. VENTO in two instances.
Mr. ACKERMAN.
Mr. ERDREICH.
Mr. FOWLER.
Ms. MIKULSKI in two instances.
Mr. LIPINSKI.
Mr. HOYER.

ENROLLED BILLS SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that the committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1904. An act to provide for the use and distribution of funds appropriated in satisfaction of judgments awarded to the Chippewas of the Mississippi in docket numbered 18-S before the Indians Claims Commission, and for other purposes, and

H.R. 4434. An act to amend the act entitled "An act granting a charter to the General Federation of Women's Clubs."

ADJOURNMENT

Mrs. BENTLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 35 minutes p.m.), the House adjourned until tomorrow, Wednesday, July 30, 1986, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3969. A communication from the President of the United States, transmitting proposed amendments to the request for appropriations for fiscal year 1987 for the Department of Labor, pursuant to 31 U.S.C. 1107 (H. Doc. No. 99-247); to the Committee on Appropriations and ordered to be printed.

3970. A letter from the Secretary of the Army, transmitting the annual report on U.S. Soldiers' and Airmen's Home for fiscal year 1984 and the report of the annual general inspection for fiscal year 1985, pursuant to 24 U.S.C. 59, 60; to the Committee on Armed Services.

3971. A letter from the Chairman, Equal Employment Opportunity Coordinating Council, transmitting a report of the Commission's interagency coordination activities for the period October 1, 1984 through September 30, 1985, pursuant to Public Law 92-261, section 715; to the Committee on Education and Labor.

3972. A letter from the Employee Benefits and Risk Manager, Farm Credit Banks of Louisville, transmitting the farm credit institutions in the fourth district amended retirement plan, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

3973. A letter from the Chairman, National Capital Planning Commission, transmitting a report on activities under the Freedom of Information Act, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3974. A letter from the Commissioner, Immigration and Naturalization Service, transmitting a report on the adjustment of the status of nonimmigrants to that of aliens lawfully admitted for permanent residence, pursuant to 8 U.S.C. 1255b(c); to the Committee on the Judiciary.

3975. A letter from the Acting Assistant Secretary of the Air Force (Logistics and Communications), transmitting notice of the decision to convert to contractor performance the grounds maintenance function at Reese Air Force Base, TX, pursuant to Public Law 99-190, section 8089 (99 Stat. 1216); jointly, to the Committee on Armed Services and Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. BURTON of California: Committee on Rules. H. Res. 516. Resolution waiving certain points of order against consideration of H.R. 5234, a bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1987, and for other purposes (Rept. 99-721). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RODINO:

H.R. 5265. A bill to amend title 28 and title 11 of the United States Code to provide for the appointment of additional bankruptcy judges, to provide for the appointment of United States trustees to serve in bankruptcy cases in judicial districts throughout the United States, to make certain changes with respect to the role of United States trustees in such cases, and for other purposes; to the Committee on the Judiciary.

By Mr. ENGLISH (for himself, Mr. BROOKS, and Mr. KINDNESS):

H.R. 5266. A bill to to require the President to submit legislation for the reorganization of the executive branch in order to more effectively combat drug trafficking and drug abuse; to the Committee on Government Operations.

By Mr. ENGLISH (for himself, Mr. DANIEL, Mr. HUTTO, Mr. COLEMAN of Texas, Mr. PEPPER, Mr. RANGEL, Mr. SHAW, Mr. SMITH of Florida, Mr. WALKER, Mr. HUGHES, Mr. GILMAN, Mr. JONES of Oklahoma Mr. WATKINS, Mr. EDWARDS of Oklahoma, Mr. MCCURDY, and Mr. HUNTER):

H.R. 5267. A bill to authorize additional appropriations for fiscal year 1987 for the United States Customs Service in order to strengthen the drug enforcement capabilities of the Service; to the Committee on Ways and Means.

H.R. 5268. A bill to authorize additional appropriations and personnel for the Coast Guard for enhanced drug interdiction activities; to the Committee on Merchant Marine and Fisheries.

H.R. 5269. A bill to authorize appropriations for fiscal year 1987 for additional assistant United States attorneys and additional special agents of the Drug Enforcement Administration, and for other purposes; jointly, to the Committees on the Judiciary and Energy and Commerce.

H.R. 5270. A bill to authorize appropriations to the Department of Defense to enhance assistance by the Armed Forces to civilian drug enforcement agencies; to the Committee on Armed Services.

By Mr. PEPPER:

H.R. 5271. A bill to establish the National Center for Biotechnology Information within the Department of Health and Human Services as a component of the National Library of Medicine; to the Committee on Energy and Commerce.

By Mr. BRYANT:

H.R. 5272. A bill to provide a comprehensive national oil security policy; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. CARNEY:

H.R. 5273. A bill to establish the National Lottery Commission to operate a national lottery for the purpose of creating a surplus revenue fund to be used to reduce the Federal debt; jointly, to the Committees on Ways and Means, the Judiciary, and Post Office and Civil Service.

By Mr. HAMMERSCHMIDT (for himself and Mr. MINETA):

H.R. 5274. A bill to amend section 404 of the Federal Aviation Act of 1958 to prohibit discrimination against handicapped persons in air transportation; to the Committee on Public Works and Transportation.

By Mr. HILLIS:

H.R. 5275. A bill to amend title 38, United States Code, to provide for variable rates of interest on loans made by the Veterans' Administration and secured by National Service Life Insurance policies; to the Committee on Veterans' Affairs.

By Mr. KEMP:

H.R. 5276. A bill to prohibit certain companies who have filed for bankruptcy from discontinuing medical and life insurance benefits to retirees; to the Committee on the Judiciary.

By Mr. REID (for himself and Mrs. VUCANOVICH):

H.R. 5277. A bill to transfer certain public lands in Nevada to the Toiyabe, Humboldt, and Inyo National Forests; to the Committee on Interior and Insular Affairs.

By Mr. ROBERTS (for himself, Mr. STANGELAND, Mr. MARLENEE, Mr. EVANS of Iowa, Mr. COMBEST, Mr. GUNDERSON, and Mr. MORRISON of Washington):

H.R. 5278. A bill entitled: "The Export Enhancement Improvement Act"; jointly, to the Committees on Agriculture and Foreign Affairs.

By Mr. ROSE (for himself, Mr. BOLAND, Mr. FAUNTROY, Mr. LUNDINE, Mr. CLAY, Mr. DICKINSON, Mr. ROE, Mr. SISISKY, Mr. BEVILL, Mr. TORRES, Mr. BOUCHER, Mr. BOEHLERT, Mr. OLIN, Mr. WEAVER, Mr. FUSTER, Mr. HENDON, Mr. WRIGHT, Mr. LEVIN of Michigan, Mr. BATEMAN, Mr. WHITEHURST, and Mr. YOUNG of Florida):

H.R. 5279. A bill to promote air safety and for other purposes; to the Committee on Public Works and Transportation.

By Mr. SHAW:

H.R. 5280. A bill to amend title 10, United States Code, to enable the Armed Forces to engage in arrests, searches, and seizures in drug cases on the high seas and in the territorial waters of the United States and to pursue persons evading arrest onto the land mass of the United States; to the Committee on Armed Services.

H.R. 5281. A bill to amend the Federal Aviation Act of 1958 to combat drug trafficking, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. SKEEN:

H.R. 5282. A bill to prohibit the importation of drug paraphernalia; to the Committee on Ways and Means.

By Mr. STOKES (for himself, Ms. OAKAR, Mr. REGULA, Mr. MCCLOSKEY, Mr. SEIBERLING, Mr. MURPHY, Mr. PEASE, Mr. VISCLOSKY, Mr. ECKART of Ohio, Mr. FEIGHAN, Mr. BEVILL, Mr. FROST, Mr. RAHALL, Mr. NOWAK, Mr. TRAFICANT, Mr. KOLTER, Mr. WALGREN, Mr. CLAY, Mr. LAFALCE, Mr. MCDADE, Mr. HAYES, Mr. LIPINSKI, Mrs. COLLINS, Mr. OBERSTAR, Mr. ANNUNZIO, Mr. RUSSO, and Mr. ERDREICH):

H.R. 5283. A bill to prohibit certain companies who have filed for bankruptcy from discontinuing medical and life insurance benefits to retirees; to the Committee on the Judiciary.

By Mr. UDALL (for himself, Mr. BOEHLERT, Mr. ECKERT of New York, Mr. MARTIN of New York, and Mr. WORTLEY):

H.R. 5284. A bill to authorize the Administrator of General Services to convey property to the Museum of the American Indian, and for other purposes; to the Committee on Government Operations.

By Mr. VENTO:

H.R. 5285. A bill entitled: "The Public Employees Social Security Equity Act of 1986"; to the Committee on Ways and Means.

H.R. 5286. A bill entitled: "Public Pension Parity Act of 1986"; to the Committee on Ways and Means.

By Mr. WAXMAN:

H.R. 5287. A bill to amend titles XVIII and XIX of the Social Security Act to provide for budget reconciliation for the Medicare and Medicaid programs for fiscal years 1987, 1988, and 1989; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. HEFNER (for himself and Mr. CONTE):

H.J. Res. 688. Joint resolution to authorize and request the President to designate the month of December 1986, as "Made in America Month"; to the Committee on Post Office and Civil Service.

By Mr. WAXMAN (for himself and Mr. MARKEY):

H. Con. Res. 373. Concurrent resolution expressing the sense of Congress concerning the need for international cooperative efforts to identify the individuals exposed to radiation as a result of the nuclear accident at Chernobyl in the Soviet Union and to monitor the health status of those individuals so as to increase, for their benefit and the benefit of the citizens of the United States and of all the world's peoples, the level of understanding of the effects of exposure to radiation; jointly, to the Committees on Foreign Affairs and Energy and Commerce.

By Mr. GEPHARDT:

H. Res. 515. Resolution designating membership on certain standing committees of the House; considered and agreed to.

By Mr. DORNAN of California:

H. Res. 517. Resolution welcoming Father Lawrence Jenco back to the United States after over 18 months in captivity, encouraging further Syrian help in securing the release of the remaining hostages in Lebanon, and for other purposes; to the Committee on Foreign Affairs.

By Mr. ROSE (for himself, Mr. BOLAND, Mr. FAUNTROY, Mr. LUNDINE, Mr. CLAY, Mr. DICKINSON, Mr. ROE, Mr. SISISKY, Mr. BOUCHER, Mr. BOEHLERT, Mr. OLIN, Mr. WEAVER, Mr. FUSTER, Mr. HENDON, Mr. WRIGHT, Mr. LEVIN of Michigan, and Mr. WHITEHURST):

H. Res. 518. Resolution authorizing and directing the appropriate committee or committees of the House or any authorized subcommittee thereof, to study the advisability and feasibility of establishing an independent air safety enforcement agency; to the Committee on Rules.

By Mr. SHAW (for himself, Mr. GINGRICH, Mr. LEWIS of Florida, and Mr. WALKER):

H. Res. 519. Resolution to express the sense of the House of Representatives concerning the policies of colleges and universities with respect to the use of illegal narcotics among their students; to the Committee on Education and Labor.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

435. By the SPEAKER: Memorial of the legislature of the State of Illinois, relative to the observance of Memorial Day; to the Committee on Post Office and Civil Service.

436. Also, memorial of the legislature of the State of Louisiana, relative to American military forces who served in Vietnam; to the Committee on Veterans' Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 471: Mr. DELAY.

H.R. 693: Mr. DORNAN of California, Mr. REID, Mr. FRANK, Mr. DARDEN, Mr. JONES of Oklahoma, and Mr. DANNEMEYER.

H.R. 782: Mr. MCKINNEY.

H.R. 1213: Mr. FEIGHAN, Mr. FAWELL, and Mr. MAVROULES.

H.R. 1436: Mr. SMITH of New Hampshire.

H.R. 1453: Mr. WEAVER, Mr. BATES, Mr. BONKER, Mr. WHEAT, and Mr. DYMALLY.

H.R. 1917: Mrs. BENTLEY, Mr. DOWDY of Mississippi, and Mr. PASHAYAN.

H.R. 2280: Mr. MORRISON of Connecticut.

H.R. 2423: Mr. EVANS of Iowa.

H.R. 3024: Mr. BOULTER, Mr. CLINGER, Mr. STUDDS, Mr. SCHUMER, and Mr. ROBERT F. SMITH.

H.R. 3040: Mr. FRANK, Mr. ACKERMAN, and Mr. WORTLEY.

H.R. 3260: Mr. RICHARDSON.

H.R. 3799: Mr. HAYES, Mr. APPLEGATE, Mr. PETRI, and Mr. STALLINGS.

H.R. 4179: Mr. DYMALLY, Mr. FAZIO, and Mr. MINETA.

H.R. 4282: Mr. RICHARDSON.

H.R. 4299: Mr. CALLAHAN, Mr. HENRY, Mrs. HOLT, Mr. MCCOLLUM, Mr. KEMP, Mr. PARRIS, Mr. DICKINSON, Mr. NICHOLS, Mr. EVANS of Iowa, Mr. FIELDS, Mr. SILJANDER, and Mr. ROTH.

H.R. 4349: Mr. PURSELL.

H.R. 4455: Mr. TALLON, Mr. THOMAS of Georgia, Mr. WHITLEY, Mr. HATCHER, Mr. ROWLAND of Georgia, Mr. PERKINS, Mr. EVANS of Illinois, Mr. KASTENMEIER, Mr. BEVILL, and Mr. SAVAGE.

H.R. 4535: Mr. MARKEY and Mr. HENDON.

H.R. 4546: Mr. GOODLING and Mr. TORRICELLI.

H.R. 4633: Mr. ROWLAND of Georgia, Mr. ENGLISH, Mr. TAUZIN, and Mr. ROSE.

H.R. 4638: Mr. ASPIN, Mr. CROCKETT, Mr. LEHMAN of Florida, Mr. SCHUETTE, Mr. DASCHLE, Mr. APPLEGATE, Mr. DELLUMS, Mr. EDWARDS of California, Mrs. LLOYD, Mr. BONIOR of Michigan, and Mr. WIRTH.

H.R. 4639: Mr. DWYER of New Jersey.

H.R. 4714: Mr. TOWNS and Mr. BOULTER.

H.R. 4723: Mr. BORSKI, Mr. HENRY, Mr. CROCKETT, Mr. KASICH, Mr. MARTINEZ, Mr. MONSON, Mrs. SCHNEIDER, and Mr. BOEHLERT.

H.R. 4755: Mr. DYMALLY.

H.R. 4763: Mr. DELAY.

H.R. 4787: Mr. HYDE.

H.R. 4788: Mr. FAZIO, Mr. PASHAYAN, Mr. RICHARDSON, Mr. TALLON, and Mr. BARTON of Texas.

H.R. 4812: Mr. EVANS of Illinois.

H.R. 4838: Mr. BONIOR of Michigan.

H.R. 4843: Mr. WIRTH, Mr. SKELTON, Mr. MORRISON of Washington, Mr. BATEMAN, and Mr. NEAL.

H.R. 4877: Mr. WIRTH.

H.R. 4922: Mr. ROSE and Mr. MOODY.

H.R. 4933: Mr. EDGAR and Mr. MONTGOMERY.

H.R. 4972: Mr. CROCKETT and Mr. KOLTER.

H.R. 4980: Mr. YOUNG of Florida and Mr. WOLPE.

H.R. 5000: Mr. LOWRY of Washington, Mr. SCHUETTE, Mr. BONER of Tennessee, and Mr. MONTGOMERY.

H.R. 5026: Mr. SMITH of Florida and Mrs. BENTLEY.

H.R. 5039: Ms. MIKULSKI, Mr. SEIBERLING, Mr. FUSTER, Mr. TRAXLER, Mr. STOKES, Mr. AUCOIN, Mr. HORTON, Mr. MITCHELL, Mr. KASTENMEIER, Mr. BRYANT, Mr. WHITEHURST, Mr. COLEMAN of Texas, Mr. SAXTON, Mrs. BENTLEY, Mr. SMITH of Florida, Mr. PARRIS, and Mr. LEVIN of Michigan.

H.R. 5043: Mr. SMITH of Florida, Mr. BEILENSON, Mr. CHANDLER, Mr. GREEN, Mr. WAXMAN, and Mr. JEFFORDS.

H.R. 5058: Mr. COURTER, Mr. ROBINSON, Mr. HARTNETT, Mr. MARLENEE, Mr. MYERS of Indiana, Mr. WILSON, and Mr. COBEY.

H.R. 5066: Mr. LEVINE of California, Mr. RUDD, Mrs. BENTLEY, and Mr. EDWARDS of Oklahoma.

H.R. 5067: Mr. BIAGGI, Mr. PASHAYAN, Mr. LAGOMARSINO, Mr. KINDNESS, Mr. HYDE, Mr. ROE, Mr. MCDADE, and Mr. MINETA.

H.R. 5073: Mr. FROST.

H.R. 5092: Mr. KINDNESS, Mr. DANIEL, Mrs. HOLT, Mr. HILER, Mr. BADHAM, Mr. ERDREICH, Mr. SKEEN, Mr. COBEY, Mr. MARTIN of Illinois, and Mr. STENHOLM.

H.R. 5097: Mr. HAMILTON.

H.R. 5144: Mr. KINDNESS, Mr. GILMAN, and Mr. SHAW.

H.R. 5154: Mr. WEISS, Mr. DE LUGO, Mr. KOLTER, and Mr. SAVAGE.

H.R. 5184: Mr. MONTGOMERY.

H.R. 5225: Mr. MILLER of Washington, Mr. AUCOIN, and Mr. SCHEUER.

H.R. 5242: Mr. STALLINGS, Mr. ENGLISH, Mr. WILLIAMS, and Mr. VOLKMER.

H.J. Res. 127: Mr. MATSUI, Mr. GRAY of Illinois, Mr. WYDEN, Mrs. BURTON of California, and Mr. FLIPPO.

H.J. Res. 244: Mr. DASCHLE and Mr. GINGRICH.

H.J. Res. 379: Mr. CAMPBELL.

H.J. Res. 390: Mr. CARPER.

H.J. Res. 524: Mr. MOORHEAD.

H.J. Res. 552: Mr. TAUZIN, Mr. YATES, Mr. WEAVER, Mr. FUSTER, Mr. PEPPER, Mr. SWINDALL, Mr. PACKARD, Mr. KRAMER, Mr. REID, Mr. BADHAM, Mr. YOUNG of Florida, Mr. COUGHLIN, Mr. MCDADE, Ms. MIKULSKI, Mr. GRAY of Illinois, Mr. FAWELL, Mr. LUNGREN, Mr. RICHARDSON, and Mr. GRADISON.

H.J. Res. 586: Mr. DANNEMEYER, Mr. BERMAN, Mr. KASICH, Mr. FUQUA, Mr. SAXTON, Mr. ROSE, Mrs. ROUKEMA, Ms. OAKAR, Mr. CLINGER, Mr. LAFALCE, Mr. MCDADE, Mr. LUJAN, Mr. DENNY SMITH, Mr. HOPKINS, Mr. GRAY of Illinois, Mr. KLECZKA, Mr. CARNEY, Mr. DAVIS, Mr. YATES, Mr. THOMAS of Georgia, Mr. PASHAYAN, Mr. DORNAN of California, Mr. HOYER, Mr. FEIGHAN, Mr. FAUNTROY, Mr. COATS, Mr. HENRY, Mr. BROOKS, Mr. CHAPMAN, Mr. DAUB, Mr. VALENTINE, Mr. GEJDENSON, Mr. WIRTH, Mr. WALGREN, Mrs. JOHNSON, Mr. HEFNER, Ms. KAPTUR, Mr. LIPINSKI, Mr. YOUNG of Florida, Mr. MARTIN of New York, Mr. FISH, Mr. GREGG, Mr. SILJANDER, Mr. SMITH of Florida, Mr. NEAL, Mr. SPRATT, Mr. MCCAIN, Mr. CARR, Mr. DIOGUARDI, Mr. GILMAN, Mr. FORD of Michigan, Mr. SCHUETTE, Mr. MCHUGH, Mr. FLIPPO, Mr. SWINDALL, Mr. NOWAK, Mr. MINETA, Mr. BOUCHER, Mr. DURBIN, Mr. TAUZIN, Mr. ROEMER, Mr. DANIEL, Mr. SOLARZ, Mr. LIGHTFOOT, Mr. JEFFORDS, Mr. COBLE, Mr. GUNDERSON, Mr. NELSON of Florida, Mr. WALKER, Mr. SCHUMER, Mr. YOUNG of Missouri, Mr. DARDEN, Mr. BEVILL, Mr. ERDREICH, Mr. CALLAHAN, Mr. STRANG, Mr. CHAPPELL, and Mr. KOLTER.

H.J. Res. 591: Mr. SOLOMON, Mr. BONIOR of Michigan, Mr. WILSON, and Mr. LEVINE of California.

H.J. Res. 594: Mr. FUSTER and Mr. BUSTAMANTE.

H.J. Res. 655: Mr. BARNES, Mr. BERMAN, Mr. BEVILL, Mr. BOLAND, Mr. BOSCO, Mrs. BURTON of California, Mr. COELHO, Mr. CONTE, Mr. CONYERS, Mr. DANIEL, Mr. DAUB, Mr. DORNAN of California, Mr. FAZIO, Mr. FEIGHAN, Mr. GRAY of Illinois, Mr. HAMMERSCHMIDT, Mr. HARTNETT, Mr. HEFNER, Mr. HORTON, Mr. IRELAND, Mr. JONES of North Carolina, Mr. KASTENMEIER, Mr. LEACH of Iowa, Mr. LEWIS of California, Mr. MCHUGH, Mr. MITCHELL, Mr. MURPHY, Mr. ORTIZ, Mr. PERKINS, Mr. RODINO, Mr. ROSTENKOWSKI, Mr. ROWLAND of Georgia, Mr. SMITH of Iowa, Mr. ROBERT F. SMITH, Mr. SNYDER, Mr. SOLARZ, Mr. SPRATT, Mr. TALLON, Mr. TRAFICANT, and Mr. YOUNG of Alaska.

H.J. Res. 683: Mr. ROBINSON, Mr. DONNELLY, Mr. MCDADE, Mr. MOAKLEY, and Mr. MAVROULES.

H. Con. Res. 129: Mr. WYDEN.

H. Con. Res. 233: Mr. BRUCE.

H. Con. Res. 339: Mr. DE LUGO, Mr. TOWNS, Mr. MOLLOHAN, and Mr. YOUNG of Alaska.

H. Res. 373: Mr. CONTE and Mr. DAVIS.

H. Res. 475: Mr. DELAY.

H. Res. 498: Mr. DOWNEY of New York, Mr. HOYER, Mr. FAUNTROY, Mr. DELLUMS, Mr. DYMALLY, Mr. CONYERS, Mr. WHEAT, Mr. OWENS, Mr. SAVAGE, Mr. GRAY of Pennsylvania Mr. FROST, Mr. BUSTAMANTE, Mr. MORRISON of Connecticut, Mr. TOWNS, and Mr. RANGEL.

PETITIONS, ETC.

Under clause 1 of rule XXII,

442. The SPEAKER presented a petition of the county commission of Loudon County, TN, relative to the Tennessee Valley Authority; which was referred to the Committee on Public Works and Transportation.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4370

By Mr. COURTER:

—At the end of title V (page 68, after line 3) add the following new section:

SEC. 503. WAIVER OF CERTAIN REPORTING, NOTIFICATION, AND STUDY REQUIREMENTS.

(a) IN GENERAL.—Except as provided in subsection (b), effective on January 1, 1987, any provision of law contained in title 10, United States Code, title 37, United States Code, or in any other provision of law contained in any Act authorizing appropriations to or for the Department of Defense or in any Act making appropriations to or for the Department of Defense that requires the President or any official or employee of the Department of Defense to submit in writing any report, notification, or study to Congress or to any committee of Congress shall not be effective to the extent that such provision requires the submission in writing of such report, notification, or study.

(b) EXCEPTIONS.—Subsection (a) of this section shall not apply to any provision of law enacted on or after the date of enactment of this Act or to any provision of law that requires the submission of the following reports, notifications, and studies:

(1) The annual reports, statements, and recommendations required by section 133(c) of title 10, United States Code, relating to the accomplishments of the Department of Defense.

(2) The annual report required by section 133(e) of such title, relating to foreign policy, major military missions, and military force structure.

(3) The reports required by subsection (b)(5) of section 139 of such title (as redesignated by section 104(6) of this Act) and the annual report required by subsection (g) of such section, relating to operational test and evaluation activities.

(4) The annual report required by section 142 of such title (as redesignated by section 104(1) of this Act), relating to North Atlantic Treaty Organization readiness.

(5) The reports required by section 1464(c) of such title, relating to the status of the Department of Defense Military Retirement Fund.

(6) The annual report required by section 2208(k) of such title, relating to the condition and operation of working-capital funds.

(7) The notifications required by section 2233a(a)(1) of such title, relating to expenditures and contributions for acquisition of facilities for reserve components.

(8) The notifications required by section 2304(c)(7) of such title, relating to the use of procurement procedures other than competitive procedures.

(9) The notifications required by section 2306(h)(3) of such title, relating to cancellation ceilings in certain multiyear contracts.

(10) The annual report required by section 2313(d)(4) of such title, relating to subpoenas issued by the Director of the Defense Contract Audit Agency to obtain contractor records.

(11) The annual report required by section 2349 of such title, relating to North Atlantic Treaty Organization acquisition and cross-servicing agreements.

(12) The semiannual report required by section 2357 of such title, relating to contracts in excess of $50,000 entered into by the military departments for research and development.

(13) The notifications required by section 2394(b)(2) of such title, relating to contracts for energy or fuel.

(14) The annual report required by section 2397(e) of such title, relating to the names of certain employees and former employees of defense contractors.

(15) The notifications required by clauses (B) and (C) of section 2401(b)(1) of such title, the cost analyses required by section 2401(e)(1) of such title, and the reports required by section 2401(e)(2) of such title, all relating to the long-term lease or charter of vessels and aircraft by the military departments.

(16) The notifications required by subsection (c)(1) of section 2403 of such title and the annual report required by subsection (e)(2) of such section, relating to waivers of certain requirements for contractor guarantees.

(17) The notifications required by paragraphs (1) and (2) of section 2407(d) of such title, relating to certain contracts awarded by the Department of Defense in connection with North Atlantic Treaty Organization cooperative agreements.

(18) The annual report required by section 2457(d) of such title, relating to the policy to standardize equipment, ammunition, and fuel procured for the use of United States military forces stationed in Europe under the North Atlantic Treaty.

(19) The reports required by subsection (a) or (e) of section 2662 of such title and the annual report required by subsection (b) of such section, relating to certain real property transactions.

(20) The proposals referred to in section 2667a(b)(1) of such title, relating to sale and replacement of nonexcess real property.

(21) The notifications required by section 2672(b) of such title, relating to acquisitions of interests in land for more than $100,000.

(22) The notifications required by section 2676(d) of such title, relating to reductions in scope and increases in cost of a land acquisition.

(23) The notifications and submissions required by section 2687(b) of such title, relating to base closures and realignments.

(24) The annual report required by section 2779(b)(4) of such title, relating to the use of funds appropriated for the elimination of

certain losses caused by fluctuations in currency exchange rates of foreign countries.

(25) The reports required by section 2780 of such title (as redesignated by section 104(2) of this Act), relating to sales or transfers of certain defense articles.

(26) The reports required by section 2803(b) of such title, relating to emergency military construction projects carried out under section 2803 of such title.

(27) The reports required by section 2804(b) of such title, relating to military construction projects not authorized by law.

(28) The notifications required by paragraphs (2) and (3) of section 2805(b) of such title, relating to minor construction in connection with certain relocations of activities from one installation to another.

(29) The reports required by section 2806(c)(2) of such title, relating to contributions for North Atlantic Treaty Organization Infrastructure.

(30) The notifications required by subsection (b) of section 2807 of such title and the reports required by subsection (c) of such section, relating to architectural and engineering services and construction design in connection with military construction or military family housing projects.

(31) The notifications required by section 2808(b) of such title, relating to military construction projects in the event of a declaration of war or national emergency.

(32) The justifications and economic analyses required by section 2809(a)(4) of such title, relating to long-term contracts for the construction, management, and operation of certain facilities.

(33) The notification and justifications required by section 2823(b) of such title, relating to disagreements on the availability of suitable alternative housing at locations in the United States where family housing is proposed to be constructed.

(34) The notifications required by section 2827(b) of such title, relating to relocation of military family housing units.

(35) The economic analysis required by section 2828(g)(6)(A) of such title, relating to leasing military family housing facilities.

(36) The notifications required by section 2834(b) of such title, relating to agreements with the Secretary of State for the use of Department of State housing and related services by Department of Defense personnel.

(37) The notifications required by subsections (d) and (e) of section 2853 of such title, relating to reductions in the scope of work or increases in the cost of military construction projects.

(38) The notifications required by section 2854(b) of such title, relating to repair, restoration, or replacement of damaged or destroyed military facilities.

(39) The annual request required by section 2859 of such title, relating to military construction authorizations.

(40) The annual report required by section 2861(a) of such title, relating to military construction activities and military family housing activities.

(41) The annual report required by section 2871(c)(3) of such title (as redesignated by section 104(8) of this Act), relating to military and civilian personnel end strength levels, certain other manpower requirements, base structures, and certain requirements for and information on officers.

(42) The annual report required by section 2871(d)(2) of such title (as redesignated by section 104(8) of this Act), relating to average student training loads.

(43) The annual report required by section 2871(e) of such title (as redesignated by section 104(8) of this Act), relating to operations and maintenance.

(44)(A) The annual and supplemental reports required by section 2872 of such title (as redesignated by section 104(9) of this Act), relating to weapons development and procurement schedules, including the matter required by section 53(b) of the Arms Export Control Act (95 Stat. 1524; 22 U.S.C. 2795b(b)) to be included in such annual reports.

(B) The notifications in lieu of such supplemental reports under subsection (b) of such section 2872.

(45) The Selected Acquisition Reports required by section 2873 of such title (as redesignated by section 104(10) of this Act).

(46) The notifications required by subsection (d)(3) of section 2874 of such title (as redesignated by section 104(11) of this Act) and reports required by subsection (e) of such section, relating to increases in program acquisition unit costs and procurement unit costs of certain major defense acquisition programs.

(47) The notifications required by section 7307(b)(2) of such title, relating to the disposition of naval vessels to foreign nations.

(48) The quarterly report required by section 7434 of title 10, United States Code, relating to the production from the naval petroleum reserve.

(49) The annual report required by section 406(i) of title 37, United States Code, relating to dependents accompanying members of the Armed Forces stationed outside the United States.

(50) The statements and quarterly report required by subsections (c) and (e) of section 709 of the Department of Defense Appropriation Authorization Act, 1975 (88 Stat. 408; 50 U.S.C. App. 2403-1(e)), relating to the export of certain goods, technology, and industrial techniques.

(51) The notifications, summaries, certifications, and reports required by subsections (a), (b), and (c) of section 502 of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2304 note), relating to conversion of performance of commercial and other type functions from Department of Defense personnel to private contractors.

(52) The notifications required by section 1201(c) of the Department of Defense Authorization Act, 1984 (Public Law 98-94; 97 Stat. 678), relating to transfers of amounts of authorizations.

(53) Two reports and assessments required by section 1231 of the Department of Defense Authorization Act, 1984 (Public Law 98-94: 97 Stat. 693), relating to certain intercontinental ballistic missile systems.

(54) The reports required by section 307(b)(3) of the Department of Defense Authorization Act, 1985 698 Stat. 2515; 10 U.S.C. 2304 note), relating to waivers of a prohibition on contracting out certain logistics activities.

(55) The annual report required by section 1002(d)(1) of the Department of Defense Authorization Act, 1985 (98 Stat. 2575; 22 U.S.C. 1928 Note), relating to the supply of munitions and certain aircraft facilities in support of the North Atlantic Treaty Organization.

(56) The annual report required by section 1002(d)(2) of the Department of Defense Authorization Act, 1985 (98 Stat. 2575: 22 U.S.C. 1928 note), relating to the status and cost of the United States commitment to the North Atlantic Treaty Organization and certain activities of other North Atlantic Treaty Organization members.

(57) The annual reports required by subsections (c) and (d) of section 1003 of the Department of Defense Authorization Act, 1985 (98 Stat. 2576; 22 U.S.C. 1928 note), relating to allied contributions to the common defense.

(58) The annual report required by section 1102 of the Department of Defense Authorization Act, 1985 (98 Stat. 2580; 10 U.S.C. 2872 note (formerly 10 U.S.C. 139 Note)), relating to the Strategic Defense Initiative and any other antiballistic missile defense program.

(59) The notifications required by section 1501(c) of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2626), relating to transfers of amounts of authorizations.

(60) The reports required by section 1536(g) of the Department of Defense Authorization Act, 1985 (98 Stat. 2633; 46 U.S.C. 1120 note), relating to the Commission on Merchant Marine and Defense.

(61) The certification required by section 125(a)(1) of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 601), relating to any new contract for the procurement of 5-ton trucks.

(62) The legislative environmental impact statement required by section 209(c) of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 610), relating to full-scale development of a small intercontinental ballistic missile or the selection of basing areas for the deployment of such missile.

(63) The certification required by section 222 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 613), relating to termination of a prohibition of deployment of a strategic defense system.

(64) The reports required by section 223 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 613), relating to the Strategic Defense Initiative.

(65) The quarterly reports required by section 502(c) of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 621), relating to the obligation of funds appropriated for civilian personnel.

(66) The report required by section 1002 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 705), relating to Soviet compliance with arms control commitments.

(67) The annual report required by section 1221(d)(2) of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 727), relating to a research program to support the polygraph activities of the Department of Defense.

(68) The annual reports required by section 1407 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 745), relating to unobligated balances in appropriation accounts.

(69)(A) The certifications required by subsections (b) and (c)(2) of section 1411 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 745), relating to the procurement or assembly of binary chemical weapons.

(B) The report required by subsection (e) of such section, relating to consultations among North Atlantic Treaty Organization member nations concerning North Atlantic Treaty Organization's chemical deterrent posture.

(70) The annual reports required by section 704 of the Military Construction Authorization Act, 1982 (Public Law 97-99; 95 Stat. 1377), relating to contracts for construction in the United States and its possessions.

(71) The economic analyses required by section 802(d)(1) of the Military Construction Authorization Act, 1984 (97 Stat. 784; 10 U.S.C. 2821 note), relating to proposed military housing rental guarantee agreements.

(72) The notifications required by section 803(b)(2) of the Military Construction Authorization Act, 1984 (97 Stat. 785; 10 U.S.C. 2821 note), relating to waivers of a requirement to use manufactured or factory-built housing fabricated in the United States by a United States contractor for military family housing construction in foreign countries.

(73) The report required by section 840(d) of the Military Construction Authorization Act, 1986 (Public Law 99-167; 99 Stat. 998), relating to the sale of land at Fort Jackson, South Carolina.

(74) The notifications required by the proviso in section 8005(m) of the Department of Defense Appropriations Act, 1985 (as contained in section 101(h) of the Joint Resolution entitled "Joint Resolution making continuing appropriations for fiscal year 1985, and for other purposes", approved October 12, 1984 (Public Law 98-473; 98 Stat. 1923)), relating to unusual cost overruns incident to overhaul, maintenance, and repair for certain ships.

(75) The annual report required by section 8104(b) of the Department of Defense Appropriations Act, 1985 (as contained in section 101(h) of the Joint Resolution entitled "Joint Resolution making continuing appropriations for fiscal year 1985, and for other purposes", approved October 12, 1984 (Public Law 98-473; 98 Stat. 1942; 10 U.S.C. 2872 note (formerly 10 U.S.C. 139 note))), relating to consultations with members of common defense alliances concerning Strategic Defense Initiative research.

(76) The notifications required by section 8020 or 8021 of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of the Joint Resolution entitled "Joint Resolution making further continuing appropriations for the fiscal year 1986, and for other purposes", approved December 19, 1985 (Public Law 99-190; 99 Stat. 1206)), relating to transfers of working capital funds.

(77) The notifications required by section 8021 of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of the Joint Resolution entitled "Joint Resolution making further continuing appropriations for the fiscal year 1986, and for other purposes", approved December 19, 1985 (Public Law 99-190; 99 Stat. 1206)), relating to the obligation of working capital funds to procure war reserve material inventory.

(78) The notifications required by section 8042 of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b)) of the Joint Resolution entitled "Joint Resolution making further continuing appropriations for the fiscal year 1986, and for other purposes", approved December 19, 1985 (Public Law 99-190: 99 Stat. 1210), relating to the availability of appropriated funds for intelligence or special activities different from activities justified to the Congress.

(79) The notification required by section 8075 of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of the Joint Resolution entitled "Joint Resolution making further continuing appropriations for the fiscal year 1986, and for other purposes", approved December 19, 1985 (Public Law 99-190; 99 Stat. 1214), relating to the acquisition of certain types of weapons, subsystems, and munitions of European North Atlantic Treaty Organization manufacture.

(80) The certification required by section 8097 of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of the Joint Resolution entitled "Joint Resolution making further continuing appropriations for the fiscal year 1986, and for other purposes", approved December 19, 1985 (Public Law 99-190; 99 Stat. 1219)), relating to the obligation or expenditure of funds to carry out a test of the Space Defense System (anti-satellite weapon) against an object in space.

(81) The annual report required by the third proviso in the undesignated paragraph under the heading "FOREIGN CURRENCY FLUCTUATION, CONSTRUCTION, DEFENSE" in the Military Construction Appropriation Act, 1980 (Public Law 96-130; 93 Stat. 1019), relating to transfers of appropriated funds to eliminate losses in military construction or expenses of family housing caused by fluctuations in foreign currency exchange rates of foreign countries.

(82) The reports required by section 125(a) of the Military Construction Appropriations Act, 1985 (as contained in section 101(e) of the Joint Resolution entitled "Joint Resolution making continuing appropriations for fiscal year 1985, and for other purposes", approved October 12, 1984 (Public Law 98-473: 98 Stat. 1883)), relating to terminations of a prohibition on the availability of appropriated military construction funds to foreign governments ineligible to receive such funds by reason of inadequate drug control measures.

(83)(A) The semiannual report required by section 5(b) of the Inspector General Act of 1978 (5 U.S.C. App. 3), relating to activities of the Inspector General of the Department of Defense.

(B) The reports required by section 5(d) of such Act (5 U.S.C. App. 3), relating to particular cases of problems, abuses, or deficiencies which have come to the attention of the Inspector General of the Department of Defense.

(C) The statements required by paragraphs (3) and (4) of section 8(b) of such Act (5 U.S.C. App. 3), relating to the exercise of certain authority of the Secretary of Defense with respect to the activities of the Inspector General of the Department of Defense.

(84) The requirement to furnish information and to report to Congress concerning intelligence activities as provided in subsections (a) and (b) of section 501 of the National Security Act of 1947 (50 U.S.C. 413).

(c) CHANGE FROM QUARTERLY TO ANNUAL REPORT.—Section 406(i) of title 37, United States Code, is amended—

(1) by striking out "quarter" in the matter preceding clause (1); and

(2) by striking out "quarter" in clauses (1) and (2) and inserting in lieu thereof "fiscal year".

—At the end of title V (page 68, after line 3), add the following new section:

SEC. 503. REDUCTION IN PERSONNEL ASSIGNED TO MANAGEMENT HEADQUARTERS ACTIVITIES.

(a) MILITARY DEPARTMENTS AND CINCS.—(1) Not later than September 30, 1988, the Secretary of Defense shall reduce the total number of military and civilian personnel assigned or detailed to permanent duty in the military departments and in the unified and specified combatant commands to perform management headquarters activities or management headquarters support activities by a number that is at least 10 percent of the total number of personnel assigned or detailed to perform such activities on September 30, 1985.

(2) In computing and in making the reduction required under paragraph (1), the Secretary of Defense shall exclude personnel in the Office of the Secretary of the Army, the Army Staff, the Office of the Secretary of the Navy, the Office of the Chief Naval Operations, the Headquarters, Marine Corps, the Office of the Secretary of the Air Force, and the Air Staff who are assigned or detailed to permanent duty to perform management headquarters activities or management headquarters support activities.

(b) DEFENSE AGENCIES AND DOD FIELD ACTIVITIES.—Not later than September 30, 1988, the Secretary of Defense shall reduce the total number of military and civilian personnel assigned to duty in the management headquarters activities or management headquarters support activities in the Defense Agencies and Department of Defense Field Activities by a number that is at least 15 percent of the total number of personnel performing such activities on September 30, 1985. The number of personnel reduced under this subsection in excess of the reduction required by this subsection may be included in the number required to be reduced by subsection (c).

(c) OTHER ACTIVITIES.—Not later than September 30, 1988, the Secretary of Defense shall reduce the total number of military and civilian personnel assigned to duty in the Defense Agencies and Department of Defense Field Activities, other than personnel assigned to management headquarters activities or management headquarters support activities, by a number that is at least 10 percent below the total number of personnel performing such activities on September 30, 1985.

(d) PROHIBITION AGAINST CERTAIN ACTIONS TO ACHIEVE REDUCTIONS.—The reductions required by subsections (a), (b), and (c) may not be accomplished by recategorizing or redefining duties, functions, offices, or organizations.

(e) ALLOCATIONS TO BE MADE BY SECRETARY OF DEFENSE.—(1) The Secretary of Defense shall allocate the reductions required by subsections (a), (b), and (c) in a manner consistent with the efficient operation of the Department of Defense.

(2) The Secretary shall also consolidate and eliminate unnecessary management headquarters activities and management headquarters support activities.

(f) REDUCTION NOT APPLICABLE TO NSA OR DIA.—The reductions required by this section do not apply to the National Security Agency or the Defense Intelligence Agency.

(g) AUTHORITY OF COMBATANT COMMANDERS WITH REGARD TO RDEUCTIONS.—In the case of a reduction under this section made applicable by the Secretary of Defense to a unified or specified combatant command, the commander of that command, after consultation with the commanders of commands directly subordinated to the commander of the combatant command, shall determine the manner in which the reduction shall be accomplished.

(h) PROHIBITION ON FUTURE INCREASE.—After September 30, 1988, the number of civilian and military personnel assigned to perform activities described in subsections (a), (b), and (c) may not be increased above a number that is 10 percent less than the number of such personnel assigned or detailed to perform such activities on September 30, 1985. The limitation provided in this

subsection shall not apply in time of war or during a national emergency declared by Congress.

(i) DEFINITIONS.—For purposes of this section, the terms "management headquarters activities" and "management headquarters support activities" have the same meanings prescribed for such terms in Department of Defense Directive 5100.73 entitled "Department of Defense Management Headquarters and Headquarters Support Activities", dated January 7, 1985.

H.R. 4428

By Mr. COURTER:

—At the end of title II of division A (page 68, after line 4), insert the following new section:

SEC. 215. RECONFIGURATION OF STRATEGIC DEFENSE INITIATIVE PROGRAM.

(a) RECONFIGURATION OF SDI PROGRAM.—The Secretary of Defense shall, consistent with the provisions of the Anti-Ballistic Missile Treaty of 1972—

(1) reconfigure the Strategic Defense Initiative program; and

(2) initiate the development, testing, and deployment of systems for the defense of the United States against attack by strategic ballistic missiles.

(b) REQUIREMENTS.—To the maximum extent practicable, the reconfiguration required by subsection (a)(1) shall enable systems developed under the Strategic Defense Initiative program—

(1) to survive against determined defense suppression attacks;

(2) to provide the most effective protection for the largest possible area;

(3) to be cost-effective when deployed against the most effective or most probable countermeasures; and

(4) to be compatible with future systems for defense against strategic and tactical ballistic missiles, including systems designed to defeat ballistic missile threats during the boost phase, post-boost phase, midcourse phase, or terminal phase of their flight trajectory.

—Page 42, after line 16, insert the following new subsection:

(d) BOOST SURVEILLANCE AND TRACKING SYSTEM.—Of amounts appropriated to the Defense Agencies other than the Strategic Defense Organization pursuant to authorizations in section 201, $100,000,000 is available only for the Boost Surveillance and Tracking System (BSTS) program.

—At the end of part B of title IX of division A (page 201, after line 14), insert the following new section:

SEC. 917. RELEASE OF TECHNICAL DATA.

(a) IN GENERAL.—Chapter 137 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2325. Release of technical data

"(a) IN GENERAL.—

"(1) RELEASE OF DATA.—The Secretary of Defense shall, if required to release technical data under section 552 of title 5, release technical data to a person requesting such a release if such person pays all costs reasonably attributable to responding to such request, including reasonable charges for the costs of services of agency personnel relating to—

"(A) locating the technical data requested;

"(B) the review of such technical data to determine whether other restrictions apply; and

"(C) duplication and other processing charges.

"(2) REGULATIONS.—The Secretary of Defense shall prescribe regulations, pursuant to notice and receipt of public comment, specifying a uniform schedule of fees under this section.

"(b) DISPOSITION OF COSTS.—Amounts collected under this section shall be retained by the collecting agency and shall be used to reimburse the costs incurred in complying with requests for technical data.

"(c) WAIVER.—The Secretary of Defense shall waive the payment of costs required by subsection (a) which are in addition to costs under section 552 of title 5 if—

"(1) the request is made by a citizen of the United States or a United States corporation, and such citizen or corporation certifies that the technical data requested is required to enable such citizen or corporation to submit an offer or determine whether it is capable of submitting an offer to provide the product to which the technical data relates to the United States or a contractor with the United States;

"(2) the release of technical data is requested in order to comply with the terms of an international agreement; or

"(3) the Secretary determines, in accordance with section 552(a)(4)(A) of title 5, that such a waiver is in the interests of the United States.

"(d) TECHNICAL DATA.—In this section, the term 'technical data' means formulae, designs, drawings, blueprints, technical manuals, or computer software.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2325. Release of technical data.".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect at the end of the 90-day period beginning on the date of the enactment of this Act.

H.R. 5205

By Mr. BROWN of Colorado:

—Page 28, line 1, strike "$613,000,000" and insert in lieu thereof "$590,700,000".

H.R. 5234

By Mr. FRENZEL:

—At the end of title III, insert the following new section:

"Section 317. Notwithstanding any other provisions of this Act, each amount appropriated or otherwise made available by this Act not required to be appropriated or otherwise made available by previously enacted law is hereby reduced by 0.7 percent."

EXTENSIONS OF REMARKS

HEINZ W. MAIENTHAU, A 20TH-CENTURY HERO

HON. GARY L. ACKERMAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. ACKERMAN. Mr. Speaker, through the horror and depravity of the 20th centuries, a few heroic individuals have stood up and said "No" to barbarism. Such a person was Heinz W. Maienthau, a German who actively fought the rise of Hitler while so many others watched idly, doing nothing.

Mr. Speaker, I am priviledged and honored to include a statement given by Heinz Maienthau, a true hero of the 20th century, in the CONGRESSIONAL RECORD at this point of the proceedings.

STATEMENT BY HEINZ W. MAIENTHAU

I was born December 15, 1902, in Munich Germany. My father's name is Max Maienthau, born either in Nuernberg or Fuerth, a small city near Nuernberg. My mother's maiden name was Anna Kohn, also a native of Nuernberg. We are Frankonian Jews.

This narrative is written at the request of Arther Sinai, who some years ago, when I worked as an investigator in the Office of Special Investigation of the State of Illinois, was my immediate superior. The narrative deals with my personal experiences during the so-called Burger Braeu Putsch involving Adolph Hitler and General Ludendorf. I think that most if not all recollections put down at this time are correct and factual.

Prior to these dates I had lived in Munich, at our apartment, Wiedennayerstrasse 5, which was quite a fancy address at that time. I worked as an "antiquarian" at a famous bookseller, Jacques Rosenthal, a firm well-known for its vast collection of rare books and prints, and especially of mediaeval manuscripts and incunabula (books printed before the year 1500). I also attended courses at the University.

My best friend was a young man by the name of Karl Frankenburger, a brilliant intellectual. His family was one of the most highly respected Jewish families in Germany. His father was Justizrat Frankenburger, a lecturer on international law at the University of Munich and his brother Paul Frankenburger was the conductor of choir of the Munich Opera.

Karl Frankenburger and I had quite a number of various social contacts, some stemming from contacts made in taverns, frequented by artists, students and intellectuals. One of these, called der bunte Papagei was located in the "bohemian" section of Munich. It is there that I met and became somewhat friendly with Alfred Rosenberg and he and I went on several drinking parties together. In such a locale I also met a somewhat shady lady who called herself Katin von Hinueber, a former mistress of Alfred Rosenberg.

Other remote and mostly visual contacts with Adolph Hitler and his entourage were made at a certain Munich Restaurant. Like other young intellectuals I also worked as an extra in a rather famous and high brow Munich Theater, the Kammer Spiele. The "extras" and certain actors and actresses and other theatrical personnel intermingled also socially.

We met, not infrequently, at a certain restaurant (I cannot recall its name), where we had a special table (stammtisch) assigned to us. But Hitler and his close entourage were also frequenters of this restaurant.

Otto Zarek was the "regisseur" or director of the Kammerspiele stock company. He escaped from the Nazis and went to England and wrote a book giving full details of this phase of my recollection. However, I have not seen the book in decades, but, small doubt it is available at the Library of Congress. But this may explain that I had been somewhat noticed by the Nazis at that time.

With Frankenburger I also became active in an organization called "Kartell Republikanischer Studenten". It was a national organization with some strong political connections.

The word Republikan indicated that it was in favor of the democratic Weimar Republic and opposed to its foes. This organization was backed financially and otherwise by the Social Democratic party of Germany and especially by one of its prominent leaders, named Bernstein. Bernstein's own home became the central office of the Kartell Republickanischer Studenten. It was headed by one Wilhelm Koeberlin, an archaeologist, who had spent considerable time in the Near East. He was a rather strange and probably very brilliant person, very secretive and involved. He and his affinity, a young lawyer by the name of Anna Selo, became good friends of mine. (Anna Selo became a delegate to the League of Nations in Geneva, she escaped the Nazis and subsequently lived in New York. As to Koeberlin, I was told that he survived the Nazis and had a rather prosperous antique business in Munich during the Nazi regime.)

The Koeberlin modus operandi was farflung and intricate. There were some Nazi attempts to infiltrate—and it appears that Koeberlin was aware of them. He had a number of informants. Obviously, there had been a leak because eight of them were found floating down the river Isar in Munich, with their throats cut. This was prior to the Hitler Putsch, if my recollections are right.

In 1922 I was severely beaten and viciously attacked by certain Nazis. I recuperated and was told by various sources that my life in Bavaria was no longer safe and that I should move to Prussia where a Social Democratic government ruled.

Therefore, I obtained a job in Berlin. Furthermore, Karin von Hinueber, gave me a message, purportedly stemming from Alfred Rosenberg that the Nazis would take over Germany and that he neither would or could protect me and that I should leave Germany as soon as possible. I moved to Berlin, where I obtained a job and applied for a visa to the United States which at that time took considerable effort and time to obtain.

In view of the danger I was exposed to and for other reasons I always carried an automatic pistol on my person. I considered myself as a marksman with both handgun and rifle. A few days before the Hitler Putsch I travelled from Berlin to Munich. I stayed at my mother's (she was a widow) and met with both Karl Frankenburger and Koeberlin. They gave me a number of classified documents (I do not recall their nature) and I took them home with me.

On November 7, 1923 I had an urgent telephone call from Koeberlin who said that there was going to be a putsch and that we were all leaving Munich and going to Augsburg (a small town in Bavaria) by a "high-powered" automobile.

Armed with this information and ready to leave I telephoned a friend of the family by the name of Herman Pohl, who, at that time was a high official of the Munich Police. Herman Pohl was an admirer of my widowed mother and wanted to marry her. He came from a prominent Bavaria (gentile) family—was previously an officer of the German Army and as a major in the Army and was one of the pioneer aviators. During World War I he became commander of the Bavarian Airforce. As a student I challenged another (gentile) student to a duel and asked Herman Pohl to be my second—to the great embarassment of the gentile student and of Pohl. Nothing much came of it—the gentiles were not supposed to duel with Jews.

Just when I was about to leave I had a telephone call from Pohl. He said that there was no need to flee to Augsburg that the putsch had been called off and that I did not need to leave Munich since von Kahr was in complete control. In view of this I decided to stay in Munich and of course informed my friends, who also stayed. By some hunch I hid the classified documents and my gun under some linen in a commode in my bedroom.

The next day, early in the morning (I assume it was between seven or eight in the morning) the bell rang. I was still in bed. Some men in the uniform of the regular German Army and without any Nazi insignia said that I was under arrest. They gave me time to dress but did not search my room, where my gun and the documents were hidden. I offered no resistance since the men were in the uniform of the regular and legitimate German Army.

After I dressed the men took me to the street and I was marched up and down the Wiedenmayer Strasse between raised bayonets. I still picture myself—I dressed rather carefully in those days and had yellow suede gloves on my hands. The day was somewhat grey, but not very cold and there was no snow on the ground. Eventually we were joined by other prisoners and guards. At this time I can only recall one of my fellow prisoners. His name was Milton Heilbronner a rather wealthy theatrical producer, father of my friend Herbert Heilbronner and also of two beautiful daughters. At a later date I located Herbert Heilbronner in Los Angeles, where he had a job connected with the motion picture industry (trailers). We had some correspondence during the

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

twenties—but in later years, when I got to Los Angeles, I could not locate him.

Milton Heilbronner and I marched side by side surrounded by bayonets toward the Buerbraeu Keller which was a brewery with large eating and drinking facilities about 2 miles or 3 miles from the Maximilianstrasse, which crossed Wiedenmayerstrasse and across the river Isar which flows along the Wiedenmayerstrass. All of a sudden I realized that I had failed to put either money or cigarettes into my pocket, when I was arrested. While marching, Mr. Heilbronner gave me some money and cigarettes. When we arrived at the Buerbraeu Keller we were first put on some benches in the restaurant section of the Keller. I believe that eventually 18 hostages were gathered (but my recollection concerning this number is not very sharp). Being a chain smoker at that time of my life, I had a cigarette in my mouth. All of a sudden the command came to bring the hostages before Hitler and so I was taken to Hitler, cigarette in my mouth. When Hitler saw me smoking, he flew in a rage—that a Jew dared to smoke in his presence. One of the uniformed guards grabbed the cigarette out of my mouth and threw it to the floor and took me away. I at that time had really no concept of Hitler's power and future and thought that he was mad.

We were conducted back to the Restaurant part of the Buerbraeu Keller. One particular incident that took place at that time, stuck to my mind. Apparently the Hitler troops also had arrested an American citizen. The American consul in Munich who's name I do not recall, but who subsequently became a prominent official of the State Department came to the Buerbrau Keller, accompanied by others and carrying an American flag. He demanded and obtained the release of the prisoner and with the American Flag in hand guided him to safety. While stationed in the restaurant portion of the Keller and in accordance with the Munich tradition, beer was offered. I bought a stein of beer and to my great surprise the waitress serving me was one of our previous house servants of some years. I do not recall her name—perhaps it was "Resi"—a Bavarian abbreviation for Therese. Since our relation with our servants was always a very good one although a somewhat feudal one, I asked "Resi" to please call Major Herman Pohl—and I gave her his telephone number—and to please tell him what happened and would he please also notify my mother. She came back later and told me that she had spoken to him.

We noticed that there was quite a commotion and that, with the exception of some guards everybody had left. We were told that there was a march downtown with Hitler and Ludendorf leading.

After about an hour or two everybody, including the remaining guards started to fade away. Something had happened—we did not know what. Eventually, when I noticed that most of my fellow prisoners had vanished, I looked around. There was nobody at all where Hilter and Ludendorf and other Nazi leaders previously held forth. Next to their somewhat stage-like previous quarters, was a comparatively small room. To my astonishment it was stacked from top to bottom with a huge quantity of paper money. For some moments I had a temptation to grab some of it, as much as I could carry and hide on me. I dismissed this temptation—knowing that I would certainly be shot, if I would be found with such loot. (to my knowledge all this money was counterfeit or a "special issue" of the new government to be.)

I carefully and quickly made my way home, mostly through the parks, along the river Isar.

When I got home I found that the hidden documents were no longer in the hiding place. My friend, Karl Frankenburger, knowing of their importance, had made his way though the Nazi lines and heroically carried them to safety.

I was glad to leave Munich quickly after that.

The American consul in Munich gave me a visa (number 33 333) to the United States and I arrived in Hoboken, New Jersey, on December 5, 1924, after a unusually stormy passage on the S.S. Stuttgart. I tried to tell people in the United States about the terrorist acts and political murders in Germany but met with complete disbelief.

THE RESISTANCE CAN WIN IN MOZAMBIQUE

HON. MARK D. SILJANDER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. SILJANDER. Mr. Speaker, I would like to call my colleagues attention to a recent study by the Heritage Foundation concerning Mozambique.

This study gives an excellent overview of the Mozambique Government and it's political ideology. In addition, the study provides a unique analysis of RENAMO—the Mozambique National Resistance—and it's capability to force the Government to provide free and fair elections.

We are at a critical stage regarding our policies towards Southern Africa and we should help those people who are advancing the principles which this country stands for.

THE RESISTANCE CAN WIN IN MOZAMBIQUE

One of the major foreign policy disappointments of the Reagan Administration has been its failure to wean Marxist regimes in Africa away from Moscow and Havana.

In Angola, after ten years of communist rule sustained by massive military aid from Moscow and manpower from Cuba, the Angolan regime has been unable to defeat the army of 60,000 freedom fighters led by the charismatic Jonas Savimbi. For five years the United States has tried to negotiate a settlement in Angola, without success. Finally recognizing the failure of its Angola policy, the administration now is providing military assistance to Savimbi's forces.

To Ethiopia, the U.S. shipped $243 million worth of food in 1985 alone, providing relief with American tax dollars for famine caused in part by government policies: Soviet-style collective farming and the forced resettlement of over 600,000 farmers. Yet the State Department's hope that U.S. largesse would lead to improved relations with the Marxist-Leninist regime has proven false. Since last year, Reagan has included Ethiopia in the list of five Marxist-Leninist countries that he says are "at war with their own people." The others are Afghanistan, Angola, Cambodia and Nicaragua.

The president's failure to include Mozambique in this list is notable. That country, the People's Republic of Mozambique, is the principal Marxist-Leninist state where the U.S. still is vigorously pursuing a policy of trying to wean the government away from Moscow. That policy is inconsistent with the Reagan Doctrine and has failed in its implementation. The Marxist-Leninist regime continues to function as a totalitarian government, supported by a foreign invasion force from Zimbabwe and thousands of Soviet-bloc advisers. Meanwhile, opposition forces fighting for self-determination for the people of Mozambique continue to win battles and public support, and move closer to victory. It is time for a new U.S. policy toward Mozambique.

A MARXIST-LENINIST DICTATORSHIP

Since winning independence from Portugal in 1975, Mozambique has been run as a one-party state by Samora Machel, head of the only permitted political party, the Front for the Liberation of Mozambique (FRELIMO). In his eleven years of rule, Machel has turned Mozambique into a Marxist-Leninist dictatorship that is no friend of the United States. A recent State Department report on votes cast in the Untied Nations General Assembly by the 159 member nations lists Mozambique fourth from the bottom in order of support for positions taken by the United States. Mozambique voted opposite the U.S. position 94.1 percent of the time.

Machel has imposed communist doctrine, purged his party of non-Marxists, killed thousands of political opponents, herded over 200,000 others into reeducation camps, nationalized industry and agriculture, and invited Soviet-bloc advisers to Mozambique. According to State Department reports on human rights violations, prisoners at the remote reeducation camps are brutally bound, beaten and often killed. The one-party regime compels non-party members to attend political indoctrination meetings, and permits are required for citizens to travel outside their city of residence.

Now totally reliant on the Soviet Union for arms and oil, Machel has ruined his country's economy, but he receives virtually no economic help from his Soviet mentors. His solution: turn to the West for economic help, while maintaining the all-important Soviet lifeline of arms and advisers that enables him to stay in power and fight the resistance.

INTERNATIONAL COMMUNIST SUPPORT

There are an estimated 2,000 Cubans, 1,000 Soviets, 500 East Germans, and thousands of other Soviet-bloc personnel in Mozambique. Officials of Machel's government acknowledge the presence of both military and civilian Soviet-bloc advisers, but refuse to confirm or deny the numbers. Moscow has provided Hind helicopter gunships in addition to some 85 MiG-17s and MiG-21s. The Mozambican army of some 25,000 troops in equipped almost entirely with Soviet weapons, including AK-47 rifles, T-55 tanks, armored personnel carriers, helicopters and artillery. The most recent report on international arms transfers issued by the U.S. Arms Control and Disarmament Agency shows substantial increases in Soviet-bloc shipments to Mozambique, up from $70 million in 1981 to $130 million in 1982, to $260 million in 1983. Military aid from Moscow increased still further last year.

Mozambique's continued close relations with Moscow were reaffirmed during a three day visit by Samora Machel to the Soviet Union in late March. In a joint communique issued by Machel and Mikhail Gorbachev, the two leaders presented a detailed picture of coinciding views on world affairs.

Both attacked not only "the aggression of the South African racists" but also "their imperialist allies," presumably the United States. They "expressed satisfaction with the development of Soviet-Mozambique relations . . . and of the fraternal ties between the Communist Party of the Soviet Union and Frelimo." They lauded "the presence of Cuban internationalists in Angolas" and "expressed their solidarity with the Libyan people" against the United States.

After Soviet arms and moral support, the most important foreign assistance Machel receives is the direct military intervention of neighboring Zimbabwe (formerly Rhodesia). Fellow Marxist ruler Robert Mugabe sent over ten thousand troops into Mozambique last year in the hope of quickly crushing the resistance against Machel. Instead, he now finds his forces bogged down and losing a war of attrition.

THE NON-COMMUNIST ALTERNATIVE

The opposition to this alliance of African Marxist regimes is RENAMO, the Mozambique National Resistance. RENAMO is led by Afonso Dhlakama, the son of a paramount tribal chief who attended a Christian seminary before joining the resistance to Portuguese rule. RENAMO was founded in April 1977 by Andre Matsangaisse, who fought under Machel during the resistance to the Portuguese. Matsangaisse later was interned in a concentration camp by Machel, but he escaped and established RENAMO to oppose Machel's regime, and Dhlakama became his chief lieutenant. When Matsangaisse was killed in 1979, Dhlakama succeeded him as head of the guerrilla movement, which now numbers 22,000 active guerrillas and 10,000 reservists, operating throughout Mozambique.

Opponents of RENAMO charge that it was established by the colonial administration in Rhodesia and supplied by South Africa. But RENAMO actually was created by Mozambican patriots who had fought the Portuguese only to become disaffected by Samora Machel's brutal repression. Their acceptance of some assistance from Rhodesia and South Africa does not alter the nature of their nationalist movement. About one-third of RENAMO's guerrillas are defectors from the Mozambican armed forces, now fighting to overthrow Machel. They have won growing popular support as the economy has deteriorated and political oppression continued.

ECONOMIC PROBLEMS

Mozambique is facing major economic difficulties: a balance of payments deficit over $400 million, a foreign debt of $2.3 billion (more than the annual gross domestic product), a serious shortage of consumer goods, drought, famine, and a drastic fall in both agricultural and manufacturing production. Roads, rail lines and bridges are deteriorating due to a combination of guerrilla attacks, lack of funds for repairs, and shortages of skilled personnel to maintain them. The socialist economic policies practiced since 1975, including the creation of large collective farms and the nationalization of most businesses, have been disastrous. The regime has lost effective control over some 80 percent of the country, which is twice the size of California.

A Soviet client state, Mozambique depends on Soviet-bloc personnel for its military leadership, state security, information control and technical and engineering expertise. It is also dependent on low cost oil from the Soviet Union. In exchange, the Machel government has given the Soviets use of the port of Maputo to service its Indian Ocean fleet, and concessions for the exploitation of Mozambique's mineral resources.

Moscow treats Mozambique as it does most of its proxy states. Soviet support includes very little economic assistance, but plenty of weapons and Soviet-bloc advisers, both assuring Moscow's control and helping the Marxist-Leninist regime stay in power through the systematic control of the population and the suppression of any opposition. Machel periodically restates his commitment to Mozambique's 1977 treaty of friendship with the Soviet Union (most recently in Moscow in March), even while asking the West for economic help.

Moscow has rejected Machel's request for membership in COMECON, the communist economic and trade organization, presumably on the grounds that the economic basket case that Mozambique has become would merely be a drain on the Soviet economy. The Soviets probably figure they can have it both ways—maintain control through military and technical assistance, while letting Mozambique draw economic and food aid from South Africa, Western countries and international lending institutions.

U.S. AID

Facing a ruined economy and with no prospect of economic help from the Soviet Union, Machel turned to the West for economic aid in 1983, hinting at a retreat from some of his government's socialist practices. Machel turned to the U.S. only after Moscow denied his request for economic assistance, but the State Department responded promptly with $16 million in economic and food aid, and in 1984 sponsored Mozambique's membership in the International Monetary Fund. As a result, Machel quickly received a $45 million World Bank loan and large amounts of U.S. food aid. U.S. assistance increased to $55 million in 1985, bringing total U.S. aid to Mozambique for the ten year period from 1976 through the first half of 1986 to $230.7 million.

The American embassy in Maputo, pleased about "increased Mozambican support for its private sector," has been pressing Washington to increase U.S. aid. Last year, the State Department asked Congress to approve $1 million in nonlethal *military* aid to Machel's regime, despite the large number of Soviet-bloc military advisers in the country. Congress torpedoed the State Department request by conditioning any military aid on economic and political reforms, the restoration of free enterprise, a reduction in foreign military personnel to 55, and a commitment to hold free elections. None of these requirements have been met.

Congress also restricted U.S. economic aid, limiting it to the private sector rather than the Machel regime; but with virtually no private sector left, most aid funds are being used either for humanitarian assistance or to pay American firms to provide services. Sources in Congress are looking into the possible circumvention of the intent of Congress by some State or AID officials, who may have increased humanitarian aid to Mozambique as a way of offsetting the congressional restriction on economic aid.

One U.S. AID contract, for $695,000 to develop a computer-assisted debt management system for the Bank of Mozambique, has been let with the New York investment banking firm of Lehman Brothers. A question being asked in the Senate is whether Richard Moose, assistant secretary of state for African affairs in the Carter Administration and now an executive of Lehman Brothers, may have arranged this contract with former colleagues at AID.

THE CIVIL WAR

The military operations occurring in remote areas of a remote country often have not been reported accurately by much of the Western media. Last September a combined FRELIMO/Zimbabwe offensive was launched, with the support of Soviet and Cuban advisers, against RENAMO's military headquarters at Gorongoza in central Mozambique. The assault was widely publicized in the West as a major defeat for RENAMO. In fact, Dhlakama, who has excellent intelligence on the plans of the Zimbabwean and Mozambican armies, was warned days in advance and had time to evacuate his whole force from the Gorongoza complex.

RENAMO struck back in January, launching attacks in seven provinces that destroyed several railroad trains, dozens of military vehicles and an Alouette III helicopter. In February, RENAMO recaptured the Gorongoza base and seized large quantities of supplies abandoned by the fleeing Zimbabwean and FRELIMO troops. RENAMO forces destroyed the last operating sugar mill in the country. Major power lines have been cut several times, interrupting the supply of electricity to large parts of the country. RENAMO guerrillas operate freely in most of the country and recently have been conducting raids in the suburbs of the capital city of Maputo, which is virtually cut off from the rest of the country, except by air.

On May 19, RENAMO cut the railroad line between Swaziland and Maputo, one of Machel's last land routes to the outside world. On May 21, RENAMO raided FRELIMO party headquarters, destroyed the building and seized documents revealing that FRELIMO considers the resistance the major stumbling block to the full implementation of the Marxist-Leninist program of the Machel regime.

ZIMBABWE'S VIETNAM

Mugabe is anxious to keep open Zimbabwe's access to the sea via the Mozambique port of Beira. Another road from Zimbabwe to the sea, via the port of Maputo, has been closed by RENAMO since last August. Thus, one of Mugabe's main objectives is to keep open the Beira-Mutare road, and adjoining railroad and oil pipeline.

Trying again with the help of Cuban troops, Mugabe launched a new attack on the Gorongoza base on April 12. The assault force consisted of 7,000 Zimbabwean troops, including 3,000 airborne, and was supported by 17 helicopters, Canberra bombers, MiG-17s and MiG-21s. But again Dhlakama had advance warning. This time, instead of abandoning the base, the RENAMO forces were waiting, fought off the assault, and killed a reported 300 of the attackers.

Mugabe owes a debt to Machel for helping him win power in Zimbabwe and now is repaying his debt. Both are Marxist rulers, and Mugabe's support for Machel has elements of "socialist solidarity." But now Mugabe is said to be disillusioned by the reverses his army has suffered. His officers blame the Mozambican army for not holding territory, and the Machel regime for not providing adequate supplies and effectively supporting the military operations.

The Zimbabwean army, equipped in part with Soviet weapons and supplies, reportedly has lost half its helicopters, more than 1,000 men and large quantities of supplies in the Mozambique fighting. Critics inside

Zimbabwe are calling the adventure "Zimbabwe's Vietnam."

THE NKOMATI ACCORD

While the Mozambicans of RENAMO engage in major fighting against foreign troops, the U.S. continues to support Samora Machel and his Marxist-Leninist regime. The U.S. embassy in Maputo claims that Machel is increasing support to the private sector, abolishing bureaucratic obstacles, denationalizing industry, discouraging large scale government projects, and encouraging Western investment. The embassy is trying to encourage these economic reforms, which it complains are being hindered by "the insurgency."

The U.S. decision to support an oppressive Marxist-Leninist dictatorship against a popular anti-communist rebellion is based partly on the hope of moderating the regime over time and gradually converting it from socialism to some form of free enterprise. But U.S. policy toward Mozambique also has been governed by policy toward South Africa. The keystone of this approach is the Nkomati Agreement, signed on March 16, 1984 by Prime Minister P.W. Botha of South Africa and Samora Machel of Mozambique.

Under this non-aggression agreement, Machel promised not to permit the terrorists of the African National Congress to operate against South Africa from Mozambican territory, while Botha agreed to neither support RENAMO nor permit it to have bases in South Africa. The U.S. has considered the Nkomati accord helpful to the administration's policy of constructive engagement toward South Africa. But in this case, U.S. and South African interests diverge rather than converge. An agreement helpful to South Africa that also helps a Marxist-Leninist regime survive in Africa is not in the global strategic interest of the U.S., nor is it compatible with the Reagan Doctrine concept of self-determination and freedom from totalitarian rule.

A FAILED POLICY

In the two years since the Nkomati agreement was signed, RENAMO has become stronger, not weaker. As a result, the United States finds itself with a policy that seems calculated to undermine the efforts of an anti-communist, popularly supported resistance struggling to rid itself of a repressive Marxist-Leninist dictatorship.

U.S. Ambassador to Mozambique Peter De Vos, a Princeton-educated foreign service officer (FSO) who has been described as an apologist for the Machel regime, is due for reassignment this year. His planned replacement is Melissa Wells, a retired career FSO, who during the Carter administration was an alternate U.S. representative to the United Nations under Ambassador Andrew Young. De Vos and officials of the Bureau of African Affairs at the State Department seem convinced that Marxism in Africa is different than elsewhere and that with time and patience African Marxists, including Samora Machel, can be weaned away from socialism and toward some new African economic system that will tolerate private enterprise and economic ties to the West.

The Marxist regime in Mozambique fosters that belief. In May, Abdul Magid Osman, the Mozambique Minister of Mineral Resources, visited Washington and called at State, AID and The Heritage Foundation. At Heritage, he was told frankly that FRELIMO must moderate its rule and get rid of its Soviet-bloc advisers. On his return to Mozambique, Osman was named Minister of Finance, and the Machel regime ordered the transfer of twenty companies to the private sector and announced the breakup of one of the largest collective farms. These are steps in the right direction, but they must be followed by the departure of the Soviet and Cuban advisers, and a genuine move toward political pluralism.

The prospects are not good. Thus far, it has been impossible to convert any regime that is propped up by Soviet, Cuban or other Soviet-bloc troops or advisers away from the methods of Leninism, by which it retains power. Some deviation from the economic principles of Marxism may be possible, but never from the political control methods of Leninism.

Machel retains power through a one-party, totalitarian political system. He has flatly rejected free elections or any discussion of a political compromise with RENAMO. FRELIMO foreign minister Joaquim Chissano has said it clearly: The only possible dialogue with RENAMO is "through the barrel of a gun."

THE PROVISIONAL GOVERNMENT

RENAMO is establishing a provisional government in the large area of Mozambique in which the resistance movement operates freely. Run by a National Council headed by President Dhlakama, the provisional government considers victory in the military struggle a foregone conclusion and is now planning reconstruction and the restoration of basic freedoms.

Dhlakama repeatedly has stated his willingness to negotiate with FRELIMO, with the following three conditions that Machel has categorically rejected:

1. FRELIMO must recognize RENAMO as a legitimate political force (Machel calls the guerrillas bandits).

2. Machel must agree to hold free elections.

3. All foreign troops must be withdrawn.

Dhlakama has promised to hold free elections to establish a national assembly, and to have the assembly write a democratic constitution. Revolutionaries do not always keep such promises, but one thing is certain: Soviet-bloc troops and advisers will no longer be welcome in Mozambique. Also, it is reasonable to assume that a government led by a Christian president who promises religious, economic and political freedom would be considerably better than an oppressive totalitarian regime supported by Moscow and Havana.

CONCLUSION

Of all the insurgencies against pro-Soviet regimes anywhere in the world, RENAMO's is closest to victory. It would be a logical next step for the administration, in making the Reagan Doctrine a reality, to change its policy toward Mozambique and bring it in line with U.S. policy toward other Marxist-Leninist governments that are being challenged by their own people. The administration should:

Downgrade relations with the Marxist-Leninist regime of Samora Machel by withdrawing Ambassador De Vos without a replacement.

Stop all U.S. aid to the Machel government and end Mozambique's most favored nation trading status. A bill proposed by Senator Paul Trible (R-Va) would do so.

Provide moral support and humanitarian assistance (medicine, shoes and clothing) to the anti-communist forces of RENAMO. A bill proposed by Senator Malcolm Wallop (R-Wyo) and Rep. Dan Burton (R-Ind) would provide an initial $5 million in aid to RENAMO.

The United States has a rare opportunity to strike a blow against the Brezhnev doctrine (once a communist state, always a communist state) by helping the Mozambican patriots replace their Marxist-Leninist rulers with a non-communist alternative. This opportunity should be seized without delay.

MEXICO—A NEIGHBOR IN CRISIS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. UDALL. Mr. Speaker, this is the ninth in a series of articles that I have submitted over the course of the past several weeks to illustrate the current crisis in Mexico.

I feel it is critically important to remember that Mexico is not some distant trouble spot, but rather, our friend and valued neighbor to the South.

Recently the Mexican Government has been increasingly under fire in the United States; contributing to the continuing tensions in United States-Mexico relations. Today's article suggests this could be creating a backlash in Mexico. But also observes, that President de la Madrid has quietly shifted to a more conservative stance on a number of issues that concern the United States, and that the two governments still share an overriding interest in maintaining stability on the United States's Southern border.

The article follows:

[From Business Week, July 7, 1986]

WHY THE U.S. RIGHT IS LASHING OUT AT MEXICO'S RULING PARTY

(By Peter Katel and Bill Javestski)

For more than 50 years, Washington policymakers have overlooked Mexico's democratic shortcomings—such as widespread corruption and election-rigging—for one very compelling reason. They counted on the nation's ruling political organization, the Institutional Revolutionary Party (PRI), to keep the U.S.'s southern border secure. But as tensions between the two countries grow over debt, narcotics, immigration, trade, and investment restrictions, tolerance for PRI-style politics is fading in the U.S.

Conservative backers of the Reagan Administration are stepping up their attacks on the PRI's near-monopoly of power. They oppose the Mexican government's heavy intervention in the economy, its opposition to U.S. backing for Nicaragua's *contra* insurgents, and the PRI's leftist and nationalistic posturing. The Administration put some distance between itself and the most outspoken critics of Mexico when Attorney General Edwin Meese III told Mexican President Miguel de la Madrid last month that such attacks do not reflect White House policy. But that did not dissuade Senator Jesse Helms (R-N.C.) from holding hearings on Mexico's problems and from warning on June 17 that to get help from the U.S., Mexico must bring about "fundamental political reform." The PRI's electoral manipulations, Helms said, even raise doubts about the Mexican government's legitimacy.

DIGNITY AND LENTILS

Other conservatives, such as Senator Phil Gramm (R-Tex.), recently lectured Mexican

legislators on the need to reform their economy. The public outbursts could be creating a backlash in Mexico. In a recent TV interview, the usually bland de la Madrid rejected a suggestion that Mexico might alter its neutral stance on Central America to win better terms from the U.S. on its debt. "Dignity can't be changed for lentils, right?" he remarked.

Critics will have another close look at Mexico's internal politics in state elections on July 6. Chihuahua—a sprawling state on the Texas border and a stronghold of the PRI's main opposition, the conservative National Action Party (PAN)—has become a focus of international media attention. The PRI is expected to win, with or without ballot-stuffing, and the PAN is expected to cry fraud. But the PRI wants to wage a strong campaign to blunt charges by the PAN and foes such as Helms that it lacks popular support. It has picked a vote-getter with a conservative image to run against the PAN's charismatic candidate for governor.

In fact, de la Madrid has quietly shifted to a more conservative stance on a number of issues that concern the U.S. Since taking office in 1982, he has wound down support for Nicaragua's Sandinistas and agreed to join the General Agreement on Tariffs & Trade. He closed a loss-ridden steel plant and is expected to sell off Compañia Mexicana de Aviación, a state-run airline. Such gestures will still leave large chunks of the economy in government hands. But a recent decision allowing Hewlett-Packard Co. to buy out its majority Mexican partners in a personal computer plant effectively scuttles plans to keep that industrial sector under Mexican control.

Such ad hoc policy shifts won't of course silence U.S. conservatives. As long as the PRI bars the PAN from major political offices and keeps its ideology of a "mixed" economy of private and state-run enterprises, attacks will continue. But U.S. policymakers will be reluctant to stoke political tensions in Mexico. The two governments still share an overriding interest: maintaining stability on the U.S.'s southern border.

FSLIC RECAPITALIZATION (H.R. 4907, AS AMENDED)

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. GRADISON. Mr. Speaker, the House may soon consider H.R. 4907, FSLIC recapitalization. In this regard, I would like to share with you and my colleagues an article by Bert Ely, which is reprinted from the July 17, 1986, Wall Street Journal.

I have some familiarity with the subject—as a former chairman of the Federal Home Loan Bank of Cincinnati, and as a Representative of the area hit hardest by the recent savings and loan crisis in Ohio. In my view, Mr. Ely correctly analyzes the situation.

The article follows:

[From the Wall Street Journal, July 17, 1986]

THIS SAVINGS AND LOAN MESS WON'T GO AWAY

(By Bert Ely)

Congress soon may bow to Reagan administration requests and write a multibillion-dollar check to bail out the Federal Savings and Loan Insurance Corporation. FSLIC insures deposits in 3,200 thrift institutions with total assets of $1.1 trillion. Why will Congress have to spend this money? Looming insolvencies among the most troubled third of the thrifts will bankrupt FSLIC, and stronger thrifts lack the resources to absorb these losses.

The administration has proposed legislation to bail out FSLIC. However, its plan will not work. The Congressional Budget Office very wisely called it "a budgetary gimmick." In effect, the plan, which will come up for committee action in both Houses within a week, is nothing more than a 30-month punt of the FSLIC mess into the next administration. The bailout plan actually would work against the long-term interest of the healthier two-thirds of the nation's thrifts. It is an 11th-hour desperation measure designed to preserve the status quo in an obsolete industry. Further, delay in attacking the FSLIC crisis will cost taxpayers unnecessary billions of dollars.

FACES ENORMOUS FUTURE LOSSES

Although thrifts-industry profits reportedly tripled last year, the financial condition of the nation's weakest thrifts worsened. At the end of last year, one-fifth of all thrifts were losing money at the collective rate of more than $10 million a day.

In addition, 450 thrifts, with assets of $113 billion, were insolvent, as measured by generally accepted accounting principles (GAAP). (Insolvency means liabilities exceed assets.) Of these, 229 also had losses at a $2.7 billion annual rate on assets of $55 billion. Another 680 thrifts, with assets of $278 billion, were nearly insolvent with GAAP net worths of 0% to 3%.

FSLIC faces enormous future losses with grossly inadequate reserves. It would have losses of at least $29 billion if it sold or liquidated every failing thrift. To offset these potential losses, FSLIC held reserves of just $4.6 billion at the end of 1985. These reserves represent assets available to absorb future losses. The reserves fall short by almost $25 billion!

Given the continuing deflation of asset values, particularly in Texas, Oklahoma and Louisiana, FSLIC's prospective losses easily could be $40 billion or $50 billion instead of $29 billion. Worse, these losses are growing daily in thrifts that are continuing to lose money. Insolvent thrifts will sink FSLIC no matter how well the financially stronger thrifts perform.

The administration's legislation would bail out FSLIC in two ways. First, it would sell $15 billion in zero coupon bonds that would be repaid over the next 35 years with special deposit insurance premiums paid solely by thrifts. Second, it would require the 12 federally sponsored federal home loan banks to transfer $3 billion in past and future earning into FSLIC.

This bailout plan would not work for several reasons. First, it would not raise enough money. The present value of the resources the plan would generate is just $12 billion, assuming no future growth in thrift deposits. This is at least $17 billion less than the losses now facing FSLIC.

Second, the 2,000 or so healthy thrifts would bear the full costs of this bailout. But their pockets are not deep enough to absorb FSLIC's prospective losses. Further, it is a dangerous precedent to ask an industry's winners to bail out its losers.

Finally, the plan suggests that FSLIC spend just $5 billion annually over the next five or six years to resolve its problems. However, FSLIC should spend up to $15 billion annually over the next two years in order to minimize its eventual losses from failing thrifts. The administration's more leisurely pace would greatly increase FSLIC's losses due to the costs of delay.

In evaluating the FSLIC situation, two realities must be faced. First, general tax revenues almost certainly will be needed to meet the federal government's deposit insurance obligations toward thrift depositors. Thus, the primary objective of the FSLIC cleanup must be to minimize the cost to taxpayers. Second, thrifts are obsolete as a legally distinct type of depository institution. This legal distinction must be phased out if most thrifts are to survive as free-standing institutions or as part of a larger financial-services organization.

A resolution of the FSLIC crisis should be based on three premises: one, maximize non-tax resources to absorb potential insolvency losses in failing thrifts; two, minimize the cost of selling or merging failing thrifts, and three, act as quickly as possible.

This approach has three parts:

One, encourage thrifts to switch to the Federal Deposit Insurance Corporation by giving thrifts a choice: either switch to FDIC or eventually be taken over by FSLIC for liquidation or sale. This choice will give the managements of nearly insolvent thrifts the incentive to raise the capital necessary to qualify for FDIC insurance; many lack that much capital. The opportunity to switch would draw billions of dollars of fresh capital into the hundreds of potentially viable thrifts that otherwise will fail. The administration's plan won't attract this capital to weak thrifts.

Thrifts making the switch would pay an exit fee to FSLIC, equal to several years of the special deposit insurance premium they now pay. They would then immediately start paying FDIC premiums, which would protect FDIC against additional insolvency losses.

Thrifts that switched would have five years to transform themselves into regular commercial banks. They could, however, continue to make home mortgage loans.

Two, before any thrifts are actually liquidated, permit anyone to buy a thrift that is unable or unwilling to switch to FDIC. Buyers could be securities firms, insurance companies, other thrifts or commercial banks. Buyers would adequately capitalize the thrift and then switch it to FDIC insurance or meld the acquired thrift into their existing operations. Depository institutions, for example, could buy failing thrifts to acquire depositors and to reduce expenses through branch consolidation. This consolidation process also would enable banking services to be retained in many small towns.

This would enable all but the sickest or worst-managed thrifts to survive in some fashion. It also would save FSLIC billions by selling thrifts as going concerns rather than liquidating them, thus minimizing losses to FSLIC. Recently, liquidations have been five times as expensive for FSLIC as subsidized sales and mergers.

Three, liquidate FSLIC and the relatively few unsalable thrifts over the next five years. The Federal Home Loan Bank Board, the thrift regulator, should also be dissolved, since there would be no more thrifts for it to regulate. This would finally end the longstanding incestuous relationship between the thrift-industry trade associations and the Home Loan Bank Board.

Today the thrifty industry, in an attempt to maintain its independence, can still block any attempts to be melded into the broader

banking industry. As soon as FSLIC needs tax dollars, though, melding will suddenly become more attractive to Congress.

TECHNOLOGY PASSED THEM BY

There will be a few individual losers—some thrift executives, regulators and stockholders—in this process, but American taxpayers will benefit. Transferring surviving thrifts into FDIC, though, is not a panacea. Rather, FDIC must become merely a way station on the road to a marketplace that relates the cost of depositor protection to the risks assumed. This feature is now absent from all federal deposit insurance programs. Unfortunately, progress toward risk-sensitive depositor protection cannot occur until the FSLIC mess is cleaned up.

The FSLIC problem is the Ohio and Maryland S&L problem on a much larger scale. The same solution is called for: save the healthy thrifts by shifting them to another depositor insurer while disposing of the basket cases at the lowest possible cost to taxpayers. But that is not enough. Although the financial structure of thrifts has always been flawed, these institutions have long met a widely perceived public need. Time, technology and the rapidly evolving financial marketplace, however, now have passed them by. This phenomenon and a flawed despositor-protection mechanism are the root causes of the FSLIC crisis. The crisis wil not end, however, until these causes have been rooted out.

FARM CREDIT ENHANCEMENT ACT OF 1986

HON. COOPER EVANS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. EVANS of Iowa. Mr. Speaker, I have introduced H.R. 4984, the Farm Credit Enhancement Act of 1986, a bill which I believe will help significantly in making more, and more affordable, credit available to farmers and those engaged in agri-business.

I don't suggest that enactment of this legislation will solve the existing problems in our farm credit system but I am satisfied that its enactment will help us avoid in the future, the credit crunch faced today by those engaged in agricultural pursuits.

Today, there is no liquidity in the agricultural mortgage market. Attempts have been made in the private sector by originators of agricultural loans to establish a secondary market in such loans. Institutional investors have turned thumbs down on such attempts since they seek the credit enhancements of a reliable intermediary which can guarantee timely receipt of principal and interest without resort to the underlying mortgage loans which back the investment securities.

The "approved agricultural loan facility" contemplated by H.R. 4984 will be that secondary market intermediary and will be able to match those institutions capable of originating farm mortgages with investors seeking to place long-term fixed income investments. Securities issued by these facilities will appeal to a broad spectrum of institutional investors because they will have the characteristics and quality sought by such investors much like the market has accepted residential mortgage-backed securities issued by Fannie Mae and Freddie Mac. It should be remembered that getting institutional investors to invest in these residential mortgage-backed securities was not an instant or easy thing. In fact, efforts by the purely private sector to establish a secondary market in residential mortgage loans were unsuccessful until the Federal Government lent its imprimatur to this secondary market through Fannie Mae and Freddie Mac.

Based upon that residential mortgage experience, I, and those with whom I have been working, originally wanted to establish an agricultural loan Fannie Mae or Freddie Mac. However, we were not unmindful of the antipathy of this administration toward the creation of any new agency or any governmental involvement in the private sector unless it was absolutely essential. Nevertheless, and based upon the secondary market residential mortgage experience, we knew some Government participation would be necessary if a viable secondary market in agricultural loans were to be established.

We feel we have accomplished a balancing of these concerns in the program we have incorporated in H.R. 4984. The bill does not establish a new Government agency, but utilizes a limited guarantee from the Federal Government to provide the confidence the market will require initially if a successful secondary market in agricultural loans is to be created.

The secondary market program contemplated by H.R. 4984 calls for the creation of a facility to act as the intermediary between the originator and investor which facility would issue agricultural loan mortgage-backed securities, fully guaranteed—100 percent—for timely payment of principal and interest by the facility. These securities would be backed by a pool of mortgages which pool would be 90 percent guaranteed by the Secretary of Agriculture. The facility issuing the securities would be required to hold liquid reserves in sufficient quantity to equal or exceed 10 percent of the principal balance of the outstanding mortgage pool.

The facility, in establishing the pool of mortgages to be guaranteed by the Secretary, would be required to maintain underwriting standards acceptable to the Secretary and would be required to exhaust its own reserves which are allocated to each pool before resorting to the Secretary's guarantee commitment. This pooled insurance concept virtually eliminates any risk to the Department of Agriculture while at the same time it imposes strong underwriting incentives for the facility.

Although it is not dictated or specified in H.R. 4984, one alternative for the establishment of its required reserves by the facility would call for the facility to require all mortgage originators to leave 10 percent of the proceeds from mortgages sold to the facility with the facility. Earnings upon these reserves would be periodically returned to the originator as would the reserves themselves as the mortgages backing each issue are amortized. If this alternative is used, originators would have a strong incentive to underwrite only creditworthy mortgages since these reserves will have been pledged against the first losses suffered with respect to each pool of mortgages originated.

It should be emphasized that the 10-percent private sector reserves and the 90 percent guarantee both are applicable to each pool of mortgages, not each mortgage, and that the Government guarantee is not a guarantee of the securities issued by the facility. This arrangement permits several mortgages in the pool to go "sour" and yet no claim could be made under the guarantee unless the total of such defaulted mortgages exceeded 10 percent of the principal amount of the pool.

The foregoing point is especially important since studies done by the private sector have established that less than 10 percent losses are incurred on agricultural mortgage loans where good underwriting standards and creditworthiness criteria are applied. In short, probably the Secretary's guarantee will be more important to the perception of these securities than as actual loss protection.

The bill permits any person or group, corporate or otherwise, to form a secondary market facility but to be approved and its pools to be eligible for the Secretary's guarantee, such facility must be adequately capitalized—$25 million minimum—and it must demonstrate that it has had significant experience in the origination of agricultural loans.

Under H.R. 4984, the Secretary's authority to guarantee pools of mortgages is limited to $4 billion and such authority to guarantee would expire 5 years after enactment. Of course, expiration of this authority to guarantee new pools of mortgages would not affect the Secretary's responsibility with respect to guarantees previously issued.

Finally, Mr. Speaker, let me say that I do not even suggest that enactment of H.R. 4984 will be a panacea for all of the ills in the Farm Credit System. Rather, I contend its enactment will be a giant step toward making farm credit more affordable and available. We cannot expect many of those who are presently bearing most of the burden for farm credit availability as portfolio lenders to continue to do so when our financial and investment community is looking to secondary markets and the advantages they offer. With greater liquidity comes greater availability and with greater availability, more affordability should follow. That has been the experience with the growth of the secondary residential mortgage market and there is no reason to believe the experience in agricultural credit would be any different.

Just as today there are those who feel Fannie Mae and Freddie Mac could be privatized since the investor community has become confident with respect to residential mortgage-backed securities, we feel the market will embrace agricultural loan mortgage-backed securities once their quality and reliability have been established with the help of the Federal guarantee contemplated by H.R. 4984. This is not a program which must continue and expand. Rather, it is a program which we realistically believe could be terminated within the 5-year period set forth in the bill. Whether this is too optimistic remains to be seen, but without this Federal startup help, we know the farm credit situation will continue to suffer.

Mr. Speaker, I respectfully suggest that the probabilities of substantial benefit greatly outweigh the limited risk our government would be taking should H.R. 4984 be enacted. I urge

my colleagues to give this bill their careful consideration.

THE ADMINISTRATION HAS KEPT THE DRUG ISSUE ON THE FRONT BURNER AND OUR LATIN ALLIES ARE NOW JOINING US IN THE BATTLE

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. BROOMFIELD. Mr. Speaker, I commend the President for his unflagging efforts to do something about the drug problem. Recently, Latin American nations have joined the United States in working together to fight narcotics trafficking in this region.

Last week, members of the Organization of American States [OAS] joined forces in the war on drug trafficking with the creation of an inter-American Drug Control Commission. Twenty-Two OAS members recently signed the Joint Drug-Fighting Agreement in Rio de Janeiro at the close of a conference on drug trafficking.

Since the early days of his administration, President Reagan focused his attention and U.S. Government resources on the war against drugs. While trying to reduce the demand for these illegal substances in the United States, our Government has done much to slow the shipment of narcotics from Latin America to this country.

In recent years, our Government has quietly helped our allies in this hemisphere confront the drug problem by providing resources and training to those involved in the fight against narcotics. More recently, United States military units were used in a joint United States-Bolivian antidrug effort in Bolivia.

While the United States has a serious drug problem of its own, our friends to the South are now experiencing the same problem with their youth. Latin American countries now recognize that their own children are in danger from the drug menace and that their societies are under political threat by the drug dealers.

Under the new accord, policies to reduce demand for drugs, prevent drug abuse and combat drug trafficking must be included in the social and economic development policies of the member states. The accord recommended increased exchange of information on illegal drug marketing and trafficking, eradication of illegal crops and the establishment of rigid controls for the manufacture, transport, importation, exportation, and marketing of chemicals and other materials used in the narcotics manufacturing process.

Thanks to the cooperation of our allies, our Government will now be getting greater cooperation from Latin American countries in United States efforts to go after the money, resources, and shipments of Latin American drug exporters.

I commend the administration for its determination to vigorously attack the drug problem. I also congratulate our Latin American allies for their recent decision to join us in our war on drugs.

With these thoughts in mind, I commend the following New York Times article to my colleagues in the Congress:

LATIN NATIONS JOIN UNITED STATES IN EFFORT TO COMBAT DRUGS

(By Alan Riding)

RIO DE JANEIRO. April 26.—Amid growing alarm at the impact of drugs on their own societies, Latin American nations have joined the United States in preparing a strategy to combat narcotics trafficking throughout the Americas.

The United States already works with several governments in the region to fight the drug trade, but a conference here this week under the auspices of the Organization of American States marked the first time the problem had been tackled at a hemispheric level.

The main instrument for action will be a new Inter-American Commission for Drug Control, modeled after the Inter-American Commission on Human Rights. It will coordinate various aspects of the war against narcotics, including enforcement, the judicial role, eradication and education.

But no less important, according to United States officials, the conference reflected a new recognition by Latin American nations that narcotics are no longer simply a problem for the United States, and that their own youth and institutions have also become targets of powerful trafficking rings.

Deputy Attorney General D. Lowell Jensen, who headed the United States delegation to the conference, said narcotics posed "an extraordinary dangerous threat" to the entire continent and added, "Just as no one nation is responsible for the scourge of narcotics, no one nation can face this tremendous problem alone."

Because drug traffickers "have no respect for national boundaries" and quickly relocate when they feel pressure in one country, only a multinational response can work, he said.

"Nations have begun to understand how important it is to band together and, in so doing, to share resources, intelligence and manpower," he said.

Until perhaps two years ago, many Latin American governments minimized the threat posed by narcotics, arguing that production of marijuana, cocaine and heroin in their territories was merely a response to uncontrolled demand for these products in the United States. In some cases, they also quietly welcomed the resulting foreign exchange that entered their economies.

But attitudes began to change after Colombia's Justice Minister, Ricardo Lara Bonilla, was killed on orders of narcotics bosses in April 1984. Suddenly, it seemed, the Colombian Government awoke to the economic and political power that drug rings had acquired and to the extent that the country's youth had become consumers of a toxic coca base product known as "besuco."

In close collaboration with the United States, Colombia began a fierce anti-narcotics offensive that in some cases prompted traffickers to move cocaine laboratories and transshipment points to nearby countries, including Ecuador, Peru, Bolivia, Paraguay and Brazil.

Since then, Mexico and Peru have also come to recognize the negative repercussion of narcotics trafficking on their own societies. Mexico is struggling to control a new surge in heroin production, and Peru is carrying out a purge of corrupt elements in its police force as part of a new campaign against cocaine traffickers.

Even before the conference this week, there were signs of closer cooperation among South American countries, with Colombia carrying out joint enforcement actions at different times with Peru, Ecuador and Brazil.

The impetus for agreeing on a regional strategy came from those countries most directly affected by narcotics, including the United States.

Colombia's Justice Minister, Enrique Parejo Gonnalez, said the new commission should be backed by "substantial resources" provided by a special fund.

The United States, however, argued that unnecessary bureaucracy could be avoided by tapping the existing United Nations Fund for Drug Abuse Control. Since the United States would be expected to provide most resources for a new fund, the conference agreed to postpone a final decision on the commission's financing mechanism.

CANCER VICTIMS FIGHT FOR RIGHTS IN THE U.S.S.R.

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. FLORIO. Mr. Speaker, my recent visit to the Soviet Union included a number of meetings with Soviet refuseniks that continue to fight for the right to leave the Soviet Union and join their families in circumstances where they can live in freedom. My meeting with a group of cancer victims and their families was one of the most moving experiences of the entire visit and I wanted to share with my colleagues my impressions of this meeting with a group of very courageous individuals.

Inna Kitrosskaya-Meiman, Tatjana Kheifetz-Bogomolnaya, and Benjamin Charny are not unique in their long-term efforts to obtain visas from the Soviet Government in order to emigrate and join families and friends living in Israel and the United States. Their tragedy, shared by thousands of Soviet Jews in similar straits, is further compounded by the fact that all three have been stricken with serious forms of cancer while waiting for visas that never come. All three have some hope of further treatment in the West where there has been significant progress in successfully treating some forms of cancer. All three have, by necessity, undergone operations and painful treatments that have not worked and have exacerbated other ailments. All three have repeatedly applied to the OVIR for visas to emigrate but have been repeatedly denied. Yet all three are continuing their efforts to leave the Soviet Union and show their courage and humanitarianism by serving as models for other refuseniks.

Inna Kitrosskaya-Meiman, a 53-year-old English teacher, is dying of cancer diagnosed in 1983. After four hazardous operations, Soviet doctors have informed her that they cannot do anything further for her and she has been abandoned to her fate. It is both tragic and ironic that Inna has been accepted by the Sloan-Kettering Experimental Program in New York and invited by other oncological clinics in Sweden, France, and Israel. She is being denied the right to treatment because

her husband, Prof. Nahum Meiman was involved in some work for the Soviet Academy of Sciences at the dawn of the atomic age. This work has since lost its importance and Professor Meiman's knowledge is no threat to the Soviet Government.

Tanya—Tatjana—Kheifetz-Bogomolnaya, a 47-year-old translator at the State University of Moscow, was diagnosed with breast cancer several months ago. She first applied for a visa 3 years ago and her husband, Benjamin Bogomolnaya, first applied 20 years ago. Several weeks ago, they were again refused despite Tanya's illness and despite the fact that the majority of their family members no longer live in the Soviet Union.

Benjamin Charny, a 48-year-old mathematician, was diagnosed as having melanoma in 1979. Since then, he has been operated on only to succumb to a number of heart ailments. His tumors are recurring but he cannot undergo further operations because of his cardiac problems. He has been refused over the last 7 years ostensibly because of his work with the Soviet Academy of Sciences and the Scientific Research Institute of Automation and Instrument-Making. Even his former employers acknowledge that his work was not considered secret.

All three of these refuseniks have demonstrated stoicism and bravery in their efforts to leave the Soviet Union. In an interesting development, they held a press conference in the Soviet Union several weeks before my trip. The fact that they were allowed to hold this press conference is encouraging. However, their actions were not covered by the Soviet press though some information was reported by the Western press. I wanted to share with my colleagues a copy of the press release issued by this group of courageous individuals. I also wanted to share with my colleagues letters written by Inna, Tanya, and Benjamin imploring Soviet authorities to allow them to leave and seek treatment. The permission given to Yelena Bonner to come to the United States and obtain treatment for her problems was encouraging. I hope my colleagues will join me in requesting the Soviet Government to allow these individuals to leave and extend their hope in finding cure for their ailments. The release and letters follow:

PRESS RELEASE

We, Inna Kitrosskaya-Meiman, Tatjana Kheifetz-Bogomolnaya, Benjamin Charny, and members of our families, have joined in a group to make people of the world aware of our grave situation and to plead with them for help.

We are refuseniks, who, while waiting for many years for permission to emigrate to Israel for reunification of our families, were striken with cancer.

All pain and suffering that we have to bear because of our disastrous illness is aggravated by multiple stresses of our life as refuseniks. After applying for emigration visas all of us lost our jobs; we are separated from our immediate relatives living now in Israel, USA and Canada. Some of us have gone through all kinds of harassment, such as searches, house arrests, shadowing, interrupted telephone and post communication.

Our health is in such a state that we have been officially recognized as invalids. Each of us has repeatedly appealed to the OVIR and other Soviet organizations, requesting them to take our dangerous illness into consideration when deciding our fate. Two of us have written to Mr. Gorbachev and earlier to his predecessors but to no avail. We know that several years ago refuseniks diagnosed as having cancer were granted the permission to leave together with their families in, conformity with letter and spirit of Helsinki Final Act about the humane approach to reunification of families with ailing family members. The fact that we are still denied exit visas is incompatible with the assertion by M.S. Gorbachev at the XXXII Congress of the CPSU that reunification of families should be approached in humane and positive spirit.

Two breakthroughs in cancer therapy have recently occurred in the United States. One involves a substance called tumor necrosing factor and the second, a complex procedure in which the white blood cells of the patient with cancer are removed, incubated with a cancer-killing substance, and reinfused into the patient. Both of these approaches are highly experimental but would offer Inna Kitrosskaya-Meiman some hope in curing this cancer.

We appeal for help to Heads of Governments who signed the Helinski Accord in 1975, to the Parliaments of these countries, to oncologists and physicians for whom the Hippocratic oath is not an empty phrase, to the international medical community, to cancer patients who are familiar with all pain and fear, to people of good will all over the world. Reunification of our families, elimination of stress, and peace of mind is a matter of life and death for us.

Inna Kitrosskaya-Meiman, Naum Meiman, Tatjana Kheifetz-Bogomolnaya, Veniamin Bogomolnaya, Benjamin Charny, Yadwiga Charny, Anna Charny.

An Open Letter to General Secretary M.S. Gorbachev

HONORABLE GENERAL SECRETARY GORBACHEV: On March 15 Pravda published your reply to a letter from the head of the International Life Institute, Prof. M. Marois. That letter was sent to both you and President Reagan.

You highly assessed the purpose of the Institute. To Prof. Marois' first question, "Do you consider it the primary task of our time, from the biological, philosophical, and political point of view, to assert that life, especially human life, is the highest value?" you replied, "Yes, certainly yes," and then developed your views on the question in detail.

Your eloquent response cannot fail to create a most favorable effect among many people the world over. But only your attitude to the fate of ordinary people, not the controversial finesses and complexity of international affairs, can serve as the litmus paper for assessing your reply.

I wrote you last October that the Soviet Visa Office (OVIR) and the authorities backing it had doomed my wife, a seriously sick 53-year-old woman, to a torturous, slow death. My wife's life was being sacrificed in the name of imaginary security for the Soviet Union, which would supposedly be threatened if this piteously sick woman were allowed to take advantage of invitations to go abroad for treatment.

It is in your power to prevent such a crime against humanity. This would only confirm your reply to Prof. Marois. If not, what is all your pathos worth?

My wife, Inna Kitrosskaya, is a teacher of English. She was stricken with sarcoma on the back of her neck in the fall of 1983. After an operation that October, it was obvious that my wife could not find adequate treatment in the Soviet Union. She was invited to go for treatment to oncological clinics in Sweden, the United States, France, and Israel. Former Minister of Health of France, Mme. Simone Veil, not only sent an invitation, she came to Moscow herself to call on my wife. Regrettably, OVIR categorically refused to grant an exit visa.

The only treatment given my wife was repeated surgery. In less than two years, she was subjected to four hazardous operations. In the fall of 1985, when the tumor regenerated, specialists feared risking another operation. Since then, my wife has been abandoned to her fate, with an increasing tumor and increasing intolerable pain.

Last December, a famous physician and scientist, Prof. Douglas P. Zipes, wrote you that there had just been two remarkable breakthroughs in cancer therapy in the United States, with some hope of curing my wife. Meanwhile, U.S. Senator Charles Grassley wrote Soviet Ambassador Dobrynin that my wife had been accepted for the Sloan-Kettering Experimental Program in New York. Last month Prof. Zipes again appealed to you by telex to allow my wife to go for treatment to the United States before it was too late.

For clarity's sake, I must say a bit about myself. I am a mathematician 75 years old. I had the misfortune at the dawn of the Atomic Age to do certain quite unrealistic calculations for the late Academician Landau at the Institute of Physical Problems (IPP) of the Soviet Academy of Sciences. My calculations have long since lost all sensitivity and interest to everyone everywhere. Academy President Alexandrov, who was the Director of the IPP when I worked there, certified back in 1976 that I possess no secret information. How can anyone talk seriously about scientific, and in my case, merely calculatory, secrets more than 30 years old? It is absolutely absurd.

Yet that absurd fabrication was enough not only to deny me any inalienable right to emigrate, to reunite with my only daughter abroad. It denies my wife her only chance of survival.

In January 1980, I was called in to a local Prosecutor's Chief of Investigation and told officially that because of my former classified work, it had been decided never to let me emigrate. I asked who had decided, and was told that no one had the right to tell me. It had been decided by a competent body. This echoes the nightmares of Kafka and Orwell. It appears from the cruel, senseless treatment of my wife that my secret life sentence covers her too. After all, she married me 26 years after I had completely ceased secret work.

Not long ago, my wife received an invitation from Mrs. Max Kampelman to visit her as a guest for three months. The invitation is endorsed by U.S. Senators Gore, Pell, Stevens, Wallop, Moynihan, Rudman, Warner, Hart, and Nunn, Ambassador Zimmerman, and Ambassador Kampelman himself.

The Soviet national Visa Chief Col. Kuznetsov refused to even read the invitation. He said my wife would be refused permission to visit abroad. He knew, he said, that the real reason for any trip would be to get medical treatment. He made that sadistic statement right after your reply to Prof. Marois appeared in the press.

My fight for the life of my wife, totally lawful and without violating a single Soviet law, has produced a certain peculiar result:

our phone was cut off on March 25. How despicable to deprive such a terribly sick woman, bedridden, requiring constant care and medical assistance, of her telephone. I myself, at the age of 75, have cardiac problems and several other ailments. The two of us live alone.

Whose point of view on the value of human life is prevalent—Col. Kuznetsov's, the official who ordered our phone cut off, or yours?

Respectfully,

Prof. NAHUM MEIMAN.

TANYA KHEIFETZ

Tanya Kheifetz, 47, translator, worked most of my life at the State University of Moscow. Translated scientific publications in biology, chemistry, medicine into English; worked as a simultaneous translator at numerous international meetings, including two Dr. Chasov's World Congresses of Cardiology. Have translated into Russian stories by American authors, e.g. James Gould Cozzens, Bernard Malamud, Truman Capote, John Updike, Roald Dall, Cyril Cornblood; recently (unpublished) Alice Walker, Tillie Olsen. Also parts from the books of prominent scientists Erwin Chrgaff and Albert Scent-Gyorgy. Lost my job 3 years ago after applying for exit visa to Israel. My father and sister with her family live now in San Francisco, USA. I have no family left here.

My husband, the legendary Benjamin Bogomolny, "the most patient refusenik" of the Guinness Book of Records, first applied for emigration in 1966, when he was twenty. He is forty now. He has been refused many times—for having been a private in the army 26 years ago. He has a family of 21 in Israel and Canada; parents, 3 sisters with 16 children. He has not seen his mother and father for 15 years. He works now as a physical therapist.

7 months ago I was diagnosed as having breast cancer, subjected to radical mastectomy and a 6-month course of chemotherapy. After I left the hospital we were decoyed into reapplying—to be refused by the Moscow OVIR for the n-th time in spite of the 20 years of waiting, 26 members of the family to be reunited with, the awful shock and pain of cancer and dozens of demanding and imploring letters from all over the world.

What about the "humane and positive" approach to the reunification of families promised by M.S. Gorbachev in his political report at the XXXII Congress of the CPSS?

BENJAMIN CHARNY

I, Benjamin Charny, 48, graduated from Moscow University, then worked for 20 years in the field of applied mathematics and in 1979 decided to emigrate to Israel. Since then a period of my life began that I want to tell about.

In April, 1979 in order to get a reference for the OVIR I informed the administration of the office I worked at of my intention to leave the USSR. I was immediately fired. On April 26, 1979 our family applied for the exit visas, and in September, 1979 I was found to be ill with melanoma, an extremely serious form of cancer. The situation seemed hopeless. All members of the family had lost their jobs, which meant that we didn't have even social insurance against illness. For 1.5 month I couldn't find a place to be operated until my friends helped me and in November I was operated. However, the stress caused by loss of job and by the consequent desease cost something and 3 months later a painful myocardial infarction knocked me down. For a week I was in a reanimation department with a pacemaker attached to me. After a certain recovery period my health got poorer again. I have to visit oncologists and cardiologists regularly. Tumors have appeared on my neck and thyroid, which the doctors would operate but for my cardiac problems. In 1984 I spent 4 months in a hospital again. I have also got some other chronic deseases: hypertension, ishemia, stenocardia, autoimmunic thyroiditis, enderteritis obliterance. Officially, I have been acknowledged a second-group invalid.

In the course of these 7 years I have repeatedly received refusals from the OVIR on security grounds concerning my former work. Some words about it.

Before applying I had worked at two places—at the Scientific-Research Institue of Automation and Instrument-Making, since 1959 to 1971, and then, at the Institute of Control Sciences of the Academy of Sciences of the USSR, since 1971 to 1979. The nature of my personal work was always open. Its results were regularly published in "Earth Sputniks", "Space Research", "Automation and Remote Control", journals of the Academy of Sciences. First I assumed that my point of view on the nature of my work differed from that of the people deciding the matter of my departure. When, however, something contradicting this assumption happened: my former colleague Arnold Goltsin (living in New York now) who had worked for many years with me directly, at the Institute of Automation and Instrument-Making, and left that place even later than I did, received the exit visa, in 1981. By this time I had found out that the administration of the Institute of Control Sciences my second place of work, had no claims to me. It became quite clear that in 1981, already 5 years ago the people deciding the matter did not consider this work secret. Therefore, I am denied the exit visa for some other unknown reason, in spite of the fact that the OVIR is well aware that I have been seriously ill for all these 7 years and my health gradually becomes worse.

I attach this letter to common appeal of our group to explain my situation in more detail. Help us and convince the Soviet authorities to grant us and our families exit visas without further dangerous delay.

OFFICIAL DEMOCRATIC RESPONSE TO THE PRESIDENT'S SOUTH AFRICA ADDRESS

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. EDGAR. Mr. Speaker, last week the President addressed the Nation regarding U.S. policy toward the racist apartheid regime in South Africa. While I believe that the President is sincerely committed to ending the violence and discrimination in South Africa, his current policy in fact guarantees the perpetuation of apartheid.

The President suggested no new actions geared toward ending apartheid. In fact, his failure to announce significant new sanctions against the recalcitrant South African regime sends it the message that we approve of its actions, that we approve of the state of emergency, the curtailment of civil rights, the continuing deaths in the black South African community.

Congressman BILL GRAY, my friend and colleague from Philadelphia, delivered the Democratic response to the President. He stood up for the majority of Americans, to say that we do not approve of apartheid. That Americans support tough action against the South African Government. That sanctions are morally right and politically effective in this case.

His was the strong, forceful statement that I wish our President had made. Representative GRAY'S eloquent indictment of apartheid is one I hope every member of this body saw last week. For those who missed it, I insert Representatives GRAY'S response to the President into the RECORD at this point:

OFFICIAL DEMOCRATIC RESPONSE TO THE PRESIDENT'S SOUTH AFRICA ADDRESS

Today, President Reagan declared the United States and Great Britain co-guarantors of apartheid.

By joining Ms. Thatcher in opposing economic sanctions, the President protects Pretoria from the one weapons it fears most.

The President failed to recognize what the American public, the Congress and the world community have known for a long time—the Administration's policies in South Africa have failed.

In 1985, the Congress bipartisanly passed the Anti-Apartheid Act, changing our policy, and imposing sanctions.

The President, through executive order adopted weaker measures and asked Congress to wait nine months.

We have waited. But conditions have worsened.

That is why just one month ago the House of Representative passed the toughest possible economic sanctions—total disinvestment and a trade embargo—measures we already have imposed on Cuba, North Korea, Campuchea, and Libya.

However, the President tells us that sanctions will only cause blacks to suffer—the people we seek to help.

But blacks have suffered for years—not because of sanctions, but because of apartheid.

They suffer because by law, they cannot vote.

They suffer because they are 72 percent of the population squeezed onto 13 percent of South Africa's most barren land.

They suffer because they are arrested without charge or trial.

More than six thousand blacks have been detained in the past month alone. They are allowed no contact with lawyers or families. The government refuses to even identify the detainees. Under a sweeping state of emergency, they simply have disappeared.

Killings . . . detentions . . . people disappearing. A modern-day Holocaust is unfolding before our very eyes.

Against such a backdrop, how can sanctions hurt black South Africans—when apartheid is killing them.

Out of 28 million black South Africans, only 47,000—one tenth of one percent—hold jobs with American companies.

These numbers alone tell us that the issue in South Africa is not jobs—but the loss of life and denial of justice.

Archbishop Tutu, Rev. Boesak, Dr. Naude, Winnie Mandela—countless other South African leaders—have pleaded with us to impose sanctions and raise the cost of apartheid.

The Eminent Persons Group—representing 49 Commonwealth nations—urges economic sanctions as the only remaining nonviolent pressure for change.

The governments of six other nations surrounding South Africa have issued a joint statement supporting sanctions as the means to help end apartheid, even if it means some hardship for their own nations and economics.

They all recognize that without economic sanctions, without pressure, without increasing the cost of apartheid, there is no reason for South Africa to dismantle apartheid.

President Reagan tells us that sanctions don't work.

Why, then, have we imposed sanctions against Libya, Nicaragua, Poland, Cuba—some 20 nations around the world?

Those sanctions express our profound distaste for the policies and actions of those nations.

We imposed them not because we thought they would bring down those governments, but because they disassociate us from all that those governments stand for, while raising the cost of behavior we abhor.

Why not South Africa? Why the double standard?

That's the question the oppressed majority keeps asking the land of freedom and liberty.

The President says our strategic interests would be jeopardized if violent elements assume power in South Africa.

But the President's own policies put our strategic interests at risk.

He condemns apartheid, but he refuses to back it with meaningful action. In doing so, he gives black South Africans no choice but to accept support from other nations who offer it.

That does not serve our long-term strategic interests. That does not put us on the side of the future in South Africa.

The President's very fears might become a self-fulfilling prophesy. The President has always stressed a single message in foreign policy.

That message is strength.

Why does he refuse to show strength toward South Africa?

The President has preached that the Reagan doctrine is to fight for freedom wherever it is denied.

Where is the Reagan doctrine in Pretoria?

Where is the Reagan doctrine in Capetown . . . in Port Elizabeth . . . in the hellholes of Crossroads and Soweto?

Where is this doctrine of freedom when men of God such as Archbishop Tutu plead for action, and we give then only words.

What is needed is not simply a condemnation of apartheid while we provide economic support for South Africa's oppression.

What is needed is a new policy that clearly disassociates us from apartheid, and calls for the complete dismantlement of that system—not cosmetic reforms.

Our policy must demand the release of all political prisoners, and the start of negotiations between the black majority and the white minority to develop a timetable for full democracy—one person, one vote.

The policies of this Administration—known as constructive engagement—clearly have not achieved these bipartisanly endorsed objectives.

We are told that the policy is working—that progress is being made.

Where is the progress, and where is our influence.

when South African police are killing more blacks now than ever before.

when in the last two years, more than 2,000 black men, women, and children have been killed in apartheid-related violence—75 percent at the hands of South African police.

when South Africa bombs its neighbors—Zimbabwe, Botwana, Mozambique, Zambia and others, and continues to illegally occupy Namibia.

Have we any real influence when the regime has

Banned all public expression.

Closed opposition newspapers.

Censors all television coverage.

And South Africa's police continue their daily killing of black South Africans—while boldly arming and protecting vigilantes to kill other blacks on their behalf, attempting to justify his oppression by pointing to so-called black on black violence.

Where is our influence when the regime keeps behind bars, bans or banishes the leaders with the widest popular support, including Nelson Mandela?

Where is our influence when President Botha rejects President Reagan's request not to impose new emergency restrictions—harsh new measures of oppression.

I've been to South Africa, as recently as six months ago.

You walk through the streets of Johannesburg, as I did, and you see billboards advertising American movies.

Turn on the television set in South Africa, and you see our favorite programs.

Everywhere in the cities of South Africa you see the American presence—the commercial presence.

What you do not see is our moral presence. And that is the problem.

What good does it do if Rambo is playing in South African theatres, but the young people see America as the enemy?

What good does it do if Dynasty is shown on South African television, but American capitalism is seen not as the solution to economic injustice, but as the problem itself—helping to perpetuate their oppression?

One church worker asked us why we Americans focus so much on South Africa's mineral wealth as we continue to finance the oppression of apartheid.

In the eyes of that country's majority, our nation is firmly aligned with the most oppressive system on earth. That is not good for America.

It is time to stop thinking about South Africa's minerals and diamonds.

It is time to start practicing American values.

Today the President sent a message to South Africa, to the racist majority regime of Pretoria.

He said, "We are your friends. Don't cut our friendship off. We want your minerals and we want to work with you and continue our investments and loans."

Then the President said to the 28 million majority whose rights have been denied, whose lives are being lost, and to whom justice is being denied, "Maintain your hope. But we will do nothing to end your oppression."

Is that the message of America?

Have we not learned from Nuremberg what will happen in Johannesburg. Have we not learned that the western democracies must raise the cost and totally disassociate from apartheid if we are to accomplish our goals?

ARTHUR BURCK'S THOUGHTS ON TAX BILL

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. MICA. Mr. Speaker, I am pleased today to have the opportunity to share with this Congress an article written by a distinguished resident in my district. On June 30, 1986, the Palm Beach Post printed Mr. Arthur Burck's thoughts on the tax bill in an article entitled: "Tax Reform Bill Satiates Greed." This is not the first time Mr. Burck's views have been shared with the Congress, and his essays on the economy have been published in various newspapers many times. Mr. Burck here shares his view that the recent proposals to lower the highest tax bracket may have a negative impact on the growth of our economy and the very stability of our society.

The article follows:

[From the Palm Beach (FL) Post, June 30, 1986]

TAX REFORM BILL SATIATES GREED

(By Arthur Burck)

The nation has experienced a quite revolution in recent decades through the gradual lowering of the taxes exacted from people with big incomes. It is usually forgotten that until the early '60s the top brackets exceeded 90 percent, then were gradually lowered to a ceiling of 50 percent in 1981. At the same time estate taxes were substantially lowered. And now, with the Senate proposing a maximum of 27 percent, there is some prospect of an egalitarian tax system that will not discriminate excessively against the big earner and the wealthy.

As one who feels victimized by the savage inroads of high-bracket taxes throughout my working life, I naturally exult in the current lowered brackets and less onerous estate taxes. Nevertheless, I have misgivings about further reductions for the highly paid and the wealthy.

First of all, I have always viewed heavy taxes as the insurance policy that the fortunate pay to preserve democracy from threats of socialism or communism. Every since tax brackets were jacked up by World War II, communists and socialists have been as scarce as hen's teeth in America. Isn't our insulation from these viruses that affect most other countries due in large part to the realization among our poor and our workers that our privileged are saddled with high tax rates? How could there be any real pressure for any leftist "-ism" when our wealthy are subjected to high rates?

On the other hand, in countries where the wealthy avoided their share of taxes, especially in the Latin countries, there has been constant pressure from the left that has endangered the wealthy. For example, during most of the postwar period it has been nip and tuck in Italy to prevent the communists from taking over. During this period I have been in close touch with Italian business leaders and many of the wealthy and I observed that the wealthy by and large were escaping their fair share of taxes until reforms in recent years somewhat closed the avenues for escape.

In sum, in countries where the wealthy avoid or evade taxes and do not pay their fair share, it is likely that socialism or com-

munism will make inroads. On the other hand, our own nation's experience shows that when the wealthy pay taxes at high rates, agitation from the far left is almost nonexistent.

Another factor to be considered is that the national economy seemed to thrive when tax rates were higher; America's economic fortunes have been sliding in recent decades along lines that roughly parallel the decrease in bracket rates. America's economic "golden age" was in the '50s and '60s when tax brackets were at the highest. Was this just coincidence or is there a correlation?

Unquestionably our economy was indirectly fueled by high brackets. Why this paradoxical result? When brackets were high, ambitious and talented executives did not remain forever at their highpaying jobs with big companies. Instead they left to form or join new firms. These people, instead of paying near-confiscatory rates on ordinary income, built small companies into big ones and thereafter realized huge capital gains that were taxed at low rates. These new firms spawned more millionaires than in any period of history.

As a result, America in the '50s and '60s saw the greatest flourescence of entrepreneurial and technology companies the world has ever seen. From Lilliputian beginnings, there emerged not only technology giants such as Xerox, Polaroid, Control Data, Digital Equipment and Texas Instruments, but also innovative growth companies in mundane industries: McDonald's in hamburgers, Revlon and Estee Lauder in cosmetics, Block in accounting, Premier Industrial in industrial supplies, Beatrice in foods, Eckerd in drug stores, Occidental in oil and Hyatt in hotels are but a few examples.

But if ceilings as low as 27 percent are matched by capital gains taxes as high as 27 percent, who will want to leave high-salaried jobs to start up a new company where the risks are always great? Also, what investor will opt for risky new ventures when the tax is the same for securities of safe, mature companies?

During the '70s we saw the effects of what happens when capital gains taxes reach levels that discourage entrepreneurs. Capital gains taxes then gradually crept upward to a high of 49 percent until reduced to a maximum of 28 percent in 1979 and 20 percent in 1981. That is a principal reason why the decade of the '70s was a period of stagnation for our innovative small-business sector.

In view of the spreading decay of more and more of our great corporations, America's economic future increasingly depends on nimbler, small businesses. We must look to the innovative small-business sector if we are to restore our national vitality, our lagging productivity and our lackluster creativity.

Trickle-down alone will not suffice. We need mechanisms that will channel the flow of investment capital to the innovative small-business sector and low capital gains rates have been a proven vehicle. In addition we need incentives that induce our ablest managers to leave their well-paying jobs in stagnant sectors to seek new horizons and frontiers.

Finally, I have an eerie feeling about the timing of this move. At a time when government should be giving priority to reducing the immense budget deficit and repairing the myriad problems that are undermining the nation's economy, the administration and many in Congress are, not unlike Nero, fiddling around with measures to satiate the greed of the narrow segment of us who are in the upper brackets.

As we analyze the greed that today permeates every nook and cranny of Wall Street and our financial community, one can only wonder whether, like a communicable disease, greed isn't seeping into our top levels of government, many individuals of which are not only unhappy with their own tax brackets, present and future, but also seek to appease the wealthy and big business interests who fuel campaign contributions through PACs and otherwise. How else can one explain the sudden about-face of the Senate Finance Committee, which was hopelessly mired in tax reform until someone came up with the bright gimmick of the 27 percent ceiling and the committee immediately shifted to a unanimous vote in favor?

Again on the question of timing, I invite attention to the booming 1920s and the tragic aftermath of the Great Depression of the 1930s. It should not be forgotten that between 1921 and 1927, the administrations of Warren G. Harding and Calvin Coolidge had Congress slash the top tax bracket from 65 percent to 25 percent. Note the 1980s parallels.

Many of us concerned businessmen are convinced that in countless other ways on the economic front we are repeating the mistakes made in the 1920s.

W. 143D BATTLES AGAINST DRUG PLAGUE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. RANGEL. Mr. Speaker, the New York Daily News of Monday, July 14, 1986, contained a column by Earl Caldwell, which is both a story of hope and of despair. The article describes the efforts of two of my constituents, Rita Smith and Gertrude Russell to rid their block on West 143d Street from drug pushers.

Mr. Caldwell's article relates that in 1978, West 143d Street was among the worst drug blocks in New York. He describes the gallant efforts of these two women to revitalize their neighborhood. Drug dealers were driven from the street and incarcerated. However, now that many of the dealers have served their time, drug dealing is reappearing on West 143d Street.

I commend Ms. Smith and Ms. Russell for their efforts, however, their story does remind us that the battle against drug trafficking demands constant vigilance. Active citizen involvement can be a powerful deterrent to neighborhood drug use. I urge the citizens of West 143d Street to band together to drive drug pushers from their block. They have my total support in their efforts.

Mr. Speaker, I ask that the article by Mr. Caldwell entitled "Once again, W. 143d St. battles against drug plague" be inserted into the CONGRESSIONAL RECORD at this point.

The article follows:

ONCE AGAIN, W. 143D ST. BATTLES AGAINST DRUG PLAGUE

As soon as it started again, Rita Smith saw it. "I couldn't believe it," she said. "After all we've been through on this block, here we go again."

On W. 143d St. in Harlem, the drug crowd is back.

"And it's the very same people," Rita Smith said. "We got them sent away. They did time but now they're out and they're right back here. And they're using buildings that we've been trying to get sealed up for three years."

In 1978, W. 143d St. was among the worst drug blocks in New York. And all of it was wide open. A steady stream of cars moved through the block, many of them with New Jersey, Connecticut and Westchester license plates, and from the car windows the drug sales flourished.

"It was like a war zone up here," Rita Smith said.

Once her block was among the most populous in the city. The estimate was that it had more than 5,000 people. But then it went the other way and by 1978, instead of people, there were mostly abandoned buildings on 143d St. and the drug crowd took over.

"They tried to run us out but we wouldn't go; we didn't have any place else to go. Where would we go?"

And so, on W. 143d St., they fought. In front, there were the two women, Rita Smith and Gertrude Russell, and they fought and nothing scared them.

Once, Rita Smith's son was shot in the face in the doorway of her building. But that didn't stop her. At night, Gertrude Russell had phone calls with threats. But she just boiled a pot of lye and sat in her window with it and she dared the drug crowd to bring their business through the door of her building. The women not only fought, they also stayed on the police and made the cops do their job—and on W. 143d St., they won.

And once the block was cleared of drugs, that wasn't the end of it. They took the block association they had used as the nucleus for fighting drugs and they created a housing development unit. And by themselves, they got grants and they won contracts and they took almost all of the old buildings and had them reconstructed, and what they turned the block into was like a miracle.

On a hot day in August two years ago it was done and they gathered in the street and celebrated what they called Human Possibilities Day.

"We showed what it was possible to do when people band together," Rita Smith said. And on 143d St., the future began to look very bright. They even planned to redevelop a four-block area.

Then, it became like a cruel joke. The drug pushers they helped send to prison suddenly began to resurface.

"They come out and they have nothing, so they go back to what they know," Rita Smith guessed.

Don't the police keep an eye on the block?

"At that precinct (the 32d), they change captains all the time. Now, we've got new people and they don't know."

Have you gone to the police?

"Every time I go through the block and see the drug crowd, I go straight to the precinct. They said they're going to put a unit in here but if they don't do something now, we're going to have the same situation we had before."

Does the drug crowd know that you're on to them.

"I tell them to their faces. I'm not afraid because there is nothing they can do to me."

In all, they rehabilitated 14 of the old buildings on W. 143d St. Where there had been just 29 families in 1978, there are now 500 families. "We've got all nationalities now. They are not aware of what it was like but they are ready to stand up," Rita Smith said.

"But it's gotten bad; very bad," she said. "So here we go again."

EXPERTS COMMEND CONGRESS FOR ASAT MORATORIUM

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. BROWN of California. Mr. Speaker, since the beginning of the year I have heard from a number of the Nation's top arms control experts who feel that Congress took a bold and critical move last December when it enacted into law a mutual United States—Soviet test moratorium on antisatellite [Asat] weapons. With Congress about to debate this issue again, during consideration of the defense authorization bill for fiscal year 1987, I thought my colleagues might be interested in knowing why these experts feel the Asat test ban is of such great importance. Excerpts from a few of these letters are provided below:

Dr. Sidney Drell: Deputy Director, Stanford Linear Accelerator Center; Co-Director, Center for International Security and Arms Control, Stanford University.

"I applaud the moratorium legislation and endorse it wholeheartedly. I believe that with serious negotiations and prudent restraint we can still accomplish sensible goals in limiting the further development of ASAT weapons.

"If we accept the development and testing of such systems, it won't be long before we will be concerned about a threat to our high altitude satellites. Therefore, a joint moratorium on ASAT tests with the Soviets seems to me very sensible as a way of gaining time for the effort to resolve the difficult policy, as well as verification, issues."

Noel Gayler (Admiral, USN, Ret.): Former Commander in Chief, U.S. Forces in the Pacific; Former Director, National Security Agency; Former Assistant Chief of Naval Operations, Research and Development.

"I totally support the view that testing or further development of ASAT capabilities is not in the interest of the United States or of the world at large. We can assume that the development of ASAT capabilities, specifically designed for the job, by the United States, to top the rudimentary Soviet capability, will be followed by a Soviet effort to top us, and the scene will be set again for a competitive high-technology arms competition. But this competition will be peculiarly dangerous to the United States, for the reason that we are far more dependent on satellites for intelligence, communications and command and control than are the Soviets."

Dr. Richard Garwin: IBM Fellow, Thomas J. Watson Research Center; Former Member, President's Science Advisory Committee; Former Member, Defense Science Board.

"Among all the 'news,' real and contrived, the work of the U.S. Congress in furthering the national security should not go unnoticed. I refer here to the action of December 1985, in denying funds for the testing of antisatellite weapons against objects in space. This moratorium is no substitute for a real policy on ASAT, but at least it will give the U.S. and the world time to work out such a policy rather than have it made by default.

"We cannot be sure that even with the best thought and energy devoted to the early introduction of a ban on ASAT tests, we will be able to curtail Soviet ASAT capabilities. We can be sure, however, that if we pursue the testing of our own ASAT, the Soviets will not be very far behind. The key point is that a U.S. ASAT does not protect U.S. satellites—it only threatens satellites of other nations."

Dr. John Steinbruner: Director, Foreign Policy Studies, Brookings Institution.

"It is imperative that the mutal [ASAT] moratorium be sustained for the reason that public understanding of the issues is so poorly developed. The Department of Defense has offered a very narrow assessment dominated by the natural and appropriate desire of weapons designers to conduct tests of their products and justified by standard arguments about the effects of these activities on the Soviet Union. The U.S. ASAT tests, the Pentagon alleges, will give the Soviets an incentive to negotiate, will deter any use of the Soviet system, and at any rate confer a capability to prevent Soviet observation of U.S. naval operations. The possibility of less congenial results has been excluded from the Pentagon's analysis.

"The latter fact is imprudent in the extreme and should not be tolerated by Congress. In discharging its responsibilities to the overall security of the United States, Congress should insist that the importance of broader and more enduring interests in this matter be recognized. Given the technical and political context in which the ASAT tests would occur, there is a serious possibility that they would trigger systematic disruption of critical U.S. military support programs in space and that they would stimulate a regime of confrontation that could significantly diminish the constructive use of space for generations to come. There is ample reason to believe, moreover, that these dangers can be controlled by policies designed to do so. Despite flamboyant Pentagon rhetoric, Soviet ASAT activities remain very primitive—well below their technical potential. Restraint imposed at this point would have very significant benefits.

"Under these circumstances the moratorium is not a concession to the Soviet Union but rather necessary discipline imposed on those responsible for United States security policy. It allows time for our political process, whose openness we so rightly cherish, to reflect on the extended consequences of our actions and to weigh the balance of our interest. Rarely have we so needed that time for reflection; rarely has the discipline of public debate been so important. We are dealing with matters that can set enduring precedents and can affect the circumstances of security well into the next century.

"I hope that Congress will persist in the wisdom of its original action and will sustain the moratorium."

BOSTON HERALD WARNS OF EROSION IN SUPPORT FOR SDI

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. COURTER. Mr. Speaker, it is apparent to SDI supporters and opponents alike that the administration's vacillation over the program's goals and timetable is draining congressional and public support. As the following editorial from the Boston Herald warns, if the President does not take drastic action, "there may be nothing worth saving a year from now."

Clearly, the President must reassert control over the program that he established 3 years ago. The administration's official statements have emphasized the need to make the transition to a defense-dominated strategy. This strategy must be implemented through the establishment of an unambiguous, accelerated SDI program which will culminate in the phased deployment of SDI systems as they become available. The current program, organized around scientific experiments rather than military mission requirements, is doomed to eventual extinction. I urge all my concerned colleagues to read the following editorial.

REAGAN MUST ACT TO SAVE SDI PLAN

The idea of strategic defense against incoming Soviet nuclear missiles is dying in the halls of the U.S. Congress, and without drastic action by President Reagan, there may be nothing worth saving a year from now.

The Republican-controlled Senate Armed Services Committee voted the other day to chop more than $1 billion from President Reagan's Strategic Defense Initiative (SDI), or "Star Wars," missile defense plan request. We have backed the concept of SDI to the hilt since its inception, but a freeze and an eventual reduction in spending seems the inevitable result of the administration's inept handling of how best to turn the dream of making nuclear weapons "impotent and obsolete" into reality.

Sen. Sam Nunn, the ranking Democrat on the committee, said afer the vote that support for SDI is "eroding right before our eyes in the U.S. Congress." That erosion shows no sign of reversing on its own. The next six months will likely determine the fate of the entire project, and the need is for drastic action of Reagan's part if he intends to salvage a major part of his legacy to the country—indeed, to humanity.

While Mr. Reagan has articulated a vision of a nuclear defense shield over the U.S., he has not followed up on it by presenting concrete ideas as to how tht can best be achieved. Instead, SDI has taken on the identity of an amorphous research project, whose goals are unclear and results are perceived to be far off in the distant future. In a time of fiscal stringency, it is no wonder that normally stalwart conservatives such as Sen. Orrin Hatch, R-Utah, are abandoning ship.

Later this year, after tax reform has been safely passed into law, the president should not wait for a moment. He ought to go on television and announce the appointment of a panel of experts to report back to him within two months on the most feasible defensive system. Six months to a year after

receiving the report, deployment should begin.

While some of the more exotic, whiz-bang technology will indeed require years, perhaps decades, of development, much of SDI could be deployed right now using existing technology. A point-defense system for our ICBM silos on the Great Plains would do nicely.

It's time to get Star Wars off the drawing boards and onto the firing line. We fear that unless this happens soon, Star Wars may be only a memory by Jan. 21, 1989.

MEXICO—A NEIGHBOR IN CRISIS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. UDALL. Mr. Speaker, this is the 10th in a series of articles I have submitted over the course of the past several weeks to illustrate the current crisis in Mexico.

I feel it is critically important to remember that Mexico is not some distant trouble spot, but rather, our friend and valued neighbor to the south.

In today's article, Attorney General Edwin Meese III, observes that it is time for American officials to stop "pointing fingers" at Mexico. Recent criticisms have caused a rift in relations between the United States and Mexico. As seen in Mexico and the United States, the major corrupter between our two borders is drug trafficking and as Attorney General Meese commented, drug trafficking brings corruption wherever it goes and regardless of how Mexico and the United States criticize each other, our intention to solve this problem should be a joint effort, by all branches of both governments. As this article indicates, "pointing fingers" will not solve any problems.

The article follows:

[From the New York Times, July 4, 1986]

MEESE URGES CURB ON MEXICO CRITICS

(By Joel Brinkley)

WASHINGTON, July 3.—Attorney General Edwin Meese 3d, answering questions from Mexican journalists, said today that the time had come for American officials to stop "pointing fingers across the border" at Mexico.

His remarks come after nearly two months of open and sometimes bitter criticism of Mexico from a variety of United States officials over drug trafficking, illegal immigration, Mexican Government corruption and cooperation with American law enforcement.

The criticisms have caused a rift in United States-Mexican relations, and White House officials said last week that President Reagan hoped to meet with President Miguel de la Madrid of Mexico this summer, in part to soothe relations.

Interviewed in Washington by reporters in Mexico City over the United States Information Agency's WorldNet network, the questions and Mr. Meese's answers were broadcast live in Mexico City this afternoon.

All of the more than two dozen questions dealt with drug trafficking, illegal immigration, border problems, recent allegations from American officials of corruption in the Mexican Government and related issues. Some questions had a bitter tone, and many asked about the extent of similar problems in the United States.

Mr. Meese steadfastly refused to discuss any critical comments about Mexico made by other United States Government officials, and he agreed with the Mexicans that drug trafficking was a significant problem in this country, too. Asked if high United States officials were involved in drug trafficking, Mr. Meese said: "Yes, drug trafficking brings corruption wherever it goes."

He continued: "We have agents of the Drug Enforcement Administration who have been prosecuted. We recently had an assistant United States attorney who was prosecuted for being involved in drugs. And we have had a number of sheriffs and other police officials who have been involved in drug trafficking."

One Mexican reporter asked Mr. Meese whether he believed Senator Jesse Helms, the North Carolina Republican, should hold additional hearings on Mexico before his Foreign Relations Subcommittee on Western Hemisphere Affairs. Testimony on drug trafficking and Government corruption in Mexico during three previous hearings over the last six weeks caused the storm in relations.

Mr. Meese said he did not think he should comment on what the Senate should or should not do, but added: "Whatever information that has been attempted to be presented, I think we have reached a point where I doubt if there is any new information that might be helpful."

He said: "I think the attention ought to be devoted by all branches of Government now at solving the problem, not at pointing fingers."

On border problems, several Mexican journalists asked whether the Government's plan to enhance law enforcement on the border because of drug trafficking meant that illegal immigrants would face a tougher time as well. Mr. Meese declined to respond, saying plans were still being drafted.

DEAN SINGLETON ASSEMBLES A NEWSPAPER EMPIRE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. FLORIO. Mr. Speaker, in southern New Jersey, William Dean Singleton has been assembling a newspaper chain which has recently become one of the top 10 newspaper companies in the United States. Dean Singleton started his company, MediaNews Group, Inc., only 2 years ago. Today his firm has assets worth at least $500 million according to Wall Street analysts.

For the past 2 years MediaNews Group has had its headquarters in Woodbury, NJ. As the Representative from the First District of New Jersey, which includes Woodbury, I have been following Dean's successful career with great interest. I commend the following article, from the Philadelphia Business Journal, which describes Dean Singleton's career to my colleagues. It is a good example of how a young person with a dream and hard work can still make it as a success in today's world.

The article follows:

SINGLETON SLASHES INTO DALLAS—SOUTH JERSEY PUBLISHER TRIES A NEW TURNAROUND

(By Ed Rogan)

In just 2½ years, New Jersey publisher William Dean Singleton has put together an impressive newspaper empire of 37 small- and medium-sized daily and weekly newspapers in seven states.

Starting with a small group of investors and little else in January 1984, Singleton, 34, bought the Gloucester County Times in Woodbury, N.J. The company then bought an average of about one paper a month, most of them in the 9,000 to 58,000 circulation range.

Now Singleton, and his Woodbury-based company, MediaNews Group Inc., are entering the big leagues. This month the company purchased the Dallas Times Herald, one of the nation's largest newspapers, in a move analysts say puts the firm among the country's top 10 newspaper companies.

The move will also pull Singleton's corporate headquarters away from Woodbury to a new home in Dallas.

"That move definitely puts them over the threshold," said Victoria Butcher, media analyst with Eberstad-Fleming securities firm in New York.

"They've acquired their flagship and they're up among the leaders of newspaper owners. Obviously there is a big gap between them and the knight-Ridders, the Gannetts and the Times Mirrors. But they're up there now."

With the $110 million purchase of the 244,629-daily circulation Times Herald, MediaNews now has assets worth at least $500 million, analysts say.

The purchase not only puts MediaNews among the elite of print journalism but also puts it firmly in the middle of one of the country's most intense newspaper wars.

The Times Herald, owned by Times Mirror Co. from 1970 until this month, has slowly been losing ground to the Dallas Morning News, owned by the Texas-based media conglomerate, Belo Corp.

According to figures furnished by the Audit Bureau of Circulation for the six-month period ending March 31, the Morning News had an average daily circulation of 390,275, nearly 150,000 more than the rival Times Herald. Sunday circulation for the Morning News is 521,737 compared to the Times Herald's 348,047.

At the center of all of this is Singleton, a self-made millionaire who was running eight newspapers by age 25 and has a reputation as a "survival journalist."

"What he does is take a borderline operation and does whatever is necessary to keep it alive," said David Sachsman, chairman of the journalism department at Rutgers University and author of a book on New Jersey daily newspapers, "The Press and the Surburbs."

"He comes in and he makes business decisions," he said. "There are a considerable number of newspapers that he acquired that would have folded if he had not done what he did."

Singleton could not be reached for extensive comment. He agreed to an interview, but said he would not be able to do it for at least a week because he was busy with the sale. Attempts to reach him for a brief interview last week were unsuccessful. At one point last week, his secretary in Dallas said he had 125 phone messages on his desk.

A native of Graham, Texas, Singleton's first newspaper job was on his hometown weekly. He was 15 and a high school junior.

At one point he applied for a job on the Times Herald but was turned down. He went to work for The Morning News.

After graduating from college, he switched from the editorial to the entrepreneurial side, lined up some investors and began buying weekly newspapers. He was running eight by age 25 but eventually sold them.

In the mid-1970's, he got involved with a group that was trying to revive Scripps Howard's defunct Fort Worth Press. The venture failed after three months.

In 1976, when he was in Westfield, Mass., looking at the daily newspaper for possible acquisition, he made a fateful friendship. He met Houston banking and insurance tycoon Joseph Allbritton, who was also looking at the paper.

At the time, Allbritton owned the Washington Star and was considering buying the New York Daily News. He hired Singleton to run the Westfield paper. Singleton quickly rose through the ranks to become head of Allbritton Communications' newspaper division.

One of his jobs was to look at newspapers for possible acquisition. In 1981, he became president of the Trenton Times shortly after Allbritton bought it from the Washington Post.

It is said that Allbritton taught Singleton the belt-tightening, staff-cutting methods that he is expected to use in Dallas.

Within five months of buying the Times, Allbritton trimmed the employee roster from 373 to 259. Twenty-four of the paper's 86 reporters and editors were fired in the first week. In the next year there was very heavy turnover, according to former employees.

"He usually has to let go a considerable percentage of people," Sachsman said. "Frequently it is the people in the backshop as often as the people in editorial. He doesn't do it himself. What he does is bring in very good newspaper editors and gives them the onerous task of bringing the staff down."

Sachsman said Singleton only takes those measures at money-losing newspapers.

"I don't think he has had to do any of that kind of thing in Gloucester or Salem, any of the central New Jersey papers. Those were doing alright."

Singleton worked for Allbritton until late 1983. Months later, he launched his first venture by buying the 30,000-daily circulation Gloucester County Times and formed Gloucester County Times Co. His partners were John Buzzetta, publisher of the Herald News of Passaic, N.J., and Richard B. Scudder, former owner of the Newark Evening News.

Shortly after that purchase, the company bought the 12,000-daily circulation Today's Sunbeam in Salem, N.J.

In April 1985, he formed Garden State Newspapers and acquired several other New Jersey properties: The Dispatch in Union City, circulation 30,878; The Journal, of Elizabeth, circulation 32,500; The Herald News of Passaic, circulation 58,055; The News of Patterson, circulation 41,299; and The Advance of Dover, circulation 9,296.

Garden State is a joint venture with the Richmond, VA., communications giant Media General, which is a stockholder.

In all, MediaNews Group, the holding company for the Garden State and the Gloucester County companies, owns papers in Ohio, Idaho, New Jersey, California, Washington, Michigan and Texas.

Most of the newspapers he takes over are non-union, Sachsman said. "When he takes them over they are either slightly profitable or marginal," he said.

The Dallas acquisition, however, is a horse of a totally different color.

Butcher said the paper could lose as much as $5 million this year. Times Mirror's first quarter 1986 earnings fell 22 percent this year, the first time they have fallen since it bought the Times Herald in 1970.

And since the Morning News, according to June figures, has a 57 percent market share of advertising, that losing trend could continue.

"If anybody can turn it around he can," Sachsman said. "That's his thing."

Butcher said if Singleton cuts some of the new news products that Times Mirror instituted and perhaps makes some staff cuts he could make up to $20 million in 1987.

"Times Mirror made a tremendous commitment of resources," she said. "If he just makes those cuts, then he'll make money."

Butcher said the paper could survive at least until 1997, by which time Singleton will have made his original investment twice.

But it is not clear what effect the news cutbacks would have on the quality of journalism at the Times Herald.

Buzzetta, publisher of the Herald-News in Passaic, said Singleton has a strong commitment to quality journalism. His philosophy, Buzzetta said, is to emphasize local news.

Some former staffers at the Trenton Times said Allbritton and Singleton tended to lean toward boosterism and favored many short stories on community news over regional or in-depth issue pieces.

"There are a lot of newspapers out there that don't operate out of journalism textbooks," Sachsman said. "He has papers that win awards, that turn out a good product. He also has places where they have to listen to what the business department says.

"The bottom line is that he keeps newspapers alive. That is a very fundamental question: Do you want a newspaper that's alive or one's that dead? Ask someone who used to work at The (Philadelphia) Bulletin."

DIPLOMATIC DECEITS—REAGAN, CONTADORA, AND THE CONTRAS

HON. LANE EVANS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. EVANS of Illinois. Mr. Speaker, the Reagan administration has blocked the Contadora group's attempt to reach a regional peace agreement in Central America despite its protestations of support for Contadora. The following report from the Council on Hemispheric Affairs [COHA] summarizes the history of this effort. It is important that we bear these findings in mind and pressure the White House to make more sincere efforts to find a peaceful solution to Central America's strife. The report was written by COHA senior research fellow David MacMichael, who is a counterinsurgency specialist and former analyst for the Central Intelligence Agency, and COHA research associate Peter Brandriss.

DIPLOMATIC DECEITS—REAGAN, CONTADORA, AND THE CONTRAS

(By David MacMichael and Peter Brandriss, Council on Hemispheric Affairs)

For the last three years President Reagan's obsessive pursuit of contra funding, and the Contadora Group's obsessive pursuit of a regional peace agreement, have seemed to go on interminably. Yet while the Contadora process largely dragged on, and indeed owed much of its raison d'etre to the White House's success in keeping the contra war alive in Nicaragua, the relationship was not in the least symmetrical. On the contrary, were Contadora to succeed, contra funding, and the Reagan administration's entire regional strategy, would be left high and dry.

Consequently, with recent progress on Contadora apparently raising the dreaded spectre of peace, and contra funding fighting heavy weather in Congress, the White House decided to handle the bothersome Latin diplomats for good—and Contadora, may now, at last, be dead.

Along with Contadora went the last vestiges of the administration's pretense that it actually supports Contadora, and only backed the contras to "pressure" the Sandinistas into negotiations. That pretense had long since been exposed in the eyes of the rest of the world as mere hypocrisy and sham.

Only the most naive observer could have persisted in buying the administration's sincerity after the embarrassing events of September 1984, when Managua unexpectedly offered to sign the first Contadora draft treaty. The United States had publicly endorsed the treaty in the belief that Nicaragua would *not* sign, and in the face of Nicaragua's sudden readiness to accept the accord, reversed course and blatantly forced its Central American clients—Costa Rica, El Salvador, and Honduras—to withdraw their support of the Contadora treaty.

Not to be caught off-guard again, the White House stayed on top of the details of Contadora since then, making sure that nothing slipped by that would force Washington into such an embarrassingly obvious spoiler role again. When Nicaragua refused to sign the latest draft treaty in April, despite favorable signs by the other Central American countries, Washington finally felt it had put Nicaragua just where it wanted. Reagan crowed that Nicaragua had "torpedoed" Contadora, proving once and for all who really stood for peace in Central America. But then things became complicated.

Even as the Administration charged Nicaragua with killing Contadora, and was reactivating its stalled drive for contra aid in Congress, newly appointed Special Envoy to Central America Philip Habib wrote to Rep. Jim Slattery (D-Kans.) that the United States would not interfere with a "comprehensive and verifiable" treaty and, upon signature, would end military assistance to the contras. Almost simultaneously, Nicaragua said it would resume negotiations on the two disputed portions of the treaty. Further talks were scheduled for June, and the Contadora foreign ministers set a June 6 deadline for signing.

The White House suddenly realized that it had assumed victory too early, and in its panic, appeared to lose control of the situation. Trying to outsmart the Democratic House leadership, frustrated GOP congressman spurned the McCurdy compromise proposal and sought to force an all or nothing rematch through a risky discharge petition

procedure. This maneuver failed, leaving the issue in limbo.

Furious GOP rightwingers, led by Rep. Jack Kemp (R-NY), went into a frenzy over the hapless Habib and anyone, such as Secretary of State George Shultz, who stood behind him. Confusion reigned as every arm of the administration seemed to flail about independently. The Department of Defense issued a report on the apocalyptic consequences of signing an effective security agreement, while the White House and State Department scrambled to disavow the study. In the midst of mayhem even Reagan remained silent on Nicaragua.

Some observers saw the entire affair as a Shultz-Habib initiative recognizing the bankruptcy of the contra policy and indicating a willingness to co-exist with the Sandinistas. Others saw it as a Machiavellian maneuver to discredit, once and for all, the "accommodationists" who believed a negotiated settlement with Nicaragua was possible.

Despite confusion and suspicion, the possibilities apparently opened by the Habib letter raised new hopes for Contadora and encouraged opponents of contra aid. The Sandinista government indicated that, even without a prior U.S. commitment to end aid to the contras, it was prepared to meet the June 6 signing deadline. In addition, Nicaragua proposed not just arms reduction, but the total elimination of "offensive" arms from Central America, including all military aircraft, helicopters and tanks—precisely the items most cited by the Reagan Administration as evidence of Manaugua's aggressive intentions.

At the Esquipulas, Guatemala, summit meeting of Central American presidents, Daniel Ortega went out of his way to avoid confrontation with his counterparts that would endanger an accord, even turning the other cheek when accused of not being democratically elected. The meeting ended with a communique unanimously endorsing Contadora.

At this point, the Reagan administration finally shook off the blow delivered by the sudden reversal of its Central America strategy, and reentered the arena poised to give Contadora the knock-out punch. Abandoning all pretense, Elliott Abrams said the Habib letter had been "erroneous." The President lashed out at the Sandinistas and at congressional opponents of contra aid who were "so naive" as to believe a Contadora treaty would solve anything. Visiting President Jose Azcona Hoya of Honduras received $61 million in aid for saying all the right things about the demonic Sandinistas. On June 10, an apprehensive President Reagan offered to halve his contra aid request to $50 million if Congress would hurry and pass it.

The greatest triumph, though, was to finally force Washington's Central American allies to join the administration in discarding the pretense that regional security and disarmament were ever really the issue. The actual provisions of the Contadora treaty, excruciatingly worked out over the last three years, were suddenly irrelevant, as Nicaragua's neighbors backed Reagan in effectively asserting that no balanced Contadora treaty could ever be acceptable because the Sandinista's, being deceitful communists, would not comply with it in any case. Period.

On June 12, the foreign ministers of both El Salvador and Costa Rica issued a joint statement declaring the peace process at an end. Not enough, they said, had been demanded of Nicaragua in the way of democratization. They called for a meeting of their nations plus Guatemala and Honduras—pointedly excluding Nicaragua—to draft a new document which would subsequently be presented, almost as an ultimatum, to Managua.

Meanwhile, poor Habib was forced to eat political crow. In a speech to the San Francisco World Affairs Council on June 16, Habib denounced the Contadora Treaty that he had so recently endorsed, and savaged the Nicaraguan leaders (none of whom he has bothered to meet) as "Leninist adventurers who were able to steal a whole country."

It is hard to believe that the extraordinary crudity with which the Administration has murdered Contadora—the open manipulation of the Central American leaders and the pathetic performance of Habib under pressure—will win votes for contra aid. The overall impression has been one of botch and butchery beside which Nicaragua has looked both conciliatory and principled. However, the administration has at least blocked, for now, the awful prospect of a Central American settlement it has not dictated.

CHILDHOOD VACCINE PROTECTION ACT

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. YOUNG of Florida. Mr. Speaker, action is urgently needed by Congress to ensure the continued supply of reasonably priced childhood vaccines.

As a member of the House Appropriations Subcommittee on Health, this has been a matter of particular concern to me. The size and unpredictability of liability claims against pharmaceutical firms that manufacture vaccines have dramatically increased the cost of vaccines while threatening their supply. Producers are unwilling to assume the financial risks associated with producing these vaccines, and as a result we are dependent in many cases on just one firm to produce a given vaccine.

Legislation I have introduced, H.R. 5260, the Childhood Vaccine Protection Act, would provide some stability to the vaccine market by reducing the unpredictable liability burden on manufacturers while continuing to allow those who are injured by the administration of vaccines to be justly compensated.

Mr. Speaker, following my remarks, I would like to include testimony I presented on this matter July 25, during a hearing of the House Energy and Commerce Subcommittee on Health and the Environment. I urged the committee, as I urge my colleagues in the House, to expedite the consideration of this legislation so that we can take immediate steps to ensure the continued supply of reasonably priced childhood vaccines.

TESTIMONY OF UNITED STATES REPRESENTATIVE C.W. BILL YOUNG BEFORE THE HOUSE ENERGY AND COMMERCE SUBCOMMITTEE ON HEALTH AND THE ENVIRONMENT

Mr. Chairman, thank you for the opportunity to testify before your Committee today regarding the very serious problems that threaten the supply of childhood vaccines.

This is a matter I have been particularly concerned about as a member of the Appropriations Subcommittee on Health. During our hearings the past two years, I have discussed the troublesome shortages of vaccines and their rapidly rising cost with the Secretary and other Department witnesses.

In recognition of the threat any shortage in the supply of childhood vaccines would pose to the health of our nation's children, the Secretary convened in 1985 a special working group to study the issue of vaccine supply and liability. Based on the group's meetings and its report issued in April 1985, I have introduced H.R. 5260, the Childhood Vaccine Protection Act. This legislation incorporates many of the concerns and suggestions expressed by the working group and has been endorsed by the Secretary and the Administration.

The working group reported that vaccines have had a very significant impact on the improvement in the health of our nation's children. In fact, almost all children attending pubic schools are now required by law to receive a series of immunization vaccines.

A small number of children, however, have suffered side effects of varying magnitudes from these vaccines. The families of the children have rightfully sought damages from the pharmaceutical firms that produced the vaccines in compensation for any illness and expense caused from these unanticipated side effects.

The working group noted that the surge in liability and tort claims against virtually all businesses, industries, and services in our nation has had a tremendous impact in particular on the producers of vaccines. The size and the unpredictability of claims awarded for punitive and noneconomic damages, such as for pain and suffering, in vaccine-related cases has dramatically driven up the cost of liability insurance for manufacturers. For instance Lederle Laboratories, which produces the DPT vaccine to protect children against diptheria, pertussis, and tetanus, estimates that $8 of the $11.40 per dose of its vaccine goes to cover liability self-insurance for the company. This is the single biggest factor in the dramatic rise in the cost of immunization. The cost of a dose of DPT has increased more than six-fold in the last year, and almost tripled since the beginning of 1986.

The current liability situation, and the inability of some companies to find insurers willing to cover their products, serves as a strong disincentive to pharmaceutical firms to produce vaccines and to develop new and improved vaccine formulas.

The impact on the vaccine market is already apparent. There are currently only two firms producing the DPT vaccine, and in the case of several other immunization vaccines, there are only single distributors of the products. This has resulted in periodic shortages of some vaccines and raises the risk of widespread shortages if any of these remaining producers should find it economically unfeasible to continue production.

The increasing cost and potential shortages of vaccines have raised serious concerns among pediatricians in Florida with whom I've discussed this matter. They want to find an answer to this problem which threatens to compromise the health of our children. Despite the availability of the DPT vaccine, they cite statistics from the Centers for Disease Control that the number of pertussis, or whooping cough, cases reported in 1985 was almost double the number reported in 1982. If the supply of this vaccine should become threatened or

the cost becomes prohibitive, the number of whooping cough cases could dramatically increase. The same situation could one day develop for any of the vaccines which immunize our children against diseases such as measles, mumps, rubella, or polio.

My legislation would lend some stability to the vaccine market by making the insuring of manufacturers more predictible while continuing to allow those who are injured to be compensated.

First, H.R. 5260 places a $100,000 limit on any claim for non-economic losses related to the administration of a vaccine. Second, there would be no limit on the reimbursement a family could receive for economic loss associated with injuries related to the vaccine. And third, my legislation would eliminate the award of any punitive damages relating to the administration of a vaccine.

The legislation also seeks to address the long-term concerns about childhood vaccines by establishing an Advisory Commission on Childhood Vaccines. The Commission would be appointed by the Secretary and comprised of experts in the field of children's health including pediatricians, representatives of public health departments, experts in the field of vaccines, the families of children who have suffered injuries due to vaccines, insurance firms, and tort attorneys.

The Commission would be charged with reviewing; the compensation policies under current law for vaccine-related injuries, current systems for supplying safe and effective vaccines, the status of research into improving vaccines and developing new vaccines, vaccine programs in other countries, and the dissemination of vaccine information to health care professionals, recipients, their families, and the general public.

Mr. Chairman, the potential for severe shortages of childhood vaccines increases everyday as the rising costs of liability claims against the pharmaceutical industry challenges the manufacturers' willingness to assume the financial risk of producing vaccines that protect the health of our nation's children. Your Committee is to be commended for holding these hearings to develop a solution to the problems that face the producers of vaccines. It's my hope that you will favorably consider H.R. 5260, my legislation which the Administration has endorsed, so that we can take immediate steps to ensure the continued supply of reasonably priced childhood vaccines. Without some move to resolve this critical situation, Congress could be faced sometime in the near future with the need for emergency action to offset major shortages in the supply of childhood vaccines.

MEDICARE AND MEDICAID AND MATERNAL AND CHILD HEALTH BUDGET RECONCILIATION AMENDMENTS OF 1986, H.R. 5287

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. WAXMAN. Mr. Speaker, I am today introducing H.R. 5287, the Medicare and Medicaid and Maternal and Child Health Budget Reconciliation Amendments of 1986. These amendments were reported in the form of a committee print by the Energy and Commerce Committee on July 23, 1986, and ordered transmitted to the Budget Committee for inclusion in the Omnibus Budget Reconciliation Act of 1986. It is my hope that the availability of a separate bill reflecting our committee's actions will facilitate Member and public understanding of the measure.

These amendments were developed in response to the concurrent resolution for the budget for fiscal year 1987, Senate Concurrent Resolution 120, which provided for a reduction in Medicare expenditures of $550 million in fiscal year 1987 and $3.3 billion over the next 3 fiscal years. The provisions approved by the Energy and Commerce Committee are designed to make improvements in the Medicare Program, to protect elderly and disabled beneficiaries against increased costs or reductions in services, and to achieve sufficient net reductions in part B expenditures so that, when combined with the effect of the actions of the Ways and Means Committee, the reconciliation instructions for the Medicare Program are met.

The budget resolution also contained funds for specified improvements in the Medicaid Program and for increased services under the Maternal and Child Health Services block grant found in title V of the Social Security Act. The Medicaid initiatives assumed in the resolution, and contained in the committee's recommendations, would (1) allow poor pregnant women and infants up to age 1, and poor aged and disabled persons, with incomes up to the poverty line, to have access to Medicaid services at State option; (2) allow States to offer the low-income elderly and disabled protection against the burdens of Medicare cost-sharing requirements; and (3) hold certain States harmless in fiscal year 1987 against the loss of funds resulting from changes in the matching formula for Medicaid which were adopted as part of the Consolidated Omnibus Budget Reconciliation Act of 1986, Public Law 99-272.

I would urge my colleagues to support these amendments as part of the Budget Committee's Omnibus Reconciliation bill.

PUBLIC PENSION PARITY ACT OF 1986

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. VENTO. Mr. Speaker, today I am reintroducing a bill which I previously introduced in the 98th Congress to amend the Internal Revenue Code of 1954 to provide an exclusion from gross income for that portion of a governmental pension received by an individual which does not exceed the maximum benefits payable under title II of the Social Security Act which could have been excluded from income for the taxable year. In short, this bill attempts to treat the pension income of public employees in the same manner as the Social Security income of retirees from employment in the private sector.

Prior to the passage of the Social Security Act Amendments of 1983, Public Law 98-21, Social Security retirement benefits were completely excluded from Federal income taxation. In contrast, however, the pensions received by public employees who were not covered by the Social Security Act were fully taxable at prevailing tax rates. It is important to note that public pensions take the place of Social Security benefits for noncovered employees. Under Public Law 98-21, Social Security benefits are taxed for recipients whose taxable income—excluding Social Security—plus one-half of their Social Security benefits and any interest received on tax-exempt bonds exceeds an established base amount. The base amount for an individual is $25,000; the base amount for a married couple filing a joint return is $32,000. For a married couple filing separately, the base amount is zero. These base amounts will remain fixed and will not be indexed to inflation. The new base amounts also apply to "Tier I"—the so-called Social Security portion—of railroad retirement benefits.

Under this legislation, a public employee would be able to deduct that portion of their Government pension up to the maximum allowable Social Security retirement benefit for an individual from their gross income.

It is fundamentally unfair to continue to tax the retirement benefits of public employees differently than the Social Security retirement benefits of private sector employees, especially in light of the fact that public employees had no choice as to whether their employers—a Federal, State, or local unit of government—participated in the Social Security System or established a public employees pension plan.

I hope that my colleagues will join me in sponsoring this legislation in the interest of fairness for public employees.

THE CASE OF THE ZOMBIE S&L'S

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. GRADISON. Mr. Speaker, as we prepare to debate and vote on H.R. 4907—FSLIC recapitalization—I would like to note a characterization by Prof. Edward Kane of the Ohio State University, the Nation's foremost authority on the savings and loan crisis. Dr. Kane defines a zombie S&L as an "institutional corpse capable of locomotion and various forms of malefic behavior." Zombie S&L's can report neither positive capital nor positive income, even if enormous accounting freedom is exercised. Kane puts the number of zombie S&L's at between 250 to 500—or one-twelfth to one-sixth of the 3,250 S&L's total—GAO, last year, put the number at 459. Last week, the Federal Home Loan Bank Board verified this number to me, while noting that it is now higher.

The incentives facing a zombie or near-zombie lead it to operate in a go-for-broke mode, characterized by too short investment horizons and high risk investments.

On the regulatory side, H.R. 4907 recognizes that FSLIC's own financial condition prevents it from doing its intended job. Without

question, FSLIC needs to be recapitalized. Equally, FSLIC needs a new mode of operation. Regrettably, H.R. 4907 ignores the latter and inadequately addresses the former. At the same time, it makes a sham of budget accounting and thereby establishes a terrible precedent.

The statement on this subject by the Shadow Financial Regulatory Committee follows:

RECAPITALIZING FSLIC AND ZOMBIE S&L'S

According to estimates reported by the U.S. General Accounting Office, as of mid-1985 461 S&Ls with $113 billion of assets were operating with negative net worth, as defined by generally accepted accounting principles (GAAP). For the industry as a whole, the deficit aggregated $3½ billion. The number of economically or market-value insolvent S&L associations is underestimated by GAAP, since GAAP includes as assets goodwill and other intangibles carried at "book" values. In essence, economically insolvent S&Ls are de facto nationalized; in practice, they are appropriately described as "zombies."

The zombie development has reached its present stage for several reasons. Supervisory monitoring and information development systems for S&Ls have been inadequate. The Federal Home Loan Bank System chose to defer oversight problems; operating and valuation losses were concealed by novel and irregular regulatory accounting principles (RAP) and the use of a liquidity criterion to differentiate between the viable and zombie institutions. The availability to insolvent institutions of FSLIC guarantees of deposits has enabled most of these institutions to pass the liquidity test and continue in operation.

The presence of S&L zombies raises three issues of public policy. First, S&L zombies must be kept from absorbing additional FSLIC resources by the contamination of healthy institutions and through future operating losses. This suggests the need for expeditious recapitalization, public conservatorship, interindustry takeover, or closure of these entities, since existing regulations have been ineffective in curbing the zombie practice of bidding up deposit rates. Healthy institutions are also weakened by agency-imposed, across-the-board increases in deposit insurance premiums.

The second problem is to distribute the economic losses already imposed on FSLIC. A 1982 resolution expressed the sense of Congress that the full faith and credit of the U.S. might be available to potential claimants against FSLIC reserves. If these potential claims were now to come due, FSLIC would be unable to meet them from its present resources. An injection of substantial new capital into FSLIC would be required. Although the largest possible part of this capital injection should come in some way from the thrift industry, recent proposals for new infusions to FSLIC from advances by the Federal Home Loan Banks do not fully resolve the problem.

The third policy requirement is to prevent a repetition of this development in the future. A central element of reform must be an early elimination of well-known weaknesses. This applies to banks as well as to S&Ls. A threshold for the "wind-up" of an institution's position should be established at some level of net worth above zero. Ideally, such net worth should be defined in market terms—that is, balance sheet and off-balance sheet positions should be marked to market at frequent intervals to provide an estimate of economic net worth. Recent proposals by the Federal Home Loan Bank Board to increase capital and liquidity requirements, to move away from RAP accounting, and to strengthen oversight of credit quality represent steps in the right direction.

THE SANDINISTA REGIME IN NICARAGUA: A SAD SEVENTH ANNIVERSARY

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. BROOMFIELD. Mr. Speaker, the Sandinistas recently celebrated the seventh anniversary of their coming to power in Nicaragua. While they marked their regime's birthday in grand style, the masses in that country had little to celebrate.

Thanks to failed socialist policies, the economy of the country is in shambles. The store shelves are bare.

Nicaragua is an armed camp with Soviet and Cuban advisers, and billions in Soviet-made equipment. In spite of massive economic problems, the comandantes persist in exporting their failed revolution to neighboring countries.

"Divine mobs" attack the homes of those who criticize the Sandinistas. Ask the Miskito Indians to talk about human rights under the junta.

The church and its priests are under attack. What happened to the last free newspaper in that country?

There was clearly little to celebrate in Managua in recent days as the comandantes cheered on their so-called revolutionary triumph. I agree with the Contras. It's time for a change.

EDWARD A. GARMATZ

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Ms. MIKULSKI. Mr. Speaker, on July 22, the people of Baltimore lost a good friend and the House of Representatives lost a distinguished former Member. Congressman Edward A. Garmatz died on July 22 at his home in Baltimore. He was 83. He lived a long and useful life.

Here in Congress, Congressman Garmatz will be best remembered for his distinguished service as chairman of the Merchant Marine and Fisheries Committee. It was during his watch on that important committee that the House passed the Merchant Marine Act of 1970.

This act provided a vital boost to our Nation's shipping industry. It also provided a much-needed boost to the economy of Baltimore through the creation of new jobs in our shipbuilding and ship repair yards.

Eddie Garmatz is gone, but he will long be remembered. His career and his contributions are best summarized in two editorials which appeared recently in the Baltimore Sun and the Baltimore Evening Sun.

Mr. Speaker, I am including these editorials into the CONGRESSIONAL RECORD so that they too can become part of our Nation's history, just like the man I'll always remember as "Mr. Garmatz."

The editorials follow:

[From the Baltimore Sun, July 23, 1986]

GARMATZ IS DEAD AT 83; WAS CITY CONGRESSMAN

(By David Michael Ettlin)

Edward A. Garmatz, who maneuvered his way through Baltimore's old ward-and-precinct political system to become a feisty and powerful 13-term congressman, died at his Lake Avenue home last night of lung cancer. He was 83.

Mr. Garmatz, for whom the federal courthouse in Baltimore is named, served in the House of Representatives from 1947 through 1972 and was chairman of the Merchant Marine and Fisheries Committee when he chose not to run for a 14th term.

A native of East Baltimore and product of the city's public schools, Eddie Garmatz was an electrician by trade and worked, among other places, for the American Brewery here before getting his first reward for an increasingly active role as a soldier in precinct and ward politics—a clerkship with the Maryland Racing Commission.

Mr. Garmatz recalled, in a 1972 interview, asking Democratic Party bosses to name him as the replacement for a police magistrate who had entered military service in World War II.

"It was a better-paying job, $4,000 a year," he said. "Now they get $25,000 a year and you can't get near them with a 10-foot pole."

And he recalled how another magistrate—in a thinly veiled reference to petty bribes—advised him, "Eddie, don't be one of those $15 judges."

"I never took a nickel," he said.

He had no legal experience, but then, he said, legal experience was not necessary: "All you need is a little 2 plus 2 equals 4 common sense."

But Mr. Garmatz had more than common sense—he had political savvy. He allied himself with one of Baltimore's most powerful politicians, Thomas J. D'Alesandro Jr., managing his successful campaigns for Congress and then, in 1947, for mayor.

"I used to put a quarter-barrel of beer in the back of my car and drive around and find somebody having a birthday party or something, and we'd set it up and 15 to 25 people would come in," Mr. Garmatz recalled. "Then Tommy would just drop by accidentally, you know, and say 'Hi' all around and then we'd leave and go set up another one."

Tommy D'Alesandro returned the favor, orchestrating the nomination of Mr. Garmatz by the Democratic Central Committee for the vacant 3rd Congressional District seat—a seat he won in the 1947 special election and would keep for the next quarter-century.

A staunch friend of shipping and labor—Mr. Garmatz proudly retained his membership in the International Brotherhood of Electrical Workers (AFL-CIO)—he fought in the House and in the Merchant Marine Committee on behalf of that constituency and these ideals: Maryland shipbuilding first, American shipbuilding second, and foreign shipbuilding never.

He was the driving force behind the Merchant Marine Act of 1970, which was aimed at reviving the American fleet.

In 1965, Mr. Garmatz saw his political power threatened. The Supreme Court's "one man, one vote" ruling, which the General Assembly failed to resolve in its regular session, would have cut away a sizable chunk of his bailiwick, which cut across East and Southeast Baltimore and the heart of the central city.

He would have wound up with a portion of Anne Arundel County. He said he would be happier if the Dundalk area of Baltimore County were added to his district instead: "They are more my type of people. They are maritime people."

And the "maritime people" regarded him as one of their type, too.

In the 1964 campaign, in which he defeated City Councilman John A. Pica in the primary (he was unopposed in the general election), Thomas W. Gleason, in a personal letter sent to each longshoreman, cited Mr. Garmatz as "one of the best friends the longshoremen have ever had.

"Eddie Garmatz not only is a friend of the longshoremen and the International Longshoremen's Association, but he is one of the best friends labor has ever had in Congress . . . a card-carrying union man."

All the praise did not come from labor. After hearings regarding the Federal Maritime Commission, Rear Adm. John Harlee said the "entire commission feels that the state of Maryland is fortunate in having a congressman who is so deeply interested in our maritime affairs and in our nation's world trade and commerce."

In 1963, he opposed a contract for "Jumbo-izing" (extending the length of a vessel) two Navy ships because the midsections were to be built in Japan. He wanted work to be done in private American yards, keeping those yards available in case of a national emergency.

He felt so strongly about American-first shipbuilding that in 1962 he criticized President Eisenhower for voyaging to Europe on the British liner Queen Elizabeth instead of the "queen of the Atlantic"—the United States.

Mr. Garmatz cited health reasons for his decision in 1972 not to seek re-election, reversing the announcement a year earlier that he would run again.

Had he run again, Mr. Garmatz would have faced—because of redistricting—a contest against then-freshman Representative Paul S. Sarbanes in the 3rd District or could have decided to run in Anne Arundel County's then new 4th District.

"I feared no opponent then, nor do I fear any now," Mr. Garmatz said in announcing his retirement. "I have always been known to fight hard and clean campaigns down to their very end, and to stand up to any opposition. In this respect I have not changed."

Mr. Garmatz found himself faced with a new opponent in 1977 in the form of federal prosecutors.

Out of office more than four years, he was indicted on a charge of conspiring to accept $15,000 in bribes from two shipping companies in return for promoting legislation favorable to those firms.

The indictment was returned, after a six-month investigation, by a grand jury panel meeting in the federal courthouse that had just been named for him.

The dedication of an abstract sculpture commissioned for the outside of the Garmatz courthouse was postponed until resolution of the case—dismissal in January 1978, at the request of the prosecutors, who acknowledged that their key witness, the president of United States Lines, had fabricated evidence.

Mr. Garmatz, leaving the courthouse, told a reporter he knew that "the name Garmatz is going to remain on the building."

On learning of Mr. Garmatz's death last night, the aging Mr. D'Alesandro declared, "Maryland and the city of Baltimore have lost a fine public servant. His capacity as chairman of the Merchant Marine and Fisheries Committee did much for the port of Baltimore and the state of Maryland. I've always found him humane, kind, sincere, and he's a very good friend of mine. I mourn his loss."

Mr. Garmatz, who lived on East Lake Avenue, is survived by his wife of 49 years, the former Ruth Thelma Burchard, and a sister, who had been his top aide, Elizabeth Garmatz of Washington.

Funeral arrangements were incomplete last night.

[From the Baltimore Sun, July 24, 1986]

EDWARD A. GARMATZ

The Port of Baltimore lost a long-time friend when Edward A. Garmatz died Tuesday night at age 83. He served in the House of Representatives from 1947 to 1972, a time when the national maritime industry grew and prospered. Nowhere was this truer than in Baltimore, which flourished in large measure because of Mr. Garmatz' efforts on behalf of his city and state as chairman of the House Merchant Marine and Fisheries Committee during his latter years in office.

As a powerful chairman, Mr. Garmatz laid the foundation for enactment of the Merchant Marine Act of 1970, a vital boost to American shipping everywhere. Maryland Rep. Helen Delich Bentley, then head of the Federal Maritime Commission, remembers how helpful the legislation was in expanding local shipbuilding and repair yards and providing local jobs.

For Ed Garmatz, port expansion and maritime trade were always at the top of his agenda. It was primary to the interests of constituents in his 3rd Congressional District and explained why they sent him to Washington and why Mr. Garmatz chose assignment to a committee dealing in merchant marine affairs. Constituents in the old 3rd district lived, worked and raised their children in neighborhoods surrounding the city's docks.

The people of this district gave their loyalties to politicians who shared their deep concern and appreciation for port affairs, and the jobs that new port business generated. Given the frequency with which voters kept returning Mr. Garmatz to office, they were not disappointed in his efforts.

Only one setback marred his successful career. Five years after leaving office, Mr. Garmatz was accused of bribery by a federal grand jury and indicted in the same Baltimore courthouse that bears his name. But embarrassed federal prosecutors later acknowledged they had been hoodwinked by falsified evidence, and the charges were dropped. Mr. Garmatz resumed his role as an elder statesman of the local Democratic Party he worked for and loved for nearly half a century. It was a role he had earned.

[From the Baltimore Evening Sun, July 24, 1986]

EDDIE GARMATZ

Back in the 1960s three major committees of Congress were dominated by Baltimoreans. Samuel N. Friedel of the Seventh District chaired the Administration Committee, George H. Fallon of the Fourth ran Public Works and Edward A. Garmatz of the Third headed Merchant Marine and Fisheries. The triumvirate rolled up a total of 70 years of service on Capitol Hill. Garmatz, the last survivor, died Tuesday at 83.

These old timers achieved their power in a politically simpler era; not with college degrees and legal eminence, but from the training ground of ward and precinct politics. Garmatz, an electrician and a union man, was the textbook example. He drummed up votes for Thomas D'Alesandro Jr.'s congressional campaigns, and when "Old Tommy" became mayor of Baltimore, Garmatz inherited the right to succeed him in Congress.

Representing a maritime-oriented district, he mixed a zeal to get work for U.S.—and especially Baltimore—shipyards with an inexhaustible devotion to his East Baltimore constituents. They loved him for it. In many of his primary and general elections over 26 years, the tall, genial and courtly congressman run unopposed.

One constitutent tells this story: When he put in a call for Garmatz to discuss some minor issue, he mentioned only in passing that his wife was sick with the flu. An hour or so later the doorbell rang. It was a florist, delivering a lavish bouquet for his wife. The gesture was typical of Eddie Garmatz.

FAIRNESS FOR PUBLIC EMPLOYEES RECEIVING SOCIAL SECURITY

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. VENTO. Mr. Speaker, today I am introducing legislation which I previously introduced in the 98th Congress which would repeal the provisions of section 113 of Public Law 98–21, the Social Security Act Amendments of 1983.

In our rush to pass the Social Security Act Amendments of 1983, we approved a provision in H.R. 1900 which drastically and unfairly reduces Social Security benefits for workers who are eligible for both Social Security benefits and pensions from noncovered employment. Thousands of public employees—teachers, police and fire personnel, and many others—are potentially affected by this provision.

Under the pre-1985 formula, benefits were 90 percent of the first $254 of average lifetime monthly earnings indexed for inflation, 32 percent of earnings from $254 to $1,538, and 15 percent of earnings above $1,538. The new formula which become effective in 1985 substitutes 40 percent for 90 percent in the first category of this formula resulting in a 50-percent cut in Social Security benefits for persons who also receive pensions from noncovered employment. This translates into an incredible reduction of $127 per month or $1,524 per year in the first category for those who are fully affected by this new benefit computation formula.

Federal and State public employees who have paid into their pension plans and have paid the full Social Security payroll tax in good faith have already seen their benefits cut.

While the new law guarantees that no individual will see their Social Security benefits

cut by more than 50 percent as a result of the change in the benefit computation formula, nevertheless, a public employee who receives a $3,048 public pension could have their Social Security benefits reduced by up to one half, or $1,524 a year. The impact of the new benefit computation formula upon those public employees who are affected is disproportionate and unfair.

I hope that my colleagues will join me in supporting this legislation to restore fairness for public employees who receive pensions from noncovered employment as well as Social Security benefits.

STARVATION: TRIED AND TRUE TOOL OF MARXIST REPRESSION

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. SOLOMON. Mr. Speaker, the American people and all those who have answered the cries of those starving in Ethiopia deserve our most sincere commendations. We were all proud to see this shining example of man's humanity to man.

However, we must not look away from the shameful and outrageous aspect of this continuing famine in Ethiopia—the fact that it has been and continues to be prolonged and exploited by certain ideologues in order to further their political goal in Ethiopia—the consolidation of marxism in that country.

The following editorial from the Albany, New York "Times-Union" brings home this point once again. We in the Free World cannot simply ignore the ideological causes of this famine. We cannot refuse to believe that such things are being purposely done in the name of Marxist "humanity." Should we continue to refuse to understand the direct connection between marxism and the millions of dead in the Ukraine of the 1930's, the Cambodia of the 1970's, the Afghanistan and the Ethiopia of today, we will continue to witness the use of starvation and mass murder as tools of Marxist repression.

[From the Albany (N.Y.) Times-Union, July 15, 1986]

MASS DEATH IN ETHOIPIA

People in the West contributed close to $1 billion for the starving masses in Ethiopia. Most of that money was raised during the Live Aid international concert.

As reports are making ever more clear, however, very little of that money has been used to help feed the starving. In fact, some of it is even being used by the barbaric government of Lt. Col. Mengistu Haile Mariam to forcibly relocate hundreds of thousands of people in the colonel's "death march" mass resettlement program. Some of the grain purchased by the Live Aid money is being used to feed the colonel's troops and purchase Soviet trucks.

In the meantime, the Ethiopians continue to starve. One report by French doctors states that as many as 100,000 of the 600,000 people who have been forced to relocate died during the marches, most from starvation. The resettlement program is part of Col. Mengistu's campaign against the rebels fighting his Marxist regime.

Those in America who opened their pocketbooks during the Live Aid crusade may be dismayed by these events. But they were naive to think that the proceeds from a one-day rock 'n' roll festival, no matter how large, were going to much relieve the plight of the starving, much less remedy the underlying causes.

The serious problems on this globe—problems like starvation in backward and corrupt regimes, apartheid, torture and genocide—cannot, unfortunately, be remedied by an international orgy of good feelings and an outpouring of pious sentiments. These are deep-rooted problems that spring from deep-rooted forces. They require not transient attention and a spasmodic infusion of cash, but an informed understanding of the underlying causes—which are largely political in nature—and a long-range determination to change them through the political process.

In the case of Ethiopia, the underlying problem is not drought. It's the brutal Marxist regime that is eager to sacrifice much of its own population in order to refashion society according to the Leninist model. We can send Ethiopia money and grain for the starving, but that will not change the government's goal there. It might even help facilitate it.

On balance, such events as Live Aid and Farm Aid and Hands Across America might prove more irresponsible than not. They titillate and excite America—some of its more youthful, sentimental members anyway—and provide an excuse for feeling good about oneself. They convince some that something has actually accomplished and consequently make it easy to turn our backs on the problem the next day.

The Hands Across America campaign spent most of the $28 million it raised on administration costs. What was left was not enough to house the homeless in America for a single night.

And yet most everyone acts as if that's one problem that's been solved. Just like the problem of starvation in Ethiopia has been solved.

FLAG DAY CEREMONY

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. HORTON. Mr. Speaker, on June 14 I had the honor of attending the Webster-Fairport NY Annual Flag Day Ceremony. The ceremony was conducted by the Webster-Fairport Elks, with Ralph Fawcett presiding as the exalted ruler. He and his organization have been leaders in charities and other community service matters for a number of years, and each year they sponsor this patriotic event. The Flag Day ceremony was a very special occasion, and I was moved by the program the Elks coordinated. They always do an excellent job in paying tribute to our flag, and I applaud them for this effort.

Included in the ceremonies was the presentation of winning essays written by three young people in a contest under the subject of "What the American Flag and My Country Mean to Me." The three finalists, Jennifer Amirante, Jennifer Pardo, and John Keuzer, have done a wonderful job in expressing how they feel about our flag, everything it symbolizes and America itself. Their essays follow these comments.

As part of my participation in the day's events, I presented a flag to Post 333 of the explorer scouts. John McConnell, explorer advisor, leads this very special group of young people with learning disabilities. It was an honor to present a flag flown over the Capitol to this group. I congratulate all the members on their activities with Post 333.

Following are the essays on "What the American Flag and My Country Mean to Me:"

WHAT THE AMERICAN FLAG AND MY COUNTRY MEAN TO ME

Everytime I see the flag I think of how loyal I am to our beautiful country, and how lucky I am to be here.

The colors on the flag go together so beautifully. They stand for liberty and justice.

The flag itself, so broad and bright, holds a promise no one can break, that we shall live on, free and fair to always be.

My country is so long and beautiful. I think of peace and helping hands, which reach across America to help other needy lands.

American, I love you.

America, my home sweetest home.

JENNIFER AMIRANTE.

WHAT THE AMERICAN FLAG AND MY COUNTRY MEANS TO ME

Most people think of the flag as just another object, but I think of it as a symbol for justice and freedom in the country I live in. When I look at the American Flag, I know what each part of it stands for. The stars represent the fifty states. The stripes stand for the original thirteen colonies. It tells a history of our country.

When I say the Pledge of Allegiance," and "Liberty and Justice For All," I am very thankful I live in America. I am thankful I am free to be me and that I live in a country where I have the chance to be the best person I can, and make my own choices.

JENNIFER PARDO.

WHAT THE AMERICAN FLAG AND MY COUNTRY MEANS TO ME

I think our country's flag stands as a sign of liberty for all people. It lets us recall our ancestors and elders as they struggled to give us peace for the future. It represents all fifty states working together to form one nation. Our country is one where freedom rings like a bell, where every day our nation grows stronger. Most of all, our country has freedom, which is as precious as life itself. When our country is in trouble, all the people unite to help. Our flag that symbolizes our freedom in our nation makes us one.

JOHN KEUZER.

THE FIRING OF MR. LAWRENCE KORB

HON. DENNY SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. DENNY SMITH. Mr. Speaker, a few days ago, Mr. Lawrence Korb—a former Assistant Secretary of Defense for President Reagan—was forced to leave the Raytheon Corp. because of pressure from the U.S.

Navy. The reason the Navy sought Mr. Korb's removal was due to his questioning of our Nation's defense policy.

Mr. Speaker this is a most serious issue. The principles of freedom of speech that are the cornerstone of this democracy could be undermined if Congress allows the Navy, or any part of the Government, to act against a private citizen because he or she speaks out against a government policy.

I've entered in the RECORD, for my colleagues interest, two letters I have written to the Department of Defense on this matter.

[The letters follow:]

HOUSE OF REPRESENTATIVES,
Washington, DC, July 17, 1986.

JOSEPH SHERICK,
Inspector General, Department of Defense, The Pentagon, Washington, DC.

DEAR INSPECTOR GENERAL SHERICK: This letter is to formally request that you undertake an investigation into the recent episode regarding actions by certain Defense Department officials and Mr. Lawrence Korb.

The fact that two deputies to Navy Secretary Lehman would seek the punishment of a civilian businessman because he legitimately questioned public policy—and that Secretary Lehman would endorse their actions—is an outrage. These actions show a blatant and cavalier disregard and contempt of freedom of speech, and I believe they also may be illegal.

Hopefully, your investigation will result in conclusions on the legality or illegality of the actions of Pentagon officials; and conclusions as to whether or not the civil rights of Mr. Korb were violated.

I look forward to hearing from you on this matter. Thank you for your prompt attention and assistance.

Best regards,

DENNY SMITH,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, DC, July 17, 1986.

Hon. CASPAR WEINBERGER,
Secretary of Defense, The Pentagon, Washington, DC.

DEAR MR. SECRETARY: I was shocked and saddened by the recent episode involving the Navy and Larry Korb, the former Raytheon Company executive and former Assistant Secretary of Defense.

The fact that two deputies to Navy Secretary Lehman would seek the punishment of a civilian businessman because he legitimately questioned public policy—and that Navy Secretary Lehman would endorse their actions—is an outrage. Not only do these actions show a blatant and cavalier disregard and contempt of the freedom of speech, but they also may be illegal.

I have requested the Inspector General of the Defense Department to investigate this entire episode, and to report his conclusion as to the legality or illegality of the actions of Pentagon officials.

Further, I am deeply disturbed by the "bunker mentality" which has been evident in the actions of the Department of Defense. Just last year, a Pentagon official accused me of "not acting in the best interests of the nation" when I urged you to cancel further production of the DIVAD. Now, Navy bureaucrats can apparently bring about the dismissal of a private citizen because that citizen does not agree with the Pentagon point-of-view.

I would urge you, Mr. Secretary, to clearly state that the actions and statements of Mr. Lehman and his deputies are not acceptable behavior. Further tactics of this sort will only continue to alienate Congress and the American public.

Best personal regards,

DENNY SMITH,
Member of Congress.

CALL TO CONSCIENCE VIGIL FOR SOVIET JEWS

HON. LANE EVANS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. EVANS of Illinois. Mr. Speaker, I welcome this opportunity to again bring light on the issue of Soviet Jewry. To some, such repetive appeals to the Soviet Government may seem useless. However, the gradual release of refuseniks and prisoners of conscience is proof that political pressure and public outcry can be effective in pressuring the Soviet Union to live up to its obligations under the Helsinki human rights accord.

There are two very special families in Leningrad whom I have been corresponding with. The Rokhlins and the Vassermans have both been seeking the simple freedom to fulfill their dreams of living in Israel.

Leonid Rokhlin was employed by the Technological Institute of Leningrad as a chemical engineer from 1979 to 1981. He worked at a pharmaceutical plant, but resigned for fear of being involved in one of the frequent accidents which occurred due to the heavy drinking by many of the workers. Since that time, he has been unable to secure any type of professional work and has been a watchman since January 1984.

In March 1984, Leonid married Golda Akhiezer, a young chemical engineer from the city of Tbilisi. In December 1984, his former wife and his only child received permisson to emigrate to Israel in order to be reunited with his former in-laws.

Since July 1982 Leonid has been refused an exit visa because it was "not in the interest of the state."

Grigory Vasserman was professionally trained as an engineer, but has been unable to obatin any type of professional employment since August 1985. From August 1985 until June of this year Grigory worked as a watchman. Last month he was fired from this job for no apparent reason. In November 1976 he was refused an exit visa to Israel because he held "secrets." Grigory has been beaten, harassed, humiliated, and threatened. In November 1984, he was featured in an anti-Semitic film, "Hirelings and Traitors," shown on Leningrad television. He was shown and named, and he and other refuseniks were branded as "Zionist agents" and "black-marketeers," betraying their country for gain. Since Grigory was fired from his job the Vasserman family is facing an even more serious situation.

Mr. Speaker, the world will be a better place for all when tensions between the superpowers are reduced, and when every nation subscribes to basic principles of human rights. The Soviet Union must realize that whether we express our concerns in terms of appeals to their sense of humanity or in concrete diplomatic, political, and economic policies, their harsh treatment of Soviet Jews will continue to color our perceptions of every activity that they undertake.

A BILL TO PROHIBIT DISCRIMINATION BY AIR CARRIERS AGAINST THE HANDICAPPED

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. HAMMERSCHMIDT. Mr. Speaker, on June 27, 1986, the Supreme Court handed down its decision in Paralyzed Veterans of America versus Department of Transportation. The Court decided that section 504 of the Rehabilitation Act did not apply to the major U.S. airlines. Section 504 forbids discrimination against the handicapped.

This decision cast into doubt the obligation of airlines to provide air service to disabled travelers without discrimination.

It is clearly wrong for handicapped individuals, many of whom are veterans who were injured while serving their country, to suffer any discrimination by airlines. Indeed, when we passed the Civil Aeronautics Board Sunset Act 2 years ago, we did so, in part, to ensure that the CAB's rule—14 CFR part 382—prohibiting discrimination against the handicapped would transfer to and be administered by the Department of Transportation [DOT]. But several problems remain.

For one, the CAB/DOT rule is divided into three subparts and only the first subpart, containing very general language, applies to the major airlines. The other two subparts, which contain more specific requirements and procedures, apply only to very small airlines that receive essential air service subsidy payments. This creates confusion about the rights of handicapped air travelers on nonsubsidized airlines.

In addition, we continue to hear about incidents of discrimination against the handicapped despite the CAB/DOT rule. While most airlines no doubt do their best to accommodate the handicapped, it is clear that some questions do remain that call for legislative clarification of the obligation of the airlines toward disabled air travelers.

Therefore, I am pleased to join with Congressman MINETA, chairman of the Aviation Subcommittee, in introducing a bill to prohibit airlines from discriminating against the handicapped. This bill would not require airlines to make expensive structural modifications or otherwise disrupt their operations. It would simply prohibit them from discriminating against otherwise qualified handicapped air travelers.

The bill amends section 404 of the Federal Aviation Act to state that no otherwise qualified handicapped person, as defined by the Secretary of Transportation, shall, solely by reason of that handicap, be subjected to discrimination in air transportation by any air carrier. This is patterned after the statutory language in section 504 of the Rehabilitation Act. By amending the Federal Aviation Act, however, the obligation of all airlines with respect to

qualified handicapped persons will be made clear. The Secretary already has a definition of "qualified handicapped person" in the regulations.

To implement this general prohibition against discrimination, the bill directs the Secretary to change the regulations at 14 CFR part 392 so that all subparts of that rule apply to all airlines. This is a simple change to bring the DOT regulation into conformity with the new law and should be accomplished within 90 days of the date of enactment.

The bill also directs the Secretary to review existing airline policies with respect to the disabled. Currently, airlines submit these policies to the Federal Aviation Administration [FAA] which reviews them only from the safety standpoint. The bill would require DOT to also review them from the nondiscrimination standpoint. This will help to bring some consistency to airline policies. The lack of consistency is one of the main complaints we have heard from groups representing the handicapped.

In sum, this bill will help to ensure that all airlines are subject to Federal antidiscrimination rules. No longer will there be any excuse for treating handicapped Americans as second-class citizens when it comes to air travel. I urge my colleagues to support this legislation.

A HALF-HEARTED ATTEMPT TO SOLVE THE AFGHANISTAN PROBLEM

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. BROOMFIELD. Mr. Speaker, Mr. Gorbachev has made a faint-hearted attempt to resolve the Afghanistan problem. Withdrawing 6,000 illegal troops is barely a step on the long road to peace in that long-suffering country.

His decision is full of sound and fury signifying very little. At this point, a meaningful effort is needed, not a symbolic one. It's time to get all of the illegal Soviet troops out of that country.

If the Soviets were really sincere, they would set a fixed withdrawal timetable. They would pull out more than a handful of soldiers and not just 6 percent of them. They would send home critical combat units rather than antiaircraft units. How important are antiaircraft units to the Soviets? Will they be used to silence the Afghani freedom fighters' air force? There are still over 100,000 Soviet occupation troops in that country.

The withdrawal of a handful of illegal Soviet occupation troops is a drop in the bucket. It is a meaningless gesture and a half-step toward resolving the real problem.

Come on, Mr. Gorbachev, you can do better than that. Let's be sincere and get all of the troops out.

DR. HARRIS NAMED WOMAN OF THE YEAR

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. FLORIO. Mr. Speaker, I would like to honor Dr. Dolores Harris, director of continuing education at Glassboro State College who has recently been named "Woman of the Year" by the Business and Professional Women's Club of Gloucester County, NJ.

Dr. Harris was the first vice president of the National Association of Colored Women's Clubs, vice chairperson of the Gloucester County Commission on Women, president of the United Way and president of the Association for Adult Education of New Jersey.

In addition to her most recent honor, Dr. Harris has also been nominated to the executive board of the National Council of the Women of the United States.

Since 1974, Dr. Harris has been helping women develop careers through the continuing education office and is, in large measure, responsible for the development of a displaced homemakers program at Glassboro State College. This program assists women who, through separation, divorce or death, must assume the responsibility of financially supporting their household.

Dr. Harris recently observed that much more must be done to develop better day care facilities as we are far behind other countries in this regard.

"Indeed," said Dr. Harris, "business, industry, and government are going to have to recognize their responsibility in providing better day care facilities if we are going to provide women with an equal opportunity to be successful in today's marketplace."

Mr. Speaker, I am sure my colleagues would be pleased to join me in honoring Dr. Harris for her outstanding achievement, as well as for her dedication and commitment to the community she serves.

THE ADMINISTRATION'S TEXTILE TRADE AGREEMENT WITH SOUTH AFRICA

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Ms. MIKULSKI. Mr. Speaker, I rise with anger to protest the recent administration decision to grant South Africa a 4-percent increase in textile exports to the United States. This effort by the President at "constructive engagement," is an outrage.

This administration continues to disregard the relationship between human rights and trade. Apartheid enslaves South Africans. And its consequences undermine our own economic security and prosperity. The competitive trade advantage enjoyed by authoritarian regimes is a direct result of repression. Workers are not paid a living wage. They are denied the right to organize against political and economic exploitation.

The availability of cheap apartheid labor leads American corporations to export jobs rather than invest in jobs here at home. Exports from South Africa then unfairly undercut American goods in the world market. It costs us U.S.A. jobs. It cost us U.S.A. honor.

American citizens are doubly penalized by this administration's human rights and trade policies. First, our textile industry will be subject to an even greater flood of imports. More jobs that once formed part of the backbone of our economy will be lost. Second, our trade policy, by turning a blind eye to human rights violations, leaves America too often identified with regimes whose policies contradict American values, traditions, and morality.

The administration's timing is especially thoughtless. This week the Senate Foreign Relations Committee is debating economic sanctions against South Africa. And in less than 10 days, we will vote to override the President's veto of the Textile and Apparel Enforcement Act of 1985 that both the House and Senate passed last year.

Mr. Speaker, this recent decision to allow more South African textile exports into this country is a dig to every freedom-loving, hard-working American. I strongly urge the Senate to follow the House's lead and vote for complete United States divestment from South Africa, and I strongly urge my colleagues in the House to override the President's veto of the Textile and Apparel Enforcement Act of 1985.

NEED FOR INTERNATIONAL ASSESSMENT OF HEALTH CONSEQUENCES OF CHERNOBYL NUCLEAR DISASTER

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. WAXMAN. Mr. Speaker, today I am introducing House Concurrent Resolution 373, expressing the sense of the Congress that an international cooperative effort should be undertaken to monitor and evaluate the short and long term health impacts resulting from the nuclear accident last April at Chernobyl in the Soviet Union.

The Chernobyl accident last April 26 was one of the worst in history. More than 100,000 people who live in the Chernobyl region of the Soviet Union were potentially exposed to radiation levels in the range of 1,500 times normal background levels. In the worker's community of Pripyat, only 2 miles from the plant, up to 20,000 people may have been exposed to radiation up to 150,000 times normal levels.

About 30 of the most severely exposed individuals have died to date, and hundreds more are now hospitalized. But the true toll of the accident will not be known for decades. Many exposed individuals are expected to die or become ill in the years to come from cancers or other ailments directly attributable to radiation exposure.

Sadly, there is little that we can do to lessen the suffering of those in pain, or whose health is likely to be affected. But we can do all that we can to make this tragedy a learning

experience to help mankind come to better understand radiation-induced illnesses, and to make even clearer the importance of avoiding future radiation exposures from nuclear accidents or nuclear warfare.

Most of what we know today about the health effects of ionizing radiation is the result of thorough reviews of the extensive immediate and long term followup care of residents of Hiroshima and Nagasaki who were present when atom bombs were dropped on those cities. This information added a great deal to medical understanding of how radiation effects the human body, but there is much that we still do now know. Forty one years later, we are much better equipped to conduct research in this area.

Dr. Robert Peter Gale, the eminent bone marrow transplant specialist from the University of California at Los Angeles who has been assisting the Soviets in caring for the Chernobyl victims, has proposed a long term study and extensive followup treatment of the thousands of people affected by the Chernobyl accident. I know that I join with others the world over in applauding Dr. Gale, and his colleagues Dr. Champlin and Dr. Terasaki of UCLA and Dr. Reisner of Israel, for their humanitarian efforts, and in supporting their proposal for extensive followup care and scientific review.

Preliminary efforts to conduct the large scale medical and biological followup study envisioned by Dr. Gale and others have already begun. Early plans for the Chernobyl study include collection of exposure data from up to 130,000 potentially exposed persons and provision of periodic, documented medical examinations over a 30 year period. Several U.S. Government agencies, including the National Academy of Sciences, the National Institutes of Health and the Department of Energy, have expressed a desire to participate in the effort.

I urge my colleagues to support me in this proposal to see that the research effort is an international one that is neither Soviet nor U.S. based. This is an international issue. Many nations, including Poland, Sweden, Austria, East Germany, West Germany, Holland, Greece, Yugoslavia and Luxemburg, were sufficiently threatened by the accident at Chernobyl to institute special public health safety measures. Elevated radiation levels have been detected over a much broader geographic scale, including nations as far away as the United States, although the levels here were, fortunately, not high enough to constitute a health concern.

Chernobyl has come to symbolize the international nature of nuclear safety concerns. All nations are at risk from the possibility of nuclear catastrophe. All can learn from the lessons of Chernobyl.

I urge my colleagues to join with me as cosponsors of this resolution. It expresses the sense of the Congress that there is a unique opportunity for an international team of scientists to conduct cooperative research of the human health impacts of the Chernobyl tragedy, and calls on the President to continue joint United States, Soviet efforts at the next summit meeting between the heads of State of the United States and the Soviet Union with a specific view toward the development of an international followup health assessment.

AGRICULTURAL TRADE DEFICIT

HON. ARLAN STANGELAND

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. STANGELAND. Mr. Speaker, recently the U.S. posted its first agricultural trade deficit in almost 30 years. As a result, stocks of wheat and feed grains are beginning to pile up in many areas of our country as sales of these gains to countries such as the Soviet Union continue to decline. Furthermore, China and India, two countries that previously imported grains, are now turning into exporters.

The facts are astounding, a $26.6 billion agricultural trade surplus in 1981 shrank to $11.4 billion 4 years later. And the Commerce Department recently reported that farm imports in May outdistanced exports resulting in a $348.7 million deficit.

There is something basically wrong when the greatest food producer in the world is buying more agricultural commodities than it is selling. Epecially when we have the tools at hand to increase our agricultural exports and thereby bring our Nation back into a favorable trade position. For example, the 1985 farm bill provides for an Export Enhancement Program. This program allows the use of surplus agricultural commodities as export bonus payments to U.S. trading partners when they buy U.S. agricultural products. The purpose of this program is to expand markets and meet unfair foreign competition. These bonus payments reduce the price of our commodities to our trade partners and enable the American farmer to become competitive in an area where the competition is highly subsidized.

We need to make the export enhancement program workable and effective. This can be done by allowing all traditional foreign purchasers to become eligible for the bonus program. By doing this we treat each trading partner fairly and equally. We also add consistancy and reliability to the bonus program and thereby insure its future success.

BAYOU SAUVAGE URBAN NATIONAL WILDLIFE REFUGE

HON. LINDY (MRS. HALE) BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mrs. BOGGS. Mr. Speaker, I am pleased to join with my colleague from Louisiana, JOHN BREAUX, in sponsoring H.R. 5262, legislation to authorize the establishment of the Bayou Sauvage Urban National Wildlife Refuge in Orleans Parish, LA. The refuge, which would consist of approximately 19,000 acres of land in the eastern part of the city of New Orleans, offers a unique opportunity to preserve a large segment of coastal marshlands within a large and growing urban area by making it a part of the national wildlife refuge system that is administered by the U.S. Fish and Wildlife Service.

By way of background, the proposed refuge is part of a 23,456 acre tract of land currently owned by South Point, Inc. Much of the land in question is enclosed within existing levees that provide hurricane protection to the city of New Orleans. The nature of the land inside of the hurricane protection levees tends to be fastlands and freshwater marsh. The land outside of the levees is typical of the unique and highly productive marshes found along the Louisiana coast.

Over the years there have been ongoing discussions of future use of a large portion of the land within the levee. Last year the current owner of the property, South Point, Inc., submitted an application to the U.S. Army Corps of Engineers to drain and prepare some 13,000 acres of its land holdings within the levee systems. The area outside of the levees, such as the Bayou Chevee marsh would be dedicated as a wetlands park and other areas outside of the levee would be placed in a wetlands management area for water dependent uses. In addition, the Blind Lagoon area, which is within the hurricane protection levees, would be dedicated as a city park. This area contains Little Oak Island, an important archeological site because of its early Indian settlements.

After extensive discussions with individuals from the civic, environmental and business communities, the owners of South Point, Inc., have indicated their willingness to convey up to 19,000 acres of its holdings in eastern New Orleans to the U.S. Fish and Wildlife Service for the establishment of a national wildlife refuge. The area in quesiton contains a wide diversity of wildlife and wildlife habitat and is the best remaining waterfowl habitat in southeast Louisiana. Tens of thousands of birds and other waterfowl inhabit the area or use it during their seasonal migrations. The tidal marsh outside of the existing levees is a valuable estaurine nursery for the fin fish and shell fish produced in the Lake Pontchartrain basin.

In addition to this opportunity to preserve a vast stretch of coastal wetlands, this refuge concept holds the promise of providing new recreation, tourist and educational opportunties for the residents and visitors to the New Orleans area. The setting for this refuge is particularly unique because it is immediately adjacent to a highly urbanized area that draws visitors from throughout the country and the world, and because it is easily accessible to those residents and visitors because of existing highways and roadways.

A portion of the South Point, Inc., holdings are not suitable for incorporation into the national wildlife refuge system. Because of the importance of these particular tracts to the future of the city of New Orleans, I fully expect all parties involved to cooperate in planning for appropriate development that will be in harmony with the Bayou Sauvage Urban Wildlife Refuge.

Unfortunately, there is not much time remaining in this session of Congress. I urge the Merchant Marine Committee to give H.R. 5262 the high priority it deserves. We have before us a once-in-a-lifetime opportunity to preserve and protect an essential part of our coastal environment. We must not let this opportunity

to establish the Bayou Sauvage Urban National Wildlife Refuge slip through our fingers.

Finally, I would like to thank my friend from Louisiana for introducing H.R. 5262. As usual, he is in the forefront of efforts to protect the wetlands of Louisiana and to preserve the Nation's environmental jewels for posterity.

GRANT HIGH SCHOOL TEAM WINS KNOWLEDGE BOWL

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. FAZIO. Mr. Speaker, when most people think of Grant High School in Sacramento, CA, they automatically think of sports. Grant has long been recognized as the home of extremely talented athletic teams. Yet a closer look at the students of Grant High reveals that they possess many more and varied skills. Last spring Grant's team won the Knowledge Bowl. A districtwide competition based on TV's College Bowl, the Knowledge Bowl pits students from separate schools against each other on a variety of subjects.

Grant's victory in the Knowledge Bowl is noteworthy for several reasons. Primarily because it is a small example of the overall academic achievement and success emerging at Grant. A new program entitled mathematics, engineering, and science achievement [MESA] has greatly increased the number of minority students setting their sights on college and beyond.

Prior to MESA, many of these students were directed toward vocational classes. MESA coordinator James Arnold, who has done much to improve the academic standards at Grant, points out that many of these students are now qualified to enter the University of California system. I applaud Grant High for this dramatic turnaround.

A second example of Grant's remarkable success is the rise in scores on the California Assessment Program [CAP]. Through the inspiration and leadership of district supervisor Hazel Mahone, Grant principal Lawrence Brown, and countless others, student scores on CAP have risen for the first time in many years. Both Mahone and Brown have not only led efforts to improve the test scores of Grant students, but have also served as excellent role models doing much to boost students' self images and esteem.

In conclusion, I again offer my congratulations to Grant High School with its superb faculty and students. All too often schools and the individuals which comprise them make great strides without notice. It is time now for Grant High School to be noticed.

TRIBUTE TO DR. OWEN L. KNOX

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. DIXON. Mr. Speaker, today I would like to bring to the attention of my colleagues the attributes and achievements of my longtime friend, Dr. Owen L. Knox, on the occasion of his retirement from the Los Angeles Unified School District.

Dr. Knox's work over the past 34 years as a teacher, administrator, and civil rights activist has touched innumerable lives, and especially the lives of young people. In the classroom, Dr. Knox was known as a sensitive and insightful teacher, inspiring his students to hard work and excellent achievement. As an administrator, he not only managed the day-to-day activities of schools; he insisted that education adapt itself to serve the needs of a diverse student body, and produced innovations in school curriculums, staff development, and educational structures to meet those needs. His thoughtfulness and creativity in this pursuit are evident, in his design and direction of the Reading Task Force, which created a plan to teach reading from kindergarten through high school; in his study of school administration, which created a plan to evaluate and develop the skills of administrators; and in his design and oversight of the Jordan Educational Complex, an educational subsystem that provides people with the educational resources for a lifetime of learning, a model of community involvement in schools and a model of urban school decentralization.

As an active participant in civil rights work, Dr. Knox helped organize marches on the board of education to demonstrate the need for equal educational opportunity for black students. In the 20 years since that time, Dr. knox's work has brought that goal closer to being a reality. At the request of the California Board of Education, Dr. Knox helped the State formulate and implement its guidelines on multicultural education and proficiency in standard English for black students. His work has made him a national resource in the field, serving this year, for example, as cochair of the National Conference on Educating Black Children.

This gentleman's good work has been felt by many, and I must count myself among those whose lives have been changed by him. Years ago, when he and the late Milton Wood were stewards of the New Frontier Democratic Club and I was a new and young member, the three of us walked precincts together. Their inspiration and wise counsel are largely responsible for my presence in the world of politics. To this day I rely on Owen's sound judgment and sage advice.

Dr. Knox's achievements are many, and binding them all together is a vision that education can affect the lives of children, combined with a commitment to make education work in the service of all children. These achievements have been noted by the mayor of Los Angeles and the California State Legislature; today I commend him before the Congress of the United States. Though Dr. Knox is retiring, the impact of his work will long be felt. Here is a man who has made his mark, and left his imprint, and the lives of the children of Los Angeles and the Nation are better for it.

W. AVERELL HARRIMAN

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Ms. MIKULSKI. Mr. Speaker, I rise today to mourn the passing of W. Averell Harriman. The son of a railroad entrepreneur, Averell Harriman dedicated himself to a public career that spanned five decades and the administrations of five Democratic Presidents. In that time, he played a vital role in shaping the world we live in today.

Mr. Harriman first emerged as a national public figure under the administration of President Franklin D. Roosevelt during the Great Depression. During World War II, Mr. Harriman ran the Lend-Lease Program and served as Ambassador to the Soviet Union. Nearly 40 years later, he advised President Carter before the Salt II talks. In the years between, he served President Truman, first as the administrator of the Marshall Plan which rebuilt Europe after the war, and then as Truman's Secretary of Commerce. For President Kennedy, he was Ambassador-at-large and negotiated the 1963 Nuclear Test Ban Treaty. He also served one term as Governor of New York.

Averell Harriman brought to each of the varied tasks he faced a talent and drive which enabled him to be a shaper of events, not merely a participant in them. As Ambassador, Cabinet member, and Governor, his commitment to the service of his country never faltered. That dedication made him one of the greatest Americans of this century. I mourn his loss.

A TRIBUTE TO HASTINGS, MI

HON. PAUL B. HENRY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. HENRY. Mr. Speaker, on July 26, 1836, the community of Hastings, MI, was established; 150 years later on August 16, 1986, more than 6,000 residents will begin celebrating the first of many activities planned to commemorate this momentous occasion.

Hastings became a community on July 26, 1836, when the land upon which the city now stands was sold by Eurotas P. Hastings, a Detroit banker, to a firm known as the Hastings Town Site Co. Under company sponsorship, water-powered grist and saw mills were constructed along Fall Creek. The land was plotted and inducements made to attract settlers to this newly opened wilderness area.

The new community's isolation partially ended in 1848 when a stagecoach service connected Hastings with Battle Creek and Grand Rapids. On February 13, 1855, Hastings was incorporated as a village. Railroad service was established in 1869, and 2 years later, Hastings became a city.

Located in picturesque southwest lower Michigan, Hastings is the center of a lovely resort area surrounded by thousands of acres of recreational land, rolling hills, spring-fed

lakes, excellent hunting, fishing, swimming, boating and camp facilities. The Thornapple River which runs through the city proper, was once the main traveled route for Indian tribes to and from their hunting grounds.

Although a rural community, Hastings is located within close proximity to four Michigan metropolitan cities—Grand Rapids, Lansing, Battle Creek and Kalamazoo making it possible for many of its citizens to enjoy the benefits of living in a small town while still living close enough to work or enjoy the cultural life of a metropolitan city.

A busy, active community, the citizens of Hastings take great pride in their city and actively participate in numerous service and volunteer organizations. Many community sponsored activities have become annual events. The annual SummerFest Festival and the Barry County Fair attract thousands of visitors while each year the popular Santa Claus Parade brings participants from all over southwestern Michigan.

A number of locally owned and operated industries are spinoffs of some of the first major industries established in the 1800's, most of whom distribute their products nationally and worldwide. These diversified industries, along with the agriculture and recreation industries provide approximately 3,000 jobs in Hastings alone, creating a strong economic base for this fast growing community.

Boasting of its fine educational system, Hastings serves a population of approximately 20,000 who live within the boundaries of the 180 square-mile district. With an outstanding K–12 program, the system offers a comprehensive community education program, vocational training and sponsors programs for the mentally and physically handicapped. Eleven institutions of higher learning are located within 60 minutes of Hastings including Michigan State University and Western Michigan University.

A warm friendly community, many people find Hastings highly desirable as the place to live and raise a family. Its peaceful rural setting also attracts a large number of retirees who have returned to live in the community where they were raised. With its tree-lined streets, church steeples, county courthouse, and quaint downtown Hastings, the county seat of rural Barry County, is truly the essence of small town America. Please join with me, Mr. Speaker and colleagues, in offering congratulations and best wishes to the citizens of Hastings, MI, on the occasion of the city's sesquicentennial celebration.

CONGRATULATIONS TO THE AVALON INN OF WARREN, OH

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. TRAFICANT. Mr. Speaker, on August 8 this year, I will have the distinct pleasure of attending the grand opening ceremonies for the completion of a new 54-room addition to the Avalon Inn of Warren, OH. At this time, I would like to extend my warm congratulations to the dedicated people at Avalon Inn Services for this noteworthy accomplishment and for their continued commitment to the people of Trumbull County.

The Avalon Inn is a major conference and convention center/resort that is nationally recognized for its amenities—including the Avalon Lakes Golf Course, which is rated in the top 50 of all public golf courses in America. The newly completed 54-room addition will bring the total number of rooms at the Avalon Inn to 144. This excellent facility serves local, regional, and national guests.

At a total cost of $2.2 million in construction, land, buildings, and amenities, this new addition to the Avalon Inn will create approximately 24 new jobs in Trumbull County and will attract thousands of new guests to Trumbull County each year as a result of this expansion.

So many good, hardworking people deserve credit for the success of this ambitious project. I would like to single out the following five individuals for their exceptional work, vision, and commitment to their community. They are: Robert Heath, president of Avalon Inn Services; Robert O'Malley, vice president of Avalon Inn Services; Tom Keegan, vice president in charge of property acquisitions; Dan Seitz, general manager; and Marsha Seitz, head chef and food and beverage manager.

Mr. Speaker, I am confident that the talented professionals at the Avalon Inn will continue to make the Avalon Inn one of the finest facilities of its kind in the country and will continue to serve my constituents in the Mahoning Valley. I am both pleased and honored to have this opportunity to offer my congratulations and pay tribute to a great group of people.

BIRMINGHAM NATIVE RECIPIENT OF KOOL ACHIEVER AWARD

HON. BEN ERDREICH

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. ERDREICH. Mr. Speaker, for the first time this year, the Brown and Williamson Tobacco Corp. established the KOOL Achiever Awards to recognize those who are working to create a better way of life for inner-city communities. Five people were selected to receive this outstanding honor, and each award recipient will receive $10,000 to be presented to the nonprofit community service of his or her choice. The awards were made in five different areas, including the arts, business, civics, communications, and education.

I am pleased to tell my colleagues in the House that this year's Education Award recipient is from my district. Jacquelyn S. Donald, a native of Birmingham, is a financial planning manager with IBM who is currently on loan to Lawson State College where she is working to promote education as an avenue toward success and self-esteem. Through her work at the college, she is helping obtain scholarship grants for disadvantaged students. She has also devised, implemented, and marketed a highly-effective student motivation program that is now used as a model by other institutions in the State.

The $10,000 KOOL Achiever Award contribution Ms. Donald will receive will be donated in her name to the United Negro College Fund. The donation will be used to establish special scholarships for disadvantaged students from the Birmingham area.

Our continued prosperity and security rests with the young people of our Nation. Ms. Donald is showing our youth, by example, the vital link between a strong, solid education and future personal and economic success. Her actions in our community are helping open economic opportunities for young adults, vital to continued growth in Jefferson County and across America. I am certain my colleagues in the House join me in congratulating Ms. Donald on being selected to receive this outstanding honor, and commend her for her efforts on behalf of our young people.

TRIBUTE TO THURSTON "BUD" MERRELL, JR.

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. McEWEN. Mr. Speaker, I rise today in honor of Thurston "Bud" Merrell, Jr., a well known community and business leader in Cincinnati, OH. On August 1, 1986, many of Bud's friends and associates will gather at the Grand Ballroom of the Hyatt Hotel to pay special thanks to him on the occasion of his retirement from Merrell Dow Pharmaceuticals. I want to extend my warmest congratulations to Bud and his wife, Ginny, on this special occasion.

Bud Merrell is the last of the founding Merrell family to be associated with this company. Through his kindly manner and generous spirit, Bud has distinguished himself within Merrell Dow and in his community. He has endeared himself to literally all of the employees of his company, not because it was his job, but because he genuinely cares for other people.

Mr. Speaker, Bud's service to the Cincinnati community has also been outstanding. As chairman of the Presidents Club of the Cincinnati Chamber of Commerce, he brought recognition to that group on the local, State and national level. For his tireless effort, the mayor of Cincinnati proclaimed December 14, 1984, as "Bud Merrell Day in Cincinnati." He has also served on the Cabinet for Fine Arts, the United Appeal Community Solicitation and Board of Trustees, and the Cincinnati Adolescent Clinic Board of Trustees at Childrens Hospital Medical Center. Bud was on the Advisory Board and Solicitations Committee for Kids Helping Kids. He also was the company spokesman for the television presentation of the film "Second Chance" which sought to help people understand the need for organ donation and transplantation. These are only a few of the many examples of Mr. Merrell's tireless service to his community.

Bud Merrell: husband, father, educator, businessman, and friend, we salute you. For your lifetime of unselfish dedication to the im-

provement of the quality of life for your community and for all your achievements in your personal and professional life, we salute you.

Mr. Speaker, Bud Merrell is truly a man for all seasons. It is a pleasure to share his accomplishments with my colleagues in the Congress. I ask that they join me in extending our warmest congratulations and best wishes for continued success in their endeavors.

LIFE AND HEALTH INSURANCE BENEFITS OF RETIREES MUST BE MAINTAINED

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. KEMP. Mr. Speaker, today I am introducing legislation to require LTV Corp. to continue to provide its retirees with the life and health insurance benefits they have earned and so desperately need. This bill is a companion to legislation introduced in the other body by Senators BYRD, GLENN, HEINZ, METZENBAUM, SPECTER, and DURENBERGER and cosponsored in the House by my friend and colleague from Buffalo HENRY NOWAK and others.

As many of my colleagues know, LTV Corp., the second largest steel producer in the United States, filed a chapter 11 bankruptcy petition on July 17, 1986. I know that many of us in Congress are deeply concerned about the plight of our domestic steel industry; we must work to enact policies that will bring about the robust economic growth that will allow steel and all our heavy industries to rebound. I understand the severe financial hardships LTV faces and I support its efforts to reorganize its debt in order to stay in business and provide jobs for its current and future employees—many of whom are in the Buffalo area, working for Sierra Research Corp. I also understand that LTV is working to provide its retirees and their surviving spouses with retiree-paid group medical insurance, and I commend them for these efforts. However, this decision places an enormous and unexpected financial burden on the more than 125,000 retirees who are now left without the life and health insurance policies they have earned and on which they rely. I have talked with Louis Thomas of the Buffalo-area United Steelworkers about the hardship this poses for western New York families; I don't believe this added burden is one these men and women can easily assume.

The legislation I am introducing will require LTV to continue to maintain its life and health insurance coverage for its retirees and their surviving spouses until such time as the court suspends such payments. The result would be to provide retirees with much-needed life and health insurance coverage unless the court rules that LTV cannot shoulder this obligation and still meet the other requirements the bankruptcy proceedings impose. More importantly, I believe this legislation will spur a fair and equitable solution to this very urgent national problem—one that will take into account the needs of LTV's retirees and their spouses, as well as those of LTV's current and future employees.

FOR AN INDEPENDENT CONRAIL

HON. FRED J. ECKERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. ECKERT of New York. Mr. Speaker, I stand up today to urge the Department of Transportation to move ahead with a proposal for a private offering for the sale of Conrail. As a member of the Energy and Commerce Committee who has opposed the efforts to sell Conrail to the Norfolk Southern Corp., I call upon the Transportation Department to work with the members of the committee in fashioning an offering that will sell Conrail through a public offering. Time is running out, it is time to move forward and resolve this issue. I am including as part of my remarks an editorial from the July 7, 1986 issue of Business Week magazine which also urges that the Transportation Department get moving on the proposal.

GET THE CONRAIL SALE ON TRACK NOW

Back in August, 1981, Congress told the Transportation Dept. to sell Consolidated Rail Corp. to a private owner. Yet almost five years later, Conrail is still in government hands. And an impasse has developed. Transportation Secretary Elizabeth H. Dole wants to sell the railroad to Norfolk Southern Corp., and she has persuaded the Senate to approve the plan.

It was—and is—a good idea. NS is a well-managed railroad with plenty of resources. It could provide reliable service through good times and bad, minimizing the chance that the government might have to bail out Conrail again. The hitch is that there seems to be no chance the full Congress will go along. Representative John D. Dingell, the powerful chairman of the House Energy & Commerce Committee, believes firmly that Conrail should be sold only through a public offering of stock. That option suits White House Chief of Staff Donald T. Regan, since a straight sale to NS is not in the cards.

Dole is understandably disappointed that her plan is being blocked. But to remain inflexible in the face of the current situation is untenable. A public offering has the advantage of leaving in place Conrail's management, which has made the railroad profitable. There is no reason to question its ability to compete with the rest of the industry.

If it takes a public offering to return Conrail to private ownership, then Transportation should get to work structuring the best deal possible. and it should move swiftly while the stock market is strong.

NAVY TO LOSE OUTSTANDING PHYSICIAN

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. SUNDQUIST. Mr. Speaker, this week the U.S. Navy is losing the services of an outstanding physician, colleague, and patriot as well as an understanding and caring person. Capt. Douglas W. Peterson, presently commanding officer of the Naval Hospital in Millington, TN, and his family will be moving to Kingsport, TN, where Captain Peterson will enter the private practice of otolaryngology.

Though Captain Peterson has been stationed in Millington only a couple of years, his tenure has been distinguished and productive. He has played a leading role in improving the readiness of the hospital to respond to potential disasters. He has placed tremendous emphasis on a quality assurance program and increased training for all hospital employees. He has enhanced a patient contract program to identify problems and increase sensitivity to patient concerns. He has reorganized and increased the hospital's emergency medical services. He presided over the creation of a new after-hours pediatric clinic. He has improved the physical appearance of the 14-year-old hospital. The list goes on and on.

In addition to serving as the hospital's chief administrator, Captain Peterson amazingly has remained a practicing member of the clinical staff of the hospital. Most importantly, he is warmly appreciated by the staff and Millington community as a leader and friend.

After earning his doctor of medicine degree at the University of Nebraska and completing an internship, he entered the Navy and served with great distinction in Vietnam. His military awards include the Navy Commendation Medal, Air Force Commendation Medal, National Defense Medal, Air Force Outstanding Unit Award, Vietnam Service Medal, Vietnam Civic Action Unit Citation, Vietnam Gallantry Cross with Palm Unit Citation, and the Navy Expert Pistol Shot Medal.

Captain Peterson has had a distinguished career both in the military and within the field of medicine. The medical community of the Memphis area will miss him greatly.

His success, of course, can be attributed in large part to his wonderful wife Fran. In addition to her support, Fran has demonstrated her own commitment to the Navy as a Reserve Commander in the Navy Nurse Corps. They have two children, Erika Kari, 9; and Bjorn Kristian, 4.

As a friend and former schoolmate of Captain Peterson, I regret seeing he and his family move from the Memphis area. But I know they will be successful and warmly received in Kingsport. I wish them well in their new endeavors.

DR. BENJAMIN E. MAYS HONORED BY FIRST AFRICAN AMERICAN MUSEUM IN ATLANTA

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. FOWLER. Mr. Speaker, I would like to take this opportunity to announce an upcoming exhibit in Atlanta's first African American Museum entitled "Dr. Benjamin E. Mays: A Legend Unveiled," the exhibit will honor the achievements and contributions of the late Dr. Benjamin Mays, who gave so much to Georgia and to the Nation. The Collections of Life & Heritage Museum is presenting the exhibit

in commemoration of what would have been his 92d birthday.

A distinguished scholar, orator, and civil rights activist, Dr. Mays exhibited a rare kind of leadership and spirit of community service. The child of former slaves, he rose to become president of Morehouse College in Atlanta and helped this pioneer black institution gain the national reputation for excellence it now enjoys. Dr. Mays was elected as the first black president of the Atlanta School Board during the height of the desegregation controversy, and helped forge the Atlanta plan for integration saying: "We must be neither male nor female, black nor white, district nor citywide, for we are all united at the feet of 90,000 children whom we are elected to serve."

Dr. Mays worked tirelessly for equality in all areas of society as a leading activist during the civil rights movement. He espoused a nonviolent approach to social change and inspired countless numbers of civil rights leaders, including Dr. Martin Luther King, Jr., who called Dr. Mays his spiritual mentor. Dr. Mays' life is testimony of his personal philosophy that: Whatever you do, strive to do it so well that no man living and no man dead and no man yet born could do it any better."

I am honored to represent the district that benefited so greatly from the many contributions of this remarkable leader. I am proud to serve on the board of directors of the Collections of Life & Heritage Museum, of which Dr. Mays was an honorary member until his death. "Dr. Benjamin E. Mays: A Legend Unveiled" will be exhibited from August 2–September 30, 1986, in honor of a man whose life continues to be an inspiration. I urge my colleagues to take advantage of the opportunity to see this fascinating exhibit and to pay tribute to this outstanding American.

"MISTER FOURTH OF JULY"

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. IRELAND. Mr. Speaker, I would like to bring to the attention of my colleagues the enthusiasm and patriotism of one of my constituents, Mr. Frank Rouse, of Bartow, FL. Frank, a native of Caltagirone, Sicily, is a naturalized American citizen who was recently named "Mister Fourth of July" by the city of Bartow.

Not only has Frank recently worked with the Committee for the Restoration of the Statue of Liberty, but for several years he has been the chief organizer of the Bartow annual Fourth of July celebration. The spirit which permeates this yearly event has attracted the attention of Floridians from all over the State. What began as a local celebration is now attended by thousands every year.

I think Frank's immigrant beginnings, devotion to the ideals represented by the Statue of Liberty, and continuing desire to give his allegiance and faithfulness to the United States demonstrates the new sense of pride and patriotism we all feel.

Frank Rouse's life since coming to this country has been based on a basic premise, one which embodies the spirit of our country today: From freedom comes opportunity; from opportunity comes growth; and, from growth comes progress. This is not a abstract formula. It is the vibrant, beating heart of the American experience.

Private initiative, as demonstrated so often by Frank Rouse, is fundamental to our American way of life. It is inseparable from the social, religious, political, and judicial institutions which form the bedrock of a Nation dedicated to individual freedom and human rights.

Mr. Speaker, in this the year of Lady Liberty's 100th birthday, I wish to commend Frank Rouse as one who has taken advantage of the opportunities provided by our great country, and who, at the same time, has committed himself to preserving the freedoms necessary for us to make a bright future for ourselves, our children, and grandchildren.

CRIME DECREASES SHARPLY IN WEST VIRGINIA

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. RAHALL. Mr. Speaker, the Federal Bureau of Investigation uniform crime reports released this past Sunday indicate that after 3 years of decline, serious crime in the United States rose 4.6 percent, to 12,430,026.

However, in my home State of West Virginia, the FBI reported that we had the largest decrease of any State in the Nation, a drop of 3.6 percent in crimes per 100,000 residents. West Virginia also had large decreases in the number of murders and property crimes per 100,000 residents.

The FBI report did not speculate on the cause of the increase nationwide. However, it is very heartening to me to see that we in West Virginia, while suffering under high unemployment and tough times, particularly in the coalfields, have not resorted to crime and violence as a result of our lagging economy. West Virginians have always prided themselves on being able to weather tough times and the latest FBI crime figures indicate that, once again, West Virginians are trying to bounce back through hard work and dedication, not crime. In tough times, the tough get tougher.

DIOCESE OF ALLENTOWN SILVER JUBILEE

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. RITTER. Mr. Speaker, I wish to express my deep admiration for the Diocese of Allentown during this silver jubilee year marking its foundation in February 1961. This year's Seniorfest is planned for August 4, 1986, at Holy Family Manor in Bethlehem, PA, in conjunction with the yearlong diocesan celebrations. All diocesan senior citizens are invited to partcipate in a picnic, exhibits, and musical entertainment.

This lively involvement by the Allentown Diocese—comprised of Berks, Carbon, Lehigh, Northampton, and Schuylkill Counties—with the senior citizens is just one example of total commitment to youth, families, students, the ill, and every member of the entire community within its boundaries.

Under the 22-year leadership of its founding bishop and chief shepherd, Bishop Joseph McShea, the Diocese of Allentown has grown at a deliberate pace through consultation of priests and lay persons, attention to the regulation of new practices in worship, and to the extension of the work and mission of pastoral care.

Other nations and ethnic groups, both in this country and abroad, have been touched and helped by the Allentown Diocese through Operation Rice Bowl, local soup kitchens and organizations which focus on Spanish-speaking peoples and new immigrants. The Allentown Diocese can be proud of producing Msgr. Robert Coll, who originated Operation Rice Bowl with Mother Theresa of Calcutta. Monsignor Coll was called to work in the international community and is now employed by Catholic Relief Services.

The groundwork of pastoral care and education laid so well by Bishop McShea has been thoroughly and energetically continued by his successor, Bishop Thomas J. Welch, D.D., J.C.D. In 1983 Pope John Paul II appointed Bishop Welsh the new bishop of the Allentown Diocese. Bishop Welsh has developed the seeds of education, structures for pastoral care, and emphasis of family life and value. He has fostered openness to the entire community living in his diocese, including vibrant ethnic organizations such as the Slovak Catholic Federation, and he has promoted the regional encounter of the Tercer Encuentro, a conference on the Hispanic culture.

The Allentown Diocese, with its leadership past and present, deserves congratulations and high praise. In this diocese, we see a microcosm of local, regional, national, and international cooperation, care, and respect for life.

EXPLANATION OF MFN VOTE

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. LIPINSKI. Mr. Speaker, I voted to table the discharge motion because I do not agree with the philosophy behind discharge petitions—not because I agree with granting most-favored-nation status to Romania. In my view, MFN has done little to change the oppresive nature of the Ceaucescu regime.

Human rights abuses continue to increase despite MFN. Amnesty International has reported that Romania has the terrible distinction of committing the highest number of human rights abuses per capita of any other country in the world. Along with this, the Ceaucescu regime has done nothing to curb its policy of cooption of churches and persecution of religious believers. National minorities, especially the Hungarians of Transylva-

nia, must still contend with regime-sponsored discrimination and extremely limited cultural freedom.

Granting MFN to a Communist country only makes sense if some movement toward individual liberty is made on the part of that country. Many Central and Eastern European ethnic organizations join me in feeling that this still remains to be seen.

SENATE—*Wednesday, July 30, 1986*

(Legislative day of Monday, July 28, 1986)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Lord God of truth and justice, lead the Senate through these crucial days when urgent issues and shortness of time combine to compound stress and strain. Grant that the powerful men and women who comprise this most powerful legislative body may function with maximum effectiveness and productivity and a minimum waste of time and energy. May individual power not be used to vitiate collective power. Protect the whole from being neutralized by any of its parts. May substance not be sacrificed to procedure and principle to political manipulation. Give to leadership special wisdom, strength and patience as they guide the ship of state through turbulent winds and heavy seas. Give to Senators the will and the way to minimize frustration and maximize accomplishment. Work Your will Lord, that truth and justice may prevail, in spite of us if necessary. For Thy sake and the welfare of the people. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able and distinguished majority leader, Senator ROBERT DOLE, is recognized.

NOMINATION OF JUSTICE REHNQUIST

Mr. DOLE. Mr. President, I thank the distinguished Presiding Officer, the distinguished Senator from South Carolina, Senator THURMOND, the President pro tempore, who I know continues this morning at 10 o'clock on the nomination of Justice Rehnquist.

Let me indicate that his nomination is important to the President and important for the country and it deserves the prompt action it is receiving in the Judiciary Committee.

I had hoped there would be a spirit of bipartisanship but, having been there for a while yesterday and watched some of it on C-SPAN last night, there is already at least a little indication that some Members would rather apply a political litmus test to each and every nominee instead of an objective review based on merits. Fortunately, the President's candidate is so well qualified that the arguments we heard yesterday will not amount to a hill of beans.

But, in any event, this is a very serious matter. There should be serious review. There should be close scrutiny of the nominee's records. But I would suggest that we are not here to try Judge Rehnquist, or the Judiciary Committee. We are here to go into the cases, the decisions he has written. I do not believe that anybody on the Judiciary Committee has a hunting license, but I know there will be efforts to dredge up a lot of things that happened 25, 30 years ago. And I would assume that anybody could probably dredge up something about anyone that happened 25 or 30 years ago or less. But Justice Rehnquist, in my view, is well qualified.

I just hope that we can have a bipartisan look at this nominee. I know there are a number of Democrats on the committee who strongly support Justice Rehnquist. There are some who could not get Mr. Manion who are now out after Mr. Rehnquist—and I assume if they cannot get Mr. Rehnquist they will be out after Mr. Scalia—and who seem to have nothing more to object to than their political philosophy, making them, therefore, unsuited for the Court.

But I believe Justice Rehnquist will survive the interrogation, the questions. I believe that it was best stated by my colleague, Senator SIMPSON, who in a rather, I thought, candid way articulated what some nominees must face when they come before certain committees and certain members of certain committees.

So I would say to the Judiciary Committee, let us go ahead. Let us make certain everything is closely scrutinized. But I do not believe, and I do not believe many Americans believe, the litany that the distinguished Senator from Massachusetts related yesterday, that he is too extreme on this, and too extreme on that. What Senator KENNEDY was saying, in effect, was "He does not agree with me and, therefore, he is extreme." But I doubt that is the view of most Americans and I would hope, in the final analysis, we can bring this nomination to the floor after the recess and have appropriate debate and then move on to the nomination of Judge Scalia.

But it will be a give and take session. It should be. I assume things will crop up that should be addressed and I believe Justice Rehnquist is able to take care of that himself.

(Mr. DENTON assumed the chair.)

GRAMM-RUDMAN-HOLLINGS MODIFICATION

Mr. DOLE. Mr. President, I have been promised by the principals of Gramm-Rudman-Hollings that we are going to start voting around here shortly after noon. That would depend on the modification of the amendment, and those who are opposed to the amendment, I assume want to discuss it at some length and find out what is in the modification. So I am not certain what time or how soon after noon, but hopefully by early afternoon we will start voting.

I have indicated to the principals that, if that is not the case, it may be necessary to move on to something else, either to set aside their amendment and let other Members offer amendments—there are a number of Members on each side willing to offer amendments—and we would hope that we could start the action on that.

I have also, based on a request of the distinguished minority leader, instructed my staff to contact Senator NUNN and to contact Senator GOLDWATER or, in his absence, his staff director, to see if there is not some way to get a tight time agreement or at least a basis of one on the DOD authorization bill. It is important legislation. The House will take it up on August 4, which is next Monday. It will probably take a week in the House. And it contains a lot of very important areas, whether it is the SDI, whether it is AMB, whether it is the SALT resolution, whether it is the level of defense spending, so it is a vital piece of legislation.

So I hope that those who want to bring it to the floor would help us in every way they can. If we can get some reasonably tight agreement, then I am prepared, at the earliest opportunity, to bring that bill to the floor. So we may have some report later today for the minority leader and for others who feel strongly about that legislation.

Mr. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. DOLE. I am happy to yield.

Mr. BYRD. Mr. President, I compliment the majority leader in stating to

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

the authors of the Gramm-Rudman amendment language that the majority leader would like to see us move on that language or that we set aside the amendment for the time being and get on to other amendments or other legislation.

Mr. President, I think this is important if the Senate is to complete its business before the August recess, and then again before the October hoped-for adjournment sine die. In the event we continue to get consent to set the Gramm-Rudman amendment aside so that other Senators may call up other amendments to the debt limit resolution, would the distinguished majority leader consider calling up the Boren campaign financing reform legislation? I am cosponsor of that legislation.

The distinguished majority leader will recall that he indicated to Mr. BOREN in very late June that it was the intention of the distinguished majority leader to call up that legislation in early August, and certainly before the 15th. I believe he indicated there would possibly be 2 days of debate on that legislation—perhaps on a Friday and a Monday. At least I thought he spoke in terms of 2 consecutive days of debate.

Whether that much time will be needed or not, I do not know. But he also indicated that, as I recall, if the debate occurred on Friday or Monday, the vote would occur then on a different day, with a short time for debate preceding that vote.

It seems to me that, while the Senate is not doing much and we seem to be stymied on the debt limit bill—and particularly stymied because of the fact that the amendment tree has been filled by the Gramm-Rudman principles with the appropriate support of the distinguished majority leader—that perhaps we could get the Boren PAC bill up and act on it. This would enable us to be making some progress, as the days are counting rapidly.

We only have 12 days left after today before the scheduled August recess is to begin. Would the distinguished majority leader think that that could be a viable approach sometime during the remainder of this week or the early part of next week if something else cannot be scheduled or if we cannot make progress on the debt limit?

Mr. DOLE. That certainly is a possibility, I say to the distinguished minority leader. I discussed it this morning with Senator BOREN. I am not certain I promised what particular vote there might be or when but we did indicate that if we did it on Friday then we at least would maybe, if there was a vote, have some debate on a principal day, like Tuesday. I think it would be better to bring it up Monday and part of Tuesday. But I guess in the last couple of weeks Members are going to be here on Fridays and Mondays.

But in any event Senator BOREN I think properly wanted to make certain that if there was to be a vote of some kind, whatever the disposition was, it should occur either on a Tuesday or Thursday or some other critical day, not a day where many Members might necessarily be absent.

So we are focused on that now, and we will see if we can work it out.

Mr. BYRD. Mr. President, I thank the distinguished majority leader. The Democrats will be having their conference today. They were not able to proceed with the regularly scheduled Tuesday luncheon conference because of the funeral services yesterday for the late Averell Harriman. The distinguished majority leader's indications with reference to the Boren amendment and the DOD authorization bill will give me something to discuss with my colleagues at the conference. Hopefully we can work together to get the Senate moving and make progress so that we can complete the people's business before the adjournment sine die.

Mr. DOLE. Mr. President, will the minority leader yield to me for one brief unanimous-consent request?

Mr. BYRD. Yes. Certainly.

REALLOCATION OF SPECIAL ORDER

Mr. DOLE. Mr. President, I ask unanimous consent that the special order in favor of the Senator from Florida [Mrs. HAWKINS], be transferred to the Senator from South Dakota, [Mr. PRESSLER], for his use.

The PRESIDING OFFICER. Without objection, it is so ordered.

LOSS OF AMERICAN JOBS TO OVERSEAS INDUSTRIES

Mr. BYRD. Mr. President, last December, just before Christmas, the President vetoed the textile bill. What a cruel Christmas, Mr. President, for the textile, apparel, and shoe workers of this country. The President, in vetoing that bill, chose not to assist American working men and working women, and, instead, sent American jobs to foreign workers and to foreign countries overseas.

Really, Mr. President, it is not too surprising. We see this all over the country and we have seen it in all the years that this administration has been in office. All across the country, steelworkers, ferroalloy workers, leathergoods workers, coal miners, and now even farmers have lost their jobs. Jobs have been exported overseas. Industries have been exported overseas. Thousands, hundreds of thousands—as a matter of fact, 300,000 textile and apparel workers have lost their jobs in the last 5 years. In those 5 years, the foreign imports of textiles and apparel goods have doubled in this country—300,000 textile and apparel workers have lost their jobs, 40,000 shoe workers have lost their jobs, and hundreds of these have been in West Virginia.

So all over the country we have seen the steel furnaces grow cold and the steel plants close their doors forever. Hundreds of thousands of men and women are standing in unemployment lines. Men and women who are the best craftsmen in the world are standing in unemployment lines. Now those who still have jobs are wondering, "Am I next? Am I next?"

Mr. President, we are not asking for walls to be built around our beaches, or protection walls to be built around our borders. We are only asking that American working men and working women have a level field on which to play. They are no longer competing with foreign workers. They are competing against foreign governments that subsidize the steel industries and the other industries in those countries.

Mr. President, the pleas of American working men and working women have fallen upon deaf ears too long. In USA today, as far back as September 30 of 1982, there appeared this story: "Regan: Steelworkers, Forget Your Old Jobs." That was the headline.

The first paragraph reads as follows:

> Treasury Secretary Donald Regan gave blunt advice Wednesday to laid-off steelworkers and others in heavy industry: Don't wait for your jobs to come back.

The next paragraphs:

> Much of the current unemployment is simply not related to the current economy, Regan told a breakfast meeting of reporters. Rather, he said, workers are trained for jobs that may never exist again. He advised them to get training in other fields.
>
> As of August, 165,000 steelworkers were laid off.
>
> Service industries like hotels and restaurants, retailing, new light industry and finance-related jobs are replacing manufacturing as employment centers, Regan said. "Sears and K-Mart together employ 25 percent more people than the entire steel industry.

Mr. President, we are all deeply appreciative of the fact that Sears is probably the second largest employer in this country. Service industries have grown, and we hope they will continue to grow.

Mr. President, to say to the steelworkers, in essence, "Forget it, McDonald's and Sears are the wave of the future," is not the spirit that made this country a great country.

When de Tocqueville visited this country 150 years ago, he referred to the American as the "incredible American who believes that if something has not yet been accomplished, it is because he has not yet attempted it."

Mr. President, this country was made a great country because of the

men and women who developed the skills, who had the initiatives, who worked hard to make it a great country which supplied other countries in World War I and World War II with the implements of war whereby they could withstand the onslaughts from Hitler's Nazi Germany.

Today, if called upon again, the same steel industry would not be able to respond to that call because our steel industry has gone down, while foreign governments subsidize steel imports into this country.

The American working man and the American working woman today are saying to the administration downtown, "Listen to us. Give us a trade policy that will save American jobs and sell more American products overseas. No more closed factories; no more closed mines; no more pink slips." That is what our people are saying.

The House of Representatives next week will vote on the override of the President's veto of the textile bill. That is the time for a shot to be heard not only around the world, but also down at the White House, down at the other end of Pennsylvania Avenue, where all we hear is that things are going to be better soon, reminding one of the "prosperity is just around the corner" attitude that we heard 50 years ago.

Today we find that the Commerce Department is saying that last month for the second month in a row, agriculture exports ran a deficit. Farm products ran a deficit! Think of it, the greatest food basket in the world running an agricultural deficit!

The new figures from the Commerce Department today show that if we continue to have the same trend in the last 6 months of this year that we had in the first 6 months of this year, this country is going to run a trade deficit of about $168 billion this year.

When this administration came into office in 1981, the trade deficit was under $40 billion. Last year it was $148.5 billion. Now we hear that it is going to be $168 billion this year if it continues as it has gone in the first 6 months.

Mr. President, the time is now. The administration, as it has on so many other critical issues, acts too little and too late. Platitudes will not bring back American jobs. I hope that the House of Representatives will override the President's unwise veto of the textile, apparel, and shoe bill, and let not only the world hear the message, but also the White House. American industries and the American working men and women who toil in them deserve no less.

The PRESIDING OFFICER. By unanimous consent, the Senator from North Dakota [Mr. PRESSLER], is now recognized for 5 minutes.

NEW DATA ON U.S. STRATEGIC MINERAL VULNERABILITY IN SOUTHERN AFRICA

Mr. PRESSLER. Mr. President, a new report issued by the Department of Interior called South Africa and Critical Minerals has just been issued, dated July 1986. It is my strong feeling that any critical, rigorous analysis of our policies in South Africa should include the findings of this report.

It quantifies, for the first time in an unclassified source, the costs to the U.S. economy of a disruption in southern African supplies of strategic minerals in the following areas: Direct costs to U.S. consumers by mineral losses in U.S. GNP, and the decrease in U.S. jobs associated with GNP losses. Data on Japanese and EEC losses is also provided.

Why is this relevant in the current debate?

Serious strategic mineral supply disruptions are well within the immediate realm of possibility, and their consequences for the American, European, and Japanese economies should be considered rigorously.

South African supply disruptions could occur as a result of any of the following:

Retaliation as a by-product of Western sanctions; labor unrest/strikes; guerrilla attack (the ANC has recently announced that such installations will no longer be eschewed; major unrest, with a breakdown in infrastructure; and a successor regime less inclined to sell to the United States and its allies.

In the current South Africa debate that is going on in the Foreign Relations Committee and throughout our Nation, I hope that the administration and the Congress will consider this report because it is part of a critical analysis of what is going to happen and where our foreign policy is going.

U.S. capabilities to respond to a strategic mineral supply disruption are far less than most Members of Congress and policymakers know. Why?

First. United States, Europe, and Japan are heavily dependent upon southern Africa. (See the attached table.)

Second. Strategic stockpiles not available short of war. The U.S. strategic reserves cannot be used, except in a national emergency (generally interpreted to mean a "war") and on the President's order. The law specifically states that they are not intended to be used to respond to economic disruptions.

Third. Stockpiles are grossly inadequate. With the exception of platinum-group metals (the PGM's), U.S. supplies of chromium, manganese, and cobalt "wouldn't make much good road fill," in the words of a senior Bureau of Mines official. Citing poor quality control, years of degradation, and excessive past sales, the "only strategic stock worth its name is $70 million worth of cobalt bought 3 years ago."

Fourth. Virtually all stocks are slated to be sold. Under the President's proposal to "modernize" the National Defense Stockpile, announced on July 8, 1985, U.S. strategic stocks will be drawn down from approximately $16 billion worth of key commodities to approximately $700,000. Another "supplemental stockpile" of $5 billion has been suggested, but is not provided for in any law and is not part of the official plan. Implementation studies are proceeding. (See the attached data.)

Fifth. Insufficient legal and regulatory authority to exploit domestic reserves. The Department of Interior lacks legislative authority to develop ocean floor deposits off of U.S. territories. Thus, it cannot exploit Johnson's Island, the only U.S. ocean site of current interest for major offshore mineral development. Also, Interior lacks the regulatory authority to develop hard mineral capabilities. Without legislation and regulatory authority, which it has been seeking over the past 3 years, the United States would be greatly delayed if it had to shift to domestic exploitation of mineral reserves.

Sixth. United States rapidly losing ferroalloy processing capabilities. The United States is rapidly losing its ability to process strategic minerals, even if it uses its stockpiles or is able to buy from abroad. Over two-thirds of U.S. ferroalloys are currently purchased or processed abroad. Most of our major ferroalloy plants have been moved offshore, including Union Carbide's plant to South Africa. A disruption of supplies from South Africa would cause immediate shortages in ferrochromium, ferromanganese, silicon metal, and ferrosilicon. Europe and Japan have an even more limited capacity, with processing restricted to three plants: one in Japan, one in Germany, and one in Norway.

ECONOMIC COSTS TO THE UNITED STATES

A complete cutoff of chromium from South Africa lasting 3 years (assuming a 90-percent cutoff from Zimbabwe due to its ore transport on South African railways). The direct cost to U.S. domestic consumers has been estimated by the Bureau of Mines in July 1986 at $3.6 billion. Assuming maximum conservation and substitution, the shortfall of chromium would reduce both intermediate and final product production during the 3-year period. The estimated impact on U.S. GNP resulting from the constraint imposed on domestic production would be $8.7 billion in the first year with over 296,000 jobs lost; during the second year, the GNP loss would be $4.6 billion and about 100,000 jobs; during the third year, GNP losses would be approximately $1.9 billion

with about 41,000 jobs lost. A 3-year loss would cost $18.8 billion and 437,000 jobs.

□ 1030

A complete cutoff of manganese from South Africa. Direct costs to U.S. consumers of a cutoff of South African manganese would be approximately $1 billion. There would be little or no effect upon GNP or employment.

A complete cutoff of the platinum group metals and cobalt would be extremely serious, although dollar value estimates are not yet available. In fact, many GAO and Bureau of Mines estimates view the cutoff of these materials as more serious than the loss of chrome, as there are no U.S. domestic supplies of the PGM's.

Mr. President, I hope that in the South Africa debate, a rigorous analysis is made of the impact of strategic materials needs and of this new report just issued by the Department of the Interior, "South Africa and Critical Materials," dated July 1986.

The tables referred to are as follows:

The following table summarizes the salient information presented in the qualitative analysis:

TABLE 15.—SUMMARY STATISTICS OF QUALITATIVE IMPACT ANALYSIS IN 1984

Category	Chromium (Thousand shorts tons metal content)	Manganese (Thousand short tons metal content)	PGM's (Thousand troy ounces metal content)	Cobalt (Million pounds metal content)	Vanadium (Short tons metal content)
U.S. apparent consumption	459	627	3,322	17.9	5,691
U.S. imports	347	606	4,474	[3] 25.31	2,583
U.S. imports originating from southern [1] Africa (percent)	72	38	60	71	40
Maximum supply [5] available to United States from world excess capacity [2]	58	129	[4] 380	[4] 6.57	[4] 6.002
MEC's	51	97	202	5.40	1,286
Socialist	7	32	178	1.10	4,716
Maximum supply from new MEC sources [2]	0	88	[4] 100	[4] 6.0	0
From new socialist sources	0	0	0	0	0
Private domestic stocks	143	420	1,297	10.8	10,130
Substitution and conservation possible in up to 3 years (percent)	10–20	10–15	15–35	10–20	10–25
Tier I + Tier II/consumption	1.82	1.39	0	1.60	0.13

[1] Southern Africa includes South Africa, Zimbabwe, Zaire and Zambia.
[2] Supplies to United States from excess capacity and new capacity of MEC (Market Economy Countries) and socialist nations determined by U.S. share of total world imports before disruption.
[3] Includes 5.5 million pounds imported for the National Defense Stockpile.
[4] By product capacity.
[5] Of course, the United States would compete with Europe and Japan for these.

A COMPARISON OF THE PRESIDENT'S PROPOSED STOCKPILE GOALS WITH CURRENT GOALS

Material	Unit	Goal	President's proposal		Total Tier I and Tier II	Current stockpile inventory	President's proposal; excess (+) or deficit (−) materials
			Tier I	Tier II (Supplemental reserve)			
1. Aluminum Metal Group	ST AL Metal	7,150,000	0	4,278,912	4,278,912	4,278,912	0
Alumina	ST	0	0			0	
Aluminum	ST	700,000	0			2,080	
Bauxite, metal grade, Jamaica type	LDT	21,000,000	0			12,457,740	
Bauxite, metal grade, Surinam type	LDT	6,100,000	0			5,299,597	
2. Aluminum Oxide, Abrasive Grain Group	ST Ab Grain	638,000	0	208,139	208,139	259,124	+50,985
Aluminum Oxide, abrasive grain	ST	0	0			50,904	
Aluminum Oxide, fused, crude	ST	0	0			249,867	
Bauxite, Abrasive grade	LCT	1,000,000	0			0	
3. Antimony	ST	36,000	4,585	0	4,585	38,431	+33,846
4. Asbestos, amosite	ST	17,000	[1]	[1]	[1]	34,011	[1]
5. Asbestos, chrysotile	ST	3,000	[1]	[1]	[1]	10,751	[1]
6. Bauxite, refractory	LCT	1,400,000	0	274,926	274,926	199,926	[2] N/A
7. Beryllium metal group	ST Be Metal	1,220	0	437	437	1,061	+524
Beryl ore (11% BeO)	ST	18,000	0			17,987	
Beryllium copper master alloy	ST	7,900	0			7,387	
Beryllium metal	ST	400	0			229	
8. Bismuth	LB	2,200,000	0	0	0	2,081,298	+2,081,298
9. Cadmium	LB	11,700,000	0	0	0	6,328,809	+6,328,809
10. Chromium, chromite and metallurgical group	ST CR Metal	1,353,000	200,000	594,123	794,123	1,275,770	+481,647
Chromite, chemical grade ore	SDT	675,000				242,414	
Chromite, metallurgical grade ore	SDT	3,200,000				2,316,179	
Chromium, ferro, high carbon	ST	185,000				402,696	
Chromium, ferro, low carbon	ST	75,000				318,892	
Chromium, ferro, silicon	ST	90,000				58,357	
Chromium, metal	ST	20,000				3,763	
11. Chromite, refractory grade ore	SDT	850,000	0	180,000	180,000	391,414	+211,414
12. Cobalt	LB Co	85,400,000	22,570,000	6,000,000	28,570,000	46,193,915	+17,623,915
13. Columbium group	LB Co metal	4,850,000	0	2,532,419	2,532,419	2,532,419	0
Columbium carbide powder	LB Co	100,000				21,372	
Columbium concentrates	LB Co	5,600,000				1,806,218	
Columbium, ferro	LB Co	0				930,911	
Columbium, metal	LB Co	0				44,851	
14. Copper	ST	1,000,000	0	29,048	29,048	29,048	0
15. Cordage fibers, abaca	LB	155,000,000	[1]	[1]	[1]	0	
16. Cordage fibers, sisal	LB	60,000,000	[1]	[1]	[1]	0	
17. Diamond, industrial group	KT	29,700,000	0	7,950,000	7,950,000	35,568,123	[1]
Diamond dies, small	FC	60,000	[1]	[1]	[1]	25,473	[1]
Diamond, industrial, crushing bort	KT	22,000,000	[1]	[1]	[1]	22,001,344	[1]
Diamond, industrial, stones	KT	7,700,000	0	7,950,000	7,950,000	13,554,042	+5,604,042
18. Fluorspar, acid grade	SDT	1,400,000	0	0	0	895,983	+895,983
19. Fluorspar, metallurgical grade	SDT	1,700,000	0	0	0	411,738	+411,738
20. Germanium	KG	30,000	146,049.4	0	146,049.4	0	(−146,049.4)
21. Graphite, natural, Ceylon, amorphous lump	ST	6,300	5,085.5	415	5,500.5	5,500	0
22. Graphite, natural, Malagasy, crystalline	ST	20,000	0	0	0	17,850	+
23. Graphite, natural, other than Ceylon and Malagasy	ST	2,800	2,237.1	0	2,237.1	2,803	+565.9
24. Iodine	LB	5,800,000	0	5,500,000	5,500,000	7,372,112	+1,872,112
25. Jewel bearings	FC	120,000,000	[1]	[1]	[1]	73,019,008	[1]
26. Lead	ST	1,100,000	0	300,000	300,000	601,025	+301,025
27. Manganese, dioxide, battery grade group	SDT	87,000	0	0	0	212,165	+212,165
Manganese, battery grade, natural ore	SDT	62,000				209,154	

A COMPARISON OF THE PRESIDENT'S PROPOSED STOCKPILE GOALS WITH CURRENT GOALS—Continued

Material	Unit	Goal	President's proposal		Total Tier I and Tier II	Current stockpile inventory	President's proposal; excess (+) or deficit (−) materials
			Tier I	Tier II (Supplemental reserve)			
Manganese, battery grade, synthetic dioxide	SDT	25,000				3,011	
28. Manganese, chemical and metallurgical group	ST Mn metal	1,500,000	0	869,667	869,667	1,928,518	+1,058,851
Manganese ore, chemical grade	SDT	170,000				171,806	
Manganese ore, metallurgical grade	SDT	2,700,000				3,264,891	
Manganese, ferro, high carbon	ST	439,000				624,310	
Manganese, ferro, low carbon	ST	0				0	
Manganese, ferro, medium carbon	ST	0				29,057	
Manganese, ferro, silicon	ST	0				23,574	
Manganese metal, electrolytic	ST	0				14,172	
29. Mercury	FL	10,500	0	0	0	173,871	+173,871
30. Mica muscovite block, stained and better	LB	6,200,000	246,400	200,000	446,400	5,212,361	+4,765,961
31. Mica muscovite film, 1st and 2d qualities	LB	90,000	18,700	0	18,700	1,179,533	1,160,833
32. Mica muscovite splittings	LB	12,630,000	14,391,100	0	14,391,100	14,653,096	+261,996
33. Mica phlogopite block	LB	210,000	85,000	0	85,000	130,745	+45,745
34. Mica phlogopite splittings	LB	930,000	482,600	0	482,600	1,518,951	+1,036,351
35. Molybdenum group	LB No	0	0	0	0	0	0
Molybdenum disulphide	LB No	0				0	
Molybdenum, ferro	LB No	0				0	
36. Morphine sulphate and related analgesics	AMA LB	130,00	(1)	(1)	(1)	71,303	(1)
Crude	AMA LB	0	(1)	(1)	(1)	31,795	
Refined	AMA LB	130,000	(1)	(1)	(1)	39,508	
37. Natural insulation fibers	LB	1,500,000	(1)	(1)	(1)	0	(1)
38. Nickel	ST Ni and Co	200,000	0	0	0	32,209	+32,209
39. Platinum group metals, iridium	Tr Og	98,000	0	0	0	27,790	+27,790
40. Platinum group metals, palladium	Tr Og	3,000,000	0	0	0	1,255,001	+1,255,001
41. Platinum group metals, platinum	Tr Og	1,310,000	0	0	0	452,641	+452,641
42. Pyrethrum	LB	500,000	(1)	(1)	(1)	0	(1)
43. Quartz crystals	LB	600,000	26,500	1,800,000	1,826,500	1,883,918	+57,418
44. Quinidine	Av Og	10,100,000	(1)	(1)	(1)	2,008,879	(1)
45. Quinidine	Av Og	4,500,000	(1)	(1)	(1)	3,246,164	(1)
46. Ricinoleic/sebacic acid products	LB	22,000,000	(1)	(1)	(1)	12,524,242	(1)
47. Rubber	MT	864,000	0	127,455	127,455	120,882	[2] NA
48. Rutile	SDT	106,000	0	0	0	39,186	+39,186
49. Sapphire and ruby	KT	0	(1)	(1)	(1)	16,305,502	+16,305,502
50. Silicon carbide, crude	ST	29,000	0	0	0	80,550	(1)
51. Silver, fine	Tr Og	0	0	87,500,000	87,500,000	136,005,707	+48,505,707
52. Talc, steatite block and lump	ST	28	(1)	(1)	(1)	1,081	(1)
53. Tantalum group	LB Ta metal	7,160,000	1,900,700	1,023,320	2,924,020	2,426,387	[2] NA
Tantalum, carbide powder	LB Ta	0				28,688	
Tantalum metal	LB Ta	0				201,133	
Tantalum minerals	LB Ta	8,400,000				2,584,195	
54. Thorium nitrate	LB	600,000	(1)	(1)	(1)	7,131,812	(1)
55. Tin	MT	42,700	0	150,000	150,000	186,729	+36,729
56. Titanium sponge	ST	195,000	3,900	21,100	25,000	33,069	+8,069
57. Tungsten group	LB W metal	50,666,000	0	52,215,245	52,215,245	75,441,904	+23,226,659
Tungsten carbide powder	LB W	2,000,000				2,032,942	
Tungsten, ferro	LB W	0				2,025,361	
Tungsten, metal powder	LB W	1,600,000				1,898,831	
Tungsten, ores and concentrates	LB W	55,450,000				81,650,728	
58. Vanadium group	ST V metal	8,700	0	722	722	642	
Vanadium, ferro	ST V	1,000				0	
Vanadium pentoxide	ST V	7,700				642	
59. Vegetable tannin extract, chestnut	LT	5,000	(1)	(1)	(1)	12,972	(1)
60. Vegetable tannin extract, quebracho	LT	28,000	(1)	(1)	(1)	128,746	(1)
61. Vegatable tannin extract, wattle	LT	15,000	(1)	(1)	(1)	15,001	(1)
61. Zinc	ST	1,425,000	0	85,000	85,000	378,316	+293,318

[1] Materials not reviewed by National Security Council Stockpile Study.
[2] Undelivered orders.

Sources: Federal Emergency Management Agency. Stockpile Report to the Congress. October 1985. White House Press Statement—National Defense Stockpile Study. July 8, 1985.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 5 minutes.

TIME TO NEGOTIATE AN END TO NUCLEAR WEAPONS TESTING

Mr. PROXMIRE. Mr. President, the time is growing short for the negotiation of a comprehensive, mutual nuclear test ban treaty. A few days from now, on August 6, the Soviet Union will have completed 1 full year of unilateral abstention from nuclear tests. When Secretary Gorbachev announced this unilateral cessation of Soviet nuclear weapons tests, he challenged the United States to join the Soviet Union. He proposed that the superpowers should then proceed to negotiate a verifiable agreement to stop nuclear weapons tests henceforth.

Mr. President, the negotiation of an end to nuclear weapons testing represents the very heart of arms control in this super-dangerous nuclear world. With such an agreement we take the first long step toward bringing the nuclear arms race under control. Regardless of any other arms control steps we take, unless the superpowers agree to stop nuclear weapons testing, no other arms control agreement will have any enduring effect. Without it, the nuclear arms race will rush on, enormously increasing the terrible danger that, like virtually all arms races in history, it will culminate in war. And this war would be the most catastrophic in human history. Indeed, it might be the end of human history.

Why do I say that without an end to nuclear testing, any other steps to limit or reduce nuclear arms is meaningless? Consider: Assume that both superpowers embrace the proposal to reduce offensive nuclear weapons by one-third or one-half or even two-thirds. Would that be significant? No. Why not? Because the technological arms race would rush on.

Assume, for example, that both sides cut their present 10,000 nuclear warheads down to 5,000. Would this reduce the destructive power of both arsenals? Sure, it would. But only temporarily. Within a few years, continued research and the testing that is quintessential to proving and establishing that research could develop 5,000 nuclear weapons that would have 5 or 10 or 100 times greater destructive power, penetrating power, and accuracy than the present arsenal. Any agreement on numbers will be swamped by the surging nuclear weapons technology.

Furthermore, Mr. President, this country has a solemn obligation to negotiate a nuclear test ban. The United States promised to do exactly that in

the Limited Test Ban Treaty of 1963 and again in the 1974 treaty that limited the size of nuclear tests.

So what is wrong with keeping our word? What is wrong with negotiating such an agreement? Here are the arguments of the Adelmans and Perles and Weinbergers who oppose these essential arms control negotiations:

First, they say the Soviets would cheat. They argue that we cannot verify such an agreement. They are wrong. Seismologists have said that the technology has advanced sufficiently so that we could monitor militarily significant nuclear explosions within the Soviet Union, even if the Soviets refused to permit monitoring stations within their vast country. But it is now crystal clear that the Soviets would permit stations, several stations, placed within the Soviet Union. Indeed, a few weeks ago the Soviet Academy of Sciences and the Natural Resources Defense Council, a private environmental group in the United States, put seismometers in place in the Soviet Union.

Adrian DeWind, chairman of the board of the council, declared that there is every reason to assume that the Soviet Union will agree to negotiating the presence of such monitoring stations within the Soviet Union. DeWind asserted that such stations can detect any nuclear explosion big enough to have military significance. So this Nation can require as an essential condition for agreement that both superpowers be allowed to place monitoring stations within the borders of the other superpower to provide absolute verification of any militarily significant nuclear weapons tests. We can assure verification.

Second, the opponents of the test ban argue that we need to continue nuclear weapons test explosions to assure the reliability of our older weapons. This is a weak argument but negotiations could fully accommodate it. An agreement could permit testing of older weapons for reliability, monitored on the spot by the adversary superpower to assure that the testing was, indeed, what it purported to be—for reliability of old weapons.

Third and rarely stated objection to a test ban is that such a ban would surrender the United States' prime technological superiority. It is true that the United States leads the Soviet Union in nuclear weapons technology. It is true that continued research and the essential testing may keep the United States "ahead" technologically. Our weapons will probably be more devastating, more accurate, more capable of penetration at least for the foreseeable future than Soviet weapons as long as we continue the arms race. With continued testing the United States is very likely to remain No. 1.

What's wrong with that? Answer: Plenty. This is just another way of saying: "Let the arms race continue. We'll win it." But no one wins this kind of arms race. The arms race is a road map to death and the destruction of civilization with nothing but losers. We know such a race will cost billions of dollars. It will drain the genius of our scientists away from constructive, life-giving work to a search for the most appalling possible destruction of human life. It will end in disaster.

Mr. President, the time is short. Let us hope and work and pray to find a way to bring our country to the bargaining table to negotiate the most critical of all arms control treaties—a comprehensive, mutual end to nuclear weapons testing.

I ask unanimous consent that an article by Adrian W. DeWind, from the July 28, New York Times headlined "A Crossroads on Nuclear Testing," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A CROSSROADS ON NUCLEAR TESTING

(By Adrain W. DeWind)

For 30 years, the difficulty of verifying a test ban on nuclear weapons was seen as a major obstacle to arms control. Then, earlier this month, the Soviet Academy of Sciences and the Natural Resources Defense Council, a private environmental group in the United States, put sesimometers in place in the Soviet Union, demonstrating to all the world that it is entirely possible to monitor Soviet testing. As long as the Russians accept in-country seismic monitoring—and they gladly did in this case—existing technology can detect any nuclear explosions big enough to have military significance, and even some smaller ones.

Nevertheless, hardliners in the Administration—particularly Kenneth Adelman, director of the Arms Control and Disarmament Agency, and Richard Perle, Assistant Secretary of Defense—continue to insist that our Government has no interest in a ban on weapons testing, even if compliance is fully verifiable.

The Administration does not seem to care that the Soviet Union's year-long unilateral halt to testing is scheduled to end on Aug. 6. If the United States were also to declare a moratorium, the Kremlin would, it says, refrain from testing as long as we did. This is a true window of opportunity. Yet Mr. Adelman and Mr. Perle are determined to slam it shut.

How do they explain their opposition to a test ban even now, when they can see how easily it might be verified? They insist, for one thing, that we must continue testing the reliability of our old weapons. But such testing is done no more than once a year at most and could easily be accommodated in a sweeping test ban agreement. In effect, then, what the hardliners are admitting is that they are determined to push forward with third generation nuclear weapons systems and "Star Wars" defensive weapons regardless of what the Soviet Union does.

This total opposition to a test ban is not likely to play very well with most Americans. A recent national Gallup polls shows a 56 percent to 35 percent vote in favor of a comprehensive ban. Only a rapidly declining minority still clings to the vain hope that, despite all past failures, the next round of the arms race will put the United States in an unassailably superior position. On the contrary, to most people it is surely a fact of life that we and the Soviet Union have come to hold each other hostage.

Happily, there is growing evidence that the hardline position of the Defense Department may not be shared by others in our Government, particularly not in the State Department or even the divided White House. It is also encouraging to watch Congress grow increasingly restless with the executive branch's reluctance to seek agreements. More than 150 members of the House have proposed legislation that would cut off funding for testing—legislation that will be considered in the coming week or two.

What should the Administration do? It is hard to see any reasonable argument against at least a pause in weapons testing. No military disadvantage could ensue from such a moratorium as long as the Soviet Union participated. The United States must not allow its military establishment to prevent us from taking such an important step. It is within our power to insure that the Russians continue to refrain from testing—and to do so without risk to ourselves.

The Administration should also take steps to encourage the private joint project for seismic monitoring within the Soviet Union. It has already helped somewhat by promptly issuing export licenses for American equipment sent to the Soviet Union. But it has as yet refused an invitation to allow Government scientists to participate in the project.

The United States and the Soviet Union stand at a crossroads. Down one path lies an intensified, expensive and destabilizing double-barreled arms race—in defensive weapons as well as offensive ones—stimulated by new technologies and an omnipresent "need" to modernize our arsenals. Down the other path lies the possibility of moderating the competition and fulfilling our obligation, undertaken with the Nuclear Nonproliferation Treaty, to end nuclear weapons development.

American and Soviet officials are scheduled to discuss testing later this summer. The hardline contingent apparently still wants to focus entirely on alleged Soviet violations of existing test limits, despite the unanimous findings of leading seismologists and other scientists, including the Defense Department's own advisers, that there is no evidence of Soviet cheating. This is obviously an unproductive approach—and it is hard not to think that it is intended as such.

It is highly unlikely that the Administration will now decide to join in the Soviet testing moratorium—or that Congress will intervene to force such a step before the moratorium runs out on Aug. 6. The only hope for a ban rests on the possibility that the Kremlin will extend its unilateral moratorium, giving us more time to make a wise decision.

MYTH OF THE DAY: ONLY NUCLEAR PREPAREDNESS PLANNING IS IMPORTANT

Mr. PROXMIRE. Mr. President, the myth of the day is that the most important disaster planning states can engage in is planning for a nuclear attack.

It's hard to believe that the Federal Emergency Management Agency [FEMA] is once again trying to convince the American public to plan for a nuclear disaster. Just 5 short years ago the administration's civil defense proposal called for massive evacuations from cities.

Today, FEMA is attempting to convince the American public to provide shelters for State and local officials and, of course, for vital records as well. For the average Joe-American, FEMA says, study hard and prepare yourself for a nuclear disaster. Self-help is the answer to survival.

We all know, say FEMA officials, that government preservation during the "trans-attack period," a FEMA phrase, is vital so that a post-attack government and society can be restored.

Now I ask you Mr. President, is the American public gullible enough to believe FEMA's claims? And is FEMA scaring the States sufficiently to bully them into actually making nuclear preparedness plans?

FEMA officials have told the States that nuclear preparedness planning is the most important part of a States comprehensive disaster plan. Should a State fail to make plans for a nuclear attack, they will find FEMA withholding a portion of their civil defense funding.

That, Mr. President is ridiculous. Although no one likes to think about a nuclear war, we all know that there is a remote possibility that one might occur, some day. And although no one likes to think about a major tornado, hurricane, or earthquake, we do know that they occur all the time, often crippling our cities, States, and citizens.

Mr. President, I do believe it is a myth that nuclear attack planning is the No. 1 priority for disaster planning in this country.

What is not a myth and what is real are plans that State and local officials have made for many years to protect our citizens against real and recurrent natural disasters.

Let us not let FEMA get out hand and threaten to cut off the Federal aid available to those unfortunate Americans who fall victim to the real disasters, those caused by nature.

Mr. President, I yield the floor.

RECOGNITION OF SENATOR CHAFEE

The PRESIDING OFFICER. Under the previous order, the Senator from Rhode Island [Mr. CHAFEE] is recognized for not to exceed 5 minutes.

Mr. CHAFEE. I thank the Chair very much.

THE CLOSING OF LADD SCHOOL, EXETER, RHODE ISLAND

Mr. CHAFEE. Mr. President, I am proud to come to the floor today to share an announcement that is being made today by the Governor of our State, Rhode Island, Gov. Edward DiPrete, this morning. He will announce that the State plans to close the Ladd School which is an institution for the developmentally disabled in our State in Exeter. Rhode Island has cautiously but steadily been moving toward the closing of such institutions by developing and refining community-based services for the development of disabled individuals. It is a glorious day to learn that the eagerly anticipated closing of Ladd School is being planned to occur within the next 5 years.

A little bit of history. In 1907, the Rhode Island General Assembly created the Ladd School under the directorship of Joseph Ladd, who became its first director. Dr. Ladd, his wife, and his daughter opened the school, which was the first in the Nation of this type. It was a group home for eight mentally retarded men. What began as a group home in the early 1900's grew significantly and the residential population of the school—which indeed was an institution more than a school—reached its peak in the 1960's, when that population was 1,260 individuals. During this period, each of the Ladd School buildings housed 200 individuals.

It was also during this time that the school moved toward smaller institutional settings on the grounds of the institution. Cottages were built to accommodate 32, more or less—sometimes 30, sometimes 35—mentally retarded and disabled individuals.

In 1978, a plan was initiated to establish better statewide services for disabled people in the community.

In other words, instead of having these individuals move to this remote country setting of a large institution in which, as I mentioned, some of the buildings accommodated sometimes 200 individuals, the move was toward creating within the communities smaller residential settings for those with developmental disabilities.

□ 1040

As a result of this, the population of the school, which at one time was 1,260 individuals, was reduced to 300, with 60 of those individuals planned to be moved to community placement no later than January of next year. Today's news that the Ladd School will close within 5 years is a tribute to Rhode Islanders who have worked extremely hard to develop a high-quality program to place these individuals in community settings rather than in a large institutional setting.

Mr. President, Rhode Island may be the smallest State in the Nation but certainly we are the larger State when it comes to giving people from all walks of life the opportunity to participate in the American dream; namely, the opportunity to have independence, to have dignity and to have meaningful work.

Mr. President, one of my top priorities as a Member of the U.S. Senate has been to move our Nation closer to the goal of a society in which those with disabilities can participate significantly in the work force, can be members of the community, can attend schools, can participate in recreational activities, can remain at home with their families, if possible. Encouraged by my own State's success in developing strong and effective community care alternatives, I have introduced legislation, S. 873, which is the Community and Family Living Amendments of 1985.

Now, the goal of this legislation is simple—to replace the policies which have increased dependency, which have broken up families, to replace these with policies that allow dignity, encourage families to remain intact and to recognize individual potential by helping that potential grow and flourish. In other words, what we are trying to do is have every individual reach his or her maximum potential.

Now, Mr. President, Medicare is the Federal program which provides States with the bulk of funding for long-term care services for those who are disabled. Currently Medicare funds flow primarily toward large facilities such as the Ladd School in our State. The reason for this has more to do with what Medicaid will pay for than what is the best system of care and services for the individual. The bill that I have introduced, S. 873, stands for the proposition that there ought to be a range of services available for those with mental and physical impairments. It recognizes that the number of disabled individuals who require institutional-type care is far smaller than the number of those who would benefit from the community-based services.

In other words, if we look at it carefully, we will find that most individuals in institutions can thrive and expand and reach their fullest potential in a smaller setting, in a group home of, say, 5, 10, or perhaps as many as 15 individuals.

This bill stands, as I say, for a broad range of services. Yes, in this legislation we have provided that 15 percent of the money can go for those who are to be in institutions. I personally think everybody can do better in a community setting, but there is disagreement on this. So in our legislation, following hearings—we have had hearings in Chicago; we have had hearings in Minneapolis and St. Paul; we have had hearings in my State of Rhode Island

and, of course, the hearings here in Washington—it turns out that there is a considerable body of opinion out there that says some individuals cannot go out into the community. By "going out into the community," I have to make clear what I am talking about. These people are not thrown out in the streets as is sometimes suggested. By "in the community," I mean they are carefully supervised; there is within the group setting those with knowledge and experience to monitor the situation, to make sure that those individuals always have the proper care and safety. So it has nothing to do with people going out in the streets.

My bill will allow Medicaid expenditures to support people, as I say, in this variety of settings, from the institution up into the smaller home. In addition, as I mentioned, 15 percent of it can go for institutional placement.

We are in an era, Mr. President, of changing technology and experience. Our understanding of those with disability and their capabilities has greatly expanded. Once upon a time, as you know, those who were retarded or had mental difficulties were put in prison actually, but all of that has changed as we have learned more and more. We have made great strides in our ability to help those with disabilities to learn and to participate in many different facets of life. Experience in my State as well as other parts of the country has proven that community care is a viable and effective alternative to institutionalization. I am proud to say that the State of Rhode Island has become a national model in its promotion of community-based care. It is the first State in the Union to announce plans to close the door of the Statewide institutions. When the Ladd School is closed, that will be it as far as the large institution. Every one of the former residents will be out in the community setting. Many more States I believe need to follow the lead of Rhode Island and accept the challenge to ensure that the mentally retarded and those who are disabled will be given the opportunity, as I mentioned before, to reach his or her fullest potential.

I congratulate our Governor, Governor DiPrete and all Rhode Islanders for this magnificent step forward. I urge my colleagues to join me in cosponsoring S. 873 to encourage the development of community care alternatives throughout the Nation.

Mr. PROXMIRE. Mr. President, will the Senator from Rhode Island yield?

Mr. CHAFEE. I certainly will.

Mr. PROXMIRE. I congratulate the Senator on one of the most appealing, thoughtful and compassionate speeches that I have heard in this body for a long, long time. And I also congratulate Rhode Island on this great triumph, and it is a triumph, for people who are developmentally disabled and who do not have the capacity to operate very well, to operate best, as the Senator so well says, in a small environment rather than in a large, impersonal institution. This is great progress and I think is something we can learn from in Wisconsin and throughout the country. I think it is a great thing that Rhode Island has pioneered. I have not had a chance to look at the Senator's legislation. I intend to study it carefully. But I think the statement the Senator has made this morning is one of the most positive and appealing statements I have heard in this body in a long, long time.

Mr. CHAFEE. I appreciate that comment because I know the distinguished senior Senator from Wisconsin has taken an active role in this area.

Let me give an active illustration of what we are talking about. First, it is important to make clear that in each of these community-based settings the individuals are there as a result of careful study in advance: what are the individual's capabilities? What level can he or she possibly attain? What can they do? What kind of supervision do they need? What community-based services are there? Is there a local workshop nearby to which he or she might go? They have to have consent of the parent or guardian so there is no washing out of the individual.

Our State was typical; originally the parents resisted this move. They said, "What is going to happen to my son or daughter, who has been institutionalized for in many instances 30 years, when I, the parent, die?" Who is going to look after this child who is now in an institution and seems to be at least surviving? But as we developed this program and a parent came and saw what others had achieved, there became greater and greater approval and now we have the parents suing to close the institution.

Mr. PROXMIRE. May I say to my friend, I have had a strong reaction in my State, and the initial reaction was adverse, to what the distinguished Senator from Rhode Island is talking about today, because they were concerned about closing these institutions. The institutions in some cases have done an excellent job. There are fine people working in the institutions, and the communities where the institutions are located appreciate having the institutions there. So this does represent a problem. But what the Senator is talking about is not having less care for the developmentally disabled, not putting a burden on the families which they cannot bear without very cruel sacrifices, but what he is suggesting is that you have other smaller institutions in many more communities; is that correct?

Mr. CHAFEE. That is exactly right. The points the Senator has made are excellent ones. We have had some stormy hearings on this legislation, as one can imagine, because there are those with deep-seated feelings about commitments. It is their job. They are running the institution, and they do not want that institution closed. That is human nature. That is quite logical.

□ 1050

In our State, what we have done is that we have a union in our institution. We have worked closely with that union. Ours is a much smaller State, so we can do things easier, but that does not mean the bigger States cannot do it. The workers at the large institution supervise the smaller settings—the group homes of 5, 10, or 15 individuals—and they find it much more satisfying.

Let me give an indication of how, by demanding more, if you will, giving greater opportunity, the individual reaps greater potential.

In a large institution, you cannot have everybody in the kitchen cooking meals. It would be chaotic. So you have a work force, and that work force prepares the meals and then the residents come and eat.

In a smaller setting, you are able to say that people will take turns, if there are, say, only eight individuals. Each will have an opportunity to try to cook. They will learn that the stove has to be turned off, that you cannot walk away from it. They learn how to keep the home clean. They take turns in vacuuming and making the place neat and tidy. They learn what it is to take a bus to the workshop.

I have visited many of these settings where there are those who are severely impaired, and I mean extremely severely impaired. There, the care and the opportunities for leaving the home are vastly reduced. They cannot do it because they are so impaired. Nonetheless, they do better than they would in a large institution.

Another facet is that it is possible to place the individuals closer to their homes. After all, you have one institution—or, in a large State like Wisconsin, three or four—but wherever it is, some people are going to be quite a distance from home. When we put these individuals into smaller group homes, we are able to do it in their own community, in many instances. The State purchases the home and upgrades it for fire safety, and so forth. Then they are moved closer to their homes, where their relatives and parents can visit them easier than at some institution far out in the country.

It has been a magnificent success, and I appreciate the interest of the Senator from Wisconsin.

Mr. PROXMIRE. I thank the Senator.

Mr. CHAFEE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SASSER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR SASSER

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee [Mr. SASSER] is recognized for not to exceed 5 minutes.

JAPANESE TOBACCO MONOPOLY

Mr. SASSER. Mr. President, over a year ago the Government of Japan announced that it was creating a publicly held corporation, Japan Tobacco, Inc., to replace the Japan tobacco and salt monopoly. I thought that was good news for tobacco growers in my State of Tennessee. I believed the cigarette market in Japan would be liberalized. It appeared that cigarettes and tobacco grown in the United States would be dealt with fairly and allowed to compete in a large and important market.

However, benefits from this so-called privatization of the Japanese tobacco monopoly have proven to be illusory. The impediments to the manufacture, importation and distribution of cigarettes by foreign manufacturers in Japan continue undiminished. As a result, United States cigarette brands remain limited to a meager 2 percent of the total Japanese cigarette market.

Mr. President, I am disturbed at the trade restrictions still imposed by Japan. As I have often noted, free trade demands fair trade. The U.S. tobacco industry is certainly capable of competing in the world market; however, if foreign governments actively block such competition, I fail to see the fairness of the situation.

Let us explore some of these impediments for a moment. Perhaps the key barriers to market access are Japan's tobacco tariff and tax on tariff resulting from the tobacco excise tax structure. Since 1983, the Japanese tariff structure has been composed of an ad valorem tariff of 10 percent and a specific tariff of 342 yen per thousand cigarettes. This results in a nominal tariff rate of 18.8 percent.

I will grant you that, on the surface, the nominal Japanese cigarette tariff appears to be at approximately the same level as the United States tariff. However, there is a key difference in the tariff structure that creates an enormous inequity. This is the high ad valorem component of the excise tax. The 10-percent ad valorem tax is applied to the retail price of cigarettes. Imported cigarettes, whose higher retail prices already incorporate the specific tariff applied upon entry, are thus subject to a tax layered on top of the tariff. In essence, what we see is a multiplier effect on the tariff, causing an effective tariff rate of 41.2 percent.

□ 1100

Mr. President, the appearance of equility in the nominal tariff rates on cigarettes in the United States and in Japan belies the true story. While 10 percent of the Japanese tariff is ad valorem, the ad valorem portion of the United States tariff is only 5 percent. This reduces very substantially the multiplier effect. In addition, the tariff in the United States can be avoided by non-United States companies if they wish to manufacture locally. But the Japanese tariff cannot be avoided. Japan prohibits foreign manufacturers from engaging in the local manufacture of cigarettes.

There are other restrictions as well, Mr. President. The most glaring being Japan's distribution practices. Due primarily to the small market share held by American cigarette manufacturers in Japan, American manufacturers have had little choice but to continue to use Japan Tobacco, Inc.'s distribution subsidiary, Tobacco Haiso. Tobacco Haiso has undertaken distribution of American cigarettes on two conditions; one, that it would not promote imported cigarettes, and two, that it would be the exclusive distributor for these foreign manufacturers.

Now, any business person will tell you the importance of promotion and distribution particularly in cigarettes. It is no accident that our cigarette manufacturers spend hundreds of millions of dollars in advertising in this country every year and around the world to promote their products except in Japan.

In fact, Tobacco Haiso does engage in promotional activities—but only for domestic cigarettes marketed by Japan Tobacco, Inc. This would be less of an inequity were foreign manufacturers permitted to use other distributors who could promote their product; however, Tobacco Haiso has required exclusivity in its distribution of foreign cigarettes. American manufacturers have no choice but to use a distributor who refuses to promote their cigarettes.

Mr. President, I have a hard time understanding how this Japanese system of cigarette distribution can be considered fair by any stretch of the imagination.

Japan is the second largest cigarette market in the free world, after the United States. The current retail value of the Japanese cigarette market is approximately $15 billion. Each 1-percent share of the market is worth about $48 million in U.S. exports. If United States export cigarettes had taken just 10 percent of the Japanese market from 1975 through 1984, instead of the 2 percent currently enjoyed, United States tobacco leaf growers would have sold an additional 281 million pounds of tobacco valued at $342 million to Japanese consumers.

This potential market is of vital importance to Tennessee tobacco growers. In 1984, tobacco was the No. 1 cash crop in the State of Tennessee, bringing in $253 million in cash receipts, or over 25 percent of all cash receipts from agricultural products in Tennessee that year. There are 37,753 tobacco farms in Tennessee. Tennessee ranks third in tobacco production among the tobacco-producing States.

The importance of tobacco to my State's economy simply cannot be overemphasized. In 1982, tobacco manufacturers employed over 1,600 Tennesseans and contributed $28 million in wages to our economy that year. The food and fiber industry in Tennessee generates 25 percent of our total payroll and employs one of every four working Tennesseans.

Mr. President, Tennessee tobacco farmers should not bear the brunt of the inequitable trade policy I have outlined here. On June 13 of this year, I wrote a letter to the Japanese Ambassador, Mr. Matsunaga, citing the concerns I have discussed. I urged the Ambassador to think about possible solutions to this situation, solutions that I believe should be equitable.

I submit that reforms in the Japanese excise tax should be instituted. The ad valorem excise tax could be eliminated in favor of a flat specific tax. I would like to see foreign manufacturers permitted to engage in local manufacture of cigarettes. I think foreign manufacturers should be permitted to appoint parallel, secondary, or tertiary distributors so that they may promote their product in Japan. These reforms would not be concessions; rather, they would be an equalization of cigarette trade practices between the United States and Japan.

Let me just give you an example, if I may, Mr. President. What if General Motors formed a distribution system in this country for automobiles they imported into the United States and if you wanted to sell automobiles, you had to sell them through the GM distribution system? GM would be glad to sell your automobiles, but they would not advertise them as they advertise their Chevrolet's, their Pontiac's, or their Oldsmobile's. So you would see no Toyota ads and you would see no Nissan ads or no Isuzu ads.

So we can readily see how important it is that we have the ability and our tobacco manufacturers have the ability to advertise and promote their products in Japan.

Mr. President, American tobacco growers grow quality tobacco, the best in the world. And American tobacco manufacturers produce quality cigarettes. Given free market access, American cigarettes can sell in any market in the world and hold their own, but they cannot compete in a market that actively discriminates against them. American tobacco growers and manufacturers are simply asking for a chance to engage in free and fair competition.

RECOGNITION OF SENATOR CHILES

The PRESIDING OFFICER. Under the previous order, the Senator from Florida [Mr. CHILES] is recognized for not to exceed 5 minutes.

PRODUCTIVITY GROWTH

Mr. CHILES. Mr. President, this morning we learned that productivity grew at an annual rate of 1.6 percent in the second quarter.

The rate at which our productivity grows is far more than just another statistic—it really tells us what kind of standard of living we can expect .

There are many pieces to the American dream. One piece of that dream is that the future will be better than the past. Another is that our children will have more than we do. And still another is that economic opportunity will be available to rich and poor alike. But without increases in productivity, this dream is no more than wishful thinking.

□ 1110

After World War II, productivity grew at a rate that would double our standard of living in 24 years. It is no wonder our hopes soared so high in the 1950's and 1960's. We could see a world in which each generation would be twice as well off as the one before.

But in the last 5 years, productivity growth has been so low our standard of living will not double again until the middle of the next century. Now it will be three generations before our standard of living doubles. Is it any wonder that this is the decade of the "Me-generation"—when Americans see themselves as economic rivals rather than partners.

There is another dimension to our productivity dilemma. More than ever, our standard of living depends on our ability to compete in the world economy. But the United States has the lowest rate of productivity growth of our major trading partners. Again, this may sound like just another economic statistic—but it is really our key to remaining the most prosperous people on Earth.

If Japanese productivity is 10 percent greater than in America, the dollar must fall by 10 percent for our goods to remain price competitive. But this means that American goods will purchase 10 percent fewer foreign goods than before. In the new global economy, differences in productivity directly affect our ability to buy goods and services from the rest of the world.

Recognizing that we have a problem is the easy part. The important question is "Why is our productivity growth so low and what can we do to get it back up?"

We cannot explain all the factors that drive our productivity, but we do know parts of the puzzle. Economists have pointed to three major areas—investment, technological innovation, and education which together account for about 70 percent of our productivity growth.

Investment is a critical component since it is through new machinery that our technological innovations are put into place.

When it comes to investment we have three major problems: We do not invest enough, we have often made the wrong investments, and our investments have been financed by foreign capital.

Investment as a share of GNP is lower in the United States than it is for all of our major trading partners. And look where our investment dollars have gone. Over 90 percent of the growth in capital spending in this decade has gone for automobiles and office equipment, not production equipment. And most of this investment has been financed by foreigners—and it is foreigners, rather than Americans, who will reap much of the benefit.

It is no mystery about what we must do to raise investment. High real interest rates—caused by our budget deficits—make the cost of capital in the United States among the highest in the world.

But it is not just the Government deficit. We all know that our personal saving rate is about one-third of what the Japanese and Germans save. The amazing fact is that Americans put aside nearly as much of their income as do the Europeans and Asians. Our problem is that we turn around and borrow two-thirds of that from ourselves to finance consumption.

And this is simply people responding to the financial incentives they are given—a Tax Code that subsidizes borrowing for consumption, and downpayment and repayment rules that are "low down" and "easy repayment."

Our "national myopia" does not begin and end with the incentives that we face as consumers. We have managed to institutionalize shortsightedness as the career path to the top of the financial world. When our best business men and women can make more money rearranging the past than building the future, then I know something is wrong.

Our businesses are so unsure of where they will be in 2 years, that they resist exposure to risk. They focus on those short-term profits that a myopic market demands as the price for survival. But by holding the sharks at bay, our businesses become bait for the global competition.

Now consider technological development—the most important single factor for productivity growth. The signs are not encouraging:

As a proportion of GNP, America spends less than any of its trading partners on civilian research and development.

Our Federal research and development dollars go disproportionately to defense with only 0.2 percent going for industrial development.

In 1970, 73 percent of U.S. patents were granted to Americans. Now that number is down to 57 percent.

Only 6 percent of U.S. undergraduate degrees are awarded in engineering while the proportion is 37 percent in West Germany and 35 percent in Russia.

Most alarming is the tendency of even our major corporations to cede whole new areas of technology to our foreign competitors. Fearing their expertise and economic strength, we have walked away—first from VCR's, then from compact disc players—and in the process may have crippled our prospects in the emerging area of optics.

Finally, how are we doing in educating and training our students and workers?

It is in this area that the international comparisons are most frightening—and carrying the severest long-term consequences:

Nineteen achievement tests were recently administered to students in different countries and U.S. students never ranked first or second. Relative to our developed trading partners, we were at the bottom 7 out of 19 times;

Twenty percent of the U.S. work force is functionally illiterate while in Japan the number is 1 percent.

In an international study of math ability for 8th and 12th graders, U.S. students were above average in nothing.

The proportion of young Americans attracted to science and engineering programs has declined steadily since the early 1970's. And with demographic trends, we will train 700,000 fewer graduates in these fields in the next 20 years.

These lists could be extended, but the point is clear. Our standard of living is at risk. Other countries are saving and investing more, and are challenging our scientific lead—particularly in the areas with strong commercial applications.

In this decade, we've saddled ourselves with a double whammy. Our national debt has increased by $1 trillion—that's $4,167 per person—and we've borrowed $200 billion from foreigners. But rather than using these funds for productive investment in human and physical capital, we've gone on an orgy of consumption that has weakened our ability to honor these massive obligations.

We can no longer afford to spend the accumulated wealth of previous generations while borrowing from our future.

What must we do?

We can reduce the deficit and put incentives into place for increasing our national saving.

We can turn away from the shortsighted policies of this administration which have led to a 5-percent real reduction in Federal funding for education.

We can turn away from a research policy that is skewed more and more toward the military and which delivers fewer and fewer benefits to our economy.

We can encourage a cooperative partnership between management and labor through innovative compensation plans that reward long-term commitments and results.

We must examine our financial institutions that force our best managers to focus on the next 3 months rather than the next decade. We must search for ways to encourage "patient capital" that will back our efforts to build a powerful market presence both here and abroad.

Our Federal leaders must abandon the ideology that sees all Government spending as waste. We must fund those investments in people and machines that are essential for future economic growth.

In short, we must recognize that the free ride is over. The time has come for a national commitment to improving our productivity—for this is the only way that we can deliver on the American promise of prosperity.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. BOSCHWITZ). Under the previous order, there will now be a period for the transaction of routine morning business with statements therein limited to 5 minutes each.

TRIBUTE TO GOVERNOR AVERELL HARRIMAN, A GREAT STATESMAN

Mr. BRADLEY. Mr. President, I rise to pay tribute to a great American, W. Averell Harriman. We are all saddened by the death of this man who has truly given new meaning to public service.

Averell Harriman's distinguished career is, I believe, unequaled in duration and in depth. He served as an important adviser to five Presidents in key diplomatic capacities. He served the people of New York as their chief executive. And to his death at age 94, he has continued to serve as a valued adviser to many Members of Congress, of whom I was privileged to be one.

Although the Presidency eluded Governor Harriman, no one has had more sustained influence on our Nation's foreign policy without achieving that objective. During World War II he was sent to London as President Roosevelt's special representative. In 1943, he was named Ambassador to the Soviet Union, where he played a critical role in forging our rather difficult relationship with Stalin. A year after Roosevelt's death, Governor Harriman came back to the United States to serve President Truman as Secretary of Commerce and subsequently to serve the people of New York as their Governor. President Kennedy tapped Governor Harriman to return to Washington as Ambassador at Large, as Assistant Secretary of State for Far Eastern Affairs, and Under Secretary of State for Political Affairs. He was also sent to Paris in 1968 to head the U.S. delegation to resolve the conflict in Vietnam.

Long after Governor Harriman ceased to hold any formal position in government, he continued to provide wise counsel to many of us who have begun our government service more recently. Both he and his wife, Pamela, have shown their friendship and willingness to give of their time, their hospitality, and support in many ways. While the Governor's presence will be sorely missed, there is no question in my mind that he is one individual who will continue to shape policy and inspire those entering government service for generations to come.

Averell Harriman has set a standard of public service for all of us that will serve us well for generations to come.

AN ECONOMIC PERSPECTIVE BY JOHN G. MEDLIN, JR.

Mr. HELMS. Mr. President, as the Senate debates whether to raise the Federal debt limit even further into the stratosphere, I suggest that Senators will find it helpful to take note of remarks by my friend and fellow North Carolinian, John G. Medlin, Jr., president and chief executive officer of First Wachovia Corp., Winston-Salem.

John Medlin has achieved prominence and respect largely because of his keen understanding of the forces that shape our economy. That insight is apparent in John's remarks as he explains how the economy has evolved into its current sluggish state. More important, he points out that as we continue to forego serious action on the Federal deficit, we are simply borrowing from our future economic prosperity.

Mr. President, I offer John Medlin's economic analysis for the consideration of Senators, so they can note the point he makes so clearly—a point some of us have been making for a long time: The more Congress borrows from the economic prosperity of the future to pay for today's lack of political courage, the more cruel will be the legacy we leave for our children.

Mr. President, if we continue to delay in reducing the Federal deficit, we will surely face an economic crisis which will force us to take steps that are much more drastic than anything we envision today. We can wait no longer to begin reducing the Federal deficit. Otherwise we will leave our children to face an inescapable economic crisis not of their making.

Mr. President, I ask unanimous consent that the text of an address by John Medlin be printed in the RECORD at the conclusion of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AN ECONOMIC PERSPECTIVE

(By John G. Medlin, Jr.)

Today's economic and financial landscape has some perplexing features. Despite the sharp decline over the past year in crude oil prices, interest rates, and the dollar, the recent performance of the economy has been lackluster and mixed. Retail sales and industrial production have been flat to down, with the only bright spot being reasonably good housing starts. The pick-up in business activity predicted by many for the spring or summer has yet to materialize.

On a larger scale, there are some other puzzling developments. Despite the extended economic recovery and expansion over the past three and one-half years, federal budget deficits remain near record levels, and the number of financial institutions failing continues to increase. Real interest rates are relatively high despite the continued subdual of inflation and an actual decline in the consumer price index since early this year.

What are the reasons for these paradoxical circumstances? Have the conventional laws of economics been repealed? The answer probably cannot be found in current business statistics or superficial media reports, which sometimes create a misleading sense of euphoria or gloom. A better explanation is likely to be provided by examining basic economic and financial forces in longer perspective.

To do this, one must go back to the mid-sixties and look at the principal factors which inspired the buoyant and volatile economic and financial conditions of the past twenty years. Let's quickly review the main engines which powered us through that period of above-average growth:

Much stimulation was provided by a rapid expansion of federal programs and spending. Federal expenditures increased from $135 billion in 1966 to nearly $1 trillion this year.

Stimulus was provided by growing federal deficits as politicians lacked the courage and

vision to collect sufficient tax revenues to cover their increased spending. The national debt rose from around $300 billion in 1966 to over $2 trillion currently. The last balanced budget was in 1969.

Faster growth of the money supply also stimulated the economy. Until the late seventies, enough money was printed to help finance the rising national debt and keep interest rates below levels that would have resulted from natural supply and demand forces.

The economy was stimulated by a credit explosion as the cheapening of the dollar, inflationary expectations, and tax laws which favor borrowing, caused business and consumers to increase their debt rapidly. The debt burden has risen to the highest ratio since the late 1920's.

The domestic economy also was boosted for many years by strong growth in exports until the dollar stopped falling and began rising in the early eighties. This was particularly true in agriculture, technology, and capital goods that many countries could not produce for themselves.

Capital expenditures were another heavy stimulant over the past twenty years. One need only look at the skyline and environs of Atlanta to have an appreciation for the amount of investment that has gone into industrial plants, office buildings, shopping centers, warehouses, hotels, and the like over the past two decades.

The final and perhaps the most powerful force stimulating growth over the past twenty years has been demographics. The number of births in the United States doubled from an average of about 2 million in the thirties and early forties to around 4 million from the end of World War II through the early sixties. It should have been no surprise that social change and business activities began to pick up as the baby boom started becoming income-earning workers and consumers in the mid-sixties.

The results are history which needs no review. They include runaway inflation and stratospheric interest rates as well as the strongest economic growth and deepest recessions since the Great Depression. The aftermath has left major segments of our economic and financial systems badly damaged and unable to compete.

The unemployment rate has been unable to struggle below 7 percent since rising about that level in May of 1980. The jobs being created are largely in the service sector while layoffs abound in manufacturing, energy, agriculture, and other industries which are down-sizing. Deregulation in transportation, communications, and finance is bringing tougher competition and historic restructuring to these now less-protected fields.

To further develop an explanation for the current sluggish climate and to get a feel for future prospects, let's run back through the list of factors stimulating the strong growth from the mid-sixties to the beginning of this decade. It should be apparent that some of the extraordinary growth and prosperity of those years was borrowed from the future and cannot continue.

In federal spending, the debate today is not about what federal programs to add, but which ones to cut. While government expenditures are not yet under satisfactory control, it seems safe to bet that they will not be as stimulative and grow so rapidly in the years ahead as during the times past.

Much the same can be said for the federal deficit. While the deficit is still too large, it is likely to trend downward as a percentage of gross national product even if the amount remains around the recent level of $200 billion annually.

Monetary policy has been a less stimulative force since late 1979 when the Federal Reserve began to put its primary emphasis on maintaining moderate money supply growth rather than providing an amount sufficient to hold down natural interest rates pressures. This policy change can be credited with breaking the back of inflation in the early eighties.

The growth in debt appears destined to be a less positive factor for years to come. The already heavy debt burdens of many countries, businesses, and individuals will limit additional borrowing and moderate economic expansion.

There is little hope of a sufficient increase in exports to provide a significant boost to the domestic economy for some years to come. Higher costs and less efficient production could make it difficult for many domestic producers to compete with foreign counterparts, even with a cheaper dollar.

Capital expenditures and capacity expansion appear less likely to provide a boost to the economy during the times ahead. Even with lower interest rates, the vacancy rates for commercial space in many parts of the country, along with the modest industrial capacity utilization rates in most industries and the proposed elimination of tax incentives, suggest more moderate facilities expansion.

Finally, and very importantly, demographic factors have turned weak in recent years. The drop in the number of births to around 3 million on average beginning in the mid-sixties through the seventies means there are about 25 percent fewer young adults becoming income-earning workers and consumers. During the ten years from 1985 to 1995, the U.S. population in the age 15–34 range will drop by around 7 million.

Considering the slower growth pattern inherent in these basic determinants of business activity, it should not be surprising that the economy has begun moving on a sluggish and uninspiring course. Many of us have experienced most of our working careers during a faster growth and inflationary period. However, it may be advisable to lower our expectations and become adjusted to a climate in which there are no strong engines of growth. Much has been borrowed from the future, and the time for repayment has begun.

The climate also has increased risks. One is the weakened state of the financial system. As has been apparent in recent years, the disinflation phase of a long economic cycle can be the most dangerous for financial institutions. Some loans made on the erroneous assumption of continual inflationary growth became problems. The quality, value, and liquidity of many financial assets deteriorated while the funding and capital structures of intermediaries became more vulnerable and strained.

On a larger scale, the financial markets have developed a speculative, volatile, and ethical character which is reminiscent of conditions during the period of disinflation in the 1920's preceding the Great Depression. Much of the growing variety and volume of financial innovations and activity seems inspired as much by speculative motivations as by business rationale. This causes erratic behavior in the equity, debt, and currency markets which bears little relationship to underlying fundamentals and trends.

Despite these developments, the financial system is basically sound. It has demonstrated the durability to withstand substantial stress. Many institutions have a minimum of problems and have not over-extended their capital or capabilities. Others embark on the journey into a more competitive and less forgiving future with a heavy burden, exotic risks, and a weak foundation. It is a time to be especially careful where you put your money. Anything that looks too good to be true probably is.

The greatest risk of all in the outlook is the large and stubborn federal deficit. It preempts more than half of domestic savings, raises money costs, discourages capital investment, stimulates domestic consumption, encourages foreign imports, and necessitates external borrowing. Some effects of federal deficits in the area of $200 billion for several years have been a $150 billion trade deficit, lower domestic production, higher U.S. unemployment, and a more vulnerable financial system.

This problem will correct itself over time as foreigners become less willing to finance our imports and deficits through increased holdings of dollar debt. The dollar eventually will fall to an exchange rate which balances our international trade and payments accounts. However, in an interdependent and volatile economic and financial world, such a neglectful process of adjustment could cause some traumatic repercussions at home and abroad, including a resurgence of inflation and interest rates. A safer way is to balance our budget gradually.

No one knows the ultimate effects of habitually increasing the federal debt at a rate much faster than the growth of national income or of running foreign trade and payments deficits of over $100 billion for several years. Our current net external debt of around $125 billion is already the largest on earth. It is expected to rise to around $500 billion by the end of this decade. Such unusual imbalances are unlikely to remain benign forever. They simply represent borrowing from the future prosperity, which eventually must be repaid through voluntary or imposed austerity. This is a cruel legacy to leave our children.

The Gramm-Rudman Act, which may be declared unconstitutional soon, has imposed some restraint on federal spending. However, it exempts the largest expenditures, defense and entitlements. The rates of growth for these items also must be reduced more if sufficient progress is to be made in decreasing the deficit. Unfortunately, concern about spending has been pushed into the background by interest in tax reform. There is reason to suspect that when the political maneuvering on tax reform is finished, revenues will be lower and the deficit higher.

Unhappily, the experiences of the past raise serious doubts as to whether the necessary spending control is possible or probable in our nation, which is so dominated by political expediency and special interests. There is no painless way to reduce the large deficit, and there is no precedent in democracies for people voluntarily lowering their standard of living. This usually comes only through necessity bred of crisis, and there is no crisis—at least not yet.

For the Federal Reserve to be forced to print money faster to finance deficits would rekindle inflation and eventually send us on another roller coaster ride. It has a narrow margin of flexibility to continue the difficult and delicate job of simultaneously containing price inflation, restraining interest rates, and sustaining economic growth. The

only hope for balancing that equation over time is to reduce the federal deficit. Meantime, intermittent fits of optimism and pessimism are likely to keep the economy erratic and the financial markets nervous.

To conclude on a more encouraging note, the combination of lower oil prices, minimal price inflation, subdued interest rates, and a weaker dollar should give a moderate lift to the economy over the next year or so. Also, the improved trend of basic long-term forces should foster slower but healthier growth and more stable financial conditions the rest of this decade and into the early nineties. This is hopeful speculation based on abiding faith in the good sense of the American people than in a firm conviction that they will rally to the cause of fiscal responsibility in time to prevent another depression.

There is still the opportunity for an orderly solution to the budget and trade deficits, but there also is the risk of an unexpected lightning bolt out of the blue doing serious damage to a vulnerable economy and financial system. Thus, these are no times for blind optimism or complacency. The assurance of enduring economic growth and financial stability in the years ahead will require more responsible citizenship and political leadership than presently are being practiced.

INTERNATIONAL TRADE DEFICIT

Mr. BAUCUS. Mr. President, we just got some more bad news today from the Commerce Department. Our international trade deficit is reaching an all-time high.

For the first half of 1986, the U.S. trade deficit with other countries was $84 billion. At an annual rate, that translates into a 1986 total deficit of $168 billion—12 percent higher than last year's record deficit.

Even worse, for the second month in a row, we rang up a deficit in our agricultural trade. The administration keeps telling us that better days are ahead. But wishful thinking has gotten us nowhere.

World oil prices have fallen, the value of the dollar has dropped, and still the trade deficit grows larger.

The message today from the Commerce Department is clear: our trade imbalance is not going to correct itself. We have to stop talking and wringing our hands about the trade deficit and start acting.

AGRICULTURE ACTION

Our first efforts must be to stop the drop in farm exports. Gone are the days when our grain sold itself. The competition is playing tough. The old rules no longer apply. We must change our game plan and be more aggressive.

We have to promote exports more. We have export expansion programs. Let us use them.

Let me give you one example. The Soviet Union used to be a major buyer of United States grain. But since the 1980 grain embargo, our sales have plummeted. The Soviets are now buying large quantities of wheat from Argentina, Canada and elsewhere. In the meantime, our huge grain surpluses keep growing.

Our export enhancement program is a creative tool that American traders can use to get the Soviet Union to buy our wheat. But the administration is balking at using this program.

I urge the President to give our farmers a fighting chance in the export market and quit playing politics with our grain.

OTHER ACTION

Mr. President, in addition to agriculture, workers in manufacturing industries all across America are crying out for help. Part of the solution lies in improving and updating our trade laws. That means the Senate must move forward this year on a comprehensive trade bill.

Another part of the solution is more difficult to define, but is crucial—that is, making the United States more competitive. This includes doing a better job marketing our products overseas.

There are many ways to boost our competitiveness. One way is to improve America's work force, by strengthening our educational system and restructuring worker-management relations.

In the end, we cannot rely on outside forces to improve our trade picture. We must compete our way out of this trade problem.

I urge the administration to make sure U.S. traders have all the tools they need to be strong competitors in the world marketplace.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business?

Mr. HEINZ. Mr. President, I do not have any statement for morning business. I think it should be in order to move to the pending matters before the Senate.

The PRESIDING OFFICER. If there is no morning business, morning business is closed.

INCREASE IN THE STATUTORY LIMIT ON THE PUBLIC DEBT

The PRESIDING OFFICER. The clerk will report the pending business.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 668) increasing the statutory limit on the public debt.

The Senate resumed consideration of the joint resolution.

Pending:

(1) Gramm-Hollings Amendment No. 2223, to add a new title for balanced budget and emergency deficit control affirmation.

(2) Rudman Amendment No. 2224 (to Amendment No. 2223), to provide for revision of provisions of reporting responsibilities in the balanced budget and emergency deficit control process.

(3) Exon Amendment No. 2225, to express the sense of the Senate that the Congress utilize the existing "fallback" provisions of the Emergency Deficit Control Act, to require a congressional vote on specific measures to reduce the Federal budget deficit.

(4) Modified committee admendment, to provide a committee substitute on investment and restoration of Social Security funds during debt limit crises.

(5) Rudman modified Amendment No. 2226, to modify procedures under the Balanced Budget and Emergency Deficit Control Act of 1985.

(6) Exon motion to commit the joint resolution to the Committee on Governmental Affairs, with instructions.

(7) Dole (for Gramm) Amendment No. 2231 (to the motion to recommit), to modify procedures under the Balanced Budget and Emergency Deficit Control Act of 1985.

(8) Dole (for Gramm) Amendment No. 2232 (to Amendment No. 2231), of a perfecting nature.

Mr. EXON. Mr. President, I am going to explain what I believe to be the parliamentary situation at this time and would like a clarification from the Chair as to whether it is properly interpreted by the Senator from Nebraska.

Now that we have returned to the debt ceiling limit increase—which I think should be understood is a further increase in the national debt ceiling to $2.3 trillion—now that that is before us once again, I presume that it is correct to say that the matter before the Senate is the motion by this Senator from Nebraska to commit, as amended in the first and second degree by those representing the Gramm-Rudman-Hollings, so-called Gramm II, and that the yeas and nays have been ordered on both of the amendments to the Exon motion to commit. Is that correct?

The PRESIDING OFFICER. The Senator will withhold.

The amendments to the motion by the Senator from Nebraska have only been proposed. The yeas and nays have been ordered, so that Senator is correct.

Mr. EXON. I thank the Chair.

Mr. President, I have been anxiously, if not impatiently, waiting for a number of days for the Gramm compromise, or call it what you will, to emerge from the closed-door sessions off the Senate floor that supposedly is going to unleash the vote in the near future on the matters before us.

I think it should be abundantly clear to all that this Senator for over a week now has been daily on the floor of the U.S. Senate simply saying, "Why do we procrastinate? Why do we delay? Why don't we move ahead?"

□ 1120

I have pointed out on several occasions, Mr. President, that the Senate is essentially tied up by those individuals who insist on the vote with regard to Gramm-Rudman-Hollings II, which is designed to amend and change the original Gramm-Rudman law to correct that part of the Gramm-Rudman

bill that was eliminated by the recent Supreme Court ruling.

It has been this Senator's position, Mr. President, that when Gramm-Rudman-Hollings was originally brought forth there was a fallback provision in the bill. That fallback provision was in there because the authors of that bill knew and recognized that they had potential constitutional problems with the enforcement part of that mechanism with regard to the sequester order. According to the original Gramm-Rudman-Hollings bill, it appointed the head of a General Accounting Office to do that act if the Congress did not followthrough with budget restraints and constraints to get to the $144 billion maximum deficit for the next fiscal year.

I have said on many occasions, Mr. President, that the fallback provision that was written into that bill in the initial instance is there. The Gramm-Rudman-Hollings structure is in place. I do not understand why we need a fix-up to something that I do not believe needs fixing, which basically leaves us with what I think is a rational and reasonable proposal to go ahead and implement the fallback provision that was spelled out very clearly and was referred to by the Supreme Court in the decision as an out, a way for Congress to move forward with this responsibility to bring the deficit under control.

It seems to me that we are wasting time, as we have been for all of last week. The record will clearly show that the only thing significant that we did here was to take about 2 hours to revisit the Manion nomination. So far this week we have been further tied up and essentially have had only one important vote and that was the one yesterday that confirmed the continued viewing of the action of the U.S. Senate on television.

A renewal of that commitment to let the people see what is going on here in my opinion was a good move, but I wonder what the people are seeing. The people are seeing inaction in the U.S. Senate.

I still feel the reason for my amendment was to say let us move forward and get on with the business of reducing this deficit, employing the fallback provision and not, Mr. President, run the risk, and I think a very important risk, one that we should not take if we are concerned about the deficit, of trying a fix-up provision as to who will be the sequesterer if Congress does not act as it is responsible to do and reduce the deficit under the dicatates of the Gramm-Rudman-Hollings bills.

I am still waiting. We are back on the bill now. Every day and almost every hour since Thursday last this Senator has been advised by various of my colleagues that these constitutional scholars are all meeting in a room somewhere and were about to come forth with a magical plan of some kind that would produce sequester or execution if the Congress does not act.

I wonder if there is any Member on the Senate floor who is privy to those negotiations off the floor of the U.S. Senate and not on, who could advise this Senator now as to whether or not the Gramm compromise, which rumor indicated yesterday would be brought forth this morning, is at hand and, if so, what is it, so that we might debate?

I would simply note that the parliamentary situation that the Senate finds itself in, basically because this Senator asked for the yeas and nays on the pending amendment, would indicate that we are in somewhat of a box once again. I am simply asking for an explanation of where we are not so that we can tell where we may be going in the future, if anywhere.

I renew my request for an explanation of whether or not a compromise, a Gramm compromise, has been reached, and if so, is it possible that whatever that is, that information could be relayed to the other Members of this body, each of whom have a vote?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I have been discussing this matter with the distinguished manager of the bill, Senator HEINZ. We are as frustrated as the Senator from Nebraska. We would like to get some action, too, around here. I have indicated to my colleagues, Senators GRAMM and RUDMAN, that we are going to do something here very quickly. It would seem we should do whatever the distinguished manager might wish to do, but it would be my hope that he would move to table the Exon motion to commit. Let us do something. If we do not table it, we have not lost anything, and if they do not show up pretty quickly we will move to table theirs.

Mr. HEINZ. Mr. President, we have been debating this issue and the motion to commit for days. This debt ceiling bill has been pending for nearly a week. It is important, as the Senator from Nebraska has mentioned, and as the majority leader has just suggested, that we begin to dispose of the various motions and amendments which are before us, as the majority leader indicated. As manager of the bill, I move to table the motion to commit and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. EXON. Mr. President, a point of order.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. EXON. Mr. President, a point of order.

The PRESIDING OFFICER. There is not a sufficient second.

Mr. EXON. Mr. President, will the Senator yield? I am trying to reach a point of order to raise a parliamentary question to the Chair. Is there any objection to my doing that?

Mr. HEINZ. Mr. President, I am perfectly willing to withhold the motion to table if the Senator wants to propound a parliamentary inquiry. I do not wish to inconvenience him, but I want to reserve my right to the floor. I will be happy to yield to him for the purpose of propounding a parliamentary inquiry.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. I appreciate my colleague yielding.

Mr. President, the motion has been made, and the request for the yeas and nays not yet seconded, to table the motion offered by the Senator from Nebraska.

As I understand the parliamentary situation, there are two amendments that are before us now. Is it possible to have a motion to table the motion to commit by the Senator from Nebraska? Is that in order with the two amendments in the first and second degree that are presently on that matter on which the yeas and nays have been ordered?

□ 1130

The PRESIDING OFFICER. The motion to table the underlying motion to recommit is indeed in order.

Mr. EXON. I thank the Chair.

Mr. HEINZ. Mr. President, I ask for the yeas and nays on my motion to table the motion to commit.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to commit. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 66, nays 33, as follows:

[Rollcall Vote No. 166 Leg.]

YEAS—66

Abdnor	Denton	Helms
Andrews	Dixon	Hollings
Armstrong	Dole	Humphrey
Bentsen	Domenici	Kassebaum
Biden	Durenberger	Kasten
Boren	Evans	Kennedy
Boschwitz	Garn	Laxalt
Broyhill	Gorton	Levin
Bumpers	Gramm	Long
Chafee	Grassley	Lugar
Chiles	Hatch	Mattingly
Cochran	Hawkins	McClure
Cohen	Hecht	McConnell
D'Amato	Heflin	Murkowski
Danforth	Heinz	Nickles

Nunn	Rudman	Thurmond
Packwood	Simon	Trible
Pressler	Simpson	Wallop
Proxmire	Specter	Warner
Pryor	Stafford	Weicker
Quayle	Stevens	Wilson
Roth	Symms	Zorinsky

NAYS—33

Baucus	Glenn	Matsunaga
Bingaman	Gore	Melcher
Bradley	Harkin	Metzenbaum
Burdick	Hart	Mitchell
Byrd	Hatfield	Moynihan
Cranston	Inouye	Pell
DeConcini	Johnston	Riegle
Dodd	Kerry	Rockefeller
Eagleton	Lautenberg	Sarbanes
Exon	Leahy	Sasser
Ford	Mathias	Stennis

NOT VOTING—1

Goldwater

So the motion to lay on the table the motion to commit was agreed to.

□ 1150

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOLE. Mr. President——

Mr. BYRD. Mr. President, may we have order in the Senate so we can hear what the majority leader is about to say?

The PRESIDING OFFICER. The Democratic leader is correct.

Will those Senators who are engaged in conversations kindly retire to the cloakroom.

Mr. DOLE. Mr. President, as I indicated last night, yesterday morning, and again this morning, we need to move on this debt extension because there are a number of other bills that Members would like to have brought up and disposed of prior to the August 15 recess.

I think that now we have started. Now there is an indication that we can make some movement.

I have had a brief discussion with the distinguished Senator from Colorado, and he cannot offer his amendment, which would repeal Gramm-Rudman-Hollings, until the so-called fix has been agreed to or rejected.

So I suggest that we will be ready in about 2 or 3 minutes to offer a modification to the pending Gramm-Rudman-Hollings amendment. I can assure Members that we are going to move as quickly as we can. There may be some debate, probably should be some debate, once that is before the Senate.

We are going to stay on this bill today and work into the evening and try to dispose of it. It would be helpful to us if we knew how many amendments there might be and where the amendments might be coming from. I think it would help the distinguished Senator from Pennsylvania, who is managing the bill, and the manager on the other side, Senator LONG, or his designee, so that we can make some progress.

EXTENSION OF TIME FOR COMMITTEES TO FILE REPORTS

Mr. DOMENICI. Mr. President, with reference to the reconciliation activities of the various committees, we need 1 additional hour for them to file. They had a 12 o'clock time limit, and I ask unanimous consent that they be given until 1 o'clock today for the filing of their committee reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, will the majority leader yield for a question?

Mr. DOLE. I yield to the Senator from Colorado.

Mr. HART. Mr. President, it has been obvious to Senators that there has been a trend in the last year or so toward filling up a tree. The reason for this is not apparent to many of us, except perhaps to provide a certain degree of control over the flow of legislation and amendments.

I wonder if the majority leader would comment on this style of legislation, because what it does is kind of frustrate the free flow of amendments and gets us into incredible parliamentary tangles. I wonder if it would not be wise to put bills on the floor and do what we did for 11 years, since this Senator has been here, and just let Members offer amendments, instead of putting a bill on the floor and offering a first-degree amendment and then a second-degree amendment and having back-room discussions with people as to when they can offer amendments. I think it would be better to go back to the regular order of doing business here.

Mr. DOLE. Mr. President, I understand that it is within the rules to do what has been done, and there is certainly precedent for it. I can understand the frustration of the Senator from Colorado.

I would be prepared right now to ask unanimous consent to set aside the pending amendment so that the Senator from Colorado might offer his amendment. But I understand that before he offers his amendment, he would like to have the other one disposed of. Is that correct?

Mr. HART. The majority leader is correct. But the problem is deeper than that. Once the so-called tree is filled up—and now we have a roadblock with respect to the major amendment on this proposal, because there is negotiation going on—the whole Senate is tied up. You have to get unanimous consent to offer anything, and people object to that.

□ 1200

It seems to me that it is not just this bill. There has been a pattern of bill after bill after bill. A measure gets called up, there is a blockbuster amendment, a second-degree amendment, and then everything gets frustrated and you spin your wheels a lot just on the parliamentary procedure.

So I was just wondering whether or not it might be better to go back to the way we used to do business around here.

Mr. DOLE. I hope we do not go back to that way. We will find out, I guess, in November.

But in any event we are going to be proceeding here very quickly, and I understand there are one or two little things need to be done.

So I am going to suggest the absence of a quorum.

Mr. BYRD. Mr. President, before the distinguished Senator does that could be withhold that suggestion?

Mr. DOLE. Yes.

The PRESIDING OFFICER (Mr. ANDREWS). Does the Senator yield?

Mr. BYRD. Will the Senator withhold that suggestion?

The PRESIDING OFFICER. Does the majority leader withhold his request for a quorum call?

Mr. DOLE. I would be happy to yield. I do not want not to yield to the distinguished minority leader but I also want to protect the right of the Members to modify their amendment. So I do not want to disadvantage them by someone jumping up and asking for the yeas and nays.

So I think I feel compelled momentarily to ask for a quorum. Let me visit privately with the distinguished minority leader.

Mr. KENNEDY. Mr. President, as a point of information, respecting that, could I indicate to the majority leader, if he could yield just on a point of information, he just inquired of the Senate whether there was going to be any other amendments. I want to give indication to the majority leader that at a time when there is a conclusion of the amendments dealing with the Gramm-Rudman, I know the intention of the Senator from Connecticut, the Senator from California, and myself is to have an opportunity for debate on the South Africa situation. There is an important meeting in this Commonwealth country this weekend. We are hopeful we will get some indication by a vote by the Senate prior to that time.

I want to indicate to the majority leader the intention of the three of us.

Mr. DOLE. Mr. President, I thank the Senator from Massachusetts. I am not certain I thank the Senator, but I have heard the Senator.

I must say that does not come as a surprise but that will also mean that prior to that I will have to offer an

amendment on freedom fighters which will probably delay the other debate for sometime.

But in any event, I suggest the absence of a quorum.

Mr. EXON. Mr. President, will the Senator yield for a question without losing his right to the floor?

The PRESIDING OFFICER. Does the majority leaders yield?

Mr. DOLE. I yield.

Mr. EXON. Mr. President, I thank the majority leader. I know the position he is in.

I have been trying to cooperate with this body in moving things ahead.

I would certainly advise the Senate that the Senator is fully aware of the right that he has to request the yeas and nays on the pending matter before us which, if we got a sufficient second, would block any amendments thereto.

As far as this Senator is concerned, I would simply advise the Senate and majority leader in particular that I am not going to do that. That would be parliamentary trickery.

I also would have the option, since the tree has now been opened up, if I could get the floor, to offer my amendment again, essentially the one that was just defeated through the tabling move.

I think the Senator from Colorado has made a very significant point. I believe that we should recognize here that there are differences of opinion, but eventually the Senate has to work its will.

So I simply want to tell the majority leader that I am not going to be pulling any parliamentary tricks as were pulled on this Senator to block the up-or-down vote on my amendment.

But I do intend to have some very vigorous argument and try to tell the Senate once and again when and if we bring this up to debate and not go into quorum that is designed obviously to give another hour or so to those who have been working endless hours and hours and hours working or doing something else when they should be coming up with this magical compromise that is about to be foisted upon the Senate.

I will be vocal in debate on that when it comes up but I am not going to use any parliamentary procedures to try to block it.

Mr. DOLE. I thank the distinguished Senator from Nebraska.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1240

Mr. DOMENICI. Mr. President, I ask unanimous consent the clerk dispense with further reading of the roll.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

REPORTS ON RECONCILIATION

Mr. DOMENICI. Mr. President, I ask unanimous consent that the committee of the Senate have until 2:30 to report their reconciliation bills to the Budget Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, earlier there had been an effort to obtain a request for the Agriculture Committee to meet this afternoon to hold a markup on the amendment of the Federal Insecticide, Fungicide, and Rodenticide Act. But I am advised there would be an objection to that from the other side. Therefore, I will not propound the request.

RECESS UNTIL 2 P.M.

Mr. DOLE. Mr. President, I move we stand in recess until 2 o'clock.

The motion was agreed to, and at 12:40 p.m., the Senate recessed until 2 p.m., whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. COHEN].

□ 1400

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Senate is now in session.

The majority leader is recognized.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR COMMITTEES TO FILE REPORTS ON RECONCILIATION

Mr. DOMENICI. Mr. President, with reference to the previous unanimous consent, wherein the Senate agreed that the committees of the Senate have until 2:30 to complete their work and file their reports on reconciliation, I understand from the staff and some Senators who are working in the late moments here that they would like the Senate to grant unanimous consent that they have until 3:30 to file reports. I so make that unanimous-consent request to the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCREASE IN THE STATUTORY LIMIT ON THE PUBLIC DEBT

The Senate continued with consideration of the joint resolution.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. RUDMAN. Mr. President, in a couple of minutes I am going to send to the desk a modification of the second-degree amendment to the committee amendment which is now pending.

I am sending that modification to the desk because under the rules of the Senate only the original offerer of the amendment has the right of modification. In actuality, this modification represents a major effort by the chairman and ranking minority member of the Senate Budget Committee, Senator DOMENICI and Senator CHILES, who have worked with Senators GRAMM, HOLLINGS, and myself and many others in this Chamber to perfect our amendment. The modification will go a long way to eliminate any argument that, by giving the final sequester authority to the Director of Office of Management and Budget, any new great amount of discretion is thereby given to the President.

It has been very carefully crafted. It has had the benefit of extensive looks by both Senate legal counsel and legislative counsel. It has been written both in light of the Supreme Court decision in Synar versus Bowsher, but more relevantly in terms of what developed in the Bowsher case, the arguments in the lower court in which Judge Scalia wrote the opinion that was upheld in the Court.

A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. RUDMAN. Am I correct that the business now pending is the second-degree amendment to the committee amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. RUDMAN. Am I correct that I now may, on my own motion, modify that amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. RUDMAN. That being the case, and knowing that Senator CHILES and Senator DOMENICI are anxious to explain in detail the thrust of this particular amendment, rather than speak on it at any great length at this time, I am simply going to send this to the desk. Senators DOMENICI and CHILES will be here on the floor shortly, and at that time I believe we will proceed into the basic debate.

I see Senator Levin on the floor. He has had a major part in how this modification would be drafted. As we all know, the Levin amendment to the original Gramm-Rudman-Hollings went a long way toward making sure that the powers of Congress were protected in terms of the discretion of each program account and activity,

and we have been mindful of the Levin amendment as this has been crafted.

With that, Mr. President, I send to the desk a modification of the second-degree amendment to the committee amendment.

The PRESIDING OFFICER. The amendment is so modified.

The amendment as modified follows:

On page 9, line 8 of the Committee amendment strike "this Act." and insert in lieu thereof the following:

"TITLE III—BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL

SEC. 301. SHORT TITLE.

This title may be cited as the "Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1986."

SEC. 302. REVISION OF PROCEDURES.

(a) REFERENCE.—Except as otherwise specifically provided, whenever in this section an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be a reference to a section or other provision of the Balanced Budget and Emergency Deficit Control Act of 1985.

(b) REVISION OF REPORTING RESPONSIBILITIES.—(1) Section 251(b) is amended to read as follows:

"(b) REPORTS BY THE COMPTROLLER GENERAL AND THE DIRECTOR OF OMB.—

"(1) REPORT TO THE DIRECTOR OF OMB AND THE CONGRESS BY THE COMPTROLLER GENERAL.—

"(A) REPORT TO BE BASED ON OMB-CBO REPORT.—The Comptroller General shall review and consider the report issued under subsection (a) by the Directors for the fiscal year and, with due regard for the data, assumptions, and methodologies used in reaching the conclusions set forth therein, shall issue a report to the Director of the Office of Management and Budget and the Congress on August 25 of the calendar year in which such fiscal year begins, estimating the budget base levels of total revenues and total budget outlays for such fiscal year, stating whether such deficit excess will be greater than $10,000,000,000 (zero in the case of fiscal year 1991), specifying the estimated rate of real economic growth for such fiscal year, for each quarter of such fiscal year, and for each of the last two quarters of the preceding fiscal year, indicating whether the estimate includes two or more consecutive quarters of negative economic growth, and specifying (if the excess is greater than $10,000,000,000, or zero in the case of fiscal year 1991) the percentages by which defense and non-defense accounts must be reduced during such fiscal year in order to eliminate such deficit excess. Such report shall be based on the estimates, determinations, and specifications contained in the report submitted by the Directors under subsection (a) and shall utilize the budget base, criteria, and guidelines set forth in subsection (a)(6) and in sections 255, 256, and 257.

"(B) CONTENTS OF REPORT.—The report of the Comptroller General under this paragraph shall contain such views as the Comptroller General considers appropriate concerning the estimates, determinations, and specifications contained in the report submitted by the Directors under subsection (a). The report of the Comptroller General shall explain fully any differences between the contents of such report and the report of the Directors under subsection (a).

"(2) REPORT TO PRESIDENT AND CONGRESS BY THE DIRECTOR OF OMB.—

"(A) REPORT TO BE BASED ON GAO REPORT.—The Director of the Office of Management and Budget shall review and consider the report issued by the Comptroller General under paragraph (1) of this subsection for the fiscal year and, with due regard for the data, assumptions, and methodologies used in reaching the conclusions set forth therein, shall issue a report to the President and the Congress on September 1 of the calendar year in which such fiscal year begins, estimating the budget base levels of total revenues and total budget outlays for such fiscal year, identifying the amount of any deficit excess for such fiscal year, stating whether such deficit excess will be greater than $10,000,000,000 (zero in the case of fiscal year 1991), specifying the estimated rate of real economic growth for such fiscal year, for each quarter of such fiscal year, and for each of the last two quarters of the preceding fiscal year, indicating whether the estimate includes two or more consecutive quarters of negative economic growth, and specifying (if the excess is greater than $10,000,000,000, or zero in the case of fiscal year 1991), by account, for non-defense programs, and by account and programs, projects, and activities within each account, for defense programs, the base from which reductions are taken and the amounts and percentages by which such accounts must be reduced during such fiscal year in order to eliminate such deficit excess. Such report shall be based on the estimates, determinations, and specifications, and views of the Comptroller General under paragraph (1) and shall utilize the budget base, criteria, and guidelines set forth in subsection (a)(6) and in sections 255, 256, and 257.

"(B) CONTENTS OF REPORT.—The report of the Director of the Office of Management and Budget under this paragraph shall—

"(i) provide for the determination of reductions in the manner specified in subsection (a)(3);

"(ii) contain estimates, determinations, and specifications for all of the items contained in the report submitted by the Directors under subsection (a); and

"(iii) state whether the estimates, determinations, and specifications contained therein are consistent with the views contained in the report of the Comptroller General under paragraph (1)(B), and, if not, shall justify the reasons for any deviation.".

(2) Section 251(c) is amended—

(A) by striking out "President" in subparagraph (A) of paragraph (2) and inserting in lieu thereof "Director of the Office of Management and Budget";

(B) by striking out "subsection (b)" in such subparagraph and inserting in lieu thereof "subsection (b)(1)";

(C) by striking out subparagraph (B) of such paragraph and inserting in lieu thereof the following new subparagraph:

"(B) The report of the Comptroller General under this paragraph shall revise (to the extent necessary) the views contained in the report submitted pursuant to subsection (b)(1)(B)."; and

(D) by adding at the end thereof the following new paragraph:

"(3) REPORT BY THE DIRECTOR OF OMB.—

"(A) On October 15 of the fiscal year, the Director of the Office of Management and Budget shall submit to the President and the Congress a report revising the report submitted by the Director of the Office of Management and Budget under subsection (b)(2), adjusting the estimates, determinations, and specifications contained in that report to the extent necessary in the light of the revised report submitted to the Director of the Office of Management and Budget by the Comptroller General under paragraph (2) of this subsection.

"(B) The revised report of the Director of the Office of Management and Budget under this paragraph shall provide for the determination of reductions as specified in subsection (a)(3), shall contain all of the estimates, determinations, and specifications required (in the case of the report submitted under subsection (b)(2)) pursuant to subsection (b)(2)(B)(ii), and shall justify any deviation between the revised report of the Director under this paragraph and the report of the Comptroller General under paragraph (2).

"(C) The revised report of the Director under this paragraph shall contain estimates, determinations, and specifications for all of the items contained in the initial report and shall be based on the same economic and technical assumptions, employ the same methodologies, and utilize the same definition of the budget base and the same criteria and guidelines as those used in the report submitted by the Director under subsection (b)(2), and shall provide for the determination of reductions in the manner specified in subsection (a)(3).

"(D) The revised report of the Director under this paragraph for a fiscal year shall not contain, with respect to any item, an amount of budget authority, outlays, spending authority (as defined in section 401(c)(2) of the Congressional Budget Act of 1974), revenues, obligation limitation, obligated balances, unobligated balances, loan guarantee commitments, or direct loan obligations, which is different than the amount of budget authority, outlays, spending authority (as so defined), obligation limitation, obligated balances, unobligated balances, loan guarantee commitments, or direct loan obligations specified for such item in the report of the Director under subsection (b)(2) for such fiscal year unless, after the Director submits the report required under such subsection (b)(2)—

"(i) legislation is enacted,

"(ii) a final regulation is promulgated, or

"(iii) a sale of assets is announced,

which requires a change in the estimate of such budget authority, outlays, spending authority (as so defined), obligation limitation, obligated balances, unobligated balances, loan guarantee commitments, or direct loan obligations for such item.".

(3)(A) Section 251(e) is amended by striking out "Directors or the Comptroller General" and inserting in lieu thereof "Directors, the Comptroller General, or the Director of the Office of Management and Budget".

(B) Section 251(f) is amended by striking out "subsections (b) and (c)(2)" and inserting in lieu thereof "subsections (b)(1) and (c)(2), and the reports of the Director of the Office of Management and Budget submitted to the Congress under subsections (b)(2) and (c)(3),".

(c) PRESIDENTIAL ORDERS.—(1) Section 252(a) is amended—

(A) by striking out "Comptroller General" the first place it appears in paragraph (1) and inserting in lieu thereof "Director of the Office of Management and Budget";

(B) by striking out "section 251(b)" each place it appears in paragraphs (1) and (3) and inserting in lieu thereof "section 251(b)(2)";

(C) by striking out "September 1" in paragraph (1) and inserting in lieu thereof "September 3"; and

(D) by striking out "COMPTROLLER GENERAL'S" in the heading for paragraph (3) and inserting in lieu thereof "DIRECTOR'S".

(2) Section 252(b) is amended—

(A) by striking out "Comptroller General" each place it appears and inserting in lieu thereof "Director of the Office of Management and Budget";

(B) by striking out "section 251(b)" each place it appears and inserting in lieu thereof "section 251(b)(2)";

(C) by striking out "section 251(c)(2)" each place it appears and inserting in lieu thereof "section 251(c)(3)"; and

(D) by striking out "October 15" in paragraph (1) and inserting in lieu thereof "October 17".

(d) TERMINATION OR MODIFICATION PROCEDURES.—(1) Section 251(d) is amended by striking out paragraph (3).

(2) The last sentence of section 251(c)(1) is amended by striking out "and authorized under subsection (d)(3)(D)(i)".

(3) Section 256(l)(2) is amended by striking out ", in accordance with section 251(d)(3),".

(e) TECHNICAL AMENDMENTS.—(1) Section 254(b)(1)(A) is amended by striking out "Comptroller General under section 251(c)(2)" and inserting in lieu thereof "Director of the Office of Management and Budget under section 251(c)(3)".

(2) Section 274(f)(5) is amended by striking out "section 251(b) or (c)(2)" and inserting in lieu thereof "section 251(b)(2) or (c)(3)".

(3) Section 274(h) is amended—

(A) by striking out "Comptroller General" the first place it appears and inserting in lieu thereof "Director of the Office of Management and Budget"; and

(B) by striking out "Comptroller General under section 251(b) or (c)(2)" and inserting in lieu thereof "Director of the Office of Management and Budget under section 251(b)(2) or (c)(3)".

(f) ECONOMIC ASSUMPTIONS; METHODOLOGY.—(1) Section 251 is amended by adding at the end thereof the following new subsections:

"(h) ECONOMIC ASSUMPTIONS.—

"(1) REQUIRED ECONOMIC ASSUMPTIONS FOR FISCAL YEAR 1987.—In preparing each report required under this section for fiscal year 1987, the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, and the Comptroller General shall use the following economic assumptions:

"The average level of the nominal gross national product is $4,438.0 billion for fiscal year 1987.

"The average level of the real gross national product is $3,788.6 billion for fiscal year 1987.

"The average level of the gross national product deflator is 117.15 for fiscal year 1987.

"The average level of the CPI-U index is 334.8 for fiscal year 1987.

"The average level of the CPI-W index is 330.0 for fiscal year 1987.

"The average level of the civilian unemployment rate is 6.8 percent for fiscal year 1987.

"The average level of the three-month Treasury bill rate is 6.2 percent or fiscal year 1987.

"The average level of the ten-year government bond rate is 7.6 percent for fiscal year 1987.

"The average level of corporate profits (economic) is $332.6 billion for fiscal year 1987.

"The average level of wage and salary disbursements is $2,184.2 billion for fiscal year 1987.

"The average level of other taxable income is $893.0 billion for fiscal year 1987.

"The average level of the capital consumption allowance is $55.6 billion for fiscal year 1987.

"The average level of the inventory valuation adjustment is negative $6.6 billion for fiscal year 1987.

"The average level of oil prices is $12.90 for fiscal year 1987.

"(2) FISCAL YEARS 1988 THROUGH 1991.—

"(A) REPORTS BY THE DIRECTORS AND THE COMPTROLLER GENERAL.—By July 15 of the calendar year in which a fiscal year begins (beginning with fiscal year 1988), the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, and the Comptroller General shall each submit to the Temporary Joint Committee on Deficit Reduction established by section 274 a report proposing economic assumptions (for each of the items specified in paragraph (1)) for use by the Directors and the Comptroller General in preparing each report required by subsections (a), (b), and (c) for such fiscal year.

"(B) REPORTING OF JOINT RESOLUTION.—The Temporary Joint Committee on Deficit Reduction established under section 274 may, at any time before September 15 of a fiscal year (beginning with fiscal year 1988), report to the Senate and the House of Representatives a joint resolution for such fiscal year which—

"(i) specifies, for one or more economic assumptions, the amount (within the range of the amounts proposed for each such economic assumption by the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, and the Comptroller General in the reports required under subparagraph (A)) for such economic assumption for such fiscal year;

"(ii) directs the Directors and the Comptroller General to use the amount specified in such joint resolution for each such economic assumption in preparing each report required under subsections (a), (b), and (c) or such fiscal year; and

"(iii) directs the President to modify the most recent order issued under section 252 for such fiscal year in a manner which implements the amount specified in such joint resolution for each such economic assumption.

"(C) PROCEDURES.—The provisions relating to the consideration of joint resolutions under section 254(a)(4) shall apply to the consideration of a joint resolution reported pursuant to subparagraph (A), except that debate in each House shall be limited to two hours.

"(D) ACTION IF ECONOMIC ASSUMPTION IS NOT SPECIFIED BY JOINT RESOLUTION.—In any case in which a joint resolution is not enacted under this paragraph specifying an amount for an economic assumption for a fiscal year, the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, and the Comptroller General shall use the amount for such economic assumption proposed by such Director or Comptroller General in the report required under subparagraph (A) for a fiscal year.

"(E) DEFINITION.—For purposes of this paragraph, the term 'range of amounts' means, with respect to an economic assumption, any of the amounts for such economic assumption which is—

"(i) not less than the lesser of the amounts proposed for such economic assumption by either Director or by the Comptroller General in the reports required by subparagraph (A) for a fiscal year; or

"(ii) not more than the higher of the amounts proposed for such economic assumption used by either Director or the Comptroller General in such reports.

"(i) BUDGETARY RESOURCE-OUTLAY RATIOS.—

"(1) IN GENERAL.—

"(A) BASIC RULE.—Except as provided in paragraph (2) and in subparagraph (E), in preparing each report required under this section for a fiscal year, the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, and the Comptroller General shall calculate budget outlays resulting from each item of budgetary resources (specified in subclauses (I) through (VI) of subparagraph (F)(i)) for an account in accordance with this subsection, for purposes of—

"(i) determining under subsection (a) budget base levels of budget outlays for such fiscal year;

"(ii) determining the amount of budget outlays for such fiscal year for defense programs to which subsections (a)(3)(E)(ii) and (d) apply; and

"(iii) determining the amount of budget outlays for such fiscal year for non-defense programs to which subsection (a)(3)(F)(iv) applies.

"(B) COMPUTATION RULES.—For purposes of subparagraph (A), in order to determine the amount of budget outlays for a fiscal year resulting from an item of budgetary resources for each account to which clause (i), (ii), or (iii) of such subparagraph applies, the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, and the Comptroller General shall make the following determinations:

"(i) The amount of such item of budgetary resources for such account for such fiscal year shall be determined.

"(ii) The ratio described in subparagraph (C) shall be determined for such item of budgetary resources for such account.

"(iii) The amount of budget outlays resulting from such item of budgetary resources for such account for such fiscal year shall be equal to the product of the amount determined under clause (i) of this subparagraph for such item of budgetary resources multiplied by the ratio determined under clause (ii) of this subparagraph for such item of budgetary resources.

"(C) DETERMINATION OF RATIO.—For each item of budgetary resources for each account, the ratio referred to in clause (ii) of such paragraph (B) shall be equal to the quotient of—

"(i) the amount of budget outlays specified as the average of the amounts of budget outlays proposed by each of the Directors for fiscal year 1986 for such account in the first appendix of the report submitted by the Directors under subsection (a) for fiscal year 1986 (as such report was modified by the report of the Comptroller General under subsection (b) for such fiscal year and reaffirmed by H. J. Res. 672, as adopted on July 17, 1986), except as provided by subparagraph (D) of this paragraph, divided by

"(ii) the amount for such item of budgetary resources specified as the average of the amounts for such item proposed by each of

the Directors for fiscal year 1986 for such account in such appendix.

"(D) ACCOUNTS WITH MORE THAN ONE ITEM OF BUDGETARY RESOURCES.—In any case in which, in the appendix described in subparagraph (C)(i), there is—

"(i) more than one item of budgetary resources for an account to which clause (i), (ii), or (iii) of subparagraph (A) applies;

"(ii) or an excluded budgetary resource for such an account,

the amount of budget outlays for each such item of budgetary resources, for purposes of subparagraph (C)(i), shall be the amount of budget outlays determined by the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, or the Comptroller General, as the case may be, that was associated with such item of budgetary resources for fiscal year 1986 in the preparation of such appendix.

"(E) EXCEPTION.—Subparagraph (A) shall not apply to the calculation of budget outlays resulting from an item of budgetary resources for an account if the appendix described in clause (i) of subparagraph (C) does not specify the amount of budget outlays described in such subparagraph or the amount for an item of budgetary resources described in clause (ii) of such subparagraph.

"(F) DEFINITION.—For purposes of this subsection—

"(i) the term 'item of budgetary resources' means—

"(I) budget authority;

"(II) spending authority (as defined in section 401(c)(2) of the Congressional Budget Act of 1974);

"(III) offsetting collection amounts for spending authority (as so defined);

"(IV) direct loan limitations;

"(V) obligation limitations; and

"(VI) unobligated balances for defense programs; and

"(ii) the term 'excluded budgetary resource' means—

"(I) spending authority (as defined in section 401(c)(2) of the Congressional Budget Act of 1974) for automatic spending increases;

"(II) direct loan floors;

"(III) guaranteed loan limitations;

"(IV) guaranteed loan floors;

"(V) unobligated balances for administrative expenses;

"(VI) budget authority for automatic spending increases; and

"(VII) budget authority for programs subject to special sequestration rules.

"(2) PROPOSAL OF ALTERNATIVE RATIOS.—

"(A) IN GENERAL.—By June 20 of the calendar year in which a fiscal year begins (beginning with fiscal year 1988), the Directors may submit a joint report to the Temporary Joint Committee on Deficit Reduction established under section 274(f) which proposes, for one or more items of budgetary resources, the use, for purposes of paragraph (1), of a ratio for such fiscal year which is different than the ratio prescribed by subparagraph (C) of such paragraph. The report shall include, for each such item for which a different ratio is recommended, an explanation of the reasons why the ratio prescribed by paragraph (1)(C) is no longer adequate for purposes of paragraph (1) and a justification for the ratio proposed for such account.

"(B) REPORTING OF JOINT RESOLUTION.—Within 5 days after receiving a report under subparagraph (A), the Temporary Joint Committee may report to the Senate and the House of Representatives a joint resolution affirming the report submitted under subparagraph (A). The provisions relating to the consideration of joint resolutions under section 254(a)(4) shall apply to the consideration of a joint resolution reported pursuant to this subparagraph, except that debate in each House shall be limited to two hours.

"(C) EFFECT OF JOINT RESOLUTION.—If a joint resolution is enacted under subparagraph (B) for a fiscal year, the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, and the Comptroller General shall each, in preparing each report required under subsections (a) and (b) and for purposes of paragraph (1), use for each item of budgetary resources for which a ratio is contained in the report submitted under subparagraph (A), the ratio contained in such report (as affirmed pursuant to such joint resolution).

"(j) COMPUTATION OF BUDGET BASE OUTLAYS RESULTING FROM OBLIGATED BALANCES.—In determining the amount of budget base outlays resulting from obligated balances for defense programs and non-defense programs for a fiscal year—

"(1) the Director of the Office of Management and Budget shall use the methodology used by such Director in determining such budget base outlays in the report required under subsection (a) for fiscal year 1986; and

"(2) the Director of the Congressional Budget Office shall use the methodology used by such Director in determining such budget base outlays in the report required under subsection (a) for fiscal year 1986.

"(k) FEDERAL REGULATIONS.—Except as provided in subsection (a)(6)(D)(ii), in preparing each report required under this section for a fiscal year, the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, and the Comptroller General shall assume that only regulations which have been promulgated as final regulations by August 15 of the calendar year in which the fiscal year begins (with respect to reports required under subsection (a) or (b) for such fiscal year), or by October 5 of the fiscal year (with respect to reports required under subsection (c) for such fiscal year), shall be in effect during such fiscal year.

"(l) ASSET SALES.—In preparing each report required under this section for a fiscal year, the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, and the Comptroller General shall assume that only those sales of assets by the Federal Government which are announced for such fiscal year by August 15 of a calendar year in which such fiscal year begins (with respect to reports required under subsection (a) or (b) for such fiscal year), or by October 5 of the fiscal year (with respect to reports required under subsection (c) for such fiscal year), will occur during such fiscal year.

"(m) PAY INCREASES.—

"(1) IN GENERAL.—In preparing each report required under this section for a fiscal year, the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, and the Comptroller General shall—

"(A) include amounts of budget authority and budget outlays necessary to pay for any Federal pay adjustments for statutory pay systems if such adjustments have been recommended by the President or, notwithstanding subsection (a)(6)(D)(i), have been enacted by law;

"(B) include amounts of budget authority and budget outlays necessary to pay for any pay adjustments for elements of military pay if such adjustments occur pursuant to law or are specifically enacted by law; and

"(C) assume that the percentage of the amounts of budget authority and budget outlays necessary to pay for such adjustments that will be absorbed by all Federal agencies will not exceed the average of the percentages of such amounts absorbed by all Federal agencies for the three most recently completed fiscal years for which such adjustments were made.".

"(2) DEFINITION.—For purposes of this paragraph—

"(A) the term 'statutory pay system' has the same meaning as in section 256(g)(2)(A); and

"(B) the term 'elements of military pay' has the same meaning as in section 256(g)(2)(B).".

(g) ENTITLEMENTS.—Section 251(a)(6)(A) is amended by inserting before the semicolon a comma and "including the continuation of current law with respect to entitlements funded through annual appropriation Acts and with respect to the Food Stamp Act of 1977".

(h) COMPLIANCE REPORT.—Section 253 is amended to read as follows:

"SEC. 253. COMPLIANCE REPORT BY COMPTROLLER GENERAL.

"On or before November 15 of each fiscal year, the Comptroller General shall submit to the Congress and the President a report on—

"(1) the extent to which the President's order issued under section 252(b) for such fiscal year complies with all of the requirements contained in section 252, either certifying that the order fully and accurately complies with such requirements or indicating the respects in which it does not;

"(2) the extent to which each report of the Director of the Office of Management and Budget under section 251(b)(2) and (c)(3) for such fiscal year complies with all of the requirements contained in this part, either certifying that the order fully and accurately complies with such requirements or indicating the respects in which it does not; and

"(3) any recommendations of the Comptroller General for improving the procedures set forth in this part.".

(i) EXEMPT PROGRAM.—Section 255(g)(1) is amended by inserting before the first item relating to the Western Area Power Administration the following new item:

"Washington Metropolitan Area Transit Authority, Interest payments (46-0300-0-1-401);".

(j) TEMPORARY JOINT COMMITTEE.—Section 274(f)(2) is amended—

(1) by striking out "Upon the invalidation of any such procedure there" in the first sentence and inserting in lieu thereof "There";

(2) by striking out "and" before "to report" in the third sentence and inserting in lieu thereof a comma; and

(3) by inserting before the period in the third sentence a comma and "and to carry out the functions specified in subsections (h) and (i) of section 251".

(k) APPLICABILITY.—The amendments made by this section shall apply with respect to any report required to be submitted, and any order issued, after the date of enactment of this Act under part C of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 303. RESTORATION OF AUTHORITY OF COMPTROLLER GENERAL.

(a) If, at any time after the date of enactment of this Act, provisions of law are enacted which—

(1) establish the Comptroller General of the United States as an officer of the executive branch of the Government; or

(2) establish an independent agency in the executive branch of the Government to carry out the functions of the Comptroller General which are executive in nature,

the provisions of the Balanced Budget and Emergency Deficit Control Act of 1985 (as in effect on the date of enactment of such Act) shall be restored or revived and shall be effective as if this Act, and the amendments made by this Act, had not been enacted.

(b) If, pursuant to subsection (a), the provisions of the Balanced Budget and Emergency Deficit Control Act of 1985 are restored and revived, the responsibilities assigned by such Act (as so revived and restored) to the Comptroller General shall be carried out by—

(1) the Comptroller General (if provisions of law described in subsection (a)(1) have been enacted); or

(2) the head of the agency established pursuant to provisions of law described in subsection (a)(2),

as the case may be.

SEC. 304. MODIFICATION OF DEADLINE FOR SUBMISSION OF PRESIDENT'S BUDGET.

(a) Section 1105(a) of title 31, United States Code, is amended by striking out "first Monday after January 3 of each year (or on or before February 5 in 1986)" and inserting in lieu thereof "first Tuesday in February of each year".

(b) Section 300 of the Congressional Budget Act of 1974 is amended by striking out "First Monday after January 3" and inserting in lieu thereof "First Tuesday in February".

Mr. RUDMAN. Thank you, Mr. President.

Mr. BYRD and Mr. HART addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. BYRD. Mr. President, the Senator sent a modification to the desk. He lost the floor when he did that.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. BYRD. Mr. President, I do not say this with any animus to the Senator. If he wants the floor back I will yield it to him.

I just want it known that I sought the floor in my own right at the right point and at a time when another Senator should be recognized.

I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I have no desire to hold the floor.

I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HART. Is the modified amendment itself amendable?

The PRESIDING OFFICER. The amendment is not amendable.

□ 1410

Mr. RUDMAN. Mr. President, there is a document that has been prepared which is about 2½ pages long entitled "Gramm-Rudman-Hollings II, Perfecting Amendment To Be Offered by Senators DOMENICI and CHILES." Obviously, due to the parliamentary situation, I have just offered that amendment, but I want to make it very clear that that amendment represents the major work of the Senator from New Mexico, the chairman of the Budget Committee, Senator DOMENICI, and the ranking member of that committee, the Senator from Florida (Mr. CHILES).

I see that the Senator from New Mexico is here on the floor. Whether he is going to seek recognition right now, I do not know. I know Senator CHILES is on his way. So, with that, until maybe later in the afternoon, I yield the floor.

Mr. DOMENICI. Mr. President, I do want to take some time discussing this amendment, which Senator CHILES and I spent a great deal of time on and used a lot of other good people, Senators and staff. But I think, in deference to my friend, the senior Senator from Florida, that I would prefer that we both be on the floor when we discuss the matter. It is my understanding he will be here in 3 or 4 minutes. He is testifying before another committee. So I am going to yield the floor and await his entry on the floor and then I assume we will both have a rather general and then a rather specific discussion of how this modifies the original Gramm-Rudman-Hollings II. I yield the floor.

Mr. BYRD. Mr. President, I took the floor wrongfully a little earlier from the distinguished Senator from New Hampshire, Senator RUDMAN, and while I had it I asked for the yeas and nays. I ask that the yeas and nays be vitiated.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. RUDMAN. Will the Democratic leader yield?

Mr. BYRD. Yes.

Mr. RUDMAN. I will say that if the Senator was wrong, I will take him at his word. It is the only time I have known him to be wrong in interpreting the rules since I have been here and I appreciate his courtesy. I was ready to yield the floor, so it really did not create a problem for this Senator.

Mr. BYRD. I thank the distinguished Senator.

Mr. President, I now properly have the floor and could ask for the yeas and nays. I will not ask for them. I elected to admit when I am wrong. If someone else wants to ask for the yeas and nays, I will yield the floor.

The PRESIDING OFFICER. Is the Senator from New Mexico seeking recognition?

Mr. DOMENICI. Mr. President, I was, but I am no longer seeking recognition.

The PRESIDING OFFICER. The Chair would note the absence of a quorum.

Mr. BYRD. Mr. President, before the Chair does that, if the Chair would withhold.

The PRESIDING OFFICER. The Chair withholds.

Mr. DOMENICI. Mr. President, I might say to my friend, the senior Senator from Florida, that is my understanding, I say to the Senator, that the amendment which he and I worked on that modified some of the previous thoughts on how we might take care of the problem that many saw here of OMB having total discretion at the end of this process, that that amendment in its entirety is now the pending matter. It is there by way of a modification offered by the distinguished Senator from New Hampshire, Senator RUDMAN. Now we are here to explain what we did in that amendment and answer questions with references to it.

So, Mr. President, let me proceed, with the presence of Senator CHILES on the floor, and talk a little bit about the amendment that we have offered and give a little bit of history.

First of all, we are debating this issue first and foremost because the Supreme Court ruled back on July 7, that the automatic procedure to reduce spending across the board when we failed to meet specific deficit targets was unconstitutional.

It is my understanding that, while they found that particular provision unconstitutional, if the issue of the overall constitutionality was before them, they certainly did not rule that approach of an across-the-board cut, which we call a sequester, they did not rule that that approach to reducing the deficit was unconstitutional, so long as the mechanism and approach to it was indeed cognizant of the separation of powers between the executive and the legislative.

What they really found was that it was not a delegation of authority that caused the problem but, because we delegated an administrative function to an officer of the Congress not to an officer of the executive branch, the separation of powers doctrine came into play. As everyone now knows, they found the Comptroller General to be legislative and, consequently, could not perform functions that clearly under the separation of powers doctrine, as it has evolved by tradition and interpretation, could not fall upon

somebody that was subject to the legislative branch, to wit, the Congress.

□ 1420

The original authors of Gramm-Rudman-Hollings, and I presume I will now call it Gramm-Rudman-Hollings I, proposed the simple and straightforward bill, and that was to give the responsibility for the final sequester back to the executive branch and the Director of OMB. That meant that when those ominous days arrive for taking a picture of the activities of Government, August 15, when they sort of stop Government and take a snapshot of it and say, "What would the deficit be at that point?" They had to use economic assumptions, and there are some serious ones there in addition to a gross national product increase. There is inflation, there is unemployment, and there are others.

At that point, under the original amendment submitted here as Gramm-Rudman II, that would have been in the hands totally and unequivocally, even this year, of OMB. We all know that that aspect is an estimating activity. They estimate every year and then they estimate as part of this August 15 picture-taking of the status of your National Government's fiscal policy. So does CBO, the Congressional Budget Office. As a matter of fact, as we are beginning to understand, almost all major businesses do that. There is such a thing as the blue chip economic assumptions, from a composite. There is the BNA. There are literally scores of them. They do their best.

I want the Senate to know, and the people of our country to know, that since their estimating activity is based upon models of what is to be expected, I regret to say they have a right, or they are all wrong, but it is only a question of how close is the estimate to the reality and very, very seldom will any of these be right on.

Nonetheless, there was a concern that since there is a rather natural bias on the part of the Office of Management and Budget, and I say a rather natural bias, not only of President Reagan's OMB Directors, but it is historical. Almost all OMB Directors like to be optimistic because the economy and their President's handling of it is greatly affected. So we have a history of OMB generally optimistic and on the high side.

I might say, however, it is interesting for those who think CBO is much better that I would refer them to the Comptroller General's report just 6 months ago when they had to look over these economic assumptions. They made a very excellent report saying CBO has been wrong on these estimates just about as often as the OMB.

If you look at those that business institutions have made, they are not any closer to right from year to year. You can pick somebody who came very close and we have done that before. We know which ones had a couple of years of success.

Nonetheless, in that activity, how will you, at the end of this year, decide what the economics are—inflation, unemployment, rate of growth, and others—which has an impact on what the deficit will be for 1987?

There was a growing concern that that ought not be left up exclusively to OMB this year.

There were others. As we now know, this gigantic Federal budget is made up of all kinds of financing mechanisms. For purposes of those who study the budget and try to understand it, there was the issue of how do you figure next year's entitlements if they are appropriated every year? One could assume that they are frozen because we have not yet appropriated, or one could assume that they are going to grow the normal amount that the economy and other factors build into that basic law. So we had a growing concern that that be done in the most realistic way to reflect the actual expected outlays which would, in turn, affect the deficit.

When we come to the end of the line and we are going to do a sequester or at least get ready for one, believe it or not, it is a very difficult job to determine how much program you will cut, called budget authority, to get a certain amount of savings, called outlays. That has now become a subject of ordinary discussion and it is referred to as the ratio between budget authority and outlays.

There are serious ongoing discussions among experts on how you do that. So there was a genuine concern that that ought not be exclusively left up to the OMB because we already know enough about it; that we ought to set some standards so that we could all know, not that we are going to get something done our way; that is, the way of Congress, but, rather, that the most realistic approach to assessing the deficit is outlined here so that what comes out is as close to the reality 5 or 6 months later as we can possibly make it.

There were a number of other issues. Suffice it to say that I agreed with some of the concerns; I did not agree with them all.

In our democratic government, obviously, it is a function, if there is a function at all, and if it is going to continue to operate, that we have to have some kind of mutual trust and respect between the three separate independent branches. Frankly, I think what we have come up with here by way of amendments balances that thrust, leaves some things up to OMB that are obviously the kinds of things that they clearly have a definition of what they ought to do on, and then some others. We put some reasonable bounds around their estimating and their conclusions.

Obviously, we need checks and balances, but in this case we want very much to make sure that we are not tying the hands of OMB to where they actually, in behalf of the President of the United States, can not take credit for legitimate policy decisions to save money. We did not want to change that because we want to save money, if it can be saved.

So our amendments are not calculated to take away authority and power, regulatory or administrative, to save money. What they are calculated to do is to make sure that when the discretionary power is exercised, to do the estimating, to make assumptions, that what will come out is most apt to reflect the true savings and the true cost of our Government and that we do not have very much opportunity for anyone to be wishfully thinking or to make last-minute decisions that Congress would not have an opportunity to look at that would reflect savings that might otherwise not really come into existence.

I do not know if my friend from Florida would like to make some general statements at this point. I have not gone on through our summary, the eight or nine points of our amendment, but, rather, just some general discussion.

Before I yield to my friend, the senior Senator from Florida, let me say to my fellow colleagues, you will be getting right now a letter from Senator CHILES, as ranking minority member of the Budget Committee, and from me, as chairman, that indicates what we attempted to do here and states the one outstanding issue that we are aware of. I will tell everyone right now that there is one. It has to do with the discretion that the administration has to make advance farm deficiency payments. The reason it is still an issue is because we have not received a final answer from the OMB as to what they intend to do about the advance deficiency payments.

Let me make two statements on behalf of the administration and then I will yield to Senator CHILES.

No. 1, they did not receive this complete package of amendments to Gramm-Rudman-Hollings II, the ones that Senator CHILES and myself put together with others, which is now pending, until about 11:30 this morning, and they have not had an opportunity to pass on whether the White House supports this package of amendments or not.

□ 1430

So as of now, I can say that they have not made up their minds. I hope

they will before this process runs its natural course.

Second, you will note, Mr. President, that for the year 1987 on economic assumptions, the way this amendment has resolved this issue is to actually place in the amendments the economic assumptions that will be used for 1987. They are actually there, not by way of whose assumptions they are. We have made an assumption and taken the actual facts and put them, the estimating facts, into this amendment. We know what the GNP is and we have stated it, inflation, unemployment, and we have related the numbers to these specific estimated conclusions. They are now in this bill.

They are the result, and I want the Senate to know this, of preliminary economic assumptions by the Office of Management and Budget and preliminary estimates by CBO. Neither has made its firm overall conclusions nor made its report.

In particular, in behalf of the Director of OMB, I want the Senate to know that these are preliminary, they do not have their entire package and everything else that is relevant to it ready and it will not be ready until Monday. The CBO does not have its entire set of reasoning and the relationship of each of these economic facts one to another packaged up for delivery as required by statute law.

So we have taken their preliminaries and actually split the difference, which is what they would have done had they been performing this entire mission under that portion of the law which was declared unconstitutional. Obviously, it had a lot more to it, but that is how they would have arrived at their compromise.

We have done that here and, now, we so state the facts to be that these are the assumptions that will be used. It is my understanding that we have to go to conference and obviously, will then have the finals from both of those institutions, one executive and one congressional. Obviously, we can take another look. But for now, under the constitutional issue, I believe we are at liberty to put these in for 1987.

If the President signs this bill, and obviously, we hope he is going to down the line here, in the not-too-distant future, then I believe for 1987 that is what will be used, and I believe it is constitutional. I do not believe anybody I have talked to argues with that.

For the future, that would be a difficult situation if we tried to put them in, in advance. But what we have done there is say that we will use OMB's in the future, subject, however, to Congress' having, under an expedited procedure, the opportunity to change them in a joint resolution. If we do not believe they fit the best exercise of estimating discretion and will have an adverse effect on what the real deficit is, we are free to do that. In that event, that in turn would have to be signed by the President, and from what we can tell, that scheme of things, if it is our legislative intent and if it is the desire of the Senate and the House and the President signs it, I think it eliminates any of the constitutional problem. That is how we did that one.

There are many other solutions here but at this point I yield the floor and hope my friend from Florida will tell the Senate of our joint efforts here.

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. Mr. President, I join with my distinguished friend, the chairman of the Budget Committee, in making this proposal. I think the amendment we offer today is in the nature of a salvage operation. We are trying to save the discipline in the Gramm-Rudman-Hollings law. Without that discipline Congress voluntarily imposed on itself, cutting the deficit will be much harder.

Let us be clear about what we are doing. We are trying to save the automatic provision. It was pushed aside as a result of the Supreme Court's decision on Gramm-Rudman-Hollings. Under the original law, the sequester power was put in the hands of the Comptroller General, the official who heads the General Accounting Office.

When the Court ruled that GAO could not have that power, we ended up with a situation where no one had the automatic sequester authority. The guillotine, in effect, was dismantled.

Let us keep in mind the basics here for just a while longer. Let us keep in mind what sequester really is. If Congress and the President fail to work out a budget that gets the deficit down to an annual target specified in the law, then there would have to be automatic cuts in the budget. The cuts would be deeper than we had been able to agree on. They would affect a great cross section of programs according to requirements set up by the law. That is what sequester is.

And keep this in mind: Sequester is something we do not want to see. We are trying to find a way to avoid it. We are trying to do the job right in the first place, so there is no need for a cleanup operation.

But while we do not want to use sequester, it is there to help insure we do the job right in the beginning. Sequester basically says to Congress and the President, you either work out your differences and do the job, or it will be taken from your hands and done in a way that takes power out of your hands.

Right now, we are trying to keep the threat of sequester alive. We want to keep it there as the enforcer that keeps our noses to the grindstone.

The Supreme Court has told us the General Accounting Office cannot be the agency of sequester. This amendment puts that power in the hands of the Office of Management and Budget.

Let us be honest, Mr. President. Do I think this solution is ideal? No, I do not. I have reservations. It bothers me for a number of reasons. Briefly, I want to go over those reasons so we understand the chances we are taking. Once we understand the chances, we should have a better understanding of why this amendment is necessary.

One of the reasons is on page 82 of the United States Government Manual. That manual explains the way the Government is organized, who is responsible for what job, and who is responsible to whom. There on page 82, it shows the Office of Management and Budget is in the Executive Office of the President. It says further that the work of OMB is "to be carried out by the Director under the direction of the President."

Mr. President, we know that the Office of Management and Budget has a regiment of specialists on the economy. The people have good educations. They are fine technicians. They know their business. And they also know who is boss: The President. He is their boss.

I am reminded a little bit of the story in which there was an opening in a CPA firm. Someone was looking for a CPA. There were several fellows waiting in the waiting room. They were sitting there and sort of talking over what was happening in their interviews.

One fellow came out and they said, "Well, did you get the job?"

He said, "I don't know; they just said maybe I would hear from them."

They asked, "What kind of questions did they ask you?"

He said, "A series of questions."

They asked, "Did they ask you anything specific?"

He said, "They asked me what 2 plus 2 was, among other things, I thought that was a little strange."

They asked, "Did you answer that?"

He said, "Yes."

So they were sitting there and another came out, and they asked, "Did you get the job?"

"I am not sure.

"What did they ask you?

"They asked a series of questions.

"Anything specific?

"Yes, they asked me if I knew what 2 plus 2 is. I gave them the answer of course."

The third went in and then came out, and he was all smiles. The others sitting around asked, "What happened?"

He answered, "I got the job."

They asked, "Did they ask you any questions?"

"A few.

"Did they ask you anything specific?

"They asked me 2 plus 2.

"What did you tell them?"

I said, "What do you want it to be?" And I got the job

Mr. President, he could work for OMB. He could work for OMB under President Carter or President Reagan or anybody else, because he knows the answer to the question.

What we are trying to do in this amendment is make sure that there is a little bit of fairness in that if anybody gets asked that question. If the President wants a brighter future for the economy, we know OMB can find a way to give it to him.

□ 1440

People at OMB can find out and together the people at OMB are the folks who make the assumptions about economic growth. They are the people who say that the economy will grow at 4 percent next year. They have said that before. They have been wrong before. And when that happens, it causes all kinds of problems. We end up with a situation where Congress does its job and cuts the budget according to the OMB predictions. But when our work is done, we find out it is not enough; OMB has made a mistake, and we pay for that, not just Congress but the entire economy.

Now, you might say the Congressional Budget Office made those same mistakes. Yes, they have. Their track record is nowhere near perfect. There is only one basic difference. If they make the mistake, it is one of ignorance or the fact that no one can predict the economy. They do not have a motive to go in one direction, and that is the difference.

So that is one reason to put some limits on the power of OMB in the exercise of the sequester. Another is pure responsibility. Congress has a constitutional responsibility to act on spending and revenue decisions. We do not want to hand that over to a bureaucracy and just say, "here, you do it."

The amendment we offer today will make sure Congress does not just turn its back on the deficit.

But the main reason for this amendment is very simple. We want to cut the deficit. We have made that decision. Now we have to keep that promise. And to keep it, we have to use the best, most objective economic estimates we can possibly have. I ask the distinguished chairman, does he want to go through and explain the differences first? I have a couple more pages in my statement but I will be happy to yield to the Senator.

Mr. DOMENICI. Let me say to my friend from Florida, I thought when he was finished I would go through my explanation of some of these so that they would all be in the RECORD, but I do not have any particular time frame. When the Senator is finished, I will be pleased to continue. And if the Senator does some of them, I will try not to duplicate them.

Mr. CHILES. This amendment contains eight categories where Congress sets up ground rules for OMB. Now, some might argue we are being too specific. I say Congress has an obligation to be just as specific as we can. In the recent Gramm-Rudman-Hollings case, the Supreme Court was critical of Congress for giving the agency—in that case, the General Accounting Office—too much discretion. This amendment certainly tries not to make that earlier mistake.

Congress is specific all the time. Look at Social Security COLA's for example. There is a formula written in to that law. Certain things have to occur, and when they do the COLA's are paid. It has been the same story under revenue sharing. There are formulas that must be followed. All you have to do is examine any appropriations bill and you will find all sorts of dollar amounts and language to guide the distribution of funds.

So let me briefly address some of the main features of this amendment. For this coming year we specify the actual numbers of the economic forecast. It is the average of the forecasts we have been provided by OMB and CBO. It is mildly optimistic, but it is not unrealistic. For future years, the amendment would allow Congress to alter OMB's economic projections. We could do it through the temporary joint committee on deficit reduction. They would report a joint resolution if they think OMB's projections are off. The resolution would have to fall within a range of projections already given by OMB, the Congressional Budget Office and the General Accounting Office.

The key here is that OMB would not be the undisputed numbers czar. Their assumptions could be challenged, could be changed, and they would know it. That should be a strong inducement to maintain objectivity.

The amendment specifies budgetary resources to outlay spendout rates. That is a mouthful, but it basically means that OMB and the White House could not manipulate the numbers in a way to cut a program they dislike by saying it takes a deeper cut to get the required outlays, nor to protect a program they like by saying a small cut will save big bucks. This is the critical amendment to keep OMB and the President from rewriting the priorities which appear in appropriation bills or from monkeying with the 50–50 defense-domestic split.

This amendment clarifies the impact of rulemaking authority on the budget. If those rules have a budget impact, they would have to be in force before specified dates. That is another safeguard against reliance on imagined savings as an artificial means of cutting the deficit.

The amendment also includes a provision that estimates entitlements based on the most current economic data rather than on guess work over last year's appropriations. We also include changes that would prevent the White House from making broad changes in a sequester order between the preliminary forecast and the final order.

Mr. CHILES. Mr. President, this amendment is intended to achieve honest deficit estimates. It is intended to remove the partisan and philosophical temptations that could lead to a prejudice in favor of the Executive's priorities even when the economic facts do not support them.

There is no question we are trying to circumscribe OMB's authority to some extent. But the reason is not motivated by politics. It is motivated by economics.

We cannot afford to let the fight to reduce the deficit become a political road-show. We do not want numbers twisted to make things look good just long enough for the polls to close. We have to see the numbers as they really are and face the music no matter how it sounds, just as long as it is in tune with the facts as they really are.

I hope the Senate will approve these amendments to preserve the automatic sequester provision. You may have questions. I certainly have questions of my own. But the answer we must come up with now is twofold. First, we have to save the sequester provision. Second, we have to monitor these changes carefully to make sure there are no abuses.

Basically, I believe this amendment puts us back where we were before the Supreme Court decision. No. 1, we will have an automatic sequester, no ifs or buts. Second, it has to be a true across-the-board cut. There will not be a Presidential selection of priorities.

But above all, we have to act now.

I want to describe in more detail the changes embodied in this amendment.

Part of this amendment would modify the requirements in the original Gramm-Rudman-Hollings law for calculating the budget base, the amounts of budgetary resources subject to sequester and the amounts of resources to be sequestered.

Under the original Gramm-Rudman-Hollings law, the directors of CBO and OMB are required to submit a report to the Comptroller General by August 20 of each year from 1986 to 1990—a revised report is to be submitted on October 5 of each year. Where the Directors differ in their estimates they are required to average their differences. The Comptroller General can, after giving due regard to the Directors' report, revise it. The Comptroller General sends a legally binding report to the President.

This amendment to Gramm-Rudman-Hollings would require that the Comptroller General's report be sent to the Director of OMB before it goes to the President. The Director of OMB can, after giving due regard to the Comptroller General's report, revise the report. The revised report, legally binding, is sent to the President.

This amendment would impose new requirements on the Directors and on the Comptroller General as they prepare all of these reports; these requirements would be identical on all three officials, in one case, to be identified below, the requirements would not be identical and also would not apply to all of the reports.

ECONOMIC ASSUMPTIONS

Our amendment specifies values for particular economic assumptions. These values must be used in making all estimates in each report for fiscal year 1987, including estimates of the budget base, estimates of sequesterable resources, and estimates of the amounts of resources to be sequestered. The assumptions would specify the average value of the level of each economic parameter during fiscal year 1987. It is our clear intention that in preparing these reports, the officials would assume a smooth pattern for the level of each variable over the four quarters of the fiscal year. Sharp up-and-down movements in the level of these variables by quarter would not be acceptable, even if the average value for the four quarters matched the figure specified in the law.

For fiscal year 1988 and beyond, the amendment allows Congress to require the use of alternative economic assumptions in the snapshot reports. OMB, CBO, and GAO would be required to submit their economic forecasts to the Temporary Joint Committee on Deficit Reduction by July 15 of each year. Each would also be required to use these assumptions in all snapshot reports for the fiscal year beginning October 1 of that year. The joint committee can meet after July 15 but before September 15th and report a joint resolution to their respective Houses of Congress. This joint resolution would specify one or more economic assumptions that must be used by the Directors and the Comptroller General in all subsequent reports for that fiscal year. Also, if the joint resolution were enacted after a Presidential order had been issued, it would also modify that order.

The joint resolution can specify a value for an economic assumption only to the extent that this value falls within the range of the highest and lowest estimates submitted by the Directors and the Comptroller General on July 15. Procedures relating to the consideration of the joint resolution are the same as those which are to be used for consideration of a joint resolution in the event of slow economic growth, except that debate in each House is limited to 2 hours.

RATIOS OF OUTLAYS TO BUDGETARY RESOURCES

The Gramm-Rudman law specifies that various budgetary resources are subject to sequester. These include new budget authority and unobligated balances for defense accounts and new budget authority, new loan guarantee commitments, new direct loan obligations, obligation limitations and spending authority—as defined in section 401(C)(2) of the Congressional Budget Act of 1974—for nondefense accounts. Last January, the Directors of OMB and CBO issued their sequester report for fiscal year 1986. This report subsequently modified by the Comptroller General and by several statutory revisions after the Presidential order was issued, and was reaffirmed by the Congress recently. The Directors' report, with its subsequent modifications, contains information on all budget accounts which include budgetary resources that are to be sequestered. Within each account, accounts are generally labelled with a unique account number, there is a separate line for each type of budgetary resource that is to be sequestered. The line lists separate estimates by OMB and CBO of the amount of this resource which is sequesterable. The line also contains the average of these two estimates. The separate estimates and the average all appear under the heading sequester baseline. Finally, the line lists the amount of the resource that is to actually be sequestered; this figure is derived from the average resources available for sequester. For each account with a sequesterable resource, there is also a line which lists the outlays in that account that are sequesterable; these outlays are sequesterable because the budgetary resources from which they are derived are sequesterable. Again, there are separate estimates by OMB and CBO of the amount of outlays available for sequester, an average of the two estimates, and a figure specifying the amount of outlays to actually be sequestered. Unfortunately, if there is more than one type of sequesterable budgetary resource for an account, the outlays associated with each resource are combined in the last line. The reader does not see a separate listing for the outlays derived from each sequesterable resource.

For several types of budgetary resources, the relationship between a quantity of the resource and the outlays which can be derived from that quantity of that resource is essentially stable from year-to-year. This relationship is expressed as the ratio of the outlays—derivable from the quantity—to the quantity itself. My amendment specifies that for each type of these resources, the ratio of outlays to resources which was used in the 1986 sequester report, as modified, must be used in all estimates in subsequent Gramm-Rudman reports. This includes estimates of the budget base as well as estimates of the amount of sequesterable outlays. However, in estimating the budget base, if the account involved was not sequesterable, and therefore no data on budgetary resources or associated outlays appeared in the 1986 report of the directors, as modified, then no constraint is placed on the value of the ratio of outlays to budgetary resources that must be used in the estimates in reports for fiscal years after fiscal year 1986. Similarly, if a portion of an account were not sequesterable, then no constraint is placed on the ratio for that portion of the account when that ratio is used elsewhere in the snapshot estimates.

In some accounts only one type of budgetary resource exists. In such accounts, the ratio of outlays to the quantity of resources from which the outlays are derived, is easy to compute. The ratio is simply the value of the average outlays estimated by the Directors divided by the average value of the sequesterable resource as estimated by the directors. For example, on page 2013 of the Federal Register (vol. 51, No. 10) of Wednesday, January 15, 1986, there is an account titled "General Administrative Expenses." This account refers to the Bureau of Reclamation—see page 2012. There is only one type of sequesterable resource, namely budget authority. The other line specifies the outlays derivable from that budget authority. Under the column marked "average," outlays of $44,306,000 and budget authority of $49,200,000 are shown. The ratio of outlays to budget authority is 0.901. This ratio must then be used in all reports for fiscal years beyond 1986 any time that outlays must be derived from budget authority in this account.

For some accounts more than one type of budgetary resource is sequesterable. For example, on page 2013, the account titled "Operation and Maintenance" shows 401(C) authority—offsetting collections, as well as budget authority, to be sequesterable. The sequesterable outlays for this account are derived from both types of sequesterable resources. Therefore, based on the data visible in the report, it is impossible to calculate a ratio of outlays to budgetary resources separately for each type of resource. However, in calculating the data for such accounts, the directors of OMB and CBO knew what ratios they used. Therefore, implicit in each of their estimates are ratios of outlays to the budgetary resources from which those outlays were derived. The average of the OMB and CBO estimates of outlays and the average of the estimates of each type of budgetary resource must be used in all future reports

when the ratio of outlays to the budgetary resource from which they are derived, are needed.

There are six types of budgetary resources in the fiscal year 1986 report for which there is a stable ratio of outlays—derivable from the resource—to that resource. These six are labeled in the report as first, budget authority; second, 401(C) authority, which refers to spending authority as defined in section 401(C) of the Congressional Budget Act of 1974; third, 401(C) authority—Off. Coll., which refers to offsetting collections from 401(C) spending authority; fourth, direct loan limitations; fifth, obligation limitations; and sixth, unobligated balances for defense. Our amendment specifies that ratios of outlays to budgetary resources for these types of resources must be used in all future reports, but ratios for all other types of resources can be estimated by the Directors and the Comptroller General as they deem appropriate.

Once a ratio of outlays to a given type of budgetary resource is computed, it must be used in the following manner: After the amount of budgetary resource of some type is determined for some part of the calculation needed in a report, this amount is multiplied by the ratio, to compute the outlays associated with that resource. This yields an outlay figure which must then be used in subsequent steps in that calculation in the report.

There is a procedure for specifying different ratios for budgetary resources to outlays. If the Directors of OMB and CBO can agree on proposed changes, they can submit a report containing these changes to the Temporary Joint Committee on Deficit Reduction by June 20 of the calender year preceding the fiscal year of the reports they wish to affect. The report of the Directors must explain why the changes are being proposed. The joint committee may report out a resolution which requires these changes be used in all subsequent snapshot reports, for any fiscal year. The committee may report this resolution in 5 days. The resolution would be considered under the same expedited procedure as for the joint resolution when there is slow economic growth, except debate is limited to 2 hours in each House.

ADMINISTRATIVE RULEMAKING

The Directors and Comptroller General would be prohibited from using the budgetary effects of any regulations in their estimates unless such regulations were issued in final form by August 15, for the first snapshot or by October 5 for the second snapshot. Regulations implementing DRG rates for Medicare could be taken into account if issued in either proposed or final form, as under the original Gramm-Rudman-Hollings law.

The budgetary effect of discretionary sales of assets by the Federal Government could only be taken into account if an official order of sale had been announced by August 15 for the first snapshot, October 5 for the second snapshot.

FEDERAL PAY

The original Gramm-Rudman-Hollings law specified that the budget base would assume that pay adjustments for statutory pay systems would be as recommended by the President. For the first snapshot, Presidential recommendations for pay reductions are to be ignored. It was the intention of Congress that the budget authority and outlays needed to fund these pay adjustments would be included in the estimate of the budget base. It is my understanding that OMB probably does not believe that the estimate of the budget base must include the budgetary resources needed to pay for those adjustments. This amendment requires that the amounts of such budgetary resources be included in these estimates. Similarly the amounts of budgetary resources and outlays needed to pay for military pay raises must also be included in the budget base; the amendment also clarifies that if Congress enacts a law superseding the President's recommendations for Federal civilian pay, it is the pay rates in the enacted law which must be used when computing the budget base. However, historically Federal civilian and military agencies have been required to absorb part of the cost of such pay adjustments, particularly pay increases. The amount absorbed, by definition, does not lead to an increase in the Federal deficit. This amendment specifies that the average historical absorption rate for the last 3 years for military and civilian pay raises be assumed in all estimates of the budget base.

APPROPRIATED ENTITLEMENTS AND FOOD STAMPS

The original Gramm-Rudman law provided that in estimating the budget base, the continuation of current law was to be assumed in the case of revenues and spending authority as defined in section 401(c) of the Congressional Budget Act of 1974. This amendment makes it clear that the continuation of current law is to be assumed for entitlement programs funded through annual appropriations acts, and also to be assumed for the Food Stamp Program. This means that in making budget estimates for these programs, it would be assumed that increases, or decreases, in funding due to inflation, changes in the number of beneficiaries, and so forth, are taken into account. In other words, the cost of current policy for these programs is to be used as the basis of these estimates, not the amount appropriated last year.

OBLIGATED BALANCES

Obligated balances for nondefense programs are not sequesterable and obligated balances for defense programs are not sequesterable for the purpose of initially computing the uniform percentage reduction for the sequester. Data on obligated balances and their associated outlays do not appear in the appendix to the Director's sequester report from January 1986. However, outlays resulting from obligated balances are included in the budget base. Moreover, the ratios of outlays to the obligated balances they are derived from generally do not change from year to year. Therefore, this amendment instructs the Director of CBO in reports for fiscal year 1987 and beyond, when estimating outlays derivable from obligated balances for accounts in the budget base, to use the same ratio he used when calculating the budget base for the fiscal year 1986 sequester. Similarly, the Director of OMB, when providing the first report he makes for each snapshot, must use the same ratios he used in this fiscal year 1986 sequester report. The Comptroller General, however, is not constrained in the ratios to be used other than his requirement to give due regard to the report of the Directors.

WASHINGTON METRO

In executing the fiscal year 1986 sequester, a dispute arose between OMB and CBO as to whether interest payments made to the Washington Metropolitan Area Transit Authority were sequesterable.

Both CBO and OMB felt that these payments should not be sequestered, but they disagreed as to whether the law required them to be sequestered. This amendment clarifies that such payments are not intended to be sequestered.

GAO COMPLIANCE REPORT

The original Gramm-Rudman-Hollings law required the Comptroller General to issue a report on the extent to which the President's final sequester order complied with all the requirements for it. This amendment would require the Comptroller General to include in his report a similar analysis as to whether the second report issued by OMB with regard to the second snapshot complied with all requirements for it. The amendment would also require the Comptroller General's report to include his recommendations for improving the procedures of the Gramm-Rudman-Hollings law.

RESTORATION OF COMPTROLLER GENERAL'S ROLE

This amendment specifies that all changes contained in it are to apply for the remaining authorized period for the Gramm-Rudman-Hollings law. However, if legislation is enacted which makes the Comptroller General an executive office or which establishes an independent agency in the executive branch of Government to carry out the functions of the Comp-

troller General which are executive in nature, then the original automatic sequester procedure, not the fallback procedure, would be immediately and automatically reinstated. Any procedures carried out prior to the date of enactment of such changes regarding the Comptroller General would not be invalidated, however, as a result of this reinstatement. The Comptroller General, or the head of an independent executive agency, as the case may be, would then carry out the responsibilities assigned to the Comptroller General in the original Gramm-Rudman-Hollings law. Among other things, the sequester reports of the Directors of OMB and CBO, and their average, would be submitted to the Comptroller General, or independent executive agency head. The Comptroller General or head could revise that report, giving due regard to the Director's report. The Comptroller General's report would be sent to the President, upon whom it would be binding. The Comptroller General's report would not go back to the OMB. This procedure would be followed for all snapshot reports following the date of enactment of the changes concerning the Comptroller General.

ADVANCE FARM DEFICIENCY PAYMENTS

This provision requires the budget agencies to assume that advance farm deficiency payments are made in fiscal year 1987. This is an important limitation because OMB could underestimate the deficit by as much as $4.2 billion in 1987 by assuming that advances are not made, thereby shifting outlays from 1987 into 1988. While the decision to provide advance payments is discretionary, it is widely believed that the Congress and/or the administration will make advances available as they did in 1985 and 1986.

Mr. DOMENICI. Mr. President, let me repeat that the purpose of all of this is to make sure that on August 15 and October 5, if a sequester order, either the preliminary one or the final one, is in fact rendered operative, if we have accomplished that goal, that we actually reach the targets that the statute requires. We are not trying to make somebody the good guy and somebody the bad guy. What we are trying to do is to make sure that it comes out as close to right as possible.

Second, as we move through the next few weeks—and they are a very critical next few weeks in determining whether or not there will be a sequester—and OMB will determine that in its final form because that is the only way we can do it constitutionally; there will be a lot of procedural checks in that. CBO will be doing their work. GAO will be doing their estimating—the decision that there need be a sequester or need not be a sequester will be as close to right as it can be. There will be a general understanding between the Congress and the Executive how the estimating took place.

In that regard, let me just tell the Senate of a couple things we had to do.

We had to clear up confusion about Federal pay. As we all know, the actual Federal pay increases do not occur until very late in the budget cycle, but occur they do. Sooner or later it is a raise of 2 percent or 4 percent or 5 percent.

□ 1450

There is another fact of life: That even if you put in a pay increase of 4 percent, a substantial portion of the cost is absorbed by the agencies as a matter of custom and tradition and law. That would be one place where estimates could change in a very large and dramatic way. Then 3 months later, when you finally vote a pay increase, you might find that you spent more than you originally thought.

In that regard, I think we did something very reasonable. We said the OMB can assume absorption of part of that pay increase because that is the way we have done it before. But we have set a very reasonable limit, in my opinion. It is the average of the previous 3 years' absorptions, and OMB cannot exceed that in the absorption assumption. We just remind them not to get carried away and assume 100 percent absorption simply because that would save a few billion dollars. If you did that everywhere, you would find 2 months later that the reality was different.

Let me cite one more limitation. I think it is important to some people around here who are concerned about the process.

We have a section of this modification called Administrative Rulemaking and Sale of Assets. It is generally understood here that any administration—this President and any other—that operates under our system has administrative rulemaking authority. Some of that authority will save a lot of money, because they have the authority to set certain rules which increase or decrease the level of entitlements. We did not in any way say that the administration cannot exercise that option. We would not take it away from them because it might be used to reduce the deficit. What we did was to say: "If you are going to exercise that option, the exercise of your authority must have been completed, as required by statute, by one of those critical dates—August 15 or October 5. In order to exercise that option, you are going to have to have it in the mill as part of a process of saving money or spending money and not be tempted to do it in some expeditious manner or take credit for it even if its regulatory mandates have not been completed."

The situation is the same with respect to a sale of assets. The administration has some sale of asset authority without specific statute. We know that and they know that. We are not saying: "You can't sell assets that you have authority to sell, and thus save money and reduce the deficit." What we are saying is, "If you are going to count that and use it, there again you must have your regulations completed, if there are any, and the offer in its final required form and in existence by August 15 or October 5." You cannot come upon it as a sort of Johnny-come-lately and try to sell assets quickly and take credit for it; but if effective on those two dates as an offer to sell, it counts.

That is consistent with what I have been trying to follow, going through these amendments. I was not interested in taking away power. I was merely interested in making sure that in exercising that power, they were counting real savings and did not succumb to what might be a normal temptation—to take credit for some things they have power to do but that we did not know about up here. We want a chance to pass judgment on, something might be done at the last moment.

There are more procedural adjustments that we wanted to make sure were clearly understood in terms of law, and we have taken care of those. For the most part, it just says that after August 15, before the final act, you cannot take credit for any changes unless they have been adopted by law. There are a few other things we have documented that could occur, which are realistic and would have an impact on a deficit estimate.

I want Senators to know that we have taken care of one other technical amendment that is related to the budget.

In the statute that is in effect today, we require Presidents to submit their budget to the U.S. Congress by January 2. It is impossible. We would just as well take that date out of there, because you cannot have that budget ready on time with everything else that is required. So we have been a little more realistic. Although it will be tough, we changed the date for reporting the budget to us and to the people of the country to the first Tuesday of February, because that affects all our schedules in a reasonable way.

There is more explanation, but for now I am going to yield the floor, after one further comment.

In a moment, I am going to compare this year's preliminary OMB and preliminary CBO economic estimates—not because I want to prove anything, but because I want to show that they were very close to begin with. There was a lot of concern that the assumptions were far apart. In fact, on 6 or 7

out of the 13 variables, I think it is more than close. It is almost identical.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield.

Mr. CHILES. I just wanted to ask the Senator this: I do not think either of us mentioned that there is a provision in this amendment that would say that if legislation is enacted that enables the General Accounting Office or a successor agency to perform those functions originally assigned to the General Accounting Office in Gramm-Rudman-Hollings, GAO or that successor agency shall resume those duties, and these new procedures would be terminated if we had that. So, in the event the General Accounting Office was fixed, it could assume the role that we had for it originally.

Mr. DOMENICI. I thank the Senator from Florida for calling that to my attention. I had told him that I wanted to tell the Senate, for what it is worth, that if the U.S. Congress failed to fix the constitutionality problem at the Comptroller General that was deemed unconstitutional on July 7, this Senator would support unequivocally returning to the previous triggering mechanism where they were the ones doing that final work before the President signed a sequester order.

I am not sure that in this statute we can cause that to come about, but there is an expression in here, some language, saying that that is what we intend.

Mr. GRAMM. Mr. President, let me begin by amplifying the point made by the distinguished chairman of the Budget Committee.

As Members will recall, in our initial reaction to the Supreme Court decision, we looked at the possibility of striking the offending clause of the Budget and Accounting Act of 1921, thereby eliminating the objection that was raised, on the basis of the separation of powers, to the Comptroller General performing the task that was assigned in the original Gramm-Rudman-Hollings bill.

Should Congress decide in the future to strike that provision, thereby eliminating the objection that was raised, certainly we would vigorously support going to that provision.

Mr. President, I am delighted with this compromise. We had put forward the original bill to set out the basic parameters with the idea that we would ask Members of the Senate—Democrats and Republicans alike—to raise concerns, to give us an opportunity to put together a true bipartisan coalition, to respond to the Supreme Court decision, to reimpose the automatic nature of the original Gramm-Rudman-Hollings process. I think the amendment before us, as amended by its authors, is an important, dramatic, and fully supportable step in that direction.

I should like to talk briefly about why we should do this. What is wrong with the fallback provision? First of all, there is a great deal of dispute about the fallback provision. I am confident that we could make the fallback provision work.

The distinguished chairman of the Budget Committee, on other occasions, has expressed concern; he is not so certain. Members of the House leadership think that perhaps we cannot.

In fact, we probably have 535 different opinions and certainly there has been speculation in the media as to whether Congress would actually, under the fallback provision, be willing to admit that there is a problem, thereby committing themselves to either do something about it or to let an across-the-board cut go into effect.

What we are battling here with this amendment is that uncertainty.

It seems to me, Mr. President, that the one thing we cannot have present is uncertainty. If we are to achieve the original targets of the Gramm-Rudman-Hollings bill of bringing the deficit under control, bringing down sharply the deficit this year, and to a balanced budget in fiscal year 1991, calendar year 1990, we cannot operate under uncertainty.

My concern has been and is today that if uncertainty exists, Congress will not have the discipline to ultimately hold the appropriations bills in line. Congress will not have the incentive to move ahead looking forward beyond the sequester order. The White House will not have the discipline to move forward to work with us to address that problem that might exist.

That produces the potential of a legislative train wreck in September and a disaster for the economy.

I think with this well-crafted, bipartisan amendment, we have dealt with several problems.

No. 1, we have guaranteed that there will be no legislative train wreck in September.

No. 2, we have eliminated any uncertainty if this amendment is ultimately adopted, that Congress means business, that it intends to meet the targets, and that it is willing to impose the discipline that is necessary to get the job done.

I think in the process, we will guarantee that the targets will be met and whether a sequester order is ordered or not, we will meet that target, there will be no automatic cuts across the board imposed, and Congress will meet the targets, thereby pulling the economy out of the ditch.

I believe this amendment is critically important to reinforcing our commitment to the American people to bring the deficit under control and to balance the budget. This amendment is important to guarantee the discipline required in order to meet the target, to assure that we will not have an across-the-board cut go into effect and to assure that an economy that has been weakened in the last few months can be strengthened with a renewed certainty that Congress will, after the Supreme Court decision, to commit ourselves once again to balance the budget, to make the hard choices, and to assure in doing so that the deficit which has plagued the Nation for a decade will be brought under control and the budget will be balanced. Over the next 5 years $1 trillion that would have gone to finance growing Federal debt will be free to go back to the American families to invest in the American dream. That is what this amendment is about.

I commend my colleagues to have worked out this compromise.

I have always had great regard for the Senator from Florida [Mr. CHILES] and that regard has only grown through this whole process.

I personally thank him for his willingness to work through some very difficult problems, willingness to try to work out a compromise that addresses a very real problem, which he has raised, that is inherent in meeting the constitutional requirement of having an executive branch agency make the final certification.

I thank the distinguished chairman of the Budget Committee, Senator DOMENICI, who has worked on an around-the-clock basis on this compromise and whose patience really has made all this possible.

Obviously, I thank the other two-thirds of our trio, some say the best known trio since Larry, Curly, and Mo. Let me say that is only appropriate since Larry, Curly, and Mo were doing the budget before our process took over and I think we are doing a better job than they were doing. I think the facts bear that out.

I may not be wild about the budget we adopted but it meets the $144 billion target. If the assumptions are borne out and if we stay with it and if there is a sequester order, I am confident it will be of a manageable size and that we will move together on a bipartisan basis to come up with ways of meeting the target so we will not burden the American people with an across-the-board cut.

Finally, I thank the Director of Office of Management and Budget for working with us, for accelerating his timetable, for giving us rough estimates which quite frankly were difficult and represented a deviation from practice that we might have had in the past.

I have certainly known heads of OMB in the past but we have never had one who has worked as closely with Congress in trying to meet the

challenges of a new process that obviously is difficult for the administration and difficult for Congress, who has worked as closely with us in meeting those objectives as Director Miller. I thank him personally.

I yield the floor.

The PRESIDING OFFICER (Mr. PRESSLER). The Senator from Colorado.

Mr. HART. Mr. President, I would like first to make some additional remarks and perhaps engage the sponsors of the so-called fix proposal for the underlying measure in a colloquy over exactly what it is that is being proposed here.

I must say in response to observation of the Senator from Texas to say Gramm-Rudman-Hollings is doing a better job of balancing the budget than Larry, Mo and Curley, is hardly a compliment to the process.

In this case, Mr. President, during his service on the Environment and Public Works Committee the Senator from Colorado has been privileged to serve on one of the subcommittees, the Nuclear Regulation Subcommittee. I would like to share with my colleagues a story about an experience I had during my tenure on that subcommittee.

I was touring one of the Nation's nuclear reactor plants and it was indeed an amazing sight as many of us who have done that know, miles and miles of pipes and hundreds of valves and scores of meters and gauges, gauges for cooling temperatures and pressures, systems, the systems had backups, the primary, secondary and tertiary safety components. There was redundancy, crosschecks on redundancy and redundancy on redundancy.

When my tour was completed, the chief engineer asked me what I thought of this amazing facility. I said, "Well, it looks to me a mighty complicated way to boil water."

I have the same reaction, if I may say so, Mr. President, to Gramm-Rudman I and II, as proposed particularly to be amended by this so-called fix.

It is a mighty complicated way to cut the deficit.

For those around the country who think the Senate is engaged today in a discussion about deficit reduction, we are not. We are not reducing 1 cent of spending nor are we raising additional revenues. We are debating about process. The reason we are debating about process is because the Supreme Court, as some of us predicted months ago, found the first go-around flawed constitutionally. We get to the question presently as to what the prospects are for the court finding the second go-around to be equally flawed.

But in any case we are not here balancing the budget. We are here discussing as we did at some length in late 1985 how to go about balancing the budget.

I think if we had some Presidential leadership and some compromise, in the best sense of the word, some consensus forming which is the way one governs this country, we would not be here debating yet again for the third, fourth, or fifth time how to go about balancing the budget. We would be balancing it.

The Senator from Colorado understands why the sponsors feel that this measure has to be complicated. Last fall they argued that Congress cannot or will not cut the deficit.

They won approval of a law that gave the power to cut the budget in the final analysis to a neutral party, the General Accounting Office. As I have noted, the Supreme Court said that the Constitution prohibited the General Accounting Office from performing the executive function.

And may I in that respect, Mr. President, take some slight issue with comments made by the distinguished chairman of the Budget Committee, the Senator from New Mexico [Mr. DOMENICI] when he talked about what the Supreme Court had in fact decided.

In fact, the Court did not reach the issue of whether Gramm-Rudman-Hollings was an unconstitutional delegation. I cite to him page 49 of the hearing record of, I guess it was the Governmental Affairs Committee of the Senate on whatever predecessor of this fix of some truncated hearing was held and the distinguished chairman of that committee, Mr. ROTH, said as follows:

> Let me just for clarification purposes point out that all the Supreme Court decision really did was to declare the fact the Comptroller General is removable by Congress, that we conferred improper powers upon him as a servant of Congress.

The Chief Justice, the chairman of the committee goes on very specifically, makes it clear in a footnote that they, the Supreme Court, were not ruling on the constitutionality of other provisions of the act, including one I think Senator CHILES brought up, the question of whether or not it violates the delegations doctrine.

□ 1510

So I think we have to understand, he says, that the Supreme Court has not ruled on the constitutionality or other aspects of this particular law.

So I think we do have a question as to what the Supreme Court did or did not say about proper delegation.

But, in any event, Mr. President, the sponsors set about to redesign the procedure they invented, to give the power to cut the budget across the board, if it is deemed necessary, to an executive branch office, the Office of Management and Budget.

Mr. President, many of us resist the notion of passing the constitutional responsibilities of Congress to a political agency, and a very powerful political subordinate of the President of the United States. So the sponsors search for safeguards to ensure that power is not abused.

And that is what we are here today to discuss, not what additional revenues to raise or what cuts to make, but how to design safeguards against a political subordinate of the President of the United States, who is proposed to have the power to cut the budget, balance the budget.

Mr. DOMENICI. Mr. President, will the Senator yield for a question?

Mr. HART. I yield for a question.

Mr. DOMENICI. On the last point, the Senator is aware that the statute that we passed called Gramm-Rudman-Hollings, which will be reaffirmed, although modified, here, contains a provision on the point you just made. That provision says who ought to make the actual cuts to get within the deficit target. Even after the August 15 preliminary sequester order, the Congress of the United States can produce a legislative proposal to bring the budget within the targets; that is, expedited procedures are there and the Congress could do it even that late if it was our desire to do it ourselves. Is that not correct?

Mr. HART. Well, so far as what the Senator from Colorado has been able to see on first blush, and it is only first blush, that apparently is the case. But if I may, let me ask the Senator from New Mexico a question in that regard. I assume he is talking about the so-called joint resolution provision of the measure before us; is that correct?

Mr. DOMENICI. No.

Mr. HART. No.?

Mr. DOMENICI. I am talking abut the provision in the law—some people refer to it as the supplementary reconciliation bill, for lack of a better word—after the August 15 initial order which says "to get to the target you have got to cut this much." There is a provision in the law for the Budget Committee here, and the House has its own process, to produce a bill that would bring it within the $154 billion as required by the target setting. We still have a last clear chance to do that ourselves under this legislation.

I was merely asking if you were aware of that in your statement, and I assume you are.

Mr. HART. Well, if the Senator from New Mexico says that is the case, I certainly would accept it as the case and I have no doubt that is not in there. However, it does not, even if it is the case, affect the point that is being made today, that is what we are here today to debate and discuss, which are the extreme lengths that we have seen members of this body have

to go through in the past several days to define safeguards on an agency that might end up under the law having the final responsibility of cutting Federal spending, and that, I take it, is still the final issue before the Senate, at least it is a primary issue before the Senator from Colorado.

But, in any case, Mr. President, as we apply layer upon layer of new procedures—and that is what we are talking about—on what have become the very stooped shoulders of the Congressional Budget Act, it begins to look a little like that nuclear reactor that I saw—very, very complicated. This Senator begins to wonder whether there is not a better way to control the deficit, when you get down to it, through sensible defense restraints, through revenues, through domestic savings, and I must say nonincome tax revenues. And, of course, we all know there is. That is what we ought to be debating, instead of endlessly debating more procedures, more complicated safeguards.

Nonetheless, Mr. President, we are once again considering far-reaching legislation without, except for one possible exception, hearings on the measure. Certainly no hearings to my knowledge on the measure presently before us, the substitute modified amendment. Once again, I think we have to ask questions about the meaning and effect of a proposal Senators have not seen up until the last few minutes. We have to build a record, certainly for the House of Representatives and perhaps even for the Supreme Court.

But, before engaging the sponsors in further colloquy about the amendment, the Senator from Colorado would like to make plain his concerns about the approach embodied in this amendment.

First, the ostensible purpose of this new language is to place restrictions on the Office of Management and Budget. I question the effectiveness of these limitations.

Second, Mr. President, by legislating economic assumptions and outlay rates, does this new procedure indeed open new roads for confusion for Congress, the Government, and the American people down the road? Are we not only indicting technicians to make our most important political decisions, but now also giving the opportunity for politicians to make technical decisions about which we have no expertise?

Third, Mr. President, do we have assurances as to the constitutionality of this procedure? Has the Justice Department formally notified the Senate that it will support this law and not return to Federal court to seek relief against it, as it did before?

The Senator from New Mexico, I believe, earlier said that it was only late this morning that the administration received a copy of this final proposal, final iteration of this proposal, and that we did not know what the official administration position is, the President's position. So I take it it is also the case that we do not know what the Justice Department's position is; whether, in fact, we might end up with the spectacle of the Attorney General of the United States in court opposing a law the President of the United States himself says he supports.

Nevertheless, during last week's Governmental Affairs Committee hearings, a record was developed demonstrating the Office of Management and Budget would have substantial discretion with economic assumptions under whatever was Gramm-Rudman-Hollings II at that time. The new language seeks to circumscribe this discretion in two ways, as this Senator understands it. First of all, by permitting the Joint Committee on Deficit Reduction—the Joint Committee on Deficit Reduction—to report a law containing economic assumptions for the final sequester. And binding, at least temporarily, outlay rates and future sequesters to those contained in the 1986 final order.

Now, the questions which flow from this proposal are as follows, Mr. President. And perhaps either the Senator from New Mexico, the Senator from New Hampshire, or the Senator from Texas might want to comment on these questions.

Under this process, would the President not be able to veto the joint resolution dictating the economic assumption that the Office of Management and Budget was to follow?

Mr. DOMENICI. You are speaking now to the years beyond 1987?

Mr. HART. The Senator is correct.

Mr. DOMENICI. The answer to your question is yes.

Mr. HART. Well, would this not mean if it were required to be overturned, it would require Congress to muster a two-thirds vote to overturn the findings of the Office of Management and Budget?

Mr. DOMENICI. If the President vetoed the joint resolution of the Congress changing OMB's economic assumptions in the years 1987, 1988, and 1989, and we wanted to make it the law nonetheless, obviously it would require a two-thirds vote to overide his veto.

Mr. HART. Well, therefore, if a veto of that kind of resolution which stated economic assumptions holds, has OMB's powers been checked in any effective way?

Mr. DOMENICI. Well, let me tell the distinguished Senator from Colorado that as soon as you are through with your discussion here I am going to put two documents in the RECORD that are rather revealing. One summarizes how accurate or inaccurate the Congressional Budget Office has been over the last 6 years when they have made economic assumptions. CBO's assumptions are compared to the actual results. OMB's assumptions are also compared. I will add to it for the RECORD. The tables compare private forecasting firms such as Merrill Lynch, Blue Chip, and many others.

I also will add a second document that will tell us how close to being identical OMB and CBO assumptions are this year. And if it helps the record any, I will go back and get some information on how close they have been in the past.

□ 1520

So to the extent that we must make some assumptions, we who propose this are satisfied since we require GAO to report to us on a regular basis on any exercise of discretion that appears to be ill-founded. We have the opportunity to get a report from CBO on what they think the economic estimates should be, and since we have a right to debate under a joint resolution what the economic assumptions ought to be and pass something, we do not believe they are going to take this exercise of discretion in a manner calculated to see how much they can be off the mark and reduce the deficits. We think they are compelled to be reasonable. That is all we can expect, as I see it.

Mr. HART. I appreciate the remarks of the Senator from New Mexico, as always. I particularly appreciate his belief. But, Mr. President, what we are here to discuss is not what the Senator from New Mexico believes but what the proposal actually says. I take it the answer to my question is if the President would veto a resolution by which the Joint Committee on Deficit Reduction establishes some economic assumptions and the Congress did not overrule the veto by a two-thirds vote, that, in fact, the tightening of the safeguards against the abuse of power by the Office of Management and Budget have just fallen apart, for all practical purposes.

That is the concern that a number of Senators have.

We are not here to discuss how accurate Merrill-Lynch has been, or, for that matter, CBO or the OMB. The question is what kind of system are we creating here and what kind of potential for abuse down the road, if not under this administration, perhaps some future one, does this kind of a system permit? I think the answer is, a great deal.

Mr. President, the fears that OMB can use economic assumptions to manipulate the size of a deficit and the scope of a sequester are still relevant. If all goes as planned we are still left with another layer of procedures before the deficit is actually reduced. In other words, the fix has not yet fixed the problem of OMB manipula-

tion of the economy, so the Senator from Colorado believes.

The premise of Gramm-Rudman is that Congress will not make that kind of decision. It is a kind of monument to the failure of political will. Therefore, Gramm-Rudman takes the power to cut spending away from the legislative branch and in the final analysis, vests it with the Office of Management and Budget. But this procedure returns the ball to the court of Congress by allowing something called the temporary Committee on Deficit Reduction to write the economic assumptions on which the sequester order will be based.

The danger here is that this new temporary joint committee, as if we did not have enough committees already, or what is called, I guess, the TJC, the danger here is that committee will rig the numbers to avoid large spending cuts in election years. Theoretically, the sponsors propose limits: The so-called TJC must select economic assumptions only from a menu offered by the original Congressional Budget Office, the Office of Management and Budget, and the General Accounting Office economic forecasts. In fact, they have not solved the problem. By picking the right combination of numbers, this so-called TJC can substantially minimize the actual size of the deficit.

For instance, these forecasts must include estimates of real growth, inflation, and unemployment.

I wonder in this connection, if I may, for just a couple more minutes, ask the Senator from New Mexico, or any of the original sponsors, the following question: By choosing under this system the highest real growth and lowest inflation and unemployment figures, would not this so-called TJC derive a lower deficit figure than that produced by any of the three forecasts taken separately?

Mr. GRAMM. If the Senator will read the bill, he will find that we have limited the ability of the TJC to pick within a set of parameters defined by the original CBO and OMB projections. To use the expedited procedures, they would have to choose within the parameters that have already been defined by CBO and OMB. The distinguished Senator makes the point that the OMB Director is under the influence of the President and might have a reason to jimmy the numbers. Now he makes the point that a joint committee of the two Budget Committees, one with a Republican chairman and one with a Democratic chairman, might jimmy the numbers.

The point is that ultimately a decision has to be made.

If the point of the distinguished Senator is that the world is imperfect, he is right. If the point of the distinguished Senator is that because the world is imperfect we should not do anything about a national tragedy, I think he is wrong.

Mr. HART. I thank the Senator from Texas for his response, but I think the decision or the belief of the sponsors of the original measure, the measure before us, is that the world is not only imperfect but when the world gets down to the Congress of the United States it is certainly incapacitated, has no will and no ability to do the job that we all took an oath to do.

So I think the world, as seen by the sponsors of the measure, is much less perfect than the world the Senator from Colorado sees.

The fact of the matter is that the so-called menu approach is exactly that.

Since the Senator from Texas did not answer the question, I take it, it is the fact, or at least the question goes undenied, that on this menu you could pick, if you like column A in terms of high real growth and low inflation numbers, you could take numbers from column A, and if you like unemployment figures which happen to be low from column C, you could take those and in fact you could derive a lower deficit figure than any of the figures contained in the bottom of any of the column A, column B, or column C numbers. That seems to be the potential here. I think we have to acknowledge it.

The next question, then, becomes, once this composite forecast should become Government policy, will it even be possible to develop a set of sensible budget projections? I think the answer is probably "No." I raise this question because I recognize the joint committee's composite economic forecast is likely to be internally contradictory. This is a situation where I think we are all very much aware of it.

In testimony before the Government Affairs Committee, the Director of the Officer of Management and Budget, Mr. Miller, pointed to the tremendous difficulties under current law in dealing with averaged economic forecasts. It seems to the Senator from Colorado that these difficulties are going to be even more severe by the proposal that is presently before us in the so-called menu approach.

I wonder if the Senator from New Mexico, the distinguished chairman of the Budget Committee, might be able to answer the question of whether we have received any comments on this proposal from the Director of the Congressional Budget Office. Has Dr. Penner or any of his staff taken a position on the measure?

Mr. DOMENICI. Is the Senator talking about the amendment currently before the Senate?

Mr. HART. The Senator is correct.

Mr. DOMENICI. No; to my knowledge they have not been able to take a position, and I do not think they would take a position even if you had asked them. They would give you estimates, they would give you statistics, but it is the general ongoing policy of the Congressional Budget Office that they do not give you opinions on whether they look with favor or without favor on some proposal.

If the Senator is talking about the internal contradictions that might come about in the averaging that we did this year in this mandating of the numbers, let me suggest again to the Senator, my friend from Colorado, that shortly I am going to show the Senate how close CBO and OMB are. They come closer than anything I would have believed, and, consequently, I conclude that if there is an internal calculation and inconsistency argument that was relevant to this debate—and it may be, though I have not found it to be yet—it is so minute that it probably is irrelevant under almost anybody's assumptions.

But, yes it is, and no, they have not given us their opinion.

I might repeat, OMB has said they are not yet prepared to give us the White House view on this amendment. I think the Senator is aware of that.

Mr. HART. I thank the Senator from New Mexico.

I must ask this question:

□ 1530

I understand that is not in the cards and probably not within the domain of his authority. It was more to comment on how the process would work and whether he saw any flaws in the proposal or any ways to improve it, or whether or not the possibility of manipulation, not cynical manipulation but just manipulation of the sort the Senator from Colorado mentioned, exists here and whether or not he might have some ideas as to how that might be fixed. In any case, apparently the answer is no.

Mr. President, it is unclear under what circumstances the joint committee could alter the budget authority-outlay ratios used in the 1986 sequester, at least to this Senator. I might ask the sponsors, what triggers the decision by the so-called TJC to regulate budget authority outlay ratios? Must OMB and CBO jointly request a joint resolution revising the spendout rates and if so, could one agency, in effect, veto the request of another? If they could, is that constitutional?

I would be interested in any response the sponsors might have on that.

Mr. DOMENICI. Mr. President, I apologize to the Senator from Colorado for not answering more quickly. Would he mind if I gave a brief explanation of how we got to where we are? It will answer his question.

Mr. HART. I certainly would welcome it.

Mr. DOMENICI. We all know that the Office of Management and Budget and the Congressional Budget Office have gone through one exercise in that first experiment in sequester that caused ratios for budget authority and outlays to be arrived at that were mutually acceptable. Those ratios currently exist. What we say in this amendment, so that there is no totally independent activity by either that would change the ratios, is that they remain in effect and are binding, with the few entitlement exceptions that I will read in the statute—unless we, the Congress, change any or all of those ratios.

One way we can change those ratios is if CBO and OMB say defense is spending out more rapidly in this area than we thought, or these series of domestic programs have changed complexion. CBO and OMB would send us a joint report suggesting the ratio change. If they do that by June 20, then the joint committee, under its privileged status and expedited procedure, has the ability to act under that guideline in the Congress for a change.

That does not mean that Congress, in its normal legislative power, cannot change it in some other way. But the triggering mechanism is if both of them together send us a joint report saying we think there is a real change in the outlay to budget authority ratio and we recommend that you help us fix it.

Mr. HART. What if they do not jointly get together? What if one of them believes there is a wrong spendout rate and the other does not agree? How can we deal with that?

Mr. DOMENICI. I think I have answered it, but I shall try again.

The joint committee does not have the jurisdiction under the privileged processes of the U.S. Senate to so act. We give this exceptional power to act expeditiously—a couple of days' hearings, no big debate on the floor, not amendable, and so forth. All those privileges are vested only if they both ask us to do it.

If CBO feels strongly about it and wants to start telling Congress we have a wrong ratio and OMB does not want to agree to change, then we use our normal legislative processes to change it. But then we do not have the privileged entitlement of the joint committee's activities.

Mr. HART. I thank the Senator, but if I may just pursue this for purposes of clarification, let me ask this question: If the Congressional Budget Office and the Office of Management and Budget jointly request the spendout rate, I understand from the handout circulated yesterday, at least, that the language reads as follows:

The so-called TJC would report a joint resolution affirming their request.

In this context, what does "would" mean? Does that mean it is a mandate? It is expected that they might? What does that mean? Must the so-called TJC legislation mirror the CBO–OMB request?

Mr. DOMENICI. Let me say to the Senator that I do not think there are any procedures here to carry out and make the mandate an absolute mandate, but it is the clear intention of the Senator that they are required to report it out. I have no process, nor do I intend to put any in that says if they do not, we do something to them, but it is clearly intended at this point to be mandatory.

Let me say to my friend from Colorado, obviously, I do not want to leave the impression that there is any evidence that anyone is trying to really adversely affect the deficit by arbitrarily fixing spendout rates in this process. I do not find it. They could. CBO could, intentionally or otherwise, wrongly estimate outlays on defense. The Senator knows they have before—sometimes too low, sometimes too high. So has OMB—low and high. It has gone in cycles. But they have arrived at a pretty good accommodation and that is the best we have before us.

We have said if they want to change what they have agreed upon before and carry out a sequester based upon it, we should agree in that change.

Mr. HART. If I may, Mr. President, let me point out what seemed to be an ambiguity here, for whatever purpose it might serve in the future, perhaps even in the courts. It seems from what the Senator from New Mexico has said, as I understand his remarks on how this process would work, the temporary joint committee, so-called TJC, may or may not follow a joint recommendation for a different budget authority-outlay spendout rate—it is unclear as to what the TJC would do if only one agency requested that. But if the temporary joint committee can report legislation changing the rate to something other than that specified in the OMB and CBO request, then it seems to this Senator, at least, that this so-called temporary joint committee could also manipulate spendout rates for defense and domestic programs to assume its own political agenda.

The only point in all this morass or kind of stream of technical procedural stuff, I think the only point the Senator from Colorado wishes to make, in sum, is that we, in our efforts to manacle and handcuff ourselves, tie our own hands and tie OMB's hands and everybody else's; we are defeating the purpose. We are, in fact, trying to take away—we are either trying to take away from a political body, in effect, its political value structure and will, or we are trying to impose on a political institution a totally unworkable mechanical process.

It seems to me, Mr. President, if the Senator from Colorado can say so, that what the sponsors have done is create a reversal of the historic roles of Congress and the Executive. Congress was constituted to set national policy and national priorities. The Office of Management and Budget, an executive institution, was created to fulfill a ministerial function, to make sure that the numbers underlying the national budget work out. Under this proposal, Congress' powers would come through manipulation of economic assumptions and the very arcane world of budget detail. The OMB would be in power to set the broad direction of budgetary policy.

Now, finally, Mr. President, is the constitutional question. Last year during the initial debate on Gramm-Rudman, the sponsors received a letter from the administration endorsing their proposal. Within weeks after the President signed the bill into law, his Justice Department was filing papers before the Federal district court challenging that law as unconstitutional.

□ 1540

Now, in the last several days we have heard repeated assurances that the Department of Justice has reviewed the various interactions of Gramm-Rudman-Hollings II. While our colleagues may have faith in private assurances from the administration, I do not believe it would be asking too much for the Department of Justice to make its views public. We know that the Senate will be debating the debt limit bill for the next several days and dozens of amendments are pending.

Could we receive assurances from the sponsors of the measure, the majority leader, or whomever, that the Attorney General will send a letter to the Senate reviewing the bill as it now stands? Specifically, the Senator from Colorado is asking, if this bill became law, as modified, would the Department of Justice go to court and ask that it be struck down or would it support the constitutionality of the measure?

I regret, once again, that we are not able to read the answers to these kinds of questions in a hearing record before a committee of the Senate. We should not go forward and pass this legislation until these procedural questions and certainly the most important constitutional questions are answered in a satisfactory way.

If the sponsors of the measure do have assurances from the Justice Department or the Attorney General and if those assurances could be reduced to some formal declaration for the members of the Senate to see before we vote on the measure, I think it would be an extremely helpful matter to all of us. It would at the very least I think

prevent the embarrassment that occurred of a divided administration where Gramm-Rudman-Hollings I was concerned.

I wonder if possibly the Senator from New Hampshire might have some information in that regard.

Mr. RUDMAN. I will be pleased to address that briefly.

When the amendment that is pending at the desk without modification was drafted, the sponsors met with representatives of the appropriate part of the Justice Department and counsel from OMB to assure that all of the problems, or the narrow constitutional problem, if you will, in the Synar versus United States case, were met. They have been met.

It is true that the Domenici-Chiles initiative, that is, the modification of the amendment, has not had such clearance.

But if the Senator from Colorado will bear with me for about 2 or 3 minutes, there is something I think we should get in the RECORD because he raises a very legitimate point. I have here the district court decision which of course was the basis for the Supreme Court decision. Judge Scalia, now a Supreme Court nominee, was the appellate judge on that panel. I want to read for the record here, since we are not in any time agreement and it will only take about a minute or two, the pertinent part of this opinion which totally rejected the delegation challenge, which is the only argument left. And in addition, I say to the Senator from Colorado, the two dissenting opinions by Justices White and Blackmun made it eminently clear that they agreed totally with Judge Scalia's opinion on delegation. Let me read that into the RECORD here because I think it is very important. The per curiam opinion, which everyone believes was written by Judge Scalia says:

> In sum, our review of the aggregate effect of the factors identified by the plaintiffs leads us to conclude that delegation made by the Act passes constitutional muster. Apart from the technicalities of the matter, the realities produce the same conclusion. It seems to us not true, as plaintiffs have asserted, that Congress has declined to make the "hard political choices." To the contrary, it has decided to impose the severe constriction of federal spending necessary to produce a balanced budget by fiscal year 1991, it has established an intricate administrative mechanism to address that goal, and it has specified in meticulous detail which program budgets will be reduced in order to achieve that result, and by how much. *See generally* Act §§ 251(a)(3), 255, 256. All that has been left to administrative discretion is the estimation of the aggregate amount of reductions that will be necessary, in light of predicted revenues and expenditures, and we believe that the Act contains standards adequately confining administrative discretion in making that estimation. While this is assuredly an estimation that requires some judgment, and on which various individuals may disagree, we hardly think it is a distinctively *political* judgment, much less a political judgment of such scope that it must be made by Congress itself. Through specification of maximum deficit amounts, establishment of a detailed administrative mechanism, and determination of the standards governing administrative decisionmaking, Congress has made the policy decisions which constitute the essence of the legislative function. It "has defined the circumstances when its announced policy is to be declared operative and the method by which it is to be effectuated. Those steps constitute the performance of the legislative function in the constitutional sense." *Bowles* v. *Willingham*, 321 U.S. at 514. Accordingly, plaintiffs' delegation challenge is rejected.

It is unquestionably clear from this case, from a long string of cases, that so long as the Congress narrowly delegates with parameters its legislative functions granted under the Constitution, it may do so.

What the Chadha case said, with which the Senator from Colorado I am sure is familiar, is that we must do it by joint resolution signed by the President of the United States. That is precisely the line of questioning on which the Senator from Colorado was having a colloquy with my friend from New Mexico.

So let me simply say that by the time this gets to conference and back, I am sure we will probably have what the Senator from Colorado asks for, but if anyone wants a clear road map from the most recent nominee to the U.S. Supreme Court, we have it in this opinion in Synar versus United States. I thank the Senator for yielding me enough time to adequately answer his question.

Mr. HART. The Senator from Colorado thanks the Senator from New Hampshire very much for his comments. But I am not sure he answered the question on the constitutional issue because I would cite in response to that passage the Senator has just read a footnote of Chief Justice Burger who wrote the majority opinion at page 20 of the opinion itself:

> Because we conclude that the Comptroller General as an officer removable by Congress may not exercise powers conferred upon him by the act, we have no occasion for considering appellees' other challenges to the act, including their argument that the assignment of powers to the Comptroller General in section 251 violates the delegation doctrine.

Mr. RUDMAN. If the Senator will yield, that is absolutely correct, but as the Senator knows full well, the Supreme Court has a long history of not addressing arguments on a constitutional issue it need not reach.

I think it was very significant that Justices Blackmun and White, knowing this argument might be raised at a later time, said what they said in their dissenting opinion and Judge Scalia's opinion in this makes it clear.

Now, the Senator from Colorado has said that the U.S. Supreme Court has not finally spoken on the delegation argument. Of course, he is right, but that is because they reached their conclusion on a much narrower issue, namely that of separation of powers.

I would say to my friend from Colorado that everyone we have talked to on this issue says we have passed constitutional muster, and we have talked to some pretty good folks.

Mr. HART. I certainly appreciate the assurances of the Senator from New Hampshire but they sound much like the assurances we received when Gramm-Rudman-Hollings I was being presented to the Senate.

Mr. RUDMAN. If the Senator will yield for a brief response, I hope the Senator would go back and look at the original Gramm-Rudman-Hollings which did not give the sequestration trigger to the Comptroller General. Giving it to the Comptroller General was the result of a political compromise with the House, which was necessary to pass the bill. The Senator from New Hampshire and the Senator from Texas and the Senator from South Carolina, recognizing the separation of powers controversy, agreed to the inclusion of the fallback provision. It was written. It is in the law. We think this amendment is better. But to accuse us of not recognizing that issue, if that was an accusation, I think is patently unfair.

Mr. HART. I think the Senator knows that the Senator from Colorado does not intend to be unfair but, on the other hand, he recalls very vividly the debates that were held on the floor of the Senate when the first Gramm-Rudman-Hollings measure was before us in its final form, and arguing very strongly about its constitutional questionability and being assured repeatedly by its sponsors and others, regardless of what their original views were, that this was in fact a constitutional measure, and assurances of the sort we received here today. I think the same questions remain.

□ 1550

Finally, Mr. President, let me just say that, tragically and unfortunately, we are not here to discuss and debate today any kind of monument to the triumph of politics, to paraphrase the title of a recently infamous book; but we are here to debate a monument to a failure, the failure of supply-side economics which brought these huge deficits upon us; the failure of political will of people to face up to the need for additional revenues in addition to reduced spending; the failure of consensus by which this great country has always been governed; the collapse of consensus and the inability to get people of good will on both sides of the aisle, of all ideologies, to agree to a set of budget numbers that a majority can support.

Finally, Mr. President, it is probably more a monument to the failure of Presidential leadership than anything else; a refusal—I could use even stronger words—but the refusal by the President of the United States to lead on this issue, to acknowledge that these policies are not accurate and not correct and not serving the country's best interests, particularly in the area of non-income tax revenues and cutting back and reducing the buildup in the military, and have brought us to this point, where we are spending this time to debate not how to reduce the budget but how to set up a procedure to prevent the abuse of political power.

Mr. DOMENICI. Mr. President, I am going to submit some data on the vagaries of estimating which we have to live with. We lived with it with Gramm-Rudman-Hollings I, with Gramm-Rudman-Hollings II, and we will live with it afterward.

On the issue of the potential for rigging, the Senator from Colorado knows I have great respect for him, but he is not for this process; so anyone listening to this debate and these questions should know that he did not like it from the beginning.

Having said that, if you want to assume that the U.S. House of Representatives, in developing a budget before Gramm-Rudman-Hollings, wants to rig the economics to make things look good, you can assume they could. If they want to rig economics so that it will make things look bad, they can. If you want to assume that the U.S. Senate could do that in its budget resolution, you can. If you want to assume that the Congressional Budget Office would do that, you can.

The point of it is that in the process of trying to make economic assumptions on a vibrant economy, all you can do is make estimates and hope that you are perfecting the processes so that they are as close to right as possible. What I mean by "right" is very simple, because it becomes an "actual" after the fact. You are finished, and then you find out what it actually is, and you say that is "right."

We set up this special committee and give it a little bit of expedited jurisdiction if, as a matter of fact, the Office of Management and Budget is figuring the economic assumptions unreasonably optimistic. If you have credible evidence, you can try to change the economics with a joint resolution. The Senator from Colorado is saying that they have rigging power in the White House, but we do not have enough people to fix it, and then at the same time the Senator is saying that if they have the power to fix it—that is, Congress and the special committee—they are apt to rig it. Where does all this stop?

The truth of the matter is that in budgets of the United States for all of history, Presidents had to make economic assumptions. If they were right and Congress adopted it and carried it out, the budget came out just as they predicted. For all of economic history, if they were wrong and Congress did everything they asked, the budget came out more in the red than the President estimated. Maybe a couple of times in history the budget came out more in the black than the President estimated. Did somebody rig something then? It came out differently. Who rigged that?

In our case, I think the most farfetched argument is that for a 5-year cycle—and that is what we have here—that as we set in place some kind of process that not only will let OMB rig things but also gives this joint committee, for the rest of this year, and I hope for a few more years, the power to rig things the joint committee is made up of a majority of Democrats in the House and a majority of Republicans in the Senate, and ultimately they may have to agree on a piece of sease legislation changing economics.

Is there some reason here to say that this is more untrustworthy because they have some ulterior motive? They may want to make themselves look good, so they are going to rig everything high, so that they do not have to cut spending. The OMB presumably has done something. We presume they have because they want everything to look rosy.

It appears to me that we cannot answer this riddle. There is no way. There is some degree of trust and some degree of error we build into this.

What we are trying to do is to avoid 5-year gridlock or 2 more years of gridlock. Whatever it is, we have had 5 years in which the President wanted certain things, the U.S. Senate wanted to do certain things, the U.S. House of Representatives wanted to do certain things. Frankly, on a few of the major events, the House joined the President and we did not; and we ended up with bigger deficits rather than smaller ones, and no ability to dramatically reduce, in good times, the deficits.

All we are doing in this legislation is recognizing that state of affairs and saying let us build a hammer into this process, a trigger, a guillotine, a planned train wreck—those are the various descriptions. We are saying that this ought to give you an incentive to fix the deficit, because if you do not, it will be done automatically.

All we are trying to do is to put back into the statute the maximum pressure. We think that pressure is somewhat stronger than the fallback provision of affecting across-the-board cuts through a joint resolution of Congress after the sequester amounts have been arrived at through the Office of Management and Budget and CBO doing their estimating work.

We think it is stronger this way: it will have more impact on us. It will make the President, the House, and the Senate more apt to do it. On entitlements, the House has agreed with the Senate. On defense, the House has been on its own. We have been on our own, and the President has had another particular approach—the combination of which has yielded no deficit reduction. On revenues, the House has joined the President, saying, however, that they know we need revenues, but they would only join up when he was ready. The Senate has said from time to time that we ought to have some revenues.

This is an attempt to say that the deficit is too dangerous for that to go on much longer, and this final trigger is intended to give more impact to that situation and cause that threesome—the U.S. House, the U.S. Senate, the U.S. President—to be more apt to get the deficit under control by methods that they accept rather than otherwise.

Mr. President, I ask unanimous consent to have printed in the RECORD appendix B of the first Comptroller General's report on this emergency procedure, "Economic Assumptions, Historical Analysis." It is very interesting. They have gone from 1980 through 1985 to test the accuracy of OMB and the accuracy of CBO. They find that neither has been particularly accurate and, conversely, that both have been about equally inaccurate.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HISTORICAL ANALYSIS

GAO reviewed past forecasts to assess relative accuracy and to seek evidence of a systematic tendency either to over predict or under predict certain key economic indicators. Data in Table B-2 show the actual behavior of these indicators and the difference between the actual value and the value forecasted by OMB, CBO, and several private sector forecasters. The private sector forecasts include those released by three individual organizations and two surveys that provide measures of the consensus of the forecasts of a larger number of individual forecasters.[1]

Table B-2 shows the prediction errors of these forecasts for the past 6 years. A positive number indicates that the value that had been forecast exceeded the actual value. The "mean error" is the simple average of

[1] The three private firms are Chase Econometrics, Inc., Data Resources, Inc., and Wharton Econometric Forecasting Associates; each produces forecasts that are used widely in business and government. The two surveys present the consensus of a broad range of informed opinion about the future course of the economy. The American Statistical Association and the National Bureau of Economic Research (ASA/NBER) jointly sponsor a survey of 25 economic forecasters in industry, finance, consulting firms and universities. The Blue Chip Economic Indicators' survey includes about 50 economists from similar backgrounds in its panel. The results reported represent the median of the forecasts surveyed by ASA/NBER and the mean of the forecasts surveyed by Blue Chip.

the errors in each of the 6 years. The "root mean square error" is a measure of the accuracy of the forecast without regard to whether errors were positive or negative. The OMB and CBO forecasts are those released in January or early February when the President submits his budget to the Congress. The private sector forecasts are the forecasts released in January of each year (or the most recent one available in January). All comparisons focus on the accuracy of the forecast of the upcoming calendar year only.

Our analysis of the data in Table B-2 suggests several conclusions:

1. Neither OMB and CBO has been substantially less accurate than the private sector forecasters in forecasting the upcoming year and neither has had a greater tendency to over predict or under predict than have the private sector sources. For any particular variable, mean errors of the OMB and CBO forecasts tend to be of the same sign, and both mean errors and root mean square errors tend to be of similar magnitudes, to the corresponding measure of private sector accuracy.

2. Over this period, no one source consistently produced the most accurate forecast of all of the key indicators. If any one source can be considered to have had the most success in forecasting these indicators over these years, it is the CBO. The root mean square error of CBO's prediction is equal to or lower than that of every other source for three of the five indicators.[2] Wharton Econometric Forecasting Associates had the lowest error in forecasting real GNP, and CBO was tied for second. In forecasting the Treasury bill rate, the OMB had the lowest root mean square error.[3]

3. Forecast errors tend to result from developments that few if any forecasters anticipated, causing forecasts generally to err in the same direction. Thus, with few exceptions, the error reported in Table B-2 for every source's forecast of a particular indicator in a particular year has the same sign. For example, (except for one perfect forecast) all sources overestimated real GNP growth in 1982 and 1985, and all sources underestimated real growth in the other 4 years. Over the entire 6 year period, the mean error of all sources' forecasts of real growth was negative, while the mean error of all sources' forecasts of inflation was positive. This result is more likely a reflection of the particular events occurring in those 6 years than it is a reflection of an underlying bias in all sources' forecasting techniques.

CURRENT FORECASTS

GAO surveyed current private sector forecasts to provide one basis for evaluating the reasonableness of the current OMB and CBO forecasts. Key results of our survey are shown in Table B-3.

Compared to CBO, OMB forecasts higher real growth and higher interest rates but a slightly slower rate of growth in the GNP deflator. The real growth rates forecast by both OMB and CBO exceed those forecast by the typical private sector sources we have examined. OMB's real growth rate is 0.8 percentage points above the consensus measured in the American Statistical Association/National Bureau of Economic Research (ASA/NBER) survey, and is 0.6 percentage points above the consensus measured in the Blue Chip survey. CBO's forecasted real growth also exceeds these two measures of private sector consensus, but the gap between CBO and and ASA/NBER is only 0.3 percentage points and the gap between CBO and Blue Chip is insignificant.

TABLE B-2.—HISTORY OF FORECAST ERRORS, 1980-85

[Predicted less actual, percentage points]

	1980	1981	1982	1983	1984	1985 [1]	Mn.[2] error	RMS [3] error
Nominal GNP growth								
Actual	8.8	12.4	3.8	7.7	10.8	6.1		
Differences:								
OMB	−0.5	−1.0	4.3	−1.0	−0.7	1.7	0.5	2.0
CBO	−0.9	−0.6	3.7	−0.9	−0.5	1.2	0.3	1.7
Chase	−1.5	−1.0	3.6	−0.6	−0.9	1.6	0.2	1.8
DRI	−0.7	−1.8	3.4	−0.7	−1.1	0	−0.2	1.7
Wharton	0.1	−0.5	4.3	0	0	1.7	0.9	1.9
ASA/NBER	−1.6	−1.6	4.6	0.1	−0.6	1.7	0.4	2.2
Blue Chip	−0.8	−2.0	4.3	0.1	−0.7	1.4	0.4	2.1
Real GNP Growth								
Actual	−0.3	2.5	−2.1	3.7	6.8	2.5		
Differences:								
OMB	−0.3	−1.6	2.3	−2.3	−1.5	1.4	−0.3	1.7
CBO	−0.6	−1.2	2.0	−1.6	−1.4	1.0	−0.3	1.4
Chase	−0.9	−1.5	1.8	−1.6	−1.7	0.9	−0.5	1.4
DRI	−1.1	−2.4	1.6	−2.1	−1.5	0	−0.9	1.6
Wharton	−0.3	−0.9	1.8	−1.3	−1.2	1.3	−0.1	1.2
ASA/NBER	−1.0	−1.3	2.6	−1.3	−1.6	0.9	−9.3	1.6
Blue Chip	−0.7	−1.8	2.4	−1.2	−1.5	0.8	−0.3	1.5
Inflation—GNP Deflator								
Actual	9.2	9.6	6.0	3.8	3.8	3.5		
Differences:								
OMB	−0.3	0.9	1.9	1.4	0.7	0.3	0.8	1.1
CBO	−0.4	0.7	1.5	0.8	0.9	0.1	0.6	0.9
Chase	−0.6	0.7	1.7	1.2	0.8	0.6	0.7	1.0
DRI	0.4	0.8	1.7	1.5	0.4	0	0.8	1.0
Wharton	0.4	0.5	2.5	1.4	1.1	0.4	1.0	1.3
ASA/NBER	−0.4	−0.1	1.9	1.5	1	0.8	0.8	1.1
Blue Chip	−0.1	0	1.7	1.3	0.9	0.6	0.7	1.0
Unemployment Rate (Civilian)								
Actual	7.1	7.6	9.7	9.6	7.5	7.2		
Differences:								
OMB [4]	−0.1	0.2	−0.8	1.3	0.4	−0.1	0.1	0.6
CBO	−0.1	0.2	−0.8	1.0	0.3	−0.1	0.1	0.5
Chase	0.1	0.5	−0.6	1.3	0.3	−0.1	0.3	0.6
DRI	0.1	0.3	−0.8	1.1	0.5	0.3	0.2	0.6
Wharton	0	0	−0.9	0.9	0.6	−0.3	0.1	0.6
ASA/NBER	0.2	0.1	−1.5	0.1	0.8	0	−0.1	0.7
Blue Chip	0.3	0.3	−1.1	0.7	0.5	0	0.1	0.6
Three-month bill rate								
Actual	11.5	14.0	10.7	8.6	9.6	7.5		
Differences:								
OMB	−1.0	−0.5	1.0	−0.6	−1.1	0.6	−0.3	0.8
CBO	−1.5	−1.5	1.3	−1.8	−0.7	0.8	−0.6	1.3
Chase	−0.8	−0.7	1.3	−1.6	−0.7	1.3	−0.2	1.1
DRI	−1.4	−1.1	0.2	−0.7	−1.0	−0.1	−0.7	0.9
Wharton	−1.2	−0.8	1.2	−1.2	−0.6	0.9	−0.3	1.0
ASA/NBER	NA	NA	0.8	−0.5	−0.8	2.0		
Blue Chip	NA	NA	0.1	−0.9	−0.8	1.1		

[1] 1985 actual growth rates in nominal GNP, real GNP, and GNP deflator based on December 20 "flash" estimate.

[2] Simple average of errors.

[3] Root mean square average of errors.

[4] OMB forecast the total unemployment rate for 1983-85. The difference between the actual civilian and total unemployment rates was added to OMB's forecasted value to make it comparable with the other forecasts.

Note. (−) indicates underprediction.
NA indicates data not available.

[2] In these years CBO's forecasts tended to be released several weeks after the release of the other forecasts listed in this table. We do not know the extent to which this accounts for their somewhat better record.

[3] In fact, despite its relative success during these years, OMB did not claim to be forecasting interest rates. Its projections merely assumed that interest rates would rise or fall with forecasted changes in the rate of inflation.

□ 1600

Mr. DOMENICI. I thank the Chair.

Let me address those who are very, very concerned that OMB might have rigged economic assumptions and might rig them in the future. Let me say if OMB wanted to rig it that this would be the year because clearly nobody wants a sequester. Maybe next year there will be a different set of facts or the year after that. But basically it would appear to me it does not serve the purpose of the minority party in the Senate, the majority party in the Senate, or the President, to have a sequester this year.

So one might say this is the year that they probably would have estimated things extremely high on the optimistic side so as to mininize the deficit potential, thus minimizing the chance for sequester.

I am intrigued. We are using in this proposal that we submit today for the Senate's approval by vote OMB's and CBO's preliminary economic assumptions and we have averaged them. They have compromised them by splitting the difference.

The unemployment rate, the year that they should have been very, very far apart if one represented us and the other represented the President, is very close: only 0.1 percentage point apart.

The CPI-U estimates are 0.09 percent apart. The CPI-W estimates are 0.06 percent apart; just six one-hundredths of a percent disparity.

The GNP deflator estimates, one measure of inflation, are 0.08 percent apart.

The Real GNP estimates are just six one-hundredths of a percent apart.

I have the rest. They are incredibly close. Wages and salaries, two-tenths of a percent difference. Other taxable income, four-tenths of a percent difference.

All of those assumptions that have real impact on the budget are probably closer than any other two private economic forecasts that I have seen.

I do not say that because I think they will always be that close. I say that because I do not believe there is any evidence that that particular set of assumptions is significantly different. That is remarkable with independent CBO representing the Congress of the United States singularly and solely and OMB representing the President. They are so close in a year when it would be very important to take positions representing their institutions; they are almost without difference.

As I said, that does not mean it will always be that way, but I think it adds credence to the safeguards we have built in. If Congress does not like the OMB forecast in the future, with all the pressure on it, all the opportunity for them to be compared publicly, we can change it expeditiously and easily.

We have a good starting point to address the question of the budget authority to outlays ratios. OMB and CBO have already agreed and I believe if they are going to be changed these two big groups representing us and the President will tell us what is wrong and then we will clearly change it

using the processes that are in this bill.

So, I believe we have a very good approach to a very difficult problem.

I want to close by saying it is never going to get simple. For those who wish complexity of budgeting would go away, I must say it will not go away. It is because the American budget of $1 trillion and growing is made up of appropriated accounts, entitlements, parts of tax bills that give people tax relief by sending them tax checks, hybrids between entitlements and appropriated accounts, forward- and backward-funded accounts, budget authority and outlays, and all those other things that are in a budget. It will always be complicated, and to fix it and straighten out the mess will not only take courage but it will also be difficult. And to arrive at targets that you really want to reach will require that you work on issues of the kind we are talking about here today. There is no way to get around it. I wish we could do it another way, but I do not really believe we will do it effectively unless we do it this way.

REPORTING OF RECONCILIATION INSTRUCTIONS

Mr. DOMENICI. Mr. President, before I yield the floor, I ask unanimous consent that the committees of the Senate have until 4:30 p.m. to report their reconciliation instructions to the Budget Committee. The minority and majority leaders concur.

The PRESIDING OFFICER (Mr. EVANS). Without objection, it is so ordered.

Mr. DOMENICI. I hope I do not have to ask that all through the evening but for now 4:30 p.m. will do.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, the Senator from Nebraska has been on the floor a great deal during this entire debate and I have been here since 2 o'clock listening with keen interest to the statements that have been made.

Time is late and we have been finally successful in breaking the logjam, 10 days late, but we eventually broke it, and I am not going to detain the Senate for any length of time regarding my position on the matter before us, and I hope it is reasonably well known by the Members of the Senate by this date.

There have been four or five members of the Senate Budget Committee on the floor, including this Senator.

I have been watching with interest the diligent work of the chairman of the Budget Committee and the ranking minority member thereof who have brought forth this latest amendment to Gramm-Rudman.

I believe both of those gentlemen and friends of mine and good Senators know that this Senator has worked with them on frequent occasions over the years to bring about some reality to budgeting, but I must say that in this instance neither the chairman of the committee nor the ranking minority member reflect in any way the position of the Senator from Nebraska.

So I guess all that that shows is that those of us who oppose Gramm-Rudman have been indirectly blamed here in talks this afternoon being against it because we are not for reducing budgets in the first instance or that we are against this because we were against the Gramm-Rudman proposal as it was originally introduced.

Mr. President, those who make those kinds of comments have to live with it. I take a back seat to no one for the proposals that I have offered over the years to bring about some sanity to budgeting.

I would say again, and it has not been discussed on the floor today, that one of the main reasons that this Senator opposed the Gramm-Rudman-Hollings bill as it was originally introduced was that it violated all of the previous spirit that I was connected with to cutting the budget basically across the board, freezing and cutting across the board.

It first should be understood regardless of what happens to Gramm-Rudman-Hollings today, and we all know that this amendment is going to be passed, we should understand that it affects only one-half or somewhat less than one-half of the total budget of the United States. Therefore, it is unfair in my opinion to consider this kind of a proposal regardless of who becomes the executioner.

Mr. President, I have come to this floor every day since the Senate turned to the President's latest request to increase the statutory debt ceiling to over $2.3 trillion to urge the Senate to accept its responsibility to deal with the deficit.

As every Senator should certainly know I offered an amendment to express the sense of the Senate that the fallback provision of the Gramm-Rudman-Hollings Act be utilized and that the Senate vote on specific measures to reduce the deficit. That motion was tabled to make room for the long-awaited new improved son of Gramm-Rudman-Hollings, known as the fix-up amendment.

I hope that the Senate knows what it is doing.

First, I do not believe that Congress lives up to its responsibility by shuffling its budget duties to the Office of Management and Budget.

□ 1620

Second, an effort to again create an automatic mechanism which will be run by a nonelected bureaucrat will undoubtedly throw the entire deficit reduction effort back into the courts. If the Senate wants to bring certainty to our commitment to deficit reduction, we should reject the latest automatic reduction contraptions and take the sure course outlined in the "fallback" provisions.

And third, I strongly believe that the Senate would be making a grave error by giving its budgetary trust to the Office of Management and Budget.

I suspect that the drafters of the most recent Gramm-Rudman-Hollings formulation have found themselves between the proverbial rock and a hard place. They cannot tie the hands of the OMB without raising serious constitutional doubts based on the separation of powers and they cannot give the OMB a free reign without raising serious doubts among Members of Congress based on our past experiences with the OMB and its skillful Directors.

No Director of the Office of Management and Budget is more notorious than Mr. David Stockman.

He recently published a book outlining how his efforts misled the Congress. If anyone wants to buy that book, they can buy it. It is called "The Triumph of Politics: Why the Reagan Revolution Failed," by David A. Stockman.

I suspect that the real reason that OMB was not written into the bill when we passed it last year was that it was too soon after the pertinent revelations by Mr. David Stockman. But that has died down somewhat now, although I suspect that if OMB had been designated as the sequesterer or executioner in our debate last year, Gramm-Rudman would never have passed.

So we came up with the GAO ploy which many of us felt, at that time, including the main proponents of Gramm-Rudman-Hollings, who today on the floor of the U.S. Senate conceded, conceded in so many words, Mr. President, that they wanted to go through the GAO because that would pick up the necessary votes to pass the bill. And here we are. Here we are today right back where they wanted it in the beginning. I hope my colleagues will fully realize and understand that.

In the recently published book by Mr. Stockman, he outlined how his efforts misled the Congress, the President, and the American people as to the size of the deficit and the health of the economy. All that I found most interesting and revealing.

I would like to quote just one passage from Mr. Stockman's book. In the chapter entitled "Short Cuts to the Reagan Revolution" Mr. Stockman tells of his 1981 package of budget proposals known as chapter 2. Mr. Stockman writes:

> In all, "chapter two" would have provided more than $20 billion in additional savings by 1984. Philosophically, it substantially broadened the reach of the entire program. By ending subsidies to commercial interest groups and a wide range of middle and upper-income taxpayers, it dramatized the

underlying fairness and justice of the whole supply-side vision. What it didn't do was come close to raising the savings count to the needed $130 billion.

Bookkeeping invention thus began its wondrous works. We invented the "magic asterisk": If we couldn't find the savings in time—and we couldn't—we would issue an I.O.U. We would call it "future savings to be identified".

It was marvelously creative. A magic asterisk item would cost a negative $30 billion . . . $40 billion . . . whatever it took to get a balanced budget in 1984 after we toted up all the individual budget cuts we'd actually approved.

Mr. President, the Nation is still paying Mr. Stockman's I.O.U's instead of balancing the budget by 1984, the "magic asterisk" doubled the national debt and brought the Nation to a $220 billion deficit for 1986.

I am not saying that the former Director of the Office of Management and Budget lied to the Congress. Each Member of this body can make his own conclusion on that score.

However, I am saying, that without a doubt, that the position of Director of the Office of Management and Budget is an inherently political position.

And I am astounded, I am simply astounded, Mr. President, that after the past and even the recent history of what OMB has done or not done with regard to forthright opinions with regard to the budget, that here we are, respected, honorable colleagues of mine, recommending to the U.S. Senate that we give this authority to the Office of Management and Budget, which anyone can see, above everything else, is a political decision.

Nothing has changed, since the departure of David Stockman, to build our confidence in OMB, despite the fact that it is now becoming the centerpiece of the fix-up amendment to Gramm-Rudman-Hollings, known as Gramm-Rudman-Hollings II.

I would simply say that OMB is still way out of whack, even under its current Director, in whom I have a great deal of confidence and respect. Yet I would simply cite that OMB, under its present Director, who prepared the President's last budget, understated the deficit by $16 billion. And until very recently, the current Director of the OMB was voicing the administration's line that the economy was in shipshape and that the deficit was declining.

Mr. President, we know better. Before we totally abrogate our budget responsibility, let us consider once again very carefully what we are doing. We are granting unprecedented powers to the Office of Management and Budget. That proposition was not acceptable in December 1985 and it should not be acceptable today. As I discussed at length on Monday, efforts to tie the hands of OMB will certainly throw the entire Gramm-Rudman-Hollings law back into the courts. We need not go down that path again.

A proven and effective method of deficit reduction is currently in place. It was crafted by the Gramm-Rudman-Hollings authors to take effect precisely in the situation in which the Congress now finds itself.

Not only do the fallback provisions work, as we demonstrated on Thursday, July 17, they properly make the Congress and the President responsible for enacting specific deficit reduction measures.

Mr. President, I urge my colleagues to reject this latest attempt to escape, at least partially, that accountability.

I hope that the Senate will face up to its duty and say to the American people: "Not more gimmicks or sleight of hand. There is a deficit crisis and we must face it as elected public officials."

Mr. President, the sooner we stop running from the deficit, the sooner we can work to correct our course. We do not need any more contraptions or magic asterisks, all we need is bipartisan cooperation and hard work.

Mr. President, I ask unanimous consent that the editorial from the July 8 Lincoln Journal entitled "Congress Can't Escape" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONGRESS CAN'T ESCAPE

Nebraska's two senators, Edward Zorinsky and J.J. Exon, didn't vote for original enactment of the so-called Gramm-Rudman-Hollings deficit reduction law for specialized reasons of their own. Nevertheless the Supreme Court's 7-2 flattening of the heart of that act now allows both Nebraska Democrats to go around with sort of smug I-told-you-so countenances.

Not that the court's majority Monday struck down the entire act, of course. What remains includes those statutory targets for ratcheting the annual budget deficit down to zero ($0, that is, ha ha), by fiscal 1991 and the provision that with automatic across-the-board appropriation cuts by the comptroller general being held unconstitutional, Congress must do its own dirty work.

Which is the way it always should be. If it cannot be that way, if Congress with some nutty revamping of the law seeks again to evade its duty and press upon others the ultimate federal budgetary responsibility, we have a full-blown crisis in the American system of government. We are admitting we cannot govern ourselves.

Accordingly, sic transit glorious experiment in self-government on the grand, grand scale.

One prefers the commonsense appraisal of Senate Majority Leader Robert Dole of Kansas: "The court's decision should in no way deter us from doing what we have to do—make the tough choices necessary to get the deficit down to zero as quickly and responsibly as possible."

Cold day must break on the fiscal dreamland in which the country has been living, from well before Ronald Reagan but tremendously so since Reagan took office in 1981 with his seductive nostrum of tax cuts and massive increases in military spending—all nicely fitting inside a budget balanced during his first term. Ha ha.

□ 1620

Mr. EXON. Mr. President, let me if I can touch on a few more matters.

We have heard a great deal of debate today on what the Supreme Court will or will not do if this measure goes back to the Court. I have heard from more than one source today that whatever we do here on Gramm-Rudman II that the measure will indeed be back in front of the Supreme Court once again. I suppose some could say so be it, let the Court make its decision, let the Court make its will. I simply say that if we pass this amendment as I predict that we will, I am confident that it will be back before the Supreme Court. I am also confident that when that happens, there will be indecision on the part of the Congress, maybe a wait-and-see attitude, waiting until the official August 15 date, and then maybe waiting sometime after that.

I would add that we are supposed to leave here about August 15. We are not going to be back here in September until about a week before the final crash date of September 15.

I only feel that once again we will find ourselves in a position, Mr. President, of using the excuse of waiting for the Court's declaration to stay away from the immediate task at hand which certainly is to cut the budget, and cut the budget through the processes which we know full well about, and due processes adequately spelled out in the original Gramm-Rudman bill called the fallback provision.

There has been much discussion here today, Mr. President, in trying to interpret the opinions of the Supreme Court to bend it one way or the other to advocate the point of view of the speaker.

Mr. President, I would remind the body that the Chief Justice's opinion stayed for 60 days in the Court's words ". . . to permit Congress to implement the fallback provisions". The concurring opinion of Justice Stevens is even more explicit in noting that "If the legislative branch decides to act with conclusive effect, it must do so through a process akin to that specified in the fallback provision to enactment by both Houses, and the presentment to the President."

I am not a lawyer but I think even a nonlawyer, a simple layman reading that opinion from the Court could interpret it, and probably correctly so, that the Court is simply saying the bill as written is proper, except with regard to the delegation of authority in the bill to GAO.

I would simply point out that it is also the opinion of this nonlawyer that the Court obviously did not rule on the basic matter as to whether or

not we could delegate that authority except to say, Mr. President, and I will quote once again in just a moment from the opinion. And this opinion I think should send a very clear message to us that we are on thin grounds once again, and why we are on thin grounds or thin ice when we need not be with the fallback provisions is more than I can understand because whatever the explanation is—and I have heard here today that we are not trying to tie the hands of OMB. If you read the amendment, we even specify what they use on which to base their calculations. I think we are tying the hands of OMB.

I recognize that there has been over a week of intense negotiation by my colleagues, lawyers for whom I have a great deal of respect, but I think deep in their hearts they know, and they were trying to work around the proposition that I just brought up with regard to tying the hands of OMB that would give the Court, if and when it comes up before it again, and it will, some reason not to outlaw their latest fixup amendment.

The quote that I want to make from the Supreme Court decision once again is this: "The Constitution does not contemplate an active role for Congress in supervising of officers charged with the execution of the laws that it enacts."

Mr. President, I simply say that I think we are going through a meaningless experience here. I would simply say that I hope we will not accept the fixup amendment known as Gramm-Rudman-Hollings II which is supported by many of my friends and colleagues in whom I have a great deal of confidence, but not in this case.

I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, there is no question that the distinguished Senator from Nebraska has been in the vanguard of fiscal responsibility. As a member of the Senate Budget Committee and as a individual Senator he has tried to hold the line. He has an outstanding record as Governor of his State. He knows at the State level we have to pay the bills. So no one questions his leadership position. He has tried to bring us to a point of responsibility. Therefore, it is with some misgiving that I have to dissent very strongly from the phrases "giving up the trust, avoiding the responsibility, escaping accountability" when the Senator from Nebraska describes Gramm-Rudman-Hollings II.

Admittedly Gramm-Rudman-Hollings is not a simple measure. I want to discuss a little bit about the history and background of Gramm-Rudman-Hollings. We included in Gramm-Rudman-Hollings an ultimate responsibility for the Congress. After all the projections, estimates and so-called cuts are made the initial Presidential order is then issued on September 3. Gramm-Rudman-Hollings allows the Congress to assume its responsibility during the month of September. The Congress does not have to accept a single word of the initial Presidential order. Therefore the responsibility is still with the Congress.

The Congress could substitute all or part of the initial Presidential order. That is the Congress' responsibility. If the President wants to veto it, we might be able to override it by a two-thirds vote, but assuming we cannot override it, that does not imply we have avoided our responsibility, we have given up our trust, or we have escaped the accountability.

□ 1630

On the contrary the responsibility is still there. If we do not like the Presidential order, Congress can come back with an alternative, let the House and Senate each give three readings, and your responsibility is still there.

The charge that no one is taking the responsibility is nonsense. On the contrary, Gramm-Rudman-Hollings assumes a period of ultimate reponsibility by the Congress.

That ultimate responsibility seems to be missed by everyone. More than anything else, the history of how we got here is missed by all of those who talk about giving up our responsibility by adopting Gramm-Rudman-Hollings II.

Mr. President, the assumption has been made that we have been responsible. This is a debt-limit bill. It is a bill to raise the debt limit to the astronomical figure of $2.3 trillion. The debt limit has doubled over the last 5 years. We have been spending a couple hundred billion dollars more than we have been taking in.

I do not know of a track record of greater irresponsibility. Maybe we have to go back to the fall of Rome. Maybe that is historically where we are.

I do not know how to stop it. The Senator from Nebraska has tried. I have tried. Others have tried. We have not been effective at bipartisan attempts.

Four years ago the distinguished majority leader from Tennessee, Senator Baker, said, "Senator HOLLINGS, will you put up your freeze? Obviously I am going to support the President's budget. But I will be on the floor with Senator DOLE and Senator DOMENICI and maybe we can get some bipartisanship movement toward your freeze to solve this dilemma of both sides pointing at each other."

The people are absolutely worn out with that nonsense.

We have heard earlier this afternoon, that somehow we have been responsible and we would like to continue to act responsible but this Gramm-Rudman-Hollings amendment takes away that responsibility, and "I would like to get that responsibility back."

It could be that some, who are saying that are ones who have never been for Gramm-Rudman-Hollings. I am certain that it is not the Senator from Nebraska because I have emphasized his record of leadership in trying to do away with deficits. These Senators are politically in the drivers seat. I know the politics of the opposition to it because I have to face it.

I travel throughout my State. I am there every weekend. And I do not care what the cut is, what program has been affected, there will be letters by Government employees, private employees, educators, housing officials, and on down the list, "You are Gramm-Rudman-Hollings. You are the ones who cut us."

All they have to do is to go to the interest groups, that is the politics are, and run around and say, "I was with you. I stayed on the floor. I voted against it."

That is a wonderful way to get reelected. We all can get reelected on that basis.

In fact, there is an old political axiom, when in doubt do nothing. Stay in doubt all the time.

A lot of people get elected and stay in public office year in and year out on that one. Just allocate the blame around.

In all candor, we cannot just stand here and continually say that the ones who are really trying to fix the deficit problem are acting irresponsibly, that we are taking away the responsibility, taking away the trust, escaping accountability.

We come here to fix the responsibility and but the opposition runs all over the Senate floor saying, "We are going to lose our trust. We are going to lose our accountability. We are going to lose our responsibility."

That is outrageous nonsense, and they know it. Nothing can change the Constitution. You have three readings in the House and three readings in the Senate. We have had it and you will still have it once this is signed into law, and hopefully it can be signed into law.

The responsibility will always be there. You can come today and pass Gramm-Rudman-Hollings and tomorrow go and repeal with three readings, responsibly, in the House and in the Senate. The responsibility is always there.

But what this comes on is the end of a game that has been played here on both sides of the aisle and in both parties, and everyone has been a part of it. As I said, there is enough blame to go around. But we are running out of gas, not only economically but finan-

cially and industrially and from a productivity standpoint.

The country is now a debtor nation. We do not even produce the food we used to produce. We used to be able to say, "Here is the American success story. Let us continue to support the family farm. We not only produce what we consume in America, but we produce enough for 15 countries around the world."

In the last couple of months we have been importing more of our foodstuffs than we have exported.

With respect to the responsibility, maybe we are wrong in this approach, but the responsibility has not been abdicated. The whole game here is to lock us all into a corner, to catch us and make us act responsibly. It is a device. It is a well conceived process. There is no question that it has been used in 43 States and it has worked. It has not talked about avoiding responsibility. The fact of the matter is every executive who has to act under this thing would like to get rid of it because he is the one blamed for the particular cuts.

Let me thank the distinguished chairman of the Budget Committee, Senator DOMENICI, and the distinguished ranking member, Senator CHILES, and also our distinguished colleague from Michigan, Senator LEVIN, and others who have been working actively over the weekend, Monday, and yesterday.

Necessarily, when we got to Gramm-Rudman-Hollings II, we took a close look at the constitutional problem and tried to say let us fix only what is wrong. We have a flat tire, we do not need an engine overhaul. We are not going to try to fix the Comptroller General's office. We are not going to try to do a lot of other things that we think should be done as a result of the decision. Certain it is that we do not want to take a car and invent a plane. We just want to be very, very restrictive and hold it to the particular tire.

The distinguished Senator from New Mexico and the distinguished Senator from Florida are brilliant in mind when it comes to the national budget. They have pointed out and have now submitted various suggestions that give us a stronger tire. We are not trying to fix, as I say, GAO and everything else, but I welcome these amendments.

It is their brilliance of mind and contribution, and that of the Senator from Michigan, who worked conscientiously and said, "Yes, we know what we are doing. We are not avoiding responsibility. We do not like the OMB."

I have no particular brief for them except right now and I will have to praise him in a minute, the Director of OMB. But the OMB and their particular records have always had all kinds of power. If any one of us were President tomorrow we would do the same thing. After all, you use your auditor. He handles your affairs. You can pretty well direct some things. I think we would have to be King Solomon to change that. We are not going to be able to change that this afternoon.

□ 1640

Senator CHILES and Senator DOMENICI have given us a very good, strong amendment. There has been much give and take. Both Senator CHILES and Senator DOMENICI want even a little bit more, but this is the art of the possible. We ran it by Justice so we would not put it back into the constitutional brier patch. I think we have done it with this amendment.

I plead with my colleagues to look seriously at this amendment and then see if we can move on and pass this bill.

There has been no intent by authors GRAMM and RUDMAN and HOLLINGS to block off all the amendments. Our intent was just to get an up-or-down vote on one that those responsible for the budget, like Senator CHILES and Senator DOMENICI and others could go along with, so we could get the strongest possible vote.

The point of the whole process is not only to have the matter of discipline develop, but to have truth in budgeting develop. I have always talked about how Gramm-Rudman-Hollings has caused the Congress to develop the discipline to accept our responsibilities. Gramm-Rudman-Hollings did not take away that responsibility. In February, we accepted the responsibility for March 1 sequester, and then both Houses assumed that responsibility, and those cuts were reconfirmed. We saved $1 billion for fiscal year 1986 on a point of order late one evening. We passed the reconciliation bill and saved $16 billion. Both Houses have passed the 1987 budget cutting the deficit some $38 billion.

That is the discipline that Gramm-Rudman-Hollings set, but there is also an additional benefit that is beginning to develop here. With all the attention, that we have generated with the kleig lights of public attention focused on us, we have finally begun to develop truth in budgeting.

Mr. RUDMAN. Mr. President, would the Senator yield for a unanimous-consent request, asked for by the majority leader?

Mr. HOLLINGS. I gladly yield.

Mr. RUDMAN. Mr. President, I ask unanimous consent that this appear in the RECORD prior to Senator HOLLINGS' remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORT ON RECONCILIATION

Mr. RUDMAN. On behalf of the majority leader, I ask unanimous consent that the committee have until the close of business today to report their reconciliation instructions to the Budget Committee pursuant to Senate Concurrent Resolution 120.

Mr. LONG. Mr. President, reserving the right to object. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. HOLLINGS. Mr. President, will the Senator mind if I start back?

The PRESIDING OFFICER. Does the Senator yield the floor first?

Mr. RUDMAN. Mr. President, I say to the Senator from Louisiana that I shall withdraw the request and allow Senator HOLLINGS to continue his remarks. I did this on behalf of the leader and on the advice——

Mr. LONG. Mr. President, may I see the request?

Mr. RUDMAN. Certainly.

Mr. LONG. Mr. President, I believe that if that is going to be agreed to, it should be put on the hotline so that any Senator who might want to object will know what request is being made.

Mr. RUDMAN. I shall inform the majority leader. I withdraw the request and I yield back to my friend from South Carolina. I am sorry for the interruption.

Mr. HOLLINGS. I thank the Senator and I understand.

Mr. President, with respect to the debate last fall, when we tried to emphasize again and again that Gramm-Rudman-Hollings did not make any cuts nor provide anything for any budget. What we said was as long as you paid for it you could have it. If you want to give it all to social programs and eliminate the Pentagon, fine, as long as you pay for it. There is no trick. You can do away with the social program and give it all to the Pentagon just as long as you pay for it. There is no trick.

I listened with tremendous interest to the analysis given by the chairman of the Senate Budget Committee examining the economic differences between OMB and CBO—0.2 percent for wages and salaries, 0.6 percent for real GNP and 0.02 percent for CPI-U.

These are just the differences between the Congressional Budget Office and the Office of Management and Budget. You can go right on down the list and the differences are miniscule.

What does that say to us, Mr. President? Simply this: we do have truth in budgeting. Mr. Miller is not like David Stockman. You never could get a fix on him. He was Jack-be-nimble, Jack-be-quick.

Mr. Miller, in contrast, is available. He has testified in front of the Budget Committee. He stated in open testimony that he would take the Congressional Budget Office figures prima facie, and go from there. I do not know anything more that we can do.

I commend him for his accuracy. I think in addition to effecting disci-

pline, we are effecting even more, getting truth in budgeting once and for all.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, last week I indicated that it was necessary to restore certainty to the Gramm-Rudman process if it is to be an effective engine for forcing us to act to significantly reduce the deficit in a responsible manner. At that time, I was concerned, however, that the proposal to restore that certainty—to restore some of the teeth of Gramm-Rudman which had been knocked out by the Supreme Court—would grant to the President, through the Office of Management and Budget, too much discretion in the precise formulation of the across-the-board sequester order.

□ 1650

As Senator RUDMAN stated last week, "nobody in this Chamber wants to give the OMB Director any more discretion than we have in this bill right now, and less, if that is possible."

The modification we now have before us meets that test, and it meets the test of certainty. The restrictions on OMB and the certainty of a sequester order if the Congress and the President do not act otherwise to reduce the deficit are both essential if Gramm-Rudman-Hollings is to be restored to the original intent and strength of the bill which passed the Senate last year by a vote of 74 to 22.

Mr. President, the whole point of the Gramm-Rudman-Hollings approach is to force the President and the Congress to be fiscally responsible—to compel us under threat of across-the-board cuts in spending to develop a more responsible way to reduce the deficit. The whole point of this amendment is to guarantee that such a process will work within the bounds of the Supreme Court decision and without shifting unnecessary power to the Office of Management and Budget. The net result will be a process which will result in more reasonable, more responsible, and more balanced deficit reduction.

The Gramm-Rudman process is a pragmatic one, so let me give a pragmatic explanation of why this restoration amendment should pass. Many of us have supported more conventional, less mechanistic ways of substantially reducing the deficit. Unfortunately, the very real but too abstract danger that huge deficits pose to this country's long-term economic growth proved to be an inadequate incentive for us to act expeditiously and with determination to reduce those deficits. It should have been enough motivation, but the sad fact is that for the President and for the Congress as a collective body it just simply was not. We could continue to agonize over what the President and the Congress should or should not do in theory, but if we are interested in practical problem solving then we would be better advised to concentrate on what history has shown we can and cannot do, and history has shown that something is needed to force action on the deficit, something concrete and something immediate. And that something is the threat of across-the-board cuts resulting from a sequester order, which order would come into effect if we do not act in a more logical and rational way to reduce deficits by targeting cuts and by raising revenues.

If this sequester order is to be concrete, if it is to be immediate, then it must be certain. Restoring the threat of automatic across-the-board cuts creates certainty in two ways. First, it makes certain that there will be substantial deficit reduction if Congress and the President do not act to reduce the deficit on their own. Second, and much more importantly, it makes more certain that the President and the Congress will agree to a deficit reduction plan as an alternative to the admittedly blunt and somewhat illogical method of across-the-board cuts. It is more certain that we will act logically not just because we should act logically but because it will involve less pain if we act logically.

The fallback position of a joint resolution embodying across-the-board cuts, which would have to be passed by Congress and signed by the President, does not offer similar certainty.

Why is the fallback uncertain? I would ask my colleagues to ask themselves a few questions before answering that larger question. How certain are you that you would vote for the joint resolution sequester order? How certain are you that the Senate would pass such a sequester order? How certain are you that the House of Representatives would pass such a resolution? And how certain are you that the President would sign it?

Uncertainty of the answers to any of these questions would breed an attitude of "Let's not look at targeted spending cuts and revenue increases because these across-the-board cuts may never come about." The result could very well be no substantial deficit reduction through any means. The huge deficits will continue and the economic stormclouds would continue to gather. However, if we attempt to achieve this certainty through shifting substantial power to the Office of Management and Budget, we would be upsetting the balance of power between the executive and the legislative branches. All of us recall how important it was during the debate on Gramm-Rudman-Hollings last year to assure that OMB would not pick and choose favorites in what perhaps would be cut as a result of the sequester order. That is why Congress insisted that if the sequester order went into effect, then the cuts must be across-the-board, down to the level of program, project, and activity.

I believe that Senator PACKWOOD, who was the floor manager of the bill, was correct when he stated that Gramm-Rudman-Hollings could not have passed without this restriction on OMB discretion. That critical restriction, by the way, is totally preserved in the new approach.

Mr. President, the provisions in the modification before us are in the same spirit. There is a requirement that the sequester order for fiscal year 1987 use the budget authority and outlay ratios for discretionary programs which were used in the fiscal year 1986 sequester order. For subsequent years the same budget authority and outlay ratios would be in effect unless the Congress by joint resolution approved different ratios. As Senator CHILES indicated, this provision is essential for guaranteeing that no games are being played by the OMB with respect to the requirement that the across-the-board cuts be made down to the program, project, and activity level. OMB will not be able to juggle budget authority/outlay rations as a way to protect some favored programs and gut other disfavored programs.

Another provision will specify the economic assumptions for fiscal year 1987. These assumptions will reflect the average of the most recent OMB and CBO forecasts for the outyears. The starting point would be the OMB economic assumptions but there would be an opportunity for a congressional joint resolution to modify the OMB economic assumptions and for that resolution to be subject to expedited floor consideration.

This is not a perfect solution for dealing with the outyears, but we were not left with any perfect solutions by the Supreme Court, and it is a reasonable compromise and the best we can do this far in advance of having critical facts available to us. Additional provisions provide guidelines for dealing with appropriated entitlements, Federal pay, and administrative rulemaking.

I am also pleased to see that we now have included in this amendment a provision I recommended which requires that the Director of OMB not simply explain but fully justify any differences and deviations between his report and the report which was forwarded to him from the General Accounting Office. Further, the GAO would be required to report how accurately the OMB complied with the requirement of fully justifying any differences and deviations. This report hanging over the head of OMB will provide some constitutional incentive for OMB to stay within the bounds of historical reasonableness and will also

provide the Congress with an authoritative basis for a legislative remedy if OMB goes outside the bounds of reasonableness.

I urge my colleagues to approve this restoration of some of the teeth in Gramm-Rudman which were knocked out by the Supreme Court. Once this is done, we will be able to focus our attention on the principal task at hand, meeting our deficit targets in a balanced and reasonable way so the more illogical across-the-board cuts are not triggered at all. The American people expect it. Our economy needs it.

I congratulate Senator DOMENICI and Senator CHILES for their creative effort. I congratulate Senators GRAMM, RUDMAN, and HOLLINGS for their willingness to work together with them and with us. I particularly want to thank Senator RUDMAN and Senator HOLLINGS for the nice remarks which they made about me during the course of this debate.

I yield the floor.

● Mr. ROTH. Mr. President, last year in recognition of chronic frustration in its deficit reduction efforts, Congress enacted the Gramm-Rudman-Hollings legislation. Its purpose was to set in place the discipline of across-the-board appropriations cuts that would automatically take effect in the event Congress failed to make the hard choices to cut spending that we were elected to make here. This mechanism was to make sure that the necessary cuts would take effect to meet definite reduction targets.

Under the Gramm-Rudman-Hollings law as it was passed in final form by Congress last December, the Comptroller General, guided by congressional mandates, reported to the President on the deficit reduction to be made. Now the Supreme Court has found the Comptroller's role in executing this law unconstitutional. This is because Congress, by another law, has the power to remove him. As soon as the Bowsher versus Synar decision was announced last July 7, I immediately made plans for my Committee on Governmental Affairs to hold a hearing on possible legislative responses.

As you know Mr. President, transcripts of the Governmental Affairs Committee hearing, held last Wednesday, July 23, have been made available in the cloakroom and will be made available by the committee to any Senator on request.

Frankly, my primary purpose in holding this hearing was to assure that, in any attempt to repair the automatic deficit-reduction mechanism, the essential mission of the Comptroller General would not be undermined.

As the result of this hearing, several things seemed to me to become very apparent. First, I think all of my fellow members of the committee—and nearly all of us took part in the hearing—came to share with me the concern for protecting the independence of the General Accounting Office as watchdog for the Congress. And none of the various alternatives actively considered at the hearing would compromise that status.

Second, each of the alternatives to repair the Gramm-Rudman-Hollings process that was considered by the committee had its own strengths and weaknesses. However, most of our attention was focused on the plan that was earlier introduced as an amendment to the current debt ceiling bill by the distinguished authors of the Gramm-Rudman-Hollings law. One of the great strengths of this "fix" to the constitutional defect in the Emergency Deficit Reduction Act is not the virtue of simplicity.

The Gramm-Rudman-Hollings II proposal would have the initial estimates of the next fiscal year's deficit prepared by OMB and CBO and issued, jointly, to the Comptroller General. Then the Comptroller General, with due regard for the report of OMB and CBO, is to issue his own report on the deficit back to OMB. Then OMB, with due regard to the report of the Comptroller General, will issue its deficit reduction report to the President, who will issue any sequester order that has to be made. The Office of Management and Budget, it is clear, will have the final say. OMB's report is the one that will bind the President.

As we all know, over the past several days an effort has been made by the authors of the amendment, along with the distinguished senior Senator from Florida and the distinguished chairman of the Budget Committee, to limit the discretion of OMB, both in its making of the binding economic assumptions and in determining precisely how and where the budget cuts of a sequester process would take effect. The results of that effort are now before us as an additional elaboration of an already complex procedure.

Third, OMB Director James Miller endorsed the version of the Gramm-Rudman-Hollings amendment, as originally introduced here, and Comptroller General Charles Bowsher expressed no objection to the procedure it would employ. I cannot report on how either of these officials would regard Gramm-Rudman-Hollings II in its present form.

And finally, although Gramm-Rudman-Hollings II may be cumbersome, it does appear to be constitutional. Two distinguished students of constitutional law, former Dean Ernest Gellhorn of Case Western Reserve Law School and Prof. Cass Sunstein of the University of Chicago Law School, both reviewed the proposal advanced by the initial version of the current amendment, and they found no crippling constitutional defect. I might add that my staff have inquired of other advanced scholars in this field and they have been informed of the same conclusion. Prof. Richard B. Stewart of Harvard Law School and Prof. Peter Strauss of Columbia Law School.

I do not know how these authorities would review the various additions to the original amendment. But my own reading of changes that would tie down OMB's discretion is that they generally are not of the kind that run afoul of the Supreme Court's current command.

However, one change from the draft presented to our committee would require that the final OMB report be based on the GAO report and that OMB justify rather than merely explain any deviations. If this language change is interpreted as limiting OMB's discretion to have the final say, there may be a constitutional problem.

In any case, Mr. President, the current proposal to fix the Gramm-Rudman-Hollings law does not challenge the independence or effectiveness of the GAO and may well pass constitutional muster. This does not mean that I support it. I do not.

I did support the Gramm-Rudman-Hollings bill when it was initially introduced. Unfortunately, the discipline of even-handed, across-the-board reductions was abandoned during the process of negotiations with the other body. The conference process introduced a new set of budget priorities with a definite political bias.

Reluctantly, and because of this departure from the concept that would hold all programs—and consequently all Members of Congress, and all of their constituencies—to the same pressure for responsible deficit reduction, I had to withdraw my support for the conference report.

The same fundamental flaw in the Gramm-Rudman-Hollings plan for deficit reduction—as it came back to us from the conference committee last December—still exists. Over 75 percent of the budget is exempt from the discipline of the automatic sequester process. New priorities that exempt a long list of programs from the discipline of that process still remain. The current fix of Gramm-Rudman-Hollings does nothing to fix this problem.

I agree with those who say that all the exempted programs are important. But the programs that remain to be sequestered are also important. They include educational assistance, air traffic safety, highway funds, Coast Guard services, environmental protection, Amtrak, agricultural extension and conservation, handicap assistance, job training, health research, criminal and drug law enforcement, protection of the Nation's borders, and small business assistance.

I said at the time that, by exempting programs that benefit many millions of Americans, their representatives would have no incentive to make a realistic budget except by raising taxes, since their programs were already protected. And if the deficit reduction targets weren't met, they would still be better off under a sequester order rather than making responsible spending cuts. At the same time, programs that have not been exempt from a sequester order—the programs that benefit the average American and provide the basic services and functions of government—are left to bear the brunt of the burden.

Unless we make deeper cuts in the budget than those that are now seriously proposed, the anticipated budget deficit projected by OMB Director Jim Miller in the Governmental Affairs Committee hearing last Wednesday will be at least $20 billion in excess of the deficit target of $144 billion for fiscal year 1987. Suppose we allow the new priorities set by Gramm-Rudman-Hollings to stand, and we fix the automatic trigger so that it is constitutional. Then a sequester order of $20 billion or more will mean that the basic programs and services of Government that I've mentioned will take a budget cut of as much as double what would have been the case had all domestic programs been treated equally.

I think we all know that major cuts in many of the Government's basic programs simply can't be sustained. In law enforcement and drug interdiction, in tax collection, air traffic safety, for example, we know that further cuts there cannot be allowed. And we won't allow them. In fact, we'll be back here adding on to those programs and many others in supplemental appropriations.

The truth is, Mr. President, that the discipline of the Gramm-Rudman-Hollings process as it was finally worked out last year is no real discipline at all. Instead of encouraging us to make the hard choices on where to cut the budget, it is an incentive for many Members of Congress to do nothing about reducing the deficit and an incentive for some Members to bring in proposals for additional exemptions.

Ultimately, we are the ones elected to make the hard choices on cutting spending to reduce the deficit. I stand ready to make those choices. Unfortunately, because so much of the budget has already been exempted from the Gramm-Rudman-Hollings process, fixing what the Supreme Court found to be wrong with the law only makes those choices harder, not easier. For that reason I plan to vote against the amendment.●

Mr. MITCHELL. I am opposed to further changes in our budget procedures which would transfer authority to implement automatic spending cuts to the Office of Management and Budget. As an original and continuing supporter of the Gramm-Rudman-Hollings deficit reduction legislation, I believe the essential elements of that law remain in effect. And, I believe that the responsibility for implementing the required budget cuts appropriately rests with Congress.

Last December, Congress approved in the Gramm-Rudman bill a mechanism that included the threat of automatic across-the-board spending cuts to reduce the Federal deficit when the legislative and executive branches were paralyzed by indecision and unable—or unwilling—to do so.

The constitutionality of that law was challenged as soon as President Reagan signed it—by the Justice Department as well as some Members of Congress. The Justice Department challenged it on the grounds that it gave executive branch powers to an official who is not responsible to the President—the Comptroller General. The congressional challenge rested on the delegation of spending power away from Congress.

But the bill's sponsors said that even if that "trigger" cutting mechanism were invalidated by the Supreme Court, the bill would still work, because it contained specific triggering language instructing Congress to put the cuts into effect—an action whose constitutionality is beyond question.

Now the Court has invalidated that trigger mechanism. But, despite the existence of a constitutionality unassailable way to achieve the goals of the law, its sponsors are back before us, with yet another approach to the problem.

There is no necessity for this. The law requires two offices—CBO and OMB—to submit their numerical estimates of the cuts needed and then it requires Congress to approve those estimates.

This procedure works. It worked several weeks ago, when the Congress approved $12 billion of cuts that the Supreme Court ruling had invalidated. The two offices in question submitted their numbers, a joint budget committee of the Congress reviewed them and reported back to the Congress, as is normal, and the Congress voted.

One minor modification has been suggested, which is to have GAO audit the numbers before they are returned to Congress for action. That seems to me a sensible additional precautionary step to take so that the final numerical estimates are as sound as honest accounting can make them.

But with or without that additional audit, the remaining trigger language still exists and the law still stands. As it stands, it leaves responsibility for cutting the budget where it has been and should stay—with the Congress, as the Constitution requires. The specific requirements written into the law are designed to expedite congressional action, to prevent delaying motions and filibusters and to curtail the possibility of dilatory amendments.

The timetable for reaching a final agreement on the numbers remains in place. The expertise of the various budgetary offices involved remains available to guide the Congress.

And the fundamental constitutional responsibilities can be fulfilled as they should.

As one of the principal sponsors of Gramm-Rudman said the day after the Supreme Court ruled, 95 percent of the law, including the cutting mechanism, remains in place.

I see no defensible rationale for the proposal that we now gratuitously hand over to the Office of Management and Budget a discretionary budget cutting function which the Congress itself can and, constitutionally, should perform.

There is a rationale for doing so, which is to insulate the Congress from the results of its votes. But it is not a rationale I would describe as defensible.

The Office of Management and Budget has, for the past 5 years and more, under Mr. David Stockman and his successors, consistently issued economic predictions and predicted budget deficits keyed to the political needs of the executive branch, not the economic realities facing the Nation.

This year alone, the President's budget, which the OMB prepares, underestimated the effect of the President's spending so that it showed a paper deficit $17 billion lower than the budget would have produced.

This kind of politicized manipulation of outlay rates and deficiency payments allows the President to make politically popular statements against higher taxes and wasteful spending, and for popular programs and for a strong defense.

But it is not responsible budgeting. And by now everyone in the country knows it.

I do not believe that for the sake of short-term political relief we should hand over to the Office of Management and Budget the power to exercise its discretion over the domestic and defense programs covered by the Gramm-Rudman law.

We do not need to do so in order to keep the promise to hold the deficit on a downward path. We can pass a resolution ordering the automatic cuts by voting. And the President can accept the budget discipline by signing such a resolution into law.

That is the way we should proceed.

Mr. BRADLEY. Mr. President, last October, when the Senate first debated Gramm-Rudman, I argued that if the proposal became law it would be an action we would all live to regret. I feel no differently about the modifica-

tion to Gramm-Rudman that is now before us.

Mr. President, recently the Supreme Court ruled that the original Gramm-Rudman was unconstitutional. Under the original act passed last October, if the deficit targets were not reached the Office of Management and Budget and the Congressional Budget Office would issue reports to the Comptroller General that outlined the spending cuts that would be sufficient to meet the targets. The Comptroller General would review these reports, make changes when there were disagreements between CBO and OMB, and would issue a report to the President, who then would issue the sequester order based on the Comptroller General's report. This last step was held unconstitutional because the Supreme Court held that the Comptroller General, as an agent of the Congress and not the executive branch, could not be empowered to direct the President to act.

To remedy the situation, Senators GRAMM, RUDMAN, and HOLLINGS have offered an amendment—called GRH II—that adds one additional step to the process: The Comptroller General report would go to the head of OMB who, in turn, would issue the President's sequester order. The sponsors argue that the OMB Director's role is merely green eyeshade—that he must make the across-the-board cuts with strict adherence to a rigid formula set out in the law.

How much additional power does GRH II shift to the executive? No one knows for sure. The sponsors argue that no further power is shifted to the executive—that the safeguards that are included in GRH II are sufficient to tie the administration's hands. But I'm not so sure. The OMB has shown us time and time again over the past few years that it is ready, willing, and able to subvert congressional intent if it believes that it has even the slightest legal right to do so. And given the fact that this amendment was presented to this body just a few hours ago, I seriously doubt that anyone has thought through all of the implications of the changes proposed.

Mr. President, last October I argued that Gramm-Rudman represented a sizable shift of power from the legislative to the executive branch—a shift that gives the President greater power in his ongoing efforts to relegate the Federal Government to the status it held under Herbert Hoover. I also argued that Gramm-Rudman was a mindless pursuit of a dubious economic objective—a balanced budget in 1991. And I argued that Gramm-Rudman is posturing at its worst—a procedural answer to a substantive problem.

Does the modification now before us do anything to meet the concerns I expressed last October? No; it does not. Does the modification now before us give the President more control or less control over the sequester process? Clearly not less control—and I would argue that it most likely cedes more control to the executive branch since the OMB will have greater autonomy than under current law. Given these facts, I do not believe there is reason to support this legislation.

Mr. President, Gramm-Rudman II is no better than Gramm-Rudman I—indeed it may be a great deal worse. I urge my colleagues to reject it. As I said last October, adoption of the Gramm-Rudman-Hollings legislation will be an action we will all live to regret.

Mr. GRASSLEY. Mr. President, this is not a vote for deficit reduction. It is likewise not a vote for a minor change, as it has been billed. It is not a vote involving some innocuous green eyeshade report, as has been advertised.

Instead, Mr. President, this is a rather serious vote that I hope this body does not take lightly.

If a sequester is to be made, the issue here is who will arbitrate those cuts: The legislative branch or the executive branch.

This amendment unduly grants authority of such arbitration to the executive branch. That authority presently exists with Congress.

From my own perspective, OMB has been an enemy of the farmer and a protector of the Pentagon. In many ways, it is the keeper of the king's secrets. I would not want OMB to have any more autonomy over those areas than it already has. I cannot believe this body would grant such discretion either.

The Gramm-Rudman law is already equipped with a fallback provision to enforce deficit reduction, and it does so without mitigating congressional powers. So this is not a deficit reduction vote.

The real question on this amendment is how a sequester will be enforced. Do we want the Pentagon's friends and the farmers' foes arbitrating those cuts, or do we want the discretion to remain with the Congress, where it belongs and where it was when the Comptroller General was originally designated.

Thank you, Mr. President.

Mr. SASSER. Mr. President, last year Congress took a dramatic step toward addressing what many contend is the most serious and potentially devastating problem facing our national economy. I am, of course, referring to the budget deficit.

In December we passed the Balanced Budget and Emergency Deficit Control Act of 1985, more popularly known as the Gramm-Rudman-Hollings Act. In its most basic terms, the act provides a mechanism for forcing both Congress and the President to face up to the grave consequences of a national deficit out of control. I joined 74 other Senators in this body in support of this legislation. As a member of the Budget Committee for the past 10 years I am extremely cognizant of the adverse economic consequences of a rapidly accumulating debt burden.

The explosion of debt accumulation which has occurred over the past 6 years, however, is historically unprecedented and staggering. The current costs in economic terms is bad enough, but the costs to future generations is shameful.

For these reasons, a bold, dramatic, and effective action was needed. The Gramm-Rudman-Hollings prescription, as distasteful as the medicine may have been, appeared to be the only cure. The process for deficit reduction, including an automatic trigger for the sequestration of spending funds, embodied in this legislation was deliberate and responsible.

But perhaps one of the most important provisions in the legislation was the section of the bill establishing a fallback procedure for ensuring effective deficit reduction in the event that the Comptroller General's involvement in the process would be invalidated by the courts. Indeed, just 1 month ago, the Supreme Court ruled that the General Accounting Office could not act as the final arbiter on any differences which might arise between the Office of Management and Budget and the Congressional Budget Office with respect to deficit projections for the upcoming fiscal year.

Thus, the fallback provision envisioned in the Gramm-Rudman-Hollings legislation has become the operative procedure for ensuring effective deficit reduction. The fallback procedure, which establishes a temporary Joint Committee on Deficit Reduction comprised of members of both the House and Senate Budget Committees, keeps the pressure on attempts to bring the deficit down. It is an ingenious device meant to keep Congress' and the President's feet to the fire.

Yet we now are witnessing attempts to modify the original intent of Gramm-Rudman-Hollings by enhancing the significance of the Director of the Office of Management and Budget in making the final determination on the exact level of cuts involved in any potential sequestration. This, I would argue, perverts the original intention of the legislation.

One could go on at length retracing the track record of OMB's economic projections over the past few years. It is not very impressive. Indeed, the admissions of former Budget Director David Stockman, in his recently published memoirs "The Triumph of Politics," should give those of us up here serious reservations about handing over such power to this agency. I think that Mr. Ernest Gellhorn, the

former dean of Case Western Reserve Law School and a preeminent constitutional scholar, best expressed the apprehension that many of us have regarding this matter during his testimony last week before the the Governmental Affairs Committee hearing on possible legislative responses to Bowsher versus Synar by saying that "it is a bit * * * like having the batter determine whether or not the pitch is a ball or a strike." The analogy is a pertinent one. One could only imagine that under such a scenario the strike-out to walk ratio, a statistic routinely kept by baseball afficiandos, would become totally irrelevant.

Likewise, to allow the Office of Management and Budget to be the final arbiter on spending decisions and economic projections seems to me to be courting disaster. It is not that I do not trust Mr. Miller, the current Budget Director. I am sure that he is an individual of the highest character and integrity. But to abandon the original intent of Gramm-Rudman-Hollings of having an impartial and objective arbiter and replace him with an active participant in the early decisional process simply sows the seeds of temptation.

Why even run the risk of contaminating the process when a viable alternative, namely the fallback provision, already exists in the legislation? Why tempt fate? Have we not difficulty enough in the battling the deficit without further complicating the process?

Here we go again, acting on legislation of great significance with only the vaguest notion of the potential consequences that such action may create. We have only received a summary of this compromise just moments ago. Now we are being asked to place extraordinary powers for fiscal priority—setting in the hands of an unelected bureaucrat beholden to a President who has presided over the largest accumulation of debt in history. The President's budget priorities have been rejected time and time again. Now, we are asking a bureaucratic arm of the executive branch to be the final arbiter on economic projections and spending decisions for the next 5 years.

We are effectively creating a procedure where a two-thirds vote could be required to override the Budget Director. This would happen if the Office of Management and Budget were to change economic assumptions which might reflect unrealistic economic growth or erroneous unemployment or predictions of lower interest rates than are reasonable which would have the effect of lowering the deficit. If Congress then voted to change those assumptions to reflect more realistic circumstances, those changes could then be vetoed by the President. At this point, it would effectively require a two-thrids majority of both Houses to override the assumptions of the Budget Director. This would be an extraordinary delegation of power to an unelected bureaucratic arm of the executive branch.

Further we have held no hearing on this matter. Thus, we know very little of any adverse consequences the legislation may initiate. Another nagging question is the fact that there is absolutely no guarantee that this provision is any more constitutional than the provision it is designed to replace.

These questions have not been addressed to this Senator's satisfaction. Furthermore, a major appeal of the original Gramm-Rudman-Hollings legislation was its simplicity. The fallback provision was included in the original legislation for a reason. That reason was made clear in the Supreme Court decision last month. Last December we made an agreement. It passed this body by a vote of 75 to 24. Now is the time to abide by that agreement. Now is not the time to change course on our commitment to reduce the deficit. Time is wasting, and time is money. Each day we spend more than $500 million in interest payments. While the sands of time and the stream of dollars continues to run out, we stand by idly awaiting further refinements and modifications of the most effective deficit-reduction effort we have seen around here in years. Let's get on with the business of the Senate. Let's abide by the law of the land. Adhere to the stipulations of the Gramm-Rudman-Hollings Act, including the fallback provision. We simply cannot afford to waste any more time.

Mr. DECONCINI. Mr. President, I rise in opposition to the so-called Gramm-Rudman-Hollings modified fix to the end-of-year sequester problem that has been prompted by the Supreme Court decision overturning certain portions of the Gramm-Rudman trigger mechanism for making automatic spending cuts. Let me quickly say at the outset that the modifications that have been proposed by Senator CHILES and the other members of the working group are a substantial improvement over the underlying amendment offered by the authors of Gramm-Rudman-Hollings and help restrict the discretion of the Office of Management and Budget. However, the bottom line is that the Senate is proposing to turn over to OMB, even with the proposed restrictions, a function that is properly and constitutionally the responsibility of the Congress of the United States. To give OMB any new authority beyond their current duties is an abdication by the Congress of its constitutional role in the budget and appropriations process.

Mr. President, one only needs to dust off the legislative history of Gramm-Rudman-Hollings to note that Members of both parties in both the House and Senate were deeply concerned that the sequestration budget-cutting powers not be handed over to the Office of Management and Budget alone. Thus the law was configured to include a significant role for the General Accounting Office. Although the GAO role in the final sequester order has been preempted by the Supreme Court decision in Bowsher versus Synar, we should not lose sight of the concerns that prompted Congress and the President to approve a substantial role for an independent agency of the Congress to serve as a meaningful counterweight to OMB—an agency that is perhaps the most politically propelled agency in the entire administration. Even the restrictions proposed in the modified "fix" plan fail to cover the fact that OMB is being given a bigger—not smaller—role to play in the final sequestration game at the end of each fiscal year. In my judgment, that is a mistake.

Mr. President, I have listened with great interest to the arguments of the distinguished chairman of the Budget Committee, Senator DOMENICI, and the sponsors of the original Gramm-Rudman-Hollings law. They have made an interesting case for the modified fix which essentially substitutes the Office of Management and Budget into the slot previously held by the General Accounting Office. Senator DOMENICI and the three authors of the Gramm-Rudman-Hollings law seem to have great confidence in OMB and their ability to offer objective, nonpartisan economic and fiscal data to the Congress and to execute the new, modified fall-back mechanism being discussed on the floor today. The chairman of the Budget Committee talked with confidence about OMB;s track record on making economic assumptions. The authors talked with confidence about how OMB would be saddled with new restrictions contained in this modified fix that would keep the OMB on the straight and narrow. My feeling is that if we are all so confident that OMB will do the objective, effective, nonpartisan, accurate job of calculating and executing the fall sequester, then why have we spent nearly 1 week, behind the scenes crafting a straitjacket to place on the OMB in its new role? The answer is that none of us trust the OMB to make objective analyses of the deficit situation; nor to keep politics or the administration's fiscal agenda out of the sequestration process; nor to give the Congress the type of nonpartisan, even-handed approach to making the cuts in critical national programs, projects, and activities that were envisioned when GAO was given the role that has now failed constitutional muster. Speaking as a Senator who opposed the conference report on Gramm-Rudman-Hollings and contin-

ues to oppose the Gramm-Rudman-Hollings law, I felt uncomfortable with the automatic trigger built into the Gramm-Rudman bill. But I must admit I felt more comfortable with the General Accounting Office being in the equation than I do with the Office of Management and Budget being handed the torch under the modified fix proposal before the Senate. GAO was a safeguard built into the original Gramm-Rudman-Hollings bill to give the Congress, presumably, the type of objectivity and accountability that is conspicuously absent now under the new OMB plan.

Mr. President, as the distinguished Senator from Texas, Senator GRAMM said on the floor today, this is an imperfect system within which we must all work to try to reduce the deficit. However, I for one am not willing to take the risk that somehow OMB is the right choice to make these important economic and fiscal decisions. I am also not convinced that the imperfect existing, fall-back mechanism that, for better or worse, allows the Congress to make the cuts to achieve the Gramm-Rudman-Hollings deficit targets, won't work. The distinguished Senator from Nebraska made a reasonable proposal to let the existing fallback system contained in Public Law 99-177 rise or fall on its own performance for the time being, and to let the Congress put its shoulder to the grindstone to meet the Gramm-Rudman-Hollings deficit targets. Obviously, a large majority of the Members of this body do not believe that the mechanism that was good enough for the country less than a year ago, is still a sufficient safeguard for fiscal responsibility. The same authors of Gramm-Rudman-Hollings who sang the praises of the bill a few short months ago are now saying we need to put OMB more deeply into the fray and give them new powers to set our course for meeting the deficit targets under current law. I don't really buy that and, frankly, I would be willing to bet that deep down in the hearts of the authors of Gramm-Rudman, they don't buy it either.

Mr. President, the bottom line for this Senator is that I am not willing to take the risk that even a watered-down role for OMB in the final sequester process is acceptable. I am not sure that I want to place my bets on OMB that their economic and deficit assumptions are the ones that we should rely on to make deep cuts in veterans programs; housing programs; drug enforcement; or programs that help the elderly or hungry. I am not sure that the voters of this country who elected us to tackle these tough economic and fiscal matters want a nonelected, executive branch agency to be a quarterback of our deficit reduction team. And I am not so sure that even the supporters of Gramm-Rudman-Hollings are willing to bet the ranch that OMB will give us the objective, accurate economic and fiscal data that will help to achieve the deficit reduction objectives contained in the Gramm-Rudman-Hollings law. The authors of this amendment and the so-called modified fix have openly recognized the dangers of turning substantial new powers over to OMB by crafting the modifications to the sequestration process that are before us now. They know that OMB has a long and tainted history of playing games with the budget and juggling budget numbers to achieve political objectives. Even former OMB Director, David Stockman, acknowledged this ploy in his much-heraled expose on the Reagan administration. OMB's history of selective budgeting and economic forecasting has transcended several administrations and undoubtedly will continue in future administrations. In fact, the authors of the Budget and Impoundment Control Act of 1974 had the foresight 13 years ago to create a Congressional Budget Office to provide Congress with the objective, nonpartisan economic and fiscal information that was virtually nonexistent at OMB during the administrations of the late 1960's and early 1970's.

So, Mr. President, I appreciate the effort that Senator CHILES and others have made to fix the automatic trigger mechanism. His role in crafting this modification is almost enough to convince this Senator that the fix might work. But the inherent risk of giving OMB these new powers, even restricted powers, is too great and the potential costs too high for this Senator to bear. For these reasons, I oppose the amendment as modified and urge its defeat.

GRAMM-RUDMAN-HOLLINGS II: A NEW DISASTER WAITING TO HAPPEN

Mr. WEICKER. Mr. President, here we go again. This debate on the so-called Gramm-Rudman-Hollings "fix" has almost the same constitutional difficulty as when the idea was brought up last October. This time we have had one hearing on the subject. That hearing was last week. One day of hearings on a measure—more properly, a moving target—that had never been introduced is ludicrous. In fact, the "fix" has continued to be a moving target as a handful of Senators have sat in a backroom for the past several days trying to fix the "fix." In particular this body needs to know how this will affect the Constitution. This is the very same problem that we ran into with Gramm-Rudman-Hollings I and now we have the benefit of the Supreme Court's view. Earlier this year, the Senate considered the balanced budget constitutional amendment. That amendment and the Gramm-Rudman-Hollings legislation both significantly impact the Constitution. We at least had the benefit of the committee process being exercised with the balanced budget constitutional amendment. With careful examination of that amendment, the Senate chose to defeat it. I think the same fate would await the Gramm-Rudman-Hollings II amendment, should the current time pressures be removed.

There are important questions that need well thought-out answers. First, is the fix that we have before us carefully crafted?

First. What is the Senate legal counsel's opinion, since the legal counsel was involved in Bowsher versus Synar?

Second. What is the attorney General's opinion of this fix? Will the President once again turn his back on the balanced budget legislation if it should become law as he did with Gramm-Rudman-Hollings I?

Third. Does Congress understand fully the ramifications of the Supreme Court's July 7 decision?

The delegation problem is still unresolved. Contrary to what some would have us believe, five Justices specifically did not address the question of whether Congress was upsetting the carefully crafted balance of power our Founding Fathers intended.

With Gramm-Rudman-Hollings II, new questions arise as to the blurring of lines of constitutional responsibility for budgeting. The Office of Management and Budget and the Congressional Budget Office still take their "snapshots". They compile an economic report that is forwarded to the Comptroller General. The Comptroller General produces a report of how to reduce the deficit (within the across-the-board provisions of the act) should the estimated deficit exceed the target by $10 billion. All of this is just the way the sequestration process worked before. Enter the new step in the process—the Comptroller General forwards his report to the Director of the Office of Management and Budget. The process is muddled now and will get even more muddled with the extra step. Simply stated, OMB and CBO report to GAO who reports to OMB. Now, if that is not muddling the lines of delegation, I don't know what is. We have the OMB at the front end and the back end of this process with two congressional entities in the middle. OMB gets another chance in preparation of the final sequester order that takes effect in October.

The amendment provides that the OMB Director's report must give "due regard for the data, assumptions, and methodologies used in reaching the conclusions" of the Comptroller General's report. I understand that this language was included in order to avoid running afoul of the Bowsher versus Synar decision. The Court ruled that the language "due regard" anticipated that the Comptroller General would deviate from OMB and CBO's

reports. Now this wiggle room is being intentionally implied to the Director of OMB. Do my colleagues understand that they are voting on this independence for the OMB Director?

Last week, the sponsors of the amendment argued that they had prevented the OMB from "cooking" the numbers by requiring that the Director of the OMB "shall explain fully any differences between the contents of such report and the report of the Comptroller General." Given the Agency's history, especially in the past 6 years, who believes that OMB will give such due regard?

As a member of the Appropriations Committee, I have seen first-hand how the OMB Director has disregarded clear language about how to spend the Nation's money. I think that every other Appropriations Subcommittee chairman can cite examples of OMB's thumbing its nose at what is clearly Congress' intent. One recent example is that Congress chose to appropriate money for the Child Abuse Prevention Program. A rescission was sent to Congress on this program. Without affirmation after 45 days, OMB must spend the money in order to comply with the law. Has OMB done that? No. OMB has until September 30 to spend the money and in the meantime the program suffers from the game of chicken that OMB forces us to play. I can cite other examples, but I'll stop here.

This week, the sponsors of the amendment have conceded this point that the OMB would have too much discretion. To fix the "fix," the sponsors have added yet another step to the complicated process described above. If Congress does not like OMB's economic assumptions, it can set its own by joint resolution. Of course, the President will have to sign the resolution. This fix of Gramm-Rudman-Hollings II demonstrates why the original Gramm-Rudman-Hollings was a bad idea. We are like the little Dutch boy with our finger in the dike. Only in our case, the number of holes in this legislation exceeds the number of fingers.

To make matters even worse, this amendment would have the effect of exempting the economic data, assumptions, and methodologies in computing the base levels of total revenues and total budget outlays used by the OMB Director from review in any judicial or administrative proceeding. First, Congress abdicates its budgeting responsibility to the executive branch and then Congress says further we don't even want the responsibility of overseeing whether you are carrying out this law or not. This is insanity.

Lastly, Mr. President, ever since the Congress passed the Balanced Budget and Emergency Deficit Control Act of 1985 in December, we have been involved in litigation. Bowsher versus Synar is just the tip of the iceberg. While there might not be judicial standing on the grounds of "cooked" numbers, others will bring legitimate lawsuits and Congress will spend yet more time holding its breath and waiting for the latest Supreme Court pronouncement about putting the Constitution on automatic pilot. In the meantime, the budget and appropriations processes are snarled to the point that this year we may just have a continuing resolution with all 13 appropriations bills in it. This is not the way to make any kind of responsible budgeting decisions.

Mr. President, I submit that Gramm-Rudman-Hollings II will have the same if not worse result as Gramm-Rudman-Hollings I: litigation rather than legislation. The law should be repealed so that Congress can get on with the business of legislation.

GRAMM-RUDMAN-HOLLINGS II

● Mr. LAUTENBERG. Mr. President, I rise to oppose the pending amendment.

Mr. President, first, there was Gramm-Rudman-Hollings. Now, we have Gramm-Rudman-Hollings II. In Hollywood, when a movie is a hit, when it opens to rave reviews, they bring out a sequel. But that is not the case here. Gramm-Rudman-Hollings was a bomb. It bombed at the Supreme Court. And it is bombing with the public. Yet, now we have the sequel. Gramm-Rudman-Hollings II. Who knows? Next year, we may have Gramm-Rudman-Hollings returns. Then Gramm-Rudman-Hollings' next adventure.

Mr. President, what was wrong with Gramm-Rudman-Hollings I is wrong with Gramm-Rudman-Hollings II. Putting it in a new package does not make it better.

Mr. President, while I oppose this Gramm-Rudman-Hollings process, I support deficit reduction. We should act now to reduce deficit spending. We did adopt a budget resolution in this Congress. It brings the budget deficit down below $144 billion. That's our budget. And we should meet it. And I am willing to work to meet it.

But not with Gramm-Rudman-Hollings. Not with a process that provides for mindless, automatic, across-the-board cuts as a solution to deficits.

I oppose Gramm-Rudman II because instead of setting budget priorities, it would avoid them.

I oppose Gramm-Rudman II because instead of ensuring continued economic growth, it could, by forcing cuts even during an economic slowdown, increase the chances of economic contraction and recession.

Mr. President, there is something very interesting about the debate so far. When Gramm-Rudman II was before us, an argument was made, over and over again. It was argued that across the board cuts would not happen. They were an action-forcing mechanism. They would be so terrible that Congress would be forced to act. The President would be forced to act.

When Gramm-Rudman I was before us, the proponents willingly agreed that across-the-board cuts were bad. They were the wrong way to govern. So wrong that we would not let it happen.

Mr. President, the first such cut has been made. The cuts have been made that were not supposed to be made. It reminds me of the holdup man who goes into a liquor store, and when the cashier flinches, he shoots. He says he did not meant to use the gun. He says he took the gun in, but he did not mean to use it.

Who believes him? Why did he take the gun in, if he did not want to use it?

Well, Mr. President, the Gramm-Rudman gun has gone off. It went off in March. And it could go off in October. The pretense is gone. The across-the-board cuts are not just action forcing, they are the action. The sequester is not the unspeakable alternative, it is a likely alternative. The champions of Gramm-Rudman are cleaning the gun because they are ready to use it. Mr. President, it is worse than a gun in a hand. It is a spring gun at the door. It is a spring gun that Congress would set and then leave.

Instead of forcing the Congress and the President to set priorities and to make decisions, it lets us avoid them. If deficits exceed the targets, and automatic cuts must come, they will come indiscriminately. Cancer research is cut as deeply as limousines for bureaucrats. Spending for environmental protection is cut, while no effort is made to do a better job of collecting revenues that are due.

We would cut the national defense, across the board. Now, Mr. President, I have, on occasion, argued against some of the Reagan administration's defense proposals. I have opposed some strategic weapons proposals, the short changing of conventional readiness, and wasteful mismanagement of our Federal defense dollars. But the Gramm-Rudman process does not impose the discipline that I and many of my colleagues have sought. Instead, it has us cut readiness and conventional weaponry, and that is the Nation's alternative to nuclear responses when our national interests are threatened.

Inaction on the budget deficit is unacceptable. But so is blind action. We are here to guide budget policy, not to put it on automatic pilot.

Mr. President, the Gramm-Rudman-Hollings process upsets the constitutional balance of power between the Congress and the Presidency. The amendment sets deficit targets, and we need targets. That is what the budget process is all about.

But Gramm-Rudman-Hollings hands the President a trump card. Congress could pass a budget, it could pass appropriations bills, and a reconciliation bill that achieved the target. Yet, the President could use his veto power and reject those congressional efforts. He could force a shortfall in deficit reduction and trigger blind, across-the-board cuts in Government programs.

I am not willing to hand a trump card to a President who has sent the Congress budget after budget that would have hurt my State. I am not willing to invite mindless budget cuts—in environmental protection, education, or health care—instead of taking responsible steps to reduce the deficit.

Gramm-Rudman-Hollings delegated power that this Congress should exercise. Now, Gramm-Rudman-Hollings II would give that to the OMB. This is the OMB that sent us a budget that purported to meet the $144 billion target. But the OMB was off. CBO said it was $16 billion off. Now, we are going to let these people make across-the-board cuts.

Now, Gramm-Rudman-Hollings has been modified to try to control OMB mischief. But these modifications have only made a Baroque process rococo. To extend the metaphor, all this makes the old budget process a model of Grecian simplicity.

Moreover, with all these changes, mischief by OMB is not controlled. We would have a sequester based on the average of OMB and CBO economic forecasts. But OMB could set its forecast, up or down, to more the average up or down. And it creates a new procedure: a temporary joint committee could report out its own economic assumptions.

We would have a sequester that assumes the rates of outlay spendout that were used in 1986. But 1986 is not 1987. The spendout rates can change. But since we do not trust OMB, we do not trust ourselves, we will just pick last year's rate. The only way that could change is if CBO and OMB report different rates, Congress passes them, and the President signs them. Both have to do that.

Mr. President, one major flaw in Gramm-Rudman-Hollings I is still present in Gramm-Rudman-Hollings II. The plan sets the controls for 5 years and then walks away from the economy. That is another major problem. It takes too little account of the threat of economic downturns. It takes too little account of how they affect our ability to reduce Government spending, or to increase revenues.

We know already that we will not see the growth that OMB predicts. The latest GNP figure is troubling; 1.1 percent annual growth is a sign. At what point do deep cuts in spending or increases in revenues make a slowdown into a situation much worse? What if we have two quarters of 1.1 percent? Mr. President, what if we have three quarters?

Mr. President, it is interesting to note the comment yesterday of the Federal Reserve Board Chairman. He said it was not "economically significant" that we hit the particular target. He noted that the slowdown made it more difficult.

Mr. President, we need to slow the growth in our mounting debt. We need to reduce annual budget deficits. We need to do it now. But Gramm-Rudman-Hollings I was not the answer. And the sequel is no better. It's worse.

The challenge for us in Washington is to build into the national agenda, and national policy, the incentives for investment, for innovation, and for economic growth.

We have to put our fiscal house in order. We have to get control of our budget deficit.

We passed a budget that promises deficit reduction. It's not a perfect budget. But if we have the courage, if we have the will, we can make it work. We can set priorities. We need to make choices. We need to cut Government where we can and we need to start paying for the services we need. And we cannot lose sight of why we are doing it. Because that makes a difference in where we cut. We are cutting to restore the climate for economic growth. We are cutting to build for the future.

Now, Mr. President, perhaps the American people are skeptical. Maybe they do not think we can make the tough choices. I do not blame them. Neither the President, nor the Congress has done a credible job over the past 5 years to make a dent in the deficit. The people are frustrated. I am frustrated too.

We have to stop passing the buck. We have to start making some courageous decisions. We have a critical mission: To get our fiscal house in order. But Gramm-Rudman sets the wheel at automatic pilot and then bails out. Gramm-Rudman presses the eject button. While Congress reaches for this political parachute hoping to float to what it hopes is a safe landing, our Nation's budget policy is on its own, and I fear is headed toward a crash landing.

Mr. President, I urge my colleagues to oppose this amendment.●

● Mr. PELL. Mr. President, with approval last year of the Gramm-Rudman Deficit Reduction Act, the Congress gave up its essential constitutional responsibility to determine the budget of the United States. With that act, the Congress decided it would let computers, nonelected bureaucrats, and formulas based on economic guesswork make decisions that should be based on the reasoned judgments of the peoples' representatives in Congress.

It was for those reasons that I voted against approval of the Gramm-Rudman Act. I said at the time that the act probably violated the U.S. Constitution. The Supreme Court has now ruled that a central provision of the Gramm-Rudman Act is indeed unconstitutional.

And today, we are presented with proposals intended to correct the provision ruled unconstitutional by the Court. The Court ruled that the Comptroller General of the United States could not constitutionally carry out the functions assigned to that office by the Gramm-Rudman Act. The proposals being considered today attempt to overcome that problem by assigning those same functions to the Director of the Office of Management and Budget—another unelected bureaucrat.

These proposals, however, do nothing to correct the basic underlying defect of the Gramm-Rudman Act. They do nothing to restore to the Congress the authority and responsibility to make and vote on the most basic decisions affecting the budget of the U.S. Government. Indeed, these proposals make things worse. The Comptroller General of the General Accounting Office to whom authority originally was delegated is at least responsive to the Congress—that, in fact, is why the Supreme Court ruled out his involvement. The Director of the Office of Management and Budget, on the other hand, is responsible solely to the President. So these proposals to correct the problems posed by the original Gramm-Rudman Act actually move the authority and responsibility even farther away from the Congress where it belongs.

For these reasons, I shall vote against proposals to place the ultimate authority for implementing automatic budget cuts in the Office of Management and Budget.

The fact is that no fixing up of the Gramm-Rudman Act is necessary. Anticipating that the Court might rule the involvement of the Comptroller General unconstitutional, the Congress included in the Gramm-Rudman Act a back-up procedure. That procedure requires that the Congress approve by majority vote, with no filibusters and delays, any formula budget cuts that would be invoked by the Gramm-Rudman Act. In my view, that is the way it should be. There should not be automatic cuts of billions of dollars in Government programs without the explicit, voted approval of the peoples' representatives in Congress.

It is a basic principle of our democracy that the Members of the House of Representatives and the Senate must be accountable to the American people. How can the people hold us accountable if the Congress refuses to

vote on such a basic question as huge cuts in Federal Government funding for education, air safety, public health and health research, and so many other functions of Government? Accountable democratic government requires, in my view, that the Congress face up to its responsibilities.

In the first Gramm-Rudman Act, the Congress tried to hide behind the computers, the bureaucrats, and the Comptroller General. Now that the Supreme Court has said we cannot hide behind the Comptroller General, we have proposals for the Congress to hide behind the unelected Director of the Office of Management and Budget. I voted against hiding behind the Comptroller General, and I intend to vote against hiding behind the Office of Management and Budget.

Yes; the deficit must be brought under control. And the Congress should face up to the deficit and vote to reduce the deficit in the full view of the American people. We should not again try to avoid this responsibility by directing bureaucrats to feed formulas into their computers behind closed doors, and order drastic changes in our Government's budget without an explicit vote of approval by the Congress.

Yes; let us reduce the deficit. And, yes, let us do it responsibly, openly, and democratically by voting in the old-fashioned American way.●

Mr. DURENBERGER. Mr. President, I rise to indicate my reasons and concerns as I vote to approve the so-called Gramm-Rudman-Hollings fix, to restore budget reduction procedures in response to the decision of the Supreme Court in Bowsher versus Synar.

The objective before the Senate at this point is twofold: First to resolve the constitutional defect of Gramm-Rudman-Hollings; namely, the exercising of executive powers by a legislative entity; and second, to do so in such a way as to provide a minimum amount of room for the Office of Management and Budget to abuse the sequester process to make policy choices. That is an exceedingly difficult task.

I am a supporter of Gramm-Rudman-Hollings as the last hope of realistic deficit control. Its value lies in bringing all the players to the table, the House, the Senate, and the President and forces them to act in order to avoid the damoclean sword of sequestration. It is a process which is sound. My constituents sent me here to balance the budget. Gramm-Rudman-Hollings is the only road map I have seen which will get us there.

I serve as the chairman of the Intergovernmental Relation Subcommittee of the Governmental Affairs Committee. From that vantage point I have considerable first-hand experience of the creativity and resourcefulness of the OMB. I am exceedingly reluctant to let a fox design our henhouse. The Supreme Court told us that the executive branch needs to play a bigger role. As I vote today, I dearly hope that we have given OMB only the bare minimum required to make Gramm-Rudman-Hollings constitutional and no more.

I have great respect for the Senators from New Mexico and Florida, Messrs. DOMENICI and CHILES. From my contact with them I understand that they have tried to the best of their ability to prevent abuses of the new power granted to OMB by this solution. I wish that I could say that on their assurances I could rest assured that all is well and all troubles have been dealt with. But the legislative process is never such an exact science that it creates such certainties. Speaking as one Senator, I would sound a note of extreme caution, that as this language continues through the legislative process and is implemented, that we assiduously oversee the operation of Gramm-Rudman-Hollings II.

□ 1700

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER (Mr. GARN). The Senator from New York.

Mr. MOYNIHAN. Mr. President, I believe the time is approaching when we will vote on the amendment to Gramm-Rudman-Hollings; and I will not delay the Senate. Nor do I have any illusions about what will be the outcome. The original measure was approved by a 3-to-1 margin last October and November. We will likely have a similar vote today. The original measure, which some of us thought to be fraught with constitutional peril last December, was found to be unconstitutional. We again feel that this amendment is fraught with constitutional perils; but, even so, it will be adopted, and it will be done in the same setting to which we have become accustomed.

There have been no hearings on this legislation—legislation that delegates an extraordinary amount of congressional power to the President. There is no report on our desks. I am subject to immediate correction and will promptly apologize if someone tells me that the amendment is printed. The original legislation was not printed when we first considered it, and I am not aware that the amendment is now printed. So I have to say that I am not even aware of exactly what it is I am going to be voting against; but, if I am not mistaken, neither will the persons who will vote for it.

I do want made clear that the sponsors of the legislation have been very generous in seeing that there has been some time to discuss the matter—even if there was not much information on which to base that discussion—and they have been characteristically cordial and open and interested to hear objections. Let me, then, simply repeat mine.

In the debates of October, November, and December of 1985, I had several occasions to refer to the statement of John F. Kennedy in that "to govern is to choose." This was not simply a rhetorical proposition. He would occasionally say it in meetings, when decisions were being made which required that exchange would go on back and forth, and then the moment would come when he would say, "to govern is to choose." At least on one occasion when I was present he did that, and choices were made.

Our concern is that this measure involves the abdication of choice. Whereas the whole work of government is to establish priorities—in the scarcity of resources which is the normal and necessary and unvarying condition of government—to allocate resources to those things, first, that are necessary, and only thereafter to those which are optional or even desirable.

It is no accident that one of the senior political scientists of our age, perhaps the most respected student of the American governmental administrative process—I would not hesitate to say the most respected student—Prof. James Q. Wilson, of Harvard University and the University of California at Los Angeles, in the current issue of Commentary magazine, puts forward this simple proposition.

He said.

> The Gramm-Rudman-Hollings deficit reduction law is not a viable idea. Reducing the budget by making deep, indiscriminate, across-the-board cuts in everything from the FBI and the Coast Guard to agricultural subsidies and military spending is madness, a fiscal guillotine that reflects no conception whatever of what is and what is not in the public interest.

Anyone familiar with the work of James Q. Wilson will recognize that to be a statement of extraordinary bluntness and conviction. "Madness" is the term he had used with reference to the legislation we are about to attempt to make constitutional.

With respect to the question of priorities, I call attention to two matters, and only those, on the front page of this morning's New York Times.

There is a story by Mr. Peter Kerr entitled "Moves To Deport Aliens For Drugs Are Not Pressed."

Mr. President, we have been much aware of this and much reminded of the problem of drug abuse in our country at this moment and the epidemic of a new form of cocaine use which is described as crack. We have found our own military forces in Bolivia, halfway around the world, in the effort to do something about it. But what do we do on the streets of New York? We do virtually nothing. But the Federal Government, by law, has the responsibility to do something.

I will read the opening paragraph:

Law enforcement agencies have given up pressing for the deportation of most aliens arrested for selling drugs in New York City because, officials say, the Immigration and Naturalization Service is unable or unwilling to investigate the cases.

The issue is of growing concern, law enforcement officials say, because up to half of the hundreds of people the police arrest each month for selling crack are aliens.

I repeat: "up to half of the hundreds of people the police arrest each month for selling crack are aliens."

I continue reading:

The use of crack, a potent form of cocaine, has spread rapidly in the past year.

Under Federal law, foreigners convicted of narcotics violations may be expelled from the country, even if they are not illegal aliens. If they are not deported, prosecutors say, most of them wind up back on the street.

Then there is a subheading: "Years of Budget Cutbacks," and the article states:

But the immigration service's assistant commissioner for investigation, John F. Shaw, said immigration authorities could not be expected to deport all the aliens convicted of drug charges if the courts are too overwhelmed to send them to jail. The immigration service, he said, is trying to do the best it can with only 81 investigators in the New York office and after years of budget cutbacks.

The Deputy Director of INS is authorized to fill 161 positions in New York. He has only had enough funds to maintain 111 positions, 81 of which are street investigators.

Eighty-one investigators, of whom it turns out that 19 investigate cases of aliens charged with criminal offenses.

In March of this year, my distinguished colleague and friend, Senator D'AMATO, received from the General Accounting Office a study of this subject, which found that of the 200 people the Immigration Service identified last November as criminal or illegal aliens who met the legal criterion for deportation, 77 percent were arrested again for committing another crime and 11 percent were arrested five or more times.

□ 1710

That, Mr. President, is not an example of Congress setting priorities. It is an example of the abdication of responsibilities which we have.

Having mentioned the use of the military in this effort recently in Bolivia, I would note a statement that was made to the Committee on Government Operations of the House of Representatives just last week when the Director of the Office of Management and Budget, Mr. Miller, noted: "A sequestration of any sizable magnitude in fiscal year 1987 would have a severe effect, causing thousands of soldiers to be let go."

This is a matter which the distinguished senior Senator from Colorado and I discussed last November—the threat which this whole process poses to the military preparedness of the United States—and I will not repeat it. I simply cite it, but I do draw the connection. Cut the Immigration and Naturalization Service personnel on the streets of New York dealing with cocaine, cut funds for the armed services that might be associated in preventing the importation of such drugs, and there you have the consequences of the abdication of responsibility to choose.

"To govern," John F. Kennedy said, "is to choose," and this afternoon in this Senate once again we are going to choose not to govern.

I regret that, Mr. President, and I shall vote against the amendment.

I thank the Chair.

The PRESIDING OFFICER. Who seeks recognition?

Mr. HEINZ. Mr. President, I direct the Senate's attention while we are considering the Gramm-Rudman-Hollings II amendment to a problem of somewhat different nature and that has to do with the decision by the LTV Corp. a few days ago, in fact, back on July 17, to unilaterally terminate the health benefits and the life insurance benefits to some 78,000 of their retirees.

Mr. President, we often say around here that it is important not to change the rules of the game in the middle of the game. We say around here that a deal is a deal. We put a great deal of stock in whether or not an individual or a group or anybody we deal with keeps their word, and I hate to say it because they have been a valued employer in our State and many other States, but in this Senator's judgment, the LTV Corp. has broken their word to their retirees.

A lot of these retirees are well under the age of 65 at which they are entitled to Medicare benefits. A goodly number of them, certainly many thousands of them opted, did not have to do it but opted, for early retirement in the expectation that they were going to have these health benefits to take care of them and their families and LTV's unilateral decision which they filed when they went into chapter 11 reorganization on July 17 simply says:

Sorry, all of that does not make any difference; albeit those were benefits that we bargained, those were part of an agreement, the agreement is not worth anything and we have the unilateral right to flush that down the tube as if we never signed any such agreement.

Mr. President, that kind of behavior by any reasonable standard of corporate responsibility is wrong.

The Senator from Ohio, Senator METZENBAUM, and I have introduced legislation which would put a halt, put a stop to that kind of irresponsible behavior by LTV.

Our legislation basically reaffirms the intent of Congress in the legislation that we passed a few years ago, which was that where a collective-bargaining agreement is concerned a judge has to make the determination on whether or not and the extent to which what has been bargained for can be abrogated.

That is the sum and substance of our amendment.

I am not going to offer it at this moment as an amendment to this bill. But I rise to put my colleagues on notice that if we do not get an opportunity to offer this as a free-standing bill we are going to offer it as an amendment to the debt ceiling and we might do so this evening, if we get unanimous consent to lay this matter aside or to dispose of the matter that it would then be in order to offer an amendment dealing with this.

Now I would prefer, and the majority leader has been cooperating and I thank him for his cooperation, to make it possible for us to get this up as a free-standing bill and as something that the Senate can express its will on.

There may be some objection to the legislation but, frankly, Mr. President, I do not know of any objection to this amendment. We are trying to ascertain that from all Senators.

But I rise, and I thank my colleagues for their attention in this matter, to let them know that this is a critical issue, the Senate needs to address it, very quickly, possibly tonight, and if the Senate does not address it tonight, we will address it at the very earliest opportunity tomorrow.

I am advised by the majority leader he expects a very long session tomorrow night. So at the latest, we will address it tomorrow and we could address it today. I hope we will do so.

I must tell you that when I was back in my home town the week before last I happened to go down to the so-called southside plant of LTV. It used to be the Jones and Laughlin plant. They only have the coke battery operating there. And I met with both the management and labor people. It was hard to tell who was in a greater state of shock, the labor people who had their people laid off, or some of the management people, many of whom had friends who had taken early retirement. And I was informed of surgical procedures in hospitals for very serious, even life-threatening conditions, that had to be cancelled over the weekend. They had been scheduled. They had to be cancelled because of the termination of these health and life insurance benefits.

Mr. President, when someone's life is on the line, no one has the right to cut that line. It is the intent of our legislation to piece that line and splice it back together so people have the life and health benefits that they agreed to, that they worked for, and that they are entitled to.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on the amendment.

Mr. CHILES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1730

Mr. RUDMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2226, AS FURTHER MODIFIED

Mr. RUDMAN. Mr. President, we purposely did not ask for the yeas and nays on the second-degree amendment, the committee amendment which I modified because there was one last possible modification that was pending that related to advanced deficiency payments for the farm program that were a matter of great concern to many in the Chamber.

It has now been decided Senators DOMENICI and CHILES that this should be an additional small technical provision.

So I send this modification to the desk which will be included I am sure when it is written as part of the modification that was submitted several hours ago.

The PRESIDING OFFICER. The amendment is so modified.

The amendment, (No. 2226) as further modified, is as follows:

On page 24, immediately following line 23, insert the following:

"(n) FARM DEFICIENCY PAYMENTS.—In preparing each report required under this section for fiscal year 1987, the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, and the Comptroller General shall assume that advance deficiency payments shall be made available to producers who agree to participate in an acreage limitation or set-aside program for the crop year relating to such fiscal year based on an amount under section 107C(a)(2)(F)(iii) of the Agricultural Act of 1949 (7 U.S.C. 1445b-2(a)(2)(F)(iii) of—

"(A) in the case of wheat and feed grains, 40 percent of the projected payment rate, as determined by the Secretary of Agriculture; and

"(B) in the case of upland cotton and rice, 30 percent of the projected payment rate, as determined by such Secretary.

Mr. RUDMAN. Mr. President, I would rather Senator CHILES, who speaks for both himself and Senator DOMENICI on this matter, explain the background of this.

So I yield the floor.

Mr. CHILES addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. Mr. President, when we were working out the agreement in regard to the Domenici-Chiles amendment, we had decided we would not put in language on several things, this being one of them. We would not put language into the statute itself if we were assured by OMB that they were going to treat several items in a particular way. One had to do with the deficiency payments and the advanced funding of those deficiency payments. It is a $4 billion item.

Most of us assume Congress is going to require those advanced fundings as we did last year. But at the time we took the snapshot, it the advanced funding would not be made, and it would not be made at that time, if OMB took the attitude that this is something that is in our prerogative to determine or not, unless the Congress says we have to do it later, or if we take the proposition that we are not going to pay those, they therefore could say that in effect there is a savings of $4 billion or that $4 billion would not be spent.

We do not think that would be truth in budgeting so to speak because we think Congress would require that to be made. I think that is something most people feel is going to happen.

So we said if you cover that with a letter and tell us that you will not attempt to score that or that you will recognize you will have to make these advanced deficiency payments, that will satisfy us.

My understanding is that is not going to be in the letter. They say that is the issue they have to decide, and they have not made up their mind. If they have not, Senator DOMENICI and I had said we were going to require that this year we put that language in in effect saying we know those will be made. So we will not allow a scoring of savings in that regard. That is in effect what this modification allows.

I think we complied with what we said we would do. If the letter was not forthcoming, it looks like the letter is not now, I am glad we modified this. I think it complies with the understanding that we had. I think that was an understanding we shared not only by Senator DOMENICI and myself, but also by the other people.

Mr. HART. Will the Senator yield for a question?

Mr. EXON. Will the Senator yield?

Mr. CHILES. I yield to the Senator from Nebraska.

Mr. EXON. I have a question. I thank the Senator from New Hampshire. I thank my friend from Florida for this action. I must say that I believe this is one of the right things that the Gramm-Rudman-Hollings proponents have done today. I have been in on negotiations that have been going on on this. I think it is the right move to take. There is no question in my mind with the depression that is going on in agriculture today that the advanced deficiency payments should and must be made.

I further say I think there is no likelihood that the Reagan administration will not propose advanced deficiency payments sometime prior to the upcoming election for obvious reasons or otherwise.

But if I understand the amendment that has just been put onto the previous agreement, it simply says money will be there in the amendment to make the advanced deficiency payments if that is the final decision. Is that correct?

Mr. CHILES. No. It does not say the money will be there. It doesn't really speak to that. It simply says we are going to score it as though those payments have been made. We will not allow people to take the $4 billion savings, although it is something that we think will have to happen. That is in effect what it says.

Mr. EXON. Let me ask one further question. Have there been discussions on this with the OMB Director?

Mr. CHILES. The OMB Director was told, I am sure, not by me—

Mr. GRAMM. If the distinguished Senator will yield?

Mr. CHILES. I am glad to yield.

Mr. GRAMM. In essence when we sought the clarification on the three issues the administration was ready to make the decision on the previous two issues. The administration's position basically is that there is current discussion as to that issue, and in terms of trying to vote on something that has been delayed we decided since an agreement had already been made, that rather than waiting and trying to force them to move their decision, that since we had an agreement, we would go ahead and move with that agreement here.

So the administration has made no announcement on this decision. What we are doing is simply fulfilling an agreement given that we cannot on this short time frame get a letter here. If the distinguished Senator will yield further, I agree with this amendment. It was part of our amendment. This is not a policy decision. The truth is we all know that given the state of American agriculture, the advanced deficiency payment are going to be made so that we should go ahead and set out in the scoring process the reality that we all know. This is not a policy decision. This is a truth-in-budgeting decision. So that we are looking at what we know the reality will ultimately be in the fiscal year so that the photograph is a true photograph, not a doctored one to try to make people smile who are not smiling and make things bright and sunny when the sun is not out from behind the clouds.

□ 1740

Mr. EXON. May I ask a further question?

I appreciate the remarks by the Senator from Florida and the Senator from Texas, and also those of my friend from New Hampshire.

Do I take it, then, that with the action we are taking here today, you are all somewhat encouraged that sometime before the election the administration might take the steps to provide for this aid. Is that a fair statement?

Mr. GRAMM. If the distinguished Senator will yield, I do not want to put myself in the position of speaking for the President of the United States. What we are saying is that in the scoring process, based on the historic experience and given the reality of the American farm, this is going to happen, and knowing that people like to send money and good news, it will happen with all arms embraced, in my humble opinion.

The fact is we are trying to get a correct, honest picture here, and to fail to nail down the reality that we all know exists, in my opinion, and obviously in the opinion of the distinguished Senator from Florida, would be a wrong thing to do.

Mr. EXON. I think the good news is good news, and I do not think we have to hold it out until right before an election. I think the good news that we are coming out with today is, or the likely good news is—or the probable good news is—that the administration will make a decision sometime between now and probably before the upcoming election that advance deficiency payments will be made this fall.

Mr. GRAMM. If the distinguished Senator will yield for one final comment, I would very much like to bring good news, not only being in the trio that brings good news about spending money, but I do not think one can infer policy with what we are doing. We are simply stating a budget parameter. Obviously, they have to decide and we have to decide when it is going to happen.

Mr. HART. Will the Senator yield?

Mr. CHILES. I am happy to yield.

Mr. HART. The question is when is the fix going to get finally fixed, not whether one is for or against advance deficiency payments.

If this is such a great idea, as the Senator from Texas says it is, why was it not done in the first place? Further, what is the budget consequence of all of this? I do not know what the background negotiations were, the backroom negotiations. What are we doing here?

Mr. CHILES. May I try to answer that quickly? When we were meeting on this, one of the concerns I had happened to be on this item because right now the administration has the discretion as to whether they are going to make the payment or not, unless Congress takes that discretion away from them. Thus far, they have not acknowledged that they are going to make the payments. I say to my good friend from Nebraska, nothing that has been said today acknowledges they are going to make them. They have not sent the letter up.

In talking about this, I listened to this as one of the things that would be in the amendment. Senator DOMENICI said, "Look, there are several items here. One is how they are going to score the REA refinancing, one is a provision on Medicare, and one has to do with these farm deficiency payments."

If you will look at our "Dear Colleague" letter that we sent out, we said that this is an open issue because what we agreed only was, "Why should we clutter up the statute spelling out all of these things if OMB will give us a letter assuring what they are going to do or how they are going to score these things. Will that satisfy?" And we said, "Yes, if we get that letter."

We have now been told that a letter is coming up covering two of the items, the REA and the Medicare provisions, but they have not reached any decision on farm deficiency payments.

When we heard this I said, "Wait a minute. Now we have to put something in the act as we said we would."

Everybody has honored that and everybody has agreed with that. That is what the modification did. It was one of the questions left over.

The question is, what is the effect of it? The effect of it is to see that we have truth in budgeting on a $4 billion item. When the snapshot was taken OMB could have said, "We have not agreed to make these payments so as of now they cannot be scored and, therefore, $4 billion reflects as if it is not part of the deficit or part of the spending," when, in fact, we all know the political consequences will be eventually it will be. So it ought to be scored.

This is just to try to make a little more truth in budget.

Mr. HART. Will the Senator yield for a parliamentary inquiry?

Mr. CHILES. I am happy to yield.

Mr. HART. The Senator from Colorado recollects that when the amendment was last modified, the yeas and nays were, in fact, ordered by the distinguished minority leader.

The PRESIDING OFFICER. The yeas and nays were ordered but they were subsequently vitiated.

Mr. RUDMAN. Will the Senator yield for a comment?

Mr. CHILES. I am happy to.

Mr. RUDMAN. The letter dated July 30, in the third paragraph, which I was well aware of, says, "We are awaiting response from the administration on their intentions with regard to this provision. We reserve the opportunity to modify the perfecting amendment based on the administration's response."

It was my understanding, and I would direct this to the Senator from Florida, that this now completes the negotiations and understandings that we had.

Mr. CHILES. Based on what the Senator from Florida has been told and the letter that is coming up here, which I have not seen yet but I am accepting what I have been told, yes.

Mr. RUDMAN. I want to answer directly the question of the Senator from Colorado, when will the fix be fixed. I would like to do that right now if the Senator from Florida is agreeable by making a request of the Chair when and if the Senator from Florida vacates the floor.

Mr. CHILES. I yield the floor.

Mr. RUDMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. RUDMAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. RUDMAN. I thank the Chair.

Mr. President, I do not know whether anyone else wishes to discuss this issue. If they do not, then I suppose we can proceed to a vote. None of the sponsors wish to preclude anyone from coming to the floor and discussing it.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

The PRESIDING OFFICER (Mr. HECHT). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 63, nays 36, as follows:

[Rollcall Vote No. 167 Leg.]

YEAS—63

Abdnor	Ford	McConnell
Armstrong	Garn	Murkowski
Baucus	Gorton	Nickles
Bentsen	Gramm	Nunn
Biden	Hatch	Packwood
Boren	Hecht	Proxmire
Boschwitz	Heflin	Pryor
Broyhill	Heinz	Quayle
Bumpers	Helms	Rudman
Chafee	Hollings	Simon
Chiles	Humphrey	Simpson
Cochran	Kassebaum	Specter
Cohen	Kasten	Stennis
D'Amato	Kennedy	Stevens
Danforth	Laxalt	Symms
Dixon	Leahy	Thurmond
Dodd	Levin	Trible
Dole	Long	Wallop
Domenici	Lugar	Warner
Durenberger	Mattingly	Wilson
Evans	McClure	Zorinsky

NAYS—36

Andrews	Byrd	Eagleton
Bingaman	Cranston	Exon
Bradley	DeConcini	Glenn
Burdick	Denton	Gore

Grassley	Lautenberg	Pressler
Harkin	Mathias	Riegle
Hart	Matsunaga	Rockefeller
Hatfield	Melcher	Roth
Hawkins	Metzenbaum	Sarbanes
Inouye	Mitchell	Sasser
Johnston	Moynihan	Stafford
Kerry	Pell	Weicker

NOT VOTING—1

Goldwater

So the amendment (No. 2226), as modified, was agreed to.

□ 1810

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

The Senate will be in order. Senators will take their seats.

Mr. DOLE. Mr. President, I have been asked if there will be additional votes tonight, and I think there will be one additional vote.

It is not my intention to stay in really late this evening, because I think tomorrow evening could be long, long.

First, I want to accommodate Senators on both sides on a matter dealing with LTV, unless there is some objection to that. Then it would be my intention to permit Senator MATHIAS to offer an amendment on patent fees.

I see the Senator from Massachusetts. Does he have a South Africa amendment?

Mr. KENNEDY. Yes.

Mr. DOLE. That may change the order. I hope the Senator from Massachusetts might be willing to withhold that. Otherwise, I would be constrained to offer a freedom fighter amendment ahead of it.

Mr. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. DOLE. I am happy to yield.

Mr. BYRD. The distinguished majority leader said he would hope to permit the distinguished Senator from Maryland [Mr. MATHIAS] to offer an amendment dealing with patents.

Mr. DOLE. Patent fees.

Mr. BYRD. Patent fees. What does the majority leader mean when he says he would hope to permit?

Mr. DOLE. It is my hope that he would be recognized. I cannot do it. I noticed the Senator from Massachusetts here and I assumed that might be South Africa, and that would change the proceedings considerably, and I would offer an amendment on something else.

Mr. BYRD. But the distinguished majority leader is not saying that he would interpose himself in the way of some Senator other than Mr. MATHIAS in offering an amendment.

Mr. DOLE. No. I thought there might be some agreement because it is related to Gramm-Rudman. I am trying to be relevant, but I assume that is not going to happen.

Mr. BYRD. I thank the majority leader.

Mr. KENNEDY. Mr. President, if the majority leader will yield, I will be more than glad to accommodate the schedule of the Senate. I am aware of the strong commitment of the majority leader on the issue of Contra aid. I think it is unfortunate to use Contra aid to deny the Senate the chance to act on South Africa.

There are those of us—Senator WEICKER, Senator CRANSTON, and many others—who realize that the Foreign Relations Committee will be addressing this issue tomorrow, and they may report something in late morning.

If it is the desire of the majority leader to enter into a time limit to permit a debate on the various proposals, so that we can dispose of those expeditiously, and then move on to other issues, I think that certainly would be a reasonable way to proceed.

But time is of the essence for Senate action on South Africa. A historic meeting of the 49 Commonwealth nations will take place in London beginning next Sunday, and the Senate should act before that meeting begins.

As far as I am aware, there is no urgent business before the Senate comparable in any way to the need for action on South Africa.

Those of us who feel strongly about South Africa feel that the United States should lead, not follow, on this issue.

It would be unconscionable for the United States to wait for Great Britain to change its mind. On the issue of apartheid, Uncle Sam should not hide behind Margaret Thatcher. We must not give those who seek to avoid sanctions at the Commonwealth meeting the excuse to cite the United States as a nation that is hesitant or uncertain about the need for strong economic sanctions. Yet by failing to act, that is the impression we will convey.

I respectfully suggest to the majority leader, therefore, that we set aside the Debt Ceiling Act and take up South Africa legislation, so that the Senate will have at least a chance to act this week.

This is the time for action, not delay, and I hope the majority leader will agree to facilitate Senate action on South Africa before the Senate adjourns this week. South Africa is burning, and the Senate should stop fiddling.

We are not interested in tying up the Senate. We have now been considering the issue of changes in Gramm-Rudman for 5 days. We are prepared to take 5 hours or less on an issue of enormous importance and consequence—sanctions against apartheid in South Africa. We are quite prepared to be accommodating, but I indicate to the majority leader that we are also strongly committed on this issue. We recognize that the majority leader has the responsibility for the agenda, but we also want to make it clear that we want to have an opportunity to address this issue at the earliest possible time, and certainly before the Senate adjourns this week.

Mr. DOLE. I do not quarrel with the wish of the Senator from Massachusetts to address the issue. I think I have indicated, myself, that we need to address the issue. So there is no problem there. I think it depends on when we address the issue, because there is a mark up, as I understand it, in the Foreign Relations Committee tomorrow. I met with Senator LUGAR as recently as yesterday afternoon to see in what direction the committee might go. But I believe there may be others who have no intention of letting us enter into any agreement at this time, on this side, and maybe on the other side.

What I hope we might do is put together an agreement whereby we could dispose of not only South Africa but also so-called aid to the freedom fighters, and possibly even the SALT resolution, which is in the DOD authorization bill. We have attempted that a number of ways and have not had much success.

We had hoped that we could have that debate separately and apart from the debate on the debt ceiling. It seems to me that there is absolutely no relevance between the debt ceiling extension and either of those issues, whether it is freedom fighters or South Africa or SALT.

The conferees would be the Ways and Means Committee in the House and the Senate Finance Committee. I am not certain how they would dispose of all the amendments if they were adopted, but I would hope that there is still some opportunity to work out an agreement on both those issues and we could deal with them separately.

It seems to me that if South Africa is as important as I understand the Senators say it is, it should be dealt with separately, on its own, and not as an amendment to the debt ceiling, which is an entirely different matter; and I feel the same about the freedom fighters, I must say.

But if we are going to get into a contest as to which will come first, then I would suggest that the Senate has already passed, in March, a $100 million package for the freedom fighters; and I believe we should proceed with that, on the basis that it has a priority, because we have already addressed it earlier this year.

Mr. KENNEDY. Mr. President, will the Senator yield on that point?

Mr. DOLE. I yield.

Mr. KENNEDY. If the majority leader wishes to lay down what comes out of the Senate Foreign Relations Committee on South Africa as the pending business tomorrow, at 2 o'clock, as freestanding legislation, I think we could accept that. It would give all Members an opportunity to address the issue promptly and treat it as freestanding legislation, and free it from the debt limit. By doing that, obviously we are faced with the real possibilities of a potential filibuster, and also a Presidential veto.

□ 1820

You do not expect a Presidential veto if you are able to get Contra aid to the President. But I believe those of us who have worked on South Africa sanctions would be willing to take up the Foreign Relations Committee proposal, lay it down on the Senate floor, seek a time limit if possible, and let the Senate work its will, free of the debt limit.

I hope we might have such a request propounded by the majority leader as a way to proceed out of this.

Mr. DOLE. I thank the Senator from Massachusetts.

I do not believe that is the way that I would want to proceed on this issue. I am not certain it will even be ready tomorrow at 2 o'clock. I assume there would be some drafting in any event. If there is no mark up until tomorrow morning, I am not certain what or when—I know there is a draft circulating—when that might be available.

Second, I think in fairness to the majority of Senators who support aid to the freedom fighters we need to address that issue, too.

Once South Africa is disposed of, then I assume the Senator from Massachusetts would want to filibuster aid to the freedom fighters and, therefore, I do not think that is a very good bargain to strike.

It may be that we can work out some accommodation on each issue, and if we could do that I would certainly be pleased to make that request.

I yield now to the Senator from Connecticut.

Mr. WEICKER. Mr. President, will the majority leader yield?

Mr. DOLE. I yield.

Mr. WEICKER. Clearly the importance and the dignity of the issues would seem to point it should have a separate vote on this, and I now refer to the sanctions issue, a separate vote on the floor of the Senate.

As much as I disagreed with the vote vis-a-vis the Contras, or whatever you want to call them, that also had its day and it had its vote. I lost.

In any event, I believe the issue of South Africa deserves a freestanding vote on this floor.

I think it is quite obvious to all of us here two things are going to happen. There are those who would delay the South African vote as indeed there are those who would delay the vote on the Contra aid.

Additionally, it might very well occur that all of these issues will be stripped from the debt ceiling bill when it goes to conference, which means that all this time will have been wasted and no clear voice would have spoken from the floor of the Senate on any of these issues.

I would hope that under the auspices of the majority and minority leaders something might be worked out whereupon each one of us would have a chance to express our opinions on these matters by virtue of a vote, not by virture of longwinded speeches.

The time is short and the issues are important. I think we ought to be registered to the world as to how we feel in a clearcut way, not as an amendment to the debt ceiling, which risks being stripped off and then the issues being back here sometime way in the future, not as a tradeoff one for the other.

We have these issues before us. It seems to me under the auspices of the majority leader we should be able to sit here and clearly pinpoint a time this week, next week at the latest on these issues. I hope that would happen.

Mr. DOLE. Mr. President, I am happy to yield to the Senator from Georgia.

Mr. NUNN. Mr. President, appropos the suggestion of the Senator from Connecticut, I hope these matters will be worked out.

We have the defense of our Nation that I think we need to spend some time on. We had our Department of Defense authorization bill out of committee for several weeks. We hoped it would be called up already. We have taken it back to the committee and tried to adjust as best we could to the budget resolution.

We have some enormously important matters in there, including all the authorizations for our own military forces.

While there is no doubt that the South Africa resolution is important, there is no doubt that the matter of Contra aid is important, I would submit that, first and foremost, the defense of our own Nation is important, and yet unless we are able to get that bill up and get it passed before the August recess, there is considerable doubt whether we will even have a defense authorization bill this year.

I might add that the House of Representatives has a definite time for taking up their defense authorization bill. They have the defense reorganization bill on that bill. We have already passed that legislation in the Senate.

If we can get to conference on these two matters before August 15, then we will pave the way for the appropriations process.

I might say that I know the junior Senator from Georgia has a military construction appropriation bill that he hopes to bring up and that contains the Contra resolution and the Contra money.

It would be my hope that we could take up the defense authorization bill at a very early time and that we could bring out the military construction portion of that, take it up as a priority, and that we could pass that within a few hours and that would pave the way for the orderly process of the defense appropriation military construction appropriation bill to follow.

But if we take up the Defense appropriation military construction bill first, we have reversed the order and we have an appropriation bill coming up for which there is no authorization and for which the authorization is pending and out of committee and has been pending for several weeks, so we are standing the normal procedure on its head and I think greatly eroding the committee process.

So I would certainly work with the majority leader and minority leader, and I have discussed it with both of them, to try to get some reasonable time agreement if possible on the defense authorization bill.

I would certainly work with all of the parties concerned, and I believe that the Senator from Arizona, Senator GOLDWATER, would agree on this to get the military construction part of our authorization bill up as a priority and to move that as rapidly as possible then even if we need to intervene with the Defense Appropriation Subcommittee.

I just wanted to say that I think this matter is very important and it is certainly my hope that we can get it up in the near future.

If I concluded, which I have not concluded and our committee has not concluded, but if I concluded we are not going to have a defense authorization bill up at all this year, because of my strong feeling about the importance of this to our national security, I would have to consider trying to bring that up as an amendment to some other bill. That would be the ultimate in absurd legislative process because it is far too important not to be treated as a freestanding bill. But those of us on the Defense Committee, I think would have no alternative, and I think a number of people would feel that way, although I speak for no one but myself.

I thank the majority leader for yielding.

I suppose after that preliminary explanation of our own feelings on this subject I would ask the majority leader if he sees any possibility we can

get this defense authorization bill up either this week or early next week.

Mr. DOLE. Mr. President, I happen to share the view it is a priority matter. In fact, last year we passed it in about 3 or 4 days and the House did not act at all. It has not been available for several weeks. I think it may have been. They had to go back and modify it. It has been available in the Senate since last weekend. So it is not that it has been out here for several weeks and we have not acted on it. It has been available 2 or 3 days. The distinguished chairman has not been available. So had we even been able to move on up there, there were circumstances that might have prevented that.

But I agree with the Senator from Georgia, that it is a matter of importance and I know the House is now scheduled to take it up on August 4. So there is indication this year the House may act on the authorization bill. Last year they did not.

Mr. NUNN. I might say they did act on it.

Mr. BYRD. They did act on it and it was signed into public law.

Mr. NUNN. We have an authorization.

Mr. DOLE. An appropriation.

Mr. NUNN. The majority leader is thinking of an appropriations bill.

Mr. DOLE. Yes.

Mr. WEICKER. Mr. President, will the majority leader yield?

Mr. DOLE. Let me indicate to the Senator from Connecticut I think the point he makes is a valid one. If we are going to do all these things, and I am certainly willing to stay here—in fact, I can almost foresee a Saturday session this week, and we are going to be prepared for that, and I hope other Members are.

But all of these things the people are talking about are not little amendments. They are serious matters of national interest and they are going to take some time. Whether it is the Contra issue, whether it is South Africa, whether it is SALT, whether it is the defense authorization, or whatever it may be, it is going to take some time and we have now, including Saturdays, about 14 legislative days before August 15. When we come back, we will have about 15 legislative days before we adjourn.

So if we add Saturdays, we could get that up to 17, maybe, or 18. So that is a total of not very many days to do a lot of work.

If people are willing to cooperate and get some time agreements, we started last week trying to shop an agreement on SALT, South Africa, and freedom fighter aid. We got nowhere. Maybe they will be more apt to reach an agreement now.

But I agree with the Senator from Connecticut that these are matters of such significance they ought to be separately dealt with. We need some agreement.

Mr. WEICKER. If the Senator will yield, we are not going to outfox each other on issues. We are all well aware of what is up here and parliamentary procedures.

□ 1830

It seems to me we would best spend that time discussing the issue and voting on it by previous agreement than trying to outfox each other, because there are too many good parliamentarians on both sides here. And that is not the way anything is going to pass this Senate in the next 2 weeks.

Mr. DOLE. Let me yield to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, let me say that I heartily concur with the remarks of the Senator from Connecticut. We have more poured out than we are going to be able to smooth over between now and the August recess.

I would like to start offering amendments, voting them up or down. But the point I want to make was in connection with the observation of the Senator from Georgia about the DOD authorization bill. The DOD authorization bill has a provision urging the President now to abandon SALT II. Now, if that bill came up, it would be incumbent upon somebody who disagrees with that position to offer a striking amendment to take that out of the bill.

I would much rather, from my position—and I am not speaking for Senators HEINZ, CHAFEE, and LEAHY on this—from my position, I would rather deal with the SALT II thing on the DOD authorization bill. That is where it ought to be dealt with.

Mr. DOLE. I think it is in there now.

Mr. BUMPERS. It is on there. And somebody, as I say, would have to offer a striking amendment.

But if we are not going to get that bill up, then some of us feel we have no alternative but to offer it on this bill. So that is one of the reasons I would like to see some kind of commitment made on getting the DOD bill up, just from that singular issue on my part.

Mr. BYRD. Mr. President, would the majority leader yield?

Mr. DOLE. May I yield briefly to the Senator from Georgia?

Mr. BYRD. Yes.

Mr. MATTINGLY. Mr. President, I wish to respond to the Senator from Georgia in talking about the defense authorization bill in this part of the process, the budgetary cycle. There is no requirement for the authorization bill to have passed in order to bring up the appropriation bill at this time. So military construction, once we mark it up, can be called up by the leader on the floor.

Mr. NUNN. I think the Senator is technically correct, but there are a number of us who spent a long time last year debating with the Appropriations Committee about the proper order. It caused a great deal of turmoil. It caused a great deal of problems. And if we, right at the beginning of this procedure, start taking up the appropriation bills before the authorization, notwithstanding the technical aspects of it, the reality of the situation is that it will cause even more problems for the defense appropriation bill, in addition to the considerable controversy over the Contra matter.

So I would think we would move everything quicker if we take up the defense authorization bill first and then accommodate the Senator from Georgia by taking up the MilCon and moving it out very quickly, and that would clear the way for the appropriations.

Mr. MATTINGLY. But the Senator knows the problems in the past year were not on the military construction side, but on the defense construction side, where you had the $6 billion donnybrook.

I would say that the senior Senator from Tennessee and myself—our bill right now is on target, slightly below the target set by the authorization bill already. So when we do bring it to the floor, it is not one that is going to be over the budget, but, in fact, will be some $2 billion under the President's budget and under what you already authorized.

I think, to repeat what the Senator from Connecticut said about the issue on the military construction bill on Contra aid at this time, I think he stated it rather eloquently that we have already voted on it once this year. I think it would only be right to try to structure some time agreement on the Contra aid part, because we have already done it. The Senate has already spoken. I understand we are back on TV and maybe it would be a good idea to have a debate on it. But I think 1 or 2 days would probably be enough for the freedom fighters' position on this and to come to some agreement, and we could bring it up and dispose of it rapidly.

Mr. DOLE. I thank the Senator from Georgia.

Let me indicate, before I yield to the minority leader, that I incorrectly indicated the authorization bill. It was the appropriations bill that never passed last year. After we spent all the time on the authorization bill, we did not pass the appropriations bill for a number of reasons that I will not go into.

I am happy to yield to the minority leader.

Mr. BYRD. Mr. President, the distinguished majority leader has ad-

dressed his remarks to the authorization bill. He has now correctly stated that the authorization bill on defense did pass last year and it became public law.

As to the appropriation itself, that was folded into the continuing resolution, but it had been previously authorized by the defense authorization bill which had passed both Houses, which conference report had gone to the President and he signed it into public law.

Mr. DOLE. Mr. President, I would indicate I do not disagree with the Senator from Georgia or the minority leader. I think it is a very important bill. I think it does address a number of issues. There are hundreds of issues addressed in the DOD bill. It is a massive piece of legislation. If we could figure out some way to do it in 3 days, long days, we could probably not have any difficulties.

Let me yield to the Senator from Tennessee.

Mr. SASSER. I thank the distinguished majority leader.

Following on to the statement made by the ranking member of the Armed Services Committee, I would just say that, generally, the military construction appropriations bill, when it comes to the floor of this body, is noncontroversial. Most of the matters have been thoroughly discussed and thoroughly worked out.

This military construction appropriations bill will have one feature that I think it would be very helpful if the Senate as a whole could hear and debate coming from the authorizing committee, and that is the concept of home porting. That will be included in this military construction appropriation bill. This matter of home porting for our Navy was widely discussed, thoroughly discussed, in the Armed Services Committee. There was a very close vote on the whole concept of whether home porting was in the national interest, whether it was cost effective, and a number of policy questions were discussed in the Armed Services Committee.

I make the point that I think it would be helpful to the Senate and helpful to us in rendering an informed judgment on this whole concept if we could hear some debate emanating from the authorizing committee in conjunction with bringing the authorizing bill to the floor first. I make that point to the majority leader in support of what I view as an orderly processs here of bringing the defense authorization bill up first and then let us follow on with our military construction appropriations bill.

Mr. MATTINGLY, Mr. President, would the distinguished majority leader yield for just one statement?

Mr. DOLE. I thank the Senator from Tennessee. I do not quarrel with orderly procedure. I am not certain that is what we are doing right now. We are getting ready to offer South Africa on the debt ceiling, which is not an orderly procedure. There was no hearing on the amendment which is about to be offered. So when we start the orderly procedure, I want to be there for the grand opening.

Mr. MATTINGLY, Mr. President, I wish to say with respect to last year, in case the Senator from Tennessee has forgotten, that we did debate Davis-Bacon on military construction last year. We took some time to debate that by the Senator from Massachusetts. So just because something may be controversial is no reason not to take up the bill.

If the Armed Services Committee wishes to debate home porting on the military construction bill, I think we ought to do it in order to pass the bill. And I think if we look at last year, I think we need to separate defense appropriations and military construction appropriations, because last year military construction not only passed but was signed into law and was not included in the continuing resolution. And there is no reason for that to happen this year.

Mr. DOLE. Mr. President, let me indicate sort of the elements of the unanimous-consent agreement that we have been sort of floating around that may be of some interest, as people have various interests.

We would suggest, on MilCon, there be 16 hours of debate, no more than 10 hours of which would be on Contra aid, and then final passage before the recess. On South Africa, freestanding, 12 hours of debate and final passage.

On DOD authorization, 24 hours of debate, no more than 8 hours of which would be on SALT, and final passage.

It seems to me that is 52 hours of debate. That is a long time, but I know these are very important bills. Obviously, no agreement has been reached, but I would indicate that to those who have an interest. I am not certain that those who oppose any of these matters would ever give us an agreement, but at least that is one we are shopping around.

Mr. BYRD. Will the distinguished majority leader yield?

Mr. DOLE. I yield to the minority leader.

Mr. BYRD. The distinguished majority leader has referred to a proposed agreement that has been "floating around." The distinguished majority leader and I had one discussion with respect to possibly coming to some agreement that would allow Contra aid, South Africa, DOD, SALT II, and all of these various issues to have their day in court. Then it was my understanding that the staffs of the distinguished majority leader and minority leader met once and discussed this. I think that was the end of it.

Mr. DOLE. If it was, then I will need to have staff go back. I think there have been only staff level meetings, but I think they have been expressing or reflecting the views of some of their Senators.

□ 1840

Mr. BYRD. It might have been other Senators, but not this one. My staff, I think, brought something to me. It sounds like a paper of this nature. But I think the distinguished majority leader and I should sit down. I would be glad to sit down with the distinguished majority leader and other Senators if I may respectfully propose this, and see if we can work out such an approach. I would be happy to cooperate with the distinguished majority leader in doing so. But I do not think we are getting anywhere with regard to staff meetings. Maybe staffs of other Senators have. But I do not think there are any meeting going on with my staff in this regard.

I would be happy for my staff to be involved. But I think we will get further at this very late stage with only 12 days left before the scheduled August recess if the Senators themselves and parties, who are the managers, ranking managers, chairmen, and ranking members of the committees, could sit down with the two leaders and maybe we can make some progress.

I would like to advocate that approach if the distinguished majority leader would consider it. I say it respectfully. He has a heavy burden of scheduling the work of the Senate. But as I see it, we are rapidly approaching the August 15 break. We have only 4 weeks when we return. So we have 12 days left between now and August 15 if we utilize Fridays and Mondays.

I offer that as hopefully an approach with the distinguished majority leader, and other Senators who consider it to be appropriate and useful.

I thank the majority leader.

Mr. DOLE. Let me first thank the distinguished minority leader.

I have a little different view of what has been happening, but I must say that I think those who want to bring up the South Africa legislation might want to make some proposal.

Again I am not certain we can get an agreement. It seems to me these are very, very sensitive areas and very difficult areas for Members who have to be on each side of the issue. DOD authorization would not normally be but there is the SALT resolution and DOD authorization which might create problems. There may be other areas I am not aware of. Then the MilCon appropriation will not normally take very long at all. But obviously if it is going to have the Contra aid of $100

million, and that starts that debate again. I assume someone might spend several days on the Contra aid, on the authorization, and several more on the appropriation. That is one way to kill it. There may be others.

I am happy to yield to the Senator from Massachusetts.

Mr. NUNN. Will the Senator yield? I believe the Contra aid is only on the appropriation. I do not think you have to take it up twice.

Mr. DOLE. We do not have to debate it twice. That would be helpful.

Mr. KERRY. Mr. President, I ask the majority leader. He asks about some other alternative. Would not it perhaps be fairer under circumstances to consider stripping the issue of the aid to the Contras, allow the issue of South Africa to come up freestanding, and then with a time agreement on the MilCon. Particularly I think that would be fairer in light of the fact that there has been a vote on this issue which the world is watching at this moment to see where we go.

I think the supporters of the South African effort would be perfectly happy to have that come to the floor without any agreement as to time to take their chances. So why would not it be fair and why would not the majority leader allow each to come as a freestanding piece, allow each to take its lumps as it may in the legislative process, with a time agreement on MilCon because of the urgency expressed by the Senator from Georgia, for which I think most of us agree. That would give us all an opportunity to let the legislative process work its will, give each appropriate airing, and be fair and allow the process to proceed forward. Why could we not proceed that way, Mr. Leader?

Mr. DOLE. Again, I appreciate certainly the suggestion. We can consider it.

Mr. MATTINGLY. May I make a statement?

Mr. DOLE. Right offhand, it is not easy to put these things together. We are willing to try. It is a good suggestion. Again, there is still another participant. I mean the President feels very strongly about aid to the freedom fighters. There is no question about it. The House stalled and stalled and stalled and stalled. They finally voted. In a bipartisan vote, they approved the package.

Now after we had approved the package, we have to go back and do it again. There is no conference. We have to do it again. I think there is more justification for it. There is White House interest.

On South Africa, there is obviously a markup going on in Foreign Relations. Maybe that bill will be satisfactory.

I do not know what the vote will be. But I think it is possible to do all of these things. I am an optimist; plus reconciliation, and plus the Superfund conference report before August 15. I do not believe that is impossible.

Mr. BYRD. Plus the Boren-PAC amendment.

Mr. DOLE. That is another little item for which we have to carve out a couple of days—or day and a half—in any event, for the Boren-PAC discussion.

Mr. MATTINGLY. Will the majority leader yield for a statement?

Mr. DOLE. Let us just have a question.

Mr. MATTINGLY. The Senator from Massachusetts made a comment in reference to stripping the freedom fighter aid of MilCon. The purpose is to put it on MilCon so it can be a conferenceable item since the House has already passed it on the military construction bill. So you want to do these things every 3 months.

Now we are just right where they passed an aid bill over there. To take it off MilCon over here would be establishing another bill that they have you pass on again. They have to repass it in the House. That does not make too much sound logic as far as trying to get it passed. It is good if you do not want it passed.

Mr. KERRY. If I may answer the leader.

Mr. DOLE. I yield to the Senator.

Mr. KERRY. Even if we did not strip it, it seems to me that if we are talking about trading here, we are talking about trying to be fair, and we are talking about trying to resolve this, if the supporters of the effort were to proceed forward on South Africa, are ready and willing to proceed forward with that as a separate entity, as Contra aid can be considered a separate entity, then let us proceed forward. I think if we are going to talk about a fair exchange, we are willing to proceed forward. I have talked with a number of the leaders, Senator KENNEDY and others. There is no reason not to begin that debate. As of tomorrow hopefully the Foreign Relations Committee will report something out. If it does not, then there is another way to proceed forward by an agreement. But I think the legislative process can work its way just as I actually believe it will work its way on the issue of aid to the Contras. I see no reason why we should not proceed forward on both subjects.

Mr. DOLE. I yield to the Senator from Massachusetts.

Mr. KENNEDY. I would like to get recognition.

Mr. DOLE. What I had hoped to do now is accommodate Senators on both sides on matters involving LTV. I propound this unanimous consent request, that we turn to Calendar No. 741, S. 2690, dealing with a company which filed for bankruptcy. I ask unanimous consent we turn to that.

Mr. BYRD. Mr. President, reserving the right to object, what kind of time agreement are we talking about here? Is this something that is going to be before the Senate for days?

Mr. DOLE. I understand from Senator METZENBAUM and Senator HEINZ that is going to be about 5 minutes.

Mr. METZENBAUM. We would be perfectly agreeable to 10 minutes, 5 minutes on a side.

Mr. DOLE. As I understand, there will be no rollcall vote. We hope to follow on with that.

I do not care if we do this tonight or not. I am trying to accommodate Senators.

Mr. METZENBAUM. We appreciate the cooperation. In fact, the minority leader is a cosponsor.

Mr. CHILES. Will there be any more votes tonight?

Mr. BYRD. I want to be sure this is not going to be before the Senate very long. The distinguished Senator from Ohio has indicated 10 minutes would be ample.

Mr. METZENBAUM. That is fine.

Mr. BYRD. There are several Senators around here yet, some of who may want to offer amendments on the debt ceiling resolution, if the distinguished majority leader is disposed to do it or let us do it. Also there would have to be some agreement that there would be no amendments to this bill if we are going to have a 10-minute limitation on it. Else someone might call up almost any kind of amendment.

Mr. METZENBAUM. I ask the majority leader if he would include in the unanimous consent request with the understanding that the Senator from Ohio has a modified amendment that has been cleared and has been discussed all around. I do not believe there is any problem with modifying it.

Mr. DOLE. I ask unanimous consent that the amendment not be subject to further amendment.

Mr. BYRD addressed the Chair.

Mr. KENNEDY. Mr. President, reserving the right to object——

Mr. DOLE. Mr. President, I withdraw my request.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

(Mr. HECHT assumed the Chair.)

□ 1900

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, it is my understanding that the distinguished Senator from Wisconsin would like to make a statement on Gramm-Rudman and for no other purpose. Is that correct?

Mr. PROXMIRE. That is correct.

Mr. METZENBAUM. Mr. President, would the majority leader conceivably consider making his unanimous-consent request that we might follow the Senator from Wisconsin with a 10-minute limitation, 5 minutes on a side, no amendments except a modifying amendment that has already been cleared, and no further amendments?

Mr. DOLE. I am prepared to do that, Mr. President, but we should let him make his statement.

Mr. METZENBAUM. I thank the majority leader.

Mr. PROXMIRE. Mr. President, I thank my good friend, the majority leader, for his graciousness.

TIME FOR A BIG DOSE OF REALISTIC PESSIMISM

Mr. PROXMIRE. There has been very little discussion in the Senate of what may be the most important effect of the Gramm-Rudman-Hollings law if Congress stays with it. That is the price the country would pay for the success of Gramm-Rudman-Hollings.

I voted for that bill. I am glad I did. I think it was essential. I would vote for it again. I had voted for the amendment Senator GRAMM and others have submitted this afternoon. Nonetheless, I think we have to be fully aware of what we get into here.

Suppose Congress surprises its critics and finds somehow a way to comply with the law's demand that Congress reduce the deficit by the $55 to $75 billion that will be required for fiscal 1987. And suppose in fiscal 1988, we comply again with the law and bring it down another $40 to $50 billion. This would seem to be a dramatic success. But what would be the consequence for the American economy?

Couldn't such a dramatic and massive shift in fiscal policy slow the economy so drastically that it would bring on a recession? And could not that recession not only cause a big increase in unemployment and widespread business failures and personal bankruptcies, but also a far deeper deficit than this country had ever suffered, perhaps a $300 or $400 billion deficit? I think it could. I do not know how we could avoid it.

Some Gramm-Rudman-Hollings supporters argue that with a little courage, Congress can and should stick with Gramm-Rudman-Hollings through thick and thin. They argue that the country can sail along to a balanced budget in 1991 as our reward. Those optimists tell us that monetary policy—I repeat monetary policy—can save us. Well, Mr. President, who runs monetary policy in our country? Answer: the Federal Reserve Board. And who is Chairman of the Fed? Paul Volcker. And what does Chairman Volcker say? Just last week, Chairman Volcker told the Senate Banking Committee that monetary policy should not and cannot pick up this economy. And the record clearly supports him.

Mr. President, the fact is that, since the beginning of 1985, this country has pursued an exuberantly expansive monetary policy. In fact, during that period, the monetary policy has roughly matched the fiscal policy in its all-out exuberance. Interest rates have fallen. But has this effectively stimulated the economy? The economy has been slowing since the beginning of 1985. It is currently stumbling along at a pathetic 1.1-percent annual growth rate.

What are the options for moving this American economy out of its stagnation? Sure, we have had a long, continuous period of peacetime economic growth. Yes, the economy has created millions of new jobs. Yes, we do have a higher proportion of the adult American population at work than we have ever had since we started keeping economic statistics. Yes, indeed, interest rates have been falling—although they are still high by historical standards. And certainly, the raging inflation of the 1970's has subsided to a 2- or 3-percent level.

So what is wrong? Plenty. A higher proportion of the American people are working, but we still suffer very high unemployment. Seven percent of the work force—8.4 million Americans—have been seeking work actively and cannot find it. Additional millions are working part time for economic reasons. More than a million persons are not counted as unemployed because they have become too discouraged to look for work. After seeking work for many months or even years, they have stopped looking. Some experts argue that as much as 14 percent of the work force—as many as 15 million Americans—would like to work but can't find jobs.

And what is the outlook? In the most recent quarter, the growth of the economy slowed to an annual rate of 1.1 percent. If that rate continues, unemployment is bound to increase. Still, a record 110 million Americans are now working. Yes, but most of those who are working have suffered a reduction in their real pay over the past 6 years. By real pay, I mean wages and salaries corrected for inflation.

If we make this inflation adjustment, we find that since 1980, the average real wage has dropped in the past 6 years by 9 percent. That means that the great majority of Americans are not gaining any advantage from the moderation of inflation or the drop in interest rates. They are not better off then they were 5 years ago. They are demonstrably worse off.

Every administration is perpetually optimistic about the economic outlook no matter how grim it may be. That optimism goes with the territory. After all, what do you expect? The incumbent administration, whether it is Democratic or Republican, has a powerful, vested interest in optimism. One of the most important ingredients in economic growth is a positive, confident attitude on the part of consumers and business managers. So every administration usually forecasts a great economic outlook ahead. And the Reagan administration as we all know, has set the all time record for optimism. Whatever may be President Reagan's faults, pessimism is not one of them. No one has ever accused this President of being a gloomy gus. So it is no surprise that his administration smiles happily and predicts an exuberant 4½-percent growth for the rest of this year and next year.

Could that be true? It would mean that in the fading, stumbling fifth year of this aging recovery, from somewhere, a burst, an explosion of economic activity, will somehow emerge. Well, maybe. It has never happened before this late in any previous peacetime recovery. But the economy continues to be unpredictable. Maybe wishing can make it so. But where is the force that can stimulate this economy?

How about the Federal Government? Can we lift the economy with a stimulative fiscal policy? Can we increase spending and cut taxes, so the Amercian people will have more in their pocket to spend?

That has been the prime way the Federal Government has stimulated a lethargic economy in the past. In fact, one of the most widely respected economists in the country, Albert Wojnilower, chief economist of the First Boston Corp., recently has said, "None of the domestic economy's success in terms of the business cycle would have happened without the deficits." Wojnilower may be wrong, but he is a wise and, as I say, highly respected economist.

So can we use the deficit to stimulate the economy now? No. We would have to go to about a $300 to $400 billion deficit. In the long run, that would be a tragedy, would have very serious adverse effects on the economy.

We are now running a deficit of about $220 billion. All the pressure is to cut that deficit in the coming year by between $50 and $75 billion. What effect will that have on the economy? The answer is simple. It can only slow the economy or push it into recession.

Can the Federal Government through the Federal Reserve Board reduce interest rates further? Maybe. But interest rates have fallen spectacularly over the past few years in response to the most stimulative peacetime monetary policy in the Nation's history.

I say it is stimulative because if you compare the growth in money supply by any measure—M1, M2, M3—if you compare it with the nominal GNP, as we usually compare it, we see a stimu-

lative effect such as we have never before seen.

What effect is this having on the economy? Practically none. The economy continues to slow down. The Fed can continue to pour two or three times as much credit into the economy as the economy needs. That may shove interest rates down further. It may succeed in sustaining home sales and auto sales for a while. But the country may be reaching a surfeit of both autos and homes.

How about the business sector? Can we expect economic stimulus from an expansion of business activity? Well, maybe, but American business is by far more deeply in debt today than it has ever been. American corporate debt today greatly exceeds even the massive Federal deficit. Corporate debt in this country has risen to more than $3 trillion. The Federal debt is $2 trillion. Corporate debt is $3 trillion.

That leaves the American consumer. Can we count on big buying from the American consumer? Can she and he lift us out of the present economic stagnation? The answer is almost certainly and emphatically "No." The consumer has increased his installment debt, his mortgage debt, and his personal debt to the highest levels relative to income in the Nation's long history. The next recession will see record consumer bankruptcies, featured by massive home foreclosures. In the next few years the American consumer is far more likely to be part of the problem, and a very big part of the problem instead of part of the solution.

So can we rely on what Paul Volcker cited the other day, the international economy, to pull America out of its economic doldrums? Well, Mr. President, what country is going to do it? What foreign country is going to perform this magic? Let's go through our trading partners in order of their trading volume. After all, trading volume is the real measure of how much that can help. The No. 1 U.S. trading partner is who? Canada. Canada is far too small and too dependent on the United States to play any significant role in counteracting any United States recession. The No. 2 trading partner is the Japanese. Maybe over a 10- or 20-year period the Japanese might help. But for the next 4 or 5 years? Forget it. No. 3 is the United Kingdom. Will they pull this massive $4 trillion economy into salvation? With what? Our No. 4 trading partner—listen to this—is Mexico. Will Mexico lead the way? As Everett Dirksen once said, "Ha, ha, ha." And I might add, ho, ho, ho.

No, it is up to us. We will have to do it. It will take years of economic pain and steady persistent effort to repair the borrow-now, pay-later philosophy of Government, business, and consumer that has pushed us into this economic quagmire. The sooner we squarely face up to this grim reality, the sooner we can take the hard steps necessary to lead us back to solid, economic strength and growth.

Mr. President, this does not sound like much of a speech in support of the Gramm-Rudman-Hollings law but I am for it. I think it is the only thing we can do, grim as the consequences are going to be. We are in this mess and that is the only way to get out of it.

Mr. President, I thank once again my good friend, the majority leader, for graciously letting me take the floor.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1930

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROHIBITING DISCONTINUING OF BENEFITS BY CERTAIN COMPANIES WHO HAVE FILED FOR BANKRUPTCY

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate turn to Calendar No. 741, S. 2690, dealing with companies that file for bankruptcy.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2690) to prohibit certain companies who have filed for bankruptcy from discontinuing medical and life insurance benefits to retirees.

There being no objection, the Senate proceeded to consider the bill.

Mr. DOLE. Mr. President, as I understand there will be one amendment to be offered by Senators HEINZ and METZENBAUM. And I ask unanimous consent that no further amendment or no motion to recommit be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent there be 15 minutes equally divided between Senator HEINZ and Senator METZENBAUM.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2239

(Purpose: To make a technical correction)

Mr. HEINZ. Mr. President, I send the amendment mentioned by the majority leader to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. HEINZ] for himself and Mr. METZENBAUM proposes an amendment numbered 2239.

Mr. HEINZ. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 3, after "agreement" insert "(including all health and welfare benefit plans)".

Mr. HEINZ. Mr. President, it is a technical amendment. I know of no objection to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania.

The amendment (No. 2239) was agreed to.

Mr. HEINZ. Mr. President, how much time does the Senator from Pennsylvania need?

Mr. SPECTER. I ask for 3 minutes.

Mr. HEINZ. Mr. President, I yield 2 minutes to the Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I thank my distinguished colleague, Senator HEINZ, and I congratulate Senator HEINZ and Senator METZENBAUM for their leadership on this important bill.

As the title of the bill specifies, this bill will require that the LTV Corporation shall continue to pay all medical and life insurance benefits to retirees of that corporation.

LTV is a corporation which is currently in chapter II bankruptcy proceedings and there are some 87,500 retirees in the United States, many, many of them in the Commonwealth of Pennsylvania who have worked for steel companies, Jones & Laughlin, Republic, and Youngstown Tube and Sheet, and also from the United Mine Workers and United Steelworkers, there are many of these retired employees who are in urgent need of these benefits.

On Monday of this week, through the leadership of Senator METZENBAUM, a hearing was held in Cleveland, attended by Senator METZENBAUM and myself and a number of Congressmen where we heard compelling testimony from Lynn Williams, the head of the United Steelworkers, and Mr. Richard Trumka, the head of the United Mine Workers, about the plight of these retirees who have been literally thrown into a panic by the cancellation of their life and medical insurance benefits.

□ 1940

This legislation is urgently needed. It will be really a godsend to those people. I thank the majority leader for his cooperation in moving this bill to the floor so rapidly, and my colleagues for making it possible for this legsla-

tion to move forward to take care of this very urgent need.

I thank the Chair and I yield the floor.

Mr. METZENBAUM. Mr. President, I ask unanimous consent to add Senator LEVIN as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, on July 17, LTV Corp. filed for bankruptcy under chapter 11 of the Federal Bankruptcy Code.

This is the largest bankruptcy filing in U.S. history in terms of company size, and debts. It halts payments of $4 billion to more than 20,000 creditors. LTV steel is the second largest steel manufacturer, a major defense contractor, and the 43d largest industrial company in the country.

Mr. President, in an unprecedented move the day after filing its petition, the company suspended health and life insurance benefit coverage to its retirees in violation of its collective-bargaining agreement.

This move has effected 78,500 retirees and their families nationwide, and 30,000 of those live in the Cleveland area.

Mr. President, our bankruptcy laws are intended to protect a company from its creditors in order to give it an opportunity to reschedule its debts—to reorganize in order to become a viable company. Our bankruptcy laws are not intended to permit companies to terminate their health and life insurance promises to retirees. It was those retirees who built the company. In fact, I think that Congress spoke clearly on this subject in 1984 when we passed the Bankruptcy Reform Act. That law encourages the collective-bargaining process. It requires that a company first make a proposal to the union and provide all relevant information and bargain with it in good faith. Only after complying with these steps can it seek court approval to reject its collective-bargaining contract obligations.

LTV has not negotiated with the retirees. Instead, it has unilaterally terminated their health benefit coverage.

Mr. President, LTV claims that it is required under the bankruptcy law to terminate the health benefit program. They are wrong.

What recourse do the retirees have?

Their only hope is to commence legal proceedings. But in the meantime, they will be without medical coverage.

Mr. President, on Monday I chaired a Senate Judiciary Committee hearing in Cleveland. At that hearing we heard from a number of LTV retirees who face hardship, if not disaster, following the cut-off of their health and life insurance benefits.

Mrs. Eddie Hunt is from Strongsville, OH. She has cared for her bedridden husband for 2 years. Twice every day her daughter leaves work and comes to the house to help her mother turn her father in bed to provide some minimum circulation. Medical supplies cost $100 a month; doctor's bills $110; prescriptions $60; over-the-counter drugs another $100 or more.

The day LTV cut off health benefits a doctor told Mrs. Hunt she should hospitalize her husband for a high fever. She couldn't, she didn't know who would pay the bill. Mr. Hunt worked for Republic Steel for 30 years.

We heard from Mr. and Mrs. Frederic. He worked for Republic Steel since he was 18. Thirty-three years of service. He is 50.

His wife has chrones disease. She recently had two heart attacks. Mr. Frederic is diabetic.

This couple has spent over $1,000 on prescriptions alone this year. Mrs. Frederic just came out of the hospital. They now have no health insurance. They also care for their 5-year-old granddaughter.

So what do they face? Hundreds of dollars of monthly medical bills; constant fear of hospitalization, no insurance.

Mr. President, this couple lives in fear of their own future.

Mr. Dick Fisher also testified at the Senate hearing. He worked for the Republic Steel Co. 20 years. Retired with a stroke in 1970. He lost a leg in 1983. Had triple bypass surgery the same year. He has prescription drugs which run him $250 a month—presently covered by his wife's insurance—which he may lose. On a limited retirement income how can he possibly replace his health and life insurance?

The tragedy is Mr. Fisher lives independently. He has adapted his apartment to meet his needs. All of that could now be lost, if he loses his benefits.

Mrs. Lillian Lemmens testified at the hearing.

Mrs. Lemmens was a salaried employee with Republic Steel. She worked for Republic Steel for over 30 years. Her husband has cancer. She has a $4,000 hospital bill and doesn't know who will pay. Company checks to pay the doctor have bounced—one for over $500. Who's going to pay? What are the retirees supposed to do? Raid their life savings? Sell their homes?

Mr. President, Mrs. Hunt, Mr. Frederic, Mr. Fisher, and Mrs. Lemmens all told me that there are other retirees who are worse off than themselves. They expressed their concern for their friends and colleagues who find themselves in a similar disastrous predicament.

They are right; 78,000 LTV retirees have lost their benefits.

These are the very workers who built LTV steel. And they were promised that when they retired their medical needs would be provided for. What a travesty of justice to deny them the benefits they need for survival.

Mr. President, this bill mandates that LTV reinstate the medical and life insurance programs unless and until a court of competent jurisdiction orders their termination.

Mr. President, this measure is the only hope that these tens of thousands of retirees have to obtain medical coverage. They cannot wait for the court system to restore them.

This legislation will make it possible to see to it that the retirees are protected until such time as the court enters an order to the contrary. I hope that the court will not enter an order to the contrary. But this legislation makes that possible.

This bill covers all workers, blue-collar workers and white-collar workers as well. It is the fair and right thing to do.

I want to point out to my colleagues how much I am sure the retirees appreciate the action of the Senate tonight. They are planning to go on strike as of 11 o'clock tomorrow night. I believe that the passage of this bill through the Senate and, hopefully, through the House as well, will be a deterrent to their doing that and will no longer provide them with any reason to go on strike.

I am grateful to the majority leader for scheduling this matter this evening. I wish to express my appreciation to the others who have joined as cosponsors on this legislation.

Mr. GLENN. Mr. President, I am a cosponsor of S. 2690, legislation to require the LTV Corp. to resume providing health and life insurance coverage for its retirees, unless and until a court of competent jurisdiction tells them to cease. I believe this legislation is necessary in order to protect the 78,000 LTV retirees nationwide, including 31,000 in Ohio, whose benefits were abruptly terminated July 17 when the corporation filed their Chapter 11 petition. I urge my colleagues in the Senate to support this legislation.

Termination of health and life insurance benefits has created an intolerable situation for LTV retirees. It has put at risk the very men and women who spent their lives working to make LTV strong. Since many of these retirees are under 65 and consequently not eligible for Medicare, they are heavily dependent upon these insurance benefits.

Last week I, along with Senator METZENBAUM, held a meeting in my office with LTV, the health insurers, and the United Steelworkers Union. Senator METZENBAUM and I both urge all parties to take swift action to resolve this situation. Since then work stoppages have occurred in several of LTV's facilities across the country; I understand and respect the strong

feelings and sense of community that has led the workers to take this action.

The LTV Corp. believes that, when it filed under chapter 11, it was legally required to treat retirement health and life insurance benefit like all other obligations and suspend payment. While I do not believe that Congress intended for our bankruptcy laws to have this effect, our bill would allow the company to present this argument to the court; I would hope that the court would rule expeditiously on this very important legal issue. But, most importantly, in the interim under our bill the LTV retirees would have insurance coverage until the matter is resolved by the court.

We do not have figures on LTV's financial condition, so we do not know how much of a burden this bill would impose. That is for the court to decide. The legislation, however, would allow the corporation to go into court and attempt to show that it could not pay health and life benefits to retirees without going into chapter 7, that is, liquidation of the corporation. Obviously, if LTV believes that payment of these benefits would force it into chapter 7, then it should immediately apply to the Bankruptcy Court for suitable relief, to prevent this from happening.

As an example of such quick relief already granted, I note that LTV obtained permission from the Bankruptcy Court within 1 day for the company to continue health and life insurance benefits for its active employees; I assume that it reasonably could obtain equally rapid relief in a Bankruptcy Court as necessary for procedures covered by this bill.

I believe it is imperative that we enact this legislation to resolve this situation before the company's financial situation worsens even more and the whole steel industry faces yet another setback. I urge my colleagues to vote for it as a reasonable interim measure to address this very serious problem for the whole Nation.

Mr. HEINZ. Mr. President, I yield myself 1 minute.

Mr. President, first, I ask unanimous consent to add Senators DENTON and BOSCHWITZ as cosponsors of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Second, I want to express my gratitude to the majority leader, indeed to all Senators, for allowing us to take up this bill.

Earlier today, I indicated it was our hope to get this legislation up. It does affect some 78,000 retirees who, as I mentioned earlier, are being cut off on their health and welfare benefits. Some 61,000 of these employees are former steel employees and the remainder in other divisions of LTV. Over 10,000 of them still reside in my home State of Pennsylvania. This legislation will restore the lifeline that was cut on July 17 when LTV announced its record steel bankruptcy.

At this point, I yield 2 minutes to the Senator from Minnesota.

Mr. DURENBERGER. Mr. President, let me begin by thanking my colleague from Pennsylvania [Mr. HEINZ], who first brought this issue to our attention in the reconciliation proceedings in the Senate Finance Committee the day after the chapter 11 filing. He was persuaded at that time not to add this particular resolution, at that time, to the reconciliation bill.

Subsequently, the group that you see on the floor here tonight came together under the leadership of the Senators from Ohio and Pennsylvania. I am grateful to them on behalf of the 1,700 employees who, in Minnesota, have mined, while active employees, the ore that made the jobs in Cleveland and Pennsylvania possible for the steelworkers in those States.

The tragedy, Mr. President, is that of the 63,000 retirees, more than half are under 65. The assumption of most retirees is that they would be eligible for Medicare or other health care when they retire. But that is not true.

Unfortunately, it is also not atypical of a problem that faces America today. More than half of the 63,000 LTV retirees are not old enough—65—to be eligible for Medicare. They are being turned away from hospitals in Minnesota, in Ohio, in various parts of Pennsylvania on the very day we have adopted this bill.

In addition to the solution before us today, I have an additional solution which is now at the desk in the form of a resolution which I have agreed not to bring up tonight so that this bill could be passed more quickly. That solution directs the tax conferees, our colleagues, to take into consideration the commitment of at least a portion of the so-called investment credit cashout to help these retirees.

The Tax Code does subsidize active employees. It is about time it took into consideration retirees. We must make certain that the retired workers who built the iron and steel industry not bear the full brunt, alone, of the tragedy unfolding in the steel industry. Mr. President, the LTV bankruptcy has left thousands of retired workers without health insurance coverage. I hear this is but the tip of the iceberg for many retirees in Southeastern America. My distinguished colleagues, Senators HEINZ and KENNEDY have joined with me in many efforts to develop and improve our Nation's health policy. The LTV situation should focus our attention on finding better ways to address the health problems facing retirees. I trust we will find a solution to this problem.

Mr. BYRD. Mr. President, I thank the distinguished Senator.

Mr. President, this legislation will provide immediate relief to thousands of LTV retirees who have abruptly lost their medical and life insurance benefits as a result of LTV's actions under the chapter 11 bankruptcy filing. Among those affected are hundreds of retired coal miners in my State of West Virginia.

Under the 1974 UMWA pension trust, UMWA coal miners who retired after January 1, 1976, are directly provided health care benefits and life insurance by the employers from which they retired. Thus LTV has a legal, contractual responsibility to provide health care and life insurance benefits to approximately 1,500 UMWA coal miners who have retired under this pension trust.

The benefits that LTV seeks to discontinue are a lifeline for these retirees. They do not have the option of easily finding an insurance company that will be willing to underwrite a health or life insurance policy for them, and if they did, they couldn't afford it. The premiums for such policies would take up a major share of their pension checks, pensions that are still vulnerable to reduction under the bankruptcy proceeding.

This bill does not provide the long-term solution to this issue, but it does continue these benefits that are vital to the retirees, without undermining the bankruptcy court's role in determining how these benefits should be dealt with in the overall context of the bankruptcy filing.

I urge all my colleagues to support its speedy enactment.

Mr. HEINZ. Mr. President, how much time remains for this Senator?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. HEINZ. Mr. President, I will simply close by saying that the passage of this legislation will be of substantial relief to all of those employees, former employees, retirees of LTV whose medical benefits were cut off in their entirety as of July 17, just about 2 weeks ago. Half of those retirees, by the way, are too young to be eligible for Medicare benefits. They are people who are dangerously exposed. Buying coverage on the open market is very expensive and really out of the question for most of them. This will reestablish their coverage, assuming that the House acts and acts promptly.

I said earlier that this is a very desperate situation. People have had operations scheduled and cancelled. Frankly, it is, in my mind, outrageous that LTV could use the promise of a lifetime health coverage to induce their workers to retire when they were reducing their work force and then turn around with this filing for reorganization and throw, in fact, all those retirees out of the plan. I think it is outrageous that that should happen. This legislation corrects what would

be, I believe, an irresponsible, unfair, and unwelcome action.

I yield back the remainder of my time.

□ 1950

I yield back the balance of my time.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I will be very brief.

I want to say that the Senator from Pennsylvania joined me, as well as a number of Congress persons, in a hearing which we held in Cleveland on Monday on this issue. Senator THURMOND was kind enough to permit us to do that, and has been very helpful in this entire matter.

The issue has to do with the jurisdiction of the Judiciary Committee. Senator THURMOND indicated that he had no objection to our using the expedited procedure under rule XIV. Senator BIDEN, the ranking minority member, said that he had no objection to us not going through the normal committee process. The bill came through. It was introduced on Friday.

I think it indicates that the Senate, when it makes up its mind that there is a problem in this country and that the problem needs to be resolved, will act promptly, thanks to the leadership of the majority, to the leadership on my side, and all of the others involved.

On behalf of the 78,500 retirees who look forward to passage of this bill in order that their health and medical benefits may be restored, I want to say that I thank all of those who participated in its passage.

Mr. BYRD. Mr. President, I want to express my thanks to the distinguished Senator from Ohio, Mr. METZENBAUM, for the leadership that he has shown on this matter. Also, I want to thank the distinguished Senator from Pennsylvania, Mr. HEINZ, and also the distinguished Senator from Pennsylvania, Mr. SPECTER and others, but particularly the Senator from Ohio.

Mr. METZENBAUM. I thank the Senator.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2690), as amended, was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2690

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LTV Corporation, including all of its subsidiaries which were included in a bankruptcy petition filed, with a court, by such corporation pursuant to title II, United States Code, shall continue to pay all medical and life insurance benefits to the retirees of such corporation or of any such subsidiary, as such payments are provided to be paid by such corporation pursuant to any agreement (including all health and welfare benefit plans) in which such corporation or subsidiary is a party. Such payments shall continue until such time as a court of competent jurisdiction orders the cessation of such payments.

SEC. 2. EFFECTIVE DATE.—The provisions of this Act shall be effective on July 25, 1986.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AGENDA

Mr. DOLE. Mr. President, I thank my colleague.

I think we did dispose of that quickly. I wish we could do some other matters, maybe not that high of a priority, but other matters that are very important, that quickly. We could probably take off in the next 2 weeks. But in any event, I think that, rather than get into a debate on freedom fighters, I would, as I understand the Senator from Massachusetts, follow my amendment with a motion to recommit on South Africa. I could follow that with an authorization for the freedom fighters amendment, a motion to recommit, and we could debate those two issues probably for several days. I would rather not do that.

So I am going to move that there now be a period for the transaction of routine morning business not to extent beyond the hour of 8 p.m.

Mr. KENNEDY. Will the leader yield for a question?

Mr. DOLE. I am happy to.

Mr. KENNEDY. Is it the intention of the leader to at least permit the Senate, or urge the Senate, to have some disposition of some South African measure as a majority, or with support of the Members of the Senate this week?

Mr. DOLE. I am not certain about this week. We have not even had the bill reported out of the Senate Foreign Relations Committee. As I understand, that may be done tomorrow. I am not certain. I have not discussed that today with the Senator from Indiana, the chairman of the committee, Senator LUGAR. But I still am hopeful that we can maybe in the light of day sit down and work out some agreement on both South Africa and Contra aid, and maybe with an addendum following those two we would bring up the DOD authorization. But I know the Senator from Massachusetts is probably involved tomorrow morning in the Judiciary Committee hearings, too. We will try to work out something.

Mr. KENNEDY. The Senator is quite correct. I am more than willing to attempt to work out something with the majority leader, and others who are interested in this particular proposal. But I do want to reiterate to the leader that this is a matter of enormous national importance. The President has spoken on this issue. We have three different committees that have been having hearings on this measure. Really the questions that would come to the Senate have been pretty well reviewed, and there are no surprises either in the proposal or the initiative of the chairman of the Foreign Relations Committee, Senator LUGAR, or the proposals which Senator WEICKER, Senator CRANSTON, and I had proposed or in the House-passed bill.

So I know that the majority leader wants to have the attention of the Senate on this Contra aid package but I also want to indicate that I would be glad to have the opportunity if possible in the early morning to reach some kind of satisfactory solution or otherwise as the majority leader would understand take whatever steps we can to ensure that the Senate does have an opportunity to vote. I think there are ways that can be done.

I thank the leader.

Mr. EXON. Mr. President, will the majority leader yield for a question?

If I understand the parliamentary situation now, we are back on the committee amendment, and the majority leader is about to move to go into morning business. Is that what is planned? I have an amendment that I am prepared to offer on the bill if the majority leader would withhold. If we are about to go into morning business, we could move things along.

Mr. DOLE. I would rather not do that. That would not be totally fair to the Senator from Massachusetts and the Senator from Maryland who also are prepared to offer amendments. Maybe we ought to wait to see if something can be worked out tomorrow morning.

Mr. EXON. I thank the leader.

Mr. DOLE. I will try to expedite it. I always have with the Senator from Nebraska.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business to extend not beyond 8 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COL. RALPH ALBERTAZZIE

Mr. BYRD. Mr. President, on July 31, Col. Ralph Albertazzie will end his distinguished tenure as chairman of

the board of directors of the National Association of Truck Stop Operators. Colonel Albertazzie was born in Morgantown, WV, and now resides in Martinsburg with this wife, Carol.

Ralph Albertazzie has earned many achievements throughout his careers in the Air Force and West Virginia State government. He is a decorated flyer, former pilot of Air Force One, and a past West Virginia Commissioner of Commerce. Ralph exhibits the same dedication and strong characteristics in his current business enterprises that he displayed in the service to our country and West Virginia.

I am pleased to take this occasion to recognize Col. Ralph Albertazzie for his past service to the National Association of Truck Stop Operators.

PANAMA: FIVE YEARS AFTER DEATH OF TORRIJOS

Mr. HELMS. Mr. President, this week marks the fifth anniversary of the fatal plane crash in Panama of Gen. Omar Torrijos. I believe this is an appropriate time to assess what is currently taking place in that country.

At the beginning of this year, the Subcommittee on Western Hemisphere Affairs of the Senate Foreign Relations Committee, of which I am chairman, held a series of hearings on the situation in Panama. For many years I have followed Panama on almost a daily basis. At the outset of the hearings I stated several purposes for the hearings.

My concerns then, and now, as outlined in my opening statement last March, were: the brutal uninvestigated murder of Dr. Hugo Spadafora, the absence of a functioning democracy, the absence of a free press, the existence of gross corruption at the highest levels of the government and defense forces, the relationship of certain elements of the military with the Communist Government of Cuba, the special privileges granted to the supranational banking institutions, and the growing concentration of drug and arms trafficking through Panama's transportation facilities.

Mr. President, it has always been clear that my reason for holding the hearings was to probe each of these problems and to see how we could strengthen ties between Panama and the United States. But in the past several months, certain elements within the Panamanian defense forces, the government, and the ruling party [the PRD] have waged a propaganda campaign of falsehoods throughout the Western Hemisphere to convince the people that I am seeking to destabilize Panama and to take back control of the canal.

In fact, the President of Panama has gone so far as to send out an "alert" to all Latin American governments to warn them that I am attempting to take back the canal. As any observer will know, the Panama Canal Treaties were never a topic of discussion at any of our hearings.

What I have said, Mr. President, is that I am concerned that in the year 1999 the canal not be turned over to a band of corrupt drug traffickers who have no desire to see democracy flourish in Panama. I believe that if that were to happen there would be a grave security threat to the United States and to all the other countries in the region.

Mr. President, I would emphasize that my continuing interest in Panama is to see political and economic stability, and a free and open society in which the Panamanian people can recover their dignity. The Government and defense forces of Panama are deceiving their own people by leading them to believe that there is a conspiracy against the Panamanian people. I am by no means alone in having expressed concern over the current situation in Panama. There have been several hearings this year in the House of Representatives.

In the major news media, three respected journalists have done extensive research on Panama, and have brought out more charges than I was in a position to do lawfully. These journalists are Knut Royce of Hearst Newspapers, Seymour Herch of the New York Times, and Marvin Kalb of NBC News. Their reports, and those of other journalists—including the Miami Herald and the Wall Street Journal—are cause for a review of United States policy toward Panama.

Mr. President, when these charges were leveled against Gen. Manual Noriega, the commander in chief of the Panamanian defense forces, there was only one well-known figure who came to his defense—Fidel Castro. In a lengthy interview with Panamanian journalist Norma Nunez Montoto this month, Castro emphasized his solidarity with and affection for General Noriega. He told how helpful Noriega was to him during the United States rescue mission in Grenada by trying to attain a ceasefire. He told how kind and friendly Noriega has always been to him, and denounced the so-called conspiracy to destabilize Panama. I view Castro's defense of General Noriega as another matter of great concern.

Mr. President, we hear constant rhetoric of human rights violations in other countries, but when was the last time you heard a word about human rights abuses in Panama?

First, where was the outrage when Dr. Hugo Spadafora, a severe Noriega critic, was brutally decapitated, tortured, and murdered? That was last September, and to this day there has been no independent investigation of that murder in Panama.

Second, recently, Mr. Roberto Eisenmann, the opposition newspaper editor, discovered a plot by the defense forces to kill him if he returned to Panama. He was forced into exile, and with his entire family he is living in the United States.

Third, several months ago, a leading columnist, Mr. Guillermo Sanchez Borbon, was detained because he printed in a column the names of the defense force men who had been seen by eyewitnesses with Dr. Spadafora shortly before he was murdered. He was released after pressure by the U.S. Embassy. Just 3 weeks ago, there were reports that he would be jailed again for this continued criticism of General Noriega, drugs, and corruption. He too, was forced into exile and is now living in Venezuela.

Fourth, in May a very popular opposition radio program was forcibly closed down, and in June the entire station, Radio Mundial, was shut down. There is no remaining opposition radio or TV station in Panama.

Fifth, there is continual harassment of the only opposition daily, La Prensa, and its reporters. The Minister of Government and Justice gave La Prensa 3 days to prove one of their editorials which stated that the Panamanian judicial system was at the service of the defense forces. The government fined another journalist $500 for something he had written critical of the government. La Prensa had been printing paid advertisements by the Spadafora family, and was ordered to quit printing them.

Sixth, last September, the civilian president, Nicolas Barletta was forcibly removed from office by the defense forces. Only the facade of democracy remains because it is the defense forces who place and remove presidents at a whim.

Seventh, finally, there was the mysterious death this month of Mr. Serafin Mitrotti, the president of the largest Rotary Club in Panama. The circumstances are unclear, but there has been silence, rather than an investigation.

Mr. President, I must ask, where is the outrage over these abuses of fundamental human rights? We can no longer sit by while the hope for democracy is being destroyed.

I do not purport to know what is best for the Panamanian people. They must decide that. But at this point in time they are not allowed to choose their own destiny. They have been repressed from doing so.

I must ask why the Panamanian Government fears a system with open dialog and freedom of enquiry. Why has there been no independent investigation into the murder of Dr. Spadafora? Why has there been no investigation of the fatal plane crash of General Torrijos 5 years ago? It is interesting that there was a resolution in the Panamanian Assembly recently to ap-

point an independent commission to investigate the crash. The resolution was voted down by the ruling party. I ask again, Mr. President: If General Noriega is innocent of any wrongdoing, why does he not permit an independent investigation of the crash? If General Noriega is innocent of any involvement in the Spadafora murder, why does he not allow an independent investigation?

I have great respect and admiration for the people of Panama, but they deserve a chance to be free, restore their democracy, stability, and dignity.

JAMES N. PURCELL, JR.

Mr. SIMPSON. Mr. President, James N. Purcell, Jr., Director of the Bureau of Refugee Programs at the State Department since 1982, leaves that position today to asume other duties in this administration. I would like to take this brief opportunity to pay Jim Purcell a much deserved tribute.

Jim Purcell exemplifies the ideal public servant. He is a spendid man. Jim did not actively seek the Directorship of the Bureau of Refugee Programs, the most important refugee-oriented position in the Government. However, Jim accepted the appointment and has administered the U.S. Refugee Program, both our assistance to refugees abroad and the admission of refugees for resettlement in the United States, for 4 years with a fine skill and very real compassion which has made the U.S. Refugee Program a leader and a model for the Western democracies.

Mr. President, Jim Purcell deserves the thanks of this Congress and of his country for a job well done. I shall miss him.

Mr. KENNEDY. Mr. President, I also want to join my colleagues today in honoring on the floor of the Senate the extraordinary service of one of the unsung heroes of America's refugee programs in recent years—the work of Jim Purcell as Director of the Department of State's Bureau of Refugee Programs.

After 7 years of distinguished service, he is leaving his post, Mr. President, but he is also leaving a vacuum that will be hard to fill.

We often hear, in too many quarters in this city, disparaging comments about civil servants and government workers. Yet, to those of us who have closely followed our Nation's refugee programs in recent years—involving millions of dollars every year—we know that our successes in responding to the needs of refugees would simply not have been possible without the dedicated service of government servants such as Jim Purcell.

Over the past several years, his quiet but steady hand has helped guide our response in meeting the enormous needs of refugees that we in the international community have faced throughout the world. His management skills have helped us to marshall our resources to the maximum benefit, and helped give substance to America's long and proud tradition of helping those who are in need, and in welcoming the homeless to our shores.

As he moves to new and other challenging assignments, I am pleased to have this opportunity to add my voice in honoring Mr. Purcell's outstanding contributions to America's refugee programs—to those who need our assistance the most, the millions of men, women and children who are refugees today in search of peace and relief in so many corners of our world.

Mr. HATFIELD. Mr. President, when James N. Purcell, Jr. became Director for the Bureau of Refugee Programs in the Department of State in 1982, the United States refugee policy was in a state of flux, particularly in Southeast Asia. The mass exodus of Vietnamese boat people had slowed to a much more conservative pace; Cambodian refugees were continuing to migrate to the Thai border; and Laotian refugees were being imperiled further to the North. In addition, the world was seeing its refugee population growing by the millions as more human beings were being caught in the middle of tanks and warlords. The question facing the U.S. Government was a very simply and clear one: What was to be U.S. policy as we moved from a position of emergency management to one of planning and policy?

If there is one person who can rightly claim credit for ongoing success story of the U.S. Refugee Program, it is Jim Purcell. I have had the pleasure of dealing with many representatives of the executive branch and among them I number Jim Purcell as one of the most capable, honest, and thoughtful I have come to know. We have had our differences to be sure. There have been hearings in the Appropriations Committee where I have taken him to task over the "carryover game" which the Department enjoys playing on refugee admissions numbers. And there have been phone calls from me to him which have been hotter than a Washington August. But at no time have I ever considered Jim Purcell to be anything but a straightshooter, an honest man, and an individual whom I could trust and take for his word.

So today the Department of State finds itself without its chief architect of its refugee policy. Jim Purcell has emerged from his 4 tumultuous years as refugees policy director or worldwide programs with a functioning program and a wake of resettled refugees who to this day do not know Jim Purcell's role in their benefaction.

Jim Purcell zealously guarded the Refugee Act and its implementation because he knew what was in the best interests of those individuals fleeing persecution and torture and hopelessness. His commitment was patriotic in one sense, and spiritual in another. He saw his leadership role as a responsibility and as a gift from God, and he was a careful steward of this gift. I ask unanimous consent that an article written by his wife, Jean, be reprinted in the RECORD following my statement, an article which portrays Jim and Jean's personal commitment to the lessening of human suffering in the thousands of refugee camps in the world.

I look forward to Jonathan Moore's arrival at the Department of State and urge him to follow closely the neat footsteps of Jim Purcell. In Jim Purcell he will find a model representative and a visionary of refugee policy. The Senate will miss his counsel and companionship as it presses ahead in the continuation of a humane, generous refugee policy. I am glad for the opportunity to join Senators SIMPSON and KENNEDY in paying tribute to this fine American.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NO PLACE TO CALL HOME

(In 1976, after several years of service in the federal government, James N. Purcell, Jr., a prominent Nazarene layman, joined the Department of State. As he was promoted from one position to another, he became the director for the Bureau of Refugee Programs in 1982. Subsequently, his wife, Jean, was asked to write this article about his work and how it affects her. Mrs. Purcell is active in Baltimore First Church of the Nazarene.)

(By Jean Purcell)

That there are an estimated 10 million refugees in the world boggles the mind. This does not include millions of drought victims and others displaced within their particular countries.

Because of their religious or political beliefs, refugees not only have no fixed address, they have no country to call home. They have fled across national borders to escape real and present dangers of persecution within their homelands. They possess few choices. Their futures, whether resettlement in other countries or remaining in refugee camps without citizenship, depend upon foreign governments and international commissions who meet to decide their fate.

When my husband entered the scene of this crisis through the U.S. Department of State, it was to be a temporary assignment. Because of his management skills, Jim was called on to organize a Bureau for Refugee Programs. This new bureau would direct and oversee the State Department's worldwide involvement with refugee issues. Jim was then to return to his position as executive director of the State Department's Bureau of Administration.

The temporary assignment has stretched into seven years. For four years Jim was the Refugee Bureau's senior deputy assistant secretary. For more than three years he has been its director. Rather than diminish, as was hoped, the task has multiplied as wars and other disasters continue to erupt around the world. He has been charged by

our government to provide leadership on matters of national and international policy affecting millions of lives.

Hold a map of the world before you. Look at each continent and you will see places where governments either are creating refugees or receiving them. Refugees are fleeing across borders in the Middle East, Africa, Southeast Asia, Central America, Eastern Europe, and the Soviet Union. Areas giving safe haven or permanent resettlement include Australia, Canada, Europe, Israel, Japan, Sudan, Thailand, and the United States.

Decisions to leave one's homeland and family ties are not made carelessly. To suddenly become a refugee is frightening indeed. There is little opportunity to transport belongings apart from what can be carried. Try to imagine taking off suddenly, leaving everything behind except what can be stuffed into your pockets or tied into a makeshift carrying bag. Imagine the separation from loved ones and familiar places, perhaps forever. There are no guarantees about anything, even the next meal or a place to sleep. Imagine, if you can, what that means to parents with little ones to care for.

Haven is sometimes sought via cars or boats, as in the flight from Saigon during the mid-70s. Most often, the unknown is covered on foot. The sick travel by wheelbarrow, pushed by a willing relative or neighbor who is also a refugee.

In the Sudan, Jim saw this often-documented way of moving the sick and dying. He mentioned it to me as we drove home from the airport after one of his many overseas trips. But he did not elaborate. Jim Kelley, a Refugee Bureau program officer, finished the story for me recently.

"I was with Jim when that happened," Kelley said. "I met Jim's plane in Khartoum, capital of the Sudan. We took a small chartered plane to Juba, then to Yei, in the south . . ."

At Yei they visited a small dispensary that could have been transplanted onto a tennis court with room to spare. There were consultation, examination, and injection areas inside, and prenatal and child care education on the verandah outside.

It was a busy scene, with lots of people coming, going, standing, waiting. Jim and Kelley were inside when there was a renewed stir of activity, with people straining to see over the partitions. They turned, and looked toward the door in time to see a thin, ashen woman brought in, covered by dirty rags, and obviously in much pain. Her frail body had been placed in a wheelbarrow in a desperate attempt to get her to medical help the only available way. Medical staff responded immediately, but her eventual recovery was doubtful.

Events such as this are part of a seemingly neverending story. I often sense Jim's difficulty at putting into words what he has seen, heard, felt, and thought when he visits refugee camps. Severely sick children tear at the heart strings, and in wartorn Southeast Asia Jim has seen many children with amputated limbs and other wounds of war.

Jim and I rarely thought much about the world's refugee crisis before the bureau was established, apart from brief reminders in newspapers and on television. Now it is a vital part of our everyday lives. It is not surprising, either, that the U.S. is involved in this humanitarian endeavor. As a nation of immigrants we are committed to the principle of opportunity for those fleeing oppression. In the past 10 years the U.S. has become home for more than 1 million refugees—more than half of all the refugees who were permanently resettled throughout the world during that time.

To work for refugees from within a government structure is part of our call to be in the world, though not of it. Jim could not do from anywhere else what he is enabled to do for others in his government position. He did not plan it that way; nevertheless, at a critical time of deep searching and spiritual reawakening in his life, his government placed him where he is. We believe this was not by accident or human planning.

On the other hand, what government agencies cannot do, volunteer agencies and churches can do. There is a new move in the Church of the Nazarene to participate in church and volunteer efforts by which they can minister to the hungry and destitute people of the world. Funds for hunger and disaster relief pour in from unexpected places. Individuals and churches are sponsoring children. Recently, the first Compassionate Ministries Conference in Kansas City attracted more than 500 Nazarenes. Many of these were already involved in compassionate ministries, and the concern expressed during these meetings indicated the church is awakening and moving back to its founding principles of ministry to the poor.

Several years ago, on a quiet day at home, I was exulting in the beauty of God's world outside and the joyful presence of His Spirit within. It was one of those rare times when all of life seems in harmony—as it must have for Robert Browning when he said so long ago, "God's in His heaven/All's right with the world!" In the midst of my peaceful reverie God reminded me that all was not right with His world. He brought to me Jesus' words from John 12:25: "He who loves his life loses it; and he who hates his life in this world shall keep it to life eternal" (NASB).

But on such a day as this, how could I not love my life? As I questioned God concerning this, He reminded me what days like this hold for refugees who have lost everything that constitutes happiness for them. There are no perfect days for them, only a struggling existence.

If that seems morbid to you, I hasten to say to me it is not. I have become more sensitive to the suffering of people everywhere, and try to consider them in my lifestyle. How can I be at home in a world where there is hatred, manipulation, and disregard for human life and dignity?

To identify with Christ means to be out of step with the ways of the world. There is a sacred insistence to remember those who are perishing, those who do not have the basic protections we take for granted.

I have come to believe that God's Word, spoken through Isaiah before the birth of Christ, cautions us today. God spoke this warning,

Is this not the fast which I chose,
To loosen the bonds of wickedness,
To undo the bonds of the yoke,
And to let the oppressed go free,
And break every yoke?
Is it not to divide your bread with the hungry,
And bring the homeless poor into the house;
. . .
And the Lord will continually guide you,
And satisfy your desire in scorched places,
And give strength to your bones;
And you will be like a watered garden,
And like a spring of water whose waters do not fail (Isaiah 58:6-7, 11, NASB).

Like the people of God in Isaiah's day we are called to a different kind of fasting and untried depths of humility.

Recently someone said to Jim, "Christ was a refugee." Joseph fled by night into Egypt with Mary and the infant Jesus to escape the wrath of a jealous king. Add "refugee" to the list of ways God, through Christ, has borne our sorrows.

Christ identified with every sorrow known to man. He was born to a people under Roman domination, the Jews. He was misunderstood. He knew hunger, weariness, rejection, slander, betrayal. Innocent, He was put to death on a cross. Yet every moment He was completely obedient to God, proving the love of God for every man, overcoming the world and death.

He has charged us with ministry to "the stranger in our land." To continue the work He began we must ask what He would have us do to help those who have no place to call home. We must take seriously Isaiah's injunction to fast and pray so we might divide our bread and "bring the homeless poor into our houses."

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

CONTINUATION OF ECONOMIC SANCTIONS AGAINST THE GOVERNMENT OF LIBYA—MESSAGE FROM THE PRESIDENT—PM 162

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

1. On January 7, 1986, in Executive Order No. 12543, I declared a national emergency to deal with the unusual and extraordinary threat to the national security and foreign policy of the United States posed by the policies and actions of the Government of Libya. In that order, I prohibited, with effect from February 1, 1986: (1) the import into the United States of any goods or services of Libyan origin, except publications and materials imported for news publications or news broadcast dissemination; (2) the export to Libya of any goods, technol-

ogy (including technical data or other information), or services from the United States, except publications and donations of certain articles intended to relieve human suffering; (3) transactions by U.S. persons relating to transportation to or from Libya; transportation to or from the United States by any Libyan person or Libyan-registered vessel or aircraft; or the sale in the United States by U.S. or foreign air carriers of transportation by air that includes any stop in Libya; (4) the purchase by U.S. persons of goods for export from Libya to any country; and (5) the performance by U.S. persons of any contract in support of an industrial or other commercial or governmental project in Libya. I further prohibited, with immediate effect: (6) the grant or extension of credits or loans by U.S. persons to the Government of Libya (including government-controlled entities); (7) transactions by U.S. persons relating to travel by U.S. citizens or permanent resident aliens to Libya, or activities within Libya, other than for the purpose of: (a) effecting such persons' departure from Libya, (b) performing acts listed in items (1) through (5) above prior to February 1, 1986, or (c) travel for journalistic activity by professional journalists. The prohibitions ordered on January 7, 1986, were in addition to existing prohibitions on the importation of Libyan crude oil and refined petroleum products imposed in Proclamation 4907 of March 10, 1982, and retained in Proclamation 5141 of December 22, 1983, and Executive Order No. 12538 of November 15, 1985, as well as existing export controls set forth in the Export Administration Regulations, 15 C.F.R. Part 368 *et seq.*, issued pursuant to the Export Administration Act of 1979, as amended.

2. On January 8, 1986, in Executive Order No. 12544, I augmented the transactional prohibitions contained in Executive Order No. 12543 and ordered the immediate blocking of all property and interests in property of the Government of Libya (including the Central Bank of Libya and other government controlled entities) then or thereafter located in the United States, or then or thereafter coming within the possession or control of U.S. persons, including their overseas branches.

3. The actions were taken and the declaration of national emergency made pursuant to the authority vested in me as President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), sections 504 and 505 of the International Security and Development Cooperation Act of 1985 (22 U.S.C. 2349aa-8 and 9), section 1114 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1514), and section 301 of title 3 of the United States Code. I submitted reports concerning my exercise of these authorities and transmitted copies of my Executive Orders to the Congress on January 7 and January 9, 1986, pursuant to section 204(b) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(b); section 505 of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa-9(c); and section 301 of the National Emergencies Act, 50 U.S.C. 1631. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c); section 204(c) of the International Emergency Economic Power Act, 50 U.S.C. 1703(c); and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa-9(c).

4. The Office of Foreign Assets Control of the Department of the Treasury, after consultation with the Secretary of State and other Federal agencies, issued the Libyan Sanctions Regulations, 31 C.F.R. Part 550, implementing the prohibitions in Executive Order No. 12543 on January 8, 1986 (51 Fed. Reg. 1354 (January 10, 1986)). Regulations implementing Executive Order No. 12544 and amending the Libyan Sanctions Regulations were issued by the Office of Foreign Assets Control on January 14, 1986 (51 Fed. Reg. 2462 (January 16, 1986)).

5. Further amendments to the Libyan Sanctions Regulations have been issued, as follows: (a) To avoid disruption to family units, a general license permitting dependents of Libyan nationals who are U.S. citizens or permanent resident aliens to travel to, from, and within Libya, and to incur normal living expenses within Libya, was issued by the Office of Foreign Assets Control on May 28, 1986, effective January 7, 1986 (51 Fed. Reg. 19751 (June 2, 1986)). (b) A prohibition against exports from the United States of goods and technology that the exporter knows or has reason to know are intended specifically for the manufacture of products in third countries to be used in the Libyan petroleum or petrochemical industry was issued by the Office of Foreign Assets Control on June 16, 1986, effective July 7, 1986 (51 Fed. Reg. 22802 (June 23, 1986)). (c) A regulation requiring U.S. persons with controlled foreign affiliates to report by August 15, 1986, on their affiliates' Libyan transactions was issued by the Office of Foreign Assets Control on July 11, 1986, to enable that office to monitor compliance with the regulations' prohibitions against U.S. persons transferring Libyan business to offshore entities (51 Fed. Reg. 25634 (July 15, 1986)).

6. On January 14, the Office of Export Administration within the Department of Commerce issued a General Order, effective February 1, 1986, revoking all authorizations contained in individual and special validated licenses for direct or indirect export from the United States to Libya if such export is prohibited by the Libyan Sanctions Regulations (51 Fed. Reg. 2353 (January 16, 1986)). The General Order also prevented possible dual licensing procedures for shipments from the United States to Libya by permitting a license issued by the Treasury Department to serve as authorization under the Export Administration Regulations for export from the United States. The Department of Transportation issued Order 86-2-23 on January 30, 1986, which prohibits U.S. and foreign air carriers from selling in the United States any transportation by air that includes a stop in Libya, and engaging in any transaction in the United States relating to transportation to or from Libya. The Order also prohibited U.S. air carriers from engaging in transactions anywhere in the world that relate to transportation services to Libya. The Order was served on all U.S. and foreign air carriers.

7. With this report, I am enclosing a copy of the Treasury Department's Libyan Sanctions Regulations, with amendments to date, the Commerce Department's General Order, and the Transportation Department's Order, as discussed above.

8. In the exercise of its licensing authority under the Libyan Sanctions Regulations, the Office of Foreign Assets Control issued specific licenses to five U.S. oil companies and 13 service companies, authorizing them to complete the winding down of their Libyan operations after the effective dates of the prohibitions in Executive Order No. 12543. In all cases, the specific licenses were issued to foster the orderly withdrawal of these companies from Libya in an attempt to avoid substantial economic windfalls to the Government of Libya through the outright forfeiture of U.S. assets located in Libya. Each specific license authorizing an extension of Libyan operations expired on or before June 30, 1986. Additional specific licenses have been issued on a one-time basis to authorize routine banking transactions commenced prior to the issuance of Executive Order No. 12543.

9. The expenses incurred by the Federal Government in the 6-month period from January through June 1986 that are directly attributable to the exercise of powers and authorities conferred by the declaration of the Libyan national emergency are estimated at $1,264,562, of which approximately $1,109,979 represents wage and salary costs for Federal personnel, and approximately $154,583 represents out-of-pocket expenses for travel. Personnel costs were largely centered in the Department of the Treasury (par-

ticularly in the Office of Foreign Assets Control, the Customs Service, the Office of the Assistant Secretary for Enforcement, the Office of the Assistant Secretary for International Affairs, and the Office of the General Counsel), the Department of State, the Department of Commerce, the Department of Justice, the Federal Reserve Board, and the National Security Council.

10. The policies and actions of the Government of Libya continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. I shall continue to exercise the powers at my disposal to apply economic sanctions against Libya as long as these measures are appropriate and will continue to report periodically to the Congress on significant developments, pursuant to 50 U.S.C. 1703(c).

RONALD REAGAN.

THE WHITE HOUSE, *July 30, 1986.*

MESSAGES FROM THE HOUSE

At 11:16 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 992. An act to discontinue or amend certain requirements for agency reports to Congress.

The message also announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 356. Joint resolution to recognize and support the efforts of the United States Committee for the Battle of Normandy Museum to encourage American awareness and participation in development of a memorial to the Battle of Normandy.

The message further announced that the House has passed the following bills and joint resolution, in which it requests the concurrence of the Senate:

H.R. 2826. An act to amend the Wild and Scenic Rivers Act by designating a segment of the Horsepasture River in the State of North Carolina as a component of the National Wild and Scenic Rivers System;

H.R. 3108. An act to amend title 17, United States Code, to clarify the definition of the local service area of a primary transmitter in the case of a low-power television station;

H.R. 3684. An act to designate the El Malpais lava flow and adjacent public lands as a National Monument to be managed by the Bureau of Land Management;

H.R. 4090. An act to establish the Big Cyprus National Preserve Addition in the State of Florida, and for other purposes;

H.R. 4162. An act to amend the Alaska Native Claims Settlement Act to provide Alaska Natives with certain options for the continued ownership of lands and corporate shares received pursuant to the act, and for other purposes; and

H.J. Res. 630. Joint resolution designating the College of William and Mary as the official United States representative to the Tercentenary Celebration of the Glorious Revolution to be celebrated jointly in the United States, the Netherlands, and the United Kingdom.

At 7:52 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 4489. An act to provide for ski areas on national forest lands, and for other purposes; and

H.R. 5203. An act making appropriations for the legislative branch for the fiscal year ending September 30, 1987, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 374. Concurrent resolution relative to adjournment to a date certain during the remainder of the 99th Congress.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 2826. An act to amend the Wild and Scenic Rivers Act by designating a segment of the Horsepasture River in the State of North Carolina as a component of the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

H.R. 3684. An act to designate the El Malpais lava flow and adjacent public lands as a National Monument to be managed by the Bureau of Land Management; to the Committee on Energy and Natural Resources.

H.R. 4090. An act to establish the Big Cyprus National Preserve Addition in the State of Florida, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 4162. An act to amend the Alaska Native Claims Settlement Act to provide Alaska Natives with certain options for the continued ownership of lands and corporate shares received pursuant to the act, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 4489. An act to provide for ski areas on national forest lands, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

H.R. 5203. An act making appropriations for the legislative branch for the fiscal year ending September 30, 1987, and for other purposes; to the Committee on Appropriations.

MEASURES HELD AT THE DESK

The following bill and joint resolution were held at the desk pursuant to the order of yesterday:

H.R. 3108. An act to amend title 17, United States Code, to clarify the definition of the local service area of a primary transmitter in the case of a low-power television station; and

H.J. Res. 630. Joint resolution designating the College of William and Mary as the official United States representative to the Tercentenary Celebration of the Glorious Revolution to be celebrated jointly in the United States, the Netherlands, and the United Kingdom.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. McCLURE, from the Committee on Energy and Natural Resources:

Richard H. Francis, of Virginia, to be President of the Solar Energy and Energy Conservation Bank;

Theodore J. Garrish, of Virginia, to be Federal Inspector for the Alaska Natural Gas Transportation System;

Marshall A. Staunton, of California, to be Administrator of the Economic Regulatory Administration; and

A. David Rossin, of California, to be an Assistant Secretary of Energy (Nuclear Energy).

(The above nominations were reported from the Committee on Energy and Natural Resources with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. WEICKER:

S. 2700. a bill to establish the National Marine Policy Commission, and for other purposes; to the Committee on Governmental Affairs.

By Mr. LUGAR (for himself, Mr. McCONNELL and Mr. DURENBERGER):

S. 2701. A bill to provide a comprehensive policy for the United States in opposition to the system of apartheid in South Africa, and for other purposes; to the Committee on Foreign Relations.

By Mr. GORE:

S. 2702. A bill entitled the "Satellite Television Open Market Act of 1986"; to the Committee on Commerce, Science, and Transportation.

By Mr. DOLE (for himself, Mr. METZENBAUM, Mr. BYRD, Mr. CHAFEE, Mr. CRANSTON, Mr. WEICKER, Mr. INOUYE, Mr. DANFORTH, Mr. HOLLINGS, Mrs. KASSEBAUM, Mr. KENNEDY, Mr. STAFFORD, Mr. KERRY, Mr. WILSON, Mr. SIMON, Mr. EXON and Mr. RIEGLE):

S. 2703. A bill to amend the Federal Aviation Act of 1958 to provide that prohibitions of discrimination against handicapped individuals shall apply to air carriers; to the Committee on Commerce, Science, and Transportation.

By Mr. GRASSLEY:

S.J. Res. 382. Joint resolution to establish a United States Commission on Improving the Effectiveness of the United Nations; to the Committee on Foreign Relations.

By Mr. SARBANES (for himself and Mr. MATHIAS):

S.J. Res. 383. Joint resolution to designate the week of September 8 through September 14, 1986, as "National Annapolis Convention Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WEICKER:

S. 2700. A bill to establish the National Marine Policy Commission, and for other purposes; to the Committee on Governmental Affairs.

NATIONAL MARINE POLICY DEVELOPMENT ACT

Mr. WEICKER. Mr. President, I rise today to introduce a bill that would establish a National Marine Policy Development Commission which would develop recommendations to the President and to Congress on establishing a comprehensive marine policy for our Nation. Developing such a policy is critical to promoting U.S. leadership in marine science and technology, in developing the role of the United States in global oceanic and atmospheric research, and in continuing our vital marine resource education, conservation, management, and development activities.

The Commission is charged with reviewing the marine and atmospheric activities of the various levels of Government and the private sector and recommending the appropriate allocation of responsibilities for such activities. It would be comprised of 7 Federal representatives and 10 outside members appointed from the academic community, State and local government, industry, and nonprofit organizations, all of whom must have a background in marine-related issues.

A Commission of this kind has long been needed. In 1983, legislation was proposed that would have created a Commission similar to the one established by this bill. The prototype then and now for such a Commission was the highly successful Commission on Marine Science, Engineering, and Resources—Stratton Commission—which, in the late 1960's, developed recommendations that shaped the basic structure of the Nation's marine policy.

Because of the Stratton Commission's findings, the National Oceanic and Atmospheric Agency was established as the lead civilian oceans agency. The Environmental Protection Agency was formed. Capabilities were increased and focused in undersea research, living and nonliving resources management, and global, marine, and atmospheric monitoring and research. By the end of 1980 a framework has been established that came close to addressing many critical marine issues.

Since that time, this country has been through changes that call for a reassessment of our marine activities and policies. We have weathered inflation, recession, high unemployment, a soaring deficit and defense budget, and broad cuts in domestic spending. As a result, the administration has reexamined its role in marine research, conservation and management. The major agencies performing oceanographic research have experienced drastic decreases in their research budgets and, as a result, long-term scientific goals have been difficult to carry out.

We have taken great strides forward in gaining knowledge about the oceans. Progress in marine engineering and technology has opened up new avenues for scientific research and resource management. Satellites now provide a great deal of information about oceanography via remote sensing and other techniques.

We have learned more about how essential our coastal areas are in maintaining living resources. Currently 70 percent of the population of the United States lives within 50 miles of the coast and the percentage is rapidly increasing. Because of the development resulting from this and offshore commercial activities there have been new demands placed on coastal States. The Federal-State partnership needs to be reevaluated, and responsibilities clearly defined.

We have claimed authority over all resources out to 200 miles from our coastline. We are just beginning to understand how we must deal with this responsibility, which has broad national security, marine resource, and international implications. Regardless of whether the United States ratifies the Law of the Sea Convention the treaty brings almost half of the ocean under the jurisdiction of various nations. We need to take a closer look at developing U.S. policies that will promote international cooperation in research and policy matters.

Mr. President, establishing a National Marine Policy Development Commission is a positive step toward insuring that the strategic and resource interests of the United States are protected and furthered. The Commission could direct and define marine policies at a time when the use and projected use of the oceans are increasing at a rapid pace. Its broad representation would facilitate construction of a strong policy framework on which to build this Nation's marine capabilities.

Perhaps, in its final report, the Stratton Commission stated it best:

Like the oceans themselves, the Nation's marine interests are vast, complex, composed of many critical elements, and not susceptible to simplicity of treatment. Realization and accommodation of the Nation's many diverse interests require a plan for national action and for orderly development of the uses of the sea. The plan must provide for determined attack on immediate problems concurrently with initiation of a long-range program to develop knowledge, technology, and a framework of laws and institutions that will lay the foundation for efficient and productive marine activities in the years ahead.

Mr. President, with the establishment of this Commission, I hope we will soon see the development of such a worthy plan for our seas.

Mr. President, I ask unanimous consent that the text of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2700

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Marine Policy Development Act of 1986".

FINDINGS

SEC. 2. The Congress finds that—

(1) the wise use of the sea affects the national security, transportation needs, economy, food resources, energy and raw materials needs, international leadership, and the quality of the environment of the people of the United States;

(2) Presidential Proclamation 5030 of March 10, 1983, on the Exclusive Economic Zone of the United States of America, in proclaiming the sovereign rights of the United States over ocean resources out to two hundred nautical miles from the coastline of the United States, requires the development and implementation of a comprehensive exploration and monitoring plan to adequately address the conservation and development of the region; and

(3) it is in the national interest to develop and maintain a coordinated and comprehensive national marine policy that will promote such use in a peaceful and balanced fashion.

PURPOSE

SEC. 3. The purpose of this Act is to establish a commission to develop recommendations to the Congress and the President on establishing a comprehensive marine policy that will—

(1) develop domestic policies and laws that will promote the wise use and conservation of marine resources;

(2) develop international policies and laws that will promote the peaceful uses of the oceans and balance the interests of all nations;

(3) promote United States leadership in marine scientific research, facilities, and technology;

(4) develop the role and capacity of the United States in the monitoring and prediction of global oceanic atmospheric processes; and

(5) equitably allocate the responsibilities for marine and atmospheric research and marine resource understanding, conservation, management, and development among the various levels of government and the private sector and promote the efficient use of limited fiscal resources for such activities.

ESTABLISHMENT OF THE COMMISSION

SEC. 4. (a) There is established a commission to be known as the National Marine Policy Development Commission (hereinafter referred to in this Act as the "Commission").

(b) The Commission shall consist of seventeen members who shall be appointed by the President within sixty days after the date of enactment of this Act, in accordance with the provisions of this section.

(c) The Commission shall be composed of the following seven Federal members or their designees who shall be employees of the departments or agencies listed in clauses (1) through (7) who are experienced and knowledgeable in oceans policy or science:

(1) the Secretary of Commerce;

(2) the Secretary of State;
(3) the Secretary of Defense;
(4) the Secretary of the Interior;
(5) the Secretary of Transportation;
(6) the Director of the National Science Foundation; and
(7) the Administrator of the Environmental Protection Agency.

(d)(1) The remaining ten members of the Commission shall be knowledgeable and experienced in one or more of the following areas of direct concern to the Commission:
(A) marine or atmospheric science;
(B) marine technology;
(C) marine industry;
(D) marine-related State and local government service;
(E) living and nonliving marine resource management; or
(F) national or international ocean policy.

(2) The members shall, in addition to having one or more of the qualifications in paragraph (1), be selected from the academic community, State and local governments, industry, nonprofit oceans policy organizations, and individuals with the knowledge and expertise appropriate to the concerns of the Commission.

(e)(1) The Majority Leader of the Senate and the Speaker of the House of Representatives, in consultation with the Minority Leader of each House, respectively, and the congressional advisors selected pursuant to section 5, shall each prepare a list of ten nominees for appointment to the Commission.

(2) Each list of nominees may not contain any of the same nominees and shall contain nominees that meet the requirements of subsection (d).

(3) The list of nominees required by this subsection shall be submitted to the President within thirty days after the date of enactment of this Act.

(4) The President shall appoint five members of the Commission from the list submitted by the Majority Leader of the Senate and five members from the list submitted by the Speaker of the House of Representatives.

(5) The President shall select a Chairman and Vice-Chairman of the Commission from members referred to in paragraph (4). The Vice-Chairman shall act as Chairman in the absence of the Chairman.

(f) Except as may be required by electoral changes, members of the Commission shall be appointed to serve until the Commission is terminated pursuant to section 12. In the event of a vacancy, a new member shall be selected in the same manner in which the original appointment was made. The new member shall be selected from the same category of qualifications as the member who has vacated the position and shall be selected from a list of at least two nominees prepared by the Majority Leader of the Senate and Speaker of the House of Representatives.

(g) The Chairman or a majority of the members may call a meeting of the Commission.

ADVISORS TO THE COMMISSION

SEC. 5. The Commission shall have ten congressional advisors who shall—

(1) be composed of five members of the Senate selected by the Majority Leader of the Senate and five members of the House of Representatives selected by the Speaker of the House of Representatives who have knowledge appropriate to the concerns of the Commission;

(2) advise the Majority Leader of the Senate and the Speaker of the House of Representatives on compiling the list of nominees described in subsection (e) of section 4; and

(3) advise the Commission in the formulation of findings and recommendations.

FUNCTIONS OF THE COMMISSION

SEC. 6. (a)(1) The Commission shall develop recommendations to the President and to Congress on a comprehensive national marine policy to carry out the purpose of this Act.

(2) The Commission shall develop recommendations on the international and domestic ocean policies, laws, regulations, and activities of the United States that will define and implement the policy recommended pursuant to paragraph (1). Such recommendations shall—

(A) address domestic and international marine policy issues;

(B) include any modifications in existing United States policies, laws, regulations, and practices necessary to develop efficient long-range programs for—

(i) research in marine and atmospheric sciences;

(ii) the understanding, conservation, management, and development of, marine resources; and

(iii) the protection of the marine environment;

(C) address the most equitable allocation of responsibilities for research in marine and atmospheric sciences and for the understanding, conservation, management, and development of marine resources among Federal agencies, State and local government, and the private sector; and

(D) consider any other aspects of United States marine-related policies, laws, regulations, and practices considered necessary by the Commission in carrying out its duties pursuant to this subsection.

(b) In developing recommendations under subsection (a) the Commission shall—

(1) survey and review all existing and planned marine activities of Federal agencies and departments, including—

(A) marine research, including undersea research;

(B) ocean pollution, including estuarine, coastal and Great Lakes pollution, ocean dumping and ocean incineration;

(C) marine technology development, including biotechnology;

(D) satellite oceanography;

(E) navigation and shipping;

(F) defense;

(G) global oceanic and atmospheric processes;

(H) coastal ocean and estuarine processes; and

(I) the understanding, development, management, and conservation of living and nonliving resources;

(2) survey and review all existing and planned marine facilities and equipment, including surface ships, undersea research vehicles and habitats, computers, oceanographic satellites, and other appropriate research tools;

(3) evaluate the relationships among Federal agencies, State and local government and the private sector for planning and carrying out the activities described in this subsection, considering areas of substantial coincidence of interest and responsibilities among the various levels of government, academia, industry, and the public interest community and other users of the marine environment, in order to enhance the efficient use of marine resources;

(4) consider Presidential Proclamation 5030 of March 10, 1983, on the Exclusive Economic Zone of the United States of America, including an examination of activities within the exclusive economic zone which have a major impact on coastal States and the waters at such States and the adequacy of present laws to regulate such activities in such a way as to minimize conflict; and

(5) consider the relationships of United States policies to the Convention of the Law of the Sea and actions available to the United States to affect peaceful collaborations between the United States and other nations, including the development of cooperative international marine programs which will facilitate opportunities for United States scientists to work with foreign nations in the waters of such nations and vice versa and to provide for the development of such programs in the United States.

POWERS OF THE COMMISSION

SEC. 7. (a) The Commission is authorized to secure directly from any department or agency of the United States any information it deems necessary to carry out its functions under this Act. Each department or agency shall cooperate with the Commission and, to the extent permitted by law, furnish information to the Commission upon request of the Chairman.

(b) The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(c) The General Services Administration shall provide to the Commission on a reimbursable basis the administrative support services that the Commission may request.

(d) The Commission is authorized to enter into contracts with Federal and State agencies, private firms, institutions, and individuals to assist the Commission in carrying out its duties. The Commission may purchase and contract without regard to section 252 of title 41, United States Code, pertaining to advertising and competitive bidding, and may arrange for printing without regard to the provisions of title 44, United States Code. The contracting authority of the Commission under this Act is effective only to the extent that appropriations are available for contracting purposes.

ADMINISTRATIVE PROVISIONS

SEC. 8. (a) Upon request of the Commission, the head of any Federal agency shall detail any of the personnel of such agency to the Commission to assist the Commission in carrying out the duties of the Commission under this Act. Such detail shall be on a reimbursable basis.

(b) The Commission is authorized to accept and use the services of volunteers serving without compensation, and to reimburse volunteers for travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code. Except for the purposes of chapter 81 of title 5, United States Code, relating to compensation for work injuries, and chapter 171 of title 28, United States Code, relating to tort claims, a volunteer shall not be considered an employee of the United States for any purpose.

(c) To the extent that funds are available, and subject to the rules that may be prescribed to the Commission, the Director appointed pursuant to section 9(a) may procure the temporary and intermittent services of experts and consultants under section 3109(b) of title 5, United States Code, but at rates not to exceed the rate of pay for GS-18 of the General Schedule.

DIRECTOR AND STAFF OF COMMISSION

SEC. 9. (a) The Commission shall have a Director who shall be appointed by the Chairman and who shall be paid at a rate not to exceed the rate of basic pay for GS-18 of the General Schedule. The Director shall be knowledgeable in administrative management and oceans policy or marine sciences.

(b) Subject to such rules as may be prescribed by the Commission, the Director may hire staff for the Commission and shall fix appropriate compensation. The hiring and compensation of the Director and staff under this section may occur without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

COMPENSATION OF MEMBERS

SEC. 10. (a) Members of the Commission appointed by the President pursuant to paragraph (4) of subsection (e) of section 4 shall be paid at a rate not to exceed the basic pay for a GS-18 of the General Schedule for each day, including traveltime, during which such members are engaged in the actual performance of the Commission duties.

(b) Members of the Commission who are officers or employees of the United States may not receive pay for service on the Commission, but shall be reimbursed for travel expenses, including per diem in lieu of subsistence as may be authorized by law for persons in Government service employed intermittently.

COMMISSION REPORT

SEC. 11. No later than eighteen months after the Commission first meets, the Commission shall submit to the President and to each House of the Congress a detailed final report of findings and recommendations pursuant to section 6 of this Act.

TERMINATION OF THE COMMISSION

SEC. 12. The Commission shall be terminated thirty days after the date of submission of the final report pursuant to section 11.

AUTHORIZATION OF APPROPRIATIONS

SEC. 13. There are authorized to be appropriated such sums as are necessary to carry out the purpose of this Act, not to exceed $2,000,000, to remain available until expended.

By Mr. LUGAR (for himself, Mr. MCCONNELL, and Mr. DURENBERGER):

S. 2701. A bill to provide a comprehensive policy for the United States in opposition to the system of apartheid in South Africa; and for other purposes; to the Committee on Foreign Relations.

COMPREHENSIVE ANTI-APARTHEID ACT

● Mr. LUGAR. Mr. President, today I have introduced on behalf of myself and Senators MCCONNELL and DURENBERGER, a bill to provide for targeted sanctions against the Government of South Africa and against specified groups in South Africa which are closely associated with the National Party Government of that country and the system of apartheid. We have sought, to the maximum extent possible, to target sanctions in such a way as to avoid unintentional or avoidable harm to those in South Africa who do not vote for the Government of that country and especially to avoid harm to those who cannot vote at all. There are several measures that have already been introduced in this body which seek to impose sweeping restrictions that would impact most severely on those who have been victimized by the Government of the Republic of South Africa. It would be a tactical and moral mistake, I believe, to impose sanctions, ostensibly designed to pressure the South African Government, on those who bear no responsibility for and have no influence with that Government.

The bill provides for an embargo on the import of products produced by the South African Government's state corporations. These corporations are under the control of the Government and staffed by supporters of that Government in managerial, supervisory and administrative positions. This provision will prohibit $100 million worth of imports into the United States from the state-owned ISCOR Steel Co., as well as some coal, uranium, aluminum, cement, and ferroalloys. Imports for America's essential needs can be met by imports from non-Government producers many of whom are financial and political supporters of the effort to overcome apartheid and establish a nonracial democracy.

This provision, if fully effective, will have a strong financial impact on employment and profits in these Government-run corporations. Moreover, given the world glut of these products, I think this measure will be effective. This will send a clear, targeted message to the South African Government.

Similarly, the bill ends landing rights for the state-owned airline, South African Airways, immediately upon the expiration of the notice period required by international law under which these flights take place. The airline, like all other state-owned corporations, is staffed primarily by Government supporters.

Consistent with the goal of applying sanctions to those who bear the moral and political responsibility for the present situation in South Africa and for the lack of democracy, the bill provides that South African Government agency or parastatal corporations may not hold bank accounts in this country except for diplomatic purposes. Again, this is a targeted sanction against those responsible for apartheid, not against all South Africans.

This is an excellent example of the difference between the carefully targeted bill we have introduced today and the sweeping, indiscriminate, and untargeted actions that have been discussed in other measures.

It is important, I believe, to keep the focus of this bill on the issue of apartheid. There are those who will be mightily tempted to offer amendments that ban products from South Africa that compete with the products of their states. Several industries have been mentioned as possible beneficiaries of a cut off of South African products. I would urge my colleagues to restrain from these amendments because we should send a clear message to the South African Government about apartheid. To distort that message with protectionist amendments will send an unclear signal.

I would hope, Mr. President, that all partisan feelings will be put aside on this important issue. Our goal should be to send a message of national unity—Democrat and Republican, Congress, the President and the people of this country—to the people of South Africa about our hopes for their country. We are eager, Mr. President, to reach out to the people of South Africa and to welcome them to the community of real democracies. South Africa's potential for democracy can only be realized if it commences immediately the process of negotiation and compromise that can lead to a national agreement on a new constitutional order allowing full participation by all citizens.

Mr. President, the question is whether the United States is going to be a vigorous and active participant in the movement to promote a truly dynamic, democratic system in South Africa, or will seek to withdraw itself from the inevitable process of change in that country. In the face of a seemingly intractable problem, the American people have always rolled up their sleeves, not washed their hands of it. The situation in South Africa is too serious for acts of desperation or resignation on our part.

Any American effort to serve as a trusted and reliable friend of both black and white South Africans, encouraging their progress and reforms because they benefit us as well, will always risk the anger of elements in both the United States and South Africa whose interests would be furthered by worsening conditions. We want to prevent a bloody civil war and the destruction of a nation. In my judgment, the United States must work to encourage the writing of a peace treaty in South Africa now by all South Africans before, and not after, such a war.

The Committee on Foreign Relations will hold hearings on this legislation tomorrow starting at 9 o'clock. At this point, I would like to request unanimous consent that the bill be printed in the RECORD, along with a summary of the bill and a section-by-section analysis.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2701

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Comprehensive Anti-Apartheid Act of 1986".

TABLE OF CONTENTS

SEC. 2. The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Definitions.
Sec. 4. Purpose.
TITLE I—POLICY OF THE UNITED STATES WITH RESPECT TO ENDING APARTHEID
Sec. 101. Policy toward the Government of South Africa.
Sec. 102. Policy toward the victims of apartheid.
Sec. 103. Policy toward other countries in southern Africa.
Sec. 104. Policy toward a negotiated settlement.
Sec. 105. Policy toward international cooperation on measures to end apartheid.
TITLE II—MEASURES TO ASSIST VICTIMS OF APARTHEID
Sec. 201. Scholarships for the victims of apartheid.
Sec. 202. Human rights fund.
Sec. 203. Expanding participation in the South African economy.
Sec. 204. Export-Import Bank of the United States.
Sec. 205. Labor practices of the United States Government in South Africa.
Sec. 206. Welfare and protection of the victims of apartheid employed by the United States.
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Sec. 208. Code of Conduct.
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TITLE III—MEASURES BY THE UNITED STATES TO UNDERMINE APARTHEID
Sec. 301. Prohibition on the importation of Kruggerands.
Sec. 302. Prohibition on the importation of military articles.
Sec. 303. Prohibition of the importation of products from parastatal organizations.
Sec. 304. Prohibition on computer exports to South Africa.
Sec. 305. Prohibition on loans to the Government of South Africa.
Sec. 306. Prohibition on air transportation with South Africa.
Sec. 307. Prohibitions on nuclear trade with South Africa.
Sec. 308. Restrictions on issuance of visas to South African nationals.
Sec. 309. Sales of gold stocks.
Sec. 310. Government of South Africa bank accounts.
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TITLE IV—MULTILATERAL MEASURES TO UNDERMINE APARTHEID
Sec. 401. Negotiating authority.
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Sec. 403. Private right of action.
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Sec. 501. Additional measures.
Sec. 502. Study of health conditions in the "homelands" areas of South Africa.
Sec. 503. Reports on South African imports.
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TITLE VI—ENFORCEMENT AND ADMINISTRATIVE PROVISIONS
Sec. 601. Regulatory authority.
Sec. 602. Congressional priority procedures.
Sec. 603. Enforcement and penalties.
Sec. 604. Applicability to evasions of Act.
Sec. 605. Construction of Act.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "controlled South African entity" means—

(A) a corporation, partnership, or other business association or entity organized in South Africa and owned or controlled, directly or indirectly, by a national of the United States; or

(B) a branch, office, agency, or sole proprietorship in South Africa of a national of the United States; and

(2) the term "new investment"—

(A) means—

(i) a commitment or contribution of funds or other assets; and

(ii) a loan or other extension of credit;

(B) but does not include—

(i) reinvestment of profits generated by a controlled South African entity into that same controlled South African entity or investment of such profits in another controlled South African entity;

(ii) contributions of money or other assets where such contributions are necessary to enable a controlled South African entity to operate in an economically sound manner, without expanding its operations; and

(iii) the ownership or control of a share or interest in a controlled South African entity, or the transfer or acquisition of such a share or interest, provided that any such transfer or acquisition does not result in a payment or contribution of funds or assets to the controlled South African entity.

(3) the term "national of the United States" means—

(A) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States or is an alien lawfully admitted for permanent residence in the United States, as defined by section 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(20)); or

(B) a corporation, partnership, or other business association which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia.

(4) the term "Secretary" means the Secretary of State;

(5) the term "South Africa" refers to the territory that constituted the Republic of South Africa on May 31, 1961; and

(6) the term "Code of Conduct" refers to the principles set forth in section 208(a).

PURPOSE

SEC. 4. The purpose of this Act is to set forth a comprehensive and complete framework to guide the efforts of the United States in helping to bring an end to apartheid in South Africa and lead to the establishment of a nonracial, democratic form of government. This Act sets out United States policy toward the Government of South Africa, the victims of apartheid, and the other states in southern Africa. It also provides the President with additional authority to work with the other industrial democracies to help end apartheid and establish democracy in South Africa.

TITLE I—POLICY OF THE UNITED STATES WITH RESPECT TO ENDING APARTHEID

POLICY TOWARD THE GOVERNMENT OF SOUTH AFRICA

SEC. 101. (a) United States policy toward the Government of South Africa shall be designed to bring about reforms in that system of government that will lead to the establishment of a nonracial democracy.

(b) The United States shall work toward this goal by encouraging the Government of South Africa to—

(1) suspend the present state of emergency and respect the principal of equal justice under law for citizens of all races;

(2) release Nelson Mandela, Govan Mbeki, Walter Sisulu, black trade union leaders, and all political prisoners;

(3) permit the free exercise by South Africans of all races of the right to form political parties, express political opinions, and otherwise participate in the political process;

(4) establish a timetable for the elimination of apartheid laws;

(5) negotiate with representatives of all racial groups in South Africa the future political system in South Africa; and

(6) end military and paramilitary activities aimed at neighboring states.

(c) The United States will encourage the actions set forth in subsection (b) through economic, political, and diplomatic measures as set forth in this Act. The United States will adjust its actions toward the Government of South Africa to reflect the progress or lack of progress made by the Government of South Africa in meeting the goal set forth in subsection (a).

POLICY TOWARD THE VICTIMS OF APARTHEID

SEC. 102. (a) The United States policy toward the victims of apartheid is to use economic, political, diplomatic, and other effective means to achieve the removal of the root cause of their victimization, which is the apartheid system. In anticipation of the removal of the system of apartheid and as a further means of challenging that system, it is the policy of the United States to assist these victims of apartheid as individuals and through organizations to overcome the handicaps imposed on them by the system of apartheid and to prepare themselves for their rightful roles as full participants in the political, social, economic, and intellectual life of their country in the post-apartheid South Africa envisioned by this Act.

(b) The United States will work toward the purposes of subsection (a) by—

(1) providing assistance to South African victims of apartheid without discrimination by race, color, sex, religious belief, or political orientation, to take advantage of educational opportunities in South Africa and in the United States to prepare for leadership positions in a post-apartheid South Africa;

(2) assisting victims of apartheid;

(3) aiding individuals or groups in South Africa whose goals are to aid victims of apartheid or foster nonviolent legal or political challenges to the apartheid laws;

(4) furnishing direct financial assistance to those whose nonviolent activities had led to their arrest or detention by the South African authorities;

(5) intervening at the highest political levels in South Africa to express the strong desire of the United States to see the development in South Africa of a nonracial democratic society; and

(6) supporting the rights of the victims of apartheid through political, economic, or other sanctions in the event the Government of South Africa government fails to make progress toward the removal of the apartheid laws and the establishment of such democracy.

POLICY TOWARD OTHER COUNTRIES IN SOUTHERN AFRICA

SEC. 103. (a) The United States policy toward the other countries in the Southern African region shall be designed to encourage democratic forms of government, full respect for human rights, political independence, and economic development.

(b) The United States will work toward the purposes of subsection (a) by—

(1) helping to secure the independence of Namibia and the establishment of Namibia on a nonracial democracy in accordance with appropriate United Nations Security Council resolutions;

(2) supporting the removal of all foreign military forces from the region;

(3) encouraging the nations of the region to settle differences through peaceful means;

(4) promoting economic development through bilateral and multilateral economic assistance targeted at increasing opportunities in the productive sectors of national economies, with a particular emphasis on increasing opportunities for nongovernmental economic activities;

(5) encouraging, and when necessary, strongly demanding, that all countries of the region respect the human rights of their citizens and noncitizens residing in the country, and especially the release of persons persecuted for their political beliefs or detained without trial; and

(6) providing appropriate assistance, within the limitations of American responsibilities at home and in other regions, to assist regional economic cooperation and the development of interregional transportation and other capital facilities necessary for economic growth.

POLICY TOWARD A NEGOTIATED SETTLEMENT

SEC. 104. (a) United States policy will seek to promote negotiations among representatives of all citizens of South Africa to determine a future political system that would permit all citizens to be full participants in the governance of their country. The United States recognizes that important and legitimate political parties in South Africa include several organizations that have been banned and will work for the unbanning of such organizations in order to permit legitimate political viewpoints to be represented at such negotiations.

(b) The United States will encourage the Government of South Africa and all participants to the negotiations to respect the right of all South Africans to form political parties, express political opinions, and otherwise participate in the political process without fear of retribution by either governmental or nongovernmental organizations. It is the sense of the Congress that a suspension of violence is an essential precondition for the holding of negotiations. The United States calls upon all parties to the conflict to agree to a suspension of violence.

(c) The United States shall work toward the achievement of agreement to suspend violence and begin negotiations through coordinated actions with the major Western allies and with the governments of the countries in the region.

(d) It is the sense of the Congress that the achievement of an agreement for negotiation could be promoted if the United States and its major allies, such as Great Britain, Canada, France, Italy, Japan, and West Germany, would hold a meeting to develop a four-point plan to discuss with the Government of South Africa a proposal for stages of multilateral assistance to South Africa in return for the Government of South Africa implementing—

(1) an end to the state of emergency and the release of the political prisoners, including Nelson Mandela;

(2) the unbanning of the African National Congress, the Pan African Congress, the Black Consciousness Movement, and all other groups willing to participate in negotiations and a democratic process;

(3) a revocation of the Group Areas Act and the Population Registration Act and the granting of universal citizenship to all South Africans, including homeland residents; and

(4) the use of the international offices of a third party as an intermediary to bring about negotiations with the object of establishment of power-sharing with the black majority.

POLICY TOWARD INTERNATIONAL COOPERATION ON MEASURES TO END APARTHEID

SEC. 105. (a) The Congress finds that—

(1) international cooperation is a prerequisite to an effective anti-apartheid policy; and

(2) the situation in South Africa constitutes an emergency in international relations and that action is necessary for the protection of the essential security interests of the United States.

(b) Accordingly, the Congress urges the President to seek such cooperation among all individuals, groups, and nations.

TITLE II—MEASURES TO ASSIST VICTIMS OF APARTHEID

SCHOLARSHIPS FOR THE VICTIMS OF APARTHEID

SEC. 201. Section 105(b) of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end thereof the following new paragraph:

"(2)(A) Of the assistance provided under this section by the Administrator of the agency primarily responsible for administering this part of this Act—

"(i) for the fiscal year 1987, $8,000,000;

"(ii) for the fiscal year 1988, $11,000,000; and

"(iii) for the fiscal year 1989 and each fiscal year thereafter, $15,000,000,

shall be used to finance education, training, and scholarships for the victims of apartheid who are attending universities, colleges, and secondary schools in South Africa and who are selected in accordance with subparagraph (B). Of the funds available under the preceding sentence to carry out this subparagraph, not less than one-third shall be available only for assistance to full-time teachers or other educational professionals pursuing studies toward the improvement of their professional credentials.

"(B) Of the funds provided in subparagraph (A) for each fiscal year, 50 percent shall be available for educational assistance for the victims of apartheid in accordance with section 802(c) of the International Security and Development Cooperation Act of 1985. The remainder of the funds in each fiscal year which are not made available under the preceding sentence shall be available to finance scholarships for individuals selected by a nationwide panel or by regional panels composed solely of members of the teaching profession appointed by the United States chief of diplomatic mission to South Africa. No such individual may be selected through any contract entered into with the agency primarily responsible for administering this part of this Act.".

HUMAN RIGHTS FUND

SEC. 202. (a) Section 116(e)(2)(A) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "1984 and" and inserting in lieu thereof "1984,"; and

(2) by inserting after "1985" a comma and the following: "and $1,500,000 for the fiscal year 1986 and for each fiscal year thereafter".

(b) Section 116 of such Act is amended by adding at the end thereof the following new subsection:

"(f) Of the funds made available to carry out subsection (e)(2)(A) for each fiscal year, $350,000 shall be used for direct legal and other assistance to political detainees and prisoners and their families, including the investigation of the killing of protesters and prisoners, and for support for actions of black-led community organizations to resist, through nonviolent means, the enforcement of apartheid policies such as—

"(1) removal of black populations from certain geographic areas on account of race or ethnic origin,

"(2) denationalization of blacks, including any distinctions between the South African citizenships of blacks and whites,

"(3) residence restrictions based on race or ethnic origin,

"(4) restrictions on the rights of blacks to seek employment in South Africa and live wherever they find employment in South Africa, and

"(5) restrictions which make it impossible for black employees and their families to be housed in family accommodations near their place of employment.".

EXPANDING PARTICIPATION IN THE SOUTH AFRICAN ECONOMY

SEC. 203. (a) The Congress declares that—

(1) the denial under the apartheid laws of South Africa of the rights of South African blacks and other nonwhites to have the opportunity to participate equitably in the South African economy as managers or owners of, or professionals in, business enterprises, and

(2) the policy of confining South African blacks and other nonwhites to the status of employees in minority-dominated businesses,

is an affront to the values of a free society.

(b) The Congress hereby—

(1) applauds the commitment of nationals of the United States adhering to the Code of Conduct to assure that South African blacks and other nonwhites are given assistance in gaining their rightful place in the South African economy; and

(2) urges the United States Government to assist in all appropriate ways the realization by South African blacks and other nonwhites of their rightful place in the South African economy.

(c) Notwithstanding any other provision of law, the Secretary of State and any other head of a department or agency of the United States carrying out activities in South Africa shall, to the maximum extent

practicable, in procuring goods or services, make affirmative efforts to assist business enterprises having more than 50 percent beneficial ownership by South African blacks or other nonwhite South Africans.

EXPORT-IMPORT BANK OF THE UNITED STATES

SEC. 204. Section 2(b)(9) of the Export-Import Bank Act of 1945 is amended—

(1) by striking out "(9) In" and inserting in lieu thereof "(9)(A) Except as provided in subparagraph (B), in"; and

(2) by adding at the end thereof the following:

"(B) The Bank shall take active steps to encourage the use of its facilities to guarantee, insure, extend credit, or participate in the extension of credit to business enterprises in South Africa that are majority owned by South African blacks or other nonwhite South Africans. The certification requirement contained in clause (c) of subparagraph (A) shall not apply to exports to or purchases from business enterprises which are majority owned by South African blacks or other nonwhite South Africans.".

LABOR PRACTICES OF THE UNITED STATES GOVERNMENT IN SOUTH AFRICA

SEC. 205. (a) It is the sense of the Congress that the labor practices used by the United States Government—

(1) for the direct hire of South Africans,

(2) for the reimbursement out of official residence funds of South Africans and employees of South African organizations for their long-term employment services on behalf of the United States Government, and

(3) for the employment services of South Africans arranged by contract,

should represent the best of labor practices in the United States and should serve as a model for the labor practices of nationals of the United States in South Africa.

(b) The Secretary of State and any other head of a department or agency of the United States carrying out activities in South Africa shall promptly take, to the extent permitted by law, the necessary steps to ensure that the labor practices applied to the employment services described in paragraphs (1) through (3) of subsection (a) are governed by the Code of Conduct.

WELFARE AND PROTECTION OF VICTIMS OF APARTHEID BY THE UNITED STATES

SEC. 206. (a) The Secretary shall acquire, through lease or purchase, residential properties in the Republic of South Africa that shall be made available, at rents that are equitable, to assist victims of apartheid who are employees of the United States Government in obtaining adequate housing. Such properties shall be acquired only in neighborhoods which would be open to occupancy by other employees of the United States Government in South Africa.

(b) There are authorized to be appropriated $10,000,000 for the fiscal year 1987 to carry out the purposes of this section.

EMPLOYMENT PRACTICES OF UNITED STATES NATIONALS IN SOUTH AFRICA

SEC. 207. (a) Any national of the United States that employs more than 25 persons in South Africa shall take the necessary steps to insure that the Code of Conduct is implemented.

(b) No department or agency of the United States may intercede with any foreign government or foreign national regarding the export marketing activities in any country of any national of the United States employing more than 25 persons in South Africa that is not implementing the Code of Conduct.

CODE OF CONDUCT

SEC. 208. (a) The Code of Conduct referred to in sections 203, 205, 207, and 210 of this Act is as follows:

(1) Desegregating the races in each employment facility;

(2) Providing equal employment opportunity for all employees without regard to race or ethnic origin;

(3) Assuring that the pay system is applied to all employees without regard to race or ethnic origin;

(4) Establishing a minimum wage and salary structure based on the appropriate local minimum economic level which takes into account the needs of employees and their families;

(5) Increasing by appropriate means the number of persons in managerial, supervisory, administrative, clerical, and technical jobs who are disadvantaged by the apartheid system for the purpose of significantly increasing their representation in such jobs;

(6) Taking reasonable steps to improve the quality of employees' lives outside the work environment with respect to housing, transportation, schooling, recreation, and health;

(7) Implementing fair labor practices by recognizing the right of all employees, regardless of racial or other distinctions, to self-organization and to form, join, or assist labor organizations, freely and without penalty or reprisal, and recognizing the right to refrain from any such activity.

(b) It is the sense of the Congress that in addition to the principles enumerated in subsection (a), nationals of the United States subject to section 207 should seek to comply with the following principle: taking reasonable measures to extend the scope of influence on activities outside the workplace, including—

(1) supporting the unrestricted rights of black businesses to locate in urban areas;

(2) influencing other companies in South Africa to follow the standards of equal rights principles;

(3) supporting the freedom of mobility of black workers to seek employment opportunities wherever they exist, and make provision for adequate housing for families of employees within the proximity of workers' employment; and

(4) supporting the rescission of all apartheid laws.

(c) The President may issue additional guidelines and criteria to assist persons who are or may be subject to section 207 in complying with the principles set forth in subsection (a) of this section. The President may, upon request, give an advisory opinion to any person who is or may be subject to this section as to whether that person is subject to this section or would be considered to be in compliance with the principles set forth in subsection (a).

(d) The President may require all nationals of the United States referred to in section 207 to register with the United States Government.

(e) Notwithstanding any other provision of law, the President may enter into contracts with one or more private organizations or individuals to assist in implementing this section.

PROHIBITION ON ASSISTANCE

SEC. 209. No assistance may be provided under this Act to any group which maintains within its ranks any individual who has been found to engage in gross violations of internationally recognized human rights (as defined in section 502B(d)(1) of the Foreign Assistance Act of 1961).

PROHIBITION ON NEW INVESTMENTS IN CERTAIN FIRMS

SEC. 210. No national of the United States may make or approve any new investment in South Africa to, or on behalf of, any controlled South African entity employing 25 or more individuals if such entity is not implementing the Code of Conduct.

TITLE III—MEASURES BY THE UNITED STATES TO UNDERMINE APARTHEID

PROHIBITION ON THE IMPORTATION OF KRUGERRANDS

SEC. 301. (a) No person, including a bank, may import into the United States any South African krugerrand or any other gold coin minted in South Africa or offered for sale by the Government of South Africa.

(b) For purposes of this section, the term "United States" includes the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

PROHIBITION ON THE IMPORTATION OF MILITARY ARTICLES

SEC. 302. No arms, ammunition, or military vehicles produced in South Africa or any manufacturing data for such articles may be imported into the United States.

PROHIBITION ON THE IMPORTATION OF PRODUCTS FROM PARASTATAL ORGANIZATIONS

SEC. 303. (a) Notwithstanding any other provision of law, no article which is grown, produced, or manufactured by a parastatal organization of South Africa may be imported into the United States, except for those strategic minerals for which the President has certified to the Congress that the quantities essential for the economy or defense of the United States are unavailable from reliable and secure suppliers.

(b) For purposes of this section, the term "parastatal organization" means a corporation or partnership owned or controlled by the Government of South Africa.

PROHIBITION ON COMPUTER EXPORTS TO SOUTH AFRICA

SEC. 304. (a) No computers, computer software, or goods or technology intended to manufacture or service computers may be exported to or for use by any of the following entities of the Government of South Africa:

(1) The military.

(2) The police.

(3) The prison system.

(4) The national security agencies.

(5) ARMSCOR and its subsidiaries or the weapons research activities of the Council for Scientific and Industrial Research.

(6) The administering authorities for controlling the movements of the victims of apartheid.

(7) Any apartheid enforcing agency.

(8) Any local, regional, or homelands government entity which performs any function of any entity described in paragraphs (1) through (7).

(b)(1) Computers, computer software, and goods or technology intended to service computers may be exported, directly or indirectly, to or for use by an entity of the Government of South Africa other than those set forth in subsection (a) only if a system of end use verification is in effect to ensure that the computers involved will not be used for any function of any entity set forth in subsection (a).

(2) The Secretary of Commerce may prescribe such rules and regulations as may be necessary to carry out this section.

PROHIBITION ON LOANS TO THE GOVERNMENT OF SOUTH AFRICA

SEC. 305. (a) No national of the United States may make or approve any loan or other extension of credit, directly or indirectly, to the Government of South Africa or to any corporation, partnership or other organization which is owned or controlled by the Government of South Africa.

(b) The prohibition contained in subsection (a) shall not apply to—

(1) a loan or extension of credit for any education, housing, or humanitarian benefit which—

(A) is available to all persons on a nondiscriminatory basis; or

(B) is available in a geographic area accessible to all population groups without any legal or administrative restriction; or

(2) a loan or extension of credit for which an agreement is entered into before the date of enactment of this Act.

PROHBITION ON AIR TRANSPORTATION WITH SOUTH AFRICA

SEC. 306. (a)(1) The Secretary of State shall terminate the Agreement Between the Government of the United States of America and the Government of the Union of South Africa Relating to Air Services Between Their Respective Territories, signed May 23, 1947, in accordance with the provisions of that agreement.

(2) Upon termination of such agreement, the Secretary of Transportation shall prohibit any aircraft of a foreign air carrier owned, directly or indirectly, by the Government of South Africa or by South African nationals from engaging in air transportation with respect to the United States.

(b) The Secretary of Transportation may provide for such exceptions from the prohibition contained in subsection (a) as the Secretary considers necessary to provide for emergencies in which the safety of an aircraft or its crew or passengers are threatened.

(c) For purposes of this section, the terms "aircraft", "air transportation", and "foreign air carrier" have the meanings given those terms in section 101 of the Federal Aviation Act of 1958 (49 U.S.C. 1301).

PROHIBITIONS ON NUCLEAR TRADE WITH SOUTH AFRICA

SEC. 307. (a) Notwithstanding any other provision of law—

(1) the Nuclear Regulatory Commission shall not issue any license for the export to South Africa of production or utilization facilities, any source or special nuclear material or sensitive nuclear technology, or any component parts, items, or substances which the Commission has determined, pursuant to section 109b. of the Atomic Energy Act, to be especially relevant from the standpoint of export control because of their significance for nuclear explosive purposes,

(2) the Secretary of Commerce shall not issue any license for the export to South Africa of any goods or technology which have been determined, pursuant to section 309(c) of the Nuclear Non-Proliferation Act of 1978, to be of significance for nuclear explosive purposes for use in, or judged by the President to be likely to be diverted to, a South African production or utilization facility,

(3) the Secretary of Energy shall not, under section 57b.(2) of the Atomic Energy Act, authorize any person to engage, directly or indirectly, in the production of special nuclear material in South Africa, and

(4) no goods, technology, source or special nuclear material, facilities, components, items, or substances referred to in clauses (1) through (3) shall be approved by the Nuclear Regulatory Commission or an executive branch agency for retransfer to South Africa,

unless the Secretary of State determines and certifies to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that the Government of South Africa is a party to the Treaty on the Non-Proliferation of Nuclear Weapons, done at Washington, London, and Moscow on July 1, 1968, or otherwise maintains International Atomic Energy Agency safeguards on all its peaceful nuclear activities, as defined in the Nuclear Non-Proliferation Act of 1978.

(b) Nothing in this section shall preclude—

(1) any export, retransfer, or activity generally licensed or generally authorized by the Nuclear Regulatory Commission or the Department of Commerce or the Department of Energy, or

(2) assistance for the purpose of developing or applying International Atomic Energy Agency or United States bilateral safeguards, for International Atomic Energy Agency programs generally available to its member states, for reducing the use of highly enriched uranium in research or test reactors, or for other technical programs for the purpose of reducing proliferation risks, such as programs to extend the life of reactor fuel and activities envisaged by section 223 of the Nuclear Waste Policy Act of 1982 or which are necessary for humanitarian reasons to protect the public health and safety.

(c) The prohibitions contained in subsection (a) shall not apply with respect to a particular export, retransfer, or activity, or a group of exports, retransfers, or activities, if the President determines that to apply the prohibitions would be seriously prejudicial to the achievement of United States non-proliferation objectives or would otherwise jeopardize the common defense and security of the United States and, if at least 60 days before the initial export, retransfer, or activity is carried out, the President submits to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth that determination, together with his reasons therefor.

RESTRICTIONS ON ISSUANCE OF VISAS TO SOUTH AFRICAN NATIONALS

SEC. 308. (a) The Congress finds that—

(1) American journalists, scholars, and clergy, among others, have experienced problems in obtaining visas to visit South Africa; and

(2) South African officials may have visited the United States to gather, surreptitiously, information useful in circumventing the international arms embargo in effect against South Africa.

(b)(1) Notwithstanding any other provision of law, the President shall define a class of persons consisting of all South African Government officials, including individuals performing services for the Government of South Africa, and members of their immediate families.

(2) On or after the date of enactment of this Act, no visa for admission to the United States may be issued to any individual in such class except on a case-by-case basis in the discretion of the Secretary of State.

(3) No visa issued before the date of enactment of this Act to a nonimmigrant alien described in section 101(a)(15)(A) of the Immigration and Nationality Act shall be valid after a date which is 30 days after the date of enactment of this Act.

SALES OF GOLD STOCKS

SEC. 309. Whenever the President determines that such action is necessary or appropriate to affect the price of gold on the world markets and thereby to carry out the provisions of this Act, the President is authorized to sell United States gold stocks on the open market and to engage in other transactions involving gold in such manner as the President may prescribe.

GOVERNMENT OF SOUTH AFRICA BANK ACCOUNTS

SEC. 310. (a) A United States depository institution may not accept, receive, or hold a deposit account from the Government of South Africa or from any agency or entity owned or controlled by the Government of South Africa except for such accounts which may be authorized by the President for diplomatic and consular purposes. For the purpose of the preceding sentence, the term "depository institution" has the same meaning as in section 19(b)(1) of the Federal Reserve Act.

(b) The prohibition contained in subsection (a) shall take effect 45 days after the date of enactment of this Act.

TERMINATION OF CERTAIN PROVISIONS

SEC. 311. (a) The provisions of sections 301 through 310 and sections 501(c) and 503(b) shall terminate if the Government of South Africa—

(1) releases Nelson Mandela from prison;

(2) repeals the state of emergency in effect on the date of enactment of this Act and releases all detainees held under such state of emergency;

(3) unbans political parties; and

(4) repeals the Group Areas Act.

(b) The President may suspend or modify any of the measures required by sections 301 through 310 or section 501 or 503 30 days after he determines, and so reports to the Congress, that the Government of South Africa has—

(1) taken any two of the four actions listed in subsection (a), and

(2) made substantial progress toward dismantling the system of apartheid and establishing a nonracial democracy,

if the Congress does not enact within such 30-day period, in accordance with section 602 of this Act, a joint resolution disapproving the determination of the President under this subsection.

TITLE IV—MULTILATERAL MEASURES TO UNDERMINE APARTHEID

NEGOTIATING AUTHORITY

SEC. 401. (a)(1) It is the policy goal of the United States to seek international cooperation with the industrialized democracies on measures which will encourage an end to apartheid. The net economic effect of such cooperation should be at least equal to the net economic effect of the measures imposed by this Act.

(2) For the purposes of paragraph (1), the term "net economic effect" means the cumulative impact on the South African economy as a whole of the measures imposed under sections 301 through 310.

(b) Negotiations to reach international cooperative arrangements with the other industrialized democracies should begin promptly and should be concluded not later

than 180 days after the date of enactment of this Act.

(c) If the President successfully concludes an international agreement on measures described in subsection (a), he may, 30 days after the text of such agreement has been received by the Congress, adjust, modify, or otherwise amend the measures imposed under any provision of sections 301 through 310 to conform with such agreement.

(d) Each agreement submitted to the Congress under this subsection shall enter into force with respect to the United States if (and only if)—

(1) the President, not less than 30 days before the day on which he enters into such agreement, notifies the House of Representatives and the Senate of his intention to enter into such an agreement, and promptly thereafter publishes notice of such intention in the Federal Register;

(2) after entering into the agreement, the President transmits a document to the House of Representatives and to the Senate containing a copy of the final legal text of such agreement together with—

(A) a statement of any administrative action proposed to implement such agreement, and an explanation as to how the implementing bill and proposed administrative action change or affect existing law, and

(B) a statement of his reasons as to how the agreement serves the interest of United States foreign policy and as to why the proposed administrative action is required or appropriate to carry out the agreement; and

(3) a joint resolution of disapproval has not been adopted within 30 days of transmittal of such document to the Congress.

UNFAIR TRADE PRACTICES

SEC. 402. The Congress declares that it shall be an unfair trade practice under section 301(a)(1)(B)(ii) of the Trade Act of 1974 for any foreign person, partnership, or corporation to benefit from or otherwise take commercial advantage of any sanction or prohibition against any national of the United States imposed by or under this Act.

PRIVATE RIGHT OF ACTION

SEC. 403. (a) Any national of the United States who is required by this Act to terminate or curtail business activities in South Africa may bring a civil action for damages against any person, partnership, or corporation that takes commercial advantage or otherwise benefits from such termination or curtailment.

(b) The action described in subsection (a) may only be brought, without respect to the amount in controversy, in the United States district court for the District of Columbia or the Court of International Trade. Damages which may be recovered include profits lost as a result of this Act and the cost of bringing the action, including a reasonable attorney's fee.

(c) The injured party must show by a preponderance of the evidence that the damages have been the direct result of defendant's action taken with the deliberate intent to injure the party.

TITLE V—FUTURE POLICY TOWARD SOUTH AFRICA

ADDITIONAL MEASURES

SEC. 501. (a) It shall be the policy of the United States to impose additional measures against the Government of South Africa if substantial progress has not been made within 12 months of the date of enactment of this Act in ending the system of apartheid and establishing a nonracial democracy.

(b) The President shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate within twelve months of the date of enactment of this Act, and every twelve months thereafter, a report on the extent to which significant progress has been made toward ending the system of apartheid, including—

(1) an assessment of the extent to which the Government of South Africa has taken the steps set forth in section 101(b) of this Act;

(2) an analysis of any other actions taken by the Government of South Africa in ending the system of apartheid and moving toward a nonracial democracy; and

(3) the progress, or lack of progress, made in reaching a negotiated settlement to the conflict in South Africa.

(c) If the President determines that significant progress has not been made by the Government of South Africa in ending the system of apartheid and establishing a nonracial democracy, the President shall include in the report required by subsection a recommendation on which of the following additional measures should be imposed:

(1) a denial of most-favored-nation status to South Africa;

(2) a prohibition on the importation of coal;

(3) a prohibition on deposits held in United States banks by South African nationals (other than deposits covered by section 310);

(4) coordinated efforts by the industrialized nations to lower the price of gold;

(5) a prohibition on the importation into the United States of uranium ore or uranium oxide from South Africa and Namibia;

(6) coordinated efforts by the industrialized nations and others to curtail or terminate telecommunications, postal, and telegraph services with South Africa;

(7) a prohibition on United States investment in South Africa; or

(8) other economic or political measures.

(d) A joint resolution which would enact part or all of the measures recommended by the President pursuant to subsection (c) shall be considered in accordance with the provisions of section 602 of this Act.

STUDY OF HEALTH CONDITIONS IN THE "HOMELANDS" AREAS OF SOUTH AFRICA

SEC. 502. The Secretary of State shall conduct a study to examine the state of health conditions and to determine the extent of starvation and malnutrition now prevalent in the "homelands" areas of South Africa and shall, not later than December 1, 1986, prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth the results of such study.

REPORT ON SOUTH AFRICAN IMPORTS

SEC. 503. (a) Not later than 90 days after the date of enactment of this Act, the President shall submit to the Congress a report on the extent to which the United States is dependent on the importation from South Africa of—

(1) chromium,

(2) cobalt,

(3) manganese,

(4) platinum group metals,

(5) ferroalloys, and

(6) other strategic and critical materials (within the meaning of the Strategic and Critical Materials Stock Piling Act).

(b) The President shall develop a program which reduces the dependence, if any, of the United States on the importation from South Africa of the materials identified in the report submitted under subsection (a).

STUDY AND REPORT ON THE ECONOMY OF SOUTHERN AFRICA

SEC. 504. (a) The President shall conduct a study on the role of American assistance in southern Africa to determine what needs to be done, and what can be done to expand the trade, private investment, and transport prospects of southern Africa's landlocked nations.

(b) Not later than 180 days after the date of enactment of this Act, the President shall prepare and transmit to the chairman of the Committee on Foreign Relations of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth the findings of the study conducted under subsection (a).

REPORT ON RELATIONS BETWEEN OTHER INDUSTRIALIZED DEMOCRACIES AND SOUTH AFRICA

SEC. 505. (a) Not later than 180 days after the date of enactment of this Act, the President shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report containing a detailed assessment of the economic and other relationships of other industrialized democracies with South Africa. Such report shall be transmitted without regard to whether or not the President successfully concluded an international agreement under title IV.

(b) For the purposes of this section, the phrase "economic and other relationships" includes those matters covered by sections 201, 202, 204, 205, 206, 207, 301, 302, 303, 304, 305, 306, 307, and 308 of this Act.

TITLE VI—ENFORCEMENT AND ADMINISTRATIVE PROVISIONS

REGULATORY AUTHORITY

SEC. 601. The President shall issue such rules, regulations, licenses, and orders as are necessary to carry out the provisions of this Act, including taking such steps as may be necessary to continue in effect the measures imposed by Executive Order 12532 of September 9, 1985 and any rule, regulation, license, or order issued thereunder.

CONGRESSIONAL PRIORITY PROCEDURES

SEC. 602.(a)(1) The provisions of this subsection apply to the consideration in the House of Representatives of a joint resolution under sections 311(b), 401(d), and 501(d).

(2) A joint resolution shall, upon introduction, be referred to the Committee on Foreign Affairs of the House of Representatives.

(3)(A) At any time after the joint resolution placed on the appropriate calendar has been on that calendar for a period of 5 legislative days, it is in order for any Member of the House (after consultation with the Speaker as to the most appropriate time for the consideration of that joint resolution) to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of that joint resolution. The motion is highly privileged and is in order even though a previous motion to the same effect has been disagreed to. All points of order against the joint resolution under clauses 2 and 6 of Rule XXI of the Rules of the House are waived. If the motion is agreed to, the resolution shall remain the unfinished business of the House until disposed of. A motion to

reconsider the vote by which the motion is disagreed to shall not be in order.

(B) Debate on the joint resolution shall not exceed ten hours, which shall be divided equally between a Member favoring and a Member opposing the joint resolution. A motion to limit debate is in order at any time in the House or in the Committee of the Whole and is not debatable.

(C) An amendment to the joint resolution is not in order.

(D) At the conclusion of the debate on the joint resolution, the Committee of the Whole shall rise and report the joint resolution back to the House, and the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion.

(5) As used in this subsection, the term "legislative day" means a day on which the House is in session.

(b)(1) The provisions of this subsection apply to the consideration in the Senate of a joint resolution under section 311(b), 401(d), or 501(d).

(2) A joint resolution shall, upon introduction, be referred to the Committee on Foreign Relations of the Senate.

(3) A joint resolution described in this section shall be considered in the Senate in accordance with procedures contained in paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98-473), except that—

(A) references in such paragraphs to the Committee on Appropriations of the Senate shall be deemed to be references to the Committee on Foreign Relations of the Senate; and

(B) amendments to the joint resolution are in order.

(c) For purposes of this subsection, the term "joint resolution" means only—

(A) in the case of section 311(b), a joint resolution which is introduced in a House of Congress within 3 legislative days after the Congress receives the report described in section 311(b) and for which the matter after the resolving clause reads as follows: "That the Congress, having received on the report of the President containing the determination required by section 311(b) of the Comprehensive Anti-Apartheid Act of 1986, disapproves of such determination.", with the date of the receipt of the report inserted in the blank;

(B) in the case of section 401(d)(3), a joint resolution which is introduced in a House of Congress within 3 legislative days after the Congress receives the document described in section 401(d)(2) and for which the matter after the resolving clause reads as follows: "That the Congress, having received on the text of the international agreement described in section 401(d)(3) of the Comprehensive Anti-Apartheid Act of 1986, disapproves of such agreement.", with the date of the receipt of the text of the agreement inserted in the blank; and

(C) in the case of section 501(d), a joint resolution which is introduced in a House of Congress within 3 legislative days after the Congress receives the determination of the President pursuant to section 501(c) and for which the matter after the resolving clause reads as follows: "That the Congress, having received on a determination of the President under section 501(c) of the Comprehensive Anti-Apartheid Act of 1986, approves the President's determination.", with the date of the receipt of the determination inserted in the blank.

(d) This section is enacted—

(1) as an exercise of the rulemaking powers of the House of Representatives and Senate, and as such it is deemed a part of the Rules of the House and the Rules of the Senate, respectively, but applicable only with respect to the procedure to be followed in the House and the Senate in the case of joint resolutions under this section, and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(2) with full recognition of the constitutional right of the House and the Senate to change their rules at any time, in the same manner, and to the same extent as in the case of any other rule of the House or Senate, and of the right of the Committee on Rules of the House of Representatives to report a resolution for the consideration of any measure.

ENFORCEMENT AND PENALTIES

SEC. 603. (a)(1) The President with respect to his authorities under section 601 shall take the necessary steps to ensure compliance with the provisions of this Act and any regulations, licenses, and orders issued to carry out this Act, including establishing mechanisms to monitor compliance with this Act and such regulations, licenses, and orders.

(2) In ensuring such compliance, the President may—

(A) require any person to keep a full record of, and to furnish under oath, in the form of reports or otherwise, complete information relative to any act or transaction described in this Act either before, during, or after the completion thereof, or relative to any interest in foreign property, or relative to any property in which a foreign country or any national thereof has or has had any interest, or as may be otherwise necessary to enforce the provisions of this Act; and

(B) conduct investigations, hold hearings, administer oaths, examine witnesses, receive evidence, take depositions, and require by subpoena the attendance and testimony of witnesses and the production of all books, papers, and documents relating to any matter under investigation.

(b) Except as provided in subsection (d)—

(1) any person that violates the provisions of this Act, or any regulation, license, or order issued to carry out this Act shall be subject to a civil penalty of $50,000;

(2) any person, other than an individual, that willfully violates the provisions of this Act, or any regulation, license, or order issued to carry out this Act shall be fined not more than $1,000,000;

(3) any individual who violates the provisions of this Act or any regulation, license, or order issued to carry out this Act shall be fined not more than $50,000, or imprisoned not more than 10 years, or both; and

(4) any individual who violates section 301(a) or any regulations issued to carry out that section shall, instead of the penalty set forth in paragraph (2), be fined not more than 5 times the value the krugerrands or gold coins involved.

(c)(1) Whenever a person commits a violation under subsection (b)—

(A) any officer, director, or employee of such person, or any natural person in control of such person who knowingly and willfully ordered, authorized, acquiesced in, or carried out the act or practice constituting the violation, and

(B) any agent of such person who knowingly and willfully carried out such act or practice,

shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

(2) Paragraph (1) shall not apply in the case of a violation by an individual of section 301(a) of this Act or of any regulation issued to carry out that section.

(3) A fine imposed under paragraph (1) on an individual for an act or practice constituting a violation may not be paid, directly or indirectly, by the person committing the violation itself.

(d)(1) Any person who violates any regulation issued under section 208(d) or who, in a registration statement or report required by the Secretary, makes any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading, shall be subject to a civil penalty of not more than $10,000 imposed by the Secretary. The provisions of subsections (d), (e), and (f) of section 11 of the Export Administration Act of 1979 shall apply with respect to any such civil penalty.

(2) Any person who commits a willful violation under paragraph (1) shall upon conviction be fined not more than $1,000,000 or imprisoned not more than 2 years, or both.

(3) Nothing in this section may be construed to authorize the imposition of any penalty for failure to implement the Code of Conduct.

APPLICABILITY TO EVASIONS OF ACT

SEC. 604. This Act and the regulations issued to carry out this Act shall apply to any person who undertakes or causes to be undertaken any transaction or activity with the intent to evade this Act or such regulations.

CONSTRUCTION OF ACT

SEC. 605. Nothing in this Act shall be construed as constituting any recognition by the United States of the homelands referred to in this Act.

SUMMARY

Title I sets out U.S. policy toward the Government of South Africa, South African blacks and the frontline states in southern Africa. Titles II and III codify the President's Executive Order of last September. Title II contains express statutory authorization for scholarships and other programs which help South African blacks. Title II also requires U.S. companies in South Africa to adhere to the Sullivan Principles.

In addition to the five sanctions imposed under last year's Executive Order, six new sanctions are contained in this bill:

(1) a ban on new investments in U.S. companies not following the Sullivan Principles;

(2) an embargo on imports from corporations owned or controlled by the South African government;

(3) a denial of landing rights to airlines owned by South African nationals;

(4) authority for the President to deny visas to South African government officials

(5) express authorization for the President to sell U.S. gold to lower the world market price; and

(6) a ban on the use of U.S. banks by the South African government or corporations owned by the South African government.

There are four conditions that must be satisfied for sanctions to be removed: Nelson Mandela must be freed, the state of emergency lifted, political parties unbanned, and the Group Areas Act repealed. If any two of these four steps are taken, the President may, subject to Congressional disapproval, modify the sanctions.

Title IV grants the President additional authority to negotiate international agree-

ments with the other industrial democracies that would impose sanctions on South Africa. The President is also given the power to modify U.S. sanctions to reflect any international agreement. Any foreign company taking advantage of U.S. sanctions to supplant U.S. businesses in South Africa is made liable for damages in U.S. courts. Such action is also made an unfair trade practice under section 301 of the Trade Act of 1974, giving the President the power to retaliate.

Title V provides that if progress is not made within one year in dismantling apartheid and establishing a multi-racial democracy, the President is to recommend additional sanctions. Expedited procedures apply to Congressional action to approve these additional sanctions. Individuals violating any provision of the Act are subject to a fine of up to $50,000 and a prison term of not more than 5 years. Corporations may be fined up to $1,000,000 for violations.

SECTION-BY-SECTION ANALYSIS

TITLE I—POLICY OF THE UNITED STATES WITH RESPECT TO ENDING APARTHEID

Sec. 101. Policy toward the Government of South Africa

U.S. policy is designed to bring reforms leading to the establishment of a non-racial democracy. This is to be furthered by encouraging the Government of South Africa to take a number of specific steps, including a restoration of equal justice under law, release of all political prisoners, and negotiations with repesentatives of all citizens in South Africa. Future U.S. policy will be based on whether the South African Government takes these steps.

Sec. 102. Policy toward the victims of apartheid

U.S. policy is to bring about the removal of the system of apartheid. In anticipation of its ultimate demise, U.S. policy is to assist the victims in preparing themselves to take their rightful place in a post-apartheid society in South Africa. The U.S. will also provide assistance to the victims of apartheid to help them challenge the system as well as for humanitarian purposes.

Sec. 103. Policy toward other countries in Southern Africa

U.S. policy is aimed at encouraging democracy, respect for human rights, economic development and political independence. The United States will work toward this goal by promoting independence for Namibia, supporting the removal of all foreign troops from the region and other steps, including the provision of U.S. economic assistance in accord with U.S. resources.

Sec. 104. Policy toward a negotiated settlement

U.S. policy is to encourage a negotiated settlement. To this end, political parties should be unbanned and political expression permitted. All parties should agree to suspend violence. The United States will work with its allies to develop a plan for assistance to South Africa if the government will end apartheid and negotiate with all parties.

Sec. 105. Policy toward international cooperation on measures to end apartheid

Congress recognizes that international cooperation is crucial to developing effective measures to help end apartheid. The President is therefore urged to seek such cooperation.

TITLE II—MEASURES TO ASSIST VICTIMS OF APARTHEID

Sec. 201. Scholarships for black South Africans

Funds are earmarked out of the Education and Human Resources account of the Foreign Assistance Act to finance education, training and scholarships for black South Africans attending schools in South Africa. One third of the earmarked funds are set aside for black teachers. Half the funds provided must go for programs whose sponsors support an end to apartheid. The other half is to be used for scholarships awarded by panels of educators. $8,000,000 is earmarked for fiscal year 1987, $11,000,000 for fiscal year 1988 and $15,000,000 for each succeeding fiscal year.

Sec. 202. Human rights fund

Of the $3,000,000 provided in the Human Rights account of the Foreign Assistance Act for programs which encourage adherence to civil and political rights, $1,500,000 is to be used for grants to nongovernmental organizations in South Africa which promote human rights and an end to apartheid. Of this $1,500,000, $350,000 is to be used for direct legal assistance and other activities which will help political detainees, political prisoners and their families.

Sec. 203. Expanding participation in the South African economy

All U.S. governmental agencies operating in South Africa are, to the maximum extent possible, to procure 50% or more of the goods and services they need from black or other nonwhite owned businesses in South Africa. Competition in contracting laws are waived.

Sec. 204. Export-Import Bank of the United States

The Ex-Im Bank is required to take active steps to encourage the use of its facilities by black or other nonwhite owned businesses in South Africa.

Sec. 205. Labor practices of the United States Government in South Africa

All U.S. government agencies employing South Africans are required to follow a Code of Conduct based on the Sullivan Principles. The Code is set out in section 208.

Sec. 206. Protection of black South Africans employed by the United States

The Secretary of State is authorized to lease or purchase housing and make it available at reasonable rents to black South African employees of the United States government. The housing must be in areas open to occupancy by other employees of the United States government. $10,000,000 is authorized for fiscal year 1987 for this program.

Sec. 207. Employment practices of United States Nations in South Africa

All U.S. companies employing 25 or more persons in South Africa must take steps to insure that the Code of Conduct is implemented. U.S. assistance in export marketing is denied to any company not implementing the Code.

Sec. 208. Code of conduct

This section lists seven principles—racial desegregation, equal employment opportunities, equal pay, fair minimum wage, affirmative action in promotion, recognition of right to join labor unions and concern for employees' life outside work—that are the basis for the Sullivan Principles. These are the principles U.S. companies (sec. 207) and the U.S. government (sec. 205) must follow. U.S. companies are also called upon to work for the equal treatment of blacks by all employers and to support an end to apartheid. Subsection (c) gives the President the power to issue advisory opinions to U.S. firms as to whether they are required to adhere to the Code of Conduct. Those who are can be required to register with the U.S. government. The President may contract with private groups, such as Arthur D. Little and Company, to assist him in determining whether companies are in compliance with the Code of Conduct.

Sec. 209. Prohibition on assistance

No assistance under this Act may be provided to any group which maintains within its ranks an individual who has engaged in gross violations of human rights. This would include torture or other cruel or inhumane acts.

Sec. 210. Prohibition on new investments in certain firms

U.S. citizens and companies may not make any new investment in any U.S. firm which: (1) employs 25 or more individuals in South Africa and (2) is not implementing the Code of Conduct.

TITLE III—MEASURES BY THE UNITED STATES TO UNDERMINE APARTHEID

Sec. 301. Prohibition on the importation of Krugerrands

Imports into the United States of any South African gold coin, including the Krugerrand, are banned.

Sec. 302. Prohibition on the importation of military equipment

Imports into the United States of arms, ammunition, military vehicles and the manufacturing data for these items are banned.

Sec. 303. Prohibition on the importation of products from parastatal organizations

No article produced by a corporation owned or controlled by the South African Government can be imported into the United States. An exception is provided for strategic minerals for which substitutes or secure domestic supplies are unavailable.

Sec. 304. Prohibition on computer exports to South Africa

Computers, computer software and goods and technology which service computers may not be exported to the South African military, police, prison system, ARMSCOR, apartheid administering agencies or any entity of a homelands government performing the same functions as the proscribed organizations. Computers may be exported to South African government entities if a system of end use verification is in effect to insure computers are not diverted to a proscribed entity.

Sec. 305. Prohibition on loans to the Government of South Africa

U.S. nationals may not loan, or extend credit to, the Government of South Africa. U.S. banks could therefore not extend trade credit to any purchasing organization associated with the government of South Africa. An exception to the ban on loans and credit extension is provided for educational, housing, and humanitarian purposes.

Sec. 306. Prohibition on air transportation with South Africa

The Secretary of State is to terminate the bilateral air services agreement now in effect with South Africa. Article XI of that agreement provides for a year notice of termination; breach of the agreement is subject to international arbitration. Once the agreement is terminated, the Secretary of

Transportation is to ban air transportation with the United States by air carriers owned by the Government of South Africa or South African nationals. An exception for emergency landings is permitted.

Sec. 307. Prohibitions on nuclear trade with South Africa

Exports of material or technical data to be used in connection with any nuclear power plant or other nuclear facility are banned. This ban is lifted if the President certifies that South Africa has become a party to the Non-Proliferation Treaty or is maintaining International Atomic Energy Agency safeguards on all nuclear activities. Nuclear materials subject to general licenses by the Nuclear Regulatory Commission or the Department of Commerce are exempt from the ban. This covers items such as pacemakers, which contain small amounts of plutonium, and other health and safety-related items.

Sec. 308. Restrictions in issuance of visas to South African nationals

The President is authorized to establish a separate visa category for South African officials and anyone performing services for the South African government. Visas for these individuals may be denied at the discretion of the Secretary of State. This is designed to allow the Secretary to retaliate when American journalists, clerics and others are denied South African visas. It will also permit the Secretary to exclude individuals be believes may be trying to gather information to circumvent the arms embargo.

Sec. 309. Sales of gold stocks

The President is expressly authorized to sell any U.S. gold stocks on the open market or engage in any transaction involving gold for the purpose of affecting the world price of gold.

Sec. 310. Government of South Africa bank accounts

The Government of South Africa, and all entities owned or controlled by it, are permitted to have bank accounts in the United States only for diplomatic and consular purposes.

Sec. 311. Termination of certain provisions

Subsection (a) provides that all sanctions imposed by the bill upon its enactment (those in Title III) as well as all sanctions imposed in the future (under Title V) are to be terminated if (1) Nelson Mandela is released; (2) the state of emergency is repealed and detainees held under that state of emergency are released; (3) political parties are unbanned; and (4) the Group Areas Act is repealed. The President may modify any of the sanctions if two of these four steps have been taken and substantial progress has been made towards ending apartheid. This modification is subject to a resolution of disapproval which would enjoy expedited treatment in both Houses.

TITLE IV—MULTILATERAL MEASURES TO UNDERMINE APARTHEID

Sec. 401. Negotiating authority

The President is given authority to negotiate international agreements incorporating sanctions on South Africa. He may modify U.S. sanctions to conform with the agreement. However, the agreement is subject to Congressional disapproval. In no event can the net effect of any agreement, together with any modification of a U.S. sanction, be less than the net economic effect of U.S. sanctions standing by themselves.

Sec. 402. Unfair trade practices

This section makes it an unfair trade practice under section 301 of the 1974 Trade Act for any foreign firm to take commercial advantage of any sanction. In other words, it would be unfair for a foreign firm to begin selling computers to a South African government entity that had previously purchased computers from a U.S. firm but could no longer purchase these computers because of the U.S. export ban in section 304 of this act. Section 301 gives the President the discretion to retaliate against the products of those countries engaged in an unfair trade practice.

Sec. 403. Private right of action

U.S. firms may bring a private action for damages against any firm that takes commercial advantage of any sanction imposed by this Act. For example, if a U.S. company had been selling computers to an agency of the South African government and were prohibited by this Act from continuing to sell computers, it could bring an action for lost profits against any foreign firm which replaced it. The U.S. company is entitled to costs and attorney's fees if it prevails.

TITLE V—FUTURE POLICY TOWARD SOUTH AFRICA

Sec. 501. Additional measures

Every 12 months the President must report to Congress on the progress made in ending apartheid. If progress has not been made, he is to recommend additional economic or political sanctions. Expedited procedures are provided for Congressional consideration of these sanctions.

Sec. 502. Study of health conditions in the homelands areas of South Africa

The Secretary of State is to study and report to Congress on the state of health conditions in the homelands areas and whether, and to what extent, there is malnutrition or starvation occurring in these areas.

Sec. 503. Report on South Africa imports

The President is to report in 180 days on U.S. import dependence on South Africa chromium, cobalt, manganese, platinum, ferroalloys and other strategic and critical materials. The President is to prepare a plan to reduce U.S. dependence on imports of these minerals from South Africa.

Sec. 504. Study and report on the economy of Southern Africa

The President is to send a report to Congress on the role of U.S. assistance in southern Africa and what steps can be taken to expand the trade, private investment and transport network of landlocked countries in southern Africa.

Sec. 505. Report on relations between other industrialized democracies and South Africa

Within 180 days the President must report to Congress on the economic and political relationships between South Africa and the other industrialized democracies.

TITLE VI—ENFORCEMENT AND ADMINISTRATIVE PROVISIONS

Sec. 601. Regulatory authority

The President is authorized to issue the necessary regulations, licenses and orders to carry out this Act.

Sec. 602. Congressional priority procedures

This section provides expedited procedures for the various Congressional resolutions of approval and disapproval provided for by this Act.

Sec. 603. Enforcement and penalties

The President is given the power to conduct investigations to insure compliance with this Act. Corporations violating the Act are subject to fines of up to $1,000,000 for each violation. Individuals violating it can be fined up to $50,000 or imprisoned for not more than 5 years or both. U.S. businesses in South Africa which refuse to report on their progress in complying with the Sullivan Principles are subject to a $10,000 fine.●

By Mr. GORE:

S. 2702. A bill entitled the "Satellite Television Open Market Act of 1986"; to the Committee on Commerce, Science, and Transportation.

SATELLITE TELEVISION OPEN MARKET ACT

● Mr. GORE. Mr. President, today I am introducing new legislation which directly addresses the fundamental problem of satellite television scrambling.

The problem has become clear: By refusing to allow open, competitive marketing of their signals through third-party distributors, the monopoly programmers have shut down the free market, and driven a new, promising technology into the ground.

How was this allowed to happen? Plans by cable programmers and the networks to scramble their signals have had a clear and devastating effect—total chaos among home dishowners and the businesses that serve those customers. The ensuing confusion has threatened to derail a communications development that, for once, came first to rural Americans—and the resolution of the problem is not yet in sight.

It is clear that the Congress would prefer that the marketplace resolve problems such as the distribution of satellite television programming. However, the marketplace has not worked. Consider the distortions in the satellite television marketplace:

Advertiser-supported programmers who have no reason to scramble are being coerced by major cable corporations to scramble or else be thrown off those systems.

Expensive decoders are being forced onto dishowners even though no industry standards have been established.

At least one programmer is actively engaging in kickbacks of dishowners program fees to cable operators who provide absolutely no services to the dishowner.

And, most significantly, programmers who may have justifiable reasons to scramble are refusing to sell services at competitive terms to dishowners through third-party distributors.

Mr. President, it is time for the Congress to act. Last year I introduced, along with my colleague Senator COCHRAN, a bill to require the Federal Communications Commission to inter-

vene with regulation as a last resort, if satellite television programmers were found to be acting anticompetitively. I believed then, and still believe, that the FCC has a distinct role in this issue as the Federal Government's arbiter of national telecommunications policy.

And, any rules dealing with anticompetitive behavior must have teeth. It is not enough for us to urge programmers and cable interests to play fair. It is not enough to talk about the importance of this technology for those living outside urban centers if we fail to ensure that the home satellite dish will continue as an available telecommunications option for rural America.

Satellite dishowners are willing to pay fair prices and agree to competitive, marketplace terms for scrambled programming. But few of the companies who have the monopoly on premium satellite television programs have agreed to sell their services at fair prices and through a competitive marketplace.

Instead, these programmers flatly state that they will charge dishowners prices that are two, three, four times greater than local cable customers pay for the same services. The implication of these predatory rates—if not the stated motive—is that dishowners must pay higher prices than cable customers to discourage the use of home dishes.

That motive—to shut down dish sales in cable-served areas—is reason enough to warrant serious action by the courts, if not the Congress. Yet, the vast majority of home dishowners do not live within cable-wired areas. They live in rural areas that cable refuses to serve, areas where television information and entertainment programming is vital. In these areas, the anticompetitive behavior of the programmers and cable operators should be branded illegal, and halted.

It is not surprising that these marketplace distortions have occurred. The concentration among major programming sources is alarming. For instance, two companies—HBO/Cinemax and Showtime/Movie Channel—control practically 100 percent of the premium cable movie services. And a large share of the other premium programs, such as MTV, Nickolodeon, and others, are controlled by the Viacom Corp., the same company that owns Showtime. And who owns HBO? Time, Inc.

Mr. President, Time, Inc., and Viacom are not simply huge holding companies involved in the development and sale of satellite television programming. These companies also happen to be two of the biggest multisystem cable operators.

And who is the biggest of these cable company chains? Tele-Communications, Inc., whose top official has been publicly quoted as threatening any programmer who does not scramble that his services will be dropped from TCI systems. When TCI announced that it would package programming for dishowners living within its franchise areas, the plan was met with understandable skepticism about TCI's motives.

I am pleased that the Justice Department has an ongoing investigation into the efforts of some of the monopoly interests to shut down the Earth station industry. But that investigation has been underway for months, and a Justice Department conclusion that corrects the marketplace distortions is unlikely for many more months.

This week the FCC will announce a notice of inquiry to look into the satellite television programming industry. That is heartening, but, after all, it is only a general inquiry. The FCC has been keenly aware of the interest and controversy in this issue among Members of Congress and the telecommunications community for several years. Yet, it has waited, and waited, until the home Earth station industry is on the verge of extinction to announce even a modest general inquiry.

Mr. President, it does not take a year-long general study by Justice Department or the FCC to realize that the distortions in this marketplace are severe and need immediate remedy. We simply cannot wait forever for those agencies to study the problem to death.

Major cable officials and programming executives have told me that, if there are violations of antitrust law, the courts are the places to resolve the problem. But let's face facts: The antitrust laws are unclear at best on the issue of satellite television market. Invariably, when the law is vague, the entrenched powers—in this case the programmers and huge cable systems—have the resources to stall an upstart competitor right out of court, and out of business.

The bill I am introducing today will specifically cite anticompetitive behavior in the marketing of satellite television programming as a violation of communications law, and allow citizens to bring immediate suit in Federal court against programmers who refuse to make programming available at fair terms.

The bill will require programmers to establish reasonable standards for the third-party distribution of their services, and require them to allow independent distributors to market those services. This action will correct the marketplace distortions that now shut out independent distribution and prevent competition.

Open market competition is the only way to solve this problem, and I am confident that this bill will make that competition possible.

Mr. President, I ask unanimous consent that the bill and a summary of the legislation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2702

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 1986 SATELLITE TELEVISION VIEWING RIGHTS AMENDMENTS TO THE COMMUNICATIONS ACT OF 1984.

Section 705 of the Communications Act of 1934 (47 USCA 705) is amended:

(1) by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively; and

(2) by inserting after subsection (b) the following new subsection:

(c)(1) any person who encrypts any satellite cable programming for private viewing on the date of enactment hereof shall—

(A) make such programming available for private viewing by home satellite antenna users;

(B) in case such person utilizes cable systems to distribute the encrypted satellite cable programming to home satellite antenna users—

(i) not restrict such systems from selling anywhere outside of their franchise areas and not discriminate in price, terms, or conditions based on whether sale of such programming is for cable subscribers or home satellite antenna users; or,

(ii) establish reasonable financial and character criteria under which non-cable distributors may qualify to distribute such programming to home satellite antenna users and not discriminate in price, terms, or conditions among different qualified distributors offering similar distribution services to the consumer.

(2) Any person aggrieved by any violation of paragraph (c)(1) of this subsection may bring a civil action in a United States district court or any other court of competent jurisdiction. Such court may—

(A) grant temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain such violations; and

(B) direct the recovery of full costs, including awarding reasonable attorney fees to a prevailing plaintiff.

SEC. 2 NEW DEFINITIONS.

Section 705(c) of the Communications Act of 1934 (47 U.S.C. sec. 705) is amended by adding as new definitions "a home satellite antenna user", "reasonable financial and character criteria", and amending the definition of "satellite cable programming."

(1) "Satellite cable programming" means programming transmitted via domestic geostationary communications satellite intended for reception by cable television system subscribers or by the audience of broadcast station licensed by the Commission.

(2) "A home satellite antenna user" is a person who utilizes a satellite reception antenna to view or listen to, in his or her home or residence, communications received directly from a communications satellite in Earth orbit.

(3) "Reasonable financial and character criteria" means commonly prudent business standards designed to facilitate payment to the programmer and maintenance of the business reputation of the programmer, and which are calculated to facilitate the existence of multiple non-cable distributors.

"THE SATELLITE TELEVISION OPEN MARKET ACT OF 1986

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(3) "Reasonable financial and character criteria" means commonly prudent business standards designed to facilitate payment to the programmer and maintenance of the business reputation of the programmer, and which are calculated to facilitate the existence of multiple non-cable distributors.●

By Mr. DOLE (for himself, Mr. METZENBAUM, Mr. BYRD, Mr. CHAFEE, Mr. CRANSTON, Mr. WEICKER, Mr. INOUYE, Mr. DANFORTH, Mr. HOLLINGS, Mrs. KASSEBAUM, Mr. KENNEDY, Mr. STAFFORD, Mr. KERRY, Mr. WILSON, Mr. SIMON, Mr. EXON, and Mr. RIEGLE):

S. 2703. A bill to amend the Federal Aviation Act of 1958 to provide that prohibitions of discrimination against handicapped individuals shall apply to air carriers; to the Committee on Commerce, Science, and Transportation.

AIR CARRIER ACCESS ACT

Mr. DOLE. Mr. President, the purpose of the legislation my colleagues and I introduce today is quite simple. It overturns the recent Supreme Court decision in the case of Paralyzed Veterans of America versus the Department of Transportation. This case, which was handed down by the High Court in the closing days of its spring term, held that section 504 of the Rehabilitation Act of 1973 "is not applicable" to U.S. commercial air carriers, except for those few small regional carriers who receive direct Federal subsidies.

Despite the billions of Federal assistance dollars devoted to our air transportation system through the Airport and Airway Improvement Act of 1970 and its successor legislation, and despite the fact that the Federal Government directly operates the air navigation system, the Court held that this "indirect" assistance was not enough to invoke section 504. Using Grove City reasoning, the majority found no jurisdiction because of no direct Federal funding.

Although it is somewhat difficult, to say the least, to imagine that our airlines could operate without airports or navigational aids and assistance, it cannot be said that the Supreme Court was expanding the scope of Federal jurisdiction in this instance. I suppose it could be described as an example of judicial self-restraint.

In any event, the effect of the decision was to render inoperative and inapplicable DOT regulations which had attempted to set forth implementing 504 regulations for air carriers. These regulations had previously been drawn up by the CAB before its demise and had been carried on by the FAA. Although they still apply to those carriers receiving direct assistance, most of the industry has now been removed from coverage.

In fashioning remedial legislation, two alternative approaches have been considered. The first was to add air carriers specifically to the coverage of section 504. Although this approach was simple and direct, substantial objections were posed by representatives of air carriers as well as those concerned with Grove City legislation. Once the scope of the legislation was expanded beyond those receiving direct assistance, the list could become endless. Also, the airlines strongly felt that they should continue to be regulated under the control of the Aviation Act as the legislation providing the basic Federal regulatory authority for their industry.

For a while, it seemed that it would not be possible to reconcile these differences; however, I can now report that a compromise has been reached and is reflected in S. 2703. This is now incorporated into the legislation introduced today which amends the Aviation Act and incorporates compromise definitions which rely heavily on language and precedents from the Rehabilitation Act, but which also incorporate terminology from the CAB regulations and the Aviation Act.

SUPPORT FOR DISABLED ACCESS TO THE AIRLINES

In addition to those Members of the Senate who have agreed to cosponsor this legislation, I understand that the bill is endorsed by the PVA and a broad range of organizations serving the needs of the disabled. The bill also is acceptable to the Air Transport Association. In addition, it is anticipated that there will be no objection from the administration. So far, the measure has been made available to the Departments of Justice and Transportation. I feel confident that formal expressions of support will be forthcoming shortly.

In discussions with representatives of the Senate Commerce Committee, it seems likely that the committee will consider the bill at its next markup session on August 7. If so, then it may be possible for the Senate to consider the measure before the August recess period, if it can be brought up by unanimous consent.

In conclusion, Mr. President, the action that my colleagues and I take today is clearly in the best interests of the 36 million disabled citizens. After all, they need and must have access to our public transportation systems. Although the present bill is limited to air carriers, it can reasonably be anticipated that subsequent legislation will address itself to other forms of public transportation. This, in one sense, is a stopgap bill, specifically addressing the recent Supreme Court decision. I would hope that the Commerce Committee will address a broader inquiry to other forms of transportation at an early date. If additional legislation is needed, this Senator will be the first in line to propose it.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2703

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Air Carrier Access Act of 1986".

SEC. 2. (a) Section 404 of the Federal Aviation Act of 1958 (49 U.S.C. 1374) is amended by adding at the end thereof the following new subsection:

"PROHIBITION ON DISCRIMINATION AGAINST HANDICAPPED INDIVIDUALS

"(c)(1) No air carrier may discriminate against any otherwise qualified handicapped individual, by reason of such handicap, in the provision of air transportation.

"(2) For the purposes of paragraph (1) of this subsection the term 'handicapped individual' means any individual who has a physical or mental impairment that substantially limits one or more major life activities, has a record of such an impairment, or is regarded as having such an impairment.".

(b) That portion of the table of contents of the Federal Aviation Act of 1958 which appears under the side heading "SEC. 404. Rates for carriage of persons and property." is amended by adding at the end thereof:

"(c) Prohibition on discrimination against handicapped individuals.".

SEC. 3. Within one hundred and twenty days after the date of enactment of this Act, the Secretary of Transportation shall promulgate regulations to ensure non-discriminatory treatment of qualified handicapped individuals consistent with safe carriage of all passengers on air carriers.

Mr. METZENBAUM. Mr. President, I am pleased to join Senator DOLE in introducing a bill to prohibit airlines from discriminating against handicapped individuals.

This bipartisan bill will undo the damage perpetuated by the recent Supreme Court ruling which held, in effect, that commercial air carriers were free to discriminate against people with a handicap. This bill states—in very clear terms—that all Americans should be treated equally when they use commercial air carriers.

Over the years, the Department of Transportation has received numerous complaints about discriminatory treatment of handicapped persons by the different commercial airlines. For instance, there have been cases where individuals were not permitted to board a flight simply because they were handicapped. Indeed, handicapped passengers have been charged more than others on flights, they have been segregated in separate waiting areas, and they have had their wheelchairs and other necessary medical equipment damaged or misplaced.

We have come a long way from the days when it was acceptable to treat persons with disabilities as second-class citizens. Congress must act affirmatively now to ensure that handicapped persons are not subjected to humiliating and degrading regulations or practices by any commercial air carrier or its personnel.

The bill is simple and straightforward. It amends the Federal Aviation Act to prevent discrimination against handicapped persons in the provision of air transportation. The Secretary of Transportation will have 120 days to promulgate regulations to accomplish this objective. The bill does not require airlines to make major structural changes in their aircraft nor does it undermine safety regulations.

This bill has the support of the disabled advocacy groups. It is cosponsored by a number of Senators on both sides of the aisle. The Senate Commerce Committee has agreed to hold a hearing next week.

I hope they will report favorably on the bill and that we can bring it to a vote as quickly as possible.

THE AIR CARRIERS ACCESS ACT OF 1986

Mr. BYRD. Mr. President, I am pleased to cosponsor the Air Carriers Access Act of 1986. I believe strongly that this legislation is needed to remedy the unfortunate ramifications of the Supreme Court's recent ruling in the case of Department of Transportation versus Paralyzed Veterans of America.

Since the enactment of the Airline Deregulation Act of 1978, we have all become increasingly aware of the downsides to deregulation. I am particularly concerned about safety issues and have introduced legislation dealing with that growing problem. It is now apparent, as a result of the Court ruling in DOT versus PVA, that denial of access to commercial airlines for the hundreds of thousands of America's handicapped, aged, and disabled citizens is also a downside of deregulation.

The simple fact is that today there is no clear Federal statute that guarantees nondiscriminatory treatment by air carriers for America's handicapped citizens. There was such a provision in the Federal Aviation Act prior to 1978. But it expired along with other major provisions of that act in the deregulation process. And, in June, the Supreme Court ruled that the only other major statutory guarantee regarding nondiscrimination policies concerning handicapped Americans did not apply to commercial airlines.

So, today, Mr. President, a handicapped American can get to the airport. He can be assured that he will have access into and inside the airport. This access is guaranteed because airports are covered by section 504 of the Rehabilitation Act. But, the minute he crosses the door into the airplane, Mr. President, the handicapped individual is completely at the mercy of that airline, indeed, at the mercy of those particular personnel serving that flight.

Those personnel may agree to board an individual's wheelchair for the first leg of the flight. But, when he goes to change planes en route, the personnel on the next leg of the flight may say, "no wheelchair."

Clearly, a problem exists in the treatment of handicapped persons on commercial airlines. Today, with our legislation, we are saying that we will not allow these problems to continue. We will provide the statutory authority to regulate and enforce nondiscrimination policies for the handicapped in commercial airlines. We do not intend to intrude into the area of what are legitimate safety precautions airlines must take. But, we do intend to assure that handicapped individuals are not singled out for discriminatory treatment solely by reason of their handicap.

I urge all my colleagues to join me and the other cosponsors in supporting the Air Carriers Access Act of 1986.

Mr. CRANSTON. Mr. President, I am delighted to join as one of the principal sponsors of the proposed "Air Carrier Access Act of 1986," a bill to ensure that individuals with disabilities are not discriminated against by airlines.

On June 27, 1986, in a 6-to-3 decision in the case of Paralyzed Veterans of America versus Department of Transportation, the Supreme Court held that commercial airlines are not, by virtue of the benefits they receive through the federally operated air traffic control system and Federal assistance to airports pursuant to the Airport and Airway Development Act of 1970, subject to the prohibition in section 504 of the Rehabilitation Act of 1973 against discrimination against handicapped individuals. Section 504, of which I was a principal coauthor, prohibits such discrimination "under any program or activity receiving Federal financial assistance" or conducted by Federal agencies. In the Court's view, the value to the airlines of federally operated air traffic control and federally assisted runways and airport structures was too indirectly bestowed upon the airlines to bring them within the scope of section 504. Thus, the Court reversed the decision of the Court of Appeals for the District of Columbia Circuit, which had held that those forms of aid were sufficiently direct Federal financial assistance to make commercial air carriers subject to section 504.

Without addressing in any detail the issues raised by the Court's reasoning, I wish to express my deep disappointment at the outcome of the case. Section 504 of the Rehabilitation Act was enacted to help ensure that disabled individuals who are seeking to participate more fully and independently in our society and in the activities of our commercial, professional, recreational, social, and governmental institutions are dealt with fairly and reasonably. This legislation, often referred to as the civil rights charter for individuals with disabilities, has opened doors previously used to shut out disabled Americans.

Air transportation obviously is a most important component of our society and full access to it is vital to millions of individuals' pursuit of business and personal matters. Unfortunately, however, expect in the cases of carriers receiving more direct forms of Fed-

eral assistance, section 504 is not now available in order to make certain that such access is available for individuals with disabilities.

I strongly believe that this major gap in the protection that section 504 affords against unjust discrimination should be filled. The disability community—including the organizations which pursued this issue in the courts, the Paralyzed Veterans of America, the American Council of the Blind, and the American Coalition of Citizens with Disabilities—is dissatisfied with the airlines' efforts to accommodate disabled passengers. Complaints of inadequate training of airlines personnel and lack of uniformity in policies relating to the transportation of disabled persons and in the implementation of such policies clearly indicates that there is considerable progress to be made in the air transportation industry before it can be concluded that air travel in this Nation is appropriately accessible to all of our citizens.

To achieve this goal of accessibility, our legislation would amend section 404 of the Federal Aviation Act of 1958 to add a new subsection, using terminology derived from section 504 of the Rehabilitation Act, prohibiting air carriers from discriminating "against any otherwise handicapped individual, by reason of such handicap, in the provision of air transportation." For the purposes of this provision, the term "handicapped individual" has substantively the same broad definition that section 7(7) of the Rehabilitation Act provides for purposes of section 504 and other provisions of title V of the Rehabilitation Act. We added that definition, through the Rehabilitation Act Amendments of 1974—Public Law 93-516—in order to avoid a narrow interpretation of the term by establishing that it encompasses those who have a physical or mental impairment that substantively limits one or more major life activities, have a record of that kind of impairment, or are regarded as having that kind of impairment.

Mr. President, I commend our bill to all of my colleagues for their consideration and support. I sincerely hope that the strong bipartisanship backing that it has already received bodes well for its swift passage and enactment during this Congress. I pledge my efforts to achieving that goal.

Mr. WEICKER. Mr. President, I rise today in support of a bill to amend the Federal Aviation Act of 1958. I am pleased to cosponsor this legislation, along with Senators DOLE, BYRD, and several of my distinguished colleagues, for it serves to correct an injustice that has been wrought against the disabled citizens of our Nation.

It seems no matter how much progress we make to heighten public awareness, and to facilitate the full community integration of persons with disabilities, there are those who work to counteract our efforts, and to set the clocks back to the time when individuals with disabilities were excluded from many enriching aspects of American life.

On June 27, the Supreme Court held in Department of Transportation versus Paralyzed Veterans of America, that section 504 of the Rehabilitation Act of 1973 covers only those entities that actually receive direct Federal financial assistance, and that therefore most commercial airlines are not covered by its nondiscrimination provisions.

Congress intended that section 504 correct discrimination which has kept handicapped individuals from jobs, from education, and from the mainstream of society. One of the specific wrongs it was intended to right was that created by architectural barriers and transportation inaccessibility. Yet in DOT versus PVA, the Supreme Court limited the accessibility of airlines to handicapped persons; a limitation which we seek to correct with this legislation.

The legislation I support today amends the Federal Aviation Act to make clear that no air carrier may discriminate against handicapped individuals in the provision of air transportation. The definition of "handicapped individual" used in this bill is based on the widely accepted definition set forth in the Rehabilitation Act.

As the Supreme Court decision was specifically limited to the application of section 504 to commercial airlines, our legislation is similarly limited to the airport and airway system, including air carriers. We read DOT versus PVA very narrowly, and the legislation we introduce today should not be read in any way to limit the broad interpretation of the reach of section 504.

Further, since the Supreme Court did not specifically address the application of Grove City College versus Bell to section 504, neither does this legislation attempt to resolve the issue posed by the Grove City decision.

We have been given yet another opportunity to publicly display our commitment to persons with disabilities, and until all branches of our Government equally share this commitment, I urge you to join the fight so that we may continue to set the right examples, and distinguish ourselves as a body with an abiding concern for our disabled fellow citizens.

Mr. CHAFEE. Mr. President, I am pleased to join Senator DOLE today in offering legislation to ensure all Americans are treated equally when they use commercial air carriers.

A recent Supreme Court ruling allows airlines to discriminate against the disabled and exempts them from the Rehabilitation Act of 1973. The decision reaffirmed the Court's controversial 1984 ruling in the well celebrated Grove City College decision in which the Justices limited the scope of four major civil rights laws to those programs or activities that receive Federal aid. In its most recent decision the Supreme Court ruled that commercial airlines are exempt from section 504 of the Rehabilitation Act because they do not receive Federal aid directly, although they may benefit indirectly from aid to airports.

Between 2.5 and 5 million disabled travelers fly annually and they often face rigid or indiscriminate regulations. It is unconscienable that many handicapped individuals are called upon to accept as a condition of life that commercial airlines are in a position to treat them differently than nonhandicapped individuals.

An industry which receives even a single dollar of Federal financial assistance directly or indirectly should not be permitted to practice any form of discrimination. In order for our Nation to make continued progress in assuring equal treatment for all citizens, we must act promptly.

The legislation we are introducing today would prevent commercial carriers from discriminating in the services they provide to handicapped persons. This legislation has the support of the Paralyzed Veterans of America, the American Council for the Blind and the American Coalition of Citizens with Disabilities.

I fully support this legislation and hope my colleagues will join with us in making air travel more equitable for handicapped individuals.

By Mr. GRASSLEY:

S.J. Res. 382. Joint resolution to establish a U.S. Commission on Improving the Effectiveness of the United Nations; to the Committee on Foreign Relations.

COMMISSION ON IMPROVING THE EFFECTIVENESS OF THE UNITED NATIONS

● Mr. GRASSLEY. Mr. President, today I am introducing legislation to establish a U.S. Commission on improving the effectiveness of the United Nations. This legislation is similar to House Joint Resolution 417, which was introduced on October 8, 1985, by Representative JIM LEACH of Iowa and considered and approved by the House Subcommittee on Human Rights and International Organizations on July 16.

To be candid, I am one who has been, and who continues to be, skeptical about the effectiveness of the United Nations. I do not think the United States, by far the largest contributor to the U.N. budget, gets its money's worth, either in terms of its own national interests or in terms of the U.N.'s contribution to world peace.

One of the more salient problems of the U.N. is the inflammatory nature of much of the rhetoric in the General

Assembly. This disturbing characteristic of the U.N. has been glossed over in the past by reference to the so-called steam bath effect, which holds that the U.N. serves a useful purpose by being a place where the smaller nations of the world can come to "let off steam," while the free world often ends up on those occasions taking a bath. Some would perhaps prefer Churchill's simpler, yet more elegant, bon mot, "Talk, Talk is Better Than War, War."

In my opinion, Mr. President, such facile excuses no longer suffice. The dangerous, or simply hare-brained, rhetoric often heard in the General Assembly has a disturbing tendency to eventually be formalized in U.N. resolutions. Thus, polarization and politicization, not reconciliation and understanding, are often the products of U.N. debate.

The international organizations operating under the U.N. aegis, such as the World Health Organization [WHO], the United Nations Economic, Social, and Cultural Organization [UNESCO], and the United Nations High Commissioner on Refugees [UNHCR], perform useful services and can point to many worthwhile accomplishments. But these organizations are not immune from the politicization and polarization that often characterize the General Assembly, nor are they immune from bloated budgets and bureaucratic arrogance. Sometimes these tendencies become a serious impediment to the effectiveness of the international organizations.

In the past, Mr. President, I have supported what might be called negative measures to call attention to the U.N.'s difficulties. For example, last year I supported an amendment offered by our able colleague from the State of Kansas, Senator KASSEBAUM, that required the United States to cut its contribution to the U.N. from a quarter of the U.N. budget to a fifth unless the U.N. amends its charter to give members a vote on budget matters that is proportionate to their contributions to the U.N. budget.

My introduction of this joint resolution establishing a commission to study the U.N. is an attempt to make a positive contribution to the process of U.N. reform. I am aware that the administration and the State Department have taken steps to address the concerns that have been raised about the U.N., for example, scapegoating of Israel, the law of the sea, programs benefitting SWAPO and the PLO, and wasteful budget practices. In introducing this resolution, it is my intention to supplement those efforts by raising public awareness and encouraging public support for efforts to strengthen the United Nations and improve the effectiveness of the United States in the United Nations.

Mr. President, the joint resolution I am introducing today establishes an 18-member commission, which is charged with examining the U.N. system as a whole in order to identify and evaluate its strengths and weaknesses. The Commission is required to prepare and submit to the President, Congress, and the Secretary General of the U.N. recommendations on ways to improve the effectiveness of the U.N. system and the role of the United States in the U.N. system. The Commission would not receive any funds from the U.S. Treasury, but would be entirely funded by private contributions.

Mr. President, I am aware of the growing frustration in Congress and among the public at large at the all-too-apparent flaws of the United Nations system. I believe that those frustrations are, to a large extent, justified. Nevertheless, I agree with President Reagan that the vision of the U.N. Charter—to spare succeeding generations this scourge of war—remains as real today as when the charter was written. It is my hope in introducing this resolution that it will encourage Congress, the executive branch, and the people of the United States, along with the U.N. organization, to constructively address the very real problems facing the U.N. and renew its commitment to be a forum where the nations can discuss world problems rationally and attempt to hammer out constructive solutions.

Mr. President, I ask unanimous consent that the text of my joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 382

Whereas October 24, 1985 marked the fortieth anniversary of the entry into force of the Charter of the United Nations;

Whereas the United Nations was established for the purposes, as enunciated in the Charter, of maintaining international peace and security, developing friendly relations among nations based on respect for equal rights and self-determination, achieving international cooperation in solving economic, social, cultural, and humanitarian problems, and promoting respect for human rights;

Whereas the purposes and principles of the United Nations Charter and founders remain as relevant today as they were forty years ago;

Whereas the United Nations system is a necessary universal and democratic institution in our interdependent world and has made significant contributions in such areas as the development of international law, peacekeeping, decolonialization, nuclear non-proliferation, child health, refugee relief, economic development, and human rights;

Whereas the United Nations has also, on occasion, strayed from its original purposes and has served as a forum for irresponsible rhetoric and politicization, such as the adoption by the General Assembly in 1975 of Resolution 3379 equating Zionism with racism;

Whereas, in spite of such grave lapses, the United States remains committed to the United Nations and the purposes of the Charter, not only as a member of the United Nations and one of its earliest leaders and supporters, but also as host to the United Nations headquarters;

Whereas the President declared in his address to the United Nations General Assembly on the fortieth anniversary of the United Nations that, "the vision of the U.N. Charter—to spare succeeding generations this scourge of war—remains real";

Whereas this is an appropriate time for the United States to reappraise the potential of the United Nations and recommend means of making that institution more effective and responsible, consistent with the national interests of the United States; and

Whereas on the fortieth anniversary of the United Nations, the Secretary General of the United Nations called for renewed commitment to the Charter and an effort to appraise and improve the functioning of the United Nations: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ESTABLISHMENT OF COMMISSION.

The United States Commission on Improving the Effectiveness of the United Nations (hereafter in this joint resolution referred to as the "Commission") is hereby established.

SEC. 2. PURPOSES OF THE COMMISSION.

(a) PURPOSES.—The purposes of the Commission shall be to—

(1) examine the forty years of the United Nations and identify and evaluate the strengths and weaknesses in the organization and its works; and

(2) prepare and submit to the President, to the Congress, and to the Secretary General of the United Nations recommendations on ways to improve the effectiveness of the United Nations and the role of the United States in the United Nations, including the feasibility of and means for implementing such recommendations.

(b) SPECIAL ATTENTION.—In carrying out its responsibilities under subsection (a), the Commission shall pay special attention to the following:

(1) The mechanisms and procedures within the United Nations system for peacekeeping and conflict-resolution and ways in which they may be expanded or improved, examining in particular the functions of the Secretary General, the role of the Security Council, the use of the International Court of Justice, potential third-party dispute-solving mechanisms (as in the establishment of a United Nations Mediation and Conciliation Service), the possible creation of standing United Nations peacekeeping forces or anti-terrorism units, the role of United Nations institutions in fact-finding, and potential verification and inspection services to assist in enforcing compliance with international arms control agreements.

(2) Formal and informal decisionmaking procedures in the United Nations, its agencies and programs, and recommendations to modify those procedures which have emerged from various interested parties, examining in particular the role of consensus decisionmaking, the feasibility and advisability of weighted voting (including the so-called "binding triad" formula requiring multiple concurrent majorities based on one-nation-one-vote along with population

and contributions), the possible modification of the Security Council veto, and the relationship of the principles of universality and democracy to decisionmaking procedures.

(3) The cost-effectiveness and administrative efficiency of the United Nations, examining in particular budgetary reform (including the role of the major donors in budget decisionmaking), the prioritization of programs, adjustments in assessments, potential alternative non-governmental sources of revenue, salaries, benefits, hiring of consultants, contracts for goods and services, and appointment of staff in the Secretariat.

(4) The economic, social, and humanitarian role of the United Nations system, examining in particular the optimum coordination of economic development programs, the United Nations' short-term and long-term response to crises and natural disasters, population and health issues, refugee relief, the protection of the environment, the implementation of international human rights law, and the potential creation of a United Nations High Commissioner for Human Rights.

(5) United States participation in the United Nations, examining in particular the strengths and weaknesses of United States performance, United States policy toward the International Court of Justice and international law, provisions in United States law relating to the United Nations, ways in which the United States can better use the United Nations to advance its national interests, the state of public opinion with regard to the United States role in the United Nations, United States voluntary and assessed contributions to the United Nations, and the hiring of United States citizens in the United Nations system.

(6) Strategies and actions for promoting the implementation of recommended reforms in the United Nations and the United States role in the United Nations.

SEC. 3. MEMBERSHIP OF THE COMMISSION.

(a) MEMBERS.—The Commission shall be composed of 18 members, appointed as follows:

(1) Two Members of the Senate, one appointed by the President pro tempore of the Senate and one appointed by the minority leader of the Senate.

(2) Two Members of the House of Representatives, one appointed by the Speaker of the House and one appointed by the minority leader of the House.

(3) Eight individuals from the private sector, two appointed by the President pro tempore of the Senate, two appointed by the minority leader of the Senate, two appointed by the Speaker of the House, and two appointed by the minority leader of the House.

(4) Six individuals appointed by the President, such appointees to be representative, to the maximum extent possible, of the full range of American society. Not more than three of the members of the Commission appointed pursuant to this paragraph may be from the same political party.

All such appointments shall be made no later than 60 days after the date of enactment of this joint resolution. Any vacancy in the membership of the Commission shall be filled in the same manner as the original appointment was made.

(b) ADVISORS.—Former United States Permanent Representatives to the United Nations who are not appointed to the Commission shall be invited by the Commission to serve as Advisors to the Commission.

(c) COMPENSATION AND TRAVEL EXPENSES.—(1) Except as provided in paragraph (2), each member of the Commission shall be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule (5 U.S.C. 5332) for each day during which that member is engaged in the actual performance of the duties of the Commission.

(2) Members of the Commission who are full-time officers or employees of the United States or Members of the Congress shall receive no additional pay on account of their service on the Commission.

(3) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission, and Advisors serving pursuant to subsection (b), shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

(d) CHAIRMAN AND VICE CHAIRMAN.—The Chairman and Vice Chairman shall be elected by the Commission from among the members of the Commission.

(e) QUORUM.—Ten members of the Commission shall constitute a quorum for purposes of transacting business, except that four members shall constitute a quorum for holding public hearings.

SEC. 4. POWERS OF THE COMMISSION.

(a) IN GENERAL.—For the purpose of carrying out this joint resolution, the Commission may hold such hearings (subject to the requirements of subsection (b)) and sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers necessary to fulfill the purposes specified in section 2. The Commission may administer oaths and affirmations to witnesses appearing before the Commission.

(b) MEETINGS.—

(1) MINIMUM NUMBER OF PUBLIC HEARINGS.—The Commission shall hold a minimum of 5 public hearings.

(2) OPEN MEETINGS.—Section 552b of title 5 of the United States Code shall apply with respect to the Commission.

(3) CALLING MEETINGS.—The Commission shall meet at the call of the Chairman or a majority of its members.

(c) DELEGATION OF AUTHORITY.—When so authorized by the Commission, any member or agent of the Commission may take any action which the Commission is authorized to take by this section.

(d) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal agency information necessary to enable it to carry out this joint resolution. Upon request of the Chairman of the Commission, the head of any such Federal agency shall furnish such information to the Commission.

SEC. 5. STAFF.

(a) STAFF MEMBERS AND CONSULTATIONS.—Subject to such rules as may be adopted by the Commission, the Chairman of the Commission, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classifications and General Schedule pay rates, may—

(1) appoint a Director who shall be paid at a rate not to exceed the rate of basic pay in effect for level V of the Executive Schedule (5 U.S.C. 5316);

(2) appoint and fix the compensation of such other staff personnel as the Chairman considers necessary; and

(3) procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code.

(b) DETAILING OF GOVERNMENT PERSONNEL.—Upon request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of that agency to the Commission to assist it in carrying out this joint resolution.

SEC. 6. REPORT

The Commission shall transmit to the President, to the Congress, and to the Secretary General of the United Nations a report containing a detailed statement of the findings, conclusions, and recommendations of the Commission. This report shall be transmitted not later than one year after—

(1) the date on which funds first become available to the Commission, or

(2) the first date on which all members of the Commission have been appointed, whichever date is later.

SEC. 7. FUNDING FOR THE COMMISSION.

(a) COMMISSION TO BE PRIVATELY FUNDED.—The Commission may accept and use contributions from private United States sources to carry out this joint resolution. No Federal funds may be made available to the Commission for use in carrying out this joint resolution.

(b) LIMITATION ON SIZE OF CONTRIBUTIONS.—The Commission may not accept contributions from any single source which have a value of more than $100,000 or 25 percent of the total of all contributions accepted by the Commission, whichever is larger.

(c) REPORTING OF PRIVATE CONTRIBUTIONS.—The source and amount of each contribution accepted by the Commission shall be listed in the reported submitted pursuant to section 6.

SEC. 8. GENERAL ACCOUNTING OFFICE AUDITS OF THE COMMISSION.

The provisions of subchapter II of chapter 7 of title 31 of the United States Code (relating to the general duties and powers of the General Accounting Office) shall apply with respect to the programs and activities of the Commission, including the receipt, disbursement, and use of funds contributed to the Commission, to the same extent as those provisions apply with respect to other agencies of the United States Government.

SEC. 9. TERMINATION OF THE COMMISSION.

The Commission shall cease to exist 60 days after submitting its report pursuant to section 6.●

By Mr. SARBANES (for himself and Mr. MATHIAS):

S.J. Res. 383. Joint resolution to designate the week of September 8 through September 14, 1986, as "National Annapolis Convention Week"; to the Committee on the Judiciary.

NATIONAL ANNAPOLIS CONVENTION WEEK

● Mr. SARBANES. Mr. President, Senator MATHIAS and I today introduce a joint resolution in honor of the Bicentennial of the Annapolis Convention of 1786, an event worthy of our attention because it led directly to the Convention of 1787 that bequeathed to us our Constitution.

In March 1785, commissioners from Maryland and Virginia met at George Washington's Mt. Vernon home to discuss the regulation of commerce and navigation on their shared waterways. The meeting was the first between two States for such a purpose, but it quickly became apparent to the participants that questions of this complexity and magnitude could not be resolved on so narrow a basis. Accordingly, a call went out to sister States for a convention the following year in Annapolis, Maryland's capital and at the time a central location in the newly independent States.

Twelve delegates representing the States of Delaware, New Jersey, New York, Pennsylvania, and Virginia gathered on September 11, 1786, at George Mann's Tavern; among them were James Madison, Alexander Hamilton, Edmund Randolph, and John Dickinson. Delegates from the States of Massachusetts, New Hampshire, Rhode Island, and North Carolina had also been appointed; but coming from further afield they were delayed and arrived only after the convention adjourned on September 14.

The 12 participants in the Annapolis Convention did not arrive at specific recommendations for the regulation of commerce, concluding that that question could not be dealt with in isolation, apart from more general questions of regulation and government. The central issue in their minds became the adequacy—or more accurately, the inadequacy—of the Articles of Confederation which then bound the newly independent States loosely together. Madison and Hamilton, undertaking the fruitful collaboration that was subsequently to produce the Federalist Papers, persuaded their colleagues to recommend another convention, charged with the broader responsibility of considering the defects in the articles and proposing reforms.

The report of the Annapolis Convention, drafted by a committee led by Hamilton and circulated to all the States, stated in part:

> The power of regulating trade is of such comprehensive extent, and will enter so far into the general system of the federal government, that to give it efficacy, and to obviate questions and doubts concerning its precise nature and limits, may require a corresponding adjustment in other parts of the federal system.

The report proposed that a convention assemble in the city of Philadelphia, on the second Monday in May of 1787.

The recommendation of the Annapolis Convention met with little adverse reaction, indicative of the growing sentiment for constitutional reform; it was clear that the Confederation Congress—ineffective and incapable of reforming itself—could not serve as the appropriate forum. The State legislatures began the business of appointing delegates to the Philadelphia Convention and the door stood open to a fundamental reexamination of the new nation's government, to ensure a constitutional document that would be, in Hamilton's words, "adequate to the exigencies of the Union."

With this September's observance of the Bicentennial of the Annapolis Convention, Maryland will begin a 3-year celebration of our State's vital role in the development and drafting of the Constitution. On September 12, the Commission of the Bicentennial of the U.S. Constitution will inaugurate the celebration with a 2-day meeting in Annapolis. Marylanders invite all Americans to join with them in commemorating this last momentous step on our Nation's path toward a "more perfect Union," and it is in this spirit that Senator MATHIAS and I are introducing a joint resolution to declare the week of September 8 through 14, 1986, the official "National Annapolis Convention Week." Commemoration of the Annapolis Convention will provide Americans with an opportunity to learn more about this event, so important in the history of our Nation and will serve as an appropriate prelude to the commemoration in 1987 of the Bicentennial of the Constitution. I urge my colleagues to join us in marking this notable anniversary.●

● Mr. MATHIAS. Mr. President, today I join with my colleague from Maryland, Mr. SARBANES, to introduce a resolution to commemorate one of the most significant "stalemates" in our history. I refer to the convention held in Annapolis, MD on September 11-14, 1786.

At the Annapolis Convention, 12 delegates representing 5 of the 13 original States met to improve interstate commercial and trade relations. Their discussion soon focused on the weaknesses of the Articles of Confederation, the charter which established the original system of government for this country.

The delegates failed to reach a commercial accord after 4 days of discussion. But they unanimously approved a resolution, drafted by Alexander Hamilton, that called upon each State to send delegates to a meeting in Philadelphia in May 1787, to discuss solutions to the shortcomings in the Articles of Confederation. The meeting that resulted came to be known as the Constitutional Convention, and it produced the most important document in our history: the Constitution of the United States.

America owes much to the discontent and frustration voiced at the Annapolis Convention 200 years ago. The delegates' commitment to a peaceful resolution of their differences paved the way for our Constitution and a system of government unrivaled by any in history.

The city of Annapolis has planned commemorative events, including performances, lectures, and art exhibits, for September 11-14, 1986. In addition, the Commission on the Bicentennial of the U.S. Constitution has chosen the Annapolis celebration as the site for its September meeting. It is fitting, therefore, that we recognize the week of September 8-14 as "National Annapolis Convention Week."●

ADDITIONAL COSPONSORS

S. 670

At the request of Mr. PELL, the name of the Senator from Colorado [Mr. HART] was added as a cosponsor of S. 670, a bill to amend the National Labor Relations Act to give employers and performers in the performing arts rights given by section 8(e) of such act to employers and employees in similarly situated industries, and to give to employers and performers in the performing arts the same rights given by section 8(f) of such act to employers and employees in the construction industry, and for other purposes.

S. 837

At the request of Mr. HEINZ, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 837, a bill to amend the Social Security Act to protect beneficiaries under the health care programs of that Act from unfit health care practitioners, and otherwise to improve the antifraud provisions of that Act.

S. 1277

At the request of Mr. BRADLEY, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 1277, a bill to amend title XIX of the Social Security Act to provide that States may provide home or community-based services under the Medicaid program without the necessity of obtaining a waiver.

S. 1569

At the request of Mr. BINGAMAN, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of S. 1569, a bill to amend title XVIII of the Public Health Service Act to encourage health promotion and disease prevention through the implementation of a coordinated national nutrition monitoring system.

S. 1748

At the request of Mr. ROTH, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 1748, a bill to amend the Foreign Assistance Act of 1961 to protect biological diversity in developing countries.

S. 1822

At the request of Mr. THURMOND, the name of the Senator from North Dakota [Mr. ANDREWS] was added as a cosponsor of S. 1822, a bill to amend

the Copyright Act in section 601 of title 17, United States Code, to provide for the manufacturing and public distribution of certain copyrighted material.

S. 1917

At the request of Mr. BRADLEY, the name of the Senator from Connecticut [Mr. WEICKER] was added as a cosponsor of S. 1917, a bill to amend the Foreign Assistance Act of 1961 to provide assistance to promote immunization and oral rehydration, and for other purposes.

S. 2186

At the request of Mr. MURKOWSKI, the name of the Senator from California [Mr. WILSON] was added as a cosponsor of S. 2186, a bill to exempt any amounts available to provide certain benefits to veterans with service-connected disabilities from any requirement for sequestration of funds under part C of the Balanced Budget and Emergency Deficit Control Act of 1985.

S. 2209

At the request of Mr. DOLE, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 2209, a bill to make permanent and improve the provisions of section 1619 of the Social Security Act, which authorizes the continued payment of SSI benefits to individuals who work despite severe medical impairment; to amend such Act to require concurrent notification of eligibility for SSI and Medicaid benefits and notification to certain disabled SSI recipients of their potential eligibility for benefits under such section 1619; to provide for a GAO study of the effects of such section's work incentive provisions; and for other purposes.

S. 2370

At the request of Mr. MURKOWSKI, the name of the Senator from Maryland [Mr. MATHIAS] was added as a cosponsor of S. 2370, a bill to allow the Francis Scott Key Park Foundation, Inc. to erect a memorial in the District of Columbia.

S. 2450

At the request of Mr. HEINZ, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 2450, a bill to amend title II of the Social Security Act to remove permanently the 3-percent threshold requirement for cost-of-living increases.

S. 2494

At the request of Mr. BRADLEY, the names of the Senator from North Dakota [Mr. ANDREWS], and the Senator from Massachusetts [Mr. KENNEDY] were added as cosponsors of S. 2494, a bill to amend title XVIII of the Social Security Act to modify the limitations on payment for home health services under the Medicare program to conform regulations; to assure that all legitimate costs are taken into account in calculating such limitations; to provide affected parties an opportunity to comment on revisions in Medicare policies; and to require discharge planning procedures.

S. 2496

At the request of Mr. WALLOP, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 2496, a bill to authorize the President to award Congressional gold medals to Doctors Andrei Sakharov and Yelena Bonner for the great personal sacrifice they have made to further the causes of human rights and world peace.

S. 2499

At the request of Mr. RIEGLE, the name of the Senator from Florida [Mr. CHILES] was added as a cosponsor of S. 2499, a bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to increase the benefit payable with respect to the death of a public safety officer, and for other purposes.

S. 2573

At the request of Mr. HEINZ, the name of the Senator from Florida [Mr. CHILES] was added as a cosponsor of S. 2573, a bill to amend the Disaster Relief Act of 1974 to provide more effective assistance to disaster and emergency victims.

S. 2575

At the request of Mr. MATHIAS, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 2575, a bill to amend title 18, United States Code, with respect to the interception of certain communications, other forms of surveillance, and for other purposes.

S. 2589

At the request of Mr. ABDNOR, the names of the Senator from Minnesota [Mr. BOSCHWITZ], and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of S. 2589, a bill to create a secondary market for sound mortgages secured by farm real estate and guaranteed by the Farmers Home Administration, and for other purposes.

S. 2678

At the request of Mr. BENTSEN, the names of the Senator from Oklahoma [Mr. NICKLES], and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of S. 2678, a bill to provide a comprehensive national oil security policy.

S. 2680

At the request of Mr. THURMOND, the names of the Senator from Illinois [Mr. SIMON], the Senator from North Dakota [Mr. ANDREWS], and the Senator from California [Mr. WILSON] were added as cosponsors of S. 2680, a bill to amend the Internal Revenue Code of 1954 to allow a charitable contribution deduction to farmers who donate agricultural products to assist victims of natural disasters.

S. 2681

At the request of Mr. ABDNOR, the name of the Senator from North Dakota [Mr. ANDREWS] was added as a cosponsor of S. 2681, a bill to amend the Small Business Act to increase the authorized level of surety bond guarantees.

S. 2690

At the request of Mr. QUAYLE, his name was added as a cosponsor of S. 2690, a bill to prohibit certain companies who have filed bankruptcy from discontinuing medical and life insurance benefits to retirees.

At the request of Mr. METZENBAUM, the names of the Senator from Michigan [Mr. RIEGLE], the Senator from Illinois [Mr. SIMON], the Senator from Kentucky [Mr. FORD] and the Senator from Michigan [Mr. LEVIN] were added as cosponsors of S. 2690, supra.

At the request of Mr. HEINZ, the names of the Senator from Alabama [Mr. DENTON] and the Senator from Minnesota [Mr. BOSCHWITZ] were added as cosponsors of S. 2690, supra.

SENATE JOINT RESOLUTION 345

At the request of Mr. DOLE, the names of the Senator from California [Mr. CRANSTON], and the Senator from Wisconsin [Mr. KASTEN] were added as cosponsors of Senate Joint Resolution 345, a joint resolution to designate the week beginning November 9, 1986, as "National Reye's Syndrome Awareness Week."

SENATE JOINT RESOLUTION 352

At the request of Mr. METZENBAUM, the names of the Senator from Pennsylvania [Mr. SPECTER], and the Senator from Maine [Mr. MITCHELL] were added as cosponsors of Senate Joint Resolution 352, a joint resolution to designate the week beginning September 7, 1986, as "Gaucher's Disease Awareness Week."

SENATE JOINT RESOLUTION 358

At the request of Mr. HEINZ, the names of the Senator from California [Mr. CRANSTON], the Senator from Illinois [Mr. DIXON], and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of Senate Joint Resolution 358, a joint resolution to designate the month of September 1986 as "Adult Literacy Awareness Month."

AMENDMENT NO. 2226

At the request of Mr. RUDMAN, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of amendment No. 2226 proposed to House Joint Resolution 668, a joint resolution increasing the statutory limit on the public debt.

AMENDMENT NO. 2235

At the request of Mr. MATTINGLY, the names of the Senator from Mississippi [Mr. COCHRAN], the Senator from Alabama [Mr. HEFLIN], and the Sena-

tor from Alabama [Mr. DENTON] were added as cosponsors of amendment No. 2235 intended to be proposed to House Joint Resolution 668, a joint resolution increasing the statutory limit on the public debt.

AMENDMENTS SUBMITTED

EMPLOYMENT OPPORTUNITIES FOR DISABLED AMERICANS ACT

DOMENICI (AND OTHERS) AMENDMENT NO. 2238

(Ordered to be referred to the Committee on Finance.)

Mr. DOMENICI (for himself, Mr. WEICKER, Mr. DOLE, Mr. ANDREWS, and Mr. GARN) submitted an amendment intended to be proposed by them to the bill (S. 2209) to make permament and improve the provisions of section 1619 of the Social Security Act, which authorizes the continued payment of SSI benefits to individuals who work despite severe medical impairment; to amend such act to require concurrent notification of eligibility for SSI and medicaid benefits and notification to certain disabled SSI recipients of their potential eligibility for benefits under such section 1619; to provide for a GAO study of the effects of such section's work incentive provisions; and for other purposes; as follows:

On page 13 after line 21 add the following new section

SECTION 10. MEDICAID ENTITLEMENT FOR CERTAIN INDIVIDUALS.

(a) IN GENERAL.—Section 1902(e) of the Social Security Act (42 U.S.C. 1396a(e)) is amended by adding at the end thereof the following new paragraph:

"(6) Notwithstanding any other provision of this Act, any individual under age 65 who, for the month preceding the first month in the period to which this subsection applies, received—

"(A) a payment of supplemental security income benefits under section 1611(b) on the basis of blindness or disability;

"(B) a supplementary payment under section 1616 of this Act or under section 212 of Public Law 93-66 on such basis;

"(C) a payment of monthly benefits under subsection (a) of section 1619; or

"(D) a supplementary payment under section 1616(c)(3),

shall be considered to be a blind or disabled individual receiving supplemental security income benefits and shall be eligible for assistance under the State plan approved under this title, for so long as the Secretary determines under regulations that—

"(i) such individual continues to be blind or continues to have the disabling physical or mental impairment on the basis of which he was found to be under a disability under title XVI and, except for his earnings, continues to meet all non-disability related requirements for eligibility for benefits under such title;

"(ii) the income of such individual would not, except for his earnings, be equal to or in excess of the amount which would cause him to be ineligible for payments under section 1611(b) (if he were otherwise eligible for such payments);

"(iii) with eligibility for benefits under this title such individual could reasonably be expected to engage in employment and the lack of such benefits under this title would seriously inhibit his ability to engage in or continue his employment; and

"(iv) such individual's earnings or expected earnings are not sufficient to allow him to provide for himself a reasonable equivalent of the benefits under title XVI, title XX, and this title which would be available to him in the absence of such earnings.".

(b) EFFECTIVE DATE.—

(1) Except as provided in paragraph (2), the amendment made by this section shall become effective on the date of the enactment of this Act.

(2) In the case of any State plan for medical assistance under title XIX of the Social Security Act, which the Secretary determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendment made by this section, the State plan shall not be regarded as failing to comply with the requirements of title XIX solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

● Mr. DOMENICI. Mr. President, I send to the desk and ask that it be printed in the RECORD the following amendment to S. 2209, The Employment Opportunities For Disabled Americans Act.

Mr. President, I further ask that the names of Senator WEICKER of Connecticut, Senator DOLE of Kansas, Senator ANDREWS of North Dakota, and Senator GARN of Utah be added to this amendment as cosponsors.

On March 19, 1986, Majority Leader DOLE and I along with other colleagues introduced S. 2209. The majority leader and I hoped with this legislation to provide incentives to those disabled persons who would like to hold a job. Work and the contribution that it allows the worker to provide to the society at large is enormously therapeutic for all of us. Unfortunately some of our existing legislation places barriers in the path of disabled persons who would like to participate in the work force. Our bill removes some of those barriers and replaces them with incentives for disabled people to seek employment.

One of the most powerful incentives in S. 2209 is continuing Medicaid coverage even after a disabled person has obtained a job. Currently this coverage can be withdrawn when a disabled person becomes employed. The loss of medical coverage is a serious barrier to disabled people looking for work. The jobs that they are likely to obtain have little if any medical coverage, but their continuing disability will always require medical assistance.

To be eligible for the Medicaid incentive of S. 2209, a person must be receiving supplemental security income, be eligible for Medicaid, and qualify under section 1619, "benefits for individuals who perform substantial gainful activity despite severe medical impairment", of the Social Security Act. In all but 14 States, receiving SSI benefits automatically makes a person eligible for Medicaid benefits and S. 2209 can have its full effect. In the States of Connecticut, Hawaii, Illinois, Indiana, Minnesota, Mississippi, Nebraska, New Hampshire, North Dakota, North Carolina, Ohio, Oklahoma, Utah, and Virginia, however, receiving SSI does not automatically make you eligible for Medicaid. In order to rectify this situation, I am submitting this amendment.

My amendment to S. 2209 will make SSI recipients, who have jobs lined up and who qualify under section 1619, automatically eligible for Medicaid benefits in the 14 States listed above. The amendment does this by adding a paragraph to the section of the Social Security Act dealing with Medicaid to include the disabled group described above in the eligible for coverage category for all States. This will bring the Federal law more in line with actual practice since in many of the 14 effected States SSI recipients do receive Medicaid coverage even though it is not automatic.

This bill and the amendment which I have just submitted addresses some longstanding problems with Social Security benefits for severely disabled Americans. While there is some potential for cost savings if larger numbers of our disabled citizens obtain employment, realistically we must wait and see how this program works before we depend too heavily upon the cost saving projections. What we can depend upon are the people saving projections based on the enhanced self esteem that employment will bring to severely disabled Americans.

This bill and my amendment will not solve all of the problems that currently exist in our programs for the severely disabled. It will, however, provide much needed leadership from the Congress in trying new ideas in rehabilitating all severely disabled Americans and integrating them into the most productive position possible in society.●

RETIREE BENEFITS IN BANKRUPTCY PROCEEDINGS

HEINZ (AND METZENBAUM) AMENDMENT NO. 2239

Mr. HEINZ (for himself and Mr. METZENBAUM) proposed an amendment to the bill (S. 2690) to prohibit certain companies who have filed for bankruptcy from discontinuing medical and life insurance benefits to retirees; as follows:

On page 2, line 3, after "agreement" insert "(including all health and welfare benefit plans)".

COMPREHENSIVE ANTI-APARTHEID ACT

DURENBERGER (AND McCONNELL) AMENDMENT NO. 2240

(Ordered referred to the Committee on Foreign Relations.)

Mr. DURENBERGER (for himself and Mr. McCONNELL) submitted an amendment intended to be proposed by them to the bill (S. 2701) to provide a comprehensive policy for the United States in opposition to the system of apartheid in South Africa, and for other purposes; as follows:

At an appropriate place in the bill, add the following:

"RESTRICTION ON INTELLIGENCE LIAISON WITH SOUTH AFRICA

"SEC. . No agency or entity of the United States which is involved in intelligence activities may, directly or indirectly, provide any intelligence information to the Republic of South Africa which pertains to the African National Congress or any other South African group, movement, organization or individual which is engaged in activities in opposition to the government of the Republic of South Africa, except if the information credibly indicates the imminent likelihood of violent action calculated to threaten human life. In the event that any intelligence information pertaining to opposition activities is transmitted to the Republic of South Africa, either in an authorized or unauthorized manner, the Director of Central Intelligence shall promptly inform the Select Committee on Intelligence of the Senate and the Permanent Select Committee of Intelligence of the House of Representatives of the facts and circumstances regarding the nature of the information and its transmission."

● Mr. DURENBERGER. Mr. President I am pleased to join my colleague Senator LUGAR, chairman of the Senate Foreign Relations Committee, in introducing legislation to advance American policy with regard to South Africa. Like most Members of Congress and the American people at large, I was disappointed in the "stand-pat" posture recommended by the President 2 weeks ago. It is my hope that the Lugar bill will provide a foundation for a bipartisan consensus, which I hope the administration can be persuaded to join. An equivocal message to the Government of South Africa is no message at all. Chairman LUGAR's effort today fills the gap that currently exists between partisan solutions on the one hand and nonsolutions on the other. I believe this legislation is the vehicle through which Americans can enunciate with one voice the message that apartheid is anathema to our concept of human dignity and we demand change.

Mr. President, I am submitting for printing an amendment to S. 2701, to impose a prohibition on intelligence sharing with the Government of South Africa. The amendment states that:

No agency or entity of the United States which is involved in intelligence activity may, directly or indirectly, provide any intelligence information to the Republic of South Africa which pertains to the African National Congress or any other South African group, movement, organization or individual which is engaged in opposition to the government of South Africa.

The amendment also spells out a single exception from the prohibition, the sharing information which credibly indicates imminent and calculated threat to human life. The exemption has been carefully drafted to insure that intelligence agencies maintain their ability to combat acts of terrorism against innocent victims. In the event that information is shared for this purpose, the amendment specifically requires the Director of Central Intelligence to report such actions to the intelligence committees of the House and Senate.

We are unyielding in our opposition to terrorism of any kind or for any purpose. I would expect, in this regard Mr. President, that the intelligence agencies would provide information either to the South African Government or to the front-line states or the ANC when actions by any party indicate that a threat to human life is likely to occur.

Mr. President, my intent in offering this amendment is clear: to send the message to South Africa and the world that the United States does not take the side of the South African Government against its opposition. I want to indicate to my colleagues that I intend to offer this amendment when the Senate takes up its sanction package here on this floor and urge its addition to that legislation.●

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce that the Senate Small Business Committee will hold a full committee hearing on S. 2647, a bill to create the Corporation for Small Business Investment. The hearing is scheduled for Thursday, August 7, 1986, and will begin at 9:30 a.m. in room 428A of the Russell Senate Office Building. For further information, please call Ed Tiryakian, of the committee staff at 224-5175.

SUBCOMMITTEE ON WATER AND POWER

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public, that the Subcommittee on Water and Power of the Committee on Energy and Natural Resources has scheduled a hearing on Monday, August 11, beginning at 9:30 a.m. in room SD-366 of the Senate Dirksen Office Building, Washington, DC 20510.

Testimony will be received on S. 2635, to protect the integrity and the quality of certain reaches of the Henry's Fork of the Snake River, ID, and for other purposes.

Those wishing to testify should contact the Subcommittee on Water and Power of the Committee on Energy and Natural Resources, room SH-212, Hart Senate Office Building, Washington, DC 20510. For further information, please contact Mr. Russell Brown at (202) 224-2366.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. HELMS. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry will meet on Friday, August 1, 1986, at 9:30 a.m. in room SR-332, to continue the markup of amendments to the Federal Insecticide, Fungicide, and Rodenticide Act.

The Friday markup is in lieu of the previously scheduled Thursday, July 31, 9:30 a.m. markup.

For further information, please contact the committee staff at 224-2035.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. HEINZ. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, July 30, to conduct a business meeting to consider the following items:

S. 829. To authorize the Secretary of the Interior to convey certain lands withdrawn by the Bureau of Reclamation for townsite purposes to the Huntley Project Irrigation District, Ballantine, Montana;

S. 1772. To authorize and direct the Secretary of the Interior to convey certain real property to the Pershing County Water Conservation District;

S. J. Res. 325. To approve the "Compact of Free Association" between the U.S. and the Government of Palau, and for other purposes;

S. 1319. To relieve the Washoe County Water Conservation District, Nevada, of certain Federal repayment obligations.

S. 1542. To amend the National Trails System Act by designating the Nez Perce (Nee-Me-Poo) Trail as a component of the National Trails System;

S. 2439. To amend the Act of February 25, 1920, to provide for competitive leasing of oil and gas for onshore Federal lands and for other purposes;

And to consider the following nominations: Marshall A. Staunton, of California, to be Administrator of the Economic Regulatory Administration; A. David Rossin, of California, to be Assistant Secretary of Energy for Nuclear Energy; Theodore J. Garrish, of Virginia, to be Federal Inspector of the Alaska Natural Gas Transportation System; and Richard H. Francis, of Virginia, to be President of the Solar Energy and Energy Conservation Bank.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY, NUCLEAR PROLIFERATION, AND GOVERNMENT PROCESSES

Mr. DOLE. Mr. President, I ask unanimous consent that the Subcommittee on Energy, Nuclear Proliferation, and Government Processes, of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Wednesday, July 30, 1986, in order to conduct a hearing on Energy Innovations, and the Patent Process.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SAFETY FAILURES AT DAVIS-BESSE

● Mr. BIDEN. Mr. President, last month, the Nuclear Regulatory Commission received a report reviewing its own investigation of the June 9, 1985, accident at the Davis-Besse nuclear plant near Toledo, OH. As a reminder of the importance of this accident, I note that many experts regard it as the nearest thing to a meltdown in this country since Three Mile Island.

Clearly the Davis-Besse accident demands a thorough investigation. It represents a major failure of either the risk assessment of nuclear power operations or of the regulations designed to prevent accidents like this one from occurring. Whatever the cause, we must discover and deal with the underlying problems leading to the accident, not just the results of those shortfalls.

Unfortunately, the initial check of the Davis-Besse accident was hindered at its inception from reaching an accurate assessment on the accident's cause—the incident investigation team [IIT] was directed not to look for any NRC responsibility in the accident. I hope this strikes my colleagues as a rather curious instruction, one which would obviously preclude finding a cause of the accident if it stemmed from NRC actions.

The original investigation was effective in describing the events that immediately preceded the accident, and the extraordinary steps operators on the scene took to prevent a meltdown. However, the investigatory team—composed of NRC personnel—failed to comment on the important background events that allowed the accident to occur. For example, it was not even noted that the NRC had recognized the feedwater pumps in question were inadequate, but remained uncorrected for 7 years.

The accident investigation followup released in early June is intended to provide the Commission with recommendations to improve NRC internal procedures and licensee oversight. But while the initial report had its shortfalls, the review team compounded these errors by again concentrating on the symptoms, and missing the disease.

Specificially, the second report did not mention the contribution of the utility management to the problem, nor did it discuss organizational quirks in the NRC that resulted in years of delay in correcting a serious, recognized problem.

The followup team—under the direction of an NRC employee—traced a series of more than 25 memos, responses, orders and recommendations from the NRC and Toledo Edison relating to the pump system in question at Davis-Besse. Mention was even made of an NRC report which "noted that staff review of (the feedwater pump) was to be completed by June 1984—nearly 5 years after the staff notified Toledo Edison in July 1979 that the modification of the feedwater pump would be required."

But after building a strong case, the team failed to ask the obvious question of why the NRC was unable to see the changes made, or why the utility was able to avoid the installation of an auxiliary pump for so long. That is the fundamental problem that led to the Davis-Besse accident, and the group sent to learn from the experience of the Davis-Besse investigation completely ignored it.

If there is a clear example of the need for investigations of accidents at nuclear power plants to be conducted by an independent safety board, the two investigations of Davis-Besse provide it. The NRC has been trying to improve its investigations while keeping them within the agency, but it's like trying to fit a square peg in a round hole.

The Commission has turned over the followup report to the Executive Director of the NRC staff. It will be easy for him to accept its recommendations, but that does not mean Congress should. We need to take the step that has met such resistance from the NRC staff so far, and establish an independent Safety Board for Investigations. None of us—Congress, the public, the nuclear industry—benefit from investigations done with eyes closed to who is really at fault.●

THE WHITE HOUSE CONFERENCE ON SMALL BUSINESS AUTHORIZATION ACT

● Mr. CHAFEE. Mr. President, I am pleased to join as a cosponsor of S. 2588, a bill introduced by my esteemed colleague, Senator DOMENICI, to make permanent the White House Conference on Small Business.

This conference has proved to be an exceptional forum for men and women, representing businesses of every description, to discuss the problems faced by small businesses across the Nation. Past conferences have produced a wealth of legislative recommendations, over two-thirds of which have been enacted. This record of accomplishment is outstanding testimony to the high quality of the individuals involved, and to be vitality of the conference itself.

Small businesses account for nearly half of our Nation's private employment, and are our greatest resource of new ideas for innovative products and services. All businesses, from the corner drugstore to the multinational corporation, have started with the idea of a single individual. In each and every case, an individual has poured thought, energy, and hard work into this endeavor and created a business. With perseverance, these businesses gain a foothold in the marketplace and together form the American small business community.

As American businesses face increasing foreign competition, survival in the marketplace grows tougher by the day. In order to compete, large corporations retain legions of accountants, financial experts, managers, public relations specialists, and marketing professionals. The owners and operators of small businesses know no such luxury. Each must act in all of these capacities simultaneously, making countless decisions affecting every facet of operations. Yet small businesses continue to form the core of a strong and vital marketplace, accounting for over two-thirds of new jobs in this country each year. Unmatched in flexibility, efficiency, and tenacity, America's small businesses are, in a very real sense, the backbone of our economy.

Small businesses cannot afford armies of lobbyists to assault the Capitol. The men and women who have created and manage our small businesses understand their problems best, and are their own most eloquent advocates. They are a diverse community, 15 million businesses strong. However, this great diversity of interests competing for a willing ear in Washington makes it difficult for any single voice to be heard. The White House Conference allows small businesses to speak with one voice, a voice which has produced a multitude of initiatives resulting in changes beneficial to our economy. This conference gives these men and women the opportunity to tell legislators firsthand what is needed to encourage growth in the small business sector, and how to encourage the growth of the entrepreneurial spirit.

Mr. President, the White House Conference on Small Business has in the past been organized on an ad hoc basis. This bill calls on the President to hold a White House Conference on Small Business once each Presidential term. Hopefully, we will create an institution which will give this Nation's small business men and women a voice

in public policy commensurate with their contribution to our economy. I urge all my colleagues to join me in support of this legislation.●

ALCOHOL ABUSE IN AMERICA

● Mr. HATCH. Mr. President, In October of 1985, the American Assembly held its Western Regional Conference on public policies affecting alcoholism and alcohol-related problems. This group of 71 men and women included people from Government, Medicine, the clergy, and the alcohol beverage industry. They reached a consensus on a variety of issues and have published a report containing numerous recommendations on how to deal with the national tragedy of alcoholism.

The report shows that just as alcoholism is a problem for all sectors of society, so is preventing alcoholism the responsibility of all sectors of society. It recommends that the public be warned as to the danger of alcohol, through warning labels on alcoholic beverages, as well as public service announcements on television. In addition, it suggests that we carefully scrutinize the way alcohol consumption is portrayed in television programs, movies, and advertising.

I urge my colleagues to review the findings of this report. Alcohol abuse costs our society—in dollars, in lost lives, in reduced productivity. While opinions may vary on what specific steps should be taken, the theme of this report is that all groups, private and public, must come together to fight this disease that plagues America.

I ask that the complete text of this report be printed in the CONGRESSIONAL RECORD.

The report follows:

BOLD NEW INITIATIVES IN ALCOHOL POLICY

[Preface]

On October 3, 1985, 71 men and women drawn from government, medicine, business, academia, law, the clergy, the alcoholic beverage industries, foundations, and voluntary associations gathered at the Mt. Alverno Center in Redwood City, California, for the Western Regional American Assembly on Public Policies Affecting Alcoholism and Alcohol-Related Problems. For three days, the participants discussed issues of prevention and treatment of alcoholism and alcohol-related problems as well as relevant economic, political, legal, and societal policies. The agenda emphasized small group discussions as a means to build consensus.

James F. Mosher, J.D., who has a joint appointment as Associate Director for Policy Studies at the Prevention Research Center of the Pacific Institute for Research and Evaluation and Associate Director of the Trauma Foundation, served as Director of the Assembly. Participants prepared for the Assembly by reading the American Assembly publication entitled Alcoholism and Related Problems: Issues for the American Public, Louis Jolyon West, M.D., editor, published in 1984 by Prentice-Hall.

Lawrence M. Wallack, Dr. P.H., the Honorable John Van de Kamp, Attorney General of California, and the Honorable George Miller, United States Congressman and Chairman of the Select Committee on Children, Youth and Families, delivered keynote addresses. Donald Ian Macdonald, M.D., Robert G. Niven, M.D., Richard P. Lindsay, Ph.D., and Richard Weber addressed remarks to the Assembly as part of plenary panel discussions following the keynote addresses. Florette W. Pomeroy, Max A. Schneider, M.D., C.A.C., and George Dorsey presented a panel entitled "On Recovery," which was introduced by Thomas P. Pike.

On October 6, 1985, following the small group discussions, the participants met in a plenary session chaired by Philip R. Lee, M.D., Director, University of California at San Francisco Institute for Health Policy Studies. That plenary session reached consensus on the issues and produced this Report, which contains both assessments and recommendations. Not all participants expressed agreement on each recommendation; indeed, some participants expressed strong disagreement in some cases. Nevertheless, as in every American Assembly, this Report represents a consensus of the participants' deliberations.

The sponsors and cosponsors of this Assembly have taken no stands on the subjects that were presented for public discussion. The participants spoke for themselves rather than for the institutions with which they are affiliated.

JAMES F. MOSHER,
Prevention Research Center, Pacific Institute for Research and Evaluation, Trauma Foundation.

FINAL REPORT OF THE WESTERN REGIONAL AMERICAN ASSEMBLY ON PUBLIC POLICIES AFFECTING ALCOHOLISM AND ALCOHOL-RELATED PROBLEMS

Following three days of intensive deliberation and discussion, participants in the Western Regional American Assembly on *Public Policies Affecting Alcoholism and Alcohol-Related Problems*, at the Mt. Alverno Conference Center, Redwood City, California, October 3-6, 1985, reviewed as a group the following statement. While this statement represents general agreement, no one was asked to sign it and not every participant necessarily subscribed to every conclusion or recommendation.

PREAMBLE

Alcoholism and alcohol-related problems impact significantly on health, safety and the quality of life. The costs are enormous, the damage widespread, the suffering severe, the magnitude growing and the consequences incalculable.

The background of relevant facts reviewed by the group in its deliberations included estimates that alcohol-related problems: (1) cost the United States more than $100 billion a year; (2) are responsible for 20 percent of the national expenditure for hospital care; (3) cause the birth of a great many disabled children every year; (4) are involved in more than a third of our suicides, half of fatal highway accidents, the majority of homicides and other violent crimes and of deaths by drowning, falls and fire; (5) contribute to a majority of child abuse, domestic and family violence episodes; and (6) are associated with the deaths of up to 200,000 Americans a year.

Alcoholics are still widely stigmatized; there is insufficient public awareness of the facts about alcoholism as a disease and that it responds to treatment in a significant number of cases, with subsequent reduction of health care costs; prevention and treatment programs lack adequate funds; and research in the field does not receive appropriate support.

Clearly, bold new initiatives are needed for the formulation of improved public policy on alcohol problems in America at all levels of government.

PREVENTION POLICY

General principles

Alcoholism and alcohol-related problems take place in a context of cultural, social, and physical settings, which constitute the drinking environment. The major thrust of prevention programs should be on these environmental factors and their interaction with individual behavior.

In this context, prevention policies should:

(1) focus on the disease of alcoholism and other problems associated with alcohol consumption (such as driving under the influence, fetal alcohol effects, family disruption and violence, and other trauma);

(2) discourage the detrimental uses of alcohol; and

(3) reinforce values which support both abstinence and moderation in drinking.

Attention should be given to high risk drinking settings, to the manner in which alcohol is made available, and to the potential use of technological measures which may reduce alcohol-related trauma (see Legal, Political, and Economic Policy, below).

Prevention policies should also be sensitive to the needs, problems, ethnic and cultural backgrounds, and circumstances of particular subgroups with a high risk of developing alcoholism or alcohol-related problems, such as children of alcoholics. Of primary concern is the development of a social climate that discourages the use of alcoholic beverages among children and youth. This concern should permeate all segments of society, including peer groups, families, schools, media, business, communities, government institutions, etc. This social norm should be reinforced through a wide variety of health promotion and prevention policies.

Prevention policies should be designed to address the causes of factors leading to alcoholism and alcohol-related problems. As such, they represent our best hope for reducing the incidence and severity of these problems. Prevention should therefore be given a much higher priority by the American public and policymakers than in the past.

RECOMMENDATIONS

Prevention education

(1) Public policies affecting educational programs are an important component of a comprehensive approach to the prevention of alcoholism and alcohol-related problems. Such policies should:

a. utilize a broad-based approach that coordinates diverse resources of a community, including families, schools, religious groups, voluntary associations, industry (including the alcoholic beverage industries) and media (electronic, outdoors, print and point of sale);

b. target both special populations at risk and the public at large;

c. include programs which target professional and occupational groups, such as legislators, health-care providers, school principals, teachers, and alcohol servers;

d. be integrated with other prevention policies and strategies, taking into account

images in media, advertising and entertainment; and

e. be based on existing and new research, developing more clarity and accuracy in educational messages.

(2) Thorough and rigorous evaluation of education programs should be a high priority to insure that programs have maximum relevance to and effect on, targeted groups.

Warning labels

It is important that those engaged in the manufacture, marketing, distribution and sale of alcoholic beverages inform the public about the contents of such products and the potentially adverse consequences of alcohol consumption.

(3) All alcoholic beverage containers and packaging should have mandatory labelling which discloses alcohol content.

(4) All alcoholic beverage containers and packaging should have mandatory labelling which discloses all other ingredients, including additives and preservatives.

(5) All alcoholic beverage containers, packaging and advertising should have mandatory rotating public health warning labels. These rotating warnings should be prominent and specific and should include information regarding such facts as: alcohol is a drug and is potentially addicting; alcohol impairs one's ability to drive or operate equipment; alcohol should not be consumed in combination with other sedative or depressant drugs; and alcohol is dangerous to unborn children and should not be consumed during pregnancy.

(6) The exercise of primary regulatory authority over the content, labelling, advertising and other consumer health and safety issues should be vested in a public health agency, such as the Food and Drug Administration.

Media portrayal of alcohol consumption, alcoholism and alcohol-related problems

(7) Those segments of the entertainment and media industries that have taken strides to provide accurate portrayals of alcohol consumption should be commended. These industries are encouraged to take further steps in this direction. Specifically:

a. Formal recognition of the entertainment and media industries' voluntary efforts should be made by government agencies and private organizations;

b. The industries need to have on-going self-monitoring of scripts;

c. Research organizations need to continuously update the monitoring of movies and television programs and give feedback to industry through cooperative consultation;

d. More emphasis is now needed on specific adverse consequences of alcohol consumption—e.g. drinking under stress, drinking while pregnant, drinking and driving—and on the relationship of alcohol consumption to social issues such as injuries, child abuse, rape, battering, incest, and other crimes.

Alcoholic beverage advertising

Most alcoholic beverage advertising promotes an image of alcohol that contradicts accurate health information regarding the adverse consequences of consumption. As such they hinder prevention and education programs. In addition, current advertising practices may contribute to higher levels of consumption and alcohol-related problems in society. Specific recommendations to address this issue include:

(8) An equivalent broadcasting time provision requiring broadcasters and cable companies to make available without charge a significant amount of broadcast time for public health and safety counter advertisements regarding alcohol effects should be enacted.

(9) Current statutory and regulatory authority should be exercised to eliminate alcohol advertising in all media that associates potentially hazardous activity with alcohol, uses sexually-oriented messages, uses celebrities, particularly those attractive to youth, and associates alcohol and sports.

(10) Continued voluntary efforts by the alcoholic beverage industries to promote more responsible advertising should be encouraged.

(11) As a matter of public policy government agencies should not sell advertising space (e.g., on military bases and on public transit) for the promotion of alcoholic beverages.

(12) College and university settings are subject to heavy advertising and promotion activities. All states should adopt laws banning advertising and other promotional activities by the alcoholic beverage industries on campus.

Safety modification to prevent alcohol-related trauma

There is a significant correlation between alcohol intoxication and the incidence of traumatic deaths and injuries, particularly among youth. This provides an opportunity for coalition building among a broad range of groups involved in alcohol-related issues with groups in the injury prevention field.

The following safety modifications in the physical environment, among others, are recommended as one means to significantly reduce alcohol-related traumatic deaths and injuries:

(13) Mandate seatbelt use in all states.

(14) Mandate automobiles produced in 1989 and after be equipped with airbags.

Research

(15) The major focus of prevention research should be on:

a. factors affecting social beliefs, attitudes and values regarding alcohol use;

b. factors promoting health, and accurate assessments of the impact of alcohol-related problems in society.

TREATMENT POLICY

Types of treatment services

People reach recovery by different paths. Treatment services should be targeted to the individual in relationship to ethnic, cultural, family, social suppport systems and other environmental factors. People may respond to treatment from those with similar backgrounds. Treatment should be consistent with the stage of the disease, the recognition of the chronicity of the disease and adherence to the continuum of care principle. Special attention needs to be paid to lower cost alternatives and polydrug use.

There are subpopulations at high risk of becoming or who are already in various stages of alcohol dependency, such as children of alcoholics. There is also a need to recognize that all individuals are at risk.

Recommendations

(1) Communities should create an appropriate mix of treatment opportunities to meet the needs of their population. A matrix of services must include the full spectrum of clinical and nonclinical services.

(2) In both clinical and nonclinical treatment settings, the AA and other self-help principles of recovery have value and should be used.

(3) Communities should ensure individuals requiring treatment are adequately evaluated and referred to the appropriate treatment.

Training and credentialing

(4) Training and credentialing must be developed. Certificates of competency and recertification need to be adopted for both clinical and nonclinical providers.

(5) Health professionals in the treatment of alcoholics should develop statements and strategies to promote high ethics, standards, and competency. Peer evaluation, quality assurance, and continuing education are also needed.

(6) Education of major gatekeepers (e.g., educators, social service and health workers, criminal justice personnel) is essential in order to develop a firm support for early identification, intervention, referral and treatment. Medical schools should include the disease of alcoholism as a mandated course of study rather than as an elective, as is currently the case.

Insurance coverage for alcoholism services

A major focus should be placed on assuring availability of broadened insurance coverages.

(7) Insurance policies should recognize that:

a. adequate insurance coverage will significantly increase possibilities for early intervention;

b. early intervention will result in reducing alcohol-related health problems and lowering costs for same.

(8) Adequate health insurance coverage should:

a. cover treatment in both clinical and nonclinical settings;

b. recognize the primary and chronic nature of the disease;

c. recognize the availability of alternative treatment modalities;

d. provide for on-going monitoring to prevent abuses by clinical and non-clinical providers.

(9) The financing and provision of alcoholism services should include the prospective pay system model (i.e., capitation) as well as the fee-for-service model and encourage providers to furnish prevention and early treatment services and effective long term care.

(10) Three distinct categories (alcohol, other drugs, and alcohol and other drugs in combination) should be recognized for purposes of funding and data collection by the Health Care Financing Agency (HCFA) which administers federal entitlement programs.

(11) Entitlement for reimbursement for alcoholism services should be included, under appropriate guidelines, under Medicaid and other entitlement programs.

(12) Eligibility for reimbursement should be expanded to include a broader mix of non-physician service providers, subject to adequate certification and other quality assurance standards.

(13) The disease of alcoholism should be included in the ICD-10 category of diseases in 1990, i.e., in non-pyschiatric as well as psychiatric (DSM-III) standards for diagnosis and treatment.

(14) Private insurance carriers should be legally mandated to offer suitable coverage for alcoholism as a part of their mainstream medical insurance coverage.

Decriminalization of public drunkenness

In the last fifteen years, over thirty states have adopted versions of the Uniform Alcoholism Intoxication and Treatment Act decriminalizing public drunkenness. The desired outcome of this action includes the reduced burden upon police, court and correc-

tional resources by public inebriates and the provision of more humane and cost effective treatment services for their disease.

While these results have been achieved in part in jurisdiction with decriminalization laws, additional actions are needed. Recidivism rates need to be reduced more effectively, available resources need to be utilized more efficiently, and the original expectations of the Uniform Alcoholism Intoxication and Treatment Act need to be fulfilled.

(15) States which continue to arrest and recycle public alcoholics through the criminal justice system should enact decriminalization laws.

(16) To offset the inappropriate burdening of scarce alcoholism treatment resources, alcohol funding should not be solely responsible for the broad spectrum of housing, physical and mental health and other vitally needed public inebriate services.

(17) There should be expanded utilization of civilian pick-up as a more appropriate and less expensive alternative to initial police involvement.

(18) Individual needs should be better "triaged" at the time of pick-up, with appropriate referral to acute medical services, inexpensive "sobering up" centers, social model detoxification centers, or other appropriate social services.

(19) The full continuum-of-care principle should apply to each individual client and responsibility for care should not end with detoxification. The continuum of care must include close coordination with other health care and social service agencies and provide suitable linkages for housing, employment, and other physical or mental health services, etc.

(20) Funding of public inebriate service is a multiple responsibility and ought to involve at least alcoholism, drug abuse, physical and mental health, housing, employment, law enforcement, and criminal justice resources.

Research

(21) Because of the interface between treatment and the body of knowledge regarding the disease, expanded basic research is needed.

(22) A high priority must be placed on independent research regarding treatment outcomes and treatment evaluation methodology.

LEGAL, POLITICAL AND ECONOMIC POLICY

Tax policy

(1) The failure to increase federal excise taxes on beer and wine since 1951 and the failure to index the rate of tax on all alcoholic beverages to inflation has resulted in a decline of price relative to other beverages such as soft drinks. Drinking practices of the American public, particularly young people, may have changed to more harmful consumption patterns. To correct this situation, federal and state alcoholic excise taxes should be equalized to the level of the tax on distilled spirits, indexed to future inflation, and significantly increased. All three actions would result in a reduction of alcohol consumption as well as generate needed government revenues.

(2) Federal and state income tax deductions for business expenditures related to the purchase of alcoholic beverages should be eliminated.

Regulation of alcohol availability

It is important to enact appropriate statutes, regulations and restrictions on the availability of alcoholic beverages based on age, geographic location, and server practices.

(3) A growing number of states have adopted a minimum drinking and selling age of 21 years. Other states should adopt a similar standard, and all states should vigorously enforce this standard. In addition, the federal government should establish and enforce a similar standard on all military bases and other federal lands.

(4) Retail establishments serving alcoholic beverages to minors or to intoxicated persons should be held liable for injuries caused to third parties. "Dram Shop" Acts establishing this principle of liability should be enacted in all states. To the extent possible, the provisions of the Model Alcoholic Beverage Retail Licensee Liability Act of 1985 drafted by the Prevention Research Group should be followed. Incentives should be included for server and manager training and for other aspects of responsible commercial practices, particularly those which do not over-promote consumption through "2-for-1," "happy hours" and similar practices.

(5) The primary responsibility of State Alcoholic Beverage Control agencies should be to protect the public health. Staff levels should be adequate to discharge this responsibility, and staff should be trained in the practical application of these public health functions.

(6) All new and renewal applications for retail outlets should be subject to mandatory "environmental impact" analyses, public hearings and administrative approvals. States should set the minimum standards and local communities should have primary responsibility for applying such standards. The standards should require responsible business policies affecting the service of alcoholic beverages and should review the impact of the proposed location of the outlet on the surrounding community.

(7) Additional resources should be allocated, both to state Alcoholic Beverage Control agencies, and to local communities and law enforcement agencies to better enforce laws governing licensed retail outlets selling alcoholic beverages (e.g., service to minors and to intoxicated persons, noise, traffic, litter, etc.).

(8) Gasoline stations and convenience stores should not be licensed for sale of alcoholic beverages, and special regulations should be developed for the service of alcoholic beverages at mass events.

(9) Server and management training regarding responsible service of alcohol should be mandated by law.

Drinking and driving

It is essential that the public perceive drinking and driving as having definite risks. Therefore the penalties for drinking and driving must be clear, uniform and have swift application. Specific recommendations are:

(10) lower nationwide the BAC for "per se" to .05 gm/dl and establish categories for high risk groups (such as minors) requiring .00 BAC gm/dl;

(11) provide for the administrative revocation of licenses in all per se cases, with the license being surrendered at the arrest scene;

(12) establish highway checkpoints nationwide that are constitutionally acceptable;

(13) promote incentives for sober driving by encouraging insurance carriers to give reduced rates for non-drinkers.

Research

(14) There is general recognition that research in legal, political and economic areas has been very limited. Strong recommendations are made to promote increased funding for research, and more than 25 proposals for specific research undertakings have been suggested. Five of these proposals are included as examples of priority areas of concern: a. studies of the epidemiology of injuries and trauma; b. studies of place of last drink before traffic crashes or DUI arrests; c. research on devices to prevent an automobile to be started by an alcohol-impaired driver; d. research at local level on how communities become concerned about and take action on alcohol issues; and e. experimentation with different strategies for preventing drinking driving (e.g. bumper stickers; impoundment of cars).

SOCIETAL POLICY

Promoting coalitions

(1) In order to enhance and promote a national commitment to the prevention and treatment of alcoholism and alcohol-related problems, there must be interaction, collaboration and coalition-building with many groups outside of the "alcohol" field. The potential for such coalition building can be enhanced by emphasizing the fact that all individuals are at risk of developing alcoholism and being adversely affected by other alcohol-related problems. The following is a partial list of potential groups that could be approached:

Families of Alcoholics, Producers of Beverages, Industry and Employers, Law Enforcement Organizations, Providers of Care, Victims' Organizations, Educators, Recovering Community, Non-Drinkers, Allied Professions, Labor, Insurance Carriers, Criminal Justice Systems, Community Service Clubs, Injury-Control Community, Minority Organizations, Battered Women Shelters, Hospitality Industry.

Health and Mental Health Organizations, Churches, Community Coalitions, National Health Agencies, Law Makers, Military, Research Community, Government Agencies, Nursing Community, Media (News and Entertainment), Parent Groups, Youth Coalitions, Medical Community, Hospital Organizations, Professional Sports Organizations, Neighborhood Watch Organizations, Pharmaceutical Organizations.

The most important strategy to pursue with these groups is to focus on single specific catalytic issues and use campaign techniques that are understood and accepted.

Alcoholism as a disease

There continues to be public discussion on the nature of the disease of alcoholism. Without a common starting point, and broad acceptance by society-at-large of this basic premise, we will continue to be hampered in reducing the incidence and severity of alcoholism's occurrence.

It is therefore recommended that:

(2) The Delphi Project, convened by the American Medical Association, proceed with deliberate haste to develop medically and scientifically justifiable definitions of alcoholism, alcohol dependency, alcohol misuse, and other terms used to describe harmful involvement with the drug. The results of this work need to be incorporated in public policy at all levels.

(3) Public policy needs to clearly separate alcoholism, the bio-chemical disease, from alcohol-related problems.

(4) Care providers, government agencies, national health organizations, and others

concerned with alcoholism and alcohol-related problems need to state consistently to the public that alcoholism is a disease.

The relationship of alcohol policy to policy on other drugs

(5) Alcoholism and other alcohol-related problems are part of a broader problem of drug use in society. "Substance abuse" is not an appropriate term for describing this problem. Public policy should emphasize the unique differences as well as the overlap between alcohol and other drug use. For the forseeable future, there are numerous cogent reasons for maintaining the categorically separate identity of prevention and treatment policies for alcohol and those for other drugs, especially due to the fundamentally different legal framework governing alcohol and various illegal drugs. There are other cogent reasons, however, for combining alcohol and drugs in formulating and implementing certain prevention and treatment policies. Public policy should also emphasize that the alcohol in beer, wine and distilled spirits is the same drug.

The role of business and industry

There are many actions that all private businesses should take to prevent and treat alcoholism and alcohol-related problems, including:

(6) Business and industry should be encouraged to cooperate in efforts to reduce the incidence and severity of alcoholism and other alcohol-related problems.

(7) Business, industry, educational institutions, professional associations, and governments should provide Employee and Student Assistance Programs.

(8) Alcohol use should be addressed in employer health and fitness programs.

(9) Employers should take a leadership role in developing policies regarding alcohol availability and consumption on their premises and at their functions.

Implementing research agendas

It is imperative that a prioritized research agenda be developed and that critical research be funded and undertaken.

(10) Constant public awareness of the disparity in funding for research on alcoholism and alcohol-related problems vis-a-vis research on other prevalent and fatal diseases is necessary along with continued efforts to gain resources commensurate to the severity of the problem.

(11) The National Institute on Alcohol Abuse and Alcoholism (NIAAA) should exercise primary responsibility for research leadership, including the development of non-governmental sources of research funding.

(12) Research agendas should be generated by those working in the alcohol field in cooperation with NIAAA staff. Private funding sources, including private foundations should be actively recruited to help fund the research needs that are identified.

(13) NIAAA should insure that all significant research findings are disseminated to appropriate policymakers, policy advisory bodies, foundations, and key health care organizations and professionals.

Balancing rights

(14) Public policy initiatives that represent balanced approaches will continue to evolve as a result of informed public debate by a wide range of interest groups. Forums to conduct this public debate should continue to be funded by public and private monies.

(15) Public policy should emphasize that for a significant segment of the population, alcohol used appropriately and with caution, may not be harmful or have negative effects. Further policies should promote healthful practices, both for those who choose to drink and for those who choose not to drink.

AMERICAN ASSEMBLY FOR THE WESTERN REGION

Participants

Dan Alverson, Reginal Director, Distilled Spirits Council, of the United States, Inc.; Mrs. Janet Fleishhacker Bates, Trustee, American Assembly, Board Member, Trauma Foundation; William R. Bates, artist and Civic Leader; Jan Bennett, Utah Executive Director for Senator Orrin Hatch; Susan B. Blacksher, Chief, Division of Alcohol Programs, California State Department of Drug and Alcohol Programs; Bernell N. Boswell, Executive Director, The Cottage Program, Intenational, Inc.; Jess Bromley, M.D., President, California Society for Treatment of Alcoholism and Other Drug Dependencies; Neil Burraston, Senior Consultant, California Senate Committee on Industrial Relations; Raymond A.E. Chavir, Chairperson, National Policy Committee, Americans for Substance Abuse Prevention; Harvey N. Chinn, Executive Director, California Council on Alcohol Problems; Allan Cohen, Ph.D., President, Pacific institute for Research and Evaluation; Tom Colthrust, Director, UCSD Extension Program on Alcohol Issues.

Michael Cunningham, Manager, Special Projects Section, Alcohol Division, California State Department of Drug and Alcohol Programs; Ruby de Santis, Washington State Coordinator, Mothers Against Drunk Driving; Judy Doktor, Director, Women's Alcohol Treatment Facility, St. Francis Hospital, HI, President, Pacific Learning Corporation; George Dorsey, President, Rathbone, King and Seeley Insurance Services; Persida Drakulich, R.N., Ph.D., Director, School Health Programs, California State Department of Education; Roderic Duncan, Judge, Oakland-Piedmont-Emeryville CA Municipal Court; William G. Durkin, Ph.D., Employee Assistance Manager, Atlantic Richfield Company; Bernard I. Grosser, M.D., Department of Psychiatry, University of Utah; Reuben T. Jessop, President and CEO, Vesper Society; Reverend Earl S. Johnson, Lutheran Minister; Philip R. Lee, M.D., Director, University of California at San Francisco Institute for Health Policy Studies.

Laurie Leiber, Chair, Council on Alcohol Policy, California Affiliate; Richard P. Lindsay, Ph.D., Managing Director, Public Communications, Special Affairs, The Church of Jesus Christ of Latter-Day Saints; Donald Ian Macdonald, M.D., Administrator, U.S. Alcohol, Drug and Mental Health Administration; Bernard F. Maloy, Vice President (retired), United States Brewers Association; Timothy McFlynn, Executive Director, Public Justice Foundation; Andrew McGuire, Executive Director, The Trauma Foundation; Patricia Megason, Administrative Assistant to California Assemblywoman Jean M. Duffy; George Miller, Congressman, U.S. House of Representatives; Jerrauld D. Miller, Publisher, Alcoholism and Addiction Magazine; Catherine Milton, Director, Public Service Center, Stanford University; James F. Mosher, Director, American Assembly for the Western Region; Robert G. Niven, M.D., Director, U.S. National Institute on Alcohol Abuse and Alcoholism; Ernest P. Noble, Ph.D., M.D., Director, UCLA Alcohol Research Center and Pike Professor of Alcohol Studies, UCLA.

Peter K. O'Rourke, Director, California Office of Traffic Safety; Alfonso Paredes, M.D., Veteran's Administration Medical Center, Brentwood, California; Deborah S. Parker, Executive Director, California Women's Commission on Alcohol; Katherine K. Pike, Advisory Board, Alcoholism Council of California; Thomas P. Pike, Pike Foundation; John C. Pixley, Executive Director, Alcoholism Council of California; Florette W. Pomeroy, Partner, Consultants in Philanthropy; Anthony B. Radcliffe, M.D., Physician in Charge, Chemical Dependency Recovery Services, Kaiser Permanente, Fontana, California; Stephen J. Rees, Utah State House of Representatives; Jay Rodriguez, Vice President, Corporate Information, National Broadcasting Company, Inc.; Paul Rogers, Utah State Senate; James E. Royce, S.J., Ph.D., Professor of Alcohol Studies, Seattle University; Honorable Philip M. Saeta, Judge, Superior Court, County of Los Angeles, California; Herman S. Saunders, Co-chairman, Committee on Alcohol and Drug Abuse, Caucus of Producers, Writers, and Directors.

Max A. Schneider, M.D. C.A.C., President, American Medical Society on Alcoholism and Other Drug Dependencies, Senior Consultant, Recovery Services, St. Joseph Hospital, Orange, California; Patricia E. Schneider, Director, Health and Social Issues, The Wine Institute; Thomas V. Seessel, Executive Director, National Council on Alcoholism; Elizabeth Snyder, California State Advisory, Committee on Alcoholism; Carol Stein, Executive Director, Californians for Drug Free Youth, Inc.; Gordon Strachan, Chair, Utah Citizens Coalition on the Prevention of Alcohol and Drug Problems; Betty Tatham, Administrative Assistant for Health and Social Services, Utah Office of the Governor; Max Thelen, Jr., President, The S.H. Cowell Foundation; Jill C. Thorne, Commissioner, Oregon State Liquor Control Board; Donald Trunkey, M.D., Chief, Department of Surgery, San Francisco General Hospital;

John K. Van de Kamp, Attorney General, State of California; Chauncey L. Veatch, III, Director, California State Department of Drug and Alcohol Programs; Lawrence M. Wallack, Dr. P.H., Director, Presention Research Center, Pacific Institute for Research and Evaluation; Mary L. Walshok, Associate Vice Chancellor, Extended Studies and Public Service, UCSD; Richard N. Weber, Executive Director, Washington State Council on Alcoholism; Joycelyn T. Whiten, Ph.D., Director, Addiction Research Center, King-Drew Medical Center; Garen J. Wintenmute, M.D., U.C. Davis Medical Center; Jacqueline P. Wiseman, Ph.D., Professor, Department of Sociology, UCSD; Al Wright, Director, Los Angeles, California, Office of Alcohol Programs; Kenneth F. Wynn, Director, Utah Liquor Control Commission; Joseph J. Zuska, M.D., Medical Director, Recovery Services, St. Joseph Hospital, Orange, California.

SPONSORING ORGANIZATIONS

The Prevention Research Center (P.R.C.) of the Pacific Institute for Research and Evaluation is a nonprofit research organization specializing in environmental approaches to the prevention of alcohol-related problems. Seven specific research projects are now being conducted, including studies of: media portrayals of alcoholic beverage consumption; server intervention; drinking-driving among young people; high school alcohol policies; and legal-regulatory provisions affecting the distribution of alcoholic bever-

ages. PRC is the only national research center specifically devoted to the prevention of alcohol-related problems and is widely regarded as the leading institute in the field.

The Trauma Foundation is a nonprofit organization dedicated to the prevention of injuries, including those related to excessive alcohol consumption. It conducts numerous educational, research, and dissemination projects and sponsors a postdoctoral fellowship program to train experts in the field, funded by the Pew Foundation. Its activities include the San Francisco Prevention of Alcohol-Related Problems Project, a community-based effort to develop innovation prevention policies at neighborhood and city levels.

The University of California at San Francisco (U.C.S.F.) is a campus devoted to the health sciences. With Schools of Dentistry, Medicine, Nursing, and Pharmacy, and a Graduate Division focusing on the basic natural, social, and behavioral sciences relative to health, it awards a number of professional and doctoral degrees in health-related fields. The mission of the University of California, San Francisco, is teaching, research, patient care, and public service. It is recognized as one of the nation's outstanding centers of excellence in each of these areas.

U.S. SENATE,
Washington, DC, October 3, 1985.

Mr. and Mrs. THOMAS P. PIKE,
1475 Circle Drive,
San Marino, CA.

DEAR TOM AND KATHERINE PIKE: It is with a good deal of regret that I will be unable to join you and your fellow participants at the American Assembly's Western Regional Conference. However, I would like to extend my personal appreciation and support to all those caring Assembly members who have committed their considerable energy and talent to the pressing task of eliminating alcoholism and alcohol abuse.

The Assembly has a very real opportunity to expand on its work and to make a significant contribution to physical health and emotional well-being of American families by identifying policies which reduce generational alcohol problems. Given the combined history, experience and professional ability of the invitees, I am confident that the high expectation which the conference has generated will not be disappointed.

I would like to take this welcome opportunity to formally recognize both of you for the nearly four decades of service which you have so freely given to the alcoholism field. By aggressively sharing your understanding of alcoholism as a treatable disease, deserving of compassionate attention which health professionals, policymakers, and the general public, you have helped to greatly reduce the fear, ignorance and stigma surrounding alcoholism. This reduction of ignorance has played a key role in our increased capacity to effectively reach and treat alcoholics and their families. It was not until we recognized alcoholism as a disease that we were able to commit the weight of our biological and social sciences to its prevention and treatment. For the part you played in that important advancement, you are deserving of our profound thanks.

My best wishes to all the Conference participants. I am certain that if they are informed of the rich tradition of social enlightenment which exists in the alcoholism field, they will be successful in developing prevention solutions which effectively address alcohol abuse and alcoholism.

Sincerely,

ORRIN HATCH,
U.S. Senator.

ABOUT THE AMERICAN ASSEMBLY

The American Assembly, which cosponsors the Regional Assembly series, was established in 1950 by Dwight D. Eisenhower, and has as its charter "to illuminate issues of United States policy." Since its inception, it has brought together informed citizens with diverse backgrounds and fields of interest to develop a policy consensus on important issues of the day. Regional Assemblies on the same subjects then are conducted in following years to reach additional consensus in the context of regional concerns.

Last year the American Assembly chose the topic "Public Policy on Alcohol Problems" for one of its national meetings. On April 26-29, 1984, 65 participants met for the 66th American Assembly at Arden House in Harriman, New York. This Regional Assembly is a follow-up to the national meeting, focusing particularly on action agendas in alcohol policy for the Western states.

AMERICAN ASSEMBLY SESSIONS

All Assemblies follow the same procedure. The background materials are sent to participants in advance of the Assembly. The Assembly meets in small groups in plenary session for four or five lengthy periods. All groups use the same agenda. At the close of these informal sessions, participants adopt a final report of findings and recommendations.

Each discussion group has a discussion leader and a rapporteur. These participants play an important role in the Assembly process not only by helping each group more through the agenda, but also by meeting with the Assembly Director to prepare the draft which becomes the basis for the final plenary session.●

EXPANDING U.S. MANUFACTURING OPERATIONS

● Mr. RIEGLE. Mr. President, Governor Blanchard of Michigan released yesterday a list of foreign companies with plans to open or expand manufacturing operations in the State of Michigan. The expansion of operations and the creation of new jobs is badly needed in our fight to overcome the huge trade deficit that now exists between the United States and other countries.

One problem which remains is the difficulty of obtaining visas for professional staffs of the companies with operations in this country. Every company which locates a facility in the United States must bring a number of top professional staff people to manage the project. The problem of obtaining visas has grown in recent years, and the current issue of Federal Focus contains a short article on this issue.

I ask that this article be printed in the RECORD at this point and commend it to my colleagues.

The article follows:

IMMIGRATION POLICY—A TOOL FOR CREATING U.S. JOBS

(Brion Sasaki and Michael Volpe)

Both a record trade deficit and high foreign imports threaten thousands of American manufacturing jobs. Although the Administration is taking an increasingly tougher stand against unfair trade practices of other nations, Congress wants to go even further.

But an important tool to improve our trade position has been overlooked—streamlining U.S. immigration laws to attract foreign companies to build manufacturing plants here, eventually creating more jobs for Americans and adding tax revenues.

The Immigration and Naturalization Service (INS), working with the State Department and Labor Department, processes the paperwork for foreign corporate personnel transferred to U.S. operations. The overworked immigration staffs must direct their limited resources first towards issuing tourist and student visas, processing naturalized citizens, and restricting illegal aliens.

To its credit, the INS recognizes the importance of facilitating multinational transfers and, in the May 21, 1986 Federal Register, proposed changes to ease the entry of key international personnel. It has also instituted an experimental computer project to speed visa processing.

Separately, the House Judiciary Subcommittee will hold hearings on legislative proposals for a special non-immigrant visa class specifically for employees of multinational businesses.

Much more needs to be done. The Administration and Congress should also consider:

(1) Increasing the INS's processing fees and using such fees to offset increased INS program costs;

(2) Increasing INS staffing and budget levels to reflect the importance of INS efforts in reducing U.S. trade deficits;

(3) Lifting the ceiling on the number of foreign business professionals allowed into the U.S. under the "Third Preference Category"; and

(4) Acting immediately in promulgating new and streamlined INS and State/Labor Department regulations to reduce unnecessary paperwork and delays.

With continuing high demand for foreign products, the real question is not whether Americans buy such products, but where they are produced. By expediting U.S. entry of key foreign business personnel, the INS will be a key player in U.S. job creation and economic development, while reducing reliance on imported goods.●

NAUM AND INNA MEIMAN: DESERVING FREEDOM

● Mr. SIMON. Mr. President, as a nation, we have been endowed with certain inalienable rights. We tend to take these privileges for granted, however, and have come to believe that we deserve them.

Soviet Jews Naum and Inna Meiman also deserve their freedom. The Meimans are an elderly, ailing couple who desperately want to emigrate to Israel.

Inna is critically ill with cancer of the spine. She is in constant pain, and although Soviet doctors have performed four hazardous operations, the tumor continues to grow. Her only hope is that the Soviets will allow her

to travel to the West to obtain experimental treatment.

Naum is 74 years old and not in very good health. Since applying for an exit visa over 10 years ago, he has been subjected to constant harassment by the Soviet Government. Naum was forced to retire from his position as a mathematician and has been completely isolated from the scientific community.

In addition, the Meimans' telephone has been disconnected and much of their mail is confiscated.

The Meimans deserve to live their final years free of pain and in peace. I strongly urge the Soviet authorities to grant the Meimans their freedom and permit their emigration to Israel.●

THE TRADE DEFICIT: BUILDING A FAIR TRADE SYSTEM

● Mr. KASTEN. Mr. President, the insightful Revolution-era British statesman Edmund Burke once noted that "it is the nature of all greatness not to be exact, and great trade will always be attended with considerable abuses."

Mr. President, the United States is experiencing trade abuse of monumental levels. It was announced today that our trade deficit increased 23 percent in the past 6 months to a record $168 billion.

The United States is a great nation and a great economic force in the world. But our energies, our ingenuity, our business sense is being stifled by a so-called free-trade system that is in reality a subsidized trade system for other countries.

It is time we worked together to build a fair trade system, a system that will encourage the exporting of American-made goods and American-grown foodstuffs.

Mr. President, I wish to bring to the attention of my colleagues a speech by a fellow Wisconsinite, Russ Cleary, the president and chairman of the board of the La Crosse, WI-based G. Heileman Brewing Co.

Mr. Cleary, correctly, I believe, asserts that our current trade philosophy ignores the reality of what is happening on main street America—ignores the loss of thousands of manufacturing jobs—ignores the crushing blows inflicted on our family farmers, who have to compete with imported Canadian potatoes and EEC-subsidized dairy products—ignores the gutting of the American steel industry, and shoe industry, and electronics industry, and yes, brewing industry.

The American farmer, the American manufacturer, and the American worker can compete against and outproduce any other work force on Earth. But they can't compete against foreign governments, and that is just what our current trade policy forces them to do.

Mr. President, I ask that the text of Mr. Cleary's speech be printed in the RECORD. He succinctly and vividly lays out the terrible impact of our trade policies on working America and brings home the point that free trade without fair trade is no trade at all.

The speech follows:

REMARKS OF MR. RUSS CLEARY

There is another problem that we in Wisconsin and all industry in the U.S. are now facing. It is not a Wisconsin problem but a national problem and has and is negatively impacting many Wisconsin industries and agriculture. I refer to our massive trade deficit which is now over 150 billion dollars annually. The policy of our current administration seems to ignore what is really happening on Main Street, in the factories, and on the farms of this Nation. We have been grossly outmaneuvered, outgunned and outnegotiated by most of the countries in the world while we cling to the banner of "Free Trade". In the past few years I have been exposed to industry after industry that finds itself being either blatantly prevented from selling in foreign markets or simply outmaneuvered by rhetoric or regulatory manipulation. If we are going to preserve the manufacturing base in this country, we have to scrap the philosophy of unilateral free trade . . . and adopt and live by the philosophy of fair trade.

It has been estimated that for each billion dollars of trade deficit, we lose 25,000 jobs. We have lost millions of good paying manufacturing jobs already. A case in point is the brewing industry of the U.S. After World War II we literally opened our borders to all of the brewers of the world, encouraging them to sell their products in our country. It seemed like a magnanimous gesture and it wasn't big dollars. But like so many other industries, look what happened. In 1985 our industry alone suffered a trade deficit of 600 million dollars . . . that is, U.S. brewers exported 50 million dollars of beer and we as a Nation imported 650 million dollars worth of beer. (That's a ratio of 13 to 1.)

Why the deficit? Is it because we can't compete? Is it because foreigners don't like American beer . . . or is it because Americans prefer foreign beer to American beer? The answer is a very simple one . . . The American brewing industry is prevented from selling any beer in most countries of the world . . . it is particularly true here in the Northern Hemisphere. For example, we import 20 times more Canadian beer into the U.S. than American beers sold in Canada. Why? It isn't because Canadians don't have a thirst for American beer, but in most provinces there is no way for us to sell our beers. By the way, Canadian imports into the United States are up 21.5% thus far in 1986.

Mexican imports are hot. They are up 73.4% in 1986 and we cannot sell one can of beer in Mexico. This is also true of most of our European trading partners.

We at Heileman can certainly understand some of these feelings . . . our beer does not have the history and the heritage of their products. But certainly . . . with a company like Heileman with 5 plants situated in the Northern Tier states near Canada . . . and 2 plants in Texas and Arizona (which are less than 100 miles from the Mexican border) free trade should work both ways.

I thought naively that maybe this was a problem of the brewing industry only. But it isn't just our problem . . . it is a problem for most beverages in this country . . . it is a problem with farmers of this country . . . it is a problem for a large number of manufactured products. Collectively, American industry has been shabbily treated . . . it has been outmaneuvered and outnegotiated. We have simply let our Federal Government and our State Department dictate a policy that has been detrimental to American industry.

The House of Representatives just recently overwhelmingly adopted a new trade bill which would empower and require the President to insist on fair dealing for American industry. The response from the President was the threat of a veto. We have lost millions of jobs and we are going to lose millions more until we wake up to what is happening on the streets and farms and in the factories of this country.

Wisconsin . . . as can be seen from every auto license plate . . . is America's Dairyland". Here in western Wisconsin we actually have more dairy cows than we do people. And yet . . . because of the basic unfairness of our present Federal policy . . . the European Common Market dumps literally millions of pounds of subsidized surplus dairy products into the United States each year. What is the administration's answer? "The whole herd buy-out". In other words . . . rather than the government working to solve the problem, the people in Washington have evidently decided to live with and ignore it.

Lee Iacocca in his book quoted a very famous saying in describing our current situation . . . What you call a country that exports most of its raw materials and imports most of its finished goods. The answer is . . . "a colony." 210 years ago we fought a revolution because we did not want to be a colony. We did not want to be forced to export raw materials and import finished goods from England. In deference to our own Congressman STEVE GUNDERSON, he voted with the majority in trying to get the President to wake up to the serious current situation.

In my 6 year term on the Ninth District Federal Reserve Board I listened to about every argument that the economists had to offer on why free trade is the only answer. In reflecting back, I realize what an incredible mistake we made—to see industry—segment by segment—rooted from the United States. Our industrial base is eroding not only in Wisconsin but in the entire Nation because we don't have free trade and what we need is fair trade. We currently have a crisis in the lumber business in the Northwest . . . We have a rebellion of potato farmers in the Northeast because they are competing with subsidized Canadian potato farmers and they are going out of business. The same thing has happened to shoes, electronics, textiles, autos, etc.

We have a 150 billion dollar deficit that is growing steadily. The devaluation of the dollar hasn't made a significant dent. The question in Washington should be . . . now what? The answer should be . . . give American industry an equal shot at competing internationally . . . we can compete if we have the chance.

We need to rethink where we have been . . . Where we are . . . And where we are going . . . before we lose another million or two jobs due to the misguided "Alice in Wonderland" free trade mentality. U.S. industry can't win the war with one or both of our hands tied behind our backs!●

NEW FARM BELT CROP: INDUSTRY

● Mr. BOSCHWITZ. Mr. President, as a representative of a farm State and as a member of the Agriculture Committee, I am very pleased to draw to your attention today an article in the June 26 edition of the New York Times.

As we all know, agriculture is facing some tough times. Not only are farmers suffering but all those who live in rural communities have also been affected. Agriculture is a wide-reaching business. It affects every business in the rural communities that depend on it. The suppliers, the hardware store, the local newspaper, even cafes, all have a stake in agriculture. Over the past year we have several times considered legislation to help farmers in these communities. However, recently many farm communities have begun to help themselves * * * by wheeling and dealing to attract industry to their areas.

Maquoketa, IA, a community of 6,300 is one town which has refused to simply sit back and wait for things to improve. Instead, the community banded together and has successfully persuaded three companies to open factories in their area.

How did they do it? With plenty of hard work and determination.

Maquoketa storeowners donated more than $100,000 to hire a full-time business recruiter and the town put together an 8-minute video to sell companies on relocating to the area. In addition, Maquoketa has emissaries who go out and recruit businesses considering expansion or relocation. The town has also shown a willingness to negotiate with perspective industries, offering low interest industrial revenue bonds and constructing buildings for manufacturers to use immediately.

Fulda, MN, is another town that has achieved remarkable success with diversification. Just a year and a half ago Fulda, with a population of 1,308, spiraled into a severe depression following the closing of the town bank. Within months six other businesses had also gone under, including the town's drugstore, coffee shop, bakery, and bowling alley. In all, 27 farms and businesses filed for bankruptcy in 1985. But, refusing to admit defeat the Fulda Community Club launched what has become a very successful effort to attract new business to the town.

As a businessman, I've always believed that nothing can beat a good marketing technique, some ingenuity and a whole lot of persistence.

This take-charge spirit that these towns and many other communities have shown is to be commended and encouraged. I urge all my colleagues to do all they can to support diversification in their State's troubled communities.

Mr. President, I ask that the article be printed in the RECORD.

The article follows:

[From the New York Times, June 26, 1986]

NEW FARM BELT CROP: INDUSTRY

(By Steven Greenhouse)

MAQUOKETA, IOWA.—This east Iowa community is sharing in the misery of the farm crisis, but its 6,300 residents can boast of one thing that will make other farm towns envious: During the last year, three companies have decided to open factories here.

"We have a lot of problems with agriculture at the moment," said Edward L. Tubbs, chairman of the Maquoketa State Bank. "Our only chance to survive is to diversify."

Like hundreds of farm communities throughout the Middle West, Maquoketa has seized on diversification as the best way to weather this farm crisis—and future ones. With this in mind, towns from North Dakota to Nebraska and Indiana to Iowa are straining not only to attract out-of-state industry but also to plant the seeds for homegrown industry.

"The message is getting across to a lot of people: diversify your economy," said Rodney L. Bates, director of Nebraska's Department of Economic Development. "Don't doubt that anymore, if you want to preserve your town."

STRESS ON LOW TAXES

Town after town in the farm belt has formed economic development commissions to recruit industry by boasting of low taxes, central location and a dedicated and ample supply of workers, many of them farmers who lost their farms. Although rural economists note that there will not be enough new businesses to go around, they argue that diversification can make a significant difference for hundreds of farm communities.

"Many towns were sitting fat, dumb and happy during the farm boom of the 1970's, thinking they had it made," said Kenneth E. Stone, a professor of economics at Iowa State University. "But what's happened the last two years in many communities, with the epidemic of stores going out of business, woke up a lot of towns."

Mark Drabenstott, an economist with the Federal Reserve Bank of Kansas City, added: "As mainstream agriculture has gone through its traumatic adjustment, we've seen small farm towns first try to assess blame for what's happening and then try to stop what's happening. Now they're finally coming to grips with it and are trying to take control of their own destinies."

Although a few farm towns have had development commissions for years, that number has mushroomed recently—to more than 300 in Iowa alone—and the recruitment efforts have already begun to pay off.

Officials in Ellsworth, a central Kansas town of 2,800, have persuaded a Maryland company to open a 50-employee warehouse that distributes children's toys. Hastings, Neb., has attracted a 55-employee plant that produces ethanol fuel from corn, and a precision-instruments plant with 175 workers. And Guttenburg, a town in northeast Iowa, has lured an electronics plant that employs 200 and an auto parts factory with 25 workers.

"A farmer called me one day and wanted to know if there were any jobs in town for his son, and there weren't," said Karen Merrick, the Mayor of Guttenburg. "That's when I realized we had to get involved in economic development. If we lose people like that farmer's son to Chicago or Minneapolis, our economic problems will be compounded."

In Maquoketa, some 20 miles west of the Mississippi, people worried that the farm crisis would cause the town's jobless rate to soar over 10 percent and cause retail sales, already 15 percent below 1979 levels, to deteriorate further. Thus, residents of Maquoketa (pronounced muh-COKE-et-a) banded together with an almost religious fervor to focus on economic development.

Several dozen store owners donated $104,000 to hire a full-time business recruiter. The town put together an eight-minute video that tells companies why they should set up shop here. In addition, when Iowa authorities give leads to town officials about companies that want to build or relocate factories, Maquoketa sends out emissaries to sell them on this pastoral, picture-postcard town.

"We can't control what's happening in Washington regarding farm programs and we can't control what's happening with farm exports," said Patrick Callahan, Maquoketa's city manager. "All we can try to do is attract industry."

So far Maquoketa has had more luck than most. Two months ago, Chess Line, a Wisconsin-based boat trailer company, decided to open a factory here. A year ago, Hoof Industries, a Chicago-based company, opened a new 50-employee factory here that makes automobile oil pumps. And just down the street, Jackson Industries recently opened a car radiator parts plant that received 600 applications for 26 positions, most of which start at $5 an hour.

"Eastern Iowa is a depressed area right now, and they're really willing to deal to get a factory in," said Ronald Bohn, manager of the Jackson Industries plant, a division of the New York-based Handy & Harman.

Jackson Industries and others were attracted by Maquoketa's low-interest industrial revenue bonds. (The use of such bonds would be restricted by the tax legislation nearing final approval in Congress.) Another draw was that Maquoketa constructed several hangar-like buildings for manufacturers to use immediately.

LABOR FORCE IS PRAISED

But what persuaded Addison Hoof, president of Hoof Industries, that Maquoketa was for him was the quality of the labor force. "The difference was the attitude of the people, the work ethic," he said.

"When these people were farming, they used to work from sun-up to sun-down and then milk the cows," said Mr. Bohn of Jackson Industries. "So they have no complaints about putting in an eight-hour day."

What is more, after struggling for years to make ends meet, farmers forced to seek work in factories appreciate a regular paycheck. Fred Schnipkoweit, a muscular machinist at Hoof Industries who gave up farming after 20 years, said, "Here I'm getting pay for my work, but on my farm it seemed like you were paying out money when you worked."

Farm belt states are assisting the development efforts of their towns. Iowa pays half the salaries of new employees while they are trained. Adopting a program similar to those in other states in the region, Kansas has invested $10 million in a venture capital company—an amount matched by that state's bankers—to help entrepreneurs start companies. And Nebraska has financed a Food Processing Institute that does research—and aims to create industrial jobs—in that field.

SOME ECONOMISTS CAUTIOUS

But some economists say it would be foolhardy for every farm town to think that attracting industry is the answer, particularly since basic industry in America is in a weakened condition.

"A lot of agricultural communities are smokestack-chasing, and they are recognizing increasingly that this is not a viable alternative for every body," said Rex Campbell, a professor of rural sociology at the University of Missouri. "When something comes along like G.M.'s Saturn project, everyone and his dog goes after it. They realize that there's only a small possibility of winning it." General Motors decided to build its $3.5 billion Saturn car plant in Spring Hill, Tenn., last year following a seven-month contest involving 25 states.

Recognizing the long odds, farm communities have adopted strategies other than "smokestack-chasing." Several towns are trying to attract financial services companies, for example, but they are finding it hard going because those companies often favor much larger communities.

In other towns, officials have concluded that it would be wise to try to process foodstuffs locally instead of shipping their crops elsewhere for processing. Many towns are also giving tax abatements and technical assistance to local entrepreneurs.

"There is an increased realization that communities can help themselves with some leadership and some luck," said Professor Campbell of the University of Missouri.

But some farm towns still hold out little hope.

"We're trying, everybody's trying to diversify," said Virgil Miller, Mayor of Verdigre, Neb. "But out here we're in a bad situation. We're 120 miles from the Interstate and that makes it hard for getting materials in. We're also far enough away so that electricity rates are higher here than in bigger towns. There isn't a heck of a lot we can do."●

CHILDREN SPEAK OUT

● Mr. SIMON. Mr. President, I recently received copies of letters written to the Secretary General of the Soviet Union, Mikhail Gorbachev, by a fourth-grade class in Deerfield, IL. The students, who had studied the Soviet Union in their social studies class, had the opportunity to learn more about our democratic process and economy through comparison and contrast with the Soviet Union.

During the year, the class discussed the lack of freedom in the Soviet Union and the plight of the Soviet Jews and others who are not allowed to leave. The children learned about Mr. Simon (Samuel) Levin, who lives alone in Deerfield, separated from his family because Soviet authorities will not free his wife and child.

In these letters, the children touchingly describe their interest in the Soviet Union, their concerns about the Levin family's plight, and their strong feelings of what they cherish most—peace.

Children's pleas for freedom and peace cannot go unheeded for they will live with the consequences of the decisions which we are now making.

I ask that the following letters be printed in the CONGRESSIONAL RECORD.

The letters follow:

THE GORBACHEV LETTERS

JANUARY 28, 1986.

DEAR PARENTS: I think that teaching about the U.S.S.R. is one of the most interesting units in the fourth grade curriculum because the children have the opportunity to learn more about our democratic process and economy through comparison and contrast with the Soviet Union. It also hopefully gives them a greater appreciation of what we all take for granted in the United States. This year, as we discussed the lack of freedom in the U.S.S.R. the subject of emmigration from the U.S.S.R. came up. The children discussed the plight of the Soviet Jews and others who are not allowed to leave, and I asked how many children knew that there was a man living alone in Deerfield, separated from his family, because the Soviet Union would not free his wife and child. The outcome of our discussion was these letters. I don't think I have to express to all of you my feelings as I listened to them, so I wanted to share them with you. I think the letters to Premier Gorbachev speak for themselves.

CORALEE SCHWARTZ.

DEAR MR. GORBACHEV: My name is Stephanie Kolton and I live in the United States of America. I am 9 and a half years old and I'm in the 4th grade. We are studying about Russia in school and I like it very much. I wanted to tell you that I hope there is peace between our two countries.

If you know Mr. Levin, the American who married a Russian, and had a boy, and never got to see him, it would be nice to let his wife and child go to America. Then the wife and child could move into the same house with Mr. Levin. They would be happy together. Thank you, if you let his wife and kid go to America.

Sincerely,

STEPHANIE KOLTON.

DEAR MR. GORBACHEV: I wish some day both governments can have world peace. In the U.S., I think peace is the best thing man can have. Peace is a priceless commodity in today's society. Peace is in a column with one other word—love. I wish you knew them both. I'm ten years old, at Kipling School, in Deerfield, Illinois, 60015, USA. Also please free the wife and chld of Mr. Levin. He would like them free. Just think, if your wife and child were there would you like to be together? If you get this letter, please write back.

Sincerely,

MIKE BEARAK.

DEAR Mr. GORBACHEV: I am glad that you and Mr. Reagan are meeting together. I hope you and Mr. Reagan get to be very good friends. I wish our two countries could be friends too and not enemies. But I would like very much if you could bring Mr. Levin's wife and son to America and get their family back together.

Sincerely,

MEGAN GITLES.

DEAR MR. GORBACHEV: My name is Dawn Harrison. I live in Deerfield, Illinois, in the US. When I was living in Skokie, I had a neighbor who came from Russia. They said some good things about you. The reason that I'm writing to you is because we're studying Russia in social studies. Russia is the most interesting country but you have your faults and so does everyone. One day I am hoping to visit Russia when I get older, but I only am 9 right now.

Yours truly,

DAWN HARRISON.

DEAR PREMIER GORBACHEV: My name is Greg Kestin and I live in USA. We are studying about the USSR and I heard about Mr. Samuel Levin. He has a family in the USSR and he has not seen them for a long time. It would be nice if you would let them out of the USSR. Thank you.

Your friend,

GREG KESTIN.

DEAR MR. GORBACHEV: I am in 4th grade. We heard a lot about the USSR in school. In the USA everybody has a different standard of living. I believe people are happier when they have something to work for themselves. Please give some people capitalism.

I heard of a man called Mr. Samuel Levin. He is in the USA. His family is in the USSR. I know if your family was stuck and some were out of the USSR, you would want to be with them. Please let his family go.

From,

AARON WEXLER.

Please write back to me, at 845 Brookside Lane, Deerfield, Illinois 60015, United States. Also send me any other information about your country.

Sincerely yours,

MARC SCHREIER.

DEAR PREMIER GORBACHEV: My name is David Schaefer and I am in fourth grade. I live at 413 Locust Place, Deerfield, Illinois.

We are studying about the Soviet Union. How many hours do Soviet kids go to school? We go to school from 8:50 AM to 3:10 PM.

Will you let Samuel Levin's family go please? His son and wife want to be a family again.

I am a newspaper boy and deliver the Lerner Life paper once a week to 30 people in Deerfield. Can Soviet boys deliver newspapers?

Love,

DAVID SCHAEFER.

DEAR MR. GORBACHEV: I live in the USA. I am ten years old and I live near Chicago, in Deerfield, and I'm in the fourth grade. I have a family and I know you do too, because I've seen them on television. Mr. Samuel Levin lives in Deerfield also. He, too, has a family, but he hasn't seen them for seven years. Please think how he feels and how about how his wife and boy feel. How would you feel and how would your wife and children feel if they hadn't seen you ever or if you haven't seen your wife for seven years? I love my family and I know they love me too. Please let Mrs. Levin and her son go.

We are studying about the Soviet Union in school. My classmates and I are very interested in the way you and your people live. We would like to learn more about Russia.

Mr. Gorbachev, I know I'm young, but I care about our country's peace and relations. I want our countries to get along. Some nights in bed, I cry because I'm afraid that our countries will get into a war and we'll bomb each other. It's scary to think that our countries will go up in smoke just like that! I get worried all the time that we

will get bombed or something like that, and I don't understand why our countries don't get along. In the future, maybe our countries will have better relations. I hope so. I want to make peace and have you and President Reagan sign a peace treaty. I'd do anything to make it happen but . . . there's not much a ten year old, fourth grader can do. Please help. I will do anything to have our countries be friends. But you and President Reagan must make the difference. If President Reagan won't make the first step toward US/Soviet relations, you can! Please, I value my life and you should too. I don't want my life to be taken away from me. Please try!

If you've read this so far, thank you for all your time. I know you're very busy. Thank you. Please write back because my classmates and I would be very excited to receive a letter written by you.

Sincerely,

A FOURTH GRADE GIRL.

DEAR MR. GORBACHEV: Hi! My name is Benjamin Campbell. I live at 484 Hermitage Drive in Deerfield, Illinois 60015. I am nine years old and in the fourth grade. My birthday is on June 26. I've got two teachers. They are Mrs. Nero, who is my regular teacher, and Mrs. Schwartz, who is my Social Studies teacher. We are learning about the USSR in social studies.

I'm glad I live in a free country. I heard on the news about a man named Levin whose family would like to leave Russia. I think you should let Mr. Levin's family leave if they want to. You should have a free country like I do. It is very nice.

I think you have a very interesting country. I especially like the onion-domed buildings in Moscow where the Czars used to live. I would like to visit you some day.

I hope our countries can become better friends.

Your American writer,

BENJAMIN CAMPBELL.

DEAR PREMIER GORBACHEV: My name is Chad Solomon, I am a young boy studying all about the Soviet Union. I am interested in your different cultures. What are some of your different ethnic groups in your country?

When you spoke to President Reagan, were the talks worthwhile? I hope they were, because peace is so very important. I would enjoy visiting your country and meeting other children my age.

If you have the time, please write to me about your family and where they live. I will write to you soon.

Sincerely,

CHAD SOLOMON.

DEAR MR. GORBACHEV: I know a little about the Soviet Union. I like to wish that the United States and the Soviet Union have peace. There is a man in Deerfield, Ill. His name is Mr. Levin. He is separated from his wife and son. If you let them go it would mean a lot to Mr. Levin. I believe this will increase trust between the US and the USSR. I think it will lead to peace.

Sincerely,

YUGO TOKAHASHI.

DEAR MR. GORBACHEV: There is a man named Mr. Samuel Levin, and he lives in Deerfield, like me. My family and I are very happy together, but Mr. Levin's family is trapped in your country. I would really appreciate it if you let his family go. Thank you for taking some time to read this letter.

Sincerely,

CYNDI N. SCHIFFMAN.

DEAR MR. GORBACHEV: I am Deedee Remington. I am nine years old, in fourth grade. We are studying about Russia and I'd like to know about the people and what it's like there. I think you should let Mr. Levin's wife and child out of Russia. How would you like it if your wife and child were stuck in another country?

I have a younger sister named Nadine. We fight a lot but we always make up. I understand that you and Ronald Reagan are having some arguments like my sister and I. So why don't you stop and make up. It's easy if you try.

From,

DEEDEE.

DEAR PREMIER GORBACHEV: How are you? I hope you make peace with President Reagan. We are learning about the USSR in school. There is a man named Mr. Levin in the United States. And I wish his wife and his son could come visit him just once.

Your friend,

CAREY WITBRED.

DEAR PREMIER GORBACHEV: Hi, my name is Marc Schreier. I am nine years old. I live in a house in Deerfield, Illinois. I have a mom named Ivy; my dad's name is Joey. I have a brother and sister. Their names are Adam and Lindsey. I also have a dog named Shannon. She is a collie. I also have a pet lizard. I am in fourth grade at Kipling School. I go to gymnastics and compete on a team with other boys my age. I would like to learn how to play the piano and drums some day.

In social studies we are studying about the USSR. I think it's neat. I have a couple of questions I would like to ask you. Why don't you have freedom, Why don't you have religious freedom? Why can't we have peace between our countries? Please answer these questions for me.

In Deerfield there is a man named Mr. Levin. His wife and child live in Russia. Will you please let them go, so their family can be together again?

DEAR MR. GORBACHEV: I'm Brian Pieracci, and I'm 9 years old. I'm in fourth grade. I'm writing to you about the Levins. Mr. Samuel Levin lives in Deerfield and has a wife and 7 year old boy living in Russia. Mr. Levin's son has never seen his father in person. They have requested permission to come to the USA, but is has not been granted. I hope you can make them a family again.

Sincerely,

BRIAN PIERACCI.

DEAR MR. GORBACHEV: My name is Julie Walton. Mr. Levin lives in Deerfield. His wife and child still live in Moscow. They need your help to leave. Please let them leave because it is sad to be separated from your family.

Sincerely,

JULIE WALTON.

DEAR MR. GORBACHEV: I would appreciate you letting Samuel Levin's son and wife out of Russia. I want to know why Russia isn't free in the first place. We have been studying about Russia in school. We have also been comparing the USSR with the USA. We have learned about the people and how they live. I would like to know about religion in the USSR.

Sincerely,

DAN LEVIN.

DEAR MR. GORBACHEV: This is Jason Kraus from Deerfield, Illinois in the United States of America. There is a man who lives in Deerfield, and his son and his wife are in Russia. Why don't you let them free? Their last name is Levin.

Yours truly,

JASON KRAUS.

DEAR MR. GORBACHEV: I am a 4th grade student at Kipling School in Deerfield, Illinois. Our class is studying about the USSR. I think that the people in your country should be able to leave your country and have freedom if they want to. I also think that the seven year old boy in the USSR should be able to leave the USSR with his mom and come here with his father, Mr. Levin. Please write back.

Sincerely,

JESSICA KAPLAN.

DEAR PREMIER GORBACHEV: My name is Laila. I am a nine year old girl from the US. Our class in school is studying Russia. Could you please send me some information about what school is like in the Soviet Union? I think Russia is interesting to study. What subjects do they study in school? How long do they stay? What kind of uniforms do the children wear? Besides Russian, what other languages do they speak? Please respond to my letter.

Sincerely,

LAILA GENENA.

DEAR MR. GORBACHEV: I am nine years old and my name is Jonathan Cohen. I think you should let Samuel Levin's family go visit Samuel Levin. Think how you would feel if you were Samuel Levin and your family was trapped in the United States of America. Please write back to me.

Sincerely,

JONATHAN COHEN.

DEAR MR. GORBACHEV: My name is Jodie Pinsky and I live in America. All my life I wanted to ask you these few questions. The first is: Why won't you let the Soviet Jews out of Russia? I really want to know the answer to that question because if I lived in Russia I would want to take at least one vacation in my life. Another question is: Why don't you let Mrs. Levin and her son go out of Russia? I really want to know the answer to that question because if I were them I would want to see my husband and father.

Please write back and answer my questions. Thank you.

From,

JODIE PINSKY.

DEAR PREMIER GORBACHEV: I am a 10 year old boy living in America. In our class we are studying the USSR. It is very interesting, and I'm enjoying it. Please let Mr. Levin's wife and child out of Russia and into America. Mr. Levin would be very happy if he could see his wife and child again. You have gotten or will be getting letters from my classmates. Please write back.

Your friend,

RYAN J. HOLLANDER.

P.S.—I wish we could have peace. You have that peace in your heart; please reach deep inside your heart and find that world peace.

DEAR MR. GORBACHEV: Hi, I'm Katherine. I go to Kipling School. In school we are studying Russia. It is fun. Sometimes studying countries is boring, but this time it's

fun. On Friday, Jan. 31, 1986, we are having Russian School. We are going to dress up like Russians too. Mrs. Schwartz told us there is a man named Samuel Levin. He has a wife and son in Russia. He wants his wife and son back very much. It would be nice if you would let Mrs. Levin and son come to the USA.

Your friend,

KATHERINE BOND.

DEAR PRESIDENT GORBACHEV: Can we have peace between the United States and Russia? Will you let peace go between our continents? And please let the mom and son, last name Levin go.

Sincerely,

BRYAN COLOMBIK.

P.S.—My name is Bryan Colombik. I live in Deerfield, Ill., USA, 66 Augusta Drive. I'm in fourth grade. I am nine years old. If you get this letter, please write back.

DEAR MR. GORBACHEV: There is a man, Samuel Levin, who lives in Deerfield, Illinois. His wife and son are living in Russia. I know he would like to be living with his family. He hasn't seen them for 8 years.

My mother has two students, Sonia and Olga. They came here from Russia in September to join their father who has been here for 8 years. He missed much of their lives, but now they are very happy getting to know each other. I hope you can get the Levin family together too.

Sincerely,

VAL POSNER.

DEAR MR. GORBACHEV: Why do we have to say bad things to each other? We are meant to have peace around the world. Many people are starving. With you we can wipe out the hardships of hunger. Please stop making bombs and start making peace.

Sincerely,

MICHAEL KIM.

DEAR MR. PREMIER GORBACHEV: We are studying the Soviet Union in school. I think the Soviet Union is very interesting. I wish I could see both of our countries work together for peace. I wish there would be an end to the nuclear arms race.

I don't understand why people are not free to leave your country.

I would like to visit your country and learn more about it some day.

Sincerely,

JULLE LYSAUGHT.

DEAR MR. GORBACHEV: I live in the USA. I heard that Samuel Levin got out of Russia and he lives in my town of Deerfield, in Illinois. I also heard that you are keeping his wife and child in Russia and punishing them. Please let them go.

Sincerely,

COREY RUBIN.

DEAR MR. GORBACHEV: I don't think you're doing the right thing by keeping other people in your country. Maybe if you let more people free, more people will come and be happy. Some people might be telling you what to do, but don't let that stand in your way. If you had children and they were being kept in another country, how would you feel? Mr. Levin in Deerfield, IL, misses his wife and child and wants to see them.

From,

SHELLY NELLS.

DEAR MR. GORBACHEV: We are learning about the Soviet Union at school, and we are having Russian school on Friday, Jan. 31, 1986. Why don't you let your people be free like us? Samuel Levin lives in Deerfield without his wife and son. I hope Mr. Levin's family will be able to come to the United States to live with him.

From,

ADAM ENNIS.

DEAR MR. GORBACHEV: My name is David London. I am 9 years old, and I live in Chicago, IL. My favorite football team is the Chicago Bears. They won Super Bowl 20 with only one loss this year.

There is a man named Mr. Levin and his family is in the USSR. He was the only one allowed to leave. I think he is very sad because he is all alone. If you receive this letter, please write back.

Sincerely,

DAVID LONDON.

DEAR MR. GORBACHEV: There is a man named Mr. Levin, his family is in the USSR. Mr. Levin has never seen his son. How would you like it if you couldn't see your family? I really would appreciate if you would try to help Mr. Levin's family come to the United States. It would show us in America, you care.

Your friend,

SARA SOBOTA.

DEAR MR. GORBACHEV: I am 10 years old, and my name is Daniel Lichtenstein. A man that lives in my neighborhood went to Russia with his wife and child. His name is Mr. Levin and he lives in Deerfield, Illinois. Would you like it if you were separated from your family? Please let Mr. Levin's family be free.

Sincerely,

DANIEL M. LICHTENSTEIN.

DEAR MR. GORBACHEV: My name is China Carter. I'm writing this letter to you because I think you should let Mrs. Levin and her son out of Russia to the USA to be with her husband. How would you like it if your family was taken away from you? How would you like to be alone with no one to talk to? Please don't rip up this paper.

Your Friend,

CHINA.

DEAR PREMIER GORBACHEV: My name is Deanna Ballent. I am studing the USSR. There is a man named Mr. Levin, and his family is still in the USSR. How would you like it if your wife and child weren't with you? Can you please send some information on the USSR?

Sincerely,

DEANNA.

DEAR MR. GORBACHEV: I am Keith Johnson. In school we are studying the USSR. I really like your country except for a couple of things. Those things are: why don't you let Samuel Levin see his family, and why don't you let your people pick where they want to go on vacation. If you do those things, I might come visit your country sometime.

Sincerely,

KEITH JOHNSON.

DEAR MR. GORBACHEV: My name is Ricky Brownstein. I live in the USA. I live near Mr. Levin. I would like to know why you aren't letting the rest of his family out of Russia. Please write soon.

From,

RICKY BROWNSTEIN.

DEAR MR. GORBACHEV: I am nine years old and in fourth grade. Mr. Levin, in Deerfield Il., wants his wife and son to come to America. I think they should. How would you feel if you were the son and you had not seen your dad? Please write back soon.

From,

VINCENT INNOCENZI.

DEAR PREMIER GORBACHEV: My name is Scott Jacobson and I'm 9 years old. I wish the US and USSR would have peace. I think Russia is a very nice country. In school we are studying about Russia. Would you send me some information about the USSR's schools? Mr. Levin, in Deerfield, IL (where I live) has a wife and child stuck in the USSR who can't get out. I think you should let them out because he has never seen his child and misses his wife very much.

Sincerely,

SCOTT JACOBSON.

DEAR MR. GORBACHEV: My name is Matthew Miller and I am nine and one half years old. I live in Deerfield Il, and so does Samuel Levin. He has not seen his family in seven years. Samuel got to leave the Soviet Union but his family didn't get to leave the USSR. It would be nice if you could find them and send them back to the US.

Your friend sincerely, Happy New Year,

MATTHEW MILLER.

DEAR PREMIER GORBACHEV: My name is Erica Dennison. We are learning about the USSR in Social Studies. I am writing you this letter to ask you to let Mr. Levin's family leave Russia. I don't think you would like to be away from your wife and your child. I've seen pictures of you and your wife and you look dignified and your wife looks pretty. Please come to visit us more often to talk to our president about having peace with us. If you read this, please consider letting Mr. Levin's family come to the United States

Love,

ERICA.

DEAR MR. GORBACHEV: I like the USSR but sometimes I disagree with what you do, like right now you will not let Mrs. Levin out of the USSR to come home with her family. Please let her go.

Sincerely,

MIKE CAMODECA.

DEAR PREMIER GORBACHEV: Our 4th grade class is studying your country in Social Studies. Russia is a very interesting country.

I think that some Russian cosmonauts and American astronauts should go on a joint peace mission. I think your country and our country can promote world peace if we get to know and understand each other better.

If this is not possible, I think some Russian school children and American school children should have an opportunity to get to know each other.

Sincerely,

JAMIE MCPHEE.

DEAR MR. GORBACHEV: My name is Ryan and I'm in the fourth grade. I don't think that it is fair that you're keeping Mr. Levin's family in the USSR. How would you feel if you hadn't seen your family in that long of a time, so please free them.

Your friend,

RYAN.

DEAR MR. GORBACHEV: I think that you should let Mr. Levin's wife and child go. By doing this, you will show the world that you are willing to work for peace.

Also, I think that you should talk to other leaders to work for peace.

Sincerely,

JOHN MUARA.●

DEATH OF W. AVERELL HARRIMAN

● Mr. BURDICK. Mr. President, I join my colleagues in marking with sorrow the passing of one of our greatest statesmen: W. Averell Harriman.

Over my years in Congress, I had the honor of working with and watching this brilliant man as he played his many roles on the national and international scene. He played them all with unfailing skill, wisdom, wit, and personal charm.

Born to great wealth and privilege, Averell Harriman did not turn to public service out of need, or any lust for power. Instead, he was drawn to a lifetime of service through true commitments, an unerring sense of duty, and real devotion to his country.

His death has occasioned many recitals of his long career; I will not list his accomplishments here. Let me simply say that he was more in tune with his times than any man I have ever known. He lived through the most turbulent times in modern history. He was present at the birth of the world as we know it today.

And throughout these great changes, he never failed to understand the course the times had taken. He had a clear sense of history, and near prescience concerning events to come. The giants of three generations sought his counsel, and he served them well.

Along with his great understanding, he demonstrated great ability. He excelled as a statesman, diplomat, Governor, negotiator, administrator, businessman, sportsman. No assignment he accepted ever defeated him.

I like to think of Averell Harriman as one of the last true gentlemen our brash young country ever produced. He was born in a milder age, before the First World War. Throughout the turmoil of the succeeding years, he retained the manners and dignity of a bygone time.

I grieve with his wife, his children and grandchildren. But I know they take solace in the knowledge that few men have lived lives as meaningful as his. Few men have reached out to the world in times of crisis as he did. W. Averell Harriman made his mark on the world. It will never be erased.●

SENATOR DOLE'S LEADERSHIP

● Mr. ABDNOR. Mr. President, no one understands better than the majority leader, Senator DOLE, that the key to renewing prosperity in the agriculture sector lies in finding and expanding markets for our abundant grain production.

Senator DOLE's leadership in this area has been no more apparent than in recent days. He has taken the lead in trying to force proper usage of the Export Enhancement Program, a program that offers surplus commodities as incentives to encourage U.S. buyers of grain to buy more.

The program is not having the kind of impact it should, however, because it is not being extended to some of our major customers like the Soviet Union or China. By not using this program properly, the Federal Government is denying American farmers their full potential access to world markets.

I was proud to join with Senator DOLE last week in offering the amendment to the export-import bill that directs the administration to make full use of the Export Enhancement Program. I would hope the House will agree to the amendment in conference committee, and that it will become law.

Senator DOLE deserves our commendation for his leadership in this arena, and ask consent to enter into the RECORD an editorial from his home State of Kansas that chronicles his efforts to help American farmers.

The editorial follows:

[From the Winfield (KS) Daily Courier, July 18, 1986]

GO GET 'EM, BOB

Senator Bob Dole does well to press the administration to extend grain export subsidies to include the Soviet Union. Kansas grain badly needs markets. They must be sought where they exist.

Of course, even the bonus of surplus grain may not induce the Soviets to buy a lot more U.S. products in the meantime. The economic impact of Senator Dole's efforts likely will not be immediate.

The political impact is.

The senator has plainly made a judgement that public support for U.S. farmers outruns any public distaste for doing business with Moscow, This is an extension of Dole's commitment in the 1986 Farm Bill to exports as a way out of our present farm troubles. It is especially pertinent in the Great Plains and the West, where GOP senators will decorate ballots in November.

Now, in an election year vital to the Republican senatorial majority, Dole has opted to take that commitment a step further. He may well have done so against the advice of some of the political sages involved in his still-unofficial vice-presidential campaign.

We say: Go get 'em, Bob!

If Americans feared doing business with the Soviet Union, why would they favor arms negotiations with Moscow so strongly? Why would they travel to Russia in such large numbers? Why would they keep hoping the United States and the Soviet Union will somehow find civilized ways to live in peace?

No doubt Bob Dole's far-right, anti-communist, intellectual friends in Washington are appalled at this move. Just as surely, his middle-of-the-road, pragmatic, grain-growing, hard-pressed friends out here on the plains are pleased. Ideology be darned. Let's see if we can sell some wheat to the Russians.●

COMMENCEMENT ADDRESS BY MR. WILLIAM HENRY

● Mr. SIMON. Mr. President, and my fellow Senators, I would like to take a moment to tell you about Mr. William Henry, the June commencement speaker at the State Community College of East St. Louis, IL.

The State Community College is a 2-year institution of higher education which almost closed 2 years ago. It was plagued by financial and organizational troubles. Then the college board of trustees, with new members and increased power, brought in Dr. Johnny Hill as the new president. Dr. Hill is reorganizing the administration and improving interdepartmental communication to run the college more efficiently. It was Dr. Hill that recruited Mr. William Henry as the commencement speaker.

Mr. William Henry is one of eight sons of a Kentucky sharecropper. A self-made man, he is the founder of a very successful restaurant and real estate company in Indianapolis. Mr. Henry is also very involved in civic and community concerns.

This young black millionaire took time out to address the graduating class of the State Community College. As the college president, Dr. Hill, noted, Mr. William Henry served as an excellent role model for the nearly 300 1986 graduates of State Community College.

Many of the students at State Community College are minorities who are working their way through school. They were much impressed by Mr. Henry's achievements.

I urge my colleagues to read Mr. Henry's June 7, 1986, commencement address.

I ask that Mr. Henry's remarks be printed in the RECORD.

The address follows:

ADDRESS OF WILLIAM HENRY

Dr. Hill, Members of the Board of Trustees, State Community College Administrators, Members of the Faculty, State Community College Staff, Honorable State Senator Kenneth Hall, Honorable State Representative Wyvetter Younge, other Distinguished Platform Guests, Parents, Graduating Students, Student Body, Guests and Friends, it is an honor and a privilege for me to be a participant in this historic event.

I am also proud to be your speaker on this 16th Annual Commencement Exercise. I have to admit, however, it was not easy for Dr. Hill to get me here today. I think Dr. Hill could be very successful being a professional salesman or preacher—he knows the right words to use.

I salute the graduating class of 1986—the mere fact that you are here is an indicator that you do want a successful and wholesome life.

The purpose of this message is to tell you of a wonderful way to keep realizing—to keep achieving your goals, one after an-

other, in the years ahead. Therefore, it is only fitting for my message to be titled "A Worthy Destination".

It's almost impossible to pick up a daily paper without reading about a person who has achieved some unusual accomplishment. And almost invariably, these stories include the overcoming of what at one time appeared to be virtually insurmountable handicaps. A boy whose legs were terribly burned, and who seemed destined to a life as a cripple becomes one of the world's outstanding track stars.

A poor boy amasses a fortune.

A woman, blind and deaf from birth, becomes one of the most inspirational personalities of all time.

Every day, a new and dramatic story appears somewhere—obstacles overcome—outstanding success achieved. They're too numerous to mention.

But, how and why? These persons do far more than the unhandicapped to overcome obstacles that seem insurmountable and achieve the success they seek. "Why?"

The answer, if fully understood, will bring you and me anything we really want—and it's deceptively simple.

These people have goals. That is, they fix in their minds a point they have to reach: Something that's more important than the effort and time that have to be expended in its achievement; a dream, seen only in the mind and felt in the heart, that's too big to be denied; a dream which rises before their eyes when they awaken in the morning—and is the last thing they think about as they drop off to sleep at night.

This dream—invisible to all the world except to the person who holds it—is responsible for perhaps every great advance of man. It's the prime cause of much of what we see in the world around us.

Everything worthwhile—achieved by man—is a dream come true—a goal reached.

It has been said that: "What the mind of man can conceive—and believe—it can achieve."

It's the skyscraper, the bridge spanning the bay, landing on the moon. And it's the little corner business establishment—it's the lovely home in the suburbs. It's a youngster getting a diploma, and the new baby in its mother's arms. It's a low golf handicap, and a business position reached. "What the mind of man can conceive—and believe—it can achieve."

Do you know what this means to you and me?

Well, let me try to explain. And I might add, it took me many years to find this out for myself. Once it's understood, however, life becomes easier, more fun, far more exciting—and more rewarding.

To begin—to understand this subject of goals, we have to realize that it's the very basis of any success. It is, in fact, the very definition of success.

The best definition of success I've been able to find goes like this:

"Success is the progressive realization of a worthy goal."

If you'll think about it a moment, you'll realize just how good that definition is:

"Success is the progressive realization of a worthy goal."

It means that any person regularly engaged in achieving something which he considers worthy of him, is successful.

At the same time, it also means that any person not so engaged must be defined as not successful—a failure—at least temporarily.

Any person with a dream in his mind and heart which he is pursuing as a worthy goal—is successful. The uninformed always seem to equate success with lots of money. While money often accompanies success, it has nothing to do with success necessarily, unless it happens to be a part of the goal. It's left to each of us to decide for himself what his goal is.

With such a simple definition of success, you'd think everyone would be successful. Everyone should be, everyone can be—but it's estimated that only about five percent are. Of all the people you pass on the street, only about five out of a hundred can tell you what they're working toward. The rest are just drifting along, hoping something good will happen to them, or at least that nothing too bad will—letting circumstances and economic winds blow them this way and that.

I like to compare human beings with ships, as Carlyle used to do: It is estimated that about ninety-five percent can be compared to ships without rudders. Subject to every shift of wind and tide, they're helplessly adrift. And while they fondly hope that they'll one day drift into a rich and successful port, you and I know that for every narrow harbor entrance, there are a thousand miles of rocky coastline. The chances against their drifting into port are a thousand to one.

But the five percent who have taken the time and exercised the discipline to decide on a destination—and to chart a course—sail straight and far across the deep oceans of life, reaching one port after another, and accomplishing more in just a few years than the rest accomplish in a lifetime.

If you should visit a ship and ask the captain his next port of call, he'll answer you in one sentence. Even though the captain of a ship cannot see his destination for fully 99% of his journey, he knows what it is, where it is, and that barring an unforeseen and highly unlikely catastrophe, he'll reach it if he keeps doing certain things a certain way every day.

Every person should do the same thing. Unless you can say, in one concise sentence, what your goal is—the chances are good that you've never clearly defined your goal.

When you ask most people what it is they seek—they'll answer in vague, general, nonspecific terms. They'll say, "Happiness", or "Health", or "Money".

These are not goals—they're simply general conditions desired by everyone.

When we talk of goals, let's be specific. What is it you want? You, as a person? What is it you would like very much to have, or to be, or to do, even though you may feel it is—for one reason or another—somewhat beyond your reach at the present time?

You see, if you can tell me what you want, I can tell you how to get it, as long as it is worthy of you.

Proceeding successfully through a lifetime should be a matter of progressively setting and achieving goals, one after another, each a little better and perhaps more interesting than the preceding. Just as a ship can sail to only one port at a time, set your first port of call. When you reach it, and reach it you will, you can set a new goal—and then another. By following this meaningful and commonsense approach to life, you'll be successful and can accomplish more in five years than the great majority of people do in a lifetime. Now, let me tell you of a way to clarify your thinking and establish your first goal, if you don't already have one:

Knowing that without a goal we are unsuccessful, but that with a goal we will have direction and purpose, and that our goal will be reached, we begin to realize that establishing a clearly defined goal is one of the most important steps we can possibly take.

If you do not know what it is you want more than anything else—in other words, if you're not one of the fortunate who knows exactly what it is he or she seeks—set some time aside right now. Spend an hour or so, or many hours—even days if necessary—writing down the things you would most like to have. Make a "want list".

This could include a more beautiful home, a new car, a certain amount of money, a better job, better grades, a particular position in your school or organization, any one of a hundred things. Write down as many as you can think of.

When you have written down all the things you want—all of them—choose one—only one—that you want more than all the others. Write this on a separate sheet, or draw a circle around it. Now put the sheet away and forget about all the ideas except the one you've decided to accomplish first.

Like a ship, a person can reach only one port at a time. Most of the confusion and indecision suffered by the majority of people is caused by their half-heartedly wanting so many things that they can't decide which to go after first. As a result, they run in circles and often accomplish little or nothing at all.

Remember, as a rule you can achieve only one goal at a time! Once you've decided upon the one goal you first intend to reach, write it out on a card to carry with you. Think about it the first thing in the morning and the last thing at night. Think about it as often during the day as you can. By doing this, you'll be forcing your goal into your subconscious mind, from which will come the answers as you need them, for its accomplishment. This is the process used by the world's successful men and women.

Think about your goal as often as you can. Get a mental image of it as already having been accomplished. But be sure to be absolutely specific. Don't generalize.

If your goal is a certain amount of money write down the exact amount and the time limit for earning it.

If your goal is a beautiful home, get a picture of the exact home. But be very careful on what you set your mind and heart—for if you want it strongly enough, you'll get it.

You see, you are, at this moment, nothing more than the sum total of your thoughts to this point. Similarly, you'll be—next year—five years from now, and so on—what you think about from this point onward.

That's why establishing a goal is vital to success. Unless we're thinking about the thing we wish to accomplish, our thinking is erratic, confused—jumping first from one thing to another, with the result that we accomplish nothing, arrive nowhere, travel in circles.

By thinking every morning, every night, and as many times during the day as we can about the single goal we've established for ourselves, we actually begin moving toward it, and bringing it toward us. When we concentrate our thinking, it's like taking a river that's twisting and turning and meandering all over the countryside, and putting it into a straight, smooth channel. Now it has power, direction, economy, speed. It's the same with our minds.

Once we know where we're going, we know why we get out of bed in the morning—we know why we're working—and why it's important to do the very best work of which we are capable. We know why it's vital that we cut ourselves away from the big, sluggish

river of people who are drifting without purpose, and cut the channel straight and clear to the number one dream in our heart.

Some evening, during the rush hour, stand at a busy street corner and watch the passing crowd. Observe how they walk—look at their faces. Do they seem interested, happy, purposeful, interesting?

Or do they seem, for the most part, dull, uninterested, bored?

If you watch long enough you'll see a person with a quick and purposeful step; a good carriage and posture; with interesting, intelligent eyes—who walks as though he knows where he's going, and who is going to insist on getting there. He's a man with a goal—a dream in his mind and heart.

Several billion human beings on earth would give anything they have for the freedom and personal liberty you and I take for granted.

To have the right to choose their work, and their goals. To enjoy our bountiful standard of living—to know the peace and privacy of our homes—and to have laws which protect the citizen rather than persecute him.

We have it all. And yet, in the midst of our plenty, millions lead unhappy, aimless, lives—living from day to day, month to month, confused, dispirited, in a prison of their own manufacture. These are the people who have never made the decision that could set them free. They have not decided what to do with their lives even in our climate of freedom.

As Carlyle said, "The man without a purpose is like a ship without a rudder. Have a purpose in life, and having it, throw such strength of mind and muscle into your work as God has given you."

He also wrote, "A man with a half-volition goes backward and forward, and makes no way on the smoothest road; a man with a whole volition advances on the roughest, and will reach his purpose, if there be even a little wisdom in it."

And Munger said, "There is no road to success but through a clear, strong purpose. Nothing can take its place. A purpose underlies character, culture, position, attainment of every sort."

So, decide on your goal. Insist upon it. Look at your goal card every morning, every night, and as many times during the day as you can. Force your goal into your subconscious mind. See yourself as having attained it. Do this without fail every day and it will become a habit—a habit that will lead you from one success to another all the days of your life.

For this is the "secret" of success—the door to everything you will ever have or be. "You are now—and you will become—what you think about."

A goal sometimes seems so far off, and our progress often appears to be so painfully slow, that we have a tendency to lose heart. It sometimes seems we'll never make the grade. And we come close to falling back into old habits which, while they may be comfortable now, lead to nowhere. Now there's a way to beat this. It's been used successfully by many of the world's most successful people, and it's been advocated by many of the greatest thinkers.

It's to live successfully, one day at a time!

A lifetime is comprised of days, strung together into weeks, months, and years. Well, let's reduce it to its lowest common denominator—a single day, and then still further, to each task of that day.

Look at it this way: A successful life is nothing more than a lot of successful days put together. It's going to take so many days to reach your goal. If this goal is to be reached in a minimum of time, every day must count.

Think of a single day as a building block, with which you're building the tower of your life. Just as a stone mason can put only one stone in place at a time, you can live only one day at a time. And it's the way in which these stones are placed which will determine the beauty—the strength of your tower. If each stone is successfully placed, the tower will be a success. If, on the other hand, they're put down in a hit-or-miss fashion, the whole thing's going to be shaky and look pretty bad. Now, this may seem to be a rather elementary way of looking at it, but I want to make it clear—and it's a good and logical way of looking at a human life.

All right then—let's take it one day at a time, from the time we wake up in the morning, until we drop off to sleep at night, keeping our goal in mind as often as possible.

Now, each day consists of a series of acts—acts of all kinds. And the success of a day depends upon the successful completion of most of these acts. Now, if everything we do during the day is a success—that is, done in the best fashion of which we're capable—we can fall asleep that night in the comfortable knowledge that we've done our very best . . . that our day has been successfully put into place.

Now this is the way to really live!

Do, each day, all that can be done that day. You don't need to over-work—or to rush blindly into your work, trying to do the greatest possible number of things in the shortest possible time. Don't try to do tomorrow's—or next week's—work today. It's not so much the number of things you do, but the efficiency of each separate action that counts. Gradually, you'll find yourself increasing the number of acts—and performing them all much more efficiently. To get the habit of success—and that's why successful people go from one success to another—because it's a habit with them—to get the habit of success, you need only to succeed in the small acts of each day. This makes a successful day. Enough of these, and you have a successful week, month, year—and lifetime.

This is why I say success is not a matter of luck; far from it. It can be predicted and guaranteed—and anyone can achieve it by following this plan. Almost before you realize it, you'll have achieved your goal. In looking back, you'll realize that your success was not attributable to any one day, week, or month—but rather it was the consistent, unrelenting, successful succession of single days that turned the trick. This is the way a skyscraper, a home or a human life is successfully built. One successful day at a time; and each day comprising a collection of successful acts—one successful act at a time.

In order to advance to the place you've chosen, two things are necessary: (1) That you keep your eye on your goal, and (2) that you continue to grow from the standpoint of competence and effectiveness.

Now, don't get impatient. Don't let the hundreds of little distractions which each day try to get you off course bother you. Pay no attention to them—shake 'em off and stay steadily on the track. Concentrate on each act of the day, from morning to night, and do each successfully. Know full well that if each of your acts is performed successfully—or at least the greater majority of them—your life has to be successful; there's no other answer. There's no way to avoid it.

The men and women who are certain to advance are the ones who become too big for their jobs, and who have a clear concept of what they want to be; who know that they can become what they want to become; and who are determined to BE what they want to be.

Remind yourself at this time that people become exactly what they make up their minds to become.

Are you too big for your present job? If it's obvious to you that you are . . . it's obvious to others. Y'know, people are not "given" promotions, as a rule—they promote themselves by becoming too big for their jobs—and by making up their minds exactly what bigger and better job, or income, they're shooting for.

And this is done by taking one day at a time . . . one act at a time during each day.

But how do we separate the important acts from the unimportant?

Did you ever hear of the single idea for which a man was paid twenty-five thousand dollars? It was worth every penny of it!

The story goes that the president of a hamburger company had granted an interview to an efficiency expert named Ivy Lee. Lee was telling his prospective client how Lee's firm could help him do a better job of managing the company, when the president broke in to say something to the effect that he wasn't at present managing as well as he knew how. He went on to tell Ivy Lee that what was needed wasn't more knowing—but a lot more doing. He said, "We know what we should be doing; now if you can show us a better way of getting it done, I'll listen to you—and pay you anything within reason you ask."

Well, Lee then said that he could give him something in twenty minutes that would increase his efficiency by at least 50%. He then handed the man a blank sheet of paper and said: "Write down on this paper the six most important things you have to do tomorrow."

Well, the man thought about it, and did as requested—it took him about three minutes. Lee then said, "Now number them in the order of their importance to you and to the company." Well, that took about five minutes. And then Lee said, "Now put the paper in your pocket, and the first thing tomorrow morning, take it out and look at item number one. Don't look at the others, just number one, and start working on it; and—if you can—stay with it until it's completed. Then take item number two the same way; then three, and so on until you have to quit for the day. Don't worry if you have only finished one or two. You'll be working on the most important ones. The others can wait. If you can't finish them all by this method, you could not have finished them with any other method. And without some system, you'd probably take ten times as long to finish them—and might not even have them in the order of their importance.

"Do this every working day," Lee went on. "After you've convinced yourself of the value of this system, have your men try it. Try it as long as you like, and then send me your check for whatever you think the idea is worth.

The entire interview hadn't taken more than a half-hour. In a few weeks, the story has it that the company president sent Ivy Lee a check for $25,000 with a letter saying the lesson was the most profitable, from a money standpoint, he had ever learned in his life. And it was later said that in five years this was the plan that was largely responsible for turning what was then a little

known hamburger company into one of the biggest fast-food companies in the world.

One idea! The idea of taking things one at a time, in their proper order. Of staying with one act, until it's successfully completed before going on to the next—of living one day at a time.

For the next seven days—try the $25,000 idea in your life. Tonight, write on a slip of paper the six most important things you have to do. Then number them in the order of their importance. And tomorrow morning, go to work on No. 1, and stay with it until it's successfully completed; then move to No. 2, and so on. When you've finished with all six, get another piece of paper and repeat the process. You'll be amazed and delighted at the order it brings into your life—and at the rate of speed with which you'll be able to accomplish the things that need doing, in order of their importance. Now, this simple but tremendously effective method will take all the confusion out of your life. You'll never find yourself running around in circles wondering what to do next.

Remember as you do—to live the best you can, one day at a time. You need not worry about tomorrow, or the next day, or what's going to happen at the end of the month. One day at a time, handled successfully, will carry you over every hurdle; it will solve every problem. You can relax in the happy knowledge that successful acts make successful days, which in turn build a successful life. This is the kind of unassailable logic no one can argue with. It will work every time—for every person.

The reason for writing down what you consider only the most important things to do, is obvious. Handling each act during the day successfully is important to the degree of the importance of the acts themselves.

Doing a lot of unnecessary things successfully can be pretty much of a waste of time. Make certain that the acts you take the time to do efficiently are important acts, acts which move you ahead, steadily, toward your goal.

Student—housewife—or breadwinner—this plan works for everybody. It removes doubt, fear, and worry, and brings order into our lives. All any of us needs to do is face each day as it comes—in good cheer, knowing that we have only to succeed today to guarantee our future. In this way, we'll move steadily ahead—growing more competent—more confident with the passing of every day. Others may seem to suddenly shoot up faster (and possibly fall much farther) and operate in spurts and fits, but it is to the steady that the rewards are eventually paid.

St. Edmund of Canterbury was right when he said, "Work as though you would live forever; but live as though you would die today."

Now try writing down the six most important things you have to do tomorrow . . . then number them in the order of their importance. First thing tomorrow morning, tackle number one and stay with it until it's completed. If something should force its delay, move on to number two. But take them in order, and finish them in order as best you can. Try not to get sidetracked by people or things in successfully accomplishing each act of your day.

And there's nothing mysterious about achieving outstanding success. It's completely within our individual control and is absolutely predictable. It's simply a matter of doing certain things a certain way, every day—and that's all there is to it. There is no valid reason on earth why you should not become really successful in your field, your home life, and your community.

Remember, everything in the entire limitless universe operates on the law of cause and effect. There are no exceptions to this . . . nothing happens by accident . . . for every result, there's a cause. You have only to take care of the cause; the effect will always—without exception—take care of itself. Good cause—good effect. No cause—no effect. Bad cause—bad effect. It's as reliable as the rising of the sun.

This business of living one day at a time, the best we can, has an almost unbelievable cumulative effect for good—for success and the things we want. Sometimes when we see a bricklayer starting on a building and putting the first brick in place, we're struck by the size of the job he has ahead of him. But one day, almost before we realize it, he's finished. All the thousands of bricks are in place—each one vital to the finished structure, each one sharing its portion of the load. And so should be the days of a human life—and we'll be proud and happy with the finished product.

So in closing, I leave you with this:

If you think you are beaten, you are;
If you think you dare not, you don't
If you think you'd like to win but can't
It's almost a cinch you won't;
If you think you'll lose, you've lost.
For out in the world you'll find
Success begins with a person's will.
It's all in the state of the mind.

The man who cannot believe in himself cannot believe in anything else. The basis of all integrity and character is whatever faith we have in our own integrity.●

RESOLUTIONS PASSED IN BISMARCK, ND

● Mr. ANDREWS. Mr. President, I rise today to bring to the attention of the Senate, two resolutions that were passed today at meetings in Bismarck, ND.

The resolutions, one from the Midwest Association of State Departments of Agriculture, the other from the Minnesota Agri-Growth Council Board of Directors, commend Senator DOLE and the U.S. Senate for passage of the amendment expanding the application of the export enhancement program, urging our friends in the other body to approve similar language, and enlisting President Reagan's support of the expanded export enhancement program.

I won't take up my colleagues' time by reading the resolutions, but I will submit them and ask that they be printed in the RECORD.

Mr. President, I was an original cosponsor of the amendment offered by my good friend from Kansas. He knows how important it is that we use all the tools provided by the new farm bill to be competitive in the world market.

The organizations that initiated these resolutions also know how important it is. They know that the American farmer has to find foreign markets for nearly two-thirds of the grain we produce. They know that the governments of other grain exporting countries are subsidizing export sales and taking away our markets. They know that unless we use the export enhancement program in the farm bill as Congress intended, American farmers are going to continue to be looked upon as residual suppliers in the world grain trade.

Mr. President, these resolutions are clear and direct. They reinforce the critical need to act on what Senator DOLE, I, and a number of our colleagues have been advocating for so long. And that is that we must use all the legislative and administrative tools at hand to compete effectively in the world market.

The resolutions follow:

RESOLUTION

The Midwest Association of State Department of Agriculture [MASDA] commends Senator Dole and the United States Senate for adoption of the export enhancement program, including the eastern bloc countries and the Soviet Union, and urges the House of Representatives to immediately pass similar legislation.

Further, MASDA urges the congressional delegations of these states to join together with Senator Dole to meet with the President to request immediate implementation of this program.

RESOLUTION OF THE MINNESOTA AGRI-GROWTH COUNCIL BOARD OF DIRECTORS

Whereas the surplus of American agricultural production continues to build to unmanageable levels in our domestic storage facilities; and

Whereas any improvement in American farm prices depends on a significantly expanded international agricultural export market; and

Whereas the American farmer has had to compete in the world marketplace with foreign subsidization of agricultural exports; and

Whereas the United States Senate, under the leadership of Majority Leader Senator Robert Dole of Kansas, has passed a bill permitting the United States to use "export enhancement" programs in the sale of grain to the Soviet Union and other eastern-bloc countries.

Now, therefore, be it resolved, That the Minnesota Agri-Growth Council board of directors does hereby call on the Minnesota Members of the United States House of Representatives to take immediate action to support this Senate-passed export enhancement measure, and does hereby call on the entire Minnesota congressional delegation—House and Senate members alike—to form a working coalition with other farm-state lawmakers to approach President Reagan as a collective body, urging his support of this legislation and calling on him to direct the Department of State to withdraw its efforts to kill or cripple this new bill. We also call on President Reagan to direct the U.S.D.A. to take action upon enactment of this export enhancement legislation to see that it is implemented immediately to meet the full intent of the United States Congress.●

WILBER, NEBRASKA, CZECH FESTIVAL

● Mr. ZORINSKY. Mr. President, Wilber, NE, is known as the "Czech Capital of Nebraska," because of its unusually high concentration of Czech settlers. On August 1-3, Wilber will be hosting its 25th Annual Czech Festival. Each year thousands of guests from around the Nation and abroad visit this celebration intended to promote and preserve the Czech cultural heritage. The festival has contributed greatly to Nebraska's awareness and pride in its varied and rich cultural legacy.

This year, as in years past, the festival will be granting the King Charles Award to a person of Czech heritage who has attained national or international eminence. In addition, local craftspeople will be sewing Czech costumes to be sold and delivered all across America, and the ever-popular Czech cookbooks will again be available. Finally, a unique pageant of selected scenes of Czech history and lore will provide fascinating and educational entertainment.

Mr. President, articles about the festival have appeared in recent years in major publications such as National Geographic. It is my privilege to take the time on the Senate floor to pay tribute to this event that so successfully heightens our awareness of the many contributions of Czech-Americans.●

RECESS UNTIL 9 A.M.

Mr. DOLE, Mr. President, I ask unanimous consent that once the Senate completes its business today it stand in recess until the hour of 9 a.m., on Thursday, July 31, 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR THURSDAY

RECOGNITION OF CERTAIN SENATORS

Mr. DOLE. Following the recognition of the two leaders under the standing order, I ask unanimous consent that there be special orders in favor of Senator THURMOND, Senator HAWKINS, Senator PROXMIRE, Senator GORTON, Senator BAUCUS, and Senator SYMMS for not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I further ask unanimous consent that following the special orders just identified there be a period for the transaction of routine morning business not to extend beyond the hour of 10 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE, At the conclusion of routine morning business the Senate will resume consideration of House Joint Resolution 668, the debt limit extension bill, and votes can be expected throughout the day. I would guess tomorrow night will be a late, late evening. So I alert my colleagues in advance. I feel certain Friday will be a full day in the Senate because we are hitting in an area now where we are going to have to make some important decisions.

□ 2000

Mr. President, I am also advised by the distinguished Senator from Colorado, Senator HART, that he will be prepared in the morning to offer a rather significant amendment which would, in effect, repeal Gramm-Rudman-Hollings, an amendment he has been waiting for a few days to offer. I would hope that the Senator from Massachusetts, the Senator from Maryland, and others might not object to that so we might start the Hart amendment debate about 10 a.m. tomorrow morning. He indicated that it might take a couple of hours, which would bring the vote to about noon. That is, as I understand it, a very major amendment. It, in effect, asks the question, Should we repeal the so-called Gramm-Rudman-Hollings, pertaining to the way it was today?

Mr. MATSUNAGA. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MATSUNAGA. Mr. President, are we now in morning business?

The PRESIDING OFFICER. We are in morning business.

A TRIBUTE TO THE MEMORY OF W. AVERELL HARRIMAN: A BROAD-GAUGED STATESMAN

Mr. MATSUNAGA. Mr. President, our Nation has lost one of its most distinguished citizens as well as one of the most influential diplomats of the 20th century in the death last week of William Averell Harriman at the age of 94.

His public service to our National Government encompassed a half-century of dedication—from 1933, when at the age of 42 he became an adviser to the Franklin D. Roosevelt administration on the National Recovery Program, to 1983, when he undertook at 91 his last "mission to Moscow" in the interest of world peace. In the years between he held many key posts in the executive branch: Ambassador to the Soviet Union and to Great Britain, Ambassador-at-Large for the European Marshall plan, Secretary of Commerce and Under Secretary of State. But the title he prized most of all was that of "Governor," acquired from his one term as Governor of New York, his only elective office. The record shows that when a Presidential call reached him he readily responded, regardless of the rank his assignment would carry. His performance was always strong and steady, his objectives consistent—although he was variously denounced as a "superhawk" and a "militant dove" by critics of the moment, attacked on occasion by both the Kremlin leadership and those of his countrymen on the far right. Through it all he maintained a stance of cautious optimism supported by a keen, informed intellect and a balanced judgement which served his Government so ably and well for so long a period.

Born to wealth and privilege as the son of a pioneer railroad builder and financier, he followed in his father's footsteps while fulfilling his father's dream of high public service. After gaining an Ivy League education, he embarked on a business career, where he achieved success in his own right before entering public service in middle age. If his father was a railroad tycoon he became a shipping magnet. In 1928 he broke out of the mold of his family background to become a Democrat and a backer of an Irish Catholic, Alfred E. Smith, for the Presidency. His conversion was no short-term whim: his devotion to the Democratic Party was to become a life-long cause and despite his patrician heritage he reveled in the campaign fray.

It was in his party philanthropy, and that of his wife, that I came to know him in his later years, Mr. President. He was an intriguing figure and a gracious host: this product of Groton and Yale, heir to one of the great American fortunes, a Wall Street banker and transportation executive who introduced the all-aluminum streamliner train and developed Sun Valley, ID, as a ski resort for his rail line. I wondered as I observed this aging gentleman at his Georgetown home how, with his background, he became the fast friend and confidant of a zealous New York social worker named Harry Hopkins and thereby went on to be an aide and ally to President Roosevelt and his liaison with both Winston Churchill and Joseph Stalin.

I am told, Mr. President, that Averell Harriman's interest in international affairs and public service was instilled at a young age by his father, Wall Street's "Little Giant" who himself aspired to a call to Washington that never came. Certainly his son displayed the traits of a railroad man. Broad-gauged in his abilities and interests, full-throttled in his enormous personal energy throughout his lifetime, he sounded the whistle to alert his countrymen to bends in the road he saw ahead, whether from the left or the right, and remained unswerving

in his ability to keep on track toward his goal. What he made of his inheritance, what calls to Presidential service he received in war and peace did not give him the sense of personal accomplishment as did one term of gubernatorial office at the call of his fellow New Yorkers. Indeed, Averell Harriman met Kipling's criteria of manhood as one who talked with crowds and kept his virtue, walked with Kings and lost not his common touch. Irascible, demanding and enormously compassionate, he inspired fierce loyalty in those he led. The son of Wall Street's "Little Giant," he cast a large shadow across the political landscape of his time.

To his lovely wife, Pamela, his daughters Mary and Kathleen, and all members of his family, I wish to convey for myself and in behalf of the people of the Aloha State, deepest condolences and heartfelt gratitude for having shared with the citizens of this great Nation and the world the talents, time, and life of God's chosen servant—William Averell Harriman.

RECESS UNTIL TOMORROW AT 9 A.M.

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move that the Senate stand in recess until the hour of 9 a.m., Thursday, July 31, 1986.

The motion was agreed to and the Senate, at 8:01 p.m., recessed until Thursday, July 31, 1986, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate July 30, 1986:

DEPARTMENT OF STATE

David Lyle Mack, of Oregon, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Arab Emirates.

THE JUDICIARY

Joel F. Dubina, of Alabama, to be U.S. district judge for the middle district of Alabama, vice Robert E. Varner, retired.

James Kenneth Porter of Tennessee, to be U.S. district judge for the eastern district of Tennessee, vice Robert L. Taylor, retired.

DEPARTMENT OF JUSTICE

Richard L. Cox, Jr., of Florida, to be U.S. Marshal for the middle district of Florida for the term of 4 years, reappointment.

Wallace L. McLendon, of Florida, to be U.S. Marshal for the northern district of Florida for the term of 4 years, reappointment.

Sherman L. Hansford, of Kentucky, to be U.S. Marshal for the eastern district of Kentucky for the term of 4 years, vice Charles Pennington, Jr., term expired.

Gene G. Abdallah, of South Dakota, to be U.S. Marshal for the district of South Dakota for the term of 4 years, reappointment.

DEPARTMENT OF TRANSPORTATION

John W. Melchner, of Maryland, to be Inspector General, Department of Transportation, vice Joseph P. Welsch, resigned.

BOARD FOR INTERNATIONAL BROADCASTING

Joseph Lane Kirkland, of the District of Columbia, to be a member of the Board for International Broadcasting for a term expiring April 28, 1987, reappointment.

NATIONAL COUNCIL ON THE ARTS AND THE HUMANITIES

Anthony Trawick Bouscaren, of New York, to be a member of the National Council on the Humanities for a term expiring January 26, 1992, vice Charles Ray Ritcheson, term expired.

Charles A. Moser, of Virginia, to be a member of the National Council on the Humanities for a term expiring January 26, 1992, vice Samuel DuBois Cook, term expired.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Richard D. Lawrence, xxx-xx-x... xxx-..., age 55, U.S. Army.

HOUSE OF REPRESENTATIVES—*Wednesday, July 30, 1986*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious God, we place before You our needs. We recognize that we do not always say to others what are the anxieties of our hearts, and we thank You, O God, that You hear our prayers and minister to our personal petitions. Whatever our concerns or fears, we give thanks that Your love is sufficient for us, and no problem is too great for Your grace. Bless us, each one, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. FIELDS. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. FIELDS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 269, nays 129, answered "present" 1, not voting 32, as follows:

[Roll No. 261]

YEAS—269

Ackerman	Boner (TN)	Conyers
Akaka	Bonior (MI)	Coyne
Alexander	Bonker	Daniel
Anderson	Borski	Darden
Andrews	Bosco	Daschle
Annunzio	Boucher	Davis
Anthony	Boxer	de la Garza
Applegate	Broomfield	Dellums
Archer	Brown (CA)	Derrick
Aspin	Bruce	Dicks
Atkins	Bryant	DioGuardi
AuCoin	Burton (CA)	Dixon
Barnard	Bustamante	Donnelly
Bateman	Byron	Dorgan (ND)
Bates	Callahan	Dornan (CA)
Bedell	Carper	Dowdy
Beilenson	Carr	Downey
Bennett	Chapman	Duncan
Berman	Chappell	Durbin
Bevill	Coelho	Dwyer
Biaggi	Coleman (TX)	Dymally
Boggs	Collins	Dyson
Boland	Combest	Early
Eckart (OH)	Leland	Rudd
Edgar	Levin (MI)	Russo
Edwards (CA)	Levine (CA)	Sabo
Edwards (OK)	Lipinski	Savage
English	Long	Scheuer
Erdreich	Lowry (WA)	Schneider
Evans (IL)	Lujan	Schulze
Fascell	Luken	Schumer
Fazio	Lundine	Seiberling
Fish	MacKay	Sharp
Flippo	Manton	Shumway
Florio	Markey	Siljander
Foglietta	Martin (NY)	Sisisky
Foley	Martinez	Skelton
Ford (MI)	Matsui	Slattery
Ford (TN)	Mavroules	Smith (FL)
Frank	Mazzoli	Smith (IA)
Franklin	McCain	Smith (NE)
Fuqua	McCloskey	Smith (NJ)
Garcia	McCollum	Snyder
Gaydos	McCurdy	Solarz
Gejdenson	McDade	Spence
Gephardt	McEwen	Spratt
Gilman	McHugh	St Germain
Glickman	Mica	Staggers
Gonzalez	Miller (CA)	Stallings
Gordon	Miller (WA)	Stark
Gradison	Mineta	Stokes
Gray (IL)	Montgomery	Stratton
Gray (PA)	Moody	Studds
Green	Morrison (CT)	Sweeney
Guarini	Mrazek	Swift
Hall (OH)	Murphy	Synar
Hall, Ralph	Murtha	Tallon
Hamilton	Myers	Tauzin
Hammerschmidt	Natcher	Taylor
Hatcher	Neal	Thomas (GA)
Hefner	Nelson	Torres
Hertel	Nichols	Torricelli
Hillis	Nowak	Traficant
Horton	Oberstar	Traxler
Howard	Obey	Udall
Hoyer	Olin	Valentine
Hubbard	Ortiz	Vento
Huckaby	Owens	Visclosky
Hughes	Panetta	Volkmer
Hutto	Pease	Waldon
Hyde	Pepper	Walgren
Jeffords	Perkins	Watkins
Jenkins	Petri	Waxman
Johnson	Pickle	Weaver
Jones (TN)	Price	Weiss
Kanjorski	Pursell	Wheat
Kaptur	Rahall	Whitley
Kasich	Rangel	Whitten
Kastenmeier	Ray	Williams
Kennelly	Regula	Wilson
Kildee	Reid	Wise
Kleczka	Richardson	Wolpe
Kolter	Rinaldo	Wortley
Kostmayer	Robinson	Wright
LaFalce	Rodino	Wyden
Lantos	Roe	Wylie
Latta	Rose	Yates
Leath (TX)	Rostenkowski	Yatron
Lehman (CA)	Rowland (GA)	Young (MO)
Lehman (FL)	Roybal	

NAYS—129

Armey	Clinger	Emerson
Badham	Coats	Evans (IA)
Bartlett	Cobey	Fawell
Barton	Coble	Fiedler
Bentley	Coleman (MO)	Fields
Bereuter	Conte	Frenzel
Bilirakis	Coughlin	Gallo
Bliley	Courter	Gekas
Boehlert	Craig	Gingrich
Boulter	Crane	Goodling
Brown (CO)	Dannemeyer	Gregg
Burton (IN)	Daub	Hansen
Chandler	DeLay	Hawkins
Chappie	DeWine	Henry
Cheney	Dickinson	Hiler
Clay	Dreier	Holt
Hopkins	Michel	Skeen
Hunter	Miller (OH)	Slaughter
Ireland	Molinari	Smith, Denny (OR)
Jacobs	Monson	Smith, Robert (NH)
Jones (OK)	Moorhead	Smith, Robert (OR)
Kindness	Nielson	Snowe
Kolbe	Oxley	Solomon
Kramer	Packard	Stangeland
Lagomarsino	Parris	Stenholm
Leach (IA)	Pashayan	Strang
Lent	Penny	Stump
Lewis (CA)	Porter	Sundquist
Lewis (FL)	Quillen	Swindall
Lightfoot	Ridge	Tauke
Livingston	Roberts	Thomas (CA)
Lloyd	Roemer	Vander Jagt
Loeffler	Rogers	Vucanovich
Lott	Roth	Walker
Lowery (CA)	Roukema	Weber
Lungren	Rowland (CT)	Whitehurst
Mack	Saxton	Whittaker
Madigan	Schaefer	Wolf
Martin (IL)	Schroeder	Young (AK)
McCandless	Schuette	Young (FL)
McGrath	Sensenbrenner	Zschau
McKernan	Shaw	
McMillan	Shuster	
Meyers	Sikorski	

ANSWERED "PRESENT"—1

Gibbons

NOT VOTING—32

Barnes	Frost	Mitchell
Breaux	Grotberg	Moakley
Brooks	Gunderson	Mollohan
Campbell	Hartnett	Moore
Carney	Hayes	Morrison (WA)
Cooper	Hendon	Oakar
Crockett	Jones (NC)	Ritter
Dingell	Kemp	Shelby
Eckert (NY)	Marlenee	Towns
Feighan	McKinney	Wirth
Fowler	Mikulski	

□ 1015

Mr. MYERS of Indiana changed his vote from "nay" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

□ 1025

PROVIDING CONDITIONS FOR ADJOURNMENT OR ADJOURNMENT SINE DIE

Mr. HOYER. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 374) and ask unanimous consent for its immediate consideration.

The SPEAKER pro tempore (Mr. MCCLOSKEY). Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 374

Resolved by the House of Representatives (the Senate concurring), That notwithstanding the provisions of section 132(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 198), as amended by section 461 of the Legislative Reorganization Act of 1970 (Public Law 91-510; 84 Stat. 1193), the

House of Representatives and the Senate shall not adjourn for a period in excess of three days, or adjourn sine die, until both Houses of Congress have adopted a concurrent resolution providing either for an adjournment (in excess of three days) to a day certain, or for adjournment sine die.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR SUBCOMMITTEE ON AVIATION OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT ON TOMORROW DURING THE 5-MINUTE RULE

Mr. MINETA. Mr. Speaker, I ask unanimous consent that the Subcommittee on Aviation of the Committee on Public Works and Transportation be permitted to sit on Thursday, July 31, 1986, while the House is reading bills under the 5-minute rule.

The SPEAKER pro tempore (Mr. McCLOSKEY). Is there objection to the request of the gentleman from California?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3921

Mr. MINETA. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 3921.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

MORE SERVICE SECTOR JOBS RESULT IN LOWER LIVING STANDARDS

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, according to a study released today by the National Organization for Women, the U.S. economy is rapidly creating service sector jobs which are low paying and occupied by women.

I find this very distressing. Such a finding has consequences for men, women and most importantly, the American family. Just recently, the Joint Economic Committee issued a report underscoring the importance of working mothers' contributions to the economic stability of their families.

Even in the telecommunications industry, one industry where women have managed to achieve wages equal to those of the average man in the labor force, women's wages face a serious threat. The Bell System collective bargaining demands are currently trying to cut clerical workers' pay by 20 to 40 percent.

Service sector jobs account for 86 percent of all new private industry jobs. Yet the pay for these jobs don't support a middle income living standard.

The bigger policy question is one that concerns all American workers: How can America preserve and expand the middle class standard of living if the jobs and wages it is creating are low paid?

A VARIABLE INTEREST RATE FOR NATIONAL SERVICE LIFE INSURANCE POLICY LOANS

(Mr. HILLIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILLIS. Mr. Speaker, our veterans and men and women in uniform are receiving unfair treatment. An inequity exists in the way interest rates are set for loans secured by national service life insurance policies. These rates are held by law at an artificially high level. They are much higher than the prevailing rates of the private insurance industry, which are traditionally lower than the prime. As a result, qualified men and women are unable to benefit from the current decline in rates.

The bill I introduced yesterday, H.R. 5275, will solve this problem by establishing a variable interest rate for these loans. The procedure follows standard practice in the insurance industry. Loan rates would be tied to the annual return on investments held by the financing trust fund. This would ensure an adequate return to the fund, while affording borrowers a fair interest rate.

Lower interest rates often present the opportunities, among others, to buy a family home or to finance a child's education. Certainly those who have so ably served in the country's defense are entitled to the potential advantages of variable interest rates. I urge my colleagues to give this bill their timely consideration and invite each of you to join me in cosponsoring H.R. 5275.

HEALTH INSURANCE COVERAGE DENIED TO LTV CORP. RETIREES IN INDIANA

(Mr. McCLOSKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLOSKEY. Madam Speaker, the callous, cruel, and arbitrary decision by the LTV Corp. to cancel health insurance coverage without notice for 78,000 LTV retirees is a situation that cries out for redress.

The 300 affected retirees of the Evansville, IN, area, many on fixed incomes, are finding as are the thousands of similary situated reitrees nationally that obtaining continuing and additional health insurance coverage is exorbitantly, costly, or impossible.

I want to commend my distinguished colleague from Ohio, Mr. STOKES, for introducing legislation to resume providing health and life insurance coverage unless and until a court of jurisdiction tells them to cease. Unless we do this, no deserving, working person who has justly earned such benefits can be reasonably certain their future hopes will not be obliterated.

The SPEAKER pro tempore (Mrs. SCHROEDER). The time of the gentleman from Indiana [Mr. McCLOSKEY] has expired.

CONTINUED TRADE DEFICITS THREATEN RECESSION

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, here on Capitol Hill we can talk to 10 different economists and we get 10 different answers on the economy. But on one issue they are all united, and that is that the high fiscal deficits lead to high trade deficits.

We must have more exports if our economy is to remain strong. Yesterday Mr. Volcker, the Federal Reserve Board Chairman, told our Banking Committee this, and I quote: "If the Nation does not begin to sell more products overseas within a year, the economy could well sink into a recession."

A word to the wise, I think, is sufficient. For every $1 billion we have in exports we create some 25 million jobs. This year we have a trade deficit of more than $148 billion. Because of that we are losing over 4 million jobs in America.

We cannot continue in this direction. Now is the time for action. We must make the tough decisions and work for a balanced budget if we are to avoid a recession.

Mr. Speaker, we have it right here in our power in this House to avoid a recession, but the question is, Does the Congress have the will?

MORE EVIDENCE FOR COMMUNITY RIGHT TO KNOW

(Mr. WISE asked and was given permission to address the House for 1 minute.)

Mr. WISE. Mr. Speaker, as many of my colleagues here know, late Monday night in Iowa, 16 freight cars blew off a bridge in a bad storm, plunging into the Des Moines River valley. The train was carrying—you guessed it—toxic pesticides.

The problem is that the authorities involved did not know for at least a day what "that green stuff leaking into the river" was.

Six persons were hospitalized after exposure to the fumes including a State trooper who had rushed to the scene. Officials evacuated everyone within 1 mile of the accident. The Governor had to send crews from the University of Iowa to the scene to test the water to see just what had spilled. The railroad did not know what it was, but thought that it might be the 200 bags of highly toxic agricultural insecticide, endosulfan.

A year since Bhopal, this country still does not have a basic Federal community right-to-know law on the books. If we had, that policeman I mentioned could have avoided rushing into a dangerous area. The Governor could have sent the properly equipped personnel instead of being forced to test first because of the railroad's ignorance.

Happily, Mr. Speaker, there is strong community right-to-know language and emergency response language being deliberated by the Superfund conference committee. Passage this year could end such dangerous incidents next year.

BROOKLYN CHURCH HOSTS DANIEL ORTEGA

(Mr. WORTLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WORTLEY. Mr. Speaker, it is interesting to note that over this past weekend, Daniel Ortega, the President of Nicaragua and the head of the Sandinista Party, was accorded the privilege of speaking from the pulpit of a church in Brooklyn, NY.

This is the same Daniel Ortega who refuses to permit religion to be taught in the parochial school classrooms of his own country. This is the same Daniel Ortega who shut down the Catholic radio station in that country. This is the same Daniel Ortega who refuses to have religious services broadcast over the radio in his own nation when he does not like the homily or the Gospel that is being preached on that particular Sunday. This is the same Daniel Ortega who has expelled one bishop from his country and who has refused to permit the assistant to Cardinal Obando y Bravo of that country, to reenter the country from a trip abroad.

Mr. Speaker, I would hope that Daniel Ortega would accord religion in his own country, Nicaragua, the same privileges that we accord visiting politicians in the United States of America.

PINOCHET CONTINUES TO BLOCK DEMOCRACY IN CHILE

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute.)

Mr. RICHARDSON. Mr. Speaker, the President of Chile, Augusto Pinochet, is thumbing his nose at the United States and the rest of the free world. He continues his repression and his human rights abuses, and he has hinted that he will offer himself as a Presidential candidate in the 1989 elections, thus killing any hopes for democracy in Chile.

The American Ambassador, Harry Barnes, has been rebuffed and ostracized by Pinochet.

The United States can exert leverage on Chile by denying all multilateral loans. Let us consider this policy option to assist the Chilean people to achieve their dream of democracy. Let us prevent Chile from becoming another Philippines or another Haiti.

□ 1035

THE TRADE DEFICIT—MORE BAD NEWS

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, today's announcement that our national trade deficit is now running at an annual rate of $168 billion should not surprise anyone. Our trade policies over the last two decades have all but guaranteed such a result.

The Federal Reserve can tinker with the value of the dollar. The Commerce Department can make agreements for voluntary restraints with foreign exporters. But all the money handling and all the agreements in the world will not solve our trade deficit problem.

We now hear so ardent a free trade advocate as Paul Volcker saying that the soaring trade deficit put the United States in a difficult and dangerous situation and could, if not corrected, topple the country into a recession.

With many other Members of this House, I have been arguing, pleading, and reasoning that the real problem lies in our trade policy. It is fine to talk about free trade, but there is no free trade when our trading partners load the deck with cheap labor, export subsidies, tax abatements of all kinds while we burden our domestic producers with ever-increasing tax burdens.

If we don't change our course, and soon, our domestic industries will be crippled beyond any hope of repair. When they go, so does our claim, not just to being a great trading nation, but to being a great nation in any sense. Pray God our trade policies will catch up with reality while there is still time to turn it around.

SERIOUS DEFICIT OF PENSION BENEFIT GUARANTY CORPORATION

(Mr. KOLTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOLTER. Mr. Speaker, will the Government turn its back on the retirees who once toiled in the steel mills waiting for the day when they could retire and relax? Should we tell these hardworking Americans that they won't receive their pensions at the level they bargained for?

The Reagan trade deficit and low foreign steel prices have caused many of our steel mills to close. The latest such incident was the LTV Co.'s bankruptcy filing which has been a source of great concern for that conglomerate's employees and pensioners. When a company files for bankruptcy under chapter 11, it may turn over its pension obligations to the Pension Benefit Guaranty Corporation. The Pension Benefit Guaranty Corporation then assumes responsibility for providing the company's retirees with a predetermined, guaranteed level of pension benefits.

Currently, the Pension Benefit Guaranty Corporation has a $1.7 billion deficit. Its liabilities are twice the size of its assets. Should the Pension Benefit Guaranty Corporation be called upon to take over the LTV pension responsibilities, its deficit will be doubled. Can we rely on the Pension Benefit Guaranty Corporation to meet this requirement?

This serious problem is complicated by the termination of the health and life insurance benefits of LTV pensioners. Many of the healthier pensioners will be able to obtain replacement policies, while the insurance carriers who now hold these policies will be left with the less healthy policy holders; the resulting cost of those policies as a group will drastically increase.

In an effort to protect the retirees, I became an original cosponsor of a bill introduced by Mr. STOKES of Ohio, which would require LTV specifically to continue to pay all medical and life insurance benefits to retirees after LTV filed under chapter 11.

I would like to see these problems solved, and I would like to see that the Pension Benefit Guaranty Corporation is being put on a more solid financial foundation. I call on my colleagues to join me in a search for a system which will unequivocally guarantee these retirees the pensions and benefits they have earned and deserve.

BLOCK UNILATERAL DISARMAMENT OF U.S. CHEMICAL WEAPONS FROM EUROPE

(Mrs. ROUKEMA asked and was given permission to address the House

for 1 minute and to revise and extend her remarks.

Mrs. ROUKEMA. Mr. Speaker, last year, Congress fenced all funding for new chemical weapons until two main conditions were met: First, that the weapons proposed actually work; and second, that our NATO allies approve of their production, I am here today to alert my colleague to the facts that these conditions have not been met.

The administration would have us believe that the Bigeye binary bomb is an effective, combat-ready weapon. It is not. If you have any doubts read the GAO report from last month which concluded that "Bigeye bomb is not ready for production" and that certain problems with the Bigeye remain intractable.

The administration would also have us believe that the North Atlantic Council of NATO has formally adopted the U.S. chemical weapons force goal. But they have not. Clearly the specific conditions mandated by Congress have not been met,

And to make matters worse, in what is generally considered a serious miscalculation, in order to gain the Defense Planning Committee's approval, the administration has agreed to withdraw our entire chemical deterrent force from Western Europe once production of the binaries begins. The White House also gave Bonn the right to refuse to accept, even in times of crisis, the binary chemical weapons that would replace the existing stockpile. As a consequence, the United States will withdraw our chemical weapons 5,000 miles from Europe while the Soviet Union will maintain its stockpile of deadly chemical weapons only miles from our NATO troops.

Action now to block production of binary chemical weapons in the DOD authorization bill next week is crucial to our chemical deterrence and essential if we are to avoid another Sergeant York [Divad] debacle. The Bigeye does not work—it must be defunded.

PAST TIME FOR TOUGH TRADE POLICY

(Mr. ERDREICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ERDREICH. Mr. Speaker, I suppose we should be cheered by the news that we are renewing negotiations with Japan on trade. We are going to talk and talk and talk some more, and while we are talking about trade, Mr. Speaker, LTV has gone into chapter 11. The steel industry across this country has been severely damaged and other industries across our Nation have been tremendously hurt by the unfair trade practices of our adversaries around the world.

Mr. Speaker, it is past time for talk. It is time for action. This House has passed a comprehensive, tough trade bill to the Senate. I would urge the other body to take action.

I would hope, Mr. Speaker, that we could have the help and support of the President of the United States and this administration.

It is past time for a tough trade policy for America.

CONGRESSWOMAN VUCANOVICH RECOGNIZES TOUR DE FRANCE WINNERS

(Mrs. VUCANOVICH asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. VUCANOVICH. Mr. Speaker, I would like to take a moment today to recognize two outstanding Nevadans from my district who have distinguished this country in the international cycling marathon, the Tour de France.

Greg Lemond, a resident of Reno, has become the first American ever to win the grueling Tour de France Cycle Marathon, which is known throughout the world as the most difficult cycle competition ever devised.

Inge Thompson, another Reno resident, placed third in the women's division of the Tour de France and was the fastest American woman to compete.

Mr. Speaker, the hard work and outstanding accomplishments of Greg Lemond and Inge Thompson deserve special recognition by the Members of this House.

Greg Lemond's championship ride, which involved over 100 hours of intense competition, will be an inspiration to all young American athletes.

Inge Thompson, who won third place after more than 27 hours, has moved women's cycle racing a giant step forward in this country, and, like Greg, she is an inspiration to our young people to achieve excellence in ahtletics.

I commend these two outstanding young American athletes from my district, and I wish them every success in future competitions and in everything they undertake.

They truly represent the best about America, the drive to explore new horizons, to try hard, to surpass their own expectations of themselves, to achieve, and to go on to victory.

OVERRIDE REAGAN VETO ON H.R. 1562, TEXTILE APPAREL TRADE ENFORCEMENT ACT

(Mr. HAYES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYES. Mr. Speaker, the administration's policies are becoming more and more alien to the guiding principals of our Nation every day. In a bizarre combination of constructive engagement and free trade, the Department of Commerce has agreed to increase the amount of textile imports from South Africa. What this agreement does is to make certain that more American textile workers will lose their jobs. It is an outrageous agreement that must be overturned.

Acceptance of this trade agreement also makes certain that our Nation is even more closely aligned with the racist apartheid regime in South Africa. We in the Congress must overturn this misguided action by voting to override the President's veto of H.R. 1562, the Textile Apparel Trade Enforcement Act.

This will force the administration to reduce textile imports, even from South Africa, which is not a member of the multifiber agreement. This body has already expressed its feelings about South Africa by passing punitive economic sanctions against the government there. The administration has ignored that statement and continued in its attempts to engage with racists in South Africa and to trade away American jobs and industry. Let us stand up once and for all for American workers and industry. In doing so we can also reaffirm our opposition to apartheid by overriding the Reagan veto on H.R. 1562.

A TRIBUTE TO THREE NEW MEMBERS OF THE BASEBALL HALL OF FAME

(Mr. BOEHLERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Speaker, as the Congressman who is fortunate enough to represent the village of Cooperstown, NY, I would like to take this opportunity to pay tribute to three men whose talents made them legends and whose memories will be enshrined this weekend—the newest members of the Baseball Hall of Fame: Willie McCovey, Bobby Doerr, and the late Ernie Lombardi.

Willie McCovey is only the 16th person ever to be inducted into the Hall of Fame in his first year of eligibility. In his 22-year National League career, McCovey hit 521 home runs, tying him for ninth place on the all-time list with another Hall of Famer, the Splendid Splinter, Ted Williams. And some say his 1969 season was one of the best ever by any player: a .320 average, with 45 homers and 126 RBI in just 491 official at bats—1986 has been good for the Red Sox: this year's team is leading the American League East Division, and Bobby Doerr has finally received the recognition he deserves. Doerr was an iron man at

second base for the Sox, playing there for nearly 2,000 games in his 14-year career. The center of the diamond was his; he was also an excellent hitter, with 223 career home runs and a lifetime .288 batting average.

It may be an understatement to say that the late Ernie Lombardi was slow of foot. It also took a long time—39 years—for him to reach the Hall of Fame. But through the 1930's and 1940's, the beloved "Schnozz" was one of the best behind the plate. A career .306 hitter with 190 home runs, it is sad that Ernie will not be in Cooperstown to receive his honor. He died in 1977 at the age of 69.

Mr. Speaker, it has been said that to understand America, one must understand the game of baseball. And part of that understanding is the recognition of those people who have made a lasting impact on America's pastime. And so, with fondest memories, I would like to extend my heartiest congratulations to the three newest members of baseball's elite: Willie McCovey, Bobby Doerr, and Ernie Lombardi.

LTV CORP. IN VIOLATION OF LAW

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the recent actions of LTV to me are an act of violation of the law. LTV did not make their decision to file chapter 11 on some fishing trip. They have attorneys that they pay $400 an hour and they know what the law says.

They are attempting to find a friendly judge in a friendly court of this country that will rule on their behalf and set a precedent which will change the law and further injure the American retirees of those corporations.

My position is very clear. The President of this country has now appointed 50 percent of the Federal judges. The Justice Department of this country has turned its back on the American people that it is supposed to represent and now represents the major corporations of our land. This is the crime of the LTV action.

My position in stating this on the floor today is this: Chapter 11 and the law is very clear. Section 1113, subsection (f), clearly states that LTV could not have taken this action and if they did, they would break the law.

The U.S. Justice Department should enforce the law and hold them to the law just like any other American.

I close by saying that the President has an attorney. LTV has attorneys. The current steelworkers have attorneys, but who is the attorney representing these retirees?

The Justice Department represents us and not these corporations and should do its job.

SOUND THE ALARM: WHERE IS THE TRIDENT?

(Mrs. JOHNSON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. JOHNSON. Mr. Speaker, I want to sound the alarm, that next year's Trident submarine has heaved-ho from the 1987 defense authorization bill, despite its high priority in the current modernization plan and the fact that it is the only invulnerable leg of our triad of deterrence.

The Navy says that an interruption in the Trident Program would swell the cost of that program by $500 million and would erode our shipbuilding industrial base at a time when we cannot allow that to happen.

A 1-year delay would also compromise our ability to offset the Soviet's accurate ICBM with our D-5 missile program.

Both Chambers, as well as the respective Armed Service Committees, have logged in time and again to reaffirm the one-per-year schedule for Trident building.

The President himself signed a national security directive which calls for the same and he reiterated the importance of maintaining this schedule in his June 1986 strategic modernization report to Congress.

Our entire force structure is based on the assurance that the firepower of those launching platforms will be available for deterrence of nuclear conflict by dates certain.

I urge my colleagues to help salvage the Trident Program and prevent its running aground in 1987.

PRESIDENT SHOULD STOP KOWTOWING TO RACISTS

(Mr. WILLIAMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILLIAMS. Mr. Speaker, the President of the United States must stop kowtowing to racists. P.W. Botha and his terrible racist regime in South Africa should not run America's human rights policy. They are being allowed to dictate it. They are being allowed to do so by Ronald Reagan.

□ 1050

This Nation has been known throughout the world not only for the glitter of our wealth, but also for the splendor of our ideals. In the best of our days we have had a grand tradition of promoting human rights around the globe.

Now the world is questioning America's long commitment to fair treatment, not only of our own citizens, but of the citizens of the world. The President of the United States should stop kowtowing to racists.

WITHDRAWAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4096

Mr. MONSON. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of H.R. 4096.

The SPEAKER pro tempore (Mr. MCCLOSKEY). Is there objection to the request of the gentleman from Utah?

There was no objection.

TAX REFORM MAY HURT AVERAGE CITIZEN

(Mr. MONSON asked and was given permission to address the House for 1 minute.)

Mr. MONSON. Mr. Speaker, according to the Senate Finance Committee, under the current tax reform measure now in the conference committee, on the average, individuals will receive a tax cut of over 6 percent. After computing the actual savings to taxpayers, however, we may not be in for much of a savings at all.

For example, when computing the 6-percent average, the following percentages were averaged: Earners with incomes of zero to $10,000 would save $43, resulting in a 76.8-percent tax cut. Earners with incomes of $10,000 to $20,000 would save $181, resulting in a 22.7-percent tax cut. In computing the overall percent of tax savings using the average tax savings in nine different earnings groups, five of the groups realized a tax savings below 6 percent.

Unfortunately, the tax savings for each group are based on the taxpayer using the standard deduction. However, if taxpayers itemize deductions, in most instances their taxes will increase because of the loss of several deductions allowable under the present Tax Code. For example, nearly every homeowner with a mortgage will itemize deductions. And, unless the increase in the exemption allowance exceeds the loss of itemized deductions, they will be required to pay more taxes. Nearly every two-wage-earner couple, whether they use the standard deduction or itemize deductions, will have an increase in their tax bill.

So, it seems that the averages being cited can be very misleading. Tax reform should not result in higher taxes for the average citizen. Again, I ask my colleagues to examine the substance of the tax reform proposal now in the conference committee. Granted, the bill may be historic, but it may not make the kind of tax reform history we want and need.

ELIMINATE MANDATORY RETIREMENT AT AGE 70

(Mr. BIAGGI asked and was given permission to address the House for 1 minute.)

Mr. BIAGGI. Mr. Speaker, last week, the House Education and Labor Committee reported out an important bill—to eliminate the most visible and remaining form of age-based discrimination—mandatory retirement at 70.

I am a proud original cosponsor of the measure, authored by our beloved colleague, 85-year-young, CLAUDE PEPPER.

In 1978 in what was considered a landmark law, Congress eliminated mandatory retirement at age 65 for most Americans.

The age was raised to 70 for most private sector work.

The problem is more than 8 years has elapsed and the same people we protected in 1978 are again victims in 1986 because they are 70 and over and once again face mandatory retirement.

It is high time for Congress to complete our commitment to end age-based discrimination. It is imperative that the leadership put this bill on a fast track for final action this year.

It is vital that we make as a national policy, that ability not age, competency not chronology, are the only criteria used to keep a person on the job.

We have worked to outlaw racism and sexism by statute, So, too, must we with ageism.

TRADE WITH ROMANIA IS HUMAN-RIGHTS ISSUE

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, yesterday we came very close in this body—we had 190 Members—to sending a message to the Romanian Government that we will not allow the persecution and the continuation of MFN.

Let me tell you, that debate generated and was based on human rights. Frankly, this issue is a human-rights issue. But for those who are interested in trade and other issues, let me give an example. Our trade deficit with Romania rose from nothing in 1980 to $743 million in 1985, because of Romania's dumping of rolled steel products—rolled steel products from the Midwest; shoes, from Maine and places like that; textiles made out of practically slave labor wages. It cost jobs to American steelworkers and textile workers and in the shoe industry.

Second, Romania's often quoted record of voting in favor of us in the U.N. General Assembly no longer exists. While in 1981 Romania voted over 16 percent of the time with us while the U.S.S.R. did so only 13.3 percent of the time, in 1985 the Soviet percentage remained fairly constant, and the Romanian percentage fell to 12.5. Thus Romania, to whom we give most-favored-nation status, cast less favorable votes in the United Nations for the West than the Soviet Union itself.

I want to tell the Romanian Government that we are coming, we are going to stick with this issue, and I think that we are going to sensitize this Congress and this country whereby this Congress will resolve to knock out most-favored-nation status unless the Romanian Government loosens up and provides and allows for human rights.

LONG-TERM-CARE INSURANCE FOR THE ELDERLY ACT OF 1986

(Mr. ROWLAND of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROWLAND of Georgia. Mr. Speaker, last week I introduced legislation which I hope will encourage many Americans to better plan for their future. With our elderly population rapidly increasing, it is time for us to be considering means by which the costs of nursing home care and home health care can be borne without undue reliance on the Federal Government. At at time of reduced revenues, we should address alternative methods for achieving social goals, rather than depending so much on Government programs. This legislation would help achieve that end by allowing individuals over age 59½ to purchase long-term health care insurance using IRA funds without being taxed on those dollars expended on the premium. This tax incentive would decrease on a graduated scale for those with higher incomes. There are very few individuals purchasing long-term-care insurance today and there are few companies offering such coverage. I hope that this bill will create a better environment for the growth of these policies, so that in the future our elderly citizens will have help with the high cost of nursing home care and home health care. In addition, the purchasers of long-term-care insurance will be able to avoid the tragic circumstances which many of our current senior citizens face: Spending down their financial resources until they qualify for Medicaid. I hope, Mr. Speaker, that this bill will help to begin the process by which we can assure our elderly better access to nursing home care by permitting them to plan for their future health needs.

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1987

Mr. LEHMAN of Florida. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 5205) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1987, and for other purposes.

The SPEAKER pro tempore (Mr. MCCLOSKEY). The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

□ 1057

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 5205, with Mr. GRAY of Illinois, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN (Mr. PANETTA). When the Committee of the Whole rose on Tuesday, July 29, 1986, all time for general debate had expired.

Pursuant to House Resolution 507, an amendment striking the colon and all that follows on page 23, line 19, through line 25 and inserting a period in lieu thereof is considered as having been agreed to.

An amendment printed in section 2 of said resolution is in order if offered by Representative MOLINARI.

The Clerk will read.

The Clerk read as follows:

H.R. 5205

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Transportation and related agencies for the fiscal year ending September 30, 1987, and for other purposes, namely:

Mr. CONTE. Mr. Chairman, I move to strike the last word.

□ 1100

(By unanimous consent, Mr. CONTE was allowed to proceed for 1 additional minute.)

The CHAIRMAN. The gentleman from Massachusetts [Mr. CONTE] is recognized for 6 minutes.

Mr. CONTE. Mr. Chairman, I rise in support of this bill making appropriations for the Department of Transportation and related agencies for fiscal year 1987.

The bill is a model of fiscal restraint, while addressing our most critical national transportation issues.

The fact that it has been possible to respond to our national transportation needs, while staying below our budget resolution targets, is a real tribute to the leadership of our chairman, the gentleman from Florida [Mr. LEHMAN], and our subcommittee's ranking mi-

nority member, the distinguished gentleman from Pennsylvania [Mr. COUGHLIN]. The members of the subcommittee, on which I myself have served since its creation in the late 1960's, have spent a great deal of effort in crafting this bill and I hope that it will receive the overwhelming support of my colleagues.

The chairman has already outlined the major provisions of this bill, and so I would simply like to highlight a few items that may be of particular interest to my colleagues. First of all, I want to emphasize that the bill meets our budget resolution 302(b) allocation for budget authority. Now, I know that there may be claims later on that we are over the resolution in outlays.

But I think that when one recognizes how inexact the process of calculating those outlays is, my colleagues will have to agree that the alleged coverage in discretionary outlays—$13 million on a bill containing over $26 billion in total outlays—it is clear that any excess is simply a technical matter at best. Furthermore, I should point out that on total outlays contemplated by the bill—the combination of mandatory and discretionary spending—we are actually $495 million below our 302(b) assumption. So I hope that my colleagues will resist any temptation to make reductions in this bill.

I would like to take a moment to point out that while we have provided for a significant increase in Coast Guard operating expenses in this bill, approximately $222 million above last year, that amount is somewhat overstated because last year the Coast Guard received almost $100 million by transfer from the Navy for defense-related operations. So although there is an increase in this bill, it is not as large as it looks—and also not as large as could be fully justified by the increasing number and scope of missions that the Coast Guard is called on to perform.

For the Coast Guard's procurement, or AC&I account, we have provided $101.8 million, nearly $127 million less than was provided last year. Although some of this shortfall will be made up from last year's coastal defense augmentation funds in the Defense Appropriations Act, not all of it will be. It is my hope that a more appropriate level of funding, commensurate with the Coast Guard's need for additional aircraft, vessels, and shore facilities, can be provided when the other body considers this bill.

For Amtrak, the committee has provided $613 million—$602 million in new appropriations and $11 million by transfer from previously appropriated funds. This amount is $34 million below Amtrak's request, and in my opinion, represents a truly "bare bones" approach for Amtrak's funding needs. At this level, capital spending can be used only for the most critical safety-related items. Any cuts below this amount will cause the serious deterioration of the national Amtrak route system.

If, as expected, there is an amendment later today to reduce funding for Amtrak, I hope that my colleagues will oppose any further cuts.

Finally, let me note that for urban mass transportation, we have provided funding at a level of $2 billion for the section 9 and section 18 formula grant programs, and have maintained operating assistance at the authorized level of $879 million. I believe that these transit programs serve an important need for the mobility of our citizens in both urban and rural areas, and are especially important for those transit-dependent populations—the elderly and the underprivileged—who would otherwise have no transportation alternatives.

Mr. Chairman, this is a carefully crafted bill, a fiscally responsible bill, and a bill that provides for our critical transportation needs. I urge its adoption.

Mr. STUDDS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of this legislation, and as chairman of the Subcommittee on Coast Guard and Navigation, I want to express particular support for the recommended funding level of $1.85 billion for operating expenses for the Coast Guard. If this legislation is approved, and if the Senate passes a similar bill, and if the appropriation is not slashed by reductions carried out under the Gramm-Rudman law, the Coast Guard should be back—almost—at full operating strength.

Due to a lack of funds, the Coast Guard has had to operate throughout this fiscal year at a reduced level of efficiency and effectiveness. Routine patrols have been curtailed, needed training has been postponed, maintenance projects have been delayed, and senior Coast Guard officers and enlisted men have been urged to retire early.

These cutbacks have had predictable results. Maintenance problems—especially on older Coast Guard cutters—have increased; morale has suffered; and those with the skills to look elsewhere for a job, such as Coast Guard pilots, have resigned. More than three times as many Coast Guard aviators resigned from the service during 1985 and the first 8 months of fiscal 1986 than did so during the previous 2-year period.

Mr. Chairman, in the near future, the House will consider—and approve—an omnibus drug law enforcement bill. In developing that legislation, I urge Members tempted to increase the drug law enforcement role of the Department of Defense to remember that law enforcement is precisely the role that the Coast Guard has been trained effectively and relatively inexpensively to perform.

Since 1981, while the other Armed Forces have been blessed with a $1 trillion military buildup, the Coast Guard has been cut by 2,000 military and civilian personnel. The Coast Guard has been plagued by maintenance problems with its older cutters, and startup problems with new medium endurance cutters, jets, and short-range helicopters. Despite this, and despite the reduction in its level of personnel, the Coast Guard more than doubled the number of cutter and aircraft hours devoted to general law enforcement between 1981 and 1985. But this practice of doing more with less cannot go on forever. A breaking point is sure to come.

So, if we are looking to increase the role of the military in law enforcement, let us look no further than the only Federal institution that is both a law enforcement agency and a military service. The Coast Guard is trained to do the job in law enforcement, just as it is trained to perform its even more important task of search and rescue, and its many other jobs in behalf of the American people. The time has come for us to let the Coast Guard be the Coast Guard. This bill today is an important step in that direction.

Mr. Chairman, I want to congratulate the gentleman from Florida [Mr. LEHMAN], the gentleman from Pennsylvania [Mr. COUGHLIN], the gentleman from Massachusetts [Mr. CONTE], an old friend of the Coast Guard who preceded me, for this bill and for the work that has gone into it.

Given the constraints under which he is required by the budget process to work, the gentleman from Florida [Mr. LEHMAN] has produced a bill that is as fair to the Coast Guard as it possibly could be. He and the bill deserve the support of this House.

I hope Members resist any effort to restrict further this very modest allocation of funds to the Coast Guard.

Finally, Mr. Chairman, let me remind Members who may be tempted by across-the-board cuts which might materialize later today on the floor, that a few months ago, on March 1 of this year, when the 4.3-percent Gramm-Rudman sequestration occurred, the Coast Guard lost $106 million overnight, most of which was from its operating budget.

The bottom line, as the gentleman from Massachusetts [Mr. CONTE], has just pointed out, is that the moneys in this bill, when all is said and done, result in essentially the same level of funding for the Coast Guard in fiscal year 1987 as was the case in fiscal 1986.

I would trust that all Members, particularly those who are tempted to give speeches from time to time about the importance of the interdiction of

illicit narcotics, will ardently defend the numbers of this bill and will see to it that no cuts, across the board or otherwise, are tolerated for the Coast Guard.

Mr. PURSELL. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from Michigan.

Mr. PURSELL. Mr. Chairman, I appreciate the leadership of the gentleman from Massachusetts [Mr. STUDDS], particularly in the Coast Guard program. Some of us have been studying the Coast Guard program historically overall throughout all of the world. A lot of their missions historically have been in Europe.

We had a little colloquy on that last year. In looking at further statistics, we find that the Coast Guard has 331 personnel stationed in Europe. I know I was a former military officer and it is nice to have those kinds of assignments, but I think with the drug war and with the epidemic facing this Nation in some of our islands around Florida and the Bahamas, Colombia, and Bolivia, I really think we ought to take a close look, both on the jurisdictional committee and our Appropriations Committee, about possible lateral transfer of those personnel in Europe to our continental United States to fight the drug war. The Coast Guard is short resources to assist in drug interdiction.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. STUDDS] has expired.

(By unanimous consent, Mr. STUDDS was allowed to proceed for 2 additional minutes.)

Mr. PURSELL. It is possible that the Coast Guard does not need to fulfill all of those historical missions that they have had, the loran program, and others, in Europe when we have such an acute drug war in the continental United States.

Mr. STUDDS. Mr. Chairman, let me say to the gentleman, I appreciate his concern, and I certainly cannot say to him with certainty that all 331 positions overseas of the Coast Guard are essential; but I would suggest to the gentleman that there are other agencies, most particularly the Department of Defense, with orders of magnitude greater than 331 people in Europe and overseas, and no one suggests that simply because the location physically is Europe that it is some kind of a plum.

The Coast Guard, as the gentleman knows, has worldwide responsibilities for long-range aids to navigation, which are essential among other things to the U.S. military for navigation.

Let me remark to the gentleman, as he also knows, that almost everything the Coast Guard does is what is called multimission. Its vessels, its aircraft, its helicopters, and so forth, engage in law enforcement, fisheries law enforcement, drug law enforcement, search and rescue, marine environmental responsibility, and a host of other responsibilities imposed upon the Agency by this Congress.

That is a rather small number to be posted around the world for an agency with the principal responsibility for assisting long-range aids to navigation.

So I would ask the gentleman to bear that in mind.

Mr. PURSELL. Mr. Chairman, if the gentleman will yield further, I appreciate that and I would have no objection to maybe additional transfers from the Department of Defense to look at this drug problem also.

I think this is a national epidemic that we face in this Nation, and to look at the missions that have been appropriate in the past and look at our current historical battle here, with drug wars, I think there is no question that we are going to have to make some lateral transfers in many agencies to make this an all-out attack on a war that is spreading fast in all facets of our society.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE I—DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary of Transportation, including not to exceed $30,000 for allocation within the Department of official reception and representation expenses as the Secretary may determine; $938,000 for the immediate Office of the Secretary, $469,000 for the immediate Office of the Deputy Secretary, $5,300,000 for the Office of the General Counsel, $7,465,000 for the Office of the Assistant Secretary for Policy and International Affairs, $2,096,000 for the Office of the Assistant Secretary for Budget and Programs, $2,475,000 for the Office of the Assistant Secretary for Governmental Affairs, $20,030,000 for the Office of the Assistant Secretary for Administration, $1,400,000 for the Office of the Assistant Secretary for Public Affairs, $746,000 for the Executive Secretariat, $390,000 for the Contract Appeals Board, $1,260,000 for the Office of Civil Rights, $478,000 for the Office of Commercial Space Transportation, $1,750,000 for the Office of Essential Air Service, $565,000 for Regional Representatives, and $3,732,000 for the Office of Small and Disadvantaged Business Utilization, of which $3,000,000 shall remain available until expended and shall be available for the purposes of the Minority Business Resource Center as authorized by 49 U.S.C. 332: *Provided*, That, notwithstanding any other provision of law, funds available for the purposes of the Minority Business Resource Center in this or any other Act may be used for business opportunities related to any mode of transportation.

AMENDMENTS OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: In title I, on page 2, line 11, strike "$7,465,000" and insert in lieu thereof "$7,150,000".

Mr. WALKER. Mr. Chairman, I have amendments at the desk numbered 1 through 4 that all go to the same subject area, and I ask unanimous consent that those amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. LEHMAN of Florida. Mr. Chairman, I reserve the right to object to the en bloc consideration.

Mr. Chairman, I yield to the gentleman from Pennylvania [Mr. WALKER] to explain the nature of his amendments.

Mr. WALKER. Mr. Chairman, I have four amendments, essentially, at the desk, that all go to title I.

One takes money out of the Office of the Secretary and then puts that money back into the Coast Guard.

Another takes the money out of the $20 million in the Federal Highway Program and puts that into the Coast Guard. What I am trying to do is to save the House some time by considering them altogether rather than having this discussion four different times.

Mr. LEHMAN of Florida. Mr. Chairman, I withdraw my reservation of objection to the en bloc consideration.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennslyvania?

There was no objection.

Mr. LEHMAN of Florida. Mr. Chairman, I reserve a point of order against the amendments.

The CHAIRMAN. The gentleman from Florida [Mr. LEHMAN] reserves a point of order on the amendments.

The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. WALKER: In title I, on page 4, line 9, strike "$1,849,800,000" and insert in lieu thereof "$1,850,115,000".

And on line 11, strike "$372,983,000" and insert in lieu thereof "$373,298,000".

The CHAIRMAN. Prior to proceeding with the amendments, is the gentleman's request to be amended?

Mr. WALKER. Yes, Mr. Chairman, it would be 1, 3, and 5.

The CHAIRMAN. The Chair understands that the gentleman is amending the request for consideration en bloc.

Mr. WALKER. Mr. Chairman, because of the fact that the two amendments that were meant to coordinate these would amend the same place twice, there is an amendment at the desk that would go to numbers 1, 3, and 5, which would in fact then overcome that problem.

The CHAIRMAN. The Clerk will report amendments 1, 3, and 5.

The Clerk read as follows:

Amendments offered by Mr. WALKER: In title I, on page 2, line 11, strike "$7,465,000" and insert in lieu thereof "$7,150,000".

In title I, on page 24, line 8, strike "$122,000,000" and insert in lieu thereof "$102,000,000".

And on page 24, line 11, strike "$121,060,000" and insert in lieu thereof "$101,060,000".

In title I, on page 4, line 9, strike "$1,849,800,000" and insert in lieu thereof "$1,870,115,000".

And on line 11, strike "$372,983,000" and insert in lieu thereof "$393,298,000".

The CHAIRMAN. The Chair will now put the question on the unanimous-consent request, as modified.

The request is to consider these amendments en bloc. Is there objection to that request?

There was no objection.

POINT OF ORDER

Mr. LEHMAN of Florida. Mr. Chairman, I insist on my point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. LEHMAN of Florida. Mr. Chairman, I make a point of order against the amendment because it is in violation of section 302(f) of the Congressional Budget Act, as amended by Public Law 99-177. The Committee on Appropriations filed its subcommittee allocation for fiscal year 1987 pursuant to section 302 of the Congressional Budget Act on July 15, 1986. This is House Report 99-673.

These amendments would provide new budget authority in excess of the subcommittee allocation and is not permitted under section 302(f) of this act.

I ask that the amendments be ruled out of order, and Mr. Chairman, under the gentleman's amendment, $20 million in new budget authority is being added to the Coast Guard; however, all but $350,000 of the amounts intended to offset come from contract authority obligation limitations. These do not count as the budget authority and cannot be used to keep this bill within our budget allocation. Contract authority is separate from the rest of these kinds of moneys.

Mr. CHAIRMAN. Does the gentleman from Pennsylvania wish to respond?

Mr. WALKER. Mr. Chairman, the 302 authority being brought to the Congress under its own report specifies the amounts that are included in the committee's report as a total sum.

I have reduced figures in one portion of the bill in order to add figures in the other portion of the bill; and so therefore bring it in with the same 302 numbers that the committee has brought to us.

So I am, in fact, under the legislation, bringing the cuts that are necessary in order to keep the committee from exceeding its 302 allocations.

Mr. CHAIRMAN. The Chair would ask the gentleman from Pennsylvania [Mr. WALKER] if he counts as toward his reduction the elimination of the contract authorization on page 24 of the Highway Safety Act?

Mr. WALKER. Under the amendment that is before the House, included in the cuts, on page 24, line 8, is the cut specified.

Let me say to the Chair, however, that that is money which is given in grant authority to the States. That is, both the Congressional Research Service and the Department of Transportation, have told this gentleman that that is money which goes to the States in grants and so therefore is money that should be allocated under 302.

□ 1120

The CHAIRMAN. Does the gentleman from Florida wish to speak to the point?

Mr. LEHMAN of Florida. Mr. Chairman, just for a point of clarification, the sums that the gentleman from Pennsylvania is talking about are not considered budget authority. I think that is the problem that we are dealing with now.

The CHAIRMAN. Does the gentleman from Pennsylvania [Mr. WALKER] have any further arguments to make?

Mr. WALKER. No, Mr. Chairman.

The CHAIRMAN (Mr. PANETTA). The Chair is prepared to rule.

The Chair is to be guided by the requirements of 302(f) in that any amendment to H.R. 5205 which would increase new discretionary authority in the bill or would increase direct loan new credit authority in the bill by more than $24 million would violate section 302(f) of the Congressional Budget and Impoundment Control Act of 1974.

Section 302(f) provides that it shall not be in order to consider any bill, resolution or amendment which, if enacted, would exceed the appropriate allocation made pursuant to section 302(b) for the fiscal year of new discretionary budget authority or new credit authority.

The question then comes down to whether the provision on page 24 relates to discretionary budget authority or not. It is the Chair's view that this deals not with such budget authority but with grant money and therefore the amendment would indeed violate section 302(f) by causing a net increase in discretionary budget authority and therefore sustains the point of order.

AMENDMENTS OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer amendments Nos. 1 and 2, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. WALKER: In title I, on page 2, line 11, strike "$7,465,000" and insert in lieu thereof "$7,150,000".

In title I, on page 4, line 9, strike "$1,849,800,000" and insert in lieu thereof $1,850,115,000".

And on line 11, strike "$372,983,000" and insert in lieu thereof "S373,298,000".

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania that the amendments be considered en bloc?

Mr. LEHMAN of Florida. Mr. Chairman, reserving the right to object, I would just like the gentleman from Pennsylvania to explain these two amendments.

Mr. WALKER. Mr. Chairman, if the gentleman will yield, what this essentially does is, it takes money out of the Office of the Secretary and puts it over into the Coast Guard. It is a fairly modest sum of money, $315,000, but it is money that is presently in the Office of the Secretary, which is used as an enforcement mechanism, out of the Office of the Secretary, for the 55-mile-per-hour speed limit.

If that gets away, we will have to come back and look at some of the other things. I am sorry we are going to have to put the House through a couple of debates here because we will have to go back and look at that $20 million, under NHTSA. There is another way of doing it which is a little more difficult, but nevertheless can be done.

So we will have to come back to that later on if we cannot go through this exercise. But for the time being, this particular amendment simply takes money out of one place and puts it into the other relative to the enforcement of this 55-mile-per-hour speed limit and allocating the money instead to the Coast Guard.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The gentleman will withhold.

The gentleman from Florida has reserved the right to object.

Does the gentleman continue his reservation?

Mr. LEHMAN of Florida. Mr. Chairman, I do object to the en bloc consideration. I would ask the gentleman from Pennsylvania to offer his amendments separately.

The CHAIRMAN. Objection is heard.

There is one amendment pending.

The text of the pending amendment is as follows:

Amendment offered by Mr. WALKER: In title I, on page 2, line 11, strike "$7,465,000" and insert in lieu thereof "$7,150,000".

Mr. WALKER. Amendment No. 1 is pending? Very well.

Well, I am sorry we are going to have to put the House through this. You know, what often happens is that those of us who offer amendments are then accused of delaying and gumming up the works of the House. I would suggest to the House that here is a

good example that the committee just does not want us to proceed on it and get to the substance of the issues.

But I will go ahead, and we will go through the whole process. We will offer them one by one by one, and instead of having one vote that could have covered the whole issue, we will end up with four or five votes here today on the issues involved. And I think the House should understand that they have been put to four or five votes by the committee because the committee is more concerned about procedures than they are in addressing the issues.

But let us begin then with the amendment that is before us.

The amendment before us essentially cuts $315,000 out of the Office of Secretary.

Why that amount of money? When we asked the Congressional Research Service and the Department of Transportation, "Where does the money come from that is used to monitor the States' compliance with the 55-mile-per-hour speed limit?" we were told it was in the Office of the Secretary and amounts to $315,000. That is the reason for this money.

If you want to find it, if you want to decide that you are going to allocate additional priority to the Coast Guard, then you have to find some money to give that priority to the Coast Guard.

This gentleman has come to the determination that we ought to have a debate about the priorities here because both of them are law enforcement. We have the Office of the Secretary spending $315,000 for law enforcement activities nondrug related. These law enforcement activities are strictly on 55-mile-per-hour speed limit.

This gentleman's contention is that this is $315,000 that could be better used to fight drugs in this country.

Ultimately what we hope to do is get to the whole $20 million question that is in this bill. This Federal Government spends $20 million per year to enforce a law which the States are perfectly capable of enforcing. The States, for generations, enforced the speed limits themselves. Now the Federal Government is spending $20 million a year for that particular enforcement. This gentleman simply believes, and I think a number of other colleagues would probably agree, that $20 million spent on law enforcement today would be better spent trying to interdict drug traffic into this country and save some of the thousands of lives that are being lost every year in this country to drug deaths from taking place.

You know, it seems to me that you want to look at these two laws. I have been conducting a little bit of an experiment of my own here recently, watching Members of Congress driving their cars around the Washington, DC, area. You know, and I include myself in this, we are not very good at obeying the 55-mile-per-hour speed law. Those cars are driving around with our plates on them, we do not seem to think we have very much association with that. The fact is that the American people do not either. Driving down here from my district this week, I just experimented to find out how many people were driving at 55. If you had driven at 55 on the interstates I was on, you were a danger to everybody around you because the traffic in all the lanes was moving at a speed faster than that. You were a danger on the road at 55. And Members of Congress, like everybody else, are going with the flow of the traffic. The traffic is going faster than 55 virtually everywhere in the country today.

What we are saying is we have a national law that suggests it is more important to prosecute people for going 56 miles an hour than it is to find kilos of drugs and prosecute for them.

Now, it seems to me that that is not a rational policy choice. It is not a rational choice of priorities in this day and age. Yet, that is exactly what we are doing.

Let me put it the other way—or another way: it seems to me the drug laws are probably pretty faithfully obeyed around here. I do not know too many druggies we have in the Congress. There may be some; I may not know them.

But I think that we pay a good deal of attention to that because we think we have an example to set there, and we also feel as though that is someplace where we ought to have stiff enforcement. We would be worried about the enforcement there, and that is as it should be.

But it gives a sense of priorities around here that it seems to me then ought to be reflected in the laws of the land.

So this is a modest attempt, that is where the first money comes, to try to shift that priority away from the idea that a 55-mile-per-hour speed limit means anything. In fact, it is a frustration right now for law enforcement. Law enforcement in this country is spending a lot of time trying to enforce an unenforceable law and really having a great deal of manpower and time that is wasted on that kind of enforcement.

Would that not be better used in drugs? Would we not be better off giving $20 million to the police of this country to enforce the drug laws? I think we would be.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I would be glad to yield to the gentleman from California.

Mr. HUNTER. I thank the gentleman for yielding.

Mr. Chairman, I commend the gentleman on his efforts to make this transfer, and I think that the whole House recognizes it, and the Republican and Democratic leadership and the White House recognize the new prioritization that we are going to have to go through if we are going to win the war against narcotics.

I have a proposal that has been put together by Members on the Democratic side that is going to call for, in the U.S. Customs Service, Drug Interdiction Enhancement Act, some $384.8 million in new expenditures.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WALKER] has expired.

(By unanimous consent, Mr. WALKER was allowed to proceed for 2 additional minutes.)

Mr. HUNTER. Will the gentleman continue to yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. HUNTER. I thank the gentleman.

Mr. Chairman, this is a good package. I have looked at it, and I think it has a lot of merit. Yet here is $384 million that we are going to have to come up with in a DOD package that is a combination of Ed Meese's board and the work of Members of Congress of the House and Senate such as Senator DECONCINI and Congressman ENGLISH. We have a total of $440 million that are going to have to be found to successfully start or initiate a success in the battlefield of narcotics.

Here we have an opportunity to make a $20 million switch or change in priorities, and I think it is appropriate. I think it has merit.

I would ask the gentleman to do one thing for the Members who did not follow completely the analysis that was given by the Chair and by the gentleman from Pennsylvania. Precisely, what is the problem with moving $20 million from the 55-mile enforcement act to the narcotics interdiction section or to the Coast Guard?

Mr. WALKER. The ruling of the Chair was that that was contract authority and so therefore was not included in the 302 allocations. So therefore that the amendments en bloc would add spending at a level above what is permitted in the bill. I will say to the gentleman that we can come back and correct that. We will simply take it out of the NHTSA accounts, the National Highway Traffic Safety Administration; we will take it out of accounts there that are available to us and allow them to switch the money in, as they do all the time, out of the highway trust fund into their own accounts.

So we will figure out a way to do that and go through that whole process. It is ridiculous, it is ridiculous; but it is exactly the way that we have pri-

orities determined around here, by ridiculous mechanisms. But we will go through that in order to find the $20 million that I think the American people want to fight the drugs more.

Mr. HUNTER. Will that $20 million still come from the 55-mile-per-hour enforcement?

Mr. WALKER. I would say to the gentleman that is exactly what we intend to do, we will take the money out of that unit that is in the process of spending $20 million for the 55-mile-per-hour speed limit and transferring that.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WALKER] has again expired.

(On request of Mr. HUNTER and by unanimous consent, Mr. WALKER was allowed to proceed for 2 additional minutes.)

Mr. HUNTER. Mr. Chairman, will the gentleman continue to yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. HUNTER. I thank the gentleman.

Mr. Chairman, I think if we are going to be bringing it out of the same pot, then I think it has merit. I think it is something that this Congress should do. Our real ultimate priorities are manifested on this floor in our passing these appropriations bills. I think we are going to see—the House leadership, the Speaker has said we are going to have a major narcotics effort in the next 30 to 45 days, we are going to try to have a package through here before we get out September 10. This $20 million would go a long way toward satisfying the enormous funding requirements that this package is going to entail, and anything we can do with the $20 million we will not have to do later.

Mr. WALKER. If the gentleman would allow me to reclaim my time, I think we ought to tell the Members very honestly that the first amendment here that we have is a very modest amendment of $315,000 that speaks only to the Office of the Secretary, and then we will have to offer another amendment then to switch that into the Coast Guard.

It is a fairly modest amount. It is $315,000 that it seems to me the Coast Guard can use.

The chairman of the Subcommittee on Coast Guard was right here a few minutes ago in the well, they are still under restraints. This is $315,000 that certainly they can use. But it is a fairly modest sum. We are going to have to find the $20 million a little bit later, and I hope that the Members will support this first effort, and then we will move on from there in order to try to get the $20 million.

The gentleman makes reference to the bipartisan drug package that we are coming up with. That has $90 million additional in it for the Coast Guard. Ninety million dollars more is going to be needed, and yet we will not have any budget authority, and we will not have any appropriations to cover that $90 million unless we begin to do something right here on the floor. Twenty million dollars is not $90 million, but it is a longer step than we would take otherwise.

□ 1135

Mr. HUNTER. Mr. Chairman, I thank the gentleman.

I would just say that the $300,000 and some that the gentleman is requesting in this amendment could be the money that supports that additional staff position or that additional agent position.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WALKER] has again expired.

(On request of Mr. HUNTER, and by unanimous consent, Mr. WALKER was allowed to proceed for 30 additional seconds.)

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, that money, I would say to the gentleman, could support that additional agent or that additional Coast Guard personnel who would make the multimillion-or multibillion-dollar drug bust. In some cases out here, we have an opportunity to make some enormous headway with only a few additional people.

I think this is a very meritorious amendment.

Mr. LEHMAN of Florida. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

The gentleman from Pennsylvania made reference to trying to expedite the movement of these amendments. I just think that each of these amendments deserve full consideration on the floor and, as far as I am concerned and as chairman of the subcommittee, I would like to see that happen.

Second, with regard to the money needed to fight the problem of drugs, we have put a floor this year, a minimum requirement, in the Coast Guard operating expenses appropriation for not less than $373 million to be spent for drug interdiction. That is about $60 million more than we spent last year for the same battle. We will continue to amply fund the Coast Guard to the maximum amount needed to fight this plague of drugs in this country.

As far as the 55-mile-an-hour speed limit is concerned, I strongly support that. It has saved thousands of lives. I think that the Office of the Secretary should have the kinds of funds available in order to continue its enforcement of the 55-mile-an-hour speed limit to eliminate the horror on our highways that high speeds in past years have caused.

I do not think anyone here has taken a tougher line against the Office of the Secretary of Transportation than I have. We have cut the Office of the Secretary by nearly $2.5 million from the budget request. I do not think that my motivations in this case are any different. But I think if we cut this Office for Policy with regard to the enforcement of the 55-mile-an-hour speed limit, it will do severe damage not only to the Office of the Secretary, but to her ability to carry out her job.

I realize that $315,000 is not a very large amount and that some Members may feel that it is an easy amendment to vote for. But that would be unwise.

I would like to caution that we are not voting right now on the 55-mile-an-hour speed limit. We are not voting on more money at this time for drug interdiction. We are simply voting on the $315,000 reduction in the Office of the Secretary.

Therefore, any amendment to reduce funds results in a reduction of personnel. The Department advises me that a reduction of $315,000 for this Office would result in a loss of about 14 personnel and that this would have a serious adverse affect on the Office's ability to meet its international aviation, essential air service and other policy responsibilities.

While I have not always agreed with the Secretary's policies, I do believe that the Secretary of Transportation should be the focal point for initiating transportation policy recommendations and the Assistant Secretary for Policy should play a major role in assisting the Secretary in this endeavor. I do not believe it would be wise to curtail the Secretary's efforts to develop rational and coordinated transportation policies.

Mr. Chairman, once again I want to reiterate, we are not voting on the elimination of the 55-mile-an-hour speed limit, we are not voting on increasing money for drug interdiction, we are simply voting on an amendment that would cut the Office of the Secretary's Office for Policy.

I strongly urge my colleagues to vote against this amendment.

Mr. HUNTER. Mr Chairman, will the gentleman yield?

Mr. LEHMAN of Florida. I yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, I thank the distinguished chairman for yielding, and I appreciate the gentleman's leadership on this bill.

I know we have put a lot of money into the Coast Guard in this particular bill, but I think it is important for Members to know that one of the bills introduced yesterday on a narcotics package calls for an additional, I be-

lieve, $90 million for the Coast Guard for narcotics interdiction.

So, understanding that you have done a lot more than you did last year, I think that is going to be a part of the package that the leadership of the House is going to endorse on a bipartisan basis in the next several days or several weeks, is an additional $90 million.

Mr. LEHMAN of Florida. Mr. Chairman, I say to the gentleman from California we are not precluding this $90 million. We only put a minimum in our bill of $373 million. Anything more than that can be added to our minimum.

Mr. SHUSTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I must reluctantly rise to oppose my good friend and colleague from Pennsylvania.

We should realize that this is the first of a series of amendments to eliminate the effective enforcement of the 55-mile-an-hour speed limit.

Now I must confess that when this legislation originally passed the House, I was against the 55-mile-an-hour speed limit. Mr. Chairman, I must also confess that I was wrong.

I was wrong because the evidence is overwhelming that the 55-mile-an-hour speed limit is saving lives. For example, the Transportation Research Board indicates that between 2,000 to 4,000 lives a year are saved due to the reduced speed limit.

Let me emphasize that, as everybody knows, many people exceed the 55-mile-an-hour speed limit. But that is not the issue. The issue is that if we have a 55-mile-an-hour speed limit, then some people do exceed it and we get average speeds out on the interstate of about 65.

However, the key point is if we increase the speed limit to 65, then we would be back at average speed limits of 75. So by having a 55-mile-an-hour speed limit, we clearly have reduced the average speeds on the interstate and, according to all the evidence, this has saved thousands of lives each year.

Now there are those who argue that yes, when we first passed that, the reason we had that big drop of 10,000 lives saved in the first year, some of which attributable to 55, the reason that happened was because back then during the Arab oil embargo we had a reduction in miles driven. And that is true.

Let me give you the precise statistics. On that first year after we passed it, instead of having the normal 8 or 9 percent increase in average miles driven, which we experience as a growing society every year, we had a 1-percent decrease in miles driven. But, ladies and gentlemen, we also had an 18-percent decrease in highway fatalities. The evidence is overwhelming. The 55-mile-an-hour speed limit and enforcement thereof is saving thousands of lives.

We should also recognize that one of the amendments that the gentleman says he is going to propose, which is to transfer $20 million to wipe out the enforcement of 55, according to the gentleman will come out of the highway trust fund. Now we should understand that this is a very fundamental policy decision that we would be making here today, a decision to take user fees from the highway trust fund and transfer them to another program, a program which I might add is a very meritorious program. There is nobody in this House who more strongly supports drug enforcement than this Member, but I say those decisions should be made on their own merits and we should not attempt to raid the highway trust fund to take funds to eliminate the enforcement of a lifesaving safety measure.

For all those reasons, I say we should vote down this amendment, the first of several which will attempt to eliminate enforcement of the 55-mile-an-hour speed limit.

I would say to my dear friend and colleague, the gentleman from Pennsylvania, my neighbor, my philosophical soulmate on so many issues, that if indeed one wants to eliminate the 55-mile-an-hour speed limit, then we should not use this back-door method to do it. We should address the issue head-on and try to eliminate the law, not to eliminate the enforcement of a law which is saving thousands of lives.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, first of all, on the gentleman's last point, it is my understanding that in the committee of jurisdiction on the 55-mile-an-hour speed limit law, the matter could not even be brought up, that the chairman did not even want the matter brought up in the course of the deliberations of that committee.

Mr. SHUSTER. Mr. Chairman, I would say to the gentleman we bring our legislation to the floor under open rules, and the gentleman would certainly have a right to offer an amendment to do whatever the gentleman wants to do.

Mr. WALKER. I am sure we will get those kinds of amendments.

But it also seems to me that the question of the lives lost is a question which is open to some question. First of all, we have had considerable change in automobile technology in the past few years. One of the major lifesaving things they have done on automobiles is radial tires.

Mr. SHUSTER. I will reclaim my time.

Mr. WALKER. May I make my point?

□ 1145

Mr. SHUSTER. The gentleman has already made his point, I understand it, and I accept it. He is saying that there are many, many different reasons why we have brought about a reduction in fatalities, and the gentleman is absolutely correct.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. SHUSTER] has expired.

(On request of Mr. WALKER, and by unanimous consent, Mr. SHUSTER was allowed to proceed for 2 additional minutes.)

Mr. SHUSTER. Mr. Chairman, that is precisely why, instead of claiming that the 10,000 lives we are saving each year from the 56,000 fatalities, down to 46,000, instead of claiming that all 10,000 lives are attributable to the speed limit, the experts in the field such as the highly respected Transport Research Board only attributes 2,000 to 4,000 of those 10,000 lives to the speed limit.

I will take the lower limit. Let us concede that it is only 2,000 lives. Indeed we are talking mostly about young lives, and that is one other reason why we should defeat this amendment.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I am happy to yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, just to make the point, 3,500 people lost their lives to drugs last year. But in the most recent international study completed, looking at interstate highways around the world, we find that the United States has one of the highest death rates per million of population. Despite the fact that many other countries have higher speed limits on their highways, the United States has one of the highest death rates per million population of all nations in the world. So indeed if speed were the precedent——

Mr. SHUSTER. Mr. Chairman, I will reclaim my time and respond to the gentleman.

Of course, it is true that we have one of the highest fatality rates per million population. The reason for this is because the American people drive on an average 10,000 miles per year in a car whereas in other countries they either do not have automobilies or they drive only 2,000 or 3,000 miles per year.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I am glad to yield to the gentleman from Pennsylvania.

Mr. WALKER. In that same study, if you look at the death rate per million miles or per 100 million vehicle miles, we also have one of the highest death rates in the world. There are nations considerably lower than us who have higher speed limits.

So once again if we use that criteria, we also fail on it and the question becomes whether or not we are fooling ourselves with this when we have designed highways designed for very, very high speed use and then are in fact legislating lower speeds that people are disobeying. It is the difference in speed that is important.

The CHAIRMAN. The time of the gentleman from Pennyslvania [Mr. SHUSTER] has again expired.

Mr. WALKER. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SHUSTER] be allowed to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. COLEMAN of Texas. Mr. Chairman, reserving the right to object, in terms of extensions of time, I am not going to object at this juncture. I think it is appropriate, however, that I advise the Members of this. As the gentleman from Pennsylvania said earlier, he is concerned about the length of time we are going to need to use because of the procedure. I think it is appropriate that we try to stay within the 5-minute time limit on this issue and all other issues. I would appreciate the Members trying to adhere to that in the interest of time.

Mr. Chairman, I will not object at this time, and I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALKER. Mr. Chairman, will the gentleman yield now?

Mr. SHUSTER. I am happy to yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, what the study shows is that it is the difference in speeds, some people going slow and some people going fast, that is the greatest cause of most accidents.

Mr. SHUSTER. Mr. Chairman, I would respond to my friend by saying that it is enormously more complicated than that, and the place to deal with this kind of an issue is the authorizing transportation legislation. When that legislation comes to the floor, we can deal with this issue, but not as a backdoor approach on an appropriation bill.

Mr. Chairman, I thank the gentleman for his contribution, and I yield back the balance of my time.

Mr. ANDERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Pennsylvania [Mr. WALKER].

You know, there has been increased discussion in recent months about the merits of the 55-mile-per-hour speed limit. While surveys show that a majority of Americans support the limit, there are those who think it ought to be repealed. And there are others who feel that on certain highway segments, and after extensive review, the limit should be increased.

But let me point this out. Even if the limit is increased in general, or if it is increased on certain highway segments, the law, whatever it is, will still need to be enforced. Whatever the limit is, it has to be enforced. The amendment before us simply fails to recognize this fact. Should we not protect the public by citing violators who travel at speeds of 75, 85, or 95 miles per hour?

And let me pont out another problem I have with this amendment. We are a people of laws in this Nation. Right now, whether your like, defend it, abide by it or not; 55 is the law. And we have in this Nation also, an executive branch of the Government which is charged with enforcing the laws of the land. Now, if you don't like those laws, you ought to try and change them. But we shouldn't handcuff Federal or State agencies whose job it is to enforce them. That is simply not the way this issue should be addressed. If we have laws, like them or not, they need to be enforced.

Again Mr. Chairman, we are a people and a nation of laws. This Congress should not make a mockery of that notion by inhibiting a law's enforcement.

Mr. HOWARD. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, this amendment is not really an attempt to increase our efforts with the Drug Enforcement Administration. There is $370 million in this legislation for the Coast Guard in that effort, and I am sure that at the proper time and in the proper way, should amendments come up to increase that amount, the Members of this body will vote to increase it.

This is an attack on the 55-mile-per-hour speed limit, which we have had now for 12 years, and which probably has directly saved more lives in this country than anything else the Congress has ever done in its history. Not only are we saving several thousand lives each year with 55, but we see, as a result of the 55-mile-per-hour speed limit, that we have a decrease of tens of thousands of paralyzing back injuries in the Nation and we have a 70-percent decline in traumatic head injuries. This is the result of 55.

But people may say, "But people don't go 55. The average has gone down from 68 or 69 to 61 or 62."

That is true. But let us say we have a 20-mile-an-hour speed limit. Do the people average 20 miles? Or 30 miles? No, they do not. There is always a certain leeway. So with the 55, we have an average of maybe 61 miles an hour.

If we were to raise it, as some people want, to 65, we would have 71 miles an hour as an average. If you are in an accident at 55 miles an hour, your chances of being killed are only 1 in 30. At 70 miles an hour, your chances are 1 in 2; it is even money that you die.

The problem that we have with 55 and the fact that it is not down there, according to the law enforcement officials all over this country, is that we do not have enough enforcement money. They would like to have more. So let us not abandon this effort now.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. I am sorry, but I need my time. The gentleman has had quite a bit of time.

Mr. WALKER. The gentleman will not yield?

Mr. HOWARD. Some people say that what we have to do is cut down the range. That is very important. When you have very slow drivers and very fast drivers on the highway, then there is a lot of passing, a lot of lane changing, and a lot of accidents. If we were to do something to increase the speed limit or just let it go up due to lack of enforcement, we would be increasing the range, and that would cause even more deaths.

People say, "But after all, the highways are built for 70 miles an hour. The automobiles are built for 70 miles an hour." But we are not built for 70 miles an hour. It is at this high speed that we lose control of the vehicle.

One can even talk about the rural areas and say that there are not very many automobiles there and, therefore, we ought to be able to go faster there. Most of the causes of death by auto accidents in this country are from single vehicles running off the road and hitting something, not crashes between vehicles. So that really does not carry any weight.

So, Mr. Chairman, I would suggest that what we do here is show our support. Even though it is not at 55 now, the benefits are so monumental that we should not abandon this effort that has been so successful.

Mr. PURSELL. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. I am happy to yield to the gentleman from Michigan.

Mr. PURSELL. Mr. Chairman, I agree with the gentleman in the well and associate my comments with his remarks.

I think this does not make much sense, because this is drug related, too. We have law enforcement for that. We have high speeds and drunken drivers. There is danger from that, and we have the safety element. It does not make any sense to transfer money out of here from something which is alcohol related or drug related to another drug related project.

So, Mr. Chairman, I associate myself with the gentleman's remarks. I think they are excellent. I support the 55-mile-per-hour speed limit.

□ 1155

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, I want to thank the gentleman for bringing his expertise on this issue to the attention of the Members. I think it is very important that they have this expertise because this transfer would be deleterious indeed.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, the gentleman is very eloquent on the point. Has the gentleman been driving a car in the time that this bill has been in effect driven above 55 miles an hour?

Mr. HOWARD. When I go home, I set the cruise control at 55.

Mr. WALKER. Has the gentleman in the time that the bill has been in effect driven above 55 miles an hour?

Mr. HOWARD. I will admit that vehicles do pass me, but I would state that if you are going on an interstate highway and you are traveling 61 or 62, you will pass as many vehicles as pass you.

Mr. WALKER. Mr. Chairman, will the gentleman yield further?

Mr. HOWARD. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, my question for the gentleman was, we have put in effect a law; has the gentleman faithfully obeyed that law during the time that he has driven on the highways?

Mr. HOWARD. Well, I above all people never want to be the one arrested for going over that limit. It is boring at times, I will admit.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

(By unanimous consent, Mr. HOWARD was allowed to proceed for 1 additional minute.)

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Chairman, I thank my friend for yielding.

I think we should emphasize, the point has been made that in some other countries, although they have higher speed limits, the fatality rates are no worse than ours. The enormous difference, however, is that most of those other countries have had mandatory seat belt laws for the past 10 years, which is another debate entirely; so I do not think we can compare the apples and oranges of America's highways to other highways without realizing that this fundamental difference exists.

Mr. HOWARD. The gentleman brings up a very important point.

Let us vote for more money for the drug war at the proper time, but let us not kill this tremendously beneficial program that has been in existence for over a decade.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALKER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 115, noes 299, not voting 17, as follows:

[Roll No. 262]

AYES—115

Applegate	Hansen	Rose
Archer	Hartnett	Roth
Armey	Hendon	Rudd
Bartlett	Huckaby	Schaefer
Barton	Hunter	Schroeder
Bentley	Jones (OK)	Sensenbrenner
Bilirakis	Kasich	Shaw
Bliley	Kemp	Shelby
Boulter	Kindness	Shumway
Breaux	Kolbe	Slattery
Brown (CO)	Kramer	Slaughter
Burton (IN)	Lagomarsino	Smith (NE)
Callahan	Leath (TX)	Smith, Denny (OR)
Chappie	Livingston	
Cheney	Lloyd	Smith, Robert (NH)
Cobey	Loeffler	
Coble	Lujan	Smith, Robert (OR)
Combest	Lungren	
Craig	Mack	Solomon
Crane	Madigan	St Germain
Dannemeyer	Marlenee	Stenholm
Darden	McCain	Strang
Daschle	McCandless	Stump
Daub	McCollum	Sundquist
Dornan (CA)	McKernan	Sweeney
Dreier	McMillan	Swindall
Dyson	Michel	Tallon
Edwards (OK)	Miller (OH)	Tauzin
English	Monson	Thomas (CA)
Erdreich	Moorhead	Traxler
Evans (IA)	Morrison (WA)	Vucanovich
Fiedler	Murphy	Walker
Fields	Nielson	Weber
Frank	Oxley	Whittaker
Franklin	Pashayan	Williams
Gekas	Petri	Wirth
Gingrich	Reid	Young (FL)
Glickman	Richardson	Zschau
Hall, Ralph	Roberts	
Hamilton	Roemer	

NOES—299

Ackerman	Aspin	Bateman
Akaka	Atkins	Bates
Alexander	AuCoin	Beilenson
Anderson	Badham	Bennett
Andrews	Barnard	Bereuter
Annunzio	Barnes	Berman
Bevill	Hall (OH)	Parris
Biaggi	Hammerschmidt	Pease
Boehlert	Hatcher	Penny
Boggs	Hawkins	Pepper
Boland	Hayes	Perkins
Boner (TN)	Hefner	Pickle
Bonior (MI)	Henry	Porter
Borski	Hertel	Price
Bosco	Hiler	Pursell
Boucher	Hillis	Quillen
Boxer	Holt	Rahall
Brooks	Hopkins	Rangel
Broomfield	Horton	Ray
Brown (CA)	Howard	Regula
Bruce	Hoyer	Ridge
Bryant	Hubbard	Rinaldo
Burton (CA)	Hughes	Ritter
Bustamante	Hutto	Robinson
Byron	Hyde	Rodino
Carper	Ireland	Roe
Carr	Jacobs	Rogers
Chandler	Jeffords	Rostenkowski
Chapman	Jenkins	Roukema
Chappell	Johnson	Rowland (CT)
Clay	Jones (NC)	Rowland (GA)
Clinger	Jones (TN)	Roybal
Coats	Kaptur	Russo
Coelho	Kastenmeier	Sabo
Coleman (MO)	Kennelly	Savage
Coleman (TX)	Kildee	Saxton
Collins	Kleczka	Scheuer
Conte	Kolter	Schneider
Conyers	Kostmayer	Schuette
Cooper	LaFalce	Schulze
Coughlin	Lantos	Schumer
Courter	Latta	Seiberling
Coyne	Leach (IA)	Shuster
Crockett	Lehman (CA)	Sikorski
Daniel	Lehman (FL)	Siljander
Davis	Leland	Sisisky
de la Garza	Lent	Skeen
DeLay	Levin (MI)	Skelton
Dellums	Levine (CA)	Smith (FL)
Derrick	Lewis (CA)	Smith (IA)
DeWine	Lewis (FL)	Smith (NJ)
Dickinson	Lightfoot	Snowe
Dicks	Lipinski	Snyder
Dingell	Long	Solarz
DioGuardi	Lott	Spence
Dixon	Lowery (CA)	Spratt
Donnelly	Lowry (WA)	Staggers
Dorgan (ND)	Luken	Stallings
Dowdy	MacKay	Stangeland
Downey	Manton	Stark
Duncan	Markey	Stokes
Durbin	Martin (IL)	Stratton
Dwyer	Martin (NY)	Studds
Dymally	Martinez	Swift
Early	Matsui	Synar
Eckart (OH)	Mavroules	Tauke
Eckert (NY)	Mazzoli	Taylor
Edgar	McCloskey	Thomas (GA)
Edwards (CA)	McCurdy	Torres
Emerson	McDade	Torricelli
Evans (IL)	McEwen	Towns
Fascell	McGrath	Traficant
Fawell	McHugh	Udall
Fazio	Meyers	Valentine
Feighan	Mica	Vander Jagt
Fish	Miller (CA)	Vento
Flippo	Miller (WA)	Visclosky
Florio	Mineta	Volkmer
Foglietta	Mitchell	Waldon
Foley	Moakley	Walgren
Ford (MI)	Molinari	Watkins
Ford (TN)	Mollohan	Weaver
Frost	Montgomery	Weiss
Fuqua	Moody	Wheat
Gallo	Morrison (CT)	Whitehurst
Garcia	Mrazek	Whitley
Gaydos	Murtha	Whitten
Gejdenson	Myers	Wilson
Gephardt	Natcher	Wise
Gibbons	Neal	Wolf
Gilman	Nelson	Wolpe
Gonzalez	Nichols	Wortley
Goodling	Nowak	Wright
Gordon	Oberstar	Wyden
Gradison	Obey	Wylie
Gray (IL)	Olin	Yates
Gray (PA)	Ortiz	Yatron
Green	Owens	Young (AK)
Gregg	Packard	Young (MO)
Guarini	Panetta	

NOT VOTING—17

Anthony	Frenzel	Mikulski
Bedell	Grotberg	Moore
Bonker	Gunderson	Oakar
Campbell	Kanjorski	Sharp
Carney	Lundine	Waxman
Fowler	McKinney	

□ 1210

Mr. EMERSON changed his vote from "aye" to "no."

Mr. DASCHLE changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. NOWAK. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to discuss a particular reference in the committee report which directs the St. Lawrence Seaway Development Corporation to adhere strictly to the guidelines and definitions contained in the DOT Order 2770.1C governing the use and accounting of official reception and representation funds. Representing a State which borders on one of the Great Lakes, I have been actively involved in efforts on enhance traffic levels on the Great Lakes/St. Lawrence Seaway system. During the past 2 years, the seaway has undertaken a number of innovative marketing programs. I am concerned that this language will have detrimental impacts on such seaway marketing/trade initiatives. I would appreciate the gentleman's comments on this issue as to the committee's intention.

Mr. LEHMAN of Florida. Mr. Chairman, will the gentleman yield?

Mr. NOWAK. I yield to the gentleman from Florida.

Mr. LEHMAN of Florida. Mr. Chairman, the committee recognizes the need for the Corporation to sponsor trade missions, seminars, and similar outreach activities and clearly finds such activities to be an appropriate part of the Corporation's trade and traffic development program.

The committee wishes to clarify what it considers to be the proper future use of Corporation funds in this area. Official entertainment funds are to be used in accordance with Department of Transportation Order 2770.1C and the limitation on the expenditure of such funds set forth in the appropriations bill is not to be employed as a limitation on Corporation programs, such as the trade and traffic program.

Mr. NOWAK. Mr. Chairman, I thank the gentleman for clarifying this issue.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

For necessary expenses for conducting transportation planning, research, and development activities, including the collection of national transportation statistics, and university research and internships, to remain available until expended, $3,349,000.

WORKING CAPITAL FUND

Necessary expenses for operating costs and capital outlays of the Department of Transportation Working Capital Fund not to exceed $64,500,000 shall be paid, in accordance with law, from appropriations made available by this Act and prior appropriation Acts to the Department of Transportation, together with advances and reimbursements received by the Department of Transportation.

PAYMENTS TO AIR CARRIERS

For payments to air carriers of so much of the compensation fixed and determined under section 419 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1389), as is payable by the Department of Transportation, $21,000,000, to remain available until expended.

COAST GUARD

OPERATING EXPENSES

For necessary expenses for the operation and maintenance of the Coast Guard, not otherwise provided for; purchase of not to exceed eight passenger motor vehicles for replacement only; and recreation and welfare, $1,849,800,000, of which $15,000,000 shall be expended from the Boat Safety Account: *Provided*, That, of the funds available under this head, not less than $372,983,000 shall be available for drug enforcement activities: *Provided further*, That the number of aircraft on hand at any one time shall not exceed two hundred and ten, exclusive of planes and parts stored to meet future attrition; *Provided further*, That none of the funds appropriated in this or any other Act shall be available for pay or administrative expenses in connection with shipping commissioners in the United States: *Provided further*, That none of the funds provided in this Act shall be available for expenses incurred for yacht documentation under 46 U.S.C. 12109 except to the extent fees are collected from yacht owners and credited to this appropriation.

□ 1220

Mr. GILMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of H.R. 5205, the Department of Transportation and related agencies appropriation bill for fiscal year 1987. Specifically, I refer to that portion of the bill providing $2.4 billion for the operations of the U.S. Coast Guard for the coming fiscal year. The bill before us today provides a total level of $2.4 billion for the Coast Guard, and contains language requiring that $372,983,000 of operating expense funds be used for drug interdiction activities. While I believe this is a bare minimum for the Coast Guard to perform its interdiction function, I am also cognizant of the extremely stringent budgetary constraints confronting us.

But we must also bear in mind that drug abuse in this Nation has reached epidemic proportions. More illicit drugs are expected to enter the United States this year than ever before. As a result, purity levels are rising and prices are falling.

One of the key components in the fight against narcotics is the interdiction of drugs as traffickers seek to smuggle them into the country. The U.S. Coast Guard is our first line of defense against these efforts. As the ranking minority member of the House Select Committee on Narcotics Abuse and Control, I am alarmed at the magnitude of the problem confronting us, and fully recognize the need for increased efforts to reduce the demand for drugs in this country and the need to work with foreign governments to eliminate drug production at the source, as the Appropriations Committee so clearly pointed out.

During the past year we have seen the availability and abuse of cocaine grow at an unprecedented rate. In 1982, the Coast Guard seized only 9 pounds of cocaine. In 1984 that figure reached 2,000 pounds and in 1985, reached a new peak of 6,500 pounds. The Appropriations Committee has justifiably underscored our concern that despite increased seizures of cocaine and the continuing efforts to interdict marijuana and other illicit substances, there has been little if any impact on the reduction in availability of illicit drugs in the United States. There is little doubt that we have not done enough to reduce the demand for drugs among our citizens.

In that regard I am pleased to note that the leadership on both sides of the aisle are currently involved in developing a bipartisan omnibus antidrug bill which is expected to be considered by the House early in September. This legislation will be a comprehensive, coordinated approach to our drug problems on both the supply and demand side, and will provide sufficient financial resources to see that the job is done. The Coast Guard will play an important role in any approach that is developed, but in the interim, we dare not cripple their efforts as they seek to perform their vital interdiction function in the war against narcotics trafficking and abuse.

Accordingly, I urge my colleagues to support this important legislation.

Mr. Chairman, I yield back the balance of my time.

Mr. WALKER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this is where we could have put in a little money for the Coast Guard. This is where we could have added over $20 million for the Coast Guard if, in fact, the committee had allowed us to look at this issue and if the House had decided that that was their sense of priorities. But instead, the House has decided otherwise.

The House decided that they are not even willing to give up $315,000 in order to put a little bit more money

into the Coast Guard for drug interdiction.

It seems to me that if this were one isolated incident, it might mean something. But let us understand that the House, over the last few weeks, has decided on a number of things.

First of all, we decided that it was not important to cut out pork-barrel programs in the Economic Development Administration in order to get more money for drugs. Then we decided it was not all right to cut even a little bit of money out of the arts and humanities to get more money for the drug war. Now we have decided that our law enforcement priorities are such that keeping people not driving more than 55 miles an hour, in other words, arresting people at 56 miles an hour is more important than fighting drugs.

I think the American people can be very suspicious about a House of Representatives that is telling them they are going to pursue a war on drugs when that is the record of just the last few days.

There is no money to fight the war on drugs unless we provide the money to fight the war on drugs, and time and time again, we have said that we are not willing to provide that money. There is no amount of money that we are willing to find someplace else to fight the war on drugs.

I am saying that it becomes a total phoney for this House of Representatives to suggest, then, that they are really interested in fighting that war. Take the vote of just a moment ago. If you take a look at the chart in the committee's own report about fatality rates dropping on highway deaths, you will find a steady downward trend in highway fatality rates. Most of those highway fatality rate drops were in years when we did not have a 55-mile-an-hour speed limit.

In other words, we have been doing some things that have lowered fatality rates. They have continued to come down most of the time during the time that we have had 55-mile-an-hour speed limits. In a couple of places, it went back up. But most of the time it has come down. It has been a steady downward trend.

If you look at the statistics for drugs, however, if we were to put drugs on this chart, you would find that the death rate from drugs is going straight up.

We are losing lives by the thousands to drugs in this country right now. This House, as a matter of priority, is saying time after time after time, well, we talk a good game, but we are not willing to do anything about it.

Let me suggest that maybe it is time that the House of Representatives get serious about the war on drugs and provide some of the money.

We had a chance here a few minutes ago. We did not do what was necessary of us.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For necessary expenses of acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto; to remain available until September 30, 1991, $101,850,000: *Provided*, That the Secretary of Transportation shall issue regulations requiring that written warranties shall be included in all contracts with prime contractors for major systems acquisitions of the Coast Guard: *Provided further*, That any such written warranty shall not apply in the case of any system or component thereof that has been furnished by the Government to a contractor: *Provided further*, That the Secretary of Transportation may provide for a waiver of the requirements for a warranty where: (1) the waiver is necessary in the interest of the national defense or the warranty would not be cost effective; and (2) the Committees on Appropriations of the Senate and the House of Representatives are notified in writing of the Secretary's intention to waive and reasons for waiving such requirements: *Provided further*, That the requirements for such written warranties shall not cover combat damage.

RETIRED PAY

For retired pay, including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, and payments under the Retired Serviceman's Family Protection and Survivor Benefits Plans, and for payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act (10 U.S.C., ch. 55), $364,000,000.

RESERVE TRAINING

(INCLUDING TRANSFERS OF FUNDS)

For all necessary expenses for the Coast Guard Reserve, as authorized by law; maintenance and operation of facilities; and supplies, equipment, and services, $63,857,000, of which $3,000,000 shall be derived from unobligated balances of "Alteration of bridges" and $2,000,000 shall be derived from unobligated balances of "Pollution fund".

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

For necessary expenses, not otherwise provided for, for basic and applied scientific research, development, test, and evaluation; maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, $20,100,000, to remain available until expended: *Provided*, That there may be credited to this appropriation funds received from state and local governments, other public authorities, private sources and foreign countries, for expenses incurred for research, development, testing, and evaluation.

OFFSHORE OIL POLLUTION COMPENSATION FUND

For necessary expenses to carry out the provisions of title III of the Outer Continental Shelf Lands Act Amendments of 1978 (Public Law 95-372), $1,000,000, to be derived from the Offshore Oil Pollution Compensation Fund and to remain available until expended. In addition, to the extent that available appropriations are not adequate to meet the obligations of the Fund, the Secretary of Transportation is authorized to issue to the Secretary of the Treasury notes or other obligations in such amounts and at such times as may be necessary: *Provided* That none of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $60,000,000 in fiscal year 1987 for the "Offshore Oil Pollution Compensation Fund".

DEEPWATER PORT LIABILITY FUND

For necessary expenses to carry out the provisions of section 18 of the Deepwater Port Act of 1974 (Public Law 93-627), $1,000,000, to be derived from the Deepwater Port Liability Fund and to remain available until expended. In addition, to the extent that available appropriations are not adequate to meet the obligations of the Fund, the Secretary of Transportation is authorized to issue, and the Secretary of the Treasury is authorized to purchase, without fiscal year limitation, notes or other obligations in such amounts and at such times as may be necessary: *Provided* That none of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $50,000,000 in fiscal year 1987 for the "Deepwater Port Liability Fund".

BOAT SAFETY

(LIQUIDATION OF CONTRACT AUTHORIZATION)

For payment of obligations incurred for recreational boating safety assistance under Public Law 92-75, as amended, $15,000,000, to be derived from the Boat Safety Account and to remain available until expended: *Provided*, That none of the funds in this Act shall be available for the planning or execution of programs the obligations for which are in excess of $15,000,000 in fiscal year 1987 for recreational boating safety assistance: *Provided further*, That no obligations may be incurred for the improvement of recreational boating facilities.

FEDERAL AVIATION ADMINISTRATION

HEADQUARTERS ADMINISTRATION

For necessary expenses, not otherwise provided for, of providing administrative services at the headquarters location of the Federal Aviation Administration, including but not limited to accounting, budgeting, legal, public affairs, and executive direction services for the Federal Aviation Administration, $34,500,000.

OPERATIONS

For necessary expenses of the Federal Aviation Administration, not otherwise provided for, including administrative expenses for research and development, and for establishment of air navigation facilities, and carrying out the provisions of the Airport and Airway Development Act, as amended, or other provisions of law authorizing obligation of funds for similar programs of airport and airway development or improvement, purchase of four passenger motor vehicles for replacement only, $2,797,447,000, of which not to exceed $691,048,000 shall be derived from the Airport and Airway Trust Fund: *Provided*, That there may be credited to this appropriation funds received from states, counties, municipalities, other public authorities, and private sources, for expenses incurred in the maintenance and operation of air navigation facilities. *Provided*

further, That none of these funds shall be available for new applicants for the second career training program or for a pilot test of contractor maintenance.

FACILITIES AND EQUIPMENT (AIRPORT AND AIRWAY TRUST FUND)

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses, not otherwise provided for, for acquisition, establishment, and improvement by contract or purchase, and hire of air navigation and experimental facilities, including initial acquisition of necessary sites by lease or grant; engineering and service testing including construction of test facilities and acquisition of necessary sites by lease or grant; and construction and furnishing of quarters and related accommodations of officers and employees of the Federal Aviation Administration stationed at remote localities where such accommodations are not available; to be derived from the Airport and Airway Trust Fund and to remain available until September 30, 1991, $828,000,000 together with $1,914,000 to be derived from unobligated balances of "Research, engineering and development (Airport and Airway Trust Fund), Center for Research and Training in Information-based Aviation and Transportation Management": *Provided,* That there may be credited to this appropriation funds received from states, counties, municipalities, other public authorities, and private sources, for expenses incurred in the establishment and modernization of air navigation facilities: *Provided further,* That of the funds available under this head, $5,000,000 shall be available for the Secretary of Transportation to enter into grant agreements with universities or colleges to conduct demonstration projects in the development, advancement, or expansion of airway science curriculum programs, and such funds, which shall remain available until expended, shall be made available under such terms and conditions as the Secretary of Transportation may prescribe, to such universities or colleges for the purchase or lease of buildings and associated facilities, instructional materials, or equipment to be used in conjunction with airway science curriculum programs; and $3,914,000 shall be available to construct an experimental computer-based airway and aviation management facility at the Center for Research and Training in Information-based Aviation and Transportation Management at Barry University.

RESEARCH, ENGINEERING, AND DEVELOPMENT (AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for research, engineering, and development, in accordance with the provisions of the Federal Aviation Act (49 U.S.C. 1301-1542), including construction of experimental facilities and acquisition of necessary sites by lease or grant, $141,700,000, to be derived from the Airport and Airway Trust Fund and to remain available until expended: *Provided,* That there may be credited to this appropriation funds received from states, counties, municipalities, other public authorities, and private sources, for expenses incurred for research, engineering, and development.

Mr. DIXON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to call my colleagues' attention to an important redevelopment project near Los Angeles International Airport, and call upon the Federal Aviation Administration [FAA] to place a high priority on the pending airport improvement grant to finance this project.

The city of Inglewood, CA, has applied for a grant to recycle land impacted by noise from LAX. The FAA has approved the LAX land use study which calls for this residential land to be recycled to light industrial use. Last year, the city received a $1 million grant, and has applied for a grant again this year.

This project will eventually encompass 73 acres. Inglewood hopes to receive sufficient funding through the existing Federal grant program to redevelop at least 7 acres. The remainder, over 90 percent of the project, would be redeveloped from State and local funding sources. Federal involvement will be minimal, but it is crucial to begin this project.

□ 1230

The remaining 90 percent of the project would be redeveloped from State and local funding sources. Federal involvement will be minimal, but it is crucial to begin this project.

I understand also that the gentleman from California [Mr. LEVINE], whose district this also impacts, joins in asking the FAA to approve this grant.

Mr. Chairman, I yield to the distinguished chairman of the subcommittee.

Mr. LEHMAN of Florida. Mr. Chairman, I thank the gentleman from California [Mr. DIXON]. I want the gentleman from California [Mr. LEVINE] and yourself to know that I endorse your efforts to obtain the AIP grant from the FAA.

As the chairman of the subcommittee that reviews the AIP Grant Program, I am well aware of how much this grant will benefit the residents and protect the public safety of the people living near the Los Angeles Airport.

I urge the FAA to review the Inglewood application and I expect that they will give it the prompt and complete attention that it certainly deserves.

Mr. DIXON. Mr. Chairman, I thank the gentleman for his remarks.

The Chairman. The Clerk will read.

The Clerk read as follows:

GRANTS-IN-AID FOR AIRPORTS (LIQUIDATION OF CONTRACT AUTHORIZATION) (AIRPORT AND AIRWAY TRUST FUND)

(INCLUDING RESCISSION)

For liquidation of obligations incurred for airport planning and development under section 14 of Public Law 91-258, as amended, and under other law authorizing such obligations, and obligations for noise compatibility planning and programs, $800,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until expended: *Provided,* That none of the funds in this Act shall be available for the planning or execution of programs the commitments for which are in excess of $1,017,200,000 in fiscal year 1987 for grants-in-aid for airport planning and development, and noise compatibility planning and programs, notwithstanding section 506(e)(4) of the Airport and Airway Improvement Act of 1982: *Provided further,* That $50,000,000 of unobligated contract authority available for airport development and planning pursuant to section 505(a) of the Airport and Airway Improvement Act of 1982 is hereby rescinded.

OPERATION AND MAINTENANCE, METROPOLITAN WASHINGTON AIRPORTS

For expenses incident to the care, operation, maintenance, improvement, and protection of the federally-owned civil airports in the vicinity of the District of Columbia, including purchase of six passenger motor vehicles for police use, for replacement only; purchase, cleaning, and repair of uniforms; and arms and ammunition, $35,000,000: *Provided,* That there may be credited to this appropriation funds received from air carriers, concessionaires, and non-federal tenants sufficient to cover utility and fuel costs that are in excess of $6,682,000: *Provided further,* That there may be credited to this appropriation funds received from states, counties, municipalities, other public authorities, or private sources, for expenses incurred in the maintenance and operation of the federally-owned civil airports.

CONSTRUCTION, METROPOLITAN WASHINGTON AIRPORTS

For necessary expenses for construction at the federally-owned civil airports in the vicinity of the District of Columbia, $50,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until September 30, 1989: *Provided,* That the Federal Aviation Administration shall submit to Congress by March 31, 1987, fully coordinated five-year master plans for capital development at Washington National and Washington Dulles International Airports.

AMENDMENTS OFFERED BY MR. ARMEY

Mr. ARMEY. Mr. Chairman, I offer three amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. ARMEY: Page 13, line 9, strike "$50,000,000" and insert in lieu thereof "$7,000,000".

Page 28, line 1, strike "$613,000,000" and insert in lieu therof "$551,700,000".

Page 33, line 7, strike "$217,239,000" and insert in lieu thereof "$195,515,100".

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARMEY. Mr. Chairman, in light of the fact that I have to discuss three amendments here, I ask unanimous consent that I be recognized for 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARMEY. Mr. Chairman, I appreciate the gentleman from Florida [Mr. LEHMAN] and the gentleman from Pennsylvania [Mr. COUGHLIN] allowing

me to offer these amendments together.

I'd like to shed some light on what we are doing today. The budget authority required by the fiscal year 1987 budget resolution calls for $1,093,350 million in spending. That amount is so large that we can't fully comprehend what it means. But for the 109 million working Americans, it means a Government burden of $10,030 each.

This spending bill today is just one step in the process of creating that $10,000-plus burden per working American. As reported from the Appropriations Committee, this bill will cost those 109 million working American about $94 each. Of that amount $81 will come from taxes and $13 will come in new debt.

The package of amendments I'm offering today would reduce this bill by $126 million ($126,023,900).

My amendment would:

Reduce the $50 million in capital construction funds for the Washington Metropolitan Airports (National and Dulles) to $7 million.

Reduce Amtrak funding by $61.3 million or 10 percent.

Reduce funds for Washington Metro's rail construction program by $21.7 million or 10 percent.

These amendments represent a targeted approach to cutting spending contained in this bill, and approach which is far preferable to the across-the-board cuts we'll have to take if we don't act responsibly.

CONSTRUCTION AT NATIONAL AND DULLES AIRPORTS, PAGE 13, LINE 9

Mr. Chairman, Washington National and Dulles airports are the only federally owned civil airports in the country. As we know, the administration has proposed, and the Congress is considering, legislation to transfer ownership of these airports. The simple fact is that the Federal Government should not be in the business of managing and operating civil airports.

In addition to providing $35 million for operating expenses, this bill proposes $50 million for construction improvements at National and Dulles. Now I'm fully aware that these airports are in need of capital improvements, but this $50 million is only the tip of the iceberg. It is estimated that more than $700 million worth of repairs are necessary to bring these facilities up to par with other airports across the United States.

This one-time infusion of funds is not accompanied by a long range, coordinated plan for financing the rest of the needed improvements. There is no guarantee of additional funding in the outyears to complete what might be started with this funding.

There is no reason why the Federal Government should undertake this type of capital improvement project, especially when we are nearing the day when these airports will be transferred. At that time, the airports will be able to float bonds to pay for these improvements. They will also be eligible, like the rest of the Nation's airports, for FAA airport improvement grants.

Finally, I should point out that this $50 million is funded from the airport and airways trust fund. This fund is supported by a 8 percent airline ticket tax. These funds were intended to be used for construction of airport and airway facilities not owned by the Federal Government. It is unfair to raid the trust fund to pay for improvements at National and Dulles.

My amendment does leave $7 million for what I understand are immediate necessary improvements. Given our budget situation, and what I hope will be a timely transfer of these facilities, I think this is the most we can afford.

H.R. 5205, WASHINGTON METRO ($217,239,000), PAGE 33, LINE 7

We have, basically, a three-tier system when it comes to mass transit funding in this country. At the bottom of this system are the formula grants, funded through general revenues, which are available for mass transportation capital and operating needs in urban and nonurban areas. At the next level there are discretionary grants for which various cities and projects compete. These are funded out of gas tax revenues. Alone at the top, not forced to compete with anyone and funded out of general revenues, is the Washington Metro.

And that's what my amendment attempts to address. My amendment is simple and to the point; it cuts the fiscal year 1987 appropriation of $217,239,000 recommended for the Washington Metro's rail construction program by 10 percent or $21.7 million.

Taxpayers at large have already contributed $4.7 billion to build Metro and are obligated for another $2.1 billion. Still it is estimated that another $2.2 Federal infusion would be necessary to complete the 103-mile system, bringing the total cost to taxpayers to $9 billion out of a total cost of $12.5 billion. The fact is that the Washington Metro system received more Federal construction funds than all other new rail projects combined through fiscal year 1985.

The fact is that the Washington metropolitan area is well able to support its fair share of costs associated with building Metro. Arlington, Montgomery, Alexandria, and Fairfax Counties rank 5th, 7th, 8th, and 11th in the Nation in per capita income. But these communities won't act to provide more local funding for Metro until we give them a message. And that message is that the Federal Government is not always going to be around to pick up three quarters of the costs associated with building, expanding, or improving the Metro system.

Is construction going to come to a screeching halt if we cut 10 percent from this account? I hardly think so. Metro currently has available over $700 million for rail construciton. Even if we eliminated funding altogether, current funding is enough to complete a 85.3-mile system, including the Green Line to Anacostia.

The Washington Metro system is only one system amongst dozens underway or under planning across the Nation. Ideally, these programs should be subsidized through a block grant approach where each State receives back the money its citizens pay in gas taxes. The discretionary program will have to do until we can get a more equitable disbursement of gas tax revenues dedicated to mass transit. But the current scheme which place the Washington Metro above all others can certainly stand a 10-percent cut.

AMTRAK, PAGE 28, LINE 1

My amendment will cut Amtrak subsidies by 10 percent or $61.3. Even with this amendment, taxpayers at large will be subsidizing Amtrak to the tune of $551.7 million.

I think everyone is pretty familiar with the arguments for cutting back on Amtrak. This program, which was supposed to receive Federal subsidies on a 2-year trial basis has already cost taxpayers $12 billion, with costs for the next decade estimated at more than $7 billion. Amtrak subsidies range from $10 to $170 per trip, with an average subsidy per passenger of $33. Almost 90 percent of Amtrak routes cover just over half—56 percent—of the cost to run the route and none of its routes fully cover its fully allocated costs. To run this system, American taxpayers must cover about 40 percent of the total systemwide costs.

Let's address the argument that Amtrak is vital to intercity travel. Amtrak represents only one-fourth of 1 percent of total intercity mileage nationally. Does this subsidy help the working poor get to jobs or conduct business? Half of Amtrak passengers earn $30,000 or more.

Now no one is going to argue that is unreasonable to require a $4 to $5 subsidy from each working American for a transportation system that serves the working poor, most of the population or to which there is not alternative, but that is not the case with Amtrak. I hope we can support this small but significant savings here. This is a Government spending subsidy that just can't be justified in the context of other required deficit reduction options.

In closing let me say it is becoming apparent that the intention of this body is to either resort to Gramm-Rudman squestration for any deficit

reduction or just give up on the deficit once and for all. But for those concerned with an adequate defense, understand that under Gramm-Rudman sequestration half the cuts will come out of the national defense. For those concerned for the Federal civilian and military retirees, understand they will have no COLA. For those concerned about the impact of sequestering on all other Government functions understand our decided unwillingness to come up with intelligent but hard alternative choices to Gramm-Rudman spells real devastation for those important functions.

Finally for those who will oppose my amendment because we are within our 302(b) allocations, I would like you to tell me and the American people that means we will be within our deficit targets and there will be no sequestering. If being within our 302(b) allocations does not mean that, then I suggest it is a meaningless misleading placebo.

Chairman GRAY said last week that if we adopt every iota of the budget resolution, we will still be facing a sequestration of approximately $25 billion. Obviously, we must go father and that is what my amendment attempts to do. Deficit reduction is a bitter pill to swallow but waiting does not make the task any easier, it only makes the patient sicker.

□ 1240

Mr. LEHMAN of Florida. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendments.

The CHAIRMAN pro tempore (Mr. WEISS). The Chair recognizes the gentleman from Florida for 5 minutes.

Mr. LEHMAN of Florida. Mr. Chairman, I want to thank my friend from Texas for his kind remarks. Nevertheless, these amendments would reduce the new budget authority contained in the bill by over $100 million and the amendments will cut programs from vital transportation programs and would adversely affect the people of this country. Let us examine these programs one at a time. The first is the airports in the Washington metropolitan area.

This amendment would reduce the appropriation for construction of the Metropolitan airports by $43 million. I do not have to explain why these funds are required. Any Member who uses these airports or any member of the public who uses these airports knows that major capital improvements are needed. There is no good reason to wait any longer to begin these improvements. They are needed today. They were needed yesterday. The Secretary of Transportation has stated that construction can begin in 1987, and we are recommending funds to do exactly that.

Now with regard to the Washington Metro.

The amendment would reduce funding for Washington Metro by 10 percent from the subcommittee's recommended level.

The amendment would force construction on the Washington Metro rapid rail system to proceed at a slower and a reduced pace. While this may save a few dollars in 1987, it will add to the Federal deficit in the outyears because construction costs will increase as inflation takes its toll.

As far back as 1955, the Government entered into a commitment with the National Capital region that envisions timely completion of the Metro rail system. The local governments have consistently met their contractual obligations with the expectation that the entire system would be built. Citizens in the inner city and beyond have waited patiently for the Federal Government to meet its commitment and to complete portions of the system that have not yet been built.

The Federal Government requires that Metro have all the necessary funding in hand to complete a rail segment before beginning construction on that particular segment. The amendment serves no productive purpose. In the guise of reducing the deficit, it will actually cost the Federal Government more money while abrogating a longstanding agreement between the Federal Government and the citizens of this region. The Washington Metro system is one of the great and pleasant surprises for the tourists who visit Washington. As they come into your office just ask them about whether or not they have ridden on the Washington Metro, and then listen for their positive remarks. It is one of the pleasures I get in dealing with people from my district.

Lastly, on Amtrak, I would remind the Members that Amtrak is not like other grant programs. It is a going concern. While it might be feasible and practical to freeze grant programs year after year, it is not at all feasible to continue to freeze or further reduce funding for such a going concern like Amtrak. They have increasing labor costs and other operating costs that have to be paid, week by week and month by month. They have to replenish their capital equipment. That is behind schedule. All we are doing when we make cuts such as the gentleman has proposed is to defer maintenance, defer capital investment, and reduce the quality of service, which in turn reduces ridership.

Over the last 4 or 5 years we have cut the fat out of Amtrak. In fiscal year 1984 Amtrak's appropriation was $716 million. It is $613 million in this bill. I think we have done all we can do in the appropriations process to effect cost savings. Any additional savings will have to be achieved through changes in the authorizing law.

Mr. Chairman, this body has voted time and time again to continue Amtrak, and I detect no change in that sentiment. We have provided an acceptable level to continue Amtrak's operations in fiscal year 1987 and have done so within our budget resolution allocations. It is a responsible level. I urge a "no" vote on the amendment.

Mr. GLICKMAN. Mr. Chairman, will my colleague yield?

Mr. LEHMAN of Florida. I yield to my friend from Kansas.

Mr. GLICKMAN. I thank the gentleman for yielding.

Mr. Chairman, I am extremely concerned about one aspect of this amendment, which cuts the money at Washington National Airport. I have to tell you that I am very concerned about the safety of this airport. And if the airport does not get transferred, moneys in this bill will not go to do things like the Doppler weather radar at Washington National and other capital construction items which affect the safety of that airport. There are millions of Americans who fly into that airport every year, including us as well as our own constituents. I think that airport is marginal. I think the safety of Washington National Airport is seriously flawed; I have for some time. If I were the FAA Administrator, I would close the airport, but I am not the Administrator. It remains open and probably will be for some time.

What worries me about the amendment of the gentleman from Texas is that he would foreclose deferred maintenance on that airport.

The CHAIRMAN pro tempore. The time of the gentleman from Florida [Mr. LEHMAN] has expired.

(By unanimous consent, Mr. LEHMAN of Florida was allowed to proceed for 2 additional minutes.)

Mr. GLICKMAN. Mr. Chairman, will the gentleman continue to yield?

Mr. LEHMAN of Florida. I yield to the gentleman from Kansas.

Mr. GLICKMAN. I thank the gentleman.

The gentleman from Texas would foreclose deferred maintenance on that airport, including installation of a terminal Doppler, which I think relates very, very dramatically to the safety of the airplanes flying into the airport, particularly under inclement weather conditions and particularly in the era of deregulation in which we operate; the hub-spoke system, massive amount of new carriers. So for that reason I think it would be inadvisable to adopt the amendment of the gentleman from Texas in total. There may be sub-amendments that are going to be offered later on, but I am worried about what the gentleman is going to do to that airport.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. LEHMAN of Florida. I yield to the gentleman from Michigan.

Mr. CARR. I thank the gentleman for yielding.

Mr. Chairman, I would concur in what my friend from Kansas has said.

In addition, I would say that I think it is unwise that National and Dulles were made ineligible to get airport grant-in-aid funding. After all, the funding that goes into that trust fund is from the ticket tax and from the fuel tax on general aviation. When you buy a ticket out of National Airport, you pay the ticket tax; when you buy fuel out there, you pay the tax that goes into that trust fund. It seems to me ill-advised that those two airports cannot make use of the trust fund the same as any other airport. The $50 million that was put in there was derived in studying what those two airports would have had from the trust fund had they been eligible for trust funds for the last 5 years. We could have gone all the way back to 1971, when the trust fund was created. We did not do that because we think there is a certain velocity of money that they can use or, in a particular way, not use.

The CHAIRMAN pro tempore. The time of the gentleman from Florida [Mr. LEHMAN] has again expired.

(By unanimous consent, Mr. LEHMAN of Florida was allowed to proceed for 2 additional minutes.)

Mr. CARR. Mr. Chairman, will the gentleman continue to yield?

Mr. LEHMAN of Florida. I yield to the gentleman from Michigan.

Mr. CARR. I thank the gentleman.

So I would like to say that the amendment of the gentleman from Texas insofar as it pertains to metropolitan airports, both National and Dulles, I think is ill-advised, and I would urge defeat of the amendment.

Mr. LEHMAN of Florida. Mr. Chairman, for the balance of my time I would like to compliment Mr. CARR, who helped this committee and has led this committee in crafting this particular part of the legislation in order that Washington National and Dulles Airports can participate in some of the benefits from the airport trust fund.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. LEHMAN of Florida. I yield to the gentleman from Texas.

Mr. ARMEY. I thank the gentleman for yielding.

Mr. Chairman, I did have a question addressed to me by the gentleman from Kansas.

I would like to respond.

Mr. Chairman, I would just like to say I appreciate the concerns about safety at Washington National, and I appreciate the concern about their not being able to access. We left $7 million in so that we could tend to some of these safety needs. We also feel very strongly that the best way to make it possible for these two airports to access the trust fund is for us to transfer them.

I think it will be very difficult to transfer them if we first saddle them with the $700 million construction plan which will be begun with this money.

Mrs. SMITH of Nebraska. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of this amendment.

Mr. Chairman, I rise in support of this amendment, which would cut funding for the Washington Metro, the Washington area airports, and Amtrak.

Although the gentleman is taking away a little more from Amtrak than I would like, I am willing to support his amendment in order to delete funding for Metro and to subtract funding for the Washington airports.

I am particularly pleased that the gentleman has dropped his plan to attempt to eliminate $21 million in funding for the essential air service program and terminate the program 2 years ahead of schedule.

Under this program, payments are made to air carriers providing essential air service to communities that otherwise could not support air service.

Perhaps some of my colleagues who live in urban or suburban areas do not understand the importance of the essential air service program. For those who live in small communities, particularly in remote areas of the Nation, the air service provided by this program is quite simply the only link to the national transportation system.

About 150 communities in 40 States benefit from this program, and 10 of those communities are in the Third District of Nebraska. According to DOT, 87 percent of those communities now receiving subsidy would lose all air service if EAS were eliminated. And for most of us, that would be a disaster.

When Congress debated airline deregulation in 1978, many rural members were concerned that deregulation would lead to airline abandonment of small communities. As a result, a provision was added to guarantee essential air service to small communities for 10 years—until 1988. I will remind my colleagues that without this assurance to rural communities and the support of rural Members, it is quite likely that this law never would have been enacted.

Congress made its 10-year commitment in 1978, and I see no reason for terminating the program ahead of schedule.

First, the EAS Program is working—and it's working well. EAS was designed to ensure that small communities were provided with low-cost air service sufficient only to assure that they would not be cut off from our national air transportation system.

This is not a self-perpetuating subsidy program. No one is getting rich living off the taxpayers' money.

Subsidies have been winding down since the peak year funding level of $115 million in 1979. In 1985, $52 million was appropriated, but only $36 million was spent. And in fiscal 1986, we will carry at least $12.5 million in unspent subsidy into fiscal 1987.

Second, the essential air service program ensures safe, regularly scheduled air service at reasonable cost to passengers. If EAS were eliminated, air service in many remote locations would most likely be taken over by some kind of air taxi service, which would provide irregular, more expensive, and perhaps less safe service.

If we deprive small communities of their air service, we also deprive them of a good part of their economic base.

In my district, for example, small manufacturing communities are especially dependent on air service. If managers cannot get in and out of communities on a regular basis, some plants would be forced to relocate. And with the agricultural economy the way it is, those small manufacturing companies are about the only thing keeping us going.

A cutoff in service could delay medical care for residents who need sophisticated treatment and make it difficult to get spare parts for farm equipment. In emergencies, only air taxis or private planes would be available.

Airline deregulation is a good idea in the long run and as a national policy. Most parts of the Nation have benefited from deregulation.

But I will say again that at this time, a completely free market in the airline industry would only isolate many remote communities.

This is certain: The EAS subsidy program is all that many communities have to assure that they will not be cut off from the Nation's air transportation system.

The Congress made a commitment to help small communities through these initial stages of deregulation, and we should stand by that commitment.

We're trying to adjust to deregulation, and we have come a long way. But do not pull the rug from under us now.

So I am very glad that this is not included in this amendment, and I rise in support of the amendment.

Mr. ARMEY. Mr. Chairman, will the gentlewomen yield?

Mrs. SMITH of Nebraska. I yield to the gentleman from Texas.

Mr. ARMEY. I thank the gentlewoman for her support of this amendment. I think the gentlewoman makes a good point when she says I dropped the amendment that would have hurt

the rural air carriers. Again in the interest of trying to find cuts which will be necessary to avoid across-the-board cuts where these rural airports would take their cuts, we tried to find those areas where the transportation dollars had been unevenly and, we think, unfairly allocated and given special treatment, where indeed good facilities are already in place and facilities, in the case of the airports, ought to be transferred over to a non-Federal entity where they can achieve access to the trust fund and the efficiency of operation, the safety and amenities that we find in our wonderful airports across the country that are run by the private sector.

□ 1355

Mrs. SMITH of Nebraska. Mr. Chairman, I want to thank the gentleman again and agree with his statement. I do appreciate the fact that the gentleman recognizes so well that the essential air service is our only link with national transportation out across rural America.

Mr. ARMEY. If the gentlewoman will further yield, again my point is we are trying here to make selective cuts where we can minimize the pain on the Americans across the Nation. We do not want to take a meat cleaver, and sequestering is a meat cleaver that cuts everybody without any sense of fairness or discretion. That is what we are trying to achieve here. We hope we are reasonable, and we hope the people in this body will support the amendment as the gentlewoman does.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I am sorry to see the gentlewoman, my dear friend, from Nebraska supporting this amendment. The administration had zeroed out the essential air service program, and I know how much that program meant to the gentlewoman. The gentlewoman fought to leave those funds in there, all $21 million. I think it was last year or the year before that the administration prepared to cut out the gentlewoman's flight service station and her NOAA weather station. Because of the gentlewoman's strong arguments to me, even though I was trying to save some money then, we kept it. We kept it alive.

I think we are going to have to take a good hard look at those things when we mark up these bills and see where we can save money.

I rise in opposition to this amendment which cuts $126 million from a series of transportation programs, Amtrak, the Washington airports, and the Washington Metro. While my colleagues may feel more or less strongly about some of these items than other of the items, I think that as a whole this amendment would severely undermine our efforts to provide for a balanced transportation system.

I will just mention a couple of these, beginning with Amtrak. I think that the cut proposed by my good friend, the gentleman from Texas, would lead, without doubt, to the bankruptcy of Amtrak, and to the end of intercity rail passenger service in this country. I think that this would be a terrible waste of the tremendous investment in Amtrak facilities and operations that have been made by the Federal Government over the years. It would also leave the Government with at least a multibillion-dollar liability under the labor protection payments. I do not think the gentleman intends to do that, but that is what it going to happen.

Mr. Chairman, appropriations for Amtrak have decreased steadily over the years. Between fiscal years 1981 and 1987, Amtrak appropriations declined from $896.3 million down to $613 million in this particular bill. That is a reduction of 32 percent. During this time, ridership, revenues, and the quality of service has steadily increased.

Amtrak's revenue-to-cost ratio, the amount of Amtrak's cost coming from passenger fares, has improved from 48 percent in fiscal year 1981 to 61 percent in the current year, and 63 percent or better in fiscal year 1987.

There is no question that all public transportation is subsidized, the airlines through the general revenue support of the air traffic control system, and the buses and automobiles through the construction of roads that are only partially financed through the Highway Trust Fund. The difference is that the Amtrak subsidy is explicit, while the other modes' subsidies are very much hidden.

I might say, speaking of Amtrak's good intercity routes, that the Los Angeles-San Diego route is one of the finest in the country. I would hate like the dickens to see that get hurt. I want to be able use Amtrak to see all those naval ships down in San Diego.

Mr. Chairman, perhaps the most important factor to keep in mind on this amendment is that it is really not necessary. This bill is not a budget buster. We are within our budget resolution totals on both budget authority and outlays, and we are only slightly above our total for last year's bills. So it is a pretty responsible bill. And I might add that the major increases above last year are for air traffic control and the Coast Guard Drug Interdiction Program, items that nearly all of my colleagues would agree are very, very essential to the safety and the well-being of this Nation.

For new budget authority, this bill is $137 million above last year. Yet, within that amount, we have accomodated an increase of over $200 million in Coast Guard operating expenses, and a $134 million increase in FAA operations, offsetting reductions that have been made elsewhere in the bill.

Mr. Chairman, I urge my colleagues to support a well-balanced transportation bill and defeat the amendment.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I have a couple of points. The first one is—I think it is inappropriate when we have members of the committee or Members on the floor who are rising up and trying to do something about sequestration——

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. CONTE] has expired.

(On request of Mr. HUNTER, and by unanimous consent, Mr. CONTE was allowed to proceed for 3 additional minutes.)

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from San Diego.

Mr. HUNTER. I watched the gentlewoman stand up and support the provisions of the gentleman from Texas, at least one of the gentleman's amendments. And I see the gentleman standing up and saying that the gentleman is now going to have to scrutinize some things that are in the gentlewoman's district or in her area a little more closely. I think there is an inherent threat there to the gentlewoman's projects because of actions the gentlewoman has taken.

Let me just say to the gentleman we have looked at what the reconciliation is going to do with respect to Gramm-Rudman and to sequestration. If we come up selling Conrail again and again and again and if we do things with the critical stockpile and we do the other things that we think we are going to have to do to come up with maybe 7 billion dollars' worth of cuts, the committees are coming up with about $7 billion, we are still going to be many billions of dollars short of avoiding the sequestration trigger.

I think the question to every Member of this House is: Are we going to avoid that sequestration or not?

I would ask the gentleman, is that not the question, and are we not doing by going down this road and not being able to make those cuts that are necessary to avoid sequestration essentially doing and conforming to the character that the authors of Gramm-Rudman described when they came up with this mechanism? They said Congress is not going to be able to make cuts, and we have to put the Government on autopilot.

I would ask the gentleman if the gentleman has alternatives to avoiding this sequester?

Mr. CONTE. Mr. Chairman, if the gentleman will give me a chance, I will answer the gentleman.

First of all, I resent the gentleman implying that I threatened anyone. I just know what a fight the gentlewoman made for that station, and I went along with the gentlewoman.

I do not really know whether that station in Nebraska is really needed. I think we have automatic stations available out there.

You cannot say that, "I am for all these cuts as long as they do not affect my turf."

Mr. HUNTER. I understand that.

Mr. CONTE. That is the point I was trying to make. Believe me, I will continue to support the gentlewoman's efforts no matter what the gentlewoman says or how the gentlewoman votes on this amendment. It is not only on that issue, but on many other issues that I work closely with the gentlewoman.

Mr. HUNTER. How about my second question?

Mr. CONTE. Give me a chance.

Mr. ARMEY. Mr. Chairman, will the gentleman yield for a point of clarification?

Mr. CONTE. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Chairman, I do not want to misunderstand the question. I am sure the gentleman did not say that, as a member of the Appropriations Committee, the gentleman went along with a spending program that the gentleman thought was not needed.

If that was the point the gentleman was making, then I would suggest that indeed we have even more reason to go deep into these appropriations bills and make cuts.

Mr. CONTE. Mr. Chairman, I want to take a good hard look at every one of these programs, every one of them. If somebody comes up and says, "Hey, don't cut this project because it is in my district," we will give it a good hard look and see whether it is worthwhile or not. That is all I am saying. Is there anything wrong with that?

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. CONTE] has again expired.

(By unanimous consent, Mr. CONTE was allowed to proceed for 2 additional minutes.)

Mr. CONTE. In response to the gentleman's other question, I stood in this well here last December and I fought Gramm-Rudman with everything I had. I told the gentleman and others what it would do to defense and our other programs if we got to sequestration. I do not believe in sequestration. I did not believe in it last year and I do not believe in it today. I think it is wrong.

What would I do? I have said it. Maybe I will be like a skunk at a lawn party when I get through with this, but you are going to need revenue.

□ 1305

There is no way out of this thing; we are going to need some revenue. You may say no at this time, but you just come back here in September. You will see that everybody is going to be in that corner. Defense is going to get locked in with major cuts across the board, along with the other programs. Domestic programs are going to be cut. Somebody is going to have to have the backbone to come up here and say they are going to be cut, unless we increase revenues.

I do not think we ought to cut Amtrak now. We put a lot of money in Amtrak, and we have fought this thing time and time again. Goodness me, we have fought this. We have had rollcall votes on it time and time again.

This Congress, by a majority vote, has said that we want Amtrak. We have already cut Amtrak down by 32 percent in about 4 years. I do not see many other programs being cut that much. I just happen to believe that Amtrak is a vital part of our transportation system in this country and deserves to exist.

I have ridden that train from Los Angeles to San Diego. Does the gentleman think that is a bad operation?

Mr. HUNTER. That is a money maker.

Mr. CONTE. All right. Then let us cut that one out. Even if it is a moneymaker, let us cut it out, because with this cut he is putting in you are going to have to cut somewhere.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. CONTE] has again expired.

(On request of Mr. HUNTER and by unanimous consent, Mr. CONTE was allowed to proceed for 2 additional minutes.)

Mr. CONTE. Mr. Chairman, if the gentleman is going to tell me that is a moneymaker, so is the Washington to New York a moneymaker, the Boston to New York is a moneymaker, and the Boston to Washington is a moneymaker. But somebody is going to have to take the lumps.

Mr. HUNTER. Mr. Chairman, if the gentleman would yield for just a second more, the gentleman just made his point and I would agree with that. Even though I have Amtrak coming into my district, my point to the gentleman—as another gentleman who did not vote for Gramm-Rudman—is that we have got Gramm-Rudman and we are going to have sequestration, and in fact I think there is a lot of merit in making decisions now rather than having the lawnmower make the decisions when we get down to sequestration. And the gentleman has been telling me that he does not have the answers.

Mr. CONTE. Mr. Chairman, let me say, even if this amendment is adopted and several of the other amendments are adopted, that I will continue to vote against across-the-board cuts. I think your way of picking selective cuts is the way to go. Whether we agree with this amendment or not, that is the way to go.

I think across-the-board cuts are wrong because that is the same thing as sequestration. You are cutting the good programs along with the bad programs, and that is why I do not like sequestration.

But I think, even if these cuts are made, even if all these percentage cuts are made, we have to consider something else. Does the gentleman think the other body is going to go along with these things? They are going to put a lot of these items back in the bill. I have seen it time and time again in the 28 years I have been on the Appropriations Committee. We go through these gymnastics now, and then the other body puts them back in.

But assuming all these other cuts are made, you are still going to fall far short of the $144 billion mark under Gramm-Rudman-Hollings, and you are going to have to raise some revenue. Somebody is going to have to stand up here. They are in conference now on that so-called tax simplification bill, or whatever you want to call it. They have got a great opportunity to come in with some revenue and do something to be able to prevent sequestration.

Mr. HUNTER. Mr. Chairman, if the gentleman will yield briefly, I do not think the trigger will operate unless it is 154, I believe, not 144.

Mr. CONTE. Yes; you have a $10 billion leeway. The target under Gramm-Rudman is $144 billion, and you have a $10 billion leeway.

Mr. Chairman, I hope the amendment is defeated.

Mr. HOYER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to these amendments. As the previous speaker, the distinguished ranking member of the Appropriations Committee, has done, limiting himself to a discussion about Amtrak, I would briefly like to discuss the issue of the Washington Metropolitan Area Transit System—the Washington subway system.

The distinguished chairman of the Subcommittee on Transportation, the gentleman from Florida [Mr. LEHMAN], has already addressed this issue, but I think it bears repeating. I would hope the gentleman from Texas [Mr. ARMEY], who has offered this amendment, will listen to what I have to say

because it deals with his argument with respect to sequestration. We understand that argument.

I have before me the plan for spending for the Washington Metropolitan Transit System. Obviously when you build any large capital project, you project how rapidly you can build that project, and how rapidly you build that project will impact on the cost of that project, because obviously that which is built later will be more expensive to build.

Now, in the plan that was adopted, the plan that has been presented by the Transit Authority, in 1985 we were supposed to spend $250 million. In point of fact, this Congress did appropriate $250 million, and the President signed that bill. In 1986 it was again projected that we would spend $250 million. In point of fact, this House appropriated $237 million, which was a reduction from the committee's recommendation of $250 million by an across-the-board amendment. In conference that was reduced an additional $10 million to $227 million. So that in 1986, realizing the budget crunch we were facing, realizing the problems of the deficit, the Metro system was reduced approximately 10 percent in 1986 below that which was recommended by the committee and below that projected in order to build this capital project.

Now, in 1986, of course, we had sequestration, and WMATA was reduced an additional $10 million down to $217 million. Now, that is $33 million below what the committee recommended and $33 million below what was projected for fiscal year 1986 as the necessary capital cost.

Now, for fiscal year 1987, the year for which we are now budgeting, the plan for the Washington Metropolitan Transit System called for the expenditure by the Federal Government—not in total, but by the Federal Government—of $275 million. The committee, with our support, in light of the concern of the gentleman from Texas, the concern of the gentleman from California, and the concern of all of us who want to address the deficit that confronts us, agreed to support the $217 figure, which is the post Gramm-Rudman sequestration figure.

That means that we are over $55 million, some $58 million, below what was projected for spending by WMATA in fiscal year 1987.

I suggest to the Members that WMATA has taken a very deep cut. It has taken about a 21-percent cut in its efforts to assist in solving the deficit problem.

Now, on top of that the gentleman wants to add an additional 10 percent, for approximately a 31-percent cut. I believe the Congress is committed to the completion of the Washington rail transit system. It has repeatedly voted to continue that commitment.

If we adopt the amendments before us, all we are going to do is cut some few dollars in the short run and will be faced with a much larger payout in the long run because of the stretched-out construction process.

So, Mr. Chairman, I would suggest to the gentleman that the Washington Metropolitan Transit System has been responsive to an effort to restrain spending, and it has taken approximately $58 million in cuts this year.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. HOYER. I am glad to yield to the gentleman from Texas.

Mr. ARMEY. Mr. Chairman, I appreciate the point, and this, of course, is a difficult point. It happens time after time when we bring up amendments. Everybody is taking cuts, yet the budget is growing, and I do not know why that happens.

Mr. HOYER. Has the gentleman looked at the defense budget?

Mr. ARMEY. I have. I appreciate that, and its day will come, too.

Washington Metro receives more money from the Federal Government than all other metros across the Nation combined. It does not compete with other metros for its share of the funding. The fact is that we pay 80 percent of the cost.

The CHAIRMAN. The time of the gentleman from Maryland [Mr. HOYER] has expired.

(By unanimous consent, Mr. HOYER was allowed to proceed for 2 additional minutes.)

Mr. ARMEY. Mr. Chairman, if the gentleman will yield further, the Federal Government pays 80 percent of the cost, and the counties that are served by the Washington Metro are all within the top 11 per capita income counties in the Nation. We do not have to slow it down for that. They could increase their share of the cost sharing. I am not so sure that I as a Member of Congress want to continue having the Federal Government build a metro system that serves such a very small area in five counties when indeed we could complete 60 percent of the highway system with that same money and serve the whole Nation.

Mr. HOYER. Mr. Chairman, if I may reclaim my time, is it the gentleman's understanding that none of his Texas constituents, when they come to the Nation's Capital, use that system? Do they use some other system?

Mr. ARMEY. Mr. Chairman, if the gentleman will yield, I have had many Texas constituents who have praised the Metro until I told them what it was costing them. Then they resent it very much. I think that is very true of many constituents across the Nation.

□ 1315

Mr. HOYER. Like this administration, so many people want a free lunch and we all understand that there is no free lunch.

I understand the point the gentleman was making. Support for WMATA has been fully debated on this floor, and in point of fact this Congress has, year after year, in a very bipartisan way, continued its commitment to America's subway system.

America ought to know that from the projections for the expenditures on this program, very, very deep cuts have already been made, consistent with our desire, like the gentleman's, to accomplish meaningful deficit reductions.

Mr. ARMEY. Mr. Chairman, will the gentleman yield for one final question?

Mr. HOYER. Well, I do not have much more time.

Mr. Chairman, again I would urge the rejection of this amendment which is being voted on en bloc. I believe it to be penny wise and pound foolish. It will cost the American taxpayer more money to construct their subway system if this amendment is adopted.

I urge rejection of the amendment.

Mr. ARMEY. Mr. Chairman, will the gentleman yield for just one further point?

Mr. HOYER. I am glad to yield to the gentleman from Texas.

Mr. ARMEY. Mr. Chairman, I appreciate the point. I know how much we cherish it here in the Metro. I can only say my constituents back in Texas would like to have a federally provided Metro so they could ride to see America's team.

Mr. PARRIS. Mr. Chairman, I move to strike the amendment and thereby strike the requisite number of words.

The CHAIRMAN. The gentleman is recognized for 5 minutes, striking the requisite number of words.

Mr. PARRIS. Mr. Chairman, I rise in opposition to the amendments of the gentleman from Texas, which in my judgment are unrealistic and ill-conceived. These amendments would in fact have a devastating effect on the Washington Metropolitan area, a portion of which I am privileged to represent.

The amendments of the gentleman from Texas would be equivalent to my introducing an amendment that would result in converting the Alamo into a hot dog stand or maybe even a topless go-go bar.

The point of all this, Mr. Chairman, is that it is imperative that these amendments do not succeed. The funds included within this bill for the airports and the Metro are essential to the continued viability and perhaps even the survival of these extremely important components of Washington's transportation network.

I think the gentleman has simply momentarily forgotten that this is the Nation's Capitol and the most important city in the free world.

The gentleman suggests cutting 10 percent of the proposed funding for Metro in order to reduce the deficit. Let us look at the facts for just a moment. Such a reduction of $21.7 million would result in outlay savings of only about $1 million. Given the fact that the deficit is measured in outlay dollars, the reduction is obviously negligible.

Let us look at the damage such a reduction would have on both Metro and the deficit, as has been pointed out by the gentleman from Maryland.

Mr. HOYER. Mr. Chairman, I thank the gentleman for his comments.

Mr. PARRIS. As the gentleman from Maryland has previously pointed out, the damage such a reduction would have on Metro under the programs imposed by the Urban Mass Transit Authority, under whose contracting rules Metro must operate, requires that before construction of any segment of Metro may be contracted for, 100 percent of the funds necessary for completion of that segment must be available, the so-called operable segment theory. That being the fact, the effect of this amendment would be to delay and stretch out construction until such time as the rest of the money becomes available. The end result of all this, Mr. Chairman, obviously, is that the $1 million initially saved by the cut if the gentleman's amendments were adopted, and if that $1 million is lost, the delay in construction will end up costing much more than the amount saved due to the inflationary degradation of the dollar, and perhaps a much less favorable bidding climate than currently exists, and perhaps other factors.

In the long run, therefore, Mr. Chairman, I respectfully suggest to the gentleman from Texas that the result of his amendments would be contrary to their stated purpose.

The other amendment, Mr. Chairman, would cut $50 million from the bill for construction at Dulles and National Airports, the only two airports in the country owned and operated by the Federal Government, Construction at these two airports is in fact essential to their safety and, indeed, the ability of these airports to continue to function as airports.

As the gentleman from Kansas has indicated, I have been a pilot for 30 years. I agree that this airport is marginal at best. I fly in and out of it, but to be totally candid with you, I do not like it much because of the approach to National, the marginal facilities that are there, the minimum length of that runway, all of that makes operations there marginal.

As many of my colleagues may recall, I am a cosponsor of legislation to transfer control of those airports to a regional authority and I congratulate the gentleman from Texas, at least in that case he is correct in his position. However, until that transfer occurs, I would suggest that these funds must be left intact.

The dire need for the improvements at these airports needs no discussion in this body, inasmuch as all of us have had to regotiate personally the congested roads, experience the inadequate parking, utilize the terminal facilities that are in disrepair, in search of either an airplane or a place to put your car or to find another passenger or catch a taxi. It is not a pleasant experience, to say the least.

While I would much prefer personally to see the airports transferred so that we, the people of this area, could foot the bill for the three-quarters of a billion dollars in improvements that are required, I believe it is necessary, for safety's sake, for the benefit of your constituents and mine and all the citizens of this Nation, that we leave this appropriation intact.

Mr. Chairman, I hope my colleagues will summarily and overwhelmingly reject this amendment.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

(By unanimous consent, Mr. PARRIS was allowed to proceed for 1 additional minute.)

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. PARRIS. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Chairman, I thank the gentleman for yielding.

I appreciate and I understand how important the airport is.

What I am saying is that we are all going to end up taking big cuts, unless we can be selective and creative about it. If we get this cut today, the people in the five counties served by these two projects would have to increase their share of the cost from 20 percent to less than 21 percent. These are wealthy counties.

Now, as far as the Alamo is concerned, as a Texan I must rise to the defense of the Alamo. It was built by private funds, without cost overruns, and it was defended by the free people of this Nation.

Mr. PARRIS. Mr. Chairman, Texas rose to the defense of the Alamo once before, with questionable results. I hope the same kind of thing happens to the gentleman's amendment in this case.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. PARRIS. I yield to the gentleman from California.

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

(At the request of Mr. HUNTER, and by unanimous consent, Mr. PARRIS was allowed to proceed for 2 additional minutes.)

Mr. PARRIS. I yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, I reluctantly support this amendment, if for no other reason that the adjacent Virginia counties are represented very ably by the two gentlemen who are carrying this debate, Congressman STAN PARRIS and Congressman FRANK WOLF, the army of northern Virginia, I call them. They have done a wonderful job in representing the area where I live, which is just adjacent to Highway 66 and will benefit from extending the Metro out a little bit further.

I want to ask the gentleman a couple questions. No. 1, if we put this Government on autopilot or the budget process and we have cuts across a number of accounts, we are going to have a lot of stretchouts in defense and in a lot of other areas. We are going to have a situation in which instead of building 30 units or 50 units or 60 units, they will be building 15 or 20, so the economics of scale that you get from full funding are going to be not present in many areas after this budget process goes through.

I would just ask the gentleman if the Metro system is not something that has a substantial value to us right now and that will not necessarily accrue to our detriment to have a delay; for example, in moving the Metro out Route 66 toward my home, which will appreciate in value, I hope, when it gets there, if we put that off for a couple years and do not move it west as fast as we thought we would, is not that something that is doable without rendering the pain that we are going to see if we have sequestration and we start cutting across a number of accounts without prioritization?

Mr. PARRIS. I would respond to the gentleman that I, like he, opposed Gramm-Rudman because of its inflexible mindless impact on the budget.

I think we are here and we were elected by our individual constituents to prioritize the needs of the Government of the United States and its people whom we serve.

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

(By unanimous consent, Mr. PARRIS was allowed to proceed for 1 additional minute.)

Mr. PARRIS. Mr. Chairman, I would say to the gentleman, that his point is correct. Certainly, if you defer a national defense increment of some kind, a weapons system or whatever, certainly it is going to cost more money because of the degradation of the purchase power of the dollar. Irrespective of what the rate of inflation is, there is some in the system. We will always, I think, have to live with it; so it will certainly cost more, but the extension

of this system in this Capital city is in my view a moral obligation on the part of the Federal Government, because my constituents, those of others in the metropolitan area, have put hundreds of millions of dollars in this system in reliance on the fact that the Federal Government would continue to provide its contracted for proportionate share. That is in my opinion not perhaps a legal, but a moral obligation on the part of this Congress.

Mr. HUNTER. Mr. Chairman, could I ask the gentleman one question with regard to safety?

Mr. PARRIS. I yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, I think it was not clear when the debate was over the $50 million as to whether or not the $50 million for the airport was part of a trust fund.

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

(At the request of Mr. HUNTER, and by unanimous consent, Mr. PARRIS was allowed to proceed for 2 additional minutes.)

Mr. PARRIS. Mr. Chairman, I continue to yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, I think it was unclear as to whether that $50 million was given because that was part of a trust fund, a trust fund that would have accrued to Dulles and National had they been under the system, or whether that was money that was included in the bill because it was absolutely necessary for safety.

I know the gentleman from Kansas brought up the safety issue. I think it is important to clarify in this debate as to how much of that $50 million is essential to safety. I think the gentleman mentioned the Doppler system.

Mr. PARRIS. Mr. Chairman, I would respond to the gentleman's question by saying that both of those questions are incremental to this appropriation. The number, was arrived at, the roughly $50 million, it is actually $43 million in this cut, 86 percent of the total, was calculated as what would have been available to these facilities had they been in the trust fund and all of it, in my view and I think the gentleman from Kansas said this, is going to be applied essentially for safety purposes.

Mr. HUNTER. Now, is the gentleman absolutely sure about that?

Mr. PARRIS. I am.

Mr. HUNTER. That $50 million is going to safety purposes.

Mr. PARRIS. I am satisfied that that is the case. If the gentleman has no further questions, I indicated my intend to yield to the gentleman from Maryland.

Mr. Chairman, I yield to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Chairman, I thank the gentleman for yielding.

I just would like to make a point with respect to the question of the gentleman from California on whether or not a delay would have an adverse effect on the system.

The gentleman from Texas observes that this is a multijurisdictional agreement of how to get from "A" to "B" to "C", which is one of the problems that we have had. It has more individual jurisdictions participating in its construction plan than any other system in the United States, or perhaps indeed in the world. As a result, it has been relatively finely tuned.

In point of fact, the gentleman from Virginia [Mr. WOLF] and the gentleman from Virginia [Mr. PARRIS] and myself and others have been involved in negotiations with the Urban Mass Transit Administration and WMATA itself and the board to come together with a construction schedule which all the jurisdictions can agree to and enter into. They have done that.

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

(At the request of Mr. HOYER, and by unanimous consent, Mr. PARRIS was allowed to proceed for 1 additional minute.)

Mr. PARRIS. I continue to yield to the gentleman from Maryland.

Mr. HOYER. Mr. Chairman, I thank the gentleman from Virginia.

Therefore, as a practical matter, the answer to the gentleman's question is that that agreement cannot be carried out as now agreed to by UMTA and by the local jurisdictions unless we get a level of funding sufficient to meet the schedule, so it is more complicated than just simply saying you can delay, and obviously, because of the stretchout, the costs will increase, and there is a very different political question involved as well in terms of the agreements between the jurisdictions.

Mr. PARRIS. Mr. Chairman, I would just add in clarification for the record and in answer to the question of the gentleman from California, safety to me is not only the terminal radar control of the actual movement of aircraft, but it is the widening of corridors, it is the provisioning of ticket counters where people do not have to stand in line for long periods or carry their baggage for excessive distances, it is the ability to park your car in a driving snowstorm or a downpour at a convenient place, it is all these things having to do with public safety, whether it is a slip and fall of a passenger or a simple convenience for the traveling public.

I think this money is absolutely necessary for the safety of these facilities and all who use it.

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Mr. BARNES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. I am in very strong opposition to this amendment. It would attack a whole set of agreements that have been reached and worked out very carefully, not only within our region, but with representatives from the rest of the Nation.

I have the privilege of chairing the Subcommittee on Government Operations and Metropolitan Affairs of the House Committee on the District of Columbia, and we have been looking very closely at the funding for these various programs in our region. I can assure our colleagues that the agreements that have been reached with respect to the numbers in this bill have been reached with great difficulty. Members in this region would prefer larger numbers, quite frankly.

This amendment would severely adversely affect programs that have been developed very carefully over a period of years and agreements that have been reached regionally.

I would strongly urge our colleagues to oppose this amendment. If they have any question that this is a proposal that is in the interest of their taxpayers, I hope that they will consult with those of us who have been involved in these issues for years, and we can respond to any questions that they may have about it.

I hope that Members will not be taken in by the concept of this amendment, and will vigorously oppose it.

I am pleased to see the gentleman from Virginia [Mr. WOLF] here, who has been so active in addressing these issues.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. BARNES. I am happy to yield to the gentleman from Texas.

Mr. ARMEY. With respect to the Metro construction, is it not conceivable that the Metro Authority could use the $700 million that is on hand to continue construction on schedule while the local areas served find a way to raise the additional moneys to replace these Federal funds that we are cutting in order to avoid sequestering that would cut funds across the Nation, including these same programs?

These programs will not be exempted from sequestering if it happens, so it is really a matter of whether we are going to cut it now or cut it later. The question is, Can we make cuts that are more selective, more creative, and give a greater opportunity for adjustment and some greater equity?

Quite frankly, there are folks across the Nation——

Mr. BARNES. Mr. Chairman, let me try to respond to the gentleman's

question, because the gentleman has posed an important question.

All of the funds that have previously been appropriated are allocated, and they know where these expenditures are going to be made. In fact, what we need is more money, not to expend the money for additional purposes that was already appropriated.

For example—it is not in my district, it is in the district of the distinguished gentleman from Prince Georges County—the green line has been planned for many years out through Prince George's County, MD, and we do not yet have the funding for that program, although we are working on it. Mr. HOYER has been the leader in addressing that issue.

It is not a question of taking previous moneys that were appropriated and using them for other purposes now; it has already been determined where those moneys are going to be used. I say to the gentleman that he apparently misunderstands the availability of funds, because the purposes of these funds have already been determined, and we need to keep this construction program on schedule, or it is going to end up costing the taxpayers more.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. BARNES. I am happy to yield to the gentleman from Texas.

Mr. ARMEY. Mr. Chairman, my information is that we still have $327.6 million of unobligated funds that should be available for the green line. I understand that we have already appropriated enough to complete the green line.

Mr. BARNES. Let me say to the gentleman that I wish that that were true. We are in a difficult position in trying to get the line completed.

As the gentleman may be aware—he has been looking at this issue—the original plan was for a full 101-mile system in the Washington area. There is a great deal of competition among the jurisdictions to get adequate funding for their lines.

I wish that the gentleman was right, that we have the funds available to us to do what needs to be done, and we can complete the various segments. Unfortunately that is not the case. We are going to have to be back next year for additional funding.

To reduce the funding this year makes no sense whatsoever, Mr. Chairman. It makes no sense for us to reduce it, because it is simply going to cost the taxpayers more when we build this system later.

I think that there is strong agreement in the House on a bipartisan basis that this is a good system, not just for our region but nationally. The Nation's Capital should have a first-class public transportation system, and all of our constituents benefit from it—not just our constituents in the Washington area, but the gentleman's constituents who come here as tourists and take advantage of a first-class transportation system. Obviously it is a benefit to our Government to have this excellent system to get our Federal employees to and from work each day.

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. BARNES. I yield to the gentleman from Maryland.

Mr. HOYER. I thank my colleague from Maryland, who has been in the leadership of this effort as well.

The CHAIRMAN. The time of the gentleman from Maryland [Mr. BARNES] has expired.

(On request of Mr. HOYER and by unanimous consent, Mr. BARNES was allowed to proceed for 1 additional minute.)

Mr. HOYER. Mr. Chairman, if the gentleman will yield further, if I could just amplify, in response to the gentleman from Texas, in point of fact every penny—every penny—that the Washington Metropolitan Transit System now has has been obligated in the plan at the request of the Urban Mass Transportation Administration.

On the issue that the gentleman from Virginia [Mr. PARRIS] raised earlier of operable segments, Mr. Stanley required us to come up with a new plan, which the regions had to get together on and have not only dedicated the funds that are in the pot, but have also dedicated those funds which they are to pay prospectively as matching funds in the pot. So there is not any additional sum available for keeping on track, if you will, with respect to the construction schedule of the Washington Metropolitan Transit System. So it is absolutely critical that we keep at a level of appropriations that will allow us to proceed to effectuate the ends of the plan agreed to by UMTA and ourselves.

Mr. WOLF. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the amendment. Just a couple of quick questions. First, inflation is down at the lowest level that we have had in so many years. This is the time to issue these contracts. This will save a tremendous amount of money. It is not wise to postpone it out into the year 2000 and spend a lot more money. This is the first thing.

Second, when the Vienna line opened up on June 7, the projections were a certain number of people would use Metro. It has surpassed the expectations and is far above what most people thought. Let me tell the Members of this body that without having Metro in the Washington metropolitan area, they could not get in to work. They literally could not get in to the Capitol. They would have to spend 2 hours a day coming in, and 2 hours a day going home. I know most of the Members live here in the Washington metropolitan area and understand the grim traffic problems that we have. So we need the system.

Third, Congressman HOYER is absolutely right. The administration, Secretary Dole, and Ralph Stanley should sign this full-funding contract now which will allow this money to be used, and I say to the gentleman that it is already scheduled to be used, so it is not backlogged, it is ready to go.

The Washington Metro system is one of the Nation's largest transit systems. Each weekday Metro provides service for more than 450,000 trips made on its 1,600 vehicles, bus fleets, and 470 miles. What would you do if you did not have the system? How would we be able to function?

The Washington Metro System is unique in the sense that it is a joint cooperative effort between the entire area. By anyone's measure the Washington Metro is a success in the Nation's Capital. The system is reliable, it is clean, it is safe, it is modern, and it is efficient. Its ridership is high and increasing, its operating costs are being held in check, and its service reliability is among the best in the Nation. WMATA is a model for other transit systems around the country, and is unique in the sense that it serves our Nation's Capital and many visitors, not only from around this country but around the world.

Two decades ago the Federal Government entered into a commitment with the region. The local governments have consistently met their contractural obligations with the expectation that the entire system would be built. I hope that this body will consider the merits of maintaining that level.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Chairman, I appreciate the point that the gentleman makes. I ride the Metro and I understand that it is crowded, it is used, but it is very difficult for me to understand with the Metro that has that much patronage why we still have the Federal Government paying for its operating expenses. It apparently cannot pay its own way even in the operation. We have it now by and large completed, with 80-percent Federal funding, so it is there. We are even paying from the Federal coffers interest on its bonded indebtedness, and asking for more construction.

It seems to me as the Federal Government continues to build more, they continue to buy for the Government enduring year in and year out operating expenses, bonded indebtedness, that will go on forever.

How long after some $9 billion now are the American people going to be

asked to continue to support the Washington Metro? Is it going to then be forever that we will continue to pay their operating costs or help them carry their operating costs? I really believe that we have to look at the deficits, and we have to look at the Gramm-Rudman sequestration. You are going to take a hit anyway when that happens, you are going to have to get your board together, get a new plan. Can you not at that time get a plan together to get greater participation by the local areas? It really is a matter of either take that cut now or take it later.

□ 1340

It is a matter of taking a cut now on this area where we might be able later to spend more money for metro systems across the Nation that are doing without, being left behind.

I love Washington. I love the Washington Metro, in the same way, I love my children, but Lord have mercy, there is no way that I would give one of my sons more money than all the rest of my sons. That is what we have done with the Metrorail system in this country.

Mr. SWIFT. Mr. Chairman, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from Washington.

Mr. SWIFT. Mr. Chairman, as a person disinterested because I come from Washington State, not the Washington DC metropolitan area, I am reminded of the gentleman from Louisiana in the other body, Mr. LONG, who has said many times when it comes to taxes: "Don't tax you, don't tax me, tax the fellow behind the tree."

That happens when it comes to cuts. Do not cut you, do not cut me, cut the fellow behind the tree.

Today, Maryland and Virginia are behind the tree. I just want them to know that I have watched over the years the two distinguished gentlemen from Virginia and the two distinguished gentlemen from Maryland.

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). The time of the gentleman from Virginia [Mr. WOLF] has expired.

(On request of Mr. SWIFT, and by unanimous consent, Mr. WOLF was allowed to proceed for 1 additional minute.)

Mr. SWIFT. They make the case for a rational transportation system for the Washington metropolitan area. I simply want to say that I commend all four of you who have worked so hard on this.

Here is one vote from the Pacific Northwest to not cut you guys who are behind the tree today.

Mr. WOLF. I want to thank the gentleman very much and just say that if I can make a comment, Stark Harris, before most of us came here, guaranteed this and it was a commitment that these bodies have relied on for years. There is money in this bill and other bills for a Houston system, for other systems. It has been a good system. It has worked well. We are asking for a reasonable balance and compromise.

I just ask my colleagues who are looking in here today to give us a no vote. I think it is ill-conceived. I understand the motivation behind it, but I would ask for a "no" vote on this amendment.

Mr. PARRIS. Mr. Chairman, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from Virginia.

Mr. PARRIS. Mr. Chairman, I thank the gentleman.

I have no desire to prolong excessively this debate, but I would remind my friend, the gentleman from Texas [Mr. ARMEY], that as a member of the Committee on the District of Columbia, I support and most of the members clearly support and have for many years, historically and traditionally supported in this Congress an appropriation as a Federal payment for the city of Washington. This year, as you will recall, we appropriated $425 million to offset, if you will, the expenses and the loss of income incurred by the Metropolitan D.C. government as a result of the metropolitan services required because of the presence of the Federal Government.

Very frankly, I say to the gentleman from Texas [Mr. ARMEY], I would like it a great deal better as a person who lives right across the river and whose constituents live there as well if the people from Texas would stay in Texas; if the people from other States would not come here and clog the roads used by me and my constituents everyday of the year. I would be eternally grateful if they did not contribute to the crush of traffic. But they, in fact, do. Every other car in this town has an out-of-State license. It is their capital and they are visiting it, by the thousands.

The CHAIRMAN pro tempore. The time of the gentleman from Virginia [Mr. WOLF] has again expired.

(On request of Mr. PARRIS, and by unanimous consent, Mr. WOLF was allowed to proceed for 1 additional minute.)

Mr. PARRIS. Mr. Chairman, we cannot ignore the fact that the provision of a centralized transportation system, whether it is used by the permanent residents to commute to their jobs in Federal buildings, which is another aspect of the question here, or are used by other visitors to this city, it is an important ingredient of the character of this Capital City.

That is why I think, in part, the gentleman's amendment is ill-founded.

I thank the gentleman for yielding.

Mr. WOLF. Mr. Chairman, I yield back the balance of my time.

Mr. COUGHLIN. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, let me remind the Members that the subcommittee has spent endless hours on this bill. The distinguished chairman, the gentleman from Florida [Mr. LEHMAN], the other members of the subcommittee, and I, went into every one of these issues in very great detail.

We crafted a bill that is below the 302(b) budget allocation. When you consider the amount for the Coast Guard in last year's Defense bill, the Transportation bill is $318 million below last year's expenditures.

To cut the construction at Washington National Airport by 86 percent, as has been said here, has got to affect safety in that airport. Most of the Members of this body, as well as their constituents, fly into and out of that airport. It is a marginal airport. It needs that construction. It needs that additional safety money. That is very important.

I ride Amtrak. Many people do not realize that you just cannot cut our one line in Amtrak. Due to labor protection payments, you would create a house of cards. It would cost more to cut out one line than the savings you would get by cutting the line.

As my colleague from Massachusetts has pointed out, this would literally collapse Amtrak because it is like a house of cards. Once you shut down one line, you trigger the shutdown of other lines.

The distinguished representatives from the Washington, DC, area have very clearly indicated that the Metro funding would not create a savings in the long run; it would create additional costs.

I hope when the Members vote on this amendment, they will vote it down. We have a carefully crafted bill within budget and below last year. It is a good bill, so let us not start taking it apart piece by piece just because it contains something that is in someone else's district or some other part of the country.

Ms. MIKULSKI. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, funds for Metro and Amtrak represent public sector investment that generates private sector jobs. By providing fast and reliable transportation into and around the District, they increase the economic opportunity and productivity of thousands of workers in the area. They yield a return for the people who use them far greater than the amount of money we put into this system.

I rise today in strong opposition to the Armey amendment. I oppose the amendment for two reasons. First, it would cut $21.7 million in funds for the completion of the Washington Metro system. Second, it would make deep cuts in Amtrak and a host of other transportation projects.

The Washington Metro system has had a profound impact on the Washington area, providing a fast, safe, and reliable means of public transportation to millions of area residents. The Metro system has now been in service for 10 years, yet not one stop on the Green Line has opened. This is an injustice to Maryland, and in particular to Prince Georges County, one of the largest jurisdictions in the country, which to this point has borne its share of the costs of the project without receiving any of the benefits. Completion of the Green Line would correct this situation, and Congressman HOYER and I have fought for full funding to make the Metro a truly metropolitan system, serving the entire Washington area. It is the funding necessary for this job that is threatened by the Armey amendment. This amounts to changing the rules in the middle of the game. We need the Green Line to bring green dollars to Maryland.

Amtrak also plays a significant role in providing transportation services to our Nation's Capital. It provides rail service to Washington for thousands of commuters from Baltimore and western Maryland, services that other means of transportation would be hard pressed to replace if Amtrak funds are cut. In addition, cuts in Amtrak funding would cost us some of the 2,500 jobs Amtrak provides to Maryland and would cause job losses in other parts of the country as well.

I urge my colleagues to reject the amendment.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Texas [Mr. ARMEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ARMEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 77, noes 344, not voting 10, as follows:

[Roll No. 263]

AYES—77

Armey	Coble	Frenzel
Bartlett	Combest	Gradison
Barton	Craig	Gregg
Bates	Daniel	Hall, Ralph
Bilirakis	Dannemeyer	Hansen
Boulter	Daub	Hartnett
Broomfield	DeLay	Hiler
Brown (CO)	Dreier	Hubbard
Callahan	Eckert (NY)	Huckaby
Cheney	Fiedler	Hunter
Cobey	Franklin	Kasich
Kindness	Moorhead	Solomon
Kolbe	Nielson	Stenholm
Kramer	Oxley	Strang
Lagomarsino	Petri	Stump
Latta	Porter	Sundquist
Livingston	Ray	Sweeney
Lott	Roemer	Swindall
Lujan	Roth	Tauke
Mack	Schuette	Tauzin
Martin (IL)	Sensenbrenner	Thomas (CA)
McCandless	Shumway	Walker
Michel	Siljander	Weber
Miller (OH)	Smith (NE)	Zschau
Miller (WA)	Smith, Denny (OR)	
Monson	Smith, Robert (NH)	
Montgomery		

NOES—344

Ackerman	Donnelly	Jones (TN)
Akaka	Dornan (CA)	Kanjorski
Alexander	Dowdy	Kaptur
Anderson	Downey	Kastenmeier
Andrews	Duncan	Kemp
Annunzio	Durbin	Kennelly
Anthony	Dwyer	Kildee
Applegate	Dymally	Kleczka
Archer	Dyson	Kolter
Aspin	Early	Kostmayer
Atkins	Eckart (OH)	LaFalce
AuCoin	Edgar	Lantos
Badham	Edwards (CA)	Leach (IA)
Barnard	Edwards (OK)	Leath (TX)
Barnes	Emerson	Lehman (CA)
Bateman	English	Lehman (FL)
Beilenson	Erdreich	Leland
Bennett	Evans (IA)	Lent
Bentley	Evans (IL)	Levin (MI)
Bereuter	Fascell	Levine (CA)
Berman	Fawell	Lewis (CA)
Bevill	Fazio	Lewis (FL)
Biaggi	Feighan	Lightfoot
Bliley	Fields	Lipinski
Boehlert	Fish	Lloyd
Boggs	Flippo	Loeffler
Boland	Florio	Long
Boner (TN)	Foglietta	Lowery (CA)
Bonior (MI)	Foley	Lowry (WA)
Bonker	Ford (MI)	Luken
Borski	Ford (TN)	Lundine
Bosco	Frank	Lungren
Boucher	Frost	MacKay
Boxer	Fuqua	Madigan
Brooks	Gallo	Manton
Brown (CA)	Garcia	Markey
Bruce	Gaydos	Marlenee
Bryant	Gejdenson	Martin (NY)
Burton (CA)	Gekas	Martinez
Burton (IN)	Gephardt	Matsui
Bustamante	Gibbons	Mavroules
Byron	Gilman	Mazzoli
Campbell	Glickman	McCain
Carper	Gonzalez	McCloskey
Carr	Goodling	McCollum
Chandler	Gordon	McCurdy
Chapman	Gray (IL)	McDade
Chappell	Gray (PA)	McEwen
Chappie	Green	McGrath
Clay	Guarini	McHugh
Clinger	Hall (OH)	McKernan
Coats	Hamilton	McMillan
Coelho	Hammerschmidt	Meyers
Coleman (MO)	Hatcher	Mica
Coleman (TX)	Hawkins	Mikulski
Collins	Hayes	Miller (CA)
Conte	Hefner	Mineta
Conyers	Hendon	Mitchell
Cooper	Henry	Moakley
Coughlin	Hertel	Molinari
Courter	Hillis	Mollohan
Coyne	Holt	Moody
Crane	Hopkins	Morrison (CT)
Crockett	Horton	Morrison (WA)
Darden	Howard	Mrazek
Daschle	Hoyer	Murphy
Davis	Hughes	Murtha
de la Garza	Hutto	Myers
Dellums	Hyde	Natcher
Derrick	Ireland	Neal
DeWine	Jacobs	Nelson
Dickinson	Jeffords	Nichols
Dicks	Jenkins	Nowak
Dingell	Johnson	Oakar
DioGuardi	Jones (NC)	Oberstar
Dixon	Jones (OK)	Obey
Olin	Schaefer	Thomas (GA)
Ortiz	Scheuer	Torres
Owens	Schneider	Torricelli
Packard	Schroeder	Towns
Panetta	Schulze	Traficant
Parris	Schumer	Traxler
Pashayan	Seiberling	Udall
Pease	Sharp	Valentine
Penny	Shaw	Vander Jagt
Pepper	Shelby	Vento
Perkins	Shuster	Visclosky
Pickle	Sikorski	Volkmer
Price	Sisisky	Vucanovich
Pursell	Skeen	Waldon
Quillen	Skelton	Walgren
Rahall	Slattery	Watkins
Rangel	Slaughter	Waxman
Regula	Smith (FL)	Weaver
Reid	Smith (IA)	Weiss
Richardson	Smith (NJ)	Wheat
Ridge	Smith, Robert (OR)	Whitehurst
Rinaldo	Snowe	Whitley
Ritter	Snyder	Whittaker
Roberts	Solarz	Whitten
Robinson	Spence	Williams
Rodino	Spratt	Wilson
Roe	St Germain	Wirth
Rogers	Staggers	Wise
Rose	Stallings	Wolf
Rostenkowski	Stangeland	Wolpe
Roukema	Stark	Wortley
Rowland (CT)	Stokes	Wright
Rowland (GA)	Stratton	Wyden
Roybal	Studds	Wylie
Rudd	Swift	Yates
Russo	Synar	Yatron
Sabo	Tallon	Young (AK)
Savage	Taylor	Young (FL)
Saxton		Young (MO)

NOT VOTING—10

Bedell	Fowler	McKinney
Breaux	Gingrich	Moore
Carney	Grotberg	
Dorgan (ND)	Gunderson	

□ 1400

Mr. EVANS of Iowa and Mr. BOLAND changed their votes from "aye" to "no."

So the amendments were rejected.

The result of the vote was announced as above recorded.

Mr. VENTO. Mr. Chairman, I move to strike the last word.

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). The gentleman is recognized for 5 minutes.

Mr. VENTO. Mr. Chairman, I rise in support of H.R. 5205, a bill providing appropriations for the Department of Transportation for fiscal year 1987. I particularly want to commend the chairman of the Appropriations Subcommittee on Transportation, Congressman BILL LEHMAN, and the members of the subcommittee, including my good friend and colleague from Minnesota, MARTIN SABO, for their fine work in reporting this measure to the floor today. In particular, I want to commend the subcommittee for their response to the inadequate oversight of our Nation's pipelines.

Mr. Chairman, across the country, there are old pipelines which are leaking or spilling thousands of gallons of hazardous liquids in residential, commercial, and agricultural areas. On July 8, the very real threat posed by these pipelines was dramatically and tragically brought to the public's attention. Early that morning, an underground pipeline carrying gasoline rup-

tured and exploded in Mounds View, MN, killing a young woman and her daughter. Another woman was seriously burned and hundreds of area residents were evacuated from their homes in the middle of the night. Many homes in the area suffered serious damage as a result of this tragedy.

The problem with such pipelines is not new. In 1983, in response to reports of a series of pipeline leaks in Minnesota, I requested a General Accounting Office [GAO] investigation to examine the issue of pipeline safety and to examine the operations of the Department of Transportation's Office of Pipeline Safety [OPS]. The 1984 issued GAO report noted that only three inspectors were responsible for monitoring the safety of thousands of miles of hazardous substance pipelines in Minnesota and nine other Midwestern States. The GAO also found that some pipeline operators were inspected only once over a 4-year period from 1978 to 1982 and that some operators were not inspected at all during this same period.

In addition, I introduced legislation on June 14, 1983, in the 98th Congress, H.R. 3314, which would have required additional testing and inspection of pipelines. My bill stressed testing the location of the pipelines near populated areas, the age of the lines, as well as geologic and climatic factors that the pipeline was subjected to.

Clearly, Mr. Chairman, the GAO report and the Mounds View tragedy demonstrates that the Office of Pipeline Safety must assume a more visible and effective role in monitoring the safety of this Nation's hazardous substance pipelines. Unfortunately, the administration to date has not sought adequate funding for such an effective role.

At my request, Congressman SABO, with the support of Chairman LEHMAN, included language in this bill which directs the Department of Transportation to assign two additional field inspectors to the regional pipeline safety office which covers Minnesota. This represents a 66-percent increase in inspectors for the Midwest region. While this is still an inadequate number of inspectors, it is a substantial improvement over the present situation in light of the problems that have occurred in our area. In addition, it requires the Pipeline Safety Office to undertake annual comprehensive inspections of the area's pipelines. The report language also directs the Department to submit within 45 days after the enactment of the bill, a report "reassessing the need for establishing mandatory quality assurance requirements for all pipeline operators" including a review of quality assurance of the Williams Pipeline Co., which was the operator of the line involved in the July 8 accident.

The 1979 law that placed DOT and the Office of Pipeline Safety in charge of hazardous liquid pipelines along with their duty to regulate natural gas pipelines is enormously important. The fact is that these pipelines represent potential fire bombs in the very heart of our communities and the government, both National and State, must do a better job to monitor and assure the safety of such pipelines to avert a repeat of the Mounds View tragedy. This legislation represents a real commitment on the part of this House to address the shortcomings of the current Office of Pipeline Safety's role and reconciling it with their envisioned and necessary role to establish assurances to prevent such accidents and a stronger promotion of pipeline safety.

It must be pointed out that the 1979 laws, which the Congress enacted and which I supported, regulating hazardous liquid pipelines has not been implemented as effectively as it should have been. We can do many things as we draft policy, specify and define, but we can't pour common sense into the head of the administrators or the administration. The Office of Pipeline Safety has been a reluctant regulator too prone to let the pipeline companies self-regulate. Congress has in this measure before us, gone beyond the administration request and has provided consistent pressure to get this job done properly. Let us hope it is finally heeded today.

Mr. Chairman, I also note that the measure before us includes a research and development policy initiative specifically focused on a pipeline welding fracture data project at the Oregon Graduate Center. A faulty weld is the chief candidate for the cause of the Mounds View, MN, accident. Obviously, any insights gained through such research is vital to the safe operation of pipelines. Furthermore, this measure, H.R. 5205, provides two important studies: Section 321(a), the Safety Enforcement Program performance, and section 321(d), a long range national transportation strategics study. Both are needed and focus on a broad, nationwide problem. These studies merit the House's strong support and my praise. The chairman, Mr. LEHMAN, has provided the yeoman service needed.

These are important first steps. However, Congress must continue to take the initiative. When this body considers the pipeline safety authorization, we must build upon today's good efforts and set in place an improved program to insure that the Mounds View tragedy does not repeat itself in other communities.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

The Clerk will read.

The Clerk read as follows:

AVIATION INSURANCE REVOLVING FUND

The Secretary of Transportation is hereby authorized to make such expenditures and investments, within the limits of funds available pursuant to section 1306 of the Act of August 23, 1958, as amended (49 U.S.C. 1536), and in accordance with section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the program set forth in the budget for the current fiscal year for aviation insurance activities under said Act.

AIRCRAFT PURCHASE LOAN GUARANTEE PROGRAM

The Secretary of Transportation may hereafter issue notes or other obligations to the Secretary of the Treasury, in such forms and denominations, bearing such maturities, and subject to such terms and conditions as the Secretary of the Treasury may prescribe. Such obligations may be issued to pay any necessary expenses required pursuant to any guarantee issued under the Act of September 7, 1957, Public Law 85-307, as amended (49 U.S.C. 1324 note). None of the funds in this Act shall be available for the implementation or execution of programs under this head, the obligations for which are in excess of $75,000,000 during fiscal year 1987. Such obligations shall be redeemed by the Secretary from appropriations authorized by this section. The Secretary of the Treasury shall purchase any such obligations, and for such purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force. The purposes for which securities may be issued under such Act are extended to include any purchase of notes or other obligations issued under the subsection. The Secretary of the Treasury may sell any such obligations at such times and price and upon such terms and conditions as he shall determine in his discretion. All purchases, redemptions, and sales of such obligations by such Secretary shall be treated as public debt transactions of the United States.

FEDERAL HIGHWAY ADMINISTRATION

LIMITATION ON GENERAL OPERATING EXPENSES

Necessary expenses for administration, operation, and research of the Federal Highway Administration, not to exceed $202,750,000, shall be paid, in accordance with law, from appropriations made available by this Act to the Federal Highway Administration together with advances and reimbursements received by the Federal Highway Administration: *Provided*, That not to exceed $39,288,000 of the amount provided herein shall remain available until expended: *Provided further*, That, notwithstanding any other provision of law, there may be credited to this account funds received from state, counties, municipalities, other public authorities and private sources, for training expenses incurred for nonfederal employees.

HIGHWAY SAFETY RESEARCH AND DEVELOPMENT

(HIGHWAY TRUST FUND)

For necessary expenses in carrying out provisions of sections 307(a) and 403 of title 23, United Sates Code, to be derived from the Highway Trust Fund and to remain available until expended, $7,000,000.

HIGHWAY-RELATED SAFETY GRANTS (LIQUIDATION OF CONTRACT AUTHORIZATION) (HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out the provisions of title 23, United States Code, section 402, administered by the Federal Highway Administration, to remain available until expended, $12,000,000, to be derived from the Highway Trust Fund: *Provided*, That not to exceed $100,000 of the amount appropriated herein shall be available for "Limitation on general operating expenses": *Provided further*, That none of the funds in this Act shall be available for the planning or execution of programs the obligations for which are in excess of $100,000,000 in fiscal year 1987 for "Highway-related safety grants".

RAILROAD-HIGHWAY CROSSINGS DEMONSTRATION PROJECTS

For necessary expenses of certain railroad-highway crossings demonstration projects as authorized by section 163 of the Federal-Aid Highway Act of 1973, as amended, to remain available until expended, $23,500,000, of which $15,333,333 shall be derived from the Highway Trust Fund.

FEDERAL-AID HIGHWAYS (LIMITATION ON OBLIGATIONS) (HIGHWAY TRUST FUND)

None of the funds in the Act shall be available for the implementation or execution of programs the obligations for which are in excess of $13,125,000,000 for federal-aid highways and highway safety construction programs for fiscal year 1987.

FEDERAL-AID HIGHWAYS (LIQUIDATION OF CONTRACT AUTHORIZATION) (HIGHWAY TRUST FUND)

For carrying out the provisions of title 23, United States Code, that are attributable to federal-aid highways, including the National Scenic and Recreational Highway as authorized by 23 U.S.C. 148, not otherwise provided, including reimbursements for sums expended pursuant to the provisions of 23 U.S.C. 308, $13,036,000,000 or so much thereof as may be available in and derived from the Highway Trust Fund, to remain available until expended.

RIGHT-OF-WAY REVOLVING FUND (LIMITATION ON DIRECT LOANS) (HIGHWAY TRUST FUND)

During fiscal year 1987 and with the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed $47,850,000.

MOTOR CARRIER SAFETY

For necessary expenses to carry out the motor carrier safety functions of the Secretary as authorized by the Department of Transportation Act (80 Stat. 939-940), $20,447,000, of which $1,300,000 shall remain available until expended, and not to exceed $1,532,000 shall be available for "Limitations on general operating expenses".

MOTOR CARRIER SAFETY GRANTS (LIQUIDATION OF CONTRACT AUTHORIZATION) (HIGHWAY TRUST FUND)

For payment of obligations incurred for motor carrier safety grants, as authorized by law, $18,000,000, to be derived from the Highway Trust Fund and to remain available until September 30, 1990: *Provided*, That none of the funds in this Act shall be available for the planning or execution of programs the obligations for which are in excess of $50,000,000 in fiscal year 1987 for "Motor carrier safety grants".

BALTIMORE-WASHINGTON PARKWAY (HIGHWAY TRUST FUND)

For necessary expenses, not otherwise provided to carry out the provisions of the Federal-Aid Highway Act of 1970, for the Baltimore-Washington Parkway, to remain available until expended, $9,000,000, to be derived from the Highway Trust Fund and to be withdrawn therefrom at such times and in such amounts as may be necessary.

AIRPORT-HIGHWAY DEMONSTRATION PROJECT

For necessary expenses to carry out a highway project to depress a highway in Shawnee, Oklahoma, that demonstrates methods of improving air service to a small community by extension of a runway over a depressed road, $1,887,000, to remain available until expended.

EXPRESSWAY GAP CLOSING DEMONSTRATION PROJECT

For necessary expenses to carry out a highway construction project along State Route 113 in north-central California that demonstrates methods of reducing motor vehicle congestion and increasing employment, $13,900,000 to remain available until expended: *Provided*, That such funds shall be exempt from any limitation on obligations for federal-aid highways and highway safety construction programs.

INTERMODAL URBAN DEMONSTRATION PROJECT (HIGHWAY TRUST FUND)

For necessary expenses to carry out the provisions of section 124 of the Federal-Aid Highway Amendments of 1974 $11,000,000, to be derived from the Highway Trust Fund.

HIGHWAY SAFETY AND ECONOMIC DEVELOPMENT DEMONSTRATION PROJECTS (HIGHWAY TRUST FUND)

For necessary expenses to carry out construction projects in the State of Mississippi on Route 302 to connect I-55 and U.S. Highway 72, on State Route 6 from Pontotoc to Oxford, on U.S. Highway 82 from I-55 to Starkville, and on U.S. Highway 72 from Corinth, Mississippi, to the Tennessee state line, that demonstrate the safety and economic benefits of widening and improving highways, there is authorized to be appropriated such sums as may be necessary, to be derived from the Highway Trust Fund and to remain available until expended, of which $10,000,000 is hereby appropriated, to remain available until expended, for the projects identified under this head on Route 302 and on U.S. Highway 82: *Provided*, That all funds appropriated under this head shall be exempt from any limitation on obligations for federal-aid highways and highway safety construction programs.

AIRPORT ACCESS DEMONSTRATION PROJECT (HIGHWAY TRUST FUND)

For necessary expenses to carry out a demonstration project in the vicinity of the Ontario International Airport in San Bernardino County, California, for the purpose of demonstrating methods of improving highway access to an airport that is projected to incur a substantial increase in air service, $4,000,000, to remain available until expended and to be derived from the Highway Trust Fund: *Provided*, That such funds shall be exempt from any limitation on obligations for federal-aid highways and highway safety construction programs.

HIGHWAY SAFETY IMPROVEMENT DEMONSTRATION PROJECT (HIGHWAY TRUST FUND)

For the purpose of carrying out a coordinated project of highway improvements in the vicinity of Pontiac and East Lansing, Michigan, that demonstrates methods of enhancing safety and promoting economic development through widening and resurfacing of highways on the federal-aid primary system and on roads on the federal-aid urban system, there is hereby authorized to be appropriated $32,000,000, to be derived from the Highway Trust Fund and to remain available until expended, of which $7,000,000 is hereby appropriated: *Provided*, That all funds appropriated under this head shall be exempt from any limitation on obligations for federal-aid highways and highway safety construction programs.

HIGHWAY-RAILROAD GRADE CROSSING SAFETY DEMONSTRATION PROJECT (HIGHWAY TRUST FUND)

For the purpose of carrying out a coordinated project of highway-railroad grade crossing separations in Mineola, New York, that demonstrates methods of enhancing highway-railroad grade crossing safety while minimizing surrounding environmental effects, there is hereby authorized to be appropriated $50,000,000, to be derived from the Highway Trust Fund and to remain available until expended, of which $3,000,000 is hereby appropriated: *Provided*, That all funds appropriated under this head shall be exempt from any limitation on obligations for federal-aid highways and highway safety construction programs.

NUCLEAR WASTE TRANSPORTATION SAFETY DEMONSTRATION PROJECT (HIGHWAY TRUST FUND)

For necessary expenses for a project to construct a relief route in the Los Alamos-Santa Fe, New Mexico, corridor that demonstrates methods of improving the safety of transporting nuclear waste by constructing an alternate route with specific safety features, $4,000,000, to be derived from the Highway Trust Fund and to remain available until expended: *Provided*, That such funds shall be exempt from any limitation on obligations for federal-aid highways and highway safety construction programs.

THEODORE ROOSEVELT BRIDGE CAPACITY IMPROVEMENTS (HIGHWAY TRUST FUND)

For necessary expenses to improve the safety, capacity, and operation of the Theodore Roosevelt Bridge on I-66, connecting the Commonwealth of Virginia and the District of Columbia, $1,500,000, to be derived from the Highway Trust Fund and to remain available until expended: *Provided*, That such funds shall be exempt from any limitation on obligations for federal-aid highways and highway safety construction programs.

AIRPORT ACCESS HIGHWAY DEMONSTRATION PROJECT (HIGHWAY TRUST FUND)

For necessary expenses to carry out a demonstration project in the vicinity of the New Orleans International Airport in Jefferson Parish, Louisiana, for the purpose of demonstrating methods of improving highway access to an airport that is suffering from commuter congestion and is in the process of extending its main east-west runway, $5,000,000, to remain available until expended and to be derived from the Highway Trust Fund: *Provided*, That such funds shall be exempt from any limitation on obligations for federal-aid highways and highway safety construction programs.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

OPERATIONS AND RESEARCH

For expenses necessary to discharge the functions of the Secretary with respect to traffic and highway safety and functions

under the Motor Vehicle Information and Cost Savings Act (Public Law 92-513, as amended), $93,600,000 of which $37,742,000 shall be derived from the Highway Trust Fund: *Provided*, That not to exceed $44,268,000 shall remain available until expended, of which $21,637,000 shall be derived from the Highway Trust Fund: *Provided further*, That, of the funds available under this head, $10,000,000 shall be available to implement the recommendations of the 1985 National Academy of Sciences report on trauma research.

AMENDMENT OFFERED BY MR. CARR

Mr. CARR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CARR: On page 23, line 11, after "$93,600,000," insert "together with $2,000,000 to be derived from unobligated balances of "Payments to air carriers",".

Mr. CARR. Mr. Chairman, this amendment really should not be very controversial. It has been checked with the minority and the majority leader on this bill. The amendment has no net dollar effect. It will not add to the totals of the bill. It simply shifts $2 million from one account to another.

I am advised that the account from which these funds would be taken has a higher unobligated balance than originally anticipated and that this transfer should not negatively affect the program in any way.

□ 1415

Mr. Chairman, the committee was wise in deleting $2.75 million from the administration's request for its so-called national occupant protection program. That program, as laid out by the administration, would focus on the wrong safety belt usage priorities. We do not need to spend more money to print pamphlets and conduct seminars on the general benefits of seatbelts. Polls show us that people already know about these benefits.

What we do need is a focus program to implement and build upon the mandatory use laws already enacted in order to achieve sustained levels of high usage and to save lives. This amendment would so focus that money.

Mr. LEHMAN of Florida. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of this amendment.

The gentleman from Michigan [Mr. CARR] is correct that the amendment has no net dollar effect on the bill. The gentleman is also correct that the estimated unobligated balance in the payments to air carriers program is higher than first estimated, and that this program would not be adversely affected by the reduction of these funds.

I agree with the gentleman that these funds should be used only in States with mandatory use laws only and for the purposes outlined in his statement.

I know the gentleman will assist me in reviewing the status of these funds with NHTSA during our fiscal year 1988 budget hearings to assure full compliance with the gentleman's wishes.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield.

Mr. LEHMAN of Florida. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, I want to associate myself with the remarks of the distinguished chairman of the subcommittee. We certainly have no objection to the amendment on this side.

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). The question is on the amendment offered by the gentleman from Michigan [Mr. CARR].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: In title I, on page 23, line 11, strike "$93,600,000" and insert in lieu thereof, "$73,600,000".

Mr. WALKER. Mr. Chairman, this is the additional amendment that I had hoped to offer earlier in the day en bloc. It is in fact an attempt to deal with the burgeoning drug crisis in this country by putting $20 million into the Coast Guard and taking it, as this amendment does, out of NHTSA, the National Highway Transportation Safety Administration.

The need for the money for the Coast Guard is clear. Here it is. This is the drug package, the bipartisan drug package.

One of the items in this drug package is a bill, H.R. 5268. H.R. 5268 specifies that we need 1,500 additional Coast Guard personnel at a cost of $40 million. In addition, it also specifies that we need secure radio communications for the Coast Guard to the tune of $50 million.

In order to get some of that money, I suggest that right now we ought to make a $20 million transfer within this bill. Twenty million dollars does not get us all the money, but it gets us a part of the money.

My concern is this. We are talking and we are now introducing bills that relate to a war on drugs. We have no money to do it. The $90 million called for in H.R. 5268 is simply unavailable. Should this money be authorized by the House, there would be no ability under this appropriation to provide that money. This committee will have bumped up against the 302 allocation, and we will not be able to provide the money necessary to carry out that portion of the war on drugs.

The only way that we can get the money is how to figure out some lesser priority in order to put the money into the Coast Guard funds. That is what I propose to do.

Why do I regard the NHTSA appropriation a lesser priority?

Because what they are doing right now is spending $20 million a year given to the States for the purpose of enforcing the 55-mile-an-hour speed limit law. In other words, under our national priorities, we are saying that keeping people from going 56 miles an hour is more important than fighting drugs in this country.

I suggest that that is a ridiculous priority.

Even the chairman of the committee, the gentleman who proudly claimed to have authored the bill for 55 miles an hour, came out here a little earlier today and admitted to us that the law is being completely disobeyed, that there is no traffic in the country moving at 55 miles an hour, that regularly traffic in this country is moving at 61 miles an hour and 62 miles an hour, that the public is roundly ignoring. That is from the chairman himself; that is not me saying that. The chairman is making the statement that the 55-mile-an-hour speed limit is today being routinely ignored by virtually the entire country.

Yet we are spending $20 million in order to have a situation where we are trying to enforce that law.

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Chairman, what I said was that the average speed is not 55, the same as where it is marked 20 miles an hour, that is not 20; where it is marked 30, it is not 30. We have discrepancies with the radar and such things, so I do not want the gentleman to misinterpret what I said in my previous statement.

Mr. WALKER. I understand what the gentleman said. What the gentleman is telling us is that the speed laws around the country are being routinely ignored.

Mr. HOWARD. If the gentleman will continue to yield, what the gentleman wanted to try to do then was to take away the enforcement for it. It seems to me that would be worse.

Mr. WALKER. No. For years and years and years, we allowed the enforcement to happen with the States. We allowed them to set the law and we allowed them to enforce the law. They enforced a law that was far more rational for their individual States. They set speed limits on their roads that were rational for those particular areas.

That does not require then $20 million of funding from the Federal Government in order to do what is rational within those States.

What I am suggesting to the gentleman is, there are lives being lost today as a result of drugs. This country is

seeing a massive increase in the drug deaths in this country. We are seeing them go into the thousands of drug deaths.

We are seeing at the same time that traffic fatalities are steadily headed downward. The gentleman claims that in part this is because of the 55-mile-an-hour speed limit. I claim that in large part it is because of new technology in automobiles and because of a number of factors, including better roads.

So it seems to me that if you select among priorities, what you ought to be doing here is selecting the priority that saves the most lives. You save the most lives with $20 million by taking it for fighting drugs, by having a war on drugs in this country, rather than trying to keep people driving at 56 miles.

Literally, we have a policy in this country that suggests that if you drive 56 miles an hour, you are evading the law, and I suggest that that is nonsense.

Mr. LEHMAN of Florida. Mr. Chairman, I rise in strong opposition to this amendment.

Mr. Chairman, this $20 million cut will decimate the work of the National Highway Traffic Safety Administration. Thousands of lives will be lost on our highways because of the work that they won't be able to do.

This subject has already been debated. We have already had one rollcall vote. I don't see a need to prolong this debate.

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. LEHMAN of Florida. I yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Chairman, is there money for drug enforcement in this legislation?

Mr. LEHMAN of Florida. There is a $373 million minimum for the Coast Guard drug interdiction.

Mr. HOWARD. Is that an increase from last year?

Mr. LEHMAN of Florida. That is a $60 million increase over last year.

Mr. RICHARDSON. Mr. Chairman, I rise in support of Mr. WALKER'S amendment. The issue of the 55-mile-per-hour speed limit is very important to my home State of New Mexico.

Mr. Chairman, I realize this point has been made many times over, but I feel very strongly that I must make it once more—those of us in rural areas and States have been clearly disadvantaged by this law. I am sure many of my colleagues share my sentiments. It is time to reevaluate a law passed in a time of crisis and whose impacts have been felt by different regions of the country in very unequal ways.

A vote for this amendment will benefit law enforcement in remote areas. In New Mexico, we have a total of 300 State police officers for the entire State; they cover very large geographic areas and their responsibilities are many. Under "55 mile-per-hour duress," they spend a great deal of time issuing speeding tickets to comply with Federal law. I am sure my colleagues would agree with me that our law enforcement officer's time could be better spent fighting crime and protecting citizens.

Mr. Chairman, a CBS news story on the 55-mile-per-hour issue was filmed on I-40 in my district, where, with the exception of Albuquerque, no New Mexico county traversed by an interstate highway has more than 40 people per square mile. The New Mexico State Legislature recently passed a memorial urging Congress to enact legislation permitting a higher speed limit. We take this issue very seriously in New Mexico because it has serious consequences for New Mexicans.

I urge my colleagues to support Mr. WALKER'S amendment.

Mr. MARLENEE. Mr. Chairman, I stand in support of Mr. WALKER'S amendment to channel funds from enforcing the 55-mile-per-hour speed limit to the Coast Guard for their drug trafficking crackdown.

The time has come to abolish the 55-mile-per-hour limit. It is an ignored and ineffective law which was established as a conservation issue and has since been turned into a safety issue. It's time we abolish this failed Federal experiment of the 55-mile-per-hour speed limit.

Montana neither obeys nor respects the 55-mile-per-hour, and the law enforcement used to combat 65-mile-per-hour speeders could be put to much better use in efforts to get drunk drivers off the streets and highways of Montana and the Nation or to interdict drug traffickers.

A recent Gallup poll showed public support for the 55-mile-per-hour is the lowest since the law was enacted in 1974.

States like Montana have long stretches of rural interstate. These rural interstates see only 19 percent of the country's highway traffic and account for only 4 percent of the highway fatalities. It's quite clear that increasing the speed limit will not cost thousands of lives on rural highways.

Why raise the limit? Because it makes sense.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALKER].

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 118, noes 303, not voting 10, as follows:

[Roll No. 264]

AYES—118

Archer	Callahan	Daub
Armey	Campbell	DeLay
Bartlett	Chappie	Dornan (CA)
Barton	Cheney	Dreier
Bates	Cobey	Edwards (OK)
Biaggi	Coble	English
Bilirakis	Combest	Erdreich
Bliley	Craig	Fields
Boulter	Crane	Foglietta
Broomfield	Daniel	Frank
Brown (CO)	Dannemeyer	Franklin
Burton (IN)	Daschle	Frenzel
Frost	Mack	Shelby
Gingrich	Madigan	Shumway
Glickman	McCain	Skeen
Gregg	McCandless	Slattery
Hall, Ralph	McCollum	Slaughter
Hansen	McKernan	Smith (NE)
Hartnett	McMillan	Smith, Robert (NH)
Hendon	Michel	Smith, Robert (OR)
Hopkins	Monson	Solomon
Huckaby	Moorhead	St Germain
Hughes	Murphy	Stenholm
Hunter	Nielson	Strang
Hyde	Oxley	Stump
Jones (OK)	Pashayan	Sweeney
Kasich	Penny	Swindall
Kemp	Petri	Tauzin
Kindness	Pickle	Thomas (CA)
Kolbe	Porter	Vander Jagt
Kramer	Reid	Vucanovich
Lagomarsino	Richardson	Walker
Latta	Roberts	Weaver
Leach (IA)	Roemer	Weber
Leath (TX)	Roth	Whittaker
Lloyd	Rudd	Williams
Loeffler	Schaefer	Young (FL)
Lott	Seiberling	Zschau
Lujan	Sensenbrenner	
Lungren	Shaw	

NOES—303

Ackerman	DioGuardi	Jeffords
Akaka	Dixon	Jenkins
Alexander	Donnelly	Johnson
Anderson	Dorgan (ND)	Jones (NC)
Andrews	Dowdy	Jones (TN)
Annunzio	Downey	Kanjorski
Anthony	Duncan	Kaptur
Applegate	Durbin	Kastenmeier
Aspin	Dwyer	Kennelly
Atkins	Dymally	Kildee
AuCoin	Dyson	Kleczka
Badham	Early	Kolter
Barnard	Eckart (OH)	Kostmayer
Barnes	Eckert (NY)	LaFalce
Bateman	Edgar	Lantos
Beilenson	Edwards (CA)	Lehman (CA)
Bennett	Emerson	Lehman (FL)
Bentley	Evans (IA)	Leland
Bereuter	Evans (IL)	Lent
Berman	Fascell	Levin (MI)
Bevill	Fawell	Levine (CA)
Boehlert	Fazio	Lewis (CA)
Boggs	Feighan	Lewis (FL)
Boland	Fiedler	Lightfoot
Boner (TN)	Fish	Lipinski
Bonior (MI)	Flippo	Livingston
Bonker	Florio	Long
Borski	Foley	Lowery (CA)
Bosco	Ford (MI)	Lowry (WA)
Boxer	Ford (TN)	Luken
Brooks	Fuqua	Lundine
Brown (CA)	Gallo	MacKay
Bruce	Garcia	Manton
Bryant	Gaydos	Markey
Burton (CA)	Gejdenson	Marlenee
Bustamante	Gekas	Martin (IL)
Byron	Gephardt	Martin (NY)
Carper	Gibbons	Martinez
Carr	Gilman	Matsui
Chandler	Gonzalez	Mavroules
Chapman	Goodling	Mazzoli
Chappell	Gordon	McCloskey
Clay	Gradison	McCurdy
Clinger	Gray (IL)	McDade
Coats	Gray (PA)	McEwen
Coelho	Green	McGrath
Coleman (MO)	Guarini	McHugh
Coleman (TX)	Hamilton	Meyers
Collins	Hammerschmidt	Mica
Conte	Hatcher	Mikulski
Conyers	Hawkins	Miller (CA)
Cooper	Hayes	Miller (OH)
Coughlin	Hefner	Miller (WA)
Courter	Henry	Mineta
Coyne	Hertel	Mitchell
Crockett	Hiler	Moakley
Darden	Hillis	Molinari
Davis	Holt	Mollohan
de la Garza	Horton	Montgomery
Dellums	Howard	Moody
Derrick	Hoyer	Morrison (CT)
DeWine	Hubbard	Morrison (WA)
Dickinson	Hutto	Mrazek
Dicks	Ireland	Murtha
Dingell	Jacobs	Myers

Natcher	Russo	Tauke
Neal	Sabo	Taylor
Nelson	Savage	Thomas (GA)
Nichols	Saxton	Torres
Nowak	Scheuer	Torricelli
Oakar	Schneider	Towns
Oberstar	Schroeder	Traficant
Obey	Schuette	Traxler
Olin	Schulze	Udall
Ortiz	Schumer	Valentine
Owens	Sharp	Vento
Packard	Shuster	Visclosky
Panetta	Sikorski	Volkmer
Parris	Siljander	Waldon
Pease	Sisisky	Walgren
Pepper	Skelton	Watkins
Perkins	Smith (FL)	Waxman
Price	Smith (IA)	Weiss
Pursell	Smith (NJ)	Wheat
Quillen	Smith, Denny (OR)	Whitehurst
Rahall	Snowe	Whitley
Rangel	Snyder	Whitten
Ray	Solarz	Wilson
Regula	Spence	Wirth
Ridge	Spratt	Wise
Rinaldo	Staggers	Wolf
Ritter	Stallings	Wolpe
Robinson	Stangeland	Wortley
Rodino	Stark	Wright
Roe	Stokes	Wyden
Rogers	Stratton	Wylie
Rose	Studds	Yates
Rostenkowski	Sundquist	Yatron
Roukema	Swift	Young (AK)
Rowland (CT)	Synar	Young (MO)
Rowland (GA)	Tallon	
Roybal		

NOT VOTING—10

Bedell	Fowler	McKinney
Boucher	Grotberg	Moore
Breaux	Gunderson	
Carney	Hall (OH)	

□ 1435

Mr. TRAXLER and Mr. COATS changed their votes from "aye" to "no."

Mr. REID changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). The Clerk will read.

The Clerk read as follows:

HIGHWAY TRAFFIC SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)
(HIGHWAY TRUST FUND)

(INCLUDING RESCISSION)

For payment of obligations incurred carrying out the provisions of 23 U.S.C. 402, 406, and 408, and section 209 of Public Law 95-599, as amended, to remain available until expended, $122,000,000, to be derived from the Highway Trust Fund: *Provided*, That none of the funds in this Act shall be available for the planning or execution of programs the total obligations for which are in excess of $121,060,000 in fiscal year 1987 for "State and community highway safety" authorized under 23 U.S.C. 402: *Provided further*, That none of these funds shall be used for construction, rehabilitation or remodeling costs, or for office furnishings and fixtures for state, local, or private buildings or structures: *Provided further*, That none of the funds in this Act shall be available for the planning or execution of programs the total obligations for which are in excess of $14,400,000 for "Alcohol safety incentive grants" authorized under 23 U.S.C. 408: *Provided further*, That none of the funds in this Act shall be available for the planning or execution of programs authorized under section 209 of Public Law 95-599, as amended, the total obligations for which are in excess of $4,750,000 in fiscal years 1983, 1984, 1985, 1986, and 1987: *Provided further*, That not to exceed $4,860,000 shall be available for administering the provisions of 23 U.S.C. 402: *Provided further*, That of the funds available for obligation for "Alcohol safety incentive grants" under section 23 U.S.C. 408, $5,000,000 is hereby rescinded.

Mr. LEHMAN of Florida (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of title I of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. BROWN of Colorado. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

The Clerk will read.

The Clerk read as follows:

FEDERAL RAILROAD ADMINISTRATION

OFFICE OF THE ADMINISTRATOR

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Federal Railroad Administration, not otherwise provided for, including authorized expenses associated with Washington Union Station, $26,750,000, of which $4,600,000 shall remain available until expended, and $3,500,000 shall be derived from unobligated balances of "Rail service assistance": *Provided*, That none of the funds in this Act shall be available for the planning or execution of a program making commitments to guarantee new loans under the Emergency Rail Services Act of 1970, as amended, and that no new commitments to guarantee loans under section 211(a) or 211(h) of the Regional Rail Reorganization Act of 1973, as amended, shall be made: *Provided further*, That none of the funds in this Act shall be available for the acquisition, sale, or transference of Washington Union Station without the prior approval of the House and Senate Committees on Appropriations: *Provided further*, That notwithstanding any other provision of law, of the funds available under this head, $10,000,000 shall be available for necessary expenses for rail assistance authorized by section 5(q) of the Department of Transportation Act, as amended, to remain available until expended: *Provided further*, That $7,500,000 of the fiscal year 1987 funds made available under section 5(h) shall be made available for use directly under sections 5(h)(3)(B)(ii) and 5(h)(3)(C) of the Department of Transportation Act, as amended, notwithstanding any provisions therein to the contrary: *Provided further*, That each state shall be entitled to, and no more than, $50,000 under the combined provisions of section 5(h)(2) and section 5(i), notwithstanding any provisions therein to the contrary: *Provided further*, That no state may apply for fiscal year 1987 funds available under section 5(h)(2) until such state has obligated all funds granted to it under section 5(h)(2) in the fiscal years prior to the beginning of fiscal year 1982, other than funds not expended due to pending litigation: *Provided further*, That a state denied funding by reason of the preceding proviso may still apply for and receive funds for planning purposes.

RAILROAD SAFETY

For necessary expenses in connection with railroad safety, not otherwise provided for, $25,700,000.

RAILROAD RESEARCH AND DEVELOPMENT

For necessary expenses for railroad research and development, $9,800,000, to remain available until expended.

NORTHEAST CORRIDOR IMPROVEMENT PROGRAM

For necessary expenses related to Northeast Corridor improvements authorized by title VII of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended (45 U.S.C. 851 et seq.), $16,962,000, to remain available until expended: *Provided*, That, notwithstanding any other provision of law, the provisions of Public Law 85-804 shall apply to the Northeast Corridor Improvement Program: *Provided further*, That the Secretary may waive the provisions of 23 U.S.C. 322 (c) and (d) if such action would serve a public purpose: *Provided further*, That all public at grade-level crossing remaining along the Northeast Corridor upon completion of the project shall be equipped with protective devices including gates and lights.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

(INCLUDING TRANSFER OF FUNDS)

To enable the Secretary of Transportation to make grants to the National Railroad Passenger Corporation for operating losses incurred by the Corporation, capital improvements, and labor protection costs authorized by 45 U.S.C. 565, to remain available until expended, $613,000,000, of which $11,000,000 shall be derived from unexpended balances of "Conrail workforce reduction": *Provided*, That none of the funds herein appropriated shall be used for lease or purchase of passenger motor vehicles or for the hire of vehicle operators for any officer or employee, other than the president of the Corporation, excluding the lease of passenger motor vehicles for those officers or employees while in official travel status: *Provided further*, That the Secretary shall make no commitments to guarantee new loans or loans for new purposes under 45 U.S.C. 602 in fiscal year 1987: *Provided further*, That the incurring of any obligation or commitment by the Corporation for the purchase of capital improvements prohibited by this Act or not expressly provided for in an appropriation Act shall be deemed a violation of 31 U.S.C. 1341: *Provided further*, That no funds are required to be expended or reserved for expenditure pursuant to 45 U.S.C. 601(e): *Provided further*, That none of the funds in this or any other Act shall be made available to finance the rehabilitation and other improvements (including upgrading track and the signal system, ensuring safety at public and private highway and pedestrian crossings by improving signals or eliminating such crossings, and the improvement of operational portions of stations related to intercity rail passenger service) on the main line track between Atlantic City, New Jersey, and the main line of the Northeast Corridor, unless the Secretary of Transportation certifies that not less than 40 per centum of the costs of such improvements shall be derived from non-federal sources: *Provided further*, That, notwithstanding any other provision of law, the National Railroad Passenger Corporation shall not operate rail passenger service between Atlantic City, New Jersey, and the Northeast Corridor main line unless the Corporation's Board of Directors determines that

revenues from such service have covered or exceeded 80 per centum of the short term avoidable costs of operating such service in the first year of operation and 100 per centum of the short term avoidable operating costs for each year thereafter: *Provided further*, That none of the funds provided in this or any other Act shall be made available to finance the acquisition and rehabilitation of a line, and construction necessary to facilitate improved rail passenger service, between Spuyten Duyvil, New York, and the main line of the Northeast Corridor unless the Secretary of Transportation certifies that not less than 40 per centum of the costs of such improvements shall be derived from non-Amtrak sources.

AMENDMENT OFFERED BY MR. BROWN OF COLORADO

Mr. BROWN of Colorado. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Colorado: Page 28, line 1, strike "$613,000,000" and insert in lieu thereof "$590,700,000".

Mr. BROWN of Colorado. Mr. Chairman, this amendment reduces the appropriation for Amtrak to the level of funding last year. It is not a cut in the funding for Amtrak. It merely holds it steady with last year's subsidy.

Mr. Chairman, I would like to commend the chairman who has brought to us a bill that on the 302(b) allocation for the mandatory programs is within that allocation. It does not meet the 302(b) allocation with regard to discretionary programs, however. That is why I rise to offer this measure to bring the bill back within the level that will meet the 302(b) allocation.

Mr. Chairman, our current year deficit is going to run $50 billion more than what we had set as our target. No one in this Chamber can be proud of that level. No one in this Chamber can be proud of the job that we have done in that area.

For the 1987 budget, the Office of Management and Budget is now saying that our budget, even if we follow it, may well be $10 to $20 billion over the budget. If that is not enough sobering news, the early reports on the reconciliation discussions indicate that we may not even make the reconciliation targets that we call for in the budget. In other words, we could be more than $20 billion over the 1987 target.

The simple fact is that this Congress when it comes to controlling spending has acted a little bit like a kamikaze pilot with 26 missions.

The bottom line, Mr. Chairman, is that we simply have to begin to live up to our budget responsibilities, that this bill is over the 302(b) allocation for discretionary programs and the amendment addresses that by reducing the Amtrak level, not a cut, but to the level that was spent last year.

The simple fact is that Amtrak can live within the allocations that came out last year.

Let me point out here that the money we are talking about in last year's spending is the actual expenditures after sequestering.

The question I think the Members have to ask is, Can Amtrak live with that budget? I believe they can live with the same level of subsidies that they had last year.

Consider, if you will, these facts: The average passenger who took an Amtrak train received a subsidy of $33 for each trip. Now, that is according to the OMB. Now, if you look at the committee's report, it is a little less than $30 per trip, per individual.

It was earlier mentioned, I think by the gentleman from Massachusetts, that there was some concern that all levels of our transportation are subsidized. The gentleman referred to automobiles and the airport, but I hope the Members will keep in mind there is a dramatic difference. The funds that go to subsidize auto traffic or highway construction come from a levy on fuel that is simply returned to that area. It is not a Government subsidy from the general revenue. It is self-generated.

The assistance to airports and airplanes comes from a levy on flying and the public that pays for those tickets. It is not from general revenue. It is from the use of those facilities themselves.

This is a subsidy that comes out of the pockets of the ordinary taxpayer. It is far different.

□ 1450

The second thing that I think we need to keep in mind is that three-fourths of the Amtrak stations have less then 50 passengers a day. If we are looking for an area in which to control spending in the Government, how can we possibly ignore Amtrak? And more to the point, how can we possibly say that now is the time to increase the subsidy to Amtrak, and increase it in a way so that it makes this bill break the budget? The simple fact is that we can and we must face up to our responsibilities. This measure is a very moderate one which simply says no, let us not increase the subsidy.

I ask the Members to take a look at it. I think that it is critically important that we either live with these limits or face the awesome impact of a sequester later on.

Mr. LEHMAN of Florida. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as we have said before, Amtrak is not like a grant program. Amtrak is a going concern. If we make this cut in Amtrak, we are really pulling the plug on an ongoing operation. We are destroying Amtrak. We are placing Amtrak in a position where it can no longer do adequate maintenance. We are placing Amtrak in a position where it cannot make necessary improvements.

Mr. Chairman, this body has already voted once today on Amtrak, in the Armey amendment. I do not think that we need to debate this further. I ask for a vote on this amendment, and I urge my colleagues this time to vote "no."

Mr. WIRTH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment. I want to associate myself with the remarks of the gentleman from Florida [Mr. LEHMAN], the chairman of the subcommittee, and to commend him and the members of the subcommittee on putting together a very, very well-balanced transportation appropriations bill.

The gentleman from Colorado [Mr. BROWN] has argued that we should agree to this amendment because it keeps the bill under the budget ceiling set for the Appropriations Committee. Let me remind the gentleman that this bill authorizes expenditure of $26 billion on transportation programs. The gentleman is concerned that this bill may exceed spending limits by $13 million—$13 million out of $26 billion. That is .0001 percent of the total. And the $26 billion, as the gentleman, who is an able member of the Budget Committee, knows, is simply a very best estimate of costs over the next year.

This whole $13 million could be wiped out, for example, by 1 day of cold weather that slows down highway construction. It could be wiped out if work on the Atlanta subway slows down by 1 day because of change in work orders. Any number of factors could reduce costs below the $26 billion in authorized spending.

So it seems to me that to argue that we should disrupt the delicate balance that has been built into this bill because it exceeds the outlay ceiling for discretionary spending by $13 million is a little bit ridiculous.

Finally, to suggest that we are "ignoring Amtrak" is at odds with the fact that, over the past several years, Amtrak appropriations have been cut and frozen. I hope that all the Members will simply turn down this amendment.

In drafting this bill, the subcommittee had to consider many factors, and in the case of many projects the subcommittee had to make its best estimate on costs. Mr. Chairman, the subcommittee has done a superb job at balancing the many, many competing demands on limited finances. I hope that we vote no on this amendment.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. I congratulate the gentleman from Colorado [Mr. WIRTH] on his statement, and I cer-

tainly join him in his statement. I think that he is exactly right. Transportation is very difficult, because you want a balanced approach across the board. It is very important to keep that balance. Otherwise I think that we really lose the perspective.

I think that the gentleman is correct, and I join him in encouraging Members to vote "no" on the amendment.

Mr. WIRTH. Mr. Chairman, I thank the gentlewoman. There are many things that all of us want to have in a bill like this, and it seems that our job is to work out a good balance.

Mr. LEVIN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. I yield to the gentleman from Michigan.

Mr. LEVIN of Michigan. Mr. Chairman, the gentleman mentioned the outlay figure, in that it was $13 million over, and of course that is an estimate. I think that it is important to point out—if it is not, I would like somebody to challenge it—that when you combine the mandatory and discretionary outlay figures, this bill is under the 302 allocations. I think that everybody should understand that. As I understand it, it is fair to add the two together, so all should be clear that this is in terms of the committee report as to outlays within the 302 allocations.

Is that the gentleman's understanding?

Mr. WIRTH. That is my understanding. I believe that the gentleman is correct. It is also my further understanding that in setting targets the Budget Committee and the Appropriations Committee focused initially on the authorization figure. The outlay figure is a very best estimate on costs.

Mr. RICHARDSON. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. I yield to the gentleman from New Mexico.

Mr. RICHARDSON. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Colorado [Mr. WIRTH]. I offered the amendment last year to cut the Amtrak appropriation to the bone, and I think that any further dilution of this is going to hurt the operation.

The financial position of Amtrak has improved dramatically in the last few years. Amtrak has made great strides in improving its services, cutting unprofitable routes, controlling labor costs and upgrading its equipment. While I believe in judicious use of the taxpayer's dollars, I believe rail passenger service to be important to the future of our country—and Government support of Amtrak to be important to the future of rail passenger service.

My district is well served by Amtrak and while I have a local interest and commitment to seeing this service continued, I am not alone—Amtrak serves more than 500 communities nationwide, and directly employs over 25,000 people. Amtrak serves 161 communities that have no air service, 52 communities that have no bus service and 29 communities that have neither air nor bus service.

Mr. Chairman, before we derail Amtrak we should first consider the needs of these communities. At a time when every other nation in the industrialized world is increasing its commitment to rail passenger service, we are considering decreasing ours. I do not think the time is right and urge my colleagues to defeat this amendment.

Mr. BROWN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. I yield to the gentleman from Colorado.

Mr. BROWN of Colorado. Mr. Chairman, with regard to the 302(b) allocation, with regard to mandatory programs, it is my understanding that it is within the mandatory portion. The only problem is in the discretionary area, where it is over $13 million.

Mr. LEVIN of Michigan. Mr. Chairman, will the gentleman yield further?

Mr. WIRTH. I yield to the gentleman from Michigan.

Mr. LEVIN of Michigan. Mr. Chairman, you need to take an appropriation bill together. It is not fair, I think—I voted in instances that I thought appropriate for cutting where there was an excess, a very considerable excess, in the outlay figure. In this case you need, I think, to be fair to put them together, and when you put the discretionary and the mandatory together, it is within, it is below, the 302(b) allocation or the 302(b) figure.

Mr. WIRTH. As a matter of clarification, the bill before us has outlays of $26,524,000,000. The budget calls for a ceiling above that of $27,019,000,000.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

(By unanimous consent, Mr. WIRTH was allowed to proceed for 2 additional minutes.)

Mr. WIRTH. Therefore, Mr. Chairman, the current bill is about $500 million below the ceiling set by the Budget Committee. So this bill certainly is within the budget's ceiling on total spending.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, I just wanted to confirm that. It is $500 million, almost, under the 302(b) allocation overall, according to CBO estimates.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment. I strongly oppose it. We killed a similar amendment earlier—when it was part of the amendment offered by my dear friend, the gentleman from Texas.

This amendment would reduce Amtrak appropriations by $22.3 million. This amendment would severely undermine the efforts that this committee—and Amtrak itself—have been making in recent years to reduce Amtrak's dependence upon Federal subsidies.

The amount provided in this bill for Amtrak—$613 million—is already $3 million less than the $616 million appropriated for Amtrak last year. We need only look at the funding history to see how far Amtrak has come. As recently as 1980, Amtrak was receiving $873.4 million in appropriations. By 1984 that was reduced to $716.4 million, in 1985 to $684 million, last year to an appropriation of $616 million, and this year, $613 million. At this point, most of the critical improvements have been made. Although the past 2 years of funding have not permitted much more than the most essential capital improvements, they have enabled Amtrak to continue its national route system, increase passenger levels, and decrease the share of its operating budget coming from the Federal Government.

If this amendment is passed, I should offer an amendment to cut out the Zephyr route from Denver to the west coast. I mean, after all, if you want to cut the thing, you might as well——

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Colorado.

Mr. WIRTH. Mr. Chairman, we certainly would not like to see the Zephyr cut out, I can assure the gentleman from Massachusetts, and I would hope that he might come to Colorado and take the wonderful ride on the Zephyr from Denver to the west coast.

Not only is the Zephyr supported in this, but we also have funding in here, and the gentleman has been most helpful to us, for the regional transportation district in terms of a transportation issue in the Denver metropolitan area, as well as some $35 million for C-470, a very important beltway in the Denver area.

□ 1500

That is all in the bill and I appreciate the minority's support in helping us keep that money in the legislation.

I thank the gentleman for yielding.

Mr. CONTE. I appreciate the gentleman's comments. I hope the amendment is not going to be adopted, but I would have no alternative if the amendment is adopted but to cut out the Zephyr. That is a very scenic route, I might say, but if cuts are to be

made they should come from those who advocate these cuts.

Mr. Chairman, my concern is that the amendment proposed here would so adversely affect Amtrak operations that we would see service cutbacks that would result in a decreasing spiral of decreasing ridership followed by further service cutbacks, and so forth. It would completely decimate the capital improvement program, and cut into operations—operations that have already been made much more efficient in recent years. It would threaten the multibillion-dollar investment that has already been made in Amtrak equipment and operations to date. And it would work against our efforts to continue to decrease Amtrak's Federal subsidy in a rational and controlled manner.

Mr. Chairman, let me first address some of the misconceptions contained in a "Dear Colleague" letter circulated in support of this amendment. In that letter, it was claimed that air travel is not subsidized. Not so. Nothing could be farther from the truth. Although a portion of the cost of operating the air traffic control system does come from the aviation trust fund, which is user fee financed, in fact a significant portion of that cost also comes from the general funds of the Treasury.

For example, in the bill before us, of the nearly $2.9 billion for FAA operations, only $691 million comes from the trust fund. The remainder—or over $2.1 billion—is coming from the general fund.

I wonder if the gentleman from Colorado wants to ground all the airplanes then?

Mr. BROWN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Colorado.

Mr. BROWN of Colorado. Mr. Chairman, I thank the gentleman for pointing that out. The point was that the subsidies that go to assist in air travel come from a fee that is generated, a tax on the travelers themselves.

The gentleman has pointed out an area where funds come from a different source, but I would remind the body that that fund has an enormous surplus in it. That is the point. Not all the money that goes into the fund is paid out.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. CONTE] has expired.

(By unanimous consent, Mr. CONTE was allowed to proceed for 3 additional minutes.)

Mr. CONTE. Mr. Chairman, I am saying that $2.1 billion for FAA controllers comes from the general fund. I am asking the gentleman a question: Do you want to ground $2.1 billion worth of the airlines traffic control? You do? OK, that is fine.

The first route we are going to ground is from Dulles and National to Denver.

Mr. BROWN of Colorado. Mr. Chairman, my thoughts were more in the way of National to Boston.

Mr. CONTE. I would love to have you stay here so you cannot get back to Denver.

Mr. BROWN of Colorado. Mr. Chairman, the gentleman may have misinterpreted my head nod, which I understand, but if I had to choose, perhaps Dulles to Boston might be a preferential route.

Mr. CONTE. No; because I am not advocating any cuts. The gentleman is advocating the cuts, not me. I am fighting the cuts.

If we are going to be consistent and logical in this whole thing, then we should also offer an amendment to cut $2.1 billion of subsidy to the airlines. I suggest the first place to start is National/Dulles to Denver. It will help that ski industry out there.

When you add in the fact that a very large portion of all air travel is done for business, and is therefore subsidized through the tax deductibility of business travel expenses, you find that in fact the subsidies for air travel and rail travel are about the same.

Contrary to the claims of the proponents of this amendment, this bill is not over our budget resolution targets. It is at or below the budget resolution targets for total budget authority and total outlays. In fact, it is $495 million below the total for outlays. That is $495 million applied to the deficit, below the assumptions in the budget resolution.

Mr. Chairman, amendments similar to this were defeated on three occasions last year. This House—as well as the other body—voted not to cut Amtrak last year.

I urge the defeat of this amendment.

If my good friend from Texas had offered that amendment on National Airport alone, to cut that $43 million, I would have been with him. The reason I think the gentleman's amendment went down was because he included Amtrak.

I think we have established time and time again that Amtrak is a viable part of our transportation system and therefore, the gentleman's amendment should be defeated.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I have great respect and affection for the author of this amendment, and I am sure it is offered in good faith. But I believe we have to look at the situation with which we find ourselves confronted today.

Amtrak carries nearly 21 million passengers per year to 503 stations over a coast-to-coast network of 24,000 miles. These proposed cuts will have serious ramifications for the many people and communities that Amtrak serves.

Critics of Amtrak think we are spending too much money on the system. But the fact is that we are probably spending too little, and are probably having an adverse impact upon the earning capacity of the system.

As a result of budget cuts imposed over the last year, Amtrak has been forced into deferred maintenance and other cost-cutting practices that not only harm the quality and efficiency of service but threaten safety as well. It is grossly unfair to continue to cut funding for Amtrak and then accuse the railroad of not operating well or properly.

Let me give you just one example. In order to save money, Amtrak has stretched the intervals between, maintaining heavy locomotives from 800,000 to 1 million miles. That is more than the manufacturer recommends. That move has led to more engine failures on Amtrak runs.

The consequences of that, regrettably, are loss of passenger confidence and charges of inefficiency. The inefficiency originated here and in the other body and in the cuts which were made.

The deferral of engine maintenance has been necessitated by the very kind of amendments being offered here today. I ask you—whose fault is it? Obviously, it is the fault of the cutters, not the fault of Amtrak.

There are some who point to other instances of what they believe are inefficiencies. But the fact is that, until the Congress started cutting Amtrak to the bone, Amtrak had become more cost efficient over the years and its performance was continuing to improve.

Let me tell you of some of the improvements made in Amtrak. First of all, it now has extraordinarily competent management in the person of Graham Claytor, one of the great railroaders of this Nation.

Second, its revenues in fiscal 1985 were at an alltime high.

Third, its revenue-to-cost ratio in fiscal year 1985 was at an alltime high.

Finally, its traffic density in 1985 was also at an alltime high.

This indicates a railroad which has been growing and improving in its ability to provide desperately needed service to the American people and to provide an opportunity for this country to have a modern rail transportation system for passengers, something which every modern industrial nation ought to have.

Moreover, in last year's reconciliation bill, we gave Amtrak several tools to continue to improve its efficiency and earn higher revenues.

This amendment would move in directly the opposite direction. For example, the Congress adopted provisions to reduce labor costs; the Congress adopted provisions to increase rents for freight use in the Northeast corridor; and the Congress eliminated a number of the most unprofitable routes.

In point of fact, these repeated efforts to cut Amtrak will only reap diminishing returns. You cannot continue to cut its funds and expect it to operate well. As Amtrak's efficiency and operations are reduced as a result of budget cuts, the pressure will undoubtedly grow to eliminate Amtrak, as the President has requested.

In truth, that is really what we're about here today. But the elimination of Amtrak ultimately will cost more than it will save. The elimination of 25,000 jobs and the loss of a $3 billion capital investment are reasons enough to continue to fund Amtrak at levels where it can do the job and do it well.

□ 1510

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(On request of Mr. CARPER and by unanimous consent, Mr. DINGELL was allowed to proceed for 1 additional minute.)

Mr. CARPER. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman.

Mr. CARPER. Mr. Chairman, I would like to associate myself with the remarks of the gentleman in the well. I think the amendment offered by my good friend from Colorado [Mr. BROWN] is a well-intentioned amendment; he is one of the most thoughtful Members of this body.

I regrettably cannot support the amendment. I do agree that the chairman of the Committee on Energy and Commerce made excellent points, and would hope that this well-intentioned amendment be defeated.

Mr. DINGELL. I thank the gentleman, and I concur.

Mr. COATS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I think it is important that we put this debate in perspective. There has been wailing, moaning, and gnashing of teeth about shutting down the Amtrak system, should this amendment prevail. This shutdown is supposed to occur as a result of the Draconian cuts that are taking place via the Brown amendment.

However, let us remember that not one penny, not one cent, will be cut from Amtrak's current budget if this amendment is passed. The Brown amendment simply retains funding for Amtrak at its current level.

Yes, Amtrak did originally have an appropriation budget for fiscal year 1986 higher than the $590.7 million it received. However, with the effect of the Gramm-Rudman-Hollings sequestration, Amtrak has learned to live within the $590.7 million it actually received for 1986.

The Brown amendment simply retains Amtrak's Federal funding at that present level; it does nothing to cut any further from that level.

What has Amtrak been able to do with this $590.7 million? It has found ways to become a more efficient national railroad. That is what many of us who support Amtrak want it to be able to do.

Amtrak's management has consolidated some offices to save money; they should do that. They have negotiated better contracts so that they are paying employees on a per hour basis rather than based on each 100 miles served. An hourly wage is an antiquated way of reimbursing their employees. They have gone to the ICC to seek new rates for other railroads that use Amtrak lines, to improve the ratio of funds that are contributed to the system by other users. That is what they should do.

They have improved their operating ratios. Amtrak has become a railroad able to operate with less of a Federal subsidy, and we should support that effort.

So, Mr. Chairman, the Brown amendment simply provides that continued incentive.

Now, let us look at the big picture. The big picture is that amendments like the Brown and Frenzel amendments, that have been offered to the appropriations bills have been offered to avoid a Draconian sequestration. We all know that sequestration hangs over our head if we do not exercise the discipline on the individual pieces of legislation that are before us.

So if we cannot stand up and say, "Let's at least hold the line at present level," we will be faced with something far more drastic.

I am here to argue that if you are really interested in Amtrak, if you really want to save Amtrak as a national system, you will vote for the Brown amendment. Make no mistake about it; a vote for Amtrak is a vote for the Brown amendment, and vice versa. We will, by doing this and doing this over and over and over on a number of appropriations bills, avoid the problem of sequestration.

Now, the gentleman from Colorado [Mr. WIRTH] says, "Well, it's just $13 million, and what is that compared to the 20, 30, 40, or whatever billion dollar deficit problem we're going to face in October?" Well, it's $13 million here and $20 million there, and another $100 million there, and if we cannot exercise the discipline now, then how are we going to look at the big picture and how are we going to deal with the big picture?

So it is our failure to support amendments like the Brown and Frenzel amendments which would hold the line on spending, that forces us all, at the end of the year to have to go back to our constituents and throw up our hands and say "Well, it's not our fault; there's some kind of law there, Gramm-Rudman-Hollings, that forced an across-the-board cut, and now we have an Amtrak operating with far lower revenues."

Mr. BROWN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. COATS. I yield to the gentleman.

Mr. BROWN of Colorado. Mr. Chairman, I would just like to reiterate several points, if I could. First of all, there have been forecasts of how Amtrak would be devastated if this amendment is adopted. I would leave that to the discretion of the Members to evaluate that statement; but the fact is, this amendment does not cut one penny from Amtrak, not one penny from Amtrak compared to the level it had in fiscal 1986.

This is simply an amendment that keeps it at the same money level it had in prior years.

Second, I might point out to my friend from Massachusetts who talked about the subsidies to air travel and to highway users; it is true that a portion of the money that goes to help those industries out comes from other sources, but that is not the whole picture.

The point is, there are over $3 billion in the aviation trust fund that has been paid in that has not been paid out; and if you look at it on balance, it is a much different picture. Incidentally, there is almost $10 billion in the highway users trust fund that has been paid in and not paid out.

The third area I could like to call to the attention of my colleagues is in the Northeast. I know many of them are rightfully concerned about a very valuable service; but I would point out in the committee report:

> For the Northeast corridor as a whole, there is $1.29 paid in on the routes for a dollar of cost. In the Metroliner area alone, it is $1.48.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. BROWN of Colorado, Mr. COATS was allowed to proceed for 2 additional minutes.)

Mr. BROWN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. COATS. I yield to the gentleman.

Mr. BROWN of Colorado. Mr. Chairman, the simple fact is, and the bottom line here is that the Northeast corridor not only pays for the cost of

their Amtrak service, but they pay a profit into this corporation for it. It is some of the other runs in the country that the Northeast has to subsidize.

So this amendment will not impact the Northeast. What it will do, though, is make a solid contribution toward helping this Nation set a precedent for getting our budgets in line.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. COATS. I yield to the gentleman.

Mr. WIRTH. I thank the gentleman for yielding.

Mr. Chairman, first of all I wanted to point out that I did not say at any point that $13 million was not important. I pointed out that $13 million against a $26 billion appropriation is 0.0005 percent of the total all best estimates.

Further, let me point out that if we want to follow the notion of freezing everything, as suggested by the gentleman from Colorado by extrapolation from this amendment, that would mean that there would be no increase in funding for C470 in Colorado, which is very important; new funding for the RTD program, which has been put in by the committee; we would have less money for highways in the State of Colorado than this bill provides.

What that means, what I am saying is that this bill is a careful balance of a variety of programs. Some things go up and some things go down, given what happens in a given year; and the ups and downs has been, the summary of this is that we have an appropriation that is almost $500 million below the target set by the budget committee.

So to suggest that this is above spending is not correct; to suggest that we ought to go ahead by freezing everything, it seems to me, is a mindless way of going about budgeting when there are new needs like RTD, C470, and so on.

Mr. BROWN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. COATS. I yield to the gentleman.

Mr. BROWN of Colorado. Mr. Chairman, I just want to correct the gentleman from Colorado. He has attributed to me a statement that I have not made, and I would let the record so show.

Mr. WIRTH. Mr. Chairman, I said by extrapolation; if we are going to freeze everything, that is what would happen.

Mr. BROWN of Colorado. That statement he made is not correct.

Mr. CHAIRMAN. The time of the gentleman has expired.

Mr. COATS. Mr. Chairman, I ask unanimous consent for 1 additional minute to clarify a discussion between the two gentlemen from Colorado as to a statement that is attributed to the gentleman from Colorado [Mr. BROWN]. (By unanimous consent, Mr. COATS was allowed to proceed for 1 additional minute.)

Mr. BROWN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. COATS. I yield to the gentleman.

Mr. BROWN of Colorado. I thank the gentleman for yielding and just would mention that the statement the gentleman made is not an accurate reflection of either my statements or my sentiments.

Mr. WIRTH. Mr. Chairman, if the gentleman would yield, I did say but I did not say to the gentleman—I said by extrapolation if you freeze Amtrak and freeze that approach for everything in the bill that means you are going to freeze C470 money and not have any new start money and so on.

If that is the attitude the gentleman wants to take, that is what is going to happen, and I do not think that that is what has been built into this legislation by the majority or the minority.

(On request of Mr. HUNTER and by unanimous consent, Mr. COATS was allowed to proceed for 2 additional minutes.)

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. COATS. I yield to the gentleman.

Mr. HUNTER. Mr. Chairman, I support the Brown amendment, and I would like to remind the gentleman from Colorado that while all of the committees appear to be coming in close to the discipline that was set for them by the budget, we are going to have, it appears now, a sequestration, a fairly substantial sequestration, unless we make some more cuts.

That is precisely what we are attempting to do right now, is set some priorities. We are not going to have that situation if we have the Government on auto pilot.

I think Mr. BROWN has the right idea, and as a guy who has an Amtrak run that comes into my town, if we have to knock out some of the subsidies for that run, so be it.

□ 1520

It is a lot better than knocking out some of the very important people programs that are going to be hit by the lawnmower that we know as Gramm-Rudman. I think that it seems that this Congress is conforming to the character that was attributed to it by the authors of Gramm-Rudman when they said that we would not be able to avoid sequestration. Ultimately, human nature will take over, and we will have to come in with a number that is going to mandate that we have a sequestration. And it appears to be that that situation is approaching closer and closer. I think Mr. BROWN's amendment is right on target, and I support it.

Mr. COATS. I would just say in closing that the arguments made by the gentleman from Colorado [Mr. WIRTH] are the arguments I have been hearing here for 6 years, "Let us not reduce spending in this piece of legislation, let's make sure we protect this particular area; everything is going to balance out in the end." In the end, we see a doubling of the Federal deficit and then we are faced with a problem that none of us seems to know how to handle.

Mr. Chairman, I yield back the balance of my time.

Mr. COUGHLIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I ride Amtrak once a week. Over the past 15 years there has been a remarkable improvement in Amtrak's time performance, its operating efficiency and its revenue-to-cost ratios. It has been a dramatic improvement.

Yet in just the past year I have seen to what the gentleman from Michigan was referring earlier. As a result of deferred maintenance and cost cutting, we have locomotives that stall and do not work. We have had more failures in just the past year as a result of this than at any time going back almost 10 years.

I have seen it because I ride Amtrak.

To past this amendment would send exactly the wrong signal in terms of our passenger railway service. It would literally end up collapsing Amtrak, our passenger rail service. The unique structure of Amtrak provides that, once you discontinue one line, the labor protection payments carry over and force you to discontinue others.

It is true that the Northeast corridor is profitable and other corridors are profitable. However, you have to look at the whole picture when you are considering this.

As has been pointed out, the author of the amendment is proposing to cut some $22.3 million. There are projects in here exceeding that amount in his own home area, the $6.55 million in discretionary money for the Denver Busway, $30 million in discretionary money for C470.

There are other programs in here that are certainly available. It is always easy to cut in someone else's backyard.

I hope that the Members will reject this amendment very soundly.

Mr. Chairman, I yield back the balance of my time.

Mr. ARMEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I intend to speak for a very brief minute.

Mr. BROWN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Colorado.

Mr. BROWN of Colorado. I thank the gentleman for yielding.

I might just address my response to the gentleman. He suggested it is always easy to cut in someone else's backyard, implying that this is what that was. For the gentleman's edification, I would mention that I do have Amtrak routes in my district. It transits a significant portion of my district.

I believe an honest assessment of my personal efforts on this floor cannot be characterized that way.

Mr. ARMEY. Mr. Chairman, I rise in support of Mr. BROWN's amendment. I will speak for approximately 1 minute and then yield back the rest of my time.

Mr. Chairman, I support the amendment of the gentleman from Colorado, and I want to take a moment to first express my appreciation to him for resisting the pressures that have been brought to bear on him to not offer this amendment. Indeed, it does affect his district, and he has shown his willingness to put himself out front and say to the American taxpayers and especially those at home that he is willing to find ways to cut this budget so they will not have to endure sequestering.

To those who believe in a strong national defense, they can say HANK BROWN looked for a better way; to those who do not want to lose their retirement COLA's, they can say HANK BROWN looked for a better way.

I wish they could say about 435 of us. I salute the gentleman. I support his amendment. I hope the House will do the same.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. BROWN].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BROWN of Colorado. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 169, noes 248, not voting 14, as follows:

[Roll No. 265]

AYES—169

Andrews	Chappie	DeLay
Archer	Cheney	Dickinson
Armey	Coats	DioGuardi
Badham	Cobey	Dornan (CA)
Barnard	Coble	Dreier
Bartlett	Coleman (MO)	Duncan
Barton	Combest	Dyson
Bateman	Cooper	Eckert (NY)
Bilirakis	Craig	Edwards (OK)
Bliley	Crane	English
Boulter	Daniel	Evans (IA)
Broomfield	Dannemeyer	Fawell
Brown (CO)	Darden	Fiedler
Burton (IN)	Daschle	Fields
Callahan	Daub	Flippo
Chandler	Davis	Franklin
Frenzel	McCain	Siljander
Frost	McCandless	Skeen
Gibbons	McCollum	Slattery
Gingrich	McCurdy	Smith (NE)
Glickman	McDade	Smith, Denny (OR)
Goodling	McKernan	Smith, Robert (NH)
Gordon	McMillan	Smith, Robert (OR)
Gradison	Meyers	Snowe
Gregg	Mica	Snyder
Hall (OH)	Michel	Solomon
Hall, Ralph	Miller (OH)	Spence
Hammerschmidt	Miller (WA)	Spratt
Hansen	Monson	Stallings
Hartnett	Montgomery	Stangeland
Hendon	Moorhead	Stenholm
Hiler	Neal	Strang
Hopkins	Nelson	Stump
Hubbard	Nichols	Sundquist
Huckaby	Nielson	Sweeney
Hunter	Olin	Swindall
Hutto	Oxley	Synar
Hyde	Packard	Tauke
Ireland	Penny	Tauzin
Jenkins	Petri	Thomas (GA)
Jones (OK)	Pickle	Valentine
Kasich	Porter	Vander Jagt
Kemp	Quillen	Vucanovich
Kindness	Ray	Walker
Kolbe	Ridge	Watkins
Kramer	Ritter	Weber
Lagomarsino	Roberts	Whitehurst
Latta	Roemer	Whitley
Lewis (FL)	Rogers	Whittaker
Lightfoot	Roth	Wylie
Lloyd	Roukema	Young (AK)
Loeffler	Rowland (GA)	Young (FL)
Lott	Schuette	Zschau
Lowery (CA)	Schulze	
Lujan	Sensenbrenner	
Lungren	Shaw	
Mack	Shumway	
MacKay	Shuster	

NOES—248

Ackerman	Dellums	Horton
Akaka	Derrick	Howard
Alexander	DeWine	Hoyer
Anderson	Dicks	Hughes
Annunzio	Dingell	Jacobs
Anthony	Dixon	Jeffords
Applegate	Donnelly	Johnson
Aspin	Dorgan (ND)	Jones (NC)
Atkins	Dowdy	Jones (TN)
AuCoin	Downey	Kanjorski
Bates	Durbin	Kaptur
Beilenson	Dwyer	Kastenmeier
Bennett	Dymally	Kennelly
Bentley	Early	Kildee
Bereuter	Eckart (OH)	Kleczka
Berman	Edgar	Kolter
Bevill	Edwards (CA)	Kostmayer
Biaggi	Emerson	Lantos
Boehlert	Erdreich	Leach (IA)
Boggs	Evans (IL)	Leath (TX)
Boland	Fascell	Lehman (CA)
Boner (TN)	Fazio	Lehman (FL)
Bonior (MI)	Feighan	Leland
Bonker	Fish	Lent
Borski	Florio	Levin (MI)
Bosco	Foglietta	Levine (CA)
Boucher	Foley	Lewis (CA)
Boxer	Ford (MI)	Lipinski
Brooks	Frank	Livingston
Brown (CA)	Fuqua	Long
Bruce	Gallo	Lowry (WA)
Bryant	Garcia	Luken
Burton (CA)	Gaydos	Lundine
Bustamante	Gejdenson	Madigan
Byron	Gekas	Manton
Carper	Gephardt	Markey
Carr	Gilman	Marlenee
Chapman	Gonzalez	Martin (NY)
Chappell	Gray (IL)	Martinez
Clay	Gray (PA)	Matsui
Clinger	Green	Mavroules
Coelho	Guarini	Mazzoli
Coleman (TX)	Hamilton	McCloskey
Collins	Hatcher	McEwen
Conte	Hawkins	McGrath
Conyers	Hayes	McHugh
Coughlin	Hefner	Mikulski
Courter	Henry	Miller (CA)
Coyne	Hertel	Mineta
Crockett	Hillis	Mitchell
de la Garza	Holt	Moakley
Molinari	Roe	Tallon
Mollohan	Rostenkowski	Taylor
Moody	Rowland (CT)	Thomas (CA)
Morrison (CT)	Roybal	Torres
Morrison (WA)	Rudd	Torricelli
Mrazek	Russo	Towns
Murphy	Sabo	Traficant
Murtha	Savage	Traxler
Myers	Saxton	Udall
Natcher	Schaefer	Vento
Nowak	Scheuer	Visclosky
Oakar	Schneider	Volkmer
Oberstar	Schroeder	Waldon
Obey	Schumer	Walgren
Ortiz	Seiberling	Waxman
Owens	Sharp	Weaver
Panetta	Shelby	Weiss
Parris	Sikorski	Wheat
Pashayan	Sisisky	Whitten
Pease	Skelton	Williams
Pepper	Slaughter	Wilson
Perkins	Smith (FL)	Wirth
Price	Smith (IA)	Wise
Pursell	Smith (NJ)	Wolf
Rahall	Solarz	Wolpe
Rangel	St Germain	Wortley
Regula	Staggers	Wright
Reid	Stark	Wyden
Richardson	Stokes	Yates
Rinaldo	Stratton	Yatron
Robinson	Studds	Young (MO)
Rodino	Swift	

NOT VOTING—14

Barnes	Ford (TN)	Martin (IL)
Bedell	Fowler	McKinney
Breaux	Grotberg	Moore
Campbell	Gunderson	Rose
Carney	LaFalce	

□ 1535

Mr. ROSTENKOWSKI changed his vote from "aye" to "no."

Mr. McCURDY changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore (Mr. MOAKLEY) assumed the chair.

The SPEAKER pro tempore. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1987

The Committee resumed its sitting.

□ 1545

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

RAILROAD REHABILITATION AND IMPROVEMENT FINANCING FUNDS

The Secretary of Transportation is authorized to issue to the Secretary of the Treasury notes or other obligations pursuant to section 512 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210), as amended, in such amounts and at such times as may be necessary to pay any amounts required pursuant to the guarantee of the principal amount of obligations under sections 511 through 513 of such Act, such authority to exist as long as any such guaranteed obligation is outstanding: *Provided*, That no new loan guarantee commitments shall be made during fiscal year 1987.

REDEEMABLE PREFERENCE SHARES

Notwithstanding any other provision of law, the Secretary of Transportation shall, until September 30, 1988, issue and sell, and the Secretary of the Treasury until such date shall purchase fund anticipation notes, and the Secretary of Transportation is hereby authorized to expend for uses authorized for the Railroad Rehabilitation and Improvement Fund proceeds from the sale of such fund anticipation notes and any other moneys deposited in the fund after September 30, 1985, pursuant to sections 502, 505-507, and 509 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210), as amended, and section 803 of Public Law 95-620, in additional amounts not to exceed $9,000,000.

CONRAIL COMMUTER TRANSITION ASSISTANCE

For necessary capital expenses of Conrail commuter transition assistance, not otherwise provided for, $5,000,000, to remain available until expended.

URBAN MASS TRANSPORTATION ADMINISTRATION

ADMINISTRATIVE EXPENSES

For necessary administrative expenses of the urban mass transportation program authorized by the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), and 23 U.S.C. chapter 1, in connection with these activities, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, $31,000,000, of which not to exceed $560,000 shall be available for the Office of the Administrator.

RESEARCH, TRAINING, AND HUMAN RESOURCES

For necessary expenses for research, training, and human resources as authorized by the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), to remain available until expended, $17,600,000: *Provided*, That there may be credited to this appropriation funds received from states, counties, municipalities, other public authorities, and private sources, for expenses incurred for training.

FORMULA GRANTS

For necessary expenses to carry out the provisions of sections 9 and 18 of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), $2,000,000,000, to remain available until expended.

DISCRETIONARY GRANTS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

None of the funds in this Act shall be available for the implementation or execution of programs in excess of $1,015,000,000 in fiscal year 1987 for grants under the contract authority authorized in section 21(a)(2)(B) of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.).

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out section 21(a)(2) of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), administered by the Urban Mass Transportation Administration, $950,000,000, to be derived from the Highway Trust Fund and to remain available until expended.

INTERSTATE TRANSFER GRANTS—TRANSIT

For necessary expenses to carry out the provisions of 23 U.S.C. 103(e)(4) related to transit projects, $200,000,000, to remain available until expended.

WASHINGTON METRO

For necessary expenses to carry out the provisions of section 14 of Public Law 96-184, $217,239,000 to remain available until expended.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The Saint Lawrence Seaway Development Corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to the Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the Corporation's budget for the current fiscal year except as hereinafter provided.

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $1,925,000 shall be available for administrative expenses, which shall be computed on an accrual basis, including not to exceed $3,000 for official entertainment expenses to be expended upon the approval or authority of the Secretary of Transportation: *Provided*, That Corporation funds shall be available for the hire of passenger motor vehicles and aircraft, operation and maintenance of aircraft, uniforms or allowances therefor for operation and maintenance personnel, as authorized by law (5 U.S.C. 5901-5902), and $15,000 shall be available for services as authorized by 5 U.S.C. 3109.

EISENHOWER LOCK REPAIR

For necessary expenses to repair and rehabilitate Eisenhower Lock located near Massena, New York, $2,000,000, to remain available until expended.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

RESEARCH AND SPECIAL PROGRAMS

For expenses necessary to discharge the functions of the Research and Special Programs Administration, for expenses for conducting research and development, and for grants-in-aid to carry out a pipeline safety program, as authorized by the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979, $20,800,000, of which $5,000,000 shall be available only for natural gas and hazardous liquid pipeline safety grants-in-aid, and of which $7,265,000 shall remain available until expended: *Provided*, That there may be credited to this appropriation funds received from states, counties, municipalities, other public authorities, and private sources for expenses incurred for training: *Provided further*, That of the funds made available for natural gas and hazardous liquid pipeline safety grants-in-aid, the sum provided over and above the amount made available for this purpose in fiscal year 1986 shall be used only to support additional enforcement personnel beyond the personnel level in each state as of September 30, 1986.

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, $27,770,000.

TITLE II—RELATED AGENCIES

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SALARIES AND EXPENSES

For expenses necessary for the Architectural and Transportation Barriers Compliance Board, as authorized by section 502 of the Rehabilitation Act of 1973, as amended, $1,975,000.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

For necessary expenses of the National Transportation Safety Board, including hire of passenger motor vehicles and aircraft; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for a GS-18; uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902), $22,240,000, of which not to exceed $500 may be used for official reception and representation expenses.

INTERSTATE COMMERCE COMMISSION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Interstate Commerce Commission, including services as authorized by 5 U.S.C. 3109, and not to exceed $1,500 for official reception and representation expenses, $47,900,000, together with the unobligated balances of "Payments for directed rail service": *Provided*, That joint board members and cooperating state commissioners may use government transportation requests when traveling in connection with their official duties as such.

PAYMENTS FOR DIRECTED RAIL SERVICE

(LIMITATION OF OBLIGATIONS)

None of the funds provided in this Act shall be available for the execution of programs the obligations for which can reasonably be expected to exceed $1,000,000 for directed rail service authorized under 49 U.S.C. 11125 or any other legislation.

PANAMA CANAL COMMISSION

OPERATING EXPENSES

For operating expenses necessary for the Panama Canal Commission, including hire of passenger motor vehicles and aircraft; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); not to exceed $9,000 for official reception and representation expenses of the Board; operation of guide services; residence for the Administrator; disbursements by the Administrator for employee and community projects; not to exceed $3,000 for official reception and representation expenses of the Secretary; not to exceed $24,000 for official reception and representation expenses of the Administrator; and to employ services as authorized by law (5 U.S.C. 3109); $409,770,000, to be derived from the Panama Canal Commission Fund: *Provided*, That there may be credited to this appropriation funds received from the Panama Canal Commission's capital outlay account for ex-

penses incurred for supplies and services provided for capital projects.

CAPITAL OUTLAY

For acquisition, construction, replacement, and improvement of facilities, structures, and equipment required by the Panama Canal Commission, including the purchase of not to exceed forty-one passenger motor vehicles for replacement only (including large heavy-duty vehicles used to transport Commission personnel across the Isthmus of Panama, the purchase price of which shall not exceed $14,000 per vehicle); to employ services authorized by law (5 U.S.C. 3109); $24,403,000, to be derived from the Panama Canal Commission Fund and to remain available until expended.

DEPARTMENT OF THE TREASURY

OFFICE OF THE SECRETARY

INVESTMENT IN FUND ANTICIPATION NOTES

For the acquisition, in accordance with section 509 of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended, and section 803 of Public Law 95-620, of fund anticipation notes, $9,000,000.

UNITED STATES RAILWAY ASSOCIATION

ADMINISTRATIVE EXPENSES

For necessary administrative expenses to enable the United States Railway Association to carry out its functions under the Regional Rail Reorganization Act of 1973, as amended, to remain available until expended, $2,297,000, of which not to exceed $500 may be available for official reception and representation expenses.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

INTEREST PAYMENTS

For necessary expenses for interest payments, to remain available until expended, $51,663,569: *Provided*, That these funds shall be disbursed pursuant to terms and conditions established by Public Law 96-184 and the Initial Bond Repayment Participation Agreement.

Mr. LEHMAN of Florida (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of title I and title II of this bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. Are there any points of order against that portion of the bill?

Are there any amendments to that portion of the bill?

If not, the Clerk will read.

The Clerk read as follows:

TITLE III—GENERAL PROVISIONS

SEC. 301. During the current fiscal year applicable appropriations to the Department of Transportation shall be available for maintenance and operation of aircraft; hire of passenger motor vehicles and aircraft; purchase of liability insurance for motor vehicles operating in foreign countries on official department business; and uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902).

SEC. 302. Funds appropriated for the Panama Canal Commission may be apportioned notwithstanding section 3679 of the Revised Statutes, as amended (31 U.S.C 1341), to the extent necessary to permit payment of such pay increases for officers or employees as may be authorized by administrative action pursuant to law that are not in excess of statutory increases granted for the same period in corresponding rates of compensation for other employees of the Government in comparable positions.

SEC. 303. Funds appropriated under this Act for expenditures by the Federal Aviation Administration shall be available (1) except as otherwise authorized by the Act of September 30, 1950 (20 U.S.C. 236-244), for expenses of primary and secondary schooling for dependents of Federal Aviation Administration personnel stationed outside the continental United States at costs for any given area not in excess of those of the Department of Defense for the same area, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of such dependents, and (2) for transportation of said dependents between schools serving the area which they attend and their places of residence when the Secretary, under such regulations as may be prescribed, determines that such schools are not accessible by public means of transportation on a regular basis.

SEC. 304. Appropriations contained in this Act for the Department of Transportation shall be available for services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for a GS-18.

SEC. 305. None of the funds appropriated in this Act for the Panama Canal Commission may be expended unless in conformance with the Panama Canal Treaties of 1977 and any law implementing those treaties.

SEC. 306. None of the funds provided in this Act may be used for planning or construction of rail-highway crossings under section 322(a) of title 23, United States Code, or under section 701(a)(5) or section 703(1)(A) of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended, at the—

(1) School Street crossing in Groton, Connecticut; and

(2) Broadway Extension crossing in Stonington, Connecticut.

SEC. 307. None of the funds in this Act shall be used for the planning or execution of any program to pay the expenses of, or otherwise compensate, non-federal parties intervening in regulatory or adjudicatory proceedings funded in this Act.

SEC. 308. None of the funds in this Act shall be used to assist, directly or indirectly, any state in imposing mandatory state inspection fees or sticker requirements on vehicles that are lawfully registered in another state, including vehicles engaged in interstate commercial transportation that are in compliance with Part 396—Inspection and Maintenance of the Federal Motor Carrier Safety Regulations of the United States Department of Transportation.

SEC. 309. None of the funds appropriated by this Act shall remain available for obligation beyond the current fiscal year or may be transferred to other appropriations unless expressly so provided herein.

SEC. 310. Notwithstanding any other provision of law, total amounts of contract authority authorized in section 21(a)(2)(B) of the Urban Mass Transportation Act of 1964, as amended, shall be available for obligation until expended.

SEC. 311. None of the funds in this or any previous or subsequent Act shall be available for the planning or implementation of any change in the current federal status of the Transportation Systems Center; and none of the funds in this Act shall be available for the implementation of any change in the current federal status of the Turner-Fairbank Highway Research Center.

SEC. 312. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive Order issued pursuant to existing law.

SEC. 313. (a) For fiscal year 1987 the Secretary of Transportation shall distribute the obligation limitation for federal-aid highways by allocation in the ratio which sums authorized to be appropriated for federal-aid highways and highway safety construction which are apportioned or allocated to each state for such fiscal year bear to the total of the sums authorized to be appropriated for federal-aid highways and highway safety construction which are apportioned or allocated to all the states for such fiscal year.

(b) During the period October 1 through December 31, 1986, no state shall obligate more than 35 per centum of the amount distributed to such state under subsection (a), and the total of all state obligations during such period shall not exceed 25 per centum of the total amount distributed to all states under such subsection.

(c) Notwithstanding subsections (a) and (b), the Secretary shall—

(1) provide all states with authority sufficient to prevent lapses of sums authorized to be appropriated for federal-aid highways and highway safety construction which have been apportioned to a state, except in those instances in which a state indicates its intention to lapse sums apportioned under section 104(b)(5)(A) of title 23, United States Code;

(2) after August 1, 1987, revise a distribution of the funds made available under subsection (a) if a state will not obligate the amount distributed during that fiscal year and redistribute sufficient amounts to those states able to obligate amounts in addition to those previously distributed during that fiscal year giving priority to those states have large unobligated balances of funds apportioned under section 104 of title 23, United States Code, and giving priority to those states which, because of statutory changes made by the Surface Transportation Assistance Act of 1982 and the Federal-Aid Highway Act of 1981, have experienced substantial proportional reductions in their apportionments and allocations; and

(3) not distribute amounts authorized for administrative expenses, and the federal lands highway program.

(d) The limitation on obligations for federal-aid highways and highway safety construction programs for fiscal year 1987 shall not apply to obligations for emergency relief under section 125 of title 23, United States Code, obligations under section 157 of title 23, United States Code, projects covered under section 147 of the Surface Transportation Assistance Act of 1978, section 9 of the Federal-Aid Highway Act of 1981, subsections 131 (b) and (j) of Public Law 97-424, section 118 of the National Visitors Center Facilities Act of 1968, or section 320 of title 23, United States Code.

(e) This section shall be in effect until enactment of H.R. 3129 of similar legislation modifying subsections (a) through (d).

SEC. 314. None of the funds in this Act shall be available for salaries and expenses of more than one hundred thirty-eight political and Presidential appointees in the Department of Transportation.

SEC. 315. Not to exceed $725,000 of the funds provided in this Act for the Department of Transportation shall be available for the necessary expenses of advisory committees.

SEC. 316. None of the funds in this or any other Act shall be made available for the proposed Woodward light rail line in the Detroit, Michigan, area until a source of operating funds has been approved in accordance with Michigan law: *Provided*, That this limitation shall not apply to alternatives analysis studies under section 21(a)(2)(B) of the Urban Mass Transportation Act of 1964, as amended.

SEC. 317. The limitation on obligations for the Discretionary Grants program of the Urban Mass Transportation Administration shall not apply to any authority under section 21(a)(2)(B) of the Urban Mass Transportation Act of 1964, as amended, previously made available for obligation.

SEC. 318. Notwithstanding any other provision of law, none of the funds in this Act shall be available for the construction of, or any other costs related to, the Central Automated Transit System (Downtown People Mover) in Detroit, Michigan: *Provided*, That the immediately preceding provision shall not apply to $5,000,000 appropriated to the Detroit Department of Transportation.

SEC. 319. The City of Linden, New Jersey, and its successors and assigns are hereby released from all the terms, conditions, reservations, and restrictions contained in the deed dated February 27, 1947, by which the United States conveyed certain real property to the City of Linden, New Jersey, for airport purposes.

SEC. 320. None of the funds in this Act shall be used to implement section 404 of title 23, United States Code.

SEC. 321. (a) SAFETY ENFORCEMENT PROGRAM PERFORMANCE.—The Secretary of Transportation shall on or before February 1, 1987, transmit to the Congress a comprehensive report on the fiscal year 1986 activities of all safety enforcement programs administered within the Department of Transportation, including federal air safety inspectors, motor carrier inspectors, rail safety inspectors, pipline safety inspectors, hazardous materials inspectors, and marine safety inspectors. The report shall include:

AMENDMENT OFFERED BY MR. CARR

Mr. CARR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CARR: On page 46, line 12, strike the word "all" and all thereafter through page 50, line 7 up to and including "(d)", and insert the following:

"the Federal Aviation Administration's operation and maintenance inspection and certification programs. The report shall include:

"(1) a comparison of end-of-year staffing levels by inspector category to staffing goals and a statement as to the currency and validity of the staffing standards on which the goals are based;

"(2) schedules showing the experience, in years, of the various inspector workforces and the extent to which inspectors have received all the mandatory or recommended training;

"(3) a description of the criteria used to set annual work programs and an explanation of how these programs ensure compliance with appropriate federal regulations and safe operating practices;

"(4) a comparison of actual inspections performed during the fiscal year to the annual work programs disaggregated to the field locations;

"(5) a statement of the adequacy of the internal management controls available to ensure that field managers are complying with inspection priorities and minimum inspection standards, and to collect and analyze inspection data;

"(6) the status of the Department's efforts to update inspector guidance documents and federal regulations to include technological, management, and structural changes taking place within the various transportation modes, including a listing of the backlog of proposed regulatory changes identified as being critical to safety;

"(7) a list of the operational measures of effectiveness—'best proxies' standing between the ultimate goal of accident prevention and ongoing program activities—that are being used to evaluate progress in meeting program objectives, the quality of program delivery, and the nature of emerging safety problems;

"(8) a listing of all enforcement actions taken, including all civil penalties, during the fiscal year by program, including the name and address of each organization against which an enforcement action was taken, the reason for the action, and the type of action taken;

"(9) a listing of the total amount of civil penalties assessed by fiscal year beginning with fiscal year 1977; and

"(10) a set of safety statistics covering each of the last ten years that best depict the safety record of each transportation sector regulated by departmental inspectors.

"(b)"

Mr. CARR. Mr. Chairman, this is a comprehensive amendment to title III of the bill. It has been worked out between the chairman of the subcommittee and the ranking minority member, the gentleman from Pennsylvania [Mr. COUGHLIN], in conjunction with the chairman of the authorizing committee.

Mr. LEHMAN of Florida. Mr. Chairman, will the gentleman yield?

Mr. CARR. I yield to the gentleman from Florida.

Mr. LEHMAN of Florida. Mr. Chairman, I thank my friend, the gentleman from Michigan.

I am familiar with the amendment offered by the gentleman from Michigan [Mr. CARR]. It is a good amendment, and I certainly support it.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. CARR. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, the minority has no objection to the gentleman's amendment. We certainly support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. CARR].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

(1) a comparison of end-of-year staffing levels by inspector category to staffing goals and a statement as to the currency and validity of the staffing standards on which the goals are based;

(2) schedules showing the experience, in years, of the various inspector workforces and the extent to which inspectors have received all the mandatory or recommended training;

(3) a description of the criteria used to set annual work programs and an explanation of how these programs ensure compliance with appropriate federal regulations and safe operating practices;

(4) a comparison of actual inspections performed during the fiscal year to the annual work programs disaggregated to the field locations;

(5) a statement on the adequacy of the internal management controls available to ensure that field managers are complying with inspection priorities and minimum inspection standards, and to collect and analyze inspection data;

(6) the status of the Department's efforts to update inspector guidance documents and federal regulations to include technological, management, and structural changes taking place within the various transportation modes, including a listing of the backlog of proposed regulatory changes identified as being critical to safety;

(7) a list of the operational measures of effectiveness—"best proxies" standing between the ultimate goal of the accident prevention and ongoing program activities—that are being used to evaluate progress in meeting program objectives, the quality of program delivery, and the nature of emerging safety problems;

(8) a listing of all enforcement actions taken, including all civil penalties, during the fiscal year by program, including the name and address of each organization against which an enforcement action was taken, the reason for the action, and the type of action taken;

(9) a listing of the total amount of civil penalties assessed by program and fiscal year beginning with fiscal year 1977; and

(10) a set of safety statistics covering each of the last ten years that best depict the safety record of each transportation sector regulated by departmental inspectors.

(b) SHIPMENT OF NUCLEAR MATERIALS.—The Secretary of Transporation, in consultation with the Department of Energy, shall complete an analysis of the risks to health, safety, and the environment associated with transportation of high-level nuclear waste and spent nuclear fuel to (1) the potential geologic repository sites nominated by the Secretary of Energy as suitable for site characterization pursuant to section 112(b) of the Nuclear Waste Policy Act, and (2) to and from any monitored retrievable storage site authorized pursuant to section 141 of the Nuclear Waste Policy Act. In addition, the Secretary of Transportation shall evaluate and compare routes and transportation modes to determine which present the least risk to human health, safety, and the environment. The Secretary shall complete the analysis within one year of the date of enactment of this Act, and shall report the results of the analysis to the Congress and the Secretary of Energy.

(c) HAZARDOUS MATERIALS FLOW STUDY.—(1) The Secretary of Transportation shall

conduct a study of the flow of hazardous materials in the United States, which under regulations of the Secretary are required to bear at least two placards (49 C.F.R. Part 172, Subpart F). Such study shall be conducted—

(A) to improve the targeting of federal enforcement of Department of Tranportation requirements with respect to the transportation of hazardous materials;

(B) to improve the enforcement by states and localities of their requirements with respect to such transportation; and

(C) to assist in the development of emergency response capabilities by states and localities.

The study shall identify the routes followed in the shipment of such materials and the types of accidents and incidents involving the shipment of such materials that have required federal, state, or local emergency response services. The Secretary shall make a report to the Congress on the results of the study within one year of the date of enactment of this Act.

(2) For purposes of subsection 321(c)(1), the term "hazardous material" is defined as a hazardous material designated under section 104 of the Hazardous Materials Transportation Act.

(d) LONG-RANGE NATIONAL TRANSPORTATION STRATEGIC PLANNING STUDY.—The Department of Transportation shall undertake a long-range, multi-modal national transportation strategic planning study. This study shall forecast long-term needs and costs for developing and maintaining facilities and services to achieve a desired national transportation program for moving people and goods in the year 2015. The modes to be included are interstate and other priority highways and roads, mass transportation, rail, pipelines, and aviation. The study shall include detailed analyses of transportation needs within six to nine metropolitan areas that have diverse population, development, and demographic patterns, including at least one interstate metropolitan area. The strategic transportation planning study shall address such issues as:

(1) the need to continue a national transportation policy and program to further social, environmental, and mobility goals and objectives of the Nation;

(2) public and private fiscal support, growth patterns, the demographic character of population, geographic differences, and projected development or decline in specific regions;

(3) the current and future material and human resource needs that include facilities and equipment, employee requirements, and training and educational needs for the necessary manpower;

(4) the market potential—including future travel demands—and future community developments and configurations that may affect transportation needs;

(5) the degree to which existing transportation networks can be further developed to meet future travel and goods movement demands in view of cost, land use, environmental, social, economic, and technological considerations; and

(6) the federal program strategies and costs by mode of transportation necessary to achieve and maintain a desired transportation system in the year 2015.

This study shall be submitted to Congress on or before December 31, 1987.

SEC. 322. Within seven calendar days of the obligation date, the Urban Mass Transportation Administration shall publish in the Federal Register an announcement of each grant obligated pursuant to sections 3 and 9 of the Urban Mass Transportation Act of 1964, as amended, including the grant number, the grant amount, and the transit property receiving each grant.

SEC. 323. Of the amounts available under the contract authority authorized in section 21(a)(2)(B) of the Urban Mass Transportation Act of 1964, as amended, $9,001,532 shall be made available to the City of Philadelphia, Pennsylvania, in reimbursement of the federal share of extraordinary costs incurred in construction of the Center City Commuter Connection (UMTA Project No. PA-03-0013).

SEC. 324. (a) Section 411(f) of the Surface Transportation Assistance Act of 1982 is amended by inserting "(1)" before "For the purposes" and by adding at the end of such section the following:

"(2) MAXI-CUBE VEHICLE DEFINED.—For purposes of this section, 'maxi-cube vehicle' means a truck tractor combined with a semi-trailer and a separable cargo-carrying unit which is designed to be loaded and unloaded through the semi-trailer, except that the entire combination shall not exceed 65 feet in length and the separable cargo-carrying unit shall not exceed 34 feet in length.".

(b) Section 411(c) of such Act is amended by inserting after "prohibit" the following: "maxi-cube vehicles or".

SEC. 325. None of the funds in this Act shall be used for any study project involving access by a causeway or bridge across wetlands of the San Francisco Bay to U.S. Highway 880 in Alameda County, California.

SEC. 326. None of the funds appropriated in this Act may be used to prescribe, implement, or enforce a national policy specifying that only a single type of visual glideslope indicator can be funded under the facilities and equipment account or through the airport improvement program: *Provided, however,* That this prohibition shall not apply in the case of airports that are certified under Part 139 of the Federal Aviation Regulations.

SEC. 327. None of the funds in this Act shall be used to enforce any rules, policies, or guidelines that seek to delay transit grants or condition their award on the methods or means by which providers of mass transit services or functions are selected, or on the extent or amount of services or functions to be carried out by various private mass transportation service providers.

SEC. 328. None of the funds in this Act shall be available for grants-in-aid to any airport that fails to provide designated and enforced smoking and non-smoking areas for passengers in airport terminal areas.

□ 1555

POINT OF ORDER

Mr. BLILEY. Mr. Chairman, I have a point of order against section 328 of the bill.

The CHAIRMAN. The gentleman will state his point of order.

Mr. BLILEY. Mr. Chairman, section 328 of the bill violates clause 2(b) of rule XXI, the prohibition against legislation in an appropriations bill. Section 328 states that:

None of the funds in this Act shall be available for grants-in-aid to any airport that fails to provide designated and enforced smoking and nonsmoking areas for passengers in airport terminal areas.

Mr. Chairman, this section imposes additional duties and requirements not contained in existing law and as such constitutes legislation on an appropriations bill.

The CHAIRMAN. Does the gentleman from Florida [Mr. LEHMAN] wish to respond to the point of order?

Mr. LEHMAN of Florida. Mr. Chairman, I rise in opposition to the point of order.

The gentleman makes a point of order that section 328 of the bill is legislative in nature because it imposes additional duties. The purpose of section 328 of the bill is to enforce nonsmoking areas in airports that receive Federal grant-in-aid funds.

At the present time the FAA conducts annual safety inspections at approximately 500 airports throughout the country. These inspections are conducted on a normal schedule and are intended to guarantee the safety of the airline passenger, as well as monitor security precautions of the passenger boarding the airlines. The inspection, of course, is conducted on site.

Mr. Chairman, I would like to cite two precedents of the House which I believe are related to this situation.

Section 25:10.2 of "Deschler's Procedures in the House of Representatives" states:

While it is not in order by way of a limitation to impose additional duties on an executive officer, it is permissible to make the payment of funds contingent upon the performance of certain obligations by private citizens or other persons not in the government's employ.

In this instance, the primary duty for enforcement is with the local airport authority. In addition, I maintain that the additional duty imposed on the FAA inspectors is minimal, since they are already on site and can monitor this requirement.

Deschler's states in part (section 25):

Where the manifest intent of a proposed amendment is to impose a limitation on the use of funds appropriated in the bill, the fact that the administration of the limitation will impose certain incidental but additional burdens on executive officers does not destroy the character of the limitation.

I ask for the Chair to reject this point of order.

Mr. BLILEY. Mr. Chairman, may I be heard?

The CHAIRMAN. The gentleman may proceed.

Mr. BLILEY. Mr. Chairman, they may have inspections for safety, but they will be required to do additional duties to determine if indeed this section has been complied with. Then it will have to come back to headquarters and the headquarters will have to take additional duties in case they have not to cut off the funds.

Clause 2(b) of rule XXI does not say how great the duty has to be or how

great the legislative effort is. If there is any legislative effort, it is violative.

Therefore, I would urge the Chair to sustain the point of order.

The CHAIRMAN. Does the gentleman from Florida wish to make any further comments?

Mr. LEHMAN of Florida. Mr. Chairman, in response, I think the point is that these are really incidental duties. As I said, the additional duties, if any, imposed under the statute are minimal. They are already on site. Where these smoking areas may or may not be can be easily monitored.

Once again I ask the Chair to reject the point of order.

The CHAIRMAN (Mr. PANETTA). The Chair is prepared to rule.

The point of order is made that this provision constitutes legislation in an appropriations bill.

This particular provision, section 328, would require a new determination as to whether airports fail to designate and enforce smoking and nonsmoking areas in terminals. While the Federal Aviation Administration may be required to make inspections and safety inspections, there is no specific statute that requires the Federal Government to make this new determination. Therefore, it is a substantial duty that is not required by existing law and section 328 does constitute legislation in an appropriations bill.

The point of order is sustained.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the last word.

I would like to point out that what we are seeing here now is one reason we are having such a drive in this country to prohibit all smoking in all public buildings. It is the failure to be willing to take some moderate proposal that is doing that and the drive to prohibit all smoking is progressing fast.

One can go out here to our National Airport and see that they put up a little movable pedestal that says, "No smoking in this area." They put smoking stands along side it. Anyone that wants to moves it over to the edge and the whole area is smoking and there is prohibition on smoking pipes or cigars. Many passengers who are provided nosmoking seats on the airplane wait longer in the airport than they are on the airplane.

I was at National Airport one day when a nurse had a cancer patient who had just come out of the hospital. The nurse that was with him had to ask them to let her take him out into the jet way to the plane and keep him out there until the plane left to get him out of the smoke.

Now, that is the kind of thing and the failure to be willing to accept moderate proposals that protect nonsmokers as well as smokers that is causing people to say, "No more smoking in any public building in this country."

There is a bill moving through Congress to do just that. Not permitting this provision to pass this way will help pass that total prohibition bill. That is what is going to happen.

Mr. BLILEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Virginia.

Mr. BLILEY. Mr. Chairman, the gentleman respects due process and that is why these rules are here. If the gentleman has a point, the gentleman should take it to the proper committee and have a bill introduced and considered at the proper time.

I think the Chair made the proper ruling. That is the only point I wanted to make.

Mr. SMITH of Iowa. Well, this was discussed with people on the authorizing committee and they did not have any objection. That is the point. It takes a long time to get a bill out of that committee on through Congress, but one will go through and stopping this moderate provision on a technicality will help to pass a general prohibition.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 329. Section 324 of the Department of Transportation and Related Agencies Appropriations Act, 1986 (Public Law 99-190; 99 Stat. 1288) is amended—

(1) in subsection (c), by striking "a determination" and inserting in lieu thereof "the certification"; and

(2) by striking subsection (d) and inserting in lieu thereof the following:

"(d) REMOVAL OF LIMITATION.—Subsections (a) and (b) shall cease to be in effect if the Chairman of the Board of the Metropolitan Transportation Authority (a public authority of the State of New York) certifies to the Secretary that—

"(1) a loss of revenues has resulted from the limitation imposed by subsection (a); or

"(2) such limitation has resulted in other traffic problems.

The Secretary shall publish such certification in the Federal Register not later than 10 days after the certification is made to the Secretary.".

AMENDMENT OFFERED BY MR. MOLINARI

Mr. MOLINARI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOLINARI: Page 54, lines 1 through 18, strike section 329.

Mr. MOLINARI. Mr. Chairman, before we start the debate, I think we have an agreement here to limit the debate to 40 minutes, to be equally divided between myself and the gentleman from New York [Mr. MRAZEK].

Mr. Chairman, I ask unanimous consent to limit debate to 40 minutes, to be equally divided, 20 minutes to myself and 20 minutes for the opponents of my amendment.

The CHAIRMAN. That is on the amendment and all amendments thereto?

Mr. MOLINARI. That is correct.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from New York [Mr. MOLINARI] will be recognized for 20 minutes and the gentleman from New York [Mr. MRAZEK] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. MOLINARI].

Mr. MOLINARI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, last September 12, this House passed an amendment of mine, attached to the transportation appropriations bill, which, in effect, mandated a one-way toll collection on the Verrazano Narrows Bridge which connects Staten Island and Brooklyn. It links two sections of Interstate Highway 278, one of the most heavily traveled interstates in the country.

Mr. SOLARZ then offered an amendment which would have deleted my amendment entirely. After a debate that lasted approximately 1 hour, the Solarz amendment was defeated by a vote of 296 to 111.

Now we have a disguised attempt to do the same thing. Language in this bill would kill one-way tolls if there is one dime lost in revenue or any adverse traffic impact at all in our area. In this language, there would be no objective assessment of the program, its benefits must be totally ignored.

By the way of background, before the one-way toll went into effect, vehicular traffic backed up for miles on both sides of the bridge. With traffic increasing by 3 to 4 percent each year. During peak rush hours commuters faced delays of 30 minutes to an hour just to pay a toll and it didn't make any difference whether you were travelling eastbound from New Jersey to Staten Island to Brooklyn or westbound from Brooklyn to Staten Island. There were no proposals to grant commuters relief, and the delays grew intolerable. Serious pollution problems resulted from thousands of cars idling as they waited to pay the toll.

Last year, I drafted what I thought was a very fair amendment. It simply provided that after the one-way toll was in effect for 6 months, the Governor of New York State could petition the Secretary of Transportation to restore the two-way toll connection. In order to rescind the one-way toll, the Governor had to substantiate one of two conditions:

First, a substantial loss of revenue; or

Second, significant traffic problems.

As of July 20, 1986, the one-way toll system has been in effect for 4 months. Under present law, therefore, in less than 2 months, the Governor can petition for a restoration to two-way toll collection. Many traffic ex-

perts, including the head of the authority that runs the bridge, have suggested that the new system must be in place for at least 6 months before an accurate determination can be made as to its effectiveness. In light of the above, it was very distressing to learn that Congressman WEISS and other Members of this House were seeking an immediate repeal of the one-way toll. They were unable to do that outright so, a provision has been included that Congressman WEISS and others label a compromise but which means outright repeal nonetheless. Let me demonstrate how unfair the so-called compromise language is and why I am compelled to ask you to delete it.

First, it would eliminate the two-tier provision whereby Governor Cuomo would petition Secretary Dole to rescind the one-way toll. In place, new language has been substituted which would give sole authority to do away with the one-way toll on his own initiative to the chairman of the Metropolitan Transportation Authority a nonelected official who originally opposed the one-way toll.

Second, he could do this by simply certifying to the Secretary that there has been any loss of revenue—no matter how small. It no longer would have to be a substantial loss of revenue which I think made a great deal of sense.

Third, the new language provides that the chairman could also rescind the one-way toll system by certifying that such system has "resulted in other traffic problems." No longer would such traffic problems have to be significant. What a farce, none of the benefits of the one-way toll can be taken into account when assessing the one-way toll. Yet, my colleagues are bold enough to suggest that the new language is a compromise. Some compromise.

In my opinion, it has been extraordinarily successful, saving many commuters over an hour a day in a round-trip commute. Using EPA guidelines, based upon only a 30-minute delay in waiting to pay tolls, which was not uncommon before one-way tolls, and computing only from Monday through Friday, there would be gasoline savings amounting to about $19 million a year, or $165 per year for the average commuter.

A very important point is the rather dramatic improvement in air quality on Staten Island and in Brooklyn. Using EPA data, based upon standard average emissions for vehicles in stop and go traffic, one-way tolls result in the following reduction of pollutants:

First, carbon monoxide levels—reduced by 16 million pounds per year.

Second, nitrogen oxide levels—reduced by 300,000 pounds per year; and

Third, hydrocarbon levels—reduced by 1 million pounds each year.

That is why one-way tolls have been endorsed by the Amalgamated Transit Union, the union that busdrivers belong to. The plan has also been endorsed by the bridge and tunnel officers' benevolent association: the Toll Collectors Union. Reduced pollution levels are of great benefit to toll collectors.

There is no question that Congressman WEISS' constituents who live near the entrance to the Holland Tunnel suffer from a buildup of cars seeking entrance to the tunnel. This, however, is a longstanding problem, and the community board records reflect that they have discussed this situation for well over 10 years. If the two-way toll collection is restored, that very same problem will still exist but what a loss there would be to the hundreds of thousands of commuters who have gained so much due to the toll changeover.

Despite what you will undoubtedly hear, according to the Port Authority of New York and New Jersey, the amount of vehicles going through the Holland Tunnel westbound to New Jersey in May is virtually the same as it was prior to the institution of the one-way toll system.

You might ask, why then is there so much controversy? Why did the New York Times, the Daily News and other media in New York City label the one-way toll a failure? They simply accepted some of the first figures that were available shortly after the one-way system was implemented when some commuters attempted to beat the toll. They took 1 day's count and multiplied it by 365 days and did not look for more current or updated statistical evidence.

Fortunately, this issue has been presented as a proposal that only would benefit residents of Staten Island, to the detriment of some residents in Brooklyn, Manhattan and, yes, evern residents in New Jersey. The fact is that more than half of the traffic using the bridge comes from the State of New Jersey. I represent a portion of Brooklyn and 85 percent of my constituents responded in a poll that they were very much in favor of the one-way toll collection. Community Board 10 in Brooklyn published a newsletter extolling with high praise the savings in time in crossing the Verrazano Narrows Bridge.

The real experts on the one-way toll are the half-million to 1 million people that use that bridge every day. Together with my staff, I have handed out over 30,000 questionnaires at the three bridges to New Jersey and the Verrazano Bridge. Ninety-six percent of those responding demanded retention of the one-way toll collection because of the difference it has made in their daily lives. It would be a real step backward to revert back to a two-way toll collection system.

The key point, however, is that if I am wrong, the existing law provides a fair mechanism to rescind the one-way toll system. The language now in this appropriations bill makes a mockery of many people's desire for a fair assessment of the program. I regret the time that we must consume in debating this issue again, but when you realize that we are talking about the quality of life for commuters, again, ranging from a half-million to a million, this is a terribly important matter to those involved. I would earnestly request the support of my colleagues in deleting the provision and keeping a fair assessment of the one-way toll.

□ 1610

Mr. MRAZEK. Mr. Chairman, I rise in reluctant opposition to the amendment offered by my good friend and distinguished colleague, the gentleman from New York [Mr. MOLINARI].

Mr. Chairman, I must say at the outset that my district is not affected by this particular amendment. However, as a member of the subcommittee of the Committee on Appropriations which was responsible for developing this section of the bill, we worked hard to try to come up with a compromise that is fair to all sides.

I would like to point out that the position we have taken does not eliminate the one-way toll. Our position is this—at the end of the 6-month experiment, local authorities will determine whether the experiment should be continued.

After just 3 months of this experiment, here are the results, as provided through statistics garnered by the Metropolitan Transit Authority of New York. According to their figures, the annual revenue loss from this particular toll experiment will be $5.64 million. Now, some Members might suggest that this is not an important loss of revenue to the taxpayers of New York. I would submit that $5.6 million is a significant loss of revenue to any municipality.

Further, traffic congestion in lower Manhattan has been increased dramatically, often creating gridlock problems, according to the MTA. Traveltime on Canal Street has increased from an average of 5.9 minutes to 15.8 minutes. Those are the actual figures for April, May, and June—and similar increases in traffic congestion have occurred on other streets affected negatively by this proposal.

All we are suggesting in the Appropriations Committee compromise is that at the end of a 6-month experiment, a decision should be made by local authorities to determine whether in fact the toll should be collected both ways on this bridge, or one way. It should not be imposed on New York, the municipality which is in

charge of administering this particular bridge.

I might add, and I think that it is important to note for any of my colleagues who may be confused by the merits on either side of this issue, that with the exception of Mr. MOLINARI, every Member, both Democratic and Republican, from the New Jersey-New York metropolitan area is opposed to his amendment, because their districts are negatively affected. Some of them will talk in opposition to the amendment very shortly.

It's important for every Member to know that the U.S. Department of Transportation believes that our Appropriations Committee compromise does not go far enough. They favor the outright repeal of Mr. MOLINARI's amendment.

Finally, and most importantly, Mayor Koch and Governor Cuomo are opposed to this amendment.

Mr. MOLINARI. Mr. Chairman, will the gentleman yield?

Mr. MRAZEK. I yield to the gentleman from New York.

Mr. MOLINARI. Mr. Chairman, I do not think that I heard correctly. Did the gentleman say that every Member of the New York and New Jersey metropolitan area opposed my amendment?

Mr. MRAZEK. That is correct.

Mr. MOLINARI. Is the gentleman sure of that?

Mr. MRAZEK. Well, perhaps we will be able to find out one way or another when we have a vote.

Mr. MOLINARI. Well, I have one or two votes that I know of that are coming with me, and I would like to correct the gentleman. Maybe I am going to be surprised; one of us will be.

Mr. MRAZEK. One of us will probably be surprised.

In any event, I would like to again point out that Mayor Koch, the U.S. Department of Transportation, the Reagan administration, and Governor Cuomo are all opposed to this particular amendment by Mr. MOLINARI to delete the compromise language placed in the bill by the Committee on Appropriations.

Mr. Chairman, I yield 4 minutes to the gentleman from New Jersey [Mr. GUARINI].

Mr. GUARINI. Mr. Chairman, I want to commend my colleague from Staten Island for protecting well the interest of Staten Island. He has crusaded for this one-way toll, and he has done a very good job representing Staten Island.

I understand that the traffic situation at all the crossings is horrendous. There are solutions, and perhaps some of the solutions would be found in mass transit, and some of them may be found in improved crossings of the rivers in the metropolitan area. The traffic situation every year has become increasingly worse.

There is a larger picture that my good colleague has not told us about: That the impact of his amendment on the entire region is very unfortunate, and that the traffic situation has become worsened as a result of Staten Island getting this little bit of relief.

What actually happened is that there has been a situation with traffic that flows in the area to avoid paying tolls and save so much per day by going a circuitous route.

□ 1620

As a result, the port authority has told us that the Holland Tunnel has experienced 4,000 vehicles a day as additional traffic, and it is growing; that the Bayonne Bridge has seen a 23.6-percent increase in the Staten Island-bound traffic since the toll changed; and the Goethals Bridge has seen a difference of 17.9 percent in the Jersey-bound traffic.

Just today, there was on the front page of our newspapers a statement that the most densely populated city in the United States is Jersey City. We have a very bad traffic situation in regard to our tunnel crossings. I know from firsthand observation because the Holland and Lincoln Tunnels and Bayonne Bridge are in my district.

What we see is a backing up of traffic more and more each day, miles and miles of delays in getting into the tunnel; air pollution is worsening in the communities. The trucks and cars are going into secondary roads, causing neighborhood problems, causing a higher degree of accidents, causing pollution, and creating a general nuisance in the communities that are trying to afford their residents a decent way of life in this area of New Jersey.

Also, even in Manhattan, Mayor Koch is against the proposition, the New York Times is against it, and also the port authority is against this idea of one-way tolls on the Verrazano Bridge.

In New York, where there is so much impacted traffic, and perhaps the worst backed up traffic in the United States. If you continue to pour in thousands of additional cars each day, you reach the last straw that breaks the camel's back. You are making it increasingly worse in Manhattan and we who live in that Metropolitan New Jersey/New York area know how bad the situation is.

I would like to help Staten Island, but not at the expense of dumping on New Jersey and dumping on Manhattan. It is unfortunate that this is a good thing for Staten Island but a very bad result for every municipality that surrounds Staten Island.

Also, there are people who will avoid paying the tolls so those who do not pay the toll throw a greater burden on the other citizens who are not trying to avoid the toll. What you are really doing is saying, Staten Island, for some of you that want to go the circuitous route, there is a free lunch.

There is not a free lunch for the good citizens of Staten Island and there are people who will have to pay for this phase.

I want to emphatically state that this is an issue that hits hardest are the people who live in Jersey City and Bayonne. I hear from the people in many letters that are written. I hear from the chief of police and the mayors. I know how bad the grid locked traffic is in New York. It is not possible that the best interests of the New York-New Jersey Metropolitan area are served by a one-way toll on the Verrazano Bridge.

I ask you to defeat the Molinari amendment. I think there is no sense to it. If you consider the larger picture, even though it is commendable as to what my good friend from Staten Island wishes for his area, you must conclude a nightmare in the entire metropolitan region is being created.

I ask for the defeat of the gentleman's amendment.

The CHAIRMAN pro tempore (Mr. MILLER of California). The gentleman from New York [Mr. MOLINARI] has 10 minutes remaining and the gentleman from New York [Mr. MRAZEK] has 12 minutes remaining.

Mr. MRAZEK. Mr. Chairman, I yield 5½ minutes to my distinguished Republican colleague, the gentleman from New Jersey [Mr. RINALDO].

Mr. RINALDO. Mr. Chairman, I rise in opposition to the Molinari amendment to strike language in the bill pertaining to the Verrazano Narrows Bridge leading into New York City.

Generally speaking, local officials are the ones who determine how tolls will be collected on locally funded highways and bridges. During the consideration of last year's transportation bill, however, an amendment was adopted which specified that tolls would be collected only one way on the Verrazano Bridge. This amendment primarily benefited one group of local commuters: those who travel from Staten Island into New York City. In order to avoid the toll, however, commuters and truckers return by a variety of alternate routes, all of which create unnecessary traffic congestion. As a result, the morning traffic tieup on the Verrazano Bridge has been replaced by enormous traffic jams throughout the Metropolitan New York area, spilling over into Elizabeth, Bayonne, Jersey City, and Newark, NJ. The Goethals Bridge leading from Elizabeth, NJ, which I represent, to Staten Island has experienced a 13-percent increase in traffic since the one-way toll was inaugurated. According to a recent count, 4,000 more cars and trucks are using the Holland Tunnel every day. Traffic in

Lower Manhattan, never rapid at rush hour, has slowed to a snail's pace.

These traffic problems are a direct result of congressional meddling in areas which would best be left to local authorities to regulate. I think it would be safe to say that very few Members of this body have any experience in traffic management, particularly of the volume which moves between New York City and its suburbs every weekday. And yet, we saw fit to direct how tolls should be collected on a locally funded bridge, overriding the decision made by the governmental authorities which have direct responsibility for regulating the flow of traffic into and out of New York City.

Not only have thousands of commuters been forced to sit in huge traffic jams, but the complete avoidance of the one-way toll on the Verrazano Bridge by many truckers and commuters has substantially reduced the revenues which are used for the maintenance and operation of the metropolitan transportation system. According to figures provided by the Metropolitan Transportation Authority, revenues collected since the one-way toll went into effect on March 20 are $1.5 million below the amount collected during the same period last year, a 4.9-percent decline. This drain on the revenues raised from toll collections cannot continue without impairing the ability of local authorities to adequately maintain transportation facilities.

Members from other urban areas who may think that this amendment is a local dispute have to realize that similar provisions could be included in future bills to regulate traffic in their own districts. There is nothing to prevent Congress from becoming the traffic manager for Boston, San Francisco, Los Angeles, Chicago, or any other city. Members may wish to consider whether they want to be answerable for every traffic jam that occurs at rush hour in every city in the country.

The bill turns this responsibility back to the local governments which are in the best position to decide how traffic should be regulated. For that reason, the Reagan administration supports this section of the bill and opposes the Molinari amendment. The amendment is also opposed by our former colleague, New York Mayor Ed Koch, and the one-way toll has been criticized by the Star Ledger of New Jersey, the New York Times, the New York Daily News, and Newsday. I would urge those of my colleagues who do not aspire to new careers as national traffic policemen to vote against this amendment.

□ 1800

Mr. MOLINARI. Mr. Chairman, I yield such time as he may consume to the gentleman from Kentucky [Mr. SNYDER].

Mr. SNYDER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York to continue what appears to be a very successful one-way toll collection program on the Verrazano Narrows Bridge between Staten Island and Brooklyn, NY.

The program was started on March 20, 1986, and reports indicate that commuters have been saving one-half hour to 1 hour on a daily round-trip commute. Using information from the EPA as a guideline, it is estimated that there will be a savings of 18 million gallons of gasoline per year and a significant reduction in air pollutants due to reduced traffic congestion.

If problems arise, current law allows for a fair mechanism to repeal the one-way toll. The Governor of New York may petition the Secretary of Transportation for restoration of two-way tolls if he can substantiate significant traffic congestion or substantial revenue loss resulting from the one-way tolls.

The provision in the DOT appropriations bill would now short-circuit this repeal process. The provision allows a unilateral decision by the metropolitan transportation authority to restore two-way tolls by simply certifying a loss of revenue or other traffic problems, which may not be significant.

Recognizing that the metropolitan transportation authority has taken positions in the past opposing one-way tolls, I am suspicious that this provision in the DOT approprations bill is an attempt to circumvent a balanced decision on the benefits of one-way tolls.

I believe current law provides a fair mechanism to rescind the one-way toll if there is justification to do so. Therefore, I urge my colleagues to adopt the amendment of the gentleman from New York [Mr. MOLINARI].

Mr. MOLINARI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me respond to some of the questions that were raised. I hear from the first time, today, from one of my colleagues that Governor Cuomo is opposed to this one-way toll. Now, I never heard that before; as a matter of fact, up until about 30 days ago, we did not know that Mayor Koch was opposed to it, and suddenly we smoked him out, and sure enough, he came out and said he was opposed to it.

I concede the fact that Mayor Koch is opposed to it. I had not heard that Governor Cuomo is opposed to it. I know that Mayor Koch sent him a letter and asked him to support his movement; I have not seen a response.

Now I would like to ask the gentleman, where is Governor Cuomo on this issue?

Well, Mr. Chairman, I hear only silence.

Let me then address some of the other remarks. One of the gentlemen said that there are 4,000 more cars a day going through the Holland Tunnel westbound. Let me show the gentleman the figures that were given to me by the port authority.

In March, for the 20 days prior to the one-way toll, the average daily count was 40,185. In April 1986, as I indicated in my opening statement, we did see a jump, to 42,879. What is that jump? About 2,600. What happened in May as the people began to realize what a difficult job it was to go across Manhattan in that crazy traffic; take an extra hour. It dropped to 40,601.

Now where are we getting these figures from?

I appreciate the remarks made by my colleagues when they say they know what I am doing for Staten Island. We are talking about more than 91,000 cars going westbound on occasions. We only had 352,000 people on Staten Island by the last census. Where are all these cars? Does every Staten Islander own five cars, for God's sake?

These cars are coming from all over the city, and 50 percent of them are coming from New Jersey. This is not a Staten Island issue.

With respect to the remark that we should not be dealing with this issue today, I agree. We should not be dealing with this issue today because we dealt with it last year; we had a debate for over an hour, and this body spoke, and the body spoke by 3 to 1. So it is not my fault that we are forced to take this issue up again.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Chairman, if in fact Governor Cuomo is opposed to the present law, is it not true that all he has to do is request the Secretary of Transportation to make the change?

Mr. MOLINARI. Mr. Chairman, the gentleman makes a very good point; but after September 20, when the 6 months expires—as a matter of fact, I asked the gentleman standing, we had a conversation about trying to draw a compromise.

I had offered to accept Governor Cuomo as the determining party; did I not, Mr. MRAZEK? I yield to the gentleman.

Mr. MRAZEK. Mr. Chairman, we discussed the parameters of a compromise, and they were not workable.

However, I——

Mr. MOLINARI. I raise that point not to embarrass the gentleman, but to prove that if I had known that Governor Cuomo is opposed to it, which he is not, I never would have made

such a outlandish suggestion, cut my own throat.

Mr. MRAZEK. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. I yield to the gentleman from New York.

Mr. MRAZEK. Mr. Chairman, I would like to apologize to my colleagues for using the name of Governor Cuomo without knowledge of his position on this issue. To do so was an inadvertent mistake on my part. Nevertheless, I wish to reiterate that the U.S. Department of Transportation is opposed to the gentleman's amendment, and they are; Mayor Koch is opposed to your amendment——

Mr. MOLINARI. The U.S. Department of Transportation?

Mr. MRAZEK. That is correct.

Mr. Chairman, I again wish to make clear that I withdraw my comments in regard to Mr. Cuomo's position, and I do not want there to be any confusion about this point. I again apologize to my colleagues if I caused them any confusion.

Mr. MOLINARI. Mr. Chairman, I reserve the balance of my time.

Mr. MRAZEK. Mr. Chairman, I yield 3½ minutes to my colleague, the gentleman from New York [Mr. WEISS].

Mr. WEISS. Mr. Chairman, I have a great deal of respect and admiration for my distinguished friend and colleague from Staten Island and Brooklyn, Mr. MOLINARI.

Indeed, there are occasions on which he offers amendments which are of such inherent worth and value to the Nation, never mind to our metropolitan area, that I wholeheartedly support him. He will have such an amendment in a few minutes, when he addresses the flight patterns and the shortage of trained air traffic controllers; but there are times when the gentleman offers amendments on which he is absolutely dead wrong.

The amendment that he is offering now falls into that category, Mr. Chairman.

Let me recap as to how we got here. Last year, acting out of the purest motivation, the gentleman from Staten Island, recognizing that there was heavy traffic approaching the Verrazano Bridge from Staten Island, decided that he would try to solve that problem.

Some of us, including the gentleman from Brooklyn, NY [Mr. SOLARZ], and others, tried to point out to him what that would do to the traffic patterns and congestion in the rest of the metropolitan area; in Brooklyn, in Manhattan, and in New Jersey.

The gentleman would not accept those projections, and we could not prove it as a fact because they were simply projections. Well, the fact is that our worst fears have come true, and now the Appropriations Subcommittee on Transporation, having recognized that with all the good faith in the world, the gentleman from Staten Island led them down the wrong path last year, has taken corrective action.

The Appropriations Committee has now reported a bill which in essence corrects the mistake which they committed at the behest of the gentleman from New York [Mr. MOLINARI] last year.

The Appropriations Committee's actions are backed up by the statistics of the New York-New Jersey Port Authority, by the Metropolitan Transit Authority, by the Department of Transportation of the city of New York, by the Federal Department of Transportation, all of which oppose Mr. MOLINARI's action of last year and supports the language that the Appropriations Committee reported to us this year.

It seems to us at this point that the House ought to go along with the good judgment of the Appropriations Committee and correct the mistake of last year.

The people in the metropolitan area are being deluged by traffic of unimaginable proportions. In Brooklyn, the Gowanus Parkway is just jammed with traffic. In New Jersey, Bayonne and Elizabeth are jammed with traffic. In the lower part of Manhattan, which I represent, the people effected are not just those driving through. Ninety thousand people live and work in Lower Manhattan.

Those people are being subjected to such volumes of carbon monoxide and other pollution that the Department of Transportation has suggested that if the situation is not corrected, they may have to forbid all truck traffic in Lower Manhattan.

Imagine what impact that will have on Brooklyn, on New Jersey and on other parts of the metropolitan area.

□ 1640

We have seen an experiment attempted out of noble motives on the part of the gentleman from Staten Island. His solution has not worked. It has created a traffic and a health and a noise disaster.

The time to correct it is now, and the way to do it is to vote "no" on the amendment offered by the gentleman from Staten Island.

Mr. Chairman, last year my friend and colleague from New York, Mr. MOLINARI, attached a measure to the 1986 transportation appropriations bill to force New York City to change the two-way toll on the Verrazano Bridge in New York City to a one-way toll.

To those unfamiliar with New York City's traffic problems, this may seem like an issue of little significance. But as the local uproar against the one-way toll has demonstrated, the problems generated by the new toll have outraged the entire metropolitan region.

There are four main reasons why the one-way toll is now opposed by the city of New York, the New York Times, the New York Daily News, Newsday, the Bergen Record, the Newark Star-Ledger, the Reagan administration, and a bipartisan coalition of 14 Members of Congress from both New York and New Jersey.

First, the Verrazano Bridge is a local bridge, built and maintained with local funds. Never before in the history of this country has Congress forced local authorities to change the way they collect tolls on a local bridge. This unprecedented Federal intervention in a municipal traffic issue offends the basic principle of local control over local issues.

Second, because the one-way toll must be collected in the westbound direction, while all other trans-Hudson crossings in the region have one-way tolls collected in the eastbound direction, anyone who wants to take a free ride through the city without paying any bridge tolls at all can now do so. Commuters save $3.50, but a six-axle truck can save $24 by going through Manhattan. In fact, so many are avoiding bridge tolls altogether that the Metropolitan Transportation Authority now expects to lose $5 to $6 million in revenues this year, due to the one-way toll.

Third, those cars and trucks looping around the city to avoid the bridge tolls are causing unprecedented traffic jams throughout the metropolitan area. Brooklyn was hit so badly that the Brooklyn borough president sued the MTA to try to stop the one-way toll. In New Jersey, the Port Authority reports a 23.6-percent increase in traffic over the Bayonne Bridge, and a 19-percent jump in traffic over the Goethals Bridge.

But the area hit worst by the one-way toll has been lower Manhattan, which I represent. In Manhattan, according to the New York City Department of Transportation, the average speed along Canal Street during rush hours has decreased by 71 percent since the toll change, while the evening rush hour, which normally extended from 4 to 7 p.m., now goes from 3 to 8 p.m., and sometimes even longer.

An analysis by the City's Department of Transportation, dated July 23, found that the one-way toll experiment has created a "wall of traffic separating lower Manhattan from Greenwich Village for an extended peak period—from—2–8 p.m."

Have the gains from reduced traffic on Staten Island offset the chaos caused in Manhattan from the one-way toll? Not according to the Department of Transportation. According to the analysis released last week, "travel times on the total length of the Staten Island Expressway were reduced initially by as much as 6 minutes, but have stabilized to only a 1-minute savings. This benefit has been more than offset by increased congestion in the lower Manhattan grid system surrounding the Holland Tunnel. Travel times—there—have more than doubled, from 5.9 minutes to 14.6 minutes."

Finally, the one-way toll has created a serious health risk to some 90,000 residents of lower Manhattan, who must now cope with greatly increased exhaust fumes from the added, slow-moving traffic. The New York State Department of Environmental Conservation has decided to install an additional carbon monoxide air monitoring station in the

area, in response to the alarming deterioration of the air quality.

And while the one-way toll may have alleviated some congestion along the Staten Island Expressway, the air pollution problem on Staten Island primarily affected motorists passing through. In Manhattan, however, the pollution problem affects the streets where 90,000 people work, walk, and live—a far greater hazard.

Last April, I introduced a bill to repeal the one-way toll on the Verrazano Bridge. I was quickly joined by a bipartisan coalition of 12 Members from both sides of the Hudson. And while we still feel that an outright repeal of the one-way toll would be the best solution, we are willing to accept the compromise language in this bill agreed upon by the Transportation Subcommittee, which would allow the one-way toll to continue unless the Metropolitan Transportation Authority can certify that the new toll has caused either a loss in toll revenues, or new traffic problems.

I urge my colleagues to support the language in the bill, and vote "no" on this amendment.

The CHAIRMAN. The Chair would indicate that the gentleman from New York [Mr. MRAZEK] has 3 minutes remaining, and the gentleman from New York [Mr. MOLINARI] has 4 minutes remaining.

Mr. MOLINARI. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. MOODY].

Mr. MOODY. I thank the gentleman for yielding.

I would only say that my experience in these matters is confined to the bay area of San Francisco, where I was living when they changed to one-way tolls on the Bay Bridge and on the Golden Gate Bridge in the bay area. Certainly in that period of time we saw an initial reaction, as cars reacted to this. But after a while, they did settle down, as the gentleman from Staten Island indicates, as is apparently the case in this instance. I also would say that in the bay area they saved a great deal of money by cutting this in half and that over the long haul the tolls evened out to exactly where they were. They saved a lot of collection costs, and they saved a lot of delay costs for the cars that were on the one-half of the trip where they were not paying tolls.

As for downtown Manhattan, as a non-Manhattan resident maybe I should not comment, but having been in and driven through Manhattan many times when it was a two-way toll situation, I could say that it could hardly have been worse. It is hard to imagine that it reached a saturation point beyond which adding more cars is futile. I do not believe that people are really going to endure the extra time and effort after you reach an equilibrium point simply to avoid the toll.

Mr. MRAZEK. Mr. Chairman, will the gentleman yield?

Mr. MOODY. I yield to the gentleman from New York.

Mr. MRAZEK. I thank the gentleman for yielding.

May I ask who made the decision to go with a one-way toll in the bay area? Was it made by officials in New Mexico or in Florida?

Mr. MOODY. I do not know the answer. I can tell you the results.

Mr. MRAZEK. I can suggest to the gentleman there is no other bridge in the United States where local authorities have been overridden by U.S. Congress in making a determination of this kind.

Mr. MOODY. I can only say that the result of the Richmond Bridge, the Oakland Bay Bridge and the Golden Gate Bridge all switched to one-way tolls with a very positive result in the long run.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. MOODY. I yield to the gentleman from New York.

Mr. WEISS. I thank the gentleman for yielding.

The problem is we have one-way tolls, but all the other one-way tolls are east-bound. The Staten Island Verrazano toll by the law that we passed last year is mandated to be west-bound, and it provides an opportunity and an incentive to avoid tolls completely.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. MOODY] has expired.

The Chair would note that the gentleman from New York [Mr. MRAZEK] has the right to close debate.

Mr. MRAZEK. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. SOLARZ].

Mr. SOLARZ. Mr. Chairman, the issue before us is not whether you are in favor of one-way tolls or two-way tolls. The issue before us is not whether this experiment in one-way tolls has cost money or has not cost money. The issue before us is not whether it has reduced air pollution on Staten Island or whether it has not reduced air pollution on Staten Island. The issue before us is not whether it increased traffic congestion in Manhattan and parts of Brooklyn or has not increased traffic congestion in those areas.

There is one issue and one issue only before us, and that is whether the continuation of a one-way toll on the Verrazano Bridge will be a decision made in the final analysis by the Secretary of Transportation, a Federal official, or by the chairman of the metropolitan transportation administration a local official.

I would submit that, regardless of what section of the country you are from, this ought to be seen as primarily and preeminently a local matter. This is a home rule issue.

It is nothing more and nothing less.

When I first came here, I used to think that States rights was the last doctrine of racism. I now begin to see that there is some merit in that argument, not for the original purposes and policies on behalf of which it was advanced but with respect to the preservation of at least those elemental determinations by local government which go to the heart of what local government is all about.

So I appeal to my friends from the South, I appeal to my conservative friends from the Midwest, see this not as an issue on one-way tolls, traffic congestion, see it as an issue of States rights and home rule. Vote the way the local authorities would like you to vote by giving them the authority to make this decision. Then we can all come together again 100 years after the end of the Civil War.

The CHAIRMAN. The gentleman from New York [Mr. MOLINARI] is recognized for the remaining 2 minutes.

Mr. MOLINARI. Mr. Chairman, it is interesting to hear all the issues that were raised today. Let me say that, you know, all of these were raised last year. We debated it, and the House made its decision. Now the gentleman from Wisconsin talked about the Golden Gate Bridge. I did a little checking on that, Mr. MOODY, and I found out that there was stiff opposition to that change. Some did not think it was going to work, and it has worked and worked very well.

One point that I neglected to mention is that Staten Island is connected to New Jersey by three port authority bridges. All three of those bridges were changed to one-way toll a few years ago, and they are working exceptionally well.

Now, on the issue of the Federal issue, we are talking about an interstate highway, we are talking about one of the most traveled interstate highways in the country, we are talking about a tremendous amount of interstate commerce that goes back and forth across that bridge. That gives us Federal jurisdiction.

With respect to the city DOT study, let me tell you gentlemen from New York City and from the mayor's office, you go back and tell the mayor that I did some computation and double-checked the figures. And for the figures to be right, there are segments of the highway where a car would have to be going 900 miles an hour, believe it or not, for those figures, 900 miles an hour.

Let me close, gentlemen, by showing you something that appeared in our local newspaper. This is the executive officer of the Triborough Bridge and Tunnel Authority, George Schoepher, the man who said it would not work. He said one-way tolls do not work. What did he say at a hearing recently? "I was wrong," says TBTA boss, "I was

wrong on my predictions of traffic problems, and I was wrong on my revenue projections as well." That is a man who is opposed to it. It is a shame that we have to come here for relief, but I do not apologize for it, I do not apologize for it at all. I would like to think as a Member of this body that, if I had a problem or you had a problem or anybody else watching that had a problem as serious as this one, and you had jurisdiction, and we do, then I would support them. And I would hope that I would get that same support here today.

The CHAIRMAN. The gentleman from New York [Mr. MRAZEK] is recognized for 1 minute to close debate.

Mr. MRAZEK. Mr. Chairman, I would only say in conclusion that if this change only affected Mr. MOLINARI's district, I would be happy to support it. Unfortunately, the passage of his amendment last year has created enormous discord and disagreement between the residents of congressional districts in New Jersey and in New York. It is unfortunate when that happens. I can only submit to you that the facts are now in. There has been a significant cost to the city of New York, both financially and in terms of traffic dislocation, by the passage of this amendment last year.

I am not directly involved in terms of my own district, but we in the Appropriations Committee tried to fashion a compromise that would restore the final decision on this issue where it belongs, and that is with the local officials who are in a position to decide whether this toll is fair to all of the travelers in our region.

So I would simply ask my colleagues in this body to support local control, vote with Transportation Appropriations Subcommittee, and oppose the Molinari amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MOLINARI].

The question was taken, and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MOLINARI. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 168, noes 253, not voting 10, as follows:

[Roll No. 266]

AYES—168

Anderson	Byron	Dannemeyer
Annunzio	Callahan	Darden
Archer	Chappell	Daub
Badham	Chappie	Derrick
Barnard	Cheney	DeWine
Barton	Clinger	Dickinson
Bentley	Coats	Dingell
Bilirakis	Cobey	DioGuardi
Bliley	Coble	Dreier
Boehlert	Coleman (MO)	Duncan
Bosco	Conyers	Dwyer
Boulter	Craig	Edwards (OK)
Brown (CO)	Crane	Emerson
Burton (IN)	Daniel	Erdreich
Evans (IA)	Martin (NY)	Schneider
Fazio	Mavroules	Schuette
Fiedler	Mazzoli	Schulze
Fish	McCain	Shaw
Flippo	McCollum	Shumway
Ford (MI)	McDade	Shuster
Franklin	McEwen	Sikorski
Frenzel	McGrath	Siljander
Gilman	McKinney	Skelton
Gingrich	McMillan	Slaughter
Goodling	Meyers	Smith (NE)
Gray (IL)	Michel	Smith (NJ)
Gregg	Miller (OH)	Smith, Denny (OR)
Hall (OH)	Molinari	Smith, Robert (OR)
Hall, Ralph	Monson	Snyder
Hammerschmidt	Montgomery	Solomon
Hansen	Moody	Spence
Hartnett	Moorhead	Stangeland
Hendon	Morrison (WA)	Stenholm
Henry	Murphy	Strang
Hiler	Nichols	Stratton
Hopkins	Nielson	Stump
Horton	Nowak	Sundquist
Howard	Oberstar	Sweeney
Hunter	Ortiz	Swift
Hutto	Packard	Swindall
Hyde	Parris	Tallon
Ireland	Pashayan	Taylor
Jenkins	Perkins	Thomas (CA)
Johnson	Petri	Thomas (GA)
Kanjorski	Pickle	Torres
Kasich	Porter	Vander Jagt
Kemp	Rahall	Walker
Kolter	Ray	Whittaker
Kramer	Ridge	Wise
Lagomarsino	Ritter	Wolf
Lent	Roberts	Wortley
Lewis (FL)	Roemer	Wyden
Lightfoot	Rogers	Young (FL)
Lloyd	Rose	Zschau
Lujan	Rowland (CT)	
Mack	Rowland (GA)	
Martin (IL)	Rudd	

NOES—253

Ackerman	Davis	Hefner
Akaka	de la Garza	Hertel
Alexander	DeLay	Hillis
Andrews	Dellums	Holt
Anthony	Dicks	Hoyer
Applegate	Dixon	Hubbard
Armey	Donnelly	Huckaby
Aspin	Dorgan (ND)	Hughes
Atkins	Dornan (CA)	Jacobs
AuCoin	Dowdy	Jeffords
Bartlett	Downey	Jones (NC)
Bateman	Durbin	Jones (OK)
Bates	Dymally	Jones (TN)
Bellenson	Dyson	Kaptur
Bennett	Early	Kastenmeier
Bereuter	Eckart (OH)	Kennelly
Berman	Eckert (NY)	Kildee
Bevill	Edgar	Kindness
Biaggi	Edwards (CA)	Kleczka
Boggs	English	Kolbe
Boland	Evans (IL)	Kostmayer
Bonior (MI)	Fascell	LaFalce
Bonker	Fawell	Lantos
Borski	Feighan	Latta
Boucher	Fields	Leach (IA)
Boxer	Florio	Leath (TX)
Breaux	Foglietta	Lehman (CA)
Brooks	Foley	Lehman (FL)
Broomfield	Ford (TN)	Leland
Brown (CA)	Frank	Levin (MI)
Bruce	Frost	Levine (CA)
Bryant	Fuqua	Lewis (CA)
Burton (CA)	Gallo	Lipinski
Bustamante	Garcia	Livingston
Carper	Gaydos	Loeffler
Carr	Gejdenson	Long
Chandler	Gekas	Lott
Chapman	Gephardt	Lowery (CA)
Clay	Gibbons	Lowry (WA)
Coelho	Glickman	Luken
Coleman (TX)	Gonzalez	Lundine
Collins	Gordon	Lungren
Combest	Gradison	MacKay
Conte	Gray (PA)	Madigan
Cooper	Green	Manton
Coughlin	Guarini	Markey
Courter	Hamilton	Marlenee
Coyne	Hatcher	Martinez
Crockett	Hawkins	Matsui
Daschle	Hayes	McCandless
McCloskey	Rinaldo	Synar
McCurdy	Robinson	Tauke
McHugh	Rodino	Tauzin
McKernan	Rostenkowski	Torricelli
Mica	Roth	Towns
Mikulski	Roukema	Traficant
Miller (CA)	Roybal	Traxler
Miller (WA)	Russo	Udall
Mineta	Sabo	Valentine
Mitchell	Savage	Vento
Moakley	Saxton	Visclosky
Mollohan	Schaefer	Volkmer
Morrison (CT)	Scheuer	Vucanovich
Mrazek	Schroeder	Waldon
Murtha	Schumer	Walgren
Myers	Seiberling	Watkins
Natcher	Sensenbrenner	Waxman
Neal	Sharp	Weaver
Nelson	Shelby	Weber
Oakar	Sisisky	Weiss
Obey	Skeen	Wheat
Olin	Slattery	Whitehurst
Owens	Smith (FL)	Whitley
Oxley	Smith (IA)	Whitten
Panetta	Smith, Robert (NH)	Williams
Pease	Snowe	Wilson
Penny	Solarz	Wirth
Pepper	Spratt	Wolpe
Price	St Germain	Wright
Pursell	Staggers	Wylie
Quillen	Stallings	Yates
Rangel	Stark	Yatron
Regula	Stokes	Young (AK)
Reid	Studds	Young (MO)
Richardson		

NOT VOTING—10

Barnes	Carney	Moore
Bedell	Fowler	Roe
Boner (TN)	Grotberg	
Campbell	Gunderson	

□ 1705

Messrs. GAYDOS, LOWRY of Washington, MARKEY, SWINDALL, and CONTE changed their votes from "aye" to "no."

Messrs. TAYLOR, SILJANDER, HUTTO, BARTON, DAUB, TALLON, and SWINDALL changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. PANETTA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to engage the gentleman from Florida [Mr. LEHMAN] in a colloquy to address the need for construction of a highway bypass project in my district.

Contained in the Surface Transportation Act of 1982 is a provision designating the construction of a Highway 101, bypass in Monterey County, CA, as a high-priority project. The designation carries with it a guarantee of 95-percent Federal funding. While this provision was seen by the concerned citizens of the county as an important step toward the completion of the much-needed Prunedale bypass, circumstances faced by the California Department of Transportation have conspired to preclude meaningful progress toward construction of the project.

As you know, California faces a number of serious problems with regard to highway construction and maintainance. The fast approaching deadline on the completion of the Na-

tion's Interstate Program and limits on the State's obligational authority have caused lengthy delays on a number of important projects. These delays are particularly difficult for those areas in which there is no interstate construction, such as Monterey County. Forced to compete for limited Federal and State funds with large interstate projects in the State's urban areas, projects such as the Prunedale bypass, though critically important to the rural areas which they would serve, have been continuously postponed over the past few years.

It is my hope to send a message to the California Department of Transportation that this project is a priority of the Congress and that every effort should be made to expedite its completion.

Currently, Highway 101, one of the two major north-south arteries in the State, narrows from four lanes to two as it passes through the Salinas Valley near Prunedale. Traffic traveling between Los Angeles and San Francisco at freeway speeds is forced to slow to a crawl as it winds through the built-up business and residential district of the Prunedale-San Miguel area, creating a safety hazard for local residents and their children. Beyond the obvious problems caused by chronic traffic congestion and delays, the nonfreeway stretch has an accident rate 20 percent higher than the State average.

There is widespread local support for the project, and Monterey County, which has received less than its statutorily mandated fair share of available State highway funds, wants to see action on the bypass project as soon as possible.

Mr. Chairman, I am hopeful that your committee will reserve the option of taking further action in support of this project if the State fails to allocate the funds necessary to complete the necessary environmental documents, make purchases for right-of-way protection and undertake the design of the bypass.

Mr. LEHMAN of Florida. Mr. Chairman, if the gentleman will yield, I certainly understand the frustration of the gentleman from California [Mr. PANETTA] with regard to this project, and share his hope that the California Department of Transportation will take seriously the intention of Congress that construction of the bypass be expedited. Clearly, the designation of this project as a high priority in the Surface Transportation Act of 1982, and the high percentage of Federal funds made available under that act for the project should be utilized as intended and as expeditiously as possible. The gentleman may rest assured that the Appropriations Subcommittee on Transportation will make every effort during the consideration of this bill to ensure that action is taken to begin this project.

Mr. PANETTA. It is my understanding that $2 million is needed to complete work on the environmental impact statement and preliminary engineering studies for the project and that $10 million will be required to protect the right of way before construction can begin.

Mr. LEHMAN of Florida. That is also my understanding, and the gentleman may rest assured that the subcommittee will keep this project under consideration and will seriously examine the need for further congressional action.

□ 1715

The CHAIRMAN pro tempore (Mr. BROWN of California). The Clerk will read.

The Clerk read as follows:

SEC. 330. (a) Section 112(b) of title 23, United States Code, is amended by striking out "Construction" and inserting in lieu thereof "(1) Except as provided in paragraph (2), construction" and by adding at the end thereof the following new paragraph:

"(2) LIMITATIONS CONCERNING SOUTH AFRICA ON AWARDS OF CONTRACTS.—A State or local governmental body that is a recipient of Federal funds under this title may prohibit or otherwise limit the award of contracts by providing for terms and conditions related to the contractor's business in South Africa in accordance with a State or local law if the State or local governmental body first enters into an agreement with the Secretary that any costs incurred as a result of such prohibition or limitation which are in excess of the costs that would otherwise have been incurred with respect to such project under this title will not, for purposes of this title, be considered to be a cost of such project.".

(b) Section 12(b) of the Urban Mass Transportation Act of 1964 is amended by adding at the end thereof the following new paragraph:

"(3) LIMITATIONS CONCERNING SOUTH AFRICA ON AWARDS OF CONTRACTS.—A recipient of a grant under this Act may prohibit or otherwise limit the award of contracts with respect to a project under this Act by providing for terms and conditions related to the contractor's business in South Africa in accordance with a State or local law if such recipient first enters into an agreement with the Secretary that any costs incurred as a result of such prohibition or limitation which are in excess of the costs that would otherwise have been incurred with respect to such project under this Act will not, for purposes of this Act, be considered to be a cost of such project.".

SEC. 331. PROHIBITION ON LANDING RIGHTS OF SOUTH AFRICAN AIRCRAFT.—

(a) PROHIBITION.—The Secretary of Transportation shall prohibit the takeoff and landing of any aircraft by a foreign air carrier owned, directly or indirectly, by the Government of South Africa or by South African nationals.

(b) EXCEPTIONS FOR EMERGENCIES.—The Secretary of Transportation may provide for such exceptions from the prohibition set forth in subsection (a) as the Secretary considers necessary to provide for emergencies in which the safety of an aircraft or its crew or passengers are threatened.

(c) REGULATORY AUTHORITY.—The Secretary of Transportation shall issue such regulations, licenses, and orders as are necessary to carry out this section.

(d) PENALTIES.—

(1) FOR PERSONS OTHER THAN INDIVIDUALS.—Any person, other than an individual, that knowingly violates the provisions of this section or any regulation, license, or order issued to carry out this section shall be fined not more than $500,000.

(2) FOR INDIVIDUALS.—Any individual who knowingly violates the provisions of this section or any regulation, license, or order issued to carry out this section shall be fined not more than $250,000, or imprisoned not more than 5 years, or both.

(3) ADDITIONAL PENALTIES FOR CERTAIN INDIVIDUALS.—

(A) IN GENERAL.—Whenever a person commits a violation under paragraph (1) or (2)—

(i) any officer, director, or employee of such person, or any natural person in control of such person, who willfully ordered, authorized, acquiesced in, or carried out the act or practice constituting the violation, and

(ii) any agent of such person who willfully carried out such act or practice,

shall be fined not more than $250,000, or imprisoned not more than 5 years, or both.

(B) RESTRICTION ON PAYMENT OF FINES.—A fine imposed under subparagraph (A) on an individual for an act or practice constituting a violation may not be paid, directly or indirectly, by the person committing the violation itself.

(4) SEIZURE AND FORFEITURE OF AIRCRAFT.—Any aircraft used in connection with a violation of this section or any regulation, license, or order issued to carry out this section shall be subject to seizure by and forfeiture to the United States. All provisions of law relating to the seizure, forfeiture, and condemnation of articles for violations of the customs laws, the disposition of such articles or the proceeds from the sale thereof, and the remission or mitigation of such forfeiture shall apply to the seizures and forfeitures incurred, or alleged to have been incurred, under this paragraph, insofar as such provisions of law are applicable and not inconsistent with the provisions of this section; except that all powers, rights, and duties conferred or imposed by the customs laws upon any officer or employee of the Department of the Treasury shall, for purposes of this paragraph, be exercised or performed by the Secretary of Transportation or by such persons as the Secretary may designate.

(e) DEFINITIONS.—

(1) AIRCRAFT AND FOREIGN AIR CARRIER.—The terms "aircraft" and "foreign air carrier" have the meanings given those terms in section 101 of the Federal Aviation Act of 1958 (49 U.S.C. App. 1301).

(2) SOUTH AFRICA.—The term "South Africa" includes—

(A) the Republic of South Africa;

(B) any territory under the administration, legal or illegal, of South Africa; and

(C) the "bantustans" or "homelands", to which South African blacks are assigned on the basis of ethnic origin, including the Transkei, Bophuthatswana, Ciskei, and Venda.

(3) SOUTH AFRICAN NATIONAL.—The term "South African national" means—

(A) a citizen of South Africa; and

(B) any partnership, corporation, or other entity organized under the laws of South Africa.

(f) APPLICABILITY TO EVASIONS—This section and the regulations issued to carry out

this section shall apply to any persons who undertakes or causes to be undertaken any transaction or activity with the intent to evade this section or such regulations.

SEC. 322. SUITABILITY OF AIR TRAFFIC CONTROLLERS WHO PARTICIPATED IN THE 1981 STRIKE.—

(a) AUTHORITY TO APPOINT OR REINSTATE CERTAIN FORMER AIR TRAFFIC CONTROLLERS.—Air traffic controllers whose appointments were terminated on account of the strike of air traffic controllers which began on or about August 3, 1981, shall not, as a class, be considered unsuitable for appointment or reinstatement in the Federal Aviation Administration. Determinations of suitability for appointment or reinstatement to any such position shall be made on a case-by-case basis by the Office of Personnel Management in accordance with part 731 of title 5 of the Code of Federal Regulations (as in effect on June 1, 1986).

(b)(1) An individual may be appointed or reinstated under this subsection only if such individual is qualified, or would, after appropriate retraining, be qualified, for the position involved.

(2)(A) Except as provided in subparagraph (B), no claim may lie against the Government of the United States, or any officer, employee, or agency thereof, based on a failure to appoint or reinstate a particular individual under this subsection.

(B) Nothing in this paragraph shall preclude a claim based on discrimination on the basis of race, color, religion, sex, or national origin.

(3) Nothing in section 3307(b) of title 5, United States Code, or in any rule or regulation prescribed thereunder, shall apply with respect to appointments under this subsection.

AMENDMENT OFFERED BY MR. MOLINARI

Mr. MOLINARI. Mr. Chairman, I offer an amendment which is made in order by the rule.

The CHAIRMAN pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. MOLINARI: Page 60, lines 1 through 16, redesignate paragraphs (1), (2), and (3) of section 332(b) as paragraphs (2), (3), and (4), respectively, and insert before paragraph (2), as so redesignated, the following new paragraph:

(1) Subject to the second sentence of subsection (a), the Secretary of Transportation shall take such action as may be necessary to ensure that, in each of Fiscal years 1987 and 1988, at least 500 individuals described in subsection (a) are placed, either by appointment or reinstatement, in permanent, full-time positions as air traffic controllers. Individuals appointed or reinstated under this subsection shall be in addition to any individuals appointed or reinstated before October 1, 1986.

Mr. MOLINARI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

(By unanimous consent, Mr. MOLINARI was allowed to proceed for an additional 10 minutes.)

The CHAIRMAN pro tempore. The gentleman from New York [Mr. MOLINARI] is recognized for 15 minutes in support of his amendment.

Mr. MOLINARI. Mr. Chairman, next Sunday, it will be 5 years since the air traffic controllers' strike which resulted in the President's dismissal of 11,700 controllers. Over these past 5 years, many efforts have been made to rebuild the system. This rebuilding simply has not occurred. We have not achieved what was predicted, what was needed, nor what is necessary to ensure safety. That is why I am offering this amendment here today.

It seems clear that, after the strike, the greatest priority was given to increasing traffic back to 100 percent and a severely understaffed and inexperienced controller force had to shoulder the burden of doing this. This has been building for 5 years and we now have an air traffic control system pushed beyond the limits of its human capacity. The controller force is now largely inexperienced, with large numbers of the controllers and supervisors with experience leaving the system through retirements, and, all the while, traffic volumes continue to increase.

The signs of an overloaded air traffic control system are all around us.

Over twice a day, pilots are reporting near midair collisions; every other day, a near midair collision occurs where the planes come within 100 feet of each other.

The General Accounting Office concludes that controllers at many facilities are being "stretched too thin" and recommends restrictions on air traffic.

Seventy percent of controllers, on a recent GAO survey of 3,200 controllers, stated they are required to handle more traffic during daily peak periods than they should be handling, and almost 60 percent said that the lack of fully qualified controllers is having a negative impact on safety.

Both the Rose study update, commissioned by FAA, and the GAO confirm serious morale problems, burnout, fatigue, forced overtime, and other problems caused by short staffing at various facilities.

The Flight Safety Foundation, an international independent organization, concludes recently that the present air traffic control system does not provide the same level of safety as before the strike, when it was asked to make a similar evaluation by the FAA.

We truly face a crisis in our air traffic control system today and we, in the Congress, have a responsibility to respond. The system needs relief before tragedy occurs. We could be looking at reducing traffic levels, as the GAO recommends, or at expanding the capacity of the controller force. My amendment aims at strengthening the controller force and expanding its capacity. And I would do this by mandating the hiring of at least 500 of the best qualified former controllers in each of fiscal years 1987 and 1988.

We hear repeatedly from the FAA that the system is fine, programs are in place, and goals will be met. Undoubtedly, we will hear some of that in this debate. My colleagues, I caution you not to readily accept such assurances and promises. Let me give you a few examples of how FAA promises regularly fall short:

The FAA's goal for the controller work force in fiscal year 1986 is 14,480. As of March 1986, the work force totaled 14,028.

This is a net gain of 30 over the first 6 months of the fiscal year. From April 1 to October 1, FAA needs to add 452 more in order to achieve their goal.

FAA's current staffing standard calls for 5,252 full performance levels, or fully qualified controllers at the 20 en route centers in the continental United States. Yet from September 1985 to March 1986, the number of full performance level controllers, or FPL's increased from 3,032 to only 3,148—or by about 1 FPL per center per month. To reach its own standard, FAA needs 2,104 more FPL's. At the present rate, this will take about 9 years.

On retirement rates: FAA estimated in February that 90 persons would retire during March, April, and May. Actual retirements, however, totaled 147 for these 3 months—over 60 percent more than the FAA was planning for.

In explaining how it will reach its staffing goal of 14,480 by the end of this fiscal year, FAA noted that it was assuming an overall training failure rate of 31 percent between February and October 1986. Yet the attrition rate at the training academy is now averaging over 40 percent. On top of that, for those that graduate from the academy, there is a field failure rate of 35 percent at the centers. So the overall failure rate for trainees hired for the centers is about 60 percent—almost double what the FAA is assuming.

Those few examples show the need for skepticism in accepting FAA assurances and promises. They also show that the system is not only in poor shape now, it is getting worse.

I am not oblivious to the other factors bearing on our debate of this amendment. I implore my colleagues, however, not to let these other factors, in whole or in part, transcend or override our obligations to public safety.

This amendment is not a referendum on whether we think the President was right or wrong when he dismissed the air traffic controllers in 1981. This is not the issue we should be debating. Some would argue that the strikers broke the law and should not be brought back into the system.

Others would say they have paid a just price. But that is not the issue we should be debating.

My colleagues, I supported the President in 1981 when he fired the controllers. I believed the strikers broke the law. I believed they had to pay a price for that. But I also feel very deeply that our air traffic control system is in serious trouble today and that some of these people have to be brought back into the system: Not for what it means in terms of those individuals, but for what it means to the well-being of our air traffic control system in this country.

We must be acting on the basis of what our air traffic control systems needs today. If safety is to be advanced by bringing back some of these people, are we to prohibit this because we feel these people have not paid the proper price for striking? Are we going to give greater importance to ensuring more punishment for strikers or greater sensitivity to some unknown factors such as how labor issues might be affected or how the administration might look than we are to safety?

The crisis in our air traffic control system is great enough today that all other aspects of controller rehiring are secondary to increasing safety. It is a disservice to the American flying public to do otherwise.

Experience is a key factor in the ability to handle air traffic, and can be particularly critical in pressure situations. Now, I am not saying that the new controllers are not capable, dedicated professionals. They are. Yet to consistently make good decisions under trying conditions—such as heavy traffic, bad weather, and equipment failures—takes years of experience and exposure to these conditions. We have already lost many of the experienced controllers who did not strike. Of the 3,400 fully qualified controllers who stayed on, 870 have already left the system as of this January.

The pilots are a body of people who have a real stake in a safe air traffic control system for obvious reasons. A pilot representative told a House subcommittee last month: "We have been convinced for some time that the system is not as 'healthy' as the FAA would like us to believe. Many ATC facilities have not recovered from the effects of the strike in terms of controller staffing retirements." He went on to state: "Lack of experience is evident in radio communications, radar vectoring practices, and provision of timely services." The pilots are in full agreement with my amendment.

Bringing back 1,000 controllers over the next 2 years will provide relatively quick relief to the current controller force and can be implemented smoothly.

Rehired controllers would not take nearly as long to retrain as some claim, particularly if they return to their former duty stations. These rehired controllers will not cause problems with existing controllers. Two or 3 years ago, this might have been true, yet now the great majority of those working controllers are so overburdened—talking about the enroute centers now—and have been for so long that they would welcome the relief. We should remember that over 550 dismissed controllers have already been reinstated through the appeals process with little morale problem and expeditious training.

I have verified these points through my own survey of over 50 reinstated controllers and found that the average retraining period was about 2 months and that they easily fit back into the work force with their former colleagues.

If anyone thinks the provision already in the bill, simply allowing the controllers to be rehired, the permissive language in the committee bill; is sufficient, and that the administration might rehire based on this language, I can assure you that is not the case. I can show you a number of letters sent to me from both Secretary Dole and Admiral Engen stating that the administration's position is firm, and rehiring is not being considered. That is why I am here today. As a matter of fact, a letter I sent to the President on this matter last November, signed by 78 other Members, received a nonsubstantive, perfunctory reply from the White House and was referred to Secretary Dole. In short, the language currently in the bill will provide no real relief. I cannot emphasize this point too strongly.

In closing, Mr. Chairman, I would like to illustrate graphically where our air traffic control system stands in terms of experience and how dangerously close we are to tragedies in our skies.

This first graph shows the composition of the controller work force before the strike and as of June 30 this year:

Fewer FPL's;

Two to three years training for FPL's versus 4 to 5 years before; and

ATA's included.

The second chart shows the ever-rising rate of near-midair collisions in our skies.

758 last year; 175 termed critical;

Definition of critical.

The rising number of near-midair collisions are a clear call for action on Congress' part. The FAA will not provide solutions because it does not even acknowledge the problems.

With rising numbers of near-midair collisions, we can only reach a point where actual collisions do occur. Then I am sure we will have no problem enacting relief measures, such as the amendment now before us. But this is the challenge we face today. Will we see the crisis in our air traffic control system? Will we give safety the paramount priority it demands? And will we provide relief before tragedies occur?

My colleagues, I sincerely ask for your support of my amendment.

□ 1725

Mr. Chairman, if Members would look with me at this chart, it is labeled, "Air Traffic Control Work Force," and by the way, this is the FAA's figures revised right up to currently. Now, take a look at what we have done.

Before the strike, this is what we had: 13,205 full performance level controllers,

Developmental controllers: 3,039,

Today, full performance level is 9,107, and

Developmental controllers level is 3,609.

And look at what they have done on top, as shown in green: 1,465 air traffic assistants.

Do you know what they are? They are people doing clerks' jobs. They are not controllers. They never went to the Academy and probably they never will.

Now, understand, you cannot compare this controller (1981) to that controller (1986). The controller before the strike took 4 to 5 years in training before they became an FPL. Today, it takes 2 to 3 years. That experience level is different, so you cannot really compare.

There are 4,000 less, my friends, in the face of increasing traffic volumes.

Would you please in the time remaining take a look at the near midair collisions.

Pilot reports: In 1983 there were 475.

In 1984, 589, a record broken.

By 1985, 758.

But more importantly, take a look at the ones in red, critical.

Let me first tell you what the FAA says critical near midair collisions mean. It is "where collision avoidance was due to chance, rather than any action taken by either pilot, less than 100 feet of aircraft separation would be considered critical."

There were 97 in 1983.

There were 127 in 1984.

There were 175 in 1985. Chance separated those two planes, not any avoidance.

We are lucky, my friends, we are lucky. If we do not move ahead and we do not do what we have to do here today, we have only ourselves to blame.

Mr. McGRATH. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. I am glad to yield to the gentleman from New York.

Mr. McGRATH. Mr. Chairman, I stand in strong support of the amend-

ment of the gentleman from New York.

I think we have waited long enough. After 5 years we have waited long enough for the FAA to restore our Nation's air traffic control system to a safe and full and efficient capability.

Some of the questions that are going to come up, Mr. Chairman, regarding some of the problems that are going to be articulated today, are these. I would like to know, if I could engage in a colloquy with the gentleman in the well, we are going to hear that there is going to be some resentment from those who stayed on the job some years back against those who might be rehired.

In the gentleman's experience, through his interest in this particular subject, would that occur?

Mr. MOLINARI. Let me be honest here. If you talk to those at the tower facilities, they are going to tell you they are opposed to this. They will tell you they are opposed to it, because they are pretty well fully staffed in the tower facilities.

The need is most acute at seven or eight en route centers, about 35 to 40 percent of our airspace in this country, the en route centers where they are seriously understaffed. There you get a different story. They are working 6 days a week without overtime, like the New York Center. For 5 years now, a recent study showed they will be doing the same thing for at least 5 more years. They need relief.

Mr. McGRATH. Mr. Chairman, will the gentleman continue to yield?

Mr. MOLINARI. I am glad to yield to the gentleman from New York.

Mr. McGRATH. Mr. Chairman, there is going to be an argument that we should not hire back these people who were on strike for any reason at all.

Is it not true that 550 controllers are already back?

Mr. MOLINARI. Yes.

Mr. McGRATH. Is it not true that some of the controllers who went on strike are presently military controllers in our military?

Mr. MOLINARI. As a matter of fact, yes.

Mr. McGRATH. Is it not also true that some of those who struck are back in other Government jobs?

Mr. MOLINARI. The irony of this whole thing is that there are people working for the military as air controllers handing off planes to FAA controllers.

As a matter of fact, when we had that plane crash in Gander, Newfoundland, and the President flew out to Fort Campbell, KY, when he was landing they wanted the best controllers they had available there. It was ironic to find that almost every one of those who were called to duty that night were former PATCO people who had been fired.

Mr. McGRATH. In 1981, Administrator Helms said it would take just about a year or so to get the system back to 100 percent of its capability and they would be able to handle all the problems through their education sector in Oklahoma City. Has that in fact happened?

Mr. MOLINARI. My recollection is that Administrator Helms said that it would take 2½ years and the system would be rebuilt to its full strength. We are now 5 years, twice that amount, and we are hardly at full strength. We are losing experienced people.

Mr. McGRATH. Mr. Chairman, I believe the amendment of the gentleman in the well has great merit and that it ought to be passed.

Mr. CONYERS. Mr. Chairman, will the gentleman from New York yield?

Mr. MOLINARI. I am glad to yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, I want to commend the gentleman for the timeliness of his amendment.

In the Criminal Justice Committee of the Judiciary Committee, we have had testimony about the increasing dangers of air traffic. We have accordingly had to raise the criminal penalties because some of the airlines are falsifying the data submitted to the FAA and we find that we are in a much more dangerous condition in the air than I have kown before and the amendment of the gentleman from New York speaks very directly to correcting that problem and I commend the gentleman for it.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. I yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I thank the gentleman for yielding. I want to compliment the gentleman on his statement and on the amendment that he offers. It is filled with wisdom and is absolutely essential to provide great safety for the American public.

Mr. GILMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Molinari amendment, to permit the reappointment of some of those air traffic controllers who were fired because of their participation in the 1981 PATCO strike. The Secretary of Transportation pledged last September that the FAA would hire 1,000 new controllers during fiscal 1986 and 1987. The Molinari amendment would require that 1,000 new air controllers be hired from among the fired controllers in the next 2 fiscal years.

On March 6, the General Accounting Office released a report entitled "Aviation Safety: Serious Problems Concerning the Air Traffic Control System." Two of its conclusions were: The Federal Aviation Administration does not have as many fully qualified, experienced controllers at major air traffic control facilities as managers, supervisors, and controllers believe are needed and as are called for by FAA's standards and goals. Also: Controllers at major facilities are being stretched too thin and over time, the situation could impair their ability to continue to maintain the proper margin of safety.

On May 2, DOT's inspector general released a review of air traffic control statistics which reported that the air traffic control system is operated with fewer controllers overall and less full performance-level controllers than before the strike, while traffic has returned to prestrike levels. The IG report casts doubt on whether the FAA will meet its hiring goals.

On May 14, the National Transportation Safety Board reported that more than a dozen measures should be undertaken to reduce the potential danger of aircraft collisions. These steps included improved training for tower controllers and better control tower supervision and coordination. On May 28, after a near collision at Chicago's O'Hare Airport, the Safety Board urged the immediate assignment of two extra tower controllers whenever intersecting runways are in use.

Let me emphasize that no one questions the skill, dedication, and hard work of the present controller force. In fact, it is a tribute to the present controllers, spread thin as they are, that we have not had more catastrophes. But these reports confirm that we do not have enough controllers and therefore we must determine the best and fastest way to supplement that force with additional talent.

It is logical to assume that the fastest way to place additional skilled controllers on the job would be to hire from among those who were fired in 1981. Many of them have maintained their skills by serving as controllers for the Defense Department or in foreign countries. Over 500 fired controllers have been able to return to positions in the FAA, after successful appeals to the courts and the Merits Systems Protection Board. A group representing the fired controllers tells me that, for those 500, the average time needed to recertify has been 3 months, and that the average washout rate has been less than 1 percent.

I commend Congressman MOLINARI for offering Congress the opportunity to help address the dwindling margin of safety in the skies, and I urge my colleagues to support his amendment.

□ 1740

Mr. LEHMAN of Florida. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, section 332 of the committee bill states that air traffic controllers who were fired as a result of the 1981 strike shall not, as a class, be barred from reemployment as air traffic controllers. It permits these individuals, on a case-by-case basis, to be reemployed by the FAA. We believe this provision provides adequate opportunity for the FAA to reinstate these former controllers if the safety of the air traffic control system requires their reemployment.

The language proposed by the gentleman from New York [Mr. MOLINARI] would require the reemployment of these individuals who violated the law and struck against the Federal Government. I believe this would be unwise and could disrupt the current controller work force.

Any striking controller coming back to work now would have been away from air traffic control duties for approximately 5 years. While it took an average of 5 months to recertify as full performance-level controllers those individuals reinstated as a result of the appeals process, these controllers, on the average, had only been away from control work for 20 months. For someone who has been away from air traffic control work for three times as long—60 months—retraining could take 2 years.

Although we have not surveyed the air traffic controller work force, we have been told by FAA and DOT witnesses that the majority of the current work force opposes reinstatement of the striking controllers. For example, the Deputy Secretary of Transportation testified:

> • • • the Secretary, Admiral Engen, and I have all personally been out visiting with controllers in recent months, talking with them without their line management in the room, talking sometimes separately to their immediate first level management, the immediate supervisors, who are often in control rooms themselves, as you know. The overwhelming sentiment that the three of us have encountered in talking to these people is that we would have very severe adverse reaction from many, many of the people who are controllers today, if we brought those strikers back. That is a safety issue.
>
> That is a serious safety issue, because if you don't have the most harmonious work relationship possible between controllers, you have a problem.

I do not think it is appropriate to equate those who may be reinstated under the amendment offered by the gentleman from New York with those who have returned to work following an appeals process. Those who have returned as a result of an appeal have done so because the action taken against them was determined to be inappropriate. That would not be true of anyone reinstated under the pending amendment.

Mr. Chairman, we have received repeated assurances from Admiral Engen and Secretary Dole that the air traffic control system is operating safely and efficiently. I believe, if the safety of the system is threatened, the Secretary of Transportation will use the committee language to the extent necessary to maintain aviation safety. There is no need to force the Secretary of Transportation to reinstate individuals who struck against the Federal Government.

Mr. SNYDER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the amendment offered by my colleague to mandate the rehiring of 500 outlaw air traffic controllers in each of fiscal years 1987 and 1988. The Air Transportation System of this country is a safe one and I think we can all agree that improvements can be made. However, the gentleman's amendment would do more harm than good and is the wrong way to enhance the safety of the system.

Back in 1981, these striking controllers, who had signed an oath not to strike, broke that oath to the American public. The action was in direct violation of 5 U.S.C. 7311 which says that a person may not accept or hold a Government job if he participates in a strike or asserts the right to strike. Notwithstanding this illegal action, the President did not immediately fire the strikers but gave them the opportunity to return to work which most chose not to do.

Mr. Chairman, if we mandate the rehiring of these strikers we can expect a disruption of the air traffic control work force. Numerous air traffic controllers including pre- and post-strike employees have voiced strenuous opposition against rehiring the strikers. These employees have made great personal sacrifices by putting in long hours and giving up vacations to keep the system going. Certainly, they do not deserve to have their morale adversely affected and we should not break faith with them by putting the illegal strikers back on the job. Loyalty, reliability, and dependability of employees constitute critical attributes for the Air Traffic Control System. The outlaws demonstrated a lack of these attributes when they walked off the job.

Furthermore, if we enact the gentleman's amendment, some controllers now on the job would undoubtedly retire and our efforts here would end up compounding the problem.

It is argued that the strikers can be retrained in a matter of a few weeks. Not true. Since the strike almost 5 years ago, the air traffic control system has acquired new equipment, new technology, and new procedures. Most of the en route facilities have undergone extensive airspace reconfigurations which have greatly changed all or part of the procedures within them. Even if an individual was rehired at the facility from which he was fired, he would be required to certify on essentially new positions of operations. This certainly adds time to the qualification process.

According to the Federal Aviation Administration, 1 to 2 years could be required to retrain a controller at a facility from which he was fired. It would be 2 to 3 years if they were rehired at a different facility. This is about the same as for a newly hired controller. You simply cannot say that a person away from a highly technical and sophisticated job for 5 years can reappear and take over as a fully qualified worker in a short period of time.

Let's look at the facts. The Secretary of Transportation is committed to hiring an additional 1,000 controllers within 2 years. So far, the administration is on schedule and will have in excess of 14,480 controllers by the end of 1986. This is over the previous level of approximately 14,000 and by the end of fiscal year 1987, DOT plans to have on board an additional 827 controllers.

Mr. Chairman, rehiring fired controllers and recertifying them takes time. It cannot be done overnight and therefore is not a solution to bringing additional controllers into the work force. The Department of Transportation is dealing with the problem in an appropriate manner and we need not create a multitude of legal and morale problems by calling for the reinstatement of outlaw former controllers who participated in an illegal strike. To rehire the strikers would break a moral commitment with the law abiding loyal controllers who honored their oath not to strike in the face of severe harassment and abuse by disloyal employees. The strikers have openly used the Air Traffic Control System as a weapon to obtain their personal goals. We should not put these outlaws back in a position of responsibility for the air traffic control system they previously abused.

I urge my colleagues to vote down this amendment.

□ 1750

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I want to associate myself with the gentleman's remarks. I think the reasoning of the gentleman is right on. It would be a breaking of faith with those who stayed on.

Mr. Chairman, I rise in strong opposition to the amendment offered by Representative MOLINARI to the Transportation appropriations bill for

fiscal year 1987 which would mandate that the Secretary of Transportation rehire a minimum of 1,000 of the fired air traffic controllers. The proposal has already been considered and rejected by the other body, the Appropriations Transportation Subcommittee and the Transportation Department.

A clear and simple case can be made for rejecting this amendment before us today. Federal law prohibits strikes by Federal employees and all air traffic controllers must take an oath declaring that they will not strike against the Government. Passage of this amendment would say that the President's actions were wrong and it would give Federal unions a powerful argument when trying to persuade its members to strike illegally in the future. The right to fire illegal strikers must not be compromised. Furthermore, I am concerned that this amendment would cause severe moral problems if fired strikers were to return to work next to FAA personnel who stayed on the job long hours in the face of severe harassment and who now hold many of the supervisory positions. The two unions who are trying to organize the air traffic controllers have not publicly endorsed the rehire effort because of their fear of antagonizing the people in the towers.

Mr. Chairman, the Department of Transportation is working hard to obtain substantial growth in the air traffic work force without compromising safety. Because former controllers have not controlled traffic in nearly 5 years, costly retraining would be required. In addition, the fired controllers have accumulated years of Federal service, which would allow earlier retirement than new trainees, thereby reducing the time over which the training costs can be amortized and leading to new training costs sooner.

In closing, I would like to remind my colleagues that a similar amendment was already rejected by the other body, is opposed by the administration and the Supreme Court recently declined to reverse action taken against the strikers. I urge my colleagues to vote against this amendment.

Mr. SNYDER. Mr. Chairman, the gentleman would be surprised how many of the present controllers would take early-out if you brought these folks back.

Mr. DURBIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the issue before us was debated at length in the Subcommittee on Transportation, of which I am a member. There was some difference of opinion as to whether the Patco controllers should be rehired. I have the highest regard and respect for my subcommittee chairman, the gentleman from Florida [Mr. LEHMAN] and I regret that I disagree with his conclusion as to the Molinari amendment.

There was no dispute in our subcommittee about the critical need in this Nation for more air traffic controllers. With the controller ranks decimated by the 1981 mass firings and the increased flight traffic resulting from deregulation, the need is absolutely critical.

It is time for the administration to put their strident opposition to the Patco controllers aside. It will be no consolation to the families of those who may be injured or killed in an air crash due to controller error to be told that the administration had stood firm in its opposition to the Patco rehirings.

Our responsibility is to the millions of Americans who travel by air and our responsibility in Congress is to guarantee the safest possible air travel. The Molinari amendment is a sensible move toward making air travel safer in America.

I support it.

Mrs. BOXER. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentlewoman from California.

Mrs. BOXER. Mr. Chairman, I thank the gentleman for yielding.

I am on the side of the gentleman from New York [Mr. MOLINARI] in this debate. I feel it is important to think back to why these air traffic controllers struck 5 long years ago. One, because they felt working conditions were inadequate. Two, because they felt they were understaffed. Three, because they felt the skies were just not safe enough.

Now, today, what does the Department of Transportation find? What does Mrs. Dole tell us? One, working conditions are inadequate. Two, there is understaffing. Three, the skies are not safe.

So the strikers who were fired for speaking the truth, we have proved that they are right.

It makes sense to hire back these controllers. We need them because we need safe skies. In this world where right and wrong are often blurred, this is the right thing to do.

Mr. BOSCO. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from California.

Mr. BOSCO. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of Mr. MOLINARI's efforts to allow very badly needed improvement to our Nation's air traffic control system. While there is still disagreement in the Congress over whether the air traffic controllers were treated fairly some 5 years ago, I hope we can recognize that those who were punished have been punished enough, and to go further would be unnecessarily spiteful and punitive. The suffering experienced by those who lost their jobs and the suffering of their families has surely by this time taught everyone a lesson—and it is now important that we take immediate action to send reinforcements to a system that is overworked, understaffed, undertrained and virtually living on borrowed time insofar as air safety is concerned.

Mr. Chairman, for those in our House who find it necessary to remain punitive, let me implore them not to punish the wrong people. Indeed, if we refuse to allow hundreds of qualified, competent controllers to return to work we will run the risk of punishing innocent travelers who depend on the air traffic system for their safety.

Mr. GRAY of Illinois. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from Illinois.

Mr. GRAY of Illinois. Mr. Chairman, I thank my friend Mr. DURBIN for yielding.

Mr. Chairman, I rise in support of the Molinari amendment.

Mr. Chairman, there are two very important items in this bill concerning immediate air safety needs.

In 1981, 5 short years ago, we had over 16,000 air traffic controllers. Today we have 13,000 air traffic controllers with a 25-percent increase in traffic. That, my friends, is not good safety. We must help FAA with this problem. They need help.

Second, 13 years ago as a member of the Investigations and Oversight Subcommittee of the Public Works and Transportation Committee, I asked the then FAA Administrator Mr. Kee, "How are you progressing on the collision avoidance device research"? He answered, "Just around the corner." Thirteen years later I asked the present Administrator Admiral Engen, "How are you coming on your research on collision avoidance system known as TCAS II"? He said, "Just around the corner." Sounds familiar doesn't it. I want to commend the subcommittee chairman, Mr. LEHMAN, and the members of his committee for funding TCAS II for $4 million-plus and TCAS III for $3 million in fiscal year 1987.

Mr. Chairman, we need to strongly urge FAA to get on with the deployment of TCAS II and research and deployment of TCAS III as soon as possible.

This effort coupled with another 1,000 controllers will bring safer skies and certainly speed up the delays now being experienced at St. Louis, O'Hare Field in Chicago, Washington National, and other congested airports around the country. I also call upon FAA to reopen our airport control tower at the Williamson County, IL, airport. We have three scheduled airlines operating out of Williamson County. This is an accident waiting to happen. Admiral Engen promised Senator SIMON and me in writing last year that he would reopen our tower. He has not.

Mr. Chairman, the committee has allowed $6.9 million over the budget request for traffic controllers. I now call upon FAA to reactivate the Williamson County tower on October 1, the beginning of the new fiscal year, now that they will have the funding. Thank you.

Mr. COUGHLIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

My colleagues, let us understand where we are. The bill that is before you includes language stating that the terminated controllers shall not, as a class, be considered unsuitable for reinstatement. In other words, it removes any prohibition against rehiring the terminated controllers where that is appropriate.

What the Molinari amendment would do is force the hiring of 1,000 of the terminated controllers. Force them. First, I ask you, how would you feel if you were one of the newly hired controllers, trained, doing a good job, and someone suddenly then comes in above you in seniority with more experience?

How would you feel? How would that be for your morale? Would that make the skies safer? I really do not think so.

There was a Roper survey shortly after the strike occurred that was taken that indicated that the controllers should not be rehired under any circumstances. We are saying that you can rehire them, but only where that is appropriate and where the department feels that they would fit. We want to enhance safety, not be a detriment.

Second, remember that any controllers who are rehired have to be retrained. They cannot be put right back on the job. They have to be retrained and because they are older, they are going to be the first to retire. Hence we are not, in the long run, building a younger controller system; we are building an older controller system which is likely to retire sooner and cause increased costs of making more new controllers be trained.

Finally, it is important to understand that the selective process in trying to hire 1,000 of the terminated controllers has got to be almost impossible to administer.

□ 1800

How do you determine whom you are going to hire and whom you are not going to hire if you are in the Department? How do you make a selection among people in identical categories, to hire this 1,000 controllers that would be foisted upon the FAA?

The Secretary is hiring 500 additional controllers in 1986, and another 500 controllers in 1987. The Department is moving ahead to increase the numbers of controllers. This amendment will set back that effort and safety in the skies.

It is very important, I think, my colleagues, that this amendment be defeated so that we can continue to move forward in air safety that is so important to all of us.

Mr. MOLINARI. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from New York.

Mr. MOLINARI. Mr. Chairman, much has been said about the committee print and the fact that it contains language granting permission to the FAA to rehire them on a case-by-case basis if they so desire; if it is appropriate, I think the gentleman's language was.

Does the gentleman have any indication that FAA or DOT or anybody in the administration is giving serious thought to the proposal? What does that mean, that language, if there is no plan or thought or idea of implementing it?

Mr. COUGHLIN. Some 500 controllers, as you know, have been hired, who were terminated——

Mr. MOLINARI. That was through the appeals process.

Mr. COUGHLIN. Through the process of the Office of Personnel Management; they were hired and they are back at work.

Mr. MOLINARI. If the gentleman will yield further, if I may just clarify that.

They are not there through the graciousness of FAA's heart. They were there through the legal rights that this country gave them. They went through the appeals process and succeeded, and that is how they got back. Not because FAA said, "You're nice people, come on back, you're going to make great controllers."

Mr. COUGHLIN. Where there are appropriate circumstances, the FAA and the Department might well hire controllers back where they are needed and where they feel they would fit in and not create a problem.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, as a former member of that committee at that time, let me tell you we put in the appeals process for a reason. The reason was that we could take those controllers who wanted to appeal their case, those that were threatened and cajoled, and their lives were threatened and those of their families were threatened, and let those people who were forced out, and forced to be strikers, to let them come back through the appeals process and be hired. That is exactly why we set the system up that way, and that is why we did rehire 500 of them.

Mr. MINETA. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I stand to oppose the amendment offered by my colleague from the Committee on Public Works and Transportation, the gentleman from New York (Mr. MOLINARI).

The amendment now before us seeks to go around the very clear and very direct provisions of section 7311 of title V of the United States Code, which do not allow an individual who has participated in a strike from accepting or holding a Federal Government position.

As recently as June 23 of this year, the U.S. Supreme Court upheld these provisions when the Court refused to reverse the actions taken by the President following the Patco strike.

Now in contrast with the Molinari amendment, the language that was presented by our colleague from Michigan [Mr. CARR] contained in H.R. 5205, would give the Federal Aviation Administrator the flexibility needed to benefit from the experience of the fired air traffic controllers, by allowing the FAA to carefully and selectively rehire former air traffic controllers.

The appropriations bill would remove the automatic prohibition on rehiring any of the controllers who struck on August 3, 1981, by simple reason of their striking, without prejudging how many of the former air traffic controllers were both willing and able to return to the current ranks of air traffic controllers by setting an arbitrary limit, H.R. 5205 would allow the FAA to select those best able to contribute again, by maintaining the safety and integrity of the airways system.

In sum, while I fully recognize the intent of the gentleman from New York, I am unable to support the amendment. While I do not question his commitment to aviation safety, I do not believe that his amendment will contribute to its furtherance.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. MINETA. I yield to the gentleman from Michigan.

Mr. CARR. Mr. Chairman, the chairman has stated my sentiments with great eloquence, and the gentleman is indeed one of the experts in the Congress on aviation and aviation safety.

That is what we are all concerned about here; and I know the gentleman from New York [Mr. MOLINARI] is, and those who are going to support his amendment are sincere in their desire for a safer aviation system.

I happen to have opposed the firing of the Patco strikers. There are indeed problems with FAA staffing levels today. The FAA and air traffic safety system are never quite as safe as we really want them to be, and I would suspect that even under more perfect circumstances we would be here criticizing the FAA for not doing more because of how much we cherish the care that they devote toward safety in the air.

We all have a desire for some quickly fixes, and it does seem that it is

fairly common sense that we have these air traffic controllers who were fired and, golly, we need some air traffic controllers, so does not that make a match?

Well, indeed, the committee considered that very carefully, and with consultation with the gentleman from California [Mr. MINETA], we indeed do think it makes some sense. I think where we are disagreeing today is over the requirement of a specific number of hires.

Mr. MOLINARI's amendment would require 500 people to be hired in each of 2 years. So far as I know, no committee of Congress has held any extensive hearings on that particular point. Five hundred? Well, that is a good number, but what about 450? Or how about 500? Was there any hearing record developed that would indicate that there are indeed 500 people out there who, under a variety of circumstances that we can assume to exist, might be available. Might we not be imposing a requirement on the Administrator of the FAA? A requirement that would be impossible for him to attain, just so that we might be able to then criticize him because he did not hit that mark later on.

Mr. Chairman, I think there is a GAO study, as a matter of fact, that is due in about a month on some of these points and which might shed some light, and I think that we would do well to hold back and see what the GAO has to say.

Now I understand that there are people who are motivated to support Mr. MOLINARI on the grounds that they have an absolute lack of faith in this administration and our Secretary of Transportation and indeed in perhaps the Administrator of the FAA.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(On request of Mr. CARR and by unanimous consent, Mr. MINETA was allowed to proceed for 2 additional minutes.)

Mr. CARR. Mr. Chairman, if the gentleman will yield further, I must say that in conversations I have had with some of those officials, I am led to a similar feeling; that maybe they would not, under the permissive language of our appropriations bill, hire any of these controllers.

It is a difficult situation when you force somebody to hire a particular category of people and you do it because you do not trust them. If you have that kind of lack of trust in that administrative authority, it seems to me that lack of trust has then to extend to whether that administrative authority is going to happily integrate these people into the system. Whether the authority itself, never mind the workers out there, but whether the authority itself is not going to hassle their reintegration and delay it, and stall and a whole host of other things.

In other words, I understand the motivation and I understand the sincerity with which the 500 quota is offered. I simply do not think that it will work; I do not think that we have laid the foundation that we as legislators need to lay before we attempt such a thing.

The committee carefully considered this, and with consultation with our expert on aviation, the gentleman from California [Mr. MINETA], we adopted a middle course. Mr. Engen and Mrs. Dole have to come back to us for reauthorizations and more appropriations. We can develop this record in the future, and if their answers are not satisfactory, maybe then a little bit longer from now, I will be here and I will be supporting a quota-type thing of Mr. MOLINARI's out of sheer frustration.

I have not reached that point yet, and I wanted to hopefully urge people to play with this just a little longer. We do have all safety at heart, and I would hope that we would vote down the Molinari amendment.

Mr. MINETA. Mr. Chairman, I appreciate the remarks of my colleague from Michigan [Mr. CARR], but I would like to take everyone back to July 31, 1981, 3 days before the strike occurred.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(By unanimous consent, Mr. MINETA was allowed to proceed for 3 additional minutes.)

Mr. MINETA. Mr. Chairman, I was holding hearings on July 31 and I asked Mr. Poli, the president of the PATCO organization at that time:

"Mr. Poli, when's the last time that you negotiated in good faith with Mr. Helms?" The then-Administrator of the FAA. He said:

"Mr. Chairman, I have never met Mr. Helms." I said:

"Mr. Poli, are you not the president of the largest employee organization with the FAA?"

"Yes, I am."

At that point I recessed those hearings. I then called Mr. Helms and I said, "Lynn, I've got Mr. Poli before us and I understand from his response that he's never met you. He is the president of the largest employee organization."

□ 1810

And so we went into a dialog about the possibility of his having negotiations start at that point. He said, "Well, I have people negotiating with PATCO, but I will tell you what. I really cannot do that." I then called the Secretary of Transportation Drew Lewis. And on that evening on the 31st of July, on Friday, Secretary Lewis then started negotiating with PATCO all day Saturday, all day Sunday, and at 3 a.m. on Monday, he then came to terms with PATCO.

Now frankly at that time PATCO made that agreement, and then, if you will recall, Mr. Poli then went around the country speaking against the ratification of that agreement. To me that was bad-faith negotiating. You cannot go ahead and negotiate an agreement and then go around the country speaking against what you just got through signing as an agreement. And to me the law is still inviolate in the sense that that section 7311 of title V is there. I have as much compassion and feeling for the workers who have been fired and their families. But the law is specific, and the law was upheld as recently as the 23d of June of this year and I believe, as our colleague from Michigan has indicated, Mr. CARR, and our colleague the chairman of the Subcommittee on Appropriations, and its ranking Republican have indicated, I think that we ought to leave those provisions in law as they are.

The CHAIRMAN. The time of the gentleman from California [Mr. MINETA] has expired.

(On request of Mr. FORD of Michigan and by unanimous consent, Mr. MINETA was allowed to proceed for 3 additional minutes.)

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MINETA. I yield to the gentleman from Michigan, my fine friend, the chairman of the Committee on Post Office and Civil Service.

Mr. FORD of Michigan. I thank the gentleman for yielding.

Mr. Chairman, I am not going to trade with the gentleman for whom I have the highest regard. He knows there is no one I respect more than him in this body. I am not going to trade the bitterness of 5 years with him because I was on the other side of those phone conversations. I was called at home by the Secretary and Mr. Poli when they were illegally bargaining over wages. They had no right to be bargaining. And that contract that you are talking about was turned down was illegal, ab initio. They had no right. We set wages in the Committee on Post Office and Civil Service for the employees, the FAA and everyplace else. Nobody had any right to be negotiating wages in that situation.

It was handled foolishly and stubbornly.

Now the reason that I wanted to take this from the gentleman's time is that he just stated the law wrong. I know he would not intend to mislead the House.

There is no statute that says once having gone on strike, you are permanently barred from employment with the Federal Government. Indeed, the statute the gentleman quoted, United States Code, title V, section 7311, has never ever been interpreted to bar reemployment of a person who is fired. It requires the firing of a person who

participates in the strike. It says nothing about barring further employment. It was not until December of 1981 that the President delivered himself of a special message in which he said that the fired air traffic controllers were unfit to come back to work for the FAA. And in his message he specifically said, "However, I am a humane man; they can come back to work for the Government any place they want as long as they don't come back to the job for which they are trained." Now, let us not blame the Congress for a silly law that would have provided a lifetime sentence for going on strike. Congress never passed such a law; there is no law, there has never been such a law.

The President, unilaterally, acted.

The language that is in the gentleman's bill coming from Appropriations takes care of the bar. The language that is in Mr. MOLINARI's amendment goes the next step.

I say to the gentleman from California, when he was negotiating with them, so was I. The attitude has not changed.

I want to answer the gentleman from Michigan. I wish he had talked to his colleagues from Michigan.

My committee has been keeping track of the manpower needs of the air traffic controllers for 5 years. We can tell you exactly how many tower people they are short, what hours they are working, how many retirees that we made it possible to bring back who have left us. I can tell you that I have stacks of letters up to here, and my committee indeed has held hearings. Morale is lousy. We have these people writing to us and communicating with us constantly saying, "You have got to relieve the pressure on us. You have the responsibility to make sure that we don't work this hard in the future." It is bad, I say to the gentleman from Michigan, and I wish he had talked to us about it.

We have spent 5 years tracking it. My staff has been in centers and towers all over this country, and consistently for 5 years we have never met the targets that Helms said he was going to meet 3 years ago. We never got close to those.

Mr. Chairman, I rise in support of the Molinari amendment.

This Sunday will mark the fifth anniversary of the Professional Air Traffic Controllers Organization's [PATCO's] strike. Prior to the strike the Nation's air traffic control system was manned by more than 13,000 fully qualified, full-performance-level [FPL] controllers. Also on board were approximately 3,000 supervisors, managers, trainees, and support staff. As a result of the strike, more than 11,000 workers were fired.

Following the strike, then Administrator Helms assured the Congress the system would be rapidly rebuilt. In testimony before the Committee on Post Office and Civil Service, he predicted the system would be fully recovered by mid-1984.

Unfortunately, today, 5 years after the strike and 2 years after the FAA's predicted recovery date, the system is far from being recovered. In fact we face a crisis in the skies as an understaffed, relatively inexperienced, and overworked cadre of air traffic controllers struggle to cope with record levels of air traffic. Consider these facts:

Fully 5 years after the strike there are only 9,000 full-performance-level controllers compared to more than 13,000 prior to the strike;

Air traffic has increased dramatically with a 1-day record of 111,152 flights under U.S. control established on June 5 of this year;

The experience level of full-performance-level controllers has declined as a result of expedited training, pushing them to the full performance level in 2 to 3 years as compared to 4 to 5 years prior to the strike;

At the 20 air traffic control centers which are facing critical controller shortages, the number of full-performance-level controllers is increasing at a rate of only one controller per center per month, according to the General Accounting Office;

GAO further estimates it could take 9 years for the centers to increase from their current staffing level of 3,148 FPL's to their goal of 5,252;

Meanwhile, by this September more than 700 controller personnel will be eligible to retire, and many are expected to do so as the result of the unfavorable tax treatment of pensions contained in both the House and Senate tax bills.

Those of us who have been following the air traffic control crisis closely recognize there is only one way to address effectively the problem in a timely manner. We must rehire some of the fired controllers. They constitute the only source of experienced talent.

Presently, however, none of these fired controllers can be rehired by the FAA. The President, on December 9, 1981, determined that the fired controllers were not suitable for reemployment by the FAA. I should point out that, while Federal law, title 5, United States Code, section 7311, requires the dismissal of Federal employees who strike, it has never been interpreted or applied by the Executive as permanently barring an individual who strikes from reemployment with the Government. Over the years, hundreds of employees who have been dismissed or otherwise disciplined for striking have later been reemployed. In fact, the President's December 9, 1981, message specifically authorizes the reemployment of fired controllers in civil service positions outside the FAA. The President's authority to impose a permanent bar on reemployment has been sustained by the Federal circuit in Wagner versus OPM. Clearly, however, the Congress may override that bar by statute.

Section 332 of H.R. 5205 removes the bar which precludes the FAA from rehiring controllers fired as a result of the strike. It permits, but does not require, the FAA to rehire some of the experienced controllers. I commend Chairman LEHMAN and his colleagues on the Transportation Subcommittee for seizing this opportunity to address the critical shortage of experienced air traffic controllers.

However, the bill, as reported, does not go far enough to ensure that a reluctant administration will rehire badly needed experienced controllers. Thus it is essential that the House approve the Molinari amendment.

The gentleman from New York's amendment ensures that experienced controllers will be rehired, by requiring the FAA to rehire at least 500 experienced controllers in each of the next 2 fiscal years. Once the rehiring begins, the FAA may decide it is prudent to rehire even more than the number required by the Molinari amendment, but, in any event, we will be ensuring that there will be a badly needed infusion of experience into the controller work force.

Mr. Chairman, the air traffic control system faces a crisis. By adopting the Molinari amendment, the House will be ensuring that appropriate steps are taken to meet this crisis.

I urge my colleagues to support the Molinari amendment.

The CHAIRMAN pro tempore. (Mr. BROWN of California). The time of the gentleman from California [Mr. MINETA] has expired.

Mr. CONYERS. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. MINETA] be allowed to proceed for 1 additional minute.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. ARMEY. Reserving the right to object, under my reservation I would like to remind this body that we are now in extended debate on legislation in an appropriation bill, legislation amending legislation, both of which are covered by protection under the rule.

We will, I hope, sometime get back to the business of the appropriations bill, which is spending money. And I would like to see this debate cut so that we can get back to the business of appropriations.

Mr. Chairman, I withdraw my reservation of objection.

(On request of Mr. CONYERS and by unanimous consent, Mr. MINETA was allowed to proceed for 1 additional minute.)

Mr. CONYERS. Mr. Chairman, will the gentleman from California yield?

Mr. MINETA. I yield to the gentleman from Michigan.

Mr. CONYERS. I thank the gentleman for yielding.

Mr. Chairman, I got lost in the rationale of my other colleague from Michigan, Mr. CARR, who supported the air traffic controllers but now is reluctant to move forward with this amendment.

May I ask through the gentleman from California: are there too many people coming back, or does the gentleman not want to do it this way, or what is the problem from one who was sympathetic with the strike in the beginning?

Mr. MINETA. I yield to my colleague from Michigan, Mr. CARR.

Mr. CARR. So far as I know, there have not been any hearings as to the validity of the 500 people, for example. Why not 450? Why not 550? When you are picking a number, it seems that you should pick it out of some kind of basis in fact or some evidence.

Mr. LEHMAN of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto be limited to 30 minutes, with the time to be equally divided between the gentleman from New York [Mr. MOLINARI] and myself.

Mr. MOLINARI. Reserving the right to object, Mr. Chairman, I would like to engage in a colloquy on that point, if I could.

Mr. Chairman, we have eight speakers who still want to speak in favor of the amendment. I would like to suggest that a time limit be set to accommodate the gentleman. Judging by the time available, how about 40 minutes, 20 minutes apiece? I think we can accommodate everyone then.

Mr. LEHMAN of Florida. Twenty minutes on each side?

Mr. MOLINARI. Twenty minutes on each side.

Mr. LEHMAN of Florida. I have no problem with that Mr. Chairman.

Mr. HAMMERSCHMIDT. Mr. Chairman, reserving the right to object, it might be interesting to see how many opposing the amendment might want time. I do not know whether we know what that is or not.

Mr. LEHMAN of Florida. Mr. Chairman, I ask unanimous consent that we have 40 minutes divided, 20 minutes on each side.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. SOLOMON. Reserving the right to object, Mr. Chairman, and I may not object, but there has been substantial use of time in favor of the gentleman's amendment. I for one would need 5 or 7 minutes. I have not objected to Members going for more than 10 minutes. I am just afraid we are going to get up and not have time to get our point across. I think it is a little early to make this time limitation.

Mr. MOLINARI. I would have to agree, Mr. Chairman. I would have to agree based on what I have heard from some of my colleagues.

I am sorry, Mr. Chairman, but I must object.

The CHAIRMAN pro tempore. Objection is heard.

Mr. LEHMAN of Florida. Mr. Chairman, I move that all debate on this amendment and all amendments thereto be limited to 40 minutes, with the time to be equally divided between the gentleman from New York [Mr. MOLINARI] and myself. I think that should give us enough time for those who want to speak. I will be generous with my time, I assure you. I will make this in the form of a motion.

The CHAIRMAN pro tempore. It is not in order for the gentleman to apportion the time, but it is in order to limit debate. The Chair, that is, this Chair will apportion the time.

The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The question was taken, and on a division (demanded by Mr. SOLOMON) there were—ayes 17, noes 14.

So the motion was agreed to.

The CHAIRMAN pro tempore. The Chair will apportion the time as suggested by the gentleman from Florida [Mr. LEHMAN], 20 minutes to be controlled by him and 20 minutes to be controlled by the gentleman from New York [Mr. MOLINARI].

The Chair recognizes the gentleman from Florida [Mr. LEHMAN].

Mr. LEHMAN of Florida. Mr. Chairman, I yield myself 2 minutes. I just want to take these few minutes to reiterate my opposition to the amendment of Mr. MOLINARI, and I just wanted to associate myself with the statement of the gentleman from California [Mr. MINETA] my colleague from Pennsylvania, the ranking minority Member [Mr. COUGHLIN] and also my associate on this subcommittee, the gentleman from Michigan [Mr. CARR].

Mr. Chairman, I reserve the balance of my time.

Mr. MOLINARI. Mr. Chairman, I yield 2½ minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I rise in support of the amendment offered by my colleague from New York. I believe that we have reached a point where air traffic volume has increased to such a level that the margin of safety to the traveling public is being stretched to its maximum tolerance.

I am particularly concerned about the airspace above the New Jersey/New York metropolitan area, which is among the busiest in the world. The combination of commercial, general aviation, and helicopter traffic produces a complex mix of air traffic in this area. The increased demand for air service and the airlines' interest in satisfying that demand in this highly competitive environment have put a tremendous strain on the air traffic controllers, who, by the nature of their position, must do a flawless job.

Despite the increasing demands on our aviation system, the reconstruction of our air traffic control system in the wake of the Professional Air Traffic Controllers Organization [PATCO] walkout in 1981 has been inadequate. The percentage of full performance level controllers has dropped to 61 percent compared to 82 percent before the PATCO strike. Although the Secretary of Transportation has a goal to have 15,000 controllers on duty by the end of fiscal year 1987, I am convinced that we must take additional action to return the air traffic control system to adequate experience levels.

I believe that the only way to rebuild the air traffic control system is to tap the existing pool of talented controllers fired during the PATCO dispute. There is no question that President Reagan took the appropriate action in dealing with striking controllers in 1981 and I strongly supported the President. However, here we are, 5 years later, and we need to face the reality of our congested skies. This pool of talent, trained at substantial Government expense, could help alleviate the pressure on today's air traffic control system. These controllers have paid a heavy price as a consequence of the strike. They lost their jobs, income, and pension benefits. Additionally, and of even greater consequence, the traveling public has also paid a heavy price through the increasing number of delays and a dwindling margin of safety.

As we consider selectively rehiring those controllers who were fired during the strike, I would like to enter into a colloquy with my colleague, the gentleman from New York, to clarify some outstanding points which I believe are vital to this debate.

Mr. Chairman, I call upon my colleague, Mr. MOLINARI from New York, author of the amendment, to engage in a colloquy.

Mr. MOLINARI. I would be delighted to do so.

Mrs. ROUKEMA. Mr. Chairman, there have been a lot of statistical data thrown around here that seems contradictory. Opponents point to statistics to prove that rehiring is not necessary. Your statistics obviously have proven the opposite, particularly on the subject of midair collisions. Could the gentleman please explain the contradiction with respect to midair collision statistics?

Mr. MOLINARI. I would be delighted to respond. It puzzles me why the FAA has taken the position that using near-midair collision statistics to prove that rehiring is not necessary. The fact of the matter is, when we talked about air safety until 1984 with the Office of the Administrator Engen, he was quick to respond that the proof of the fact that the system was safe and building, was that the near-midair statistics were declining by 50 percent since the strike. We found out later on that their statistics were seriously flawed. As a consequence, today they do not use those anymore to justify safety, but they are trying to use them in this case.

Mrs. ROUKEMA. I thank the gentleman for his comment.

Mr. Chairman, as the ranking Republican on the Labor-Management Subcommittee, as such I am interested in whether rehiring would hinder the FAA's present plans for hiring new people.

Mr. MOLINARI. Not at all, not at all. As a matter of fact, I think that it would simplify it. We have evidence, as I indicated before, of 50 controllers rehired that we talked to, my staff. It took an average of 2 months to come back into the system. We had one fellow who left the system in 1970, came back in 1984, 14 years later. It was not automated in 1970. Fourteen years later, he came back to the system, qualified on three sectors within 5 months and was an FPL in less than 1 year, and presently is out at Chicago handling some of the most dangerous air space in the country.

Mrs. ROUKEMA. I thank the gentleman.

Mr. Chairman, the strikers have been out for 5 years, as he has indicated. And they would need complete retraining, and there would be no savings in time over new trainees, that is what some are saying. So why rehire? Why should we not just hire more trainees?

□ 1825

Mr. MOLINARI. First of all, the primary reason to rehire them is because of the question of safety: How do we get experience back into the system as quickly as possible?

Mr. LEHMAN of Florida. Mr. Chairman, I yield 4½ minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, I thank the gentleman from Florida for yielding this time to me.

Mr. Chairman, if I had more time, I would spend a great deal of that time heaping respect on Congressman GUY MOLINARI. The gentleman is a great American, a former marine who fought in the Korean war, and has done a great job here as a Congressman. I know the gentleman speaks with sincerity in offering this amendment. But the gentleman is dead wrong.

Mr. Chairman, I was on the subcommittee of the Committee on Public Works and Transportation at the time when this whole matter broke in 1981. We at that time begged the union leader, Mr. Poli, not to strike. We told him exactly what the circumstances were and what the results would be if they did.

That union leader went out and misled many of the rank and file union members.

In doing so, we went around this country talking to all of those controllers, letting them know exactly what the circumstances were, and yet the strike went on. The strike went on because many of those controllers were cajoled and were coerced. They were threatened. Their families were threatened and their children were threatened.

In 1982, the Molinari-Levitas subcommittee of the Committee on Public Works and Transportation retained the Roper Organization, Inc., to survey the nonstriking air traffic controllers about their attitudes toward rehiring the Patco strikers. Mr. Burns Roper, chairman of the Roper Organization reported:

Let me read just seven of the comments that illustrate the views of the majority who said none of the strikers should be rehired.

Here is the first one:

Why don't you do a survey on what the striking PATCO controllers did to the nonstriking controllers and supervisors.

1. Sprayed at least 22 cars with acid.
2. Hate letters, phone harassment at all hours of the night.
3. Finding your car with four flat tires in your driveway.
4. Car windows broken, deep scratches in paint.
5. Home windows broken, home spray-painted.
6. Telephone lines cut at your home.
7. Harassing phone calls to your wife at her place of employment.
8. Threats made while you're crossing the picket lines—daily.
9. Road harassment when leaving work by PATCO strikers with their cars.

The next comment:

I feel a lot of sympathy for the people who are out, but I can't foresee anything but animosity and dissension if they were to return. I'm sure that there are a few strikers that could fit in, but it would be virtually impossible to determine which ones and hire only those people.

The next one:

Before these people went out they would aim two airlines at each other trying to create a system error against a nonstriking controller.

Would you want your family, or yourself, to be flying knowing that there was people on the ground trying to kill you?

These are the conditions that you and your family flew under for the year preceding the strike. I personally was told, "We will get you when we come back."

And this one:

Air control is accomplished by controllers working together, with confidence and trust in each other. This will never be possible for me with the striking controllers.

For months my life was threatened and obscenities heaped upon me as I reported for work. At night as I departed work cordons of police were required to protect me and my coworking controllers from this mob and many of their wives.

If the strikers return, in the interest of air safety, my own physical and mental well being, I shall request against my own wishes a medical/emotional retirement from the Federal Aviation Administration.

Another:

Those controllers who chose not to strike did so under tremendous personal pressure and in spite of threats to their careers by PATCO members. Those that went along silently without voicing dissent against these actions are as guilty as those that perpetrated them. A rehiring would, in my opinion, create a large internal rift at best and an unsurmountabale problem at worst. If the PATCO strikers were brought back in large numbers it would be tantamount to telling those that stayed to seek employment elsewhere. I can't believe even the FAA with its present uncaring policies could do that to those who stayed.

And still another:

The members of PATCO disrupted the system to the point of criminal intent. The system is much safer and the computers never seem to fail anymore. In the past the computers were deliberately overloaded to bring the system down. These criminals did not care that human life was at stake.

And this final quote sort of covers all the bases mentioned by the 58 percent who said, "Don't hire any of them back:"

Due to their actions on the picket line, plus the physical threats, I do not feel they should in any way return. They broke the law. We who stayed went through untold pressure plus not only us but our families. If they return, it would be a slap in the face to all of us. Plus also it would show Congress turns their backs to help the financial side in lieu of upholding the law. They broke the law and knew what actions the government would take if they did. It was a simple power play to see who would run the FAA. Management was at fault for not managing and let the union run over them. It is also clear that if they did return, all out war would prevail on the control room floors. Those who stay and those who didn't would be fighting and I mean fighting all the time. Plus those who went out would in fact forget the safety of the flying public to get back at us who stayed. If you don't believe this true you are a fool. We beat them. They will do anything to get back at us. Bring them back and someone not involved would be killed.

That is the end of those comments.

Mr. Chairman, we did set up a process whereby many of those controllers who were forced, who were forced to strike, could come back and appeal, and many of those good people were rehired, because it was obvious in the appeals process that they were forced out on strike.

But under no circumstances should we be mandating today that all of those strikers be rehired, for the simple reason that they are the ones who created a criminal intent to actually cause collisions in the air. What in the world are we doing here?

If there is a problem facing this Congress today as far as air safety is concerned then we ought to do everything we can to train and hire more controllers, or we should cut back on air traffic. We should have the guts to do that. If there is a time spread right now where we do not have enough controllers, then let us have the guts to stand up here and let us control the air traffic so that we do not have the serious problems that I am sure GUY MOLINARI sincerely believes exist out there. But under no circumstances should we be hiring back those men

who deliberately and willfully broke the law and struck.

You know, when you go AWOL, when you desert your duty in the U.S. military, you are given a dishonorable discharge. Those men who have not been rehired, for the most part, were dishonorably discharged from their duty in the U.S. Government. Let us not be foolish and rehire them and create a serious morale problem for those patriotic traffic controllers who stayed on the job and obeyed the law.

Mr. MOLINARI. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. KANJORSKI. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I probably, to my recollection, am the first virgin to take the floor today, since I was not here in 1981 and I do not speak to the House with any preconceived prejudices or notions.

I want to make it very clearly understood that I supported the Molinari amendment when the gentleman came to me in a bipartisan effort, because the gentleman assured me, and all of the evidence I have heard discussed here today, is that we had a safety crisis in American air.

I would ask my colleagues, since I heard some of the recriminations on this floor, that we not allow Mr. Poli or former Secretary of Transportation Drew Lewis to bury the dead in the fatal accident that is inevitably going to occur because of the weaknesses of our present control system.

But I would like to remind my colleagues of the House that we are not reliving nor rearguing the strike of 1981. We are talking about air safety in the summer of 1986.

I would like to suggest to my colleagues and various groups, perhaps to the southerners, they may recall that after the Civil War this Government had the good conscience to offer amnesty to the South. In more recent times in my memory, in the midseventies in this country a President of the United States offered another President of the United States a pardon. And most recently, a President of my party in 1979 offered people who deserted the service of their country and went off to Canada amnesty.

This country and this Congress is known for a reputation for forgiveness and forgetting. But most of all, it should be known for practicality. In the summer of 1986 innocent travelers in the American airs may suffer serious injury or death because of a fact that we all agree upon, that our air traffic safety system is not fair.

May I suggest if you cannot bury your recriminations of the past, may I offer this suggestion. Let us authorize the hiring of 1,000 of these qualified men and let us not put them to work for the FAA. Let us put them to work for the military, and take 1,000 of the military controllers and put them in the civilian force so that we have safety in the skies.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. HAMMERSCHMIDT], the ranking member of the authorizing committee.

Mr. HAMMERSCHMIDT. Mr. Chairman, I join the distinguished and knowledgeable chairman of the Aviation Subcommittee in opposition to the amendment.

First of all, let me make clear that I share the commitment of the gentleman from New York to improving the safety of our air transportation system. But, rehiring the fired controllers is not the way to do this. Indeed, it might very well have exactly the opposite effect.

Before taking any action in this area, there are several factors we must consider. For one, bringing back the fired controllers would probably have a negative impact on the morale of those controllers who stayed on during the strike. Furthermore, there is no doubt that there would still be ill will between the two groups.

If there is one thing that you do not want in an air traffic control tower, it is infighting between two groups of controllers. Controllers need to be working together as a team in order to ensure passenger safety.

Another thing we must consider is the time it would take to retrain a fired controller. It has not been about 5 years since the controllers were fired. Before we could bring them back, procedures would have to be developed by the FAA. This would probably take several months.

A lot has happened in the 5 years that have passed since the controllers were fired. New equipment has been introduced and procedures have been changed. At an Aviation Subcommittee hearing last March, we were told that it took many months to retrain those fired controllers who the courts had found were not, in fact, strikers.

On average, those individuals were away from control work for only 20 months and it took an average of about 5 months to be recertified as full performance level controllers. The full range for this recertification was from 1 month to 3 years. This problem would likely become more severe as more time passes.

In my opinion, it is better to recruit fresh controllers who are being trained properly on the current systems. If we do anything on this issue, it should be to encourage the Department of Transportation to continue with its efforts to hire more controllers. In many cases, they say that the quality of the new recruits they have been hiring is better than their prestrike predecessors.

Therefore, for all these reasons, I oppose the amendment and urge my colleagues to vote against it.

□ 1935

Mr. MOLINARI. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. MOODY].

Mr. MOODY. I thank the gentleman for yielding me this time.

Mr. Chairman, the fact is that there have been over 1,000 strikes of Federal employees since the founding of this Republic. This is not the first strike of Federal employees and not once until this strike have they been fired in this way. Bear in mind that this is not something new, that is, a strike of Federal employees. In fact, there were several under President Nixon; no one was fired.

No. 2, the President said that the air traffic controllers are free to come back to work for the Federal Government but not as air traffic controllers. Does that make any sense?

Fact No. 3, the fired air traffic controllers are in fact back as air traffic controllers for the military. But not for the civilian branch of the Government. Does that make any sense?

Fact No. 4, the morale in the control towers and at the control centers is bad not because some air traffic controllers have been rehired on technical grounds, but because not enough have been hired because they are overworked. The very conditions that led to the strike in 1981: Overwork, long hours, exhaustion, are back in the control towers today, and if we need to alleviate that however it is, it is much more important to do that than to continue this grudge match between Patco and the administration.

I think it is very clear that this amendment is in good sense. We all know that they will not be hired unless we mandate it. We know the amendment of the committee's is unnecessary because, as Congressman FORD pointed out, the law already permits them to be rehired and no lifting of a bar is therefore necessary.

I think this amendment is in order and I hope it will be supported.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. DENNY SMITH].

Mr. DENNY SMITH. I thank the gentleman for yielding me this time.

Mr. Chairman, I seldom take the well to talk about something as important as this. I feel compelled, however, as probably a uniquely qualified individual. I have been flying for 32 years now. I first flew as a teenager in a civilian background; I went through military pilot training and flew jet fighters for a number of years and ending up, about 10 years ago, with my employment with Pan American

where I flew 707 jets on a worldwide basis.

I think that makes me uniquely qualified as a user of the system to talk about the situation we see here. This is not a problem with strikers; this is not a problem of any kind it is made out to be. It is not a safety problem. We do not have a safety problem with our aviation in this country.

The fact is, and I think the record will show that the safest year in commercial aviation history was 1984. The only way you can stop aviation accidents from happening is not to fly airplanes. The only way you can stop aviation accidents is not to fly. It is going to happen a certain amount of the time.

We have a very safe system. I operate in the system on a fairly regular basis, and in the last two weekends I flew both under instrument flight rules and under visual flight rules. The system works. It works very well with the people that are operating it. We have areas of congestion. There is no doubt that we need many things to take away the problems that are in the areas of congestion.

I would like to speak to something that Mr. SOLOMON spoke about here. I have been in Pan American airplanes in the New York center area when those, I would like to just underline "devils," were in control, and I have almost been run out of fuel out over the ocean while they were trying to play their games to show that we had a problem in the system that did not exist. They were playing with the lives of the people in those airplanes, and I was not the only airplane there.

Not only do I fly my own airplane in the system, but I have a cockpit pass to allow me to ride in the airliner cockpits. I think that it is very important that those of us that are charged with this problem look at what the system is doing. It is not a bad system; it does not need this kind of input of people.

There are areas, as Mr. SOLOMON mentioned, that we maybe have too many airplanes. The only thing that is going to solve that is not more radar, not more radar controllers, but reliever airports that will truly work and a collision avoidance system, that, like a "fuzzbuster" will give us the warning of a nearby airplane.

I have been in situations were controllers put us very close to other airplanes. More controllers is not going to solve people being tired or people making mistakes. This is a human system in which you can make mistakes and you will make mistakes. It is just a matter of when.

I go back to the fact that there is not a crisis here. This is not something where we can make it safer by hiring more people. You do not throw money at the problem and make it better. I personally saw a lot of these strikers at the time of the strike in 1981, both before and after. They actually felt that the skies were going to be unsafe if they were not there.

I come from a part of the country where you can turn off your radio and fly for days and never need the FAA, and yet we are taxed just like we are in the New York Metro area.

This is not going to solve the problem.

Mr. Chairman, I rise in opposition to the amendment proposed by Mr. MOLINARI. Mr. MOLINARI would force the Federal Aviation Administration to rehire 1,000 previously fired Patco air traffic controllers. His tactic and motivation for doing so is fear—fear that not rehiring those people who so irresponsibly walked off their jobs 5 years ago will somehow result in chaos in the skies. It's just not true.

Air traffic control is not one person. It is a team—a team that has to work well together if the job is to get done right. If anything disrupts the teamwork, the safety of the entire system is jeopardized.

We have a moral contract with the traffic controllers who stayed on the job 5 years ago. The controllers who stayed on the job are a team. What message do we send to the loyal if we grant amnesty to the disloyal? What kind of team do we build if the team's foundation stone is resentment? Finally, what kind of safety will exist if there is no teamwork? A disrupted work situation will not give us better air traffic control. Rehiring Patco will disrupt the working environment in our air traffic control towers, and will destroy the teamwork so necessary to maintaining safety in our air system.

It has been argued that rehiring Patco will result in an immediately realizable increase in competent controllers. This is not the case.

Because of the resentment that I mentioned earlier, it is very likely that, upon the rehiring of Patco, a number of senior air traffic controllers would exercise their option to retire. The net result of rehiring of Patco would, therefore, be an immediate decrease in the number of experienced controllers on the job.

In addition, 5 years is a long time. The best estimates that I have heard claim that it would take 1 to 2 years to retrain a controller who has been off the job for five years.

Finally, which 1,000 of the 11,000 initial strikers do you rehire? What do you do when the 10,000 who weren't rehired start screaming discrimination? This amendment would not only give the FAA a bunch of air traffic controllers it doesn't want, it would probably give them an equal or greater number of lawsuits that nobody wants.

As former airline pilot, I have no fear about climbing into plane and flying into any airport in this country. The FAA has acknowledged that they need to hire more controllers over the next few years, and in fact, that is exactly what they are doing. By the end of this year we will have 500 more controllers than we had at the beginning of this year. By the end of 1987, we will have a controller work force of 15,000. The FAA has this situation handeled. Congress does not need to meddle.

Let me again state that we do not have a crisis. There is no need to take the kind of action which this amendment recommends. Far more important is that we keep our word with the controllers we now have.

Mr. MOLINARI. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. UDALL].

Mr. UDALL. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York. Recent reports, including a General Accounting Office survey, make one thing clear: we need more air traffic controllers. The present work force is understaffed and overworked.

What we have been shown in congressional testimony is a tragedy in the making. A tragedy that could take hundreds of lives.

We would wait for the inevitable. And after the crash, we could set up a Commission to investigate the disaster.

But let's act before it happens. Before those lives are lost. Let's hire the additional air traffic controllers that we need.

We do not have to beat the bushes for new air traffic controllers. There are hundreds of former air traffic controllers that would like to work again.

We are told that they broke the law. That they conducted an illegal strike. We are told that they knew what they were doing. They knew the risks. They took a gamble and lost. We are told that the law must be obeyed.

Yes; the law must be obeyed. But the air traffic controllers have paid their debt. They deserve a chance for a new start.

The Reagan administration is determined that these fired air controllers will never work again as air traffic controllers. They must be punished forever.

But I say, enough is enough. If we can give convicted felons a second chance in society, why can't we give fired air traffic controllers a chance to do a job that desperately needs to be done?

Let's not be vindictive. We need experienced air traffic controllers. We need their skills. So let's rehire them. If not for their sakes, for the sake of the American public. How many near misses will it take, before we act?

We can save lives. Lives that might otherwise be lost in some air tragedy. If you want to save those lives, vote for the amendment offered by the gentleman from New York.

Mr. MOLINARI. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. I thank the gentleman for yielding to me this time.

Mr. Chairman, this has been a slightly incredible debate. We all fly and yet there are Members of the House of Representatives standing up here talking about the airlines being safe.

The air traffic is more dangerous than ever, and not too long ago, the president of the Aviation Safety Institute was before the Subcommittee on Criminal Justice which I chair, to propose increases in the penalties for misreporting to the FAA. He said an important thing at those hearings:

I do not hesitate to say that in the past few years there have been instances in which nearly every Member of Congress has stepped into a commercial aircraft that you assume was safe when in fact dangerous conditions had been deliberately concealed or carelessly overlooked.

That is indicative of the pattern in the entire industry.

If you really do not understand that the airways are dangerously unsafe and increasingly so, listen to a Public Institute of Safety member who has testified already before the Congress. For goodness sakes, let us vote for a few more air traffic controllers who are retiring at a larger number than the number that is proposed that be hired here in this amendment.

Mr. MOLINARI. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. ACKERMAN].

□ 1845

Mr. ACKERMAN. Mr. Chairman, I rise today in support of the Molinari amendment to appoint certain air traffic controllers who were fired because of the PATCO strike of 1981.

Let me first say that the Subcommittee on Human Resources of the Committee on Post Office and Civil Service which I chair has studied the Federal air traffic control system in depth, as well as the amendment offered by the gentleman from New York [Mr. MOLINARI], and I have come to the absolute conclusion that there is a clear and immediate need for more controllers, and that the Molinari amendment is absolutely appropriate. I urge all the Members of this body to support it at this time.

Very simply, during the hearings before my subcommittee last month, the General Accounting Office reported that—and I quote—"controllers at major facilities are being stretched too thin and over time the situation could impair their ability to continue to maintain the proper margin of safety."

Unfortunately, Mr. Chairman, the Federal Aviation Administration has complicated the issue by continuing to count as controllers air traffic assistants and Academy trainees, neither of whom actually controls traffic.

The FAA claims to have 14,028 employees in the controller work force. However, a report by the Department of Transportation inspector general reveals that there were only 8,700 full performace level controllers and 1,750 developmental controllers, for a total of 1,450 controllers. The truth is 25 percent short of what the FAA claims. The FAA's practice of inflating the numbers of the controller work force only serves to confuse the public and deceive the Congress by providing a dangerously false sense of security.

The inspector general also reported that—and I continue to quote him—"The air traffic system is operating with fewer controllers overall and less full performance level controllers than before the strike while air traffic has returned to prestrike levels."

Mr. Chairman, the amendment offered by the gentleman from New York [Mr. MOLINARI] is by no means a negative reflection on the abilities of the current controller work force. They have shouldered an extraordinary burden while helping to rebuild the system. Indeed it is a tribute to the current controllers that we have avoided a major catastrophe. But the glaring fact remains that the skies are not safe and we need more controllers.

Recognizing the problem, in answer to the statement and the questions asked previously by the gentleman from Michigan, Secretary Dole herself has announced that she will rehire 1,000 new controllers by the end of fiscal year 1987—men and women who will then only begin the very long training process which is attended by a very large dropout rate. This amendment would guarantee that the taxpayers will get 1,000 people who are fully qualified to control traffic by the end of fiscal year 1987 and be able to do that with a minimal amount of retraining.

Mr. Chairman, we all know that Congress would respond rapidly and forcefully after a disaster. Yet right now the rate of near collisions—I call them "near collisions," although the FAA calls them "near misses"—the rate of those near collisions is exploding.

Let us do our second-guessing before innocent lives are lost. Let us do our Monday morning quarterbacking today. The quickest way to get the system to perform at its peak is to appoint controllers from those who were fired in 1981.

Mr. Chairman, the question before us remains: Do we continue to punish after 5 years those who sought to provide more for their families by going on strike for 3 days? If they had murdered their families, they would be back on the job today. Do we continue to hold a grudge after 5 years? Do we continue to stand on ceremony after 5 years?

Mr. Chairman, for those who answer, "yes," please know that they do so at the risk of holding American public safety hostage.

The CHAIRMAN. The Chair wishes to inform the gentleman from New York [Mr. MOLINARI] that he has 8 minutes remaining and the gentleman from Florida [Mr. LEHMAN] has 8 minutes remaining.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 2 minutes to my collegues, the gentleman from Florida [Mr. SHAW].

Mr. SHAW. Mr. Chairman, I very much appreciate having these 2 minutes.

I think it is most unfortunate that after 5 years we are revisiting this question and opening up some old wounds that had perhaps started to heal. I have really no friend in this House whom I would consider a better friend than the gentleman from New York [Mr. MOLINARI]. However, one of the things that we have learned is that when we disagree, we can disagree peacefully, we can disagree as friends, and we can disagree as violently and strongly as possible and then leave this floor as friends.

In this situation the gentleman from New York [Mr. MOLINARI] is wrong. There is no doubt that these workers went on strike, and they went on strike in violation of Federal law. They took an oath that they would not strike. They did strike. They were asked to come back. They were given the opportunity to come back, and they chose not to come back. At that point the President did, I believe, what he could only do honorably in the discharge of his duty, and that was to enforce the law and replace them, in doing so, to rebuild the traffic control system for this country.

We have come a long way since 1981. We know that by 1987 the goal of having 15,000 comtrollers in this country will be reached. And we have done this without compromising the safety of air travel for the traveling public.

I think this is a great tribute not only to the administration but to the new traffic controllers that have been hired. And we must also thank those who remained on the job, those who did not turn their backs on the American traveling public and remained on the job all these years.

Yes, they have been harassed. They have been harassed greatly. I do not think there is any question but that to mandate the rehiring of these traffic controllers would create tremendous problems in the tower, and that would probably be more to the detriment of the safety of the American traveling public than anything else we could do at this point.

Mr. Chairman, under the bill that we are considering it is quite permissible for the Secretary to rehire these people, but we must not mandate the rehiring of those who broke the law.

Mr. MOLINARI. Mr. Chairman, I yield 1½ minutes to the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. Mr. Chairman, the issue is not what happened in August 1981. The issue, in all dead seriousness, is the safety of the Nation's air traffic control system. That system

has gained less than 300 controllers systemwide since September 30, 1985. At current rates it will take 4 years to reach the full performance level staffing standards at en route centers.

According to the projections by the GAO, FAA will fall short of the work force staffing goal of 14,480 this fiscal year and likely will fall short of next year's goal of 15,000 air traffic controllers.

The rate of controller retirement continues to be greater than FAA has anticipated, and that is a further threat to the system. FAA programs to manage the system, such as flow control and the Cross Option Program, have for the most part fallen by the wayside because of insufficient funds and insufficient staffing.

Contracting out of controller training and data systems specialists may not be cost effective and will move very few controllers back to the boards.

The system has increased the flow of air traffic by 20 percent overall since 1981, and it is even more in certain of the congested air traffic centers throughout the United States.

A number of important systems have experienced slippage. The NEXRAD evaluation system has slipped 3 months. FAA has not yet settled on specifications for the Doppler weather radar system. They are way behind in installing Doppler weather radar systems. There were 420 operational errors reported to airport air traffic control towers in 1985.

Mr. Chairman, all of these reports are indications that we need more people. This amendment will put more people to work in that system.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee [Mr. SUNDQUIST].

Mr. SUNDQUIST. Mr. Chairman, I thank the distinguished subcommittee chairman for yielding time to me, and I join my colleagues in praising our colleague, the gentleman from New York [Mr. MOLINARI], and at the same time telling him that I think he is wrong with this amendment. We are engaged in true bipartisan debate, and that is refreshing. I rise in opposition to the amendment.

□ 1855

Rather than debate the issue back and forth, I would like to clear up three or four points that I think were made in error.

The gentlewoman from California implied that Secretary Dole, the Secretary of Transportation had said that the skies are not safe.

I do not believe the Secretary of Transportation has said the skies are not safe.

Let it be said that the Secretary of Transportation is opposed to the Molinari amendment. I think we ought to be clear on that.

Second, in her address to this body she said that it is a matter of what is right and wrong. I do not believe that is true, because what could be more right than the law and what could be more wrong than those who have broken the law; so if you believe in what is right and wrong, you ought to vote "no" on the Molinari amendment.

The gentlewoman from California earlier said that the Molinari amendment states that we may hire. Well, that is not true. The bill says we may hire. The Molinari amendment says we must hire.

So if you are opposed to forcing the hiring of a thousand more people, then you ought to vote "no" on Molinari.

Then there was a discussion about the appeal process, as if the appeal process has failed. The fact that 500 people have been hired as the result of the appeal process to me tells me that the process is working and those who should be rehired have been rehired.

So I would submit, Mr. Chairman, that it is a question of discipline and it is a question of appeal. We have an opportunity to vote in opposition to the Molinari amendment and support the distinguished chairman and ranking member on the Appropriations Subcommittee, the distinguished chairman and ranking member of the Subcommittee on Public Works and Transportation.

Mr. Chairman, I ask for a "no" vote.

Mr. MOLINARI. Mr. Chairman, I yield 4 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON. Mr. Chairman, I ask that the Members of this body consider carefully the amendment that the gentleman from New York has proposed, to examine what it does in the context of today's system. It allows selective rehiring of strikers, and so the FAA appeal process has allowed selective hiring of strikers.

More importantly and more instructively, the U.S. military has deliberately reemployed strikers and so controllers in my tower routinely every single day hand off plans to men they used to work with. They are working together, Mr. Chairman. They can work together. The system is capable of forgiving and forgetting because the urgency, the safety issue is there present daily.

The second thing this amendment does is to mandate, but look at how it mandates. It mandates with enormous discretion. The Secretary of Transportation can rehire only strikers who have been employed as controllers since the strike. That shoots down completely the issue of retraining and that it will take these men as long to retrain as new hires.

She can require that strikers who are going to be rehired forgo their seniority. I think that would be fair to the men and women who have come onto the system since the strike who are looking at upward mobility opportunities and fear they will be threatened by the rehiring of former strikers.

Mr. Chairman, there is no limit to the discretion granted to the Secretary of Transportation in implementing this mandate. The purpose of the mandate is to bring into the system experience. We need not only the Secretary's commitment to hiring 1,000 new trainees, but the commitment of this amendment to hiring 500 experienced people. We need them both, and why do we need them both? Because we have a serious problem that threatens the safety of our air travelers. Look at the overtime figures, Mr. Chairman. See what that says about the tensions in the towers and the centers that are regulating our safety.

In 1980, there were 377,000 hours of overtime.

In 1985, 908,000 hours of overtime, almost three times the overtime, and yet this overtime is being handled by controllers who on the average have less experience than the controllers in 1981.

We are not only understaffed, we are underexperienced. We are not only understaffed and underexperienced, but we are facing the retirement of 2,000 controllers in the next 2 years.

If we adopt the Secretary's program of hiring 1,000 new controllers and the proposal of the gentleman from New York to hire 500 a year of the old strikers, we will barely, barely keep up and begin to make good on the staffing levels promised in 1981.

Now, the FAA has made tremendous progress. The leadership has been outstanding.

The FAA adopted an aggressive program right after the strike to recruit and train controllers to meet reasonable staffing goals, but they had almost a 50-percent dropout rate amongst those selected for training. To this day, 6 months ago, our training program had a 42-percent failure rate.

So it is not easy, this business of training and bringing controllers on line and we have failed to bring people into the system at a rate that guarantees the number of experienced controllers needed, particularly in view of the increase in the volume of traffic managed by the system.

With a 20-percent increase in traffic, with a 40-percent reduction in staffing, with experience problems, Mr. Chairman, we need both programs, the Secretary's 1,000 and the 500 of the gentleman from New York for the safety of the traveling public.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. Hyde].

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, reluctantly, I rise in opposition to the Molinari amendment. While I cosponsored his bill dealing with this same issue, my cosponsorship was done primarily to express my concern with the current underemployment of air traffic controllers. The Appropriations Committee resolved most of my concerns, as it included language in this bill encouraging the rehire on a case-by-case basis of the fired controllers.

But, I have become convinced that a mandatory requirement to rehire the controllers would create significant chaos in the air traffic system. Notwithstanding the discretion given to the Secretary of Transportation on the methods used to hire these 1,000 controllers, a mandatory rehire would no doubt lead to the bumping of existing controllers, causing significant ill will and problems in control towers and en route centers around America.

I remain concerned that air safety is being substantially ignored by this administration, particularly by the budget folks at OMB. We need more controllers, more equipment and hardware, and the necessary resources to carry out our commitment to the flying public. I just feel that this amendment would be destabilizing to creating a safer flying environment.

Mr. HYDE. Mr. Chairman, I would like to say to my friend, the gentleman from Wisconsin [Mr. SIKORSKI], who mentioned amnesty following the Civil War, that I acted with my colleagues on the Judiciary Committee on the application of Robert E. Lee to be reinstated as a citizen about 4 years ago.

Let me thank the gentleman from Minnesota [Mr. OBERSTAR].

Mr. Chairman, the only problem I have with this motion by this excellent friend of mine is that there is a principle at stake. The principle is the law, the sanctity of the law—that may sound strange, but the Federal law says that you cannot strike if you work for the Government.

Now, the second principle is they took an oath that they would not strike. Now, it may be strange and it may be rare, but standing for a principle, as the President has done, is not vindictive. It is not a grudge fight, but it says that principle is important.

Now, as we talk, tons of garbage are piled up in Detroit with the concomitant rats, disease, and unsanitary conditions, because a public union says, "The public be damned."

The same thing in Philadelphia.

What messages do we send? When you work for the Government, the people are your employers, and you give something up and that is a privilege. You give up the right to strike.

Safety—they did not care about safety when they went on strike, did they? Safety be damned. They went on strike.

The principle is important. It applies in Detroit. It applies in Philadelphia, as it applies at the National Airport or O'Hare.

Now, if the skies are unsafe, let us grasp the nettle and cut flights. Let us cut the flights to meet the available resources we have.

We will not do that, because that might take some money away from somebody, but that is infinitely preferable to saying to people who broke their oath and broke the law, "Come back, all is forgiven."

Mr. MOLINARI. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. MRAZEK].

Mr. MRAZEK. Mr. Chairman, I rise in support of the amendment by my colleague from New York, Mr. MOLINARI, requiring the rehiring of certain air traffic controllers terminated in 1981.

I support this amendment as someone who is deeply concerned about the current state of our air transportation system, and the reluctance of the Federal Aviation System to address this problem.

In 1981, when Patco went on strike, it did so, rightly or wrongly, because of the tremendous dissatisfaction that many controllers felt about their working conditions, and the reluctance of the FAA to address shortsightedness and lack of sufficient resources dedicated to our air traffic control system.

As a result of the 1981 strike, we find ourselves in an ever-worsening situation. Controllers have been working 6 days a week in many facilities with no time off for the past few years. Towers and en route centers are understaffed and the FAA is failing to meet any reasonable goals in training a sufficient number of controllers to pick up the slack.

Mr. Chairman, this is not a partisan issue. Increased safety and confidence in the minds of the flying public is neither Democratic or Republican. Also no one on either side of the aisle wants to see a major tragedy before the Federal Government acts.

No clearer indication of the apolitical nature of this problem is the position of the Airline Pilots Association. I am convinced that no one knows more about safety in our skies than this group of individuals. In 1981, they supported the action of the Reagan administration in firing the striking controllers. Now, they are in the forefront of the movement to rehire some of these same controllers because they believe we are facing a dangerous situation that requires immediate action.

I ask my colleagues to support this amendment in the interests of the flying public—our constituents; in the interests of the men and women who have made our air transportation system the greatest in the world; and in the interests of those controllers who know the problems we face and who have suffered too much for too long and want to make a contribution to improving the safety of the aviation industry.

Mr. MOLINARI. Mr. Chairman, would the gentleman from Florida like to proceed, so that I can close the debate?

The CHAIRMAN. The Chair will advise the gentleman from New York that the gentleman from Florida [Mr. LEHMAN] has the right to close debate.

Mr. MOLINARI. Mr. Chairman, I yield myself the remainder of my time.

Mr. Chairman, there is one group of people who are in the middle in this whole thing. On the one side, we have the FAA and management saying some things that I do not agree with. On the other side, we have myself and others who are saying that it is really bad out there, maybe worse than we think.

I have spent an awful lot of time traveling around the country visiting facilities, talking to the men and women in the trenches. That is why I put this amendment together today.

But the pilots are that group in between. Let us talk about ALPA for a moment. ALPA took a very unusual position. They supported President Reagan. The union supported President Reagan in 1981 when he fired the controllers. In the days following the strike, ALPA worked closely with the FAA to insure that the airline operations were as safe as possible.

I am quoting from a letter from Mr. Duffy, and when Mr. Helms, the Administrator, gave assurances that he would rebuild the system in whole in 2½ years, ALPA worked with him toward that goal.

Only 18 months ago when they realized that that goal was not going to be met for years and years, ALPA said, "We get off."

In a recent survey of their entire membership, the pilots who are entrusted with the lives of our constituents, said, 62 percent considered delays to be a safety problem and an overwhelming majority, 76 percent, cite midair collisions as the greatest risk in airline operations.

In conclusion, they say they are convinced that the shortage of experienced controllers is the biggest problem and the most logical solution to this problem is to go to a ready pool of veteran controllers who could be requalified in a relatively short period of time.

Mr. Chairman, a pilot testified a month ago before our committees and he said that he has been flying for 26 years. On one mission approaching Boston Center, he had not one but two

midair collisions due to the fault of a controller. Here is what he said:

I, sir, am angry. I would like to know what I can do to keep body and soul together in our "safe skies," let alone do the same for the paying passengers I am sworn to keep safe. I think the FAA is lying to us as to their efficiency and I think, further, that there is a potential pool of adequate personnel available in the form of the ex-PATCO people who could make the system work if only they could be utilized. Will it take another massive loss of life before the FAA acts?

Some of my colleagues have respectfully said that I am wrong. Maybe I am wrong, but I will tell you something, I am leaving here tonight convinced that what I am doing is right and I am terribly concerned about the future.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. MINETA].

Mr. MINETA. Mr. Chairman, I thank my colleague from Florida for yielding me this time.

I think really the bill itself does set the stage for us to be conciliatory in approach, because we can in fact gain from the experience of the fired air traffic controllers, because it really gives to the FAA the ability to rehire these people on a case-by-case basis. It does end the punishment that some people have talked about and it will allow our system to meet the traffic growth, as well as the possible retirements that have been talked about.

We can do so without setting an arbitrary limit of 500 to be hired on an annual basis in fiscal year 1987 and fiscal year 1988.

It seems to me rather than to have an arbitrary limit of 500 to be set, that we would be better suited really to take care of our responsibilities through our oversight responsibilities.

Mr. LEHMAN of Florida. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Chairman, I rise in support of the Molinari amendment.

Mr. LEHMAN of Florida. Mr. Chairman, in conclusion, I would just like to say that the question is not one of vindictiveness. The question is not to punish. The question is not to forgive and the question is not amnesty.

The question on my mind is safety.

I believe that forcing these new people down the throats of the FAA is going to create unbearable tensions and hostilities that will create the kind of environment in the control towers that will make our air system much less safe.

Mr. LIGHTFOOT. Mr. Chairman, I rise in opposition to the amendment offered by the distinguished gentleman from New York, my friend and colleague on the Public Works Subcommittee on Aviation. The gentleman's contributions in the field of aviation are many, and I regret that we disagree over this particular issue.

However, I am strongly opposed to the amendment the gentleman has offered to require the Federal Aviation Administration [FAA] To rehire at least 1,000 of the air traffic controllers who were dismissed in 1981.

First, I want to point out that this is not a safety issue, despite attempts by some to portray it as such. Over the past year, air safety has been the subject of many congressional hearings. If there is one overriding consensus that came out of those hearings it is that airline industry in this country is not in the middle of a safety crisis. We tend to associate the year of 1985 with a high number of airline crashes, but even that year is not particularly bad compared to other years in the past decade.

With regard to midair collisions, a statement the gentleman made in a letter I received is somewhat misleading. The letter reads:

The number of midair collisions, a key barometer for judging the safety of the system, has been at record levels in the last two years, reaching an all time high of 758 in 1985.

There are two important points that this statement overlooks. First, it doesn't mention that this increase coincides with the FAA's adopting a new midair collision reporting system. The old system relied on pilot reports. If there was a close call, then the pilot had to make a judgment as to whether he or she thought what constitutes a near miss occurred. However, under the new monitoring system near misses are automatically taken down by computer, so there are no subjective judgment calls. There is every reason to believe that this accounts for most of, if not all, of the increase in the past year.

Another fact that the letter fails to point out with regard to midair collisions is that 95.4 percent of the 758 reports to which the gentleman's letter refers involved only general aviation aircraft in uncontrolled areas. Because they were in uncontrolled areas, these collisions or near misses are not related to the number or experience level of air traffic controllers that we have working out there.

We do have room for improvement in air safety, but the problems we face simply are not related to whether or not we rehire the air traffic controllers that were dismissed as a result of the 1981 strike. In fact, our rehiring of those controllers could quite possibly cripple our efforts to improve air safety. It is hard for us to imagine the morale problems this would create for the controllers who had the courage and dedication to work through the strike. According to Secretary Dole in a letter to the chairman of the Appropriations Committee, she and the Administrator of the FAA, Mr. Engen, are convinced that, and I quote:

* * * the morale and dedication of the FAA personnel who stayed on the job and who now hold many of the supervisory positions vacated in the strike, would be demonstrably harmed by a return to FAA employment of strikers who had no legal justification for their absences. This is not vindictiveness, but rather the measured judgment of the FAA Administrator who seeks to avoid any harm to our air safety programs.

The tension that would result would be reason enough to cause some of the more senior controllers to retire early, adding further to the controller shortage.

Another problem with rehiring former controllers is that because they have not controlled traffic in 5 years, retraining would be required. Since these controllers have already accumulated years of Federal service, they will be eligible to retire earlier than the new trainees, reducing the time over which training costs could be amortized and leading to new training costs sooner.

Mr. Chairman, beyond these issues we need to address some basic questions about the obligation of Government employees not to strike, particularly for those occupations upon which the public safety greatly depends. To put it plain and simple, it is against Federal law for Federal employees to engage in strikes. This is a well-founded principle that has been reviewed and upheld in the courts. Moreover, all air traffic controllers take an oath declaring that they will not strike against the Government. The law states that if they do strike they will never again be part of the Federal work force.

By ignoring the law in this case we would start a very bad precedent. If we allow air traffic controllers to get by with a strike, where do we draw the line? There are few positions in the Federal Government that do directly affect the public safety. Should the armed services also be allowed to strike? These are questions that clearly must be answered in favor of the public interest and not in favor of a few who are concerned primarily with their own self-interests.

The FAA is well on its way to attaining the prestrike number and experience level of air traffic controllers. As of the end of June of this year the FAA had employed 14,262 air traffic controllers and they are committed to reaching their goal of 14,480 by September 30. By the end of fiscal year 1987 they expect to have over 15,000 controllers on board. If our goal is to rebuild our air traffic control force, then it would be self-defeating for us to disrupt these efforts by passing the Molinari amendment.

Again, Mr. Chairman, the rehiring of the air traffic controllers dismissed as a result of the 1981 strike is not a safety issue. It more closely resembles a labor issue that the FAA is fully capable of handling without unwarranted intervention by Congress. I, therefore, strongly urge my colleagues to vote against the Molinari amendment.

Mr. SOLARZ. Mr. Chairman, I rise in support of the amendment to the transportation appropriations bill which would require the rehiring of 1,000 of the air traffic controllers fired as a result of the 1981 PATCO strike.

Our primary focus here must remain safety. We must, therefore, handle the critical shortage of air traffic controllers as a most serious challenge to air safety and not look beyond a viable and readily available solution.

The rehiring of these controllers offers a practical remedy inasmuch as it would permit the utilization of developed skills and existing training. As the FAA has found that it continues to fall short of its staffing goals, it becomes essential to realize that this pool of experienced air traffic control personnel must be drawn upon.

It is also clear that the demand for experts to monitor air traffic will continue to grow with

the increase in air travel. As such, the reactivation of those rehired would not merely be a precautionary measure, but would be a necessary move toward the safe management of the airways. Controllers who are stretched too far in terms of time and coverage would likely welcome the relief provided by the proposed rehiring.

The current shortage of air traffic controllers is at a crisis stage. By supporting passage of this amendment we can demonstrate that we would rather act intelligently to correct crisis condidtions before a mishap than to act regretfully in response to a tragedy in aviation.

Mr. TOWNS. Mr. Chairman, I want to rise in support of the gentleman from New York's amendment to rehire at least 500 air traffic controllers. Last year, a number of us signed a letter to the President urging him to rehire some of the PATCO controllers among the 1,000 new controllers hired by the Department of Transportation.

The reason for this action is quite obvious, Mr. Chairman; 1985 was the second worst year for deaths due to airplane crashes. The headlines caused by these accidents made a lot of us wonder about airline safety. Certainly, one immediate way to address this problem is to put experienced air traffic controllers back on the job. In light of the recent accidents, it is time to put politics aside and concentrate our efforts on minimizing the risks of future air disasters. Moreover, evidence has now surfaced that some of the air traffic controllers fired during the PATCO strike were actually on official leave. Yet their attendance records were altered to give the impression that they were strike participants when in fact they were simply on vacation. Certainly, these workers should be among the first rehires under this amendment.

Let us restore safety to our skies by supporting this amendment and putting experienced controllers back to work.

□ 1910

Mr. LEHMAN of Florida. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MOLINARI].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MOLINARI. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 193, noes 226, not voting 12, as follows:

[Roll No. 267]

AYES—193

Ackerman	Berman	Brown (CA)
Akaka	Biaggi	Bruce
Alexander	Boehlert	Bryant
Anderson	Boggs	Burton (CA)
Annunzio	Boland	Bustamante
Applegate	Boner (TN)	Carper
Aspin	Bonior (MI)	Chandler
Atkins	Borski	Clay
AuCoin	Bosco	Coelho
Bates	Boucher	Coleman (TX)
Beilenson	Boxer	Collins
Bentley	Brooks	Conte
Conyers	Kaptur	Rinaldo
Coyne	Kastenmeier	Rodino
Crockett	Kennelly	Roe
Davis	Kildee	Rostenkowski
Dellums	Kleczka	Roukema
Dingell	Kolter	Russo
DioGuardi	Kostmayer	Sabo
Dixon	LaFalce	Savage
Donnelly	Lantos	Scheuer
Dowdy	Lehman (CA)	Schneider
Downey	Leland	Schroeder
Durbin	Levin (MI)	Schumer
Dwyer	Levine (CA)	Seiberling
Dymally	Lipinski	Sikorski
Early	Long	Smith (FL)
Eckart (OH)	Lowry (WA)	Smith (IA)
Edgar	Luken	Smith (NJ)
Edwards (CA)	MacKay	Snowe
Evans (IL)	Manton	Solarz
Fascell	Markey	Spratt
Fazio	Martinez	St Germain
Feighan	Mavroules	Staggers
Fish	McCloskey	Stallings
Florio	McDade	Stark
Foglietta	McGrath	Stokes
Foley	McHugh	Studds
Ford (MI)	Michel	Swift
Ford (TN)	Mikulski	Torres
Frank	Miller (CA)	Torricelli
Frost	Mitchell	Towns
Garcia	Moakley	Traficant
Gaydos	Molinari	Traxler
Gejdenson	Mollohan	Udall
Gephardt	Moody	Vento
Gilman	Morrison (CT)	Visclosky
Gonzalez	Mrazek	Waldon
Gordon	Murphy	Walgren
Gray (IL)	Murtha	Waxman
Gray (PA)	Natcher	Weaver
Guarini	Oakar	Weiss
Hall (OH)	Oberstar	Wheat
Hamilton	Obey	Williams
Hawkins	Owens	Wilson
Hayes	Panetta	Wirth
Hertel	Pease	Wise
Horton	Penny	Wolpe
Howard	Pepper	Wortley
Hoyer	Perkins	Wyden
Hughes	Price	Yates
Jacobs	Rahall	Yatron
Jeffords	Rangel	Young (MO)
Johnson	Reid	
Kanjorski	Richardson	

NOES—226

Andrews	Darden	Hatcher
Anthony	Daschle	Hefner
Archer	Daub	Hendon
Armey	de la Garza	Henry
Badham	DeLay	Hiler
Barnard	Derrick	Hillis
Bartlett	DeWine	Holt
Barton	Dickinson	Hopkins
Bateman	Dicks	Hubbard
Bennett	Dorgan (ND)	Huckaby
Bereuter	Dornan (CA)	Hunter
Bevill	Dreier	Hutto
Bilirakis	Duncan	Hyde
Bliley	Dyson	Ireland
Bonker	Eckert (NY)	Jenkins
Boulter	Edwards (OK)	Jones (NC)
Broomfield	Emerson	Jones (OK)
Brown (CO)	English	Jones (TN)
Burton (IN)	Erdreich	Kasich
Byron	Evans (IA)	Kemp
Callahan	Fawell	Kindness
Campbell	Fiedler	Kolbe
Carr	Fields	Kramer
Chapman	Flippo	Lagomarsino
Chappell	Franklin	Latta
Chappie	Frenzel	Leach (IA)
Cheney	Fuqua	Leath (TX)
Clinger	Gallo	Lehman (FL)
Coats	Gekas	Lent
Cobey	Gibbons	Lewis (CA)
Coble	Gingrich	Lewis (FL)
Coleman (MO)	Glickman	Lightfoot
Combest	Goodling	Livingston
Cooper	Gradison	Lloyd
Coughlin	Green	Loeffler
Courter	Gregg	Lott
Craig	Hall, Ralph	Lowery (CA)
Crane	Hammerschmidt	Lujan
Daniel	Hansen	Lungren
Dannemeyer	Hartnett	Mack
Madigan	Quillen	Snyder
Marlenee	Ray	Solomon
Martin (IL)	Regula	Spence
Martin (NY)	Ridge	Stangeland
Matsui	Ritter	Stenholm
Mazzoli	Roberts	Strang
McCain	Robinson	Stratton
McCandless	Roemer	Stump
McCollum	Rogers	Sundquist
McCurdy	Rose	Sweeney
McEwen	Roth	Swindall
McKernan	Rowland (CT)	Synar
McKinney	Rowland (GA)	Tallon
McMillan	Roybal	Tauke
Meyers	Rudd	Tauzin
Mica	Saxton	Taylor
Miller (OH)	Schaefer	Thomas (CA)
Miller (WA)	Schuette	Thomas (GA)
Mineta	Schulze	Valentine
Monson	Sensenbrenner	Vander Jagt
Montgomery	Sharp	Volkmer
Moorhead	Shaw	Vucanovich
Morrison (WA)	Shelby	Walker
Myers	Shumway	Watkins
Neal	Shuster	Weber
Nelson	Siljander	Whitehurst
Nichols	Sisisky	Whitley
Nielson	Skeen	Whittaker
Olin	Skelton	Whitten
Ortiz	Slattery	Wolf
Oxley	Slaughter	Wylie
Packard	Smith (NE)	Young (AK)
Parris	Smith, Denny (OR)	Young (FL)
Petri	Smith, Robert (NH)	Zschau
Pickle	Smith, Robert (OR)	
Porter		
Pursell		

NOT VOTING—12

Barnes	Fowler	Moore
Bedell	Grotberg	Nowak
Breaux	Gunderson	Pashayan
Carney	Lundine	Wright

□ 1920

Mr. DUNCAN and Mr. SCHAEFER changed their votes from "aye" to "no."

Mr. MARKEY and Mr. WILSON changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1930

Mr. McKERNAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to engage the gentleman from Florida [Mr. LEHMAN] and the gentleman from Pennsylvania [Mr. COUGHLIN] in a colloquy on the future of competitive rail service in the Northeast.

The Guilford System operates the Maine Central, the Boston & Maine and the Delaware & Hudson. This system creates the only rail competition with Conrail for most New England shippers on traffic going to the West and the South. Guilford was recently engaged in a strike between Maintenance of Way employees and the Maine Central. While an uneasy truce appears to exist at this time between management and labor, the underlying economic dispute has not been resolved. The financial stress on Guilford has caused the managers of that railroad to speculate that the Delaware & Hudson Railway could be put into bankruptcy. This has led to a persistent and continuing rumor that

the Delaware & Hudson could cease operations on short notice as a result of cashlessness. Most of us in the New England delegation hope that these rumors are not true. Recent conversations with Guilford management indicate that Guilford intends to indefinitely operate the Delaware & Hudson.

However, a cessation of operations on the D&H would be a serious matter for shippers throughout the region. D&H provides the only competitive outlet to Conrail which connects many of the region's shippers to such systems as CSX and Norfolk Southern. In the event that the D&H encounters a problem, I would urge that we in Government do everything in our power to preserve this essential competition.

Mr. Chairman, I am happy to yield to the subcommittee chairman for his response.

Mr. LEHMAN of Florida. Mr. Chairman, I thank the gentleman from Maine [Mr. MCKERNAN] for bringing this to our attention.

I, too, am concerned about the Delaware & Hudson situation in the Northeast, and its impact on the economy and rail competition in the region. As the gentleman knows, under the Interstate Commerce Commission's directed Rail Service Program, other carriers could be directed to provide service over these lines if the D & H did in fact file for bankruptcy. I hope that does not happen. But if it does, we would expect the ICC to give prompt attention to directing competitive service along the critical routes of the D & H system.

Mr. MCKERNAN. Mr. Chairman, I thank the gentleman.

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. MCKERNAN. I yield to the gentleman from New Jersey.

Mr. FLORIO. Mr. Chairman, for the gentleman's information, tomorrow there is going to be a hearing before the subcommittee that I chair. Representatives from Guilford will be there as we deal with some proposals to have a cooling-off period for the Maine Central difficulty.

What we are going to attempt to do is get some answers on the Delaware & Hudson question the gentleman has presented to this body. I think the gentleman is scheduled to testify. Hopefully we can present these questions to the appropriate representatives and get some answers.

Mr. MCKERNAN. Mr. Chairman, I thank the gentleman for his leadership on this issue, and helping us to resolve what is a very difficult situation.

I now yield to the gentleman from Pennsylvania [Mr. COUGHLIN].

Mr. COUGHLIN. Mr. Chairman, I just want to say that I agree with the gentleman from Florida [Mr. LEHMAN]. The matter of preservation of competition is of great concern to all of us, I think, and of great concern to this subcommittee in particular.

Mr. MCKERNAN. I thank the gentleman.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

(c) REGULATIONS.—The Secretary of Transportation may prescribe regulations to carry out this section (excluding the second sentence of subsection (a)).

(d) DEFINITION.—For the purpose of this section, the term "air traffic controller" has the meaning given such term by section 2109 of title 5, United States Code.

Mr. GINGRICH. Mr. Chairman, I move to strike the last word to have a colloquy with the chairman.

Mr. Chairman, as a strong and consistent supporter of Federal aviation noise regulations to require noncompliant aircraft to meet Federal noise standards so as to bring relief to millions of citizens living near noise impacted airports, I have reviewed with much concern and alarm the committee's report language which addresses this issue. I am concerned that the committee's report language is setting the stage for yet another round of exemptions for carriers who have failed to comply with the January 1, 1985 deadline and are now attempting again to obtain waivers from the Federal Aviation Administration and Department of Transportation. As a member of the Aviation Subcommittee, which has exercised continuing oversight on this issue, I wonder if the distinguished chairman of the subcommittee would be willing to engage in a colloquy for purposes of determining whether he intends to support another round of exemptions for these carriers and to understand the circumstances surrounding the need for a special waiver for these carriers.

It is my understanding that there are approximately 12 operators with 22 airplanes which have petitioned FAA for an exemption where no "hush kit" supplier has received a supplemental type certification prior to September 30, 1985. Can the distinguished subcommittee chairman advise me of the dates on which any of these operators signed contracts with suppliers that are seeking their supplemental type certification, and the dates by which they expect to receive installation so that their aircraft meet Federal aviation noise rules.

I yield to the chairman of the subcommittee, the gentleman from Florida [Mr. LEHMAN].

Mr. LEHMAN of Florida. Mr. Chairman, I thank the gentleman from Georgia [Mr. GINGRICH]. As you say and as you know, the report language in our bill directs the FAA to provide precisely the information that the gentleman is seeking.

Certainly I will be happy to share this information with the gentleman and his colleagues on the Aviation Subcommittee when we receive it next month.

Mr. GINGRICH. Good. It is my understanding. Mr. Chairman, that the report language does not intend to be a blanket waiver for all 22 aircraft and for all 12 airlines.

Mr. LEHMAN of Florida. Mr. Chairman, if the gentleman will yield further, the only reply I can make to the gentleman from Georgia [Mr. GINGRICH] is that I have not seen that information yet, and when we get it, we will try to work with it together.

Mr. GINGRICH. Mr. Chairman, I am concerned that any further congressional change to the regulatory deadlines set forth in the Federal Aviation noise regulation for four-engine aircraft sends an inappropriate signal to those carriers which are now facing compliance with the two-engine deadline on January 1, 1988. I would strongly urge the Appropriations Committee to refrain from further initiatives in this area so that the relief we promised to millions of Americans when the Federal Aviation noise rules were established can be realized.

As the representative for the Atlanta airport, which is an inner city airport with a lot of noise right around the neighborhoods near the airport, I would really appreciate the Appropriations Committee being very cautious in setting up any procedure which would slow down the rate at which companies buy quieter aircraft and buy hush kits.

I thank the chairman.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: Page 60, after line 22, insert the following new section;

SEC. 333. None of the funds made available in this Act may be used to purchase any nondomestic goods or services.

POINT OF ORDER

Mr. ARMEY. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. ARMEY. Mr. Chairman, I make a point of order against the amendment. The amendment is a nonlegislative limitation to a general appropriation bill. Under revised clause 2, rule XXI, such amendments are not in order during the reading of a general appropriation bill.

Mr. Chairman, the revised rule states, in part:

Except as provided in paragraph (d), no amendment shall be in order during consideration of a general appropriation bill proposing a limitation not specifically contained or authorized in existing law for the period of the limitation.

□ 1940

Mr. Chairman, the gentleman's amendment is a limitation, is not specifically contained or authorized in existing law and therefore is in violation of rule XXI, clause 2(d).

Mr. TRAFICANT. Mr. Chairman, may I be heard?

The CHAIRMAN. The gentleman from Ohio is recognized.

Mr. TRAFICANT. Mr. Chairman, I differ. It is a strict limitation placed upon an appropriation measure of 1 year. And I believe it should be upheld and be allowed insofar as it offers no clarifying language or any amplification on any other provision or provisions which could expand upon a legislative initiative.

The CHAIRMAN (Mr. PANETTA). The Chair is prepared to rule. The gentleman from Texas is correct only because the Clerk has not completed the reading of the next two lines.

So the Chair will sustain the point of order at this point under clause 2(d) rule XXI.

The Clerk will continue to read.

Mr. TRAFICANT. Mr. Chairman, I had two amendments at the desk.

The CHAIRMAN. The gentleman will withhold until the Clerk completes the reading of the bill.

The Clerk read as follows:

This Act may be cited as the "Department of Transportation and Related Agencies Appropriations Act, 1987".

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The Clerk read as follows:

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SEC. 333. None of the funds made available in this Act may be used to purchase any nondomestic goods or services.

POINT OF ORDER

Mr. ARMEY. Mr. Chairman, I have a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. ARMEY. Mr. Chairman, the amendment violates clause 2(b) of rule XXI, the prohibition against legislation in an appropriations bill. The amendment imposes prohibition restrictions on spending not contained in existing law and, as such, constitutes an effort to legislate on an appropriations bill.

The CHAIRMAN. Does the gentleman from Ohio desire time to respond?

Mr. TRAFICANT. Yes; I do, Mr. Chairman.

It is a strict limitation placed upon the appropriation of the funds. It does not offer any legislative initiative over and above it with any provisos to amplify upon any action taken by the Congress. It is a strict limitation and it should be allowed.

The CHAIRMAN. Does the gentleman from Texas wish to respond?

Mr. ARMEY. Mr. Chairman, I would just make the point that we have spent over 2 hours legislating in an appropriation bill under protection of the Rules Committee. I feel it is time to get back to appropriations. I believe that my point of order is correct, and I will hold my point of order.

The CHAIRMAN (Mr. PANETTA). The Chair is prepared to rule.

Under Cannon's, volume 7, section 1697, an amendment prohibiting the use of an appropriation for the purchase of commodities not produced in the United States was held in order as a limitation.

So the point of order is overruled, and the gentleman is recognized for 5 minutes in support of his amendment.

Mr. TRAFICANT. Thank you, Mr. Chairman, for clarifying an issue of great concern to all of us.

Very simplistically, my amendment is simply a buy-American amendment. This country has in excess of $150 billion trade deficit, and one of the cardinal sins of this country is we continue to expend taxpayers' dollars on items not produced in this country. In addition to talking about the exporting of jobs and the literal rape of the manufacturing sectors of this country, we continue now to expend taxpayers' dollars on Government projects.

I believe the Congress here today has an opportunity with this act to clarify very carefully that we should keep those taxpayers' dollars as they deal with American procurement and American expenditures for American-produced goods and services. I feel very strongly to that extent. I also add that this is a 1-year appropriation. There is much concern that maybe this type of a thing could have an overriding effect on some existing contracts. My first amendment dealt with that. It has a proviso that would exempt existing contracts. When I was found with this opposition, I had no alternative. I believe we are taking at issue today the American dollars being spent on American projects. We should confine it to those producers within America to produce quality services and goods.

Finally, I would like to add this: With the current fluctuation of the dollar and the tremendous impact of trade and negative deficit trade America has been having, these types of legislative initiatives in appropriation acts would bring some of these foreign producers into America who want to bid on our projects. We are the consumer marketplace of the world. If we are going to continue to have foreign penetration, it should be on a level playing field. Now, if we cannot get this administration to take a look at that, then maybe through these appropriate actions we can make that happen.

I believe that this measure will send a signal. And for those who stand in opposition who are concerned about the impact on appropriations in the future, they have the conference with the other body and they can prepare within a reasonable timeframe to add additional clarification language that could speak to the issue.

I believe it is not only germane, but I think it is the right thing for us to do.

My area has lost nearly every manufacturing job that it had in steel, and every other job is threatened. Now, I can understand the international marketplace, how it works, and the President's position as he debates certain elements of it, but I cannot understand the American Government expending American taxpayer dollars on American projects and continuing to let the foreign penetration into this country.

Now, I know I am going to have opposition from the committee on it. I know I am going to have strong opposition from people who do not know what the further ramifications will be.

I am asking those who are sensitive in this area to take a look at it for 1 year, a 1-year appropriation within that 1-year period, maybe we can study this thing through the practicalities of the legislative initiative that speaks to a serious problem. I am asking your help, and I am asking that the buy-America provision that I bring forward today be accepted by this Congress and meet the scrutiny of the opposition who will debate it.

I yield back the balance of my time.

Mr. LEHMAN of Florida. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I do understand the problems that the gentleman is speaking about. But our committee has never had any hearings on this. We do not know what the, as he said, the ramifications are going to be. We do not know what the effects are going to be on transportation procurements. There is no dollar differential calculation dealing with the cost of American goods in relation to what those same materials would cost you if purchased elsewhere. We do not know what effect it would have on the availability of purchasing goods and services for the FAA, the Coast Guard, or urban mass transit or any of the other areas covered under our jurisdiction on appropriations.

I would promise the gentleman that during our hearing procedure next year we will address this issue, and we will consider these problems, but I do not think at this moment we should make the kind of decision that he suggests without knowing what the results of such a decision would be, even over the next 12 months.

Mr. Chairman, I yield back the balance of my time.

Mr. BONKER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I do not think anyone in this Chamber feels more strongly than I do about the staggering trade deficit which truly threatens our long-term economic well-being. That is why many of us worked hard to put forth a trade bill that would help improve America's competitiveness and deal with unfair trade practices abroad.

But the United States must set a higher standard if we expect other countries to adhere to the trade practices that I think will foster and expand the world trading system. This amendment, and other buy-American provisions, are really protectionism in disguise. It is another way of saying that we are going to greatly inhibit imports to protect domestic industries. And I would strongly object to this approach.

I am also concerned that we greatly increase the cost of the Department of Transportation, which must look, in terms of competitive bidding, at getting quality products at the lowest price. And if you exclude a lot of bidders or competitors, then I am not sure we are doing justice to the Department of Transportation and thus the Federal Government, and we are not giving the taxpayers the best for their money.

I would like to ask the sponsor of the amendment about the scope of his amendment. He says that none of the funds made available in this act may be used to purchase any domestic goods or services. What kind of money are we talking about? Is this the entire Department of Transportation budget?

Mr. TRAFICANT. This is any amount of dollars subject to the act of which we have debated here today. But it is not any domestic goods, it is any nondomestic goods. In other words, it would be confined to buying American goods and services without a percentile figure placed on it for domestic content or anything.

Mr. BONKER. I understand.

So that means that a French bidder, who offers a much lower price and a much better quality product, would be ineligible to participate in products that would otherwise be acquired by the Department of Transportation.

Mr. TRAFICANT. If you are further yielding to me, if that would be the case, yes. However, that French manufacturer, that French bidder can open a subsidiary in America and hire Americans to produce his products and bid on these types of projects. This is exactly what I think has to be done.

And if the gentleman would yield further, I have great respect for the chairman and the committee, but these buy-American provisions could have been studied for many years with the trade deficits we have had.

My amendment, to the point, is saying this: "If you want to bid on American projects, why don't you move into America, hire Americans and then go ahead and bid on these projects?"

Mr. BONKER. Mr. Chairman, if I may reclaim my time, the House considered the Eximbank authorization bill just a few weeks ago, and anybody who followed that issue knows that U.S. exporters are competing in many contracts abroad, and many of those contracts are Government related. In other words, if the country of India or Egypt or Pakistan, is government purchasers of United States products. It would be ineligible to bid. I think we set a very bad example here if we are to impose a buy-American provision, thus disallowing others to compete in our domestic market, and expect it to have access to their markets. It is a double standard, and it certainly will not wash.

Mr. Chairman, I strongly urge that my colleagues oppose this amendment and get on with the task of a free and open trading system.

Mr. ARMEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, we have in this body a Committee on Ways and Means that has many excellent Members of the body which deals with trade issues. This is the Appropriations Committee, and I think everybody here will agree that the Committee on Appropriations works long and hard trying to bring to this body the best possible appropriations bills.

Certainly we try to improve on their work when they get to the floor, as it affects appropriations. This is a transportation bill for domestic transportation, and we are making foreign trade policy with an amendment at the 11th hour. And under the allegation that trade policy has not been studied. Certainly it has not been studied by the Committee on Appropriations; that is not their job.

I urge this body to vote "no" on this amendment and to get to the serious work of appropriations.

Mr. Chairman, I yield back the balance of my time.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment. I would like to say how much I admire the author of this amendment, the gentleman from Ohio [Mr. TRAFICANT]. We may say that this matter has not been studied, but it has been studied ad nauseam. What we have not had has been an opportunity to have it considered seriously on any level, appropriation or any other.

But I would like to yield at this time to the gentleman from Ohio, the author of the amendment, so that he can have further time to rebut the allegations that have been made in opposition to his amendment.

Mr. TRAFICANT. I thank the chairman.

Mr. Chairman, I appreciate that very much.

My first amendment had clarifying language that gave an opportunity, if there was no domestic substitute, that that foreign product could be purchased.

My first amendment was struck down on a point of order. It gave an opportunity where there was no domestic substitute that a foreign item could be purchased.

It also said that any existing contracts would be exempt. But that type of language which is necessary and can be offered in the other body or can be offered in clarifying activities and legislation action now by this Committee, before it goes to the other body, in that conference they can clarify it. I did not want to bring a straightforward "buy American" without those provisions.

□ 1955

But I was struck down.

I am saying this: Even at this level it would absolutely make us take a look at our American producers, and if these foreign competitors are going to be bidding on American projects, move into America and produce the product here with American hands.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Michigan.

Mr. CARR. Mr. Chairman, I thank the gentleman for yielding for the purpose of asking my good friend, the gentleman from Ohio, a question.

With respect to the auto industry, we make cars on both sides of the border, and parts from one side of the border are shipped back and forth. They are under a special agreement all of their own, as a matter of fact.

My question is, under the language of the gentleman's amendment which says "nondomestic," suppose one of the agencies covered in this appropriation bill wants to procure a number of automobiles to carry out their duties. Would this amendment prohibit the purchase of automobiles that, say, were assembled in Canada?

Mr. TRAFICANT. If the gentleman from Texas [Mr. GONZALEZ] will yield to me, I would tell the gentleman from Michigan that the amendment is right to the point. If the American Government, through any of its agencies, is going to purchase an automobile, it should not only purchase an American automobile, but one that is not made

overseas and one that is made in the States.

Mr. CARR. What about one that is maybe assembled in Canada from parts that are made in the United States or vice versa?

Mr. TRAFICANT. If the gentleman will further yield, that is all fine and good. What is wrong with parts made in America and also assembled in America. There are other models that are comparable values.

Mr. CARR. There is nothing wrong with it. All I am pointing out to the gentleman is that we do have a unique agreement in the auto industry between the United States and Canada wherein all of North America is considered essentially domestic.

If the gentleman were by way of legislative intent to tell me that domestic would not infringe on that legislation we have inside the auto industry, I then might be more enthusiastic about the gentleman's amendment.

Mr. TRAFICANT. If the gentleman will further yield, if someone can show me where an American-made car produced overseas or produced in Canada is coming in at any lower price of any significant difference, I might accept that.

What I am saying is if the American Government or any of its agencies is buying an automobile, it should be not only buying an American automobile, but it could find one that is made in the States.

I would further like to state as a Member whose district would be impacted upon by auto losses in the future, in October 1985 there was a 30.4-percent penetration of foreign-made autos in America, and in November 1985 it was almost 35 percent.

Anybody who could see what happened with steel can see the future happening with auto. I think that we speak directly to it.

Mr. CARR. If the gentleman will further yield, I would say that there is no Member of Congress more interested in protecting American auto jobs than this Member of Congress from Pontiac and East Lansing and Lansing, MI. I want to make sure that our autoworkers are building cars while——

The CHAIRMAN. The time of the gentleman from Texas [Mr. GONZALEZ] has expired.

(On request of Mr. CARR, and by unanimous consent, Mr. GONZALEZ was allowed to proceed for 2 additional minutes.)

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Michigan.

Mr. CARR. Mr. Chairman, my only point to the gentleman is that the gentleman understands there is a complex trade and legislative environment in treating automobiles between the United States and Canada. We are not talking about the Japanese or the Germans or anything else, we are talking about Canada.

I am going to support the gentleman's amendment, but I am going to want to look to see if that legislation in any way impacts on that trade agreement so that we can make sure that our North American auto industry is vibrant.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, I appreciate that, and I know the gentleman has been a leader and the gentleman is concerned about those auto imports, et cetera.

One of the things we can do is clarify it very well by putting it to the test. But one thing is for sure, if it is not being assembled in America, it is not being assembled by an American worker. I think that sooner or later, we should look at the dynamics of the American worker and the American-made goods, especially with our own procurement practices.

We are not talking about the total system. We are talking about America and American purchasing.

Mr. CARR. Mr. Chairman, if the gentleman will yield further, I would only tell the gentleman that there are jobs in my district as well creating parts which are shipped for final assembly in Canada, too. So it is very complex in the auto industry.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to be able to support the gentleman's amendment, and I wonder if the gentleman would answer a couple of questions for me.

It is my understanding that the Coast Guard is in the process of purchasing helicopters for the purpose of drug interdiction. Those particular helicopters are being built in Texas. They are being built by a French firm in Texas. There are French parts being used in those helicopters.

It is my understanding in consulting with committee counsel that, under the gentleman's amendment, the Coast Guard will not now be able to purchase those helicopters, that the drug interdiction program will be setback and that, in fact, we will undercut some of the very efforts that we have talked about out here on the floor.

Is that the intention of the gentleman's amendment?

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, I would like to answer that.

The gentleman is saying it is a French firm in Texas, and they would qualify. Americans are building it, except for one thing, the gentleman is saying they are French parts. What the French would have to do is make sure they buy American parts and they could still produce it in this country.

Second of all, there is another issue here.

Mr. WALKER. Let me reclaim my time.

Mr. TRAFICANT. Let me answer the question.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. WALKER] reclaims his time.

Mr. TRAFICANT. The gentleman has asked the question.

The CHAIRMAN. The gentleman from Pennsylvania has the time.

Mr. WALKER. Mr. Chairman, I will yield to the gentleman, but I simply want to reclaim my time for a moment to explain to the gentleman that the helicopters that have been contracted for have been contracted for at a price, and they are going to be built out of French parts.

Under the gentleman's amendment, they will not be able to build those helicopters and, therefore, the drug interdiction program will be setback as a result of the gentleman's amendment.

I am asking the gentleman whether or not the gentleman thinks that is a reasonable outcome of his amendment.

Mr. TRAFICANT. Yes; I am glad to see the gentleman so concerned about drug interdiction. There have been gentlemen like myself who have worked for 15 years in the problem of narcotics. I am hoping that the gentleman's votes on the floor for helping the narcotics affairs come about when the time is do.

But I will say this in answer to your question. All the French firm has to do is buy American parts and make them in America and they can bid. But if the gentleman did not oppose my original amendment, it would have given an exemption to this existing contract.

There is one other thing. They could purchase them from Hughes made in America.

Mr. WALKER. Mr. Chairman, I want to yield to the gentleman from Florida [Mr. LEHMAN], because I do not think we have really gotten an explanation. Maybe the gentleman from Florida can clarify for us what the situation is.

Mr. LEHMAN of Florida. Mr. Chairman, I thank the gentleman from Pennsylvania for yielding to me.

The gentleman raised an issue about the Coast Guard. This amendment is so loosely drawn that, to my understanding, if the Coast Guard tried to buy for some of its vessels oil in the Caribbean, from one of the countries

in that region, they would be prohibited from buying it.

The gentleman from Ohio also stated in relation to automobiles that if there was enough differential in cost, the gentleman would not object to buying cars from overseas.

What I am afraid of is that in this amendment we do not know how it is going to affect the vital functions of the various agencies in the Department of Transportation. We do not have any idea what the costs are going to be in dealing with these kinds of problems. I would hope that the gentleman from Ohio would reconsider his amendment and bring it back to us in the committee next year so that we could study it and go forward in a logical way so that we know what we are doing when dealing with this type of amendment.

Mr. WALKER. Mr. Chairman, if I understand what the gentleman from Florida just told us, in the drug interdiction program where we send Coast Guard vessels into the Caribbean to try to interdict drug supplies that they would not be able to purchase fuel in other countries under the provisions of this amendment. That further undercuts the drug program in addition to the fact that they would not be able to buy the helicopters.

I do not think that that is something that this House wants to do. The very last thing we ought to be doing out here as we are talking about a potential war on drugs is passing an amendment that would undercut and perhaps destroy our drug program.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, I think we could fight drugs with American-made helicopters made by American hands in American plants. If the foreign competitors want to bid on our helicopters, they could come into America and hire Americans.

Mr. WALKER. I understand what the gentleman is saying, but that is exactly what the French firm is doing. They have come to America and they are building them in Texas. They are doing exactly that, and the gentleman's amendment will prevent them from doing so.

That is not exactly the signal that I would want to send, nor do I want to have a situation where drugs are allowed into the country.

□ 2005

Mr. LEVIN of Michigan. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me address my remarks mainly to my colleagues from Ohio because we have stood together on so many matters. It is late, but let me point out if I might some questions. The gentleman has been inhibited by the rules here. I think we ought to understand the inhibitions and the problems.

We have been negotiating, for example, with the Japanese over the building of their airport outside of Toyko. I forget the exact amount; it is $5 or $6 or $7 billion. Possibly $8 billion. We have been beginning to insist that that contract, the whole construction be opened to American firms. We should make sure that we have forced open the Japanese market to such bids. For us to now, in this form say that no government moneys can be used for any nondomestic product or goods, essentially destroys our effort to open up the market in Japan or any other place.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. LEVIN of Michigan. I yield to the gentleman from Ohio.

Mr. TRAFICANT. I thank the gentleman for yielding to me.

Mr. Chairman, I believe that our statistics show that there are certain industries where we cannot even penetrate certain foreign markets, and perhaps maybe if America sends a signal that we are now prepared to deal with this trade problem in a way where the American taxpayers' dollar spent for American projects would go to America, maybe they would reconsider some of their past stances.

Mr. LEVIN of Michigan. Here is my fear: My fear is that it will send the opposite message. My fear is that if we say that not a single dollar in this bill, and we are talking about billions, can be used to buy any product that has any content overseas, it is going to give the Japanese, for example, a perfect argument saying,

Look what you introduce in an act or try to enact in the United States; we are simply trying to do in Japan what you have ordered the government to do in the United States.

That is just one example. There is another example. So many products have a piece of foreign content. That is true of 50 or 75 percent of the vehicles in this country. I have been with the gentleman fighting for more American, domestic content. But if we take the position that not a single dollar here could ever be used to buy any product that has any bit of foreign product—what we are essentially saying to the other countries is:

Forget about our insistence, yours and mine, that you open up your markets. Not only Japanese but French and German and the rest, to our products, because we are closing our markets to yours.

I think it undercuts our whole effort for reciprocity. It undercuts it. I think we ought to find a better vehicle to carry that out. I hope the gentleman finds a way to send that message that I agree with for reciprocity and not this message.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. LEVIN of Michigan. I yield to the gentleman from Ohio.

Mr. TRAFICANT. I thank the gentleman for yielding.

Mr. Chairman, I would like the theory of reciprocity, but I think reciprocity should start at home. You have been on the forefront and you have been fighting, and I do not mean to have an engagement with the gentleman here today that makes it look like you are not sensitive to this problem we have in our manufacturing sector.

I am saying that charity starts at home; reciprocity starts at home, and we should send a signal today around the world: "You get fair with us, and we will get a little bit fair with you, because we are going to tighten our ship."

Mr. LEVIN of Michigan. What I am afraid it does is to send not that message but the message that we are closing our doors to you so therefore you can close your doors to us.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. TRAFICANT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 133, noes 281, not voting 17, as follows

[Roll No. 268]

AYES—133

Ackerman	Ford (TN)	Mikulski
Alexander	Frost	Miller (OH)
Annunzio	Garcia	Mitchell
Applegate	Gaydos	Moakley
Bennett	Gilman	Mollohan
Bentley	Gonzalez	Murphy
Bevill	Goodling	Murtha
Biaggi	Gray (IL)	Natcher
Bonior (MI)	Hall (OH)	Neal
Brown (CA)	Hall, Ralph	Nichols
Bryant	Hawkins	Nowak
Carr	Hayes	Oakar
Chapman	Hefner	Oberstar
Clay	Hendon	Owens
Coble	Hertel	Pepper
Coleman (MO)	Howard	Perkins
Coleman (TX)	Hubbard	Price
Collins	Hunter	Rahall
Conte	Jacobs	Rangel
Conyers	Jenkins	Regula
Coyne	Jones (NC)	Rinaldo
Crockett	Jones (TN)	Ritter
Daniel	Kanjorski	Robinson
Davis	Kaptur	Rogers
Derrick	Kildee	Rose
Dingell	Kindness	Russo
Donnelly	Kolter	Savage
Dowdy	Latta	Schumer
Dymally	Leath (TX)	Seiberling
Eckart (OH)	Leland	Sharp
Eckert (NY)	Lipinski	Shelby
Edgar	Lujan	Shuster
Emerson	Luken	Sikorski
Erdreich	Manton	Smith (NJ)
Feighan	Martinez	Snyder
Flippo	Mavroules	Solomon
Florio	McDade	Staggers
Foglietta	McEwen	Stokes
Ford (MI)	Mica	Tallon

Taylor	Volkmer	Wise
Torres	Waldon	Wolpe
Towns	Walgren	Yatron
Traficant	Weaver	Young (MO)
Traxler	Whitley	
Visclosky	Wilson	

NOES—281

Akaka	Frenzel	Moody
Anderson	Fuqua	Moorhead
Andrews	Gallo	Morrison (CT)
Anthony	Gejdenson	Morrison (WA)
Archer	Gekas	Mrazek
Armey	Gephardt	Myers
Aspin	Gibbons	Nelson
Atkins	Gingrich	Nielson
AuCoin	Glickman	Obey
Badham	Gordon	Olin
Barnard	Gradison	Ortiz
Bartlett	Gray (PA)	Oxley
Barton	Green	Packard
Bateman	Gregg	Panetta
Bates	Guarini	Parris
Beilenson	Hamilton	Pease
Bereuter	Hammerschmidt	Penny
Berman	Hansen	Petri
Bilirakis	Hatcher	Pickle
Bliley	Henry	Porter
Boehlert	Hiler	Pursell
Boggs	Hillis	Quillen
Boland	Holt	Ray
Boner (TN)	Hopkins	Reid
Bonker	Horton	Richardson
Borski	Hoyer	Ridge
Bosco	Huckaby	Roberts
Boucher	Hughes	Rodino
Boulter	Hutto	Roe
Boxer	Hyde	Roemer
Brooks	Ireland	Rostenkowski
Broomfield	Jeffords	Roth
Brown (CO)	Johnson	Roukema
Bruce	Jones (OK)	Rowland (CT)
Burton (CA)	Kasich	Rowland (GA)
Burton (IN)	Kastenmeier	Roybal
Bustamante	Kemp	Rudd
Byron	Kennelly	Sabo
Callahan	Kleczka	Saxton
Carper	Kolbe	Schaefer
Chandler	Kostmayer	Scheuer
Chappell	Kramer	Schneider
Chappie	LaFalce	Schroeder
Cheney	Lagomarsino	Schuette
Clinger	Lantos	Schulze
Coats	Leach (IA)	Sensenbrenner
Cobey	Lehman (CA)	Shaw
Coelho	Lehman (FL)	Shumway
Combest	Lent	Siljander
Cooper	Levin (MI)	Sisisky
Coughlin	Levine (CA)	Skeen
Courter	Lewis (CA)	Skelton
Craig	Lewis (FL)	Slattery
Crane	Lightfoot	Slaughter
Dannemeyer	Livingston	Smith (FL)
Darden	Lloyd	Smith (IA)
Daschle	Loeffler	Smith (NE)
Daub	Long	Smith, Denny (OR)
DeLay	Lott	
Dellums	Lowery (CA)	Smith, Robert (NH)
DeWine	Lowry (WA)	
Dickinson	Lungren	Smith, Robert (OR)
Dicks	Mack	
DioGuardi	Madigan	Snowe
Dixon	Markey	Solarz
Dorgan (ND)	Marlenee	Spence
Dornan (CA)	Martin (IL)	Spratt
Downey	Martin (NY)	St Germain
Dreier	Matsui	Stallings
Duncan	Mazzoli	Stangeland
Durbin	McCain	Stark
Dwyer	McCandless	Stenholm
Dyson	McCollum	Strang
Early	McCurdy	Stratton
Edwards (CA)	McGrath	Studds
Edwards (OK)	McHugh	Stump
English	McKernan	Sundquist
Evans (IA)	McKinney	Sweeney
Evans (IL)	McMillan	Swift
Fascell	Meyers	Swindall
Fawell	Michel	Synar
Fazio	Miller (CA)	Tauke
Fields	Miller (WA)	Tauzin
Fish	Mineta	Thomas (CA)
Foley	Molinari	Thomas (GA)
Frank	Monson	Torricelli
Franklin	Montgomery	Udall
Vander Jagt	Wheat	Wright
Vento	Whitehurst	Wyden
Vucanovich	Whittaker	Wylie
Walker	Whitten	Yates
Watkins	Williams	Young (AK)
Waxman	Wirth	Young (FL)
Weber	Wolf	Zschau
Weiss	Wortley	

NOT VOTING—17

Barnes	Fiedler	MacKay
Bedell	Fowler	McCloskey
Breaux	Grotberg	Moore
Campbell	Gunderson	Pashayan
Carney	Hartnett	Valentine
de la Garza	Lundine	

□ 2025

Mrs. BOXER and Mrs. JOHNSON changed their votes from "aye" to "no."

Mr. MICA and Mr. COBLE changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. ARMEY

Mr. ARMEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ARMEY: Page 60, after line 22, insert the following new section:

SEC. 333. Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act which is not required to be appropriated or otherwise made available by a provision of law is reduced by 1.23 percent.

Mr. ARMEY. Mr. Chairman, I ask unanimous consent that debate on this amendment and any amendments thereto be limited to 10 minutes.

I further request that the 10 minutes be equally divided between myself and the distinguished gentleman from Florida [Mr. LEHMAN], the chairman of the subcommittee.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The time is divided, the gentleman from Texas [Mr. ARMEY] to be recognized for 5 minutes and the gentleman from Florida [Mr. LEHMAN] to be recognized for 5 minutes.

The Chair recognizes the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Chairman, I would like to preface my comments by advising the body that I will call for a recorded vote. I do so because we have spent some 3 hours on legislation with two recorded votes and we are just moments away from final passage. Most of the body is here; otherwise, I might not be doing that.

This amendment is a simple and straightforward amendment. My rhetorical and persuasive abilities will have little bearing on the outcome.

We are at the point we seem to reach in every appropriation bill before all the legislative debate. We had made several efforts to cut by line item cuts in the bill. All were defeated. This gives me no choice but to offer an across-the-board cut at this point.

We want to cut discretionary spending by 1.23 percent. It would cut $312,668,000 in budget authority from the bill, bringing the appropriation in line with the postsequester for the fiscal year 1986 appropriation.

I urge my colleagues to enact this freeze amendment.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding.

AMENDMENT OFFERED BY MR. WALKER TO THE AMENDMENT OFFERED BY MR. ARMEY

Mr. WALKER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER to the amendment offered by Mr. ARMEY: After the word "percent" strike the period and add "except for those funds specified on page 4, line 11 of the bill."

The CHAIRMAN. The gentleman from Pennsylvania [Mr. WALKER] will have to get his time from the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I will take 1 minute to explain to the body that my amendment to the gentleman's amendment exempts the drug interdiction program of the Coast Guard from the provisions of the discretionary cut, so that in voting for my amendment what you are doing is voting to exempt the drug interdiction program from the across-the-board cut.

Mr. ARMEY. Mr. Chairman, I would be happy to accept the gentleman's amendment.

The CHAIRMAN. Does the gentleman from Florida wish to address the amendment?

Mr. LEHMAN of Florida. No, Mr. Chairman, I do not.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALKER] to the amendment offered by the gentleman from Texas [Mr. ARMEY].

The amendment to the amendment was agreed to.

Mr. ARMEY. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding.

I support the gentleman's amendment, as I have a number of amendments that the gentleman has offered today, because he has attempted to inject some discipline into this budget process that is leading us right now down the path toward sequestration.

I would simply remind my colleagues that even if we came up with the num-

bers that the committees are coming back with in reconciliation and even if we sell Conrail twice, we are heading toward sequestration. It is only by coming up with some amendments like the ones the gentleman from Texas [Mr. ARMEY] has been offering us that we are going to be able to avoid that sequestration by coming in at 154 less in deficits.

I commend the gentleman. He has been courageous all day and I support him on his amendment.

Mr. ARMEY. Mr. Chairman, I reserve the balance of my time.

Mr. LEHMAN of Florida. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I rise in opposition to the amendment.

This bill is within our subcommittee's discretionary 302(b) allocation for new budget authority. In addition, if you consider all the funds provided for similar activities in fiscal year 1986, this bill is below the fiscal year 1986 level. To state that this bill is more than fiscal year 1986, one has to ignore the $456,625,000 provided for Coast Guard programs and activities in the Department of Defense Appropriations Act for 1986. I do not believe it is appropriate to ignore these 1986 funds. We have received no indication that any similar funding will be provided for the Coast Guard in the fiscal year 1987 Department of Defense Appropriations Act. Therefore, this bill is below the fiscal year 1986 level provided for similar activities.

Mr. Chairman, although a 1.23-percent reduction sounds like a relatively insignificant sum, I just want the Members to know what this amendment would mean.

This amendment would require a $34.4 million cut in FAA operations—that is money needed to run one air traffic control system. A cut of this size would essentially eliminate the committee increase for additional air traffic controllers and aviation safety inspectors. This is not the time to cut either of the activities.

The amendment would also require a $24.6 million cut in mass transit formula grants. These grants are for public transportation in both urban and rural areas throughout the country.

These are but a few of the programs that would be hurt by such an amendent.

Mr. Chairman, this bill is within our discretionary 302(b) budget authority allocation. It is less than the amount provided for similar programs in fiscal year 1986.

I urge a "no" vote on the amendment.

Mr. Chairman, I yield 2 minutes to my colleague, the gentleman from Pennsylvania [Mr. COUGHLIN].

Mr. COUGHLIN. Mr. Chairman, as the gentleman from Florida [Mr. LEHMAN] has correctly pointed out, this bill is below the 302(b) allocation. It is below last year.

In outlays, it is half a billion dollars below the 302(b) allocation and with respect to last year it is $657 million below, more than half a billion dollars below what we had last year.

We just have been talking about air safety. We have been talking about air traffic controllers. We have been talking about inspectors. What are we going to do now, cut them all, cut the things we were just talking about and have air safety, have Coast Guard safety, for all these programs we are now going to cut money out of them? That would be the height of idiocy as I see it.

I hope the House will vote down this amendment.

Mr. ARMEY. Mr. Chairman, according to the testimony given by the chairman of the Budget Committee before the Government Operations Committee just last week, if we meet all our 302(b) obligations, we will still face a Gramm-Rudman sequestration of $25 billion. That Gramm-Rudman sequestration train is rolling down the track. When it gets here, I want to tell my constituents who are in favor of a strong defense that I tried to do something to avoid the problem.

I want to tell my constituents who are facing losing their retirement COLA that I tried to do something to avoid it.

If we do not do something, if we do not act now and make judicious cuts now, we will face a Gramm-Rudman meat cleaver that will cut everything. These programs will not be exempt. They will be cut and they will be cut worse by the $10 billion bonus in cuts that is forced by sequestration.

It is time this body either faces the music now or swallow a mean and bitter pill later this year.

I urge the body to vote for a responsible cut in spending.

Mr. LEHMAN of Florida. Mr. Chairman, I yield my final minute to the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. Mr. Chairman, for all those of you who fly and for the millions of people who fly in this country, I want you to know that this amendment would cut $35 million out of the operation of the FAA, which has been frozen since last year. That means $35 million fewer numbers of inspectors who inspect all the airlines that we fly, both new and old airlines, deregulated carriers as well as older carriers.

It means $35 million less worth of controllers.

Air safety is probably the most important function of government. Drug interdiction is, but so is the fact that our airplanes must be safe. The ability of our planes to fly in a safe manner is as important to our constituents as anything else.

If you vote for this amendment, as far as I am concerned, you are voting against air safety.

Vote "no" on the amendment.

□ 2040

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. ARMEY], as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ARMEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 143, noes 270, not voting 18, as follows:

[Roll No. 269]

AYES—143

Archer	Hansen	Porter
Armey	Hartnett	Ray
Badham	Hendon	Ritter
Bartlett	Henry	Roberts
Barton	Hiler	Roemer
Bilirakis	Hillis	Roth
Bliley	Hopkins	Roukema
Boehlert	Hubbard	Rudd
Boulter	Huckaby	Saxton
Broomfield	Hunter	Schneider
Brown (CO)	Hutto	Schuette
Burton (IN)	Hyde	Schulze
Callahan	Ireland	Sensenbrenner
Carper	Kasich	Sharp
Chandler	Kemp	Shaw
Chappie	Kindness	Shumway
Cheney	Kolbe	Shuster
Clinger	Kramer	Siljander
Coats	Lagomarsino	Skelton
Cobey	Latta	Slaughter
Coble	Leach (IA)	Smith (NE)
Combest	Lightfoot	Smith, Denny (OR)
Craig	Lloyd	Smith, Robert (NH)
Crane	Loeffler	Smith, Robert (OR)
Daniel	Lott	Snyder
Dannemeyer	Lujan	Solomon
Daschle	Lungren	Spence
Daub	Mack	Stangeland
DeLay	Martin (IL)	Stenholm
Derrick	McCain	Strang
DeWine	McCandless	Stump
Dornan (CA)	McCloskey	Sundquist
Dreier	McCollum	Sweeney
Dyson	McEwen	Swindall
Eckert (NY)	McKernan	Tauke
Evans (IA)	McMillan	Tauzin
Fawell	Meyers	Thomas (CA)
Fields	Michel	Vander Jagt
Franklin	Miller (OH)	Walker
Frenzel	Miller (WA)	Weber
Gallo	Monson	Whitehurst
Gekas	Moorhead	Wortley
Gingrich	Morrison (WA)	Wylie
Goodling	Nichols	Young (FL)
Gradison	Nielson	Zschau
Gregg	Oxley	
Hall (OH)	Packard	
Hall, Ralph	Penny	
Hamilton	Petri	

NOES—270

Ackerman	Bennett	Brown (CA)
Akaka	Bentley	Bruce
Alexander	Bereuter	Bryant
Anderson	Berman	Burton (CA)
Andrews	Bevill	Bustamante
Annunzio	Biaggi	Byron
Anthony	Boggs	Carr
Applegate	Boland	Chapman
Aspin	Boner (TN)	Chappell
Atkins	Bonior (MI)	Clay
AuCoin	Borski	Coelho
Barnard	Bosco	Coleman (MO)
Bateman	Boucher	Coleman (TX)
Bates	Boxer	Collins
Beilenson	Brooks	Conte

Conyers	Kennelly	Ridge
Cooper	Kildee	Rinaldo
Coughlin	Kleczka	Robinson
Coyne	Kolter	Rodino
Crockett	Kostmayer	Roe
Darden	LaFalce	Rogers
Davis	Lantos	Rose
Dellums	Leath (TX)	Rostenkowski
Dickinson	Lehman (CA)	Rowland (CT)
Dicks	Lehman (FL)	Rowland (GA)
Dingell	Leland	Roybal
DioGuardi	Lent	Russo
Dixon	Levin (MI)	Sabo
Donnelly	Levine (CA)	Savage
Dorgan (ND)	Lewis (CA)	Schaefer
Dowdy	Lewis (FL)	Scheuer
Downey	Lipinski	Schroeder
Duncan	Livingston	Schumer
Durbin	Long	Seiberling
Dwyer	Lowery (CA)	Shelby
Dymally	Lowry (WA)	Sikorski
Early	Luken	Sisisky
Eckart (OH)	Madigan	Skeen
Edwards (CA)	Manton	Slattery
Edwards (OK)	Markey	Smith (FL)
Emerson	Marlenee	Smith (IA)
English	Martin (NY)	Smith (NJ)
Erdreich	Martinez	Snowe
Evans (IL)	Matsui	Solarz
Fascell	Mavroules	Spratt
Fazio	Mazzoli	St Germain
Feighan	McCurdy	Staggers
Fish	McDade	Stallings
Flippo	McGrath	Stark
Florio	McHugh	Stokes
Foglietta	McKinney	Stratton
Foley	Mica	Studds
Ford (MI)	Mikulski	Swift
Ford (TN)	Miller (CA)	Synar
Frank	Mineta	Tallon
Frost	Mitchell	Taylor
Fuqua	Moakley	Thomas (GA)
Garcia	Molinari	Torres
Gaydos	Mollohan	Torricelli
Gejdenson	Montgomery	Towns
Gephardt	Moody	Traficant
Gibbons	Morrison (CT)	Traxler
Gilman	Mrazek	Udall
Glickman	Murphy	Valentine
Gonzalez	Murtha	Vento
Gordon	Myers	Visclosky
Gray (IL)	Natcher	Volkmer
Green	Neal	Vucanovich
Guarini	Nelson	Waldon
Hammerschmidt	Nowak	Walgren
Hatcher	Oakar	Watkins
Hawkins	Oberstar	Waxman
Hayes	Obey	Weaver
Hefner	Olin	Weiss
Hertel	Ortiz	Wheat
Holt	Owens	Whitley
Horton	Panetta	Whittaker
Howard	Parris	Whitten
Hoyer	Pease	Williams
Hughes	Pepper	Wilson
Jacobs	Perkins	Wirth
Jeffords	Pickle	Wise
Jenkins	Price	Wolf
Johnson	Pursell	Wolpe
Jones (NC)	Quillen	Wright
Jones (OK)	Rahall	Wyden
Jones (TN)	Rangel	Yates
Kanjorski	Regula	Yatron
Kaptur	Reid	Young (AK)
Kastenmeier	Richardson	Young (MO)

NOT VOTING—18

Barnes	Courter	Grotberg
Bedell	de la Garza	Gunderson
Bonker	Edgar	Lundine
Breaux	Fiedler	MacKay
Campbell	Fowler	Moore
Carney	Gray (PA)	Pashayan

□ 2050

Mr. ACKERMAN and Mr. NEAL changed their votes from "aye" to "no."

Mrs. LLOYD and Mr. GEKAS changed their votes from "no" to "aye."

So the amendment, was rejected.

The result of the vote was announced as above recorded.

Mr. FIELDS. Mr. Chairman, I commend the appropriations committee for its continued support of the modernization of the U.S. weather radar system.

This bill contains $88 million for the procurement of NEXRAD weather radar systems for 14 airports which experience turbulent weather conditions. One of the airports, Houston Intercontinental, is located in my district.

As my colleagues may be aware, our current weather system, built in the late 1950's, is dangerously outdated. Our current system is dangerously outdated because it does not have the capability of detecting windshear.

I remember all to clearly the tragic Delta accident in Dallas last summer which took the lives of all but 29 of that flight's 163 passengers. Windshear almost certainly was the culprit. High fatalities also resulted in windshear accidents at Kennedy Airport in 1975 and at the New Orleans Airport in 1982. According to a study done by the National Academy of Sciences, between 1964 and 1982, windshear resulted in 27 airplane incidents or accidents.

The new generation of weather radars can prevent potential future tragedies like the Dallas, New Orleans, and New York tragedies from ever occurring. The NEXRAD radar can detect microbursts, the most threatening type of windshear, as well as other threatening weather conditions. Although the NEXRAD radar was built to detect weather patterns while a plane is enroute, the radar can be adapted to monitor weather disturbances during flight landings and takeoffs—when windshear conditions are most dangerous.

I am pleased that the committee recognizes that the detection of windshear is so vital that we should not wait for the deployment of the doppler weather radar.

When the doppler weather radar is ready to be deployed, the NEXRAD weather radars will be redeployed to detect inflight weather conditions, as it was originally intended. The temporary deployment of NEXRAD radars to provide windshear information and other critical weather information is a cost-effective solution. But, more importantly, it is a solution which may save hundreds of American lives.

Mr. DREIER of California. Mr. Chairman, debate over funding for a project crucial to residents of southern California is conspicuously absent from today's consideration of appropriations for Federal transportation programs. That project is, of course, the Los Angeles Metro Rail System, and the lack of challenge to funding for the project contained in this bill is as significant as any of the numerous hurdles Metro Rail has overcome. This important link in southern California's development is finally becoming a reality.

I stated some years ago that Metro Rail was quite possibly the best use of Federal public transportation dollars, and my support for the project has only strengthened. The need for this system has increased with every day that has passed. The traffic problem in downtown Los Angeles has certainly not gone away, nor has the rapid development of commercial space abated. No one believes that an 18-mile rail system can solve all the transit problems of a city as large and complex as Los Angeles. But that system will be the linchpin of a truly modern transit system which will serve commuters for decades to come.

Metro Rail has solved every challenge to its construction, and outlasted every delay. The Los Angeles business community's support for this project, which includes the highest private funding participation of any mass transit project, has endured. And today, Congress is holding up its part of the bargain. Metro Rail is finally on the way.

Mrs. COLLINS. Mr. Chairman, I rise in support of H.R. 5205, Department of Transportation Appropriations for fiscal 1987.

The Appropriations Committee, and especially the gentleman from Florida [Mr. LEHMAN], have done an exceptional job in fashioning this bill.

I have two quick comments to make on items of special interest to me and my Government Activities and Transportation Subcommittee.

The first comment is on this legislation's provision to direct the Amtrak inspector general to investigate claims of employee abuse. For the past 2 years, my subcommittee has investigated claims that Amtrak management has systemmatically violated fair-employment practices. We have been only partially successful in forcing Amtrak management to address this problem. Their reaction, overall, has been to wait for this attention to management terror to die down.

Mr. Chairman, the Appropriations Committee, with their bill, has sent an unmistakable signal to Amtrak management. The employee grievance procedures and equitable dismissal policies are being watched carefully. I commend Congressman LEHMAN and his subcommittee for their efforts.

Let me mention a second provision on this bill which also deserves support. H.R. 2505 provides for a Department of Transportation study of the flow of hazardous materials on our Nation's highways. I will not go into great detail here today, except to say that this study is badly needed and the Appropriations Committee is to be commended for recognizing that need.

Federal policy toward emergency preparedness for hazardous materials transportation accidents has essentially been to let States and localities fend for themselves. Since so much of this dangerous cargo moves interstate, a clear Federal role exists in informing States and localities about the types and frequency of hazardous material moving in their community. With this information, then, States and localities can better prepare for any emergencies. They can better target resources. They can avoid having to set-up unnecessary emergency equipment.

Mr. Chairman, a hazardous material flow study is long overdue. It will not be expensive, yet it can save lives and property. Hearings by my subcommittee and by other subcommittees have documented the need for a Federal census of hazardous cargo.

I support these provisions as well as the entire bill.

I urge its adoption.

Mr. RAHALL. Mr. Chairman, today I rise in strong support of H.R. 5205, Transportation Appropriations for fiscal year 1987. Included in

the legislation are appropriations for many programs which are of great importance not only to my State of West Virginia but to the entire Nation. Among the highlights of the bill are funding for the Federal Aviation Administration, obligations for Federal-aid highways, funding for the urban mass transportation formula grant program, and obligations for the discretionary grant program of the Urban Mass Transportation Administration. There is a general provision of H.R. 5205 which provides that the air traffic controllers who were fired as a result of the 1981 strike shall not, as a whole, be barred from reemployment as air traffic controllers. Another general provision prohibits the take-off and landing of any foreign air carrier aircraft owned directly or indirectly by the South African Government or by South African nationals.

The bill also includes funding for Amtrak; included is a total of $613 million for grants to Amtrak. Although President Reagan has consistently proposed the elimination of Federal aid to Amtrak, the Congress has repeatedly rejected his proposals. It is expected that this funding level will allow for the continuation of all existing routes and services. This includes the Cardinal line which runs through southern West Virginia and provides one of the only means of transportation for many in that area. We have suffered the loss of bus service and other essential transportation systems throughout West Virginia and cannot afford a loss of Amtrak services. I strongly support this funding provision of the bill.

Mr. LEHMAN of Florida. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. BROWN of California] having assumed the chair, Mr. PANETTA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5205) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1987, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER pro tempore. Pursuant to House Resolution 507, an amendment striking the colon and all that follows on page 23, line 19 through line 25 and inserting a period in lieu thereof is considered as having been agreed to.

Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

□ 2100

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 329, noes 87, not voting 15, as follows:

[Roll No. 270]

AYES—329

Ackerman	Davis	Howard
Akaka	Dellums	Hoyer
Alexander	Derrick	Huckaby
Anderson	Dickinson	Hughes
Andrews	Dicks	Hutto
Annunzio	Dingell	Jacobs
Anthony	DioGuardi	Jeffords
Applegate	Dixon	Jenkins
Aspin	Donnelly	Johnson
Atkins	Dorgan (ND)	Jones (NC)
AuCoin	Dowdy	Jones (OK)
Barnard	Downey	Jones (TN)
Bateman	Duncan	Kanjorski
Bates	Durbin	Kaptur
Beilenson	Dwyer	Kasich
Bennett	Dymally	Kastenmeier
Bentley	Dyson	Kemp
Bereuter	Early	Kennelly
Berman	Eckart (OH)	Kildee
Bevill	Edwards (CA)	Kleczka
Biaggi	Edwards (OK)	Kolter
Bilirakis	Emerson	Kostmayer
Bliley	English	Kramer
Boehlert	Erdreich	LaFalce
Boggs	Evans (IL)	Lantos
Boland	Fascell	Leath (TX)
Boner (TN)	Fazio	Lehman (CA)
Bonior (MI)	Feighan	Lehman (FL)
Bonker	Flippo	Leland
Borski	Florio	Lent
Bosco	Foglietta	Levin (MI)
Boucher	Foley	Levine (CA)
Boxer	Ford (MI)	Lewis (CA)
Brooks	Ford (TN)	Lewis (FL)
Broomfield	Frank	Lipinski
Brown (CA)	Franklin	Livingston
Bruce	Frost	Lloyd
Bryant	Fuqua	Loeffler
Burton (CA)	Gallo	Long
Bustamante	Garcia	Lowery (CA)
Byron	Gaydos	Lowry (WA)
Callahan	Gejdenson	Luken
Carper	Gekas	Madigan
Carr	Gephardt	Manton
Chandler	Gibbons	Markey
Chapman	Gilman	Martin (NY)
Chappell	Glickman	Martinez
Clay	Goodling	Matsui
Clinger	Gordon	Mavroules
Cobey	Gray (IL)	Mazzoli
Coble	Gray (PA)	McCain
Coelho	Green	McCloskey
Coleman (MO)	Guarini	McCollum
Coleman (TX)	Hall (OH)	McCurdy
Collins	Hamilton	McDade
Conte	Hammerschmidt	McGrath
Conyers	Hatcher	McHugh
Cooper	Hawkins	McKernan
Coughlin	Hayes	McKinney
Courter	Hefner	McMillan
Coyne	Hendon	Mica
Crockett	Henry	Michel
Daniel	Hillis	Mikulski
Darden	Holt	Miller (CA)
Daschle	Horton	Mineta
Mitchell	Roemer	Stratton
Moakley	Rogers	Studds
Molinari	Rose	Sundquist
Mollohan	Rostenkowski	Swift
Montgomery	Roth	Synar
Moody	Roukema	Tallon
Morrison (CT)	Rowland (CT)	Tauzin
Morrison (WA)	Rowland (GA)	Taylor
Mrazek	Roybal	Thomas (GA)
Murphy	Russo	Torres
Murtha	Sabo	Torricelli
Myers	Savage	Towns
Natcher	Saxton	Traficant
Neal	Schaefer	Traxler
Nelson	Scheuer	Udall
Nichols	Schneider	Valentine
Nowak	Schroeder	Vander Jagt
Oakar	Schuette	Vento
Oberstar	Schulze	Visclosky
Obey	Schumer	Volkmer
Olin	Seiberling	Vucanovich
Ortiz	Sharp	Waldon
Owens	Shaw	Walgren
Panetta	Shelby	Watkins
Parris	Sikorski	Waxman
Pashayan	Sisisky	Weaver
Pease	Skeen	Weiss
Pepper	Skelton	Wheat
Perkins	Slattery	Whitley
Pickle	Smith (FL)	Whitten
Porter	Smith (IA)	Williams
Price	Smith (NE)	Wilson
Pursell	Smith (NJ)	Wirth
Quillen	Smith, Robert (OR)	Wise
Rahall	Snowe	Wolf
Rangel	Snyder	Wolpe
Regula	Solarz	Wortley
Reid	Spratt	Wright
Richardson	St Germain	Wyden
Ridge	Staggers	Yates
Rinaldo	Stallings	Yatron
Ritter	Stangeland	Young (AK)
Robinson	Stark	Young (FL)
Rodino	Stokes	Young (MO)
Roe		Zschau

NOES—87

Archer	Hall, Ralph	Packard
Armey	Hansen	Penny
Badham	Hartnett	Petri
Bartlett	Hertel	Ray
Barton	Hiler	Roberts
Boulter	Hopkins	Rudd
Brown (CO)	Hubbard	Sensenbrenner
Burton (IN)	Hunter	Shumway
Campbell	Hyde	Shuster
Chappie	Ireland	Siljander
Cheney	Kindness	Slaughter
Coats	Kolbe	Smith, Denny (OR)
Combest	Lagomarsino	Smith, Robert (NH)
Craig	Latta	Solomon
Crane	Leach (IA)	Spence
Dannemeyer	Lightfoot	Stenholm
Daub	Lott	Strang
DeLay	Lujan	Stump
DeWine	Lungren	Sweeney
Dornan (CA)	Mack	Swindall
Dreier	Marlenee	Tauke
Eckert (NY)	Martin (IL)	Thomas (CA)
Evans (IA)	McCandless	Walker
Fawell	Meyers	Weber
Fields	Miller (OH)	Whitehurst
Frenzel	Miller (WA)	Whittaker
Gingrich	Monson	Wylie
Gonzalez	Moorhead	
Gradison	Nielson	
Gregg	Oxley	

NOT VOTING—15

Barnes	Edgar	Gunderson
Bedell	Fiedler	Lundine
Breaux	Fish	MacKay
Carney	Fowler	McEwen
de la Garza	Grotberg	Moore

□ 2110

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPORT ON H.R. 5294, TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATION BILL, 1987

Mr. ROYBAL, from the Committee on Appropriations, submitted a privileged report (Rept. No. 99-723) on the bill (H.R. 5294) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies for the fiscal year ending September 30, 1987, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

Mr. SKEEN reserved all points of order on the bill.

REPORT ON RESOLUTION OF INQUIRY DIRECTING THE PRESIDENT TO PROVIDE INFORMATION CONCERNING ACTIVITIES OF LT. COL. OLIVER NORTH REGARDING ASSISTANCE TO NICARAGUAN RESISTANCE

Mr. NICHOLS, from the Committee on Armed Services, submitted a privileged report (Rept. No. 99-724, Part I) on the resolution (H. Res. 485) directing the President to provide to the House of Representatives certain information concerning activities of Lt. Col. Oliver North or any member of the staff of the National Security Council in support of the Nicaraguan resistance, which was ordered to be printed.

REPORT ON LIBYAN SANCTION REGULATIONS OF 1986—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-249)

The SPEAKER pro tempore (Mr. HUTTO) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and the Committee on Ways and Means and ordered to be printed:

(For message, see proceedings of the Senate of today, July 30, 1986.)

TRIBUTE TO HON. JOHN N. DALTON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia [Mr. BATEMAN] is recognized for 5 minutes.

Mr. BATEMAN. Mr. Speaker, I rise in great sorrow to advise my colleagues of the untimely death at age 55 of a distinguished son of the Commonwealth of Virginia who was also an outstanding Governor of the Commonwealth, the Honorable John N. Dalton, who lost his courageous struggle with cancer earlier today.

It was my pleasure to have known John Dalton in his role as a devoted and loving husband and father. The quality of his personal family and professional life was exemplary and carried over into his career as a public servant. John Dalton and I served together in the General Assembly of Virginia, he as a member of the House of Delegates originally, and I as a member of the Virginia Senate.

Later he was elected to the Senate, and in 1973 was elected Lieutenant Governor of Virginia. In that capacity he served as president of the Virginia Senate.

He was an able and an effective legislator, presiding officer of the senate, and in 1977 the people of Virginia elected him Governor of our Commonwealth.

John served as our Governor with great distinction and with the dignity and integrity that have so long been associated with that high office.

My personal relationship with John Dalton was always a close and friendly one. It became even closer during the time he served as our Lieutenant Governor and Governor.

Along with the many thousands of his friends, I mourn his passing and will miss him greatly. These words are grossly inadequate to express the loss that I feel and the profound condolences I would communicate to my dear friend's wife, Eddie, their four children, and all the Dalton family.

□ 2125

Virginia takes pride in John Dalton, for he was indeed one of Virginia's finest sons.

TRIBUTE TO BISHOP WILLIAM R. JOHNSON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 5 minutes.

Mr. DORNAN of California. Mr. Speaker, I also rise in sorrow tonight because one of the shepherds of the Catholic Church in America, our wonderful bishop of the Diocese of Orange in California passed away yesterday. Bishop Johnson of Orange County was truly one of those princes of the church who dedicated his entire life to the service of others.

Bishop William R. Johnson went to his eternal reward on Monday, July 28, after a heart attack. He was installed as the first and the only bishop of the Diocese of Orange in a ceremony at the Holy Family Cathedral on June 19, 1976, after that diocese had been carved out of the massive and growing Diocese of Los Angeles, the largest Catholic diocese in the United States.

In 10 years, with the continued rapid growth of Orange County, Bishop Johnson utilized a management style that encourage those around him to participate actively in the administration of his diocese. He was always ready to listen to new ideas and to put those ideas to work for the benefit of his See.

He was a very warm and friendly and a relaxed person. I recall him saying, "It is just not enough to know the formulas; you have to do something and to be someone." Well, Bishop Johnson certainly made his mark. He has been an inspiration to all those who knew him.

He was not only a friend to the Roman Catholic community, but to the poor and to the immigrant community of all backgrounds in Orange County. One of his pet projects was the establishment of subsidized housing for poor seniors. He was also very concerned with the youth of our county, as demonstrated by the Youth Ministries Program developed in each one of his parishes.

Bishop Johnson's dedication started at a very early age. He attended St. Ignatius Roman Catholic Church and its elementary school in Highlands Park. At that time he decided to become a priest because, "the priests in my parish were happy men," he said.

If you will forgive me an aside, it is probably they were not dabbling in politics. In those days when he was a young man, the focus was on the city of God, not the city of man.

After graduating from Los Angeles in 1938, Bill Johnson attended St. Patrick's Seminary in Menlo Park, and then on to St. John's Seminary in Camarillo where my brother spent 5 happy years. He was ordained May 28, 1944. Bishop Johnson then earned a master's degree in social work at our own Catholic University of America here in the District of Columbia.

In 1948, he was appointed assistant director of the Catholic Welfare Bureau and became director of that organization in 1956. Along with his work as director of the Welfare Bureau, Bishop Johnson served as the pastor of Holy Name Church in Los Angeles from 1962 to 1968, and then as pastor of one of my former parishes, American Martyrs in Manhattan Beach from 1968 to 1970.

Pope Paul VI named him Auxiliary Bishop of Los Angeles in 1971—5 years later, he launched the clerical ship of state in Orange County.

He was for all these years a champion of the preborn. Those of us who are proud to be called right-to-lifers are going to miss him.

He is survived by two brothers, Jorgen and Thomas, and a sister, Margaret Prindle.

We all ask that this blessed man remember us as we will never forget him, and we will remember him in our prayers.

As a great right-to-life bishop, he is probably at his eternal reward spot taking great delight in a breaking

story today that I find absolutely miraculous.

A young baby was born today from the womb of her mother who had died 7 weeks ago. Young "miracle baby," Michele Odette Poole, was born this morning at 8:53, 4 pounds and 5 ounces. Her mother had been declared dead, brain dead, over 50 days ago.

The mother had fallen ill on just June 4, and 3 days later she went into a coma, and it was declared that her brain had died, that she was a dead person. But she was on a heart machine and a lung machine. Those machines turned that mother's earthly body into one giant placenta, one womb, whose only function was to nurture the life of a separate human being inside of her with a separate genetic code, with a different life system, a different blood system.

She happened to be a black lady, and her child was the most aborted child in America today, a female of Afro heritage.

I think this is a lesson to everyone in this Chamber, and it is a lesson to those of us who passed a pro-life amendment last Thursday on the District of Columbia and the Thursday before that to cut off abortions in our prison system.

Her father, Derrick Poole, was absolutely correct when he said that, "This is a miracle baby that yawned and sneezed and smiled at me today. She will grow up to be a fine young lady."

Mr. Speaker, I want to insert the AP Wire Service on little Michele Odette Poole in the RECORD and the longer story over the wire services pointing out that six children have been born from dead mothers the last few years in America. And there is another court challenge going on right now to stop a father from killing a child in the womb of his dead wife, the dead mother, but the child has a separate life.

The articles follow:

BABY UPDATE

(By Delthia Ricks)

SANTA CLARA, CALIF.—A robust baby Michele "yawned, sneezed and smiled" as her father held her Wednesday, moments after delivery by Caesarean section from her brain-dead mother.

"She's a miracle baby," Derrick Poole, 31, father of the infant, said during a news conference at Kaiser Permanente Hospital. "She looked at me and yawned, sneezed and smiled."

"I'm very nervous, very nervous but a happy father," Poole told more than 50 reporters.

Michele Odette Poole was delivered at 8:53 a.m. and "if anything she appears more mature than other babies of the same gestational age," said infant specialist Dr. Stephen Fernbach.

The baby, delivered at 32½ weeks of gestation, "is normal in every way," Fernbach said.

The mother, Marie Odette Henderson, 34, a school teacher whose last words to Poole were, "take care of the baby," was declared brain dead June 7 following an unsuccessfully operation for a tumor in her head.

She was disconnected from life-support systems shortly after the delivery of Michele, Dr. Donald Dyson said. He declined to elaborate on the condition of Henderson's body while on life-support systems during the past 7½ weeks.

HEALTHY BABY BORN TO BRAIN-DEAD MOTHER

(By Laura Castaneda)

SANTA CLARA, CALIF.—Derrick Poole on Wednesday became the father of a healthy baby girl, born by Caesarean section to his fiancee, who was kept on life support for 7½ weeks under court order.

"I know how it feels to be a father now. She looked at me and I looked at her. I only wish Odette were here," Poole said.

The baby, Michele Odette Poole, had been the focus of a court fight between the mother's parents, who wanted doctors to disconnect life-support systems when their daughter died, and Poole, who wanted to protect the fetus.

Marie Odette Henderson, 34, was six months pregnant when she collapsed June 4 because of a stroke caused by a golf ball-sized brain tumor. She was declared legally dead three days later.

Shortly after the delivery, Ms. Henderson was disconnected from life sustaining machinery and died.

"I'm very happy about the outcome for Michele, but I'm still grieving a little bit" for his fiancee, Poole said Wednesday. "Michele's birth today makes things a little easier. When I looked into her eyes, I could see the extension from Odette into her."

Doctors decided to deliver the 32-week fetus Wednesday morning after getting results of an amniocentesis Tuesday that showed the baby's lungs were mature enough.

Dr. Donald Dyson, chief of perinatology at Kaiser Permanente Hospital, delivered the baby by Caesarean section at 8:53 a.m., hospital officials said. She weighed 4 pounds, 5 ounces at delivery and was 16½ inches long.

"The C-section delivery was uncomplicated and Michele breathed on her own after birth," said hospital spokeswoman Denise Clarke.

Dyson said he was surprised the mother was sustained on life-support machinery for 7½ weeks.

"Only 5 percent of all brain-dead people survive more than two weeks on life support," Dyson said after the birth. He said he knew of only five cases of babies being delivered from brain-dead mothers.

Dr. Stephen Fernbach, who will be treating the baby, said she probably will be ready to leave the hospital in 7 to 10 days.

"She was more mature and more vigorous than I expected. She's a real pretty baby," said Fernbach, the director of the neonatal intensive care unit at Kaiser. "She was more active than many normal deliveries. She was raring to go."

Poole met Ms. Henderson last year at a party. They were looking forward to their wedding and Michele's birth when Ms. Henderson went into the coma.

After he decided to fight to keep the fetus alive, Poole called the Right to Life group in San Francisco, which put him in touch with attorney Mark Swendsen.

Swendsen helped Poole challenge the decision to pull the plug and they eventually obtained a court order to keep the life-support systems connected. An agreement also was reached with Ms. Henderson's parents, Edna and Otis Henderson of Detroit, and Poole was granted custody of the child.

The last time he visited her, Poole said, he told Ms. Henderson the fetus would be OK.

"Then, she did like a final release. She inhaled, then exhaled and then she started crying. . . . Later on that night, she passed away."

THE WAR ON DRUGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 60 minutes.

Mr. WALKER. Mr. Speaker, over the last couple of weeks in the House, we have been discussing an issue that all America recognizes is a serious social issue confronting this country, and that is the drug epidemic that is confronting nearly every city, nearly every town, every township, and every county across the country.

We have been talking in this body about the need to declare a war on drugs, about the need to modify our laws in order to get tougher on drug dealers, in order to get tougher on drug producers, in order to do those things that are necessary in order to take the drug epidemic off our streets.

During the period of that discussion, during the period of the formulation of a bipartisan consensus around which we hope the House can unite for a war on drugs, we have also been considering the appropriation bills that will fund the Government for the next year.

The war on drugs is going to be an expensive one. It cannot be fought without some money allocated by this Congress to do the fight. It will be of little use in a war on drugs if we pass a ream of authorization bills come sometime next month and have no money to pay for doing what we commit ourselves to. It will be of little use to pass bills that have no money to back them up.

□ 2135

Yet, day after day after day this House is making a determination to do exactly that. To put into place programs that do not have sufficient funding to really go after the war on drugs. You have to do something in the Drug Enforcement Administration; you have got to do something in cities like Washington, DC. You have got to do something in the Coast Guard. You have got to do something in the Customs Service. You have got to do something in the Department of Education in order to have the programs necessary to meet the battle.

The Drug Enforcement Administration has to have sufficient agents; it has to have the kind of programs that will give them additional manpower and additional resources to fight the war on drugs.

Cities like the District of Columbia need to have additional resources in the police department to clean the drug dealers off the streets. The Coast Guard needs additional material and additional men in order to do the job of drug interdiction.

In the Department of Education we need the kind of programs that will allow us to teach people about the horror that drugs represent in our society. The Customs Service needs sufficient resources in order to be an interdiction point against drugs in this country.

What I have attempted to do, along with some of my colleagues, is to offer amendments to look at things of lesser priority in our budget and decide that we will take funding out of those items and put it into the drug war. We have offered now several amendments on the House floor designed specifically to do that. Each time this House has decided that there are things more important than the war on drugs.

I think that is disappointing. I think it believes all the talk that is going on about a war on drugs if we are not willing to rearrange our priorities in ways to fight the war on drugs. Over the last couple of weeks we have been offered alternatives on the floor to cut money out of the Economic Development Administration [EDA], and put it into the Drug Enforcement Administration [DEA]. A reversal of alphabet; a reversal of priorities.

What was the money in EDA for? It was for largely pork-barrel projects that this Congress loves because we can go out to communities and tell people that we have gotten this money for the community. This Member believes that if you are going to get serious about fighting a war on drugs, you can give up the pork barrel in order to get additional money for an agency like the Drug Enforcement Administration. That was what the House was offered. The House was offered that balance. Take $50 million out of EDA, out of pork barrel, and put it in DEA to fight the war on drugs. This House turned down that amendment.

A few days later we had the District of Columbia appropriation before us. There we took a look and tried to figure out what might be of lesser priority. An item that we found down in the bill was an item to promote the arts and humanities in Washington, DC; $2.3 million being spent for it. It was determined that we could take $1 million out of that program and put it over into the police for the drug war. It would be a significant cut in the arts and humanities budget. On the other hand, it would be a significant addition to the police in the war on drugs. The question again was one of priorities. What do you want to do with the scarce resources that we have as a Congress?

Again, the House decided it was more important to have the money in the Arts and Humanities budget than it was to put it over for the police to fight drugs. The House made that determination.

Today, we looked at the Coast Guard. We know that the Coast Guard is going to need under some of the bills that are already introduced for our bipartisan war on drugs an additional $90 million to do the job. Forty million dollars of that is to get 1,500 additional people for the Coast Guard manpower pool.

What we looked at was not getting the entire $90 million or even getting the entire $40 million. We found room to get $20 million, and where did we find it? We found it in another law enforcement priority of the Federal Government; namely, enforcement of the 55-mile-an-hour speed limit. The arguments were made on the floor about the value of that 55-mile-per-hour speed limit and the things that it has done.

The question before the House though is what is your priority. If you want police spending their time enforcing the law, what do you want them doing? Do you want them going after drug dealers or do you want them going after people driving 56 miles an hour on interstate expressways?

The House made its determination. The House said it was more important going after people driving 56 miles an hour than it was to go after drug dealers. The House's sense of priorities was not a war on drugs; the sense of priorities was elsewhere.

Now, we are going to have some other opportunities to look at that war again. Tomorrow, when a bill comes to the floor, the Department of Education appropriation will be in it. In that particular bill, we have a hope of offering an amendment that will put additional moneys into the Drug Education Program to allow schoolchildren across this country to understand what the drug epidemic and the drug crisis is all about. It is certainly this gentleman's hope that the House will not again flinch from the war on drugs, but instead will decide to rearrange our priorities in such a way as to put additional moneys, some $15 million of additional moneys, into drug education.

On Friday, we will have before us the Postal and Treasury appropriation; that is where the Customs Service is. In that bill we will also try to find additional resources for the Customs Service so that they can fight the war on drugs. It will be this gentleman's hope that the House will garner the courage to do something real about the war on drugs and appropriate some money toward fighting the battle.

It has been, I must say, somewhat frustrating to hear Members come to the floor time after time after time saying, "Well, yes, we are against drugs too, we want to do something, but you cannot do it here, you cannot do it on our program."

In fact, we have even had some Members come to the floor and say, "It is unfair to pit these priorities one against the other. It is unfair to pit the EDA against the DEA. To pit pork barrel that we love against fighting the war on drugs. That is unfair to us. You ought not have to make us make that kind of choice."

I thought that it was what we were elected to do. I thought that is one of the things that we were elected to do here and that is make tough choices. If we really do believe that there is a drug epidemic and a drug crisis in this country it is going to require some tough choices. The question is are we willing to make the tough choices in order to fight the war on drugs. So far, this House's answer to that question is **"No; we are not. We are not willing to** make the tough choices in order to find the resources necessary to fight the war."

Let us understand that if we get to a time when we have approved a lot of bills delineating a war on drugs, we will be left with no money to do it because all of the appropriations subcommittees are coming to the House floor spending out nearly everything that they are allocated under the budget. In some cases on outlay figures they are even over the budget. So there is no room within our budget to find additional resources for the war on drugs. So if we do not rearrange our priorities to find those resources, there will be no money. Unless, of course, and I am sorry to say the Speaker has already suggested that this might be the case, unless of course we bust the budget. We just decide that our commitment to balancing the budget by 1991 is not important enough to decide priorities and so for this case we are going to bust the budget.

I would hope, once again, in making tough choices that this House will understand that there is a need to face our deficit problem as well as our drug problem and that we will choose to find places where we can eliminate spending that is of a lesser priority in order to have spending of a greater priority, namely, the drug war.

□ 2145

We ought not be in the process of looking for ways to bust the budget. We ought to try to live within the budget. That is what we have attempted to do on the floor in the last several days as we have considered appropriation bills. We have attempted to find the resources necessary to really con-

duct the all-out battle that is needed against drugs in the future.

It will not be good enough to simply pass legislation and say that we have done the job. Too often Congress does that. We pass the bill and assume that the fight has been won. That is not going to be good enough here.

We are talking about a hundred-billion-dollar industry, the drug industry, and they are not going to be impressed that Congress has passed a couple of pieces of legislation and then abandoned the war at that point. They will only be impressed when we marshal the resources necessary to win that war. They will only be stopped when we put those resources into action.

We have the obligation to make those resources available. We have got to do it within the appropriations process, and we are not doing it. That is a tragedy. That is a tragedy that the American people should focus on, because if the American people believe that something needs to be done to stop our kids from being faced with the drug distributors and the drug dealers and the drug producers and having their lives ruined by people who want only ill for them, then they should focus on what this House is doing.

This House is not doing what is necessary to stop drugs in this country. The House needs to rearrange its priorities.

Mr. Speaker, we need a war on drugs. We need to begin funding a war on drugs. We need to start right here.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SLAUGHTER) to revise and extend their remarks and include extraneous material:)

Mrs. BENTLEY, for 5 minutes, today.

Mrs. BENTLEY, for 30 minutes, on August 6.

Mrs. BENTLEY, for 30 minutes, on August 13.

Mr. DORNAN of California, for 5 minutes, today.

Mr. WALKER, for 60 minutes, today.

Mr. BATEMAN, for 5 minutes, today.

(The following Members (at the request of Mr. HOYER) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. STOKES, for 60 minutes, on July 31.

Mr. GLICKMAN, for 5 minutes, on August 1.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BIAGGI, and to include extraneous matter, notwithstanding the fact that it exceeds 2 pages of the RECORD and is estimated by the Public Printer to cost $1,600.

Mr. MARLENEE on the Walker amendment to H.R. 5205 in the Committee of the Whole today.

(The following Members (at the request of Mr. SLAUGHTER) and to include extraneous matter:)

Mrs. BENTLEY.
Mr. BOEHLERT.
Mr. CLINGER.
Mr. CRANE.
Mr. WEBER.
Mr. COURTER in three instances.
Mr. SHUSTER.
Mrs. SCHNEIDER.
Mr. KINDNESS.
Mr. PURSELL.
Mr. FRENZEL.
Mr. GRADISON in two instances.
Mr. GINGRICH.
Mr. DORNAN of California in three instances.
Mr. LEWIS of Florida.
Mr. LAGOMARSINO.

(The following Members (at the request of Mr. HOYER) and to include extraneous matter:)

Mr. BARNES in two instances.
Mr. STOKES.
Mr. MAZZOLI.
Mr. MRAZEK.
Mr. WEISS.
Mr. DORGAN of North Dakota.
Mr. BRYANT.
Mr. LEVINE of California.
Mr. VENTO.
Mr. HALL of Ohio.
Mr. MORRISON of Connecticut.
Mr. CLAY.
Mr. MINETA.
Mr. SOLARZ in two instances.
Mr. BORSKI.
Mr. BERMAN.
Mr. ECKART of Ohio.
Mr. UDALL.
Mr. RODINO.
Mr. TRAFICANT.
Mr. WYDEN.
Mrs. COLLINS.
Mr. FLORIO.
Mr. MURPHY.
Mr. STALLINGS.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

On July 29, 1986:

H.R. 1406. An act to authorize appropriations for nongame fish and wildlife conservation during fiscal years 1986, 1987, and 1988;

H.R. 2991. An act for the relief of Betsy L. Randall; and

H.J. Res. 623. Joint resolution to authorize the designation of a calendar week in 1986 and 1987 as National Infection Control Week.

ADJOURNMENT

Mr. WALKER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 47 minutes p.m.), the House adjourned until tomorrow, Thursday, July 31, 1986, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3976. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Department of the Army's proposed Letter(s) of Offer to the Netherlands for defense articles and services (Transmittal No. 86-47), pursuant to 10 U.S.C. 133b (96 Stat. 1288); to the Committee on Armed Services.

3977. A letter from the Director, Defense Security Assistance Agency; transmitting notice of the Department of the Army's proposed Letter(s) of Offer to the Netherlands for defense articles and services (Transmittal No. 86-47), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

3978. A letter from the Chairman, Federal Maritime Commission, transmitting a report on compliance with the laws relating to open meetings of agencies of the Government (Government in the Sunshine Act), pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3979. A letter from the Administrator, General Services Administration; transmitting results of investigations of the cost of travel to Federal employees while engaged on official business, pursuant to 5 U.S.C. 5707(b)(1); to the Committee on Government Operations.

3980. A letter from the Assistant Attorney General; transmitting reports entitled "America's Habit: Drug Abuse, Drug Trafficking, and Organized Crime" and "The Edge: Organized Crime, Business and Labor Unions"; to the Committee on the Judiciary.

3981. A letter from the Secretary of Energy, transmitting a comprehensive technology application and market development plan for ocean thermal energy, pursuant to Public Law 96-310, section 6(b); to the Committee on Science and Technology.

3982. A letter from the Secretary of Defense, transmitting a report describing the specific operational requirements which must be achieved by the Bigeye binary chemical bomb, the performance of the system during operational testing, and exceptions to the operational criteria deemed acceptable by the Department of Defense, pursuant to Public Law 99-145, section 1411(d); Public Law 99-190, section 8093; jointly, to the Committees on Armed Services and Appropriations.

3983. A letter from the Secretary of Health and Human Services, transmitting a report on the fiscal year 1985 Low Income Home Energy Assistance Program, pursuant to 42 U.S.C. 8629(b); jointly, to the Committees on Education and Labor and Energy and Commerce.

3984. A letter from the Secretary of State, transmitting the annual report on the status of the State Department professional development program, pursuant to 22 U.S.C. 4023(f); jointly, to the Committees on Foreign Affairs and Post Office and Civil Service.

3985. A letter from the Secretary of Transportation and the Director, Federal Emergency Management Agency, transmitting a report entitled "Hazardous Materials Training, Planning, and Preparedness", pursuant to 49 U.S.C. app. 1813(b); jointly, to the Committees on Public Works and Transportation and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FASCELL: Committee on Foreign Affairs. H.R. 5081. A bill to authorize additional economic and military assistance for the Philippines, with amendments (Rept. 99-722). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROYBAL: Committee on Appropriations. H.R. 5294. A bill making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1987, and for other purposes (Rept. 99-723). Referred to the Committee of the Whole House on the State of the Union.

ADVERSE REPORTS

Under clause 2 of rule XIII,

Mr. NICHOLS: Committee on Armed Services. H. Res. 485. Resolution directing the President to provide to the House of Representatives certain information concerning activities of Lieutenant Colonel Oliver North or any other members of the staff of the National Security Council in support of the Nicaraguan resistance (Rept. 99-724, Pt. 1). Ordered to be printed.

[Omitted from the Record of July 28, 1986]

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. ASPIN: Committee on Armed Services. H.R. 4351. A bill to withdraw and reserve for the Department of the Navy certain public lands within the Bravo-20 Bombing Range, Churchill County, Nevada, for use as a training and weapons testing area, and for other purposes; with amendments. Referred to the Committee on Merchant Marine and Fisheries for a period ending not later than August 8, 1986, for consideration of such provisions of the bill and amendments as fall within that committee's jurisdiction pursuant to clause 1(n), rule X (Rept. 99-689, Pt. 2). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DE LA GARZA (for himself, Mr. MADIGAN, Mr. JONES of North Carolina, Mr. JONES of Tennessee, Mr. ROSE, Mr. WHITLEY, Mr. HATCHER, Mr. TALLON, Mr. STAGGERS, Mr. THOMAS of Georgia, Mr. NICHOLS, Mr. DICKINSON, Mr. ERDREICH, Mr. SHELBY, Mr. CALLAHAN, Mr. BEVILL, Mr. FLIPPO, Mr. FOWLER, Mr. ROWLAND of Georgia, Mr. RAY, Mr. DARDEN, Mr. BARNARD, Mr. COBEY, Mr. HEFNER, Mr. VALENTINE, Mr. MCMILLAN, Mr. COBLE, Mr. NEAL, Mr. HENDON, Mr. SPRATT, Mr. CAMPBELL, Mr. SPENCE, Mr. DERRICK, Mr. HARTNETT, Mr. OLIN, Mr. FOLEY, and Mr. HUCKABY):

H.R. 5288. A bill to provide emergency assistance to farmers and ranchers adversely affected by this year's drought and excessively hot weather; to the Committee on Agriculture.

By Mr. JEFFORDS:

H.R. 5289. A bill to amend title IV of the Employee Retirement Income Security Act of 1974 to provide certain rules for application of the withdrawal liability provisions of part 1 of subtitle E of such title; to the Committee on Education and Labor.

By Mr. RODINO:

H.R. 5290. A bill to amend chapter 96 of title 18, United States Code; to the Committee on the Judiciary.

By Mr. MRAZEK:

H.R. 5291. A bill to require annual appropriations of funds necessary to support timber management and resource conservation on the Tongass National Forest; to the Committee on Interior and Insular Affairs.

BY Mr. RAY:

H.R. 5292. A bill to amend title 28, United States Code, to provide that LaGrange, GA, shall be an additional site for the U.S. District Court for the Northern District of Georgia; to the Committee on the Judiciary.

By Mr. SEIBERLING (for himself, Mr. RODINO, Mr. FISH, Mr. BROOKS, Mr. HYDE, Mr. EDWARDS of California, Mr. HUGHES, Mr. SYNAR, Mr. GLICKMAN, Mr. FEIGHAN, Mr. KASTENMEIER, Mr. FRANK, Mr. MORRISON of Connecticut, Mr. GEJDENSON, and Mr. BERMAN):

H.R. 5293. A bill to establish evidentiary standards for Federal civil antitrust claims based on resale price fixing; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.R. 5294. A bill making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1987, and for other purposes.

By Mr. PEPPER:

H.R. 5295. A bill to amend the Developmental Disabilities Assistance and Bill of Rights Act to authorize grants to university graduate programs which provide training in the care of elderly developmentally disabled persons; jointly, to the Committees on Energy and Commerce, and Education and Labor.

By Mr. DANNEMEYER:

H.J. Res. 689. Joint resolution to designate June 7, 1987, as "National Family Day"; to the Committee on Post Office and Civil Service.

By Mr. HOYER:

H. Con. Res. 374. Concurrent resolution relative to adjournment to a date certain during the remainder of the Ninety-ninth Congress; considered and agreed to.

By Mr. FRENZEL (for himself, Mrs. BOGGS, Mr. ANNUNZIO, Ms. OAKAR, Mr. CRANE, Mr. GINGRICH, Mr. PICKLE, Mr. LOTT, and Mr. FOLEY):

H. Con. Res. 375. Concurrent resolution designating the 1987 United States Capitol Historical Society "We The People" calendar as the official congressional calendar for the Bicentennial of the United States Constitution; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

437. By the SPEAKER: Memorial of the legislature of the State of California, relative to Cyprus; to the Committee on Foreign Affairs.

438. Also, memorial of the legislature of the State of California, relative to the use of food embargoes; to the Committee on Foreign Affairs.

439. Also, memorial of the legislature of the State of California, relative to the evacuation, relocation, and internment of persons of Japanese ancestry; to the Committee on the Judiciary.

440. Also, memorial of the legislature of the State of California, relative to Federal disaster assistance; to the Committee on Public Works and Transportation.

441. Also, memorial of the legislature of the State of California, relative to the Veterans' Administration; to the Committee on Veterans' Affairs.

442. Also, memorial of the senate of the State of California, relative to individual retirement accounts; to the Committee on Ways and Means.

443. Also, memorial of the senate of the State of Illinois, relative to Iran, Libya, and Syria; to the Committee on Ways and Means.

444. Also, memorial of the legislature of the State of California, relative to Santa Monica Bay; jointly, to the Committee on Energy and Commerce and Public Works and Transportation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

Mr. MITCHELL introduced a bill (H.R. 5296) for the relief of Egya Quaison-Sackey; which was referred to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1302: Mr. ACKERMAN, Mrs. BENTLEY, Mr. CLAY, Mr. DELLUMS, Mr. DIXON, Mrs. HOLT, Mr. HORTON, Mr. HYDE, Mr. MINETA,

Mr. RAHALL, Mr. RANGEL, and Mr. MORRISON of Connecticut.

H.R. 1946: Mr. BATEMAN, Mr. DELAY, Mr. MCMILLAN, and Mr. MILLER of Ohio.

H.R. 2952: Mr. DYMALLY, Mrs. COLLINS, Mr. PRICE, Mr. ACKERMAN, Mr. SAVAGE, Mr. JONES of North Carolina, and Mr. BEDELL.

H.R. 2984: Mr. BARTON of Texas, Mr. GARCIA, Mr. BILIRAKIS, and Mr. KOLBE.

H.R. 3102: Mr. GOODLING.

H.R. 3480: Mr. NIELSON of Utah and Mr. PACKARD.

H.R. 3555: Mr. DORGAN of North Dakota.

H.R. 3643: Mr. MARLENEE.

H.R. 4025: Mr. FAZIO, Mr. FISH, and Mr. TORRICELLI.

H.R. 4206: Mr. CALLAHAN, Mr. DICKINSON, Mr. FLIPPO, Mr. NICHOLS, Mr. BEVILL, and Mr. WYDEN.

H.R. 4222: Mr. WORTLEY.

H.R. 4450: Mr. BOUCHER and Mr. BOEHLERT.

H.R. 4633: Mr. WILLIAMS, Mr. NOWAK, Mr. BEDELL, Mr. KOSTMAYER, Mr. WYLIE, Mr. MINETA, and Mr. COBEY.

H.R. 4742: Mr. SEIBERLING and Ms. OAKAR.

H.R. 4787: Mr. PASHAYAN, Mrs. HOLT, and Mr. ECKART of Ohio.

H.R. 4820: Mr. MCDADE and Mr. BARNARD.

H.R. 4871: Mr. GUNDERSON, Mr. HUBBARD, Mr. YOUNG of Florida, and Mrs. BOXER.

H.R. 4876: Mr. WEBER.

H.R. 4910: Mr. STANGELAND.

H.R. 4945: Mr. FOGLIETTA and Mr. COBEY.

H.R. 5066: Mrs. BOXER, Mr. DURBIN, Mr. FAZIO, and Mr. WOLPE.

H.R. 5110: Mr. SIKORSKI.

H.R. 5156: Mrs. BENTLEY, Mr. JONES of North Carolina, and Mr. WORTLEY.

H.R. 5213: Mr. BATES, Mrs. BENTLEY, Mr. BERMAN, Mr. ECKART of Ohio, Mr. FLORIO, Mr. HORTON, Mr. HYDE, Mr. KANJORSKI, Ms. KAPTUR, Mr. LENT, Mr. LEVIN of Michigan, Mrs. MARTIN of Illinois, Mr. MCEWEN, Mr. RANGEL, Mr. RICHARDSON, Mr. SAVAGE, Mr. TORRICELLI, Mr. TRAFICANT, Mr. WALGREN, Mr. WAXMAN, and Mr. WYDEN.

H.R. 5225: Mr. RAHALL, Mr. GILMAN, Mr. BILIRAKIS, and Mr. LEWIS of Florida.

H.R. 5242: Mr. LIGHTFOOT.

H.J. Res. 133: Mr. MOORHEAD and Mr. ROBERT F. SMITH.

H.J. Res. 594: Mr. NIELSON of Utah.

H.J. Res. 619: Mr. SCHAEFER, Mr. ACKERMAN, Mr. YOUNG of Alaska, Mr. CARNEY, Mr. EDWARDS of Oklahoma, Mr. DERRICK, Mr. EVANS of Illinois, Mr. SOLARZ, Mr. MARTIN of New York, Mr. DELAY, Mr. SISISKY, Mrs. BURTON of California, Mr. RODINO, Mr. ROEMER, Mr. VOLKMER, Mr. CARR, Mr. HORTON, and Mr. GIBBONS.

H.J. Res. 678: Mr. SMITH of Florida, Mr. GILMAN, Mr. CHAPPIE, Mr. FASCELL, Mr. HORTON, Mr. RANGEL, Mr. RODINO, Mr. PASHAYAN, Mr. BLILEY, Mr. FUSTER, Mr. DIOGUARDI, Mr. MOORE, Mr. GEJDENSON, Mr. FAZIO, Mr. LELAND, Mr. AKAKA, Mr. FAUNTROY, Mr. MURPHY, Mr. HYDE, Mr. LAGOMARSINO, Mr. MONSON, Mr. MANTON, Mr. WORTLEY, Mr. MRAZEK, Mr. DYMALLY, Mr. MACK, Mr. BIAGGI, Mr. SAVAGE, Mr. HUGHES, Mr. MINETA, Mr. SCHUMER, Mrs. BOXER, and Mr. REID.

H.J. Res. 683: Mr. MARKEY.

H. Con. Res. 26: Mr. CONYERS.

H. Con. Res. 307: Mr. WHITEHURST.

H. Con. Res. 321: Mr. HOWARD, Mr. KOSTMAYER, Mr. NIELSON of Utah, Mrs. BENTLEY, Mr. CROCKETT, Mr. BARNARD, and Mr. LELAND.

H. Con. Res. 351: Mr. COELHO, Mr. GARCIA, Mr. YOUNG of Florida, Mr. CAMPBELL, Mr. ECKART of Ohio, Mr. VALENTINE, Mr. MCKINNEY, Mr. PRICE, Ms. SNOWE, Mr. WOLPE, Mr. LEHMAN of California, Mr. BATES, Mr. RICHARDSON, Mr. ROEMER, and Mr. PEPPER.

H. Res. 373: Mr. KLECZKA.

H. Res. 471: Mr. NEAL, Mr. ENGLISH, Mr. WIRTH, and Mr. ROGERS.

H. Res. 509: Mr. BUSTAMANTE, Mr. SAVAGE, Mr. MRAZEK, and Mr. KOSTMAYER.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 3921: Mr. MINETA.

H.R. 4096: Mr. MONSON.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

443. By the SPEAKER: Petition of the Agana Heights Municipal Planning Council, Agana, Guam, relative to Maj. Gen. Ellie G. Schuler, Jr.; to the Committee on Armed Services.

444. Also, petition of the House of Representatives of the Republic of Cyprus, relative to the visit of Cyprus of the Prime Minister of Turkey; to the Committee on Foreign Affairs.

445. Also, petition of the Board of Supervisors, County of Los Angeles, CA, relative to immigration reform legislation; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

[Reprinted with designating numbers from the Record of July 29, 1986]

H.R. 4428

By Mr. COURTER:

[1]—At the end of title II of division A (page 68, after line 4), insert the following new section:

SEC. 215. RECONFIGURATION OF STRATEGIC DEFENSE INITIATIVE PROGRAM.

(a) RECONFIGURATION OF SDI PROGRAM.—The Secretary of Defense shall, consistent with the provisions of the Anti-Ballistic Missile Treaty of 1972—

(1) reconfigure the Strategic Defense Initiative program; and

(2) initiate the development, testing, and deployment of systems for the defense of the United States against attack by strategic ballistic missiles.

(b) REQUIREMENTS.—To the maximum extent practicable, the reconfiguration required by subsection (a)(1) shall enable systems developed under the Strategic Defense Initiative program—

(1) to survive against determined defense suppression attacks;

(2) to provide the most effective protection for the largest possible area;

(3) to be cost-effective when deployed against the most effective or most probable countermeasures; and

(4) to be compatible with future systems for defense against strategic and tactical ballistic missiles, including systems designed to defeat ballistic missile threats during the boost phase, post-boost phase, midcourse phase, or terminal phase of their flight trajectory.

[2]—Page 42, after line 16, insert the following new subsection:

(d) BOOST SURVEILLANCE AND TRACKING SYSTEM.—Of amounts appropriated to the Defense Agencies other than the Strategic Defense Organization pursuant to authorizations in section 201, $100,000,000 is available only for the Boost Surveillance and Tracking System (BSTS) program.

[3] At the end of part B of title IX of division A (page 201, after line 14), insert the following new section:

SEC. 917. RELEASE OF TECHNICAL DATA.

(a) IN GENERAL.—Chapter 137 of title 10, United States Code, is amended by adding at the end the following new section:

§ 2325. Release of technical data

"(a) IN GENERAL.—

"(1) RELEASE OF DATA.—The Secretary of Defense shall, if required to release technical data under section 552 of title 5, release technical data to a person requesting such a release if such person pays all costs reasonably attributable to responding to such request, including reasonable charges for the costs of services of agency personnel relating to—

"(A) locating the technical data requested;

"(B) the review of such technical data to determine whether other restrictions apply; and

"(C) duplication and other processing charges.

"(2) REGULATIONS.—The Secretary of Defense shall prescribe regulations, pursuant to notice and receipt of public comment, specifying a uniform schedule of fees under this section.

"(b) DISPOSITION OF COSTS.—Amounts collected under this section shall be retained by the collecting agency and shall be used to reimburse the costs incurred in complying with requests for technical data.

"(c) WAIVER.—The Secretary of Defense shall waive the payment of costs required by subsection (a) which are in addition to costs under section 552 of title 5 if—

"(1) the request is made by a citizen of the United States or a United States corporation, and such citizen or corporation certifies that the technical data requested is required to enable such citizen or corporation to submit an offer or determine whether it is capable of submitting an offer to provide the product to which the technical data related to the United States or a contractor with the United States;

"(2) the release of technical data is requested in order to comply with the terms of an international agreement; or

"(3) the Secretary determines, in accordance with section 552(a)(4)(A) of title 5, that such a waiver is in the interests of the United States.

"(d) TECHNICAL DATA.—In this section, the term 'technical data' means formulae, designs, drawings, blueprints, technical manuals, or computer software.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2325. Release of technical data."

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect at the end of the 90-day period beginning on the date of the enactment of this Act.

[Amendment submitted July 30, 1986]

H.R. 1309

By Mr. CHANDLER:

—Page 2, beginning on line 6, strike out all of section 2 through line 10 on page 5, and

redesignate the succeeding sections and references thereto accordingly.

—Page 2, beginning on line 6, strike out all of section 2 through line 10 on page 5 and insert in lieu thereof the following:

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) potentially harmful substances and physical agents are in wide industrial and commercial use in the United States;

(2) workers may suffer disability or death or both from occupational diseases caused by hazardous occupational exposures;

(3) protecting occupational safety and health facilities interstate commerce and promotes the general welfare;

(4) early notification of exposure to harmful substances and physical agents often permits medical intervention in the biological process of disease to either prevent or, by early detection, successfully treat some disease conditions;

(5) workers should be informed of exposure to an occupational hazard and the risks of contracting an occupational disease from such exposure;

(6) there is a need for increased research to identify the causes of occupational diseases; and

(7) prevention and early detection of occupational disease may reduce the costs of medical treatment and care in the United States.

(b) PURPOSES.—It is the purpose of this Act—

(1) to establish a Federal program to require employers to notify workers that they are at risk because of a hazardous occupational exposure; and

(2) to establish a set of worker protections against discrimination on the basis of notification of occupational health hazards.

—Page 4, strike out lines 19 through 23 and insert in lieu thereof the following:

(1) to supplement the current programs administered under the Occupational Safety and Health Act of 1970 and the Federal Mine Safety and Health Act of 1977 by establishing a Federal program to notify employees within populations at risk of occupationally induced disease that they may be at risk because of a potentially hazardous occupational exposure and to counsel them appropriately;

—Page 5, strike out lines 13 through 20 and insert in lieu thereof the following:

(1) the term "employee" means any individual employed by an employer;

—Page 5, strike out lines 21 through 24 and insert in lieu thereof the following:

(2) the term "employer" means a person engaged in a business (A) that is within the manufacturing sector, as determined by reference to the standard industrial classification codes 20 through 29, and (B) that uses, or produces for use or distribution, a hazardous substance;

—Page 5, strike out lines 21 through 24 and insert in lieu thereof the following:

(2) the term "employer" means a person engaged in commerce or in an industry or business affecting commerce who is subject to the requirements of the Occupational Safety and Health Act of 1970;

—Page 5, line 23, insert after "commerce" the following: "who employs 10 or more individuals".

—Page 5, line 23, insert after "commerce" the following "who employs 50 or fewer individuals".

—Page 5, line 24, insert before the semicolon the following: ", except that such term shall not include any employer who has or creates a program for identifying, notifying, and medically monitoring employee populations at risk of occupational diseases (as determined by the Secretary pursuant to section 5 of this Act) that is determined by the Secretary to be at least as effective as the program required by this Act".

—Page 6, strike out lines 1 and 2 and insert in lieu thereof the following:

(3) the term "Secretary" means the Secretary of Labor;

Page 7, line 6, strike out "Assistant Secretary of Health" and insert in lieu thereof "Assistant Secretary of Labor for Occupational Safety and Health".

Page 18, lines 4 and 5, strike out "health centers established and certified under section 6 of this Act" and insert in lieu thereof "National Institute for Occupational Safety and Health".

—Page 6, strike out lines 3 through 7 and insert in lieu thereof the following:

(4) the term "population at risk" means an employee population which is exposed to hazardous occupational exposures and within which an associated disease occurs at a rate that is determined by a scientifically valid study to exceed, by a statistically significant amount, the rate within a comparable population not exposed to the hazardous occupational exposure;

—Page 6, strike out lines 17 through 19 and insert in lieu thereof the following:

(8) the term "medical monitoring" means one or more medical or laboratory examinations (of employees who are at risk of occupational disease) that are appropriate and effective for diagnosing or monitoring the occupational disease that the employees are at risk of contracting;

—Page 6, line 19, insert "and" after the semicolon; strike out lines 20 through 23; and on line 24, redesignate paragraph (8) as paragraph (7).

Page 17, line 4, strike out "in an ethical manner".

—Page 9, after line 4, insert the following new paragraph (and redesignate the succeeding paragraph accordingly):

(3) The Board shall promulgate regulations establishing the procedure for its review of medical and scientific studies and its identification of specific populations at risk of disease. Such regulations shall include a decisionmaking system for identifying such populations and shall be adopted, within 9 months after the effective date of this Act, in accordance with the requirements of section 6(b) of the Occupational Safety and Health Act of 1970.

—Page 9, after line 9, insert the following new paragraph:

(4) The Board may not rely on any scientific study for the purpose of making any determination under this subsection unless such scientific study has been subjected to peer review in accordance with accepted scientific standards.

—Page 10, beginning on line 21, strike out all of subsection (a) through line 9 on page 11 and insert in lieu thereof the following:

(a) DETERMINATION OF THE SECRETARY.—The Secretary may propose to notify a class or category of employees that it is a population at risk of occupational disease in the following manner:

(1) The Secretary shall publish notice of a proposal to notify a population at risk in the Federal Register and shall afford interested persons a period of 30 days after publication to submit written data or comments. On or before the last day of the period provided for the submission of written data or comments, any interested person may file with the Secretary written objection to the proposed notification, stating the grounds therefor and requesting a public hearing on such objections. Within 30 days after the last day for filing such objections, the Secretary shall publish in the Federal Register a notice specifying the proposed notification to which objections have been filed and a hearing requested, and specifying a time and place for such hearing.

(2) Within 180 days after the expiration of the period provided for the submission of written data or comments, or if a hearing is conducted, within 180 days after the hearing is completed and the record closed, the Secretary shall make a final determination on whether the proposed notification to a population at risk of occupational disease should be issued.

(3) Whenever the Secretary determines to issue a notification to a population at risk of occupational disease, the Secretary shall prepare a statement of reasons for such action, which shall be published in the Federal Register prior to issuance of the notification. Such statement shall identify the principal issues involved, explain the decision reached by the Secretary on each such issue, and shall specify the evidence in the record and any other factors relied upon by the Secretary in reaching such decision.

—Page 11, line 13, strike out "each individual within".

—Page 11, beginning on line 21, strike out ", including the name, composition, and properties of known chemical agents".

—Page 11, line 23, insert "directly" before "associated".

—Page 11, line 23, strike out "associated with" and insert in lieu thereof "caused by".

—Page 12, strike out lines 1 and 2 and redesignate the succeeding paragraph (and references thereto) accordingly.

—Page 12, line 8, strike out "associated with" and insert in lieu thereof "caused by".

—Page 12, after line 19, insert the following new sentence:

For purposes of paragraph (4), legal counseling shall not be considered to be counseling appropriate to the nature of the risk.

—Page 14, strike out lines 20 through 24 and insert in lieu thereof the following:

(h) LIABILITY.—The United States, any agency, employee, or contractor thereof, and any employer or government acting pursuant to this Act or whose employees are notified pursuant to this Act, shall not be subjected to suit or judicial or nonjudicial proceedings of any kind (including workers' compensation proceedings, arbitrations, or any other liability determination) for or pertaining to monetary damages with respect to or arising out of an act or omission performed pursuant to this Act, including failure to perform any act or omission pursuant to this Act, except to the extent that a private employer is subject to proceedings under section 8(d) of this Act.

—Page 15, beginning on line 1, strike out all of subsection (i) through page 16, line 8 and insert in lieu thereof the following:

(i) JUDICIAL REVIEW.—Any person who may be aggrieved by a decision of the Secretary to issue a notification to a population at risk under this section may, at any time prior to the 30th day after notification of such decision is published in the Federal Register, file a petition challenging the validity of such decision with the United States Court of Appeals for the circuit wherein such person resides or has his principal place of business, for a judicial review of such decision. A copy of the petition shall be forthwith transmitted by the clerk of the

court to the Secretary. The filing of such petition shall not, unless otherwise ordered by the Court, operate as a stay of the notification. In the review of such decision, the determinations of the Secretary shall be conclusive only if supported by substantial evidence in the record considered as a whole.

—Page 16, after line 8 insert the following new subsection:

(j) USE OF NOTICE.—Notification given under subsection (b) to a population at risk of an occupational disease shall not be used as evidence that an employee was exposed to a hazard in any judicial or administrative proceeding.

—Page 16, beginning on line 9, strike out all of section 6 through line 24 on page 17, and redesignate the succeeding sections and references thereto accordingly.

—Page 18, lines 4 and 5, strike out "health centers established and certified under section 6 of this Act" and insert in lieu thereof "National Institute for Occupational Safety and Health".

—Page 19, beginning on line 13, strike out subsection (a) through line 3 on page 20 and redesignate the succeeding subsections and references thereto accordingly.

—Page 20, line 20, after the period insert the following: "The requirements of this subsection shall not apply in the case of an employer who employs less than 10 employees.".

—Page 23, line 2, strike out "$25,000,000" and insert in lieu thereof "$250,000,000".

H.R. 4428

By Mr. McCLOSKEY:

[4]—At the end of part C of title IX of division A, page 214, after line 18, add the following new sections:

SEC. 925. HOSTILE FOREIGN OWNERSHIP INTERESTS IN DEFENSE FIRMS.

(a) CONSIDERATION OF NATIONAL INTERESTS WITH RESPECT TO DEFENSE CONTRACTS.—

(1) IN GENERAL.—Chapter 137 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2325. Contracts: Consideration of foreign policy and national security objectives

"(a) PROHIBITION ON ENTERING INTO CONTRACTS AGAINST THE INTERESTS OF THE UNITED STATES.—Except as provided in subsection (b), the head of an agency may not enter into a contract with a firm in which a foreign government or an agent or instrumentality of a foreign government owns or controls (whether directly or indirectly) a significant interest, or with a subsidiary of such a firm, if such foreign government—

"(1) is an enemy of the United States as that term is defined in section 2 of the Trading With the Enemy Act (50 U.S.C. App. 2);

"(2) is a government with respect to which the President exercises the authority of the President under section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702); or

"(3) is the government of a country that the Secretary of State determines under section 6(j) of the Export Administration Act of 1979 (50 U.S.C. 2405(j)) has repeatedly provided support for acts of international terrorism.

"(b) WAIVER.—

"(1) IN GENERAL.—(A) If the Secretary of Defense determines under paragraph (2) that entering into a contract with a firm described in subsection (a) or with a subsidiary of such firm is not inconsistent with the foreign policy or national security objectives of the United States, the head of an agency may enter into a contract with such firm or subsidiary at the end of the 30-day period beginning on the date that such head of an agency submits to Congress a report on the contract.

"(B) A report under subparagraph (A) shall include the following:

"(i) The identity of the foreign government concerned.

"(ii) The nature of the contract.

"(iii) The extent of ownership or control of the firm or subsidiary concerned by the foreign government concerned or the agency or instrumentality of such foreign government.

"(iv) The reasons for entering into the contract.

"(2) DETERMINATION OF CONSISTENCY WITH NATIONAL INTERESTS.—The Secretary of Defense, after consultation with the Secretary of State, shall determine whether entering into a contract with a firm described in subsection (a) or with a subsidiary of such a firm is inconsistent with the foreign policy or national security objectives of the United States. In making such a determination, the Secretary of Defense shall consider the following:

"(A) The relationship of the United States with the foreign government concerned.

"(B) The obligations of the United States under international agreements.

"(C) The extent of the ownership or control of the firm or subsidiary by the foreign government or an agent or instrumentality of the foreign government.

"(D) Whether payments made, or information made available, to the firm or subsidiary under the contract could be used for purposes hostile to the interests of the United States.

"(c) DISCLOSURE OF OWNERSHIP OR CONTROL BY A FOREIGN GOVERNMENT.—The head of an agency shall require a firm or a subsidiary of a firm that submits a bid or proposal in response to a solicitation described in section 2305(a)(1) of this title to disclose in that bid or proposal any significant interest in such firm or subsidiary (or, in the case of a subsidiary, in the firm that owns the subsidiary) that is owned or controlled (whether directly or indirectly) by a foreign government or an agent or instrumentality of a foreign government.

"(d) APPLICABILITY.—

"(1) AMOUNTS LESS THAN $100,000.—This section does not apply to a contract for an amount less than $100,000.

"(2) COAST GUARD AND NASA.—This section does not apply to the Coast Guard or the National Aeronautics and Space Administration.

"(e) REGULATIONS.—The Secretary of Defense, after consultation with the Secretary of State, shall prescribe regulations to carry out this section.

"(f) DEFINITION.—In this section, the term 'significant interest' means an interest equal to or exceeding five percent of the total ownership interests.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2325. Contracts; consideration of foreign policy and national security objectives.".

(b) EFFECTIVE DATE.—The Secretary of Defense shall prescribe regulations as required by section 2325(e) of title 10, United States Code (as added by subsection (a)), before the end of the 180-day period beginning on the date of the enactment of this act.

SEC. 926. PROHIBITION ON AWARD OF CONTRACTS TO FIRMS IN WHICH THE LIBYAN GOVERNMENT OWNS OR CONTROLS AN INTEREST.

The Secretary of Defense may not obligate or expend any amounts appropriated to the Department of Defense for fiscal year 1987 or 1988 to award a contract for acquisition of engineer equipment classified in Federal Supply Class 24 or 38 to any firm in which the Libyan Government owns or controls (whether directly or indirectly) an interest (or to any subsidiary of such a firm).

[5]—At the end of part C of title IX of division A (page 214, after line 18), insert the following new sections:

SEC. 925. HOSTILE FOREIGN OWNERSHIP INTEREST IN DEFENSE FIRMS.

(a) CONSIDERATION OF NATIONAL INTEREST WITH RESPECT TO DEFENSE CONTRACTS.—

(1) IN GENERAL.—Chapter 137 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2325. Contracts: Consideration of Foreign Policy and National Security Objectives

"(a) PROHIBITION ON ENTERING INTO CONTRACT AGAINST THE INTERESTS OF THE UNITED STATES.—Except as provided in subsection (b), the head of an agency may not enter into a contract with a firm in which a foreign government or an agent or instrumentality of a foreign government owns or controls (whether directly or indirectly) a significant interest, or with a subsidiary of such a firm, if such foreign government—

"(1) is an enemy of the United States as that term is defined in section 2 of the Trading with the Enemy Act (50 U.S.C. App. 2);

"(2) is a government with respect to which the President exercises the authority of the President under section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702); or

"(3) is the government of a country that the Secretary of State determines under section 6(j)(1)(A) of the Export Administration Act of 1979 (50 U.S.C. 2405(j)(1)(A)) has repeatedly provided support for acts of international terrorism.

"(b) WAIVER.—

"(1) IN GENERAL.—(A) If the Secretary of Defense determines under paragraph (2) that entering into a contract with a firm described in subsection (a) or with a subsidiary of such firm is not inconsistent with the foreign policy or national security objectives of the United States, the head of an agency may enter into a contract with such firm or subsidiary at the end of the 30-day period beginning on the date that such head of an agency submits to Congress a report on the contract.

"(B) A report under subparagraph (A) shall include the following:

"(i) The identity of the foreign government concerned.

"(ii) The nature of the contract.

"(iii) The extent of ownership or control of the firm or subsidiary concerned by the foreign government concerned or the agency or instrumentality of such foreign government.

"(iv) The reasons for entering into the contract.

"(2) DETERMINATION OF CONSISTENCY WITH NATIONAL INTERESTS.—The Secretary of Defense, after consultation with the Secretary of State, shall determine whether entering into a contract with a firm described in subsection (a) or with a subsidiary of such a firm is inconsistent with the foreign policy or national security objectives of the United

States. In making such a determination, the Secretary of Defense shall consider the following:

"(A) The relationship of the United States with the foreign government concerned.

"(B) The obligations of the United States under international agreements.

"(C) The extent of the ownership or control of the firm or subsidiary by the foreign government or an agent or instrumentality of the foreign government.

"(D) Whether payments made, or information made available, to the firm or subsidiary under the contract could be used for purposes hostile to the interests of the United States.

"(c) DISCLOSURE OF OWNERSHIP OR CONTROL BY A FOREIGN GOVERNMENT.—The head of an agency shall require a firm or a subsidiary of a firm that submits a bid or proposal in response to a solicitation described in section 2305(a)(1) of this title to disclose in that bid or proposal any significant interest in such firm or subsidiary (or, in the case of a subsidiary, in the firm that owns the subsidiary) that is owned or controlled (whether directly or indirectly) by a foreign government or an agent or instrumentality of a foreign government.

"(d) APPLICABILITY.—

"(1) AMOUNTS LESS THAN $100,000.—This section does not apply to a contract for an amount less than $100,000.

"(2) COAST GUARD AND NASA.—This section does not apply to Coast Guard or the National Aeronautics and Space Administration.

"(e) REGULATIONS.—The Secretary of Defense, after consultation with the Secretary of State, shall prescribe regulations to carry out this section.

"(f) DEFINITION.—In this section, the term 'significant interest' means an interest equal to or exceeding five percent of the total ownership interest."

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2325 Contracts: consideration of foreign policy and national security objectives.".

(b) EFFECTIVE DATE.—The Secretary of Defense shall prescribe regulations as required by section 2325(e) of title 10, United States Code (as added by subsection (a)), before the end of the 180-day period beginning on the date of the enactment of this Act.

SEC. 926. PROHIBITION OF AWARD OF CONTRACTS TO FIRMS IN WHICH THE LIBYAN GOVERNMENT OWNS OR CONTROLS AN INTEREST.

(a) IN GENERAL.—The Secretary of Defense may not award a contract to any firm in which the Libyan Government owns or controls (whether directly or indirectly) a significant interest (or any subsidiary of such a firm).

(b) DEFINITION.—In this section, the term "significant interest" has the meaning given that term in section 2325(f) of title 10, United States Code (as added by subsection (a)).

[6]—At the end of part C of title IX of division A (page 214, after line 18), insert the following new sections:

SEC. 925. HOSTILE FOREIGN OWNERSHIP INTERESTS IN DEFENSE FIRMS.

(a) CONSIDERATION OF NATIONAL INTERESTS WITH RESPECT TO DEFENSE CONTRACTS.—

(1) IN GENERAL.—Chapter 137 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2325. Contracts: Consideration of Foreign Policy and National Security Objectives

(a) PROHIBITION ON ENTERING INTO CONTRACTS AGAINST THE INTERESTS OF THE UNITED STATES.—Except as provided in subsection (b), the head of an agency may not enter into a contract with a firm in which a foreign government or an agent or instrumentality of a foreign government owns or controls (whether directly or indirectly) a significant interest, or with a subsidiary of such a firm, if such foreign government—

"(1) is an enemy of the United States as that term is defined in section 2 of the Trading With the Enemy Act (50 U.S.C. App. 2);

"(2) is a government with respect to which the President exercises the authority of the President under section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702); or

"(3) is the government of a country that the Secretary of State determines under section 6(j) of the Export Administration Act of 1979 (50 U.S.C. 2405(j)) has repeatedly provided support for acts of international terrorism.

"(b) WAIVER.—

"(1) IN GENERAL.—(A) If the Secretary of Defense determines under paragraph (2) that entering into a contract with a firm described in subsection (a) or with a subsidiary of such firm is not inconsistent with the foreign policy or national security objectives of the United States, the head of an agency may enter into a contract with such firm or subsidiary at the end of the 30-day period beginning on the date that such head of an agency submits to Congress a report on the contract.

"(B) A report under subparagraph (A) shall include the following:

"(i) The identity of the foreign government concerned.

"(ii) The nature of the contract.

"(iii) The extent of ownership or control of the firm or subsidiary concerned by the foreign government concerned or the agency or instrumentality of such foreign government.

"(iv) The reasons for entering into the contract.

"(2) DETERMINATION OF CONSISTENCY WITH NATIONAL INTERESTS.—The Secretary of Defense, after consultation with the Secretary of State, shall determine whether entering into a contract with a firm described in subsection (a) or with a subsidiary of such a firm is inconsistent with the foreign policy or national security objectives of the United States. In making such a determination, the Secretary of Defense shall consider the following:

"(A) The relationship of the United States with the foreign government concerned.

"(B) The obligations of the United States under international agreements.

"(C) The extent of the ownership or control of the firm or subsidiary by the foreign government or an agent or instrumentality of the foreign government.

"(D) Whether payments made, or information made available, to the firm or subsidiary under the contract could be used for purposes hostile to the interests of the United States.

"(c) DISCLOSURE OF OWNERSHIP OR CONTROL BY A FOREIGN GOVERNMENT.—The head of an agency shall require a firm or a subsidiary of a firm that submits a bid or proposal in response to a solicitation described in section 2305(a)(1) of this title to disclose in that bid or proposal any significant interest in such firm or subsidiary (or, in the case of a subsidiary, in the firm that owns the subsidiary) that is owned or controlled (whether directly or indirectly) by a foreign government or an agent or instrumentality of a foreign government.

"(d) APPLICABILITY.—

"(1) AMOUNTS LESS THEN $100,000.—This section does not apply to a contract for an amount less than $100,000.

"(2) COAST GUARD AND NASA.—This section does not apply to the Coast Guard or the National Aeronautics and Space Administration.

"(e) REGULATIONS.—The Secretary of Defense, after consultation with the Secretary of State, shall prescribe regulations to carry out this section.

"(f) DEFINITION.—In this section, the term 'significant interest' means an interest equal to or exceeding five percent of the total ownership interest.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2325. Contracts: consideration of foreign policy and national security objectives.".

(b) EFFECTIVE DATE.—The Secretary of Defense shall prescribe regulations as required by section 2325(e) of title 10, United States Code (as added by subsection (a)), before the end of the 180-day period beginning on the date of the enactment of this Act.

SEC. 926. PROHIBITION ON AWARD OF ENGINEER EQUIPMENT CONTRACTS TO FIRM IN WHICH THE LIBYAN GOVERNMENT OWNS OR CONTROLS AN INTEREST.

(a) IN GENERAL.—The Secretary of Defense may not obligate or expend any amounts appropriated to the Department of Defense for fiscal year 1986 or 1987 to award a contract for acquisition of engineer equipment classified in Federal Supply Class 24 or 38 to any firm in which the Libyan Government owns or controls (whether directly or indirectly) a significant interest (or to any subsidiary of such a firm).

(b) WAIVER.—The Secretary may waive the application of this section to the awarding of a contract if the Secretary determines that such award—

(1) will not result in the realization of profit by the Libyan government;

(2) will not increase the value of any stock held by such Government; and

(3) requires that not less than 50 percent of the labor costs represented by such contract be expended within the United States.

(c) DEFINITIONS.—In this section, the term "significant interest" has the meaning given that term in section 2325(f) of title 10, United States Code (as added by subsection (a)).

H.R. 5233

By Mr. FRENZEL:

—On Page 63, after line 4, insert the following new section:

"SEC. 513. Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act not required to be appropriated or otherwise made available by previously enacted law is hereby reduced by 9.14 percent."

EXTENSIONS OF REMARKS

BISHOP AND MRS. T.D. IGLEHART, 50TH WEDDING ANNIVERSARY

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. GONZALEZ. Mr. Speaker, this Sunday, August 2, a very distinguished couple who have for many years done great work among the people of my congressional district in San Antonio, Church of God in Christ, Bishop and Mrs. T.D. Iglehart, will be celebrating their 50th wedding anniversary with ceremonies at the Childress Memorial Church of God in Christ, followed by a reception at the Hilton Palacio del Rio Hotel.

It was the year 1934 that Bishop Iglehart completed studies at Paul Quinn College and was called to preach, going first to Onalaska, TX, and then to Waco where he married the former Dessie Mae Truitt. At Waco he was responsible for the building of a temple and dining hall for his church, development of a housing subdivision, and was the organizer and builder, as well as the president of the 700-student Central Texas Vocational College, which taught auto mechanics, fender and body repair, shoe repair, radio repair, tailoring, and baking. In 1942 his radio ministry began on station WACO. Also at Waco he organized the 60-bed United Christian Nursing Home.

In 1943 the Reverend Iglehart received his B.A. degree from Huston Tilloson College at Austin, and in 1949 he received his master's degree from Texas Southern University at Houston.

In 1956 the Reverend Iglehart was appointed bishop of the Texas Southwest Jurisdiction of the Church of God in Christ, having previously been named the national accountant of the church—a position which he held for 17 years.

Mrs. Iglehart has faithfully assisted her husband in his ministry and pastorates at Waco, Bryan, Temple, and San Antonio—where they have been since 1962, while they have together reared their 6 children, who have now made them the proud grandparents of 18 grandchildren, and 8 great-grandchildren. Their work in my city has been distinguished by the bishop's operation of a 60-bed privately owned nursing home, his radio ministry over stations KAPE and KMAC—since 1964—his cable television ministry—since 1981—on channels 21 and 22, as well as the expansion and development of their church.

My distinguished colleagues, it gives me great pleasure to be able to pay tribute to Bishop and Mrs. Inglehart on the occasion of their 50th wedding anniversary, and to recount the highlights of the wonderful accomplishments and work they have shared.

AUTOMATED TELLER MACHINES—A CRIMINAL'S DREAM, A CUSTOMER'S NIGHTMARE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. BIAGGI. Mr. Speaker, I introduced the Automated Teller Machine Crime Prevention Act of 1986. The legislation offers a comprehensive approach toward combating the burgeoning problem of automated teller machine [ATM] related crimes. Simply put, ATM's were intended to be a convenient source of money for the consumer, but they've become an even easier source of money for the criminal.

Some 58 million Americans use the approximately 60,000 ATM's nationwide, and the volume of ATM business, which was $262 billion in 1983, is expected to double by 1990.

Mr. Speaker, my legislation was prompted by two troubling reports that were recently brought to my attention. The first, by the Bureau of Justice Statistics, showed that the Nation's banks lost an estimated $70 million to $100 million from ATM fraud in 1983. The second study, which appeared in the Nilson report, a Los Angeles-based credit card newsletter, cited an average of nearly one violent crime a day occurring at ATM's in 1985. I should point out that the Nilson report figures were conservative estimates since official statistics are not kept on ATM-related crimes.

My bill would provide a three-pronged solution to this very serious problem. First, it would require the Federal Bureau of Investigation to report on the number and type of ATM-related crimes as part of their uniform crime reports. This would not only help to focus greater attention on the problem, but it would help to identify trends that would be very useful in alleviating ATM-related crime.

Second, it would provide enhanced Federal penalties for crimes involving ATM fraud. Specifically, it would increase the Federal penalties for ATM fraud from a maximum of up to 10 years in prison and/or a $10,000 fine, to up to 20 years in prison and/or a $20,000 fine.

Third, it would require the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Comptroller of the Currency to issue minimum security standards for the protection of customers using ATM's. In developing these standards, the following items shall be considered: First, the need for an emergency alarm system at each ATM, such as a telephone, an alarm button, or a secret alarm code that is programmed into the computer system of the ATM; second, the need for surveillance cameras at ATM's; third, the need for secure enclosures around ATM's to contain the ATM and control access: and fourth, the need for a consumer education program designed to help customers of bank ATM's protect themselves from crimes related to the use of ATM's.

Compliance by insured banks would be voluntary during the first 3 years after issuance of these ATM security standards. However, compliance would become mandatory at the end of that 3-year period. This will give the banks more than enough time to ir .plement these standards, without any fear of penalty. The bill would also require the three Federal banking agencies mentioned to submit a report to Congress by the end of the initial 3-year period on the extent of compliance with the ATM security standards.

Mr. Speaker, this legislation was developed after extensive research into the issue, including discussions with the law enforcement community, the security industry, and the banking industry. It addresses the problem in the short-term by providing minimum ATM security standards within 180 days after enactment, and by doubling existing Federal penalties for ATM fraud; but it also takes a long-term view of the problem by collecting and reporting ATM-related crime statistics for the first time. I am hopeful that this legislation receives the prompt and favorable consideration that it deserves.

Mr. Speaker, at this time I would like to insert the full text of the bill, along with a detailed article on the ATM crime issue that appeared in the April 1986 issue of the Nilson report:

H.R. —

A bill to prevent crimes committed in connection with the operation or use of automated teller machines

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Automated Teller Machine Crime Prevention Act of 1986".

SEC. 2. MINIMUM SECURITY STANDARDS FOR AUTOMATED TELLER MACHINES.

(a) IN GENERAL.—Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended by adding at the end thereof the following new subsection:

"(m) ATM SECURITY STANDARDS.—

"(1) STANDARDS REQUIRED.—Each appropriate Federal banking agency shall prescribe by regulation minimum security standards for the protection of customers using automated teller machines owned or operated by insured banks.

"(2) REQUIREMENTS TO BE CONSIDERED BY AGENCIES.—In developing the security standards referred to in paragraph (1), the appropriate Federal banking agency shall consider the following items:

"(A) The need for an emergency alarm system at each automated teller machine, such as a telephone, an alarm button, or a secret alarm code that is programmed into the computer system of the automated teller machine.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

"(B) The need for surveillance cameras at automated teller machines.

"(C) The need for secure enclosures around automated teller machines with access into the enclosures limited in the same manner as access is limited to the use of such machines.

"(D) The need for a consumer education progam designed to help customers of bank automated teller machines protect themselves from crimes related to the use of automated teller machines.

"(3) COMPLIANCE PROVISIONS.—

"(A) VOLUNTARY COMPLIANCE DURING 1ST 3 YEARS.—During the 3-year period beginning on the effective date of regulations prescribed under paragraph (1), compliance with such regulations by insured banks shall be voluntary.

"(B) MANDATORY COMPLIANCE.—After the end of the 3-year period referred to in subparagraph (A), compliance by insured banks with regulations prescribed under paragraph (1) shall be enforced under section 8.

"(4) REPORT TO CONGRESS.—Before the end of the 3-year period beginning on the date of the enactment of this Act, each appropriate Federal banking agency shall submit a report to the Congress on extent of compliance by insured banks with the regulations prescribed under paragraph (1).".

(b) EFFECTIVE DATE.—The regulations required to be prescribed under the amendment made by subsection (a) shall take effect before the end of the 180-day period beginning on the date of the enactment of this Act.

SEC. 3. ATM-RELATED CRIMES REQUIRED TO BE INCLUDED IN UNIFORM CRIME REPORT.

Under the authority of section 534 of title 28, United States Code, the Attorney General shall acquire, and shall include in the uniform crime reports, information on the number and types of crimes committed in connection with the operation or use of automated teller machines for each calendar year beginning after the date of the enactment of this Act.

SEC. 4. INCREASE IN CRIMINAL PENALTIES FOR VIOLATION OF ELECTRONIC FUND TRANSFER ACT.

(a) IN GENERAL.—Section 916(b) of the Electronic Fund Transfer Act (15 U.S.C. 1693n) is amended—

(1) by striking out "$10,000" and inserting in lieu thereof "$20,000"; and

(2) by striking out "ten years" and inserting in lieu thereof "20 years".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to violations committed after the date of the enactment of this Act.

THE NILSON REPORT

ATM CRIMES OF VIOLENCE

For 58 million Americans who use automated teller machines an average of five times a month, the risk of being assaulted, robbed, kidnapped or murdered is very small—one in every 167,000. Yet violent crimes at ATMs estimated at 344 last year does mean such incidents are occurring somewhere in the U.S. almost daily.

In terms of dollars, banks lose very little from robberies at ATMs where the biggest problem is fraud. But no one knows how many customers aren't using machines because of the few cases of violence they hear about. And even at its current low level, this type of crime is causing enough concern to generate legislative proposals that would restrict placement and operation of machines. Twelve states already have laws that address a customer's physical security while using an ATM, but nowhere are statutes as tough as they would be in California and Pennsylvania if bills currently before those state legislatures get passed. Both bills appear to be getting a lot of consumer support while drawing heavy opposition from ATM operators. At issue is whether or not banks are doing all they reasonably can to discourage assaults. Has ATM placement, for example, been based more on marketing than security concerns? Some bankers say this was true in the early and more aggresive days of ATM installation but that it has changed. Their critics wonder how many, if any, of those older and less safe locations have been closed down. Perhaps 20% of all ATMs have cameras, but how many of those are placed to protect the customer by photographing an assailant versus protecting the bank by recording who made the withdrawal? Hardly anyone disagrees that assaults are likely to rise as ATM installations approach 90,000 by 1990 and transaction volume more than doubles.

BH&P CARD PLANT REGROUPS

A letter of intent has been executed to provide the badly needed multimillion-dollar infusion of capital necessary to keep BH&P from going under. Cash flow problems led to a meeting of 20 creditors at the Parsippany plant March 25th when they were asked to hold off collecting amounts due them while negotiations were underway to bring in new money from a Chicago group. Bank of New York is the company's biggest lender. Bankers Trust of New York is putting the new financing together. Data Card is one of the biggest creditors along with Formosa Plastic (Nanya) of Taiwan which holds $300,000 in unpaid bills. For the 12 months ended September 30th, BH&P had sales of $38 million and pretax profits of $4.5 million. In the following quarter they lost $1.5 million and as of March 1st had $10 million in secured debt, $3 million in unsecured debt and a sizable backlog of unpaid sales taxes. BH&P was established in 1983 as a telemarketing agency and at one time had 300 employees, an annual output of 46 million cards and was ranked fifth among the nation's biggest card producers. It is one of the country's largest users of Data Card embossing machines with 24 plus 4 more machines from NBS. Liquidation of some of these and other BH&P assets has been under consideration for some time with attempts made to interest firms in Canada and Great Britain. This is being handled by Beccor Co., 509 Madison Avenue, Suite 150, New York, New York 10022 (212) 759-8070.

AT&T has been giving BH&P all their business but now realizes they should have an alternate supplier for their 55 million "Calling Cards." Clare Stanford of Faraday in Reston, Virginia (a De La Rue company) received half of an order for four million cards from AT&T on April 3rd and the other half will probably stay at BH&P if they manage to shape up. Faraday will do embossing, encoding, forms, mailing and card manufacture or may buy some cards from another supplier. AT&T paid $1.00 per card for their initial use of 50 million in 1984. Other BH&P clients are rumored to be looking around for a new vendor so this financial transfusion can't come too soon. At a time when every plant in the world is operating at full capacity with higher profits than any time in history, the BH&P situation is unique. Philip Herman is President and Bruce Berkow is VP and General Manager at BH&P, 20 Troy Road, Whippany, New Jersey 07981, (201) 887-5003. Prior issues: 364, 350, 341, 332, 330, 325, 323, 321 and 312.

VISA VS. MASTERCARD PROFITABILITY

Bank-card issuers learned long ago they could increase profits by issuing MasterCard and Visa to the same customer. Now they're about to learn why it may be costing them a lot more to participate in one plan versus another. An internal comparison study by Visa not intended for publication focuses on some basic differences which will probably be countered by MasterCard soon. Visa says: (1) MasterCard collects on both retail purchases and cash advances . . . Visa collects primarily on retail sales. (2) MasterCard assesses fees on all merchant volume except "on us" transactions . . . only a few Visa members pay on merchant volume and most pay on the cardholder side which means MasterCard's base can be almost twice the base for which Visa charges. (3) MasterCard treats all card programs the same . . . Visa's sliding scale rewards larger members with lower rates as an incentive for creating a customer base on which smaller members can build. (4) MasterCard's new 1986 operating assessment will accelerate their base period to pick up two-years' volume growth in one year. (5) MasterCard's U.S. revenues appear to have bypassed Visa's although Visa's volume is 50% greater. (6) Visa's fees have remained constant over the past three years with growth in premier-card fees offsetting effects of the sliding scale. (7) Visa service fees (not including data processing) are averaging one-half of MasterCard's and, on an incremental basis, top Visa issuers pay five times more on incremental MasterCard volume than they do on similar Visa volume.

REFAC SUES ATM INDUSTRY AGAIN

American Express, Citicorp, Penney, Fujitsu, AT&T, Avis, Burroughs, Chase, Diebold, Docutel and 37 other companies are named in a new lawsuit alleging infringement of two U.S. patents covering verification of credit/debit cards and the mechanisms used for inserting and scanning cards. Patent rights were acquired from Jerome Lemelson who has about 50 covering electronics and computers out of over 400 applying to a number of industries. Lemelson notified certain manufacturers of possible patent violations in the early '70s but got no response. The suit was filed by Spellman and Joel of White Plains, New York, (914) 997-0200. Prior suit described in issue 361 involved 30 patents owned by Melvin Cook. Refac is a firm specializing in licensing and negotiating international manufacturing processes and joint ventures. Philip Sperber is VP at Refac Technology Development Corp., 122 East 42nd Street, New York, New York 10168, (212) 687-4741.

AMERICAN SECURITY EDUCATORS' PUBLICATIONS

This 11-year-old company trains over 4,000 financial institutions and law enforcement agencies on how to deal with bad checks, forgeries, fraud, and more serious crime problems. They also produce educational material like the copyrighted "Automatic Teller Safety" bulletin pictured on page five which sells for 8¢ in quantity. Free samples are available on request from President James Gonos, American Security Educators, 11970 Old River School Road, Suite 5, Downey, California 90242, (213) 928-1847.

CODE CARE KEEPS CONSUMER PINS SECRET

Banks are gun-shy about telling cardholders to carry personal identification numbers around with them but there is a safe solution to that problem. It's the ingenious yet

extremely simple idea of having customers write down up to 20 PIN numbers on the card pictured here, arranging them in any order and filling in the blanks with other numbers picked at random. Nobody but the owner can identify which combination of numbers works with which card. Code Card Systems Inc. wants to sell their Personalized Code Card, costing from 3¢ to 5¢ each in quantity, to issuers looking for ways to build customer confidence and usage. Donald Cummings is Exec. VP at P.O. Box 2461, Minneapolis, Minnesota 55402, (612) 593-5114.

Pennsylvania's HB 1176 introduced by Representative Charles Nahill would require that all ATM sites have 24-hour emergency telephones and closed-circuit television cameras equipped with wide-angle lenses to take in the surrounding area. Mark Weaver is Communications Director for Representative Nahill at 115 East Glenside Avenue, Glenside, Pennsylvania 19038, (215-576-5673).

California's AB 3375 introduced by Assemblyman Charles Calderon would give the Business Transportation and Housing Agency (BTHA) the authority to create and enforce minimum safety standards for all externally accessed automated teller machines. New installations would require permits on condition that such requirements had been met and existing locations ruled unsafe could be closed down. BTHA has jurisdiction over the Departments of Corporations, Banking, and Savings and Loans. Third-party operators would not be covered by this bill. Requirements would cover visibility, lighting, hours of operation, and alarms or some other way for users to get assistance in an emergency. A provision is being written to add the video cameras with wide-angle lenses specified in Pennsylvania's bill. Richard Martinez is Senior Consultant to the Subcommittee on Interstate Banking at California's State Capitol, Sacramento, California 95814, (916) 445-0854.

Martinez argues that California and other "sun-belt" consumers as particularly vulnerable to robberies because warm weather means fewer of the vestibule-type installations popular in colder climates where they ward off the elements but may also deter thieves. Some security experts agree because through-the-wall ATM installations force users to stand out in the open with their backs to the world and their focus trained on a small screen. Others disagree because card-access devices at vestibules don't keep robbers out entirely and restrict police from getting in. In 1980, 12 Citibank customers were held at gunpoint inside a vestibule while two men used the victims' debit cards to withdraw $3,000. The vestibule debate aside, Southern California ATM customers may also be more vulnerable because of the high level of drug activity there, recently reported to be on the rise due to crackdowns in other parts of the country. Also, Los Angeles happens to be the bank-robbery capital of the world according to the FBI although that doesn't necessarily extend to ATMs.

Existing laws: There is no legislation covering ATM security on the federal level yet. In some cities externally accessed machines require permits but getting them may mean satisfying esthetic or traffic concerns that could actually discourage security. In Santa Barbara, for example, ATMS have been moved off the main street in a historical section of downtown and placed in back of a bank where they don't conflict with decor. Some cities require banks to put ATMs in high-crime areas so that poorer customers aren't discriminated against. At the state level, laws covering ATM security have been passed in Alabama, Florida, Kansas, Massachusetts, Michigan, Minnesota, New Hampshire, New Mexico, Rhode Island, Utah, Virginia and Wisconsin. These are more general than those pending in California and Pennsylvania, most having been passed in the mid-seventies when ATM technology was new and risks were largely theoretical. Kansas requires installation of one or more security devices such as an alarm, tamper-resistant lock or lighting. Massachusetts' law is one of the newest and specifically extends to ATMs provisions in Regulation P.

Regulation P, written to satisfy The Bank Protection Act passed in 1968, is largely concerned with minimum security standards for vaults, surveillance cameras, alarms, etc. It provides manufacturers with guidelines to guard against burglary but leaves customer security largely up to the banks good judgment. Amended in March 1981 to cover ATMs, the law simply states that they should be protected by a burglar alarm and located in a well-lit area. Much more familiar to ATM operators is Regulation E and the two amendments that broadened its customer protection over protests from the industry, to the point where some bankers feel that they are the ones being robbed.

Regulation E of the Electronic Funds Transfer Act of 1978 limits consumer liability for unauthorized funds transfer to $50 when the loss is reported within two working days. It was first clarified after the well-publicized case involving a scam against Citibank ATM customers. The fraud was begun in March 1980 by a con artist who pretended to be reporting a machine malfunction so that he could trick cardholders into letting him use their debit cards and personal identification numbers. Citibank first maintained they weren't liable but in December 1982 the New York Attorney General's office settled a class-action suit in which the bank agreed to reimburse customers. Eventually 1,333 ATM users claimed $355,000 for unauthorized withdrawals. The Board of Governors of the Federal Reserve System later decided (Q2-27) that when customers are induced by fraud or forced to hand over their PINs the resulting transaction is unauthorized and they are entitled to Reg. E's $50 liability limit. Their second clarification of Reg. E came last year following a string of ATM robberies in Texas where consumers were forced to make transactions at gunpoint. Banks said they weren't liable because the customer had in fact made the transaction, but the FRB said these too were unauthorized transactions. So far, Reg. E hasn't been held to apply once a customer walks away from the ATM.

At California's five largest banks security personnel meet informally four times a year to compare notes on the latest ATM frauds, robbery patterns, etc. First Interstate Bank reports just two robberies in the past five years, the first involving an elderly couple robbed in the early evening after making a withdrawal. The man who robbed them was shot and killed by a second robber who got away. Since then the bank has educated customers on safety with statement stuffers and other printed material and has improved lighting and kept nearby shrubbery trimmed. One new drive-up installation uses a lighting system that is activated as soon as a customer's car enters the driveway and stays on for 20 seconds after the customer leaves. Remote installations at shopping centers are placed with more concern for the safety of street visibility than the marketing advantage of foot traffic. Crocker has experienced some muggings but recently got the particularly clever idea of having security personnel use patrol cars to check each of the bank's 400 ATMs. While there, they can replace burned-out lightbulbs, replace envelopes, etc. Both Crocker and Wells Fargo, which has also had some muggings, say they don't know of any shots being fired in the process. Bank of America installs cameras at some but not all ATMs and involves security personnel and local law enforcement in site selection.

The issue of site selection grows controversial when it means some neighborhoods will be denied a convenience available to others. While covering a murder in a high-crime area around midnight, a Los Angeles reporter was forced to withdraw $140 from an ATM by a man holding a knife and then, after the machine closed minutes later, made to ride around town while the thief made a series of drug deals. The reporter was released after making a final $20 withdrawal when the machine opened again at 6:00 a.m. His newspaper reimbursed the $160 and the robber was caught. He still visits ATMs even though he says a friend was shot in the back while using one. He also says closing down machines in a rough neighborhood could be unfair to the law-abiding citizens who live there.

Calderon's office argues that high-crime areas are among the first places where banks will close branches forcing customers to use less-safe ATMs. Some banks are already encouraging ATM activity to tying usage to low-price accounts and by increasing costs when customers use live tellers instead of automated ones. If customers are given less of a choice as to whether or not to use these machines, the liabilities peculiar to them are going to draw closer scrutiny from the government and consumer advocates. Now, while banks are trying to encourage customers to use debit cards, they are most likely to settle liability issues to the cardholder's advantage. That attitude could easily be reversed as card usage grows and increases a bank's exposure to losses.

At the same time, banks will face suits over their own liability when violent crimes occur at one of their ATMs. A Los Angeles woman who says she was robbed and repeatedly raped in 1983 following an 8:30 p.m. ATM withdrawal is suing Bank of America for medical costs and lost wages charging they had negligently failed to provide for her safety. A New York attorney won $5,000 from Citibank in 1983 after he was robbed in one of their ATM vestibules. The assailant used a knife to force his way in and then rob the customer of his watch and a $100 withdrawal. Chase Manhattan Bank was sued by a customer who was robbed after he left an ATM but the jury didn't hold the bank liable. Chase reports eight incidents involving ATM crime in the past three years. Most of their installations are connected to the bank branch as opposed to remote locations which are considered more dangerous.

ATM Violence Task Force formed recently by the two-year-old International Assn. of Professional Security Consultants is particularly concerned with the risk of convenience stores that now have ATMs. Norman Bottoms in Director of the Task Force at 10501 S.W. 99th Street, Miami, Florida 33176, (305) 279-9437.

The Federal Bureau of Investigation publishes the only statistics available on ATM robberies. Their numbers have been ex-

tremely low because situations where a customer was forced to make a withdrawal were not included until recently. As of October 1985 these instances will be counted based on the Department of Justice's new attitude that here the crook is using the customer as an instrument for committing a crime. Previous figures lumping burglaries and larceny in with robbery at ATMs showed 24 incidents in 1981, 27 in 1982, 46 in 1983 and 45 in 1984 when the Los Angeles Police Department estimated they handled 50 robberies in their city alone.

Most ATM robberies are handled by local law enforcement which doesn't typically distinguish this type of holdup from any other. If they were to attempt such classifications, would a crime be ATM-related if the customer is assaulted one block away from the machine? What if if happens two blocks or two miles away? Because this type of crime is so difficult to extract from existing statistics or determine by circumstances, The Department of Justice chose not to cover it in a recent report titled "Electronic Funds Transfer Fraud." The Secret Service was given jurisdiction over ATM crime about two years ago but hasn't prosecuted a single case of assault since then. All of their cases have had to do with fraud.

The Bureau of Justice statistics reported ATM fraud losses of between $70-$100 million for 1983. According to Lorna Siepser, VP ATM Risk Management at Bank of America (415-953-1965), all but the 15% of fraud losses that come from cards being stolen through the mails is attributable to consumers. She reports that 33% involves a member of the cardholder's family, 32% involves a card stolen with the PIN written on it or nearby, 10% is from customers claiming they didn't make transactions which they actually did make, and the remaining 10% is customer negligence—giving a card and code to someone who uses it fraudulently. Many banks feel that most of what remains to be done in ATM security also involves customers who must finally use their own best judgment in deciding when it's safe to use an ATM. Most major institutions are already educating consumers through new-account brochures, disclosures and handouts.

The California Bankers Association's informal survey of California's five largest banks accounting for 3400 ATMs found customers reporting 181 robberies last year compared to 115 in 1984. This 57% increase compares to a 10% increase in machines (up from 3100) and 35% increase in transactions (from 260 million to 350 million). Two of the largest proprietary ATM systems in the country are run by Bank of America and Citibank and neither will release figures on ATM robberies any more. Citibank once reported 46 robberies for 1980 and Bank of America reported 24 in 1984. Assemblyman Calderon's office reports 37 robberies in Sacramento this year, the most recent on March 22nd involving a policeman shot while staking out a machine where other assaults had been reported. Assemblyman Nahill's office says there have been at least 20 in Philadelphia during the past eight months.

Security experts recommend, over and above all else, that ATM installations be well lit including the area around the machine. Second, machines should be highly visible meaning that surrounding shrubbery should be well trimmed and vestibule installations should be enclosed by glass with curtains left open during hours of operation. Third, cameras at ATMs that are visible to the public can cost just a few hundred dollars more when added to an existing system inside the bank. Cameras installed inside machines can take pictures with good resolution up to 20 feet away and have helped get convictions in some robbery cases. Video cameras that run 24 hours a day are generally recommended over film cameras which are activated by transactions. Mirrors hung over the machines can show up anyone lurking behind. Silent alarm codes can be programmed into the ATM keyboard which would trigger a central alarm system. This idea comes from security consultant Myron Wilson, 160 Centennial Way, Tustin, California 92680, (714) 731-2987.

Insurance: Bankers Blanket Bond coverage excludes losses from plastic cards used at EFT terminals according to Richard Morran of Financial Insurance Service Inc. FISI is one of several companies that will cover this type of loss including robberies that occur at or within 100 feet of an ATM. Morran says they've issued about 200 such policies called "ATM and POS Terminal Indemnity Insurance" but haven't had a claim yet. Offices are at 1010 Meacham Road, P.O. Box 94099, Schaumburg, Illinois 60194, (312) 884-3800.

H. SPENCER NILSON.

A KOREAN VET'S PROTEST AND PLEA: NO MORE WARS

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. MRAZEK. Mr. Speaker, many of us in this body have registered our strong reservations over administration policy toward Central America because of our feeling that we've seen all of this before.

Twice in the past 35 years, our Nation's young men have gone off to war. Thousands and thousands of these young men—the core of our Nation's future—never came back from Korea, and then Vietnam.

Like many of my colleagues, I'm fearful that the same pattern is developing with regard to Nicaragua. For now, we're sending financial support to the Contras along with advisory personnel. But we know all too well where this can lead. It will be a test of our wisdom and our ability to learn from the past to prevent another generation of American youth from paying the horrible price of a policy gone awry.

For the edification of my colleagues, I submit some compelling thoughts on this subject from a gentleman who lived through our Korean police action and who suffered along with the rest of us as the toll mounted in Vietnam. Edward P. Hayden of Brentwood, Long Island, delivers in the following piece a thoughtful reminder of where we've been, and where we could be going:

A KOREAN VET'S PROTEST AND PLEA: NO MORE WARS

(By Edward P. Hayden)

Thirty-three years after the end of the Korean War, the Suffolk County Legislature has proclaimed this week Korean War Veterans Week. This action, so many years after the event, appears to be an afterthought to the belated recognition of the Vietnam veteran, but that shouldn't be surprising. The Korean War never captured the attention of Americans, except for those GIs and their families who were directly involved. Harry Truman adamantly refused to call it a war—it was, rather, a "police action."

There was little of the animus and controversy of the Vietnam era and none of the total national commitment of World War II. We who were sent to Korea did not burn draft cards; we did not hold protest rallies; there were few conscientious objectors. We went along, if not willingly, then docilely.

That period has faded from the public consciousness and three decades have smudged the memories of the participants as well. Only a few flashes are left: the stink of the rice paddies in the August heat, the artillery flashes that lit the night sky, the ragged children who were everywhere. At Army lectures, we draftees were told that we were there to stop the advance of communism and that we were on the front line of democracy. The war lasted 37 months and, if it stole two years from my young life, it stopped forever the lives of 54,000 other young Americans.

Was it worth it? If success is measured in terms of economics, I suppose so. South Korea is an active participant on the world market, and most of us have a transistorized something from Korea somewhere in the house. The North Koreans say bluff and bluster from their side of the 38th Parallel, but they have been effectively contained. But there are other images: of Korean influence-peddling in Washington in something called "Koreagate"; of students running from police truncheons; of military coups and assassinations; of political opposition voices being stilled, their owners jailed. To be a dissident in South Korea is to know its prisons. Amnesty International does not look kindly upon their detention facilities. If we succeeded in Korea, it was, at best, a qualified success.

There is less doubt about Vietnam. It was a disaster that split our nation in half. Some of us who participated in the Korean adventure found ourselves, a little older, perhaps a little wiser, walking beneath banners and placards of Vietnam War protesters. It may have been an entirely different war but the casualty list was depressingly similar: 58,000 young Americans dead.

There was an appreciable difference: It was possible to avoid this one. In 1941, the Harvard graduating class lost 35 lives to the war. In 1970, in a class of 1,200, only two served in Vietnam. The children of Congress members also took a Vietnam vacation. Of 234 draft-age sons, 24 went to the war; one was wounded in the leg. It was also possible to move from undergraduate school to graduate school to divinity school without ever putting on a uniform—ask David Stockman.

And nothing changes. The drum is beating again today, and Nicaragua is our new *bete noire*. We are told that this tiny nation is a threat to our security and we begin, as we did in Vietnam, by sending in money. We have already established a military presence in neighboring Honduras.

But this time a war by executive fiat may be more difficult to arrange. We, the people who are the stuff of armies, are getting harder to fool. I spoke recently with a friend who believed in our Vietnam involvement and who spent his time there as an infantry grunt. He is the father of teenage sons. "Next time Uncle Sam comes 'round,' he said, "my boys get a present from me—a plane ticket to Canada."

One, two, three, four, we don't want your lousy war.

H.R. 5162, ENERGY AND WATER APPROPRIATIONS FOR FISCAL YEAR 1987

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. WEISS. Mr. Speaker, I take this occasion to explain my vote against H.R. 5162, energy and water appropriations for fiscal year 1987.

This bill should be a vehicle for researching safe and renewable sources of energy and for building necessary and environmentally sound water projects. Such activities are in our Nation's best interest, and all of us can unite behind them.

Instead, this bill supports activities which bring us perilously close to the disasters of nuclear war or nuclear accident. It funds major nuclear weapons activities and continues our Government's support for the production of nuclear power. Further, some of the water projects funded are environmentally destructive and unnecessary.

This year's bill calls for a total appropriations of $15.5 billion. Approximately half of this amount, $7.7 billion, is devoted specifically to military purposes. These activities include research, development, testing and production of nuclear weapons, as well as the maintenance of current weapons. The bill provides funding for warheads for the Trident II and MX missiles, which are extremely destabilizing first-strike weapons. And the bill contains an unspecified amount of funding for research related to the President's misguided star wars proposal, which will abrogate existing arms treaties and jeopardize our ability to negotiate future agreements.

It is worth noting that this bill contains the funding necessary for all testing of nuclear weapons. I strongly believe that it is wrong for the United States to proceed with nuclear tests at a time when the Soviet Union has refrained from such tests for almost 1 year. A bilateral moratorium on the testing of nuclear weapons, followed by serious negotiations for a Comprehensive Test Ban Treaty, would be a dramatic step forward in the fight to end the nuclear arms race.

Further, this bill actually cuts the funding available for safeguarding our Nation's nuclear materials from theft, sabotage or terrorist activities. And it cuts funding for key research efforts aimed at improving our methods of verifying nuclear tests. An amendment offered by Mr. Markey to correct these serious flaws was rejected.

In addition to defense-related nuclear activities, the bill supplies substantial funding for civilian nuclear programs, including research into new technologies and programs to sell enriched uranium to the nuclear industry. As the accidents at Three Mile Island and Chernobyl have proven, nuclear fission is a menace to humanity. In my judgment, it is improper for the Federal Government to continue its support for programs which daily threaten the health and safety of our populace.

Rather, we ought to significantly increase funding for programs involved with research into safe and renewable sources of energy, such as photovoltaic energy systems, solar thermal energy, biomass projects, and wind energy systems. These programs, which are consistently shortchanged in the budget process, provide a more promising future for our Nation and the world than nuclear energy.

The American public increasingly recognizes that nuclear war or nuclear accident would be catastrophic and must be prevented at all costs. But the bill before us today does not recognize that fact. By continuing our Nation's support for the production of nuclear weapons and for the civilian use of nuclear energy, we move ever closer to the brink of disaster. It is for this reason that I vote against H.R. 5162, the energy and water appropriations for fiscal year 1987.

ANDREW HAMPSTEN MAKES HIS MARK

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. DORGAN of North Dakota. Mr. Speaker, this year's Tour de France bicycling race sparked unprecedented interest among American sports fans and the general public. For the first time since the tour began in 1903, American cyclists stood a chance of winning both the men's and women's races.

Press attention focused on the monumental test of nerves and speed between American Greg LeMond and his French rival Bernard Hinault. LeMond captured the tour trophy after a grueling challenge from Hinault, to become the first American to win the 2,500 mile race.

Meanwhile, American Inga Thompson placed third in the women's tour. In doing so, she strongly boosted the cause of women's cycling in this Nation. Like LeMond, she hails from Reno, NV.

But the unsung hero, and perhaps, the most surprising cyclist of the tour was a young North Dakota native named Andy Hampsten. Andy finished the tour in fourth position, earning him laurels as the best newcomer to the tour. With his prior victory in the tour of Switzerland, Andy has clearly established himself as a force to be reckoned with in professional cycling.

I want to congratulate these American winners and especially send along to Andy Hampsten and his parents, Richard and Elizabeth Hampsten of Grand Forks, ND, my hearty congratulations for his rookie-year performance in the premier bicycle race of the world. In that spirit, I would also like to include for the RECORD a feature story from the Grand Forks Herald on his achievement.

HAMPSTEN HAS THE DOUBTERS CONVINCED

(By Kevin Fee)

Any questions regarding Andrew Hampsten's professional bicycling capabilities faded with every revolution of the pedals.

There were many of them, covering 2,500 miles in the famed Tour de France.

"A rider proving oneself at the Tour de France is what the sport is all about," said the former Grand Forks resident, who arrived back at his Boulder, Colo., residence Monday night.

"A top rider is judged by what he's done in the Tour."

The Tour. There is a Tour of Switzerland. There is a Tour of Italy. But this—the Tour de France—is *the* Tour. The event is to cycling as the World Series is to baseball.

And Hampsten, in his rookie season as a professional, finished in fourth place in this year's race, which ended Sunday in Paris. For his accomplishment, he was named the top newcomer.

The 24-year-old, 132-pound Hampsten has literally grown as a bicyclist, according to Jean-Marie Leblanc, bicycling writer for L'Equipe, a Paris sports daily. Leblanc said he wasn't convinced that Hampsten was a Tour de France challenger when he saw him last year in the Coors Classic, which begins in California and finishes in Colorado.

"He was so slim I didn't know if he could last 10-15 days," Leblanc said in a telephone interview. "Now, I'm sure he's good for three weeks and up.

"He's much stronger."

Yes, he is. But the Tour de France wasn't easy. As Hampsten says, it's like running 23 marathons in 24 days.

"There's no way I can tell you how grueling it is," Hampsten said. "It's far harder than anything I've ever done."

Hampsten and the other bicyclists received one day of rest during the race. The rest came after the 19th stage and it helped, Hampsten said.

"I recovered enough to get stronger for the last five (actually four) days," he said.

Six of the 23 stages covered mountains. Four of the stages finished on mountaintops. And Leblanc said he believes Hampsten was one of the top three mountain climbers in the race. He said it was a joy to watch Hampsten climb mountains. "He's intelligent," Leblanc said. "He's clever.

"(But) it was a surprise to see him finish fourth. I didn't think his accomplishment would be so fast. He was near to winning the Tour. It was possible."

Greg LeMond, Hampsten's teammate on the French-based La Vie Claire team, won the race. Another teammate, Bernard Hinault, finished second as the La Vie Claire team proved it is the best in the world.

"I'm really happy, and the team was really pleased with my performance," Hampsten said.

He helped LeMond in many ways, one of which was tiring riders near the end of tough stages. Hampsten would do that by forcing the pace and then LeMond, riding behind Hampsten and others, would make his move toward the end of the stage.

"Usually it was just my presence (that helped)," Hampsten said. "It's discouraging for anybody else to attack since they're so outnumbered."

Hampsten said LeMond is a "very warm and nice person."

"He thanked me."

LeMond and Hampsten will be back on the road Aug. 9, when the Coors Classic begins in San Francisco, Hampsten said he doesn't plan to return to Grand Forks, where his parents, Richard and Elizabeth Hampsten, reside, until this fall or winter.

"I'll do a few hard days of training, but mostly just staying home in Boulder and relaxing," Hampsten said.

"I will ride today. I ride every day.

"There's a difference between racing and driving my bike downtown."

Hampsten, who won the 10-stage Tour of Switzerland earlier this summer, said he plans to keep on driving. He's in the first

year of a three-year contract with La Vie Claire.

"I'll keep at it," he said. "Unless it becomes too much, I'll keep at it for quite a while."

A CENTRAL AMERICAN STATESMAN COMMENTS ON HOUSE APPROVAL OF CONTRA AID

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. BARNES. Mr. Speaker, recently I received a letter from former Costa Rican President Daniel Oduber, in which he expressed his extreme disappointment over the House vote to approve $100 million for the Contras.

Contrary to what the administration would have us believe, President Oduber correctly calls our action a "tragedy" for Central America. Among the facts that he points out about our vote is that it will make it more difficult for the region's statement to work for peace and democracy in Nicaragua, destroy the inter-American system, and create many more refugees than Nicaragua's poverty-stricken neighbors can cope with.

I have sent President Oduber's letter to all the Members of the other body, in hopes that they will take heed before they vote on this issue. I also wanted to share the letter with my colleagues in the House, and I include it at this point.

Hon. MICHAEL BARNES,
Chairman, Latin American Subcommittee, Washington, DC.

DEAR MICHAEL: I had intended to send this letter to Chairman O'Neill, but I decided that it is better in your hands.

I have seen in the news that the $100,000,000—was finally approved by the House to aid the "contras" in the Nicaraguan War, but I do not know the details or conditions. No matter what happens, this represents another tragedy for Central America, increasing the loss of human lives and the hatred among Central Americans. It makes it much more difficult for us to keep on working for peace and real democratic government in Nicaragua.

The Inter-American system that was patiently formed during one hundred years has been totally destroyed by this action. It was based on principles as important as the equality of states, non-intervention, peaceful solutions of conflicts and self determination. Both the Charter of O.A.S. and the Rio Treaty are finished, and the Hemisphere will now be ruled by the law of the jungle.

No matter how much money the U.S. can provide to Central American countries, economic institutions, democratic and social institutions are falling apart. One hundred thousand dead already, and one million refugees are taking a toll.

More money for one side means more money for the other side, and this escalation will destroy the hopes for peace and reconstruction. Costa Rica is receiving hundreds of refugees right now, and it is only fair under the circumstances to ask the United States Government to receive them in U.S. Territory, establishing for this purpose an air-lift program. It is not right to leave this burden in Costa Rican hands. It will force us to increase services and security beyond our means.

Please inform your friends and colleagues about this. In spite of everything, we keep on fighting for a hemispheric solution to all these problems and are more and more convinced that our joint efforts for peace represent the only lasting solution to this war.

With best wishes,

DANIEL ODUBER.

JOBS FOR CINCINNATI GRADUATES PROGRAM

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. KINDNESS. Mr. Speaker, I want to share with my colleagues in this House a Cincinnati, OH, success story.

In an effort to deal with the problems resulting from high youth unemployment in Cincinnati, the Jobs for Cincinnati Graduates Program was established in 1982. Since that time, hard work and dedication coupled with great cooperation among Cincinnati public high schools, the Private Industry Council and numerous foundations and businesses have sustained this successful job placement program.

Jobs for Cincinnati Graduates currently provides training, counseling, placement and follow up for seniors from six Cincinnati high schools.

I commend to your attention the following letter:

CINICNNATI, OH,
June, 1986.

Representative THOMAS KINDNESS,
Rayburn House,
Washington, DC.

DEAR TOM: I'm pleased to be sending you the results of the fourth year of Jobs for Cincinnati Graduates. Many Cincinnati business and training professionals have helped get this underway.

Some highlights:

Placements continue to increase . . . 91% for the Class of 1985.

Employers continue to provide very positive reactions to the students they have hired. Over 130 companies have hired one or more of our students. Over 75% of these have hired additional people after their first positive experience with JCG-trained employees.

School support for this program continues to grow. Word of the Cincinnati success is spreading across Ohio where major effort is now underway to expand the concept to other large cities.

Cincinnati business was instrumental in starting JCG and continues its support. Approximately 50 companies and foundations continue to provide financial support.

As the schools, business community and other employment professionals agree, it appears that Cincinnati has taken an important step toward dealing with the problem of youth unemployment.

Ray Brokamp, the school board and staff join me in thanking you for your interest and support.

Sincerely,

WILLIAM N. LIGGETT,
Chairman of Board.

Mr. Speaker, the placement success rate of the Jobs for Cincinnati Graduates Program seems to say it all—public and private cooperation combined with a strong and enduring commitment to the needs of our youth leads to job placement success. Jobs for Cincinnati Graduates has certainly responded to today's competitive job market challenge.

RECOGNITION OF THE CONTRIBUTIONS OF CONSUMER ORGANIZATIONS

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mrs. SCHNEIDER. Mr. Speaker, the consumer movement in our country has become a part of the fabric of the society. It is difficult for us to remember a time when there were no organizations looking after the rights of the consumer—indeed, it was not so long ago when it was an axiom that the consumer had no rights at all. The progress in consumer rights during the past five decades was recently highlighted by an article in the New York Times. This article was brought to my attention by one of the most effective and tireless advocates of consumer rights that the world has yet seen, Esther Peterson. Many people remember Mrs. Peterson as America's premier consumer advocate. She has expanded her horizons to work on behalf of consumers throughout the world as Representative to the United Nations for International Organization of Consumer Unions. I submit the following article as evidence of the progress that consumerism has enjoyed since its rocky beginnings 50 years ago, and as a statement of the value of this movement to the people of all countries.

The article follows:

[From the New York Times, May 31, 1986]

THE THIRD WORLD LOOKS AT CONSUMERISM

(By William R. Greer)

Fledgling consumer groups from developing countries met at a conference in Riverdale, the Bronx, this week to set modest goals to protect consumers in their countries.

At the same time, Consumers Union, the most influential consumer advocacy group in America, celebrated its 50th anniversary at a glittering party in Manhattan and looked back on half a century of successful consumer lobbying.

What emerged at the Bronx conference, which was organized by the International Organization of Consumers Unions, was the feeling that these nascent groups were facing many of the same fundamental issues that sparked the beginning of the American consumer movement, and the beginning of Consumers Union, a half century ago.

"What we're seeing is the international consumer movement developing strength in the same way as we developed strength," said Esther Peterson, who advised Presidents Johnson and Carter on consumer affairs. "The international consumers movement now is a force to be reckoned with."

DELEGATES FROM 35 NATIONS

At the Riverdale conference, attended by delegates from 35 nations who met at the grassy Cardinal Spellman Retreat House on the banks of the Hudson, participants from

three countries, Brazil, Argentina and Uruguay, which had recently emerged from military dictatorships, were concerned with the effect less governmental control would have on their marketplaces.

One country, China, had never before had a consumer advocacy group, but needed one now, its delegates said, as more liberal trade policies have flooded its markets with new goods.

And many of the other consumer groups, especially from developing nations in Africa and Asia, were wrestling with such fundamental consumer issues as the right to complain, the right to safe products and maintaining sufficient supplies of food and housing.

Conference delegates attended a party at the Passenger Ship Terminal on the Hudson River in Manhattan, to celebrate the 50th anniversary of Consumers Union. The organization was held up as a model for the nascent foreign consumer groups.

The Consumers Union party, held for 800 staff members, readers and friends, was a low-key affair. Staff members from out of town stayed with friends to save the organization money. For entertainment, Ronnie Gilbert, the folk singer, sang a few tunes.

It provided an opportunity for well-known consumer advocates like Mrs. Peterson; Betty Furness; Stephen Brobeck, executive director of the Consumer Federation of America, and Peter Goldman, the director of Britain's Consumers Association, to praise the organization for its work. Governor Cuomo, in a speech at the dinner, called Consumers Union "the most respected organization of its kind in the entire world."

But some consumer advocates were not optimistic about the state of the movement in America and said it lacked the vitality it had when the issues it faced were new.

"Consumers Union started the ball rolling by giving the consumer movement an identity," said Richard Kessel, the executive director of the New York State Consumer Protection Board. "In the 1960's and 70's," he said, "consumerism was chic, but it's not chic anymore. The ball has slowed down."

Consumer groups in the developing nations, however, say that their movements are picking up speed. Mrs. Peterson, who is now the United Nations representative of the International Organization of Consumers Unions, and other longtime consumer advocates said that in the last five years they have seen consumer groups forming in countries where they would have been impossible 10 years ago.

"Whether a country has a consumer organization is a fair yardstick on how individual rights are regarded," said Mr. Goldman. "The mere fact that they tolerate complaints shows a liberalization that would have been unthinkable 20 years ago."

China, for example, sent a delegate for the first time to the international consumer group meeting. Wang Jiang Yun, the Chinese delegate, said his country had formed its first consumer rights organization, the China Consumer Council, in December 1984.

Mr. Wang, who is Secretary General of the council, said it was privately operated, although financed and sanctioned by the People's Republic. Through local groups, the organization has begun hearing consumer complaints and negotiating solutions with manufacturers and retailers.

"Along with the open-door policy, production has improved greatly in China and more and more commodities have turned up," Mr. Wang said through an interpreter. "Along with that, consumers find some products are not up to standards of living, of what is in advertisements, so the consumers find it is necessary to organize a Chinese consumers union to look after their own interests."

In India, one of the most severe problems facing consumers is food adulteration; when consumers buy peppercorns, for example, they may also get dark-colored rocks or wood chips.

Moslem and Hindu consumers in India have demonstrated against food adulteration that compromises their religious tenets, such as the presence of pork and beef by-products in cooking oils.

Taiwan formed the Consumers' Foundation, a product-testing consumer group, five years ago. Its delegate was trying to learn how to deal with an unhappy company that has sued over the results of its test.

"We are five years old and we have a suit already," said Chia-Reiy Liu Chen, the Chief of the organization's testing laboratory.

In Brazil, where a democracy has replaced an authoritarian military government that ruled for 20 years, the marketplace is being deregulated.

Marilena Lazzarini, the executive director of a consumer defense organization in São Paulo called Procon, said that she and other consumer advocates are pressing legislators to include consumer-protection laws in Brazil's new constitution.

"Now we are at a special moment in Brazil," she said. "Consumer defense is another step now, a national priority.

At the Consumers Union dinner, many of the founders recalled both the excitement and the hostility of the days in 1936 when 30 of them left Consumer Research, the first product-testing organization in the United States to form Consumers Union.

ADS WERE REFUSED

Sixty newspapers refused to print advertisements for Consumers Union in the 1930's, saying product testing represented an assault on the institution of advertising. Good Housekeeping accused Consumers Union of prolonging the Depression through its work and public schools banned Consumer Reports from its classrooms.

"The word consumer was rather strange in those days," said Kate Black, one of the 30 original employees of Consumers Union. Mrs. Black, who was 21 years old at the time, spent three days in jail with nine other employees from Consumer Research after going on strike there. The strike started after the organization's director, Frederick J. Schlink, fired three employees who sought to form a labor union.

"When I first took the job, I was just out of high school and it was just a job, nothing more," Mrs. Black said. She is now 72; she left Consumer Union in 1940 and spent most of her career working for Group Health Incorporated, a nonprofit group health insurance company. "After the strike began and after Consumers Union was formed," she said, "then I really became much more convinced of the importance of the consumer movement and I have been ever since."

TONGASS NATIONAL FOREST

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. MRAZEK. Mr. Speaker, I have introduced a bill that I hope will save the American taxpayers millions of dollars next year. Despite the 75 years of failure, the U.S. Forest Service continues to support a dying timber industry in our Nation's largest national forest, the Tongass, in the Alaska panhandle. Despite sizable taxpayer losses and severe environmental destruction to a rare ecosystem of incalculable value, the agency has shown no intention of rectifying its unprofitable policy.

Under section 705 of the 1980 Alaska Lands Act, the Treasury is required to provide an open-ended appropriation of "at least $40 million annually or as much as the Secretary of Agriculture finds is necessary" to enable the Forest Service to achieve its timber supply goal of 4.5 billion board feet of timber per decade from the Tongass. Unlike virtually all other Federal expenditures, including expenditures for national defense, these funds are not subject to deferral or recision by the administration, nor are they subject to the annual appropriations process in Congress. The Tongass Timber Reform Act of 1986 is designed to bring the Tongass back into the annual appropriations process with the rest of the Forest Service.

The problem is as follows: Tongass is an inordinately expensive place to harvest timber. The region cannot efficiently compete in the declining market, even with massive subsidies. In the past 5 years, the Forest Service has sold less than 44 percent of the timber offered for sale. In fact, during the 9-year period of 1977–85, the Tongass' direct cost to the taxpayer has been a staggering $311 million. With annual losses of more than $50 million over each of the last 3 years, the crisis is worsening. Now is the time for Congress to reassert its authority over expenditures on the Tongass National Forest.

Section 705 also exempts the Tongass from an importance reform of the National Forest Management Act of 1976 that requires the Secretary of Agriculture to identify national forest lands that are economically and physically unsuited for timber production. In fact, the Tongass is the only national forest that is exempt from this requirement.

Admittedly, the objectives in the Tongass are laudably one of maintaining jobs and promoting economic development. But using timber sales in a market that has no buyers is not the solution. The simple truth is that Alaska was never more than a last-in, first-out market for the Japanese and other Pacific Rim nations. Now, those nations have less demand for the Tongass' output and there are many more suppliers from which to choose. This is vitally important because the export market is all the Tongass has. No Tongass wood fiber is sold in the United States. It is impossible to buy a newspaper or build a home in Alaska using Tongass timber.

The sad fact is that the policy of subsidizing timber exports isn't even saving jobs in the

region. The subsidies and losses have increased tremendously since passage of the Alaska Lands Act. However, timber jobs in the region have declinded by more than 40 percent, dropping from 3,055 in 1980 to less than 1,800 today.

In the meantime, the Forest Service continues to build roads into roadless areas at a rate that far exceeds legitimate harvest needs. It prepares sales that will not sell for the market every year. And, instead of conserving taxpayers' dollars, the agency appears bent on spending every dime, because it's there. This practice not only confounds the laws of supply and demand, but it makes no sense in light of the fiscal priorities of this Nation.

Not only are the timber management practices on the Tongass National Forest contrary to the spirit of the Gramm-Rudman Deficit Reduction Act, but they clearly undercut Congress' pledge to trim waste and fat from the budget. In fact, in 1983 the Tongass lost more than $57 million; in 1984 more than $54 million; and, in 1985 more than $52 million. Stated another way, in those years the Government failed to cover its costs of growing and selling trees by losing 91 cents on the dollar in 1983; 93 cents on the dollar in 1984; and, 99 cents on the dollar in 1985. In light of these figures, Congress should mandate that the Forest Service reduce the amount of timber offered for sale to an amount likely to be sold, and should restrain Forest Service roadbuilding that clearly exceeds legitimate harvest needs.

I have introduced the Tongass Timber Reform Act of 1986 to address these problems. The bill amends the Alaska Lands Act of 1980 and brings section 705 under the annual appropriations process. In addition, it repeals Tongass' exemption from the statute in the National Forest Management Act that requires the Forest Service to identify lands not suited for timber production.

We must restore accountability to Tongass. Limiting the funds available for timber preparations and restricting the construction of roads to nowhere will move the Forest Service, the Congress and the American people in the right direction by conserving tax dollars and natural resources. The Tongass National Forest is one of the last significant stands of temperate rain forest left in the Northern Hemisphere. To ask the American taxpayer to subsidize the destruction of this magnificent international treasure is preposterous. I ask my colleagues in the House to take advantage of an opportunity to save dollars and to eliminate unnecessary environmental destruction by supporting the Tongass Timber Reform Act of 1986.

UNITED STATES-JAPAN TRADE RELATIONSHIP

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. FRENZEL. Mr. Speaker, on July 28, Commerce Secretary Malcolm Baldrige gave a speech before the Japan External Trade Organization and the Japan Foreign Trade Council. In his speech, he warned that Japan would face more United States trade barriers if it failed to raise imports and suggested that Japan establish concrete targets for annual imports from its major trading partners. This is pretty tough talk from an administration that is accused of not being aggressive enough on trade policy.

I commend his speech to you:

REMARKS BY SECRETARY OF COMMERCE MALCOLM BALDRIGE

Good afternoon. I am pleased to have this opportunity to address this distinguished group.

I have come to Japan for one reason: To personally express the gravity of the crisis our two countries face in our trading relationship. This was my message when I met with Prime Minister Nakasone yesterday, this was my message to the members of the new cabinet whom I have also met, and this is my message this morning to you—Japan's business and Government leaders.

We are about to see the serious problems between our two countries solved. But which solution it will be is still unknown. Will it be solved by those in our country who see the only solution as building walls around our borders equal to the walls around Japan's borders? Or will it be solved by Japan opening its markets?

We are on the edge of the first solution. Why? Because despite the adjustments in exchange rates, the bilateral trade deficit will not be reduced this year. Instead, we expect Japan's surplus to exceed $55 billion this year, and some Japanese estimates are for higher surpluses yet in 1987.

The United States Congress is considering omnibus trade legislation which, if passed, will put a straightjacket around trade. It will take away from the President the flexibility he has to deal with trade problems. It will force reductions in the trade deficit with Japan. It will mandate strong actions to stop the flow of your imports into the United States. It will cut your ability to sell in our country. And the result will be disastrous for both sides.

Next week, the President will face the most serious challenge to his free trade policies. The Congress will consider overriding his veto of the textile bill, which limits textile imports to our country. I cannot stand here today and tell you honestly that we will be able to stave off that legislation, although I can say we are working with all our resources to do so, and I hope we can.

We are arriving close to the point in our trading relationship that has been coming for a long time—unilaterally stopping imports of Japanese goods. The reason we are at this point is that Members of the United States Congress believe, as most of their constituents believe, that Japan is doing very little to resolve the problem besides talk. The talking has not produced results. In short, we cannot fight the fight for free trade with Japan and the rest of the world for 6 years without some help from the Japanese. My defense for the Japanese ever-growing surplus before Congress is wearing mighty thin.

This lack of results comes despite the courageous leadership Prime Minister Nakasone has shown on the huge trade problem. Under his guidance, Japanese tariffs have been reduced to among the lowest in the world. Many unfair standards and other technical barriers have been reduced. The Moss negotiations have opened up closed markets for foreign suppliers of telecommunications equipment, medical and pharmaceutical goods, forest products and electronics.

But nothing has happened to the volume of imports Japan will accept. On the contrary:

Since 1980, Japanese imports from the world have actually fallen by 7 percent, from $140 billion to $130 billion. During the same period, Japan's exports rose by 35 percent.

Even during the last year, 1985, when our trade talks reached a peak, Japanese imports declined by 5 percent.

And even if oil imports were excluded, Japan's manufactured imports still declined by 1.1 percent at a time when their manufactured exports rose by 3.3 percent.

There is a Japanese expression—Fugen Jikko (Foo-Gen Jee-Koh)—"No words, real action." The world is looking to Japan—and especially to you, the industrialists and leaders of this country—to back up the Prime Minister's words with real action . . . not just with promises to take action. There are many, many examples where action should be taken. One obvious one is seeing the Prime Minister's directive to create an "open door" in public works translated into real opportunities for foreign construction companies and equipment suppliers by truly competitive bidding—the same kind of bidding that Japanese construction companies enjoy in the United States.

His pledge to have restrictions only as the exception to the rule must be brought to action. We must uproot the barriers deeply buried in private business relationships and traditional practices. Believe me, I realize the difficulties involved, but the alternatives to continuing this seriously unfair practice are worse.

Another obvious example: You must resist the temptation to demand protection from imports because your industries are in the developing stage, or because they have excess capacity, or they are mature, or because the exchange rate has changed, or for 50 other reasons that are protectionistic. Dumping, predatory pricing, subsidizing—they are all essentially protectionist practices that are meant to influence trade balances.

And most important, you must take to heart the Prime Minister's appeal to increase imports as a national goal.

I would hope that in Japan a national consensus could develop for a vision on imports similar to the national vision on exports that MITI helped develop some years ago. Essentially, unless the Japanese industrialists, the Japanese bureaucracy and the Japanese people come to the conclusion that it is in their own self-interest to accept a significantly higher level of imports, the lowering of trade barriers themselves, whether tariff or non-tariff, will not help the dangerous trade problem Japan is facing.

But instead of following the Prime Minister's advice, so far we have seen the opposite in most Japanese trade actions.

An $8 billion airport project—the symbol of Japan's growing trade links to the rest of the world—appears to be put off limits to foreign firms, according to some statements made in the recent past. I think this is being resolved. The Prime Minister and the Minister of Transportation have both assured me that the bidding will be accomplished on a fair and open basis with all firms. Regardless of nationality, all qualified firms will be given a fair opportunity to participate in the project.

Despite the fact that supercomputers were invented in the United States, and de-

spite the fact that the United States supercomputer cray is the standard by which the world builds supercomputers, we have yet to sell a single machine to a Japanese Government bureau or to a Japanese university.

Despite over three decades of space coordination between our two countries, the Japanese Government still refuses to allow Government entities to purchase foreign satellites.

Although Japan has shouldered an increasing share of the overseas development burden, the second most powerful economy in the free world continues to use their aid program as a sales tool—requiring the poor countries of the world to buy not on the basis of most competitive bids, but on the basis of what Japanese industry wants to sell them.

Whether it's soda ash or coal in a declining industry or supercomputers or satellites in a growth industry, we find the Japanese unwilling to take even our most competitive exports.

This is the Japan that many Americans and the rest of the world see. A Japan that has built itself into a world economic power, but a Japan not willing to take on the responsibilities that go with that power. A Japan afraid to open its borders to competitive goods. A Japan that finds ways to avoid imports even in the face of facts that demonstrate better products are available in many, many cases—enough to make a significant difference in the total volume of imports.

Japan has grown up, economically. Japan has grown so much that in September, you will assume your seat at the GATT ministerial meeting as the second largest trading nation in the system—and, as the acknowledged beneficiary of that system. The Japanese people must decide if Japan will also continue being the major problem in the system.

Senator Bob Dole, the Senate majority leader, said after a visit here, "There was a brief window of opportunity to take meaningful action to open Japanese markets and to address the concerns we raised. That window is about to be slammed shut . . ."

And, Senator John Danforth, who used to be one of the freest traders in Congress, said here earlier this year, "No other nation contributes so little to the open trading system of the world in proportion to what it gains."

This is not just the United States' view. Just last week the European Community agreed to send a message to the new Japanese Government. It repeated its demand for market opening, structural change and expressing its concern over the worsening trade figures . . . because of Japan's trade surplus.

This follows actions taken by Taiwan, which imposed restrictions on tenders for Government procurement specifically prohibiting sourcing in Japan . . . because of Japan's trade surplus.

And this follows action by Korea, whose market diversification bans prohibit certain imports from Japan . . . because of Japan's trade surplus.

But it is very important to note that these actions have not been taken out of jealousy for Japan. They have been taken because the rest of the world does not enjoy the access to Japan's markets that Japan enjoys in ours.

The central fact of this moment in Japanese history is this: Japan cannot continue to live with its trading partners on the basis of ever-increasing exports and slow or static imports. By almost any measure, Japan has great power in the world economy but has not taken the responsibility that comes with that power.

For example, we all know the problems that the developing countries are having and the industrialized countries are trying to help them increase job opportunities. Yet as recently as 1984, the United States took 58 percent of the manufactured exports of the developing countries, Europe took 27 percent, while Japan only accepted 8 percent—proportionately about one seventh of what the United States did.

Japan's imports of manufactured goods from all countries as a percent of GNP was 2.7 percent in 1985. The United States imports two and one half times as much proportionately and Germany over five times as much.

To export more, Japan must import more. Japan must do this—you, the members of this audience, must do this—not as a response to foreign pressure, not just out of loyalty to the Prime Minister, but as a matter of self interest and economic survival.

Yet importing more does not mean necessarily exporting less.

The Prime Minister's program to stimulate internal growth offers the opportunity to rely not only on exports for economic growth and stable employment, but on domestic growth. The result will be an increase in imports without sacrificing exports. The domestic benefit in lower consumer prices from a stronger yen should be passed through to the consumer. These lower prices could amount to over 13 trillion yen. This strong consumer benefit, along with the strong implementation of the Maekawa plan, should boost domestic growth significantly.

There is one more point that I think about many times. Please consider this:

Each of our countries has had the best leadership possible for free trade in the last few years. Prime Minister Nakasone has provided courageous leadership trying to increase Japanese imports and open Japanese markets, and President Reagan has provided courageous leadership in keeping United States markets open in spite of a $150 billion trade deficit and an onslaught of protectionist pressures.

But, in spite of that strongest possible leadership, we have been unable to reduce our bilateral trade deficit. We have been unable to reduce Japan's massive trade surplus. And, we have been unable to silence either Japanese protectionists—who clamor for the continued luxury of a protected home market—or American protectionists who continue to argue that the only way to build a level playing field is to raise trade barriers to your level.

Just think about this—if we can't get action that brings results during the remaining span of these two strong leaders, both courageous, both with the people behind them and both advocates of free trade, how can we look for anything better in the future when the problems will be worse? Gentlemen, you have to act now!

My Japanese friends—on the American side we will continue to fight protectionism, win or lose, On your side, you must take it into your hands to solve your share of the trade problem. I greatly fear if you don't, a solution will be forced on us that would harm both our countries—but Japan most of all. We have so much—so much—further to go, and time is running out.

MAINTAINING A STRONG DEFENSE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. CRANE. Mr. Speaker, above all, the highest responsibility owed by this Government to the people of the United States is to provide for their common defense. Toward this end, history has taught us that when our defenses are down, the enemy is most likely to attack.

With President Reagan's leadership, this Nation wisely bolstered her defenses. Improving our defenses is not merely building more guns, aircraft, and bombs. The proper amount of defense is that which will deter an enemy or potential enemy from attacking this Nation in any manner. As our father George Washington counseled, "To be prepared for war is one of the most effectual means of preserving peace."

Achieving and maintaining this level of preparedness entails the manufacture and deployment of thousands of weapons and thousands of military personnel trained to operate those weapons. This is our front line of defense.

However, an enemy may not be deterred by our front line defense. We must assure our enemies that a breach in our front line defense will be met by a tenacious second line of defense, and a breach in our second line of defense will be hit hard by a third line of defense, and the enemy must be assured of meeting that defense ad infinitum.

In order to present such a continuum of high level resistance to attack, it is necessary for the United States to train reservists and to stockpile the materials with which to build armaments. Without a ready supply of the necessary strategic minerals, this Nation's defenses would not provide the promise of defense. It would be a sad day if America were at war and losing for want of the tools to fight.

In this regard, it is with great care that this body should approach the continued supply of materials to this Nation from the Republic of South Africa. This Chamber recently voted to inflict further injury upon the economy of that troubled nation. It is right and it is our duty to help the South African people achieve freedom and democracy. However, the method which this Chamber has proposed to hasten that outcome was ill advised and wrongheaded. Economic sanctions deliver only more hardship to an already oppressed and impoverished people. Beyond that, this Chamber has declared economic warfare upon a supplier of minerals which are of strategic importance to the defense of this Nation. When America is firing warning shots around the world, we should first check to see if we are aiming at our feet. Sanctions of the nature this body has proposed would not only obstruct the advancement of peaceful change and the development of a strong economy in South Africa, they would strengthen those forces of extremism, both white and black, who would rather bathe their nation in violence than negotiate in peace. If South Africa falls into vio-

lent revolution and social chaos, the turmoil will engulf that region for decades. It is certainly a sad promise, made sadder by the fact that America's supply of strategic minerals would be disrupted. Our ability to sustain a tenacious defense would be in question, and it is when a Nation's defenses are questionable that an enemy is most likely to attack. The continued and constant supply of strategic minerals then should be a cause to which this body remains true.

To aid my colleagues in their study of America's strategic minerals situation, I commend the following article written by Mr. Robert Greenberger of the Wall Street Journal.

ANY CUTOFF OF SOUTH AFRICAN MINERALS MAY JEOPARDIZE U.S. NATIONAL SECURITY

(By Robert S. Greenberger)

WASHINGTON.—A sustained cutoff of the strategic metals the U.S. buys from South Africa might jeopardize national security and force America to rely on another supplier—Soviet Union. But the U.S. could cope with a short-term interruption of metal supplies.

The U.S. depends heavily on South Africa for supplies of chromium and manganese, which are used in the production of tanks, ships, aircraft and other military equipment, and platinum-group metals, which are used in electrical circuitry and automobile catalytic converters. In addition, South Africa is the major transshipment point for other minerals mined by nations in the region, such as the cobalt from Zaire used in aircraft engines.

American intelligence analysts say South Africa hasn't ever considered blocking this trade, which is vital to its sagging economy. Indeed, earlier this month Pretoria pointedly reminded the West that South Africa is rich with important minerals. However, internal chaos could interrupt the mineral flow. This week, the House passed a harsh bill that would end all U.S. commercial relations with South Africa, but the U.S. could continue to purchase minerals if the president certifies they're vital to national security.

'VITAL' FOR DEFENSE

A disruption of supplies from South Africa would "have potential for destabilizating minerals and materials markets and, in turn, impacting significantly on the economic and national security status of numerous nations in the West," warns a report by the Commerce Department's Office of Strategic Resources. The July 1985 report adds that the maintenance of free market access to South Africa's mineral wealth is "vital for the continuing U.S. defense buildup and for industrial preparedness in the event of a national security emergency."

Without exports from Pretoria, the U.S. would have to turn to Moscow, which, after South Africa, has the next-largest reserves of platinum and manganese and the third-largest supply of chromium. In the past, the Soviets have moved to fill market needs with the zeal of dedicated capitalists. For example, in 1978 Angolan rebels invaded Zaire's Shaba province, a major producer of cobalt, and Moscow quickly took advantage of the ensuing sharp price boost by selling huge amounts of the metal.

"I'd be fairly sure that the Russians would step in and sell us" the minerals in the event of a South African cutoff, says Rep. Charles Bennett (D., Fla.), chairman of the House Armed Services subcommittee on seapower and strategic and critical materials. "But that puts us in the hands of a potential enemy as far as immediately acquiring things. And they'd cut us off when they wanted to cut us off," he adds.

Brian McCartan, a senior analyst with the Center for Defense Information, a private military research group, notes that Canada and Mexico are also richly endowed with mineral wealth and could help fill some U.S. needs.

But the government's strategic stockpile is the main U.S. security safety net. The president has the authority to draw metals from the strategic inventory if they are needed for national defense. The stockpile would help the U.S. endure a short breach in supplies from South Africa, the officials say.

SUPPLIES BELOW TARGET

However, some congressional critics say that supplies in the strategic reserve have fallen below the target of three years' supply, and they note that the Reagan administration last year proposed major reductions in these reserves as a budget-cutting measure. Congress has so far blocked such a move.

The official "goal" for chemical-grade chromium in the strategic reserve, for example, is 675,000 tons, but the government's inventory contains only 242,000 tons, according to a report to Congress from the Federal Emergency Management Agency, which manages the stockpile. Without South African shipments to the U.S. "the stockpile is insufficient to tide us over for any conventional war" that might last several years, concludes a congressional aide.

Finding adequate substitutes for some metals in short supply could take as long as a decade. For example, before a new alloy could be used for airplane engine parts, prototypes must be built and extensively tested "before you send some guy up in a plane," the congressional aide says.

According to the Commerce Department, the U.S. bought $1.3 billion worth of minerals from South Africa last year. In recent years about 67% of the platinum, 56% of the chromium and 44% of the manganese used in the U.S. comes from South Africa.

The administration opposes the House South African sanctions bill even though the U.S. still would be able to purchase minerals the president says are needed. But the sanctions wouldn't have much bite unless the U.S. stopped purchasing minerals."If you don't block strategic minerals, then to talk about sanctions is ridiculous," says Charles Ebinger of Georgetown University's Center for Strategic and International studies.

"Maybe it makes everybody feel good, but any bill that doesn't block these minerals won't put great pressure on the South African economy."

THE FREEDOM FROM VERTICAL PRICE FIXING ACT

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. SEIBERLING. Mr. Speaker, today, with the bipartisan support of my colleagues on the Monopolies Subcommittee of the House Judiciary Committee, I am introducing legislation that reinforces congressional policy in the area of resale price maintenance at a time when those public officials whose constitutional duty is to enforce the antitrust laws refuse to discharge that mandate.

The Freedom From Vertical Price Fixing Act of 1986 is intended to end increasing confusion in the Federal courts over the proper evidentiary standard to be applied in cases where a manufacturer, in violation of our competition laws, terminates a dealer in response to competitor complaints about the pricing policies of the dealer. As with any case dealing with allegations of conspiracy to commit illegal acts, the traditional evidentiary standard has been to recognize circumstantial evidence as an important—and often indispensable—tool in assisting juries and courts in making their findings of fact. In this sense, conspiracy law in the antitrust context is no different from conspiracy law in the criminal area. For, it is indeed the rare case—not the typical one—where we find the smoking gun or the signed, written agreement to fix prices. Circumstantial evidence, carefully weighed, is often the sole means for a jury to ferret out well-concealed combinations to violate the antitrust laws or other statutes.

Unfortunately, unnecessary confusion was injected into the body of conspiracy law by an anomalous decision issued by the Supreme Court in 1983. In the Monsanto versus Spray Rite case, the Court made statements in dicta that have led to a disturbing number of lower courts' abandoning accepted conspiracy theory and adopting a novel and virtually impossible standard of proof for vertical price fixing conspiracies involving a dealer termination. The standard announced would appear to rule out, in practical terms, the use of circumstantial evidence in supporting allegations of conspiracy so as to preclude jury consideration of such evidence. As feared at the time of the decision, we are now witnessing an unprecedented wave of summary judgment dismissals of antitrust actions brought by claimants who have asserted the requisite elements of a price fixing case sufficient to go to the jury: that a manufacturer in response to complaints from a rival dealer terminated another dealer solely for its pricing policies.

Our legislation is aimed at restoring the standards of evidence traditionally used in establishing anticompetitive agreements to maintain or alter prices. Utilizing the precise phrasing of prior termination decisions over the past 40 years, the bill states that a termination of a dealer by a manufacturer in response to a rival dealer's complaint is sufficient to raise the inference of a conspiracy to violate the antitrust laws' prohibition against vertical price fixing. Carefully tracking accepted jurisprudence, the standard makes clear that circumstantial evidence meeting these criteria merely raises an "inference" of a violation, and not a conclusive presumption. Under Federal practice and procedure, the effect of raising an inference is simply to shift the burden of proof to the defendant to demonstrate that its action to terminate was not a response to dealer complaints, but rather, was based on other independent, legitimate business grounds.

The traditional freedom of business people in nonmonopoly situations to deal with whomever they wish and under whatever terms and conditions that are bargained for is left abso-

lutely intact by this bill. The freedom to do business or not to do business is critical to our free enterprise system and was formally enunciated in the 1919 *Colgate* decision, 250 U.S. 307. In giving Colgate full effect, the Freedom From Vertical Price Fixing Act of 1986 in no way restricts the right of defendants charged with price-fixing conspiracies to rebut the inference of conspiracy. To do so, a defendant may proffer evidence that the termination resulted from independent business decisions relating to individual dealer performance or to other uniformly applied internal corporate policy.

The rationale for shifting the burden of proof to the defendant once an inference of conspiracy is raised is clear: It is the defendant-manufacturer who has full and immediate access to exculpatory evidence to rebut the inference of a conspiracy. And when dealing with a business event as economically significant as a dealer termination, it is only proper that circumstantial evidence raising an inference of conspiracy, as well as evidence to the contrary, be permitted to go to the jury for evaluation. Following the Monsanto decision, however, courts in alarming numbers have precluded circumstantial evidence from going to the jury by sustaining routine motions for summary judgment based on no more than the cryptic dicta appearing in Monsanto.

The fear of such an egregious result was anticipated by the 46 State attorneys general who filed an amicus brief in the Monsanto case. They argued that forsaking important circumstantial evidence of conspiracy in favor of theoretical justification for illegal terminations without a full dress presentation of the facts to a jury would lead to an obvious distortion of justice and the competitive principles underpinning the antitrust laws. Their arguments carry much force, because it is the State attorneys general—and not the DOJ Antitrust Division—who have now become the undisputed frontline enforcers and protectors of our competition statutes.

The standard laid down in our bill would in no way chill desirable communications between a manufacturer and its retailers concerning the marketing of a product. Established antitrust law principles permit the supplier and individual dealer to disucss suggested retail prices as well as other nonprice terms and conditions of service such as promotional programs and warranty service, provided these conditions of service are not part of a price-fixing scheme.

The failure of the Justice Department to bring even a single vertical price-fixing case in 6 years has sent a disquieting message of permissiveness to potential violators. The Department's unilateral departure from congressional and Supreme Court consensus on the proper characterization of the resale price maintenance offense as a per se violation has compelled this House to act at least once a year during the past 4 years to offset the persistent efforts of the DOJ to eviscerate the rule. Congress has twice in 3 years set funding restrictions to end the Justice Department's so-called amicus intervention on behalf of defendant-manufacturers in order to file briefs seeking to overturn resale price maintenance rules. So the Department last year promulgated a set of so-called vertical restraints guidelines that in very subtle ways attempt to effect the same very result while avoiding the literal dictates of Congress' spending restriction. In response, Congress passed the Vertical Restraints Guidelines Resolution, House Resolution 303, during the first session of the 99th Congress, which expressed the sense of Congress that the guidelines do not accurately state Federal antiturst law or congressional intent, shall not be considered by the courts as binding or persuasive and should be recalled by the Attorney General.

The time has now come to restate this principle firmly and finally in the antitrust statutes so as to convey to the courts, the business community, and the consumers that Congress' commitment to price competition in a free-moving economy is unequivocal.

BRIG. GEN. BELISARIO FLORES, DISTINGUISHED SERVICE

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. GONZALEZ. Mr. Speaker, it gives me great pleasure to bring to the attention of you and my good colleagues in the House of the distinguished service to our country of my long time friend, Brig. Gen. Belisario D.J. Flores, who is to be retired from active duty in ceremonies at Lackland Air Force Base at San Antonio this Friday, August 1, 1986.

General Flores has held many important posts during his more than 40 years of military service, the latest of which has been as the assistant adjutant general for air with responsibility for the executive management of all Texas Air National Guard units and activities.

Born in Eagle Pass, TX, on July 22, 1926, Bel Flores graduated from San Antonio Technical High School in 1944. The future general joined the Enlisted Reserve Corps in March 1944 and was called to active duty at Fort Hood, TX, in January 1945, where he completed basic training and served with the tank destroyers. He also graduated from the basic and advanced wireless communications course. He was released from active duty from the U.S. Army in August 1946, after attaining the rank of sergeant.

At San Antonio College and St. Mary's University he distinguished himself academically by receiving Phi Beta Kappa and Kappa Pi Sigma keys, graduating from St. Mary's in 1950 with a degree in marketing, and commissioned as a second lieutenant, having served in the university's ROTC Program.

While a member of the Army Reserve unit at Dodd Field, he was called to active duty, serving as an artillery officer which included 9 months in combat in Korea for which he was awarded the Bronze Star for meritorious achievement as a forward observer in operations against the enemy. Bel Flores was released from active duty in March 1953, as a first lieutenant, and continued to serve in an inactive status as a supply officer at Dodd Field and Fort Sam Houston until May 1955, at which time he transferred from the Army to the Air Force Reserve. He then was appointed as a supply officer with the 149th Combat Support Squadron, Air National Guard, Kelly AFB.

He began the civilian side of his career in 1946 as an assistant manager of a major department store. In 1956 he joined the accounting staff of the city of San Antonio, and in January 1959, moved to the city's Junior Executive Program. In May 1959, he accepted the civilian position of accounting supervisor at the Air National Guard at Kelly AFB, while serving as accounting and finance officer for the 149th. Subsequently he served in the civilian post of comptroller for the 149th, as well as being the commander of the squadron, until April 1966. He had then risen to the rank of lieutenant colonel.

When he was appointed on September 1, 1971, as the assistant adjutant general for air with responsibility for the executive management of all Texas Air National Guard units and activities, his current full-time position, he was promoted as a full colonel, and on June 25, 1974, he reached the rank of brigadier general,

During the retirement ceremonies on Friday, General Flores will receive the Legion of Merit. In addition to the Bronze Star for service in Korea, General Flores has also received the following medals during his many-faceted career—Meritorious Service, Air Force Commendation, Good Conduct, American Campaign, World War II Victory, National Defense Service, Korean Service with two Bronze Stars, Armed Forces Reserve Medal with two Hourglass Devices, United Nations and U.N. Service, Texas Medal of Merit, Texas Federal Service, and Texas Faithful Service with five Cactus Leaf Clusters. The general has also received the following awards: Air Force Outstanding Unit, Air Force Organizational Excellence, Air Force Longevity Service with eight Oak Leaf Clusters, Texas Governor's Citation, and Adjutant General's Individual Award.

It had been my hope to join Bel and his wonderful wife, Jo, at the festivities today concluding his long and outstanding career, but legislative business prevents my being in San Antonio on this wonderful occasion.

I know my colleagues join me in saluting this distinguished military officer, Brig. Gen. Belisario D. J. Flores, for the service he has rendered to our great country.

REFORM LIABILITY INSURANCE NOW

HON. VIN WEBER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. WEBER. Mr. Speaker, the United States has come into a problem of crisis proportions, soaring premiums for liability insurance. Not only does this effect small and large businesses across the country, it effects everyone. Towns across the country cannot afford insurance in order to stage celebrations. Many high schools are having to terminate their athletic programs because they can't afford the insurance. In one case, a Little League baseball coach was sued when one of his players was hit in the head with a fly ball. The plaintiff claimed that the coach should have been

aware that the player was a natural infielder. Consumers also pay the price for the increase in premiums. When a manufacturer is burdened with higher insurance premiums, the manufacturer passes on that burden to the consumer. Something must be done in order to restore the cost of insurance to a reasonable level.

One specific group cannot be blamed, yet there seem to be some obvious problems with the system. For instance, sympathetic juries have been awarding astronomical sums to the plaintiffs for noneconomic damages such as pain and suffering. In many cases the plaintiff's lawyer receives two-thirds of the settlement for his service, leaving only a token award for the plaintiff. Often times the person or group most at fault, perhaps 80 percent at fault, does not have the resources to pay for the damages. In this situation the person or group least at fault may end up paying the entire amount if that person or group has the resources. This is often referred to as "deep pocket." For example, an accident victim was awarded $1.5 million by a jury that found two doctors and the hospital negligent in handling the victim's case. One of the doctors was uninsured. The other doctor not only paid his share of the settlement, $600,000, but he was forced to pay the uninsured doctor's share as well, $600,000.

Congressman HAMILTON FISH, JR., has introduced a bill to the House, H.R. 4766, the Product Liability Reform Act of 1986. I believe that the direction of this bill is very positive and the sooner we enact H.R. 4766, the sooner we can restore sanity to the system. I commend my colleague for the courage to push for this important legislation.

Representative FISH proposes that we return to a fault-based liability system in which the person or group that is liabie and only that person or group, may be held responsible for paying the awarded sum of money. Except for specific cases joint and several liability may not be applied to any product liability action subject to this act. Non-economic damages, such as pain and suffering, are to be limited under this piece of legislation. If the award exceeds $100,000 then the person or group found liable is allowed to make payments periodically based on when the damages to the plaintiff are found likely to occur. The judgment may be reduced if the plaintiff receives or is eligible to receive any benefit related to the lawsuit. Workers compensation is an example of a benefit as is any payment by a governmental agency. Alternate dispute resolutions will be strongly encouraged in order to ease some of the load on the courts. The final resolution is to limit attorney's contingency fees. Also under the act, a lawyer may not charge in excess of 25 per centum of the first $100,000 of the settlement, plus 20 per centum of the next $100,000, plus 15 per centum of the next $100,000, plus 10 per centum of any award in excess of $300,000.

I believe these provisions move reform in the right direction. That is precisely why I have chosen to cosponsor this bill. One of my main concerns is how this insurance crisis is affecting rural small business. Rural small business are already struggling in a depressed economy. I urge both the House and the Senate to take immediate and positive action on this crisis. We, as the most responsible legislative body in the world, cannot let the Judiciary Committee put this bill in the graveyard.

THE HANDS THAT FEED US

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. BERMAN. Mr. Speaker, last month the American Civil Liberties Union released a report entitled "The Hands That Feed Us: Undocumented Farmworkers in Florida." I commend this report to my colleagues, both for the extraordinary caliber of the research undertaken by the ACLU, and for the organization's passionate commitment to demonstrating that the treatment of farmworkers in this country is a key civil rights issue we must address.

Following is the letter accompanying the report sent to all members by the chair of the ACLU National Advisory Council Eleanor Holmes Norton on June 12, prior to markup in the House Judiciary Committee of H.R. 3810:

AMERICAN CIVIL LIBERTIES UNION,
Washington Office, June 12, 1986.

DEAR REPRESENTATIVE: The search for effective immigration reform has become one of the most important and complex issues facing our nation. Political consensus on comprehensive change of our immigration laws has been elusive. The policy choices have been difficult. In the next several weeks you may be asked again to consider an immigration bill (H.R. 3810) which is now before the House Judiciary Committee.

One of the most controversial issues in the current immigration debate involves a proposal to establish a massive agricultural "guestworker" program. The Senate immigration bill (S.1200) would allow up to 350,000 agricultural guestworkers to be admitted annually, and the House is being asked to adopt a similar provision. Agricultural interests argue that there is an overwhelming need for foreign farm labor. Yet their proposal for a guestworker program comes at a time when unemployment among domestic farmworkers is particularly acute.

In deciding this issue, we believe you would want to know about a particularly compelling situation. Recently, the American Civil Liberties Union in cooperation with the American Friends Service Committee examined the plight of alien farmworkers and concluded that "alien farmworkers whether undocumented or here as temporary agricultural guestworkers under the Immigration and Nationality Act 'H-2' program, are among the worst fed, least healthy and most exploited laborers in America."

The Hands That Feed Us, which we have enclosed, describes the appalling living and working conditions of alien farmworkers in the Lake Okeechobee area of south-central Florida. The conditions discussed are generic to many areas using farmworkers throughout the nation. The report, while focusing on the unique problems of alien farmworkers, is an indictment of the existing system of farmworker protection. As you will see from reading the report, civil liberties and other constitutional guarantees are virtually meaningless in this context:

Most of the men, women—and children—who work the fields live a marginal existence. A freeze or other bad weather, illness or injury can mean economic disaster. The less fortunate live in a squalor unimaginable to most Americans.

There is considerable unemployment and underemployment in the Okeechobee area. Unemployment among farmworkers nationwide is approximately 14%. Notwithstanding the availability of U.S. workers, undocumented aliens and temporary agricultural guestworkers are often the most sought after farmworkers. They are susceptible to exploitation because of their fear of deportation by the Immigration and Naturalization Service.

The Hands That Feed Us is particularly critical of the operation of the "H-2" temporary worker program in the Florida sugar cane industry. The study found that "H-2" workers displace American workers. This is particularly the case in south-central Florida, where there are large numbers of unemployed farmworkers, many of whom have sought jobs in the sugar cane industry. Presently, some 9,000 foreign, temporary "H-2" workers make up 95 percent of Florida's cane cutters.

The "H-2" program deserves careful scrutiny for its impact on the rights of all farmworkers, including those who come at the behest of the agricultural industry. Migrant farmworkers, with whom guestworkers and undocumented aliens compete, are a powerless minority. Only 2 percent of America's farmworkers are organized; 40 percent are living below the poverty level.

As you debate the need for immigration reform, I urge you to consider the pernicious effects of a massive guestworker program on the rights and wor'cing conditions of all farmworkers. I commend The Hands That Feed Us to your close attention.

Sincerely,

ELEANOR HOLMES NORTON,
Chair, National Advisory Council.

A TRIBUTE TO NINA WILLIAMS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. STOKES. Mr. Speaker, it is a great honor for me to pay tribute today to Nina Williams of Cleveland, OH, on the occasion of her 75th birthday. This fine lady has distinguished herself as a spiritual and civic leader both in my own congressional district and throughout the Nation.

Missionary Williams, the devoted wife of Deacon Walter Williams, is a district missionary of Cleveland No. 3 District of the northern Ohio diocese of the Church of God in Christ and has served under all the bishops in the history of the Ohio North Jurisdiction Church of God in Christ.

Mr. Speaker, Nina Williams has been recognized on several occasions for her contributions to church and community. In May 1975, she was selected as the Silver Star for the Ohio north jurisdiction at the silver anniversary of the International Women's Convention in San Francisco, CA. She was chosen as Woman of the Year at the 1976 International Women's Convention of the Church of God in Christ in Dallas, TX.

Missionary Williams is president of the missionary board and State hospitality committee; she is "Mrs. Hospitality"! She has been recognized for her outstanding accomplishments as a teacher and booster in the Sunday school department and also as an outstanding leader with honors from former Cleveland Mayor Ralph J. Perk and U.S. Senators JOHN GLENN and HOWARD METZENBAUM.

Mr. Speaker, Missionary Williams has also made numerous contributions to the community. She has served as a wise counselor to many young women and has helped to feed and clothe many persons in need. She is a talented seamstress who has designed and made many articles of clothing. She is a dedicated, spirit-filled woman who has devoted herself to her husband, her children, and the church, and one who has sacrificed her time, love, talent, money, and energy to further the cause of Christ. Her standards of excellence has influenced all who have come to know her. She is especially loved, respected and revered by her 4 children, 24 grandchildren and 27 great-grandchildren. Because of her desire and determination to achieve with strength and honor, "her children arise up and call her blessed; her husband also praiseth her. Many have virtuously, but she excellest them all. We give her the fruit of her hands and let her own works praise her!"

Mr. Speaker, in tribute to her invaluable service to the people of Cleveland, Missionary Williams' family, friends and well-wishers will be honoring her formally at a birthday dinner in Shaker Heights. I join them in thanking Nina Williams for all that she has meant to us and in wishing her the best in years ahead.

COMMEMORATION FOR PUBLIC AFFAIRS PAMPHLETS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. WEISS. Mr. Speaker, I rise today to honor the Public Affairs Committee, located in New York City, which this year is celebrating its 50th anniversary of publishing Public Affairs Pamphlets. Since its establishment in 1936, Public Affairs Pamphlets has issued concise, informative, and easily intelligible pamphlets on a variety of complex social issues.

The committee's first pamphlet, issued in the middle of the Great Depression, was a summary of a four-volume Brookings Institution study of the causes and cures of the Depression. Since then, 640 titles and over 80 million pamphlets have been published, making valuable information about many concerns available to the public.

For example, in October 1943, when Adolf Hitler was making claims of racial superiority and using those claims to justify his brutal crimes against humanity, Public Affairs Pamphlets issued "The Races of Mankind," which gave a clear presentation of the scientific basis for human brotherhood and racial equality. Despite being attacked in a 1944 report by the House Military Affairs Committee, this pamphlet has had a distribution of over 1 million copies, and has been turned into a film and a filmstrip, a children's book and a "True Comics" issue, and a dramatization.

Public Affairs Pamphlets has frequently been ahead of the times in bringing matters of great concern to the public. In 1955, 10 years before the first Surgeon General's report on the hazards of cigarette smoking, the Public Affairs Pamphlet "Cigarettes-Lung Cancer" was issued. The manuscript was loudly opposed by the tobacco industry, but time has shown that it was correct.

Today, when acquired immune deficiency syndrome has become the Nation's No. 1 health priority, Public Affairs Pamphlets has released the pamphlet "AIDS: Fears and Facts," by Michael H.K. Irwin, the Medical Director of the United Nations. "AIDS: Fears and Facts," destroys many popular misconceptions about this tragic disease, and also describes its symptoms, the ways in which the disease may be transmitted, and means of prevention and treatment.

A well-informed public is crucial to the success of any democracy. Mr. Speaker, I invite my distinguished colleagues to join me in wishing the Public Affairs Committee continued successes as it proceeds from this important milestone to others.

THE BOSTON GLOBE ENDORSES H.R. 4300

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. CLAY. Mr. Speaker, I am pleased to inform the Members of the House that the Committee on Education and Labor has favorably reported H.R. 4300, the Family and Medical Leave Act of 1986. This legislation, introduced by Congresswoman SCHROEDER, Congresswoman OAKAR, Congressman MURPHY, and myself, seeks to promote the stability and well-being of the American family by ensuring that workers will have the opportunity to provide necessary care and support in the event of a birth, adoption or serious illness within their family without unduly jeopardizing their financial security.

Specifically, this legislation provides that employers of more than 15 employees provide an opportunity for their employees to take up to 18 weeks of unpaid leave over a 2-year period in the event of a birth, adoption, or serious health condition of a child or dependent parent without jeopardizing employment status. Additionally, the bill provides that employees who are incapacitated as a result of a serious health condition may take unpaid medical leave of up to 26 weeks.

H.R. 4300 has already been favorably reported by the Committee on Post Office and Civil Service and it is our intention to seek consideration of this legislation by the full House. The Committee on Education and Labor will file its report accompanying H.R. 4300 in the near future and I strongly commend this report to the attention of the Members. Additionally, from time to time I intend to place articles relevant to this legislation, such as the following, in the CONGRESSIONAL RECORD.

JOB SECURITY FOR MOTHERS

The American workplace has become hostile to the American family by failing to acknowledge and accommodate the needs of its largest-growing segment—mothers. This summer, the US House is expected to consider legislation that would bring US employers up to the standards of the rest of the civilized world by requiring them to extend unpaid leaves to new parents.

The flood of women into the work force has revealed glaring shortcomings in the structure of a workplace that clings to the assumption that all fathers work and all mothers stay home and raise children.

Today, most mothers work outside the home. Moreover, half of all women with children under the age of 1 work outside the home, and 67 percent of women with children under the age of 3 are in the work force.

The bill would require employers with more than 15 employees to provide an 18-week unpaid family leave to be taken upon the birth or adoption of a child. It would also require employers to provide a 26-week medical leave to employees with serious health conditions, which may include pregnancy and childbirth. Health-insurance coverage would be continued during the leave.

The bill extends job security to new parents. Fewer than half of all working American women can reclaim their jobs when they return from maternity leave.

More than 100 countries have parental-leave policies. All provide job security, and many replace some lost income. Canada extends leaves of 16 to 37 weeks; Austria, 16 to 20 weeks; Chile, 18 weeks—the amount called for in the US bill.

In the past decade, two-thirds of those entering the work force have been women. By 1990, half of the work force will be women. The parental-leave policy is long overdue.

Critics have ridiculed the proposal as "the yuppie bill," arguing that it will most benefit those who can afford to lose income by staying home from work. In fact, it is the low-income wage earner—who cannot afford to put her child in day care or hire outside help—who is most in need of the job security and insurance coverage that this bill provides.

THE OLD MILL

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. GINGRICH. Mr. Speaker, I recently received a copy of this poem from M. Rosser Lunsford of Douglasville, GA. This poem, entitled "The Old Mill" has won numerous awards, including a 1985 first prize award from the Explorer Magazine, and the 1986 Award of Merit and Golden Poet Award. It has also been published in 10 States, India, Italy, Canada, Virgin Islands, and Southern Rhodesia. I would like to take this opportunity to share this poem with my colleagues.

THE OLD MILL

(By M. Rosser Lunsford)

Ivy grows on the old mill shack,
the shingles are warped with age,
the water wheel is minus a spoke,
the mill pond crowded with sage.
Cobwebs lace the cracks of time,

the shutter hangs by a hinge,
the waterspout leans on sunken sills,
the dam wears a mossy fringe.
Trees all but hide the old mill shack,
the stream bypasses its rot,
the years have made it obsolete,
but it stands a beauty spot.

WORLD HEALTH PROGRAMS ARE HAVING AN IMPACT

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. HALL of Ohio. Mr. Speaker, the American Public Health Association and the World Health Organization are committed to achieving the international goal of universal child immunization by 1990—241 Congressmen have supported their efforts by cosponsoring H.R. 3894, the universal child immunization bill.

I want to call my colleagues' attention to an article by William Foege, president of the American Public Health Association. A copy of the article follows:

[From the Nation's Health, May-June 1986]

WORLD HEALTH DEVELOPMENT: THE ENCOURAGING FACTS

(By William H. Foege)

He was well educated, articulate and captivating as he convinced an after-work group that we should not provide United States assistance to developing countries. His arguments ranged from the long-term population problems to the inherent interests of the United States, but the bottom line argument was that we now have enough experience to know it doesn't work. Things don't get better and during the four decades since the end of World War II, the gap has increased between developing and developed countries. His argument was that more money to improve health, agriculture, housing, etc. in developing countries was simply wasted and unavailable for other activities.

Such beliefs are not restricted to social gatherings. They permeate government circles and provide excuses for those who could do something to support foreign assistance. This at a time when our government is considering a reduction in its contribution to the World Health Organization (WHO). The facts tell a far different and encouraging story.

Food production has continued to improve with marked successes in India and China. Africa faces severe food problems and periodic food shortages will always plague the world, but the global food situation is better in the 1980s than in the 1960s.

It is easy to show an improvement in the development of health capabilities. There is increasing commitment to primary health care and prevention. Many countries have formal plans for health activities over the next decade. Specific programs are gaining momentum in water and sanitation, family planning, diarrheal disease control and immunization. But, beyond the mere existence of these programs, it is now possible to show improvements in process objectives. That is, the number of people served by safe water continues to improve, contraceptive use is increasing, more children are being given oral rehydration therapy for diarrhea and over half of the children in developing countries are getting at least the first dose of some vaccine.

All of that would be, if not meaningless at least questionable, if we could not demonstrate changes in health indices. But we can. The number of countries with an Infant Mortality Rate (IMR) over 150 per 1,000 live births has decreased from 59 in 1960 to 11 in 1983. The median IMR for 130 countries was 137 in 1960, but had fallen to 70 for those same countries by 1983. Less than a quarter of a century for changes of such magnitude is almost beyond belief. Programs are working and life quality is improving.

So is longevity. Life expectancy at birth was less than 40 in 34 countries in 1960. Only two countries remained on that list in 1983. Median life expectancy in 130 countries went from 47 in 1960 to 63 in 1983. Improvements in some countries are faster than for comparable time periods in our own history.

The impact on birth rates is now being seen. In 1960, 69 countries had crude birth rates over 45 per 1,000 population. In 1983, only 39 countries were still on that list, and the median birth rate for 130 countries had dropped from over 45 to 37 per 1,000 population. We can thank the family planning pioneers for helping the world avoid even bigger problems.

Assistance to developing countries has worked. There is much more to be done, but public health workers of the world can proceed with new enthusiam based on the past success. You can with confidence encourge your govenment representative, voluntary agencies, church groups, and UN agencies to do more. If the above facts don't impress your representatives, let them know it makes financial sense. The United States saves more each quarter than it invested in smallpox eradication. It save more each year because of that one program than we contribute to the World Health Organizations. If the U.S. reduces its contribution to WHO, it would be unsound, short-sighted, and arrogant—but more than that—it would be uncivilized.

TRIBUTE TO THE LATE HONORABLE EDDIE GARMATZ

SPEECH OF

HON. KENNETH J. GRAY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. GRAY of Illinois. Mr. Speaker, I rise today with sadness as we pay our respects to a great American and great former Member of this body, Chairman Eddie Garmatz.

As the youngest Member in the 84th Congress, one of the first hands of welcome came from Eddie Garmatz. In the subsequent years I came to know and love this great human being. In fact, Mr. Speaker, during my chairmanship of the House Subcommittee on Public Buildings and Grounds, I sponsored a bill to name the Federal building in his beloved Baltimore the "Edward A. Garmatz Federal Building."

Mr. Speaker, Eddie Garmatz was a great friend and a great Congressman. He was a true pioneer in building up our merchant marine fleet. Our children and generations yet unborn will reap the benefits through the efforts of our friend, Eddie Garmatz.

Mr. Speaker, he will be sorely missed and I want to thank my friend, the Congresswoman from Maryland, Mrs. BENTLEY, for taking this time and I join her in extending deepest sympathy to Mrs. Garmatz and other members of the family. Thank you.

REMEMBERING A COMMUNITY LEADER

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. VENTO. Mr. Speaker, it is with deep sorrow that I report to this Congress the-passing of a Ramsey County District Judge, Joseph P. Summers, a long time friend and community activist.

Joe Summers passed away suddenly Tuesday, July 15, at age 47. He is survived by his spouse Carol; four sons and a daughter; his mother Marjorie Summers; and his brother Thomas, all in Minnesota.

Joe Summer's untimely passing has tugged at the hearts and consciences of our community because as a man he has given so much of himself as a parent, volunteer, counselor, political activist, commentator, musician, attorney, and judge.

Joe Summers met the challenge in an extraordinary way. Joe Summers, with brilliant academic competence and a personal touch, humanized his public roles serving as an outstanding example of service to our fellow man and earning a place in all our hearts.

Mr. Speaker, our community will miss Judge Joe Summers, but he will be remembered—remembered with a great deal of feeling.

I've inserted in the RECORD the following St. Paul Pioneer Press and Dispatch article which reflects our feelings on Joe Summers' passing.

[From the St. Paul Pioneer Dispatch, July 19, 1986]

FRIENDS SAY SAD GOODBYE TO SUMMERS

(By Virginia Rybin)

The St. Paul church was packed with a who's who of the Twin Cities legal and political communities.

But Joe Summers' other friends showed up, too, people whose names may never appear in a newspaper except in small print when they get married or die.

They were fellow computer buffs, members of Alcoholics Anonymous and others whose lives were touched by a man who had a lot to give and gave it.

About 1,000 mourners packed Nativity Catholic Church on Friday to pay tribute to Ramsey County District Judge Joseph Summers, a man friends said packed in at least 80 years of living before he died of heart disease Tuesday at 47.

During a graveside service at Resurrection Cemetery, Noel, a St. Paul man who was in Summers' AA group in Highland Park, delivered a brief eulogy on behalf of Summers' friends in AA.

Noel noted Summers's many roles—jurist, television personality on KTCA-TV, father, husband, friend.

"Joe did anything for anybody," Noel said. "Joe would get up in the middle of the night" to help a struggling fellow AA member, he said. "He picked up a lawyer one day in a chicken coop where he was living."

During the sermon at the funeral Mass, the Rev. Thomas Hunstiger, pastor of Holy Spirit Catholic Church in St. Paul, said he talked with Summers in the hospital after he suffered his first heart attack June 14. (Summers was a member of Holy Spirit, but the funeral was held at Nativity because Holy Spirit is undergoing renovation.)

"He looked at me, and he said, 'Tom, if I die, I did everything I could to serve my fellow man.' That, my friends, is Joe."

Eight other priests and Auxiliary Bishop Robert Carlson of the Archdiocese of St. Paul and Minneapolis aided Hunstiger in celebrating Mass.

Hunstiger closed his sermon by reading a biblical passage he said had been one of Summers' favorites since the two were students at St. Thomas Academy.

"I, for my part, am already being poured out like a libation. The time of my dissolution is near. I have fought the good fight, I have finished the race, I have kept the faith. From now on, a merited crown awaits me; on that day the Lord, just judge that he is, will award it to me . . . ."

"Joe viewed pain as inevitable, but misery as optional," Noel said. "He would have us tackle tomorrow with all the zest we can muster."

Another friend, a woman named Mary, became part of the church service when Summers' brother, Tom, accidentally discovered a memorial she had written and filed on one of the electronic bulletin boards used by those who thrive on communication by computer.

Neither of the Summers brothers, both computer buffs, had ever met Mary in person, Tom said. On Wednesday, Tom Summers said he was routinely checking the "boards" and found several tributes to Joe.

He picked Mary's to read at the funeral Mass. In the poem, she referred to Joe as "a truly roguish leprechaun with a heart of solid gold."

Tom Summers, 44, said his brother went camping last weekend with some computer friends. There were no class distinctions, Tom said. "They made him sleep in the corner with the other snorers."

After the services, one AA friend, John, recalled the Sunday morning motorcycle trips taken by Summers and his fellow sober cyclists.

They would go to places like the Ideal Cafe in Northfield. "Joe used to say we should find places where the waitresses had grease on their aprons," John said.

"I guess what impressed me the most about Joe was the way he reached out to people no matter where they came from or what their background was," said a young woman Summers sponsored in AA.

A TRIBUTE TO THE LATE HONORABLE ED GARMATZ

SPEECH OF

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1986

Mr. ROSTENKOWSKI. Mr. Speaker, I wish to add my comments to those of my colleagues in paying tribute to Edward A. Garmatz on this sad occasion of this death.

I had the privilege and pleasure to serve 14 years in the House of Representatives with the gentleman from Baltimore.

My first impression of Eddie was that he was a little "laid back" and I was not sure how well we would get along, but when I really got to know him, he proved to be a great friend and a lot of fun to be around.

I was always impressed with how well he treated everyone, from his colleagues to the youngest staffers. I know for a fact that it was not unusual for him, when passing through the cloakroom, to shove 5 bucks into Donn Anderson's hands so that all the clerks and pages could have an ice cream cone.

Eddie Garmatz treated his constituents well, too. He represented them with total commitment to their best interests. I saw him grow into a national leader as chairman of the Merchant Marine and Fisheries Committee, but he never let that broader perspective blind him to the needs of his people. It is a model I try to keep in mind in my own work.

I extend my sympathy to Eddie's family and friends. We will all miss him dearly.

MEXICO—A NEIGHBOR IN CRISIS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. UDALL. Mr. Speaker, this is the 11th in a series of articles I have submitted over the course of the past several weeks to illustrate the current crisis in Mexico.

I feel it is critically important to remember that Mexico is not some distant trouble spot, but rather, our friend and valued neighbor to the south.

Today's article observes the suffering economy of Mexico. Mexico is enduring economic difficulties, a $100 million debt, plummeting oil prices, unemployment, and poverty. The manner in which these problems are dealt with will ultimately decide the future of Mexico, and will have an effect on our Nation as well. Our influence is important in order to help Mexico work itself out of the current economic crisis. However, loan bailouts alone do not seem to work and tend to obscure other important issues. As this article suggests, hope lies in economic diversification, debt management and the elimination of corruption in order to stimulate investments.

The article follows:

[From Journal of Commerce, June 24, 1986]

UNDERDEVELOPMENT STALKS MEXICO

(By Jodi L. Jacobson)

Mexico teeters on the verge of bankruptcy for the second time in four years. With a second loan bailout at hand, few policymakers have noted what current trends imply for the future of Mexico and, by extension, the United States.

Mexico and its people are sliding backward into underdevelopment, and constructive solutions to Mexico's plight are scarcer than snow in Acapulco. With an external debt of about $100 billion, Mexico is second only to Brazil as the Third World's leading debt nation. Because the economy has been built largely on the tenuous foundations of a single export commodity—oil—Mexico's financial fortunes have plummeted along with the world price-per-barrel. Like other heavily indebted nations, such as those in Africa, Mexico has been reduced to surviving from one loan installment to another.

But what are the trends behind the balance sheets? Mexicans in all classes have experienced a significant decline in living standards, with purchasing power lower than at any time since the 1960s. Food imports are up, grain production per person is down, and prices for basic staples are rising.

The combined rate of unemployment and underemployment hovers close to 40%. In a country where 42% of the population is under 15 years of age, jobs for new entrants to the work force are virtually nonexistent. Since 1981, over 2 million Mexican youths needing work have been unable to find it; many have swelled the ranks of the underground economy.

The United States and the International Monetary Fund are now preparing a second loan bailout for Mexico, in exchange for additional cuts in spending and imports by the Mexican government. These measures, tried before and proved to fail, obscure the issues at hand: how to deal with widespread poverty and malnutrition, losses of investment capital, and the millions of immigrants now fleeing northward.

Such unresolved problems carry serious national security implications for both the United States and Mexico, now and in the future. Today, the greatest exports of Mexico, the world's third largest oil producer, are people and money; its largest market, the United States. Illegal immigration will increase 50% this year. At least $50 billion—half the value of Mexico's external debt—has been squired out of the country and squirreled away in tax-free shelters and investments since 1978. Mexico is becoming a nation split in two—a semi-developed north, dependent on the United States, and an underdeveloped south—ensuring that with every relapse of the Mexican economy the flow of immigrants and flood of currency will start anew.

What can be done to reverse these trends? The answer lies in new approaches to debt management on the part of the Mexicans and their creditors, including the United States. Mexico badly needs to diversify its economy so it can develop on a sustainable path. By converting its current debt into long-term, moderate-interest bonds held by creditor banks, the Mexicans will have the capital to build their economy, investing in agriculture, industry, and transportation.

Encouraging Mexican nationals to repatriate the dollars they have sent abroad will pump billions into savings available for investment. Both the United States and Mexican governments hold responsibility for the drain of money on the Mexican economy. U.S. banks profit handsomely from these investments, and a whole industry has developed around converting pesos into dollars to be cached abroad. Declines in the value of pesos exacerbate Mexican fears for financial security.

The Mexican government will have to clean house. Widespread corruption in Mexico has earned the country notoriety, shaking the confidence of those who might invest there. And the economy is so enveloped in complex regulations and law that productive investment, whether foreign or domestic, is effectively stifled.

The U.S. Treasury Department has been lobbying hard to secure funding for economic development over military aid. In 1985, Mexico, with a population of 82 million, received less than $10 million in foreign aid from the United States. El Salvador, Guatemala, Costa Rica, Panama, Belize and Hon-

duras—with a combined population of 24 milion—recevied $1.3 billion, mostly directed to military assistance.

No demonstrations occurred when tortilla prices doubled in Mexico City last May. "Bread riots," characteristic of other nations in recent years, were notably absent in a country whose citizens have quietly endured a roller-coaster economy for several decades. Using Mexico as a test case for new solutions to the debt crisis in an atmosphere of relative stability may provide answers to problems in other nations. Ignoring the real issues may prove shortsighted when the price of tortillas rises again.

THE STRENGTH AND GLORY OF THE SPIRIT OF AMERICA

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. SOLARZ. Mr. Speaker, I recently had the opportunity to participate in the Fourth of July festivities in New York City. As I stood on the deck of the battleship *Kennedy* during those moving and memorable ceremonies, I was deeply affected by the celebration of the marvelous tradition of freedom which is this country's heritage and legacy. In the spirit of our commemoration of 210 years of liberty, it seems appropriate to present to my colleagues the sentiments of a valued and learned friend, Dr. Hillel Seidman.

Dr. Seidman, a native of Poland, has authored numerous books and articles on a variety of subjects. I recently had the opportunity to read a commentary by him expressing his initial experience with what he calls the "soul of America." His story presents an excellent example of the character of our country and the liberties which we often take for granted.

Although the Statue of Liberty symbolizes the spirit of America, that spirit is not confined to the statue. The light of her torch burns in the heart of every American, as Dr. Seidman saw even before he set eyes on the Lady of the Harbor.

As a prisoner in the Nazi death camps, Dr. Seidman witnessed the worst of human behavior and character. In contrast, on his passage to the shores of the United States, he witnessed some of the noblest of human behavior.

Dr. Seidman's uplifting message, so appropriate for our celebration of liberty, serves as a shining example of the strength and glory of the soul of America.

It is with great pleasure that I commend to my colleagues the sincere and heartfelt account of one man's first experience with America.

REVELATION OF THE SOUL OF AMERICA TO HILLEL SEIDMAN

I had a personal revelation of the Soul of America. This happened on my way to the United States even before I caught sight of these blessed shores. This is what happened:

In June of 1946, we, a group of 10 men—remnants of German death camps—were on the steamship George Washington on our way from Le Havre, France, to our new homeland, the U.S. We were the first survivors seeking refuge in America after World War II.

The Washington, the ship which brought President Wilson to the Paris Peace Conference after World War I, had been converted to an army transport during World War II. It was now bringing about 10,000 GIs back to be demobilized. We were the only civilians aboard. At this time there was no civilian transportation.

In the early hours of the third day of our voyage, Maj. Hertz Livazer, the homewardbound Jewish army chaplain came to our cabin where we were bedded in bunks and announced:

"We are going back . . ."

This caused no little consternation. Some of us, being stateless, had had great difficulties in obtaining U.S. visas.

However, any apprehension was quickly put to rest by Livazer's explanation. A soldier on another transport on its way to Europe, where a new contingent was to replace the one being demobilized, had become serious ill with appendicitis and would have to undergo emergency surgery.

There were no adequate surgical facilities on the other ship. After urgent and careful deliberations and feverish communications, it was decided that the sick soldier would be transferred to the George Washington, where there was a well-equipped operating room.

Thus, both transports speedily reversed their courses to rendezvous in the middle of the ocean. After several hours we caught sight of the other boat, coming over stormy waters.

We watched with wonder and horror at difficult, complicated and dangerous transfer of the sick soldier as the tempestous gale beat furiously on both ships.

After many maneuvers, the two ships were brought alongside each other. Nets were strung across the water bewteen them. While the waves lapped at the nets, the patient was carried on a stretcher—with great care—to the George Washington.

While the doctors went to work, the transports resumed their former courses.

After witnessing this extraordinary action, we returned to our cabin. We pondered the dramatic incident. We reflected its significance.

Here we were, just coming out from places where millions of Jewish men, women and children—among the members of our families—had been tortured and slaughtered in a mass killing unequaled in history. Furthermore, this unspeakable crime had been perpetrated not by a wild tribe in an uncontrollable rage on the spur of the moment, but in cold deliberation by one of the most "advanced" of people of philosophers and poets," The *Kulturtraeger*—standardbearers of European culture—the Germans. It was well-planned and implemented with typical German efficiency and organizational skill. This monstrous crime was carried out by a whole nation under the direction of its democratically elected government.

Now, as we stood upon the threshold of a new life in the New World—even before we entered the United States—we were given a glimpse of the essence of America.

We had come from countries where human life was without value, where the Jew had been degraded and humiliated even before he was murdered, where the satanic German *Herrenvolk* of cruel killers looked upon the Jew as one looks upon insects. Even their expressions reflected such an attitude—extermination, elimination, liquidation.

Now we were shown the value America placed on a human life. We saw its people in most strenuous efforts to protect a single human being.

We were told afterward that his operation involved expenses close to $1 million—the loss of three days of sailing and costly change in the military timetables, both in Europe and the U.S. We knew that 20,000 soldiers and officers were directly involved in the change of plans. And we were keenly aware that all this was because of the effort to save one life. Furthermore, this was not the result of some exceptional decision. It was a routine matter. How could one act otherwise?

This was the welcome to the first remnants of the German mass killings to this country. This was how America revealed its soul to me.

This is America.

DEAN AND DON KENNEMER, TEEN 4-H'ERS FROM ALICE, TX, DONATE 5 TONS OF HAY TO SOUTH CAROLINA FARMERS

HON. E (KIKA) de la Garza

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. DE LA GARZA. Mr. Speaker, I rise today to tell you and my colleagues about two young men from my district who represent the best that is America.

Dean Kennemer, age 16, and Don Kennemer, age 14, the sons of Mr. and Mrs. Jack Kennemer of Alice, TX, heard about the drought conditions affecting farmers in the Southeast and on their own, volunteered to help do something about it. These two young men donated hay, which they themselves had grown, to go to farmers in South Carolina who were in desperate need. I did not want this unselfish act to go unheralded, and in a time when our young people get such a bad reputation for drugs and other misdeeds, I want you to know just what these young men are doing with their lives.

Dean, who attends Alice High School, and Don, who attends William Adams Junior High School, are both active members in the Jim Wells County Cattle Club, part of the 4-H program. Dean is raising Santa Gertrudis show heifers and Don is raising Chianina and Limousine crossbred commercial steers. These young men are not only talking about staying in the cattle business, they have for the most part taken over the lead roles in their family commercial cattle operation even at their young ages.

Dean and Don Kennemer have as a secondary 4-H project range management which includes raising their own hay, oats, and wheat for feed and it is from these stocks raised by their own hands that they donated the 5 tons of hay which went to South Carolina.

Recognizing that the future of successful cattle operations must include the use of artificial insemination, both of the boys have been trained in and have become extremely proficient in everyday use of artificial insemination of their project cattle and the family's commercial herd. The boys recently gave a 4-H project demonstration on artificial insemina-

tion, which included an actual artificial insemination, at Texas A&M University and were awarded ninth place in the statewide competition. Also, at the Junior National Santa Gertrudis Heifer Show, held at Kingsville, TX, Dean gave a speech detailing his artificial insemination program for which he was awarded the third place prize on a national basis.

Mr. Speaker, these young men are not only planning and studying for their future, they are the living embodiment of what we mean when we talk about the family farm. I hope you will join me in saluting Dean and Don Kennemer and their family as they look to a future that we hope will allow them to continue providing the food and fiber the Nation and the world so badly need.

PROVIDING QUALITY HEALTH CARE FOR OUR SENIORS

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. SCHUETTE. Mr. Speaker, on May 12, I chaired a joint hearing between the Select Committee on Aging and the Task Force on the Rural Elderly to address the issue of whether we are meeting the health care needs of mid-Michigan's rural elderly. We had a tremendous turnout at the hearing in Houghton Lake, MI, and Medicare beneficiaries and health care providers alike provided insightful comments and suggestions on how we may improve the quality of health care for our seniors.

I would like to give all Members of the House the opportunity to benefit from testimony provided by Judy Parrott, a registered nurse with the Central Michigan District Health Department. Thus, Mr. Speaker, I insert the following into the RECORD:

CENTRAL MICHIGAN DISTRICT HEALTH DEPARTMENT

Statement to: Representative Bill Schuette.

Regarding: Field Hearing of the Select Committee on Aging and the Task Force on Rural Elderly held May 12, 1986.

We at Central Michigan District Health Department serve 6 Mid-Michigan counties of Arenac, Clare, Gladwin, Isabella, Osceola an Roscommon representing the largest geographical Health Department in Michigan. In light of the great financial strain placed on us by the third party reimbursement sources, we continue to provide for our rural elderly in a professional and quality manner in both Public Health and Home Health Nursing.

Services provided through Public Health Nursing to all rural elderly, include:

1. Home visits to high risk elderly (those with chronic illness and living alone or with inadequate support systems established).
2. Glaucoma Screening.
3. Hypertension Screening.
4. Communicable Disease Investigation/Control.
5. Preventative medicine and health education.

In addition, we provide comprehensive skilled home care for which we have been certified since 1967 for Nursing, Physical, Speech and Occupational Therapies and Home Health Aides. For our entire 6-county district, we are committed to provide the most available, highly technical, professional service possible to all citizens regardless of their reimbursement source or ability to pay.

It is our hope that this very important service not be ignored at this time. Our goal is two-fold; by better coordination of services to the elderly, we can avoid duplication of services and also increase awareness and utilization of existing services.

Thank you for your consideration and time. Please feel free to contact me at anytime.

JOHN MORRIS, CASUALTY OF THE TRADE WAR

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. BRYANT. Mr. Speaker, I rise to speak on a subject which is familiar to all of us—trade. While we all have concerns about the need to improve our exports, few of us recognize the genuine personal problems which our lack of decisive, courageous actions are having.

I, like so many of my colleagues, have seen the problems created by unfair imports on businesses and industry in my district. We all react to this loss of jobs and decline in the economy. However, it is seldom that these situations strike the personal chord that the recent layoffs at Lone Star Steel have struck with me.

The situation at Lone Star Steel has been going on for 4 years with ups and downs in employment created by unfair trade practices and volatile oil prices. The most recent reduction in force took its toll on a friend of mine and a friend of many of my colleagues, John M. Morris. John, who was vice president for corporate affairs at Lone Star, has spent his entire working life at Lone Star. His tireless efforts over the past 10 years working with Members of Congress and their staffs have left a positive mark on all who have had the pleasure to work with him.

After beginning as a sales trainee 37 years ago, John worked his way up the corporate ladder to become vice president of purchasing and then vice president of corporate affairs. As the head Washington representative for Lone Star, John has set an example few can equal but many should follow. Whether it was good news or bad news, Johnny would always share the whole story. When John Morris said it, we could take it to the bank.

John was never flashy or demanding in his efforts, but he was always dedicated to the company and insuring that the company's point of view was understood. To many of us in public office, John Morris was Lone Star Co.

The fact that such a valuable asset as John Morris has to lost by Lone Star really brought home to me once again and very personally the true seriousness of our trade problems. We must use the story of this hard-working, dedicated patriot, as well as those of tens of thousands of other American workers, as a rallying point to restructure our trade laws and insure fair trade as well as free trade.

Like John Morris, who never asked for special treatment, Lone Star Steel and the other similarly affected companies of our Nation don't want special treatment. They do deserve fair and equal treatment.

ORTEGA'S PREACHING

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. COURTER. Mr. Speaker, on Sunday the Nicaraguan Dictator Daniel Ortega made an appearance in a pulpit in New York, and urged the congregation to lift their voices in opposition to President Reagan's policies.

The scene was both strange and ironic. Strange because Marxist-Leninists like Ortega don't appear in church very often. Ironic because Ortega's repression of the church in Nicaragua has been steady and effective, limited only by the religious strengths of a Christian population.

According to a letter published by the Nicaraguan bishops on the 9th of this month, this is what has been going on in Nicaragua while Daniel Ortega goes on and on in the pulpit:

"The Holy Father and the country's bishops are constantly disrespected and slandered through the government's news media."

"Priests who remain faithful to the bishops are constantly visited by State Security * * *."

Two nuns and 26 priests have been expelled since 1979.

"Monseigneur Bismark Carballo, director of Radio Catolica and vicar of the church's news media, has been exiled."

"It is virtually impossible to get residence visas for priests, clergymen and nuns who wish to engage in pastoral work * * *."

"The nuns of the order of Mother Teresa of Calcutta have been denied the possibility of establishing two communities in Nicaragua * * *."

Iglesia, the Managua archdiocese newspaper, has been closed.

Mr. Speaker, the Bishops' letter has much more to add. Commandante Ortega has proven how little he thinks of churches. It is appalling that he should stand up in one and deliver his political sermon.

NORTHEAST AG CAUCUS HELPS DROUGHT-STRICKEN FARMERS

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. BOEHLERT. Mr. Speaker, all of us are distressed by the drought which has devastated the farms, families, and communities of the Southeast. That's why the Northeast Agriculture Caucus is helping organize relief cooperation between Northeastern and Southeastern farmers. As cochair of the Northeast Ag Caucus, along with my good friend from Vermont, Mr. JEFFORDS, I'm taking this opportuni-

ty to invite Northeastern Members to join the relief effort.

The effects of the drought are nearly beyond belief. Even if rainfall returned to normal levels tomorrow, Southeast farmers would still be in dire straits. Lakes and ponds are dry, pastures are burnt. Nearly 80 percent of the region's hay is gone, and in Maryland a full third of the State's cash crop receipts will be lost. Herds in North Carolina alone consume more than 7,500 tons of hay per day, and many farmers will need feed grain to survive through next spring.

Mr. Speaker, the farmers of the Northeast are ready to help. The Northeast Agriculture Caucus has compiled information for 19 Eastern and Southern States indicating the names, addresses, and numbers of State agencies and transportation companies who are coordinating the donation and receipt of hay, money, and other contributions. We also have a fact sheet available which explains step-by-step how may colleagues can organize relief efforts in their districts. To be sent this information, Members should simply contact my office and we will provide it to them immediately.

Tons of hay and thousands of dollars are already on their way south, but the drought crisis will need large-scale, continuing help. A lot of prayer for rain won't hurt, either. In the meantime, the Northeast Ag Caucus encourages its colleagues in the Northeast and New England to join us in giving a hand.

HOWARD CADY—ONE OF AMERICA'S MOST DISTINGUISHED EDITORS

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. SHUSTER. Mr. Speaker, on July 23, 1986, Howard Stevenson Cady, the distinguished retired senior editor and vice president of William Morrow & Co., was the recipient of a special presentation at the 29th biannual Japanese-American Citizens League National Convention in Chicago.

It is an honor for me to call special recognition to Howard Cady's enormous contributions to Japanese-American citizens by submitting to you the text of the citation presented to him at the Mike M. Masaoka Distinguished Public Service Award Dinner.

The citation reads as follows:

As an editor, Howard Cady was an invaluable friend and advocate of Japanese Americans seeking to tell their story to the American public. In 1969, as Senior Editor and Vice President of William Morrow & Co., he persuaded his associates that the book "Nisei," authored by Bill Hosokawa, needed to be published as a matter of historical record.

Thanks to his efforts, "Nisei" proved to be an economic as well as literary success. This enabled JACL's Japanese American Research Project in following years to commission a series of studies which enriched the knowledge of all Americans about a significant minority. Thus, Cady's editorial astuteness and courage led to recognition in the publishing industry of the viability of books about Japanese Americans, and resulted in additional volumes about their often tragic, but dramatic and inspiring experience.

His encouragement also motivated many Japanese Americans to write, opening vistas of opportunity for their talents. Howard Cady's compassion and understanding as an editor exerted a warm and humane influence that extended far beyond the simple printed page.

The printed program at this dinner also made note of the fact that Howard Cady "thus paved the way * * * for Michi Weglyn, who authorized "Days of Infamy," also published by William Morrow & Co., and other Nikkei authors who added to the storehouse of public knowledge about their people."

Mr. Speaker, Howard Cady, indeed, has been one of America's most distinguished editors. From the days following his wartime service with the OSS, through his numerous important positions in the publishing industry—including such positions as editor-in-chief at Henry Holt & Co., and at Little, Brown Co., and senior editor and vice president at William Morrow & Co. Mr. Cady has helped countless fledgling authors, and American literature is richer for his efforts.

I know the House joins me in congratulating Mr. Cady on his most recent honor.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, July 31, 1986, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

AUGUST 1

9:30 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to resume consideration of S. 2346 and S. 2215, bills to authorize funds for the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), establishing the standards by which the Environmental Protection Agency regulates the production and application of pesticide used for agricultural and other purposes.

SR-332

Finance

International Trade Subcommittee

To hold hearings on S. 1817, to temporarily suspend Most Favored Nation status for Romania for six months, and S. 1492, to permanently withdraw Most Favored Nation status for Romania.

SD-215

Joint Economic

To hold hearings on the employment/unemployment situation for July.

SD-562

AUGUST 4

10:00 a.m.

Energy and Natural Resources

Public Lands, Reserved Water and Resource Conservation Subcommittee

To hold hearings on S. 485, to clarify the treatment of submerged lands and ownership by the Alaskan Native Corporation, S. 1330, to allow expanded mineral exploration of the Admiralty Island National Monument in Alaska, S. 2065, to provide Alaska Natives with certain options for the continued ownership of lands and corporate shares pursuant to the Alaska Native Claims Settlement Act, and S. 2370, to erect a memorial on public grounds in the District of Columbia in honor of Francis Scott Key.

SD-366

Judiciary

To hold hearings on S. 1739, to legalize the home taping of copyrighted music and other audio material in exchange for a royalty on audio recording equipment.

SD-226

3:00 p.m.

Select on Ethics

Closed business meeting, to consider pending committee business.

S-126, Capitol

AUGUST 5

9:30 a.m.

Agriculture, Nutrition, and Forestry

Foreign Agricultural Policy Subcommittee

To resume hearings to review agricultural trade issues.

SR-332

Rules and Administration

To hold hearings on the nomination of Thomas J. Josefiak, of Virginia, to be a Member of the Federal Election Commission, proposed legislation authorizing funds for the American Folklife Center of the Library of Congress, S.J. Res. 268, to provide for the reappointment of Murray Gell-Mann as a citizen regent of the Board of Regents of the Smithsonian Institution, S.J. Res. 269, to provide for the reappointment of David C. Acheson as a citizen regent of the Board of Regents of the Smithsonian Institution, and S. 1311, to authorize the Board of Regents of the Smithsonian Institution, to plan, design, and construct facilities for the National Air and Space Museum at Washington Dulles International Airport.

SR-301

10:00 a.m.

Energy and Natural Resources

Natural Resources Developent and Production Subcommittee

To hold hearings on prospects for exporting American coal.

SD-366

Judiciary
To hold hearings on the nomination of Antonin Scalia, of Virginia, to be an Associate Justice of the Supreme Court of the United States.
SD-106

2:00 p.m.
Appropriations
Business meeting, to mark up H.R. 5052, appropriating funds for fiscal year 1987 for military construction programs of the Department of Defense, and H.R. 5175, appropriating funds for fiscal year 1987 for the District of Columbia government.
SD-192

AUGUST 6

9:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

Office of Technology Assessment
The Board, to meet in open and closed sessions, to discuss pending business matters.
Room to be announced

9:30 a.m.
Finance
International Trade Subcommittee
To hold hearings on S. 2660, to restrict unfair trade practices in the international trading system of the United States.
SD-215

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Environment and Public Works
Business meeting, to mark up S. 1225, to revise certain provisions of the Atomic Energy Act of 1954 regarding liability of nuclear accidents.
SD-406

Judiciary
To continue hearings on the nomination of Antonin Scalia, of Virginia, to be an Associate Justice of the Supreme Court of the United States.
SD-106

Select on Indian Affairs
To hold hearings on S. 2504, to provide for the exchange of certain lands between the Pueblo of Santa Ana and the University of New Mexico, and H.R. 3214, to provide for the use and distribution of funds awarded to the Crow Creek Bank of Umpqua Indians held in trust by the Secretary of the Interior.
SR-485

AUGUST 7

9:30 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253

Finance
To hold hearings on S. 1871, relating to imports which threaten to impair the national security (incorporated in S. 1860 as Title X).
SD-215

Small Business
To hold hearings on S. 2647, to create the Corporation for Small Business Investment.
SR-428A

Special on Aging
To hold hearings to review retiree health benefits.
SD-628

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Judiciary
To continue hearings on the nomination of Antonin Scalia, of Virginia, to be an Associate Justice of the Supreme Court of the United States.
SD-106

Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings to review the impact of drug education.
SD-430

2:30 p.m.
Rules and Administration
To hold hearings on S. 2539, to consolidate and improve provisions of law relating to absentee registration and voting in elections for Federal office by members of uniformed services and citizens of the United States who reside overseas.
SR-301

AUGUST 11

9:30 a.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 2635, to protect the integrity and quality of certain reaches of the Henry's Fork of the Snake River, Idaho.
SD-366

10:00 a.m.
Select on Indian Affairs
To hold hearings on S. 2676, to provide for the settlement of water rights claims of the La Jolla, Rincon, San Pasqual, Puama, and Pala Bands of Mission Indians in San Diego County, California.
SD-562

AUGUST 12

9:00 a.m.
Veterans' Affairs
To resume hearings on the reported sightings of live military personnel missing in action in Southeast Asia.
SR-325

10:00 a.m.
Energy and Natural Resources
Business meetings, to consider pending calendar business.
SD-366

Labor and Human Resources
Aging Subcommittee
To hold hearings to review certain reauthorization provisions of the Older Americans Act.
SD-430

AUGUST 13

9:30 a.m.
Energy and Natural Resources
To hold hearings on H.J. Res. 17, to consent to an amendment enacted by the legislature of the State of Hawaii to the Hawaiian Home Commission Act, 1920.
SD-366

10:00 a.m.
Governmental Affairs
To hold hearings on the nomination of John Agresto, of the District of Columbia, to be Archivist of the United States.
SD-342

Labor and Human Resources
To resume hearings on S. 1804, to establishing a program to provide development and incentive grants to States for enacting medical malpractice liability reforms.
SD-430

AUGUST 14

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Judiciary
Business meeting, to consider the nominations of William H. Rehnquist, of Virginia, to be Chief Justice of the United States, Antonin Scalia, of Virginia, to be an Associate Justice of the Supreme Court of the United States, and other pending calendar business.
SD-226

SEPTEMBER 9

9:30 a.m.
Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings to review graduate medical education in ambulatory settings.
SD-430

SEPTEMBER 10

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
To hold hearings to review the human resources impact on drug research and space technology.
SD-430

SEPTEMBER 11

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

SEPTEMBER 16

10:00 a.m.
Labor and Human Resources
To hold hearings on pending nominations.
SD-430

SEPTEMBER 17

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

SEPTEMBER 18

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

SEPTEMBER 24

10:00 a.m.

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

SEPTEMBER 25

10:00 a.m.

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

OCTOBER 1

10:00 a.m.

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

OCTOBER 2

10:00 a.m.

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

71-059 O-87-13 (Pt. 13)

HOUSE OF REPRESENTATIVES—*Thursday, July 31, 1986*

The House met at 10 a.m.

Dr. Roger D. Willmore, pastor, First Baptist Church, Mayfield, KY, offered the following prayer:

Let us pray.

Heavenly Father, quiet our souls before Your throne of grace as we take up the responsibilities of this day. Make us dependent upon the Holy Spirit and His enabling power.

Grant to the officers and Members of this body Your guidance, wisdom, and strength. Make them conscious of Your good and perfect will. Give them courage to do what is right, and may they find spiritual resources for the strain and pressures of their duties in this place.

Lord Jesus, we thank You for Your bountiful blessings upon our great Nation. We pray that we might continue to conduct ourselves in a manner worthy of all Your benefits. In Jesus' name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. BILIRAKIS. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BILIRAKIS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 263, nays 131, not voting 37, as follows:

[Roll No. 271]

YEAS—263

Ackerman	Bateman	Bosco
Akaka	Bates	Boucher
Alexander	Beilenson	Boxer
Anderson	Bennett	Brooks
Andrews	Berman	Broomfield
Annunzio	Bevill	Brown (CA)
Anthony	Biaggi	Bruce
Applegate	Boggs	Bryant
Archer	Boland	Burton (CA)
Aspin	Boner (TN)	Bustamante
Atkins	Bonior (MI)	Byron
AuCoin	Bonker	Carper
Barnard	Borski	Carr
Chapman	Hutto	Regula
Clinger	Jeffords	Reid
Coelho	Jenkins	Richardson
Coleman (TX)	Johnson	Rinaldo
Combest	Jones (TN)	Ritter
Conyers	Kanjorski	Robinson
Cooper	Kaptur	Rodino
Coyne	Kasich	Roe
Crockett	Kastenmeier	Rose
Daniel	Kemp	Rostenkowski
Darden	Kennelly	Rowland (GA)
Daschle	Kildee	Roybal
Davis	Kolter	Rudd
de la Garza	Kostmayer	Russo
Dellums	LaFalce	Sabo
Derrick	Lantos	Savage
Dicks	Leath (TX)	Schaefer
DioGuardi	Lehman (CA)	Scheuer
Donnelly	Lehman (FL)	Schneider
Dorgan (ND)	Leland	Schulze
Dowdy	Levin (MI)	Schumer
Downey	Levine (CA)	Sharp
Duncan	Lipinski	Shumway
Durbin	Livingston	Siljander
Dwyer	Long	Sisisky
Dymally	Lujan	Skelton
Early	Luken	Smith (FL)
Eckart (OH)	Manton	Smith (IA)
Edgar	Markey	Smith (NE)
Edwards (CA)	Martin (NY)	Smith (NJ)
Edwards (OK)	Martinez	Snowe
English	Matsui	Snyder
Erdreich	Mavroules	Solarz
Evans (IL)	Mazzoli	Spence
Fascell	McCain	Spratt
Fazio	McCloskey	Staggers
Feighan	McDade	Stallings
Fish	McEwen	Stenholm
Flippo	McHugh	Stokes
Florio	McKinney	Stratton
Foglietta	McMillan	Studds
Foley	Mica	Swift
Ford (MI)	Miller (CA)	Synar
Frank	Miller (WA)	Tallon
Franklin	Mineta	Tauzin
Frost	Moakley	Taylor
Fuqua	Mollohan	Thomas (GA)
Garcia	Montgomery	Torricelli
Gaydos	Moody	Traficant
Gejdenson	Morrison (CT)	Traxler
Gephardt	Morrison (WA)	Udall
Gibbons	Mrazek	Valentine
Gilman	Murphy	Vento
Glickman	Murtha	Visclosky
Gonzalez	Myers	Volkmer
Gradison	Natcher	Waldon
Gray (PA)	Nelson	Walgren
Green	Nowak	Watkins
Guarini	Oakar	Weaver
Hall (OH)	Oberstar	Weiss
Hall, Ralph	Obey	Wheat
Hamilton	Olin	Whitley
Hammerschmidt	Ortiz	Whitten
Hartnett	Owens	Williams
Hatcher	Pease	Wirth
Hayes	Pepper	Wise
Hefner	Perkins	Wolpe
Hertel	Petri	Wortley
Hillis	Porter	Wright
Horton	Price	Wyden
Howard	Pursell	Wylie
Hoyer	Quillen	Yates
Hubbard	Rahall	Yatron
Huckaby	Rangel	Young (MO)
Hughes	Ray	

NAYS—131

Armey	Boehlert	Cobey
Badham	Boulter	Coble
Bartlett	Brown (CO)	Coleman (MO)
Barton	Burton (IN)	Conte
Bentley	Chandler	Coughlin
Bereuter	Chappie	Courter
Bilirakis	Cheney	Craig
Bliley	Coats	Crane
Dannemeyer	Leach (IA)	Rowland (CT)
Daub	Lent	Saxton
DeLay	Lewis (CA)	Schroeder
DeWine	Lewis (FL)	Schuette
Dickinson	Lightfoot	Sensenbrenner
Dornan (CA)	Lloyd	Shaw
Dreier	Loeffler	Shuster
Dyson	Lott	Sikorski
Emerson	Lowery (CA)	Skeen
Evans (IA)	Lowry (WA)	Slaughter
Fawell	Lungren	Smith, Denny (OR)
Fiedler	Mack	
Fields	Madigan	Smith, Robert (NH)
Frenzel	Marlenee	
Gallo	Martin (IL)	Smith, Robert (OR)
Gekas	McCandless	
Gingrich	McCollum	Solomon
Goodling	McGrath	St Germain
Gregg	McKernan	Stangeland
Gunderson	Meyers	Strang
Hansen	Michel	Stump
Hawkins	Miller (OH)	Sundquist
Hendon	Molinari	Swindall
Henry	Monson	Tauke
Hiler	Moorhead	Thomas (CA)
Holt	Nielson	Vander Jagt
Hopkins	Oxley	Vucanovich
Hunter	Packard	Walker
Hyde	Parris	Waxman
Ireland	Pashayan	Weber
Jacobs	Penny	Whitehurst
Jones (OK)	Ridge	Whittaker
Kindness	Roberts	Wolf
Kolbe	Roemer	Young (AK)
Kramer	Rogers	Young (FL)
Lagomarsino	Roth	Zschau
Latta	Roukema	

NOT VOTING—37

Barnes	Fowler	Nichols
Bedell	Gordon	Panetta
Breaux	Gray (IL)	Pickle
Callahan	Grotberg	Seiberling
Campbell	Jones (NC)	Shelby
Carney	Kleczka	Slattery
Chappell	Lundine	Stark
Clay	MacKay	Sweeney
Collins	McCurdy	Torres
Dingell	Mikulski	Towns
Dixon	Mitchell	Wilson
Eckert (NY)	Moore	
Ford (TN)	Neal	

□ 1015

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2690. An act to prohibit certain companies who have filed for bankruptcy from discontinuing medical and life insurance benefits to retirees.

PASTOR ROGER D. WILLMORE

(Mr. HUBBARD asked and was given permission to address the House for 1 minute.)

Mr. HUBBARD. Mr. Speaker, I am pleased to have as my guest Dr. Roger Willmore, pastor of the First Baptist

Church of Mayfield, KY, who is guest chaplain today in the U.S. House of Representatives.

Being a longtime member of the First Baptist Church of Mayfield, I consider it a privilege to call Dr. Willmore my hometown pastor and my good friend.

Dr. Willmore, a 34-year-old native of Arab, AL, began his postsecondary education at Samford University in Birmingham, AL, and graduated from Jacksonville State University in Jacksonville, AL, with a bachelor of arts degree. He further pursued his theological studies at Luther Rice Seminary in Jacksonville, FL, where he received master of divinity and doctor of ministry degrees.

Since 1973, Dr. Willmore has served as pastor for 6 years at Cherry Street Baptist Church in Attalla, AL, 6 years at Locust Fork, AL, and he has served as pastor at First Baptist Church in Mayfield since March 1985.

Dr. Willmore has to his credit a record of distinguished service to the church and leadership in many organizations such as the Alabama Baptist State Convention, the Keswick Christian Life Convention, and Stop Child Abuse Now [SCAN]. He has also performed missionary service in Bogotá, South America, and in Nigeria, and in 1983 he was honored as one of the Outstanding Young Men of America.

Dr. Willmore is married to the former Sandra Carroll of Arab, AL, and they will be celebrating their 13th anniversary this Sunday, August 3. They are the parents of one child, Stephen Andrew Willmore, age 9.

Again, I am very pleased and proud that Dr. Roger Willmore is with us, and I know my colleagues in the U.S. House of Representatives join me in expressing our gratitude for his serving as our guest chaplain today.

TAX REFORM: A QUESTION OF FAIRNESS

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, the pending tax reform legislation is being sold to the American people on two basic premises. First, it is supposed to be simple. As the conferees do their work, that concept appears to be less and less likely.

Second, it is advertised as fair. In some respects this may have merit. But there is one arrangement built into the bill which is little less than outrageous. By the usual fiscal sleight of hand, our tax writers are prepared to give to a Japanese auto firm tax benefits which, it is alleged, may reach as much as $100 million.

The excuse is that that company will build a factory to assemble its product in the State of Kentucky, thereby protecting American jobs. Have we reached the point where we are telling Americans that we are sending their taxes to Japan for their benefit?

This is taking place against a background of increasing the tax load on American businesses trying to compete with these very firms. Investment tax credit, depreciation, and capital formation for American firms are being made harder or being eliminated—all this to benefit a foreign producer?

I, for one, started with high hopes for a better deal for the American taxpayer and the American family. This kind of swindle will sour me and the rest of us taxpayers on this tax reform. Let's stick to the basics and not use tax reform to transfer more of our assets to our foreign competitors.

□ 1025

TRADE DEFICIT TAKES ANOTHER UPWARD BOUND

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, the trade deficit, which is closing American factories and throwing Americans out of work, took another upward bound last month. It is time for the Senate to act on the House-passed trade bill which has been languishing there for 10 weeks. This trade deficit now soars at a record high of nearly $170 billion this year.

Because of administrative inaction, the United States, which was the world's largest creditor nation just 4 short years ago, is the world's largest debtor nation today. Our Nation's economy is staggering, our family farms are in desperate straits. Only recently the world's biggest food exporters, we now are importing more farm products than we sell abroad. Even Paul Volcker finally sees the problem. Government statisticians admit that 2 million American jobs have been lost to this trade deficit.

Reminiscent of President Herbert Hoover, Mr. Reagan has insisted on doing nothing, but his promises of "prosperity just around the corner" have not materialized.

It is time for action. The House passed a positive, constructive trade bill more than 2 months ago. Fifty-nine Republicans joined in a huge bipartisan affirmation. The public's patience is wearing thin.

If the Senate fails to take up H.R. 4800, it will do the Nation a grave injustice and the American people will expect more than a mere apology for its inaction.

PARLIAMENTARY INQUIRIES

Mr. WALKER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman from Pennsylvania will state it.

Mr. WALKER. Mr. Speaker, is it not against the rules of the House for someone to refer to legislative action in the Senate and that "the House bill languishing in the Senate" is beyond the scope of the House rules?

The SPEAKER. The Chair regrets that he was in conversation and did not hear the remarks of the gentleman from Texas.

The Chair would respond to the inquiry by reminding Members that a Member may refer to where legislation is in the Senate; that is within the rules. Members cannot be critical of the Senate or name any Senator by name.

The gentleman may either take that as a warning or the gentleman can take it as he so feels.

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent to amend my statement to say that, "This important legislation has been languishing without action in the honorable Senate for the past 10 weeks."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WALKER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman from Pennsylvania will state it.

Mr. WALKER. Mr. Speaker, even in the gentleman's amended version, the gentleman is beyond the scope of the House rules, and it seems to me that the Chair, which is so often anxious to remind the members of the minority of their obligations under the House rules—it is interesting to hear the majority over there "ooing and aahing" until——

The SPEAKER. The gentleman from Pennsylvania is making a speech and not making an inquiry.

REAL ESTATE INVESTMENTS AND TAX SHELTERS ARE NOT THE SAME

(Mr. MONSON asked and was given permission to address the House for 1 minute.)

Mr. MONSON. Mr. Speaker, in 1981, Congress passed a tax reform bill that abolished all abusive tax shelters. Real estate, however, was not considered an abusive tax shelter. In fact, real estate was given an additional tax incentive by shortening the declining balance depreciation life to 15 years. This resulted in a stampede by developers and syndicators to overbuild apartment houses and office buildings. This resulted in glutting the real estate market in nearly every major city in the country. As a result, vacancies increased at an unbelievable rate to where revenues couldn't cover operating expenses, let along debt service.

In certain areas, such as the oil-oriented economy in Texas, the dis-

tressed situation has resulted in unprecedented real estate foreclosures.

The Senate Finance Committee apparently cannot differentiate between real estate investments and tax shelters. They consider them one and the same. This is absolutely not the case. Most real estate investments are made primarily for economic reasons. Investments in real estate tax shelters were structured strictly for tax shelter purposes with very little regard to the economics involved. They looked only for a large tax deduction in the current year and, hopefully, a capital gain advantage somewhere down the line. The current distressed real estate industry is incurring huge cash losses as distinguished from paper tax shelter losses. These cash losses are the same as would be incurred in any nonreal estate business venture. The proposed regulations do not distinguish between the two investments. None of the actual and substantial cash losses would be deductible. If enacted, if will bury the real estate industry. Again, I ask my colleagues in this body to examine the measure more closely before we regret its consequences.

A PLEA TO THE PRESIDENT TO STAND TALL FOR AMERICAN WORKERS, AMERICAN BUSINESSMEN, AND AMERICAN FARMERS

Ms. KAPTUR. Mr. Speaker, yesterday's foreign trade figures were another blow to America's working families. The excess of foreign imports into America over U.S. goods going abroad climbed another $14.2 billion in June. America is well on its way to a staggering $170 billion trade deficit for 1986—the largest in our history. For the second month in a row, as preposterous as it may seem in the richest agricultural nation on Earth, America imported more agricultural goods than it exported.

As our Nation continues to pile up international debt and our economy slows down, more American workers lose their jobs and more American farmers go under. The administration's response has been, up until now, to do nothing. To make matters worse, we find out the administration has been cutting deals with countries like South Africa to allow more of that country's textile exports to flood our markets.

This House has passed comprehensive, solid trade legislation. Mr. President, join the House and stand tall for American workers, American businesses, and American farmers. It's time.

LET US CONTINUE TO WORK TO SECURE THE RELEASE OF THE REMAINING MIDDLE EAST HOSTAGES

(Mr. COBLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COBLE. Mr. Speaker, we all rejoice at the release of Rev. Lawrence Jenco from the hands of his kidnapers in Lebanon. That joy, however, is tempered with the knowledge that at least four other Americans remain captive or unaccounted for in the Middle East.

I have sent a letter to President Reagan and to the Secretary of State expressing my dismay about the plight of the remaining hostages, and I told them that the greatest country in the world can and should effect the release of our fellow citizens.

It is my belief, I also told them, that there is a national determination to bring these captive Americans home. In the past, I have given a series of speeches from this floor of the House to draw attention to the plight of the hostages. Today, I am resuming those speeches in the hopes of keeping the concern of this problem alive.

Our colleague, the late George O'Brien of Illinois, was keenly interested in making sure that all the hostages were returned safely to American soil. George would want us to continue to work toward securing the release of the remaining hostages, and I hope all of the Members will join me in this effort.

□ 1035

TRADE DEFICIT CONTINUES, SETS NEW RECORD

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, the administration's trade policy encouraging foreign imports continues to close down U.S. factories, cost American jobs, and depress American farm prices. Yesterday, the Commerce Department announced that the trade deficit for June was $170 billion, heading for another record, by this administration.

Dependence on foreign goods is causing the economy to stall out, costing thousands of jobs in Arkansas, and contributing to our continued rising unemployment.

Mr. Speaker, I urge my colleagues to vote to override the President's veto week after next on the textile bill which, if enacted, would save jobs in Arkansas.

ORGAN DONOR SOUGHT FOR COLORADO CHILD

(Mr. STRANG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STRANG. Mr. Speaker, in the past Members of this distinguished body have appealed for help from their colleagues when a constituent needs help, especially in cases involving medical donors.

Today I make that same urgent plea to my colleagues in the hope that someone may be able to help 14-month-old Jessica Davignon of Eckert, CO.

I met little Jessica and her mother recently in Colorado. Jessica desperately needs a new liver. Her survival without it will be measured in weeks. While Jessica has been on the priority list at the University of Pittsburgh for some time, her small size has made it particularly difficult to find a suitable donor. Jessica weighs 17 pounds, 7 ounces.

I appeal to my colleagues to remember that spreading the word can help Jessica if they know or hear of a possible donor.

For a number of reasons, parents cannot direct that their child's liver be donated to a particular child. Nevertheless, the knowledge of a specific case like Jessica's may spur someone to make their child's organs available—a decision that would otherwise be too painful to make.

A chartered plane stands by to fly Jessica to Pittsburgh. If anyone hears of a possible donor, they should contact my office.

TRADE DEFICIT HIGHER, MORE RED INK

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEASE. Mr. Speaker, like my colleagues, I rise today to express alarm at the continued flow of red ink in our trade deficit. The disturbing thing is not only the $170 billion deficit but the fact that agriculture, once the mainstay of our exports, now have seen for the second month in a row more imports than exports. In the meantime, the Reagan administration continues to pursue its do-little policy, failing to use the tools already available to it to insist on fair trade. Also in the meantime a good trade bill which we have passed in the House languishes in the other body.

There is an old saying, "You ain't seen nothin' yet." Mr. President, if the responsible trade bill the House has passed fails to become law this year, watch out for next year. Protectionist sentiment will continue to grow and grow, and, Mr. President, you will see

next year new meaning to that phrase, "You ain't seen nothin' yet."

TAX REFORM AND THE BLACK HOLE THEORY

(Mr. MARLENEE asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. MARLENEE. Mr. Speaker, as the conferees enter the twilight zone of this so-called tax reform, it is perhaps wise if the rest of us examine the black hole theory.

You know the theory—the one which supposes the black hole is the center of the universe and is everything to everybody and exists by consuming everything that is attracted to its magnetic zone. The tragic ending is that the more it consumes the greater its attraction. The black hole consumes everything until nothing is left to consume and nothing is left of anything, period.

Someone looked in on the conference committee on tax reform and the magnetic force was almost more than he could resist. It was a shaking experience to view the black hole tax theory. Here everything is taxed, including IRA's, credit unions, capital gains, investment credit, income averaging, until nothing is left to be taxed and nothing is left of the economy. And nothing is left to taxpayers.

The taxpayers need to ask their Congressman if he has been drawn into the magnetic field of the black hole and warn him to turn back before jobs are lost, before businesses fail, before all of us and our economy collapse inward.

A TRIBUTE TO MIDWEST FARMERS FOR THEIR RESPONSE TO DROUGHT-STRICKEN AREAS

(Mr. WOLPE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLPE. Mr. Speaker, I want to pay special tribute to constituents of mine who have joined hundreds of farmers throughout the Midwest in assisting fellow farmers in the Southeast who have been devastated by drought.

In particular, Robert Burnworth, Jr., of Fulton, MI, is leading the effort in southwestern Michigan to collect and deliver thousands of bales of hay to South Carolina farmers. It is this spirit of cooperation upon which our country was founded, but that is all too often forgotten in today's world.

Mr. Speaker, it is noteworthy that the effort or the part of midwestern farmers to reach out is not organized by any Federal agency or local organization. Instead it is the response of those who see others suffering and who cannot sit idly by while others are helpless to change conditions that may destroy them. Their action will save the lives of hundreds of head of livestock, and the livelihood of many farmers.

We are all in debt to those who have responded so selflessly. It is eloquent testimony to the notion that together, we can, in fact, make a difference.

GRESHAM'S LAW, B.C.

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, the following quotation is from the comedy "The Frogs" written by Aristophanes in 405 B.C., at a critical moment in the history of the Athenian democracy.

I'll tell you what I think about the way
This city treats her soundest men today:
By a coincidence more sad than funny,
It's very like the way we treat our money.
The noble silver drachma, that of old
We were so proud of, and the recent gold,
Coins that rang true, clean-stamped and worth their weight
Throughout the world, have ceased to circulate.
Instead, the purses of Athenian shoppers
Are full of shoddy silver-plated coppers.
Just so, when men are needed by the nation,
The best have been withdrawn from circulation . . .
My foolish friends, change now, it's not too late!
Try the good ones again: if they succeed,
You will have proved that you have sense indeed.
And if things don't go well, if these good men
All fail, and Athens comes to grief, why, then,
Discerning folks will murmur (let us hope):
"She's hanged herself—but what a splendid rope!"

(—Translated by David Barrett)

UNEMPLOYMENT IN THE TEXTILE INDUSTRY—A WOMAN'S ISSUE

(Mrs. LLOYD asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. LLOYD. Mr. Speaker, next week we will vote on the veto override on the Textile and Apparel Trade Enforcement Act.

There is one aspect of this issue that I feel has not received adequate attention. The textile issue is a woman's issue. Of the thousands upon thousands of unemployed textile and apparel workers, the majority are women. These women work because they need to work. Many of them are single mothers who work to feed and clothe their children. There are others who work to supplement the family income. As we all know, it is increasingly difficult for even middle-class families to get by on only one paycheck.

As more textile and apparel manufacturing plants close, more and more women are left without work. For some, the only skills they have are those learned in the textile or apparel industry. We must guard against further erosion of one of our Nation's most vital industries. We must override the veto.

PROCEDURAL REFORMS NECESSARY TO CURE THE LIABILITY CRISIS

(Mr. DAUB asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAUB. Mr. Speaker, it was reported this week that the American Bar Association's commission on professionalism has issued a report intended to rekindle professionalism in the legal profession. Among the recommendations of this commission was a recommendation that judges at the State and Federal level impose sanctions on lawyers who file frivolous suits or are party to delaying tactics.

This report and recommendation is further evidence that procedural reforms within the tort system must be part and parcel of any liability insurance crisis solution. It was for this reason that I included the following reforms within H.R. 4460, the Tort Liability Reform Act of 1986:

First, a preliminary evaluation session is required within 30 to 60 days of filing of a tort action. The session would be administered by a special master appointed by the court and would be intended to sort out frivolous suits and motions.

Second, if the parties to a tort action have not completed discovery within 1 year, a similar evaluation session would occur to formulate a plan for moving the case to trial. In jurisdictions with binding arbitration programs, this alternative dispute resolution method would be used. In other jurisdictions a plan for discovery would be formulated and administered.

Third, at both the above evaluation sessions, judges in both State and Federal court could assess monetary sanctions against attorneys bringing frivolous suits, making bad faith motions, or intentionally delaying the process.

Given the importance of these reforms and the similar concerns expressed by the ABA commission on professionalism, I would strongly urge my colleagues to take a close look at H.R. 4460 and a different approach to the liability insurance question.

MORE BAD NEWS FOR THE ECONOMY

(Mr. BONKER asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. BONKER. Mr. Speaker, yesterday's announcement by the Commerce Department that the trade deficit could reach $170 billion is more bad news for our economy.

Last month, the U.S. imported $14.2 billion more than it sold overseas.

Federal Reserve Chairman Paul Volcker is worried that the trade deficit could precipitate a recession within a year.

It could mean more lost jobs and declining competitiveness. Mr. Speaker, this trend, like our budget deficits and external debt, is simply not sustainable.

What is surprising is that even in agriculture where the United States has been a strong exporter in the past, we are now importing more than we are exporting.

Whether it is the sagging economies of other nations, exchange rates, Third World debt problems, or unfair trade practices, something is seriously wrong with our trading position.

That is why the House took action on a comprehensive trade bill several months ago.

But the President apparently opposed everything in the bill and asks us instead to support his policies:

Obviously those policies are not working, as evidenced by the statistics from his own Department.

We need speedy action on trade legislation to bring down our trade deficit, restore our competitiveness and improve this Nation's economy.

LEGISLATION TO TIGHTEN AND IMPROVE FEDERAL LAWS AGAINST MONEY LAUNDERING

(Mr. WORTLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WORTLEY. Mr. Speaker, last week my colleagues and I on the Banking Committee approved legislation to tighten and improve Federal laws against money laundering. This legislation is the combination of several bills which I and my colleagues had previously introduced, and I am proud to be an original cosponsor of the new legislation, H.R. 5176.

When I speak of money laundering, I am also speaking of its close companion drug abuse. The lifeblood of organized drug crime is the profits it reaps. This legislation strengthens our attack on the jugular of organized drug crime.

Our committee has heard hours of testimony revealing the great lengths to which drug traffickers will go to conceal the source of their profits. Law enforcement officials, on the other hand, make every attempt to uncover a money trail that connects the criminals with the drug crime. It is readily apparent that new Federal legislation is needed to combat money laundering because of its intimate relation to the illegal narcotics economy.

Our current drug laws are primarily effective against persons who actually handle illegal drugs. But the drug czars and the kingpins of drug distribution avoid these laws by hiring others to do the dirty work. However, there is one surefire way to identify the drug czars: They have large amounts of money available to them and they spend it. After all, the point of crime is to live a life of ease at the misery and expense of others. These drug czars launder their money by making it appear that it comes from a legitimate business or investment. That is why tough money laundering laws are essential to prevent powerful criminal leaders from concealing the source of their ill-gotten gains.

There is no need to describe the far-reaching and painful costs of drugs, and money laundering to individuals and society. There is a need for solutions, and I have no doubt that the legislation our committee has passed will prove to be a vital component in the overall antidrug campaign.

THE TEXTILE BILL

(Mr. VALENTINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VALENTINE. Mr. Speaker, the American economy continues to set records.

The latest news is that we spent $14.2 billion more for foreign goods in June than our overseas customers paid for American products. This matched our dismal performance in May. And worse yet, we appear to be heading for an annual trade deficit that dwarfs the disastrous record we set just last year.

These records are not mere numbers or statistics. They mean the loss of American jobs—jobs in our traditional manufacturing sector, jobs in our new high technology industries, jobs in the textile industry, and jobs in agriculture, which has already been devastated by drought and low prices. According to the Commerce Department, the trade deficit has cost 2 million American jobs since 1981. Do millions more have to follow before we take action?

Textile workers are not alone in facing challenges from unfair foreign competition, and we need to address the plight of other industries as well. But the problems in textiles are among the most widespread and acute in the American economy. We needed the Textile and Apparel Trade Enforcement Act when we passed it last year, and we need it even more now. I urge my colleagues to vote to override the President's veto and pass this bill again. Millions of Americans are counting on us.

KEEP THE PRO-LIFE LANGUAGE OF THE HOUSE

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, later in this year there will be the two Senate conferences where they will try to water down the pro-life language that this House has put into several appropriations bills.

Now, I want all my good friends and colleagues in this House, Mr. Speaker, to take note of the birth yesterday of a female child in Santa Clara, CA, Michelle Odette Poole. She was born to a mother who had been declared brain-dead for 7½ weeks. Her body, this earthly sanctuary that God lends us, was kept alive by machines, a heart machine and a lung machine, so that the mother functioned as nothing but one large womb, one placenta, to nuture her separate little child inside the womb.

Now, one of my daughters is 8 months pregnant. My office manager, Robbi Hartt, is 8½ months pregnant.

Mr. Speaker, this is a child in my daughter, Teresa. That is a child in my office manager Robbi over there in the Cannon Building. These are children that we are killing in their mothers' wombs, 4,000 a day.

God will not be mocked. This is a terrible thing that is happening in the free world and it is even worse in the Communist world. There are mothers in the Communist nations who have had 10 abortions!

Now, the reason that the infant and neonatal mortality rate is so bad in Washington, DC, as we are finding out by science and the evidence, is that mothers who have had abortions in their next pregnancy, miscarry, have babies with lower birth weight, and experience more prematurity than mothers who do not have abortion. This has been verified by a number of studies including ones funded by the National Institutes of Health. Please, remember this when the D.C. appropriations bill is considered in conference.

JUSTICE REHNQUIST

(Mr. KOSTMAYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOSTMAYER. Mr. Speaker, the principle that the Constitution of the United States requires a "wall of separation between church and state should be frankly and explicitly abandoned," those are the words of the man nominated by President Reagan

to be Chief Justice of the Supreme Court.

Nine years ago, the Harvard Law Review published an appraisal of Justice Rehnquist. That critique concluded, after an analysis of hundreds of cases, that Mr. Rehnquist was guided by certain basic principles, the most prominent of which was that conflicts between the individual and the Government should be resolved against the individual.

In the 9 years since that study, Justice Rehnquist has opposed efforts by the lower courts to halt the mistreatment of institutionalized retarded persons, to stop the abuse of civilians by the police and to limit overcrowding in Federal prisons. His decisions opposing remedies for racial discrimination all lead back to the memo he wrote for the late Justice Robert Jackson in which he defended the proposition of separate, but equal schools—a proposition overturned in 1954.

Justice Rehnquist was the only dissenting vote in 1983, when he wrote that the U.S. Government had no right to deny a Federal tax deduction to Bob Jones University in South Carolina even if it admitted or denied students based on race.

For those who are retarded or handicapped, for those in prison, or for those who have been unjustly accused, for women, and for those who are members of racial or religious minorities, and finally for those who believe in the individual against the power of the central government, Justice Rehnquist is an unhappy choice.

Most Americans see the Constitution as a bulwark against discrimination, racism, state-supported religion, and cruel and unusual punishment. Justice Rehnquist sees it as an ally.

THE TRADE BILL

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, while I was back in the office, I heard on the monitor the distinguished majority leader criticizing the other body today for not acting on the House trade bill.

I have only to suggest that had this House acted in a bipartisan fashion and produced a responsible bill, we would have been able to get something enacted into law in short order.

The fact is that the trade bill was passed for partisan politican gain, not American trade relief, and when you sacrifice good legislation for political greed, you do not do this institution that much good, nor do you get good legislation enacted into law.

THE TRADE DEFICIT IMBALANCE

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, I, too, wish to join many of my colleagues who have spoken this morning on the matter of the Commerce Department release of our trade deficit imbalance, which has now increased in June by $14 billion and is projected for this year to be $170 billion.

This means again the loss of many jobs, not only the Midwest and the East, but also in the West and the South.

This means also that we are losing the battle on our agriculture exports.

That release also pointed out that in the month of June, as well as the month of May, that our agricultural imports had exceeded our exports.

It means that this administration has refused to use the agricultural export enhancement programs that we have presently in law so that we can get rid of the excess agricultural reserves that we presently have on hand and we can remedy the trade imbalance.

It means that this administration, in deference to the gentleman from Peoria who just spoke, that this administration and the other body have refused to act on the question of fair trade.

Our House has passed legislation, H.R. 4800, that would correct the trade imbalance, but the other body has refused to take it up.

We need action, Mr. President. We do not need words. We need to save our jobs and to save our farmers. We do not have to worry about jobs in other countries, as you have been doing. We need to worry about jobs here at home.

THE EXPORT ENHANCEMENT PROGRAM

(Mr. WEBER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEBER. Mr. Speaker, those of us from rural America have traditionally been among the best free traders, because we know the perils of protectionism; but we also know the perils of a complacent, do-nothing trade policy. Farm exports have fallen 37 percent in the last 5 years, and a do-nothing trade policy will not reverse that intolerable trend.

I rise today in support of a bill introduced by our colleague, the gentleman from Kansas, Mr. PAT ROBERTS, regarding the Export Enhancement Program. Where it has been used, the Export Enhancement Program has been very successful. Argentina went from our 22d to our 4th best wheat customer because they were included in the program. Of our top five wheat customers this year, three have received significant sales under the program.

But the backlash from limiting this program has overshadowed these isolated successes. The Soviet Union, our best wheat customer 1 year ago, has dropped now to 29th, because they were not included. China has also cut its wheat purchases by 75 percent. Opening up the program to these customers, as the Roberts bill calls for, will bring the same success we have had in Argentina and Egypt into big markets like Russia, China, and Nigeria.

The administration has the authority to broaden this program immediately. By opening up the Export Enhancement Program, it would take a bold step toward a more aggressive and successful trade policy. The White House should know that we cannot accept the status quo in the farm country. With the textile bill facing a veto override vote soon, the problems of trade are foremost in our minds.

The White House should not assume that the veto of the textile bill will be sustained with the help of farm State free traders, unless it is willing to address the serious trade concerns of rural America.

THE TRADE DEFICIT

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, colleague after colleague, Member after Member, rose today to speak about the extended trade deficit. It comes as no great surprise because that is exactly what it is. It is a trend. It is the continuation of a trend.

What boggles my mind is this problem has been with us for more than a decade with little being done to counter this movement. I recall a former Member, John Dent, whose lone voice would be heard hour after hour speaking about the exportation of our industries, to no avail.

Special emphasis has been placed today on agriculture. Well, it is agriculture now. It was the electronic industry before. It is the automobile industry currently under threat. What will it be tomorrow? Consider the consequences—millions of jobs lost; America becoming a creditor nation as contrasted to a history of debtor states.

Yesterday we had an opportunity. The gentleman from Ohio [Mr. TRAFICANT], in a valiant and heroic effort to make one little constructive step forward, offered an amendment to compel the U.S. Government to buy American when it purchases for its own utilization.

□ 1100

That was a valiant effort, though futile. His was a passionate anguished address, because in his community, they have lost all their jobs, and it is happening everywhere. Mr. TRAFICANT has been an energetic champion of his constituents since he came to Congress. It is unfortunate the House didn't see fit to follow his lead.

What happens hereafter—who is to say? All I can say is that America should wake up. We have been dormant and apathetic, and we are reaping the bitter fruit of that apathy and neglect over the years.

PHILOSOPHICAL TEST FOR SUPREME COURT IS UNCONSCIONABLE

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, in the last national campaign, liberals ran an ad on television that suggested that there was something terribly wrong in a country that might move toward a philosophical test for the Supreme Court. One wondered why they ran such an ad at the time, because there was no chance of that in the Reagan administration.

Now we know. Liberals had in mind a philosophical test for the Supreme Court, and they are now in full flower in attempting to achieve it. We had a speech on the House floor just a few moments ago from a liberal who suggested that Judge Rehnquist is not qualified to serve as Chief Justice because he does not meet philosophical qualifications.

This is not a question of whether someone has legal qualifications; it is not a question of intellectual ability. The liberals are now saying that you have to meet their political and their philosophical test before you can serve on the Supreme Court.

It is my opinion that a political and philosophical test for the Supreme Court is not just disturbing—it is unconscionable.

CONGRESS CAN ANSWER ADMINISTRATION'S DO-NOTHING TRADE POLICY

(Mr. LEVIN of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVIN of Michigan. Mr. Speaker, there has been discussion here about the trade deficit—a historic trade deficit. It is even worse than the figures, because the trade deficit for last month included a $2 billion one-time sale of gold to the Japanese.

The manufacturing portion of the deficit was $12.7 billion last month—$12.7 billion. And what did we hear from the President last weekend? Just rosy comments. What is rosy are his economic glasses, and while Mr. Baldrige is talking tough in Japan, the President is giving us soft talk here in the United States.

The minority leader comes down here to object to our House bill. The best answer to him was given by someone from his own party, the gentleman from Minnesota [Mr. WEBER]. As he said, we have had a do-nothing trade policy coming from this administration, and here is how Congress can answer it. Two ways.

First, the Senate should pass an omnibus trade bill. If they do not like what we have enacted, let them get off the dime and enact their own bill.

Second, let us override the textile veto next week. That will be a vote that will be heard around the world.

ICC SHOULD EXPLAIN DENIAL OF RAIL MERGER

(Mr. SLATTERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SLATTERY. Mr. Speaker, on July 24 the ICC voted 4 to 1 to deny the merger application of the Santa Fe and Southern Pacific Railroads. After nearly 2 years of review, the ICC announced the denial in a meeting which lasted only 18 minutes. The ICC staff had recommended approval of the merger, but called for special conditions to ease concerns about competition.

We may not see a written explanation of the Commission's rationale until October 20. As a result of this decision, Santa Fe now faces two major competitors in the Western United States that are each approximately twice its size. The Southern Pacific is on the brink of bankruptcy. I fail to see how this result will encourage competition in the rail industry.

Mr. Speaker, yesterday the Kansas House delegation wrote to the ICC to let them know that we believe that they should issue a written opinion immediately. We are entitled to an explanation of why the Commissioners overruled their professional staff, and we should not have to wait 90 days to get it.

ATTACKING THE DRUG PROBLEM

(Mr. RANGEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RANGEL. Mr. Speaker, I take this opportunity to laud the leadership which you have displayed in putting together a task force to deal with the national problem of international drug trafficking and the serious impact that it is having on our society.

Our majority leader, the gentleman from Texas, JIM WRIGHT, is working very closely with our distinguished minority leader, and already they have alerted the ranking minority members and the chairmen of all of the committees to come together with a package that can most effectively be presented to the President of the United States.

Not too long ago the President joined in this struggle and indicated that he is going to make this a crusade around the United States—indeed, throughout the free world.

I think that this gives us an excellent opportunity to cast aside those labels of "Republican" and "Democrat," "liberal" and "conservative," and to take advantage of this great atmosphere that has been created by our leadership in order to do something about this most serious problem.

It seems to me that when former Chief Justice Warren Burger has indicated that in his belief the threat of narcotics is more serious to our national security than the threat of communism, it is time for this Congress to join with the President of the United States to make certain that for this generation and the generation that follows that we are able to say that as a part of our legacy we cleaned up this problem, not only for ourselves, but for the world.

LEGISLATION TO PROTECT EMPLOYEE AND RETIREE BENEFITS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, we heard from the gentleman from Pennsylvania extolling the virtues of the nominee for Chief of the Supreme Court. I take a passage from Thomas Jefferson, who was very leery and very concerned about the powers concentrated in Federal judges. He said "one Federal judge can take the Constitution and mold it as clay to his own particular position. Thank God for juries." One of the most important assignments made in this country is confirming a Federal judge, and more importantly, a Supreme Court Justice, specifically the Chief Judge. Extreme caution and extensive scrutiny is needed to evaluate Judge Rehnquist.

But I am not here for that today. I am here today because 11,500 retired people in my district, are injured by this LTV decision. I say these retirees should be treated differently and special for one reason: they have contributed to these plans. Their hard-earned money was paid in to help pay for these benefits. They were used as an inducement for early buyouts, and the promises made by LTV must be kept by law—section 1113(f) of chapter 11.

That is why today, Mr. Speaker, I am introducing legislation which would amend title II of the code to prevent companies from rejecting hospitalization and health benefits for current or former employees specifically, and expand upon existing law to insure no judge can misinterpret Congress' intent.

Let me just say this to the Members: 10 of the 12 top steel companies in America have underfunded pension plans, and they are in their boardrooms right now with $500-an-hour attorneys searching for legal technicalities to get out from under their liability. Congress must put its foot down and protect the rights of our retired people, or we will have divorced ourselves from the rights of Americans so impacted upon by this decision. I am asking Members for their help.

A HOUSING TRAGEDY

(Mr. LEHMAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEHMAN of California. Mr. Speaker, I would like to bring to the attention of the House a tragedy that is currently unfolding in my district, and which is spreading across the Nation.

About 70 elderly, handicapped, and low-income residents are in the process of being evicted from a Farmers Home project in my district. These people are being evicted for one reason—the lack of a coherent Federal housing policy. The Government contract has expired on this project and therefore the restrictions that obligated their owners to serve low- and moderate-income families will no longer apply. Under new ownership, rents were tripled and some even quadrupled forcing disabled, elderly, and low-income tenants to be displaced or evicted because they could not afford the new rents. Repeated attempts to get these people assistance through Farmers Home and HUD have thus far proven futile.

What is happening in my district is not an isolated incident. In California alone, similar loan payoffs have occurred or are pending in 31 Farmers Home projects. According to housing officials, as many as 90 percent of the tenants in these projects have been displaced. From all accounts, what is happening now is just the tip of the iceberg.

We cannot continue to let these people fall through the cracks in our housing policy. This national crisis is a result of short-sighted Federal policies. Yet the Federal Government is unable to act quickly enough to fulfill the Federal obligation to these new homeless.

For this reason, I am inserting in today's CONGRESSIONAL RECORD copies of letters I have sent to the Secretary of Agriculture and the Secretary of Housing and Urban Development requesting their personal involvement in the tragedy. I direct my colleagues' attention to these letters.

GENERAL LEAVE

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and to include extraneous matter, along with tables and charts, on the bill, H.R. 5233.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1987

Mr. NATCHER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5233) making appropriations for the Department of Labor, Health and Human Services, and Education and related agencies, for the fiscal year ending September 30, 1987, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Massachusetts [Mr. CONTE] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

□ 1110

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5233, with Mr. FUQUA in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Kentucky [Mr. NATCHER] will be recognized for 30 minutes and the gentleman from Massachusetts [Mr. CONTE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr Chairman, I yield myself 10 minutes.

Mr. Chairman, it is a pleasure to serve on the subcommittee on Labor, Health and Human Services, and Education, with the gentleman from Massachusetts [Mr. CONTE] and all the other members of the subcommittee.

We are especially grateful for the support of the chairman of the full Committee on Appropriations, Mr. WHITTEN, who serves on our subcommittee. He has helped us all down through the development of the 1987 bill. He has, in particular, helped us when making the allocations under section 302(b) which are critical to us. We want him to know we appreciate it.

We have an excellent staff on our subcommittee as do all the other subcommittees of the Appropriations Committee.

We miss our old friend, George O'Brien. George O'Brien was one of the able Members of the Congress. He served on our subcommittee for many years and on the full Committee on Appropriations.

I want you to know now, Mr. Chairman, that he was especially concerned about two programs in this bill and, Mr. Chairman, they are both in this bill in the manner in which our friend, George O'Brien, wanted them to appear.

Mr. Chairman, H.R. 5233, which we present to the House today, makes appropriations for the fiscal year 1987 for the Departments of Labor, Health and Human Services, and Education, and for 12 related agencies, including the Corporation for Public Broadcasting, the Federal Mediation and Conciliation Service, the Federal Mine Safety and Health Review Commission, the National Commission on Libraries and Information Science, the National Council on the Handicapped, the National Labor Relations Board, the National Mediation Board, the Occupational Safety and Health Review Commission, the Prospective Payment Assessment Commission, the Physician Payment Review Commission, the Railroad Retirement Board, and the Soldiers' and Airmen's Home.

The bill includes 1987 appropriations totaling $103,710,016,000 for these Departments and Agencies, which is $5,965,251,000 over the amounts requested by the President, and $6,657,331,000 over the comparable amounts available for 1986.

A large portion, 75.5 percent, of the appropriations in the bill is for entitlement programs for which funding levels are determined by the basic authorizing legislation. The bill includes $78,793,369,000 for these entitlements in fiscal year 1987, an increase of $1,847,020,000 over the amount requested by the President and an increase of $4,380,838,000 above the amounts available for these programs in fiscal year 1986. For discretionary programs, in which spending is con-

trolled through the annual appropriations bill, the bill includes $24,916,647,000 in fiscal year 1987, an increase of $4,118,231,000 over the President's budget and an increase of $2,276,493,000 over the amount available for fiscal year 1986. In addition to these amounts, consideration of $8,414,107,000 of budget estimates for 1987 has been deferred because authorizations have not yet been enacted for these programs.

In addition to the amounts included in the bill, very large sums are automatically appropriated each year for labor, health and human services, and education programs without consideration by the Congress during the annual appropriations process. The principal items in this category are the unemployment compensation, Social Security, Medicare, and railroad retirement trust funds. If the trust funds were counted, total budget authority for labor, health and human services, and education programs considered in this bill would increase from $420,569,642,000 in 1986 to $449,232,514,000 in 1987, an increase of $28,662,872,000.

Mr. Chairman, this bill is well within the ceilings set by the 1987 budget resolution. After adjusting for advance appropriations included in the bill, the total for fiscal year 1987 which counts against our 302(b) ceiling is $102,571,705,000 of which $77,655,058,000 is for entitlements and $24,916,647,000 is for discretionary items. These amounts are below our 302(b) allowance in total by $11,274 million. The bill is $10,634 million below for discretionary programs and $640 million below for entitlements. This results because the subcommittee has deferred consideration of programs which are not currently authorized for fiscal year 1987. The President's budget requests $8,414,107,000 for unauthorized programs which received $9,809,326,000 for fiscal year 1986. The amount of 302(b) ceiling remaining is sufficient to fund these deferred programs as well as to fund new or expanded authorizations assumed in the budget resolution.

With respect to outlays, the bill includes $112,971 million in outlays for fiscal year 1987 including $97,852 million for entitlements and $15,119 million for discretionary programs. This is $4,812 million below the 302(b) allowance in total including $4,180 million for discretionary programs and $632 million for entitlements. This occurs because of the deferred items not included in the bill. While the outlay ceiling is extremely tight, we believe that there are sufficient outlays remaining to cover the items which have been deferred.

DEPARTMENT OF LABOR

The bill provides a total of $5,524,294,000 for the Department of Labor, including $4,907,400,000 for discretionary programs and $616,894,000 or for entitlements. For discretionary programs, the bill exceeds the President's budget request by $650,016,000, and it is $297,649,000 over the 1986 level. For entitlement programs, we are below the President's request by $1,023,151,000 and below last year by $1,077,007,000. We have provided all necessary funding for the entitlement programs, and we are informed by the Department that the President's request will shortly be amended in line with what the committee has recommended.

In addition, the bill includes a total of $2,751,696,000 in trust fund transfers, an increase of $4,351,000 over the President's request and $163,285,000 over the 1986 level. Virtually all of the trust funds are for financing the administrative costs of the State employment security agencies.

TRAINING AND EMPLOYMENT SERVICES

For programs under the Job Training Partnership Act, we recommend $3,517,121,000, an increase of $607,513,000 over the President's budget and $205,640,000 over the 1986 amount. This includes $662,700,000 for the Job Corps to maintain the current services level of 106 centers and 40,544 training slots. We also prohibit the closing of any center before July 1, 1988. The administration proposed to cut the program approximately in half. We maintain the summer youth program for the summer of 1988 at the same operating level as the summer of 1987, 635,000 jobs. The committee approved a large requested increase of nearly $21 million for pilots and demonstrations. Bill language that was requested to modify the allocation formulas for the summer youth and dislocated workers programs was not approved by the committee.

We recommend $26 million for training, job search, and relocation assistance authorized by the Trade Act, the same as the original 1986 appropriation. This program was recently extended for 5 more years. The administration did not propose to fund it. State administrative costs for the program are included in the State Operations account in the amount of $3,900,000.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

The bill includes $326 million for the older workers employment program under title V of the Older Americans Act. This is an increase of about $14 million over 1986. About 64,000 part-time jobs would be funded, with 78 percent coming through national contractors and 22 percent through the States.

EMPLOYMENT SERVICE

We provide $755,20,000 for Employment Service State grants, about the same as 1986. For State administration of the unemployment insurance system, the recommendation is $1,731,600,000, an increase of $144,032,000 over 1986. The increase is to restore reductions made in 1986 pursuant to Gramm-Rudman and to provide for workload and cost increases.

In the Employment and Training Administration, we restored 70 full-time equivalent staff to maintain current staffing levels with respect to the Job Corps (40) and the Office of Trade Adjustment Assistance (30). We reduced a $10 million request for unemployment research and demonstration pilot projects to $5 million.

EMPLOYMENT STANDARDS ADMINISTRATION

We added $1 million to the budget request for the Employment Standards Administration to finance an additional 20 full-time equivalent staff for the Office of Federal Contract Compliance Programs. These are to be used for additional nonsupervisory enforcement caseworkers. This restores part of the staff reduction sustained here in recent years.

BUREAU OF LABOR STATISTICS

In the Bureau of Labor Statistics, the committee added $8,565,000 to the President's request along with 61 full-time equivalent staff. The specific increases over the budget request are as follows: 18 FTE's and $5 million to restore the Permanent Mass Layoff and Plant Closing Program; 41 FTE's and $1,299,000 to restore an arbitrary 2-percent reduction as a result of assumed productivity increases; 2 FTE's and $900,000 to restore the Occupational Employment Statistics Program; and $1,366,000 to restore proposed reductions in area detail on employment now provided in Labor Market Information programs. The committee redirected an increase of $2,062,000 requested to expand the Professional, Administrative, Technical and Clerical [PATC] survey. The report says that these funds are to be used instead to begin the planning, testing, and implementation of a national white-collar salary and benefit survey.

VETERANS EMPLOYMENT AND TRAINING

We added about $8 million over the budget request for veterans' employment and training. This is to restore the number of local veterans' employment representatives to the 1986 level.

For the other departmental salaries and expenses accounts, the committee has approved the President's budget request. In most cases, this restores the 1986 Gramm-Rudman reductions and allows for built-in cost increases.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

H.R. 5233 includes $84,001,567,000 for programs administered by the Department of Health and Human Services, including $12,598,065,000 in advance appropriations for fiscal year

1988. The amount included in the bill is $4,664,651,000 above the President's request and $6,446,724,000 above the amount currently available for these activities in fiscal year 1986 after the reductions required by the Balanced Budget and Emergency Deficit Control Act of 1985. The committee did not consider at this time budget estimates of $3,908,210,000 for programs which are not currently authorized for fiscal year 1987. These include low-income energy assistance, refugee and entrant assistance, Head Start, family planning, alcohol and drug abuse research, and several smaller programs. Appropriations for these activities as well as several new programs or program expansions being reviewed by the Congress will be considered as soon as possible after the passage of authorizations.

The substantial increases included in the bill reflect a number of priorities of the committee in reviewing funding levels for the programs of this Department.

First, this bill reflects a strong commitment to research on the cause, treatment, and prevention of acquired immune deficiency syndrome [AIDS]. This disease has already claimed more than 12,600 lives and is expected to kill more than 175,000 Americans during the next 5 years. AIDS is described by the Department as its No. 1 public health priority. The bill includes $336,753,000 for these activities, an increase of $133,271,000 over the President's budget and $112,478,000 over the amount available this year.

Second, the bill demonstrates continued support for a strong program of biomedical research at the National Institutes of Health including funds for 6,200 new research project grants. The bill includes $6,152,775,000 for the NIH, an increase of $1,073,628,000 over the President's request and an increase of $893,120,000 over 1986. This large increase is necessary to complete the buildup in the number of grants which was begun in fiscal year 1985 when the number of new grants was increased from 5,000 in order to accelerate the biomedical research program throughout NIH.

Third, the bill rejects the President's proposal to terminate a number of programs including health professions education, mental health service demonstrations, and the work incentives program [WIN]. The committee believes these programs should continue to be supported by the Congress.

Fourth, the bill reflects a decision to provide selected increases for high-priority programs, especially those serving low-income or disadvantaged populations and those targeted at high-risk children.

Fifth, the bill reflects a commitment to fund entitlement programs, which provide cash assistance, medical care, and social services to our most needy citizens, at levels mandated by current law. The committee bill includes $73,415,819,000 for these entitlements. This is $2,803,965,000 over the President's request and $5,320,427,000 over the amount available in 1986. The President's request for these activities was based on a series of legislative and regulatory proposals not accepted by the Congress.

Lastly, these recommendations reflect the committee's commitment to adequately fund administrative costs under the Social Security and Medicare programs. While benefit dollars for these activities are not appropriated, the committee is charged with approving all trust funds allocated to administer these programs. The bill permits the expenditure of $5,300,417,000 for this purpose, an increase of $271,114,000 over 1986. These programs serve more than 40 million Americans and are expected to spend more than $298 billion in benefit payments in fiscal year 1987.

The committee believes these recommendations reflect the priorities of the Congress and the best interest of the country. These are critical programs which serve our most vulnerable and needy citizens. Let me describe these in some additional detail.

ACQUIRED IMMUNE DEFICIENCY SYNDROME (AIDS)

The Public Health Service considers AIDS to be the most serious and devastating public health problem to appear in recent memory. It is the No. 1 health priority of the Department. Over 23,000 cases have been diagnosed so far and the number is expected to escalate geometrically in the next several years.

In response to the steady growth in the number of cases, the committee has recommended a substantial increase in appropriations for AIDS activities. The bill includes $336,753,000, an increase of $112,478,000, or 50 percent, over the 1986 level. In addition, there is $9,765,000 for the Food and Drug Administration in the agriculture appropriations bill, making a total appropriation for AIDS of $346,518,000. We believe that this substantial increase should enable the Public Health Service to continue to make progress against this dread disease. By agency, the amounts in the bill are as follows:

Centers for Disease Control, $87,007,000; National Institutes of Health, $198,943,000; Alcohol, Drug Abuse and Mental Health Administration, $47,553,000; Health Resources and Services Administration, $1,900,000; and the Office of the Assistant Secretary of Health, $1,350,000.

HEALTH RESOURCES AND SERVICES

The bill includes $1,267,068,000 for programs administered by the Health Resources and Services Administration. This is $293,894,000 above the President's request and $11,502,000 above the amount available in 1986. The committee did not consider the budget requests for the family planning and National Health Service Corps programs which are not currently authorized for fiscal year 1987.

The mission of the Health Resources and Services Administration is exceptionally broad. Its activities include the provision of inpatient and outpatient health care to the poor, pregnant women, children, and other high risk populations; the training of health professionals and the rational development of health resources, including health personnel and health facilities, throughout the United States. Approximately 3,300 persons are currently employed by this agency to carry out these responsibilities.

Of the funding added by the committee over the President's request, almost 75 percent relates to the committee's rejection of the proposal to terminate Federal support for the training of health professionals including nurses. The bill includes $212,015,000 for these training programs which is $14,096,000 more than available for these programs in 1986. The committee has rejected the administration's position that the national surplus of physicians widely predicted for the 1990's justifies a Federal abandonment of the effort to improve the geographic and specialty mix of health professionals and to increase the number of minority health providers. These are real problems which the overall surplus has not resolved. The committee has, therefore, recommended that these programs be funded for the most part at the same level provided in last year's appropriation act. The committee has also rejected the administration's proposal to reduce HEAL loans for these students from the $290 million currently authorized to $100 million. The committee believes these loans are the financing of last resort for many of these students who would otherwise have to drop out of school.

The bill includes $68,900,000 for nursing programs including $16,700,000 for the newly authorized National Center for Nursing Research. This Center has recently been set up at the National Institutes of Health and the committee expects the funds to be transferred to NIH as soon as the appropriation is enacted into law.

The bill also includes $478 million for the Maternal and Child Health Block Grant, the maximum amount currently authorized for this program. The NCH Block Grant is targeted to high risk mothers and children and to crippled children. The Congress is currently reviewing the need for additional funds in this area. If the authorization is increased, the committee will reconsider its recommendation in this area.

The bill also includes $400 million for community health centers which is also the maximum amount currently authorized and an increase of $4 million over fiscal year 1986 funding. These funds subsidize approximately 50 percent of the operating budgets for 550 centers providing primary health service to more than 5 million Americans. In addition to these general purpose centers, the bill includes $45,400,000 for migrant health centers which will support 125 projects serving approximately 2,700,000 migrant and seasonal farmworkers.

The committee recommends $6,800,000 to fully fund activities authorized by the National Organ Transplant Act (Public Law 98-507). This will support a nationwide system to increase the availability of organs and to facilitate the matching of donors and recipients. This is a major new initiative initially funded in fiscal year 1986. Included are funds for the full year costs of the national network which received part year funding of $400,000 in 1986.

The committee has not recommended funds for the health planning programs in fiscal year 1987 as requested by the President. This program expired on September 30, 1982. While the committee has recommended that the program be funded since that time under a series of continuing resolutions, the House has recently voted overwhelmingly to terminate this program. Close-out costs not covered by the 1986 appropriation will be included in the fiscal year 1987 continuing resolution if necessary.

NATIONAL INSTITUTES OF HEALTH

The bill includes $6,152,775,000 for the 17 appropriations which together fund the programs of the National Institutes of Health. These include the appropriations for the 12 research Institutes, the Division of Research Resources, the John E. Fogarty International Center, the National Library of Medicine, the Office of the Director, and Buildings and Facilities. Funds for research on AIDS are consolidated in the Office of the Director. The new National Center for Nursing Research, which has recently been transferred to NIH, continues to be funded in the bill under the appropriations for Health Resources and Services.

Mr. Chairman, at the time my friend, the gentleman from Massachusetts, SILVIO O. CONTE, and I were elected as members of the Committee on Appropriations, we had $77 million in the National Institutes of Health.

The total 1987 NIH appropriations of $6,152,775,000 recommended by the committee represent increases of $1,073,628,000 over the amount requested in the President's budget and $893,120,000 over the amounts currently available for 1986.

The committee continues to give the highest priority to the support of investigator initiated research projects, and intends that the amounts in the bill should be used to fund full direct and indirect costs of no fewer than 6,200 new and competing renewal awards in approximately the amounts recommended by peer review groups. In addition, the committee expects that 13,320 noncompeting research projects will be supported at approximately the amounts recommended by peer review groups for a total of 19,520 competing and noncompeting research project grants. The committee has also provided increased funds for the support of research centers which may be used for existing and/or new centers, as determined by each Institute. In certain instances, the report specifies that additional centers should be funded. For example, funds have been provided in the new National Institute of Arthritis, Muskuloskeletal and Skin Diseases for the establishment of nine specialized centers of research in the high priority areas of rheumatoid arthritis, osteoarthritis, and osteoporosis. Funds are also provided for the creation of six kidney and urologic disease research centers to be named for the late Honorable GEORGE M. O'BRIEN of Illinois, who was a member of our subcommittee for many years, in recognition of his distinguished service in the House of Representatives, and in recognition of his consistent support for the work of the National Institutes of Health.

For training grant programs, the bill provides sufficient funds for the support of 10,500 trainees. Additional funds are also provided for other essential elements of the NIH intramural and extramural programs, including—but not confined to—research career awards, clinical trials, biomedical research support grants, intramural research, instrumentation grants, construction and renovation of facilities including animal facilities, research management and support, and the National Library of Medicine.

In last year's report, the committee called attention to the fact that staffing levels at NIH have been drastically reduced in recent years, while appropriations have steadily increased.

The funds in the 1987 bill should support at least 13,500 full-time equivalent positions. The committee is especially concerned about staffing for patient care at the Warren G. Magnuson Clinical Center. Visitors to the Center report that many beds in the Center are not occupied because of lack of staff.

The committee has provided funds distributed among the NIH Institutes for small instrumentation grants in response to the findings of a recent instrumentation survey which was funded jointly by the National Academy of Sciences and NIH. This survey, entitled "NIH Program Evaluation Report: Academic Research Equipment Needs in the Biomedical and Medical Sciences," reported on trends in amount, condition and cost of existing research instrumentation in the Nation's principal research universities and the nature and extent of the need for upgrading research instrumentation. This survey identified many problem areas concerning obsolete or poorly maintained research instrumentation; however, the most significant need cited by the survey is for relatively low-cost prices of equipment in the price range of approximately $5,000 to $60,000. These funds provided for fiscal year 1987 will begin to address this problem by supporting the purchase of small equipment, which cannot be included on a single research project grants application and which also do not qualify for support under NIH's larger specialized grant programs.

CENTERS FOR DISEASE CONTROL

The committee recommends $518,254,000 for disease prevention activities at the Centers for Disease Control. This is $92,999,000 above the President's budget and $77,154,000 above the amount available in 1986. This includes $89,525,000 for the Preventive Health Services Block Grant. In addition to the increase for AIDS related activities discussed earlier, the committee has recommended substantial increases for childhood immunization and sexually transmitted diseases. For immunization, the bill includes a total of $70,012,000, an increase of $13,122,000 over 1986. This will be used to continue to build the vaccine stockpile maintained by the CDC and to offset the higher costs of vaccines. For sexually transmitted diseases, the committee recommends $66,454,000, an increase of $12,589,000 over 1986. This increase will partially replace funds reallocated in the last several years to the AIDS emergency and will also fund enhanced efforts against several of the sexually transmitted diseases including chlamydia. The committee has not approved the President's request to terminate the training activities of the national Institute for Occupational Safety and Health and has recommended $9,900,000 for this program, an increase of $1,517,000 over 1986.

ALCOHOL, DRUG ABUSE AND MENTAL HEALTH

The committee recommends $929,787,000 for programs administered by the Alcohol, Drug Abuse and Mental Health Administration including $36,353,000 for the Federal share of costs at St. Elizabeths Hospital in the District of Columbia. This amount is $111,484,000 over the President's request and $81,550,000 over the amount available in fiscal year 1986. The committee has deferred consideration of budget estimates totaling $124,023,000 for drug abuse and alcoholism research which are not currently authorized for fiscal year 1987.

$47,553,000 of the amount recommended is for AIDS related research with emphasis on the drug abuse population who are a major risk group for the disease and also a major threat for heterosexual transmission to the general population. Funding for AIDS increases by $35 million under the committee bill.

The committee has been impressed with the quality of recent research at the National Institute of Mental Health and believes that the potential for breakthroughs in our understanding of the cause, prevention, and treatment of mental illnesses such as schizophrenia and Alzheimer's disease are possible in the not too distant future. The committee has therefore recommended a funding level of $229 million for this program which will permit more adequate funding of ongoing efforts including the intramural programs and will also support an increase of the number of new investigator initiated research projects.

The committee bill also includes $15 million for the community support program [CSP] which finances State and local demonstrations to better serve the chronically mentally ill many of whom have been released from mental hospitals as a result of deinstitutionalization programs. This program is focused on the chronically ill patients with special emphasis on children, adolescents, and the homeless.

The committee recommends $490 million for the alcohol, drug abuse, and mental health block grant which is an increase of $21,070,000 over the amount available in 1986. These funds are distributed to the States by formula in order to fund treatment activities for persons suffering from the these debilitating conditions.

Last, the committee has included $3 million to initiate new prevention activities to attempt to reduce the incidence of alcohol, drug abuse, and mental health problems. This initiative is intended to complement prevention research efforts undertaken over the last several years and will attempt to apply research findings to the real world. The principal focus of this initiative is on preventing or at least reducing drug abuse among school-age Americans.

HEALTH CARE FINANCING ADMINISTRATION

The committee bill includes appropriations of $40,290,892,000 for programs administered by the Health Care Financing Administration. This amount includes $26,480,359,000 for State Medicaid programs, an increase of $1,519,875,000 above the 1986 level and $1,172,237,000 above the President's request. The committee has restored $1.2 billion in savings assumed in the President's budget but not now expected to be enacted into law. This account supports approximately 55 percent of the cost of the State Medicaid programs of health insurance for the poor.

The bill also includes a $20,826,000,000 for payments to the Medicare trust funds. This is $1,972,000,000 above the 1986 level and $469,000,000 above the President's request. The amount recommended is based on the most recent estimates of costs under current law submitted by the Congressional Budget Office. This mandatory appropriation now supports 75 percent of the Medicare part B program from general funds.

H.R. 5233 includes $1,301,027,000 in general and trust fund appropriations for Federal administration of the Medicare and Medicaid Programs. The committee has recommended total funding of $1,102,000,000 for the cost of processing Medicare claims. This is $95,200,000 above the President's budget and $87,576,000 above fiscal year 1986. This amount is expected to be sufficient to handle a substantial increase in the number of claims and to maintain the payment cycle for claims at historic levels of approximately 22 days.

SOCIAL SECURITY ADMINISTRATION

The bill includes general funds appropriations of $16,447,480,000 for programs administered by the Social Security Administration including those programs in the process of being transferred to the new Family Support Administration. This amount includes $500,555,000 for payments to Social Security trust funds including military service credits, $963,437,000 for black lung benefits, $10,995,068,000 for Federal cash assistance for the aged, blind and disabled under the Supplemental Security Income Program and $9,317,035,000 for cash assistance to the poor through the Assistance Payments Program principally AFDC. The payments are all for mandatory entitlements which provide cash payments to more than 15 million needy Americans.

The amount recommended by the committee for the Assistance Payments Program is $1,013,942,000 above the President's request. The committee has not approved two categories of savings assumed in the budget. First the budget assumes $777,200,000 of penalties for error rates above levels mandated by law. These penalties have been delayed for a minimum of 1 year by Public Law 99-272. In addition the committee has restored $236,000,000 in legislative savings assumed in the President's request but not now expected to be enacted into law.

The committee has deferred consideration of budget estimates totaling $2,474 million for the Low-Income Home Energy Assistance and the Refugee Assistance Programs which are not currently authorized for fiscal year 1987.

The committee recommends that $4,011,373,000 be expended from the Social Security trust funds for administrative costs of the Social Security retirement, Survivors and Disability Program. This is the same amount requested by the President and an increase of $163,510,000 above the amount available in 1986. This limitation account supports the staff, computers, telecommunications, facilities and other resources to manage these programs which are expected to pay more than $220 billion to more than 40 million Americans in fiscal year 1987. The committee bill provides for a staffing level of 74,437 full-time equivalents which is an increase of 1,167 over the number of FTE's requested in the budget. This results because of the committee decision to freeze overtime at not to exceed 3 percent of total employment rather than the 4.5-percent proposed in the budget. In addition the committee has continued to follow closely the issue of potential district office closings. No funds have been requested by the President nor have any funds been included by the committee for any large program of office closings or consolidations.

HUMAN DEVELOPMENT

The committee bill includes $2,700,000,000 for the social services block grant entitlement. This is the same amount requested by the President and the maximum amount authorized for 1987. These funds are distributed to the States by formula for a variety of social and supportive services for children, aged and other vulnerable populations.

The committee recommends $925,017,000 for other social services activities under the human development services account. Included in this amount is $732,700,000 for aging programs including $425,000,000 for elderly nutrition programs. Aging programs have been increased by $61,300,000 over the level available in 1986. Also funded in this account is $31,000,000 for child abuse programs, $23,250,000 for runaway youth and $75,500,000 for services to the developmentally disabled. The committee has deferred consideration of the budget request for the Head Start Program which is not currently authorized for fiscal year 1987.

The committee recommends $1,005,233,000 for family social services including $758,000,000 for the Foster Care and Adoption Assistance Programs. The amount for these entitlements is $153,786,000 over the President's budget and $215,029,000 over 1986. The $100,228,000 of this increase relates to 1986 costs which were requested by the President in a 1986 supplemental but which have been provided by the committee in the 1987 bill. Also included in this account is

$225,000,000 for child welfare assistance grants. The committee has recommended an increase of $26,901,000 over 1986 for this program which serves high risk, vulnerable youth.

Finally, the bill includes $200,000,000 for the Work Incentives Program which the President's budget proposed to eliminate. This program supports efforts to train and place welfare recipients in full-time employment. The committee has deferred consideration of funding for the community services block grant which the President's budget also proposed to eliminate. This program has not yet been reauthorized for fiscal year 1987.

DEPARTMENT OF HEALTH AND HUMAN SERVICES REORGANIZATION

The Department of Health and Human Services is currently carrying out several major reorganizations of its programs. The most significant of these creates a new Family Support Administration which consolidates Federal cash assistance and support services for the poor into a new operating component of the Department. This consolidation involves the assistance payments, low-income energy assistance, child support enforcement, refugee and entrant assistance, community services block grant, and work incentives accounts. In addition, the Department is in the process of transferring the Health Maintenance Organization Program from the Health Resources and Services Administration to the Health Care Financing Administration and the National Center for Nursing Research from the Health Resources and Services Administration to the National Institutes of Health. While the decisions to carry out these reorganizations have been made and do not require congressional approval, the details of staff and resources to be transferred have in some cases not been finalized. The committee has, therefore, considered these activities under the old appropriation structure. Once final decisions have been made and determination orders issued, these resources can be transferred to their appropriate accounts.

DEPARTMENT OF EDUCATION

For the Department of Education, the bill includes $13,369,231,000, an increase of $1,458,132,000 over the President's budget request for fiscal year 1987. The total amount in the bill is $991,797,000 over the amount available for 1986. The committee was required to defer consideration of over $4 billion requested in the budget for programs which are not authorized at this time for fiscal year 1987. These programs will be considered for funding as soon as possible following the enactment of authorizing legislation.

COMPENSATORY EDUCATION FOR THE DISADVANTAGED

The bill includes $3,999,163,000 for chapter 1 of the Education Consolidation and Improvement Act, the largest amount appropriated for this program in its 20-year history. This amount is $469,591,000 over the amount currently available for 1986, and $311 million over the amount requested in the budget for 1987. About 14,000 school districts participate in the program serving approximately 5 million disadvantaged students.

IMPACT AID

The committee bill provides $700 million to continue the Impact Aid Program at about the same level as in fiscal year 1986. This is $152 million over the budget request. The committee restored $130 million for category B payments which the budget proposes to terminate. In addition, increases over the budget have been provided for construction and special payments to local school districts.

SPECIAL PROGRAMS

For a variety of elementary and secondary education programs, the bill includes $699,943,000, an increase of $96,034,000 over the budget request and $32,331,000 over the amount available for 1986. The chapter 2 block grant program will be continued at $533,909,000, about the same amount as fiscal year 1986. Civil rights training, women's educational equity, leadership in education, territorial assistance, and Ellender fellowships will be maintained at 1986 levels. The budget proposed to terminate these programs.

BILINGUAL EDUCATION

For bilingual education, the committee has provided $179,637,000, an increase of $14,426,000 over the 1986 amount, and an increase of $36,686,000 over the budget request. The amount recommended includes $3,686,000 for bilingual vocational training, $159,000 above the 1986 level; and $30 million for emergency immigrant education, an increase of $1,290,000 over the 1986 amount. In general, the Federal bilingual education programs are designed to assist limited English proficient children to improve their academic skills.

EDUCATION FOR THE HANDICAPPED

In the bill we include $1,494,420,000 for the education of handicapped children at elementary and secondary school levels. This amount is $191,320,000 over the budget request and $144,886,000 over the amount available for 1986. The amount provided in the bill will assist State and local educational agencies in providing special education to 4.2 million handicapped children.

REHABILITATION SERVICES AND HANDICAPPED RESEARCH

With the exception of the basic State grant program and the Helen Keller Center, which are authorized for 1987, the committee has deferred consideration of budget requests for rehabilitation programs because authorizing legislation for 1987 has not been enacted. For basic State grants, the bill includes $1,148,356,000, which is $3,208,000 more than the amount available for 1986, and $48,356,000 above the budget request. For the Helen Keller Center, the bill includes $4,300,000, the same amount as in 1986.

VOCATIONAL AND ADULT EDUCATION

For programs authorized by the Carl D. Perkins Vocational Education Act, the bill includes $906,433,000, an increase of $505,459,000 over the budget request and an increase of $103,688,000 over the amount. Funds available for vocational education are designed to support and improve programs that provide education and training needed by persons to compete and advance in the labor market.

The bill includes $110,000,000 for adult education programs, an increase of $6,000,000 over the budget request, and an increase of $12,421,000 over the 1986 current amount. These funds are used to assist State programs that serve an estimated 2.6 million persons annually.

STUDENT AID

The President's budget request of $3,812,568,000 for student aid is based on a legislative restructuring of the Pell grant, supplemental educational opportunity grant, College Work Study and National Direct Student Loan Programs. No funds are requested in the President's budget for capital contributions for national direct loans and State student incentive grants. The bill does not include funding levels for the student aid programs because authorizing legislation has not been enacted. The committee regrets that the lack of authorization requires the deferral of the consideration of appropriations for the student aid programs. The committee will recommend adequate funding levels for all these programs as soon as possible following enactment of authorizations.

GUARANTEED STUDENT LOANS

The bill includes $3,394,000,000 for the guaranteed student loan appropriation account, the latest estimate of the funding that will be required for the program under current law. This amount is $66,250,000 less than the administration's current law estimate for 1987 provided in its budget request and $134,025,000 more than the 1986 appropriation. In its budget request for 1987, however, the administration proposed certain legislative changes that would have reduced its 1987 estimate for the program by $1,115,241,000. The committee makes no assumptions about changes in existing law, which may result from the regular legislative process.

HIGHER EDUCATION

For various higher education institutional aid programs which are authorized for 1987 the bill includes $29,500,000 an increase of $24,500,000

over the budget request and $13,710,000 over the amount available for 1986. The bill provides $21,000,000 for Carl Perkins scholarships, $5,000,000 for minority institutions science improvement, $1,500,000 for law school clinical experience, $2,000,000 for talented teacher fellowships.

COLLEGE HOUSING LOANS

For college housing loans, the committee authorizes $60,000,000 in new loans compared to $57,420,000 in 1986 and zero requested in the budget.

LIBRARIES

Again, as in previous years, the budget proposes to terminate all Federal assistance to libraries. The bill provides $130,000,000, an increase of $14,682,000 over the amount available for fiscal year 1986. The recommendation includes $25,000,000 for public library construction.

SPECIAL INSTITUTIONS

For payments to special institutions the bill includes $5,510,000 for the American Printing House for the Blind; $32,000,000 for the National Technical Institute for the Deaf; $60,737,000 for Gallaudet College; and $170,230,000 for Howard University.

RELATED AGENCIES

The bill includes $814,924,000 for 12 related agencies. This is entirely discretionary spending. We are over the President's request for these agencies by $215,603,000 and over the 1986 level by about $10,000,000. This includes $214,000,000 for the Corporation of Public Broadcasting, which is an advance appropriation for fiscal year 1989. In addition, there are trust fund transfers here in the amount of $76,916,000, an increase of $2,795,000 over the budget request.

The ACTION Agency and the U.S. Institute of Peace are not included in the bill because their authorization for appropriations has expired. The House Rules, as the Members know, prevent us from including unauthorized appropriations. The Physician Payment Reveiw Commission is funded for the first time in the amount of $1,000,000. Railroad retirement dual benefits are fully funded at $380,000,000.

I would like to mention to the committee at this time, Mr. Chairman, the distinguished gentleman who presides over this bill today and who has presided over this bill on a number of occasions.

The gentleman is one of the able Members of this Congress. He is one of the best presiding officers in this House. The gentleman is the chairman of the Committee on Science and Technology and he has announced his retirement. This will be the last time that my friend, the gentleman from Florida, DON FUQUA, will preside over this bill in the House of Representatives and I want all the Members to know that all down through the years, we have appreciated the fact that the Speaker of the House would name the gentleman from Florida to preside over this bill.

Mr. FUQUA, I want you to know that as a member of this subcommittee, we appreciate it.

Mr. CONTE. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I am delighted to join with my good friend, the gentleman from Kentucky, BILL NATCHER, in bringing this bill before the House for the fiscal year 1987 Labor, Health and Human Services, Education appropriation bill.

Mr. Chairman, as I stand here this morning to talk about this bill, I am compelled to say that GEORGE O'BRIEN will be missed by this committee. GEORGE worked long and hard with us, and he cared deeply about the positive things this bill can do.

Mr. Chairman, even as his own health faltered, GEORGE's concern for the health of others did not. He continued to sit with our subcommittee this past winter and spring, as we went through the long process of putting this bill together, and in that time, he built a strong case for the specific needs of a group of diseases unrelated to his own. At his request, we have included funds in this bill to establish six new kidney and urologic disease research centers through the National Institute of Diabetes, Digestive and Kidney Diseases.

Mr. Chairman, I am proud to say that this bill contains language to ensure that these centers be established in honor of him, and will be named "The George M. O'Brien Research Centers for Kidney and Urologic Diseases.

It is an honor to serve as ranking minority member with a chairman as distinguished as the gentleman from Kentucky. He is always fair. He is always thorough, he is always compassionate, and he is always responsible in exercising his duty as chairman of our subcommittee.

That sense of fairness, thoroughness, compassion, and responsibility is what has allowed this subcommittee to develop a bill that the President has signed for the past 3 years. And I think we have a fair shot at getting this bill signed this year, as well.

Why? Because this bill, like its predecessors in fiscal years 1984, 1985, and 1986, responds both to the budget strictures that have existed over the past several years, and to the real needs of the American people.

This bill is not a budget buster. It is well within the ceilings of the fiscal year 1987 budget resolution approved by this body, 333 to 43, on June 26—just 5 weeks ago. And it is well within the budget authority allocated to the subcommittee under the 302(b) procedures.

In terms of responding to the needs of the American people, Chairman NATCHER has said on many occasions, this bill is the people's bill. It is one of the most important pieces of legislation that this body considers each year.

Mr. Chairman, I have often thought that we should rename our subcommittee so that its name more accurately describes what the bill does. We should call it the Subcommittee on Health, Education, and Labor Programs and Services—HELPS. Because that's what this bill does for those Americans, from infancy through old age, who need help from their Government. For that reason, we work very hard to bring a good bill to the floor each year.

And this year is no exception. We started our hearings on February 19, shortly after the President had submitted his budget request to the Congress. In 33 days of hearings, including 25 days with administration witnesses and 8 more with outside groups, we heard testimony from 398 witnesses, representing 274 organizations. And to show you how important this bill is, I am pleased to note that before we concluded our hearings on May 7, 62 Members of Congress had appeared before the subcommittee.

Let me now tell you what this bill does.

Mr. Chairman, the bill we bring to the House today recommends a total of $103.7 billion, $102.5 billion in current year funding, and the remainder to fund mandatory advances for prior or subsequent years.

We have added $5.8 billion to the President's budget request—$1.8 billion in mandatory accounts, where we received new estimates from the departments, or where legislative proposals had not yet been enacted into law, and about $4 billion in discretionary programs.

In terms of growth over last year's bill, we have added $1.3 billion for discretionary programs, and $3.6 billion in mandatory spending. There's no doubt about it; it's a lot of money. But let me emphasize what I said before—we are well within the budget resolution and our 302(b) allocation for this bill, even after we take into account those programs which are not yet authorized.

Nearly 76 percent of this bill, or $78 billion, is in mandatory spending over which our subcommittee exerts very little discretion. We act as a conduit through which that mandatory spending passes, and we depend entirely on the estimates given us by the administration and the CBO.

For discretionary spending, which comprises 24.5 percent of the amounts contained in the bill, we have provided $24.9 billion.

In most areas, we have restored programs to the fiscal year 1986 level. In doing that, we have simply restated

the wishes of this body 9 months ago when we voted, 322 to 107, to adopt the fiscal year 1986 Labor/HHS/Education bill, which itself was, by and large, a freeze from fiscal year 1985.

Then came Gramm-Rudman-Hollings and its miserable across-the-board cut. Up until 2 weeks ago, not one of us had had the chance to vote for or against those mandated cuts. And even then, we didn't really get a chance to exercise any judgment on the budget. Rather, we were allowed only to confirm the cuts put together by the green eye-shaded accountants in GAO and OMB. I voted "no" for that reason.

I believe the Congress should exercise its judgment on funding for individual programs, and that's what the subcommittee did in recommending increases in three major priority areas.

The first of those priority areas is AIDS research and control. This new disease is reaching epidemic proportions since Chairman NATCHER and I first provided direct funds for it nearly 5 years ago. Cases of AIDS have now been reported in all 50 States, the District of Columbia, and the 4 territories.

The most recent report by the HHS task force on AIDS says that by 1991, 179,000 deaths will be linked to this horrible disease, as compared to only 18,000 by the end of this year. The number of new cases reported also will jump from 16,000 this year to over 74,000 annually by 1991.

For that reason, we have responded to the latest request from the Public Health Service to provide a 50-percent increase in the subcommittee's share of the assault on this disease. The bill provides $336.7 million for that purpose.

A second priority area that the subcommittee identified is biomedical research performed by the National Institutes of Health. We provide an increase of nearly $1.1 billion over the amount requested by the President, which includes much of the AIDS money I just mentioned.

This increase is made to sustain the vital research performed at NIH in the never-ending battle against disease, disability, and death.

These national institutes perform research into areas that affect Americans of all ages, and must be sustained if we ever expect again to be able to say that we have eradicated a major disease or significantly alleviated human suffering.

Let me read from the names of some of the institutes so Members will get a better idea what I am talking about: Child Health and Human Development; Allergy and Infectious Diseases; Diabetes, Digestive, and Kidney Diseases; Heart, Lung, and Blood; Cancer; Aging; and Neurological and Communicative Disorders and Stroke. We're talking about the whole gamut of human life. This is definitely a priority area that could properly be funded at even higher levels.

A final priority area that I would like to call to the attention of Members is chapter I, education for disadvantaged children. This is the major Federal program for ensuring equal educational opportunity to low-income, disadvantaged children. Once again, the subcommittee exercised its judgment and recommends an increase of $311 million. It did that despite the administration's proposal to level fund the program and to dramatically change the legislative purposes of the program.

In fact, the subcommittee exercised its judgment on each of the administration's other budget requests, whether those programs were proposed for elimination or proposed for major reductions or proposed for level funding.

Let me highlight a few of these.

The subcommittee acted to restore some funds for 21 of the programs proposed for elimination in the President's budget, programs that benefit millions of Americans. Among those, the bill restores $118 million for trade adjustment assistance and benefits, $212 million for most of the health professions programs, $69 million for nurse training programs, $6.8 million for organ transplants, $4 million for the vaccine stockpile, $10 million for mental health clinical training, $10.3 million for mental health protection and advocacy, $200 million for the work incentives or WIN Program that provides job opportunities to welfare recipients, $130 million for impact aid "B" payments, $30 million for emergency immigrant education, $31.6 million for consumer and homemaker education, $60 million in new loan commitments for college housing loans, and others.

The bill includes restorations in seven programs proposed for major reduction: $664.5 million for summer youth employment, $662.7 million for the Job Corps (together with a prohibition on center closings until July 1, 1988), $290 million for HEAL loans, $1.1 billion for Medicare contractors, $1.3 billion for education of the handicapped, $906 million for vocational education, and the NIH level that I already discussed.

I am also delighted to report that the bill continues funding for two programs within the Department of Labor Women's Bureau: the Displaced Homemaker's Network and the Corporate Linkage Program under the Bureau's Demonstration Grant Program. In addition, the bill continues, at a $5 million level, another important initiative that I take pride in having had a role in funding, now for the third straight year—the plant closing and mass layoff survey under the Bureau of Labor Statistics.

Finally, I would like to call attention to a provision of the report.

It relates to an untimely regulation issued by the Education Department that has virtually stopped the processing of student financial assistance for this coming school year. I continue to support reasonable efforts to reduce fraud, abuse, and waste in all programs, but I believe this specific process is unreasonable. My language prohibits the Secretary from implementing the March 14 verification regulation for the remainder of this program year. In addition, it directs him to consult with the appropriate congressional committees to redraft a workable and reasonable verification system and to publish it before processing begins for the 1987–88 school year.

In response to my report language, I am pleased to report, the Education Department now plans to issue an emergency regulation within the next few days, changing some of the more onerous requirements of the verification process. In particular, I am informed that the Department plans to lift the requirement that all guaranteed student loan applications be certified before any processing can occur. This is a positive step, that, with other changes may make the verification process more reasonable for the time remaining before school starts this fall. I will continue to monitor closely the Department's actions in this area.

Mr. Chairman, this bill is the best Labor/HHS/Education bill I have ever had the privilege to work on. Some may think we recommend too much spending; others will say we didn't do enough. I firmly believe that this is a balanced bill, balanced between fiscal responsibility and concern for the needs of the American people.

One final comment, Mr. Chairman. The Director of OMB has stated that he would not recommend that the President sign this bill as it is currently constituted. We have received the same signal from OMB for the last 3 years, and in each of those years, the President eventually signed the bill into law. And this year, we may have an easier task of negotiating with OMB, now that the young slasher is gone. I am confident that over the next few weeks, as the other body acts, as OMB readjusts its own projections, and as we go to conference with the other body, we can take this bill and reach the compromises necessary so that all parties can be satisfied with our final product.

This is a good bill based on good judgment. It maintains the time-honored traditions of the House to emphasize the labor, health and human services, and education needs of the American people, and providing reasonable funding levels to support them.

I strongly support this bill and urge my colleagues to do the same.

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I only wish that John Fogarty were here today, and also Mel Laird; they would support this bill.

Mr. NATCHER. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from New York [Mr. BIAGGI].

Mr. BIAGGI. I thank the gentleman for yielding, and I would like to engage in a colloquy with the distinguished chairman and Member, a man with no peer, a man for whom I have deepest and heart-felt affection and respect.

Mr. Chairman, this bill provides a total of $326 million for title V of the Older Americans Act—community service employment for older Americans. The committee report indicates that this is the same amount requested in the President's budget. I am also aware that this amount is some $13.9 million above the adjusted fiscal year 1986 level and some $2 million above the amount provided for in the budget resolution.

I would also note that all the other major service programs in the Older Americans Act were provided with increases above the President's budget in this bill. These are funding levels which will permit the kind of essential growth needed to meet demand. I contend title V is deserving as well. It is the only program in the Older Americans Act specifically serving the low-income elderly. Even with the levels provided in this bill, the funds will only support a maximum of 63,800 part-time jobs in 1987. This is less than a 3-percent increase from program year 1984-85.

It should be remembered that title V workers are employed in jobs important to communities across our Nation. More importantly, more than 40 percent of all title V workers are employed by programs serving other senior citizens.

It is my understanding that as part of the budget resolution there was a provision allowing for $1.5 billion in additional funding for certain education, training, social service, and low-income programs which I have been advised would include certain Older Americans Act programs. At the time when future decisions are made regarding the distribution of these funds, or as part of any supplemental appropriations which may become necessary during fiscal year 1987, could the chairman indicate his intention to consider additional funds for the title V program?

Mr. NATCHER. Mr. Chairman, in answer to the question of the gentleman, I would like the distinguished gentleman from New York to know that all down through the years since the gentleman has been a Member of Congress he has worked with us on our bill, not just when the bill comes to the floor but during the hearings on the bill and in the preparation of the bill generally, and we appreciate it.

The distinguished gentleman serves not only on his regular committee, but he is the chairman of the Subcommittee on Human Services of the Select Committee on Aging and has served on the Select Committee on Aging since this committee was formed and placed into operation. He is one of the able members of the committee.

I want the gentleman to know this, that if I have my way between now and the final conference report on this bill, if we can add $10 million or more to the bill for the purpose that the gentleman points out, title V of the Older Americans Act—community service employment for older Americans, we will certainly take that action.

The request of the gentleman is nothing but fair. If we could have placed a little more money in the bill at the time of the markup instead of increasing it $13.8 million above the adjusted level for 1986, we would have gone a little higher. And one of the main reasons, Mr. BIAGGI, is due to the fact of the gentleman's interest and the time that he spends every year on programs pertaining to the elderly, and we appreciate it.

Mr. BIAGGI. I thank the chairman very much.

Clearly the response of the chairman as well as his longtime and long-standing commitment are a reflection of his advocacy of programs for help for our Nation's senior citizens. No Member of Congress, Mr. Chairman, has worked harder or more effectively on behalf of senior citizens than has Chairman NATCHER.

Mr. Chairman, before I yield back my time, let me express my strong and wholehearted support for this legislation. I wish to take special note of the fact that this legislation does in fact provide desparately needed increases in funding for a variety of critical programs ranging AIDS research, summer youth employment, child support enforcement, and family services.

I wish to especially commend the committee for the funding levels they provided for title III of the Older Americans Act. Under this legislation, $275 million is provided for the many important supportive services under title III B of the Older Americans Act. This represents a $21.4 million increase over the adjusted fiscal year 1986 levels and $10 million over the President's budget. It is also the first increase this program has enjoyed since my amendment to the supplemental appropriations bill for fiscal year 1984. It must be noted that included among the vital services that are funded by title III B include transportation, in home services, legal services, and information and referral. That latter category has taken on extreme importance in recent years because many of the beneficiaries of these services, are those elderly who are being discharged prematurely from hospitals under the terms of the DRG system under Medicare. Title III B also is mandated to provide services to victims of elder abuse and under the terms of legislation I developed it provides important supportive services to families of Alzheimer disease victims.

The funding levels provided for the two nutrition programs under the Older Americans Act are also excellent. Combined, this legislation would provide a total of $425 million for the congregate and home delivered meals programs. This represents an increase of almost $39 million from the adjusted fiscal year 1986 levels. If we want to look to a model Federal program performing its mandate in a cost-effective manner it is the Nutrition Program. Over 225 million meals are served each day in this Nation in congregate settings and homes across our Nation. In the case of the home delivered meal, it can represent the difference between maintaining a person in their home and being placed in an institution. Upward of 20 percent of persons in nursing homes are there due to an inability to maintain a proper diet.

It must also be noted that the Nutrition Program is serving those elderly more likely to be "at risk." As an example the average age of those in the congregate program is now 73 and the home delivered program is 78.

I am very familiar with the operations of the nutrition programs across the Nation. I can state with confidence that the taxpayer gets their full bang from this buck. Money goes to provide services and is done with great efficiency. These funding levels are entirely appropriate and I support them strongly.

Mr. NATCHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Nebraska [Mr. DAUB].

Mr. DAUB. I appreciate the recognition, and I appreciate the subcommittee chairman yielding to me.

I very much want to say in the beginning that the bill that he and the ranking member bring to the floor and to the membership today is one well crafted, in my opinion, and one with the symmetry that fits the opportunities we have to progress in the three areas that the appropriation bill covers.

Mr. Chairman, I want to take this opportunity to bring to the attention of the chairman the concerns of a number of highly impacted school districts with respect to the Impact Aid Program.

It is my understanding that the manner in which this legislation has been drafted coupled with the amount of money in the bill will, in fact,

produce reductions in the Federal payment to a number of highly impacted school districts, and particularly to "Super A" districts—which are my primary concern.

It appears that this reduction in payment to these districts was unknown to the committee upon its inclusion of the new redistribution formula in the bill before us; nevertheless, the shifting of moneys from highly impacted districts to lesser impacted districts is not in the best interest of the Federal Government nor the students, staff, and taxpayers of those communities affected by the change.

Further, I would like to urge the chairman, on behalf of those school districts nationwide that are heavily impacted and which are dependent upon these payments "in lieu of tax" to continue to strive toward strengthening the Impact Aid Program itself and, more importantly, to reconsider the new distribution of funds now included in the appropriations process.

Would the chairman agree that this issue of establishing funding priorities within the Impact Aid Program would more properly be addressed during the impact aid reauthorization process?

Mr. NATCHER. Mr. Chairman, I would like for the gentleman from Nebraska to know that we will follow the matter of impact aid payments carefully. If there are problems in the payment distribution formula, we will take the necessary action to resolve these problems as the bill moves over to the other body and later on into conference.

In addition, Mr. Chairman, I want to thank the gentleman from Nebraska for his assistance all down through the years since he has been a Member of Congress, not just on the other matters in the bill but on impact aid in particular. Each year the gentleman appears before our subcommittee to testify stating to the committee that category B should go back into the bill and that there should be sufficient funds for impact aid.

I want the gentleman to know that we appreciate his assistance.

Mr. DAUB. I thank the chairman. I appreciate the chairman's remarks, and I particularly agree with him as to category B, a subject that will be debated later today, as it will be affected by an amendment to be offered. I want to thank the chairman for his dedicated efforts on behalf of the education community, and I look forward to working with him to specifically address the concerns of those heavily-impacted school districts that will be detrimentally affected by the new funding formula contained currently in H.R. 5233.

Mr. CONTE. Mr. Chairman, I yield 2 minutes to my good friend, the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. I thank the gentleman for yielding.

As the Committee knows, over the last several days we have been looking for ways to provide resources for the coming bipartisan war on drugs. I am pleased to say that, as we bring this bill to the floor, my colleague from Pennsylvania, Mr. COUGHLIN, is going to be offering an amendment to put additional resources into the drug education programs that are contained within this bill. His amendment will almost give us a fivefold increase in that particular program. I think it is a very meritorious effort, and I intend to be fully supportive of what he is doing.

It seems to me that goes in the direction of providing sufficient resources there to do the valuable kind of thing. In addition, our colleague from California, Mr. HUNTER, is going to offering an amendment that will, in effect, deny funding to those educational institutions that do not, that do not have in place drug abuse prevention programs, an effort that goes along with what the Secretary of Education, Mr. Bennett, has proposed in the past.

So with those two amendments in this bill, which I fully expect us to consider, we will have in fact a dramatic effort done in this House that helps move ahead our war on drugs, and I certainly think that the committee is to be congratulated for working with us in making certain that we are able to bring these amendments to the floor for consideration.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Massachusetts.

Mr. CONTE. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman in the well. He is being very modest calling this the Coughlin amendment. It is the Coughlin-Walker amendment because the gentleman has been persistently after me to offer this amendment. The gentleman deserves as much credit as anyone else, not only in this bill but in every appropriation bill that has come to the floor in the last 2 weeks, where the gentleman has persistently and jaundicedly watched those bills to make sure there is enough money for drug interdiction for the proper agencies. For that I want to commend him.

Mr. WALKER. Well, I thank the gentleman, and I am just pleased that on this bill we are going to be able to move forward and there will be a couple of other efforts later on particularly on the Customs Service that I hope we can work out some way to get some money there as well. I thank the gentleman for yielding.

Mr. NATCHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida [Mr. SMITH].

Mr. SMITH of Florida. I thank the chairman for yielding.

Mr. Chairman, on April 30, 1986, the Center for Disease Control halted all mandatory Federal inspections aboard cruise ships and determined that cruise ships would conduct their own health inspections. However, within 3 weeks of this decision, over 1,000 passengers were found ill aboard two Florida based cruise ships. After investigating this incident, Federal inspectors found that these ships had failed earlier health inspections. The CDC is the only agency that inspects cruise ships for safety. Without them there are zero inspections by any Federal, State or local agency.

Mr. Chairman, the recent decision by the CDC is appalling, unwarranted and shows a lack of concern for those who vacation on cruise ships. Since only 58 percent of all cruise ships pass Federal inspections, the cruise ship industry should not be solely responsible for inspection. Instead, the CDC must establish, together with the cruise ship industry, a standardized procedure for inspecting and scoring cruise ships. This is, in fact, what the cruise ship industry wants.

On two occasions, I wrote to the CDC asking them to reinstate Federal health inspections. Their unwillingness to do so has led me to request that the Appropriations Committee take action to ensure that CDC continue its cruise ship inspections.

Mr. Chairman, I would certainly appreciate it if the chairman would indicate to the House as the chairman of the subcommittee what action has been taken on these cruise ship inspections.

□ 1145

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Florida. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, as the gentleman knows, on page 39 of my report you find the following:

> The Committee was made aware that CDC has substantially reduced its activities with regard to health inspections of cruise ships. The Committee believes that this was an unwise decision. CDC is therefore directed to immediately resume all of its prior activities with regard to cruise ships.

This matter, Mr. Chairman, was called to our attention by the distinguished gentleman from Florida [Mr. SMITH]. The gentleman is exactly right about it.

It is the intention of our subcommittee and our Committee on Appropriations that the Center for Disease Control continue the activities that it has carried out up to this time in regard to cruise ships. I want the gentleman from Florida to know that we intend to follow this matter carefully to see that this takes place.

We want to thank the gentleman for his assistance.

Mr. SMITH of Florida. Mr. Chairman, I thank the gentleman, and I certainly thank the members of the committee for their attention. The gentleman has done a great service to the traveling public, both American and foreign visitors here in the United States and to south Florida and the cruise ship industry.

I urge my colleagues to join in support of this provision and the bill.

Mr. CONTE. Mr. Chairman, I yield 3 minutes to my good friend, the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, it is a difficult chore on this particular bill to be critical. The distinguished subcommittee chairman is well known in this body as being a careful and thoughtful legislator. The gentleman's Republican counterpart is the same. To criticize the work of these two gentlemen calls for an act of courage which few people are willing to accept.

I really have only one criticism of each of them. I wish the distinguished chairman would miss a few votes some day and stop embarrassing the rest of us. I wish the distinguished ranking member would inflict more discipline on his baseball team.

But with respect to the bill, Mr. Chairman, despite the hymns of praise that have echoed through these Halls, it is quite obvious that this is a seriously overfunded bill.

We are looking at an increase of 7 percent across the board in this bill. I have no idea what the nature of the increase will be for the items which are not in the bill because they are unauthorized, but must be added later. I estimate this bill is going to be over last year by 10 percent in budget authority by the time it runs its full course.

The committee has much difficulty with its mandatories. As has been noted earlier, it can only add up what the costs are and fund them, and they represent three-quarters of this bill.

The discretionaries, however, do leave the committee some room for frugality. Unfortunately, Mr. Chairman, I must report mandatories increase less than 6 percent, but discretionary items increase more than 9.1 percent. When we go into debate on the amendment which I intend to offer to reduce discretionary amounts within this bill back to 1986 levels, I will go through some of the items that have been increased by very large amounts.

I do not make light of the job of the subcommittee. I think it is one the more responsible committees in the Congress, and perhaps the hardest working. Nevertheless, I feel obligated to remind the members of this committee that a 9-percent increase is more than this House can tolerate in discretionary items.

There is no question what this bill is. It can be properly described as a budget buster. If amendments are not adopted, it is certainly going to have veto trouble as it winds its way toward what we hope will be ultimate enactment.

Mr. Chairman, I urge support for my amendment.

Mr. NATCHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Montana [Mr. WILLIAMS], a member of the Committee on Education and Labor and Mr. Chairman, a Member who down through the years has worked with us on our bill and who has been of great assistance to us.

Mr. WILLIAMS. Mr. Chairman, the chairman is very kind. I appreciate that, and particularly appreciate the excellent work the gentleman from Kentucky has done on this bill. I want to say publicly that, without the gentleman's effort and close work with his colleagues on his own committee, as well as his work with the Committee on Education and Labor and the Budget Committee, without his willingness to do that, we would not have been able to arrive at this point. We are very appreciative of it, both those of us on the Budget Committee and those of us on the House Education and Labor Committee.

This is an important point in the recent history of the United States and of this House of Representatives, because with this legislation of the House of Representatives, I believe the Nation turns a corner. We change directions some by saying to the American people, we hear you now with regard to appropriate Federal assistance to education, and we are going to reestablish the Federal effort to appropriately fund education. We hear you now with regard to appropriate assistance to the elderly both through Social Security and through employment assistance to the elderly. And we know, America, that you want this House of Representatives, this Congress, to provide appropriate assistance, yes, even within the restrictions of the deficit, appropriate assistance to those Americans of moderate- and low-income means and to those Americans who are disabled.

This legislation does that, and it does it in a way that we have not been able to achieve during these 6 years. This marks a departure point now, and a departure point which I personally believe, and I think that soon we will find the majority of the Members of the House of Representatives believe, tracks us more closely with the popular will in this country to get on with the great social urgencies before us.

Mr. Chairman, it is because of the chairman's leadership that we are able now to once again follow the will of the American people in providing appropriately for education and health care and the necessary research to bring us into the next decade.

Mr. CONTE. Mr. Chairman, I yield 3 minutes to the minority leader, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman and my colleagues of the committee, let me first pay my respects to the members of the committee, the distinguished chairman and ranking member, with whom I served for some 20 years as a member of the same subcommittee which brings this bill before the House. Those were very pleasurable days for me. I really got to know the inner workings of the Departments of Labor and the old Health, Education and Welfare, now HHS, because Members do devote so much of their time to the detailed operations of the departments during the committee hearings.

I think the thing that distresses me today, as contrasted to several years ago, is that we had as many as 3 or 4 days scheduled for the consideration of this bill, and this Chamber was packed with Members, similar to what may be the case next week when we debate the Armed Services Committee authorization bill. It is disappointing today to see so few Members on the floor.

But it certainly does not diminish in any way the amount of time and effort devoted to the crafting of this piece of legislation by Members on both sides of the aisle. As I said, the time I served on the committee was one of the more pleasurable times in my career here in the House.

□ 1155

The gentleman from Massachusetts made mention of the $78 billion, roughly, of mandatory spending in this bill compared to $25 billion of discretionary. So there are some limitations and wraps in which the committee does its business. Then, of course, we do not want to forget that there is roughly $10 billion of spending left out of the bill due to a lack of authorization. That brings me to another point, and that is I think it is tragic that right at this moment we are meeting here, the Appropriations Committee is meeting in another location on two very important bills. Some of us are missing rollcalls on important amendments to those bills because this bill is being considered here on the floor of the House at the same time.

Let us face it, the people who really know the arguments backward and forward are those serving on not only the subcommittee but also the full committee. I think it really does the system and the institution a discredit to have the scheduling take place as it does in this fashion.

Here we are again, trying to jam everything in just before recess time, while earlier in the year we did very little, not meeting on Fridays, not

meeting on Mondays and with light schedules in between.

I just have to decry that kind of scheduling and hope that we can put our act together in the next Congress and review this system. Maybe part of it is the budget process. While I supported its revision initially, I was also one of those members of the Appropriations Committee who frankly looked rather ascance at what was happening.

The general public has trouble following all the budget debates we engage in here in Congress.

Only when they hear the informed members of the Appropriations Committee take these items, line item by line item, and discuss them in detail do they really have a grasp of what is involved in spending a billion here and a billion there. As our old friend, Ev Dirksen, used to say, "You know, I hear a billion here and a billion there, and eventually it does add up to real money."

We are talking about considerable sums today. Later on when we get to the amending process, this gentleman will revert to his old character and have a couple of amendments to offer. I would not feel comfortable with myself if I did not do that, having come back to serve for a short stint on the Appropriations Committee.

The CHAIRMAN. The Chair will inform the gentleman from Kentucky [Mr. NATCHER] that he has 6 minutes remaining, and the gentleman from Massachusetts [Mr. CONTE] has 8 minutes remaining.

Mr. NATCHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. STOKES].

Mr. STOKES. I thank the gentleman for yielding to me.

Mr. Chairman, first I would like to say that it is indeed an honor for me to serve on this subcommittee under the chairmanship of the gentleman from Kentucky [Mr. NATCHER]. The gentleman is one of the great chairmen here in the Congress. Over the years that I have served on this subcommittee, it has been one of the greatest honors of my life to serve under his chairmanship.

I would also like to commend the gentleman from Massachusetts, SIL CONTE, who does a fantastic job as the minority leader on this subcommittee. It is a real pleasure and honor to serve with him.

Mr. Chairman, I rise in support of H.R. 5233, the Labor-HHS-Education appropriations bill for fiscal year 1987. As a member of the subcommittee which drafted this bill, I want to say that it continues to be a great privilege to work with the distinguished chairman, WILLIAM NATCHER. He is always hard working and imminently fair when considering programs which are important to the people of this Nation. I personally appreciate his cooperation and consideration. Additionally, I want to express my appreciation to the ranking minority member, SILVIO CONTE. It is a great privilege to serve on this subcommittee with both of these distinguished gentlemen.

Mr. Chairman, the fiscal year 1987 Labor-HHS-Education appropriations bill is perhaps the most important of the 13 appropriations bill that this body will consider this year. This bill contributes to the Nation's health and productivity by helping to sustain the health and well-being of our citizenry. It provides for all segments of our society—the old, the young, the disabled and the infirm. Certainly, residents of my congressional district rely heavily on the services that this bill makes possible.

In total, H.R. 5233 provides $103.7 billion for labor, health, human service and education programs. In general, the committee restored most program activities to the pre-Gramm-Rudman fiscal year 1986 appropriation levels. It should be noted, however, the committee has selected several high priority activities for which additional funding is provided.

For example, under the Labor Department, the bill includes $622.7 million for the Job Corps Program and language that extends the prohibition of job center closings until July 1, 1988. The $622.7 million will be sufficient to keep all 106 centers operational, including the Cleveland Job Corps Center, which last year celebrated 20 years of service to the Cleveland community.

The bill also includes an increase of $50 million for the Dislocated Worker Assistance Program. This program has already provided critical job retraining and location services to hundreds of displaced workers. In my own State of Ohio, the Kaiser Foundation Hospitals recently received a $274,000 grant to assist employees displaced from the closing of the Cleveland Medical Center. With the assistance of the Dislocated Workers Program these employees will be able to find other productive employment. Now, with the recent filing for bankruptcy by the LTV Corp. placing the jobs of thousands of workers in jeopardy, the potential need for the Dislocated Workers Assistance Program has been magnified many times over.

The bill provides $1.820 billion for the employment and training block grant and $664 million for the Summer Youth Employment Program, financing job opportunities for approximately 635,000 youth in the summer of 1988.

Under the Department of Human Services, the bill includes an increase over the fiscal year 1986 enacted appropriation of $663 million for the National Institutes of Health. These funds will sustain the momentum in research on AIDS, hypertension, diabetes, cancer, and other diseases which afflict millions of Americans. The committee has recommended funding levels which will finance 6,200 new and competing research grants as well as maintain important work conducted in research centers. Research centers in my congressional district which will benefit from these resources include the Multipurpose Arthritis Center, the Hypertension SCOR grant, the Cystic Fibrosis Center, and Clinical Research Center at Case Western Reserve University.

Additionally, I strongly support the $212 million recommended in H.R. 5233 for health professions development. Federal health manpower programs are critical in ensuring that our Nation has an adequate and balanced supply of doctors, nurses, dentists, and other health personnel. I am especially pleased the committee adopted my recommendation that the Disadvantaged Assistance Program be funded at $26.5 million, providing a $1.0 million increase above last year's funding level. These additional resources will help to attack the diminishing representation of minorities in health professions schools by removing educational, social and other discriminatory barriers that discourage minorities from pursuing health careers.

Mr. Chairman, in the State of Ohio, essential public health and mental health services to low-income mothers and children are made possible because of the dollars that flow to the State under the major health block grants. H.R. 5233 includes funding for these activities at $478 million for the maternal and child health block grant; $490 million for the alcohol, drug abuse and mental health block grant; and $89.525 million for the preventive health services block grant. The committee has taken note of the considerable interest in the Congress in expanding the maternal and child health block grant and has indicated in the report that additional appropriations will be considered as soon as the authorization ceiling is increased.

In addition to providing for healthy mothers and children, H.R. 5233 also recognizes our elderly citizens. The bill includes $732.7 million for the older American programs. This amount provides an increase of $31 million for senior citizen centers, congregate meals, and home-delivered meals.

Mr. Chairman, I would also like to mention the high priority placed on education in this bill. For the chapter 1 program, H.R. 5233 includes $3.999 billion, $311 million over the enacted 1986 level. These funds are needed to restore the 1986 Gramm-Rudman cuts and to offset several years of no inflationary increases in the program. If we are to properly educate our Nation's young people for the 21st century, the

Cleveland public schools and other school districts with a heavy concentration of disadvantaged students must have additional resources to do the job. I am delighted that substantial increases are also provided in the bill for education for the handicapped and vocational education. These funds are an investment in an educated populace and a healthy economy.

Mr. Chairman, millions of Americans and their families will benefit from this legislation. I strongly endorse H.R. 5233 and urge my colleagues to support the bill.

Mr. NATCHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. I thank the gentleman for yielding to me.

Mr. Chairman, I want to express in general my appreciation to the gentleman from Kentucky and my colleague from Massachusetts for the moral leadership they are showing in this bill.

What they are showing is that you can combine fiscal responsibility with a sense of compassion and responsibility. This does not have everything in it that they would like to see or that I would like to see because we are under some constraints. But it does try to recognize the responsibility of this very great Nation to a variety of very important causes, and for the skill with which they have done it and for the fact that they brought forward a bill that is so defensible and is so factually supported.

I want to expresss my appreciation to the gentleman from Kentucky and my good friend from Massachusetts who is so important in the accomplishment of these goals.

In particular, I want to note when we talk about across-the-board cuts coming, some very real damage would be done if those across-the-board cuts would come. One area where this subcommittee has shown some great leadership is in combating the terrible illness known as AIDS. We have had a lot of rhetoric about how terrible AIDS is but rhetoric never cured anybody.

It has been this subcommittee that has been one of the few entities of the Federal Government that recognized this early and has taken a lead. Yes, this is an area where more money had been appropriated than the administration had asked for. That is to the discredit of the administration that did not ask for enough.

I would hope when Members vote on across-the-board amendments that might come, which I think in this instance in particular, given this careful bill, would be a substitute for rational thought, that they will look at the particular items for people with illness, for people in dire need who are going to be hurt.

I would hope that the amendments of that sort would be rejected and the first-rate work that has come to us from this subcommittee would be preserved.

Mr. NATCHER. Mr. Chairman, I would like to thank the gentleman for those remarks.

Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. SEIBERLING], who is completing his eighth term in the Congress. As we know, the gentleman has announced his retirement. He is another able Member of the House that we are going to miss, Mr. Chairman.

Mr. SEIBERLING. I thank the gentleman for yielding time to me.

Mr. Chairman, let me say that the 16 years that I have served with the gentleman in the Congress and the gentleman from Massachusetts as well, have been particularly gratifying to me because of the ability to associate with the two gentlemen and to watch the gentlemen perform such a marvelous job of leadership for the Congress and for the country.

Mr. Chairman, on January 14, 1986, the President signed into law the resolution ratifying the Compacts of Free Association for the Federated States of Micronesia [FSM] and the Marshall Islands, two Micronesian governments currently still part of the Trust Territory of the Pacific Islands. This law sets forth a new political relationship between the United States and these Micronesian governments and sets the groundwork for the termination of the trusteeship by the United Nations.

Included in the public law are provisions to continue certain program and services to these governments for the duration of the compacts. Section 105(h) provides that the programs and services of the Public Health Service shall continue to be providedd to the FSM and the Marshalls.

Section 105(k) provides that the National Health Service Corps shall continue to be provided to the FSM and the Marshalls for as long as these services are available to persons residing in any other areas within or outside the United States.

It was the intention of the Congress, when it acted on the joint resolution last year after many hearings, that these programs cited here would continue on a nonreimburseable basis, and there was unanimity on this critical point, not only between the key Democrats and Republicans who worked on this legislation but also between the two Houses of Congress. Does the subcommittee chairman agree?

Mr. NATCHER. If the gentleman will yield, Mr. Chairman, I have discussed this matter earlier with the gentleman from Ohio and I wish to assure him here today that I agree with him and that it is the intention of our appropriations subcommittee to carry out congressional intent regarding health care programs in Micronesia.

Mr. SEIBERLING. Unfortunately, the Office of Management and Budget has attempted to thwart congressional intent on this matter and is declaring to the agencies and departments that if the Micronesians want these programs, they will have to pay for them because Congress did not specifically state in the act that they were to be nonreimbursable. However, on page 33 of the House Interior and Insular Affairs Committee Report 99-188, dated July 15, 1985, we made it quite clear that the Public Health Service was to continue to make its programs and services available to the Micronesians as they were available as of January 1, 1985, and that meant nonreimbursable.

Mr. NATCHER. The gentleman's point is well taken and I again reiterate my concern and my desire to see that the Micronesians continue to get these health services as they were available as of January 1, 1985.

Mr. SEIBERLING. If the gentleman will yield further, I would inform the House that because the compact legislation was so complex, difficult and lenghty, we are finding there are still some kinks to be ironed out regarding some ambiguities in the language and we are moving rapidly to clarify and correct these.

For example, through the legislative process, we intend to clarify the fact that the Public Health Service for the Micronesians will continue to be funded and administered by the Public Health Service. The Public Health Service programs were not intended to be budgeted by the Interior Department nor will the Interior Department run these programs, as was interpreted by OMB. Only coordination and monitoring of these will be carried out by the Interior Department.

Mr. NATCHER. I'm glad to hear that those potential problems will be dealt with. It was difficult to comprehend how the Public Health Service Programs could be both budgeted and run by the Interior Department.

Mr. Chairman, I have no further requests for time.

Mr. CONTE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I wish to commend the minority leader, Mr. MICHEL, in regards to his comments on the procedure we're using here. I agree with the gentleman. This is a horrible procedure. Here is a subcommittee up there now, with a full committee meeting on HUD and Foreign Operations operations. The other day the same thing happened. The subcommittee was meeting on Foreign Operations. I was down here carrying one of the other appropriations bills and my office was getting calls from Greek Americans in

my district saying that I voted against an amendment that somebody offered in subcommittee markup. And the same thing is going to happen today. There are going to be amendments after amendments and I am not going to be there to be able to vote on those amendments. I want to be there but I am not a twin, I cannot be in two places at once.

It is a terrible procedure. All of the members of the Appropriations Committee should be down here. That is the way it was in the old days but, unfortunately, things are changing around here.

Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. HENRY].

Mr. HENRY. I thank the gentleman for yielding to me.

Mr. Chairman, I might add, incidentally, that the authorizing committee is presently in another markup so in both cases people who have vital interest in this legislation are unable to be here.

Mr. Chairman, I would like to engage the gentleman from Kentucky, the chairman of the subcommittee, in a brief discussion.

The bill under consideration includes funds for the Community Service Employment for Older Americans Program, authorized by title V of the Older Americans Act. This program provides part-time employment in community service activities for unemployed, low-income persons aged 55 and over. As the committee report indicates, the title V program has made a valuable contribution toward alleviating unemployment among older workers, and I commend the committee for maintaining, and slightly increasing, both the funding and the number of anticipated employment positions under this program.

One of the most pressing problems among our senior citizens today is the crisis in health care. The prospective payment system, while designed to address one problem, runaway health care costs, has created another, and that is the fact that more of our senior citizens are being discharged earlier from hospital care. The only alternative for a great many of these elderly people is to be placed in a long-term care institution—a nursing home—and, of course, the major portion of the cost of this care is borne by the Medicaid system.

Many of my colleagues perhaps have faced this personal crisis with elderly parents who live in distant parts of the country far from family members who could otherwise help in their care.

I believe we can encourage a system that allows more of these elderly people to avoid, or certainly delay, going into an institution by providing trained workers who can attend to their routine daily and medical needs in the patients own home for several hours a day.

I encourage my colleagues to look at the title V Community Service Employment Program as a readily available source for this type of worker.

By directing title V employment resources in this manner several objectives can be met: First, we could keep more seniors out of the lonely and dehumanizing atmosphere of the long-term institution; second, lessen the drain on Medicaid funds; and third, provide training in an occupational field to title V workers that would offer a high degree of transferability to private sector employment.

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Mr. Chairman, I would ask the gentleman from Kentucky [Mr. NATCHER] as to whether he agrees with my sentiments in this area and whether we can look forward to his cooperation encouraging the targeting of a portion of title V funds to this purpose.

Mr. NATCHER. Mr. Chairman, if the gentleman will yield, I would like the distinguished gentleman from Michigan to know that every consideration will be given to his request.

Mr. HENRY. Mr. Chairman, I thank the chairman of the subcommittee. I would point out that I have also discussed this with the gentleman from Michigan [Mr. KILDEE], and the authorizing committee has expressed equal interest.

The CHAIRMAN. The gentleman from Kentucky [Mr. NATCHER] has 30 seconds remaining.

Mr. NATCHER. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. WEISS].

Mr. WEISS. Mr. Chairman, I want to express my full appreciation and commendation to the distinguished gentleman from Kentucky [Mr. NATCHER] for the outstanding leadership he has once again demonstrated in dealing with the terrible AIDS epidemic. He has provided through his committee an additional $122 million above that which the administration requested to deal with the crisis which has already claimed 12,500 American deaths, with 22,600 total cases. By 1991, it is projected by the Public Health Service, there will be a total of 270,000 cases and perhaps 180,000 deaths. I thank the gentleman for his fine work.

Mr. NATCHER. Mr. Chairman, if the gentleman will yield, I want to say to the gentleman from New York [Mr. WEISS] that we appreciate his help and support all during the time that we have had this matter before our committee.

Mr. WEISS. Mr. Chairman, I thank the distinguished gentleman. I want to take this occasion to express my support for H.R. 5233, the fiscal year 1987 appropriations bill for the Departments of Labor, HHS, and Education.

One aspect of the budget which I strongly support is the inclusion of a total of $336.8 million for research and other activities directed at the prevention and treatment of AIDS. Since the first cases of AIDS were reported in 1981 the Centers for Disease Control has reported more than 22,600 cases and over 12,500 deaths. The Public Health Service's grim projections for the next 5 years indicate that we can expect dramatic increases in these figures, with case totals by 1991 as high as 270,000, deaths approaching 180,000, and the number of infected individuals between 1 and 1.5 million. PHS also anticipates a rise in the number of cases in the heterosexual population and an increase in AIDS incidence in areas outside of New York and San Francisco.

These staggering statistics indicate that AIDS is a national crisis demanding Federal leadership. If the PHS projections are at all accurate, the pressure on the Federal Government to deal effectively with this epidemic are going to be enormous. State and local governments and community organizations are not equipped to fight this disease alone; it is imperative that every available Federal resource be channeled into the battle against AIDS.

The administration has called AIDS its No. 1 health priority, but its response to AIDS funding requirements has been consistently inadequate. In fact, the President actually proposed cutting AIDS funding for fiscal year 1987 by almost $30 million—to $213 million—in addition to the $10 million Gramm-Rudman rescission.

This past month, the Public Health Service finally submitted a revised AIDS funding request to the Secretary of HHS, indicating a new spending plan at the level of $337 million. This is hopefully reflective of a growing awareness among Federal officials of the urgent need for a well-coordinated, efficient, and sufficiently funded program to fight this deadly disease. Unfortunately, HHS has failed thus far to forward this critical funding requirement to the Congress. I submit for the record a copy of the PHS funding request.

Once again, under the leadership of Chairman Natcher, Congress has been forced to fill the gaps in AIDS funding left by the administration. The House fiscal year 1987 appropriations bill does include $133.2 million more than the administration's request. The bill appropriates $198.9 million for the National Institutes of Health, $87 million for the Centers for Disease Control, and $47.6 million for the Alcohol, Drug Abuse, and Mental Health Administration. This money will enable the agencies to conduct important research on AIDS, implement programs for drug development and testing, risk reduction and prevention, drug treatment evaluation, and public health education.

I am greatly pleased that the House fiscal year 1987 budget appropriation increases AIDS funding by over $112 million from this fiscal year, rejecting proposed cutbacks and inadequate requests for funding.

DEPARTMENT OF HEALTH AND HUMAN SERVICES,
June 23, 1986.

To: The Secretary.
From: Donald Ian Macdonald, M.D., Acting Assistant Secretary for Health.
Subject: Amendment to Resource Requirements to Address the Acquired Immune Deficiency Syndrome (AIDS) Epidemic.

As you know, we have been reassessing the PHS response to the AIDS epidemic. I have concluded that the FY 1987 PHS resource plan for AIDS needs to be expanded to support new opportunities to prevent and control the spread of this disease.

At this point, we estimate that 1 to 1.5 million Americans are infected with the AIDS virus. We have had over 21,000 cases of AIDS reported in the U.S.A., with over 11,000 deaths. In 1991, we expect a cumulative total of 270,000 cases with 179,000 deaths. Of these, 74,000 will be new cases, developing during the year. In 1991 alone, there will be 145,000 who are ill and seeking treatment; 54,000 will die.

We anticipate that some increase will occur in the percentage of cases in the risk group we have called "heterosexual contacts". We also expect to see AIDS spreading geographically and occurring much more widely outside of the New York City and San Francisco areas. We estimate that the direct health care cost of persons with AIDS will be between $8 to $16 billion in 1991.

These statistics are indeed troubling and make very clear that the PHS research and prevention efforts must be intensified to explore every opportunity to reduce and prevent the spread of this disease.

Accordingly, an FY 1987 revised PHS resource plan for AIDS has been developed. Its implementation will require $351 million, an increase of $138 million over the FY 1987 President's budget level of $213 million. We request that the PHS budget for FY 1987 be amended to add these funds without offset against other PHS programs.

The increase of $138 million is necessary primarily to expand our efforts in the following five major priority areas:

THERAPEUTIC INTERVENTION

An increase of $29 million is included to expand our efforts to identify and develop agents for the treatment and prevention of BTLV-III/LAV (The name human immunodeficiency virus (HIV) has been proposed for these viruses.) infection and associated diseases, including the central nervous system diseases. Much has been learned about this disease but additional efforts are necessary to maximize research opportunities to discover and develop effective treatment.

The increase will support a series of activities aimed at this goal including; establishment of new drug discovery groups, development of quality control systems to permit an accurate assessment of treatment evaluation units, development of new methods to measure the amount of infectious AIDS virus in patients, and several new intramural studies.

HEALTH EDUCATION RISK REDUCTION

An increase of $47 million is included to support this vital activity. In the absence of a vaccine and effective treatment, our most powerful tool to prevent and control the spread of AIDS will be the traditional public health control measure. Therefore, this increase is necessary to support a series of prevention and control strategies to reduce the transmission and spread of this disease by sexual transmission and by drug users. Major new initiatives include: voluntary HTLV-III/LAV testing, counseling and partner referral for at-risk populations, school health education programs, and intensive outreach efforts to reduce HTLV-III/LAV transmission among intravenous drug users.

VACCINE DEVELOPMENT

An increase of $17 million is included to further our efforts to develop a vaccine to prevent AIDs. This increase includes support for exploration of all known methodologies of vaccine development and initial support for vaccine evaluation activities (Phase I).

CO-FACTOR RESEARCH

An increase of $14 million is proposed for FY 1987. The factors that determine the expression and progression of disease in an individual are largely unknown. Recent developments, particularly those that relate to the mechanisms of disease in the central nervous system, require expanded research. Also, research studies on the role that may be played by other factors (including drugs, alcohol, and genetics) are proposed to further understand this disease and its progression. Such information is essential to the development of effective treatment.

EPIDEMIOLOGY AND SURVEILLANCE

An increase of $23 million is included in this area to further clarify the natural history of AIDS and to isolate the patterns and consequences of transmission. Studies to be initiated include: 1) further definition of incidence, prevalence, risk factors in drug users and heterosexual men and women to design strategies to prevent further transmission, 2) determining consequences of infection in children, and 3) further clarifying differences in infection and illness rates among infected groups.

Attached is an FY 1987 summary table of the additional PHS requirements for AIDS by organization and major function. Detailed justifications supporting these requirements have been provided to the Assistant Secretary for Management and Budget together with our FY 1988 requirements.

PUBLIC HEALTH SERVICE—ACQUIRED IMMUNE DEFICIENCY SYNDROME—SUMMARY OF INCREASES OVER FISCAL YEAR 1987 PRESIDENT'S BUDGET

[In millions of dollars]

Organization	Fiscal year 1987 President's budget	Amendment	Total
Food and Drug Administration			
Development and evaluation of blood test (accelerate evaluation and licensing of increased volume of products to screen for AIDS virus and its antibodies)	2.7	+0.5	3.2
Vaccine development and evaluation (expedite vaccine approval attendant to accelerated vaccine development at NIH by improving FDA lab support capabilities)	4.2	+1.2	5.4
Therapeutic intervention (facilitate evaluation of new therapeutic products related AIDS)	2.4	+2.9	5.3
Other activities	.5		.5
Subtotal, FDA	9.8	+4.6	14.4
FTE's	70.0	+32.0	102.0
PRIORITY DISEASE CONTROL AND RESEARCH PROJECTS			
Health Resources and Services Administration			
Health Education/Risk Reduction (AIDS education and training centers for health professionals)		+1.9	1.9
Subtotal, HRSA		+1.9	1.9
FTE's		+5.0	5.0

PUBLIC HEALTH SERVICE—ACQUIRED IMMUNE DEFICIENCY SYNDROME—SUMMARY OF INCREASES OVER FISCAL YEAR 1987 PRESIDENT'S BUDGET—Continued

[In millions of dollars]

Organization	Fiscal year 1987 President's budget	Amendment	Total
Center for Disease Control			
Epidemiology, surveillance, and cofactors	18.1	+11.9	30.0
Definition of incidence, prevalence and risk factors for HTLV-III in heterosexual men and women to design and implement prevention strategies in United States and developing countries		+4.8	4.8
Determination of consequences of HTLV-III infection in children and prevention of perinatal infections in target areas		+4.2	4.2
Identification of factors increasing susceptibility to HTLV-III and to illness among infected persons and evaluation for prevention potential		+2.9	2.9
Health education/risk reduction	21.1	+29.7	50.8
HTLV testing, counseling, and partner referral (25 percent of at risk population in 1987 will be tested)		+15.4	15.4
AIDS school curriculum development and school health education programs		+12.8	12.8
Laboratory training courses and seminars on monitoring infection			
Assessment of Nation's laboratories		+1.5	1.5
Other activities	6.2		6.2
Subtotal, CDC	45.4	+41.6	87.0
FTE's	180.0	+26.0	206.0
National Institutes of Health			
NCI:			
Etiologic agent and cofactors (etiologic studies of possible cofactors)	13.6	+.2	13.8
Epidemiology (studies of HTLV I, II, III in cancers in the United States and other countries to determine, (1) magnitude of cancer risk, (2) risk of cancer associated cofactors, and (3) long-term cancer sequelae)	7.2	+1.4	8.6
Development of vaccine (virus production, antigen production, bacterial vector system, mammalian vector system, transgenic mice, new technologies)	6.1	+4.0	10.1
Therapeutic intervention (antisense RNA/complementary oligo-deoxynucleotides for suppression of AIDS)	15.0	+6.7	21.7
Monitoring clinical trials of NCI derived IND		.1	.1
Immunologic studies (cytotoxic effector cells in combination with antivirals in blocking viral infection and eliminating infected cells)	3.3	+.2	3.5
Other activities	2.0	+2.0	4.0
Subtotal NCI	47.2	+14.5	61.7
FTE's	98.0	+22.0	120.0
NHLBI	17.1		17.1
FTE's	2.0	+1.0	3.0
NIAID:			
Etiologic agent and cofactors (HTLV-III in the central nervous system)	2.0	+2.1	4.1
Epidemiology studies	17.0	+5.7	22.7
Georgetown study-virus culture and Western blot		+1.0	1.0
Characterize HTLV-III associated psychiatric and neurologic manifestations in HTLV-III positive individuals		+1.0	1.0
Define epidemiological/clinical parameters for evaluation of drugs, vaccines and other intervention of adults and children		+3.7	3.7
Development and evaluation of vaccine	5.6	+8.5	14.1
Vaccine evaluation units (phase I)		+1.0	1.0
Expand intramural vaccine development unit		+3.1	3.1
Immune status of infection		+1.0	1.0
Evaluate candidate vaccines in chimpanzee models		+1.1	1.1
Genetic variation		+1.1	1.1
Adjuvant research		+1.3	1.3
Therapeutic intervention	34.9	+11.0	45.9
Quality control (includes viral isolations)		+2.6	2.6
Measurement of viral load		+2.1	2.1
Drug penetration to the central nervous system		+2.0	2.0
New drug discovery groups		+3.0	3.0
Intramural antiviral development		+.4	.4
Diagnosis of opportunistic infections		+1.0	1.0
Immunologic studies	6.6	+2.0	8.6
AIDS immunologic studies		+2.0	2.0
Other activities	1.4	+2.0	3.4
Subtotal, NIAID	67.5	+31.3	98.9
FTE's	57.0	+36.0	93.0

PUBLIC HEALTH SERVICE—ACQUIRED IMMUNE DEFICIENCY SYNDROME—SUMMARY OF INCREASES OVER FISCAL YEAR 1987 PRESIDENT'S BUDGET—Continued

[In millions of dollars]

Organization	Fiscal year 1987		
	President's budget	Amendment	Total
NIDR	2.7		2.7
NINCDS: Epidemilogy (CNS—Studies to correlate electrophsyiological tests with extensive virological and immuniological examinations of nerve biopsies and cerebrospinal fluid)	1.6	+.6	2.2
NICHD: Epidemilogy (provides continuing support for a study on the effect of HTLV–III/LAV infection on pregnancy and a study on the clinical spectrum of disease in infants)	.7	+1.5	2.2
NEI	.1		.1
DRR	6.1		6.1
Clinical centers—FTE's	58.0	+36.0	94.0
OD: Therapeutic intervention (supports new coordinated program in development of new antiviral agents based upon a structural biological approach)		+8.0	8.0
Subtotal, NIH	143.0	−56.0	199.0
FTE's	235.0	+103.0	338.0
Alcohol, Drug Abuse, and Mental Health Administration			
Etiologic agent and cofactors	4.8	+12.1	16.9
Research on alcohol as a cofactor in AIDS		+.7	.7
Studies on cofactors related to IV and other drug users, on progression of disease among those who are seropositive, on comparison of clinical course of disease between drug users and non-drug users, and on special populations	2.2	+6.1	8.3
Research on brain dysfunction and the central nervous system	2.6	+4.3	6.9
Epidemiological studies (natural history) (sexual contacts of drug users (esp. IV drug users); positive serologies among drug users, drinking practices of AIDS patients and prevalence of HTLV–III positive among alcohol abusers, training of health and mental health personnel)	1.8	+4.4	6.2
Immunologic studies (studies on marijuana, heroin, and methadone use in the immune system; studies on the interrelationship of immunological and psychological variables, and the psychoimmunological aspects of AIDS)	1.4	+1.6	3.0
Psychosocial factors (identification of behavorial psychosocial factors contributing to the transmission and clinical causes of AIDS; also research focusing on adolescents in correctional institutions and women)	1.7	+1.0	2.7
Bioethics and biosafety	.9		.9
Information dissem./public affairs (prevention and technology transfer efforts concerning drug abusers and AIDS; publishing papers for health care workers; maternal anc psychosocial aspects of AIDS; training of workers associated with AIDS and drug abusers)	1.9	+2.6	4.5
Health education/risk reduction	.7	+12.1	12.8
Intervention research, especially for IV drug users; dissemination of research information concerning alcohol and AIDS	.7	+2.1	2.8
Treatment demonstration programs to test the effectiveness of various strategies for preventing the spread of HTLV–III infection and AIDS among the drug-using populations		+10.0	10.0
Subtotal, ADAMHA	13.7	+33.8	47.6
FTE's	7.0	+35.0	42.0
Office of the Assistant Secretary for Health			
Information/dissem./public affairs	1.4		1.4
FTE's	5.0		5.0
Subtotal, priority disease control and research projects	203.4	+133.4	336.8
FTE's	427.0	+169.0	596.0
Total, PHS	213.2	+138.0	351.2
FTE's	497.0	+201.0	698.0

Mr. RAHALL. Mr. Chairman, the Labor-Health and Human Services-Education appropriations bill before us today, H.R. 5233, increases funding more than $6.6 billion over fiscal 1986 appropriations, and more than $5.9 billion over President Reagan's request. This bill includes about $78 billion in funding for entitlement programs, including the Nation's major welfare programs, unemployment compensation, Social Security, and Medicare. These types of benefits must be paid to anyone who meets eligibility criteria. The bill provides $24.9 billion for discretionary programs, more than $4.1 billion over Reagan's request and $2.2 billion over the amount available in fiscal 1986. Budget requests totalling $8.4 billion were deferred for later consideration because of lack of authorizing legislation at the time the bill was reported from committee. The principal programs in this category are family planning, National Health Service Corps, alcohol and drug abuse research, adolescent family life, low-income energy assistance, educational research, and ACTION volunteer programs.

Of special interest to my home State of West Virginia is the section of the bill which provides almost $1 billion for coal miners suffering form the crippling effects of black lung, and for the widows and children of miners who have lost their lives to black lung.

H.R. 5233 also appropriates some $3.5 billion for employment and training programs. Included are programs for summer youth employment and dislocated workers, and the Job Corps. These programs are vital to the people of West Virginia in view of the fact that our State continues to suffer from an extremely high rate of unemployment.

The National Institutes of Health [NIH] would receive a major increase in funding under the bill. Spurning an administration proposal to cut funding, the bill gives NIH $6.1 billion, up more than $890 million over 1986 funding and more than $1 billion over the administration request. For the second straight year, funding for reaseach on acquired immune deficiency syndrome [AIDS] has been drastically increased. The bill would provide for research, prevention, and treatment activities, an increase of $112.5 million over 1986 funding. AIDS funding has more than tripled since fiscal 1985.

Other appropriations under funding for the Department of Health and Human Services include the following: $732.7 million for aging programs, an increase of $43.6 million over the budget and $61.3 million over fiscal 1986; $445.4 million for Community and Migrant Health Care, an increase of $26.1 million over the President's request and the maximum amount authorized; $478 million for Maternal and Child Health, an increase of $20.6 million over the fiscal 1986 level and the full amount authorized; $518.3 million for Centers for Disease Control, an increase of $93 million over the President's budget and $77.2 million over the fiscal 1986 amount; $929.8 million for alcohol, drug abuse, and mental health programs, an increase of $111.5 million over the President's request; $212 million for the health professions, an increase of $14.1 million over fiscal 1986, in contradiction to the President's proposed elimination of this funding.

Of specific concern to my congressional district are the funding levels for education programs. The bill provides $13.3 billion to the Education Department, up more than $990 million from 1986 funding and more than $1.4 billion from the administration request. Much of that increase would go to remedial education services for the disadvantaged. The chapter 1 program would receive $4 billion, $469 million more than 1986 funding and $311 million more than Reagan requested. The bill also provides $1.5 billion for handicapped education programs, up $144 million from 1986 and $191 million over the administration request. Vocational and adult education would be funded at $1.016 billion, an increase of $511.5 million over the President's budget. The bill provides $3.394 billion for the Guaranteed Student Loan Program, an increase of $134 million over fiscal year 1986. And, libraries would receive $130 million to continue programs which the budget proposed to eliminate.

The funding levels of this bill recognize the needs of my fellow West Virginians and all Americans. I am particularly pleased with the program funding levels within the Departments of Labor and Education. Barring the adoption of any amendments which would devastate programs vital to my constituents, it will be my pleasure to support this legislation.

Mr. HAWKINS. Mr. Chairman, I rise today in support of the Labor-Health and Human Services-Education appropriation bill for fiscal year 1987. Chairman NATCHER and his committee are to be commended for this bill which reasserts our commitment to our children and the future of this Nation.

I am particularly pleased to note that chapter 1, Compensatory Education for the Disadvantaged, receives the largest appropriation in its history, some $4 billion. Chapter 1 has been proven cost-effective. Data show that the greatest gains in reading on tests administered by the National Assessment of Educational Progress occurred among students targeted for chapter 1: low-achieving children, minority children, and those in disadvantaged rural and urban areas. By increasing funding for chapter 1 by $470 million, Chairman NATCHER and his colleagues have made the wisest investment in our future that I can think of.

I imagine that there may be some Members who believe this appropriation is too high. I would remind them, however, that in real dollars—after adjustment for inflation—the fiscal year 1987 appropriation for chapter 1 is still 11 percent less than that appropriated in fiscal year 1980.

The bill also includes increases in bilingual education, education of the handicapped, impact aid, vocational and adult education, and State block grants.

The bulk of the funding for higher education programs has been deferred pending reauthorization of the Higher Education Act. I am pleased that the committee substantially increases the Carl D. Perkins Scholarship Program which provides financial support to outstanding high school graduates interested in teaching careers. It also funds the Christa McAuliffe Fellowship Program in which fellows may use funds for sabbatical study or the development of innovative programs.

Finally, the committee's bill includes an increase for programs included in the Job Training Partnership Act, particularly the Job Corps and dislocated workers. I appreciate these increases. I believe, however, that we must, in the near future, address the larger questions posed for our future by 7 plus percent unemployment.

I would again like to applaud Chairman NATCHER, Mr. CONTE, and the other members of the committee for their efforts in producing this bill. I ask my colleagues to oppose any hostile amendments to it. This is an excellent bill and I urge its adoption.

Mr. PURSELL. Mr. Chairman, I rise in support of the fiscal year 1987 Labor/HHS/Education appropriation bill, H.R. 5233. I want to commend the distinguished chairman of the subcommittee, Mr. NATCHER, for his leadership on this important legislation, as well as the ranking Republican, Mr. CONTE. I also want to congratulate the members of the committee for their careful and diligent efforts in preparing this bill for floor consideration.

Mr. Chairman, the committee has placed a greater emphasis on funding for the National Institutes of Health in the coming fiscal year to support a wide variety of research initiatives. Through its 12 institutes and other programs NIH plays an invaluable role in this Nation's efforts to prevent and treat cancer, diabetes, arthritis, multiple sclerosis, heart disease, and sudden infant death syndrome, as well as a multiple of other illnesses.

This legislation also provides funding for a wide variety of vital medical and health research programs, including money for biomedical research. For fiscal year 1987 the committee recommends $317.8 million for research resources and facilities, which funds biomedical investigations into the causes, cure, and prevention of disease. This portion of the bill includes funding for the Biomedical Research Support Grants Program, which strengthens and advances the medical and health related programs of academic and scientific institutions, including the University of Michigan. Without this support, learning institutions around the country could not continue using state-of-the-art research instruments and technologies so critical to biomedical research efforts.

Overall, Mr. Chairman, the committee remains committed to programs of vital importance to the Nation's research of health and safety issues. I am proud that the subcommittee, of which I am a member, produced such a bill and I urge my colleagues to support it.

Mr. GILMAN. Mr. Chairman, I rise in support of the legislation now before us. H.R. 5233, appropriating the many programs administered by the Departments of Labor, Health and Human Services, and Education, is a key piece of legislation, and one on which almost everyone of us in this Nation depends in one way or another.

As ranking minority member of the Select Committee on Narcotics Abuse and Control, I am keenly interested in the funding being allocated for the National Institute on Drug Abuse and preventive education programs. While the Alcohol, Mental Health and Drug Abuse block grant has appropriated $490 million for fiscal year 1987, which is the same as the fiscal year 1986 allocation but $26 million more than the post sequestration figure, I regret that we now lack an authorization for drug abuse research. Consequently, this funding, anticipated at $62.5 million, has been deferred. I support the significant increase accorded AIDS research under this particular section, as I believe that it is intravenous related drug use which poses the most serious threat to the community at large in the transfer of this tragic disease.

Yet, under the funding levels appropriated for the Department of Education's Office of Special Programs, only $3 million is once again allocated for alcohol and drug abuse education. This sum represents only a fraction of the program's total of almost $700 million, while drug abuse among our Nation's youth, particularly in the form of crack cocaine, is rising drastically.

I cannot emphasize enough the importance of our need to focus additional resources on drug abuse prevention programs, and while I support the measure in whole, I encourage my colleagues to look to the future.

We will only be able to ensure a drug free tomorrow if we teach our children that drugs are a viable danger to their health and their lives. Legislation I have coauthored would authorize $100 million in each of 5 fiscal years for drug abuse education and training programs, and is, in and of itself, a modest proposal. While I fully applaud the efforts of the House leadership in crafting an omnibus bipartisan narcotics measure which we will be considering on the floor sometime this fall, I urge my colleagues to take a close look at H.R. 4155 and at other pieces of legislation which help our Nation increase the Federal effort in this much needed "war."

Mr. ARMEY. Mr. Chairman, I want to commend the committee for encouraging in its report an innovative new health care concept.

As many of you may know, the committee has urged HCFA to consider implementing a voucher system for its Medicaid Prescription Drug Program. Currently this drug program—which reimburses pharmacists for medication they distribute to Medicaid beneficiaries—is a bureaucratic nightmare. Although it uses only 8 percent of Medicaid funds, it generates over 50 percent of all the paperwork in the entire Medicaid system. The predictable result is that reimbursements are often made late, claims are sometimes lost altogether, and cases of fraud and abuse are all to common.

The members of the committee have correctly urged that alternatives to this situation be sought. In particular, they suggested a voucher system based on electronic debit cards.

Electronic debit cards are the latest refinement of the voucher concept. They would be very similar to instant cash bank cards. a Medicaid recipient would take his card to the pharmacist of his choice who would in turn insert it in a device installed near his cash register. Through the miracle of modern electronics, the cost of his medication then would be deducted automatically from the Medicaid system and transferred to the pharmacist's bank account.

It would be a simple, accurate, and efficient system. The possibility of fraud would be virtually eliminated, administrative costs would be drastically reduced, rejected claim problems would be minimized, and patient care would be enhanced by the capacity of the electronic cards to store vital medication records.

By taking advantage of the competitive free marketplace, a voucher system holds the promise of cost-effective quality medical care—not bureaucratic waste.

Mr. Chairman, among other things, the Federal Government is the largest single provider of health care in the world. With Medicare and Medicaid, veterans hospitals, the Indian Health Service, CHAMPUS, and other programs, we end up spending hundreds of billions each year providing health care to as many as 60 million Americans. With such a massive committment, it is essential that we explore vouchers and similar concepts that will allow us to continue providing quality health care at a reasonable cost. Only then may we rest assured that we are not squandering the hard-earned money given to us in trust by the taxpayers of the United States. I commend the committee for recognizing this important fact.

Mrs. BOXER. Mr. Chairman, I would like to thank Chairman NATCHER for the opportunity to state my support for the funding level in this bill for AIDS research. As a member of the Budget Committee and a proponent for increased AIDS funding, I am very pleased that the committee recognizes the crisis that AIDS presents and has seen fit to appropriate $337 million to fight it.

Since I last wrote you on June 28, 1986, Mr. Chairman, over 1,000 more Americans have died of AIDS. By July 7 of this year, the CDC reported 12,139 deaths with 22,356 reported cases of AIDS. At the current rate, the number of new cases doubles every 10 months.

Despite our best efforts, medical experts still say that major medical breakthroughs are 3 to 5 years away. As yet, there still is no effective treatment against AIDS. For those at risk of infection, an effective vaccine is still estimated to be 5 years away. While there may be as many as 2 million Americans infected with the AIDS virus, the search for an effective antiviral is still in the early phases. Of those 2 million infected with the AIDS virus, anywhere between 20 to 40 percent will go on to develop AIDS. Many more will show symptoms, sometimes debilitating, by developing AIDS related complexes. I believe that the bill before us may prevent some of this tragedy.

Furthermore, according to a study in the January 10, 1986, edition of the Journal of the American Medical Association, the expenditures for hospitalization and the income lost due to disability and premature death totaled $6.3 billion for the first 10,000 cases of AIDS in this country. The economic impact of this epidemic can be expected to grow dramatically unless progress is made in medical research and treatment.

The administration continues to publically state that AIDS is the Nation's No. 1 health priority. Those most directly engaged in the efforts to combat this epidemic, the Public Health Service, requested $351 million to expand their efforts. The House Budget Committee, in recognition of the severity of this situation, included $346 million—a 48-percent increase over last year's level and the single largest percentage increase in the budget.

In addition to the current efforts being carried out, I believe there are several initiatives which must be undertaken. These include: development, expansion and operation of vaccine and drug treatment evaluation units throughout the United States; expansion of

epidemiological studies of the spectrum of HTLV–III infection, including pediatric AIDS, neurological complications and AIDS-related complexes; supplementation of sexually-transmitted disease grants to include agreements to develop and maintain testing confidentiality; development and expansion of education activities for adolescents, minorities, primary health care workers, educators, and public employees; and expansion of demonstration projects to middle- and low-incidence areas of the country for development and support of cost-effective, out-of-hospital care networks. All of these efforts, must be undertaken soon if we are to lessen the human and economic impact of this epidemic.

We must continue to battle this tragic health problem and the Appropriations Committee understands that. For that I am grateful.

Mr. ROYBAL. Mr. Chairman, I rise in support of the Labor, HHS, and Education appropriations bill for fiscal year 1987. And I would like to commend our chairman, Mr. NATCHER and the ranking minority member, Mr. CONTE, for their dedication and fairness in considering each part of this bill. Every year it seems the task becomes more difficult to ensure that the programs we put in place to take care of the needs of the elderly, minorities, the poor and the sick, are protected. I am proud to say that this bill achieves this goal and much more.

Of immediate importance is the continuation of Federal support for programs and activities designed to control and eventually eliminate the spread of AIDS. We have been able, in appropriations, to respond to the ever-increasing body of knowledge on AIDS by directing and redirecting the Federal funding emphasis to pursue the areas which show the greatest promise. We are now ready to concentrate some of our effort on public education about AIDS. This bill includes $3 million for a new national AIDS clearinghouse that will provide a centralized source of current and concise information on AIDS health education/risk reduction, including information about HTLV–III/LAV infection, available resources, and effective strategies. The bill also provides sufficient funding to assist community-based organizations, especially high-incidence and minority communities, to initiate or intensify their risk reduction and education activities through high-quality projects.

The committee is also concerned about the serious disparity between the occurrence of diabetes among Hispanics and that of non-Hispanic whites. Hispanics are experiencing an incidence of diabetes three times that of non-Hispanic whites. Among Hispanic women in the barrios, the rate is four times that of suburban Hispanic women. The committee has acted on its concern and recommended to the National Institute of Diabetes and Digestive and Kidney Diseases that it initiate a study of the Hispanic population and the suspected risk factors for diabetes among this population, such as obesity, diet, and genetic contribution from Native Americans. The NIDDKD will report on its progress toward this goal by the first of next year.

Additionally, the committee strongly recommended that the Office of Minority Health target adequate funds in fiscal year 1987 to efforts to reduce the incidence of diabetes in Hispanics by promoting culturally sensitive public health education and disease risk reduction activities.

Alzheimer's disease remains a critical committee concern and received special consideration in terms of the funding for expanded research, including full funding of the 10 Alzheimer's research centers, and in the launching of a new initiative—the National Alzheimer's Education Program. Housed in the National Institute on Aging, the National Alzheimer's Education Program, which I sponsored, will finally demonstrate the Federal Government's commitment to making health care providers and the public more aware of the devastating effects of this dreaded disease. Combined with the efforts of organizations like the Alzheimer's Disease and Related Disorders Association, this program will help build support for a more aggressive attack on the disease and its burden on caring families.

An exciting prospect for the future is the committee's decision to fund a new NIA research and training initiative in long-term care. NIA will receive funds for research and clinical trials on medical, social, and behavioral interventions and for the training of health professionals, families, and other care givers. This is a first and very important step toward integrating the medical and long-term support needs of older persons and their families.

Our committee further demonstrated its commitment to research by restoring funding for HCFA's Office of Research and Demonstrations and its direction of those funds toward research on Medicare's prospective payment system. Special attention is focused on its impact on health care quality and access. The committee also supported a study of out-of-pocket health care costs for the elderly and the nonelderly. The committee required that the National Medical Expenditures Survey [NMES] be fully funded and include for the first time, a survey of the expenditures of institutionalized persons. It was my intention when I proposed this report language that only $5.5 million of the funds required for NMES come from the National Center for Health Services Research, with the remaining $17 million taken from other funds available to the Secretary, and not disproportionately from the budget of the National Center or any other program or agency. The committee also called for full funding of the National Health and Nutrition Examination Survey [HANES].

As chairman of the Committee on Aging, I cannot stress enough just how important the services provided under the Older Americans Act are to the basic health and well-being of America's senior citizens. Since its inception in 1965, its programs have dramatically improved the lives of millions of elderly Americans in the areas of income, nutrition, health, housing, employment, and retirement. This bill recognizes the vital need for these services by including $275 million for supportive services and senior centers, $350 million for congregate nutrition services, $75 million for home-delivered meals, and $326 million to provide nearly 64,000 low-income senior citizens with part-time employment. Additionally, it is my understanding that the bill provides $1 million under title IV to maintain basic legal services assistance and programs.

While even these funding levels do not completely meet the needs of the fastest growing segment of our population, they reaffirm the fact that Older Americans Act programs are the life blood for millions of our Nation's senior citizens. I urge my colleagues on both sides of the aisle to strongly support H.R. 5233.

Mr. YOUNG of Florida. Mr. Speaker, as a member of the Appropriations Subcommittee that funds the health programs we consider today, I want to commend our chairman, Mr. NATCHER, and our ranking miniority member, Mr. CONTE, for their leadership in providing for our Nation's health care needs, especially for those of older Americans.

In particular, I want to emphasize our subcommittee's concern about the millions of patients and health care providers that have been inconvenienced the past few months by the significant slowdown in Medicare claims processing. Prior to this year, claims were paid, on the average, within 16 days. This year, however, the average processing time exceeds 30 days.

During the hearings the past few months, we found that there are two major reasons for this current processing delay. First, the number of claims processed by Medicare sharply increased. For instance, Blue Cross and Blue Shield of Florida will process 9 percent more claims this year than in 1985. At the same time, Gramm-Rudman-Hollings reduced the funds available for processing claims by 4 percent, or $41.4 million.

Recognizing that older Americans should not have to tolerate the hardship associated with a claims processing system that takes more than 30 days to pay their medical bills, our committee has included in this legislation $1.087 billion to fund Medicare claims-processing contractors in fiscal year 1987. This is an $86.9-million increase over the amount that was available for claims processing this year. In providing for a 9-year increase in funding, the committee took into consideration projections that the number of Medicare claims would increase by 10 percent in 1987.

The committee directed that this increase in funds, the Health Care Financing Administration, which oversees the Medicare Program, require contractors to return to paying Medicare claims in an average 16-day timeframe. The committee rejected a proposal to maintain a slower 27-day claims processing cycle in order to increase interest earned by the Medicare trust funds.

Mr. Chairman, it's my hope that our colleagues in the Senate will join us in our effort to provide adequate resources so that Medicare contractors can return to a system which reimburses patients, doctors, and hospitals for medical services in a timely fashion. This would relieve the undue hardship on patients and providers of medical care that we've experienced these past few months.

Mr. GAYDOS. Mr. Chairman, the appropriations bill before us corresponds very closely to the budget request from this administration with respect to the agencies in the Federal Government with responsibility for worker health and safety.

There are five specific agencies that have degrees of involvement with occupational

safety and health. The Occupational Safety and Health Administration and the Mine Safety and Health Administration are the two primary agencies in terms of compliance and enforcement.

The Occupational Safety and Health Review Commission and the Mine Safety and Health Review Commission are quasi-judicial and review OSHA and MSHA citations when they are challenged.

The fifth agency is the National Institute for Occupational Safety and Health. Its role is research in the area of workplace health and safety.

In his budget request for 1987, the President requested $225.7 million for OSHA, roughly a $7 million increase over OSHA's 1986 appropriation. The House Appropriations Subcommittee on Labor, HHS and Education has allotted OSHA $225.8 million.

In the request for 1987, MSHA was allotted $156.5 million, an increase of just under $5 million from 1986. The Labor, HHS, Education Subcommittee approved a budget for MSHA of $156.5 million.

NIOSH did better, something I personally am in favor of. Instead of the $60 million as requested, NIOSH will get just under $70 million to perform its most vital functions.

Only the two review commissions receive less than requested. The OSHA Review Commission will get $5.6 million instead of $5.8 million and the MSHA Review Commission will get $3.6 million instead of $3.9 million.

All in all, if the Directors of the agencies involved aren't stretching the truth, enough dollars to carry out the functions are assigned to them.

Well, Mr. Chairman, while I applaud the chairman and members of the Labor, HHS, Education Subcommittee for their work and for their continued interest in ensuring safe and healthy workplaces for American workers, I don't believe the agencies are going to perform any better than they have for the past 5 years.

For as long as I have been chairman of the Subcommittee on Health and Safety, I have heard OSHA, MSHA, and NIOSH Directors say that the funds requested are adequate to do the jobs assigned to them.

And, for as long as I have been chairman of that subcommittee, I have seen these agencies fail to perform either because there weren't enough dollars or because of policy decisions.

OSHA, in particular, seems so far from fulfilling its tasks that it is a wonder it does anything at all. In testimony before the Appropriations Subcommittee, the former Acting Assistant Secretary said that OSHA currently had 2,170 employees. Of those, 1,096 were compliance officers, inspectors if you will. He also noted that there might be a decrease in personnel by the end of the year.

In the course of oversight activities by my subcommittee, OSHA has continued to use the number of 1,200 when defining inspectors as if there were actually that many. In fact, that is the number of available compliance officer slots.

So, when the Director of OSHA comes before me and tells me that the agency can oversee the hazard communication standard, the five or six special emphasis programs underway, as well as the regular duties which it is charged to perform, I am going to ask him some very tough questions.

I am going to ask him how he can possibly ensure that the hazard communication standard is operating properly when, experts tell me, a minimum of 115 inspectors and 10 toxicologists would have to be assigned to that program to insure its adequacy.

Just about 2 weeks ago, I commented on this administration with respect to the national commitment to ensuring safe and healthy workplaces for American workers.

I commend the Appropriations Subcommittee for its diligence and I assure the Members of the House that I will continue my insistence that these agencies do what they are supposed to through oversight activities.

Mr. RANGEL. Mr. Chairman, I rise in support of H.R. 5233, Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Bill, 1987. I commend Chairman NATCHER and the other members of the Committee on Appropriations for bringing this important bill to the House floor.

H.R. 5233 includes $893,434,000 for alcohol and drug abuse and mental health programs in fiscal year 1987. This is an increase of $111,484,000 over the President's budget request and an increase of $86,936,000 over the 1986 appropriation as required by the Balanced Budget and Emergency Deficit Control Act of 1985.

The National Institute on Drug Abuse is the lead agency for the development of effective drug prevention strategies. The bill includes $14,437,000 for administration and support costs of the National Institute on Drug Abuse. This is an increase of $254,000 over the amount requested in the President's budget and an increase of $621,000 above the amount available in fiscal year 1986. These funds support staff responsible for the overall planning, coordination and evaluation activities of the Institute as well as technical assistance to local groups in establishing and operating drug abuse prevention programs. These funds will also support maintenance of current position levels. I do not believe, however, that it is good enough just to maintain current position levels at a time when our country is in the midst of a serious cocaine and crack epidemic. While all of NIDA's research activities are important, I would hope that within available manpower limitations more researchers could be devoted to cocaine and crack research.

It is unfortunate that H.R. 5233 does not include funding for NIDA's basic drug abuse research program because of a lack of authorizing legislation. This has the effect of delaying advances in drug abuse research which sometimes translate into improved drug abuse treatment techniques, which can help save lives. H.R. 5233 does contain $1.5 million for research training in drug abuse, and $31,324,000 for research on Acquired Immune Deficiency Syndrome [AIDS]. There is probably no more feared disease in America today than AIDS, and I am hopeful that this nearly $24 million increase over the fiscal year 1986 enacted level will result in significant new research findings to help AIDS victims.

I agree with the Appropriations Committee that:

As the use of illicit drugs continues in the United States it is becoming increasingly clearer that stronger efforts to reduce the demand for drugs are necessary. Accurate up-to-date information about the adverse health consequences of drug abuse must be produced in an understandable format and disseminated widely for use by educators, health care professionals and the general public particularly children and youth.

Mr. Chairman, a billl introduced H.R. 4155, "Drug Abuse Education Act of 1986" would provide $100 million annually each year for 5 years for a program of mandatory drug abuse education in grades kindergarten through 12. Narcotics law enforcement officials are increasingly coming around to the view that an effective program of drug abuse education is essential to curtailing substance abuse in America. I am hopeful that some funding for drug abuse education will be included in the omnibus drug bill, which Members will have an opportunity to consider later this year. It is disgraceful that with 20–22 million regular users of marijuana, 4–6 million regular users of cocaine, and 500,000 heroin addicts that the U.S. Department of Education currently spends only $3 million out of its $18 billion budget on drug abuse education programs.

Mr. Chairman, it is known that well conceived and implemented drug abuse treatment programs work. It is also known that it costs us far more in criminal justice, medical, and lost productivity costs, that it does to pay for effective drug abuse treatment programs. We all pay the costs of substance abuse, the only question is whether we will pay less now or more later. While I would like to see drug abuse funding substantially increased over the levels provided in H.R. 5233, I support the bill as reasonable given the current state of the Federal budget.

The CHAIRMAN. All time of the gentleman from Kentucky [Mr. NATCHER] has expired.

The Chair recognizes the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 5233

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1987, and for other purposes, namely:

TITLE I—DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

PROGRAM ADMINISTRATION

For expenses of administering employment and training programs, $67,363,000 together with not to exceed $44,763,000 which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

TRAINING AND EMPLOYMENT SERVICES

For expenses necessary to carry into effect the Job Training Partnership Act, in-

cluding the purchase and hire of passenger motor vehicles, the construction, alteration, and repair of buildings and other facilities, and the purchase of real property for training centers as authorized by the Job Training Partnership Act, $3,517,121,000 plus reimbursements, to be available for obligation for the period July 1, 1987, through June 30, 1988, including $2,000,000 for the National Commission for Employment Policy, including $3,000,000 for all activities conducted by and through the National Occupational Information Coordinating Committee under the Job Training Partnership Act, and including $10,000,000 for service delivery areas under section 101(a)(4)(A)(iii) of the Job Training Partnership Act in addition to amounts otherwise provided under sections 202 and 251(b) of the Act: *Provided*, That no funds from any other appropriation shall be used to provide meal services at or for Job Corps centers: *Provided further*, That of the funds made available for obligation for the Summer Youth Employment and Training Program for the program years 1986 and 1987 the Secretary of Labor may reserve an amount, which, when combined with excess unexpended funds, shall not exceed fifteen percent of the total provided for the program, and allot such funds to the States so that each service delivery area receives, as nearly as possible, an amount equal to its prior year allocation for this program. For the purposes of this provision, "excess unexpended funds" shall mean for program year 1986, any amount unexpended as of September 30, 1986, in excess of 10 percent of the prior year State allotment, and for program year 1987, any amount unexpended as of September 30, 1987, in excess of 10 percent of the prior year State allotment. Reallocations of excess unexpended funds pursuant to this provision shall be accomplished by reducing, by an amount equivalent to the amount of excess unexpended funds, allotments made to the States.

For activities authorized by sections 236, 237, and 238 of the Trade Act of 1974, as amended, $26,000,000.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

To carry out the activities for national grants or contracts with public agencies and public or private nonprofit organizations under paragraph (1)(A) of section 506(a) of title V of the Older Americans Act of 1965, as amended, $254,280,000.

To carry out the activities for grants to States under paragraph (3) of section 506(a) of title V of the Older Americans Act of 1965, as amended, $71,720,000.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

For payments during the current fiscal year of benefits and payments as authorized by title II of Public Law 95-250, as amended, and of trade adjustment benefit payments and allowances, as provided by law (part I, subchapter B, chapter 2, title II of the Trade Act of 1974, as amended) $118,000,000, together with such amounts as may be necessary to be charged to the subsequent appropriation for payments for any period subsequent to September 15 of the current year: *Provided*, That amounts received or recovered pursuant to section 208(e) of Public Law 95-250 shall be available for payments.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

For activities authorized by the Act of June 6, 1933, as amended (29 U.S.C. 49-491-1; 39 U.S.C. 3202(a)(1)(E)); title III of the Social Security Act, as amended (42 U.S.C. 502-504); necessary administrative expenses for carrying out 5 U.S.C. 8501-8523, and sections 231-238 and 243-244, title II of the Trade Act of 1974, as amended; and as authorized by section 7c of the Act of June 6, 1933, as amended, necessary administrative expenses under sections 101(a)(15)(H)(ii) and 212(a)(14) of the Immigration and Nationality Act, as amended (8 U.S.C. 1101 et seq.), $27,300,000, together with not to exceed $2,485,933,000 which may be expended from the Employment Security Administration account in the Unemployment Trust Fund, and of which the sums available for activities authorized by title III of the Social Security Act, as amended (42 U.S.C. 502-504), and the sums available for necessary administrative expenses for carrying out 5 U.S.C. 8501-8523, and sections 231-235 and 243-244, title II of the Trade Act of 1974, as amended, shall be available for such purposes through December 31, 1987, and of which $22,700,000 together with not to exceed $732,500,000 of the amount which may be expended from said trust fund shall be available for obligation for the period July 1, 1987, through June 30, 1988, to fund activities under section 6 of the Act of June 6, 1933, as amended, including the cost of penalty mail made available to States in lieu of allotments for such purpose, and of which $261,942,000 (including not to exceed $4,800,000 which may be used for amortization payments to States which had independent retirement plans in their State employment service agencies prior to 1980) shall be available only to the extent necessary to administer unemployment compensation laws to meet increased costs of administration resulting from changes in a State law or increases in the number of unemployment insurance claims filed and claims paid or increased salary costs resulting from changes in State salary compensation plans embracing employees of the State generally over those upon which the State's basic allocation was based, which cannot be provided for by normal budgetary adjustments based on State obligations as of December 31, 1987.

LABOR-MANAGEMENT SERVICES

SALARIES AND EXPENSES

For necessary expenses for Labor-Management Services, $62,275,000, of which $1,100,000 shall remain available until expended for a pension plan data base.

PENSION BENEFIT GUARANTY CORPORATION

PENSION BENEFIT GUARANTY CORPORATION FUND

The Pension Benefit Guaranty Corporation is authorized to make such expenditures, including financial assistance authorized by section 104 of Public Law 96-364, within limits of funds and borrowing authority available to such Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the program through September 30, 1987, for such Corporation: *Provided*, That not to exceed $36,874,000 shall be available for administrative expenses of the Corporation.

EMPLOYMENT STANDARDS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Employment Standards Administration, including reimbursement to State, Federal, and local agencies and their employees for inspection services rendered, $193,709,000, together with $441,000, which may be expended from the Special Fund in accordance with sections 39(c) and 44(j) of the Longshore and Harbor Workers' Compensation Act.

SPECIAL BENEFITS

(INCLUDING TRANSFER OF FUNDS)

For the payment of compensation, benefits, and expenses (except administrative expenses) accruing during the current or any prior fiscal year authorized by title V, chapter 81 of the United States Code; continuation of benefits as provided for under the head "Civilian War Benefits" in the Federal Security Agency Appropriation Act, 1947; the Employees' Compensation Commission Appropriation Act, 1944; and sections 4(c) and 5(f) of the War Claims Act of 1948 (50 U.S.C. App. 2012); and 50 per centum of the additional compensation and benefits required by section 10(h) of the Longshore and Harbor Workers' Compensation Act, as amended, $263,600,000, together with such amounts as may be necessary to be charged to the subsequent year appropriation for the payment of compensation and other benefits for any period subsequent to September 15 of the current year: *Provided*, That in addition there shall be transferred from the Postal Service fund to this appropriation such sums as the Secretary of Labor determines to be the cost of administration for Postal Service employees through September 30, 1987.

BLACK LUNG DISABILITY TRUST FUND

(INCLUDING TRANSFER OF FUNDS)

For payments from the Black Lung Disability Trust Fund, $234,538,000 of which $186,687,000 shall be available until September 30, 1988, for payment of all benefits as authorized by section 9501(d) (1), (2), and (7) of the Internal Revenue Code of 1954, as amended, and of which $25,826,000 shall be available for transfer to Employment Standards Administration, Salaries and Expenses, and $21,413,000 for transfer to Departmental Management, Salaries and Expenses, and $612,000 for transfer to Departmental Management, Office of Inspector General, for expenses of operation and administration of the Black Lung Benefits program as authorized by section 9501(d)(5)(A) of that Act: *Provided*, That in addition, such amounts as may be necessary may be charged to the subsequent year appropriation for the payment of compensation or other benefits for any period subsequent to June 15 of the current year: *Provided further*, That in addition, such amounts shall be paid from this fund into miscellaneous receipts as the Secretary of the Treasury determines to be the administrative expenses of the Department of the Treasury for administering the fund during the current fiscal year, as authorized by section 9501(d)(5)(B) of that Act.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Occupational Safety and Health Administration, $225,811,000, including not to exceed $54,921,000, which shall be the maximum amount available for grants to States under section 23(g) of the Occupational Safety and Health Act, which grants shall be no less than fifty percent of the costs of State occupational safety and health programs required to be incurred under plans approved by the Secretary under section 18 of the Occupational Safety and Health Act of 1970:

Provided, That none of the funds appropriated under this paragraph shall be obligated or expended for the assessment of civil penalties issued for first instance violations of any standard, rule, or regulation promulgated under the Occupational Safety and Health Act of 1970 (other than serious, willful, or repeated violations under section 17 of the Act) resulting from the inspection of any establishment or workplace subject to the Act, unless such establishment or workplace is cited, on the basis of such inspection, for ten or more violations: *Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 which is applicable to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs ten or fewer employees: *Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, order or administrative action under the Occupational Safety and Health Act of 1970 affecting any work activity by reason of recreational hunting, shooting, or fishing: *Provided further*, That no funds appropriated under this paragraph shall be obligated or expended to administer or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 with respect to any employer of ten or fewer employees who is included within a category having an occupational injury lost work day case rate, at the most precise Standard Industrial Classification Code for which such data are published, less than the national average rate as such rates are most recently published by the Secretary, acting through the Bureau of Labor Statistics, in accordance with section 24 of that Act (29 U.S.C. 673), except—

(1) to provide, as authorized by such Act, consultation, technical assistance, educational and training services, and to conduct surveys and studies;

(2) to conduct an inspection or investigation in response to an employee complaint, to issue a citation for violations found during such inspection, and to assess a penalty for violations which are not corrected within a reasonable abatement period and for any willful violations found;

(3) to take any action authorized by such Act with respect to imminent dangers;

(4) to take any action authorized by such Act with respect to health hazards;

(5) to take any action authorized by such Act with respect to a report of an employment accident which is fatal to one or more employees or which results in hospitalization of five or more employees, and to take any action pursuant to such investigation authorized by such Act; and

(6) to take any action authorized by such Act with respect to complaints of discrimination against employees for exercising rights under such Act:

Provided further, That the foregoing proviso shall not apply to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs ten or fewer employees: *Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended for the proposal or assessment of any civil penalties for the violation or alleged violation by an employer of ten or fewer employees of any standard, rule, regulation, or order promulgated under the Occupational Safety and Health Act of 1970 (other than serious, willful or repeated violations and violations which pose imminent danger under section 13 of the Act) if, prior to the inspection which gives rise to the alleged violation, the employer cited has (1) voluntarily requested consultation under a program operated pursuant to section 7(c)(1) or section 18 of the Occupational Safety and Health Act of 1970 or from a private consultative source approved by the Administration and (2) had the consultant examine the condition cited and (3) made or is in the process of making a reasonable good faith effort to eliminate the hazard created by the condition cited as such, which was identified by the aforementioned consultant, unless changing circumstances or workplace conditions render inapplicable the advice obtained from such consultants: *Provided further*, That none of the funds appropriated under this paragraph may be obligated or expended for any State plan monitoring visit by the Secretary of Labor under section 18 of the Occupational Safety and Health Act of 1970, of any factory, plant, establishment, construction site, or other area, workplace or environment where such a workplace or environment has been inspected by an employee of a State acting pursuant to section 18 of such Act within the six months preceding such inspection: *Provided further*, That this limitation does not prohibit the Secretary of Labor from conducting such monitoring visit at the time and place of an inspection by an employee of a State acting pursuant to section 18 of such Act, or in order to investigate a complaint about State program administration including a failure to respond to a worker complaint regarding a violation of such Act, or in order to investigate a discrimination complaint under section 11(c) of such Act, or as part of a special study monitoring program, or to investigate a fatality or catastrophe: *Provided further*, That none of the funds appropriated under this paragraph may be obligated or expended for the inspection, investigation, or enforcement of any activity occurring on the Outer Continental Shelf which exceeds the authority granted to the Occupational Safety and Health Administration by any provision of the Outer Continental Shelf Lands Act, or the Outer Continental Shelf Lands Act Amendments of 1978.

MINE SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Mine Safety and Health Administration, $156,480,000, including purchase and bestowal of certificates and trophies in connection with mine rescue and first-aid work, and the purchase of not to exceed eight passenger motor vehicles for replacement only; the Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private; the Mine Safety and Health Administration is authorized to promote health and safety education and training in the mining community through cooperative programs with States, industry, and safety associations; and any funds available to the Department may be used, with the approval of the Secretary, to provide for the costs of mine rescue and survival operations in the event of major disaster: *Provided*, That none of the funds appropriated under this paragraph shall be obligated or expended to carry out section 115 of the Federal Mine Safety and Health Act of 1977 or to carry out that portion of section 104(g)(1) of such Act relating to the enforcement of any training requirements, with respect to shell dredging, or with respect to any sand, gravel, surface stone, surface clay, colloidal phosphate, or surface limestone mine.

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

For necessary expenses for the Bureau of Labor Statistics, including advances or reimbursements to State, Federal, and local agencies and their employees for services rendered, $166,589,000, of which $11,435,000 shall be for expenses of revising the Consumer Price Index, together with not to exceed $37,872,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund: *Provided*, That $7,206,000 shall remain available until September 30, 1988.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

For necessary expenses for Departmental Management, including $2,408,000 for the President's Committee on Employment of the Handicapped, $103,852,000, together with not to exceed $263,000 which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

ASSISTANT SECRETARY FOR VETERANS EMPLOYMENT AND TRAINING

Not to exceed $139,510,000 may be derived from the Employment Security Administration account in the Unemployment Trust Fund to carry out the provisions of 38 U.S.C. 2001-08 and 2021-26.

OFFICE OF THE INSPECTOR GENERAL

For salaries and expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, $34,833,000, together with not to exceed $6,040,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

SPECIAL FOREIGN CURRENCY PROGRAM

For payments in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States, for necessary expenses of the Department of Labor, as authorized by law, $67,000, to remain available until expended. This appropriation shall be available in addition to other appropriations to such agency for payments in foreign currencies.

GENERAL PROVISIONS

SEC. 101. Appropriations in this Act available for salaries and expenses shall be available for supplies, services, and rental of conference space within the District of Columbia, as the Secretary of Labor shall deem necessary for settlement of labor-management disputes.

SEC. 102. None of the funds appropriated under this Act shall be used to grant variances, interim orders or letters of clarification to employers which will allow exposure of workers to chemicals or other workplace hazards in excess of existing Occupational Safety and Health Administration standards for the purpose of conducting experiments on workers' health or safety.

SEC. 103. None of the funds appropriated in this Act shall be obligated or expended for the purpose of closing any Job Corps Center operating under part B of title IV of the Job Training Partnership Act prior to July 1, 1988.

SEC. 104. Notwithstanding any other provision of this Act, no funds appropriated by this Act may be used to execute or carry out any contract with a non-governmental entity to administer or manage a Civilian Conservation Center of the Job Corps which was not under such a contract as of September 1, 1984.

This title may be cited as the "Department of Labor Appropriations Act, 1987".

TITLE II—DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

For carrying out titles III, IV, VII, VIII, XIII, and XXI of the Public Health Service Act, section 427(a) of the Federal Coal Mine Health and Safety Act, and title V of the Social Security Act, $1,267,068,000, of which not to exceed $750,000 to remain available until expended, shall be available for renovating the Gillis W. Long Hansen's Disease Center, 42 U.S.C. 247e, as amended by Public Law 99-117: *Provided*, That this appropriation shall be available for payment of the costs of medical care, related expenses, and burial expenses hereafter incurred by or on behalf of any person who has participated in the study of untreated syphilis initiated in Tuskegee, Alabama, in 1932, in such amounts and subject to such terms and conditions as prescribed by the Secretary of Health and Human Services and for payment, in such amounts and subject to such terms and conditions, of such costs and expenses hereafter incurred by or on behalf of such person's wife or offspring determined by the Secretary to have suffered injury or disease from syphilis contracted from such person: *Provided further*, That when the Department of Health and Human Services administers or operates an employee health program for any Federal department or agency, payment for the full estimated cost shall be made by way of reimbursement or in advances to this appropriation.

MEDICAL FACILITIES GUARANTEE AND LOAN FUND

FEDERAL INTEREST SUBSIDIES FOR MEDICAL FACILITIES

For carrying out subsections (d) and (e) of section 1602 of the Public Health Service Act, $20,000,000, together with any amounts received by the Secretary in connection with loans and loan guarantees under title VI of the Public Health Service Act, to be available without fiscal year limitation for the payment of interest subsidies. During the fiscal year no commitments for direct loans or loan guarantees shall be made.

CENTERS FOR DISEASE CONTROL

DISEASE CONTROL, RESEARCH, AND TRAINING

To carry out titles III, XVII, and XIX and section 1102 of the Public Health Service Act, sections 101, 102, 103, 201, 202, and 203 of the Federal Mine Safety and Health Act of 1977, and sections 20, 21, and 22 of the Occupational Safety and Health Act of 1970; including insurance of official motor vehicles in foreign countries; and hire, maintenance, and operation of aircraft, $518,254,000, of which $3,810,000 shall remain available until expended for equipment and construction and renovation of facilities: *Provided*, That training of employees of private agencies shall be made subject to reimbursement or advances to this appropriation for the full cost of such training: *Provided further*, That collections from user fees, including collections from training and reimbursements and advances for the full cost of proficiency testing of private clinical laboratories, may be credited to this appropriation: *Provided further*, That any unobligated balance of the $6,900,000 appropriated in fiscal year 1986, to remain available until September 30, 1987 for the purchase and distribution of drugs, shall remain available until expended.

NATIONAL INSTITUTES OF HEALTH

NATIONAL CANCER INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to cancer, $1,346,751,000.

NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

For carrying out section 301, title IV, and section 1105 of the Public Health Service Act with respect to cardiovascular, lung, and blood diseases, and blood and blood products, $921,410,000.

NATIONAL INSTITUTE OF DENTAL RESEARCH

For carrying out section 301 and title IV of the Public Health Service Act with respect to dental diseases, $116,275,000.

NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to diabetes and digestive and kidney diseases, $515,455,000.

NATIONAL INSTITUTE OF NEUROLOGICAL AND COMMUNICATIVE DISORDERS AND STROKE

For carrying out section 301 and title IV of the Public Health Service Act with respect to neurological and communicative disorders and stroke, $491,085,000.

NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to allergy and infectious diseases, $403,853,000.

NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

For carrying out section 301 and title IV of the Public Health Service Act with respect to general medical sciences, $576,562,000.

NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

For carrying out section 301 and title IV of the Public Health Service Act with respect to child health and human development, $368,509,000.

NATIONAL EYE INSTITUTE

For carrying out section 301 and part F of title IV of the Public Health Service Act with respect to eye diseases and visual disorders, $219,091,000.

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

For carrying out sections 301 and 311, and title IV, of the Public Health Service Act with respect to environmental health sciences, $209,872,000.

NATIONAL INSTITUTE ON AGING

For carrying out section 301 and title IV of the Public Health Service Act with respect to aging, $174,279,000.

NATIONAL INSTITUTE OF ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to arthritis, and musculoskeletal and skin diseases, $140,225,000.

RESEARCH RESOURCES

For carrying out section 301 and title IV of the Public Health Service Act with respect to research resources and general research support grants, $317,826,000: *Provided*, That none of these funds, with the exception of funds for the Minority Biomedical Research Support program, shall be used to pay recipients of the general research support grants program any amount for indirect expenses in connection with such grants.

JOHN E. FOGARTY INTERNATIONAL CENTER

For carrying out the activities at the John E. Fogarty International Center, $11,443,000, of which $1,934,000 shall be available for payment to the Gorgas Memorial Institute for maintenance and operation of the Gorgas Memorial Laboratory.

NATIONAL LIBRARY OF MEDICINE

For carrying out section 301 and title IV of the Public Health Service Act with respect to health information communications, $61,588,000.

OFFICE OF THE DIRECTOR

For carrying out the responsibilities of the Office of the Director, National Institutes of Health, $246,651,000, including purchase of not to exceed six passenger motor vehicles for replacement only.

BUILDINGS AND FACILITIES

For construction of, and acquisition of sites and equipment for, facilities of or used by the National Institutes of Health, $31,900,000, to remain available until expended.

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH

For carrying out the Public Health Service Act with respect to mental health, drug abuse, alcohol abuse, and alcoholism and the Protection and Advocacy for Mentally Ill Individuals Act of 1986, $893,434,000, of which $600,000 for renovation of government owned or leased intramural research facilities shall remain available until expended.

FEDERAL SUBSIDY FOR SAINT ELIZABETHS HOSPITAL

For a portion of the cost of the maintenance and operation of Saint Elizabeths Hospital in the District of Columbia, $36,353,000: *Provided*, That in fiscal year 1987 and thereafter the maximum amount available to Saint Elizabeths Hospital from Federal sources shall not exceed the total of the following amounts: the appropriations made under this heading, amounts billed to Federal agencies and entities by the Secretary of Health and Human Services for services provided at Saint Elizabeths Hospital, and amounts authorized by titles XVIII and XIX of the Social Security Act: *Provided further*, That this amount shall not include Federal funds appropriated to the District of Columbia under "Federal Payment to the District of Columbia" and payments made pursuant to section 9(c) of Public Law 98-621: *Provided further*, That the Secretary of Health and Human Services may set rates which in the aggregate do not exceed the estimated total cost of inpatient and outpatient services provided through Saint Elizabeths Hospital as authorized by title 16, sections 2315 and 2320, title 21, sections 511, 513, 522, 545, 902, and 1116, and title 24, sections 301 and 302 of the District of Columbia Code, and may bill and collect from (prospectively or otherwise) individuals, the District of Columbia and other entities for any services so provided: *Provided further*, That the Secretary of Health and Human Services may set rates which in the aggre-

gate do not exceed the estimated total cost of inpatient and outpatient services provided through Saint Elizabeths Hospital as authorized by title 24, sections 191, 196, 211, 212, 222, 253, and 324, title 31, section 1535, and title 42, sections 249 and 251 of the United States Code, and may bill and collect (prospectively or otherwise) from individuals, and Federal agencies, and other entities for any services so provided. Amounts so collected shall be credited to the appropriation for Saint Elizabeths Hospital and shall remain available until expended.

OFFICE OF ASSISTANT SECRETARY FOR HEALTH

PUBLIC HEALTH SERVICE MANAGEMENT

For the expenses necessary for the Office of Assistant Secretary for Health and for carrying out titles III and XVII of the Public Health Service Act, $99,271,000, together with not to exceed $1,050,000 to be transferred and expended as authorized by section 201(g) of the Social Security Act, from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds referred to therein and, in addition, amounts received by the National Center for Health Statistics from reimbursable and interagency agreements and the sale of data tapes shall be credited to this appropriation and shall remain available until expended.

RETIREMENT PAY AND MEDICAL BENEFITS FOR COMMISSIONED OFFICERS

For retirement pay and medical benefits of Public Health Service Commissioned Officers as authorized by law, and for payments under the Retired Serviceman's Family Protection Plan and Survivor Benefit Plan and for medical care of dependents and retired personnel under the Dependents' Medical Care Act (10 U.S.C., ch. 55), such amounts as may be required during the current fiscal year.

HEALTH CARE FINANCING ADMINISTRATION

GRANTS TO STATES FOR MEDICAID

For carrying out, except as otherwise provided, title XIX of the Social Security Act, $19,380,359,000, to remain available until expended.

For making, after May 31, 1987, payments to States under title XIX of the Social Security Act, for the last quarter of fiscal year 1987 for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

Payment under title XIX may be made for any quarter beginning after June 30, 1986, and before October 1, 1987, with respect to any State plan or plan amendment in effect during any such quarter, if submitted in, or prior to such quarter and approved in that or any such subsequent quarter.

For making payments to States under title XIX of the Social Security Act for the first quarter of fiscal year 1988, $7,100,000,000, to remain available until expended.

PAYMENTS TO HEALTH CARE TRUST FUNDS

For payment to the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as provided under sections 217(g), 229(b) and 1844 of the Social Security Act, sections 103(c) and 111(d) of the Social Security Amendments of 1965, and section 278(d) of Public Law 97-248, $20,826,000,000.

PROGRAM MANAGEMENT

For carrying out, except as otherwise provided, titles XI, XVIII, and XIX of the Social Security Act, $84,533,000, together with not to exceed $1,201,494,000 to be transferred to this appropriation as authorized by section 201(g) of the Social Security Act, from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds referred to therein: *Provided*, That in addition, $15,000,000 shall similarly be derived by transfer from said trust funds and shall be expended only to the extent necessary to process workloads not anticipated in the budget estimates and to meet unanticipated costs of agencies or organizations with which agreements have been made to participate in the administration of title XVIII and after maximum absorption of such costs within the remainder of the existing limitation has been achieved.

SOCIAL SECURITY ADMINISTRATION

PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

For payment to the Federal Old-Age and Survivors Insurance and the Federal Disability Insurance Trust Funds, as provided under sections 201(m), 217(g), 228(g), 229(b), and 1131(b)(2) of the Social Security Act and section 152 of Public Law 98-21, $500,555,000.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

For carrying out title IV of the Federal Mine Safety and Health Act of 1977, including the payment of travel expenses on an actual cost or commuted basis, to an individual, for travel incident to medical examinations, and when travel of more than 75 miles is required, to parties, their representatives, and all reasonably necessary witnesses for travel within the United States, Puerto Rico, and the Virgin Islands, to reconsideration interviews and to proceedings before administrative law judges, $693,437,000, to remain available until expended: *Provided*, That monthly benefits when changed shall be paid consistent with section 215(g) of the Social Security Act.

For making, after July 31, of the current fiscal year, benefit payments to individuals under title IV of the Federal Mine Safety and Health Act of 1977, for costs incurred in the current fiscal year, such amounts as may be necessary.

For making benefit payments under title IV of the Federal Mine Safety and Health Act of 1977 for the first quarter of fiscal year 1988, $252,450,000, to remain available until expended.

SUPPLEMENTAL SECURITY INCOME PROGRAM

For carrying out the Supplemental Security Income Program, section 401 of Public Law 92-603, section 212 of Public Law 93-66, as amended, and section 405 of Public Law 95-216, including payment to the social security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, $8,230,068,000, to remain available until expended: *Provided*, That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury.

For making, after July 31 of the current fiscal year, benefit payments to individuals under title XVI of the Social Security Act, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary.

For carrying out the Supplemental Security Income Program for the first quarter of fiscal year 1988, $2,765,000,000, to remain available until expended.

ASSISTANCE PAYMENTS PROGRAM

For carrying out, except as otherwise provided, titles I, IV-A and -D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C., ch. 9), $7,023,420,000, to remain available until expended.

For making, after May 31 of the current fiscal year, payments to States under titles I, IV-A and -D, X, XIV, and XVI of the Social Security Act, for the last three months of the current fiscal year, for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

For making payments to States under titles I, IV-A and -D, X, XIV, and XVI of the Social Security Act for the first quarter of fiscal year 1988, $2,293,615,000, to remain available until expended.

CHILD SUPPORT ENFORCEMENT

For carrying out, except as otherwise provided, titles IV-D and XI of the Social Security Act, $599,633,000, to remain available until expended.

For making, after May 31 of the current fiscal year, payments to States under title IV-D of the Social Security Act, for the last three months of the current fiscal year, for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

For making payments to States under title IV-D of the Social Security Act for the first quarter of fiscal year 1988, $187,000,000, to remain available until expended.

LIMITATION ON ADMINISTRATIVE EXPENSES

For necessary expenses, not more than $4,011,373,000 may be expended, as authorized by section 201(g)(1) of the Social Security Act, from any one or all of the trust funds referred to therein: *Provided*, That travel expense payments under section 1631(h) of such Act for travel to hearings may be made only when travel of more than seventy-five miles is required: *Provided further*, That $160,000,000 of the foregoing amount shall be apportioned for use only to the extent necessary to process workloads not anticipated in the budget estimates, for automation projects and their impact on the work force, and to meet mandatory increases in costs of agencies or organizations with which agreements have been made to participate in the administration of titles XVI and XVIII and section 221 of the Social Security Act, and after maximum absorption of such costs within the remainder of the existing limitation has been achieved: *Provided further*, That $225,398,000 for automatic data processing and telecommunications activities shall remain available until expended: *Provided further*, That none of the funds appropriated by this Act may be used for the manufacture, printing, or procuring of social security cards, as provided in section 205(c)(2)(D) of the Social Security Act, where paper and other materials used in the manufacture of such cards are produced, manufactured, or assembled outside of the United States.

HUMAN DEVELOPMENT SERVICES

SOCIAL SERVICES BLOCK GRANT

For carrying out the Social Services Block Grant Act, $2,700,000,000.

HUMAN DEVELOPMENT SERVICES

For carrying out, except as otherwise provided, the Older Americans Act of 1965, the Runaway and Homeless Youth Act, the Developmental Disabilities Assistance and Bill of Rights Act, the Child Abuse Prevention and Treatment Act, section 404 of Public Law 98-473, the Family Violence Prevention and Services Act (title III of Public Law 98-457), $925,017,000.

FAMILY SOCIAL SERVICES

For carrying out parts B and E of title IV and section 1110 of the Social Security Act, and title II of Public Law 95-266 (adoption opportunities), $1,005,223,000.

WORK INCENTIVES

For carrying out a work incentive program, as authorized by part C of title IV of the Social Security Act, including registration of individuals for such programs, and for related child care and other supportive services, as authorized by section 402(a)(19)(G) of the Act, including transfer to the Secretary of Labor, as authorized by section 431 of the Act, $200,000,000 which shall be the maximum amount available for transfer to the Secretary of Labor and to which the States may become entitled pursuant to section 403(d) of such Act, for these purposes.

DEPARTMENTAL MANAGEMENT

GENERAL DEPARTMENTAL MANAGEMENT

For necessary expenses, not otherwise provided, for general departmental management, including hire of six medium sedans, $108,319,000 together with not to exceed $27,500,000 to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

OFFICE OF THE INSPECTOR GENERAL

For expenses necessary for the Office of the Inspector General, $30,016,000 together with not to exceed $40,000,000 to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, $15,285,000 together with not to exceed $4,000,000 to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

POLICY RESEARCH

For carrying out, to the extent not otherwise provided, research studies under section 1110 of the Social Security Act, $8,200,000: *Provided*, That not less than $2,200,000 shall be obligated to continue research on poverty conducted by the Institute for Research on Poverty.

GENERAL PROVISIONS

SEC. 201. None of the funds appropriated by this title for grants-in-aid of State agencies to cover, in whole or in part, the cost of operation of said agencies, including the salaries and expenses of officers and employees of said agencies, shall be withheld from the said agencies of any State which have established by legislative enactment and have in operation a merit system and classification and compensation plan covering the selection, tenure in office, and compensation of their employees, because of any disapproval of their personnel or the manner of their selection by the agencies of the said States, or the rates of pay of said officers or employees.

SEC. 202. Funds appropriated in this Act for the National Institutes of Health shall be used to support no fewer than 6,200 new and competing research project grants.

SEC. 203. Appropriations in this Act for the Health Resources and Services Administration, the National Institutes of Health, the Centers for Disease Control, the Alcohol, Drug Abuse, and Mental Health Administration, the Office of the Assistant Secretary for Health, the Health Care Financing Administration, and Departmental Management shall be available for expenses for active commissioned officers in the Public Health Service Reserve Corps and for not to exceed two thousand four hundred commissioned officers in the Regular Corps; expenses incident to the dissemination of health information in foreign countries through exhibits and other appropriate means; advances of funds for compensation, travel, and subsistence expenses (or per diem in lieu thereof) for persons coming from abroad to participate in health or scientific activities of the Department pursuant to law; expenses of primary and secondary schooling of dependents in foreign countries, of Public Health Service commissioned officers stationed in foreign countries, at costs for any given area not in excess of those of the Department of Defense for the same area, when it is determined by the Secretary that the schools available in the locality are unable to provide adequately for the education of such dependents, and for the transportation of such dependents, between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation; expenses for medical care for civilian and commissioned employees of the Public Health Service and their dependents, assigned abroad on a permanent basis in accordance with such regulations as the Secretary may provide; rental or lease of living quarters (for periods not exceeding five years), and provision of heat, fuel, and light and maintenance, improvement, and repair of such quarters, and advance payments therefor, for civilian officers, and employees of the Public Health Service who are United States citizens and who have a permanent station in a foreign country; purchase, erection, and maintenance of temporary or portable structures; and for the payment of compensation to consultants or individual scientists appointed for limited periods of time pursuant to section 207(f) or section 207(g) of the Public Health Service Act, at rates established by the Assistant Secretary for Health, or the Secretary where such action is required by statute, not to exceed the per diem rate equivalent to the rate for GS-18; not to exceed $9,500 for official reception and representation expenses related to any health agency of the Department when specifically approved by the Assistant Secretary for Health.

SEC. 204. None of the funds contained in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term.

SEC. 205. Funds advanced to the National Institutes of Health Management Fund from appropriations in this Act shall be available for the expenses of sharing medical care facilities and resources pursuant to section 327A of the Public Health Service Act.

SEC. 206. Funds appropriated in this title for the Social Security Administration and the Office of Child Support Enforcement shall be available for not to exceed $10,000 for official reception and representation expenses related to income maintenance or child support enforcement activities of the Department when specifically approved by the Commissioner of Social Security.

SEC. 207. Funds appropriated in this title for the Health Care Financing Administration shall be available for not to exceed $2,000 for official reception and representation expenses when specifically approved by the Administrator of the Health Care Financing Administration.

SEC. 208. No funds appropriated for the fiscal year ending September 30, 1987, by this or any other Act, may be used to pay basic pay, special pays, basic allowance for subsistence and basic allowances for quarters of the commissioned corps of the Public Health Service described in section 204 of title 42, United States Code, at a level that exceeds 110 percent of the Executive Level 1 annual rate of basic pay: *Provided*, That amounts received from employees of the Department in payment for room and board may be credited to the appropriation accounts "Health Resources and Services", National Institutes of Health "Office of the Director", "Disease Control", and "Federal Subsidy for Saint Elizabeths Hospital".

SEC. 209. None of the funds appropriated in this title shall be used to transfer the general administration of programs authorized under the Native American Programs Act from the Department of Health and Human Services to the Department of the Interior.

SEC. 210. Funds provided in this Act may be used for one-year contracts which are to be performed in two fiscal years, so long as the total amount for such contracts is obligated in the year for which the funds are appropriated.

SEC. 211. The Secretary shall make available through assignment not more than 50 employees of the Public Health Service, who shall be exempt from all FTE limitations in the Department, to assist in child survival activities through and with funds provided by the Agency for International Development, the United Nations International Children's Emergency Fund or the World Health Organization. In addition, commissioned officers assigned under this section shall be exempt from all limitations on the number and grade of officers in the Public Health Service Commissioned Corps.

This title may be cited as the "Department of Health and Human Services Appropriations Act, 1987".

TITLE III—DEPARTMENT OF EDUCATION

COMPENSATORY EDUCATION FOR THE DISADVANTAGED

For carrying out chapter 1 of the Education Consolidation and Improvement Act of 1981, as amended, $3,999,163,000, of which $6,246,000 shall be used for purposes of section 555(d) of said Act to provide technical assistance and evaluate programs, and the remaining $3,992,917,000 shall become available on July 1, 1987, and remain available until September 30, 1988: *Provided*, That of these remaining funds, no funds shall be used for purposes of section 554(a)(1)(B), $264,524,000 shall be available for purposes of section 554(a)(2)(A), $150,170,000 shall be available for purposes of section 554(a)(2)(B), $32,616,000 shall be available for purposes of section 554(a)(2)(C) and $38,607,000 shall be available for purposes of section 554(b)(1)(D).

IMPACT AID

For carrying out title I of the Act of September 30, 1950, as amended (20 U.S.C. ch. 13), $675,000,000, of which $22,000,000 shall be for entitlements under section 2 of said Act, $10,000,000, which shall remain available until expended, shall be for payments under section 7 of said Act and $643,000,000 shall be for entitlements under section 3 of said Act of which $513,000,000 shall be for entitlements under section 3(a) of said Act: *Provided*, That payment with respect to entitlements under section 3(b) of said Act to

any local educational agency in which 20 per centum or more of the total average daily attendance is made up of children determined eligible under section 3(b) shall be at 60 per centum of entitlement and payment with respect to entitlements under section 3(b) of said Act to any local educational agency in which less than 20 per centum of the total average daily attendance is made up of children determined eligible under section 3(b) shall be ratably reduced from 100 per centum of entitlement: *Provided further,* That payment with respect to entitlements under section 3(a) to any local educational agency whose children determined eligible under section 3(a) amount to at least 48 per centum of such agency's total average daily attendance shall be at 100 per centum of entitlement: *Provided further,* That payment with respect to entitlements under section 3(a) to any local educational agency whose children determined eligible under section 3(a) amount to at least 35 per centum but less than 48 per centum of such agency's total average daily attendance shall be at 95 per centum of entitlement: *Provided further,* That payment with respect to entitlements under section 3(a) to any local educational agency whose children determined eligible under section 3(a) amount to at least 20 per centum but less than 35 per centum of such agency's total average daily attendance shall be at 90 per centum of entitlement: *Provided further,* That payment with respect to entitlements under section 3(a) to any local educational agency whose children determined eligible under section 3(a) amount to at least 15 per centum but less than 20 per centum of such agency's total average daily attendance shall be at 75 per centum of entitlement: *Provided further,* That payment with respect to entitlements under section 3(a) to any local educational agency whose children determined eligible under section 3(a) amount to at least 10 per centum but less than 15 per centum of such agency's total average daily attendance shall be at 60 per centum of entitlement: *Provided further,* That payment with respect to entitlements under section 3(a) to any local educational agency whose children determined eligible under section 3(a) amount to less than 10 per centum of such agency's total average daily attendance shall be ratably reduced from 100 per centum of entitlement: *Provided further,* That payments on behalf of children who reside on property which is described in section 403(1)(C) of said Act shall be at 15 per centum of the respective payment level specified in each of the preceding six provisions: *Provided further,* That the provisions of section 5(c) of said Act shall not apply to funds provided herein: *Provided further,* That no payments shall be made under section 7 of said Act to any local educational agency whose need for assistance under that section fails to exceed the lesser of $10,000 or 5 per centum of the district's current operating expenditures during the fiscal year preceding the one in which the disaster occurred.

For carrying out the Act of September 23, 1950, as amended (20 U.S.C. ch. 19), $25,000,000, which shall remain available until expended, shall be for providing school facilities as authorized by said Act, of which $10,000,000 shall be for awards under section 10 of said Act, $10,000,000 shall be for awards under sections 14(a) and 14(b) of said Act, and $5,000,000 shall be for awards under sections 5 and 14(c) of said Act.

SPECIAL PROGRAMS

For carrying out the consolidated programs and projects authorized under chapter 2 of the Education Consolidation and Improvement Act of 1981, as amended, $533,909,000, of which $33,909,000 shall be for programs and projects authorized under subchapter D of said Act, including $10,700,000 for programs and projects authorized under subsection 583(a)(1) of said Act; $4,000,000 for carrying out a rural education program by the nine regional educational laboratories; $3,052,000 shall be used for awards, which, except for educational television programming, are not to exceed a cumulative amount of $1,000,000 to any recipient for national impact demonstration or research projects; $7,000,000 for activities authorized under subsection 583(b)(1) of said Act; $3,157,000 for programs authorized under subsection 583(b)(2) of said Act; $3,000,000 for programs authorized under subsection 583(b)(3) of said Act; and $3,000,000 for activities authorized under subsection 583(b)(4) of said Act: *Provided,* That $500,000,000 to carry out the State block grant program authorized under chapter 2 of said Act shall become available for obligation on July 1, 1987, and shall remain available until September 30, 1988.

For grants to State educational agencies and desegregation assistance centers authorized under section 403 of the Civil Rights Act of 1964, $24,000,000.

For carrying out activities authorized under title IX, part C of the Elementary and Secondary Education Act, $6,000,000.

For carrying out activities authorized under section 1524 of the Education Amendments of 1978, $4,785,000.

For carrying out activities authorized under section 1525 of the Education Amendments of 1978, $1,914,000.

For carrying out activities authorized under Public Law 92-506, as amended, $1,700,000: *Provided,* That said sum shall become available on July 1, 1987, and shall remain available until September 30, 1988.

For carrying out the provisions of title VII of the Education for Economic Security Act, relating to magnet schools assistance, $75,000,000: *Provided,* That not more than $4,000,000 in the fiscal year may be paid to any single eligible local educational agency.

For carrying out the provisions of title VI of the Education for Economic Security Act, $2,392,000 to remain available until expended.

For carrying out the provisions of title II of the Education for Economic Security Act, $43,066,000 to become available on July 1, 1987, and to remain available until September 30, 1988.

For carrying out the provisions of title IX of Public Law 98-558, $7,177,000, to become available July 1, 1987, and to remain available until September 30, 1988.

BILINGUAL EDUCATION

For carrying out, to the extent not otherwise provided, title VII of the Elementary and Secondary Education Act, title VI of the Education Amendments of 1984, and title IV, part E of the Carl D. Perkins Vocational Education Act, $179,637,000, of which $99,161,000 shall be for part A, $10,300,000 shall be for part B, and $36,490,000 shall be for part C of title VII of the Elementary and Secondary Education Act and $30,000,000 shall be for the Emergency Immigrant Education Program authorized by title VI of the Education Amendments of 1984.

EDUCATION FOR THE HANDICAPPED

For carrying out the Education of the Handicapped Act, $1,494,420,000, of which $1,300,000,000 for section 611 and $31,000,000 for section 619 shall become available for obligation on July 1, 1987, and shall remain available until September 30, 1988.

REHABILITATION SERVICES AND HANDICAPPED RESEARCH

For carrying out, to the extent not otherwise provided, the Rehabilitation Act of 1973 and the Helen Keller National Center Act, $1,152,656,000, of which $1,147,356,000 shall be for allotments under section 100(b)(1) of the Rehabilitation Act, $1,000,000 shall be for activities under section 110(b)(3) of the Rehabilitation Act, and $4,300,000 shall be for continued operation of the Helen Keller National Center for Deaf-Blind Youths and Adults.

VOCATIONAL AND ADULT EDUCATION

For carrying out, to the extent not otherwise provided, the Carl D. Perkins Vocational Education Act, and the Adult Education Act, $1,016,433,000 which shall become available for obligation on July 1, 1987, and shall remain available until September 30, 1988: *Provided,* That $12,000,000 shall be available for title IV of the Carl D. Perkins Vocational Education Act including $6,000,000 for section 404 of said title: *Provided further,* That $7,300,000 shall be available for State councils under section 112 of the Carl D. Perkins Vocational Education Act: *Provided further,* That $7,500,000 shall be made available to carry out title III-A and $31,633,000 shall be made available for title III-B of said Vocational Education Act.

GUARANTEED STUDENT LOANS

For necessary expenses under title IV, part B of the Higher Education Act, $3,394,000,000 to remain available until expended.

HIGHER EDUCATION

For carrying out section 406 C of the General Education Provisions Act, and parts E and F of title V and part E of title IX of the Higher Education Act, $29,500,000.

COLLEGE HOUSING LOANS

The aggregate amount of commitments for loans made from the fund established pursuant to title IV of the Housing Act of 1950, as amended (12 U.S.C. 1749), for the fiscal year 1987 shall not exceed the total of loan repayments and other income available during such period, less operating costs. Payments of interest insufficiencies for the fiscal year 1987 as may be required by the Government National Mortgage Association, as trustee, on account of outstanding beneficial interests or participations issued pursuant to the Participation Sales Act of 1966 (section 302(c) of the Federal National Mortgage Association Charter Act, as amended (12 U.S.C. 1717(c))) shall be made from the fund established pursuant to title IV of the Housing Act of 1950, as amended (12 U.S.C. 1749-1749c) using loan repayments and other income available during such fiscal year. During the fiscal year 1987 and within the resources and authority available, gross commitments for the principal amount of direct loans shall be $60,000,000.

EDUCATIONAL RESEARCH AND STATISTICS

For necessary expenses to carry out section 406 of the General Education Provisions Act, as amended, $8,747,000.

LIBRARIES

For carrying out, to the extent not otherwise provided, titles I, II, III, and VI of the Library Services and Construction Act (20 U.S.C., ch. 16), $130,000,000: *Provided,* That $25,000,000 of the sums appropriated shall be used to carry out the provisions of title II of the Library Services and Construction Act and shall remain available until expended.

SPECIAL INSTITUTIONS

AMERICAN PRINTING HOUSE FOR THE BLIND

For carrying out the Act of March 3, 1879, as amended (20 U.S.C. 101-106), including provision of materials to adults undergoing rehabilitation on the same basis as provided in 1985, $5,510,000.

NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

For carrying out the National Technical Institute for the Deaf Act (20 U.S.C. 681 et seq.), $32,000,000.

GALLAUDET COLLEGE

For carrying out the Model Secondary School for the Deaf Act (80 Stat. 1027) and for the partial support of Gallaudet College authorized by the Act of June 18, 1954 (68 Stat. 265), including continuing education activities, existing extension centers and the National Center for Law and the Deaf, $60,737,000.

HOWARD UNIVERSITY

For partial support of Howard University (20 U.S.C. 121 et seq.), $170,230,000, of which $2,000,000 shall be for an endowment matching grant in accordance with the Howard University Endowment Act (Public Law 98-480) and shall remain available until expended.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

For carrying out, to the extent not otherwise provided, the Department of Education Organization Act, including rental of conference rooms in the District of Columbia and hire of three passenger motor vehicles, $241,692,000: *Provided,* That $500,000 shall be available for carrying out the National Summit Conference on Education Act of 1984.

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, as authorized by section 203 of the Department of Education Organization Act, $38,185,000.

OFFICE OF THE INSPECTOR GENERAL

For expenses necessary for the Office of the Inspector General, as authorized by section 212 of the Department of Education Organization Act, $16,378,000.

GENERAL PROVISIONS

SEC. 301. None of the funds appropriated by this title for grants-in-aid of State agencies to cover, in whole or in part, the cost of operation of said agencies, including the salaries and expenses of officers and employees of said agencies, shall be withheld from the said agencies of any State which have established by legislative enactment and have in operation a merit system and classification and compensation plan covering the selection, tenure in office, and compensation of their employees, because of any disapproval of their personnel or the manner of their selection by the agencies of the said States, or the rates of pay of said officers or employees.

SEC. 302. Funds appropriated in this Act to the American Printing House for the Blind, Howard University, the National Technical Institute for the Deaf, and Gallaudet College shall be subject to audit by the Secretary of Education.

SEC. 303. No part of the funds contained in this title may be used to force any school or school district which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88-352, to take any action to force the busing of students; to force on account of race, creed or color the abolishment of any school so desegregated; or to force the transfer or assignment of any student attending any elementary or secondary school so desegregated to or from a particular school over the protest of his or her parents or parent.

SEC. 304. (a) No part of the funds contained in this title shall be used to force any school or school district which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88-352, to take any action to force the busing of students; to require the abolishment of any school so desegregated; or to force on account of race, creed or color the transfer of students to or from a particular school so desegregated as a condition precedent to obtaining Federal funds otherwise available to any State, school district or school.

(b) No funds appropriated in this Act may be used for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to overcome racial imbalance in any school or school system, or for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to carry out a plan of racial desegregation of any school or school system.

SEC. 305. None of the funds contained in this Act shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, except for a student requiring special education, to the school offering such special education, in order to comply with title VI of the Civil Rights Act of 1964. For the purpose of this section an indirect requirement of transportation of students includes the transportation of students to carry out a plan involving the reorganization of the grade structure of schools, the pairing of schools, or the clustering of schools, or any combination of grade restructuring, pairing or clustering. The prohibition described in this section does not include the establishment of magnet schools.

SEC. 306. No funds appropriated under this Act may be used to prevent the implementation of programs of voluntary prayer and meditation in the public schools.

SEC. 307. Section 402(c) of the Housing Act of 1950 is amended by striking out in clause (9) "October 1, 1986" and inserting in its place "October 1, 1987".

SEC. 308. None of the funds appropriated by this Act may be used by the Department of Education for the purpose of attempting to collect a refund from the State of Illinois of funds provided to such State under the Library Services and Construction Act pursuant to final audit determinations for the period July 1, 1977 through December 31, 1980 (audit control numbers 05-30009 and 05-30006).

This title may be cited as the "Department of Education Appropriations Act, 1987".

TITLE IV—RELATED AGENCIES

CORPORATION FOR PUBLIC BROADCASTING

PUBLIC BROADCASTING FUND

For payment to the Corporation for Public Broadcasting, as authorized by the Communications Act of 1934, an amount which shall be available within limitations specified by that Act, for the fiscal year 1989, $214,000,000: *Provided,* That no funds made available to the Corporation for Public Broadcasting by this Act shall be used to pay for receptions, parties, or similar forms of entertainment for government officials or employees: *Provided further,* That none of the funds contained in this paragraph shall be available or used to aid or support any program or activity from which any person is excluded, or is denied benefits, or is discriminated against, on the basis of race, color, national origin, religion, or sex.

FEDERAL MEDIATION AND CONCILIATION SERVICE

SALARIES AND EXPENSES

For expenses necessary for the Federal Mediation and Conciliation Service to carry out the functions vested in it by the Labor-Management Relations Act, 1947 (29 U.S.C. 171-180, 182), including expenses of the Labor-Management Panel and boards of inquiry appointed by the President, hire of passenger motor vehicles, and rental of conference rooms in the District of Columbia; and for expenses necessary pursuant to Public Law 93-360 for mandatory mediation in health care industry negotiation disputes and for convening factfinding boards of inquiry appointed by the Director in the health care industry; and for expenses necessary for the Labor-Management Cooperation Act of 1978 (29 U.S.C. 125a); and for expenses necessary for the Service to carry out the functions vested in it by the Civil Service Reform Act, Public Law 95-454 (5 U.S.C. chapter 71), $22,656,000.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

For expenses necessary for the Federal Mine Safety and Health Review Commission (30 U.S.C. 801 et seq.), $3,651,000.

NATIONAL AFRO-AMERICAN HISTORY AND CULTURE COMMISSION

NATIONAL CENTER FOR THE STUDY OF AFRO-AMERICAN HISTORY AND CULTURE

Funds appropriated for the "National Center for the Study of Afro-American History and Culture" in the Departments of Labor, Health and Human Services and Education, and related agencies Appropriations Act, 1986 shall remain available until expended.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

SALARIES AND EXPENSES

For necessary expenses for the National Commission on Libraries and Information Science, established by the Act of July 20, 1970 (Public Law 91-345), $660,000.

NATIONAL COUNCIL ON THE HANDICAPPED

SALARIES AND EXPENSES

For expenses necessary for the National Council on the Handicapped as authorized by section 405 of the Rehabilitation Act of 1973, as amended, $732,000.

NATIONAL LABOR RELATIONS BOARD

SALARIES AND EXPENSES

For expenses necessary for the National Labor Relations Board to carry out the functions vested in it by the Labor-Management Relations Act, 1947, as amended (29 U.S.C. 141-167), and other laws, $129,055,000: *Provided,* That no part of this appropriation shall be available to organize

or assist in organizing agricultural laborers or used in connection with investigations, hearings, directives, or orders concerning bargaining units composed of agricultural laborers as referred to in section 2(3) of the Act of July 5, 1935 (29 U.S.C. 152), and as amended by the Labor-Management Relations Act, 1947, as amended, and as defined in section 3(f) of the Act of June 25, 1938 (29 U.S.C. 203), and including in said definition employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual, nonprofit basis and at least 95 per centum of the water stored or supplied thereby is used for farming purposes.

NATIONAL MEDIATION BOARD

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Railway Labor Act, as amended (45 U.S.C. 151-188), including emergency boards appointed by the President, $6,401,000.

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

For the expenses necessary for the Occupational Safety and Health Review Commission, $5,647,000.

PHYSICIAN PAYMENT REVIEW COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out section 1845(a) of the Social Security Act, $1,000,000 to remain available until September 30, 1988, to be transferred to this appropriation from the Federal Supplementary Medical Insurance Trust Fund.

PROSPECTIVE PAYMENT ASSESSMENT COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out section 601 of Public Law 98-21, $3,421,000 to be transferred to this appropriation from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds.

RAILROAD RETIREMENT BOARD

DUAL BENEFITS PAYMENTS ACCOUNT

For payment to the Dual Benefits Payments Account, authorized under section 15(d) of the Railroad Retirement Act of 1974, $380,000,000, all of which shall be credited to the account in 12 approximately equal amounts on the first day of each month in the fiscal year.

FEDERAL PAYMENTS TO THE RAILROAD RETIREMENT ACCOUNTS

For payment to the accounts established in the Treasury for the payment of benefits under the Railroad Retirement Act for unnegotiated checks, $3,100,000 which shall be the maximum amount available for payments pursuant to section 417 of Public Law 98-76: *Provided*, That these funds shall remain available through September 30, 1988.

LIMITATION ON ADMINISTRATION

For expenses necessary for the Railroad Retirement Board, $56,634,000 to be derived from the railroad retirement accounts: *Provided*, That such portion of the foregoing amount as may be necessary shall be available for the payment of personnel compensation and benefits for not less than 1,217 full-time equivalent employees: *Provided further*, That $500,000 of the foregoing amount shall be available only to the extent necessary to process workloads not anticipated in the budget estimates and after maximum absorption of the costs of such workloads within the remainder of the existing limitation has been achieved: *Provided further*, That notwithstanding any other provision of law, no portion of this limitation shall be available for payments of standard level user charges pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(j); 45 U.S.C. 228a-r).

LIMITATION ON RAILROAD UNEMPLOYMENT INSURANCE ADMINISTRATION FUND

For further expenses necessary for the Railroad Retirement Board, for administration of the Railroad Unemployment Insurance Act, not less than $14,694,000 shall be apportioned for fiscal year 1987 from moneys credited to the railroad unemployment insurance administration fund, and of this amount $2,106,000 shall be derived from contributions credited to the railroad unemployment insurance account and shall be credited to the railroad unemployment insurance administration fund as authorized by section 11(a)(iv) of the Railroad Unemployment Insurance Act: *Provided*, That such portion of the foregoing amount as may be necessary shall be available for the payment of personnel compensation and benefits for not less than 336 full-time equivalent employees.

LIMITATION ON REVIEW ACTIVITY

For expenses necessary for the Railroad Retirement Board for audit, investigatory, and review activities, as authorized by section 418 of Public Law 98-76 not more than $1,167,000, to be derived from the railroad retirement accounts and rail unemployment insurance administration fund.

SOLDIERS' AND AIRMEN'S HOME

OPERATION AND MAINTENANCE

For maintenance and operation of the United States Soldiers' and Airmen's Home, to be paid from the Soldiers' and Airmen's Home permanent fund, $34,022,000: *Provided*, That this appropriation shall not be available for the payment of hospitalization of members of the Home in United States Army hospitals at rates in excess of those prescribed by the Secretary of the Army upon recommendation of the Board of Commissioners and the Surgeon General of the Army.

CAPITAL OUTLAY

For construction and renovation of the physical plant, to be paid from the Soldiers' and Airmen's Home permanent fund, $15,000,000, to remain available until expended.

TITLE V—GENERAL PROVISIONS

SEC. 501. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 502. No part of any appropriation contained in this Act shall be expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), pursuant to any obligation for services by contract, unless such executive agency has awarded and entered into such contract in full compliance with such Act and regulations promulgated thereunder.

SEC. 503. Appropriations contained in this Act, available for salaries and expenses, shall be available for services as authorized by 5 U.S.C. 3109 but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18.

SEC. 504. Appropriations contained in this Act, available for salaries and expenses, shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901-5902).

SEC. 505. Appropriations contained in this Act, available for salaries and expenses, shall be available for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities.

SEC. 506. No part of the funds appropriated under this Act shall be used to provide a loan, guarantee of a loan, a grant, the salary of or any remuneration whatever to any individual applying for admission, attending, employed by, teaching at, or doing research at an institution of higher education who has engaged in conduct on or after August 1, 1969, which involves the use of (or the assistance to others in the use of) force or the threat of force or the seizure of property under the control of an institution of higher education, to require or prevent the availability of certain curricula, or to prevent the faculty, administrative officials, or students in such institution from engaging in their duties or pursuing their studies at such institution.

SEC. 507. The Secretaries of Labor, Health and Human Services, and Education are authorized to transfer unexpended balances of prior appropriations to accounts corresponding to current appropriations provided in this Act: *Provided*, That such transferred balances are used for the same purpose, and for the same periods of time, for which they were originally appropriated.

SEC. 508. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 509. No part of any appropriation contained in this Act shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or film presentation designed to support or defeat legislation pending before the Congress, except in presentation to the Congress itself.

No part of any appropriation contained in this Act shall be used to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence legislation or appropriations pending before the Congress.

SEC. 510. The Secretaries of Labor, Health and Human Services, and Education are each authorized to make available not to exceed $7,500 from funds available for salaries and expenses under titles I, II, and III, respectively, for official reception and representation expenses; the Director of the Federal Mediation and Conciliation Service is authorized to make available for official reception and representation expenses not to exceed $2,500 from the funds available for "Salaries and expenses, Federal Mediation and Conciliation Service"; and the Chairman of the National Mediation Board is authorized to make available for official reception and representation expenses not to exceed $2,500 from funds available for "Salaries and expenses, National Mediation Board".

SEC. 511. None of the funds appropriated by this Act shall be used to pay for any research program or project or any program, project, or course which is of an experimental nature, or any other activity involving human participants, which is determined by the Secretary or a court of competent jurisdiction to present a danger to the physical, mental, or emotional well-being of a participant or subject of such program, project, or course, without the written, informed consent of each participant or subject, or a participant's parents or legal guardian, if such participant or subject is under eighteen years of age. The Secretary shall adopt appropriate regulations respecting this section.

SEC. 512. None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between his domicile and his place of employment, with the exception of the Secretaries of Labor, Health and Human Services, and Education, and medical officers and other health personnel on out-patient medical service who are exempted from such limitations under 31 U.S.C. 1344.

This Act may be cited as the "Departments of Labor, Health and Human Services, and Education and related agencies Appropriations Act, 1987".

Mr. NATCHER (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objections to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. Are there points of order against the bill? The Chair hears none.

For what purpose does the gentleman from Massachusetts [Mr. CONTE] rise?

Mr. CONTE. Mr. Chairman, I wonder if the chairman of the subcommittee would be agreeable to setting a time limitation on all debate on amendments to the bill and amendments thereto, the debate to end at 2:10?

Mr. NATCHER. Mr. Chairman, I would like to ask unanimous consent, pursuant to the request of the gentleman from Massachusetts, with which we agree, that all debate on this bill and all amendments thereto conclude not later than 10 minutes after 2 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. FRENZEL. Mr. Chairman, reserving the right to object, as far as I know, there are only two debatable amendments at the desk. I would ask the distinguished subcommittee chairman to rephrase his unanimous-consent request to allow at least 20 minutes debate time for my amendment and 40 minutes for the gentleman from Illinois. That would leave an hour of voting time and general discussion under the 5-minute rule. I am asking the gentleman if he may be willing to rephrase his request.

The CHAIRMAN. The Chair might point out to the gentleman that there are other amendments at the desk.

Mr. FRENZEL. I understand that, Mr. Chairman. I believe on those amendments, however, arrangements have been made to accept those amendments.

The CHAIRMAN. And the Chair might also state that there could be arrangements made even within the limitation that the gentleman from Kentucky is seeking.

Mr. NATCHER. Mr. Chairman, if the gentleman will yield, as I understand it, we have one or two amendments we know about that will require very little time. The only time that we know of that will be consumed as far as this bill is concerned is on the amendment to be offered by the gentleman from Illinois [Mr. MICHEL]. The gentleman from Minnesota [Mr. FRENZEL] will then offer a substitute.

Mr. Chairman, I think the time limitation request we are making is more than ample, and I want both gentlemen to know they will be protected. We want them to offer their amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. FRENZEL. Mr. Chairman, further reserving the right to object, my problem with the suggestion as it is offered now is that we have a number of members of the committee ready to proceed. Those of us who are not on the committee understand that we are last recognized in the due course of business.

If there are a couple of votes, 2 hours will be easily chewed up and we have no security—at least I do not—under the suggestion of the gentleman. If he will not agree to protect me, at least to the extent of 20 minutes, which is a tiny request for a bill that has $100 billion in it and which used to take 3 days to do and now we presume to do it in 3 hours, I will object.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. Further reserving the right to object, I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I would hope that the gentleman would go along with us because that takes an hour of the whole 2 hours, and I am sure they are not going to take time. He wants 20 minutes for his amendment, and the gentleman from Illinois [Mr. MICHEL] wants 40 minutes for his amendment. I am sure that neither of them is going to take it, and we will be out of here at 2:10.

Mr. NATCHER. Mr. Chairman, if the gentleman will yield further, as I understand the request of the gentleman from Minnesota, it is that of the 2 hours time limit that we are requesting, there would be 1 hour set-aside for the amendment and the substitute for the amendment. Is that correct?

If that is the situation, Mr. Chairman, we have no objection to that.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

The Chair hears none, and it is so ordered. Accordingly, all debate will cease at 10 minutes past 2 o'clock.

AMENDMENTS OFFERED BY MR. COUGHLIN

Mr. COUGHLIN. Mr. Chairman, I offer amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. COUGHLIN: On page 31, line 7, strike "$4,011,373,000" and insert in lieu thereof "$4,000,373,000".

On page 42, line 17, strike "$533,909,000" and insert in lieu thereof "$544,909,000".

On page 42, line 18, strike "$33,909,000" and insert in lieu thereof $44,909,000".

On page 43, line 4, strike "$3,000,000" and insert in lieu thereof "$14,000,000".

Mr. COUGHLIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania that the amendments be considered en bloc?

There was no objection.

Mr. COUGHLIN. Mr. Chairman, these amendments, which are offered on behalf of my colleague, the gentleman from Pennsylvania [Mr. WALKER] and myself, would transfer $11 million to the Secretary of Education's discretionary fund for the purpose of drug abuse education. We would intend that these funds be used to produce, publicize, and distribute to every elementary and secondary school in these United States audio-visual materials on the drug abuse.

In particular, Mr. Chairman, we expect them to be used to educate on the danger of cocaine and its derivative, "crack." We know that cocaine kills.

Yet we are faced today with a peculiar confluence of events where in many quarters cocaine is considered to be a harmless executive high despite extensive evidence that it is extremely addictive and can kill. At the same time, Mr. Chairman, cocaine and crack are becoming more plentiful and cheaper so they are available to people of all ages and of all income levels.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I yield to the distinguished chairman of the subcommittee.

Mr. NATCHER. Mr. Chairman, I want the distinguished gentleman in the well, the gentleman from Pennsylvania [Mr. COUGHLIN], who is a member of the Committee on Appropriations, to know that we appreciate the fact that he and the gentleman from Pennsylvania [Mr. WALKER] discussed this matter in detail with both the gentleman from Massachusetts [Mr. CONTE] and me, as well as other members of the subcommittee. We knew that the amendment was to be offered and we believe we can accept this amendment as now presented.

Further, Mr. Chairman, earlier this month the subcommittee was informed by Social Security that they expect to lapse $168,365,000 in fiscal year 1986.

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This results from a number of factors, including lower outlays in their computer modernization project and lower use of overtime by Social Security field personnel. This means that the 1986 base used by the executive branch and reviewed by the subcommittee in making its initial recommendation was overstated. We feel, therefore, that a reduction can be made.

This does not change any of the substantive recommendations of the subcommittee relating to staffing levels or numbers of Social Security offices. It merely reflects a reestimate of the amount of funding necessary to implement these recommendations.

I want to say to the gentleman from Pennsylvania [Mr. WALKER] and to the gentleman in the well, the gentleman from Pennsylvania [Mr. COUGHLIN], that we have no objection to the gentleman's amendment.

This amendment deals with one of the most serious problems in this country today, the epidemic of drug use which has affected so many of our young people. As Members know, both the executive and legislative branches are currently reviewing this issue with the intention of developing a comprehensive program to deal with every aspect of the drug problem including drug interdiction, drug abuse treatment and drug abuse prevention. The recent deaths of two of this country's most promising young athletes has heightened our awareness of the problem and our commitment to deal with this tragic situation.

As we understand the amendment it would provide additional funds to develop a drug abuse prevention film for use in the public schools. I would point out to the gentleman there is already $6,000,000 in the bill which could be used for this and similar purposes. There is already $3,000,000 under the Department of Education's chapter 2 program. This money is earmarked in the bill for drug abuse and alcohol education as part of the Secretary's discretionary fund. There is also $3,000,000 for a new prevention intiative at the Alcohol, Drug Abuse and Mental Health Administration. This money will be used by the National Institute of Drug Abuse and I quote "for the development and dissemination of drug abuse prevention manuals and programs for elementary and senior high schools."

Mr. COUGHLIN. Mr. Chairman, I thank the gentleman.

I would just like to continue to establish some legislative history here for a moment, if I might.

We have available role models in the sports and entertainment field, former drug abusers, who are anxious to cooperate in an effort to produce this kind of audio-visual effort to combat drug abuse.

I had in my district just last fall, Carl Eller, the former Minnesota Vikings football star. People like that who are role models are willing to help produce this kind of audio-visual effort in drug abuse education that I think is so important.

Mr. Chairman, in addition to serving on the Appropriations Committee, I serve on the Select Committee on Narcotics Abuse and Control as the second ranking Republican. I applaud the efforts that have been made here in the area of drug abuse. Just yesterday we saw the Coast Guard drug interdiction effort increased to a minimum of $372 million, which is $60 million more than last year.

I applaud the efforts of the administration to get at the cocaine laboratories that are really the choke points of the cocaine trade. Crop substitution efforts are difficult and expensive; coca is grown by poor campesinos in remote areas, and it is difficult to outbid narcotics traffickers. Interdiction of cocaine shipments to the United States is also failing because of the drug's small bulk and high concentration.

Although reducing the supply through eliminating laboratories is key to the supply side of the cocaine problem, the demand side is also important. Compared to what we are spending on eradication, interdiction and law enforcement, we spend a pitfully small portion of our resources indeed on reducing demand, and that is what we are trying to rectify with this amendment.

I have called for a four-point program that would increase the grassroots effort with local organizations, increase the State and local effort, increase the effort through the Advertising Council, and finally to include the U.S. Department of Education in producing a real drug abuse program that can go to every school in the country.

I appreciate the support of the gentleman from Kentucky and the gentleman from Massachusetts.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I yield to my colleague, the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding.

I just want to thank the gentleman for his efforts on behalf of this amendment. The gentleman is doing something that I think is very valuable, transferring money out of a lower priority account into drug abuse education. I congratulate the gentleman for those efforts. I appreciate the fact the gentleman has carried this amendment to the floor and I think we are going to have great success with it.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I am happy to yield to the distinguished gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I rise in support of the amendment offered by both gentlemen from Pennsylvania, Mr. COUGHLIN and Mr. WALKER. They have both consulted me and the good chairman, the gentleman from Kentucky [Mr. NATCHER] in what they propose to do. It is acceptable to us.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(At the request of Mr. CONTE, and by unanimous consent, Mr. COUGHLIN was allowed to proceed for 2 additional minutes.)

Mr. CONTE. Mr. Chairman, will the gentleman yield further?

Mr. COUGHLING. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, this amendment would further strengthen our efforts in this bill to provide drug education programs for children in elementary and secondary education.

Mr. Chairman, the funds for this increased effort would not add to the totals of the bill. We reduce the amount provided for administrative costs of the Social Security Administration, increase the amount of the bill for drug education.

Mr. Chairman, the administrative account in Social Security will lapse about $168 million this year. The gentleman from Kentucky [Mr. NATCHER] and I will be watching that account very, very closely, to make sure there is always plenty of money in it.

So we support the amendment.

Mr. COUGHLIN. Mr. Chairman, I thank the distinguished ranking minority member and urge support of my colleagues for this amendment to help produce a real drug abuse education program in the Department of Education.

The CHAIRMAN. The question is on the amendments offered by the gen-

tleman from Pennsylvania [Mr. COUGHLIN].

The amendments were agreed to.

AMENDMENT OFFERED BY MR. SHAW

Mr. SHAW. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHAW: In title V, on page 63, after line 7, add the following new section:

SEC. 513. No funds under title III of this Act shall be used by any educational institution which does not have a program for the prevention of drug abuse.

Mr. SHAW. Mr. Chairman, I am offering this amendment, along with my friend, the gentleman from Pennsylvania [Mr. WALKER] and my friend, the gentleman from California [Mr. HUNTER].

This amendment prohibits Federal funds from going to schools without drug abuse programs. I urge my colleagues to support it.

Mr. Chairman, in this House, we are in the process of a bipartisan assault on the drug problem in this country. What better place to start than in our schools, where so many young people are exposed to dangerous, highly addictive narcotic drugs, every day.

In my home State of Florida, we are discovering many children are regular users of drugs. Our law enforcement officials tell us that 20 percent of the users of crack, the purified and inexpensive and immediately addictive form of cocaine, are younger than 18 years old. This is a shocking statistic. We must prevent what will certainly become a whole new generation of drug abusers. The best chance we have is dramatic and effective drug education programs.

The Members of this House have approved millions of dollars to prevent drugs from making their way into this country. What we must do also is to stop the demand for illegal narcotics.

Antidrug programs in the schools are our best line of defense against the drug peddlers in the playground, against the glamourized view of drugs on television and against the role models of entertainers and athletes who openly abuse drugs.

In our Select Committee on Narcotics Abuse and Control, of which I am a member, just a few weeks ago, we had a young lady testify before us. She told us, after having been an addict, reformed addict from the use of cocaine, she said that if only someone in her condition had appeared before her in the form of drug education 10 years before, she would not have become a cocaine user.

We need to scare our children into seeing the truth about drugs. Our schools must have effective antidrug programs and we should not provide Federal money to schools that do not.

Mr. Chairman, I urge my colleagues to support this amendment.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to my colleague, the gentleman from California.

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding. I want to commend the gentleman as one of the real leaders in this House and in the select committee in working on narcotics abuse programs.

You know, what this is going to do is require every school board and every administrator to at least sit down and say, "Well, now we have this requirement. We have to do this if we are going to get Federal dollars.

"What is our drug program? Do we have a drug program? What are we doing? How can we comply with the requirements of this amendment and at the same time do something for the children of America?"

I think it will be a great attention-getter and I think we will have some good creative programs developed because of this legislation.

I want to thank the gentleman and thank the chairman also for being so gracious and the ranking member for allowing this legislation to come forward.

Mr. SHAW. Mr. Chairman, I thank the gentleman for his remarks and for his participation in this particular bill.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I would like the gentleman from Florida [Mr. SHAW] to know and also the gentleman from California [Mr. HUNTER] that we appreciate the fact that these gentlemen have discussed this matter with us in detail before presenting it.

Mr. Chairman, we have no objection to the amendment.

Mr. SHAW. Mr. Chairman, I thank the gentleman and appreciate his assistance.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I concur with my good friend, the gentleman from Kentucky [Mr. NATCHER]. We agree on the amendment and we do appreciate the consultation beforehand, not only with the gentleman in the well, but the gentleman from California [Mr. HUNTER] who is also, I believe, interested in this program.

Mr. Chairman, I hope the amendment passes.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I, too, want to congratulate the gentleman for his amendment.

As the gentleman well knows, this kind of effort grows out of some suggestions by the Department of Education in the personage of Secretary Bennett, who suggested that this might be a way to really begin to get education to focus on the need to do something about drugs in their own schools.

The gentleman has picked up on that idea and brought it to the floor and gotten real action on what Secretary Bennett suggested just a matter of a few weeks ago.

I think it is great that the House has a chance to act on this and I thank the gentleman for bringing the amendment to us.

Mr. SHAW. Mr. Chairman, I thank the gentleman for his skillful job also and his participation in bringing this bill to us.

I would also like to remind the House that this bill certainly does have jaws to it. It is not a symbolic gesture.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, I want to join in commending the gentleman on his amendment. I think, as the gentleman has said, the demand side is terribly important to address and this is certainly one way of assuring that we do that.

Mr. SHAW. Mr. Chairman, I would like to thank the gentleman from Pennsylvania for the amendment that he just had passed before. This will assure that the gentleman's amendment will be implemented all across the country by schools to all of our young people.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. SHAW].

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer a series of amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. MICHEL:

Page 20, line 17, strike out "$1,346,751,000" and insert in lieu thereof "$1,211,857,830".

Page 20, line 22, strike out "$921,410,000" and insert in lieu thereof "$835,232,150".

Page 21, line 4, strike out "$116,275,000" and insert in lieu thereof "$101,054,330".

Page 21, line 9, strike out "$515,455,000" and insert in lieu thereof "$446,524,570".

Page 21, line 14, strike out "$491,085,000" and insert in lieu thereof "$425,414,720".

Page 21, line 19, strike out "$403,853,000" and insert in lieu thereof "$351,065,200".

Page 21, line 23, strike out "$576,562,000" and insert in lieu thereof "$507,164,790".

Page 22, line 5, strike out "$368,509,000" and insert in lieu thereof "$316,975,290".

Page 22, line 9, strike out "$219,091,000" and insert in lieu thereof "$192,103,240".
Page 22, line 14, strike out "$209,872,000" and insert in lieu thereof "$194,553,610".
Page 22, line 17, strike out "$174,279,000" and insert in lieu thereof "$154,111,690".
Page 22, line 22, strike out "$140,225,000" and insert in lieu thereof "$114,044,690".
Page 23, line 1, strike out "$317,826,000" and insert in lieu thereof "$299,474,560".
Page 23, line 9, strike out "$11,443,000" and insert in lieu thereof "$11,219,790".
Page 23, line 16, strike out "$61,588,000" and insert in lieu thereof "$56,931,190".
Page 23, line 19, strike out "$246,651,000" and insert in lieu thereof "$185,032,290".
Page 23, line 25, strike out "$31,900,000" and insert in lieu thereof "$14,184,710".

Mr. MICHEL (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHEL. Mr. Chairman, the amendments which I am offering here provide a 3-percent inflationary increase for each of the Institutes out at the National Institutes of Health; in other words, a 3-percent increase over the current year's spending level. In total, it will provide a $157 million increase over this current fiscal year, but it would produce savings of $735 million below the figure reported by the committee. That is no small amount. It is very significant.

If the committee does not fully agree with the priorities of the amendment which I have offered here, in other words an equal increase for each Institute, why then I would certainly defer to the wisdom of the subcommittee in conference to make a determination between Institutes as they see fit.

I would apologize at the very outset, as a new junior member of the committee, for proposing significant changes in the committee product after having just rejoined the committee. I have no doubt forgotten many of the intricacies of this committee and the specific figures; nevertheless, I think I am reasonably well informed from those prior years in which I served on the committee.

The bill provides for an overall increase of 17 percent for the National Institutes of Health. Some of the individual Institutes have been increased as much as 20 and 30 percent. I have to ask the question, Is this the way we plan to meet our spending targets under Gramm-Rudman or under the budget resolution or anything else that would indicate that we ought to have some restraint in Federal spending around here?

The committee seems intent on negating the benefits of sequestering that we gained this past March by restoring all the funds cut and adding several-fold increases on top of that.

In the bill, the committee is planning to fund a total of 6,200 new and competing renewal grants. I can remember the time when I served on the subcommittee not very long ago when all the interest groups were pushing us to fund 5,000 new grants a year. They would say, "If only we get this figure up to 5,000, that is all we are going to ask for so that we can keep the program on an even keel."

Well, I think at the time when we were making that point, we were funding roughly 3,800 new grants per year. Now the bill is up to 6,200 and climbing. These are simply the new grants. There are another 13,000 continuing grants out there being funded. That is almost 20,000 grants a year.

When do we draw the line?

It should be noted that the cost of individual research grants has risen 48.9 percent over the past 5 years, far above the rate of inflation. The average has risen from $98,000 to $147,000. The Department of Health and Human Services says the primary cause of this increase is higher salaries and higher indirect costs.

□ 1230

In other words, what is happening is that the researchers and universities are cranking into their grants some pay increases for themselves, and everybody here seems to be looking the other way.

I am not aware of any significant increases like that taking place around this body—in our staff or among Members—or in the Federal service, or in the private sector generally. More and more people are charging their time against these grants in the universities. Ninety percent of the doctorate-level staff charged salary against the grants in 1985, versus only 57 percent back in 1981.

Indirect costs have been a bug with me all during the time I served on the subcommittee. These are charges that the university bills to the grants, even though they have little to do with the grants—such as deans' salaries, libraries, and fuel costs. They have grown 63 percent since 1980, versus a 42-percent increase for direct costs. In other words, some $2 billion of the $6 billion that we are now appropriating for NIH in this bill is going for purposes only indirectly related at best to the health research that we think we are funding.

By way of reference, again I cannot help but make mention of this. I said $6 billion for NIH. When I first came on that subcommittee many years ago, and John Fogarty was the chairman and Mel Laird was the ranking minority member, it was $200 million for all of NIH. It has grown from $200 million to now $6 billion.

We certainly do not tighten up the administration of a program by granting it massive funding increases. My amendment provides for a 3-percent inflationary increase for each Institute, which I think both meets their needs and at the same time recognizes the need to do something about the deficit.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the author of this amendment, my friend, the gentleman from Illinois [Mr. MICHEL] served for many years on the Committee on Appropriations. He is the minority leader in the House and one of the able Members of the House. He was one of the best members that we had on our subcommittee, which makes recommendations for the Department of Labor, the Department of Health and Human Services, and the Department of Education.

I cannot believe, Mr. Chairman, that my friend, Mr. BOB MICHEL, would want to cut biomedical research at the National Institutes of Health by $735,329,000. I cannot believe that he would want to cut it that amount. If this amendment is adopted, the reduction in cancer research would be $134,893,000.

If this amendment were adopted, there would be a reduction in the Heart, Lung, and Blood Institute of $86,178,000.

After 14 weeks of hearings, careful hearings, we marked this bill up. This bill, Mr. Chairman, could be called "the people's bill." In this bill we have most of our money for health and most of our money for education.

We come in here year after year, Mr. Chairman, and we have a request for the Defense Department of $295 billion, $300 billion, or $320 billion. Mr. Chairman, I do not know of anyone in Kentucky who wants to impair the security of our country, but I can tell you of a lot of them in my home State and throughout the United States who are not in favor of an amendment to reduce funding for biomedical research by $735 million.

Dental Institute—$15,221,000. For diabetes and kidney diseases, $68,930,000 would be the reduction if this amendment were accepted. For neurological and communicative disorders and stroke, the reduction if the amendment were adopted would be $65,670,000; from $491,085,000 we would have a $65,670,000 reduction.

For allergy and infectious diseases, after carefully considering all of the evidence from all of the witnesses, we placed in the bill $403,853,000, and if the amendment of my friend, Mr. BOB MICHEL, is adopted, that amount would be reduced $52,788,000. For general medical sciences we have in the bill $576,562,000; we would have a reduction here of $69,397,000.

For child health, Mr. Chairman, we have in the bill $368,509,000. This amendment would reduce this amount

by $51,534,000 for the children in this country. As far as the Eye Institute is concerned, if the amendment is adopted, there would be a reduction of $26,988,000, down from $219,019,000.

The Institute on Aging, Mr. Chairman, has $174,279,000 in the committee bill. The amendment offered by my friend, Mr. BOB MICHEL of Illinois, would reduce it $20,168,000. For arthritis, a problem that hundreds of thousands of people in this country have right now, we bring that amount under this amendment down from $140,225,000, bring it down $26,180,000. Mr. Chairman, I do not believe that a member of this committee would want to reduce that item $26 million.

AIDS, acquired immune deficiency syndrome, is one of the most serious diseases confronting the people in this country today. After we carefully considered the matter, we placed in this part of this bill $198 million for AIDS. This amendment if adopted would reduce that $198 million by $60,231,000.

Mr. Chairman, this amendment should be defeated.

Mr. CONTE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, let me say at the outset that it really pains me to oppose my leader, Mr. BOB MICHEL. He has been my dear and beloved friend for 28 years. I do not think that a finer man has ever served this House of Representatives than the gentleman from Peoria.

Mr. Chairman, I have to differ with him on this one. We have worked hard and long on this bill, as he knows and as he mentioned, and we think that we came out with a fair and very responsible bill.

Let me give you some facts that no one seems to pay much attention to. I was looking at some figures the other day and I made a chart for speaking purposes back home.

The budget for agriculture in 1980 was $17,570 million. Do you know what the budget for agriculture was in 1987? It was $41,776 million. Do you know what kind of an increase that is? Hear this. It is a 138.4-percent increase.

Let us take another one—defense.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, we have this quite a bit. For the record, more than 50 percent of the funds for agriculture are for consumer programs.

The cost of the farm programs have increased greatly because the Government is having the farmer sell at below his cost of production, and depend upon a check from the Treasury to help make up the difference. The buyer gets the profit.

Mr. CONTE. Mr. Chairman, all I know is that there is not going to be enough money, and there are not going to be enough machines in the Bureau of Engraving, to take care of that latest farm bill that we just passed.

We just passed an agriculture appropriation bill here last week. I got up on the floor of the House and said that it was a phony. It was a phony; they only had $16.808 billion for the Commodity Credit Corporation in there. But you are going to have more supplementals on the Commodity Credit Corporation to take care of that farm bill. These figures which I am presenting here are anemic.

Let me give some more. Defense in 1980 was $137,208 million. Oh ho ho ho ho. Hear this. Hear this. Defense in 1987, $274 billion—and it went up over that, with the supplementals and all, to $440 million—an increase of 100 percent.

Now listen to poor Labor, Health and Human Services and Education. Now you want to whack them again. For 1980, discretionary funds, $33,506 million.

□ 1240

In 1987, allocations are $35,551 million. That is an increase of 6.1 percent.

Defense: 100-percent increase in that period of time, 1980 to 1987.

Agriculture: 138.4 percent.

Labor, HHS and Education, 6.1 percent.

This is the most important agency of the Federal Government. Taking care of the sick, research and development for all these dreadful diseases that are out there. This amendment would cut $135 million from the National Cancer Institute. Here is where we have already seen positive results, not only in cancer research and identification. Recent findings have resulted in rapid identification of AIDS virus and the development of rapid screening techniques for that disease.

An $86 million cut in heart, lung, and blood, including research in coronary heart disease, the leading cause of death in America today. Recent findings link blood cholesterol with coronary heart disease.

We are on the brink. We are on the threshold of something big here to reduce heart disease.

Here are some other examples of the effects of this amendment.

$15.2 million cut from dental research.

$69 million cut from diabetes, digestive and kidney diseases—there go the O'BRIEN centers, along with the positive fundings on new drugs for treatment of ulcers.

$66 million cut from neurological and communicative disorders and stroke—this is the new Alzheimer's research money. In addition, we're on the brink here on funding a successful treatment for multiple sclerosis.

$53 million cut from allergy and infectious diseases. Here again, we're close to understanding the virus causing AIDS.

$69.4 million from general medical sciences.

$51.6 million cut from child health and human development. Here is research into some of the Nation's most costly health problems, including: infant mortality, birth defects, mental retardation.

$2.7 million from the Eye Institute.

$15.3 million cut from environmental health sciences, cuts in research to protect the Nation from the risks of toxic chemicals, including the effects of acid rain.

$20 million from the Aging Institute, where scientists are examining, through new techniques the fundamental brain processes of healthy persons, Alzheimer's victims and those afflicted with Down's syndrome. This basic, necessary research into the aging process.

$26 million cut from arthritis musculoskeletal and skin disease. This is for fundamental research into arthritis, osteoporosis, and lupus, diseases that cripple millions of Americans.

$18.4 million cut from research resources.

$224,000 from John Fogarty International Center. Once again, AIDS research will be affected in our coordination efforts throughout the world.

$4.6 million cut from National Library of Medicine.

$61.6 million from the Office of the Director, where most of the AIDS money is located.

And $17.3 million from the buildings and facilities account.

The farm bill. What do you do? You just shove it down somebody's throat. Those cows out there and everybody else. You have corn, wheat, commodities coming out of your ears. We are going to get defense now. We are trying to get defense to take some of those commodities.

I hope the amendment is defeated.

Mr. FRENZEL. Mr Chairman, I move to strike the requisite number of words and I rise in support of the amendments.

Mr. Chairman, we have heard the distinguished chairman and the distinguished ranking member defending their handiwork. In that handiwork, they have raised appropriations by 13.5-percent at a time when we estimate inflation to be less than 3 percent.

Perhaps this is some kind of emergency program. I do not think that it is.

These programs are worthy operations. Our friend, the gentleman from Illinois [Mr. MICHEL], who brings us the amendment is not asking for

sacrifice. Let us keep the programs going at the same level. These are great institutions. Mr. MICHEL asks not for sacrifice, but for sanity.

Why would we incraese spending in these programs by 4 times the cost of inflation?

In fact, some of the items that the distinguished chairman mentioned, particularly arthritis, up 20 percent, child health and human development up 20 percent have been increased by well over the 13.5 percent average.

When you get done averaging them, there is a 13.5 percent increase.

The distinguished gentleman from Massachusetts [Mr. CONTE] says we have been exercising very close control. The whole mandatory portion is up only 6 percent. The whole discretionary portion is up 9 percent this year alone.

Mr. Chairman, we cannot let this bill masquerade under the guise of fiscal sanity.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to my distinguished friend, the gentleman from Massachusetts.

Mr. CONTE. The gentleman has got to go back further than last year. I am going back to 1980. If you look at appropriations for Labor, Health and Human Services, and Education in 1980, we appropriated $33.506 billion. In 1986, we appropriated $32.276 billion. That is a minus 3.7 percent.

I am taking it over that span of time. It is a 3.7-percent loss, whereas defense is nearly 100 percent and agriculture is a 178-percent increase.

Mr. FRENZEL. I thank the distinguished gentleman for his contribution.

I went back a whole year to 1986, and I computed a 9.14-percent increase in discretionary.

I will tell the distinguished gentleman, I voted against the agricultural appropriation simply because it was a masked appropriation. There is plenty more spending coming behind it in supplementals, and the House could not determine that fact from the bill.

I will tell the gentleman that I usually vote against the military appropriation because that is too expensive, too. I agree with the gentleman, until when he comes in here to say, we can raise spending more than 9.1 percent. I do not think the public is looking for that kind of action.

I think the public supports these Institutes of Health. I support them, but I do not think they have earned double-digit increases at a time when we are trying to reduce our deficit.

I congratulate the gentleman from Illinois [Mr. MICHEL] for trying to restore some fiscal sanity. The gentleman is not asking for sacrifice; he is asking for good sense.

I think his plea ought to be heeded. I intend to support his amendment and I yield the balance of my time.

Mr. EARLY. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, here we are going to one of the most prestigious Institutes in the Federal Government, one of the most prestigious Institutes in the world, was the most a few years back.

The proponents of this amendment come in and they talk percentages. They talk a percentage of this and a percentage of that, just what the budget is. What the committee listens to, year after year, is testimony where it is suggested that West Germany, Japan, and others are passing the United States in their commitment to basic biomedical research.

We should learn from what has happened in the automobile industry, what has happened in computer research, computer chips, that you have to spend money to save money.

We go to our districts. We look, we identify problems everywhere. Everyone talks about AIDS. We have to have a discovery program. We do not know what it is. We have to develop a vaccine. You have to educate the people.

When you go into this particular area, you cut, in this area, with this amendment, $60 million.

You go to clinical trials. Last year, we did not do that many. We started no new clinical trials or very few.

When Dr. Wyngaarden was before the committee this year, in the testimony, it was brought out what we are doing. We are doing very little. Sure, it is expensive; $6 billion.

If we are going to declare war on anything, if we are going to lead the world, we should declare war on diseases.

The gentleman from Kentucky [Mr. NATCHER], the gentleman from Massachusetts [Mr. CONTE], and yes, the gentleman from Illinois [Mr. MICHEL], when he was a ranking member, know of this. You have to make commitments.

It was only a few years back that the gentleman from Illinois [Mr. MICHEL] the then ranking member, whom I respect very much, brought up this issue of overpaid investigators. I think there was a flock of people going to his particular district and coming to the committee and suggesting to the committee that they are not overpaid. I suggest to this full House that they are not overpaid. If anything, they are underpaid.

These are the people who sit in the rooms with their research equipment, with their mice, with their rabbits, whatever they are, and they do a tedious job.

To reduce these accounts at all is totally irresponsible.

Mr. Chairman, we go to aging. Here we have an amendment that is going to cut $20 million from the National Institute on Aging. We just identified a few years ago that Alzheimer's is a disease. It can be treated. It can be corrected. We have been talking about the elderly. All we do is put them in nursing homes. No one wants that.

We should be findng out what causes hardening of the arteries; what causes loss of memory. In World War II, we had a drug, physostigmine, with which we could restore the memory for 20 minutes. There were a lot of negative effects of that, but we have not developed that.

We have not developed that because we have not put the resources into it.

Mr. Chairman, I say to this House, if there is anything that I think would be going in a bad direction, that would not be a saving of the dollars, it is this particular amendment.

There is so much to be done. If we are going to lead the world, we should lead it in this area. The people are at NIH to do this. We have to give them the tools to do it.

□ 1250

We cannot just go into our district and say we want to fight arthritis or diabetes or cancer or whatever and not give them the funds to do it. I suggest that what we have in the bill, in the bill now, is not half the amount of money we need to do the job.

I hope the amendment is rejected.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Illinois [Mr. MICHEL].

The question was taken; and on a division (demanded by Mr. FRENZEL) there were—ayes 4, noes 8.

So the amendments were rejected.

Mr. FRENZEL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to invite the attention of the public and the Members of this body that we are engaged in the debate of a bill that is going to cost taxpayers over $100 billion. We are making important decisions on the basis of 8-to-4 votes. That's a pretty feeble showing in terms of the number of Members participating.

Earlier, the gentleman from Illinois [Mr. MICHEL] pointed out the scheduling difficulties that the House was having. When the leadership casts our schedule a week in advance, important items are left out. They suddenly appear on our schedule without notice.

We do all our work on appropriations bills within a 2-week period. Some of these bills like the one before us now really ought to have 2 weeks of debate all by themselves.

I think that the distinguished minority leader made an awfully good point. The point is basically this: The management of the House with respect to

the budget and the appropriations process leaves much to be desired. It is an embarrassment for us all to be deciding hundreds of millions of dollar-decisions on the basis of 8 versus 4.

AMENDMENT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: Page 63, after line 4, insert the following new section:

SEC. 513. Notwithstanding any other provision of this Act, no funds which are not required by previously enacted law to be appropriated or made available shall be appropriated or made available by this Act in amounts which exceed by more than 3 percent the fiscal year 1986 post-sequestration amounts appropriated or made available for such accounts.

The CHAIRMAN. Under the unanimous-consent agreement previously entered into, debate on this amendment and all amendments thereto will cease in 1 hour.

Mr. MICHEL. Mr. Chairman, my colleagues, this amendment would basically cap all discretionary programs in the bill at a 3-percent inflationary increase over the fiscal year 1986 funding level. Any discretionary program currently funded below a 3-percent increase in the bill would stay where it is; but any program with an increase exceeding 3 percent would have the increase reduced to 3 percent.

Discretionary programs in the bill, as has been pointed out during the course of general debate, aggregate at roughly $24.9 billion. Specifically, they are being increased by $2,276,493,000 over the 1986 level. That represents in excess of a 10-percent increase, the figure alluded to just a few moments ago by the distinguished gentleman from Minnesota [Mr. FRENZEL] in that exchange with our friend, Mr. CONTE.

The bill leaves out 9.8 billion dollars' worth of unauthorized programs including such spending favorites as Head Start, refugee assistance, and most higher education programs. We can only imagine what further increases in spending we will be faced with once these programs are funded.

Now, under my amendment, the total increase would be $679.2 million, and the net savings from the levels in the bill then would be nearly $1.6 billion.

It is ridiculous that when we are seeking to cut the deficit and meet our responsibilities under Gramm-Rudman, we should have a bill come before us with an aggregate increase of over 10 percent; nearly four times the rate of inflation, as has been alluded to several times.

It appears as though the committee is seeking to add back all the reductions we made in the sequestering bill we passed in this body just 2 weeks ago by a vote, incidentally, of 339 to 72. Is that how we really intend to address the deficit around here? Cut with one hand and then add back with the other?

I just think we have got to come to grips with this issue. Yes; you can reduce spending on the defense item, which has been alluded to; that is going to be done, no question about it, but then we cannot just completely open the door on the other side of the equation.

I am just trying to invoke a little bit of sanity here, and reasonableness, in the amount of increases for these very laudable programs which frankly are sensitive, which touch home, reach every household and practically every human being in this country.

I think each and every one of us have to come to grips with that deficit out there, that is in the neighborhood of $200 billion; and under Gramm-Rudman, we are supposed to be getting down to $144 billion.

I am going to meet later on today, Mr. Chairman, with the Director of OMB just to get the latest figures and projections on where we are, and I do not think he is going to give me any optimistic answer to my questions. I think the problem is going to be exacerbated over and above what we thought it was.

Here is one of those big, budget-busting bills that in my judgment has got to be addressed. So that is the spirit in which I offer the amendment. Like I say, we are not cutting anybody down or out; we are giving them a 3-percent increase, which is roughly what the rate of inflation is these days.

Mr. CONTE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as I said in my opening remarks, we have labored long and hard to put this bill together. Our subcommittee held hearings, morning and afternoon, for 33 days. In that time, we heard from more than 680 witnesses, including 98 Members of this body who either testified in person or wrote to us with their requests. Our published hearings cover 10 volumes and total more than 13,000 pages. It is a complete record, and it is the basis of the bill we have presented to the committee.

Now I know full well that the extent of our labors will not be enough to sway some of you from voting for this cut. If you vote for this cut, try and explain that one to the thousands of low-income, disadvantaged kids who will stay undereducated because of this amendment. I am sure the hundreds of single mothers who will bear underweight, at-risk babies will understand, as will the unemployed factory workers and farmers who can't be retrained, and the millions who have waited so long for cures to cancer, diabetes, and other diseases. They will understand that our priorities have been met.

Let me point out another thing to the ladies and gentlemen of this body before they prepare to vote on this amendment. A little over 1 month ago, this body voted 333 to 43 to pass the conference report on the budget resolution. The bill we present to you today is within the targets set by that resolution. The House spoke—the House set its priorities—and we have met them in this bill.

Don't be fooled by what is being sold as a minor cut here today to save possible deeper cuts later on. If you vote for this amendment, you will be cutting a total of $1.8 billion from the bill. You will be saying: "Cut $106 million from our fight against AIDS; cut $735.3 million from the National Institutes of Health; cut $105.5 million from educating handicapped children; cut $125.7 million from employment and training opportunities for the unemployed and needy; cut $6.8 million from funds to assist low-income mothers deliver healthy babies."

This across-the-board cut is very real. And it is one that will be felt more harshly, and impact on individuals more directly, than any of the cuts that have been proposed on these bills the last 2 weeks.

Mr. Chairman, every one of the last 3 years, we have gotten the Labor/HHS bill signed into law. In all that time, we have held to, or under, the levels assigned to us in the budget resolution. Sometimes that has even meant making selected cuts here on the floor after the bill has come back from conference. I say to the members, we will do our best to do all those things again this year. Don't tie our hands, and don't undo the priorities you voted for 1 month ago when you passed the budget resolution. This is a brutal cut, and it should be defeated by the same margin by which the budget resolution was adopted. Vote down this amendment.

□ 1300

AMENDMENT OFFERED BY MR. FRENZEL AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. MICHEL

Mr. FRENZEL. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL as a substitute for the amendment offered by Mr. MICHEL: On page 63, after line 4, insert the following new section:

"SEC. 513. Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act not required to be appropriated or otherwise made available by previously enacted law is hereby reduced by 9.14 percent."

Mr. FRENZEL. Mr. Chairman, first, I would like to explain the amendment.

The gentleman from Illinois has reduced the discretionary expenditures in the bill down to an increase of only

3 percent. That means he has taken approximately 6 percent off of each discretionary item in the bill. But he has gone only two-thirds of the way toward glory.

My amendment takes it the rest of the way so that each of the discretionary items in the bill is reduced by 9.14 percent.

BOB MICHEL's amendment reduces the whole bill by about $1.6 billion. My amendment is 50 percent higher, a reduction of $2.276 billion. It eliminates all of the increase over fiscal year 1986 appropriations.

Again, I congratulate the gentleman from Illinois on his fiscal responsibility. I only say that he is being too timid in raising his amendment because I believe we need a little bolder action.

The problem, Mr. Chairman, is that we are going to be faced with a budget deficit that far exceeds the Gramm-Rudman-Hollings target. If we do not make the reductions which I have been urging on this body over the past couple of weeks, we are going to be faced with a resolution of sequester that is too large.

The Congress is likely to choke on it. We will not make our budget target, and we will then be perceived by the country as unable to get a handle on our fiscal problem.

You will recall it was only last fall that the country's confidence was restored in us because we did pass Gramm-Rudman-Hollings and assured the people that we could control fiscal policy.

If we do not go to at least a freeze, we are going to be in big trouble when that sequester resolution comes around.

What I am offering the House is a chance to get a little bit ready, be a little bit more prepared. Like the gentleman from Illinois, I cut across the board. I do not cut the mandatories, which are three-quarters of this bill. I know the committee has no room to move on those. The only way to cut the mandatories is in the authorizing committee, in the reconciliation process.

I would also add that the Congress, particularly this House, has flunked the course in reconciliation and in the authorizing process because they have made no important reductions but instead have relied on the sale of assets and new taxes and things like that to fake the deficit reduction. But we can make at least modest reductions there if my amendment is adopted.

Now, first of all, I will concede to the gentleman from Kentucky and the gentleman from Massachusetts that these are all wonderful programs. Everybody endorses them from top to bottom with unanimous acclaim.

On the other hand, I do not think everybody endorses a 13.5-percent increase in the account we just talked about on the amendment that was just defeated.

I do not know if everybody in the world endorses a 13.57-percent increase in the Labor Management Service Administration or a 13.56-percent increase in Family Social Services or a 10.58-percent increase in the Office of Elementary and Secondary Education, or 12.9-percent increase in Vocational and Adult Education, or 12.17-percent increase in Educational Research and Improvement, or a 7.4-percent increases in salaries and expenses of Education Department management.

Now, those are not programs that are being delivered to the people. Those are accounts that are mostly concerned with bureaucratic salaries.

In the past years, we have learned that we cannot solve problems by throwing the taxpayers' money at them. So we have slowed down or changed the direction of many of the Great Society programs. But there still exist people around here who believe that, by throwing money at agriculture or military or at good things like the National Institutes of Health, that we somehow are solving problems.

The gentleman from Illinois [Mr. MICHEL] has pointed out that, instead, we are throwing money at incompetent contractors, at deans' salaries, who do not do any of the research that we are talking about, on indirect costs, on salaries for the bureaucrats.

The CHAIRMAN pro tempore (Mr. BENNETT). The time of the gentleman from Minnesota has expired.

(By unanimous consent, Mr. FRENZEL was allowed to proceed for 2 additional minutes.)

Mr. FRENZEL. What the gentleman from Illinois is saying in a more modest way and what I am saying, in the way that I think is more realistic, is that just because the programs are for good purposes does not give this body any license to spend money to raise our deficits by huge increases in these spending accounts. This 9.14-percent increase across the board in discretionary spending is profligate.

Yes, I know the committee works hard. I have been before that committee many times, often asking for things for myself. There are things in this bill which I think should be higher. But overall there is no way in the world that any Member, any representative Member, can say that we should be increasing the discretionary account by 9.14 percent. It just does not makes sense.

We are going to wind up this fiscal year, the current one, with a deficit well over $200 billion. We promised ourselves it would be $175 billion. This kind of appropriation bill and the feeble reconciliation that we are now involved in are going to carry us well over $200 billion for next year unless we are willing to bite that bullet of the sequester resolution.

Based on our track record, which shows that we have swallowed and chewed nothing tougher than a marshmallow, we are not going to measure up to that bullet-biting operation, and we are going to find ourselves and our country in severe fiscal problems again. I do not see any other way to meet Gramm-Rudman-Hollings goals than to make some cuts.

The defenders of the program, and they are wise and able legislators, tell us how important this bill is, that the programs are wonderful, and that we are cutting children and health and other wonderful programs. Actually, we are only freezing. There is, however, no way to lower the bill's spending without reducing something.

The CHAIRMAN pro tempore. The time of the gentleman from Minnesota has again expired.

(By unanimous consent, Mr. FRENZEL was allowed to proceed for 1 additional minute.)

Mr. FRENZEL. Whether you are a hawk and want to spend more money for defense, or whether you are a road builder and want more bridges is really irrelevant. Our problem is that, altogether, we have spent too much. We have to cut back spending trend lines whether they are health or whether they are defense or anything else.

Mr. Chairman, I know the House is not going to accept my substitute amendment. I have no choice but to offer it. I weep for the situation that all of us have gotten ourselves into, that we cannot control our expenditures. Since the people are not willing to give to us more taxes, we are obliged to borrow money to satisfy our debt needs.

Mr. Chairman, I urge the adoption of my amendment even though I know it will not be adopted.

Mr. Chairman, I yield back the balance of my time.

Mr. NATCHER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the substitute amendment.

Mr. Chairman, the bill that we present today includes total budget authority of $103,710 million including $78,793,369,000 for mandatory accounts and $24,916,647,000 for discretionary accounts. We were allocated, as the chairman, the gentleman from Mississippi, the chairman of the Committee on Appropriations, knows, the sum of $35,551 million for discretionary programs under the budget resolution and under the committee's section 302(b) report.

I repeat that in this bill we recommend $24,916,647,000 for discretionary items. The bill in total is below our 302(b) allowance by $11,274 million. The bill is $10,634 million below for

discretionary programs and $640 million below for entitlements.

This results because the subcommittee has deferred consideration, Mr. Chairman, of programs which are not currently authorized for fiscal year 1987. The President's budget request of $8,414 million for these unauthorized programs, which received $9,809 million for fiscal year 1986. With respect to outlays the bill includes $112,971 million for fiscal year 1987 including $97,802 million for entitlements and $15,119 million for the discretionary programs. This is $4,812 million below our ceiling for outlays including $4,180 million below for discretionary items.

Now, Mr. Chairman, we presented all of the facts to the members of the committee and the Members of the House. We have said to them, this is a good bill. We hold back over $11 billion for unauthorized programs, programs that we would like to pass on at this time but which are not authorized. When these are considered, we believe we have reserved enough budget authority and outlays to cover these items.

Now, if the amendment offered by the gentleman from Minnesota [Mr. FRENZEL] is adopted, he would cut $2,276,493,000 out of discretionary programs. If this substitute amendment is adopted, it would cut $448,535,000 out of the Department of Labor. For the Job Corps, a program that nearly every Member in this House is in favor of, Mr. FRENZEL would cut $60,571,000. The Older Workers Employment Program would be cut $29,796,000.

The Department of Health and Human Services, Mr. Chairman, under the amendment offered by my friend from Minnesota, would be cut $967,538,000.

Mr. Chairman, for cancer research, research on a dread disease, a disease that all of our people are worried about, his substitute if adopted would cut $123,093,000. The Heart, Lung, and Blood Institute would be reduced $83 million. Mental health research, Mr. Chairman, if this substitute is adopted, would be cut $20,931,000.

Mr. Chairman, maternal and child health grants would be cut $43 million. Community health centers would be cut $36,560,000.

□ 1315

Mr. Chairman, for aging programs administered by the Administration on Aging would be cut $66,675,000. Elderly feeding, Mr. Chairman, think about it, people who need a little help. During the noon hour, they go and are served a nice, clean, wholesome meal. They are people who have a lot of pride, Mr. Chairman, our people. If this substitute is adopted, it would cut elderly feeding programs by $38 million.

Mr. Chairman, for the Department of Education, if this substitute is adopted, the Department of Education program would be cut $806 million. Federal funding supports only 9 percent for education. Education in this country costs the taxpayers at the local and State level about $200 billion. The amendment offered by the gentleman would cut $806 million from the Federal contribution to education in this country.

Mr. Chairman, vocational education, if the substitute is adopted would cut $83 million.

Think about it.

The CHAIRMAN pro tempore (Mr. BENNETT). The time of the gentleman from Kentucky [Mr. NATCHER] has expired.

(By unanimous consent, Mr. NATCHER was allowed to proceed for 1 additional minute.)

Mr. NATCHER. Library services in this country, if this substitute is adopted, would be cut $11,882,000.

The substitute that is offered would cut this bill across the top 9.14 percent. Mr. Chairman, this substitute and the amendment of the gentleman from Illinois should be defeated.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. COLEMAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Missouri.

Mr. COLEMAN of Missouri. Mr. Chairman, I would like to commend the Members of the House Committee on Appropriations on the addition of language in their report on H.R. 5233, the Labor, Health, and Human Services, and Education, and related agencies appropriation bill for 1987, that recognizes the urgent need in rural communities for emotional counseling and family support services.

Report language for H.R. 5233 urges Secretary Bowen to direct the National Institute of Mental Health to utilize a portion of its increased funding under research for fiscal year 1987 to work with State governments in setting up demonstration programs of mental health support and services to rural residents and communities suffering the emotional effects of the farm crisis.

The prospect of losing the family farm affects the social and emotional well-being of farm families as profoundly as it affects their financial well-being. I think it is important for my urban colleagues to understand that giving up a farm that's been theirs for generations evokes the same feelings of failure anyone would feel when a business that's been in the family for years goes under.

At a time when farm families need the support and assistance of their family and community most, a recent study of displaced farmers in a rural Missouri community found distressed families were painfully on their own. Neighbors and people in the community were afraid to intrude and generally stayed away, and only 12 percent of the farmers participating in the study indicated that any church, government agency, or other organization had offered or provided them any assistance.

Sixty-six percent of the families who participated in the study said they had tried to talk with someone about their problems, but found the person lacking in concern and understanding.

Most families, too ashamed, unwilling or unable to verbalize their needs, are responding to their own pain by withdrawing from friends and the community. Even family communication is breaking down at a time when it is critically needed. Decisions are not being made and as family members withdraw into themselves, they are unable to give each other the emotional support they need.

The chronic depression and withdrawal these families experience is evidenced by the shocking rise in family violence, drug abuse, teenage runaways, and suicide in rural communities.

We must reach out to farm families and provide the emotional and social support they need to make it through this traumatic period of transition. With the help of these funds, we can develop programs that are tailored to meet the special needs of rural families.

Mr. CONTE. Mr. Chairman, I want to thank the gentleman for those kind remarks. The gentleman certainly can help us out by voting against both of these amendments.

Mr. Chairman, I have the same objections to this amendment as I did to the last one, so I am not going to take the time that I used against the Michel amendment. This one is even worse. While the Michel amendment takes a dagger and puts it to my heart and sits just on the edge of the tissue, the Frenzel amendment plunges it all way, and I am left gasping for breath.

Let me tell you what the amendment does. Again, I see my chairman there of the full Committee on Agriculture. Let me repeat those figures, though.

In 1980 this Congress appropriated $17.5 billion for agriculture. In 1986 they appropriated $48.7 billion for agriculture, and increase of 177 percent.

Defense, $137 billion in 1980, and $270 billion in 1986, a 97-percent increase.

Now, listen to this. If you adopt the Frenzel amendment, the Labor and Health and Human Services and Education bill, for which we appropriated in 1980 $33.5 billion, you would appropriate today $32.2 billion, a decrease

of 3.7 percent. Now whose hide do you want to keep taking it out of? Let us take it out of defense. Let us take it out of agriculture. Let us take it out of some of these fat cats. They have been going up like crazy. Let us not take it from the ones that have been going down. We are all skin and bones here.

I am on one leg. I am on one leg and you want to pull the other leg, and you know what will happen. That is what is going to happen to a lot of these programs.

Mr. Chairman and members of the committee, I hope that you will not buy either one of these amendments. It would do such irreparable harm to some of these programs.

There has been so much talk about sequester, and what will happen. I voted against Gramm-Rudman-Hollings. I said it was a bad idea. I was one of 11 who brought suit and we went to the Supreme Court on sequester. It is a bad idea to cut across the board.

That is what you are doing here. This is sequester. You are cutting across the board. You are cutting the good programs as well as the bad programs. That is wrong.

Let us face it. I know a lot of them voted the other day for sequester on the Gramm-Rudman of the 4.3-percent cut. I did not. I was one of the 72. And I stand up and I talk this way to my people back home, and they agree with me. Everyone who voted for Gramm-Rudman is going to have egg on their face come September. There are not going to be enough bushes in the District of Columbia to hide under. We are going to get sequester no matter what you cut on these bills.

Do you know what you need? You need some revenue. That committee that is meeting with the Senate over there right now on the tax bill propose a revenue neutral bill. That is ridiculous. They should raise the necessary revenue to meet that target, that great target of $144 billion under Gramm-Rudman-Hollings. That is what we are going to have to eventually face up to.

Mr. BROOKS and Mr. MYERS of Indiana and others will join with me in September. That is the only way out of it; not by cutting these programs that have been cut enough. They are skin and bones.

Mr. WILLIAMS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman and my colleagues, I rise to both of these amendments to cut the money that is in the programs.

The amendment that we are now on cuts $2,300 million from this bill. If $2,300 million sounds to you like a lot of money, it is, depending, of course, on what agency you are talking about.

It is not really much money for the Pentagon. We started our deliberations today in this Chamber at 10 o'clock. If we had started the Pentagon spending clock ticking at 10 o'clock, the Pentagon will spend by 10 o'clock Saturday evening, this Saturday evening, all of the money that is proposed to be cut from this bill, $2,300 million. Between our start this morning and 10 o'clock this weekend on a Saturday evening, the Pentagon will have spent all of this money.

What do these Federal efforts do with that money? There is a myth that has been perpetuated so often by the other side of the aisle even they are beginning to believe it. The myth is that these Federal efforts which this amendment seeks to cut are overblown with money, that we are gagging money down the throat of domestic discretionary program spending.

Let us stop for a minute and take a look at it. We know that America's children, far too many of them, particularly moderate- and low-income children of America, are not doing as well as they should, and perhaps not doing as well as they have done in the past in the important discipline of what we call the three R's, "reading, writing, and rithmetic." The Federal Government and the States and localities have come together some years ago and formed this program called chapter 1. It used to be called title I. It provides that education for low- and moderate-income schools.

My friends, if we count all of the children who are in schools in America that offer that chapter 1 service, that basic-skills education, if we count all of those children, and then we take the ones who are way behind of their peers, in other words, if they are operating in the 25 percentile—or to put it another way, 75 percent of their peers in school are doing better in these basic skills than they are doing—if we count all of those children who go to schools that offer this program, those schools are only able to provide those services to 40 percent of those children in need.

□ 1325

You know why? The children are going to the schools with the chapter 1 program in place but we do not have enough money to hire the teachers and we do not have enough money to buy the equipment. You know what the answer is? We have got a good thought out program and we need to, yes, let us say it: Throw some money at it.

We have got a program that works. It does not have enough money and too many of our children are dropping out and are not getting the basic skills because we do not have enough money in this program.

Handicapped education. When we started handicapped education a couple of decades ago, we said that the Federal Government was going to help the localities by paying 40 percent of the cost of providing appropriate education to America's disabled students. The Federal, in the final year of Jimmy Carter, managed to provide 12.5 percent of the cost. We never got anywhere near the 40 percent. We only got to 12.5 percent, and the funds in this bill will only make it at 8 percent. But some on the other side want to cut that back.

We know that unemployment is a problem in this country and yet we know that there is a lot of elderly Americans who have a great deal to offer their country and could get and hold a little job and be of real help. They want to cut that program, that Older Americans Employment Program, as if we are gagging money down the throat of that program.

Do you know what percent of the eligible elderly population that ould take a job is served by this Federal effort? One percent. One percent of the American elderly population that can work and would like to get help through this program is being served. Does that sound as if we are gagging money at social spending?

We know we have a job training problem for young people and middle-aged people. The great hardhats of America, the blue-collar workers who are out of a job.

The CHAIRMAN. The time of the gentleman from Montana [Mr. WILLIAMS] has expired.

(By unanimous consent, Mr. WILLIAMS was allowed to proceed for 3 additional minutes.)

Mr. WILLIAMS. Mr. Chairman, all of us understand that the problems in this country of unemployment are not mainly associated with the elderly but rather the hardhats and the blue-collar workers and those who simply need retraining in order to get and hold another job.

We hear a lot about how much we spend in this country through the Federal Government for job training. Do you know what percent of the population we serve? Three percent. Three percent of those needing help are getting it. We spend less money in this bill, without this cut, than we spent in this country on job training 11 years ago. We spent less money.

We know that young people are having terrible difficulty on the streets of the inner cities in America today, and they want to cut the program that already does not serve enough young people that need a little help with summer youth employment.

Under this bill as it stands without the cut we would serve 185,000 fewer young people than we served last year. We know that American infants need to be immunized and preschoolers and those just starting school need to be immunized against those terrible, dread diseases like polio. This amendment would cut that program. Yet, we know that every dollar that we spend

to prevent a young person from getting polio saves the taxpayer $90 on treatment costs. Are we immunizing all the young kids in America? No. A full third of the young people in this country that need immunization cannot get it.

We have got the doctors, we have got the hospitals, we have got the health care personnel. We have got the schools where we can do the inoculation. You know what we need to do? It is time to say it: We need to throw a little money at it. We have got a program that works; we have got to throw a little money at it so that we can get more personnel, more vaccine, more people to do the immunization.

If the Frenzel amendment passes, and, as I said, I am against both of them, then we are going to reduce the chapter 1 funding, the reading, writing, and arithmetic for those low-income kids and moderate-income children in America, we are going to reduce that $55 million below what we spent last year.

We are going to reduce impact aid to our schools $47 million below what we spent last year. We are going to reduce vocational rehabilitation $101 million below what we spent last year. We are going to reduce job training $117 million below what we spent last year.

Is it a freeze? No. This is a cut.

The CHAIRMAN. The time of the gentleman from Montana [Mr. WILLIAMS] has expired.

(By unanimous consent, Mr. WILLIAMS was allowed to proceed for 30 additional seconds.)

Mr. WILLIAMS. It is not a freeze; it is a cut in the fabric of America's already too-short effort to take care of our own people here at home. To provide the education, the nutrition, and the health services that the American public insists upon. This would cut below the meager effort that the Federal Government now makes.

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Maryland.

Mr. HOYER. I thank the gentleman for yielding.

Mr. Chairman, I want to congratulate the gentleman for his very strong statement and associate myself with his remarks.

Mr. WHITTEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am proud as chairman of the full committee to be a member of this subcommittee and to support this bill. May I say here that the chairman of the subcommittee, the ranking member and all of the members of this subcommittee have done a great job through the years.

When you deal with public health and education, you just cannot find a subject that deserves more attention. We have given attention to these issues in this bill.

As you know, as chairman of the Appropriations Committee, I have to, at the beginning of the session, determine how we will allocate the funds that are allocated to us by the budget. We have done that and those allocations are published in our 302(b) report. We have allocated these funds to the subcommittees and to the various Departments and agencies. The labor, HHS, and education bill is within the budget and within the 302(b) ceiling for both budget authority and outlays.

Let us look at some of the benefits that we have in this bill. I shall not discuss all items because that has been done by the ranking member and the chairman.

In this bill we have provided $906 million vocational education which is many times what it was back in 1941 when I came to Congress. What has happened? In 1940, you had some training on agriculture and homemaker training in vocational education, but because we have changed that to meet changing conditions, vocational education programs train employees of all the industrial plants and other activities. It is handled at the local level with this Federal financial assistance.

Not only that, but since 1940 the life expectancy in this country has increased from 62.9 years to 74.7 years. This can be attributed in part to the funds for health and human services in this bill. I could go on and on and show all the benefits that we have here. But I want to say again and I want to compliment the members of this subcommittee and other members for the work they have done in H.R. 5233. I support the bill and I oppose both amendments to cut the bill.

□ 1335

I rise at this point to ask a question of the chairman, if I might. We deal with big problems and little problems, but little problems are big to those that have them. A question has recently been raised within the Office of the General Council of the Department of Health and Human Services, with respect to the interpretation of section 858 of the Public Health Service Act. This section provides for the recovery of construction grant funds for nursing schools when a nursing school is closed. As you know, I have such a school, Mississippi Valley State, in my State. Section 858(d) provides that such a recovery may be waived by the Secretary if the Secretary determines that there is good cause for such a waiver. Mississippi Valley State has requested such a waiver based on extreme financial distress. Mr. Chairman, is it your interpretation of this section of the law that financial distress would be an appropriate basis for such a waiver?

Mr. NATCHER. Mr. Chairman, we have, at your request, carefully reviewed the matter. Section 858(d) provides broad authority for the Secretary to waive recovery and it is clear that financial distress, such as we understand to be the case at Mississippi Valley State, would be an appropriate basis for a waiver.

Mr. WHITTEN. The general council at the Department has expressed concern that Mississippi Valley State would not qualify because its situation is covered by section 858(a)(1) of the law rather than (a)(2). This interpretation seems in error to me. Can the gentleman tell us his views on this matter.

Mr. NATCHER. As I indicated before, we have reviewed this matter carefully. Based on this analysis, the interpretation that the Mississippi Valley State request falls under section (a)(1) is in error. Mississippi Valley State, the owner, continues in operation as a public school. It is, therefore, clear to us that the Mississippi Valley State application is appropriate under section 858(d) and we would hope that the Secretary could act quickly on the request. We have checked this matter with Chairman WAXMAN of the authorizing committee who we understand agrees with our interpretation of this section of the law.

PARLIAMENTARY INQUIRY

Mr. FRENZEL. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state the parliamentary inquiry.

Mr. FRENZEL. Mr. Chairman, the gentleman from Mississippi [Mr. WHITTEN] indicated that he was talking about the bill, and he did so. I assume his time does not come out of the time specifically allotted to the two amendments.

The CHAIRMAN. Yes; the time does come out of that.

Mr. FRENZEL. It does?

The CHAIRMAN. Yes.

Mr. FRENZEL. Even though his remarks were directed to the bill itself?

The CHAIRMAN. No Member made a point of order against the gentleman. He moved to strike the last word.

Mr. FRENZEL. I have a further parliamentary inquiry, Mr. Chairman.

My understanding of the unanimous-consent request was that we would have an hour directed at the amendments and an hour for miscellaneous discussion. Now, is the Chair telling us that all miscellaneous discussion is being allocated to the Michel and Frenzel amendments, and that we will not even get our hour's worth?

The CHAIRMAN. The Chair will state that unless a point of order is made, then the Chair has no way to determine whether a Member intends to speak generally for the bill or for a specific amendment.

Mr. FRENZEL. Then as a further parliamentary inquiry, Mr. Chairman, am I obliged to make a point of order to get an honest count here?

Mr. NATCHER. Mr. Chairman, may I be recognized?

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, the gentleman from Minnesota [Mr. FRENZEL] and the gentleman from Illinois [Mr. MICHEL] have been extremely fair about the presentation of the amendment and the substitute. We do not agree with either one of them, Mr. Chairman, but they have been fair about it.

Mr. Chairman, I ask unanimous consent that the 5 minutes just consumed not come out of the debate time that we agreed on with the two gentlemen.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. GREGG. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Frenzel amendment as it amends the Michel amendment. I also rise in support of the Michel amendment, but I think the Frenzel amendment is the more appropriate of the two.

The Congress is not at a crossroads today, but the Congress is clearly at a V in the road, and we are going to have to choose fairly soon, I would think, whether we are going to follow some fiscal discipline in this House or whether we are going to confront fiscal discipline being forced on the House. The Frenzel amendment is an attempt to make that choice versus having that choice forced upon us by the sequester process.

This has been, I think, a very disappointing week for those of us who are concerned about some semblance of fiscal responsibility. We have seen a series of appropriation bills roll through this House, bills which have been a thundercloud of bad news for those of us who want to see some discipline exercised and which have forebode for us as a country and as a House a budget which is going to be excessively in deficit.

It seems to me that the process that we are confronting today is an opportunity to try to redirect what has been a clear failure of the House up until now to address the question of spending and how it is going to relate to the Gramm-Rudman process.

We are looking at a bill today which on the discretionary side is approximately $2.2 billion over what it was last year. It represents a 9-percent increase. If Gramm-Rudman occurs, if sequester occurs—and it is going to have to occur as a result of the appropriation bills which have already been passed in this House—we are going to see a cut of at least that much in the various programs, including the various discretionary programs in all functions of the Federal Government. In order to avoid that, we are going to have to make the decisions now.

Some of the members of the Appropriations Committee have gotten up and stated in response to specific amendments on reducing spending that those specific amendments are inappropriate in that they cut the heart out of specific programs. We have heard arguments about children, about widows, about spouses, and about the need for various programs for specific health purposes. When these specific amendments have been offered, and as a result of those arguments, these amendments have been rejected.

Now we have the Frenzel amendment, which is an attempt to cut across the board and which is being rejected by the members of the Appropriations Committee specifically because it is an amendment which is across the board. It seems to me that the Appropriations Committee and those Members who are supporting the Appropriations Committee as it proceeds down this road are trying to have their cake and eat it too. They are rejecting the specific amendments on the ground that they impact specific programs, and they are rejecting the across-the-board amendments because they claim they are too broad-brushed and are not specific enough.

They cannot have it both ways. Having just rejected a specific amendment, it seems to me that we have to go on to the across-the-board amendments, and that is what the Frenzel amendment is. It is an attempt to address this significant increase in various functions which come within this bill by an across-the-board amendment.

As has been pointed out, in a number of functions in this bill we have increases that are of a double digit percentage basis. We have the Labor-Management Services Administration going up 13.5 percent, we have the National Institutes of Health going up 13.5 percent, we have Family and Social Services going up 13.5 percent, we have Vocational and Adult Education going up almost 13 percent, and we have the Office of Educational Research and Improvement going up 12 percent.

This is a time when we are going to face a budget deficit significantly in excess of the $154 billion level which will energize the sequester motion.

Where is the Congress on this issue? It appears to me that we have as a body over the last week decided to bury our heads in the specifics of each bill and ignore the broad issue of the question of sequester. We have decided, rather than address, the policy matter of reducing the deficit, that we are going to address the specific questions of each program as they come through the House.

Mr. OBEY. Mr. Chairman, will the gentleman yield on that point?

Mr. GREGG. I will be happy to yield in just a second.

Mr. OBEY. Could the gentleman say how much defense is going up?

Mr. GREGG. I will be happy to yield in just a second, as soon as I finish my statement.

For that reason, Mr. Chairman, it seems to me that we in the House are either going to ignore our responsibility to the American people and continue to vote these appropriation bills out in excess of the Gramm-Rudman levels or we are going to have the courage to stand up and draw the line. It is ironic that the only bill on which we seem to have drawn the line is the District of Columbia bill.

The CHAIRMAN. The time of the gentleman from New Hampshire [Mr. GREGG] has expired.

Mr. DURBIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to both the Michel amendment and the Frenzel amendment.

I would first like to salute the gentleman from Kentucky [Mr. NATCHER] and thank him for the fine work he has done with the gentleman from Indiana [Mr. MYERS] on this important legislation.

Mr. Chairman, how many times has each of us gone back to our districts or stood here in the well and said how important education is to the future of this Nation? I say to the Members that we can measure our words by our vote on this amendment. If we vote to cut these programs, we are voting to cut successful programs that educate our children and prepare for our Nation's future.

Those of us who have taken the time to see the chapter 1 program in application, who have visited with the teachers, the children and the parents involved, know that it is a resounding success.

To come in and propose cutbacks in these programs is to guarantee that these children will not be equipped to compete in tomorrow's world. It is as simple as that.

For those who say that we must meet budget targets, I ask them, What good is that if the next generation of Americans is not equipped to lead in the world economy and to lead fruitful and productive lives?

□ 1345

Another issue in this bill that is very important and close to home to me is the dislocated worker. In Illinois and across the Midwest, we have lost so many manufacturing jobs under this administration—105,000 in Illinois, to be exact. If we are going to give these

people hope, retraining, and a future, we have got to put money where our speeches are. This bill does it.

Mr. Chairman, I would urge my colleagues to oppose these amendments.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, I thank the gentleman for yielding and for his remarks.

I would hope that people would understand what this amendment is all about. This amendment is really a wholesale attack on the American family. This amendment attacks the aspirations of the newly married couple for a healthy child because it attacks maternal and child health, where we are now seeing a downturn in the number of children afflicted with handicaps, with mental retardation.

This amendment attacks the aspirations of a parent, a low-income parent, who wants to see their child break poverty and enter the chapter 1 program, where we know when their children enter that program they read better, they write better, they compute better. This amendment attacks those aspirations.

This amendment attacks the aspirations of our friends and neighbors who have handicapped children. They know that if they get help for their handicapped child, that child will have a better chance of getting a job and getting an education. That child will be able to get up out of that wheelchair and take their place in this society, and this amendment attacks that.

This is a cowardly amendment because it hides behind a percentage cut, because they know there is not a majority vote in this House in the Republican Party or in the Democratic Party to vote individually to cut these programs.

Let us not hide behind this amendment and dash the aspirations of parents all over this country who seek a better life for their children.

This amendment is an attack on that. It is an attack on the parent who has a depressed teenager. We see teenagers taking their own lives at record rates. And what do we do? The gentleman from Minnesota [Mr. FRENZEL] and the gentleman from Illinois [Mr. MICHEL] would come along and slash mental health research.

We have made the streets of our country the mental health wards of this country. Do we want to continue that?

Mr. Chairman, I ask you to vote against this amendment and let us stand for the support of families who many times through no fault of their own need the help of a compassionate Government, need the help of a compassionate Congress, so that their children may have an opportunity to live a better life than they will.

Keep this up and they will have no opportunity, no chance, and they will be relegated forever to the cycle of poverty and public assistance.

Mr. Chairman, I hope we will vote against the amendment and I thank the gentleman for yielding.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I simply want to reiterate, in contrast to a prior speaker, this bill is within Gramm-Rudman limitations. It is within the budget.

Mr. MICHEL. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the substitute amendment.

Mr. Chairman, it may seem a bit odd that one who is the author of an amendment also supports the substitute to his own amendment.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Chairman, I want to express strong support for the Medicaid prescription drug program study urged by the committee report.

Mr. MICHEL. Mr. Chairman, I support the substitute, frankly, out of loyalty to my friend, the gentleman from Minnesota, who has done such yeoman service all during the course of this Congress trying to prick the conscience of this House every once in awhile on where we are headed.

I am reminded in the whole discussion over a freeze of what I was attempting to do or wanted to do and was dissuaded from doing so on opening day as we got sworn in on January 3, 1985. At that time I had proposed that knowing how bad the deficit was increasing and how badly we were doing on the expenditure side, to propose an across-the-board freeze for everything, everything right across the board. I was dissuaded from doing so by members of my own administration, by hard liners on defense.

They said, "Bob, if you vote for an across-the-board freeze, look how you are going to devastate defense."

Well, as the year unfolded in 1985, they fared much worse even on the defense figure.

We would not have had to have Gramm-Rudman-Hollings, we would have fared so much better had I simply persisted in that effort that I had originally proposed and I regret that.

Now, my friend, the gentleman from Massachusetts, makes another point with respect to the validity of across-the-board freezes or the lack of that versus prioritizing. What we have here, frankly, we are respecting the priority of the subcommittee and the full committee to made these determinations on individual line items. You have already done your work. You have done it well and we respect you for all that you have done.

We understand the pressures. I have been there. Oh, how many times I have had to fend off this pressure and that pressure and say, "I can't do it, I can't do it."

The House out here, however, every once in awhile says, but notwithstanding the good job that you did, now what we have got to do is get that overall figure down because, frankly, they are not adding up. That is what we are doing by an across-the-board swipe.

It is not all that tragic. We are still permitting members of the subcommittee and the committee to do that prioritizing.

What we are simply doing is saying that we have got to make some adjustment here in the way we are doing business.

By way of quick review now, in summary, the total spending in this bill is $103.7 billion, which exceeds the 1986 level by $6.7 billion and the President's budget by $6 billion.

This does not include $9.8 billion of unauthorized deferred spending at all that will come along the way.

The amount of discretionary authority in the bill is $24.9 billion. While this exceeds the President's budget by $4.1 billion, it might be expected since some of the proposed cuts of the administration would never go anyplace here in this House. I understand that.

The key point, however, is that this discretionary total also exceeds the 1986 level by $2.3 billion. That represents a nearly 9- or 10-percent increase at a time when inflation is running at 2 to 3 percent.

Now, a few of the major discretionary program increases over fiscal year 1986 are as follows:

Job training, 7-percent increase, $207 million.

Disease control, we got a 16-percent increase here. Yes, that is a problem. Sixteen percent. Do we need $77 million?

I made the case earlier on NIH, an $893 million increase or 17 percent, now aggregating $6 billion. Whether or not that is justified at this time when we are trying to make some savings in other places is a question.

Alcohol and drug abuse is up by 11 percent. We are going to have some increases there. We are not altogether sure it has to be that much.

Education for disadvantaged, title I, 13-percent increase you have got in there, $469 million.

Education for the handicapped, a 12-percent increase, $144 million.

Vocational education, a 13-percent increase.

And the Carl Perkins scholarships, up 120 percent, $21 million, in honor of one of our former colleagues.

Now, I will tell you, folks, when you get to adding these things up and when we get into September and then are about to adjourn in October and we have really got the crunch, something has got to give someplace. When we are considering these bills on a day-to-day basis, we have no alternative but to at least offer some measure of hope out there and some alternative for Members to express their feelings.

I hope the Members will support the substitute, and if not, support my amendment.

The CHAIRMAN. The Chair would like to announce that under the unanimous-consent request, there are 10 minutes remaining. If the proponents and opponents would like to divide their closing remarks, they may do so.

Mr. NATCHER. That would meet with approval on this side, Mr. Chairman.

Mr. FRENZEL. Mr. Chairman, if the distinguished chairman and I could divide the time, we would appreciate it.

The CHAIRMAN. The gentleman from Kentucky [Mr. NATCHER] will be recognized for 5 minutes and the gentleman from Minnesota [Mr. FRENZEL] will be recognized for 5 minutes.

Mr. NATCHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. BRUCE].

Mr. BRUCE. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, I rise in strong opposition to the amendment to make across-the-board cuts in the 1987 Labor/HHS/Education appropriations bill.

The programs funded by this appropriations bill represent the heart of services we provide to millions of people in this country. Investments in these programs are investments in the future of this Nation. And while defense spending has almost doubled in the last 5 years, this amendment asks us to cut programs for job training and employment, education, seniors, research on cancer, heart disease and many other programs that directly help the people in my district and across this country.

Mr. Chairman, we have heard a great deal during the past few weeks about the problem of drug abuse. The Speaker has called for an all-out bipartisan program against drugs. I support this initiative and believe that programs in this bill provide opportunities to deal with this problem.

One of the best ways to fight drugs is by giving people incentives to participate in society. Jobs are the most direct link to this participation. This is particularly important to our youth—where providing jobs gives them hope for the future. A sense of personal worth and value, and the opportunity to make a meaningful contribution to their community.

For the last 2 years, the budget resolution designated the Summer Youth Employment Program (SYEP) as a high priority and to recieve an inflationary increase from the summer of 1986. I am particularly concerned that over the past 4 years, there has been a decline in the number of participants provided for in this program. From this summer to the next, we will loss 150,000 participants. This loss is continued through the summer of 1988.

I have spoken to the chairman of the Labor/HHS/Education Appropriations Subcommittee, the gentleman from Kentucky, Mr. NATCHER to ask him to work to restore sufficient funds in SYEP that would permit the same number of participants we had in the summer of 1986. The chairman agrees that drug abuse is a serious problem. The chairman assures me that when he considers funding for other programs within his jurisdiction but not in this bill, that within the constraints of the budget, he will work to restore sufficient funds in order to increase the number of participants in the Summer Youth Employment Program.

If the amendment to cut this appropriations bill is adopted, any efforts to restore support for the summer youth employment program are threatened, and this program, an important element to combat drugs, is further compromised.

In addition, Mr. Chairman, if this amendment were adopted, we would be forced to cut import programs under the Older Americans Act, including the Meals on Wheels Program which we fought so hard to keep operating at levels needed for our seniors. Education would also be seriously hurt. Chapter 1, which provides compensatory education to our children in reading and math would be cut by $470 million, and programs for our handicapped children would be cut by $144 million.

Mr. Chairman, only 1 month ago, this Congress overwhelming passed a budget resolution. I would remind Members that the resolution established education, job training and employment, programs for our seniors and for the disadvantaged as a high priority. This appropriations bill is well within the budget authority and the outlays allowed in budget resolution. Now is the time to keep the promises we made in June. I urge my colleagues to join me in opposing this amendment.

Mr. NATCHER. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Wisconsin [Mr. OBEY], a member of the subcommittee and a member of the full Committee on Appropriations.

Mr. OBEY. Mr. Chairman, this amendment is really not about cutting. This amendment is really about switching, because really what the authors of this amendment hope to do is to reduce funding for programs that are crucial to the future economic and social health of this country and use that money for foreign assistance and use that money for an increased military budget.

The administration asked this Congress to increase the military budget by $34 billion. They asked us to increase foreign assistance by $2 billion, almost all of which was military rather than development assistance. And to compensate for those increases they asked us to cut in cancer research, to cut in AIDS, to cut in heart disease research, to cut 25 percent out of student aid opportunty, to cut job training.

Only 1 out of 20 workers who are eligible for aid, displaced workers who have been displaced by foreign competition or other job loss because of shrinkage of the economy, only 1 out of those 20 workers is going to get some financial help out of the Government with the budget as it is, and they want to cut it some more.

I do not think those are the priorities of the country. I do not think they are the priorities of this House. I do not think they are the priorities of either party in this House.

I urge you to stick with the committee. I urge you not to decimate the major bill that we bring out on the floor of this House each year to fund the programs for the people of America.

I urge you to recognize that this is a question of priorities. This bill is within the budget resolution. It is within Gramm-Rudman requirements and I urge you to stick with it.

Mr. NATCHER. Mr. Chairman, will the gentleman yield.

Mr. OBEY. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I would like to point out just one additional matter to the members of the committee. As the distinguished gentleman from Wisconsin has just said, we are below the section 302(b) allocation for both budget authority and for outlays.

This is a good bill. Both the amendment offered by the gentleman from Illinois, and the substitute offered by the gentleman from Minnesota, should be defeated.

Mr. FRENZEL. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Chairman GRAY of the Budget Committee has already told us that meeting 302(b) allocations means a $25 billion sequestration. We can avoid that $25 billion bitter pill if we can get $15 billion in cuts from the appropriation bills. We can do that with amendments like these and others that have been offered as we go across all the appropriation bills.

This is under a 10-percent cut for these programs. Certainly it is painful, not as painful as a 13-percent cut will be under sequestration.

The choice is either to take our medicine now or to swallow a terribly, terribly bitter pill, with far more deep cuts, far more devastating blows to all these programs in October when we are forced to fulfill the promise we made to deficit reduction when we passed Gramm-Rudman in this body.

Mr. FRENZEL. Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana [Mr. COATS].

Mr. COATS. Mr. Chairman, I just want to rise in support of the attempts of the gentleman from Illinois [Mr. MICHEL] and the gentleman from Minnesota [Mr. FRENZEL] to bring about some fiscal discipline to the process here, not only in this appropriation, but in the whole appropriations process.

Mr. Chairman, the point has been made in this debate that a vote for the Frenzel and/or the Michel amendment is a vote against children, families, youth, the poor, handicapped, and oppressed. The implication is that anyone supporting these amendments simply has no concern for the human needs of our society. Mr. Chairman, to characterize a favorable vote for these amendments is both wrong and a misrepresentation.

Many of us who support the Michel/Frenzel approach do so precisely because we do care about the children, youth, and families of our Nation. We say that nothing impacts harder on our children and families and the poor, handicapped, and downtroden of our society than continued massive deficit spending. We fear the adverse effects of massive deficits on employment, and we know that it is the poor, the less fortunate that suffer the fastest and the most in times of recession, high interest and inflation.

We also know that the specter of automatic across-the-board cuts await us if we fail to meet the deficit reduction targets we agreed to on a bipartisan basis last December. We are only deceiving ourselves if we think we are saving these many worthwhile programs from serious and automatic cuts. We are not. By our failure to exercise any discipline whatsoever, we jeopardize the very programs we seek to save.

Mr. Chairman, these amendments merely freeze spending for all discretionary programs under this bill at current levels. No cuts are made, no slashes in programs as some have alleged. Everybody gets the same next year as they have this year. With inflation practically nonexistent, this is a reasonable request.

Do some programs deserve increases? The answer is yes. Do some deserve decreases, or even termination? The answer is, again, yes. But the appropriating committee refuses to exercise the discipline necessary to prioritize the programs and still keep overall spending at current levels. We will never reduce the deficit, nor remove the risk of severe hardship on our children, families, poor, and others that deficit spending imposes.

I submit that those who truly care about children, those who truly care about families, those who truly care about the poor, the handicapped, the downtrodden, are those who look beyond the approach of merely throwing a few more Federal dollars at the problem and instead weight the adverse consequences of deficit spending on those in our society that can least afford the results of continued deficit spending.

Let's have the courage to avoid the easy way out of pretending to care merely by appropriating more money. Let's have the foresight to take a broader view of the problem and balance the legitimate funding needs of worthy programs with the equally legitimate need to reduce this terrible Federal deficit. Only by doing both do we truly care for the children, youth, and families of our Nation.

Mr. FRENZEL. Mr. Chairman, I yield myself 3 minutes.

□ 1400

Mr. Chairman, the debate has been instructive on these two amendments, but most recently we have heard attacks from the proponents of the bill against the two amendments, my own and that of the gentleman from Illinois [Mr. MICHEL], that these are terrible cuts and slashes, and that they will hurt families and children. Therefore, say the bills admirers, anyone who supports a reduction from the committee's exalted and imperial level is somehow against children, families, the poor, the oppressed, and so forth.

I would like to deal with those criticisms, because they are inaccurate and they cause the debate to be considered in terms which are irrelevant.

In the first place, we are not slashing or cutting anything. My amendment holds our appropriations where they are. It neither raises nor reduces expenditures.

If you take the amendment of the gentleman from Illinois, it in fact gives an increase. Neither is a cut. So much for cutting and slashing.

Item No. 2: Somehow any kind of reduction from the committee's wisdom is also antithetical to the well-being of our constituents. Let me just describe what is going to happen when that sequester resolution comes along, if we have not adopted some amendments. Then we will have real cuts.

We are going to have enormous cuts, at that point, unless we can find a way to duck the sequester resolution. So if we do not make adjustments now, we are going to pay more dearly later. We will pay then with less discrimination, and ways in which the committee never intended.

Finally, Mr. Chairman, I would like to talk about the family concerns in a little different way. The Members that support these amendments are Members who have just as much, or maybe greater, concern for children and youth and families in the United States than those who would throw money at them.

We believe that it is important that the United States does not suffer a recession, and that those people who are at the bottom end of the scale—who suffer most mightily in recessions, in times of high interest rates, at times when there are not any jobs—ought to have opportunities. We believe that the best way that those children and families are going to have opportunities, are going to be able to increase their condition in these United States of America, is that this Congress exercise some fiscal responsibility and provide an environment in which there is growth and continued recovery in this country.

Members can have it either way they want. They can go the way the committee did, and ask for a recession and fewer jobs. They can throw money at some problems, and create some dependencies.

Or they can go our way with some fiscal responsibility. If so, I believe those families are going to be taking care of themselves.

Going back to my first point one more time, nothing in either amendment cuts anything. One maintains spending; one increases it. Both are responsible. I hope that Members will vote for them.

The CHAIRMAN. The gentleman from Kentucky [Mr. NATCHER] has 2 minutes remaining, and the gentleman from Minnesota [Mr. FRENZEL] has 1 minute remaining.

Mr. NATCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. CONTE].

Mr. FRENZEL. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. CONTE], my distinguished coach and mentor, wrongheaded as he may be on this issue.

The CHAIRMAN. The gentleman from Massachusetts [Mr. CONTE] is recognized for 3 minutes.

Mr. CONTE. Mr. Chairman, I want to thank the gentleman from Minnesota [Mr. FRENZEL] for his graciousness. He makes a point. We come out here and we say, "Oh, boy, don't touch our figures, because we've worked on these things for 3 or 4 months, and we feel that these are the right figures."

Well, he is right; we do feel that they are the right figures. We have put a lot of thought and time and effort into these, and we can justify these figures.

Now let us take his committee, the Committee on Ways and Means. They come out here with a closed rule. They will not even let Members offer amendments. Is the gentleman willing to start letting me offer amendments to his bills?

Mr. FRENZEL. You bet.

Mr. CONTE. Well, that is great. I would like to see that happen, the days that Ways and Means comes out here and says that 430 other guys or 425 other guys and gals can go and offer an amendment to their bill. But they say, "My God, don't touch it; we've worked on it, and you cannot even try to offer an amendment to the Ways and Means Committee."

Now if Members vote for the Frenzel substitute, they will cut over $2.2 billion from this bill. Let me tell them what they will do—he says it is an increase; they will then bring this bill, Health and Human Services and Education—which happens to be the most

important bill, I think, that comes to the floor of the House—down to 3.7-percent less than what they appropriated in 1980.

Do you mean to tell me anybody wants to do that? I do not believe so.

As I said here earlier, we have increased, between 1980 and 1986, defense 100 percent. We have increased the agricultural budget appropriation by over 100 percent. And now Members want to stand up here and cut the National Institutes of Health, cancer, heart, lung, diabetes, arthritis, and the rest of them, by 3.7-percent below 1980? They want to cut higher education, elementary and secondary education, by 3.7-percent below 1980? I do not believe that they do.

As I said earlier when I spoke against the Michel amendment, that did a lot of damage, but the Frenzel amendment is completely destructive. It drives that stiletto right through your heart, where the Michel amendment takes that stiletto and puts it to the tip of your heart. Both of these amendments should go down in resounding defeat.

The CHAIRMAN. All time has expired on the amendment and on the substitute thereto.

The question is on the amendment offered by the gentleman from Minnesota [Mr. FRENZEL] as a substitute for the amendment offered by the gentleman from Illinois [Mr. MICHEL].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FRENZEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 99, noes 321, not voting 11, as follows:

[Roll No. 272]

AYES—99

Archer	Hall, Ralph	Packard
Armey	Hansen	Petri
Badham	Hartnett	Porter
Barnard	Hiler	Ray
Bartlett	Hopkins	Ritter
Barton	Huckaby	Roberts
Boulter	Hunter	Roemer
Brown (CO)	Hutto	Schaefer
Burton (IN)	Ireland	Sensenbrenner
Callahan	Kasich	Shumway
Chappie	Kemp	Shuster
Cheney	Kindness	Siljander
Coats	Kolbe	Slaughter
Coble	Kramer	Smith, Denny (OR)
Combest	Latta	Smith, Robert (NH)
Cooper	Loeffler	Smith, Robert (OR)
Craig	Lott	Solomon
Crane	Lujan	Spence
Dannemeyer	Lungren	Stangeland
DeLay	Mack	Stenholm
Dornan (CA)	Martin (IL)	Strang
Dreier	McCandless	Stump
Duncan	McCollum	Sundquist
Eckert (NY)	McEwen	Sweeney
Edwards (OK)	McMillan	Swindall
Fawell	Meyers	Tauzin
Fiedler	Michel	Thomas (CA)
Fields	Miller (OH)	Vander Jagt
Frenzel	Molinari	Walker
Gekas	Monson	Weber
Gibbons	Montgomery	Whittaker
Gingrich	Moorhead	Wylie
Gradison	Nielson	Yatron
Gregg	Oxley	

NOES—321

Ackerman	Foglietta	McKinney
Akaka	Foley	Mica
Alexander	Ford (MI)	Mikulski
Anderson	Ford (TN)	Miller (CA)
Andrews	Frank	Miller (WA)
Annunzio	Franklin	Mineta
Anthony	Frost	Mitchell
Applegate	Fuqua	Moakley
Aspin	Gallo	Mollohan
Atkins	Garcia	Moody
AuCoin	Gaydos	Morrison (CT)
Bateman	Gejdenson	Morrison (WA)
Bates	Gephardt	Mrazek
Bellenson	Gilman	Murphy
Bennett	Glickman	Murtha
Bentley	Gonzalez	Myers
Bereuter	Goodling	Natcher
Berman	Gordon	Neal
Bevill	Gray (IL)	Nelson
Biaggi	Gray (PA)	Nichols
Bilirakis	Green	Nowak
Bliley	Guarini	Oakar
Boehlert	Gunderson	Oberstar
Boggs	Hall (OH)	Obey
Boland	Hamilton	Olin
Bonior (MI)	Hammerschmidt	Ortiz
Bonker	Hatcher	Owens
Borski	Hawkins	Panetta
Bosco	Hayes	Parris
Boucher	Hefner	Pashayan
Boxer	Hendon	Pease
Brooks	Henry	Penny
Broomfield	Hertel	Pepper
Brown (CA)	Hillis	Perkins
Bruce	Holt	Pickle
Bryant	Horton	Price
Burton (CA)	Howard	Pursell
Bustamante	Hoyer	Quillen
Byron	Hubbard	Rahall
Campbell	Hughes	Rangel
Carper	Hyde	Regula
Carr	Jacobs	Reid
Chandler	Jeffords	Richardson
Chapman	Jenkins	Ridge
Chappell	Johnson	Rinaldo
Clinger	Jones (NC)	Robinson
Cobey	Jones (OK)	Rodino
Coelho	Jones (TN)	Roe
Coleman (MO)	Kanjorski	Rogers
Coleman (TX)	Kaptur	Rose
Collins	Kastenmeier	Rostenkowski
Conte	Kennelly	Roth
Conyers	Kildee	Roukema
Coughlin	Kleczka	Rowland (CT)
Courter	Kolter	Rowland (GA)
Coyne	Kostmayer	Roybal
Crockett	LaFalce	Rudd
Daniel	Lagomarsino	Russo
Darden	Lantos	Sabo
Daschle	Leach (IA)	Savage
Daub	Leath (TX)	Saxton
Davis	Lehman (CA)	Scheuer
de la Garza	Lehman (FL)	Schneider
Dellums	Leland	Schroeder
Derrick	Lent	Schuette
DeWine	Levin (MI)	Schulze
Dickinson	Levine (CA)	Schumer
Dicks	Lewis (CA)	Seiberling
Dingell	Lewis (FL)	Sharp
DioGuardi	Lightfoot	Shaw
Dixon	Lipinski	Shelby
Donnelly	Livingston	Sikorski
Dorgan (ND)	Lloyd	Sisisky
Dowdy	Long	Skeen
Downey	Lowery (CA)	Skelton
Durbin	Lowry (WA)	Slattery
Dwyer	Luken	Smith (FL)
Dymally	MacKay	Smith (IA)
Dyson	Madigan	Smith (NE)
Early	Manton	Smith (NJ)
Eckart (OH)	Markey	Snowe
Edgar	Marlenee	Snyder
Edwards (CA)	Martin (NY)	Solarz
Emerson	Martinez	Spratt
English	Matsui	St Germain
Erdreich	Mavroules	Staggers
Evans (IA)	Mazzoli	Stallings
Evans (IL)	McCain	Stokes
Fascell	McCloskey	Stratton
Fazio	McCurdy	Studds
Feighan	McDade	Swift
Fish	McGrath	Synar
Flippo	McHugh	Tallon
Florio	McKernan	Tauke
Taylor	Waldon	Wise
Thomas (GA)	Walgren	Wolf
Torres	Watkins	Wolpe
Torricelli	Waxman	Wortley
Towns	Weaver	Wright
Traficant	Weiss	Wyden
Traxler	Wheat	Wylie
Udall	Whitehurst	Yates
Valentine	Whitley	Yatron
Vento	Whitten	Young (AK)
Visclosky	Williams	Young (FL)
Volkmer	Wilson	Young (MO)
Vucanovich	Wirth	Zschau

NOT VOTING—11

Barnes	Carney	Lundine
Bedell	Clay	Moore
Boner (TN)	Fowler	Stark
Breaux	Grotberg	

□ 1420

Mr. LIGHTFOOT, Mr. ROE, Mrs. JOHNSON, Mr. COBEY, and Mr. WYLIE changed their votes from "aye" to "no."

Mr. PACKWOOD changed his vote from "no" to "aye."

So the amendment offered as a substitute for the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MICHEL].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MICHEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 164, noes 253, not voting 14, as follows:

[Roll No. 273]

AYES—164

Andrews	Emerson	Lewis (CA)
Archer	English	Lightfoot
Armey	Evans (IA)	Livingston
Badham	Fawell	Lloyd
Barnard	Fiedler	Loeffler
Bartlett	Fields	Lott
Barton	Fish	Lowery (CA)
Bateman	Franklin	Lujan
Bennett	Frenzel	Lungren
Bentley	Gekas	Mack
Bereuter	Gibbons	Madigan
Bliley	Gingrich	Marlenee
Boulter	Gradison	Martin (IL)
Broomfield	Gregg	Martin (NY)
Brown (CO)	Hall, Ralph	McCandless
Burton (IN)	Hamilton	McCollum
Callahan	Hammerschmidt	McCurdy
Chappie	Hansen	McEwen
Cheney	Hartnett	McGrath
Coats	Henry	McKernan
Cobey	Hiler	McMillan
Coble	Holt	Meyers
Coleman (MO)	Hopkins	Michel
Combest	Huckaby	Miller (OH)
Cooper	Hunter	Miller (WA)
Craig	Hutto	Molinari
Crane	Hyde	Monson
Daniel	Ireland	Montgomery
Dannemeyer	Jacobs	Moorhead
Darden	Johnson	Nichols
Daub	Jones (OK)	Nielson
DeLay	Kasich	Olin
DeWine	Kemp	Oxley
Dickinson	Kindness	Packard
DioGuardi	Kolbe	Parris
Dornan (CA)	Kramer	Pashayan
Dreier	Lagomarsino	Penny
Duncan	Latta	Petri
Eckert (NY)	Leach (IA)	Pickle
Edwards (OK)	Lent	Porter

Quillen	Skeen	Sundquist
Ray	Slattery	Sweeney
Regula	Slaughter	Swindall
Ridge	Smith, Denny (OR)	Tauke
Ritter	Smith, Robert (NH)	Tauzin
Roberts	Smith, Robert (OR)	Taylor
Roemer	Snowe	Thomas (CA)
Roth	Solomon	Vander Jagt
Roukema	Stallings	Vucanovich
Schaefer	Stangeland	Walker
Schuette	Stenholm	Weber
Schulze	Strang	Whitehurst
Sensenbrenner	Stump	Whittaker
Shumway		Wortley
Shuster		Young (AK)
Siljander		

NOES—253

Ackerman	Frank	Morrison (WA)
Akaka	Frost	Mrazek
Alexander	Fuqua	Murphy
Anderson	Gallo	Murtha
Annunzio	Garcia	Myers
Applegate	Gaydos	Natcher
Aspin	Gejdenson	Neal
Atkins	Gephardt	Nelson
AuCoin	Gilman	Nowak
Bates	Glickman	Oakar
Beilenson	Gonzalez	Oberstar
Berman	Goodling	Obey
Bevill	Gordon	Ortiz
Biaggi	Gray (IL)	Owens
Bilirakis	Gray (PA)	Panetta
Boehlert	Green	Pease
Boggs	Guarini	Pepper
Boland	Gunderson	Perkins
Bonior (MI)	Hall (OH)	Price
Bonker	Hatcher	Pursell
Borski	Hawkins	Rahall
Bosco	Hayes	Rangel
Boucher	Hefner	Reid
Boxer	Hendon	Richardson
Brooks	Hertel	Rinaldo
Brown (CA)	Hillis	Robinson
Bruce	Horton	Rodino
Bryant	Howard	Roe
Burton (CA)	Hoyer	Rogers
Bustamante	Hubbard	Rose
Byron	Hughes	Rostenkowski
Campbell	Jeffords	Rowland (CT)
Carper	Jenkins	Rowland (GA)
Carr	Jones (NC)	Roybal
Chandler	Jones (TN)	Rudd
Chapman	Kanjorski	Russo
Chappell	Kaptur	Sabo
Clinger	Kastenmeier	Savage
Coelho	Kennelly	Saxton
Coleman (TX)	Kildee	Scheuer
Collins	Kleczka	Schneider
Conte	Kolter	Schroeder
Coughlin	Kostmayer	Schumer
Courter	LaFalce	Seiberling
Coyne	Lantos	Sharp
Crockett	Leath (TX)	Shaw
Daschle	Lehman (CA)	Shelby
Davis	Lehman (FL)	Sikorski
de la Garza	Leland	Sisisky
Dellums	Levin (MI)	Skelton
Derrick	Levine (CA)	Smith (FL)
Dicks	Lewis (FL)	Smith (IA)
Dingell	Lipinski	Smith (NE)
Dixon	Long	Smith (NJ)
Donnelly	Lowry (WA)	Snyder
Dorgan (ND)	Luken	Solarz
Dowdy	MacKay	Spence
Downey	Manton	Spratt
Durbin	Markey	St Germain
Dwyer	Martinez	Staggers
Dymally	Matsui	Stark
Dyson	Mavroules	Stokes
Early	Mazzoli	Stratton
Eckart (OH)	McCain	Studds
Edgar	McCloskey	Swift
Edwards (CA)	McDade	Synar
Erdreich	McHugh	Tallon
Evans (IL)	McKinney	Thomas (GA)
Fascell	Mica	Torres
Fazio	Mikulski	Torricelli
Feighan	Miller (CA)	Towns
Flippo	Mineta	Traficant
Florio	Mitchell	Traxler
Foglietta	Moakley	Udall
Foley	Mollohan	Valentine
Ford (MI)	Moody	Vento
Ford (TN)	Morrison (CT)	Visclosky
Volkmer	Whitten	Wylie
Walgren	Wilson	Yates
Watkins	Wirth	Yatron
Waxman	Wise	Young (FL)
Weaver	Wolf	Young (MO)
Weiss	Wolpe	Zschau
Wheat	Wright	
Whitley	Wyden	

NOT VOTING—14

Anthony	Carney	Lundine
Barnes	Clay	Moore
Bedell	Conyers	Waldon
Boner (TN)	Fowler	Williams
Breaux	Grotberg	

□ 1430

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. NATCHER. Mr. Chairman I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. WRIGHT] having assumed the chair, Mr. FUQUA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5233) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1987, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

□ 1445

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. MILLER of Ohio. Yes, in its present form, I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MILLER of Ohio moves to recommit the bill, H.R. 5233, to the Committee on Appropriations.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 328, noes 86, not voting 17, as follows:

[Roll No. 274]

AYES—328

Ackerman	Dicks	Howard
Akaka	Dingell	Hoyer
Alexander	DioGuardi	Hubbard
Anderson	Dixon	Hutto
Andrews	Donnelly	Hyde
Annunzio	Dorgan (ND)	Jacobs
Anthony	Dowdy	Jeffords
Applegate	Downey	Jenkins
Aspin	Duncan	Johnson
Atkins	Durbin	Jones (NC)
AuCoin	Dwyer	Jones (OK)
Barnard	Dymally	Jones (TN)
Bateman	Dyson	Kanjorski
Bates	Early	Kaptur
Beilenson	Eckart (OH)	Kasich
Bennett	Edgar	Kastenmeier
Bentley	Edwards (CA)	Kennelly
Bereuter	Emerson	Kildee
Berman	English	Kleczka
Bevill	Erdreich	Kolbe
Biaggi	Evans (IA)	Kolter
Bilirakis	Evans (IL)	Kostmayer
Boehlert	Fascell	LaFalce
Boggs	Fawell	Lantos
Boland	Fazio	Leath (TX)
Bonior (MI)	Feighan	Lehman (CA)
Borski	Fish	Lehman (FL)
Bosco	Flippo	Leland
Boucher	Florio	Lent
Boxer	Foglietta	Levin (MI)
Brooks	Foley	Levine (CA)
Broomfield	Ford (MI)	Lewis (CA)
Brown (CA)	Ford (TN)	Lewis (FL)
Bruce	Frank	Lipinski
Bryant	Franklin	Livingston
Burton (CA)	Frost	Lloyd
Bustamante	Fuqua	Loeffler
Byron	Gallo	Long
Campbell	Garcia	Lowery (CA)
Carper	Gaydos	Lowry (WA)
Carr	Gejdenson	Luken
Chandler	Gephardt	MacKay
Chapman	Gibbons	Manton
Chappell	Gilman	Markey
Clinger	Glickman	Martin (NY)
Coats	Gonzalez	Martinez
Cobey	Goodling	Matsui
Coble	Gordon	Mavroules
Coelho	Gray (IL)	Mazzoli
Coleman (MO)	Gray (PA)	McCain
Coleman (TX)	Green	McCloskey
Collins	Guarini	McCurdy
Conte	Gunderson	McDade
Cooper	Hall (OH)	McGrath
Coughlin	Hamilton	McHugh
Courter	Hammerschmidt	McKernan
Coyne	Hatcher	McKinney
Crockett	Hawkins	McMillan
Darden	Hayes	Meyers
Daschle	Hefner	Mica
Daub	Hendon	Mikulski
Davis	Henry	Miller (CA)
de la Garza	Hertel	Miller (WA)
Dellums	Hillis	Mineta
Derrick	Hopkins	Mitchell
Dickinson	Horton	Moakley

Mollohan
Montgomery
Moody
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens
Panetta
Parris
Pashayan
Pease
Penny
Pepper
Perkins
Pickle
Porter
Price
Pursell
Quillen
Rahall
Rangel
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Rudd
Russo
Sabo
Savage
Saxton
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Seiberling
Sharp
Shaw
Shelby
Sikorski
Sisisky
Skeen
Skelton
Slattery
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Snowe
Snyder
Solarz
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stokes
Stratton
Studds
Sundquist
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
Wheat
Whitley
Whittaker
Whitten
Williams
Wilson
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zschau

NOES—86

Archer
Armey
Badham
Bartlett
Barton
Bliley
Boulter
Brown (CO)
Burton (IN)
Chappie
Cheney
Combest
Craig
Crane
Daniel
Dannemeyer
DeLay
DeWine
Dornan (CA)
Dreier
Eckert (NY)
Edwards (OK)
Fiedler
Fields
Frenzel
Gekas
Gradison
Gregg
Hall, Ralph
Hansen
Hiler
Holt
Huckaby
Hughes
Hunter
Ireland
Kindness
Kramer
Lagomarsino
Latta
Leach (IA)
Lightfoot
Lott
Lujan
Lungren
Mack
Madigan
Marlenee
Martin (IL)
McCandless
McCollum
McEwen
Michel
Miller (OH)
Molinari
Monson
Moorhead
Nielson
Olin
Oxley
Packard
Petri
Ray
Roberts
Roth
Schaefer
Sensenbrenner
Shumway
Shuster
Siljander
Slaughter
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Stenholm
Strang
Stump
Sweeney
Swindall
Tauke
Thomas (CA)
Vucanovich
Walker
Weber
Whitehurst

NOT VOTING—17

Barnes
Bedell
Boner (TN)
Bonker
Breaux
Callahan
Carney
Clay
Conyers
Fowler
Gingrich
Grotberg
Hartnett
Kemp
Lundine
Moore
Waldon

□ 1455

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to recommit was laid on the table.

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a detailed table showing the amounts in H.R. 5233, the bill just passed, for each of the programs funded in the bill together with appropriate comparisons.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

H.R. 5233 - FY 1987 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1986 Enacted	FY 1986 Post Sequester	FY 1987 President's Budget	House Bill	House Bill compared to FY 86 Enacted	House Bill compared to FY 86 Post Seq.	House Bill compared to FY 87 Budget	Man Dis
SUMMARY								
Title I - Department of Labor:								
Federal Funds	6,541,215,000	6,303,652,000	5,897,429,000	5,524,294,000	-1,016,921,000	-779,358,000	-373,135,000	
Trust Funds	(2,704,717,000)	(2,588,411,000)	(2,747,345,000)	(2,751,696,000)	(+46,979,000)	(+163,285,000)	(+4,351,000)	
Title II - Department of Health and Human Services:								
Federal Funds (all years)	78,149,991,000	77,554,843,000	79,336,916,000	84,001,567,000	+5,851,576,000	+6,446,724,000	+4,664,651,000	
Current year	(66,676,237,000)	(66,081,089,000)	(66,738,851,000)	(71,403,502,000)	(+4,727,265,000)	(+5,322,413,000)	(+4,664,651,000)	
1988 advance	(11,473,754,000)	(11,473,754,000)	(12,598,065,000)	(12,598,065,000)	(+1,124,311,000)	(+1,124,311,000)	---	
(Unauthorized, not considered)	(4,361,618,000)	(4,175,522,000)	(3,908,210,000)	DEFER	DEFER	DEFER	DEFER	
Trust Funds	(5,226,689,000)	(5,029,303,000)	(5,297,867,000)	(5,289,417,000)	(+62,728,000)	(+260,114,000)	(-8,450,000)	
Title III - Department of Education:								
Federal Funds	12,793,298,000	12,377,434,000	11,911,099,000	13,380,231,000	+586,933,000	+1,002,797,000	+1,469,132,000	
(Unauthorized, not considered)	(5,582,386,000)	(5,489,023,000)	(4,354,782,000)	DEFER	DEFER	DEFER	DEFER	
Title IV - Related Agencies:								
Federal Funds (all years)	832,568,000	805,054,000	599,321,000	814,924,000	-17,644,000	+9,870,000	+215,603,000	
Current year	(618,568,000)	(591,054,000)	(469,321,000)	(600,924,000)	(-17,644,000)	(+9,870,000)	(+131,603,000)	
1989 advance	(214,000,000)	(214,000,000)	(130,000,000)	(214,000,000)	---	---	(+84,000,000)	
(Unauthorized, not considered)	(151,287,000)	(144,781,000)	(151,115,000)	DEFER	DEFER	DEFER	DEFER	
Trust Funds	(74,802,000)	(71,586,000)	(74,121,000)	(76,916,000)	(+2,114,000)	(+5,330,000)	(+2,795,000)	
Sec. 515 reserves (P.L. 99-190):								
Federal Funds	12,531,000	11,702,000	---	---	-12,531,000	-11,702,000	---	
Trust Funds	(919,000)	(919,000)	---	---	(-919,000)	(-919,000)	---	
Total, all titles:								
Federal Funds (all years)	98,329,603,000	97,052,685,000	97,744,765,000	103,721,016,000	+5,391,413,000	+6,668,331,000	+5,976,251,000	
Current year	(86,641,849,000)	(85,364,931,000)	(85,016,700,000)	(90,908,951,000)	(+4,267,102,000)	(+5,544,020,000)	(+5,892,251,000)	
1988 advance	(11,473,754,000)	(11,473,754,000)	(12,598,065,000)	(12,598,065,000)	(+1,124,311,000)	(+1,124,311,000)	---	
1989 advance	(214,000,000)	(214,000,000)	(130,000,000)	(214,000,000)	---	---	(+84,000,000)	
(Unauthorized, not considered)	(10,095,291,000)	(9,809,326,000)	(8,414,107,000)	DEFER	DEFER	DEFER	DEFER	
Trust Funds	8,007,127,000	7,690,219,000	8,119,333,000	8,118,029,000	+110,902,000	+427,810,000	-1,304,000	
SECTION 302B RECAP								
Federal Funds (all years)	98,329,603,000	97,052,685,000	97,744,765,000	103,721,016,000	+5,391,413,000	+6,668,331,000	+5,976,251,000	
(Unauthorized, not considered)	(10,095,291,000)	(9,809,326,000)	(8,414,107,000)	DEFER	DEFER	DEFER	DEFER	
Discretionary, current appropriations	23,615,212,000	22,640,154,000	20,798,416,000	24,927,647,000	+1,312,435,000	+2,287,493,000	+4,129,231,000	
(Unauthorized, not considered)	(9,910,020,000)	(9,631,262,000)	(8,273,702,000)	DEFER	DEFER	DEFER	DEFER	
Mandatory, total in bill	74,714,391,000	74,412,531,000	76,946,349,000	78,793,369,000	+4,078,978,000	+4,380,838,000	+1,847,020,000	
Less advances for subsequent years	-11,687,754,000	-11,687,754,000	-12,728,065,000	-12,812,065,000	-1,124,311,000	-1,124,311,000	-84,000,000	
Plus advances provided in prior years	11,010,269,000	11,010,269,000	11,673,754,000	11,673,754,000	+663,485,000	+663,485,000	---	
Subtotal, Mandatory, current appropriations	74,036,906,000	73,735,046,000	75,892,038,000	77,655,058,000	+3,618,152,000	+3,920,012,000	+1,763,020,000	
(Unauthorized, not considered)	(185,271,000)	(178,064,000)	(140,405,000)	DEFER	DEFER	DEFER	DEFER	
Total, adjusted current year	97,652,118,000	96,375,200,000	96,690,454,000	102,582,705,000	+4,930,587,000	+6,207,505,000	+5,892,251,000	
(Unauthorized, not considered)	(10,095,291,000)	(9,809,326,000)	(8,414,107,000)	DEFER	DEFER	DEFER	DEFER	

H.R. 5233 - FY 1987 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1986 Enacted	FY 1986 Post Sequester	FY 1987 President's Budget	House Bill	House Bill compared to FY 86 Enacted	House Bill compared to FY 86 Post Seq.	House Bill compared to FY 87 Budget	Man Dis
TITLE I. DEPARTMENT OF LABOR								
EMPLOYMENT AND TRAINING ADMINISTRATION								
PROGRAM ADMINISTRATION 1/								
Job training programs	7,866,000	7,528,000	7,871,000	7,871,000	+5,000	+343,000	---	D
Employment security	1,324,000	1,306,000	686,000	2,585,000	+1,261,000	+1,279,000	+1,899,000	D
Trust funds	(15,446,000)	(14,780,000)	(23,944,000)	(18,944,000)	(+3,498,000)	(+4,164,000)	(-5,000,000)	TF
Financial control and management systems	16,736,000	16,026,000	14,577,000	14,932,000	-1,804,000	-1,094,000	+355,000	D
Trust funds	(8,880,000)	(8,497,000)	(8,063,000)	(8,063,000)	(-817,000)	(-434,000)	---	TF
Executive direction and administration	3,182,000	3,045,000	3,188,000	3,188,000	+6,000	+143,000	---	D
Trust funds	(2,465,000)	(2,359,000)	(2,475,000)	(2,475,000)	(+10,000)	(+116,000)	---	TF
Regional operations	29,059,000	27,885,000	23,608,000	25,758,000	-3,301,000	-2,127,000	+2,150,000	D
Trust funds	(15,760,000)	(15,081,000)	(15,281,000)	(15,281,000)	(-479,000)	(+200,000)	---	TF
Apprenticeship services	12,813,000	12,260,000	13,029,000	13,029,000	+216,000	+769,000	---	D
Less work incentives 1/	-3,427,000	-3,427,000	---	---	+3,427,000	+3,427,000	---	D
Total, Program Administration	110,104,000	105,350,000	112,722,000	112,126,000	+2,022,000	+6,786,000	-596,000	
Federal funds	67,553,000	64,623,000	68,959,000	67,363,000	-190,000	+2,740,000	+4,404,000	
Trust funds	(42,551,000)	(40,727,000)	(49,763,000)	(44,763,000)	(+2,212,000)	(+4,046,000)	(-5,000,000)	
TRAINING AND EMPLOYMENT SERVICES								
Grants to States:								
Block grant	1,863,151,000	1,783,085,000	1,820,000,000	1,820,000,000	-43,151,000	+36,915,000	---	D
Summer youth employment and training program: (Summer, 1987 and 1988)	664,549,000	635,976,000	428,000,000	664,549,000	---	+28,573,000	+236,549,000	D
Dislocated worker assistance	100,000,000	95,702,000	100,000,000	150,000,000	+50,000,000	+54,298,000	+50,000,000	D
Federally administered programs:								
Native Americans	62,243,000	59,567,000	60,060,000	60,060,000	-2,183,000	+493,000	---	D
Migrants and seasonal farmworkers	60,357,000	57,762,000	58,240,000	58,240,000	-2,117,000	+478,000	---	D
Job Corps	640,000,000	612,480,000	351,736,000	662,700,000	+22,700,000	+50,220,000	+310,961,000	D
Veterans' employment	9,667,000	9,251,000	10,494,000	10,494,000	+827,000	+1,243,000	---	D
National activities:								
Pilots and demonstrations	20,694,000	19,809,000	40,698,000	40,698,000	+20,000,000	+20,890,000	---	D
Research, demonstration and evaluation	14,361,000	13,743,000	25,190,000	25,190,000	+10,829,000	+11,447,000	---	D
Other	26,019,000	24,107,000	15,190,000	25,190,000	-829,000	+1,083,000	+10,000,000	D
Subtotal, National activities	61,078,000	57,658,000	81,078,000	91,078,000	+30,000,000	+33,420,000	+10,000,000	
Subtotal, Federal activities	833,345,000	796,718,000	561,608,000	882,572,000	+49,227,000	+85,854,000	+320,964,000	
Total, Job Training Partnership Act	3,461,045,000	3,311,481,000	2,909,608,000	3,517,121,000	+56,076,000	+205,640,000	+607,513,000	
Trade adjustment program activities	26,000,000	24,882,000	---	26,000,000	---	+1,118,000	+26,000,000	D
Total, Training and Employment Services	3,487,045,000	3,336,363,000	2,909,608,000	3,543,121,000	+56,076,000	+206,758,000	+633,513,000	
COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS	326,000,000	312,002,000	326,000,000	326,000,000	---	+13,998,000	---	D
FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES								
Trade adjustment assistance	5,000,000	5,000,000	---	114,000,000	+109,000,000	+109,000,000	+114,000,000	M
Unemployment assistance and payments under other Federal unemployment programs	5,000,000	5,000,000	4,000,000	4,000,000	-1,000,000	-1,000,000	---	M
Total, FUBA	10,000,000	10,000,000	4,000,000	118,000,000	+108,000,000	+108,000,000	+114,000,000	

1/ FY 1986 WIN funds considered under Dept. of Health and Human Services.

H.R. 5233 - FY 1987 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1986 Enacted	FY 1986 Post Sequester	FY 1987 President's Budget	House Bill	House Bill compared to FY 86 Enacted	House Bill compared to FY 86 Post Seq.	House Bill compared to FY 87 Budget	Man Dis
STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS								
Unemployment Compensation (Trust Funds):								
State Operations	(1,149,961,000)	(1,100,512,000)	(1,221,865,000)	(1,221,865,000)	(+71,904,000)	(+121,353,000)	---	TF
State integrity activities	(222,500,000)	(212,933,000)	(245,754,000)	(245,754,000)	(+23,254,000)	(+32,821,000)	---	TF
National Activities	(2,908,000)	(2,783,000)	(2,039,000)	(2,039,000)	(-869,000)	(-744,000)	---	TF
Contingency	(283,531,000)	(271,340,000)	(261,942,000)	(261,942,000)	(-21,589,000)	(-9,398,000)	---	TF
Subtotal, Unemployment Compensation(trust funds)	(1,658,900,000)	(1,587,568,000)	(1,731,600,000)	(1,731,600,000)	(+72,700,000)	(+144,032,000)	---	
Employment Service:								
Allotments to States:								
Federal funds	22,700,000	21,724,000	22,700,000	22,700,000	---	+976,000	---	D
Trust funds	(769,500,000)	(736,411,000)	(732,500,000)	(732,500,000)	(-37,000,000)	(-3,911,000)	---	TF
Subtotal	792,200,000	758,135,000	755,200,000	755,200,000	-37,000,000	-2,935,000	---	
National Activities:								
Federal funds	900,000	861,000	700,000	4,600,000	+3,700,000	+3,739,000	+3,900,000	D
Trust funds	(27,840,000)	(26,643,000)	(21,833,000)	(21,833,000)	(-6,007,000)	(-4,810,000)	---	TF
Subtotal, Employment Service	820,940,000	785,639,000	777,733,000	781,633,000	-39,307,000	-4,006,000	+3,900,000	
Federal funds	23,600,000	22,585,000	23,400,000	27,300,000	+3,700,000	+4,715,000	+3,900,000	
Trust funds	(797,340,000)	(763,054,000)	(754,333,000)	(754,333,000)	(-43,007,000)	(-8,721,000)	---	
Total, State Unempl. Ins. and Empl. Ser. Opers.	2,479,840,000	2,373,207,000	2,509,333,000	2,513,233,000	+33,393,000	+140,026,000	+3,900,000	
Federal Funds	23,600,000	22,585,000	23,400,000	27,300,000	+3,700,000	+4,715,000	+3,900,000	
Trust Funds	(2,456,240,000)	(2,350,622,000)	(2,485,933,000)	(2,485,933,000)	(+29,693,000)	(+135,311,000)	---	
ADVANCES TO UNEMPLOYMENT TRUST FUND AND OTHER FUNDS	465,000,000	464,785,000	413,000,000	---	-465,000,000	-464,785,000	-413,000,000	M
Total, Employment & Training Administration	6,877,989,000	6,601,697,000	6,271,663,000	6,612,480,000	-265,509,000	+10,783,000	+337,817,000	
Federal funds	4,379,198,000	4,210,358,000	3,738,967,000	4,081,784,000	-297,414,000	-128,574,000	+342,817,000	
Trust funds	(2,498,791,000)	(2,391,339,000)	(2,535,696,000)	(2,530,696,000)	(+31,905,000)	(+139,357,000)	(-5,000,000)	
LABOR - MANAGEMENT SERVICES								
SALARIES AND EXPENSES								
Labor-management relations service	4,755,000	4,551,000	4,904,000	4,904,000	+149,000	+353,000	---	D
Labor-management standards enforcement	23,670,000	22,652,000	23,735,000	23,735,000	+65,000	+1,083,000	---	D
Pension and welfare benefit programs	28,869,000	27,628,000	33,636,000	33,636,000	+4,767,000	+6,008,000	---	D
Total, LMS	57,294,000	54,831,000	62,275,000	62,275,000	+4,981,000	+7,444,000	---	
PENSION BENEFIT GUARANTY CORPORATION								
Program Administration (Trust Funds)	(32,753,000)	(31,345,000)	(36,874,000)	(36,874,000)	(+4,121,000)	(+5,529,000)	---	TF
EMPLOYMENT STANDARDS ADMINISTRATION								
SALARIES AND EXPENSES								
Enforcement of wage and hour standards	73,251,000	71,590,000	76,058,000	76,058,000	+2,807,000	+4,468,000	---	D
Federal contractor EEO standards enforcement	45,355,000	43,993,000	45,935,000	46,935,000	+1,580,000	+2,942,000	+1,000,000	D
Federal programs for workers' compensation	58,717,000	54,085,000	58,105,000	58,105,000	-612,000	+4,020,000	---	D
Trust funds	(406,000)	(389,000)	(441,000)	(441,000)	(+35,000)	(+52,000)	---	TF
Executive direction and support services	12,015,000	11,492,000	12,611,000	12,611,000	+596,000	+1,119,000	---	D
Total, salaries and expenses	189,744,000	181,549,000	193,150,000	194,150,000	+4,406,000	+12,601,000	+1,000,000	
Federal funds	189,338,000	181,160,000	192,709,000	193,709,000	+4,371,000	+12,549,000	+1,000,000	
Trust funds	(406,000)	(389,000)	(441,000)	(441,000)	(+35,000)	(+52,000)	---	
SPECIAL BENEFITS								
Federal employees compensation act benefits	254,900,000	232,057,000	259,000,000	259,000,000	+4,100,000	+26,943,000	---	M
Longshore and harbor workers' benefits	4,600,000	4,600,000	4,600,000	4,600,000	---	---	---	M
Total, Special Benefits	259,500,000	236,657,000	263,600,000	263,600,000	+4,100,000	+26,943,000	---	

H R 5233 - FY 1987 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR HEALTH AND HUMAN SERVICES EDUCATION AND RELATED AGENCIES

	FY 1986 Enacted	FY 1986 Post Sequester	FY 1987 President's Budget	House Bill	House Bill compared to FY 86 Enacted	House Bill compared to FY 86 Post Seq.	House Bill compared to FY 87 Budget	Man Dis
BLACK LUNG DISABILITY TRUST FUND								
Benefit payments and interest on advances	942,868,000	938,209,000	910,838,000	186,687,000	-756,181,000	-751,522,000	-724,151,000	M
Employment Standards Admin., salaries & expenses	25,380,000	24,284,000	25,826,000	25,826,000	+446,000	+1,542,000	---	M
Departmental Management, salaries and expenses	19,697,000	18,850,000	21,413,000	21,413,000	+1,716,000	+2,563,000	---	M
Departmental Management, inspector general	376,000	360,000	612,000	612,000	+236,000	+252,000	---	M
Subtotal, Black Lung Disablty. Trust Fund, apprn	988,321,000	981,703,000	958,689,000	234,538,000	-753,783,000	-747,165,000	-724,151,000	
Treasury administrative costs (indefinite)	756,000	756,000	756,000	756,000	---	---	---	M
Total, Employment Standards Administration	1,438,321,000	1,400,665,000	1,416,195,000	693,044,000	-745,277,000	-707,621,000	-723,151,000	
Federal funds	1,437,915,000	1,400,276,000	1,415,754,000	692,603,000	-745,312,000	-707,673,000	-723,151,000	
Trust funds	(406,000)	(389,000)	(441,000)	(441,000)	(+35,000)	(+52,000)	---	
OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION								
SALARIES AND EXPENSES								
Safety and health standards	5,839,000	5,576,000	6,011,000	6,011,000	+172,000	+435,000	---	D
Enforcement:								
Federal Enforcement	86,727,000	85,634,000	90,198,000	90,198,000	+3,471,000	+4,564,000	---	D
State programs	53,021,000	50,741,000	54,921,000	54,921,000	+1,900,000	+4,180,000	---	D
Technical Support	13,133,000	12,547,000	14,658,000	14,658,000	+1,525,000	+2,111,000	---	D
Compliance Assistance	35,214,000	31,063,000	36,040,000	36,040,000	+826,000	+4,977,000	---	D
Safety and health statistics	17,975,000	17,200,000	18,609,000	18,609,000	+634,000	+1,409,000	---	D
Executive direction and administration	5,198,000	4,993,000	5,374,000	5,374,000	+176,000	+381,000	---	D
Total, OSHA	217,107,000	207,754,000	225,811,000	225,811,000	+8,704,000	+18,057,000	---	
MINE SAFETY AND HEALTH ADMINISTRATION								
SALARIES AND EXPENSES								
Enforcement:								
Coal	75,587,000	72,301,000	78,528,000	78,528,000	+2,941,000	+6,227,000	---	D
Metal/nonmetal	30,582,000	29,266,000	30,698,000	30,698,000	+116,000	+1,432,000	---	D
Standards development	897,000	858,000	1,104,000	1,104,000	+207,000	+246,000	---	D
Assessments	1,755,000	1,680,000	1,835,000	1,835,000	+80,000	+155,000	---	D
Educational policy and development	11,629,000	11,129,000	11,686,000	11,686,000	+57,000	+557,000	---	D
Technical support	18,402,000	17,611,000	20,173,000	20,173,000	+1,771,000	+2,562,000	---	D
Program administration	12,394,000	11,879,000	12,456,000	12,456,000	+62,000	+577,000	---	D
Total, Mine Safety and Health Administration	151,246,000	144,724,000	156,480,000	156,480,000	+5,234,000	+11,756,000	---	
BUREAU OF LABOR STATISTICS								
SALARIES AND EXPENSES								
Employment and Unemployment Statistics	55,417,000	53,034,000	52,303,000	58,433,000	+3,016,000	+5,399,000	+6,130,000	D
Labor Market Information (Trust Funds)	(36,309,000)	(34,748,000)	(36,506,000)	(37,872,000)	(+1,563,000)	(+3,124,000)	(+1,366,000)	TF
Prices and cost of living	50,650,000	48,467,000	52,997,000	53,358,000	+2,708,000	+4,891,000	+361,000	D
Wages and industrial relations	17,860,000	17,091,000	20,499,000	20,729,000	+2,869,000	+3,638,000	+230,000	D
Productivity and technology	4,911,000	4,699,000	5,038,000	5,104,000	+193,000	+405,000	+66,000	D
Economic growth and employment projections	3,197,000	3,059,000	3,035,000	3,067,000	-130,000	+8,000	+32,000	D
Executive direction and staff services	13,417,000	12,851,000	14,463,000	14,463,000	+1,046,000	+1,612,000	---	D
Consumer Price Index Revision	13,186,000	12,616,000	11,055,000	11,435,000	-1,751,000	-1,181,000	+380,000	D
Total, Bureau of Labor Statistics	194,947,000	186,565,000	195,896,000	204,461,000	+9,514,000	+17,896,000	+8,565,000	
Federal Funds	158,638,000	151,817,000	159,390,000	166,589,000	+7,951,000	+14,772,000	+7,199,000	
Trust Funds	(36,309,000)	(34,748,000)	(36,506,000)	(37,872,000)	(+1,563,000)	(+3,124,000)	(+1,366,000)	

H.R. 5233 - FY 1987 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1986 Enacted	FY 1986 Post Sequester	FY 1987 President's Budget	House Bill	House Bill compared to FY 86 Enacted	House Bill compared to FY 86 Post Seq.	House Bill compared to FY 87 Budget	Man Dis
DEPARTMENTAL MANAGEMENT								
SALARIES AND EXPENSES								
Executive direction	13,328,000	12,843,000	12,195,000	12,195,000	-1,133,000	-648,000	---	D
Legal services	39,878,000	38,163,000	41,003,000	41,003,000	+1,125,000	+2,840,000	---	D
Trust funds	(252,000)	(241,000)	(263,000)	(263,000)	(+11,000)	(+22,000)	---	TF
International labor affairs	4,220,000	4,039,000	4,388,000	4,388,000	+168,000	+349,000	---	D
Administration and management	21,796,000	20,858,000	24,038,000	24,038,000	+2,242,000	+3,180,000	---	D
Adjudication	11,124,000	10,646,000	10,843,000	10,843,000	-281,000	+197,000	---	D
Promoting employment of the handicapped	2,136,000	2,044,000	2,408,000	2,408,000	+272,000	+364,000	---	D
Women's Bureau	5,441,000	5,207,000	5,785,000	5,785,000	+344,000	+578,000	---	D
Civil Rights Activities	3,383,000	3,237,000	3,192,000	3,192,000	-191,000	-45,000	---	D
Total, Salaries and expenses	101,558,000	97,278,000	104,115,000	104,115,000	+2,557,000	+6,837,000	---	
Federal funds	101,306,000	97,037,000	103,852,000	103,852,000	+2,546,000	+6,815,000	---	
Trust funds	(252,000)	(241,000)	(263,000)	(263,000)	(+11,000)	(+22,000)	---	
VETERANS EMPLOYMENT AND TRAINING								
State Administration:								
Disabled Veterans Outreach Program	(64,903,000)	(62,112,000)	(69,450,000)	(69,450,000)	(+4,547,000)	(+7,338,000)	---	TF
Local Veterans Employment Program	(55,073,000)	(52,705,000)	(48,947,000)	(56,932,000)	(+1,859,000)	(+4,227,000)	(+7,985,000)	TF
Subtotal, State Administration	(119,976,000)	(114,817,000)	(118,397,000)	(126,382,000)	(+6,406,000)	(+11,565,000)	(+7,985,000)	
Federal Administration	(12,999,000)	(12,440,000)	(13,128,000)	(13,128,000)	(+129,000)	(+688,000)	---	TF
Total, Trust Funds	(132,975,000)	(127,257,000)	(131,525,000)	(139,510,000)	(+6,535,000)	(+12,253,000)	(+7,985,000)	
OFFICE OF THE INSPECTOR GENERAL								
Audit:								
Federal funds	20,393,000	19,471,000	19,233,000	19,233,000	-1,160,000	-238,000	---	D
Trust funds	(2,704,000)	(2,590,000)	(4,792,000)	(4,792,000)	(+2,088,000)	(+2,202,000)	---	TF
Investigation:								
Federal funds	6,351,000	6,102,000	5,566,000	5,566,000	-785,000	-536,000	---	D
Trust funds	(527,000)	(502,000)	(1,248,000)	(1,248,000)	(+721,000)	(+746,000)	---	TF
Office of Labor Racketeering	6,675,000	6,403,000	6,323,000	6,323,000	-352,000	-80,000	---	D
Executive Direction and Administration	5,045,000	4,834,000	3,711,000	3,711,000	-1,334,000	-1,123,000	---	D
Total, Office of the Inspector General	41,695,000	39,902,000	40,873,000	40,873,000	-822,000	+971,000	---	
Federal funds	38,464,000	36,810,000	34,833,000	34,833,000	-3,631,000	-1,977,000	---	
Trust funds	(3,231,000)	(3,092,000)	(6,040,000)	(6,040,000)	(+2,809,000)	(+2,948,000)	---	
SPECIAL FOREIGN CURRENCY PROGRAM	47,000	45,000	67,000	67,000	+20,000	+22,000	---	D
Total, Departmental Management	276,275,000	264,482,000	276,580,000	284,565,000	+8,290,000	+20,083,000	+7,985,000	
Federal funds	139,817,000	133,892,000	138,752,000	138,752,000	-1,065,000	+4,860,000	---	
Trust funds	(136,458,000)	(130,590,000)	(137,828,000)	(145,813,000)	(+9,355,000)	(+15,223,000)	(+7,985,000)	
Total, Labor Department	9,245,932,000	8,892,063,000	8,644,774,000	8,275,990,000	-969,942,000	-616,073,000	-368,784,000	
Federal funds	6,541,215,000	6,303,652,000	5,897,429,000	5,524,294,000	-1,016,921,000	-779,358,000	-373,135,000	
Trust funds	(2,704,717,000)	(2,588,411,000)	(2,747,345,000)	(2,751,696,000)	(+46,979,000)	(+163,285,000)	(+4,351,000)	

H.R. 5233 - FY 1987 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1986 Enacted	FY 1986 Post Sequester	FY 1987 President's Budget	House Bill	House Bill compared to FY 86 Enacted	House Bill compared to FY 86 Post Seq.	House Bill compared to FY 87 Budget	Man Dis
TITLE II--DEPARTMENT OF HEALTH AND HUMAN SERVICES								
PUBLIC HEALTH SERVICE								
HEALTH RESOURCES AND SERVICES ADMINISTRATION								
HEALTH RESOURCES AND SERVICES								
Health Care Delivery and Assistance:								
Maternal and Child Health Block Grant	478,000,000	457,446,000	478,000,000	478,000,000	---	+20,554,000	---	D
Community health centers	400,000,000	396,000,000	375,000,000	400,000,000	---	+4,000,000	+25,000,000	D
Migrant health	45,400,000	44,946,000	44,300,000	45,400,000	---	+454,000	+1,100,000	D
Black lung clinics	3,400,000	3,254,000	3,300,000	3,400,000	---	+146,000	+100,000	D
Family planning (unauthorized)	(142,500,000)	(136,372,000)	(142,500,000)	DEFER	DEFER	DEFER	DEFER	D
National Health Service Corps (unauthorized)	(58,313,000)	(55,797,000)	(46,996,000)	DEFER	DEFER	DEFER	DEFER	D
Direct loans (non-add) (unauthorized)	(1,000,000)	(957,000)	(1,000,000)	DEFER	DEFER	DEFER	DEFER	NA
Home health demonstrations and training	1,500,000	1,435,000	---	---	-1,500,000	-1,435,000	---	D
Hansen's disease services (Carville)	19,103,000	18,282,000	19,103,000	19,103,000	---	+821,000	---	D
Payment to Hawaii for treatment of Hansen's Dis	3,300,000	3,158,000	2,500,000	3,300,000	---	+142,000	+800,000	D
Pediatric emergency care	---	2,000,000	---	---	---	-2,000,000	---	D
Total, Health Care Delivery & Assistance	950,703,000	926,521,000	922,203,000	949,203,000	-1,500,000	+22,682,000	+27,000,000	
Health Professions:								
Health professions student assistance:								
National Health Service Scholarships (unauth)	(2,300,000)	(2,201,000)	---	DEFER	DEFER	DEFER	DEFER	D
Exceptional need scholarships	7,000,000	6,699,000	---	7,000,000	---	+301,000	+7,000,000	D
Health professions institutional assistance:								
Financial distress	4,100,000	3,924,000	---	3,800,000	-300,000	-124,000	+3,800,000	D
Public health/health administration:								
Public Health capitation	5,000,000	4,785,000	---	5,000,000	---	+215,000	+5,000,000	D
Health Administration grants	1,500,000	1,436,000	---	1,500,000	---	+64,000	+1,500,000	D
Public Health traineeships	3,000,000	2,871,000	---	3,000,000	---	+129,000	+3,000,000	D
Health Administration traineeships	500,000	479,000	---	500,000	---	+21,000	+500,000	D
Preventive medicine residencies	1,600,000	1,531,000	---	1,600,000	---	+69,000	+1,600,000	D
Subtotal, PH/HA	11,600,000	11,102,000	---	11,600,000	---	+498,000	+11,600,000	
Family Med/Gen Dentistry res. & trns	35,960,000	34,412,000	---	35,960,000	---	+1,548,000	+35,960,000	D
General Internal Medicine and Pediatrics	18,500,000	17,704,000	---	18,500,000	---	+796,000	+18,500,000	D
Family medicine departments	7,000,000	6,699,000	---	7,000,000	---	+301,000	+7,000,000	D
Physician assistants	4,800,000	4,594,000	---	4,800,000	---	+206,000	+4,800,000	D
Area health education centers	17,955,000	17,181,000	---	17,955,000	---	+774,000	+17,955,000	D
Health professions data analysis	2,000,000	1,914,000	---	2,000,000	---	+86,000	+2,000,000	D
Disadvantaged Assistance	25,500,000	24,403,000	---	26,500,000	+1,000,000	+2,097,000	+26,500,000	D
Health professions spec ed initiatives 1/	8,000,000	7,656,000	---	7,500,000	-500,000	-156,000	+7,500,000	D
Two year medical schools	500,000	479,000	---	500,000	---	+21,000	+500,000	D
Nurse training:								
Advanced nurse training	16,500,000	15,790,000	---	16,500,000	---	+710,000	+16,500,000	D
Nurse practitioner	12,000,000	11,484,000	---	12,000,000	---	+516,000	+12,000,000	D
Special projects	9,500,000	9,092,000	---	9,500,000	---	+408,000	+9,500,000	D
Traineeships	11,500,000	11,005,000	---	11,500,000	---	+495,000	+11,500,000	D
Nurse Anesthetists	800,000	766,000	---	800,000	---	+34,000	+800,000	D
Special projects for new purposes	1,350,000	1,292,000	---	1,350,000	---	+58,000	+1,350,000	D
Faculty fellowships	550,000	526,000	---	550,000	---	+24,000	+550,000	D
Natl Center for Nursing Research: 2/								
Research grants	9,700,000	9,283,000	---	14,700,000	+5,000,000	+5,417,000	+14,700,000	D
Fellowships	2,000,000	1,914,000	---	2,000,000	---	+86,000	+2,000,000	D
Subtotal, Natl Center for Nursing Research	11,700,000	11,197,000	---	16,700,000	+5,000,000	+5,503,000	+16,700,000	
Subtotal, Nurse training	63,900,000	61,152,000	---	68,900,000	+5,000,000	+7,748,000	+68,900,000	
Total, Health professions	206,815,000	197,919,000	---	212,015,000	+5,200,000	+14,096,000	+212,015,000	

1/ Includes geriatrics
2/ To be transferred to NIH: $5 million initial appropriation provided in FY85 to remain available through FY86.

H.R. 5233 - FY 1987 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1986 Enacted	FY 1986 Post Sequester	FY 1987 President's Budget	House Bill	House Bill compared to FY 86 Enacted	House Bill compared to FY 86 Post Seq.	House Bill compared to FY 87 Budget	Man Dis
HMO and Resources Development:								
Health Planning	28,106,000	26,897,000	---	---	-28,106,000	-26,897,000	---	D
Organ transplants	3,000,000	2,871,000	---	6,800,000	+3,800,000	+3,929,000	+6,800,000	D
Disaster construction grants	5,000,000	4,785,000	---	---	-5,000,000	-4,785,000	---	D
Health teaching facilities	1,200,000	1,148,000	---	---	-1,200,000	-1,148,000	---	D
Total, HMO & Resources Development	37,306,000	35,701,000	---	6,800,000	-30,506,000	-28,901,000	+6,800,000	
Acquired Immune Deficiency Syndrome (AIDS)	---	---	---	1,900,000	+1,900,000	+1,900,000	+1,900,000	D
Buildings and facilities	750,000	718,000	750,000	750,000	---	+32,000	---	D
Program management / Program support, HRSA 1/	98,962,000	94,707,000	60,221,000	96,400,000	-2,562,000	+1,693,000	+36,179,000	D
User fees	---	---	-10,000,000	---	---	---	+10,000,000	D
Total, Health Resources and Services	1,294,536,000	1,255,566,000	973,174,000	1,267,068,000	-27,468,000	+11,502,000	+293,894,000	
(Unauthorized, not considered)	(203,113,000)	(194,370,000)	(189,496,000)	DEFER	DEFER	DEFER	DEFER	
MEDICAL FACILITIES GUARANTEE AND LOAN FUND	25,000,000	25,000,000	20,000,000	20,000,000	-5,000,000	-5,000,000	---	M
HMO LOAN AND LOAN GUARANTEE FUND:								
Loan disbursements (non-add)	(700,000)	(700,000)	---	---	(-700,000)	(-700,000)	---	NA
HEAL loan guarantees (non-add) 2/	(275,000,000)	(275,000,000)	(100,000,000)	(290,000,000)	(+15,000,000)	(+15,000,000)	(+190,000,000)	NA
CENTERS FOR DISEASE CONTROL								
DISEASE CONTROL								
Preventive Health Services Block Grant	91,483,000	87,549,000	89,525,000	89,525,000	-1,958,000	+1,976,000	---	D
Prevention centers	1,500,000	1,436,000	---	1,500,000	---	+64,000	+1,500,000	D
Sexually transmitted diseases:								
Grants	46,511,000	44,511,000	45,510,000	56,511,000	+10,000,000	+12,000,000	+11,001,000	D
Direct operations	9,774,000	9,354,000	9,943,000	9,943,000	+169,000	+589,000	---	D
Subtotal	56,285,000	53,865,000	55,453,000	66,454,000	+10,169,000	+12,589,000	+11,001,000	
Immunization:								
Grants	47,359,000	45,323,000	47,666,000	57,666,000	+10,307,000	+12,343,000	+10,000,000	D
Direct operations	8,093,000	7,739,000	8,346,000	8,346,000	+253,000	+607,000	---	D
Vaccine stockpile	4,000,000	3,828,000	---	4,000,000	---	+172,000	+4,000,000	D
Subtotal	59,452,000	56,890,000	56,012,000	70,012,000	+10,560,000	+13,122,000	+14,000,000	
Infectious disease (including AIDS)	101,655,000	97,292,000	81,767,000	123,365,000	+21,710,000	+26,073,000	+41,598,000	D
Tuberculosis grants	5,000,000	4,785,000	---	7,000,000	+2,000,000	+2,215,000	+7,000,000	D
Chronic & environmental disease prevention	30,373,000	29,065,000	24,425,000	30,425,000	+52,000	+1,360,000	+6,000,000	D
Occupational Safety and Health (NIOSH):								
Research	58,702,000	56,168,000	60,036,000	60,036,000	+1,334,000	+3,868,000	---	D
Training	8,760,000	8,383,000	---	9,900,000	+1,140,000	+1,517,000	+9,900,000	D
Subtotal, NIOSH	67,462,000	64,551,000	60,036,000	69,936,000	+2,474,000	+5,385,000	+9,900,000	
Epidemic services	51,281,000	49,074,000	53,131,000	53,131,000	+1,850,000	+4,057,000	---	D
Buildings and facilities	3,797,000	3,634,000	1,810,000	3,810,000	+13,000	+176,000	+2,000,000	D
Program management	3,092,000	2,959,000	3,096,000	3,096,000	+4,000	+137,000	---	D
Less prior year budget authority	-10,000,000	-10,000,000	---	---	+10,000,000	+10,000,000	---	D
Total, Disease Control	461,380,000	441,100,000	425,255,000	518,254,000	+56,874,000	+77,154,000	+92,999,000	

1/ Includes funds for HMO and nursing programs to be transferred in FY 1987.

2/ Authorization ceiling.

H.R. 5233 - FY 1987 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1986 Enacted	FY 1986 Post Sequester	FY 1987 President's Budget	House Bill	House Bill compared to FY 86 Enacted	House Bill compared to FY 86 Post Seq.	House Bill compared to FY 87 Budget	Man Dis
NATIONAL INSTITUTES OF HEALTH								
National Cancer Institute	1,223,206,000	1,176,561,000	1,158,089,000	1,346,751,000	+123,545,000	+170,190,000	+188,662,000	D
National Heart, Lung, and Blood Institute	847,370,000	810,905,000	785,697,000	921,410,000	+74,040,000	+110,505,000	+135,713,000	D
National Institute of Dental Research	102,523,000	98,111,000	96,482,000	116,275,000	+13,752,000	+18,164,000	+19,793,000	D
National Institute of Diabetes, Digestive, and Kidney Diseases	452,181,000	433,519,000	418,971,000	515,455,000	+63,274,000	+81,936,000	+96,484,000	D
National Institute of Neurological and Communicative Disorders and Stroke	431,594,000	413,024,000	399,351,000	491,085,000	+59,491,000	+78,061,000	+91,734,000	D
National Institute of Allergy and Infectious Diseases	356,164,000	340,840,000	330,551,000	403,853,000	+47,689,000	+63,013,000	+73,302,000	D
National Institute of General Medical Sciences	514,528,000	492,393,000	471,533,000	576,562,000	+62,034,000	+84,169,000	+105,029,000	D
National Institute of Child Health and Human Development	321,581,000	307,743,000	309,119,000	368,509,000	+46,928,000	+60,766,000	+59,390,000	D
National Eye Institute	194,893,000	186,508,000	179,201,000	219,091,000	+24,198,000	+32,583,000	+39,890,000	D
National Institute of Environmental Health Sciences	197,379,000	188,887,000	187,995,000	209,872,000	+12,493,000	+20,985,000	+21,877,000	D
National Institute on Aging	156,352,000	149,623,000	145,829,000	174,279,000	+17,927,000	+24,656,000	+28,450,000	D
National Institute of Arthritis and Musculoskeletal and Skin Diseases	116,543,000	110,723,000	106,733,000	140,225,000	+23,682,000	+29,502,000	+33,492,000	D
Research Resources	303,822,000	290,752,000	234,192,000	317,826,000	+14,004,000	+27,074,000	+83,634,000	D
John E. Fogarty International Center	11,390,000	10,893,000	11,305,000	11,443,000	+53,000	+550,000	+138,000	D
National Library of Medicine	57,759,000	55,273,000	56,408,000	61,588,000	+3,829,000	+6,315,000	+5,180,000	D
Office of the Director (including AIDS)	187,715,000	179,643,000	179,691,000	246,651,000	+58,936,000	+67,008,000	+66,960,000	D
Buildings and facilities	14,898,000	14,257,000	8,000,000	31,900,000	+17,002,000	+17,643,000	+23,900,000	D
Total, National Institutes of Health	5,489,898,000	5,259,655,000	5,079,147,000	6,152,775,000	+662,877,000	+893,120,000	+1,073,628,000	
ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION								
ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH								
Alcohol, Drug Abuse and Mental Health Block Grant	490,000,000	468,930,000	490,000,000	490,000,000	---	+21,070,000	---	D
Mental Health:								
Community Support Program, (CSP)	12,500,000	11,962,000	---	15,000,000	+2,500,000	+3,038,000	+15,000,000	D
Research	209,480,000	200,444,000	194,890,000	229,000,000	+19,520,000	+28,556,000	+34,110,000	D
Research training	18,000,000	17,225,000	15,847,000	18,000,000	---	+775,000	+2,153,000	D
Clinical training	20,000,000	19,140,000	---	10,000,000	-10,000,000	-9,140,000	+10,000,000	D
Protection and advocacy	10,000,000	9,570,000	---	10,300,000	+300,000	+730,000	+10,300,000	D
Direct operations	33,266,000	31,836,000	31,749,000	33,266,000	---	+1,430,000	+1,517,000	D
Acquired Immune Deficiency Syndrome (AIDS)	5,279,000	5,051,000	6,169,000	13,859,000	+8,580,000	+8,808,000	+7,690,000	D
Subtotal, mental health	308,525,000	295,228,000	248,655,000	329,425,000	+20,900,000	+34,197,000	+80,770,000	
Drug Abuse:								
Research (unauthorized) 1/	(68,181,000)	(65,238,000)	(67,405,000)	DEFER	DEFER	DEFER	DEFER	D
Research training	1,500,000	1,436,000	1,355,000	1,500,000	---	+64,000	+145,000	D
Direct operations	14,437,000	13,816,000	14,183,000	14,437,000	---	+621,000	+254,000	D
Acquired Immune Deficiency Syndrome (AIDS)	7,425,000	7,107,000	7,564,000	31,324,000	+23,899,000	+24,217,000	+23,760,000	D
Subtotal, drug abuse	23,362,000	22,359,000	23,102,000	47,261,000	+23,899,000	+24,902,000	+24,159,000	
Alcoholism:								
Research (unauthorized)	(56,822,000)	(54,371,000)	(56,618,000)	DEFER	DEFER	DEFER	DEFER	D
Research training	1,500,000	1,436,000	1,327,000	1,500,000	---	+64,000	+173,000	D
Direct operations	11,658,000	11,157,000	10,876,000	11,658,000	---	+501,000	+782,000	D
Acquired Immune Deficiency Syndrome (AIDS)	---	---	---	2,370,000	+2,370,000	+2,370,000	+2,370,000	D
Subtotal, alcoholism	13,158,000	12,593,000	12,203,000	15,528,000	+2,370,000	+2,935,000	+3,325,000	
Buildings and facilities	100,000	96,000	600,000	600,000	+500,000	+504,000	---	D
Program management, ADAMHA	7,620,000	7,292,000	7,390,000	7,620,000	---	+328,000	+230,000	D
Prevention initiative (sec.301)	---	---	---	3,000,000	+3,000,000	+3,000,000	+3,000,000	D
Total, Alcohol, Drug Abuse and Mental Health	842,765,000	806,498,000	781,950,000	893,434,000	+50,669,000	+86,936,000	+111,484,000	
(Unauthorized)	(125,003,000)	(119,609,000)	(124,023,000)	DEFER	DEFER	DEFER	DEFER	
ST. ELIZABETH'S HOSPITAL:								
Total obligations	132,845,000	128,049,000	136,754,000	136,754,000	+3,909,000	+8,705,000	---	D
Less reimbursements	-89,227,000	-86,310,000	-100,401,000	-100,401,000	-11,174,000	-14,091,000	---	D
Subtotal, St. Elizabeth's Hospital	43,618,000	41,739,000	36,353,000	36,353,000	-7,265,000	-5,386,000	---	
Total, ADAMHA	886,383,000	848,237,000	818,303,000	929,787,000	+43,404,000	+81,550,000	+111,484,000	

H.R. 5233 - FY 1987 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1986 Enacted	FY 1986 Post Sequester	FY 1987 President's Budget	House Bill	House Bill compared to FY 86 Enacted	House Bill compared to FY 86 Post Seq.	House Bill compared to FY 87 Budget	Man Dis
OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH								
PUBLIC HEALTH SERVICE MANAGEMENT								
Health Services Research and Technology Assessment:								
Research	14,757,000	14,120,000	17,116,000	17,116,000	+2,359,000	+2,996,000	---	D
Trust funds	(1,050,000)	(1,050,000)	(1,050,000)	(1,050,000)	---	---	---	TF
Program support	1,638,000	1,568,000	1,663,000	1,568,000	-70,000	---	-95,000	D
Subtotal	17,445,000	16,738,000	19,829,000	19,734,000	+2,289,000	+2,996,000	-95,000	
Health Statistics:								
Program operations	43,378,000	41,500,000	46,825,000	50,094,000	+6,716,000	+8,586,000	+3,269,000	D
Program support	3,193,000	3,056,000	3,193,000	3,056,000	-137,000	---	-137,000	D
Subtotal	46,571,000	44,564,000	50,018,000	53,150,000	+6,579,000	+8,586,000	+3,132,000	
Adolescent family life (unauthorized)	(14,610,000)	(13,978,000)	(14,722,000)	DEFER	DEFER	DEFER	DEFER	D
Smoking and health	3,352,000	3,201,000	3,471,000	3,471,000	+119,000	+270,000	---	D
Health promotion	2,900,000	2,771,000	2,973,000	3,541,000	+641,000	+770,000	+568,000	D
Physical fitness and sports	1,363,000	1,304,000	1,361,000	1,361,000	-2,000	+57,000	---	D
Health Service Management	18,510,000	17,714,000	18,736,000	17,714,000	-796,000	---	-1,022,000	D
AIDS coordinator	---	---	1,350,000	1,350,000	+1,350,000	+1,350,000	---	D
Total, PHS management	89,091,000	85,242,000	96,688,000	99,271,000	+10,180,000	+14,029,000	+2,583,000	
PRIORITY DISEASE CONTROL AND RESEARCH PROJECTS (AIDS) (NON-ADD) 1/								
Health Resources and Services Administration	---	---	---	(1,900,000)	(+1,900,000)	(+1,900,000)	(+1,900,000)	
Centers for Disease Control	(64,925,000)	(62,133,000)	(45,409,000)	(87,007,000)	(+22,082,000)	(+24,874,000)	(+41,598,000)	
National Institutes of Health	(140,723,000)	(134,672,000)	(142,990,000)	(198,943,000)	(+58,220,000)	(+64,271,000)	(+55,953,000)	
National Institute of Mental Health	(5,279,000)	(5,051,000)	(6,169,000)	(13,859,000)	(+8,580,000)	(+8,808,000)	(+7,690,000)	
National Institute on Drug Abuse	(7,425,000)	(7,107,000)	(7,564,000)	(31,324,000)	(+23,899,000)	(+24,217,000)	(+23,760,000)	
National Institute of Alcohol & Alcohol Abuse	---	---	---	(2,370,000)	(+2,370,000)	(+2,370,000)	(+2,370,000)	
Office of Assistant Secretary for Health	---	---	(1,350,000)	(1,350,000)	(+1,350,000)	(+1,350,000)	---	
General Departmental Management	(16,000,000)	(15,312,000)	---	---	(-16,000,000)	(-15,312,000)	---	
Total, Priority disease control & res. proj.	(234,352,000)	(224,275,000)	(203,482,000)	(336,753,000)	(+102,401,000)	(+112,478,000)	(+133,271,000)	
RETIREMENT PAY AND MED. BENEFITS FOR COMM. OFFICERS								
Retirement payments	70,169,000	67,996,000	70,060,000	70,060,000	-109,000	+2,064,000	---	M
COLA	---	---	2,222,000	2,222,000	+2,222,000	+2,222,000	---	M
Survivors benefits	3,564,000	3,450,000	3,671,000	3,671,000	+107,000	+221,000	---	M
Dependent's medical care	9,781,000	9,360,000	10,329,000	10,329,000	+548,000	+969,000	---	M
Reserve Fund	---	---	5,000,000	---	---	---	-5,000,000	M
Total, Retirement pay and medical benefits	83,514,000	80,806,000	91,282,000	86,282,000	+2,768,000	+5,476,000	-5,000,000	
Total, Public Health Service	8,329,802,000	7,995,606,000	7,503,849,000	9,073,437,000	+743,635,000	+1,077,831,000	+1,569,588,000	
(Unauthorized, not considered)	(342,726,000)	(327,957,000)	(328,241,000)	DEFER	DEFER	DEFER	DEFER	
HEALTH CARE FINANCING ADMINISTRATION								
GRANTS TO STATES FOR MEDICAID								
Medicaid current law benefits	22,650,284,000	22,650,284,000	24,532,467,000	24,532,467,000	+1,882,183,000	+1,882,183,000	---	M
State and local administration	1,247,716,000	1,247,716,000	1,347,892,000	1,347,892,000	+100,176,000	+100,176,000	---	M
Subtotal, current law	23,898,000,000	23,898,000,000	25,880,359,000	25,880,359,000	+1,982,359,000	+1,982,359,000	---	
Legislative proposals	---	---	-1,172,237,000	---	---	---	+1,172,237,000	M
Total, MEDICAID current year program level	23,898,000,000	23,898,000,000	24,708,122,000	25,880,359,000	+1,982,359,000	+1,982,359,000	+1,172,237,000	

1/ Requested in consolidated account not approved by the Committee.

H.R. 5233 - FY 1987 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1986 Enacted	FY 1986 Post Sequester	FY 1987 President's Budget	House Bill	House Bill compared to FY 86 Enacted	House Bill compared to FY 86 Post Seq.	House Bill compared to FY 87 Budget	Man Dis
Less funds advanced in prior year	-5,980,000,000	-5,980,000,000	-6,500,000,000	-6,500,000,000	-520,000,000	-520,000,000	---	M
Indefinite such sums	542,484,000	542,484,000	---	---	-542,484,000	-542,484,000	---	M
Total appropriation, current request	18,460,484,000	18,460,484,000	18,208,122,000	19,380,359,000	+919,875,000	+919,875,000	+1,172,237,000	
Subsequent year advance appropriation	6,500,000,000	6,500,000,000	7,100,000,000	7,100,000,000	+600,000,000	+600,000,000	---	M
PAYMENTS TO HEALTH CARE TRUST FUNDS								
Supplemental medical insurance	18,197,000,000	18,197,000,000	19,816,000,000	20,285,000,000	+2,088,000,000	+2,088,000,000	+469,000,000	M
Military Service Credits	91,000,000	91,000,000	94,000,000	94,000,000	+3,000,000	+3,000,000	---	M
Hospital insurance for uninsured	554,000,000	554,000,000	435,000,000	435,000,000	-119,000,000	-119,000,000	---	M
Federal uninsured payment	12,000,000	12,000,000	12,000,000	12,000,000	---	---	---	M
Total, Payment to Trust Funds	18,854,000,000	18,854,000,000	20,357,000,000	20,826,000,000	+1,972,000,000	+1,972,000,000	+469,000,000	
PROGRAM MANAGEMENT								
Research, demonstration, and evaluation:								
Federal funds	15,900,000	15,212,000	10,000,000	10,000,000	-5,900,000	-5,212,000	---	D
Trust funds	(14,750,000)	(14,120,000)	(8,500,000)	(18,000,000)	(+3,250,000)	(+3,880,000)	(+9,500,000)	TF
Subtotal, Research and evaluation	30,650,000	29,332,000	18,500,000	28,000,000	-2,650,000	-1,332,000	+9,500,000	
Medicare Contractors (Trust Funds):								
Operating funds	(1,041,500,000)	(1,000,069,000)	(956,800,000)	(1,087,000,000)	(+45,500,000)	(+86,931,000)	(+130,200,000)	TF
Contingency fund	(15,000,000)	(14,355,000)	(50,000,000)	(15,000,000)	---	(+645,000)	(-35,000,000)	TF
Subtotal, Contractors	(1,056,500,000)	(1,014,424,000)	(1,006,800,000)	(1,102,000,000)	(+45,500,000)	(+87,576,000)	(+95,200,000)	
Less P.L. 99-272 funds	(-78,000,000)	(-78,000,000)	---	(-105,000,000)	(-27,000,000)	(-27,000,000)	(-105,000,000)	TF
State Certification:								
Medicare certification, trust funds	(48,434,000)	(46,353,000)	(53,475,000)	(53,475,000)	(+5,041,000)	(+7,122,000)	---	TF
General program support, federal funds	3,250,000	3,108,000	3,525,000	3,525,000	+275,000	+417,000	---	D
End Stage Renal Disease (ESRD) Networks (trust funds)	(4,837,000)	(4,629,000)	(1,000,000)	(3,850,000)	(-987,000)	(-779,000)	(+2,850,000)	TF
Federal Administration:								
Federal funds	70,170,000	67,150,000	71,008,000	71,008,000	+838,000	+3,858,000	---	D
Trust funds	(144,898,000)	(138,670,000)	(144,169,000)	(144,169,000)	(-729,000)	(+5,499,000)	---	TF
Subtotal, Federal Administration	215,068,000	205,820,000	215,177,000	215,177,000	+109,000	+9,357,000	---	
Total, Program management	1,280,739,000	1,225,666,000	1,298,477,000	1,301,027,000	+20,288,000	+75,361,000	+2,550,000	
Federal funds	89,320,000	85,470,000	84,533,000	84,533,000	-4,787,000	-937,000	---	
Trust funds	(1,191,419,000)	(1,140,196,000)	(1,213,944,000)	(1,216,494,000)	(+25,075,000)	(+76,298,000)	(+2,550,000)	
Total, Health Care Financing Administration:								
Federal funds:								
Current year	37,403,804,000	37,399,954,000	38,649,655,000	40,290,892,000	+2,887,088,000	+2,890,938,000	+1,641,237,000	
Subsequent year advance	6,500,000,000	6,500,000,000	7,100,000,000	7,100,000,000	+600,000,000	+600,000,000	---	
Trust funds	(1,191,419,000)	(1,140,196,000)	(1,213,944,000)	(1,216,494,000)	(+25,075,000)	(+76,298,000)	(+2,550,000)	
SOCIAL SECURITY ADMINISTRATION								
PAYMENTS TO SOCIAL SECURITY TRUST FUNDS	497,008,000	497,008,000	500,555,000	500,555,000	+3,547,000	+3,547,000	---	M

H.R. 5233 - FY 1987 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1986 Enacted	FY 1986 Post Sequester	FY 1987 President's Budget	House Bill	House Bill compared to FY 86 Enacted	House Bill compared to FY 86 Post Seq.	House Bill compared to FY 87 Budget	Man Dis
SPECIAL BENEFITS FOR DISABLED COAL MINERS								
Benefit payments	991,389,000	991,389,000	957,000,000	957,000,000	-34,389,000	-34,389,000	---	M
Administration	6,519,000	6,239,000	6,437,000	6,437,000	-82,000	+198,000	---	M
Subtotal Black Lung. program level	997,908,000	997,628,000	963,437,000	963,437,000	-34,471,000	-34,191,000	---	
Less funds advanced in prior year	-270,000,000	-270,000,000	-270,000,000	-270,000,000	---	---	---	M
Indefinite such sums	12,341,000	12,341,000	---	---	-12,341,000	-12,341,000	---	M
Apprn available in prior year	-11,730,000	-11,730,000	---	---	+11,730,000	+11,730,000	---	M
Total Black Lung. current request	728,519,000	728,239,000	693,437,000	693,437,000	-35,082,000	-34,802,000	---	
Subsequent year advance appropriation	270,000,000	270,000,000	252,450,000	252,450,000	-17,550,000	-17,550,000	---	M
SUPPLEMENTAL SECURITY INCOME 1/								
Federal benefit payments	9,040,551,000	9,040,551,000	9,589,000,000	9,589,000,000	+548,449,000	+548,449,000	---	M
Beneficiary services	6,800,000	6,800,000	8,200,000	8,200,000	+1,400,000	+1,400,000	---	M
Administration	1,010,507,000	977,838,000	972,118,000	972,118,000	-38,389,000	-5,720,000	---	M
Subtotal Supplemental Security Income. program.	10,057,858,000	10,025,189,000	10,569,318,000	10,569,318,000	+511,460,000	+544,129,000	---	
Less funds advanced in prior year	-2,345,769,000	-2,345,769,000	-2,339,250,000	-2,339,250,000	+6,519,000	+6,519,000	---	M
Indefinite such sums	253,545,000	253,545,000	---	---	-253,545,000	-253,545,000	---	M
Apprn available in prior year	-409,194,000	-409,194,000	---	---	+409,194,000	+409,194,000	---	M
Total SSI. current request	7,556,440,000	7,523,771,000	8,230,068,000	8,230,068,000	+673,628,000	+706,297,000	---	
Subsequent year advance appropriation	2,339,250,000	2,339,250,000	2,765,000,000	2,765,000,000	+425,750,000	+425,750,000	---	M
ASSISTANCE PAYMENTS								
Current Law								
Maintenance assistance:								
AFDC:								
Benefit payments	8,204,153,000	8,204,153,000	8,441,805,000	8,441,805,000	+237,652,000	+237,652,000	---	M
Error rate sanctions	---	---	-777,200,000	---	---	---	+777,200,000	M
Child support enforcement collections	-386,000,000	-386,000,000	-417,000,000	-417,000,000	-31,000,000	-31,000,000	---	M
Subtotal. AFDC.	7,818,153,000	7,818,153,000	7,247,605,000	8,024,805,000	+206,652,000	+206,652,000	+777,200,000	
Adult categories	13,368,000	13,368,000	13,368,000	13,368,000	---	---	---	M
Emergency assistance	80,500,000	80,500,000	81,900,000	81,900,000	+1,400,000	+1,400,000	---	M
State and local administration and training	998,084,000	998,084,000	1,054,584,000	1,054,584,000	+56,500,000	+56,500,000	---	M
Administration and training-jurisdictions	6,616,000	6,616,000	6,616,000	6,616,000	---	---	---	M
Repatriation	1,000,000	1,000,000	1,000,000	1,000,000	---	---	---	M
Subtotal. maintenance assistance	8,917,721,000	8,917,721,000	8,405,073,000	9,182,273,000	+264,552,000	+264,552,000	+777,200,000	
Research & evaluation	2,925,000	2,799,000	2,925,000	2,925,000	---	+126,000	---	M
Federal administration	33,737,000	32,278,000	31,976,000	31,976,000	-1,761,000	-302,000	---	M
Subtotal current law	8,954,383,000	8,952,798,000	8,439,974,000	9,217,174,000	+262,791,000	+264,376,000	+777,200,000	

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H.R. 5233 - FY 1987 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR HEALTH AND HUMAN SERVICES EDUCATION AND RELATED AGENCIES

	FY 1986 Enacted	FY 1986 Post Sequester	FY 1987 President's Budget	House Bill	House Bill compared to FY 86 Enacted	House Bill compared to FY 86 Post Seq.	House Bill compared to FY 87 Budget	Man Dis
Legislative proposals								
Reform welfare administration	---	---	-15,000,000	---	---	---	+15,000,000	M
Workfare benefits	---	---	-252,000,000	---	---	---	+252,000,000	M
Workfare administration	---	---	200,000,000	---	---	---	-200,000,000	M
End parents' benefit/Essential person limit	---	---	-101,000,000	---	---	---	+101,000,000	M
Limit assist to minor mothers not living w/parents	---	---	-20,000,000	---	---	---	+20,000,000	M
18 mo. all RCA/RMA refugee program	---	---	-48,742,000	---	---	---	+48,742,000	M
Subtotal, Legislative proposals	---	---	-236,742,000	---	---	---	+236,742,000	
Total, net of legislative proposals	8,954,383,000	8,952,798,000	8,203,232,000	9,217,174,000	+262,791,000	+264,376,000	+1,013,942,000	
Less funds advanced in previous years	-2,095,000,000	-2,095,000,000	-2,193,754,000	-2,193,754,000	-98,754,000	-98,754,000	---	M
Indefinite such sums	950,486,000	950,486,000	---	---	-950,486,000	-950,486,000	---	M
Appropriation available in prior year	-908,910,000	-908,910,000	---	---	+908,910,000	+908,910,000	---	M
Total, Assistance payments, current request	6,900,959,000	6,899,374,000	6,009,478,000	7,023,420,000	+122,461,000	+124,046,000	+1,013,942,000	
Subsequent year advance appropriation	2,193,754,000	2,193,754,000	2,293,615,000	2,293,615,000	+99,861,000	+99,861,000	---	M
LOW INCOME HOME ENERGY ASSISTANCE (Unauthorized, not considered)								
Energy Assistance Block Grant	(2,097,765,000)	(2,007,561,000)	(2,097,642,000)	DEFER	DEFER	DEFER	DEFER	D
Federal Administration	(2,235,000)	(2,139,000)	(2,358,000)	DEFER	DEFER	DEFER	DEFER	D
Subtotal, Energy assistance	(2,100,000,000)	(2,009,700,000)	(2,100,000,000)	DEFER	DEFER	DEFER	DEFER	
REFUGEE AND ENTRANT ASSISTANCE (Unauthorized, not considered)								
Cash and medical assistance	(235,440,000)	(225,316,000)	(195,409,000)	DEFER	DEFER	DEFER	DEFER	D
State administration	(35,316,000)	(33,797,000)	(35,369,000)	DEFER	DEFER	DEFER	DEFER	D
Social services	(71,700,000)	(68,617,000)	(46,803,000)	DEFER	DEFER	DEFER	DEFER	D
Voluntary agency program	(4,000,000)	(3,828,000)	(1,000,000)	DEFER	DEFER	DEFER	DEFER	D
Education assistance for children	(16,600,000)	(15,886,000)	---	DEFER	DEFER	DEFER	DEFER	D
Preventive health	(8,400,000)	(8,039,000)	(10,355,000)	DEFER	DEFER	DEFER	DEFER	D
Targeted assistance	(50,000,000)	(47,850,000)	---	DEFER	DEFER	DEFER	DEFER	D
Federal Administration	(6,305,000)	(6,030,000)	(6,083,000)	DEFER	DEFER	DEFER	DEFER	D
Legislative proposals	---	---	(78,979,000)	DEFER	DEFER	DEFER	DEFER	D
Total, Refugee Resettlement	(427,761,000)	(409,363,000)	(373,998,000)	DEFER	DEFER	DEFER	DEFER	
LIMITATION ON ADMINISTRATIVE EXPENSES (Trust Funds)	(3,992,220,000)	(3,847,863,000)	(4,011,373,000)	(4,000,373,000)	(+8,153,000)	(+152,510,000)	(-11,000,000)	TF
Total, Social Security Administration:								
Federal funds:								
Current year	15,682,926,000	15,648,392,000	15,433,538,000	16,447,480,000	+764,554,000	+799,088,000	+1,013,942,000	
Subsequent year advance appropriations	4,803,004,000	4,803,004,000	5,311,065,000	5,311,065,000	+508,061,000	+508,061,000	---	
Trust funds	(3,992,220,000)	(3,847,863,000)	(4,011,373,000)	(4,000,373,000)	(+8,153,000)	(+152,510,000)	(-11,000,000)	
CHILD SUPPORT ENFORCEMENT								
Program level, current law	592,484,000	559,356,000	770,383,000	770,383,000	+177,899,000	+211,027,000	---	M
Less funds advanced in previous years	-160,000,000	-160,000,000	-170,750,000	-170,750,000	-10,750,000	-10,750,000	---	M
Indefinite such sums	26,729,000	26,729,000	---	---	-26,729,000	-26,729,000	---	M
Current request, Child Support Enforcement 1/	459,213,000	426,085,000	599,633,000	599,633,000	+140,420,000	+173,548,000	---	
Subsequent year advance appropriation	170,750,000	170,750,000	187,000,000	187,000,000	+16,250,000	+16,250,000	---	M

1/ President's budget proposes savings of $41 mil. for later transmittal.

H.R. 5233 - FY 1987 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1986 Enacted	FY 1986 Post Sequester	FY 1987 President's Budget	House Bill	House Bill compared to FY 86 Enacted	House Bill compared to FY 86 Post Seq.	House Bill compared to FY 87 Budget	Man Dis
ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES								
SOCIAL SERVICES BLOCK GRANT (TITLE XX)	2,700,000,000	2,583,900,000	2,700,000,000	2,700,000,000	---	+116,100,000	---	M
HUMAN DEVELOPMENT SERVICES								
Programs for Children, Youth, and Families:								
Head start (unauthorized)	(1,086,842,000)	(1,040,098,000)	(1,075,059,000)	DEFER	DEFER	DEFER	DEFER	D
Child abuse:								
State grants	12,000,000	11,441,000	---	12,000,000	---	+559,000	+12,000,000	D
Discretionary activities	13,898,000	13,339,000	---	13,898,000	---	+559,000	+13,898,000	D
Challenge grants	---	---	---	5,000,000	+5,000,000	+5,000,000	+5,000,000	D
Runaway youth	23,231,000	22,231,000	23,250,000	23,250,000	+19,000	+1,019,000	---	D
Dependent Care Planning and Development (unauth)	(5,000,000)	(4,785,000)	---	DEFER	DEFER	DEFER	DEFER	D
Family violence	2,500,000	2,393,000	---	2,500,000	---	+107,000	+2,500,000	D
Family crisis and protective service grants	---	---	30,500,000	---	---	---	-30,500,000	D
Subtotal, CY & Families	51,629,000	49,404,000	53,750,000	56,648,000	+5,019,000	+7,244,000	+2,898,000	
Programs for the Aging:								
Grants to States:								
Supportive Services and Centers	265,000,000	253,605,000	265,000,000	275,000,000	+10,000,000	+21,395,000	+10,000,000	D
Nutrition:								
Congregate meals	335,970,000	321,522,000	336,000,000	350,000,000	+14,030,000	+28,478,000	+14,000,000	D
Home-delivered meals	67,900,000	64,980,000	67,900,000	75,000,000	+7,100,000	+10,020,000	+7,100,000	D
Grants to Indians	7,500,000	7,178,000	7,500,000	7,500,000	---	+322,000	---	D
Research, training, and special projects	25,000,000	23,925,000	12,500,000	25,000,000	---	+1,075,000	+12,500,000	D
Federal Council on Aging	200,000	191,000	200,000	200,000	---	+9,000	---	D
Subtotal, Aging programs	701,570,000	671,401,000	689,100,000	732,700,000	+31,130,000	+61,299,000	+43,600,000	
Developmental disabilities program:								
State grants	53,400,000	51,104,000	50,250,000	50,250,000	-3,150,000	-854,000	---	D
Protection and advocacy	14,600,000	13,972,000	13,750,000	13,750,000	-850,000	-222,000	---	D
Special projects	2,800,000	2,680,000	---	2,500,000	-300,000	-180,000	+2,500,000	D
University affiliated facilities	9,600,000	9,187,000	9,000,000	9,000,000	-600,000	-187,000	---	D
Subtotal, Developmental disabilities	80,400,000	76,943,000	73,000,000	75,500,000	-4,900,000	-1,443,000	+2,500,000	
Native American Programs (unauthorized)	(28,989,000)	(27,742,000)	(27,300,000)	DEFER	DEFER	DEFER	DEFER	D
Program direction	61,069,000	58,441,000	60,169,000	60,169,000	-900,000	+1,728,000	---	D
Total, Human Development Services	894,668,000	856,189,000	876,019,000	925,017,000	+30,349,000	+68,828,000	+48,998,000	
(Unauthorized, not considered)	(1,120,831,000)	(1,072,625,000)	(1,102,359,000)	DEFER	DEFER	DEFER	DEFER	
FAMILY SOCIAL SERVICES 1/								
Discretionary activities:								
Child welfare assistance	207,000,000	198,099,000	200,000,000	225,000,000	+18,000,000	+26,901,000	+25,000,000	D
Child welfare training	3,823,000	3,658,000	3,823,000	3,823,000	---	+165,000	---	D
Adoption opportunities	5,000,000	4,785,000	1,400,000	5,000,000	---	+215,000	+3,600,000	D
Social services research	---	---	2,400,000	2,400,000	+2,400,000	+2,400,000	---	D
Child welfare research	11,680,000	11,172,000	6,000,000	11,000,000	-680,000	-172,000	+5,000,000	D
Subtotal	227,503,000	217,714,000	213,623,000	247,223,000	+19,720,000	+29,509,000	+33,600,000	
Entitlement activities:								
Foster care	507,641,000	501,580,000	544,310,000	698,096,000	+190,455,000	+196,516,000	+153,786,000	M
Adoption assistance	41,948,000	41,391,000	59,904,000	59,904,000	+17,956,000	+18,513,000	---	M
Subtotal	549,589,000	542,971,000	604,214,000	758,000,000	+208,411,000	+215,029,000	+153,786,000	
Total, Family Social Services	777,092,000	760,685,000	817,837,000	1,005,223,000	+228,131,000	+244,538,000	+187,386,000	

1/ President's budget requests $100,228,000 FY86 supplemental

H.R. 5233 - FY 1987 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1986 Enacted	FY 1986 Post Sequester	FY 1987 President's Budget	House Bill	House Bill compared to FY 86 Enacted	House Bill compared to FY 86 Post Seq.	House Bill compared to FY 87 Budget	Man Dis
WORK INCENTIVES								
Grants to States	212,000,000	202,884,000	---	193,000,000	-19,000,000	-9,884,000	+193,000,000	D
Program direction and evaluation	8,000,000	7,656,000	---	7,000,000	-1,000,000	-656,000	+7,000,000	D
Total, Work incentives	220,000,000	210,540,000	---	200,000,000	-20,000,000	-10,540,000	+200,000,000	
Total, Asst. Sec. for Human Development	4,591,760,000	4,411,314,000	4,393,856,000	4,830,240,000	+238,480,000	+418,926,000	+436,384,000	
COMMUNITY SERVICES BLOCK GRANT (Unauthorized, not considered)								
Grants to States	(335,000,000)	(320,595,000)	---	DEFER	DEFER	DEFER	DEFER	D
Discretionary funds	(31,000,000)	(31,167,000)	---	DEFER	DEFER	DEFER	DEFER	D
Program support	(4,300,000)	(4,115,000)	(3,612,000)	DEFER	DEFER	DEFER	DEFER	D
Total, Community Services appropriation	(370,300,000)	(355,877,000)	(3,612,000)	DEFER	DEFER	DEFER	DEFER	
DEPARTMENTAL MANAGEMENT								
GENERAL DEPARTMENTAL MANAGEMENT:								
Federal funds:								
General	123,789,000	118,459,000	108,319,000	108,319,300	-15,470,000	-10,140,000	---	D
Cancer construction transfer	4,500,000	4,307,000	---	---	-4,500,000	-4,307,000	---	D
Acquired Immune Deficiency Syndrome (AIDS)	16,000,000	15,312,000	---	---	-16,000,000	-15,312,000	---	D
Subtotal, federal funds	144,289,000	138,078,000	108,319,000	108,319,000	-35,970,000	-29,759,000	---	
Trust funds	(8,000,000)	(7,656,000)	(27,500,000)	(27,500,000)	(+19,500,000)	(+19,844,000)	---	TF
Total, Departmental management	152,289,000	145,734,000	135,819,000	135,819,000	-16,470,000	-9,915,000	---	
OFFICE OF THE INSPECTOR GENERAL:								
Federal activities:								
Federal funds	41,943,000	40,128,000	29,716,000	30,016,000	-11,927,000	-10,112,000	+300,000	D
Trust funds	(30,000,000)	(28,710,000)	(40,000,000)	(40,000,000)	(+10,000,000)	(+11,290,000)	---	TF
Total, Inspector General	71,943,000	68,838,000	69,716,000	70,016,000	-1,927,000	+1,178,000	+300,000	
OFFICE FOR CIVIL RIGHTS:								
Federal funds	16,000,000	15,312,000	15,285,000	15,285,000	-715,000	-27,000	---	D
Trust funds	(4,000,000)	(3,828,000)	(4,000,000)	(4,000,000)	---	(+172,000)	---	TF
Total, Civil Rights	20,000,000	19,140,000	19,285,000	19,285,000	-715,000	+145,000	---	
POLICY RESEARCH	6,500,000	6,220,000	5,000,000	8,200,000	+1,700,000	+1 980,000	+3,200,000	D
Total, Departmental management:								
Federal funds	208,732,000	199,738,000	158,320,000	161,820,000	-46,912,000	-37,918,000	+3,500,000	
Trust funds	(42,000,000)	(40,194,000)	(71,500,000)	(71,500,000)	(+29,500,000)	(+31,306,000)	---	
Total, Department of Health and Human Services:								
Federal Funds (all years)	78,149,991,000	77,554,843,000	79,336,916,000	84,001,567,000	+5,851,576,000	+6,446,724,000	+4,664,651,000	
Current year	(66,676,237,000)	(66,081,089,000)	(66,738,851,000)	(71,403,502,000)	(+4,727,265,000)	(+5,322,413,000)	(+4,664,651,000)	
Subsequent year advances	(11,473,754,000)	(11,473,754,000)	(12,598,065,000)	(12,598,065,000)	(+1,124,311,000)	(+1,124,311,000)	---	
(Unauthorized, not considered)	(4,361,618,000)	(4,175,522,000)	(3,908,210,000)	DEFER	DEFER	DEFER	DEFER	
Trust funds	(5,226,689,000)	(5,029,303,000)	(5,297,867,000)	(5,289,417,000)	(+62,728,000)	(+260,114,000)	(-8,450,000)	

H.R. 5233 - FY 1987 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1986 Enacted	FY 1986 Post Sequester	FY 1987 President's Budget	House Bill	House Bill compared to FY 86 Enacted	House Bill compared to FY 86 Post Seq.	House Bill compared to FY 87 Budget	Man Dis
TITLE III--DEPARTMENT OF EDUCATION								
COMPENSATORY EDUCATION FOR THE DISADVANTAGED								
Grants for the Disadvantaged (Chapter 1):								
Grants to local educational agencies	3,200,000,000	3,062,400,000	3,261,005,000	3,507,000,000	+307,000,000	+444,600,000	+245,995,000	D
State agency programs:								
Migrants	264,524,000	253,149,000	202,519,000	264,524,000	---	+11,375,000	+62,005,000	D
Handicapped	150,170,000	143,713,000	150,170,000	150,170,000	---	+6,457,000	---	D
Neglected and delinquent	32,616,000	31,214,000	32,616,000	32,616,000	---	+1,402,000	---	D
State administration	35,607,000	34,076,000	35,607,000	38,607,000	+3,000,000	+4,531,000	+3,000,000	D
Evaluation and technical assistance	5,246,000	5,020,000	6,246,000	6,246,000	+1,000,000	+1,226,000	---	D
Total, Chapter 1	3,688,163,000	3,529,572,000	3,688,163,000	3,999,163,000	+311,000,000	+469,591,000	+311,000,000	
Migrant education: (unauthorized)								
High school equivalency program	(6,300,000)	(6,029,000)	---	DEFER	DEFER	DEFER	DEFER	D
College assistance migrant program	(1,200,000)	(1,148,000)	---	DEFER	DEFER	DEFER	DEFER	D
Total, Compensatory Education programs	3,688,163,000	3,529,572,000	3,688,163,000	3,999,163,000	+311,000,000	+469,591,000	+311,000,000	
(Unauthorized, not considered)	(7,500,000)	(7,177,000)	---	DEFER	DEFER	DEFER	DEFER	
IMPACT AID								
Maintenance and operations:								
Payments for "a" children	513,000,000	490,941,000	513,000,000	513,000,000	---	+22,059,000	---	D
Payments for "b" children	130,000,000	124,410,000	---	130,000,000	---	+5,590,000	+130,000,000	D
Special provisions (Section 2)	22,000,000	21,054,000	20,000,000	22,000,000	---	+946,000	+2,000,000	D
Subtotal	665,000,000	636,405,000	533,000,000	665,000,000	---	+28,595,000	+132,000,000	
Disaster assistance	10,000,000	29,570,000	10,000,000	10,000,000	---	-19,570,000	---	D
Construction	17,500,000	16,747,000	5,000,000	25,000,000	+7,500,000	+8,253,000	+20,000,000	D
Total	692,500,000	682,722,000	548,000,000	700,000,000	+7,500,000	+17,278,000	+152,000,000	
SPECIAL PROGRAMS								
Improving School Programs (Chapter 2):								
State block grants	500,000,000	478,500,000	500,000,000	500,000,000	---	+21,500,000	---	D
Secretary's discretionary fund:								
Inexpensive book distribution (including RIF)	7,000,000	6,699,000	7,000,000	7,000,000	---	+301,000	---	D
Arts in education	3,157,000	3,021,000	3,157,000	3,157,000	---	+136,000	---	D
Alcohol and drug abuse education	3,000,000	2,871,000	3,000,000	14,000,000	+11,000,000	+11,129,000	+11,000,000	D
Law related education	2,000,000	1,914,000	2,000,000	3,000,000	+1,000,000	+1,086,000	+1,000,000	D
National Diffusion Network	10,700,000	10,240,000	10,700,000	10,700,000	---	+460,000	---	D
Rural math and science	---	---	---	4,000,000	+4,000,000	+4,000,000	+4,000,000	D
Discretionary projects	3,052,000	2,921,000	3,052,000	3,052,000	---	+131,000	---	D
Subtotal, Secretary's discretionary fund	28,909,000	27,666,000	28,909,000	44,909,000	+16,000,000	+17,243,000	+16,000,000	
Total, Chapter 2	528,909,000	506,166,000	528,909,000	544,909,000	+16,000,000	+38,743,000	+16,000,000	
Other Special Programs:								
Teacher training and improvement: (unauthorized)1/								
State grants	---	---	(60,000,000)	DEFER	DEFER	DEFER	DEFER	D
Secretary's discretionary fund	---	---	(15,000,000)	DEFER	DEFER	DEFER	DEFER	D
Science and mathematics education	45,000,000	43,066,000	---	43,066,000	-1,934,000	---	+43,066,000	D
Training and advisory services (Civil Rights IVA)	24,000,000	22,968,000	---	24,000,000	---	+1,032,000	+24,000,000	D
Follow through (unauthorized)	(7,500,000)	(7,177,000)	---	DEFER	DEFER	DEFER	DEFER	D
Territorial teacher training assistance	2,000,000	1,914,000	---	1,914,000	-86,000	---	+1,914,000	D
General assistance for the Virgin Islands	5,000,000	4,785,000	---	4,785,000	-215,000	---	+4,785,000	D
Ellender fellowships	1,700,000	1,627,000	---	1,700,000	---	+73,000	+1,700,000	D
Women's educational equity	6,000,000	5,742,000	---	6,000,000	---	+258,000	+6,000,000	D
Magnet schools	75,000,000	71,775,000	75,000,000	75,000,000	---	+3,225,000	---	D
Excellence in education	2,500,000	2,392,000	---	2,392,000	-108,000	---	+2,392,000	D
LEAD	7,500,000	7,177,000	---	7,177,000	-323,000	---	+7,177,000	D
Subtotal, Other special programs	168,700,000	161,446,000	75,000,000	166,034,000	-2,666,000	+4,588,000	+91,034,000	
Total, Special programs	697,609,000	667,612,000	603,909,000	710,943,000	+13,334,000	+43,331,000	+107,034,000	

1/ Unauthorized. Proposed for later transmittal.

H.R. 5233 - FY 1987 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1986 Enacted	FY 1986 Post Sequester	FY 1987 President's Budget	House Bill	House Bill compared to FY 86 Enacted	House Bill compared to FY 86 Post Seq.	House Bill compared to FY 87 Budget	Man Dis
BILINGUAL EDUCATION								
Bilingual programs	94,951,000	90,862,000	99,285,000	99,161,000	+4,210,000	+8,299,000	-124,000	D
Training grants	33,564,000	32,121,000	33,566,000	36,490,000	+2,926,000	+4,369,000	+2,924,000	D
Support services	10,440,000	9,991,000	10,100,000	10,300,000	-140,000	+309,000	+200,000	D
Vocational training	3,686,000	3,527,000	---	3,686,000	---	+159,000	+3,686,000	D
Emergency immigrant education	30,000,000	28,710,000	---	30,000,000	---	+1,290,000	+30,000,000	D
Total	172,641,000	165,211,000	142,951,000	179,637,000	+6,996,000	+14,426,000	+36,686,000	
EDUCATION FOR THE HANDICAPPED								
Education for the handicapped:								
State assistance:								
State grant program	1,215,550,000	1,163,282,000	1,135,145,000	1,300,000,000	+84,450,000	+136,718,000	+164,855,000	D
Preschool incentive grants	30,000,000	28,710,000	31,000,000	31,000,000	+1,000,000	+2,290,000	---	D
Special purpose funds:								
Deaf-blind centers	14,764,000	14,119,000	9,000,000	14,764,000	---	+645,000	+5,764,000	D
Severely handicapped projects	5,000,000	4,785,000	4,300,000	5,000,000	---	+215,000	+700,000	D
Early childhood education	24,000,000	22,968,000	22,500,000	24,000,000	---	+1,032,000	+1,500,000	D
Secondary and transitional services	6,600,000	6,316,000	6,330,000	6,600,000	---	+284,000	+270,000	D
Postsecondary programs	5,500,000	5,264,000	5,300,000	5,500,000	---	+236,000	+200,000	D
Innovation and development	16,811,000	16,080,000	16,000,000	16,811,000	---	+731,000	+811,000	D
Media services and captioned films	17,429,000	16,676,000	16,500,000	17,429,000	---	+753,000	+929,000	D
Regional resource centers	6,300,000	6,029,000	6,000,000	6,300,000	---	+271,000	+300,000	D
Recruitment and information	1,110,000	1,062,000	1,025,000	1,110,000	---	+48,000	+85,000	D
Special education personnel development	63,906,000	61,154,000	48,000,000	63,906,000	---	+2,752,000	+15,906,000	D
Special studies	3,228,000	3,089,000	2,000,000	2,000,000	-1,228,000	-1,089,000	---	D
Total, Education for the handicapped	1,410,198,000	1,349,534,000	1,303,100,000	1,494,420,000	+84,222,000	+144,886,000	+191,320,000	
REHABILITATION SERVICES AND HANDICAPPED RESEARCH								
Rehabilitation services:								
Basic State grants	1,190,000,000	1,145,148,000	1,100,000,000	1,148,356,000	-41,644,000	+3,208,000	+48,356,000	M
Helen Keller Center	4,300,000	4,115,000	4,200,000	4,300,000	---	+185,000	+100,000	M
Unauthorized, not considered:								
Service projects:								
Special demonstration programs	(20,200,000)	(19,332,000)	(14,635,000)	DEFER	DEFER	DEFER	DEFER	M
Recreational programs	(2,200,000)	(2,105,000)	---	DEFER	DEFER	DEFER	DEFER	M
Migratory workers	(1,000,000)	(957,000)	(950,000)	DEFER	DEFER	DEFER	DEFER	M
American Indians	(1,400,000)	(1,340,000)	(715,000)	DEFER	DEFER	DEFER	DEFER	M
Projects with industry	(15,200,000)	(14,547,000)	(13,000,000)	DEFER	DEFER	DEFER	DEFER	M
Subtotal, Service projects	(40,000,000)	(38,281,000)	(29,300,000)	DEFER	DEFER	DEFER	DEFER	
Client assistance	(6,700,000)	(6,412,000)	(6,300,000)	DEFER	DEFER	DEFER	DEFER	M
Independent living:								
Comprehensive services	(11,000,000)	(10,527,000)	---	DEFER	DEFER	DEFER	DEFER	M
Centers	(23,000,000)	(22,011,000)	(22,000,000)	DEFER	DEFER	DEFER	DEFER	M
Services for older blind	(5,000,000)	(4,785,000)	---	DEFER	DEFER	DEFER	DEFER	M
Subtotal, Independent living	(39,000,000)	(37,323,000)	(22,000,000)	DEFER	DEFER	DEFER	DEFER	
Training	(27,000,000)	(25,838,000)	(15,000,000)	DEFER	DEFER	DEFER	DEFER	M
Innovation and expansion	(9,000,000)	(8,613,000)	(9,000,000)	DEFER	DEFER	DEFER	DEFER	M
Subtotal	(121,700,000)	(116,467,000)	(81,600,000)	DEFER	DEFER	DEFER	DEFER	
National Institute of Handicapped Research	(43,875,000)	(41,983,000)	(39,000,000)	DEFER	DEFER	DEFER	DEFER	M
Evaluation	(1,800,000)	(1,723,000)	(600,000)	DEFER	DEFER	DEFER	DEFER	M
Total	1,194,300,000	1,149,263,000	1,104,200,000	1,152,656,000	-41,644,000	+3,393,000	+48,456,000	
(Unauthorized, not considered)	(167,375,000)	(160,173,000)	(121,200,000)	DEFER	DEFER	DEFER	DEFER	

H.R. 5233 - FY 1987 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1986 Enacted	FY 1986 Post Sequester	FY 1987 President's Budget	House Bill	House Bill compared to FY 86 Enacted	House Bill compared to FY 86 Post Seq.	House Bill compared to FY 87 Budget	Man Dis
VOCATIONAL AND ADULT EDUCATION								
Vocational education:								
Basic grants	782,381,000	748,738,000	387,156,000	848,000,000	+65,619,000	+99,262,000	+460,844,000	D
National research & data programs	10,000,000	9,570,000	6,818,000	12,000,000	+2,000,000	+2,430,000	+5,182,000	D
Consumer and homemaker education	31,633,000	30,273,000	---	31,633,000	---	+1,360,000	+31,633,000	D
State advisory councils	7,300,000	6,986,000	7,000,000	7,300,000	---	+314,000	+300,000	D
Community based organizations	7,500,000	7,178,000	---	7,500,000	---	+322,000	+7,500,000	D
Subtotal, Vocational education	838,814,000	802,745,000	400,974,000	906,433,000	+67,619,000	+103,688,000	+505,459,000	
Adult education	101,963,000	97,579,000	104,000,000	110,000,000	+8,037,000	+12,421,000	+6,000,000	D
Total	940,777,000	900,324,000	504,974,000	1,016,433,000	+75,656,000	+116,109,000	+511,459,000	
STUDENT FINANCIAL ASSISTANCE 1/ (Unauthorized, not considered)								
Pell Grants:								
Current year	(3,586,546,000)	(3,432,262,000)	(3,000,000,000)	DEFER	DEFER	DEFER	DEFER	D
Fiscal year 1986 shortfall	---	(146,000,000)	(250,000,000)	DEFER	DEFER	DEFER	DEFER	D
Supplemental grants	(412,500,000)	(394,762,000)	---	DEFER	DEFER	DEFER	DEFER	D
Campus-based aid (proposed legislation)	---	---	(400,000,000)	DEFER	DEFER	DEFER	DEFER	D
Work-study	(592,500,000)	(567,023,000)	---	DEFER	DEFER	DEFER	DEFER	D
Direct loans:								
Capital	(190,000,000)	(181,830,000)	---	DEFER	DEFER	DEFER	DEFER	D
Cancellations	(28,000,000)	(26,796,000)	(25,000,000)	DEFER	DEFER	DEFER	DEFER	D
Income contingent loans (proposed legislation)	---	---	(137,568,000)	DEFER	DEFER	DEFER	DEFER	D
State student incentive grants	(76,000,000)	(72,732,000)	---	DEFER	DEFER	DEFER	DEFER	D
Total, Student Financial Assistance	(4,885,546,000)	(4,821,405,000)	(3,812,568,000)	DEFER	DEFER	DEFER	DEFER	
GUARANTEED STUDENT LOANS								
Guaranteed student loan program 2/	3,294,034,000	3,259,975,000	3,460,250,000	3,394,000,000	+99,966,000	+134,025,000	-66,250,000	M
HIGHER EDUCATION								
Program development:								
Aid for developing institutions	(141,208,000)	(135,136,000)	(141,208,000)	DEFER	DEFER	DEFER	DEFER	D
Minority institutions science improvement	5,000,000	4,785,000	5,000,000	5,000,000	---	+215,000	---	D
International education and foreign language studies:								
Domestic programs	(26,550,000)	(25,408,000)	---	DEFER	DEFER	DEFER	DEFER	D
Overseas programs	(5,500,000)	(5,263,000)	---	DEFER	DEFER	DEFER	DEFER	D
Fund for the Improvement of Postsec. Education	(12,710,000)	(12,163,000)	(10,000,000)	DEFER	DEFER	DEFER	DEFER	D
Cooperative education	(14,400,000)	(13,781,000)	---	DEFER	DEFER	DEFER	DEFER	D
Subtotal, Program development	5,000,000	4,785,000	5,000,000	5,000,000	---	+215,000	---	
(Unauthorized, not considered)	(200,368,000)	(191,751,000)	(151,208,000)	DEFER	DEFER	DEFER	DEFER	
Student support services:								
Special programs for the disadvantaged	(176,370,000)	(168,786,000)	(82,370,000)	DEFER	DEFER	DEFER	DEFER	D
Veterans' cost of instruction	(3,000,000)	(2,871,000)	---	DEFER	DEFER	DEFER	DEFER	D
Academic facilities and projects:								
Interest subsidy grants	(23,500,000)	(22,490,000)	(23,000,000)	DEFER	DEFER	DEFER	DEFER	D
Academic facilities construction grants(Title VII)	(10,000,000)	(9,570,000)	---	DEFER	DEFER	DEFER	DEFER	D
Special higher education projects	(6,000,000)	(5,742,000)	---	DEFER	DEFER	DEFER	DEFER	D
Subtotal, Academic facilities and projects	(39,500,000)	(37,802,000)	(23,000,000)	DEFER	DEFER	DEFER	DEFER	

1/ $3,787,568,000 proposed for later transmittal.

2/ FY86 supplemental of $65,044,000 proposed for later transmittal. FY87 budget proposes legislative savings of $1,115,241,000 and sequestering of $15,423,000 for later transmittal.

H.R. 5233 - FY 1987 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1986 Enacted	FY 1986 Post Sequester	FY 1987 President's Budget	House Bill	House Bill compared to FY 86 Enacted	House Bill compared to FY 86 Post Seq.	House Bill compared to FY 87 Budget	Man Dis
Graduate programs:								
Graduate/professional opportunity fellowships	(11,750,000)	(11,245,000)	---	DEFER	DEFER	DEFER	DEFER	D
Public service fellowships	(2,500,000)	(2,393,000)	---	DEFER	DEFER	DEFER	DEFER	D
National Graduate Fellowships	(2,500,000)	(2,393,000)	---	DEFER	DEFER	DEFER	DEFER	D
Legal training for disadvantaged	(1,500,000)	(1,435,000)	---	DEFER	DEFER	DEFER	DEFER	D
Law school clinical experience	1,500,000	1,435,000	---	1,500,000	---	+65,000	+1,500,000	D
Subtotal, Graduate programs	1,500,000	1,435,000	---	1,500,000	---	+65,000	+1,500,000	
(Unauthorized, not considered)	(18,250,000)	(17,466,000)	---	DEFER	DEFER	DEFER	DEFER	
Special grants:								
Assistance to Guam	(500,000)	(479,000)	---	DEFER	DEFER	DEFER	DEFER	D
Robert A. Taft Institute of Government	(750,000)	(718,000)	---	DEFER	DEFER	DEFER	DEFER	D
Carl Perkins Scholarships	10,000,000	9,570,000	---	21,000,000	+11,000,000	+11,430,000	+21,000,000	D
Talented teachers	---	---	---	2,000,000	+2,000,000	+2,000,000	+2,000,000	D
Subtotal, Special grants	10,000,000	9,570,000	---	23,000,000	+13,000,000	+13,430,000	+23,000,000	
(Unauthorized, not considered)	(1,250,000)	(1,197,000)	---	DEFER	DEFER	DEFER	DEFER	
Total, Higher education 1/	16,500,000	15,790,000	5,000,000	29,500,000	+13,000,000	+13,710,000	+24,500,000	
(Unauthorized, not considered)	(438,738,000)	(419,873,000)	(256,578,000)	DEFER	DEFER	DEFER	DEFER	
HIGHER EDUCATION FACILITIES LOANS AND INSURANCE	(17,896,000)	(17,891,000)	(19,205,000)	DEFER	DEFER	DEFER	DEFER	M
COLLEGE HOUSING LOANS, LOAN LIMITATION (non-add)	(60,000,000)	(57,420,000)	---	(60,000,000)	---	(+2,580,000)	(+60,000,000)	NA
EDUCATIONAL RESEARCH AND STATISTICS								
National Institute of Education (unauthorized)	(50,831,000)	(48,628,000)	(70,231,000)	DEFER	DEFER	DEFER	DEFER	D
National Center for Education Statistics	8,747,000	8,371,000	---	8,747,000	---	+376,000	+8,747,000	D
Total	8,747,000	8,371,000	---	8,747,000	---	+376,000	+8,747,000	
(Unauthorized, not considered)	(50,831,000)	(48,628,000)	(70,231,000)	DEFER	DEFER	DEFER	DEFER	
LIBRARIES								
Public libraries:								
Services	75,000,000	71,774,000	---	80,000,000	+5,000,000	+8,226,000	+80,000,000	D
Interlibrary cooperation	18,000,000	17,226,000	---	20,000,000	+2,000,000	+2,774,000	+20,000,000	D
Training and demonstrations (unauthorized)	(1,000,000)	(957,000)	---	DEFER	DEFER	DEFER	DEFER	D
Research libraries (unauthorized)	(6,000,000)	(5,742,000)	---	DEFER	DEFER	DEFER	DEFER	D
Construction	22,500,000	21,533,000	---	25,000,000	+2,500,000	+3,467,000	+25,000,000	D
Literacy Initiative	5,000,000	4,785,000	---	5,000,000	---	+215,000	+5,000,000	D
Total	120,500,000	115,318,000	---	130,000,000	+9,500,000	+14,682,000	+130,000,000	
(Unauthorized, not considered)	(7,000,000)	(6,699,000)	---	DEFER	DEFER	DEFER	DEFER	
PAYMENTS TO SPECIAL INSTITUTIONS								
AMERICAN PRINTING HOUSE FOR THE BLIND	5,500,000	5,263,000	5,510,000	5,510,000	+10,000	+247,000	---	D
NATIONAL TECHNICAL INSTITUTE FOR THE DEAF	32,000,000	30,624,000	31,380,000	32,000,000	---	+1,376,000	+620,000	D
GALLAUDET COLLEGE 2/	62,000,000	59,335,000	60,737,000	60,737,000	-1,263,000	+1,402,000	---	D
HOWARD UNIVERSITY	164,230,000	157,168,000	157,170,000	170,230,000	+6,000,000	+13,062,000	+13,060,000	D
Total, Payments to Special Institutions	263,730,000	252,390,000	254,797,000	268,477,000	+4,747,000	+16,087,000	+13,680,000	
DEPARTMENTAL MANAGEMENT								
SALARIES AND EXPENSES	234,652,000	224,939,000	241,192,000	241,692,000	+7,040,000	+16,753,000	+500,000	D
OFFICE OF THE INSPECTOR GENERAL, SALARIES AND EXPENSES	15,312,000	14,654,000	16,378,000	16,378,000	+1,066,000	+1,724,000	---	D
OFFICE FOR CIVIL RIGHTS, SALARIES AND EXPENSES	43,635,000	41,759,000	38,185,000	38,185,000	-5,450,000	-3,574,000	---	D
Total, Departmental management	293,599,000	281,352,000	295,755,000	296,255,000	+2,656,000	+14,903,000	+500,000	
Total, Department of Education:								
Federal funds	12,793,298,000	12,377,434,000	11,911,099,000	13,380,231,000	+586,933,000	+1,002,797,000	+1,469,132,000	
(Unauthorized, not considered)	(5,562,386,000)	(5,489,023,000)	(1,351,782,000)	DEFER	DEFER	DEFER	DEFER	

1/ FY87 request includes $238,578,000 proposed for later transmittal.

2/ $2,000,000 of 1987 request proposed for later transmittal.

H.R. 5233 - FY 1987 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1986 Enacted	FY 1986 Post Sequester	FY 1987 President's Budget	House Bill	House Bill compared to FY 86 Enacted	House Bill compared to FY 86 Post Seq.	House Bill compared to FY 87 Budget	Man Dis
TITLE IV - RELATED AGENCIES								
Action (Domestic Programs):								
(Unauthorized, not considered)								
Volunteers in Service to America:								
VISTA operations	(19,000,000)	(18,183,000)	(17,890,000)	DEFER	DEFER	DEFER	DEFER	D
Service learning	(1,368,000)	(1,308,000)	(1,368,000)	DEFER	DEFER	DEFER	DEFER	D
Subtotal	(20,368,000)	(19,491,000)	(19,258,000)	DEFER	DEFER	DEFER	DEFER	
Citizen Participation and Volunteer Demonstration Programs	(1,801,000)	(1,724,000)	(1,801,000)	DEFER	DEFER	DEFER	DEFER	D
Older Americans Volunteer Programs:								
Foster Grandparents Program	(56,100,000)	(53,688,000)	(56,100,000)	DEFER	DEFER	DEFER	DEFER	D
Senior Companion Program	(18,086,000)	(17,308,000)	(18,086,000)	DEFER	DEFER	DEFER	DEFER	D
Retired Senior Volunteer Program	(29,620,000)	(28,346,000)	(29,620,000)	DEFER	DEFER	DEFER	DEFER	D
Subtotal, Older Volunteers	(103,806,000)	(99,342,000)	(103,806,000)	DEFER	DEFER	DEFER	DEFER	
Program Support	(25,312,000)	(24,224,000)	(25,000,000)	DEFER	DEFER	DEFER	DEFER	D
Total, Action, unauthorized	(151,287,000)	(144,781,000)	(149,865,000)	DEFER	DEFER	DEFER	DEFER	
Corporation for Public Broadcasting: 1/								
FY 1988 advance (advanced in FY86)	214,000,000	214,000,000	---	---	-214,000,000	-214,000,000	---	M
FY 1989 (current request)	---	---	130,000,000	214,000,000	+214,000,000	+214,000,000	+84,000,000	M
Federal Mediation and Conciliation Service 2/	23,394,000	22,388,000	23,220,000	22,656,000	-738,000	+268,000	-564,000	D
Federal Mine Safety and Health Review Commission	3,815,000	3,651,000	3,919,000	3,651,000	-164,000	---	-268,000	D
National Center for the Study of Afro-American History and Culture	200,000	191,000	---	---	-200,000	-191,000	---	D
National Commission on Libraries and Information Science	690,000	660,000	690,000	660,000	-30,000	---	-30,000	D
National Council on the Handicapped	765,000	732,000	850,000	732,000	-33,000	---	-118,000	D
National Labor Relations Board	134,854,000	129,055,000	130,865,000	129,055,000	-5,799,000	---	-1,810,000	D
National Mediation Board	6,358,000	6,085,000	6,540,000	6,401,000	+43,000	+316,000	-139,000	D
Occupational Safety and Health Review Commission	5,901,000	5,647,000	5,750,000	5,647,000	-254,000	---	-103,000	D
Prospective Payment Assessment Commission(trust funds)	(2,893,000)	(2,769,000)	(3,421,000)	(3,421,000)	(+528,000)	(+652,000)	---	TF
Physician Payment Review Commission (trust Funds)	---	---	---	(1,000,000)	(+1,000,000)	(+1,000,000)	(+1,000,000)	TF
Railroad Retirement Board:								
Dual benefits payments account	392,000,000	375,135,000	255,880,000	380,000,000	-12,000,000	+4,865,000	+124,120,000	D
Federal payment to the Railroad Retirement Account	2,200,000	2,200,000	3,100,000	3,100,000	+900,000	+900,000	---	D
(Limitation on administration, retirement)	(55,422,000)	(53,039,000)	(55,614,000)	(56,634,000)	(+1,212,000)	(+3,595,000)	(+1,020,000)	TF
(Limitation on administration, unemployment)	(16,487,000)	(15,778,000)	(13,919,000)	(14,694,000)	(-1,793,000)	(-1,084,000)	(+775,000)	TF
(Inspector General)	---	---	(1,167,000)	(1,167,000)	(+1,167,000)	(+1,167,000)	---	TF
Soldiers' and Airmen's Home (trust fund limitation):								
Operation and maintenance	33,391,000	32,196,000	34,022,000	34,022,000	+631,000	+1,826,000	---	D
Capital outlay	15,000,000	13,114,000	4,485,000	15,000,000	---	+1,886,000	+10,515,000	D
United States Institute of Peace (unauthorized)	---	---	(1,250,000)	DEFER	DEFER	DEFER	DEFER	D
Total, Related Agencies:								
Federal funds (all years)	832,568,000	805,054,000	599,321,000	814,924,000	-17,644,000	+9,870,000	+215,603,000	
Current year	(618,568,000)	(591,054,000)	(469,321,000)	(600,924,000)	(-17,644,000)	(+9,870,000)	(+131,603,000)	
1989 advance	(214,000,000)	(214,000,000)	(130,000,000)	(214,000,000)	---	---	(+84,000,000)	
(Unauthorized, not considered)	(151,287,000)	(144,781,000)	(151,115,000)	DEFER	DEFER	DEFER	DEFER	
Trust funds	(74,802,000)	(71,586,000)	(74,121,000)	(76,916,000)	(+2,114,000)	(+5,330,000)	(+2,795,000)	

1/ FY 1986 approp. adv. in FY84 is $159.5 million.
FY 1987 approp. adv. in FY85 is $200 million.
FY 1988 approp. adv. in FY86 is $214 million.
2/ President's budget requests $268,000 FY86 supplemental.

H.R. 5233 - FY 1987 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1986 Enacted	FY 1986 Post Sequester	FY 1987 President's Budget	House Bill	House Bill compared to FY 86 Enacted	House Bill compared to FY 86 Post Seq.	House Bill compared to FY 87 Budget	Man Dis
SUMMARY								
Title I - Department of Labor:								
Federal Funds	6,541,215,000	6,303,652,000	5,897,429,000	5,524,294,000	-1,016,921,000	-779,358,000	-373,135,000	
Trust Funds	(2,704,717,000)	(2,588,411,000)	(2,747,345,000)	(2,751,696,000)	(+46,979,000)	(+163,285,000)	(+4,351,000)	
Title II - Department of Health and Human Services:								
Federal Funds (all years)	78,149,991,000	77,554,813,000	79,336,916,000	84,001,567,000	+5,851,576,000	+6,446,724,000	+4,664,651,000	
Current year	(66,676,237,000)	(66,081,089,000)	(66,738,851,000)	(71,403,502,000)	(+4,727,265,000)	(+5,322,413,000)	(+4,664,651,000)	
1988 advance	(11,473,754,000)	(11,473,754,000)	(12,598,065,000)	(12,598,065,000)	(+1,124,311,000)	(+1,124,311,000)	---	
(Unauthorized, not considered)	(4,361,618,000)	(4,175,522,000)	(3,908,210,000)	DEFER	DEFER	DEFER	DEFER	
Trust Funds	(5,226,689,000)	(5,029,303,000)	(5,297,867,000)	(5,289,417,000)	(+62,728,000)	(+260,114,000)	(-8,450,000)	
Title III - Department of Education:								
Federal Funds	12,793,298,000	12,377,434,000	11,911,099,000	13,380,231,000	+586,933,000	+1,002,797,000	+1,469,132,000	
(Unauthorized, not considered)	(5,582,386,000)	(5,489,023,000)	(4,354,782,000)	DEFER	DEFER	DEFER	DEFER	
Title IV - Related Agencies:								
Federal Funds (all years)	832,568,000	805,054,000	599,321,000	814,924,000	-17,644,000	+9,870,000	+215,603,000	
Current year	(618,568,000)	(591,054,000)	(469,321,000)	(600,924,000)	(-17,644,000)	(+9,870,000)	(+131,603,000)	
1989 advance	(214,000,000)	(214,000,000)	(130,000,000)	(214,000,000)	---	---	(+84,000,000)	
(Unauthorized, not considered)	(151,287,000)	(144,781,000)	(151,115,000)	DEFER	DEFER	DEFER	DEFER	
Trust Funds	(74,802,000)	(71,586,000)	(74,121,000)	(76,916,000)	(+2,114,000)	(+5,330,000)	(+2,795,000)	
Sec. 515 reserves (P.L. 99-190):								
Federal Funds	12,531,000	11,702,000	---	---	-12,531,000	-11,702,000	---	
Trust Funds	(919,000)	(919,000)	---	---	(-919,000)	(-919,000)	---	
Total, all titles:								
Federal Funds (all years)	98,329,603,000	97,052,685,000	97,744,765,000	103,721,016,000	+5,391,413,000	+6,668,331,000	+5,976,251,000	
Current year	(86,641,849,000)	(85,364,931,000)	(85,016,700,000)	(90,908,951,000)	(+4,267,102,000)	(+5,544,020,000)	(+5,892,251,000)	
1988 advance	(11,473,754,000)	(11,473,754,000)	(12,598,065,000)	(12,598,065,000)	(+1,124,311,000)	(+1,124,311,000)	---	
1989 advance	(214,000,000)	(214,000,000)	(130,000,000)	(214,000,000)	---	---	(+84,000,000)	
(Unauthorized, not considered)	(10,095,291,000)	(9,809,326,000)	(8,414,107,000)	DEFER	DEFER	DEFER	DEFER	
Trust Funds	8,007,127,000	7,690,219,000	8,119,333,000	8,118,029,000	+110,902,000	+427,810,000	-1,304,000	
SECTION 302B RECAP								
Federal Funds (all years)	98,329,603,000	97,052,685,000	97,744,765,000	103,721,016,000	+5,391,413,000	+6,668,331,000	+5,976,251,000	
(Unauthorized, not considered)	(10,095,291,000)	(9,809,326,000)	(8,414,107,000)	DEFER	DEFER	DEFER	DEFER	
Discretionary, current appropriations	23,615,212,000	22,640,154,000	20,798,416,000	24,927,647,000	+1,312,435,000	+2,287,493,000	+4,129,231,000	
(Unauthorized, not considered)	(9,910,020,000)	(9,631,262,000)	(8,273,702,000)	DEFER	DEFER	DEFER	DEFER	
Mandatory, total in bill	74,714,391,000	74,412,531,000	76,946,349,000	78,793,369,000	+4,078,978,000	+4,380,838,000	+1,847,020,000	
Less advances for subsequent years	-11,687,754,000	-11,687,754,000	-12,728,065,000	-12,812,065,000	-1,124,311,000	-1,124,311,000	-84,000,000	
Plus advances provided in prior years	11,010,269,000	11,010,269,000	11,673,754,000	11,673,754,000	+663,485,000	+663,485,000	---	
Subtotal, Mandatory, current appropriations	74,036,906,000	73,735,046,000	75,892,038,000	77,655,058,000	+3,618,152,000	+3,920,012,000	+1,763,020,000	
(Unauthorized, not considered)	(185,271,000)	(178,064,000)	(140,405,000)	DEFER	DEFER	DEFER	DEFER	
Total, adjusted current year	97,652,118,000	96,375,200,000	96,690,454,000	102,582,705,000	+4,930,587,000	+6,207,505,000	+5,892,251,000	
(Unauthorized, not considered)	(10,095,291,000)	(9,809,326,000)	(8,414,107,000)	DEFER	DEFER	DEFER	DEFER	

□ 1505

PERMISSION FOR SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS AND HUMAN RESOURCES OF THE COMMITTEE ON GOVERNMENT OPERATIONS TO MEET DURING THE 5-MINUTE RULE ON AUGUST 6 AND AUGUST 12, 1986

Mr. WEISS. Mr. Speaker, I ask permission that the Subcommittee on Intergovernmental Relations and Human Resources of the Committee on Government Operations be permitted to meet should there be reading of amendments under the 5-minute rule on Wednesday, August 6 and on Tuesday, August 12, 1986.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL MIDNIGHT TOMORROW, AUGUST 1, 1986, TO FILE PRIVILEGED REPORT ON THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS BILL, 1986

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow, August 1, 1986, to file a privileged report on the bill making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1987, and for other purposes.

Mr. GREEN reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZING THE CLERK TO MAKE CERTAIN CORRECTIONS AND INSERTIONS IN ENGROSSMENT OF H.R. 5233, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1987

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill (H.R. 5233) making appropriations for the Departments of Labor, Health and Human Services, and Education and related agencies, for the fiscal year ending September 30, 1987, and for other purposes, the Clerk be authorized to make technical corrections and insertions.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 5234, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1987

Mrs. BURTON of California. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 516 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 516

Resolved, That during the consideration of the bill (H.R. 5234) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1987, and for other purposes, all points of order against the following provisions in the bill for failure to comply with the provisions of clause 2 of rule XXI are hereby waived: beginning on page 2, lines 3 through 25; beginning on page 4, line 7 through page 6, line 2; beginning on page 7, line 17 through page 8, line 26; beginning on page 13, lines 7 through 25; beginning on page 14, line 9 through page 16, line 23; beginning on page 39, line 16 through page 41, line 12; beginning on page 42, line 5 through page 43, line 12; beginning on page 51, line 1 through page 55, line 12; beginning on page 56, lines 1 through 10; beginning on page 58, line 6 through page 59, line 13; beginning on page 65, lines 7 through 13; beginning on page 72, lines 1 through 18; and beginning on page 80, lines 1 through 22.

The SPEAKER pro tempore (Mr. FOLEY). The gentlewoman from California [Mrs. BURTON] is recognized for 1 hour.

Mrs. BURTON of California. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], for the purpose of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 516 waives points of order against provisions of H.R. 5234, the Department of Interior and related agencies appropriation bill for fiscal year 1987.

Since general appropriation bills are privileged under the rules of the House, the rule does not provide for any special guidelines for the consideration of the bill. Provisions related to time for general debate are not included in the rule. Customarily, Mr. Speaker, general debate time is limited by a unanimous-consent request by the chairman of the Appropriations Subcommittee prior to the consideration of the bill.

Mr. Speaker, House Resolution 516 waives clause 2 of rule XXI, which prohibits unauthorized appropriations and legislative provisions in general appropriation bills against certain provisions in the bill. The specified provisions which have been protected by this waiver are detailed in the rule, by reference to page and line of the Interior appropriation bill.

Mr. Speaker, H.R. 5234 appropriates $8.2 billion, including $4 billion for the land and natural resources management agencies of the Interior Department, $1.4 billion for the Agriculture Department's U.S. Forest Service, $1.2 billion for the fossil fuels and energy conservation programs of the Energy Department and $1.6 billion for other programs.

Mr. YATES, Mr. REGULA, and the entire subcommittee is to be complimented for their fine work to reach agreement on such a wide range of issues affecting the natural heritage of this Nation. Their efforts to enhance our public lands, national parks, forests, and other resources will long be remembered.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, I particularly want to thank the chairman of the subcommittee, the gentleman from Illinois [Mr. YATES], and the ranking Republican member, the gentleman from Ohio [Mr. REGULA], for their support of continued funding of projects in my district, the Foothills Parkway road project and the Cumberland Gap Road. I think they are fine projects.

Naturally, I support the rule, but not necessarily just for those reasons, but because it is a broad ranging bill that is beneficial to the people of America.

Mr. Speaker, the rule has been ably explained by the gentlewoman from California [Mrs. BURTON]. I urge a "yes" vote on the rule.

Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, I rise in opposition to the rule.

Like nearly all our appropriation bills, all save two so far, this bill is protected from points of order by the rule in so many places as to make it ridiculous.

About the only thing not protected by this rule is the enacting clause of the bill. I find protections on 34 different pages within an 80-page bill. That really flaunts the rules of the House and continues to make the appropriations process an embarrassment to us and the people we represent.

Mr. Speaker, I urge a vote against the rule, and I yield back the balance of my time.

Mrs. BURTON of California. Mr. Speaker, I have no requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. GRAY of Illinois). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 315, nays 93, not voting 23, as follows:

[Roll No. 275]

YEAS—315

Ackerman	Emerson	Levin (MI)
Akaka	English	Levine (CA)
Alexander	Erdreich	Lipinski
Anderson	Evans (IL)	Livingston
Andrews	Fascell	Lloyd
Annunzio	Fawell	Loeffler
Anthony	Fazio	Long
Applegate	Feighan	Lowery (CA)
Aspin	Fish	Lujan
Atkins	Flippo	Luken
AuCoin	Florio	MacKay
Barnard	Foglietta	Manton
Barton	Foley	Markey
Bateman	Ford (MI)	Marlenee
Bates	Ford (TN)	Martin (NY)
Beilenson	Frank	Martinez
Bennett	Franklin	Matsui
Berman	Frost	Mazzoli
Bevill	Fuqua	McCain
Biaggi	Garcia	McCloskey
Boehlert	Gaydos	McCurdy
Boggs	Gejdenson	McDade
Boland	Gephardt	McEwen
Bonior (MI)	Gibbons	McGrath
Bonker	Gilman	McHugh
Borski	Glickman	McKernan
Bosco	Gonzalez	McKinney
Boucher	Goodling	McMillan
Boxer	Gordon	Mica
Brooks	Gradison	Mikulski
Brown (CA)	Gray (IL)	Miller (CA)
Bruce	Gray (PA)	Miller (OH)
Bryant	Green	Mineta
Burton (CA)	Guarini	Moakley
Bustamante	Hall (OH)	Molinari
Byron	Hamilton	Mollohan
Carper	Hammerschmidt	Montgomery
Carr	Hansen	Moody
Chandler	Hatcher	Moorhead
Chapman	Hawkins	Morrison (CT)
Chappell	Hayes	Morrison (WA)
Clinger	Hefner	Mrazek
Coats	Hendon	Murphy
Coble	Hertel	Murtha
Coelho	Hillis	Myers
Coleman (MO)	Horton	Natcher
Coleman (TX)	Howard	Neal
Collins	Hoyer	Nelson
Conte	Hubbard	Nichols
Cooper	Huckaby	Nielson
Coughlin	Hughes	Nowak
Craig	Hutto	Oakar
Crockett	Jacobs	Oberstar
Daniel	Jeffords	Obey
Darden	Jenkins	Olin
Daschle	Johnson	Ortiz
Davis	Jones (NC)	Owens
de la Garza	Jones (OK)	Panetta
Dellums	Jones (TN)	Parris
Derrick	Kanjorski	Pashayan
Dickinson	Kaptur	Pease
Dicks	Kastenmeier	Penny
Dingell	Kemp	Pepper
DioGuardi	Kennelly	Perkins
Dixon	Kildee	Pickle
Donnelly	Kleczka	Price
Dorgan (ND)	Kolbe	Quillen
Dowdy	Kolter	Rahall
Downey	Kostmayer	Rangel
Duncan	Kramer	Ray
Durbin	LaFalce	Regula
Dwyer	Lantos	Reid
Dymally	Leath (TX)	Richardson
Dyson	Lehman (CA)	Rinaldo
Early	Lehman (FL)	Ritter
Eckart (OH)	Leland	Robinson
Edwards (CA)	Lent	Rodino
Roe	Smith, Robert (OR)	Udall
Rogers	Snowe	Valentine
Rose	Snyder	Vento
Rostenkowski	Solarz	Visclosky
Roukema	Spence	Volkmer
Rowland (CT)	Spratt	Vucanovich
Rowland (GA)	St Germain	Walgren
Roybal	Staggers	Watkins
Rudd	Stallings	Weaver
Russo	Stangeland	Weiss
Sabo	Stark	Wheat
Savage	Stokes	Whitehurst
Scheuer	Stratton	Whitley
Schneider	Studds	Whittaker
Schroeder	Sweeney	Wilson
Schulze	Swift	Wirth
Schumer	Synar	Wise
Seiberling	Tallon	Wolf
Sharp	Tauke	Wolpe
Shelby	Tauzin	Wortley
Sikorski	Taylor	Wright
Sisisky	Thomas (CA)	Wyden
Skeen	Thomas (GA)	Wylie
Skelton	Torres	Yates
Slattery	Torricelli	Yatron
Smith (FL)	Towns	Young (AK)
Smith (IA)	Traficant	Young (MO)
Smith (NE)	Traxler	
Smith (NJ)		

NAYS—93

Archer	Gingrich	Packard
Armey	Gregg	Petri
Badham	Gunderson	Porter
Bartlett	Hall, Ralph	Pursell
Bentley	Henry	Ridge
Bereuter	Hiler	Roberts
Bilirakis	Holt	Roemer
Bliley	Hopkins	Roth
Boulter	Hunter	Saxton
Broomfield	Hyde	Schaefer
Brown (CO)	Ireland	Schuette
Burton (IN)	Kasich	Sensenbrenner
Callahan	Kindness	Shaw
Chappie	Lagomarsino	Shumway
Cheney	Latta	Shuster
Cobey	Leach (IA)	Siljander
Combest	Lewis (CA)	Slaughter
Courter	Lewis (FL)	Smith, Denny (OR)
Crane	Lightfoot	Smith, Robert (NH)
Dannemeyer	Lott	Solomon
Daub	Lowry (WA)	Stenholm
DeLay	Lungren	Strang
DeWine	Mack	Stump
Dornan (CA)	Madigan	Sundquist
Dreier	Martin (IL)	Swindall
Eckert (NY)	McCandless	Vander Jagt
Edwards (OK)	McCollum	Walker
Fiedler	Meyers	Weber
Fields	Michel	Young (FL)
Frenzel	Miller (WA)	
Gallo	Monson	
Gekas	Oxley	

NOT VOTING—23

Barnes	Coyne	Mitchell
Bedell	Edgar	Moore
Boner (TN)	Evans (IA)	Waldon
Breaux	Fowler	Waxman
Campbell	Grotberg	Whitten
Carney	Hartnett	Williams
Clay	Lundine	Zschau
Conyers	Mavroules	

□ 1530

Mr. CRAIG and Mr. HAYES changed their votes from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YATES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 5234, which we are about to consider, and that I may be permitted to include tables, charts, and other material.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from Illinois?

There was no objection.

DEPARTMENT OF INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1987

Mr. YATES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5234) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1987, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Ohio [Mr. REGULA] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. YATES].

The motion was agreed to.

□ 1534

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5234, with Mr. DOWNEY of New York in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Illinois [Mr. YATES] will be recognized for 30 minutes and the gentleman from Ohio [Mr. REGULA] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased to bring the Interior and related agencies appropriation bill for fiscal year 1987 to the Committee. I am particularly pleased because the bill as reported is under the 302(b) allocation for both budget authority and outlays. CBO scores the Interior bill as $344 million below the discretionary budget allocation and $11 million below the discretionary outlay allocation, a category many of you have asked about. The total for the bill as recommended, $8,247,192,000, is also $210,155,000 under the amount of $8,457,347,000

enacted in fiscal year 1986 for Interior and related agencies. In comparison to the fiscal year 1986 post-Gramm-Rudman amount, the recommendation is $51,255,000, or less than 1 percent, over that level.

In preparing this bill, the committee took testimony from 73 Members of Congress, and received written requests from 183 more, for a total of almost 1,300 individual account requests received from Members of Congress.

The bill reflects our continuing investment in America and the American people. It provides the amounts necessary to support the national heritage of all Americans—the public lands, the national parks, the national forest, and the cultural and historic preservation of the heritage that we want to pass along to our children, our grandchildren, and the generations to come; and to continue the hope and dream that each of us has that what we pass along for our children and the coming generations will be better than what we now enjoy.

The bill includes $4,010,119,000 for programs of the Department of the Interior; $1,424,637,000 for the U.S. Forest Service; $1,236,752,000 for programs of the Department of Energy; and $1,575,684,000 for Indian Health, Indian Education, the Smithsonian Institution, the National Endowments for the Arts and Humanities, and the other related agencies of the bill, all of which are described in detail in the report accompanying the bill.

The programs represented in this bill in many ways represent an investment in America itself, and those investments provide significant returns. For example, programs funded in this bill will generate estimated revenues of over $9.6 billion in fiscal year 1986 which is $1.3 billion more than the spending authority in the bill.

There are certain areas in this bill where the committee believed it important to exceed the amounts requested in the President's budget. These include vital programs established to meet identified national goals, such as the land acquisition programs in refuges, parks, national forests, and public lands. The committee has included an increase of $158 million for this purpose, including $50 million for the State assistance program. We could not agree with the administration's request for a minimal land acquisition program. Prices would only go higher; critical habitat would be lost; and private landowners would be inconvenienced.

The committee has also recommended increases of $220 million in Indian programs, including construction of hospitals, clinics and schools, irrigation and sanitation facilities, and protection and development of natural resources on reservation lands, in keeping with our trust responsibilities to the Indian people. However, the recommended funding for these programs in fiscal year 1987 is $40 million below the enacted level for fiscal year 1986. The committee has also recommended increases totaling almost $138 million for the U.S. Forest Service, in order to maintain important programs in forest research, State and private forestry, and recreation in the National Forest System.

With respect to the Outer Continental Shelf, the bill contains a compromise agreement, rather than a moratorium, for leasing off California. This agreement provides for review by the Secretary of the Interior of the two proposals developed by the congressional negotiating group as well as the proposal developed by the Governor in accordance with section 18 of the OCS Lands Act amendments. The Secretary is also instructed to provide the congressional group a 30-day period to review and comment on a draft copy of his final program for offshore California prior to its submission to the President and the Congress. In this submission, the Secretary is required to indicate, in detail, why any specific recommendation contained in these proposals has not been incorporated. This agreement provides for prelease activity to continue in the three California planning areas yet affects delays in Sales 95 and 91 in southern and northern California, respectively. A great deal of time and effort has gone into forging this agreement and the committee is pleased to include this proposal in lieu of a moratorium.

Mr. Speaker, when Fiorello H. La Guardia, New York City's famous colorful mayor used to say "When I make a mistake, it's a beaut." The same is true about the Congress. When it makes a mistake, it's a beaut and it made a mistake 12 years ago when it passed the Navajo-Hopi Relocation Act. For 12 years a commission set up by that act has been trying to unscramble Navajo and Hopi people who have been living together for decades—centuries in certain areas—and has succeeded only in making a complex human problem more complicated and distant from solution.

Rectifying wrongs committed against Indian people is always traumatic, a wrenching process which takes years not only in trying to find reasonable answers but in healing wounds in the aftermath. Usually, it's a dispute between Indians and non-Indians, and in land cases where the white people have forcibly driven the Indians from their land, the courts and the Congress have not given their original land possession back to the Indians. Usually, a part of the land is given back together with remuneratory compensation or agreement is reached only for a monetary payment.

That is not true in the Navajo-Hopi dispute. Rather than reaching a monetary satisfaction for the rightful claim of the Hopi to their land which was appropriated by Navajo settlers, the Congress decided to partition the land and relocate Hopis who were on Navajo land—only a few—and Navajo who were on Hopi land—and there were many.

There is no doubt that the Navajo did take over Hopi lands and there is no doubt that the Hopi are entitled to redress. In the 1974 act, the Congress decided that the Navajo, even those who had been living on the land for generations, should pack up and leave. The Congress would provide new homes for them in other communities—and the fiasco began.

What happened was like a huge cost overrun on a defense contract, except that the lives of human beings were at stake here. It was represented to Congress—perhaps misrepresented in retrospect—that only a few families were involved. The relocation would be completed in a short time, would be relatively simple, and would cost the taxpayers about $41 million. Here we are today, 12 years later, years from a termination of the relocation having spent close to $100 million already and faced with spending an estimated $1 to $200 million more.

The court set the moving date for July 7, 1986. July 7, 1986 has come and gone; 1,024 families have been relocated, most of them are now living in slum areas, waiting for the U.S. Government to keep its word to provide them with the decent, comfortable and sanitary housing they were promised if they moved.

And that is what we have emphasized in our bill—we propose to keep faith with the people who moved voluntarily, relying upon the good faith of the Government and who wound up in dire poverty. We have directed the Navajo-Hopi Commission to find housing for these people. The Commission says they can move only 200 to 250 families a year. Our bill says take care of the cooperating families first.

That means that there will be no forced relocations provided for in this bill. No forced relocations until we are able to take care of the Indian relocatees who desperately need housing now.

Reasonable rents are being paid to the Hopi for the land by their Navajo tenants. We are directing BIA to review the rentals to make sure they are adequate.

Finally Mr. Speaker, this relocation dispute is only a piece of the overall land controversy between the Navajo and the Hopi. It was wrong to attack the problem piecemeal as Congress did in 1974. Now, we have a mess on our hands and our committee is trying to make the best of a bad situation. This dispute needs the wisdom of Solomon and I don't see any Solomon in the vi-

cinity of Congress. In his absence we ask the legislative committee to review this dispute again as an urgent matter. It desperately needs their attention.

The bill contains funding for the Navajo and Hopi Indian Relocation Commission. As you know, in 1974, Congress passed the Relocation Act in an attempt to resolve the centuries-old dispute between the Navajo and Hopi tribes. At the time, this legislation was adopted, it was represented that only 1,100 families needed to be relocated at an estimated cost of $41 million. To date, more than $134 million has been appropriated with about 1,500 certified eligible families still awaiting relocation. There is also a possibility that new information will surface after the completion of a survey being conducted by the Bureau of Indian Affairs. In retrospect, 12 years later, it has become obvious that the magnitude of this problem is much greater than originally estimated and that Congress must reexamine this issue in a comprehensive rather than a piecemeal fashion. There is no forced eviction in this relocation program. Only those who have voluntarily applied to the Relocation Commission and are certified eligible for relocation are presently being moved. The funding in this bill enables the Commission to go forward with housing people who have been uprooted and may be living in adverse conditions. An additional step the committee has taken to ensure that the rights of the relocatees are protected is to include the language carried in the fiscal year 1986 continuing resolution which states that none of the funds appropriated in this or any other act may be used for eviction of individuals until a replacement or new relocation home has been provided.

Recognizing the growing importance of the quality of the Nation's water, the committee has recommended a $7 million increase for continuing a pilot scale national water quality assessment to be coordinated by the U.S. Geological Survey. Problems with agricultural runoff such as at the Kesterson Wildlife Refuge in California and with toxic waste burial and contamination led the committee to expand this program which we started in fiscal year 1986.

For energy programs, there are increases of $900 million over the request. The committee has included $147 million to continue construction of capacity for the strategic petroleum reserve and also has placed language in the bill specifying moderate rates of filling the reserve with oil, requiring an additional $331 million. This continues the House's policy of refusing to put a moratorium on the reserve. This policy was established in the fiscal year 1985 supplemental appropriations act. Imports are increasing, and prices are low, making this a proper time to provide these funds for our national security.

In fossil energy and conservation research and development, the committee recommends an increase of $357 million over the request. Despite the magnitude of that increase, both programs are actually less than fiscal year 1986 levels because the administration request basically put them out of business. We believe their long-term value is significant.

We are providing an increase of $55 million to finance administrative costs of a greatly expanded low-income weatherization program using funds provided to the States by the Exxon oil overcharge settlement. These funds would allow a program three times the size of fiscal year 1986.

Finally, in energy, we have recommended a prohibition on studying the sale of the naval petroleum reserves unless Congress passes an authorization to do so. This is not a good time to sell the reserves, with prices as low as $10 a barrel.

The committee has recommended implementing a grazing fee for Bureau of Land Management and Forest Service lands which gradually would bring those fees up to market levels. In 1987, the increase would be 45 cents per animal unit month, a 33⅓-percent increase over 1986, but well below the market level of $4.86 per AUM. If implemented, this fee increase would provide about $8 to $10 million in new revenue, half of which would go toward improving the public lands.

I would also like to point out language contained in the bill, in section 117, which designates the visitor center for the Illinois and Michigan National Heritage Corridor in Lockport, IL, the "George M. O'Brien Visitor Center." This action recognizes the leadership and contributions of our colleague with respect to the creation and establishment of the National Heritage Corridor.

Mr. Chairman, this is a good bill. It continues important programs necessary for the protection and enhancement of our unsurpassed natural resources, while maintaining fiscal responsibility and providing a substantial return to the Treasury. I want to commend the subcommittee members for their unselfish efforts and contributions throughout the preparation of this bill. In particular, I want to note the contributions of our ranking minority member, RALPH REGULA.

The report explains the committee actions represented in the bill in considerable detail. For further clarification I am placing a support table into the RECORD to accompany this statement.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1986 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1987

Agency and item	New budget (obligational) authority, fiscal year 1986	New budget (obligational) authority, adjusted fiscal year 1986	Budget estimates of new (obligational) authority, fiscal year 1987	New budget (obligational) authority recommended in bill	Bill compared with— New budget (obligational) authority, fiscal year 1986	Bill compared with— Budget estimates of new (obligational) authority, fiscal year 1987
TITLE I - DEPARTMENT OF THE INTERIOR						
Bureau of Land Management						
Management of lands and resources	396.175.000	379.139.000	379.085.000	380.370.000	-15.805.000	+1.285.000
Construction and access	1.395.000	1.335.000	1.200.000	1.200.000	-195.000	---
Payments in lieu of taxes	104.370.000	99.882.000	105.000.000	105.000.000	+630.000	---
Land acquisition	2.286.000	2.188.000	---	850.000	-1.436.000	+850.000
Oregon and California grant lands	55.777.000	53.379.000	51.160.000	54.260.000	-1.517.000	+3.100.000
Range improvements	10.000.000	9.570.000	8.506.000	8.506.000	-1.494.000	---
Service charges, deposits, and forfeitures (indefinite)	4.247.000	4.247.000	5.195.000	5.195.000	+948.000	---
Miscellaneous trust funds	100.000	100.000	100.000	100.000	---	---
Total, Bureau of Land Management	574.350.000	549.840.000	550.246.000	555.481.000	-18.869.000	+5.235.000
United States Fish and Wildlife Service						
Resource management	299.415.000	286.529.000	285.127.000	306.500.000	+7.085.000	+21.373.000
Construction and anadromous fish	21.168.000	20.258.000	3.113.000	21.113.000	-55.000	+18.000.000
Migratory bird conservation account	14.910.000	14.323.000	---	3.000.000	-11.910.000	+3.000.000
Land acquisition	42.799.000	41.061.000	1.500.000	33.225.000	-9.574.000	+31.725.000
National Wildlife Refuge Fund	5.611.000	5.370.000	5.645.000	5.645.000	+34.000	---
Total, United States Fish and Wildlife Service	383.903.000	367.541.000	295.385.000	369.483.000	-14.420.000	+74.098.000
National Park Service						
Operation of the national park system	637.466.000	610.634.000	655.482.000	628.875.000	-8.591.000	-26.607.000
National recreation and preservation	11.029.000	10.555.000	9.547.000	10.904.000	-125.000	+1.357.000
Historic preservation fund	24.795.000	23.729.000	---	24.200.000	-595.000	+24.200.000
Construction	117.286.000	112.408.000	29.114.000	75.989.008	-41.297.000	+46.875.000
(Liquidation of contract authority)	(10.300.000)	(10.300.000)	---	(12.500.000)	(+2.200.000)	(+12.500.000)
Land acquisition and state assistance	97.810.000	93.604.000	15.270.000	101.160.000	+3.290.000	+85.830.000
Land and water conservation fund (rescission of contract authority)	-28.710.000	-28.710.000	---	---	+28.710.000	---
John F. Kennedy Center for the Performing Arts	4.771.000	4.566.000	4.771.000	4.771.000	---	---
Illinois and Michigan Canal National Heritage Corridor Commission	248.000	237.000	---	250.000	+2.000	+250.000
Jefferson National Expansion Memorial Commission	75.000	72.000	---	75.000	---	+75.000
Total, National Park Service	864.770.000	827.095.000	714.184.000	846.164.000	-18.606.000	+131.980.000
Geological Survey						
Surveys, investigations, and research	430.769.000	412.306.000	395.500.000	423.220.000	-7.549.000	+27.720.000
Minerals Management Service						
Leasing and royalty management	167.210.000	160.029.000	160.300.000	162.893.000	-4.317.000	+2.593.000
Payments to States from receipts under Mineral Leasing	---	---	800.000	---	---	-800.000
Total, Minerals Management Service	167.210.000	160.029.000	161.100.000	162.893.000	-4.317.000	+1.793.000
Bureau of Mines						
Mines and minerals	133.449.000	127.711.000	107.100.000	126.429.000	-7.020.000	+19.329.000
Office of Surface Mining Reclamation and Enforcement						
Regulation and technology	85.142.000	81.502.000	100.880.000	99.078.000	+13.936.000	-1.802.000
(Rescission)	-210.000	-210.000	---	---	+210.000	---
Abandoned mine reclamation fund (definite, trust fund)	206.141.000	197.277.000	190.520.000	232.720.000	+26.579.000	+42.200.000
Total, Office of Surface Mining Reclamation and Enforcement	291.073.000	278.569.000	291.400.000	331.798.000	+40.725.000	+40.398.000
Bureau of Indian Affairs						
Operation of Indian Programs	921.132.000	882.779.000	862.060.000	892.328.000	-28.804.000	+30.268.000
Construction	102.948.000	98.418.000	59.155.000	86.066.000	-16.882.000	+26.911.000
Road construction	---	---	---	2.500.000	+2.500.000	+2.500.000
Payment to the Alaska Native Escrow account	7.830.000	7.493.000	---	---	-7.830.000	---
Tribal trust funds: Definite amount	4.000.000	4.000.000	1.000.000	1.000.000	-3.000.000	---
Revolving fund for loans (limitation on direct loans)	(16.300.000)	(15.599.000)	(16.320.000)	(16.320.000)	(+20.000)	---
Indian loan guaranty and insurance fund	2.197.000	2.103.000	2.485.000	2.652.000	+455.000	+167.000
Indian loan guaranty and insurance fund (limitation on guaranteed loans)	---	---	(30.000.000)	---	---	(-30.000.000)
Total, Bureau of Indian Affairs	1.038.107.000	994.793.000	924.700.000	984.546.000	-53.561.000	+59.846.000
Territorial and International Affairs						
Administration of territories	79.894.000	76.459.000	71.529.000	78.874.000	-1.020.000	+7.345.000
Trust Territory of the Pacific Islands	19.171.000	76.455.000	13.050.000	14.340.000	-4.831.000	+1.290.000
Compact of Free Association	210.840.000	210.840.000	27.920.000	36.170.000	-174.670.000	+8.250.000
Total, Territorial Affairs	309.905.000	363.754.000	112.499.000	129.384.000	-180.521.000	+16.885.000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1986 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1987—Continued

Agency and item	New budget (obligational) authority, fiscal year 1986	New budget (obligational) authority, adjusted fiscal year 1986	Budget estimates of new (obligational) authority, fiscal year 1987	New budget (obligational) authority recommended in bill	Bill compared with—	
					New budget (obligational) authority, fiscal year 1986	Budget estimates of new (obligational) authority, fiscal year 1987
Departmental Offices						
Office of the Secretary	43,151,000	41,296,000	42,816,000	42,482,000	-669,000	-334,000
Office of the Solicitor	20,256,000	19,385,000	20,800,000	21,255,000	+999,000	+455,000
Office of Inspector General	16,117,000	15,424,000	16,300,000	16,300,000	+183,000	---
Construction Management	775,000	742,000	684,000	684,000	-91,000	---
Office of the Secretary (special foreign currency program)	994,000	951,000	---	---	-994,000	---
Total, Departmental Offices	81,293,000	77,798,000	80,600,000	80,721,000	-572,000	+121,000
Total, title I, Department of the Interior:						
New budget (obligational) authority	4,274,829,000	4,159,436,000	3,632,714,000	4,010,119,000	-264,710,000	+377,405,000
(Liquidation of contract authority)	(10,300,000)	(10,300,000)	---	(12,500,000)	(+2,200,000)	(+12,500,000)
TITLE II - RELATED AGENCIES						
DEPARTMENT OF AGRICULTURE						
Forest Service						
Forest research	125,525,000	120,127,000	111,481,000	129,183,000	+3,658,000	+17,702,000
State and private forestry	57,799,000	55,321,000	24,871,000	57,671,000	-128,000	+32,800,000
National forest system	1,214,001,000	1,168,924,000	894,488,000	996,687,000	-217,314,000	+102,199,000
Construction	224,222,000	214,654,000	195,197,000	192,409,000	-31,813,000	-2,788,000
Timber receipts transfer to General Fund	(-55,491,000)	(-102,765,000)	(-86,815,000)	(-86,815,000)	(-31,324,000)	---
Timber purchaser credits	---	---	(154,321,000)	---	---	(-154,321,000)
Land acquisition	32,566,000	31,356,000	3,206,000	42,936,000	+10,370,000	+39,730,000
Operation and maintenance of recreation facilities	---	---	52,000,000	---	---	-52,000,000
Acquisition of lands for national forests, special acts	777,000	744,000	966,000	966,000	+189,000	---
Acquisition of lands to complete land exchanges	20,000	20,000	895,000	895,000	+875,000	---
Range betterment fund (indefinite)	3,798,000	3,798,000	3,800,000	3,800,000	+2,000	---
Miscellaneous trust funds	89,000	85,000	90,000	90,000	+1,000	---
Total, Department of Agriculture	1,658,797,000	1,595,029,000	1,286,994,000	1,424,637,000	-234,160,000	+137,643,000
DEPARTMENT OF THE TREASURY						
Energy Security Reserve (rescission) 1/	(-6,900,000,000)	(-6,900,000,000)	---	---	(+6,900,000,000)	---
1/ Rescission not included for comparison purposes.						
DEPARTMENT OF ENERGY						
Clean Coal Technology (by transfer):						
Fiscal year 1986	(99,400,000)	(99,400,000)	---	---	(-99,400,000)	---
Fiscal year 1987	(149,100,000)	(149,100,000)	---	---	(-149,100,000)	---
Fiscal year 1988	(149,100,000)	(149,100,000)	---	---	(-149,100,000)	---
Subtotal, Clean Coal Technology Reserve	(397,600,000)	(397,600,000)	---	---	(-397,600,000)	---
Fossil energy research and development	310,971,000	296,954,000	82,767,000	314,512,000	+3,541,000	+231,745,000
(By transfer)	(13,015,000)	(13,015,000)	(2,511,000)	(2,511,000)	(-10,504,000)	---
Naval petroleum and oil shale reserves	13,586,000	13,002,000	127,108,000	122,177,000	+108,591,000	-4,931,000
Energy conservation	446,721,000	427,512,000	39,433,000	231,825,000	-214,896,000	+192,392,000
Economic regulation	24,475,000	23,423,000	21,850,000	23,400,000	-1,075,000	+1,550,000
Emergency preparedness	6,008,000	5,750,000	6,044,000	6,044,000	+36,000	---
Strategic Petroleum Reserve	112,365,000	107,533,000	---	147,433,000	+35,068,000	+147,433,000
SPR petroleum account	---	---	---	331,000,000	+331,000,000	+331,000,000
Energy Information Administration	60,318,000	57,724,000	59,651,000	60,361,000	+43,000	+710,000
Alternative fuels production	1,020,360,322	1,020,360,322	---	---	-1,020,360,322	---
Appropriation for debt reduction	-1,020,360,322	-1,020,360,322	---	---	+1,020,360,322	---
Total, Department of Energy	974,444,000	931,898,000	336,853,000	1,236,752,000	+262,308,000	+899,899,000
DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Health Resources and Services Administration						
Indian health services	831,694,000	821,265,000	722,378,000	836,336,000	+4,642,000	+113,958,000
Indian health facilities	46,665,000	46,198,000	---	54,921,000	+8,256,000	+54,921,000
Total, Department of Health and Human Services	878,359,000	867,463,000	722,378,000	891,257,000	+12,898,000	+166,879,000
DEPARTMENT OF EDUCATION						
Office of Elementary and Secondary Education						
Indian education	67,071,000	64,187,000	75,729,000	67,236,000	+165,000	-8,493,000
OTHER RELATED AGENCIES						
Navajo and Hopi Indian Relocation Commission						
Salaries and expenses	22,356,000	21,395,000	22,335,000	22,335,000	-21,000	---
Smithsonian Institution						
Salaries and expenses	176,995,000	169,384,000	190,061,000	189,318,000	+12,323,000	-743,000
Museum programs and related research (special foreign currency program)	2,485,000	2,378,000	---	---	-2,485,000	---
Construction and improvements, National Zoological Park	5,518,000	5,281,000	4,851,000	4,851,000	-667,000	---
Restoration and renovation of buildings	11,009,000	10,536,000	12,828,000	12,113,000	+1,104,000	-715,000
Construction	3,976,000	3,805,000	7,500,000	6,095,000	+2,119,000	-1,405,000
Subtotal	199,983,000	191,384,000	215,240,000	212,377,000	+12,394,000	-2,863,000
National Gallery of Art						
Salaries and expenses	33,587,000	32,108,000	34,607,000	34,607,000	+1,020,000	---
Repair, Restoration and Renovation of Buildings	3,244,000	3,139,000	2,400,000	2,400,000	-844,000	---
Subtotal, National Gallery of Art	36,831,000	35,247,000	37,007,000	37,007,000	+176,000	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1986 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1987—Continued

Agency and item	New budget (obligational) authority, fiscal year 1986	New budget (obligational) authority, adjusted fiscal year 1986	Budget estimates of new (obligational) authority, fiscal year 1987	New budget (obligational) authority recommended in bill	Bill compared with—	
					New budget (obligational) authority, fiscal year 1986	Budget estimates of new (obligational) authority, fiscal year 1987
Woodrow Wilson International Center for Scholars						
Salaries and expenses	3.372.000	3.227.000	3.266.000	3.383.000	+11.000	+117.000
Payment to the endowment challenge fund	994.000	994.000	---	---	-994.000	---
Subtotal, Woodrow Wilson Center	4.366.000	4.221.000	3.266.000	3.383.000	-983.000	+117.000
Total, Smithsonian Institution	241.180.000	230.862.000	255.513.000	252.767.000	+11.587.000	-2.746.000
National Foundation on the Arts and the Humanities						
National Endowment for the Arts						
Grants and administration	120.948.000	115.148.000	102.000.000	120.761.000	-187.000	+18.761.000
Administrative expenses	15.489.000	15.423.000	15.900.000	15.900.000	+411.000	---
Subtotal	136.437.000	130.571.000	117.900.000	136.661.000	+224.000	+18.761.000
Matching grants	29.224.000	27.967.000	27.000.000	29.000.000	-224.000	+2.000.000
Total, National Endowment for the Arts	165.661.000	158.538.000	144.900.000	165.661.000	---	+20.761.000
Arts and Artifacts Indemnity Fund						
Salaries and expenses	298.000	285.000	---	---	-298.000	---
National Endowment for the Humanities						
Grants and administration	96.038.000	91.823.000	83.140.000	95.840.000	-198.000	+12.700.000
Administrative expenses	14.115.000	13.508.000	14.300.000	14.301.000	+186.000	+1.000
Subtotal	110.153.000	105.331.000	97.440.000	110.141.000	-12.000	+12.701.000
Matching grants	28.488.000	27.263.000	29.000.000	28.500.000	+12.000	-500.000
Total, National Endowment for the Humanities	138.641.000	132.594.000	126.440.000	138.641.000	---	+12.201.000
National Capital Arts and Cultural Affairs						
Grants	1.988.000	1.988.000	---	3.500.000	+1.512.000	+3.500.000
Institute of Museum Services						
Grants and administration	21.394.000	20.474.000	330.000	21.394.000	---	+21.064.000
Total, National Foundation of the Arts and the Humanities	327.982.000	313.879.000	271.670.000	329.196.000	+1.214.000	+57.526.000
Commission of Fine Arts						
Salaries and expenses	380.000	364.000	420.000	420.000	+40.000	---
Advisory Council on Historic Preservation						
Salaries and expenses	1.575.000	1.507.000	1.417.000	1.533.000	-42.000	+116.000
National Capital Planning Commission						
Salaries and expenses	2.696.000	2.580.000	2.684.000	2.684.000	-12.000	---
Franklin Delano Roosevelt Memorial Commission						
Salaries and expenses	21.000	20.000	---	5.000	-16.000	+5.000
Pennsylvania Avenue Development Corporation						
Salaries and expenses	2.315.000	2.215.000	2.437.000	2.342.000	+27.000	-95.000
Public development	3.230.000	3.091.000	3.774.000	3.869.000	+639.000	+95.000
Total, Pennsylvania Avenue Development Corporation	5.545.000	5.306.000	6.211.000	6.211.000	+666.000	---
United States Holocaust Memorial Council						
Holocaust Memorial Council	2.112.000	2.021.000	2.057.000	2.040.000	-72.000	-17.000
Total, title II, Related Agencies: New budget (obligational) authority	4.182.518.000	4.036.501.000	2.984.261.000	4.237.073.000	+54.555.000	+1.252.812.000
RECAPITULATION						
Total, Department of the Interior and Related Agencies Appropriations:						
New budget (obligational) authority	8.457.347.000	8.195.937.000	6.616.975.000	8.247.192.000	-210.155.000	+1.630.217.000
Rescission	(-28.920.000)	(-28.920.000)	---	---	(+28.920.000)	---
(Liquidation of contract authority)	(10.300.000)	(10.300.000)	---	(12.500.000)	(+2.200.000)	(+12.500.000)
(Limitation on direct loans)	(16.300.000)	(15.599.000)	(16.320.000)	(16.320.000)	(+20.000)	---
(Timber receipt transfer to general fund)	(-55.491.000)	(-102.765.000)	(-86.815.000)	(-86.815.000)	(-31.324.000)	---
(Limitation on guaranteed loans)	---	---	(30.000.000)	---	---	(-30.000.000)
(By transfer)	(13.015.000)	(13.015.000)	(2.511.000)	(2.511.000)	(-10.504.000)	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1986 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1987—Continued

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					New budget (obligational) authority, fiscal year 1986	Budget estimates of new (obligational) authority, fiscal year 1987
TITLE I -DEPARTMENT OF THE INTERIOR						
Bureau of Land Management	574,350,000	549,840,000	550,246,000	555,481,000	-18,869,000	+5,235,000
United States Fish and Wildlife Service	383,903,000	367,541,000	295,385,000	369,483,000	-14,420,000	+74,098,000
National Park Service	864,770,000	827,095,000	714,184,000	846,164,000	-18,606,000	+131,980,000
Geological Survey	430,769,000	412,306,000	395,500,000	423,220,000	-7,549,000	+27,720,000
Minerals Management Serivce	167,210,000	160,029,000	161,100,000	162,893,000	-4,317,000	+1,793,000
Bureau of Mines	133,449,000	127,711,000	107,100,000	126,429,000	-7,020,000	+19,329,000
Office of Surface Mining Reclamation and Enforcement	291,073,000	278,569,000	291,400,000	331,798,000	+40,725,000	+40,398,000
Bureau of Indian Affairs	1,038,107,000	994,793,000	924,700,000	984,546,000	-53,561,000	+59,846,000
Territorial and International Affairs	309,905,000	363,754,000	112,499,000	129,384,000	-180,521,000	+16,885,000
Secretarial Offices	81,293,000	77,798,000	80,600,000	80,721,000	-572,000	+121,000
Total, Title I - Department of the Interior	4,274,829,000	4,159,436,000	3,632,714,000	4,010,119,000	-264,710,000	+377,405,000
TITLE II - RELATED AGENCIES						
Forest Service	1,658,797,000	1,595,029,000	1,286,994,000	1,424,637,000	-234,160,000	+137,643,000
Department of the Treasury	(-6,900,000,000)	(-6,900,000,000)	---	---	(+6,900,000,000)	---
Department of Energy	974,444,000	931,898,000	336,863,000	1,236,752,000	+262,308,000	+899,889,000
Indian Health	878,359,000	867,463,000	722,378,000	891,257,000	+12,898,000	+168,879,000
Indian Education	67,071,000	64,187,000	75,729,000	67,236,000	+165,000	-8,493,000
Navajo and Hopi Indian Relocation Commission	22,356,000	21,395,000	22,335,000	22,335,000	-21,000	---
Smithsonian	199,983,000	191,384,000	215,240,000	212,377,000	+12,394,000	-2,863,000
National Gallery of Art	36,831,000	35,247,000	37,007,000	37,007,000	+176,000	---
Woodrow Wilson International Center for Scholars	4,366,000	4,221,000	3,266,000	3,383,000	-983,000	+117,000
National Endowment for the Arts	165,661,000	158,538,000	144,900,000	165,661,000	---	+20,761,000
Arts and Artifacts Indemnity Fund	298,000	285,000	---	---	-298,000	---
National Endowment for the Humanities	138,641,000	132,594,000	126,440,000	138,641,000	---	+12,201,000
National Capital Arts and Cultural Affairs	1,988,000	1,988,000	---	3,500,000	+1,512,000	+3,500,000
Institute of Museum Services	21,394,000	20,474,000	330,000	21,394,000	---	+21,064,000
Commission of Fine Arts	380,000	364,000	420,000	420,000	+40,000	---
Advisory Council on Historic Preservation	1,575,000	1,507,000	1,417,000	1,533,000	-42,000	+116,000
National Capital Planning Commission	2,696,000	2,580,000	2,684,000	2,684,000	-12,000	---
Franklin Delano Roosevelt Memorial Commission	21,000	20,000	---	5,000	-16,000	+5,000
Pennsylvania Avenue Development Corporation	5,545,000	5,306,000	6,211,000	6,211,000	+666,000	---
Holocaust Memorial Council	2,112,000	2,021,000	2,057,000	2,040,000	-72,000	-17,000
Total, Title II - Related Agencies	4,182,518,000	4,036,501,000	2,984,261,000	4,237,073,000	+54,555,000	+1,252,812,000
Grand total	8,457,347,000	8,195,937,000	6,616,975,000	8,247,192,000	-210,155,000	+1,630,217,000

□ 1540

Mr. REGULA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my able chairman has described the bill very well. I want to say before I get started that the chairman has been eminently fair. He has provided an opportunity for all members of the subcommittee to participate in the drafting of this bill and in dealing with the issues that are in it, even at times when he may have disagreed with some of the results.

Likewise, the gentleman has been very fair with witnesses. We have had more than 900 witnesses on issues before this subcommittee, and in all instances, the chairman has given them every opportunity to be heard.

I also want to commend the staff of the subcommittee. They, too, have been very open and receptive to all of the members of the committee and work well in serving all of us.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I meant to address a subject that is very close to my heart when I began my remarks and I am sorry that I got lost in the Navajo/Hopi dispute.

What I wanted to tell the members of the committee and the House was the tremendous assistance that was given to our committee by the ranking member on the Republican side. The gentleman from Ohio [Mr. REGULA] participated in all the hearings. He participated in all of the decisions. In all my years in the Congress, I have never encountered any Member who is more able, more cooperative and more willing to work conscientiously. It is a real pleasure for me to pay this tribute to the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Thank you, Mr. Chairman, Certainly I think we have worked well together to try to bring to this body a responsible bill.

To those of you who read the letter on the minority side from our ranking member on the Committee on the Budget, Mr. LATTA, he points out in his letter that we are $344 million under the budget allocation in BA and we are $11 million under in outlays. As the chairman has said, we will even be under fiscal year 1986, post-Gramm-Rudman following amendments that the chairman will offer.

This is in the face of the fact that in this bill, we provide funding for the management of one-third of the United States. Most people do not realize that one-third of all the land in this Nation is owned by the Federal Government and is fiscally managed by the provisions of this bill.

Also, we did this in the face of the fact that we had over 1,200 requests from 256 of our colleagues for all kinds of projects. There are very few districts in the United States that are not, in some way, touched by what is done in this bill.

I also would point out that this bill is one of the few, if not the only bill, that we will be dealing with in appropriations that actually returns money to the Treasury. The activities that are governed by this bill and expenditures contained therein will generate $1.345 billion more than it costs to manage them.

The revenues from Outer Continental Shelf drilling, the revenues from various other mineral developments on the public lands, the revenues from the sale of the timber are all part of that money that flows into the U.S. Treasury. Much of it goes out in land and water conservation funds to provide local communities assistance in building parks or other recreational facilities to serve the people.

Likewise, some of it has gone to the States to give them a helping hand.

I think this is a bill that is very important to America. It is a very positive bill because we are doing things that are very essential to the future well-being of our country.

Just to touch on a couple of policy issues that are important. One concerns the Forest Service, and maintenance. I think we need to do more in maintenance in the Forest Service. It is a little-known fact that there are 2½ times as many visitor days to our national forests as there are to our national parks. We think of the parks as being the recreational areas when, in fact, the pressure on the Forest Service has grown tremendously over the last several years for the usage as a recreation area, and it is as well the area that produces probably 30 to 40 percent of the lumber that is sold in the United States.

Forty-four percent of all the recreation on Federal lands takes place in our national forests, which brings me to something that I think as a Congress we need to address. That is the issue of fees for entrance to our national parks and for the use of recreational facilities in the national forests.

In the bill, we do not do anything about this, therefore I would share this information with you.

For $3, a carload of people can go into Yosemite for 7 days. For Yellowstone, a carload of people can go in for $2. In 1930, the entrance fee to Yellowstone for a carload was $3. In 1986, it is $2.

Why do I bring these points to you? I might also mention Denali National Park in Alaska, a total of 6 million acres where there is no entrance fee. In fact, we provide a bus service so that people visiting Denali, some 450,000 last year, pay nothing for the bus service.

□ 1550

I think that is wonderful if we can afford it, and I wish we could continue this; but I would point out to the Members that the fees only pay 7 percent of the costs of maintaining our parks.

I am concerned that in the future the pressures to maintain parks and recreation facilities from both a health and safety standpoint, as well as providing campsites, will continue to grow while we do not have adequate funding to take care of them as we should.

I would hope that at some future time in the authorizing committee and in this body, we address the problem of entrance fees to the parks. I would like to see those increased, with the money going back into the park or the Forest Service, wherever it is generated. We should plow it back in to improve the quality of the experience that the camper or the visitor would have.

We cannot do that unless we do change the statutes to allow a greater charge for access to the park system.

In 1986, we collected $21 million in fees at the same time Americans were spending almost $4 billion to go to the movies. So it illustrates, I think, the need to address this as a policy issue.

Second, this bill deals with many of the energy problems of the United States. I want to caution Members, I think something we need to be concerned about is a growing dependence on foreign sources of petroleum.

It is estimated that by 1995, 43 percent of our consumption in the United States will be imported. Now that may not concern us today when gasoline prices are going down, but I think we are beginning to mainline on petroleum imports in the United States, and there will be a day of reckoning.

As Jim Schlesinger, who used to be the Secretary of the Department of Energy said so well: "Our country vascillates between panic and complacency." Today it is complacency; in a few years it could well be panic.

I think that as a policy question we should be focusing on the energy needs of this Nation in the years to come. We have all heard that clicke that an army marches on its stomach. Well, I would say that 1986's army marches on its gasoline tank.

It is vital that we think in terms not only of our own usage and the vital importance of petroleum to our industrial base in this Nation, but also as to the defense needs of our country.

On the question of the Outer Continental Shelf, we have addressed this, particularly the California situation. I would have to say to you that this policy issue will be before us in 1987 because we have in effect said in the bill that the Department of Interior shall bring back a 5-year plan under the OCS Lands Act, and included in there shall be their recommendations for the OCS area off the coast of California.

At that time, this body will have to make a decision as to what we think that policy should be, not only on California but all of our OCS lands. We will have to address the problem of energy security. Also we will have to address the problem of how indebted we choose to be to the OPEC nations, because it has great foreign policy implications.

The decisions as to the energy situation in the United States in 1995 and the year 2000 will be made today and tomorrow, and not at that time. So those are questions that we need to address.

Likewise, we are going to have to address ultimately the issue of Alaskan offshore land as well as to whether or not other areas of Alaska are put in to wilderness designation.

These are some of the things I would mention to you that are part of this bill or part of the policy issues that will confront us in the months ahead.

I am happy to report to you, because it was the subject of substantial debate last year, that progress is being made on the question of clean coal, I am pleased to report to you that just last week the Department of Energy selected 9 out of 51 proposals to develop clean coal technology. This would be technology to be used in steel making, the generation of electric power, industrial processing, and the production of fuel.

I think the interesting thing about this is the fact that in our legislation last year, which was the subject of some discussion on this floor, we adopted a $400-million appropriation for clean coal; but we required that it be matched by another 50 percent, or $400 million in the private sector.

So that any project had to be at least a 50–50 match. The projects that were selected last week by DOE have only 35 percent Federal moneys in them, and 65 percent private money.

That says very clearly that the private sector has confidence in the technology that they are proposing, and they are simply saying, "We need a helping hand from the Federal Government, but we're willing"—that is, the private sector—"to put up 65 percent of the cost, even though the legislation only required 50 percent."

I would hope that we will take some time on the acid rain issue and give clean coal programs an opportunity, to reach fruition, because it seems to me that we cannot spend a lot of money on capital investment mandated by acid rain legislation and then come along with clean coal technology, which would be in the long term a better solution and expect to put that in place also. There is only so much money available in the private sector industrial economy.

I think the fact that we have these projects; that they are going to be on stream, is evidence that there is a strong, strong commitment on the part of the private sector. This is very important for the future of energy, for the future of clean air in this Nation.

I commend this bill to all of my colleagues and ask for your support. We have worked in a very responsible way, in my judgment, as a bipartisan committee to address a lot of tough issues, to respond to the Members and the concerns they have for the development of projects in their district, and we have done it and still stayed under the outlays and the budget authority, post-Gramm-Rudman, or we will be with the chairman's amendment. I think that is a substantial accomplishment given the fact of the nature of the challenges we have in this subcommittee.

Mr. YATES. Mr. Chairman, I yield 1 minute to the gentleman from Oklahoma [Mr. SYNAR].

Mr. SYNAR. Mr. Chairman, I support the provision of the bill which provides for a phased increase in grazing fees from the current fee of $1.35 per animal unit month to $4.68 per AUM. If this language is successfully challenged on a point of order, and the administration fails to increase the fee administratively, I encourage my colleagues to adopt legislation to increase the fee. The program is costing taxpayers a lot of money, and the 2 percent of the American livestock producers who feed their livestock on subsidized public rangelands have a competitive advantage relative to all other livestock producers.

As the Committee on Government Operations concluded in a report issued last spring, the current fee of $1.35 per AUM is inconsistent with the fair market value criteria contained in the Federal Land Policy and Management Act of 1976. The committee also recommended administative action to increase the fee (H. Rept. 99-593). The Departments of the Interior and Agriculture spent $4 million for a recent study of the grazing fee for public rangelands which established that the average 1983 appraised market value was $6.53 per AUM for all Federal grazing land. That is almost 5 times the $1.35 currently charged by Interior and Agriculture and perpetuated by an Executive order issued in February 1986. In fact, the committee found that grazing fees do not even cover the costs of the grazing program, falling short by $78 million for 1982 and 1983, and by almost $33 million for 1984. For 1985, the Office of Management and Budget estimated that the grazing fee covered only "35 percent of Federal costs of range management and improvement."

Currently, less than 2 percent of American livestock producers feed their livestock on public rangelands. If we decided to subsidize all livestock producers equally, it would cost the American taxpayer more than $2 billion annually. In addition, even though it is predominantly Western livestock producers who use public rangelands, only 7 percent of those producers have access to the public rangelands.

Furthermore, according to projections provided by USDA's Economic Research Service, continued use of the formula contained in the Executive order will keep the fee at $1.35 until 1991. The Committee on Government Operations concluded that during a time of burgeoning deficits and painful cuts required by the Gramm-Rudman-Hollings Act, a fee failing to even cover the costs of the program cannot be justified.

One of the more interesting things we learned during the investigation was that permittees who pay $1.35 per AUM include not just traditional family ranchers, but major oil companies, land investment partnerships, agribusinesses and lawyers and doctors who engage in ranching as a weekend avocation.

In addition, the Bureau of Land Management—but not the Forest Service—allows the permittees to "sublease" the use of grazing permits to others. They charge a higher price, and pocket the difference between the $1.35 per AUM that the public Treasury receives and the amount received from the producer who actually grazes livestock on the rangelands.

In October 1984 Congress enacted a provision to try to collect these windfall profits for the public Treasury. But to date BLM has successfully thwarted Congress' efforts. At the time of hearings held by the Subcommittee on Environment, Energy, and Natural Resources in December 1985, not a single cent has been collected by BLM in accordance with the statute. As of June 30, 1986, the BLM reported it had collected a total of only $8,274.45 in "subleasing" profits on 5 permits, despite the fact that BLM itself had identified 633 leases from which it could collect such profits. In addition, BLM has shielded hundreds of other subleasing types of arrangements from collection efforts through a narrow and highly questionable interpretation of the statute. As a result, somebody other than the American taxpayer is making money off the public's land and, in some cases, damaging it in the process by overgrazing.

Mr. REGULA. Mr. Chairman, I yield 30 seconds to the gentleman from Connecticut [Mr. MCKINNEY].

Mr. MCKINNEY. Mr. Chairman, I am delighted today to rise in support of H.R. 5234, the Interior appropriations bill for fiscal year 1987, and call to the attention of the House the fact that for the third consecutive year the House Appropriation Subcommittee on Interior has recommended an appropriation for the Connecticut Coastal National Wildlife Refuge, the refuge that was born of legislation I introduced in 1984.

The difficult task of prioritizing the many worthwhile land acquisition requests that come before the Interior Subcommittee is understood by this Member. Therefore, it is with much appreciation that I applaud Chairman SIDNEY YATES and ranking Republican RALPH REGULA for their efforts on behalf of this significant project in my home State of Connecticut. I also applaud the efforts of full committee Chairman JAMIE WHITTEN and senior committee Republican SILVIO CONTE.

As recommended by the committee, the appropriation level for the Connecticut Coastal National Wildlife Refuge is a modest $600,000. This appropriation will allow the U.S. Fish and Wildlife Service to purchase the final major site in the refuge—the 10-acre barrier beach at Milford Point, which lies in Connecticut's Third Congressional District represented by my good friend BRUCE MORRISON. The other three areas of the 145-acre refuge—Chimon and Sheffield Islands off Norwalk and Falkner's Island off Guilford—already are owned and managed by the Fish and Wildlife Service. Approximately 11 acres of 62-acre Sheffield Island are privately owned.

The preservation of Milford Point is a tremendous victory for wildlife conservation in Connecticut, in New England, and in our Nation. Some wildlife experts claim that it is the most ecologically significant site in the four-part Federal refuge. The barrier beach certainly is the vital link that holds together the individual parts of the refuge as an ecological whole.

As the only mainland site in the Connecticut refuge, Milford Point is readily accessible to those seeking outdoor recreation, and it will be open to the public during the nonnesting season. This sandy spot is home to the rare piping plover as well as a resting stop for many of the migratory birds that are supported by the refuge.

Including the committee recommendation for 1987, the total price tag for the refuge is approximately $3 million. Given the outrageous amounts of money currently being paid for property on Long Island Sound, the Federal refuge is being purchased at bargain prices—something of which we can be proud in this dark fiscal period of Gramm-Rudman-Hollings. Another major accomplishment of the completion of this project is that it is the first Federal wildlife refuge created on the Atlantic coast in more than a decade.

It isn't often that we in Congress can legislate in perpetuity. But creation of national wildlife refuges, parks, monuments, and trails comes the closest. Today, I take great pride in knowing that Congress has moved one step closer to completing the Connecticut Coastal National Wildlife Refuge.

I urge my colleagues to approve H.R. 5234.

Mr. YATES. Mr. Chairman, I yield 2 minutes to the gentleman from Connecticut [Mr. MORRISON].

Mr. MORRISON of Connecticut. Mr. Chairman, I want to commend the gentleman and the ranking member for their leadership and their willingness for the third consecutive year to support the creation and now the completion of the Connecticut Coastal Wildlife Refuge. In particular, the $600,000 that is in this bill will allow for the completion of the purchase of the Milford Point portion of this wildlife refuge.

It is an important, ecologically critical area; we have been lucky enough

to have the Nature Conservancy taking a leadership in the acquisition of this property by the provision of these appropriated funds. They can now transfer this property permanently to the Federal Government; the Connecticut Coastal Wildlife Refuge and all four parcels intended when the program was authorized are now going to be owned by the Federal Government and preserved forever in Connecticut, where only 3 percent of the coastal area is in fact open space.

□ 1600

We now have a critical resource, and it is through the leadership of this committee, and I want to thank the committee for their help in making this very important environmental resource possible in my district and elsewhere in Connecticut.

I thank the Chairman.

Mr. REGULA. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. Mr. Chairman, it would not be an Interior appropriations bill without a debate over the proper role of the California OCS Oil and Gas Leasing Program in our Nation's energy security. This is, in fact, the sixth consecutive year in which the issue has dominated much of our discussion on this bill. For the first 4 of those years a blanket moratorium on large portions off the California coast was indiscriminately implemented. Last year, the Congress set up a formal consultation group consisting of the Interior Department and designated Members of Congress, of which I was one. This was in lieu of a moratorium.

While the consultation group met 16 times this year, and examined the OCS issue and options for resolving this dispute in great detail, we were unable to reach a final agreement. Opponents of OCS leasing sought and obtained yet another moratorium in the Appropriations Subcommittee on Interior. However, the full committee adopted the so-called compromise that is in the bill before us today.

I regret that the committee found it necessary to legislate in this manner on the OCS issue. However, I appreciate the need to act in light of the circumstances as they exist. In some ways, the outcome could be much worse, given the demands made by the opponents of OCS leasing in our negotiations.

My purpose in rising to speak today is simply to set forth the facts so that my colleagues go into this with their eyes open, fully informed of the consequences of the California OCS provisions of this bill.

In February of this year, the Interior Department issued the proposed program to guide OCS leasing for the 5-year period that will run from January 1987 through December 1991. The plan contemplates at least five sales in three California planning areas: sales 91 and 128 in northern California, sales 95 and 138 in southern California and sale 119 in central California. All of these areas are believed to be some of the most promising new energy fields in the entire United States, containing billions of barrels of oil and trillions of cubic feet of natural gas.

The Interior Appropriations bill contains provisions which will result in a substantial delay in holding the scheduled lease sales. Every year of delay postpones the tough decisions and choices we face in balancing orderly energy development with legitimate environmental concerns, such as air quality. Most importantly, delay denies the Nation the access to these sources of energy which we will need when they become available at the end of the decade of the 1990's.

Specifically, the bill affects sales 91, 95, and 119 directly, and might indirectly impact upon the timing of sales 128 and 138. For example, the call for information on sale 91 for northern California went out in February of this year as scheduled. This is the first step in a process that takes almost 2 years from a call to an actual sale of leases. In the interim, there are draft and final environmental impact statements, comments from the State and local governments, area identifications, public hearings and notices of sale.

While the call on sale 91 has gone out, the express terms of the bill prohibit the draft environmental impact statement on this sale from being published until at least 90 days after the draft final 5-year plan is sent to Congress next year. In other words, the draft EIS which under the proposed 5-year plan was to be done in March 1987, will now be put off until the late spring of next year. More importantly, the bill prohibits the final notice of sale on 91 from being issued prior to January 1, 1989, meaning no lease sale until at least February 1989. The proposed 5-year program currently contemplates the holding of sale 91 in April 1988, a full year's delay.

On the surface, the only provision in the bill on southern California lease sale 95 is a prohibition on taking the initial step, the call for information, until March 1987. However, this has the practical effect of bumping all of the steps back in time, thus delaying the sale. My best estimate, based on the time interval between steps in the proposed program, is that the notice on sale 95 would not occur until February 1989 and thus the sale would not take place until March 1989, or later.

As I indicated earlier, I concede that things could be worse. The bill does not rope off areas of the OCS from development by legislation when sales actually do occur. There are no arbitrary buffer zones lasting up to 15 years that would block access to the most promising geological areas. Prelease activities can go forward on all of the sales.

Nonetheless, the House should know that we are doing damage to our long-term ability to meet the energy needs of the country without returning to the dependence on imported oil that we have strived so hard to avoid. Sitting in 1986, with an oil glut and falling prices, the temptation of complacency is powerfully attractive. As the ranking minority member of the Subcommittee on Fossil and Synthetic Fuels, where we wrestle with energy policy every day, I would be remiss in my duty if I did not sound the warning to resist the temptation.

The latest data from the Department of Energy shows that oil imports are up fully 25 percent from 1 year ago. We have projections that imports will double in the next decade if we do not find new sources of oil. Even once these sales occur, if they occur on time, there is a great deal of work from lease sale to energy production. It is a process that can take up to 5 to 10 years. We are talking about the energy for the 21st century. To make policy for the year 2000 based on the glut of 1986 is shortsighted in the extreme. We cannot predict the market that will prevail in 12 months, much less what we will face in 12 years. The only safe course is to be prepared. The provisions of this bill run counter to that objective.

While this seems to be the best we can accomplish at this hour, I only hope that in the very near future we can persuade our colleagues from around the country that this is more than a California issue, it is a national issue and should be treated as such. Even within California, we need to awaken the rest of the State to the importance of OCS leasing to our economy so that we might bring some balance to the debate. We want to work with our coastal district colleagues, but not at the expense of our long-term energy security.

Mr. YATES. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Chairman, I want to pay tribute to the chairman and the ranking member for the long efforts that they have provided in trying to find a compromise with regard to the issue of off-shore drilling. It is not an easy issue, obviously, to resolve.

Mr. Chairman, included in the Interior appropriations bill for fiscal year 1987 is a provision which represents an important step toward reaching a long term, balanced settlement of the dispute over oil and gas development offshore California. This provision is the result of a compromise worked out between members of the California dele-

gation and members of the Appropriations Committee as an alternative to the reinstatement of the leasing moratorium which has been included in four of the last five Interior appropriations bills.

This compromise was crafted after 6 months of negotiations between an 18 member congressional task force and representatives of the Interior Department. When it became clear that these negotiations would not produce an agreement based on a tract-by-tract analysis, the Department proposed a procedural delay, during which time the Secretary would review each of the proposals which had been made during the course of the negotiations. It was the position of the California negotiators that such a delay would be acceptable only if lease sales scheduled for northern and southern California would be held in abeyance during the Secretary's review. Unfortunately, while the Department agreed to delay the southern California sale for 1 year, it refused to negotiate a delay on the northern California sale.

The compromise worked out with members of the Appropriations Committee represents the final position of the Interior Department in the negotiations with the addition of a delay in the northern California sale. I believe that the delay on both lease sales represents fair and equitable treatment for the coast, as well as offering an opportunity for meaningful negotiations with the Department. Up to this point, Interior has had little incentive to talk seriously, and it is my hope that with the enactment of this provision we can move toward a compromise acceptable to all the parties involved in this long and contentious debate.

I would like to pay personal tribute to those Members who have been involved in the months of negotiations with the Department and to those members of the Appropriations Committee who have been instrumental in bringing about this compromise. In particular, I would like to thank Interior Subcommittee Chairman SID YATES for his longstanding commitment to a balanced approach to oil and gas development offshore California. There is no doubt that without the leadership provided by the chairman over the past few years, the ill-advised leasing schemes of former Interior Secretary James Watt would have been carried out. His support for the compromise included in this year's bill is one of the keys to the success of this approach.

I would also like to pay tribute to the ranking minority member of the Interior Subcommittee, Mr. REGULA, who played a key role in reaching this compromise. His willingness to weigh fairly the arguments of all the parties involved, his patience during months of negotiations having no direct impact on his district or his State, and his commitment to reaching a fair and equitable settlement have played a crucial role in this debate.

My sincere thanks and appreciation go also to Mr. FAZIO and Mr. LOWERY, of California, for their longstanding support and assistance on the committee and to the other Members who have worked so long and hard to win a fair settlement for the people of California. While this provision does not represent a settlement, it does offer the hope of a reasonable, balanced policy with respect to the protection and development of a truly national resource.

Mr. REGULA. Mr. Chairman, I yield 3 minutes to the gentleman from New Mexico [Mr. SKEEN] a member of the committee.

Mr. SKEEN. Mr. Chairman, I rise in support of H.R. 5234, the bill making appropriations for the Department of the Interior and related agencies for fiscal year 1987. This is an extremely important piece of legislation which makes appropriations not only for the Department of the Interior, but also for programs administered by the U.S. Forest Service, the Department of Energy, and the National Foundation on the Arts and the Humanities.

The Committee on Interior appropriations has reported a bill that represents fiscal restraint at a time when we all are making every effort to tighten our fiscal belts. The legislation comes in under its 302(b) allocation, both in budget authority and outlays for the most recently agreed current resolution on the budget for the fiscal year.

The chairman has already outlined the major provisions of this bill, and so I would like to highlight a few items that are of particular interest to my constituents in the Second Congressional District in New Mexico and my colleagues. First of all, I was extremely pleased that the subcommittee has funded a number of important energy initiatives aimed at providing for a more secure energy future. We are all painfully aware that the current world energy glut masks a potentially dangerous energy future if we do not promote policies that enhance—not diminish—our energy security. To that end, I was pleased that the Appropriations Committee has recommended funding for continued construction of oil storage capacity for the strategic petroleum reserve, and has included $331 million for continued purchases of oil at a rate of 85,000 barrels a day. In the area of fossil energy conservation research and development, the committee has continued its commitment by providing major increases above fiscal year 1987 budget levels, while maintaining levels of support consistent with previous years. For fossil energy research and development the bill recommends $314,512,000, an increase of $231,745,000 above the requested level, and for conservation research and development a level of $159,675,000, an increase of $125,242,000.

Mr Chairman, there are just a few areas that I have concerns about which I feel compelled to discuss at this time. The first item is that provision in the bill which seeks to raise grazing fees on Bureau of Land Management lands by more than 300 percent. This dramatic increase was included in the bill without the benefit of public input, and no hearings were held on this proposal by the authorizing committee. Mr. Chairman, the livestock industry is currently facing its worst financial crisis since the Great Depression. Many ranchers have gone bankrupt and many Federal grazing allotments and private grazing lands are going unused. Now is not the time to arbitrarily and perhaps capriciously add another burden to our farmers and ranchers in these difficult times. At the appropriate time, I will offer a point of order against this provision in the bill and remove it from the bill.

Finally Mr. Chairman, and for similar reasons, I am opposed to that section in the report which recommends a decrease of $2,243,000 for wild horse and burro management. If this provision remains, it would mean that no more animals would be removed from Federal rangelands during the coming fiscal year. I believe this would be a big mistake and I would hope that an agreement could be reached in conference on this section of the report.

So except for those two provisions, Mr. Chairman, I do support this critical legislation and urge its adoption.

Mr. YATES. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. WEAVER].

Mr. WEAVER. I thank the chairman for pronouncing the name "Oregon" correctly, and I thank the chairman for yielding me this time.

I want to commend the gentleman and his committee for a great number of things in this fine bill but particularly the two pieces of legislation in the bill that deal with buy-America on oil rigs and the log export prohibition on our public lands.

It is essential that we require oil drilling rigs to be bought, to be used in the Outer Continental Shelf of the United States, to be built in the United States. Now, the people of my congressional district, Coos Bay, were doublecrossed.

Last year when they were promised they would get support for it and the fact that the chairman and his committee have put this in their bill is a great advantage to Oregon, and we thank you tremendously.

Our primary industries in this Nation are eroding before our eyes. We are losing our primary industry.

Our economy is falling apart, and we sit and do nothing; at least the administration does nothing; the Congress is beginning to act.

Factory orders this month, down again for 3 months in a row; new home sales, the big building block of the economy supposedly this year, have fallen for the third month in a row, down 10 percent in the last month.

So the only thing they had going for them, housing which feeds our lumber industry, it is falling apart now also. So thank goodness we can still, if this bill becomes law, build some things in the United States and not have the entire manufacturing of this country done overseas by foreign labor and by foreign capital.

If we cannot protect our workers, if we cannot protect our industry, who can?

Mr. REGULA. Mr. Chairman, I yield 2 minutes to the gentleman from Kansas [Mr. WHITTAKER].

Mr. WHITTAKER. Mr. Chairman, these Interior appropriations are extremely important to the Nation as a whole. However, I have taken a special interest in one particular detail in this bill regarding the allocation of abandoned mine land reclamation funds among the States.

In Kansas, our coal production has dropped but the problems left behind have not gone away. That is why we depend on the Secretary's discretionary fund to keep our mine land reclamation programs operating.

Earlier this year, I submitted letters to the Office of Surface Mining from about 20 States and tribes which generally supported the idea of a $2 million minimum based budget. Under such a program, States with less coal production—but no fewer problems left over from the past—would have at least $2 million to address critical reclamation needs in their jurisdiction.

I urge my colleagues from the following States to take note that their AML officials were backing a minimum based budget which is essentially prohibited by this bill: Alabama, Alaska, Arkansas, Colorado, Iowa, Kansas, Kentucky, Lousiana, Maryland, Missouri, Montana, New Mexico, North Dakota, Oklahoma, Utah, Virginia, Washington, and Wyoming.

I'll repeat that these are States which supported a minimum based budget formula.

It is my understanding that OSM was considering some type of minimum based program which would benefit Kansas and other States. Unfortunately, there is language in this bill which short circuits these efforts. This bill says simply that the Secretary's discretionary fund must be apportioned solely on the basis of inventory. In effect, we take away the Secretary's discretion and that could be bad for many States which could have benefited from a minimum based budget.

Mr. Chairman, if we are going to base the future of AML programs in many States on inventory, I hope that the OSM is especially sensitive to Kansas' efforts to update its inventory.

In a letter to me dated July 10, 1986, Jed Christensen, Director of the OSM, told me:

> Allocations for all States for 1986 were based on the original inventory data since this was what was available to OSMRE at the time the 1986 allocations were determined. States and tribes have now been given until July 31, 1986 to submit inventory updates. OSMRE plans to process these updates for use in determining the 1987 allocations. In addition, OSMRE will allow another year to update the inventory to be used for the 1988 allocation and thereafter.

Mr. Chairman, it my understanding that Kansas has submitted roughly $200 million in updates to better reflect its inventory of eligible sites.

I have every confidence that Mr. Christensen will keep his pledge by making certain that Kansas' updates are taken into account when OSM apportions the Secretary's discretionary funds in 1987.

However, if the Director and the Secretary have reason to conclude in the future that some sort of minimum based budget is needed to address the needs of some States, I urge these responsible administrators to return to Congress with such a formula.

□ 1615

Mr. YATES. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. BOLAND].

Mr. BOLAND. Mr. Chairman, I want to indicate my strong support for H.R. 5234, the fiscal year 1987 appropriations bill for the Department of the Interior and related agencies.

I want to particularly compliment the distinguished subcommittee chairman, the gentleman from Illinois [Mr. YATES] and Mr. REGULA, the ranking minority member, for the outstanding job they have done on this year's bill. At a time of undeniable fiscal constraint, they have fashioned a measure, which discharges some of the most important responsibilities of the Federal Government, in a manner that acknowledges, both the needs of the Nation, and the imperatives of the budget. In addition, I want to take special note of the effort of the staff, whose many significant contributions greatly facilitated the work of the subcommittee.

I know of no appropriations subcommittee, which has a more diverse scope of responsibility, than does the Subcommittee on Interior and Related Agencies. From the operation of the Smithsonian Institution to logging on Federal lands in Oregon, from the acquisition of land for a national park in Florida, to research on magnetohydrodynamics, from Indian health and education programs, to the redevelopment of Pennsylvania Avenue in Washington, DC. It's all here in this bill. There is no region in the country that is not, in some way, affected by the programs funded in H.R. 5234. Others lay claim to the title "all American bill," but make no mistake, this one is it.

The United States is a nation rich in history and physical beauty. One of the best decisions Congress ever made was to support the creation of the National Park System, through wich irreplaceable treasures of nature, and of our country's past, can be preserved for the enjoyment of future generations. This bill continues a century-old tradition of maintaining our national parks and national historic sites.

It also provides funds for a limited amount of park land acquisition. These funds, and the funds the bill makes available for land acquisition in the National Forest System, are a testament to the subcommittee's belief that we must act where we can to prevent development on land that should properly be reserved for the enjoyment of all Americans. In spite of the very real budget pressures we face, the subcommittee has been able to set aside funds for this important purpose. That is an action that I strongly support.

As I believe most of the Members of the House would agree, the United States has not yet solved the fundamental energy problems that led to gasoline lines in the not-too-distant past. We have made progress, however, in the development of both, alternative fuels and advanced energy conservation techniques. This bill builds on that progress by supporting programs, that I am confident will hasten the day when our current overreliance on petroleum is brought to an end. Efforts to burn coal more efficiently and more cleanly, as well as the continued development of fuel cells, which are among the technologies funded by H.R. 5234, hold out the promise that the United States will enter the next century making far better use of the resources that it has in abundance than we are doing today.

Mr. Chairman, there is one other matter covered by this bill to which I want to make special reference. For a number of years, because of the leadership of Chairman YATES, the Subcommittee on Interior and Related Agencies has made available funds for the Low-income Weatherization Program. That program, has been able to weatherize about 200,000 households annually with the Federal funds we have provided. This program has made a tremendous difference in the lives of the low-income people it has served. Some States, like my own State of Massachusetts, have supplemented Federal weatherization funds with money of their own. There continues

to be, however, a great need for this type of energy conservation effort, a need which has been estimated at between 15 to 20 million households.

Our decision on weatherization, as modified by Mr. YATES' amendment, reflects the subcommittee's awareness that the States would be receiving far more in funds derived from the settlement of oil overcharge cases than we could make available. We believe that the States have the means, through the oil overcharge funds, to continue weatherization at a level which will at least match the national fiscal year 1986 level of effort. We have provided administrative fees to accomplish that result, and we will closely monitor the performance of the States in this regard. When Federal appropriations are again necessary to sustain this important program, I intend to support them, and I believe that the subcommittee will as well.

Mr. Chairman, H.R. 5234 is an important bill, which deserves the support of the House. I urge its adoption by the House.

Mr. REGULA. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Chairman, I rise in strong support of the legislation. I want to compliment the chairman, the ranking member, and all of the members of the committee for this excellent legislation. I think you clearly have the most interesting and diverse appropriation legislation that comes before the Congress each year. I look forward to working with you next year, with earlier notice, on some efforts for funding through Federal cost-sharing provisions for interpretation centers and signing of some of our historic trails for example, the Lewis and Clark, Morman, and Oregon Trails.

Primarily today, however, I want to talk about the American mustang, the four-legged variety, and about the discussed and cussed and occasionally loved American burro that exist on BLM lands in Nevada, Utah, Wyoming, and at other locations.

Two types of facilities are involved in the BLM Wild Horse and Burro Management Program. They are holding facilities, primarily used for conditioning the burro and wild horses and related veterinarian services to prepare these mustangs and burros for adoption. Second, there are the adoption facilities.

I am concerned about the language on the committee report on pages 11 and 12 where the committee recommends decreasing the BLM appropriation by $2,423,000 based upon the expectation that no animals would be removed from BLM lands in fiscal year 1987. The committee goes on to say it "believes no more animals should be removed until it is established the projected vastly increased adoption rates actually can be achieved."

One of the two—or perhaps now three—holding facilities is in my district near Bloomfield, NE. I am concerned about the committee's recommendation because one cannot reasonably just start and stop these holding facility operations at will without great dislocation, cost, and inefficiency. The contractors of these holding facilities are not going to be interested in being contractors in the future if they are shut down after only 1 year and despite making substantial capital investment. I think you have created a very definite and substantial problem for these contractors if you cut back the removal of wild horses and burros from BLM to zero level.

So I am suggesting to the committee that, as a minimum, some accommodation ought to be made in a House-Senate conference for these "holding" facility operators, and I am going to make a couple of recommendations I hope the committee can consider.

It seems to me, that the holding facility in my district, the Bloomfield Wild Horse Ranch, handles their responsibilities very effectively and very humanely, using the best animal husbandry techniques. With that in mind, I would, accordingly, like to suggest three things:

First, sufficient horses should be removed from the BLM lands to replenish the wild horses in the existing "holding" facilities on a "100-horse-out—to adoption center—100-horse-in—to holding facilities—as the horse adoptions take place.

Second, the burro adoption program should be sustained or increased as their adoption is proceeding at a more rapid rate.

Third, as a minimum, the current level of horses in the "holding" facilities should not be reduced below 75 percent of existing capacity of these facilities so as to maintain the viability of these facilities and the amortization of the substantial investment in these facilities.

Mr. Chairman, thank you for considering this public expression of my concerns and my recommendations for accommodating the commitments made to the contractor and the communities in which they are located while meeting the fiscal and pragmatic concerns that we all share with respect to the Bureau of Land Management Program for Wild Horse and Burro Management.

Mr. REGULA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I thank the gentleman for his suggestions, and I would say that we will take these to the conference. I am quite sure the Senate will have some language in on this issue. The gentleman does address a problem.

We have a problem, and that is when it comes to adopting these animals, the burros are easy to get rid of, but the mustangs are not. Consequently, they are accumulating. So the committee thought we should not add to the overload until the Department comes in with a program to keep moving them out after they had been treated.

We will take a good look at that issue.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for yielding to me.

The essence of one of my suggestions relates to the burro program. With respect to the mustangs I would suggest that they be handled at the "holding" facilities on a hundred-in-hundred-out basis and keep the facility operating on at least 75 percent capacity, then the adoption that does take place can be accommodated.

Mr. YATES. Mr. Chairman, I yield 2 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Chairman, first of all, I would like to congratulate the chairman for his outstanding leadership on the Navajo-Hopi relocation issue, and as well as the committee's strong support for American Indians. I think that without a champion like the gentleman from Illinois, Mr. SIDNEY YATES, the Indian population of this country would be hurting very badly.

Mr. Chairman, I would like to commend the subcommittee chairman and his staff for all of their work on the interior appropriations bill. As always, my colleague from Illinois has done an excellent job of looking after the needs of American Indians, an underserved population in this country. I am especially pleased to see that the Appropriations Committee is taking significant steps to address the serious problem of alcoholism which is taking a very real toll on the lives of native Americans. The committee's recommendation of $27,705,000 for alcoholism programs is an increase of $1,300,000 over the President's budget request. This increase is earmarked for nationwide alcoholism prevention programs, also an essential front in the war on alcohol abuse. Alcoholism and alcohol-related problems are of epidemic proportions—an estimated 44 percent of the Navajo people are directly or indirectly affected by alcoholism. The chairman should know that I have been successful in passing an authorization for the Gallup-Navajo alcoholism rehabilitation demonstration project in the Indian health care reauthorization bill, which is pending action on the floor. This

project is a pilot program which would be a first and major positive step toward implementing a scientifically controlled and carefully monitored rehabilitation program among Navajo people. The program could then be used as a model for replication among other tribes elsewhere. This is a priority project for the Navajo people. It is also important to the people in the local communities in my district who are adversely affected by Indian alcoholism. Am I correct in my understanding that the committee feels that this project should be given every serious consideration in the allocation of funding for alcoholism projects?

Mr. YATES. Mr. Chairman, if the gentleman will yield, the gentleman from New Mexico is correct. Alcoholism is one of the most serious problems facing American Indians. This demonstration project should be given every serious consideration in the allocation of funding for alcoholism projects.

Mr. RICHARDSON. Mr. Chairman, I thank the gentleman from Illinois for his answer.

Mr. REGULA. Mr. Chairman, I yield such time as he may use to the gentleman from Pennsylvania [Mr. McDADE], a member of the subcommittee.

Mr. McDADE. Mr. Chairman, I thank my distinguished colleague from Ohio for allowing me to spend a few seconds on the bill.

Before I do that, I want to say to the committee that I had the privilege of serving on the committee as ranking member for quite a while. I enjoyed every second of it and I got to know and appreciate all of the items in the bill. I want to say that if I were able to sit down and craft a person who I would like to see on my side of the aisle manage the bill, it might be somebody who might turn out to be as good a person as my dear friend, the gentleman from Ohio [RALPH REGULA], who does a superb job.

□ 1625

I want to thank the gentleman from Illinois for the leadership that he has provided over a long period of years for all the accounts in this bill, diverse as they are. He has done a superb job and we owe him a great debt of gratitude.

I express my gratitude for a lot of things that occurred in this bill. I guess most specifically the moneys that were added to the bill for the Office of Surface Mining and the important work that they do in rehabilitating the lands of the Nation, and making the people secure in their homes and in their businesses.

I consider it a great privilege to participate in the hearing process of this bill and the writing of it. Mr. Chairman, I hope it will be passed with resounding approval.

Mr. Chairman, I rise in support of H.R. 5234, making appropriations for the Department of Interior and related agencies, and urge its overwhelming approval by the Members of this House.

This is a bill that advances the cause of protection and preservation of our Nation's precious natural resources, our cultural resources and our energy resources—a most unique awesome responsibility.

As always, I commend my good friend and chairman, SID YATES, and the ranking member, RALPH REGULA, for their skill and leadership in guiding this bill through the long and arduous committee process. They have both conducted our deliberations in a fair and courteous manner so that all of us have had the opportunity to help shape the broad outlines of the bill that is before you today.

Specifically, the bill provides $8.2 billion in new budget authority, $300 million below the subcommittee's 302(b) allocation. In addition, this bill is estimated to generate over $10 billion in revenues in fiscal year 1987.

This bill provides our Nation with a responsible energy research program and increases our national security by providing funds to continue construction of storage capacity for the strategic petroleum reserve and increase the SPRO fill rate to 75,000 barrels a day. This is an insurance policy, we believe, against future world oil disruptions.

The Clean Coal Technology Program was funded last year at the rate of $400 million to be spent over a 3-year period of time. In response to this congressional action, the Department of Energy received 51 proposals. The committee, concerned that the proposals do not address the emissions problems associated with existing powerplants, has included language directing DOE to solicit statements of interest from industry aimed specifically at clean coal technology that could be utilized to retrofit, repower, or modernize existing facilities.

This bill responsibly addresses our stewardship commitments to protect and preserve our Nation's precious public lands and waters by providing land acquisition funds for refuges, parks, and national forests, as well as funds for State assistance programs.

We funded programs administered by the Bureau of Land Management responsible for the multiple use of over 300 million acres onshore, 370 million in subsurface mineral rights—the Fish and Wildlife Service which manages over 90 million acres of refuges, fishery research centers, and waterfowl production areas—the National Park Service System covering 80 million acres—visited by nearly 400 million individuals annually and the National Forest Service with 191 million acres of timber production, forestry research programs, grazing, and recreational lands.

I could hardly speak of protecting and preserving our public lands without mentioning an element within Interior called the Office of Surface Mining. This agency is charged with the task of enforcement of the 1977 Surface Mining Control and Reclamation Act. I was heartened to see an increase in the abandoned mine reclamation fund for State grants which are used to address the most hazardous health and safety problems associated with reckless, irresponsible mining practices. Pennsylvania alone has nearly $15 billion in priority 1 and 2 abandoned mine work remaining to be reclaimed.

For well over 20 years, most particularly since the creation of the National Endowments for the Arts and Humanities, Congress, in a bipartisan spirit, has consistently supported funding for the Endowments as well as the Smithsonian Institution, the National Gallery of Art and, in recent years, the Institute of Museum Services. This has been a clear declaration that financial assistance for the Arts and Humanities is a proper, if not critical, responsibility of the Federal Government. I am pleased to say that we have continued that strong support for each of these programs.

My friends, this is an excellent bill, responsible to our stewardship commitments to the land and the people who live on it. Gifford Pinchot, the father of conservation and former Governor of Pennsylvania, summarized the importance of preservation by saying:

The very existence of our nation and all the rest depends solely on conserving our resources which are the very foundation of its life.

I ask my colleagues to adopt this bill.

Mr. YATES. Mr. Chairman, I yield 1 minute to the gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. I thank the gentleman for yielding me this time.

Mr. Chairman, I thank the gentleman from Illinois for the leadership he has provided on this committee and also to the new ranking minority member on the committee, with whom I have worked very closely. I think the leadership both gentlemen have provided has resulted in an excellent work product that we on the Interior Subcommittee bring before the House today.

Mr. Chairman, I want to pay particular attention and really give a particular compliment to the chairman, Mr. YATES, for the cooperation he gave to those of us in the Northwest for a significant purchase of highly scenic lands along the Columbia River Gorge. This acquisition, which is folded into this bill, removes a major developmental threat to the gorge, and it plays a crucial role and will play a crucial role in the ultimate passage of a scenic bill providing general scenic protection for this national resource.

With that, I thank the gentleman and I compliment the ranking minority member for the contribution he has made as well.

Mr. YATES. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. MCCURDY].

Mr. McCURDY. I thank the gentleman for yielding me this time.

Mr. Chairman, I want to briefly address the section of the bill regarding the Department of Energy's Fossil Energy Research and Development Programs. I commend Chairman YATES and the committee for greatly improving on the administration's bare bones request for oil and natural

gas research. However, I question whether the committee bill is really "scratching us where we itch" regarding long-term solutions to the problems of producing States.

Enhanced oil recovery research—which tests innovative methods for extracting hard-to-reach oil in known reservoirs—would be funded at $11.5 million. This is about half of the amount recommended by the authorizing committee, which increased EOR over last year without an increase in the overall fossil budget, and it is a subtle redistribution of funding away from programs that can have a more profound effect on independent producers—the small businessmen of the oil and gas industry.

Also, there is no clear commitment to maintain the Federal Oil R&D Lab and Management Office.

The production and pricing policies of the Saudis have pushed oil prices down to the $8 to $9 range. Low market prices have forced oil companies to drastically cut back on R&D efforts, stop exploring and drilling for new resources, and plug marginal-producing wells.

This means that we will eventually increase our use of imported oil and forfeit more of our energy security. Having to plug marginal wells is especially significant. Plugging a well means that the resource is more than likely lost forever, because the oil, brought to the surface under pressure will be lost in small pockets in the rock formations.

Light and heavy oil EOR would give producers the technical ability to keep marginal wells active. It makes sense to tap as much of a known resoruce as possible. This is especially important since there are 300 billion barrels of discovered, yet untapped, oil in this country.

As much as this bill improves on the administration request, I hope that the other body will see fit to fund EOR at a higher level, and that perhaps in conference this disparity in funding can be addressed.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. I thank the gentleman for yielding me this time.

Mr. Chairman, when the bill was reported from committee it was about $56 million over the 1986 BA. In talking to the chairman, he indicated that he would remove that overage as he indicated again on the floor today. For that reason, I shall make no across-the-board amendments since all of my across-the-board amendments have been calculated to return to the BA of 1986 or to make a freeze.

It does not mean that I am satisfied with the bill. I do notice that the National Capital Arts and Culture Affairs grants are up 76 percent. There are other items that are up. The Pennsylvania Avenue Land Development Corporation, up 17 percent. I would feel a lot better if we had not made these enormous increases, but I congratulate the committee on confining its efforts to amounts no greater than last year.

Mr. REGULA. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. FIELDS].

Mr. FIELDS. I thank the gentleman for yielding me this time.

Mr. Chairman, as someone who has consistently opposed congressional OCS leasing restrictions, I rise to express my profound disappointment at the inclusion of language within this legislation which delays the Federal sale of oil and gas leases off the California coast until 1989.

While I do not question the motives of those who offer this language, I am extremely distressed that we have once again delayed leasing and exploration of these OCS lands which contain some of the best and highest prospects for new oil and gas development.

As the ranking minority member of the Panama Canal/OCS Subcommittee and a member of the so-called California negotiating team, I have spent literally hundreds of hours on the issue of leasing off the California coast.

From these discussions I have learned that there are two truths or axioms about California. These are: first, that there is no willingness or desire on the part of the moratorium proponents to accept an agreement which provides a viable and meaningful leasing program off of California.

And, second, that there is absolutely nothing unique about the California coastline which requires such extraordinary protection.

In fact, the great irony of this entire debate is that by delaying exploration year after year, you end up causing far greater environmental damage by increasing the amount of crude oil carried on foreign tankers which have a safety record far worse than the OCS program.

Since 1970, there has been over 5 billion barrels of oil produced from the OCS with a loss of fewer than 850 barrels as a result of blowouts.

At the same time, out of the 60 largest oil spills that have occurred in the waters of this Nation, only 1 is the result of OCS oil and gas activities; the remainder were caused by tanker spills.

Mr. Chairman, the Federal OCS is our Nation's safest energy extraction program. In order for an oil company to drill an offshore lease, it must comply with 74 sets of Federal regulations and nearly 3 dozen major Federal laws concerned with environmental protection and navigation safety.

In the final analysis, the safety and environment issue is nothing more than a fig leaf or a facade for those who oppose OCS leasing.

The 6,460 tracts that have been the subject of debate for so many years do not belong to the State of California but they belong to the people, all of the people, of the United States. Any oil and gas produced in these areas benefits all Americans.

By delaying these lease sales until at least 1989, we as a nation will lose the tremendous oil and gas resources that the California OCS has to offer.

In fact, it has been estimated that 250,000 jobs, 2.2 billion barrels of oil, 4.5 trillion cubic feet of natural gas, and $8.7 billion of Federal revenues will be lost it these restrictions are continued in the future.

This language will also have a direct and adverse impact on hundreds of other Americans, in nearly every State, who are employed by companies who serve and supply the offshore industry.

Finally Mr. Chairman, I would remind my colleagues that for the past 3 years we have paid an average of $1 billion every week to buy foreign oil imports.

One real and positive way to reduce our staggering trade imbalance, of which oil imports represent 40 percent, is to increase our supply of domestic reserves which will reduce the need for foreign imports.

The California OCS region has the energy potential to significantly reduce these record trade deficits and to provide the energy we need to heat our homes, fuel our cars, run our businesses, and satisfy our national defense requirements.

We must not delay to the point where we are facing a return to gasoline lines, factory and school closings, and double digit inflation.

Let us stop this nonsense and instead begin the process of exploring these California OCS lands in a timely, safe, and orderly manner.

Mr. YATES. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia [Mr. DARDEN].

Mr. DARDEN. I thank the gentleman for yielding to me.

Mr. Chairman, I stand in strong favor of the legislation at hand.

Mr. Chairman, I wish to take this opportunity to commend the committee for its diligent work on the Interior appropriations bill. This bill appropriates $8.2 billion and generates $9.2 billion in revenues for fiscal year 1987. One of the areas in which this bill can generate additional revenues is through an increase in grazing fees on our Nation's public lands.

This appropriations bill contains language which will implement the "modified market value formula." This formula was outlined in a report issued in the March 1986 Bureau of Land Management—Forest Service Grazing Fee Report to Congress. The study found the 1983 average fee for comparable western private grazing lands was $6.25 per animal unit

month—the amount of forage needed to feed one cow for 1 month.

President Reagan issued an Executive order on February 14, 1986, freezing the current fee of $1.35 per animal unit month. The $1.35 fee was derived from formulas established in the Public Rangelands Improvement Act of 1978 and expired on December 15, 1985.

To correct this discrepancy, and to ensure our public lands are not providing an unfair advantage for 16 percent of all western livestock operators—2 percent of all livestock producers in the United States—I urge my colleagues to support the 1986 Interior appropriations bill.

I understand, however, a point of order may be raised regarding the additional jurisdiction of the Department of Agriculture. Should this point of order be sustained, I request that my colleagues review legislation I introduced on April 30, 1986, H.R. 4713.

H.R. 4713 will add millions of dollars to our revenues, a minimum of $31.2 million over a 3-year period. The cost for maintaining our public lands used for grazing was approximately $70 million in 1984. The amount of grazing fees collected the same year was $18 million. We are losing $52 million annually on this program.

H.R. 4713 will achieve the same goal the Interior appropriations bill we are now considering could attain. It will generate revenues and protect our public lands through an increase in grazing fees.

Due to severe time constraints, it is doubtful Congress will enact this measure before fall adjournment. However, this legislation is needed to eliminate a subsidy provided to western cattlemen, amounting to tens of millions of dollars each year.

The adoption of H.R. 4713 would eliminate the unfair advantage some western ranchers now have over their neighbors and virtually all eastern livestock farmers. The increase in grazing fees will aid in balancing the Federal budget. The higher grazing fees were also recommended 2 years ago by the President's private sector survey on cost control, commonly known as the Grace Commission. As chairman for the natural resources task force of the House Grace Commission caucus, I am seeking to implement one of the panel's recommendations.

In May 1986, the National Wildlife Federation circulated a letter which endorsed H.R. 4713 and the increase in grazing fees. In the letter the federation states that "during the past 7 years, the Government has lost nearly $500 million in revenue foregone as a result of the operation of the current grazing fee formula." The Izaak Walton League of America states that approximately 3 percent of the total ranchers that are issued permits control 40 percent of public grazing in 11 Western States. Also of serious concern is that in the West, 225 million acres are under severe threat of desertification. This acreage represents a land area equal to the size of the Thirteen Original Colonies.

Finally, I would like to reiterate that not only will this provision increase revenues, it will level the playing field for livestock producers in States without public rangelands and, attempt to prevent the continued overgrazing of our public lands. Again, I urge the support of my colleagues on this subject.

Mr. YATES. Mr. Chairman, I yield myself 1 minute.

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from California.

Mr. PANETTA. I thank the gentleman for yielding to me.

Mr. Chairman, I would like to engage the gentleman from Illinois [Mr. YATES] in a colloquy to address the need for Forest Service participation in the construction of a multiagency headquarters facility in the Big Sur area of California's central coast.

As you know, the Big Sur coast is a resource of truly national significance, and an area of unique environmental, biological, and social values which should be preserved for future generations. One of the unique aspects of the Big Sur is the multitude of public agencies which have jurisdiction within the area. In the effort to preserve Big Sur it becomes absolutely essential that the efforts of these different agencies be coordinated.

Currently, the major State and Federal agencies are using facilities which are woefully inadequate to cope with the expanding demands of planning and management in the area. The State Department of Parks and Recreation runs its operations from a cramped 2-bedroom house while the Forest Service manages hundreds of thousands of acres from a literally decaying structure which should have been abandoned years ago.

Working together, these agencies have agreed to construct a facility to house each of their different operations. The hope is that such an arrangement will not only save money and time, but that it will facilitate greater coordination between the separate jurisdictions. The agencies have agreed to share the cost of land acquisition, design, and construction. The State agencies have already allocated their share of the design costs and the State has agreed to provide the land.

It is my understanding that the Forest Service has requested only $50,000 of its $100,000 portion of the design costs in the Forest Service budget for fiscal year 1987. This amount will not be adequate to cover the Federal share and I would respectfully request that the Subcommittee on Interior Appropriations make every effort to increase this amount as it completes its consideration of this legislation.

Mr. YATES. Mr. Chairman, if the gentleman will yield, I certainly understand the frustration of the gentleman from California [Mr. PANETTA] with regard to the adequacy of the Forest Service request for this much needed project. It is also my understanding that the Forest Service has requested only $50,000 of the required $100,000 for the design of the Big Sur multiagency headquarters facility in its construction account. The gentleman may rest assured that the subcommittee will make every effort as we go to conference to find the additional $50,000 of the Federal share for the design of the facility.

Mr. PANETTA. I thank the gentleman.

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Mr. YATES. Mr. Chairman, the gentleman has the assurance of our committee that we will give his request every consideration when the committee meets.

Mr. PANETTA. Mr. Chairman, I thank the chairman of the subcommittee.

Mr. LEVINE of California. Mr. Chairman, I rise in support of language contained in the Interior appropriations bill which would prohibit all offshore oil leasing along the California coast until January 1989. Implementation of this language is very important. Without it, environmentally sensitive areas along the California coastline would face the threat of drilling as early as next year.

Offshore oil drilling would significantly endanger coastal tourism, recreation, fishing and marine life, and worsen an already serious air pollution problem in the Los Angeles basin.

I, along with other members of the California congressional delegation, have been involved in negotiations with the Department of the Interior for nearly 3 years to try to come to an agreement on the issue. Unfortunatel, the intransigence of the Interior negotiators led to a breakdown in the talks. As a result of that intransigency, we were forced to take our case to the members of the House Appropriations Committee, who imposed a delay in the final sale on both lease sales 91 and 95 until 1989.

I am particularly concerned about protecting the Santa Monica Bay. The beaches in this area are among the most heavily used in the country. The economies of the cities in the bay are heavily dependent on tourism and beach traffic. Any significant oil spill could cause significant economic damage and dislocation in the cities along the bay.

The danger of an oil spill is very real. Recent earthquakes in northern and southern California should remind us all of the very real threat posed by seismic activity. The Santa Monica Bay is a seismically active area which has suffered from major and minor earthquakes in the past.

In light of the current abundance of oil, and the depressed price in the international market, now is a particularly inauspicious time to begin drilling in the Santa Monica Bay.

The Interior Department's argument that foregoing exploitation of potential oil reserves in California's Outer Continental Shelf will "jeopardize America's economic well being and national security * * *" does not hold water. By DOI's own estimates, California's total OCS reserves amount to 2.15 billion barrels of oil. Unleased areas offshore California, approximately 1.88 billion barrels, represent

less than 3 percent of total U.S. reserves. At the current rare of consumption, this would provide 125 days of oil, or just 2.4 percent of America's needs until the year 2000.

Complete development of the California's OCS will not have a significant impact on the U.S. dependence on foreign oil. When the 2.15 billion barrels off California's coastline are compared to Saudi Arabia's 168.8 billion barrels in known reserves, it is evident that opening the California coast to oil drilling will not protect the United States from the unpredictable forces of the world oil market.

Protecting our national security from the threat of disrupted foreign oil supplies must be a primary goal. However, there are preferable alternatives to the Reagan administration's attempt to indiscriminately drill for oil along the California coastline. Filling the strategic petroleum reserve, strictly enforcing compliance with the National Highway Traffic Safety Administration's regulation with fuel economy standards and encouraging the use of alternative sources of energy through tax incentives will provide much better protection against an oil embargo.

I commend my colleagues on the Appropriations Committee for their action to protect California's coastal resources. Now is not the time to open up some of the most scenic beaches in the country to offshore oil drilling.

I urge my colleagues to join with me in supporting the fiscal year 1987 Interior appropriations bill.

Mr. LIGHTFOOT. Mr. Chairman, I want to call to my colleagues' attention what I believe is an inequity in the requirements for the distribution of discretionary funds under the Abandoned Mines Land [AML] Reclamation Program for which funds are appropriated under H.R. 5234.

The inequities in the distribution of these funds was the subject of my testimony before the Appropriations Subcommittee on the Interior earlier this year. The requirements that will be used under this bill to distribute the AML Program discretionary funds fails to take into consideration the actual funding needs of individual AML Programs on a national basis. By taking away all of the Secretary's discretion to distribute the funds on the basis of need, only those States with a very high inventory of high priority AML sites will be able to maintain a viable AML Program. This clearly conflicts with the intention of the original act, which contains well-defined requirements for the expenditure of discretionary funds as authorized under section 402(g) of the act.

Given the obvious inequities and limitations of these apportionment requirements, I have advocated a minimum base budget of $2 million in discretionary funds for those States that meet certain criteria. This would guarantee a viable AML Program for the States that need one while ensuring they have the ability to obligate funds in a timely manner. The basic concept of a minimum base budget has the support of many of the coal-producing States throughout the Nation, and I believe this is a fair approach. I am disappointed to see that the committee dismissed this proposal in favor of the one mandated by this bill.

Mr. Chairman, I want to urge my colleagues to keep these points in mind as debate on the AML Program continues. It is my hope that we will be able to reach a compromise that will allow the traditional coal-producing States to address their needs while maintaining a viable program for the States that need one.

Mr. RAHALL. Mr. Chairman, I rise in support of H.R. 5234 and commend the committee for bringing to the floor such a responsible fiscal year 1987 appropriation bill for the Department of the Interior and related agencies.

I want to particularly note the fine work Interior Subcommittee Chairman YATES and his colleagues such as JACK MURTHA, RALPH REGULA, and JOE MCDADE have done on the budget for the Bureau of Mines. Incorporated in this bill is a policy that I, as the chairman of the Subcommittee on Mining and Natural Resources on the authorizing committee, have also adopted which recognizes the need during this period of drastic budgetary constraints to give priority to Bureau activities concerning the health and safety of the Nation's mining work force, increased efficiencies and productivity in coal and mineral extraction and the mitigation of adverse environmental effects of mining.

It is a grim, but nevertheless true fact, that coal mining deaths in West Virginia this year are running double compared to last year even though overall mining employment has declined. There is no doubt that the administration's proposed budget for the Bureau, which represents an abdication of responsibility for adequate mining related research, would fail to address these frightening mine fatality figures.

However, H.R. 5234 provides the Bureau's Health and Safety Technology Program with increased funds for, among other items, research on respirable dust at Pennsylvania State and West Virginia University, the mitigation of mountain bumps which have killed coal miners in southern West Virginia and elsewhere, methane control and drainage and for the development of a new generation of self-contained rescue units which will give our miners a fighting chance of survival in case of disaster. Under the Mining Technology Program, increased funding is being provided to complete testing on a number of prototype mining devices as well as for research addressing the environmental impacts of coal mining in the areas of subsidence and acid mine drainage.

I am also pleased that my proposal to transfer the research activities of the Office of Surface Mining to the Bureau of Mines has been incorporated by this bill. The primary reasons for this proposed transfer, which is also being implemented by the Interior Committee in its budget reconciliation resolution, are twofold. First, OSM is primarily a regulatory agency with little expertise in conducting research and continues to have grave difficulties in meeting its regulatory mandate. In the past, Congress recognized this situation when it transferred the Mineral Institutes Program from OSM to the Bureau of Mines. Second, OSM's research program is duplicative of research areas conducted by the Bureau of Mines, which has a greater research orientation and more expertise in these matters. Research should be consolidated into one entity in order to bring about a more efficient and cost-effective program to address environmental problems associated with coal development.

Where OSM should focus its efforts outside of the title V regulatory program is in abandoned mine land reclamation projects. Under the pending legislation, $186 million is earmarked for State reclamation grants as well as $9.4 million for the RAMP Program.

For the U.S. Geological Survey, H.R. 5234 recommends an increase of $27.7 million over the budget estimate. Included is an increase for mineral surveys on public lands, a program that provides necessary information as a basis to make informed decisions on land management activities and land use. This bill, as has the Mining Subcommittee, also recognizes the importance of the energy geologic surveys, including the coal investigations program which the Survey has been deemphasizing.

With respect to the Minerals Management Service, I note that H.R. 5234 does not include funds for interest on refunds as this is not authorized by current law. The Mining Subcommittee has under consideration the administration proposal in this area, as well as other legislative matters being advanced by MMS relating to mineral receipt management, and will take action at the appropriate time. On a related matter, I commend the Interior Subcommittee for not providing MMS with an indefinite appropriation as it requested relating to late interest payments to the States. While H.R. 5234 does include authority for these payments, a definite appropriation is provided.

Under the budget for BLM, H.R. 5234 contains bill language to require the bonding of mining operations under the mining law of 1872 prior to approval of operations that would create a "significant surface disturbance." The reason this language was inserted into H.R. 5234 appears to be based on a March 1986 GAO report which found that certain lands mined under the 1872 mining law have been abandoned without adequate reclamation. Although BLM has established some regulations for reclaiming public domain lands, GAO believes the agency has done little to enforce them and that requiring bonds on these mining operations would be an effective enforcement tool.

The Subcommittee on Mining and Natural Resources has been conducting its own examination of hardrock mining reclamation issues. It is my intention to continue investigating this matter especially since I agree that BLM needs some congressional guidance in this area. However, the language in H.R. 5234 is ambiguous and may fall short by not addressing leasable noncoal minerals under the Mineral Lands Leasing Act of 1920 or disposable materials under the Materials Act of 1947. This matter certainly warrants more in-depth consideration than a single GAO report.

In the area of clean coal technology, our colleague, RALPH REGULA, has inserted in H.R. 5234 a provision of a bill he and I have sponsored to direct the Energy Department to solicit statements of interest from industry for technology proposals that could be used to retrofit existing coal-fired powerplants. The gentleman from Ohio has been a leader in the Clean Coal Technology Program and it is our desire to realize the full commercial benefits of the remaining funds set aside for this effort.

Mr. Chairman, H.R. 5234 also contains $6 million in Forest Service land acquisition funds

for the Monongahela National Forest in West Virginia. I, along with my colleagues in the West Virginia House delegation, are seeking this funding to allow the first-phase purchase of a privately held tract in the forest of great scenic, ecological, and recreational value. I am deeply appreciative to Chairman YATES for including this funding as well as to JACK MURTHA for his recognition of this matter.

Mr. VENTO. Mr. Chairman, I rise in strong support of this Interior appropriation measure H.R. 5234.

As a chairman of the House Interior Subcommittee on Parks and Recreation I'm pleased that the measure has responded well to the budget oversight hearing recommendation that we had forwarded to the Appropriations Interior Subcommittee.

Chairman YATES and his subcommittee have indeed done their work with care and good consideration of the problems that our public resources confront.

Specifically this measure provides good support for the National Park Service maintaining an active land acquisition program and support for State land acquisition which was slated by the administration budget for elimination. This indeed was important action to maintain these vital programs and permit meeting the commitment made by previous authorizations and designations of various conservation units within the NPS and within our States.

The administration OMB-inspired attack on the land water conservation trust fund is illogical and unfair. This program has a resource base in the billions which is dedicated to support the commitment of land purchases of conservation units which the Congress enacts into law. To renege on these commitments is to break faith with the people and property owners impacted who find themselves without recourse, while they await Federal commitments.

Beyond the land acquisition provisions this bill continues good support for the operation of our national parks for the road system through the portion of the highway trust funds dedicated to that purpose and most important is the operation, maintenance, and construction commitment in the measure before us.

Mr. Chairman too often we may neglect the value of the human resource—the park personnel—who do such outstanding work in the interpretation, planning, maintenance, and a myriad of other jobs which make the visit experience to our national park area such a joy.

The administration attempts to hold adequate funds for this purpose—hostage to dramatically increased entrance fees is indeed inappropriate. Too often the case today is that the required fees are not even collected. Yet the administration proposal, never formally introduced in the House to my knowledge, sought to substantially increase the charge and the number of units to which it would apply.

The administration proposal sought to cream off 20 percent of the fee revenue to the General Treasury and didn't even seek to insure that the questionable increased dollars generated by such a fee would be used to enhance the NRS budget. Indeed their draft proposal indicated that it would substitute for regular operation and maintenance dollars.

I would not object to a reasonable system of user fees for services actually provided with assurances that the dollars flow, to the NPS exclusively and some incentive for the specific park units, but this was not being proposed Mr. Chairman, and should be explored as this topic had hardly been concluded.

In summary I want to offer my thanks to Chairman YATES and the members of his subcommittee for a good job, the dollars appropriated for the Pacific office of the NPS, for the American Samoa Park study and the many other areas of interest that I've received a positive response to regarding the measure before us—it deserves our support and vote.

Mr. MCKERNAN. Mr. Chairman, I rise to repudiate certain provisions of H.R. 5234, the Department of Interior and related agencies appropriations measure for fiscal year 1987. In particular, I am referring to that portion of title II pertaining to the Department of Energy's State energy conservation programs.

The Appropriations Committee has not provided program funds for energy conservation policy and conservation grants, the energy extension service, schools, and hospitals grants, and low-income weatherization grants. Instead, the committee has directed the States to utilize the funds made available as a result of the Exxon oil overcharge settlement for these programs. Mr. Speaker, this action is extremely regrettable.

The Exxon funds are intended to be utilized to provide restitution to consumers who suffered as a result of the egregious violation of price controls that were imposed on petroleum products. It would, therefore, be inappropriate to utilize these funds to supplant customary appropriations for State energy programs as proposed by the committee.

The State Energy Conservation Program, Energy Extension Service, Institutional Conservation Program, and the Weatherization Assistance Program have proven extremely beneficial to the States in maintaining their conservation activities. While the committee professes a strong commitment to the low-income weatherization program and pledges to continue the program through direct appropriations when the settlement funds have been depleted, I am concerned that it will prove impossible to restart these appropriations at that time.

For this reason, I have prepared an amendment to title II, which restores funding for these programs to current levels. However, following discussions with a representative of the National Community Action Foundation, an organization which represents those State entities which distribute the conservation grant moneys, I have decided not to offer this amendment.

While the foundation is very supportive of my desire to restore the direct appropriations, it is concerned that the support necessary to sustain my amendment does not exist in the House of Representatives and that an amendment in this regard would be defeated. As such a defeat could undermine the foundation's efforts to gain Senate support for direct appropriations, I was urged to withhold my amendment. I reluctantly concur with the foundation; however I wish to make it clear that I intend to fight this effort to supplant customary funding for important State programs.

Mr. STALLINGS. Mr. Chairman, I rise in support of the rule on H.R. 5234—the appropriations bill for the Department of the Interior and related agencies. I particularly want to commend the Rules Committee for denying a waiver on points of order against section 314 of the bill which would effectively legislate a new formula for calculating fees charged by the Federal Government for grazing livestock on public lands.

The issue of grazing fees is one of considerable controversy as well as misconception. While I strongly believe that this issue must be addressed by this body at an appropriate time and I supported efforts last year to negotiate a new public rangelands bill, I do not think that this bill—a money bill—is the appropriate vehicle to legislate a new grazing fee formula. If left intact, section 314 would clearly result in an abdication of an important legislative responsibility of the authorizing committee to the appropriations process. In addition, section 314 would drastically increase user fees for a certain segment of the public without providing for direct public input and debate on the potentially adverse effects of this action.

Mr. Chairman, I believe the legislative history on the grazing fee issue will show that it is a very complicated and controversial issue. The grazing fee formula which is still in place today was originally mandated by Congress as part of the Public Rangelands Improvement Act of 1978 [PRIA]. This formula was set for a 7-year trial period that ended on December 31, 1985 and was linked to economic conditions in the livestock industry. It was designed so that in years when the industry income increases, so does the fee received by the Government. Conversely, when conditions in the livestock industry are poor, such as they are now, the fee is reduced. At the end of the 7-year trial period, the act also required the Secretaries of the Interior and Agriculture to evaluate the current formula and other grazing fee options and to submit to Congress their recommendations for a grazing fee schedule for 1986 and beyond. This report has been delivered to Congress, but to my knowledge there have been no hearings to discuss the substance of their findings or recommendations.

With PRIA due to expire, major efforts were mounted last year by the key authorizing committees in both the House and the Senate to enact new public rangelands legislation that would also set new fees for grazing livestock on Bureau of Land Management and Forest Service lands in the West. It was my understanding that specific proposals considered last year would have extended the current formula for an additional 5 years. Unfortunately, an agreement was not reached and, by law, the current fee system was allowed to expire on December 31. In the absence of any congressional action, the President issued an Executive order on February 14, 1986, to extend the current PRIA formula with the important addition of a minimum fee level of $1.35 per animal unit month for this year and until such time as Congress can reach an agreement on this and other public rangelands issues.

I don't believe, however, that this appropriations bill—H.R. 5234—is the appropriate legislative vehicle for enacting a new fee system.

This is an appropriations bill and as such has arbitrarily imposed a new grazing fee formula which would increase grazing fees more than 300 percent during the next 4 years. This represents a substantial economic impact on western livestock operators which are just now recovering from drastic oversupplies and plummeting prices that have partially resulted from the Federal dairy programs. And all of this will come about without public hearings to adequately evaluate the merits of this grazing fee proposal or the implications for the industry.

The Rules Committee obviously concurred that this appropriations bill is not the appropriate vehicle to legislate a new grazing fee formula—a formula which is clearly contrary to current practice as well as legislative proposals considered and debated last year by the authorizing committee.

I applaud this rule and strongly support the removal of section 314 from the Interior Appropriations bill before final passage.

Mrs. LLOYD. Mr. Chairman, I rise in support of this bill because it preserves critical funding for conservation R&D and Fossil Energy Policy Programs that are critical to a balanced energy program.

I first want to express my disappointment over the severe budget reductions in the Conservation Program which was submitted to Congress by the administration. These reductions, which amount to a 55-percent cut from fiscal year 1986 levels, are just the most recent step in what has amounted to an overall drastic and continual decline in civilian energy R&D budgets since 1982.

Our Conservation Program has paid off handsomely, in fact, better than most of us could have anticipated. This was one area where the Government sponsorship of research and development and the attendant consumer education campaign regarding the potential savings through conservation practices provided us with big payoffs.

Over the years I have had the opportunity to become familiar with Conservation R&D Programs, particularly at the Oak Ridge National Laboratory. Oak Ridge and other national laboratories have been prominent in conservation research since the early seventies. One of the major Oak Ridge programs is:

The development of nickel aluminide alloys displaying high strength and ductability at high temperature is expected to improve the efficiency of automobile and truck engines and industrial equipment.

This is just one example of a successful program which has been managed by the Oak Ridge National Laboratory but was in great jeopardy at the administration's proposed fund levels. The committee has responded to this challenge by increasing transportation R&D funds on electric and hybrid vehicles, by $8.3 million which includes the Nickel Aluminide Alloy Program.

Next, I would like to mention the exciting prospects for research to be done by the Department of Energy in the area of advanced materials research in the high temperature materials laboratory [HTML] at Oak Ridge National Laboratory. The HTML will provide a unique capability for conducting this challenging research through the availability of a broad multidisciplinary professional staff. It provides a common focal point for industrial/university/Government participation while providing access to high-cost research equipment which would otherwise be denied to many researchers.

This project is in the final stages of construction and we expect that it will be operational by February 1987. ORNL has already spent approximately $19.6 million and an additional $1 million which was not requested needs to be appropriated this year to allow completion of the project. Our Science and Technology Subcommittee which has authorized the HTML is recommending that the project be carried within the Office of Conservation and Renewables—where it currently resides—for 1 more year, rather than be transferred to the Office of Energy Research [OER] as the Department has requested. I am pleased to note that the appropriations committee agrees with the wisdom of this operating management decision particularly since OER has not budgeted for HTML through an oversight. I appreciate the subcommittee chairman's concern, and assistance he has provided in the past and I want to commend him for ensuring that the HTML has had such strong support.

It is also important to comment on the funding contained in this bill for the steel initiative which calls for work to be done at the Argonne and Oak Ridge National Laboratories. I need not repeat any description of the troubled fate of the steel industry, but this initiative funds an R&D Program aimed at ensuring work and future production processes in order to preserve a domestic capacity to produce steel. It will improve steel production technology to remain competitive with foreign steel producers and the program is designed to utilize the expertise which is available at our laboratories.

The final portion of my statement concerns ORNL activities within the fossil research and development budget.

Our Science and Technology Subcommittee on Energy Development and Applications, which authorizes the DOE portion of the fossil energy R&D budget, increased the administration request by $9.160 million for materials and components and this bill has $9 million which reaffirms the strong congressional support for this activity.

The Oak Ridge National Laboratory has an active research program in materials research. Their support programs in coal liquefaction and surface coal gasification were drastically reduced in the fiscal year 1987 administration request. Their work in materials and components also suffered a reduction in excess of $1 million in the requested budget but remains a vital element of the ARTD Program.

I expect that ORNL will receive a significant fraction of the $1.6 million increase recommended in this bill.

These additional funds for materials research will provide significant technological and economic benefits to clean coal technology systems for which this committee has provided leadership in the House. As an author of one of the principal clean coal technology bills, I am most pleased about the creation of the $750 million appropriations reserve. Certainly, recent developments on acid rain legislation should further accelerate the demonstration of alternatives to wet scrubbers on coal plants. The announcement this week of nine project awards totalling $360 million is a major step in this thrust, and I was pleased to note that the awards cover a spectrum of new technologies.

Materials research areas for which additional funds will be used at ORNL—and at support laboratories—include iron and nickel aluminides, high-temperature structural alloys, and structural ceramic composites. The Iron and Nickel Aluminides Program offers the promise of sturdy and corrosion-resistant materials applicable to many coal-fired systems. The high-temperature structural alloys being developed will aid the development of high-efficiency steam cycle systems using clean burning coal technology. Structural ceramic composites will provide very high-temperature materials for cleanup of, and heat recovery from, hot coal-gas streams.

Mr. Chairman, that concludes my remarks on the DOE portion of the interior appropriations bill. Thank you for your consideration and the committee's support.

Mr. MARKEY. Mr. Chairman, I wish to draw the attention of my colleagues to certain changes in funding for energy conservation contained in the fiscal year 1987 Interior appropriations bill. Let me make clear that I do not mean to criticize the chairman of the Interior Appropriations Subcommittee, who every year is faced with drastic and unconscionable cuts in energy conservation funding, and every year manages to reconstruct some semblance of an energy conservation policy with little help from the administration. When the next energy crisis hits, our ability to handle it wisely will be largely attributable to the consistent support afforded energy efficiency technologies by Chairman YATES.

Nevertheless, I am concerned because the energy conservation research budget continues its downward trend even as our dependence on oil imports has begun to increase dramatically. In June 1985, our net imports of oil were just 4.2 million barrels a day. One year later, our net imports have risen 33 percent, to 5.6 million barrels.

Where are we getting these new imports? Primarily from Saudi Arabia and other OPEC countries. OPEC accounted for only a third of our net imports 1 year ago. Now, OPEC accounts for half.

Five years ago, this would have been a major press headline around the country. Today it is virtually ignored by everyone, including our Government leaders. President Reagan and his energy appointees are preoccupied with saving the nuclear power industry from itself, giving little thought to our dwindling nonnuclear research capabilities.

Under enormous pressure to cut the budget, all of us are succumbing to a "happy days" philosophy which says that spending needed today is more important than spending needed tomorrow. Somehow, the future is expected to take care of itself.

Our government is acting like the man with a hole in his roof. When its sunny, like today, he says he can't fix the roof because there are too many other things to do. And when it starts to rain, he can't fix the roof because its raining.

The trouble is that we're not talking about a small hole in the roof. When we have energy problems, they are not minor. They affect our entire economy. The recession of 1981–82, which most economists agree was driven by several years of energy inflation, was a homewrecker for millions of jobless Americans.

The energy conservation research budget, even with the increases provided by the Appropriations Committee over the President's requests, needs repair.

The research budget on building technologies, down 65 percent since 1981, will be cut another 17 percent under this bill.

The budget for industrial energy conservation research and development, which is down 52 percent since 1981, will be cut another 13 percent under this bill.

And the budget for transportation energy efficiency R&D, already down 60 percent since 1981, will be cut another 9 percent under this bill.

In other words, as the storm clouds build, we are letting our energy house fall down around us. Perhaps it is more accurate to say that we are ripping the shingles off the roof one by one.

Are we wasting money on energy conservation R&D? Absolutely not. In fact, our Federal research dollars have generated dramatic returns in this sector. For example, the buildings R&D budget has supported research on solid-state ballasts for lighting, low-emissivity window films, and residential absorption heat pumps. The total government cost of these three projects was less than $12 million, thanks to the standard DOE cost-sharing arrangements with private industry. Two of the three projects have already produced annual net savings far greater than the Federal investment. Their eventual impact, given full market saturation, is huge. According to estimates of the American Council for an Energy Efficient Economy, these three technologies will ultimately save U.S. consumers over $10 billion a year.

Even if one assumes that these technologies would have eventually penetrated the market anyway, there is no doubt that the Department of Energy's research has led to the acceleration of that process. If market penetration were accelerated by only 5 years, the net benefit of Federal involvement would total $50 billion in return for an initial investment of only $12 million.

Conservative estimates already credit increased efficiency with saving our economy $150 billion in energy costs since 1973. Additional progress could reduce our current national energy bill from $430 billion to less than $300 billion annually. The benefits to our economy from such savings would be immense. Our trade deficit would be reduced, our oil prices would stabilize, OPEC would remain weak, and capital would flow to more productive sectors of the economy.

To its credit, the staff of the DOE conservation office takes great pains to identify high priority energy conservation research in its multiyear plan. However the actual budget requests do not reflect this planning, and annual appropriations are now falling to such low levels that the entire energy conservation R&D infrastructure is in danger of collapse.

Now that energy conservation has demonstrated its power to put OPEC on the ropes, why are we pulling our punches? Why are we tying our hands just when our oil dependence has started to rise up for another round?

I ask my colleagues to think about these questions now, when we still have time to do something about it. The entire energy research budget is seriously tilted against alternatives to nuclear energy. Oil imports are rising, particularly from unstable OPEC sources. Our automobile fuel economy standards have been weakened, our building standards are inadequate, and we have no appliance efficiency standards at all. In the one area where we should have a political consensus—cost-shared research and development—energy conservation has been crowded out and scientists are losing their jobs.

I don't know when this will all come home to roost, but I know that it will. We are back on the energy yoyo, careening from one extreme to the other. As long as we ignore the extraordinary benefits available from modest investments in energy conservation research, we are surely to stay there.

Finally, I note that the committee has severely curtailed funding for the four States and local grant programs which support energy conservation investment. In the case of two of those programs, the State Energy Conservation Program and the Energy Extension Service, it is not providing any funding at all. For weatherization and schools and hospitals, appropriations are restricted to administrative purposes.

In explaining this action, the report explicitly ties the decision to cut such funding to the distribution of oil overcharge funds to the States pursuant to court order in the Exxon case. Specifically, the report states:

> The Committee is not providing program funds for energy policy and conservation grants (EPCA), the energy extension service, schools and hospitals grants, and low-income weatherization grants. The funds provided to the States as a result of the Exxon oil overcharge case are for use in these programs and are well in excess of amounts normally provided by direct appropriations ($2 billion versus $260 million). It is difficult in current budget circumstances to argue for providing the direct appropriation, even though the Exxon funds are 'supplemental' in nature, because of the sheer magnitude of the Exxon payment.

This paragraph needs to be clarified. First, it suggests that the Exxon funds can be spent solely on the four DOE energy conservation programs. That is not correct. Exxon funds can also be spent on the Low-Income Home Energy Assistance Program [LIHEAP] administered through the Department of Health and Human Services. There is no guarantee that in any given State a single dollar will be spent on, for example EES.

Second, it asserts that the Exxon funds vastly exceed direct appropriations for the programs eligible for Exxon funds. That is not correct. The LIHEAP program alone was funded at 2.01 billion in fiscal year 1986. The truth is that the Exxon funds are less than the direct appropriations for all the eligible programs ($2.1 billion versus $2.266 billion).

Third, while it makes a nod toward the "supplemental" feature of Exxon funds, it discounts that feature in light of the Federal budget deficit and the size of the Exxon award. The fact of the matter is that to the extent that the committee is reducing direct appropriations to offset Exxon funds, it is undermining the restitutionary purposes of oil overcharge distributions. The States are not allowed to reduce State expenditures in response to Exxon funds; the same rule should apply to the Federal Government. Instead, we are applying a double standard.

Oil overcharge funds are not Federal tax dollars; they are recovered on behalf of overcharged consumers and distributed to the States on behalf of overcharged consumers. Congress breaks trust with those consumers when it cuts regular appropriations in an attempt to get budget credit at the expense of consumers.

As a practical matter, many States will find it very difficult to respond to the grant cuts contained in this bill. For example, the State of Kentucky has already allocated its Exxon funds, providing less for weatherization than the State normally receives from direct appropriations, and the legislature has adjourned and won't come back into session until January 1988. I understand that an estimated 20 States have already completed their State plans for Exxon funds. All these decisions have been made on the assumption that the regular appropriations would not be reduced because of Exxon. One can argue the wisdom of this assumption, but is worth remembering that both the House and the Senate assumed full funding for all four DOE grant programs in their budget resolutions.

> The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 5234) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1987, and for other purposes.

Mr. UDALL. Mr. Chairman, I wanted to take this opportunity to commend the gentleman from Illinois [Mr. YATES], the chairman of the Subcommittee on Interior and Related Agencies, and the ranking minority member of the subcommittee, Mr. REGULA, for their usual thorough and fair way of handling the appropriations bill for Interior and Related Agencies. Over the years, they have been very helpful to me in my role as chairman of the Interior and Insular Affairs Committee, and for that I am most appreciative.

I was pleased to see in the committee report that accompanies H.R. 5234 that the committee has expressed concerns over certain expenditures of funds under Section 705 of the Alaska National Interest Lands Conservation Act. I share their concerns about the need to make the best and most efficient use of funds provided for the management of the Tongass National Forest in Alaska.

In May of this year, the Subcommittee on Public Lands of the Committee on Interior and Insular Affairs, which has jurisdiction over issues relating to the Alaska Lands Act, held oversight hearings on the management of the Tongass National Forest.

In followup to those hearings, I have sent to the Secretary of Agriculture, Hon. Richard E. Lyng, a letter which highlights several serious problems with management of the Tongass, and outlines steps which I urge be taken to remedy those problems. I am inserting a copy

of that letter in the RECORD at this point and hope that it will be of assistance to my colleagues on the Appropriations Committee as they carry out ongoing reviews of the use of Federal funds to manage the Tongass National Forest.

COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, July 31, 1986.

Hon. RICHARD E. LYNG, *Secretary,*
Department of Agriculture,
Washington, DC.

DEAR MR. SECRETARY: As the principal House sponsor of legislation that resulted in the enactment of the Alaska National Interest Lands Conservation Act, and in follow-up to recent Public Lands Subcommittee oversight hearings on the operation of the Tongass National Forest, I am writing to highlight certain problems with management of the Tongass and to outline steps I urge you to direct be taken to correct these problems.

I am particularly troubled by certain Forest Service policies and practices applicable to the Tongass that, if continued unabated, will squander financial and natural resources of the American people. It has been the intent of Congress to honor commitments to Southeast Alaska including reasonable efforts to protect employment and assure a sound permanent natural resources base. It was not the intent of Congress, however, to foster or condone wasteful management practices that would dominate the administration of a national treasure.

Unless there are prompt mid-course corrections in the management of the Tongass National Forest, I can envision a time when the Natural wealth of the nation's largest national forest—its trees, its fisheries, its wildlife, its waters and its land—will be seriously degraded. Then, not only would the forest be unable to sustain a viable timber industry, but the very resource values that make possible a more diversified economy for Southeast Alaska would be greatly impaired.

The Tongass problems certainly are not solely ones created by Forest Service actions. Nonetheless, until more fundamental matters are addressed, it is essential that those problems that are within your Department's authority to correct are addressed.

To focus some of my concerns regarding the Tongass, I will discuss briefly each of the following problem areas, along with recommendations for remedial action:

1. Incorrect Application of Section 705, "Timber Supply"
2. Excessive Road Construction
3. Improper Utility Log Designation
4. Inefficient Log Scaling
5. Data Base for Tongass Land Management Plan (TLMP) Revision and Failure to Apply to Section 6(k) of the National Forest Management Act (NFMA)

INCORRECT APPLICATION OF SECTION 705, "TIMBER SUPPLY"

The Forest Service is incorrectly applying the timber supply provision (Section 705) of the Alaska National Interest Lands Conservation Act. At the time of the bill's passage one of the principal sponsors of the Alaska Lands legislation, Senator Tsongas, noted that this section provides ". . . an assurance of funding . . . to maintain a supply of timber from the Tongass of 4.5 billion board feet per decade—that is, 450 mmbf per year."

When I brought the Alaska Lands legislation before the House for final action on November 12, 1980, I did so with a number of reservations and with certain fundamental understandings. Among those understandings was that maintaining "a supply of timber" of 450 mmbf per year assumed that this was the quantity of timber necessary to maintain jobs in the timber industry. It was further assumed that this was the quantity that likely would be purchased by the industry. On the other hand, it was assumed that if industry could not purchase 450 mmbf, the Federal Government would not waste fiscal and natural resources regardless of timber market conditions by continuing to offer timber sales in excess of realistic market demand.

Also at that time, I described some of those understandings when I indicated to the House that: "No more national forest timber should be supplied than can be sold at fair market value . . ." and "No more timber should be offered for sale than the Forest Service can reasonably expect to sell." Congressional intent was not to "force feed" the timber industry regardless of timber market conditions.

Section 705 is being applied by the Forest Service, however, so as to require that 450 mmbf of timber not offered for sale previously must be offered each year regardless of whether the timber industry has purchased all of the timber previously offered, that is, regardless of timber market conditions.

This misapplication of the law is resulting in undue and improper expenditure of Federal funds, excessive construction of roads as well as construction of unneeded administrative facilities. It is also causing serious and long-lasting adverse effects on the forest itself.

What should be occurring is that, if the market conditions do not permit the industry to purchase the entire amount in a particular year, the remainder plus whatever other timber has been previously offered but not sold should be counted in developing the 450 mmbf to be offered in the following year.

For example, assuming the amount of timber prepared and offered in year one is 450 mmbf and only 250 mmbf is sold, the unsold 200 mmbf should be readvertised and counted as part of the 450 mmbf offered in year two. To do otherwise results in timber being prepared for sale in quantities far in excess of that which the market can support and industry can purchase.

Forest Service data shows that over $50 million has been spent during the past 6 years to prepare and administer timber sale offerings which went unsold. The current unsold backlog is estimated to be over 1 billion board feet. The logical extension of the current application of the timber supply provision of ANILCA would result in the continued expenditure of large sums of money for timber sale preparation each year even if *no* timber were ever sold. Such an illogical and wasteful practice was not the intent of section 705.

As I indicated regarding this section upon final House passage of the bill, ". . . this is not a mandate to produce a specific cut level regardless of . . . (the) demand for . . . timber . . . or the cost to the taxpayer." Furthermore, I indicated that "we are not condoning unwarranted or excessive subsidization of . . . the . . . timber companies."

In developing the Alaska Lands legislation, Congress relied, in part, on the advice of the Forest Service that: (1) the historic timber harvest levels could not be sustained without unacceptable harm to other forest resources; (2) the existing timber industry would need to use more special and marginal timber than in the past; and (3) that special and marginal timber could only be made available through greater public investments in certain forest practices.

The purpose of the Tongass Timber Supply Fund is to make available to industry such "special and marginal" timber stands which are lower quality generally and more difficult to access than "normal" stands. The intent was that each year a mix of timber from all three classes would be made available to industry to reach the 450 mmbf if necessary.

At the time of final House passage of ANILCA, I conveyed to the House that "we cannot escape the fact that additional investments are needed to implement TLMP. . . ." What has been occurring, though, is that the Fund has been used to build roads primarily to the better timber stands. It is my understanding that current Forest Service projections for FY 1987 provide for 412 mmbf of "normal" timber to be offered for sale. The resulting timber mix includes a much larger component of "normal" timber than was contemplated by TLMP or ANILCA. This results in high-grading the Tongass—taking densest old-growth trees first—thereby damaging the long-term sustained yield capabilities of the forest, magnifying impacts on wildlife values, and negating the rationale for the Tongass Timber Supply Fund.

The current practice of offering all or nearly all new timber for sale each year should be eliminated. Furthermore, the existing backlog of timber prepared for sale but not sold should be utilized before preparing new timber for sale. The amount of timber prepared and offered for sale each year, including timber offered but not sold in previous years, should be limited to an amount based on realistic timber market demand within the allowable sale quantity (450 mmbf/year).

EXCESSIVE ROAD CONSTRUCTION

Misapplication of the timber supply provision of ANILCA, as discussed previously, has resulted in the construction of many miles of unnecessary roads, damaging the environment and wasting scarce Federal funds in the process.

TLMP calls for an annual average of 46 miles of "pre-roading," based on an annual timber supply of 450 mmbf. During 1982-1984, the Forest Service sold, on average, only 232 mmbf per year. During the same period, the agency pre-roaded an average of 51 miles of roads per year or more than double the amount necessary to meet the timber demand. Under these circumstances, road construction for timber sales should be drastically curtailed until the backlog of timber offered but not sold is appreciably reduced. Furthermore, as this backlog is properly utilized and accounted for as timber supplied to the industry, some of the money being poured into road construction would become available for other purposes.

Regarding a related issue, according to its own Tongass Land Management Plan Evaluation Report, the Forest Service built roads into nearly one-fourth of all the roadless value comparison units (VCU's) in land use designations III and IV between 1979 and 1984. Assuming a 100-year timber rotation, this indicates the Forest Service has been following a timber road construction policy that is neither prudent forestry nor prudent multiple use management.

At the current pace, roads will be built within another 15 years in virtually every roadless area on the Tongass. Under standard practices for harvesting the Tongass on a 100-year rotation, it should be many decades before all management areas would need to be roaded. It appears, therefore, that the Forest Service is constructing new

roads into roadless watersheds at a rate far in excess of that which is necessary.

This is not what was intended when, at the time of the bill's final passage by the House, I expressed that it was ". . . our intent to maximize protection to environmentally sensitive areas, particularly those with high fish and wildlife values." Continuing to utilize the current policy will likely harm both the fishing and tourism industries as well as the long-term sustainability of the Tongass to support a viable timber industry.

The public interest would be served better by a policy that puts road construction funds to more efficient use while retaining options to preserve important fish and wildlife habitat and other values.

I urge you to curtail new road construction for timber sales until such time as most of the backlog of unsold timber offerings is eliminated. Thereafter, road construction should be planned and paced so as to correspond closely to the then-current timber demand.

Additionally, I urge you to defer road construction in prime fish and wildlife habitat areas such as those identified in the draft environmental assessment for TLMP amendments until such road construction is necessary and justified. This is particularly appropriate considering the accelerated pace at which road construction has taken place in sensitive fish and wildlife habitat areas in recent years.

IMPROPER UTILITY LOG DESIGNATION

Another area in need of remedial action is that dealing with the very large amount of timber actually available to the industry but not being counted as part of the annual 450 mmbf timber supply. Such timber also is not counted against the total contract volume under one of the long-term contracts. This timber called "utility volume" is not being counted even though it is, in fact, pulp material.

During congressional consideration of the timber supply needed for the timber industry, it was implicit that utility volume would be counted as an integral part of timber supply since the Tongass industry is not just a lumber economy but is a *pulp*, lumber and cant economy.

The recent Forest Service administrative change on utilization standards, which classifies utility logs as those 10 inches or less in diameter rather than 6 inches or less, exacerbates the situation. Although the new standards may be only temporary, utility volume is being greatly increased as a percentage of total timber, again without being counted as part of the volume "supplied" to industry.

Through these practices, approximately 12 to 27 percent of the total timber offered is being omitted from the calculation of the amount of timber made available to industry. In a year in which 450 mmbf was deemed "supplied" under these Forest Service practices, the amount actually supplied could range from 504 mmbf to 571 mmbf, far above the quantity permitted in the law.

The legislative history is devoid of any suggestion that utility volume would not be included and reported in calculations of timber offered, sold and harvested, or of the timber supply. It was certainly not intended that any class of merchantable wood be excluded from the computations of that supply.

Not to count the utility volume is, in essence, to increase the statutory 450 mmbf supply administratively. Utility volume should be counted in all timber calculations and should be counted against the total timber volume committed under both long-term contracts, not just under one as is now the case.

INEFFICIENT LOG SCALING

As I understand it, some timber purchasers are practicing harvesting techniques that result in quality sawlog timber being scaled as "utility" logs, thereby causing losses to the Federal Treasury and promoting the inefficient handling of wood material from the Tongass National Forest. An unknown amount of money is lost by the Federal government when timber is scaled as utility logs when it is actually of sawlog quality.

Scaling at the mill, as is often the case rather than at the harvesting sites or at log transfer facilities, lessens the incentive for the industry to clear harvesting sites since industry pays only for that timber which actually arrives at the mill. Such scaling also fails to encourage proper care in log transport, including development of alternative transportation methods of logs, since industry is not charged for logs abandoned or lost prior to scaling at the mill.

I urge you to investigate ways to address these problems and to take appropriate remedial action to achieve better administrative control over logs from the stump to the mill, to modify current scaling practices so that the responsibility and costs of losses are placed on the timber contract holder, and to assure that sawlog quality material is scaled as such.

DATA BASE FOR REVISION OF TLMP AND FAILURE TO APPLY SECTION 6(K) OF NFMA

The Forest Service has an opportunity to further improve the management practices and policies of the Tongass through revision of the TLMP. It is of great importance that those who participate in developing the new TLMP use the best available information and data to accurately update and refine the inventory of timber, wildlife, and other natural resources of the Tongass. The new land management plan should provide for managing the Tongass not only for timber sales, but also to provide for many other diverse uses of the Tongass. The best available data will also enable the Forest Service to take advantage of increased yields made possible through investments in precommercial thinning and other silvicultural practices.

I understand that the Forest Service does not intend to designate lands within the Tongass as unsuitable for commercial timber production under Section 6(k) of the NFMA.

It has been argued that Section 6(k) of NFMA does not apply to the Tongass because of Section 705(d) of ANILCA. However, rather than exempting the Tongass from the operation of section 6(k), section 705(d) means exactly what it says: that the ANILCA provisions on timber supply are to be implemented notwithstanding 6(k).

As I indicated in the House at the time of final passage of the Alaska Lands Act, "The Congress fully intends that the Secretary carry out his mandate under Section 6(k) of the National Forest Management Act to identify lands that are not currently suitable as timber producing areas for economic reasons."

The Congressional intent was that the suitability of the Tongass areas for commercial timber production would be analyzed as set out in 6(k), and that this information would help guide sale offering decisions made as the ANILCA provisions are implemented.

In revising the TLMP, I encourage you to see that the latest and best available information and data, including assessments mandated under section 6(k), are utilized.

RECOMMENDATIONS

Mr. Secretary, your Department, acting through the Forest Service, has an historic opportunity to resolve problems in Southeast Alaska and improve the management of the Tongass National Forest by exercising leadership and by working with the State of Alaska, its Congressional delegation, the appropriate Committees of the Congress and the public.

As part of the effort to resolve those problems, I respectfully request that you consider the issues I have raised in this letter and take the necessary actions to implement the following recommendations:

1. Eliminate the current practice of offering all or nearly all new timber each year and utilize the existing backlog of timber prepared for sale but not sold before preparing new timber for sale; base the amount of timber prepared and offered for sale each year, including timber offered but not sold in previous years, on realistic timber market demand within the allowable sale quantity (450 mmbf).

2. Curtail new road construction for timber sales until the backlog of timber prepared for sale but not sold is appreciably reduced; defer road construction in prime fish and wildlife habitat areas until necessary and justified; plan and pace future road construction to correspond closely to the then-current timber demand.

3. Begin immediately to include utility volume in all calculations of timber offered, sold, and harvested as part of the allowable timber sale quantity and as timber volume committed under both long-term timber contracts.

4. Investigate ways to improve scaling practices to achieve better administrative control over logs from stump to the mill and to modify scaling practices to place responsibility for losses on timber contract holders and to assure that saw log quality material is scaled as such.

5. Use the best available information and data, including assessments of timber land suitability pursuant to Section 6(k) of the NFMA, in revising the Tongass Land Management Plan.

It should be our goal to see to it that the Tongass National Forest, one of the great natural resource assets of our Nation, is managed in as sound and professional a manner as possible and in the best interests of all the American people to whom it belongs. I look forward to seeing the actions you and the U.S. Department of Agriculture institute in the months ahead to achieve this goal.

With best wishes, I am

Sincerely,

MORRIS K. UDALL, *Chairman.*

Mr. YATES. Mr. Chairman, I have no further requests for time.

Mr. REGULA. Mr. Chairman, I yield back the balance of my time.

Mr. YATES. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 5234

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the

following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of the Interior and related agencies for the fiscal year ending September 30, 1987, and for other purposes, namely:

TITLE I—DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

For expenses necessary for protection, use, improvement, development, disposal, cadastral surveying, classification, and performance of other functions, including maintenance of facilities, as authorized by law, in the management of lands and their resources under the jurisdiction of the Bureau of Land Management, including the general administration of the Bureau of Land Management, $380,370,000: *Provided,* That none of the funds appropriated herein may be expended to approve mining operations conducted under the Mining Law of 1872 (30 U.S.C. 22, et seq.) unless operators are required to post a reclamation bond for all operations involving significant surface disturbance, including all disturbances of more than five acres per year, such bond to be for an amount estimated by the Bureau of Land Management to cover the costs of reclamation: *Provided further,* That evidence of an equivalent bond posted with a State agency may be accepted in lieu of a separate bond.

CONSTRUCTION AND ACCESS

For acquisition of lands and interests therein, and construction of buildings, recreation facilities, roads, trails, and appurtenant facilities, $1,200,000, to remain available until expended.

PAYMENTS IN LIEU OF TAXES

For expenses necessary to implement the Act of October 20, 1976 (31 U.S.C. 6901–07), $105,000,000, of which not to exceed $400,000 shall be available for administrative expenses.

LAND ACQUISITION

For expenses necessary to carry out the provisions of sections 205, 206, and 318(d) of Public Law 94–579 including administrative expenses and acquisition of lands or waters, or interest therein, $850,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.

OREGON AND CALIFORNIA GRANT LANDS

For expenses necessary for management, protection, and development of resources and for construction, operation, and maintenance of access roads, reforestation, and other improvements on the revested Oregon and California Railroad grant lands, on other Federal lands in the Oregon and California land-grant counties of Oregon, and on adjacent rights-of-way; and acquisition of lands or interests therein including existing connecting roads on or adjacent to such grant lands; $54,260,000, to remain available until expended: *Provided,* That the amount appropriated herein for road construction shall be transferred to the Federal Highway Administration, Department of Transportation: *Provided further,* That 25 per centum of the aggregate of all receipts during the current fiscal year from the revested Oregon and California Railroad grant lands is hereby made a charge against the Oregon and California land grant fund and shall be transferred to the General Fund in the Treasury in accordance with the provisions of the second paragraph of subsection (b) of title II of the Act of August 28, 1937 (50 Stat. 876).

RANGE IMPROVEMENTS

For rehabilitation, protection, and acquisition of lands and interests therein, and improvement of Federal rangelands pursuant to section 401 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701), notwithstanding any other Act, sums equal to 50 per centum of all moneys received during the prior fiscal year under sections 3 and 15 of the Taylor Grazing Act (43 U.S.C. 315, et seq.), and the amount designated for range improvements from grazing fees and mineral leasing receipts from Bankhead-Jones lands transferred to the Department of the Interior pursuant to law, to remain available until expended: *Provided,* That not to exceed $600,000 shall be available for administrative expenses: *Provided further,* That the dollar equivalent of value, in excess of the grazing fee established under law and paid to the United States Government, received by any permittee or lessee as compensation for an assignment of a grazing permit or lease, or any grazing privileges or rights thereunder, and in excess of the installation and maintenance cost of grazing improvements provided for by the permittee in the allotment management plan or amendments or otherwise approved by the Bureau of Land Management, shall be paid to the Bureau of Land Management and disposed of as provided for by section 401(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701): *Provided further,* That if the dollar value prescribed above is not paid to the Bureau of Land Management, the grazing permit or lease shall be canceled.

SERVICE CHARGES, DEPOSITS, AND FORFEITURES

For administrative expenses and other costs related to processing application documents and other authorizations for use and disposal of public lands and resources, for monitoring construction, operation, and termination of facilities in conjunction with use authorizations, and for rehabilitation of damaged property, such amounts as may be collected under sections 209(b), 304(a), 304(b), 305(a), and 504(g) of the Act approved October 21, 1976 (43 U.S.C. 1701), and sections 101 and 203 of Public Law 93–153, to be immediately available until expended.

MISCELLANEOUS TRUST FUNDS

In addition to amounts authorized to be expended under existing law, there is hereby appropriated such amounts as may be contributed under section 307 of the Act of October 21, 1976 (43 U.S.C. 1701), and such amounts as may be advanced for administrative costs, surveys, appraisals, and costs of making conveyances of omitted lands under section 211(b) of that Act, to remain available until expended.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Land Management shall be available for purchase, erection, and dismantlement of temporary structures, and alteration and maintenance of necessary buildings and appurtenant facilities to which the United States has title; up to $10,000 for payments, at the discretion of the Secretary, for information or evidence concerning violations of laws administered by the Bureau of Land Management; miscellaneous and emergency expenses of enforcement activities authorized or approved by the Secretary and to be accounted for solely on his certificate, not to exceed $10,000: *Provided,* That appropriations herein made for Bureau of Land Management expenditures in connection with the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands (other than expenditures made under the appropriation "Oregon and California grant lands") shall be reimbursed to the General Fund of the Treasury from the 25 per centum referred to in subsection (c), title II, of the Act approved August 28, 1937 (50 Stat. 876), of the special fund designated the "Oregon and California land grant fund" and section 4 of the Act approved May 24, 1939 (53 Stat. 754), of the special fund designated the "Coos Bay Wagon Road grant fund": *Provided further,* That appropriations herein made may be expended for surveys of Federal lands of the United States and on a reimbursable basis for surveys of Federal lands of the United States and for protection of lands for the State of Alaska: *Provided further,* That an appeal of any reductions in grazing allotments on public rangelands must be taken within thirty days after receipt of a final grazing allotment decision. Reductions of up to 10 per centum in grazing allotments shall become effective when so designated by the Secretary of the Interior. Upon appeal any proposed reduction in excess of 10 per centum shall be suspended pending final action on the appeal, which shall be completed within two years after the appeal is filed: *Provided further,* That appropriations herein made shall be available for paying costs incidental to the utilization of services contributed by individuals who serve without compensation as volunteers in aid of work of the Bureau.

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

For expenses necessary for scientific and economic studies, conservation, management, investigations, protection, and utilization of sport fishery and wildlife resources, except whales, seals, and sea lions, and for the performance of other authorized functions related to such resources; for the general administration of the United States Fish and Wildlife Service; and for maintenance of the herd of long-horned cattle on the Wichita Mountains Wildlife Refuge; and not less than $1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93–408, $306,500,000, of which $4,300,000, to carry out the purposes of 16 U.S.C. 1535, shall remain available until expended; and of which $6,411,000 shall be for operation and maintenance of fishery mitigation facilities constructed by the Corps of Engineers under the Lower Snake River Compensation Plan, authorized by the Water Resources Development Act of 1976 (90 Stat. 2921), to compensate for loss of fishery resources from water development projects on the Lower Snake River, and shall remain available until expended: *Provided,* That none of these funds may be used to compensate a quantity of staff greater than existed as of May 1, 1986, in the Office of Legislative Services of the Fish and Wildlife Service or to compensate individual staff members assigned subsequent to May 1, 1986, at grade levels greater than the staff replaced.

CONSTRUCTION AND ANADROMOUS FISH

For construction and acquisition of buildings and other facilities required in the conservation, management, investigations, protection, and utilization of sport fishery and wildlife resources, and the acquisition of lands and interests therein; $21,113,000, to

remain available until expended, of which $2,000,000 shall be available for expenses to carry out the Anadromous Fish Conservation Act (16 U.S.C. 757a-757g).

MIGRATORY BIRD CONSERVATION ACCOUNT

For an advance to the migratory bird conservation account, as authorized by the Act of October 4, 1971, as amended (16 U.S.C. 715k-3, 5), $3,000,000, to remain available until expended.

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the United States Fish and Wildlife Service, $33,225,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.

NATIONAL WILDLIFE REFUGE FUND

For expenses necessary to implement the Act of October 17, 1978 (16 U.S.C. 715s), $5,645,000.

ADMINISTRATIVE PROVISIONS

Appropriations and funds available to the United States Fish and Wildlife Service shall be available for purchase of not to exceed 72 passenger motor vehicles for replacement only (including 72 for police-type use); purchase of 1 new aircraft for replacement only; not to exceed $300,000 for payment, at the discretion of the Secretary, for information, rewards, or evidence concerning violations of laws administered by the United States Fish and Wildlife Service, and miscellaneous and emergency expenses of enforcement activities, authorized or approved by the Secretary and to be accounted for solely on his certificate; repair of damage to public roads within and adjacent to reservation areas caused by operations of the United States Fish and Wildlife Service; options for the purchase of land at not to exceed $1 for each option; facilities incident to such public recreational uses on conservation areas as are consistent with their primary purpose; and the maintenance and improvement of aquaria, buildings, and other facilities under the jurisdiction of the United States Fish and Wildlife Service and to which the United States has title, and which are utilized pursuant to law in connection with management and investigation of fish and wildlife resources.

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary for the management, operation, and maintenance of areas and facilities administered by the National Park Service (including special road maintenance service to trucking permittees on a reimbursable basis), and for the general administration of the National Park Service, including not to exceed $408,000 for the Roosevelt Campobello International Park Commission and not less than $1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408, $628,875,000, without regard to the Act of August 24, 1912, as amended (16 U.S.C. 451) and $15,158,000 to be derived from unappropriated balances in the National Park Service "Planning, development and operation of recreation facilities" account: *Provided,* That the Park Service shall not enter into future concessionaire contracts, including renewals, that do not include a termination for cause clause that provides for possible extinguishment of possessory interests excluding depreciated book value of concessionaire investments without compensation: *Provided further,* That none of these funds may be used to compensate a quantity of staff greater than existed as of May 1, 1986, in the Office of Legislative and Congressional Affairs of the National Park Service or to compensate individual staff members assigned subsequent to May 1, 1986, at grade levels greater than the staff replaced.

NATIONAL RECREATION AND PRESERVATION

For expenses necessary to carry out recreation programs, natural programs, cultural programs, environmental compliance and review, and grant administration, not otherwise provided for, $10,904,000.

HISTORIC PRESERVATION FUND

For expenses necessary in carrying out the provisions of the Historic Preservation Act of 1966 (80 Stat. 915), as amended (16 U.S.C. 470), $24,200,000 to be derived from the Historic Preservation Fund, established by section 108 of that Act, as amended, to remain available for obligation until September 30, 1988: *Provided,* That the Trust Territory of the Pacific Islands is a State eligible for Historic Preservation Fund matching grant assistance as authorized under 16 U.S.C. 470w(2): *Provided further,* That pursuant to section 105(1) of the Compact of Free Association, Public Law 99-239, the Federated States of Micronesia and the Republic of the Marshall Islands shall also be considered States for purposes of this appropriation.

CONSTRUCTION

For construction, improvements, repair or replacement of physical facilities, without regard to the Act of August 24, 1912, as amended (16 U.S.C. 451), $75,989,000, to remain available until expended, of which $8,500,000 shall be derived by transfer from the National Park System Visitor Facilities Fund, including $2,700,000 to carry out the provisions of sections 303 and 304 of Public Law 95-290: *Provided,* That for payment of obligations incurred for continued construction of the Cumberland Gap Tunnel, as authorized by section 160 of Public Law 93-87, $10,000,000 to be derived from the Highway Trust Fund and to remain available until expended to liquidate contract authority provided under section 104(a)(8) of Public Law 95-599, as amended, such contract authority to remain available until expended: *Provided further,* That for payments of obligations incurred for improvements to the George Washington Memorial Parkway, $2,500,000 to be derived from the Highway Trust Fund and to remain available until expended to liquidate contract authority provided under section 104(a)(8) of Public Law 95-599, as amended, subject to the availability of funds for an additional lane on the Theodore Roosevelt Bridge.

LAND ACQUISITION AND STATE ASSISTANCE

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the National Park Service, $101,100,000, to be derived from the Land and Water Conservation Fund, to remain available until expended, including $2,270,000 to administer the State Assistance program: *Provided,* That of the amounts previously appropriated to the Secretary's contingency fund for grants to States, $893,000 shall be available in 1987 for administrative expenses of the State grant program: *Provided further,* That $300,000 for Apostle Islands National Lakeshore shall be available subject to authorization.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

For expenses necessary for operating and maintaining the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, $4,771,000.

ILLINOIS AND MICHIGAN CANAL NATIONAL HERITAGE CORRIDOR COMMISSION

For operation of the Illinois and Michigan Canal National Heritage Corridor Commission, $250,000.

JEFFERSON NATIONAL EXPANSION MEMORIAL COMMISSION

For operation of the Jefferson National Expansion Memorial Commission, $75,000.

ADMINISTRATIVE PROVISIONS

Appropriations for the National Park Service shall be available for the purchase of not to exceed 400 passenger motor vehicles, of which 348 shall be for replacement only, including not to exceed 300 for police-type use and 20 buses; to provide, notwithstanding any other provision of law, at a cost not exceeding $100,000, transportation for children in nearby communities to and from any unit of the National Park System used in connection with organized recreation and interpretive programs of the National Park Service; options for the purchase of land at not to exceed $1 for each option; and for the procurement and delivery of medical services within the jurisdiction of units of the National Park System: *Provided,* That any funds available to the National Park Service may be used, with the approval of the Secretary, to maintain law and order in emergency and other unforeseen law enforcement situations and conduct emergency search and rescue operations in the National Park System: *Provided further,* That none of the funds appropriated to the National Park Service may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: *Provided further,* That none of the funds appropriated to the National Park Service may be used to add industrial facilities to the list of National Historic Landmarks without the consent of the owner: *Provided further,* That the National Park Service may use helicopters and motorized equipment at Death Valley National Monument for removal of feral burros and horses: *Provided further,* That notwithstanding any other provision of law, the National Park Service may recover unbudgeted costs of providing necessary services associated with special use permits, such reimbursements to be credited to the appropriation current at that time: *Provided further,* That none of the funds appropriated to the National Park Service may be used to implement an agreement for the redevelopment of the southern end of Ellis Island until such agreement has been submitted to the Congress and shall not be implemented prior to the expiration of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) from the receipt by the Speaker of the House of Representatives and the President of the Senate of a full and comprehensive

report on the development of the southern end of Ellis Island, including the facts and circumstances relied upon in support of the proposed project: *Provided further,* That the Secretary of the Interior shall begin processing claims of the licensees of the American Revolution Bicentennial Administration within 30 days of enactment of this Act, and that licensees who filed claims with the Department between July, 1984, and January, 1985, or who filed for relief from the Department under the Federal Tort Claims Act on December 31, 1979, or who were mentioned in the December 30, 1985, Opinion of the Comptroller General shall be eligible claimants: *Provided further,* That the Secretary shall process such claims in accordance with the facts, methodologies, and criteria employed in the Amerecord, Inc. test case which was settled on August 20, 1983:, and other applicable legal principles: *Provided further,* That these claims will be processed to completion in a judicious and expedient manner not to exceed one year from the date of enactment of this Act: *Provided further,* That none of the funds in this Act may be used to issue a request for proposals to lease any or all of Glen Echo Park: *Provided further,* That none of the funds made available by this Act may be used to plan or implement the closure of the Pacific Northwest Regional Office in Seattle, Washington.

GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

For expenses necessary for the Geological Survey to perform surveys, investigations, and research covering topography, geology, hydrology, and the mineral and water resources of the United States, its Territories and possessions, and other areas as authorized by law (43 U.S.C. 31, 1332 and 1340); classify lands as to their mineral and water resources; give engineering supervision to power permittees and Federal Energy Regulatory Commission licensees; administer the minerals exploration program (30 U.S.C. 641); and publish and disseminate data relative to the foregoing activities; $423,220,000: *Provided,* That $52,835,000 shall be available only for cooperation with States or municipalities for water resources investigations: *Provided further,* That no part of this appropriation shall be used to pay more than one-half the cost of any topographic mapping or water resources investigations carried on in cooperation with any State or municipality: *Provided further,* That in fiscal year 1987 and thereafter the Geological Survey is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private: *Provided further,* That, heretofore and hereafter, in carrying out work involving cooperation with any State, Territory, possession, or political subdivision thereof, the Geological Survey may, notwithstanding any other provision of law, record obligations against accounts receivable from any such entities and shall credit amounts received from such entities to this appropriation.

ADMINISTRATIVE PROVISIONS

The amount appropriated for the Geological Survey shall be available for purchase of not to exceed 14 passenger motor vehicles, for replacement only; reimbursement to the General Services Administration for security guard services; contracting for the furnishing of topographic maps and for the making of geophysical or other specialized surveys when it is administratively determined that such procedures are in the public interest; construction and maintenance of necessary buildings and appurtenant facilities; acquisition of lands for observation wells; expenses of the United States National Committee on Geology; and payment of compensation and expenses of persons on the rolls of the Geological Survey appointed, as authorized by law, to represent the United States in the negotiation and administration of interstate compacts: *Provided,* That appropriations herein made shall be available for paying costs incidental to the utilization of services contributed by individuals who serve without compensation as volunteers in aid of work of the Geological Survey, and that within appropriations herein provided, Geological Survey officials may authorize either direct procurement of or reimbursement for expenses incidental to the effective use of volunteers such as, but not limited to, training, transportation, lodging, subsistence, equipment, and supplies: *Provided further,* That provision for such expenses or services is in accord with volunteer or cooperative agreements made with such individuals, private organizations, educational institutions, or State or local government: *Provided further,* That activities funded by appropriations herein made may be accomplished through the use of contracts, grants, or cooperative agreements as defined in Public Law 95-224.

MINERALS MANAGEMENT SERVICE

LEASING AND ROYALTY MANAGEMENT

For expenses necessary for minerals leasing and environmental studies, regulation of industry operations, and collection of royalties, as authorized by law; for enforcing laws and regulations applicable to oil, gas, and other minerals leases, permits, licenses and operating contracts; and for matching grants or cooperative agreements; including the purchase of not to exceed eight passenger motor vehicles for replacement only; $162,893,000, of which not less than $45,354,000 shall be available for royalty management activities including general administration: *Provided,* That notwithstanding any other provision of law, funds appropriated under this Act shall be available for the payment of interest in accordance with 30 U.S.C. 1721(b) and (d): *Provided further,* That in fiscal year 1987 and thereafter, the Minerals Management Service is authorized to accept land, buildings, equipment and other contributions, from public and private sources, which shall be available for the purposes provided for in this account: *Provided further,* That notwithstanding any other provision of law, $125,000,000 shall be deducted from Federal onshore mineral leasing receipts prior to the division and distribution of such receipts between the States and the Treasury and shall be credited to miscellaneous receipts of the Treasury.

BUREAU OF MINES

MINES AND MINERALS

For expenses necessary for conducting inquiries, technological investigations, and research concerning the extraction, processing, use, and disposal of mineral substances without objectionable social and environmental costs; to foster and encourage private enterprise in the development of mineral resources and the prevention of waste in the mining, minerals, metal, and mineral reclamation industries; to inquire into the economic conditions affecting those industries; to promote health and safety in mines and the mineral industry through research; and for other related purposes as authorized by law, $126,429,000, of which $77,505,000 shall remain available until expended.

ADMINISTRATIVE PROVISIONS

The Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private: *Provided,* That the Bureau of Mines is authorized, during the current fiscal year, to sell directly or through any Government agency, including corporations, any metal or mineral product that may be manufactured in pilot plants operated by the Bureau of Mines, and the proceeds of such sales shall be covered into the Treasury as miscellaneous receipts.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

REGULATION AND TECHNOLOGY

For necessary expenses to carry out the provisions of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, including the purchase of not to exceed 14 passenger motor vehicles, of which 9 shall be for replacement only; and uniform allowances of not to exceed $400 for each uniformed employee of the Office of Surface Mining Reclamation and Enforcement; $99,078,000, and notwithstanding 31 U.S.C. 3302, an additional amount, to remain available until expended, equal to receipts to the General Fund of the Treasury from performance bond forfeitures in fiscal year 1987.

ABANDONED MINE RECLAMATION FUND

For necessary expenses to carry out the provisions of title IV of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, including the purchase of not more than 21 passenger motor vehicles, of which 15 shall be for replacement only, to remain available until expended, $232,720,000, to be derived from receipts of the Abandoned Mine Reclamation Fund: *Provided,* That pursuant to Public Law 97-365, the Department of the Interior is authorized to utilize up to 20 per centum from the recovery of the delinquent debt owed to the United States Government to pay for contracts to collect these debts: *Provided further,* That of the funds made available to the States to contract for reclamation projects authorized in section 406(a) of Public Law 95-87, administrative expenses may not exceed 15 per centum: *Provided further,* That none of these funds shall be used for a reclamation grant to any State if the State has not agreed to participate in a nationwide data system established by the Office of Surface Mining Reclamation and Enforcement through which all permit applications are reviewed and approvals withheld if the applicants (or those who control the applicants) applying for or receiving such permits have outstanding State or Federal air or water quality violations in accordance with section 510(c) of the Act of August 3, 1977 (30 U.S.C. 1260(c)), or failure to abate cessation orders, outstanding civil penalties associated with such failure to abate cessation orders, or uncontested past due Abandoned Mine Land fees: *Provided further,* That the Secretary of the Interior may deny fifty percent of an Abandoned Mine Reclamation fund grant, available to a State pursuant to title IV of Public Law 95-87, when pursuant to the procedures set forth in section 521 of the Act, the Secretary determines that a State is systematically failing to administer adequately the enforcement provisions of the approved State

regulatory program. Funds will be denied until such time as the State and the Office of Surface Mining Reclamation and Enforcement have agreed upon an explicit plan of action for correcting the enforcement deficiency. A State may enter into such agreement without admission of culpability. If a State enters into such agreement, the Secretary shall take no action pursuant to section 521(b) of the Act as long as the State is complying with the terms of the agreement: *Provided further,* That none of the funds shall be used to implement any proposals for a cost-sharing matching fund in making State reclamation grants: *Provided further,* That the Office of Surface Mining Reclamation and Enforcement is to apportion the funding for the Secretary's discretionary fund, as referenced in section 402(g)(3) of Public Law 95-87, on the basis of the Abandoned Mine Lands Inventory: *Provided further,* That expenditure of moneys as authorized in section 402(g)(3) of Public Law 95-87 shall be on a priority basis with the first priority being protection of public health, safety, general welfare, and property from extreme danger of adverse effects of coal mining practices, as stated in section 403 of Public Law 95-87.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

For operation of Indian programs by direct expenditure, contracts, cooperative agreements, and grants including expenses necessary to provide education and welfare services for Indians, either directly or in cooperation with States and other organizations, including payment of care, tuition, assistance, and other expenses of Indians in boarding homes, institutions, or schools; grants and other assistance to needy Indians; maintenance of law and order; management, development, improvement, and protection of resources and appurtenant facilities under the jurisdiction of the Bureau of Indian Affairs, including payment of irrigation assessments and charges; acquisition of water rights; advances for Indian industrial and business enterprises; operation of Indian arts and crafts shops and museums; development of Indian arts and crafts, as authorized by law; for the general administration of the Bureau of Indian Affairs, including such expenses in field offices, $892,328,000, of which not to exceed $56,418,000 for higher education scholarships and assistance to public schools under the Act of April 16, 1934 (48 Stat. 596), as amended (25 U.S.C. 452 et seq.), shall remain available for obligation until September 30, 1988, and the funds made available to tribes and tribal organizations through contracts authorized by the Indian Self-Determination and Education Assistance Act of 1975 (88 Stat. 2203; 25 U.S.C. 450 et seq.) shall remain available until September 30, 1988: *Provided,* That this carryover authority does not extend to programs directly operated by the Bureau of Indian Affairs unless the tribe(s) and the Bureau of Indian Affairs enter into a cooperative agreement for consolidated services; and for expenses necessary to carry out the provisions of section 19(a) of Public Law 93-531 (25 U.S.C. 640d-18(a)), $2,931,000, to remain available until expended: *Provided further,* That none of the funds appropriated to the Bureau of Indian Affairs shall be expended as matching funds for programs funded under section 103(b)(2) of the Carl D. Perkins Vocational Education Act: *Provided further,* That no part of any appropriations to the Bureau of Indian Affairs shall be available to provide general assistance payments for Alaska Natives in the State of Alaska unless and until otherwise specifically provided for by Congress: *Provided further,* That none of the funds appropriated to the Bureau of Indian Affairs shall be used to move the northern California agency office from Hoopa, California, unless a reprograming request has been submitted to and approved by the House and Senate Appropriations Committees.

CONSTRUCTION

For construction, major repair, and improvement of irrigation and power systems, buildings, utilities, and other facilities, including architectural and engineering services by contract; acquisition of lands and interests in lands; preparation of lands for farming; and construction, repair, and improvement of Indian housing, $86,066,000, to remain available until expended: *Provided,* That funds appropriated for use by the Secretary to construct homes and related facilities for the Navajo and Hopi Indian Relocation Commission in lieu of construction by the Commission under section 15(d)(3) of the Act of December 22, 1974 (88 Stat. 1719; 25 U.S.C. 640d-14(d)(3)), may also be used for counseling and other activities related to the relocation of Navajo families.

ROAD CONSTRUCTION

For construction of roads and bridges pursuant to authority contained in 23 U.S.C. 203, the Act of November 2, 1921 (42 Stat. 208; 25 U.S.C. 13), and the Act of May 26, 1928 (45 Stat. 750; 25 U.S.C. 318a), $2,500,000, to remain available until expended: *Provided,* That these funds shall not become available until the balance of funding needed to complete the project is provided from funds available to the State of Oklahoma: *Provided further,* That not to exceed 5 per centum of contract authority available to the Bureau of Indian Affairs from the Federal Highway Trust Fund may be used to cover roads program management costs and construction supervision costs of the Bureau of Indian Affairs.

MISCELLANEOUS TRUST FUNDS

TRIBAL TRUST FUNDS

In addition to the tribal funds authorized to be expended by existing law, there is hereby appropriated not to exceed $1,000,000 from tribal funds not otherwise available for expenditure.

REVOLVING FUND FOR LOANS

During fiscal year 1987, and within the resources and authority available, gross obligations for the principal amount of direct loans pursuant to the Indian Financing Act of 1974 (88 Stat. 77; 25 U.S.C. 1451 et seq.), shall not exceed $16,320,000.

INDIAN LOAN GUARANTY AND INSURANCE FUND

For payment of interest subsidies on new and outstanding guaranteed loans and for necessary expenses of management and technical assistance in carrying out the provisions of the Indian Financing Act of 1974, as amended (88 Stat. 77; 25 U.S.C. 1451 et seq.), $2,652,000, to remain available until expended: *Provided,* That during fiscal year 1987, total commitments to guarantee loans pursuant to the Indian Financing Act of 1974 may be made only to the extent that the total loan principal, any part of which is to be guaranteed, shall not exceed resources and authority available.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Indian Affairs (except the revolving fund for loans and the Indian loan guarantee and insurance fund) shall be available for expenses of exhibits; and purchase of not to exceed 150 passenger carrying motor vehicles, of which 100 shall be for replacement only.

TERRITORIAL AND INTERNATIONAL AFFAIRS

ADMINISTRATION OF TERRITORIES

For expenses necessary for the administration of territories under the jurisdiction of the Department of the Interior, $78,874,000, of which (1) $76,401,000 shall be available until expended for technical assistance; late charges and payments of the annual interest rate differential required by the Federal Financing Bank, under terms of the second refinancing of an existing loan to the Guam Power Authority, as authorized by law (Public Law 98-454; 98 Stat. 1732); grants to the judiciary in American Samoa for compensation and expenses, as authorized by law (48 U.S.C. 1661(c)); grants to the Government of American Samoa, in addition to current local revenues, for support of governmental functions; construction grants to the Government of the Virgin Islands as authorized by Public Law 97-357 (96 Stat. 1709); construction grants to the Government of Guam, as authorized by law (Public Law 98-454; 98 Stat. 1732); grants to the Government of the Northern Mariana Islands as authorized by law (Public Law 94-241; 90 Stat. 272); and (2) $2,473,000 for salaries and expenses of the Office of Territorial and International Affairs: *Provided,* That the territorial and local governments herein provided for are authorized to make purchases through the General Services Administration: *Provided further,* That all financial transactions of the territorial and local governments herein provided for, including such transactions of all agencies or instrumentalities established or utilized by such governments, shall be audited by the General Accounting Office, in accordance with chapter 35 of title 31, United States Code.

TRUST TERRITORY OF THE PACIFIC ISLANDS

For expenses necessary for the Department of the Interior in administration of the Trust Territory of the Pacific Islands pursuant to the Trusteeship Agreement approved by joint resolution of July 18, 1947 (61 Stat. 397), and the Act of June 30, 1954 (68 Stat. 330), as amended (90 Stat. 299; 91 Stat. 1159; 92 Stat. 495); grants for the expenses of the High Commissioner of the Trust Territory of the Pacific Islands; grants for the compensation and expenses of the Judiciary of the Trust Territory of the Pacific Islands; grants to the Trust Territory of the Pacific Islands, in addition to local revenues, for support of governmental functions; $14,340,000, to remain available until expended: *Provided,* That all financial transactions of the Trust Territory, including such transactions of all agencies or instrumentalities established or utilized by such Trust Territory, shall be audited by the General Accounting Office in accordance with chapter 35 of title 31, United States Code: *Provided further,* That the government of the Trust Territory of the Pacific Islands is authorized to make purchases through the General Services Administration: *Provided further,* That notwithstanding the proviso under "Trust Territory of the Pacific Islands" in Public Law 97-257 making funds available for the relocation and resettlement of the Bikini people in the Marshall Islands, such funds shall be available for relocation and resettlement of the Bikini people to any location.

COMPACT OF FREE ASSOCIATION

For grants and necessary expenses for the Federated States of Micronesia and the Marshall Islands as provided for in sections 177, 122, 221, 223, 103(h)(2), and 103(k) of the Compact of Free Association, $36,170,000, including $7,250,000 for the Enjebi Community Trust Fund, as authorized by Public Law 99-239.

DEPARTMENTAL OFFICES

OFFICE OF THE SECRETARY

For necessary expenses of the Office of the Secretary of the Interior, $42,482,000, of which not to exceed $10,000 may be for official reception and representation expenses.

OFFICE OF THE SOLICITOR

SALARIES AND EXPENSES

For necessary expenses of the Office of the Solicitor, $21,255,000, of which not less than $4,062,000 shall be in support of Office of Surface Mining Reclamation and Enforcement activities.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General, $16,300,000.

CONSTRUCTION MANAGEMENT

For necessary expenses of the Office of Construction Management, $684,000.

ADMINISTRATIVE PROVISIONS

There is hereby authorized for acquisition from available resources within the Working Capital Fund, 12 additional aircraft, 10 of which shall be for replacement only: *Provided*, That no programs funded with appropriated funds in the "Office of the Secretary", "Office of the Solicitor", and "Office of Inspector General" may be augmented through the Working Capital Fund or the Consolidated Working Fund.

GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR

SEC. 101. Appropriations made in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement, or repair of aircraft, buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: *Provided*, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted.

SEC. 102. The Secretary may authorize the expenditure or transfer of any no year appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of forest or range fires on or threatening lands under jurisdiction of the Department of the Interior; for the emergency rehabilitation of burned-over lands under its jurisdiction; for emergency actions related to potential or actual earthquakes, floods or volcanoes; for emergency reclamation projects under section 410 of Public Law 95-87; and shall transfer, from any no year funds available to the Office of Surface Mining Reclamation and Enforcement, such funds as may be necessary to permit assumption of regulatory authority in the event a primacy State is not carrying out the regulatory provisions of the Surface Mining Act: *Provided*, That appropriations made in this title for fire suppression purposes shall be available for the payment of obligations incurred during the preceding fiscal year, and for reimbursement to other Federal agencies for destruction of vehicles, aircraft, or other equipment in connection with their use for fire suppression purposes, such reimbursement to be credited to appropriations currently available at the time of receipt thereof: *Provided further*, That all funds used pursuant to this section must be replenished by a supplemental appropriation which must be requested as promptly as possible.

SEC. 103. Appropriations made in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by sections 1535 and 1536 of title 31, U.S.C.: *Provided*, That reimbursements for costs and supplies, materials, equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

SEC. 104. Appropriations made to the Department of the Interior in this title shall be available for services as authorized by 5 U.S.C. 3109, when authorized by the Secretary, in total amount not to exceed $300,000; hire, maintenance, and operation of aircraft; hire of passenger motor vehicles; purchase of reprints; payment for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members: *Provided*, That no funds available to the Department of the Interior are available for any expenses of the Great Hall of Commerce.

SEC. 105. Appropriations available to the Department of the Interior for salaries and expenses shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902 and D.C. Code 4-204).

SEC. 106. Appropriations made in this title shall be available for obligation in connection with contracts issued by the General Services Administration for services or rentals for periods not in excess of twelve months beginning at any time during the fiscal year.

SEC. 107. No funds provided in this title may be expended by the Department of the Interior for the preparation for, or conduct of, pre-leasing and leasing activities (including but not limited to: calls for information, tract selection, notices of sale, receipt of bids and award of leases) of lands within:

(a) An area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), located in the Atlantic Ocean, bounded by the following line: from the intersection of the seaward limit of the Commonwealth of Massachusetts territorial sea and the 71 degree west longitude line south along that longitude line to its intersection with the line which passes between blocks 598 and 642 on Outer Continental Shelf protraction diagram NK 19-10; then along that line in an easterly direction to its intersection with the line between blocks 600 and 601 of protraction diagram NK 19-11; then in a northerly direction along that line to the intersection with the 60 meter isobath between blocks 204 and 205 of protraction diagram NK 19-11; then along the 60 meter isobath, starting in a roughly southeasterly direction; then turning northeast and north until such isobath intersects the maritime boundary between Canada and the United States of America, then north northeasterly along this boundary until this line intersects the 60 meter isobath at the northern edge of block 851 of protraction diagram NK 19-6; then along a line that lies between blocks 851 and 807 of protraction diagram NK 19-6 in a westerly direction to the first point of intersection with the seaward limit of the Commonwealth of Massachusetts territorial sea; then southwesterly along the seaward limit of the territorial sea to the point of beginning at the intersection of the seaward limit of the territorial sea and the 71 degree west longitude line.

(b) The following blocks are excluded from the described area: In protraction diagram NK 19-10, blocks numbered 474 through 478, 516 through 524, 560 through 568, and 604 through 612; in protraction diagram NK 19-6, blocks numbered 969 through 971; in protraction diagram NK 19-5, blocks numbered 1005 through 1008; and in protraction diagram NK 19-8, blocks numbered 37 through 40, 80 through 84, 124 through 127, and 168 through 169.

(c) The following blocks are included in the described area: In protraction diagram NK 19-11, blocks numbered 633 through 644, 677 through 686, 721 through 724, 765 through 767, 809 through 810, and 853; in protraction diagram NK 19-9, blocks numbered 106, 150, 194, 238, 239, and 283; and in protraction diagram NK 19-6, blocks numbered 854, 899, 929, 943, 944, and 987.

(d) Blocks in and at the head of submarine canyons: An area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (45 U.S.C. 1331(a)), located in the Atlantic Ocean off the coastline of the Commonwealth of Massachusetts, lying at the head of, or within the submarine canyons known as Atlantis Canyon, Veatch Canyon, Hydrographer Canyon, Welker Canyon, Oceanographer Canyon, Gilbert Canyon, Lydonia Canyon, Alvin Canyon, Powell Canyon, and Munson Canyon, and consisting of the following blocks, respectively:

(1) On Outer Continental Shelf protraction diagram NJ 19-1; blocks 36, 37, 38, 42-44, 80-82, 86-88, 124, 125, 130-132, 168, 169, 174-176, 212, 213.

(2) On Outer Continental Shelf protraction diagram NJ 19-2; blocks 8, 9, 17-19, 51-52, 53, 54, 61-63, 95-98, 139, 140.

(3) On Outer Continental Shelf protraction diagram NK 19-10; blocks 916, 917, 921, 922, 960, 961, 965, 966, 1003-1005, 1009, 1011.

(4) On Outer Continental Shelf protraction diagram NK 19-11; blocks 521, 522, 565, 566, 609, 610, 653-655, 697-700, 734, 735, 741-744, 769, 778-781, 785-788, 813, 814, 822-826, 829-831, 857, 858, 866-869, 873-875, 901, 902, 910-913, 917, 945-947, 955, 956, 979, 980, 989-991, 999.

(5) On Outer Continental Shelf protraction diagram NK 19-12; blocks 155, 156, 198, 199, 280-282, 324-326, 369-371, 401, 413-416, 442-446, 450, 451, 489-490, 494, 495, 530, 531, 533-540, 574, 575, 577-583, 618, 619, 621-623, 626, 627, 662, 663, 665-667, 671, 672, 706, 707, 710, 711, 750, 751, 754, 755, 794, 795, 798, 799.

(e) Nothing in this section shall prohibit the lease of that portion of any blocks described in subsection (d) above which lies outside the geographical boundaries of the submarine canyons and submarine canyon heads described in subsection (d) above: *Provided*, That for purposes of this subsection, the geographical boundaries of the submarine canyons and submarine canyon heads shall be those recognized by the National Oceanographic and Atmospheric Adminis-

tration, Department of Commerce, on the date of enactment of this Act.

(f) Nothing in this section shall prohibit the Secretary of the Interior from granting contracts for scientific study, the results of which could be used in making future leasing decisions in the planning area and in preparing environmental impact statements as required by the National Environmental Policy Act.

(g) References made to blocks, protraction diagrams, and isobaths are to such blocks, protraction diagrams, and isobaths as they appear on the map entitled Outer Continental Shelf of the North Atlantic from 39° to 45° North Latitude (Map No. MMS-10), prepared by the United States Department of the Interior, Minerals Management Service, Atlantic OCS Region.

SEC. 108. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance changing the name of the mountain located 63 degrees, 04 minutes, 15 seconds west, presently named and referred to as Mount McKinley.

SEC. 109. Notwithstanding any other provision of law, appropriations in this title shall be available to provide insurance on official motor vehicles, aircraft, and boats operated by the Department of the Interior in Canada and Mexico.

SEC. 110. No funds provided in this title may be used to detail any employee to an organization unless such detail is in accordance with Office of Personnel Management regulations.

SEC. 111. (a) The Secretary of the Interior may consider and accept, as part of the Outer Continental Shelf oil and gas leasing program for 1987 to 1992, any recommendation included in any proposal submitted to him with respect to lease sales on the California Outer Continental Shelf by the cochairmen of the Congressional panel established pursuant to Public Law 99-190 or by the Governor of California on May 7, 1986. The major components of those proposals shall be examined in the final environmental impact statement for the program. Consideration or acceptance of any such recommendation shall not require the preparation of a revised or supplemental draft environmental impact statement.

(b) The Secretary shall submit a copy of the draft proposed final leasing program for offshore California to the cochairmen of the negotiating group referred to in subsection (a) who shall have a period of 30 days in which to review such program and provide their comments and the comments of the negotiating group on it to the Secretary prior to its submission to the President and the Congress. When submitting the proposed final leasing program to the President and the Congress in accordance with section 18(d) (43 U.S.C. section 1344 (d)) of the Outer Continental Shelf Lands Act, such submission shall indicate in detail why any specific portion of the proposals referred to in subsection (a) of this section was not accepted.

(c) Prior to the approval of the Final Program, referenced in subsection (a), the Secretary may conduct prelease activities for proposed California OCS Lease Sales 95, 91, and 119 and may make changes in those sales on the basis of comments submitted by the Congressional negotiating group or others, except that the Secretary may not issue a: (1) call for information and nominations for Sale 95 prior to March 1, 1987, and no draft environmental impact statement shall be published for Sale 91 sooner than 90 days after the Secretary's submission of the draft of the proposed Final Five Year Program to the members of the Congressional panel, and (2) final notice of lease sale for Lease Sale 91 prior to January 1, 1989.

(d) The members of Congress designated under Sec. 111 of Public Law 99-190 (99 Stat. 1243) are hereby authorized to continue as the Congressional negotiating group and to negotiate with the Department of the Interior, to provide the Secretary of the Interior with the appropriate range of advice, including proposals, and to review and comment on proposals by the Department of the Interior with respect to future oil and gas leasing and protection of lands on the California Outer Continental Shelf.

SEC. 112. Notwithstanding any other law, the Secretary of the Interior shall convey without reimbursement to the State of Montana no later than December 31, 1986, all of the right, including all water rights, title, and interest of the United States in and to the fish hatchery property located south of Miles City, Montana, and known as the Miles City National Fish Hatchery, consisting of 168.22 acres, more or less, of land, together with any improvements and related personal property thereon.

SEC. 113. The Secretary of the Interior is directed to designate the Laurel Highlands National Recreational Trail, as designated by the Secretary of the Interior pursuant to section 4 of the National Trails System Act, as part of the Potomac Heritage Trail, as requested by the State of Pennsylvania in its April 1984 application, subject to the provisions of paragraph (11) of section 5(a) of the National Trail System Act, as amended.

SEC. 114. Section 5 of the Outer Continental Shelf Lands Act (43 U.S.C. 1334) is amended (without regard to the limitation contained in section 102) by adding at the end the following new subsection:

"(j)(1) Any vessel, rig, platform, or other structure used for the purpose of exploration or production of oil and gas on the Outer Continental Shelf south of 49 degrees North latitude shall be built—

"(A) in the United States; and

"(B) from articles, materials, or supplies at least 50 percent of which, by cost, shall have been mined, produced, or manufactured, as the case may be, in the United States.

"(2) The requirements of paragraph (1) shall not apply to any vessel, rig, platform, or other structure which was built, which is being built, or for which a building contract has been executed, on or before October 1, 1986.

"(3) The Secretary may waive—

"(A) the requirement in paragraph (1)(B) whenever the Secretary determines that 50 percent of the articles, materials, or supplies for a vessel, rig, platform, or other structure cannot be mined, produced, or manufactured, as the case may be, in the United States; and

"(B) the requirement in paragraph (1)(A) upon application, with respect to any classification of vessels, rigs, platforms, or other structures on a specific lease, when the Secretary determines that at least 50 percent of such classification, as calculated by number and by weight, which are to be built for exploration or production activities under such lease will be built in the United States in compliance with the requirements of paragraph (1)(A).".

SEC. 115. None of the funds made available by this or any other Act for fiscal year 1987 to the Office of the Secretary, Department of the Interior, shall be expended to submit to the United States District Court for Eastern California any settlement with respect to Westlands v. the United States, et al. (CV-F-81-245-EDP) until the Congress has received from the Secretary and reviewed for a period of thirty legislative days a copy of the proposed settlement agreement which has been approved and signed by the Secretary.

SEC. 116. The Secretary of the Interior shall designate the visitor center to be associated with the headquarters of the Illinois and Michigan Canal National Heritage Corridor as the "George M. O'Brien Visitor Center" in recognition of the leadership and contributions of Representative George M. O'Brien with respect to the creation and establishment of this national heritage corridor.

SEC. 117. Notwithstanding any other provisions of the Land and Water Conservation Fund Act of 1965, Public Law 88-578, as amended, or other law, Land and Water Conservation Fund assisted land in Berkeley, Illinois, assisted under project No. 17-00180, may be exchanged for existing public lands if Land and Water Conservation Fund conversion criteria regarding equal fair market value and reasonably equivalent use and location are met.

TITLE II—RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST RESEARCH

For necessary expenses of forest research as authorized by law, $129,183,000, of which $3,400,000 shall remain available until expended for competitive research grants, as authorized by section 5 of Public Law 95-307.

STATE AND PRIVATE FORESTRY

For necessary expenses of cooperating with, and providing technical and financial assistance to States, Territories, possessions, and others; and for forest pest management activities, $57,671,000, to remain available until expended, to carry out activities authorized in Public Law 95-313: *Provided*, That a grant of $3,000,000 shall be made to the State of Minnesota for the purposes authorized by section 6 of Public Law 95-495.

NATIONAL FOREST SYSTEM

For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, and for repayment of advances made in the preceding fiscal year pursuant to 16 U.S.C. 556d for forest fire protection and emergency rehabilitation of National Forest System lands, and including administrative expenses associated with the management of funds provided under the heads "Forest Research", "State and Private Forestry", "National Forest System", "Construction", and "Land Acquisition", $996,687,000, of which $144,767,000 for reforestation and timber stand improvement, cooperative law enforcement, and maintenance of forest development roads and trails shall remain available for obligation until September 30, 1988.

CONSTRUCTION

For necessary expenses of the Forest Service, not otherwise provided for, for construction, $192,409,000, to remain available until expended, of which $36,736,000 is for construction and acquisition of buildings and other facilities; and $155,673,000 is for construction of forest roads and trails by the Forest Service as authorized by 16 U.S.C.

532-538 and 23 U.S.C. 101 and 205: *Provided*, That funds becoming available in fiscal year 1987 under the Act of March 4, 1913 (16 U.S.C. 501), shall be transferred to the General Fund of the Treasury of the United States.

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the Forest Service, $39,936,000, to be derived from the Land and Water Conservation Fund, and $3,000,000 for acquisition of land and interests therein in the Columbia River Gorge, Oregon and Washington, as depicted on a map entitled "Columbia Gorge Acquisitions—1986" on file with the Forest Service, pursuant to the Department of Agriculture Organic Act of 1956 (7 U.S.C. 428(a)), to remain available until expended.

ACQUISITION OF LANDS FOR NATIONAL FORESTS SPECIAL ACTS

For acquisition of land within the exterior boundaries of the Cache and Uinta National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, and Cleveland National Forests, California, as authorized by law, $966,000, to be derived from forest receipts.

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES

For acquisition of lands, to be derived from funds deposited by State, county, or municipal governments, public school districts, or other public school authorities pursuant to the Act of December 4, 1967, as amended (16 U.S.C. 484a), to remain available until expended.

RANGE BETTERMENT FUND

For necessary expenses of range rehabilitation, protection, and improvement, 50 per centum of all moneys received during the prior fiscal year, as fees for grazing domestic livestock on lands in National Forests in the sixteen Western States, pursuant to section 401(b)(1) of Public Law 94-579, as amended, to remain available until expended.

MISCELLANEOUS TRUST FUNDS

For expenses authorized by 16 U.S.C. 1643(b), $90,000 to remain available until expended, to be derived from the fund established pursuant to the above Act.

ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Appropriations to the Forest Service for the current fiscal year shall be available for: (a) purchase of not to exceed 245 passenger motor vehicles of which eight will be used primarily for law enforcement purposes and of which 235 shall be for replacement only, of which acquisition of 148 passenger motor vehicles shall be from excess sources, and hire of such vehicles; operation and maintenance of aircraft, the purchase of not to exceed two for replacement only, and acquisition of 58 aircraft from excess sources; notwithstanding other provisions of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft; (b) services pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $100,000 for employment under 5 U.S.C. 3109; (c) uniform allowances for each uniformed employee of the Forest Service, not in excess of $400 annually; (d) purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (e) acquisition of land, waters, and interests therein, pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); (f) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C. 558a, 558d, 558a note); and (g) for debt collection contracts in accordance with 31 U.S.C. 3718(c).

None of the funds made available under this Act shall be obligated or expended to change the boundaries of any region, to abolish any region, to move or close any regional office for research, State and private forestry, or National Forest System administration of the Forest Service, Department of Agriculture, without the consent of the House and Senate Committees on Appropriations and the Committee on Agriculture, Nutrition, and Forestry in the United States Senate and the Committee on Agriculture in the United States House of Representatives.

Any appropriations or funds available to the Forest Service may be advanced to the National Forest System appropriation for the emergency rehabilitation of burned-over lands under its jurisdiction.

Appropriations and funds available to the Forest Service shall be available to comply with the requirements of section 313(a) of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1323(a)).

The appropriation structure for the Forest Service may not be altered without advance approval of the House and Senate Committees on Appropriations.

Funds appropriated to the Forest Service shall be available for assistance to or through the Agency for International Development and the Office of International Cooperation and Development in connection with forest and rangeland research, and technical information and assistance in foreign countries.

Funds previously appropriated for timber salvage sales may be recovered from receipts deposited for use by the applicable national forest and credited to the Forest Service Permanent Appropriations to be expended for timber salvage sales from any national forest: *Provided*, That no less than $26,781,000 shall be made available to the Forest Service for obligation in fiscal year 1987 from the Timber Salvage Sales Fund appropriation.

None of the funds made available to the Forest Service under this Act shall be subject to transfer under the provisions of section 702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257) or 7 U.S.C. 147b unless the proposed transfer is approved in advance by the House and Senate Committees on Appropriations in compliance with the reprograming procedures contained in House Report 97-942.

No funds appropriated to the Forest Service shall be transferred to the Working Capital Fund of the Department of Agriculture without the approval of the Chief of the Forest Service.

Funds available to the Forest Service shall be available to conduct a program of not less than $1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408.

The Forest Service is authorized and directed to negotiate, within 90 days after the enactment of this Act, settlement of claims against the United States resulting from a forest fire in the Black Hills National Forest.

DEPARTMENT OF ENERGY

CLEAN COAL TECHNOLOGY

The Secretary of Energy pursuant to the Federal Nonnuclear Energy Research and Development Act of 1974 (Public Law 93-577), shall—

(1) no later than thirty days after the date of the enactment of this Act, publish in the Federal Register a notice soliciting statements of interest in, and informational proposals for, projects meeting the cost-sharing criteria contained under this head in Public Law 99-190 and employing emerging clean coal technologies which are capable of retrofitting, repowering, or modernizing existing facilities, which statements and informational proposals are to be submitted to the Secretary within sixty days after the publication of such notice; and

(2) no later than one hundred and twenty days after the receipt of statements of interest and informational proposals, submit to Congress a report that analyzes the information contained in such statements of interest and informational proposals and assesses the potential usefulness and commercial viability of each emerging clean coal technology for which a statement of interest or informational proposal has been received.

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses in carrying out fossil energy research and development activities, under the authority of the Department of Energy Organization Act (Public Law 95-91), including the acquisition of interest, including defeasible and equitable interests in any real property or any facility or for plant or facility acquisition or expansion, $314,512,000, to remain available until expended, of which $221,000 is for the functions of the Office of the Federal Inspector for the Alaska Natural Gas Transportation System established pursuant to the authority of Public Law 94-586 (90 Stat. 2908-2909), and $2,074,000 to be derived by transfer from unobligated balances in the "Fossil energy construction" account, and in addition, $437,000 to be derived by transfer from amounts derived from fees for guarantees of obligations collected pursuant to section 19 of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended (42 U.S.C. 5919), and deposited in the "Energy security reserve" established by Public Law 96-126: *Provided*, That no part of the sum herein made available shall be used for the field testing of nuclear explosives in the recovery of oil and gas.

Of the funds herein provided, $30,000,000 is for implementation of the June, 1984 multiyear, cost-shared magnetohydrodynamics program targeted on proof-of-concept testing: *Provided further*, That 20 per centum private sector cash or in-kind contributions shall be required for obligations in fiscal year 1987, and for each subsequent fiscal year's obligations private sector contributions shall increase by 5 per centum over the life of the proof-of-concept plan: *Provided further*, That existing facilities, equipment, and supplies, or previously expended research or development funds are not cost-sharing for the purposes of this appropriation, except as amortized, depreciated, or expensed in normal business practice: *Provided further*, That cost-sharing shall not be required for the costs of constructing or operating government-owned facilities or for the costs of Government organizations, National Laboratories, or universities and such

costs shall not be used in calculating the required percentage for private sector contributions: *Provided further,* That private sector contribution percentages need not be met on each contract but must be met in total for each fiscal year.

NAVAL PETROLEUM AND OIL SHALE RESERVES

For necessary expenses in carrying out naval petroleum and oil shale reserves activities, including the purchase of not to exceed 1 passenger motor vehicle, for replacement only, $122,177,000, to remain available until expended.

ENERGY CONSERVATION

For necessary expenses in carrying out energy conservation activities, $231,825,000, to remain available until expended, of which $10,000,000 shall be available for a grant for an energy research facility at Tufts University when specifically authorized by an Act of Congress: *Provided,* That award of such grant may be made only upon approval of an appropriate peer review panel convened by the Department of Energy for the specific purpose of reviewing such grant application and subject to conditions, if any, contained, in legislation specifically authorizing such project: *Provided further,* That $2,500,000 of the amount provided under this heading shall be available for continuing a research and development initiative with the National Laboratories for new technologies up to proof-of-concept testing to increase significantly the energy efficiency of processes that produce steel: *Provided further,* That obligation of funds for these activities shall be contingent on an agreement to provide cash or in-kind contributions to the initiative or to other collaborative research and development activities related to the purpose of the initiative equal to 30 percent of the amount of Federal Government obligations: *Provided further,* That existing facilities, equipment, and supplies, or previously expended research or development funds are not acceptable as contributions for the purposes of this appropriation, except as amortized, depreciated, or expensed in normal business practice: *Provided further,* That the total Federal expenditure under this proviso shall be repaid up to one and one-half times from the proceeds of the commercial sale, lease, manufacture, or use of technologies developed under this proviso, at a rate of one-fourth of all net proceeds: *Provided further,* That none of the funds included in this appropriation may be used to carry out the requirements of Part E of title III of the Energy Policy and Conservation Act (42 U.S.C. 6341-6346).

ECONOMIC REGULATION

For necessary expenses in carrying out the activities of the Economic Regulatory Administration and the Office of Hearings and Appeals, $23,400,000.

EMERGENCY PREPAREDNESS

For necessary expenses in carrying out emergency preparedness activities, $6,044,000.

STRATEGIC PETROLEUM RESERVE

For expenses necessary to carry out the provisions of sections 151 through 166 of the Energy Policy and Conservation Act of 1975 (Public Law 94-163), $147,433,000, to remain available until expended.

SPR PETROLEUM ACCOUNT

For expenses necessary for the acquisition, transportation, and injection of petroleum into the Strategic Petroleum Reserve, and for other necessary expenses as provided in 42 U.S.C. 6247, $331,000,000, to remain available until expended: *Provided,* That, notwithstanding any other provision of law, the minimum required rate of fill is 85,000 barrels a day until all funds in this account are expended.

ENERGY INFORMATION ADMINISTRATION

For necessary expenses in carrying out the activities of the Energy Information Administration, $60,361,000: *Provided,* That hereafter the information survey entitled "Manufacturing Energy Consumption Survey (EIA-846F)" shall contain a section III entitled "Fuel Switching Capability To and From Oil" in essentially the form submitted to the Office of Management and Budget on March 14, 1986, and shall be issued to survey energy consumption in 1985 and every three years thereafter.

ADMINISTRATIVE PROVISIONS, DEPARTMENT OF ENERGY

Appropriations under this Act for the current fiscal year shall be available for hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase, repair, and cleaning of uniforms; and reimbursement to the General Services Administration for security guard services.

From appropriations under this Act, transfers of sums may be made to other agencies of the Government for the performance of work for which the appropriation is made.

None of the funds made available to the Department of Energy under this Act shall be used to implement or finance authorized price support or loan guarantee programs unless specific provision is made for such programs in an appropriations Act.

The Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, private, or foreign: *Provided,* That revenues and other moneys received by or for the account of the Department of Energy or otherwise generated by sale of products in connection with projects of the Department appropriated under this Act may be retained by the Secretary of Energy, to be available until expended, and used only for plant construction, operation, costs, and payments to cost-sharing entities as provided in appropriate cost-sharing contracts or agreements: *Provided further,* That the remainder of revenues after the making of such payments shall be covered into the Treasury as miscellaneous receipts: *Provided further,* That any contract, agreement, or provision thereof entered into by the Secretary pursuant to this authority shall not be executed prior to the expiration of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) from the receipt by the Speaker of the House of Representatives and the President of the Senate of a full and comprehensive report on such project, including the facts and circumstances relied upon in support of the proposed project.

The Secretary of Energy may transfer to the Emergency Preparedness appropriation such funds as are necessary to meet any unforeseen emergency needs from any funds available to the Department of Energy from this Act.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

INDIAN HEALTH SERVICES

For expenses necessary to carry out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination Act, the Indian Health Care Improvement Act, and titles III and XXI and section 338G of the Public Health Service Act with respect to the Indian Health Service, including hire of passenger motor vehicles and aircraft; purchase of reprints; purchase and erection of portable buildings; payments for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; $836,336,000: *Provided,* That funds made available to tribes and tribal organizations through grants and contracts authorized by the Indian Self-Determination and Education Assistance Act of 1975 (88 Stat. 2203; 25 U.S.C. 450), shall remain available until September 30, 1988. Funds provided in this Act may be used for one-year contracts and grants which are to be performed in two fiscal years, so long as the total obligation is recorded in the year for which the funds are appropriated: *Provided further,* That the amounts collected by the Secretary of Health and Human Services under the authority of title IV of the Indian Health Care Improvement Act shall be available until September 30, 1988, for the purpose of achieving compliance with the applicable conditions and requirements of titles XVIII and XIX of the Social Security Act (exclusive of planning, design, construction of new facilities, or major renovation of existing Indian Health Service facilities): *Provided further,* That funding contained herein, and in any earlier appropriations Acts for scholarship programs under section 103 of the Indian Health Care Improvement Act and section 338G of the Public Health Service Act with respect to the Indian Health Service shall remain available for expenditure until September 30, 1988.

INDIAN HEALTH FACILITIES

For construction, major repair, improvement, and equipment of health and related auxiliary facilities, including quarters for personnel; preparation of plans, specifications, and drawings; acquisition of sites, purchase and erection of portable buildings, purchases of trailers and for provision of domestic and community sanitation facilities for Indians, as authorized by section 7 of the Act of August 5, 1954 (42 U.S.C. 2004a), the Indian Self-Determination Act and the Indian Health Care Improvement Act, $54,921,000, to remain available until expended.

ADMINISTRATIVE PROVISIONS, INDIAN HEALTH SERVICE

Appropriations in this Act to the Indian Health Service, available for salaries and expenses, shall be available for services as authorized by 5 U.S.C. 3109 but at rates not to exceed the per diem equivalent to the rate for GS-18, and for uniforms or allowances therefor as authorized by law (35 U.S.C. 5901-5902), and for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities: *Provided,* That none of the funds appropriated under this Act to the Indian Health Service shall be available for the initial lease of permanent structures without advance provi-

sion therefor in appropriations Acts: *Provided further,* That non-Indian patients may be extended health care at all Indian Health Service facilities, if such care can be extended without impairing the ability of the Indian Health Service to fulfill its responsibility to provide health care to Indians served by such facilities and subject to such reasonable charges as the Secretary of Health and Human Services shall prescribe, the proceeds of which, together with funds recovered under the Federal Medical Care Recovery Act (42 U.S.C. 2651-53), shall be deposited in the fund established by sections 401 and 402 of the Indian Health Care Improvement Act: *Provided further,* That funds appropriated to the Indian Health Service in this Act, except those used for administrative and program direction purposes, shall not be subject to limitations directed at curtailing Federal travel and transportation: *Provided further,* That with the exception of service units which currently have a billing policy, the Indian Health Service shall not initiate any further action to bill Indians in order to collect from third-party payers nor to charge those Indians who may have the economic means to pay unless and until such time as Congress has agreed upon a specific policy to do so and has directed the Indian Health Service to implement such a policy: *Provided further,* That the Secretary of Health and Human Services may authorize special retention pay under paragraph (4) of 37 U.S.C. 302(a) to any regular or reserve officer for the period during which the officer is obligated under section 338B of the Public Health Service Act and assigned and providing direct health services or serving the officer's obligation as a specialist: *Provided further,* That hereafter the Indian Health Service may seek subrogation of claims including but not limited to auto accident claims, including no-fault claims, personal injury, disease, or disability claims, and worker's compensation claims, the proceeds of which shall be credited to the funds established by sections 401 and 402 of the Indian Health Care Improvement Act: *Provided further,* That none of the funds made available in this Act to the Indian Health Service shall be used to implement additional changes in resource allocation methodology until the proposed changes in detail for fiscal year 1987 and the long-range plans for such changes have been submitted to and approved by the House and Senate Committees on Appropriations.

DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

INDIAN EDUCATION

For necessary expenses to carry out, to the extent not otherwise provided, the Indian Education Act, $67,236,000 of which $50,021,000 shall be for part A and $14,749,000 shall be for parts B and C: *Provided,* That the amounts available pursuant to section 423 of the Act shall remain available for obligation until September 30, 1988.

OTHER RELATED AGENCIES

NAVAJO AND HOPI INDIAN RELOCATION COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Navajo and Hopi Indian Relocation Commission as authorized by Public Law 93-531, $22,335,000, to remain available until expended, for operating expenses of the Commission: *Provided,* That none of the funds contained in this or any other Act may be used to evict any single Navajo or Navajo family who, as of November 30, 1985, was physically domiciled on the lands partitioned to the Hopi Tribe until such time as a new or replacement home is available for such household: *Provided further,* That of the funds provided under this head, not to exceed $65,000 shall be used to contract for legal services: *Provided further,* That none of the funds appropriated may be used to contract for the services of anyone who has been registered as a lobbyist for the Navajo and Hopi Indian Relocation Commission: *Provided further,* That the Commission shall relocate those certified eligible relocatees who have selected and received an approved homesite on the Navajo reservation or selected a replacement residence off the Navajo reservation, and to the maximum extent practicable, shall relocate them in the chronological order in which they became certified.

SMITHSONIAN INSTITUTION

SALARIES AND EXPENSES

For necessary expenses of the Smithsonian Institution, as authorized by law, including research in the fields of art, science, and history; development, preservation, and documentation of the National Collections; presentation of public exhibits and performances; collection, preparation, dissemination, and exchange of information and publications; conduct of education, training, and museum assistance programs; maintenance, alteration, operation, lease (for terms not to exceed ten years), and protection of buildings, facilities, and approaches; not to exceed $100,000 for services as authorized by 5 U.S.C. 3109; up to 5 replacement passenger vehicles; purchase, rental, repair, and cleaning of uniforms for employees; $189,318,000, including such funds as may be necessary to support American overseas research centers: *Provided,* That funds appropriated herein are available for advance payments to independent contractors performing research services or participating in official Smithsonian presentations.

CONSTRUCTION AND IMPROVEMENTS, NATIONAL ZOOLOGICAL PARK

For necessary expenses of planning, construction, remodeling, and equipping of buildings and facilities at the National Zoological Park, by contract or otherwise, $4,851,000, to remain available until expended.

RESTORATION AND RENOVATION OF BUILDINGS

For necessary expenses of restoration and renovation of buildings owned or occupied by the Smithsonian Institution, by contract or otherwise, as authorized by section 2 of the Act of August 22, 1949 (63 Stat. 623), including not to exceed $10,000 for services as authorized by 5 U.S.C. 3109, $12,113,000, to remain available until expended: *Provided,* That contracts awarded for environmental systems, protection systems, and exterior repair or renovation of buildings of the Smithsonian Institution may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price: *Provided further,* That notwithstanding any other provisions of law, the Secretary of the Smithsonian Institution is authorized to expend and/or transfer to the State of Arizona, the counties of Santa Cruz and/or Pima, a sum not to exceed $100,000 within available funds for the purpose of assisting in the construction or maintenance of an access to the Whipple Observatory.

CONSTRUCTION

For necessary expenses to construct, equip, and furnish the Center for African, Near Eastern, and Asian Cultures in the area south of the original Smithsonian Institution Building, and a research laboratory and conference facility at the Smithsonian Tropical Research Institute in Panama, $6,095,000, to remain available until expended.

NATIONAL GALLERY OF ART

SALARIES AND EXPENSES

For the upkeep and operations of the National Gallery of Art, the protection and care of the works of art therein, and administrative expenses incident thereto, as authorized by the Act of March 24, 1937 (50 Stat. 51), as amended by the public resolution of April 13, 1939 (Public Resolution 9, Seventy-sixth Congress), including services as authorized by 5 U.S.C. 3109; payment in advance when authorized by the treasurer of the Gallery for membership in library, museum, and art associations or societies whose publications or services are available to members only, or to members at a price lower than to the general public; purchase, repair, and cleaning of uniforms for guards, and uniforms, or allowances therefor, for other employees as authorized by law (5 U.S.C. 5901-5902); purchase, or rental of devices and services for protecting buildings and contents thereof, and maintenance, alteration, improvement, and repair of buildings, approaches, and grounds; and purchase of services for restoration and repair of works of art for the National Gallery of Art by contracts made, without advertising, with individuals, firms, or organizations at such rates or prices and under such terms and conditions as the Gallery may deem proper, $34,607,000, of which not to exceed $2,420,000 for the special exhibition program shall remain available until expended.

REPAIR, RESTORATION AND RENOVATION OF BUILDINGS

For necessary expenses of repair, restoration and renovation of buildings, grounds, and facilities owned or occupied by the National Gallery of Art, by contract or otherwise, as authorized, $2,400,000, to remain available until expended: *Provided,* That contracts awarded for environmental systems, protection systems, and exterior repair or renovation of buildings of the National Gallery of Art may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price: *Provided further,* That unexpended balances of amounts previously appropriated for this purpose under the heading "Salaries and expenses, National Gallery of Art" may be transferred to and merged with this appropriation and accounted for as one appropriation for the same time period as originally enacted.

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

SALARIES AND EXPENSES

For expenses necessary in carrying out the provisions of the Woodrow Wilson Memorial Act of 1968 (82 Stat. 1356), including hire of passenger vehicles and services as authorized by 5 U.S.C. 3109, $3,383,000.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, $136,661,000 shall be available to the National Endowment for the Arts for the support of projects and productions in the arts

through assistance to groups and individuals pursuant to section 5(c) of the Act, and for administering the functions of the Act: *Provided*, That none of these funds may be used to propose a reprograming of funds for an increase in administration unless a sequestration order under the Balanced Budget and Emergency Deficit Control Act of 1985 is implemented for fiscal year 1987.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, $29,000,000, to remain available until September 30, 1988, to the National Endowment for the Arts, of which $20,580,000 shall be available for purposes of section 5(1): *Provided*, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisions of section 10(a)(2), subsections 11(a)(2)(A) and 11(a)(3)(A) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.

NATIONAL ENDOWMENT FOR THE HUMANITIES

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, $110,141,000 shall be available to the National Endowment for the Humanities for support of activities in the humanities, pursuant to section 7(c) of the Act, and for administering the functions of the Act: *Provided*, That none of these funds may be used to propose a reprograming of funds for an increase in administration unless a sequestration order under the Balanced Budget and Emergency Deficit Control Act of 1985 is implemented for fiscal year 1987.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, $28,500,000 to remain available until September 30, 1988, of which $16,500,000 shall be available to National Endowment for the Humanities for the purposes of section 7(h): *Provided*, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisons of subsections 11(a)(2)(B) and 11(a)(3)(B) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.

NATIONAL CAPITAL ARTS AND CULTURAL AFFAIRS

For necessary expenses as authorized by Public Law 99-190 (99 Stat. 1261; 20 U.S.C. 956a), $3,500,000, for the following eligible organizations: Shakespeare Theater at the Folger, Corcoran Gallery of Art, Phillips Gallery, Arena Stage, the National Building Museum, the National Symphony Orchestra, the Washington Opera Society, Ford's Theater, and the Washington Ballet: *Provided*, That none of the funds may be used to implement paragraphs three and four contained under this head in Public Law 99-190 (99 Stat. 1261; 20 U.S.C. 956a).

INSTITUTE OF MUSEUM SERVICES

GRANTS AND ADMINISTRATION

For carrying out title II of the Arts, Humanities, and Cultural Affairs Act of 1976, as amended, $21,394,000: *Provided*, That none of these funds shall be available for the compensation of Executive Level V or higher positions.

ADMINISTRATIVE PROVISIONS

None of the funds appropriated to the National Foundation on the Arts and the Humanities may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: *Provided*, That none of the funds appropriated to the National Foundation on the Arts and the Humanities may be used for official reception and representation expenses.

COMMISSION OF FINE ARTS

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing a Commission of Fine Arts (40 U.S.C. 104), $420,000.

ADVISORY COUNCIL ON HISTORIC PRESERVATION

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing an Advisory Council on Historic Preservation, Public Law 89-665, as amended, $1,533,000: *Provided*, That none of these funds shall be available for the compensation of Executive Level V or higher positions.

NATIONAL CAPITAL PLANNING COMMISSION

SALARIES AND EXPENSES

For necessary expenses, as authorized by the National Capital Planning Act of 1952 (40 U.S.C. 71-71i), including services as authorized by 5 U.S.C. 3109, $2,684,000.

FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Franklin Delano Roosevelt Memorial Commission, established by the Act of August 11, 1955 (69 Stat. 694), as amended by Public Law 92-332 (86 Stat. 401), $5,000, to remain available until September 30, 1988.

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

SALARIES AND EXPENSES

For necessary expenses, as authorized by section 17(a) of Public Law 92-578, as amended, $2,342,000 for operating and administrative expenses of the Corporation.

PUBLIC DEVELOPMENT

For public development activities and projects in accordance with the development plan as authorized by section 17(b) of Public Law 92-578, as amended, $3,869,000, to remain available until expended.

UNITED STATES HOLOCAUST MEMORIAL COUNCIL

HOLOCAUST MEMORIAL COUNCIL

For expenses of the Holocaust Memorial Council, as authorized by Public Law 96-388, $2,040,000: *Provided*, That persons other than members of the United States Holocaust Memorial Council may be designated as members of committees associated with the United States Holocaust Memorial Council subject to appointment by the Chairman of the Council: *Provided further*, That any persons so designated shall serve without cost to the Federal Government: *Provided further*, That none of these funds shall be available for the compensation of Executive Level V or higher positions: *Provided further*, That reimbursement for travel expenses for Council employees is available only when approved by the Chairman of the Council: *Provided further*, That the Chairman of the Council may waive any Council bylaw when the Chairman determines such waiver will be in the best interest of the Council.

TITLE III—GENERAL PROVISIONS

SEC. 301. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive Order issued pursuant to existing law.

SEC. 302. No part of any appropriation under this Act shall be available to the Secretaries of the Interior and Agriculture for use for any sale hereafter made of unprocessed timber from Federal lands west of the 100th meridian in the contiguous 48 States which will be exported from the United States, or which will be used as a substitute for timber from private lands which is exported by the purchaser: *Provided*, That this limitation shall not apply to specific quantities of grades and species of timber which said Secretaries determine are surplus to domestic lumber and plywood manufacturing needs.

SEC. 303. No part of any appropriation under this Act shall be available to the Secretary of the Interior or the Secretary of Agriculture for the leasing of oil and natural gas by noncompetitive bidding on publicly owned lands within the boundaries of the Shawnee National Forest, Illinois: *Provided*, That nothing herein is intended to inhibit or otherwise affect the sale, lease, or right to access to minerals owned by private individuals.

SEC. 304. No part of any appropriation contained in this Act shall be available for any activity or the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which congressional action is not complete.

SEC. 305. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 306. None of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency.

SEC. 307. Except for lands described by sections 105 and 106 of Public Law 96-560, section 103 of Public Law 96-550, section 5(d)(1) of Public Law 96-312, and except for land in the States of Alaska, and lands in the national forest system released to management for any use the Secretary of Agriculture deems appropriate through the land management planning process by any statement or other Act of Congress designating components of the National Wilderness Preservation System now in effect or hereinafter enacted, and except to carry out the obligations and responsibilities of the Secretary of the Interior under section 17(k)(1)(A) and (B) of the Mineral Leasing Act of 1920 (30 U.S.C. 226), none of the funds provided in this Act shall be obligated for any aspect of the processing or issuance of permits or leases pertaining to exploration for or development of coal, oil, gas, oil shale, phosphate, potassium, sulphur, gilsonite, or geothermal resources on Federal lands within any component of the National Wilderness Preservation System or within any Forest Service RARE II areas recommended

for wilderness designation or allocated to further planning in Executive Communication 1504, Ninety-sixth Congress (House Document numbered 96-119); or within any lands designated by Congress as wilderness study areas or within Bureau of Land Management wilderness study areas: *Provided*, That nothing in this section shall prohibit the expenditure of funds for any aspect of the processing or issuance of permits pertaining to exploration for or development of the mineral resources described in this section, within any component of the National Wilderness Preservation System now in effect or hereinafter enacted, any Forest Service RARE II areas recommended for wilderness designation or allocated to further planning, within any lands designated by Congress as wilderness study areas, or Bureau of Land Management wilderness study areas, under valid existing rights, or leases validly issued in accordance with all applicable Federal, State, and local laws or valid mineral rights in existence prior to October 1, 1982: *Provided further*, That funds provided in this Act may be used by the Secretary of Agriculture in any area of National Forest lands or the Secretary of the Interior to issue under their existing authority in any area of National Forest or public lands withdrawn pursuant to this Act such permits as may be necessary to conduct prospecting, seismic surveys, and core sampling conducted by helicopter or other means not requiring construction of roads or improvement of existing roads or ways, for the purpose of gathering information about and inventorying energy, mineral, and other resource values of such area, if such activity is carried out in a manner compatible with the preservation of the wilderness environment: *Provided further*, That seismic activities involving the use of explosives shall not be permitted in designated wilderness areas: *Provided further*, That funds provided in this Act may be used by the Secretary of the Interior to augment recurring surveys of the mineral values of wilderness areas pursuant to section 4(d)(2) of the Wilderness Act and acquire information on other national forest and public land areas withdrawn pursuant to this Act, by conducting in conjunction with the Secretary of Energy, the National Laboratories, or other Federal agencies, as appropriate, such mineral inventories of areas withdrawn pursuant to this Act as he deems appropriate. These inventories shall be conducted in a manner compatible with the preservation of the wilderness environment through the use of methods including core sampling conducted by helicopter; geophysical techniques such as induced polarization, synthetic aperture radar, magnetic and gravity surveys; geochemical techniques including stream sediment reconnaissance and x-ray diffraction analysis; land satellites; or any other methods he deems appropriate. The Secretary of the Interior is hereby authorized to conduct inventories or segments of inventories, such as data analysis activities, by contract with private entities deemed by him to be qualified to engage in such activities whenever he has determined that such contracts would decrease Federal expenditures and would produce comparable or superior results: *Provided further*, That in carrying out any such inventory or surveys, where National Forest System lands are involved, the Secretary of the Interior shall consult with the Secretary of Agriculture concerning any activities affecting surface resources: *Provided further*, That funds provided in this Act may be used by the Secretary of the Interior to issue oil and gas leases for the subsurface of any lands designated by Congress as wilderness study areas, that are immediately adjacent to producing oil and gas fields or areas that are prospectively valuable. Such leases shall allow no surface occupancy and may be entered only by directional drilling from outside the wilderness study area or other nonsurface disturbing methods.

SEC. 308. None of the funds provided in this Act shall be used to evaluate, consider, process, or award oil, gas, or geothermal leases on Federal lands in the Mount Baker-Snoqualmie National Forest, State of Washington, within the hydrographic boundaries of the Cedar River municipal watershed upstream of river mile 21.6, the Green River municipal watershed upstream of river mile 61.0, the North Fork of the Tolt River proposed municipal watershed upstream of river mile 11.7, and the South Fork Tolt River municipal watershed upstream of river mile 8.4.

SEC. 309. No assessments may be levied against any program, budget activity, subactivity, or project funded by this Act unless such assessments and the basis therefor are presented to the Committees on Appropriations and are approved by such committees.

SEC. 310. Employment funded by this Act shall not be subject to any personnel ceiling or other personnel restriction for permanent or other than permanent employment except as provided by law.

SEC. 311. Notwithstanding any other provisions of law, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Energy, and the Secretary of the Smithsonian Institution are authorized to enter into contracts with State and local governmental entities, including local fire districts, for procurement of services in the presuppression, detection, and suppression of fires on any units within their jurisdiction.

SEC. 312. None of the funds provided by this Act to the United States Fish and Wildlife Service may be obligated or expended to plan for, conduct, or supervise deer hunting on the Loxahatchee National Wildlife Refuge.

SEC. 313. None of the funds made available to the Department of the Interior or the Forest Service during fiscal year 1987 by this or any other Act may be used to implement the proposed jurisdictional interchange program until enactment of legislation which authorizes the jurisdictional interchange.

SEC. 314. Notwithstanding any other provision of law and Executive Order 12548 of February 14, 1986, the Secretaries of Agriculture and the Interior shall hereafter establish annual fees for domestic livestock grazing on the public rangelands as defined in the Public Rangelands Improvement Act of 1978 (Public Law 95-514), beginning with the grazing season which commences on March 1, 1987: *Provided*, That such fees shall annually equal a $4.68 base per animal unit month for mature cattle established by the joint Bureau of Land Management and Forest Service appraisal of 1982-1983 multiplied by the result of a Forage Value Index computed annually from data supplied by the Statistical Reporting Service and weighted by public land animal unit months per State for each of the 16 Western States, such index for data years 1980 through 1984 equaling 100, and divided by 100: *Provided further*, That the annual increase in such fee for any given year shall not exceed 33⅓ percent of the previous year's fee: *Provided further*, That such fee shall not be less than $1.35 per animal unit month.

SEC. 315. No funds appropriated or made available under this or any other Act shall be used by the executive branch for soliciting proposals, preparing or reviewing studies or drafting proposals designed to aid in or achieve the transfer out of Federal ownership, management or control in whole or in part the facilities and functions of Naval Petroleum Reserve Numbered 1 (Elk Hills), located in Kern County, California, established by Executive order of the President, dated September 2, 1912, and Naval Petroleum Reserve Numbered 3 (Teapot Dome), located in Wyoming, established by Executive order of the President, dated April 30, 1915, until such activities have been specifically authorized by an Act of Congress hereafter enacted and unless specific provision is made for such activities in an appropriations Act: *Provided*, That this provision shall not apply to the authority of the Administrator of the General Services Administration pursuant to the Federal Property and Administrative Service Act of 1949, as amended, and the Surplus Property Act of 1944 to sell or otherwise dispose of surplus property.

SEC. 316. Section 1013 of the Budget and Impoundment Control Act (2 U.S.C. 684) shall not apply to funds herein appropriated.

Mr. YATES (during the reading). Mr. Chairman, I ask unanimous consent that the entire bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

POINT OF ORDER

Mr. SKEEN. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. SKEEN. Mr. Chairman, I make the point of order that section 314 is legislation in a general appropriation bill, and violates clause 2 of rule XXI.

The section affirmatively directs the Secretaries of Agriculture and Interior to establish grazing fees, and sets forth terms and conditions for those fees.

The section is clearly legislation, and should be ruled out of order.

Mr. YATES. Mr. Chairman, the committee concedes the point of order.

The CHAIRMAN (Mr. DOWNEY of New York). The point of order is conceded and sustained and the section is stricken from the bill.

Mr. YATES. Mr. Chairman, I ask unanimous consent that all debate on the remainder of the bill be limited to a period to terminate at a quarter to 6, with half of the time to be controlled by the gentleman from Ohio [Mr. REGULA] and the other half by myself.

The CHAIRMAN. The Chair would inquire of the subcommittee chairman, does that include all amendments thereto?

Mr. YATES. It includes all amendments thereto, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. WEAVER. Mr. Chairman, reserving the right to object, I will have an amendment. Will the chairman of the subcommittee guarantee me 5 minutes on my amendment?

Mr. YATES. Mr. Chairman, if the gentleman will yield, the committee guarantees the gentleman 5 minutes on his amendment.

Mr. WEAVER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Chairman, I yield myself such time as I may consume.

AMENDMENTS OFFERED BY MR. YATES

Mr. YATES. Mr. Chairman, I offer two amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. YATES: On page 53, line 25, strike "$231,825,000" and insert "$285,825,000". On page 55, line 22, strike "$331,000,000" and insert "$220,000,000".

And on page 55, line 24, strike "85,000" and insert "75,000".

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois that the amendments be considered en bloc?

There was no objection.

Mr. YATES. Mr. Chairman, the amendments I am offering do several things:

First, and foremost, they make an additional amount of $54 million available for program grants for low-income weatherization. The total amount for weatherization will now be $110,200,000, consisting of $55 million for administrative costs associated with up to $550 million of oil overcharge funds from Exxon, $1,200,000 for Indian tribes, and $54 million for direct program grants. Although this is not the full fiscal year 1986 federally funded level of $182 million, it moves much closer to that level than the reported bill, and would allow a total program of about $600 million counting Exxon funds.

Second, it reduces overall budget authority in the bill by $57 million, which would make the total lower than the post Gramm-Rudman fiscal year 1986 level, even after providing an increase for low-income weatherization: $54 million offset weatherization; $57 million reduce bill by 0.7 percent to bring below fiscal year 1986.

The reduction in the strategic petroleum reserve budget authority of $111 million will have no programmatic effect in fiscal year 1987 and only affects preordering of oil for fiscal year 1988.

Third, by reducing the mandatory fill rate for the strategic petroleum reserve from 85,000 to 75,000 barrels per day, outlays scored against the bill will be reduced by about $54 million to offset the low-income weatherization increase and keep the bill below the outlay ceiling of the 302(b) allocation, even if all weatherization funds are spent in fiscal year 1987.

Mr. CONTE. Mr. Chairman, I rise in support of this amendment to add $54 million to the bill for low-income weatherization grants.

As recommended by the committee, this bill provides $55 million in grants to the States for the administration of Exxon overcharge moneys allocated to the Weatherization Program. In committee, I supported an increase in the administrative funding because the Court did not allow the States to spend the settlement money on administrative costs. If leveraged correctly and funded adequately, it may encourage the States to put more overcharge money into the low-income programs. The funding level in this bill will allow the States to spend three times more in the Weatherization Program than was provided by Federal funds last year.

In addition to this funding, I welcome the Chairman's amendment to provide another $54 million for the Weatherization Grant Program. I know that the Exxon settlement generated a lot of money for the States, but I'm concerned that this shortlived windfall may result in a decreased Federal commitment later down the road.

After all, oil overcharge funds are consumer dollars which are to be used for restitution purposes only. As the Court emphasized when releasing the Exxon funds, the money should be used as a supplement to, not a replacement for, the existing programs. The Budget Resolution conference committee recognized this principle and recommended full funding for these grant programs in fiscal year 1987.

And believe me, the system is prepared to spend the additional funds. Many, if not most, States spend out all funds before the end of their program year. In Massachusetts, for example, the vast majority of local agencies usually request additional funding and present plans for spending it before 9 months of the year has elapsed. Of course, supplementals are scarce, and overcharge moneys are unpredictable.

The overcharge money can be used to make substantial inroads into existing program backlogs while a full Federal appropriation would guarantee a stable Weatherization Program overtime.

Mr. Chairman, I commend my good friend from Illinois for offering this amendment. No money will be added to the total in the bill, and an important low-income program will receive an extra boost.

I urge my colleagues to support this amendment.

Mr. REGULA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this amendment reminds me a little bit of the story of President Truman when he wanted to hire an economist. He said, "Get me an economist with one arm."

They asked, "Why?" And he said, "Well, my present economists always say, well, on one hand, this is the way it is, and on the other hand, this is the way it is, and I want one position."

I feel a little bit that way about this amendment. On one hand I like it and I am not going to oppose the amendment, but I think there is an issue here that at least ought to be brought out. On the one hand I like the amendment because it reduces the budget authority below the post-Gramm-Rudman amounts. It makes the bill acceptable to most of our colleagues.

On the other hand, I have a concern about putting more in weatherization, and I would point out to my colleagues that the States will be getting about $2 billion from the oil overcharge funds paid by Exxon, and there will be additional funds in the future. The States will have an opportunity to use that money for certain categories of energy conservation, the main one being weatherization. I think probably they can do the job with that amount of funding, plus we do already have, I believe, $55 million in here for administration because the Court did limit the amount of that funding that could be spent on administration.

Mr. Chairman, I respect the concern of the subcommittee chairman and those from the Northeast for the needs for weatherization, and I will not oppose the amendment. However, I thought that this is information that ought to be brought to the attention of our colleagues in the Chamber.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Illinois [Mr. YATES].

The amendments were agreed to.

Mr. REGULA. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, I rise in support of H.R. 5234, the Interior appropriations bill for fiscal year 1987.

At the outset, I want to take this opportunity to acknowledge the hard work and leadership of SID YATES and RALPH REGULA. Besides successfully tackling many difficult issues within their jurisdiction, each year the Interior Subcommittee is deluged with Member requests for millions of dollars to fund projects and programs all over the country.

This bill is responsive to most of these requests and to the requirements of the environmental management, cultural, and energy programs under the jurisdiction of this subcommittee.

H.R. 5234 is fiscally responsible and should be supported by this House. As the chairman pointed out, this bill is about $344 million below the 302(b) allocation for discretionary budget authority, and outlays in this bill are es-

timated to be $11 million less than the amount assumed in the budget resolution.

Unfortunately, the administration doesn't have the same, positive view about the funding levels in the bill. OMB claims that "the bill is $1.9 billion over the President's budget for discretionary authority," and their intentions are clear. The administration's statement promises that "the Director of the Office of Management and Budget will recommend a veto of the bill in its present form." I think the situation is more positive than this statement suggests.

I generally agree with the recommendations contained in this bill, but like all complicated pieces of legislation, there are a few provisions that make this bill less than perfect.

The bill includes language prohibiting the "executive branch" from "preparing or reviewing studies or drafting proposals" concerning the sale of the naval petroleum reserves. The administration is strongly opposed to this provision and, frankly, I can understand their position.

I agree with the subcommittee chairman on the issue involved here. It doesn't make sense to sell the reserves now when the price of oil is so low, but the President or any agency of the executive branch should be able to propose and justify such a plan.

After all, the administration has no authority to sell the reserves without the expressed approval of the Congress. And I'm sure that the Congress wants all of the facts supporting or rejecting a sale when and if one is considered.

In light of the budget resolution conference agreement, this provision and the recommended report language seem out of place. The report comments that no "funds should be expended for studies until Congress affirms that there is interest in proceeding to investigate the sale of these assets." I thought such interest was expressed before the recess when the Congress voted to approve the congressional budget resolution. The conference report clearly assumes "the sale of the naval petroleum reserves and that it will be completed by the close of fiscal year 1988."

In fact, the agreement recommends that the relevant committees "study the means and cost and benefits of achieving such a sale."

I hope that this amendment and the power marketing amendment do not start a trend designed to stifle budget proposals before we even have the facts. The OMB policy statement on this bill makes a good point on this issue: "the prohibition on studies is in effect a 'gag rule' that would prohibit the Congress from having any useful information regarding the possibility of a transfer of ownership." At this point, every option should be on the table.

In this policy paper, the administration also highlights several other legislative provisions that they view as limiting "executive authority" and overstepping "legislative functions." For the RECORD, I will submit the "statement of administration policy" on H.R. 5234.

Mr. Chairman, despite a few small reservations, I support this Interior appropriations bill, and I urge my colleagues to vote for final passage.

STATEMENT OF ADMINISTRATION POLICY

H.R. 5234, INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1987—SPONSOR: YATES (D), ILLINOIS, JULY 29, 1986

The Director of the Office of Management and Budget will recommend a veto of the bill in its present form.

The bill is $1.9 billion over the President's Budget for discretionary programs. The major increases over the levels included in the President's Budget are for items that can be easily delayed (such as the Strategic Petroleum Reserve facilities construction and fill, and land acquisition) or are of a purely local, rather than national, interest (a variety of increases throughout the bill). The national importance of achieving the deficit reduction targets of Gramm-Rudman-Hollings vastly outweighs the marginal value of these increases.

Of particular concern to the Administration are:

The substantial increase of $478 million for the development and fill of the Strategic Petroleum Reserve, along with a mandatory 85,000 barrel per day fill rate that would result in outlays of $820 million in FY 1987 and would negate the savings achieved by Congress in the Consolidated Omnibus Budget Reconciliation Act of 1985.

Increases of 280 percent in Fossil energy research and development and 488 percent in Energy conservation, which would finance programs that are more properly the responsibility of the private sector and/or State governments.

Federal land acquisition—which should be limited to deficiency court awards and hardship cases given the current fiscal situation and the amount of land the Federal government already owns. Recreation land acquisition and development by States should be based on the States' priorities rather than the availability of Federal grants.

Moreover, the bill contains a number of provisions that would limit executive authority. The Administration strongly opposes section 316. This language is designed to repeal the President's authority to defer budget authority under section 1013 of the Congressional Budget and Impoundment Control Act of 1974, as amended. The Administration is also strongly opposed to the requirement that structures on the OCS contain at least 50 percent U.S. materials. This protectionist provision would threaten a trade war with our allies and would drive up the cost of drilling on the OCS.

Other provisions in the bill overstep legislative functions (particularly those enunciated by the Supreme Court in *INS* v. *Chadha*) by requiring Congressional Committee approval of Executive Branch actions and impede the ability of the Executive Branch to manage properly and effectively its responsibilities. The most objectional provisions involve micromanagement instructions, exemptions from personnel ceilings, and prohibitions on studies and proposals for the sale of the Naval Petroleum Reserves. While we remain open to the discussion of specific issues and items of concern to Members and Committees of the Congress, we strongly oppose efforts to infringe upon the constitutional authority and legitimate policy and managerial functions of the Executive Branch.

INTERIOR APPROPRIATIONS BILL, 1987
OBJECTIONABLE PROVISIONS

JULY 24, 1986.

I. FUNDING LEVELS

Strategic Petroleum Reserve (SPR). The Administration strongly opposes the Subcommittee action providing a total of $478 million—$147 million for the construction of additional SPR storage facilities and $331 million for crude oil acquisition—as well as language mandating a minimum average fill rate of 85,000 barrels per day until all funds are expended. This budget-busting action will result in outlays of about $820 million in 1987, negating the 3-year budget savings achieved by Congress in the Consolidated Omnibus Reconciliation Act of 1985, which reduced the minimum fill rate requirement to 35,000 barrels per day.

The current SPR inventory of 503 million barrels is the equivalent of 118 days of protection against a complete cutoff of all oil imports, greater protection than the 90-day level envisioned when the SPR was created. In light of this situation, an acceleration of SPR fill is not only unwarranted, but it also could be more costly to the taxpayers in the long run, since the interest costs on Federal funds borrowed to finance near term SPR purchases will more than likely exceed future increases in oil prices.

Fossil Energy Research and Development. The Administration strongly objects to the appropriation of $314.5 million, an increase of 280 percent over the President's request. In light of current fiscal constraints, such increases are unwarranted, particularly the establishment of a separate new $400 million program for clean coal technology.

The Administration objects to bill language earmarking funds for Magnetohydrodynamics. The Administration also objects to report language earmarking $50.1 million for continuation of Waltz Mill, Wilsonville and LaPorte projects that have outlived their usefulness, and to the $19 million for phosphoric acid fuel cells, which are at a stage of development where the private sector is capable of supporting the final development stages itself.

The Administration believes that an adequate national fossil research and development program can be achieved at much lower cost to the taxpayers through greater private sector cost-sharing and cooperative research and development venture arrangements.

Energy Conservation. The Administration objects to the appropriation of $231.8 million for energy conservation, an increase of 488 percent over the President's request. The $61.5 million provided for State administrative costs associated with energy conservation grant programs is unwarranted in light of the $2 billion allocated to the states from the Exxon Case as well as the $750 million expected to become available from the Stripper Well settlement. The states should pay for their own administrative expenses, or use the Stripper Well funds for this purpose if they so choose.

The Administration also objects to bill language earmarking $10 million for an un-

defined new research facility at Tufts University and $2.5 million for steel research not limited to energy conservation. The Administration believes that much of research and development funding is for projects that should be a private sector responsibility entirely or should otherwise be subject to greater cost sharing or collaborative arrangements.

Indian Health. The Administration strongly opposes the appropriation of $836 million for Indian Health Services (IHS), an increase of $114 million over the President's 1987 budget request of $722 million. The Committee's mark ignores completely the cost savings that will result from on-going management improvements, such as changing the way the IHS pays for contract health service and more efficient collections from third parties.

The Administration strongly objects to attempts to micromanage IHS's congressionally and legally sanctioned efforts to allocate its resources fairly and efficiently. The requirement to submit a detailed report to Congress before implementing IHS's new allocation methodology in 1987 will only delay efforts to tie resource allocations to Indian health care needs.

The Administration objects to new construction funding for Indian Health Facilitels (IHF) in 1987. The Congress has already deferred $14 million from the 1986 appropriations for IHF which, when added to the Committee's mark of $55 million, would make $69 million available for 1987.

In particular, the Administration opposes the $25 million proposed for sanitation hook-ups to individual Indian houses. These funds, if necessary, should be included with appropriations that fund Indian housing construction.

The Administration objects to incremental funding of construction projects. The Subcommittee's partial funding of the facilities excludes $77 million in additional cost to the taxpayer of completing these facilities over the next several years.

Abandoned Mine Reclamation Fund. An increase of $42 million over the President's Budget request of $191 million is unwarranted. Large balances remain from prior year appropriations (over $500 million) to fund the same activities recommended to receive the increase.

Land Acquisition. The President's Budget proposed a total of $20.0 million for deficiency court awards and hardship acquisitions and further proposed that discretionary land acquisition be deferred through 1989. The increase of $113.4 million for discretionary land acquisition can be and should be deferred, given the current fiscal situation.

The Subcommittee has provided $47.7 million to continue making grants to States for recreation land acquisition and development. This should be left to the States to decide based on their own priorities.

National Park Service. The proposed increase of $47.6 million for park management conflicts with the important principle of funding enhanced National Park operations with increased recreation fees and thereby adds unnecessarily to the national deficit. The recommendations understates the actual appropriation by transferring $15.2 million of funds that were not otherwise intended to be expended.

The Administration opposes the appropriation of an additional $24.2 million for funding State Historic Preservation Offices and subsidizing the National Trust for Historic Preservation. Both the states and the National Trust should rely on their own funding and priorities.

The Committee has added $62.9 million to the proposed budget for park and fish and wildlife projects that can be easily deferred during this time of fiscal restraint.

Fish and Wildlife Service. The Administration opposes the unnecessary discretionary program increases of $21 million for Resource management. Included are additions for refuge maintenance ($9 million), refuge contaminants ($4.5 million), continued funding for fish hatcheries that are not fulfilling a Federal responsibility ($1 million), and endangered species ($6 million).

Bureau of Indian Affairs. The Administration opposes the net addition of $18.3 million to the request for Bureau of Indian Affairs operations, primarily for non-critical natural resources programs.

The Administration opposes the addition of $29.4 million for the Construction and Road construction accounts. The projects proposed for additional funding could be postponed without serious consequences. In particular, the $8.3 million increases for continued construction of the Navajo Indian Irrigation Project should be withheld pending a showing of sustained profitability by the Navajo Agricultural Products Industry.

Forest Service. The Administration opposes the $33 million increase to restore State Forestry to the 1986 level. States are fully capable of assuming more program responsibility and funding.

The Administration also opposes major increases of $82 million for timber sales, road maintenance, and recreation management. Such major investments are not supportable given current, relatively low timber stumpage values and low recreation user fees.

National Endowment on the Arts and the Humanities. The Administration strongly opposes the appropriation of $329 million, $58 million above the President's Budget. Both the Institute of Museum Services and the National Capital Arts and Cultural Affairs program are continued despite the Administration's request for termination. The President's Budget contains adequate funding to support excellence in the arts and humanities; additional funding is unwarranted. The $3.5 million appropriated for 10 specific District of Columbia arts organizations is particularly inappropriate, since there are many sources of competitive grants available to fund their activities.

II. LANGUAGE PROVISIONS

Moratorium on Outer Continental Shelf (OCS) Leasing. Section 107 excludes broad and specific areas of the OCS from the offshore leasing progam. Such a moratorium contradicts the statutory mandate of the OCS Lands Act to expedite exploration and production consistent with proper balancing of environmental and other concerns, and overrides the process of scientific studies and balancing analysis required by Sections 18 and 19 of the OCS Lands Act.

Buy American Provision. Section 115 would require that structures on the OCS contain at least 50 percent U.S. materials. The Administration is strongly opposed to this provision. It would seriously delay and increase the cost of oil production in the OCS; it also conflicts with the Administration policy of encouraging reliance on indigenous energy sources, and it is contrary to U.S. obligations under the General Agreement on Tariffs and Trade.

Sale of Naval Petroleum Reserves. The Administration strongly opposes Section 315, which prohibits the Executive Branch from preparing studies or drafting proposals for the sale of the Naval Petroleum Reserves (NPR's). This provision would undermine the Congress' ability to achieve the Gramm-Rudman-Hollings deficit reduction targets since the Congressional Budget Resolution assumes sale of the NPR's in 1988. Accomplishment of this goal requires studies to be conducted to assess the value of the Reserves, identify legal problems, prepare draft legislative proposals for consideration by Congress, etc. The prohibition on studies is in effect a "gag rule" that would prohibit the Congress from having any useful information regarding the possibility of a transfer of ownership.

Clean Coal Technology. The Administration objects to bill language requiring the Department of Energy to solicit statements of interest and information proposals from industry on retrofit clean coal technologies. This requirement is premature in light of ongoing Administration efforts in implementing a 3-year, $400 million Clean Coal Technology program. The Department is currently reviewing 51 clean coal project proposals, and will announce its selections for final negotiations on August 1. Final awards may not be completed until next year. It will be several years before the results of this initiative can be evaluated to determine what further Federal involvement in this area would be appropriate and effective.

Energy Information Administration. The Administration supports the conduct of a triennial manufacturing energy consumption survey, but opposes bill language mandating specific requirements for such a survey. The language would result in additional unnecessary and burdensome data collection requirements to industry that serve no useful public policy objective.

Employment Ceilings. Section 310 appears to exempt programs funded by this bill from employment ceilings. The Administration opposes this provision because it prevents effective and efficient management of Agency programs and promotes wasteful spending.

Navajo-Hopi Relocation Commission. The Administration objects to provisions limiting the ability of the Navajo and Hopi Indian Relocation Commission to contract for legal services. This unnecessarily restricts the commission's leeway in matching administrative resources to requirements.

General and administrative provisions in violation of Chadha. The Supreme Court ruled in 1983 (in *INS. v. Chadha*) that legislative vetoes of executive Branch actions taken pursuant to law are not permitted under the Constitution. Such vetoes include not only actions by one House, but also actions by Committees. Since 1983, we have identified many legislative vetoes included in appropriations acts and have proposed their deletion in the President's Budget. The Committee has not only failed to delete legislative vetoes proposed for deletion in the President's Budget, but has added the following new ones:

Legislative vetoes proposed for deletion:

Forest Service, Administrative provisions: The Committee prohibits the changing of regional boundaries and offices "without the consent of the House and Senate Committees on Appropriations and the Committee on Agriculture, Nutrition, and Forestry in the United States Senate and the Committee on Agriculture in the United States House of Representatives."

The Committee prohibits the alteration of the Forest Service appropriation structure

"without advance approval of the House and Senate Committees on Appropriations."

The Committee prohibits the transfer of funds as authorized by "the provisions of section 702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257) or 7 U.S.C. 147b unless the proposed transfer is approved in advance by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in House Report 97-942."

Section 309. The Committee restricts assessments to those "presented to the Committees on Appropriations and . . . approved by such committees."

New legislative vetoes:

Bureau of Indian Affairs, Operation of Indian programs: The Committee prohibits the use of appropriated funds to move the "Northern California agency office from Hoopa, California, unless a reprogramming request has been submitted to and approved by the House and Senate Appropriations Committees."

Health Resources and Services Administration, Administrative provisions: The Committee prohibits the use of funds "to implement additional changes in resource allocation methodology until the proposed changes in detail for fiscal year 1987 and the long-range plans for such changes have been submitted to and approved by the House and Senate Committees on Appropriations."

Finally, the Committee's Reprogramming Procedures detailed in the accompanying report include several references to "approval" and "consent" by the Committee. While these procedures can be interpreted to be a "report and wait for time to elapse" procedure than a requirement for affirmative action by the Congress before proceeding with the reprogramming, the ambiguity should be removed by deleting such approval language.

Deferral provisions: The Administration strongly opposes section 316. This language is designed to repeal the president's authority to defer budget authority under section 1013 of the Congressional Budget and Impoundment Control Act of 1974, as amended.

Mr. Chairman, I want to take this opportunity to acknowledge the hard work and the leadership of that great American, the gentleman from Illinois, Mr. SID YATES, and of my good friend, the gentleman from Ohio, Mr. RALPH REGULA.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I do want to acknowledge the good work of the gentleman from Massachusetts [Mr. CONTE].

I want to call the attention of the House to the fact that he, perhaps more than any other Member of the House, has been responsible for cleaning up the Connecticut River so that the people of New England may now see the rock; they are swimming from one end of the stream to the other.

Mr. CONTE. Mr. Chairman, I want to thank the gentleman for all his assistance, I would like to inform him that the first Atlantic salmon has gone through all the fish ladders on the Connecticut River and was spotted in Vermont this week. That annual migration goes back to the time of the Indians. That is the first salmon since the time of the Indians that has entered the waters of the Connecticut in Vermont, and I cannot tell you how thrilled I was; it was just like when my wife had her first child.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I, too, want to compliment the gentleman from Massachusetts because he has been one of the great leaders in conservation of wildlife. And we, in the Pacific Northwest, are glad that finally there are going to be real runs of salmon that the gentleman can pursue in the Atlantic and Eastern States, because he is known in the West for his great talent as a fisherman in the State of Washington and the State of Alaska.

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Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from Illinois.

Mr. YATES. Mr. Chairman, because of the gentleman's talents as a fisherman, I was surprised he let that fish swim the distance he just described.

Mr. CONTE. Well, because the salmon are going to spawn upstream and it will bring hundreds and maybe thousands of Atlantic salmon up that stream in another 4 or 5 years.

I would recommend that everybody read the RECORD tomorrow, because there are some sterling words in my prepared statement.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am glad to yield to my friend, the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, we do not want to leave the Midwest out, and the Coho salmon has returned to Lake Erie, and I invite the gentleman to come and wet a line.

Mr. CONTE. I thank the gentleman very much. I will do that.

Mr. YATES. Mr. Chairman, I yield 5 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

AMENDMENT OFFERED BY MR. RICHARDSON

Mr. RICHARDSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RICHARDSON: Page 62, line 20, strike out "$22,335,000" and insert in lieu thereof "$22,289,000".

Page 63, after line 3, insert the following: *Provided further,* That of the funds provided under this head, not less than $492,000 shall be used for pre- and post-move counselling:".

Page 63, strike out the period on line 13 and insert in lieu thereof the following: ": *Provided further,* That of the funds provided under this head, not to exceed $410,000 shall be used for personnel compensation and benefits of the Office of Policy and Direction of the Commission.".

Mr. RICHARDSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. RICHARDSON. Mr. Chairman, I am offering this amendment to H.R. 5234, the Interior appropriations bill because I am very concerned about the Navajo-Hopi relocation. My amendment would decrease the appropriation for the Navajo-Hopi Relocation Commission by $46,000. The amendment also caps the amount of funds for personnel compensation and benefits of the Relocation Commission's Office of Policy and Direction—as defined on page 18 of the fiscal year 1987 congressional budget submission—at $410,000. This ceiling amounts to a cut of 10 percent and equals $46,000. This provision ensures that the cut in the budget of the Relocation Commission will be taken out of the fat at the top which the Relocation Commission has been abusing. It will not have an adverse impact on the relocates themselves. This amendment has the support of Peterson Zah, chairman of the Navajo Nation.

My amendment also earmarks $492,000 of the Commission's budget for pre- and post-relocation counselling. A frequent complaint is that the relocates have not been adequately counseled as to what to expect from relocation, and how to adjust to it. Relocation is a serious and dramatic life-changing event. The Commission should fulfill its obligation to ensure that relocation should be carried out as humanely as possible.

As those who have followed the saga of the Navajo-Hopi relocation are aware, there are some very serious problems and questions surrounding the entire relocation endeavor. This relocation issue has devastated the lives of many people—both Navajos and Hopis. It has also spawned a strata of bureaucrats and consultants who are feeding off the Federal funds which Congress appropriates to provide the essential and vital provision of services to the relocates.

My amendment would deduct $46,000 from the total appropriation of $22,335,000 for the Relocation Commission. The inspector general recently completed an audit, dated July 17, 1986, on the program and administrative activities of the Navajo-Hopi Relocation Commission. The audit found, among other things, that the Commission had not consistently followed procurement regulations when acquiring goods and services. I quote from the IG's report, (page 21) "contracts were

awarded without proper price competition or adherence to statutory profit limitations. In two instances, contracts were awarded for unallowable services or with unspecific work statements. In another instance a contract was awarded with an illegal payment provision. In addition, the Commission had not always: First, monitored billings to assure that vendor payments were appropriate; or second, followed the procedures prescribed for the sale or trade of automatic data processing equipment."

In the case of at least one vendor, competitive procurement procedures were not followed, but rather the vendor was selected on the basis of a prior professional relationship with the Commission's former Executive Director. Neither party to this contract complied with contract provisions requiring all work to be based on written instructions from the Executive Director. Consequently, there was no official record of the actual and specfic services required of the vendor. This case is just one example of the flagrant abuses the inspector general found. There are many more.

This audit also found that internal controls over personal property were almost nonexistent, as the Commission had not established a system and procedures for managing its Government-owned personal property. As a result of this failure, there has been misuse and loss of Government property. Because of the lack of inventory records and documentation, the IG was unable to determine the full effect of the deficiencies. They did find, however, that office equipment was in the possession of former contractors and the former Executive Director.

The audit found, too, that the Commission had essentially no control over the fleet of 16 leased vehicles, resulting in unauthorized use of these vehicles, and apparent vehicles misuse and higher costs to the Government. I could go on and on listing abuses and irregularities found by the inspector general.

Yesterday, Mr. Chairman, the Interior Committee held an oversight hearing on the Navajo-Hopi relocation. Testifying at this hearing were Ross Swimmer, Assistant Secretary of the Interior for Indian Affairs and the three Relocation Commissioners. When questioned about the reported expenditure of close to $400,000 by the Commission for lobbying, Mr. Watkins, the head of the Commission told me that the money was not spent for lobbying, but for legal advice, public information and public education. Technically, this is not lobbying, but it sure sounds like it to me—What on Earth are we doing spending Federal dollars on being lobbied for more money? I understand that the inspector general is also looking into the use or misuse of funds.

I have grave misgivings about the consequences of the entire relocation process—I believe, however, that the Congress must continue to provide benefits to those people who have voluntarily relocated. Mr. Chairman, I appreciate the hard and capable work of you and your staff on this interior appropriations bill—you have done a notable job of addressing the complexities of this particular situation. You have, for example, provided that no Relocation Commisson funds can be used to contract for the services of anyone who is a registered lobbyist. You have also clearly stated that no Federal money can be used to forcibly evict any Navajos still resident on the Hopi-partitioned lands. These provisions are important.

I feel strongly, however, that more should be done. We have a very real responsibility to the relocatees, the unfortunate people who got stuck in the middle of this tragedy. My amendment is carefully constructed to have no adverse effect on them. We also have a very real responsibility to the Federal taxpayer to ensure that Federal entities work with maximum efficiency, no mismanagement and no suspicious use of funds. That is why I am offering this amendment today. I urge all of my colleagues to support this amendment. Thank you.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. RICHARDSON. I yield to my colleague, the gentleman from Illinois.

Mr. YATES. Mr. Chairman, we have had a chance to observe and review the gentleman's amendment. We have no objection to the amendment on this side.

I would just like to make clear for purposes of the record and legislative intent that the Office of Policy and Direction that the gentleman refers to appears upon page 18 of the Justification filed by the Navajo and Hopi Indian Relocation Commission with the Committee on Appropriations when it presented its case for its 1987 appropriations.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. RICHARDSON. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I do not want to contest or oppose the amendment. I go along with it, but I think we ought to be pretty clear that this is not going to resolve all our problems.

The Commission has had some difficulties. What we really need now is a massive housing program so we can get these people relocated. I do not think they can necessarily do it with less money, less expertise and less staff, but I am not going to contest it. I think the Commission has at times acted inefficiently and maybe this will alert them and save some money and effort in the long haul.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. RICHARDSON. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I agree completely with the gentleman from Arizona [Mr. UDALL]. It is the understanding of the Committee that the Commission will not be hurt unduly by this reduction and that certainly the housing program will not be hurt in any respect.

Mr. RICHARDSON. Mr. Chairman, I think the gentleman from Illinois is correct. The amendment simply removes some of the fat from some of the top administrative staff and the Commissioners. It does not deal with funds for relocation and housing.

The amendment also earmarks $492,000 for postrelocation counseling.

I think as Chairman UDALL has pointed out, there have been some abuses by the Commission staff. It has not performed efficiently.

I will submit for the RECORD a summary of the report of the inspector general.

I think it is a message to the Commission that they have got to clean up their act; but once again, I think Chairman UDALL is correct. This is a solution that needs a tremendous amount of thinking. It may be an unresolvable problem, but if there are two people who have contributed positively to trying to reach a solution, it is the chairman of the Interior Committee, the gentleman from Arizona [Mr. UDALL], and the chairman of the Appropriations Subcommittee on the Interior, the gentleman from Illinois [Mr. YATES].

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico [Mr. RICHARDSON].

The amendment was agreed to.

Mr. YATES. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. MILLER].

AMENDMENT OFFERED BY MR. MILLER OF CALIFORNIA

Mr. MILLER of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of California: On page 43, beginning on line 13, delete the phrase "or any other" and on page 43, line 18, after the phrase "(CV-F-81-245-EDP)" insert a period (".") and delete the remainder of the section.

Mr. MILLER of California. Mr. Chairman, this amendment is necessary to stop a grievous wrong from being committed against America's farmers and America's taxpayers—a wrong which will cost the taxpayers and the power consumers of this Nation hundreds of millions of dollars, and make a mockery of the Federal reclamation law.

The Westlands Water District in California—the largest and perhaps

wealthiest Federal irrigation district in the country—has been engaged in lawsuits with three Secretaries of the Interior under two different administrations.

Westlands is demanding more land than allowed by Congress; more water than permitted by its contract; at subsidies which flagrantly violate the reclamation law.

And they want to pass the bill to the power users and the taxpayers of this country.

Last year, we learned of secret negotiations by the Secretary of the Interior to settle this suit by abandoning positions held by the Government for many years. Congress prohibited the Secretary from finalizing any settlement with Westlands until we had 30 days to review it.

Last week, the Secretary announced his settlement, or should I say, his "capitulation," as it was so accurately characterized by the San Francisco Chronicle.

This settlement would:

Expand the size of the Westlands District by 160,000 acres—nearly one-third more acreage than authorized by Congress in 1960;

Grant Westlands an additional 350,000 acre-feet of high-quality irrigation water, without addressing the existing contamination crisis in the Central Valley resulting from current levels of drainage from Westlands;

Circumvent Federal reclamation law, which requires that existing subsides be eliminated whenever a district receives additional benefits—a concession that will cost taxpayers nearly $200 million; and

Shift repayment obligations for the future drainage system—which could cost $1 billion—from the Westlands beneficiaries to public power users and taxpayers.

These project expansions, these waivers of reclamation law, these shifting of repayment obligations, all would be achieved with no action by the Congress whatever.

Let me be very clear: Westlands is not composed of "family farmers." Westlands farmers are not small, are not families, and are not marginal operations.

Figures just released by the Department of Agriculture show that millions of dollars in crop support benefits are flowing to Westlands. In fact, the top recipient of subsidies under the new farm law, according to USDA, is J.G. Boswell, a Westlands grower who will receive $20 million in subsidies alone.

It is also worth noting that according to a soon-to-be-released report by the Institute for Rural Studies, the average size Westlands farm is in excess of 1,700 acres—four times the size of the average farm operation in California.

At a time when millions of impoverished family farmers in the South and Midwest are watching their best land dry up and blow away, Mr. Hodel's capitulation lavishes hundreds of millions of dollars on some of the most heavily subsidized corporate farmers in the United States.

At a time when millions of poor and middle-income Americans are being told that we must reduce Government programs—no matter how painful—Mr. Hodel's capitulation grants still more subsidies to wealthy Westlands growers and waives the reclamation law, which Congress enacted to get back some of those unjustified benefits.

At a time when irrigation drainage water, contaminated with toxic selenium from Westlands' farms, is jeopardizing the future of agriculture and wildlife in the Central Valley, Mr. Hodel's capitulation signs over another 350,000 acre-feet of subsidized water to Westlands—and shifts the billion-dollar cleanup bill to others.

Mr. Chairman, we don't need 30 days to review this proposal. It is no settlement. Westlands' own attorneys could hardly have been more generous to this special interest district.

It is a raid on the treasury, an inside job, negotiated and approved by men whose long lines of influence stretch between Westlands and the White House—and back again.

Section 115 of this legislation was drafted prior to the submission of the settlement to Congress. It would extend the oversight we included in last year's continuing resolution by granting us another 30 legislative days of oversight.

But now, oversight is not what is needed. Disapproval is.

My amendment, therefore, would modify section 115 so as to prohibit the Secretary from submitting his sell-out agreement to the court.

Let me stress that there are alternatives to this settlement available. In fact, I have already introduced legislation that will resolve many of the issues involved in this litigation—but without capitulating to Westlands, without foisting hundreds of millions of dollars in costs on power users and the taxpayers, and without allowing unelected bureaucrats to rewrite laws of the United States in the backroom.

Let the House send a forceful message to Secretary Hodel today. By passing this amendment, we will disavow his capitulation to Westlands, and express in the strongest possible terms our opposition to his proceeding further with it.

At the same time, let me assure my colleagues that, as the chairman of the Subcommittee on Water and Power Resources, I am fully prepared to move forward with a legislative solution that will address each of the issues in the Westlands dispute in a manner which is fair and responsible to the taxpayers of this county.

[From the Los Angeles Times, July 28, 1986]

A SETTLEMENT THAT'S ALL WET

For two decades the 650,000-acre Westlands Water District in the San Joaquin Valley has battled to maintain its envied and lucrative position as one of the most heavily subsidized agencies ever organized under federal reclamation law. Today it appears that Westlands has won just about everything that it fought for. In the end the U.S. Interior Department, representing the people of the United States, gave in with hardly a whimper.

Thus for 22 more years Westlands will receive an assured annual supply of 900,000 acre-feet of irrigation water from the federal Central Valley Project (more than the City of Los Angeles uses in a year) at the bargain rate of $8 an acre-foot—about 4% of urban water costs in Southern California. The Fresno-based district will receive 250,000 to 350,000 more acre-feet at a higher price, $16.40 an acre-foot, but still far below cost.

Westlands can use its water on 156,000 acres of land that Interior contended in the past was never made a legal part of the water district and therefore was not entitled to receive water from the federal project.

The water will continue to irrigate massive acreages of surplus crops for which there are no markets and that are propped up by the runaway federal price-support program. And the used irrigation water that runs off the fields will add to the long-range San Joaquin Valley pollution problem that no one knows how to solve.

By agreeing to an out-of-court settlement of Westlands' lawsuit against the Interior Department, Interior has let slip by an opportunity to advance the long struggle to reform the 1902 Reclamation Act and to enforce the spirit of modest reclamation reforms achieved by Congress in 1982. At all costs, Westlands wanted to avoid having to negotiate a new contract for all its water and therefore face more realistic prices demanded by the 1982 reform. This fact alone makes Westlands the big winner.

The Interior Department contends that the government does better, economically, by nearly $50 million over the life of the contract than it would have done under the most adverse possible ruling of the court. If that is so, why would Westlands settle rather than pursue its case?

The suit was initiated by Westlands in 1981, when then-Secretary of Interior James G. Watt threatened to cut off Westlands' water unless the district agreed to pay the full cost of its federal water and to finance the entire burden of its waste-water drainage system. The key to Watt's argument was a 1978 opinion by the Interior Department's top lawyer, Leo Krulitz. It challenged the legality of many features of the Westlands project, including the use of water on land never formally made a part of the district. How did Interior get around this legal bottleneck in reaching Thursday's settlement? Easy. The current solicitor, Ralph Tarr of Fresno, merely ruled that key parts of the Krulitz opinion were wrong.

Congress has 30 days to review the settlement, but cannot veto it. But there is ample time for protests to be lodged with the federal court in Fresno, which can. Rejection of the settlement clearly is in the public interest.

[From the Washington Post, July 30, 1986]

CARRYING WATER

Interior Secretary Donald Hodel has now reversed a position that not even James Watt would disturb. He has agreed to settle a longstanding dispute with one of the largest federal water users in the West—Westlands, a reclamation district that includes some of the leading corporate farmers in central California. Westlands was long ago given the right to buy 900,000 acre-feet of federal water a year at a low price to irrigate some 500,000 acres. It then expanded, and claimed the right to buy at the same price about a third more water for a third more land. The department resisted, and in the 1982 Reclamation Reform Act, which Westlands helped inspire, Congress said that in all future water contracts and all future renegotiations of old contracts, prices should be higher. Meanwhile, Westlands had taken the department to court.

Essentially Mr. Hodel has agreed to let Westlands have all the water it wants, paying the old price for three-fourths and a higher price only for the rest. He has also left open a second point of contention with the district: how to dispose of the excess water that comes off the fields, and who should pay for that. The department had earlier insisted that Westlands pay for a drain. One had been built to take water to a nearby wildlife refuge; now it turns out that the water involved, because of chemicals picked up in the irrigation process, is poison. Any new solution will be costly; some estimates are over half a billion dollars. Westlands for now is required only to put $5 million a year in a trust fund toward its share.

The thrust of the 1982 law was to ensure that in the future users of federal water would pay more, in part for reasons of fairness, in part to help conserve a scarce resource. A lot of federal water goes to large commercial users who do not need or deserve the subsidy they get. Among agricultural users particularly, a lot of water is also wasted: The theory was that a higher price would bring them to economize. In the Westlands case, there is now the added drainage problem.

Mr. Hodel, in the settlement to which he has agreed in this heavily lobbied affair, says he has advanced the public interest; that he has saved years of litigation while upholding the 1982 law; that he has won a higher price for part of the water and moved closer to a settlement of the drainage issue. He points out as well that the Westlands growers had come with some cause to rely on the federal water. But our sense is that he has not aggressively championed the federal interests in this case. Westlands has cause to be happy; it will get its water, and still at a favorable price. The complex lawsuit will be settled; the secretary gives great thanks for that. But the underlying issues of waste and poison and fairness will remain.

[From the Oakland Tribune, July 29, 1986]

TURNING ON THE TAP FOR WESTLANDS

Where is James Watt now that we need him?

Hardly anyone today misses the former Interior Secretary, whose mission in office consisted of trying to drive a bulldozer through the nation's environment.

But in retrospect he had one bright spot on his record: a willingness to challenge the validity of low-priced contracts for subsidized federal water held by the Westlands Water District in the San Joaquin Valley.

Where Watt charged forward in court, his successor Donald Hodel has surrendered abjectly. Unless some Federal judge blocks his settlement with Westlands, the district will continue receiving cheap water until its original, disputed contract runs out in 2007.

What makes Westlands such a *cause celebre* is the pattern of enormous land holdings by such giant corporate interests as Southern Pacific Co., owner of 80,000 acres in the district. Like other beneficiaries of the federal Central Valley Project, Westlands farmers pay only a small fraction of what their water costs the government.

Most of the large owners in Westlands must eventually sell the bulk of their land. But under the new settlement with Interior announced Thursday, they can continue buying dirt-cheap water to irrigate holdings of any size they lease for farming.

The source of the legal dispute goes back to the mid-1960's when Westlands merged with a neighboring district and, in agreement with the Interior Department, added 156,000 acres to its irrigated area that Congress never explicitly authorized.

At least that was the conclusion reached by a special task force authorized by Congress in 1977, backed up by a 1978 opinion of Interior's solicitor, Leo Krlitz, and accepted by his successor under Watt. Watt threatened to dry up the disputed acreage unless Westlands renegotiated its contract.

That demand was vigorously challenged by farmers who brought suit. The "whole purpose" of the task force was "political," charges Westlands' spokesman Don Upton. "It was loaded by the critics. It came up with the recommendations you would expect."

Now Hodel has accepted Westlands' case nearly in full.

His deal to reinstate the old contract terms and irrigate all the disputed lands particularly galls Rep. George Miller. Martinez, who sponsored the 1982 Reclamation Reform Act to correct some of the distortions in federal irrigation policy.

Miller's act required farmers in districts that revised their contracts or acquired new benefits to pay at least the full operations and maintenance cost of their facilities.

Surely that provision should apply to Westlands, which will receive 250,000 acre-feet in water it arguably was never entitled to, and which is slated to receive another 100,000 acre-feet that everyone agrees will be a new benefit. Instead Interior intends to apply the 1982 act only to that portion of Westlands which directly reaps new benefits a clear end-run around the law.

At $7.50 an acre-foot, the contract price of most Westlands water doesn't even cover the government's operating cost ($9 an acre-foot), much less the full cost of building the project in the first place ($97 an acre-foot, counting capital, interest and power).

The 1982 act, a careful compromise with farm groups, recognized that old contracts, however imprudent, couldn't be tossed aside even for the best of reasons. But the Westlands case supplied a perfect chance to bring the act's reforms to bear. By settling for so little, Interior submerged those reforms and plowed under the clear mandate of Congress.

[From the Sacramento Bee, July 31, 1986]

CARRYING WATER FOR WESTLANDS

Interior Secretary Donald Hodel could have done a lot better by the American public. In the settlement he's proposed of his department's 10-year-long dispute with the Westlands Water District, Hodel did come out with some money for the public treasury, and he did finally put an end to a nasty piece of litigation that the government wasn't certain of winning. But he should have done more.

Westlands is not just another irrigation district. It serves some of the wealthiest landowners in the nation, whose access to cheap, publicly subsidized water helped convince Congress to pass the Reclamation Reform Act of 1982, which should eventually reduce water subsidies for large landowners. Westlands is also the district whose drainage poisoned the Kesterson National Wildlife Refuge—creating not only a huge cleanup bill there, but also a need for new drainage facilities, at a price tag of perhaps half a billion dollars.

Under the circumstances, Hodel should have won more. He guaranteed a water supply for the disputed part of the district, for which Westlands will pay full cost-of-service prices. But for the bulk of Westlands' water, Hodel agreed to continue charging the old contract price of $7.50 per acre-foot from now until the year 2007. That's less than half the cost of serving the district (currently $16.40) and nowhere near the full cost of the water (last estimated at $42).

And Hodel should have held out for more insurance that Westlands itself would pay for its new drainage and old cleanup problems, rather than settling for the $100 million fund Westlands agreed to create over 20 years as a down payment on new facilities.

In fact, Hodel ended up with even less than he thinks he bargained for. Although no one knows how much the solution to Westlands' drainage problems will cost, Hodel made no provision for most Westlands water users to start paying before 2007 for any extra expenses their current low rates won't cover. He simply assumed the bills would get paid, because he expects that next year 70 percent of Westlands landowners will be brought under the umbrella of the Reclamation Reform Act—forcing them to pay $16.40 an acre-foot with annual adjustments to cover any additional service expenses. But that is far from certain. The part of the Reform Act that forces that changeover is currently under litigation, which could mean years of delay, if indeed it ever happens. And even if there were no such complication, Hodel's department hasn't even begun the lengthy studies necessary before that part of the Reform Act can be implemented. Counting on the changeover to pay the bills is a gamble, not an assurance.

Meanwhile, Hodel conceded on the key—if seemingly legalistic—point of defining any new drainage system that's built for Westlands as a "main project feature." Main project features, by law, are the responsibility of everyone who buys federal water or power in California. In fact, if at some point Westlands is found by the Interior secretary to be unable to fully pay for its new drain, power users (like SMUD customers) would be required by law to pay the costs Westlands can't handle.

Interior officials say that would never happen. They say Westlands has the ability to pay, and besides, when Congress authorizes the money to build new drainage facilities, it can write in whatever protections it chooses against other water and power users having to foot the bill. Perhaps. But not knowing either the cost of the new facilities or how much Westlands land might be forced out of production in the meantime because of drainage problems, the district's

ability to pay can hardly be guaranteed. Nor will Congress necessarily be able to save the day. Once there's a court-approved settlement calling the new facilities a "main project features," it would be extremely difficult for Congress to do anything to change that definition.

Perhaps there was no way for Hodel to finally settle all the outstanding drainage issues in this proposed agreement; but if so, it was a serious mistake for him to permit loopholes in the settlement, like the "main project" definition, which create the potential to stick SMUD and other federal power users with a large part of Westlands' bills. Nor was it necessary to issue a department solicitor's opinion that essentially conceded every point in the Westlands litigation before the proposed settlement has even been judicially approved. That left the Interior Department with no leg to stand on should the settlement have to be renegotiated or should it fall through. Nor was it necessary to concede to Westlands both the means to evade future price increases and a current contract price so low that it already doesn't come near to covering the public's cost of serving Westlands. It's not a good deal.

The CHAIRMAN. The time of the gentleman from California [Mr. MILLER] has expired.

Mr. YATES. Mr. Chairman, I yield 2 additional minutes to the gentleman from California [Mr. MILLER].

Mr. FAZIO. Mr. Chairman, I thank my friend for yielding.

I would particularly like to congratulate the gentleman on initiating this battle last year. I was pleased to join with the gentleman from California last year. The gentleman was successful at that time and I was happy to join with him in providing that this settlement would be required to come back before the Congress before it became law.

The gentleman's concerns were well taken at that time. The evidence is clear that the fears that we had at that time that additional costs could easily be shifted to other water and power users in California have been borne out.

I want to share in the anguish that I know the gentleman from California [Mr. MILLER] feels at this time.

It is very possible that the 400,000 acres of Westlands land that will need drainage as a result of the selenium problem will not be drainable within the financial resources of the farmers and the growers in that area. That means that under this agreement that those costs can easily be shifted to other water users, other irrigators, other reclamation districts, and certainly to other power users who benefit from Central Valley Power.

My constituents are particularly vulnerable to those additional costs.

This is not an antireclamation law effort. This is an effort for fairness and equal treatment among all the beneficiaries of the Central Valley project and reclamation law across the board.

Mr. Chairman, I speak in strong support of this effort by the gentleman from California. I thank him very much for his help and for his remarks.

This proposed settlement between Westlands and the Department of the Interior deals with extremely complicated issues in their own right. The settlement is made even more dificult by being linked with other existing laws which are obscure even if not disputed, existing law which is either disputed or subject to future interpretations, and estimations of what Congress might not do in the future to implement the agreement.

However, even if one accepts all the premises and hypotheses the Bureau of Reclamation uses, the agreement leaves distinct possibilities that other water users in California's Central Valley project, or the power customers of that project, or Federal power customers in general, or the U.S. taxpayers will fall heir to hundreds of millions of dollars worth of debt in order to finance facilities that will benefit Westlands alone.

The main problems with the Westlands settlement are three:

First, other water users in California, or power customers in California, or U.S. taxpayers in general, could end up paying hundreds of millions of dollars to construct facilities to solve the selenium drainage problem for up to 400,000 Westlands acres in the San Joaquin Valley. This is because the agreement unnecessarily redefines the drainage facilities, making them no longer the exclusive responsibility of the benefiting district, which drainage costs usually are, and instead calls them general features of the Central Valley project. This new status makes the facilities subject to subsidy by electrical ratepayers and to the extent that payment falls short, the general Federal indebtedness.

The reasons the Bureau of Reclamation offers for agreeing to the transfer of repayment obligation are legal concessions the Bureau did not have to make. Not only are the concessions harmful in this context, they will harm the Bureau's and the Congress' position in the future when we try to avoid having excess drainage costs sloughed off onto nonbeneficiaries.

Second, the agreement does bless additional water consumption, 100,000 acre-feet, by certain areas within the Westlands Water District even though other water users in California must still wait in line to establish their needs and plead their case for a priority.

Third, it appears to give Westlands special treatment under the Reclamation Reform Act of 1982, by allowing creation of special districts to sign side-contracts for additional water without requiring that the main Westlands contract be reopened to recover a greater share of the Federal contribution.

The key issue for our colleagues not from California's Central Valley is the first, the change in status of Westland's drainage facilities. I will focus on it in this statement.

Salenium and general drainage in the San Joaquin Valley could add up to a problem costing many hundreds of millions of dollars. For example, the agreement establishes that drainage plans for Westlands should contemplate waste flows as high as 100,000 acre-feet per year. The current celebrated problem at the Kesterson Reservoir involves flows of only 8,000 acre-feet.

Previous interpretations of law, rendered by then Interior Solicitor Krulitz in 1978, would assign all these costs to Westlands. Presumably, if Westlands does not think the facilities worth the cost the facilities would not be built and would never be a burden to anyone else.

However, this agreement makes legal concessions which turn this sensible situation on its head. It adopts as one of its main premises—and asks the judge to bless, incidentally—a reversal of the Krulitz opinion by current Solicitor Tarr, who has issued a new opinion stating that Westlands' drainage facilities are a responsibility of the entire Central Valley project.

The Bureau maintains that it has no choice but to accept reversal of Krulitz, an opinion which former Secretary James Watt did not share. It says Krulitz was simply wrong, and that Tarr is right. Other critics disagree; they do not feel Tarr is particularly pursuasive. In any event, the implications of the Tarr opinion are so strongly unfavorable to the taxpayer and CVP position that the Bureau should never have simply conceded the matter. The advantages of a settlement with Westlands are simply not worth it. The issue should have been litigated to the end. Certainly, the agreement with Westlands should not have been allowed to specifically ratify the findings that Tarr makes. This ratification means that in the future not only will Westlands be able to point to Tarr itself, but also to the court which blesses Tarr.

The only utility for including the Tarr findings in this settlement, and for dwelling on them so heavily, is to serve what must be Westland's prime objective in this settlement: The eventual passing of the financial responsibility for the selenium problem on to others, however much it might cost.

The Bureau seeks to reassure us for the "loss" of our Krulitz position by asserting that other barriers remain between the general project with its backers, the taxpayers, on the one hand, and the costs for Westlands drainage problem on the other.

First, it argues that traditional repayment policy has been that in this particular case, costs for drainage are assignable to Westlands and the two other, lesser districts, which would benefit from this drainage service. But this is only a policy, subject to reversal without congressional approval by the Secretary and thus nowhere near as firm a protection as we thought we had before the statutes were so thoroughly reinterpreted. Further, by saying that the drainage facilities should be "project facilities," has the Bureau not conceded one of the bulwarks of the beneficiaries-shall-pay-in-this-case policy?

Second, the Bureau maintains that if it does not like the eventual cost and benefits of resolving the Westlands' drainage problem, it need not proceed to construct the facilities. However, Westlands contends—has always contended—just the opposite. It reiterates that claim in this settlement, thereby refreshing it. The court, by accepting the agreement, at least would be validating the notion that Westlands' position is arguable.

It is true that this agreement gets Westlands to pay something for the drainage facilities. But that would have been a condition in any event and can hardly be called a satisfactory counterconcession on Westlands' part. Further, Westlands would have to pay for nothing more than what might be defined as its "ability to pay." Therefore, it will argue that given the overriding Federal responsibility to provide drainage, the Federal Government must pick up the balance above ability to pay, regardless of how large that balance is.

The issue of ultimate responsibility will be decided by a future court. The decision might go against the Federal interest. If it does, we would have had Krulitz as an additional protection. Now, if this settlement goes through without Tarr versus Krulitz being litigated, we will have lost an important alternative protection.

The Bureau will assure us there is still a third barrier between the taxpayer and the eventual cost for these facilities: the Congress itself. It maintains that any new drainage facilities would have to come back to Congress for authorization first.

This may not be the case. Assume it is. However, Congress' position is compromised by this settlement. Once the Bureau has conceded that the Westlands drainage costs are general features of the Central Valley project, when Congress considers the authorization several years from now will it not be much harder for Congress to assign all the costs for what is designated a general project feature to one water district?

Yes, it will be harder. We will have an additional argument to make: treat these project facilities differently. Whereas project facilities are usually general obligations, make this set of facilities specifically repayable by the immediate beneficiaries. One can hear Westland's argument now: don't discriminate against us. Treat us like normal projectwide facilities.

The Bureau has given a major political concession to Westlands by changing the definitions. It is redefining normalcy. Normally, drainage is a district-specific obligation, throughout the 17 Bureau of Reclamation States. Water service is provided by general project contracts; drainage is provided by district specific contracts.

But, because the Bureau has turned normalcy around, when Westlands argues in future years that is heavy drainage expenses should "remain" general project costs, it will have the "treat us normally" argument on its side. We will be the ones working against the established definition of who should get what.

The Bureau is thus setting the ground for any future debate in Congress to make it harder for those who believe that Westlands should pay entirely for its own drainage problems.

In return for the major concession of the Krulitz position, the Bureau got only a promise from Westlands that it will pay 35 percent of its capital costs upfront and will make ability to pay contributions thereafter. This is a minor concession: the $100 million to be paid upfront would merely amount to the contemporary value of the debt it would otherwise have had to exclusively repay. The ability to pay limit leaves unattributed excess costs which Westland maintains are the CVP's and the project's responsibilities.

The amendment before us would give the Congress an opportunity to examine this settlement more closely, and perhaps to legislate a fair solution. It is important that the Congress require modifications in it, to preserve its own position and to protect the Treasury.

[From the Sacramento Bee, July 31, 1986]

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Under the circumstances, Hodel should have won more. He guaranteed a water supply for the disputed part of the district, for which Westlands will pay full cost-of-service prices. But for the bulk of Westlands' water, Hodel agreed to continue charging the old contract price of $7.50 per acre-foot from now until the year 2007. That's less than half the cost of serving the district (currently $16.40) and nowhere near the full cost of the water (last estimated at $42).

And Hodel should have held out for more insurance that Westlands itself would pay for its new drainage and old cleanup problems, rather than settling for the $100 million fund Westlands agreed to create over 20 years as a down payment on new facilities.

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Meanwhile, Hodel conceded on the key—if seemingly legalistic—point of defining any new drainage system that's built for Westlands as a "main project feature." Main project features, by law, are the responsibility of everyone who buys federal water or power in California. In fact, if at some point Westlands is found by the Interior secretary to be unable to fully pay for its new drain, power users (like SMUD customers) would be required by law to pay the costs Westlands can't handle.

Interior officials say that would never happen. They say Westlands has the ability to pay, and besides, when Congress authorizes the money to build new drainage facilities, it can write in whatever protections it chooses against other water and power users having to foot the bill. Perhaps. But not knowing either the cost of the new facilities or how much Westlands land might be forced out of production in the meantime because of drainage problems, the district's ability to pay can hardly be guaranteed. Nor will Congress necessarily be able to save the day. Once there's a court-approved settlement calling the new facilities a "main project feature," it would be extremely difficult for Congress to do anything to change that definition.

Perhaps there was no way for Hodel to finally settle all the outstanding drainage issues in this proposed agreement; but if so, it was a serious mistake for him to permit loopholes in the settlement, like the "main project" definition, which create the potential to stick SMUD and other federal power users with a large part of Westlands' bills. Nor was it necessary to issue a department solicitor's opinion that essentially conceded every point in the Westlands litigation

before the proposed settlement has even been judicially approved. That left the Interior Department with no leg to stand on should the settlement have to be renegotiated or should it fall through. Nor was it necessary to concede to Westlands both the means to evade future increases and a current contract price so low that it already doesn't come near to covering the public's cost of serving Westlands. It's not a good deal.

Mr. PETRI. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Wisconsin.

Mr. PETRI. Mr. Chairman, I thank the gentleman from California. I rise in support of his amendment.

There is no reason that Westlands should not have to renegotiate its water contract as required by law, now that its district has been expanded.

Mr. Chairman, we are facing a deficit deadline. We have the August 15 snapshot. We must pass a reconciliation bill or there will be enormously painful across-the-board cuts.

Our job is to pick and choose between programs that are worthy and those that are less worthy. It seems to me that this program is at the bottom of the list.

Why should we hand over $1 billion worth of subsidies to the Westlands Water District?

There is no reason that Westlands should not have to pay market rates for the water it receives, as do the urban users. There is no reason that wealthy growers, like the Southern Pacific Corp., should receive this kind of subsidy to grow additional crops when we are facing surpluses in all kinds of commodities.

There is every reason that we should support the amendment and ensure a better deal for the taxpayers, other water users, and the environment.

I urge my colleagues to support the amendment.

Mr. REGULA. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. PASHAYAN].

Mr. PASHAYAN. Mr. Chairman, let me take issue with some of the remarks made by my colleague and good friend from the northern part of the State.

The area the gentleman talks about is indeed populated with family farmers. Some of them, like many farmers across the country, have incorporated under State laws, but the farms are operated and run by families, and the gentleman fully well knows that.

Second, I should like to say that the Secretary of the Interior did not "capitulate" and certainly did not "capitulate" with the flavor and the shading that the gentleman implies by the tone of his voice and by his remarks.

This has been a longstanding and bitter legal dispute. There are legal issues on both sides. The parties came together, as they do in many situations. They made an arm's length settlement and I do not think that it is necessarily at all a good precedent for this body to step in, exercising the power of the purse in a reverse way, and take away funds for the resolution, after many years of a legitimate legal dispute with issues on both sides, and to cut the money off and bar a legitimate settlement under a Federal court. I think that is a very poor policy.

I wonder if the gentleman would appreciate if other Members got up at other times to undo court settlements in the areas of civil rights, et cetera, et cetera. I do not think it is good precedent.

Lastly, I just want again to reaffirm the fact that the Secretary of the Interior acted in a straightforward way upon legal advice.

The gentleman knows the issues in the legal sense are difficult. They are complicated, and if one will look evenly at both sides, I think one will find that the settlement is a reasonable solution to a long-going and bitter problem.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. MILLER].

The amendment was agreed to.

□ 1700

Mr. YATES. Mr. Chairman, I yield myself such time as I may consume.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Oregon.

Mr. WEAVER. Mr. Chairman, I thank my dear and distinguished friend, the chairman of the committee, the gentleman from Illinois, for yielding time to me.

Mr. Chairman, I cannot commend the gentleman enough, but I do have one complaint. He does not pronounce the name of Oregon exactly the way we pronounce the name of Oregon in Oregon. It is Oregon. I would like my chairman to pronounce that lovely and beautiful name, Oregon.

Mr. YATES. Is that the State where it rains all the time?

Mr. WEAVER. But then, you see, in the summertime, why the scorpions and rattlesnakes come out.

Mr. YATES. Mr. Chairman, I should like to advise the House that the gentleman from Oregon [Mr. WEAVER] has an amendment, and we are now waiting for the amendment. That is the reason for this interplay at the moment.

I thought the gentleman from Oregon—and that was the reason I yielded to him—was going to tell the House what the nature of the amendment was.

Mr. WEAVER. I am going to, Mr. Chairman.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I would love to hear the gentleman's explanation, and I think that we are favorably disposed to this amendment if it has been drafted as the gentleman has suggested.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Oregon.

Mr. WEAVER. Mr. Chairman, there is presently language in the Interior appropriations bill—and I commend the chairman for this language, I commend the ranking minority member for his language, and I commend the gentleman from Washington [Mr. DICKS] and the gentleman from Oregon [Mr. AUCOIN] for placing this absolutely essential language into the bill.

What the language does is to prohibit the export of raw logs from our public Federal forests. Right not one of the great banes on the economy of the Northwest is the massive export of our most precious resource, our raw logs. But the logs are not coming from the national forests because of the good work of the Interior Appropriations Committee and Members such as the gentleman from Washington [Mr. DICKS] and the gentleman from Oregon [Mr. AUCOIN], who have made sure that the provision is in this bill each year to prohibit the export of logs from our national forests.

What my amendment will do is to make sure that the Bureau of Land Management, which has 2 million acres of priceless timber in Oregon, has regulations that are consistent with the regulations that the Forest Service has long ago promulgated to maintain the law that has been in the appropriations bill so many times.

Mr. REGULA. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. BADHAM].

Mr. BADHAM. Mr. Chairman, I, too, would like to commend the chairman and the ranking minority member for their excellent work on this bill, trying to bring together the various factions that have to do with Outer Continental Shelf Oil leasing.

Mr. Chairman, today, I rise in strong support of the provision in the Interior appropriations bill pertaining to the California outer continental shelf oil leasing program.

Initially, during consideration of the Interior appropriations bill by the committee, I did support a 1-year moratorium because I thought that additional time was needed to work out the outstanding conflicts concerning the impact that oil leasing activities will have on the environment, air quality, and local infrastructure which are not capable of accommodating the heavy

industrial activity that accompanies offshore development.

However, while this proposal does not do all that a moratorium would do, it is acceptable in that it will delay preleasing activities to provide the Secretary of the Interior adequate time to analyze the various proposals presented by California's Governor Deukmejian, Congressman REGULA, and the California delegation. At the same time, the delay will allow negotiations to continue on a fair and level playing field in order to decide where to permit offshore oil and gas exploration and production and where to provide long-term protection to those areas along the California coasts that are environmentally and economically sensitive.

This delay is especially important to the 40th District I represent which includes 25 miles of the California coast that the Interior Department judged to be one of the top six coastal resources in the Nation because of its scenic beauty and pristine conditions. Orange County has built a strong vibrant tourist-based economy that generates thousands of jobs and billions of dollars in annual revenues. I believe the costs of developing oil on the outer continental shelf offshore Orange County would far outweigh the benefits derived from the thriving economic base that already exists. Also, many questions still exist concerning the impact that additional emissions from offshore and onshore support facilities would have on the existing air pollution problem in the area. With these questions still remaining, it is necessary for consultation to continue so that these legitimate concerns can be thoroughly addressed before the lease sale process can proceed.

The process incorporated in the Interior appropriations bill directs the Secretary of the Interior to fully review the various proposals submitted during the lengthy negotiating meetings and is consistent with the need to arrive at an acceptable long-term oil leasing program for California. It ensures that the California Members will have the opportunity to continue playing an integral role in developing a balanced oil and gas leasing program—one which adds to our energy resources without threatening the economic base and valuable national coastal resource which is ultimately utilized to the benefit of countless Americans.

Finally, I'd like to point out that this compromise amendment is acceptable to all parties, including the Department of the Interior, who have been actively involved in the negotiating process. Thus, I urge my colleagues to support it as well.

Mr. REGULA. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. I thank the gentleman for yielding time to me.

Mr. Chairman, last week during the consideration of the Energy and Water appropriation bill for fiscal year 1987, we had a rather lengthy debate about eight university facilities that were provided with $69.7 million. These facilities had neither been authorized nor had received a scientific merit review of any sort. Unfortunately the House voted against two amendments that I offered which would have prevented funds from being used for these projects until they had been authorized.

The bill before us today provides a conditional increase of $10 million for an energy research facility at Tufts University. Mr. Chairman, if this earmarking of funds for an energy research facility at Tufts University had been done in the manner that the projects were in the energy and water appropriations bill, I would have offered an amendment to strike the funding.

However, I will not do so, for I believe that the approach taken in the bill which we are considering here today answers many of the objections of those of us who have been critical of the wholesale pork-barrel approach.

The provision of the $10 million for the facility is conditional in that the funding is contingent upon specific authorization legislation being enacted, and upon approval of an appropriate peer-review panel convened by the Department of Energy for the specific purpose of reviewing a grant application for the facility, and subject to conditions, if any, contained in the legislation specifically authorizing such.

I want to commend the gentleman from Illinois [Mr. YATES], the chairman of the Interior Appropriations Subcommittee, for the approach taken in this bill to answer the two main objections many of us have had about the university facility funding as it has been conducted in the recent past. Namely, he has put in this bill that the project must be authorized, and it must be peer-reviewed by the Department of Energy.

I wholeheartedly support this approach, and I hope that we see similar provisions in any other appropriation bills where moneys are earmarked for university facilities.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to compliment the gentleman for his statement, because I think that the gentleman is correct on this issue. I think that it is something that both bodies must take very seriously, this idea of earmarking funds for specific universities.

I think that the approach that this bill demands, that it be a meritorious grant, that there be peer review, and it be authorized, is the appropriate way.

I, too, want to commend the chairman and the gentleman from Massachusetts [Mr. BOLAND], who is on our subcommittee, who was the leader in trying to craft an approach to projects such as this.

Mr. Chairman, I just think that Congress runs a grave risk when we start deciding which universities are going to do research. I do think that peer review makes sense. I think that that is why it has stood the test of time. Again, I want to tell the gentleman that I concur in his approach.

□ 1710

Mr. WALKER. I thank the gentleman, and it is my understanding, too, that the gentleman from Massachusetts [Mr. BOLAND] was very instrumental in this and he certainly deserves our congratulations, as does the ranking member, the gentleman from Ohio [Mr. REGULA] for bringing this bill to the floor that does it the right way.

They deserve, I think, the commendation of the House for so doing.

AMENDMENT OFFERED BY MR. SEIBERLING

Mr. SEIBERLING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SEIBERLING: On page 44, after line 12, insert the following new section:

SEC. 118. None of the funds made available by this or any other Act to the Department of the Interior shall be expended: (a) to submit to the United States District Court for Colorado any settlement with respect to Tosco Corp., et al. v. Hodel (611 F. Supp. 1130) or, (b) to issue any patent on any lands involved in this lawsuit, until the Congress has received from the Secretary and reviewed for a period of fifteen legislative days a copy of the proposed settlement agreement which has been approved and signed by the Secretary or until all judicial remedies, including all appeals in the judicial process, have been fully exhausted by the Secretary of the Interior.

Mr. SEIBERLING (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. STRANG. Mr. Chairman, I reserve a point of order against the amendment.

Mr. YATES. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. SEIBERLING].

Mr. SEIBERLING. Mr. Chairman, the Department of the Interior is contemplating settling a lawsuit which may involve a virtual giveaway of as much as 360,000 acres of public lands. This deal has been negotiated in secret between the Department and an oil company, as a settlement to a lawsuit

which the Department's own field personnel strongly urged their superiors to appeal rather than settle.

The Interior Committee, on which I serve, has not been briefed by the Department on this deal, despite its important public policy implications. This amendment would make sure that Congress is informed and has a chance to review these public policy implications before the Department acts.

Mr. Chairman, when James Watt was Secretary of the Interior, he proposed "privatizing" the public lands—selling off as much of them to private parties as they would take. Privatization became one of the most publically denounced policy proposals of this administration. Throughout the West, the public denounced the idea of selling off the public lands, and it seemed that the administration got the message.

The deal this amendment concerns would be worse then the selling of public lands—it would amount to giving those land away.

The particular lands the Department is proposing to settle away are oil shale lands. The lawsuit with which this amendment is concerned involves the validity of speculative mining claims made for those lands more than 60 years ago.

These lands represent an important element of our energy future. The oil shale is not worth much now, but in distant years when oil has become scarce and expensive, this will have become a key resource for America.

This amendment does not require congressional approval of a settlement of this lawsuit. It only requires giving us a chance to look at this complicated issue and its important public policy implications.

Mr. Chairman, the litigation the Department is proposing to settle in this way has been under way for decades. All my amendment asks is that the Congress be assured of an additional 15 days to review the merits of any settlement the Secretary proposes prior to exhausting all his rights of appeal through the judicial process.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I am happy to yield to my distinguished chairman, the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I rise in support of the amendment offered by my colleague, Mr. SEIBERLING.

I know of no issue more troublesome, more controversial, or of greater significance than the resolution of the oil shale mining claim problem.

Thousands of oil shale mining claims were located before 1920 on the assumption that oil shale was a valuable mineral, and that the claim could be brought into commercial production. After 1920, shale oil became a leasable mineral but thousands of these old claims still exist. Since that time, well over 60 years, we are still awaiting the first barrel of shale oil to be produced at commercially accepted prices. Literally billions of dollars have been expended without success.

Shale oil is not a present day reserve. It may be a resource valuable at some distant future date, but as of today, it is not commercially valuable for shale oil production.

Mr. SEIBERLING's amendment would not preclude patenting of these claims by the Secretary of the Interior, but it would give Congress an opportunity to review any agreement entered into by the Secretary and the mining claimant.

The lands here at issue include 525 claims covering about 84,000 acres in Colorado. They could be patented at $2.50 per acre. The value of the surface resources alone would exceed that by at least 50 to 100 times. In addition, the precedent set by this case could involve numerous other claims covering up to 300,000 acres in Colorado, Utah, and Wyoming.

Mr. Chairman, the extraction of shale oil from oil shale is not totally unlike the extraction of gold from the oceans. The gold is there; it is valuable; the process of extration is fairly well known, but the cost of extraction exceeds the value of the gold by at least a thousand times. The spread on extracting the shale oil from oil shale is not quite of that magnitude. But, so far, the cost of producing shale oil has exceeded the cost of producing conventional crude oil by 5 to 6 times.

I probably, more than anyone, would like to see the resolution of the endless litigation that has surrounded oil shale for more than 60 years. But I am not convinced that the proposed negotiated settlement is the way to go. At a minimum, I feel Congress should have an opportunity to know what is proposed and what the results would be. That is all the Seiberling amendment would do.

I support that effort and urge its favorable consideration.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I am happy to yield to the chairman of the subcommittee, the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I have examined the amendment, and as far as I am concerned, I am prepared to accept it.

I think that it is the kind of agreement that the Congress ought to be in a position to review before it is finally consummated. I should point out, however, to my good friend from Arizona [Mr. UDALL] and the gentleman from Ohio [Mr. SEIBERLING] that there is a point of order pending against the amendment by the gentleman from Colorado [Mr. STRANG].

Mr. UDALL. I understand.

Mr. SEIBERLING. Mr. Chairman, I would be happy to answer any questions if the gentleman from Colorado or anyone else has them as to the lawsuit to the extent we know something about it or to the amendment itself.

I am prepared to defend the point of order if the gentleman from Colorado [Mr. STRANG] insists upon his point of order.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Colorado [Mr. STRANG] insist on his point of order?

Mr. STRANG. Mr. Chairman, I insist on a point of order against the amendment offered by the gentleman from Ohio [Mr. SEIBERLING] on the gounds that it violates rule XXI. Specifically, the Seiberling amendment proposes to change existing law in a nongermane manner by purporting to limit funds under this or any other act, and I emphasize the words "or any other act."

No other acts are before the committee. Therefore, the amendment violates rule XXI, clause 2(b).

Further, Mr. Chairman, the amendment violates House rule XXI, clause 2(c) since it changes existing law insofar as the amendment would prohibit the engaging in a settlement of pending litigation that would impose additional duties on the agency by requiring submittal of the settlement to the Congress.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. SEIBERLING].

Mr. SEIBERLING. Mr. Chairman, I am prepared to strike the reference to "any other act" so that it just refers to this act and offer a substitute amendment to that effect.

The CHAIRMAN (Mr. DOWNEY of New York). The Chair is prepared to rule first on this point of order and address subsequent amendments at that time.

For the reason stated by the gentleman from Colorado [Mr. STRANG], the Chair sustains the point of order of the gentleman from Colorado against the amendment.

AMENDMENT OFFERED BY MR. SEIBERLING

Mr. SEIBERLING. Mr. Chairman, I offer an amendment, which is the same as the amendment I just offered with the words, "or any other," stricken in the first and second lines.

The Clerk read as follows:

Amendment offered by Mr. SEIBERLING: On page 44, after line 12, insert the following new section:

SEC. 118. None of the funds made available by this Act to the Department of the Interior shall be expended: (a) to submit to the United States District Court for Colorado any settlement with respect to Tosco Corp., et al. v. Hodel (611 F. Supp. 1130) or, (b) to issue any patent on any lands involved in this lawsuit, until the Congress has received from the Secretary and reviewed for a period of 15 legislative days a copy of the

proposed settlement agreement which has been approved and signed by the Secretary or until all judicial remedies, including all appeals in the judicial process, have been fully exhausted by the Secretary of the Interior.

Mr. SEIBERLING (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. STRANG. Mr. Chairman, I reserve a point of order against the amendment.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Colorado insist on his point of order?

Mr. STRANG. Mr. Chairman, I make a point of order against this Seiberling amendment on the grounds that it violates House rule XXI, clause 2(c) since it changes existing law insofar as the amendment would prohibit the engaging in a settlement of pending litigation and would impose additional duties on the agency by requiring submittal of the settlement to the Congress.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. SEIBERLING].

Mr. SEIBERLING. Mr. Chairman, in my opinion, this does not change existing law. It merely says that prior to preparing a settlement agreement which, of course, the Secretary has the right to do or not to do, before it becomes final, it must be submitted to Congress and lay over for 15 legislative days.

There is no discretion involved and no additional duties involved.

The CHAIRMAN (Mr. DOWNEY of New York). The Chair is prepared to rule.

The Chair rules that for the reasons stated by the gentleman from Colorado [Mr. STRANG] the amendment is out of order. The Chair sustains the point of order.

AMENDMENT OFFERED BY MR. WEAVER

Mr. WEAVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WEAVER: Amendment to title III, section 302:

On page 73, line 11, strike the period and insert in lieu thereof a colon and the following: "*Provided further,* That the Secretary of the Interior shall make and publish regulations under this Section that are consistent with the existing regulations that have been promulgated by the Secretary of Agriculture."

Mr. YATES. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon [Mr. WEAVER].

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I am delighted to yield to my colleague, the gentleman from Washington.

Mr. DICKS. Mr. Chairman, first of all, I appreciate the gentleman yielding and I want to thank the gentleman for the generous comments that he made about the gentleman from Oregon [Mr. AUCOIN] and myself, regarding our efforts to limit the export of logs off Federal lands.

I must say that we had great help from our chairman and our distinguished ranking Republican, the gentleman from Ohio [Mr. REGULA] over the years.

We held hearings on this subject, and out of those hearings, we got the Department of Agriculture, which has control over the Forest Service, to adopt new tightening regulations that made the practice of third-party substitution much more difficult through regulations and controls.

□ 1720

What the gentleman here is attempting to do is to see that those same regulations are implemented by the Department of Interior as it relates to the Bureau of Land Management lands.

I think this is a very good amendment; I think that the tightening effect of the new regulations from the Forest Service have reduced dramatically the potential for third party substitution, and I think that this is something that I know my colleague from Oregon [Mr. WEAVER] and I both can support strongly. I urge the committee to accept the Weaver amendment, and I compliment the gentleman from Oregon because he, too, has been at the forefront of the effort to limit exports of logs from Federal lands, and deserves great credit for this enlightened amendment.

Mr. WEAVER. Mr. Chairman, I thank the gentleman from Washington [Mr. DICKS] who has explained the amendment perfectly.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon [Mr. WEAVER].

The amendment was agreed to.

Mr. HOYER. Mr. Chairman, I have read the language that is included on page 44 of House Report 99-714, accompanying H.R. 5234, which relates to the administration's proposed reduction in minerals and materials research in the Bureau of Mines.

As I understand the committee's action, it has disapproved of the administration's request. It further requires that, before any action is taken to consolidate or close any of the research centers, that the Bureau of Mines must conduct a full assessment of any such action and that such a report will be due as part of the Bureau's fiscal year 1988 budget request.

Is my understanding correct?

Mr. YATES. If the gentleman will yield. Yes; it is correct?

Mr. HOYER. It is also my understanding that the Bureau of Mines will adhere to this report language, obviating the need for bill language.

Is this your understanding, Mr. Chairman?

Mr. YATES. Yes; that is correct.

The CHAIRMAN. Are there additional amendments to the bill?

Mr. YATES. Mr. Chairman, I move that the Committee do now rise, and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. SEIBERLING] having assumed the chair, Mr. DOWNEY of New York, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5234) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1987, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 359, nays 51, not voting 21, as follows:

[Roll No. 276]

YEAS—359

Ackerman	Andrews	Archer
Akaka	Annunzio	Aspin
Alexander	Anthony	Atkins
Anderson	Applegate	AuCoin

Barnard	Gaydos	McHugh
Barton	Gejdenson	McKernan
Bateman	Gephardt	McKinney
Bates	Gibbons	McMillan
Beilenson	Gilman	Meyers
Bennett	Gingrich	Mica
Bentley	Glickman	Michel
Bereuter	Gonzalez	Mikulski
Berman	Goodling	Miller (CA)
Biaggi	Gordon	Miller (OH)
Bliley	Gradison	Miller (WA)
Boehlert	Gray (IL)	Mineta
Boggs	Gray (PA)	Moakley
Boland	Green	Molinari
Bonior (MI)	Guarini	Mollohan
Bonker	Gunderson	Montgomery
Borski	Hall (OH)	Moody
Bosco	Hall, Ralph	Morrison (CT)
Boucher	Hamilton	Morrison (WA)
Boulter	Hammerschmidt	Mrazek
Boxer	Hatcher	Murphy
Brooks	Hawkins	Murtha
Broomfield	Hayes	Myers
Bruce	Hefner	Natcher
Bryant	Hendon	Neal
Burton (CA)	Henry	Nelson
Bustamante	Hertel	Nichols
Byron	Hiler	Nielson
Callahan	Hillis	Nowak
Carper	Holt	Oakar
Carr	Hopkins	Oberstar
Chandler	Horton	Obey
Chapman	Howard	Olin
Chappell	Hoyer	Ortiz
Clinger	Hubbard	Owens
Coats	Huckaby	Oxley
Cobey	Hughes	Packard
Coble	Hutto	Panetta
Coelho	Hyde	Parris
Coleman (MO)	Jeffords	Pashayan
Coleman (TX)	Jenkins	Pease
Collins	Johnson	Penny
Combest	Jones (NC)	Pepper
Conte	Jones (OK)	Perkins
Cooper	Jones (TN)	Pickle
Coughlin	Kanjorski	Porter
Courter	Kaptur	Price
Coyne	Kasich	Pursell
Craig	Kastenmeier	Quillen
Crockett	Kemp	Rahall
Daniel	Kennelly	Rangel
Darden	Kildee	Ray
Daschle	Kindness	Regula
Daub	Kleczka	Reid
Davis	Kolbe	Richardson
de la Garza	Kolter	Ridge
Dellums	Kostmayer	Rinaldo
Derrick	Kramer	Roberts
DeWine	LaFalce	Robinson
Dickinson	Lantos	Rodino
Dicks	Latta	Roe
Dingell	Leach (IA)	Roemer
DioGuardi	Leath (TX)	Rogers
Dixon	Lehman (CA)	Rose
Donnelly	Lehman (FL)	Rostenkowski
Dorgan (ND)	Leland	Roth
Dowdy	Lent	Roukema
Downey	Levin (MI)	Rowland (CT)
Duncan	Levine (CA)	Rowland (GA)
Durbin	Lewis (CA)	Roybal
Dwyer	Lewis (FL)	Russo
Dymally	Lipinski	Sabo
Dyson	Livingston	Savage
Early	Lloyd	Saxton
Eckart (OH)	Loeffler	Scheuer
Edwards (CA)	Long	Schneider
Edwards (OK)	Lowery (CA)	Schroeder
Emerson	Lowry (WA)	Schuette
Erdreich	Luken	Schulze
Evans (IL)	MacKay	Schumer
Fascell	Madigan	Seiberling
Fawell	Manton	Sharp
Fazio	Markey	Shaw
Feighan	Marlenee	Shelby
Fish	Martin (NY)	Sikorski
Flippo	Martinez	Sisisky
Florio	Matsui	Skeen
Foglietta	Mavroules	Slattery
Foley	Mazzoli	Smith (FL)
Ford (MI)	McCain	Smith (IA)
Ford (TN)	McCandless	Smith (NE)
Frank	McCloskey	Smith (NJ)
Frost	McCurdy	Smith, Robert (OR)
Fuqua	McDade	Snowe
Gallo	McEwen	Snyder
Garcia	McGrath	Solarz
Spence	Thomas (GA)	Whitehurst
Spratt	Torres	Whitley
St Germain	Torricelli	Whittaker
Staggers	Towns	Whitten
Stallings	Traficant	Williams
Stangeland	Traxler	Wilson
Stark	Udall	Wirth
Stenholm	Valentine	Wise
Stokes	Vander Jagt	Wolf
Stratton	Vento	Wolpe
Studds	Visclosky	Wortley
Sundquist	Volkmer	Wright
Sweeney	Vucanovich	Wyden
Swift	Waldon	Wylie
Swindall	Walgren	Yates
Synar	Watkins	Yatron
Tallon	Waxman	Young (AK)
Tauzin	Weaver	Young (FL)
Taylor	Weiss	Young (MO)
	Wheat	Zschau

NAYS—51

Armey	Gekas	Schaefer
Bartlett	Gregg	Sensenbrenner
Bilirakis	Hansen	Shumway
Brown (CO)	Hunter	Shuster
Burton (IN)	Ireland	Siljander
Chappie	Jacobs	Slaughter
Cheney	Lagomarsino	Smith, Denny (OR)
Crane	Lightfoot	Smith, Robert (NH)
Dannemeyer	Lott	Solomon
DeLay	Lujan	Strang
Dornan (CA)	Lungren	Stump
Dreier	Mack	Tauke
Eckert (NY)	Martin (IL)	Thomas (CA)
Evans (IA)	McCollum	Walker
Fiedler	Monson	Weber
Fields	Moorhead	
Franklin	Petri	
Frenzel	Ritter	

NOT VOTING—21

Badham	Campbell	Grotberg
Barnes	Carney	Hartnett
Bedell	Clay	Lundine
Bevill	Conyers	Mitchell
Boner (TN)	Edgar	Moore
Breaux	English	Rudd
Brown (CA)	Fowler	Skelton

□ 1730

Mr. COMBEST changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN THE ENGROSSMENT OF H.R. 5234, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, 1987

Mr. YATES. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill H.R. 5234, the Clerk shall be authorized to make any necessary technical corrections.

The SPEAKER pro tempore (Mr. SEIBERLING). Is there objection to the request of the gentleman from Illinois?

Mr. LOTT. Mr. Speaker, reserving the right to object, and it is not my intention at this time to object, I do so to inquire as to what we can anticipate on the schedule for the next few minutes or the rest of the night. There are Members on both sides of the aisle who are anxiously inquiring as to what we are going to be doing, what bills might be coming up or will we bring up the Postal, Civil Service Treasury rule as had been anticipated?

I would be pleased to yield, under my reservation of objection, to the distinguished majority leader.

Mr. WRIGHT. If the acting Republican leader would yield, we are trying to perfect the most productive use of our time. We think it would be very helpful if we were able to get unanimous consent at this point to have until midnight tonight, that the Rules Committee might have until midnight tonight to file a rule on the Department of Defense authorization bill. And I ask that unanimous consent.

Mr. LOTT. Now further reserving the right to object, let me make sure I understand what the gentleman is asking. He is asking that we have until midnight tonight to file the rule on the Department of Defense authorization bill, is that correct?

Mr. WRIGHT. That is correct.

Mr. LOTT. Further reserving the right to object, do we have any kind of agreement that has been worked out on that rule yet?

□ 1745

As a member of the Rules Committee, we do not have a meeting scheduled that I know of right now to report on that rule. I just hesitate to give that unanimous consent until we know what the rule is going to be.

Mr. WRIGHT. The representative of the minority leader stands in front of the acting minority leader and may be conveying information of interest.

Mr. LOTT. Mr. Speaker, further reserving the right to object, what I would like to emphasize here, as I did earlier today in the Rules Committee, we think we are going to be able to get together in a bipartisan way on a rule. But I think that there were still negotiations going on, and I just hesitate to agree right now.

Could we maybe withhold on that just a few minutes until we have had a chance to talk?

Mr. WRIGHT. The answer, I guess, is quite obvious. If we do not have unanimous consent for the Rules Committee to have until midnight tonight to file, since we intend to take up that rule tomorrow, we will have to stay in session until the Rules Committee arrives at the agreement to which the gentleman refers.

If the gentleman wants to require all the Members to have to sit in session tonight until that committee has completed its deliberations——

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. LOTT. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Speaker, might I inquire if we should consent to the filing of the rule tonight, and we have had a number of meetings on it and I

know that there is still quite a hassle over it, what would the procedure be then for the balance of this evening around here?

Mr. WRIGHT. If unanimous consent were given for the Rules Committee to have until midnight tonight to file its rule on the Department of Defense authorization bill, it then would be our hope to take up the bill relating to the Helsinki agreements and probably not consume more than 20 or 30 minutes on that. Then we would like to take up a rule on the Treasury-Postal matter.

I would ask unanimous consent that we might have until midnight tonight to file a rule on the Treasury-Postal matter.

The SPEAKER pro tempore (Mr. SEIBERLING). The Chair will advise the distinguished majority leader that there is currently a unanimous consent request pending relating to correcting the engrossment of the bill on which we have not yet completed action.

Mr. WRIGHT. Mr. Speaker, in that case, I would not ask that, but would renew my suggestion under the request for consideration of giving the Rules Committee until midnight to file its report on the Department of Defense authorization.

We could utilize some time profitably if, number one, we were able to act upon the Helsinki bill, and then quite possibly the Rules Committee would be prepared to report a rule on the Department of the Treasury and Post Service appropriation.

Mr. LOTT. Mr. Speaker, further reserving the right to object, the Rules Committee did meet already on the Treasury-Postal Service appropriation bill and granted it a rule, and I thought that it was a good rule. As a matter of fact, I think there were 57 or so issues that really needed waivers, and all those things were not waived. In fact, I think only three or four areas like IRS and Customs actually got waivers. But all these other extraneous matters, legislation on appropriations bills, were not waived. It was a good rule. We have the rule.

What happens now? Is the Rules Committee going to go back and get us another rule on that?

Mr. WRIGHT. Mr. Speaker, if the gentleman will yield, that is my understanding. I am informed, without knowing any of the merits, that members of the Rules Committee feel that they have committed an oversight and that they need to regroup and reconsider one provision which they intended to include in the rule on the Treasury-Postal appropriation bill. I do not know what it is, but I am simply reporting to the gentleman that, to the best of my knowledge, that is the case.

Now, unless we could get unanimous consent for the consideration of that rule today, then we would have to stay in session until the Rules Committee had reached its judgment, whatever that judgment may be.

Mr. LOTT. Mr. Speaker, further reserving the right to object, maybe we could back out of this and maybe get on with the business at hand.

The intent is to bring up the Helsinki issue immediately after this discussion.

Mr. WRIGHT. That is correct.

Mr. LOTT. That would take 20 or 30 minutes or so.

Mr. WRIGHT. That is correct.

And then if we have not received unanimous consent for the DOD rule, which, as I understand it, is not a bone of immediate controversy——

Mr. LOTT. I would like to say to the majority leader it may not be a bone of contention, but the minority leader is here not talking with our ranking member on the committee and there are negotiations underway right now. If the gentleman would see fit maybe withhold that until after the Helsinki issue, hopefully we can get some sort of unanimous consent.

Mr. WRIGHT. That is a perfectly acceptable recommendation.

If the gentleman will continue to yield, under that general understanding, I will withdraw my unanimous consent at this time and will respond to the gentleman to the effect that we will take up the Helsinki bill. Perhaps we will consume 20 or 30 minutes on that bill.

Upon the conclusion of the consideration of that bill, it would be my purpose then to renew this request. If for any good reason the request was not granted at that time, we then would propose to take up the highway rule and the highway bill.

Mr. LOTT. Mr. Speaker, under my reservation of objection, I yield to the gentleman from Alabama [Mr. DICKINSON] who is involved in those negotiations right now.

Mr. DICKINSON. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I left a meeting with Mr. ASPIN. We were meeting to discuss this thing just as I was notified that the motion had been made.

If the gentleman will give us 30 minutes or more, I think that we are going to have to offer this in tandem, it would seem. The first portion of it, which we are working on, we think we can offer and then we will have to go back to the Rules Committee at some subsequent time to more clearly define the sequence things that have come up. We are working out the details, and if the gentleman will give us 30 minutes to 1 hour, I think that we can resolve them.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. LOTT. Further reserving the right to object, I yield to the gentleman from Texas.

Mr. WRIGHT. I am sure that there are enough Members in the House on both sides, Republicans and Democrats alike, who feel sufficiently strongly about the civil rights accords reached at the Helsinki agreement, that they will more than adequately consume such time as is required in the discussion of those very important accords.

With that understanding, I suppose nothing remains except for us to proceed to the consideration of that bill.

Mr. LOTT. Mr. Speaker, I thank the majority leader for that.

I would like to just ask a couple more questions I think the Members would like to have information on.

Does the gentleman have any feel for what time we could perhaps anticipate completing our work here tonight?

Mr. WRIGHT. It depends entirely upon whether we get unanimous consent for midnight tonight for the Rules Committee to file a report on the DOD.

Mr. LOTT. Assuming we could work that out, then what time are we talking about.

Mr. WRIGHT. I think we would be in pretty good shape if we get to that point. We will take up the rule on the appropriations bill and, once we pass that rule and there is nothing left to do tonight but general debate, Members could safely go secure in the knowledge that there will be no likelihood of votes. We might conclude general debate tonight, thereby permitting us to do two things tomorrow, complete the 5-minute rule on the amendments on the Treasury-Postal appropriations bill and adopt the rule on the DOD authorization bill so that it will be eligible for consideration beginning on Monday for general debate.

Then we could reasonably expect that we will be out tomorrow in sufficient time so that Members may make such reservations as they care to. We will be out by 3 o'oclock.

Mr. LOTT. Further reserving the right to object, what is the anticipated schedule for tomorrow?

Mr. WRIGHT. The anticipated schedule for tomorrow, assuming these agreements are reached, the unanimous-consent requests are agreed to wherever necessary, will be that having completed the rule tonight on the Treasury-Postal bill and having completed general debate, allowing Members to understand there will not be any votes after the rule, then tomorrow we would have only two things to do.

□ 1755

One would be to complete the Treasury-Postal bill. The other would be to adopt the rule on the Department of Defense authorization bill.

Mr. LOTT. But the Members can anticipate some votes tomorrow; at least two?

Mr. WRIGHT. There will be votes tomorrow.

Mr. LOTT. I thank the majority leader for that.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. SEIBERLING). Is there objection to the request of the gentleman from Illinois?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 3113, COORDINATED OPERATION OF CENTRAL VALLEY PROJECT AND STATE WATER PROJECT IN CALIFORNIA

Mr. UDALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, H.R. 3113 providing for the coordinated operation of the Central Valley project and State water project in California, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona? The Chair hears none and without objection, appoints the following conferees: Messrs. UDALL, MILLER of California, COELHO, LEHMAN of California, YOUNG of Alaska, CHENEY, and PASHAYAN.

There was no objection.

ANNOUNCEMENT OF AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS AND CLASSIFIED ANNEX ACCOMPANYING INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1987

(Mr. HAMILTON asked and was given permission to address the House for 1 minute.)

Mr. HAMILTON. Mr. Speaker, I want to inform all Members of the House that the Classified Schedule of Authorizations and Classified Annex to the report accompanying H.R. 4759, the Intelligence Authorization Act for fiscal year 1987, is now available for the review of Members only at the offices of the Intelligence Committee, room H-405 in the Capitol, Monday through Friday.

It is my expectation that the intelligence bill will come before the House in the next several weeks. I suggest that all Members take the opportunity to read the schedule and annex to inform themselves concerning the committee's recommendations on the fiscal year 1987 intelligence and intelligence-related budget.

NOTICE OF INTENT TO REQUEST MODIFIED OPEN RULE ON H.R. 5081, ASSISTANCE FOR DEMOCRACY ACT OF 1986

(Mr. FASCELL asked and was given permission to address the House for 1 minute.)

Mr. FASCELL. Mr. Speaker, I rise to inform the House that tomorrow morning at 10:30 a.m. the Committee on Foreign Affairs will be requesting that the Committee on Rules grant a modified open rule on H.R. 5081, the Assistance for Democracy Act of 1986.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 5294 TREASURY DEPARTMENT, THE UNITED STATES POSTAL SERVICE, THE EXECUTIVE OFFICE OF THE PRESIDENT, AND CERTAIN INDEPENDENT AGENCIES APPROPRIATIONS, 1987

Mrs. BURTON of California, from the Committee on Rules, submitted a privileged report (Rept. No. 99-726) on the resolution (H. Res. 521) waiving certain points of order against consideration of the bill (H.R. 5294) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1987, and for other purposes, which was referred to the House Calendar and ordered to be printed.

HELSINKI HUMAN RIGHTS DAY

Mr. YATRON. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs and the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 371) to designate August 1, 1986, as "Helsinki Human Rights Day," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 371

Whereas August 1, 1986, will be the eleventh anniversary of the signing of the Final Act of the Conference on Security and Cooperation in Europe (hereafter in this preamble referred to as the "Helsinki Accords");

Whereas on August 1, 1975, the Helsinki Accords were agreed to by the Governments of Austria, Belgium, Bulgaria, Canada, Cyprus, Czechoslovakia, Denmark, Finland, France, the German Democratic Republic, the Federal Republic of Germany, Greece, the Holy See, Hungary, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Malta, Monaco, the Netherlands, Norway, Poland, Portugal, Romania, San Marino, Spain, Sweden, Switzerland, Turkey, the Union of Soviet Socialist Republics, the United Kingdom, the United States of America, and Yugoslavia;

Whereas the Helsinki Accords express the commitment of the participating States to "respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all without distinction as to race, sex, language or religion";

Whereas the Helsinki Accords also express the commitment of the participating States to "promote and encourage the effective exercise of civil, political, economic, social, cultural, and other rights and freedoms all of which derive from the inherent dignity of the human person and are essential for his free and full development";

Whereas the Helsinki Accords also express the commitment of the participating States to "recognize and respect the freedom of the individual to profess and practice, alone or in community with others, religion or belief acting in accordance with the dictates of his own conscience";

Whereas the Helsinki Accords also express the commitment of the participating States in whose territory national minorities exist to "respect the right of persons belonging to such minorities to equality before the law" and that such States "will afford them the full opportunity for the actual enjoyment of human rights and fundamental freedoms and will, in this manner, protect their legitimate interests in this sphere";

Whereas the Helsinki Accords also express the commitment of the participating States to "recognize the universal significance of human rights and fundamental freedoms, respect for which is an essential factor for the peace, justice and well-being necessary to ensure the development of friendly relations and cooperation among themselves as among all States";

Whereas the Helsinki Accords also express the commitment of the participating States to "constantly respect these rights and freedoms in their mutual relations" and that such States "will endeavor jointly and separately, including in cooperation with the United Nations, to promote universal and effective respect for them";

Whereas the Helsinki Accords also express the commitment of the participating States to "confirm the right of the individual to know and act upon his rights and duties in this field";

Whereas the Helsinki Accords also express the commitment of the participating States in the field of human rights and fundamental freedoms to "act in conformity with the purposes and principles of the Charter of the United Nations and with the Universal Declaration of Human Rights" and to "fulfill their obligations as set forth in the international declarations and agreements in this field, including inter alia the International Covenants on Human Rights, by which they may be bound";

Whereas the Helsinki Accords also express the commitment of the participating States to "facilitate freer movement and contacts, individually and collectively, whether privately or officially, among persons, institutions and organizations of the participating States, and to contribute to the solution of the humanitiarian problems that arise in that connection";

Whereas the Helsinki Accords also express the commitment of the participating States to "favorably consider applications for

travel with the purpose of allowing persons to enter or leave the territory temporarily, and on the regular basis if desired, in order to visit members of their families";

Whereas the Helsinki Accords also express the commitment of the participating States to "deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family" and "to deal with applications in this field as expeditiously as possible";

Whereas the Helsinki Accords also express the commitment of the participating States to "examine favorably and on the basis of humanitarian considerations requests for exit or entry permits from persons who have decided to marry a citizen from another participating State";

Whereas the Helsinki Accords also express the commitment of the participating States to "facilitate wider travel by their citizens for personal or professional reasons";

Whereas the Governments of the Union of Soviet Socialist Republics, Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania, in agreeing to the Helsinki Accords, have acknowledged an adherence to the principles of human rights and fundamental freedoms as embodied in the Helsinki Accords;

Whereas the aforementioned Governments have violated their commitments to the Helsinki Accords by denying individuals their inherent rights to freedom of religion, thought, conscience, and belief;

Whereas the aforementioned Governments have violated their commitments to the Helsinki Accords by restricting the freer movement of people, ideas, and information;

Whereas the concluding document of the Madrid Review Conference of September 9, 1983, called for Ottawa Human Rights Experts Meeting, the Budapest Cultural Forum, and the Bern Human Contacts Experts Meeting to discuss questions concerning respect for human rights and cooperation in humanitarian fields as embodied in the Helsinki Accords;

Whereas these meetings, which were attended by representatives from all the signatory States, presented important opportunities to address issues of compliance with the human rights and humanitarian provisions of the Helsinki Accords; and

Whereas in November 1986 representatives from the signatory States will be meeting in Vienna to review implementation of the Helsinki Accords, including the human rights and humanitarian provisions: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) August 1, 1986, the eleventh anniversary of the signing of the Helsinki Accords is designated as "Helsinki Human Rights Day";

(2) the President is authorized and requested to issue a proclamation reasserting the American commitment to full implementation of the human rights and humanitarian provisions of the Helsinki Accords, urging all signatory nations to abide by their obligations under the Helsinki Accords, and encouraging the people of the United States to join the President and Congress in observance of Helsinki Human Rights Day with appropriate programs, ceremonies, and activities;

(3) the President is further requested to continue his efforts to achieve full implementation of the human rights provisions of the Helsinki Accords by raising the issue of noncompliance with the Governments of the Soviet Union, Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania at every available opportunity;

(4) the President is further requested to convey to all signatories of the Helsinki Accords that respect for human rights and fundamental freedoms is a vital element of further progress in the ongoing Helsinki process; and

(5) the President is authorized to convey to allies and friends of the United States that unity on the question of respect for human rights and fundamental freedoms is the most effective means to promote the full implementation of the human rights and humanitarian provisions of the Helsinki Accords.

SEC. 2. The Secretary of the Senate is directed to transmit copies of this joint resolution to the President, the Secretary of State, and the Ambassadors of the thirty-four Helsinki signatory nations.

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. YATRON] is recognized for 1 hour.

Mr. YATRON. Mr. Speaker, I yield the customary 30 minutes to the gentleman from New York [Mr. SOLOMON], pending which I yield myself such time as I may consume.

Mr. Speaker, Senate Joint Resolution 371, declares August 1, 1986, the 11th anniversary of the Helsinki accords, as "Helsinki Human Rights Day." It asks the President to issue a proclamation reasserting the American commitment to full implementation of the human rights and humanitarian provisions of the Helsinki accords.

This resolution unanimously passed the other body on July 23 and was reported to the Committee on Foreign Affairs. The measure was also referred to the Committee on Post Office and Civil Service, which has no objection to its being considered here today. Senate Joint Resolution 371 is almost identical to House Joint Resolution 667, introduced by Mr. PORTER and Mr. LANTOS, cochairman of the Human Rights Caucus, and 10 other original cosponsors.

I am pleased to be the floor manager for this legislation. During my tenure as chairman of the Subcommittee on Human Rights and International Organizations, I have chaired many hearings involving signatories of the Helsinki accords who blatantly violate human rights. One such hearing was conducted yesterday on religious persecution in the Soviet Union. It is up to us in the U.S. Congress to hold member countries accountable for the human rights provisions in the Helsinki accords. Unless we insist on compliance, unless we generate constant pressure, unless we influence international public opinion, the Helsinki accords will be reduced to meaningless dribble instead of lofty ideals.

Mr. Speaker, I am very proud of past congressional expressions of support for implementation of Helsinki Human Rights provisions and our continual monitoring of the human rights situations in the Soviet Union and Eastern European countries. Time and again, resolutions addressing the denial of individual liberties and the imposition of political repression have passed this body. Among the leaders in this area are Mr. FASCELL, Mr. BROOMFIELD, Mr. GILMAN, Mr. HOYER, Mr. SOLOMON, Mr. LANTOS, and Mr. PORTER. It is precisely these constant and consistent expressions of congressional concern such as the resolution now before us which have given hope to refuseniks, political prisoners, separated families, and the millions of oppressed.

The bill asks the President to continue his efforts to achieve full implementation of the Helsinki accords by raising the issue of noncompliance. It further requests that the President convey to our allies the importance of unity on the question of respect for human rights and fundamental freedoms. It is essential for the United States to make it absolutely clear that an improvement in East-West relations is contingent upon an improvement in human rights conditions.

I commend Senator DECONCINI for introducing Senate Joint Resolution 371. I would greatly appreciate the support of all my colleagues on this important initiative.

□ 1805

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me first of all commend my chairman, the gentleman from Pennsylvania [Mr. YATRON] for the timely manner in which he brings this resolution to the floor.

Mr. Speaker, I rise in strong support of Senate Joint Resolution 371, and I urge its unanimous adoption by the House.

On August 1, 1975, representatives of 35 governments in Europe and North America concluded the Conference on Security and Cooperation in Europe by placing the signatures of their governments on a solemn covenant now known as the Helsinki Final Act. This covenant established the primacy of human rights as the foundation that underlies political and economic cooperation between the countries of Europe. This resolution commemorates the 11th anniversary of the signing of the Helsinki Final Act.

Unfortunately, the commemoration of this event is not a cause for celebration. Even a casual reading of the Helsinki Final Act—and I might add that this resolution contains extensive excerpts from the act—but even a casual reading of these excerpts should be enough to convince any objective person that the lofty ideals and declarations of purpose to which the signatory countries have committed themselves have been ignored, even reviled,

by the Soviet Union and its satellite countries.

When the Helsinki Final Act was signed 11 years ago, many of us were skeptical. However much we may believe in the principles of freedom and human dignity that are enunciated in that document, it also served to legalize or ratify the Soviet Union's conquest of Eastern Europe—a conquest that has subjugated many peoples and cultures, a conquest that was begun by force of arms and completed by political deceit and treachery that have no parallel in this century.

It was the hope of many people that perhaps this recognition of Soviet hegemony in Eastern Europe would be enough to induce concessions by the Kremlin in the area of human rights. But such has not been the case.

I am led to no other conclusion than that the Soviet Union and its puppets in Eastern Europe placed their signatures on the Helsinki Final Act in a cynical and hypocritical attempt to gain an advantage in the propaganda warfare that has kept Europe divided since 1945. Certainly, if they ever had any intention of living up to the human rights standards that are enshrined in this document, they have yet to give any indication of it. Tyranny, repression, and human degradation have continued unabated in Eastern Europe during the past 11 years.

Mr. Speaker, the implication is clear: The war against totalitarianism did not end with the defeat of fascism in 1945. The war continues today. It is not a shooting war in Europe, but it is a war just as real as World War II—and the stakes are just as high. What is ultimately at stake is the survival of freedom and human dignity on the European Continent—the very place where these great ideals first originated many centuries ago.

The record of the past 11 years is bad. Clearly, the Helsinki Final Act has not proven to be a restraint on Soviet belligerence. But the act does have symbolic importance, and it provides us with a tool to use in dealing with the Soviet Union and its cronies. Let us take advantage of the 11-year commemoration on August 1 to rededicate ourselves and our Nation to the principles the Helsinki Final Act contains. Let us strive to turn the act—a piece of paper—into a living reality. Let us call upon the administration to make this solemn covenant the centerpiece of the East/West dialog and of our policy in Europe.

Above all, we must keep faith with the many millions of people who suffer under the yoke of Soviet communism in Europe. Their cries must not go unheard. Nor should we be hesitant in demanding Soviet compliance with the principles the Kremlin pledged to uphold when the Helsinki Final Act was signed.

Over the next 11 years and beyond, we must strive to make the Helsinki Final Act a living expression of the faith that animates and sustains a free society and a free people. The act should be more than just a monument to good intentions, it should be held up as a beacon of hope to those people who are oppressed in Eastern Europe.

Mr. BROOMFIELD. Mr. Speaker, I support the joint resolution before us which designates August 1, 1986 as "Helsinki Human Rights Day." This resolution also urges our President to remind all signatories of their obligations under the Helsinki accord.

I commend Senator DECONCINI for this timely legislative initiative.

What could be more important than the freedom and liberty of a human being. Unfortunately, many countries such as the Soviet Union which signed the final act in 1975 ignore their obligations under that solemn agreement. They clearly don't respect human rights and basic freedoms.

Although signatories to the act, they refuse to facilitate freer movement and contacts among persons and organizations of the participating States. Some States have violated their commitment to the accords by failing to favorably consider travel applications by their own citizens. In fact, some nations have restricted the freer movement of people and ideas. They have moved in a direction opposite from where they had pledged to go.

I strongly support this resolution's efforts to call upon all signatory nations to abide by their clear obligations under the accord.

I encourage my colleagues to join me in supporting this joint resolution.

Mr. YATRON. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland [Mr. HOYER], who is also the cochairman of the Helsinki Commission.

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding this time to me.

The gentleman from Pennsylvania [Mr. YATRON], who chairs the Subcommittee on Human Rights and International Organizations of the Committee on Foreign Affairs, has been a leader in the effort to focus on human rights, not only in the Western Europe theater that deals with the Helsinki accords but throughout the world. I congratulate him for his efforts over the years.

Mr. Speaker, as cochairman, of the U.S. (Helsinki) Commission on Security and Cooperation in Europe, I rise today in strong support of Senate Joint Resolution 371, which is identical to House Joint Resolution 667, designating August 1, the 11th anniversary of the signing of the Helsinki Final Act, as "Helsinki Human Rights Day." I also want to take this opportunity to commend my colleague and fellow Helsinki Commissioner John Porter who introduced House Joint Resolution, 667, for his leadership in the area of human rights and for his initiative in sponsoring this legislation.

On August 1, 1975, the leaders of 33 nations of Western and Eastern Europe, Canada and the United States signed the Helsinki Final Act. Seen as the capstone of détente policy, the Final Act placed respect for fundamental human freedoms squarely within the East-West framework as a basic element of government-to-government relations. Through good faith observance of the Final Act's standards for responsible and humane international conduct, signatory States were to advance along the difficult road toward mutual trust and cooperation.

The Final Act provided a comprehensive, consultative framework encompassing practically all areas of international concern: Military affairs, protection of the environment, trade, human rights, exchange in the areas of culture, science, and technology, human contacts, information, and education. It was an ambitious agenda involving an evolutionary process. By signing the Helsinki Final Act, the Western democracies in essence pledged to keep faith with the persecuted in the East. It is telling to recall that the West failed to anticipate the impact that the human rights provisions of the Helsinki Final Act would have on East bloc citizens. We in the West were not the first to act upon the accords as a means to expose human rights violations in the East. East bloc citizens seized upon the Helsinki provisions as a program for human rights advocacy.

On May 12, 1976, Yury Orlov, a physicist in Moscow, formed a human rights group which called itself the "Public Group to Promote Observance of the Helsinki Accords in the U.S.S.R." better known here in the West as the "Moscow Helsinki Group." Orlov was joined eventually by 21 additional members including Natan Shcharansky and Dr. Yelena Bonner. Their intent—to oversee the Soviet Union's implementation of the Final Act's provisions. Their destiny was persecution, prison, labor camp, internal exile. This spark of human determination and courage spread within the U.S.S.R. to the Ukraine, Lithuania, Georgia and Armenia and other nations as well. In January 1977, Charter 77 was founded in Czechoslovakia; KOR began monitoring Helsinki compliance in Poland in September 1979.

The Moscow Group disbanded after several years of brutal repression. The other groups in the U.S.S.R. struggle on in the face of virtually crushing repression. In February, Natan Shcharansky, after 9 years of imprisonment, imposed for no more than wanting to emigrate, crossed the Glienicke bridge to freedom. That crossing was not simply from East to West but a passage between two worlds, from the in-

human conditions of the gulag to a world where fundamental freedoms are cherished and protected. One of the message brought by Shcharansky as that he would not forget those he left behind: In labor camps and prisons, Pentecostals, Baptists, Ukrainian Catholics, the poets.

Eleven years ago, we committed ourselves to uphold certain standards by which we deal with other nations and with our own citizens. Today we recommit ourselves. On November 4, the 35 signatory nations will convene in Vienna to review implementation of the Helsinki Final Act. The U.S. delegation led by Ambassador Warren Zimmerman will, with our allies at Vienna, take up the torch that the Helsinki Watch groups in the Soviet Union, in Czechoslovakia, and in Poland first held up before the world and called attention to the conditions under which they must live. The record of the East bloc nations is dismal. The Final Act contains no enforcement mechanism, the pressure to bear is political and moral. It is for these courageous men and women that Vienna must speak. It is for them and the values the American people hold most dear, that we must ensure Vienna's effectiveness as an international platform for the vigorous pursuit of human rights diplomacy.

□ 1815

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. HOYER. Mr. Speaker, I yield to my friend, the gentleman from New York, a member of the Helsinki Commission and a leader of human rights issue in this area and throughout the world.

Mr. KEMP. I thank my friend for yielding, and also my friends on the minority side of the aisle. I'd like to just take a moment to underscore the very thoughtful and eloquent words that the gentleman from Maryland has used here on the floor of the House on an important day and an important issue.

I want to thank the gentleman from Maryland for his friendship and leadership and my colleagues on both sides of the aisle who have fought long and hard for those Jews and Christians behind the Iron Curtain. These actions clearly reflect that love of freedom which is at the heart of our country and the hearts and minds of freedom-loving men and women everywhere.

By an act of Congress, we have set aside August 1 as Helsinki Human Rights Day. Today we commemorate the 11th anniversary of the signing of the Helsinki Final Act. We take this occasion to reflect upon what this act has meant for the advancement of human rights.

The most important lesson is that human rights do not exist in words or on paper. They become real only as the free institutions are created that ensure their protection. And they only have meaning when significant numbers of individuals can benefit from this protection.

Let's look at three cases which clearly demonstrate the need for greater compliance with the Helsinki accords.

Natan Shcharansky is in Israel, but his brother and mother remain in the Soviet Union.

Soviet chessmasters Anna and Boris Gulko and their son David were permitted to emigrate to Israel in May after 8 years as refuseniks. Boris came to the Capitol today to hold a chess match to help us commemorate Human Rights Day. We had scheduled a telephone call from Leonid Shcharansky in the Soviet Union. The call never came. We can only hope that Leonid wasn't arrested on his way to make the call, as Boris was 3 months ago, and as Leonid's brother, Natan, was so many times before he finally obtained his freedom.

Dr. Yelena Bonner was permitted to come to the United States for desperately needed medical treatment. A condition of her being allowed out of the Soviet Union was that she remain silent about life in the Soviet Union. Dr. Bonner found herself morally unable to comply with this condition. We don't know yet what the repercussions will be for Dr. Bonner and her husband, Dr. Andrei Sakharov. The blanket of silence drawn around them in their internal exile in the closed city of Gorky has become increasingly difficult to penetrate.

These are just three of the thousands of tragic stories which are caused by violations of the Helsinki human rights provisions. I must further point out that the total number of people permitted to emigrate has dropped drastically. Vladimir and Maria Slepak have been refuseniks for over 15 years. Ida Nudel, the Angel of Mercy, is in poor health and may face the Angel of Death. Inna Meiman also faces death because she is unable to obtain proper medical treatment in the Soviet Union. Vladimir Feltsman, award-winning pianist, is still restricted to rehearsing and performing in his apartment.

These are only a few of the hundreds of cases which we have documented, and the hundreds of thousands of cases which exist. And these are not just cases, these are individuals, people, who are suffering unwarranted harassment solely for their "crime" of being Jewish or Christian or Georgian or German, for their "treasonous behavior" of wanting to leave the Soviet Union.

We must use all the means we have available to us to enforce compliance of the Helsinki accords, particularly in light of the upcoming Helsinki Review Conference in Vienna. I must take a moment to commend the work done in this area by such individuals and groups as Lynn Singer of the Union of Councils for Soviet Jewry, Mark Levin and Billy Keyserling of the National Conference on Soviet Jewry, and Paul Meek and his associates at the International Parliamentary Group for Human Rights in the Soviet Union. Their tireless efforts and single-minded dedication in behalf of the cause continue to be an inspiration to us all.

Our actions as legislators should be no less than theirs. We must act to ensure true compliance with the letter and the spirit of the Helsinki Final Act in all three baskets; that is, economics, security, and human rights.

We can stress the importance the United States places on human rights by conditioning any agreements we negotiate with the Soviets on their improved human rights record. We should not grant most-favored-nation status, or give trade advantages to countries like Romania and the Soviet Union, when they flagrantly violate the principles and standards of the Helsinki Final Act. The Soviets should not be rewarded for their cruel and inhuman oppression of refuseniks.

Nations of the free world, built on respect for human rights, represent the noblest and best experiment of mankind. It falls to us to spread that experiment in democracy and freedom. This is by no means an easy task. But it is our sacred trust to do everything we can to achieve it.

Security and cooperation in Europe—the Helsinki goals—will be ensured only when all of Europe's people live under governments freely chosen by all the people, and responsive to the will of the electorate.

That is the Helsinki pledge that is binding on us all.

We, as Americans, and as people who are blessed with freedom, must do all we can to share this blessing. It is our moral obligation, and our legal obligation under the Helsinki Final Act.

In closing I want to say that as a commissioner, it is an honor and a pleasure to serve with the gentleman from Maryland. I not only give my support to him, but also to this effort that has been made by the people who are here on the floor today in the cause of human rights.

I thank the gentleman.

Mr. HOYER. Mr. Speaker, I thank the gentleman for his very kind remarks, and more importantly, for the energy and dedication that he has expended on the defense of human rights, as I said, and in support of the Helsinki process.

Mr. SOLOMON. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from New York [Mr. GILMAN], the second ranking member of the Foreign Affairs Committee.

Mr. GILMAN. Mr. Speaker, I want to commend the distinguished chairman of our Subcommittee on Human Rights, the gentleman from Pennsylvania [Mr. YATRON], and the distinguished ranking minority member, the gentleman from New York [Mr. SOLOMON], for bringing this measure to the floor at this time, an appropriate time just before the anniversary date of the Helsinki accords.

Mr. Speaker, last year we celebrated the 10th anniversary of the signing of the Helsinki accords. At that time, many of us recalled the circumstances under which the final act was signed on August 1, 1975, by 35 nations, including the United States and the Soviet Union. It was a momentous occasion, and one which, over the years, has brought both frustration and joy. We have seen thousands of religious, cultural and political activists begin new lives outside the Soviet Union, but have also been witness to the tragedy of harassment, arrest, beatings, and interrogations perpetrated against men and women who only desire the religious and cultural freedom afforded them by this important document.

In the past year we have participated in numerous expressions of concern, from Solidarity Sunday for Soviet Jews to our own Congressional Prayer Fast and Vigil. Many of us have beaten a well-worn path to the Soviet Embassy, in an effort to show our solidarity with those whose spouses and other relatives remain behind the Iron Curtain, and in opportunities to relay that concern to Embassy officials. Senate Joint Resolution 371 and House Joint Resolution 667, which proclaim August 1, 1986, as "Helsinki Human Rights Day" reminds us of the many thousands of those silenced in Soviet prisons, in labor camps, and places of exile.

Men like Yuri Orlov and Iosef Berenshtein continue to suffer mightily for their beliefs; Ida Nudel and Nadezha Fradkova are only two of the many women being crushed under the weight of Soviet oppression. Over the past year, we have also participated in joyous occasions, such as the historic visit of Anatoly Shcharansky to the United States following his momentous walk across the Gleinicke Bridge in Berlin. I look forward to seeing Natan and Avital here again when their Congressional Gold Medals are ready for presentation. We were also gratified to welcome Dr. Mark Nashpitz to our midst, and reviewed Soviet mail practices with Isai and Grigory Goldshtein. Most recently, Chess Master Boris Gulko and his wife who have fled to freedom, are visiting Washington right now in an effort to focus further attention on the issue of human rights.

The commemoration of Helsinki Human Rights Day highlights for the world the necessary compliance and respect for basic human freedoms—the freedoms of movement, speech, religion, and equality before the law. Those of us in the West cannot truly perceive the severe constraints under which the men and women of the Soviet Union live. We hear their plights and we commiserate, we dedicate ourselves on their behalf, and we speak out against the cruelties perpetuated by the Soviet regime. Yet, only those who have lived through the catch-22 existence of the Soviet system truly understand the impact, the severity and the motivation for such brutal behavior.

By reminding the world of the principles set forth in the Helsinki Final Act of 1975, we reaffirm our own deep dedication to these precepts. As we look forward to yet another summit meeting, and additional rounds of Helsinki related conferences, we must propound one concept at every opportunity—that of compliance and respect for the act's statement of principles. For it is only when there is compliance with those principles that human rights in the Soviet Union will truly be achieved.

Mr. SOLOMON. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Illinois [Mr. PORTER], who is a member of the Helsinki Commission and an outstanding member in this effort.

Mr. PORTER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, let me commend the effort of the distinguished gentleman from Pennsylvania and the distinguished gentleman from New York for bringing Senate Joint Resolution 371 to the floor.

Let me also thank the gentleman from Pennsylvania and the gentleman from Maryland for their very kind remarks.

Let me say further that it is a great honor and privilege for me to be serving under the leadership of the gentleman from Maryland. As a member of the Helsinki Commission, his leadership has been strong and steadfast and the progress we have made I think has been very great.

Mr. Speaker, I was pleased to introduce House Joint Resolution 667, along with my cochairman of the Congressional Human Rights Caucus, the distinguished gentleman from California [Mr. LANTOS], and many members of our Caucus Executive Committee.

House Joint Resolution 667 is the same as Senate Joint Resolution 371 before us today. Both resolutions designate August 1, 1986, as Helsinki Human Rights Day and reaffirm American support for human rights and the Helsinki Final Act.

This resolution also calls upon the President to reassert the United States commitment to the Helsinki accords and to continue his effort to achieve full implementation of the Helsinki accords by once more raising the issue of noncompliance.

On August 1, 1975, representatives from 35 countries joined together in Helsinki to sign the Final Act of the Conference on Security and Cooperation in Europe. This agreement covers every aspect of East-West relations, including military security, scientific and cultural exchanges, trade and economic cooperation.

This year marks the 11th anniversary of the signing of the accords. The signing of this agreement buoyed the hopes of many people living in countries who believed it signaled a new era of respect for human rights and improved East-West relations. In many countries Helsinki monitoring groups were established with the purpose of publicizing the standards of the accords and monitoring the application of these standards by their governments.

Unfortunately, the formation of these groups were not encouraged by many of the signatory countries. The Eastern European groups met great opposition from their governments. Yet, the leaders of these groups persisted, despite the efforts by their governments to jail them and to destroy and chill their courage to stand up for human rights. We are still rejoicing over the release of Anatoly Shcharansky, a leader of the Moscow Helsinki Group, but we must continue to remember those who are still fighting to be free including Yelena Bonner, Victoras Petkas, Ida Nudel, and the founder of the Moscow Helsinki Group, Yuri Orlov, who has been a prisoner of conscience since 1977. They are the true world leaders in the fight for human rights.

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Unfortunately, today, 11 years later, some of the signatories continue to disregard their human rights commitments. Many of the Eastern-bloc countries restrict religious freedom, deny their citizens the right to emigrate, and imprison human rights activists.

By sponsoring a resolution to call attention to the 11th anniversary of the Helsinki accords, we hope to remind all signatories of the Helsinki Final Act that the United States continues to support full implementation of the accords.

As we look forward to the Vienna Review Conference that begins in November, it is essential that our Government use this meeting as an opportunity not only to reassert the U.S. commitment to the accords, but to make clear to the entire world the continuing violations of Basket III, the human rights provisions, by the Soviets and other Eastern-bloc countries.

Mr. Speaker, I urge my colleagues to join me in supporting S.J. Resolution 371 and Helsinki Human Rights Day. I

hope that through our efforts to support the Helsinki accords, we can work toward a world dedicated to peace and respect for human rights.

The SPEAKER pro tempore (Mr. SEIBERLING). The gentleman from New York [Mr. SOLOMON] has 17 minutes remaining, and the gentleman from Pennsylvania [Mr. YATRON] has 17 minutes remaining.

Mr. SOLOMON. Mr. Speaker, I yield 6 minutes to the distinguished gentleman from Pennsylvania [Mr. RITTER], who is also an outstanding member of the Helsinki Commission.

Mr. RITTER. Mr. Speaker, I would like to commend the gentleman from New York [Mr. SOLOMON] and the gentleman from Pennsylvania [Mr. YATRON] for their leadership in bringing this resolution to the floor. I would like to commend my colleague, the gentleman from Illinois [Mr. PORTER], for authoring this resolution.

Mr. Speaker, as a member of the Commission on Security and Cooperation in Europe—the Helsinki Commission—as cochairman of the Ad Hoc Committee on the Baltic States and the Ukraine, and as a proud cosponsor of Mr. PORTER's resolution, I rise to offer my support of Helsinki Human Rights Day, designated for August 1, 1986. This day commemorates the 11th anniversary of the signing of the Helsinki Final Act by 35 nations, including the United States and the Soviet Union. Even more important, this day serves to focus attention on the ongoing Helsinki process, a process designed to enhance security and cooperation in Europe by focussing on the link between arms control, trade, and human rights.

While I welcome recent steps by the Soviet Government, such as the release of Helsinki monitor Anatoly Shcharansky and the resolution of a number of outstanding United States-Soviet family reunification cases, I remain distressed about overall Soviet performance in the area of human rights.

The Soviet Helsinki Monitors, the sister group to our own Helsinki Commission, continue to be radically oppressed by Soviet authorities. To date, 42 members of Helsinki monitoring and affiliated groups remain in labor camps or in internal exile. The cases of: Lithuanian Helsinki monitor Balys Gajauskas, imprisoned for 33 of his 59 years; Estonian Mart Niklus, in jail since 1981 for his human rights activities; Georgian Helsinki monitors Emmanuel Tvaladze and Tenghiz Gudaza, sentenced just last month to an undisclosed number of years in prison; Georgian Helsinki monitor Merab Kospava, in jail for years and now on the verge of death with tuberculosis; and Ukrainian Catholic activists Yosyf Terelya and Vasl Kobryn, are just a few examples of those who continue to suffer for their commitment to the values embodied in the Helsinki process.

I call to light also, the sacrifice of three Ukrainian monitors who died in prison camps and one Lithuanian who died suspiciously by being hit by a truck. These men in their sacrifice—indeed the ultimate sacrifice—show us that we must not lose our resolve to press for the human rights embodied in the Helsinki Final Act.

There are so many cases where the Helsinki Final Act is violated today. I think of the case of young Kaisa Randpere, the 3-year-old Estonian girl who has spent over half of her young life as a political hostage, separated from her parents who are now living in Sweden. While I have personally hand delivered letters of protest asking for her release, all the way to the Kremlin, and sent numerous letters to the Soviet Ambassador, there's been no movement. We must not give up.

The lack of adequate emigration remains a serious problem. From a high of 51,320 Soviet Jews being allowed to emigrate in 1979 to the two lowest levels, since records have been kept, of 897 and 1,140 for the years 1984 and 1985 respectively, it is clear that the Soviets have slammed the door. Last month's disappointing level of 55 visas, points out that this unfortunate trend is not changing.

Religious persecution continues unabated. Many imprisoned Soviet human rights activists, including Latvian Baptist Janis Rozkalns, continue to be forbidden visitation rights with family members despite Soviet legal guarantees. Under the leadership of Mr. Gorbachev, Soviet authorities continue to persecute Lithuanian Catholics, Ukrainian Catholics, Baptists—of which at least 143 were thrown in jail last year for religious activities—Pentecostals, and Russian Orthodox believers.

The state of the Soviet independent peace movement is equally troubled. The "Trust Group," or "Trustbuilder" officially called the Group for Trust Between the U.S.A. and U.S.S.R., continues to be repressed. Last year one of the leaders of this group, Vladimir Brodsky, was sentenced to 3 years in prison for his nonviolent, peaceful protest activities. Other members of the group have been similarly harassed with summarily applied 15-day prison sentences in order to prevent them from meeting with Western peace group representatives on visits to the Soviet Union. One such individual whom I have had the privilege of speaking with personally on a visit to the Soviet Union last October, Dr. Yuri Medvedkov, was picked up and given a 15-day prison sentence after an interview he gave at the outset of the goodwill games. It is not certain whether Dr. Medvedkov has since been released. It is disappointing that Mr. Ted Turner and his Cable Network covering the games did not report on that imprisonment.

The United States has persistently raised issues of Soviet noncompliance at the Ottawa Human Rights Experts Meeting, the Budapest Cultural Forum and Bern Human Contacts Meeting in the past 2 years. And, as we approach the November Vienna Review Meeting, I urge my colleagues and the President to remain firmly committed to the concept of linkage by establishing appropriate environments for human rights control, greater progress in human rights, human contacts and emigration. Once the Soviet Union relizes that we are serious in our commitment, by being a little less anxious to sign treaties before progress in human rights is achieved, the wind in the sails of the Helsinki process can blow stronger.

This day, August 1, 1986, is a day for oppressed people to look up from their painful conditions and see that there are people, people who are enjoying peace with freedom, people who are struggling for their cause.

Mr. YATRON. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. SMITH], who is a member of the subcommittee and also a member of the Helsinki Commission.

Mr. SMITH of New Jersey. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I want to commend the gentleman from Pennsylvania [Mr. YATRON], the gentleman from New York [Mr. SOLOMON], the gentleman from Florida [Mr. FASCELL], and all the others who have had a great deal of impact in bringing this resolution to the floor and have been ongoing defenders of human rights.

Mr. Speaker, I rise in support of Senate Joint Resolution 371, designating August 1 as "Helsinki Human Rights Day." August 1 of course marks the 11th anniversary of the signing of the Helsinki accords.

I believe, Mr. Speaker, that the CSCE process provides the West with a valuable means to promote respect for human rights in the Soviet Union and among the Warsaw Pact nations.

While I would agree that the record of compliance by those nations has been extremely poor, a fact that is clearly acknowledged in the resolution, a fact that Mr. SOLOMON pointed out in his earlier comments, the Helsinki accords at least establish a comprehensive framework within which we can try to solve some of the more egregious violations.

□ 1840

Absent the accords, Mr. Speaker, the plight of Christians, Jews, and other people of faith would likely be much worse.

Absent the accords, many Soviet Jews would not be living in freedom in Israel and the United States and in other safe harbors in the West.

Absent the accords, Mr. Speaker, there would be fewer checks of Communist violence, hatred, racism, and religious animosity.

I believe the Helsinki accords provide us with an invaluable forum to discuss violations of human rights. It has given us a set of standards to which all have agreed and then must be held accountable.

Moreover, it has survived the inevitable episodes of decline in East-West relations, providing an ongoing forum where allied and nonallied nations may discuss their differences openly.

Most importantly, the Helsinki process provides hope to the true victims of East bloc neglect of human rights, the individual dissidents, human rights activists, and believers in God.

As one Jewish refusenik remarked to me when I was in Moscow in 1982, "You are our only safeguard."

Last year I traveled to Romania to investigate allegations of severe religious repression in that country. In every church we visited, I was told by individual believers who put themselves at great personal risk simply by speaking to a westerner in public that Western efforts on their behalf gave them great hope.

Clearly the Scriptures which tell us that without hope, the people perish, apply to those people.

Mr. Speaker, we in the West must acknowledge that barring a miracle of profound proportions, reforms in the current status of individual freedoms behind the Iron Curtain promise to be incremental at best, but the alternative to do nothing or to do less or to stand idly by, that, Mr. Speaker, we could never do.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Florida, Mr. CONNIE MACK, a member of the Committee on Foreign Affairs.

Mr. MACK. Mr. Speaker, I thank the gentleman for yielding me this time.

I come to speak this evening for two reasons. One is to try to make people aware of the name Anatoly Michelson, an individual who lives in my district. The other is to, at the same time, use his case to make the point that the Soviet Union is continuing to fail to carry out their responsibilities of the agreement that they signed.

Anatoly Michelson is very typical of my district. He is 67 years old; he is retired; he is a father; he is a grandfather, but there is one very significant difference: He left the Soviet Union in 1958 and has not been able to see his wife or daughter for over 30 years. He has a grandson he has never seen.

We have made continued attempts to bring this issue not only in front of the American people, but also to the Soviet Union. We have been rebuffed at every attempt. We have had Senators involved in trying to raise the level of awareness.

So again I take this time this evening to try to—let me say the name again—Anatoly Michelson. He is a grandfather. He is 67. He has heart trouble. He is retired, and he has one last dream that he wants to see fulfilled in his life before he dies. That is that he wants to see his wife, his daughter, and his grandson.

It seems to me that maybe it is time that we added Anatoly's name to the list that everyone reads out when they are talking about those individuals who are being held in the Soviet Union. What we ought to be asking every day is why will they not let this man's wife, daughter, and grandson go? He is 67. How much longer can this evil empire, as we have referred to it, keep this man separated from his family?

So again, I would ask those who represent this body on the Commission to put his name at the top of the list. Let us not forget him. Let us remind everyone of what Anatoly Michelson is going through on a day-to-day basis. His only dream, all he is asking to have happen is to see his wife, his daughter, and his grandson before he dies.

Let us see if we cannot help him gain that wish.

Mr. SOLOMON. Mr. Speaker, I yield 8 minutes to another member of the Committee on Foreign Affairs, the gentleman from California [Mr. DORNAN], who has been extremely active in this effort.

Mr. DORNAN of California. Mr. Speaker, I am never prouder of being a Member of this distinguished deliberative body or a member of its Committee on Foreign Affairs or prouder of its chairman and our Republican ranking member or of a subcommittee chairman than I am when we try to bring human rights issues from any country before the freedom-loving citizens of the world.

The gentleman from Pennsylvania [Mr. YATRON] set up hearings yesterday that were some of the most significant panel hearings I have every attended in this Congress.

The first panel addressed itself to the persecution of those people of Jewish heritage in the Soviet Union. Because of the dedication to this cause of Soviet Jewry by those members of Jewish heritage and those of us in this House who have visited with persecuted Jewish citizens in the Soviet Union who have allied ourselves with those of Jewish heritage, this issue has received much currency around the world. Have we made significant advances? No. Have we made some advances? Yes.

But an issue that has not received the same prominence is the issue of the persecution of Christians in the Soviet Union and those of the Islamic faith.

In one of my trips to the Soviet Union where I met with persecuted Jewish dissidents, they brought to us Christian dissidents and said, "Why are you not speaking out for your Christian brothers?"

Yesterday, at the gentleman from Pennsylvania's second panel, I was shown a poster of persecuted Christians in the Soviet Union and it was only a one-Christian, fundamentalist denomination. There are no persecuted Catholic Christians here, no Orthodox Russians who are persecuted here, no Armenian Orthodox persecuted Christians from Armenian SSR. These are people imprisoned from just the persecuted Church of the Fundamentalist Christians in the Soviet Union, the Pentecostal Sect.

For each one of these faces, and many, many female faces among them, it represents suffering in one of the gulag camps of the Soviet Union.

Since you cannot submit for the written CONGRESSIONAL RECORD a poster, I submit the prisoner list of just this one denomination of Christians, with their prison camp addresses into the CONGRESSIONAL RECORD:

THE PERSECUTED CHURCH IN THE SOVIET UNION PRISONER LIST, 1986

Abashin, Veniamin Ivanovich. Born: July 18, 1937; 3 children. Arrested: Oct. 9, 1984. Sentence: 2 years. Release: Oct. 9, 1986. First term. Camp address: uchr. YaI 22/3, p. Shakhovo, Kromsky raion, Orlovskaya obl., 303202 Soviet Union. Home address (wife): Lydia S. Abashina, ul. Serpukhovskogo 114, g. Orel, 302011 Soviet Union.

Alemasov, Andrei Ivanovich. Born: Oct. 11, 1921; 8 children. Arrested: June 3, 1983. Sentence: 3.5 years. Release: Jan. 3, 1987. First term. Camp address: uchr. UE 149/10, 2-23, g. Mendeleevsk, Tatarskaya ASSR, 423640 Soviet Union. Home address (wife): Klavdia V. Alemasova, ul. M. Gorkogo 33, g. Elabuga, Tatarskaya ASSR, 423630 Soviet Union.

Andriets, Aleksandr Ivanovich. Born: Jan. 20, 1959; 1 child. Arrested: June 1, 1985. Sentence: 3 years. Release: June 1, 1988. First term. Home address (wife): Anna A. Andriets, ul. Schmidta 14, g. Makeevka, Donetskaya obl., 339040 Soviet Union.

Andriets, Anatoly Ivanovich. Born: June 1, 1960; 1 child. Arrested: June 1, 1985. Sentence: 3 years. Release: June 1, 1988. First term. Home address (wife): Olga V. Andriets, ul. Tverskaya 8, g. Kommunarsk, Voroshilovgradskaya obl., 349103 Soviet Union.

Antonov, Ivan Yakovlevich. Born: Aug. 19, 1919; 3 children. Arrested: May 14, 1982. Sentence: 5 yrs str + 5 yrs exile + confiscation. Release May 14, 1992. Fifth term. Camp address: uchr. YaF 306/2-4, g. Kyzyl, Tuvinskaya ASSR, 667003 Soviet Union. Home address (wife): Neonila I. Antonova, ul. Kotovskogo 41, g. Kirovograd, 316030 Soviet Union.

Azarov, Mikhail Ivanovich. Born: Sep. 19, 1935; 5 children. Arrested: Aug. 29, 1984. Sentence: 5 years. Release: Aug. 29, 1989.

Second term. Camp address: uchr. UN 288/1, 4-42, pos. Nizhny Ingash, Krasnoyarsky krai, 663820 Soviet Union. Home address (wife): Nadezhda V. Azarova, ul. Mokrousova 7, kv. 116, g. Belgorod, 308024 Soviet Union.

Babenko, George Aleksandrovich. Born: Nov. 1, 1926; 6 children. Arrested: Apr. 24, 1984. Sentence: 3 years. Release: Apr. 24, 1987. First term. Camp address: uchr. YuA 45/75, 4-41, st. Belichi, Kievskaya obl., 255700 Soviet Union. Home address (wife): Maria I. Babenko, ul. Furmanova 3, g. Belaya Tserkov, Kievskaya obl., 256400 Soviet Union.

Baklazhansky, Vladimir Georgievich. Born: Oct. 13, 1957; 3 children. Arrested: Nov. 28, 1984. Sentence: 2.5 years. Release: May 28, 1987. First term. Camp address: uchr. OSch 29/3 "A", s. Broneshty, Orgeevsky raion, Moldavia, 278421 Soviet Union. Home address (wife): Yekaterina I. Baklazhanskaya, ul. Ukrainskaya 34a, pos. Tarakliya, Moldavia, 278740 Soviet Union.

Baraniuk, Ivan Andreevich. Born: Jan. 11, 1924; 5 children. Arrested: Nov. 30, 1983. Sentence: 3 years str. Release: Nov. 30 1986. Second term. Camp address: uchr. YaE 308/45, 11-112, pos. Makorty, Sofievsky raion, Dnepropetrovskaya obl., 322723 Soviet Union. Home address (wife): Eva P. Baraniuk, ul. Korolenko 26, g. Khmelnitsky, Ukraine, 280008 Soviet Union.

Baturin, Nikolai Georgievich. Born: Dec. 15, 1927; 6 children. Arrested: Nov. 5, 1979. Sentence: 5 yrs str. + 2 yrs str*. Release: Sep. 28, 1986. Seventh term (*Resentenced). Camp address: uchr. ZhD 158/4 "Ye", g. Dzambul, Kazakhskaya SSR, 484049 Soviet Union. Home address (wife): Valentina M. Baturina, ul. 60 let SSSR 4. kv, 13, g. Shakhty, Rostovskaya obl., 346500 Soviet Union.

Boiko, Nikolai Yerofeevich. Born: Jan. 9, 1922; 7 children. Arrested: Sep. 29, 1980. Sentence: 5 yrs str + 2 yrs str* + 5 yrs exile. Release: Oct. 11, 1992. Third term (*Resentenced). Camp address: uchr. YaB 257/17-2, pos. Elban, Amursky raion, Khabarovsky krai, 682610 Soviet Union. Home address (wife): Valentina I. Boiko, ul. Limannaya 8, pos. shevchenko-1, g. Odessa, 272168 Soviet Union..

Bondar, Pyotr Sergeevich. Born: Dec. 31, 1952; 7 children. Arrested: Sep. 4, 1984. Sentence: 2 years. Release: Sep. 14, 1986. First term. Home address (wife): Tatiana I. Bondar ul. Urzhumskaya 23, kv. 2, g. Gorky, 603080 Soviet Union.

Borinsky, Andrei Vasilievich. Born: Jan. 21, 1957. Arrested: Oct. 17, 1985. Sentence: 3 years. Release: Oct. 17, 1988. First term. Home address (mother): Zinaida F. Borinskaya, s. Novaya Synzhereya, Lazovsky raion, Moldavia, 278711 Soviet Union.

Bosko, Vitaly Nikolaevich. Born: Nov. 5, 1949; 8 children. Arrested: Oct. 19, 1984. Sentence: 3 years str. Release: Oct. 19, 1987. Second term. Camp address: uchr. OV 302/42, 5-55, pos. Manevichi, Volynskaya obl., 264810 Soviet Union. Home address (wife): Nina M. Bosko, ul. Matrosova 18, g. Kivertsy, Volynskaya obl., 264220 Soviet Union.

Bublik Grigory Ivanovich. Born: Mar. 23, 1955; 4 children. Arrested: Feb. 22, 1986. First term. Home address (wife): Lubov P. Bublik, ul. Barkovskogo 14, g. Rostov-na-Donu, 344094 Soviet Union.

Bychkov, Leonid Pavlovich. Born: Apr. 12, 1956; 2 children. Arrested: July 16, 1984. Sentence: 2.5 years. Release: Jan. 16, 1987. First term. Camp address: uchr. YaYa 310/77 "B", g. Berdyansk 10, Zaporozhnaya obl., 332440 Soviet Union. Home address (wife): Lilia N. Bychkova, ul. Gorkogo 36, g. Znamenka, Kirovogradskaya obl., 317061 Soviet Union.

Bychkov, Stepan Pavlovich. Born: Feb. 8, 1959; 3 children. Arrested: Mar. 26, 1985. Sentence: 2 years. Release: Mar. 26, 1987. First term. Camp address: uchr. MKh 324/31 ET, g. Izyaslav, Khmelnitskaya obl., 281200 Soviet Union. Home address (wife): Lubov N. Bychkova, ul. Bozhenko 34, g. Marganets, Dnepropetrovskaya obl., 322971 Soviet Union.

Chertkova, Anna Vasilievna. Born: Dec. 27, 1927. Arrested: 1973. Sentence: in psychiatric hospital. First term. Psychiatric hosp. address: uchr. UE 148, ul. Yershova 49, g. Kazan, Tatarskaya ASSR, 420082 Soviet Union. Home address (mother): Anastasia V. Chertkova, ul. Stankevicha 36, t. Alma-Ata, Kazakhskaya SSR, 480003 Soviet Union.

Chervyakova, Natalia Pavlovna. Born: Sep. 26, 1952. Arrested: Aug. 24, 1983. Sentence: 3 years. Release: Aug. 24, 1986. First term. Camp address: Komend. 1, obsch. 1, kom. 18, pos. Kalinina, Maikopsky raion, Krasnodarsky krai, 372562 Soviet Union. Home address (aunt): Antonina V. Shvetsova, ul. Bliznyukovskogo la, g. Mozdok, 363700 Soviet Union.

Chislin, Ivan Nikolaevich. Born: Jan. 1, 1927; 6 children. Arrested: Oct. 12, 1984. Sentence: 4 years + confiscation. Release: Oc. 12, 1988. First term. Camp address: uchr. OB 21/6, g. Klintsy, Bryanskaya obl., 243100 Soviet Union. Home address (wife): Ekaterina P. Chislina, ul. Volodarskogo 4, kv. 8, g. Tambov, 392003 Soviet Union.

Chistyakov, Veniamin Grigorievich. Born: May 1, 1935; 11 children. Arrested: Sept. 29, 1982. Sentence: 4 years. Release: Sep. 29. 1986. First term. Camp address: s. n. kh., ul. Grazhdanskaya 2, pos. Aktas, Karagandinskaya obl., 472341 Soviet Union. Home address (wife): Lubov N. Chistyakova, ul. 2 Liniya 49, pos. zavodskoy, g. Ordzhonikidze, 362907 Soviet Union.

Chudakov, Stanislav Romanovich. Born: Aug. 9, 1945; 2 children. Arrested: Nov. 21, 1985. Sentence: 3.5 years. Release: May 21, 1989. First term. Home address (wife): Galina A. Chudakova, ul. Kolkhoznaya 20, g. Vsevolzhsk, Leningradskaya obl., 188710 Soviet Union.

Danilchenko, Nikolai Grigorievich. Born: May 1, 1928; 7 children. Arrested: Feb. 26, 1985. Sentence: 3 years str. Release: Feb. 26, 1988. Second term. Camp address: uchr. UO 68/5-112, g. Apsheronsk, Krasnodarsky krai, 352690 Soviet Union. Home address (wife): Nadezhda Ya. Danilchenko, ul. Rostovskaya 300, g. Kropotkin, Krasnodarsky krai, 211527 Soviet Union.

Daniliuk, Ivan Grigorievich. Born: Jan. 2, 1938; Arrested: Feb. 21, 1982. Sentence: 5 years str. Release: Feb. 21, 1987. Second term. Camp address: s. n. kh., ul Gorkogo 4, kom. 142, g. Shostka, Sumskaya obl., 245110 Soviet Union. Home address (wife): Antonina A. Danilyuk, ul. Politayeva 13, kv. 64, g. Chernovtsky, 274018 Soviet Union.

Dik Gerhard Gerhardovich. Born: Jan. 19, 1926; 7 children. Arrested: Oct. 1, 1982. Sentence: 3 years str. Release: Oct. 1, 1988. First term. Camp address: uchr. OV 94/4, otr. 15, pos. Vydrino, Kabansky ration, Buryatskaya ASSR, 671111 Soviet Union. Home address (wife): Margarita P. Dik, ul. Shtrekovaya 103, g. Prokopievsk, Kemerovskaya obl, 653022 Soviet Union.

Dubitsky Adam Iosifovich. Born: Dec. 4, 1924; 9 children. Arrested: Nov. 24, 1985. Sentence: 3 years str. Release: Nov. 24, 1988. Fourth term. Home address: (wife): Tavifa F. Dubitskaya, ul. Krylova 4, g. Cherkessk, Stavropolsky krai, 357100 Soviet Union

Dubitsky Sergei Adamovich. Born: Nov. 2, 1959; Arrested: Oct. 30, 1985. Sentence: 3 years. Release: Oct. 30, 1988. First term. Home address: (mother): Tavifa F. Dubitskaya, ul. Krylova 4, g. Cherkessk, Stavropolsky krai, 357100 Soviet Union.

Dzhangetov, Kanshaubi Bekirovich. Born: Apr. 12, 1929; 6 children. Arrested: Oct. 30, 1985. Sentence: 3 years str. Release: Oct. 30, 1988. Third term. Home address (wife): Antonina G. Dzhangetova, ul. Levonaberezhnaya 3, g. Ust-Dzheguta, Stavropolsky krai, 357200 Soviet Union.

Enns Dmitri Petrovich. Born: Nov. 18, 1953. Arrested: Apr. 17, 1982. Sentence: 5 years. Release: Apr. 17, 1987. First term. Camp address: uchr. RU 170/2, 8-27, g. Uralsk, Kazakhskaya, SSR, 417901 Soviet Union. Home address (wife): Elena Ya. Enns S. Borisovka, Uspensky raion, Pavlodarskaya obl. Kazakhskaya SSR, 638143 Soviet Union.

Ewert Eduard Yakovlevich. Born: Jun 27, 1949; 7 children. Arrested: Jul 12, 1984. Sentence: 2.5 years. Release: Jan. 12, 1987. Second term. Camp address: uchr. YeTs 166/10, 13-131, g. Tselinograd, Kazakhskaya SSR, 47300 Soviet Union. Home address (wife): Ekaterina V. Ewert, ul. Chkalova 52, g. Makinsk, Tselinogradskaya obl. Kazakhskaya SSR, 474010 Soviet Union.

Filippov Andrei Vladimirovich. Arrested: Dec. 13, 1985. Sentence: 3 years. Release: Dec. 13, 1988. First term. Home address: (mother): Anna D. Filippova, Petergofskoye Shosse, 7/1-485, g. Liningrad, 198330 Soviet Union.

Filippov Vladimir Alekseevich. Born: Dec. 20, 1927. 6 children. Arrested: Nov. 21, 1985. Sentence: 4 years str. Release: Nov. 21, 1989. Second term. Home address: (wife): Anna D. Filippova, Petergofskoye Shosse, 7/1-485, g. Liningrad, 198330 Soviet Union.

Freeman Ewald Rheingoldovich. Born: Jan. 29, 1939. 9 children. Arrested: Apr. 17, 1982. Sentence: 5 years. Release: Apr. 17, 1987. First term. Camp address: uchr. UG 157/9, 3-32, g. Gurev, 465050 Soviet Union. Home address (wife): Maria P. Freeman, ul. Lenina 76, s. Olgino, Uspensky raion, Pavlodarskaya obl. Kazakhskaya SSR, 638143 Soviet Union.

Germaniuk Stepan Grigorievich. Born: Aug. 15, 1934. (5 children). Arrested: May 8, 1983. Sentence: 3 years str. Release: May 8, 1986. Second term. Camp address: uchr. Yua. 45/95,. 10-101, pos. Berezan, Barashivetsky raion, Kievskaya obl. 256210 Soviet Union. Home address (daughter): Lilia S. Germaniuk, ul. Chkalova 6, s. Tsupovka, Dergachevsky raion, Kharkovskaya obl., 312020 Soviet Union.

Germaniuk Ulyana Sergeevna. Born: July 26, 1930; 5 children. Arrested: July 23, 1985. Sentence: 3 years. Release: July 23, 1988. First term. Camp address: uchr. YuZh 313/54, 13-21, g. Kharkov. Ukraine, 310124 Soviet Union. Home address (daughter): Lilia S. Germaniuk, ul. Chkalovab, s. Tsupovka, Dergachevsky raion, Kharkovskaya obl., 312020 Soviet Union.

Gertsen Susanna Germanovna. Born: Oct. 19, 1928. Arrested: Apr. 22, 1985. Sentence: 3 years. Release: Apr. 22, 1988. First term. Camp address: uchr. OP 32/2, 6-61, s. Stepnoye, Alamedinsky raion, Kirgizskaya SSR, 722169 Soviet Union. Home address (sister): Justina G. Gertsen, s. Kuterlya, p/o Podolsk, Krasnogvardeisky raion, Orenburgskaya obl., 461151 Sovet Union.

Goloschapov Pavel Dorofeevich. Born: Mar. 10, 1929; 4 children. Arrested: June 9,

1985. Sentence: 2.5 years. Release: Dec. 9, 1987. First term. Camp address: uchr. UYu 400/1 "K", pos. Komsomolsky, g. Donskoy, Tulskaya obl., 301781 Soviet Union. Home address (wife): Tatiana F. Goloschapova, ul. 2 Sadovaya 21, pos. Dubovka, Uzlovskoy raion, Tulskaya obl., 301661 Soviet Union.

Goryanin Mikhail Aleksandrovich. Born: Dec. 11, 1951; 6 children. Arrested: Apr. 15, 1985. Sentence: 3 years. Release: Apr. 15, 1988. First term. Home address (wife): Vera N. Garyanina, ul. Proletarskaya 288, g. Tikhoretsk, Krasnodarsky Krai, 352100 Soviet Union.

Gottman Leongard Genrikhovich. Born: Aug. 5, 1923; 8 children. Arrested: Nov. 14, 1985. Sentence: 2 years str. Release: Nov. 14, 1987. Fourth term. Camp address: uchr. Uye 394/15, g. Salavat, Bashkirskaya ASSR, 453200 Soviet Union. Home address (wife): Nina G. Gottman, ul. Oktyabrskaya 31, g. Davlekanovo, Bashkirskaya ASSR, 452120 Soviet Union.

Gritsenko Vasily Ivanovich. Born: May 21, 1949; 5 children. Arrested: Apr. 11, 1985. Sentence: 3 years. Release: Apr. 11, 1988. First term. Camp address: uchr. OP 17/16, otr. 9, g. Poltava, 315040 Soviet Union. Home address (wife): Vera V. Gritsenko, ul. Kominterna 7, s. Malaya Saltanovka, Kievskaya obl., 255138 Soviet Union.

Ivanov Arkady Pavlovich. Born: Jan. 1, 1932; 10 children. Arrested: Sept. 1, 1983. Sentence: in psychiatric hospital. Psychiatric hosp. address: psikhbolnitsa otd. 3, pos. Semenovsk, g. Ioshkar-Ola, Mariiskaya ASSR, Soviet Union. Home address (wife): Nina G. Ivanova, ul. Pushkina 2a, kv. 41, p. Silikatny, Leninsky raion, Mariiskaya ASSR, 425060 Soviet Union.

Ivaschenko Anatoli Yakovlevich. Born: Feb. 17, 1952; 4 children. Arrested: Mar. 21, 1984. Sentence: 2.5 years. Release: Sept. 21, 1986. First term. Camp address: uchr. OR 318/76-8, st. Rafalovka, Vladimiretsky raion, Rovenskaya obl. 265968 Soviet Union. Home address (wife): Nadezhda A. Ivaschenko, ul. Kalinina 48a, pos. Khutory, Cherkasskaya obl., 258209 Soviet Union.

Ivaschenko Lubov Yakovlevna. Born: Mar. 29, 1961. Arrested: Oct. 17, 1985. Sentence: 2.5 years. Release: Apr. 17, 1988. First term. Home address (mother): Anna I. Ivaschenko, ul. Petrovskogo 87a, p/o Petrovskoye, Kievo-Svyatoshinsky raion, 255203 Soviet Union.

Ivaschenko Yakov Yefremovich. Born: May 10, 1932; 11 children. Arrested: May 22, 1981. Sentence: 4 years plus 4 yrs. exile. Release: May 22, 1989. First term. Exile address: ul. Ordzhonikidze 8-15, pos. Zyryanka, Verkhne-Kolymsky raion, Yakutskaya ASSR, 678770 Soviet Union. Home address (wife): Anna I. Ivaschenko, ul. Petrovskogo 87a, p/o Petrovskoye, Kievo-Svyatoshinsky raion, 255203 Soviet Union.

Kalyashin Aleksei Aleksandrovich. Born: Jan. 2, 1955. Arrested: Sept. 1, 1981. Sentence: 3 yrs. str. plus 2.5 years str.* Release: Mar. 1, 1987. Second term (*Resentenced). Camp address: uchr. 201/8-12 "D", g. Gubakha, Permskaya obl., 618294 Soviet Union. Home address (wife): Nina G. Kalyashina, ul. Sevastopolskaya 239a, kv. 2, g. Irkutsk, 664048 Soviet Union.

Kara Ivan Ivanovich. Born: Dec. 25, 1953; 3 children. Arrested: Nov. 27, 1984. Sentence: 2.5 years. Release: May 28, 1987. First term. Camp address: uchr. OSch 29/9, 44-K, g. Kishinev, Moldavia, 277012 Soviet Union. Home address (wife): Nadezhda P. Kara, ul. Ukrainskaya 32a, pos. Tarakliya, Moldavia, 278740 Soviet Union.

Kerstan, Emelyan Fridrikhovich. Born: Dec 5, 1934, 6 children. Arrested: Oct 31, 1982. Sentence: 5 years + conf. Release: Oct 21, 1987 First term. Camp address uchr. UYa 64/29, 10-101, g. Navoi 5, 706800 Soviet Union. Home address (wife): Maria V. Kerstan, ul. Trudovaya 3-1 tupik 20, g. Samarkand, Uzbekaskaya SSR, 703002 Soviet Union.

Khailo Vladimir Pavlovich. Born: Apr 15, 1932, 14 children. Arrested: Nov 14, 1980. Sentence: in psychiatric hospital. Psychiatric hosp. address: SPB 23/1, otd. 1, g. Blagoveschensk-7, Amurskaya obl., 675007 Soviet Union. Home address (wife): Maria Ye. Khailo, ul. Severnaya 11, g. Krasny Luch, Voroshilovgradskaya obl., 394004 Soviet Union.

Khorev Mikhail Ivanovich. Born: Dec 19, 1931, 3 children Arrested: Jan 27, 1980. Sentence: 5 yrs str + 2 yrs str*. Release: Dec 19, 1986. Fourth term (*Resentenced). Camp address: uchr. OV 94/2, otr. 25, pos. Yuzhny, g. Ulan-Ude, Buryatskaya ASSR, 670016 Soviet Union. Home address (wife): Vera G. Khoreva, ul. Minskaya 28, kv. 30, g. Kishinev, Moldavia 277015 Soviet Union.

Kim Vyacheslav Ilich. Born: Sep 9, 1952, 1 child. Arrested: May 10, 1984. Sentence: 3 years str. Release: May 10, 1987. Second term. Camp address: uchr. UYa 64/42, 6-42, g. Zaravshan, Navoinskaya obl., 706801 Soviet Union. Home address (wife): Ludmila N. Kim, 2-i kvartal 27a, kv. 33, massiv Vodnik, g. Narimanov, Tashkentskaya obl., 702312 Soviet Union.

Kinas Ivan Ervinovich. Born: Jul 5, 1951, 4 children. Arrested: Feb 13, 1982. Sentence: 5 years str + conf. Release: Feb 13, 1987, Second term. Exile address: ul. Kirova 188a, s. Belovodskoye, Moskovsky raion, Kirgizskaya SSR, 722040 Soviet Union. Home address (wife): Erna A. Kinas, family with husband in exile.

Kirov Kharlampy Vasilievich. Born: Feb 2, 1942. Arrested: Sep 16, 1983. Sentence: 3 years. Release: Sep 16, 1986. First term. Camp address: uchr. OSch 29/3 "K", s Broneshty, Orgeevsky raion, Moldavia, 278421 Soviet Union. Home address (wife): Ulyana I. Kirova, ul. Budennogo 16, s. Novoselovka, Tarakliisky raion, MSSR, 278743 Soviet Union.

Kis Roman Yaroslavovich. Born: May 9, 1949, 1 child. Arrested: Nov. 30, 1985. Sentence: 1 year str. Release: Nov 30, 1986. Home address (wife): Miroslava V. Gudskaya ul. Kutuzova 118, kv. 11 g. Lvov Soviet Union.

Klassen Rudolph Davidovich. Born: Sept. 24, 1931. Arrested: Jun 20, 1980. Sentence: 3 years str + 3 yrs str. Release: June 3, 1986. Third term (*Resentenced). Camp address: uchr. YaD 40/7 "A," pos. Tabaga, Yakutskaya ASSR, 677908 Soviet Union. Home address (wife): Talita V. Klassen, ul. Maly Proyezd 19a, g. Karaganda, Kazakhskaya SSR, 470015 Soviet Union.

Klimoschenko Nikolai Stepanovich. Born: Feb 16, 1937, 8 children. Arrested: Jan 25, 1985. Sentence: 3 years str. Release: Jan 25, 1988. Second term. Camp address: uchr. YuYe 313/33, 12-123, g. Kirovskoye, Donetskaya obl., 343716 Soviet Union. Home address (wife): Vera G. Klimoschenko, ul. D. Ulyanova 150, g. Kherson, Ukraine, 325001 Soviet Union.

Korop, Vladimir Sergeevich. Born: Jun 24, 1942, 8 children. Arrested: Dec 11, 1984. Sentence: 2 years. Release: Dec 11, 1986. First term. Camp address: uchr. UYu 400/1 "K," pos. Komsomolsky, g. Donskoy, Tulskaya obl., 301781 Soviet Union. Home address (wife): Valentina V. Korop, ul. Proletarskaya 92, pos. Kamenetsky, Tulskaya obl., 301650 Soviet Union.

Kosteniuk, Vladimir Iosifovich. Born: Aug 15, 1929, 3 children. Arrested: Sep 23, 1983. Sentence: 3 years str. Release: Sep 23, 1986. Second term. Camp address: uchr. UL 314/15-6, g. Perevalsk-3, Voroshilovgradskaya obl., 349140 Soviet Union. Home address (wife): Zinaida I. Kosteniuk, ul. Kopernika 2a, kv. 12, g. Chernovtsy, Ukraine, 274022 Soviet Union.

Kostiuchenko, Grigory Vasilievich. Born: Oct 6, 1934, 10 children. Arrested: Sep 29, 1984. Sentence: 3 years str. Release: Sep 29, 1987. Fifth term. Camp address: uchr. UO 68/4, 10-21, g. Armavir, Krasnodarsky krai, 352900 Soviet Union. Home address (wife): Lubov F. Kostiuchenko, ul. Bratskaya 219, g. Timashevsk, Krasnodarsky krai, 353760 Soviet Union.

Kravchuk Yakov Ivanovich. Born: Nov 5, 1955, 1 child. Arrested: Jul 5, 1984. Sentence: 3 years. Release: Jul 5, 1987. First term. Camp address: uchr. YeT 322/112-7, g. Kopychintsy, Gusyatinsky raion, Ternopolskaya obl., 283510 Soviet Union. Home address (wife): Lubov A. Kravchuk, ul. Komsomolskaya 41, g. Kivertsy, Volynskaya obl., 264220 Soviet Union.

Kreker Yakov Abramovich. Born: Nov 11, 1934. Arrested: Sep 15, 1985. Sentence: 3 years. Release: Sep 15, 1988. First term. Camp address: uchr. UR 65/3, 2-24, g. Novokuibyshevsk, 446214 Soviet Union. Home address (wife): Margarita A. Kreker, ul. Michurina 28, g. Otradny, Kuibyshevskaya obl., 446430 Soviet Union.

Krugovikh Aleksandr Vasilievich. Born: Oct 27, 1946, 5 children. Arrested: Jan 25, 1984. Sentence: 4 years. Release: Jan 25, 1988. First term. Camp address: uchr. UL 314/24-151, g. Petrovskoye, Voroshilovgradskaya obl., 349333 Soviet Union. Home address (wife): Tamara A. Krugovikh, ul. Mendeleyeva 58, g. Makeyevka, Donetskaya obl., 339027 Soviet Union.

Kurkin Aleksei Yakovlevich. Born: Aug 7, 1950, 6 children. Arrested: Oct 9, 1984. Sentence: 4 years. Release: Oct 9, 1988. First term. Camp address: uchr. UN 1612/40, 7-72, g. Kemerovo, 650028 Soviet Union. Home address (wife): Antonina P. Kurkina, ul. Sovietskaya 110, kv, 11, g. Dmitrovsk, Orlovskaya obl., 303240 Soviet Union.

Leven Nikolai Viktorovich. Born: Jan 28, 1958. Arrested: Jul 12, 1984. Sentence: 2 years. Release: Jul 12, 1986. First term. Camp address: uchr. RU 170/2, 5-25, g. Uralsk, Kazakhskaya SSR, 417901 Soviet Union. Home address (mother): Anna K. Leven, ul. Gastello 24, g. Makinsk, Tselinogradskaya obl., 474010 Soviet Union.

Makhovitsky Fyodor Vladimirovich. Born: Oct 5, 1930, 7 children. Arrested: Aug 14, 1981. Sentence: 5 years str + conf. Release: Aug 14, 1986. Second term. Camp address: uchr. K 231/2, 9-7. p/o Lesnoi, Verkhnekamsky raion, Kirovskaya obl., 612870 Soviet Union. Home address (wife): Klavdia A. Makhovitskaya, ul. Podvodnika Kuzmina 20, g. Leningrad, 198215 Soviet Union.

Markevich Veniamin Aleksandrovich. Born: Apr 19, 1938, 11 children. Arrested: Oct 1, 1982. Sentence: 5 years str. Release: Oct 1, 1987. Second term. Camp address: uchr. YaD 40/6-12, pos. Mokhsogollokh, Yakutskaya ASSR, 678020 Soviet Union. Home address (wife): Lubov I. Markevich, ul. Dalnaya 62, pos. Zavodskoi, g. Ordzhonikidze, 362907 Soviet Union.

Misin Nikolai Ivanovich. Born: Sep 2, 1927, 4 children. Arrested: Dec 7, 1983. Sentence: 3 years. Release: Dec 7, 1986. First term. Camp address: uchr. 25/6 "Z," st. Stenkino, Ryazanskaya obl., 391005 Soviet Union. Home address (wife): Aleksandra Ye.

Misina, ul. Chapaeva 114, pos. Kanischevo, g. Ryazan, 390039 Soviet Union.

Mueller Ella Ivanovna. Born: Dec 3, 1948. Arrested: Jul 26, 1985. Sentence: 1 year. Release: July 26, 1986. First term. Camp address: uchr. YaV 48/5-10, g. Chelyabinsk, 454617 Soviet Union. Home address (mother): Erna W. Mueller, ul. Fizkulturnaya 14, pos. Lokomotivny, g. Chelyabinsk, 454051 Soviet Union.

Naprienko, Valentin Yerofeyevich. Born: Jan 22, 1950, 4 children. Arrested: Jul 20, 1985. Sentence: 3 years str. Release: Jul 20, 1988. Second term. Camp address: uchr. YuYe 312/33, 10-102, g. Kirovsk, Donetskaya obl., Soviet Union. Home address: (wife): Tatiana N. Naprienko, ul. Dryzhby 2, g. Petushki, Vladimirskaya obl., 601100 Soviet Union.

Naprienko, Veniamin Yerofeyevich. Born: Aug 9, 1945, 5 children. Arrested: Jul 9, 1984. Sentence: 2 years. Release: Jul 9, 1986. First term. Camp address: uchr. OV 94/4-10, pos. Vydrino, Kabansky raion, Buryatskaya ASSR, 671111 Soviet Union. Home address: (wife): Natalia N. Naprienko, ul. Znamenskaya 8, kv. 98, g. Moscow 107392 Soviet Union.

Nikitkov, Aleksandr Valentinovich. Born: Aug 3, 1944, 6 children. Arrested: Dec 14, 1983. Sentence: 5 years str. Release: Dec 14, 1988. Second term. Camp address: uchr. IZ 47/1, g. Magadan, 685000 Soviet Union. Home address: (wife): Zinaida V. Nikitkova, ul. Chapaeva 113, pos. Kanischevo, g. Ryazan, 390039 Soviet Union.

Okhotin, Vladimir Andreevich, Born: Apr 30, 1942, 8 children. Arrested: Nov 13, 1984. Sentence: 2.5 years. Release: May 13, 1987. First term. Camp address: uchr. UO 68/12, 12-121, pos. Oktyabrsky, Primorsko-Akhtarsky raion, Krasnodarsky krai, 353874 Soviet Union. Home address (wife): Nadezhda A. Okhotina, ul. Uralskaya 182, kv. 187, g. Krasnodar, 350080 Soviet Union.

Omelyanchuk, Nikolai Ivanovich, Born: May 3, 1957, Arrested: Sep 13, 1983. Sentence: 3 years. Release: Sep 13, 1986. First term. Camp address: uchr. Sh 320/8-6, pos. Severny, Cherdynsky raion, Permskaya obl., 618633 Soviet Union. Home address (mother): Vera O. Omelyanchuk, s. Dobroe, Kamen-Kashirsky raion, Volynskaya obl., 264542 Soviet Union.

Palanichuk, Ivan Ivanovich, Born: Sep 2, 1949, 5 children. Arrested: Apr 3, 1984. Sentence: 2.5 years. Release: Oct 3, 1986. First term. Camp address: uchr. YeT 322/112-5, g. Kopychintsy, Gusyatinsky raion, Ternopolskaya obl., 283510 Soviet Union. Home address (wife): Lydia S. Palanichuk, s. Komarovo, Kelmenetsky raion, Chernovitskaya obl., 275126 Soviet Union.

Pankrats, Olga Ivanovna, Born: Jan 1, 1955. Arrested: Feb 21, 1986. Sentence: Release: First term. Home address (mother): Ekaterina I. Pankrats, ul. Lesnaya 1, khutor Novo-Pokrovka, g. Prokhladny, Kbassr, 361000 Soviet Union.

Pavlenko, Aleksandr Ivanovich, Born: Oct 18, 1952, 4 children. Arrested: Mar 21, 1984. Sentence: 2.5 years. Release: Sep 21, 1986. First term. Camp address: uchr. YaYa 310/77 "K", g. Berdyansk, Zaporozhskaya obl., 332440 Soviet Union. Home address (wife): Tatiana S. Pavlenko, ul. Schorsa 128a, pos. Khutory, Cherkasskaya obl., 258209 Soviet Union.

Peredereev, Vasily Ivanovich, Born: Dec 10, 1931. Arrested: Nov 2, 1985. Sentence: 2 years str. Release: Nov 2, 1987. Second term. Home address (wife): Efrosinya I. Peredereeva, ul. Esenina 43, pos. Nezhdannaya, g. Shakhty, 346518 Soviet Union.

Peters Genrikh Danilovich, Born: Jun 18, 1947, 7 children. Arrested: Dec 26, 1984. Sentence: 2.5 years str. Release: Jun 26, 1987. Second term. Camp address: uchr. GM 172/3, 9-91, g. Shevchenko, Mangyshlakskaya obl. 466200 Soviet Union. Home address (wife): Elizaveta A. Peters, ul. Sovietskaya 5, s. Martuk, Aktiubinskaya obl., Kazakhskaya SSR, 464020 Soviet Union.

Peters Ivan Isaakovich, Born: Aug 17, 1929, 8 children. Arrested: May 17, 1985. Sentence: 3 years. Release: May 17, 1988. Second term. Camp address: uchr. 123/45, zona 2, s. Chaisovkhoz, g. Tsulukidze, Gruzinskaya, SSR, 384230 Soviet Union. Home address (wife): Elena D. Peters, p/o Bzyb, g. Gagra, Abkhazskaya ASSR, 384895.

Peters Peter Danilovich, Born: Jun 6, 1942. Arrested: Jan 27, 1984. Sentence: 3 years str. Release: Jan 27, 1987. Fifth term. Camp address: uchr. YaYa 398/13-2, st. Nikolaevskaya, Konstantinovsky raion, Rostovskaya obl. 346692 Soviet Union. Home address (mother): Ekaterina P. Peters, ul. Ukrainskaya 53, s. Martuk, Aktiubinskaya obl., Kazakhskaya SSR, 464020 Soviet Union.

Peters Pyotr Abramovich, Born: Jul 19, 1955, 3 children. Arrested: Nov 23, 1984. Sentence: 2 years str. Release: Nov 23, 1986. Second term. Camp address: uchr. OV 156/2 "M", g. Ust-Kamenogorsk, 492005 Soviet Union. Home address (wife): Yadviga Ya. Peters, ul. Aktiubinskaya 27, s. Martuk, Aktiubinskaya obl. Kazakhskaya SSR, 464020 Soviet Union.

Pikalov Viktor Anatolevich, Born: Sep 20, 1950, 2 children. Arrested: Dec 11, 1984. Sentence: 3 years str. Release: Dec 11, 1987. Second term. Camp address: uchr. UYu 400/4 "Zh", g. Plavsk, Tulskaya obl., 301050 Soviet Union. Home address (wife): Tatiana A. Pikalova, ul. Proletarskaya 59, pos. Kamenetsky, Tulskaya obl., Uzlovskoy raion, 301650 Soviet Union.

Pilipchuk Vladimir Nikolaevich, Born: Sep 12, 1985, 5 children. Arrested: Oct 9, 1984. Sentence: 3 years. Release: Oct 9, 1987. First term. Home address (wife): Vera I. Pilipchuk, ul. Burova 26, kv. 201, g. Orel, 302025 Soviet Union.

Polischuk Nikolasi Petrovich, Born: Mar 2, 1944, 10 children. Arrested: Sep 26, 1981. Sentence: 4 years + 4 yrs exile. Release: Sep 26, 1989. First term. Exile addresss: s. Kedrovy Shor, Pechorsky raion, Komi ASSR, 169702 Soviet Union. Home address (wife): Valentina K. Polischuk, ul. Novestroyek 17, g. Novograd-Volynsky Zhitomirskaya obl. 26053 Soviet Union.

Popov Nikolai Filippovich, Born: Mar 27, 1927, 8 children. Arrested: Dec 14, 1983. Sentence: 5 years str. Release: Dec 14, 1988. Third term. Camp address: uchr. YaD 40/6 "Ye" pos. Mokhsogollokh, Yakutakaya ASSR, 678020 Soviet Union. Home address (wife): Nadezhda S. Popova, ul. Zarechnaya 15, kv. 1, g. Ryazan, 390010 Soviet Union.

Pshenitsyn Mikhail Aleksandrovich, Born: Nov 20, 1945, 7 children. Arrested: Nov 27, 1985. Sentence: 3 years str. Release: Nov 27, 1988. Second term. Home address (wife): Tamara M. Pshenitsyna, ul. Prigorodnaya 99, g. Zheleznodorozhny, Moskovskaya obl. 143980 Soviet Union.

Pugachev Mikhail Artyomovich, Born: Nov 15, 1935, 10 children. Arrested: Nov. 14, 1985. Sentence: 2 years str. Release: Nov 14, 1987. Third term. Camp Address: uchr. UYe 394/2-14 g. Salavat, Baskhirskaya ASSR, 453200 Soviet Union. Home address (wife): Margarita G. Pugacheva, ul. Ufimskaya 1/3, g. Davlekanovo, Bashkirskaya ASSR, 452120 Soviet Union.

Pushkov Eugene Nikiforovich, Born: Mar 6, 1941, 8 children. Arrested: May 27, 1983. Sentence: 5 years str +3 yrs exile. Release: May 27, 1991. Second term. Camp address: uchr. N 240/4, g. Ivdel, Sverdlovskaya obl. 624570 Soviet Union. Home address (wife): Lubov P. Pushkova, ul. Krasnaya 3, g. Khartsyzsk, Donetskaya obl. 343770 Soviet Union.

Razorvin Pavel Mikhailovich, Born: Sep 7, 1951, 2 children. Arrested: Apr 11, 1985. Sentence: 1 year (begins Apr 1986). Release: Apr 11, 1987. First term. Home address (wife): Ludmila Razorvina, ul. Frezirovschhikov 80, kv.2, g. Perm, 614060 Soviet Union.

Reshetov Vasily Pavlovich, Born: Feb 5, 1921; 6 children. Arrested: Apr 10, 1985. Sentence: 3 years plus conf. Release: Apr 10, 1990. Sentence begins Apr 10, 1987. First term. Home address (wife): Nina M. Reshetova, ul. Mendeleyeva 52, g. Tambov, 392016 Soviet Union.

Rikhert Wilhelm Yakovlevich, Born: Dec 24, 1929; 6 children. Arrested: May 17, 1985. Sentence: 2.5 years. Release: Nov 17, 1987. First term. Camp address: uchr. 123/45, zona 2, s. Chaisovkhoz, g. Tsulukidze, Gruzinskaya SSR, 384230 Soviet Union. Home address (wife): Anna A. Rikhert, ul. Kondzhariya 6, p/o Bsyb, g. Gagra, Abkhazskaya ASSR, 384895 Soviet Union.

Rogalsky Viktor Pavlovich, Born: Nov 2, 1953; 5 children. Arrested: May 17, 1985. Sentence: 2 years. Release: May 17, 1987. First term. Camp address: uchr. 123/47-3, s. Nameshevy, g. Tsulukidze, Gruzinskaya SSR, 384230 Soviet Union. Home address (wife): Maria Ya. Rogalskaya, p/o Bsyb. g. Gagra, Abkhazskaya ASSR, 384895 Soviet Union.

Romaniuk Vladimir Nikolaevich, Born: Dec 7, 1958. Arrested: Nov 5, 1984. Sentence: 2.5 years. Release: May 5, 1987. First term. Camp address: uchr. YeT 322/112-9, g. Kopychintsy, Gusyatinsky raion, Ternopolskaya obl., 283510 Soviet Union. Home address (wife): Nadezhda V. Romaniuk, s. Komarovka, Kremenetsky raion, Ternopolskaya obl., 283293 Soviet Union.

Rublenko Anatoly Timofeevich, Born: Nov 25, 1949; 3 children. Arrested: Feb 3, 1982. Sentence: 6 years str plus 3 yrs exile. Release: Feb 3, 1991. Second term. Camp address: uchr. YaE 308/89, 8-81, g. Dnepropetrovsk, Ukraine, 320104 Soviet Union. Home address (wife): Lubov Ya. Rublenko, ul. Shefskaya 34, g. Nikolaev, Ukraine, 327037 Soviet Union.

Rumachik Pyotr Vasilievich, Born: Jul 1, 1931; 6 children. Arrested: Aug 15, 1985. Sentence: 5 years str. Release: Aug 15, 1990. Sixth term. Home address (wife): Lubov V. Rumachik, ul. Bolnichnaya 13, kv. 51, g. Dedovsk, Moskovskaya obl., 143530 Soviet Union.

Runov, Anatoly Fedorovich. Born: Jan 24, 1938. Arrested: Jan 24, 1983. Sentence: in psychiatric hospital. Second term. Psychiatric hosp. address: psikhbolnitsa K-108, uchr. US 20 ST-5, g. Leningrad, 195108 Soviet Union. Home address (wife): Zoya I. Runova, ul. L. Chaikinoi 7, g. Gorodets, Gorkovskaya obl., 606430 Soviet Union.

Rusavuk, Pyotr Andreevich. Born: Sep 24, 1957. 5 children. Arrested: May 22, 1984. Sentence: 2.5 years. Release: Nov 22, 1986. First term. Camp address: uchr. OR 318/76-11, st. Rafalovka, Rovenskaya obl., 265968 Soviet Union. Home address (wife): Nadezha A. Rusavuk, ul. Vladimirskaya 83, kv. 76, g. Kovel, Volynskaya obl., 264410 Soviet Union.

Rytikov, Pavel Timofeevich. Born: Jul 20, 1930. 10 children. Arrested: Jan 29, 1986.

Sentence: 1.5 years str. Release: Jul. 29, 1987, Fourth term. Home address (wife): Galina Yu. Rytikova, ul. Podgornaya 30, g. Krasnodon, Voroshilovgradskaya obl., 399340 Soviet Union.

Savchenko, Nikolai Romanovich. Born: Nov 27, 1925. 6 children. Arrested: Jun 11, 1985. Sentence: 2.5 years str. Release: Dec 11, 1987. Third term. Camp address: uchr. UKh 16/9 "D", g. Omsk, 644027 Soviet Union. Home address (wife): Ludmila L. Savchenko, ul. Smeny 16, g. Omsk, 644030 Soviet Union.

Saveleva, Valentina Ivanovna. Born: Dec 4, 1954. Arrested: Jan 28, 1982. Sentence: 5 years + conf. Release: Jan 28, 1987. First term. Camp address: uchr. UK 272/11-2, pos. Bozoi, Irkutskaya obl., 666111 Soviet Union. Home address (mother): Yulia P. Saveleva, ul. Burovaya 244, g. Budennovsk, Stavropolsky krai, 357920 Soviet Union.

Savenkov, Mikhail Alekseevich. Born: Jul 25, 1925. 4 children. Arrested: Sep 2, 1983. Sentence: 4 years str. Release: Sep 2, 1987. Second term. Camp address: uchr. UF 91/15-14, st. Tabulga, Chistoozerny raion, Novosibirskaya obl., 632710 Soviet Union. Home address (wife): Polina M. Savenkova, ul. Engelsa 79, kv. 2, g. Voronezh, 394018 Soviet Union.

Shepel, Nikolai Emelyanovich. Born: Dec 18, 1938. 7 children. Arrested: Jan 26, 1984. Sentence: 3 years. Release: Jan 26, 1987. First term. Camp address: uchr. YeCh 325/68, 3-92, s. Tagancha, Kanevsky raion, Cherkasskaya obl., 258323 Soviet Union. Home address (wife): Ekaterina Ya. Shepel, ul. Kalinina 63, pos. Khutory, Cherkasskaya obl., 258209 Soviet Union.

Shevchenko, Natalia Timofeevna. Born: Feb 21, 1956. Arrested: Oct 17, 1985. Sentence: 3 years. Release: Oct 17, 1988. First term. Home address (mother): Yevdokiya F. Shevchenko, s. Novoselovka, Petrovka 2, Tarutinsky raion, Odesskaya obl., 272724 Soviet Union.

Shevyakov, Ivan Ivanovich. Born: Sep 28, 1929. 5 children. Arrested: Mar 4, 1982. Sentence: 5 years. Release: Mar 4, 1987. First term. Camp address: s. n. kh., s/k-27, pos. Liman, Astrakhanskaya obl., 410416 Soviet Union. Home address (wife): Vera I. Shevyakova, ul. Kalinina 37, g. Kizlyar, Dagestanskaya ASSR, 368800 Soviet Union.

Shidych, Ivan Grigorievich. Born: Jun 14, 1936. 7 children. Arrested: Jul 29, 1982. Sentence: 3 yrs str +2 yrs str*. Release: Jan 29, 1988. Third term (*Resentenced). Camp address: uchr. GM 172/1-5, g. Shevchenko, Mangyshlakskayha obl., 466200 Soviet Union. Home address (wife): Evdokia V. Shidych, ul. Chkalova 34, g. Zyryanovsk, Kazakhskaya SSR, 493730 Soviet Union.

Shmidt, Boris Yakovlevich. Born: Feb 25, 1920. 8 children. Arrested: Aug 11, 1982. Sentence: 4 years. Release: Aug 11, 1986. First term. Camp address: uchr. UN 1612/40, 12-122, g. Kemerovo, 652000 Soviet Union.

Home address (wife): Agnessa P. Shmidt, ul. Stroitelei 25, g. Anzhero-Sudzhensk, Kemerovskaya obl., 652090 Soviet Union.

Shoshin, Mikhail Nikolaevich. Born: Jun 3, 1929. 3 children. Arrested: Dec 21, 1984. Sentence: 3 years. Release: Dec 21, 1987. First term. Home address (wife): Evgenia I. Shoshina, Uzky pereulok 16, g. Arzamas, Gorkovskaya obl., 607220 Soviet Union.

Shteffen Ivan Petrovich. Born: May 11, 1927. 5 children. Arrested: May 14, 1985. Sentence: 5 years str. Release: May 14, 1990. Third term. Camp address: uchr. UT 174/1, 15-151, g. Arkalyk, Turgaiskaya obl., 459830 Soviet Union. Home address (wife): Elfrida G. Shteffan, ul. Severnaya 11, g. Issyk-2, Alma-Atinskaya obl., 483360 Soviet Union.

Shvetsova Dina Vladimirovna. Born: Feb 17, 1961. Arrested: Aug 24, 1983. Sentence: 3 years. Release: Aug 24, 1986. First term. Camp address: komend. 1, obsch. 1, kom. 18, pos. Kalinina, Maikopsky raion, Krasnodarsky krai, 372562 Soviet Union. Home address (mother): Antonina V. Shvetsova, ul. Bliznyukovskogo la, g. Mozdok, 363700 Soviet Union.

Skornyakov Yakov Grigorievich. Born: Aug 8, 1928. 9 children. Arrested: Jul 19, 1978. Sentence: 5 years str + 3 yrs str*. Release: Jul 19, 1986. Third term (*Resentenced). Camp address: uchr. GM 172/5 "Z", g. Novy Uzen, Mangyshlakskaya obl., 466207 Soviet Union. Home address (wife): Nina S. Skornyakova, per. 3-i Trudovoi 19, g. Dzhambul, Kazakhskaya SSR, 484002 Soviet Union.

Sliusar Vasily Leontevich. Born: Jan 1, 1930. 6 children. Arrested: Oct 19, 1984. Sentence: 3 years. Release: Oct 19, 1987. First term. Camp address: uchr. IV 301/59, 2-22, s. Trudovoye, Peschansky raion, Vinnitskaya, obl., 288371 Soviet Union. Home address (wife): Nadezhda I. Sliusar, ul. Kosmonatov 65, g. Kivertsy, Volynskaya obl., 264220 Soviet Union.

Tarasova Zinaida Petrovna. Born: 1942. Arrested: Oct 17, 1985. Sentence: 3 years. Release: Oct 17, 1988. Second term. Home address (mother): Anastasia Ye. Tarasova, Voroschievsky s/s, d. Rassylnaya, Kurskaya obl., Soviet Union.

Timchuk Ivan Vasilievich. Born: May 18, 1919. 6 children. Arrested: Sep 18, 1984. Sentence: 3 years str. Release: Sep 18, 1987. Second term. Camp address: uchr. YuYe 312/87, 2-23, g. Gorlovka, Donetskaya obl., 338035 Soviet Union. Home address (wife): Regina I. Timchuk, p. Lenina "V" d. 72, g. Makeyevka-3, Donetskaya obl., 339003 Soviet Union.

Tkach Vasily Ivanovich. Born: May 31, 1946. 3 children. Arrested: Feb 5, 1984. Sentence: 3.5 years. Release: Aug 5, 1987. First term. Camp address: uchr. YuZh 313/17-180, pos. Oktyabrsky, Balakleisky raion, Kharkovskaya obl., 313810 Soviet Union. Home address (wife): Maria A. Tkach, 1 per. Chapayeva 10, g. Novograd-Volynsky, Zhitomirskaya obl., 260500 Soviet Union.

Tkachenko Ivan Ivanovich. Born: Jun 5, 1959. Arrested: Jul 12, 1984. Sentence: 2 years. Release: Jul 12, 1986. First term. Camp address: uchr. UAP 162/7, 12-122, g. Pavlodar, Kazakhskaya SSR, Soviet Union. Home address (mother): Aleksandra I. Tkachenko, ul. Chkalova 36, Rudnik Bestyube, Selitinsky raion, Tselinogradskaya obl., 474150 Soviet Union.

Tkachenko Nikolai Sergeevich. Born: Jun 1, 1932. 3 children. Arrested: Jun 11, 1985. Sentence: 5 years. Release: Jun 11, 1990. First term. Home address (wife): Polina Ye. Tkachenko, ul. Timiryazeva 43, g. Shibekino, Belgorodskaya obl., 309250 Soviet Union.

Tolstopyatov Ivan Alekseevich. Born: Jun 26, 1936. 9 children. Arrested: Apr 10, 1985. Sentence: 2.5 years. Release: Oct 10, 1987. First term. Camp address: uchr. YaT 30/7 "V", pos. Polevoy, Kirsanovsky raion, Tambovskaya obl., 393354 Soviet Union. Home address (wife): Lydia A. Tolstopyatova, ul. Tregulaevskaya 86, g. Tambov, 392002 Soviet Union.

Tsitsyn Boris Andreevich. Born: Oct 12, 1926. 8 children. Arrested: May 13, 1983. Sentence: 3 years. Release: May 13, 1986. First term. Camp address: uchr. 288/28, 19-119, p/o Khairuzovka, Ilansky raion, Krasnodarsky krai, 663850 Soviet Union. Home address (wife): Maria V. Tsitsyna, ul. Gastello 14, g. Krasnoyarsk, 660070 Soviet Union.

Tuliupa Vladimir Fedorovich. Born: Jan 2, 1940. 7 children. Arrested: Jul 10, 1985. Sentence: 3 years. Release: Jul 10, 1988. First term. Camp address: ul. Zavodskaya 15, kom. 10, pos. Turynino, g. Kaluga-20, 249120 Soviet Union. Home address: Olga I. Tuliupa, Ofitsersky prospekt 69 "B", kv. 2, g. Donetsk, 340096 Soviet Union.

Vlasenko, Vladimir Mefodievich. Born: Dec. 14, 1954. 2 children. Arrested: Feb. 3, 1982. Sentence: 4 yrs + 2 yrs exile + conf. Release: Feb. 3, 1988. First term. Home address (wife): Ludmila P. Vlasenko, ul. Kotsyubinskogo 42/2, g. Nikolaev, 327037 Soviet Union.

Wolf, Andrei Korneevich. Born: May 7, 1958. 3 children. Arrested: Nov 25, 1984. Sentence: 5 years. Release: Nov 25, 1989. First term. Camp address: uchr. LA 155/2 "K", pos. Zarechny, Iliisky raion, Alma-Atinskaya obl., Kazakhskaya SSR, 483333 Soviet Union. Home address (wife): Ekaterina Ya. Wolf, ul. M. Gorkogo 190, g. Issyk, Alma-Atinskaya obl., 483360 Soviet Union.

Wolf, Egor Korneevich. Born: May 31, 1955. 5 children. Arrested: Nov 24, 1984. Sentence: 5 years. Release: Nov 24, 1989. First term. Camp address: uchr. UK 161/2, 4-43, g. Kustanai-12, 458012 Soviet Union. Home address (wife): Elena B. Wolf, ul. Urozhainaya 26a g. Issyk, Alma-Atinskaya obl., 483360 Soviet Union.

Yanushevskaya, Anna Rikhardovna. Born: Feb 26, 1954. Arrested: Oct 17, 1985. Sentence: 3 years. Release: Oct 17, 1988. First term. Home address (mother): Susana P. Yanushevskaya, ul. Michurina 37, s. Pokrovka, Iliisky raion, Alma-Atinskaya obl., 483330 Soviet Union.

Yanushevskaya, Elena Rikhardovna. Born: Dec 13, 1956. Arrested: Oct 17, 1985. Sentence: 3 years. Release: Oct 17, 1988. First term. Home address (mother): Susana P. Yanushevskaya, ul. Michurina 37, s. Pokrovka, Iliisky raion, Alma-Atinskaya obl., 483330 Soviet Union.

Yefremov, Veniamin Sergeyevich. Born: Apr 9, 1958. Arrested: Dec 13, 1985. Sentence: 2.5 years. Release: Jun 13, 1988. First term. Home address (wife): Tatiana N. Yefremova, Novoizmailovsky prospekt 3, kv. 276, g. Leningrad, 196128 Soviet Union.

Yudintsev, Vasily Ivanovich. Born: Feb 1, 1931. 13 children. Arrested: Feb 21, 1986. Sentence: Release: Second term. Home address (son): Aleksandr V. Yudintsev, ul. Lermontova 63, g. Khartsysk, Donetskaya obl., 343700 Soviet Union.

Yudintseva, Serafima Anatolevna. Born: Jan 12, 1938. 13 children. Arrested: Mar 1, 1985. Sentence: 2 years to begin Mar 1, 1987. Release: Mar 1, 1989. First term. Home address (son): Aleksandr V. Yudintsev, ul. Lermontova 63, g. Khartsyzsk, Donetskaya obl., 343700 Soviet Union.

Zhukovskaya, Evelina Stepanovna. Born: Jul 2, 1940. Arrested: May 13, 1983. Sentence: 5 years. Release: May 13, 1988. First term. Camp address: uchr. YuL 34/5-25, g. Kozlovka, Chuvashskaya ASSR, 429430 Soviet Union. Home address (mother): Serafima V. Lyakhova, ul. Lenina 120, kv. 25, g. Stavropol, 355012 Soviet Union.

Zimens, Pyotr Yakovlevich. Born: Aug 18, 1950. Arrested: Dec 25, 1985. Sentence: 3 years str. Release: Dec 25, 1988. Second term. Camp address: uchr. OK 160/5, 4-43, s. Novoukrainka, Volodarsky raion, Kokchetavskaya obl., 476210 Soviet Union. Home address (wife): Frida E. Zimens, ul. Lermon-

tova 117, g. Schuchinsk, Kokchetavskaya obl., 476410 Soviet Union.

Zinchenko, Pavel Petrovich. Born: Jun 18, 1958. 1 child. Arrested: Jun 19, 1983. Sentence: 5 years. Release: Jun 19, 1988. First term. Camp address: uchr. YuYe 312/2 "A" 5, g. Dzerzhinsk-2, Donetskaya obl., 343550 Soviet Union. Home address (wife): Ludmila A. Zinchenko, per. Glazunova 16a, g. Kharkov, 310137 Soviet Union.

Zinchenko, Vladimir Petrovich. Born: Jun 13, 1950. 2 children. Arrested: Feb 27, 1984. Sentence: 3 years str. Release: Feb 27, 1987. Second term. Camp address: uchr. ZhKh 385/7-11, st. Potma, pos. Sosnovka, Zubovo-Polyansky raion, Mordovskaya ASSR, 431120 Soviet Union. Home address (wife): Vera G. Zinchenko, ul. P. Romanova 2, kor. 2, kv. 119, g. Moscow, 109193 Soviet Union.

Mr. Speaker, I also include an article on Christian women facing increasing persecution, by the Council of Evangelical Baptist Churches of the Soviet Union for the RECORD.

CHRISTIAN WOMEN FACE INCREASING PERSECUTION

Christian women are getting arrested more and more frequently in the Soviet Union. Two were pulled off a train in Mineralnye Vody in June 1986, and taken to a local jail for questioning. Margaret Gottman, 29, a pastor's daughter, and Zinaida Vilchinskaya, 55, a pastor's wife, are still being held in police custody.

The actual charges are not yet known, but are believed to be related to the fact that both women are relatives of Christian prisoners.

Margaret Gottman is the daughter of Leongard Gottman, a Baptist pastor from Davlekanovo, who is now serving his fourth prison term for Christian activities.

Zinaida Vilchinskaya is the mother of Galina Vilchinskaya, a young girl who served five years imprisonment for teaching at a children's summer Bible camp, and the wife of Vladimir Vilchinsky, pastor of a Baptist congregation in Brest which has been subjected to police raids and exhorbitant fines during the past year.

Mrs. Vilchinskaya is also known to be an active member of the Council of Prisoners' Relatives (CPR), a support group organized in 1964 by wives and mothers of imprisoned Baptist leaders. These women meet together, pray together, comfort each other, help each other, and collect information and letters about what is happening to Christians in their country. Their regular publication, Bulletin, provides documentation of arrests, trials, beatings, fines, confiscation of property, house searches, deprivation of parental rights, and internment in psychiatric hospitals. The CPR Bulletin, circulated among the independent Evangelical Baptist churches in the Soviet Union, is widely recognized as the most reliable source of information regarding persecution of Baptists.

Soviet authorities have never appreciated systematic documentation of their illegal activities. In this case, they are attempting to curtail the spread of information by terrorizing the middle-aged women who collect and publish it.

For example, Aleksandra Kozorezova, 50, CPR director, had just welcomed her husband, Aleksei Kozorezov, home from five years of imprisonment, when police raided their house, this time searching for her. She was advised by local church leaders to go underground in July 1985.

Serafima Yudintseva, 48, was arrested and sentenced to two years imprisonment, effective when the youngest of her thirteen children turns five next year. Her husband, Vasily Yudintsev, was arrested in February 1986, just weeks before their eldest son Andrei, arrested at age 18, returned home after three and one-half years imprisonment.

Ulyana Germaniuk, 56, was arrested and sentenced to three years imprisonment in July 1985, while her husband, preacher stepan Germaniuk, was still in his third year of a strict regime sentence.

Criminal proceedings have been started against Valentina Firsova, Maria Freeman, Elena Enns, Vera Khoreva, Lubov Rumachik, and Lubov Kostiuchenko. Several other wives and mothers of Christian prisoners face continual harassment and the threat of arrest.

Mr. Speaker, I also submit the statement yesterday before the gentleman from Pennsylvania's subcommittee by the Honorable Richard Schifter, who is an excellent choice for our Assistant Secretary of State at the Bureau of Human Rights and Humanitarian Affairs at our State Department.

STATEMENT OF HON. RICHARD SCHIFTER

As this is Part Two in a series of hearings on the subject of religion in the Soviet Union, I would like to start out by setting forth my understanding of the significant difference between the subject matter of the first hearing and the subject matter of the present hearing.

The first hearing focused on the treatment of Jews in the Soviet Union. Jews, in the Soviet scheme of things, are viewed not as a religious group but as an ethnic group, or, to use Soviet terminology, as a nationality. Jews suffer discrimination in the Soviet Union because anti-Semitism—discrimination based purely on ancestry—has become state policy. Whether a Jew attends services in a synagogue or in other ways practices his religion makes a marginal difference at best.

The situation is vastly different with persons who practice the Christian faith and, perhaps to a lesser extent, also with Moslems. Soviet citizens born into ethnic groups that historically have adopted Christianity or Islam as their religion have the opportunity of rising to the very top of the Soviet Union's governmental pyramid, provided they don't identify themselves with the religious faith of their ethnic groups. If they do, they limit their opportunities for advancement. The severity of these limitations is proportional to the extent of the person's religious involvement.

In recent years, to be sure, we have heard eye-witness reports from highly respected American religious personalities as to the tolerance of religious observance in the Soviet Union. These visitors to the Soviet Union reported accurately and fairly what they saw. They were, of course, unable to report what was hidden from their view.

What these recent visitors to the Soviet Union may have thought they might encounter was an active crusade against all forms of religion, a continuing deep, publicly-manifested commitment to atheism. They were pleasantly surprised not to encounter evidence of an overt atheistic campaign. What they failed to understand fully is that a newer approach to the repression of religion had taken the place of the earlier campaign for atheistic doctrine.

Atheism was undoubtedly an important element of the ideological foundation on which the Bolsheviks erected their state. But, like other facets of that ideology, the commitment to atheism has been significantly attenuated. In this, the 69th year of its existence, the Soviet state is committed largely to maintaining in power its ruling class, "The New Class", as Milovan Djilas called it.

It is in this context that the Soviet attitude toward religion can be readily understood. To the extent to which religion can serve the ruling class it will be used. To the extent to which it interferes with the objectives of the ruling class it will be suppressed.

A few years ago Jeane Kirkpatrick reminded us all of the significant difference between totalitarian and authoritarian systems. She was roundly criticized for her observations by persons who were unable to disprove the validity of her thesis. The manner in which religion is dealt with in the Soviet Union offers an object lesson in the operation of a totalitarian system.

The Soviet Union's ruling class, known as the Nomenklatura, consists of the leaders of government, the leaders of the party, the leaders of the military, and the leaders of the various governmentally-operated economic, educational, scientific and cultural institutions. What is expected of this leadership group is loyalty to each other, loyalty to the system that maintains these leaders in power. What is expected of them is, therefore, a single-minded commitment which must not be diluted by a set of potentially conflicting loyalties. The practice of a religious faith would suggest such a conflicting loyalty and is, therefore, deemed unacceptable. It follows that no known religious believer may join the Nomenklatura.

Immediately below the leadership group is the pool of persons who have been identified as potential candidates for leadership, the lower-ranking members of the Communist Party. They, too, must in this totalitarian scheme be free of the danger of another set of loyalties. Known religious believers are, therefore, disqualified from entering the group that can qualify for leadership positions.

But then there is that great mass of people which constitutes the country's rank and file. As George Orwell suggested in his remarkably prescient outline of the future course of a Leninist state, different rules apply to the common people. In today's Soviet Union these persons may engage in religious observance as long as that is done in a place authorized by the government, at a time authorized by the government, and in a format authorized by the government.

Under a statutory scheme first put together in 1929, religion may be practiced in the Soviet Union under the auspices of religious associations duly licensed by the government for this purpose. These licensed associations must, in order to remain licensed, act in accordance with the rules, regulations, and specific instructions of the council of Religious Affairs, the body that supervises all licensed religious activities in the Soviet Union. The Council, in turn, works through regional commissioners, with whom the religious associations must register. A Commissioner can refuse to register an association or he can cancel a registration without citing any reason.

By utilizing this regualtory scheme, the Soviet government allows the performance of traditional rituals, traditional prayers, and traditional religious practices which do not involve significant interaction among religious believers. To illustrate the point I just made: believers may pray together, may

sing together, but they may not engage in discussions on religious topics.

What is true of the individual believer, is also true of the clergy. The clergy may perform rituals, may lead congregations in prayer, but may not otherwise interact with believers. Moreover, what is expected of the clergy is support of the state when called upon, including supporting of the state's foreign policy objectives at international gatherings or on vistis abroad. There are some clergymen who may perform the tasks assigned to them by the state out of conviction. There are others who view these tasks as the price they must pay in order to be able to carry on their religious traditions. Beyond that, it has been suggested that the clergy has been infiltrated by the KGB and that KGB operatives might even be hearing confession.

So far I have described what in the Soviet Union constitutes the authorized practice of religion. That is what American religious personalities have been able to witness in the Soviet Union. It is a new format of an old tradition, that of creating Potemkin villages.

What the visitors don't see is what goes on with regard to religious observance in the Soviet Union outside the officially-sanctioned ceremonial occasions. What they don't see are the unlicensed activities which are carried on illegally and at serious risk to the participants. What the totalitarian system of the Soviet Union does not tolerate is any form of association of individuals outside the duly licensed pattern. Bible study groups, religious discussion groups, religious gatherings in places not duly authorized by the government, religious meetings not authorized by the government, religious events held under the auspices of unlicensed religious groups can all lead to criminal prosecution and punishment. To make sure that the laws on this subject are enforced, a system of special volunteer spy committees has been created whose job it is to report violators. These neighborhood committees, which are called "Public Commissions for Control Over Observance of the Laws About Religious Cults", watch over their neighbors and they report violators to the authorities. That is how Evangelical Christians, Mennonites, Baptists, Pentecostals, as well as Lithuanian or Ukrainian Catholics, get into trouble, as do those Russian Orthodox who refuse to be co-opted by the state.

To the chagrin of the authorities, interest in religion on the part of the Soviet people has been on the increase in recent years. This has included not only participation in governmentally-authorized religious observance but also in what in the Soviet Union are deemed illegal religious activities. Violations of the law have become too numerous to permit them to be enforced rigidly and consistently. As a result, a good many violations tend to be ignored. But when the KGB decides to move, it clamps down hard. Persons guilty of the illegal practice of religion are sent off for many years to a prison, labor colony, or forced into exile, often on trumped-up charges. In those cases in which it appears inconvenient to invoke what in the post-Stalin era has been called "Socialist Legality", namely a criminal proceeding, the luckless religious practitioner is sent off to an institution for the mentally ill. Whether one device is used or another, a climate of fear is engendered among those whose faith requires of them religious practice other than that which the state has deigned to license.

Though the advocacy of atheism is, as I noted earlier, no longer a high priority item in the Soviet Union, it is still the prevailing philosophy in the schools. That is where efforts are made by teachers to indoctrinate children with the Soviet Union's state religion of Communism and where children from believing families are held up for ridicule. This is, therefore, one more hardship imposed on the families of religious believers.

The practices which I have here described are all in contravention of the provisions of such international instruments as the Universal Declaration of Human Rights and the Declaration Against Religious Intolerance, documents approved by the General Assembly of the United Nations without objection from the Soviet Union. They are also in violation of the Helsinki Final Act, a document subscribed to in 1975 by General Secretary Brezhnev. What, we need to ask ourselves, did the Soviet Union have in mind when it acquiesced in undertakings which it had no intention of observing? The answer is that it probably considered it less embarrassing to go along with the text and then ignore it rather than to make an issue of the matter.

What we who believe in freedom of religion need to do is make it clear that such conduct is not acceptable, that it will be noted, will be publicized, and the Soviet Union will be criticized for its failure to observe the internationally-recognized standards of freedom of religion.

Will that make any difference? We can't be sure. But what we can be sure of is that those persons, including religious leaders, who look the other way when religious believers in the Soviet Union are deprived of their rights, allow these repressive activities to continue. Only by pointing out that what is done is wrong, by shining a spotlight on the wrongdoers, can we hope to effect change. What this Committee is doing today is to shine a spotlight on the problem. That is indeed a significant contribution to the cause of freedom.

Mr. Speaker, Mr. Schifter, in his opening paragraph, said this to the gentleman's committee:

This is part two in a series of hearings on the subject of religion in the Soviet Union. I would like to start out by setting forth my understanding of the significant difference between the subject matter of the first hearing and the subject matter of the second panel hearing.

The first hearing focused on the treatment of Jews in the Soviet Union. Jews, in the Soviet scheme of things, are viewed not as a religious group but as an ethnic group, or, to use Soviet terminology, as a nationality. Jews suffer discrimination in the Soviet Union because anti-Semitism—discrimination based purely on ancestry—has become state policy. Whether a Jew attends services in a synagogue or in other ways practices his religion makes a marginal difference.

□ 1850

The situation is vastly different with persons who practice the Christian faith, and perhaps to a lesser extent also with Moslems.

Soviet citizens born into ethnic groups that historically have adopted Christianity or Islam as their religion have the opportunity of rising to the very top, which means that Jews do not any longer, of the Soviet Union's governmental pyramid provided they do not identify themselves with the religious faith of their ethnic group. If they do, they limit their opportunities for advancement and the severity of these limitations is directly proportional to the extent of the person's religious involvement, and so goes Mr. Schifter's excellent statement which I have inserted in the RECORD.

Now, Mr. Speaker, someone mentioned Ted Turner's name in an earlier presentation. I believe it was the gentleman from Pennsylvania [DON RITTER]. Ted Turner, over my service in the House, has become more than an acquaintance. I consider him a friend.

I am going to appeal to Mr. Turner publicly to try and balance the record from the Goodwill Games and his laying that wreath on Lenin's tomb to try, because I think he is a fair man, to try and get some of the message out on what he calls the world's most important network, and since it is on 24 hours a day and it also has a separate CNN channel 2 with headline news 24 hours a day, maybe they are a double-whammy, most important network.

I want him to balance on CNN the story of religious persecution in the Soviet Union.

Now, we seem to have a front-burner mentality in the news media in the United States where we can only handle one issue at a time. The issue that seems to be up now is South Africa. I do not mind how much heat we put on South Africa for the horrible violations of human rights in that country; but have may colleagues and the citizens in this country noticed that religious people like Bishop Tutu and Rev. Alan Boesak can travel out of their country any time they want, into the free world, to Europe, to the capitols, London, Paris, and Washington, DC, and make their case about the human rights violations in South Africa?

Who is allowed to travel out of the Soviet Union to come here and make a case for the religious persecution in the Soviet Union? I ask Mr. Turner to go to these groups, like the panel that appeared before Mr. YATRON'S committee yesterday, and let that message get out of this intense persecution of Christians and orthodox faith people, Moslems and the continued story we are trying to get out on the persecution of Soviet Jews.

There are at least 1,000 people, maybe 10,000 in those Gulag concentration camps because they love their god. They want to go to synagogue. They want to go to church and pray to Jesus. They want to practice their orthodox faith and give homage to Jesus or they want to practice their Islamic faith.

This is a story that is so distorted on our networks; for example, by name the "Phil Donahue Show," where he takes one of the leading, paid agents and propagandists of the Soviet

Union, Vladimir Posner, and puts him center stage on America's most watched talk show, alone, in a chair for two back-to-back shows, 2 solid hours, and Phil Donahue allows Vladimir Posner to use the NBC studios at 30 Rockefeller Plaza, and syndicated through multimedia entertainment, Donahue's own syndication company, to over 216 American stations, Australian stations, 6 stations in Canada—he lets Posner say, "There is no religious persecution in the Soviet Union."

What a travesty. Let us get these groups on the "Phil Donahue Show" that appeared yesterday before Mr. YATRON's committee.

Mr. YATRON. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. FASCELL] the distinguished chairman of the Committee on Foreign Affairs, who has been the greatest inspiration in Congress for the Helsinki accords.

Mr. FASCELL. Mr. Speaker, I thank the distinguished gentleman from Pennsylvania [Mr. YATRON] who is chairman of the Human Rights International Organization Subcommittee of the Committee on Foreign Affairs, and the ranking minority member, the gentleman from New York [Mr. SOLOMON].

Let me also express my appreciation to the House cochairman of the Helsinki Commission and the members of the Helsinki Commission, the gentleman from Maryland [Mr. HOYER], and also the Congressional Human Rights Caucus, represented here today by the gentleman from Illinois [Mr. PORTER] and the gentleman from California [Mr. LANTOS]. All have joined vigorously in the struggle for the recognition of human rights as an important matter in international affairs, and also because of the subject itself.

So it is very appropriate indeed that all of these groups come together, and my colleagues, all of whom are interested in this matter, to rededicate ourselves to the designation of a particular day.

All of them are important, but I dare say all of us agree that this day has a particular importance, designating August 1 of this year on the anniversary of the signing of the Helsinki accords.

Mr. Speaker, I rise in support of the resolution (S.J. Res. 371) which designates August 1, 1986, as "Helsinki Human Rights Day" and calls upon the President to issue a proclamation reasserting the commitment of the United States to full implementation of the human rights and humanitarian provisions of the 1975 Helsinki Final Act.

This resolution unanimously passed the other body on July 23 and is nearly identical to House Joint Resolution 667 which was introduced by our colleagues, Mr. LANTOS and Mr. PORTER, the cochairmen of the Congressional Human Rights Caucus, Mr. YATRON, the distinguished chairman of the Human Rights Subcommittee, Mr. HOYER, the cochairman of the Helsinki Commission, and 59 other cosponsors.

Mr. Speaker, as the former Chairman of the Commission on Security and Cooperation in Europe, known as the Helsinki Commission, which monitors Soviet and East European compliance with the human rights provision of the Helsinki accords, I have witnessed first-hand the importance of expressions of congressional support for human rights. We in the Congress must remain steadfast in our defense of human rights and redouble our efforts to draw the glare of international public opinion onto those governments that abuse the human rights of their citizens.

Mr. Speaker, Senate Joint Resolution 371 is similar to a measure adopted by the Congress last year which designated May 7, 1985, as "Helsinki Human Rights Day." That date was the opening day of the 35-nation meeting of experts on human rights that was held in Ottawa, Canada, By designating May 7, 1985, as "Helsinki Human Rights Day" we strengthened the hand of the U.S. delegation to this special human rights meeting and publicly supported their efforts to achieve greater respect for human rights in all Helsinki countries.

The date change in this resolution, Mr. Speaker, was made to focus attention on the 11th anniversary of the signing of the Helsinki accords by the heads of state of the United States, Canada, the Soviet Union, and 32 European nations.

Mr. Speaker, Senate Joint Resolution 371 calls upon the President to continue his efforts to achieve full implemention of the Helsinki accords' human rights and humanitarian provisions by raising at every available opportunity, both in bilateral and multilateral fora, the issue of Soviet and East European human rights violations.

The resolution also calls upon the President to enlist the support of our allies in promoting respect for human rights in Eastern Europe and the Soviet Union. Finally, the measure requests the President to communicate to the other 34 signatories of the Helsinki accords our position that respect for human rights is vital to further progress in the ongoing effort to achieve total compliance with the accords, thus making it clear that progress in human rights is an essential component of improved East-West relations.

Never in modern history have the heads of states of 35 states come together to agree, as was done in the case of the Helsinki accords on a statement of principles which guide the conduct between countries and guide the conduct of countries to their own peoples.

All in an effort to improve the situation that exists on man's treatment to man.

While there is no enforcement mechanism in this agreement, no police, no judge, no jury in the technical sense, to bring about compliance by these heads of states and their governments, to these strong, broad principles and concepts, there is in fact a jury. There is in fact, an enforcement; and that is us, the people of the world, with a particular opportunity and responsibility to the people of the United States because of who we are, and the fundamental beliefs in our own Government upon which this great Nation was founded.

That is the reason we bear a special challenge and responsibility in the compliance with these precepts. We not only believe, and we are not perfect, but we try to implement with due recognition of the fact that we still have a lot to do; but in comparison with the rest of the world, particularly those behind the Iron Curtain, I think we can be justly proud of our human rights record in the book of history.

Therefore, it is of particular note that one of the great institutions of the people of the United States, the Congress; directly responsible to the people, embodying all the elements of the great principles of our Government, takes the time to actually pass legislation designating a day of rededication to these principles.

Mr. HOYER. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. I will be glad to yield to the distinguished chairman of the Helsinki Commission.

Mr. HOYER. Mr. Speaker, I thank the chairman for yielding. I have been off the floor, but I am pleased that I came back on the floor when the chairman of the Committee on Foreign Affairs is speaking.

I think all of us on this floor understand and know that no one in the United States, indeed perhaps in the world, has been any more faithful to the Helsinki process, to informing our citizens in the United States and indeed the publics of the Western World, the importance of the Helsinki accords and the Helsinki process, as has the chairman of the Committee on Foreign Affairs, the gentleman from Florida, DANTE FASCELL.

I would be remiss, as cochairman of the Helsinki Commission, as his successor after more than 10 years of outstanding and courageous leadership on this issue if I did not note, as we pass this resolution which Congressman PORTER has introduced and which, as I indicated earlier, is most appropriate. If we did not also take the opportunity to thank and to congratulate the

chairman for his commitment to the Helsinki process.

□ 1900

No American, indeed perhaps, as I said earlier, no person in the world has dedicated himself to furthering the aims of the Helsinki Final Act any more than our chairman.

I congratulate him on that.

Mr. FASCELL. I want to thank my colleague from Maryland, who is a very worthy successor as chairman on behalf of the House of Representatives of the Helsinki Commission. I would be less than human if I did not say "thanks" for coming back to the floor and reminding me of the fact that I had the opportunity to serve as chairman of the Helsinki Commission.

What I was about to say, because of the appropriateness of the House and the Congress acting on this resolution, is that serving on the Helsinki Commission and as chairman of the Committee on Foreign Affairs and working with the gentleman from Pennsylvania [Mr. YATRON] on the Human Rights Subcommittee and with the House caucus on human rights, all of that has had a profound effect on me as an individual. In my service in the Congress I do not know that just being involved as I was in other matters would have had that kind of effect. But the opportunity of service gave me a direct insight into the whole process, you might say, of human nature in the international sense, the politics of it, the brutality of it and the courage of it. And so it has deeply affected my own thinking and my own stance with respect to not only legislative matters here in the Congress but my general attitude on foreign policy and other issues.

Very important, significant. I am sure that all of you, my colleagues who have had a chance to serve directly either in the congressional caucus, on the Human Rights Subcommittee, or in the Helsinki Commission have experienced the same thing. First, there is a feeling of respect for the fact that this was an unusual document. It had never occurred before in history. This was one, signed by heads of state.

Then there was a general awareness of the brutality and the lack of compliance, and that while all these good things had been said, nevertheless people were suffering and dying and being harassed. It was very difficult if not impossible to reach out and say at any one point that we are making progress. Mankind is making progress in some way, in the way we treat people, in the way we treat each other; and that despite the struggle that is going on ideologically between nations, that there is something more fundamental here that is extremely disturbing to all of us.

That raised the question of "Well, what are you doing about it? How can you do anything about it? Why is Helsinki any good?" There are unenforceable accords, no visible progress that can be made, so why do we continue to adhere to something of this kind? Why do we not just walk away from it? The answer to that came from the people themselves who were struggling, who had great faith in the principles which this country espouses, and for us to ever underestimate the tremendous reception and understanding all over the world that exists about this country, and the precepts under which we operate, would be a mistake.

It is a focus, it is a light, it is hope that springs eternal, that people who are mistreated, maltreated or otherwise harassed, hope and pray and struggle for the day when they, too, can have some measure of sustenance. Every one of the people that we have talked to, all of us, has said constantly to us, "Don't stop. Just keep doing what you are doing. Never get frustrated. Never give up hope. We on the other side are the ones who are willingly making the commitment. Don't feel sorry for us. We commit our lives, the lives of our families, we commit our future, we commit all our worldly goods in the hope that someday we, too, can have the opportunity to live like you do."

Now if that is not encouragement enough, I do not know what is. It smooths out all of the frustration, it gives all of us the determination to go on, to go to the next review conference in Vienna and to sit there, to have the opportunity to listen to the brutality and the lack of progress in the implementation. But the fact is that the very process of Helsinki has made it possible, as my colleagues have previously pointed out, that we have the opportunity to make it a very important part of international process. That is what Helsinki has meant, and it has also meant that a great many people have real hope in what the congressional caucus is doing, what the Human Rights Subcommittee is doing, what the Helsinki Commission is doing and what the Congress is doing.

This resolution, which we will adopt today, will be noted in the dimmest, darkest corners of the world. It will tell those people they have not been forgotten. That is the sustenance they need. When somebody who spends 9 years in solitary confinement with no light for simply advocating the right of freedom of religion, that person respects and understands what we are doing here if nobody else does. So this is a very important resolution.

Mr. Speaker, I am proud to rise as a Member of Congress to say that I strongly support it and endorse it, to make the commitment with my colleagues that despite the odds, despite the adversity, despite mankind's own stubbornness is dealing with men, we will persevere simply by saying, "You, too, wherever you are, shall have the right to do what we are doing today."

Mr. Speaker, as we approach the third CSCE followup meeting in Vienna this November, it is vital that we continue to emphasize respect for human rights and fundamental freedoms. I commend my colleagues on the Helsinki Commission and the Human Rights Subcommittee for their initiative in introducing this legislation, and I urge our colleagues to support the measure.

Mr. YATRON. Mr. Speaker, I have no further requests for time, and I move the previous question on the Senate joint resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the Senate joint resolution.

The question was taken; and the Speaker pro tempore. announced that the ayes appeared to have it.

Mr. PORTER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 389, nays 1, not voting 41, as follows:

[Roll No. 277]

YEAS—389

Akaka	Burton (CA)	Dellums
Alexander	Burton (IN)	Derrick
Anderson	Bustamante	DeWine
Andrews	Byron	Dickinson
Annunzio	Callahan	Dicks
Anthony	Carper	Dingell
Applegate	Carr	DioGuardi
Archer	Chandler	Dixon
Armey	Chapman	Donnelly
Aspin	Chappell	Dorgan (ND)
Atkins	Chappie	Dornan (CA)
AuCoin	Cheney	Dowdy
Barnard	Clinger	Downey
Bartlett	Coats	Dreier
Barton	Cobey	Duncan
Bateman	Coble	Durbin
Bates	Coelho	Dwyer
Beilenson	Coleman (MO)	Dyson
Bennett	Coleman (TX)	Early
Bentley	Collins	Eckart (OH)
Bereuter	Combest	Eckert (NY)
Berman	Conte	Edwards (CA)
Biaggi	Cooper	Edwards (OK)
Bilirakis	Coughlin	Emerson
Bliley	Courter	Erdreich
Boehlert	Coyne	Evans (IA)
Boggs	Craig	Evans (IL)
Boland	Crockett	Fascell
Bonior (MI)	Daniel	Fawell
Borski	Dannemeyer	Fazio
Bosco	Darden	Feighan
Boulter	Daschle	Fiedler
Brooks	Daub	Fields
Brown (CO)	Davis	Fish
Bruce	de la Garza	Flippo
Bryant	DeLay	Florio

Foley	Madigan	Schroeder
Frank	Manton	Schuette
Franklin	Markey	Schulze
Frenzel	Marlenee	Schumer
Frost	Martin (IL)	Seiberling
Fuqua	Martin (NY)	Sensenbrenner
Gallo	Martinez	Sharp
Gaydos	Matsui	Shaw
Gejdenson	Mavroules	Shelby
Gekas	Mazzoli	Shumway
Gibbons	McCain	Shuster
Gilman	McCandless	Sikorski
Gingrich	McCloskey	Siljander
Glickman	McCollum	Sisisky
Gonzalez	McCurdy	Skeen
Gordon	McDade	Slattery
Gradison	McEwen	Slaughter
Gray (IL)	McGrath	Smith (FL)
Gray (PA)	McHugh	Smith (IA)
Green	McKernan	Smith (NE)
Gregg	McKinney	Smith (NJ)
Guarini	McMillan	Smith, Denny (OR)
Gunderson	Meyers	Smith, Robert (NH)
Hall (OH)	Mica	Smith, Robert (OR)
Hall, Ralph	Michel	Snowe
Hamilton	Mikulski	Snyder
Hammerschmidt	Miller (CA)	Solarz
Hansen	Miller (OH)	Solomon
Hatcher	Miller (WA)	Spence
Hawkins	Mineta	Spratt
Hayes	Moakley	St Germain
Hefner	Molinari	Staggers
Hendon	Mollohan	Stallings
Henry	Monson	Stangeland
Hertel	Montgomery	Stark
Hiler	Moody	Stenholm
Holt	Moorhead	Stokes
Hopkins	Morrison (CT)	Strang
Howard	Morrison (WA)	Stratton
Hoyer	Mrazek	Studds
Hubbard	Murphy	Stump
Huckaby	Murtha	Sundquist
Hughes	Myers	Swift
Hunter	Natcher	Swindall
Hutto	Neal	Synar
Hyde	Nelson	Tallon
Ireland	Nichols	Tauke
Jacobs	Nielson	Tauzin
Jeffords	Nowak	Taylor
Jenkins	Oakar	Thomas (CA)
Johnson	Oberstar	Thomas (GA)
Jones (NC)	Obey	Torres
Jones (OK)	Olin	Torricelli
Jones (TN)	Ortiz	Towns
Kanjorski	Owens	Traficant
Kaptur	Oxley	Traxler
Kasich	Packard	Udall
Kastenmeier	Panetta	Valentine
Kemp	Pashayan	Vander Jagt
Kennelly	Pease	Vento
Kildee	Penny	Visclosky
Kindness	Pepper	Volkmer
Kleczka	Perkins	Vucanovich
Kolbe	Petri	Waldon
Kolter	Pickle	Walgren
Kostmayer	Porter	Walker
Kramer	Price	Watkins
LaFalce	Quillen	Waxman
Lagomarsino	Rahall	Weaver
Lantos	Rangel	Weber
Latta	Ray	Weiss
Leach (IA)	Regula	Wheat
Leath (TX)	Reid	Whitley
Lehman (CA)	Richardson	Whittaker
Lehman (FL)	Ridge	Whitten
Leland	Rinaldo	Williams
Lent	Ritter	Wilson
Levin (MI)	Roberts	Wirth
Levine (CA)	Robinson	Wise
Lewis (CA)	Rodino	Wolf
Lewis (FL)	Roemer	Wolpe
Lightfoot	Rogers	Wortley
Lipinski	Rose	Wright
Livingston	Rostenkowski	Wyden
Lloyd	Roth	Wylie
Loeffler	Roukema	Yates
Long	Rowland (CT)	Yatron
Lott	Rowland (GA)	Young (AK)
Lowery (CA)	Russo	Young (FL)
Lowry (WA)	Sabo	Young (MO)
Lujan	Savage	Zschau
Luken	Saxton	
Lungren	Schaefer	
Mack	Scheuer	
MacKay	Schneider	

NAYS—1

Crane

NOT VOTING—41

Ackerman	Clay	Hillis
Badham	Conyers	Horton
Barnes	Dymally	Lundine
Bedell	Edgar	Mitchell
Bevill	English	Moore
Boner (TN)	Foglietta	Parris
Bonker	Ford (MI)	Pursell
Boucher	Ford (TN)	Roe
Boxer	Fowler	Roybal
Breaux	Garcia	Rudd
Broomfield	Gephardt	Skelton
Brown (CA)	Goodling	Sweeney
Campbell	Grotberg	Whitehurst
Carney	Hartnett	

□ 1925

So the Senate joint resolution was passed.

The vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YATRON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

REPORT ON H.R. 5300, OMNIBUS BUDGET RECONCILIATION ACT OF 1986

Mr. GRAY of Pennsylvania, from the Committee on the Budget, submitted a privileged report (Rept. No. 99-727) on the bill (H.R. 5300) to provide for reconciliation pursuant to section 2 of the concurrent resolution on the budget for the fiscal year 1986, which was referred to the Union Calendar and ordered to be printed.

PERMISSION FOR COMMITTEE ON RULES TO FILE A RULE ON A BILL TO AUTHORIZE APPROPRIATIONS FOR THE DEPARTMENT OF DEFENSE FOR 1987

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a rule on the authorization for the Department of Defense for 1987.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. MICHEL. Mr. Speaker, reserving the right to object, I would like to yield to the gentleman from Alabama [Mr. DICKINSON] for an inquiry.

Mr. DICKINSON. I thank the gentleman for yielding to me.

Mr. Speaker, if I might inquire of the distinguished gentleman from Washington to explain. We have been closeted now for some hour or two trying to come to an agreement.

Would the gentleman please explain what the agreement is that will be included in the rule that will be filed as of midnight tonight?

Mr. FOLEY. If the gentleman from Illinois will yield, it will be our intention to seek a rule which would provide for the order of debate and consideration of amendments for Monday and Tuesday of next week, considering that it would be necessary to request a second rule for the remainder of the consideration of the Department of Defense authorization bill.

We have, I might say, discussed this matter with the chairman and ranking members of the Armed Services Committee on both sides as well as members of the Rules Committee, and it would be anticipated that there would be no votes on Monday; that we would consider suspensions on Monday and general debate only on the Department of Defense authorization bill.

On Tuesday, we would consider amendments and general debate on military reorganization for 2 hours, followed by a possible vote on that issue. Then we would take up, for 3 hours, debate on military procurement with the anticipated voting beginning on that subject after 5 o'clock on Tuesday.

We would anticipate a very late session on Tuesday. Members should probably anticipate a session as late as midnight.

On Wednesday, we would proceed with the Department of Defense authorization bill only under terms of a second rule yet to be agreed and voted upon. We would consider first on Wednesday the override question on the textile bill followed by consideration of any votes on suspensions ordered on Monday.

I might say that there is a primary election in the States of Michigan, Kansas, and Missouri on Tuesday, and we are attempting to accommodate, as much as possible, the return of those Members for voting on the bill on Tuesday.

Mr. MICHEL. Mr. Speaker, further reserving the right to object, what would be the program then for the balance of this evening and tomorrow, because we have promised Members they would be in session tomorrow, too.

Mr. WRIGHT. If the distinguished minority leader will yield, if this unanimous-consent request is agreed to, this would terminate legislative business for the evening.

We come in tomorrow. The first thing tomorrow would be the consideration of the rule for the first 2 days of debate, through Tuesday, on the Department of Defense authorization bill.

Thereafter, we would hope to take up the rule for the consideration of the Treasury-Postal appropriations bill, and then proceed with the consideration of the Treasury-Postal appropriations bill, finishing well within the time promised of 3 o'clock in the afternoon.

Mr. MICHEL. I thank the gentleman.

Mr. Speaker, I would remind the membership that at the conclusion of legislative business today that I have that special order in combination with my colleague, Mr. CRANE, to honor and respect the late, honorable GEORGE O'BRIEN from our great State of Illinois.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

□ 1935

ENTITLEMENT TO VA HEALTH CARE PROVIDED BY PUBLIC LAW 99-272

The SPEAKER pro tempore. (Mr. SEIBERLING). Under a previous order of the House, the gentleman from Mississippi [Mr. MONTGOMERY] is recognized for 5 minutes.

Mr. MONTGOMERY. Mr. Speaker, I would like to bring to the attention of my colleagues an exchange of correspondence which has taken place between the committee and Mr. Donald Ivers, General Counsel of the Veterans' Administration. These letters discuss an important issue which was resolved with the enactment of the veterans' health care eligibility reform provision contained in section 19011 of the Consolidated Omnibus Budget Reconciliation Act of 1985, Public Law 99-272.

I am concerned about the implementation of this measure after reviewing a draft analysis of the legislation prepared by Mr. Ivers' office. In that draft analysis, which was never approved or issued by the General Counsel, there was a suggestion that this legislation, which made significant changes in veterans' health care eligibility, did not require the Administrator to care for certain veterans. In his reply to the committee's inquiry, the General Counsel attempted to assure the committee that the VA agrees "that the use of the word 'shall' in section 610(a)(1) imposes a requirement, and was not intended to vest the Administrator with discretion regarding the provision of hospital care" to veterans. Nevertheless, the General Counsel's reply refers to an argumentative and poorly reasoned "White Paper" concerning this legislation, and this reference concerns me greatly.

Mr. colleagues should know that the VA lobbied very hard to impose a very strict means test for most non-service-connected veterans. These veterans would have been required to pay for their health care until their income did not exceed approximately $11,400 for a single veteran and approximately $15,000 for a married veteran. The administration proposal was rejected by the committee, both Democrats and Republicans. In lieu of the administration's proposal, the Congress enacted Public Law 99-272, a measure that now requires the VA to take care of certain veterans. The administration made every effort to delete the requirement that health care be furnished to veterans in the proposal considered by the Committee on Veterans' Affairs. Since it was unsuccessful in getting its strict means test enacted, the VA wanted to keep the status quo which permitted the administration to deny needed health care to eligible veterans.

In the midst of our negotiations with the Senate on this legislation, the General Counsel prepared this "White Paper" at the request of the Senate after it became apparent that the House was going to insist on enacting legislation that gave an entitlement to health care for service-connected and low-income veterans. The basic thrust of this paper is that Congress couldn't do what it wanted to do, which was to mandate that the Administrator furnish needed inpatient care to eligible veterans. I want my colleagues to know that the General Counsel's view is legally wrong, and I urge the General Counsel to stop citing this paper or relying on it in any way. It is not the law, and it is not a fair reading of what Congress enacted.

Mr. Speaker, distinguished colleagues, I feel compelled to stress how important our measure, to delineate eligibility and to require the VA to care for those eligible, is for all veterans. Under the new section 610, Congress has determined that these veterans not only deserve, but are entitled to VA inpatient care. I strongly urge all my colleagues to be aware of the changes in the law and to understand the critical import of these measures for veterans across the country.

Copies of correspondence between the committee and Mr. Ivers follow:

COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, April 11, 1986.

Mr. DONALD IVERS,
General Counsel, Veterans Administration, Washington, DC.

DEAR MR. IVERS: We would like to convey to you our thoughts and the thoughts of other members of the committee concerning the legislation which we agreed to as part of the Consolidated Omnibus Reconciliation Act of 1985, which the President signed on Monday. In doing so, we would like to express the committee's great concern with respect to the implementation of this measure, particularly the health-care eligibility reform contained in section 19011 of the bill. Our concern is heightened following our review of an analysis of the enrolled enactment of H.R. 3128 which we are led to believe was prepared by your office. It is our sincere hope that this analysis is a draft document and not your final opinion concerning the effect of this legislation, since it appears to ignore much of what was intended when the Congress enacted this measure.

We would like to correct any misimpressions that may have arisen concerning the eligibility reform provisions of the Act. We are particularly referring to the analysis of the enrolled bill which stated that it: "could be read to signal an intention to at least diminish the Administrator's discretion to deny needed care. The conference report on the bill strongly indicates, however, that Congressional intent is to mandate only that *if VA facilities and resources are available and capable of providing needed care and services,* the Administrator must furnish the care and services to any eligible veteran. . . VA subscribes to that interpretation." (emphasis supplied.)

Mr. Ivers, you and your staff must understand the fundamental mistake made by this analysis. It is a cardinal rule of statutory interpretation that if the language of a statute is clear, there is no need to examine the legislative history to see if the language of the statute has some hidden meaning. We frankly can't see how we could have been more clear in expressing Congressional intent for inpatient care. We deleted the language in the old section 610 stating that "the Administrator, within the limits of Veterans' Administration facilities, may furnish hospital care" and changed it to read, "The Administrator shall provide hospital care" to various categories of veterans. Is the language ambiguous? Hardly. It seems quite clear to us. May means may and shall means shall. We have removed any discretionary authority that the Administrator had previously. Thus, your analysis should begin and end with the statutory language because it is plain and unambiguous on its face.

Notwithstanding the above, it should be noted that the conference agreement, when referring to veterans who are entitled to inpatient care, makes no reference whatsoever to the phrase "if VA facilities and resources are available and capable of providing needed care." The conference report begins its analysis of the subject provision by stating that the "conference agreement (section 19011(a)) generally follows the House provision. . . . [T]he conference agreement would require the Administrator to furnish needed hospital care through VA facilities, and authorize the Administrator to furnish needed hospital care in non-VA facilities as authorized" to all of the veterans listed in 610(a)(1). As Mr. Hammerschmidt remarked during the House debate on this measure last December, "for the first time ever, the Government is committed to providing hospital care for service-connected and truly needy veterans. For the first time ever, the universe of veterans for whom the VA is going to provide hospital care is clearly defined."

We are completely baffled by the statement contained in this analysis that the "[c]onference report reflects Congressional understanding that, at the present time, VA facilities and resources do not exist to provide all types of health care to all veterans eligible to receive care". If this were the Congressional understanding, why would Senator Murkowski state: "We believe the VA does have the capacity to treat these nine categories" of veterans who are entitled to health care. S. 18212 (December 19, 1985). For the House's position on this issue please review pages 781 to 783 of House Report 300, which accompanied the reconciliation bill. It should also be pointed out that the conferees struck language which had been informally suggested by your office concerning the Administrator's discretion to determine the appropriateness of furnishing medical services, because this language was found to be inconsistent with the concept of entitlement.

The conference agreement follows the House bill, at least with respect to eligibility for inpatient care. There has been no transformation or inexplicable deviation from the original intention of the sponsors of this legislation. Our pledge with respect to the veterans whose eligibility is specified in this

legislation has not been recast into one which someone believes is more achievable; the words are the same, and we can assure you, we still mean them.

We would like to emphasize one other aspect of the conference agreement which is evidently the subject of some dispute. The Senate bill would have created a statutory list of priorities for all types of health care. The conference agreement rejected this approach for inpatient and nursing home care, after much deliberation and consideration of the existing priority scheme embodied in VA regulations.

Mr. Ivers, we think veterans deserve a clear and unmistakable description of what the conference agreement means for them. What we have done, and what the President has agreed to is to delineate eligibility and require the VA to care for those made eligible under new section 610. There is no question about our intention. The law requires the VA to take care of all of these veterans when a determination is made that they need care. There is no discretion for the Administrator to do otherwise for any veteran in these categories.

In summary, the Congress has made the determination that all categories of veterans under new section 610 deserve and are entitled to VA inpatient care. These veterans are not to be turned away when seeking needed care. The agency must provide for their care and how that is to be done is clearly spelled out in our committee report and the Statement of the Managers. If the agency or the Administration is opposed to the law we enacted, and which was signed by the President, it can always ask the Congress to change the law. Until the law is changed we fully expect the agency to instruct all hospital directors what they are now required to do in providing inpatient hospital care to our veterans, and to otherwise insure that the law is faithfully implemented.

Sincerely,

G.V. (SONNY) MONTGOMERY,
Chairman.
JOHN PAUL HAMMERSCHMIDT,
Ranking Minority Member.

VETERANS ADMINISTRATION,
Washington, DC, June 12, 1986.

Hon. G.V. (SONNY) MONTGOMERY,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for yours and Congressman Hammerschmidt's letter of April 11 conveying your thoughts regarding the interpretation of section 19011 of the Consolidated Omnibus Budget Reconciliation Act of 1985, Public Law No. 99-272. Apparently an early draft of the Agency's proposed report on the Enrolled Enactment of H.R. 3128 contained language which left the impression that we interpret the new law differently from its congressional architects.

The central issue you raised with respect to the draft analysis is with its discussion of the word "shall" in 38 U.S.C. § 610, as that section was amended by the new law. Let me emphasize that I do not believe there is any fundamental difference between your interpretation of that provision and our own. Thus, we agree that the use of the word "shall" in section 610(a)(1) imposes a requirement, and was not intended to vest the Administrator with discretion regarding the provision of hospital care to the categories of veterans listed in the new section 610(a)(1).

It would seem helpful in this regard to set in context two references in our draft analysis: First, a reference to a congressional expression of intent to mandate that VA furnish care only if VA facilities and resources are available and capable of providing needed care and services; and second, the notion that the conference report reflects understanding that, at the present time, VA facilities and resources do not exist to provide all types of health care to all veterans eligible to receive care. Both references were based on the following language in the conference agreement: "The conferees intend that, for the categories of veterans specified in section 610(a)(1) of title 38 (as revised by this section)—those to whom the Administrator is required to furnish hospital care—the VA's *sole obligation* with respect to needed hospital care for these veterans is (1) if a veteran is in immediate need of hospitalization, to furnish an appropriate bed at the VA facility where the veteran applies or, if none is available there, to furnish a contract bed (as authorized under current law as recodified in new section 603) or to arrange to admit the veteran to the nearest VA medical center (VAMC), or Department of Defense facility with which the VA has a sharing agreement, with an available bed, or (2) if the veteran needs non-immediate hospitalization, to (A) schedule the veteran for admission where the veteran applied, if the schedule there permits, or (B) refer the veteran for scheduling and admission to the nearest VAMC, or DOD facility with which the VA has a sharing agreement, with an available bed and facilitate the veteran's admission there." (Emphasis added.)

The change in law certainly highlights the priority and attention VA must give to providing needed hospital care for service-connected, financially-needy, and other veterans specified in section 610(a)(1). The above-quoted language does acknowledge, however, that needed hospital care cannot necessarily be provided at a specific VA facility to all veterans at the time it is requested, even to those veterans in the highest category of eligibility. If the VA facility to which the veteran applies for care is unable to furnish care in a timely fashion, VA's obligation would first be to provide the required care on a contract basis, if that is possible. It is noteworthy that VA's authority to provide contract care continues to be quite limited under the new law. Thus, contract hospital care generally cannot be provided to non-service-connected veterans, despite their inability to defray the expenses of such care. If contract care cannot be furnished, VA would be required to inform the veteran of the nearest VA facility, or DOD facility (if VA has a sharing agreement with it) which could provide timely care, and VA would assist the veteran in applying for care at such facility. VA may not reimburse the veteran for the cost of travel to such a facility unless the veteran meets the requirements of 38 U.S.C. § 111.

While the point is perhaps largely hypothetical at this time in light of current occupancy rates at VA medical centers generally, it is conceivable that at some point in the future VA might lack the resources and facilities system-wide to provide timely hospital care to all the spectrum of veterans listed in section 610(a)(1). As we indicated in a White Paper sent to your staff in November 1985, in connection with a draft of H.R. 3128, we do not regard section 610(a)(1) as creating an "entitlement" which would allow an eligible veteran who is denied care due to lack of resources, to legally compel the government to furnish care immediately, by contract or otherwise. The law only creates a requirement that care will be provided in VA facilities, or facilities VA contracts with, are available to provide care.

We trust this clarifies our views on the important issues you raised. It appears that those views closely parallel the understanding of the Chairman of the Senate Committee on Veterans' Affairs who expressed his position on this subject in the enclosed letter. A similar letter has been sent to Congressman Hammerschmidt.

Sincerly yours,

DONALD L. IVERS.
General Counsel.

LEGISLATION TO PROVIDE SPECIAL PAY FOR SERVICE MEMBERS PROFICIENT IN FOREIGN LANGUAGES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. PANETTA] is recognized for 5 minutes.

Mr. PANETTA. Mr. Speaker, a critical part of our intelligence-gathering operation is the knowledge of foreign languages. I am not referring just to those foreign languages that almost all of us have been exposed to, or just to those that are of obvious importance like Russian and Spanish, but also of Korean, and Arabic, and Polish, and Vietnamese, among many others.

Many of these languages are quite difficult and can require years of careful and determined study. And once you have learned a language it is easily and quickly forgotten without continued study and use.

Our intelligence efforts require thorough knowledge of foreign languages. Today, more than 22,000 of our uniformed personnel are involved in jobs that require many hours of outside work acquiring and maintaining a foreign language skill that is necessary to perform their duties. And yet, we do not compensate our service men and women for the time and effort that they invest and the level of skill that they acquire. The State Department pays its linguists extra money for language proficiency, as do the National Security Agency and the Central Intelligence Agency; only the Department of Defense does not compensate for this skill.

For this reason, I am today introducing legislation which would provide special pay for military service members who are proficient in foreign languages, so long as these languages improve the capabilities of our Armed Forces.

If this legislation is adopted, the Secretary of Defense would first identify those languages which are necessary to carry out our national defense. Then, any service member with a certified proficiency in one or more of these languages would receive extra pay as long as: First, the service member is qualified in a military specialty or is performing military duties requiring this language proficiency; second, the service member is currently being trained to enhance a language proficiency; or third, the Department of Defense has a critical need for this language.

Under this legislation, the service member would be entitled to receive as much as $250

per month added on to his or her monthly pay, but this is the ceiling on a service member's pay. In order to receive the full ceiling amount, a service member would have to maintain a high level of proficiency in at least two hard languages for which there is a demonstrable need, such as Russian and Korean. As I say, the $250 limit is only a ceiling; the rest of the special pay scale is graduated down from that ceiling level.

If enacted, this program would cost about $18.3 million in the first year. All of us in this body are rightly concerned with the level of defense spending. We can, and we must, make every effort to keep spending down to respectable, responsible, and accountable levels. But this money would not be added on to the President's budget request. In fact, the $18.3 million necessary to carry out this program was set aside in the President's budget for this very purpose.

Mr. Speaker, this legislation is designed primarily to improve our intelligence work. At a time when terrorists threaten American citizens all over the world, and the proliferation of nuclear weapons to more and more countries continues, the need for improved intelligence becomes even more important. Perhaps the most critical part of our intelligence gathering effort is the knowledge of foreign languages. And if we are going to require a knowledge of foreign languages—or if this knowledge is going to assist us in gathering intelligence—then it is only right that we provide special pay to the service members who acquire and maintain this knowledge.

As long as we are unwilling to compensate our service members for the skills they acquire and maintain, we will be unable to retain them in active duty. And as long as the best and most skilled intelligence operatives keep leaving the service, our intelligence operations will suffer.

Mr. Speaker, the benefits of this legislation are clear. First of all, it will encourage our men and women in uniform to obtain, and enhance, their foreign language capabilities. And through the individual efforts of our service members, our own intelligence-gathering abilities will improve, as well.

Mr. Speaker, the legislation I am introducing today would be an important step forward in increasing retention by providing incentives for improved skills, and would improve our intelligence-gathering abilities. I urge all of my colleagues to support this legislation.

H.R. 5306

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SPECIAL PAY FOR MEMBERS OF THE ARMED FORCES WHO ARE PROFICIENT IN A FOREIGN LANGUAGE

(a) IN GENERAL.—(1) Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

"§ 316. Special pay: foreign language proficiency pay

"(a) A member of the armed forces who—

"(1) is entitled to basic pay;

"(2) has been certified by the Secretary concerned within the past 12 months to be proficient in a foreign language identified by the Secretary of Defense as necessary for the national defense; and

"(3)(A) is qualified in a military specialty requiring such proficiency;

"(B) received training, under regulations prescribed by the Secretary concerned;

"(C) is assigned to military duties requiring such a proficiency; or

"(D) is proficient in a foreign language for which the Secretary concerned may have a critical need,

may be paid special pay, in addition to any other pay or allowance to which the member is entitled, in the amount set forth in subsection (b).

"(b) The monthly rate for special pay under subsection (a) may not exceed $250. The amount of special pay which a member may be paid under this section may not be included in computing the amount of any increase in pay authorized by any other provision of this title or in computing retired pay, separation pay, severance pay, or readjustment pay.

"(c) Under regulations prescribed by the Secretary concerned and to the extent provided for by appropriations, when a member of a reserve component of the armed forces, or of the National Guard, who is entitled to compensation under section 206 of this title, fulfills the criteria for special pay as described in subsection (a), except the requirement of subsection (a)(1), the member may be paid an increase in compensation equal to 1/30th of the monthly special pay authorized by subsection (b) for the performance of that duty by a member who is entitled to basic pay. The member is entitled to the increase for as long as he is qualified for it, for each regular period of instruction, or period of appropriate duty, at which he is engaged for at least two hours, including that performed on a Sunday or holiday, or for the performance of such other equivalent training, instruction, duty or appropriate duties, as the Secretary may prescribe under section 206(a) of this title. This subsection does not apply to a member who is entitled to basic pay under section 204 of this title.

"(d) This section shall be administered under regulations prescribed by the Secretary of Defense for the armed forces under his jurisdiction and by the Secretary of Transportation for the Coast Guard when the Coast Guard is not operating as a service in the Navy.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"316. Special pay; foreign language proficiency pay.".

(b) EFFECTIVE DATE.—Section 316 of title 37, United States Code, as added by subsection (a), shall take effect on October 1, 1986.

NEED TO COMPEL LTV CORP. TO CONTINUE ITS RETIREE BENEFITS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. LAFALCE] is recognized for 5 minutes.

Mr. LAFALCE. Mr. Speaker, the Nation's steel crisis has taken on a new sense of urgency since the LTV Corp., the second largest steelmaker in the United States, filed for bankruptcy on July 17. This bankruptcy not only raises serious questions regarding the ability of the American steel industry to maintain its international competitiveness, but it also raises vital concerns about the impact of the bankruptcy upon the American economy, in general, as well as upon the employees and retirees of the steel industry.

Our immediate concern today is with the unilateral action taken by LTV to terminate all of its health and life insurance benefits for its 78,000 retirees. These retirees immediately lost their coverage for doctor and hospital expenses, which has created many hardships and insecurities for the former steelworkers. These employee benefits were self-insured by the company and carried out on a noncontributory basis for the retirees. The value of these health benefits is between $200 and 250 per month per retiree, so the payment of this premium is well beyond the ability of most of the retirees to assume.

While our bankruptcy laws are intended to protect companies from creditors and let them reorganize, these laws are not intended to permit companies to terminate their benefits to retirees. This action by LTV on July 17 was in violation of title 11, section 113(f), of the bankruptcy laws which require that agreements negotiated by the union are protected against unilateral abrogation. Instead, LTV must follow the bankruptcy court procedures, since the bankruptcy court has jurisdiction over the final disposition of the bankruptcy settlement. Therefore, LTV cannot unilaterally terminate its labor agreements until a decision is reached by the bankruptcy court.

It is interesting to note that since congressional concern and action has led to proposals with regards to forcing LTV to meet its obligations toward its retirees, that LTV has gone to the bankruptcy court to request that it be allowed to continue these payments for the next 6 months. A bankruptcy court in New York ruled yesterday that LTV may make these payments for the next 6 months. In the interim LTV says it is planning to negotiate with the union a new program of pension benfits. While we are pleased that LTV now recognizes its responsibilities to its retirees at least in the short run, we feel the payments should be continued for the entire duration of the time that it takes for the bankruptcy court to reach a final settlement with regards LTV's liabilities. Continuing these payments for 6 months is not the solution to the problem. LTV made the agreement with the union in good faith and should be expected to fulfill these obligations in full until the court reaches its decision.

Therefore, the reason behind H.R. 5283 is more imperative than ever—to ensure that the retirees continue to receive their medical and life insurance coverage until a bankruptcy court rules otherwise. If LTV is allowed to abandon this responsibility, it will have a devastating impact upon all retirees of companies which are facing economic difficulties. We need to assure these citizens that their rights will not be neglected.

In addition to the health and life insurance benefits, the LTV bankruptcy has threatened basic pension benefits. Although these pension benefits are insured by the Pension Benefit Guaranty Corporation, a Federal takeover of LTV's pension obligation will increase Federal liabilities by $1.5 billion. We will need to find additional revenues to fund this Corporation, which will be extremely troublesome given our current efforts to decrease the Fed-

eral deficit, not add to it. Thus, we must make every effort to ensure that LTV meets its obligations before resorting to the Federal Government. However, retirees should be assured they will not be neglected by us and that their benefits will be continued.

While the bankruptcy of LTV is the case in question today, other steel companies are also in danger of bankruptcy proceedings. Perhaps it is time for us to once again focus upon the need for this industry to become revitalized in order to restore its international competitiveness. The steel industry is a fundamental part of our industrial base, so we need to maintain its economic strength, without sacrificing its employees, in order to ensure our economic competitiveness.

INTRODUCTION OF H.R. 5310, INTERNATIONAL DRUG TRAFFIC ENFORCEMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ROSTENKOWSKI] is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, I am today introducing H.R. 5310, the International Drug Traffic Enforcement Act, on behalf of myself, Mr. RANGEL—who is chairman of the Select Committee on Narcotics Abuse and Control—and a number of other concerned members of the Committee on Ways and Means. Mr. Speaker, I commend you for your leadership in addressing the serious drug problem this Nation is facing in a comprehensive and bipartisan fashion through the formulation of an omnibus antidrug bill. I am proud to be introducing this bill on behalf of the Committee on Ways and Means to do our part to stem the tide of imported drugs, which is having such a devastating impact on America's youth.

Our borders have become open sieves through which the drug trade flows virtually unimpeded. It is now only possible for the Customs Service and other relevant agencies to apprehend a small portion of the narcotics entering the United States. A major part of the problem is that our current customs laws in this area date back to the 1930's. Penalties for failure to observe certain Customs regulations are insignificant and many of the clearance procedures actually favor the drug smuggler. It is essential that we modernize these laws and give our Customs officials the weapons to fight this insidious evil.

We must also do far more to attack drugs at the source. Pressure must be brought to bear on countries that tolerate or collaborate with illegal drug traffickers. The use of most-favored-nation and other tariff preferences such as the Generalized System of Preferences and the Caribbean Basin Initiative to secure greater cooperation is, in my judgment, the most effective and fairest means of securing such cooperation. Countries which benefit from drug trade should not expect preferential trade benefits, and inaction on the part of any country should be met with a firm response by our Government.

Mr. Speaker, the International Drug Traffic Enforcement Act contains major revisions to the customs laws in order to strengthen the drug enforcement and interdiction activities of th U.S. Customs Service. These amendments would add new penalties and reporting requirements to the Tariff Act, enable Customs to engage in undercover activities more freely, place new controls on vehicles or vessels arriving in the United States in order to deter smuggling, and expand the customs forfeiture fund which is used to finance drug interdiction efforts.

The bill would also create greater incentives for countries to cooperate with the United States in eradicating drug crops and apprehending drug smugglers. The President would be required to deny most-favored-nation [MFN] treatment and other preferential tariff treatment to countries that are the source of illegal drugs if they refuse to cooperate in arresting illegal drug traffic.

A detailed summary of the bill's provisions is set forth below.

Mr. Speaker, I pledge to work closely with you and the members of my committee to see that this bill is reported in a timely fashion to be included in the omnibus package.

SUMMARY OF H.R. 5310, THE INTERNATIONAL DRUG TRAFFIC ENFORCEMENT ACT

To facilitate the enforcement of the customs laws against illegal drug traffic, and for other purposes

SEC. 1. Short Title. "International Drug Traffic Enforcement Act of 1986."

TITLE I. AMENDMENTS TO THE TARIFF ACT OF 1930

Subtitle A. Reference to the Tariff Act of 1930

SEC. 101. Reference is to title IV of the Tariff Act of 1930.

Subtitle B. General provisions

SEC. 111. Definitions. Amends section 401, T.A. to include "monetary instruments." Adds "controlled substance" as used in Controlled Substances Act. Defines "prohibited" and "restricted" as referring to merchandise, the importation of which is not legally permitted or which is imported without meeting the conditions set by law.

SEC. 112. Amends Sec. 433, T.A. to require immediate rather than 24 hour reporting of all vessels. Allows Secretary to determine place and manner of reporting and to extend reporting time if necessary. Also includes requirements for vehicle and aircraft reporting which were previously in sec. 459 or regulations. Prohibits departures or discharge of persons of any articles without Customs approval. Requires master, pilot or person in charge to present such documents, papers or manifests as Secretary may require.

SEC. 113. Amends Sec. 436, T.A. to increase criminal penalties for failure to comply with sec. 433. Adds specific penalties for aircraft (rather than general $500 aircraft penalty) and civil penalties for all violations of reporting arrival or entry requirements.

SEC. 114. Amends Sec. 454, T.A. to raise civil penalties for illegal discharge of passengers.

SEC. 115. Amends Sec. 459, T.A. to require pedestrians to report to Customs immediately and remain until cleared. It also requires pedestrians to cross into the U.S. only at approved crossings. Persons aboard conveyances are required to remain aboard the conveyance until cleared. If they depart the conveyance they have an obligation to report to Customs. If the conveyance was not properly reported, all persons aboard have an independent obligation to report to Customs and to report the circumstances of their arrival. Imposes criminal penalties for the first time for sec. 459 violations. All civil penalties are also increased.

SEC. 116. Amends Sec. 509, T.A. to permit summons to be issued for any documents relevant to any Customs investigation. Present law is limited to import documents required to be kept under Sec. 508.

SEC. 117. Amends Sec. 584, T.A. to repeal the prepenalty procedure in manifesting violations; to increase penalties for manifest violations and drugs on board conveyances.

SEC. 118. Amends Sec. 586, T.A. to increase penalties for illegal transfers and transshipments of merchandise.

SEC. 119. Adds a new Sec. 590, T.A. to close some of the loopholes in aviation smuggling laws; to prohibit "drops" to vessels; to provide for forfeiture for smuggling acts whether or not drugs are found aboard; to provide criminal penalties for violations.

SEC. 120. Amends Sec. 594, T.A. to substitute the normal administrative or judicial forfeiture proceedings for the admiralty proceedings now required to forfeit property to secure payment of monetary penalties which are liens under the Customs laws; to close the loopholes used by common carriers.

SEC. 121. Amends Sec. 595, T.A. to expand the Customs civil search warrant to permit its use in seizing any article subject to seizure under laws enforced by Customs.

SEC. 122. Amends Sec. 595a, T.A. to conform to the changes made in Sec. 594, and to add a new subsection (c) permitting civil forfeiture of merchandise imported contrary to law.

SEC. 123. Amends Sec. 613, T.A. to treat mitigated forfeiture payments in the same manner as the proceeds of sale and to treat seizure and forfeiture expenses incurred by customs as priority costs.

SEC. 124. Amends Sec. 619, T.A. to permit informers awards to be determined in amounts up to 25% in lieu of the present mandatory 25%. Would also treat informers awards as an "expense of the forfeiture" for purposes of the Customs Forfeiture Fund.

SEC. 125. Amends Sec. 621, T.A. to provide that the statute of limitations in civil cases runs from the time that the penalty notice is issued rather than the time court action is instituted.

SEC. 126. Amends Sec. 622, T.A. to make it clear that landing certificates may be required to meet international obligations, such as agreements to reduce or prevent smuggling, as well as to protect the revenue.

SEC. 127. Adds a new Sec. 628, T.A. to clarify the authority of the Secretary to exchange information with foreign customs and law enforcement officials.

SEC. 128. Adds a new Sec. 629, T.A. to permit customs officers to be stationed in foreign countries and to extend U.S. Customs laws to foreign locations when permitted by treaty, bilateral agreement or foreign law.

SEC. 129. Adds a new section 630 to the Tariff Act to provide exemptions from certain laws for activities involving a commercial cover in undercover operations.

SEC. 130. Amends the Secretary's subpoena authority to make administrative subpoena available in all import and export and currency investigations. These provisions previously applied only to drug investigations. These provisions are also being moved from title 21 to a new section 631 in the Tariff Act (Title 19).

SEC. 131. Effective date. Amendments made by this subtitle will take effect the fifteenth day after enactment.

Subtitle C. Customs Forfeiture Fund

SEC. 141. Amends Sec. 613A, T.A. to—

(a) Extend the operation of the Customs Forfeiture Fund for a 5-year period, until September 30, 1992;

(b) Increase the ceiling on authorized appropriations from the fund from $10 million to $20 million; and

(c) Expand the list of expenses which can be paid for out of the fund to include:

(1) Expenditures for special and undercover enforcement operations;

(2) Investigative costs leading up to seizures; and

(3) The costs of equipping for law enforcement functions, vessels, vehicles and aircraft in Customs' possession (the law currently only allows for such expenditures for forfeited vessels, vehicles and aircraft).

TITLE II. MISCELLANEOUS PROVISIONS

SEC. 201. Amends 19 U.S.C. 1432a to extend the reporting requirements to vessels involved in transshipment on the high seas or in Customs waters.

SEC. 202. Amends 46 U.S.C. 12109 to make it clear that pleasure yachts are only exempt from formal entry and clearance but must comply with the other customs laws.

SEC. 203. Amends RS 3071 (19 U.S.C. 507) to allow Customs officers to demand the assistance of any person regardless of distance (present law limits such demands to 3 miles) and raises the penalty for refusal to assist to $1,000 from $5 to $200. Provides "good samaritan" defense to any person, not employed by the federal government, assisting Customs.

SEC. 204. Amends section 1009 of the Controlled Substances Import and Export Act (21 U.S.C. 959) to prohibit a U.S. citizen or any person on a U.S. aircraft from possessing or transporting controlled substances outside the U.S.

TITLE III. DENIAL OF TRADE BENEFITS TO UNCOOPERATIVE DRUG SOURCE NATIONS

SEC. 301. Short Title. "Narcotics Control Trade Act."

SEC. 302. Requires President to designate as an "uncooperative drug source nation" any foreign country determined

(a) To be a direct or indirect source of illicit drugs; and

(b) To have not cooperated with the United States Government to prevent these illicit drugs from significantly affecting the United States.

SEC. 303. Removes from eligibility for MFN and GSP status any country designated as an "uncooperative drug source nation."

SEC. 304. Requires President to remove designation as "uncooperative drug source nation" prior to restoral of MFN or GSP treatment.

SEC. 305. Defines "narcotic and psychotropic drugs and other controlled substances" as in the Foreign Assistance Act.

A TRIBUTE TO THE LATE HONORABLE GEORGE M. O'BRIEN

The SPEAKER pro tempore (Mr. WALDON). Under a previous order of the House, the gentleman from Illinois [Mr. MICHEL] is recognized for 60 minutes.

Mr. MICHEL. Mr. Speaker, I have taken this special order tonight, in conjunction with my good friend, the gentleman from Illinois, Mr. PHIL CRANE, so that all of us might pay our respects and tribute to our late departed friend and colleague, GEORGE O'BRIEN, for who we all had such affection and admiration.

The last time most of us saw GEORGE was right here in the House, standing right here in the well at this microphone, during the debate on aid to the Contras in Nicaragua. The fact that he was here, the fact that he was able to stand, after pulling himself out of his wheelchair, was a testament to his courage and to his dedication to this institution.

It was one of the greatest moments, the most touching moments, I can ever recall as a Member of the House of Representatives.

That phrase of Lincoln's—"the last, full measure of devotion"—is not out of place when you recall GEORGE standing here, humbly acknowledging our standing ovation for his courage and his sense of duty.

He was quite a man and quite a patriot in his own quiet, gentle way.

Earlier this week, when the newspapers were filled with the great news of the release of Father Jenco, I thought of GEORGE's efforts to obtain Father Jenco's freedom.

Father Jenco was born in Joliet, IL. GEORGE, who represented that city, really performed above and beyond the call of duty to comfort Father Jenco's family and to explore every conceivable avenue of progress to help Father Jenco.

GEORGE went to Syria, he talked to world leaders, he worked unceasingly for Father Jenco's freedom.

Last year GEORGE came to my office with members of the Jenco family so they could tell me firsthand of their concerns. The family was frustrated in their attempts to gain the release of their beloved relative. That is understandable. But you could also tell that they trusted GEORGE, and that they knew he was doing his best for them.

I mention the Jenco case because in my mind it symbolizes GEORGE's approach to politics and people. He was warm, he was friendly, he was always ready to try to raise your spirits and get the job done.

In the political world, where so often we tend to forget, in the heat of battle, the human element, GEORGE was content to go his gentle, caring way. He was a genuinely nice human being. If anyone thinks such words are faint praise, I can only say that genuinely nice human beings are, in my experience, a rare and cherished commodity.

GEORGE was born on June 17, 1917, in Chicago. He was educated at Northwestern University and Yale University Law School. He served with the 8th and 12th Air Force during World War II. After service as a county supervisor and after other distinguished local service, both as an attorney and in public life, GEORGE was elected to the State legislature in 1971, and in 1972 he was elected to this House of Representatives.

I guess it was really right here in this body where I got to know GEORGE and his vivacious wife, Mary Lou, so well. In our Illinois delegation meetings we could always turn to GEORGE for a bit of levity and buoying up of our spirits when other people's dobbers may be down.

We served together on the Appropriations Committee, and I was most happy to support our late departed friend, Les Arends, in seeing that GEORGE was appointed to the Appropriations Committee and confirmed by the entire Republican Conference. We served, as a matter of fact, on the very same subcommittee, the old Health, Education and Welfare Committee. The bill that we were considering today would have been one of GEORGE's special pet bills to talk about, and he would contribute to the debate in this body in those deliberations.

We played golf a few times together, and, boy, those were wonderful times. He loved to particpate and to compete, particularly when we had the Republican-Democratic outings. We socialized a great deal.

Our Illinois delegation is a closely knit group. We all like to get together and know one another's families. And GEORGE was always there telling Irish stories of one kind or another. He could tell them just about as good as the President down the street, and they were maybe just a bit funnier than some of those the President tells today.

Singing and harmonizing was his forte, and, of course, this Member loves that medium very much. There were any number of occasions when into the wee hours of the morning GEORGE just wanted to sing one more song for the occasion.

Many of us attended GEORGE's funeral out in his home community. It was a very moving ceremony at GEORGE's church. I am reminded that the Bishop that day said specifically, "May you have music all the days of your life," speaking of the music that was a part of GEORGE's life and making mention of the fact that he was such a loving, gentle, humorous individual. It was a beautiful service. There was a string orchestra there that, in combination with a chorus, did a beautiful job. Those who spoke on that occasion included the bishop and Senator ALAN DIXON, the senior Senator from our State, and Congressman CARLOS MOORHEAD from California, who spoke for Members of the House.

I must confess that if I were to have been called upon to make any of the

appropriate comments at that time, I just do not think, with the closeness of our relationship, that old Bob or a number of our colleagues that I see here this evening could have stood up without terrible emotional trauma.

So it was one of those beautiful services. And certainly we want to extend, yes, even at this belated hour, our unbounded sympathy to Caryl O'Brien Bloch and Mary Deborah Pershey, GEORGE's two daughters, and the grandchildren, Bryan, Brandon, and Anthony. I would say this to them: Your father and your grandfather was a dear, dear friend to so many of us. And I guess all of us would surely have to agree that we might not have known him but for the fact that the community of interest in politics brought us together in this body, and then finding ourselves working so closely together and then getting to know one another so well, we came to regard him as yes, a professional associate, but much, much more importantly, a dear personal friend.

We are going to miss GEORGE a great deal, as we did today in those deliberations. I am just very sad that we have to come to this juncture where we have to take a special order to eulogize one of our great departed friends, GEORGE O'BRIEN.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to my dear friend, the gentleman from Illinois [Mr. HYDE].

Mr. HYDE. Mr. Speaker, I thank my friend for yielding.

It is a sad moment when we have to commiserate among ourselves for the loss of a dear friend, someone we had counted on for years to be there and support us with his love and his laughter and all of the great Irish attributes that were uniquely GEORGE O'BRIEN's.

Mary Lou, his wife, and GEORGE made a beautiful couple in many, many different ways. They were inseparable. They were always ready to smile and always ready to inquire how you felt and how they could be helpful to you in your daily occupation.

GEORGE O'BRIEN was characterized by so many attributes. I would say courage is his most outstanding attribute. He faced his final illness with great courage and dignity and set an example for all of us in that regard. And as ALAN DIXON said, he will always remember him for his last official act, which was for his country, when he came here and cast that difficult vote on that dramatic event.

Speaking of courage in political life, GEORGE O'BRIEN had the very unhappy, distasteful necessity of combatting a dear friend, Ed Derwinski, in a primary. GEORGE and Ed were the dearest of friends, but GEORGE was a Congressman who felt he owed it to his constituency to continue to represent them, so again, with grace and with gentleness but nontheless with vigor, GEORGE and Ed battled out a primary, and GEORGE won.

But he was courageous in other ways, too. He always stood up for the unborn. In that committee, the Appropriations Committee, it was not easy—and it is never easy—to defend the preborn because so many people do not see the issue as GEORGE saw it or as I saw it, but he could always be counted on to be there to cast that tough vote. And I am sure this evening that GEORGE is in the company of a lot of little souls that never made it to this world but knew that he was one of their great defenders.

GEORGE's sense of humor was magnificent. You could always count on him to lighten your day with a story or a limerick, and they were always uniquely Irish. I will never forget, because I have retold it so many times, the last joke he told me, which has a poignancy considering that GEORGE is no longer with us.

He told me that when he was in Ireland the last time, he roamed through cemeteries, copying down from tombstones things that amused him. And he brought this one back, and this is what it said:

"Here lies Brigadier General Bryan Mulroney, shot by his servant August 27, 1898."

And he said there was some scroll work and a few angels flying, and then at the bottom it said: "Well done, thou good and faithful servant."

Well, GEORGE O'BRIEN was a good and faithful servant to his family, to his community, and to his country, and certainly everything he did bears characterizing as well done.

Let me close by quoting a poem that GEORGE O'BRIEN quoted when Tennyson Guyer passed away. GEORGE made some beautiful, sweet remarks about our friend, Tenny Guyer, and in so doing he quoted a poem by Noel Coward which Noel Coward wrote about 6 months before his death and which was never published and which certainly applied to Tenny Guyer and certainly applies to GEORGE O'BRIEN. Here is what Noel Coward wrote:

When I have fears as Keats had fears of the moment I will cease to be,
I comfort myself with vanished years, remembered laughter, remembered tears, the peace of the tranquil sea,
And I think of my friends who are dead and gone,
How happy are they I cannot yet know,
But happy am I who loved them so.

Mr. Speaker, GEORGE O'BRIEN wanted to be Ambassador to Ireland. Now he is our Ambassador to Heaven.

Mr. MICHEL. Mr. Speaker, I thank the gentleman from Illinois for his beautiful contribution.

Mr. Speaker, GEORGE could be a partisan Republican at times, but I think one of his strengths in the House of Representatives was the fact that it was so easy for him to reach across the aisle to the Democratic side.

□ 1945

I think it is very appropriate that I yield at this juncture to the distinguished gentleman from Iowa, Mr. NEAL SMITH, who knew him so well.

Mr. SMITH of Iowa. Mr. Speaker, I thank the gentleman from Illinois for yielding.

I have never known a person, I do not believe, who was more gentle or honest or sincere or helpful to his fellow man than GEORGE O'BRIEN. He was also thinking of other people.

Now, we served together. He was the ranking member of the subcommittee I am privileged to chair. He was also on the HHS Subcommittee on Appropriations where I have been for many, many years. I have seen him time after time after time be so concerned about the welfare of others whenever anything came up along that line.

We traveled together in many, many countries, because we had a responsibility for the State Department and the Commerce Department and export programs and others. He and his wife were very good travelers, but always there.

You could see that he was so concerned about other people. He could draw down on great experiences he had had in his lifetime. I remember things that happened in New York years ago, which happened in Chicago and happened in the service, always valuable things that were in his background that were very important to us, but he was always also, although he was interested in the things on the subcommittee I chaired, he was very, very interested in the National Institutes of Health. Really, that is where he ended up giving a considerable amount of help in his closing days. I guess it is fitting that he had always been interested in the National Institutes of Health and issues that were out there.

We were always very sorry to hear, all of us I know, that his illness was more than back trouble. He had told me about his back trouble for a number of years and then he found out that it was more than back trouble that was causing this pain, so we were very sorry to hear about that.

But I remember the last words he said to me. I said, "GEORGE, we are praying, and anything we can do and anything we can think of, all we want is that you can finally get stronger and well."

And he said, "NEAL, I'm getting stronger everyday," and he knew he was not getting stronger. He did not want anyone to feel sorry for him. That was just shortly before he died. He was that kind of person.

We will miss GEORGE. Bea and I extend our heartfelt sympathy to his family in the days to come.

Mr. MICHEL. Mr. Speaker, I thank the gentleman.

I am happy to yield to the gentlewoman who had a neighboring district to GEORGE out there in Illinois, the gentlewoman from Illinois, Mrs. LYNN MARTIN.

Mrs. MARTIN of Illinois. Mr. Speaker, I thank the gentleman, our leader.

Occasionally, when we are talking about a colleague, we make that person less than the full person they were in life. We list their virtues and sometimes miss then a little of the fire, so I am going to tell you that GEORGE had two faults.

One, he had a wonderful Irish temper and that was part of his edge and part of why he fought and part of his charm.

Second, and GEORGE, you know it is true, some of his jokes were dreadful. Oh, every single day GEORGE O'BRIEN told me a joke, because I am Irish, too. Because I am Irish, I am a perfect foil, but even I had to say sometimes, "GEORGE, that is simply the worst joke I have ever heard."

And GEORGE would say, "Well, I'll go tell it to someone else. Maybe they will have a different idea."

The other thing GEORGE would do, and I am not sure some of you know this, this is from Mary Lou, but it is also true because I have heard it from his district. He and Mary Lou had the kind of marriage that was envied enormously by other people in the district. When GEORGE went home and Mary Lou was not with him, he would tell an entire audience how much he missed her. That is right, a political audience, a rotary, a chamber of commerce, a labor union, he would way. "I miss her presence. I miss her scent."

Do you know what that did to every woman in the audience? They leaned over to their husbands, hit them on the head and said, "Why can't you be more like GEORGE O'BRIEN?"

Now, that could mean that GEORGE would be hated by the gentlemen, except it was obviously so real. That envy that men and women alike had for that relationship remains, because the years they had together are more than 100 years others could have had, because they were so much a part of each other.

They also had two daughters, and so do I. When I came here and I had never been to Washington before, both of them came up to me and wanted to know immediately about my children.

Now, there is very little you can ask another human being that they do not want to talk about, but when they meet your children and love them, and every single time talk about their daughters and your daughters, I just have to say from Julia Martin and Caroline Martin, they felt that Mary Lou and GEORGE O'BRIEN were the epitome of a beautiful, bright, caring couple, who were also part of the U.S. Congress and made it a little easier for them once in awhile to have a mother who was here.

There was only one thing wrong with GEORGE's funeral, not the number of friends there and not the beautiful kind of celebration by the bishop of Joliet and not the lack of a choir singing "Pontiff Angelicus." I think GEORGE would have wanted a couple of jokes, because it was something he did for us everyday.

Courage, sure; bright, yes, he went to Yale; loving, you bet, and caring and a friend.

And may I say to the gentleman from Illinois, Mr. HENRY HYDE, yes, he is in heaven, but I think it is still OK for us to miss him.

GEORGE, we miss you a lot.

Mr. MICHEL. Mr. Speaker, when we put together this group of eulogies, as is customary in the House of Representatives in printed form, I am sure that GEORGE's widow, Mary Lou, will really appreciate particularly the very poignant comments and remarks of the gentlewoman from Illinois.

Mr. Speaker, I am happy to yield to my friend, the gentleman from Massachusetts [Mr. BOLAND].

Mr. BOLAND. Mr. Speaker, I want to thank our colleagues, the distinguished minority leader from Illinois, Mr. MICHEL and Mr. CRANE, for giving us this opportunity to pay our respects to GEORGE O'BRIEN.

This is an institution that puts a premium on legislative achievement. I served with GEORGE on the Appropriations Committee, and for a short time on the Subcommittee on Commerce, Justice, State and the Judiciary. I can, therefore, attest to his skill as a legislator and believe me there was none better. But it is not only as a legislator that I will remember GEORGE. We often get so caught up in the work of the House that we forget that this institution, like most, is made up of people, and that it runs best when the people who serve in it treat each other with kindness and respect. That is how I will remember GEORGE O'BRIEN—as a man of great integrity and deep conviction who never failed to perform the little acts of kindness and civility. It is those acts that make it possible for a House composed of people with markedly different philosophies and personalities to function. The admiration and affection that GEORGE enjoyed on both sides of the aisle was a testament to the fact that he was, to put it quite simply, a genuinely nice guy. That quality helped make him as effective as he was. I think it explains why his death has left such a large void in this House.

Sometimes a single issue can encapsulate all of the qualities that define a person. The determination with which GEORGE O'BRIEN pursued the release of the Americans held captive in Lebanon, was that kind of issue. It was an issue that GEORGE kept alive, in this House, the media, and in the conduct of foreign policy. Certainly his interest was a product of his concern for one of the capitives, Father Lawrence Jenco, who had been a resident of his district. But I think GEORGE's commitment to winning the hostages' release went beyond the fact that a former constituent was in trouble. GEORGE truly empathized with the hostages and their families, and their cause literally became his own. Although his death came before Father Jenco's release, I believe GEORGE looked down on that happy event and was pleased; not because he had had a lot to do with it, but because the suffering of one American and his family had come to an end.

GEORGE O'BRIEN was a good and decent man who served the people of the United States with great distinction. I know that, that certain knowledge, will be of some comfort to his gracious and devoted wife, Mary Lou, and their two daughters and three grandsons at this difficult time. I extend my condolences to them, and to all the members of the O'BRIEN family.

□ 2000

Mr. MICHEL. I thank the distinguished chairman for his very appropriate remarks.

Mr. CRANE. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. CRANE. I thank our distinguished leader for yielding to me.

Mr. Speaker, I simply want to join in the tribute that we pay to our departed colleague tonight, and say that probably when you think about GEORGE, qualities come to mind that our distinguished colleague from just west of me in Illinois come to mind, and that is GEORGE's warmth, his smiles, his wit. I cannot think of a time that GEORGE O'BRIEN ever said a mean or unkind word about anyone. That kind of summarizes GEORGE, and yet we are in a rancorous body sometimes, and the last time GEORGE made his appearance here it was a very rancorous night.

He came on the floor in his wheelchair at the request, if he could make it, of our distingushed minority leader. I have told you that, Mr. Leader, that that was the nicest request that you could have made of GEORGE, because GEORGE was given the opportunity that night when he came on the floor over here in his wheelchair, and he did it at your request out of a sense of duty and loyalty, and he got the appropriate sendoff from this Chamber

on a bipartisan basis that was appropriate, and he paid tribute to the collegial atmosphere of this body.

I want to pay a special tribute to our leader for appealing to him to come here that last night that he cast a vote. It turned out to be the last vote that GEORGE ever cast in his life, but I know that our leader has been criticized for appealing to a man who was ill, and in a wheelchair, to make a special effort to be here for what was a special vote from our perspective.

You should not feel any guilt over that, because the fact of the matter is that this body conveyed to GEORGE that night the special affection that we have for one another. It was one of the more resounding ovations—more than we normally give a President when he comes to deliver a State of the Union Address—an expression of affection from this body to someone who was very special to all of us. That is something that had to have been a lasting recollection to GEORGE in his declining moments. But more importantly to Mary Lou and to the children and to the grandchildren and the relatives, friends, loved ones, it was a kind of a tribute that was extraordinary. And you made that possible by making an appeal to GEORGE to do his thing and do it consistent with what GEORGE believed to be right.

Mr. Speaker, the U.S. House of Representatives, the State of Illinois, and the Nation lost a friend and an outstanding servant when death took Congressman GEORGE O'BRIEN.

The native Chicagoan most admirably served his country and Illinois constituency for almost 14 years. He turned down certain reelection when he withdrew from a race this year upon learning of the seriousness of his illness.

GEORGE first served his country during World War II, rising to the rank of lieutenant colonel in the Army Air Corps.

The people of the Fourth Illinois Congressional District knew and trusted GEORGE O'BRIEN. They had seen him protect their interests for almost a decade and a half. They saw the results of his efforts. What they guessed but never witnessed was the ardor with which he fought for them behind the scenes on the many fronts of Washington's bureaucracy, as well as in the committees of Congress, and on the floor of the House of Representatives.

He considered the interests of his constituents as his first responsibility. The fight we remember best is the one he never gave up to revitalize the Joliet Army ammunition plant.

It is unfortunate that GEORGE did not live to see the release by his captors of the Reverend Lawrence M. Jenco of Joliet. Only days after the death of GEORGE, Father Jenco was given his freedom.

It was just about a year ago that the Congressman traveled to Damascus to confer with Syrian President Assad, seeking assistance from Assad in gaining the release of the priest. GEORGE O'BRIEN never gave up his fight to free Father Jenco.

GEORGE's final appearance here on the floor of House of Representatives provided a dramatic moment for all of us. Despite the severity of his illness, GEORGE left his sickbed and came to this Chamber in a wheelchair. He cast a vote in support of President Reagan's request for aid to the freedom fighters in Nicaragua, and then returned to the hospital. The President's request was approved by a narrow margin which GEORGE had so valiantly helped to create.

GEORGE O'BRIEN made life more pleasant for all of us who knew him with his refreshing smile, kind words and Irish wit. More important, of course, GEORGE O'BRIEN dedicated his life to serving his constituents and his country. Our hearts go out to his loving wife Mary Lou, his daughters, relatives, and friends. Our comfort comes from the knowledge that we haven't said "goodbye", but rather, "so long, GEORGE, we'll be seeing you."

Mr. MICHEL. I thank the gentleman particularly for his personal reference there. It was a difficult call, but it was GEORGE's call, in combination with Mary Lou's.

Yes; I inquired as to whether or not our dear friend, GEORGE, would like to participate in that vote, recognizing that it was going to be a tight one. Yes; we would love to have his vote, we needed it, but, you know, follow doctor's orders.

It also served as a catalyst to garner several other votes, and so it was a very, very critical appearance that GEORGE made that night, and I think he recognized that. As the gentleman from Illinois has so well described the situation that evening, in retrospect, you know, it was a nice way for GEORGE to sing his swan song supposedly to this House of Representatives.

He really did it in superb fashion, and I was so visibly moved when I knew that it was rather painful, but it just seemed that there was a surge of some strength from the good Lord that would bring him from his wheelchair to this very microphone and make the kind of comments that he did in acknowledging that beautiful accolade that he received from all this standing House of Representatives. That was something very special, and it is something special that he bequeathed to all the rest of us, because for me it said now there is real respect and admiration of a man's peers in this very distinguished body. It was a moving moment.

Mr. GRAY of Illinois. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. GRAY of Illinois. I thank my distinguished friend, the minority leader, for yielding, and want to thank him and Mr. CRANE for taking this time to pay tribute to a great American.

Mr. Speaker, I rise with mixed emotions. I am sad that we no longer have the great honor of serving with a dear friend, GEORGE O'BRIEN, but I am also happy when I think of his life and his work.

I remember coming back from Les Arends' funeral on the plane, and he told me this joke, and I have used it several times in meetings, and always got a big laugh.

He was telling about the Irishman who had been out one night and had a few too many to drink, and he was trying to get the key in the door, and his wife heard him about 4 o'clock in the morning. She got up and opened the door, and here is the Irishman all hung over like this, and his wife said, "What do you have to say for yourself?"

He said, "Well, Hon, I didn't come with a prepared speech, but I'm open to questions."

I have told that several times, and I always gave GEORGE the credit for it. I think that was the epitome of GEORGE. He was always outstretched arms and a big smile.

Like HENRY I would like to dedicate a poem to the memory of this great American, this great father, this great citizen of our State of Illinois. I think embodied in this poem is really the life and works of GEORGE O'BRIEN, because he was always giving himself unselfishly for somebody else.

I saw an old man going down a lone highway,
When he came to the evening cold and gray.
And to a chasm vast and deep and wide,
The old man crossed over to the other side.
And when on the other side,
He turned back and built a bridge to span the tide.
"Old man," said a fellow pilgrim near,
"You're wasting your strength with building here.
Your journey may end with the passing of this day;
You may never again come this way.
You've already crossed the chasm vast and deep and wide,
Why build a bridge on the other side?"
"Oh," he lifted his old grey head,
"Good friend, in the path I have come," he said,
"There follows after me today, a youth whose feet must pass this way.
He too must cross in the twilight dim
Good friend, I'm building this bridge for him."

That is the life and the work of GEORGE O'BRIEN—always doing something for someone else. So I am happy to be able to rise and join you and our great delegation and these other friends from all over this great coun-

try in paying tribute to a great man, GEORGE O'BRIEN. Thank you so much.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from California.

□ 2010

Mr. LAGOMARSINO. Mr. Speaker, I thank the minority leader for yielding and I want to thank him for taking this special order so that we can pay tribute to GEORGE O'BRIEN.

It has been well said here this evening about GEORGE's dedication to his country and devotion to his duties as representative of his constituents here in Washington.

I think those who recall GEORGE's efforts on behalf of American hostages in Lebanon rejoice with the news of the release of Father Martin Jenco. Father Jenco grew up in GEORGE's district.

It was almost ironic, I guess you could say, that that was one of the main themes at the funeral, which I had the privilege of attending.

I am sure GEORGE O'BRIEN's personal intervention with his meeting with Syrian President Assad last year contributed to the release of Father Jenco this past weekend.

Maybe, as our colleague, the gentleman from Illinois [Mr. CRANE] pointed out, maybe even somehow all of that did reach the hearts of those who had been holding him captive.

It is too bad that GEORGE was not alive to see that, but, of course, he knows it and is highly pleased.

In addition, GEORGE's contribution to the legislative process as ranking Republican on the Commerce, Justice, State and Judiciary Subcommittee of the Appropriations Committee was instrumental in forging positions that could be supported by both sides. He promoted the policy initiatives of the administration while protecting the interests of his constituents and preserving the prerogatives of the House in the appropriations process. His warm, personal approach enabled him to achieve agreement through reason and cooperation rather than confrontation.

He was a nice man and a good friend of everyone.

I agree that one of the most moving experiences any of us have ever had was seeing GEORGE O'BRIEN come to the well on the night of June 25 on a vitally important matter.

You could see the transformation. When he came in, he was in a wheelchair; he looked very old and very sick, very feeble, but he managed to stand up and walk to the microphone and deliver a stirring address.

You could almost see him revived, as it were. I certainly agree with what the gentleman from Illinois [Mr. CRANE] said earlier. I think that your asking him, Mr. Leader, to come here was not only something good for the cause, which it was, no question about that, but it was good for GEORGE O'BRIEN.

The way that his colleagues stood and applauded him was the real tribute to GEORGE O'BRIEN, far more than we do here tonight. That was something that is not afforded to many Members of this body.

I think that all of us are and should be grateful to you, as the gentleman from Illinois said.

My condolences and those of my wife Norma, go to his wife Mary Lou and his family. Their loss is our loss as well, but we can console them and ourselves with the knowledge that we had the privilege to know GEORGE and to serve with him, and that his efforts did make a difference for his constituents and for our country.

Again, his inspiration and example on June 25 are something that we can all take to heart and follow.

Mr. MICHEL. I thank the gentleman and I am happy to yield to another one of his good Democratic friends, the gentleman from Pennsylvania [Mr. GAYDOS].

Mr. GAYDOS. Mr. Speaker, I thank my colleague from Illinois and I consider it absolutely essential to be here personally on my own behalf and also on behalf of the Steel Caucus, to spread on the RECORD what I personally and what the caucus generally feel and felt about our good friend and colleague, GEORGE O'BRIEN.

It was some 10 years ago that we put the caucus together. GEORGE was a lynchpin in the concept of the Steel Caucus and also in the many ramifications which transversed visits to the White House during the Nixon administration, the Ford administration, Jimmy Carter coming along and now into this President.

He helped form that Steel Caucus and I think that Steel Caucus speaks for itself on some of the issues that it has supported. On every one of those issues, GEORGE O'BRIEN, serving in the official capacity, because we do have and did have a bipartisian approach to the problems, as a vice chairman of the entire caucus, and then as vice chairman of the executive committee.

What he contributed, I think, is irreplaceable, because he gave us stability in the caucus. He was not only a good friend, but a mentor insofar as he has been around Congress for many years. We had the benefit of his sage advice. He was always a leveling factor in any of our controversies. As many of our colleagues have said on the record, I agree, he was just a nice, dedicated, good colleague.

When GEORGE O'BRIEN would say something, GEORGE meant it and you could almost bet your life on it. That is the way it was. It was never tampered with. No addition was made to it and what he said was always based upon the facts.

He was a close, cooperative effective member of the Steel Caucus. Personally, I would like to spread on the RECORD, on behalf of myself and even the sitting chairman now, the gentleman from Pennsylvania [Mr. MURTHA] who asked me to make sure that I included him in these remarks.

First, we are going to miss him, and miss him so desperately and authentically. Second, I do not think we are going to be able to find a practical replacement for GEORGE. Yes; we will have other colleagues serve with us, but none in the method and the manner in which he served, with that unequaled personality, the sincerity, and effectiveness that we all know surrounded GEORGE O'BRIEN from the day he got here until now, this unfortunate time that he is leaving us.

Based upon those personal observations over a 10-year period, I want to conclude by saying that it is my personal pleasure knowing him and working with him. I think the caucus benefited tremendously because of him. I think this Nation has lost a dedicated legislator.

I think, in conclusion, that although I know his family misses him, I think and I agree with others who have said where GEORGE O'BRIEN has gone is predestined. We all feel we are going to miss him terribly, but I know one thing. His mark is here; it is indelible, and I just hope that his family and grandchildren and all of his relatives, direct and indirect, have a chance to read some of these very gracious and sincere remarks including those that I have spread on the RECORD because I want to finally close by saying they have been put in the RECORD with the greatest sincerity I could muster on behalf of myself, my colleagues, and the entire Steel Caucus, and also the chairman, JOHN MURTHA.

Mr. MICHEL. I thank the gentleman for making mention of that very important role that GEORGE played in this House.

I remember that when the caucus was initially begun, and he implored me as having a steel company in my own district, that I ought to become a member. And that he was a very forceful member of that organization, as the gentleman has indicated and it was one of his special likes because that was part of his district, it had to be represented, and sometimes even if it offended his own administration, the point had to be made and he could make it in such good grace, and I appreciate the gentleman's very valuable contribution to the eulogy.

Mr. Speaker, I am happy to yield to my friend from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I thank our distinguished minority leader for

arranging the special order honoring our former Colleague GEORGE O'BRIEN. I am pleased to be able to rise to pay tribute to our esteemed colleague, the Congressman from Illinois GEORGE M. O'BRIEN. We are all saddened by his death. He was a dedicated American—an inspiring figure to all of us in this Chamber and to his constituents in the Fourth District of Illinois. Due to his outstanding service, Congressman O'BRIEN was chosen to serve seven consecutive terms in this body by his constituents in Chicago.

GEORGE O'BRIEN never lost his brilliance as an outstanding legislator and his good humor during his tenure in the House. He never hesitated to go it alone, as he stood firm by his beliefs.

GEORGE O'BRIEN was initially elected in 1972 along with the rest of us in the 93d Congress. Since that time I had been honored to serve with him and was proud to work with GEORGE, to seek his counsel on a variety of issues, and to call him "friend".

Throughout his 14 years in the House GEORGE O'BRIEN avoided confrontation, preferring to get results through cooperation. To quote his distinguished chairman, NEAL SMITH: "We were able to get together and work things out. He doesn't relish confrontation; he'd rather be effective."

The distinguished Senator from Illinois, PAUL SIMON said, "He was an honorable and superb public servant. He was kind and he was genuine. He had a good sense of where partisanship gives way to cooperation."

Not too long ago, before he traveled abroad to appeal to the Syrian President, Hafez Assad, about freeing our hostages in Lebanon, I had the opportunity to confer with GEORGE at length about his mission and was moved with regard to his deep concern for their well-being. One of those hostages, Father Lawrence Martin Jenco, a native of GEORGE O'BRIEN's district, has now been released due in part to those efforts of Congressman O'BRIEN.

Most of us knew that GEORGE O'BRIEN was a lifelong resident of Chicago, but did not know that he was also a Phi Betta Kappa graduate of Northwestern University and a graduate of the Yale Law School. Nor did many of us know that GEORGE served in the 8th and 12th Air Forces during World War II and was discharged a lieutenant colonel.

To GEORGE's lovely devoted wife, Mary Lou; his two daughters, Caryl Isabel Bloch and Mary Deborah Pershey, and three grandsons, we join in offering our condolences.

Our 93d class will sorely miss our good friend and great colleague, GEORGE O'BRIEN. I am thankful that we all had the opportunity of being with and extending our acclamation to GEORGE when he courageously came to answer his last rollcall in the body.

□ 2020

Mr. MICHEL. I thank the gentleman and, Mr. Speaker, I am glad to yield to another one of his good friends, the gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. Mr. Speaker, I want to thank the gentleman for yielding. I want to say to the gentleman and all of GEORGE's friends tonight that I had missed the notice that there was going to be this special order, and I happened to walk onto the floor and hear the eloquent and beautiful words being spoken by his friends tonight.

I did not want to leave without adding my own expression of deep admiration and frankly love for a human being that I think was matchless in the time I have been in the Congress.

I want to just share with my colleagues two experiences I had with GEORGE O'BRIEN. They were both memorable; I will certainly remember them always. It reminds me in many ways of what my colleague from Illinois, KEN GRAY, said about GEORGE. He said he was always doing something for someone else.

When I was first elected to the Congress, I came with that large—BOB, I know you will remember this class—that large Democratic class of the 94th Congress, and there were so many people on the floor on opening day when we took the oath of office that I and my two children had to sit over on your side of the aisle because this side was packed.

I remember sitting right there in the middle of your colleagues, and sitting there right beside me was a friendly teddy bear of a man, as Mr. CRANE said; and he turned to me and he said "Hi, I'm GEORGE O'BRIEN." He said what is your name? I introduced myself. He took a special interest in my children and from that day until the last, he always inquired about how Stacy and Kelly were doing; he would remember the details of what their activities in school were, the colleges that they selected; and the caring this man showed was truly remarkable.

GEORGE also knew and made it a matter of his own personal concern that I came down with a kidney condition about 4 years ago, and no Member of the House on either side of the aisle has inquired more often as to how I was doing, and I am grateful that I have done well.

GEORGE was always concerned and always asking; that is the kind of guy he was. In fact, we worked together; he was a member of the Labor-HHS Committee. We worked together on something else that will be a monument to GEORGE O'BRIEN; and that is Regional Kidney Research Centers around the country.

GEORGE understood the problems of kidney disease and he worked very hard, and I worked with him on this, and I was amazed that the day after GEORGE's death, after the markup was complete, I got a call from his staff because his staff said GEORGE wanted me to know that the funding for those centers that we had worked for, for some 4 years, was in the bill heading to the floor.

GEORGE O'BRIEN holds a special place in my heart, and if I were to use a word to describe him, and maybe it is an important thing to state at a time when there are so many tensions across this center aisle that divides these two parties, is that he was a teacher.

He taught us that we are Democrats and we are Republicans; but we are more than that, we are human beings, real people, with real needs, real wants, real hopes, real dreams, and he reached out and touched each one of us in that sense, too.

As long as we can remember that lesson, I think we will be a better body and better individual Members as a result.

I am glad the gentleman has taken out this time, and I am glad that I have been able to participate and I am going to miss GEORGE, and I wish his family and all his loved ones my very best.

Mr. MICHEL. Mr. Speaker, I thank the gentleman for his very touching references to his association with our departed friend, GEORGE. Very moving.

I am happy to yield to my friend from Illinois, another one of his neighboring colleagues, Mr. MADIGAN.

Mr. MADIGAN. Mr. Speaker, I thank the distinguished minority leader for yielding to me. I would say to our distinguished leader that this evening has reminded me of what a special privilege it is to be a member of the Illinois congressional delegation, because of the eloquent things that have been said here by you, by Mrs. MARTIN of Illinois, by Mr. HYDE, and others.

I think that GEORGE O'BRIEN, if he were here, at this point he would want to lighten this up a little bit. So I want to recall for you, if I may, that I was twice blessed, because I served not only with GEORGE O'BRIEN here in the Congress of the United States, but I had him for a seat mate in the Illinois Legislature.

HENRY HYDE and I had arrived there a little bit before GEORGE, and I was invited to a dinner one evening of freshman members of the legislature, and sat with GEORGE and Mary Lou that evening. I remember watching GEORGE walk into the room and thinking that it was Ben Cartwright, the fellow on the Bonanza TV program, they looked so much alike to me.

GEORGE told me, as LES said he had this remarkable memory, he told me that night when I told him that he looked like Ben Cartwright, he said, "Well, you look like somebody, too."

For the next 16 years he would periodically say to me, "You do look like someone, but I haven't figured out yet who it is."

He was still saying that to me in the last days of his life. He was a tall, distinguished, soft-spoken gentleman. He was my seat mate, and he and I came to Washington together.

I remember when we were there in the legislature, I would say to my leader from Illinois, that it was not an easy time in Illinois; there was a lot of unrest on the campus; riots in Chicago; racial unrest in southern Illinois, and I remember GEORGE coming in one morning and telling me how he had paced the floor the night before in his apartment over in Lincoln Towers, trying to think of a constructive way that he could be involved in addressing that gap that he saw between black and white in Illinois; between teacher and student in Illinois; and I remember being moved by how deeply he was caught up in those things, and how much he wanted to contribute to their solution.

But at the same time, if there was a good humor man in the Illinois congressional delegation, it was the gentleman from Joliet, GEORGE O'BRIEN.

We have talked about his humor and how bad the humor could be, but even when it was bad it was funny because it was so bad.

In the 1982 campaign, I inherited some territory from GEORGE because of redistricting. I had began that year to run in part of his home county, and one night in the town of Peotone I was scheduled to debate my opponent, and I did not know that GEORGE O'BRIEN was in 50 miles of the place.

Just as it was time to debate, he walked up, nudged me, whispered to me, "I'm going to handle this guy for you," took the podium and sang a song to this crowd of people assembled there. He had written a song about me to the tune of the Irish song, "Herrigan." As the Irish would say, the crowd was his and the rest of the night was his, and the debate never took place, and he really did handle that guy for me.

He was a wonderful guy, and Evelyn and I were watching television, the news about Father Jenco and I said, "My goodness, I wish GEORGE could know that." She said, "He knows it because he did it."

Well, I do not want to offend the gentleman from Illinois in the well [Mr. MICHEL], so I am going to continue to say publicly that he is the best singer in the Illinois delegation; but GEORGE was clearly the second best, and while we have lost a friend for a time, St. Peter has gained a good Irish baritone.

Mr. MICHEL. I thank the gentleman.

Mr. Speaker, I am happy to yield to the distinguished elder statesman of this House, the gentleman from Florida [Mr. PEPPER].

Mr. PEPPER. Mr. Speaker, I thank my friend for his kindness in yielding.

Like my colleagues, I am heavy hearted at the passing of GEORGE O'BRIEN. GEORGE O'BRIEN was truly a nobleman.

□ 2030

I think every man, woman on this floor loved him, respected him, admired him. He was a man of wide legislative interests which he pursued with great diligence. He was deeply dedicated to his work. He loved this House and he loved his colleagues in this Chamber. He loved America. And he served it with great dedication and devotion.

He was a man of warm human quality.

I played golf with him on a number of occasions, and always enjoyed it. He could hit that golf ball a long way. I used to tell people in the presence of GEORGE, "You know what they do down at Cape Kennedy when they get ready to launch those shuttles? They get GEORGE down there and let him hit the ball up into the sky, and then the shuttle follows GEORGE's golf balls up into the heavens.

So he would laugh. We had many happy occasions together. I thought a great deal of GEORGE. He was one of those men who somehow brightened the path of life which he trod. He made things better and brighter where he was. He made the day a little bit better when he greeted you with his warm exuberance, his warm smile, and sometimes his warm handshake.

So in the passing of GEORGE O'BRIEN we have lost a brother the like of which we shall not see again.

I want to extend the greatest condolences of my heart to his loved ones, and I want to pay to GEORGE O'BRIEN what Shakespeare has Antony pay to the fallen Brutus on the field of Philippi: "His life was gentle, and the elements so mix'd in him that nature might stand up and say to all the world 'this was a man!' "

Thank you.

Mr. MICHEL. That is beautiful, Mr. Chairman. I want to take this opportunity to thank so many of our Members, after a lengthy legislative day, for staying here and participating in this great tribute to GEORGE O'BRIEN.

At this juncture I am happy to yield to my dear friend from New York [Mr. SOLOMON].

Mr. SOLOMON. I thank the gentleman very much for yielding.

You know, I am not from Illinois, but GEORGE O'BRIEN sometimes made you wish you were. He was that kind of a man. I guess like LES AUCOIN mentioned earlier, I think GEORGE O'BRIEN used to make a habit on opening day of a session of sitting down next to a freshman Member because I can recall my first day in this Chamber, I was sitting right back there and I did not know anybody, hardly. There was not anybody from New York in that freshman delegation. I felt kind of alone. Sure enough, in walks this great, big Irish man, and he sits down next to me and puts out his hand, and he says, "Hi, I'm GEORGE O'BRIEN from Illinois. Who are you?" I told him. From that day on we just became the greatest of friends.

He was a friend. And for 100 different reasons I wanted to stay here tonight and pay tribute to him and his wonderful wife, Mary Lou. But, you know, that day when we sat here the first time, GEORGE said he was proud to be from Illinois, he said he was proud to be of Irish ancestry, and he said he was proud to be a Member of this body.

He went on and told me why, as we sat there, for 35 or 40 minutes. And everything he told me came to be true because this is a body where camaraderie is so great, where we have great respect for each other. But something else happened a little later.

The minority leader appointed GEORGE O'BRIEN as a delegate to the North Atlantic Assembly, where he served for many years. He appointed me that year when I was new. And in traveling to Europe that particular year we have an opportunity to debate the issues before the North Atlantic Assembly. He and I were sitting there, and some of the people from some of the countries were standing up and berating America, as they do quite often, and back in those days I did not have all the patience and all the diplomacy that GEORGE O'BRIEN had, even though he was a hot-tempered Irish man. He kept his temper inward.

I recall him patting me on the knee saying, "GERRY, just wait, we will get our turn."

As the day went on, the debate went on, GEORGE O'BRIEN turned to me, he had tears in his eyes, and he said to me, he said, "GERRY, you know, I am so proud of our country, America, and I am so proud to be an American." And I looked at him and, you know, nobody ever meant that more than he did. He really meant it. And when he came in that door on that fateful night that we debated the particular bill and he sat there in that wheelchair, I think half the Members or maybe all of the Members of this House had tears in their eyes when they looked at GEORGE because he was such a dynamic man. And to see him like that, and when he got up out of that wheelchair in his condition and walked to that podium, I could just see him from those days before when he turned to me and he said, "GERRY, I am so proud to be an American."

He was so proud to take that podium where the minority leader is standing

to say the words that he said, and to cast his vote for America.

God bless him. He was a wonderful man. We never will forget him.

I thank the minority leader for allowing me this opportunity.

Mr. MICHEL. I thank the gentleman for his moving comments, and I am happy to yield to the gentleman from Ohio [Mr. STOKES].

Mr. STOKES. I thank the minority leader for yielding to me.

Mr. Speaker, I appear here this evening with all of my colleagues in this House to express memories about a very great man.

GEORGE O'BRIEN and I first met on a CO-DEL, when we were traveling with another of our late colleagues, the late Joe Addabbo of the Appropriations Committee.

That was the first time that I had met GEORGE and Mary Lou. We had an awful nice time together. We got to know one another and we just shared many, many fond occasions together.

On that trip my daughter was traveling with me, and during the course of the trip she became ill, and both GEORGE and Mary Lou at every turn were inquiring about Shelly, wanted to know whether she was better and expressed that type of concern throughout the entire trip.

Even after we came back, every time I would see either GEORGE or Mary Lou they would want to know, "How is Shelly?"

This friendship that we struck up on this trip continued. GEORGE and I were serving on the same subcommittee on appropriations, Labor, and Health and Human Services, and Education Subcommittee.

I recall one day GEORGE told me that he was giving an educational conference in his congressional district and wanted to know if I would be willing to come out to his district and participate in that conference. I told him I would be delighted to do so.

We made arrangements for me to come out, and I arrived out there in the evening before the conference. GEORGE was having a little reception for all the participants. When I arrived, I was suffering with a tremendous cold. GEORGE became very concerned about my cold, left his reception, went out into his district, found some medicine, brought the medicine back to me. He was just that concerned, that he would leave all of his guests to go out and do that for me.

When you speak of his humor, the next day when I spoke, knowing of his humor, as I opened up my remarks on the occasion, I said to this audience—and it was predominantly a majority of white audience, but young people from all over his district—I said, "I'll bet all of you are wondering what a black liberal Democrat from Ohio is doing in the district of a white conservative Republican in Illinois." Well, the audience just cracked up.

Well, when I finished speaking, GEORGE came over and his favorite way of greeting me was "LOU, you rascal you." He said, "LOU, you rascal you, after you opened up that speech the way you had everybody in your hand, it was so great."

He just loved that speech.

Afterward, whenever I saw him, he would make some reference to that speech and the fact that I came into his district and spent that time with him.

But having served with him on that subcommittee, I know of his dedication to health and to education. GEORGE spent a great deal of time with the witnesses who appeared before that committee, as the gentleman from Illinois, the minority leader, knows, because he served on that committee much longer than either GEORGE or I.

But GEORGE used his skill as an old trial lawyer to bring out the kinds of things that he felt were important in those areas. He often made reference to the fact that he had been a trial lawyer at one time, and it was something he was very proud of. But you also could see it in the skill that he exhibited in terms of being able to elicit from the witnesses the kind of information that he wanted. Then I guess his last appearance in the House is something that I will always remember.

During the 18 years I served in this body, there have been a few times when something catches you here in your throat, and this was one of those occasions. When all of us saw this friend of ours come into this Chamber and we saw the Members in this Chamber spontaneously rise to pay respect to him and then to see all of us line up over on that side of the Chamber to get a chance to shake his hand and to speak to him. I suppose I will never forget and will always remember those beautiful words he expressed when he spoke of what it meant to him to have served in this body.

You knew that he meant it, and you were proud that he had the opportunity to be able to make it to that podium and be able to make those last remarks in this body.

Then last, the other thing I will always remember about him is the tremendous love that he had for Mary Lou. I have heard others in this Chamber tonight speak of that love eloquently, and it is so true. I have known a lot of men who loved their wives; I have known a lot of wives who have loved their husbands. But I have never known of anyone who expressed it more than GEORGE O'BRIEN did. That was something, if you knew GEORGE O'BRIEN, you just knew he loved Mary Lou. He made it clear to anyone and everyone wherever he went that that was his heart and his love, and I think of all the things that I will remember about him, I will probably remember that the most.

I thank the minority leader.

Mr. MICHEL. Mr. Speaker, our dear friend, Mr. CRANE, had a followon special order, but he had to leave the Chamber. I am most happy that the gentleman from Illinois [Mr. PORTER] will continue with this special order.

Before yielding, I would also like to include a tribute to GEORGE O'BRIEN from our former colleague, Robert McClory, who served with GEORGE for the years that the two of them were serving in this body:

Our colleague, Congressman GEORGE O'BRIEN, who passed on last Thursday, July 17, was a very decent man. In recalling GEORGE O'BRIEN's life, I am anxious to avoid any fulsome praise. At the same time there are so many descriptive adjectives that come to my mind that I cannot help but employ these words in describing one who approached that level of human perfection which we ascribe to the Biblical definition of man as "created in the image and likeness of God.

"Congressman GEORGE O'BRIEN possessed those qualities of gentleness, civility, dignity, honor, respect and love which endeared him to friends and constituents—even political and personal rivals with whom he came in contact in the course of his long and honorable public and private life.

Congressman GEORGE O'BRIEN looked every part the political and public leader which he represented as a prominent and highly respected colleague in the U.S. House of Representatives. His leadership on domestic and international issues secured benefits to constituents and to Americans throughout the Nation in whose behalf he served as a Member of the U.S. House of Representatives.

On a very personal basis I recall the sympathetic and able support and cooperation which Congressman GEORGE O'BRIEN provided during his Congressional Service. My wife, Doris, and I became close personal friends with GEORGE and his beautiful and devoted wife, Mary Lou. The close relationship which we established and maintained throughout our years in the U.S. House of Representatives together—and thereafter—resulted in blessings which Doris and I cherish as a part of the eternal life which his mortal passing cannot erase.

Joining as I do at this hour with many other former colleagues, I am proud and grateful to have enjoyed a close personal and public relationship with Congressman GEORGE O'BRIEN and to pause now in prayerful respect and devotion to his memory—and to communicate in behalf of my wife, Doris, and me our love, respect and compassion to his beloved wife, Mary Lou, and other members of the family.

GENERAL LEAVE

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of my special order tonight.

The SPEAKER pro tempore (Mr. WALDON). Is there objection to the request of the gentleman from Illinois?

There was no objection.

TRIBUTE TO THE LATE HONORABLE GEORGE M. O'BRIEN

The SPEAKER pro tempore (Mr. WALDON). Under previous order of the House, the gentleman from Illinois [Mr. PORTER] is recognized for 60 minutes.

Mr. PORTER. Mr. Speaker, I rise today to continue the special order previously conducted by the minority leader, the gentleman from Illinois [Mr. MICHEL].

Mr. Speaker, at this time I yield to the distinguished gentleman from Pennsylvania [Mr. RITTER].

Mr. RITTER. I thank the gentleman for yielding.

Mr. Speaker, I thank all of the people here for holding this special order on behalf of GEORGE O'BRIEN. I do not have a major speech but just a few impressions.

I worked with GEORGE O'BRIEN on the Steel Caucus for the last 7½ years. He was a significant contributor to the executive committee of that caucus in more ways than one. Many of you have spoken about the ways in which GEORGE O'BRIEN made his contributions. To this Member, who often sat next to Mr. O'BRIEN, I will say that, if you were in a not-so-great mood and if things were troubling you, the best person you could ever want to sit next to was GEORGE O'BRIEN.

He radiated an aura of self-contentment, happiness, well-being, and he had this remarkable ability to communicate it to other people.

He brought a lot of life and a lot of good will to those extended sessions of the executive committee of the Steel Caucus.

I was looking at the Webster's dictionary definition of a gentleman. It talked a lot about breeding and family and education. I thought to myself that it was somewhat incomplete, or the definition was emphasizing some features which were not as important as some other features like fineness of character and capability for good will and just the ability to be gentle and kind and caring.

□ 2045

If we ever wanted to rewrite the Webster's definition of a gentleman, I would think we should go to this special order tonight and synthesize some of the comments that were made about GEORGE O'BRIEN. I think, my colleagues, that that would provide us and posterity with a definition of the word "gentleman." It would be unsurpassed.

Mr. PORTER. Mr. Speaker, I thank the gentleman from Pennsylvania for his comments. I understand the gentleman is in the midst of a Superfund conference, and we certainly appreciate his participation.

Mr. Speaker, I yield to my distinguished colleague, the gentleman from Illinois [Mr. LIPINSKI].

Mr. LIPINSKI. Mr. Speaker, I thank my distinguished colleague from Illinois [Mr. PORTER] for yielding to me.

Mr. Speaker, I did not know GEORGE that well, but I did have an opportunity the first year I was here to take a trip to New York with my wife Rose Marie and his wife Mary Lou. We spent a wonderful weekend there in New York, with GEORGE and his wife showing us the ropes of the city, showing us the ropes of the trip that we were on. We took several meals with them, and we went to several different activities with them.

A lot of great things have been said here tonight about GEORGE O'BRIEN, and certainly one of them was his great love for his wife that was certainly reciprocated through Mary Lou to him. But I believe the thing that stands out more than anything else is that GEORGE O'BRIEN was indeed a gentleman. I have heard other Members reiterate that tonight, but I wanted to come down here. I had submitted a statement for the RECORD, but I decided to come down here tonight, because certainly I had never met anyone in my entire life, anyone, who could be called a gentleman more than GEORGE O'BRIEN.

He has made my stay here in Washington, DC, more enjoyable, and I think he has made my life more worthwhile by simply of having had the opportunity to know him, even though it was on only a limited basis.

Mr. PORTER. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I yield to the gentleman from New York [Mr. GREEN], a member of the Appropriations Committee with GEORGE.

Mr. GREEN. Mr. Speaker, I would like to thank the three gentlemen from Illinois for arranging this evening, Mr. MICHEL and Mr. CRANE for taking this special order, and Mr. PORTER for extending the time so that all of us could have an opportunity to participate.

It was something that I count one of the brighter parts of my congressional career that I had an opportunity on a number of occasions to work very closely with GEORGE O'BRIEN.

One time was a time when he was just tremendously helpful to me. There was a mixup at the Economic Development Administration. As a result, it looked as if certain projects in New York City to which they had informally committed would get caught up in some rescisions. I came to GEORGE with the problem. He was ranking minority member of that appropriations subcommittee, and he really threw himself heart and soul into resolving it, and the crisis was averted as a result of GEORGE's efforts. I was always and eternally grateful to him for that.

The other occasions, I think, when I saw GEORGE in action really reflected GEORGE's concern for people who needed help.

When I first got here in 1978, GEORGE was quick to enlist me in his concern for the handicapped, and particularly his concern for accessibility to transportation for the handicapped. I remember the fight that year which he led and in which I worked by his side to try to ensure that federally funded mass transit would enable those who are handicapped nonetheless to get around and participate in the full life of our society. I think that was really a measure of GEORGE.

Of course, as so many have mentioned this evening, his efforts on behalf of Father Jenco in the final year of his life were another remarkable testimony to what GEORGE O'BRIEN stood for, because here, as GEORGE's own life was slipping away, and he must have known it, nonetheless he threw himself wholeheartedly into this case to try to make sure that Father Jenco would ultimately be free. It is, of course, a great tragedy that GEORGE did not live to see the day of that freedom, but it is certainly true that GEORGE's effort in keeping that case in the forefront of people's minds played a very important role in the ultimate freedom for Father Jenco.

Mr. Speaker, I want to join all the Members who have spoken here tonight in expressing my condolences to Mary Lou and to the other members of GEORGE's family. The Nation has lost a great legislator and we have all lost a great friend.

Mr. PORTER. Mr. Speaker, I thank the gentleman from New York.

Mr. Speaker, I yield to my colleague, the gentleman from Illinois [Mr. DURBIN], a member of the Appropriations Committee and a colleague of GEORGE there.

Mr. DURBIN. Mr. Speaker, I thank the gentleman from Illinois for yielding to me.

Mr. Speaker, I have listened to my other colleagues describe GEORGE O'BRIEN, and I am reminded that unfortunately in this Chamber that we served, often our impressions of our colleagues are based on snapshot incidents in our lives where our paths crossed with one another. Fortunately, I was blessed to meet GEORGE O'BRIEN soon after I came to Washington, and then to serve for a little over a year with him on the Appropriations Committee.

I think what has been said is so appropriate about GEORGE. He was in fact a gentleman. It is a term that is used so often and, yet, when you think about the origin, it must have been a person of grace, of special grace, a civilized and cultured grace, who could work so well with other people.

I noticed this about GEORGE, too. He took his job as Congressman very seriously, but he never took himself seri-

ously. I think that also is a mark of someone who is very successful in this chamber.

GEORGE O'BRIEN could light up a room with his wit and good humor. I have seen him do it so many times. I can recall at the Appropriations Committee when he would have an important amendment before him and he might stumble in the process of describing it. He would turn it into a joke in a second, and everyone in the room would laugh, and then he would move on to the business of the day. I am going to miss that. It is needed so much in life, and certainly in this Chamber.

He was a man of great values, too. His marriage to Mary Lou meant so much. I guess we all can recall that final moment he stood on the floor here and he described how important service in this Chamber had been to his life. He was brought in in a wheelchair to cast his vote. He did make note of a woman sitting in the gallery, Mary Lou, with him again at that hour, standing beside him during those important times.

When I first came here, I was a little concerned. GEORGE was a Republican and I am a Democrat. I wondered, how much can I trust these guys? Can I really open myself up to these people and not be frightened that it might come back to haunt me? I found so many times with so many people, particularly with GEORGE O'BRIEN, that it was a personal friendship, a real friendship, that transcended party and transcended the issue of the day, and it meant so much.

I recall, and I think the gentleman from Illinois can also recall, the funeral ceremony we both attended in Joliet for GEORGE. It was a beautiful ceremony, and it brought in the people of his district and his friends from every walk of life. That is the way it should be for GEORGE O'BRIEN.

I recall one hymn that was sung there, and the lyrics and the song have been in my mind ever since. It is a Catholic hymn entitled, "Here I Am, Lord." I was thinking to myself as GEORGE O'BRIEN presented himself to heaven, that we sit here in mourning and in reflection, but our loss is truly heaven's gain. GEORGE O'BRIEN was an exceptional man, and I am proud to have counted him as a friend.

□ 2055

Mr. PORTER. I thank the gentleman for his participation and I too, recall the service in Peoria. It was ecumenical. While it was a Catholic service, there was a Jewish rabbi and a Protestant minister that also participated. Members from both sides of the aisle; exactly the way GEORGE treated all of us.

Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. I thank the gentleman for yielding to me.

Mr. Speaker, I guess it is no secret; GEORGE O'BRIEN was my friend. The fact is, he was a friend of so many people in this Chamber. He was a special friend to everyone who knew him. This is not a place where it is easy to make close friends. We are all busy and distracted and we are people absorbed in our own agendas. But GEORGE really worked at it, as I think we have heard this evening.

He really made a special effort to break down the barriers that we build up around here, to get to know you and know you well. Once he knew you, he really nurtured that friendship. That is one of the things that has always struck me about GEORGE. He did nurture his friendships. He really cared about you; he cared about your family; your triumphs, your frustrations, your failures. If you had a success, GEORGE was the first to share your joy and he remembered it. If you were depressed, he could always, always ease the depression with a story, a joke or some upbeat counsel.

My day was always brighter when I could share a little of it with GEORGE O'BRIEN. He always called to me, "How are you doing, Billy C?" Fortunately, those days were many, especially after GEORGE became a member of the House Wednesday Group a few years ago. GEORGE and Mary Lou were regular, devoted attenders at all Wednesday Group activities, whether it was one of our annual retreats where we would go away for a weekend to study a particular issue and have a good time in the process or whether at dinner discussions we had or at social events. He was always the center of every group.

He was always the life of the party in the best sense of the word. As everybody has alluded here tonight, the special love that GEORGE and Mary Lou had I think was an inspiration to us all.

GEORGE was a distinctive and memorable human being, even in great pain, as he obviously was for much of the last year of his life. His spirit soared. His joy of life was unquenched. It was difficult for those of us who were his friends to see GEORGE then because he was so obviously in pain. But it was, I would say, an inspiration, because here was a man in the grip of a dred disease yet still hard at work representing his constituents and carrying out his heavy duties as a senior member of the Appropriations Committee.

Who can forget the eloquence with which he pleaded in his illness for the release of Father Jenko; his trip to Syria. Pleas that were answered, unfortunately, only days after his passing.

Dylan Thomas, the great Irish poet, once wrote a poem which ended with these lines:

Go not softly into the dark night;
Rage, rage, rage against the dying of the light.

In his own, uniquely gentle way, GEORGE raged against the dying of the light, but he did it with consummate grace, with unflagging good humor, working until the end and warming us all with the fire of his indomitable personality.

Mr. PORTER. I certainly thank the gentleman for his eloquent words about our colleague.

Mr. Speaker, I yield to the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. I thank the gentleman for yielding to me.

Mr. Speaker, I appreciate the fact that the gentleman has taken this time. I have listened to the remarks tonight; it could all be summed up on one sentence, and that is that GEORGE O'BRIEN was a person that was loved by his fellow man.

As we walk through the road of life, there are few that take a special place in our hearts. We call them "friend" with a heartfelt warmth. GEORGE O'BRIEN was one of those people. His caring for others gave special meaning to the word "friend." I know that Mary, my wife, and myself will always cherish the memory of our special Irishman.

GEORGE and I came to this body together. We have served together on the Appropriations Committee for many years, and I had the challenging privilege of serving under his leadership as our ranking member on the State-Justice-Commerce Committee. He always brought the leadership to that responsibility. To me, he was the epitome of a faithful servant of the people of this Nation and those that he represented.

I think his service was characterized by the words in the finest way, words of integrity, compassion, leadership, a keen intellect, a great sense of humor, humility, and love of his fellow man.

GEORGE was specially blessed with a wonderful partner in Mary Lou. Their love for each other was the crown jewel of his life. Likewise, in talking with GEORGE, you knew that he cared so much for his two daughters, Carol and Mary, and likewise his grandchildren, Brian, Brendon, and Anthony. When we would occasionally run into them in the dining room or around the Capitol, it was always with great pleasure and pride that he would introduce his family. To him his family was everything.

In the Bible in St. Mark, the Scribe said to Jesus: "Which is the first Commandment of all?", and He answered him by saying, "First of all, thou shall love the Lord thy God with all thy heart, with all thy soul and with all

thy mind and with all thy strength." This is the First Commandment.

The Second is like, namely this: "Thou shall love thy neighbor as thyself." There are no other Commandments greater than these. I would say that GEORGE O'BRIEN lived those two Commandments every day of his life. You could not be around GEORGE very long without knowing that he loved his Lord, loved his church, and that he loved his neighbor just as himself.

What a wonderful legacy he has left for his community, for his family, for this body.

Mr. PORTER. I thank the gentleman for his wonderful words about our colleague.

Mr. Speaker, I yield to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. I thank the gentleman for yielding to me.

Mr. Speaker, I wish to tell the gentleman that I appreciate the gentleman taking this special order. GEORGE O'BRIEN was a very special individual and we all cared a great deal about him. Sometimes we become very cynical in this place. I have been here for almost 4 years and I have wondered many times if the patriotism that our forefathers showed when this country became free still exists.

There was one gentleman that comes to mind when I think of patriotism. His name was Caesar Rodney. Caesar Rodney was one of the members of the Continental Congress. He was a member of the three-member delegation from Delaware. When the battle for independence was joined in the Continental Congress, Caesar Rodney fell ill and he had to go home. He was deathly ill and they found out that he had cancer and he was terminally ill.

Caesar Rodney went back to Delware not ever expecting to come back to Philadelphia to vote on the critical issue of independence. But he received word that the Delaware delegation was split, one-to-one, and that John Hancock had decided that it had to be a unanimous vote if we were to have independence; if we were going to have a Declaration of Independence.

So they sent for Caesar Rodney, and Caesar Rodney who was on his deathbed, literally, got on a horse and rode for 2 days through wind and hail and rain to get back to Philadelphia to cast that tie-breaking vote that ended up giving us our independence.

I thought that kind of patriotism died with people like Caesar Rodney until just before GEORGE O'BRIEN died, he walked through that door because he was asked to do a patriotic thing for his country by casting a vote on a very, very critical issue. It reintroduced my feeling that patriotism still lives in this country. I was very, very proud that the kind of a gentleman still served in this body.

I was very proud of that day and to be a participant when GEORGE O'BRIEN received a standing ovation from all of us because we knew what he was going through when he came back to cast that vote.

I would just like to say that my condolences go out to Mary Lou and the rest of his family and I want you all to know it was a pleasure for me to have known such a fine gentleman.

Mr. PORTER. I thank the gentleman for his words reminding us of GEORGE's love for his country, and his other kind words about our colleague.

Mr. Speaker, I yield to the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. I thank the gentleman for yielding to me.

Mr. Speaker, there are many special Members, many men and women in this body that are memorable. Some just a little bit more than others because God has given them a quality of warmth that they just exude 24 hours a day.

GEORGE O'BRIEN was the only Member of this body that ever referred to me by the childhood derivative of my name, "BOBBY."

□ 2105

He had that way of speaking to you like you felt you knew him all your life when you were a freshman and joined this body. You had this Irish, big-brother feeling about him.

I can remember 8 years ago, he had his 60th birthday party down in the Speaker's dining room, just across from the restaurant. That was the first time I observed his love for Mary Lou and his children and what a wonderful family he had.

I thought at the time, what a job it must be to reach your 60th birthday, that birthday that is so special that in Asia they say it is when your life begins again. To see him reach his 60th birthday with his family around him, serving his country in this great Congress and to see all that love, I thought to myself what a joy to be here for the big 60.

I had a very special feeling for GEORGE after that because I had seen the love of his family for him and him for his family. I thought he pretty much had it all.

He just fell shy of that biblical three score and 10 which, at least in the United States, given our wonderful medicine, now does not seem all that old. It is really young to pass away at 68, particularly when you are young at heart like GEORGE and so big and robust, at least until we saw him that last night, just 17 days before God called him.

I think that, although we are tempted to say GEORGE had such a good, full life, when you see a man enjoying his family, his wife, his kids, and his grandchildren the way he did, you did feel that tremendous sense of loss.

When he spoke that night, I had no idea we would be in his beloved Joliet Cathedral where he sang in the choir for 12 years within such a few weeks.

That night, after he made that moving speech, and there were so many tears flowing down so many cheeks in this House, he went back and sat down in his wheelchair in that corner and then a whole procession of Members from both sides of the aisle went by to pay what they knew would be their last respects to GEORGE O'BRIEN.

With each person that passed, because GEORGE did look ill, and only when that beautiful voice of his came out of him, did some of the Members look up from the back of the Chamber and realize it was GEORGE O'BRIEN speaking to them. So when I went over, I knew he was in pain and I did not know how much he would want to say to each Member. I could not believe, as I stood there in line, how vital he was, that he had something special to say to each person.

I am sure, JOHN, that he said something special to you. I just know that without having been there when you went by.

The gentlewoman from California, BOBBI FIEDLER, came up to him. "Oh, BOBBI, I am so sorry you did not win your primary in California. I thought you were doing such a terrific job."

Then when I came up to him, he said, "BOBBY, you are going to Syria tonight." I said, "No, tomorrow night, GEORGE." "Well, I wanted to be with you so much."

Sure, it was his trip. I was going with him, not him with me. It was his inspiration. He gave me the little 7 that I wore in my lapel until Ben Weir was returned and made it 6, and then I felt bad about wearing it because the word came out that maybe Bill Buckley was dead. Then Peter Kilburn's body was thrown in an alley in Beirut and it was down to 4 possibly.

I just felt bad wearing a 7, but I wore that with GEORGE because he took it off his lapel and gave it to me and said, "I will get another one from the jeweler who made it up."

He said to me, "BOBBY, you tell Hafez Assad and Foreign Minister Shara," just had the names right like that, the gentleman from North Carolina [Mr. BROYHILL], was standing right there; he will tell you this.

He had just congratulated JIM for going to the other body. He said, "You tell them that I am believing in their sincerity. I know they want to do something for our hostages and give them my best regards and tell them to keep trying."

A few days later, I passed on those very remarks of GEORGE to President Assad of Syria. I told President Assad that if GEORGE lived more than a few months, it would be a miracle. I had

no idea it would be 13 days before God would call him.

President Assad seemed very moved, and I said, "President Assad, GEORGE O'BRIEN is counting on you." He said, "All right, you tell Mr. O'BRIEN we are going to redouble our efforts."

When I found myself at Joliet in GEORGE'S beloved church listening to Senator DIXON speak more eloquently than his colleagues said they had ever heard him in his career talking about how GEORGE could not turn down his leader to come to the House, so ill that June night, saying how GEORGE could never have turned down his country, his President and his leader.

It was the most natural thing in the world for him to show up here so ill. When I came out of the church at Joliet, there was Mary Lou, the first one at the door, as you recall. I gave her a hug and said, "Mary Lou, Father Jenco will probably be home within the week because while some of us work the problem down here, GEORGE has direct access and he is now working that problem in Heaven."

If I was being romantic or something, GEORGE got the job done in 96 hours, maybe a few hours less than that.

Then I came out of the church and turned to the Jenco family. There they were, Joe, the sisters and everybody. They called me over because I have here the effects. I am going to take it out and show it to Father Jenco tomorrow, the letter that is written by Father Jenco in his terrorist dungeon in Beirut, all in his handwriting and signed by the four of them, the three that remain alive, Peter Kilburn was held by some other group before they murdered him, and it was addressed to "Dear Congressmen GEORGE O'BRIEN and BOB DORNAN."

I turned to the Jencos and I said, "You know what I just told Mary Lou, that with GEORGE working this problem in Heaven, your brother is going to be back in a week."

Joe Jenco reminded me of that a few days ago.

They have asked me to fly back to Joliet with them Saturday and ride in that parade. I know that I will be sitting in GEORGE O'BRIEN'S seat in that parade for Father Jenco.

So I promise GEORGE tonight that I will not forget that he was working for the seven. Three are left and he is working the problem in Heaven while we work it down here. We will probably have the other three out in a few weeks.

We are going to miss GEORGE O'BRIEN around here, not just you folks on appropriations, but all of us. In those eulogies for him the other day in the 1 minutes, one person forgot just one little thing in their show of affection for GEORGE. They said they were sorry that he was not here to witness the return of Father Jenco.

Father Jenco returned because GEORGE was there and not here. We sometimes forget that.

Until we all see him again, vaya con Dios, GEORGE. We will not forget you; do not forget us.

Mr. PORTER. Mr. Speaker, I certainly thank the gentleman from California [Mr. DORNAN] for not only the recollections of GEORGE'S life as a Member of Congress, but also for letting all of us know what transpired and what brought about the release of Father Jenco and what an important role GEORGE played in that.

We are delighted that you are going to be representing us in that parade back home.

Mr. Speaker, I think the number of Members who have come to the Chamber late this evening, so many Members from both sides of the aisle, is indicative of the feeling that all of us have for GEORGE O'BRIEN.

□ 2115

We all loved GEORGE O'BRIEN and we will all miss him terribly. Kathryn and I share with Mary Lou her sense of loss. Indeed, every Member of the House and their families share that sense of loss in a very real and human way.

He was perhaps the most warm and caring and loving human being I personally have ever known.

You would not shake hands with GEORGE O'BRIEN without, somebody said, he would give you a hug. He would pat you on the back. He loved people and they loved him.

He was a great teller of stories, as many have said on the House floor tonight. Whether you would go downstairs and sit in the Members' dining room and sit at the table with him for lunch or whether you were out to dinner with him or other Members in a delegation meeting or whether he was with folks from back home, he would always regale everyone with wonderful, wonderful stories.

I can remember a trip that a number of us took to Illinois aboard Air Force One about 2 years ago with President Reagan. We went out to Chicago. HENRY HYDE and LYNN MARTIN and GEORGE and I were privileged to accompany the President on that trip. President Reagan came back about 20 minutes ago into the flight and began telling stories about his days as an announcer for the Chicago Cubs out in Des Moines on the ticker. When he began to get into those stories, HENRY HYDE and GEORGE O'BRIEN and LYNN all began trading with the President great Irish stories. They had so much fun that the President did the same thing on the way back and spent another 45 minutes or so on the flight trading stories with GEORGE and HENRY and LYNN. It was just a wonderful fun time.

GEORGE had just come back from a trip to Ireland at the time, and anybody that knew GEORGE knew how much he loved Ireland and if there was one thing that he would have loved to have achieved, but did not during his lifetime, that would have been to be our Ambassador to Ireland.

He told the story that HENRY HYDE told earlier in the evening, and I want to repeat it. It is a true story. He had gone to a cemetery there and had looked, as I did when I was in Ireland, at some of the gravestones. One he found said "Here lies the body of Brigadier General"—I think the name was Brian Muldoon. It said, "Killed accidentally by his manservant," and it listed the date of his death. That was at the top and then down in the middle were a number of flowers and cupids, and then at the bottom of the gravestone it said, "Well done, good and faithful servant."

He saw the humor in things. He saw the fun things in life. He was positive and optimistic and he saw the good in his fellow man.

I never heard him say an ill word about anybody during the entire time that I knew him.

He was also, as has been recounted so many times this evening, a man of commitment. Everyday he spoke on the House floor about Father Jenco. For month after month he got up and brought the case for the release of Father Jenco before the American people. He went to Syria, as has been recounted earlier in the evening.

When he died and Father Jenco had not yet been released, we sat down in our Illinois delegation meeting and said to ourselves that we, the Illinois delegation, are going to undertake on a bipartisan basis to carry on GEORGE'S efforts in behalf of Father Jenco, and do you know that before we had done anything and as our colleague from California mentioned just a few moments ago, immediately thereafter Father Jenco was released and obviously it was a tribute to the commitment of GEORGE O'BRIEN and to his efforts in behalf of Father Jenco that his release was brought about.

It has also been said many times, and it is all so wonderfully true, that GEORGE was blessed with a beautiful and loving wife, Mary Lou, a wonderful family, and there was never a greater family man than GEORGE, his two daughters and three grandsons and Mary Lou. It was a wonderful family that was never closer I think than any I have ever known.

They knew that GEORGE loved life dearly. He lived it fully.

I discovered after his death and just a few days ago that he had suffered from cancer for a far longer time than any of us knew. It tells us a great deal

about GEORGE's character, the stuff he was made of, that none of us did know that. He carried on his obligations even while he was suffering from this dread disease. His work on behalf of others was carried out with the same conviction and courage and commitment that he had always shown. It was all at the same time that he was suffering.

So we have lost not only a colleague, a man who loved his country, his family, who loved his service to his country, the opportunity to serve in this wonderful body, we have lost a very, very dear friend.

I am sure that on entering Heaven, God would certainly have said to GEORGE, "Well done, good and faithful servant," and GEORGE probably would have said back to the Lord, "You know, that reminds me of a wonderful story."

Mr. MOAKLEY. Mr. Speaker, I rise to add my voice as we say goodbye tonight to GEORGE O'BRIEN. I want to thank our colleague, Mr. MICHEL, for taking this special order which allows Members the opportunity to speak on behalf of a colleague of ours who really will be missed.

Mr. Speaker, GEORGE and I were elected and came to Congress together in 1972. George has always been someone I enjoyed serving with. He was a hard working member of the Committee on Appropriations. His role as a moderate Member, who avoided extremes on all issues, enabled him to make a particularly useful contribution on that committee, were he brought bipartisan balance to difficult issues like the Federal Trade Commission and the Legal Services Corporation.

Outside the appropriations process, his most active commitment was on the issue of trade. He was an effective spokesman for the revitalization of American manufacturing capacity, and protecting U.S. workers from unfair foreign practices.

But all of us who consider ourselves GEORGE'S friends will remember him more as a man than as a legislator. He was one of the kindest and most decent men who have ever stood in our midst. He had a gentle manner, and a warm smile. He was a sincere and loyal friend to us all, and we will miss him greatly.

Mr. Speaker, I join my colleagues in expressing deepest sympathy to GEORGE'S family.

Mr. HOYER. Mr. Speaker, I rise today to add a few words to what has been said about our dearly departed colleague, the late GEORGE O'BRIEN.

Before I start, however, I'd like to congratulate my colleagues, BOB MICHEL and PHIL CRANE for organizing this special order. I also extend my condolences to his family and friends.

I had the pleasure of serving with GEORGE on the Subcommittee on Labor, Health and Human Services, and Education of the Appropriations Committee. We have a congenial and cooperative environment on the subcommittee due in large part to the demeanor of our esteemed Chairman BILL NATCHER.

It's also due, however, to members like GEORGE. That subcommittee is only as good as the sum of its parts.

GEORGE O'BRIEN was an intergal part of the subcommittee. I had the pleasure of serving with GEORGE for 3 years. In those 3 years I came to know GEORGE as a very caring man. I never heard him say a bad thing about anyone. Though his questions of witnesses you could always tell that his primary concern was for people. As the chairman is fond of saying, the Labor, HHS, Education bill is the people's bill. It was clear that GEORGE believed that it is.

GEORGE has left us now but his caring spirit has not. It's up to us, his friends and colleagues to keep that spirit alive.

I'd like to end with a quote by Angelo Parti:

In one sense there is no death. The life of a soul on earth lasts beyond his departure. You will always feel that life touching yours, that voice speaking to you, that spirit looking out of other eyes, talking to you in the familiar things he touched, worked with, lived as familar friends. He lives on in your life and in the lives of all others that knew him.

Mr. YATES. Mr. Speaker, GEORGE O'BRIEN was one of the true gentlemen of this House and a very good friend of mine. I liked GEORGE from the day I met him and I am deeply saddened by his loss.

There was a spirit of decency, compassion and thoroughgoing civility about GEORGE that won him a host of friends and made him a particularly effective member of the House. I served with GEORGE on the Appropriations Committee for many years and I was always impressed with what he was able to accomplish with his unique blend of friendly persuasion and well-reasoned argument. GEORGE had a keen intelligence and he worked very hard for his district and the people of this country. I will remember him for his many kindnesses and for the quality of statesmanship and legislative talent that he brought to the House.

I would like also to say that there is a provision in the Interior appropriations bill, which the House passed earlier today, that names the new visitor center for the Illinois and Michigan Canal National Heritage Corridor for GEORGE. He was, of course, instrumental in the creation of this very significant project and I was pleased that we were able to honor him in this way.

All of us will miss GEORGE O'BRIEN and I extend my most sincere sympathy to his wife Mary Lou and all his family.

Mr. ANNUNZIO. Mr. Speaker, I rise to join with the distinguished minority leader, Congressman BOB MICHEL, and my colleagues in the House of Representatives, in paying tribute to Congressman GEORGE M. O'BRIEN, whose untimely death on July 17, was a tremendous loss to the people of this Nation.

GEORGE became my good friend during the period we served in Congress together, and I am proud to have had the honor to work with him in the House of Representatives.

Serving our country with distinction during World War II, GEORGE O'BRIEN obtained the rank of lieutenant colonel. He received his law degree from Yale Law School, and practiced law in Joliet, IL. Before coming to the House of Representatives, he ably served as assistant supervisor of Joliet township from 1956 to 1964, and was a State Representative for the 41st District of Illinois from 1971 to 1972.

Elected to the 93d Congress in 1972, GEORGE O'BRIEN compiled an outstanding record of achievement as the ranking minority member of the Subcommittee on Commerce, Justice, State, and Judiciary of the House Appropriations Committee. Most recently, he worked tirelessly for the release of Father Lawrence Martin Jenco, of Joliet, visiting Syria and speaking to the Syrian President on behalf of the Americans being held hostage in Lebanon. Sadly GEORGE did not live to see Father Jenco released. However, his courage, compassion, and hard work toward achieving this objective will be long remembered.

GEORGE O'BRIEN was a fine legislator, and his dedication to the highest standards was an inspiration to his friends and his fellow citizens. He will be sorely missed by all those he served, and all who had the privilege to know him as a friend.

Mrs. Annunzio and I extend our deepest sympathy to his wife Mary Lou, his two daughters, and the other members of his family who survive him.

Mr. BROOMFIELD. Mr. Speaker, GEORGE O'BRIEN was special in many ways and he will be missed by all of us. He was a big man who gave of himself to his country, his constituents and his family. America has lost a great public servant, the people of his district have lost a dedicated represenative, and GEORGE'S family has lost a loving husband and father. We in the Chamber have lost a dear and wise colleague.

GEORGE loved his work and did it well. He labored diligently on the House Armed Services Committee. He also served ably as ranking Republican on the Commerce, Justice, State and Judiciary Subcommittee of the Appropriations Committee.

Being an man of great compassion, he organized and then served as chairman of the House Republican Task Force on the Handicapped.

He was particularly active in the North Atlantic Assembly and was a member of the House delegation to the Assembly where he served with distinction.

I clearly remember GEORGE'S last appearance in Congress. On June 25, he left his sickbed and entered the House Chamber in a wheelchair. He was determined to cast his vote in support of President Reagan's request for aid to the Contra rebels in Nicaragua. His final vote in this Chamber was done with the determination and commitment that characterized GEORGE'S service here in the House.

GEORGE was a statesman, not a politician. He tried to look at issues apart from partisan politics. He constantly looked at what was good for the country and voted that way regardless of the party line. He clearly knew where partisanship gave way to cooperation.

GEORGE never forgot who sent him to Washington and whose votes kept him in the House. He deeply believed in taking care of the people in his district and ensured that every last letter was answered. Concern for his Fourth District constituents was paramount and never-ending. He was justifiably proud of

his interest in and service to the common people back home.

He worked long and hard to improve the economy in his district. He played a major role in creating the Illinois and Michigan Canal National Heritage corridor, obtained funds for the Joliet Job Corps Center, and revitalized the Joliet Army ammunition plant.

While he often took a back seat on national and international issues, GEORGE won deserved praise when he traveled to Damascus, Syria, and met with President Hafez Al-Assad about the release of his constituent, Father Lawrence Jenco of Joliet, IL. The Syrian President pledged to work for the release of the captives.

During the time that Father Jenco was in captivity, GEORGE maintained close contact with the Jenco family and kept them current on the hostage situation.

The other day, when Father Jenco was given his freedom, I thought of GEORGE and how his great efforts had contributed to the release of that humble priest. Given GEORGE's big heart and compassionate ways, I am sure he is looking down on Father Jenco today with a sense of real accomplishment.

GEORGE will be missed most of all by his loving family. He and his wife, Mary Lou, enjoyed a long and warm marriage that has been described by their friends as a model husband and wife team. GEORGE was a dedicated husband and father who gave much of himself and received much love in return from his wonderfully family.

As a friend and colleague, GEORGE will be missed by all of us in this Chamber. I remember him well throughout the many years we served together in this body. He as a good human being. I remember most of all his kindness and humanity. He had a great intellect and a wonderful sense of humor. He as admired and trusted by his colleagues in the House and he displayed great personal loyalty to all of his devoted friends. His infectious smile and selfish ways revealed his Irish background. He was an amiable man who was highly respected by colleagues on both sides of the aisle. All of us will sorely miss GEORGE, and America will have lost a superb public servant.

My heart goes out to his family and friends. I know that I can speak for all of us in this Chamber when I say that an eagle has fallen. All of us are better men for having known and worked with GEORGE O'BRIEN.

Mr. LOEFFLER. Mr. Speaker, I rise today to honor the memory of our departed colleague, Representative GEORGE O'BRIEN.

I have had the privilege of working with GEORGE O'BRIEN in two capacities. As legislative liaison for President Ford, I spent many hours here working with Members of Congress, including the gentleman from Illinois.

In that capacity, one learns very soon whose word can be relied upon in this process of negotiation and accommodation. One thing I will always remember about the gentleman from Illinois is that his word was his bond.

Another quality which impressed me about GEORGE O'BRIEN was his genuine warmth. From the day he met me, he always knew me as TOMMY, and that meant a great deal to me, especially during my first years on the Hill with the White House. Later, when I became a Member of Congress, GEORGE O'BRIEN's honesty and sincerity remained as genuine as when I first had the privilege of meeting and working with him. His reputation for hard work in the service of his constituents is also well-known.

Mr. Speaker, GEORGE O'BRIEN was a beloved friend and colleague of us all, and he will be sorely missed here in this Chamber. I would like to express my sincere sympathies to his family and my deep regret at the passing of our compatriot.

Mrs. HOLT. Mr. Speaker, all of us who knew GEORGE O'BRIEN feel a keen sense of loss, but I have some special memories because we came to Congress together in the class elected in 1972. We learned the ways of this institution together and found occassion to consult each other on a variety of matters over the years.

GEORGE was a very good person with a generous nature. His warmth enabled him to make friends easily, and we remember him with fondness. We were fortunate to have known him. Duncan and I will pray for Mary Lou and his family.

Mr. MURTHA. Mr. Speaker, I truly considered it a privilege and a pleasure to serve in Congress with GEORGE O'BRIEN.

In particular, I will always remember the thoughtful concern and the diligent attention GEORGE brought to problems both national in scope and within the area he represented so ably for years.

I worked particularly closely with GEORGE on the House steel caucus. He served as our treasurer. He served as an active executive committee member. He served as a key part of our debates, our stability, and our success. The steel caucus works very hard to operate on a bipartisan basis so the needs of the steelworkers, steel communities, and steel companies are always our primary focus—GEORGE was constantly willing to join in taking that long-range view, in stressing progress and cooperation over partisanship and dissent.

I was also pleased to join with the members of the House Interior Appropriations Subcommittee in designating the visitor center for the Illinois and Michigan National Heritage Corridor to be located at the Fitzpatrick House in Lockport, IL, the "George M. O'Brien Visitor Center.

As our report notes, "This action recognizes the leadership and contributions of Representative GEORGE M. O'BRIEN with respect to the creation and establishment of the Illinois and Michigan National Heritage Corridor.

I close with a couple personal reflections: I will remember his Irish wit; I will miss his good humor and smile; I will continue to respect his deep religious commitment; and I will suffer from no longer having his counsel and experience.

Mr. LENT. Mr. Speaker, I'd like to thank the distinguished gentlemen from Illinois, Congressmen ROBERT MICHEL and PHIL CRANE for calling this special order honoring our esteemed colleague, the late Congressman GEORGE O'BRIEN.

Representative O'BRIEN had a long and distinguished career in the House of Representatives. For over 14 years, he served his Illinois constituents and his country admirably and to the best of his ability. He was an outstanding public servant who believed that his most important responsibility was to the people he represented in Congress.

GEORGE was admired and respected by his fellow colleagues, both Republican and Democrat. As a senior member of the House Appropriations Committee, he'd earned a reputation as a hard-working, effective legislator.

Sadly, the Nation has lost one of its finest statesmen, and he will be missed. I'd like to extend my deepest sympathies to Congressman O'BRIEN's family and loved ones in their time of sorrow.

Mr. ROYBAL. Mr. Speaker, in properly paying tribute to our colleague, GEORGE O'BRIEN, we must recognize the type of man that he was.

GEORGE O'BRIEN was an affable man with an unending concern for the constituents that he represented for nearly 14 years. His efforts were directed at improving his district which had been severely hurt by recession and helping those less fortunate. He prided himself on answering each piece of mail that came across his desk, and was truly a man of the people. Negotiating for the release of Reverend Jenco and other hostages in Lebanon, as well as being instrumental in the declaring of Joliet as a separate statistical area, are merely two examples of his dedication to the Fourth District of Illinois.

Achieving the rank of lieutenant colonel in the 8th and 12th Air Force during World War II, GEORGE O'BRIEN served his country well. He continued this service upon entering into public office. After being elected to the Will County Board of Supervisors and the Illinois General Assembly, he came to the 93d Congress in 1972. As a respected member of several committees, as well as chairman of the House Republican task force on the handicapped, he always fought for what he believed to be right. Coming from his sickbed to vote on the controversial Contra aid bill, GEORGE once again took a stand for that in which he believed. Even those who did not agree with GEORGE'S views were compelled to admire his perseverance and spirit.

As a member of the Appropriations Committee, I had the opportunity of working closely with GEORGE, particularly on health-related issues. He shared my commitment to improving the quality of health care in the United States, and I know he commanded the respect of experts in this area. The congenial personality that GEORGE O'BRIEN possessed brought respect from both political parties. He was loved as a colleague, and most importantly as a friend. He will be sorely missed.

Mr. CHAPPELL. Mr. Speaker, I appreciate this opportunity to join with my colleagues today in honoring the memory of GEORGE O'BRIEN, whose valiant but unsuccessful struggle with cancer ended 2 weeks ago.

Having served with GEORGE on the Appropriations Committee, I can say that the citizens of the Fourth Congressional District in Illinois have lost a most effective legislator, one who could balance the particular needs of his constituents with those of the rest of the Nation. As the ranking minority member of the

Appropriations Subcommittee on Commerce, State, Justice and the Judiciary, he annually worked with the chairman to craft a carefully constructed bill which would adequately fund worthwhile programs without wasting precious taxpayer dollars.

GEORGE's career in public service was capped posthumously by the release last week of Father Lawrence Jenco, a priest who had been held hostage in Lebanon for 18 months. Countless times over the last year and a half, GEORGE took to the well to ensure that the Congress, the President, and the American people did not forget about his constituent, Father Jenco, who was being held prisoner in a land far away. While the entire Nation was rejoicing in the release of Father Jenco, our joy in this body was tinged with sadness—sadness that our colleague had passed away barely 1 week before, without witnessing the fruits of his labors over these many months.

When GEORGE came to the floor of the House late last month to cast his vote on the question of providing aid to the Contras in Nicaragua, it took a tremendous amount of courage to do so. Weakened though he was by illness, he felt that his country needed him to be there when a close vote was expected on a crucial foreign policy question, and he was there, despite his personal suffering.

We shall all miss GEORGE O'BRIEN. His passing has left a major void in this body. My deepest sympathies go out to his wife, Mary Lou, and to his two daughters, Caryl and Mary.

Mr. MONTGOMERY. Mr. Speaker, I am very honored to join with my colleagues in this special order to remember our friend, GEORGE O'BRIEN. He was one of the most popular and capable Members of this Chamber. In the years I have served here, I can't recall the first negative remark made about our late colleague from the State of Illinois.

GEORGE handled appropriations on the floor of this House in a very reasonable and thoughtful manner, yet he was always firm in his convictions. We need more people like GEORGE O'BRIEN in Congress. He was a great American and a very effective legislator. He will be missed, but certainly not forgotten.

Mr. HORTON. Mr. Speaker, on July 17 I lost a personal friend and colleague, and the House of Representatives lost a valuable Member. GEORGE M. O'BRIEN, who for 14 years dedicated his services to the people of the Fourth District of Illinois, passed away after a battle with cancer. It is truly sad to see a person with his strength, his dedication, so weakened—and finally taken from us—by cancer. It is my hope that this personal brush with cancer will spur us all on to find ways to win the difficult battle with this deadly disease.

While few outside of the beltway or his district knew of GEORGE, those of us on Capitol Hill were acutely aware of the major roles he played during his tenure on the Appropriations Committee. He was highly respected by Republicans and Democrats alike, and his conscientious efforts toward dealing with the smaller details gave him respect among his colleagues that was unequaled.

In addition to this Chamber, I had the honor of serving with GEORGE on the North Atlantic Assembly, representing the United States in meetings with parliamentarians from our NATO allies. I was always impressed by his dedication and willingness to sacrifice of himself for others.

During our trips to Europe, he flew to Rome and elsewhere in his efforts to secure the release of the Reverend Lawrence Martin Jenco, who grew up in GEORGE's district. It is sadly ironic that Reverend Jenco was released just days after GEORGE's untimely passing.

My wife Nancy and I have known GEORGE and his lovely wife Mary Lou on a personal basis for a very long time. We want to extend our sympathies to Mary Lou and the O'Brien family.

Congress lost a giant on July 17, and I lost a very dear friend. He will be sorely missed.

Mr. LEVIN of Michigan. Mr. Speaker, I join my colleagues in their tributes to Representative GEORGE O'BRIEN and would like to extend my sympathies to his wife and family.

I will remember Mr. O'BRIEN as fair and just, a man whose convictions often transcended the lines drawn by these aisles. He consistently acted upon those values that he deemed good and right. And he occasionally pricked our conscience. That virtue will be missed.

His leadership was indeed clearly witnessed as he came before us tirelessly, urging each of us to be vigilant in our efforts on behalf of the hostages in Lebanon. His vision of their safe return was focussed on, but not restricted to the release of his friend and constituent, Father Martin Jenco. And he pursued all possible courses of resolution in that effort.

Tomorrow, Father Jenco will return to the United States. We deeply regret that GEORGE will not be here to share in that happy moment.

I also remember the last words that Representative O'BRIEN left with us. He spoke of this body and the very special sense of family and friendship that he felt here. It was a personal and moving statement. He is missed by his many friends in the House.

Mr. SKELTON. Mr. Speaker, GEORGE O'BRIEN was a friend of mine. As one passes through life there are those who stand out because of genuine warmth and friendship. Congressman O'BRIEN was such a person. Our belonging to the same college fraternity, Sigma Chi, made our friendship all the more meaningful. He was a credit to this country and an inspiration to all who knew him. I was proud to call him my friend.

Mr. FUQUA. Mr. Speaker, I appreciate this opportunity to express my sympathy to the family and friends of my good friend and colleague GEORGE O'BRIEN.

The Fourth District has truly lost a dedicated public servant and a fine human being. GEORGE's distinguished service as the ranking minority member on the Subcommittee on Commerce, Justice, State, and Judiciary of the Committee on Appropriations gained him much respect among his colleagues.

My good friend, GEORGE was always willing to lend advice and listen patiently to others' views. His wisdom and presence will be dearly missed by all his colleagues and his constituents.

Mr. DREIER of California. Mr. Speaker, last week our colleague and our friend, GEORGE O'BRIEN, passed away. GEORGE'S absence will be felt by all, of course by his family and friends, but also by the State of Illinois, Congress, and the Nation.

GEORGE O'BRIEN was a sincere and dedicated individual with a purpose and drive unsurpassed by many as evidenced most recently when he came to the House floor from his hospital bed in order to cast his vote in favor of aid to the freedom fighters. A living example of GEORGE'S dedication to his fellow man is Father Lawrence Jenco, a native of the Fourth District of Illinois who was just freed from captivity in Lebanon, in part due to GEORGE'S valiant efforts.

A fine example for us all, GEORGE'S legacy will live on as a reminder to us to strive for what we believe in as he did all of his life.

Mr. VANDER JAGT. Mr. Speaker, it is indeed a sad task we are performing in saying goodbye to our dear friend and colleague, Congressman GEORGE O'BRIEN, who left us on July 18. A dedicated representative of the people of suburban Chicago, he won the respect and admiration of his colleagues on both sides of the aisle for his effective work on the House Committee on Appropriations.

I want to thank my colleagues, Congressman ROBERT H. MICHEL and Congressman PHIL CRANE for calling this special order to honor GEORGE'S memory. They have given us an opportunity to focus our attention on a lifetime of achievement and public service which merits our highest accolades and commands our deepest respect.

GEORGE O'BRIEN always knew what it took to be a good representative—fairness, compassion, integrity, intelligence, and a deep-seated love of country. He possessed each of these qualities and they served him and more importantly, the American people, well. GEORGE O'BRIEN was truly a people's representative. He came from the people, and he continued to earn the love and respect of the people who elected him and had the privilege to work with him. Friend, colleague, respected legislator, GEORGE O'BRIEN lived a distinguished life of service to our great Nation. He will be sorely missed.

Mr. RUDD. Mr. Speaker, I wish to express my deepest sympathy to the family of Congressman GEORGE O'BRIEN, who proudly represented the fourth district of Illinois for 14 years.

From his service in the Air Force during World War II, to his unselfish work in the House, Congressman O'BRIEN always worked to preserve liberty and freedom for our Nation. GEORGE was a true patriot who served his constituency well. He was a powerful force accomplishing what needed to be done.

However, GEORGE was much more to be than a deeply admired colleague. GEORGE was of great assistance to me as a new Congressman when I was first elected. He was a true Christian man who was greatly admired by his fellow colleagues in Congress.

I offer my sincerest condolences to Mary Lou and GEORGE'S two daughters, Caryl and Mary. My prayers and best wishes are with them in this difficult time, and I only hope that they can find some comfort in the knowledge that GEORGE will always be remembered by his friends, colleagues, and many admirers as a shining example to all Americans.

Mr. McKINNEY. Mr. Speaker, I rise today to honor the late GEORGE M. O'BRIEN of Illinois, who died on July 17. GEORGE was a good friend and trusted colleague. He will be deeply missed by this House, where in his career, he served honorably and with dignity.

Born in Chicago in June 1917, GEORGE was a 8-year veteran of the Will County Board of Supervisors. In between his service to the community at the local level and his service to his county, State and Nation here in Congress, GEORGE practiced law in Joliet.

Throughout his career in the House, which spanned some 14 years, GEORGE was not a flamboyant politician. Instead, he was a skilled behind-the-scenes legislator and diligent representative of his district. As the ranking Republican member of the Appropriations Subcommittee on Commerce, Justice, State and Judiciary, GEORGE was a strong supporter of funding for the handicapped. During his service on the Subcommittee on Labor-Health and Human Services-Education, his efforts in the 98th Congress led to higher visibility for the nursing profession and a $5 million appropriation for a nursing research facility, GEORGE also fought for the maintenance of the Legal Services Corporation and Juvenile Justice Programs.

Mr. Speaker, it was through the House Wednesday Group that I really got to know GEORGE. I found it a pleasure to work with him in that capacity. As an Irishman, I will certainly miss his Irish humor. It will leave me destitute.

GEORGE M. O'Brien served this House and his Illinois constituents admirably during his 14 years in Congress. He will be deeply missed.

Mr. RUSSO. Mr. Speaker, we have lost a dedicated Congressman with the passing of Congressman GEORGE O'BRIEN. He was a man of great personal integrity and I am proud that he was my friend as well as my colleague. I will miss him.

GEORGE was someone you knew would be there when you needed him. Ask for help and he, without a moment's hesitation, would take the time to hear you out and help in any way he could. I especially appreciated this willingness on his part to work with even a "younger" member like myself, and even though we were in different political parties. It says a lot about the man and his values. He was here to be a Congressman. And indeed he was a Representative in every sense of word. He was hard-working, he remembered the constituents back home, he was committed to doing what was best for our Nation.

GEORGE will not be forgotten. He's left his mark on the Congress and on this country. I'm going to always remember that easy going manner, his honesty, his personal courage and the enjoyable talks we had as well as the work we did together on projects for the third and fourth districts in Illinois. I'm going to remember the honor it was to know him and work with him.

Today I join with my colleagues in paying tribute to him and in expressing my condolences to his family. He was a fine man and we share in their loss.

Mr. RINALDO. Mr. Speaker, it is with deep sorrow that I join in extending my sympathy to Mary Lou O'Brien on the death of her husband, our colleague GEORGE O'BRIEN. GEORGE and I were both elected to Congress in 1972, and during the nearly 14 years we spent together in Washington we became good friends. He was a very capable, dedicated and courageous legislator who has left his mark on Capitol Hill. One memory I will always have of GEORGE is the grit he showed in getting out of a sick bed late last month to come to the House floor in a wheelchair for the critical vote on the Contra aid issue. So impressed were we with that exhibition of devotion to duty that we gave him a 5-minute ovation. He deserved it.

During his seven terms, GEORGE brought to the deliberations of the House a strong sense of personal conviction, integrity, and legislative ability. In establishing an impressive record of public service, he contributed creatively and constructively to legislation advancing the welfare of the Nation. His dedication and his love of his district, State, and country had a positive influence on all of us who knew and worked with him. He was a good friend, a conscientious legislator, and we are going to miss him.

Mr. YATRON. Mr. Speaker, today we are setting aside time and the press of business to pay tribute and last respects to our departed colleague, the Honorable GEORGE O'BRIEN. GEORGE was a strong, thoughful legislator who compiled a remarkable record of achievement in Congress.

GEORGE'S legal education and broad background in the law stood him well in his position as ranking minority member of the Appropriations Subcommittee on Commerce, Justice, State, and Judiciary. These four areas of Government have an enormous range and effect on American life. GEORGE'S careful and precise approach to the subcommittee's work greatly influenced the quality and productivity of the three departments and our judicial system. The appropriations process was GEORGE'S forte and he worked diligently each year in determining spending priorities and supporting programs to improve the workings of a significant portion of the Federal Government.

GEORGE O'BRIEN was a kind and considerate man with humanitarian concerns and an abiding respect for life and liberty. In the noted case of Father Lawrence M. Jenco, a native of Joliet, IL, GEORGE pressed unrelentingly and used every avenue possible to try to secure Father Jenco's freedom. I know we owe Father Jenco's recent release in large measure to the fact that GEORGE O'BRIEN would not give up on his efforts to bring his constituent and fellow American back from the abyss of terror. It is very sad that GEORGE'S passing occurred only days before his prayers and yearlong appeal were answered.

GEORGE will be deeply missed in the U.S. Congress. In a speech in this Chamber not long ago, he spoke poignantly of brotherhood and goodwill. Truly, no other among us stood better for these ideals. I know I join with all my colleagues in feeling the loss of a good and respected friend and in expressing deepest sympathy to Mary Lou O'Brien and her family.

Mr. SCHEUER. Mr. Speaker, I want to join my colleagues here today in honoring the memory of our splendid colleague—GEORGE O'BRIEN.

GEORGE O'BRIEN was a conscientious legislator who was more interested in the integrity of the congressional process than in obtaining headlines in the media.

Those of us in the House who knew GEORGE remember him as an honorable public servant who put the good of the Nation before partisanship, and beyond that a thoroughly fine, decent human being who enjoyed the warm friendship and deep respect of Members from every point of the congressional spectrum. GEORGE was a kind and delightfully amiable guy.

As a member of the House Appropriations Committee and the ranking member of its Subcommittee on Commerce, Justice, State, and Judiciary, GEORGE O'BRIEN gained the respect of his colleagues on both sides of the aisle for his diligent work on that panel.

GEORGE O'BRIEN is best remembered by his colleagues for his support for programs to aid the handicapped and his efforts to preserve the Legal Services Corporation.

He will also be remembered for being the first Member of Congress to meet with Syrian President Hafez Assad about Americans held captive in Lebanon.

The Reverend Lawrence Jenco—one of the American hostages—grew up in GEORGE O'BRIEN'S congressional district.

Ironically, only days after GEORGE'S death, Reverend Jenco was released from captivity.

He favored cooperation over confrontation—and his word was like gold. I, for one, will miss GEORGE O'BRIEN'S presence in this body.

He represented the best of Congress—someone who put the interests of his Nation and his constituents first and foremost.

Mr. MOORHEAD. Mr. Speaker, I am pleased to have this opportunity to share in a tribute to my friend, GEORGE O'BRIEN. We came to the Congress the same year. We served in the same party and, more often than not, we held the same views on issues.

GEORGE was a quiet man. He was not one quoted day after day in the national news, but he served his constituents effectively. He was a man of strength who stood firmly for what he believed. That was evidenced time after time while he served the people of Illinois' Fourth District here in the Congress, but never more clearly than on a recent evening when he came in a wheelchair, too weak from his illness to walk, to cast his vote for a principle he believed in. He demonstrated daily a commitment to duty and responsibility that led him to great successes in many areas.

GEORGE was a gentle man. He was a man with many friends from all walks of life. He always had kind words to say about others. He cheered up whatever room he walked into with his big smile and happy stories.

One of the most outstanding things about GEORGE was his strong faith in his God and his strong faith in his country. He practiced that faith consistently and by his very life encouraged others to strengthen their own faith in both God and country.

And then, there was GEORGE'S love for his family. He and Mary Lou were good friends and loved doing things together. They shared a great love for, and pride in their two daugh-

ters. It was the kind of life that illustrates the very best things about being part of a family.

We miss GEORGE O'BRIEN and shall continue to miss him. But our lives are richer because he shared them for a time.

Mrs. Moorhead joins me in extending our deepest sympathy to Mary Lou and the girls. We pray that God will bless them especially during this time when they are learning to go on with their lives without GEORGE.

Mr. SHUMWAY. Mr. Speaker, I am very pleased to have this opportunity to pay tribute to the late GEORGE O'BRIEN, a man who distinguished himself as a Member of this House, and as a caring citizen.

GEORGE befriended me when I was a newly elected freshman, something I am not likely ever to forget. He was a warm, likeable man who made it a point to learn the interests of others, and he went out of his way to discuss them with obvious concern. He provided guidance and leadership, knowledge and experience, and a fine example of the committed, responsibile legislator.

GEORGE O'BRIEN cared deeply about the people of his district, his State and the Nation. To the very end, he was outspoken and courageous in his positions. I doubt that the memory of his last appearance in this Chamber will ever dim for any of us who were privileged to share it. No matter what his own personal sacrifice, he was here defending that in which he believed, and making every possible effort to convince others of the rightness of the cause. It was an emotional moment but, more importantly, it served to remind us all of the serious mandate we have been given.

GEORGE O'BRIEN left a deep mark on the Congress he served with ability, and with affection. He will long be remembered. I extend my most sincere condolences to his family, and I am indeed grateful for having had the privilege to know and work with him.

Mr. GOODLING. Mr. Speaker, I would like to take this opportunity to pay tribute to a dedicated and distinguished former colleague, GEORGE O'BRIEN.

GEORGE was an outstanding individual who dedicated his life to our country. A veteran of World War II, GEORGE's political career demonstrated his devotion to his fellow Americans. Since his election to the House in 1972, GEORGE served as a diligent member of the Appropriations Committee and as the ranking GOP member of the Subcommittee on Commerce, Justice, State, and Judiciary. He fought for programs that advanced humanity and truly believed that his position as Representative of the people was of paramount importance in his personal quest to create a stronger nation.

GEORGE O'BRIEN was one of the warmest, gentlest, and kindest human beings I have ever met. We will miss this great man. I am saddened by our loss, but I know that his spirit will always remain.

I wish to express my heartfelt sympathy to the family of Congressman GEORGE O'BRIEN.

Mr. DUNCAN. Mr. Speaker, today we pause to honor a true man of the people, GEORGE O'BRIEN. GEORGE was a highly esteemed colleague who will be missed greatly by the people of the Fourth District of Illinois, and his friends in the House of Representatives.

I believe the entire membership of the House recognizes and appreciates GEORGE's hard work on the Appropriations Committee. During his 14 years of service, he served the commmittee and the Republican Party in a most commendable manner. His family and friends can be proud of his accomplishments and his service to the people in his district.

Throughout his tenure he tried to protect the interests of the underdogs, by supporting and promoting funding for programs designed to serve low-income families and the handicapped.

I consider it an honor to express my respect and admiration for GEORGE. Like you all, I will miss him greatly.

Mr. JONES of Tennessee. Mr. Speaker, like our colleagues, I was greatly saddened by the death of our colleague, GEORGE O'BRIEN. He served this Nation with great dignity and distinction during his time in the House of Representatives. More importantly, GEORGE brought a special sense of obligation to his fellow human beings that set him apart from the average person.

I, for example, didn't serve on any committees with GEORGE O'BRIEN and since we were on opposite sides of the political aisle we didn't have occasion to work together on projects of mutual interest. But GEORGE went out of his way to befriend me and get to know who I was and what kind of person I am. Most importantly, his warm, outgoing, and compassionate manner gave me an opportunity to know him and gain an immense amount of respect for him.

GEORGE O'BRIEN was a good man. All of us who had the privilege of serving with him in this Chamber are better people for having known him. Our Nation was blessed with having him serve here. I want to extend to his wife and family my deepest sympathy at this time of their great loss.

Mr. IRELAND. Mr. Speaker, I rise today to share a few moments with my colleagues in paying tribute to my friend, GEORGE O'BRIEN. My remarks will be brief, but they are sincere, for I loved GEORGE O'BRIEN, and his death has left a void that cannot be filled.

GEORGE's service in the Congress began before mine, but for him it was just the continuation of a life of service to his neighbors, to his State and his Nation.

His service was selfless and effective. He worked hard and long, and if we had not seen before, we all were in awe as we watched GEORGE's tireless, continuing and personal efforts in behalf of his friend, former hostage Lawrence Jenco. How very much GEORGE must have enjoyed Father Jenco's homecoming.

Ours is the finest deliberative body in the world, and we each hold a great trust from our constituency. No one fulfilled his stewardship better than GEORGE. He represented the best we have to offer, and the command and dignity with which he performed his representative duties is an inspiration.

Nancy and I extend our sympathies to GEORGE's family. We know your loss and your grief. But we've also found great comfort in the many warm memories we will always have of GEORGE, and feel blessed to have shared his friendship.

Mr. WOLF. Mr. Speaker, I join with House Members today in honoring the memory of our late colleague GEORGE M. O'BRIEN.

I feel honored to have had the opportunity to serve in the Congress with GEORGE O'BRIEN and especially to have had the chance to serve with him on the Appropriations Committee. He was a diligent Member who represented the Fourth District of Illinois for nearly 14 years with a gentlemanly and effective style.

I think I will remember most his courage and his compassion.

I will never forget that dramatic evening when this body was voting on the question of aid to the Nicaragua Contras and GEORGE, fighting so bravely against cancer, came courageously to this floor to cast his vote for an issue he believed was so important to our Nation.

I will also remember GEORGE's work on the Appropriations Committee where he mixed a sense of fiscal responsibility with a sense of compassion and fought hard for money for the handicapped and juvenile justice.

He also was a staunch supporter of the National Institutes of Health and convinced us of the need to establish a National Institute of Nursing at NIH to provide a nursing research arm to improve disease prevention and cut medical costs. He was so concerned about providing effective nursing services at NIH and justly compensating the nurses who work there that he joined in cosponsoring my legislation on the need for special pay rates in the civil service for categories of employees such as nurses who are in hard-to-fill professional positions.

GEORGE O'BRIEN leaves a proud record of public service and involvement in Republican politics in Illinois and a distinguished career as a Member of Congress. We feel his loss very deeply and express our sincere sympathy to his wife Mary Lou and their two children.

Mr. ROGERS. Mr. Speaker, I would like to join with my colleagues in mourning the passing of our colleague, GEORGE M. O'BRIEN.

The Fourth District of Illinois, the Congress, and our Nation have benefited greatly from the presence of Mr. O'BRIEN in the Halls of Congress. He brought to us a deep devotion to his work, a profound dedication to serving his district, and a lasting commitment to the well-being of our Nation.

It has been a particular honor to serve under his leadership on the Appropriations Committee. I have seen on a firsthand basis, day by day, his untiring efforts to serve his constituents and his country.

But perhaps the incident which best illustrates GEORGE O'BRIEN's stature of service to our Nation occurred several weeks ago during the critical vote on aid to Nicaragua. The vote count was extremely close and the implications for the future of democracy in the Western Hemisphere were enormous. GEORGE O'BRIEN got up from his sickbed, putting his own serious problems to one side, and came here to the Capitol. He arose from his wheelchair and cast his vote with the President, helping us to victory.

In looking at his own selfless courage and unremitting efforts, I could only reflect whether the rest of us are willing to devote similar

effort for the sake of democracy and freedom. And I have no doubt that this action and his lifelong record of dedication to the highest principles of our Nation will inspire a new generation to follow in his worthy footsteps.

I extend my deep condolences to GEORGE's wife, Mary Lou, and to their daughters. We join in your mourning and deep and lasting regard for one of our Nation's great men.

Mr. LIVINGSTON. Mr. Speaker, GEORGE O'BRIEN was not only a dedicated and capable Member of Congress, but a man whose friendship I greatly valued. Last summer, GEORGE, his wife, Mary Lou, and my wife and I traveled to Europe together. That's when I became closest to GEORGE, and when I began to admire what a truly wonderful person he was. During the trip, GEORGE broke away from the group and journeyed to Syria in hopes of winning the release of the Reverend Father Lawrence Jenco, a native of Joliet, ILL, in GEORGE'S district.

GEORGE was absolutely tireless in his efforts to free Father Jenco.

Despite an illness that would grow more serious by the day, GEORGE O'BRIEN never gave up. This was truly a quest about which he felt strongly. In honor of GEORGE'S unfailing diligence, I have remembered him in my weekly editorial column. The complete text of the column follows:

We may never know exactly why Father Lawrence Jenco was released last month after being held captive for more than 500 days by terrorists in Lebanon. But the seeds of Father Jenco's freedom were planted, and then nurtured for nearly a full year, by Congressman GEORGE O'BRIEN of Illinois.

Like many heroes, Congressman O'BRIEN did not live to witness the fruits of his labor. He died last month of cancer, 9 days before Rev. Jenco was freed.

Mr. O'BRIEN was the first Member of Congress to go to Syria on Father Jenco's behalf. He met not only with Syrian President Hafez Assad and other high-ranking Syrian Government officials, but with representatives of the Vatican, Britain, Egypt, France, Iran, Israel, Turkey, and the United Nations.

Back in Washington, Congressman O'BRIEN worked with the State Department, the White House, the CIA, and other Government agencies to help win Father Jenco's release. When his health permitted, he made speeches on the floor of the House so that Congress would not forget the plight of Father Jenco and the other hostages. Congressman O'BRIEN even scheduled a return trip to Syria, but his illness prevented him from going.

In other words, he did not leave a stone unturned.

Two days before Mr. O'BRIEN passed away, when he must have known that death was near, the Congressman told his wife that he regretted not living to see Father Jenco freed.

When the news of Father Jenco's release reached Washington, the reaction of those close to Congressman O'BRIEN was, understandably, bittersweet. They were elated that Father Jenco could finaily return home, but saddened that Congressman O'BRIEN would not be there to welcome him.

Thinking of Mr. O'BRIEN'S "never quit" attitude toward winning Father Jenco's release, a friend of the Congressman remarked: "When Mr. O'BRIEN died, I knew he would talk to God about Father Jenco. This just proves there is no bureaucracy in Heaven."

The release of Father Jenco has prompted emotional pleas for the Reagan administration to win the release of the remaining hostages by meeting the demands of their terrorist captors. But the official Reagan Administration policy remains not to negotiate with terrorists, and Congressman O'BRIEN understood this. He recognized the difference between quiet diplomacy and knuckling under to terrorists' demands.

The issue is not merely how to gain the release of the remaining U.S. hostages in Lebanon, but how to do so without rewarding terrorism, undermining our national interests and jeopardizing the future safety of all U.S. citizens.

After all, terrorists do not kidnap Americans simply for the sake of holding Americans hostage. They do it with the hope of holding American foreign policy hostage.

The Reagan administration—indeed, any President's administration—cannot afford to permit its sympathy for innocent hostages to outweigh its determination to conduct a foreign policy free from blackmail. While it has an obligation to seek release of hostages, the administration has an obligation to millions of potential hostages to deter future kidnappings by convincing terrorists that they gain nothing when they seize U.S. citizens.

President Reagan has instructed the State Department to make no concessions that reward terrorism. Although we do not know all of the reasons why Father Jenco was freed, his release is evidence that President Reagan's approach is working.

And I would like to think that, somewhere, GEORGE O'BRIEN is resting happily, a job well done.

Mr. YOUNG of Florida. Mr. Speaker, my colleagues from Illinois, Mr. MICHEL and Mr. CRANE, are to be commended for requesting this time today to honor our colleague and good friend GEORGE O'BRIEN.

I had the distinct pleasure to serve with GEORGE on the Appropriations Committee where he played an important role as ranking minority member on the Commerce, Justice, State, and the Judiciary Subcommittee. GEORGE also was particularly active in the area of medical research as a member of the Health Appropriations Subcommittee, on which we served together.

During the past year, GEORGE worked diligently with the members of the subcommittee to provide adequate resources to improve our Nation's ability to understand and treat kidney disease, the ultimate cause of GEORGE'S untimely death. The subcommittee included in the fiscal year 1987 appropriations bill, which appropriately passed the House earlier today before this special order, funding to establish six new kidney research centers within the National Institutes of Health. Because of GEORGE'S special interest in this area of medical research, the Appropriations Committee has directed that these new centers be named the GEORGE O'BRIEN Centers in honor of his service and work in this area.

Perhaps my lasting memory of GEORGE will be his special effort last month to cast a critical vote to release funding for the Contra forces in Nicaragua. Despite suffering from a terrible illness the past few months, GEORGE was courageous enough to be here the evening of June 25 because he knew his vote was important to the national security of our nation.

In the midst of a heated foreign policy debate, the Members of the House stopped to greet GEORGE when he entered the Chamber. The warm expression of friendship and concern for our colleague is testimony to the high regard and esteem we held for GEORGE O'BRIEN.

We would do well to remember GEORGE'S words that evening, for they sum up what is so great about this body, our Government, and our Nation. GEORGE said:

"I note that there is a certain sense of fraternity irrespective of views, irrespective of party, that transcends all the other differences we have."

Those words are true, Mr. Speaker, because our Nation protects our freedoms and liberties. Our Government gives us the right to freely debate the issues of the day. We may disagree at times on policy matters, but we all would agree that ours is the greatest Nation in the world.

GEORGE O'BRIEN was a distinguished American who played an important role during his 14 years of service here in preserving the freedoms we cherish. His ideals and standards are those that our current and future colleagues would do well to emulate.

Mr. NATCHER. Mr. Speaker, my friend GEORGE M. O'BRIEN was not only an outstanding Member of the House of Representatives, but was one of the best members we have ever had on the Committee on Appropriations.

During his service in the House of Representatives, he established an ouststanding record—one that his people can be proud of and one that will always be remembered by those who served with him in the House. Words are inadequate to fully appraise GEORGE O'BRIEN'S tremendous capacity for loyalty and love of his country. In every position he held, either private or public, he achieved distinction. His service in all of his assignments was marked by a high sense of conscience and duty. His character, his achievements and his faithful service will be an inspiration to generations yet to come.

His life exemplifies those virtues that make a great Congressman and those are fairness, generosity and an unyielding devotion to all matters which were for the best interests of our country. He left his mark on Congress, not necessarily through legislation which he succeeded in having enacted, but instead through his character itself, he was always a gentleman.

It was a distinct honor and privilege to serve on the committee that appropriates the money for the Departments of Labor, Health and Human Service, and Education with my friend GEORGE O'BRIEN. I have lost a true friend and this country has lost a great statesman. To his lovely wife and family, I extend my deepest sympathy in their bereavement.

Mr. MYERS of Indiana. Mr. Speaker, it seems like only yesterday that I met a new Member of the incoming class of the 93d Congress whom I had previously known by name only. His district, the Fourth of Illinois, is

just across the State line and I had observed the oustanding campaign he had waged from media reports. That new Member was jovial, happy, intelligent, self-assured, outgoing, and was GEORGE O'BRIEN. At first meeting, I felt like I had known him all my life.

GEORGE was one of the most capable people to ever serve in this House. In his straightforward manner, he always accepted responsibility with determination that the task was going to be done and done right.

My wife, Carol, and I had the opportunity to travel on several occasions with his wife, Mary Lou, and him on Appropriations Committee investigations. He was the first to get to the meetings and the last to leave. He always put himself completely into everything he undertook. In meeting international groups, he was a leader in greeting and extending the U.S. friendship. He was a most active ambassador of good will.

We remember GEORGE for a great many things during his career here in the House, but certainly one of his deep felt feelings was for the hostages held in Lebanon. He spoke many times about his good friend from his home town of Joliet, Father Jenco. His hard work here and his personal trips to the Middle East to seek their release were rewarded, but too late for us to thank him. I believe that GEORGE did have a hand in Father Jenco's release which came within days after his death. For that, we all say, "Thanks GEORGE."

We are going to miss that robust laugh, the slap on the back, the hug, and the spirit that GEORGE always added.

The people of Joliet, the Fourth District of Illinois, his State of Illinois, and our Nation are truly fortunate to have had GEORGE O'BRIEN serve these 14 years in the House of Representatives. We thank the good people of Illinois for sharing GEORGE with us.

Carol and I extend our sympathy to Mary Lou, their daughters and grandsons. Our prayers are with you.

Mr. SCHULZE. Mr. Speaker, I am pleased to be able to pay tribute to our esteemed colleague, the Congressman from Illinois, GEORGE M. O'BRIEN. We are all saddened by his death. He was a dedicated American and an inspiring figure to all of us in this Chamber.

I could tell you a good deal about his myriad contributions in public service. But I think as I honor GEORGE O'BRIEN for the man he was, and for the warmth and humor he shared with us all, it will explain why he was a truly great servant of the people.

It is especially gratifying to hear my colleagues mention GEORGE's wit and his particular ability to make the difficult situations easy. That was GEORGE'S charm: He never had a mean thing to say, was always quick with a joke, and was dedicated to a purpose. He was always able to achieve positive results through his command of fact coupled with his warm personal approach. GEORGE worked through reason and cooperation rather than by confrontation. And he achieved results.

And now, we have still another reminder of his contributions to his country. As many of my colleagues have said, Father Jenco, a hostage of terrorists for nearly 2 years, was released just days after GEORGE'S passing. It certainly would have made him proud, and it makes me proud as it stands as a tribute to GEORGE's tireless efforts and dedication to the cause of human rights for all human beings.

GEORGE O'BRIEN was a man of courage and dedication. His presence on the floor late last month was, and will be, an inspiration to his colleagues. GEORGE came, despite the pain, to cast a crucial vote on aid to the Nicaraguan freedom fighters. That's the way he was, always willing to help out and to do what he could to pull us together. I greatly admire his dedication to this body, a true and honest legislator, a wonderful and effective representative of the people of Illinois.

Let me conclude by extending my sympathy to Mary Lou, and all of the O'Brien family. We will all miss GEORGE.

Mr. MILLER of Ohio. Mr. Speaker, it was with deep sadness that I learned of the passing of our dear friend and colleague, GEORGE O'BRIEN. It won't seem the same around here without GEORGE. His quick Irish wit; his kind and gracious manner; his astuteness on the issues, his dedication to the tasks at hand, were the hallmark of his long and distinguished career in the Congress.

As one who was a colleague of GEORGE not only in the House as a whole, but as a member of the Appropriations Committee, I saw first hand the many good deeds GEORGE O'BRIEN accomplished for the people of Illinois' Fourth District, and for the people of his State and Nation.

GEORGE was a legislator's legislator. He performed his job in a most professional, able, and dedicated manner. He was a doer and it will be hard to do without him in these Chambers. To his lovely wife Mary Lou, and to his family, my wife Helen and I would like to express our deepest sympathies.

Mr. SKELTON. Mr. Speaker, GEORGE O'BRIEN was a friend of mine. I am truly sorry about his passing away, as he was such a unique and warn person. Our friendship began when we learned about our belonging to the same college fraternity, Sigma Chi, and it continued through the years we served together. His last appearance in the House of Represenatatives occurred just as I was beginning my speech on an amendment relating to the Communist threat in Central America. Although he was quite ill, he returned to the House and was given a long ovation for his efforts in being there. I express my sincere sympathy to Mrs. O'Brien and the members of his family. GEORGE O'BRIEN will be truly missed in the House of Representatives.

DISRESPECT FOR THE RULE OF LAW

The SPEAKER pro tempore. The gentleman from Michigan [Mr. BONIOR] is recognized for 60 minutes.

A TRIBUTE TO GEORGE O'BRIEN

Mr. BONIOR of Michigan. Mr. Speaker, I commend my friend, the gentleman from Illinois, for the special order that he has just taken on behalf of GEORGE O'BRIEN. I would like to spend just a minute of my time on the subject of GEORGE O'BRIEN.

I did not know GEORGE that well, but I do know that the sensitivity that Members have expressed this evening says everything about the gentleman from Illinois, Mr. O'BRIEN. He was indeed someone that people in this body would do well to emulate and follow in terms of their personal relationships. He was a very special person.

I think the stories that were related by both Democrats and Republicans here tonight indicate the warmth in which he was held by this institution and by the Members who serve it.

One story that does come to mind was during the last week before the final vote on the Central American issue. I had heard as I was whipping this issue on our side of the aisle that GEORGE would be brought here to cast his vote and I knew GEORGE was very ill and was in the hospital. Upon hearing that, I relayed that to another friend of mine, who really seemed quite dismayed by the fact that they would ask GEORGE to come here and he frankly said he thought it was rather a sick idea.

I did not know how I felt about it personally at that time, but I do remember, though, seeing GEORGE come into the Chamber and I knew immediately that it was obviously the right thing to do, because GEORGE was coming home and he was saying goodbye to his friends for the last time. That was just so very, very important to him and to the people he had served with so well for so many years.

DISRESPECT FOR THE RULE OF LAW

I would like to take some of my time this evening to talk about what I think is something that I think has been missing in the media with regard to the Nicaraguan issue, and that is basically the disrespect for law, both domestic and international.

On June 27, the World Court found the administration guilty of violating international law because of its aid to the Contras. "By training, arming, equipping, financing, and supplying the Contra forces or otherwise encouraging, supporting, and aiding military and paramilitary activities in and against Nicaragua," according to the Court, the United States is "in breach of its obligation under customary international law not to intervene in the affairs of another state."

Thus, the highest judicial body on this planet, an institution that the United States helped to create, has historically supported, and has turned to time and time again—most notably during the Iranian hostage crisis—has ruled that current U.S. policy is outside the bounds of law.

The United Nations charter forbids "the threat or use of force against the territorial integrity or political independence of any state." The charter of the Organization of American States says that "No state * * * has the right to intervene, directly or indirectly, for

any reason whatever, in the external or internal affairs of any other state."

The United States is a signatory to both these treaties. We demand that other nations abide by these principles. We should require no less of ourselves.

There are some people who will argue that the World Court, and the principles of the U.N. and OAS charters are just high sounding ideals. The administration has argued that the World Court is "not equipped" to judge complex international military issues. Others will say that it is naive to believe that the rule of law can be applied problems of war and peace.

But I say, the United States, the most powerful nation on the Earth, the proud leader of the free world, the nation founded on the principle of liberty and justice for all, has a special responsibility to abide by the rule of law.

This is not just an abstract ideal, it is a principle to be observed in the interest of our own national security.

We cannot violate the rule of law without implicitly encouraging others to do the same.

We cannot brandish a foreign policy of secret wars, terrorist attacks, and disdain for the rights of other nations without threatening peace in the world.

We cannot engage in such acts and maintain our credibility when it comes to condemning these actions in others.

We cannot place ourselves above the law without endangering the future of this planet in a nuclear age.

The World Court ruling did not come as a surprise to many of us who have watched the administration's policy unfold over the last 5 years. In early 1981, shortly after this administration took office, we learned that counterrevolutionaries, whose avowed purpose was to overthrow the Government of Nicaragua, were training in camps in Florida and California. This, and the entire Contra war, was a violation of our own neutrality act and our criminal statutes prohibiting support for terrorist activities, as well as the OAS Convention on Terrorism.

Then, the CIA became involved. It began to fund, arm, and provide logistical support as these forces moved into Honduras and on to Nicaragua promising a "bloodbath from the border to Managua." The administration told Congress then that the purpose of this program was purely to interdict arms flowing from Nicaragua to El Salvador. But as the Contras' brutal attacks on innocent civilians inside Nicaragua multiplied, as we learned more about commanders called "Suicide," commanders who had served in dictator Anastasio Somoza's hand-picked national guard, it became clear that the administration had embarked on a "secret war" that it hoped to hide from the American people.

In early 1984, the CIA directed the mining of Nicaragua's harbors, violating our duty to protect the freedom of the seas, endangering the ships of our allies, and arousing world opinion in protest.

In order to improve the effectiveness of the Contras, the CIA disseminated its special manual on guerrilla operations, telling how to carry out assassinations against specific targets in Nicaragua, and, this violating President Reagan's own Executive order prohibiting CIA involvement in assassinations.

Each time Congress has tried to exercise oversight over the Contra Program, the administration has stonewalled. And time and time again, since the Contra war became public, the administration has deliberately violated the expressed will of Congress.

The Boland amendment which was in force from October 1984 until September 1985 strictly prohibited all U.S. involvement with the Contras, both direct and indirect. Yet, during this time, the administration orchestrated a private network of aid to the Contras. Responsibility for this action—which was a clear violation of the law—can be traced directly to the White House.

In a plot that is reminiscent of the chilling days of Watergate, the President personally approved a plan to get around the Boland amendment. Lt. Col. Oliver North, a deputy director of the National Security Council, located in the White House itself, coordinated dozens of groups who gave money, supplies and training to the Contras after Congress expressly prohibited such U.S. involvement.

Now, in the face a congressional resolution of inquiry, requiring the administration to turn over all documents relating to these violations of the Boland amendment, the NSC has refused to provide the information.

The administration first tried to hide the Contra war from the American public. Then it tried to hide the purpose of the war. Today, the administration knows that the American people do not support its Contra war. Its only recourse is to try to hide the extent of the war, to try to cover its tracks, and disguise the costs.

The administration has told us that it needs $100 million in aid for the Contras this year. Yet, it has not told the American people that the Contra war has already cost the American taxpayer over $1 billion.

It has asked for funds for bases and maneuvers in Honduras. But, the GAO has reported that much of this funding has been diverted in violation of the law. And the administration refuses to give a full accounting of how this money has been spent on preparing Honduras for its role in the Contra war.

When Congress voted $27 million to aid the Contras last year, we enacted strict limitations on how the money was to be spent, and charged the President to establish special procedures to ensure that the money was not diverted.

The GAO found that the State Department does not have sufficient procedures and controls to ensure that these funds are being used for the purpose intended by law. This, in itself, is a violation of law. The U.S. Treasury placed $14.1 million of U.S. taxpayers' money in Miami bank accounts and kept no record of where the money went.

When the GAO examined the subpoenaed bank accounts, it found that of the $4.4 million paid by the U.S. Treasury into these accounts, only $780,000 had been sent to Central America, and only $185,000 was paid to identified suppliers of the Contras. In addition, nearly $1.5 million was ended up in the bank account of the Honduran military.

The story of Contra corruption is just beginning to unfold—and it is a horror story. The administration wants us to close our eyes and pretend it is not happening. Just as they have asked us to close our eyes to the evidence of Contra atrocities—the rape, the kidnaping, and murder of innocent civilians. In the weeks to come, as the evidence unfolds, the administration will expect us again to overlook the involvement of the Contras in running drugs.

Mr. Speaker, the administration has told us—through its actions and its words—that it will not be bound by the rule of law in its determination to escalate the Contra war. It will violate international law, it will violate domestic law. It will violate specific prohibitions on the CIA. It will violate limits on how U.S. tax dollars are to be spent. And it will look away while the Contras smuggle drugs, run guns, and murder innocent civilians. The American people deserve to know—where will it end?

The answer, I regret to say, may be a long time coming. An administration that will not respect the law will lose sight of its limits. It will lose sight of the principles that generations of Americans have sacrificed to establish and hold as a beacon for all nations to follow. If this administration will not be guided by the law, by the principle of justice, then we will be caught in an endless cycle of violence.

Camus once said, "I should like to be able to love my country and still love justice." The great tragedy of this administration's policy in Nicaragua is that it is driving a wedge between these two values. We, in Congress, must find a way to ensure that this administration respects the rule of law, so that future generations of Ameri-

cans will not have to make that terrible choice.

IN SUPPORT OF H.R. 5283: A BILL TO COMPEL THE LTV CORPORATION TO CONTINUE LIFE AND MEDICAL INSURANCE COVERAGE TO RETIREES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. STOKES] is recognized for 60 minutes.

Mr. STOKES. Mr. Speaker, on July 17, 1986, the LTV Corp., the Nation's second largest domestic steel manufacturer, filed for protection from its creditors under chapter 11 of the U.S. Bankruptcy Code. On that same day, LTV notified its retirees that it had terminated their life and medical insurance coverage, leaving 78,500 senior citizens and their dependents without coverage for serious illness.

On Tuesday, July 29, I introduced a bill, H.R. 5283, along with 25 original cosponsors. That bill would compel LTV to continue paying medical and life insurance coverage to its retirees until a bankruptcy court ordered the cessation of such benefits. Late last night, bankruptcy court Judge Burton R. Lifland ruled that LTV could spend $70 million over the next 6 months to cover all its company paid benefits, including health and life insurance premiums.

Judge Lifland's quick and decisive action, taken after several hours' discussion among representatives of the company, union, banks, and major creditors, provided immediate relief to retirees. Many of these people were in the midst of receiving life-sustaining treatment. They were given virtually no notice that their benefits were to be terminated. Although Judge Lifland's ruling provides immediate relief, it is a temporary solution to a long term problem. LTV retirees will need medical and life insurance coverage for the rest of their lives—not just 6 months. Therefore, for the following reasons, I am compelled to continue all efforts to have this legislation passed by the House of Representatives.

First, it is absolutely essential that we protect the interests of LTV retirees. Our Nation's retirees labored during their working years so that we as a Nation might be introduced to a better standard of living. Their work has not gone unnoticed as every day we benefit from their past work and contribution to technology. We cannot now turn our backs on these retirees and leave them to fend for themselves. They have given LTV some of the best years of their lives and it is because of their tireless efforts that the LTV Corp. is today our Nation's second largest domestic steel manufacturer.

Mr. Speaker, LTV's callous, insensitive and illegal action threatens the very existence of a large group of senior citizens who labored for many long years in a dangerous, dirty, and backbreaking job. Daniel Brown, a 28-year-old hot-metal worker at LTV's Cleveland facility said: "Sure, we get paid a lot, but we're here on Christmas, at Midnight and in the summer when its so hot it's miserable." I have been informed that temperatures in the steel mill sometimes reach as high as 120 degrees or higher, and due to the dangerous nature of the job, many workers must wear a heavy metal shield over their clothes. And naturally, accidents are a constant threat. Dan Brown has been a witness. He said "just the other day, a guy got killed when a turning machine amputated both his legs and he bled to death. I had to help pull him out of that thing."

Almost every steelworker could probably tell a similar story. Because these people realize the danger they place themselves in every day on their jobs, health and life insurance coverage is an essential part of all contractual negotiations. These steel workers seek the same protection for themselves and their families as any other American worker.

Mr. Speaker, it is evident that health care for retired steelworkers is not a luxury, a benefit they could easily do without. It is a vital lifeline that for many, represents the difference between self-sufficiency and an existence in total destitution.

This is no exaggeration. This past Monday at a special Senate Judiciary hearing held in Cleveland by Senator HOWARD METZENBAUM, LTV retirees and their families told heart-rending stories of severe hardships endured by retirees burdened by illness and barely ekeing out a meager existence.

Mary Hunt, testified before the panel of Congressmen and Senators, of which I was part, and described life without medical benefits. Her 74-year-old husband, Eddie, suffers from arthritis and is bedridden. Mrs. Hunt, who also suffers from arthritis, must diaper and change her husband, who is totally disabled. Despite the incredible burden she must bear, Mrs. Hunt declared: "We've been married for 51 years and there's no way I'm going to put him in a home—to die there." But she also admitted that she does "a lot of crying."

There are many other LTV retirees throughout the Nation reduced to tears over the prospect of losing their benefits. These senior citizens, already faced with overwhelming obstacles due to caring for loved ones in poor health, have been literally traumatized by the possibility of being left alone to meet medical expenses. Already many have been denied medical treatment and others have been denied burial with dignity after life insurance benefits were cut off. This is an inhumane way for people to be treated.

We, as a society, have a moral obligation to care for our elderly—those who built this Nation; those whose sweat and hard work made it possible for this Nation to thrive and grow. It is absolutely shameful that this situation is before us at this time. We cannot allow LTV to wring a lifetime of labor from its workers and then discard them with absolutely no regard for their future.

Life after retirement is frequently referred to as the "golden years," at which time the elderly can enjoy the fruits of a lifetime of labor. The truth, however, is that precious few of America's elderly can enjoy retirement years. They are constantly trying to make ends meet, find enough food to eat, keep their tired bodies in working order. America's senior citizens already have a tough enough time living on a fixed income. If they lose their health care benefits, many would be financially devastated by even a minor ailment, let alone the major medical problems that occur naturally with advanced age.

LTV retired these individuals with assurances that their life and health insurance needs would be taken care of. This corporation's attempt to abandon this most essential responsibility is an intolerable dereliction of duty and their offer to replace the canceled benefits with a new health plan that would cost beneficiaries up to $132 a month is downright insulting. It is unrealistic to believe that senior citizens on a fixed income would have money to cover an expense that was unplanned, unexpected and was already paid for during their working years.

Mr. Speaker, the second reason that I am continuing to seek support for this legislation is to establish that LTV's cancellation of health and life insurance benefits to retirees constitutes illegal breach of contract. Federal law mandates that LTV must honor all commitments made under collective bargaining agreements. Therefore, all agreements negotiated by the union are protected against unilateral abrogation. On Monday, at the special Senate Judiciary hearings in Cleveland, Prof. Vern Countryman of Harvard University, America's foremost bankruptcy expert, testified in favor of the legislation which I introduced in the House. Professor Countryman stated unequivocally that the action of LTV Steel in canceling retirees health and life insurance benefits was in violation of law.

Clearly, Mr. Speaker, LTV is contractually obligated to provide health care and life insurance benefits to these retirees. Congress unambiguously addressed this subject in 1984 in passing the Bankruptcy Reform Act.

That law encourages the collective bargaining process and requires that a company first make a proposal to the union and provide all relevant information and bargain with it in good faith. Only after complying with these steps can it seek court approval to reject its collective bargaining contract obligations.

LTV made no attempt whatsoever to discuss with the union its plan to terminate life and medical benefits to retirees. Beneficiaries received notice of the cancellation of benefits in a letter mailed to retirees on July 17, the same day the company filed for bankruptcy. It is unfair and unreasonable to expect LTV employees to comply with the terms of a properly negotiated contract and subsequently allow LTV to unilaterally abandon its responsibility to those employees.

Mr. Speaker, I was pleased to learn of the action taken last night as a result of the collective action of representatives of the company, union, banks, and major creditors who sought and received permission from the bankruptcy court to fulfill its obligation to its retirees for 6 months. However, this action is not enough. Yesterday's ruling merely sets the stage for a similar scenario to be acted out 6 months from now. While LTV retirees have gained a temporary reprieve from being stripped of this essential coverage, the clock continues to tick away, and 6 months is not a terribly long period of time. Those severely or chronically ill retirees can only wait anxiously to see if their benefits will be permanently reinstated or if they will be left hanging. It is unlikely that the court will hand down a final ruling on whether LTV will be compelled to pay the benefits before 6 months is up. This legislation would therefore at least protect the retirees until the court issues such a ruling.

Mr. Speaker, this legislation would also provide LTV with a significant opportunity to work out a compromise with the United Steel Workers and United Mine Workers of America to preserve the benefits of their retired members.

In closing, I would like to commend Lynn Williams, international president of the United Steelworkers of America; Richard Trumka, president of the United Mineworkers Union and John J. Sheehan, legislative director of the United Steelworkers of America for their hard work on behalf of their union membership and the support given Senator METZENBAUM and me on legislation both in the other body and in the House of Representatives.

I also want to express my appreciation to the distinguished chairman of the Judiciary Committee Mr. RODINO, who today assured me that it is his intention to hold hearings on my legislation next week.

Mr. RODINO. Mr. Speaker, I am very disturbed by LTV's attempt unilaterally to cancel health insurance benefits of retired workers. These retirees, who devoted years of their lives to LTV, found themselves overnight without any health protection.

Only 2 years ago, I introduced legislation, which we enacted, to make such action unlawful. The bankruptcy law was amended to prohibit companies—unilaterally and without court permission—from stopping benefits covered under collective bargaining agreements when they filed bankruptcy.

To the extent that the health benefits of LTV's retired workers are covered by these collective bargaining agreements—and I understand they are covered—the retirees are fully protected under current law. Their unions need only go to court to enforce their rights. I am happy to hear that the company—as of yesterday—will continue to pay retirees health benefits thourgh January 1987, and a court order was entered yesterday to that effect.

The Subcommittee on Monopolies and Commercial Law will hold a hearing next week on Thursday, August 7 to explore LTV's actions. We will also study the current bankruptcy law to determine if there are any loopholes that require corrective action.

□ 2140

GENERAL LEAVE

Mr. STOKES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. STOKES. Mr. Speaker, I am pleased at this time to yield to my distinguished colleague, the gentleman from Illinois [Mr. LIPINSKI].

Mr. LIPINSKI. Mr. Speaker, I thank the gentleman from Ohio for yielding to me and compliment him on taking this special order tonight.

Mr. Speaker, I rise in solidarity with the retirees of LTV Steel Corp. and hope that my colleagues will do likewise by lending their support to H.R. 5283, legislation that would compel LTV to continue paying health care and life insurance benefits that were promised these people. It is indeed a shame that the Congress must resort to measures that force LTV to provide for the very people who made the company our Nation's second-largest steel producer.

There are those who might think that with the recent settlement between the United Steelworkers and the LTV management, all has been resolved. But this couldn't be farther from the truth. Pending a ruling by a U.S. bankruptcy court, the corporation has promised to restore benefits to retirees for a period of 6 months—but what will happen after these 6 months? Given the complexities of the case and the time it will take to sort things out, the proceedings will probably take even longer than this. The sad reality is that these people run the risk of losing everything that they had counted on and planned for. Mr. Speaker, when you consider that 40 percent of these steelworkers are under the age of 65 and not eligible for Medicare, the outlook becomes even darker. There is no way they can afford to pay health insurance premiums of $132 a month and there is no reason why they should have to.

It's not as if the steelworkers have not sacrificed for LTV. Twice in the recent past, workers have given up some wage and benefit concessions in order to make the corporation more profitable. Yet, LTV has refused to help those that are in need the most and has denied the claim that the workers should take precedence. In the eyes of the company, management, creditors, stockholders get first priority while the workers are left with the little or nothing that remains. Only when the union threatened to strike LTV's Cleveland works, its largest facility, did the management finally agree to restore the benefits. I am sure that consideration and compassion for the retirees was not much of a factor in that decision. The fact is that in the face of an imminent strike against the USX Corp., the largest steel producer in the country, LTV wants to avoid a work stoppage at all costs. No wonder they have settled so quickly. It makes sense for the company to want to take advantage of the USX strike. The fate of the retiree, however, still hangs in the balance.

I believe that if a large corporation, like LTV, can unilaterally abrogate a labor contract and cut off 78,000 people from their rightful benefits, then something needs to be done to strengthen the position of retirees under bankruptcy law. Under section 113, title 11 of the bankruptcy laws, the union is supposed to be protected against such unilateral action and yet LTV's recent action has shown just how fragile this protection can be. These retirees have no recourse to expensive lawyers and long, drawn-out legal proceedings. After working hard all their lives, they are confused, frightened and understandably angry at being deprived of their benefits—benefits that were guaranteed them for life.

I realize the state of the domestic steel industry is in disarray. Foreign imports and fierce competition have forced steel companies to tighten their belts and become more efficient. This is not at issue. The right of retirees to live out their lives in dignity and sufficient comfort is what is at stake here. We must make certain that no linkage exists between economic efficiency and reducing or doing away with sorely needed retiree benefits. We must further make certain that we re-

alize it is people we are dealing with and not just abstract payments and costs. Mr. Speaker, I am heartened by the interest and decisive action of the other body with regard to this matter and hope that there will be as much support and concern for these people in 6 months' time.

Mr. ANNUNZIO. Mr. Speaker, I rise to express my concern about the LTV Corp.'s recent decision to terminate the life and medical insurance coverage of about 78,500 of its retirees and their dependents.

On July 17, the LTV Corp., the Nation's second largest domestic steel manufacturer, filed for protection from its creditors under chapter 11 of the Bankruptcy Code and on that same day notified retirees of its decision to cancel benefits. Many of these retirees are on fixed incomes and are dependent on this insurance coverage, and the cancellation of these benefits will have a devastating impact.

More importantly, the LTV Corp. is contractually obligated to provide this coverage and the retirees have relied on LTV's promise to provide these insurance benefits. LTV should not be permitted to abandon its responsibility by its unprecedented action of terminating this important coverage.

Mr. Speaker, for these reasons, I have added my name as a cosponsor to H.R. 5283, a bill to compel the LTV Corp. to continue life and medical insurance coverage until a court with jurisdiction on this issue renders a final decision on the LTV bankruptcy petition, and I urge my colleagues in the House of Representatives to support this legislation.

Mr. FROST. Mr. Speaker, I rise in very strong support for this effort to protect LTV retirees.

When LTV Corp., filed for chapter 11 bankruptcy on July 17, literally thousands of retirees lost the medical insurance coverage they vitally need. Individuals who had devoted their productive work years for that company had their benefits indefinitely canceled with no advance warning and no opportunity to prepare.

We quickly learned of the sad and terrible consequences of this action. In many cases, retirees not only couldn't afford to buy individual coveraged but could not obtain insurance at any price.

One gentleman, Mr. Joseph Utley, who retired from the LTV aerospace plant in my district is a perfect example of the type of hardship created by the loss of retiree health insurance coverage. Mr. Utley, who I have known for many years, has a serious heart condition and in need of frequent medical care. In addition, he has a dependent 19-year-old daughter who has been retarded since birth and is plagued with a host of physical ailments. Without their LTV coverage, it is simply impossible for this gentleman and his family to obtain any type of adequate medical coverage.

Last night, as a result of pressure already provided by Congress and the labor unions representing LTV employees, the company reversed its original position and agreed to continue providing retiree coverage for 6 months.

I am pleased by the company's decision and am glad they have recognized the hardship caused by abruptly terminating the health plans of their retirees. However, it is very unlikely that LTV's bankruptcy case will be resolved in only 6 months and, without further action from Congress, retirees will again find themselves without coverage next January.

For this reason, the House should act quickly to approve the legislation offered today. It has already been approved by the other body, and very simply requires that LTV continue providing health and life insurance benefits to its retirees until this matter is completely resolved by the bankruptcy court whether it takes 6 months, 12 months, 18 months or longer.

As the situation now stands, LTV retirees are left in limbo, watching the clock tick down on benefits they worked for and have been promised. It is entirely appropriate that the House act quickly and joint with the other body to protect the health coverage LTV retirees and their dependents so desperately need. We should not leave them in a state of uncertainty and confusion over their ability to obtain needed health care for themselves and their families.

Mr. NOWAK. Mr. Speaker, I concur with my colleagues that despite the bankruptcy court's recent ruling allowing LTV to continue company paid health and life insurance benefits for 6 months to its retirees, the necessity for legislative action such as that contemplated in H.R. 5283 remains unaffected.

We have the most advanced medical technology on this earth, elaborately equipped medical schools, regional cancer centers that are the envy of capitals of the civilized world, an abundance of superb specialists and hospitals.

Over the 10 years preceding 1984, total hospital charges have increased at an average annual rate of nearly 15 percent. From 1965 to 1984, the cost of care has increased 10 times, from an average of $41 for each hospital day to $432; it is projected to reach $800 per day by 1990. The price of an average stay, now almost $3,000, could easily top $5,000 in 1990.

If the soaring cost of health care threatens to deny even the affluent access to the medical miracles we have come to expect, what is to happen to the thousands of retirees left without medical insurance as a result of a chapter 11 filing? What will happen to the LTV retirees in 6 months' time when their benefits are stopped but adjudication of the bankruptcy proceedings is ongoing? Without this proposed legislation we will be back at square one.

Millions of retirees are able to meet their living expenses today only because employer-sponsored health insurance plans supplement their Medicare and pension payments. Tens of millions of future retirees are already counting on being provided retirement health insurance. Health insurance, along with life insurance and pension plans, has grown to become a major element of employee compensation—yet, without this legislation, merely by filing for bankruptcy, many companies could leave the very population most in need of health care, the elderly on fixed income, without adequate resources and without adequate redress.

I believe that we cannot, in good conscience, allow companies to unilaterally abrogate their responsibilities to former employees by discontinuing medical benefits to retirees before a ruling is rendered by a court of competent jurisdiction. That would be putting the horse before the cart. Rather, like my colleagues, I contend that equity mandates the continuance of these benefits until such time as the court rules otherwise.

I do not believe that the bankruptcy laws were intended to shield companies and allow them to breach their legal duties to individuals in this manner. Social policy dictates that these former loyal employees should not be treated like "any other vendor," but should be afforded special treatment.

The profit motive cannot be permitted to shortchange the quality of care or curtail access to needed medical services. Special precautions, like H.R. 5283, are needed to ensure the continuance of these benefits to those who have already experienced a loss of wages, and who are unable to supplement their incomes.

Mr. ECKART of Ohio. Mr. Speaker, I wish to thank my colleague and dean of the Ohio congressional delegation, LOU STOKES, for sponsoring this special order to address an urgent concern of tens of thousands of our constituents.

However, this bankruptcy case has an even dimmer side. LTV, upon filing for bankruptcy, announced that its retirees, of which there are over 80,000 nationwide and 32,000 in our State alone, would no longer receive the health and life insurance coverage which they had been promised. Instead, these retirees would have to begin paying for their own coverage. Unfortunately, many of them could not afford to begin paying hundreds of dollars for this coverage. I wish to applaud my colleague, Mr. STOKES, for introducing legislation, H.R. 5283, which I have cosponsored, to protect those who have been adversely affected.

Such action is intolerable. Most of these retirees have contributed to this corporation for most or all of their working lives. To then discover that the most basic of necessities, which they had been guaranteed, was stripped from them in one fell swoop.

I have consistently supported the revitalization of our domestic steel industry. Without a steel industry at home, our national security is at risk as are other vital industries. The Senate and the House are currently in conference to resolve differences in tax reform legislation. The Senate tax bill contains provisions to provide special relief to our steel industry. I wholeheartedly support such a provision. However, I recently wrote to the House conferees to question whether such a provision was appropriate for companies, such as LTV, which declare bankruptcy and renege on their commitments to their employees, both current and former.

It is most unfortunate that an event of this magnitude has occurred. However, we must take the appropriate steps, such as enacting the House-passed trade bill, to ensure the future of our steel industry and the health and welfare of employees and retirees is secure.

Mr. WALGREN. Mr. Speaker, As a cosponsor of H.R. 5283—the bill to provide LTV retirees life and health insurance until a court settlement on bankruptcy is decided—I am pleased to join my colleagues in this special

order to focus for a moment on the plight of LTV steel.

Last week many in Congress were shocked to hear the announcement by LTV Corp., that it had filed for protection under the chapter 11 bankruptcy laws. However, those of us from the areas of the country where steel once was the cornerstone of the economy were not as surprised, for we knew that though some areas like the coastal cities and the Sun Belt were showing signs of recovery, steel and other heavy industries were still in decline.

Some experts and economists dismiss this as an inevitability of an aging industry. What these experts overlook is that for a century or more steel has been the foundation of a way of life for thousands of people. In many of the communities in western Pennsylvania, generation after generation has worked in the mills. When in time of war the men were called away to fight, the women of the community filled right in and continued to pump out steel for tanks and shell casings. The children of the communities followed their parents into the mills, each new wave succeeding one whose time had passed. It was a hard life but not without rewards. The pay was good so they could maintain a standard of living that was comfortable. They bought homes and cars and had stability to their life. These communities embodied the spirit of the good old days our Nation is now trying hard to recapture.

In the past 6 years, all that once was the foundation of these pleasant communities, has been torn apart at the seams. The collapse for these people was swift and very painful. The first wave saw many cutbacks in the work force. Anyone who could went into early retirement expecting that to protect them from the future cuts. No one denied the fact that change had to come. Rather, the unions agreed to the first cutbacks in the history of steel labor to help the companies. But it did little to stem the flood of lay offs and plant closings.

With announcement of bankruptcy by LTV the unions braced for another painful round of cutbacks. Even before the courts had a chance to open the petition, the company cancelled the health coverage for its 78,000 retirees. This was a low blow to those who gave their lives for the company; on fixed incomes, they are in no position to secure some other form of health insurance.

I was pleased to hear today that through the efforts of a resilient union and the pressure of the bankruptcy judge, LTV has agreed to restore the health coverage to thousands of retirees while negotiations work out a plan to provide permanent coverage. I am glad that LTV rethought its position. We have a special debt to those who were a part of the steel industry at its prime. They were a part of the economy that made our Nation the strongest in the world. We must guard against the tendency that would cause us to panic and throw away those that embody the moral decency, family traditions and work ethic that lie at the heart of our Nation.

These hard working people earned their retirement and with increased health needs and fixed incomes they cannot be expected to be able to change in midstream. I am glad to see that their union did not forget them, I hope they realize that we in Congress remember them as well.

Mr. BEVILL. Mr. Speaker, I rise today to express my concern about the more than 70,000 retirees of LTV Corp., many of whom live in my district.

On July 17, 1986, when LTV filed a bankruptcy claim, the company also notified its retirees that it has terminated their life and medical insurance coverage. This was catastrophic news.

Thousands of retirees and their families were left stranded without medical coverage for hospital bills and without life insurance following a death in the family. In one case in my district, a person going to the hospital for open heart surgery learned the insurance was cancelled the same day the surgery was scheduled.

This was so unfair to those hardworking people who gave so many years to the company to be left without this necessary coverage.

That's why I have cosponsored H.R. 5283, a bill to force LTV Corp., to continue paying all life and medical insurance benefits to its retirees until a bankruptcy court decides the issue.

I know that LTV has petitioned the court to be allowed to resume payment of benefits for 6 months. I am pleased that the company took some action on this matter.

However, I would like to point out that this whole situation could have been avoided if LTV had recognized that the retirees' benefits are covered by section 1113 F of the bankruptcy law. That part of the law was designed to prevent workers from being cut off in midair and I believe that applies to wages as well as benefits.

In spite of LTV's action to restore the payment of benefits, I believe this bill is still very much needed.

It is quite possible that this case could drag on past 6 months. I do not want to see the LTV retirees back in the same spot after 6 months.

These people should not be left hanging. They need the assurance that they have coverage for health and life insurance. I think that LTV should be made to pay the full coverage until the court decides the issues in this case.

I will do all I can to see that this temporary measure requiring the payment of benefits is enacted into law.

Mr. RAHALL. Mr. Speaker, I appreciate the opportunity this evening to discuss with my colleagues the urgent need to enact legislation such as H.R 5283 to provide relief for those affected by the LTV Company's recent bankruptcy filing and subsequent attempt to deny basic benefits for it is retirees.

Although last night a bankruptcy court ordered LTV to continue paying health benefits to its retirees, the order only stipulates that benefits be paid for 6 months. It is highly unlikely that the financial situation of LTV will be resolved within 6 months, at which time, under this order, these entitled benefits would again be in jeopardy. I believe we should follow the lead of the other body and move quickly Ito address this potential problem with legislation which will ensure that LTV continues to pay all medical and life insurance benefits to its retirees until a court with appropriate jurisdiction orders otherwise.

Although I am concerned about all retirees who may be affected by LTV's calculated, callous actions, I am especially sympathetic to the plight of the some 1,500 mine workers who may suffer under the current court ruling. LTV is legally responsible for providing health care and other nonpension benefits to these coal miners who retired under the 1974 pension trust. Among these are over 100 UMWA members who live in my district, primarily in Logan County, who retired from LTV after 1976.

It is unthinkable that, after years of toiling in a dangerous and dirty job, during their hard-earned and well-deserved years of retirement, some of this Nation's coal miners must now be confronted with the possibility of losing their health and life insurance benefits. These are people who can ill afford to pay for benefits on their own. These are benefits to which they are clearly and undeniably entitled.

How can we, in good conscience, not enact legislation which would ensure that LTV lives up to its commitment to those workers who have labored long and hard, during the prime years of their lives, for the profit of the company? I say this is a responsibility to the workers of America that we cannot shirk. This country's workers have been battered ceaselessly in recent years as our industrial base has eroded. They have been forced to make one concession after another. This is one concession that we, as decent human beings, cannot expect our workers to accept. If LTV is allowed to renege on its obligation to its retired workers, the future of many of America's retirees will be thrown into question. I urge my colleagues to support H.R. 5283 and to work toward its immediate passage. We owe it to the retired workers of this country to do so.

Mr. FAUNTROY. Mr. Speaker, I rise to express my support of the 78,500 retirees who have been abandoned by the LTV Corp.

On July 17, 1986, the LTV Corp. filed for protection from its creditors under chapter 11 of the Federal bankruptcy laws. Then, on its own authority, LTV in an unprecedented action cancelled medical and life insurance coverage to its retirees.

LTV has abandoned its responsibilities to the retirees, claiming that they are merely one group of many creditor groups. It is my intention to show that the retirees are not only a group of creditors, but a group unlike the others.

Unlike most other creditors, many retirees personal well-being are dependent upon their receiving medical insurance. Senior citizens, with modest pensions, do not have the financial means to pay excessive medical expenses. Are these people supposed to abandon their spouses and dependents, just as they themselves were abandoned, when paying for their doctor and hospital fees? Certainly not. But, given the potential situations, many may be forced to make a choice—a choice they have worked much of their adult lives in effort to avoid.

The retirees personal financial need is but one characteristic which separates them from other creditors. It is a characteristic which should ethically compel LTV to choose their ex-workers above the rest.

But let us not make a supposition which would get us in trouble. Let's not assume that LTV would be ethically compelled to do anything.

We must, therefore, approach this issue from an exclusively logical standpoint as well.

The retirees differ from other creditors in their initial assumptions about the risk of being creditors.

There are those creditors who entered into contractual agreements with LTV with the understanding that a certain degree of risk exists. For example, when a bank loans money, risk is duly compensated through interest paid on the loan—the riskier the bank perceives the borrower's ability to pay back the loan, the higher interest payments it will demand. Likewise, when a stock holder invests in a company, he understands that the stock may lose or gain value. The risk is completely understood and accepted.

However, there are those creditors who enter into contractual agreements with the understanding that there is no risk involved. The retirees are such creditors. They are commonly known as risk averse and don't take chances because they cannot afford to take a loss.

I submit that LTV is primarily responsible to its retirees, as those creditors who invested their time and labor under the assumption that they were guaranteed medical and life insurance, and as those creditors whose personal well-being depends on the receipt of what is owed to them.

This problem has a larger scope than I have yet discussed. The greater, ongoing hazard is the precedent that LTV's action will establish. Countless corporations filing for bankruptcy will unethically deny their employees similar coverages. We are not only dealing with 78,500 retirees; we are potentially dealing with hundreds of thousands—possibly millions.

Might I remind my esteemed colleagues that the second largest domestic steel manufacturer has disclaimed its responsibilities to its retirees—to the same people who were largely responsible for the LTV's success in the past. Help me fight for the rights to retirement and good health of those who have dedicated their lifetime to labor. Please join me in support of H.R. 5283.

Mr. MURPHY. Mr. Speaker, the recent announcement by LTV Corp. that they were seeking chapter 11 protection took many by surprise, yet for some, the worst was yet to come.

The decision by LTV to cancel, under the guise of chapter 11, the insurance and health benefits of some 78,000 retirees companywide is reprehensible and a disgrace to the workers who have given so much to keep LTV alive.

With assets of over $6 billion and a very profitable aerospace subsidiary, LTV is the largest industrial company ever to seek bankruptcy court protection.

For any company, concerned about its economic future, chapter 11 should be treated as a last resort. LTV seems to see chapter 11 as a vacation resort available to help shed its excess baggage, caring little for who or what gets in the way.

Chapter 11 should be a time to reorganize, not a time to renege on contracts that so deeply touch the lives of the workers and effect their morale.

If, as industry sources belive, that the recent filings of LTV and Wheeling-Pitt will make additional filings by other steel producers almost certain, then it is time for Congress to reestablish the rules by which this game should be played.

Legislation introduced today by Mr. STOKES of Ohio will help protect LTV retirees caught in the chapter 11 process.

I am proud to be an original cosponsor of this bill and I urge all my colleagues to support this measure.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PORTER, today, for 60 minutes.

(The following Members (at the request of Mr. BOEHLERT) to revise and extend their remarks and include extraneous material:)

Mr. MCKINNEY, for 60 minutes, today.

Mrs. BENTLEY, for 5 minutes, on August 5.

Mrs. BENTLEY, for 5 minutes, on August 12.

Mrs. BENTLEY, for 60 minutes, on August 14.

Mr. SWINDALL, for 30 minutes, today.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. MONTGOMERY, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. ALEXANDER, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. RODINO, for 5 minutes, today.

Mr. LAFALCE, for 5 minutes, today.

Mr. ROSTENKOWSKI, for 5 minutes, today.

Mr. LUNDINE, for 15 minutes, on August 5.

(The following Member (at the request of Mr. PORTER) to revise and extend his remarks and include extraneous material:)

Mr. LEACH of Iowa, for 60 minutes, on August 7.

(The following Member (at the request of Mr. STOKES) to revise and extend his remarks and include extraneous matter:)

Mr. SMITH of Iowa, for 60 minutes, on August 7.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. WEISS, and to include extraneous matter, on H.R. 5233, in the Committee of the Whole, today.

Mr. CONTE, after Yates amendment on H.R. 5234, in the Committee of the Whole, today.

Mr. STALLINGS, on H.R. 5234, in the Committee of the Whole, today.

Mr. HOYER, on H.R. 5234, in the Committee of the Whole, today.

(The following Members (at the request of Mr. BOEHLERT) and to include extraneous matter:)

Mr. CAMPBELL.

Mr. MILLER of Washington.

Mr. KINDNESS in two instances.

Mr. BROOMFIELD.

Mr. VANDER JAGT.

Mr. BILIRAKIS.

Mr. WHITEHURST.

Mr. DREIER of California.

Mr. EDWARDS of Oklahoma.

Mr. GEKAS in two instances.

Mr. PORTER.

Mrs. BENTLEY.

Mr. GUNDERSON.

Mr. FRENZEL in five instances.

Mr. LIGHTFOOT.

Mr. LAGOMARSINO.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. MAZZOLI.

Mr. LIPINSKI in two instances.

Mr. UDALL.

Mr. STOKES.

Mr. PEPPER.

Mr. STARK.

Mr. MRAZEK.

Mr. ECKART of Ohio.

Mr. MOODY.

Mr. RODINO.

Mr. WOLPE.

Mr. DYMALLY.

Mr. RANGEL.

Mr. WIRTH in two instances.

Mr. YATRON.

Mr. LAFALCE.

Mr. MURTHA.

Mr. FASCELL.

Mr. FAUNTROY.

Mr. BONIOR of Michigan.

Mr. DYSON.

Mr. TALLON.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 356. Joint resolution to recognize and support the efforts of the U.S. Committee for the Battle of Normandy Museum to encourage American awareness and participation in development of a memorial to the Battle of Normandy.

BILLS PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following title:

H.R. 4434. An act to amend the act entitled "An act granting a charter to the General Federation of Women's Clubs"; and

H.R. 1904. An act to provide for the use and distribution of funds appropriated in satisfaction of judgments awarded to the Chippewas of the Mississippi in Docket Numbered 18-S before the Indian Claims Commission, and for other purposes.

ADJOURNMENT

Mr. STOKES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 57 minutes p.m.), the House adjourned until tomorrow, Friday, August 1, 1986, at 10 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees concerning the foreign currencies and U.S. dollars utilized by them during the second quarter of calendar year 1986 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON EDUCATION AND LABOR, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1986

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Donald M. Baker	6/12	6/26	Switzerland	2,872.30	1,573.00		1,812.00				3,385.00
Daniel V. Yager	6/12	6/23	Switzerland	1,988.50	1,089.00		1,297.00				2,445.00
							[3] 59.00				
Committee total					2,662.00		3,168.00				5,830.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Mr. Yager traveled by rail enroute to Switzerland from Paris to Geneva.

AUGUSTUS F. HAWKINS, Chairman, July 20, 1986.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1986

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Oberstar, Cong. James L.	4/21	4/25	France		444.00		1,557.90		12.85		2,014.75
Committee total					444.00		1,557.90		12.85		2,014.75

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JAMES J. HOWARD, Chairman, July 14, 1986.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1986

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Rep. Steny H. Hoyer	5/23	5/24	Sweden		187.00		[3] 6,213.92				6,400.92
	5/24	5/27	Switzerland		420.00						420.00
Michael R. Hathaway	5/23	5/24	Sweden		187.00		[3] 6,213.92				6,400.92
	5/24	5/27	Switzerland		420.00						420.00
Mary Sue Hafner	5/23	5/24	Sweden		187.00		[3] 6,213.92				6,400.92
	5/24	5/27	Switzerland		420.00						420.00
Deborah M. Burns	5/23	5/24	Sweden		187.00		[3] 6,213.92				6,400.92
	5/24	5/27	Switzerland		420.00						420.00
Ronald McNamara	5/23	5/24	Sweden		187.00		[3] 6,213.92				6,400.92
	5/24	5/27	Switzerland		420.00						420.00
Judith Ingram	5/23	5/24	Sweden		187.00		[3] 6,213.92				6,400.92
	5/24	5/27	Switzerland		420.00						420.00
Rep. John Porter	5/23	5/24	Sweden		187.00		[4] 3,106.96				3,293.96
Miscellaneous codel expenses:											
Luxembourg									801.98		801.98
Sweden									3,710.15		3,710.15
Committee total					3,829.00		40,390.48		4,512.13		48,731.61

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Round-trip military transportation.
[4] One way military transportation.

STENY H. HOYER, Cochairman, July 30, 1986.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3986. A letter from the General Counsel, Export-Import Bank of the United States, transmitting a report on the operations of the Export-Import Bank of the United States for fiscal year 1985, pursuant to 12 U.S.C. 635g(a); to the Committee on Banking, Finance and Urban Affairs.

3987. A letter from Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report on political contributions by David L. Mack, of Oregon, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Unted Arab Emirates, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

3988. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report on political contributions by Dennis Kux, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Ivory Coast, Pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

3989. A letter from the Comptroller General, General Accounting Office, transmitting a report entitled "Finance Audit—

Pennsylvania Avenue Development Corporation's 1985 Financial Statements," pursuant to 31 U.S.C. 9106(a); jointly, to the Committees on Government Operations and Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. BURTON of California: Committee on Rules. H. Res. 521. Resolution waiving certain points of order against consideration of H.R. 5294, a bill making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1987, and for other purposes (Rept. 99-726). Referred to the House Calendar.

Mr. GRAY of Pennsylvania: Committee on the Budget. H.R. 5300. A bill to provide for reconciliation pursuant to section 2 of the concurrent resolution for fiscal year 1987 (Rept. 99-727). Referred to the Committee of the Whole House on the State of the Union.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 4333. A bill to amend title 38, United States Code, to improve veterans' benefits for former prisoners of war (Rept. 99-728). Referred to the Committee of the Whole House on the State of the Union.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 4623. A bill to amend title 38, United States Code, to improve readjustment counseling for Vietnam-era veterans; with amendment(s) (Rept. 99-729). Referred to the Committee of the Whole House on the State of the Union.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 5299. A bill to amend title 38, United States Code, to provide a 2-percent increase in the rates of compensation and of dependency and indemnity compensation [DIC] paid by the Veterans' Administration, and for other purposes (Rept. 99-730). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLAND: Committee on Appropriations. H.R. 5313. A bill making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1987, and for other purposes (Rept. 99-731). Referred to the Committee of the Whole House on the State of the Union.

Mr. PEPPER: Committee on Rules. H. Res. 523. Resolution providing for consideration of H.R. 4428, a bill to authorize appropriations for fiscal year 1987 for the Armed Forces for procurement, for research, development, test, and evaluation, for operation and maintenance, and for working capital funds, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes (Rept. 99-732). Referred to the House Calendar.

[Omitted from the Record of July 30, 1986]

SUBSEQUENT ACTION ON A REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of Rule X the following action was taken by the Speaker:

H.R. 4759. The Committee on the Judiciary discharged from further consideration of H.R. 4759; H.R. 4759 referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 4430. A bill to require the Secretary of the Interior to conduct a study to determine the appropriate minimum altitude for aircraft flying over national park system units; with an amendment. Referred to the Committee on Public Works and Transportation for a period ending not later than August 8, 1986, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(p), rule X (Rept. 99-725, Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DYMALLY:

H.R. 5297. A bill to provide grants through the Department of Education for drug and alcohol abuse prevention, early intervention, and rehabilitation demonstration partnerships based in elementary, junior high, high school, and college settings, and for other purposes; to the Committee on Education and Labor.

By Mr. TRAFICANT:

H.R. 5298. A bill to amend title 11 of the United States Code to prevent the rejection of executory contracts that provide hospitalization and health benefits to current or former employees of the debtor; to the Committee on the Judiciary.

By Mr. MONTGOMERY (for himself, Mr. APPLEGATE, Mr. HAMMERSCHMIDT, Mr. EDWARDS of California, Mr. WYLIE, Mr. EDGAR, Mr. HILLIS, Mr. SHELBY, Mr. SOLOMON, Mr. MICA, Mr. MCEWEN, Mr. DASCHLE, Mr. SMITH, of New Jersey, Mr. DOWDY of Mississippi, Mr. BURTON of Indiana, Mr. EVANS of Illinois, Mr. SUNDQUIST, Ms. KAPTUR, Mr. BILIRAKIS, Mr. STAGGERS, Mr. MOLINARI, Mr. ROWLAND of Georgia, Mr. RIDGE, Mr. BRYANT, Mr. HENDON, Mr. FLORIO, Mr. ROWLAND of Connecticut, Mr. GRAY of Illinois, Mr. KANJORSKI, Mr. ROBINSON, and Mr. MCCLOSKEY):

H.R. 5299. A bill to amend title 38, United States Code, to provide a 2-percent increase in the rates of compensation and of dependency and indemnity compensation [DIC] paid by the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. GRAY of Pennsylvania:

H.R. 5300. A bill to provide for reconciliation pursuant to section 2 of the concurrent resolution on the budget for fiscal year 1987.

By Mr. CAMPBELL (for himself, Mr. SPENCE, Mr. HARTNETT, Mr. SPRATT, and Mr. TALLON):

H.R. 5301. A bill to provide tax deductions to those who provide contributions of agricultural property for victims of natural disasters; to the Committee on Ways and Means.

By Mr. GUNDERSON:

H.R. 5302. A bill to permit trapping in the Saint Croix National Scenic Riverway; to the Committee on Interior and Insular Affairs.

By Mr. HUNTER:

H.R. 5303. A bill to require certain individuals who performs abortions to obtain informed consent; to the Committee on Energy and Commerce.

By Mr. KINDNESS:

H.R. 5304. A bill to amend the Clayton Act to allow private parties to sue for equitable relief and damages for injury caused by unfair foreign competition; jointly, to the Committees on the Judiciary, and Ways and Means.

By Mr. MRAZEK:

H.R. 5305. A bill to authorize the Secretary of Health and Human Services to make grants for demonstration projects for networks for services relating to acquired immune deficiency syndrome, and for other purposes; to the Committee on Energy and Commerce.

By Mr. PANETTA:

H.R. 5306. A bill to amend title 37, United States Code, to provide special pay to members of the Armed Forces proficient in foreign languages; to the Committee on Armed Services.

By Mr. PEPPER:

H.R. 5307. A bill to require the Attorney General of the United States to make grants to local governments to increase the number of police officers in geographical areas where large quantities of narcotic drugs are seized; to the Committee on the Judiciary.

H.R. 5308. A bill to make the Customs Forfeiture Fund available to improve seizure and forfeiture activities of the Customs Service; to the Committee on Ways and Means.

H.R. 5309. A bill to make the Department of Justice Assets Forfeiture Fund available to assist State drug abuse education and prevention programs; jointly, to the Committees on the Judiciary, and Energy and Commerce.

By Mr. ROSTENKOWSKI (for himself, Mr. RANGEL, Mr. GIBBONS, Mr. PICKLE, Mr. STARK, Mr. JONES of Oklahoma, Mr. JACOBS, Mr. FORD of Tennessee, Mr. JENKINS, Mr. GEPHARDT, Mr. DOWNEY of New York, Mr. GUARINI, Mr. RUSSO, Mr. PEASE, Mr. MATSUI, Mr. ANTHONY, Mr. FLIPPO, Mr. DORGAN of North Dakota, Mrs. KENNELLY, Mr. DONNELLY, Mr. COYNE, and Mr. ANDREWS):

H.R. 5310. A bill to facilitate the enforcement of the Customs laws against illegal drug traffic, and for other purposes; to the Committee on Ways and Means.

By Mr. RODINO (for himself and Mr. FISH):

H.R. 5311. A bill to implement the convention on the prohibition of the development, production and stockpiling of bacteriologi-

cal (biological) and toxin weapons and their destruction, by prohibiting certain conduct relating to biological weapons, and for other purposes; to the Committee on the Judiciary.

By Mr. YATRON:

H.R. 5312. A bill to authorize the Administrator of the Environmental Protection Agency to conduct a program of research, development and demonstration, technical assistance to States, and dissemination of information to the public relating to environmental and public health problems posed by indoor accumulation of radon; jointly, to the Committees on Science and Technology, and Energy and Commerce.

By Mr. BOLAND:

H.R. 5313. A bill making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1987, and for other purposes.

By Mr. DORNAN of California (for himself, Mr. CHAPPIE, Mr. LUNGREN, Mr. PACKARD, Mr. BADHAM, Mr. HUNTER, Mr. DREIER of California, and Mr. SHUMWAY):

H.J. Res. 690. Joint resolution proposing an amendment to the Constitution of the United States to repeal the twenty-second amendment to the Constitution; to the Committee on the Judiciary.

By Mr. NEAL:

H.J. Res. 691. Joint resolution to prohibit the importation of textile fiber products from the Republic of South Africa; to the Committee on Ways and Means.

By Mr. DORNAN of California:

H. Res. 520. Resolution welcoming Father Lawrence Jenco back to United States after 18 months in captivity, encouraging further Syrian help in securing the release of the remaining hostages in Lebanon, and for other purposes; to the Committee on Foreign Affairs.

By Mr. TAUKE:

H. Res. 522. Resolution to amend the Rules of the House of Representatives to limit the outside earned income of officers and employees of the House fo 30 percent of their salary, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FRANKLIN:

H.R. 5314. A bill to direct the Secretary of the Interior to sell certain property located in Vicksburg, MS; to the Committee on Interior and Insular Affairs.

By Mr. HYDE:

H.R. 5315. A bill for the relief of Joseph W. Newman; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1052: Mr. LAFALCE.

H.R. 1946: Mr. COLEMAN of Missouri.

H.R. 2871: Mr. MARKEY, Mr. MARTINEZ, Mr. HORTON, Mr. HAYES, Mr. BEVILL, Mr. HARTNETT, Mr. DWYER of New Jersey, Mrs. COLLINS, Mr. TOWNS, Mr. MCMILLAN, Mr. DOWDY of Mississippi, Mr. DYSON, and Mr. RITTER.

H.R. 3040: Mr. BEDELL.

H.R. 3465: Mr. RAHALL.

H.R. 3549: Mr. HILLIS.

H.R. 3644: Mr. IRELAND.

H.R. 3806: Mr. UDALL.

H.R. 3827: Mr. WEISS.

H.R. 3895: Mr. COURTER.

H.R. 3980: Mr. GUARINI.

H.R. 4304: Mr. MCCLOSKEY.

H.R. 4333: Mr. EDWARDS of California, Mr. WYLIE, Mr. SHELBY, Mr. HILLIS, Mr. MICA, Mr. SMITH of New Jersey, Mr. DOWDY of Mississippi, Mr. BURTON of Indiana, Mr. EVANS of Illinois, Mr. SUNDQUIST, Ms. KAPTUR, Mrs. JOHNSON, Mr. PENNY, Mr. MOLINARI, Mr. STAGGERS, Mr. RIDGE, Mr. ROWLAND of Georgia, Mr. BRYANT, Mr. FLORIO, Mr. GRAY of Illinois, Mr. KANJORSKI, Mr. ROBINSON, Mr. MCCLOSKEY, and Mr. FIELDS.

H.R. 4337: Mr. SHUMWAY.

H.R. 4365: Mr. HILLIS.

H.R. 4567: Mr. FORD of Tennessee.

H.R. 4623: Mr. MONTGOMERY, Mr. HAMMERSCHMIDT, Mr. APPLEGATE, Mr. WYLIE, Mr. SHELBY, Mr. HILLIS, Mr. MICA, Mr. SOLOMON, Mr. DOWDY of Mississippi, Mr. MCEWEN, Mr. PENNY, Mr. SMITH of New Jersey, Mr. STAGGERS, Mr. BURTON of Indiana, Mr. ROWLAND of Georgia, Mr. SUNDQUIST, Mr. BRYANT, Mr. BILIRAKIS, Mr. GRAY of Illinois, Mrs. JOHNSON, Mr. KANJORSKI, Mr. MOLINARI, Mr. ROBINSON, Mr. RIDGE, Mr. MCCLOSKEY, Mr. HENDON, Mr. ROWLAND of Connecticut, and Mr. KOSTMAYER.

H.R. 4633: Mr. HOWARD, Mr. SCHUMER, Mr. MORRISON of Connecticut, Mr. LEWIS of Florida, Mr. MACK, Mr. STALLINGS, Mr. BLILEY, and Mr. WAXMAN.

H.R. 4682: Mr. DURBIN.

H.R. 4714: Mr. SCHUETTE.

H.R. 4738: Mr. CONYERS.

H.R. 4787: Mr. MCEWEN.

H.R. 4838: Mr. SIKORSKI.

H.R. 4898: Mr. BARNES.

H.R. 4913: Mr. ROBERTS and Mr. EMERSON.

H.R. 4922: Mr. ROYBAL, Mr. MACKAY, Mr. KOSTMAYER, and Mr. SMITH of New Hampshire.

H.R. 4990: Mr. LEVINE of California, Mr. WHEAT, Mrs. COLLINS, Mr. DOWNEY of New York, Mr. YATES, Mr. TALLON, Mr. MOODY, Mr. FAZIO, Mrs. BOXER, Mr. DWYER of New Jersey, and Mr. ROE.

H.R. 5000: Mr. HANSEN, Mr. SMITH of New Jersey, Mrs. BYRON, and Mr. PASHAYAN.

H.R. 5035: Mr. PARRIS and Mr. MITCHELL.

H.R. 5056: Mr. LUKEN.

H.R. 5066: Mr. HUGHES, Mr. WILSON, Mr. KLECZKA, and Mr. BARNARD.

H.R. 5145: Mr. KASTENMEIER, Mr. ACKERMAN, Mr. SWIFT, Mr. PENNY, Mr. OBERSTAR, Mr. WORTLEY, Mr. SABO, Mr. LIPINSKI, Mr. MORRISON of Connecticut, Mr. EDWARDS of California, Mr. FAUNTROY, Mr. BEREUTER, Mr. WATKINS, Mr. STOKES, Mr. LELAND, Mr. GORDON, Mr. KANJORSKI, Mr. HAYES, Mr. MARTINEZ, Mr. WEISS, Mr. SAVAGE, Mr. KLECZKA, Mr. OWENS, Mr. HAMILTON, Mr. CROCKETT, Mr. ASPIN, Mr. MRAZEK, Mr. FRANK, Mr. KILDEE, Mr. RUDD, Mr. TOWNS, Mr. VISCLOSKY, Mr. LEVIN of Michigan, Mr. WEBER, and Mr. DIOGUARDI.

H.R. 5189: Mr. ROBERTS, Mr. KINDNESS, Mr. LIGHTFOOT, Mr. WEBER, Mr. ROE, Mr. WORTLEY, and Mr. ROBERT F. SMITH.

H.R. 5202: Mr. RANGEL, Mr. MAVROULES, and Mr. WHITTAKER.

H.R. 5248: Mr. LUNGREN, Mr. FRENZEL, Mr. COBEY, Mr. BROWN of Colorado, Mr. LAGOMARSINO, Mrs. JOHNSON, Mr. WORTLEY, Mr. MCMILLAN, Mr. KINDNESS, Mr. OXLEY, Mr. NIELSON of Utah, Mr. ARCHER, Mr. DENNY SMITH, Mr. SILJANDER, Mr. HENDON, Mr. WHITTAKER, Mr. MCCANDLESS, Mr. IRELAND, and Mr. BURTON of Indiana.

H.R. 5278: Mrs. SMITH of Nebraska, Mr. LIGHTFOOT, Mr. WEBER, and Mr. GINGRICH.

H.R. 5284: Mr. HORTON.

H.R. 5288: Mr. SWINDALL, Mr. HILLIS, Mr. DYSON, and Mr. ANTHONY.

H.J. Res. 90: Mr. BORSKI, Ms. MIKULSKI, Mr. BONIOR of Michigan, Mrs. BENTLEY, Mr. DOWNEY of New York, Mr. BIAGGI, Mr. DASCHLE, Mr. DURBIN, Mr. GEPHARDT, Mr. HOYER, Mr. HUBBARD, Mr. JENKINS, Mr. LEATH of Texas, Mr. LEHMAN of Florida, Mr. LOWRY of Washington, Mr. MACKAY, Mr. MILLER of California, Mr. SCHUMER, Mr. SLATTERY, and Mr. DERRICK.

H.J. Res. 438: Mr. BEDELL, Mr. FEIGHAN, Mr. DYMALLY, Mr. LIPINSKI, and Mr. HUTTO.

H.J. Res. 511: Mr. LIVINGSTON, Mr. DUNCAN, Mr. THOMAS of Georgia, Mr. BONER of Tennessee, Mr. ALEXANDER, Mr. ANTHONY, Mr. BERMAN, Mr. BEVILL, Mr. BREAUX, Mr. BROWN of California, Mr. BURTON of Indiana, Mr. COELHO, Mr. SPRATT, Mr. HARTNETT, Mr. DEWINE, Mr. HEFNER, Mr. FLIPPO, Mr. MOORE, Mr. MONTGOMERY, Mr. GUNDERSON, Mr. FUQUA, Mrs. LLOYD, Mr. DOWDY of Mississippi, Mr. QUILLEN, Mr. DYSON, Mr. WOLPE, Mr. GORDON, Mr. LEHMAN of Florida, Mr. STOKES, Mr. LOWRY of Washington, Mr. MCKERNAN, Mr. ROSE, Mr. SMITH of Florida, Mr. HUBBARD, Mr. PURSELL, Mr. MAZZOLI, Mr. CROCKETT, Mrs. HOLT, Mr. GALLO, Mr. LIGHTFOOT, Mr. FORD of Tennessee, Mr. FISH, Mr. ROE, Mr. HOWARD, Mr. DARDEN, Mr. MURTHA, Mr. HATCHER, Mr. ENGLISH, Mr. FROST, Mr. ROGERS, Mr. RUSSO, and Mr. WYLIE.

H.J. Res. 514: Mr. TAYLOR, Mr. MORRISON of Connecticut, Mr. MARTIN of New York, Mr. DANIEL, Mr. MACK, Mr. CHAPMAN, Mr. DURBIN, Mr. HYDE, Mr. GRAY of Illinois, Mr. HEFNER, Mr. BOUCHER, Mr. MCCLOSKEY, Mr. HARTNETT, Mr. DOWDY of Mississippi, Mr. HORTON, Mr. LELAND, Mr. SAVAGE, Mrs. HOLT, Mr. YOUNG of Florida, Mr. MOAKLEY, Mr. DELAY, Mr. SISISKY, Mr. SABO, Mr. WYLIE, Mrs. BYRON, Mr. LANTOS, Mr. CROCKETT, Mr. MAZZOLI, Mr. KOSTMAYER, Mr. BORSKI, and Mr. ARCHER.

H.J. Res. 594: Mr. JEFFORDS, Mr. CLINGER, and Mr. STOKES.

H.J. Res. 617: Mr. NIELSON of Utah, Mr. FISH, Ms. SNOWE, Mr. DERRICK, Mr. REGULA, Mr. BONIOR of Michigan, Mr. TAUZIN, Mr. RITTER, Mr. MINETA, Ms. KAPTUR, Mr. PURSELL, Mr. OLIN, Mr. VENTO, Mr. DONNELLY, Mr. BEVILL, Mr. DWYER of New Jersey, Mr. FLIPPO, Mr. BILIRAKIS, Mr. PACKARD, Mr. LELAND, Mr. KASTENMEIER, Mr. IRELAND, Mr. WOLPE, Mr. ANNUNZIO, Mr. GUNDERSON, Mr. BUSTAMANTE, Ms. MIKULSKI, Mr. DANIEL, Mr. BROOMFIELD, Mr. WEISS, Mr. MACKAY, Mrs. BYRON, Mr. LEHMAN of California, Mr. BOEHLERT, Mr. BATES, Mr. DYSON, Mr. MITCHELL, Mr. RAHALL, Mr. WAXMAN, Mr. SCHEUER, Mr. COLEMAN of Texas, Mr. MAVROULES, Mr. FORD of Michigan, Mr. KOLTER, Mr. LIVINGSTON, Mr. CHAPMAN, Mr. DE LA GARZA, Mr. JEFFORDS, Mr. DASCHLE, Mr. HATCHER, Mr. KOSTMAYER, Mr. SAXTON, Mr. LEHMAN of Florida, Mr. JONES of North Carolina, Mr. EDGAR, and Mr. OWENS.

H.J. Res. 620: Mr. MONTGOMERY, Mr. BLILEY, Mr. ROSE, Mr. TAUKE, Mr. FEIGHAN, Mr. FRANKLIN, Mr. FOLEY, Mr. WOLPE, Mrs. VUCANOVICH, Mr. DE LA GARZA, Mr. EMERSON, Mr. MINETA, Mr. ANDERSON, Mr. BROWN of California, Mr. SMITH of Florida, Mr. CALLAHAN, Mr. TAUZIN, Mr. STRANG, Mr. KRAMER, Mr. PURSELL, Mr. WYLIE, Mr. VENTO, Mr. MONSON, Mr. GINGRICH, Mr. MAZZOLI, Mr. FISH, Mr. GEJDENSON, Mr. LIVINGSTON, Mr. CARPER, Mr. SABO, Mr. LEWIS of Florida, Mr.

OBERSTAR, Mr. YOUNG of Florida, Mr. SCHUETTE, Mr. CAMPBELL, Mr. PANETTA, Mr. FROST, Mr. SHUMWAY, Mr. BENNETT, Mr. GREGG, Mr. LOEFFLER, and Mr. ERDREICH.

H.J. Res. 663: Mr. BOULTER.

H.J. Res. 667: Mr. RITTER and Mr. DELAY.

H.J. Res. 670: Mr. KOSTMAYER, Mr. TORRICELLI, and Mr. WEISS.

H.J. Res. 678: Mr. ALEXANDER, Mr. WEISS, Mr. WYLIE, Mr. BONER of Tennessee, Mrs. BURTON of California, Mr. COLEMAN of Texas, Mr. BEDELL, Mr. CROCKETT, Mr. DANIEL, Mr. DASCHLE, Mr. DOWDY of Mississippi, Mr. BRYANT, Mr. ORTIZ, Mr. HUTTO, Mr. DIXON, Mr. BUSTAMANTE, Mr. FUQUA, Mr. DE LUGO, Mr. BORSKI, and Mr. BONIOR of Michigan.

H. Con. Res. 321: Mr. PASHAYAN, Mr. MCKINNEY, and Mr. BORSKI.

H. Res. 373: Mr. PANETTA.

H. Res. 430: Mr. HALL of Ohio, Mr. KOLTER, and Mrs. BOXER.

H. Res. 469: Mr. ACKERMAN, Mr. AUCOIN, Mrs. BENTLEY, Mr. BLILEY, Mr. BOLAND, Mr. BONIOR of Michigan, Mr. BOSCO, Mr. BRUCE, Mr. BRYANT, Mr. BUSTAMANTE, Mr. CHANDLER, Mr. COURTER, Mr. COYNE, Mr. DOWNEY of New York, Mr. FEIGHAN, Mr. FISH, Mr. FRENZEL, Mr. GARCIA, Mr. GILMAN, Mr. GREEN, Mr. HORTON, Mr. HUGHES, Mr. KOSTMAYER, Mr. LAGOMARSINO, Mr. LEHMAN of California, Mr. LEHMAN of Florida, Mr. LUNDINE, Mr. MANTON, Mr. MCDADE, Mr. MORRISON of Connecticut, Mr. MRAZEK, Mr. OBERSTAR, Mr. OWENS, Mr. PANETTA, Mr. PEPPER, Mr. RANGEL, Mr. ROBINSON, Mr. RODINO, Mr. ROE, Mr. SAVAGE, Mr. SKELTON, Mr. SMITH of Florida, Mr. TOWNS, Mr. UDALL, and Mr. WEISS.

H. Res. 476: Mr. APPLEGATE, Mr. EDWARDS of Oklahoma, Mr. TORRICELLI, and Mr. RITTER.

H. Res. 498: Mr. LELAND, Mr. MITCHELL, and Mr. MARTINEZ.

H. Res. 509: Mr. HORTON, Mrs. BOXER, Mr. TOWNS, Mr. SEIBERLING, Mr. LUKEN, Mr. FAZIO, Mr. WYLIE, Mr. WEISS, Mrs. HOLT, and Mr. ROE.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

446. By the SPEAKER: Petition of the delegate assembly of Goodwill Industries of America, Inc., Bethesda, MD, relative to the Rehabilitation Act of 1973; to the Committee on Education and Labor.

447. Also, petition of the delegate assembly of Goodwill Industries of America, Inc., Bethesda, MD, relative to nonprofit rehabilitation facilities; to the Committee on Education and Labor.

448. Also, petition of the delegate assembly of Goodwill Industries of America, Inc., Bethesda, MD, relative to the Fair Labor Standards Act; to the Committee on Education and Labor.

449. Also, petition of the delegate assembly of Goodwill Industries of America, Inc., Bethesda, MD, relative to the rehabilitation needs of Social Security beneficiaries; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4428

By Mr. DORNAN of California:

[7]—Page 34, line 4, strike out "$7,678,728,000" and insert in lieu thereof "$9,078,782,000".

Page 43, line 10, strike out "$3,400,000,000" and insert in lieu thereof "$4,800,000,000".

[8]—Page 34, line 4, strike out "$7,678,782,000" and insert in lieu thereof "$9,078,782,000".

Page 43, after line 6, insert the following:

(c) ADMINISTRATION OF PROGRAM.—The Secretary of Defense shall provide that the Conventional Defense Initiatives program shall be administered through the Strategic Defense Initiative Organization of the Department of Defense.

(d) REPORT.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on how funds made available for the Conventional Defense Initiatives program have been spent and are planned to be spent.

Page 43, line 10, strike out "$3,400,000,000" and insert in lieu thereof "$4,800,000,000".

[9]—Page 43, after line 6, insert the following:

(c) ADMINISTRATION OF PROGRAM.—The Secretary of Defense shall provide that the Conventional Defense Initiatives program shall be administered through the Strategic Defense Initiative Organization of the Department of Defense.

(d) REPORT.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on how funds made available for the Conventional Defense Initiatives program have been spent and are planned to be spent.

[10]—Page 129, line 12, strike out the quotation marks.

Page 129, after after line 12, insert the following (and redesignate the succeeding subsection accordingly):

"(e) The amount of a contract for the overhaul, repair, or maintenance of a naval vessel may not exceed the Secretary of the Navy's estimate of cost of the contract by more than 10 percent unless the Secretary of Defense determines national security reasons for approving the contract. After such a contract has been entered into, the Secretary of the Navy shall notify the Committees on Armed Services of the Senate and the House of Representatives of any cost overrun of more than 14 percent of the contract and shall wait 30 days before agreeing to continue the contract.".

(b) CONTRACTS FOR ONLY FOUR SHIPS.—During fiscal year 1987, the Secretary of the Navy may not enter into contracts with private shipyards for the overhaul, repair, or maintenance of more than four naval vessels.

[11]—Page 129, line 12, strike out the quotation marks.

Page 129, after after line 12, insert the following (and redesignate the succeeding subsection accordingly):

(b) CONTRACTS FOR ONLY FOUR SHIPS.—During fiscal year 1987, the Secretary of the Navy may not enter into contarcts with private shipyards for the overhaul, repair, or maintenance of more than four naval vessels.

H.R. 4428

By Mr. ENGLISH:

[12]—At the end of title X of division A (page 239, after line 5), add the following new section:

SEC. 1033. AUTHORIZATION OF APPROPRIATIONS FOR ENHANCED DRUG ENFORCEMENT ACTIVITIES.

(a) AMOUNTS AUTHORIZED.—Funds are hereby authorized to be appropriated to the Department of Defense for fiscal year 1987 for enhancement of authorized drug enforcement assistance activities of the Department as follows:

(1) For procurement of aircraft for the Army, $40,000,000, to be available for procurement of Blackhawk Helicopters.

(2) For procurement of aircraft for the Navy, $83,000,000, to be available for modification of four P-3 or C-130 aircraft by the addition of APS-138 radar.

(3) For procurement for the Air Force, $214,400,000, of which—

(A) $75,000,000 is for procurement of six radar aerostats;

(B) $60,000,000 is for procurement of C-130 tanker aircraft with APG-63 radar;

(C) $79,400,000 is for modification of specially equipped C-130 aircraft to be assigned to the Southern Command.

(4) For operation and maintenance for the Air Force, $15,000,000, to be available for the transfer of the 302nd Special Operations Squadron from Luke Air Force Base, Arizona, to Davis-Monthan Air Force Base, Arizona.

(5) For the drug interdiction program of the National Guard, $61,400,000.

(6) For the Secretary of Defense, $12,000,000 for enhanced intelligence collection activities concerning illegal importation into the United States of drugs originating in South America.

(b) LOANS TO CUSTOMS SERVICE.—The Secretary of Defense shall make available the aircraft procured or modified using funds appropriated pursuant to authorizations in paragraphs (1) and (2) of subsection (a) to the United States Customs Service in accordance with chapter 18 of title 10, United States Code.

(c) AMOUNTS IN ADDITION TO OTHER AMOUNTS.—The amounts authorized by subsection (a) are in addition to any other amounts authorized to be appropriated to the Department of Defense for fiscal year 1987 by this or any other Act.

SEC. 1034. FUNDING OF COAST GUARD DRUG-INTERDICTION PERSONNEL.

Of the funds appropriated for operation and maintenance for the Navy for fiscal year 1987, the sum of $15,000,000 shall be transferred to the Secretary of Transportation and shall be available only for members of the Coast Guard assigned to duty as provided in section 1421(a) of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 750).

H.R. 4428

By Mr. RAHALL:

[13]—Page 141, strike lines 6 through page 142, line 8.

H.R. 4428

By Mr. SAVAGE

[14]—Page 237, strike out line 15 and all that follows through page 239, line 5, and insert in lieu thereof the following:

SEC. 1032. CONTRACT SET-ASIDE REQUIREMENTS.

(a) SET-ASIDE REQUIREMENT.—Except as provided in subsection (d), not less than 10

percent of each amount described in subsection (b) shall be obligated during any fiscal year for contracts entered into with—

(1) small business concerns owned and controlled by socially and economically disadvantaged individuals (as defined by section 8(d) of the Small Business Act (15 U.S.C. 637(d)) and regulations issued under such section);

(2) historically Black colleges and universities; or

(3) minority institutions (as defined by the Secretary of Education pursuant to the General Education Provisions Act (20 U.S.C. 1221 et seq.).

(b) AMOUNT TO BE SET-ASIDE.—The requirements of subsection (a) for any fiscal year apply to each of the following amounts:

(1) Funds appropriated to the Department of Defense for such fiscal year for procurement.

(2) Funds appropriated to the Department of Defense for such fiscal year for research, development, test, and evaluation.

(3) Funds appropriated to the Department of Defense for such fiscal year for military construction.

(4) Funds appropriated to the Department of Defense for operation and maintenance.

(c) TECHNICAL ASSISTANCE.—The Secretary of Defense shall provide for technical assistance to potential contractors described in subsection (a). Such technical assistance shall include information about the set-aside program, advice about Department of Defense procurement procedures, assistance in preparation of proposals, and such other assistance as the Secretary considers appropriate.

(d) APPLICABILITY.—Subsection (a) does not apply—

(1) to the extent to which the Secretary of Defense determines that compelling national security considerations require otherwise; and

(2) if the Secretary making such a determination notifies Congress of such determination and the reasons for such determination.

(e) COMPETITIVE PROCEDURES AND ADVANCE PAYMENTS.—In carrying our the requirements of subsection (a), the Secretary of Defense shall—

(1) solicit bids or competitivè proposals in a manner designed to achieve full and open competition for the procurement, and

(2) to the extent practicable and when necessary to facilitate achievement of the 10 percent set-aside requirement described in subsection (a), make advance payments under section 2307 of title 10, United States Code, to contractors described in subsection (a).

(f) ANNUAL REPORT.—Not later than May 1 of each fiscal year, the Secretary of Defense shall submit to Congress a report on the compliance of the Secretary with the requirements of subsection (a) during the preceding fiscal year. Each such report shall include—

(A) a full explanation of any failure to comply with such requirements; and

(B) a plan to remedy such failure.

(2) The first report required by subsection (a) shall be submitted not later than May 1, 1987.

(g) EFFECTIVE DATE.—This section applies to each of fiscal years 1987, 1988, 1989, 1990, and 1991.

H.R. 4428

By Mr. SMITH of New Jersey:

[15]—At the end of part B of title VIII of division A (page 158, after line 13) insert the following new section:

SEC. 814. WAIVER OF CHAMPUS COPAYMENT FOR CERTAIN BENEFICIARIES.

(a) IN GENERAL.—Section 1079 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(1) The Secretary of Defense shall, in the case of a hospital that provides free medical care to all patients and that otherwise fulfills eligibility requirements established by the Secretary for hospitals under plans covered by subsection (a), waive any payment required under subsection (b) or (e) with respect to treatment received in such hospital by persons covered by this section.".

(b) EFFECTIVE DATE.—Section 1079(1) of title 10, United States Code (as added by subsection (a)), shall apply with respect to medical care received after the date of the enactment of this Act.

H.R. 4428

By Mr. SOLOMON:

[16]—At the appropriate place in title VIII of the bill (General Provisions) insert the following new section:

SEC. . PROHIBITION ON CONTRACTS WITH CONTRACTORS THAT EMPLOY PERSONS WHO FAIL TO REGISTER UNDER THE MILITARY SELECTIVE SERVICE ACT.

(a) IN GENERAL.—(1) Chapter 141 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2408. Contracts: Employment by Contractors of Selective Service Nonregistrants

"(a) The Secretary of Defense, to the extent practicable, shall ensure that funds appropriated or otherwise made available to the Department of Defense are not used to satisfy obligations of the United States under a contract with a contractor or subcontractor during a period during which a selective service nonregistrant is employed by the contractor or subcontractor.

"(b) In this section, the term 'selective service nonregistrant' means a person who—

"(1) was born after December 31, 1959;

"(2) is required to register under section 3(a) of the Military Selective Service Act (50 U.S.C. App. 453(a)); and

"(3) has not so registered.".

"(c) The Secretary may waive the application of this section with respect to a contract when the Secretary determines such a waiver is necessary in the interests of national security.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2408. Contracts: employment by contractors of selective service nonregistrants."

(b) EFFECTIVE DATE.—Section 2408 of title 10, United States Code (as added by subsection (a)), shall apply to contracts entered into after the date of the enactment of this Act and only with respect to individuals hired by contractors or subcontractors after such date.

[17]—At the end of the bill, add the following new section:

SEC. 4005. AMENDMENT OF MILITARY SELECTIVE SERVICE ACT TO PROVIDE ELIGIBILITY FOR BENEFITS TO CERTAIN PERSONS WHO FAIL TO REGISTER.

(a) ELIGIBILITY FOR BENEFITS.—Section 12 of the Military Selective Service Act (50 U.S.C. App. 462) (relating to penalties) is amended—

(1) by striking out "Any person" in subsection (f)(1) and inserting in lieu thereof "Except as provided in subsection (g), any person"; and

(2) by adding at the end the following new subsection:

"(g) Any person discharged under honorable conditions from the armed forces may not be denied any right, privilege, or benefit under Federal law by reason of his failure to present himself for and submit to registration under section 3.".

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply—

(1) to a person discharged under honorable conditions before, on, or after the date of the enactment of this Act; and

(2) to rights, benefits, and privileges to which such person would have been entitled had such subsection been in effect at the time of such discharge.

H.R. 5294

By Mr. COBEY:

—Page 59, after line 11, insert the following new section:

SEC. 623. None of the funds made available in this Act for the Federal Election Commission may be used for purposes of issuing or enforcing any rule, regulation, order, or advisory opinion that does not comply with the decision of the Supreme Court of the United States in *Chicago Teachers Union* v. *Hudson*, 106 S. Ct. 1066 (1986) or the decision of such Court in *Ellis* v. *Railway Clerks*, 466 U.S. 435 (1984).

H.R. 5294

By Mr. JACOBS:

—Page 32, line 11, strike out "$1,234,000" and insert in lieu thereof "$278,600".

SENATE—*Thursday, July 31, 1986*

(Legislative day of Monday, July 28, 1986)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable CHIC HECHT, a Senator from the State of Nevada.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Father in Heaven, if the leadership of the Nation is not in the U.S. Senate—where in the world is it? If the welfare of the people does not depend upon the men and women who work here—who is supposed to have that responsibility? The fact is, Lord, the buck stops here; there are no viable alternatives.

I pray against the cynicism which casts every Senator in a cartoon image—a caricature in which the politician is a self-serving political animal interested only in his personal goals and works very little. Somehow, Lord, help the truth to be known. Help there to be some understanding of the magnitude of legislation involving issues of monumental proportion which must be processed before early October. God of the impossible, infuse the Senate with the wisdom, energy, courage—and the will—to do the difficult or unpopular thing which will prove the cynic false and dignify this institution as those veterans of the Senate who love and honor this body remember it. For the glory of God and the continuance of leadership integrity. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 31, 1986.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CHIC HECHT, a Senator from the State of Nevada, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. HECHT thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. WARNER. Mr. President, as I understand, the first business this morning will be the Hart amendment, following the special orders.

We are advised by the leadership that there will a late session tonight, and all Senators should plan accordingly; and, further, that tomorrow will be a full day for the Senate, with votes anticipated.

Mr. President, I reserve the remainder of the majority leader's time.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the Democratic leader is recognized.

Mr. BYRD. Mr. President, I ask unanimous consent that I may reserve my time under the order throughout the day.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF SENATOR THURMOND

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from South Carolina [Mr. THURMOND] is recognized for not to exceed 5 minutes.

JUNE 1986 IMPORT FIGURES

Mr. THURMOND. Mr. President, I have just received the latest textile and apparel import figures. Unfortunately, they constitute more bad news for our beleaguered domestic textile industry. Even worse is the personal suffering these figures will mean to thousands of hard-working Americans who depend on this industry for their livelihoods. For months I have sincerely hoped that the administration would take actions to slow the flood of imports into our Nation. However, these latest figures are stark evidence that textile and apparel imports remain out of control.

Mr. President, imports in June of this year totaled 1,117 million square yard equivalents, which is up 17.2 percent over last June. In addition, more imports came into our country during the first 6 months of this year than in any other 6-month-period in our history. For the first 6 months of 1986, imports of textiles and apparel were up an astonishing 21.9 percent over the first 6 months of 1985. That is correct, Mr. President, imports for the first half of this year were up almost 22 percent over the first half of last year. With the domestic market for textile products growing at a rate of approximately 3 percent, a 22-percent increase in imports means two things—more plant closings and more job layoffs for America.

Mr. President, also in June of this year, our Nation experienced a $1.84 billion trade deficit in textiles and apparel alone. During June we imported 2.117 billion dollars worth of textile and apparel goods while we exported only 276 million dollars worth of these products. Yes, we imported over seven times as much as we exported. If imports and exports continue at this pace, we will experience a 1986 trade deficit of over $22 billion in textiles and apparel alone. Such a large deficit was unimaginable just a few years ago. It can only mean worse times ahead for the 2 million Americans still employed in this industry and the 2 million employed in related industries.

Mr. President, next week, on August 6, the House of Representatives will vote on whether to override the veto of H.R. 1562, the Textile and Apparel Trade Enforcement Act. I hope that they will take that historic step and, if they do, we should be prepared to do likewise here in the Senate. The future well-being of untold thousands of Americans depends on it.

□ 0910

IMPORTANCE OF TEXTILES TO NATIONAL DEFENSE

Mr. THURMOND. Mr. President, recently the House Armed Services Investigations Subcommittee held a hearing to assess the ability of the domestic textile industry to meet military mobilization requirements. At that hearing, the capability of our domestic industry to meet military wartime needs was drawn into serious question. In testimony before the subcommittee, Raymond Chiesa, the Executive Director for Contracting at the Defense Logistics Agency, said that the American textile industry is already having difficulty meeting the military's needs. Unrestrained foreign

textile imports which have crippled the domestic industry were blamed for these difficulties in meeting our preparedness requirements.

Mr. President, textiles are vital elements in over 300 combat essential items, including such products as bandages, blankets, parachutes, helicopter blades, tires, helmets, and aircraft brake systems. For fiscal year 1985, the Defense Logistics Agency forecast the need for 10.2 million pairs of socks, 9.5 million yards of cotton blend camouflage fabric, 8.8 million woven and knitted hats, and 5.7 million pairs of gloves. Total military essential purchases of domestic textile items totaled over $1.1 billion in 1985. The necessity of a strong textile industry is underscored in a recent Department of Defense report on the domestic textile and apparel industrial base. The report states that the "acquisition of military clothing depends on the availability of domestic production capability." As former U.S. Trade Representative Bill Brock said in 1984: "Every U.S. industry insists it is essential for national security. Textiles is the only one we accept and that goes back 20 years."

Mr. President, I am becoming increasingly concerned about the ability of the textile and apparel industry to respond to the needs of the Defense Department. Over the last 5 years over 350,000 American workers in this industry have lost their jobs as hundreds of plants have closed their doors. The safety, comfort, and morale of our ultimate weapons system, the fighting soldier, depends on textile products. We must maintain a broad textile industry base to supply the needed military textiles. Also, it is crucial that we have the facilities which can be quickly converted to large-scale military production. In addition, if a conflict were prolonged, the industry base must be adequate to meet the needs of both the military and the civilian population.

Mr. President, we must not underrate the importance of this vital industry. The survival of textile and apparel manufacturing in this country is in jeopardy. In response to that dire situation, Congress passed H.R. 1562, the Textile and Apparel Trade Enforcement Act, which was subsequently vetoed by the President. Now, we must act to override that veto. The critical importance of the textile and apparel industry to the future security of our Nation is just one of the many reasons why the veto of H.R. 1562 should be overridden.

Mr. President, I ask unanimous consent that an article from Army Times entitled "Textile Decline Seen Hurting U.S. Readiness" and a factsheet entitled "Selected Military Appropriated Clothing and Textile Items" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Army Times, July 28, 1986]

TEXTILE DECLINE SEEN HURTING U.S. READINESS

(By Rick Maze)

WASHINGTON.—The military may not have enough uniforms, helmets, parachutes, camouflage netting and backpacks in wartime because the U.S. textile industry is dying, a House subcommittee was told.

The textile industry also is important in building helicopter blades, missile casings and launch tubes, and bandages.

Rep. Bill Nichols, D-Ala., chairman of the House Armed Services Investigations Subcommittee, said the increase in imported clothing, coupled with the decline of the domestic textile industry, makes it doubtful that the United States could meet military wartime needs.

In testimony July 15 before Nichols' subcommittee, Raymond F. Chiesa, the Defense Logistics Agency's executive director for contracting, said the domestic industry already is having difficulty meeting the military's need.

Potential shortages could be avoided by stockpiling items, improving technology in domestic factories and establishing an industrial reserve program for textile firms, Chiesa said.

Since 1980, 300,000 domestic textile workers have lost their jobs as American plants have closed and imported goods have replaced U.S. products. Eighty-five percent of military textile and apparel money goes to small businesses, but military business makes up only a small part of the market, he said. The military's textile purchases make up about 1 percent of domestic production, and totals about $1 billion, Chiesa said.

Between fiscal 1984 and fiscal 1986, 21 textile plants have closed and another 15 have reduced capability, Chiesa said. Eight sewing plants also have been lost, he said.

Rep. Marilyn Lloyd, D-Tenn., warned that the decline of the industry could hurt national security. "Due to the importance of textiles to the national defense, it is crucial that we maintain a broad industry base to supply the needed military textiles as well as facilities that can be converted on a large scale to provide sufficient quantities in the event of a national crisis," Lloyd told the subcommittee.

SELECTED MILITARY APPROPRIATED CLOTHING AND TEXTILE ITEMS, FISCAL YEAR 1985 PROCUREMENT FORECAST, DEFENSE LOGISTICS AGENCY, $1.1 BILLION PROJECTED PEACETIME ACQUISITION

1. 10.2 million pairs of socks.
2. 9.5 million yards[1] of cotton blend combat camouflage fabric.
3. 9.2 million cotton and cotton blend combat camouflage coats.
4. 8.8 million woven and knitted hats, caps, berets, and hoods.
5. 7.2 million cotton and cotton blend combat camouflage trousers.
6. 6.6 million pairs of drawers.
7. 6 million dress and utility work trousers/slacks/skirts.
8. 5.7 million pairs of gloves/mittens.
9. 5 million dress and utility work shirts/blouses.
10. 3 million yards[1] cotton blend dress shirting fabric.
11. 3 million yards[1] cotton and cotton blend duck fabric.
12. 2.4 million chemical protective suits.
13. 1.7 million coveralls.
14. 1.6 million dress coats and utility jackets.
15. 1.3 million undershirts.
16. 1.3 million parkas.
17. 1.2 million raincoats and ponchos.
18. 1.1 million hankerchiefs.
19. 1 million nylon duck duffel bags.
20. 700,000 trouser/coat liners.

[1] Yardage figures are linear in various widths.

Mr. THURMOND. Mr. President, I suggest the absense of a quorum.

The PRESIDING OFFICER (Mr. WARNER). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 0920

Mr. SYMMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR SYMMS

The PRESIDING OFFICER. The Chair recognizes the Senator from Idaho.

DUMPING U.S. GOLD RESERVES ON THE WORLD MARKET

Mr. SYMMS. Mr. President, proposals are now flying around this town very rapidly about sanctions against South Africa, and they are obviously going to be considered in this Congress. One of the proposals under consideration would call for the dumping of U.S. gold reserves onto the world market to depress the value of South Africa's largest commodity—gold. The argument is made that South Africa and the Soviet Union are the two largest producers and would suffer the most. Besides, the argument goes, the Government would make a profit because the gold is currently valued on the books at $42.22 per ounce and would sell for over $300 per ounce.

The problem with this action, Mr. President, is this: The incidental impact on the U.S. mining industry would be drastic. We would be cutting off our nose to spite our face. The suggestion is to dump American gold on the world market to drive down the price, thus hurting South Africa without hurting the United States.

But I think we should consider the fact that gold is a world commodity. Its price cannot be set domestically at a different rate than the world price. What few realize is the massive damage the dumping of gold would have on the U.S. mining industry—not just gold, but on the entire mining industry. The mining industry in the United States in my lifetime has never seen a tougher situation than they are

facing right now. Overly restrictive environmental regulations, ever-increasing tax burdens, and depressed commodity prices have put the U.S. industry in its worst recession in history.

Gold has been the only metal—precious or otherwise—to retain a reasonable value. Many mining enterprises—and I think of many in my home State of Idaho—have been kept in business solely by their gold operations. If we go forward with the attempt to bring South Africa to its knees by using Fort Knox, we will be shooting ourselves in the foot. It would be a disaster for the mining industry in this country.

So I would urge my colleagues that those who offer sanctions as a means of getting rid of apartheid to think about the domestic consequences of their actions. It is easy to choose gold when you come from a State that does not produce gold and do not have to worry about a depressed mining economy. For those of us in the western mineral zone—and I think of Montana, Utah, Nevada, California, Wyoming, Colorado, Arizona, New Mexico, and South Dakota—the reality of the depressed condition of mining comes home every day.

Mr. President, South Dakota is a good example of a State that has very, very difficult problems today because of the depressed farm economy. I was told by one of our colleagues from South Dakota yesterday that the Home State Mining Co. employs 2,000 miners in South Dakota. Those 2,000 mining jobs could be put at risk. I think this country can ill afford to have the mining industry put under any more pressure.

Mr. President, gold is the glue that holds many of these mining operations together. At least some operations continue earning a living, keep operations going, and produce the other minerals we need as a result of the slight profit made in gold mining. If we must have sanctions, which this Senator opposes, I urge the Senate to find a method that will not damage the U.S. economy. I think we should be very considerate of the domestic side of this issue. I urge my colleagues to think twice before we do something that will simply cut off our nose to spite our face.

Mr. President, I see the distinguished Senator from Wisconsin is on the floor.

RECOGNITION OF SENATOR HAWKINS

The PRESIDING OFFICER. The Chair wishes to advise the Senator that, under the previous order, the Senator from Florida is to be recognized for a period not to exceed 5 minutes. The Chair is advised by the Senator from Wisconsin that would be convenient. Therefore, we recognize the Senator from Florida.

THE DRUG SMUGGLER AS HERO

Mrs. HAWKINS. Mr. President, some of my colleagues may remember those country music songs extolling the virtues of moonshiners, and their fates and fortunes. The moonshiners were depicted in a sympathetic way; they were really not bad people, just victims of circumstance. That same thing is happening all over again, but this time it is in Mexico. The affable moonshiner has been replaced by your friendly drug smuggler in music played on juke boxes and in record and cassette shops. One of the top hits of the moment is the "Ballad to Caro Quintero." The polkalike ballad sings the praises of a Mexican drug kingpin linked to the brutal murder last year of DEA Agent Enrique Camarena.

A lot of heat was generated as a result of that savage act mainly by the United States which has been demanding that those responsible be brought to justice.

Caro Quintero, a key suspect in the Cambarena slaying, was apprehended in Costa Rica. He was returned to Mexico to stand trial on drug trafficking charges. There the matter rests. No one has been tried yet in the Camarena murder although it occurred 16 months ago. True, there are a dozen suspects in prison. But Ambassador John Gavin says there are at least 50 other suspects in planning and carrying out the kidnap, torture and killing. And he says the Mexican authorities are not hunting them very seriously.

Another drug trafficker who seems to be leading a charmed life in Mexico is Miguel Angel Felix Gallardo. Felix Gallardo supposedly is right at the top of Mexico's "most wanted" fugitive list in connection with the Camarena slaying. But residents in the western California community of Culiacan relate they have seen him walking on the streets in their town, with little concern or fear of being arrested.

Felix Gallardo also is said to have put in an appearance recently at the 15th birthday celebration of a godchild. He is regarded as a Robin Hood kind of character. Like the other Mexican "Narcos" he has challenged the system and beaten it. Where but in Mexico would you find a shrine where tribute is paid to a robber?

Edward Cody, writing in the Washington Post, June 11, 1986, reports this strange story. People in the Culiacan area visit a chapel to ask favors from Jesus Malverde, a turn-of-the-century highwayman who robbed from the rich and gave to the poor.

At the height of his colorful career, Malverde was betrayed by a friend and was hanged by Mexican authorities in 1906. Malverde has become a legend. Peasants come to the shrine, seeking cures or miracles. Not many of the people visiting the shrine are drug smugglers praying for "intercessions" from Malverde whom they regard as a "kindred soul." Admittedly the Roman Catholic bishop in charge of the area has declared that the church has nothing to do with the Malverde cult and that the man was no saint. But that does not deter the Malverde admirers. They come anyway. There is a certain sadness in this whole picture.

The music and lyrics of the currently popular Mexican ballads glamourize the drug traffickers. They are Robin Hoods who challenged the system. They defied authority. In the process they have become folk heroes.

This is a sad use for music which ought to bring enjoyment and comfort to listeners. I cannot think of a worse role-model for youth than a drug smuggler. I hope this is a passing phase in Mexican music, and that it passes quickly.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin, Mr. PROXMIRE, is recognized for not to exceed 5 minutes.

HOW TO CRACK DOWN ON NUCLEAR PROLIFERATION

Mr. PROXMIRE. Mr. President, a few weeks ago this Senator spoke out on the floor of the Senate about the heartening success of the International Atomic Energy Agency in preventing the spread of nuclear weapons. That success has made this nuclear world far safer than it otherwise would be. Acting under the mandate of the Nonproliferation Treaty of 1970 the IAEA has done a superlative job of keeping nuclear proliferation far below the level that many of us predicted it would be by 1986. A very large proportion of countries that might be tempted to develop at least a rudimentary nuclear arsenal have signed the Nuclear Proliferation Treaty. In doing so they have agreed to international inspection to assure that they have not diverted plutonium or weapons grade uranium from nuclear plants to weapons purposes.

Some countries, however, remain outside the treaty. And at least one signatory to the treaty may have started to assemble the basis for building a nuclear arsenal. Leonard Spector is a senior associate of the Carnegie Endowment for International Peace. Spector has recently written a short but excellent monograph on what he calls the "nuclear netherworld." These are the countries that have developed an illegal network to spread the materials for nuclear weapons for profits and to acquire nuclear weapons for power. Spector specifically names six countries which have not signed the NPT treaty. He charges that these

countries support their growing nuclear weapon capabilities by obtaining nuclear commodities illegally from America and Western Europe. Spector names Argentina, Brazil, India, Israel, Pakistan, and South Africa. In addition he charges that Iraq which is a signatory to the treaty may also have bought its way into the nuclear club.

Here is an example of how this trade in mass killing devices operates. Nazir Vaid is a citizen of Pakistan. In June 1984, Vaid was arrested at the Houston Airport. He was trying to smuggle 50 high-speed electronic switches, known as krytons, from the United States to Pakistan. These switches can be used to trigger nuclear devices. So they fall under the Export Control Act. What penalty was Vaid given for this crime that directly escalated the terrible danger of nuclear war and might have caused innumerable deaths? Vaid served a bare 3 months in pretrial detention. Then he was deported to Pakistan. Pakistan is his home. It is his principal place of business. Obviously the penalty was a "wrist tap." A year later Pakistan succeeded in detonating a nonnuclear triggering package for a nuclear weapon using a United States made kryton.

Was this typical of the weak penalties for violating the Nuclear Proliferation Treaty? Here is what Spector writes:

> The Vaid affair is only one of seven different prosecutions for nuclear exports to Pakistan that have been completed in trial or appellate courts in Western Europe and North America since mid-1984. They have run the gamut from the covert smuggling out of West Germany of an entire uranium-processing plant to the finely tuned exploitation of ambiguities in the trigger list that enabled Pakistan to obtain 6,500 specially hardened steel tubes from the Netherlands for use in a centrifuge uranium enrichment plant. As in the Vaid prosecution, the defendants in every one of these cases have received negligible sentences or have gone unpunished altogether.

Spector also points out that the West German businessman who secretly shipped the uranium processing plant to Pakistan for a price of $6 million recieved a $10,000 fine and an 8-month suspended sentence. In the case of the executives of the Dutch company caught exporting the hardened steel tubes—shipments that were made despite warnings from the Dutch Government—the Dutch prosecutor sought only $6,000 fines and a month suspended sentences.

Mr. President, this Senator cannot think of a more vicious crime or a crime fraught with more terrible consequences than that the violation of U.S. law—the Export Administration Act—and a treaty that has become the law in our country—the Nuclear Non-Proliferation Treaty—when such a crime advances the spread of nuclear weapons that could kill millions of innocent people and kick off a nuclear war that could very possibly end human civilization. And what is the motivation for the crime? Answer—turning a profit.

Leonard Spector has other suggestions too. He proposes more oversight by senior officials and the Congress. Specifically he recommends the designation of a ranking State Department nonproliferation aide to be responsible for coordinating all the nuclear prosecutions with appropriate Justice Department officials and for reporting annually on those activities to the Congress. And Spector proposes an especially critical remedy. He calls on the United States to give the prevention of nuclear proliferation the absolutely top priority it deserves. It should take priority over relations with other nations including our allies. He argues that when a supplier government has sufficient evidence to indict an individual for nuclear smuggling and certainly when it has obtained a conviction, it should directly and promptly confront the recipient country involved. And it should insist on the return of any illicitly obtained goods or the dismantling of any illicitly obtained installation.

Mr. President, I ask unanimous consent that the monograph by Leonard Spector to which I have referred from Issues in Science and Technology be printed at this point in the RECORD.

I think it will be very useful to all Members of the Congress.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE NUCLEAR NETHERWORLD

(Leonard S. Spector)

Prologue: Although the United States and the Soviet Union disagree on most aspects of arms control, they have long agreed on the need to prevent the proliferation of nuclear weapons to new states. The two superpowers and other nuclear states have attempted to limit the export of nuclear-weapons-related materials and equipment through formal treaties and agreements. These efforts have had some success, but in recent years a new challenge has emerged: a "gray market" in which nuclear material and information are obtained illegally, through smuggling, exploitation of loopholes in nuclear export controls, and fraud.

Leonard S. Spector, a senior associate at the Carnegie Endowment for International Peace who has worked on nonproliferation for over a decade, examines what he calls the "nuclear netherworld." He finds that, although only a few governments have used this illegal network, the netherworld is playing an increasingly important role in the spread of nuclear weapons. Nuclear supplier nations have been reluctant, according to Spector, to act against states that have used the nuclear netherworld. He warns that without stronger measures, the danger of proliferation will grow.

Leonard S. Spector received his J.D. from Yale University in 1972. He has served on the staff of the Nuclear Regulatory Commission and on the staff of the U.S. Senate Subcommittee on Energy and Nuclear Proliferation. He was the subcommittee's chief counsel from 1978 to 1980. He is the author of Nuclear Proliferation Today and The New Nuclear Nations, annual reports on the spread of nuclear weapons published by the Carnegie Endowment for International Peace.

Clandestine nuclear dealings have long threatened international efforts to halt the spread of nuclear arms. Today this nuclear netherworld embraces a broad range of activities, including outright smuggling, the quiet exploitation of loopholes in nuclear export controls, the purchase of nuclear goods under false pretenses, and secret R&D work on nuclear weapons themselves.

Fortunately, these activities fall short of constituting a black market comparable to those for illicit drugs or conventional arms. Virtually all the nuclear netherworld or gray-market activities are pursued at the behest of a small number of national governments rather than by criminal, dissident, or terrorist groups. There appear to be few if any independent, freestanding smuggling networks. Furthermore, the commodities being sought—nuclear weapons and nuclear weapons material—do not appear to be for sale, only the equipment and technology needed by national governments to build the plants for producing them.

Nevertheless, despite the widespread adoption of an extensive and in many respects successful system of nuclear export controls, the nuclear netherworld continues to survive. Today it is playing an increasingly important role in the programs of a number of countries seeking to build or expand their nuclear weapons capabilities.

The cornerstone of the current system of nuclear export controls is an agreement among the nuclear suppliers—in essence, the advanced industrialized nations, including those in the Eastern bloc—to require that their nuclear exports be subject to audits and inspections by the International Atomic Energy Agency (IAEA) in recipient nations. Suppliers have adopted this requirements for IAEA safeguards under the Nuclear Suppliers' Guidelines they negotiated in 1976. The requirement is also mandated by the 1970 nuclear Non-Proliferation Treaty (NPT), which has been signed by all the suppliers other than France.

The particular commodities that are to trigger the application of safeguards in the recipient countries are worked out in negotiations among the suppliers and are specified in an agreed-upon "trigger list," which is updated from time to time. Manufacturers seeking to export commodities on this list must report their proposed sales to the supplier country authorities and obtain export licenses so that the authorities can verify the intention of the recipient country to apply the required safeguards.

Many recipient countries, of course, are themselves parties to the NPT and as such have agreed to place all their nuclear activities under IAEA inspection. However, *Argentina, Brazil, India, Israel, Pakistan,* and *South Africa* have not joined the pact. To support their growing nuclear weapons capabilities, many of these nonsignatories have quietly attempted to obtain nuclear commodities without being subject to IAEA safeguards. In addition, Iraq, which is a signatory, may have done likewise.

In addition to the safeguards requirement, the supplier nations have agreed to exercise restraint in the sale of the most sensitive nuclear facilities. These facilities include reprocessing plants, which extract weapons-usable plutonium from spent reactor fuel,

and enrichment installations, which can upgrade uranium from its natural state to weapons grade. Indeed, since France canceled its proposed sales of reprocessing plants to South Korea and Pakistan in the late 1970s, there have been no sales of such installations. The very success of these efforts to curtail commercial sales of sensitive nuclear plants, however, has driven would-be purchasers to the nuclear gray market, where at least the components for these facilities can sometimes be obtained.

The export of related dual-use commodities—items having both nuclear and nonnuclear uses—is controlled partly through the use of the suppliers' trigger list. In the West, many of these items are also controlled through the use of the separate export control system (known as the COCOM regime) established to prevent exports of strategic items to the Soviet Union and Eastern Europe. Again, licenses are required for these exports, although IAEA safeguards are not necessarily applied in the recipient nation because the basis for granting the relevant export license is often that the export not be destined for a nuclear end-use. Dual-use items controlled through all these mechanisms include advanced computers potentially useful for designing nuclear weapons, equipment for nuclear weapons testing, and electronics and hardware potentially usable in nuclear weapons themselves.

Despite their seeming comprehensiveness, these controls are far from being wholly effective. They are subject to continuous assault by a number of emerging nuclear nations intent upon using the nuclear netherworld, as a stream of recent revelations has shown.

In one well-known episode, a Pakistani national, Nazir Vaid, was arrested at the Houston airport in June 1984 while trying to smuggle 50 highspeed electronic switches, known as krytrons, from the United States to Pakistan. Because the switches can be used to trigger nuclear devices, their export is controlled. After serving three months in pretrial detention, Vaid pleaded guilty and was deported to Pakistan, his home and principal place of business. Although the United States stopped Vaid, this apparently did not prevent Pakistan from obtaining krytrons. According to U.S. intelligence sources quoted on television by ABC News, in June 1985 Pakistan successfully detonated a nonnuclear triggering package for a nuclear weapon using a U.S.-made krytron. Apparently the krytron either had been smuggled out of the United States by Vaid prior to his arrest or had been obtained through a separate clandestine network.

The Vaid affair is only one of seven different prosecutions for nuclear exports to Pakistan that have been completed in trial or appellate courts in Western Europe and North America since mid-1984. They have run the gamut from the covert smuggling out of West Germany of an entire uranium-processing plant to the finely tuned exploitation of ambiguities in the trigger list that enabled Pakistan to obtain 6,500 specially hardened steel tubes from the Netherlands for use in a centrifuge uranium-enrichment plant. As in the Vaid prosecution, the defendants in every one of these cases have received negligible sentences or have gone unpunished altogether.

Israel too has turned to smuggling in the recent past. In May 1985 Richard Smyth, an American businessman, was indicted in a U.S. court for having smuggled 810 krytrons to Israel between 1980 and 1983. Israel subsequently acknowledged receiving the switches but denied that they were being employed in nuclear weapons. At the request of the United States, Israel has since returned those krytrons not in use. Smyth absconded before his trial, and it is unlikely that further details about this affair will emerge.

Aerospace Daily reported in May 1985 that Israeli smuggling has been more extensive. The usually reliable newsletter claimed that Israel had a nuclear arsenal far larger than the 25 or so weapons generally assumed and that it had deployed a number of nuclear warheads on short-range, surface-to-surface Jericho II missiles. The article alleged that Israel had illegally obtained fuel compounds for the missiles, components for the missiles' inertial-guidance systems, and the shells for the rockets themselves from the United States. So far there has been no U.S. confirmation of the reports, and no indictments for these alleged activities are known to be pending.

According to Italian court records filed in the ongoing prosecution of a 30-man arms and drug smuggling ring, several of the defendants purporting to have 34 kilograms of weapons-usable plutonium offered the material for sale to Iraq in early 1982. The records and subsequent interviews with two of the defendants indicate that senior members of the Iraqi military expressed an interest in obtaining the material and met on three occasions with one or more of the defendants to discuss the sale. The plutonium, however, almost certainly did not exist. The deal collapsed when the Iraqis demanded to see samples. While this episode illustrates that international controls on the most dangerous nuclear commodities appear to be effective, it also reveals the apparent readiness of yet another country to turn to the nuclear netherworld in the hope of evading these restrictions.

Argentina has pursued a somewhat different tack. Without breaking any rules, it has obtained essential equipment from Italy, West Germany, Switzerland, and the United States for the reprocessing and enrichment plants it is building. This equipment includes microswitches, remote manipulators, and waste treatment technology for the reprocessing plant and construction-site generators and a large cooling unit for the enrichment plant. (The equipment for the enrichment plant was obtained in the early 1980s when Argentina's military regime was pursuing construction of the plant in complete secrecy.) The imports do not appear to have been illegal, usually because they involved items so widely used in nonnuclear settings that they are not subject to export controls. Although Argentina has reserved the right to operate its reprocessing plant without safeguards, and although it has refused to put its partially completed enrichment plant under the IAEA system, it has been able to obtain equipment that is highly important, if not essential, for completion of the two plants.

The examples cited here tell only part of the story. In a year's time, the United States, which has devoted considerable intelligence resources to the problem, may make as many as 100 demarches that alert other supplier countries of attempts by emerging nuclear nations to bypass export controls. In many cases, probably the majority, such cooperative efforts stop the illicit exports before they are made. Similarly, the export control guidelines are being steadily tightened. Still significant leakage occurs, as Israel's ability to obtain more than 800 krytrons in three years demonstrates only too well.

Even when convicted, nuclear smugglers have been treated with astonishing leniency. Nazir Vaid served three months in jail and was then sent home. The West German businessman who secretly shipped the uranium processing plant to Pakistan for a price of $6 million received a $10,000 fine and an eight-month suspended sentence. Under West German law the maximum penalty was three years. In the case of the executives of the Dutch company caught exporting the hardened steel tubes—shipments that were made despite warnings from the Dutch government—the Dutch prosecutor sought only $6,000 fines and one-month suspended sentences. Plainly, such penalties need to be strengthened, both as a warning to potential smugglers and as a signal to their foreign government principals that the supplier countries take smuggling very seriously.

In Western Europe the criminal laws themselves need strengthening, and Washington is urging its allies to move in this direction. Here in the United States, where statutory penalties are already tough, the problem is one of inadequate coordination and follow-through. Vaid, for example, was apparently let off lightly because the prosecutor in that case thought that evidence clearly linking Vaid's krytrons to the Pakistani nuclear program was lacking. As investigative journalist Seymour Hersh has brought out, however, the prosecution had subpoenaed a cable showing that the krytrons were ordered in Pakistan by one S.A. Butt—a figure unknown to the prosecutor in the Vaid case but known only too well to State Department experts as a man long involved in Pakistan's clandestine nuclear affairs. Although it was supposedly monitoring the case closely, State apparently failed to alert the prosecutor to this key fact. In the Smyth proceeding a different "case management" problem arose: the failure to take adequate measures to prevent his flight.

The best remedy for such shortcomings is more active oversight by senior officials and Congress. One approach would be to designate a ranking State Department nonproliferation aide to be responsible for coordinating all the nuclear prosecutions with appropriate Justice Department officials and for reporting annually on these activities to Congress.

Internationally, the trigger list also needs further modification. In addition to controlling specific pieces of hardware, the suppliers could prohibit all exports destined for any nuclear plant in a nonnuclear-weapons country that is not under IAEA safeguards. Although falsification of end-user documentation could defeat this blacklist, the added controls would place one more obstacle in the path of such countries as Argentina and Pakistan, thereby making it more difficult for them to obtain needed but currently unregulated items for plants that may be contributing to their nuclear weapons potential.

Unfortunately, past efforts to prosecute individuals and to tighten export controls have had one unintended effect: they have become a substitute for taking action against the national governments that are directing and benefiting from today's nuclear smuggling and gray-marketeering. None of the nations whose export laws Pakistan has violated, for example, has condemned that country in any international forum, such as the United Nations or the IAEA.

Indeed, Pakistan was elected to the IAEA board of governors to represent its region from 1982 through 1984. Only in 1985 did the United States enact legislation that would prohibit foreign aid for any nation that violates U.S. laws to obtain items needed for the manufacture of nuclear explosives. Comparable laws are needed in other supplier states.

Nor have aggrieved supplier countries made any serious attempt, through the threat of sanctions or other diplomatic or legal efforts, to deprive emerging nuclear weapon nations of the fruits of their past illicit actions. The United States took a step in the right direction by demanding that Israel return the krytrons smuggled out by Smyth. In the end, however, Washington appeared to condone Israel's conduct by permitting it to retain those krytrons already in use—some quite possible for nuclear purposes, despite Israel's denials. Similarly, although France refused to deliver a reprocessing plant it promised Pakistan in 1976 (sparking a lawsuit by Pakistan against France before the International Chamber of Commerce), West Germany is not known to have objected to Pakistan's use of its illegally obtained uranium processing plant, a plant now thought to be operating in the town of Dera Ghazi Khan. Certainly, when a supplier country government has sufficient evidence to indict and individual for nuclear smuggling, and especially once it has obtained a conviction, it has little excuse for not confronting the recipient country involved and insisting upon the return of any illicitly obtained goods or the dismantling of any illicitly obtained installation.

The United States's reluctance to damage its relations with some of the emerging nuclear nations in areas of East-West tension has too often led Washington to stay its hand in this regard, and its allies have followed this unfortunate lead. Unless more forceful actions are directed at the source of the problem, however, the nuclear netherworld will continue to exist, thereby seriously undermining global efforts to halt the spread of nuclear arms.

Mr. PROXMIRE. Mr. President, I yield the floor.

RECOGNITION OF SENATOR GORTON

The PRESIDING OFFICER. Under the previous order, the Senator from Washington [Mr. GORTON] is recognized for not to exceed 5 minutes.

S. 2704—PREVENTION OF WRONGFUL USE OF CYANIDE

Mr. GORTON. Mr. President, I rise today to introduce a bill which, if enacted, would direct the Environmental Protection Agency to conduct a study on the distribution of cyanide throughout the United States in order to determine whether steps can be taken to prevent the wrongful use of cyanide against American consumers.

A study of this nature is particularly needed in light of the unfortunate number of actual as well as alleged tampering cases of over-the-counter drugs and food products which we have witnessed during the past year. In my own State of Washington, two individuals met untimely deaths last month due to cyanide-laced capsules.

Mr. President, the American consumer is being subjected to a new form of terrorism, and we need to look at new ways with which to fight these criminal acts. Let me say at the outset that our law enforcement agencies, the Food and Drug Administration, as well as the manufacturers of consumer products, are doing all they can to combat these senseless tampering acts. Millions and millions of dollars are being spent investigating these tampering incidents as well as developing new tamper-resistent packaging.

Unfortunately, no packaging can be totally tamper resistent. However, with better packaging and better consumer awareness on how to detect products that have been tampered with, we can reduce the number of deaths which occur due to mindless acts.

One area which has not been fully explored is the need to control the mass distribution of cyanide. One of the problems that our law enforcement agencies have in apprehending the perpetrators of these crimes is that currently we do not have the means to record who purchases and uses cyanide. At present, we require more information for those people purchasing and using drugs than we do of those who use cyanide.

Since cyanide is widely used in many industrial applications, a simple ban of cyanide is neither a feasible nor reasonable approach to take in addressing this problem. A more responsible and realistic approach is to ask the EPA to carefully study this problem and report back to Congress with recommendations on what steps we can take to further safeguard the American consumer from the wrongful use of cyanide.

My bill has two principle sections: First, it requires that the Administrator of the Environmental Protection Agency issue—within 30 days of enactment of this legislation—regulations requiring that all retail sales of cyanide be registered in terms of the identity of the purchaser, the address of such person, and the intended use of the cyanide. This registry would be very helpful to law enforcement agencies when investigating tampering cases.

The second section of my bill outlines the scope of the EPA study and requires the Agency to report its findings to the Congress 9 months from the date of enactment of this legislation.

Mr. President, tamper-related terrorism is not going to go away tomorrow or the next day. Those of us in Congress must begin to provide our law enforcement agencies and the FDA with new tools to combat these criminal acts. The adoption of this legislation will be an important step in doing just that and, by doing so, restore consumer confidence in the food and medications they purchase in our country's retail outlets.

Mr. President, I ask unanimous consent that my bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2704

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That, on or before the expiration of the 30-day period following the date of the enactment of this Act, the Administrator of the Environmental Protection Agency shall issue such regulations as may be necessary to require any person who sells or otherwise transfers, at a retail level, any cyanide to record such sale or transfer, including the identity of the person purchasing or otherwise receiving such cyanide, the address of such person, and the intended use of such cyanide. Such records shall be available for such use, and retained for such period, as the aforementioned Administrator shall by regulation require.

SEC. 2. (a) The Administrator of the Environmental Protection Agency shall conduct a study of the manufacturing and distribution process of cyanide with a view to determining methods, procedures, or other actions which might be taken, employed, or otherwise carried out in connection with such manufacturing and distribution in order to safeguard the public from the wrongful use of cyanide.

(b) Such study shall include, among other matters, the following:

(1) a determination of the sources of cyanide, including the name and location of each manufacturer thereof;

(2) an evaluation of the means and methods utilized by the manufacturer and others in the distribution of cyanide, including the name and location of each such distributor;

(3) an evaluation of the procedures employed in connection with the selling, at the wholesale and retail level, of cyanide, including a determination as to whether or not persons selling cyanide require the intended purchaser to identify himself or herself;

(4) a determination as to the extent to which recordkeeping requirements are imposed on, or carried out by, manufacturers of cyanide with respect to the specifications of each lot of cyanide produced by such manufacturer;

(5) a determination as to the feasibility and desirability of establishing a central registry of all lot specifications of cyanide for the purpose of providing quick access to investigative and law enforcement agencies;

(6) a consideration and review of all aspects of the matter of interstate versus intrastate to the extent that it involves the manufacturing, distribution, or use of cyanide;

(7) a determination as to the feasibility and desirability of requiring manufacturers of cyanide to color all such cyanide with a distinctive color so that the consuming public can more readily indentify products laced with cyanide;

(8) a determination as to the feasibility and desirability of requiring limited-access storage for cyanide at universities, laboratories, and other institutions that use cyanide for research or other purposes; and

(9) a determination as to the feasibility and desirability of regulating all poisons in accordance with the provisions of the first section of this Act.

(b) On or before the expiration of the 270-day period following the date of the enactment of this Act, the Administrator of the Environmental Protection Agency shall report the results of such study to the Congress, together with his or her recommendations with respect thereto.

(c) As used in this Act, the term—

(1) "person" means any individual, corporation, partnership, or other entity; and

(2) "cyanide" means cyanide or any form thereof.

SEC. 3. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

THE GRAMM-RUDMAN-HOLLINGS "FIX"

Mr. GORTON. Mr. President, the Gramm-Rudman-Hollings "fix" was strengthened yesterday, on balance, through the efforts of my distinguished colleagues, the chairman and ranking member of the Budget Committee. The perfecting modifications made to the "fix" will make more credible our actions with respect to the budget and appropriations process—an action absolutely consistent with the spirit of the original Gramm-Rudman-Hollings legislation.

I am pleased that the Senate has approved these changes not only in the keeping with the spirit, but also as a response to the disappointing manner in which we continue to execute the budget and appropriations processes. The last disappointment was the budget resolution for fiscal year 1987. I supported that budget resolution because I believed that it was adequate, although barely, and because it seemed to me that a budget resolution, almost any budget resolution, was absolutely necessary in our efforts to bring Federal spending under control.

□ 0940

It is, nevertheless, another in a series of congressional budget resolutions which was ultimately less effective than the version originally passed by the Senate. It is another in a series that is less forceful than the Senate Budget Committee's original budget proposal.

This year, however, because of Gramm-Rudman-Hollings and its sequal, Congress will not be able to get away with mediocrity, with impunity. In fact, in passing the "fix" we have prevailed over the temptation to resume budgeting-business as usual.

Mr. President, there is a good chance that we will not pass the reconciliation bill before the August 15 snapshot. There is an excellent chance that a sequester order will be issued by the Office of Management and Budget. There is the reality that we will return in September to make the budget decisions that we should have made this summer, but did not. There is, therefore, the guarantee that the requisite amount will be cut from the 1987 deficit. We will be a step closer to a balanced budget, and several steps closer to the "truth-in-budgeting" that the American people demand. For these reasons I supported the Gramm-Rudman modifications.

RECOGNITION OF SENATOR BAUCUS

The PRESIDING OFFICER. Under the previous order, the Senator from Montana [Mr. BAUCUS] is recognized for not to exceed 5 minutes.

THE FALSE PARADISE OF A SERVICE ECONOMY

Mr. BAUCUS. Mr. President, in John Steinbeck's novel "The Grapes of Wrath" Tom Joad and his family travel with a hope and a prayer to California, believing that California will solve all their problems.

They learned that things are not always what they may seem.

Mr. President, our country may be relying on another false paradise today—it is called our service economy.

The service industry—insurance, banking, fast food businesses—has grown dramatically in recent years—over 25 million new service jobs have opened since 1970.

But this industry alone cannot alleviate our economic problems. In the long run we need something more permanent to stabilize our economy and restore our economic stronghold.

Despite the growth of the service industry, we must recognize that services depend on manufacturing for their business and survival; manufacturing generates the demand for insurance, advertising, consulting, and financial advice.

Service jobs, however, typically pay less than manufacturing. The average hourly wage in America is approximately 11 percent lower in service jobs. Today the inflation-adjusted hourly wage is lower than that of 10 years ago and this figure does not show that many service industries hire primarily part-time employees.

Yet these are the jobs on which our economy is increasingly dependent.

The Labor Department forecasts that, of the 10 fastest growing occupations, none are in high-technology manufacturing, but, rather, all are service-related. These include cashiers, registered nurses, janitors, truck drivers, waitresses, and nursing aides.

These account for about 25 percent of the openings through 1995. The biggest gainer is cashiering—but their average salary is 60 percent less than the average wage in the top 10 occupations in the forecast.

Some workers will enter high paying professions such as law or accounting, but a majority will be channeled into jobs that pay lower wages than most manufacturing positions.

The point is this: The service economy may be a false paradise. As the manufacturing sector experiences severe wage competition from low-wage countries, we may be responding by losing manufacturing jobs and shifting jobs into the service area. In other words, the shift into services reflects the pay cut Americans must take because of declining competitiveness.

This shift is a particularly bad omen for certain segments of our economy. It may worsen the job outlook for black adult males whose 13 percent unemployment rate is double that of white adult males. They may suffer the most as factory jobs are phased out.

Women are disproportionately taking these lower paying jobs. In 5 of the 10 largest growth areas identified by the Labor Department, over three-quarters of the jobs are held by women.

In short Mr. President, the service sector may not be the panacea some envision.

A second fallacy regarding service jobs is that America is unchallenged in its dominance of service industries.

This is not so now and will become less true unless we take action to improve our competitiveness.

The U.S. share of global trade in special business services such as engineering, consulting, and securities investment has decreased to 8 percent in 1983 from 15 percent in 1973. The United States now trails behind France, Germany, and Britain in this aspect of trade.

So far, U.S. technology in services has managed to surpass its foreign competitors. But let me make a prediction: within the next 5 years, within 2 years, within the next 2 months, service companies will be approaching us in Congress rightfully demanding that we press to open up foreign service markets, not just markets for manufactured goods. And we must respond, because we can no longer assume U.S. dominance in this area.

Mr. President, we must act to keep America competitive in services. But we must bear in mind that services are no panacea. We must preserve a strong manufacturing sector, the backbone of our economy.

If we do not, we may find—like Tom Joad and his family when they arrived in California—that the paradise we long for is in fact a cruel mirage.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a

period for the transaction of routine morning business, not to extend beyond the hour of 10 a.m., with statements by Senators therein limited to 5 minutes each.

Mr. BAUCUS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

□ 0950

Mr. HART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AVERELL HARRIMAN, STATESMAN AND PATRIOT

Mr. HART. Mr. President, this weekend, the cause of peace lost one of her most talented and faithful servants, Averell Harriman. Few Americans have contributed more ideas, accomplishments, or time to their Nation than that great statesman and patriot. None had greater integrity or ability.

The briefest description of Averell Harriman's career requires pages. His titles alone comprise a long list: Businessman, adviser to four Presidents, Ambassador, Secretary, Governor, party stalwart, mentor to great diplomats, friend to scores of world leaders, husband to a national leader, patriarch to a great family.

What most distinguished Averell Harriman's service was not just its breadth, but its quality. He integrated his mastery of business, politics, and world history to become a genius of administration, a hero of diplomacy. His achievements were impressive, tangible, lasting. Our understanding of the Soviet Union, the neutrality of Laos, the cessation of nuclear tests in the atmosphere—these are just some of the results of his efforts.

Most impressive of all was the quality of his professional advice—always acute, honest, and fearless. He was unafraid to tell Wall Street it needed the New Deal. He was unafraid to reprehend Soviet leaders for their despotism. And he was unafraid to tell America that we must negotiate with the Soviets, no matter how repugnant we find their behavior.

In all this, he exercised his influence with a selflessness that all in public service would do well to emulate. He worked tirelessly—but never on his own behalf. He wielded great power—but never for its own sake. He was often the first to make diplomatic breakthroughs—but usually the last to claim credit.

Much has been said and will be said about the life of this great statesman. But the current administration has within its power the ability to pay Averell Harriman the kind of tribute I suspect he would have found most gratifying: Progress toward genuine arms control; nonproliferation agreements; a comprehensive test ban; a renewed commitment to civil rights; investments in broadbased economic growth—the goals to which he devoted more than a half-century of service—policies that are good for America.

Mr. President, Winston Churchill once asked: "What is the use of living, if it be not to strive for noble causes and to make this muddled world a better place to live in after we are gone?" Averell Harriman's life was a testament to that purpose. Our great Nation and muddled world will miss his gifted guidance.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that further proceedings under the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUBLIC DEBT LIMIT EXTENSION

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, while we are waiting for Senator BYRD, we will stay in morning business, but in any event it is my hope now that when we go back on the bill we can agree that there will be an amendment by the Senator from Colorado [Mr. HART], who has been attempting to offer that amendment for some time. I understand if that is the case it will take a couple hours, and then we could have a vote. As far as any other amendments, whatever they may be, we could just postone that judgment until after the vote on the Hart amendment, if that is satisfactory because I know there are a lot of amendments floating around. The Presiding Officer has an amendment. I know the Senator from Washington [Mr. GORTON] has an amendment, the Senator from Maryland [Mr. MATHIAS] has an amendment, the Senator from Massachusetts has an amendment, and the Senator from Kansas may have an amendment. That is only a few. I know there are many, many others out there that have no relationship to the debt ceiling but may be offered in any event. So I would hope that when we resume consideration of the bill, we can agree the Hart amendment will be in order and that it can be offered.

Mr. KENNEDY. Will the majority leader yield?

Mr. DOLE. I will be happy to yield.

Mr. KENNEDY. I have a feeling we have been here before. I want to reiterate my willingness certainly to cooperate with the majority leader in working out some kind of a process or procedure which will permit the Senate to resolve the issue of sanctions in South Africa. I have indicated since we began the debate, even prior to the debate, on the debt limit that I wanted to ensure that that opportunity was available to the membership. I know the leader is familiar with the fact that the Commonwealth countries will be conducting this weekend and the early part of next week an extremely important and significant meeting to decide some of their own policy toward South Africa. It seems to me it is important that the United States lead, and the institution to provide that leadership is the U.S. Senate. I know these matters will be considered, as we meet here this morning, in the Foreign Relations Committee. I am very hopeful that they would be able to agree on legislation. But I know the majority leader understands very well we have debated these issues in the past. We are all familiar with the issues before us. I want to indicate that if we have an opportunity to get the South Africa amendment laid down, I would be more than willing to lay it aside to permit the Senator from Colorado [Mr. HART] to dispose of his amendment. Then I think after a couple of hours we would have a very clear idea what the Senate Foreign Relations Committee had resolved, or at least what the chairman had proposed. We could then get oack to that issue. I am not interested in interrupting the consideration of the amendment by the Senator from Colorado, but I do reiterate what I said last night, yesterday and the day before. That is that this issue is timely. It is important. The strife and violence continues to grow in South Africa. The Senate as an institution has continued to fail to speak on this issue of enormous urgency. The President has stated his position, and I believe that it is imperative we state ours.

I want to cooperate, but I also indicate that we are at a point now where we are going to have to exercise whatever rights we have to get that kind of consideration. Having said that, I will try at appropriate times to submit to the Senate through one means or another the addressing of that issue. I thank the majority leader.

Mr. DOLE. Mr. President, I hope we would let nature take its course, let Senator HART offer his amendment and dispose of it. Otherwise, I will just recess or do something else. We are not going to bring up South Africa now and we are not going to discuss it now—maybe later, if we can get an agreement, but we are not going to offer it and then set it aside and let other Members offer amendments. We are on the debt ceiling legislation. It is very important. It is important to a lot of people if we do not pass this legislation. As I understand from Treasury,

September 2 is sort of the drop-dead date; we will not be able to pay our bills, and I think we ought to keep our eyes on that, not just some meeting that may be held somewhere with reference to South Africa. I think the Commonwealth countries know that Congress is serious about our concerns with respect to South Africa, that we have demonstrated that in the past on a bipartisan basis, and I am not certain it does any good to say we have an amendment pending, whether that is going to cause any change in what is going to happen in some meeting this week.

□ 1010

So I hope we could proceed on the basis of trying to finish the debt limit extension. We have started contacting Members on this side this morning with reference to nailing down some framework and agreement for aid to the Contras and the South Africa bill. As soon as I have a report on this side, I will pass it on to the distinguished minority leader, to see if there would be a chance for any progress on an agreement.

Again, the Foreign Relations Committee is meeting as we speak. I do not really see the urgency of discussing another bill until they complete action.

I hope we could go ahead with the Hart amendment. Otherwise, I am prepared to recess the Senate.

(Mr. D'AMATO assumed the Chair.)

Mr. KENNEDY. Mr. President, before we do that, if the leader will yield, I cannot resist at least the rather sad commentary that the Senate of the United States is in a position where we are prepared to recess to avoid debate and discussion on one of the most important and timely issues in the world today. I think that is a sad commentary on this institution, which tends to reflect at times the best in terms of debate and discussion on American policy, particularly in the area of foreign policy, and the Constitution has given us that responsibility.

Mr. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. DOLE. I am pleased to yield to the distinguished minority leader.

Mr. BYRD. Mr. President, I am a little concerned about what the distinguished majority leader has just said. He says there will be no amendment on South Africa.

Mr. DOLE. At this time.

Mr. BYRD. At this time. And there will be no debate on South Africa at this time.

Mr. DOLE. We do not need an amendment for debate.

Mr. BYRD. I understand the distinguished majority leader to say there would be no debate on South Africa.

I recognize the distinguished Senator's burdens. I know that he has the responsibility of developing the work schedule of the Senate; and when he fills an amendment tree, he certainly is working within the rules. It seems to me that it is going a little bit far, however, if I may say so respectfully to the majority leader, for a majority leader, whether it is on this measure or anything else, to set himself up as a kind of traffic cop and decide that he will be the sole determiner of who will offer an amendment, when an amendment will be offered, and for what purpose an amendment is drawn.

The majority leader has the votes, I assume, on these measures. I can understand his reticence to get into some of these matters. But there are 99 other Senators here, more than half of them on the other side of the aisle, and each Senator has a right to call up amendments.

The distinguished majority leader has bemoaned the fact that this is a debt limit extension bill and implies that we ought not be calling up something that has not been heard by the committee, referring to the South Africa proposal which the distinguished Senator from Massachusetts [Mr. KENNEDY] seeks to bring up. Mr. President, this is the very same kind of resolution—the debt limit extension—to which the Gramm-Rudman measure was attached last year. Gramm-Rudman had had no committee testimony, no committee hearings, no committee markup. Yet, this was the very vehicle on which that amendment was added last year.

I say this knowing something about the distinguished majority leader's problems and burdens. But I would urge him not to go too far. The majority leader has the power of recognition, which is an awesome power—it is the strongest weapon in his arsenal, the power of first recognition—and, second, he has the votes. I would hope he would not go so far as to say: "Well, only this Senator can call up an amendment. He can call it up at this time or another time, and we will go into recess until he has it ready, and it can only be an amendment of this nature." That goes a little far.

I hope the distinguished majority leader would take what I am saying in the spirit in which I am offering it. I certainly have no animus toward the majority leader. I am fond of him and I respect him, and there is nobody in the Senate who respects the office of majority leader more than I do. But even a majority leader can go too far.

I have been majority leader, and there may have been times that I was perceived as having gone too far, as when I acted to break the filibuster on the Natural Gas Act, but we had a filibuster on our hands.

May I ask the distinguished majority leader whether we could agree that the Hart amendment, if that is the majority leader's preference, go first, but that the distinguished Senator from Massachusetts be then recognized upon the disposition of the Hart amendment, so that both the Hart amendment and the amendment by Mr. KENNEDY can be called up.

I am not conversant with the details of Mr. KENNEDY's amendment, but he certainly has a right to call up his amendment.

He has indicated that there are developments which make time somewhat of the essence.

I hope we can agree to some resolution of this, to allow the Senator from Massachusetts to have his amendment called up and debated. The majority leader, I assume, has the votes. He can vote it down; he can table it. Why not call it up and debate it?

I thank the majority leader for his patience and courtesy.

Mr. HEINZ. Mr. President, will the majority leader yield?

Mr. DOLE. Mr. President, while I disagree with the minority leader, I think the majority leader has some obligation to try to do the business of the Senate.

Let us face it: What we have here is a race—who can rush over and offer a bill regarding South Africa first. I happen to believe that it is a very important matter, and I remind my colleagues on both sides that it was resolved last year with the cooperation of the majority leader and others in a bipartisan way.

I am not totally naive. There is a certain amount of domestic politics involved in this effort. It seems to me that when the Foreign Relations Committee is conducting an executive session, when Republicans and Democrats there are focusing on the issue of South Africa, what we have is an effort to upstage the Foreign Relations Committee: We could not do it last night, and we want to do it this morning to demonstrate to someone that we are more concerned than the Foreign Relations Committee.

I have confidence in the chairman and the ranking minority member of the Foreign Relations Committee, and in my view they will probably report a bill. But I do not believe the majority leader has to yield to anybody who wants to offer some amendment that is totally irrelevant to what we are discussing on the Senate floor.

We can start the contest. I can offer a freedom fighter amendment, call up the bill, offer that, and a Senator can offer a motion to recommit, and we can offer other amendments on freedom fighters and spend the next 2 weeks debating South Africa and aid to the Contras on the debt ceiling bill, which in my view in the final analysis will be an exercise in futility. If I understand the House as I believe I do and how they respond to all this material on the debt ceiling extension, it

came from the House without any amendment and that is the way they like it. It does not mean that is the way they are going to get it but that is the way they like it.

I am just looking over the calendar here for the months of August, September, and October.

It just seems to me that we are going to have to either complete the debt ceiling or move on to something else and come back to it again before we recess for the so-called Labor Day recess.

I am not going to negotiate with the Senator from Massachusetts. He has every right as we all have on this floor. But I do not believe the majority leader has to yield just because the Senator from Massachusetts has an amendment he wishes to offer. Maybe other Senators would like to offer amendments. The Senator from Kansas may offer an amendment.

I would hope we could deal with the debt ceiling extension, but obviously that is not the case. It seems to me that we either are going to take up amendments or try to avoid at least foreign policy debate on this issue. We have enough extraneous amendments as it is. At least I know of enough.

Having said that, I yield the floor.

Mr. HEINZ. I thank the majority leader for yielding.

Let me say I am really surprised at the discussion and the effort to take up the South Africa amendment this morning. I thought we put this to bed last night.

The reason I am surprised is that there was a lengthy discussion involving the Senator from Massachusetts, my good friend, Senator KENNEDY, the Senator from Connecticut, Senator WEICKER, other Senators here on the floor. The Senator from Connecticut, who was one of the principal sponsors of the Kennedy-Weicker-Cranston amendment, said that in his view to have a debate on the debt ceiling bill which is, of course, the bill I am managing, and I would like to be able to deal with the debt ceiling issues one of these days, would be, in effect, a debate that we would have to have all over again when the Foreign Relations Committee reported its bill. In view of the fact that there are only about 2½ working weeks left before the August recess and only 4 or 5 working weeks left after that, the Senator from Connecticut said that he did not feel it was right or fair for the Senate to debate the same issue twice and probably come to the same conclusion twice.

Now, I have a vested interest in trying to get this bill completed. We have to complete the debt ceiling bill by August 15, as I understand the Senate's schedule. We have to reconcile our differences with the House, and there is already a big one, Gramm-Rudman. Gramm-Rudman last year, as I recollect, took a month and a half to resolve.

Among the consequences of failing to complete action in a timely manner on this debt limit will be another disinvestment of the Social Security trust fund. This will be used to pay Social Security benefits, but no one should be very enthusiastic about forcing the Government to disinvest the Social Security trust fund. It does not sound too good and indeed it is not good, because it should not have to be necessary. We ought to be able to run our fiscal house and keep it in better order.

Now, there is another aspect to the variety of nongermane amendments, whether it is South Africa or others, that are being offered here.

I have offered nongermane amendments on the debt ceiling. I have offered nongermane amendments to other bills. But I must tell you I have never offered a nongermane amendment when a committee of jurisdiction was in the process of marking up on the very subject about which my nongermane amendment would have been involved.

Just about a year ago, Senator SIMPSON brought up his legislation on immigration reform. I think my colleagues will recollect that I offered a sense-of-the-Senate resolution to that immigration reform bill. The reason that I offered my nongermane amendment to take the Social Security trust funds out of the Federal budget, which at that point was somewhat controversial, was because people did not want to deal with that issue. They wanted that issue to go away. They did not want that issue to get mixed up in decisions involving immigration.

At that point, we did not know that we were going to have a Gramm-Rudman bill. But I pressed that issue even though there was an effort to preclude a vote and after 4 or 5 working days, I moved to table my own amendment. My move to table was overwhelmingly rejected by the Senate. The Senate sent a signal which was that Social Security and its trust funds should be taken out of and set aside from our annual consideration of the budget and of reconciliation, and the consequence of that was that when we dealt with the debt ceiling bill a month or so later, as Gramm-Rudman did evolve, guess what? We did what we should have done years before, what many of us had been striving to do for many years, which was to separate Social Security from the Federal budget; and because it is trust funded, because it is paid into and paid out of to Social Security beneficiaries, we won that fight.

There was a reason to have that fight. It was timely. It was necessary. It was not something anyone wanted to deal with.

Let us contrast that to the issue that the Senator from Massachusetts wants us to deal with, South Africa.

This Senator wants this body to deal with South Africa. This Senator was the first Senator to bring to the floor of the Senate in the closing days of 1984 legislation that actually involved sanctions on South Africa. Most Senators did not even know it. We passed it. We passed it twice in this body as part of the Export Administration Act.

Then the Subcommittee on International Finance and Monetary Policy had hearings on South Africa. Immediately after the July 4 recess, our committee had the first hearings. Senator KENNEDY testified. Senator WEICKER testified. Other interested parties testified. We felt it was important for that legislation to have a proper hearing because it was, and is, a matter of great urgency.

Right now the Foreign Relations Committee, having held hearings last week, is moving with extraordinary rapidity to mark up and present to the Senate free-standing legislation on South Africa.

□ 1030

What more any of us could want the Foreign Relations Committee to do, I do not know. That is fast work. I have no doubt that, while there may be differences over which sanctions should or should not be in, the Foreign Relations Committee will present to us a significant and, from the standpoint of many people, a strong sanctions bill that will send more than just a verbal message to the South Africans and their absolutely intransigent government.

But I do not understand, Mr. President, what purpose we serve by trying to second-guess the committee here today—what purpose we serve by trying to have what will only be a preliminary debate on the legislation that is coming to the Senate floor.

It seems to me that Senators should have a clear purpose in mind when they advocate nongermane legislation on a bill that is on the Senate floor. And I just do not know. Maybe it is something I do not understand. I am willing to learn, but I just do not know what purpose is served by the Senator from Massachusetts continuing to press for consideration today of legislation that could be from the committee on the floor of the Senate next week.

I cannot speak for the majority leader's intentions on that, but my recollection from last night is that the majority leader said that he intended to bring the legislation from the Foreign Relations Committee up as soon as it was reasonably available, but I cannot speak for him.

The fact is that there are going to be plenty of opportunities to address that

issue. As the manager of this legislation, I know there are a lot of other amendments that are germane to Gramm-Rudman and to the debt ceiling. Frankly, I would like to try and get those out of the way.

Now, the Senator from Colorado has a thoroughly gremane amendment. As I understand it, he wants to repeal Gramm-Rudman. I think we should take that up as quickly as possible. I think the Senator from Washington State has an amendment to modify a portion of Gramm-Rudman having to do with COLA's. I happen to have an amendment to reinstate some of the benefits that were, according to Senator RUDMAN, unintentionally taken from railroad retirees who have a parallel system to Social Security. And I am sure there are other amendments like that that are relevant to either Gramm-Rudman or to the debt ceiling.

As the manager of this legislation, I hope, Mr. President, that we could work our will on the germane and relevant amendments to the debt ceiling bill. Now that does not foreclose anybody's rights. It is true the Senator from Massachusetts has a perfect right to offer his amendment. The majority leader has a perfect right to offer amendments of his own. I am simply asking that the Senator from Massachusetts and other Senators allow us to go as far as we possibly can in completing our germane work.

We have got a lot to do on this bill. We have been on this bill, and I have been here as floor manager, for 1 week. I am prepared to stay here another week or the week after that or even the week after that, which means we may not have an August recess come August 15. But I am prepared to stay here for that. I do not have anything I have got to do. Nothing is more important than getting this bill through.

So I say to my colleagues, Mr. President, I hope we can get Senators to come to the floor with their germane amendments. I hope we can dispose of them, vote them up or down as the case may be, and make sure that the Senate does not get itself snarled up.

As I understand what is likely to happen if the Senator from Massachusetts persists, there is going to be a parliamentary maneuver that is going to prevent him, as I understand what the majority leader propounded or said he would do last night, there will be a parliamentary maneuver. The vote on South Africa will not occur. We will get tangled up on Contra aid, and probably two or three other things that I can only guess at.

And, as the manager of this bill, I have no desire to see us get into that kind of a parliamentary snarl. I do not think ultimately getting into it can do anybody any good. It is not going to help the purpose of the Senator from Massachusetts. It is certainly not going to help the Finance Committee and my colleagues who have to deal with the debt ceiling. It is going to frustrate the Senate's effort to amend Gramm-Rudman so we can deal with the Federal budget deficit. All of these would be casualties in getting into a cat's cradle of parliamentary maneuvers. We should proceed with, I think, a clear understanding of where we are going. I hope we will be thoughtful and careful in the way we proceed from here.

Now, the majority leader has yielded the floor to me and I want to thank him.

Mr. KENNEDY. Mr. President, a parliamentary inquiry.

Mr. BYRD. Mr. President, the majority leader cannot yield the floor to anybody. The majority leader yielded the floor.

The PRESIDING OFFICER. No one has the floor at this time.

Mr. HEINZ. I have concluded my remarks. I thank my colleagues.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I am not certain what we have gained in the last 35 minutes, but we have not done anything on the debt extension bill. If it is not possible for the Senator from Colorado to offer his amendment—he is prepared to do that—then I am going to suggest the absence of a quorum and decide what else we can move to. There are some Executive Calendar nominations that we can probably take up today, one on George R. Salem and one on M.D.B. Carlisle that have been on the calendar now for a month or two. There is no reason why we cannot do those. We are going to try to do something today if we can.

We will not attempt to preempt the discussions in the Foreign Relations Committee or the other work they are doing. I do not believe we have reached a point where the leaders are bound to accommodate any one Senator in this body. At least that is not my view of the leadership.

So, I suggest the absence of a quorum.

Mr. BYRD. Will the distinguished majority leader withhold that suggestion?

Mr. DOLE. Yes.

Mr. BYRD. Mr. President, I regret that the distinguished majority leader made the reference to "any one Senator." I am not pleading the case of any one Senator. I am simply saying that we ought to proceed in the normal legislative process and let Senators who have amendments call them up. I have no problem with the Senator from Colorado going first with his amendment.

Incidentally, while I can respect and appreciate the fine arguments that the distinguished Senator from Pennsylvania has made—he is the manager of the resolution and, therefore, has good reason to want to press on and get action on the resolution—but there is no rule in this Senate that would prevent amendments from being called up on this measure on the basis that they are not germane. Senators may call up nongermane amendments. No question about that.

But I simply wish to say again that I hope that the majority leader will not go into recess and will not go to the Executive Calendar. If he wants to go to the Executive Calendar, he can do it. He can also ask unanimous consent or move to go into recess.

But the majority leader himself has recognized that time is marching on. This debt limit resolution needs to be acted upon and placed on the President's desk at some point in early September, I believe. But the debt ceiling has been on the calendar now for over a week.

□ 1040

The debt limit was reported to the Senate on July 18, and the Senate has been on the debt limit since July 23. In that time we have modified the committee amendment, there has been a motion to table, and the recommittal motion with instructions was tabled. The Senate has adopted a Gramm-Rudman "fix" amendment. All of this talk about the need to get on, I agree with that. We have had ample opportunity to work on this debt limit extension resolution. Instead, we have had long quorum calls, and we have not worked too hard at moving the resolution along up to this point. But if we are going to go into recess, if we are going to have long quorum calls simply to keep other Senators from calling up amendments, that is not going to move this debt limit extension along and expedite the work of the Senate.

I certainly have no problem with the Senator from Colorado offering his amendment. Also, if the distinguished majority leader would let Senators call up amendments, I might have an amendment I would like to call up. The majority leader has an amendment on Contra aid.

Mr. DOLE. I do not want to call that up.

Mr. BYRD. He said he would call it up. It is fine with me if he wants to call it up. But I say to the majority leader, if we are really serious with getting on with the business of the Senate, I hope we would not go into a recess and keep the Senate just hanging around, or go into executive session to do nominations on the Executive Calendar.

Mr. DOLE. I thank the distinguished minority leader.

Obviously, it is just a question of judgment on how we can best move.

But I know once the South Africa or freedom fighter amendments—we are not kidding anybody—are offered, the fat is in the fire. We are off for a whole week. Forget about anything else except debate on those amendments. It would seem to me that in this case it is my responsibility to decide if we want to dedicate a week or 2 weeks to either one of those issues.

I heard the Senator from Massachusetts indicate of course he is glad to give us agreement on what he wants but not on what anybody else may want in an effort to move the legislation along. There ought to be some indication that we can resolve both of these issues, including Contra aid which has already passed the Senate. We are bleeding the freedom fighters to death in Nicaragua because of the lack of support.

The House has acted. Fifty-one Democrats were bipartisan, and in this body it was bipartisan with 11 Democratic Senators. We have not turned the tap since March. Now we are told we are going to have a filibuster. But it seems to me that when push comes to shove, the leadership has to make the judgment.

As far as I know, we cannot have it both ways around here. We can try it. But I do not believe that is going to happen.

Mr. KENNEDY. Will the leader be kind enough to yield for a question?

Mr. DOLE. I am happy to yield.

Mr. KENNEDY. Would the leader be willing, if the Senate Foreign Relations Committee were to take action, to give us the assurance that we can lay that legislation down immediately?

Mr. DOLE. If we would couple that with some assurance with respect to what we can do with aid to the Contras.

Mr. KENNEDY. The only point, as I understand the response, is, effectively you are holding hostage the whole debate and discussion on apartheid to the questions on whether the Senate will take up Contra aid. I guess that is what it is.

Mr. DOLE. No. I think it would be the reverse. But, in any event, I think it is a legitimate question to ask. It is a matter not to debate now but we have already acted on it once favorably. But I would not be willing to do that.

Mr. KENNEDY. I did not remember whether the majority leader had a position on economic sanctions in South Africa.

Mr. DOLE. I am talking about the aid to the freedom fighters.

Mr. KENNEDY. Does the Senator have a position on the sanctions in South Africa?

Mr. DOLE. As the Senator recalls, several months ago when we had a bipartisan resolution when the last South African lelgislation came from the House, which did contain some sanctions, I did support it. I did meet with the President a couple of weeks ago along with Senator LUGAR and KASSEBAUM urging the President to be forthright and come forth, as I think I said, as I recall, with at least one credible new initiative. It did not happen. The answer is "yes," depending on which sanctions they are.

Mr. KENNEDY. The President issued the Executive order on that question. So as I understand it, the leader supported that position. So I am trying to understand where we are on the issue. I guess the leader says he supports the President's position.

Mr. DOLE. No. I indicated my view, which I reflected, and was not too well articulated, to the President was that he needed to make a strong statement, he needed to demand the release of Mandela, he needed to indicate other actions that would follow, and that there was some of that in the President's speech, but I think generally the speech left something to be desired.

Mr. KENNEDY. I was inquiring because I know that the chairman of the Foregin Relations Committee, Senator LUGAR, and Senator KASSEBAUM had been disappointed in the President's speech. I had not heard what reaction the majority leader had given on it.

Mr. DOLE. I think I indicated shortly thereafter that it could have been much stronger. But I was disappointed.

Mr. KENNEDY. Is this in terms of the sanctions?

Mr. DOLE. Of the speech.

Mr. KENNEDY. Would the leader support the sanctions? Is the chairman of the Foreign Relations Committee supporting sanctions?

Mr. DOLE. I am not certain. I know they are looking at that right now. I would hate to take a quiz on what they were unless I had help from foreign policy experts in the House.

Mr. KENNEDY. The only point, and I will end now on this, would the majority leader give us assurances should that committee report something out today that it would be before the Senate as freestanding legislation, and be scheduled forthwith?

Mr. DOLE. What I would indicate as I did last night, I think it ought to be freestanding. I really believe that and I share the view of the Senator from Connecticut.

Mr. KENNEDY. That is my view as well, leader, and if we had those assurances, maybe we could have a course of action involved, but without those it does not leave many options. I am in harmony with the Senator from Connecticut and the Senator from California. We think it ought to be freestanding legislation with debate, and permit the President to make whatever judgment he would so desire. But that is why we are inquiring from the majority leader if he would give us assurances that he would lay down that as a result of the Senate Foreign Relations Committee. If he were to give that, I think that would give us some assurance that we would have the opportunity to debate. Then I think the actions on the debt limit are clearly not as great. But I do not hear the assurances from the majority leader that he is prepared to do so.

But I thank the majority leader.

Mr. DOLE. Let me just indicate, as I did last evening, that there are elements of the unanimous-consent agreement that have not been kept secret. I know of a number of staff contacts. In that particular agreement there would be a freestanding 12 hours of debate on South Africa, and final passage. That is South Africa. That would also include MilCon appropriations with 16 hours of debate, no more than 10 of which would be on the contra aid, and then final passage.

We have DOD authorization but I am not certain that even needs to be in that grouping. I know with the DOD authorization there will be an extensive debate on SALT. So the answer is that there is certainly a willingness, put it that way, on the part of this Senator to try to work out some agreement on this issue and others.

But as I get the message of the Senator from Massachusetts, he wants me to give him what he wants and negotiate the balance. I do not really believe that is quite what we had in mind.

Mr. HART. Will the majority leader yield for a comment?

Mr. DOLE. I am happy to yield.

Mr. HART. I thank the majority leader.

The Senator from Colorado is prepared to go forward with the Gramm-Rudman amendment, but it should be made clear that in this matter we have been discussing here this Senator is very strongly on the side of the Senator from Massachusetts. I know the majority leader indeed has a joint leadership responsibility of moving things forward. But we also ought to know that whole issues are not created equal. If we spend a week in this Chamber on the question of what our foreign policy ought to be in South Africa, I think I can think of a lot worse ways that we could spend the week—and have spent many weeks, including the past week. So the suggestion that the Senator from Massachusetts somehow is coming out of left field with something that is not as important as what we are discussing here I think is wrong. I think he is absolutely right.

I think the question of what our policy is with regard to South Africa transcends even the repeal of Gramm-Rudman which I feel strongly about. And so I just want to make it clear that as far as this Senator is concerned, he is not heeding my initiative at all.

I thank the majority leader.

Mr. DOLE. I do not disagree with that. I think there are others who feel—and the Senator from Georgia, Senator NUNN, indicated last night that he felt the DOD authorization bill ought to be somewhere in the priority, that maybe the defense of our country was important, and that we ought to bring that up.

I know the Senator from Colorado has no quarrel with that either. So I suggest it depends on who may have a particular piece of legislation. But I would suggest that we take up the amendment of the Senator from Colorado, which I understand at 10 o'clock would be disposed of by noon. Now it is 10 to 11. So I assume it would be closer to 1 o'clock.

□ 1050

At some time following that this afternoon, I would certainly be willing to sit down with the Senator from Massachusetts, the Senator from Connecticut, and the chairman of the Foreign Relations Committee to discuss not only this issue of South Africa, but perhaps the issue of freedom fighters, to see if we could reach some agreement. We are not doing any good at all this way that I can see. We might as well be in recess as standing here talking to each other.

Mr. KENNEDY. Will the leader yield?

Mr. DOLE. I am happy to.

Mr. KENNEDY. That would be entirely satisfactory to me. I will be in touch with Senator WEICKER.

Mr. DOLE. The only thing is that the Members on the tax conference may have a brief meeting at 2 o'clock.

Mr. BYRD. If the majority leader will yield, I would be happy to join that meeting and hope we can work out an agreement on DOD. We have been asking to bring that up several times.

Also, there is the Boren PAC amendment which has to be woven in between now and August 15. I understand that the distinguished majority leader has an agreement with the distinguished Senator from Oklahoma [Mr. BOREN]. I am a supporter of that amendment.

Then there is SALT II, and there is the military construction appropriations. There are other appropriations bills.

The House is getting appropriations bills over to the Senate more rapidly in these last few days: the legislative appropriations bill, agriculture, District of Columbia, energy-water, commerce, justice, State, the judiciary, and military construction.

I am confident that the distinguished chairman and others on the Appropriations Committee will be acting as promptly as possible to report these now that the House has gotten those appropriations bills over here.

It would seem to me that if we are going to try to expedite the people's business and hope to complete action in a rational, reasonable, and effective way, we ought to sit down and talk about agreements on all of these issues that have been foremost in our discussions of late.

I am ready to be helpful in doing that. I do not think initially that this is something that we can leave up to the staff. I think the Senators have to agree initially.

Both the majority leader and I have good floor staffs to work out details later and contact other Senators.

Mr. DOLE. I certainly would want to have the minority leader present in the meeting. In any event, I appreciate his willingness to volunteer.

I hope to be able to give the minority leader today a list of what we hope to do between now and October 3, even though I cannot predict anything. Things do change.

Right now, I hope to be able to begin the Boren issue on the 11th of August and complete it on the 12th. That is our present intention. That would be before the recess. I have indicated that to Senator BOREN. He also understands that if some other matter delays it, it could be a little later.

Mr. BYRD. I thank the distinguished majority leader. Senator BOREN has called me this morning. I have not had a chance to discuss his call. I thank the majority leader.

THE PAC INFLUENCE

Mr. ROCKEFELLER. Mr. President, in a compelling op-ed piece published recently in the Charleston Daily Mail, my esteemed colleague from West Virginia, Senator BYRD, described in disturbing detail the growing influence Political Action Committees have on the electoral and governmental processes.

In 1974, there were 608 PAC's contributing $12.5 million to congressional candidates. In 1984, the number of PAC's increased to 4,009, and donations rose to a whopping $105.3 million. Even more worrisome is that PAC money now constitutes a greater amount of a candidate's war chest than ever before—29 percent in 1984 as compared to 15.7 percent in 1974. These figures are mind-boggling, and Senator BYRD recognizes this in this commentary.

Senator BYRD correctly believes that PAC's undermine the trust that people have in their elected representatives. This not only adds to the cynicism of the people, but erodes the foundation of our representative government. To this end, Senator Byrd concludes that reform of the present campaign finance laws is imperative if we are to maintain the faith and integrity inherent in our representative Government. For that reason, Senator BYRD is cosponsoring the Boren-Goldwater bill aimed at curbing the influence of PAC's, which I am also cosponsoring.

I ask unanimous consent that Senator BYRD's editioral, "Putting Some Limits on PAC's," be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PUTTING SOME LIMITS ON PAC'S

(By Robert C. Byrd)

Most of us have had some contact with the video games that were "the rage" across the country for several years. PAC-MAN was one of the most popular. The game could be won only if the player could control the movement of a screen figure in such a way as to keep it from being devoured by another figure—the PAC-MAN—with an apparently limitless appetite.

By coincidence, both the nature of this popular video game and its name are in many ways analogous to the circumstances in which our democratic system of government finds itself. The objectivity, independent judgment, and absolute allegiance to the well-being of our nation and the majority of its citizens—which our nation's founders demanded of their elected representatives—are being dangerously eroded by the influence of special interest money in the electoral process.

Spending for congressional campaigns is getting to be like the arms race. Each election year, candidates raise and spend greater and greater sums to get elected. And more and more of that money is coming from PACs—or Political Action Committees—representing special interests.

It is time to call a halt to this spiraling explosion of ever-higher campaign cost and the receipt and use of PAC dollars by establishing a system of spending limits for congressional campaigns that is tied to a system of public financing. This would liberate candidates from having to go "hat in hand" to special interest groups to pay for their election races, and would prevent the voice of the average citizen from being drowned out by all of the special interest money.

Although many of the so-called special interests have goals which reflect the sentiments of most Americans, the PAC system tends to give special interests a disproportionate amount of influence in the decision-making process. Therefore, it is with good reason that the focal point of growing public concern is on the floodtide of PAC contributions.

Most PACs concentrate the influence of their particular special interests by collecting money from group members and making large contributions to candidates for office. Given the very high and increasing costs of running for public office in this age of television, many candidates conclude that they have no choice but to accept PAC contributions. Unfortunately, the effort it takes to raise sufficient campaign contributions to run an effective race for federal office saps a candidate's time and energy and interferes with official and family responsibilities.

This "money chase" has additional detrimental effects. Even for the most scrupulous elected officials, taking money for election campaigns and, certainly, actively asking for contributions for campaigns, can

create some sense of obligation to the contributors. Respondents to polls indicate a belief that one of the principal purposes of PAC contributions is to secure access to the candidate once he arrives in Washington.

Our campaign financing laws and the orgy of mega-buck spending which they encourage unquestionably contribute directly to cynicism on the part of many citizens about the integrity of our government and its elected officials.

This is a problem which strikes at the vital underpinnings of our representative form of government. The problem must be addressed. We need to look at extending public financing of campaigns to congressional elections. Public financing is currently used in presidential elections and is the only sure way to minimize the "money chase" that so contorts the election process.

Meanwhile, stricter guidelines and lower limits, must be imposed on contributions from PACs. On this front, I hope we will soon see definitive action. Sen. David Boren of Oklahoma and I are sponsoring legislation that places a population-based ceiling on the total amount of PAC contributions congressional candidates may accept and restricts the capability of PACs to exploit loopholes in the law and, thereby, elude even the current inadequate limitations on PAC contributions.

Ours is a government of representatives elected by the people—representatives who, in their official actions make judgments which, in their view, best serve the national interest and best reflect the wishes of the people who elect them. It doesn't always work as everyone would like.

We Americans continue to put our faith in that system. But, once that faith is undermined, America is in trouble. Our current system of campaign financing undermines that faith, and that is why it must be changed. It will not be easy to achieve the reforms that are badly needed.

It is an effort of such importance to our form of government that it must be faced. And it must be met successfully. That will occur only when the people across this nation demand it from their elected representatives. For the sake of all of us, I hope that occurs soon.

RETIREMENT OF REAR ADM. STEPHEN J. HOSTETTLER

Mr. WARNER. Mr. President, I rise today to acknowledge the distinguished naval career of Rear Adm. Stephen J. Hostettler, who retires tomorrow after over 33 years of service to the Nation.

Admiral Hostettler graduated from the U.S. Naval Academy with the class of 1953, and served on a number of surface combatants. From July 1979 until July 1981, Admiral Hostettler served as Commander, U.S. Naval Forces Korea before coming to the Washington area.

Four years ago, Admiral Hostettler assumed the responsibility of the director, joint cruise missile project, a position in which I, and the subcommittee on which I serve as chairman, have come to know him well and to respect his tremendous abilities. That period, 1982, was a critical juncture in the U.S. Air Force ground launched cruise missile [GLCM] and the U.S. Navy sea launched cruise missile [SLCM] programs, which were being jointly developed. These two critical programs were in the transition from development to production, and to put it bluntly, were in deep trouble. On his arrival, Admiral Hostettler faced challenges posed by poor missile test firing rate, serious performance problems with major contractors, and a potential delay in the politically sensitive GLCM deployment date to name but a few.

Under his strong leadership, a comprehensive restructuring of the program was set in motion. Complex technical problems were confronted and resolved. Quality control measures at major contractor facilities were evaluated, and replaced with methods that now are industry models. And a competitive program was initiated that now purchases 93 percent of the program's hardware competitively, and has created the potential for life cycle cost savings in excess of half a billion dollars.

Perhaps the crowning achievement to Admiral Hostettler's efforts was meeting our Government's commitment to on-time deployment of the GLCM in Europe, notwithstanding a succession of obstacles, often without precedent, which the admiral surmounted with the sure-handed leadership and competence that so characterize his entire career. Following the successful GLCM deployment, the Joint Cruise Missile Project Office under his leadership, accomplished the deployment of both conventionally armed and nuclear armed sea-launched cruise missiles [SLCM's].

Mr. President, I look on the admiral's retirement with some personal reservation, since my colleagues and I on the committee have come to so value his frank advice and counsel. As Rear Admiral Hostettler retires tomorrow, let me join my voice to the chorus of those who have recognized his exceptional contribution to our Nation's security, and who wish him and his family well in retirement.

TRIBUTE TO W. AVERELL HARRIMAN

Mr. JOHNSTON. Mr. President, few men in the history of our Republic have devoted themselves more faithfully to the service of their country than W. Averell Harriman. His death this week at the age of 94 sadly brings to a close an extraordinary career of public service, a career which profoundly influenced the lives of the American people and the course of our Nation in international affairs throughout much of the 20th century.

His role in some of the truly monumental global challenges of his time—the Marshall plan, the NATO alliance, and the Nuclear Test Ban Treaty, to name a few—offers a testament to the faith and trust American Presidents and other world leaders placed in him. And from the success of these undertakings, through which so many citizens of the world have benefited, we know that faith and trust was well deserved.

Very few among us would even aspire to give as much of themselves to their country and their fellow men, as Averell Harriman. And rarer still are those who possess the intellect and vision, the generous spirit and the bold determination required to achieve that goal so splendidly.

The generations who were fortunate to witness the devoted work of this great man, and the future generations who will live in a better world because of him, shall remember Averell Harriman with gratitude.

TRIBUTE TO BEN COLE

Mr. STEVENS. Mr. President, more than a half century ago, the area around 44th Street and College Avenue in Indianapolis was the center of the universe to me and to the man I want to salute today.

Our lives have changed, our world has become larger, and our careers have taken different paths.

But Ben Cole will always be the man who was my first boss.

Ben was a Butler University student and a substation manager for the Indianapolis Times in the neighborhood where I was a Times carrier * * * that was where our lives were centered.

He cared then, as he has continued to care after 37 years in Washington, DC, that the people of his home town should get the news.

Then he made sure the papers landed on their doorsteps. Now, and for all the years he has reported on the inner workings of the Nation's Capital, his written words have brought comprehensive and complete coverage of the news to his readers.

It is good to know the Indianapolis Star and its readers will continue to hear from Ben from time to time. His retirement from regular reporting is not the end of a distinguished career, but the beginning of a new phase.

Ben Cole is the kind of man the people of my State, Alaska, would understand and admire for his fairness, his objectivity and his thoroughness.

As a former Hoosier, and as an Alaskan, I share that same admiration.

I am pleased to recognize my good friend, Ben Cole, as he retires now from the Indianapolis Star.

W. AVERELL HARRIMAN

Mr. CRANSTON. Mr. President, I am saddened by the death last week of a distinguished American, W. Averell Harriman. His wisdom and the

breadth of his experience was extraordinary, and he will be missed.

Yet he leaves a splendid legacy for a world of peace. His art was that of the consumate statesman, the disinterested yet passionate promoter of the public good. His philosophy was that of the compassionate leader, intensely but lovingly focused on humane government as a fully achieveable ideal. His fundamental quest was on behalf of human dignity, and he set for himself a standard of public service that was a benchmark for the diplomatic profession and an inspiration to the world.

Averell Harriman will be regarded as a master of his age. He knew who he was, and in that personal security he could serve selflessly. He cared for individuals, for nations, for the Earth. He believed in democracy and he devoted his life to its profession. He achieved, in a virtuoso career, that rare combination of the ideal and the pragmatic that brings humanity's highest dreams into reality.

Averell Harriman was more than an individual, he was a force: A force for peace, for understanding, for excellence in the affairs of government, for the finest in public service. He served half a dozen Presidents. He was special envoy to Britain, Secretary of Commerce, Under Secretary of State, candidate for President, architect of the Marshall plan, Ambassador to Russia under Stalin, signer of the Limited Test Ban Treaty, Governor of New York. He founded the Harriman Institute for the Advanced Study of the Soviet Union, at Columbia University, a splendid contribution to the cause of peace and a superb living monument to the memory of this great American.

Mr. President, I rise in tribute to this fine man, this great American, whose exemplary career provides a brilliant definition for the art of public service: To his wife, Pamela, and his daughters Kathleen and Shirley, I extend deepest condolences on behalf of myself and Mrs. Cranston.

CONCLUSION OF MORNING BUSINESS

Mr. DOLE. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

INCREASE IN THE STATUTORY LIMIT ON THE PUBLIC DEBT

The PRESIDING OFFICER. The clerk will report the unfinished business.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 668) increasing the statutory limit on the public debt.

The Senate resumed consideration of the joint resolution.

Pending:

Modified committee amendment, to provide a committee substitute on investment and restoration of Social Security funds during debt limit crises.

AMENDMENT NO. 2241

(Purpose: To repeal the Balanced Budget and Emergency Deficit Control Act of 1985)

Mr. HART addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HART. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. HART], for himself, Mr. MOYNIHAN, Mr. MATSUNAGA, and Mr. WEICKER, proposes an amendment numbered 2241.

Mr. HART. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment add the following new section:

SEC. . REPEAL.

Notwithstanding any other provision of this joint resolution,

(a) IN GENERAL.—Except as provided in subsection (b), the Balanced Budget and Emergency Control Act of 1985 (title II of Public Law 99-177) is repealed.

(b) EXCEPTION.—Section 272 of the Balanced Budget and Emergency Deficit Control Act of 1984 (relating to restoration of trust fund investments) and section 274 of such Act (to the extent that it relates to section 272 of such Act) shall not be included in or affected by the repeal of such Act and shall be effective as if this section had not been enacted.

(c) EFFECTIVE DATE.—

(1) The repeal made by subsection (a) shall be effective with respect to fiscal years beginning after September 30, 1986.

(2) Provisions of law amended or repealed by the Balanced Budget and Emergency Deficit Control Act of 1985 are hereby restored or revived and shall be effective as if such Act had not been enacted.

Mr. HART. Mr. President, the amendment which the Senator from Colorado sent to the desk is offered on his own behalf as well as the Senator from New York [Mr. MOYNIHAN], the Senator from Hawaii [Mr. MATSUNAGA], and the Senator from Connecticut [Mr. WEICKER].

Mr. President, this is, in fact, a very simple amendment. The amendment repeals the so-called Gramm-Rudman-Hollings bill as modified by action of the Senate yesterday.

As we all know, what took place here in the Senate yesterday was the so-called fix of what is now called Gramm-Rudman-Hollings I. The fix, as it was described by one of its sponsors, was simply in response to a determination by the U.S. Supreme Court that the law was unconstitutional in certain respects.

According to that sponsor, it simply transferred the power of carrying out automatic cuts of impoundments, or, if you will, sequesters, from the Office of the Comptroller General of the United States to the office of the Director of the Office of Management and Budget. It was said that this was a simple amendment and yet that amendment, the so-called Gramm-Rudman-Hollings II amendment, took 28 pages.

We have found, at our peril, I think, that every time we tried to fix or straighten out or simplify this Gramm-Rudman-Hollings approach to controlling deficit spending and deficit creation, that we simply make the law more complex, more complicated, and less workable. That is simply what happened in the Senate yesterday.

The amendment before the Senate today is indeed a simple amendment. It deletes the entire proposition.

Mr. President, the English poet Samuel Taylor Colleridge once wrote of "that willing suspension of disbelief for the moment, which constitutes poetic faith." For longer than a moment, indeed now for 10 months, we have suspended belief in many of the fundamental principles which underlie our society, our Constitution, and our commitment to progressive government. The belief that Gramm-Rudman I, Gramm-Rudman II, or the fix will solve the deficit crisis is nothing more than poetic faith. And it reveals a troubling lack of confidence in the ability of Congress to steer this Nation effectively and with any kind of a larger vision.

The sponsors of Gramm-Rudman have always been honest with us. They have said Congress does not have the courage to reduce the deficit. They have said we cannot set priorities. They have said, in essence, that we cannot make choices. They have said, quite bluntly and frankly, that we are unprepared to carry out our constitutional oath of office.

Our colleague from New York, Senator MOYNIHAN, probably said it best. He usually does. He said last fall that Gramm-Rudman offends the first principle of responsible government—making choices. Together, we argue that all budget cuts are not created equal. Some programs contribute to our current well-being; others are critical to our future prosperity; some are outdated, worn or purely political. And we all agree these should be terminated.

□ 1100

That simple logic is lost on Gramm-Rudman. To paraphrase Anatole France, this law, in its majestic equality, provides that we cut equally from strength and waste; from the powerless and the powerful; from productive minds and comfortable constituencies.

Arbritrary cuts and deficit targets are dangerous. They cannot be conformed to the dynamic nature of the economy of this nation or indeed, the world. Just as we have seen the deficit picture change, often quite dramatically, sometimes in the space of days, since the Senate began debate on Gramm-Rudman last October, so too has the economy changed.

That point was made clear during a hearing in the House Government Operations Committee by the distinguished economist, Lawrence Chimerine of Chase Econometrics.

Mr. Chimerine termed cuts required under Gramm-Rudman, as much as $46 billion for fiscal year 1987, "an unmitigated disaster for the short-term economic outlook." He suggested that taking such action "would turn economic growth * * * into an outright recession." To avoid such an outcome, he suggested several alternatives, which included: Repealing Gramm-Rudman-Hollings; ignoring its provisions for the coming fiscal year; or using extremely optimistic economic forecasts for the coming year.

Those remarks were made during a hearing called by the distinguished chairman of the House Government Operations Committee, Representative JACK BROOKS.

Mr. President, I ask unanimous consent that, at the conclusion of my remarks, the entire statement by Dr. Chimerine be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HART. Mr. President, Representative Brooks has been a leader on budget and constitutional law issues for years. I commend him for caring about the economy and asking advice from economists about what Congress should do about the deficit. The Senate would have been wise to do likewise before the leadership plowed forward with Gramm-Rudman II.

Our deficit situation is serious, as is the outlook for the economy as a whole. This continues to be a searching time for Congress and the country, because we do have to make choices. We must decide whether student loans are more important than Amtrak; whether food stamps are more important than subsidies to corporate farms; whether a tax increase is better economic policy than borrow and spend, and then we must budget accordingly.

Making these kinds of decisions requires leadership and it requires courage. A statutory auto-pilot incapable of making distinctions provides us neither. That is what Gramm-Rudman-Hollings is all about.

It may have been a cathartic to pass this law. But this catharsis will, like those in Greek masterpieces, come at a terrible and senseless cost. It is time to repeal this misguided law, and adopt an economic policy that yields not just a balanced budget—but a balanced economy and a balanced society.

In reply to the Supreme Court decision, we've seen efforts on the floor to fix the "fix," and then to fix the "fix" that was designed to "fix" the "fix." But the history of the last year should tell us something. We can pile on new, mutually enforcing safeguards, more checks and attempts at procedural balances, one on top of another, in an endless search to substitute procedure for courage. There is no substitute for courage. There is no substitute for Presidential leadership. We cannot find courage in procedure. We only find it in ourselves.

It is time to try something else. Under Reaganomics, the national debt doubled. Under Gramm-Rudman I, the deficit climbed higher. Gramm-Rudman II promises more debate, more new procedures, a mascochistic transfer to power from the Congress to the Executive. Let us not make a third mistake.

I believe the amendment being offerd today by the Senator from Colorado and the Senator from New York represents a good first start, a start in a different direction. We should repeal Gramm-Rudman. Later in the debate, I shall offer an amendment that differs dramatically from Gramm-Rudman. If enacted, it would actually lower the deficit. That amendment I shall offer proposes a fee on imported oil, an alternative to arguing about budget process.

Mr. President, given our previous vote on Gramm-Rudman-Hollings II, some will suggest this amendment has no chance.

I might note, however, that since the passage of the original Gramm-Rudman-Hollings Act, 12 Senators yesterday joined those of us opposed in voting against the so-called "fix."

Mr. President, in all our actions, we must be guided by a higher principle than immediate gratification or victory. There are higher principles—honoring the constitutional balance of powers, fulfilling our obligations to our constituents, protecting our national security, our economy and sense of purpose. These higher principles are at stake today.

Some might suggest that supporting the Hart - Moynihan - Matsunaga-Weicker amendment represents a vote thrown away. But to paraphrase our former colleague, Senator George McGovern, speaking under very different circumstances; "Better to throw away a vote than to throw away your conscience."

Mr. President, I urge my colleagues to support this amendment. There are saner, more thoughtful approaches to this problem, and certainly, those approaches are much more constitutional. I hope that today, the Senate will see the error of its ways in enacting the original Gramm-Rudman-Hollings approach and see that that was a very serious error in public policy. It is not too late to correct that mistake and to get on with what we were elected to do. That is to make the difficult choices of governing. I hope the Senate will adopt this amendment.

EXHIBIT 1

STATEMENT BY LAWRENCE CHIMERINE, PH.D., CHAIRMAN AND CHIEF ECONOMIST, CHASE ECONOMETRICS, BALA CYNWYD, PA

My name is Lawrence Chimerine and I am the Chairman and Chief Economist of Chase Econometrics. I appreciate the opportunity to testify before the Legislation and National Security Congressional Subcommittee on the current state of the economy, expected Federal deficits, and how the provisions of the Gramm-Rudman-Hollings legislation will interact with the United States economy.

SUMMARY

In sum, my views are as follows: (a) The slow and erratic economic growth that began in mid-1984 is continuing—if anything, the economy has actually deteriorated somewhat in recent months. Most significantly, there is no sign whatsoever of any acceleration in economic activity. (b) The economy has remained relatively weak despite optimistic forecasts because the stimulative impact of lower oil prices, declines in interest rates, and the weaker dollar have been less in magnitude, and later in coming, than many had expected, and because many other underlying forces are somewhat unfavorable. (c) At best, only a modest pickup in economic activity can be expected this year. Furthermore, the risks are predominantly on the down side—either the absence of any turnaround in trade and/or some retrenchment in consumer spending would prevent any pickup at all, and could actually lead to a mild recession. (d) The outlook for 1987 is clouded with uncertainties related to tax reform and deficit reduction. The most likely outcome is a continuation of very modest economic growth at best, with the risks continuing to be predominantly on the down side. Again, even modest growth will require a substantial improvement in the trade deficit. (e) The Federal budget deficit outlook remains poor—I expect the deficit to be close to $220 billion in the current year, and approximately $190 billion in fiscal year 1987, unless additional spending cuts and/or tax increases are adopted. (f) The options currently available to policymakers are limited as a result of the relative ineffectiveness of monetary policy at this point in the business cycle, and by the need to reduce enormous budget deficits for long-term economic stability. I would suggest, however, a far more gradual approach to reducing the deficit than implied by the current Gramm-Rudman-Hollings (GRH) targets, a further easing in monetary policy, and adoption of a tax reform package that would be less unfavorable for the short term.

CURRENT ECONOMIC SITUATION

The recovery which began near the end of 1982 is now more than three and one-half years old—this makes this recovery period one of the longest on record. However, the health of the economy has nonetheless been overstated because of a lack of understanding of many aspects of the recent economic situation. These include the following:

1. There have been two very distinctly different parts of the recovery period. The

first eighteen months (or all of the 1983 and the first half of 1984) was characterized by extremely rapid growth (over 7 percent at an annual rate as measured by real GNP). However, the two year period since that time has witnessed a dramatic deceleration in the rate of growth to an extremely sluggish 2 percent rate—this is well below the historical average, so that only marginal additional progress at best has been made toward completing the recovery process. This is best illustrated by the fact that unemployment, capacity utilization and other measures of economic performance have shown no additional improvement since mid-1984. And, because of the dramatic slowdown since mid-1984, growth during this recovery in total is now below the rate experienced in most other postwar recovery periods.

2. This period of extremely slow growth has taken place even though the level of economic conditions has not been satisfactory. This reflects the fact that the 1981-82 recession followed closely on the heels of a previous recession, so that economic conditions were extremely depressed when this recovery period began. Therefore, virtually all measures of economic performance are still unacceptable. For example, the 7 percent unemployment rate that has prevailed during the last two years is obviously a significant improvement compared to the near 11 percent of late 1982, but it is still much higher than at anytime in the postwar period prior to the 1980s with the exception of a few months during the 1974-75 recession.

3. The performance of the economy during the past several years has been highly uneven, with many sectors still mired in recessionary conditions. This has created major industry and geographic differences which are causing severe hardships in many areas.

In sum, the performance of the ecnomy in recent years, at least with respect to real economic growth, has been vastly overstated—the recovery in total has not been particularly strong and is far from complete; we have experienced only marginal additional progress in completing the recovery process during the past two years; and the economy is still operating at highly unsatisfactory levels by historical standards.

Despite numerous forcasts that a major pickup was likely during 1986, based on declines in interest rates, the dollar and oil prices, as well as low inventory/sales ratios and other apparently favorable factors, the economy remains mired in this process of slow and erratic growth referred to above. If anything, the economy appears to have completely stagnated in recent months, even though it now appears that economic growth (as measured by GNP) was still close to 2 percent in the first half. First, GNP during the first half has been bolstered by strong growth in real consumption expenditures, which may actually be overstating the strength in consumer spending. This reflects: (a) a weaker pattern for chain store sales than has been indicated by the retail sales reports, (b) a temporary spurt in auto sales due to the latest round of low interest rate financing, (c) a sharp increase in expenditures for brokerage commissions and other financial transactions which are more related to saving and investment than to ongoing consumer spending, (d) the likelihood that recent price indexes are understating inflation and thus exaggerating real expenditures. Furthermore, gains in wages and salaries have decelerated further from the already sluggish rate during most of 1985—this implies that once the favorable effects of lower oil and food prices have passed, real wages will flatten out again. The dramatic slowdown in income growth, especially wages and salaries, is perhaps the most significant development that has taken place in recent years. It reflects not only continued downward pressure on wages in many industries, but a significant shift in the job mix away from high-paying, high-productivity occupations and industries into those with significantly lower wages. This is critical because, in the longer run, income growth is by far the most important determinant of consumer spending and thus living standards. And, unless the recent spending data are revised downward, it appears that most of the added purchasing power from lower oil prices has already been spent because the saving rate is now only slightly above where it was at the start of the year. Consumer spending is also likely to be held down by the reluctance of consumers to increase their already high debt burdens further despite lower interests rates—higher delinquency rates may also cause credit grantors to be more cautious in extending credit to consumers. Second, the GNP data are inconsistent with other economic data (especially industrial production) which indicate a much more sluggish picture. This is reinforced by still declining commodity prices, by the weakness in wage income and profits, and by weak loan demand. Third, orders remained very weak in June, and reports from the field indicate little or no improvement thus far in July. The weakness is relatively widespread, with only appliances and commercial aircraft having experienced any meaningful increases—backlogs are thus still relatively low in most industries.

The sluggishness has continued despite numerous forcecasts that a major acceleration would take place during 1986 because of declines rates, the dollar, and oil prices, and other apparently favorable factors. However, the economy has not picked up for the following reasons:

1. The sharp decline in interest rates that has occurred since late 1984 has had only a small stimulative effect on the economy thus far, since real interests rates were extraordinarily high when these declines began (so that the early portion of the decline had little effect on economic activity). Thus, in effect, rate declines were necessary just to keep the economy in the same place, and in great part have been caused by the weak economy. The only noticable effect of the decline in rates thus far has been on the housing industry—real interest rates for industrials companies are still so high that there has been virtually no impact of recent declines in nominal rates on capital spending plans or on inventory policies. The impact of declining interest rates is also being limited by the age of the recovery, the winding down of previously available pent-up demands, and already high debt burdens, which have reduced the willingness of both corporations and households to incur additional debt. Thus, the Fed is in great part pushing on a string.

2. The economy has not yet experienced any significant benefits from the sharp decline in the value of the dollar. First, the decline which took place during 1985 had little or no effect on U.S. competitiveness in world markets, since it primarily squeezed what had been enormous profit margins of foreign companies selling in U.S. markets. Only in the last few months have prices of imported products begun to rise—as is well known, it will take many months before these price changes begin to affect real trade flows. While these prices increases will eventually slow import penetration somewhat, the impact will be limited by the fact that many imported goods have no domestically produced counterparts, by the perception that some have higher quality than comparable domestically produced products, and by the increased familiarity of American citizens with foreign produced goods. Second, recent increases in imports, and softness in exports, to some extent reflect the impact of earlier outsourcing decisions as many new overseas plants become fully operational. Third, the U.S. trade deficit with Canada, Latin America and the developing countries in the Far East, continues to grow, in part because of weak economic conditions and debt problems in some of those countries, and in part because the currencies of most of those countries have not appreciated relative to the U.S. dollar. Fourth, the sharp decline in the price of oil has caused cutbacks in U.S. oil production—this is already beginning to lead to increases in the volume of imported oil. Furthermore, most OPEC countries and other major oil exporters are beginning to slow their imports from the United States and other countries because of the impact of declining oil prices on their already poor current account positions. Finally, domestic demand is still weak in much of Europe and Japan.

3. The stimulative impact of lower oil prices on the economy will be modest, at best. In great part, this reflects the fact that the United States is a large producer of oil (we produce about 70 percent of our own needs), so that the main benefit to the United States economy of declining oil prices comes from a decline in the price of imported oil. However, oil imports relative to GNP have fallen sharply since the early 1970s (by more than 50%), reflecting the fact that we consume far less energy relative to the size of the economy than we did then, that oil now constitutes a smaller fraction of our total energy consumption than at that time, and that we produce a larger fraction of our internal needs ourselves. The negative effects of lower domestic oil prices on profits in the oil industry is already causing sharp cutbacks in employment, and in exploration and other investment (by $12-$15 billion). These represent very sizable offsets to the gains to consumers, and profits to oil users, that will result from lower domestic oil prices. Furthermore, because of already large current account deficits, most OPEC countries will reduce their imports of military and manufactured goods from the United States and other countries, which will offset part of the favorable effects of the lower cost of imported oil (as mentioned earlier).

4. In my view, the stock market boom in late 1985 and early 1986 does not reflect either current or expected economic strength—in fact, the rise in stock prices is more accurately a sign of weakness, since it largely reflects the sharp decline in interest rates, which in turn is a direct result of the sluggish economy. In effect, what has happened is that the substantial increase in liquidity that has been pumped into the economy by the Federal Reserve has gone into financial assets rather than fixed assets, reflecting the lack of viable fixed investments due in part to overcapacity, overbuilding, etc. Thus, many companies have found it more attractive to buy up their own stock, or someone else, rather than making invest-

ments in plant and equipment. Furthermore, the sharp increase in the value of financial assets held by consumers is also vastly overrated as an economic stimulant, since: (a) ownership of financial assets is concentrated among relatively high income families with a relatively low marginal propensity to consume; (b) most individuals cannot gain access to these funds because they are tied up in pension accounts; and (c) many of those who have experienced capital gains have rolled them over rather than used them to finance consumption. In addition, household debt has risen dramatically during this period, with a far more widespread distribution across the population.

5. Many forecasters had predicted an inventory-led acceleration in economic growth in 1986, reflecting the relatively low inventory/sales ratios which prevailed at the end of 1985. However, inventory/sales ratios have not been low because goods have been jumping off the shelves—they have been deliberately reduced by manufacturers and retailers because of: (a) extremely high real interest rates; (b) large excess capacity; (c) relatively short lead times; (d) the still declining prices of many finished goods and commodities, and the uncertain price outlook; (e) the uncertain sales outlook; and (f) weakness in profits. The downsizing of desired inventory levels has in fact continued during 1986, so that at best, inventories are a neutral to somewhat negative factor in the economic situation.

6. Some forecasters also predicted a surge in the economy as a result of sharp increases in the basic money supply during the last 18 months. However, there is currently almost no relationship between M1 and economic activity, reflecting: (a) continued increases in import penetration, which increases the demand for credit and the money supply without increasing domestic output; (b) declining interest rates, which have reduced the opportunity costs of holding interest free or low interest deposits; and (c) concerns regarding the safety of deposits at various thrifts and other financial institutions, which has caused a shift of savings into M1 types of deposits.

The current economic situation can be summarized as follows: most of manufacturing is experiencing mild recessionary conditions, agriculture and energy are experiencing more severe recessionary conditions, and the housing and financial sectors appear relatively strong. And there is little or no meaningful evidence that any pickup in overall activity is on the horizon.

MAJOR FORECAST ASSUMPTIONS

The outlook for the remainder of this year and 1987 will be affected by a number of key policy and other assumptions:

1. Deficit reduction: The deficit outlook remains very uncertain. The "status quo" deficit outlook is not as favorable as earlier government reports suggested, reflecting the still high cost of farm programs, the likelihood that defense spending will exceed current targets unless appropriations are cut back further, the fact that tax revenues are lagging behind expectations because of weaker-than-expected economic growth, and because the decline in oil prices is actually worsening the deficit somewhat. The Congressional budget resolution for 1987 also substantially understates the likely deficit for these reasons. I assume that about $25 billion of spending cuts (mostly in defense programs) will be adopted. The alternatives of much larger budget actions (either through the budget process or through automatic spending cuts), or even smaller cuts, still cannot be ruled out, however—either would have a significantly different impact on economic activity in 1987. (The budget situation will be discussed further below.)

2. Tax reform: While the impact of tax reform on the economy will depend on the provisions of the final bill, including the specific tax code changes, tax rates, effective dates and grandfathering provisions, it seems quite clear that tax reform could significantly depress the economy in the short run. This reflects the following: (a) It will likely change the tax structure very dramatically—many corporations (and individuals) would find a very sharp change in their tax liabilities and/or, in the demand for their products. This is likely to cause some caution in making many new commitments, although some may be accelerated (i.e., taking of capital gains) to beat unfavorable changes in the tax code. (b) The bill will probably raise taxes in the short term, primarily because many of the base-broadening changes would become effective January 1, 1987 (with some, such as the elimination of the investment tax credit, retroactive to sometime in 1986), while the rate reductions could become effective on July 1, 1987. (c) The changes will dramatically weaken the tax advantages for many types of construction, as well as the incentives for investment. Since these sectors of the economy are already quite weak, changing the tax provisions so sharply will cause new activity in those sectors to decline even further. (d) The "winners" in the business sector (i.e., those which benefit from the reduction in corporate tax rates) are generally less capital intensive than the likely "losers"—it will probably take longer for them to implement new programs than for those who are hurt to cut back (this is similar to the timing problems now being experienced as a result of oil price declines).

The economic impact of tax reform will also depend on whether it is effectively coordinated with deficit reduction—I am assuming that the increase in revenues in 1987 which could result from tax reform will be used to help reduce the budget deficit. If in fact the tax reform bill does raise taxes significantly in 1987 on top of other tax increases and spending cuts which are designed to achieve the GRH deficit target, the combined effect would be an extremely restrictive fiscal policy that could dramatically weaken the economy in late 1986 and/or 1987.

3. Interest rates. I believe that rates will move lower during the rest of the year, with the Fed adopting at least one more easing move as the economic statistics stay soft during the remainder of the summer.

4. Oil Prices: Spot crude oil prices have moved up significantly during the last several days due to: (a) a small pickup in demand, reflecting fuel substitution and higher gasoline consumption; (b) continued declines in oil inventories; and (c) cutbacks in production in the United States and some other countries. While crude prices are likely to remain extremely volatile, I believe that oil prices will eventually stabilize in the mid- to upper teens—this expectation is in part based on the assumption that a production sharing agreement will be reached among the OPEC countries—so that most of the effect of lower oil prices on refined product prices, real incomes, etc., has already taken place.

THE OUTLOOK FOR THE SECOND HALF OF 1986 AND 1987

The factors discussed earlier will continue to hold down economic growth during the second half of this year, as will the following:

1. Capital spending will not contribute significantly to economic growth—this is indicated by recent plant and equipment surveys, appropriation rates, orders, etc. The sluggishness in capital spending reflects: (a) unusually low capacity utilization rates at this stage of the economic expansion, so that there is very little capacity-oriented spending taking place; (b) the downward trend which is now developing in construction of office buildings, hotels, and other commercial structures, reflecting high and rising vacancy rates; (c) continued cutbacks in exploration and other capital expenditures by the energy industry; (d) little or no growth in orders and sales; and (e) the uncertainties being created by tax reform which is slowing the commitment process. In addition, still high real interest rates for industrial companies and weak profits and cash flow have kept the financial environment for capital spending somewhat unfavorable.

2. The housing boom is now peaking. Single-family housing starts are likely to edge down during the remainder of the year, since mortgage rates have at least temporarily bottomed out (and have actually risen somewhat in response to strong demand for refinancing); the demographics are becoming less favorable; housing prices are rising more sharply, undermining affordability somewhat; the bubble created earlier as many families jumped into the market is subsiding; and income growth is sluggish. Multifamily housing starts will likely drop off even more sharply, reflecting less availability of tax-exempt financing; extremely high vacancy rates (especially in the condominium market); and the impact of tax reform. Thus, at least the direct contribution of housing construction to GNP growth will taper off after the next several months.

3. Government spending will grow very slowly at best. Cutbacks at the Federal level, resulting from deficit-reduction programs, and at many state and municipal governments, in response to tighter budget conditions, will hold growth in total government expenditures in real terms to less than a 2.0 percent annual rate during the rest of this year.

Thus, the cutbacks that are now developing in commercial construction, continued weak capital spending, and slower growth in consumer spending in response to anemic income growth, low savings and high debt burdens, will hold down domestic final demand. Furthermore, as mentioned earlier, it is unlikely that any inventory building will take place. Thus, it is now clear that even a modest pickup in economic growth during the remainder of this year will require an improvement in the trade deficit, both to directly stimulate production as well as to help speed up income gains. While a sustained decline has not yet begun, increasing reports of rising export orders, continued delays in new outsourcing and foreign investment plans by U.S. companies, and increases in the prices of many imported goods in recent months, continue to suggest that some improvement will in fact occur late this year. The turnaround in the deficit will be very gradual, however, in view of still extremely sluggish domestic demand in

Japan and most European countries; the still highly overvalued dollar relative to the currencies of most LDCs; likely increases in the volume of imported oil; and lower exports to many oil producing countries.

On balance, therefore, while I believe that the second half of the year will be somewhat stronger than the first half, reflecting an improvment in the trade deficit, the pickup will not begin until late summer. It should be noted that even with an improvement in the trade deficit, economic growth during the second half will only be in the 2.5 percent to 3.0 percent range, still unacceptably low in view of the large amount of idle resources throughout the economy. Furthermore, most of the risks appear to be on the downside—these include the possibility that the trade deficit will remain at current or even higher levels in real terms; that consumers begin to retrench in view of the low savings and high debt burdens that currently prevail; and that the anticipated effects of tax reform are greater than now expected.

The outlook for the economy in 1987 will be primarily determined by the following:

1. The lagged effects of changes in exchange rates will have an increasingly favorable effect on the trade deficit as we move through 1987. Thus, trade will make a significant contribution to economic growth on an annual basis for the first time since the early 1980s.

2. Declines in real interest rates which will take place during the second half of this year will have at least a modestly favorable effect on investment during 1987. These declines will result from an assumed additional round of Fed easing later this summer (including an expected reduction in the discount rate), as well as the modest acceleration in inflation we expect.

These factors will, however, be at least partially offset by the negative short-term effects of tax reform and deficit reduction (as discussed earlier). Thus, economic growth is likely to continue in the 2.5 percent range, although the outlook will remain somewhat uncertain until fiscal policy issues are resolved. I view the risks again to be predominantly on the downside in 1987, so even slower growth is a distinct possibility.

Table 1 summarizes my forecast for the key economic indicators for this period:

Table 1.—FORECAST SUMMARY TABLE

[Percent change]

	1983	1984	1985	1986	1987
Real GNP	−2.5	6.5	2.2	2.1	2.4
Industrial production	5.9	11.6	2.2	0.4	3.0
Real consumption	4.6	4.4	3.3	3.3	2.7
Real fixed investment	−1.8	19.5	9.7	−1.0	0.0
Consumer price index	3.2	4.3	3.5	2.0	3.5
GNP deflator	3.7	4.2	3.3	2.5	3.2
Pre-tax profits	20.9	15.9	−5.2	0.0	12.2
Unemployent rate (percent)	9.6	7.5	7.2	7.1	7.1
Prime rate (percent)	10.8	12.0	9.9	8.2	8.0
Auto sales (million)	9.2	10.4	11.1	10.8	10.7
Housing starts (million)	1.7	1.77	1.74	1.87	1.68

It should be noted that the quarterly GNP pattern is likely to be extremely volatile during the rest of this year and 1987, reflecting erratic movements in the trade deficit; the precise timing of auto production cutbacks and incentive programs; the anticipatory and actual impacts of tax reform; the timing of budget cuts and/or tax increases; and the impact of possible revisions to earlier data. However, while GNP and/or other indicators may rise sharply in any one quarter, a sustained economic boom during the remainder of 1986 and 1987 is extremely unlikely, as discussed earlier. At best, very modest growth on average will take place, with a number of downward risks that could keep the economy even more sluggish—as mentioned earlier, these include the possibility that the turnaround in trade will be weaker (and/or, come later) than now expected, that budget cuts and/or tax reform will be even more restrictive in the short term, or that consumers will attempt to rebuild savings (and cut debt) more quickly.

WHY SUCH SLOW GROWTH?

In my judgment, the extremely slow growth of the last two years, and that still to come, reflects the policy errors of recent years, primarily budget policies. These have been responsible for the high real interest rates, overvalued dollar, and imbalances and distortions which have caused the dramatic slowdown in economic growth. In fact, despite the sharp decline in nominal interest rates in recent years, real interest rates remain extremely high (especially in relation to the industrial deflation that has taken place); furthermore, virtually all of the decline in rates has occurred during periods of subpar growth. Because of the enormous Federal deficits, which are causing sharp increases in the Federal Debt/GNP ratio, interest rates have actually risen each time the economy has picked up during this period. In addition, the overvalued dollar directly reflects the upward pressure of budget deficits on U.S. interest rates. In effect, budget deficits have produced large trade deficits because of the need to attract foreign capital in order to help finance them. Furthermore, as pointed out earlier, the impact of declines in the dollar which are now taking place will not be as dramatic as the impact of the rise in the dollar in earlier years because of the asymetrical relationships already discussed, and because the long period during which the dollar was overvalued produced numerous decisions (including shifting of production overseas by many companies) which may never be reversed. The recovery in the last several years has also in great part been financed by an explosion in debt in all sectors of the economy, and has benefitted from the commercial construction boom—these factors are unsustainable, and thus not only cannot continue to perpetuate economic growth, but are now contributing to the slowdown in the economy. Finally, the enormous imbalances in the system are not conducive to strong economic growth because the extreme weakness in some sectors (such as manufacturing and agriculture) are now dragging down other sectors of the economy, and as discussed earlier, are causing a dramatic slowdown in income growth.

THE DEFICIT OUTLOOK AND GRH

The Federal budget deficit continues to worsen despite some apparently favorable developments—higher-than-projected defense and agricultural spending, along with weaker-than-expected revenues due to slow economic growth, are primarily responsible. Thus, even with the first round of GRH cuts, the unified deficit for the current fiscal year will be in the $215 to $220 billion range. (A lower figure may be eventually reported because the retroactive elimination of the investment tax credit will generate higher corporate tax liabilities in 1986.) In my view, a realistic estimate of the fiscal year 1987 deficit is now near $190 billion when the 1987 budget resolution is adjusted for continued slower-than-expected growth, and more realistic estimates of agricultural and other spending. It is thus now apparent that larger spending cuts and/or tax increases than policymakers previously expected will be necessary to achieve the GRH target for fiscal year 1987. However, the GRH approach is very dangerous in the current environment, because it would cause additional spending cuts to compensate for the added deficit caused by slower economic growth—this would only slow the economy further, and in effect, would circumvent the automatic stabilizers that have served the economy so well for many years. Futhermore, many of the spending cuts in the budget resolution represent accounting changes which are likely to widen the deficit in future years. Deficits beyond fiscal year 1987 will also be increased if tax reform becomes integrated into the budget process, because the likely bulge in tax revenues resulting from tax reform in fiscal year 1987 will be reversed in succeeding years. Finally, it will be diffcult to find additional politically and socially acceptable spending cuts in future years. Thus, sizable tax increases will almost certainly be necessary if the deficit is to be reduced further in the outer years.

POLICY SUGGESTIONS

In my judgment, there is very little that economic policymakers can do to help speed the economy in the near term; this reflects the following: (a) As implied earlier, the Federal Reserve is essentially pushing on a string because of the already high debt burdens, excess capacity and overbuilding which characterize the economy. This limits the impact of declines in interest rates on economic growth at this point in the cycle. The Fed's flexibility has also been reduced by the explosion in money growth in recent years. (b) It is essential that deficits be reduced on a long-term basis, to reverse the current upward trend in the Federal Debt/GNP ratio. If that trend is not reversed, it will mean continued high real interest rates on a long-term basis and/or a continued overvalued dollar and thus poor competitiveness in world markets, and/or a pickup in inflation later in this decade—any or all of these would cause long-term economic stagnation. Furthermore, lower deficits are also necessary to slow the explosion in interest payments, which will feed on itself and produce even higher deficits in the outer years if it is not stopped. Finally, lower deficits are necessary to prevent a sharp increase in the tax burden on future generations. Thus, for all of these reasons, it would not be practical to cut taxes and/or raise spending to stimulate the economy in the short term—thus, fiscal policy must be at least somewhat restrictive in the near term.

While economic policy cannot lead to faster economic growth, it is nonetheless essential that some policy actions be taken to prevent the economy from sliding into a serious recession. These actions include the following: (a) I strongly recommend sizable additional reductions in interest rates—such declines should help to prevent further deterioration in capital spending and may bolster confidence somewhat, thus generating at least a small amount of added stimulus. (b) Because of the poor short-term deficit outlook, the target for FY87 in the GRH legislation will be necessary to achieve the target. Cuts of that magnitude would imply a tremendously restrictive fiscal policy which would have a severely depressing effect on the economy in the short term. I would suggest cuts of less than one-half that amount at most. In effect, the Adminis-

tration and the Congress missed a golden opportunity to cut the deficits in earlier years when the economy was growing more rapidly—a more realistic approach in the current circumstance would be to aim for deficit reduction of approximately $20 billion per year, with the aim of reducing the deficit to about $100 billion by the early 1990s. I also strongly believe that any reductions in expenditures should be accomplished by converting many current entitlement programs into means-tested programs, rather than implementing across-the-board spending cuts. In addition, some tax increases will eventually be necessary—I urge that regressive tax increases be avoided in view of the dramatic shift in the distribution of income and in the distribution of the tax burden which has already taken place in recent years. (c) As mentioned earlier, tax reform is already causing some commitments to be postponed, and the anticipatory and actual dampening effects of tax reform may continue to hold down economic growth later this year and in 1987. I believe that these effects could be minimized if the following were implemented: (i) Some of the major changes, such as the elimination of the investment tax credit and the changes in tax rates, should be phased-in over several years rather than all at once. (ii) Grandfathering of existing provisions to reduce the risk of sizable losses on currently held assets should be considered. (iii) The effective dates should be changed so as to avoid a substantial tax increase in 1987.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I rise in opposition to the amendment. I would like to define for my colleagues where we are and what this amendment represents.

The Senator from Colorado is responding to our predicament basically as follows: In the Gramm-Rudman-Hollings bill, we responded to 5 years of gridlock and 20 years of deficits by imposing discipline on Congress.

I never cease to be amazed, Mr. President, at how people can call imposed discipline which forces choice an escape from choice. Let me say to my distinguished colleague from Colorado that there is one thing that Gramm-Rudman-Hollings I and II do do in terms of the Congress of the United States. It takes away one choice. On that point we agree. It takes away the choice to do nothing. It takes away the choice to engage in this political game of having the President send budgets to Congress which we merrily throw out the window and then we do not do anything.

The system which the distinguished Senator from Colorado proposes that we stay with is a system which has produced $200 billion deficits, doubled the Federal debt, and now imperils a recovery which has brought jobs and hope and opportunity to our people.

The Gramm-Rudman-Hollings bill does take away one choice. The choice it takes away is the choice not to choose, the choice to pass the burden of nonchoice onto our children and grandchildren in terms of higher debt, onto the economy in terms of higher interest rates, onto the working people of America in overvalued dollars that destroy our ability to compete on the world market. Those choices are taken away.

□ 1110

To those who say Congress should not be constrained, let Congress do as it chooses, let me respond that the whole genius of the American system has been the genius to restrain government.

The brilliance of the American system is that it denies Congress the ability to do things. It sets out parameters in which choices occur, and in the best tradition of that system the Gramm-Rudman-Hollings bill sets out parameters and those parameters are that for this 5-year emergency period—and I believe, Mr. President, that people of America believe this is an emergency—we take freedom away from the President. We force the President to submit budgets which over 5 years lower the deficit in equal amounts to zero in fiscal year 1991, calendar year 1990, the third year of the last budget that Ronald Reagan will submit as President. We take away the freedom of Congress to adopt budgets that are meaningless, that are nonbinding, that are nonenforceable, and that do not address the problem we face, because we force Congress through the imposition of rule changes to consider only budgets that meet the targets. We make it not in order to even bring a budget to the floor of the Senate that does not meet the targets. We make amendments zero sum in the deficit.

Is that taking away the necessity of choosing? Quite the contrary, Mr. President. That is forcing choice. In fact, we saw it every day on the tax bill. Because of Gramm-Rudman-Hollings, on the tax bill, when somebody wanted to do something for some special interest group, they faced a problem, and the problem was there is no free lunch. The whole world knows it. Only the U.S. Congress refuses to accept that fact. If somebody wanted to add a benefit for some special interest group, the had to pay for it.

I do not think it is any miracle, Mr. President, when they had to pay for it we had very few amendments adopted, indeed. As a result, we adopted a bill that represents the first step in 40 years for tax fairness for the people who do the work and pay the taxes and pull the wagon and make America work.

Finally, we make the budget binding. Is that refusing to make choices? Quite the contrary, Mr. President. Not only have we written bad budgets for the last 5 years, but we have not enforced those budgets. I hope our colleagues understand that on average we have overspent our budgets by about $2 billion a month every month for the last 5 years.

Making budgets binding is not escaping responsibility. It is imposing responsibility. If the American people really understood the budget process that existed before Gramm-Rudman-Hollings, they would realize what a fraud this whole charade has been.

The budgets are not binding. They do not mean anything in terms of imposing restraints on the individual appropriations and authorization committees. They have absolutely no relevance in the final analysis except on the final figure, so we wait around and pass all the dogs and then we wait for some mother's milk program and we have that program become the one that breaches the deficit, and everybody says, "I'm for fiscal responsibility but I can't vote against this bill." And we bust the budget, the deficit goes on, and the people bear the burden.

Under the Gramm-Rudman-Hollings bill, the budget is binding down to the 302(b) levels, which means down to the subcommittee levels. So we not only make Congress write tough budgets, which is not escaping responsibility—far from it—but we make those budgets binding. Then at the end of the budget process, at the beginning of the fiscal year, we have an assessment as to whether we met the targets. We have a truth-in-budgeting procedure, so that we have a check on Congress in making up solutions to problems by sending them away.

Now, the distinguished Senator from Colorado has said that Gramm-Rudman-Hollings II is imperfect. I do not think that ought to come as a shock. So far as I am aware, all three authors are imperfect, and so the fact that the solution is imperfect should have been expected. But let me say to the Senator from Colorado that the fact that our solution is imperfect does not mean no action is called for. Quite the contrary. It is an imperfect solution, but it is a dramatic improvement on simply pretending that the problem does not exist.

We continually hear, "We are letting bureaucrats make the tough decisions." That is baloney. We set up a green eyeshade function with checks and balances so that a determination is made about the deficit. We set up in law and define in great detail how across-the-board cuts will be made if the deficit number is breached. The bureaucrats do not make the cuts. We made the cuts by adopting Gramm-Rudman-Hollings. The bureaucrats simply provide truth in budgeting in a green eyeshade, technical function. That does not mean the technical function is unimportant. In fact, to say the green eyeshade functions are unimportant is to fail to recognize that the world is dominated by little else than green eyeshade functions. As

government has become more important in our lives, our lives have been run by little else than bureaucrats with green eyeshades. But it is Congress that wrote the law which says if we do not meet the targets, if we do not have the courage to make the decisions, an across-the-board cut goes into effect.

But, my colleagues, that is not the end of the story, because then Congress has 45 days after the cuts are announced before they go into effect, and the procedure is established so that during that period any action we take to lower the deficit counts toward offsetting those automatic cuts.

Now, I ask my colleagues, when an automatic cut has been announced and we have the right, the obligation, the duty and the ability to do something about it, is that escaping responsibility? Quite the contrary. That is putting the fat in the fire where it belongs.

Now, our distinguished colleague from Colorado may think that he can go out and run for President after refusing to do anything and letting an automatic cut go——

Mr. HART. Mr. President, will the Senator yield?

Mr. GRAMM. I will be happy to yield.

(Mr. SYMMS assumed the chair.)

Mr. HART. The issue is not anyone running for office and the Senator knows that, so I think the debate would further itself if we left that out of it.

Mr. GRAMM. Mr. President, let me rephrase it to make sure that I am referring to everyone in this body.

We can all go out and run for reelection or higher office or for the city council or whatever we choose, and maybe there are those who believe it is going to be an acceptable position to say, "My friends, I faced a difficult decision; an automatic cut was ordered because I didn't deal with the deficit problem and then I had 45 days to do something about it and, quite frankly, I just didn't have the courage. I couldn't take on the special interest groups. I couldn't very well tell this group or that group no. I mean, I get elected by saying yes. And so as a result this across-the-board cut went into effect, but it was a bureaucrat—it wasn't me, it was a bureaucrat. It was OMB, CBO, GAO."

Let me tell you, Mr. President, that will not fly. What Gramm-Rudman-Hollings does is it forces decisions, it forces us to choose. This assertion that we are letting some bureaucrat do our job is totally false. All the bureaucrats are doing through a clearly defined procedure is seeing if we had honesty in budgets. If we did not meet the targets, then they simply certify the deficit number and carry out the law which we wrote, so it will be the Congress, not a bureaucrat, that will make across-the-board cuts, and only the Congress, in working with the President, can offset those cuts in making decisions that will avoid the cuts going into effect.

It is my intention, Mr. President, that there be no across-the-board cut go into effect in 1987. I intend to do everything in my power to work out a budget that will meet the targets. We proposed Gramm-Rudman-Hollings II because we wanted to eliminate uncertainty. The President needs to know, the Congress needs to know, and the American people need to know that we are shooting with real bullets, that we are going to meet the deficit targets, that if we do not meet these targets, across-the-board cuts are going to be ordered. And if that does not give us the backbone to deal with the problem that they will go into effect, the capital markets can then respond with lower interest rates. We can in the process eliminate a legislative train wreck, pull the economy out of the ditch, meet the targets and get on with our job.

I heard all yesterday harangues about we are debating procedure and not substance. Let me say to those who may well be swelled up with ideas, that any Member can offer an amendment suggesting how we meet the targets. I can assure you that I will look at any proposal, and if I think it is reasonable, I will support it. But procedure is important.

Mr. President, our problem here is in a very real sense we are living out a great debate in American history. We are living out the Jefferson-Adams debate.

I remind my colleagues that at the end of their period of service in office, where they had been bitter enemies over issues such as the Alien and Sedition Acts, Jefferson and Adams carried out a correspondence.

□ 1120

Part of that correspondence was a debate in which Adams worried that when people decided that they could use Government to redistribute wealth, they would impose a very heavy burden on productive members; that it would produce a group of people who would try to feed off the productivity of others, and it could destroy our system.

Jefferson argued that Americans, even those who did not own property, would always aspire to own property and to recognize that what Government could take away from somebody else and give to them today, it could take away from them tomorrow to give to somebody else.

Mr. President, I believe Jefferson was right. But the whole way we legislate biases the debate toward the Adams position. When we vote on appropriation bills, individual spending bills, individual amendments, all the special interest groups that benefit will be looking over our right shoulder, sending letters back home, telling people whether we care about the old, the poor, the sick, the tired, the bicycle rider—and the list goes on and on.

More often than not, the people who are doing the work in this country and paying the bills are out doing the work. They are trying to send Johnny and Sarah to college. They are trying to pay for all the stuff we are spending. They do not have a lobbyist in Washington, so they are not looking over the left shoulder.

Asking Members of Congress to be responsible under those circumstances is not even guaranteeing them what we have in a religious sense, that if we do good work, Saint Peter is going to have it in the golden book. Here, you do good work, try to control spending, the special interests remember it, they work against you. you expect the people you work for to know you do it, and nothing is written in the golden book.

Is it a shock that pro-spending dominates Congress, dominates Members of both parties every day in the U.S. Congress? It is not a shock to me.

Mr. President, I remember once, when I was engaged in an election, President Carter, in 1980, as the economy was going to pot, introduced an emergency budget reform. My colleagues remember that. Everyone on the floor here was in Congress at that time. About $8 billion of savings. Most of it was phony. A lot of it was spending money this year, rather than the new budget, which actually made the economic problem worse. Some of it was moving stuff to next year. But one proposal was real. We were at that time paying Federal retirees a COLA twice a year. No private retirees were getting a COLA, period. But we were paying twice-a-year COLAs. President Carter proposed going to a once-a-year COLA.

I remember when we debated the budget. We adopted it. But when a conservative Member of the House, offered an amendment to restore the COLA, because he represented a district that had a lot of Government retirees in it, on a straight up-and-down vote, and I may be wrong on the number, I think there were only about 75 Members of the House—I was not in the Senate—who voted to stay with the savings.

I was running for reelection. I am not claiming the numbers are large enough to have great significance, but I think they make my point. I did a poll in my little, old east Texas rural district. I asked: "Have you heard of this issue?" I asked: "Do you know how your Congressman voted on this issue?"

Let me tell you something I think you will find interesting. Not one

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person polled in my district who was not a Government employee or retired Government employee had heard of the issue, much less knew how I had voted on it. But every Government emplolyee and every Government retiree knew exactly what the issue was and exactly how I voted.

Now, that is the problem. That is why we are going to probably have amendments offered here today to protect somebody from this process. Some of them may be successful. The problem is that the people who are getting the benefits from Government are organized and the people paying for it are not.

The Gramm-Rudman-Hollings effort is simply an effort to try to set out constraints that we understand and agree to and to try to get people looking over the left shoulder. They were looking yesterday. We got 63 votes for Gramm-Rudman-Hollings II, and I think we got it in part because people knew.

I know the headlines: Gramm-Rudman-Hollings cuts, slashes, denies, hurts. Nobody has ever written a headline saying: Gramm-Rudman-Hollings saves. I have never seen that headline. It is as if the people writing the headlines think the money Government spends comes from Heaven; and if it is not spent, the only story is that nobody got it. The money does not come from Heaven. It comes from the pockets of the working men and women of America. When it is not spent, by the Government it is not lost. It stays with families to invest in the American dream, and that is what Gramm-Rudman-Hollings is about.

If we can make this process work, imperfect though it is, a trillion dollars—I do not know how much money that is; it is a lot of money—that would have been borrowed to pay for deficits will not be borrowed. It will not be lost. If Government does not borrow it, it will not be lost. It will go into business, to build new plants and equipment, new technology, new R&D, new products, new wheels of trade and commerce, to make America great again.

It will go back to families. What are they going to do with it? All the things we claim to be doing for them. They are going to send their children to college. They are going to buy automobiles. They are going to buy homes. They are going to invest in their own future. I submit, Mr. President, that they probably are in a better position to know what promotes their own well-being than we are. All those things are going to happen.

Mr. HART. Mr. President, will the Senator yield?

Mr. GRAMM. I should like to complete my statement, and then I will be happy to yield.

We have before us a proposal today that simply says we were trying to get out of a desert. We had a car, not a perfect car. It rattled; it had problems. We drove by the Supreme Court and we got a flat tire.

We knew there was a problem. We wrote a backup provision. It is hot in the desert. We want to get out. What we have proposed in Gramm-Rudman-Hollings was to put a new tire on it—not a perfect tire. It could run over a nail, could come off, could have a flat. We thought it was a 4-ply, steel-belted radial. We got it on.

The Senator from Colorado says, "Don't put the tire on—blow up the car."

I say, "Don't blow up the car, which is the only car we have. It is not perfect, it will not drive itself. Don't blow it up. Put a tire back on and let us try to drive on."

It is a long walk. We may not make it. America may not have another chance to deal with this deficit problem. Let us not blow up the only car we have. Let us fix the tire.

Others say: "Don't fix the tire, redesign the car. Let's build an airplane or an 18-wheeler." We do not have time to redesign the car.

We had a hard time with the car. I am not sure we can build an airplane or an 18-wheeler. We have to put a tire back on it. We are now going to try to drive out of the desert in it.

Do not blow up the car. Reject this amendment and do it overwhelmingly to let the American people know, not that Gramm-Rudman came down from Mount Sinai, not that it is perfect, but it is the first real commitment that we have made during this whole period of runaway deficits to deal with the problem.

We are making progress with the solution. I did not like the budget that we adopted, quite frankly, but it was an important step in the right direction and, in my opinion, it gets us within striking distance of where we want to go, which is $144 billion, which is no across-the-board cut going into effect.

I urge my colleagues to reject this amendment.

I am happy to yield.

Mr. HART. Mr. President, I will ask a question, but let me just observe that the sponsor of the amendment were not changing the tire but changing the driver. To drive past the Supreme Court with this driver is not acceptable, I wonder who the third driver is going to be.

Nonetheless, does the Senator from Texas believe it is possible to meet the so-called Gramm-Rudman targets without any additional revenues?

Mr. GRAMM. Let me say to my colleague that I not only believe it, I am absolutely convinced that it can be done.

But let me emphasize that Gramm-Rudman-Hollings does not guarantee the outcome that this Senator seeks. There are many people who supported this bill who believe exactly the opposite of me on this issue. Gramm-Rudman does not dictate the solution but it dictates a solution. It does not allow me to simply say to my colleagues I will not consider a tax increase and so you either cut spending or else we have no deal.

What it does is it brings us all together and forces us to come up with a solution.

I can say to my colleagues I intend to fight very hard to control spending. We have yet this year to really cut anything other than defense.

So I could very easily show the Senator where I would like to make savings to meet the targets but the fact that I have that viewpoint does not mean that Gramm-Rudman guarantees that I am going to be successful. It does guarantee that we are going to meet the target.

Mr. HART. So the Senator will support or not support an oil import fee?

Mr. GRAMM. The Senator is opposed to an oil import fee not on a revenue ground, but because an oil import fee would cost the economy far more jobs than it would save the economy because an oil import fee would put us out of business in terms of petroleum exports of refined products. We exported $15 billion worth of petrochemicals, $8 billion between Corpus Christi and Beaumont, in my own State. Those jobs would be lost with an import fee. Every manufacturing job, every farm job, would be disadvantaged if we were paying a one-third premium. For example, with a $10 price of oil and a $5 import fee, every job in America would be disadvantaged relative to our competitors.

So if the Senator is asking me if an oil import fee is politically popular in my State—I am from Texas—it would be popular, but it is wrong and I am not for it.

Mr. HART. I thank the Senator.

Mr. MOYNIHAN. Mr. President, I rise as a cosponsor of the amendment that has been submitted by the Senator from Colorado and our colleagues from Hawaii and Connecticut.

My remarks will not be extensive, but I hope they might be heard somewhere in the recesses of the Senate office buildings. Perhaps my words will carry even beyond these precincts.

I start with a remark which my friend, the principal sponsor of this amendment, made earlier. The Senator from Colorado said you cannot find the courage in procedure; you can only find it in yourselves.

That, in my judgment is the statement of the adult mind, the mature mind, and the balanced mind capable of living with reality and not disposed to either avoid or reject it.

Last October, when this legislation first appeared, suddenly we were in

the crisis situation of a debt limit extension; and now again we are in this same crisis situation. I would like to suggest that we are institutionally dealing with a problem that has aspects of psychological abnormality.

Both times we have found ourselves responding to a crisis that the dominant ethos of the body did not believe could have come about, and therefore had to find some extrarational response to.

I think it is not normal to speak in parliamentary procedure—senatorial procedure—in terms of abnormal psychology. Yet we have seen such events in our society in this Chamber. We saw the denials of reality about slavery that led this body step by step to the most awful crisis the Republic had ever known, the Civil War, that killed 2 percent of our population; we have seen men of outwardly normal qualities and adequate capacities even so blocked from understanding reality and accepting it by a process

I do not want to speak of the debates of the mid-19th century, but I want to speak of the debates of this last year, and something which psychologists have come to call cognitive dissonance. Cognitive dissonance is an idea that has been developed over a good century of experimental psychology. The dictionary simply defines it as "psychological conflict resulting from incongruous attitudes held simultaneously"; which is to say you believe two things which are not campatible—you simultaneously believe them—and after a point your capacity for choice in these matters is lost. You do not know what to do and you tend to become traumatized and passive. The reactions range from passivity to fury to hysteria in one form or another, to particular forms of fantasizing and denial. You see all this in our behavior.

James Q. Wilson, professor of government at Harvard University and the University of California recently described our actions as "madness." In the current issue of "Commentary" he stated:

> The Gramm-Rudman-Hollings deficit-reduction law is not a viable idea either . . . reducing the budget by making deep, indiscriminate across-the-board cuts in everything from the FBI and the Coast Guard to agricultural subsidies and military spending is madness, a fiscal guillotine that reflects no conception whatsoever of what is and what is not in the public interest.

What has happened here, Mr. President, is that in 1981 there came to power a majority in the executive branch which really was persuaded of its capacity to reverse a whole series of events it associated with moral wrongdoing and danger to basic institutions. To a great degree it associated these with deficit spending.

The idea of a deficit as a symbol of moral misdirection in Washington arose in the 1930's in response to the fact that the Federal Government was spending more money for the first time in a kind of semiconscious effort to stimulate the economy, something the Federal Government never did before. The Federal Government never before has explicitly tried to raise employment or lower employment; in fact, we did not know what employment was until in the 1940's when we began to measure it.

□ 1140

But something about the long depression and the need to be careful with household budgets led to the notion that we must be careful with the national budget as well. Franklin D. Roosevelt campaigned against Herbert Hoover on the ground Herbert Hoover was spending too much money. This sort of proposition got deeply into the minds of a certain sort of fundamentalist in American politics. I do not know that I fully understand it. But it acquired a great totemic quality because it was something you needed and could trust. Later, it became associated with Keynesianism; but that is quite wrong.

The Federal Government was not in any way influenced with the writings of John Maynard Keynes in the 1930's. A few seminars at Harvard University were. The first time the Keynesians came to have influence in the Federal Government was during the Second World War when the Keynesian doctrine said the Federal Government must spend less than it acquires in revenues and it must lower inflation. As a matter of fact, that is what happened. And during World War II—something hard to remember—inflation went down, and inflation went down each year the United States was in World War II. And the Keynesians were following a doctrine that said do not spend more, spend less in World War II.

The notion that came to power with the new administration in 1981 was a kind of primitive notion that people with mysterious powers not accessible to ordinary persons had usurped power in Washington and had to be banished.

This group came to office in 1981 to exorcise the demons that had seized the National Government, to return us to the path of virtue and simplicity and the homespun qualities of the early Republic, or what you will.

And then everything this group said its predecessors had done, and it would undo, proceeded to happen on a scale beyond any imagined—talk of debt, debt, debt accumulated by predecessors suddenly turned into a nighmarish experience of the debt now doubling in 5 years. Talk of the improvidence of predecessors now became the astonishing reality of running up unpaid bills to the point where, all of a sudden, the United States became the world's largest debtor nation. The debt itself doubled in 5 years, and interest on the debt, apart from the Social Security fund, became the second largest item in the budget, compounding. Among other things we are not going to do with this legislation, is to affect the compounding aspect of a debt which, as I say, is now one of the largest items in the budget.

And in the face of this experience, which so belied promise and expectation, we began to lose our institutional confidence.

The qualities that are associated with cognitive dissonance began to take effect. Remember the dictionary definition: "Psychological confict resulting from incongruous beliefs and attitudes held simultaneously." The incongrous belief was this body would balance the budget while simultaneously increasing spending and decreasing revenues. This body hoped to balance the budget; but did just the opposite of what was required to balance that budget. And then there came in this context one of the reactions you associate with this incapacity, and that is a rejection of modernity. A rejection of modernity which is a notion you can do a little better than the average in managing your affairs in a macroeconomic sense and the clear awareness of the limitations of that capacity to do a little better than the average.

There is an investment of technology with magical proportions which you constantly see in primitive peoples when they confront modern technology that they do not understand. They invest the technology with qualities which their magic could explain, although it has nothing to do with the technology whatever. For example, for sticks that flash fire in the face of a muzzle holder, the only image was that of a stick burning somehow or other. But it could be turned on and off. The explanation had nothing to do with technology, gunpowder, or anything else, but the only explanation possible.

Another example: This legislation invests economic forecasts with magical properties, properties which anyone involved in economic forecasts knows do not exist. Such forecasts are approximate ideas. People who work at them work at them with the kind of faith that animated the science of atmospheric sciences. For years, anybody involved in weather forecasting would tell you, for the first 50 years of this century, the bet that tomorrow's weather would be the same as today's always outperformed the bet of the Weather Service. It was just that they were learning more, and the day came that the scientists could outperform the bet that tomorrow's weather would be like today's. But it was a very slow process of model building and

measurement and retracting mistakes and finding out how you went right and how you went wrong.

But anybody who knows this subject today knows that it is painfully inadequate as a precise instrument of public policy.

No one knows this better than our distinguished Director of the Congressional Budget Office, Dr. Rudolph Penner, a disciplined economist, chosen by the majority to undo all those previous events which, not having been understood, they did not understand how to undo.

Mr. President, Dr. Penner was testifying on the subject of this legislation last October. Let me read this statement.

> Mr. Chairman, given the record of economists, it will not be difficult to convince anyone that economic forecasting is a very uncertain art. Reasonable men and women can differ widely about what the future holds, and even if there is agreement on an economic forecast, there is an added layer of uncertainity involved in translating that forecast into an estimate of budget totals. For example, our economic forecasts may give us a reasonable estimate of the number of people who are eligible for a program, such as food stamps, but there may be considerable uncertainty about how many of those people choose to participate in the program.
>
> In dealing with such uncertainties in our normal budget projections, we have to make a large number of more or less arbitrary choices, and substantial errors are possible. In the context of this bill, we might fail to trigger the process when subsequent events show that the sequester was called for or, perhaps worse, we might trigger a sequester when subsequent events show that it was unnecessary because the economy boomed in an unexpected fashion.

□ 1150

Then Dr. Penner went on to give some numbers. I hope there will be some Members in the Senate who will hear these numbers. Between 1976 and 1984, the GNP forecast issued by the Office of Management and Budget were on average 1.15 percentage points off from the actual GNP. The growth rate was 3.3 percent in those years. As my friend from Colorado would be the first to point out, you have to know just a little bit to know how to read the information that the forecasters were on average 1.15 percentage points off. That means they were one-third off either way. By that, I mean the growth rate was 3.3 percent, and the average error up or down was 1.15 percentage points. That is a third up, a third down.

CBO was a little bit better. They were off 0.98 percentage points which is about 25 percent, a quarter right or wrong in any given year. That is not the error associated with a precise tool of economic policy. But it is the failure of all of the administration's work that has had the curious opposite effect of investing the mechanics and untried procedures with a quality, an almost magical quality they do not have.

Gramm-Rudman-Hollings says we cannot solve the problems. This institution cannot make these choices. The dissonant experience was too much institutionally to handle.

The body said, "Let somebody else do it." That is a form of incapacity and passivity that is psychologically well documented. And you see it right here.

Well, we have institutions for those who have huge problems of that kind. We have tranquilizers and other forms of medication for others but we have no constitutional therapy for this kind of abdication of responsibility.

The Constitution gives this Congress the responsibility to make up a budget to raise the means to provide for Government, and it does not allow it to abdicate that responsibility and ask some father figure in the White House to make the choices for them. No. Adults drew up this Constitution, and adults have to preserve it. What we are doing today is childish. Perhaps we are exhibiting the qualities, I suggest, of adults who run into an experience they cannot interpret and cannot sustain, because we are doing something without precedent in our history.

Observers of great friendship and sympathy ask why, what is happening? Herbert Stein—there is not a finer person in this Capitol—who served Presidents formally and informally for much of a generation, a man of impeccable conservative political judgment, now at the American Enterprise Institute, has this to say in this morning's Washington Post:

> Sophisticated people to whom I express my concerns about the idea of cutting expenditures to meet a shortfall of revenue tell me not to worry. The government will not really meet the Gramm-Rudman targets. All Gramm-Rudman requires is that at the beginning of fiscal 1987 there should be an official estimate that the deficit will not exceed $144 billion for the year. The law does not require that the deficit actually be less than $144 billion.
>
> This solution is unsatisfactory for two reasons:
>
> First, the government should not pretend to do what it does not intend to do. This is more than a moral injunction. It has pragmatic significance. The credibility of the government is an asset—more valuable as it becomes scarcer—and it should not be wasted.
>
> Second, while a sharp reduction of expenditures in response to the slowdown of the economy would be unwise, to destroy completely the expectation that the size of the deficit will be brought under sufficient restraint to prevent continued increase in the size of the federal debt relative to the GNP would also be unwise. That could cause an increase in long-term interest rates that would be harmful to economic growth. The de facto abandonment of Gramm-Rudman, without the establishment of any substitute rule of fiscal policy, will destroy all hope of deficit restraint. We find ourselves in a position where we can't live with Gramm-Rudman and can hardly live without it.

My suggestion, Mr. President, is that we can live without it if we resolve to do these things ourselves. And it is within our capacity to do so.

I am reminded of the cheating incident on this floor the first time this legislation came up. When this Senator rose to ask if agriculture was exempt from cuts, it was denied. And later it turned out that CCC expenditures had been exempted, and the bill was subsequently changed. If you remember, the bill was never printed.

I read from the Congressional Quarterly, October 12, 1985, page 2039, "On one of the first days of debate Senator DANIEL PATRICK MOYNIHAN, Democrat from New York, had contemptuously pointed out that Federal farm price supports, one of the fast growing large items in the Federal budget, would be almost wholly exempt from any automatic cuts". It goes on to say that this was so. Of course, the change was made.

But that little episode suggested that not just was there a large renunciation of responsibility, but also the kind of simultaneous indulgence which gets associated with that kind of abnormal state. Indeed, soon after we approved Gramm-Rudman-Hollings, we passed the largest farm bill in history saying it would only cost $20 billion. It is turning out to cost something like $30 billion. It is incredible. That is not mature. People do not behave that way.

□ 1200

This realization is coming upon us. It will not come quickly. I do not know how I would forecast events. I expect we will see a long further evasion of the Office of Management and Budget projecting high rates of growth, inflation, revenue growth, things like that.

We could come to a sequester order. We will flee from it in near panic, just as we are rushing toward it now again. I do note, however, the number of Members from farm States who are beginning to be nervous as they realize they cannot have both these fantasies of unlimited budget restraint and unlimited agricultural programs. Grown-ups that have not become traumatized do not expect to have both things.

I was interested in the five Members of the party on the other side of the aisle who voted yesterday against the measure but who had voted for it in the first instance last November.

Yesterday, in the early evening, the number of Senators voting against, as my friend from Colorado has noted, rose from 24 to 36—a 50-percent increase during a period in which really only very minor things have occurred.

So we are 15 votes from having a majority which knows better. We may yet

get there. We may be there by 1 o'clock.

I do not think that will be speeded up if I keep speaking further. I see my friend from South Carolina in the Chamber, copiously taking notes. Both Senator HART and I should be expecting a sound rejoinder and we look forward to just that.

Mr. President, I will offer a final thought to the Senate. This is the last chance that we will have to assert that we are capable of exercising responsibilities which the oath of office requires us to do.

Mr. President, I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER (Mr. DENTON). The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, the presentation by the Senator from Colorado and the Senator from New York to repeal this amendment has been quite an education. I hardly know where to begin to respond to them.

The distinguished Senator from New York, in the last few seconds of his speech, promptly disallowed all of his argument about the abrogation of choice. It was a remarkable ramble of poetry and psychology.

Well, what were those things he said? Cheating, cowardice, civil war, drugs.

The Senator from Colorado had Greek masterpieces, Anatole France, Samuel Coleridge, incapacity, passivity, cognizance, dissidents.

I was writing as fast as I could to keep pace. I had to take lots of notes. I cannot remember those kinds of things.

I think in the field of marine science they tell us all of nature has its protection built in. They say particularly the octopus with neither the sharp teeth nor the cutting fins nor the speed has a unique protection capacity. Once cornered, it will emit this dark fluid and then, once threatened, will escape in the dark ink and the murky waters.

There is no question but what you have seen by the opponents of Gramm-Rudman-Hollings is the octopus approach to responsibility. They feel that if they can squirt this dark ink of cognizance, dissidents, passivity, white mice, cheating, poetry, cowardice, Greek masterpieces, and Samuel Coleridge, and then a couple more thrown in, economists, disciplined economists—that they can blur all elements of responsibility.

I think of my college friend who went back to a class reunion and in visiting his old professor of economics, he picked up something and said, "This is the same exam that you gave us 20 years ago."

He said, "Yes."

I am talking to an economics professor, my cosponsor, Senator GRAMM.

He said, "But don't you know that the class who leaves will give those answers to the next class?"

He said, "Yes, but we do not worry about that, we just change the answers every year."

That is exactly what those economists do, the ones they are quoting.

I have listened to everything from the Laffer curve, supply side, to—I do not know, I cannot remember all of those things. But fundamentally, the Senator from New York said that after the Congress passed Gramm-Rudman, they had taken away the choice, but then they passed the farm bill and it was for several billion dollars. They exercised choice.

On his delivery about how the abdication of choice occurred, he said at the end that again we will abdicate choice, take it away, amend the Constitution, and everything else. But he immediately acknowledges choice on the farm bill.

It doesn't matter whether the farm bill was good or bad or whatever, but Congress chose. Everyone here—all of us as mature individuals should understand that you cannot amend the Constitution by a simple act of the Congress. Gramm-Rudman-Hollings cannot possibly take away the choice.

There is no better authority than the distinguished Senator from New York who says the Constitution says we adults must formulate a budget. And so does Gramm-Rudman-Hollings. We could not take away choice if we wanted to in this vote today on Gramm-Rudman-Hollings, the effort to repeal it.

Going quickly and not to dwell on all of these things, on the question asked by the Senator from Colorado, will I support an oil fee, I will. The distinguished Senator from Texas does not.

There are differences. We explained those differences all last fall.

When I came on as a principal cosponsor to Gramm-Rudman-Hollings I insisted that we keep Social Security off, both as a trust fund and for political reasons.

I insisted on revenues, that we be able to have revenues to reach the deficit target and we be able to pay the bills so you could not say necessarily that Gramm-Rudman-Hollings cut anything or increased anything. If you put the revenues in there, you could have all revenues or a combination of revenues and cuts. I was the one that recommended revenues.

The distinguished Senator from Colorado long ago gave us a lesson in New England when he went there and recommended an oil import fee. It didn't hurt him.

□ 1210

The distinguished chairman of the Budget Committee, Senator DOMENICI, had the same solution last summer when we had a little budget discipline going. An oil fee is nothing new. Senator DOMENICI recommended an oil import fee—revenues—as chairman of the committee, with Senator CHILES. It became a Gorton-Chiles proposal later on.

I recommended it in my budget freeze proposals. Not necessarily that each time but different revenues have been recommended. So our opponents act like they have us cornered and somehow, if we can get rid of Gramm-Rudman-Hollings, we can put up some revenues.

You can put up revenues under Gramm-Rudman-Hollings and you can put up your amendment, I say to the Senator from Colorado. His statement reads:

> Later in the debate, I will offer an amendment that differs dramatically from Gramm-Rudman. If enacted, it would actually lower the deficit. That amendment proposes a fee on imported oil, an alternative to arguing about the budget process.

Put it in now. We have not taken away any choice. Say strike all the words and insert in lieu thereof your program, your revenues. You are not prohibited. What you all are trying to do is to kill Gramm-Rudman-Hollings that lowers the deficit.

The distinguished Senator says the deficits go up under Gramm-Rudman-Hollings. The truth is the deficits go down, they have gone down already $11.7 billion. On March 1, cuts were enacted that extrapolated over the 3-year-period of 1986, 1987, and 1988, a saving of $45.7 billion. That much has gone down. That is the law and a fact of life. And come right here on October 1, if we stay on course, we are going to take a deficit of $220 billion for fiscal year 1986 and bring it down into the neighborhood of $154 billion. We are going to cut some $60 billion.

The day of reckoning is coming and they are trying to escape and we have caught them. They are giving us poetry and abdication and madness and monster elephants and all these other cute little sayings that have no meaning. You have to take notes to remember this kind of stuff—"sense of the crime" and all those other things.

I never heard such fanciful nonsense. We are catching them.

They do not like to get caught. All this courage that they keep giving to themselves, translated, means there is a cowardice here someplace. We are giving cowardice to the Congress. Gramm-Rudman-Hollings is eliminating our courage and our responsibilities and our choice. We have heard talk about drugs. Well, there is a greater drug than cocaine, than heroin, than crack and anything else. It is the drug of deficit spending. This crowd up here has been on it rampant for the last 5 years, a few hundred billion dollars more each year, until we doubled the national debt from $1 tril-

lion to $2 trillion, and the issue at the moment is to take it up to $2.3 trillion. Up, up, gone and away.

Talk about drugs, yes; it is a political drug. You might call it the Roman tonic, bread and circuses with the fruits of the next generation. Buy their votes. That is what has been going on.

They have been getting by with it and we are catching them. We are exposing them. That is what this Gramm-Rudman-Hollings does. It stops the charade, stops the chicanery, exposes misconduct of the Congress. So the people now are seeing it clearly and they do not like it and they give you poetry and all this other stuff.

The deficit goes down, and down, I say to the Senator. I can tell him that. He knows it. That is the fact. That is what he is fighting against.

On guaranteeing a particular solution to the problem, no, I think I have answered that question. With respect to budgets not being created equal, the Senator from Colorado says "some programs contribute to our current well-being, others are critical to our future prosperity, some outdated, worn or purely political." Those would be terminated. Congress has gone through these programs and in a realistic fashion said that, on the face of Gramm-Rudman-Hollings, the law of today, undisturbed by the court, we are making choices in this law.

We are saying Social Security is a trust fund. They pay it in, pay it out and everyone should understand, Social Security should never be affected by Gramm-Rudman-Hollings and there is a law now that protects Social Security. Gramm-Rudman-Hollings.

Veterans' pensions, veterans' compensation; the veterans are protected.

Women's, infants' and children's feeding; we wanted to make sure that was a program that actually reaps benefits, saves money, and that is protected by law.

FOOD STAMPS

All of us know that a Congress of the people of the United States is not going to run out of money in July and tell hungry people, you cannot eat in August and September, you have to wait for the next fiscal year. We never cut that, will not do it and we protected it. We exercised a choice. But the ultimate choice—and in line with the Constitution referred to by my distinguished colleague from New York is still there.

He is absolutely right. The Constitution says that we have this responsibility and no three readings in the House and three readings in the Senate and signature by the President can avoid that constitutional change.

Mr. HART. Will the Senator yield for a question?

Mr. HOLLINGS. I am glad to yield for a question.

Mr. HART. The debate this morning over all cases in which the issue arises has been about who has the courage to cut the spending as if that is the only thing. The reason that the Senator from Colorado persists in saying the deficit has gone up is that I think that is what has happened. If the Senator will indulge me 1 minute, I would like to cite the figures, then make the point and get his response.

The Senator from Colorado had the understanding that the estimate last October for the deficit for 1986 by the CBO was $190 billion. The maximum deficit permitted under Gramm-Rudman-Hollings was $171.9 billion, which led to a sequester of $11.7 billion, as I recall. Now the Director of the Office of Management and Budget, Mr. Miller, as of July 1986, says the current fiscal year deficit will be $220 billion. Those are the numbers that have led the Senator from Colorado to persist in saying that under Gramm-Rudman-Hollings, the deficit goes up. That leads to the question.

We have cut. Gramm-Rudman-Hollings has led the cuts but other factors have increased the deficit, factors that we may or may not even have control over—international economic trends and tides, and trends and tides in terms of unemployment in our country, anticipated revenues that did not come through. My question to the Senator from South Carolina is, and this is asking in good faith, it is not a rhetorical question: What in Gramm-Rudman-Hollings, if anything, addresses those factors beyond the one category, namely, budget cuts?

We have revenues, we have a lot of other factors that go into the question of the size of the deficit. Are there mechanisms in Gramm-Rudman-Hollings that accommodate or address the nonspending aspects of the question that leads to the deficit?

Mr. HOLLINGS. The provisions of Gramm-Rudman-Hollings affects all of the budget, the spending and the revenues, domestic and defense spending. What Gramm-Rudman-Hollings does is puts in law that that deficit shall be $144 billion for 1987—and it will be reduced by $36 billion a year until the budget is balanced. Gramm-Rudman-Hollings does not talk about finance or about droughts or disasters. It is not intended to write a budget. The intent of Gramm-Rudman-Hollings was to bring a discipline, not a budget.

□ 1220

When you use the phrase that under Gramm - Rudman - Hollings deficits have gone up, you mean at the time of but not because of. Because of Gramm-Rudman-Hollings the deficits have gone down. They would have gone up much greater had it not been for Gramm-Rudman-Hollings. And the answer to the question of the Senator is in the amount fixed in law for 1987—$144 billion. It says, "However you get there, however you provide for it, revenues, cuts or otherwise, elimination of programs or new taxes saving programs, the Congress has the choice. It must have the courage." We say: "Congress, you write your own budget but come October 1, if you have not done otherwise, you are going to have a deficit of $144 billion." In other words, we put the Government on a diet, told the Government it is to select its own diet. "You can have nothing but lettuce or eat nothing but ice cream, however you do it is your affair, but by October 1, if you have not lost that weight, those amounts, those billions to bring the deficit down to $144 billion, we are going to wire your jaw and you are not going to eat until you get it down."

Mr. GRAMM. Will the distinguished Senator from South Carolina yield for a moment?

Mr. HOLLINGS. I will be glad to yield to my colleague from Texas. Let me just complete one thought with respect to the budget.

I had misgivings about the fiscal year 1986 budget and it was this Senator—in August of last year—who stood on the floor at the time we adopted the budget and spoke against it and voted against it. I hated to deter from supporting the hard work and leadership of all members of the Budget Committee, particularly the chairman and the ranking member. They had to put up with one heck of a lot in negotiating. You have to know the politics, the influences, and everything else in dealing with the House side, and they had done a credible job. But when it was represented that that the conference had drawn the deficit down to $171.9 billion, I said, "It is going to be nearer $200 billion or over." I had to vote, as a former chairman of that committee, against the budget that had been produced and I did not like it.

Again this year, a month ago, when we brought the 1987 budget back in the conference report and it said the deficit would be $142.5 billion, I refused to sign that conference report. I served on the particular conference. I stated on the floor at that time that the deficit would be nearer $165 billion. Now, the Director of the Office of Management and Budget has projected that rather than $142.5 billion, it is nearer $165 billion. The distinguished Senator from Colorado and I have served on the Budget Committee and worked hard at it. He and I know the process. Gramm-Rudman-Hollings does not write a budget. It sets deficit targets and the mechanism to bring about the discipline, the rules changes, expedited processes and everything else to go about doing it. So what we

are doing is really fixing responsibility.

I have tried all the other ways to reduce the deficit, revenues, growth economics, saving program freezes, everything historically possible for 5 years. I have voted against Reaganomics and all these other phony games of the administration. Now I have banded together with the distinguished Senator from Texas because we have a procedure to reduce the deficit that is workable. He and I still have differences. He thinks we can do it without any revenues whatsoever. We have differed on that since the word go. I think we are going to have to have revenues. Why? For the simple reason we are not looking for $2 billion or $3 billion in savings. We can find that. Or even $10 billion. We are looking for $220 billion. That is how much more we have given in Government than we are willing to pay for. You have $300 billion in defense. You have $300 billion in health care costs, Medicare, Medicaid, and Social Security; $300 billion for entitlements and $300 billion for defense is $600 billion. You can split the other part of the trillion-dollar budget in half, $200 billion for Government and $200 billion for interest costs. The interest costs will soon exceed the cost of general Government. That is how bad off we are.

With a deficit in the balance of payments of $170 billion we have become the largest debtor nation in the world when we used to be the largest creditor nation. A balance of payments of $170 billion and it is going up, up and away. Yes, I went along with this approach with the Senator from Texas because my own experience at the State level is we have done it time and time again. We do it as a discipline. It is not a lack of responsibility, an abdication of choice. It is known as fixing a choice. It is putting us all in the corner, the President and Congress together, and saying the charade is over. We are exposing you now. We are putting all this activity on top of the table where everybody can see exactly who is for reducing the deficit. If they have a better way to do the job, then let them propose it.

Mr. HART. Will the Senator yield?

Mr. HOLLINGS. Let my yield first to the Senator from Texas and then I will yield to the Senator from Colorado.

Mr. GRAMM. I will be brief. The distinguished Senator from South Carolina covered several of the points I wanted to make, but I would like to remind my colleagues that when we went to conference on Gramm-Rudman-Hollings I, the Congress had already adopted a budget that was not adopted under the truth-in-lending provisions of Gramm-Rudman-Hollings. That was not adopted under the binding constraints of Gramm-Rudman-Hollings. I think all three of the authors in conference made it very clear that we did not believe for a moment the budget that was adopted the year before Gramm-Rudman-Hollings went into effect would hold water. We all knew that the deficit was going to be far greater, that the budget was full of phony savings, that it was full of optimistic assumptions, and that it would not hold up. We were not trying to blame anybody. We knew the process did not work. That is why we tried to change it.

Now, we ran into a problem in conference because when we came out with a bill, a lot of people in the House wanted to attack it before they read it, and their attack was, "You are not doing anything now. This is a reelection bill which puts off decisions until after the election."

Well, they conveniently neglected that this forced the writing of the toughest budget in American history in terms of where we have been; that the budget was binding; that if we did not do the job the cuts would go into effect 1 month before the election. In other words, reality did not have anything to do with it.

So we got into this absurd position in conference, but I think we worked out a reasonable compromise, and I praised the leaders on the House side in the conference for the compromise. There were those who said, "Well, let's start Gramm-Rudman right now with a phony budget that we know is $30 billion over what we say it is and let's just have an automatic cut right now." We said, "That is absurd. We want to force choice, not avoid it." And so we worked out a compromise that with only seven-twelfths of the year left the across-the-board cut would be seven-twelfths of a maximum of $20 billion.

Interestingly enough, of all the people who ranted and raved about the cuts, nobody proposed an alternative to them.

So our point is do not blame us for the failure of the system we are trying to replace. Judge us, come October 15, on whether or not we did the job. I think anyone would agree we would have never written a budget that even claimed $144 billion this year without Gramm-Rudman-Hollings.

Mr. HART. Will the Senator yield?

Mr. GRAMM. We would have never prevented the add-ons we did with points of order without Gramm-Rudman-Hollings. In fact, we would not be here even debating the issue without Gramm-Rudman-Hollings. We would be pretending that it did not exist.

I thank the Senator for yielding.

Mr. HOLLINGS. If the Senator has a question of this Senator, yes.

Mr. HART. I would like to engage both Senators if I could. First of all, I think we will be better off, and the country certainly will, if we quit finger-pointing and trying to figure out who is to blame and not to blame. Instead of people opposing Gramm-Rudman pointing their fingers at the sponsors and saying, "It is all your fault," and vice versa, the point the Senator from Colorado is trying to make is there are some factors which contribute to the deficit over and above and apart from the level of Government spending.

□ 1230

We cannot reduce the deficit. We cannot have the goal that we all claim to want, of a balanced budget, without cutting spending, cutting defense spending, cutting domestic spending, cutting entitlements. That is a given. It is how and where we have to do it.

The question the Senator from Colorado asked the Senator from South Carolina a few moments ago is "Are there not factors that contribute to the deficit over and above and apart from and aside from the amount of money we cut?" The answer is "Yes." That is all I am trying to get at.

It is not who is to blame or who can point the finger at somebody else. The fact that the economy has turned down, the fact that there are more people out of work than we thought there would be, the fact that manufacturing does not turn out the revenues we thought there would be. It may have to do with fluctuations in oil prices. We point the finger at each other as to who is to blame. This country is in an international economic tide that may sweep all these cuts aside.

That is the only point the Senator from Colorado would like to make.

Mr. GRAMM. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. GRAMM. I could not disagree more with the Senator from Colorado.

Mr. HART. That is that.

Mr. GRAMM. We are not poor victims, that the gods rained these problems down on our heads. Does the Senator think that some mystery force of the universe made the dollar overvalued on the world market?

Mr. HART. No; the tax cuts of 1981 did.

Mr. GRAMM. The Senator yielded to me, and I would like to respond. I heard out the Senator from Colorado.

The gods did not do that. We did it, with the highest deficits in American history. We had to borrow $212 billion. We produced the highest interest rates in American history, and $130 billion of foreign capital came in to get those interest rates. The value of the dollar went up far beyond its purchasing power.

The gods did not produce these problems. We produced these problems. The economy is faltering. The gods did not do that.

Mr. HART. I did not say anything about the gods.

Mr. GRAMM. I would like to make my point.

Mr. HART. Do not mischaracterize my statement.

The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. GRAMM. What has happened here is that we have not dealt with this deficit problem, and we kept pretending that our rhetoric would let the economy go $212 or $220 billion into debt and that no one would ever have to pay the piper.

The truth is that the deficit produced the trade problem, overvalued the dollar, caused the loss of manufacturing jobs, produced the highest interest rates in American history, and got the economy into a ditch.

While we are talking about pointing the finger, I am not going to read back the statements, since I did not write down the comments that my distinguished colleague from South Carolina wrote down; but I have heard rhetoric all morning and all yesterday about how irresponsible it is, how cowardly it is, to force Congress to make a decision. So I am not interested in pointing fingers. I am interested in getting on with the job.

What we have done is come up with a vehicle that is getting the job done. I rejoice in that despite the fact that everybody wants to blame everything on Gramm-Rudman-Hollings—if the first sergeant at Fort Hood in Texas does not order enough toilet paper or if they do not repair the pothole in front of your house, then the perfect excuse for 5 years will be that Gramm-Rudman-Hollings did it. But the American people are not buying it. They know we have to deal with this problem, that the medicine is bitter but that the disease kills.

That is basically where we are.

Mr. HOLLINGS. Mr. President, in response to my distinguished colleague from Colorado, I say that certainly there are those things affecting the budget outside of Gramm-Rudman-Hollings. The entire budget is outside of Gramm-Rudman-Hollings. I emphasize again and again that there are other factors and cuts—increases in the defense budget or increases in social programs, or cuts in either one.

We in the Budget Committee know the strongest arguments about growth of the GNP. One percent growth, equals somewhere around $20 to $25 billion. One percent in unemployment will equal another $25 billion, up a little or down, either way.

So we have to measure those economic factors. There is no question about it. We have done it regularly.

Gramm-Rudman-Hollings does not project it one way or the other. You can put on 10-percent growth or minus 10-percent growth. It just says pay the bill.

Let me speak from my own experience. I go back to 1959. I came into office as the executive of a State that, next to Mississippi, had perhaps the lowest per capita income in the Nation. The teachers were underpaid; everyone was underpaid; the economy was down, and everything wrong was present.

I heard this argument about the stimulation of the economy. It's a lot of fancy talk. Maybe this is an oversimplification to try to apply to the Federal level. In doubt much of it, I have gone along with few economic stimulations in the 20 years I have been here. It's classroom talk; textbook poetry. But now, just about the time we are to fix a budget discipline, people come running pellmell down the road with stimulation. They do not want the discipline.

You can stimulate the economy with revenues, you can stimulate it with spending, however you want to stimulate it. I took the route of Governor not only cutting spending but also putting in the revenues and getting a balanced budget.

I hear now, some 25 years later, about growth. Growth now is the buzz word in the national economy, that we want a growth budget, a growth economy. The best way I know to get growth is to pay the bills. We paid the bills in South Carolina and got a AAA credit rating in 1959. Then, rather than sitting at the bottom in per capita, in productivity, and in the economic well-being of the people of South Carolina, we began to go forward for the first time.

Generally speaking, until the farm depression and the textile depression, we enjoyed a relatively good expansive movement. We did it by being fiscally responsible. We did it by paying the bills.

You can bring in and line up all the economists you want, because I have heard them all over the past 20 years, and we have done it their way, and look at where we are. You can keep them. So far as I am concerned, I am going back to my hard experience as Governor of the State, to turn it around and pay the bills and start growth. I think if we can pay the bills and turn it around, we can start that growth and go forward with a prosperity unseen in this land of ours. But if we continue to fool ourselves politically with this idea that economically we have to come running with money to any and every program and problem and not pay for it—then the deficit will go from $220 billion up to $240 billion, or to $250 billion and higher. The interest cost then will exceed $200 billion and definitely will be larger than the cost of general government.

We are into that vortex of an inverse spiral going down, down because of the growth, the borrowing, the inability to pay the added cost of interest. And we will be carrying this tremendous $2.3 trillion national debt that we are not even cutting into. This is not austerity.

During the 5-year period of Gramm-Rudman-Hollings, we are adding another one-half trillion dollars to the national debt.

Government is the art of the possible. We have made compromises. We have looked at the economic factors, and we still think we should stay on the course of ridding us of these malignant deficits.

□ 1240

But this is the only way we know to start bringing it down in a deliberate, systematic fashion. To hold the line and begin to pay the bills, to cut out or have a leveling off, let us say, of the interest costs. After we get that, I hope we can propose revenues and spending restraints to eliminate this debt because we ought to be ashamed of ourselves. We are spending $200 billion on nothing that could go to drug treatment, law enforcement, education, student loans, and national defense.

That is $200 billion for absolutely nothing, just for the profligacy, the extravagance, and the irresponsibility of the preceding Congresses here.

This is what Gramm-Rudman-Hollings is trying to stop. Let us not repeal it now.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. RIEGLE. Mr. President, I thank the Chair.

This has been an interesting debate and it is interesting to me how much has to be said in defense of something, namely Gramm-Rudman-Hollings, because it is not working. If it were working and working effectively we would not be getting all this verbiage that we are getting here today. We are getting it because it is a bad piece of legislation. It was snake oil when it was first proposed, and despite the legislative changes yesterday I would say that it is snake oil today.

Gramm-Rudman-Hollings when it was first enacted provided that the maximum deficit for this fiscal year would be $171.9 billion or essentially $172 billion.

We are now told the deficit for this fiscal year will be in the range of $220 billion and so it has failed its very first test. The budget that the administration sent up to us initially which was said to be designed to meet the Gramm-Rudman targets, when it was actually analyzed by CBO it was found that it was about $16 billion inaccurate. It was $16 billion phony, if you will, I think deliberately, and we have been caught now in that kind of phony numbers game ever since that time.

It is said the Supreme Court has come along and found part of it unconstitutional, as many of us expected that they would find, and now we have this delegation of responsibility in yesterday's action to hand over to OMB, the most dishonest agency in our entire Government, the authority to make these critical decisions as to how automatic cuts are to be made if they are called for in the future.

It is a mindless proposition. It is exactly the kind of thing that Congress does when it wants to duck the responsibility that it properly ought to be facing up to.

It is very interesting as people start to thinking about what the meaning of these automatic cuts is likely to be in terms of today's economic situation. You are getting very serious people, people like Federal Reserve Board Chairman Paul Volcker, Irving Kristol in today's Wall Street Journal, and many others who are expressing a grave concern about what this automatic cutting mechanism will mean in terms of the softness of the economy that we see at the present time, because clearly the economy is in serious difficulty.

We are going into debt and as of now are the No. 1 debtor nation in the world. We are going deeper into debt at the rate of $1 billion every 2½ days. We have now become the No. 1 debtor nation in the world, surpassing Poland, Mexico, and Brazil, but we are adding to that debt or status to the tune of $1 billion every 2½ days. So our situation is one that should cause all thoughtful people to be deeply concerned about it.

In commenting on that today in the Wall Street Journal, Irving Kristol made this observation and he, of course, would be an economist who would normally be in line with the sponsors of this legislation in terms of the thinking and the philosophy that they have expressed to support the legislation. This is what Irving Kristol said today. He said:

> Indeed, cutting the deficit through indiscriminate cuts in government spending—as called for by Gramm-Rudman—may be exactly the wrong prescription for the U.S. economy at this time. Does it make sense, one wonders, to cut spending on defense and thereby weaken one of the healthier sectors of a faltering economy? Eventually, of course, the deficit will have to come down. But in economic policy, as in private investing, doing the right thing at the wrong time can amount doing the wrong thing.

Why would someone like Irving Kristol, who is an eminent and respected conservative economist, one that you would think normally would embrace something like Gramm-Rudman-Hollings if it was a sound proposition, in today's Wall Street Journal be expressing in writing this very serious concern and reservation that he has? It relates directly to this automatic cutting process, this mindless cutting process that we have built in here because Congress and the President have been unwilling to face directly the hard choices that our jobs require us to face.

So rather than making the decisions we should properly do, we have put it off and we have done it on the basis of a formula approach that could, in fact, result in massive deficit cuts at a time that could be the worst possible time with respect to how the economy itself is going.

Just look at the news that we have seen over the last month say, and I am just going to rattle off some of the things that I think are most disturbing. I mentioned the trade deficit. There is a front page story in today's New York Times. They are now estimating our trade deficit this year to be in the range of $170 billion. It has gone up despite the fact of the sharp fall in the value of the dollar.

I have just mentioned the fact that we have become the No. 1 debtor nation in the world and we are adding to our debtor nation status to the tune of $1 billion every 2½ days. We have now become a net importer of agricultrual commodities. This has always been one of our great strengths in that when we had trouble in the manufacturing sector we could count on our farm production and sales abroad to take and help us with respect to our balance of payments. That is now turned the other way. We are now importing more agricultural commodities than we are exporting. It is a terrible condition.

In addition to that, we see all kinds of structural weakness. We certainly see in it the oil sector of the economy. We see it with banks and savings and loans. We have more on the problem list today than we have had at any time since the Great Depression. We have emergency legislation before the Banking Committee right now to strengthen the ability of the regulators to go in and try to save failing banks and also to try to prop up the insurance system and the savings and loan industry and, as I say, we are being asked to consider that on an emergency basis.

In the corporate news, we have watched over the last month, the enormous quarterly loss for Bank of America that no one anticipated would be that large, the bankruptcy of LTV, the fact that other steel companies are in very serious difficulty, with Bethlehem Steel just omitting its dividend and its dividend on its preferred stock as announced yesterday, and so forth. And we look around the economy and see that kind of pattern of difficulty accumulating in area after area.

Our manufacturing base is in serious trouble with respect to the invasion of foreign products coming into our markets.

So as we look at all this information and as it is accumulated by people who pay attention to it, the notion of Congress putting our economic policy decisions on automatic pilot and to say that we are going to take and by formula we are going to decide what is the right mix of fiscal policy, and obviously, related to that the corresponding relationships that will play through on monetary policy and to do that without any careful assessment of where the economy is at the present time is in effect what we are doing.

So Gramm-Rudman-Hollings was a mistake to start with and it is a mistake today.

I want to be very blunt about something else, and that is, why are we even dealing with this kind of legislation, and you have to go back to the early 1980's when we had the original Gramm-Latta proposition in the House of Representatives which was the foundation on the budget that was designed to solve all of our problems. It was misrepresented at the time. It has failed miserably. It has more than doubled the national debt since it has been enacted and also I think has led importantly to the deterioration in our international competitive position.

So when we hear the same voices coming back today that were the ones that had the magic formula back in 1981, the formula that has failed and has put us in this difficulty, I find it very hard to attach much credibility to new schemes, new snake oil, new magic answers, that somehow are going to solve all of our problems today without us having to make any decisions, that all we have to do is stand back and the automatic cutting mechanisms will do the job for us.

□ 1250

Well, that is foolish. That is foolish. And it is us ducking our responsibility if we allow it to stay that way. And when serious people like Irving Kristol today in the Wall Street Journal is expressing his reservations about it, we ought to take some note.

I asked Fed chairman Paul Volcker last Wedenesday when he appeared before the Senate Banking Committee—he came in with a rather anemic growth forecast for the economy, and we discussed the macroeconomic outlook at that time—I asked specifically the question: What happens, from an economic forecasting point of view, and from his professional point of view, if we go from a Federal deficit spending rate of roughly $220 billion, which is what we are running at the present time, and when we click over into the new fiscal year from 1 day to the next to drop from that $220 billion deficit rate down to a rate of $144 billion? I asked the question: What happens if we take $76 billion on an

annual basis out of the economy in terms of fiscal stimulus, what is likely to be the effect on the economy given the fact the economy is as soft as it is, slowing down, with enormous pockets of weakness all across the country?

It was very interesting. I do not have his precise words here today, but he repeated much the same comments the day before yesterday when he testified before the House on the same set of issues. And that is, he has serious reservations as to whether that magnitude of deficit reduction in this time period may be too much. It may be excessive in terms of the economic effect at a time when we have got other very serious economic problems to deal with.

Now, no one challenges the need to bring down deficits. Everybody here is committed to do that and we have to bring them down. But the question is, over what period of time and in what amounts, and do we retain for ourselves, as thinking stewards of this Government's decisionmaking, do we retain for ourselves the ability to make the judgments and act accordingly to the conditions as we find them as these decisions have to be made? Obviously, we should.

But the mechanism that we are now seeing put into place here takes that responsibility out of our hands, improperly, in my view, and, in a sense, becomes an admission of failure or an unwillingness to face the decisions and puts it over to the side and says, "Let's just do it in an automatic way. Let's hold our breath. Let's do it automatically and we will hold our breath and see where we come out."

We did that in 1981. So when I see the same masterminds at work now on a scheme that somehow is going to take and resolve all of these terrible problems, who were the same people who, at the beginning, had the scheme that created all of these economic problems in terms of the terrible financial travail the Government finds itself in today, I am more than a little skeptical. I just think it does not make any sense. I think it is dangerous, to boot.

So I hope that we would face this issue directly. I think it is time that we put what is called Gramm-Rudman-Hollings to the side and, in fact, do what we are here to do, and that is to make the decisions as to how to bring these deficits down directly in terms of the spending cuts and where they are to be and what amounts are needed on the revenue side and in what time frame these can be managed and managed prudently.

Because if we push ourselves into a situation where we get the economy in a position where it cannot function, it cannot recover, and with all the other sectorial problems we have at the present time, I think that would be extremely dangerous and I do not think it is sound.

And when we are hearing people like Paul Volcker and Irving Kristol within the last week tell us that we better measure this very carefully before we just blindly move ahead, I think we ought to pay attention to those comments. I could cite many others.

I spent a day talking with some of the leading financial analysts and managers in New York recently. I heard many of the same comments expressed by them and many others who have come in to talk about legislation before the Banking Committee. When I question them on the economic outlook, they have great concern. They have great concern. There is not a lot of confidence out there today at the top in terms of the major financial managers in this country that I have spoken to. There is great apprehension. There is great apprehension.

They want deficits down, but they understand, and they are frank to say in private conversation, that to try to do this by some automatic, mindless formula, some automatic cutting mechanism that will kick in regardless of what the conditions are, is just unsound, and especially so with all the other structural weaknesses and instability that we see at the present time.

I will put into the RECORD today also the statement that Paul Volcker made before our Senate Banking Committee. I will do so, as I think about it here, because I think it is important for Members to have an opportunity to read it in its entirety. And, in an unusual gesture on his part, when he delivered his statement the other day, he read it word for word. He seldom does that. He usually summarizes. I took that to mean, as I listened to him develop it, that not only had he written it himself but he felt that every part of it was so important that it needed the emphasis of his personal reading of it to the committee.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY PAUL A. VOLCKER

I appreciate the opportunity to report once again on the conduct of monetary policy. I would first like to place that matter in the larger context of the performance of the United States and the world economy.

As you know, there have been marked contrasts in the economic performance of different sectors and regions of this country. Consumption has been strongly maintained, and there have been large increases in employment in the broad service sector. Housing is being built at a high rate. But industrial activity and business investment, which had leveled off last year, have declined over the last six months, and the agricultural and energy industries are under strong pressure. As a consequence activity in some areas of the country has advanced rather strongly, while severe adjustments are taking place in the energy and agricultural belts.

The net result is that the overall economic growth rate in the United States moderated to about 3 percent through 1985 and early 1986, and apparently slackened further in the second quarter of this year. Moreover, growth in other major industrialized countries remained slower than in the United States during 1985 and the early part of this year.

Throughout this period, sizable increases in employment have continued in this country; the unemployment rate has remained generally at a little over 7 percent and, relative to the size of the working age population, more people are employed than ever before recorded. In Europe, unemployment has also remained relatively steady, but at much higher levels.

After more than 3 years of economic expansion, the process of disinflation has continued, reinforced for the time being by sharply lower prices of oil, by far the most important commodity. With industrial prices steady, the average level of wholesale prices has been declining here, and even faster in key countries abroad whose currencies have been sharply appreciating relative to the dollar. Interest rates here and abroad have also declined appreciably, reflecting both the sense of progress against inflation and the fact that growth has been proceeding well within capacity restraints.

The large decline in U.S. interest rates and the sharply higher stock market over the past year suggest the cost of capital has declined. The fall in oil prices has helped bolster the real income of consumers. Meanwhile, the substantial depreciation of the dollar has placed our industry in a decidedly better competitive position vis-a-vis other industrial countries. As many have suggested, these underlying forces should help sustain an economic expansion that has already lasted longer than most.

But I would be remiss in failing to emphasize much less satisfactory aspects of the U.S. and world economic situation. There can be no evading the fact that some fundamental economic adjustments must be made within our economy in the months and years ahead.

The clear challenge is to find the ways and means to work through those adjustments in a context of sustained growth while also consolidating and retaining the progress toward price stability. The conduct of U.S. monetary policy is obviously relevant to that process. But that single policy instrument cannot itself provide the answer. Complementary approaches in the fiscal, trade and other policies of this country, and in the approaches of other countries, will be required as well. The hard fact is that, while the need for complementary actions to achieve the necessary adjustments in the United States and world economy seems to be more widely recognized, progress in coordinating action toward those aims has been limited.

DISEQUILIBRIUM IN THE INDUSTRIAL WORLD

A major "fault line" runs through the economies of the industrialized world. That fault line is evident most of all in the enormous deficit in our external trade and current accounts, and in the counterpart surpluses of a few other countries. Unless dealt with effectively and constructively, growing market and political pressures will, sooner or later, inevitably have much more disturbing consequences.

The problem first clearly emerged some time ago. The powerful thrust of the strong U.S. economic expansion in 1983 and 1984

has spilled out abroad in the form of sharply rising imports, aided and abetted by the exceptional strength of the dollar internationally. There were, for awhile, benefits on all sides. At a time of slack demand at home, exports to us helped Europe and Japan to restore and maintain their growth. The United States also absorbed a disproportionate share of the necessary external adjustment efforts by the heavily indebted countries of Latin America. Those countries have sharply curtailed their imports since 1982, and they have become more competitive in markets for manufactured goods.

At the same time, the United States began to be the recipient of a growing flow of capital from abroad. That inflow, which pushed the dollar so high in the exchange markets until early 1985, had the practical effect of relieving potential pressures on our internal financial markets even in the face of the massive and growing federal deficit. Consequently, private investment and construction could expand. At the same time, the competitive pressure from imports encouraged strong cost-cutting and productivity efforts in the industrial sector. That has been one powerful factor accounting for the near stability of prices of manufactured goods over the past year or more.

We cannot, however, build a lasting foundation for sustained growth and stability on massive international disequilibrium—huge and rising trade deficits in the United States and counterpart surpluses abroad. Nor can we count on satisfying indefinitely so much of our own needs for capital by drawing so heavily on the savings generated elsewhere in the world—savings that have been so freely available in part only because internal growth in Europe and Japan has been relatively slow.

Today the imbalances and strains are clearly showing. The forward momentum of our economy has been sustained almost entirely by consumer spending and housing construction, both of which have been accompanied by unsustainably heavy borrowing. Savings meanwhile have remained at a relatively low level, even by past U.S. standards. For more than a year, industrial production in the United States has not grown appreciably, and there has been some decline in 1986. The pace of business investment has slackened.

Some of the relative weakness in industrial output and investment over the past six months can be attributed to temporary factors and to developments peculiar to the United States. For instance, some investment orders were speeded up late last year in anticipation of tax reform, and the debate on the nature of that reform has apparently led to some deferral of ordering this year. The boom in spending for computers has subsided and commercial construction, in response to large and growing vacancies of office space, is predictably declining. Probably much more important in recent months have been very sharp cutbacks in domestic oil exploration and investment, driving energy producing states into recession-like conditions and affecting production of steel and equipment elsewhere as well.

But a large part of the difficulty stems from the continuing imbalances in the world economy. On the average, growth rates in major European economies and Japan were about ¾ percent less than the reduced growth path of the United States during 1985 and the first quarter of 1986. However, the more disturbing contrast lies in the source of that growth.

In the United States, the rate of growth in domestic demand, while slowing in the third year of expansion, continued to average about 3¾ percent through that period. Domestic demand growth in the industrialized countries of Europe and Japan was significantly less—about 2½ percent. In the early part of this year, when their exports slackened, those countries grew not at all.

The plain implication is that our overall GNP growth rate was reduced by continuing deterioration in our trade and current account balances. With our current account deficit reaching a record $135 billion annual rate in the first quarter of this year, industrial production and investment were restrained. Meanwhile, foreign surpluses continued to build through much of the period, and as their exports have slowed, internal demand has not yet, in most of those countries, picked up the slack.

Prospects for investment and for manufacturing activity in the United States are heavily dependent on an improved trade outlook. The sharp decline in the dollar since its peak in early 1985 should help set the stage for such an improvement. There is evidence that U.S. producers find themselves in a stronger competitive position. However, the deterioration in actual trade in manufactured goods has slowed little

The decline in the dollar is both relatively recent and from a very high level so the absence of a stronger response in trade so far is not entirely surprising. What is of concern is that the domestic markets of our major industrial competitors have remained so sluggish, raising a question as to the buoyancy of the markets for our exports and of their own growth prospects.

You are well aware that the present imbalance among industrial countries is reflected in strong protectionist pressures in the United States. Yet, as the President has so strongly emphasized, to abandon our tradition of relatively open markets would surely be to invite an unravelling of the international trading order. We would then have less trade and more inflation. With that, prospects for sustained growth both here and abroad would clearly be placed in jeopardy.

I know of the complaints about "unfair" trading practices of other countries. We need to deal with them energetically. But I also know the clear lesson of experience is that a protectionist retreat by the United States, the world's leading economic power, would invite recrimination and escalation. Certainly, the most effective and promising avenue for dealing with the trade complaints on all sides will be in the planned round of mulitilateral trade negotiations rather than in a tit-for-tat process of mutual retaliation.

Moreover, I believe it is demonstrable that, as a matter of relative importance, much more fundamental imbalances in the world economy than unfair trading practices are responsible for the present pattern of trade deficits and surpluses. Those underlying imbalances can only be dealt with by complementary economic policies, not protectionism.

Quite clearly it is in no one's interest—not the United States or other countries—that we seek better balance in our external accounts by deliberately restraining further our own growth rate. But it is also true that as things now stand, stronger domestically generated growth in the United States will not reduce the international imbalances. Taken alone, it would aggravate our trade deficit further, posing an even more difficult adjustment problem later.

As I suggested, the recent exchange rate changes can help us to escape that dilemma—they should work to improve our trade position and reduce the surpluses of others. In fact, faced with a combination of appreciating currencies and slower growth in overseas markets, exporters in both Japan and some European contries are experiencing reduced profits and more sluggish orders from abroad. However, in the absence of offsetting internal sources of expansion, those same pressures could dampen their own prospects for growth.

That is one of several reasons we should not rely on exchange rate changes *alone* to produce the needed international adjustments in the world economy. Over a number of years, we in the United States will certainly need to shift more of our resources into exports, and into recovering domestic markets where import penetration has been so high. That, very broadly, implies relatively more growth in manufacturing; relatively less growth in services, in governmental spending, or in other sectors; and more savings and less borrowing. For some of the rest of the world, the opposite shift will need to be at work—less reliance on exports, and more on domestic sources of growth.

Much still needs to be done to ease the way for those adjustments. For one thing, we in the United States are not prepared for a really large improvement in our trade balance. Our financial markets remain dependent on the large capital inflows from abroad that are a necessary counterpart of our trade and current account deficits. Moreover, taken by itself, depreciation of our currency in an effort to redress the trade deficit poses a risk of renewed inflation.

Only as our huge federal deficit is cut can we comfortably contemplate less borrowing abroad and provide assurance against renewed inflation. Put another way, in a growing economy, reductions in the federal deficit will be necessary to release the real and financial resources necessary to improve our trading position in a way consistent with rising investment.

In a few foreign countries, such as Germany, some signs of stronger internal growth have appeared in recent months. But such signs are far from uniform among key countries abroad, and most projections of their growth for this year have been lowered, not raised, as exports have slowed.

With rising currencies and falling oil prices, some of those countries after years of effort have now successfully achieved virtual stability in consumer prices. Moreover, their wholesale prices have declined sharply and are appreciably lower than a year ago.

All of us—and certainly this central banker—can appreciate the importance of maintaining a broad framework of stability and appropriate financial disciplines to sustain that progress. What is at issue for some countries is their ability to achieve and maintain vigorous internal growth at a time of high unemployment and ample resources as external stimulus fades away, as it must if international equilibrium is to be restored. The appreciation of their currencies and the strong deflationary influences of low oil and other commodity prices would appear to offer a prime opportunity for reconciling those goals of domestic growth and stability.

THE INTERNATIONAL DEBT PROBLEM

Four years after the international debt problem broke into our collective consciousness in 1982, when Mexico abruptly lost access to international credit markets, that

threat to our mutual prosperity remains. The renewed difficulties of the oil producing countries today should not, however, obscure the progress that has been made. Collectively, the heavily indebted countries of Latin America and elsewhere have made an enormous effort to adjust their external accounts; in fact in 1984 and 1985 they were in rough current account balance, in contrast to an aggregate deficit of about $50 billion in 1982.

To be sure, that effort for a time was accompanied by sharply lower imports, recession, and lower standards of living as they brought their spending more in line with their internal resources. But it is also true that many of those countries are again growing, in some cases with vigor, as is the case with the largest single debtor, Brazil. Helped by the reduction in world interest rates, external interest burdens have been reduced appreciably in some countries relative to exports or other measures of capacity to pay. A number of Latin American countries have also made striking progress in dealing with ingrained inflation for the first time in many years, in the process gaining political support. There has been considerable, if uneven, progress toward liberalizing their economic structures in ways that should encourage more growth and productivity over time.

In the midst of this progress, the sharp decline in oil prices over the past six months has had an enormous adverse impact on the oil-exporting heavily indebted countries—Venezuela, Nigeria, Ecuador and Mexico. At current oil prices, for instance, Mexico would lose about a third of its 1985 exports, perhaps as much as 15 percent of its government revenues, and the equivalent of some 5 percent of its GNP. Inevitably, that situation poses a new and severe challenge for Mexico—a challenge that will require strong new efforts to make the necessary economic adjustments and to improve the structure of their economy. There is no large cushion of external reserves to buffer the shock. Consequently, a large amount of financial resources will have to be marshalled from abroad to help ease the transition, to maintain continuity in debt service, and to provide a solid base for renewed growth.

That combination of adjustment, structural change, and appropriate financing is, indeed, the essence of the approach announced by the Mexican Government earlier this week. In cooperation with the IMF and the World Bank, Mexico is undertaking a wide range of efforts to deal with both its short- and longer-range economic problems. To my mind, their efforts, in the midst of crisis, to move toward a more open, competitive economy are particularly encouraging. They have joined GATT, import restrictions are being rationalized and liberalized, a good many state-owned enterprises are being made available for sale (or, if too inefficient, shut down), subsidies are being reduced and eliminated, and procedures for approving foreign investment eased. If carried through effectively, those measures promise to work toward fundamental improvement in the efficiency, competitiveness, and creditworthiness of the Mexican economy, thereby enhancing prospects for longer-term growth.

Today, that country is in recession. But the program clearly contemplates economic recovery in 1987 and 1988. Certainly, sizable amounts of financing from abroad will be required to support that effort. About half of that can be committed by the IMF, the World Bank, and the Inter-American Development Bank. But Mexico is calling upon commercial banks, with so much already at stake, to play a large role as well.

In assessing that situation, I would note that the Mexican exposure of commercial banks appears not to have increased for some 18 months. Indeed, there has been little net new lending to Latin America as a whole over the past year.

Taking the entire period since mid-1982, the exposure of American banks to the heavily indebted countries of Latin America relative to their capital has declined appreciably. That ratio fell from about 120 percent of the capital of lending banks to less than 75 percent at the end of last year, a decline of 38 percent. No doubt, there has been a further reduction by now.

Those exposures, in relative terms, are actually considerably less than in 1977 when the data were first collected. For some time, the pace of lending has, in fact, been well below that contemplated by Secretary Baker when he set out a framework for a growth-oriented approach toward the international debt problem at the IMF meetings last autumn.

That initiative—essentially contemplating a combination of strong adjustment efforts and structural reform by the indebted countries with reasonably assured financing by international institutions and private banks—is now being tested. It is being tested in difficult circumstances not foreseen at the time—the sharp break in oil prices. But the basic community of interests among borrowers and lenders—and the world at large—in a coherent, cooperative approach is as strong as ever.

The debtor countries themselves have an enormous stake in maintaining their creditworthiness and in seeking solutions in the framework of open, competitive markets. We all have a strong interest in international financial order—all the more when there are other points of strain in the banking system. And, of course, relationships beyond the purely economic are at stake, for the United States most of all.

The challenge is large, but with cooperation, also manageable. Indeed, the same oil price decline that has undermined the budgetary and trading position of Mexico and other large oil exporters has relieved the pressure on those importing oil. Interest rates have declined. A number of borrowing countries will require significantly less, rather than more, financing than was contemplated a year ago. Given the enormous progress made in adjusting external positions, most of the borrowers can look toward more balanced expansion in their imports and exports as they grow—among other things, providing renewed opportunities for American exporters.

But I must also emphasize one essential ingredient for success beyond the capacity of the indebted countries to manage. Only a stable, growing world economy, with markets open to the developing world, can provide an environment conducive to economic expansion, more normal interest rates, and orderly debt service by the borrowers. That ingredient is plainly the responsibility of the industrialized world alone. It is one of the reasons why we must collectively deal with the obvious imbalances among us.

MONETARY POLICY IN 1986

These larger issues were the background against which the Federal Reserve has conducted monetary policy in 1986 and reviewed its objectives for growth in money and credit this year and next. The results of the review by the Federal Open Market Committee of target ranges for money and credit for 1986 and tentative ranges for 1987 were discussed in the Humphrey-Hawkins Report published and sent to the Committee at the end of last week. That report also sets out projections for real activity and prices of FOMC members and Reserve Bank presidents.

As indicated in the Report, the posture of monetary policy remained broadly accommodative over the past six months. This discount rate has been reduced in three steps this year by 1½ percent, in part responding to and in part facilitating declines in short term interest rates of similar magnitude. Long-term interest rates also moved lower, extending the sharper drops in the second half of last year. The general structure of interest rates is now as low as at any time since 1977.

The reductions in interest rates in 1985 and 1986 have clearly helped support the more interest-sensitive sectors of the economy, reflected in part in the highest level of housing starts since the last 1970s. The declines have also helped ease the debt servicing costs of businesses, farmers, developing countries and the U.S. Government itself.

On the other side of the ledger, as interest rates have declined, the rate of growth in debt has remained at disturbingly high levels, although there are at least faint signs of a slackening in the rate of debt creation after a burst around the turn of the year. The declines in interest rates also clearly helped induce the general public to increase its holdings of its most liquid assets, including public to increase its holdings of its most liquid assets, including demand deposits and NOW accounts included in the narrow measure of the money supply, M1. That reaction was undoubtedly amplified by the fact that interest is paid on NOW accounts, which are now the favored form in which transaction balances are held by individuals. With interest rate spreads currently quite narrow between NOW accounts and other liquid assets, those accounts no doubt have served increasingly as a repository for liquid savings as well as for money held for transactions purposes.

Similarly, there are some indications of a greater willingness of businesses to hold demand deposits at a time of lower interest rates, partly because, with interest rates down, a larger balance is necessary to compensate banks for a given amount of services. To some extent, an environment of more stable prices may also be encouraging larger money holdings.

None of that was predictable with any precision, and the rate of growth in M1, which ran at almost 13 percent over the first half of the year, was far above the FOMC's target range. Action to restrain that growth within the target range—which would have required reducing the provision of reserves and a significant increase in pressures on bank reserve positions—was not deemed desirable in the light of other important considerations.

One of those considerations was that growth in the broader measures of money—M2 and M3—remained well within their respective target ranges of 6-9 percent, ending the second quarter close to their mid-points. That and other evidence suggested that much of the growth of M1 reflected a shifting of the composition of liquid assets rather than excessive, and potentially highly inflationary, money creation. That judgment was, of course, reinforced by the moderate rate of growth for the economy overall, the absence of indications of a

strong acceleration as the year progressed, evidence of greater stability in prices of manufactured goods, and declining commodity prices.

In looking ahead, the Committee decided to retain the existing ranges of 6-9 percent for M2 and M3 this year. The range of 3-8 percent set for M1 early in the year was not recalibrated because of the uncertainties as to the behavior of that aggregate at present. Certainly the inflationary potential of excessive money growth remains a matter of concern. But in current circumstances, the Committee decided that the significance of changes in M1 could only be judged in the context of movements in the broader aggregates, and against the background of movements in interest rates and the economy generally. Taking account of those factors, growth in excess of the target established at the start of the year will be acceptable.

In circumstances of greater economic, price, and interest rate stability, more predictable relationships between M1 and the economy may reemerge over time, although the trend of M1 velocity—the ratio between GNP and M1—will likely be different than earlier in the postwar period. However, a firm conclusion concerning the nature and stability of future velocity characteristics may take years of experience in the new institutional and economic setting. For the time being, in looking to next year, the Committee set out a highly tentative range of M1 growth of 3-8 percent on the assumption that velocity changes will be within the range of most postwar experience. However, that judgment—and indeed the weight to be given any M1 range for 1987—will be carefully reviewed at the start of next year.

The tentative 1987 ranges for M2 and M3 were lowered by one-half percentage point to 5½-8½ percent. That modest reduction, consistent with the long-term objective of achieving a rate of monetary growth compatible with price stability, is judged to be entirely compatible with a somewhat greater rate of economic growth next year, provided that growth is not accompanied by a marked increase in inflationary pressures.

The actual price statistics for some months have, of course, reflected the precipitous drop in the price of oil, and consumer prices have dropped slightly this year. But equally clearly, the price of oil will not continue falling so fast, and at some point could well rise again. More predictably, the large depreciation of the dollar will bring in its wake an increase in import prices of manufactured goods. That impact has been moderated so far by the narrowing of the earlier wide profit margins of many of those exporting to us and by the availability of imports from developing countries, few of which have had any appreciable appreciation of their currencies vis-a-vis the dollar.

The rate of increase in costs of housing and of many services, which account for a large proportion of the economy, has decelerated little if at all in recent years. With demand strong, measured productivity gains limited, and compensation increases in service occupations continuing to average 4½ percent or more, those areas continue to lend a chronic inflationary bias to the general price level.

Those underlying forces are reflected in the projection of FOMC members and Reserve Bank Presidents that the overall inflation rate is likely to be somewhat higher next year. That prospect underscores the need for vigilance in the conduct of monetary policy. We want to assure maintenance of the remarkable progress toward stability as the economy grows more strongly and as a large amount of resources are shifted back to manufacturing industries as our trade balance improves. Without such assurance, there would be no firm basis for expecting the level of interest rates to remain for long at lower levels or to decline further.

In looking toward growth in the 3-3½ percent range next year, considerable emphasis was placed by Committee members on the potential contribution to that growth of a stronger trade balance. As I emphasized earlier, that shift, if it is to take place in the context of sustained and stronger world growth, will require appropriately complementary policies here and abroad. Significant progress toward dealing with our own budget deficit seems to me a key ingredient to that overall policy "mix."

The timing of another important domestic policy instrument—discount rate cuts—has been influenced by international financial and exchange rate considerations. A substantial realignment of the excessively strong dollar exchange rate has been a necessary and constructive part of achieving the necessary adjustment in external trade. But there are clear dangers in placing excessive weight on that approach.

History demonstrates all too clearly that a kind of self-reinforcing cascading depreciation of a nation's currency, undermining confidence and carrying values below equilibrium levels, is not in that nation's interest or that of its trading partners. Among other things, such a movement of the dollar now could transmit strong inflationary pressures to the United States and inhibit the free flow of capital from abroad at reasonable interest rates. Moreover, other countries would find it more difficult to sustain their forward momentum.

In the light of all these considerations, the discount rate reductions in March and April were timed to coincide with similar changes by one or more other key countries, minimizing any impact on the exchange markets and consistent with the desirability of some reduction in interest rates in the industrialized world generally.

SOME LESSONS OF RECENT EXPERIENCE

Experience over the first half of 1986 underscored the difficulty—I would say the impossibility—of conducting monetary policy in current circumstances according to one or two simple, pre-set criteria. For instance, the rapid growth of debt and M1 clearly bear watching because of the potential for aggravating the vulnerability of the financial structure to adversity and because of the inflationary potential. However, the weight of the evidence strongly suggests that M1 alone during this period of economic and institutional transition is not today a reliable measure of future price pressures (or indeed a good short-term "leading indicator" of business activity). The more restrained performance of the broader aggregates, as well as the performance of the economy and prices themselves, point in a different direction.

At the same time there is no escape from the fact that strains on depository institutions are not simply a possible threat for the future but a present reality. Pressures on the oil industry, agriculture, and parts of manufacturing and more general disinflationary process are partly responsible. But so are developments more directly under the control of lenders themselves: excessive leveraging, loose credit standards, and even abuse by some federally insured and protected depository institutions of their responsibility to employ their funds prudently, free of conflicts of interest. A broad array of approaches by the supervisory and regulatory authorities has been necessary to deal with the particular points of pressure in a manner consistent with the stability of the entire fabric of financial institutions and markets.

The present situation certainly makes all the more pointed the need to provide a stronger sense of legislative direction about the evolution of the financial system over time. There are also urgent specific pieces of legislation before you to permit the FDIC and the Federal Reserve to facilitate interstate acquisitions of failed or failing banks and to supplement the resources of the FSLIC.

The difficulties of some financial institutions are one specific example of economic problems that cannot be effectively dealt with by monetary policy alone. It is indeed a strength of monetary policy that it can respond flexibly to changing circumstances. But it is equally true that that single, broad-brush policy instrument cannot, at one and the same time, be called upon to stimulate the economy, protect the dollar, restrain excessive debt creation, and shift resources away from consumption and back into investment, manufacturing and exports—as desirable and important as all those goals may be.

Events of recent years have also heavily underscored how cumbersome fiscal policy can be, and the difficulties of achieving political consensus on such matters as tax reform and the appropriate legislative framework for financial institutions. On an international scale, achieving consensus on appropriate action can be still more difficult.

We have nonetheless come a long way toward restoring growth and stability in this decade. But my sense is that all that progress is in growing jeopardy unless we act—we in the United States, we in the industrialized world, and we in the world as a whole—in mutually supportive ways.

The main directions of that effort seem to me clear enough. The Gramm-Rudman-Hollings legislation is an expression of the sense of urgency surrounding our budgetary effort in the United States. The rest of the industrial world needs to achieve and maintain a momentum of "home-grown" expansion. With strong national and international leadership—and with the cooperation of private and public lenders—a constructive resolution of the economic crisis in Mexico can point the way to a wider resolution of the debt problem in a context of growth.

Hard as it may be to carry through on those efforts, that is what needs to be done if the inexorable pressures building on those fault lines running through the international economy are to be relieved—if we are, in fact, going to be able to sustain the momentum of growth and the progress toward stability. Certainly, the Federal Reserve will play its part in that effort.

And I think in reading that and in understanding the kind of economic instability that exists today and the jeopardy we find ourselves in, we have got to be more prudent than we have been in the past. We cannot just do the kind of things we have done before in terms of avoiding decisions or making bad decisions. We have got to make good decisions, but we have got to make them. And the notion we can

turn them over to Miller at OMB—I mean, if anybody really thinks that is a prudent and sound way to go, I am surprised at that, because it is not. They have not brought us any honest numbers yet. What is going to change? Why are we suddenly going to get from them something that we have not gotten before, and that is accuracy and honesty and evenhandedness. We have not gotten it yet. We did not get it under Stockman and we are not going to get it under this crowd.

That is not where the responsibility lies and I do not think that is where the Constitution resposes that responsibility. I think they repose it right here. I think we ought to make these votes.

We put together a package in the Senate Budget Committee that met the targets, and I think properly so. It was a bipartisan package. I was one of the members on our side of the aisle that worked with the chairman and others on the majority side to put together that package. We made a lot of painful cuts. We had a modest amount of revenue in there. We did it on a bipartisan basis. We had a package that made sense.

I will tell you, there are a lot of people around here that do not want to have a vote on those kinds of issues. Well, too bad. We have voted on them in the Budget Committee. I think we ought to vote on them on the floor. I think we can vote on them again.

But to have the Gramm-Rudman automatic mechanism in the background causes people to step away from the responsibility. The notion that somehow this forces us to come to grips with the issue is not the way it is working. It is going to work in exactly the reverse way, because people will feel—and I think the votes here already bear that out—that if there is the automatic mechanism out here, even if we have to give away our proper job authority to OMB, even if we have to go to even that length to avoid having to face the issue, that that is probably the only way we can function. I reject that thinking. I think it is wrong. I think the American people, if they were able to follow all of the ins and outs of what has happened here—and it is not easy to do because it is very complex; in fact, I think part of the complexity is deliberate so that people cannot follow it. People can follow up or down votes here on the floor and that is exactly how we ought to be deciding these issues, not in this other fashion.

So I think Gramm-Rudman-Hollings has turned out to be an enormous detour around our problems, and our problems are getting worse. I think it is time that we face that fact and put it aside. If we want to set discrete budget targets in terms of deficit reduction, I am willing to do that. I am willing to set those numbers. We have keyed to that in terms of our decisions in the Budget Committee.

But I also think we have to retain the flexibility and the intelligence to say that something we might have done 6 months ago or even 3 months ago, in light of changing conditions, may not be the right number.

I defy anybody here to pick magic numbers 3 years ahead of time for each of 3 years going out into the future and finally even out into the next decade under another President and presumably under entirely new economic circumstances. But that is what we have pretended to do with Gramm-Rudman and that is why it is not working properly.

I will tell you this: the people on Wall Street today are not fooled by this any longer. Most of them were not fooled by it in the beginning. They saw it as a device, a Rube Goldberg-type contraption. That is what it has demonstrated itself to be.

I do not mean that disrespectfully to the people whose names are attached to it, but that is what they have crafted. And that is why it has been popular here. That is why people in the majority have been willing to go for it, because it is an easy way out. It saves the hard votes. Well, I think it is time we made the hard votes. I am prepared to make those votes and I hope a majority will be, and that means cutting things I like.

□ 1300

It means cutting back on UDAG, and it means cutting back on a lot of other things where I would like to see a higher level of funding. It means cutting back on defense. It means cutting back on some things that other people may like or are their preferences. But only by doing that and perhaps in fact, yes, having some small revenue component, you may have to have that as well in order to have the balance that is going to work in terms of economic policy and still put these deficits on a downward declining trend which clearly they need to be.

But that ought to be crafted here. The notion that somehow we can take it out and put in an automatic formula and hand away part of our job to OMB to make sure they do it when we fail is really not the answer. That is why Gramm-Rudman-Hollings has failed to get the deficit under control for this fiscal year, and it is not going to work in the coming fiscal year. It is not going to work then either. We need something that will work. We have that authority and power. That is in our own ability to make these decisions now one by one. That is what we properly ought to do. Put Gramm-Rudman-Hollings to the side, make the decisions on the proper basis, and we will not need that kind of formulation or mechanism which I think is unsound to start with.

I yield the floor.

Mr. GRAMM and Mr. RUDMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I did not intend to step in front of my colleague. But as long as we are talking blunt I would like to talk blunt for a moment. I have stood on this floor and watched my distinguished colleague from Michigan vote time and time again to waive the Budget Act, and increase expenditures. Our distinguished colleague talks about the need to cut something. I have voted consistently to cut things, to cut UDAG, and I wait to be joined by those who are eager to make these hard decisions. And I have to laugh at those who say we have the largest deficit in American history. Maybe the problem is we need more deficits. I reject that, and so do the American people. I also reject the idea that we do not want to vote. We are going to vote in just a minute. We are going to vote on whether we are going to commit ourselves to do something or whether we are going to continue with a rhetoric and avoid the action.

Gramm-Rudman-Hollings forces you to make decisions. And just as our distinguished colleague from South Carolina said, what we have done is we have smoked out the nondecision-makers. As he so aptly put it, they are like the octopuses who have no tools to defend themselves, and so they squirt black ink to confuse the issue. The issue is clear. Do you or do you not want to address the No. 1 issue in the country? I do. So do the American people. That is why we are going to win on this issue.

Mr. MELCHER and Mr. RUDMAN addressed the Chair.

The PRESIDING OFFICER (Mr. MCCONNELL). The Senator from New Hampshire.

Mr. RUDMAN. Mr. President, I thank the Chair.

Mr. President, I have sat here and listened to my friend from Michigan describe the economic plight of the country. And I must say that I hardly can believe my own ears. It is true the agricultural economy is in a shambles as the Senator from Montana could attest to who is on the floor. It is true the basic American industries are in shambles as the bankruptcy of the LTV will attest. It is true there are a number of weaknesses in other sectors of the economy. It is certainly true that the trade deficit is going through the roof. And every economist that the Senator from Michigan has referred to, he referred to one and a group of others, and I can refer to every major economist in this country from those on the left to those on the right who lay the entire problem to the burgeoning deficits of the last 10 years, and the last 5 years.

The Senator from Michigan wants to engage in a discussion as to who is to blame. I am not going to engage in that. Some say the President is to blame. I can make a very good case here based on the fiscal 1985 budget resolution passed by the U.S. Senate, albeit 50 to 49, albeit with the Vice President casting a vote, that it is the House of Representatives who is not responsible, and they are not controlled by my party. The Senator from Michigan can make a case for people on his side of the aisle. But, frankly, I think that is counterproductive because the truth of the matter is the American people do not give a tinker's dam who is to blame. They want it fixed.

We are now told that what we ought to be doing is maybe borrowing more money because the economy is in decline. The Senator from Michigan observes that to get from 230 or 220 to 144 in 1 year may be difficult. It may well be impossible, and it may well not happen because if somebody wants to look at this budget process, whatever we do on October 1, even if we say we have met the targets, if in fact the economy continues to slump, spending will stay at whatever level we put it at, but revenue will fall, and that will cause the gap to be greater than whatever we said it was on October 1.

Let us look at last year when the budget resolution was on this floor, it was August 1, 1985, at 3:30 in the afternoon. I remember it very clearly. We were told that the deficit would be $172 billion. It turns out that without Gramm-Rudman-Hollings, the deficit this year is $231 billion, and the statutory cut of $11.7 billion reduces it. So this year our Government will borrow $220 billion to pay its bills.

Let us tell the American people the plain unvarnished truth. For every dollar that this Government spent this year, we borrowed 25 cents. I will say it again because it is mind-boggling. Of every dollar this Government spent this year, we borrowed 25 cents. And the deficit this year is approaching a quarter of a trillion dollars. Whose money is this? I will tell you whose money it is. It is the money of our children, of our grandchildren, and it is the biggest transfer-of-wealth program that anyone ever dreamed up. And the funny thing is that it was dreamed up by liberals because who gets the interest? Do the poor people get the interest? I do not know too many people who are my friends that own Government securities. The interest that we pay goes in the main to people who can afford to buy Government securities. Incidentally, for those who do not know it, 40 percent of those people in the last 5 years have been foreigners, foreign banks, foreign individuals, in England, in France, in Saudi Arabia, in Japan, who buy Government securities, and the American taxpayer, the American family pays through the nose. As a matter of fact, when they make up their tax returns this year, $40 a week for the average family of 4 will go to pay interest.

Now the Senator from Michigan says there ought to be a better way.

I agree with him. I am a fellow who coined the phrase "it is a bad idea whose time has come." But we are facing a crisis. We are on the thin edge. We may well be too late. We are going to be asked this week or next to pass an increase in the debt ceiling to $2.3 trillion, $2.3 trillion of our children's and our grandchildren's money.

I wish that I could agree with the Senator from Michigan that people would come to this floor, do what they ought to do, and cut programs if they want to. If they want to vote to raise taxes and get 51 votes, we can do that, but do something, make some choices. This bill forces choices. For anyone who makes the contention that we disregard our responsibility, let me point out that what we essentially do is to let this Congress do whatever it wants to do from January until October 1, and set any level we want to set but we have a target we set back there voted by this Congress, and signed by the President. That target is $144 billion. This draconian bill allows another $550 billion to be borrowed over the next 5 years of our future generations' money. It says if you do not meet the target, then you have 30 days to fix it to make choices. I am willing to make those choices. But I am not sure the majority of the Congress wants to make the choices.

Mr. President, I will always refer to this amendment in light of this week's news events as the pending amendment to repeal Gramm-Rudman-Hollings. We saw some wonderful pictures this week about the *Titanic*. It just made me think as I looked at this amendent. This is truly the Titanic amendment. We are telling the captain of the *Titanic* who we will hypothetically assume survived the sinking, you can get on another ship, sail back across the Atlantic, if you see any icebergs do not worry about them, all they might do is scrape off a little paint. Gramm-Rudman-Hollings is the last best choice, and the only choice to get these deficits under control. Will we reach $144 billion? I do not know.

□ 1310

Will we reach $154 billion? I do not know. But I know this, that with this bill in place, the deficit in 1987 will be appreciably less than it would have been without the legislation, and nobody disputes that. Rather than coming to this floor and suggesting this bill should be repealed, why does not someone come here and give us a practical way to solve it? Do not tell us that all we have to do is do our jobs.

I have only been here for 5½ years. The Senator from Michigan has been here a great deal longer than that. I am sure he would agree with me this Congress has not done its job with these deficits, nor have a number of Presidents who have sat in the White House.

The American people do not really care anymore who is to blame. The American people do not want to see their children faced with a standard of living where they must pay back $3 or $4 trillion that we spent that we had no right to spend. That is all this debate is about. Nothing more, nothing less.

If people wish to vote for this Titanic amendment, let them vote for it, and let them go down with the ship.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, I wanted to add one further reference to Lawrence Chimerine, the chief economist for Chase Econometrics, who said, on July 23, 1986, just a few days ago, on this very subject the following:

> The Gramm-Rudman-Hollings approach is very dangerous in the current environment, because it will cause additional spending cuts to compensate for the added deficit caused by slower economic growth. This would only slow the economy further and, in effect, would circumvent the automatic stabilizers which have served the economy so well for so many years.

There is no question, and I absolutely agree with the Senator from New Hampshire, we have to take deficits down. We have to take them down as much as we prudently can. But that is not to say that we can take them down by these automatic amounts that are spelled out in Gramm-Rudman regardless of what the economic conditions are at the time. That is what Paul Volcker is warning about. That is what this economist from Chase Econometrics is warning about. That is what Irving Kristol is warning about in the Wall Street Journal, and many others.

It is not just the goal about bringing down deficits. They have to be brought down, and the more the better. But they have to be brought down in an amount that will not work the other way and cause deficits to actually increase simply because we take and stall the economy out at a time when it is in serious difficulty anyway.

That is really the issue.

I know the Senator from Montana wishes to speak. I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, I have been listening to this debate for the past several hours and have heard the description of the deficit from various Senators. I was particularly attracted to the statement made by the junior Senator from Texas, in part of

which he said the gods did not do this—meaning create the deficit—we did.

The gods did not create this deficit. We did.

That is absolutely correct. That is the truth. Indeed, we have done it. We have done that and we have also permitted this huge trade imbalance that we have in the United States to develop. We did it. We permitted it.

We have the power. We have the authority. We are sent here to act. And we have not acted correctly. We have not acted prudently.

So we have both the red ink of the Federal deficit and the red ink of the trade imbalance.

The Federal deficit, presumably, is approaching $200 billion for this fiscal year, and thought to perhaps exceed that.

The trade imbalance is projected not at last year's level which was horrible, $146 billion or $148 billion, but, unfortunately, it has to be projected now to somewhere between $160 and $170.

Strangely, we also have an imbalance on food imports compared to food exports for both May and June. The first month that has happened in the last 15 to 16 years was May of this year.

Now, tallying up what happened in June, we find it is the second month in a row of a food imbalance in trade. The greatest country in the world in agriculture production and we are importing more food commodities than we are exporting.

As a result of this situation—this bad situation, this dangerous situation, where we have simultaneously a huge Federal deficit and a huge trade imbalance or trade deficit—we are also watching the basic industries of this country suffering mightily. Agriculture, obviously; energy, forest products, minerals.

So this combination of the two red ink items in both trade and in the Federal deficit presents a very dangerous situation for us.

The truth is before us, the facts are out, and we have done it; we have permitted it; we have contrived here in Congress and in the White House—we have contrived to create a situation that is extremely dangerous for the entire economy of the country.

All that is obvious. The real question is, How is it going to be changed and when is it going to be changed? When are we going to start reversing this dual red ink situation?

My votes have been, and will be, for doing some corrections right now, right on this Senate floor.

In the past 5 years, during this administration, there are two major areas where spending has not been cut but has actually been increased, and increased sizably. In fact, it has doubled. First of all, the military-Pentagon arms contract spending is out of line. That bill will be before us on this Senate floor very soon. Indeed, I just saw the senior Senator from Arizona come onto the floor. We welcome him back after his hospitalization. We are pleased to have him here. We anticipate the senior Senator, the Senator from Arizona, chairman of the Armed Services Committee, to be ready to call up the armed services authorization bill soon.

There will have to be amendments to it. There will have to be amendments to it to reduce it, to reduce the spending but still leave a strong national defense; a national defense that is intact.

There are two obvious areas where we have to pay attention if we are going to have that strong defense: Manpower and readiness.

I suspect when we examine the armed services authorization bill we will find that most of us agree with the spending in those two areas, manpower and readiness. I believe they are essential to keep the country strong, and I believe we have to meet those needs.

Let me tell you where I think it should be cut. I think there should be a slowdown in weapons procurement. I think that is part and parcel of helping to correct this red ink situation we are in on deficit spending.

I believe that research and development funds, at about $36 billion to $38 billion, are too high, research and procurement on weapons procurement, new weapons procurement, new weapons systems. I do not believe we can afford it.

I do not believe we can afford to continue doing all that much each year, one year after another, in that particular area—$36 billion to $38 billion of annual spending in that area needs to be cut. Perhaps the bill or perhaps even our old budget carries the star wars proposition in a different category, but I think of it as the same as research and development. While I believe it is absolutely essential to continue with basic research in space and that that basic research should continue, I do not find favor in any proposal that would greatly expand it.

□ 1320

Those are the areas that I feel can be safely cut and leave us with a strong national defense. But the cuts have to come and they have to come in areas where we think we can afford the most. In these two areas that have more than doubled during the past 5 years, after we have made significant cuts in most of the other areas of spending, it seems to me that these are the areas that obviously must have scrutiny by the entire Senate and by the entire House and where significant cuts must be made in order to reduce the deficit.

The second area of these two areas that have doubled over the past 5 years, Mr. President, is foreign aid. We have to look at what we have in this country. What we have is a huge deficit that has to be reduced. What we also have are great quantities of food, great quantities of surplus commodities that cost us two ways. First, because the surplus commodities are so large, they overhang the market. They reduce both the domestic price for the commodity and the world price for the commodity. The effect of that is to increase the deficiency payment to producers.

There is another cost with these huge food surpluses, these huge commodity surpluses, also. That is the storage cost.

So, Mr. President, I think it is time to look at what we have and look at what our problems are and, in foreign aid, substitute food assistance in lieu of cash. The cash we borrow becomes part of the deficit. The commodities or the food that we have in surplus are costs to us if we do not reduce them, both on the one standpoint of the deficiency payment and on the other standpoint of the storage cost.

So it is my intention, Mr. President, to move aggressively on the foreign aid bill this year in an attempt to gain recognition of the problem here, in the Senate, and a majority vote here, in the Senate, to change that, to do just exactly that, to substitute food assistance for cash assistance in foreign aid.

When it comes to these cuts, Mr. President, I have observed that there are all kinds of sunshine soldiers. In the enthusiasm of spring or in the propounding of why we need Gramm-Rudman-Hollings, we find good, strong statements about why we must make these cuts. I have seen this big talk and I have listened to this big talk on spending cuts. It is like spring. We get to talking about this, we are going to make these cuts. It is just like the promise of spring: It is going to be better. When we get around to where these cuts have to be made in these areas, the sunshine soldiers have disappeared. They are gone. The enthusiasm is not there. And disappointingly, sadly, the votes are not there.

Let me reiterate, Mr. President, these two areas: This rapid buildup in arms at a pace we cannot sustain and at a pace so imprudent, must be cut. Research and development for new weapons systems at a pace of $36 billion to $38 billion a year is, too often, we find, not just too much, but a waste, and there must be some restraint. So there must be cuts if we are going to act prudently, both for reducing the deficit and maintaining the elements of a strong national defense and safeguard those areas of manpow-

er and readiness, which I do believe are essential.

On the question of foreign aid, let me recap that. We have the food, we have the commodities in storage, and we are paying for the costs of that storage. And we have the double whammy that because there are those surpluses sitting there, the price sinks and the deficiency payments are larger. We have every reason to prudently, this year in the foreign aid bill, substitute as much as is possible food assistance for cash. It will do more for us and it will help the basic underlying economy by reducing the surpluses.

Mr. President, I hope there are votes to make these types of changes. The exercise we are going through on Gramm-Rudman—please excuse me, I say to my friend from South Carolina, if he is within earshot—Gramm-Rudman-Hollings. We make these statements about how necessary it is to have this in effect and if we do not follow through with cuts, it is all meaningless. Those cuts must come in an area where we can afford to make the cuts and where we can make the largest cuts.

I believe those are the two areas that I have named and my votes will be there to make the cuts. I hope others will be and I hope a majority vote will follow.

□ 1330

Mr. JOHNSTON. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JOHNSTON. I yield to the majority leader.

Mr. DOLE. I know the Senator from Louisiana wants to speak. How long will the Senator's remarks take?

Mr. JOHNSTON. Fifteen minutes.

Mr. DOLE. Does the Senator from Colorado have additional speakers?

Mr. HART. If the majority leader will yield, there are no other speakers on behalf of the amendment I am aware of, and I am prepared to go to a vote following the remarks of the Senator from Louisiana.

Mr. DOLE. We might have a slight problem there until about 2:30 because we have a number of our Members who have gone to visit the President for photo opportunities—a rather large group. If anyone would like to go along, maybe we would work that out. But in any event, if the Senator needs more time, why, feel free.

Mr. LEAHY. They will take more pictures.

Mr. JOHNSTON. Mr. President, I rise an unreconstructed opponent of Gramm-Rudman. I think the mask of the Lone Ranger is soon to be pulled to the side and we are going to see behind all of the rhetoric on Gramm-Rudman that there is very little there, Mr. President.

I think we are going to see that this attempt to get synthetic courage, ersatz backbone, automatic prudence, is going to be a dismal failure.

Mr. President, all I can see thus far from the Gramm-Rudman law is a lot of smoke and mirror cuts, a lot of synthetic readjustments which are not real, things like selling off the assets of the U.S. Government, which does not really result in a cut in the budget at all, things like moving pay dates from September to October, not to cut the budget but to make it appear that we have cut the budget, things like moving the receipt of offshore revenues from one fiscal year to the other, moving it synthetically for accounting purposes, when actually there is no savings at all because the receipts are received when they are received and not 5 months later when we fictionalize their receipt.

So, Mr. President, it seems to me that all we have achieved with Gramm-Rudman is three things. First of all, a delay in the process, because if you take each target date set up under the budget process, this year is substantially later than last year. There has been no cut in the size of the deficit.

Indeed, this year's deficit, Mr. President, is higher than last year's deficit, even after the so-called sequestration.

What the Gramm-Rudman bill does, Mr. President, is assume that the economy can respond to the dictates of some automatic computerized mechanism, that 5 even cuts correspond to the needs of the economy, when in fact the opposite is true. What we should have done, Mr. President, instead of trying to rely upon some automatic mechanism, was to measure up to our responsibility and cut substantially last year when the economy was robust in its recovery, and we should have cut early this year when the recovery was still robust, but now the drumbeat is beginning. Today my colleagues saw the piece by Herbert Stein, earlier this week the testimony by Paul Volcker stating that the economy should not receive the Gramm-Rudman cut at all, the very first real cut in Gramm-Rudman, the first of the 5-year process. They are saying it should not be received at all because the economy has slowed down too much.

So the basic thesis, Mr. President, of Gramm-Rudman that the economy is susceptible of analysis as a computer model which can be cured by five even cuts in 5 years is dead wrong, and we are seeing the fruits of that.

Mr. President, what Gramm-Rudman is at bottom is an attempt by this body and by the other body and by the President to escape the responsibility of governing. Under a representative democracy, it is up to us to make the cuts, to face the music, to accept the responsibility, to be accountable to the voters, to set priorities, and to make judgments, and those cannot be made by automatic mechanisms. In the attempt to do so we do bad things to the economy and bad things to the process. One of those bad things is delay, which we have already seen, without any offsetting cuts to the size of the deficit, which we could use to justify that delay. We have seen the scene set, Mr. President, for a September showdown in which the irresistible force is met by the immovable object, where we have targets which cannot be met and a mechanism which says we must meet it, and the only way we can get by that is either by having dishonest smoke and mirror changes to the budget, such as the sale of assets, such as what amounts to really untruthful estimates of the state of the economy, or other kinds of changes which have been so commonplace these last few years and which were so eloquently stated by Mr. Stockman in his recent book. So either we have the dishonest fudging of the figures or we have sequestration, which everybody thinks is very bad, or else we have a suspension of the act.

The most likely of those things, Mr. President, is probably a continuation of what we have seen these last few years, and that is a dishonest fudging of the figures.

The second most likely thing I think is to come in here in September and in some kind of continuing resolution suspend Gramm-Rudman, enact a continuing resolution for perhaps 60 days with a statement that we are going to come back in the lame duck and correct the mischief.

The most unlikely thing of all is that Gramm-Rudman is actually going to work; that we are actually going to have the $144 billion target really reached and to have that done in a sensible way consistent with the economy. I am sorry that is so, Mr. President. I hope I am wrong on Gramm-Rudman. The hour is late in terms of this fiscal year. The clock continues to tick, being no closer to a resolution of these difficult problems between the Congress and the President of the United States. That fateful time when we have the snapshot and we came back on September 8 to face that awful fiscal picture with so little time to deal with it fast approaches. I hope it will work. I fear it will not. I think the mechanism, Gramm-Rudman, is doing more harm than good.

I will vote for this amendment, Mr. President, not thinking it is going to pass because we know where the votes are on the amendment, but because I think the case is so clear against Gramm-Rudman and it is, unfortu-

nately, getting more clear with each passing day.

I yield the floor.

Mr. DOLE. Mr. President, I indicated earlier it is going to be a little while before I would want to start the vote. I am wondering; there were some Senators here last evening—Senator MATHIAS had an amendment that I understood might be acceptable, and there might be some on that side—if we could use this hour or 50 minutes for some of the minor amendments and then have a vote at that time. Let me suggest that and if there are Members who would come to the floor, I will contact the minority leader and manager on that side and see if that can be arranged. I do not think there will be any objection from the Senator from Massachusetts, for example. We are going to meet later today to see if there is a way we can work out his concern with reference to South Africa and my concern with reference to aid for the freedom fighters, and our joint concern that we can complete action on this bill. So that meeting will take place sometime after 3 o'clock.

□ 1340

Mr. DIXON. Mr. President, will the majority leader yield?

Mr. DOLE. I will be happy to yield the floor.

Mr. DIXON. For a question.

Mr. DOLE. Yes.

Mr. DIXON. I have an amendment pending, I say to the majority leader, an amendment that is a matter of some consequence to one citizen in Illinois but not a major concern that would require a lot of debate, involving a veteran who was exposed to radiation years ago and has been denied benefits because the law with respect to that subject refers to female breast cancer instead of using the generic term "breast cancer." This male individual, as a consequence, has been denied benefits.

The matter has not been heard by the Veterans' Affairs Committee, but I think it is a subject of importance and that we should discuss it. If the majority leader wants to use some time, I might get my file here and refer to that amendment. I think the junior Senator from Alaska might want to come here.

Mr. DOLE. Is there a possibility of having a freestanding measure rather than on the debt ceiling extension?

Mr. DIXON. I would be glad to talk to the majority leader about that. I am not wedded to how we do it.

As a matter of fact, I have suggested to the distinguished junior Senator from Alaska that if we could have a hearing on the question, that would satisfy me for now. He suggested that there is an internal method in the Veterans' Administration to look into these things. I do not like that too well. As a former trial lawyer, I know that there are two sides to how injuries are caused. There is medical support for the idea that male breast cancer can be caused by radiation. Apparently, the Veterans' Administration now thinks otherwise.

I am not too comfortable with permitting all the decisions to be made internally there, and that seems to be the view of the Senator from Alaska. I am not trying to argue the issue on the floor right now, because he is not here. Perhaps we could return to it at another time and could have a hearing, and some doctors could be brought in.

I am just trying to make the law generic and leave out the word "female." I should like to have a hearing, rather than permitting the Veterans' Administration to make the decisions. Bureaucrats have a funny way of getting the result they want in these things many times.

Mr. DOLE. I do not know anything about the bill, other than what I have just heard. I would be sympathetic to the desires of the Senator from Illinois.

I was just handed a note stating that Senator MURKOWSKI, the junior Senator from Alaska, the chairman of the Veterans' Affairs Committee, would unfortunately have to oppose the bill.

Mr. DIXON. Yes.

Mr. DOLE. But perhaps we could arrange the hearing, and I will contact Senator MURKOWSKI.

Mr. DIXON. I would be glad to rest my case that way now, if we could have a hearing. I am not saying in the next several weeks, but in the reasonable future, in the next several months, so that the veterans organization could have an opportunity to bring in spokesmen for our point of view.

Mr. DOLE. I will see what I can do.

Mr. DIXON. I thank the majority leader.

Mr. DOLE. Mr. President, we are waiting for the manager on this side. I think he is available, or will be available.

Mr. HEINZ. Mr. President, I do not see any Senators seeking recognition at this moment, so I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, the Gramm-Rudman-Hollings Deficit Reduction Act should in my view be repealed. It should be repealed because it attacks a very, very real problem, the Federal budget, in the wrong way.

The heart of the Gramm-Rudman-Hollings Deficit Reduction Act are provisions for semiautomatic budget cuts based on complex formulas chosen, selected, and administered by nonelected bureaucrats. That budget cutting process in turn is triggered by computer-generated forecasts of economic growth, inflation, unemployment, and interest rates all of which are notoriously inaccurate, and, again, these very formulas and these very points of reference are selected and prepared by nonelected Government bureaucrats.

In my view, the essential public policy choices and priorities of the Federal budget should be the result of reasoned decisions and necessary compromises by the people's elected Representatives right here in Congress. The Gramm-Rudman-Hollings Act attempts to place the economic and budget policy of the Federal Government on automatic pilot, substituting computers, formulas, and bureaucrats for the reasoned judgments of the peoples' representatives.

Supporters of the Gramm-Rudman-Hollings Act contend that this whole complex automatic budget-cutting process is necessary to impose proper fiscal discipline upon we in Congress. In my view, the only real source of discipline for Congress is the American people. The American people know exactly the way to discipline Congress. They do not use computers and formulas and complex methods. They use simply the votes they cast at the ballot box.

As originally enacted, Gramm-Rudman-Hollings tried to permit Congress to escape from its budget responsibilities by giving budget authority to the Comptroller General of the United States. The Supreme Court then ruled that approach unconstitutional. So we have now substituted another bureaucrat—the Director of the Office of Management and Budget—for the Comptroller General.

To my mind the basic underlying act has not been fixed. It is still basically flawed. I voted against enactment of Gramm-Rudman-Hollings last year and I now will vote negatively when it comes to this act at this time.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1400

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HELMS). Without objection, it is so ordered.

Mr. ARMSTRONG. Mr. President, have I stepped through the looking glass? What in the world is the Senate

up to this afternoon? I have been off the Hill for a couple of hours taking part in a meeting at another location, and I returned to find that we have under debate some kind of a motion, the effect of which would be to repeal the Gramm-Rudman-Hollings budget balancing procedure.

Now, I thought I had heard everything, but somehow when I learned that Senators were actually proposing to do away with about the only hope we have got left, not the best hope, not the most desirable approach to the problem, but the only hope we have got left to ever get these deficits under control, it just seemed to me like maybe somebody ought to come over and say a word about this.

The only thing that comes to mind, Mr. President, is in the context of something Winston Churchill once said. And, to paraphrase him, I will just tell you that Gramm-Rudman-Hollings is about the worst kind of budget balancing approach that we have ever tried, except everything else we have tried so far.

Mr. President, when the Senator from New Hampshire and the Senator from Texas and the Senator from South Carolina—GRAMM, RUDMAN, and HOLLINGS—came foward with this idea, I thought to myself: if this is not a Rube Goldberg contraption, if this is not making a simple matter more complicated than it really needs to be, I will throw in with it. They have got snapshots, they have got dates, they have got sequesters, they have got all of these fancy approaches to make it unnecessary for Congress to take a stand toward actually cutting spending.

Now, why did they do that? GRAMM, RUDMAN, and HOLLINGS are not stupid. They did not invent this complex, cumbersome, unworkable, and, in many ways, undesirable approach just for the fun of it. They did it because Congress has shown, not once, but over and over and over again, not 10 times or 100 times, but 1,000 times, that there just was not discipline enough, self-restraint enough, to ever get this budget balanced without some sort of external proceedings.

I understand the following arguments have been advanced in support of the motion to repeal Gramm-Rudman-Hollings before it even has a chance to work:

First, that Gramm-Rudman-Hollings reflects a lack of confidence in Congress to make decisions. Well, amen. As far as I am concerned, the verdict is in on Congress and the verdict is: no guts.

I will tell you, Mr. President, I have just been up and down this mountain one too many times—and we have all seen it; every Senator has seen it—where over and over and over again we have tried to marshal a coalition or a constituency or some kind of a group to get a majority to cut spending, and we cannot seem to cut anything.

That is not quite true. I was successful one time in getting one Federal agency abolished. Of course, it only employed six people. But, so far as I am aware, that is the only agency of Government that has ever been abolished. And we are now in the sixth year of the administration of the most conservative President we are ever going to see, and we are serving in what is said to be a highly conservative Senate.

□ 1410

We have not abolished anything really except this one little tiny agency that has sort of outlived its usefulness. We have not curtailed any programs. We have not even been successful in slowing to any noticeable degree the growth of spending in these programs.

Why, just the other day, Mr. President, in this most conservative of legislative bodies in the prime years of a conservative administration, the Senate Banking Committee referred to the floor with favorable recommendation a bill which not only continues programs of notorious extravagence in Federal subsidized housing, but shockingly, I think to the conscience of legislators, provided no limit whatsoever on the dollar amount of the authorizations.

If that were not bad enough, not only did they continue all the existing programs, but the Senate Banking Committee's recommendation creates new programs of subsidized housing that will give interest-free second mortgages for high-income people, people whose income is as much as $40,000 a year.

If that makes sense, or if that lends credence to the idea that somehow Congress should be trusted to make decisions that will lead to a balanced budget, then I do not know what to say.

Is this action on the part of the Senate Banking Committee an isolated case? Of course not. We have seen it from every committee of the Congress. We have seen it over and over again on the floor. When somebody has the temerity to stand up to make a motion to reduce or eliminate spending for programs that have obviously outlived their usefulness or programs that were counterproductive, programs that backfired or failed, it is rare that such a motion can even come close to passage.

I remember a few weeks ago that the distinguished Senator from Wisconsin, the father of the UDAG Program, got up on this floor and he said, "Folks, we tried a noble experiment in revitalizing some of the major areas of our country through Urban Development Action Grants, UDAG. It didn't work. We ought to abolish it." Certainly, the history of the UDAG programs would support his contention.

Do you think he could get a motion passed to actually do what was so clearly obvious to put an end to a program which he, himself, started?

I should note parenthetically that the Senator to whom I refer, the Senator from Wisconsin, has over and over again shown his intellectual integrity by being willing to curtail spending for even popular programs. But we could not cut back on UDAG. We have not been able to cut back on Conrail. We have not been able to cut back on Amtrak. We really have not been able to curb the excess of the Pentagon spending programs or anything. So for somebody to come to the floor and argue we should not have Gramm-Rudman-Hollings because Congress should be trusted to do the job it seems to me is foolhardy in the extreme.

Finally, Mr. President, I cannot help noting that somebody said during the debate that occurred while I was off the floor that we should not even be talking about Gramm-Rudman-Hollings, that after all, that is just an argument about procedure, and what we really ought to do is get down to the substance of things.

Mr. President, that is the straw that breaks the camel's back.

I suppose if we were debating whether or not to continue or to abolish the first amendment to the Constitution, somebody would get up here and say that is just an argument over procedure. I will tell you in the long run these are the issues that really count, the process issues, the issues by which we establish the guidelines, and the ground rules under which we do business around here are far more important than any of the details.

So as Senators come to the floor and vote on this, I hope not only will the motion to strike out and abolish Gramm-Rudman-Hollings before it begins will not only be defeated, I hope it is squashed. I hope the vote on this is so one-sided that we settle once and for all the idea that we are going to backtrack on this because the very notion that somehow we might do away with this last best hope for budget balancing before it has a chance to begin to work really is undermining the integrity of the whole legislative process.

Is this the only way we can balance the budget? Maybe not. Maybe there remains within this body far more courage and self-discipline than I have given the Congress credit for during the course of my remarks this afternoon. I think not. I think it is unlikely that Senators will come forward and offer to support the kind of amendments and discipline that is needed. But if that happens, bear in mind Gramm-Rudman-Hollings will never

go into effect because we do not have to let the sequester occur. We do not have to let an automatic process or an autopilot take over the responsibilities of Congress. All Gramm-Rudman-Hollings does is this: it sets a series of targets that over a long, long period of time will finally get us to a balanced budget. If somebody wants to move faster than that, the Senator from Colorado, at least one, is ready, willing, and able to vote to do that. If somebody has specific proposals they want to offer for spending cuts, by gosh, I am ready to vote for them.

But to suggest that the way to solve our budgetary problem is to abolish the only thing that we have that has even a scintilla of hope that we might somehow get things under control I think would be a mistake of extraordinary magnitude.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I want to compliment the junior Senator from Colorado for that speech. I fully agree with him. He and I have served on the Budget Committee since we both came to the Senate 7½ years ago. As a matter of fact, we have voted against a number of programs without much result.

Some years ago I suggested that we have something called the fair play budget. The Senator may recall that. It is not unlike Gramm-Rudman. Though my enforcement tool was going to be reconciliation, Gramm-Rudman went a step further and Gramm-Rudman in fact probably is more efficient than the idea of a fairplay budget that would be enforced by reconciliation which is really the only tool up to this point that the Budget Committee had to enforce the edicts or to bring about a spending format that might lead to a balanced budget.

The fairplay budget I suggested sometime ago, and I suggested it when we had a $50 or $60 billion deficit which today would seem rather modest, but I noted that the revenues of Government were growing at 9½ percent while the spending was growing at 2- or 3-percentage points more than that.

The fairplay budget was that everything should grow but by exactly the same amount. It would be 5 percent a year. Some of the programs are not controllable. But, nevertheless, they would be approached and rules would be written so that they would grow at about 5 percent a year. And the rules of some of these programs could be changed to accommodate that.

My senior Senator from Minnesota has been able to make some changes in the rules with respect to Medicare which was the fastest growing program to halt that explosive growth so that it was possible to do. But that was not passed at that time.

The budget deficit was not thought to be to onerous. So we went forward and the budget deficit grew because of the recession of 1982. When, because of the fact that the economy was in the doldrums, there was no growth in revenues. As a matter of fact, there was a falloff.

In 1981 revenues were $600 billion, and in 1982 they went up a little bit and they fell back again in 1983.

So that during that period of time for a 2-year period we had no growth at all while expenditures continued to grow. That, of course, is the reason we have the deficit at the present time.

But I so agree with the Senator from Colorado, my good friend from Colorado, that this, the Gramm-Rudman bill, is really the first enforcement tool that we have that gives us, as he says, even a scintilla of hope that we will indeed bring about a balance in the budget.

So I hope, as he does, that our colleagues will vote overwhelmingly once again in support of the idea of a ratcheting down of the deficit, and compelling the Senate and compelling the House of Representatives to come within the framework of the goals that are established—not goals but indeed mandates. It is the first time that we have had mandates around here. People do not like that. People do not like to be told what to do. People here want to protect this program and everybody has a different idea for which a program should be cut down or even scuttled.

But nevertheless, the Gramm-Rudman bill is the first bit of discipline that we have had since the Senator from Colorado and I have been here.

So I hope the Senate will vote overwhelmingly to maintain that discipline, to keep it in place, that indeed it will help us reach the goals that all of us talked about but that all of us together cannot reach without it.

I yield the floor.

□ 1420

Mr. EXON addressed the Chair.

The PRESIDING OFFICER (Mr. DURENBERGER). The Senator from Nebraska.

Mr. EXON. Mr. President, I imagine we will be voting soon on the Hart amendment. I think that, despite the concerns of some people here on the floor, there is little question but that the Hart amendment will be overwhelmingly voted down. That has been pretty well established. I do not think we need to make a lot of speeches about that.

I suppose that there are those who would like to take the route that anyone who votes against the Hart amendment is fiscally irresponsible. Some people can put that connotation on this if they want to, but I am not sure that that is entirely fair. I am confident it is not a rational approach to the matter which confronts us.

During debate on the floor yesterday, my friend and colleague, Senator HOLLINGS, one of the main proponents of Gramm-Rudman-Hollings, made some very kind remarks about the role that this Senate has played trying to bring the deficit of the Federal Government and the skyrocketing national debt under control.

I happen to feel exactly as I did when Gramm-Rudman-Hollings was originally born and brought forth, that far too much authority was being given to nonelected officials on reducing the deficit than was contemplated by the Founding Fathers.

I do not know what the eventual court decision will be, but I suspect that this matter is going to be right back in front of the Supreme Court once again on the mindless monster that was passed yesterday which I called Frankenstein II, generally referred to as Gramm-Rudman-Hollings II.

Frankenstein II was passed yesterday, which supposedly was a fix-up mechanism, and with the vote that Frankenstein II received yesterday, I think there is no question whatsoever as to the outcome of the vote on the Hart amendment to repeal Gramm-Rudman in its entirety.

Mr. President, I am amazed sometimes when I see, hear and look at the votes of this body from time to time on various issues. I recall very vividly a matter of 3 years ago when Senator HOLLINGS, of South Carolina, Senator ANDREWS of North Dakota, and this Senator came forth with a plan that did exactly the same thing as Gramm-Rudman-Hollings did, and it got, I think a total of 33 to 36 votes, somewhere in that area, on the floor of the U.S. Senate.

It was fair, it was an across-the-board approach, and it would have gotten the job done 3 years ago by bringing the deficit under control, had we prevailed at that time.

Probably the main reason we did not prevail at that time, and the reason why Gramm-Rudman finally passed in December of last year, was we did not have the convenient mechanism, Mr. President, that Gramm-Rudman had when it was passed last December, and the convenient mechanism that Gramm-Rudman has carrying it today. That is the increase in the debt ceiling limit, this time to $2.3 trillion. Last December when the same mechanism was used to carry Gramm-Rudman-Hollings I, it was an increase in the debt ceiling to $2 trillion.

When Senator HOLLINGS, Senator ANDREWS, and myself introduced our across-the-board freeze 3 years ago, if we had passed it at that time we would

not have to increase the debt ceiling to $2 trillion last December, and we would not have to be facing increasing it further to $2.3 trillion today.

It is a convenient cover mechanism, I suggest, for increasing the debt ceiling.

What you are telling the people, and what some people are led to believe, is if you vote for this magical plan, which I think is basically unfair, then you are fiscally responsible. You are fiscally responsible if you give away, if you will, during its lifetime, the responsibility of the elected officials here to say if we cannot agree we give away our authority, our responsibility, to some faceless, nameless, unelected bureaucrats in the executive department of Government and let them do the cutting for us.

I think that is wrong. It was one of the main reasons that I opposed Gramm-Rudman-Hollings in the first instance and the main reason that I will support the Hart amendment today.

Somewhere along the line I think we will rue the day when this body gives up what I think is our responsibility.

I will just touch for a few moments, Mr. President, if I might, on the basic unfairness of Gramm-Rudman-Hollings I and Frankenstein II that was passed overwhelmingly in this body yesterday and how they differ from the reasonable, fair approach that this Senator and others have sponsored on the floor of this Senate on several different occasions.

That is that that freeze of Hollings, Exon, and Andrews was an across-the-board freeze. Mr. President, as Gramm-Rudman-Hollings did last December, and as we are about to renew that action here this afternoon, we did not at that time eliminate over half of the Federal budget from any cuts whatsoever. I think that singular point should be remembered by each and every one of us as we cast our vote.

We are not making an across-the-board cut; we are making the cuts that have to be made under Gramm-Rudman-Hollings being less than half of the total Federal budget. That is not fair. That is not reasonable. That is not what I think a majority of this body would like to do, had they not gotten themselves into the difficulty they have by passing Gramm-Rudman-Hollings I and Frankenstein II, the follow-on legislation as of yesterday.

Let the record show this Senator was in front of this body every day for a week saying that at least what we should do is to not appoint a new monster, a new mechanical robot that has the responsibility of making cuts if we do not have the courage to vote for them ourselves. I feel very strongly about that.

Had the Exon amendment been accepted, which simply said that we would use the fallback provision written into the original Gramm-Rudman-Hollings act, I might have been persuaded under certain circumstances, and I might have joined those who thought that with the wagon so far out of the barn, drawn by a horse in some cases running in the wrong direction, I might have said, "Let us go ahead with that."

However, on a reasonable amendment, in view of the Supreme Court's decision, and in view of the fact that the Supreme Court in that decision knocked out that sequester or executioner or another Frankenstein monster, had we accepted that, I might have gone along with this.

□ 1430

Had we accepted that, I might have gone along with it. I still have the basic objections to the bill that I expressed when it originally passed this body. I just wanted this brief time, Mr. President, to say why I shall vote for the Hart amendment with some regrets.

That is because, while I have criticized the Gramm-Rudman-Hollings bill and I think it has some serious shortcomings, I recognize that it does have some redeeming features. It does have some of the features that my friend from Colorado and my friend from Minnesota just outlined. But to say all is lost and we have no other way to get the Federal deficit under control without passing the bill as it now presents itself to the U.S. Senate is, in my opinion, an overstatement at best and a decision when and if it is made—and I predict it will be made—by the vote that we will have sometime this afternoon, by turning down the Hart amendment to knock out the bill in its entirety, I think we are going to be making a major mistake.

But we have made mistakes on this floor in the past, and I suppose that we shall do it again. After we have made that major mistake, we are still going to have the responsibility to make the cuts to bring the deficit under control and to stop the skyrocketing national debt that, I remind this body again, has more than doubled in the last 5 years from under $1 trillion to the $2.3 trillion figure that I assume will eventually be approved when we finish with the basic matter before us.

Mr. President, I thank my colleagues for their consideration and for their patience, but in the mind of this Senator, the shortcomings of Gramm-Rudman far outweigh some of the positive things that I support in its intent.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1440

Mr. DOLE. Mr. President, I ask unanimous consent that further proceedings under the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

Mr. BYRD. Mr. President, I cast my vote in support of the amendment that has been offered by Mr. HART and Mr. MOYNIHAN. I am opposed to the Gramm-Rudman legislation. I stated so on many occasions.

Mr. President, just about 7 months ago, the Congress embraced a new deficit reduction elixir called Gramm-Rudman. It was praised by many—criticized by some, including this Senator.

In the end, the substantial support for it probably represented more of an expression of frustration about the seeming intractability of the deficit problem than it did enthusiasm for the new process.

I opposed that measure then because I believe it to be an unwise approach to the business of government and, in particular to the fundamental duties of the Congress under the Constitution. I have not changed my opinion.

Earlier this month, the Supreme Court rejected one of the key features of that law. It struck down the provision by which the Comptroller General calculated exactly where and in what amounts the automatic budget cuts required by the Gramm-Rudman process were to be made. Because of the Court's ruling, there is currently no "automatic" sequestration procedure. The law did provide a backup procedure, however, which was used recently to reaffirm the March 1986 budget cuts.

The passage of the amendment by Senators GRAMM, RUDMAN, and HOLLINGS, as modified, has restored the automatic sequestration process by turning over to the Office of Management and Budget, rather than the General Accounting Office, the authority to determine the amount of the automatic cuts and to order their implementation.

However, as with the original measure, the new version still depends on the process which is essentially an abdication of our responsibility to set the fiscal priorities of the Nation. The original Gramm-Rudman legislation tried to find a means by which Congress, and the President, could avoid making the difficult choices that must be made if the deficit is to be reduced. The so-called Gramm-Rudman II

yields precisely the same product—only with fringe of a different color.

It was thought last year that one easy vote on Gramm-Rudman would replace many difficult votes on individual bills, and amendments. But easy votes rarely make good policy.

No substitute process, even one that can pass constitutional muster, can replace or improve upon the wisdom of the Founding Fathers in placing control of the purse strings in the hands of the Congress through the normal legislative process.

Not surprisingly, that process, especially as it relates to the budget, has proved exceedingly difficult. It is never easy to cut programs that benefit some or many Americans. But, then, there has never been a promise that it would be easy. That, I thought, was why our constituents elect us and send us here—to make tough choices on their behalf.

This year, again, the budget process is proving difficult and contentious. The President's budget was a nonstarter from the very beginning. It was soundly rejected in the Senate Budget Committee, by a vote 16 to 6, and in the House, 312 to 12.

Late last month, Congress adopted its own budget resolution. That budget is a considerable improvement over the President's budget, and it reflects a better mix of fiscal priorities. It is not perfect, but it is a good start. It is the foundation that should be used in formulating the individual spending and revenue bills that ultimately will determine the Nation's fiscal priorities.

That is as it should be. But Congress cannot solve the deficit crisis on its own. The President must be involved. Yet, that involvement will only come about through the legislative process.

Some of the supporters of the Gramm-Rudman process believe that the prospects of deep cuts in military spending as a result of a sequester will force the President onto the playing field. But, in reality, an automatic process predicated on horrendous cuts in defense will surely self-destruct, leaving in its wake not only a higher deficit, but also a higher cynicism about the ability of Government to reduce the deficit.

There can be no single grand gesture, such as Gramm-Rudman, that will work as advertised. Instead, such a process merely serves to take the pressure of when it comes to considering individual bills that will determine what the actual deficit will be.

That is not the least of the faults of Gramm-Rudman II. As did its predecessor, it virtually ignores one of the most fundamental influences on the deficit—the economy. Only a few weeks ago, it was learned that, in the first 6 months of 1986, the economy grew at a paltry 2.5 percent annual rate. That is far below the 4 percent projected by the administration.

A drop of one and one-half percent in real GNP growth can lead to a $30 billion increase in the deficit the following year. What would Gramm-Rudman II do to remove a $30 billion "Extra" deficit? It would require outlay reductions of a like amount. Such reductions, in turn, could translate into cuts of some $30 billion in budget authority for defense programs next year, and nearly $45 billion in budget authority for domestic programs.

Do we really want a budget process that can force such draconian cuts in the armed services? Will we stand by it even if active duty personnel are going to be laid off, procurement programs, even modest ones, cut to the bone, ships kept in port, and aircraft kept on the ground? Speaking as one Senator, I cannot endorse such a process.

Budget cuts of this magnitude would force the Congress to choose between expanding its force structure as planned—with a corresponding severe reduction in daily combat readiness and a return to the days of the alleged "hollow" Army—or cutting back the size of our forces to maintain combat readiness. Either of these alternatives could severely harm our national security.

The needed reductions raise such fundamental questions as whether we can afford to maintain our present strategic triad or must, instead, place more reliance on one system and less on another. Can we afford the Midgetman missile or two new manned bombers? Can we afford SDI without abandoning other major strategic weapons systems? Can we afford an All-Volunteer Army?

And even if such cuts become effective under the new Gramm-Rudman procedure, would the President, citing his constitutional duty as Commander in Chief, permit those cuts to go into effect? I do not konw the answer to that question and, I submit, neither do the supporters of this procedure.

The effect would be similar on domestic programs. Should we reaffirm a process that could make an indiscriminate 10 percent, or greater, cut in the FAA's air traffic control budget? Or in the drug interdiction and enforcement programs? Or in the FBI, cancer research, coal research, and flood or drought relief?

I believe the answer is "No." A sequester of this size is too drastic, and, therefore, is not credible.

Of course, the numbers can be "cooked" to reduce, or even eliminate, the sequester. And the incentive to do that could be overwhelming, now that we have given OMB the authority to figure the cuts. If OMB were successful in avoiding a sequester, it would not solve the problem, it would sow the seed for an even worse sequester the following year, one that would surely cause the self-destruction of the entire process.

Mr. President, the Congress has consumed an enormous amount of time in writing Gramm-Rudman, debating it, amending it, reworking it, and responding to its unconstitutionality—all in order to try to escape the responsibility that properly resides right here, on each of our shoulders, and on the President of the United States. Yet, despite the $11.7 billion in savings mandated by the law last March, the fiscal year 1986 deficit is on its way to setting yet another record—threatening to top $220 billion.

The deficit target set by Gramm-Rudman for fiscal year 1987 is $144 billion. That is $76 billion lower than the projected deficit for fiscal year 1986. There has been a drop even half that size.

Mr. President, I did not support the original Gramm-Rudman measure last December because it was an abdication of the fundamental responsibility of Congress to make the budget decisions. Gramm-Rudman turns decisions over to a computer, or to unelected Government officials. The result is that the automatic cuts, if allowed to happen, could wreak havoc on the national defense, as well as on countless domestic programs that strengthen the Nation from within.

I have not changed my view. Gramm-Rudman, whether the original edition, or the "new and improved" version, is an abdication of our responsibility, and a prescription for potential disaster.

I urge my colleagues to join in supporting this amendment offered by the distinguished senior Senator from Colorado [Mr. HART] and the distinguished senior Senator from New York [Mr. MOYNIHAN], which will repeal Gramm-Rudman and place the responsibility for determining the Federal budget right back where it belongs—on the President and the Congress.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Let me indicate to my colleagues that hopefully when this amendment is disposed of we can move on to other amendments. I hope that Senators who may be listening or staff, if there are additional amendments to be offered to the debt ceiling other than freedom fighters and South Africa—we are going to have a meeting on that later this afternoon—would come to the floor and accommodate the managers of the bill.

Have the yeas and nays been ordered on the amendment?

The PRESIDING OFFICER. The yeas and nays have been ordered. The clerk will call the roll.

Mr. EXON. Will the Senator yield for a question and statement?

Mr. DOLE. Yes.

Mr. EXON. The Senator from Nebraska has an amendment or two that do not fall into the categories that seem to be off limits. I would certainly advise the majority leader that I will be here immediately after the vote to bring up one of those amendments which I think do not fall into the "no-no" category.

Mr. DOLE. They are good?

Mr. EXON. They are clean. I am sure that even the majority leader will agree they can be accepted on voice vote. I am not sure that will be the case.

□ 1450

Mr. DOLE. Maybe after the vote, we can discuss the amendment with the manager on this side. Senator HEINZ is here.

The PRESIDING OFFICER. The question is on agreeing to the amendment by the Senator from Colorado [Mr. HART]. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ARMSTRONG. I announce that the Senator from Wyoming [Mr. SIMPSON] is necessarily absent.

The PRESIDING OFFICER (Mr. COCHRAN). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 30, nays 69, as follows:

[Rollcall Vote No. 168 Leg.]

YEAS—30

Andrews	Glenn	Matsunaga
Bingaman	Harkin	Melcher
Bradley	Hart	Metzenbaum
Burdick	Hatfield	Moynihan
Byrd	Hawkins	Pell
Cranston	Inouye	Riegle
DeConcini	Johnston	Roth
Denton	Kassebaum	Sarbanes
Eagleton	Lautenberg	Stafford
Exon	Mathias	Weicker

NAYS—69

Abdnor	Goldwater	Mitchell
Armstrong	Gore	Murkowski
Baucus	Gorton	Nickles
Bentsen	Gramm	Nunn
Biden	Grassley	Packwood
Boren	Hatch	Pressler
Boschwitz	Hecht	Proxmire
Broyhill	Heflin	Pryor
Bumpers	Heinz	Quayle
Chafee	Helms	Rockefeller
Chiles	Hollings	Rudman
Cochran	Humphrey	Sasser
Cohen	Kasten	Simon
D'Amato	Kennedy	Specter
Danforth	Kerry	Stennis
Dixon	Laxalt	Stevens
Dodd	Leahy	Symms
Dole	Levin	Thurmond
Domenici	Long	Trible
Durenberger	Lugar	Wallop
Evans	Mattingly	Warner
Ford	McClure	Wilson
Garn	McConnell	Zorinsky

NOT VOTING—1

Simpson

So the amendment (No. 2241) was rejected.

□ 1510

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BOSCHWITZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will please be in order.

Mr. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will please be in order. Will Senators please take their seats? The Senate will please be in order.

AMENDMENT NO. 2243

(Purpose: To mandate advance deficiency payments in fiscal year 1987)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for himself, Mr. ZORINSKY, Mr. HARKIN, Mr. MELCHER, Mr. DIXON, Mr. BURDICK, Mr. HART, and Mr. NICKLES, proposes an amendment numbered 2243.

At the end of the amendment, add the following:

Advance deficiency payments sec. . Notwithstanding any other provision of law, the Secretary of Agriculture shall, in accordance with the criteria in section 107c of the Agriculture Act of 1949, make advance deficiency payments available for the 1987 crops of wheat, feed grains, upland cotton, and rice: *Provided*, That the percentage of the projected payment rate used in computing such payments shall not be less than (1) 40 percent in the case of wheat and feed grains, or (2) 30 percent in the case of rice and upland cotton.

Mr. EXON. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator will please suspend until the Senate is in order. The Senator from Nebraska has a right to be heard to discuss his amendment. The Senate will please be in order. Senators will please take their seats.

The Senator from Nebraska.

Mr. DOMENICI. Mr. President, will the Senator yield for a question?

Mr. EXON. I am happy to yield.

Mr. DOMENICI. I might say to my friend, I hope my questions do not indicate that I am opposed to the amendment. I want to be in support of it. But I would like to ask the Senator, the conditions that you put on with reference to the method of determining payment, as I understand it, the advance deficiency payments are in the farm bill. They are discretionary. For the year involved, the Senator's amendment would be saying they are going to happen, mandating them; am I correct at that point?

Mr. EXON. The Senator is correct.

Mr. DOMENICI. Now, with reference to what you are using as the criteria for payment, does that change the existing law to any extent, or is that the existing law?

Mr. EXON. It is the existing law and it is the same procedure that was used when advance deficiency payments were granted in the fall of last year.

Mr. DOMENICI. And the reference to prices for the various commodities are consistent with existing law; is that correct?

Mr. EXON. That is correct; no change in existing law on prices.

Mr. DOMENICI. Might I say, I thank the Senator for his answers. Since we have already provided in the Gramm-Rudman-Hollings amendment that we would be charged for this amount in the sequester snapshot, I believe we have admitted that it is going to happen. So I think the Senator has an amendment that is deserving of support.

Mr. EXON. I thank my friend and colleague, the chairman of the Budget Committee, for his questions and his remarks.

I wish to indicate that Senators ZORINSKY, HARKIN, MELCHER, DIXON, and BURDICK are cosponsors of the amendment.

Mr. President, I have a brief statement on this. Since I know we have many things to consider, I will be prepared then to move for a vote, if there is no further discussion.

Mr. HART. Mr. President, would the Senator add the Senator from Colorado as a cosponsor?

Mr. EXON. Mr. President, the Senator from Colorado, Mr. HART, is also a cosponsor. His name was on my list and I inadvertently overlooked him.

Mr. President, my amendment is simple and I hope noncontroversial. It is a continuation of the work we began last night in regard to advance deficiency payments.

The amendment simply mandates the payments of advance deficiency payments in fiscal year 1987. This is fully consistent with the assumptions of the fiscal year 1987 budget and consistent with the assumptions the Senate made last night with regard to the August 15 "deficit snapshot."

As we discussed lask night, there is little doubt that advance deficiency payments will be made in the 1987 fiscal year. My amendment removes what little doubt remains.

My colleagues certainly know that rural America is in a deep depression. In Nebraska, land values over the last 2 years have dropped more than in any time since the Department of Agriculture started keeping records in 1912. This reduction in land values has combined with a continuing slide in

commodity prices to produce disastrous economic conditions.

Advance deficiency payments would greatly help farmer's with cash-flow. My amendment simply assures the Nation's farmers that advance deficiency payments will be made.

I hope that the Senate will approve this much needed assurance to the Nation's farmers.

□ 1520

I appreciate the cooperation and support of the leadership in this effort.

Mr. President, I yield the floor.

Mr. EXON. Mr. President, I ask unanimous consent that the following Senators be added as cosponsors to the amendment we just voted on: Mr. INOUYE, Mr. BOREN, Mr. GRASSLEY, Mr. HOLLINGS, and Mr. NICKLES.

I also ask unanimous consent to add the Senator from Kansas [Mr. DOLE].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, will the Senator be kind enough to add the Senator from Pennsylvania?

Mr. EXON. I should be glad to ask unanimous consent that the Senator from Pennsylvania be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. DIXON. Mr. President, I rise today in support of the pending amendment, sponsored by Senator EXON, to mandate advance deficiency payments in fiscal year 1987. I am pleased to be an original cosponsor of the amendment.

Last night, the Senate passed an amendment which required the Office of Management and Budget [OMB] to assume the use of advance deficiency payments when putting together budget predictions for fiscal year 1987. This amendment is simple, Mr. President. The Secretary of Agriculture presently has the discretion to make advance deficiency payments. He has used this authority in 4 out of the past 5 years. This amendment would require that the Secretary make advance deficiency payments next year.

Our agricultural sector is threatened by a severe drought in our Southeastern States and a bulging surplus in the Midwest, our Nation's heartland. It is also in danger due to out rapidly declining U.S. agricultural export markets. Last month, we faced an agricultural trade deficit of over $71.2 billion. It is the second such deficit we have faced since May, and the second in 27 years. The health of our Farm Credit System is also in jeopardy.

Mr. President, it is vital that our farmers get these advance deficiency payments. These payments were made to producers in 1982, 1983, 1985, and this year. They are important to the farmers who must pay for their seed and fertilizer at spring planting.

I urge my colleagues to support this amendment.●

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Nebraska. On this question, the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ARMSTRONG. I announce that the Senator from Wyoming [Mr. SIMPSON] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Arkansas [Mr. PRYOR] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 91, nays 7, as follows:

[Rollcall Vote No. 169 Leg.]

YEAS—91

Abdnor	Ford	McClure
Andrews	Garn	McConnell
Armstrong	Glenn	Melcher
Baucus	Goldwater	Metzenbaum
Bentsen	Gore	Mitchell
Biden	Gorton	Murkowski
Bingaman	Gramm	Nickles
Boren	Grassley	Nunn
Boschwitz	Harkin	Packwood
Bradley	Hart	Pell
Broyhill	Hatch	Pressler
Bumpers	Hawkins	Proxmire
Burdick	Hecht	Quayle
Byrd	Heflin	Riegle
Chafee	Heinz	Roth
Chiles	Helms	Sarbanes
Cochran	Hollings	Sasser
Cohen	Inouye	Simon
Cranston	Johnston	Specter
D'Amato	Kassebaum	Stafford
Danforth	Kasten	Stennis
DeConcini	Kennedy	Stevens
Denton	Kerry	Symms
Dixon	Lautenberg	Thurmond
Dodd	Laxalt	Trible
Dole	Leahy	Wallop
Domenici	Levin	Warner
Durenberger	Long	Wilson
Eagleton	Lugar	Zorinsky
Evans	Matsunaga	
Exon	Mattingly	

NAYS—7

Hatfield	Moynihan	Weicker
Humphrey	Rockefeller	
Mathias	Rudman	

NOT VOTING—2

Pryor	Simpson

So the amendment (No. 2243) was agreed to.

□ 1540

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2244

(Purpose: To express the sense of the Congress regarding aviation safety and the need for additional air traffic controllers and safety inspectors)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Nebraska [Mr. EXON], for himself, Mrs. KASSEBAUM, and Mr. KASTEN, proposes an amendment numbered 2244.

At the end of the amendment, insert the following:

SEC. .(a) The Congress finds that—

(1) safe and efficient air transportation is essential to the flow of interstate commerce in this Nation;

(2) airline traffic is estimated to increase to a record 400 million passengers aboard United States commercial aircraft in 1986 and the number of aircraft operations is projected by the Federal Aviation Administration to increase by 46 percent through the coming decade;

(3) recent studies by the National Transportation Safety Board and the General Accounting Office have indicated serious concerns with the Federal Aviation Administration's safety-related air traffic control and aircraft inspection and surveillance programs, particularly with respect to the need for additional trained and experienced personnel;

(4) the effect of air traffic controller staffing shortages, increased numbers of aircraft operations, and delays in the installation of automated systems has been a reduction in aviation safety, as evidenced by a record number of near-misses between aircraft, including 14 near-misses recorded thus far this year at Chicago O'Hare Airport, the Nation's busiest airport; and

(5) the growth of the United States commercial airline industry since deregulation and the inability of the Federal Aviation Administration to impose and enforce compliance of airline industry standards for operations and maintenance have further diminished the margin of aviation safety.

(b) It is therefore declared to be the sense of the Congress that the Secretary of Transportation—

(1) should undertake immediate action to ensure the safety of the Nation's air transportation system by increasing the number of qualified air traffic controllers and supervisors to a minimum level of 16,250, consistent with the number employed prior to 1981;

(2) should undertake immediate action to ensure the safe operation of aircraft by expanding further the Federal Aviation Administration's workforce for inspection and enforcement of aircraft operations, maintenance and reporting procedures;

(3) should consider, if necessary, restricting air traffic under the control of the Federal Aviation Administration at certain airports, or limiting the certification of new airlines, if such actions would improve aviation safety; and

(4) shall report to the Congress within 90 days after the date on which this joint resolution is enacted regarding what action will be undertaken to achieve increased air traffic safety staffing levels, the proposed timeframe for completing such actions, and any required additional funding which the Secretary considers necessary to carry out such action.

Mr. EXON. Mr. President, I ask unanimous consent that Senator CRANSTON be added as cosponsor to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, I advise my colleague, the Senator from Penn-

sylvania [Mr. HEINZ], the manager of the bill, that we are having a copy of the amendment made. It will be delivered to him and I apologize for not doing that sooner.

Mr. President, this is a simple and straightforward amendment. Senator KASSEBAUM, the chairman of the Aviation Subcommittee, of which this Senator is the ranking member, has held a series of hearings over a considerable number of months with regard to what appears to be a growing concern about air traffic safety in general and with some specific heavily used airport facilities in the United States in particular.

What this amendment simply does is call upon the Secretary of Transportation to report back in the time allocated in the amendment as to what plans are being made by the Department of Transportation to improve airline safety. There are many factors involved in this, but I think that, speaking for both myself and Senator KASSEBAUM and many Members of the U.S. Senate who have testified before our subcommittee, who have talked to each of us individually, as well as members of the Committee on Commerce as a whole, there is general uneasiness about the present situation.

□ 1550

We therefore feel that directing the attention of the Secretary of Transportation to this matter, to report back on the various matters that are raised in this amendment, will speed up and make sure that we are dotting every "i" and crossing every "t" with regard to aviation safety. The concern for safety has been brought about by a number of factors, not the least of which is the explosion of additional airplanes in the air since deregulation. The fact that there seems to be, at least in the opinion of this Senator, not enough qualified air traffic controllers on duty in some of the major terminals, also the fact that some of the testimony that we have received in the Aviation Subcommittee indicates that there may be some laxity with regard to the inspection of planes as to their airworthiness, therefore we are merely directing the Secretary's attention to this and asking the Secretary to make a report back to the Congress at an appropriate time.

I know of no objection to this amendment and before either a rollcall or voice vote, either of which will be acceptable to this Senator, at this time I yield the floor.

Mr. HEINZ. Mr. President, as I understand the amendment of the Senator from Nebraska—and I do understand the amendment, I am a cosponsor of it—it is a sense-of-the-Senate resolution aimed at improving air safety. We obviously have millions upon millions of Americans who believe that our airways can be and should be safe. Indeed, on the whole we have an excellent record of air safety in this country, but without doubt there are some times when that system is under stress and it can always be improved.

The amendment of the Senator from Nebraska does four specific things. One is that it calls for an increase in the number of air traffic controllers. Second, it calls for more assistance in the area of inspections, in the area of better maintenance of aircraft so that those aircraft which do take to the air are in safe operating condition. Thirdly, it calls upon the FAA and the Department of Transportation as required to make any necessary adjustments with respect either to the certification of routes or the reduction of routes and to the limitation of traffic at certain airports until or at such time as any temporary problems, serious in nature, are identified and, if it is thought necessary and desirable, to make those kind of flight restrictions.

Finally, as I recall the amendment, it calls within 90 days for a report from the administration that analyzes the extent to which each and/or any of the steps, the previous three steps proposed is required, and to the extent that they are specifically justified and required, then to set forth a time table that explains in detail how and when those steps will be implemented.

It seems to me that this sense-of-the-Senate resolution, while I might not agree with every jot and tittle of it, as to whether or not 16,250 is either too high or too low a number, is a justified amendment. There is a substantial balance, for example, that has accumulatd in the airport trust fund that many of us believe should have been expended at the least in part on improving air traffic safety. I would certainly not want to send the wrong signal to the administration by not supporting this amendment, so that is why I am a cosponsor of it and intend to urge my colleagues to adopt it.

I know of no further debate on this amendment. It is my understanding that there is no objection on the minority side of the aisle.

Mr. EXON. There is no objection on this side of the aisle, and if I could make a few brief remarks, I would be prepared to vote this through if that is the will of the manager of the bill.

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield the floor?

Mr. HEINZ. Yes.

Mr. EXON. I thank the Senator from Pennsylvania for being a cosponsor. I also ask unanimous consent that the Senator from West Virginia [Mr. BYRD] be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. I appreciate very much the remarks by the manager of the bill. He has adequately explained in further detail what this is all about. I simply explain to him that the figure used in the bill was the number of air traffic controllers and supervisors thereof that were employed immediately before the recent strike that has caused some of the difficulties with regard to air traffic controllers. What we are simply saying is that at a minimum—and I emphasize the word "minimum"—it is important that we get the number of air traffic controllers and their supervisors back up to what the figure was before we had the strike. I certainly feel we are being very reasonable with this amendment. We are calling attention to something that is of growing concern to all Americans. I hope it will pass without opposition.

The PRESIDING OFFICER. Is there further debate?

Mr. HEINZ. Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from Nebraska.

The amendment (No. 2244) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2245

(Purpose: To repeal the crude oil windfall profit tax)

Mr. NICKLES. Mr. President, I have an amendment and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES] for himself and others proposes an amendment numbered 2245.

Mr. NICKLES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment, insert the following:

SEC. . REPEAL OF THE WINDFALL PROFIT TAX.

(a) IN GENERAL.—Chapter 45 of the Internal Revenue Code of 1954 (relating to windfall profit tax on domestic crude oil) is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to oil removed from the premises after the date of the enactment of this Act.

SEC. . CLARIFICATION OF STATUTE OF LIMITATIONS WITH RESPECT TO UNDERPAYMENTS OF WINDFALL PROFIT TAX.

(a) IN GENERAL.—Subparagraph (A) of section 6501(p)(1) of the Internal Revenue Code of 1954 (relating to special rules for windfall profit tax) is amended by adding at the end thereof the following: "For pur-

poses of the preceding sentence, a return shall not be treated as required with respect to such oil if the amount withheld under section 4995(a) is not less than the amount required to be withheld as shown on the return by the first purchaser of such oil."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply as if included in the amendments made by section 101 of the Crude Oil Windfall Profit Tax Act of 1980.

Mr. NICKLES. Mr. President, today I am offering an amendment on behalf of myself and also Senator BOREN, Senator GRAMM, Senator BENTSEN, Senator DOLE, Senator SYMMS, Senator WALLOP, Senator BUMPERS, and Senator PRYOR to repeal the windfall profit tax.

Mr. President, as most Members are aware, the windfall profit tax was passed in 1980. In this Senator's opinion it was a very ill-conceived tax. It is one that is unfair. It is one that is only a tax on domestic producers. It is not a tax on imports, and so we have had the absurd philosophy as part of our tax policy of basically discouraging domestic production and encouraging imports. As a result, imports have increased substantially both as a percentage of volume and dollars going overseas. It certainly has contributed to the negative balance of payments and negative balance of trade we currently are experiencing in this country—last year over a $50 billion negative balance of trade in oil.

Mr. President, today I am offering an amendment which I think could offer a little help to an oil industry that is hurting and hurting very badly. One of my colleagues asked, "Well, Don, if we repeal the windfall profit tax, how much will that cost the Treasury?"

□ 1600

The response is "nothing." Because oil prices are so low, they are so far below the threshold of where the windfall profit tax triggers in, that the estimates now by Treasury are that it would cost nothing, because we are looking at oil prices on the domestic side in the $11 and $12 range, which is far below the threshold. As the Presiding Officer, Mr. STEVENS, knows, it is $19.41 for tier 1 oil.

We are so far below that that it would not raise any money for Treasury, so we might as well repeal it. We would save a lot of the producers' money, because they have to come up with the tax forms to identify who is not receiving this allocation of income, just for IRS purposes. It would save us money in the Treasury, because they have to have at least several hundred persons involved in the collecting of data which is worthless today.

So I hope the Senate will do a positive thing. We need a positive signal in the energy sector. This industry is hurting badly. This is one thing we can do—to repeal an arcane tax, a tax that was very anti-free enterprise. You do not have to be from an oil State to want this tax repealed, if you believe in the free enterprise system.

When the windfall profit tax was passed, it was the most anti-free enterprise piece of legislation which ever passed Congress, and I believe it probably still is. It needs to be repealed. It should not have been passed in the first place. That is water under the bridge.

Now is the time to repeal it. There has never been a better time to repeal it. There are no windfall profits.

Let us eliminate this false statement by Congress, which said: "Oil industry, you are making too much money, but we're going to sock it to you."

The tax rates, as the Presiding Officer, the Senator from Alaska [Mr. STEVENS], knows, were enormous. Once you crossed the tier one threshold, if you were a major company, you had to pay 70 cents on each dollar of increase to the Federal Government, not to mention that you had to pay a royalty on top of that, which was another 12.5 percent.

If you add those together, you realize that before the companies receive a dime, they are already paying 70 cents in tax of that incremental dollar, a royalty of 12.5 percent, and a State gross production tax in my State of 7 percent. So those in the producing sector in many cases, for each incremental dollar, were receiving as little as 10 or 15 cents.

Now is the time to repeal the windfall profit tax. I hope we will be successful today in repealing this burdensome tax. Now is the time. The prices dictate it. The industry needs some help. It is a provision supported by the administration, and I hope it will be supported by the full Senate today and by the House as well.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Stevens). The clerk will call the roll.

The bill clerk proceeded to call the roll.

□ 1610

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I rise to support the pending amendment and have agreed with Senator NICKLES to be a chief cosponsor of this legislation.

I voted for the original windfall profit tax at a time when oil prices were being dictated by, the OPEC cartel—incidentally as they still are—by the Saudis. It did not seem fair to me then to allow our oil industry to benefit from prices which were set by 13 nations sitting around a table fixing prices. But that is history and there is certainly no point in reopening that wound.

I just wanted to make that statement to say that I am here today to say that the windfall profit tax is a burden on the most beleaguered industry in America. I heard one politician say that instead of oil and gas producers coming to his fundraisers they are inviting him to come to theirs. And another story that goes around south Arkansas and Texas and other oil States is "What do you charge a person with who gives each one of his children an oil well?" The answer is "Child abuse."

There is a tremendous amount of paperwork to filling out the forms that the oil industry has to file on the windfall profit tax. Yet, this amendment has a zero budget impact.

The oil industry is not paying a windfall profit tax for two reasons. No. 1, the price is not high enough to trigger the tax; No. 2, they do not have any profits.

Everyone has been wringing their hands around here for the past 6 or 8 months or 1 year wondering what can we do to help an industry that is really depressed. Here is something you can do which will not cost you anything and will help them measurably. We can at least keep them from having to fill out all of these needless returns to report that they do not owe anything.

I have heard that one oil company estimated that the administrative cost of complying with the windfall profit tax would be $20 million a year. No one here would suggest that you can justify a $20 million annual expenditure to fill out forms which have no meaning.

So now is the time to repeal the windfall profit tax, and I trust that my colleagues will agree that this is a timely thing to do and will help them.

In a more topical philosophical vein, it will not hurt at this moment to discuss what we are doing to ourselves by allowing oil prices to reach to the kind of lows that are causing oil wells to be shutdown all over America. The Interstate Oil Compact Commission did a study that showed when oil prices got to $10 a barrel Texas would shut down 51,000 stripper wells.

Now, for the benefit of those who do not follow this, a stripper well is a well that produces 10 barrels of oil a day or less. Almost 65 percent of the wells in my State are stripper wells.

But, in any event, the reports show that at $10 a barrel, Texas would shutdown 51,000 wells, the State of Oklahoma would shutdown 33,000 wells, Kansas would shutdown 18,000 wells, and Arkansas would shutdown almost 2,000 wells.

The problem with that is when you shutdown a stripper well most of the time salt water floods that well and it can never be recovered.

This amendment has come up rather unexpectedly and I have not had a chance to review all those figures that I keep on hand. But I can tell you that there have been hundreds of thousands, maybe millions of barrels of oil produced today in this country from stripper wells.

So you might ask why would anyone shut a well in, why would they discontinue pumping the well. The answer is very simple: In the oil industry they have what they call lifting costs; any well that is not sufficiently pressured by natural gas to create a gravity flow, that is a flow without auxiliary pumping, has to be pumped. You are very lucky in this country if you happen to own oil wells that are pumping themselves because of the amount of natural gas in the well.

Incidentally, you never find oil without gas but you do find gas without oil. But every oil well is accompanied by gas and how much will come out and how fast depends on how much gas there is in that hole.

If you are lucky enough to have a good high producing well where there is not cost to pumping it, then your lifting costs are very small, nothing almost.

But in all of the stripper wells you have those heads out there and you have seen them pump.

I can remember as a child one of the things I was excited about seeing was an oil well on the State capitol grounds in Oklahoma. Just a few years ago that well finally played out. But I can vividly remember seeing that pump of this oil well as a child out on the lawn of the State capitol of Oklahoma.

In Arkansas, the lifting costs range from $9 to $12 a barrel. I have a good friend who I talked to just 2 weeks ago, and I said "Ned, what are your lifting costs?" He said, "My costs are a little bit less than some others, maybe $9 a barrel."

He is continuing to pump his wells even though it is probably unprofitable, considering everything, in the hope that someday prices are going to go back up, because he knows if he shuts the well in, he will probably never be able to recover the oil.

But the average lifting cost in my State is $12 a barrel, and oil is about $10 a barrel, and there are very few people in this country who are willing to pump oil at a cost of $12 a barrel in order to get $10 a barrel for it.

□ 1620

And I can tell you what it has done to the oil industry in this country. Last week, we had barely 700 rigs, oil and gas, operating in the entire United States. Do you know what it was in September 1981? Forty-two hundred rigs. Today, less than 700. And with oil and gas prices like they are right now, do you know how many rigs we are going to have about 6 months from now? None. None.

And so ask yourself: What do we do when we finally get to the point where we do not have one rig operating in this country, where no new reserves are being found? And let us assume that OPEC continues to be in a state of chaos, and they cannot agree to limit production and get the price up and we go along for 3 or 4 years not producing an additional barrel in this country or finding one additional barrel of oil. And suddenly 3 or 4 years from now, OPEC does get its act together and they decide to raise the price of oil to $50 a barrel. And what do we do? I will tell you what we will do. We will pay it, because we will not have any alternative.

So what we are doing here is, as Barbara Tuchman said, the thing that we have done for the past 4,000 years; that is, shoot ourselves in the foot by allowing the demise of this vital industry. And we are going to pay a very heavy price in the not-too-distant future if we do not do something about it.

Now there is another proposal that is going to be made here, and really it is going nowhere. It is an oil import fee.

There are two things that people ought to realize about an oil import fee. No. 1, I would have difficulty with a fee for one reason, and that is because my farmers are now paying about 50 cents to 60 cents a gallon for diesel, where for years they had been paying in excess of $1. It is the first break agriculture has had. Now that is the other side of the coin, and I am not proposing to make that argument now.

But the main thing is the President has said "Never" to an oil import fee. And as long as the President says no, a fee is not going to happen.

And if you have an oil import fee, you are going to exempt farmers, and others are going to want to exempt Canadians and somebody is going to want to exempt Mexico, and you will have the bill so fouled up it will not be worth passing anyway.

But repealing the windfall profits tax is a simple proposal that I am very pleased to be a chief cosponsor of that we can pass and the House can pass just as quickly and give some immediate relief to an industry that is really desperate.

So, Mr. President, I strongly urge my colleagues to join us in rapid passage of this repeal.

Mr. HART. Will the Senator yield for a question?

Mr. BUMPERS. Let me yield to the Senator from Colorado, if the Senator from Oklahoma will indulge me for a moment.

Mr. HART. I wonder, as a strong supporter of the import concept for almost a decade, I wonder if the Senator is absolutely convinced that it is impossible for the Senate and the Congress to enact a straightforward, simple, across-the-board fee on import oil and convince the President that is in the best interest of our country, without the conditions the Senator assumes would be attached.

Mr. BUMPERS. Who are you proposing to convince him? I have never had much luck convincing him.

Mr. HART. I would think an overwhelming vote of the Senate might help.

Mr. BUMPERS. Well, No. 1, if you got an overwhelming vote in the Senate and in the house, that might be persuasive, but I think, when it comes to any kind of a levy, the President is rather intractable on it.

I was interested about 3 months ago when the import fee proposal was gaining some momentum around here, I was interested in what seemed to me like a pretty Shermanesque statement by the President, and that is that he would never agree to one.

Mr. BOREN. Mr. President, I am proud to join with my colleague from Oklahoma, Senator NICKLES, with Senator BUMPERS from Arkansas, and Senator BENTSEN and Senator GRAMM in offering this amendment to repeal the windfall profit tax. All of us in this body know what is going on in terms of domestic energy production.

Eighty-six percent of all of the drilling rigs in this country are stacked today. Drilling levels are at an all-time low. Since they started keeping the figures in 1940, they have never been as low as they are today. Even in the middle of World War II, when we could not get the material, when we were short of iron and steel to build the equipment to explore for badly needed oil and gas during wartime conditions, even during that period, we managed to have more rigs drilling for oil and gas in the United States than we do today. And what is happening is a clear threat to the national security of this country.

Last November, we were importing only 27 percent of the energy needs of this country. Today, we are already, just in this short period of time, importing 36 percent and many experts say we are on our way back to the 50-percent level.

I do not need to convince a single Member of the U.S. Senate that for us to be dependent, for the precious energy sources that are vital to our national security, on foreign sources for 50 percent or more of the production and the needs of this country is certainly not in the national security interrests of the United States.

We have just, in the last few months, just since the first of this year, increased our purchases from Saudi Arabia, for example, from 27,000 barrels a day to 750,000 barrels a day.

We are becoming more and more dependent on those overseas sources.

We all know what that means to the American consumer. We are once again, once again, failing to learn, not only from history, we are failing to learn from even our most recent experiences that every time that we make the American consumer dependent on foreign producers for a significant part of our energy needs we give to those producers the power to again rapidly escalate the price. If we are concerned about the American consumer, we ought to do something to keep that consumer from becoming once again the hostage of the OPEC nations.

So here we are with an energy crisis. The guardians of our national security should be speaking out as we become more and more dependent on foreign imports. The so-called guardians of consumer interests should be speaking out to say we must not again make our consumers so dependent upon OPEC that they become the hostages of the OPEC nations. And the conservationists, above all, should be speaking out.

As the Senator from Arkansas said just a minute ago, we face in this country today the potential tragic waste of millions of barrels of oil production each year, as wells all across this country are prematurely plugged and that oil is lost forever.

The American people have paid the cost of finding that oil. They have paid the environmental costs, as well as the economic costs. Those wells are in production. And if the price stays down at the level of $10 to $12 much longer, thousands of those wells are going to be plugged all across this country and we are going to lose that economic resource forever. And those who are interested in the conservation of our precious natural resources all across this country should be speaking out as loudly and as forcefully as possible at this time.

There are over 400,000, over 450,000, to be exact, marginal wells in this country, those that produce 10 barrels of oil or less each day. They are high-cost operations. Recent studies by the RAM group indicate that, at $10 per barrel in terms of domestic oil prices, 41 percent of all of those 452,000 wells will be plugged. That means throwing away 200,000 producing wells in this country that have already been paid for in essence by the American people. What a tragic waste.

We have thousands of people unemployed. We are discouraging the next generation that we need from going into fields like petroleum engineering and geology.

□ 1630

The supply and service sector is being destroyed and devastated. I realize there are some of those who think, well, you just put the domestic oil industry on ice. You say to all of these geology graduates, go do something else for the next 4 or 5 years. We will call you when we need you. We say to the supply and service companies, go ahead, fold up, get rid of your inventory, close your doors, clang it shut, and in 4 or 5 years from now we will ask you to immediately re-create your business. We say to those in the exploration business, go ahead, stack the rigs, sell them off for salvage, melt down the iron and steel, and in 4 or 5 years from now when the price goes back up and we need you, we will call you back into action.

I think we realize that is impossible. You cannot destroy a whole industry. People cannot stand by without any income and without any source of economic livelihood. Those thousands of unemployed oil workers today are going to have to find work elsewhere, those students who are graduating in those fields are going to try to find work somewhere else, and the supply and service industry is going to be gone. The independent sector of the industry is going to be gone if we do not do something. It is on the ropes now. Yes, we can wait until a few major oil companies can come in and buy off the properties of the independents at fire sale prices. But I do not think it would be good for the United States of America to have an oil industry that is now diverse with small wells as well as large producers, and replace the openings with new international oil companies because of the profits they are making in refining and the profits they are making in their overseas operations they can continue on in existence even though their domestic operations here in the United States are shut down to a bare minimum.

That should not happen. So we face a crisis, Mr. President. What in the world is the Government of the United States doing about this crisis we face? What are they doing about the alarming increase in oil imports that threatens our national security? What is the Government of the United States doing about the premature plugging of hundreds and thousands of wells in this country, and about the lost resource and waste from a conservation point of view? I will tell you what the Government of the United States is doing about it, Mr. President. The Government of the United States is helping preserve domestic energy production by piling on more bureaucratic redtape that costs the producers millions of dollars each year to comply with.

In the midst of this crisis, we keep on the books a tax that is not collecting a single penny. In fact we are told by the Congressional Budget Office if the windfall profit tax continues to stay on the books they will not collect anything. In fact, there will be refunds due and owing under that tax.

So you say to yourself, why keep a tax on the books that is not bringing in a single penny? It does not make any sense, Mr. President. But if that is all there was to it, you might say, well, it is not doing much harm either. The tax is on the books. The tax is not collecting any money. Therefore it is not doing any good for the country but maybe it is not doing any harm. That is not true, Mr. President, because the burden is still there. The paperwork burden is still there.

We have on the books a tax that is not collecting a penny for the national Treasury. Yet, it is costing hundreds of millions of dollars each year to the hard-pressed small producers of this country to do the paperwork and keep the records to comply with that tax. It is estimated that these small independent producers, the ones that are having to lay off thousands of workers—they have laid off 42 percent of all the oil workers in my State, it is causing such a recession in our part of the country that it is threatening the health of the whole national economy according to leading economists. In the midst of all of this trouble we say to them, you continue to spend millions of dollars uselessly to fill out paperwork for a tax that you do not even owe that we are not even collecting.

Mr. President, if you can explain to me that it has been estimated it is costing the independent producers $700 million a year at a minimum to keep the records for the Government on a tax that the Government is not even collecting, if anyone can explain to me how in the world it is in the national interest to kick an independent industry that is already on the road to destruction, that is causing severe strains on the entire national economy by having them keep useless records and fill out useless forms, to form the basis of a tax that is not even being collected, then I will be the most surprised person around.

What do the people complain about in this country? They say American productivity is going down. About the only thing we are increasing our activity in is the paperwork, bureaucracy and redtape. Mr. President, the current situation is the usual situation with our Government. The Government is not providing any solution to the current energy crisis. They have done nothing to stop the waste of our natural resources; nothing to stop this threat to our national security; nothing to stop the massive unemployment; nothing to keep the consumer from becoming a hostage again of the OPEC nations. All they supply is useless paperwork for independent producers and the waste of millions of dollars by an industry that is already hard hit.

When the independent producers and the other producers have to spend those millions of dollars to keep those records for the Government for a tax that is not even being collected, it means that is money that cannot be spent to keep people employed in a useful job, people who need to feed their families. It means that is money that cannot be spent to keep wells in production. It means that is money that cannot be spent to explore for oil and gas that we need for the future needs of this Nation. It means that is money that cannot be used by companies to stay afloat so they will not have to claim bankruptcy, and throw more people out of work.

Mr. President, if there was ever a clear case for anything, there is a clear case for this amendment to stop this useless bureacratic paperwork burden of hundreds of millions of dollars on an industry that is in trouble when not one person in the United States is getting one penny's worth of benefit from that useless expenditure.

Mr. LONG. Will the Senator yield at that point?

Mr. BOREN. I am happy to yield to my colleague from Louisiana.

Mr. LONG. Mr. President, I thoroughly agree with everything my friend said. One additional point for consideration is this enormous amount of bookkeeping. May I say I have seen some of the bookkeeping. It is the most incredible amount of detailed bookkeeping that the mind of man has ever conceived. For all of this enormous amount of bookkeeping to be done requires a great amount of business expense. Of course, that is deductible from the taxes they otherwise would owe the United States. Here is a tax collecting zero. It does not bring one penny. You have to get at least $19 a barrel before you owe any tax. People today are getting $12 a barrel; that is not enough to survive on. Yet here we have this incredible amount of bookkeeping only to show the Government that you do not owe the Government anything, that you are going broke. You cannot afford to drill any more wells, much less owe any money. To bring in this amount of bookkeeping, to tie up personnel, qualified people, who could be doing something useful is a greater waste of time and money than one could conceive, all for no purpose. It is a tax that is obsolete.

When this tax went into effect people were making some money. The industry was doing very well indeed. But now the industry is going out of business with 85 percent of the rigs shut down, as the Senator said. In areas where you used to have a dozen operators, you have only one left, and he is not making any money.

So in this disastrous situation, requiring the industry to collect a windfall profit tax is adding insult to injury, and it is costing the Government money. It is not making a penny. It is costing Government money. All these bookkeeping expenditures are deductible. It is tying up people who could be doing something useful for the country.

Mr. BOREN. I thank my colleague for his comments. We also must have Government auditors sitting here in Washington that are auditing the useless reports, and the private sector is spending millions of dollars to prepare even though everyone involved knows not one penny of tax is going to be collected. The tax is not collected by definition unless the new oil price is above $29 a barrel. Every single American knows it is not even nearly in that range. It is somewhere in the $10 to $12 range over the last few weeks. Yet, we have people busily spending their time, spending their time filling out useless forms, companies that are so strapped for money they do not know if they can open their doors the next morning, spending thousands and millions of dollars to fill out forms so someone here in Washington can audit those forms.

It reminds me of the day one of our colleagues got up on the Senate floor and he had an amendment to reduce waste, fraud, and abuse on the part of the U.S. Government.

□ 1640

He wanted to cut all waste and fraud. Someone got up and said humorously:

I want to say to my fellow Senator, you better be careful about cutting out all the waste and fraud. There are so many people depending upon it, it may cause an economic dislocation. We should phase it out gradually.

That reminds me of the situation we are in here. There is not a penny to be collected. We wonder why we are not competing in the world market, and what has happened to our productivity. It does not take anyone with a crystal ball to see that when we in Washington continue to impose useless burdens on people, keeping millions of dollars tied up that could be going into something productive, they are filling out forms so that some bureaucrat can have something to look at in Washington.

I once heard a story that would be applicable to this. Someone was referring to some Government agency and said there were people who were correlating and there were people who were looking at the reports. He saw a man with his head on his desk crying, and he said, "Why are you crying?" The man said, "I am going to lose my job because the person I am filling the forms out for died."

I can just imagine if we are not careful one of these days when all the independent oil producers in the country go broke, we will have people all over Washington crying, saying "I do not have a job anymore because those people are broke and they are not sending in the forms anymore that we were making them fill out on a tax we were not collecting."

It really is "Alice in Wonderland."

Mr. METZENBAUM. Will the Senator yield for a question?

Mr. BOREN. I am happy to yield.

Mr. METZENBAUM. Mr. President, I have heard all the plaintive cries in the oil industry. Now I hear the music being sung because there is concern about all the paperwork. Those who have not been part of government are always prepared to holler about the bureaucrats of government. I did not make them. The Senator from Oklahoma did not make them. Senator LONG did not make them. Ronald Reagan did not make them. But there are there.

If you just want to get rid of the paperwork, perhaps we can work together to get rid of the paperwork. But that does not require repealing the entire tax which would just benefit the largest oil companies in America to the extent of billions of dollars. Not today, but you know as well as I do that oil prices are going to come back up.

This is just coming in now under the cloak of a tax that is not effective at the moment. When we decontrolled the price of oil, they paid the price of a windfall profit tax. Now you are trying to take it away.

Mr. BOREN. Mr. President, I was listening to my colleague from Ohio and he said several things that I am surprised to hear him admit.

First, he talked about giving a great benefit in the decontrol of oil. I think he is making the prediction that when we decontrolled oil, oil prices would shoot through the ceiling.

They have not; they have gone down. I am glad he stated that fact, because he is always on the other side.

The other thing that is interesting is that we all know the price of oil will go back up one of these days.

Well, it will someday, there is no doubt about that. That is the exact point many of us have been making, that if the OPEC nations really want to evolve a strategy that would be intelligent indeed, they would simply manipulate the oil prices downward for a little period of time.

Their cost of production is something like $2. They can drive the price all the way to the ground. They can drive it down until we plug nearly every well in the United States because no well in the United States can produce at that rate.

That would continue until they got rid of our oil production in the United States. Then they can turn their production back on and then the price goes back up, which is exactly what we have been saying.

When the price goes back up, who will the American people be paying for it? The small independent producer in the United States? No. He will not be in existence anymore.

Will they be paying for jobs here in the United States? No, the jobs will not be here anymore.

They will have manipulated the price to destroy the domestic industry over the next 2 or 3 years so when the price goes back up Americans will get no benefit. There will be no jobs left in this country in the oil industry. We will again be having the American people pay whatever price is demanded because of the dismantled domestic industry, and paying it to people overseas instead of paying it to Americans. That does not make sense.

The Senator from Ohio is right, someday it will recover. But let me point out the paperwork burden is a much heavier burden on the small producers than the major oil companies. They are set up for recordkeeping. They are set up many other ways.

Mr. President, there is one other point I would like the Senator from Ohio to comment on. It is why we have to repeal the tax to avoid the paperwork burden.

Here is why: We have so many tiers of oil—tier 1, tier 2, and tier 3.

I used to keep a bottle of oil on my desk. In fact, it was produced by that well at the State Capitol Building in Oklahoma City, which I am sorry to say has quit producing. It seems to be symbolic of our hard times that it quit producing.

I kept that bottle of oil on my desk and when people came in I would have them guess. It used to be we had 12 or 13 categories of oil. I would say, "Look at this oil. Look at it geologically. Look at how it pours around the bottle. Is that $7 oil or is that $14 oil or $30 oil? Is that tier 2? Is that old oil or new oil or new-new oil? Category A, B, C, D, or G?"

People would look at that, even geologists, and turn it upside down and then they would say, "Senator, I cannot tell you whether it is tier 1 or tier 2."

Mr. President, this was only artificial Government system which set up these categories.

Mr. President, here is the problem: As long as these producers have to keep the records, they have to keep a record on every well, and one well can be different from another well, a neighboring well, even on the same lease, based on the day it came into production, on the number of barrels in production, whether it is high viscosity oil, how much water is in it, and so on. They have to keep all those records.

I can see what would happen if they quit keeping all these records, and then they have to revert back in 1990 or 1991 when the tax does expire anyway.

Let us say 1 or 2 years before it goes out, somehow that threshold is crossed and the Government will say, "We will collect a little bit of money in tax on this. Now, where are your records on these wells? Is that a tier 2 well or a tier 3 well? Is that an enhanced production well? What did it do last August? What does it do now?"

They would say, "I am sorry, we stopped keeping old records. They said we did not have to."

Then they would say, "You may have to go to the penitentiary if you cannot produce those records."

Mr. President, there is no way of doing away with the recordkeeping burden unless we repeal the tax. If you put it on standby, then you have to put the records on standby.

I know how able my colleague from Ohio is. We have crossed swords before on this issue, and we have been together on several other issues. He is a very able Senator, very tenacious. I am not worried a bit that the Senator from Ohio will find a way, if we ever have recovery in the oil industry in this country, for the Federal Government to get its share of taxation out of that industry.

I hope he will join us in seeing that it is just absolutely foolish at this point, and unwise and unfair, to impose a paperwork burden on a whole sector of the economy. It is a waste, a waste.

Hundreds of millions of dollars ought to be going into something productive in the economy. This is a waste, to keep records on a tax that is not even being collected. It was bad enough to have this burden imposed on people in the tax system anyway. We are trying to simplify the burden of recordkeeping. But to impose a recordkeeping on taxpayers who do not owe a tax and who are going broke has to be absolutely unsurpassed in the area of what is ludicrous and what is nonsensical for us to be doing.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I am sure that my statement will be inadequate following the statement of the Senator from Oklahoma on an issue like this. I would like to begin by identifying myself with this reform.

Mr. President, I look at the energy problem, and I see the problem in the faces of many people in my home State, and in my experience I have never seen an economic catastrophe to compare with what we have in Texas.

Mr. President, there have been proposals made, strongly supported in my State, which I have opposed because I did not think they would work, because I thought they would end up hurting my State and country.

I have always felt I was elected to try to get things done, not to do what is popular back home.

Mr. President, I would like to say that there is no reason not to do this. First of all, let us go back to 1979 and 1980. Oil prices had gone up. We undertook the most massive exploration and conservation effort in the 20th century. Government went out and spent money on alternatives. What came of it? Wasted money.

The Government spent money on conservation and what came of that? Nothing.

□ 1650

But the market worked. We increased exploration, we offset declining reserves, we generated the greatest conservation effort in the 20th Century, and we did it all with market forces. And, Mr. President, the Government worked against that effort every step of the way. The very profits that could solve the problem ended up in part being taxed away by the Government in the name of windfall profits. And, we had, in my humble opinion, the greatest demagoguery against a national industry in the history of the country, as Jimmy Carter made the oil industry the villian for all of America's problems, when in fact, they were the salvation for those problems, because the free enterprise system with a profit motive worked.

I would like to make it clear, Mr. President, I never was for the windfall profit tax because there never were any windfall profits and it was a counterproductive policy for the Nation. But, Mr. President, there not only are no windfall profits today no matter how you define them; there are no profits today. People are going broke left and right. People who have invested their whole lives in the ability to produce energy for America are going broke. And it is not their fault. They are not bad business people. They did not make irresponsible decisions. It is because of the collapse in world oil prices.

Mr. President, we need to repeal the windfall profit tax because there are no windfall profits, there are no profits. It is insane to spend money complying with recordkeeping.

But the problem goes beyond that. We obviously could raise Federal revenues by eliminating bookkeeping expenses that serve no productive purpose but that are tax deductible and lower the revenues of the country.

But it goes beyond that. When there is not one bright spot on the horizon of the American oil industry, by repealing the windfall profit tax, we eliminate an absurdity, an embarrassment to the whole logic of free government and free enterprise. But we also save the Government money because we do not have to pay all the bureau-

crats, and we do not have to, through tax deductions on other forms of income, pay the bookkeeping costs on taxes not being collected, but instead people can invest today not because of the price today but because of what they think might happen tomorrow.

If we repeal the windfall profit tax, what we are saying is this: "In this dark depression atmosphere in the petroleum industry, if you have the courage to go out and bet on the future, we are going to let you pay your income tax. If you are a corporation, you are going to pay the corporate tax, but you are not going to have to pay a windfall profit tax. You are going to be treated, in short, like every other producer in America."

Mr. President, that can have a dramatic impact on the energy industry today and, quite frankly, that industry needs some good news, some positive action. There is no reason not to repeal the windfall profit tax. It is not collecting revenues, it is costing the Government money, it is a deadweight burden on the industry, and this action today can be a positive step which can change the psychology of the industry.

I am proud to join my colleagues, Senator NICKLES, Senator BOREN, Senator BENTSEN, and others, in this amendment.

I know there are those who will say this does not belong on the debt ceiling bill. Maybe it does not, Mr. President, but this is a crisis. We have an opportunity to deal with it. We can repeal the windfall profit tax here and sent it to the House and give them a vote. If they agree with common sense and reason and logic, then we will have an opportunity to do something positive for a change, to help America generate the investment that we need to produce energy.

There are some who seem to fear here that somebody might make a dollar if they go out and take a risk, that if oil prices go up in the future, somehow, there is something wrong with making money if you are willing to go out and produce energy we are going to need in the future. Quite frankly. Mr. President, that logic never solved a problem in the history of our Nation. We need positive incentives to induce people at this dark moment to go out and begin to operate rigs again. This is an opportunity to do that.

There are a lot of proposals that have been made that do not make sense, that are counterproductive, that would help some and hurt others. One could justify being against many of them. But, Mr. President, there is no logic at all in being against this amendment.

I urge my colleagues to support this amendment, to adopt it, to give us an opportunity to remove an absurdity from the law books, to remove a windfall profit tax on an industry that has no profits, much less windfall profits, a stifling, deadweight burden on the very incentives that are critical to the future of the Nation. I urge my colleagues to vote for this amendment.

Mr. METZENBAUM. Mr. President, this is deja vu. This is crying time for the oil industry. The oil industry gets treated better around the U.S. Congress than any other industry in America.

There is not anybody in the United States who would deny the fact that the oil industry is having some difficult times and I do not think there is anybody in Congress who is not sympathetic to that fact. As a matter of fact, when the junior Senator from Louisiana proposed that trade adjustment assistance be granted to oil workers, on two separate occasions, the U.S. Senate—with my support, I might say—went along and tried to provide for the unemployed oil workers.

We are not talking about unemployed oil workers here; we are talking about big oil. We are talking about taking care of the largest oil companies in America, the largest oil companies in the world. When there was a problem with respect to the small independents, those who were producing less than 10 barrels of oil a day, in 1981, Congress went along with providing an exemption from the windfall profit tax for the small producer. And we provided the exemption as well for the royalty owner.

We always were told, oh, the poor oil industry, we have to do something for the poor oil industry. I do not think any industry has had more tears flow more copiously than has the oil industry by reason of its problems. In fact, they flowed so greatly and there was so much concern about them that in the 1981 tax bill, we provided a $3.877 billion tax reduction. A $3,877 million tax reduction for the oil industry.

(Mr. ROTH assumed the chair.)

Mr. METZENBAUM. As a consequence, the oil industry, which has been reaping billions of dollars, has not been paying its fair share of taxes. Texaco Corp., in the period between 1981 and 1985, made $1.6 billion. And what do you think they paid? The same 20 percent that the lowest level taxpayer in this country pays? No, they did not pay 20 percent. They did not pay 10 percent; they did not pay 5 percent; they did not pay 2 percent. They paid zero percent. They made $1.6 billion and they received $68 million in refunds.

Then there was Ashland Oil Co. Poor Ashland Oil. They only made $504 million during that same 1981-85 period and they got a refund of almost $34 million. That is a rate of minus 6.7 percent.

Along comes Tenneco.

Mr. NICKLES. Will the Senator yield for a question?

Mr. METZENBAUM. No.

Along comes Tenneco. Tenneco made $2,900 million in that period and paid $31 million, for an effective tax rate of 1 percent.

Phillips Oil Co., to whom we just gave a $200 million tax break in the tax bill we just passed, made $2.9 billion, paid $153 million, or an effective tax rate of 5.3 percent. And Mobil Oil Corp.—that is the company that takes out all those ads and tells us how to run the Government at the taxpayers' expense, that is, the ads are at the taxpayers' expense—tells regularly in the newspapers what we should do and what we should not do, and they have been pretty good at telling us what we should do, because they made $2.4 billion and paid $165 million or a low rate of 6.8 percent.

□ 1700

Now, then, we had the tax bill up recently, and as everyone knows that tax bill reportedly was to increase taxes for the business community and make taxes for the individuals fairer than they presently are. What did we do in connection with that tax bill? Again, we carved out a special provision, carved out a special provision—that was the price of getting the bill out of the Finance Committee—and gave the oil industry according to the information I have before me a tax break over a 5-year period of $25.9 billion. Every time you turn around, the oil industry is here saying, "Please take care of us. Please help us." The facts are that this windfall profit tax repeal will not help a single oil company get out of its present economic condition.

I want to repeat that, Mr. President. There is nothing about repealing the windfall profit tax that is going to help the oil industry today. The oil industry is in trouble because the Arab nations and some of the other nations around the world are producing more oil than is being consumed. It has nothing to do with decontrolling the price of oil. It has nothing to do with anything other than the fact that there is too much oil and some conservation measures have been put into effect and as a consequence we are not using as much oil as we once were. But if you repealed the windfall profit tax this afternoon, it would not do a single thing for the oil tax industry today or tomorrow. The only time it will help the oil industry is when oil prices go back up.

Now, let me address myself to that fact. I do not know whether oil prices are going up or not. The smart people seem to indicate that at a certain point they will be going up. I do not know if they will. But if they will not go up, then whether we repeal the windfall profit tax or we do not repeal the windfall profit tax will not make a tinker's dam of a difference.

Mr. JOHNSTON. Will the Senator yield at that point?

Mr. METZENBAUM. No. I will be very happy to take questions. I have been sitting here listening to my colleagues telling me all of the great merits of repealing the windfall profit tax, and I have been very patient and asked a couple short questions, but I have to get off my mind what is on my mind. And on my mind is that this is just another runaway grab by the oil industry and their friends here in the U.S. Senate to repeal the windfall profit tax, which was first put into place—and the oil industry agreed to it—it was a part of the price of decontrolling the price of oil.

Now, nothing is going to happen, nothing is going to happen to the industry to cause more oil to be pumped today or tomorrow until world oil prices go back up. And although I do not know this figure to be accurate, I just heard the Senator from Oklahoma—and I am sure he is accurate—indicate that the windfall profit tax would not trigger in until the price of oil went up to $29 a barrel. I do not know if that is the correct figure. I am willing to accept his representation to that effect. But whatever the price is, nothing about this proposal will help the industry today or tomorrow until the price of oil goes up, and I think that is a given.

This oil industry is not tottering. It is not teetering. It is not in great trouble. Between 1979 and 1984, revenues of the 25 largest oil companies went up $74 billion. Now, did they run out, as they had told the American people and the Congress that they were going to do, and start digging and exploring and developing. Well, they did to the extent of $11 billion out of the total of $74 billion. But I will tell you what they did with their money. They went out and explored about how they could buy up other oil companies.

They were interested in buying those other companies' oil reserves rather than going out and exploring for their own reserves. Nine of the largest 18 mergers in U.S. history involve oil and gas companies, including the Gulf Oil and Standard Oil of California merger amounting to $13.2 billion, including the Texaco merger with Getty, $10.1 billion, Mobil Corp., with Superior Oil, $5.7 billion. In all three of the above mergers, the primary motivation was to buy another company's oil reserves rather than to drill for those oil reserves. In addition to going out and buying other oil companies and not using their reserves to dig and explore and do the research and development, the oil companies have used their assets to get into other areas such as Mobil, who made the mistake in purchasing Montgomery Ward some years ago and is still having trouble making Montgomery Ward into a decent profitmaker. ARCo moved out and bought Anaconda Copper. British Petroleum and Sohio, which is a Cleveland-based and English-based company, bought Kennecott Copper, and that is not working out. Exxon bought Reliance Electric, and that has not been viewed as a successful merger. Reliance Electric is still operating in Ohio but it used to be a viable, strong company. In addition, Exxon bought an office automation company which has not done well.

So what is am saying is this. I am willing to consider any effort to help the oil industry, but I do not know that there is such a way to do that, and certainly the repeal of the windfall profit tax will not do it. We should not be on the floor of the Senate trying to repeal a tax that is budgeted to bring in several billion dollars a year. Now, I am a realist enough to understand that if you are not as a high enough price, it is not going to do that. The fact is the price could go up overnight, but we do not know that.

Why should we be here this afternoon proposing to repeal the windfall profit tax on the debt ceiling bill? I do not believe it makes good logic. I do not believe it makes good sense. I do not believe it makes good Government policy. I do not believe that it will help the oil industry get out of its present doldrums, and I do not believe there is a single reason why the U.S. Senate should adopt this procedure to repeal the windfall profit tax.

Mr. NICKLES. Will the Senator yield?

Mr. JOHNSTON. Will the Senator yield for a question?

□ 1710

Mr. METZENBAUM. The Senator from Oklahoma asked me first. I yield to him first, and then to the Senator from Louisiana.

Mr. NICKLES. When the Senator mentioned that the oil industry has had it better than any other industry, can he name another industry that has a windfall profit tax on it? Is there any other industry in the United States—period—that has an excise tax called a windfall profit tax that is levied on it?

Mr. METZENBAUM. No.

Mr. NICKLES. Is there any other industry that has a major commodity that is regulated in price like natural gas is?

Mr. METZENBAUM. There are other industries with regulations with respect to their prices. But let me point out to the Senator that we have given to this industry as well as taken. We have given them the oil depletion allowance, the intangible drilling writeoff, the foreign tax credit; and in 1981 we gave them on a platter—on a platter, if you please—$25.9 billion. We repealed the percentage depletion allowance and the expensing—I withdraw that statement. That is not correct. The fact is that we gave them $25.9 billion.

Mr. NICKLES. When the Senator mentioned these companies, oil companies paying no taxes, am I correct in saying that the Senator was talking about corporate income tax? Those companies did pay a windfall profit tax, production taxes, and severance taxes, and so forth.

Mr. METZENBAUM. I was comparing equals with equals. The Senator is correct—they did pay a windfall profit tax. They did not pay income tax. I was comparing their income taxes with income taxes paid by people as well as other corporations in this country.

Mr. NICKLES. The Senator says he is comparing apples and apples, but other corporations did not have a windfall profit tax. Other corporations did not have production taxes. Other corporations did not pay severance taxes, gasoline taxes, and so forth.

Mr. METZENBAUM. But the fact is that the oil industry does pay at a lower rate than most other major industries.

In the last 5 years, the oil industry paid at an 18.8 percent rate income taxes. Textiles certainly are having a tough time fighting for their existence, and they paid 33 percent. Manufacturing generally paid 24 percent, or about a third as much. The construction industry paid 23.4 percent, about a third as much. So the oil industry has no real complaint.

If at some point in the future prices go back up and the windfall profit tax triggers in and the oil industry is hurting, maybe there would be some reason to reexamine this issue. That is not the case at this moment, because the oil industry has been doing exeptionally well.

Mr. NICKLES. That 18-percent tax was only on corporate income tax and did not include windfall profit tax, severance taxes, excise taxes, or gasoline taxes.

Mr. METZENBAUM. That is correct. But other industries pay their share of taxes in a different way, and you should include those taxes as well. You have to compare equals with equals.

Does the Senator from Louisiana have a question?

Mr. JOHNSTON. Yes. I thank the distinguished Senator from Ohio for yielding.

First, I would say that I agree with the Senator that repeal of this tax is not going to bail out the oil industry at this time. It is really in a severe slump. It is not designed to do that. It is designed to help bail out the country in the future.

I have a couple of questions that I think the Senator will agree with me on and that he will come around to my point of view when he sees the facts.

Mr. METZENBAUM. The Senator is optimistic, but go ahead.

Mr. JOHNSTON. Does the Senator know how long it takes from the time you conceive of drilling a well in a hostile environment in Alaska, which is a prolific yielder of hydrocarbons—how long it takes from the time you conceive a well until you bring the crude into the country?

Mr. METZENBAUM. Are we talking about Alaska only?

Mr. JOHNSTON. Alaska, first.

Mr. METZENBAUM. I think we would all agree that drilling and bringing in oil in Alaska is a very challenging undertaking, and moving that oil from there to the lower 48 is a major challenge.

Mr. JOHNSTON. Will the Senator agree with me that it is around 10 years, give or take 2 or 3 years?

Mr. METZENBAUM. I have no idea how long it takes to drill a well and make it more productive in Alaska. I would be more interested in what the Senator from Louisiana would tell me about drilling a well in Louisiana, Texas, or Oklahoma, because there you have more normal weather conditions.

Mr. JOHNSTON. I was going to get to that. I take it that the Senator would not disagree with me, and I submit to him that it is correct at around 10 years.

Mr. METZENBAUM. I neither agree nor disagree.

Mr. JOHNSTON. I mentioned Alaska because it is a very hostile environment, but a very big part of our potential reserves.

Second, would the Senator agree with me that it takes, on the average, more than 5 years—and, as a matter of fact, on an average, about 7 years—on the OCS to get a bid and drill a well, find the field, develop it, get the pipeline, and get the oil on shore? The regular OCS—say California, if we are ever able to drill there—you are talking 7 years, plus or minus.

Mr. METZENBAUM. Is it not a fact that what we are talking about—and it is probably more important than the question of drilling a new well—is that there are wells at the moment that are being shut down and that the issue has to deal with how long it would take to reopen those wells and make them productive? I ask my friend from Louisiana, who is much more knowledgeable about oil drilling than I, whether it is not a much shorter period, assuming that the well is still viable and still has the pressure to push up the oil—is it not a fact that it would take a much shorter period of time in order to reopen wells that may be closed down at the present time?

Mr. JOHNSTON. That is a separate question and a very interesting one and an important one in this connection. But if the Senator would follow me with my logic, because I think he said he would agree with me——

Mr. METZENBAUM. The Senator is more optimistic than I am that I would agree with him. I do want him to answer my question.

Mr. JOHNSTON. I certainly will. But, first, if it is 10 years in Alaska and 7 years on the OCS, and a lesser time but a significant time for deep wells on the overthrust belt, or below 15,000 feet in the continental United States, the point is that a well you drill today, you drill based on what you think the prices might be 10 years, 7 years, 5 years, 2 years from now.

The reason why the repeal of the windfall profit tax is important is not only because of the paperwork that Senator BOREN described so well—which, by the way, is not insignificant.

Mr. METZENBAUM. I am willing to help on the paperwork.

Mr. JOHNSTON. That is progress. But, second, because there is a very big danger—in fact, there is a virtual certainty—there is a fact of no drilling of wells today, no further activity in Alaska or on the OCS. You are not going to get the bids on the leases. You are shutting down the whole industry.

That is not so important for the industry, maybe, but for the country; because if you do not get the well drilled today in Alaska, 7 years from now, whatever the price may be, you have no oil to sell. The same is true in California or off the coast of Louisiana.

Would the Senator not agree with me, therefore, that it is important to the country that we proceed with exploration and development of our resources, so that 5, 7, 10 years from now we will have oil?

Mr. METZENBAUM. I must indicate to my colleague—and I do not like to do this—but I left the Rehnquist hearing in order to come here when I heard this matter had suddenly come up on the debt limit bill.

□ 1720

I am going back there.

It is my understanding Senator PACKWOOD and Senator HEINZ both have an interest in this. It is my understanding that Senator PACKWOOD does not believe this amendment belongs on this bill, but we will let him speak for himself.

When I return, and I expect we will be debating this for a while, I will be very happy to give a full and complete answer.

Mr. JOHNSTON. I understand. The answer in my logic is unassailable, he cannot think of an answer right now, and he will be back.

Mr. METZENBAUM. Not at all. I am told I am about to lose the last round of questions of Justice Rehnquist. I do want to ask those questions.

Mr. PRYOR and Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, does the Senator want me to yield?

Mr. HEINZ. Mr. President, will the Senator yield without losing his right to the floor?

Mr. PRYOR. I am happy to yield.

Mr. HEINZ. Mr. President, just to accommodate my colleagues, and I am not going to do this at this time, I just want to put Senators on notice. I am advised at this time that the amendment that has been offered by the Senator from Oklahoma may indeed violate section 311 of the Budget Act, and at the appropriate time I am going to make a point of order on which the Chair will be required to rule that this does or does not violate section 311 of the Budget Act, that it loses revenues when Congress is at or below the revenue floor in the 1987 budget.

I also advise Senators that I would anticipate that there will then be a motion to appeal the ruling of the Chair, which is a debatable motion. After a reasonable amount of debate, it will be the intention of the Senator from Pennsylvania at the appropriate time, not unduly foreclosing debate, to move to table any such appeal of the ruling of the Chair if the Chair rules as I anticipate, although I cannot predict the Chair will, which in my judgment it would be my guess that the Chair will agree that this amendment does violate section 311 of the Budget Act. I cannot speak for the Chair.

But I do need to pose that hypothetical in case the Chair agrees with that point of order. If the Chair does not agree with that point of order, then we will proceed to consider the amendment on its merits.

I announce this to all Senators.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. HEINZ. I thank the Senator from Arkansas for yielding.

Mr. PRYOR. I thank the Senator from Pennsylvania.

I thank the Chair for recognizing me.

Mr. President, there has been quite a discussion this afternoon in the Senate Chamber about what the oil industry is. I am very sorry that my very good friend from Ohio, Senator METZENBAUM, had to go back to the Rehnquist hearings because there are some things that the Senator from Ohio stated that I heartily agree with. For example, I heartily agree with the Senator from Ohio when he states that some of the major oil companies in the United States are not doing so badly. I agree with that statement 100 percent.

All we have to do is look at some of the stocks of the major oil companies,

Mr. President, and I do not think they are faring too badly in this situation.

The Senator from Ohio has stated that the revenues are $74 billion up this year. That is for most of the major oil companies.

So I would concede, not only concede but agree, with my friend from Ohio that the big oil companies frankly are doing very well in this particular period.

But if I might I would like to seek the attention of my colleague from Louisiana, who is on the floor at this time and, just as I thought, posed some good questions to our friend from Ohio. The reason I am glad that our friend from Louisiana is on the floor at this particular moment, Mr. President, is that I want to talk just a moment about a little town that is very near the northern boundary of Louisiana. I want to talk just a moment about Smackover, AR. Smackover, AR, is a very small town in the southern part of our State. It is best known for producing a great all-American football player by the name of Clyde "Smackover" Scott in the 1940's or 50's. He went on to play for the Naval Academy and for the Philadelphia Eagles, and his jersey has now been retired by the University of Arkansas Razorbacks.

The other point about Smackover is—and this is for historic purposes, I say to my friend from Alaska—for historic purposes, Smackover, AR, and not somewhere in Texas, is where H.L. Hunt found his first oil well. In fact, H.L. Hunt was a night clerk in the old Orlando Hotel in Camden, AR, and could not pay his hotel room bill or provide food and lodging for himself. So they allowed Mr. Hunt to work in the oil fields during the day and to night clerk at the hotel.

He got hold of an oil lease, they say through uncertain means, and ultimately found his first oil well in or around Smackover, AR.

The third thing about Smackover, AR, Mr. President, is that Smackover, AR, has one traffic light, only one, and this morning I was talking to my friend the Ford dealer in Smackover, and he said, "Senator PRYOR, our town is so poor, it is so absolutely devastated because of this oil industry crisis that we are going to have to turn off our only traffic light. That is how bad it is."

And my point, Mr. President, in talking about Smackover, AR, is to try to distinguish between the Smackovers in this country and the Magnolias and El Dorados and the Camdens and those areas in Louisiana, Texas, and Oklahoma, that we have heard about—to attempt to distinguish between the real plight of the U.S. oil industry and the Senator from Ohio's description of the industry's situation.

I agree that the big companies are not doing badly. They are making money, Mr. President. Your small independent producers, however, those people who find the oil that runs this country, those are the people today who are in severe financial straits.

Mr. President, I do not think, and I hope I am wrong, but I do not think that during the course of this year on the floor of this Senate any Member of the Senate has ever talked about something called net-back contracts. We are going to hear a lot about net-back contracts very soon, because when we look at the dramatic increase in the number of imported barrels of oil every day coming into this country from Saudia Arabia and all over this world, we are seeing that the net-back contracts on oil refineries and their relationship to Saudi Arabia and other oil-producing countries in my opinion are nothing less than insidious.

We look, yes, at the big oil companies making these big profits on refining. Refining our oil, refining the oil produced in Smackover, AR? No, sir. Refining the oil produced in Saudi Arabia.

In fact, we are seeing such a major glut of imported oil that I would daresay, Mr. President, if we could go to the west coast today and fly over the Pacific Ocean, we would see a line of transport and cargo ships bringing oil into those west coast refineries at an absolutely unprecedented rate. There is a glut of imported oil. Our independent oil producers are going down the drain. They are cutting back all of the drilling operations in Louisiana, Oklahoma, Texas, and South Arkansas at the same time the major oil refineries are reaping major profits.

Mr. President, the net-back contracts that I referred to will be discussed at length on the floor of the Senate some day next week when I will bring articles to the Senate for the RECORD about how the net-back contracts are affecting the oil industry in the United States.

None of us wants to see continued soaring gasoline prices at the pump. But if we think for one instant that today's reduced gasoline price at the pump is going to continue, Mr. President, we are wrong. Those prices are going to rise, and those prices are going to rise dramatically when we see the collusion that is taking place with Saudi Arabia and the major oil refineries, when we see that collusion taking place, working to the detriment of the independent oil producer, who, I repeat, finds most of the oil that keeps this country running.

In closing, Mr. President, let me quote from a May 23 article from the Wall Street Journal written by James Tanner.

This year's oil price collapse, though substantially benefiting most Americans, may have triggered an irreversible set of forces that will renew U.S. dependence on insecure foreign sources of petroleum. 'The handwriting is on the wall,' says James Ketelsen, Tenneco chairman.

I quote further, Mr. President:

Oil consumption is going up and domestic production is dropping.

Let us examine what has happened and what has caused this dramatic fall in oil prices since Janaury.

I think that we will see that to a large extent the net-back contracts caused by the imported oil flooding this country today are actually one of those causes.

□ 1730

I rise in support of the amendment of the Senator from Oklahoma. I hope the Senate will support that amendment, and I hope that we will continue this discussion and find an answer to this tremendous problem that is devastating our country.

Mr. STEVENS. Mr. President, I am delighted to be a cosponsor of the amendment of the Senator from Oklahoma. As one who voted against the windfall profit tax, I am pleased to be here on the floor at a time when many people realize that it is a tax that was ill advised at the time and it certainly is one that is placing a great burden on the oil-producing companies now.

Representing a State that is the last hope of the United States as far as achieving any degree of self-sufficiency, I can report to the Senate that exploration of Alaska is at a standstill; that the problem of the industry that has been described in Oklahoma, Texas, and Louisiana, and other places is just a minuscule problem compared to the problem in the State of Alaska with the costs that we have in the State of Alaska in our oil-producing areas and the current price of oil worldwide.

I am quite hopeful the Senate will pass this amendment and that we will not delay in doing so, because it is extremely important to eliminate, at the present time, at least, the current paperwork burden that is imposed upon all oil producers in the country to report the prices of their oil even though they do not have to pay a tax at all. And I think that just the burden itself ought to be sufficient justification.

Mr. NICKLES. Mr. President, I wish to thank my good friend, Senator PRYOR, for his comments and his cosponsorship and efforts to repeal the windfall profit tax and other colleagues who have made similar statements.

I also ask unanimous consent that Senator BURDICK, Senator BOSCHWITZ, Senator DOMENICI, Senator MCCLURE, Senator JOHNSTON, and Senator SIMPSON be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, to clarify one of the statements that was

made by our colleague, Senator METZENBAUM, that the oil industry is not paying any taxes, that is totally and completely wrong. The facts are that the oil industry, on corporate income tax, paid about a medium amount of tax. But, as I stated before, it is the only industry in the United States, the only one, that pays a windfall profit tax. And in many cases, in some years the windfall profit tax was a very substantial amount of the total corporate income tax for all corporations.

In looking back, in 1981, the total windfall profit tax was $23.4 billion. That equaled 38 percent of all the corporate income taxes for that year. In 1982, the windfall profit tax was $18.5 billion. That is 37 percent of all the corporate income tax that was paid that year.

And I might mention, Mr. President, this is in addition to those oil companies' paying corporate income taxes. This is windfall profit tax on top of their corporate income tax.

In 1983, oil companies paid $12.2 billion. Now when I say oil companies, I am also mentioning oil companies, independent companies, large companies, small companies, and even royalty owners. The total corporate income tax for that year was about $37 billion. So that was 33 percent of all the corporate income tax that year which was paid in windfall profit tax by only the oil industry.

There is no other industry that pays a windfall profit tax. It should not have been passed in the first place. I hope that today we will have a chance to repeal it. I hope that we will repeal it on a straight up or down vote.

Mr. President, I suggest the absence of a quorum.

Mr. DOMENICI. Will the Senator withhold?

Mr. NICKLES. I am happy to withhold.

Mr. DOMENICI. Mr. President, I compliment the junior Senator from Oklahoma, Senator NICKLES. I want to make a few points with reference to, not the technical aspects of the budget, because we can talk about that later, but basically the real impact of this amendment.

Yesterday the Senate, by an overwhelming vote, adopted economic assumptions for the year 1987. We took the Congressional Budget Office economic assumptions and then we took the Office of Management and Budget and, as under the old Gramm-Rudman, we averaged them.

Perhaps Senators are not aware of the fact that in adopting new econmic assumptions for the year 1987 we adopted a new estimated price of oil for 1987. And whether or not that amendment becomes law, there will soon occur an event that will establish the oil prices for 1987 upon which the revenue basis for our country will be established. And they will be unequivocal. It is not a question of whether that amendment clears and the President signs it. It will be one of two numbers because OMB and CBO have to do that. As a matter of fact, OMB will do it very soon, and it will be binding.

Mr. President, the estimated per barrel cost of oil that is figured in this overall budget of the United States, from which many things derive—revenue estimates, costs for defense, when they buy oil during the year—is either $12 per barrel for the whole year or $13.75. One or the other; probably splitting the difference will be the average.

Now, the reason I am telling the Senate this is because either of those numbers will be the official estimates for 1987. There will be not $100 million in revenue that we can expect from windfall, not even $50 million, much less the billion dollars which have been discussed by opponents to this amendment. There will be zero. No revenues will be assumed from that reestimate in the base line. No revenue impact is the year's expectation. Revenue is the issue before us, or anything else in the U.S. Government that is affected by oil prices.

So I hope everyone understands that while there may be technical concerns about whether the repeal of the windfall profit tax adversely affects the revenue expectations of the country, they are technical, because there will not be any revenues that will flow to the Federal Government. As a matter of fact, since there will be no real revenues, there will be negative revenues because we still will have in place significant bureaucratic apparatus that we are going to pay for.

□ 1740

Now we have been talking heretofore about our independent producers having to spend their money to file on stripper wells yielding three barrels a day. But now I am talking about the fact that our bureaucratic apparatus in IRS has a whole establishment for the windfall profits tax. It is going to stay there even though the revenues are zero because the price is between $12 and $13.75. And if we could, we would do away with that bureaucracy. But so long as there is a windfall profit tax on the books, we will not.

Mr. President, there has been a lot of talk about justification for repeal. Let me tell you what I perceive to be the joke of this decade. Perhaps it in and of itself is justification for taking this law off the books.

Would any Senator want to guess? I will not give you a chance to look at anything. When we passed the windfall profit tax that we are here trying to repeal, would any of you like to guess what we put in as the price of oil upon which we would get a windfall profit tax today?

You know our producers are out there, and they are supposed to be paying a windfall profit tax. What did we build into the base when we passed a windfall profit tax? Should I speculate? Forty dollars today? Does it sound high? Fifty dollars? Seventy-six dollars a barrel is what we expected oil to be today, upon which we passed this windfall profit tax that was going to fill the coffers of the U.S. Government with revenues that were allegedly windfall.

Mr. President, Members of the Senate, if we did not have anything else around but that estimate, knowing that instead of $76, our independent producers are out there suffering under a bureaucratic maze that expected the price to be $76, I suggest that we are suffering under a heavy disincentive to invest today. To leave this language over their heads in this kind of a crisis situation is absolutely ridiculous.

I think we ought to support the junior Senator from Oklahoma, Senator NICKLES, and do what everyone knows is right.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. DOMENICI. I am pleased to yield.

Mr. JOHNSTON. Mr. President, the repeal of this—I want the attention of the Senator from Oklahoma if he would give it as well—windfall profit tax would have absolutely no effect during the current fiscal year. The problem here is one regarding the Budget Act, and the point of order. I am advised by the Parliamentarian that if we make the effective date of this amendment effective October 1, 1988, instead of the date of enactment, the problem is solved.

So may I ask, Mr. President, a point of order? Am I correct that solves the revenue problem?

The PRESIDING OFFICER. The Senator is correct. The revenue problem would be solved if the amendment takes effect beginning fiscal year 1988.

Mr. GRAMM. Will the distinguished Senator yield?

Mr. JOHNSTON. Yes.

Mr. GRAMM. But fiscal year 1988 begins on October 1, 1987. So if the amendment were amended to the effective date being October 1, 1987, it would cover the fiscal year 1988 problem. Is that not correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. JOHNSTON. Mr. President, if the Senator from Oklahoma is on the floor, I suggest if he agrees with the strategy that we yield to him so he may amend his own amendment and take care of the problem.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I believe the Senator from New Mexico had the floor and yielded to the junior Senator from Louisiana for a question. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. Does my friend have another question? I will not yield the floor for the moment.

Mr. JOHNSTON. The question was, Is that a good way to approach this matter?

Mr. DOMENICI. In my opinion, Senator, if the objective of the distinguished Senator from Oklahoma is to repeal the windfall profit tax, and not have a point of order brought against it here on the floor, my opinion is that is what he ought to do. Obviously nobody has to draw any big conclusions from that. It will remain in effect until that date. But it will be off the books from and after that time assuming it becomes law.

Mr. President, while the Senator from Oklahoma thinks about whether he wants to do that, let me discuss it a little longer here.

Mr. President, I strongly suggest to my friend from Oklahoma that he change the amendment as quickly as possible and that he add some language to it with reference to the burden of paperwork that might have to be filed by his and my constitutents and those who are burdened by that law. I think maybe we could draft some language that says it is off the books October 1, 1987, but eliminate the burden for any filing in between.

If we had to assure anyone that we were OK, we could, so long as the price of oil does not exceed the tier I price. The Government would not be losing anything.

Mr. President, let me complete my thoughts. I had made a couple of points. One is we expected the price of oil to be $76 a barrel as of today when we passed the windfall profit tax. I think you already know that in some spot markets, in the North Sea it is $9. Is that correct? I ask my friend from Alaska.

Mr. STEVENS. Alaska is $9.80.

Mr. DOMENICI. I believe it is not much over $10, $11, for domestic oil here in the United States—perhaps $12.

I have just told the Senate that clearly what we are going to assume in our budget for next year is somewhere between $12 and $13.75. There will be absolutely no taxes to the U.S. Government, and it is almost as if leaving this on the books approaches this situation in a way that says we kind of want to rub it in.

I do not agree with my friend from Ohio who talks for 10 or 15 minutes about how bad the oil companies are, and infrequently those of us who support it ought to know better. Frankly, I believe that in my State there are thousands of independents that I am proud to support. I only wish they had their rigs putting some holes in the ground instead of stacked up doing nothing, causing us to get in worse and worse condition.

Frankly, I want to make my last statement about where we are going to be 8 or 9 years from now. I think we are going to be in an enormous crunch if we do not give our oil people every incentive to stay in the business, to hold on for their dear life, to get out there, and do what they can with what is left.

Having said that, Mr. President——

Mr. HEINZ. Will the Senator yield for a comment?

Mr. DOMENICI. I am pleased to.

Mr. HEINZ. The Senator a moment ago suggested that the pending amendment offered by the Senator from Oklahoma ought to be modified to begin as of October 1, 1987. I can support the amendment of the Senator from Oklahoma. I agree fully with the Senator from New Mexico that this is a very important thing to do in order to avoid the problem of a point of order.

I will not get into the problems associated with the point of order. But it is going to be made if the amendment is not modified. There is no sense putting the Senate through a number of votes when we can vote up or down on the merits of the amendment of the Senator from Oklahoma. I think it is to the Senate's advantage for the Senator from Oklahoma to modify his amendment, and if I understand his argument since the windfall profit tax is not going to take in any money in fiscal 1987 there is no reason for him to have it effective in fiscal 1987.

If he makes it effective the beginning of fiscal 1988, he can solve several voting issues that we need not confront.

I thank the Senator for yielding.

Mr. DOMENICI. Mr. President, might I ask my friend, the floor manager of the bill, the distinguished Senator from Pennsylvania if the distinguished junior Senator from Oklahoma does not amend his amendment so as to move the date forward as we have been discussing. Is it the intention of the Senator from Pennsylvania to make a point of order that it is out of order under the section 311 of the Budget Act?

Mr. HEINZ. I say to my good friend from New Mexico that a point of order will be made whether or not by the floor manager of this bill. Senator METZENBAUM has indicated his intention to make a point of order if I do not.

□ 1750

I have indicated that earlier it was my intention to do so. But I hope that that is not necessary, that it will be unnecessary if the amendment of the Senator from Oklahoma is modified.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. NICKLES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I ask unanimous consent to modify the amendment. I send the modified amendment to the desk.

The PRESIDING OFFICER. The Senator has a right to modify his amendment. The amendment will be so modified.

The amendment, as modified, is as follows:

At the end of the amendment insert the following:

SEC. Repeal of the Windfall Profit Tax.

(a) IN GENERAL.—Chapter 45 of the Internal Revenue Code of 1954 (relating to windfall profit tax on domestic crude oil) is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to oil removed from the premises after October 1, 1987.

SEC. Clarification of Statute of Limitations With Respect to Underpayments of Windfall Profit Tax.

(a) IN GENERAL.—Subparagraph (A) of section 6501(p)(1) of the Internal Revenue Code of 1954 (relating to special rules for windfall profit tax) is amended by adding at the end thereof the following: "For purposes of the preceding sentence, a return shall not be treated as required with respect to such oil if the amount withheld under section 4995(a) is not less than the amount required to be withheld as shown on the return by the first purchaser of such oil."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be effective as of October 1987 and shall apply as if included in the amendments made by section 101 of the Crude Oil Windfall Profit Tax Act of 1980.

(e) Amended further that no reports of any type shall be required in compliance with the windfall profits tax act effective on date of enactment.

Mr. NICKLES. Mr. President, as a brief explanation of our amendment, I am following the suggestion and advice by my good friend and colleague Senator HEINZ.

We moved the effective date to 1987. We also put in a provision for no added paperwork, but the provision would be effective on the date of enactment. So we relieve the requirement for paperwork under the present law.

Mr. President, I am ready to vote on the amendment and I would hope that we would.

The PRESIDING OFFICER. Is there further debate?

Mr. JOHNSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further debate on the amendment?

Mr. HEINZ. Mr. President, this amendment, as I understand it, has been modified, so it does not take effect in fiscal 1987. Is that correct?

Mr. NICKLES. The Senator is correct as far as repealing the windfall profit tax, but we did put in a provision that would repeal the paperwork for them effective on the date of enactment.

Mr. HEINZ. And if oil revenues were to rise, which I am sure the Senator from Oklahoma would like, and which consumers probably would not—if they were to rise unexpectedly next year during fiscal 1987, although the paperwork would not be required, presumably what would happen is that oil producers would nonetheless incur, during fiscal 1987, a tax liability, at which point paperwork would have to be given to them. Is that correct?

Mr. NICKLES. The Senator is correct. If we cross the threshold for tier 1, the lowest threshold price, which is currently $19.40, then, of course, there would be a paperwork requirement for the windfall profit tax.

Mr. HEINZ. So notwithstanding the paperwork requirement, the Senator's amendment as modified does not relieve anyone of any tax liability during fiscal 1987 should oil prices recover, and, in effect, the only practical effect would be on fiscal 1988 and thereafter.

Mr. NICKLES. The Senator is correct.

Mr. HEINZ. I thank the Senator from Oklahoma, first of all, for modifying his amendment. It makes the point of order that was going to be made earlier unnecessary. There is no violation of the Budget Act insofar as this Senator can discern. I certainly will not make a point of order and I would think there would be no useful purpose served by anybody making a point of order with that modification.

Let me just say on behalf of the Senate Finance Committee, which has jurisdiction over this issue, that our committee has not held any hearings on this issue. Senator PACKWOOD, the chairman of the committee, opposes the repeal proposed by the Senator from Oklahoma. As floor manager of the bill I, too, oppose it, although were we to hold hearings I would have an open mind on the issue and I do not wish to prejudge it.

I do want to say that I think that we had ample opportunity during consideration of tax reform in the Senate Finance Committee for Senators to have raised that issue. We started considering the tax bill for markup back in the early spring of this year and we completed our markup only after 2 or 3 months.

Mr. President, there are many Senators who do a very good job of representing their constituents who are from so-called oil and gas States. The Senator from Louisiana, the ranking member, is from Louisiana, one of the premier oil producers in the United States. Senator BENTSEN is, of course, from a very important oil producing State.

The senior Senator from Oklahoma, Senator BOREN, is of course, from another premier oil and gas producing State.

I want to point out that none of those Senators I have just mentioned offered an amendment to repeal the windfall profit tax and, as a result, there was no effort to hold hearings in the committee, there was no effort to press any such issue to a determination by the committee, there was no debate in the committee. Those of us on the committee are very, very reluctant to agree to any change in the law, no matter how persuasive the arguments are of the Senator from Oklahoma, to repeal the windfall profit tax.

There is just one comment I would like to make. It is this:

I have heard the argument here today on the floor that the reason the windfall tax ought to be repealed is because it is not raising any revenue.

Mr. President, regardless of where you stand on the issue of whether a windfall profit tax is good policy or bad policy—and I have heard people argue persuasively on both sides and I supported the imposition of the windfall profit tax so people know where I am coming from—the fact is that the argument that is given to repeal the tax because it is not raising any revenue is about as phony an argument as I have every heard. I suppose if we accepted that argument and one of these days the stock market should fall so that we are not collecting any capital gains taxes from wealthy people, the argument would be made, "Let us repeal the capital gains tax because this year since the stock market fell we did not raise any money by it."

Well, if that is the basis on which we are going to legislate around here, we ought to think twice, because we should not try to run our tax system on a year-to-year basis.

□ 1800

Mr. President, earlier, when we considered the tax reform bill, there was an amendment offered by a number of Senators that was a version of the standstill tax act. I voted for the amendment. As I recollect, 80 or 90 Senators voted for an amendment that said we do not want to make any major changes in the tax bill after we pass tax reform. We are all entitled to change our minds on that. I guess some of our colleagues are. But what I suggest is that if we are going to change the Tax Code every year just because one provision or another is not raising the money that we expected from it, then, Mr. President, it is Katy-bar-the-door. It is to descend into a catacomb of changes in the Tax Code from which we will never emerge. I suggest that that argument is a red herring and it really is one that is beneath the dignity of this body.

I say again in terms of the merits of the issue, I think everyone can make up his own mind, but it seems to me that we do not want to say that because there are a lot of farmers, for example, who are not making any money, we ought to repeal the income tax on farmers for the next millennium. I hope that that is not a reason for people to vote in favor of this amendment.

Again, I oppose the amendment; I want to see it defeated. I think we are prepared to vote on the amendment.

Mr. NICKLES. Mr. President, I ask unanimous consent that the distinguished Senator from Alaska [Mr. MURKOWSKI] be added as a cosponsor.

The PRESIDING OFFICER (Mr. MATTINGLY). Without objection, it is so ordered.

Mr. DOLE. Mr. President, I am pleased to cosponsor the amendment of the distinguished Senator from Oklahoma. I thought the windfall profit tax was ill-conceived when it was enacted and spoke and voted against it at that time. Events since 1980 have only reinforced my opinion.

The domestic oil industry is now on its knees. The tax can raise no revenue when there is no profit, let alone any so-called windfall.

By repealing the tax, we can provide some real relief to our financially troubled producers. It won't cost the Government anything to repeal the tax because oil prices are not likely to rise to a level which will trigger the tax in the foreseeable future. But it will save producers the cost of hiring an accountant to fill out the paperwork. Maybe we can't provide any other relief at this time, but we should be able to relieve producers of this irrelevant, but costly, administrative expense. I cannot see any argument to require producers to pay for these forms to be filled out when they, and we, know that they have no windfall profit to tax.

I urge the adoption of this amendment.

Mr. LEVIN. Mr. President, I sympathize with the plight of the oil industry, not only because of the personal hardships which are being suffered, but also because of the threat it poses to our long-term energy security. I fear that what may look like a gift

from the Saudi's now—cheaper foreign oil—is in a reality a Trojan horse which will make us weaker in the 1990's as our dependence on foreign oil grows again.

I understand that, given current price levels, the windfall profits tax is an administrative burden without a compensating revenue benefit for the Treasury. At most, however, this would appear to justify suspending the windfall profits tax until the price of oil rises. I remain convinced that a windfall profits tax would still be appropriate if the price of oil increased again far above the cost of production. To repeal it entirely now, in the hopes of reinstating it when market conditions change, is unrealistic.

Therefore, since the choice is between repeal of the windfall profits tax and keeping it on the books, I vote to retain it.

Mr. NICKLES. Mr. President, I am ready to vote; I think everybody is ready to vote. First, a quick response to Senator HEINZ.

There were several people who wanted to offer the amendment, both in the Finance Committee and on the floor. The reason they did not is that they had CBO projections of a $7.4 billion loss of revenue that was based on oil price of $24, $26, and $27. They also put in a line that said:

> Current posted prices for West Texas Intermediate approximate $15.00 per barrel, with spot market prices averaging several dollars per barrel less. If current prices were to increase at the rate of inflation through 1991 it is doubtful that there would be any significant revenue loss from repeal.

That is from David Brockaway.

They will come out with revised estimates, I believe, on August 4 that will show a zero loss from revenue for the next 7 years.

I hope we will repeal the tax. I hope we will vote. It is time we repealed the windfall profit tax, and I hope we do so tonight.

Mr. JOHNSTON. Mr. President, the Senator from Ohio will soon be on the floor to make an objection. I just want to say one word in very strong support of this amendment.

Those who claim oil companies are making a lot a money today I think, first of all, are not familiar with the latest figure. Second, to say that they are making money really misconstrues the point because they are not making money on exploration; they are losing money on exploration and production. They are making money, to the extent that they do make money, on refining and distribution. That is where all of the profit is today. They will continue to do that whether it is Saudi Arabia oil or whether it comes from the Persian Gulf or from wherever around the world they import it from. That is the only place where there is profit today.

There are in fact no exploration wells being drilled today. What this amendment will do is give some slight incentive for the future so that with the hostile environments like Alaska, like the OCS, where the leadtimes are 5 to 7 years, there will be some hope that America's future energy supply will be enhanced by drilling and the repeal of the windfall profit tax will help that immensely. I congratulate the Senator from Oklahoma for proposing this amendment.

I yield the floor.

Mr. HEINZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I have a question to ask of the author of the bill. It looks to me as if he has written one of those special tax exemptions into this measure in addition to the repeal of the windfall profit tax, which in itself is bad enough. It reads:

> SEC. . Clarification of Statute of Limitations With Respect to Underpayments of Windfall Profit Tax.
>
> (a) IN GENERAL.—Subparagraph (A) of section 6501(p)(1) of the Internal Revenue Code of 1954 (relating to special rules for windfall profit tax) is amended by adding at the end thereof the following: "For purposes of the preceding sentence, a return shall not be treated as required with respect to such oil if the amount withheld under section 4995(a) is not less than the amount required to be withheld as shown on the return by the first purchaser of such oil."

I do not know what that means, and I do not think we have been able to find section 6501(p)(1). It looks to me like one of those special provisions that was in the tax bill we passed a few weeks ago.

It certainly does not deal with the subject of the repeal itself, because that is dealt with in separate language in this amendment. I believe that this body is entitled to a full explanation as to whether one or more people are getting special privileges under this language. I am not saying they are. I certainly would like to know the facts. Would the Senator from Oklahoma be good enough to explain to the Senator from Ohio what that language dealing with section 6501(p)(1) of the Internal Revenue Code of 1954 is? If it is windfall profit tax repeal, it looks as though it is something special for somebody special. I might say we have asked the Finance Committee. They were not able to advise us.

Mr. NICKLES. Could the Senator repeat his question? I have been involved in about three conversations at the same time.

Mr. METZENBAUM. Mr. President, the question is that the bill provides that

> Subparagraph (A) of section 6501(p)(1) of the Internal Revenue Code of 1954 (relating to special rules for windfall profit tax) is amended by adding at the end thereof the following: "For purposes of the preceding sentence, a return shall not be treated as required with respect to such oil if the amount withheld under section 4995(a) is not less than the amount required to be withheld as shown on the return by the first purchaser of such oil."

That sounds like a special provision in the tax bill they called the transition rules. This looks like a special provision carved out for somebody special, and I would like to know what it is all about.

Mr. NICKLES. If the Senator will yield, as I understand it, basically what it would do is put the windfall profit tax section statute of limitations in conformity with the rest of the code. When it was drafted in 1980, for some reason, that was left out. This would be consistent with other provisions that would provide for that limitation.

Mr. METZENBAUM. I have to point out to my colleague from Oklahoma that that is not the way the language reads: It reads:

> A return shall not be treated as required with respect to such oil if the amount withheld under section 4995(a) is not less than the amount required to be withheld as shown on the return by the first purchaser of such oil.

□ 1810

That is not a matter of conforming it with other provisions of the code. That is carving out something special. I do not know what it is, but I am entitled to know and so are the rest of the Members of this body before being asked to vote on this particular proposal.

One part we know is bad. That is the repeal of the windfall profit tax. But this is something over and beyond that.

Mr. NICKLES. Mr. President, did the Senator ask a question?

Mr. METZENBAUM. I am, indeed, asking a question. I am just saying I do not know what that is. The Finance Committee does not know what it is. It is the Senator's amendment. I think we are entitled to a full explanation as to why that is there. We can understand the provisions in the first part of it where it says that chapter 45 relating to windfall profit tax and domestic crude oil is waived and then the provision for the effective date. But then there is another section, and it seems it has carved something special out and I do not know what it is. I think we are entitled to know that.

Mr. NICKLES. To again respond to the Senator, as I understand what it basically says is that IRS cannot come against that taxpayer after the 3-year statute of limitations. If we did not have that, IRS could continue to come back and that is basically consistent with other provisions in the code.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BENTSEN. Mr. President, I ask that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, I heard one of the speakers on this bill saying deja vu.

Well, in one respect it is. I think back to 1974 and the time when 47 percent of the oil consumption in this country was from foreign sources, and then we had the embargo at the pumps. Then we had the long lines at the gasoline pumps, and if we had had an international crisis at that time, I do not know how in the world we would have resolved it.

I hear the statement made that this is really academic, that the price of oil has gone so low that you are not going to have an application of a windfall profit tax. That is true. I think that is right. But one great thing is overlooked and that is the paperwork involved. The estimate we have is that the accounting work alone will amount to some $700 million a year. That is nonproductive work in this regard.

Mr. President, I wonder if I could have the attention of this body.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BENTSEN. And that others might resolve their differences in another place.

Mr. President, there is no sense in our continuing with that kind of nonproductive paperwork, that kind of an additional burden on the economy, if it does not make any contribution to what we are trying to accomplish. I hear a lot of talk about windfall profits, but I do not hear much about windfall losses. Some want to be sure that the oil industry does not get too much of a profit as those prices are going up.

I heard it also said that that was a part of the price of being in tow. I do not remember it that way.

I was very much involved in this at that time, and when I hear statements that the oil industry was for this, they were the farthest thing from being in support of this particular tax. They fought it tooth and toenail and they lost. The oil industry is not politically popular and I understand that, and I understand that the TV show "Dallas" has a great audience and that a lot of people still think that that is just the way it is, but it is not.

I represent a State, but I feel like I am representing a war zone. I have never seen the kind of economic travails and problems such as we are having at the present time. We have a lot of people in my State who did not think they were in the oil and gas business, and all of a sudden they find that they are whether they are renting rooms, running a restaurant, or they have a cleaning shop. The entire economy suffers.

□ 1820

We had a special session of the State legislature because we have a $3 billion deficit. We have the highest unemployment rate since the Great Depression. Go back to my hometown. That metropolitan area has a 17.2-percent unemployment rate. That is the highest of any metropolitan district in the entire Nation.

I can take you to Starr County, and there is 42 percent unemployment.

So what we are talking about is not beating on an industry that is already in trouble and trying to get rid of some of this paperwork. I have no illusions about what will happen if the price of oil goes up again. If we were to repeal the windfall profit tax tonight and get rid of all the paperwork and some $700 million of expenditures that are nonproductive for our country—if we were to do that and then the price of oil went back up to $30 or $35, I promise you that this body would pass another tax to try to limit those profits.

So, at least in the interval, let us see if we can get rid of some of that paperwork; see if we can save that $700 million for the economy.

I congratulate my friends from Oklahoma for support of this amendment and I am delighted to be a cosponsor of it. I urge strongly that we accept the amendment and that we bring about the repeal of what has been a very onerous tax for an industry that is having severe problems and is having an excessive drain on capital today.

I urge the adoption of the amendment and the repeal of the legislation.

Mr. WALLOP. Mr. President, I wish to compliment my friend from Texas.

This was bad tax law when it was put into place. It was structured out of a sense of revenge, the windfall profit tax was. Congress, unwilling to blame itself for not being able to come to grips with energy policy, was striking out in 1979 and could not find anybody but itself to blame for the large increases in the price of oil, brought about by the ability of the OPEC cartel to exploit markets dependent upon overseas oil.

I must say that I came to Congress in a period of time when all prices were high compared to what they had been in the 1970's. Yet, they were stable. Some of us then thought that energy policy would be a useful topic of congressional conversation. Although the Carter administration mouthed a great deal about it, no one was really interested in engaging in the topic.

Then came the very effective and devastating ability of OPEC to drive the price of oil up and up and up. Americans suffered. So Congress wanted to prove to the American people that their suffering was somebody else's fault.

You may recall at the time the reports of obscene profits of oil companies; Mobil up 115 percent, Conoco up 105 percent, somebody up 200 percent, somebody up 80 percent.

The flurry of blood-lust that was raised in Congress by these daily reports of profits resulted in a lot of unwise decisions and even more unwise conversation.

You may recall that the first Secretary of Energy claimed that we would not be at or above $70 a barrel by this year. He also claimed that we had discovered all the natural gas in America and we had but to democratize the misery of sharing what remained. Taxes were on their mind, revenge was on their mind, and we structured the windfall profit tax to fund the cockamamy scheme that we have finally put to rest in this last year, the Synthetic Fuels Corporation and a few other things.

Make no mistake about it—it was never designed to ascertain profit. It was only designed to extract revenge, and it had nothing to do with whether you make money from a well or not, regardless of the price. It was an excise tax. It was not a profit tax. It was bad tax law to fund a bad proposition. The bad proposition is gone; the bad tax law remains. It raises no revenue. It hangs heavily over the consumer price of oil and gas because, make no mistake about it, one day prices will rise again.

What we could do in the meantime to stabilize the oil and gas industry to become not so dependent upon OPEC and foreign sources are small gestures such as this; because, as those prices rise again and the windfall profit tax kicks in, it remains on the books, Americans are not only going to have the effect of inflation and the rising price of oil and gas, but also, they are going to have the effects of the windfall profit tax suddenly reengaging. And, that will mean a big jump in one moment in time, about $17 a barrel, in

the cost of living, with all that entails, and that entails beaucoup tax dollars. Why? Because the cost-of-living adjustments come in.

So the windfall profit tax itself is going to cost us money, as it triggers in when prices rise again. It is bad tax law. It was bad tax law when it was instituted. It was unrelated to profits. It is unrelated to profits today. It raises no money for us.

There is no better time to get rid of it, when such an action is revenue neutral and we do not trigger double expenses to the Treasury and the American people, until the day comes—God willing, it will come—when oil prices rise to that level again.

I urge the repeal of the windfall profit tax. It is a good amendment. I salute the Senator from Oklahoma for raising it.

Mr. DOLE. Mr. President, I have put a statement in the RECORD on this matter.

This was a bad idea when we did it, and it is a good idea now to repeal it.

Mr. MURKOWSKI. I thank the majority leader.

Mr. President, I commend the majority leader for putting into very few words what has already been said by many of my colleagues.

I would like to share a few particular points with regard to the advantages to our Nation and our oil industry as a whole to repeal the windfall profit tax. From the standpoint of oil prices today, this tax has little, if any, relevance.

□ 1830

The significance is, though, we have an industry that is attempting to go through some very difficult readjustment periods, an industry that is as American you might say as traditional apple pie. We have some problems with this industry and the question is how can we rectify by legislative action some of those problems.

One way to do it, Mr. President, is to repeal the windfall profit tax.

It has already been evidenced in this body that projected oil prices when the windfall profit tax was put on were substantially in excess of a figure that they ever achieved. Mention has been made of nearly $76 a barrel. The fact remains that the market price is substantially different.

It is appropriate, Mr. President, we take this action now. Congress can always reestablish the windfall profit tax if indeed in its wisdom it is justified as a consequence of market price increases that could and may indeed occur at a future time.

So, Mr. President, I think it is significant that we recognize that we have a responsibility to address some of the internal concerns within the industry, the reflection that the free market system is what has built this country. We have already seen the effects of partial deregulation and we have seen a statement from our President with regard to his attitude toward the repeal of the windfall profit tax, the repeal of the Fuel Use Act, the decontrol of natural gas. The decontrol of oil has brought about a free market approach and as a consequence of that, it has been certainly in the national interest.

To suggest that the public has been harmed by this I think is absolutely incorrect, and I would certainly take issue with my friend, the Senator from Ohio, who suggests that somehow the public will stand to suffer from the repeal of the windfall profit tax.

So, Mr. President, I urge my colleagues to recognize that there are certain adjustments that have to be made that should appropriately be made to ensure that we have and maintain a viable industry within our marketplace, and one way to do it is to start off with the repeal of the windfall profit tax.

Mr. HEINZ. Mr. President, I move to table the Nickles amendment.

Mr. DOLE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Oklahoma. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ARMSTRONG. I announce that the Senator from Arizona [Mr. GOLDWATER] and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. SIMPSON] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 47, nays 51, as follows:

[Rollcall Vote No. 170 Leg.]

YEAS—47

Abdnor	Gore	Moynihan
Biden	Grassley	Packwood
Bradley	Harkin	Pell
Broyhill	Hatfield	Pressler
Byrd	Hawkins	Proxmire
Chafee	Heinz	Riegle
Chiles	Inouye	Rockefeller
Cohen	Kasten	Roth
Cranston	Kennedy	Rudman
D'Amato	Kerry	Sarbanes
Danforth	Lautenberg	Sasser
DeConcini	Leahy	Simon
Dodd	Levin	Specter
Durenberger	Mathias	Stafford
Eagleton	Metzenbaum	Weicker
Glenn	Mitchell	

NAYS—51

Andrews	Baucus	Bingaman
Armstrong	Bentsen	Boren
Boschwitz	Hatch	Melcher
Bumpers	Hecht	Murkowski
Burdick	Heflin	Nickles
Cochran	Helms	Nunn
Denton	Hollings	Pryor
Dixon	Humphrey	Quayle
Dole	Johnston	Stennis
Domenici	Kassebaum	Stevens
Evans	Laxalt	Symms
Exon	Long	Thurmond
Ford	Lugar	Trible
Garn	Matsunaga	Wallop
Gorton	Mattingly	Warner
Gramm	McClure	Wilson
Hart	McConnell	Zorinsky

NOT VOTING—2

Goldwater	Simpson

So the motion to lay on the table amendment No. 2245 was rejected.

□ 1850

Mr. DOLE. The question is on the amendment.

SEVERAL SENATORS addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Does the question now recur on the amendment?

The PRESIDING OFFICER. The question recurs on the amendment. The question is on the amendment.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1900

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside so that I may offer an amendment which I believe is technical in nature.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2246

(Purpose: To restore the point of order that was applicable, under certain circumstances, against consideration of any resolution providing for adjournment sine die of the Congress under section 310(f) of the Congressional Budget Act of 1974 (as in effect on the day before the date of the enactment of the Balanced Budget and Emergency Control Act of 1985))

Mr. STEVENS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes an amendment numbered 2246.

Mr. STEVENS. Mr. President, I ask unanimous consent that further read-

ing of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment, insert the following new section:

SEC. . POINT OF ORDER.

(a) IN GENERAL.—Section 310(f) of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new paragraph:

"(3) It shall not be in order in either the House of Representatives or the Senate to consider any resolution providing for the adjournment sine die of either House unless action has been completed on the concurrent resolution on the budget required to be reported under section 301(a) for the fiscal year beginning on October 1 of such year, and, if a reconciliation bill or resolution, or both, is required to be reported under subsection (b) of this section for such fiscal year, unless the Congress has completed action on that bill or resolution, or both.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this joint resolution.

Mr. STEVENS. Mr. President, this amendment will restore the point of order that existed under the original Budget Act that prevented either House from adjourning sine die unless the Reconciliation Act had been passed.

At the time of the enrollment of the changes in the Budget Act last year, the existing provision, which is subsection 310(f), was left out when the agreed-to language, which now appears in the Budget Act as 310(f) (1) and (2) were put into the enrolled bill.

I raised the question at that time when we discovered it and because of the circumstances we all agreed that there had been a clerical error and we should not enter into the problem of sending the bill back to the conference, which would have delayed us at that time.

I indicated at that time that I would take action to restore the point of order, which I think is extremely important to us now. We should not allow either House to adjourn unless the Reconciliation Act has been passed. To do so would automatically trigger a Gramm-Rudman-Hollings sequester.

I do hope that this will be accepted on the basis that it is technical in nature. I have discussed it with the majority leader and he concurs and recalls the discussion we had last year, I am sure.

I have cleared it with the chairman of the Budget Committee and the ranking member of the Budget Committee. I have discussed it with my good friend, Senator HEINZ, the manager of the bill who is now on the floor.

It will restore the point of order that was unintentionally dropped when the budget process was streamlined last year.

I will be glad to answer any questions anyone has.

Mr. HEINZ. Mr. President, we have examined the amendment. It is exactly as the Senator from Alaska has described it. I am convinced it was never the intent of the Congress to drop this language and I urge its adoption.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 2246) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amcndment was agreed to.

Mr. HEINZ. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside.

The PRESIDING OFFICER. Is there objection?

Mr. METZENBAUM. Objection.

The PRESIDING OFFICER. Objection is heard.

Mr. METZENBAUM. Mr. President, this is not my ball game, but a bill came out of the Judiciary Committee this morning cosponsored by Senator BIDEN and I forget who else, a number of other members of the committee. It is my understanding that Senator BIDEN may be agreeable to the Senator from New York proceeding at this point, but until such time as I can check that out——

Mr. D'AMATO. If I might respond to my distinguished colleague, Senator BIDEN has given me statements, understanding that I will be proceeding with this. They support it. I will move at the appropriate time to substitute their amendment for mine, once I call it up, and I will be privileged to introduce and respond to the great work the committee has done.

Mr. METZENBAUM. In view of the representation, I am advised by a member of the staff that Senator BIDEN has sent word that he does not have objection. I will not object.

AMENDMENT NO. 2230

(Purpose: To increase penalties for money laundering, and for other purposes)

Mr. D'AMATO. Mr. President, I have an amendment at the desk, No. 2230, which I call up at this time. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. D'AMATO] proposes an amendment numbered 2230.

Mr. D'AMATO. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

At the end of the amendment, add the following:

TITLE II—MONEY LAUNDERING

SEC. 201. SHORT TITLE.

This Act may be cited as the "Comprehensive Money Laundering Prevention Act".

SEC. 202. STRUCTURING TRANSACTIONS TO EVADE REPORTING REQUIREMENTS PROHIBITED.

(a) IN GENERAL.—Subchapter II of chapter 53 of title 31, United States Code (relating to records and reports on monetary instruments transactions) is amended by adding at the end thereof the following new section:

"§ 5324. Structuring transactions to evade reporting requirement prohibited

"No person for the purpose of evading the reporting requirements of section 5313(a) shall—

"(1) cause or attempt to cause a domestic financial institution to fail to file a report under section 5313(a);

"(2) cause or attempt to cause a domestic financial institution to file a report required under section 5313(a) that contains a material omission or misstatement of fact; or

"(3) structure or assist in structuring, or attempt to structure or assist in structuring, any transaction with one or more domestic financial institutions.".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 53 of title 31, United States Code is amended by adding at the end thereof the following new item:

"5324. Structuring transactions to evade reporting requirement prohibited.".

SEC. 203. SEIZURE AND CIVIL FORFEITURE OF MONETARY INSTRUMENTS.

(a) FAILURE TO REPORT EXPORT OR IMPORT OF MONETARY INSTRUMENT.—The first sentence of section 5317(c) of title 31, United States Code (relating to seizure and forfeiture of monetary instruments in foreign commerce) is amended to read as follows: "If a report required under section 5316 with respect to any monetary instrument is not filed or, if filed, contains a material omission or misstatement of fact, the instrument and any interest in property, including a deposit in a financial institution, traceable to such instrument may be seized and forfeited to the United States Government.".

"(b) SEIZURE AND CIVIL FORFEITURE OF MONETARY INSTRUMENTS INVOLVED IN STRUCTURED TRANSACTION VIOLATION.—Section 5317 of title 31, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) SEIZURE AND CIVIL FORFEITURE OF MONETARY INSTRUMENTS INVOLVED IN STRUCTURAL TRANSACTION VIOLATION.—

"(1) IN GENERAL.—Any United States coins or currency (or such other monetary instrument as the Secretary of the Treasury may by regulation prescribe) involved in any violation of section 5313(a) or 5324 and any interest in property, including a deposit in a financial institution, traceable to such coins or currency (or other monetary instrument) may be seized and forfeited to the United States Government in the manner provided in subchapter C of chapter 75 of the Internal Revenue Code of 1954.

"(2) EXCEPTION.—Paragraph (1) shall not apply if the owner of the property or the interest in property otherwise subject to seizure and forfeiture under paragraph (1) is—

"(A) a bona fide purchaser for value who took without notice of the violation;

"(B) a depository institution (as such term is defined in section 19(b)(1)(A) of the Federal Reserve Act); or

"(C) a financial institution regulated by the Securities and Exchange Commission.

"(3) HOLDS ON PROPERTY HELD BY FINANCIAL INSTITUTIONS.—Any United States coin or currency (and such other monetary instruments as the Secretary of the Treasury may be regulation prescribe) and any other interest in property, including any deposit, which is in the possession or custody of any financial institution shall be held by such financial institution for a period of 15 days upon receipt of notice (in such form and in such manner as the Secretary shall prescribe) from the Secretary of the Secretary's intent to seize such coin or currency, instrument, or other property under this subsection. The Secretary upon the issuance of a hold order: must disclose the following information to the institution subject to the hold order: the name, account or account numbers if known, taxpayer identification number, and such other information as may be necessary to locate the account or accounts or other property held by the institution.

"(4) SEIZURE OF PROPERTY HELD BY FINANCIAL INSTITUTIONS.—Upon a showing by the Secretary of the Treasury that there is probable cause to believe that any coin or currency, monetary instrument or other interest in property, including any deposit, which is in the possession or custody of any financial institution is subject to forfeiture under paragraph (1), the district court of the United States for the district in which such property is held may issue an order authorizing the Secretary to seize such property.

"(5) EXEMPTION FROM LIABILITY FOR IMPOSITION OF HOLD.—The United States, any agency, department, or employee of the United States, any financial institution, and any officer, director, or employees of a financial institution shall be exempt from any liability to any other person which may otherwise arise for interest, damages, or any other type of compensation or relief, including injunctive and declaratory relief, in connection with or as a result of a hold being placed upon any property under paragraph (3).

"(6) LIABILITY OF FINANCIAL INSTITUTION TO THE UNITED STATES FOR FAILURE TO COMPLY.—Any financial institution which—

"(A) receives a notice under paragraph (3) with respect to any property or interest in property; and

"(B) after receipt of such notice, fails or refuses to hold such property or interests without reasonable cause until the earlier of—

"(i) the expiration of the 15-day period described in such paragraph; or

"(ii) the presentation by the Secretary of a court order issued under paragraph (4),

shall be liable to the United States for an amount which is equal to the value of the property or interests which such institution failed or refused to hold.".

(c) TECHNICAL AND CONFORMING AMENDMENTS TO INTERNAL REVENUE CODE OF 1954.—

(1) Section 7302 of the Internal Revenue Code of 1954 (relating to property used in violation of internal revenue laws) is amended by adding at the end thereof the following new sentence: "The second and fourth sentences are hereby extended to coins, currency, and other monetary instruments (and to interests in property traceable to such instruments) seized pursuant to section 5317 of title 31, United States Code.".

(2) The heading for such section 7302 is amended by inserting "OR TITLE 31, UNITED STATES CODE" after "REVENUE LAWS".

(3) Section 7321 of the Internal Revenue Code of 1954 (relating to authority to seize property subject to forfeiture) is amended by inserting "and any coins, currency, or other monetary instrument (and any interest in property traceable to such instrument) subject to forfeiture under section 5317 of title 31, United States Code," after "this title".

(4) Section 7327 of the Internal Revenue Code of 1954 (relating to applicability of customs laws) is amended by inserting "and to forfeitures of coins, currency, and other monetary instruments (or interests in property traceable to such instruments) incurred or alleged to have been incurred under section 5317 of title 31, United States Code (except that, in the case of forfeitures under such section 5317, the customs laws shall apply only to the extent such laws are not inconsistent with any applicable provision of such section)" before the period.

(5) Section 7608(b)(1) of the Internal Revenue Code of 1954 (relating to authority of internal revenue enforcement officers to enforce certain internal revenue laws) is amended—

(A) by striking out "internal revenue laws or" and inserting in lieu thereof "internal revenue laws,"; and

(B) by inserting ", or any provision of section 5317 of title 31, United States Code, relating to seizures and forfeitures of coins, currency, and other monetary instruments (and interests in proprety traceable to such instruments)" after "responsible".

(6) Section 7608(b)(2) of the Internal Revenue Code of 1954 (relating to functions authorized to be performed by internal revenue enforcement officers) is amended—

(A) by adding at the end thereof the following new subparagraph:

"(D) to make seizures of coins, currency, and other monetary instruments (and interests in property traceable to such instruments) subject to forfeiture under section 5317 of title 31, United States Code.";

(B) by striking out "and" at the end of subparagraph (B); and

(C) by striking out the period at the end of subparagraph (c) and inserting in lieu threof "; and".

(7) The item relating to section 7302 in the table of sections for part I of subchapter C of chapter 75 of the Internal Revenue Code of 1954 is amended by inserting "or title 31, United States Code" after "revenue laws".

SEC. 204. CIVIL MONEY PENALTY FOR STRUCTURED TRANSACTION VIOLATION.

(a) IN GENERAL.—Section 5321(a) of title 31, United States Code, is amended by adding at the end thereof the following new paragraph:

"(4) STRUCTURED TRANSACTION VIOLATION.—

"(A) PENALTY AUTHORIZED.—The Secretary of the Treasury may impose a civil money penalty on any person who knowingly violates any provision of section 5324.

"(B) MAXIMUM AMOUNT LIMITATION.—The amount of any civil money penalty imposed under subparagraph (A) shall not exceed the amount of the coins and currency (or such other monetary instruments as the Secretary may prescribe) involved in the transaction with respect to which such penalty is imposed.

"(C) COORDINATION WITH FORFEITURE PROVISION.—The amount of any civil money penalty imposed by the Secretary under subparagraph (A) shall be reduced by the amount of any forfeiture to the United States under section 5317(d) in connection with the transaction with respect to which such penalty is imposed.".

(b) CONFORMING AMENDMENT.—Section 5321(c) of title 31, United States Code, is amended by striking out "section 5317(b)" and inserting in lieu thereof "subsection (c) or (d) of section 5317".

SEC. 205. AMENDMENTS TO THE RIGHT TO FINANCIAL PRIVACY ACT.

(a) RIGHT TO REPORT.—Section 1103(c) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3403(c)) is amended by adding at the end thereof the following: "Such information may include only the name or names of and other identifying information concerning the individuals and accounts involved in and the nature of the suspected illegal activity. Such information may be disclosed notwithstanding any constitution, law, or regulation of any State or political subdivision thereof to the contrary. Any financial institution, or officer, employee, or agent thereof, making a disclosure of information pursuant to this subsection, shall not be liable to the customer under any constitution, law, or regulation of the United States or any State or political subdivision thereof, for such disclosure or for any failure to notify the customer of such disclosure.".

(b) DELAYED NOTIFICATION.—Section 1113(i) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3413(i)) is amended by inserting immediately before the period at the end thereof a comma and the following: "except that a court shall have authority to order a financial institution, on which a grand jury subpoena for customer records has been served, to delay notifying the customer of the existence of the subpoena or information that has been furnished to the grand jury, under the circumstances specified and pursuant to the procedures established in section 1109 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3409)".

(c) FINANCIAL RECORDS OF INSIDERS.—Section 1113 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3413) is amended by adding at the end thereof the following new subsection:

"(1) CRIMES AGAINST FINANCIAL INSTITUTIONS BY INSIDERS.—Nothing in this title shall prohibit any financial institution or supervisory agency from providing any financial record of any officer, director, employer, or controlling shareholder (within the meaning of section 408(a)(2) (A) and (B) of the National Housing Act or section 2(a)(2) (A) and (B) of the Bank Holding Company Act of 1956) of such institution to the Attorney General of the United States, to a State law enforcement agency, or, in the case of a possible violation of subchapter II of chapter 53 of title 31, United States Code, to the Secretary of the Treasury if there is reason to believe the such record is relevant to a possible violation by such individual for—

"(1) any law relating to crimes against financial institutions or supervisory agencies by directors, officers, employees, or controlling shareholders of financial institutions; or

"(2) any provision of subchapter II of chapter 53 of title 31, United States Code.".

SEC. 206. COMPLIANCE AUTHORITY FOR SECRETARY OF THE TREASURY AND RELATED MATTERS.

(a) IN GENERAL.—Section 5318 of title 31, United States Code, is amended—

(1) by inserting "(a) General Powers of Secretary.—" before "The Secretary of the Treasury";

(2) in paragraph (1), by inserting "except as provided in subsection (b)(2)," before "delegate";

(3) by striking out "and" at the end of paragraph (2);

(4) by inserting after paragraph (2) the following:

"(3) examine any books, papers, records, or other data of financial institutions relevant to the recordkeeping or reporting requirements of this subchapter;

"(4) summon a financial institution or an officer or employee of a financial institution, or a former officer or employee, or any person having possession, custody, or care of the reports and records required under this subchapter, to appear before the Secretary of the Treasury or his delegate at a time and place named in the summons and to produce such books, papers, records, or other data, and to give testimony, under oath, as may be relevant or material to an investigation described in subsection (b); and";

(5) by redesignating paragraph (3) as paragraph (5); and

(6) by adding at the end thereof the following new subsections:

"(b) LIMITATIONS ON SUMMONS POWER.—

"(1) SCOPE OF POWER.—The Secretary of the Treasury may take any action described in paragraph (3) or (4) of subsection (a) only in connection with investigations for the purpose of civil enforcement of violations of this subchapter, section 21 of the Federal Deposit Insurance Act, section 411 of the National Housing Act, or chapter 2 of Public Law 91-508 (12 U.S.C. 1951 et seq.) or any regulation under any such provision.

"(2) AUTHORITY TO ISSUE.—A summons may be issued under subsection (a)(4) only by, or with the approval of, the Secretary of the Treasury or a supervisory level delegate of the Secretary of the Treasury.

"(c) ADMINISTRATIVE ASPECTS OF SUMMONS.—

"(1) (PRODUCTION AT DESIGNATED SITE.—A summons issued pursuant to this section may require that books, papers, records, or other data stored or maintained at any place be produced at any designated location in any State or in any territory or other place subject to the jurisdiction of the United States not more than 500 miles distant from any place where the financial institution operates or conducts business in the United States.

"(2) FEES AND TRAVEL EXPENSES.—Persons summoned under this section shall be paid the same fees and mileage for travel in the United States that are paid witnesses in the courts of the United States.

"(3) NO LIABILITY FOR EXPENSES.—The United States shall not be liable for any expense, other than an expense described in paragraph (2), incurred in connection with the production of books, papers, records, or other data under this section.

"(d) SERVICE OF SUMMONS.—Service of a summons issued under this section may be by registered mail or in such other manner calculated to give actual notice as the Secretary may prescribe by regulation.

"(e) CONTUMACY OR REFUSAL.—

"(1) REFERRAL TO ATTORNEY GENERAL.—In case of contumacy by a person issued a summons under paragraph (3) or (4) of subsection (a) or a refusal by such person to obey such summons, the Secretary of the Treasury shall refer the matter to the Attorney General.

"(2) JURISDICTION OF COURT.—The Attorney General may invoke the aid of any court of the United States within the jurisdiction of which—

"(A) the investigation which gave rise to the summons is being or has been carried on;

"(B) the person summoned is an inhabitant; or

"(C) the person summoned carries on business or may be found,

to compel compliance with the summons.

"(3) COURT ORDER.—The court may issue an order requiring the person summoned to appear before the Secretary or his delegate to produce books, papers, records, and other data, to give testimony as may be necessary to explain how such material was compiled and maintained, and to pay the costs of the proceeding.

"(4) FAILURE TO COMPLY WITH ORDER.—Any failure to obey the order of the court may be punished by the court as a contempt thereof.

"(5) SERVICE OF PROCESS.—All process in any case under this subsection may be served in any judicial district in which such person may be found.".

(b) CONFORMING AMENDMENT.—Sections 5321 and 5322 of title 31, United States Code, are each amended by striking out "5318(2)" each place such term appears and inserting in lieu thereof "5318(a)(2)".

SEC. 207. AMENDMENTS RELATING TO THE DEFINITION OF FINANCIAL INSTITUTIONS.

Section 5312(a)(2) of title 31, United States Code (defining financial institutions) is amended—

(1) by redesignating subparagraphs (T) and (U) as subparagraphs (U) and (V), respectively; and

(2) by inserting after subparagraph (S) the following new subparagraph:

"(T) any foreign subsidiary or affiliate, as defined by the Secretary of the Treasury, of any entity described in this paragraph; however, any foreign subsidiary or affiliate shall comply with the provisions of this subchapter only to the extent that compliance does not violate the law of the host country of such subsidiary or affiliate, except that such foreign subsidiary or affiliate shall require United States citizens, who enter into a financial transaction subsequent to the date of enactment of the Comprehensive Money Laundering Prevention Act, to waive any rights to the bank secrecy or blocking laws of the host country to which they may be entitled;"

SEC. 208. AMENDMENTS RELATING TO EXEMPTIONS GRANTED FOR MONETARY TRANSACTION REPORTING REQUIREMENTS.

Section 5318 of title 31, United States Code (as amended by section 206) is amended by adding at the end thereof the following new subsections:

"(f) REVIEW OF EXEMPTIONS.—In any case in which there is a change in management or control of a financial institution, the Secretary of the Treasury shall review each currently outstanding exemption granted by such institution under subsection (a)(5) not later than 30 days after the date such change in management or control occurs.

"(g) WRITTEN AND SIGNED STATEMENT REQUIRED.—No person shall qualify for an exemption under subsection (a)(5) unless the relevant financial institution prepares and maintains a statement which—

"(1) describes in detail the reasons why such person is qualified for such exemption; and

"(2) contains the signature of such person.".

SEC. 209. EXTENSION OF TIME LIMITATIONS FOR ASSESSMENT OF CIVIL PENALTY.

Section 5321(b) of title 31, United States Code, is amended as to read as follows:

"(b) TIME LIMITATIONS FOR ASSESSMENTS AND COMMENCEMENT OF CIVIL ACTIONS.—

"(1) ASSESSMENTS.—The Secretary of the Treasury may assess a civil penalty under subsection (a) at any time before the end of the 6-year period beginning on the date of the transaction with respect to which the penalty is assessed.

"(2) CIVIL ACTIONS.—The Secretary may commence a civil action to recover a civil penalty assessed under subsection (a) at any time before the end of the 2-year period beginning on the later of—

"(A) the date the penalty was assessed; or

"(B) the date any judgment becomes final in any criminal action under section 4322 in connection with the same transaction with respect to which the penalty is assessed.".

SEC. 210. DISCUSSIONS TO DEVELOP INTERNATIONAL INFORMATION EXCHANGE SYSTEM TO ELIMINATE MONEY LAUNDERING.

(a) IN GENERAL.—The Secretary of the Treasury, in consultation with the Board of Governors of the Federal Reserve System, shall initiate discussions with the central banks or other appropriate governmental authorities of other countries and propose that an information exchange system be established to assist the efforts of each participating country to eliminate the international flow of money derived from illicit drug operations and other criminal activities.

(b) REPORT REQUIRED.—Before the end of the 9-month period beginning on the date of the enactment of this Act, the Secretary of the Treasury shall prepare and transmit a report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on the results of negotiations initiated pursuant to subsection (a).

SEC. 211. INCREASE IN MAXIMUM CRIMINAL FINE FOR CERTAIN OFFENSES.

Section 5322(b) of title 31, United States Code, is amended by striking out "$500,000" and inserting in lieu thereof "$1,000,000 if the person is an individual (and not more than $5,000,000 in any other case)".

SEC. 212. REGULATIONS RELATING TO CUMULATION OF OFFENSES FOR FAILURE TO REPORT EXPORT OR IMPORT OF MONEY.

Section 5316 of title 31, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) CUMULATION OF CLOSELY RELATED EVENTS.—The Secretary of the Treasury may prescribe regulations under this section defining the term 'at one time' for purposes of subsection (a). Such regulations may permit the cumulation of closely related events in order that such events may collectively be considered to occur at one time for the purposes of such subsection (a).".

SEC. 213. EFFECTIVE DATES.

(a) The amendments made by section 202 shall apply with respect to transactions for the payment, receipt, or transfer of United States coins or currency or other monetary instruments completed after the end of the 3-month period beginning on the date of the enactment of this Act.

(b) The amendments made by sections 203 and 204 shall apply with respect to violations committed after the end of the 3-month period beginning on the date of the enactment of this Act.

(c) The amendment made by section 209 shall apply with respect to violations committed after the date of the enactment of this Act.

Mr. D'AMATO. Mr. President, originally the distinguished chairman of the Judiciary Committee had intended to be here to offer a modification to my amendment, and I was prepared to accept it. The only difference with this modification is that, because it is a Judiciary Committee bill, it creates the crime of money laundering and provides for criminal as well as civil forfeiture of laundering money. As the author of the first such bill this year making money laundering a crime, S. 572, I enthusiastically endorse these provisions.

Because the hearing on the Rehnquist nomination prevents Senator THURMOND from being here at this time, at this point I wish to modify my amendment as he would have, so as to incorporate the text of S. 2683, the consensus Money Laundering Crimes Act. This is the bill introduced last week by the distinguished chairman of the Judiciary Committee; the ranking minority member, Senator BIDEN; and the Senator from Arizona, Senator DECONCINI. As an original cosponsor of this bill, I want to commend these gentlemen for their efforts in this area. These Senators have worked a near miracle in forging this bipartisan consensus legislation. I urge my colleagues to give this amendment their full support.

Mr. President, this is the money laundering initiative that has the best chance of becoming law this year. It has five key provisions.

First. Under this amendment, we are creating a new crime of money laundering. Violators who intend to facilitate the carrying on of criminal activity, or who know that the transaction involved is designed to conceal certain facts regarding criminal proceeds—nature, location, source, ownership, or control—can be fined up to $250,000, or twice the value of the property involved, whichever is greater, and can be imprisoned for up to 20 years, or both.

Second. This amendment creates the offense of structuring financial transactions to evade the reporting requirements of current law. This provision is almost identical to section 202 of my original amendment. With this new provision, we can close the so-called smurfing loophole, by which money launderers make multiple transactions of under $10,000 each to evade the Bank Secrecy Act's reporting requirements.

Third. This modification also authorizes forfeiture of property obtained through the new crime of money laundering, and property involved in a transaction the owner knew to be conducted in violation of the new money laundering offense or the reporting rules of the Bank Secrecy Act. The civil forfeiture rules in this modification are very similar to section 203 of my original amendment.

Fourth. This amendment grants the Treasury Department a subpoena power to improve enforcement of the Bank Secrecy Act. In this regard, it is similar to section 206 of the amendment I filed on Friday, and to legislation I have been urging my colleagues to enact since April 1984.

Fifth. The provision of this modification relating to the Right to Financial Privacy Act is identical to section 205 of the amendment I filed last week. This modest amendment merely permits the limited good faith disclosure of limited identifying information in cases of suspected criminal activity. It also permits courts to order financial institutions, when a grand jury subpoena has been served, to delay notifying the cusotmer of the existence of the subpoena or information that has been furnished to the grand jury, according to existing rules and procedures established by the Right to Financial Privacy Act.

□ 1910

As I stated on the Senate floor last week, efforts to enact S. 2683 as a separate bill may succeed. I very much hope that they will. However, time is running short and, as the majority leader has frequently advised the Senate, there are many other items the Senate must act on in the few remaining working days of this Congress. The most prudent course, therefore, seems to be to amend the debt ceiling extension with the strongest money laundering bill possible.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER (Mr. GORTON). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, I rise today in support of the money laundering amendment, as proposed by the distinguished Senator from New York, Senator D'AMATO. He has succinctly pointed out the critical need for such legislation. As a matter of fact, recognizing the urgent need for Congress to pass legislation in this session to create a Federal crime against money laundering, the Judiciary Committee has just favorably reported S. 2683, the "Money Laundering Crimes Act of 1986."

The bill approved by the Judiciary Committee was introduced by Senators BIDEN, DECONCINI, D'AMATO, and myself last week. The administration, the American Bar Association, the American Bankers Association, and the ACLU have all been involved in drafting this bill, and I am pleased that this legislation enjoys support from those organizations. I appreciate that the Senator from New York has seen fit to modify his amendment by substituting the text of S. 2683 and for his efforts in this important area. I would also like to praise Senators BIDEN and DECONCINI for their significant contributions relative to S. 2683, which is the product of months of hard work and negotiations.

Many call money laundering the lifeblood of organized crime. Illegal drugs, racketeering activities, and vice generate $150 billion annually, and it is only through increasingly complex laundering schemes that criminals are able to conceal the true source and nature of their ill-gotten gains.

It is for these reasons that I urge my colleagues to support this amendment, as modified.

Mr. BIDEN. Mr. President, last week, I was pleased to join the distinguished chairman of the Judiciary Committee, Senator THURMOND, the junior Senator from Arizona, Senator DECONCINI, and the junior Senator from New York, Senator D'AMATO, in introducing S. 2683, the Money Laundering Crimes Act of 1986. Our bill is designed to impose stiff new criminal and civil penalties on money laundering, one of the crucial financial underpinnings of drug trafficking and organzed crime in this country. Our bill represents weeks of bipartisan effort to craft an effective bill to attack this critical problem, and has been praised by groups ranging from the Justice Department to the American Civil Liberties Union.

On Friday, the junior Senator from New York introduced an amendment to the debt ceiling bill that also addresses the problem of money laundering. I applaud his interest in money laundering and his zeal in seeing that we pass legislation to combat money laundering in this Congress. However, I urge that we adopt the approach to the problem that my colleagues and I in the Judiciary Committee have worked out.

There are several important differences between our bill and Senator D'AMATO's amendment. Our bill, unlike the pending amendment, creates an entirely new crime of money laundering in the Federal criminal code. Our bill, unlike the pending amendment, also applies to money launderers the forfeiture provisions that my colleagues and I in the Judiciary Committee have worked out over several years, provisions that we know will work and work well. Our bill has also been praised by numerous groups that will be affected by the bill as a consensus approach to the money laundering problem.

Therefore, Mr. President, I wish to join in substituting the text of our bill

in Senator D'AMATO's amendment, and urge that that language be promptly adopted.

Mr. DECONCINI. Mr. President, I would like to take this opportunity to praise Chairman THURMOND, ranking member BIDEN, and Senator D'AMATO for their cooperation and interest in working out a compromise between S. 1385, the money laundering bill I had introduced on June 27, 1985; S. 1335, the administration's money laundering bill, and S. 571 and S. 572, introduced by Senator D'AMATO.

Money laundering is one of the most costly ills infecting our Nation. In 1984, the President's Commission on Organized Crime reported that it was possible to launder $100 million in a single transaction. Moreover, violations of tax laws are an inevitable by-product of laundering schemes, and this costs the Nation millions of dollars in public revenue.

Modern, sophisticated money laundering techniques have contributed to the financial success of organized crime in recent years, particularly in the narcotics trade. Without the means to launder money, thereby making cash generated by a criminal enterprise appear to come from a legitimate source, organized crime could not flourish as it now does. Studies cite narcotics trafficking as one of the growth industries within the underworld, and it is impossible for any American city, social or ethnic group to inoculate itself from the drug epidemic. As long as organized crime continues to successfully conceal enormous amounts of illegally generated income, our law enforcement agencies will continue to do battle with the narcotics traffickers from a position of weakness.

Money-laundering techniques are used by large legitimate businesses as well. The President's Commission discovered that American corporations, such as Gulf Oil, Lockheed Aircraft, and McDonnell Douglas, have engaged in illegal money laundering. Each corporation was involved in schemes to make illegal payments to foreign government officials in order to win lucrative overseas contracts. The broad array of groups participating in money laundering illustrates how widespread the problem has become.

As a solution to the problem, this amendment will make money laundering a Federal crime. It will enable law enforcement agencies to begin eliminating the huge profits reaped by those who deal in crime by making the proceeds of money laundering subject to forfeiture. The bill also clarifies and reforms the reporting requirements for financial institutions. It contains modest amendments to the Right to Financial Privacy Act in order to clarify inconsistent court interpretations as to what information may be reported by financial institutions to law enforcement agencies. This consensus amendment has the support of the Justice Department; the American Bankers' Association; and, on privacy issues, the ACLU.

I am pleased to have been a part of the bipartisan effort, and I urge my colleagues to support this amendment.

Thank you.

● Mr. HATCH. Mr. President, As a cosponsor of this important legislation, I want to express my support of S. 2683, introduced as the Money Laundering Crimes Act of 1986. This bill will enable us to deal a crippling blow to the money-laundering activities that underlie much of the criminal behavior in this country.

Money laundering is the process by which one conceals the existence, illegal source, or illegal application of income and camouflages the source of that income to make it appear legitimate.

Nearly all of the most lucrative criminal activities such as narcotics, gambling, prostitution, and loan sharking are by necessity cash businesses. Cash is generated in order to avoid a "paper trail" which investigators can follow. However for these operations to properly function they need an effective means to convert the huge amounts of cash—the Wall Street Journal estimates $150 billion annually—into more safely portable means. Criminals today accomplish this result through a highly complex and intricate web of domestic and foreign bank accounts, shell corporations, and other business entities through which these funds are moved by high-speed electronic transfers.

Attorney General Meese correctly summed up this topic earlier this year when he described money laundering as "The lifeblood of the drug syndicate and traditional organized crime." For without the means to launder money, thereby making cash generated by criminal enterprise to appear to come from a legitimate source, organized crime could not flourish as it now does.

It is unfortunate but nevertheless true that professionals including attorneys, accountants, and bankers at all levels of employment are active participants in money-laundering schemes. Those who are entrusted with money are in the best position to spot illegal activity. It is a gross neglect of their civic duty when they fail to do so. It is therefore incumbent upon this body to enact an effective measure to punish those who lend their support to such criminal activity by actively participating in money-laundering schemes.

The Money Laundering Crimes Act of 1986 promises to be the tool that law enforcement officials need to effectively combat this problem, without on the other hand giving the Government potentially oppressive power to impinge upon the privacy of innocent people.

This bill will create a new substantive offense of money laundering in the Federal criminal code. Also, this bill amends the Right to Financial Privacy Act by protecting banks which voluntarily participate in the detection of money laundering.

The Bank Secrecy Act is also amended to remedy former deficiencies, thus fortifying the Secretary of the Treasury's ability to meaningfully participate in efforts to stop laundering by expediting the timespan in which information on reported transactions reach law enforcement officials.

This bill has evolved into a balanced, wisely crafted compromise. The views of all parties have been solicited and heard from: The American Bar Association, the American Bankers Association, the Department of Justice, the Treasury Department, the American Civil Liberties Union, among others. Each has contributed positively toward the balanced approach which this bill adopts and each group now embraces the finished product.

I commend Senators THURMOND, BIDEN, DECONCINI and D'AMATO for their outstanding leadership in effecting a strong bill, while at the same time responding to those which had initial concerns of potential law enforcement abuse.●

Mr. D'AMATO. Mr. President, let me make this plea. I am asking for a recorded vote on this. I hope that the Senate will come together, as this has been a bipartisan effort, coming from the Judiciary Committee and other Members who have contributed; that we pass this bill overwhelmingly and inform our colleagues in the House that we hope that, rather than just talk about the war against crime, we demonstrate that this is a real initiative that will give to our law enforcement officers the opportunity to really begin to break the major area of concern; to be able to penetrate the international laundering of billions of dollars a year, money that facilitates the drug empire.

If we are serious, then we have to give our law enforcement officers the tools with which to deal with this problem. If we are serious, then we shall undertake this war and give our law enforcement officials the tools with which to successfully conduct this battle.

Mr. President, I ask unanimous consent that Senator HEINZ and Senator WILSON be added as original cosponsors, as well as Senator STEVENS.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. D'AMATO. Mr. President, I yield the floor.

Mrs. HAWKINS addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ARMSTRONG. I announce that the Senator from Arizona [Mr. GOLDWATER], and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 98, nays 0—as follows:

[Rollcall Vote No. 171 Leg.]

YEAS—98

Abdnor	Glenn	Melcher
Andrews	Gore	Metzenbaum
Armstrong	Gorton	Mitchell
Baucus	Gramm	Moynihan
Bentsen	Grassley	Murkowski
Biden	Harkin	Nickles
Bingaman	Hart	Nunn
Boren	Hatch	Packwood
Boschwitz	Hatfield	Pell
Bradley	Hawkins	Pressler
Broyhill	Hecht	Proxmire
Bumpers	Heflin	Pryor
Burdick	Heinz	Quayle
Byrd	Helms	Riegle
Chafee	Hollings	Rockefeller
Chiles	Humphrey	Roth
Cochran	Inouye	Rudman
Cohen	Johnston	Sarbanes
Cranston	Kassebaum	Sasser
D'Amato	Kasten	Simon
Danforth	Kennedy	Specter
DeConcini	Kerry	Stafford
Denton	Lautenberg	Stennis
Dixon	Laxalt	Stevens
Dodd	Leahy	Symms
Dole	Levin	Thurmond
Domenici	Long	Trible
Durenberger	Lugar	Wallop
Eagleton	Mathias	Warner
Evans	Matsunaga	Weicker
Exon	Mattingly	Wilson
Ford	McClure	Zorinsky
Garn	McConnell	

NAYS—0

NOT VOTING—2

Goldwater Simpson

So the amendment (No. 2230) was agreed to.

□ 1940

Mr. D'AMATO. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. HART. Mr. President, I ask unanimous consent to temporarily set aside the pending matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2248

(Purpose: To increase the tariff on petroleum and petroleum products by $10 per barrel)

Mr. HART. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Colorado [Mr. HART] proposes an amendment numbered 2248.

Mr. HART. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the joint resolution, add the following:

SEC. . INCREASE IN TARIFFS ON PETROLEUM AND PETROLEUM PRODUCTS.

(a) Item 475.05 of the Tariff Schedules of the United States is amended—

(1) by striking out "0.125¢ per gal." and inserting in lieu thereof "$10.0525 per Bbl.", and

(2) by striking out "0.5¢ per gal." and inserting in lieu thereof "10.21 per Bbl.".

(b) Item 475.10 of such Schedules is amended—

(1) by striking out "0.25¢ per gal." and inserting in lieu thereof "$10.105 per Bbl.", and

(2) by striking out "0.5¢ per gal." and inserting in lieu thereof "$10.21 per Bbl.".

(c) Item 475.25 of such Schedules is amended—

(1) by striking out "1.25¢ per gal." and inserting in lieu thereof "$10.525 per Bbl.", and

(2) by striking out "2.5¢ per gal." and inserting in lieu thereof "$11.05 per Bbl.".

(d) Items 475.30, 475.35, and 475.65 of such Schedules are each amended—

(1) by striking out "0.25¢ per gal." and inserting in lieu thereof "$10.105 per Bbl.", and

(2) by striking out "0.5¢ per gal." and inserting in lieu thereof "$10.21 per Bbl.".

(e) Item 475.45 of such Schedules is amended—

(1) by striking out "2¢ per gal." and inserting in lieu thereof "$10.84 per Bbl.", and

(2) by striking out "4¢ per gal." and inserting in lieu thereof "$11.68 per Bbl.".

(f) There is authorized to be appropriated to the President for the purpose of providing or increasing funding for any program of the United States under which financial assistance (including loans and loan guarantees) is provided to lower income individuals and families adversely affected by increased energy costs, an amount equal to the monetary effect on such individuals and families of the increases in duties imposed by this section. The monetary effect of such increases on such individuals and families is to be jointly determined by the Secretary of Health and Human Services and the Secretary of Energy. Amounts appropriated pursuant to the preceding sentence shall be obligated or expended only in connection with such programs as may be otherwise provided for by law.

(g) The amendments made by this section shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date that is 15 days after the date of enactment of this Act.

Mr. HART. Mr. President, this amendment is directly related to the matter presently before the Senate in that it imposed a fee on oil imported into this country and would, therefore, relieve the Federal budget by imposing a $10 fee on each barrel of imported petroleum—crude or refined.

Mr. President, this fee at current import levels would yield more than $20 billion to the Federal Treasury in its first year. The Congressional Budget Office has estimated that such a fee would yield a net reduction in the deficit of about $18 billion.

The annual extension of the debt limit has become an annual confrontation with yet another record deficit. Despite all the 1985 promises of growth and fiscal restraint, we once again find $200 billion of fresh red ink on our hands.

The need to extend the debt limit should force a debate on our fiscal policy. But the debate has been sadly reduced to a squabble over mechanisms and gimmicks and bells and whistles. Do we really think we can find salvation from our responsibilities in some miracle machine? Or are we ready to do what we must? The obvious agenda demands unpopular cuts in spending and realistic increases in non-income-tax revenue.

But we have shrunk from this agenda. And now we learn that our budget resolution for fiscal 1987 will not reduce the deficit enough to avoid a sequester. We are told we are $20 billion short. Let me suggest that we do not need another scheme designed to furnish courage later—we need to close the gap now. And we have before us a means of doing just that.

The amendment this Senator offers would not only close that deficit gap, it would derive much of its revenue from foreign oil producers instead of American taxpayers. And it would provide the wake-up call that this country desperately needs in energy policy.

When we debated this issue on the Senate floor last November, one of my colleagues called oil imports "a phantom problem." We were told the fee was a bail-out for big oil, unfair to the poor and unfair to the Northeast. We heard it would not reduce the deficit but that it would hurt the economy. But since that debate, we have received a new report from the CBO that alleviates or dispels each of these concerns.

The report is dated April 1986 and entitled "The Budgetary and Economic Effects of Oil Taxes." I commend it to my colleagues. Above all, the report recognizes the threat that imports pose to this Nation's security.

The CBO warns that imports will reach 7.3 million barrels a day next year—an increase of nearly 50 percent over last year. We are already importing 35 percent more crude oil than we did a year ago. Moreover, the CBO predicts we will import more than half of our oil in 1991, a degree of dependency worse than the darkest days of the 1970's.

But there is an alternative. The new CBO study said that a fee such as I have proposed could cut imports by as

much as 2 million barrels a day. Quoting the CBO directly:

An oil tariff would be superior to other energy taxes on this score. It would encourage all the activities that could substitute for imports: domestic production, production of substitutes, conservation and substitution of other fuels.

The world of oil has changed radically since last November when we last debated this question. The Saudis have created chaos in the market so as to curtail marginal production and regain market control. Oil drilling in this country has fallen to one-seventh of its 1981 levels. Tens of thousands of smaller wells are being permanently shut in. And our oil consumption, which we had painstakingly reduced over a decade of sacrifice, could increase by as much as a third in the next 5 years.

□ 1950

A year ago, the Saudis ranked eighth among our sources of foreign oil. Today they are third. By substituting cheap foreign oil for our own production capacity, we are taking the bait. When the hook has been swallowed, no one doubts the next round of price increases will once again begin.

Some have said the import fee is too expensive a weapon. But the CBO tells us that the oil exporters could not pass the full cost of the fee through to American consumers. In fact, so intense is the world competition that the CBO predicts exporters would have to absorb as much as 40 percent of the fee themselves. Forty percent of this fee, according to the Congressional Budget Office, would be absorbed not by American consumers, but by exporters and producers themselves.

As for the remainder, some in Congress seem to oppose any increase in energy production incentives. They confuse the profits of the multinational oil companies with the economics of domestic drilling and exploration. The question is not where big oil will make its money but where the United States will get its oil. Besides, most—if not all—the major domestic oil companies oppose this measure.

It has been argued that an import fee would force higher prices on those least able to pay. But this amendment is designed to counter any such effect.

Funds from the fee would be directed to the Low-Income Energy Assistance Program to maintain our commitment to the disadvantaged. Moreover, the CBO has found the effects of such a fee would be both manageable and relatively equitable in their distribution across income groups. The CBO reached a similar conclusion regarding the fee's relative effect on the several regions of the Nation—especially if the fee for crude matches the fee on products.

Finally, the CBO report confounds the fee's critics on macroeconomics. While noting potential negatives, the report cites the offsetting benefits of a smaller trade deficit and a smaller Federal budget deficit. The CBO concludes that macroeconomic effects are "likely to be rather small" and that nominal GNP would "remain approximately constant."

In the end, any sector adversely affected by the fee would be penalized far more by the next oil disruption—or by the next spike in oil prices. Anyone in business knows that insurance carries a premium. Every American knows it will cost us something to be energy secure, just as it costs us billions now for rapid deployment military forces we created to defend our petroleum lifeline in the Persian Gulf.

It is estimated that next year's military budget will contain between $13 billion and $15 billion simply for the rapid deployment force designed to maintain that supply of oil if it were to be disrupted. It costs us something today to rely on that foreign oil.

Ultimately, energy security is national security. Ultimately, relying on someone else's oil means sacrificing American lives to protect it. We can avoid this deadly transaction only if we shun oil dependency.

We should be thankful we can still make this choice ourselves. Current trends are taking this power away from us. The administration responds to crisis by repeating its slogan about a "free market." The oil market was not free in the 1970's, and it is not free today. Seventy percent of the world's oil production is controlled by national governments. Our government sees its energy independence under siege and offers no defense.

No wonder that Sheik Yamani, the Saudi oil minister, says: "The golden age of Arab oil was not in the 1970's but will be in the 1990's."

Let me repeat that, Mr. President, so Senators will pay attention.

Sheik Yamani, the Saudi oil minister, says: "The golden age of Arab oil was not in the 1970's but will be in the 1990's."

The real challenge for America is to assure adequate energy for the future without sending our sons to die for someone else's oil.

We can do it, but we need a forthright and foresighted policy of self-reliance. The oil import fee is the cornerstone for such a policy.

Mr. President, after years of discussion and debate over this measure, it seems now is the time when this country's economy not only can afford this fee but we can impose most of it on the exporters and the producers. We can make this country energy secure and energy independent, save young American lives in the process, and make this country's economy stronger in the long term.

Mr. President, I hope my colleagues in all parts of this country will join in what is and should be the cornerstone of the new energy independence policy.

Mr. JOHNSTON. Mr. President, I want to congratulate my distinguished colleague from Colorado for putting in one of the most important pieces of legislation to come through this Senate this year. I think the public and this Senate are beginning finally to measure the depth and the breadth and the dimensions of the terrible oil crisis that we are facing.

Mr. President, in one short year, we have seen an increase in oil imports of 25 percent. More than a third of our oil is now being imported. It was only about one-fourth last year. We have seen our drilling rigs drop to one-seventh, almost, of what they were in 1981, just a few short years ago.

Mr. President, when the price goes up, as surely it will, the question is: Will there be an American industry there to call upon to produce that 10 million barrels a day which we were producing when last the price went up.

At the rate we are going, Mr. President, there will be no such American industry to call upon. It will be gone. It will be closed up. The people will have moved into new occupations, moved into new endeavors. There will be no future drilling rig companies, drill bit companies, helicopter companies, geologists, land men, mud salesmen. The whole panoply of people necessary to supply the oil industry will simply not be in business and it will not be possible to recreate that industry within any reasonable time to respond to the crisis.

Moreover, if they were in place, the wells that they would not have drilled, the geology they would not have put together, the lease sales which would not have been made in the ensuing years and months would make it impossible for the American industry to respond.

So, Mr. President, I very, very strongly support the position of my distinguished colleague from Colorado. And, of course, the obvious thing about this bill is, it is what we call a twofer. Not only do you preserve an American industry for when it is needed, but you gather up the necessary revenue to meet the terrible budget crisis of this country. No other tax that I know of meets that criteria of saving an American industry and at the same time raising the necessary revenue to meet our Gramm-Rudman targets.

Mr. President, there is only one problem with the amendment, and that is that it does make a distinction between cruide oil, on the one hand, and refined petroleum products, on the other hand. It is necessary to make such a distinction, Mr. Presi-

dent, because if you do not provide a higher import fee for refined petreleum products, then it makes it impossible for the independent refiner in this country to compete, because if he must buy his oil at the same price that a major oil company can import refined products, then, obviously, he cannot pay the cost of refining that product.

□ 2000

(Mr. HECHT assumed the chair.)

The cost of refining the product varies of course by location, by grade of oil, by a number of different factors, chemical composition, but in general it is about $3 per barrel. So therefore, Mr. President, I have an amendment prepared which states that notwithstanding any other provision of this section the tariff imposed upon imported refined petroleum products, which in turn is a word of art under EPA, shall equal $14 per barrel, and the $14 per barrel translates to about $3 per barrel differential as against the amendment of the distinguished Senator from Colorado.

The amendment of the Senator from Colorado averages out at about $10 per barrel because there is a distinction between quality, gravity, and chemical composition of the crude oil.

Mr. President, at this time I send a second-degree amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment pending is a second-degree amendment. No amendment to it is in order.

Mr. JOHNSTON. Mr. President, I wonder if the distinguished Senator from Colorado would be of a mind to modify his amendment.

Mr. HART. Mr. President, if the Senator will yield, it had been the intent of the Senator from Colorado to keep these proposals as simple as possible for the obvious reasons. It is much more understandable. It is much more straightforward. It avoids any of the complexities that appeared such as variable tariffs of various kinds, and getting involved in speculations as to what their effects would be. I think the Senator from Louisiana today as before has made a very valid argument about the differential and the impact on some elements of our industry—very important arguments.

At the risk of adding a layer of complexity that may not be all that great, I would be more than happy to cooperate with the Senator and offer the language as a modification to my own amendment if certainly that would ensure the Senator's support for this proposal.

Mr. JOHNSTON. Mr. President, I say to the distinguished Senator from Colorado, I will support it either way because I think this differential amendment would find its way in through the legislative process at some point before final signature by the President. But I do believe it enhances the attraction of the amendment if he would accept it as a modification at this point instead of waiting until later. I would very much appreciate it if he would. In either event, I will support this legislation of the distinguished Senator from Colorado.

Mr. HART. Mr. President, a parliamentary inquiry. Would it be in order for the Senator from Colorado to modify his own amendment?

The PRESIDING OFFICER. It would be.

Mr. HART. I send the modification to the desk.

Mr. JOHNSTON. Mr. President, I thank the Senator from Colorado.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 2248), as modified, is as follows:

At the end of the committee amendment, add the following:

SEC. . INCREASE IN TARIFFS ON PETROLEUM AND PETROLEUM PRODUCTS.

(a) Item 475.05 of the Tariff Schedules of the United States is amended—

(1) by striking out "0.125¢ per gal." and inserting in lieu thereof "$10.0525 per Bbl.", and

(2) by striking out "0.5¢ per gal." and inserting in lieu thereof "$10.21 per Bbl.".

(b) Item 475.10 of such Schedules is amended—

(1) by striking out "0.25¢ per gal." and inserting in lieu thereof "$10.105 per Bbl.", and

(2) by striking out "0.5¢ per gal." and inserting in lieu thereof "$10.21 per Bbl.".

(c) Item 475.25 of such Schedules is amended—

(1) by striking out "1.25¢ per gal." and inserting in lieu thereof "$10.525 per Bbl.", and

(2) by striking out "2.5¢ per gal." and inserting in lieu thereof "$11.05 per Bbl.".

(d) Items 475.30, 475.35, and 475.65 of such Schedules are each amended—

(1) by striking out "0.25¢ per gal." and inserting in lieu thereof "$10.105 per Bbl.", and

(2) by striking out "0.5¢ per gal." and inserting in lieu thereof "$10.21 per Bbl.".

(e) Item 475.45 of such Schedules is amended—

(1) by striking out "2¢ per gal." and inserting in lieu thereof "$10.84 per Bbl.", and

(2) by striking out "4¢ per gal." and inserting in lieu thereof "$11.68 per Bbl.".

(f) Notwithstanding any other provision of this section, the tariff imposed upon imported refined petroleum products shall equal $14.00 per Bbl. For purposes of this section the term "refined petroleum products" shall have the same meaning as that in section (3)(5) of the Emergency Petroleum Allocation Act of 1973 * * *

(g) * * * appropriated to the President for the purpose of providing or increasing funding for any program of the United States under which financial assistance (including loans and loan guarantees) is provided to lower income individuals and families adversely affected by increased energy costs, an amount equal to the monetary effect on such individuals and families of the increases in duties imposed by this section. The monetary effect of such increases on such individuals and families is to be jointly determined by the Secretary of Health and Human Services and the Secretary of Energy. Amounts appropriated pursuant to the preceding sentence shall be obligated or expended only in connection with such programs as may be otherwise provided for by law.

(h) The amendments made by this section shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date that is 15 days after the date of enactment of this Act.

Mr. HART. Mr. President, I ask for the yeas and nays on the modified amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I have great affection and regard for the Senator from Colorado. I think he and the Senator from Louisiana have very articulately presented the case for an import oil fee. If I came from Colorado or Louisiana, I think I would be for it, too. But the problem with this approach is it really puts the burden on another portion of the country, the Northeast, New England. In my part of the country my recollection is that 70 percent of the very energy we have there comes from oil. And of that 70 percent, I know that 70 percent is imported oil. The statistics across the country show that about 40 percent of the energy used in other parts of the country comes from imported oil against the 70 percent that we use.

What this means, to be very specific, to a family in Rhode Island, is that they would have to pay 25 cents a gallon more, or about $275 per family. I think this is quite a load for our section to carry. Historically, we have always been at a disadvantage when it came to the high cost of energy.

Rhode Island has made an exemplary contribution in the field of energy conservation. Rhode Island has also been making a strong and determined effort to encourage economic and business growth. We know that to persuade business to remain in our State, to expand in our State, and to come to our State, we must be competitive with other States and regions. In that effort, the State of Rhode Island has cut taxes, made painful and difficult revisions in labor laws, and worked hard to provide attractive sites and financing to industry.

But surveys, studies, and my own conversations with business leaders all confirm that the most serious problem confronting business in Rhode Island is high energy costs. An oil import fee, further increasing energy costs, would be an economic disaster for industry, workers, and business in Rhode Island.

I can understand why Senators from other regions might consider an oil import fee as a good way to reduce the Federal budget deficit. After all, it would provide another huge subsidy to the domestic oil industry which could and would increase the price of domestic oil by the amount of the oil import fee. With higher oil prices, the oil producing States would receive more money from their severance taxes—money that is paid by the consumers in Rhode Island, and other oil-consuming States.

In connection with the reasoning of the Senator from Louisiana that we need to increase our revenue, to reduce our deficit, and I agree with him that we should, let us do it with a gasoline tax which spreads the burden evenly across the whole country. I believe I am correct in saying that for every penny of tax imposed, one raises about $850 or $900 million. This would be a fair and equitable way of raising revenue and would, I think, secure much more support from the country as a whole.

I hope this oil import fee amendment, which has been considered in the past, will not prevail. I remember when I was first here in the early sixties, it was a big issue when President Kennedy took over our helm. The oil import fee or its equivalent was removed at that time. Now it has come to rear its head again as so many things do in Government over cycles of 20 or 15 or 25 years.

So I hope this amendment will be defeated.

I ask unanimous consent to have printed in the RECORD an open editorial which I wrote some time ago entitled "Business, Workers, Homeowners: The Case Against an Oil Import Fee."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Providence Journal-Bulletin, Feb. 14, 1986]

BUSINESS, WORKERS, HOMEOWNERS: THE CASE AGAINST AN OIL IMPORT FEE

(By Claiborne Pell)

Just as the world is now awash in cheap oil, so the Congress today is awash with proposals to impose an import fee of $5 or $10 a barrel on oil imported into the United States.

The reasons for the wave of support for an oil import fee are clear: an oil import fee would provide a bundle of money for the federal government. It could be used to help reduce the federal budget deficit—and avoid the horrendous budget cuts threatened by the Gramm-Rudman Act. Or the money could be used to patch up the tax reform bill, offsetting some costly changes that President Reagan wants made in it.

And, proponents argue, the import fee would be almost painless. With world oil prices plummeting, the import fee wouldn't actually raise oil costs in the United States, it would just confiscate for the government part of the price cuts that otherwise would produce lower gasoline, heating oil, and electric costs for consumers.

The truth, however, is that an oil import fee is not a good idea, and it would not be painless. For Rhode Island and all of New England, an oil import fee would be a serious economic blow. And nationally, the oil import fee would impose a handicap on industry, making it less competitive in world markets.

Why would an oil import fee be particularly harmful to the business, workers and homeowners in Rhode Island? In Rhode Island about 54 to 70 percent of all energy used for all purposes comes from oil. Nationally, oil is the source of about 40 percent of all energy used. So a higher price for oil and oil products hurts Rhode Island nearly twice as much as it hurts other areas that have ready access to cheaper natural gas, coal and hydroelectric power.

Here in Rhode Island, energy costs are much higher than the national average, and that is one of the biggest problems confronting Rhode Island business. Time after time, businessmen have told me that their biggest problem is not government regulation, high taxes, or even foreign competition, but high energy costs.

For years, as world crude oil prices soared to $30 a barrel, we in Rhode Island and the Northern paid the price. While the oil-producing regions of our country boomed, we saw businesses close or leave the state, costing us thousands of jobs. Now, when the price of our prime energy source is declining, we are told that it is in the national interest to push the price back up with an oil import fee—to reduce the deficit or to make the tax reform bill more palatable to special interests.

An oil import fee would be bad for Rhode Island because it would reimpose a competitive disadvantage with other regions.

But an oil import fee also would be harmful nationally. A study conducted by economists of the Federal Reserve Bank of Dallas concluded that even with a decline in world oil prices, a $5 a barrel import fee would have these economic effects:

Gross national product would be one percent lower at the end of two years than without the import fee.

There would be 400,000 fewer jobs, and:

There would be an immediate acceleration of inflation with the wholesale price index for fuels jumping by 12 percent.

For all of these reasons, I recently introduced in the Senate a resolution opposing any oil import fee. I was joined in this effort by my colleague Senator Chafee, by Senators Kennedy and Kerry of Massachusetts, by Senator Weicker of Connecticut, and nine other senators from the Northeast.

The resolution is part of an effort to let senators from other regions know that an oil import fee is not painless and will face strong and vigorous opposition in the Senate.

In his State of the Union Address to the nation, President Reagan spoke eloquently of his opposition to protective trade legislation, saying he will "oppose legislation touted as providing protection that in reality pits one American worker against another, one industry against another, one community against another, and that raises prices for us all."

That, I think, is a perfect description of the impact of proposals for an oil import fee. It would protect the United States oil industry by placing a floor under oil prices; it would pit our oil-consuming industries against industry in other areas that use other energy sources, pit our workers against workers in oil-producing states, and cost us all money.

I favor tax reform, and I believe we must have new revenue to help balance the federal budget. But for those of us in the Northeast, an oil import fee would be the least fair way to increase revenues.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, it seems to me around here some bad ideas never seem to die.

They are like Lazarus. They come back from the dead, reappear on this floor, and we vote on them time and time again as we have in this particular matter. The oil import fee suggested is a bad idea for four particular reasons. First, it discriminates against one section of the Nation; second, it imposes a burden on American industry that our competitors abroad do not have. Third, it discriminates against the American farmer who is struggling under extremely onerous conditions at the present time and is desperate to regain his markets in the world. Fourth, it is a very bad way to raise revenue. It is a very bad tax measure.

Let me deal specifically with each of these four measures. First, it discriminates against one section of the Nation. As my distinguished senior colleague has just pointed out, the Northeast, the North, and in particular in our section, New England, is penalized by this onerous tax that the other sections of the country are not. As he stated so accurately, 70 percent of our energy comes from oil. You might say, oh, well, only 70 percent of that is imported. The other 30 percent is not imported. The point some make, Mr. President, is that with this oil import fee the price of all oil will rise. After all, that is the purpose of it. The domestic oil will rise to meet that price. That is why it is being imposed. The $10 per barrel, or whatever is proposed eventually is settled on, if it is indeed settled on, means that the domestic oil will rise to that of the imported oil price.

So for our section of the country, 70 percent of our energy will rise to a new level that is not presently in force, way above that in other sections of the Nation that have hydroelectric power, that have nuclear power, and that have natural gas that we are not fortunate enough to have.

Second, it imposes a burden on American industry. I think everyone is aware of the desperate international competitive position that American industry is currently in. Here is a copy of today's New York Times. "U.S. Trade Deficit Continues To Soar at a Record Pace. A $14 billion Gap in June. At the Current Rate Imports for the Full Year Will Exceed Exports by $170 billion."

Mr. President, that dazzles the mind—$170 billion trade deficit. What we are saying and what is being suggested in this legislation is that we

impose an added burden on American industry. If the differential in the price of the dollar were not enough, if their high wage costs are not enough, on top of it we compound this problem with an increased price of fuel which our competitors do not have.

□ 2010

They will buy at the world price. We will buy at the world price, plus whatever is added per barrel, $10 per barrel.

As was pointed out, it is extremely important to remember that the price of all our oil will rise, not just the imported oil.

The American farmer, on the third point, Mr. President, our American farmer—I do not think we have to outline in this body the problems that the American farmer is undergoing. Indeed, it is in the agricultural sections of the Nation that the worst suffering is occurring at the present time, compounded in some sections by the drought. To say to our American farmer that we are going to increase the price of his fertilizer, we are going to increase the price of his operation of his tractors, his equipment, by adding to the prices he is currently paying, that his competitors worldwide do not pay makes no sense at all to me.

Fourth, this is a very, very poor way to raise a tax. The price of all oil rises, yet we collect the tax on only that imported portion of it. So everybody pays an increased price for all the oil that they buy, but the U.S. Government only collects a tax on one-third of that, namely the imported portion.

Some suggestion has been made that Sheik Yamani had made threats that the great future of Arabian oil was going to be in the 1990's, not the 1970's. Well, I do not think we have to trim our sails by threats by Sheik Yamani.

Mr. President, it seems to me we have here the old story, the old story of trying to help one industry by penalizing all American industry and, indeed, American farmers.

When we are talking American industry, we are talking jobs, Mr. President. When our exports have a $14 billion gap in June a $170 billion gap for the year, that is just not some industry that is hurt, those are human beings, those are American jobs.

If the oil industry is suffering, and indeed, we recognize this, then let us specifically target something for that industry as we have attempted to help the agricultural industry in our Nation. But let us not impose a burden on all the rest of American industry.

Some have suggested an overall Btu tax, some have suggested a gasoline tax. All of these perhaps should be up for consideration. But not a tax that imposes a burden on the balance of American competitiveness, that is directed more onerously to one section of the Nation more than others. That is a poor way to raise revenue.

Mr. WEICKER. Will the Senator yield?

Mr. CHAFEE. I have completed my statement. I am glad to yield.

Mr. WEICKER. I commend the Senator from Rhode Island for addressing the issue and speaking so clearly to the amendment being offered.

What I find interesting, as I am sure does the Senator from Rhode Island, after listening to the words of the distinguished Senator from Louisiana, is this is the same reasoning that opposed any mandatory conservation, opposed any sort of a gasoline tax that would enhance conservation, who was out on the floor advocating tax shelters, if you will, for the oil and gas industry because of impoverished times.

But now the resolution is to sock it to the rest of the country by virtue of an oil import fee, and by the rest that specifically being New England.

Mr. HART. Will the Senator yield?

Mr. WEICKER. I will in a moment.

Mr. HART. I supported the gasoline tax.

Mr. WEICKER. I believe the Senator did. I believe my comments were directed to the reasoning of my distinguished colleague from Louisiana who has not been in favor of a gasoline tax, who has not been in favor of mandatory conservation, who supported the tax shelters because now his industries are impoverished.

Mr. JOHNSTON. Will the Senator yield?

Mr. WEICKER. I will in a moment.

He now seeks as a remedy to go ahead and impose a tax which will have its impact on those people in the Northeastern part of the United States, plus those alluded to by the Senator from Rhode Island.

If we are to address the problem, and the problem needs attention in terms of conservation so that we do not end up behind the OPEC 8-ball again, let us have strict enforcement of the 55-mile-per-hour speed limit, let us have mandatory conservation, let us have a national fuel tax, let us have all of these things.

If I have ever seen parochial politics played it has been played out here on the floor where we protect the interests of the oil and gas interests, but not the national interest.

Mr. JOHNSTON. Will the Senator yield?

Mr. WEICKER. I do not yield to the distinguished Senator from Louisiana at this time. He has made his statement. He has made his statements over the years. He has done very well, I might add, by the interests that he represents. But there are also national interests involved here.

I have to commend the Senator from Colorado. I disagree with him on this amendment, but nobody has been in the forefront of conservation more than he has, and I commend him for it.

But I will not take as logic those who have consistently opposed every conservation measure that has reached the floor of the U.S. Senate and now come along with something which has no impact in a political sense on the constituencies they represent, especially when it means foisting that burden off on others.

I think this is a good time and a good place to debate the matter of our national conservation effort, but let us do so in a way whereby everybody fairly shoulders the burden.

I would vote, I might add, for those special measures which, again, the Senator from Louisiana has advocated, which I am for, that would help those who have been dislocated by the economic tragedies of his region. I have no problem with that. We all have those difficulties. But energy is a national matter and a national crisis that deserves a national response. That is the only way we can respond to it. Not by something which penalizes one section of the country and goes ahead and gives benefit to another. That is not a national response to a national problem.

I thank the distinguished Senator from Rhode Island because I think he has indicated some very serious problems. I do not think the Senator from Rhode Island has necessarily supported the measures I have supported in the past because indeed he has pointed out some valid points in opposition to the matters I have raised. It does raise the cost of energy, there is no question about it. But I have felt it was worth it in terms of conservation effort because indeed in the long run, once OPEC gets back on its feet, and it will, and once the United States treats energy like going through it as if it was water, and it will, we will be back in the same pickle again.

That is why I have spoken so strongly in favor of conservation measures on this floor.

I also have to indicate, though, that I am almost insulted considering the rhetoric that I have been subjected to when I have suggested conservation and now to hear that this is some sort of method of raising money and also is conservation. I think that is not so.

I hope the amendment of the distinguished Senator from Colorado will be defeated.

Mr. CHAFEE. Will the Senator yield for a question?

Mr. WEICKER. I yield for a question.

Mr. CHAFEE. I have some statistics here that perhaps the Senator is not familiar with. I wonder if he is familiar with them. They are as follows:

First of all, I will preface this by saying there is a good deal of talk here

on the floor about OPEC and about the Arabs. Somehow this is looked on as a great way to bash the Arabs. We are going to fix them up.

To quote Sheik Yamani, he said that the great days of the Arab oil were not in the 1960's or 1970's but will be in the 1990's.

Here are statistics which I think the Senator might be interested in.

In 1984, only 35 percent of imports were from OPEC, that is, total OPEC, but less than 9 percent of the imports in 1984 were supplied by Arab member countries of OPEC.

So the suggestion that somehow this is doing something to the Arabs is not accurate. It is Mexico, Canada, and Venezuela who supplied the largest share of the imports in 1984. That, it seems to me, is the important point.

If somebody is suggesting that we are going to nip the Arabs in the heels with this kind of measure, that is not accurate.

Mr. WEICKER. I think the Senator from Rhode Island is entirely correct. What is proposed here is meant to nip New England, period, pure and simple. Very frankly, I stood up against my own political interests when I supported decontrol and a free market. That was very unpopular in Connecticut and very unpopular in New England. I did it because I thought it was economically correct. Frankly, I think facts have proven me out to be correct.

□ 1820

It was the correct policy to follow. So I was with the Senator from Louisiana and the Senators from Texas and Colorado, wherever. Indeed, in my last election campaign, I was referred to by my Democratic opponent as the third Senator from Texas. How do you like that for a political——

Mr. BENTSEN. Well, Mr. President, I think that is a compliment.

Mr. WEICKER. In any event, it absolutely accurately describes the abuse I took politically as I stood with the Senators from the oil States. They deserved a free market, they got a free market, and they enjoyed that free market. Now times might be a little tough as they have been for a long period of time elsewhere, and I will work with the Senators as to how we get out of it. We do not get out of it by penalizing New England any more than New England had the right to penalize the Southwestern States by imposing controls on oil.

Mr. JOHNSTON. Mr. President, I shall not respond to the ad hominem attack of my distinguished colleague from Connecticut at this time except to point out that I think it is common courtesy on the floor of the Senate that when one does use the name of another Senator and then the other Senator asks for a question in order to set the record straight, this ought to be done.

I do not know why my distinguished friend from Connecticut has fallen from his usual courtesy, but I am sure there is some reason and I shall forgive him in advance for that——

Mr. WEICKER. What is the Senator's question.

Mr. JOHNSTON (continuing). As difficult as that may be. Mr. President, I have the floor and I am not asking a question. I asked to ask a question earlier and was refused that permission.

Nevertheless, Mr. President, it has been said, first, that the Senator from Louisiana has consistently opposed a gasoline tax. That is simply factually wrong. As a matter of fact, Mr. President, in 1978, much to my own political embarrassment, I proposed a bill as the sole author, having been told by many of my friends that it was the wrong thing to do, providing for a 50-cent gasoline tax phased in 10 cents a year over 5 years.

Has the Senator from Louisiana always opposed a gasoline tax? I can tell you in the election of 1978, he wished he had. But he had not. It is factually not correct to say I had always opposed the gasoline tax.

Mr. WEICKER. Will the Senator yield for a question?

Mr. JOHNSTON. Not at this point. I will in a moment. But let me set the RECORD straight.

Second, it was said that the Senator from Louisiana always opposed every conservation bill that has come down the pike. That is factually not correct. Not only did I vote for the Fuel Use Act, but I was the floor manager of the Fuel Use Act. I had as much to do with the passage of the Fuel Use Act, preventing the use of natural gas; the same thing for Power Plant Conservation Act; the same for—I think, Mr. President, during that period, when we passed all those conservation bills, I believe I floor managed every single one of them.

If the Senator can tell me a major conservation act, other than the Auto Standards Act, which I voted for, that I did not floor manage, vote for, support, I shall stand corrected. I think I have not only voted for them all but floor managed them.

Now, to say that the Senator from Louisiana has been against every conservation act factually is not only not correct, not accurate, it is about 180 degrees out of sync.

Mr. WEICKER. Will the Senator yield for a question?

Mr. JOHNSTON. Does that mean that I have voted for every—and I shall not characterize them other than to say occasionally unwise—amendment that the Senator from Connecticut has put up in the Energy Committee, which has been voted down by overwhelming margins? No, I did not always vote for the amendments of the Senator from Connecticut because I thought they were unwise then and I think there are unwise now.

That ad hominem attack, which I thought was totally unnecessary and out of place and factually wrong, does not have anything to do with the issue here before the Senate right now, which is a concern of vital importance to this Nation. It concerns whether or not we will have an energy industry to conserve.

Mr. WEICKER. Will the Senator yield for a question?

Mr. JOHNSTON. Now I shall yield for a question.

Mr. WEICKER. Since the Senator is not prone to vote for amendments of the Senator from Connecticut, did he support the amendment of the Senator from New Jersey [Mr. BRADLEY] in the Gramm-Rudman bill proposing a gasoline tax?

Mr. JOHNSTON. In the Gramm-Rudman——

Mr. WEICKER. Did the Senator from Louisiana vote for Senator BRADLEY's amendment imposing a gasoline tax? Because it was a major piece of legislation on the floor last year.

Mr. JOHNSTON. I voted against that gasoline tax.

Mr. WEICKER. I am sure he did because he voted against every other gasoline tax.

Mr. JOHNSTON. That gasoline tax, as I recall, was voted down by 90-something to something like 2 votes.

Mr. WEICKER. It takes courage to vote for any tax.

Mr. HART. Will the Senator yield?

Mr. JOHNSTON. Because I failed to vote for something that was voted down by 90-something to 2, I did not——

Mr. WEICKER. Did the Senator from Louisiana vote for the mandatory rationing proposed by this Senator during the energy crisis and voted down overwhelmingly on the floor of the Senate?

Mr. JOHNSTON. No, Mr. President, but that is quite a different thing. To vote against mandatory rationing and vote against something that was voted down 90-something to 2 or 3, there is quite a difference between that and saying the Senator from Louisiana has opposed every conservation bill.

I might have opposed the Senator from Connecticut on his gasoline tax or his mandatory rationing, but so did everybody else.

Mr. WEICKER. And the amendment of the Senator from New Jersey? He opposed that. How else do we conserve if we do not do it by law or tax? I would like to know how we conserve.

Mr. JOHNSTON. There are a lot of ways to do it and we have enacted a lot of that into law, but we did not have to do it with mandatory rationing and we did not have to do it last year by a gasoline tax.

Mr. HART. Will the Senator from Louisiana yield?

Mr. JOHNSTON. Yes, Mr. President, the point is made. I shall not bear a grudge against the Senator from Connecticut. He is ordinarily very courteous and very gentlemanly and I am sure he did not mean to offend the Senator from Louisiana. I was not very offended because it was so easy to prove the untruth—not the untruth, the inaccuracy—of the statement of the Senator from Connecticut.

I hope that next time he and I will be on the same side. If he will come up with better amendments, some which really do some conservation and do the country some good, I will vote with him.

Mr. BENTSEN. Mr. President, I have been trying to get into this fight now for some 20 minutes. I am delighted to recognize the cooperation and good will of the third Senator from Texas. I understand why, once he got that designation, he won by such an overwhelming margin in the State of Connecticut. But let us deal with the gasoline tax for a minute.

I believe very much in this amendment by the Senator from Colorado. I recall in 1973-74 my going to the Democratic Policy Committee and telling them we ought to put on a 20-cent tax—that is a fellow from Texas, an oil- and gas-producing State. We had to have it for conservation. I remember the Senator from Rhode Island saying, "Not by a darn sight." I have cleaned it up a little.

I asked him why he felt so strongly about it. He said,

When I was Governor of Rhode Island, I put on a 1-cent gasoline tax and they named the thing after me. Never again am I going to be caught in that posture.

When I was on the Environment and Public Works Committee, I led the fight to put on a gasoline tax. The Senator from Washington [Mr. EVANS] helped lead the fight to see if we could have restrictions on a requirement to have better gasoline mileage.

□ 2030

I was over here speaking from this side supporting that kind of measure. When the GSA says you do not have to pay any attention to thermostats in public buildings, I think that it is an absolute outrage. What is happening is that we are seeing an incredible increase in the use of gasoline and oil in this country. You have already seen an increase of 515,000 barrels per day this year. That is the way we are headed. I heard the comment earlier that we do not want to bash Arabs. I do not want to bash them either. I just do not want them to bash us. I heard the comment earlier that the Saudi Arabians really are not producing that much oil, that last year they were 15th in supplying oil to this country. This year they are already among the top four suppliers and they are on the way to being No. 1. I will tell you what is happening to the rest of the world. Canadian production is supposed to go down next year. North Sea production and Norwegian production start down the year after that. Production in Mexico and Venezuela already has plateaued. That is where we are headed. What is happening in this country? In 1981, you had 30 new production wells, wildcat wells, every week. Last year, there were 10 a week. What are you seeing this year? Less than three a week. That is what is happening to us. Unemployment? The highest unemployment in the United States for a metropolitan area is in Texas—Mc Allen, Mission, Edinburg. It is 17 percent. I can take you up to Starr County, which is not a metropolitan area, and it is 42 percent. Tell me any place else in the country where you have that. Statewide, it is 10.7 percent That is the most we have ever had.

Mr. WEICKER. Will the Senator yield?

Mr. BENTSEN. No. I listened to the Senator. I did not try to interrupt. I want to finish my thoughts and reply to some of the things that the Senator has stated. I listen to what is happening back home and I feel like I am representing a war zone. Last month we had 2,000 home foreclosures in Houston, TX. That is as much as we normally have in a year. That is what we are going through. We have real concerns about banks and S&L's. I spent a good part of the day with the chairman of the board of the Federal home loan bank talking about some of those concerns. People back home who thought they were not in the oil and gas business all of a sudden find that they are, whether they are renting hotel rooms or trying to provide meals in a restaurant or trying to sell automobiles. Let us not fool ourselves. The new oil is going to be OPEC oil. That is where it is going to be coming from. Do not ever get the idea OPEC is driving down the price of oil because it is trying to take care of the consumers in this country.

OPEC is driving it down because it wants to whip the other oil producers into line, and once they are in line, then the price will go up fast. A comment was made earlier that we want a free market system, and I appreciate that. But it did not turn out to be a totally free market on the way up. We put on a windfall profit tax.

Mr. WEICKER. Will the Senator yield for a question?

Mr. BENTSEN. No. I am trying to finish my process of thinking. But I did not hear anything about a windfall loss. What are we trying to do is stabilize the oil industry. I understand that the oil industry is not politically popular. Bashing oil is a lot of fun for a lot of folks. A lot of folks think that the oil business is what they see on the TV show Dallas, but those are just not the realities in Texas today.

I think that it is just as important for this country to have a reasonably stable oil industry as it is to have a steel industry. Now, what do we do on steel? We say, "Let us put allotments on," and we do that. I have to admit that add allotments to the cost of those thing that we make in this country using steel.

I have to say to the Senator that when we put that import fee on oil, it adds to cost. I understand that. But all these economists who were testifying and saying what a great thing it is to get down the price of oil, how is it going to be a real boon for our country and how we are going to see GNP growth 4.5 percent—were just plain wrong. It did not work out that way. They said we were going to have a real increase in capital spending in this country. It did not work out that way. Why not? Because of the devastation in the oil and gas producing States.

Service industries are going bankrupt. Independent producers are going out of the business.

Now, what we see in the tax bill coming over from the House is another hit. They are on the way down, but hit them again.

It is terribly important we continue to have adequate oil reserves in this country. It is important that we do not get hooked again on foreign oil. What did we use last year in the way of foreign oil as compared to our consumption? Twenty-seven percent. What was it at the time of the embargo? Forty-seven percent. What a marvelous job we did on conservation, and during the same process we were able to keep up the oil reserves of this country by drilling deeper wells, more expensive wells, going farther out at sea, taking the high risks. We kept the oil reserves up.

Now it is going the other way-increasing foreign consumption, decreasing domestic production. That is where we are headed. We are being wiped out of the business because we cannot live with these prices. Look at what is happening on stripper wells. You have 442,000 stripper wells in this country. Over 100,00 of them have already closed down, and once you close them down, the environmental requirements are such that you have to plug them, and once you plug them you do not bring them back. So the oil is lost. I think OPEC played its oil card a decade ago and it is getting ready to do it again. I do not like an import fee, buy I do not see any other way to defend ourselves, and I think it helps stablize an industry that I believe is important to our country.

Mr. WEICKER. Will the Senator yield?

Mr. BENTSEN. I hear people say it will not work. In 1959 President Eisenhower imposed quotas on imported oil. Now, that was a serious move. The quotas were mandatory. He acted under what is known as section 232 of the Trade Expansion Act. And that authority still exists. He took that step to stem rapid increases in the imports of cheap foreign oil so that those increases in imports would not threaten or impair the national security, and it worked.

We were able to keep our domestic industry in place. But once you lose the rigs, once you lose the service companies, they go out of business and you do not put them back into business overnight. I think the oil import fee will work, and I think it will be helpful. I do not think in this instance, I would say to the Senator, I am being parochial, but I am also speaking to what I sincerely believe is the national interest of my country. I believe it is important that we have a stable oil industry in the country. Where we have to make some exceptions for heating in the Northeast, of course we will. I understand the fact that we had regulations that many people did not like, but we had a stable oil industry.

Mr. WEICKER. Will the Senator yield for a question?

Mr. BENTSEN. Yes; I will be glad to yield.

Mr. WEICKER. Will the Senator support a gasoline tax at the pump?

Mr. BENTSEN. Well, I supported it many times in the past, and I may support it again depending on what we are trying to accomplish. And let me say that the Lieutenant Governor of my State, in going before a special session of the legislature, is calling for an increase in the gasoline tax in the State of Texas.

Mr. WEICKER. Is the Senator from Texas calling for a tax at the pump?

Mr. BENTSEN. It depends on what we are going to get for it.

Mr. WEICKER. Did the Senator from Texas support——

Mr. BENTSEN. I have done it many times in the past and been a leader in it.

Mr. WEICKER. Did the Senator from Texas support the amendment of the Senator from New Jersey [Mr. BRADLEY] when he proposed such a gasoline tax last year?

Mr. BENTSEN. I do not remember the context of it, but I have told the Senator repeatedly that I did so, and I have proven that, and I have spoken on the floor in favor of those measures. I think I have answered the Senator.

Mr. WEICKER. I just have two more questions.

Mr. BENTSEN. One more question, and then I would like to continue.

Mr. WEICKER. Did the oil industry benefit—the distinguished Senator from Texas referred to the fact that the market was on the way up due to the pressures of OPEC a few years back. Did not the producers in Texas benefit from that rise in prices?

Mr. BENTSEN. Of course it did. I am not quarreling with that. But I told the Senator earlier I really want to finish my comments.

Mr. WEICKER. I just have two short questions.

Mr. BENTSEN. I did not yield for a series of questions.

But I also stated it at that time, when the windfall tax was put on.

□ 2040

On the other side, if you put a damper on the profit side, I would like to see some concern about the loss side—that we have a stable price for oil and that we keep a reasonable oil industry going in this country. I think if you do not do that, the national security is seriously jeopardized.

Mr. WEICKER. Will the Senator yield for one last question?

Mr. BENTSEN. Yes, one last question—which, I must say, the Senator did not do for others.

Mr. WEICKER. I am delighted to go ahead and do it at the end of my statement.

Mr. BENTSEN. I am not through with my statement, but you have kept interrupting me. I will let you have one more question.

Mr. WEICKER. Will the distinguished Senator from Texas tell me what the unemployment rates were in New England when the prices of oil were high and everybody was flush in Texas. They were staggering. I will answer the question.

Mr. BENTSEN. Let me answer the distinguished Senator from Connecticut.

That was when New England was in trouble and asked for help, and this Senator tried to help. When the city of New York was in trouble, this Senator tried to help. When the steel industry was in trouble in Ohio and States such as that, this Senator went in and supported the allotment on steel because I thought it was important in the national interest. So this Senator has responded.

Mr. WEICKER. This is a——

Mr. BENTSEN. We had an agreement as to the number of questions, and you have continued to interrupt.

Mr. President, I really believe that in this kind of situation, if we are going to have stability and some economic growth in this country, we have to have a stable oil industry. I believe the oil import fee would contribute to that, and I strongly support the amendment by the Senator from Colorado and hope it will be adopted.

Indeed, I commend the Senator from Colorado for offering his amendment. As I understand his comments, the amendment would impose a $10 per barrel import fee on imported crude oil and products. A portion of the resulting revenues would be used to expand protection for the elderly and low-income families through the Energy Assistance Program. And the balance of the revenue would flow through to the general fund and aid in efforts to reduce the ballooning budget deficit.

I have worked long and hard on the idea of an oil import fee. I have looked at the issue from every conceivable perspective. While I would prefer an oil import fee with a sliding scale based on a "survival price" of $22 per barrel, I support the approach of the Senator from Colorado and urge the adoption of his amendment.

Let me note first that this amendment implicitly acknowledges that the Congress and the administration face an enormously challenging task in skrinking the budget.

We have put into place system after system to reduce the budget deficit. We were told that the reformed budget system in the seventies would expedite elimination of deficits. And we were told that the newer Gramm-Rudman-Hollings system would do it too. Yet, the deficits have grown larger, not smaller. And they have done so because the Congress and the administration, more often than not, have been unable to agree where to wield the budget ax. We all have our own budget priorities—programs we wish to protect. And I am not optimistic that the budget will shrink until we can forge a bipartisan consensus with Congress and the administration—whether it is through the Gramm-Rudman-Hollings system or any other system we devise.

The amendment has two positive features. First, it will reduce the Federal deficit. The largest budget deficit in our history was marked up last year when it swelled to $212 billion. The deficit this year may be larger despite the $11.7 billion cut we made under Gramm-Rudman-Hollings. But that is history. What concerns me even more is the prospect that despite all our huffing and puffing, the deficit threatens to grow still larger.

And the major cause is the slowing of the economic growth as the recovery winds into its final phase. The recovery is 44 months long now. It is beginning to show considerable signs of wear and tear. Despite the dramatic decline in interest rates in the past year and a half, housing and auto sales have plateaued. They are robust, but they are unlikely to rise markedly above current levels.

Our foreign trade sector continues to rob the economy of 2 percentage points of growth month after month. Indeed, our failure to produce an effective trade policy designed to balance imports and exports is the primary reason the economy grew 2.4

percent during the first half of this year instead of the 4-percent target of the administration. We had high hopes that the declining dollar would spark an export boom. I believe that hope is gone now.

Other more potent factors like growing protectionism abroad have sharply diminished the role on our trade balance played by changes in the dollar's value on foreign exchange markets. Moreover, our major trading partners in Germany and Japan, despite implicit promises made at the plaza meeting last fall, have refused to expand their own economies and buy more United States exports. They prefer a world of slow growth in which they can continue to achieve trade surpluses.

Slower growth spells higher budget deficits. Indeed, we are facing the prospects of continued sluggish growth ahead. Real GNP slumped to a bare 1.1-percent growth rate in the second quarter of this year. And both the blue chip economic indicators and Chase Econometric are forecasting growth to hover around 2.5 percent for the balance of this year. If that occurs, we are facing yet another record deficit in fiscal year 1986 and, again, in fiscal year 1987. And the cuts we need to make in order to satisfy the Gramm-Rudman-Hollings targets are more than twice what we have heretofore been told by OMB.

This amendment has a second feature which recommends it as well. Our Nation has gone on an oil binge as prices have fallen over 60 percent to range near $10 per barrel.

Consumption this year is up sharply. At the same time production is dwindling because many oil companies cannot meet their production costs at today's depression prices. Stripper oil well production is particularly hard hit.

Strippers account for 73 percent of all U.S. oil wells. They are the backbone of our oil production mechanism. Yet, strippers are economically fragile.

They each produce barely 2.9 barrels a day, and many rely on expensive teritiary recovery techniques which cost an average of $14.59 per barrel. They are the most price sensitive, and they are being shut down in ever increasing numbers. Philips Petroleum, for example, is closing its strippers in the Permian Basin as maintenance becomes necessary. And Texaco is now predicting that we will lose 640,000 barrels per day of stripper production in the near future.

Promising new fields on the North Slope and offshore are not being explored or developed because high production costs cannot be recovered at current prices.

Declining production and rising demand spells rising oil imports. And imports have soared this year. Since January, crude and oil product imports have leaped an amazing 750,000 barrels per day above the same period last year.

And our dependence has jumped to 39 percent now, from 27 percent then. The trend is even more alarming. During June, oil imports rose even faster and accounted for nearly 40 percent of all U.S. demand. The peak year of our dependence was 1977 when we relied on foreign oil for 47 percent of our consumption.

And oil experts in CBO, OMB, and the Department of Energy agree that we will exceed that level and become dependent on foreign oil for one-half of our consumption sometime before 1990 or 1991.

The only major untapped source of oil to meet our rising demand is OPEC—which is why Saudi Arabia has once again moved up to join Mexico and Canada as major U.S. suppliers.

We need an energy policy in this country which will move us away from undue reliance on oil imports. We need an energy policy which promotes national security rather than diminishing it.

And we need an energy policy which enables us to conduct foreign policy free of the heavy hand of OPEC or the fear of oil blackmail. After all, the Nation faced perhaps its greatest economic threat in many years when OPEC ran up oil prices a decade ago.

In short, our national security interests demand steps to limit oil imports to a reasonable level. And an oil import fee is one proven and effective technique to do that.

Mr. President, there is nothing at all extraordinary in this amendment. Actions like those that we would have the Senate take today have been taken in the past, and will be taken again in the future no matter what we do today.

As I have already noted, President Eisenhower imposed quotas on imported oil in 1959.

Another example is closer to home. In 1973, President Nixon suspended the Eisenhower quotas and replaced them with a new system of fees on imported oil.

The fees stayed in effect until 1979 and were altered from time to time by Presidents Ford and Carter to enhance the national security. The system of fees itself was revoked by President Reagan, but only in 1983.

President Reagan has the right idea, you say? I don't believe for a minute that President Reagan does not recognize the recurring need for the Federal Government to intervene in the oil market to protect the United States. He has done so himself.

In 1982, for example, President Reagan invoked section 232 to prevent imports of Libyan crude oil from coming into this country. In 1985, he followed up and took action under the International Security and Development Cooperation Act to bar imports of Libyan refined product. I have no doubt that he would interfere again in the oil market if he thought the security of America depended on it.

Let me return once again to the question of exceptions. We often hear that an oil import fee is unworkable because there must be exemptions for home heating oil, the petrochemical industry, and so forth. The quotas and fees that I have just described were altered and modified some 50 times over two decades. Exemptions are possible and can be made to work.

Presidents Eisenhower, Nixon, Ford, Carter, and Reagan all recognized the truth that we are trying to highlight in this amendment. Sometimes it is necessary for the Federal Government to control oil imports in the name of national security. We differ with President Reagan only in one regard: We believe that imported oil is putting the United States at grave risk today, and we want to act now before it is too late.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I rise to speak on this subject because I think it is important to clarify why I oppose the amendment, though I must say that the Senator from Connecticut almost talked me into voting for it. [Laughter.]

The issue here has nothing to do with sales taxes. Sales taxes are a bad idea. I never voted for a sales tax on gasoline and I do not expect to.

Mr. President, this is not a regional issue. The Senator from Connecticut is dead wrong in saying that this is one region against another.

In fact, if we are really talking about adopting this amendment here tonight, instead of letting people know our position or making a statement about whether we are concerned about the oil industry or not, let us talk about real policy and its impact. This amendment will eliminate the differential between the oil-producing States and the non-oil-producing States, but it will do it by decimating the entire economy.

I am opposed to this amendment for what it will do to Texas, for what it will do to America. I do not suffer under any delusions. If there has ever been an issue more popular in my State than the import fee, I am not aware of it. But I want to explain why I am against this.

The first problem with it is that if the amendment became law, you might argue the following scenario: We will have an import fee on oil. It will roughly double the price of oil on the domestic market. We will collect taxes. We can spend the money and we can do a lot of good with the money. Consumers will never know

the difference, because prices will be only $20 a barrel. Producers will never know the difference, because they were paying $30 a barrel 2 years ago, and everything will be great.

The only problem is that this scenario is totally false. Not one of those statements is true. Let me explain why.

Everywhere in the world today, in terms of raw material used in the production process, oil is selling basically for the same price. To make the arithmetic simple, let us say oil is $10 a barrel. If we adopted this amendment and it became law, oil would sell at $20 a barrel.

Let us first consider petroleum-based product exports. We sell about 15 billion dollars' worth of petrochemicals on the world market. About half of those chemicals are produced between Corpus Christi and Beaumont in my own State. If the price of our feedstock were twice the world competitive price, we would lose every one of those 15 billion dollars' sales, and the people who are engaged in petrochemical refining would lose their jobs, to the degree that they are exporting the product. But the problem does not end with those $15 billion worth of sales, because petroleum is a basic product in the production of everything from plastics, a huge American export, to polyester.

So what we have here is an amendment that would make the feedstock cost of crude petroleum in the United States twice the price our competitors pay; and whether we are talking about petrochemicals or plastics or polyester, we would become noncompetitive on the world market and all those jobs would be lost.

The PRESIDING OFFICER. The Senate will be in order.

Mr. GRAMM. But the problem does not end there, because crude petroleum is a feedstock in the production of fuel. So every industrial job that is a significant user of petroleum-based products, every farmer in America, will be paying more for his fuel than our competitors all over the world, and the net impact will be a loss of competitiveness on the world market.

Mr. HART. Mr. President, will the Senator yield?

Mr. GRAMM. Let me go through the litany of problems inherent with the fee and then I will be happy to yield.

So we are talking about the loss, literally, of millions of American jobs in terms of producing, a noncompetitive situation, because of doubling the price of a primary product.

You might say: "Well, we could fix that if we accommodated the petrochemical manufacturers." My colleagues can be assured that if we were serious about this, the petrochemical manufacturers would be knocking down our door and we would be talking about rebating this tax to them, based on the distillate content of exports, and we would start down the list of exemptions.

The Senator from Connecticut would offer an amendment to exempt home heating oil. I am sure that we would have a proposal to exempt the farmer. But you have a dilemma, which is why this is not viable policy, and the dilemma is this: If you start making exemptions, you end up with an entitlement program such as we had under President Carter, and you have an absolutely unworkable program. On the other hand, if you do not make exceptions, you end up decimating huge elements of the American economy.

The point was made that we had a quota in 1959, and we did. But let me remind my colleagues that the world is different today from what it was in 1959.

When Eisenhower was President in 1959, we had a virtual monopoly on world technology. In fact, that was still the era of the so-called dollar shortage, where the great debate in international trade was whether or not our trading partners would ever be able to compete with the United States. I think that debate is over. I think they are competing with us all over the world.

I would like very much to be for this amendment, but I cannot be for it because it will not work. It will not be good for my State, though we are obviously the Nation's largest petroleum producer in the Continental United States. But we are also the largest user of crude petroleum in terms of petrochemicals, huge exports, agriculture, and industry. All those areas of our economy would be decimated by this policy.

I am not saying let us not do anything to address the problem. In fact, I will vigorously support and cosponsor the amendment to repeal the windfall profit tax. I think we should also deregulate natural gas.

□ 2050

I think we ought to repeal the Fuel Use Act and incremental prices so we can eliminate provisions of law that were written in the Carter administration when everyone was saying we are not going to find any more oil and gas.

I think quite frankly we have to begin now to make some hard decisions about looking at the taxation of crude petroleum, looking at percentage depletion, deciding what kind of policy we are going to have; if we are looking at a decade of $10 or $15 oil, what kind of policy ought we to have if we are looking at a 3- or 4-year dip.

But my point is that whatever policy we have, this is the most inefficient way of implementing this policy because this policy hurts the whole country. It especially hurts the parts of the country that one initially views as benefiting because these are the biggest users of crude petroleum and all the industries related to it.

Mr. HART. Mr. President, will the Senator yield?

Mr. GRAMM. I am happy to yield.

Mr. HART. Is the Senator aware of the study done by the CBO of April 1986 that contains the following statements, and I think it is pertinent to the point the Senator is making. The study is entitled, "The Budgetary and Economic Effects of Oil Taxes." There is this sentence, "Nominal GNP remains approximately constant in response to a tax."

Further, the report says oil taxes could lead to a lower world price of oil. If they did the taxes would in effect be paid in part by foreign oil producers.

Finally, these statements in the same study on page 38:

> The CBO concludes that the oil import fee would have its most effect if we were to get cooperation with other importing or consuming nations.

But let me make the statement: Such concerted action is hindered by the fact that the United States has been the only major oil consumer not to implement sizable oil taxes since the first oil price shocks in 1973.

The fact of the matter is we have been living in the comparative advantage. We will not fall into disadvantage with our foreign competitors because they have already put taxes on and the CBO says some of these countries have already begun——

Mr. GRAMM. I yielded for what I believe was a question.

Mr. HART. I am finishing. Some of these countries already have begun to place additional taxes on oil and energy in response to recent oil price drops.

Does that not respond to the point the Senator from Texas made?

Mr. GRAMM. Let me first say to my distinguished colleague from Colorado, I have spent most of my life writing studies, and I know exactly what goes into them.

Anyone who wants to tell me that doubling the price of crude petroleum in the United States would not decimate the petrochemical industry, would not wipe us out of the plastics industry, would not decimate even an industry like textiles that is dependent on crude petroleum, that would not disadvantage every farmer, every manufacturer in American is absolutely talking through his hat.

Yours is a study that is written by people who want an easy source of revenue.

Obviously, this is going to be appealing as an amendment to the Senators who want to say, "I am concerned about the petroleum industry, we have

a crisis, we have to do something," and I understand that.

I represent, with my distinguished senior Senator, the Nation's historically greatest petroleum producers.

But I am not swayed by that, because a crisis does not call for inefficient action. It calls for efficient action and of all ways to deal with this problem in terms of the cost on the economy and the working men and women of America, this is absolutely the worst way and would, in my opinion, hurt Texas and hurt America, and I am against it.

To those who are looking for an easy source of revenue, let me say that there is no doubt about the fact you can get CBO to claim this amendment will save money because they are basically going to make some simple assumptions about elasticity of demand. They are going to assume there is not a whole lot of change. They are going to assume some absorption and they are going to give you a big chunk of revenues. But do not believe it. We are getting revenues from 15 billion dollars' worth of petrochemicals sold on the world market. How are we going to compete with other petrochemical manufacturers when we are paying $20 a barrel for feedstock and they are paying $10 a barrel? No way we are going to compete.

We are generating revenues from our foreign sales of agricultural products and, as I am sure the distinguished spokesman for agriculture who speaks more eloquently than I can will tell you, we are not doing too well right now. How are you going to do well when you are paying more for gasoline and diesel fuel than your competitors? You are not going to do very well.

We have heard talk about steel tariffs. What did that do for the steel industry? It did not do anything for the steel industry. They are going broke left and right.

What did it do for the automobile industry? Ask the Japanese. Ask the Koreans. Ask the people who are producing the automobiles we are not producing because we have protective tariffs, because we have labor unions that demand wages beyond productivity, because we have inefficient management.

Do not hold up steel as an example of how we have benefited from protective tariffs. It is a litany and proof that protectionism kills industry, kills the economy, decimates the very people it is supposed to help.

So this is not a diatribe for free trade or free markets. I am not claiming there is a free market in crude petroleum. But I am saying that we are in a competitive world. We have lost our competitive edge and we are having a very difficult time producing and selling anything.

If you come in and double the price of crude petroleum on the American economy, you are going to wipe out our ability to compete on everything from petrochemicals to agriculture, to petroleum-based textiles.

This is not a good amendment and I urge my colleagues to defeat it.

It has absolutely nothing to do with gasoline taxes. It has nothing to do with regionalism.

There is a problem. There is a crisis that worries me a great deal about my own State. But this is not the way to solve that crisis. This is a way to rub everybody's nose in the problem and make the crisis worse.

Mr. HEINZ. Mr. President, will the Senator yield for a brief comment?

Mr. GRAMM. I am happy to yield.

Mr. HEINZ. Mr. President, I thank the Senator for yielding because I want to compliment him on the position he has taken on this amendment.

The fact is that Senator GRAMM, a Senator from Texas, has courageously said and he has explained his argument—I will not repeat it—that he is opposed to this oil import fee.

Let me tell you, that is a tough position to take if you are from Texas, and he has reasoned his argument out in a way that everyone can understand it. He has explained why in the case of this amendment a few people benefit and many people are hurt. In the case of those people who benefit, it is not the Government, the taxpayers who benefit for most of the revenues this amendment is going to raise.

I commend the Senator from Texas for his excellent position, for his courageousness and integrity, and I wish we had even more of it on the floor than we do.

Mr. GRAMM. I thank the distinguished Senator from Pennsylvania and I will yield back my time making one final point:

□ 2100

Because your State may produce oil, do not think you are going to really benefit from this amendment. Because, if your State produces oil, it uses oil to produce other products. And our ability to be competitive in the world market would be decimated.

I am convinced that you may well lose far more jobs than you gain. So I urge my colleagues: do not say there is no problem, there is a terrible problem, a national problem, a national crisis. This is not the solution.

Mr. MITCHELL. Mr. President, I strongly oppose the pending amendment.

An oil import fee is a regressive tax that will impose an unequal burden on different income groups and regions across the country. It is an inefficient means of raising revenue that will impose new burdens on the economy.

The inconsistency between this amendment and the earlier amendment on the windfall profit tax should not be lost on any Member of the Senate. Earlier, the Senate tentatively decided to repeal the windfall profit tax. That means that when prices rise, as they inevitably will, the oil industry can earn unlimited profits, regardless of how high the price goes, even when those price increases are caused by the acts of foreign governments and foreign cartels. That Senate action asks that the Government renounce its interest in protecting its citizens from oil price increases, no matter what the cause of those increases, no matter what the amount of those increases.

Now, on the very same evening, the Senate is asked to take the exact opposit position. Now, the Government is asked to step in and protect the domestic oil industry from the vicissitudes of the market.

Well, they cannot have it both ways. They cannot ask, on the one hand, that the Federal Government remove itself from the market by repealing the windfall profit tax, and then, on the other hand, that the Federal Government intervene in the market by imposing an oil import fee to protect domestic producers.

I supported retention of the windfall profit tax because I believe the Government does have a responsibility to protect its citizens from the market distorting actions of foreign governments. At the same time, I believe the Federal Government should take action today to help our ailing domestic oil industry. But the solution should not impose disproportionate burdens on another region of the country.

The oil producing States of the Nation are undergoing extraordinarily difficult times today that are even more extreme than the good times they experienced when oil prices were rising. The politics of oil have tended to divide this Nation between those regions that produce oil and those that do not.

Nevertheless, in times like this we should all come together as Americans in sympathy with the different dislocations that oil producing States are experiencing as a result of the precipitous decline in oil prices. The toll this is taking in human misery must be responded to.

And just as importantly, the implications the current price decline has for future oil production, particularly from marginal wells, must be of concern. Oil is a basic resource of strategic importance to this Nation and we should not be unmindful of the implications the current crisis has for our future energy needs. Whether the price drop results from intentional policies of foreign governments, or is an indirect consequence of those policies, this Nation should respond.

But concern for the effects of the oil price decline does not mean that the Congress must adopt policies that will impose unnecessary tax and price burdens on other parts of the country.

And yet, that would be the effect of an oil import fee. At a time when we need to unite, this proposal divides. It sets region against region. It asks one part of the country to shoulder the entire burden for helping another part of the country.

My objections to this amendment are simple. An oil import fee would have an adverse impact on our national economy. It represents a regressive, inefficient method of raising revenues.

Mr. President, the last extended serious debate on oil import fees occurred in early 1982. That debate generated a number of studies on the economic and revenue impacts of an oil import fee. Several stand out, specifically the ones prepared by the Congressional Budget Office, the Congressional Research Service, the Consumer Energy Council of America Research Foundation, and the American Gas Association.

We can benefit today from a review of what those studies projected then from a $5 per barrel fee on imported oil.

Probably the most dramatic impact would be seen in the 8 to 12 cents a gallon increase in the price of gasoline and other petroleum products as domestic producers increased the price of their products to match the import fee.

The studies projected that the increased cost of petroleum would reduce the gross national product by between four-tenths of 1 percent and 1 percent, as higher gasoline and energy costs flowed throughout the economy.

In addition, the studies indicated that following the imposition of an import fee, inflation would increase immediately by a rate ranging from four-tenths of a percentage point to 1 percentage point.

And last, we should expect to see the number of unemployed Americans rise by 100,000 to 400,000, from the resulting economic slowdown.

There has been no evidence, and no one has offered any, that the assumptions, projections, and conclusions in those studies do not remain valid today.

Mr. HART. Will the Senator yield just on that point?

Mr. MITCHELL. Yes, I yield.

Mr. HART. Earlier in the evening, the Senator from Colorado cited the most recent Congressional Budget Office study, April 1986, which directly disputes those figures.

Mr. MITCHELL. I thank the Senator.

There is a key point, however, which must be considered in this debate. The studies considered the economic impacts resulting from the imposition of the $5 per barrel import fee.

The present amendment proposes a fee twice that amount, $10 a barrel. Thus, the impact would be twice as adverse as the figures that I mentioned earlier.

If so, then enactment of the fee proposed in this amendment would result in a drop in the gross national product of between 1 and 2 percentage points. And I understand the Senator has information which he suggests to the contrary, and I respect that. But I believe it would mean an increase in the Nation's inflation rate of between 1 and 2 percentage points and would result in increasing unemployment in America by between 400,000 and 800,000 persons. Those effects, I believe, are unacceptable.

A second major disadvantage of an oil import fee is that it is the least efficient revenue-raising option being considered by the Congress.

It would, of course, raise revenues, but the revenues generated by a $5 a barrel fee would be in the range of $9 billion a year over the next 5 years. The cost to consumers would be between $20 billion and $30 billion. So, with a $10 a barrel fee, we are talking about increasing the revenues to the Government by $19 billion at a cost to American consumers of between $40 billion and $60 billion.

Because domestic oil prices would rise to match the increase in imported oil prices, oil companies would, of course, realize higher revenues. The windfall profit and corporate income tax, if the windfall profit tax is still with us, would not recoup all of these revenues, as is acknowledged by the author of this amendment who again proposes a rebate scheme. But that scheme is without merit. Such rebates were promised to offset the effects of the windfall profit tax in 1979. But the program that was implemented, the Low-Income Home Energy Assistance Program, did not fulfill the promise.

Instead, it provided assistance without regard to whether a recipient heats with oil, gas, or electricity. It is unfair to tax oil consumers and provide relief to others who do not use oil.

But, despite the rebate scheme, domestic oil companies would reap tremendous benefits from an oil import fee. We would face again, in the 1980's, the probelms with which the Nation grappled through the 1970's, as Government-induced distortions in our economy artificially created favorable investment opportunities in some sectors and not in others.

It is ironic that, at a time when we are seeking to eliminate Government-induced distortions into our capital investment market through a major tax overhaul, we should be asked to consider a measure which would have the effect of creating significant new distortions.

A final disadvantage—and I am nearly completed. I know the leader would like to get to a vote—is that the burden of this fee cannot be fairly spread among industries, regions or income classes.

I can state categorically that the residents of my State of Maine would be among those most adversely affected by an oil import fee.

Oil accounts for 80 percent of the total energy consumption in Maine. In comparison, the rest of the Northeast States utilize oil for 50 percent of their energy, and the country as a whole, uses oil for 44 percent of its energy.

Alternatives to oil for home heating in Maine—a major and significant component of the cost of living in New England—are limited to wood and electricity. Our electricity in Maine is largely generated by hydro, coal, and nuclear fuels, but oil still accounts for 19 percent of generating capacity—a proportion roughly three times the national average.

Not only, therefore, does my State rely disproportionately on oil for direct heating, but a principal alternative heat source is also highly dependent on oil.

An import fee on that product therefore is certain to impose an enormous burden on the citizens of Maine and an enormous and unfair burden I might say.

To sum up, Mr. President, a fee on imported oil would adversely affect our national economy. It would serve as an inefficient and regressive means of raising revenues, and it would adversely impact oil consumers, particularly those in the Northeastern States. It is a very, very unfair proposal, and I urge its defeat.

Thank you, Mr. President.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER (Mr. MURKOWSKI). The majority leader.

Mr. DOLE. Mr. President, as I understand, there are two more speakers. As far as I know, there are no more speakers on that side. I wonder if we might agree to a vote.

The Senator from Oklahoma would like 5 minutes, the Senator from Maine wants 5 minutes, the Senator from Idaho wants 5 minues, and the Senator from Colorado will close with 2 minutes.

I ask unanimous consent that the time be allotted, and that we vote on the amendment, either vote or whatever the managers want. They may want to table or vote at 9:30.

Mr. HART. Will the majority leader yield?

I am instructed that our side is trying to check with the minority leader. I have no objection to that at all.

Mr. DOLE. I will reserve that. We will go ahead and use up part of the time.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I rise in support of the amendment of the Senator from Colorado. I will be the first to say I do not think the amendment is perfect. I personally think instead of having a $5 or $10 fee, whatever it should be, we should phase out after the price gets to a certain level. What that level would be would be subject to debate—start phasing it out at $20, $25, or some other level, but yet I think it is important.

We have heard a lot of things about what is going on in the international market. I hope our colleagues and the American people realize when they are clapping and applauding about the decline of oil prices that it is not the free marketplace at work. Actually we have a manipulated market. It is being manipulated primarily by OPEC countries and primarily by the Saudis. They are doing it for a purpose. Their purpose is to increase their percentage of world exports. They are being successful. Their percentage of world exports has increased dramatically. The amount the United States is buying from those countries has also increased dramatically, and the amount we produce domestically has declined.

I think it is important for people to understand that, when we have seen the price of oil fall in November from $28 to the last 4 weeks where we are looking at a price of $9 and we are seeing that price even erode further where we are seeing spot prices from the Saudis in the $6 to $7 range, we know what is happening, and to also know there is an expense involved with it.

That expense is basically our national security and our dependence on foreign sources. Nevertheless, months ago, when the Senator from Colorado had his original amendment up, we imported about 27 percent. Oil prices were at $30. They called for a $10 oil import fee. I did not support it. I think you will find most people in the industry, API, IPAA, and others were opposed to it. They said we did not need it. Times are different now. We are looking at the domestic prices of $11 and coming down lower toward a $9 or $8 figure. We are looking at bankruptcies across the board. We are looking at almost no drilling whatsoever in this country. There are 680 rigs running in the country today compared to over 4,000 just 5 years ago. We are basically seeing the domestic industry being devastated. Our dependency on foreign sources has increased dramatically in this last 8 months alone.

Eight months ago we were importing about 27 or 29 percent. Today it is 39 percent of our total production or total energy needs, and 39 percent is now being provided by imports. The trend is continuing to accelerate and within the next few years, probably the next couple of years we will be exceeding the 50-percent level. That is very dangerous for the Northeast. It is very dangerous for all sectors of the country.

When we had the previous embargoes in 1973 we were importing 35 percent. In 1979, we were importing about 44 or 45 percent. Today we are importing 39 percent and increasing. That makes us very vulnerable to shutoffs from other sources, particularly the Middle East sources.

One final comment. We have heard a lot of people say wait a minute, this would punish or be particularly detrimental to the Northeast or to the consuming State. They said, well, it did not punish the Southwestern States or the energy States when oil prices were going up. The windfall profit tax did punish the producing States. It did selectively single those States out. It did raise taxes on the producing States, $77 billion from a handful of States. That tax was not paid by other States. It was paid only by those few States.

So they were singled out. We did not allow the free marketplace to work as it should have. We placed the windfall profit tax to take those benefits and share those with the country. I think we likewise should be cognizant of the fact that we have some very serious problems here by Saudi manipulation, by OPEC manipulation, that this fee would help correct.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. After consulting with the minority leader and other Senators, I think we are prepared to put a unanimous-consent request that a vote occur no later than 9:30 with the proviso that up to 5 minutes be reserved for the Senator from Maine, that 5 minutes be reserved for the Senator from Idaho, and with 2 minutes being reserved for the Senator from Colorado. I think the Senator from Arkansas is seeking time as well.

Mr. President, I amend my request to make it 9:35 so that the Senator from Arkansas may be reserved up to 3 minutes.

I renew my request.

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS. Reserving the right to object, I think the Senator listed 22 minutes and a vote at 9:30.

Mr. HEINZ. Will the Senator yield? I say to the Senator three Senators are seeking 5 minutes and one seeking 3 minutes.

Mr. BUMPERS. After which the vote will occur.

Mr. HEINZ. Yes.

Mr. BUMPERS. I have no objection.

Mr. HEINZ. I thank all Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Maine.

Mr. COHEN. Mr. President, I will not take the full 5 minutes. I am sure my colleague from Arkansas can use whatever time I do not consume.

First, I would like to commend my colleague, the senior Senator from Texas. If we are talking about a profile in courage, I say he has to be entered into that particular arena. I assume that within minutes after he made that very powerful and persuasive speech on this floor his lines were probably ringing off the hook in his office. It is probably hard to contest the notion that somehow one cannot be from Texas and not support an oil import fee. But I think he demonstrated with the kind of clear thinking logic and power of persuasion as to why it is the wrong thing to do under the circumstances.

So I think one person with courage hopefully will become a majority in this institution on this particular vote.

I also would like to extend my comments to the Senator from Colorado, Senator HART, and to make just one other point about Senator HART's amendment. No. 1, it is not political nor is it regional in nature. I would point out that 2 years ago when Senator HART was pursuing higher aspirations, some might say aberrations, he was pursuing the Presidency, he also proposed at that time that we have an oil import fee. It was not a politically popular thing for him to do at that time because he was campaigning in the Northeast. So I want to commend him for offering the initiative even though I think it is the wrong solution to the current problem. Nonetheless, his single motivation from my experience in working with him has been one issue and that is to somehow instill a conservation ethic in this society. Because what he and the senior Senator from Texas have been saying is absolutely true.

We have a serious absence of conservation in this country. That is how we got into this problem when the war broke out in the Middle East and we had a shutoff of oil. That is when we got into great difficulty and started talking about allocation formulas which everyone agreed was a disaster for the country itself.

The senior Senator from Texas is also correct that the Saudis are not looking out for the interests of our consumers.

□ 2120

They are trying to undercut the market with the hope that eventually they can drive our own domestic producers out of business and then capture the marketplace once again and then start driving the price up.

It is difficult to really come to a conclusion as to what the right solution to the problem is. At the time we had the Mideast war going on, what we saw was the foreign competitors in the automobile industry were way ahead of the domestic producers in this country. They started building smaller and more fuel efficient cars while we were hooked on the big gas guzzlers.

I know that when I was a Member of the House of Representatives, I was struggling for a solution at that point. I even offered an amendment putting a higher excise tax on the larger cars. I do not think I have received more mail in my history of 14 years than when I proposed that particular amendment. I was equated as being a Communist for wanting to take away the large cars that Americans had become so dependent upon. Yet all of us were struggling in one fashion or another to try to come to grips with how we reduce the consumption of foreign energy in this country.

We have yet to do that. As a matter of fact, the consumption is going up again and the foreign auto makers are following that trend.

Look at the cars being made today. Honda is now producing a luxury model selling at $20,000 or $22,000. It is creeping up because they are following the consumption trends once again in this country.

The Middle East is no more stable today than it was in 1973. We face, a very, very fragile supply situation.

So I want to commend Senator HART for at least raising the issue on how we come to grips with this, at the same time coming to an opposite conclusion for the reasons so well articulated by the junior Senator from Maine [Mr. MITCHELL].

Statistically he has laid out the case it would be bad for the economy and, No. 2, it would be particularly devastating for our region on the effect on the price it would have there.

I would conclude on an observation raised by the Senator from New Hampshire on another issue. He recently was confronted by a group of citizens who urged him to impose higher business taxes so that we could have a tax reform bill that would benefit the lower and middle-income tax for the people of this country. His response was good. He looked at the audience and said, "I have some good news and some bad news. The good news is that we can probably produce a tax bill that will lower the tax to middle- and low-income people. And on the higher taxes to businesses, the bad news is that you will probably be out of a job."

That is what the junior Senator is saying here tonight, that we can impose an import fee but the economy would be seriously jeopardized as a result.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. I rise somewhat reluctantly, Mr. President, to oppose the amendment, and I say reluctantly because I do not think it requires any explanation or delineation of the great difficulties that the oil and gas industry have in this country today. I am not rising because I am blind to those problems; I am rising because I think that the amendment is the wrong answer to that question.

I think there is a great problem. I am sorry that we have New England against the oil producing States, and I am sorry that to the oil producing States this is the only salvation for the oil producing States because I think they have glossed over the problem which this amendment does nothing about. It exacerbates some problems without clearing others at all.

The primary reason that I am hesitant is that I do not blame people in the oil and gas industry for having a tremendous frustration that we cannot come to grips with the problem, and find some solution which will allow them to stay alive. All we can say is no, this is not the right answer. Yet that is what I have to say.

Yes, I understand the dilemma. Yes, I understand why they are seeking answers to their problems. But this is not the right answer.

This is one of the largest tax increases on the American public in one package that I can remember. If you look at total domestic oil consumption, and that is exactly what it would effect, not just imports, the increased burden on the American taxpayer would be somewhere in the range of $70 billion to $80 billion per year; $70 billion to $80 billion per year means about $1,400 per year for a family of four.

I cannot believe that the solution that we seek can cost $70 billion to $80 billion a year and not impose a burden on the American taxpayers.

While I am very much aware of and concerned about the problems in the oil patch, for those reasons, this is not the answer.

Mr. President, as I stated, I oppose the amendment offered by the senior Senator from Colorado [Mr. HART] to add $10 per barrel to the tariff schedules already present on imported crude oil and $14 per barrel on refined petroleum products. The proposed tariff is a mechanical add on. It is not related to the current situation in the world or the domestic oil markets, nor does it provide any mechanism for adjustment in case change is needed. This amendment is not energy policy, it is just a way of raising enormous amounts of revenues.

Mr. President, if this amendment were adopted it would seriously harm consumers, our economy, and our international relations. It would be a major tax increase. It would increase the price consumers pay for petroleum products, such as gasoline and heating oil. It would throw people out of work. It would increase the Federal deficit. It would add to the rate of inflation. And it would slow the growth of our economy.

I would like to note, Mr. President, that neither the Senate Finance Committee nor the Senate Energy Committee have held any hearings on the Senator's proposal. Right now, we simply do not know how much revenue it would raise; or what impact it might have on our economy; or how it would affect or energy situation; or what it would do to U.S. energy intensive industries, such as petrochemicals and steel; or how it would affect our relations with other nations. In my opinion, until we fully review the proposed tariff increase and get the answers to these and many other important questions, it would be most unwise to act.

The one thing that is absolutely clear about this amendment, however, is that it would impose an enormous new tax on the American people. Rough calculations indicate that this new tax would be in the range of $70 to $80 billion per year. That would be one of the largest tax increases in my memory. The proposed amendment would have this enormous impact because imported oil is the marginal barrel which sets the price for all oil consumed in the United States. Last year Americans consumed 5.7 billion barrels of domestic and imported petroleum products. Hence, the proposed tariff would cost U.S. consumers somewhere in the range of $70 to $80 billion per year in higher oil prices—or about $1,400 per year for a family of four.

Although it may only be small comfort, I would like to point out for the benefit of the Senate that not all regions of the United States would be hurt by the proposed tariff increase as much as would be New England. It is well known that the Northeast region of the United States is more dependent on oil—particularly imported heating oil—than the rest of the Nation. As a result, Northeast residents would suffer disproportionately greater from the amendment than would those located elsewhere in the United States.

The proposed tariff increase would also have serious negative macroeconomic consequences, although as I noted earlier we can not fully fathom its potential impact as hearings have not yet been held. However, we can qualitatively assess its potential impact.

First, the proposed tariff increase would adversely affect Federal and State budgets, both reducing revenues and increasing outlays. Higher oil prices lead to reduced economic activi-

ty, which translate into lower overall corporate and personal income taxes collected. On the outlay side, a tariff increases the Consumer Price Index which would automatically trigger increases in Government expenditures, such as for Social Security.

A 1982 CBO study indicates that a $10 per barrel tariff increase would reduce personal and nonoil corporate income taxes by as much as $18 billion per year in out years, and it would increase Federal expenditures by as much as $15 billion per year in out years.

The CBO study also concluded that an increase in the import tariff increases inflation, slows the economy, reduces the growth of our gross national product, and worsens unemployment. The CBO study indicated that a $10 per barrel import tariff would result in a loss of 1 percent of real GNP in the first year following adoption. It also indicated that such a tariff increase would add 200,000 to the ranks of the unemployed.

I would also like to point out that the proposed tariff would have a devastating impact on U.S. energy intensive industries, such as plastics and petrochemicals. These U.S.-located industries are in stiff competition both here and abroad with companies located offshore. If U.S. companies are forced to pay an additional $10 to $14 per barrel for the oil it consumes or employs as a feedstock in the manufacture of products, they will become uncompetitive. If that were to happen, we would see a massive increase of imported energy intensive products, and the decimation of our domestic industries. Those energy intensive industries that are located in the United States will either flee over the border to Canada or Mexico, or go out of business. I can assure you, American workers would not be happy when they find their jobs exported as a result of the amendment.

Mr. President, before we increase the tariff on the oil we import from our important trading partners and friendly nations, such as Canada, Mexico, Venezuela and the United Kingdom, we better make sure we fully understand what this may do to their economies, and what economic, financial and diplomatic repercussions it will have for the United States. For example, if the proposed import tariff makes a country unable to service their debts to U.S. creditors, we may bankrupt a number of U.S. banks. Most importantly, we must pay careful attention to the impact of such action on our international relations with oil exporting nations. We simply cannot afford to bankrupt a foreign nation and drive that nation into the Soviet Union's sphere of influence.

Mr. President, it is for these reasons that I oppose the pending amendment and urge the other Members of the Senate to vote against it.

Mr. WEICKER. Mr. President, I commend the distinguished Senator from Idaho for his statement.

The PRESIDING OFFICER. The Senator from Arkansas and the Senator from Colorado are also seeking recognition.

Mr. HEINZ. Mr. President, I believe there is still unused time.

The PRESIDING OFFICER. The Senator is correct.

Mr. HEINZ. I think the Senator from Connecticut is entitled to time.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. WEICKER. Mr. President, I want to commend the distinguished Senator from Idaho, the chairman of the Senate Energy Committee, for both his leadership in the Energy Committee, which has been a fair and impartial leadership, and for the statement indicating another one of the deficiencies in the amendment before us.

Having said that, I want to reiterate my admiration of the Senator from Colorado who in the past has always been in the forefront of conservation measures.

I repeat what was alluded to by the Senator from Idaho in this sense: What faces us is a national problem, and it is of enormous dimensions. It will not find its resolution in any parochial attitude, whether it was the parochial attitude of my part of the country when it wanted controls, or in the sense of this import fee, which is going to impact on my part of the country and have little impact on those who live in the oil producing States.

I would hope that we would continue to pursue the conservation effort, whether by virtue of fuel efficient engines, whether by virtue of the 55-mile-per-hour speed limit, whether by virtue of the petroleum reserve, which the Senator from Idaho has been pointed out. We have been talking about letting things slide. We have let that slide.

I could go down a whole list of measures that should be taken if indeed we are to avoid any sort of an impact by outside nations, be they Arab or Canada or Mexico. I do not care. I want our own domestic industry to be strong and to be able to weather any kind of a challenge posed to the United States.

But this is not the answer. The answer is going to have to be a national answer. I would hope that would come to pass very soon. I would hope this amendment is defeated.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I rise to state that I cannot support the amendment of my very good friend, the distinguished Senator from Colorado [Mr. HART].

□ 2130

It is a very difficult vote for me. I am torn between a keen desire to help a destitute industry in the Nation and in my State and the fear I have of an import fee, particularly one of this magnitude, the impact it is going to have, for example, on my farmers who are equally destitute.

The first break farmers of this country have had of any size at all has been a decline in diesel prices from roughly $1 a gallon to 50 cents a gallon. Twelve percent of all the farmers' cost is in the use of energy. With commodity prices declining and their profits declining, to raise their price back up to even 80 cents would be almost a mortal blow to agriculture in my State.

When I go into south Arkansas and I talk to my friends there, particularly the independents, they are desperate, too. But, you know, Mr. President, the President has said that he would not, completely aside from all the economic arguments on this, that there is not going to be an oil import fee; do not pass one because he will veto it if we do. So really, we are going through a sort of exercise here. No. 1, the amendment is not going to be adopted; two, the President is going to veto it if he keeps his word, and I suspect he will.

I think the Senator from Texas [Mr. GRAMM] made the point. When you consider that in the past 2 months, agricultural imports have exceeded exports for the first time in modern history, a really unusual phenomenon. The trade bill last month, if I am not mistaken, when it is annualized, means that we would have $170 billion trade deficit this year. If you double the price of oil just overnight, what would that do to industry in the country? What would it do to textiles? We are trying to protect our textile industry from imports and they are totally dependent on the petroleum industry.

So, for all of those reasons, I feel compelled, with great reluctance, to oppose this amendment.

I might also say that a smaller import fee, which is likely to come before this body in the reconciliation bill, might be acceptable, something that I think we could absorb without having all of the adverse impact on the economy that I just talked about.

So, Mr. President, as I say, I know the Senator from Colorado has offered this amendment many times. I have always opposed it. There is not any question that he has been purely motivated by trying to conserve energy in this country. At the same time, there is not any doubt that the country could use the revenue, $18 billion. But that ought not to be the test right

now on this issue. So, Mr. President, I shall vote no on this amendment.

Mr. LEAHY. Mr. President, I oppose Senator HART's amendment to impose tax on imported oil.

The amendment is bad policy. It will not reduce the Federal deficit and it will cost Vermont families dearly.

Mr. President, earlier this year I cosponsored legislation opposing an oil impact fee, because such a new tax would cost the average Vermont family $200 in added heating oil and gasoline costs each year.

On March 6, 1986, I joined a bipartisan group of New England Senators in writing to President Reagan, urging him to oppose this new tax that would hurt New England most.

On April 30, President Reagan's Assistant, William Ball, wrote back to say that the President agrees and also opposes an oil import fee.

Mr. Ball informed me that President Reagan and I agree that an oil import fee would hurt consumers by priming inflation and raising prices for most goods. The President also agrees that such a tax would hurt farmers by inflating the price of fertilizer and farm energy costs. And the President agrees that an oil import fee would hurt New England most.

Finally, an oil import fee will not reduce the deficit. The Congressional Budget Office reports that this new tax will reverse the dramatic decline in oil prices which will reduce the deficit by $129 billion over the next 5 years, through increased economic growth. In other words, the declining price of oil has fueled economic growth, adding increased revenues to the Treasury. Increasing oil prices through a new tax would slow the little economic growth we have seen in recent months and add even more to the Federal deficit by drying up these important new revenues.

Mr. President, I urge the Senate to defeat this amendment.

Mr. DOLE. Mr. President, my colleagues are well aware of my concern about the condition of our domestic oil industry and our increasing dependence on foreign oil. I believe that we should consider and enact an import fee to address these very serious problems.

However, I must vote against this amendment. A balanced approach which can be justified on economic, energy, or foreign policy grounds should be one that phases out as oil prices rise.

Others have pointed out the technical problems inherent in this amendment. I will not take the Senate's time to repeat them now.

I hope we will have the opportunity to address an import fee which is pegged to a reasonable price which will allow our domestic industry to recover its costs and make a modest profit while protecting American consumers from unreasonable price increases.

Mr. KERRY. Mr. President, the junior Senator from Rhode Island said it best when he said that there seems to be a glut of bad ideas that keep on coming back over and over again. This is clearly one of them.

New England depends a great deal on oil to heat its homes and businesses. The largest State in that region is Massachusetts and the citizens of my State should not have to now suffer the perils of the oil market.

The supporters of this amendment seem to think that the citizens of New England should assume an inordinate share of the burden that falling oil prices have placed on the oil-producing States of this country.

We have heard in times past that the oil import fee is an ingenious deficit reduction tool. The primary focus of any ingenious idea is that there be some fairness and equity associated with it—that essential element is fundamentally missing from an oil import fee.

This amendment is very clearly a hidden tax that, in addition to raising the New England's home and business heating prices, will also raise the price of goods and services in the United States by billions of dollars each year.

And as if that is not enough to lead us to turn it down, we must also realize the disastrous effects this would have on our already alarming trade deficit. It would virtually handicap the agricultural, petrochemical and plastics industries in world trade and make U.S. firms even less competitive to imports in domestic markets.

In my short time here, I have had many opportunities to oppose this proposal. Tonight is as appropriate a time as any to have the Senate once again defeat this misbegotten idea.

Mr. LEVIN. Mr. President, I am pleased to hear the Senator's assurance that he would support adding to his amendment a phaseout of the oil import fee if the price of oil increases. I believe that such a phaseout is essential as a matter of equity.

An oil import fee is a reasonable response to two challenges facing this Nation. First, it would raise billions of dollars a year which could be used to reduce the huge Federal deficit, which threatens our national economic health. I would prefer a more modest fee than the one being proposed now, but even a fee of $5 per barrel would raise almost $10 billion a year. This amount, combined with selective spending cuts and other revenues from measures such as a strengthened minimum tax on profitable corporations and wealthy individuals, would allow us to meet the Gramm-Rudman deficit reduction goals.

Second, an oil import fee is an essential step in protecting our national energy security. The cheap foreign oil now flooding the market would seem to be a cause for rejoicing. However, it is really having the effect of shutting down our domestic oil industry. We hated the feeling in the 1970's of being a hostage to foreign oil. Now it might appear as if the chains have fallen to the ground. But if the effect of cheaper foreign oil is to hamstring our own domestic production capacity, then in a few years the chains will again be binding us, and tighter than before. We cannot allow that to happen.

Mr. HART addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HART. Mr. President, I first proposed an import fee in 1977. That is almost 9 years ago. That was at a time when oil was about $40 a barrel. I was told that it was a bad idea, bad policy. I should not do it. I have heard many of the same arguments tonight. First, if I may, Mr. President, very briefly, let me respond to many of those arguments.

The most recent analysis, and I think it is an unbiased analysis despite what others have said, is by our Congressional Budget Office 90 days ago. The CBO, contrary to what has been alleged here this evening, has said that the purported massive negative impact on our economy would be nil, that, in fact, our gross national product would remain relatively the same.

The Congressional Budget Office, in this same report, said oil prices would not double. They said probably world oil prices will decline, will go down, if we were to impose this fee.

The Congressional Budget Office said not only would we be not put in a negative position with regard to trade, and I quote their conclusion "An oil import tariff or an excise tax on crude oil could improve the balance of trade for this country."

Finally, Mr. President, with regard to our competitiveness with foreign countries, the fact of the matter is other industrialized nations have more energy consumption taxes than we do or would have even if we impose this fee. So all of the allegations about the terrible impact on our economy from this tariff is just factually incorrect.

Mr. President, let me tell you what this tax is not, since we have heard a lot of debate about that this evening. This proposal is not an attempt to rescue any industry, including the oil industry. I have no idea what the position of the lobbying entities of the oil industry are on this proposal tonight. All I know is that virtually all of those lobbying entities have opposed an oil import fee for the past 10 years I have been for it. So the suggestion that this is put forward to bail out an industry, even the oil industry, in terms of this Senator's motivation, is just not true.

Is this an attack on one region of this country? The answer is "No."

This Senator has never supported and will never support any import fee or any measure of this sort that negatively impacts on any region of this country or does not contain within it a provision to offset any negative impact, and this amendment does.

Is this a measure to balance the budget? the answer is "No." This is not a measure principally put forward to balance our budget, even though it would have a substantial positive effect in that regard.

Is this an energy policy? The answer is "No." I think it is the cornerstone and the centerpiece of what could and should be a national energy policy, but that is not its principal purpose.

Mr. President, the author of this amendment has one single purpose. I confess it is a selfish one. The author of this amendment has a 20-year-old son, a son of draft age. I do not intend for my son to lose his life in an unnecessary war in the Persian Gulf for someone else's oil. That is why this amendment is offered.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. All time has expired.

The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I ask unanimous consent that I may proceed for 30 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, could I add to that request a unanimous-consent request that I be allowed to proceed for 1 minute?

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. HEINZ. I reserve the remainder of my time.

Mr. LEVIN. I thank my friend from Pennsylvania.

Mr. President, when this proposal was up in November of last year, I raised the problem of the lack of a phaseout provision in this amendment. I think the Senator from Oklahoma has raised a similar concern tonight, and others have raised a similar concern. I tend to favor a modest fee provided there is a phaseout provision so that it phases out as oil prices go up.

I wonder if the author and the chief sponsor of this amendment has considered a phaseout provision and, if in the event this is adopted, he would support a phaseout provision so the fee would be eliminated if oil prices go up.

Mr. HEINZ. Mr. President, I think we have had an extensive debate on this amendment. For my part, I strongly oppose the amendment and I am going to move to lay the amendment on the table in a minute.

In sum and substance, this amendment is going to be bad for many more industries than the one it is going to help. It is going to hurt the fertilizer industry, it is going to hurt manufacturers, going to hurt the chemical industry, it is going to hurt the farmers who depend upon fertilizer. It is going to hurt all energy-dependent industries. In short, I believe this amendment is bad for America and that it carries with it extraordinary costs that would be visited on all Americans.

I move to lay the Hart amendment on the table.

Mr. LEVIN. Would the Senator from Pennsylvania withhold? I would like to use my balance of 20 seconds to get an answer from the Senator from Colorado. Would he allow him to answer my question in the 20 seconds remaining?

Mr. HEINZ. Mr. President, I thought the Senator had used his time.

Mr. LEVIN. No, there were 20 seconds remaining.

Mr. HEINZ. Go ahead.

Mr. HART. Will the Senator yield?

Mr. LEVIN. Yes.

Mr. HART. The answer is "Yes."

Mr. HEINZ. Does the Senator from Michigan wish to reserve the remainder of his time?

Mr. LEVIN. I do not, Mr. President.

Mr. HEINZ. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Pennsylvania to lay the amendment of the Senator from Colorado on the table. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ARMSTRONG. I announce that the Senator from Arizona [Mr. GOLDWATER] and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Mississippi [Mr. STENNIS] is necessarily absent.

The result was announced—yeas 82, nays 15, as follows:

[Rollcall Vote No. 172 Leg.]

YEAS—82

Abdnor	Evans	Leahy
Andrews	Exon	Lugar
Armstrong	Ford	Matsunaga
Baucus	Garn	Mattingly
Biden	Glenn	McClure
Boschwitz	Gore	McConnell
Bradley	Gorton	Metzenbaum
Broyhill	Gramm	Mitchell
Bumpers	Grassley	Moynihan
Burdick	Harkin	Murkowski
Byrd	Hatch	Nunn
Chafee	Hawkins	Packwood
Chiles	Hecht	Pell
Cochran	Heflin	Pressler
Cohen	Heinz	Proxmire
Cranston	Helms	Pryor
D'Amato	Humphrey	Quayle
Danforth	Inouye	Riegle
DeConcini	Kassebaum	Rockefeller
Denton	Kasten	Roth
Dixon	Kennedy	Rudman
Dodd	Kerry	Sarbanes
Dole	Lautenberg	Sasser
Durenberger	Laxalt	Specter
Stafford	Trible	Wilson
Stevens	Wallop	Zorinsky
Symms	Warner	
Thurmond	Weicker	

NAYS—15

Bentsen	Hart	Long
Bingaman	Hatfield	Mathias
Boren	Hollings	Melcher
Domenici	Johnston	Nickles
Eagleton	Levin	Simon

NOT VOTING—3

Goldwater	Simpson	Stennis

So the motion to lay on the table the amendment (No. 2248) was agreed to.

□ 2200

The PRESIDING OFFICER (Mr. ABDNOR). The Senator from Tennessee.

Mr. SASSER. Mr. President, I send an amendment to the desk for myself and——

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Oklahoma.

Mr. SASSER. Mr. President, I ask unanimous consent that the pending amendment be set-aside.

Mr. GRAMM. I object.

The PRESIDING OFFICER. Objection is heard.

The majority leader.

Mr. DOLE. Mr. President, let me indicate the Senator from Tennessee has been waiting for some time. I think they can resolve that little amendment in about 30 seconds, I understand, the one you have to set-aside.

Mr. SASSER. All right.

Mr. METZENBAUM. Mr. President, the Senator from Ohio seeks recognition.

AMENDMENT NO. 2245

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, when this amendment was last on the floor there was a motion to table it, and that motion failed by a vote of 51 to 47.

One does not have to be an expert or a genius in order to understand that when a vote is 51 to 47 and it has to do with an amendment on the debt limit bill that the opportunities are available to discuss the subject for a number of hours and maybe days in order to preclude passage of the amendment.

I have given some consideration to that because I am strongly opposed to repeal of the windfall profit tax. It is not logical. It is not right. It is not fair, and it will not help the oil industry, which I admit does have some problems at the moment, but repealing the windfall profit tax will not solve those problems.

But I have been in discussions with the chairman of the Finance Committee, who in turn has been in discussions with the chairman of the Ways and Means Committee, and I have been assured that notwithstanding

such action as the Senate may take in connection with this bill, the House does not expect to accept it, and, therefore, I believe that final passage will not become a reality.

Under those circumstances, I do not deem it advisable just to tie up the Senate while we go through a number of parliamentary procedures on this issue.

I believe it will not become law. I believe the windfall profit tax will not be repealed, notwithstanding the enthusiastic support for the measure by my distinguished colleague from Oklahoma, standing immediately to my left, and my other distinguished colleague from Oklahoma, standing across the aisle.

That being the case, I have discussed the subject with both of the managers of the bill, Senator BOREN and Senator NICKLES, and I have pointed out to them that even though I do not expect the bill to pass in final form, for the House to accept it, I still believe that the bill in its present form goes farther than is appropriate. It contains some additional amendments over and beyond the matter of repealing the windfall profit tax and they have agreed, after some negotiations, to strike the additional language having to do with the matter of reports not having to be filed and that amendment being effective on a retroactive basis to 1980, and they have agreed to eliminate another amendment which was so complicated that I am not certain that they or I understood exactly what it meant, but I am certain it meant no good for the overall taxpayers of this country.

Instead of that, they have indicated their willingness to accept an amendment, and that amendment is along the lines of the subject that I discussed originally, and that is the elimination of some of the paperwork for those who are not really obligated to pay any taxes. It does not make any sense. It is not logical for people to have to do a lot of paperwork if there are no taxes to be paid.

So I am about to send to the desk an amendment that will provide that no reports will have to be filed on and after the effective date of this act until the triggering intake of the windfall profit tax repealer, which is October 1, 1987, and until such time as the price of oil exceeds the trigger price for tier 1 base price, which I believe is $19 a barrel, and we all know it is quite a way from that at the present time.

Under those circumstances, Mr. President, I send a second-degree amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The second-degree amendment is not in order.

Mr. METZENBAUM. Would the Chair be good enough to explain why?

The PRESIDING OFFICER. The Nickles amendment is a second-degree amendment.

The yeas and nays have been ordered.

The Senator from Oklahoma.

Mr. BOREN. Mr. President, I have discussed this with my colleague who is the principal author of this amendment.

I ask unanimous consent that his original amendment be modified to strike the original section 2 and insert in lieu thereof the language which Senator METZENBAUM just sent to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is so modified.

The amendment, as modified, is as follows:

At the end of the amendment, insert the following:

SEC. — Repeal of the Windfall Profit Tax

(a) IN GENERAL.—Chapter 45 of the Internal Revenue Code of 1954 (relating to windfall profit tax on domestic crude oil) is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to oil removed from the premises after October 1, 1987.

As modified further.

(c) *Provided further*, that reports or filings required under Chapter 45 of the Internal Revenue Code of 1954 relating to Windfall Profit Tax on Domestic Crude Oil for oil removed from the premises after the date of enactment shall not be required as provided in the Act from and after the date of enactment of this Act unless and until the wellhead price of domestic crude oil reaches or exceeds the tier one base price as defined in the Crude Oil Windfall Profit Tax Act of 1980.

Mr. NICKLES. Mr. President, one, I wish to compliment and congratulate Senator METZENBAUM, Senator BOREN, Senator DOMENICI, and also Senator STEVENS for their persistence in working this out. We have worked it out. I think it is a positive amendment, a good amendment, and I am pleased we are able to go forward with it.

I hope my good friend and colleague, the Senator from Ohio, was wrong. I hope the conferees will adopt this amendment. I think it is a very positive amendment and one that should be passed.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. METZENBAUM. Mr. President, the Senator from Ohio originally asked for the yeas and nays. I think it would be an imposition on the body at this point. I see no particular useful purpose of having the yeas and nays and, therefore, ask unanimous consent that the yeas and nays vote be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

□ 2210

The question is on agreeing to the amendment offered by Senator NICKLES, as modified.

The amendment (No. 2245), as modified, was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

AMENDMENT NO. 2249

(Purpose: To amend title II of the Social Security Act to remove permanently the 3 percent threshold requirement for cost-of-living increases)

Mrs. HAWKINS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Florida [Mrs. HAWKINS], for herself, Mr. HEINZ, Mr. ABDNOR, Mr. D'AMATO, Mr. ANDREWS, Mr. GRASSLEY, Mr. GLENN, Mr. KASTEN, Mr. ROTH, and Mr. BROYHILL, proposes an amendment numbered 2249.

Mrs. HAWKINS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment read as follows:

At the end of the amendment, add the following:

SEC . REMOVAL OF THREE PERCENT THRESHOLD FOR COST-OF-LIVING ADJUSTMENTS.

(a) SHORT TITLE.—This section may be cited as the "Cost-of-Living-Adjustment Reform Act of 1986".

(b) IN GENERAL.—

(1) Section 215(i) of the Social Security Act is amended by striking out "is 3 percent or more" in paragraph (1)(B) and inserting in lieu thereof "is greater than zero".

(2) Section 215(i)(1)(B) of such Act, as in effect in December 1978 and applied in certain cases under the provisions of such Act as in effect after December 1978, is amended by striking out "exceeds, by not less than 3 per centum, such Index" and inserting in lieu thereof "exceeds such Index".

(3) Section 215(i)(2)(C) of such Act is amended—

(A) by striking out clause (i) and redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively; and

(B) by striking out "under clause (ii)" in clause (ii) as so redesignated and inserting in lieu thereof "under clause (i)".

(4) Section 215(i)(2)(C) of such Act, as in effect in December 1978 and applied in certain cases under the provisions of such Act as in effect after December 1978, is amended by striking out clause (i) and by striking out "(ii)".

(5) Section 215(i)(4) of such Act is amended by inserting "and by the Cost-of-Living Adjustment Reform Act of 1986" after "Social Security Amendments of 1983".

(6) Section 215(i)(5)(A)(i) of such Act is amended by striking out "because the wage percentage increase was less than 3 percent" and inserting in lieu thereof "because there was no wage percentage increase greater than zero".

(c) EFFECTIVE DATE.—

(1) Except as otherwise provided in this subsection, the amendments made by this section shall apply with respect to cost-of-living increases determined in 1986 and all subsequent years.

(2) The amendments made by paragraphs (3) and (4) of subsection (b) shall apply with respect to months beginning after September 1986.

Mrs. HAWKINS. Mr. President, for too long millions of this country's Social Security recipients have been held hostage as they eagerly await news of whether or not they will receive their cost-of-living adjustment. To these Americans on fixed incomes the COLA they receive to supplement their Social Security is a matter of life and death. My amendment will take away the anxiety by permanently removing the 3-percent COLA trigger which currently must be met before any COLA can be paid to Social Security recipients.

A little over a week ago, I met with President Reagan and was able to obtain his endorsement for paying this year's COLA for all Social Security recipients.

Under current law, a cost-of-living adjustment is made each January only if the Consumer Price Index [CPI] in the previous year or the last year in which a COLA was paid rose over 3 percent. Because the inflation rate for 1986 is likely to be below 3 percent, no COLA would be paid in 1987. However, by voting for this amendment, Senators can assure their COLA recipients of an orderly and fair COLA distribution this January.

The cost effects of this legislation will save money in the coming years. First, it eliminates the unfair windfall which may accrue to new retirees. Whenever the COLA is skipped for a year, new retirees coming onto the rolls automatically receive the catch-up windfall increase the year the COLA is paid. The cost of this windfall has been estimated to be around $300 million over the next 5 years in addition to another $1.5 billion in new revenues which could be gained because of a new 1987 wage base calculation that would be implemented following enactment of this bill, if the CPI remains near 1 percent.

Mr. President, this is a good amendment. It is cost effective, it is equitable to those recipients requiring the COLA and it provides for an orderly distribution to millions of this Nation's elderly. It has the support of President Reagan, OMB Director Jim Miller which may make some circumspect, and the Social Security Administration.

Over the last 3 years Members of both Houses have urged the removal of the COLA trigger, not for any other reason but that it has outlived its usefulness. The trigger is old, it is outdated, and it is no longer necessary. Second, the argument that the trigger was used as a bookkeeping delay tactic for paying the COLA in the 1970's no longer holds water. The Social Security Administration is now fully computerized and the time delays are no longer necessary.

Finally, the fact is that the trigger is costly, inequitable, and difficult for the Social Security Administration to administer. The trigger artificially shielded benefits from the true impact of inflation, by eliminating the trigger retirees will receive a true COLA without the anxiety of guessing at the rate of inflation. I ask my colleagues to support this amendment to ensure that millions of America's elderly receive their COLA this January.

Mr. President, I would especially like to thank Senator HEINZ for his knowledgeable assistance in this area.

I understand that the chairman, Mr. HEINZ, is a cosponsor, as is Mr. GRASSLEY, Mr. ABDNOR, Mr. D'AMATO, Mr. ANDREWS, and others have asked to be cosponsors.

I was going to ask for the yeas and nays, however, at this late hour, it may be that the leadership would decide on a voice vote. I stand willing to do the body's wishes.

Mr. LONG. Will the Senator from Florida yield for a question?

Mrs. HAWKINS. Yes.

Mr. LONG. Does this amendment include an increase in the tax to pay the cost of the program, or is it intended that the benefits be paid without a tax?

Mrs. HAWKINS. It covers all recipients of COLA's.

Mr. LONG. I mean, is there a tax included in this to pay for the amendment? It would increase the cost of the program, would it not?

Mrs. HAWKINS. There is no cost of the program. It produces a long-range net saving of 1 percent. The 1 percent would allow for about a $1.7 billion gain over 5 years. There is no cost associated with this. It really is a net savings over the next 5 years.

Mr. RIEGLE. Mr. President, will the Senator from Florida yield to the Senator from Michigan?

Mr. HEINZ. Mr. President, I was engaged in a discussion off the floor and I was not attending to the discussion here on the floor. But I am quite familiar with the amendment offered by the Senator from Florida, because it is an amendment that both she and I have been working on for quite some time to bring to the attention of the administration. I want to apologize to the Senator from Florida. Was she addressing a question to me?

Mrs. HAWKINS. Is there not a cost savings?

Mr. HEINZ. The Senator from Florida is correct that over the 5 years of the amendment, it has been established that there would be a savings with the amendment. It is my understanding that is why the administration is in support of it.

Mrs. HAWKINS. Does the Senator wish me to yield?

Mr. RIEGLE. I was going to ask the Senator to yield, but I would just as soon seek the floor in my own right when she is finished.

Mrs. HAWKINS. I was going to ask for immediate consideration of this amendment and ask for the yeas and nays.

Mr. SARBANES. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Florida has the floor. She has not yielded it yet.

Mr. RIEGLE. Mr. President, if the Senator from Florida has yielded the floor, I seek the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, I rise in support of this amendment and I ask unanimous consent to be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I think that this is a very significant change in attitude that we are seeing from the Reagan administration. If one looks at the pattern and history over the last 5 years with respect to Social Security, on a number of occasions the Reagan administration, despite promises that they would protect Social Security, has turned around and made efforts to make major cuts in Social Security, cuts in the cost-of-living adjustment, cuts in the early retirement benefits, and other cuts. And some of those have been a matter of law.

Now, as I understand it, the administration has changed its view and, rather than try to make further cuts in the cost-of-living adjustment, they are prepared to support the removal of the trigger level so that Social Security recipients will receive a cost-of-living adjustment even if the inflation rate is relatively low. The rate may be 2 percent or 2½ percent, but below 3 percent, but they would still be eligible to receive their COLA increases.

The PRESIDING OFFICER. Will the Senator yield one moment?

Mr. RIEGLE. Yes.

The PRESIDING OFFICER. The Senate is not in order. The Senator deserves to be heard.

□ 2220

Mr. RIEGLE. I thank the Chair.

I think it is a valuable change of mind the administration has made. I am inclined to think it may have something to do with the fact that it is a national election year, and we are coming down the home stretch in the elections with Congress, the entire House of Representatives, and a third of the Senate standing for election in November. So I think the timing of this change of heart by the administration has something to do with that election timetable.

Be that as it may, I am happy to see the administration change its position, and rather than trying to make cuts in Social Security which has been the pattern over 5 years to now say they are prepared to see these COLA adjustments take place each year based on the inflation rate as it exists.

So I am hopeful the Senate will adopt this amendment. I think it will help our seniors across the country. Many of them are living on very low incomes, and they are finding it very difficult to get by. In fact I even question whether the way we now calculate the consumer price index is adequate for really measuring the rate of inflation that is being felt by senior citizens. They are hit with rising utility bills. We know phone bills have gone up. We know the cost of utilities in terms of heat or air-conditioning in the summer in the warmer areas of the country particularly has gone up. We know prescription drugs are going up in price. There was a story today in the paper that groceries have gone up, particularly in this region of the country because of drought conditions and so forth.

So in many areas because medical expenses and other things that constitute the bulk of the expenditures of senior citizens they are experiencing an inflation rate that is actually in many cases higher than the CPI. So at a minimum they should get the CPI adjustment so they do not fall further behind in terms of their real income.

So, as I say, I support the amendment. I think it has been some time in coming in terms of the administration support. Better late than never, and I hope it will pass the Senate overwhelmingly.

Mr. PRESSLER. Mr. President, I ask unanimous consent that I be made a cosponsor of the amendment, and I want to compliment the author, our colleague from Florida.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, I think this is a very important amendment because for a long time it has been offered. If the CPI does not reach 3 percent then the senior citizens do not get an increase. I think the Senator from Florida has done a great service to this Nation by offering an amendment to change this. It is 1 percent or 2 percent for senior citizens that will go into effect.

What has occurred is that there is great pressure to change the CPI index because, as my colleague from Michigan has eloquently stated, the cost of drugs for the elderly is going up, the cost of housing is going up, the cost of heat and air-conditioning is going up, and many of the factors that affect them have increased dramatically. I think the way we calculate the CPI should be changed. I think it is very important to the senior citizens of this country that this amendment pass. It is a fair amendment. I am proud to be a cosponsor of it.

Mrs. HAWKINS addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mrs. HAWKINS. Mr. President, I ask unanimous consent that Senator BYRD, Senator DENTON, Senator MOYNIHAN, and Senator CRANSTON be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOCIAL SECURITY COLA

Mr. CRANSTON. Mr. President, I strongly support this amendment which would remove an anachronism from the Social Security Act which, if left unchanged, could very well result in an unjustified delay in payment of the 1987 social security cost-of-living adjustment [COLA] as well as future adjustments. I was an original cosponsor of S. 2450, the legislation this amendment is based on when it was introduced on May 14. Unfortunately, no action has taken place on that measure. This legislation would permanently eliminate the so-called COLA trigger which provides that the adjustment will not be paid in any year where the inflation rate falls below 3 percent. This trigger does not cancel the COLA; it merely postpones its payment until a subsequent year.

Mr. President, it is important to understand that the trigger was originally put into the Social Security Act for administrative purposes. It was intended to alleviate the administrative burden—in a precomputerization era—of calculating a small adjustment. Obviously, that rationale no longer exists. The Social Security Administration is now perfectly capable of efficiently making adjustments below 3 percent.

Mr. President, the Social Security COLA is intended to adjust Social Security benefits in order to keep up with inflation so that the real value of benefits does not decline over time. There is no logical reason why Social Security beneficiaries should receive a COLA if inflation is at 3 percent but have to wait another year to receive the adjustment if inflation runs at 2.9 percent. Social Security recipients need the COLA in the year that they experience an increase in their cost of living—when their housing, food, and other living expenses increase—not a year later.

According to a report issued by the office of the Social Security actuary, because of the interplay between the COLA and other aspects of the Social Security Program, the elimination of the 3-percent trigger would actually result in a long-term savings to the Social Security System.

Mr. President, I would also note that the Senate has already gone on record in the Senate-passed budget resolution in assuming that the trigger will be eliminated for fiscal year 1987 so that Social Security recipients would receive a COLA next January. We ought to make sure it happens by adopting this amendment tonight.

I hope this amendment will receive bipartisan support so that we can ensure that Social Security recipients receive the cost-of-living adjustments which help ensure that senior citizens living on fixed incomes do not lose the real dollar value of the Social Security benefits they have earned over a lifetime of work. We must move swiftly to eliminate this anachronism in the law.

Mr. BYRD. Mr. President, I am pleased to join as a sponsor of this amendment to assure that there will be a Social Security COLA in the next fiscal year.

We assume, and the budget resolution passed by the Senate assumes, that it is likely that the actual cost-of-living index for the current year—on which a decision will be made to pay or not pay a COLA in January 1987—may fall below 3 percent. If this turns out to be the case, then, under current law, there automatically would be no COLA's in the Social Security program—even if the cost-of-living increase actually had been 2.9 percent, or 2.6 percent, or any other number under 3 percent. There is currently a 3-percent minimum trigger for payment of Social Security COLA's.

This is unfair and unjust to the one out of every six Americans who currently receives a monthly Social Security check.

Mr. President, the abstract, impersonal cost-of-living statistics translate for America's elderly citizens into very real factors affecting their standards of living. Those effects do not magically stop at a 3-percent threshold. We in the Senate have acted before to assure that a Social Security COLA will be paid when it looked as if the actual cost-of-living index at the time would not reach the 3-percent minimum. The amendment today will remove that minimum, once and for all.

We all must remember that we have acted to assure that the Social Security trust funds are solvent. The funds' income in 1984 was at least $6 billion more than expenses under the program. We have also acted to assure that the Social Security Program will not be a pool of money used to balance the budget. We have stated that we will not abuse the trust funds—money paid specifically for the Social Security Program by millions of American workers and employers—in order to pay debts not related to Social Security. Today, we go one step further, eliminating an obscure section of law that can place the load of inflation, so long as inflation is less than 3 percent, on America's elderly.

71-059 O-87-21 (Pt. 13)

I encourage all my colleagues to support this important amendment.

Mr. HEINZ. Mr. President, I will speak very briefly. I have addressed this issue on many occasions before the Senate.

I want to compliment the Senator from Florida, Senator HAWKINS, for her leadership in this amendment.

I said a few minutes ago that we had for a number of months been trying to get the President of the United States to endorse the repeal of the Social Security trigger. As it has been explained, I think quite accurately, the Social Security trigger is an appendix to the Social Security law that is really from another age. It was established at the time when we first implemented the Social Security COLA. We did not have the computers we have now. As a result, it was not really cost effective and feasible to pay COLA's that were less than 3 percent. Taking that into account, and being the intention of Congress not at any point in time to deprive Social Security beneficiaries of their proper benefit, it was decided that any COLA less than 3 percent would be added to the next year's COLA and any calculations determined by that 3 percent or less COLA would be frozen.

It so happens that because of the mathematics of freezing the Social Security wage base for calculation purposes, for taxation purposes because of the fact that people coming into the system between the time benefits are frozen for the year and the time new benefits are increased by 3-plus or 4 or 5 or 6 percent, the first year and the second would be adding together being presumably larger than 3 percent, a lot of people come into the system. And they get an unintended high cost-of-living increase that they really were not entitled to.

As a result of that, the Social Security System actually ends up over several years losing money, sometimes even in the first year quite a bit. Under every study that has been done by the Social Security actuary it will mean as much as .02 percent of taxable payroll, which is a very considerable sum indeed for each and every year for as far as the eye can see. The equity—Mr. President, could we have order?

The PRESIDING OFFICER. The Senator is right. The Senate is not in order.

The Senator from Pennsylvania.

Mr. HEINZ. The equity in the amendment of the Senator is more than just taxpayer equity. It is also a question of fairness to senior citizens. If in fact prices go up 2 percent or 2.5 percent and you are a Social Security beneficiary getting, let us say, $400 a month or $500 a month, Mr. President, you are not exactly rich. Also, $400 a month is $4,800 a year and $500 a month is $6,000 a year. Both of those are below the poverty line.

What seems like a very small amount, let us say 2 percent, 2 percent of $4,800 is going to be $96. Whereas it may not be the largest amount of money in the world to many people, but to that individual who is below the poverty line, it is a lot of money. It means whether they are going to be able to pay for their food bills that month, whether they are going to be able to pay their utility bills, whether they are going to be able to meet their out-of-pocket medical expenses maybe for medication. We are talking about senior citizens who have a lot of unexpected costs.

So, simply repealing the COLA trigger will allow people to get on time what we promised them; namely their Social Security benefits plus whatever cost-of-living increase they are entitled to, and that is why this is a matter of equity to our senior citizens as well as to our taxpayers.

I commend the Senator from Florida on her amendment. As she has indicated, the President of the United States supports this amendment. I frankly do not know of any objection to this amendment. I hope it is adopted.

The PRESIDING OFFICER. Is there any further debate on the amendment? If not, the question is on the amendment of the Senator from Florida.

The amendment (No. 2249) was agreed to.

Mrs. HAWKINS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

AMENDMENT NO. 2250

(Purpose: To provide emergency assistance to farmers and ranchers adversely affected by this year's drought and excessively hot weather)

Mr. SASSER. Mr. President, I send an amendment to the desk on behalf of myself, Senator GORE, Senator BUMPERS, Senator PRYOR, Senator HEFLIN, Senator HOLLINGS, Senator ZORINSKY, Senator METZENBAUM, Senator ROCKEFELLER, Senator NUNN, and Senator DIXON, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. SASSER], for himself and Mr. GORE, Mr. BUMPERS, Mr. PRYOR, Mr. HEFLIN, Mr. HOLLINGS, Mr. ZORINSKY, Mr. METZENBAUM, Mr. ROCKEFELLER, Mr. NUNN, and Mr. DIXON proposes an amendment numbered 2250.

Mr. SASSER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the committee amendment, as amended, add the following new section:

"SEC. . (a) Notwithstanding any other provision of law, the President and the Secretary of Agriculture shall make emergency disaster assistance available, as provided in this Act, to farmers and ranchers in drought disaster areas.

DEFINITIONS

SEC. 2. For the purposes of this Act—

(1) the term "drought disaster areas" includes any area in the United States in which farming and ranching operations have been adversely affected by a drought or excessively hot weather disaster such that assistance is available in the area under subtitle C of the Consolidated Farm and Rural Development Act for such disaster; and

(2) the term "livestock" includes all classes of beef and dairy cattle, sheep, goats, and swine.

EMERGENCY FEED DONATIONS

SEC. 3. Notwithstanding any other provision of law:

(a) The Secretary of Agriculture shall make available to farmers and ranchers in each drought disaster area, at no cost, surplus stocks of commodities held by the Community Credit Corporation (in the area or in the State in which the area is located or an adjoining State), for the purpose of, and under the conditions set out in, subsection (b) of this section.

(b)(1) The Secretary shall make such commodities available, in any drought disaster area in which the Secretary determines there is a critical need for livestock or poultry feed, in amounts necessary to preserve livestock herds and poulty flocks in the area. For purposes of this section, the phrase "critical need for livestock or poultry feed" means that (A) the total supply of feed grains and forage available to livestock and poultry producers in the area involved is insufficient to cover the combined feed needs of such producers for more than 72 hours or such other period, determined by the Secretary, reasonably needed for supplies of feed to arrive in the area for commercial use from feed surplus areas, whichever is a longer period; and (B) as a result of such deficient supply levels, it reasonably can be expected that, without the assistance made available under this section, farmers and ranchers in the area will suffer significant losses of livestock or poultry due to mortality.

(2) Subject to section 8(b), the Secretary shall cover any costs involved in transporting such surplus commodities to the drought disaster area, using the funds, facilities, and authorities of the Commodity Credit Corporation for such purposes.

(3) The Secretary shall continue to make commodities available under this section until there no longer is a critical need for livestock or poultry feed, as determined by the Secretary.

(4) In determining the feed needs of producers in an area and the amount of commodities to be made available in the area under this section, the Secretary shall use the regulations issued under section 1105 of the Food and Agriculture Act of 1977 (7 C.F.R. 1475.52(n) and 1475.55(f)(1)) and comparable rules for poultry.

(5) Donations under this section shall be made available during the period beginning 3 days after the date of enactment of this Act and ending March 31, 1987, or the date, as determined by the Secretary, on which the emergency created by the drought, or excessively hot weather no longer exists, whichever is earlier.

EMERGENCY LIVESTOCK FEED ASSISTANCE

SEC. 4. (a) Notwithstanding any other provision of law:

(1) The Secretary of Agriculture shall make emergency livestock and poultry feed assistance under section 1105 of the Food and Agriculture Act of 1977 to farmers and ranchers in drought disaster areas. Reimbursement for purchased feed provided to such farmers and ranchers under section 1105 shall be made in kind, as provided in section 8(a) of this Act, using surplus stocks of commodities held by the Commodity Credit Corporation. Whenever, under any export development program conducted by the Secretary of Agriculture, a feed grain or other commodity used for animal feed is made available to foreign purchasers at prices less than the average domestic market price for the commodity, as determined by the Secretary, reimbursement under this paragraph for purchases of such commodity shall be made at a level in excess of 50 percent of the cost of the purchased commodity if necessary to ensure that the net cost to the producer for such commodity (taking into account the reimbursement under this paragraph) is not in excess of the average price at which the commodity is made available to foreign purchasers under such export development program.

(2) The Secretary of Agriculture shall permit any producer of the 1986 crop of wheat, feed grains, upland cotton, or rice (A) who is participating in the program under the Agricultural Act of 1949 for such crop, and (B) whose farm is located in a drought disaster area, to devote acreage on the farm diverted from the production of the crop under such program to hay or grazing without regard to limitations on when haying or grazing may take place otherwise imposed under the Agricultural Act of 1949.

(3)(A) In carrying out any emergency assistance program, for farmers and ranchers in a drought disaster area under the Disaster Relief Act of 1974, subject to subparagraph (B), the President shall direct the Secretary of Agriculture to implement an emergency hay program to assist such farmers and ranchers in obtaining hay to feed their livestock. Under such program, the Secretary, subject to section 8(b), shall pay 80 percent of the cost of transporting hay from areas in which hay is in plentiful supply to the area in which the farmers and ranchers are located.

(B) The President shall take the action required under subparagraph (A) only if the Secretary of Agriculture reports to the President that—

(i) as a result of the drought or excessively hot weather, the amount of hay readily available to such farmers and ranchers at reasonable prices to feed their livestock is substantially below the amount normally available; and

(ii) the assistance to be made available under paragraph (1) and haying or grazing permitted under paragraph (2) together will be insufficient to prevent substantial losses of livestock or liquidation of herds by such farmers and ranchers in such area.

(C) The Secretary of Agriculture shall determine whether the conditions described in clauses (i) and (ii) of subparagraph (B) exist for each drought disaster area, and if such conditions exist so report to the President, within 30 days after the date of enactment of this Act and after reasonable intervals of time thereafter.

(D) Prior to making any determination under subparagraph (B), the Secretary of Agriculture shall consult with the Governor and the Secretary of Agriculture (or comparable official) of the State involved, and give due consideration to the views of the such persons.

(4) Paragraphs (1) and (3) shall become effective 15 days after the date of enactment; and assistance under such subsections shall be available until March 30, 1987, or the date, as determined by the Secretary of Agriculture, on which the emergency created by the drought or excessively hot weather no longer exists, whichever is earlier.

(b) Effective October 1, 1986, section 1105 of the Food and Agriculture Act of 1977 (7 U.S.C. 2267) is amended by adding at the end thereof the following:

"(h) If—

"(1) the Secretary of Agriculture makes emergency livestock or poultry feed assistance available to producers in a county under section 407 of the Agricultural Act of 1949, or comparable law; but

"(2) surplus commodities of adequate nutritive value are not made available under such program for distribution to such producers within ten days after the announcement of the program for such county,

the Secretary shall make assistance available to such producers under this section until such time as surplus commodities are made available under the announced program.".

DISASTER PAYMENT PROGRAM

SEC. 5. Notwithstanding any other provision of law:

(a) The Secretary of Agriculture shall make disaster payments available, at the request of the producer, on the 1986 crops of wheat, feed grains, upland cotton, rice, and soybeans and peanuts under sections 107D(c)(2)(D), 105C(c)(2)(D), 103A(c)(2)(D), 101A(c)(2)(D), and 201(k) of the Agricultural Act of 1949, respectively, to producers located in natural disaster areas.

(b) For the purposes of this section, the conditions set out in sections 107D(c)(2)(D)(i), 105C(c)(2)(D)(i), 103A(c)(2) (D)(i), and 101A(c)(2)(D)(i) of the Agricultural Act of 1949 shall be considered as having been met.

(c) Payments under this section shall be made in kind, as provided in section 8(a) of this Act, using surplus stocks held by the Commodity Credit Corporation.

(d) The total amount of in kind payments that a producer shall be entitled to receive for the producer's crops of wheat, feed grains, upland cotton, rice, peanuts, and soybeans under this section shall not exceed an amount of commodities of a combined value of more than $100,000.

MILK PROGRAM PRODUCER ASSESSMENTS

SEC. 6. Notwithstanding any other provision of law:

(a)(1) At the option of the producer, no reductions in the price received by producers for milk marketed for commercial use under section 201(d)(2)(A) of the Agricultural Act of 1949 shall be made on milk produced by producers in drought disaster areas and marketed for commercial use during the period beginning October 1, 1986, and ending December 31, 1986.

(2) The reductions in the price of milk required under section 10 of the Food Security Improvements Act of 1987 shall not be increased as a result of the implementation of the temporary prohibition on reductions in the price of milk provided for under paragraph (1).

(b) The Secretary of Agriculture shall increase the amount of the reduction in the price received by producers in drought disaster areas for milk produced and marketed by such producers for commercial use under section 201(d)(2)(A) of the Agricultural Act of 1949 during the period beginning January 1, 1987, and ending September 30, 1987, by an amount that will ensure that, to the extent practicable, the aggregate amount of reductions applicable to milk of such producers for the period beginning October 1, 1986, and ending September 30, 1987, will be the same aggregate amount of reductions that would have been made if the prohibition of reductions under subsection (a) had not been in force.

COST-SHARING FOR SOIL CONSERVATION MEASURES AND TIMBER STAND RESEEDING EXPENSES

SEC. 7. Notwithstanding any other provision of law,

(a) The Secretary of Agriculture shall make available—

(1) cost-share payments under the agricultural conservation program to producers in drought disaster areas for conservation measures designed to prevent anticipated soil erosion due to loss of vegetative cover; and

(2) cost-share payments under the forestry incentives program to forest landowners in drought disaster areas for the reestablishment of stands of pine trees lost to drought conditions.

(b) The Secretary shall share not less than 50 percent of the cost of such measures or reestablishment of timber stands; and such cost-share payments shall be made in kind, as provided in section 8(a) of this Act, using surplus stocks of commodities held by the Commodity Credit Corporation.

(c) Payments made under this section shall be in addition to, and not in lieu of, payments made under the Soil Conservation and Domestic Allotment Act or the Cooperative Forestry Assistance Act of 1978 using funds appropriated for such purposes.

(d) Assistance under this section shall be made available to persons in drought disaster areas during the period beginning 15 days after the date of enactment of this Act and ending March 30, 1987.

PAYMENTS

SEC. 8. Notwithstanding any other provision of law:

(a)(1) In making in-kind payments under section 4(a)(1), 5, or 7, or subsection (b) of this section, the Secretary of Agriculture may—

(A) acquire and use commodities that have been pledged to the Commodity Credit Corporation as security for price support loans under the Agricultural Act of 1949, including loans made to producers under section 110 of such Act; and

(B) use other commodities owned by the Commodity Credit Corporation.

(2) The Secretary may make in-kind payments by—

(A) if requested by the producer, delivery of the commodity to the producer at a warehouse or other similar facility, as determined by the Secretary; or

(B)(i) the transfer of negotiable warehouse receipts;

(ii) the issuance of negotiable certificates that the Commodity Credit Corporation shall redeem for a commodity in accordance

with regulations prescribed by the Secretary; or

(iii) such other methods as the Secretary determines appropriate to enable the producer to receive payments in an efficient, equitable, and expeditious manner so as to ensure that the producer receives the same total return as if the payments had been made in cash.

(3) In carrying out this subsection, the Secretary, to the maximum extent practicable, shall use Commodity Credit Corporation commodities stored in storage deficient areas such as the midwestern United States.

(b) Transportation cost payments made under section 3(b)(2) or 4(a)(3) of this Act prior to October 1, 1986, shall be made in kind, as provided in subsection (a), using surplus stocks of commodities held by the Commodity Credit Corporation. Such payments made after September 30, 1986, may be made in kind or in cash. The Secretary of Agriculture shall assist recipients of in-kind payments in marketing warehouse receipts, certificates, or other documents representing such in-kind payments.

CREDIT FORBEARANCE

SEC. 9. It is the sense of Congress that, with respect to farm borrowers who are adversely affected by drought disaster conditions in 1986—

(1) the Secretary of Agriculture should exercise the authority provided under section 331A of the Consolidated Farm and Rural Development Act and instruct the Farmers Home Administration to defer loan repayments and forgo foreclosures in cases where such farm borrowers are unable to make loan payments in full due to no fault of their own; and

(2) the lending institutions of the Farm Credit system and commercial lending institutions are encouraged, insofar as practicable, to adopt lenient lending, forbearance, and foreclosure policies, and to the maximum extent possible participate and cooperate with Federal and State lenders in assistance programs, with respect to such borrowers who are under financial stress due to no fault of their own.

COORDINATION OF ASSISTANCE EFFORTS

SEC. 10. It is the sense of Congress that, with respect to the provision of Federal assistance to farmers and ranchers in drought disaster areas, the Secretary of Agriculture should take steps immediately to—

(1) establish an overall coordinating mechanism within the Department of Agriculture to ensure that the assistance provided by each agency within the Executive Branch is coordinated with, and complements, the assistance provided by other agencies;

(2) ensure that government and voluntary agencies, and the farmers and ranchers, in each drought disaster area are provided a single contact person or unit for Federal assistance, and that a similar such Federal contact person or unit is provided for government and voluntary agencies, farmers and ranchers, and other persons outside drought disaster areas who wish to contribute additional assistance to drought disaster areas; and

(3) consult with the Governors, Secretaries of agriculture (or comparable officials), and the State disaster relief agency in each State in which a drought disaster area is located, on the disaster assistance needs of farmers and ranchers located in the State.

Amend the title to read: "A bill to provide emergency assistance to farmers and ranchers adversely affected by drought disasters in 1986.".

ASSISTANCE UNDER DISASTER RELIEF ACT

SEC. 11. Title IV of the Disaster Relief Act of 1974 (42 U.S.C. 5121 et seq.) is amended by adding at the end the following new section:

"FEDERAL SHARE OF ASSISTANCE

"SEC. 420. (a)(1) The Federal share of assistance under section 402 or 403 of this Act—

"(A) shall be at least 75 percent of the actual cost of providing assistance under such section, and

"(B) shall be made only on condition that the remaining portion of such cost is paid from funds made available by a State or local government.

"(2) Where a State or local government is unable immediately to pay its share the President is authorized to advance to such government such 25 percent share, and any such advance shall be repaid to the United States.

"(b) The Federal share of assistance under sections 404, 407, and 413 shall be equal to 100 percent of the actual cost of providing assistance under such sections.

"(c) No State shall be ruled ineligible to receive assistance under subsections (a) and (b) of this section by virtue of an arithmetic formula based on income or population if such State has qualified for Federal disaster assistance within the past 24 months."

Mr. SASSER. Mr. President, up until this year the great southern drought of 1924 and 1925 appeared to be the worst drought in the region since colonial times.

□ 2250

Many southerners still vividly recall that painful period. Yet, National Weather Service records now show that this year's rainfall deficit is far greater than that experienced in the 1925 drought. For example, in 1925, only 35 inches of rain fell in Atlanta. So far this year, Atlanta has only received 13 inches of rain, one-third as much as in the great drought of 1925. Even with normal rainfall for the remainder of the year, projections indicate rainfall in areas of the South this year will remain substantially below 35 inches.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SASSER. So clearly, we are dealing with a drought of tragically historic proportions. The drought now stretches from southern Pennsylvania to eastern Mississippi. Its path of greatest destruction—at the moment—is confined to Georgia, Alabama, the western Carolinas, east Kentucky, and middle and east Tennessee. However, requests from affected States for emergency assistance grow daily. Already, the Governors of Virginia, Maryland, and Delaware have added their States to the burgeoning list of potential disaster areas. And without further rainfall in the near future, the path of devastation may widen and the list of affected regions will grow longer.

Parts of Tennessee are among the hardest hit by the drought. In east Tennessee, several counties are running a rainfall deficit of 15 inches so far this year, and a cumulative deficit for the past 2 years of 35 inches. The Tennessee Valley Authority estimates hydropower production losses this year alone of $100 million. Moreover, in many parts of the South this drought is not simply a 1-year phenomenon but the third consecutive year of unprecedented dry weather the long-term consequences of which have only begun to be realized.

Mr. President, anyone who has followed the news knows that our farmers in the Southeast are bearing the brunt of the drought's destruction. To be sure, many are being affected, but our farmers are being hit hard in the pocketbook with each passing day in drought's grip. The Secretary of Agriculture recently suggested that estimated crop losses would exceed $1 billion.

I would submit, Mr. President, that that estimate is overly conservative.

The Washington Post this morning reported a revised estimate of over $2 billion in crop losses alone. And this estimate does not even include livestock losses. The Secretary was certainly correct in his statement that economic losses of this magnitude will "seriously and dramatically" affect the region's economy.

The Secretary also acknowledged the critical hay shortage almost all across the Southeast. I have seen firsthand the decimated hay and pasture crops wrought by the scorching heat. Damage assessment reports filed last week by several east Tennessee counties show actual hay yield losses ranging from 70 to 80 percent. Pasture losses range from 70 to 90 percent. Feed crop loss estimates exceed 50 percent. And estimates on feed crop losses do not reflect the fact that total feed crop acreage planted is already down 30 to 40 percent as a result of drought conditions at planting time.

With these extensive losses, dairy and livestock farmers throughout the region are being forced to purchase scarce hay at inflated prices. I am told by farmers in middle Tennessee that hay has nearly doubled in price over the past month. They tell me they fear they will not be able to afford to feed their herds in the very near future. Without some assistance, these farmers are facing the prospect of wholesale slaughter of vast numbers of cattle, ranging considerably in excess of hundreds of thousands in my State alone. This would decimate breeding stocks and further depress beef prices.

Our problems are not simply in the short term, either. The State of Tennessee needs, on average, 60 million tons of hay to feed its 2.5 million cows over the winter. The current supply of hay on hand in the State is only about 1.6 million tons, about one-thirtieth of what we need. Given the extent of middle and east Tennessee hay losses, it is obvious that Tennessee farmers will be forced to continue to acquire costly out-of-State hay throughout the winter. This situation exists in other States in the Southeast.

It is clear that we need to act and act now to combat the devastating consequences of this drought. The Federal Government has always stood ready to assist farmers stung by disaster. The much-publicized hay lifts that have occurred in recent weeks have brought welcome relief to some areas in the Southeast. But we cannot kid ourselves that already hard-pressed farmers throughout our country will be able to afford to donate the quantities of hay that will be necessary to carry the Southeast through this winter. We in Congress cannot forsake our responsibility for shaping a comprehensive solution to this critical situation.

Mr. President, this amendment offers such a comprehensive solution—a solution not being offered by this administration. Only this past week President Reagan maintained that he would use authorities within his power to provide relief for drought-stricken areas. Secretary Lyng, too, indicated that disaster assistance would be forthcoming, and that it would be done using existing authorities. Yet, is disaster assistance forthcoming from the department? No.

I agree completely with the Secretary of Agriculture that he should make use of his existing authorities, and there is no necessity to be creating new programs. That is why this amendment creates no new authorities, and no new programs. This amendment simply requires the Secretary to use authorities he has regrettably chosen not to use to date.

Our amendment has several critical sections. First, our amendment directs the Secretary of Agriculture to make available, to farmers in counties where there is a critical lack of feed grain or forage needed to keep livestock or poultry alive, CCC surplus stocks of feed grains being stored in the State affected by drought or an adjoining State.

Our amendment also directs the Secretary to provide assistance to farmers who have been forced to buy hay and feed grain supplies to replace their decimated crops of hay and feed grains. Specifically, the amendment requires the Secretary of Agriculture to implement the Emergency Feed Program for a 1-year period. The Emergency Feed Program enacted in the 1977 farm bill was used from 1977 to 1981 and provides Federal cost-sharing to eligible farmers. The eligibility requirements are determined on a formula basis, taking into account the actual hay and pasture losses, hay and feed grain supplies on hand, and number of cattle.

Mr. President, I ask unanimous consent that the distinguished Senator from Nebraska [Mr. EXON] be added as cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SASSER. Eligible farmers may buy replacement feed stocks on the open market and are reimbursed by the Department of Agriculture for 50 percent of the hay or roughage cost to keep the costs of the program to a minimum. To further keep the cost of the program to a minimum, reimbursement shall be made in kind to the extent practicable, using surplus stocks of the Commodity Credit Corporation commodities.

In addition, the amendment requires the Secretary to permit haying and grazing on set-aside acres under the 1986 Wheat, Feed Grain, Upland Cotton, and Rice Programs.

The amendment also provides for hay transportation payments if the other assistance programs described above are not sufficient to prevent substantial losses of livestock or liquidation of beef cattle herds or dairy herds.

This amendment requires the Secretary of Agriculture to make disaster payments for 1986 crops of wheat, feed grains, upland cotton, rice, soybeans, and peanuts—again, using payment in commodities, not cash, to the extent practicable.

There are several other provisions to this amendment. One would temporarily exempt dairy farmers from assessments under the Milk Price Support Program for a 3-month period, but would require later payment of those assessments to catch up those months they have been excused due to the drought. Another would provide Federal cost-share payments, to be paid in kind, for conservation measures designed to mitigate drought-induced soil erosion, and for reestablishment of decimated pine stands under the Forestry Assistance Program.

In addition, the amendment expresses the sense of Congress that the Farmers Home Administration should defer loan repayments and forgo foreclosures in cases where farm borrowers are unable to make payments in full on account of the drought. It also suggests that lending institutions of the Farm Credit System and commercial lenders should, for farm borrowers adversely affected by the drought, adopt lenient lending, forbearance, and foreclosure policies for those borrowers who are under financial stress due to the drought.

Finally, the amendment also expresses the sense of Congress that the Secretary of Agriculture should take immediate steps to establish an overall coordinating mechanism within the Department of Agriculture to ensure that government and voluntary agencies, as well as farmers and ranchers, are provided a single contact person or unit for Federal assistance.

This amendment is very similar to a bill reported by the House Agriculture Committee yesterday with broad bipartisan support. It is my understanding that the committee hopes to bring this bill to the floor next week. Of the legislative proposals being suggested addressing the drought, I believe this amendment provides the most cost effective, most efficient, and most comprehensive safety net we can give our farmers through this period of almost unparalleled devastation in this century.

Mr. President, we cannot afford to forgo action on this drought any longer. As I stated at the outset of my remarks, our farmers need action now. I recall, Mr. President, that our Federal bureaucrats swiftly cut through miles of redtape to bail out the Continental Illinois Bank in a space of just a few hours. We need to show the same decisiveness now to come to the assistance of the hard-pressed American farmer in the Southeastern region of the United States.

Mr. RIEGLE. Mr. President, would the Senator yield?

Mr. SASSER. I shall yield to the Senator briefly. Then I mean to yield to my colleague.

Mr. RIEGLE. Mr. President, I thank the Senator for yielding. I commend the Senator for the amendment he has drafted. I ask unanimous consent to be listed as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I further say that people in my region of the country, where we are not hit by the drought, are very much of a desire to help. Today, in Grand Rapids, MI, we loaded several dozen tons of volunteered hay, given by farmers of Michigan and carried by Conrail, down into the region in the South that is hit by all this dry weather and the lack of water. But volunteer effort alone cannot solve this problem. We need governmental response. I think it ought to be on the scale that the Senator has described here and I hope the Senate will adopt his amendment.

Mr. SASSER. I thank the Senator from Michigan and I yield to my colleague from Tennessee.

Mr. GORE. Mr. President, I am honored to join my senior colleague from Tennessee in offering this amendment. I commend his leadership and his quickness to recognize how serious

this problem is. In fact, several months ago, my senior colleague was out walking in the fields in Tennessee, recognizing what effect the drought was having and calling for help for the farmers in Tennessee and in other areas in the Southeast.

Mr. President, we are offering an amendment which will address the desperate plight of American farmers, especially in the Southeast, who have experienced huge losses due to extreme drought conditions. Farmers in our part of the country have seen hard times before, but for many, this is the worst situation they have ever seen.

That may sound like an exaggeration, but it is absolutely true. If you come to the Southeastern part of our country today and talk to farmers, you will find how true it is. Crops are ruined, dairy and beef herds are starving, farm families are seeing their livelihoods and their hopes for the future dry up before their very eyes.

The Nation is facing a $2 billion loss to the farm economy. All across Tennessee and other States in the Southeast, farmers are literally crying out for assistance. I hear the question again and again—not just from farmers and livestock producers, but also from Tennesseans and other Americans who are not involved in farming but know how much farming matters. They are asking, What is being done to help?

The Department of Agriculture has tools at hand to deal with this crisis. They were given to them years ago by Congress. Unfortunately, those tools are not being utilized. For example, last week, the distinguished senior Senator and I asked the Secretary of Agriculture to use his authority to reinstate the Emergency Feed Program, abandoned in 1982, to make badly needed hay available to those who need it. To date, we have received no response to that request.

□ 2250

Our legislation requires the Secretary to make emergency assistance available to farmers and ranchers in drought disaster areas. It creates no substantial new authority, but mandates the use of the authority that already exists and is being ignored by this Department of Agriculture. It implements the Emergency Feed Program, which will provide hay that is needed to keep cattle alive. In Tennessee alone, we have lost half the hay crop—1.2 million tons—and sales of livestock in my State were double the norm last week.

Transporting the hay is an added financial burden, because transport costs often run ahead of the cost of the hay itself. For the hardest hit farmers, 80 percent of transport costs will be picked up if other forms of assistance are not sufficient to prevent substantial losses of livestock or liquidation of herds.

Additionally, disaster payments will be available on the 1986 crops of wheat, feed grains, upland cotton, rice, soybeans, and peanuts. The cost will be borne by the use of surplus commodities already paid for and available for use by the Commodity Credit Corporation.

Mr. President, I want to emphasize this feature of the bill for my colleagues. We have already paid for enormous surpluses that are in storage. We can choose one of two courses of action. We can let those surpluses sit there and rot and we can let the farmers go bankrupt in the face of this drought, or we can take the surpluses out of storage, redeem them, and use them to pay for the hay that these farmers need and the other assistance that they need to avoid bankruptcy during this period of temporary crisis. To me that choice seems to be very clear, and I strongly urge my colleagues on both sides of the center aisle to support this legislation.

This legislation addresses the needs of milk producers as well. Dairy farmers in disaster areas would be temporarily exempted from assessments under the Milk Price Support Program until November 15. The cost would be recouped, however, over the next 10½ months.

And for the land itself, cost share assistance would be made available for soil conservation measures and timber stand reseeding expenses.

Mr. President, we want to make another point. We assume in making the adjustments required by section 5, the Disaster Payment Program, the Secretary shall not reduce any payment which would otherwise be made to take into account payments made through the Federal Crop Insurance Act.

Mr. President, this legislation is desperately needed. It is cost effective. It will save a $2 billion investment by Americans in their land, their crops and their livestock. We cannot afford not to act. We must act immediately. As we speak, the effects of the drought grow worse. In my State, 19 counties have been found by State authorities as disaster eligible, and Senator SASSER and I have asked the President to move without delay to make the appropriate declaration. Other Southeastern States are suffering as well. Many of them have a larger number of counties affected by the drought.

I urge my colleagues to approve this amendment. To do so will send a clear signal, not only to Tennessee but to the entire Nation, that the Government of the United States intends to stand by our farmers and pull them through this crisis.

Mr. SARBANES. Will the Senator yield?

Mr. GORE. I will be glad to yield to my colleague, the Senator from Maryland.

Mr. SARBANES. Mr. President, I commend the two distinguished Senators from Tennessee for taking the leadership in offering this amendment. I think it is urgent that the Senate act upon it. I ask unanimous consent to be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SARBANES. I simply say to Senators SASSER and GORE that their quickness in moving to seek a remedy to this problem which is confronting so many of our farmers across the Southeast of this country is urgently needed. The authorities are there. They are not being exercised. The Secretary of Agriculture is not exercising the powers that he has under existing laws to come to the assistance of people who are about to lose their whole life's work in many of our Southeastern States. I think it is urgent that the Senate act on this legislation and I am happy to be added as a cosponsor.

Mr. LEVIN. Mr. President, I commend Senators SASSER, GORE, and others for their very speedy action in bringing finally the public sector into the relief for the victims of the drought in the Southeast of this country. The private sector has been active. We see voluntary efforts all around the country. We see people opening up their hearts and pocketbooks to try to help people who have been devastated by this drought. This is not just a problem in the Southeast. This is a problem which will affect all of us ultimately. Every one of my constituents is already affected emotionally by what they see and read about the devastation in the Southeast, and so the private sector has acted. It is time now, indeed it is overdue, that the Department of Agriculture use its authority. They have the power. This amendment tells them to use it in a very balanced and a very moderate way. I ask unanimous consent, Mr. President, that I be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Again, let me say I believe this amendment will be supported by a broad cross section of Senators across this country just the way constituents across the country have opened up their hearts to try to bring a short-term solution to this problem.

Mr. MATTINGLY. Mr. President, I would like to ask the sponsor of the amendment, the Senator from Tennessee, if this is the same amendment that I filed at the desk 2 days ago, amendment 2235 to the debt-ceiling bill?

Mr. SASSER. Will the Senator repeat that question? I was interrupted.

Mr. MATTINGLY. I would like to know if the amendment the Senator is offering is the same amendment that this Senator offered 2 days ago, amendment 2235, or is it a very similar amendment?

Mr. SASSER. No. I am advised that it is not the same and that there at least originally were not substantial similarities. We have changed it. We do not know if there may be more or not.

Mr. MATTINGLY. The Senator changed this Senator's amendment or changed his amendment?

Mr. SASSER. The Senator changed his?

Mr. MATTINGLY. No. Mine is pending at the desk. I just asked if that is the same amendment that the Senator from Tennessee offered.

Mr. SASSER. No, it is not.

Mr. MATTINGLY. Does it use CCC commodities that are stored to pay excessive payments?

Mr. SASSER. That is correct, yes.

Mr. MATTINGLY. That is similar. That is the same.

Mr. SASSER. It is aimed at correcting the same problem, I am sure, I say to the Senator from Georgia. Both States share the same problem, as he knows.

Mr. MATTINGLY. That is not what I am asking. I am asking, is it the same amendment?

Mr. SASSER. No, it is not.

Mr. MATTINGLY. I would like to know where if differs substantially from the amendment that is pending at the desk.

□ 2300

Mr. SASSER. I cannot answer that precisely, because I do not know precisely what the Senator's amendment consists of which is pending at the desk. I do not know what it is. But I would be delighted to furnish the Senator with a copy of this amendment so that he could compare them, if he wishes.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MATTINGLY. I yield.

Mr. GORE. I cite four provisions that differ from the amendment previously filed at the desk by our colleague.

First, emergency feed donations, under which the Secretary of Agriculture would be required to make available at no cost CCC stocks of feed grains being stored in the affected State or an adjoining State. It is my understanding that that is a difference. I will stand to be corrected if it is not.

Second—and to my mind most important—this amendment we are offering provides for a paid transportation program for the most severely afflicted livestock producers of the kind that are in abundance both in the Senator's State and in our State.

As I mentioned previously in my remarks a moment ago, hay transport, because of the bulk of hay, can often run more than the hay itself. This is an extremely vital provision.

Third, our amendment provides a delay in payments on the milk program assistance. Dairy farmers are among the hardest hit, and this is a no-cost provision. Subsequent increases would make up for the temporary loss to the program.

Fourth, our amendment, unlike the one filed at the desk, expresses the sense of Congress that the Secretary should act immediately to establish an overall coordinating mechanism for Federal assistance.

I do not think it can be emphasized enough that immediate help is absolutely necessary for our farm economy. This amendment, in short, is nothing but common sense, designed to help farmers who cannot get seed and designed to save a $2 billion investment.

In conclusion, let me say that the problems being faced by our neighboring State of Georgia are very similar to the problems we are facing in the eastern and southeastern part of our State. We want to work with our colleague in addressing this problem.

Mr. MATTINGLY. You are very magnanimous. I think the main thing is using the CCC commodities payments.

Mr. GORE. Yes, it does. It saves money by that method.

Mr. MATTINGLY. I think that is what I said in my floor speech 2 days ago.

Mr. GORE. It is the same thing the House of Representatives passed.

Mr. MATTINGLY. You are right. But I think you will admit that the major thing is that it assists farmers, the ones who have really had a tremendous drought, have no crops, or most of the crops have been destroyed, to be able to get disaster payments in the form of either generic-type certificates or commodity payments. Is this not the major part of it?

Mr. GORE. That is one portion of the bill, and I urge the Senator to support that and the rest of the bill.

Mr. MATTINGLY. That was in my bill. Would you not admit that that would be the major portion of it—that what the farmer is looking for now is not new loans? I think your State and my State agree with that. But what we are trying to do is to get disaster assistance, and a major way to get disaster assistance is to respect the use of surplus commodities we have stored, which I said in my floor speech 3 days ago.

I think it is the major part of this legislation that you have, other than the four or five small odds and ends in the bill. The major thing is the mandating to the Secretary of Agriculture, not leaving it to the discretion of the Secretary of Agriculture, which I assume your amendment does, the same as the Mattingly amendment, to make certain we do not leave it to the discretion of the Secretary of Agriculture. Is that correct?

Mr. GORE. I think the Senator is on the right track.

Mr. MATTINGLY. Does your amendment make it discretionary or mandatory?

Mr. GORE. We make it mandatory.

Mr. MATTINGLY. That is exactly right. It is the same as 2235.

Mr. GORE. It is the same as my colleague and I announced last week, and we welcome the support from as many people as possible who care about the problem that is being created by this drought.

Mr. MATTINGLY. I want to make the point that it is the same as the amendment that was filed at the desk some 48 to 72 hours ago.

I thank the Senator.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. HECHT). The Senator from Tennessee.

Mr. GORE. Mr. President, I will be very brief, and then I will yield the floor.

I just wanted to say, partially repeating the comments I made earlier, that it is not the same as the amendment that was filed earlier. There is a difference in many significant aspects, four major aspects which I recited in my statement a moment ago. But let me say that in particular it tracks with the approach that our colleague from Georgia has recommended, and I believe he is on the right track. We want support from everyone who will support this legislation.

The fact is that the farmers of this country, particularly those in the Southeast, are experiencing unprecedented disaster. They need help; the Secretary of Agriculture has authority to help. It is discretionary and not being used. This amendment would simply require the Secretary of Agriculture to use the discretionary authority he already has at his disposal.

So I urge my colleagues on both sides of the aisle to support it.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. MATTINGLY. Mr. President, will the Senator yield for a question?

Mr. GORE. I yield.

The PRESIDING OFFICER. The Senator from South Dakota has been recognized.

Mr. ABDNOR. I yield to the Senator.

Mr. MATTINGLY. There are probably good parts of both pieces of legis-

lation. Rather than have a point of order raised against the legislation, it seems that it would make good sense to try to work out some way that we could get a negotiated agreement between ourselves—not only ourselves, but also with the USDA, where they would not object to this, so that we could make certain it happens and that it is not subject to a point of order and would finally be defeated.

Mr. GORE. If the Senator wants to raise a point of order against the amendment——

Mr. MATTINGLY. Not I.

Mr. GORE. I would be prepared to ask unanimous consent that the name of the Senator be added as a cosponsor of the amendment.

Mr. MATTINGLY. No, thanks. I am already a sponsor of one.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. ABDNOR. I yield to the Senator from Pennsylvania.

Mr. HEINZ. I thank the Senator from South Dakota for yielding.

Mr. President, I just want to make an inquiry of the authors of the amendment regarding section 11. Is section 11 substantially the legislation that the Senator from Pennsylvania introduced?

Mr. SASSER. It is, and I will say to the Senator——

Mr. HEINZ. Just 1 minute.

The Senator from Pennsylvania asked the Senator from Tennessee earlier this evening, as floor manager of the bill, if he could advise the Senator from Pennsylvania as to the substance of his amendment, and the Senator from Tennessee said he could not and did not.

I am flattered that the Senator included my amendment. Thank you very much for that. But I do think that when I ask a colleague whether or not he is going to offer an amendment and it includes my amendment, he really ought to tell me.

Mr. SASSER. I say to the Senator from Pennsylvania that this was added to this amendment at the request of the Senator from Ohio, who indicated at that time that this was legislation sponsored by both himself and the distinguished Senator from Pennsylvania.

My assumption at that time was that this had been discussed with the distinguished Senator from Pennsylvania and that our colleague from Ohio was acting on behalf of both of us.

If I can refresh my colleague's memory, I did not refuse to divulge to the Senator from Pennsylvania the contents of this amendment.

□ 2310

The Senator simply asked me "What is your amendment about?" And I said "Something that I think will not be objectionable to the majority leader."

At that time there was a chuckle and we both went our ways.

Mr. HEINZ. I thank the Senator for his response. Let me just say to him—and I realize we are on the time of the Senator from South Dakota—that I find this discussion interesting.

What interests me is that I did discuss the substance of my amendment with the Senator from Ohio. We were discussing including it with the amendment of the Senator from Georgia. That is what the Senator from Ohio and I and the Senator from Georgia were talking about.

It is interesting to me that all of a sudden my bill ends up in the Senator's amendment. Maybe it is just coincidence and maybe the Senator from Ohio was trying to facilitate matters, but it seems to me that at some point it would be helpful to me, particularly as it is (a) my bill and (b) I am the floor manager of this legislation, if some time when the author of an amendment is going to include my legislation he would tell me that my legislation is in his amendment, irrespective of any conversations they may have had with anyone else.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from South Dakota has the floor.

Mr. METZENBAUM. Will the Senator yield?

Mr. ABDNOR. First, I would like to say a few words, if I might.

Mr. METZENBAUM. Mr. President, will the Senator from South Dakota yield so I might clarify this matter without losing his right to the floor?

Mr. ABDNOR. I yield a few seconds. All right.

Mr. METZENBAUM. I appreciate it.

The Senator from Pennsylvania is 100 percent correct. The Senator from Tennessee is not responsible at all. I accept full responsibility. I discussed this matter with the Senator from Tennessee earlier in the evening. It was my understanding that Senator MATTINGLY was going to go with his amendment prior to the amendment of the Senator from Tennessee when at that point I discussed with the Senator from Georgia, Senator MATTINGLY, the matter of including the amendment in his amendment and he indicated he was going to go with it tomorrow.

I then learned that Senator SASSER was moving with the amendment this evening and had included my amendment in his amendment.

I was trying to protect myself in both respects.

But let me make it clear. It is not my amendment. The original bill was the bill of the Senator from Pennsylvania [Senator HEINZ]. I am a cosponsor of that.

If the Senator from Pennsylvania feels that it is unfair or inappropriate that it be included as part of the Sasser amendment then I would ask the Senator from Tennessee to remove it because it is indeed the original initiative of the Senator from Pennsylvania and I do not want to in any way trample upon his rights nor in any way to be discourteous to him. There was no intention to do so.

Mr. HEINZ. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. The Senator from South Dakota has the floor.

Mr. HEINZ. Will the Senator yield for 30 seconds more?

Mr. ABDNOR. I yield, without losing the floor.

Mr. HEINZ. I thank my friend, the Senator from South Dakota. He has been most kind.

The Senator from Ohio was not present on the floor when we discussed this at the beginning. I said to the Senator from Tennessee I was most flattered, most flattered indeed that his amendment was included in my bill and Senator SPECTER's bill of which the Senator from Ohio is a cosponsor. I remain flattered.

But I did not know until the amendment was being read that it was in there.

Mr. METZENBAUM. I accept full responsibility, and I apologize to the Senator from Pennsylvania.

Mr. HEINZ. There is no need for the Senator to apologize. I thank him for clarifying the record.

Mr. ABDNOR. Mr. President, if I may, I would like to take a few seconds.

The PRESIDING OFFICER. The Senator from South Dakota has the floor.

Mr. ABDNOR. Mr. President, I am trying to determine at the moment whether we are talking about one, two, or three amendments. But let us talk about the one that the Senator from Tennessee offered, the amendment he offered a moment ago.

Let me ask the Senator one thing. Is this permanent legislation for all drought-stricken areas from here on into eternity, or is this designed only for this particular area that the drought is occurring at the moment?

Mr. DOMENICI. Is the Senator through, Mr. President?

Mr. ABDNOR. No; I am asking a question.

I asked the Senator from Tennessee who offered the amendment is the amendment only for the drought-stricken area that we have before us today or is it permanent legislation to go into effect for all future drought areas?

Mr. SASSER. I say to the Senator from South Dakota that the legisla-

tion expires as of April 1987 or if the drought conditions cease, sooner.

Mr. ABDNOR. Mr. President, I do not want to appear heartless because I certainly am well aware of what a drought-stricken area can be like. I have been in them many, many times. As recently as last year, my State had a drought, over half of the State, I guarantee you equal to what you are witnessing today. And while I agree it is only half a State and not one that probably covers 10 States, it was equally as bad for that particular area.

This is certainly going to set a precedent.

Let me ask the Senator again. As I understand this, all Government-owned grain will be free, plus the transportation, and half of the hay; is that the way I heard? Half of the cost of the hay and trucking?

Mr. SASSER. Let me respond to my distinguished friend from South Dakota by saying that it is discretionary with the Secretary of Agriculture in consultation with the Governors of the affected States and whether or not there will be reimbursement for transportation. If the Secretary of Agriculture determines after consultation with the Governors of the affected States there shall be reimbursement, then there shall be reimbursement up to 80 percent of the transportation costs.

Mr. ABDNOR. Let me say I do not want to be heartless but I recall many, many droughts, even since I have been in this Congress let alone long before I came in. I thought we had a monumental law passed last year in the farm bill when we said that commodities in the drought-declared areas, if they did not have any of the CCC grain available, the Government should be required to deliver that grain to the counties where the disaster occurred and they should pay the going rate of what the Government charges for disaster grain.

I just want everyone to know and again I certainly feel for the farmers. I am a farmer myself and have been when the droughts have hit. I just want to say that I hope we all remember that if we do this because this is going to occur almost every year somewhere, maybe not to the degree and to the extent and the vastness of this particular drought, but one equally as bad for wherever it hits, and it is going to be a program that I think we better well understand. If we are going to take care of this situation we certainly owe it to all agricultural areas of the future who are equally hit.

I yield to the Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the distinguished Senator.

The PRESIDING OFFICER. The Senator form North Carolina.

Mr. HELMS. I thank the Chair.

I was wondering if we were going to get an affirmation of this old saying about there being a little bit of larceny in every soul. I do not know whether it be grand larceny or petty larceny.

But in any case, speaking as chairman of the Senate Agriculture Committee, I do hope that somewhere along the line we can put an end to this business of one-upmanship in trying to tell the farmers how much we love them and how sorry we are for them.

Now, having said that, some of us have been working with the Secretary of Agriculture all week long about the very thing covered by the Mattingly amendment which was filed 2 days ago and which suddenly reappears as a reincarnation in another piece of legislation.

Tomorrow afternoon at 3 o'clock, the Secretary of Agriculture is going to announce almost precisely what is being talked about here tonight.

Now I do not care who gets the credit. I just want us to do everything we can for the farmers.

But I have noticed Senators and Congressmen and others scurrying around breaking their legs to get in front of a truck to pose before a load of hay. That is not doing the farmers any good.

The thing that the farmer needs is a little rational contemplation of what can be done without setting the very precedent that the Senator from South Dakota was talking about.

So I hope we can put to rest this business of one-upmanship, looking at another guy's amendment or amendments and proceed along an orderly course.

I thank the Chair and I thank the Senator from South Dakota.

Mr. ABDNOR. I would like to say to the chairman of the Agriculture Committee I am not necessarily objecting, but I just want to say there are a lot of us who have this sort of situation occur maybe not in such a large area but equally as bad for those who are in the drought and I hope it is more permanent so everyone in the future who has such a drought will be remembered when it occurs in other places throughout the Nation.

That is the one point I did want to make here today.

□ 2320

Mr. METZENBAUM. Mr. President, let me just take a moment to rise in support of the Sasser amendment and also to speak just for a moment in connection with the Heinz amendment which is now a part of the amendment, which I cosponsor as well as a number of other of my colleagues in this body.

The Heinz amendment would have the effect of negating FEMA rules proposed on April 18, 1986. Now those proposed FEMA rules would reduce the Federal share of public assistance from 75 percent and would deny eligibility for assistance to any community in the State if the uninsured damages in the State are less than $1 per capita. The only justification for the rules is that they would reduce the number of declared disasters by over 70 percent.

Of the 18 declared disasters in Ohio over the past 22 years, only one would qualify under the new rules.

The intent of the amendment is simply to maintain our current policy on disaster assistance to States and local communities. It has no economic impact, because the budget resolution itself originally contemplated the 75-percent figure. The 50-percent figure is a regulation of FEMA which was not in effect nor even contemplated at the time the budget resolution was adopted.

I commend both Senators from Tennessee for their leadership on this issue. I commend the Senator from Pennsylvania for his legislation that many of us have cosponsored. I hope the Senate will see fit to act promptly in connection with the entire matter.

Mr. STEVENS. Mr. President, I wonder if the sponsors of the amendment would tell me what it costs.

Mr. SASSER. I would say to my friend from Alaska that we have received preliminary cost figures, somewhere in the neighborhood of $300 million. Now, I would contest those figures to a considerable extent based on the matter in which the budget scoring was carried out. Principally, the payments will be made by in-kind payments from the Commodity Credit Corporation which will not require outlays of Federal moneys. Still, the cost of these Commodity Credit products are scored against in the budget process as an actual cost. But the cash outlays, I think, will be considerably less than that.

Mr. STEVENS. Mr. President, I thank the Senator for his response.

I would ask one other question, and that is are the sponsors of the amendment aware of the solutions that are to be offered tomorrow by the Secretary of Agriculture and the fact that they are within the scope of funds already available to the Department of Agriculture?

Mr. SASSER. Well, I would say to my friend from Alaska that we have been waiting in vain for the Secretary of Agriculture to act for some time. Time is of the essence. And with each passing day, the situation becomes more critical and more desperate.

What we are offering here this evening in actuality really effects many of the provisions that were passed in the 1985 farm bill. We are mandating the Secretary of Agriculture to act, whereas before he has had the discretion and chose not to act.

Mr. STEVENS. Mr. President, I hope that Members of the Senate will observe the rules and not address one another as we have been doing here this evening. I think that is inclined to change debate in the Senate.

But I would hope that the Senators would consider the impact of this amendment on the actions that are going to be taken tomorrow. As I understand, this amendment would go beyond the actions that the distinguished Senator from North Carolina has suggested are going to be taken, and I assume other members of the Agriculture Committee have been working with him. These actions, as I understand, are within the scope of existing law and within the scope of existing funds.

I have been informed by reliable sources that there are some people who estimate this between $600 million and $1½ billion.

Again, Mr. President, my second question is, where did the sponsors of the amendment get the cost figures? Are they from the Congressional Budget Office?

Mr. SASSER. I would say to my distinguished friend from Alaska that they are cost figures gotten from the Congressional Budget Office and we got these figures late this evening.

Mr. STEVENS. Mr. President, I still have the floor and I will give it up in a minute.

I come from a State, Mr. President, that has a great many disasters and I am very reluctant to deal with something that is labeled as disaster relief in a way that would be misinterpreted.

Mr. President, I think the Senator from Tennessee ought to understand that those of us who have to come here to the Congress and represent areas that have disasters have in the past done so in a bipartisan way and we have done so very deliberately to get the administration, no matter what party was involved, totally involved with the solution to the disaster.

It appears to me that is not the case this time, Mr. President; that, as the Senator from North Carolina has said, there is a little bit of too much one-upmanship in this matter.

I think it would set a very bad precedent if we started a race to the desk in any attempt to solve disasters. I hope the proponents of this concept will regroup and present us a bipartisan solution that is consistent with some support, at least, from the administration and not present a plight that, in the final analysis, would be unacceptable to the administration. This is not going to help the farmers, it is not going to help the people who suffer disasters to start a process of divisiveness at the time we are seeking a solution to the problems.

I very seldom would comment in this vein, but I do because of the number of times since I have been in the Senate that I have had to come here and ask for help because of disasters in my State, be it flood or earthquake or other things, and we have had bipartisan support. I remember the great problem in the State of Washington and my good friends, the late Senator from Washington, Senator Jackson, and former Senator Magnuson, how we all worked together to solve the problems related to Mount St. Helen's. This does not look like a togetherness solution for the farmers.

I hope the Senate would reflect on what it is about to do and that we would have the proponents of this concept regroup and give us a bipartisan solution that meets with some kind of acceptance on the part of the administration.

Mr. SASSER. Mr. President, I must say that I am somewhat amazed at the controversy that seems to greet this amendment here this evening, which is aimed solely at bringing aid to drought stricken farmers in the Southeast. This situation has dominated the national news for a period now of almost 2 weeks.

What myself and a number of my colleagues have sought to do this evening is simply present to this body legislation which was adopted today or yesterday by the House Agriculture Committee in a broad bipartisan vote. We are simply seeking here this evening to expedite the process.

I would think that our colleagues from all sections of the country and from both sides of the aisle would examine this thing carefully and dispassionately. I think if they do so they will find that this amendment has merit and ought to be supported.

Mr. GORE. Will my colleague yield?

Mr. SASSER. I yield to my colleague from Tennessee.

Mr. GORE. I appreciate my colleague yielding. I just want to add to these remarks, because a couple of our colleagues have spoken in a way to give the impression that somehow there has been some race to the desk to come out with an amendment to address the drought relief problem.

□ 2330

As my senior colleague from Tennessee has noted this problem has been well known in our part of the country and in the entire country for a long, long time. My colleague and I addressed this matter publicly last week. We sent around a Dear Colleague letter saying we were going to offer an amendment on this subject. We served notice on it. We had it on the list when the debt limit resolution first came up. The fact that one concept in the amendment bears some similarity to one concept in another amendment that has been filed is not grounds for somebody to say it is somehow lacking in bipartisanship. The yeas and nays have been ordered.

This amendment addresses a problem of national importance. Are we going to try to help the farmers in the Southeast of this country or not? The administration has failed to do so. It has the authority on the books right now. In 1982 it made a public statement that it was not going to use that authority. What this legislation says is you have to use the authority. Help the farmers out. The House of Representatives, the other body, I should say, passed this same language yesterday out of the Agriculture Committee. So what is the controversy about? All we have to do is vote up or down. If you want to help the farmers in a time of real emergency, then vote yes for the amendment. If you want to get mired down in some kind of petty controversy, about where this concept or that concept first originated, if you do not want to help the farmers then vote against the amendment. The choice is very clear.

Mr. HARKIN. Will the Senator yield for a question?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I have listened with a good deal of interest. I would like to go to a question in a moment, if I may, for the senior Senator from Tennessee regarding this amendment that I am a cosponsor of. Let me ask that question at this time. I would like to yield to him for an answer without losing my right to the floor.

I heard the word of partisanship raised in this debate. The reason that I cosponsored the amendment is that when our farmers have been in trouble, we have had the help and support of people on both sides of the aisle on previous occasions. We have no drought in Nebraska at the present time. I think it is particularly important, though, that we work in a cooperative fashion. The farmers in the Senator's part of the United States are in dire difficulties today. Maybe I did not understand the debate here. But does not the amendment that the Senator offered that I cosponsored help both Democratic and Republican farmers and Independent farmers? It is not limited, is it, to one political party or the other?

Mr. SASSER. The distinguished Senator from Nebraska it entirely correct. There is no language in this amendment that would delineate between farmers on a partisan basis.

Mr. EXON. I thank my colleague. I suspected that was going to be the answer.

I was also on the floor hearing talk about rushing to judgment. I was on the floor not too long ago when the distinguished Senator from Florida,

the junior Senator from Florida, offered an amendment that some people might think was political with regard to paying Social Security recipients even if the CPI does not reach 3 percent as was previous law. As far as I know, there was no charge at that time that the junior Senator from Florida was rushing to judgment without due consideration. I would simply say I am just amazed that there is even this much argument on the excellent amendment offered by my colleague from Tennessee, which merely directs the Department of Agriculture to do what the Congress has already authorized it to do to meet these kinds of emergencies.

Therefore, I suggest that this is not a partisan issue. I would think and hope that the Senator from Tennessee would invite all the Members on that side of the aisle if necessary to join in as cosponsors of the legislation. That is the way to make it nonpartisan. I hope we would move on with this matter and stay away from the matter that this should be set aside because it is partisan. It is not partisan. It is designed to help the farmers in the Southeast that are in dire straits. I think we are not serving Democratic or Republican or Independent farmers by any further delay.

Mr. RIEGLE. Will the Senator yield to the Senator from Michigan?

Mr. EXON. I am glad to yield.

Mr. RIEGLE. I thank the Senator.

I do not know if the Senator is aware or not but across this country citizens are coming forward on their own to try to help what is clearly a desperate situation. In my State of Michigan we have had now literally hundreds of farmers volunteer hay to move south. We loaded several tons of hay today on Conrail trains in Grand Rapids. We were loading hay all day long to go down south. It has been coming from other States, from Indiana, and coming from Massachusetts. But what the people of my State are saying they are doing is what they can do on a voluntary basis but this problem is so large that there is a need for a national response. This is a scale of disaster that is without precedent in modern history.

So voluntary effort alone will help but it cannot solve this problem. That is why we have a National Government. I do not understand for the life of me why it is when we have people in extreme circumstances that need help that we cannot respond as a Nation. I think we should respond. I wanted to respond and voted to respond when we had the Mount St. Helens tragedy out on the west coast where people were caught in a situation that they could not manage. I am prepared to respond to other disaster situations in other parts of the country. But what I do not understand now is why there is this reluctance of the Senate when there is this clear and pressing need, and the people of the country want to see a response. We ought to help the farmers in the South that are in a situation where it is beyond their capacity to respond. Our Government has an obligation, and frankly this administration has done next to nothing about it.

The President time and again has said he wants to help but there has been no help. We have a new Secretary of Agriculture. He is relatively new. He could put a plan together. He has not done it. There has been no concerted response. This is an effort to get a response. The House of Representatives acted yesterday on this very measure. We ought to act on it tonight. We are here on other things that are even less important. If we can take the time on those things, we can take the time on this. People out there need this help. They ought to get it.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. BYRD. Mr. President, I ask unanimous consent that my name be added as a cosponsor of the amendment offered by Senator SASSER.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I am pleased to be a cosponsor of this amendment. Two counties in my State of West Virginia have been severely affected by the drought that is gripping the Southeast. This amendment contains several provisions that will be particularly helpful to the farmers in Berkeley and Jefferson Counties.

This amendment includes provisions on emergency feed donations, emergency feed purchase assistance, hay transportation payments, and delay of milk assessment payments. These provisions will be of help to the farmers of West Virginia who have suffered loss of pasture land and forage crops, and face the loss of their livestock and dairy cattle.

I commend the Senators from Tennessee for their leadership on this amendment, and I urge my colleagues to support its enactment.

● Mr. ZORINSKY. Mr. President, I am pleased to cosponsor this amendment that can provide much needed assistance to farmers in drought-stricken areas of our Nation.

Each day newspaper and television reports give accounts of the tragedy that afflicts producers, primarily in the Southeast. Because of the drought, many farmers and rural businesses will face bankruptcy unless assistance is forthcoming. This amendment will stave off the worst effects of the drought and provide many farmers with the ability to stay in business.

The amendment specifies that, under certain conditions, the Secretary of Agriculture shall make available to drought-stricken farmers and ranchers, at no cost, surplus stocks of commodities owned by the Commodity Credit Corporation. The surplus commodities would be made available in areas in which the Secretary of Agriculture determines there is a critical need for livestock or poultry feed, in amounts necessary to preserve livestock herds and poultry flocks in the area. I would hope that use of this authority will dispose of surplus commodities that would not be sold in any case and currently accrue large storage costs.

The amendment also requires the Secretary of Agriculture to make livestock and poultry feed assistance available to farmers and ranchers in disaster areas. Farmers and ranchers will receive reimbursement for purchased feed with inkind payments, using the surplus stocks of commodities held by the Commodity Credit Corporation.

Inkind payments will also be used to make disaster payments, under existing authorities, to producers of wheat, feed grains, upland cotton, rice, and soybeans for the 1986 crops of those commodities. The total amount of inkind payments that a producer would be entitled to receive under the disaster payment program will not exceed a combined value of $100,000. In making inkind payments, the Secretary of Agriculture would be required—to the maximum extent practicable—to use CCC commodities stored in storage deficient areas such as the Midwest.

The amendment also postpones payment of assessments by milk producers in disaster areas, at the discretion of the producer. By postponing payment of assessments, the total amount of contributions by dairy farmers—used to partially offset the cost of the current milk price support program—would remain the same. However, the contribution of an individual producer could be postponed until next year. In this way, dairy farmers who may be near bankruptcy and would not be paying any assessment will be able to stay in business.

The amendment also expresses the sense of Congress that, with respect to farm borrowers who are adversely affected by natural disaster conditions in 1986, the Secretary of Agriculture should exercise the authority provided under existing authorities to defer loan repayments to the Farmers Home Administration and forgo foreclosures in cases where such farm borrowers are unable to make loans payments in full through no fault of their own because of natural disaster conditions.

Mr. President, this amendment is important to farmers who may need immediate assistance to avoid bankruptcy and I urge the Senate to adopt it.●

Mr. MATTINGLY. Mr. President, I would like to say the Senator from

Tennessee has a fantastic idea, and I support it.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I think it is time for a little history lesson around here. It is time for a little history lesson on Gramm-Rudman. I would like to ask under this proposed amendment, does a point of order lie under section 302 of this amendment?

Mr. SASSER addressed the Chair.

Mr. HARKIN. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. Will the Senator please repeat the parliamentary inquiry?

Mr. HARKIN. Does a point of order lie under the provisions of Gramm-Rudman-Hollings under section 302 insofar as the amendment exceeds the levels of Gramm-Rudman by a set amount of money? I do not know whether it is $300 million or $600 million, but whatever it is.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The answer to the parliamentary inquiry is that the amendment is subject to a point of order as in violation of section 302.

Mr. SASSER. Mr. President, pursuant to section 904, I move to waive the provisions of section 302, and I ask for the yeas and nays.

Mr. HARKIN. Mr. President, I have the floor.

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. SASSER. Point of order, Mr. President.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Thank you, Mr. President.

I understand that a point of order in fact lies against this amendment.

The PRESIDING OFFICER. That is correct.

Mr. HARKIN. Mr. President, again I join with those in excoriating this administration for what they have done to the disaster payments program. In 1981 under the farm program they did away with the disaster payments program. It was done voluntarily by the Secretary of Agriculture. Immediately thereafter, the Secretary of Agriculture began using the disaster payments program blatantly in a political manner. In 1983 we had a drought in Iowa which was devastating Iowa. Did we get disaster payments? No way. But the year before, in 1982, they had a drought down in the Southwest, and they got disaster payments. But we did not get any disaster payments.

The history of the disaster payments program, since it was taken out of the mandatory section and made voluntary, has been used only in a blatantly political manner.

Last year, the distinguished Senator from Arkansas, [Senator BUMPERS] offered an amendment to extend the Small Business Administration disaster loan program, one which I supported and which 45 other Members of the Senate supported. But it was defeated 52 to 45.

□ 2340

They claimed that the SBA could come in and extend low interest loans to farmers suffering from disaster.

It is important to remember these things because this administration has used these programs in a blatantly political manner.

I do not mean to raise a point of order. I did not vote for Gramm-Rudman. I am opposed to Gramm-Rudman. I voted today to repeal it. But I find it very curious that many of the people who are proposing this amendment voted for Gramm-Rudman, supported it.

Someone accused me of getting into the barleycorn liquor earlier this year and now he is supporting violations of his own provision.

As I said, I will not raise a point of order because I do not agree with Gramm-Rudman.

Am I for this amendment? Sure I am for it, but in an evenhanded manner.

I want to echo what the distinguished Senator from South Dakota just said. We cannot be dealing with disasters on a piecemeal basis. Because farmers in one part of the country got hurt, if they have enough political clout, if they have enough support, they get the disaster payments. Perhaps if their party is in power and some people are running for reelection in that State, they get disaster payments. But that does not happen the next year in another State.

That is why we need a national program as we had in the past, a national program of disaster payments to farmers, low interest loans by both the Farmers Home and SBA. The program worked in the past because it was fair and equitable and covered every farmer in the country whether they were in Alabama, Iowa, Georgia or anywhere else.

Now we have a situation if there is a disaster, where the farmers are at the mercy of the Secretary of Agriculture and whatever he wants to do. That ought not to be so.

So on this amendment, I have every reason to support the farmers in the Southeast who are hit by a drought. We had it in Iowa in 1983. Let me tell you it was as bad in Iowa in 1983 as it is in North Carolina or Georgia this year, and we did not get anything. We did not get disaster payments. I would like to amend this amendment, but I know I cannot amend it. I would like to throw in 1983 where it says 1986.

I would like to get disaster payments for the farmers that were hurt in Iowa. I know that will not happen.

I guess what I am saying is that this, again, ought to be reason for us to go back to the farm bill and have a disaster program that is fair and equitable and covers all farmers and which is mandatory and is not discretionary at the whim of the Secretary of Agriculture, whether it is a Democrat or Republican.

We ought to have a national disaster payments program for these farmers. We ought to have low interest loans available when they are hit by a national disaster, regardless of where they live and whatever year it may happen.

I will not raise a point of order because I do not believe in Gramm-Rudman. But I say to those who raised the point of order earlier this year when I tried to get advance CCC loans for our farmers, which did not cost anything over a 2-year period of time according to CBO because it shifted funds from fiscal year 1987 to fiscal year 1986, a point of order did lie under Gramm-Rudman so a point of order was raised, if I am not mistaken, by the distinguished Senator from New Mexico at that time.

Mr. DOMENICI. Will the Senator yield so I can respond?

Mr. HARKIN. Without losing my right to the floor, I will yield.

Mr. DOMENICI. The reason I did not raise the point of order to explain what it means and what the Senator's rights are to waive it is because I have not had the opportunity to get the floor. If you will yield, I will explain that there is a process in the law which will permit us to vote for extraordinary relief by waiving, so long as everybody understands, and we will pay for it from some source.

I thank the Senator for yielding.

Mr. HARKIN. I will say that I am opposed to waiver because I think those farmers deserve to have help. I do not agree with Gramm-Rudman anyway. Again, I wonder why those who have been so strong in supporting Gramm-Rudman have not been here on the floor raising Cain like they did earlier this year on advance CCC payments.

Mr. President, I will end my remarks by saying once again this ought to be again proof to all of us that we do not just represent farmers from the Southeast or the Midwest or Kansas or Iowa or anywhere else. We represent a national constituency. This disaster that has hit the Southeast may hit the West next year or it may hit Minnesota, Wisconsin, or Michigan, just as it hit Iowa in 1983.

We ought not to have a program that the Secretary uses only at his discretion to reward those he likes and to punish those he does not like.

Mr. President, again, I compliment the Senator from Tennessee and the others who have devised this amend-

ment to try to help the farmers in the Southeast. I just hope that they will help us when we try to make changes in the farm bill to provide for a disaster payments program that is fair and equitable and covers all farmers under disaster conditions no matter when they happen, no matter where they happen.

RELATIVE TO ADJOURNMENT TO A DATE CERTAIN DURING THE REMAINDER OF THE 99TH CONGRESS

Mr. DOLE. Mr. President, I am advised by the Parliamentarian that if we do not take action by midnight and pass a House concurrent resolution, we have to adjourn sine die by some law that was passed—when?

The PRESIDING OFFICER. 1946.

Mr. DOLE. Mr. President, I do not think anything happens if we do not pass it, but the House has sent it over here as House Concurrent Resolution 374. I would not want to be in violation. I would not want to go home early this year.

Mr. President, I ask unanimous consent if we might just temporarily set this amendment aside and move to House Concurrent Resolution 374 and pass it. I think I have the support of the distinguished minority leader in this very important matter.

Mr. BYRD. Will the distinguished majority leader yield?

Mr. DOLE. I am happy to yield.

Mr. BYRD. The majority leader is right that the law requires this to be done. This concurrent resolution allows the Congress to proceed with the public's business in violation of the law.

It is an impractical law and I have never seen such language as I have seen in this concurrent resolution. If anybody can explain it to me, I would be happy to have them do so.

Anyhow, this is a concurrent resolution that the House passed and they thought we could get around the law. I would say we better do something soon or we will be in violation.

Mr. DOLE. If we did not pass this, I do not know that it would make any difference, but it is something we could say we have completed this week.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 374) relative to adjournment to a date certain during the remainder of the 99th Congress.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 374) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. I want to thank our colleagues. That was on our must list. We had to do this before we can recess on the August 15.

INCREASE IN THE STATUTORY LIMIT ON THE PUBLIC DEBT

The Senate continued with consideration of the joint resolution.

Mr. DOMENICI. Mr. President, let me see if I can explain in my way what the Budget Act says about this amendment. There has already been a parliamentary inquiry as to whether or not it violates the Budget Act. The answer that the Chair made was that it does.

In the Budget Act, what you do is to allocate to each of the committees what they are expected to spend during the year, the sum total of which, when you add up their allocations, frequently called crosswalks, gets you to the total expenditures of the Government. You put the revenues up alongside of that and what is left over, if there is some left over, is the deficit.

Where we are now is we have allocated all of the expected expenditures of our Government. All of that that is appropriated is in appropriations waiting for them to allocate it. Then those committees that have direct spending or entitlement spending, and that is what this is, I say to the Senator, direct spending not subject to appropriations, that goes to the authorizing committee. They are supposed to allocate in their committee the expenditures that they have within their jurisdiction.

The Agriculture Committee has some $22 billion that they expect to be spent under their allocation of their portion of this trillion dollar budget.

The point of it is that the Agriculture Committee does not have room in theirs for this because obviously it was not expected. I am not passing judgment on whether we ought to do it or not, but the point of it is that they have not yet allocated their $22.04 billion. But if you look through it, there is not room if they did.

□ 2350

But it violates the Budget Act to offer a spending amendment if they have not made the allocation. If they had made it, it violated it anyway, because it would be over the amount. So the point of order that will be made by me as chairman of the Budget Committee—and I want everybody to understand—is because as a matter of fact, whether this amendment costs $300 million, which is the lowest estimate I can get, or $600 million, which is the middle ground I can get, or $1.5 billion, which is the outside amount the OMB says—whatever it is—let us take $600 million. Obviously, there is a provision to waive the point of order that I am going to make. I assume the Senator from Tennessee is going to move to waive. That is some section called 904 of the Budget Act.

That waiver is contemplated to be voted on by the Senate. That is one of those provisions that expects the Senate to take an act if they want to waive that provision, and it only requires 51 votes—a majority, let me say; not 51, but a majority. It is not one of those supermajority votes.

So I think I am obligated as Budget Committee chairman to make the point of order because you all ought to know, if this is 600—and again, I do not pass judgment on whether this is a good program, whether it is absolutely needed with reference to all the rest of Government, whether you want to do it—what really happens is this: If it is $600 million, then you have added $600 million to the expected deficit and one way to look at it is you have added $600 million to the sequester prospect that will occur if we do not get the budget under control.

It cannot be taken out of agriculture, so you are just adding it to the overall expenditures, which will put you in a position where you are going to probably add $600 million to any sequester that you are going to have. Or you will have to find some way to cut the budget or raise revenue so that you do not have that added $600 million impediment to meeting the targets.

The reason I cannot ask the Agriculture Committee to go find the money is that the entire allocation to that committee is entitlements and direct spending. It is not like saying to the appropriators, go through all your litany and inventory and see if you can save. They already will have used all of theirs because the 22.04 is all entitlement and direct spending money that is not appropriated.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. DOMENICI. I shall be pleased to yield.

Mr. CHILES. I just want to say to the chairman of the Budget Committee and the author of the amendment I will join with the chairman of the Budget Committee in making the point of order. I would have done that whether it was this amendment or the Mattingly amendment or any other amendment. This is not a Gramm-Rudman point of order. This is a

Budget Committee point of order out of the super points of order that came up.

I think what the body ought to know, because I think the Senator from Tennessee will move to waive this provision of the Budget Act, which is contemplated in the act so the body can be able to say this is something we want to do in spite of the fact—the body can make that decision. But again, I think they need to understand that we are talking about the fact that we had a budget total as we came out of conference committee of $142.6 billion. Remember our ceiling of $144 billion. Our reconciliation bill that we bring to the floor is $1.1 billion short of what we had contemplated getting in our savings. So we are now at $143.7 billion.

So if this is 300 right on the head, maybe we can hit it right on the head and if it goes over 300, then we could be over the $144 billion.

What people need to realize and contemplate is that this means in effect that you could be taking this money partly out of defense, partly out of other domestic programs and it would be up to this body to pass judgment on that, but I think it is the responsibility of the Budget Committee to raise this on this bill or other bills and do this thing, whether it is a drought situation that happens to be in the Southeast that we are all vitally concerned about or whatever else it is. And the body has to consciously know what it is doing. So I shall join with the Senator when he makes the point of order.

Mr. SASSER. Mr. President, will the distinguished chairman of the Budget Committee yield to me?

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. I thank the Chair.

Does the distinguished Senator from Tennessee ask that I yield?

Mr. SASSER. Yes; I ask if he will yield.

Mr. DOMENICI. I yield without losing my right to the floor.

Mr. SASSER. Mr. President, this morning in the military construction appropriations subcommittee, we appropriated $300 million to three countries in Central America in addition to the $100 million we were appropriating for aid to the so-called Contras. That $300 million was appropriated to sweeten the pot in aid to those countries in Central America.

I submit, Mr. President, if we can summarily find an additional $300 million in aid to countries in Central America, we can certainly find $300 million to aid the drought-stricken farmers of the Southeastern United States, who are already fighting for their very economic lives and have been now for a period of years, caught in the worst farm depression in this country since the late 1920's. I think that point ought to be made.

I thank the distinguished chairman for yielding.

Mr. BUMPERS. Will the Senator from New Mexico yield for a question?

Mr. DOMENICI. Let me say to my friend from Tennessee that the reason I want to go ahead and make my point of order, I want the Senator to know that it is my understanding that his motion is debatable. So I am not in any way, with my point of order, trying to preclude him from making a 10-minute speech. I did not mean to make him make it in 1. He has as much time as he wants, as I understand the rules. His motion is debatable.

Mr. President, a parliamentary inquiry: Is the motion that the Senator from Tennessee has indicated he is going to make, to waive the Budget Act under the appropriate section whereby 302(c) would be waived, debatable?

The PRESIDING OFFICER. It is debatable.

Mr. DOMENICI. So the Senator will have all the time he needs.

Mr. President, I make a point of order that the amendment violates section 302(c) of the Budget Act.

Mr. SASSER. Mr. President, pursuant to section 904, I move to waive that provision of section 302 which renders this amendment out of order, for the purpose only of this amendment.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The question is on agreeing to the motion.

Mr. BUMPERS. Mr. President, is that a debatable motion?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BUMPERS. Mr. President, a parliamentary inquiry: Is that a debatable motion or not?

The PRESIDING OFFICER. Does the Senator from New Mexico yield?

Mr. DOMENICI. I would be pleased to yield, but I say the Chair just ruled it was.

Mr. BUMPERS. I asked the simple question after the appeal was made of the ruling of the Chair. You made the motion, he appealed the ruling of the Chair. I asked is that debatable.

The PRESIDING OFFICER. The motion——

Mr. STEVENS. Mr. President, a point of order: Members must not address one another. They must address the Chair and not one another in the third person.

The PRESIDING OFFICER. The Senator's point is well taken.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, I yield to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I hope nobody understands that the Senator from New Mexico, in making the point of order which is now before the Senate, by making a motion to waive, which requires only a majority vote, the Senator from New Mexico made that point of order because I am against the amendment. I have not even decided what I am going to do. What I believe we must understand is that there is a process and that everyone should know that somewhere between $600 million and a billion and a half is going to have to be found somewhere within the budget or it will add to the deficit and to the prospect for a sequester.

□ 2400

That is precisely why it is subject to a point of order, so that we can look at that, and there is no way within the rules that I am aware of or the prescriptions in the Budget Act to here and now substitute anything for this expenditure that will arise if this becomes law. It is for that reason that I believe the Senate must know that. If you vote the point of order is gone. It is prescribed that you have that right to vote; so long as everyone understands the extent of the expenditure and what will happen in the next couple of months, clearly it is our prerogative to do what we wish. I yield the floor.

[The following proceedings occurred after midnight:]

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I hope we can voice vote the waiver. I have a list here of 20 more amendments to the debt ceiling. I had hoped to finish this before morning, but we have been about 2 hours on this matter. I know some of these amendments will not take long but there are at least three or four others that will take some time. I have just about concluded we are not going to finish this. I do not see any reason to keep people here all night long. I think after this amendment and Senator HELMS has an amendment and then a couple amendments are going to be taken as I understand the Senator from New Jersey, that may be about enough until, say, 8:30 or 9 o'clock tomorrow morning. But I hope we could speed it up as much as we can.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I can be brief. I vigorously oppose waiving the Budget Act. We face a difficult decision. I believe that it would be a mistake to commit ourselves to another $200 million to $1.5 billion of deficits. I think it is vitally important that we vote this down. We need to recognize that potentially half of this money is

coming out of defense, half out of nondefense. So the question is not do we want to do this, but are willing to pay for it in that way. I am not, and therefore I oppose waiving the Budget Act.

Mr. BUMPERS and Mr. MATTINGLY addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I listened very carefully to the chairman of the Budget Committee a moment ago, and without losing my right to the floor I would like to ask this question of the chairman, who stated that there was a little over $22 billion in the Agriculture budget and that it was all entitlement and direct spending and therefore there was no room for this amendment in the Agriculture Committee's budget. Is that correct?

Mr. DOMENICI. That is my understanding.

Mr. BUMPERS. So if we vote against the motion of the Senator from Tennessee to waive the Budget Act, we are not only setting a precedent, but what we are saying is that the most devastated section of this country, perhaps in this century, which has suffered a $2.3 billion agricultural loss already—we are not trying to make them whole—what we are saying is that we cannot do anything for that ravaged section of this country now or at any time in the future.

Now, obviously, the Congress has the right, the Senate has a right, to change its mind somewhere between now and October 2. But I want to tell my colleagues when you vote this way, you can either add it to the agriculture budget or you can find it someplace else, and that is my understanding of the way this budget process works. You can find someplace else to refurbish the Department of Agriculture for expending these moneys, and if you vote against the motion to waive, you are saying to the farmers in a five-State region there will be no help from Congress. The Senator from South Dakota said he knows what drought is. South Dakota has been ravaged by drought in the past. This is not a much worse drought than Oklahoma, Arkansas, Missouri, and Louisiana suffered in 1980. We had 111 deaths in Arkansas in 1980. So you are saying there will be no relief now or at any time. I am not prepared to do that. So I intend to support the motion to waive, Mr. President.

Mr. MATTINGLY addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. MATTINGLY. We probably would not have had this much of a problem if we could have included one part in the Senator's amendment that would have said that "The aggregate amount expended for such disaster payments, including any payments made under normal price support activities, would not exceed the total which the Secretary would otherwise be obligated to expend for price support activities for all program crops in the affected counties for the 1986 crop year if such crops had produced an average yield." It is one thing not included in the amendment which really would have taken care of I think the majority of the costs that the chairman and the ranking member of the Budget Committee were talking to. And also, lastly, if the program would have been for 1 year and not in perpetuity, which this program is.

Mr. DOMENICI and Mr. HEFLIN addressed the Chair.

Mr. SASSER. Mr. President, I call for the question.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, I had come to the floor this evening with two speeches, one to be supportive of Senator MATTINGLY, the other to be supportive of Senator SASSER's amendment that might be offered. In my judgment, they do not vary a great deal. Senator SASSER's follows the language that was approved by the House Agriculture Committee. I think it perhaps is a little bit better. I do not want to argue between the two.

Mr. President, I join with my colleagues in offering this amendment to provide some relief to the drought-stricken farmers of Alabama and other Southeastern States.

The amendment offered today is almost identical to the bill reported out of the House Agriculture Committee, yesterday. First, the amendment would require the Secretary of Agriculture to make available surplus commodities to producers in counties where there is a critical lack of feed grain or forage needed to keep livestock or poultry alive. This emergency feed donation program appears to be a commonsense approach to a critical situation facing our drought-stricken livestock producers and the problem we have as policymakers in finding a place to store surplus CCC commodities.

The amendment also directs the Secretary of Agriculture to implement the Emergency Feed Program that was included in the 1977 farm bill. Basically, this program would allow livestock and poultry producers to purchase the type of feed they need for their particular situation and be reimbursed by the local ASCS office for some portion of the cost. Historically this reimbursement rate has been 50 percent of the cost. This program would also allow the livestock producer the flexibility of buying mixed feed. hay, or even range pellets.

I have talked with the Secretary and asked him to make Federal assistance available to our hard-hit livestock producers. He has the authority, but USDA appears to be caught up in redtape.

Assistance is being provided to the livestock producers in a few counties that have been declared a disaster county through the Emergency Feed Assistance; however, this assistance is very limited and restricted to feed grains. Hay and pasture yields are running about 75 percent below normal throughout the region because of the drought. If pasture is no longer available to livestock, they must be fed hay or other roughage. Most livestock producers have no hay available. The few farmers that have hay are rapidly depleting their small inventory.

Federal assistance is not being made available to farmers for the purchase of hay and roughage. The well-publicized hay lifts that have occurred show the true American spirit of compassion and cooperation to help a neighbor in the time of need. While these hay lifts are of temporary help in some areas, they do not offer a comprehensive solution to the situation. Already hard-pressed farmers throughout the country cannot afford to give much more. It is a Federal responsibility to provide disaster assistance when and where necessary. The amendment directs the Secretary to implement an emergency hay program to assist farmers in finding and obtaining. The Department of Agriculture will pay 80 percent of the transportation cost under the emergency hay program.

Farmers that produce program crops such as cotton, wheat, soybeans, peanuts, and feed grains will be eligible for direct disaster payments. Disaster payment programs contained in current law will be implemented and paid with PIK certificates, not cash, to the extent practicable. Such a payment provision will not result in actual CCC outlays and will minimize the budget impact.

Dairy farmers in disaster areas would be temporarily exempted from assessments under the milk price support program. Hopefully, dairy farmers can use the extra cash to purchase much-needed feed.

Cost share assistance will also be made available to farmers in drought areas, under the agriculture conservation program, to replant pasture and other vegetative cover to prevent anticipated soil erosion. The cost share would not be less than 50 percent of the cost to the landowner.

Mr. President, on May 19, 1986, I contacted the Secretary of Agriculture and asked him to make available all disaster assistance within his authority to the farmers of Alabama. It is now August and he has not acted. Our farmers are in a desperate situation, they do not have time for high level task forces to skip around the country. The farmers of Alabama do not have

time for damage assessment reports to be finalized. Our drought-stricken farmers do not have time for bureaucrats to fiddle with more redtape. It is time to act.

I urge my colleagues to join me in supporting this amendment.

Mr. President, in response to statements being made that the administration is going to do something about it, we have had this drought now for several months. On May 19 of this year I contacted the Secretary of Agriculture and asked him to make available disaster assistance within his authority to the farmers of Alabama. It is now August and he has not acted.

Now, he has also sent his emissary down. Newly appointed Assistant Secretary George Dunlop 2 weeks ago, I believe, went down and surveyed the damage, and he came back saying he had never seen such devastation.

Now, it seems to me that it is time we move and it is time that Congress act on this. In the past when there have been droughts in foreign countries we have rightfully come to their aid. I can remember in Ethiopia; I can remember in Bangladesh and other places. There was a lot more human suffering involved. I think our coming to their relief and assistance then was good. But I think it is time we take care of our own.

Now, we can fiddle around with bureaucracy and rules and attempt to help, but back home they are saying, "You cannot feed cows on redtape." And we have had a lot of redtape thus far. It is time, in my judgment, that we take action. I urge that this waiver which Senator SASSER has moved be adopted and that this amendment be adopted.

Mr. DOMENICI. Mr. President, the distinguished Senator from Arkansas raised the point of whether our processes permit us to do this or to do anything else when you have a disaster, and let me just say to the Senator that we could provide for a sum of money for disaster based upon some averages. We have done that, but only within certain areas that we have been using. It does not happen to be this one.

□ 0010

So this is a brandnew expenditure of money. One way to do it and be logical and follow a normal process, because we have to have our eye on how much we are spending as a nation sooner or later—you did it as Governor—obviously, we have to know what we are doing, or at least try. This is one way. A 51-vote waiver says we have not changed what you expect to spend overall, but you are saying that, in all events, you are going to spend this. That is one way.

If that is what we want to do, it is a reasonable conclusion for the body to come up with, if they think the legislation is substantively sound.

For those who think there is no method to this process, you can add to deficit targets if you like. If you want to waive the whole act and say we want 60 votes and we want to add to the total we can come up with by way of a deficit—even that process is in the law.

What I am saying is that we have tied our hands. We have to make up our minds what we want to do, whether it is the right priority and whether we want to do that versus the other, because we are committed to do that, also.

The Senator from Texas is right—ultimately, if we have a $154 billion deficit, with a little added, we will have a sequester; and if this causes it, half will come out of defense and half out of domestic programs.

There is the other process, to waive it all with 60 votes and add it to the deficit. Nobody is suggesting that, and I hope they do not.

I want you to know that there is some methods to it, and there is no other way to handle it, unless you set up a fund in advance, saying we are going to have disasters every year, and this is how much we should put into the budget. I think the processes are better than that.

Mr. GRAMM. Mr. President, I want to ask a final question of the distinguished chairman of the Agriculture Committee.

The point has been made here that if we do not do this, there is not going to be anything done. I should like to ask the distinguished chairman if he believes that something is going to be done and, if so, when.

Mr. HELMS. Of course, it is going to be done, and I alluded to that earlier this evening. But when the wind of rhetoric went across the Chamber, I gave up and sat down.

I said earlier, and I say it again, that I have been working with the Secretary of Agriculture for the past week or more, formulating a program that is going to be announced tomorrow afternoon at 3 o'clock; and most of the things proposed by both the Sasser amendment and the Mattingly amendment will be taken care of. But to try at 10 minutes to 12 to persuade Senators to approach it at a normal basis, I find it impossible.

I say to Senators that they can sit here all night. I have been waiting here for 5 hours to call up an amendment. I said earlier, and I say it again, that the rhetoric is doing the farmers no good. The one-upmanship is doing the farmers no good. But the planning that has been done and will be announced at 3 o'clock tomorrow afternoon will do the farmers good.

Mr. GRAMM. Mr. President, I urge my colleagues to reject this waiver of the Budget Act, to allow an opportunity to move ahead with a program that has been thought out, that has been weighed in budget terms as to what can be done efficiently. I urge my colleagues to reject this amendment so that we may get on with our business.

Mr. BUMPERS. Mr. President, will the distinguished Senator from North Carolina yield for a question?

Mr. HELMS. I yield.

Mr. BUMPERS. First of all, I do not know what the program is going to be tomorrow afternoon. I do know what the Sasser amendment contains. My question is this: If it is a substantive program, and I assume it is, why does that action also not violate the budget, even though it is being done in a bureaucratic way by the Secretary? Why does it not also bust the budget, just as the amendment of the Senator from Tennessee does?

Mr. HELMS. That is a good question, and the answer is that the Secretary has discretionary funds.

The statement has been made over and over, in the typical USDA rhetoric, that nothing has been done, and that is not so, and I say that with all respect to Senators. The Secretary does have funds of a discretionary nature.

SEVERAL SENATORS. Vote! Vote!

Mr. STEVENS. Mr. President, I think someone should answer some questions about the waiver of existing law contained in this amendment.

I call the attention of the sponsors to page 8 of the amendment:

> For the purposes of this section, the conditions set out in sections 107, 105, 103, and 101 of the Agricultural Act of 1949 shall be considered as having been met.

What are they?

As I read this amendment, it mandates the Secretary of Agriculture to take action, to deliver commodities, and does not give him the authority to determine the eligibility of the people who receive the money. It provides $100,000 minimum for each person who is in the area.

It takes away a consideration amount of the Secretary's discretion in determining what is to be done.

It also deals with timber stand reseeding expenses. I would like to know how that got in there. We have had more forest fires in my State this year than I think in all the rest of the country put together, and we have not asked for disaster money to replace that.

This says "cost-share payments under the forestry incentives program to forest landowners in drought disaster areas for the reestablishment of stands of pine trees lost to drought conditions." Not less than 50 percent of the cost to replace them.

I would like to have a little explanation about this. What are those sections that these people need not comply with and that, for the purpose of the section, the conditions are met? What kind of payments in kind can

meet the landowner's situation? I do not think we have any stocks of trees for reforestation.

Mr. SASSER. Mr. President, in response to the questions of the distinguished Senator from Alaska, I say that the amendment we offer this evening simply makes mandatory some of the things—in fact, all the things—that are contained in this amendment which are discretionary now with the Secretary of Agriculture.

Mr. STEVENS. What are these conditions? I want to know what these conditions are that are met.

Mr. SASSER. If the Senator will allow me to answer, we find that the Secretary has been lax in exercising this discretion, and we are now making certain provisions in previous legislation mandatory, until and including April 1987, or until such time that there is a finding that the drought conditions have ceased.

With regard to payment in kind, this is accomplished simply by providing the farmer with a certificate that says he is entitled to so much of a commodity payment in kind. This certificate can then be negotiated by the farmer with a commodity trader who will purchase it, and the farmer can then get his cash. So the cash does not come directly from the Federal Government. It comes from the sale of commodities that the Federal Government presently holds, that have already been paid for, that the Federal Government presently is paying to store.

□ 2420

Mr. STEVENS. Mr. President, I have no answer.

What are the conditions that are now considered to be met under the provisions of the law that is addressed in the disaster payment program and under what conditions should the Secretary be required to use surplus stocks of commodities held by the Commodity Credit Corporation to assist in the cost of reforestation of pine trees lost to the drought conditions?

Incidentally, it is not limited to pine trees. It is limited to vegetation cover. What is the vegetation cover that has been lost in the area of timber stands that would be satisfied or be met in the disaster to be alleviated by using surplus stocks and commodities?

Am I to understand that we are to give the people who had timber stands that may have been affected by this drought peanuts to make up for their loss and how do we determine what that loss is? I am being very serious. That is what it looks like.

Mr. SASSER. Mr. President, if I might respond, the method of determining loss is set out in this amendment identical to the method for determining loss in law in the 1985 farm bill and payment is made through the Commodity Credit Corporation by a certificate which is then negotiated and the farmer may receive cash to purchase the hay, to purchase the feed grain or if he so qualifies also purchase trees.

Mr. STEVENS. The Senator did not answer the question about the timber stand receding expenses. If nothing else I wish to get an answer to the question that I am asking.

We have the allegation and to start off I am always suspicious of this "notwithstanding any other provision of law." What is being waived by that? Why should we have surplus stocks of commodities held by the Commodity Credit Corporation go to people who claim cost share payments under forestry incentive programs to forest land owners for reestablishment of stands of pine trees? No one has come out and given the people who have timber stands in my State peanuts to meet their problems this year, and I am being very serious now, or any other surplus commodities.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. STEVENS. I yield.

Mr. MELCHER. I thank the Senator for yielding.

First of all, he stated correctly the forest incentive plan is for private landowners and that is something different than what we generally have in my State and perhaps even in Alaska.

Mr. STEVENS. We have substantial stands of private timber.

Mr. MELCHER. We have substantial but that is not run of the mill.

Mr. STEVENS. No, it is not.

Mr. MELCHER. But the forestry incentive program, as the Senator from Alaska is aware, is a well-founded provision of law that is utilized on a cost share basis to replace grains that are lost for one reason or another.

Mr. STEVENS. I have supported that program and assisted the Senator from Montana. I have forgotten how many years we worked on that. This is a disaster program trying to deal with a specific area and making commodities available.

Mr. MELCHER. Then I would like to further answer the Senator.

Mr. MOYNIHAN. Mr. President, a point of order. Senators are expected to address the Chair.

Mr. MELCHER. Will the Senator from Alaska yield to me for a further answer?

Mr. STEVENS. Mr. President, I was thinking that I was addressing the Chair and I apologize to the Chair if I was not.

But I yield to the Senator.

Mr. MELCHER. I thank the Senator for yielding.

Peanuts are not available. Wheat might be available. Corn might be available. And the provision here obviously is to give the Secretary the ability to pay out of stocks that are already owned by the CCC—the Credit Commodity Corporation—to avoid having to dip into the Treasury till but to provide the payment which is a good way of doing it and one we have provided several places in the farm bill to give the Secretary that authority. This is an extension of that. It is nothing new.

Mr. STEVENS. If I still have the floor, I am delighted to have the response, Mr. President, of the Senator from Montana.

The PRESIDING OFFICER. The Senator has the floor.

Mr. STEVENS. Why do we have to waive all other provisions of existing law to have this disaster relief from this kind for timber stands reseeding expenses?

Mr. MELCHER. Mr. President, will the Senator from Alaska yield?

Mr. STEVENS. I yield to the Senator.

Mr. MELCHER. I thank the Senator for yielding.

I will tell the Senator why I think it is in there and I think it is wise to have it in there.

This takes away any doubt but what the Secretary will provide the assistance through this mechanism. He does not have to fight his way through the Office of Management and Budget or anything else. This just says the Secretary shall do it. It is that simple.

Mr. STEVENS. Mr. President, that is no answer to me, under existing circumstances that we should take away entirely the discretion that exists under disaster relief programs and mandates the Secretary to provide assistance like that, "notwithstanding any other provision of law." I know of no one who has come here and said there is some impediment in existing law that has to be waived by such a sweeping provision.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The question is on the motion to waive.

All those in favor say "aye."

All those opposed, "no."

Mr. GRAMM. Mr. President, I ask for the yeas.

Mr. MELCHER. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act. On this question, the yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ARMSTRONG. I announce that the Senator from Arizona [Mr. GOLDWATER], the Senator from Florida [Mrs. HAWKINS], the Senator from Nevada [Mr. LAXALT], and the Senator

from Wyoming [Mr. SIMPSON] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Mississippi [Mr. STENNIS] is necessarily absent.

The PRESIDING OFFICER (Mr. WILSON). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 55, nays 40, as follows:

[Rollcall Vote No. 173 Leg.]

YEAS—55

Abdnor	Ford	Metzenbaum
Andrews	Glenn	Mitchell
Baucus	Gore	Moynihan
Bentsen	Harkin	Nickles
Biden	Hart	Nunn
Bingaman	Heflin	Pell
Boren	Hollings	Pressler
Bradley	Inouye	Pryor
Broyhill	Johnston	Riegle
Bumpers	Kasten	Rockefeller
Burdick	Kennedy	Sarbanes
Byrd	Kerry	Sasser
Cochran	Lautenberg	Simon
Cranston	Leahy	Thurmond
Denton	Levin	Trible
Dixon	Long	Warner
Dodd	Matsunaga	Zorinsky
Eagleton	Mattingly	
Exon	Melcher	

NAYS—40

Armstrong	Gramm	Packwood
Boschwitz	Grassley	Proxmire
Chafee	Hatch	Quayle
Chiles	Hatfield	Roth
Cohen	Hecht	Rudman
D'Amato	Heinz	Specter
Danforth	Helms	Stafford
DeConcini	Humphrey	Stevens
Dole	Kassebaum	Symms
Domenici	Lugar	Wallop
Durenberger	Mathias	Weicker
Evans	McClure	Wilson
Garn	McConnell	
Gorton	Murkowski	

NOT VOTING—5

Goldwater	Laxalt	Stennis
Hawkins	Simpson	

So the motion was agreed to.

□ 0040

Mr. GORE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. DIXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, let me indicate that there will be a request for the yeas and nays on this amendment. Let me also indicate that following disposition of this, an amendment by the distinguished Senator from North Carolina will be laid down. There is a time agreement.

I also understand there is an amendment by Senator BRADLEY and Senator EVANS which will be accepted, and then that is followed by an amendment to be laid down by Senator HELMS.

The time agreement with the distinguished Senator from Missouri, Senator EAGLETON, is 45 minutes with 15 minutes to Senator EAGLETON and 30 minutes to Senator HELMS. And the vote will occur tomorrow morning I would say about 10:30.

There are a number of amendments. We will finish the bill tomorrow.

Mr. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. DOLE. I am happy to yield.

Mr. BYRD. I want to be sure that Senator EAGLETON is agreeable to taking 15 minutes.

Mr. EAGLETON. I am. I thank the minority leader.

□ 0050

Mr. DOLE. Yes, I will make that request. The amendment to be offered by Senator HELMS dealing with insurance discrimination will have a time limitation of 45 minutes, 30 minutes to Senator HELMS and 15 minutes to the distinguished Senator from Missouri, Senator EAGLETON.

Mr. WEICKER. Reserving the right to object, Mr. President. I want to make sure that Senator MATHIAS, who I know to be in opposition, has his rights protected.

The PRESIDING OFFICER. Let there be order in the Chamber.

Mr. WEICKER. Might I suggest, in order to expedite matters, if Senator EAGLETON wants 15 minutes, that 15 minutes also be allotted to either Senator MATHIAS or myself.

Mr. EAGLETON. Let us make it 30 and 30.

Mr. DOLE. I will modify the request, 1 hour equally divided, with 30 minutes under the control of Senator HELMS or his designee and 30 minutes under the control of Senator EAGLETON and Senator MATHIAS.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Reserving the right to object, there will be no second-degree amendments in order?

Mr. DOLE. That is correct.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. Mr. President, let me make it clear. There will be one additional vote. I think the distinguished Senator from Alaska has one question to propound.

Mr. STEVENS. Mr. President, if the Senator will yield, I would like to ask the sponsor one last question. That is, as I read this amendment there is only a limitation of $100,000 on one section. Will the very large feedlots and commercial operations be able to get these? Are these intended only for those who are producers, the farmers or operators of the tree farms? Do they go to commercial operations in any way under this amendment?

Mr. SASSER. Mr. President, these provisions are intended for producers. They are being used to control soil erosion in areas where drought has killed trees.

Mr. STEVENS. What about the feedlots? Does this provide assistance to feedlots or just to the farmers?

Mr. SASSER. Mr. President, this amendment is intended and aimed to assist small farmers.

The PRESIDING OFFICER. Will the Senator suspend? The Senate is not in order. Senators will please take their seats or take their conversations into the Cloakrooms.

The Senator from Tennessee.

Mr. SASSER. Mr. President, in response to the inquiry from my distinguished friend from Alaska, the relief contained in our amendment is intended to go to producers who have suffered from the drought. There is no intention for such relief to go to feedlot operators.

Mr. STEVENS. Mr. President, I hope that will be clarified in conference. As I read it, there are no limitations on such activity. The multimillion dollar commercial operations associated with this type of production, either in the milk area, the timber area, or the cattle area, would be covered.

I have asked the majority leader to have a vote. I want to tell the Senate I have belabored this. I can never remember voting against a natural disaster provision because of the problems of my State in terms of disaster, but I do not think this is the way to present disaster legislation. I think the end result will be the people who suffer from disasters are likely to suffer twice because they will not get disaster relief if we start legislating in this fashion.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Could I direct one question to the principal sponsor, Senator SASSER?

As I understand, the maximum amount is $100,000 per farmer. Is that correct?

Mr. SASSER. That is correct.

Mr. DOLE. What would he have to do to get $100,000? We may have discovered here in which a lot of people would like to participate.

Mr. SASSER. Mr. President, in order for a farmer to qualify for the maximum, he or she would have to prove losses in that amount. For example, the losses are calculated in such a way that there has to be first a showing of 40-percent loss of yield. Then the producers would be paid 50 percent on the 40-percent loss of yield. So, in essence, the payments here would come nowhere close to making the producer whole. I think it would simply alleviate the economic pains.

Mr. DOLE. How much would a farmer have to lose before he got to the $100,000? I guess that is the question.

Mr. SASSER. It would have to be a quick calculation, Mr. President. In

ballpark figures he would have to lose somewhere in the neighborhood of $220,000 to $240,000.

Mr. DOLE. So if he were able to demonstrate that he had a loss of $240,000 or $220,000, he would be entitled to a grant of $100,000 and not repayable, just a gift, a grant?

Mr. SASSER. Mr. President, he would have to be in a drought area, first. There would have to be a showing or a determination that the loss was occasioned by the drought. There would have to be a showing that he has no other recourse. Then, at that point, at the discretion of the Department of Agriculture, he would qualify for payments.

Mr. DOLE. Would that amount be taxable? Is that income to the producer?

Mr. SASSER. Mr. President, it is my information that it would be taxable as income to the producer. It could be offset against the losses in the producer's operations.

I believe it would be income to the producer. However, overall, the producer is going to have to sustain a much larger loss before he realizes this income. So the producer would, in essence, have no net income. He would have a net loss.

Mr. DOLE. The farmer would be able to deduct, as I understand, under present law, if he had any income to deduct it from, his losses, his crop losses. That would be deductible.

I want to make certain. I am not trying to quarrel with the Senator from Tennessee.

I think what we are demonstrating here is that there are a lot of questions that we probably do not have the answers to. I do not have the answers. I do not know. I am trying to find information.

This would lead me to believe that sometime between now and the time that this may or may not become law, hopefully the U.S. Department of Agriculture, working with Senators on both sides, will announce a program, perhaps they will do it later today, that will satisfy the concerns expressed by Senator SASSER, Senator MATTINGLY, and others.

I think whenever we start passing major legislation without hearings we may end up creating more of a problem.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. RUDMAN. I will be very brief. I come from a State that does not have this problem, but I will tell my friends here from the Southeast that I would like to vote for a meaningful piece of legislation to help those who are drought stricken in those States because we are one Nation. We ought to help each other.

I do not know much about agriculture, but I think I know how to read law and I read that amendment during the last half hour. I looked up some of the footnotes.

I will tell you what we are doing. Maybe you want to fix it in conference.

I will say to the leader I do not think we ought to vote on this tonight. I will support an effort to do what the Senator from Georgia and the Senator from Tennessee want to do. I have read this and I will make a prediction. If you want to have your experts read it overnight and look at it in the morning, here is what we have done: We have created a mechanism to totally take away from the Department of Agriculture any discretion to assess whether or not the need is there.

□ 0100

I am sure there are farmers in the Southeast in the majority where the need is there. But I have read this amendment and maybe that is not the intention of the sponsor. What we have done here is almost created an entitlement by region by eliminating discretion under a whole series of carefully crafted agricultural sections, which I never looked at until an hour ago.

I think what we ought to do, if anybody is willing—and if we are not, we ought to vote. I am not going to stand here and hold the floor. What we ought to do tonight is put the best staff people together with the best people from Agriculture, craft a program even if we have to waive the Budget Act, and I will vote for that under the circumstances, to give to those who need it in reasonable amounts. Make sure those who have feedlots and have not been hurt do not get the money, and we will be able to say to our people, we have done something meaningful in the Southeast. I will vote for that.

If we are going to vote for this, we are going to vote for something that creates an entitlement, that is going to cost $1 billion or $1.5 billion, and help people who do not need to be helped—which of course, is what the American agriculture program does today, help 20 percent of the farmers. Eighty percent of the people do not get the help who need it. Anyway people want to agree, let us think about it, let us craft it with professionalism and let us be able to vote unanimously tomorrow to help the farmers of the Southeast.

That is a much better suggestion, it seems to me, than voting for a new $500 million entitlement program.

Mr. DOLE. Mr. President, let me indicate we are all getting a lot of criticism right now about the $50,000 payment limitation. I think the Senator from South Dakota is going to offer an amendment later that says you cannot subdivide and everybody collect $50,000. I do not know if there is some provision in here that says you cannot subdivide and everybody get $100,000.

I think we ought to know what we are doing. I have taken enough heat in my State of Kansas on the $50,000 payment limitations. Here we are not saying $50,000, unlimited; it is up to $100,000. Maybe that is a loss. But that is what hurts the farm program right now, big payments.

Maybe many are not going to achieve a $100,000 payment. Maybe the losses are so great that only a few will receive $100,000. But I do believe at least those who are going to vote for this, and I may be one of them, should fully understand that maybe we are opening up a little Pandora's box here that we have not tightened up enough. I do not fault anybody for it. Maybe it is a legitimate amendment; it is a legitimate concern. But those of us who deal with it on a daily basis in the Agriculture Committee, anybody who says they have not gotten letters on $10 million payments to Boswell in California and big payments to cotton producers, to wheat producers—I have. I shall be glad to share them with you. Wool—I forgot about wool.

In any event, this is another thing. I hope we understand that by trying to help the farmers, we may be helping a lot who may not be in need.

Mr. DOMENICI. Mr. President, I do not know what the distinguished majority leader desires to do. I would like to tell another problem as I see it.

The amendment's proponents—I hold them to this and say they are saying it in good faith. They are saying they are only mandating the Secretary to do what the Secretary has discretion to do. I am having a great deal of difficulty trying to price this out. I will tell you what my first guess is, Mr. President: If all we are doing is mandating the Secretary to do what he has discretion to do, there will be a zero cost, because I believe that is already charged to the Secretary and to the Department of Agriculture.

I believe what the Congressional Budget Office is saying is that that is not the case; that there is $600 million in new aid beyond the authority; that we are trying to tell the Secretary, if we know how, you go ahead and exercise even though you have discretion.

It could be that maybe they would not charge the discretionary accounts. But my hunch is that they would, that they would already be in the agriculture cost and this new one is for something else that is not in the Agriculture Disaster Relief Act.

The last point I want to make is when you change something from discretionary to mandatory, it is one thing to say, "Mr. Secretary, go do it."

It is another to say, "You do not have any discretion in doing it." Those are very different things. That could be one of the reasons for the cost. And maybe we ought to find out what it is that we are mandating him to do, what he had discretion to do, and not do it so quickly because we are angry, somebody is angry at the Secretary. Because we may be telling him to do some things that are not disaster relief.

Mr. LONG. Would the Senator yield at that point?

Mr. DOMENICI. I would be pleased to yield. In fact, I yield the floor.

Mr. LONG. Mr. President, I claim the floor in my own right.

Let me say this: This was not my amendment. I had no idea what the amendment was going to be when it was called up. I thought the Senator was going to offer an amendment of an entirely different nature.

I would not ordinarily advocate that we pass something of this magnitude in the fashion we did, even though I supported the Senator's motion to waive because people are suffering.

But, Mr. President we still have the time in conference to consider it. I hope that the majority leader will be on the conference. We have the time in the conference to consider all these things.

For example, whatever presentation someone can develop overnight to show defects in the measure could certainly be considered in conference. I do not think any of us want the sort of things the majority leader warned us against.

I would think that, among the conferees, he would be the first to suggest that we did not have in mind, when we passed the amendment, to have someone claiming the benefit 10 times and things of that sort.

While, of course, this is a hasty way to do it, the things about which we are being warned are not the kind of things that need to be agreed to in conference.

We do not go to conference tonight. I assume there will be a few days before we finally act on the measure. Should it pass the Senate, we will have an opportunity for those in the department, as well as those on the committees, to study it. The Secretary of Agriculture knows he can give us advice. So I really do not think we need to take something as poorly considered as this at this moment with the thought that it cannot be changed in the conference.

Mr. GORE. Mr. President, I would like briefly to respond to the question posed a moment ago by the chairman of the Budget Committee, who wondered why it might be that the amounts were not included in the Department of Agriculture account if the authority were already vested in the Secretary on a discretionary basis.

The answer is that the Congressional Budget Office did not have any way to anticipate this drought and its severity when the calculations were made earlier. As a result, the amounts that would be called for under the discretionary authority to deal with the unexpected, unanticipated drought were not scored against that account.

The opinion here, let me say again, is very simple. We have had an unprecedented disaster in the Southeastern part of the United States. The question before us is, are we going to help or are we not going to help? If you want to help, vote "yes." If you do not, vote "no."

Mr. MATTINGLY addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. MATTINGLY. Mr. President, I think the amendment should be adopted. What I would also like to do tomorrow is offer the Mattingly amendment and get it also adopted, then let them go to conference and let them pick out the good parts and the bad parts. I think possibly the method we may have structured will cost considerably less and be directed more toward 1 year as we have crafted it. Also it says it is supposed to stay within the bounds of the fiscal year 1987 or the moneys already currently in the bill and cannot exceed those amounts in that bill.

My thinking right now is probably to offer that amendment tomorrow and have them both adopted, let them both go to conference, let CBO or OMB or whoever else is going to score these things try to come up and maybe we can try to craft something that is really going to be necessary.

□ 0110

I think the bottom line is that we have a disaster in the agriculture area. It is not only in the agriculture area but other areas where the drought has happend. If we had an earthquake, we would send aid. If we had any other kind of disaster in this country, we would try to help. Hay is being sent down South, but the cattle down there cannot tell whether it is a Republican bale of hay or a Democratic bale of hay. They do not care. I think we should not care in this body either. What we should care about is trying to structure something that is going to help the farmers, that is going to help agriculture, that is not going to destroy the taxpayer at the same time. I think that we should go ahead and adopt this amendment and tomorrow morning I will offer the Mattingly amendment also and hopefully the chairman of the committee will take them both over there and see if they will not consider them.

Mr. CHAFEE. Mr. President, I do not think this has been correctly portrayed this evening, that if you want to help vote now and vote yes; if you do not want to help, you will vote no. I just do not think that is a fair presentation of the situation. I do not think a vote at 10 minutes past 1 on Friday morning is going to make the difference in who receives the checks first as opposed to waiting and trying to do this in a constructive manner. I think it is a shame that the U.S. Senate proceeds to vote on a measure that we really do not know what it does, and indeed the explanation of what it does is contrary to the language of the bill. The intent is there and I will not argue with the intent, but that is not apparently what the legislation says. We have the opportunity to do this thing and do it correctly. I also do not think it is quite proper to say throw it into the conference and something good might come out of there; it might be straightened out. We do not even know what is going into the conference from the other side.

I think the wise thing to do would be to lay it over. We are going to be here tomorrow.

Mr. DOLE. We may be here tomorrow, too. We are here today.

Mr. CHAFEE. We are going to be here today. All right, whatever the day is. But nobody is going to be able to leave here at 8 a.m. today and have no votes. The charitable leader is keeping us here for quite a while.

There is a lot of brains in the various staffs here and they will be rested up and they can construct this thing in a decent fashion so that we will know what we are doing. Everybody here wants to do the right thing to help the farmers in the Southeast. I will vote for it and I think everybody else will, but let us vote on something that is right.

The PRESIDING OFFICER (Mr. NICKLES). The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, as I look at this amendment, I do not see in here what the senior Senator from Tennessee was talking about that one would receive 40 percent of his loss in payment. He seems to indicate that if you had $240,000 worth of losses, then you would get the $100,000. It seems to say that if you have a 40-percent loss, then you get a dollar-for-dollar type of relief. You get emergency feed donations from CCC stocks, you get emergency livestock assistance from CCC stocks.

And you also get assistance if you are a soybean, cotton, wheat, or rice producer in CCC stocks. Time and again as those on the Agriculture Committee know when we give CCC stocks out and we flood the market, we drive the prices down, we drive the national prices down very frankly, which, of course, extends the whole liability of the Government with respect to the deficiency payments. We also have

found over the years that when you do that, yes, you give a lot of stocks out the front door that you may have already paid for that you have in the CCC but they come back in the back door because you then have to acquire these stocks when the crop comes in and there is no place to go with that crop. So we find that when you get CCC stock out one side, they simply come back in the back door at the time of harvest.

I submit to the Senator from Tennessee that I think the idea of the Senator from New Hampshire of looking at this a little bit more is very much in order because the impact of releasing those stocks onto the market and driving prices down and increasing the deficiency payments and driving the price down below the loan rate so that the CCC will later on acquire more stocks is something that really should be examined. Frankly, as in so many of the agricultural programs in which I have participated, there are a lot of surprises and there are a lot of costs that are not anticipated. We are seeing that in the 1985 farm bill, and frankly as I look at this on rather first and second impression and having listened to the Senator describe the amendment, I think this is going to be very costly, not only with respect to the stocks that we give out but with respect to the entire crop that suddenly is worthless, with deficiency payments.

Mr. GRAMM. Will the Senator yield for a question?

Mr. BOSCHWITZ. Yes, I yield the floor.

Mr. GRAMM. Is it not true—and may I ask this, Mr. President, to the distinguished Senator with the floor and the distinguished chairman—that no matter what we do tonight, even if it became law nobody is going to get any payment until harvest time?

Mr. HELMS. That is correct. That is the point, I say to the Senator.

Mr. GRAMM. Nobody is getting money until harvest time. We are here at 1:15 in the morning, and nobody knows what is in this bill. If the distinguished Senator understands it, he kept it to himself. I say we do not vote on it. We look at it. We decide if it makes sense and then we tomorrow accept it or reject it.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, let me say that our amendment has emergency provisions that take effect prior to harvest time. Now, we have a situation in the southeastern United States where cattle are literally starving to death because there is no hay. There are 2½ million cattle in my State of Tennessee. Many farmers do not have hay to feed their herds. They do not have available forage. These farmers cannot wait for harvest time to get hay. We have to get some action. We have to get some action now.

Now, we can flyspeck this amendment all evening like a group of petty nitpickers who are looking for something wrong, some little minute problem here or there. We can continue to delay and we can continue to drag our feet.

But I say, Mr. President, this amendment is modeled almost word for word after legislation passed by the House Committee on Agriculture. These statements that are made here this evening about the amendments shortcomings are causing undue delay. I would say to my colleagues our amendment language is excerpted from the farm bill that this body passed last year. The particular limitation, in question as I understand it, has been in the law for a number of years.

Now, I submit, Mr. President, that perhaps this legislation could be improved; if we worked on it day after day, week after week, we finally might arrive at an absolutely perfect, bullet-proof piece of legislation. But what we would see in the southeastern United States are thousands of cattle gone, dead. Those that are sold would be depressing already severely depressed cattle markets. I would add this affects farmers not just in the southeastern United States but cattle farmers all across these United States.

Those of you from States that raise cattle, ask your cattlemen, do they want the beef prices driven down by thousands of cows flooding the market because the southeastern United States has no hay or forage?

I expect some of my colleagues would find that the cattle farmers in their States are among those who are so eager to get hay in the Southeastern United States. They do not want to see cattle being forced on the market and driving prices down. So I say to my colleagues, time is of the essence. We cannot wait until harvest time. We want to help these farmers in the Southeastern United States who are in desperate, dire need. I say let us act this evening.

□ 0120

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, we might as well talk about this a little while.

It seems to me that there is no point in doing something foolish here. This claim that everything has to be completed in 10 minutes or 150,000 cattle are going to die is absolutely ridiculous. I think we ought to proceed in a deliberate manner and come up with some legislation that makes some sense. That is my proposal, and I would like to discuss it in some detail.

Mr. MELCHER. Mr. President, will the Senator yield for one statement?

Mr. CHAFEE. I do not want to lose my right to the floor.

Mr. MELCHER. Mr. President, I ask unanimous consent that the Senator from Rhode Island may yield for one simple statement, without losing his right to the floor.

The PRESIDING OFFICER. Is there objection?

Mr. BOSCHWITZ. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. CHAFEE. Mr. President, it seems to me that there are several questions we have to find answers to in connection with this legislation.

First of all, is it permanent? How long is it going to last? As I understand the legislation, there is not a time limitation to it.

Mr. GORE. Mr. President, will the Senator yield for an answer to the question?

Mr. CHAFEE. For a brief answer to the question.

Mr. GORE. It is not permanent. It lasts less than one year.

Mr. CHAFEE. Is that stated clearly in the legislation?

Mr. GORE. Yes; it is.

Mr. CHAFEE. The next question is, who is going to get the payments? The statement was that it was only going to be the small farmers, the producers. The question is, is that clearly set forth in the legislation?

Mr. GORE. If the Senator will yield, the answer is "yes." It is set forth clearly in the legislation. It is limited to producers who are within areas declared eligible for disaster relief, who prove their losses.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island has the floor.

Mr. DOLE. Mr. President, will the Senator from Rhode Island yield?

Mr. CHAFEE. I yield.

(Note: At this point in the proceedings, Mr. DOLE requested unanimous consent that the Senate recess until 10 a.m. this morning, as appears at the conclusion of today's RECORD. During the Senate proceedings today statements were submitted and routine morning business was transacted, as follows:)

● Mr. KERRY. Mr. President, I oppose the Rudman amendment which is an effort to address the Supreme Court's decision on the role of the Government Accounting Office in a sequester. Although I cannot support it, I commend those who have worked hard and long to perfect this amendment. While it may indeed solve the problem addressed by the Court, it raises another problem; namely, whether the Office of Management and Budget can administer a fair, independent and policy-neutral sequester.

My support for Gramm-Rudman-Hollings last year was based on a deep

concern for escalating national deficits. The monstrous Reagan debt adversely affects the long term economic growth and stability of this Nation and mortgages all of our futures for generations to come. Nothing threatens our national security more.

The Gramm-Rudman-Hollings amendment we approved last December is an extensive, complex process for dealing with these deficits. I believed that the legislation would help to establish a more realistic focus on program priorities and deficit reduction as well as a shift in the Reagan policy of an ever escalating military budget at the expense of domestic programs. That has proven to be the case. Gramm-Rudman-Hollings is not perfect, but it is working.

One particular part of the legislation, the sequester, has been the major focus for the public, the Congress and the Court. Because of its irrevocable nature and far reaching implications, any sequester must be reasonable, fair, independent and policy neutral. I believe the original process accomplished that objective. This amendment does not. The Office of Management and Budget as final arbiter of a sequester is not an acceptable solution to the constitutional issues raised by the Court.

I am particularly concerned about the latitude left to OMB under the Rudman amendment, particularly regarding economic assumptions and the leeway on Budget Authority and Outlays. The provisions for this first year are adequate, that is averaging any difference between OMB and CBO economic assumptions. However, in the subsequent four years, OMB will be able to establish its own economic assumptions unchallenged except by a Joint Resolution of Congress. Since the President could veto that resolution, a veto override would be necessary for Congress to express its will. This is far too stringent a requirement upon the Congress.

As we all know, the Office of Management and Budget is the President's Budget Office. OMB by its nature reflects the partisanship of a President's goals and programs. This has never been more clear than during the Reagan administration. Former OMB Director, David Stockman, documents the case more than adequately in "The Triumph of Politics." The book outlines in chilling detail the extent to which OMB cooked predictions, calculations, and hard numbers to make its budgetary programs work. With all due respect to the current Director, the track record of this executive agency does not justify a virtually unchecked charter on such a critical element of sequester as the economic assumptions.

The original Gramm-Rudman-Hollings legislation anticipated the possibility of the Court's ruling on constitutionality and provided a fall back process for sequester action. In opposing this amendment, Mr. President, I suggest that we perfect the fall back and use that provision for sequester if such action is in order. There is no walking away from the need to meet deficit reduction targets. I am ready to vote on the hard choices necessary in revenue and expenditure to meet the deficit reduction targets and I believe that most of my colleagues are prepared to do the same.●

● Mr. LEAHY. Mr. President, yesterday, I voted to set the Gramm-Rudman-Hollings deficit reduction law back on track.

Last year we passed the Gramm-Rudman-Hollings balanced budget and emergency deficit reduction law, which requires Congress to reduce the deficit below legal limits each year until the budget is balanced, or face automatic across-the-board cuts in federal spending to bring the deficit in line.

We passed Gramm-Rudman-Hollings to put a gun to the head of every Member of Congress, to force all of us to make the tough choices to reduce the deficit or face cuts in programs we all support. For some, that means casting the hard votes or accepting cuts in national defense. For advocates of social programs, that means getting tough on the deficit or accepting cuts in programs important to them. Gramm-Rudman-Hollings put the feet of the President, the Senate, the House of Representatives, Democrats and Republicans to the fire.

On July 7, 1986, the Supreme Court took the bullet out of the Gramm-Rudman-Hollings gun, and rightfully so from a constitutional point of view. The Court held that the so-called sequester mechanism in Gramm-Rudman-Hollings—the automatic across-the-board cuts—is unconstitutional because it empowered the Comptroller General, a legislative officer, to implement the cuts. The Court found that the Constitution requires and executive officer to implement a sequester. The executive must carry out the laws passed by the legislature.

As a result of the Supreme Court's ruling, the Gramm-Rudman-Hollings gun was left unloaded.

The problem now is how to reload the gun.

Yesterday, I first voted for Senator Exon's amendment which would require Congress to approve a sequester, in the event that the deficit exceeds legal limits. I have always said that Congress ought to vote up or down on budget cuts, and under Senator Exon's amendment Congress would do just that.

Under the Exon amendment, if the deficit exceeds legal limits, Congress would have a choice of voting for across-the-board cuts in Gramm-Rudman-Hollings or coming up with a better, more responsible way of reducing the deficit. The Exon amendment is consistent with the original Gramm-Rudman-Hollings law and, in fact, restates the intention of that law that Congress should take responsibility for passing sequesters, in the event that the Supreme Court struck down the Comptroller General's ability to carry out these cuts.

This month, the House and Senate lived up to that responsibility when we passed a resolution affirming the sequester which occurred on March 1, 1986.

Senator Exon's amendment was not perfect, but it was headed in the right direction.

The Exon amendment was one way to reload the Gramm-Rudman-Hollings gun. But, the Senate refused to accept Senator Exon's solution.

Senators Gramm, Rudman, and Hollings then proposed a method for fixing the sequester mechanism, which requires the Director of the Office of Management and Budget [OMB] to implement the across-the-board cuts, in the event that Congress fails to reduce the deficit below legal limits.

The amendment gives OMB the power to carry out the cuts written into the Gramm-Rudman-Hollings law. Those cuts, which only occur if Congress fails to find a more responsible way of reducing the deficit, must be implemented according to a strict formula. Fifty percent of the total cut must come from defense spending and 50 percent from domestic programs. Low income, veterans and many health programs are excluded from the cuts.

The so-called Gramm-Rudman-Hollings II amendment does not change any of these important protections. The amendment does, however, transfer authority for reporting the cuts to the President for final action from the Comptroller General to OMB.

Giving OMB the power to carry out a sequester causes me great concern. The original intention of Gramm-Rudman-Hollings was to give the sequester power to a neutral party. OMB is not a neutral organization. It serves the President. It is, in effect, the President's budget office.

That is why this amendment severely restricts the discretion of OMB in carrying out a sequester, especially in fiscal year 1987.

Next year, OMB would not be permitted to manipulate the size or scope of a sequester, because this amendment writes into law the economic assumptions that would determine their size and breadth. In addition, OMB could not manipulate the 50-50 cuts in defense and domestic spending, because we wrote into this amendment exactly what that ratio will be and

how it will affect every program, project, and activity of Government.

After the sequester occurs, the General Accounting Office is required to provide a detailed report to Congress listing every change OMB made in the automatic cuts.

In the first year, this amendment puts a straightjacket on OMB.

I am troubled, however, by the way this amendment attempts to restrain OMB in the 4 years after fiscal year 1987. The straitjacket is not nearly so tight. The amendment reserves the right of Congress to overturn any changes OMB may make in a sequester order, but by procedural necessity, such an effort to overrule OMB might require a two-thirds vote of both Houses of Congress. This mechanism for congressional oversight is awkward and again raises constitutional concerns.

The restraints Gramm-Rudman-Hollings II places on OMB in the 4 years following 1987 must be vastly improved. The House and Senate conferees who will hammer out the final amendment to Gramm-Rudman-Hollings must find a better way to limit the power of OMB to manipulate a sequester of funds in the years following fiscal year 1987. And, I will do everything I can to see that this happens.

Better yet, the conferees should find a way to toughen up Senator EXON's amendment to make Congress vote up or down on a sequester, leaving no wiggle room.

Yesterday, we voted to reload the Gramm-Rudman-Hollings gun.

Failing Senate approval of the Exon amendment, we were left with little choice other than attempting to fix the automatic cutting mechanism in Gramm-Rudman-Hollings, to answer the Supreme Court's constitutional objections.

Leaving the gun unloaded and letting the deficit increase yet another year was simply not an option.

House and Senate conferees face a considerable challenge: To improve on our efforts to set Gramm-Rudman-Hollings back on track. We must not, however, let the search for an appropriate sequester mechanism deter us from performing our No. 1 economic duty.

Our first responsibility is to get down to the business of reducing the deficit to avoid a sequester altogether. In the next 2 months, Congress must make the tough choices to reduce the deficit to prevent an across-the-board cut in Federal spending. It will not be easy, but it must be our first priority.

On the day he introduced the original Gramm-Rudman-Hollings legislation, Senator GRAMM said, "No one need suffer from an across-the-board cut if Congress does its job." Our job is to reduce the deficit between now and October 1, to avoid the automatic cuts. Yesterday, we restored the discipline, in the next 2 months we will test our courage.●

THE AFRICAN NATIONAL CONGRESS IS A COMMUNIST FRONT

Mr. HELMS. Mr. President, I am deeply concerned that the Congress, the administration, and the media have failed to understand what is really behind the outbreak of violence and bloodshed in South Africa. We all know that there are social, economic, and ethnic tensions in that country—tensions which are aggravated by the existence side-by-side of two distinct economies, one developed and one undeveloped, one a modern Western society, and the other a Third World society.

It is perhaps inevitable that groups seeking the destruction of the Western society, and seeking to bring about its downfall, would use the resentment and perceived injustice of the less-developed society as instruments of psychological manipulation to destroy the progress that has been made, and to prevent the evolution of a unified society in which Western ideas of culture and economy predominate. But is it inevitable that the West would side with the groups seeking to install a minority government. By a minority government, I mean a Communist government, because that is what a Communist government is: a minority government.

The chief instrument of the Communist movement today in South Africa is the African National Congress. I do not mean that the ANC is led by some idealistic, but fuzzy minded people who are the innocent dupes of the world Communist movement. I mean that the executive committee of the ANC is actually composed of Communists, a majority of them being actual members of the Communist Party of South Africa. Yet we are being faced with a vast propaganda campaign from the media, the Marxists, and the State Department to convince America that the ANC is the legitimate heir to rule in South Africa.

Every time that I hear praise for the African National Congress in South Africa as a positive factor and a force to be negotiated with, I wonder why there has been almost no effort to inform the American people as to the real history and aims of the African National Congress.

We have to face the facts: It is time that the true nature of the African National Congress in South Africa be understood. It is a Communist front controlled by the South African Communist Party, which itself is under the control of the Communist Party of the Soviet Union.

The real question before South Africans, whether black, white, Indian, Cape Coloured, and other minorities, is whether they will have a Communist future or a free future. It is not for the United States nor for the Europeans nor for the Soviet Bloc nor anyone else to try to impose solutions upon the people of South Africa. It is for the South Africans to decide how they will fashion constitutional and political solutions for their unique situation in order to promote peace, prosperity, and justice for all citizens.

Mr. President, recently I appeared on the Meet the Press program on NBC. I was disturbed that one of the press representatives, Carl Rowan, whom I respect, implied that the ANC was not a Communist front organization. He should know better and I was sorry that he had not taken the time to research the issue better. Perhaps Mr. Rowan's attitude is symptomatic of the press in this country which has declined to fully analyze the ANC and the implications of its being Communist dominated.

The fact is that the ANC has been transformed from its original role as established in 1912 as a nationalist, but non-Communist, organization for blacks in South Africa into a front organization for the South African Communist Party. It is widely recognized that the South African Communist Party is a Soviet line orthodox Marxist-Leninist party completely under Moscow's guidance and control.

The South African Communist Party admitted this fundamental point in a recent article in its regularly published journal entitled "Umsebenzi." In the issue which appeared as volume 2, No. 1 for 1986, in an article entitled "History of the South African Communist Party," it was pointed out that the 6th Congress of the Communist International, COMINTERN, which occurred in 1928, gave guidance on the relationship between the South African Communist Party and the ANC. The article stated, and I quote, "The South African Communist Party should pay particular attention to the ANC. Our aim should be to transform the ANC into a fighting nationalist revolutionary organization."

Mr. President, the Subcommittee on Security and Terrorism under the able leadership of the distinguished Senator from Alabama [Mr. DENTON] held extensive hearings in March 1982 which documented the Communist penetration and domination of the ANC organization.

I commend our distinguished colleague for his determined efforts to inform our colleagues as well as the American people about the real nature of international terrorism. The hearings to which I just referred appear in two volumes which were published by the subcommittee and I recommend the hearings and the report to Senators who wish to be informed on the matter.

Mr. President, these hearings revealed that, as of 1982, at least 12 members of the 22 member national executive committee of the ANC organization were known members of the South African Communist Party. Seven more members were suspected members of the South African Communist Party. That was in 1982, before the more recent changes which I shall discuss shortly.

Those who were identified by the Senate Security and Terrorism Subcommittee in 1982 as known members of the South African Communist Party were: Yusuf Dadoo, the vice-president of ANC; Alfred Nzo, the secretary general; Dan Tloome, the deputy secretary general; Joe Slovo, the deputy chief of the Umkhonto We Sizwe ("Spear of the Nation," the armed terrorist branch of the ANC); Josiah Jele, director of international affairs; Reginald September; Thabo Mbeki, chief of the political department; Moses Mabhita, secretary general of the South African Communist Party; Stephen Dlamini; Hector Nkula; John Nkadimeng; and Mziwandile Piliso, chief of personnel and security.

Those who were identified as suspected members of the South African Communist Party were: Oliver Tambo, president of ANC; Joe Modise, chief of the Umkhonto we Sizwe; Sizakele Sigxashe, director of information and publicity; Henry Makgothi; Jacob Zuma; Andrew Masondo; and Edward Dilinga.

It is quite clear from this analysis that the national executive committee of the ANC was, as of 1982, fully penetrated by the South African Communist Party and that the party has a dominant influence on the organization. There is no excuse for not recognizing this simple fact in light of the extensive testimony presented at the subcommittee's hearings.

However, Mr. President, since 1982 the situation has become even more transparent. The executive committee of the ANC has been enlarged to 30, and there are even more Communists on its rolls.

In June 1985, at Kabwe, Zambia, the Second National Congress of the African National Congress was held and a 30 member national executive committee was appointed. According to information made available to my office by the Subcommittee on Security and Terrorism there are 19 members who have been identified as members of the South African Communist Party and there are 6 additional members who are suspected of being members of the South African Communist Party.

Those who have been identified as known members of the South African Communist Party are: Alfred Nzo, the secretary general of ANC; Dan Tloome, deputy secretary general and deputy treasurer general of the ANC; Joe Modise, commander of the Umkhonto we Sizwe; Joe Slovo, deputy chief of the Umkhonto we Sizwe; Reginald September, former London representative of the ANC currently in Zambia; Thabo Mbeki, secretary for publicity; Moses Mabhida, secretary general of the South African Communist Party, deceased March 8, 1986; Stephen Dlamini, president of the South African Congress of Trade Unions; Henry Makgothi, secretary of the education department; Mziwandile Piliso, special aide to Oliver Tambo, president of ANC; Chris Hani, political commissar of the Umkhonto we Sizwe; Pallo Jordan, senior member of the department of information and publicity; Mac Maharaj, member of political and economic committees; Cassius Make, senior commander of the Umkhonto we Sizwe; Francis Meli, editor of Sechaba, the ANC monthly magazine; Anthony Mongalo, ANC representative in East Germany; Aziz Pahad, senior ANC member in London office; and James Stuart, ANC representative in Zambia.

Mr. President, I think it is quite clear from this information that after the 1985 reorganization of the ANC national executive committee it remains fully penetrated and dominated by members of the South African Communist Party. It is inconceivable to me that the media in the United States have not presented an analysis of the composition of the ANC to the American people.

Finally, Mr. President, I note that the Central Intelligence Agency is fully aware of this information. I hope that the CIA has passed it on to the State Department, and I hope that the Bureau of Intelligence and Research has passed the information on to the Secretary of State. At any rate, I asked Mr. William Casey, the CIA Director, to declassify the CIA's biographies on the executive committee. Yesterday, he kindly granted my request for biographies of 16 of the executive committee members.

Mr. President, I ask unanimous consent that the biographies declassified by the CIA be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BIOGRAPHIES OF SELECTED ANC OFFICIALS

(Made Available to Senator Helms on a Declassified Basis by the Central Intelligence Agency)

STEPHEN DLAMINI

Stephen Dlamini, president of the South African Congress of Trade Unions (SACTU) and a member of the ANC National Executive Committee, has opposed South Africa's white government for several decades. A Communist, he has described his activities against Pretoria as directed not only against the government but also against imperialist powers in general and multinational monopolies.

Dlamini, 73, has been a member of the ANC and SACTU since the early 1950s. He was convicted in 1964 of antigovernment activities and spent the next six years in prison. Dlamini was elected president of SACTU while in prison. He left South Africa in 1977.

MARTIN (CHRIS) HANI

Chris Hani, a member of the National Executive Committee since 1985, is deputy commander and political commissar of the military wing of the ANC. He has had nearly seven years of military training in the Soviet Union. Hani believes that the only way to change South Africa is through the intensification of the armed struggle. He has accused Pretoria of avoiding serious negotiations in order to "buy time."

Hani served as ANC representative to Lesotho during the early 1980s. While he was in Lesotho, his home there was bombed several times. Hani is about 42 years old.

PALLO JORDAN

A member of the National Executive Committee, Pallo Jordan is director of research in the ANC's Department of Information and Publicity. The South African Government has publicly stated that Jordan, 44, is either a Communist or an active supporter of Communism. He has made several visits to the United States on ANC business.

S. R. (MAC) MAHARAJ

Mac Maharaj, an Indian and a longtime member of the South African Communist Party, plays a major role in ANC military and intelligence activities. He also has a hand in the formulation of the ANC's political strategy; he has been a leading participant in the ANC's recent meetings with delegations of White South African businessmen, students, and opposition parliamentarians.

Maharaj, who studied law at the University of Natal, has been associated with the ANC and the SACP since at least the mid-1950s. He left South Africa in 1957 for the United Kingdom, where he taught for several years. He joined the Communist Party of Great Britain in the 1950s and subsequently became a member of its executive committee. In 1964, Maharaj was convicted of sabotage and of furthering the aims of Communism and was imprisoned on Robben Island. Immediately after his release in 1976 he was banned for five years. He fled the country in 1977 and resumed his political activities. He was elected to the ANC's National Executive Committee in 1985. He is 51 years old.

CASSIUS MAKE

Cassius Make, a member of the National Executive Committee, is political commissar of the military wing of the ANC. He is about 45 years old.

HENRY MAKGOTHI

A longtime member of the National Executive Committee, Henry Makgothi is secretary of education in the ANC. (The education department is under the office of secretary general Alfred Nzo.) He has received training in the Soviet Union. Makgothi has been a member of the ANC since at least the 1970s. Makgothi is 57 years old.

THABO MBEKI

Thabo Mbeki, a member of the National Executive Committee, is one of the most visible officials in the ANC. He is the son of imprisoned ANC and South African Communist Party leader Govan Mbeki. Thabo Mbeki is hostile to many nonblack SACP members, such as Joe Slovo, because he resents their influence in the ANC.

Mbeki left South Africa in 1962 for the United Kingdom, where he attended Sussex University and later became an officer of the ANC's Youth Section. During the 1960s he was associated with the World Federation of Democratic Youth (a Communist-front organization). He held several posts in the ANC during the 1970s, including assignments as a political officer in the military wing and political secretary in the president's office. Mbeki, 44, has two brothers who are also prominent ANC members.

FRANCIS MELI

Francis Meli, a member of the National Executive Committee, is editor of Sechaba, an ANC magazine funded and published by the East Germans. The South African Government has publicly stated that he is either a Communist or a supporter of Communism. A member of the ANC for more than a decade, he was educated in East Germany. Meli now lives in London and makes frequent trips abroad, including to the United States.

JOE MODISE

Joe Modise is a member of the National Executive Committee and the commander of the ANC's military wing. Modise has belonged to the ANC since at least the late 1950s. Before leaving South Africa in 1964 he was involved in political activities in the Johannesburg area. Modise is about 53 years old.

ANTHONY MONGALO

Anthony Mongalo, a member of the National Executive Committee, has been the ANC representative to East Germany since 1978. He previously served as the ANC representative in Italy. Mongalo, 49 has stressed that the "socialist community" has proved itself as an ally of the ANC.

JOHN NKADIMENG

John Nkadimeng, a member of the National Executive Committee, is general secretary of the South African Council of Trade Unions. Nkadimeng is a Communist. He has described the Eastern bloc as the true ally of those struggling for national liberation and economic independence. Nkadimeng, who is now about 60, fled South Africa in 1976. During the late 1970s he served as ANC representative in Swaziland. In 1982 he was reassigned to Mozambique. His son was killed by a car bomb in 1985.

ALFRED NZO

Alfred Nzo, a self-avowed Communist, is the ANC's contact point with the Soviet Union and he frequently visits that country. A longtime member of the National Executive Committee, he has been secretary general of the ANC since 1969.

Nzo worked as a health inspector before joining the ANC in 1957. His subsequent political activism led to his banning in 1959 and detention in 1963. After fleeing South Africa in 1964, he served first as the ANC representative in Cairo (1964-67) and later in New Delhi (1967-69). He is a vice president of the World Peace Council and last year received a Soviet award, the Order of Friendship of Peoples. Nzo is 60 years old.

AZIZ PAHAD

Aziz Pahad has served on the National Executive Committee since 1985. He is one of two committee members who are of Indian ancestry. He also served on the ANC's Political Secretariat. A South African political scientist who writes about the ANC lists Pahad as a possible member of the South African Communist Party. Pahad has written articles for the African Communist, the SACP publication. He has represented the ANC in London.

MZWANDILE (MZWAI) PILISO

Mzwai Piliso, a longtime member of the National Executive Committee, works out of ANC headquarters in Lusaka. Piliso, a Communist, has been a member of the ANC for more than 30 years. He has a long history of contacts with Communist-front organizations, including the Afro-Asian Peoples' Solidarity Organization. During the 1960s he served as ANC representative in Egypt (sharing the post with Alfred Nzo) and Tanzania.

REGINALD SEPTEMBER

Reginald September, a Colored South African, has been a member of the National Executive Committee since 1985. He is a Communist. In 1961 September was jailed in South Africa for organizing a general strike. He went into exile in 1963.

JOE SLOVO

Joe Slovo is a longtime member of the South African Communist Party and the only white on the National Executive Committee. He plans military strategy for the ANC. Slovo advocates the violent overthrow of the South African Government and has publicly acknowledged his involvement in numerous terrorist actions directed against the white regime. He frequently visits the Soviet Union and strongly supports its position on all issues.

Slovo, a Lithuanian Jew, immigrated to South Africa with his parents in 1935, when he was 9 years old. He was already a Communist when he joined the South African Army in 1944. After serving in Italy and Egypt during the war, he returned home, where he subsequently earned a law degree from the University of Witwatersrand. Associated with the ANC since the late 1940s, Slovo helped draft its Freedom Charter in 1955 and was defense counsel at numerous treason trials during the 1950s. He himself was tried on treason charges in 1960, but he was acquitted. He fled South Africa in 1963. Slovo's wife, Ruth First, a prominent historian and Communist propagandist, was killed by a parcel bomb in 1982. Slovo was elected to the National Executive Committee last year.

JAMES STUART

James Stuart, a Colored South African, has served on the National Executive Committee since 1985. Stuart has long been associated with Communist front groups, including the South African Congress of Trade Unions (affiliated with the Prague-based World Federation of Trade Unions) and the World Peace Council.

Since 1972 Stuart has lived in exile, initially in Zambia and Tanzania. For about five years, he has been the ANC representative in Madagascar. He is 50 years old.

DAN TLOOME

Deputy secretary general of the ANC, Dan Tloome, is a longtime member of the National Executive Committee and a high-ranking official of the South African Communist Party. During the early 1950s Tloome was the editor of the SACP magazine Liberation. In 1961 he was served with a banning order by the South African Government. Three years later he fled to Botswana. Tloome is 65 years old.

A CONSERVATIVE EXPERT WARNS CONGRESS NOT TO CUT FEDERAL SPENDING

Mr. PROXMIRE. Mr. President, one of the wisest commentators on the American economy is Herbert Stein. Herbert Stein served with distinction as Chairman of the Council of Economic Advisers in the Nixon administration. He was an esteemed teacher of economics as a professor at the University of Virginia. He is now a senior fellow at the conservative American Enterprise Institute. On Thursday, July 31, an article headlined "The Wrong Time To Cut Government Spending," by Herbert Stein appeared in the Washington Post. This Senator was startled by the headline and deeply impressed by the article. Herbert Stein has been a strong, consistent conservative. He has been a leading critic of excessive and wasteful Federal spending. He understands, as well as anyone, the serious dangers of irresponsible fiscal policies that lead to huge triple digit deficits and an exploding national debt.

And yet this conservative expert who has ably served Republican administrations and has pleaded for responsible fiscal policy now tells us that we should recognize what he obviously would call the stupidity of cutting spending under the present circumstances of the economy. You might expect this kind of advice from Walter Heller or Robert Eisner or John Kenneth Galbraith. But from Herbert Stein? No way.

Frankly, this Senator believes deeply in cutting Federal Government spending at every opportunity for whatever reason this Senator can think of. But I am troubled by the same nightmare that apparently haunts Herbert Stein. In our commitment to comply with Gramm-Rudman-Hollings will we deliberately slow the economy? Will we bring on a super recession by making whatever reductions in Government spending are required to balance the budget by 1991? As Stein points out, Gramm-Rudman-Hollings itself recognizes this dilemma by lifting the requirement for meeting deficit targets if the economy fails to grow at more than a 1-percent annual rate for two successive quarters. Why doesn't that provision meet our present problem?

If we do, in fact, drift into a recession, even a short and mild recession, the law lets the Congress off the hook. Why doesn't this do the trick? Answer: This recognition will come too late. The law says the Congress can reverse the fiscal policy that pushed the country into a recession, but it can only do so after the recession is virtually an accomplished fact. What's wrong with that? What's wrong is that by the time the recession is here—it's too late. Mr. President, once this country sinks into a recession it will take—not months—

but years to turn it around. With our massive personal debt—our massive corporate debt, and our massive Federal debt, we can expect a long and deep recession. Then we can expect at best not only a long climb back, but several years of truly king-size deficits. From that experience we will inherit a heavy legacy. It will include a national debt far larger than our present $2 trillion monster. It will require interest payments that will exceed any other cost of Government.

Stein concluded that "the de facto abandonment of Gramm-Rudman without the establishment of any substitute rule of fiscal policy, will destroy all hope of fiscal restraint. We find ourselves in a position where we can't live with Gramm-Rudman and can hardly live without it."

Stein offers no real solution. Neither does this Senator. But the first step this Congress must take is to recognize that we have a problem. That problem is more serious and challenging than any economic problem that has ever confronted this Nation. It is not enough to say there are no easy solutions. To date there are no solutions, period, hard or easy. In the many years this Senator has served in this body—including 25 years on the Joint Congressional Economic Committee, there have usually been more solutions than there were problems. But not now. There haven't even been any feeble attempts. Few Members of Congress and few economists even want to look at or recognize the problem. It's time we do. The Stein article provides an excellent beginning of that understanding. I commend it to my colleagues in the Congress of whatever economic persuasion.

I ask unanimous consent that the article to which I have referred by Herbert Stein be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WRONG TIME TO CUT GOVERNMENT SPENDING

(By Herbert Stein)

Grown men with responsible positions stand up before television cameras and make this statement: Since the economy is rising less than expected earlier in the year, and inflation is also lower than expected, federal revenues will be less than expected and it is therefore necessary to cut federal expenditures below the level planned previously.

I do not understand it. Why are we punishing ourselves in this way? Does the slowdown in the U.S. economy mean that the Russians are weaker or more amiable and the buildup of our military strength is therefore less urgent? Is the need to look after the poor and homeless diminished? (Is the ebbing tide lifting all the boats?) Whatever was the previous justification for spending $30 billion on aid to agriculture—is that justification now weaker? Obviously not.

With both less output and less inflation than we previously forecast are we now less able to afford those things we previously thought we needed? Surely the answer to that is no. On the contrary, there will now be more unutilized productive capacity with which to meet the government's requirements, and less risk of inflation. The answer would be different if the economy were lagging behind previous forecasts because output was bumping up against a ceiling of capacity, but that does not seem to be the case.

Is our revulsion against the economics of Keynes so great that we not only deny what he said but assert with confidence that the opposite is true? That is, do we now think that cutting government expenditures is a reliable way to stimulate a sluggish economy or prevent a threatened recession?

The question may be put more concretely: In the past year output increased by 2.7 percent, which is probably somewhat below our potential growth rate, and unemployment was fairly steady at around 7 percent. Now there is an expectation that output will rise in the next year at about the same rate, or possibly less. In these circumstances, is it prudent to cut expenditures below the president's budget level in order to reduce the deficit from $210 billion in fiscal year 1986 to $144 billion in fiscal year 1987? (That figure, $144 billion, is the Gramm-Rudman target for the 1987 deficit. Because of the peculiarities of Gramm-Rudman accounting, it appears that about $25 billion of taxes collected in 1987 will not be counted and about $15 billion of expenditures will not be counted. Thus, if the "Gramm-Rudman deficit" is $144 billion the "real" deficit may be $134 billion.)

My pre-Keynesian and anti-Keynesian professors knew better than that. Even Herbert Hoover knew better than that. A thoroughgoing classicist or monetarist might deny that increasing government expenditures would have even a short-run stimulating effect on the economy. He would not say that cutting expenditures would have a short-run stimulating effect on the economy, so that it was necessary to cut otherwise worthwhile expenditures in order to fend off a recession.

What leads to the present foolish talk about the budget is Gramm-Rudman. But even Gramm-Rudman does not imply that cutting expenditures is a good prescription for dealing with economic sluggishness. The Gramm-Rudman law provides that if the real GNP rises at less than an annual rate of 1 percent for two consecutive quarters the deficit limits are suspended for the current and following fiscal year.

This is recognition that cutting spending does not cure recessions. Once the GNP growth rate falls below 1 percent for two consecutive quarters the ceiling on the deficit is off. But as long as the growth rate remains at 1.1 percent—as it was in the second quarter of 1986—or higher, the targets must be met. They must be met even if, with the economy sluggish and revenues rising slowly, that requires holding expenditures below levels that are worthwhile, that are well within the economy's capacity, and that are not harmful but possibly helpful to the health of the economy.

Sophisticated people to whom I express my concerns about the idea of cutting expenditures to meet a shortfall of revenue tell me not to worry. The government will not really meet the Gramm-Rudman targets. All Gramm-Rudman requires is that at the beginning of fiscal 1987 there should be an official estimate that the deficit will not exceed $144 billion for the year. The law does not require that the deficit actually be less than $144 billion.

This solution is unsatisfactory for two reasons:

First, the government should not pretend to do what it does not intend to do. This is more that a moral injunction. It has pragmatic significance. The credibility of the government is an asset—more valuable as it becomes scarcer—and it should not be wasted.

Second, while a sharp reduction of expenditures in response to the slowdown of the economy would be unwise to destroy completely the expectation that the size of the deficit will be brought under sufficient restraint to prevent continued increase in the size of the federal debt relative to the GNP would also be unwise. That could cause an increase in long-term interest rates that would be harmful to economic growth. The de facto abandonment of Gramm-Rudman without the establishment of any substitute rule of fiscal policy, would destroy all hope of deficit restraint. We find ourselves in a position where we can't live with Gramm-Rudman and can hardly live without it.

We need a fiscal policy that will limit the long-run growth of the deficit and the debt which not enforcing inefficient and probably destabilizing changes of government expenditures in response to fluctuations of the economy. Fifty years ago people talked about balancing the budget over the business cycle as a solution to this problem. Forty years ago the Committee for Economic Development proposed the policy of balancing the budget at high employment for the same purpose. Even a few years ago people were talking about the difference between the "structural" deficit and the actual deficit, which was a way of distinguishing between our long-run position and our cyclical position.

The attractive nuisance of Gramm-Rudman diverted attention from all that, but our present situation shows the urgency of returning to the problem of reconciling our long-run and short-run fiscal requirements.

SEMICONDUCTORS

Mr. DOLE. Mr. President, I want to offer congratulations to the administration on what I understand is a successful conclusion of its intensive talks with the Japanese on the issue of semiconductors.

USTR has announced today an agreement by which Japan has committed itself to a substantial increase in United States access to the Japanese semiconductor market. In addition, the Japanese have agreed that they will not engage in the dumping of semiconductor products in either the United States or third markets.

U.S. high technology exports are critical to our international trade capability. They represent an area in which we excel and in which our products are extremely competitive. That we have enjoyed only about an 8-percent share of the Japanese market instead of something closer to 20 percent had caused serious skepticism about the willingness of Japan to open its markets to foreign goods. At the

same time, the charge that Japanese semiconductor products were being dumped in the United States was a cause of great concern to a U.S. industry already in distress.

This agreement gives us an indication of the administration's willingness and ability to employ trade law and its own adept negotiating abilities to assure freedom and fairness in international trade. It is my understanding that the industry supports this agreement. If so, it's a good precedent for the types of agreements we're going to be looking for in many other areas.

SENATOR BYRD QUESTIONS AIR SAFETY STANDARDS

Mr. SARBANES. Mr. President, the Subcommittee on Investment, Jobs and Prices of the Joint Economic Committee is currently holding a series of hearings on the state of the Nation's health and safety standards in the areas of air transportation, fire protection, child health, and hospital disinfectants. At the first hearing, which was held July 21, to review the serious questions which have arisen about equipment maintenance, air traffic control, and related problems, our distinguished minority leader, Senator ROBERT BYRD, presented thorough and disturbing testimony. I ask unanimous consent to have the minority leader's statement included in the RECORD:

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR ROBERT C. BYRD BEFORE THE JOINT ECONOMIC COMMITTEE, WASHINGTON, DC, JULY 21, 1986

Mr. Chairman, let me commend you for scheduling this hearing on the issue of aviation safety, an issue about which there has been growing public concern since the enactment of the Airline Deregulation Act of 1978 (P.L. 95-504). With each report of a commercial air carrier crash, as well as reports of other safety-related incidents, the American public has become increasingly concerned about aviation safety.

There is reason for concern. According to the National Transportation Safety Board (NTSB), 1985 was the worst year for domestic commercial aviation since 1977. Last year, there were 526 fatalities from all U.S. air carriers, compared to 655 fatalities in 1977.

The FAA and representatives of the airline industry have argued that the safety of the domestic passenger carriers has improved in the years since deregulation. However, this assessment is based solely upon the number of accidents and fatal accidents in any given year.

That approach is not necessarily the most useful indicator of the current status of aviation safety. Focusing exclusively on accidents is of limited usefulness because it ignores any consideration of incidents which did not become accidents. It is often only luck that separates incidents and accidents. For example, on May 17, 1986, an American Airlines 727 passenger jet and a US Air DC-9 came very close to a disastrous collision at Chicago's O'Hare Airport. Both aircraft were cleared by an air traffic controller for take-off at the same time from intersecting runways. It was only because the US Air copilot happened to notice the oncoming American Airlines jet, and the pilot was able to take last-minute emergency action, that a disaster was avoided for the 224 passengers and crew on board the two aircraft.

There are other data which should be included in any consideration of the status of aviation safety. A more complete picture of aviation safety is provided by considering data regarding accidents, as well as data on near midair collisions and surface operational errors (for example, runway incursions). Such data, collected and reported by the FAA, indicate that the number of near midair collisions increased from 568 in 1980 to 758 in 1985, an increase of 33%. There are similar indications that the number of surface operational errors increased from 87 in 1980 to 103 in 1985, a 21% increase.

I believe that a more complete assessment of the status of aviation safety can be rendered by considering what I will call "aviation safety incidents." This broader concept includes all reported aviation accidents, reported near midair collisions, and reported surface operational errors involving section 121 and 135 certificated air carriers.

From this perspective, since the enactment of the Airline Deregulation Act of 1978, FAA data—when adjusted to take into account the increases in traffic volume since airline deregulation—indicate a dramatic decline in the margin of aviation safety. Specifically, the indications are that aviation safety incidents have been occurring more frequently since deregulation, relative to departures, aircraft miles, and aircraft hours.

These data are presented graphically in charts 1 through 3 of my testimony. The charts present data for three key indicators of airline activity—number of revenue aircraft departures, revenue aircraft miles, and revenue hours flown. Aviation safety incidents are plotted against these indicators to provide a picture of the margin of safety.

However, it is important to point out that these graphs were based on very limited FAA data, and that the quality of the data which is available from the FAA may be limited as well. Indeed, FAA's data collection, verification, and data base maintenance and management practices have been identified by the NTSB and GAO as a problem area. Without an adequate data base, FAA is severly limited in its ability to anticipate potential aviation safety problems, and to define approaches to the resolution of such problems.

Unfortunately, for the time being, anyone attempting to assess the status of aviation safety must use FAA data. Any such assessment must acknowledge the serious limitations in the quality and quantity of that data. With those caveats in mind, I believe that the data do provide an indication of the margin of aviation safety. Let me turn to the charts in my testimony.

Chart 1 presents data from 1975 to 1985 on the number of airline departures per incident. The chart shows that, in 1975, an incident was reported for every 12,805 departures. By 1980, an incident was reported for every 7,377 departures, a 42 percent decline in the number of departures between incidents during the period 1975-1980. However, during the period 1980-1982, the number of departures per incident increased from 7,377 in 1980, to 12,031 in 1982, a 63% increase. This is an indication that the margin of safety improved during that period. Then, during the period 1982-1985, the margin of safety declined again as the number of departures per incident decreased from 12,031 in 1982, to 5,323 in 1985, a 56% decline over the period.

Chart 2 presents a similar picture during the same time period, based on the number of airline revenue aircraft miles per incident. The chart shows that during the period, 1975-1980, the margin of safety declined as indicated by the 38% decrease in the number of miles between incidents. That is, in 1975, an incident was reported for every 5.6 million revenue aircraft miles. By 1980, there were 3.5 million aircraft miles per incident. From 1980 to 1982, there was an improvement in the margin of safety as the number of miles per incident increased from 3.6 million miles in 1980, to 6.0 million miles in 1982, about a 71% increase. During the period 1982-1985, the margin of safety eroded again as the number of miles between incidents declined from 6.0 million miles in 1982, to 2.9 million miles in 1985, a 56% decline.

Chart 3 presents the decline in the margin of safety in terms of the number of revenue aircraft hours per incident. The data indicate a declining margin of safety as the number of hours per incident decreased from 13,868 hours in 1975, to 8,825 hours in 1980, a decrease of 36%. Once again, there was a noticeable improvement in the margin of safety as the number of hours per incident increased from 8,825 hours in 1980, to 14,758 hours in 1982. After 1982, however, there is a 53% decline in the number of hours per incident from 1982 to 1985. In 1982, there were 14,758 hours per incident. In 1985, there were 6,987 hours per incident.

The data suggest an improvement in the margin of safety from 1980 to 1982. This may be a reflection of the 1981 PATCO strike when the FAA reduced the volume of air traffic by imposing limits on the number of flights at the busiest airports to compensate for the reduction in the number of air traffic controllers manning the towers during the strike. The result of such controls appears to have been a significant improvement in the margin of safety.

That has some interesting implications for the present situation. Indeed, based upon its assessment of the status of the Nation's air traffic controller workforce, the GAO has suggested that FAA should consider imposing controls on the growth of air traffic until that workforce is adequately staffed. The data I have presented here indicate that such an approach might have beneficial results.

Mr. Chairman, I believe the data I have presented here indicate that the margin of aviation safety has declined significantly. Simply put, the problem is that the skies have gotten more crowded since deregulation, and there is no indication that the future will bring less crowded skies.

Since 1978, there has been significant growth in the number of commercial passenger airlines, as well as the number of aircraft operated by such carriers. For example, prior to the enactment of the Airline Deregulation Act of 1978, there were a total of 29 carriers, including 10 major carriers and 19 commuter airlines. In 1985, according to FAA information, there were a total of 220 air carriers, including 60 major carriers, and 160 commuter airlines. In 1986 there are 307 passenger air carriers, an increase of almost 40% over the previous year. Of the 307 passenger air carriers, 116 are major air carriers, and 191 are commuters.

In addition, the number of aircraft operated by the major air carriers and the com-

muter airlines has increased steadily since deregulation. In 1984, the total commercial passenger fleet was 3,824 aircraft, a 78% increase over the 2,145 aircraft operated in 1978.

The largest growth in the number of aircraft has occurred in the commuter fleet. In 1978, commuter airlines operated a fleet of about 500 aircraft 1984, commuter airlines operated a fleet of 1,132 aircraft, an increase of 126%.

In addition, I should mention the approximately 220,940 general aviation aircraft estimated by FAA to be in operation in 1984, 24% more than the 177,964 general aviation aircraft operated in 1978.

One disturbing phenomenon closely related to the growth of the airline industry is the declining level of pilot experience. The rapid expansion of the industry has resulted in record levels of pilot hiring by the airlines. For example, in 1985, the airlines hired more than 8,000 pilots, putting a severe strain on the existing pool of available experienced pilots.

The declining level of pilot experience is attributed in large measure to high pilot turnover at commuter airlines. Commuter airlines have been experiencing high pilot turnover as their pilots, trained at the expense of the commuter airline, are moving to jobs with the major air carriers. For example, Henson Airlines is reported to have lost an average of one pilot per week to the major airlines. In 1985, Henson lost 70 of its 220 pilots.

In an effort to cope with high pilot turnover, the commuter airlines have been lowering hiring standards. It would appear, based on comments made by former NTSB chairman, Jim Burnette, on March 19, 1986, before the Transportation Appropriations Subcommittee, that the Nation's commuter airlines have been "scraping the bottom of the barrel" in their search for pilots.

A key indicator of the declining level of pilot experience is the number of hours a pilot or first officer has spent in the cockpit. In 1983, only 8% of the pilots flying for commuter airlines had fewer than 2,000 flight hours. By 1985, 23% of commuter pilots had fewer than 2,000 hours.

It should also be noted, that the problem of pilot experience is not confined to commuter airlines. According to Future Aviation Professionals of America, there has also been a steady decline in the experience of pilots hired by the major airlines. For example, in 1983, pilots flying for major airlines had an average of 2,342 hours of flight experience in jet aircraft. In 1985, they had only 818 hours in jet aircraft. Compounding the problem is the fact that over the next 20 years, approximately 70% of the pilots employed by the major airlines are expected to retire.

The question for the future, then, is where, and how, will an expanding passenger airline industry find new pilots? Traditionally, the major airlines have relied on the American military for pilots. At one time, almost 75% of the pilots employed by the major airlines were former Navy or Air Force pilots. Today, less than one-third of the pilots employed by major airlines are former military pilots, in part because the military is training fewer pilots.

In view of the prospects for continued growth of the airline industry, declining levels of pilots experience may gain increasing prominence as a significant factor in aviation safety incidents.

According to FAA's long-term forecast, the domestic airline industry is expected to continue the strong growth enjoyed since deregulation. For example, the FAA expects that enplanements for major domestic carriers will increase almost 62% during the forecast period of 1985–1997. Enplanements for commuter airlines are expected to increase 102% over the forecast period.

The growth expected by the FAA in the airline industry will bring increased burdens on FAA traffic control systems, and other services necessary to manage the increasing volume of air traffic which will be using the Nation's airspace. For example, the FAA expects the number of aircraft operations at FAA towered airports to increase 46 percent over the forecast period of 1985–1997.

The question is whether the FAA has the resources and capability to handle the challenges posed by the growth in the domestic airline industry. For example, serious concern has been expressed by GAO about whether the air traffic control system is adequate to handle the greater workloads resulting from the increases in air traffic volume expected to occur between now and 1997. Indeed, there is concern that even at current levels of air traffic, the Nation's aviation safety system has been pushed to—and sometimes beyond—its limits.

Consider, for example, that although air traffic volume has increased in the years since airline deregulation, the number of air traffic controllers has decreased. Prior to the PATCO strike on July 31, 1981, the Air Traffic Control System employed 13,205 "full performance level" (FPL) controllers. As of April 30, 1986, according to the FAA, the system employed 8,861 full performance level controllers—4,344 fewer controllers than before the PATCO strike.

FAA officials have expressed confidence in the Air Traffic Control System, and the FAA is in the process of trying to add 500 controllers per year to its workforce for fiscal years 1986 and 1987. Nevertheless, GAO's analysis of the FAA's air traffic controller workforce suggests doubts about whether the Air Traffic Control system will have an adequate number of full performance level controllers to handle the increases in air traffic expected from now until the end of the decade and beyond.

The March 7, 1986, issue of the Washington Post, contained a report on the results of a study of the Nation's air traffic controllers by the General Accounting Office. The GAO report is based upon a survey of 4,500 radar qualified controllers and other personnel with the Air Traffic Control System. According to the Post story, the GAO found:

1. "70 percent of controllers in a systemwide survey reported that they are handling more traffic than they should handle."

2. "The FAA has met its goal of about 12,500 controllers, compared with 16,200 before the strike, but has *fewer controllers at the highest experience level—8,300 today compared with 13,200 in July 1981"* (emphasis added).

3. "Retirement of experienced controllers will be a greater problem than the FAA has estimated, because of controller disgust with management and fears of changes under way in the Federal retirement system." According to the Post account, *"84 percent of controllers and 81 percent of supervisors eligible to retire in the next two years said they will do so"* (emphasis added).

4. Air traffic is growing rapidly so controller workload will likely continue to be a concern for some time."

5. "Sixty percent of controllers said they are working too long daily without a break. A substantial number of supervisors agreed."

6. "The FAA is heavily dependent on controller overtime—908,000 hours in fiscal 1985 compared with 377,000 hours in fiscal 1980."

Based on these findings, the GAO has suggested that it would be prudent to limit the growth in air traffic before the air traffic control system loses "its proper margin of safety."

The GAO report confirms the uneasy picture emerging from other studies done on the air traffic control system since the PATCO strike in 1981.

What is the FAA's response to the GAO report? The New York Times of March 18, 1986, carried a story which bore the headline "air safety chief minimizes survey findings." The Times story indicated that the FAA has essentially disregarded the GAO study. Indeed, GAO representatives who conducted the study of air traffic controllers told a House subcommittee that "officials of the FAA had belittled their study of the air traffic control workforce and later *dismissed the findings of the study as just another survey"* (Emphasis added).

At the beginning of its study, GAO presented the questionnaire to be used to gather information to the FAA for comments and suggestions. According to the Times story, FAA's response was "that the FAA could derive nothing of value from the questionnaire." Incredibly, FAA apparently dismissed the GSA findings as just another survey, and FAA officials said that "controllers were predictable complainers."

So there we have it. There is nothing wrong with the air traffic control system, except that the controllers are "predictable complainers"!

I have been concerned about what appears to be the deteriorating condition of the Nation's air safety system. I know many of my colleagues share my concern that the safety of the American public may be threatened by the weakening of the Nation's air safety systems as the result of overworked personnel, attrition, and other factors.

In addition, concern has been expressed that the competitive economic environment established by airline deregulation has created incentives for cost-conscious airlines to cut costs, and improve profits, by cutting aircraft maintenance budgets and maintenance personnel. The growth in the number of airlines and the number of aircraft in the commercial passenger fleet makes it difficult for FAA to ensure that the airlines are conducting proper aircraft maintenance practices. The problem is compounded by the decreases in the number of FAA inspectors to do that job. In fact, in 1986, there are 30 percent fewer FAA inspectors than in 1978. This decrease in the number of inspectors has occurred while the number of air carriers have increased over 100 percent.

Indeed, in testimony before the Transportation Subcommittee of the Appropriations Committee on March 19, 1986, Jim Burnette, then Chairman of the National Transportation Safety Board, commented that the FAA does not have an adequate airline maintenance surveillance system in place. Mr. Burnette noted that while FAA has improved its efforts in airline inspections, without more inspectors, it is difficult for the FAA to be more aggressive.

It is clear that FAA is facing significant challenges in the face of the explosive growth of the commercial passenger airline industry since airline deregulation. The adequacy of the FAA's efforts to conduct sur-

veillance of the airline industry to ensure compliance with Federal regulations regarding aircraft maintenance and airline operations have been called into question by GAO and others.

Over the years, FAA officials have reiterated the Agency's policy that safety is a major responsibility and goal of the FAA. However, a statement of policy and its implementation are often not the same. When the Airline Deregulation Act was enacted in 1978, Congress affirmed, as a matter of policy, that the implementation of the act "result in no diminution of the high standard of safety in air transportation attained in the United States at the time of the enactment of such act." (Section 107) Clearly, 8 years after the enactment of Public Law 95-504, that essential policy goal has yet to be achieved.

Part of the difficulty may be the conflicting statutory duties given to the FAA. These duties, to promote commercial aviation and aviation safety, form the core of the Nation's aviation policy. Section 103(a) of the Federal Aviation Act of 1958 (P.L. 85-726) directs the FAA Administrator to consider the "regulation of air commerce in such manner as to best promote its development *and* safety." (Emphasis added) The Administration is to consider the "promotion, encouragement, and development of civil aeronautics" to be in the public interest.

Shortly after the enactment of the Airline Deregulation Act, Congress expressed concern that the conflict between FAA's responsibility to ensure safety and promote "civil aeronautics" could adversely affect avilation safety. A 1980 congressional report, entitled "A Through Critique of Certification Transport Category Aircraft by the Federal Aviation Administration" (Committee on Government Operations, May 7, 1980), questioned whether FAA's dual responsibilities are appropriate to the Agency's mission, or whether they present contradictions that impair proper Agency function in the context of the historical evolution of the airline industry. The report concluded that the FAA's conflicting policy goals were providing inadequate policy direction, and that this was "hurting Government efforts and could eventually lead to a situation that would endanger public safety."

Mr. Chairman, since that report was published 6 years ago, there is still reason for concern. For example, In January 1984, the General Accounting Office released a report which was critical of FAA's safety standards for small passenger aircraft. The report found that FAA standards for such aircraft were lower than for larger commercial passenger aircraft. The GAO report indicated that FAA did not impose more stringent safety standards on small passenger craft because the cost of such standards would be too financially burdensome on the industry. The report included an FAA comment which noted that the imposition of such a burden would frustrate one of the basic purposes of the FAA—to promote aviation in this country.

Indeed, there are indications that FAA provides assistance to the very air carriers it shuts down for safety-related violations. A report on the FAA and its inspections of commuter airlines, in the June 10, 1985, issue of U.S. News and World Report, reviewed several cases where FAA had extended its help to the very airlines which the agency had cited for serious safety-related deficiencies. When the FAA shuts down a carrier, the U.S. News report noted, "the FAA will try to get it back in operation."

In particular, the report noted that the FAA had played a major role in helping Provincetown-Boston Airlines back in service after the carrier's operating license was lifted for deliberately falsifying records. According to the U.S. News story, the airline resumed operations in a short period of time, and then was involved in a crash near Jacksonville, FL, which killed 13 persons on December 6, 1984.

Mr. Chairman, in view of the growing concerns about the adequacy of FAA resources in the face of significant growth in air traffic volume, let me raise one other important issue which will have a direct bearing on the future of aviation safety.

On February 3, 1986, the Aviation Subcommittee of the Commerce Committee held a hearing on the impact of Gramm-Rudman on the FAA budget and aviation safety. At that hearing, FAA Administrator Donald Engen was asked to assess the impact on the FAA and aviation safety if, under Gramm-Rudman, the Agency were forced to reduce its fiscal year 1986 operating budget by 15 to 20 percent. Mr. Engen testified that there would be "no reasonable way in which the FAA could absorb that kind of reduction overall *without serious deterioration of the current levels of safety devices*" provided by the FAA (emphasis added).

On March 1, 1986, under the terms of Gramm-Rudman, the FAA was forced to achieve an initial reduction of its fiscal year 1986 operating budget, a cut of about $115 million. Mr. Engen testified that, in adjusting its operations to accommodate the required Gramm-Rudman cut, the FAA's top priority was "to minimize any adverse impacts on safety and system personnel." However, several months later FAA requested an additional appropriation of $80 million to avoid furloughs for air traffic controllers, safety inspectors, and other FAA employees. In response to FAA's request, those funds were appropriated by the Congress in the FY 1986 supplemental appropriations bill (P.L. 99-349).

The congressional response to FAA's request underscores, once again, the willingness of the Congress to provide FAA with the resources necessary to ensure aviation safety. Indeed, Congress has consistently appropriated funds to meet the levels requested by the FAA for its operating budget. For example, in fiscal year 1985 the FAA requested $2.7 billion for FAA operations, and the Congress appropriated $2.8 billion. In fiscal year 1986, the FAA requested $2.7 billion, and the Congress appropriated $2.8 billion.

In view of the declining margin of aviation safety, and the questions raised about the ability of the FAA to meet the challenges brought by airline deregulation, I believe it is time for an intensive, objective reexamination of the FAA, the Nation's aviation safety policy, and the impact of airline deregulation on aviation safety. In particular, it is time to consider whether FAA has been provided adequate resources, and has used such resources effectively and efficiently to ensure aviation safety; and whether the conflict between the FAA's responsibilities defined in section 103 of the Federal Aviation Act of 1958 (P.L. 85-726) impedes aviation safety.

These concerns prompted me to introduce S. 2417, "The Aviation Safety Commission Act," to address the issues I have raised here today. The bill was introduced on May 7, 1986, and has 15 cosponsors, including Senator KASSEBUAM, the able and distinguished chairman of the Aviation Subcommittee, the distinguished ranking member, Senator EXON; as well as other distinguished members of the subcommittee, such as Senators GOLDWATER, and FORD.

In addition, the bill is cosponsored by several members of the Commerce Committee, including the distinguished ranking member of the committee, Senator HOLLINGS; as well as Senators ROCKEFELLER, KASTEN, LONG, and RIEGLE. It should be noted that the chairman of the Appropriations Subcommittee on Transportation, Senator ANDREWS; and the ranking member, Senator CHILES, are also cosponsors of this legislation.

My bill directs the President to appoint a seven-member "Blue ribbon" Commission, the "Aviation Safety Commission," to make a complete study of the organization and functions of the Federal Aviation Administration and the means by which the FAA may most efficiently and effectively enhance aviation safety.

The members of the Commission are to possess extensive experience and expertise at the highest levels of corporate management. To ensure the independence of the Commission's deliberations and judgment, my bill provides that members of the Commission shall have no ties to the commercial aviation industry, or to the Federal Aviation Administration.

The Commission is directed to consider whether the FAA has been provided adequate resources to ensure aviation safety; and to consider whether the dual responsibilities of the FAA are in conflict, and whether any such conflict impedes aviation safety. The Commission is also to consider whether the FAA should be reorganized as an independent Federal Agency with aviation safety as its sole responsibility, and whether airline deregulation has had an adverse impact on the margin of safety. This should include a review of whether the practice of airline self-compliance with maintenance standards is an outmoded approach in an environment designated to maximize cost-savings.

The Commission is directed to consider whether it is desirable to require that, when the National Transportation Safety Board issues recommendations related to aviation safety, some or all of those recommendations be made mandatory.

In the exercise of its duties, the Commission is to consult with a broad spectrum of representatives of the aviation industry, and to consult with the National Transportation Safety Board.

One year from the date of enactment, the Commission is to submit a report to the President and the Congress containing the Commission's findings and recommendations, including any recommendations for legislation.

Finally, my bill authorizes $2.5 million to support the activities of the Commission.

Mr. Chairman, I believe the time has come for a thorough, independent examination of the aviation safety issues I have raised here today. Such an assessment will make a valuable contribution to congressional efforts during the consideration of aviation issues which will begin next year with the reauthorization of the Airport and Airway Improvement Act of 1982 (title V of P.L. 97-248).

I thank the members of the committee for the opportunity to express my concerns on this important issue. That concludes my

statement. I will be glad to answer any questions you may have.

(The charts referred to are not reproducible in the RECORD.)

THE 1986 RECONCILIATION—COMMITTEE REPORTS

● Mr. DOMENICI. Mr. President, today the Senate Budget Committee reported out the 1986 reconciliation bill. While a report has been filed with the bill, I think it would be helpful to my colleagues if the report language prepared by the reconciled committees were made available as soon as possible.

Therefore, I am inserting for the RECORD explanatory materials prepared by nine Senate committees, outlining their titles in the reconciliation bill.

Explanatory materials provided by reconciled committees follows:

VIEWS OF THE COMMITTEE ON THE BUDGET

Reconciliation is an important tool to restrain Federal spending. It is authorized and described in Title III of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344). The reconciliation procedure allows Congress to consider changes in spending and revenues within the purview of several committees in a single bill, while reserving to those committees the power to determine what changes will be made in laws within their respective jurisdictions.

On July 26, 1986, Congress adopted S. Con. Res. 120, the Concurrent Resolution on the Budget for Fiscal Year 1987. That resolution mandated major reductions in the staggering budget deficits now facing the United States. Revenue and spending targets for the fiscal years 1987 through 1989 contained in the resolution will lower deficits over the next 3 years by $157.4 billion.

In order to realize the fiscal policy set forth in S. Con. Res. 120, Congress included in that resolution instructions to eight Senate committees and nine House committees to recommend changes in laws in their jurisdictions which would reduce Federal spending by $10.2 billion in authority and $11.6 billion in outlays during FY 1987 through FY 1989. In addition, the Senate Finance Committee was instructed to recommend legislation to reduce outlays by $4.1 billion and to increase revenues to $8.5 billion over that 3-year period, and the House Ways and Means Committee was instructed to recommend legislation to reduce the deficit by $12.6 billion over the same period.

All reconciled committees that were instructed to submit their recommendations to the Senate Budget Committee have met their deadlines. The Senate Budget Committee is responsible for combining these legislative recommendations into a single bill and for reporting these recommendations to the Senate without substantive revision. This report summarizes the views of the Committee on the Budget on the material submitted by the individual committees.

RECONCILIATION IS A NECESSARY TOOL TO ACHIEVE SAVINGS

The Senate Budget Committee believes that the reconciliation process as used by the Congress since 1981 is a necessary procedure through which to achieve many of the dramatic reductions in Federal spending mandated by the Congress when it approved S. Con. Res. 120, the Concurrent Budget Resolution for FY 1987. Reconciliation allows the individual authorizing committees to work their will on programs within their jurisdiction, as the rules of the Senate provide. This safeguard insures that the Senate will have the best judgment of individual committees on restraint of Federal programs.

THIS BILL AND REPORT

Pursuant to section 310(b)(2) of the Budget Act, the Budget Committee reports herewith the recommendation of 9 Senate committees, without any substantive revision, and with a recommendation that the bill do pass.

NONBUDGETARY PROVISIONS

The Budget Committee believes that the inclusion of non-budgetary provisions in a reconciliation bill is inconsistent with the spirit and letter of the Budget Act, damages the credibility of the budget process, and could have the effect of circumventing Rule XXII of the Standing Rules of the Senate.

The problem of so-called "extraneous matters" first became a major issue in 1981, during Senate consideration of S. 1377, the Omnibus Reconciliation Act of 1981. A number of provisions which were determined to be clearly extraneous were stricken from that bill. A special time agreement was entered into with respect to other provisions which some Senators contended were extraneous. The problem of extraneous provisions has increased in gravity since that time.

On April 7, 1986, with the enactment of the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985 (Public Law 99-272), a new procedure was instituted for the identification and elimination of extraneous material.

Section 20001 of COBRA provides a point of order against extraneous material. A provision will be considered extraneous if it (1) produces no change in outlays or revenues (with certain exceptions), (2) increases outlays or decreases revenues, and the committee's title does not meet its instructions, (3) is within the jurisdiction of another committee, or (4) produces changes in outlays or revenues which are "merely incidential" to its non-budgetary components.

This point of order can be waived only by the vote of 60 Senators. The same voting margin is also necessary to successfully appeal the ruling of the Chair on this issue.

The Committee intends to pursue the remedy provided by section 20001, in the interest of preventing further abuse of the reconciliation process, and to protect the institutional traditions of the Senate.

RECONCILIATION PROCEDURE

Just as the Budget Act provides for the reconciliation procedure, it provides in sections 310(e) and 305 special rules for the consideration of reconciliation bills.

The following rules apply to the consideration of a reconciliation bill in the Senate:

First, debate on any reconciliation bill and all amendments thereto and debatable motions and appeals in connection therewith is limited to 20 hours.

Second, debate on the bill (including amendments, debatable motions, and appeals) shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

Third, debate on any amendment is limited to 2 hours, divided between the mover of the amendment and the manager of the bill.

Fourth, debate on any amendment to an amendment, debatable motion, or appeal is limited to 1 hour, divided between the mover and the manager.

Fifth, a motion to limit debate to less than 20 hours is not debatable.

Sixth, a motion to recommit is not in order unless it contains instructions to report back within a specified time, not to exceed 3 days, and debate on such a motion is limited to 1 hour, divided between the mover and the manager.

Seventh, any germane amendment which amends the bill in more than one place and which achieves or maintains mathematical consistency is always in order.

Eighth, amendments to the bill must be "germane to the provisions of" the legislation. The "germaneness rule" has been interpreted as prohibiting any amendment which introduces "new subject matter."

The instructed committees, therefore, set the parameters of germaneness, as the Budget Committee reports what is submitted to it without any substantive revision.

The "germaneness rule" does not apply to a motion to recommit the bill with instructions to report a specific amendment, if a committee has not complied with its reconciliation instructions, and if the effect of the motion would be to bring the bill into compliance with the reconciliation instructions.

Ninth, an amendment which would cause the bill to reduce outlays by less than the amount instructed, or which would cause the bill to increase revenues by less than the amount instructed, is not in order. An amendment to strike is always in order.

Tenth, an amendment affecting social security benefits is not in order.

Eleventh, floor consideration of the conference report on a reconciliation bill is in order any time after the third day following the day on which the conference report is reported and is available to Senators. Debate on the conference report is limited to 10 hours, divided equally, with debate on any appeal or motion limited to 1 hour divided between the mover and the manager.

SUMMARY OF RECONCILIATION RECOMMENDATIONS

The following tables summarize the savings achieved by the committees instructed by the Congress to make changes in programs in their jurisdiction in order to reduce spending and increase revenues in fiscal years 1987-89. The tables compare the legislation reported by the committees to the reconciliation instruction they received from the Congress.

Table 1 provides an overall comparison of the reported bill to the reconciliation instructions. It shows that the recommendations in the bill achieved $8.1 billion in deficit reductions in fiscal year 1987, which is $1.1 billion less than the instruction to the committees. Over three years, the recommendations save $21.8 billion, which is $2.4 billion below the reconciliation target. Table 2 provides a summary of outlay reductions and revenue increases by Senate committee. Table 3 provides details of the savings within each committee submission.

The dollar amounts in the tables have been estimated by the Congressional Budget Office based on the submissions of the nine committees to the Budget Committee.

TABLE 1.—SUMMARY OF SAVINGS

[In millions of dollars]

	FY 1987	FY 1988	FY 1989	Total FY 1987–89
Recommendations in bill:				
Reductions in budget authority	−831	−3,400	−3,613	−7,844
Reductions in outlays	−5,655	−2,599	−3,469	−11,723
Increase in revenues	2,422	3,835	3,862	10,119
Reduction in deficit	−8,077	−6,434	−7,331	−21,842
Reconciliation instructions to committees:				
Reductions in budget authority	−2,934	−3,491	−3,725	−10,150
Reductions in outlays	−5,668	−4,765	−5,270	−15,703
Increase in revenues	3,500	2,600	2,400	8,500
Reduction in deficit	−9,168	−7,365	−7,670	−24,203

TABLE 2.—SUMMARY OF RECONCILIATION SAVINGS BY COMMITTEE

[In millions of dollars]

	FY 1987	FY 1988	FY 1989	Total FY 1987–89
Agriculture, Nutrition and Forestry:				
Budget authority	0	−118	−122	−240
Outlays	−555	−549	−543	−1,647
Banking, Housing, and Urban Affairs:				
Budget authority	762	−470	236	528
Outlays	−1,658	−381	−390	−2,429
Commerce, Science, and Transportation:				
Budget authority	−50	−86	−56	−192
Outlays	−50	−86	−56	−192
Energy and Natural Resources:				
Budget authority	125	200	200	525
Outlays	−67	179	188	300
Environment and Public Works:				
Budget authority	−2,277	−2,748	−3,224	−8,249
Outlays	−277	−931	−1,534	−2,742
Finance—spending:				
Budget authority				
Outlays	−2,234	−360	−599	−3,193
Finance—revenues	2,422	3,835	3,862	10,119
Governmental Affairs:				
Budget authority	664	64	−144	584
Outlays	−205	20	−175	−360
Labor and Human Resources:				
Budget authority	−55	−250	−514	−819
Outlays	−609	−499	−371	−1,479
Small Business:				
Budget authority		8	11	19
Outlays		8	11	19

TABLE 3.—DETAIL OF RECONCILIATION SAVINGS BY COMMITTEE

[In millions of dollars]

	FY 1987	FY 1988	FY 1989	Total FY 1987–89
TITLE I: AGRICULTURE, NUTRITION AND FORESTRY				
RDIF loan asset sales:				
Budget authority	0	−118	−122	−240
Outlays	−555	−549	−543	−1,647
Total spending reduction:				
Budget authority		−118	−122	−240
Outlays	−555	−549	−543	−1,647
Total spending instruction:				
Budget authority	−55	−49	−43	−147
Outlays	−555	−549	−543	−1,647
TITLE II: BANKING, HOUSING, AND URBAN AFFAIRS				
Rural housing loan asset sales:				
Budget authority	642		236	878
Outlays	−1,158	−500	−500	−2,158
Export-Import bank loan asset sales:				
Budget authority	120	−470		−350
Outlays	−500	119	110	−271
Total spending reduction:				
Budget authority	762	−470	236	528
Outlays	−1,658	−381	−390	−2,429
Total spending instruction:				
Budget authority	642		164	806
Outlays	−1,658	−523	−546	−2,727
TITLE III: COMMERCE, SCIENCE, AND TRANSPORTATION				
Coast Guard user fees:				
Budget authority	−38	−50	−50	−138
Outlays	−38	−50	−50	−138
Maritime Title II loan guarantees:				
Budget authority	−12	−36	−6	−54
Outlays	−12	−36	−6	−54
Total spending reduction:				
Budget authority	−50	−86	−56	−192
Outlays	−50	−86	−56	−192
Total spending instruction:				
Budget authority	−50	−50	−50	−150
Outlays	−50	−50	−50	−150
TITLE IV: ENERGY AND NATURAL RESOURCES				
Oil overcharge fund:				
Budget authority	−100			−100
Outlays	−100			−100
Energy conservation programs:				
Budget authority	256	256	256	768
Outlays	64	235	244	543
FERC fees:				
Budget authority	−31	−56	−56	−143
Outlays	−31	−56	−56	−143
Total spending reduction:				
Budget authority	125	200	200	525
Outlays	−67	179	188	300
Total spending instruction: [1]				
Budget authority	−1,025	−400	−400	−1,825
Outlays	−1,217	−421	−412	−2,050
TITLE V: ENVIRONMENT AND PUBLIC WORKS				
Federal-aid highways:				
Budget authority	−2,240	−2,700	−3,180	−8,120
Outlays	−190	−910	−1,490	−2,590
EPA fees:				
Budget authority	−10	−20	−20	−50
Outlays	−10	−20	−20	−50
NRC fees: [2]				
Budget authority	−27	−28	−24	−79
Outlays	−27	−28	−24	−79
Sale of EDA notes:				
Budget authority				
Outlays	−50	27		−23
Total spending reduction:				
Budget authority	−2,277	−2,748	−3,224	−8,249
Outlays	−277	−931	−1,534	−2,742
Total spending isntruction:				
Budget authority	−1,883	−2,343	−2,823	−7,049
Outlays	−291	−1,123	−1,674	−3,088
TITLE VI: FINANCE COMMITTEE: SPENDING PROVISIONS [3]				
Medicare:				
Budget authority				
Outlays	−2,369	−617	−950	−3,936
Medicaid:				
Budget authority				
Outlays	135	257	351	743
Total spending reduction:				
Budget authority				
Outlays	−2,234	−360	−599	−3,193
Total spending instruction:				
Budget authority				
Outlays	−850	−1,495	−1,790	−4,135
TITLE VI–A: FINANCE COMMITTEE: REVENUE PROVISIONS				
Extend medicare coverage	829	2,151	2,169	5,149
Cigarette tax	1,593	1,684	1,693	4,970
Total revenue increases	2,422	3,835	3,862	10,119
Total revenue instruction	3,500	2,600	2,400	8,500
Total Finance	−4,656	−4,195	−4,461	−13,312
Total Finance instruction	−4,350	−4,095	−4,190	−12,635
TITLE VII: GOVERNMENTAL AFFAIRS				
Federal employee retirement: [4]				
Budget authority	664	64	66	794
Outlays	−205	20	35	−150
Postal subsidy reforms:				
Budget authority			−210	−210
Outlays			−210	−210
Total spending reduction:				
Budget authority	664	64	−144	584
Outlays	−205	20	−175	−360
Total spending instruction:				
Budget authority	−100	−100	−100	−300
Outlays	−100	−100	−100	−300
TITLE VIII: LABOR AND HUMAN RESOURCES				
Guaranteed student loan program:				
Budget authority	−55	−235	−505	−795
Outlays	−30	−185	−465	−680
Education loan asset sales:				
Budget authority		−15	−9	−24
Outlays	−579	−314	94	−799
Total spending reduction:				
Budget authority	−55	−250	−514	−819
Outlays	−609	−499	−371	−1,479
Total spending instruction:				
Budget authority	−25	−150	−250	−425
Outlays	−604	−449	−141	−1,194
TITLE IX: SMALL BUSINESS				
Section 503 loan asset sales:				
Budget authority		8	11	19
Outlays		8	11	19
Total spending reduction:				
Budget authority		8	11	19
Outlays		8	11	19
Total spending instruction:				
Budget authority	−438	−399	−223	−1,060
Outlays	−343	−55	−14	−412

[1] The budget resolution reconciliation instruction to the Senate Energy and Natural Resources Committee assumed legislation would be enacted to recover $1.9 billion in oil overcharge funds over the next three years. On July 7th, the United States District Court for Kansas approved the Stripper Well settlement, which will result in the immediate distribution of a portion of these overcharge funds to the States. In accordance with language included in the conference report on the FY 1986 budget resolution, the Energy Committee will not be held accountable for the full amount of their instruction.

[2] CBO scores NRC fees as a revenue increase. They are shown on this table as an offsetting receipt to maintain comparability with the Committee instruction.

[3] The Finance Committee did not receive instructions to reconcile budget authority.

[4] Savings include a small revenue decrease in FY 1987, which is shown as an outlay increase on this table to maintain comparability with the committee instruction.

RULE XXVI

In compliance with Rule XXVI, paragraphs 11(b) (regulatory impact) and 12 (comparative prints of proposed legislation) of the Standing Rules of the Senate, it is the opinion of the Budget Committee that it is necessary to dispense with these requirements of the rule in order to expedite the business of the Senate.

However, with respect to any committee which has submitted reconciliation recommendations and has transmitted to the Budget committee a regulatory impact statement or a comparative print of proposed legislation, this material is incorporated in this report without revision in the title-by-title analysis.

ROLLCALL VOTES IN COMMITTEE

Votes taken during Committee consideration of this legislation were as follows:

Domenici motion to report to the Senate the Sixth Omnibus Budget Reconciliation Act, 1986 with a favorable recommendation.

YEAS

Mr. Domenici, Mr. Armstrong, Mr. Boschwitz, Mr. Hatch, Mr. Andrews, Mr. Grassley, Mr. Kasten, Mr. Quayle, Mr. Gorton, Mr. Danforth, Mr. Chiles, Mr. Johnston, Mr. Sasser, Mr. Hart (by proxy), Mr. Riegle (by proxy), Mr. Moynihan (by proxy), Mr. Exon (by proxy), Mr. Lautenberg.

NAYS

Mr. Hollings (by proxy).

ADDITIONAL VIEWS OF SENATOR JIM SASSER

The bill before the Committee represents a significant effort to reduce the federal budget deficit. Over the next three years, this reconciliation bill will realize over $21.8 billion in deficit reduction savings, more than $8 billion in FY 1987 alone.

Although these savings are somewhat short of the $24 billion reconciliation target envisioned in the recently passed budget resolution, it does represent a crucial step in getting our runaway deficit under control.

The Budget Committee has voted to report this reconciliation package to the Senate floor with a favorable recommendation. Since I have serious reservations over some provisions in the bill I would have preferred to have reported the bill out of committee with no recommendation at all. Let there be no mistake, my vote in favor of reporting this bill out of committee should in no way be construed to indicate support for the bill in its entirety. However, I have been assured that there will be ample opportunity on the Senate floor to address what appear to be some gross inequities in the current bill. For this reason, I will support getting it to the Senate floor.

I am very concerned over the proposed eight cents per pack increase in the excise tax on cigarettes. Since tobacco plays a central role in the economic well-being of Tennessee, I have a special interest in this matter. It is clear to me that the more than 38,000 tobacco farmers in Tennessee will suffer because of this increase. These farm families are already struggling with some of the hardest economic times in memory. Tobacco farmers are also caught in the grip of the worst drought in over a century. This tax increase will only aggravate the economic devastation which is occurring throughout much of the southeastern United States.

In addition, this proposal makes a mockery of the tax reform rhetoric which has swept the Nation. We lent our support to the Senate's tax reform proposal because it promised tax relief to millions of middle-income American taxpayers. This fundamental underpinning of tax reform seems to have been quickly forgotten by many. The ink is not yet dry on a tax reform bill and already we are seeing a highly regressive tax increase contained in this reconciliation bill.

The proposed increase in the cigarette excise tax is both unsound economic policy and an undercutting of the goals of the tax reform bill recently approved by the Senate. It is my hope that we will strike this offensive provision from the reconciliation package when it is considered on the Senate floor.

TITLE-BY-TITLE ANALYSIS

The following is a title-by-title analysis of the legislation. In each case, the analyses of the respective committees are presented without revision. In some instances, the final cost estimates by the Congressional Budget Office were not available to the committees when they made their submissions to the Budget Committee. In those cases, the CBO cost estimates have been added to the materials submitted by the committees.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

TITLE I

U.S. SENATE, COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY, WASHINGTON, DC, JULY 25, 1986.

Hon. PETE V. DOMENICI,
Chairman, Senate Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Enclosed pursuant to the reconciliation instructions in section 2(1) of the First Concurrent Resolution on the Budget for Fiscal Year 1987 (S. Con. Res. 120) are the recommendations of the Senate Committee on Agriculture, Nutrition, and Forestry for reducing spending under laws within its jurisdiction.

In accordance with the instructions, this Committee has prepared (1) the legislative language to effect the reductions in budget authority and outlays as required by the resolution, and (2) an explanation of those reductions for inclusion in your report on the reconciliation legislation.

The Congressional Budget Office estimates the changes in law adopted by this Committee, and included in this recommendation, would reduce spending in the following manner per fiscal year:

	Budget Authority	Outlays
Fiscal year:		
1987		$555,000,000
1988	$118,000,000	549,000,000
1989	122,000,000	543,000,000

S. Con. Res. 120 instructed this Committee to make changes in legislation that would result in outlay savings of $1.647 billion over the three fiscal years, 1987 through 1989, and savings in budget authority of $147 million over the same period. As the preceding table demonstrates, the recommendations for savings adopted by this Committee on July 16 are estimated by the Congressional Budget Office to meet the instructions and, in the case of budget authority, to exceed the instructions.

Sincerely,

EDWARD ZORINSKY,
Ranking minority member.
JESSE HELMS,
Chairman.

SUMMARY OF PROVISIONS

Title I of the bill would require the Secretary of Agriculture to sell notes and other obligations held in the Rural Development Insurance Fund in such amounts as to realize net proceeds not less than $550,000,000 during fiscal year 1987, $549,000,000 during fiscal year 1988, and $543,000,000 during fiscal year 1989. Title I also makes clear that these sales would be made on a nonrecourse basis and that Farm Credit System institutions would be eligible to purchase and service such notes and other obligations, subject to such terms and conditions as may be agreed to by the Secretary of Agriculture and the purchasing institution and as are approved by the Farm Credit Administration.

BACKGROUND

The Farms Home Administration makes insured loans from three revolving funds: the Agricultural Credit Insurance Fund (ACIF), the Rural Development Insurance Fund (RDIF), and the Rural Housing Insurance Fund (RHIF). The programs funded through the ACIF and the RDIF are under the jurisdiction of the Senate Committee on Agriculture, Nutrition, and Forestry.

The revolving funds are maintained by moneys coming from three sources: (1) collections on previous loans, which are then reloaned; (2) appropriations from Congress to make up losses incurred through interest rates subsidies and loan defaults; and (3) the "sale" of loans, including their interest earnings, to the Federal Financing Bank.

Two insured loan programs are operated from the Rural Development Insurance Fund: the water and waste disposal program and the community facilities program.

The Farmers Home Administration and its predecessor agencies have financed construction of approximately 13,195 water and waste disposal systems in rural areas and towns having populations of up to 20,000 people. Public bodies, corporations operated on a nonprofit basis, and Indian tribes that are unable to obtain credit from other sources at reasonable rates and terms are eligible to borrow funds at below market interest rates under these loan programs. The repayment of such loans can be scheduled over a period of up to 40 years or over the useful life of the facility, whichever is less. Loan applicants have the option of choosing the interest rate in effect at the time of approval of the loan or at the closing. Grants can be made to reduce the cost of water and sewer projects in low income areas.

The Rural Development Act of 1972 expanded the lending authority of the Farmers Home Administration to include loans to public bodies or nonprofit organizations for community facilities providing essential services to rural residents. Fire protection, community halls, hospitals, nursing homes, medical clinics, libraries, and schools are among the more than 30 types of community facilities eligible for financing.

The facilities financed with these loans may be located in the rural countryside or in towns with populations of up to 20,000 persons. Loan repayment can be scheduled over a period of up to 40 years. Additional interest charges may apply to loans made to finance projects located on prime or unique farmland.

Applications for loans to finance public safety, such as rescue or fire protection facilities and equipment, receive priority for funding. Joint funding of projects with other lending sources is encouraged in order to obtain maximum benefit from program resources.

The interest rates charged for both the water and waste and the community facility loans are set on a sliding scale, from a low of 5 percent up to a level equal to market rates for comparable municipal tax-exempt obligations, depending on the nonmetropolitan median household income of the community.

Three insured loan programs are operated from the Agricultural Credit Insurance Fund. These programs are the farm ownership loan program, the farm operating loan program, and the disaster emergency loan program.

Farm ownership loans are made to family-size farmers who lack other sources of credit. These loans are made for the purpose of buying, improving, or refinancing farm real estate. The limit on such loans is $200,000, and they can be repaid over a period of up to 40 years. The interest rate for loans made under the regular farm ownership program is a fixed rate and is set by the Secretary to reflect the cost of Government borrowing. Borrowers who are eligible for low-income, limited-resource, farm-ownership loans pay a rate of interest equal to one-half the regular farm ownership loan rate. When financially able, borrowers must "graduate", or refinance with conventional lenders.

Farm operating loans are made for production financing to family farmers and

ranchers unable to secure credit elsewhere. As is the case with the real estate loan program, the loan limit is $200,000, with a fixed interest rate set by the Secretary to reflect the cost of government borrowing. Limited resource borrowers of farm operating loans pay an interest rate that is 3 percent below the regular interest rate charged on farm operating loans. The term of the loans usually ranges from a period of 1 to 7 years, with a maximum repayment period of 15 years for consolidated or rescheduled loans. Operating loans are secured by chattel mortgages on crops, livestock, machinery, or other non-real estate resources.

Emergency disaster loans aid farmers in recovering from the effects of actual production or other physical losses that occur as a result of natural disasters. Eligibility for such loans results when a farm is located in a county, or in a county contiguous to a county, that the President declares has been substantially affected by an emergency or major disaster or that has been determined to be a natural disaster area by the Secretary of Agriculture. Farmers are ineligible for loans to cover crop losses if the losses could have been insured against under the Federal crop insurance program.

Farmers unable to obtain credit elsewhere may receive loans to cover 80 percent of their actual losses, up to $500,000. The interest rate on such loans is set by the Secretary, but cannot exceed 8 percent. The Secretary has discretion to set the length of the loan repayment period, but cannot provide for a period longer than that set for real estate or operating loans.

PURPOSE AND NEED

The bill requires the Secretary of Agriculture to sell notes and other obligations from the Rural Development Insurance Fund on a nonrecourse basis, in such quantities as are necessary to realize net proceeds of at least $555,000,000 in fiscal year 1987; $549,000,000 in fiscal year 1988; and $543,000,000 in fiscal year 1989. The Committee believes these sales are a proper method of achieving the necessary spending reductions mandated by its budget reconciliation instructions. Spending reductions will be achieved as the sale proceeds are returned to the Rural Development Insurance Fund, consequently reducing the need for the appropriation of these amounts to the fund.

The Committee believes the required savings can be achieved by mandating the sale of notes and other obligations held in the Rural Development Insurance Fund (RDIF). This revolving fund currently holds notes having a face value of approximately $8 billion, most of which have been generated through loans made under the water and waste disposal program. The RDIF portfolio is attractive and saleable, as is evidenced by inquiries made by several private lenders concerning possible purchase of portions of the portfolio.

The administrative and servicing burdens associated with these obligations will be transferred from the Farmers Home Administration to the private purchasers, reducing the burden on FmHA personnel and management resources, and permitting those resources to be transferred to serve FmHA's remaining borrowers.

Although the Secretary has authority under current law to make nonrecourse sales of notes from the revolving funds under the Committee's jurisdiction, the Committee believes that an explicit statement is necessary to remove any possible uncertainty in the minds of potential purchasers. Any such uncertainty could reduce the value of the notes and other obligations, making such sales difficult. Consequently, the bill explicitly provides that sales of notes and other obligations from the Rural Development Insurance Fund will be made on a nonrecourse basis.

Generally, purchasers of such notes and other obligations in the secondary market need the assurance that they can adequately service these obligations. Certain administrative policies and procedures that the Secretary has implemented under the Consolidated Farm and Rural Development Act, and which are not available to borrowers in the private sector, would greatly restrict prudent servicing of these loans by potential purchasers. Consequently, the Committee included the nonrecourse provision, which makes explicit that both the purchaser of the notes and the Secretary are relieved of responsibilities that might have been imposed, had the borrower remained indebted to the Secretary.

The contractual terms of the obligations, such as the interest rates and other specified terms, will not change as a result of the sale.

The Committee also notes that the purchasers of the notes receive no warranties or indemnities from the Secretary or any other agent of the Federal Government. Any credit enhancement measures undertaken, such as insurance or reserve funds, will be the sole responsibility of the purchaser.

The Committee realizes that the value of the notes will be enhanced insofar as the pool of potential buyers is increased. In order to obtain maximum value for the notes and other obligations sold from the fund, the Committee believes it is vital to have no restriction on the pool of eligible buyers.

In an effort to ensure the purchase eligibility of certain potential buyers, subsection (c) makes explicit that Farm Credit System institutions will be eligible to purchase and service notes and other obligations sold from the Rural Development Insurance Fund. To provide the flexibility necessary to facilitate the purchase of such notes, the subsection provides that the purchase, servicing, collection, and disposition of such notes by System institutions shall be governed by the terms and conditions agreed to by the Secretary of Agriculture and the purchasing institutions and as are approved by the Farm Credit Administration.

COMMITTEE CONSIDERATION

On Wednesday, July 16, 1986, the Committee met to consider action necessary to make spending reductions to meet the budget reconciliation instructions issued under the First Concurrent Resolution on the Budget for Fiscal Year 1987.

Chairman Helms explained that the Committee's reconciliation instructions were to achieve budget savings of $1.647 billion dollars over a 3-year period. He noted that although the Conference Committee on the budget resolution assumed that the budget savings would be made through the sale of loan assets, each Committee has sole discretion to determine how its budget savings will be made.

Chairman Helms then proposed that the budget savings be achieved by requiring the Secretary of Agriculture to make sales of loan assets on a nonrecourse basis out of the Rural Development Insurance Fund (RDIF) and the Agricultural Credit Insurance Fund (ACIF) in such amounts as would be necessary to realize net proceeds of $555,000,000 in fiscal year 1987; $549,000,000 in fiscal year 1988; and $543,000,000 in fiscal year 1989.

Senator Andrews asked whether the makers of notes and other obligations sold to private investors would continue to receive the same protections regarding interest rates and payback provisions. Committee counsel explained that the contractual rights, which include interest rates and other contractual terms, would remain the same after purchase, but that the notes and other obligations would be sold without recourse to the Federal Government.

Senator Zorinsky then offered an amendment to the Helms proposal to strike references to the Agricultural Credit Insurance Fund, thus limiting the mandated sales to notes and other obligations held in the Rural Development Insurance Fund. He explained that borrowers from the Agricultural Credit Insurance Fund are often farmers in adverse financial circumstances and that it is important to protect their procedural rights. He stated that the Congressional Budget Office had assured him that the required savings could be achieved through sales of RDIF notes and obligations.

Senator Zorinsky's amendment also expressly stated that Farm Credit System institutions would be eligible to purchase notes and other obligations sold from the Rural Development Insurance Fund and to service these obligations. Senator Zorinsky stated that this provision was necessary to facilitate the sale of notes and other obligations from the RDIF, while not unduly expanding the authority of system institutions to make loans.

Chairman Helms then called on a representative of the Congressional Budget Office, who advised the Committee that CBO estimates indicated there were sufficient assets in the Rural Development Insurance Fund that could be sold to achieve the necessary budget savings.

The Committee understands that the assets in the water and waste program as of March 30, 1985, were $6.538 billion, and those in the community facilities program were $1.552 billion, for a total of $8.090 billion.

On a voice vote, the Committee then adopted the Helms proposal as amended by the Zorinsky amendment

SECTION-BY-SECTION ANALYSIS

Section 101(a) provides that the Secretary of Agriculture must, under such terms as the Secretary may prescribe, sell notes and other obligations held in the Rural Development Insurance Fund established under section 309A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929a) in such amounts as to realize net proceeds of not less than—

(a) $555,000,000 from such sales during fiscal year 1987;

(b) $549,000,000 from such sales during fiscal year 1988; and

(c) $543,000,000 from such sales during fiscal year 1989.

Section 101(b) amends section 309A(e) of the Consolidated Farm and Rural Development Act to make explicit that the Secretary may sell notes and other obligations from the Rural Development Insurance Fund on a nonrecourse basis. The Secretary and any subsequent purchaser of such notes and other obligations sold by the Secretary on a nonrecourse basis will be relieved of

any responsibilities that might have been imposed had the borrower remained indebted to the Secretary.

The Committee intends that there be no Federal governmental liability to either the makers or purchasers of notes held in the Rural Development Insurance Fund once any sale of such notes is complete. By the use of the term "nonrecourse", the Committee intends that there be no Federal guarantees of principal and interest payments, repurchase contracts, agreements to replace bad loans with good loans, warranties relating to collateral value, or any other agreements requiring continued Federal involvement or contingent liability. Any credit or note enhancement mesures, such as reserve funds, over collateralization, or insurance, shall be the responsibility of the purchaser.

Section 101(c) provides that institutions of the Farm Credit System operating under the Farm Credit Act of 1971 (12 U.S.C. 2001) will be eligible to purchase notes and other obligations held in the Rural Development Insurance Fund and to service (including the extension of additional credit and all other actions necessary to preserve, conserve, or protect the institutions' interests in such notes and other obligations), collect, and dispose of such notes and other obligations, subject only to such terms and conditions as may be agreed to by the Secretary of Agriculture and such purchasing institutions and as are approved by the Farm Credit Administration.

The Committee recognizes that the servicing of notes and other obligations purchased by Farm Credit System institutions may entail the extension of additional credit to the makers of the notes or other obligations and that such extensions of credit may be made to borrowers not eligible, under current law, to borrow from system institutions.

CBO COST ESTIMATE

At the request of the Chairman of the Senate Committee on Agriculture, Nutrition, and Forestry, the Congressional Budget Office prepared a cost estimate of the provisions in title I. The cost estimate follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 21, 1986.

Hon. JESSE A. HELMS,
Chairman, Committee on Agriculture, Nutrition and Forestry, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for a bill to require the Secretary of Agriculture to sell Rural Development Insurance Fund loans in amounts sufficient to meet reconciliation savings assigned in the fiscal year 1987 budget resolution.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

RUDOLPH G. PENNER.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: Not yet assigned.

2. Bill title: A bill to require the Secretary of Agriculture to sell Rural Development Insurance Fund loans in amounts sufficient to meet reconciliation savings assigned in the fiscal year 1987 budget resolution.

3. Bill status: As ordered reported by the Senate Committee on Agriculture, Nutrition, and Forestry, July 16, 1986.

4. Bill purpose: This bill requires the Secretary of Agriculture to sell loans held by the Rural Development Insurance Fund (RDIF) in amounts sufficient to meet the Committee's reconciliation targets. The bill also clarifies the authority of Farm Credit System institutions to purchase RDIF loans.

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1987	1988	1989	1990	1991
Estimated borrowing authority		−118	−122	292	292
Estimated outlays	−555	−549	−543	292	292

The costs of this bill fall within budget function 450.

Basis of estimate: The bill sets certain targets for the net proceeds from the sale of RDIF loans. These proceeds offset borrowing authority, where it is estimated to be required, and outlays. CBO estimates that, in fiscal years 1987 through 1989, sales of loans with face value of about $1.0 billion, $1.2 billion, and $1.3 billion, respectively, will be required in order to meet the targets specified in the bill. These amounts were estimated using the market yields of Moody's Aaa securities of comparable maturity. The sale of loans results in the loss of future annual principal and interest payments estimated at $292 million for fiscal years 1990 and beyond, which increases estimated borrowing authority and outlays in those years by the same amount. CBO assumes that all loans will be sold without recourse to the federal government. Consequently, proceeds from the sale would be counted as offsetting receipt and would offset borrowing authority and outlays. Were the loans to be sold with recourse, CBO would count the proceeds as borrowing, which would not offset borrowing authority or outlays.

There is some speculation that the interest from these loans would be exempt from federal taxation. No bond counsel opinion exists stating that these loans would be tax-exempt, but should this be the case, then loans of lower face value would need to be sold each year to meet the targets. This would result in reduced federal tax revenues, but would also reduce the loss from forgone principal and interest payments.

6. Estimated cost to State and local governments: None.

7. Estimate Comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Paul DiNardo.

10. Estimate approved by: C.G. Nuckols, for James L. Blum, Assistant Director for Budget Analysis.

REGULATORY IMPACT EVALUATION

In compliance with section 11(b) of Rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact associated with the implementation of title I as reported.

Section 101 of title I directs the Secretary of Agriculture to sell notes and other obligations held in the Rural Development Insurance Fund established under section 309A of the Consolidated Farm and Rural Development Act to realize net proceeds of $555 million, $549 million, and $543 million, during fiscal years 1987, 1988, and 1989, respectively. Institutions of the Farm Credit System would be eligible to purchase the notes and other obligations held in the Rural Development Insurance Fund and subsequently service, collect, and dispose of the obligations.

This provision will have little regulatory impact on the individuals and communities that have issued the notes and obligations held in the Rural Development Insurance Fund. Under the terms of the provision, these notes and obligations will be sold to private purchasers without recourse. Neither the makers nor the subsequent purchasers will have any rights against the Secretary of Agriculture subsequent to the sale of the obligations. Other than a limitation on the ability of the private purchaser to force the maker of the obligation to obtain financing elsewhere and pay off the obligation, all rights between the maker and the purchaser and contractual in nature and are fixed by the language of the repsective note.

This title will have little effect on the personal privacy of borrowers and purchasers and on the amount of governmental paperwork performed by the members of these groups. The servicing practices of the purchasers may differ from those of the Farmers Home Administration, but should not materially affect the borrowers. To the extent that the obligations are no longer serviced by the Farmers Home Administration, agency personnel will be available to handle the servicing of FmHA farm real estate and operating loans.

CHANGES IN EXISTING TITLE I

Changes in existing law made by title I are shown as follows (existing law proposed to be deleted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

* * * * *

SUBTITLE A.—REAL ESTATE LOANS

* * * * *

SEC. 309A. * * *

* * * * *

(e) Notes and security acquired by the Secretary in connection with rural development loans made, guaranteed, or insured under this title or transferred by subsection (b) of this section shall become a part of the Insurance Fund. Notes *and other obligations* may be held in the Insurance Fund and collected in accordance with their terms or may be sold by the Secretary with or without agreements for insurance thereof at the balance due thereon, or on such other basis as the Secretary may determine from time to time[.], *including sale on a nonrecourse basis. The Secretary and any subsequent purchaser of such notes and other obligations sold by the Secretary on a nonrecourse basis shall be relieved of any responsibilities that might have been imposed, had the borrower remained indebted to the Secretary.* All net proceeds from such collections, including sales of notes or property, shall be deposited in and become a part of the Insurance Fund.

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COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

TITLE II

UNITED STATES SENATE, COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,

Washington, DC, July 29, 1986.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

Hon. LAWTON CHILES,
Ranking Minority Member, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR SENATORS DOMENICI AND CHILES: As requested, attached herewith is legislative and report language comprising the Senate Banking, Housing and Urban Affairs Committee's response to the reconciliation requirements of the Budget Resolution for Fiscal year 1987, as adopted during our markup today.

Sincerely,

JAKE GARN,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate.

WILLIAM PROXMIRE,
Ranking Minority Member, Committee on Banking, Housing, and Urban Affairs, U.S. Senate.

REPORT LANGUAGE TO ACCOMPANY THE RECONCILIATION RECOMMENDATIONS OF THE SENATE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS FOR FISCAL YEARS 1987, 1988, AND 1989

The Committee on Banking, Housing and Urban Affairs met on July 29, 1986 to consider legislation to make savings in accordance with the reconciliation instructions of subsections (a) and (m) of Section 2 of the concurrent resolution on the budget for fiscal year 1987. Without objection, the Committee ordered the following recommendations to be made to the Committee on the Budget for inclusion in reconciliation legislation to be reported to the Senate.

First, the Committee has acted to require the sale of rural housing loans to the public in an amount that shall be sufficient to provide $1,158,000,000 in net receipts to offset federal outlays in fiscal year 1987, $500,000,000 in fiscal year 1988, and $500,000,000 in fiscal year 1989. The Committee would like to make clear that the sale of these loans will reduce the assets of the United States by the amount of the principal and the income from the interest that would otherwise accrue to the federal government. While the amount of loans necessary to sell in order to achieve the stated outlay reduction will be only a small portion of the entire rural housing portfolio, it is assumed that this portion contains the better loans in the entire portfolio. Therefore, it is with reluctance that this action is taken and only because the alternative of reducing assisted housing program levels for very low- and low-income families in dire need of housing assistance is considered as the only other alternative under the debt reduction imperatives with which the Committee is faced. Accordingly, the Secretary of Agriculture is directed to sell from the Farmers Home Administration portfolio of housing loans those loans that would be expected to be most easily sold to the public with the least cost to the government. The Committee is aware that such loans are more likely to be noninterest subsidy loans with relatively high note rates and substantial remaining terms. The Committee is also aware that the Secretary shall have to redeem the Certificates of Beneficial Ownership held by the Federal Financing Bank (FFB) in order to free these loans so that he may sell them to the public. Such redemptions will involve an interest penalty cost to hold the FFB harmless. The authority to redeem these loans is already within the power of the Secretary of Agriculture and the Committee expects that the FFB will expeditiously and fully cooperate with the Secretary in such actions necessary to achieve the purposes of this section.

The Committee is also concerned that the Secretary of Agriculture, to the maximum extent practicable, give consideration to the protection due the borrowers when setting forth the guidelines that govern the sale of these loans. While it may not be possible to extend every protection afforded borrowers when the loan was made by the Secretary, all such protection that may be extended without adversely affecting the expeditious sale of these loans to the public should be provided. In addition, the Committee has included certain reporting requirements among the provisions to assure that the fiscal year 1987 outlay reduction intended by this action is actually achieved. The Secretary is required to report to the House Banking, Finance and Urban Affairs and the Senate Banking, Housing and Urban Affairs Committees 90 days following enactment of this section and each subsequent 90-day period throughout fiscal year 1987 on the progress made in actually realizing the required proceeds from the sale of rural housing loans so that the Congress may be alerted in a timely manner to any problems that prevent its intended outlay requirements for the Comptroller General to audit and evaluate the progress and results of the Secretary of Agriculture in the subject loan sale activities in order to further assist the Committees in achieving the objectives intended in this section.

Second, the Committee has acted to require the sale of Export-Import Bank (Exim) loans to the public in an amount that shall be sufficient to provide $500,000,000 in net receipts to offset federal outlays in fiscal year 1987. While it is likely that only 5 percent of Exim's total portfolio will have to be sold, it is assumed that this portion will contain the highest quality loans in the portfolio in order to ensure the highest return to the federal government. These would include loans such as those to the developed economies of Europe, Japan and Canada, bearing average coupon rates of roughly 8.75 percent.

Despite the relative attractiveness of these loans compared to Exim's overall portfolio, there is no existing secondary market for these loans and it is likely that they will sell in the market at a substantial discount. Without remedial action, this discount will be borne by Exim reserves and capital. In addition, since Exim would return the proceeds of sale to the treasury through its transactions with the FFB, Exim prepayment of the liabilities underlying the assets sold would result in a "prepayment penalty" charged by FFB (based on the current value of scheduled repayments in light of present interest rates) that would also hit Bank capital.

The Committee recognizes that the combination of the loss of the Bank's highest quality assets and the large hit to Bank capital would impair the standing of the Bank in capital markets. The effectiveness and the value of Exim's guarantees would be adversely affected, complicating its mission of supporting U.S. exports. In order to avoid such damage, the Committee therefore authorizes the Bank to issue new capital stock in an amount equal to any reduction in capital and reserves arising from the asset sale and related transactions described above. The Committee further authorizes and directs the Secretary of the Treasury to purchase such stock on behalf of the U.S. Government.

This provision will ensure that the Export-Import Bank does not suffer a loss of capital and impairment of its ability to support U.S. exports as a result of extraordinary measures to provide resources to the General Fund to reduce the budget deficit. The total capital position of the Bank will be unchanged, but Treasury holdings of capital stock will be increased by an amount equal to the loss of reserves from the above described transactions.

CBO COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 31, 1986.

Hon. JAKE GARN,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached table analyzing the budget impact of the reconciliation recommendations of the Senate Committee on Banking, Housing and Urban Affairs, as ordered reported on July 29, 1986.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

RUDOLPH G. PENNER.

RECONCILIATION RECOMMENDATIONS FOR FISCAL YEAR 1987—SENATE COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

FEDERAL BUDGET IMPACT RELATIVE TO CURRENT LAW AND THE BUDGET RESOLUTION BASELINE

[By fiscal year, in million of dollars]

	1987	1988	1989	1990	1991
Direct spending:					
Sale of Rural Housing loans: [1]					
Function 370:					
Estimated budget authority	642	.....	236	−88	−114
Estimated outlays	−1,158	−500	−500	−88	−101
Function 900 (interest):					
Estimated budget authority	−247	120	205	422	435
Estimated outlays	−247	120	205	422	435
Sale of Eximbank loans: [2]					
Function 150:					
Estimated budget authority [3]	120	−470	.....	.....	.....
Estimated outlays	−500	119	110	93	65
Function 900 (interest):					
Estimated budget authority	.....	39	39	39	39
Estimated outlays	.....	39	39	39	39
Total—direct spending:					
Estimated budget authority	515	−311	480	373	360
Estimated outlays	−1,905	−222	−146	466	438

[1] The reconciliation recommendations would require the Farmers Home Administration [FmHA] to sell loan assets in amounts sufficient to lower net outlays (increase receipts) by $1,158 million in fiscal year 1987, $500 million in 1988, and $500 million in 1989. The terms and conditions of the sales would be determined by the Secretary of Agriculture. The amount of loans that would ultimately be sold would depend upon the loans chosen for sale and the market response. For this estimate, it was assumed that high quality loans bearing interest rates comparable to the current market would be chosen. It was further assumed that the sales would be made without recourse to the Federal Government. Under the assumptions used, an estimated $3,329 million of loans would have to be sold over the 3-year period.

[2] The committee's recommendations would require the Export-Import Bank to sell sufficient loan assets to reduce outlays by $500 million in 1987. The terms and conditions of the sales would be determined by the Board of Directors of the Bank. The loans are assumed to be sold without recourse to the Federal Government. An estimated $643 million of loans would be sold in order to meet the savings specified in the legislation.

[3] Section 2002(c) provides a permanent, indefinite appropriation for the Secretary of the Treasury to purchase capital stock in the Eximbank equal to

the losses realized from the sale of its load assets. The estimate assumes $65 million in losses from sale of assets and $55 million in prepayment penalties on the Eximbank's liabilities to the Federal Financing Bank.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

TITLE III

U.S. SENATE,
COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION,
Washington, DC, July 25, 1986.

Hon. PETE DOMENICI,
Committee on the Budget, U.S. Senate, Washington, DC.

DEAR SENATOR DOMENICI: We are submitting herewith the legislative changes in programs within the jurisdiction of the Committee on Commerce, Science, and Transportation to achieve savings of $150 million in budget authority and outlays for the three year period of FY 1978-1989 as required under the reconciliation instructions contained in S. Con. Res. 120, the First Budget Resolution for 1987.

We are recommending legislative changes in programs within the Committee's jurisdiction which will achieve a savings of $192 million in budget authority and $192 million in outlays during fiscal years 1987-1989.

If you should have any questions, please feel free to contact us.

Sincerely,

JOHN C. DANFORTH,
Chairman,
ERNEST F. HOLLINGS,
Ranking Minority Member,
Committee on Commerce, Science, and Transportation.

TITLE III: SECTION 301—COAST GUARD USER FEES

This section directs the Secretary of the department in which the Coast Guard is operating to collect receipts from payments by users of Coast Guard services during fiscal years 1987 through 1989.

The Secretary is directed to establish and implement a system for collection of payments based upon sale of Support of Services (SOS) Stamps for specified services and fees to be charged to persons who utilize those services and have not purchased a SOS Stamp.

It is intended that SOS Stamps be sold at modest prices and be designed to serve as both a voluntary means of contributing to the Coast Guard and as a type of insurance, entitling the purchaser to specified services without charge. Those uninsured persons who have not purchased a SOS Stamp would pay fees for the services whenever they utilize them and would, therefore, pay a greater price for the same services.

The Secretary is given discretion to develop several different SOS Stamps, each providing coverage for different classes of services. Stamps and fees for non-emergency as well as other Coast Guard services should be considered and designed to minimize adverse economic effects upon the users as well as upon dependent and related commercial activities. It would not, for example, be appropriate to impose fees upon the barge industry at this time, since such fees would exacerbate its already severe economic depression.

The Secretary is directed to develop, by January 1, 1987, a schedule of fees to be charged to persons who utilize services and have not purchased a SOS Stamp for those same services. The Secretary is not authorized to issue regulations or collect fees under this section for any services for which there is not a corresponding and less expensive SOS Stamp available for sale. The fees are to be established by regulation under the General User Fee Statute (31 U.S.C. 9701). Such fees must, therefore, be set at a level no higher than the actual cost of the service and value to the individual to be charged a fee, and they must satisfy the other requirements of that Statute.

The Secretary is directed to report to Congress by December 1, 1986, prior to implementing the system and again after one year of experience with the system. The Committee intends to monitor the Secretary's efforts closely and to scrutinize the implementation of the system and its effects carefully.

SECTION 302—TITLE XI LOAN GUARANTEES

This section provides the Secretaries of Commerce and Transportation with authority to foreclose on vessels secured by title XI of the Merchant Marine Act, 1936 loan guarantees that are held by defaulting debtors in chapter 11 reorganization bankruptcy proceedings. It provides exemptions from the automatic stay provision of the Bankruptcy Code (11 U.S.C. 362), which would otherwise apply to such vessels and impede foreclosure by the Secretaries.

Background

Prior to the Bankruptcy Reform Act of 1978, the Federal Government was not subject to an automatic stay and could foreclose on a vessel in which it had a secured interest at any time during a bankruptcy proceeding. The Bankruptcy Reform Act modified prior law by providing the Federal Government with only a limited exemption from the stay for secured interests in vessels which were certificated by the Interstate Commerce Commission (ICC) (11 U.S.C. 1110). The government was not granted an exemption for other vessels subject to title XI loan guarantees.

The title XI loan guarantee program (46 App. U.S.C. 1271 et seq.) is currently experiencing financial difficulties. There are very few vessels financed under title XI that are certificated by the ICC. The Federal Government has guarantees in excess of $6 billion, of which approximately $1.25 billion are in default. Approximately $715 million of the defaulted loans are in bankruptcy proceedings, and a substantial number of additional bankruptcies are anticipated. The Secretaries of Commerce and Transportation maintain that it is in the public interest to provide the Federal Government with the authority to foreclose on vessels secured by title XI loan guarantees involved in bankruptcy proceedings, rather than forcing the government to await the conclusion of those proceedings.

Legislative history

S. 1992 and S. 1993 were introduced by Senator Stevens on behalf of the administration on December 19, 1985. The Subcommittee on Merchant Marine conducted a hearing on March 21, 1986, to review the administration's proposals. At that time, alternative language was offered to narrow the scope of the legislation, and this was introduced by Senator STEVENS upon request as S. 2436.

Summary of major provisions

Section 302 contains four key features:

Preferred Creditor Status

The original administration proposals, S. 1992 and S. 1993, provided an exemption from the automatic stay for all creditors who had secured interests in vessels subject to bankruptcy proceedings. This section limits the preferred creditor class to the Secretaries of Commerce and Transportation for vessels guaranteed under the title XI program. This feature eliminates the potential for creditors other than the Secretaries to impede a bankruptcy proceeding when the Secretary may have determined that it is in the public interest to permit a reorganization under chapter 11 to occur.

Retroactive Application

It was unclear from the language of S. 1992 and S. 1993 whether the exemption from the automatic stay provision would apply to the bankruptcy proceedings initiated prior to the date of enactment of that legislation. The Committee determined that retroactive application of the exemption would be fundamentally unfair to debtors already in bankruptcy due to the difficult business decisions that would have been made in reliance upon the protection of the existing Bankruptcy Code from foreclosure on assets. This section makes the authority to foreclose applicable only to those bankruptcy proceedings initiated after August 1, 1986.

Limited Duration

The authority to foreclose expires on December 31, 1989. This exemption of limited duration will provide Congress an opportunity to review the exercise of discretion by the Secretaries in implementing the bill's foreclosure authority over the three-year period and its effects on the bankruptcy proceedings and maritime interests.

Chapter 13 Proceedings

S. 1993 and S. 2436 would have provided the Secretaries with an exemption from the automatic stay provision in chapter 13 bankruptcy proceedings involving the adjustment of debts of individuals as well as in chapter 11 proceedings involving corporate reorganization. Information provided by the Department of Commerce indicates that the level of defaults and related borrowing from the Treasury associated with individuals is minuscule compared to corporate defaults. For these reasons, this section does not provide authority to foreclose on title XI guaranteed vessels involved in chapter 13 proceedings.

Section-by-seciton analysis

Section 302(a) adds two exemptions to the eleven exemptions form the automatic stay on foreclosure proceedings set forth in section 362(b) of title 11, United States Code. New exemption (12) provides the Secretary of Transportation with foreclosure authority and new exemption (13) provides the same authority to the Secretary of Commerce. These exemptions are available only with respect to debtors in chapter 11 reorganization proceedings.

The respective Secretaries are required to file a petition with the bankruptcy court for relief from the automatic stay and a 90-day grace period is provided before the stay is lifted. The exemption from the automatic stay provision is applicable to the commencement, continuation, and conclusion to the entry of final judgment of the foreclosure action. It is intended that all stages of the litigation be exempt from the operation of the stay, including those stages which extend beyond December 31, 1989, provided the action is commenced before that date. This section is also intended to permit district courts sitting in admiralty to distribute the proceeds from any liquidation once the stay has been lifted.

Reference is made to section 207 of the Merchant Marine Act, 1936 because it provides the Secretary with the general author-

ity to enter into contracts including, but not limited to, title XI loan guarantees. The reference to "applicable State law" applies to those situations in which the Secretary holds a secuirty interest in a vessel under construction. This security interest is evidenced by a Uniform Commercial Code filing, accomplished pursuant to State law.

Section 302(b) provides that the exemptions from the automatic stay apply in only those chapter 11 proceedings initiated by petitions filed under section 362 of title 11, United States Code, after August 1, 1986.

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, DC, July 29, 1986.

Hon. JOHN C. DANFORTH,
Chairman, Committee on Commerce, Science and Transportation, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached table analyzing Title III of the Omnibus Reconciliation Act of 1986, as ordered reported by the Senate Committee on Commerce, Science and Transportation, July 23, 1986.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

RUDOLPH G. PENNER.

FEDERAL BUDGET IMPACT RELATIVE TO CURRENT LAW AND THE BUDGET RESOLUTION BASELINE ADJUSTED FOR ENACTED LEGISLATION

[By fiscal year, in millions of dollars]

	1987	1988	1989	1990	1991
Direct spending:					
Section 301—Coast Guard user fees:					
Estimated budget authority	−38	−50	−50		
Estimated outlays	−38	−50	−50		
Section 302—Title 11 loan guarantees: [1]					
Estimated budget authority	−12	−36	−6	27	16
Estimated outlays	−12	−36	−6	27	16
Total—Direct spending:					
Estimated budget authority	−50	−86	−56	27	16
Estimated outlays	−50	−86	−56	27	16

[1] Section 302 would enable the Maritime Administration to take possession (and title) to a vessel that has defaulted on its loans to the agency and declares bankruptcy after August 1, 1986. The primary impact of this title is essentially one of timing: under current law, MARAD is able to recover its losses on court-protected vessels only after lengthy bankruptcy proceedings that can delay the transfer of title by several years. The CBO estimate assumes that the effect of this section would be to speed up recoveries on assets of bankrupt defaulters by about 2 years. In the first 3 years, this would result in savings, but in later years this provision would result in outlay increases, because defaults and (correspondingly) recoveries fall in later years, and recoveries that are moved forward become smaller. The net impact of section 302 over 5 years is a savings of $11 million.

Any estimate of savings from enactment of this section depends on assumptions regarding market conditions, MARAD policies, and other very uncertain factors. The results of this analysis depends heavily on the assumption that ships obtained by MARAD under this bill will be sold in a timely fashion. If the agency does not sell its assets for any reason—including further deterioration of market conditions or industrial policy considerations—the bill could result in cost rather than savings. This would occur because the Government, by taking control of the asset, would forgo bankruptcy protection payments to which it would otherwise be entitled and, in addition, would incur maintenance and other custodial costs from a much earlier date than under current law.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

TITLE IV

COMMITTEE ON
ENERGY AND NATURAL RESOURCES,
Washington, DC, July 29, 1986.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: In accordance with the reconciliation instruction contained in the Concurrent Resolution on the Budget, Fiscal Year 1987 (S. Con. Res. 120, H. Rept. 99-664), enclosed are the legislation and report language of the Committee on Energy and Natural Resources. The recommendations of the Committee include changes in existing laws within its jurisdiction to reflect the assumptions in the Committee's reconciliation instruction. The recommendations of the Committee achieve changes in spending authority for fiscal year 1987, and for the aggregate three-year period of fiscal years 1987 through 1989.

On behalf of the Committee, we look forward to working with your Committee to achieve early Senate approval of the Omnibus Budget Reconciliation Act of 1987.

Sincerely,

JAMES A. MCCLURE,
Chairman.
J. BENNETT JOHNSTON,
Ranking Minority Member.

[Committee on Energy and Natural Resources]

RECONCILIATION RECOMMENDATIONS PURSUANT TO S. CON. RES. 120

July 29, 1986

Mr. McClure, reported by the Committee on July 29, 1986, and transmitted to the Senate Budget Committee pursuant to S. Con. Res. 120.

SHORT EXPLANATION

In accordance with the reconciliation instruction contained in the Concurrent Resolution on the Budget—Fiscal Year 1987 (S. Con. Res. 120, H. Rept. 99-664), the Committee on Energy and Natural Resources recommends, as discussed herein, changes in laws within its jurisdiction which provide spending authority so as to achieve the savings in budget authority and outlays for fiscal year 1987, and for the aggregate 3-year period of fiscal years 1987 through 1989 (See table 4.1).

In summary, the recommendations of the Committee result in estimated savings in budget authority and outlays compared to the Senate Budget Resolution assumptions, as follows:

For fiscal year 1987, the Committee estimates that its recommendations would achieve savings in spending of $132 million in budget authority and $132 million in outlays compared to the SBC Baseline (See table 4.1);

For the three-year period fiscal years 1986 through 1989, the Committee estimates that its recommendations would achieve aggregate savings in spending of $246 million in budget authority and $246 million in outlays (See table 4.1);

Consistent with the assumptions in the reconciliation instruction to the Committee, the recommendations of the Committee include: (1) the recoupment of additional petroleum overcharge funds over the next three years; and (2) recovery by the Federal Energy Regulatory Commission of its direct and indirect costs through the use of fees and annual charges assessed against all companies that are subject to FERC's jurisdiction.

In addition, the recommendations of the Committee achieve savings in spending in four areas not assumed in its reconciliation instruction: (1) Federal Energy management; (2) DOE Manufacturers Energy Consumption Survey; (3) DOE Study of Crude Oil Production and Refining Capacity in the United States; and (4) DOI Great Swamp National Wildlife Refuge.

Following Congressional approval of the Budget Resolution, the United States District Court for Kansas approved, on July 7, 1986, the settlement in the Department of Energy Stripper Well Exemption Litigation (MDL No. 378). As discussed below, the settlement accomplished three things: First, it provides for the distribution of the overcharge funds currently held in escrow in the *Stripper Well* case. Second, it addresses the distribution of future overcharge funds collected in other crude oil overcharge cases. Third, it resolves litigation arising from the failure of the Department to issue final buy and sell lists for the crude oil entitlements program for the months immediately prior to decontrol in January 1981.

In summary, the Committee bill as amended preserves fully the agreement and judgment while at the same time recouping for the Federal Treasury all crude oil overcharge funds not subject to the agreement and judgment. The legislation does not expand or reduce in any way the scope of the funds covered by the Stripper Well settlement agreement or the court's judgment, including the escrowed and deficiency funds in MDL 378, the funds currently in DOE or other escrow accounts, and any other funds in which rights were created or vested by the agreement or judgment. (See Committee Action for further discussion.)

TABLE 4.1—COMMITTEE ACTION

[In millions of dollars]

Program	Spending savings for fiscal year—			
	1987	1988	1989	Total
Reconciliation instruction:				
Budget authority	−1,025	−400	−400	−1,825
Outlays	−1,217	−421	−412	−2,050
Department of Energy:				
Petroleum overcharge funds:				
Budget authority	−100			−100
Outlays	−100			−100
State energy conservation programs:				
Budget authority				
Outlays				
Federal energy management programs:				
Budget authority	−0.1	−0.1	−0.1	−0.3
Outlays	−0.1	−0.1	−0.1	−0.3
Manufacturers energy consumption survey:				
Budget authority	−0.3	−0.3	−0.3	−1
Outlays	−0.3	−0.3	−0.3	−1
Study of domestic production and refining:				
Budget authority	−0.3	−0.3	−0.3	−1
Outlays	−0.3	−0.3	−0.3	−1
Federal Energy Regulatory Commission:				
Fees and annual charges:				
Budget authority	−31	−56	−56	−143
Outlays	−31	−56	−56	−143
Total:				
Budget authority	−132	−57	−57	−246
Outlays	−132	−57	−57	−246

SUMMARY OF MAJOR PROVISIONS

The recommendations of the Committee on Energy and Natural Resources encompass programs and activities of the following Departments and agencies within the jurisdiction of the Committee:

Department of Energy; and

Federal Energy Regulatory Commission.

Consistent with the assumptions in the reconciliation instruction to the Committee, as discussed below, its recommendations include: (1) the recoupment of additional petroleum overcharge funds over the next three years; and (2) recovery by the Federal Energy Regulatory Commission of its direct and indirect costs through the use of fees and annual charges assessed against all companies that are subject to its jurisdiction.

In addition, the recommendations of the Committee achieve savings in spending in four areas not assumed in its reconciliation instruction: (1) Federal Energy management; (2) DOE Manufacturers Energy Consumption Survey; (2) DOE Study of Crude Oil Production and Refining Capacity in the United States; and (4) DOI Great Swamp National Wildlife Refuge.

These recommendations encompass only two of the broad functional areas utilized by the Congressional budget process, namely: function 270: Energy; and function 950: Undistributed Offsetting Receipts.

DEPARTMENT OF ENERGY

Petroleum overcharge funds

Background: From August 18, 1973, until January 27, 1981, there was in effect mandatory petroleum price and allocation controls under the Emergency Petroleum Allocation Act of 1973. During that period overcharges occurred under various types of often complex situations.

Subsequently, on the basis of audits performed by the Economic Regulatory Administration (ERA) of the Department of Energy (DOE), violators of the regulations have been identified and enforcement actions have been brought against the violators. Many of these overcharge cases have either been successfully adjudicated administratively by the DOE's Office of Hearings and Appeals, or appealed, litigated and brought to judgment in the courts, or have been settled by the Department and affected parties. Nevertheless many cases are still pending and more may be initiated in the future.

This has been an enormous and costly effort over more than a decade.

Often these cases were resolved through consent orders with the companies. The consent order might provide for various types of remedies, including direct cash refund to customers. If it was difficult to identify injured parties, the consent order might specify the amount to be paid into an escrow account, until a just and equitable method could be determined for distribution of the funds to overcharged parties. Those determinations frequently have been very difficult because of an inability to determine to what extent firms in the distribution chain actually may have absorbed, rather than passed on, any overcharges. Consequently, because few customers have the records necessary to document overcharges, approximately 90 percent of the recovered overcharge funds are typically unclaimed.

In such circumstances, where the economically injured parties could not be identified or distribution to injured parties was not practical, several attempts were made to fashion methods of indirect restitution to distribute these unclaimed monies. Until enactment in 1982 of the Warner Amendment (Sec. 155 of P.L. 97-337), which provided for the one time distribution of $200 million to the States for certain energy programs, there was no Congressional guidance as to what remedies might be preferred as a matter of public policy. Consequently, disputes arose over the appropriate method for disbursing indirect restitution which resulted in protracted and costly litigation.

Over the years the Department had employed a variety of forms of indirect restitution as a means of affording general compensation to persons thought to have been adversely affected by alleged overcharges. These remedies included company administered claims funds, price rollbacks, payments in the form of crude oil provided to the Strategic Petroleum Reserve, price reductions on fuel sold to utilities and transportation entities, payments to low-income heating oil consumers through charities, payments to State governments for general energy purposes, and payments directly to the U.S. Treasury.

However, following enactment of the Warner Amendment, the courts began to fashion their own remedies. For example, in 1983 the U.S. District Court for the District of Columbia in the *Exxon* case adopted the approach in the Warner Amendment and ordered that the overcharge funds amounting to nearly $2.1 billion (including interest) be made available directly to the States for distribution to consumers under the five specific Federal energy programs specified in the Warner Amendment. The judge chose the approach in the Warner Amendment as a Congressionally sanctioned method. The *Exxon* judgment, when it became final in January 1986 following appeal which was denied, resulted in distribution to the States of approxmiately $2 billion.

Following this precedent, on July 7, 1986, the United States District Court for Kansas approved the settlement in the Department of Energy Stripper Well Exemption Litigation (MDL No. 378). According to the Department of Energy, under this *Stripper Well* settlement the Department anticipates the ultimate recovery and disposition of approximately $4.5 bilion in its remaining crude oil cases.

The settlement accomplished three things: First, the *Stripper Well* agreement provides for the distribution of the escrow funds already collected and those yet to be collected in the Stripper Well Exemption case itself. $525 million of this money is to be distributed to refiners, resellers, retailers, agricultural cooperatives, airlines, surface, rail and water transporters and utilities, in settlement of their claims to the overcharge funds. In return, all parties waive all future claims to crude oil refunds of any kind for this period. After this disbursement and the payment of all individual claimants who can document specific crude oil overcharges, the remaining money currently in escrow and due to be deposited in escrow—about $1.3 billion—will be split equally between the States and the Federal government.

Money will be distributed among the States according to the Warner Amendment formula, but under the *Stripper Well* order the States are permitted to spend this money on a broader range of programs than the five programs specified in the Warner Amendment. Money designated for the Federal government will be deposited in the Treasury as miscellaneous receipts.

Second, the *Stripper Well* settlement specifies that money currently in escrow in other crude oil cases—about $640 million—and to be recovered in all other future crude oil cases—estimated roughly at about $2 billion—will, after payment of direct restitution, also be split equally between the States and the Federal government. The States will have the same latitude in the use of this future money as is the case with the *Stripper Well* overcharges.

Finally, it resolves ongoing litigation arising from the failure of the Department to issue final buy and sell lists for the crude oil entitlements program. These lists were to have been published subsequent to President Reagan's January 1981 order removing the last vestiges of controls from petroleum. The purpose of the lists was to provide for the exchange of cash to approximately equalize crude oil costs among refiners for January 1981 and to "clean up" discrepancies, errors, ommissions and data deficiencies that had accumulated over the life of the program.

Because the crude oil entitlements program evolved over the period of controls into a very complex web of transactions involving refiners, importers, producers and other firms in the petroleum industry, specification of the final clean up list would be very complex and controversial. At issue in the final lists was an estimated $420 million that would be paid by entitlements buyers to entitlements sellers. Extensive litigation of the outcome was assumed.

The *Stripper Well* order settles this issue by providing for the redistribution among refiners, in light of their entitlements claims, of the $293 million which they will receive pursuant to the settlement. In return, all claims and litigation relating to the final entitlements notices will be dismissed.

Recommendation: The recommendations of the Committee would (a) in the case of any crude oil overcharge settlement, order, or judgment entered into prior to the date of enactment, credit to the general fund of the Treasury any funds to which the Federal government is expressly entitled; (b) otherwise exempt such prior settlements and judgments, including the *Stripper Well* settlement and judgment, from the coverage of this legislation to the extent that any persons or classes of persons have an enforceable right, created or vested as of the date of enactment of this Act, pursuant to such a settlement, order, or judgment; and (c) in the event that there are other crude oil overcharge funds, credit to the general fund the full amount which remains after restitution to persons who have sustained economic injury.

The recommendation of the Committee also establishes a statute of limitations for the commencement of enforcement actions under the Emergency Petroleum Allocation Act of 1973. The recommendation provides that such enforcement actions would be barred unless commencement of such action is filed before the later of January 1, 1987 or six years after the date of the violation upon which the action is based.

The recommendation also earmarks up to $256 million of the Federal share of petroleum overcharge funds to be available for each of fiscal years 1987, 1988, and 1989 to supplement appropriations for the four DOE State Energy Conservation programs.

Federal energy management

Background: Currently the Federal Energy Management Program is required to use "marginal fuel costs" in calculating the energy cost savings of conservation investments in Federal buildings. Such cost estimates are difficult and expensive to calculate, but more importantly, they overstate the cost of electricity by factoring in the high cost of adding new capacity. This results in an overemphasis on efforts to save electricity rather than other fuels such as oil and gas.

Recommendation: The recommendation of the Committee would modify this requirement to permit the use of "average market" energy costs in these calculations. This change would make such calculations simpler, more accurate, and less costly to make. This change also would result in more cost effective investments in Federal building conservation projects.

The estimated savings from this change for fiscal year 1987 are $100 to $150 thousand; fiscal year 1988, $75 to $125 thousand; and fiscal year 1989, $75 to $125 thousand. The estimated three year savings are $250 to $400 thousand.

Manufacturers energy consumption survey

Background: The Energy Efficiency Improvement Program of the Department of Energy's Office of Conservation and Renewable Energy is currently required to collect industrial energy consumption data under the Energy Policy and Conservation Act (EPCA). However, this data is of questionable statistical value because of gaps in certain industries and because it is collected in a way that does not permit the extraction of data by geographical area or in certain other important subsets.

Recently the Office of Management and Budget (OMB) approved, and the DOE initiated, a new Manufacturing Energy Consumption Survey (MECS) that will collect more useful data, more efficiently through the Bureau of Census. For example, the new MECS survey will be conducted every three years rather than annually. DOE has stated that the data generated by this new survey will be more useful that the data currently required to be collected by the Office of Conservation and Renewable Energy.

Instead of maintaining two surveys, DOE and OMB are seeking to phase out the old survey (CE-189) and replace it with the new MECS survey. This new survey is already provided for in the Energy Information Administration's base program costs.

Recommendation: The recommendation of the committee would authorize the Energy Information Administration to conduct the new Manufacturers Energy Consumption Survey. In addition, it would repeal the existing survey.

The estimated annual savings are $300 thousand, or $900 thousand over three years.

Study of crude oil production and refining capacity in the United States

Recommendation: The recommendation of the committee would provide for the Secretary of Energy, acting through the Energy Information Administration (EIA) to conduct a study of domestic crude oil production and petroleum refining capacity and the effect of imports thereon. Within 60 days of enactment, the Secretary is directed to transmit to the President and the Congress such study including his findings and conclusions. The President, within 45 days thereafter, is directed to advise the Congress on his views on those levels at which imports of crude oil and refined petroleum products become a threat to national security. In addition, the President is to advise the Congress on those legislative or administrative actions, or both, required to prevent imports of crude oil and refined petroleum products from exceeding those import levels which threaten our national security.

In conducting this study it is expected that the EIA will consider all relevant factors as they relate to the domestic petroleum industry and its ability to produce crude oil and refined petroleum products, including such appropriate factors as domestic production needed for national defense and the impact of foreign competition on the economic welfare of domestic industries. The EIA shall provide notice and a reasonable opportunity for public comment on the matters within the scope of the study directed by this section, taking into account the need for the report within the time period authorized.

TABLE 4.2.—RECOUPMENT OF PETROLEUM OVERCHARGE FUNDS

[In millions of dollars, and fiscal year]

	Spending savings			Total
	1986	1987	1988	
Reconciliation instruction:				
Budget authority	−994	−344	−344	−1,682
Outlays	−1,186	−365	−356	−1,907
Committee:				
Budget authority	−100	0	0	−100
Outlays	−100	0	0	−100

FEDERAL ENERGY REGULATORY COMMISSION

User fees and annual charges.

Background: The existing authority of the Federal Energy Regulatory Commission (FERC) to recover its costs varies. For example, in the case of natural gas pipelines, its authority under the Independent Offices Appropriations Act to assess fees is limited to recovering the costs of providing regulatory "benefits," such as granting certificates permitting the construction of new facilities. By comparison, in the case of hydroelectric licenses, its authority under the Federal Power Act extends to the full recovery of all costs associated with granting licenses for hydroelectric projects and regulating the operation of such projects.

Recommendation: The recommendation of the Committee would grant to the FERC generic authority to collect fees and annual charges in amounts sufficient to reimburse all the costs incurred by the Commission. FERC would have the discretion to determine the most equitable means for recovering its costs through a combination of annual charges and fees. (See table 4.3)

TABLE 4.3.—FERC FEES AND ANNUAL CHARGES

[In millions of dollars and fiscal year]

	Spending savings			Total
	1986	1987	1988	
Reconciliation instruction:				
Budget authority	−31	−56	−56	−143
Outlays	−31	−56	−56	−143
FERC appropriations:				
Budget authority	95	95	95	285
Outlays	95	94	95	284
Existing fees:				
Budget authority	−47	−48	−49	−144
Outlays	−47	−47	−47	−144
Committee recommendation:				
Budget authority	−31	−56	−56	−153
Outlays	−31	−56	−56	−153

DEPARTMENT OF THE INTERIOR

GREAT SWAMP NATIONAL WILDLIFE REFUGE

Recommendation.—The recommendation of the Committee provides for the Secretary of the Interior to appoint an interagency task force to develop a systematic and comprehensive environmental clean-up plan for the Great Swamp National Wildlife Refuge in New Jersey. No later than 240 days after enactment, the Secretary shall transmit to the Congress a report on progress in establishing such a task force and implementing the clean-up efforts. Development of such a plan shall be carried out with unobligated funds available to the U.S. Fish and Wildlife Service.

LEGISLATIVE HISTORY

On Wednesday, February 5, 1986, President Reagan transmitted to the Congress his budget for fiscal year 1987. Beginning on February 18, the Committee on Energy and Natural Resources commenced 3 days of hearings on the Administration's proposed budget. Subsequently the Committee transmitted its report to the Budget Committee on February 25.

On June 26, 1986, this process concluded, and reconciliation began, with Congressional approval of S. Con. Res. 120, the Concurrent Resolution on the Budget—Fiscal Year 1987. The Budget Resolution sets forth the Congressional budget for the Federal Government for fiscal years 1987 through 1989.

The conference agreement meets the $144 billion deficit reduction target required by the Gramm-Rudman-Hollings Act. the conference agreement projects deficits of $142.60 billion in FY87, $115.65 billion in FY88 and $77.90 billion in FY89.

As approved, the Budget Resolution contains reconciliation instructions to 9 authorization committees to effect savings in spending authority by changes in (a) existing statutory authorizations and (b) direct spending accounts, within their respective jurisdictions. These committees also were required to report such changes by July 25, 1986.

RECONCILIATION INSTRUCTION

The budget resolution contains reconciliation instructions to nine Senate committees, including the Energy and Natural Resources Committee, which are required to submit their recommendations to the Senate Budget Committee not later than July 25, 1986. In the aggregate, the reconciliation instructions require savings of $24.2 billion over three years, including $9.168 billion in fiscal year 1987.

The instruction to the Committee on Energy and Natural Resources (section 2(o)) would require the Committee to make changes in laws within its jurisdiction which provide spending authority (as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974) sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $1,025,000,000 and outlays by $1,217,000,000 in fiscal year 1987; decrease budget authority by $400,000,000 and outlays by $421,000,000 in fiscal year 1988; and decrease budget authority by $400,000,000 and outlays by $412,000,000 in fiscal year 1989.

RECONCILIATION ASSUMPTIONS

Although not binding, two specific assumptions were made as the basis for the reconciliation instruction to the Committee: First, the budget resolution assumes that all direct and indirect FERC costs will be recovered through user fees. Second, the budget resolution assumes Federal recoupment of $2.45 billion in additional petroleum overcharge funds over the next three years, of which $1.25 billion will be recovered in FY87. (See table 4.4)

Recoupment of petroleum overcharge funds.—The reconciliation instruction to the Committee assumes enactment of legislation to recover $2.45 billion in additional oil overcharge funds over the next three years, of which $1.25 billion will be recovered in FY87. These recouped funds are to be treated as undistributed offsetting receipts (function 950).

The amounts in the reconciliation instruction do not reflect the full amounts assumed from Federal recoupment of additional oil overcharge funds due to different interpretations by the Senate and House conferees of the disposition of these funds following recoupment. The House conferees assumed

that $256 million per year will be distributed to the States to provide overcharged persons with indirect restitution in appropriate administrative and judicial proceedings. Although the Senate conferees did not agree with this assumption, it nevertheless is reflected in the reconciliation instruction to the Committee.

Following Congressional approval of the Budget Resolution, the United States District Court for Kansas approved, on July 7, 1986, the settlement in the Department of Energy Stripper Well Exemption Litigation (MDL No. 378). According to the Department of Energy, under this Stripper Well settlement and judgment the Department anticipates the ultimate recovery and disposition of approximately $4.5 billion in its remaining crude oil cases and thus addresses all crude oil funds, including funds in other administrative and judicial proceedings "regardless of whether such funds are currently in escrow or whether such cases have commenced on the date of this Order", as noted by Judge Theis in approving the Agreement (See Appendix A for opinion by Judge Theis). The DOE anticipates that the Court, pursuant to the agreement, will order disbursement of funds in mid-August and estimates that it will receive approximately $295 million in FY86 for deposit in the Federal Treasury. In FY87, DOE currently estimates Federal receipts of approximately $375 million. The additional monies collected for deposit in the Federal Treasury, which DOE anticipates will take years to recover, should be approximately $800 million. There are sufficient differences between these DOE estimates of funds currently available in escrow following Court approval of the Settlement and the assumptions in the Budget Resolution that the Senate's earlier position on being held harmless for the purpose of compliance with its reconciliation instruction is critical to the Committee meeting its instruction.

The legislative history on the Budget Resolution anticipated such a court action. The House conferees assumed that in the event that "actions beyond the control of Congress or the Administration make part of these savings unachievable, the committees of jurisdiction would be held harmless for the savings that could not be achieved, if any." This is consistent with a colloquy between Senators McClure, Domenici, Rudman and Chiles during consideration of the Senate Budget Resolution. Senator McClure asked that it be clarified that it was not the intention of the budget resolution to require the Energy Committee to comply with this reconciliation assumption should funds no longer be available for recoupment due to the court settlement of this matter. At the time, Senator McClure was assured by Budget Committee Chairman Domenici that neither the Appropriations Committee nor the Energy Committee would be obliged to achieve comparable savings elsewhere within the Committee jurisdiction should recoupment no longer be feasible.

Thus there was apparent agreement on this point despite the fact that the conference report states that the Senate conferees did not accept the House assumption for function 950. But equally important, absent a conference agreement on this assumption, the position of the Senate at the time of passage of the Budget Resolution would govern Senate action. If the Committee would have to distrub or disrupt the Stripper Well settlement in order for the Committee to achieve the assumed savings in the reconciliation instruction, the legislative history on the Budget Resolution indicates that the Committee would not be expected to do so. Moreover, the consequence would be extensive delay in the Federal government's receipt of the funds to which it is entitled under the agreement. Such delays would be contrary to the balanced budget objectives of the Gramm-Rudman-Hollings Act.

Federal Energy Regulatory Commission Fees.—The budget resolution assumes that FERC will be funded at the current program level. The reconciliation instruction to the Committee assumes that FERC will be funded at the current program level, and that all of FERC's direct and indirect costs will be recovered through the use of charges and fees assessed against all companies that are subject to FERC's jurisdiction.

TABLE 4.4.—RECONCILIATION INSTRUCTION ASSUMPTIONS IN SENATE CONCURRENT RESOLUTION 120 FOR COMMITTEE ON ENERGY AND NATURAL RESOURCES

[In millions of dollars and fiscal year]

Program	Assumed savings			
	1987	1988	1989	Total
FERC user fees (270):				
Budget authority	−31	−56	−56	−143
Outlays	−31	−56	−56	−143
Petroleum overcharge funds (950):				
Budget authority	−994	−344	−344	−1,682
Outlays	−1,186	−365	−356	−1,907
Total:				
Budget authority	−1,025	−400	−400	−1,825
Outlays	−1,217	−421	−412	−2,050

COMMITTEE ACTION

The Committee on Energy and Natural Resources met in open business session on July 29 to consider its recommendations to the Budget Committee in compliance with its reconciliation instruction in S. Con. Res. 120. On July 29, the Committee, in open business session by majority vote of a quorum present approved the legislative provisions described herein, in compliance with its reconciliation instruction.

Following Congressional approval of the Budget Resolution, the United States District Court for Kansas approved, on July 7, 1986, the settlement in the Department of Energy Stripper Well Exemption Litigation (MDL No. 378).

The Committee adopted an amendment offered by the Chairman to clarify the Committee's intent with respect to the *Stripper Well* settlement agreement and the July 7, 1986 judgment of the Kansas U.S. District Court approving that settlement. The Committee bill as amended preserves fully the agreement and judgment while at the same time recouping for the Federal Treasury all crude oil overcharge funds not subject to the agreement and judgment. The legislation does not expand or reduce in any way the scope of the funds covered by the *Stripper Well* settlement agreement or the court's judgment, including the escrowed and deficiency funds in MDL 378, the funds currently in DOE or other escrow accounts, and any other funds in which rights were created or vested by the agreement or judgment. The Committee is aware of the opinion of the Comptroller General that the court did not have the authority to address the disposition of the amounts recovered in the future. To the extent that the agreement or judgment did not cover overcharge funds to be received from future cases, or if the court did not have the legal authority to allocate such funds, the Committee intends that such future overcharge funds be deposited in the Federal Treasury. The Committee believes however that the opinion of the Comptroller is in error and that the settlement agreement does cover such funds and that the court had the legal authority to determine the distribution of such funds. The court's authority and intent, of course, is a matter which will be determined by the courts.

The rollcall vote on reporting its recommendations was 18 yeas and 0 nays, as follows:

Yeas: McClure, Hatfield,* Weicker,* Domenici,* Wallop,* Warner,* Murkowski,* Nickles, Hecht, Evans, Johnston, Bumpers,* Ford,* Metzenbaum,* Melcher, Bradley,* Bingaman,* Rockefeller.*

Nays—0.

SECTION-BY-SECTION ANALYSIS

The recommendations of the Committee appear as title IV of the Omnibus Budget Reconciliation Act of 1986.

TITLE IV—COMMITTEE ON ENERGY AND NATURAL RESOURCES

SUBTITLE A—DEPARTMENT OF ENERGY PROGRAMS

RECOUPMENT OF PETROLEUM OVERCHARGE FUNDS

Crude oil overcharge funds (Sec. 401)

Subsection 401(a) defines "restitutionary amount" for the purpose of sections 402 and 403. Sections 402 and 403 specify the procedure for distribution of restitutionary amounts which are held or received as a result of a settlement, order, or judgment (including a declaratory judgment) involving overcharges resulting from alleged crude oil pricing violations under the Emergency Petroleum Allocation Act of 1973 or the Economic Stabilization Act of 1970.

Statute of limitations (Sec. 402(b)): Subsection 402(b) amends section 18 of the Emergency Petroleum Allocation Act of 1973 to establish a statute of limitations for the commencement of enforcement actions. A new paragraph 18(b)(1) provides that such enforcement actions would be barred unless commencement of such action is filed before the later of January 1, 1987 or six years after the date of the violation upon which the action is based.

Distribution of restitutionary amounts (Sec. 402)

Subsection 402(a) provides for crediting to the general fund of the Treasury any restitutionary amounts to which the Federal government is entitled pursuant to the express terms of a settlement, order, or judgment entered into prior to the date of enactment.

The provision further provides that nothing in the subtitle shall affect any amounts to which persons or classes of persons, other than the Federal government, have an enforceable right, created or vested as of the date of enactment of this Act, under such a settlement, order, or judgment, including the *Stripper Well* Settlement (MDL No. 378) and judgment.

For the purpose of petroleum overcharge cases under the Emergency Petroleum Allocation Act the Department of Energy regulations define "person" to include any "governmental unit or instrumentality thereof," (10 CFR 205.2). The phrase "persons" or "classes of persons" as used in section 402 is

* Indicates vote by proxy.

intended to include States, territories and possessions of the United States who are parties to such settlements or court order.

Subsection 402(b) direct that, effective on the date of enactment, any restitutionary amounts, other than those governed by subsection (a), shall be credited to the Treasury after identification of an restitution to those persons who have sustained economic injury.

State energy conservation programs (Sec. 403)

Section 403 earmarks up to $256 million of the Federal share of petroleum overcharge funds to be available for each of fiscal years 1987, 1988, and 1989 to supplement funding for the four DOE State Energy Conservation programs.

FEDERAL ENERGY MANAGEMENT

Section 404 amends paragraph 544(a)(2) of the National Energy Conservation Policy Act (42 U.S.C. 8255(a)(2)), relating to Federal energy management, to permit the use of "average market" energy costs, rather than "marginal fuel costs", in calculating the energy cost savings of conservation investments in Federal buildings.

MANUFACTURERS ENERGY CONSUMPTION SURVEY

Section 406 amends section 205 of the Deparment of Energy Organization Act (42 U.S.C. 7135) to authorize the Administrator of the Energy Information Administration to conduct the new Manufacturers Energy Consumption Survey (MECS). Details are provided in the statutory language. Nothing in this section affects the existing authority of the EIA to collect data under section 52 of the Federal Energy Administration Act of 1974 (15 U.S.C. 790a).

Section 406(b) repeals the authority for the old "CE-189" survey being conducted by the DOE Office of Conservation and Renewable Energy under Part E of title III of the Energy Policy and Conservation Act (42 U.S.C. 6341-6346).

STUDY OF CRUDE OIL PRODUCTION AND REFINING CAPACITY IN THE UNITED STATES

Section 407(a) directs the Secretary of Energy, acting through the Energy Information Administration, to conduct a study of domestic crude oil production and petroleum refining capacity and the effects of imports thereon. The findings and conclusions of the Secretary must be transmitted to the President and the Congress within 60 days of enactment (subsection (c)). Subsection (b) provides for notice and reasonable opportunity for public comment.

Within 45 days after transmission to the President of the report of the Secretary, the President shall advise the Congress what his views are on what those legislative or administrative actions, or both, that will be required to prevent imports of crude oil and refined petroleum products from exceeding those import levels which threaten our national security.

SUBTITLE B—FEDERAL ENERGY REGULATORY COMMISSION

FERC fees and annual charges (Sec. 411)

Subsection 402 authorizes the Federal Energy Regulatory Commission (FERC) to assess and collect fees and annual charges sufficient to reimburse the United States for all of the costs incurred by the Commission. Such fees or annual charges shall be computed by methods that the Commission determines, by rule, to be fair and equitable. Any monies received under this section shall be credited to the general fund of the Treasury. The Commisssion may, by rule or order, waive any fee or annual charge for good cause shown.

The Committee anticipates that the Commission will establish a mechanism whereby regulated companies may include these fees and annual charges in their rates. Such a mechanism should allow recovery of these costs on a timely basis.

SUBTITLE C—DEPARTMENT OF THE INTERIOR PROGRAM

GREAT SWAMP NATIONAL WILDLIFE REFUGE

Section 422(a) directs the Secretary of the Interior to appoint an interagency task force to develop a systematic and comprehensive environmental clean-up plan for the Great Swamp National Wildlife Refuge in New Jersey. Details of the plan are specified in the statute. Within 240 days of enactment, the Secretary must transmit to the Congress a report on progress in establishing such a task force and implementing the clean-up efforts (subsection (b)). Subsection (c) provides that development of the plan is to be carried out with unobligated funds available to the U.S. Fish and Wildlife Service.

COST AND BUDGETARY CONSIDERATIONS

In compliance with paragraph 11(a) of Rule XXVI of the Standing Rules of the Senate, the following estimate of the costs of the measure has been provided by the Congressional Budget Office:

CBO COST ESTIMATE

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, DC, July 30, 1986.

Hon. JAMES A. MCCLURE,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR. MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for the Committee print entitled "Title IV, Omnibus Budget Reconciliation Act of 1986".

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

RUDOLPH G. PENNER.

CONGRESSIONAL BUDGET OFFICE

COST ESTIMATE

JULY 30, 1986.

1. Bill number: Not yet assigned.

2. Bill title: Title IV, Omnibus Budget Reconciliation Act of 1986.

3. Bill status: Committee print adopted by the Senate Committee on Energy and Natural Resources, July 29, 1986.

4. Bill purpose: The bill specifies a procedure for the distribution of funds received as a result of a settlement, order, or judgment involving overcharges resulting from actual or alleged crude oil pricing violations. The bill establishes fees and annual charges for the Federal Energy Regulatory Commission, and authorizes the creation of an interagency task force for the development of a clean-up plan for the Great Swamp National Wildlife Refuge in New Jersey.

5. Estimated cost to the Federal Government: The table on the following page summarizes the bill's estimated impact on the federal budget, relative to both current law and the budget resolution baseline as adjusted for enacted legislation.

Basis of Estimate: Subtitle A of the bill specifies the procedure for the distribution of restitutionary amounts involving actual or alleged crude oil pricing violations. The bill directs all restitutionary amounts to which the federal government is entitled to be credited to the general fund of the Treasury. The bill states that nothing in subtitle a shall affect any amounts to which persons or classes of persons currently have an enforceable right, pursuant to existing settlements, orders, or judgments. Such settlements are specified to include the settlement, approved on July 7, 1986, in *In Re: The Department of Energy Stripper Well Exemption Litigation*, M.D.L. No. 378, in the United States District Court for the District of Kansas.

Based on information provided by the Department of Energy, CBO estimates that crude oil overcharges not governed by the Stripper Well agreement will total $250 million. For the purpose of the estimate, CBO assumes that $50 million the remaining $250 million in crude oil overcharges will be disbursed to injured parties under the existing provisions for direct restitution, (which are not changed by the proposed legislation). Under current policies, the federal government is expected to receive 50 percent of remaining funds, or $100 million, with the states receiving the other 50 percent. CBO estimates that government of this bill will result in additional receipts, and hence reduced outlays, of $100 million in fiscal year 1987, relative to the resolution baseline.

ESTIMATED BUDGET IMPACT OF RECONCILIATION PROVISIONS—CHANGE FROM CURRENT LAW AND FROM THE RESOLUTION BASELINE ADJUSTED FOR ENACTED LAW

[By fiscal years, in millions of dollars]

	1987	1988	1989	1990	1991
CHANGES IN DIRECT SPENDING					
Crude oil overcharges:[1]					
Estimated budget authority	−100				
Estimated outlays	−100				
Conservation programs:					
Estimated budget authority	256	256	256		
Estimated outlays	64	235	244	192	21
FERC fees:					
Estimated budget authority	−31	−56	−56	−56	−56
Estimated outlays	−31	−56	−56	−56	−56
Total direct spending:					
Estimated budget authority	125	200	200	−56	−56
Estimated outlays	−67	179	188	136	−35
CHANGES IN AUTHORIZATIONS					
Conservation grants:					
Authorization level	−256	−256	−256		
Estimated outlays	−64	−235	−244	−192	−21
Other DOE programs:					
Authorization level	(2)	(2)	(2)	(2)	(2)
Estimated outlays	(2)	(2)	(2)	(2)	(2)
Great Swamp Wildlife Refuge:					
Authorization level	(2)	(2)	(2)	(2)	(2)
Estimated outlays	(2)	(2)	(2)	(2)	(2)
Total authorizations:					
Authorization level	−256	−256	−256		
Estimated outlays	−64	−235	−244	−192	−21

[1] The amount of funds to be obtained from future oil overcharge settlements or judgments is highly uncertain. The bill language pertaining to any "enforceable right, created or vested," is subject to potential litigation. Such litigation, if it occurs, may affect the timing of overcharges distribution and the amount of funds collected by the Federal Government for deposit in the Treasury.

[2] Less than $500,000.

Note.—The budget impact of this bill falls within budget functions 270 and 950.

The CBO estimates assumes that, if this legislation is enacted, the stripper well litigation agreement will remain in force, governing the distribtuion of all but about $250 million in crude oil overcharges. This assumption is made because the bill does not repudiate that agreement or driect that the terms of the agreement should not be met—nor does the bill specify that any parties to the agreement do not have enforceable rights under the agreement. If further liti-

gation or judicial reviews alters the distribution scheme established by the stripper well agreements, then the additional funds collected by the federal government as a result of this bill could increase from $100 million (as shown in the above table) to as much as $1,500 million. CBO does not project either the occurrance or the outcome of any future litigation concerning the existing agreement.

Subtitle A also contains a provision that makes restitutionary amounts recovered by the federal government for crude oil overcharges available to the Secretary of Energy for direct disbursement to states for energy conservation programs. The amounts to be disbursed under this provision shall be the lesser of: (1) $256 million less any amounts appropriated for such programs, and (2) the total of restitutionary amounts available. This provision shall apply to fiscal years 1987, 1988, and 1989. CBO estimates that the amounts available, under current law and the other provisions of subtitle A, will be sufficient to fund the conservation programs at the level of $256 million for all these fiscal years. This provision of the bill creates permanent spending authority for the next three fiscal years, where none currently exists; hence it is an increase in direct spending relative to both the baseline and current law. However, the creation of this permanent authority simultaneously reduces the amount of appropriations that would be necessary to reach baseline funding levels by $256 million per year. This change is equivalent to a reduction in authorizations, as shown in the above table. Taken together, the direct spending and the authorization changes for energy conservation program produce no net change in spending relative to the baseline or current law.

Subtitle A contains three additional provisions concerning Department of Energy programs: (1) a revision in the Federal Energy Management Program's procedure for calculating the energy cost savings of conservation investments, (2) an amendment to the Energy Policy and Conservation Act that strikes a requirement to conduct certain energy consumption studies, and (3) a requirement that the Department conduct a study of domestic crude oil production and petroleum refining capacity. These three provisions are expected to reduce federal outlays by less than $500,000 per year, if appropriations are correspondingly reduced.

Subtitle B of the bill requires the Federal Energy Regulatory Commission to assess and collect fees and annual charges to recover all costs incurred by the commission. Under current policies, the commission collects fees that offset approximately 50 precent of its costs. Based on information provided by the commission, CBO estimates that enactment of this bill will result in additional collections, and hence reductions in federal outlays, of $31 million in fiscal year 1987, and $56 million per year for subsequent fiscal years.

Subtitle C of the bill provides for the appointment of an interagency task force to develop a systematic and comprehensive clean-up plan for the Great Swamp National Wildlife Refuge in New Jersey. This provision is not expected to have a significant impact on federal outlays.

6. Estimated cost to state and local governments:

The provision for distribution of crude oil overcharge funds is expected to decrease the distribution of such funds to states by $100 million in fiscal year 1987, relative to current law and the resolution baseline. Under this bill, CBO estimates that the states will still receive funds from crude oil overcharge cases that are governed by the stripper well litigation agreement, approved on July 7, 1986.

The annual charges for the Federal Energy Regulatory Commission authorized by this bill would affect electric utility rates, and thus indirectly increase the utility costs of state and local governments. This increase is not expected to be significant.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Peter Fontaine (226-2860).

10. Estimate approved by:

C.G. NICKOLS

(For James L. Blum, Assistant Director for Budget Analysis).

[In the United States District Court for the District of Kansas]

IN RE: THE DEPARTMENT OF ENERGY STRIPPER WELL EXEMPTION LITIGATION

OPINION AND ORDER

Before the Court is a settlement agreement of historic proportions, which represents the culmination of substantial efforts on the part of the litigants involved. This monumental multidistrict litigation has spanned eight years, involved hundreds of parties, entailed voluminous pleadings and concerned a variety of factually and legally complex issues of substance and procedure. At this juncture, the task of the Court is the appropriate distribution of over one billion dollars in escrowed stripper well overcharge funds. The settlement agreement currently before the Court represents a comprehensive charter for the resolution of the immediate matter of satisfactory disbursement of the escrow held under the Court's direction, as well as two related matters; distribution of crude oil overchange funds in other cases, and settlement of litigation concerning the Department of Energy ("DOE") Entitlements Program.

History of the litigation

The history of the liability portion of the litigation was summarized in this Court's memorandum and order of September 13, 1983:

"This action is a consolidation of a number of cases brought by oil producers to enjoin the Federal Energy Administration (FEA), now the Department of Energy (DOE), from enforcing Ruling 1974-29, concerning low production oil wells, commonly called 'stripper wells.' The Court enjoined enforcement of the regulations in question, but ordered the oil producers to deposit into escrow the difference between the stripper well price and the controlled price of crude oil affected by the injunction. As of October 31, 1982, the escrow fund, including interest, contained over one billion dollars.

"The issue of the validity of the regulations and Rulings was finally settled in *In re The Department of Energy Stripper Well Exemption Litigation*, 690 F. 2d 1375 (Em. App. 1982), *cert. denied*, [459 U.S. 1127] (1983), in which the Temporary Emergency Court of Appeals (TECA) reversed this Court's decision and upheld the rulings and regulations as valid. TECA remanded this action to this court, with instructions to enter judgment for DOE, which judgment has been entered. The effect of TECA's decision is to declare the funds deposited in escrow to be overcharges recovered due to violations of the petroleum pricing regulations. The remaining task is the appropriate dispensation of the escrowed funds—in effect a monumental interpleader action with potential classes and subclasses."

In re the Department of Energy stripper well exemption litigation

[578 F. Supp. 586, 589 (D. Kan. 1983)]

TECA's decision made it clear that the escrowed funds represented crude oil overcharges and would need to be distributed to or for the benefit of injured parties. Beginning in the months following the TECA decision and continuing until the present time, this Court has received motions for intervention from scores of private and governmental entities and groups, at every level of the crude oil production and distribution chain, who have claimed to be the parties injured by the overcharges. As a result of the Court's orders granting permissive intervention, the parties to this litigation include, in addition to the Department of Energy and the plaintiff-producers:

1. a number of refiners, that claimed injury as a result of the impact of the overcharges on the Entitlements Program, as well as, in some cases, by virtue of their direct purchases of crude oil;

2. groups of petroleum product resellers and retailers, that claimed injury as a result of having paid, but having been unable to pass on, a portion of the overcharges;

3. a number of individual customers and consumer groups (including airlines, truckers and other motor vehicle users, and utilities), that claimed the overcharge costs had been passed along to them; and

4. states and territories that claimed the funds at issue as representatives of their citizens who allegedly paid higher prices as a result of the overcharges.

On September 13, 1983, this Court granted the motion of the Department of Energy to refer the issue of who was injured by the overcharges to the Office of Hearings and Appeals ("OHA") to conduct factfinding and attempt to trace the impact of the overcharges. On December 30, 1983, the OHA published in the Federal Register a public notice concerning the factfinding referral, which notice discussed the background of the litigation and inviting public comments on all aspects of the referral, including the impact of the overcharges and possible refund distribution mechanisms. 46 Fed Reg. 57608. In response to the notice, the OHA received over one hundred comments, including many comments from entities and groups not parties to this litigation. See Report of the Office of Hearings and Appeals on the Department of Energy, In Re Department of Energy Stripper Well Exemption Litigation, at Appendices A and B (June 19, 1985) ("OHA Report").

On May 9, 1984, the OHA published another notice in the Federal Register, announcing that it would hold an evidentiary hearing on the feasibility of tracing the impact of the overcharges. 49 Fed. Reg. 19718. That hearing was held over a period of twenty-two days, between June and October of 1984. Sixty-four public and private entities, representing thousands of members, participated actively in the hearing. Over thirty witnesses, most of whom were nationally recognized economists, econometricians and statisticians, testified, and a record of almost 13,000 pages of written and oral presentations was compiled.

On June 21, 1985, the DOE submitted the OHA Report, together with the DOE's Statement of Restitutionary Policy, to this Court. Based on the evidence which it had received and evaluated, the OHA concluded

that it was impossible to trace directly the impact of the overcharges. OHA Report at 25. However, with respect to the Entitlements Program participants, the OHA estimated that 2.7 to 8.1 percent of the overcharges were absorbed by the refiners as a class, while an estimated 91.9 to 97.3 percent of the overcharges were borne by resellers and consumers, in the aggregate. Id. at 77-83.

The DOE's Statement of Restitutionary Policy, which was published in the Federal Register, recommended that the funds remain in escrow while the Congress was given an opportunity, during its next session, to select appropriate means for restitution. 50 Fed. Reg. 27400 (July 2, 1985). If Congress did not enact legislation providing a specific means of distribution, the DOE Statement recommended that the escrowed money should be paid to the general fund of the United States Treasury. Further, the DOE proposed to apply this restitutionary policy to other overcharge funds in crude oil cases in which it was impossible to trace the effects of the overcharges.

On June 14, 1985, and September 20, 1985, respectively, the National Council of Farmer Cooperatives and Consumers Power Company moved to intervene in this multidistrict litigation. On October 3, 1985, the Court permitted their intervention because both parties had participated in the OHA factfinding process. The Court stated that unless potential intervenors had appeared before the OHA intervention would be denied absent extraordinary circumstances. On January 23, 1986, a number of groups purporting to represent low-income persons who used energy for home heating during the overcharge period filed an application to intervene. The Court denied this application on February 27, 1986, on the grounds that (i) several of the groups had failed to participate in the OHA proceedings and (ii) with respect to those groups which had participated before the OHA, the groups had not made a claim for the escrowed funds and the interests of their consumer constituents were "fully protected by the longstanding and active participation of the States and the Department of Energy" in this litigation. Dk. no. 746, p.2. In the past several months the Court has received, but has not yet ruled on, applications for intervention from a number of additional groups which had not previously appeared before the Court and which did not participate before the OHA: the Association of American Railroads, the American Waterways Operators, Inc., the Council of American Flag-Ship Operators, the National Congress of American Indians, and Southland Royalty. These applications for intervention were filed only after settlement negotiations had been conducted for several months and had culminated in a proposed settlement agreement, the existence of which was widely publicized.

On August 8, 1985, the Court held a status conference to establish a schedule for filing comments on the OHA Report and the DOE Statement. At that hearing a number of parties indicated their opposition to the findings and conclusions contained in the OHA Report. The parties also informed the Court that efforts were underway to settle the restitutionary issues in this litigation. The Court set September 23, 1985, as the deadline for the parties to submit written comments.

On September 12, 1985, the Court was informed that the OHA had prepared a draft version of its final report. Because of disputes concerning the draft report, the Court extended the deadline for filing comments on the OHA Report. Thereafter, the Court postponed the deadline several times because of the pendency of settlement negotiations. Upon the submission of the proposed settlement agreement to the Court, further proceedings regarding the OHA factfinding and the DOE Statement were postponed and the order setting a date for the submission of comments was vacated.

THE SETTLEMENT AGREEMENT

The parties to the settlement agreement include the Department of Energy, the fifty States and six Territories and Possessions ("the States"), the Refiners, the Resellers, the Retailers, the Agricultural Cooperatives, the Airlines, the Surface Transporters, and the Utilities. Vigorously contested negotiations were conducted by the representatives of each of these parties from November of 1985 through May 21, 1986, when the DOE signed the settlement agreement.

The agreement addresses three distinct matters: distribution of the Court's escrow and other funds relating to the injection well issue; distribution of crude oil overcharge funds in cases unrelated to the instant action; and resolution of extensive litigation concerning the DOE Entitlement Program. The distribution of the escrow monies, monies attributable to the injection well issue but not yet deposited into the escrow (deficiency funds), and monies in unrelated cases is predicated upon the DOE's estimate that the total of all such funds will be between four and five billion dollars. That amount includes the Court's escrow, which amounts to over one billion dollars, and an additional $333 million collected and held by the DOE as a result of a prior settlement of a case involving the injection well funds previously deposited with this court. *See* 51 Fed. Reg. 56 (January 2, 1986).

The agreement authorizes, in Parts II.A and B, the distribution of escrow funds to the Refiners and the Intervenors other than the States in specified amounts, as follows:

Refiners	$298,514,000
Retailers	58,460,694
Resellers	58,460,694
Agricultural Cooperatives	45,476,983
Airlines	38,987,129
Surface Transporters	10,750,000
Rail and Water Transporters	9,750,000
Utilities	5,250,000

The balance in the escrow, including whatever deficiency funds are collected in the future, will be divided between the United States and the States for energy-related uses for the public benefit.

The Refiners will distribute their escrow in order to effectuate a settlement of other pending litigation concerning the Entitlements Program. To achieve that end, the funds received by the Refiners will be distributed according to the Refiners Escrow Agreement. *See* Final Settlement Agreement, Exhibit A, Dk. no. 814. Of the $298,514,000 to be distributed to the Refiners, $257,238,800 will be distributed among those refiners who would have had the right to sell entitlements if the remaining entitlements notices had been issued; $19,787,600 will be distributed, based on "runs-to-stills" (volume refined), among refiners who would have had to buy entitlements; another $19,787,600 will be distributed among all refiners based on runs-to-stills; and $1.7 million will be paid to Consumers Power, a cooperative utility that operates a refinery.

Many elements of the distributions of Resellers, Retailers, Airlines and Co-ops are essentially identical and are summarized here. An Initial Distribution will be made to each of the parties' escrow accounts in the following amounts:

Resellers	$44,690,371
Retailers	44,690,371
Airlines	29,793,581
Co-ops	34,751,177

One year from the date of this Order, provided a sufficient amount of deficiency funds have been collected, each escrow account will receive a Second Distribution, as follows:

Resellers	$13,790,323
Retailers	13,790,323
Airlines	9,193,548
Co-ops	10,725,806

The States and the DOE will divide all residual funds currently available on the date of the Order, and subject to payment of the Second Distribution, all future funds deposited in the Court's escrow. As discussed below, the States and the DOE will also divide cured oil funds administered by the OHA, and other crude oil overcharge funds. Initially, the DOE will advance $200 million to the States to be repaid from future crude oil funds. Furthermore, $50 million from funds in the Court's escrow which would otherwise be distributed to the DOE will be reserved to assure the payment of the first $50 million from funds administered by the OHA to the States. When the DOE disburses those funds pursuant to the agreement, the $50 million reserve will be paid to the DOE. Thus, assuming $1.433 billion in this Court's escrow and payment to all other parties, the States will receive $660 million and the DOE will receive $260 million, assuming payment of the $50 million from the OHA's funds. After repayment of the DOE advance, all further funds will be divided equally between the DOE and the States.

The fifty-six jurisdictions to receive funds include the fifty States, the District of Columbia, Puerto Rico, the Virgin Islands, the Northern Marianas, Guam and American Samoa. The funds are allocated based on consumption of petroleum products during the period of controls, as determined by the DOE. *See* Final Settlement Agreement, Exhibit H. After the disbursements are made on the Payment Date established by the agreement, and after the Second Distributions to the Resellers, Retailers, Airlines and Co-ops have been funded, there will be a distribution every ninety days or when the escrow thereafter reaches $10 million. Further payments to the States from deficiency funds will reflect an apportionment to assure repayments to the DOE of the funds advanced by the DOE to the States.

Each State has discretion to select among energy-related programs identified in the agreement of otherwise approved by an appropriate court or the OHA, that are designed to benefit consumers of petroleum within the States (which may include motor vehicle operators, electric utility customers, home heating oil customers and other end-users of petroleum products). Before receiving the funds, the Governor of each jurisdiction must assure that they will be utilized for such programs, and must identify the programs prior to spending the funds. Among the approved programs are the five identified by Congress in the Warner Amendment, Section 155 of the Further Continuing Appropriations Act of 1983, Pub. L. No. 97-377, and the programs identified in Exhibit J to the Agreement. Each State must provide public notice and a public

hearing prior to selecting the programs for which it will spend the funds. The States may use a portion of the funds received, up to the amount permitted by legislation or up to five percent, for program administrative expenses, attorney fees and other litigation costs.

The DOE will receive the funds discussed above and will obtain repayment of the amount advanced to the States, identified above, from deficiency funds and from the OHA funds. Funds received by the DOE will be deposited in the United States Treasury or will be held in reserve to meet the DOE's obligation to fund entitlements exception relief.

Under the settlement agreement, the DOE will modify its June 21, 1985, Statement of Restitutionary Policy governing crude oil funds by providing an opportunity in special refund proceedings pursuant to 10 C.F.R. Subpart V for non-settling waiving claimants to submit any claims of injury from an alleged crude oil violation, and by dividing between the federal government and the States all funds not distributed to successful claimants. Funds received by the States under such proceedings will be allocated and used for the same purposes and in the same manner as funds received from the Court's escrow. The requirements for letters of assurance from the Governors, public hearings, identification of programs prior to expenditures, limitations on programs and reporting requirements are identical to those which apply to funds from the Court's escrow. Funds received by the DOE as a result of this policy will be subject to the same limitations on uses as described above, i.e., for deposit in the Treasury or to fund entitlements exception relief. The DOE will recommend that all judicial cases involving crude oil be resolved similarly.

All parties and claimants receiving funds under the agreement will waive any further claims to crude oil refunds. In light of the waivers which have already been signed and the tens of thousands of additional waivers which are expected to be signed, few claims by non-waiving individuals asserting injury are likely to be filed at the OHA in other crude oil cases. As a result, the policy to be adopted by the DOE will be to establish an initial reserve for such claims amounting to twenty percent of the funds received by the DOE and to disburse the remaining eighty percent in advance of the implementation of a claims procedure. The reserve in the OHA will assure the availability of adequate funds for successful claimants. The DOE will issue the modified policy statement twenty days from the date of the Court's Order, and will distribute the available OHA crude oil funds, amounting to at least $100 million, ten working days later.

The question of the deficiency funds to be paid to the Court's escrow is not resolved by this agreement. As to most of the firms involved, discovery has not been completed. These matters must be resolved on a company by company basis. While the agreement does not resolve any of the deficiency issues, it calls for cooperation among the parties to the agreement to expedite resolution of discovery issues, for the payment of uncontested amounts of deficiencies, for the waiver of penalties and for dismissal of any producer party when its deficiency has been satisfied.

There are two cases before the Court which are not part of M.D.L. No. 378: *Kerr-McGee Corp.* v. *Gulf Oil Corp.*, Civil Action No. 84-1061, and *Total Petroleum Corp.* v. *Muskegon Oil Co.*, Civil Action No. 85-1968. Gulf and Muskegon have paid funds into the Court's escrow. The agreement establishes reserves within the escrow in the amounts of $30 million for *Kerr-McGee* and $10 million for *Total*, in the event the Court determines that any judgment should be satisfied from such funds. *See* Final Settlement Agreement, ¶ II.C.2. However, the parties to the agreement retain the right to challenge the position that judgments in these cases may be paid from the Court's escrow.

COMMENTS REGARDING THE SETTLEMENT AGREEMENT

The parties to M.D.L. No. 378 (with one exception) and to the settlement filed a joint memorandum in support of the settlement agreement. Several other interested parties, such as Shell Oil Company and the American Trucking Association, Inc., also filed individual supporting memoranda. Only one party to M.D.L. No. 378 which made a claim before the DOE for the escrowed funds did not sign the agreement. That party, Total Petroleum, initially filed an objection to the agreement. Total's concerns have been resolved by the parties and Total has withdrawn its objection. The Association of American Railroads, the American Waterways Operators, Inc., and the Council of American Flag Ship Operators (previously listed generically as "Rail and Water Transporters") originally filed objections to the proposed settlement, which objections were later withdrawn.

The Georgia Poverty Rights Organization ("GPRO") and the National Congress of American Indians ("NCAI") both submitted letters to the Court which reflected their particular concerns. The GPRO requested that the settlement agreement mandate that each State expend a proportionate share of its funds on identifiable low-income programs, depending on the percentage of low-income households in the State. The NCAI requested a similar apportionment for tribal programs, based on the percentage of Native Americans within each State. As a result of negotiations, the signatories to the agreement and NCAI agreed that NCAI would withdraw its motion to intervene in exchange for the States conferring on the tribal governments and their citizens an appropriate equitable share of the benefits from State energy-related restitutionary programs either as a part of the programs benefitting the general population or otherwise. Dk. no. 846. The GPRO has agreed to dismiss its appeal in exchange for similar considerations. Dk. no. 843. In both cases, the concerns expressed by these groups were directed solely at the conditions governing the States' uses of the funds under the agreement; and in both cases, stipulations as to language and criteria resolved the incipient obstacles.

Muskegon Development filed comments supporting the settlement, but asked that an additional amount of $573,132.48, plus interest since February 28, 1986, be added to the set-aside for *Total Petroleum Corp.* v. *Muskegon Development Co.*, Civil Action No. 85-1968-T, since the $10 million called for in the agreement is no longer adequate to cover fully the claims made in that case. The parties to the agreement have indicated that they have no objections to this addition.

Southland Royalty Company filed an opposition to the agreement, alleging that the settlement would adversely affect Southland's claim that Gulf Oil Corporation erroneously deposited in the Court's escrow monies owed to Southland. Specifically, Southland claims that Gulf deposited funds into the escrow which properly qualified for uncontrolled prices under the DOE's tertiary incentive regulations, a petroleum production matter which was not before this Court in M.D.L. No. 378. DOE has opposed any withdrawal of escrowed funds deposited by Gulf because the DOE asserts that Gulf has not paid all that it owes. If Southland can substantiate its claims, the DOE has no objection to paying Southland once all of Gulf's deficiencies are satisfied. The parties to the agreement have proposed to establish a set-aside of $6 million. Southland has accepted this offer.

Congressman John Dingell, Chairman of the Subcommittee on Oversight and Investigations of the House Committee on Energy and Commerce, wrote a letter to the Court delineating certain objections to the settlement agreement. Later in this opinion the Court will address in detail Congressman Dingell's concerns.

Finally, on June 12, 1986, this Court held an open hearing on the settlement agreement. Over seventy attorneys attended the proceedings. At this hearing, parties in favor of and opposed to the settlement agreement were given the opportunity to comment on the agreement. A number of parties spoke in favor of the agreement. Because of its concerns regarding the set-aside, Southland spoke in opposition to the agreement.

COURT APPROVAL OF THE SETTLEMENT AGREEMENT

In its review of the settlement agreement, the Court is guided by a number of principles. As a matter of public policy, the law favors and encourages settlements. *Bass* v. *Phoenix Seadrill/78, Ltd.*, 749 F.2d 1154 (5th Cir. 1985); *Amoco Production Co.* v. *Federal Power Commission*, 465 F.2d 1350 (10th Cir. 1972). The settlement of actions should be fostered to avoid protracted, wasteful and expensive litigation. *Pfizer. Inc.* v. *Lord*, 456 F.2d 532 (8th Cir.), *cert denied*, 406 U.S. 976 (1972). Particularly in complex cases the litigants should be encouraged to determine their respective rights between themselves. *See Manual for Complex Litigation. Second*, § 23.11 (1985). It is in the interests of the courts and the parties that there should be an end to litigation, and the law favors the peaceful settlement of controversies.

Before the Court can approve a proposed settlement, it must find that the agreement is fair, adequate and reasonable, and is not the product of fraud by or collusion among the negotiating parties. *Ficalora* v. *Lockheed California Co.*, 751 F.2d 995 (9th Cir. 1985). In the context of government enforcement consent decrees, courts have held that "[u]nless a consent decree is unfair, inadequate or unreasonable, it ought to be approved." *SEC.* v. *Randolph*, 736 F.2d 525, 529 (9th Cir. 1984). The approval of a settlement agreement does not depend on an exact determination of the merits of the dispute. There is no talismanic formula for ascertaining when a settlement is reasonable. Rather, "[t]he evaluation of a proposed settlement requires an amalgam of delicate balancing, gross approximations and rough justice." *City of Detroit* v. *Grinnell*, 495 F.2d 448, 468 (2nd Cir. 1974).

A determination of whether a settlement is fair, adequate and reasonable requires an analysis of the risks and potential rewards of continued litigation compared to the actual benefits achieved by the proposed termination. The factors a court must consider include the complexity, expense and likely duration of the litigation, the stage of

the proceedings and the amount of discovery completed, the opinions of the negotiating parties' counsel, the arms-length nature of the negotiations and the reaction of parties opposing the settlement. *See Reed* v. *General Motors Corp.*, 703 F.2d 172 (5th Cir. 1983); *Walsh* v. *Great Atlantic & Pacific Tea Co., Inc.*, 96 F.R.D. 632 (D.N.J. 1983); *Susquehanna Corp.* v. *Korholz*, 84 F.R.D. 316 (D. Ill. 1979.)

An assessment of these factors convinces the Court that the settlement agreement, taken as a whole, if fair, reasonable and adequate to all concerned parties. The agreement was reached after arms-length negotiations among a wide range of groups representing competing interests. The negotiations were extensive and hard-fought. The very fact that objections to the agreement were lodged in the record and later withdrawn attests to the process of compromise. Counsel entered into the negotiations well-versed in the merits of their client's claims. Although the Court has independently evaluated the proposed settlement, the professional judgment of counsel involved in the litigation—who have made a determination that the settlement represents a fair allotment for their clients—is entitled to significant weight. *Johnson* v. *Montgomery County Sheriff's Dept.*, 604 F. Supp. 1346 (D. Ala. 1985); *In re Baldwin-United Corp.*, 105 F.R.D. 475 (S.D.N.Y. 1984).

Moreover, that a government agency, which is committed to the protection of the public interest, has participated in the compromise negotiations and endorsed their results is a factor in favor of settlement approval. *Marshall* v. *Holiday Magic, Inc.*, 550 F.2d 1173 (9th Cir. 1977); *Jones* v. *Amalgamated Warbasse Houses, Inc.*, 97 F.R.D. 355 (E.D.N.Y. 1983). The Department of Energy has participated extensively throughout the liability, damages and settlement phases of this complex and protracted litigation. Furthermore, pursuant to government procedures, the settlement agreement was scrutinized and approved by both the Department of Justice and the Office of Management and Budget ("OMB").

Finally, the near-unanimous support for the settlement agreement is a factor favoring approval by the Court. While a settlement stands or falls on its merits and not on a head count between its proponents and objectors, the overwhelming support for the settlement carries some persuasive force. The joint motion in support of the settlement agreement is signed by representatives of the DOE, the fifty-six States and Territories, over ninety-eight percent of the participants to the DOE entitlements program, the refiners, resellers, retailers, airlines, agricultural cooperatives, surface transporters and utilities. Equitably also the other major non-parties or intervenors who were primary industrial on users of petroleum products during the price-control period, viz., the railroads, steamship lines and barge lines, have been included in the distribution contemplated by the settlement and have withdrawn their objections and joined the settlement. There is no opposition to the settlement agreement by any party to the litigation.

The agreement provides substantial benefits for all parties and for the public, and it represents a fair compromise of the parties' competing positions. The agreement provides a significant amount and major portion of the funds to the States and to the federal government on behalf of the consuming public. The Temporary Emergency Court of Appeals has approved the form of relief in which restitutionary funds are channeled through the States for use in enumerated energy programs designed to benefit the public. *United States* v. *Exxon Corp.*, 773 F.2d 1240 (TECA 1985), *cert. denied, 106 S.Ct. 892 (1986). By according the States latitude in selecting the programs that will best meet the needs of their* particular citizens, the agreement allows the States to benefit various categories of petroleum consumers who may not receive direct refunds under the agreement. In addition, the agreement provides for payments to the United States Treasury, which will "fulfill the restitutionary goal of requiring plaintiffs to disgorge their judicially-determined illegal gains." *In Re Department of Energy Stripper Well Exemption Litigation*, 578 F. Supp. at 595. At the same time, the agreement reserves to the DOE the prosecutorial discretion necessary for it to complete pending and future enforcement actions rising from the era of petroleum price controls.

The ratio of apportionments to the refining industry under the settlement agreement falls within the range of overcharge estimates established in the OHA Report. Assuming that the total amount of crude oil overcharges will be between four and five billion dollars, the $298 million to be divided among the Entitlements Program participants is between 6 and 7.5 percent of the total, which is within the 2.7 to 8.1 percent range of overcharges the OHA determined that the refiners absorbed as a group. In exchange for this apportionment, a number of refiners have compromised other claims they asserted to the fund as first purchasers. Similarly, the distribution through a claims procedure of $215 million to petroleum resellers and retailers, agricultural cooperatives, airlines, surface transporters and utilities, will fairly and adequately compensate the members of these groups. While these groups originally requested a much larger percentage share of the escrowed funds, the Court agrees with the parties' own assessments that the settlement is in their best interests.

The risks of continued litigation are substantial for all of the parties. If the remedy issues were not resolved by agreement, each of the parties would face the risk of a significantly reduced recovery or no recovery at all. Since the OHA Report concluded that the refiners as a class were injured and that the remainder of the overcharges were passed on to resellers and consumers, the recoveries obtained by the DOE and the States under the agreement would not have been assured otherwise. Likewise, the private parties to the litigation faced the risk that the Court would direct all of the funds to the United States Treasury and the States. Thus, the benefits accruing to parties under the agreement outweigh the risks of continued litigation.

In addition, the agreement protects the interests of non-parties and of parties to other pending litigation. Insofar as the agreement provides set-asides to satisfy final judgments in private overcharge actions, it secures the rights of parties to that litigation. The agreement also allows the OHA to reserve amounts to satisfy claims of injury from overcharges by non-parties. Furthermore, the settlement will immediately free funds held by the OHA for the benefit of injured consumers.

The agreement will permit the resolution of (i) claims to other crude oil overcharge funds which have been or will be recovered by the DOE in a great many administrative or judicial proceedings; and (ii) the litigation between the DOE and numerous refiners over the termination of the Entitlements Program, which has been pending in some cases for more than five years. Thus, after payment of the specified amounts referred to above, the agreement provides for an equal division between the DOE and the States of crude oil overcharge refunds to be recovered in all other administrative and judicial proceedings, regardless of whether such funds are currently in escrow or whether such cases have commenced on the date of this Order. Futhermore, the agreement will release most private crude oil overcharge claims among and against the parties, thereby avoiding additional litigation.

Muskegon has requested a modification of the agreement. The parties anticipated that the $10 million set-aside created in paragraph II.C.2. of the agreement would be sufficient to satisfy any judgment obtained by Total in its action against Muskegon. The parties have stated that they would have no objection to the set-aside being increased by $573,132.48, plus interest from February 28, 1986, to reflect the full amount of escrowed funds attributable to Muskegon's sales to Total as of February 28, 1986. The Court finds that this adjustment is appropriate and in accord with the agreement.

Similarly, the set-aside proposed for Southland fully satisfies any claim Southland might have against the escrowed funds. The parties were able to arrive at an agreement with respect to terms and conditions. However, the Court notes that much of the dispute between the DOE and Southland involved concerns not germane to the litigation surrounding the escrowed funds. The Court finds that the interests of Southland are adequately provided for by the set-aside.

The public interest will be advanced by the value of an immediate recovery, which will avoid the delay and expense of further litigation. This litigation has been pending since 1978. Numerous issues would remain to be resolved by this Court in the absence of a settlement agreement. In addition, the agreement's release of most private crude oil overcharge claims among the parties will avoid additional litigation. By conserving the very substantial amount of time and resources which the courts, the DOE, the States and numerous private parties would otherwise be required to expend in these proceedings, the agreement promotes the public interest in a very broad sense.

The only extant opposition to the fundamental mechanics of the settlement agreement comes to the Court in the form of a letter from Congressman John Dingell, Chairman of the Subcommittee on Oversight and Investigations of the House Committee on Energy and Commerce, which letter the Court has ordered to be made a part of the court file in this case. Because the Subcommittee on Oversight and Investigations represents the public interest, and both in the past and in the present has and is performing a very praiseworthy function in oversight of federal governmental policies and actions, the Court believes it is important to address the concerns raised by Congressman Dingell.

First, Congressman Dingell contends that the settlement agreement has not been subject to public scrutiny. Initially, there is some confusion with respect to what the DOE regulations require in the form of public comment. See 10 C.F.R. § 205.199J. However, the Court need not pass upon whether the DOE regulations apply to court-approved settlement agreements or

only to consent orders and administrative documents for two significant reasons. If the DOE regulations have not been adhered to, that is an internal matter for the DOE and Congress to resolve in a forum other than the present one. More importantly, though, the Court believes the final settlement agreement has undergone adequate public scrutiny.

The most interested parties have either signed the settlement agreement or have expressed their concerns to the Court. The Court has received numerous letters regarding the settlement, from groups such as the Associated Catholic Charities of Baltimore, the Georgia Poverty Rights Organization, Project Independence, and the Public Utility Law Project of New York, Inc., to name but a few. Furthermore, groups and entities specifically designated to represent the public interest—such as the Department of Energy and the fifty States' attorneys general—have participated extensively in these proceedings and have subjected the settlement agreement to the closest scrutiny. Additionally, it is a prime function of the Court in reviewing the settlement agreement to determine whether the settlement adequately protects the public interest. See *United States* v. *Hooker Chemical & Plastics Corp.*, 607 F.Supp. 1052, 1057 (W.D.N.Y. 1985). To that end, on June 12, 1986, the Court conducted a publicly visible settlement conference, which was attended by over seventy attorneys and numerous representatives of the press. As the history of the Court's referral of the overcharge issues to the CHA demonstrates, there has been public participation at every step of these proceedings. In addition, the settlement agreement itself requires a public hearing process in advance of any State's distribution of funds. See Final Settlement Agreement at II.B.3.f.i.

Finally, public scrutiny is but a means to the end of insuring that public interests are protected. The Court is convinced that the proposed settlement agreement will inure to the public good. The Court delineated many of the benefits of the settlement above. Any lingering doubts regarding the protection of the public are dispelled by the provisions of the settlement agreement itself. The programs to which the States may target their funds are specifically detailed in the agreement. Final Settlement Agreement at II.B.3.f.ii. The funding for state programs may only be used to supplement, not to supplant, other funds directed at those state programs. Such funding would require decisional authority of the highest state executive officials, i.e., the Governor and Attorney General, with latitude for state legislative input. *Id.* at II.B.3.f. Finally, the settlement agreement provides for both DOE and Court oversight of State expenditures. The settlement agreement, which affords significant public benefits, has been and will continue to be subjected to the most searching public scrutiny.

Second, Congressman Dingell suggests that the settlement agreement is inconsistent with House Concurrent Resolution 337, which required that reconciliation legislation concerning oil overcharge matters be enacted by the 99th Congress. The Court appreciates being apprised of legislative actions. However, a House Resolution is not tantamount to legislation passed by both chambers and signed by the President of the United States.

A House Committee Report regarding the Resolution assumed this Court would take no action on the proposed settlement agreement so that Congress could act in its stead. In light of the separation of powers, and with utmost respect for Congress as a primary source of "the supreme law of the Land" under Article VI, the Court declines to remain dormant. One purpose of the separation of powers is to prevent an unnecessary and dangerous concentration of power in one branch. *Chadha* v. *Immigration and Naturalization Service*, 634 F.2d 408, 422 (9th Cir. 1980), *aff'd*, 103 S.Ct. 2764 (1982). The separation of powers was not instituted with the idea that it would promote governmental efficiency, but was looked to instead as a bulwark against tyranny. *United States* v. *Brown*, 381 U.S. 437, 443 (1965); Federalists 48, 51 and 71.

Inaction on the part of this Court would be an abdication of its constitutional responsibilities. Conversely, any action taken by this Court would resolve a matter particularly within the province of the judiciary: eight years of multidistrict litigation. Furthermore, action on the part of this Court will not impede or impair the legislature from performing its constitutionally assigned function. Congress possesses full authority to pass any legislation it deems wise and proper. But the task of adjudication of matters which are ripe for decision must be left to Article III tribunals, of which this Court is one, acting additionally with multidistrict authority under Congressional legislation with appellate court review.

Third, Congressman Dingell complains that the settlement agreement improperly links the stripper well cases with litigation pending in another court concerning entitlements. The negotiated settlement gives the refiners a percentage of the overcharges within the range of the estimates contained in the OHA Report. Since the OHA Report could not trace specific overcharges, if the refiners choose to distribute their allotment along the lines of standards set in the entitlements litigation, that is entirely permissible. Furthermore, there is no improper linkage of petroleum cases. That the settlement paints with a broad brush does not persuade the Court that the agreement is unreasonable. On the contrary, compromise is the essence of settlement, and parties may settle more than one case at a time *Nelson* v. *Waring*, 602 F.Supp. 410 (D. Miss. 1983).

Fourth, Congressman Dingell contends that the settlement agreement would moot the proposed restitutionary policy that the DOE submitted to this Court. It should be noted the referral of this matter to the DOE was limited to factfinding regarding tracing of the payment of the overcharges for the ultimate purpose of assisting the Court in the exercise of its restitutionary jurisdictional power. The DOE's policy proposal was not binding on the Court or cloven in stone for Congress. The Court does not agree with Congressman Dingell's view that changes in position are inherently mischievous:

> Although perhaps irritating to a court and grounds for skepticism, such changes are not impermissible. As noted in *Montana Power Co.* v. *EPA*, 608 F.2d 334, 349 (9th Cir. 1979), "it does not matter that [a party] 'switched horses in midstream' as long as it 'was astraddle a good horse when it reached the other side.'" *See also Public Service Comm'n.* v. *FPC*, 511 F.2d 338, 353 (D.C. Cir. 1975) (agency may "switch rather than fight the lessons of experience").

Texaco, Inc. v. *Department of Energy*, Nos. 3-44 through 3-49, at 3 n. 6 (TECA, *unpublished*, May 30, 1986). In the instant case, the DOE policy, as modified by the settlement agreement, provides a claims procedure and protects the rights of nonparties who have not participated in the court process—changes which the Court perceives are for the better.

Fifth, according to Congressman Dingell, a number of the agreement's terms are contrary to an opinion of the General Accounting Office ("GAO"). However, many of the GAO's complaints concern the settlement of the entitlements litigation in tandem with the stripper well litigation, an issue the Court previously addressed. In Congressman Dingell's statement in opposition to the motion to approve the settlement agreement, he states that "[a]pproval of the Settlement Agreement would put this Court in the position of appearing, at least, to overrule the GAO without ever hearing from that agency." Dk. no. 836, p. 13. As the Court explained above, the principle of separation of powers prohibits judicial subservience to the various sentiments of coordinate branches. Furthermore, this Court is without jurisdiction to pass upon the policy statements of the GAO. With respect to the substance of Congressman Dingell's contention, the Court chooses to rely on the expertise of the DOE—which has participated in these multidistrict proceedings since their inception—in determining when it should compromise its stances in various cases to bring about a salutary resolution of the greatest amount of litigation. The DOE decision is buttressed by approval of the Justice Department and the OMB.

Finally, Congressman Dingell questions the administrative and attorneys fees that will come from the oil overcharge money under the terms of the settlement agreement. While the simultaneous negotiation and deduction of fees from a settlement fund is not to be encouraged, it is not improper. *Piambino* v. *Bailey*, 757 F.2d 1112 (11th Cir. 1985); *Mendoza* v. *Tucson School District No. 1*, 623 F.2d 1338 (9th Cir. 1980), *cert. denied, sub nom Sanches* v. *Tucson Unified School District No. 1*, 450 U.S. 912 (1981); *In Re Coordinated Pretrial Proceedings in Antibiotic Antitrust Actions*, 410 F.Supp. 706 (D. Minn. 1975). Because of the arms-length nature of the bargaining and the presence in the negotiations of participants designated to represent the public interest, the Court is persuaded that the allocation of administrative and attorneys fees involved no improper arrangements or sweetheart deals. The administration of the proposed settlement will entail a great deal of management and accounting expenses. Furthermore, a number of safeguards contained in the agreement will prevent any possible excesses. The amounts of administrative expenditures the States are permitted to make are subject to legislative and regulatory caps or to a limit of five percent of the funds allocated to the States. Final Settlement Agreement at II.B.3.f.iii. Thus, the States' fee requests are reasonable in terms of the percentage they represent of the total overcharge. *See Blum* v. *Stetson*, 104 S. Ct. 1541, 1549-50, n.16 (1984). The Attorneys general must file with the disbursing officials written notices of the amount and manner of direct disbursements for payment or reimbursement of litigation expenses. *Id.* Prior to the expenditure of any funds or payments permissible under the agreement, the States must submit reports to this Court and to the Secretary of Energy identifying the programs or payments for which such funds will be expended. *Id.* at II.B.3.f.iv. Thus, the Court interprets this provision as authorizing Court

oversight of the expenditures for administrative and attorneys fees. With respect to the surface transporters and the utilities, the disbursement of attorneys fees is specifically made subject to Court approval. *Id.* at Exhibits F and G. In light of the built-in checks on the propriety of expenditures, the Court finds that the allotments for administrative and attorneys fees are proper.

In conclusion, the Court finds that the benefits of the settlement agreement far outweigh the burdens that continued litigation would entail. The terms of the agreement equitably provide for the concerns of the parties and the public. The agreement contains within it adequate mechanisms for insuring the just distribution of funds, including oversight authority and the obligation to make public reports—and this is subject to the Court's continuing equity power to insure compliance. The Court concludes that the proposed settlement of this difficult and intricate multidistrict litigation is fair, adequate and reasonable.

It is therefore ordered that the final settlement agreement, with the modifications noted herein, shall be approved. The Court shall execute separately the necessary orders of disbursement.

At Wichita, Kansas, this 7th day of July, 1986.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

TITLE V

COMMITTEE ON
ENVIRONMENT AND PUBLIC WORKS,
Washington, DC, July 25, 1986.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

Hon. LAWTON CHILES,
Ranking Minority Member, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR PETE AND LAWTON: Enclosed is proposed legislation and accompanying report language required by S. Con. Res. 120, the Concurrent Resolution on the Budget for fiscal year 1987. The resolution requires the Committee on Environment and Public Works to achieve savings of $7 billion in budget authority and $3.1 billion in outlays in its programs over the next three fiscal years. Reconciliation instructions assumed that savings would be derived from a combination of reductions in budget authority and outlays from the Federal-Aid Highway program and adoption of $100 million in user fees.

The Committee has taken extraordinary steps to comply with assigned reconciliation instructions. The Committee voted to levy user fees through the Environmental Protection Agency and to increase the fees imposed by the Nuclear Regulatory Commission. The reported legislation also removes a prohibition in current law to allow liquidation of a portion of the Economic Development Administration loan portfolio as part of the effort to meet budget targets. We further agreed to achieve substantial savings in the Federal-Aid Highway program and increase fees collected through the Nuclear Regulatory Commission.

The Committee voted to report S. 2405 the Federal-Aid Highway Act of 1986 on July 23, 1986. This measure achieves savings in budget authority of $1.3 billion beyond the level contained in reconciliation instructions and approximates the assigned level in outlays. Contrasted with the Congressional Budget Office current services baseline projection, this measure represents a savings of $8.1 billion in budget authority and $2.6 billion in outlays over the next three fiscal years.

The Committee agreed to several proposals to meet the additional required savings in fiscal year 1987. If adopted, the Nuclear Regulatory Commission is directed to collect an additional 5% of its annual appropriation or $20 million in user fees above the current level of $132 million or 33% of its budget. The Environmental Protection Agency is directed to collect approximately $20 million dollars in fees applied to Federal registration and permit programs. Proposed legislation specifies that the revenues raised will be returned to the Agency to support its programs. The Economic Development Administration is directed to sell $50 million in defaulted loans.

The Committee had made every effort to comply with reconciliation instructions. We look forward to working with you to see that the enclosed proposals are enacted to further reduce deficit spending.

Sincerely,

ROBERT T. STAFFORD,
Chairman.

LLOYD BENTSEN,
Ranking Minority Member.

FEES OF THE ENVIRONMENTAL PROTECTION AGENCY

As a part of the 1987 budget process the Environmental Protection Agency prepared a proposal to raise off-setting receipts by charging fees for various services and regulatory activities conducted by the Agency. The President's 1987 budget recommended fees in three areas: pesticide registrations; pre-manufacturing notice review under the Toxic Substances Control Act; and ocean disposal permits. The total amount of the EPA fees proposed in the President's budget was $21 million.

The Administrator of the Environmental Protection Agency has created a task force to look at fees across all of the programs administered by the Agency. In addition to the three items listed above, the task force identified one other fee that would be available in the 1987 fiscal year—that is a fee imposed by the Office of Research and Development for various quality assurance and quality control services that they provide for the private sector.

The Committee is reporting language which authorizes EPA to assess and collect fees and charges in these four areas for fiscal years 1987, 1988 and 1989. The amount of the fees collected in each of the next three fiscal years is estimated to be $20 million annually. This amount is not a cap on the total fees that the Agency can collect and is in addition to authority that the Agency has under other statutes to collect fees and assess charges.

The task force identified seven other possible areas where fees might be appropriate. The Administrator has determined that each of these areas should be studied in-depth. A report on each of these items and on other possibilities is expected in late 1987. These areas include: certification of air emission standards for mobile sources; corporate average fuel economy tests; emissions equipment on luxury automobiles; processing petitions for exemptions and variances under various statutes. The combined total revenue from these seven sources is estimated to be $15 million per year.

The task force also looked at charging fees for various permit programs (NPDES permits, RCRA permits) that are available for delegation to the states. No recommendation was made until further study, but the states have registered strong opposition to fees that would be preemptive in these areas, since many states already use permit fees to support their own programs. The legislation reported by the Committee requires EPA to prepare a report on the implementation of the fee authority granted here and to consider other fees and charges. A draft of that report is to be circulated to state and local government officials for their review and the final report transmitted to the Congress is to include a summary of the comments made by these state and local officials.

One problem noted by the task force is that under current law any fee raised by the Agency would be deposited in the general fund and would not be available to directly support Agency programs. The language reported by the Committee would provide that all revenues received would be placed in a special fund within the U.S. Treasury to be available for appropriation to support the programmatic activities for which the fee was levied.

FEES OF THE NUCLEAR REGULATORY COMMISSION

SUMMARY

Section 2 authorizes the Nuclear Regulatory Commission to assess and collect annual charges from its licensees on a fiscal year basis for fiscal years 1987, 1988, and 1989, for costs incurred by the Commission with respect to such licensees, if the Commission can demonstrate that—(1) the fee to be assessed a given licensee is reasonably related to the regulatory service provided by the Commission to the licensee from whom the Commission proposes to collect the fee; and (2) the fee fairly reflects the actual cost to the Commission of providing such service to each such individual licensee.

The fees collected pursuant to this provision may not, when added to other amounts collected by the Commission pursuant to other provisions of law, exceed 38 percent of the funds appropriated to the Commission each such fiscal year.

Finally, this section provides that the amount of fees to be assessed shall be established by rule, after reasonable opportunity for notice and comment by all interested persons.

DISCUSSION

Section 7601 of Public Law 99-272 (42 U.S.C. 2213), enacted into law on April 7, 1986, authorizes the Commission to assess and collect annual charges from its licensees, on a fiscal year basis, in an amount up to 33 percent of the annual costs incurred by the Commission, provided that the Commission can demonstrate that the charges assessed are reasonably related to the regulatory service provided by the Commission and fairly reflect the cost to the Commission of providing such service. Section 7601 further provides that the Commission shall submit a report to Congress evaluating the feasibility and necessity of establishing a system for the assessment and collection of annual charges. Finally, section 7601 provides that any assessments imposed pursuant to this provision shall be established by rule.

On July 1, 1986, the Commission published proposed regulations to implement section 7601 (51 Fed. Reg. 24078). On July 7, 1986, the Commission submitted to the Committee on Environment and Public Works a "Report on the Assessment and

Collection of Annual Charges", as required by subsection (a) of section 7601.

In light of the information contained in the report submitted by the Commission to this Committee, and in view of the regulations that the Commission has proposed to adopt to implement section 7601 of Public Law 99-272, further clarification and guidance appears to be necessary, to ensure that the Commission properly carries out the intent of section 7601. Accordingly, section 2, which amends section 7601 of Public Law 99-272, provides this further clarification of the scope and intent of the Commission's authority to collect annual fees. In addition, this provision increases the maximum amount of fees that the Commission is authorized to assess, from the current limit of 33% to 38%.

The approach that the Commission has proposed to take in implementing section 7601, as set forth in the proposed rule published on July 1, 1986, does not meet this standard. In fact, the Commision, in proposing a uniform annual assessment for all nuclear power reactors—regardless of the variance in the regulatory service provided each individual licensee and the corresponding variance in the cost of providing such service—has virtually disregarded the directive contained in section 7601. Similarly, the approach that the Commission has proposed for the Commission's large materials licensees suffers from the same legal infirmity. And finally, the Commission has excluded a large number of licensees from consideration citing "the administration costs for administering such a collection program."

Section 2 authorizes, but does not direct, the Commission to collect 38% of its annual budget from fees on Commission licensees. The report provided to the Committee by the Commission, indicates that the Commission should be able to collect the full amount authorized under section 2, and do so consistent with the standards and procedures established in section 2. But this provision does not authorize the Commission to collect any fees if the Commission is unable to demonstrate that—(1) the fee to be assessed a given licensee is reasonably related to the regulatory service provided by the Commission to the licensee from whom the Commission proposes to collect the fee; and (2) the fee fairly reflects the actual cost to the Commission of providing such service to each such individual licensee.

Section 2 requires the Commission to demonstrate *on a licensee-specific basis* that the fee to be assessed is reasonably related to the actual cost of the regulatory service provided. Thus, for example, where the Commission devotes substantial resources to a given licensee—such as a "problem plant" or a plant applying for an operating license—the fee assessed should reflect such actual costs. On the other hand, where the Commission devotes lesser resources to a given licensee, that, too, should be reflected in the fee collected from that licensee. As expresed in the Statement of Managers accompanying section 7601, because certain Commission licensees, such as uranium producers and others, have limited ability to pass through the costs of these charges to the ultimate consumer, the Commission should take this factor into account in determining whether to modify the Commission's current fee schedule for such licensees.

Section 2 establishes the factors that the Commission may consider in assessing fees pursuant to this provision. The section does not authorize the Commission to assess fees or some licensees and not others based upon the administrative costs to the Commission of collecting such fees. If further information from the Commission justifies it, appropriate modification to the legislation can be made to ensure that the administrative costs of the Commission's fee program remain within reasonable bounds.

Finally, section 2 provides that the Commission shall conduct a notice and comment rulemaking to establish the amount of any fees to be assessed, *with reasonable opportunity for notice and comment by all interested persons.* The Committee expects the Commission, at a minimum, to allow for at least 45 days for the public to comment on any proposed rule.

Sales of Notes

The Committee has reported legislation which authorizes the Secretary of Commerce to sell defaulted loans which have been accumulated in the Revolving Fund of the Economic Development Administration. The Secretary is instructed by this language to sell notes sufficient to achieve budget savings of $50 million in fiscal year 1987.

Under current law there is a prohibition on the sale of such notes. This legislation would explicitly overturn that current law prohibition. In February, 1985 the Department of Commerce transmitted to the Congress a legislative proposal to the same effect. The justification for that proposal which accompanied the draft bill is reprinted below.

Highway Programs

On July 23, 1986, the Committee voted to report S. 2405, the Federal-Aid Highway Act of 1986. This measure is a comprehensive reauthorization of Federal-Aid Highway programs through fiscal year 1990.

This program is funded entirely through highway user fees collected into the Highway Trust Fund, and must be expended on highway projects. When authorization, or contract authority, is created for this program out of the Highway Trust Fund, the funds are apportioned or allocated to the States. The States can then immediately obligate these funds without any further appropriations process.

The argument has been put forward that the highway program is a dedicated user fee program financed from a trust fund that has a $9 billion balance and should, therefore, be immune from any efforts to control Federal spending. The Highway Trust Fund is, however, part of the unified budget and the level of highway spending does have an impact on the Federal budget.

In recognition of the need to control spending as part of Federal deficit reduction efforts, the Committee agreed to restrain spending from the Highway Trust Fund. Accordingly, the Committee adopted an obligation limitation of $12.350 billion in each fiscal year 1987 through 1990. This is a further reduction from levels contained in P.L. 99-272, the Consolidated Omnibus Budget Reconciliation Act of 1985, yielding a net savings of $3 billion in fiscal years 1987 and 1988. The obligation limitation determines the amount that States can obligate from the fund in any given year and therefore controls outlays from the Highway Trust Fund.

The following chart shows total spending levels contained in S. 2405 for fiscal years 1987 through 1989.

S. 2405 AS REPORTED

[In millions of dollars]

	Fiscal year 1987	Fiscal year 88	Fiscal year 89
BA	13,082	13,082	13,082
OT	13,740	13,170	13,280

Statement of Purpose and Need

The Department of Commerce and Related Agencies Appropriation Act, 1985 (Pub. L. No. 98-411, 98 Stat. 1545) prohibits the Secretary of Commerce from using appropriations to

"sell to private interests, except with the consent of the borrower, or contract with private interests to sell or administer, any loans made under the Public Works and Economic Development Act of 1965 or any loans made under section 254 of the Trade Act of 1974."

The Department believes that this limitation hampers the ability of the Secretary to take actions which are in the best interest of the United States. Accordingly, we recommend that the Congress repeal this limitation.

Title II of the Public Works and Economic Development Act of 1965 (42 U.S.C. § 3141) and section 254 of the Trade Act of 1974 (19 U.S.C. § 2344) authorize the Secretary of Commerce to extend financial assistance in the form of direct loans and guarantees of loans made by private lenders.[1] As of September 30, 1984, the Economic Development Administration (EDA) had business development loans oustanding in the amount of $521 million and public works loans outstanding in the amount of $249 million (including loans under the Community Emergency Drought Relief Act of 1977 (42 U.S.C. § 5184)). In addition, EDA has entered into guarantees with a total contingent liability of $380 million.[2] Despite a series of management reforms designed to improve the condition of the portfolio begun by EDA in FY 1982, the delinquency rate of the business development portfolio has remained too high—a troublesome 55% as of September 30, 1984.[3]

In order to manage a portfolio the size of EDA's and to protect the Government's interest, EDA needs flexibility to take necessary actions to address widely varying circumstances. In enacting the Public Works and Economic Development Act (PWEDA), Congress recognized this need by providing the Secretary of Commerce with broad

[1] Until September 20, 1981, the Secretary of Commerce had delegated authority to extend financial assistance under these acts to the Assistant Secretary for Economic Development. On September 20, 1981, the Secretary re-delegated his authority under Section 254 of the Trade Act of 1974 to the Under Secretary for International Trade.

[2] With respect to the section 254 program since it was transferred to the International Trade Administration, as of September 30, 1984, ITA had $4.9 million in direct loans outstanding and $19.8 million in contingent liability. The Government's liability under these guarantees is contingent in that no Federal payment is required unless the borrower defaults and the lender demands payment under the guarantee.

[3] The delinquency rate on the public works loan portfolio was 9% as of September 30, 1984. These delinquency rates do not take into account amounts which have been written off over the years as uncollectible. As of September 30, 1984, EDA has written off $386 million worth of nonperforming loans.

powers under section 701 (42 U.S.C. § 3211) to

(1) deal with, complete, renovate, insure, rent or sell property conveyed or acquired under the Act (section 701(6));

[S.J.Res.376-B762]

(2) pursue to final collection all claims against third parties assigned to the Secretary in connection with loans (section 701(7));

(3) acquire property deemed necessary to conduct activities under sections 201, 202, 301, 403 and 503 of the Act (section 701(8)); and

(4) take any and all actions necessary or desirable in making, purchasing, servicing, compromising, modifying, liquidating or otherwise administratively dealing with or realizing on loans made under the Act (section 701(9)).

In addition to these powers, section 701(4) of the Act also authorizes the Secretary to "sell at public or private sale . . . in his discretion and upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt . . . assigned to him or held by him in connection with loans made . . . under this Act, and collect or compromise all obligations assigned to him or held by him in connection with such loans. . . ." (Similar authority is provided under section 257 of the Trade Act of 1974, 19 U.S.C. § 2347(a)(2))

During fiscal years 1983, 1984 and 1985, Congress has limited the Secretary's broad authority under section 701 by including a prohibition in the Appropriations Act against the use of funds to sell any loans to private interests except with the consent of the borrower. Congress added this provision to preclude EDA from selling loans on the basis of a public offering as it had in the latter half of 1982 when it sold 12 loans to private interests. Because individual borrowers are reluctant to consent to a sale of their loans unless they know the identity of the purchaser beforehand, this limitation has effectively eliminated EDA's authority to conduct a public sale of these loans.

With the business development portfolio experiencing a delinquency rate of 55 percent, the Department believes it is essential for the Secretary to have available the full range of authorities provided in PWEDA and the Trade Act of 1974. While the 1982 public offering did not generate as many bids as anticipated due generally to the low quality of the loans offered, the Department believes it demonstrated the feasibility of conducting a sale of this type. The sale was also beneficial in that it increased the awareness of other borrowers of EDA's renewed emphasis on debt collection.

The Department believes the ability to consider additonal sales is clearly in the Government's interest. First, a bulk disposition of a portion of the portfolio reduces the administrative burden of loan servicing and monitoring by shrinking the size of the portfolio. With a smaller portfolio, the Department can use its resources to work with other borrowers more intensively and assist them in meeting their obligations to the Government.

Second, a bulk disposition enables the Department to avoid the delays and expenses of conventional liquidations and other collection procedures. In many cases, the only alternative to a public sale is conventional liquidation.[4] In conventional liquidations, the Government's recovery of funds is stretched out over time as the Government must undertake formal proceedings to acquire and then sell project assets. A bulk disposition of the loan paper, on the other hand, gives the Government proceeds from the sale immediately upon completion of the sale.

The Department will continue to use the full range of powers provided to the Secretary under PWEDA and the Trade Act of 1974. Whenever possible, we will work with delinquent borrowers to develop reasonable workout plans which retain the economic development benefits of the projects. When borrowers are unable to meet their obligations to the United States, the Department must act to protect the Govenment's interest. Enactment of the proposal will restore to the Secretary an important power so that the Department can use the most efficient means to ensure maximum protection of the Government's interest.

[4] Forty-three percent of the loans in the business development portfolio are already in some stage of liquidation.

CBO Cost Estimate

U.S. Congress,
Congressional Budget Office,
Washington, DC, July 30, 1986.

Hon. Robert T. Stafford,
Chairman, Committee on Environment and Public Works, U.S. Senate, Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has prepared the attached estimate of the budget impact of the reconciliation recommendations ordered reported by the Senate Committee on Environment and Public Works on July 29, 1986. Table 1 summarizes the budgetary effects relative to current law. Table 2 summarizes the effects relative to the budget resolution baseline, as adjusted for enacted legislation.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

Rudolph G. Penner.

cost estimate

1. Bill number: Not yet assigned.

2. Bill title: Committee recommendations for the Budget Reconciliation Act of 1986

3. Bill status: Committee print adopted by the Senate Committee on Environment and Public Works, July 29, 1986.

4. Bill purpose: The bill contains four provisions that are recommended for inclusion in the Budget Reconciliation Act of 1986: (1) fees of the Environmental Protection Agency; (2) Nuclear Regulatory Commission charges; (3) sale of defaulted notes held in the Economic Development Administration's revolving fund; and (4) authorization for federal highway programs.

5. Estimated cost to the Federal Government:

TABLE 1.—ESTIMATED BUDGET IMPACT OF RECONCILIATION PROVISIONS—CHANGE FROM CURRENT LAW

[By fiscal year, in millions of dollars]

	1987	1988	1989	1990	1991
DIRECT SPENDING					
EPA fees:					
Estimated budget authority	−10	−20	−20		
Estimated outlays	−10	−20	−20		
Sale of EDA notes:					
Estimated budget authority					
Estimated outlays	−50	27			
Highway programs:					
Estimated budget authority	8,972	8,972	8,972		
Estimated outlays	−140	−640	1,480	6,680	2,100
AUTHORIZATIONS					
Highway programs:					
Authorization level	10	10	10	10	10
Estimated outlays	2	7	8	8	3
REVENUES					
NRC annual charges	27	28	24		

TABLE 2.—ESTIMATED BUDGET IMPACT OF RECONCILIATION PROVISIONS—CHANGE FROM RESOLUTION BASELINE ADJUSTED FOR ENACTED LEGISLATION

[By fiscal year, in millions of dollars]

	1987	1988	1989
DIRECT SPENDING			
EPA fees:			
Estimated budet authority	−10	−20	−20
Estimated outlays	−10	−20	−20
Sale of EDA notes:			
Estimated budet authority			
Estimated outlays	−50	27	
Highway programs:			
Estimated budet authority	−2,240	−2,700	−3,180
Estimated outlays	−190	−910	−1,490
Total—Direct spending:			
Estimated budet authority	−2,250	−2,720	−3,200
Estimated outlays	−250	−903	−1,510
AUTHORIZATIONS			
Highway programs:			
Estimated budget authority			
Estimated outlays			
REVENUES			
NRC annual charges	27	28	24

The budget impact of this bill falls within budget functions 270, 300, 400, and 450. Federal revenues are also affected.

Basis of Estimates:

Section 1 of the bill authorizes the Environmental Protection Agency to assess and collect fees amounting to $20 million annually for services and activities carried out pursuant to the statutes administered by the agency. Collections in 1987 would be lower, because it is likely to take several months to promulgate the necessary regulations.

Section 2 of the bill would authorize the Nuclear Regulatory Commission (NRC) to increase the annual charges for licenses for the fiscal years 1987, 1938, and 1989. The annual charges are to be assessed and collected for costs incurred by the commission and shall not exceed 38 percent of the funds appropriated to the commission for each fiscal year. Under current law, the NRC is authorized to collect annual charges for 33 percent of its costs. CBO estimates that enactment of this bill will result in additional revenues of $27 million in fiscal year 1987, $28 million in fiscal year 1988, and $24 million in fiscal year 1989, assuming funding at baseline levels.

Section 3 requires the Secretary of Commerce to sell defaulted loans of the Economic Development Revolving Fund in such amounts necessary to generate net proceeds of at least $50 million in 1987. The Economic Development Administration (EDA) estimates that loans with face value of about $220 million are in default. Based upon information provided by major investment banks, CBO estimates that these loans can be sold without recourse to the federal government for about 60 percent of their face value. Recent liquidation experience at EDA has resulted in about a 40 percent return on face value. CBO estimates that the same return would be expected on future liquidations and that, barring any sale, all loans currently in default would be liquidated within two years.

Assuming a 60 percent return on face value from the sale without recourse of defaulted loans and a 40 percent return if those loans had been liquidated by EDA, CBO estimates that the sale of defaulted loans with face value of about $130 million would generate net proceeds of $50 million in 1987. The sale of loans is estimated to increase fiscal year 1988 outlays, relative to the CBO baseline, by about $27 million. This estimate also assumes that the language of Section 3 is sufficient to remove current statutory prohibitions concerning the sale of EDA loans and the release of financial information on borrowers to potential purchasers.

Section 4 of the bill authorizes appropriations for federal-aid highways and highway safety construction programs of $13.082 billion annually in fiscal years 1987 through 1989. Based on information from the Committee staff, CBO assumes that the funding levels in this bill reflect the specific authorizations included in S. 2405, the Federal-Aid Highway Act of 1986, as ordered reported by the Committee. Therefore, this estimate assumes that the total amount authorized includes contract authority of $13.072 billion in each of fiscal years 1987 through 1989 for federal-aid highways and highway-related safety grants, and an authorization of $10 million annually for highway safety research and development.

Outlays for federal-aid highways are controlled primarily by a ceiling on obligations. This bill establishes annual ceilings of $12.35 billion for fiscal years 1987 through 1989. In estimating the effect of this legislation on outlays, the obligation ceilings are compared to those established by the 1985 Reconciliation Act (COBRA)—$13.525 billion for 1987 and $14.1 billion for 1988. For comparison with the baseline, a 1989 baseline obligation ceiling of $14.5 billion is assumed, the 1988 COBRA ceiling adjusted for inflation. The level of obligations under this bill for the minimum allocation program, which is exempt from the ceiling, is assumed to be that reflected in CBO's baseline.

6. Estimated cost to state and local governments: The annual charges for the NRC authorized by this bill would affect electric utility rates, and thus indirectly increase the utility costs of state and local governments. This increase is not expected to be significant.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Deb Reis, Pete Fontaine, Paul DiNardo, and Marge Miller (226-2860).

10. Estimate approved by:

C.G. NUCKOLS
(for James L. Blum, Assistant Director for Budget Analysis).

MINORITY VIEWS OF SENATOR FRANK R. LAUTENBERG

The Concurrent Budget Resolution for FY 1987 required the Committee on Environment and Public Works to make savings through the reconciliation process. The Budget Resolution called for achieving part of these savings through $100 million of user fees. The Committee Report includes $20 million in EPA fees, with $4 million of these fees to generated from ocean disposal permits. I have reservations about these fees.

I have sponsored several bills aimed at bringing an end to ocean disposal of wastes. However, in the short term, municipalities in New Jersey still depend on ocean disposal for sewage sludge. The proposed permitting fees will increase the costs to municipalities seeking permitting for ocean disposal of sewage sludge. This increased cost comes at a time when municipalities are already experiencing a cutback in funds from federally assisted programs which have traditionally helped our cities and towns provide for basic services. For this reason, I oppose these proposed ocean disposal permitting fees. But should such a fee be adopted, it should be capped at a level that takes account of these severe burdens on our municipalities.

The ocean disposal fees, unlike the other EPA fees in the Committee Report, have a disproportionate effect on states, such as New Jersey, that still rely on ocean disposal of sewage sludge. If we are going to pursue EPA fees, we should select agency programs that are national in scope, and do not unfairly focus on particular states and regions.

COMMITTEE ON FINANCE

TITLE VI

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC, July 30, 1986.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR PETE: We hereby submit the statutory language implementing the recommendations of the Committee on Finance to meet its reconciliation instructions under S. Con. Res. 120, the concurrent resolution on the budget for fiscal year 1987. Also enclosed are materials which explain these provisions.

These statutory provisions will reduce outlays for programs within the jurisdiction of the Committee on Finance by $3.2 billion over fiscal years 1987-1989. In addition, the revenue provisions will increase Federal receipts by $10.1 billion over the same period.

Sincerely,

RUSSELL B. LONG,
Ranking Minority Member.
BOB PACKWOOD,
Chairman.

TITLE VI

A. MEDICARE PROVISIONS

Payments for inpatient hospital services

Current law.—The Social Security Amendments of 1983 (P.L. 98-21) authorized the Secretary of Health and Human Services (HHS) to determine the rate of increase in the prospective payment system (PPS) rates for FY 1986 and thereafter, taking into account the recommendations of the Prospective Payment Assessment Commission (ProPAC). The Deficit Reduction Act of 1984, P.L. 98-369 (DEFRA), limited the FY 1986 rate of increase to be determined by the Secretary to the rate of increase in the hospital marketbasket plus one-quarter of one percentage point. HHS issued final rules on September 3, 1985 freezing the PPS payment rates for FY 1986. However, these rules were not implemented because of the enactment of the Emergency Extension Act of 1985 (P.L. 99-107, as amended by P.L. 99-201), which provided that from October 1, 1985 through March 14, 1986, the FY1986 PPS rates would be frozen at FY 1985 levels.

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) provided that the FY 1986 rate freeze continue until May 1, 1986, when the PPS rates would be increased one-half percent for the remainder of the year. In addition, for FY 1987 and FY 1988, it provided that the Secretary could determine any change in the PPS payment rates, taking into account the recommendations of the ProPAC, not to exceed the marketbasket index change. The rate of increase for PPS-exempt hospitals was ⅝₄ of one percent, effective for hospital cost reporting periods beginning October 1, 1985, but before October 1, 1986. The Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177) reduced the FY 1986 Medicare payments to hospitals by one percent beginning March 1, 1986.

In proposed rules issued June 3, 1986, HHS provided for an increase of 0.5 percent in the FY 1987 PPS rates and in the target amounts per discharge for PPS-exempt hospitals. In its July 2, 1986 report to HCFA, ProPAC recommended a 2.2 percent rate of increase in FY 1987 PPS rates, a rate of increase for children's hospitals of 3.2 percent, and a rate of increase for other PPS-exempt hospitals and units of 3.5 percent.

PPS hospitals are paid, in part, on the basis of regional and national standardized amounts per discharge. Separate urban and rural standardized amounts are calculated for each of the nine census regions and for the nation. These standardized amounts represent the urban or rural operating cost per discharge averaged across all hospitals in the region (or nation). This results in amounts that represent the operating cost per discharge for the average hospital.

Additional amounts are paid to PPS hospitals for "outliers"—a typical cases which have extraordinarily high costs or involve extraordinarily long hospital stays compared to most patients classified in the same DRG. The law requires that total outlier payments to all hospitals represent no less than 5 percent and no more than 6 percent of the total estimated Medicare prospective payments based on the DRG payment rates for the fiscal year.

Rural hospitals may apply for designation as rural referral centers. In order to qualify, hospitals must meet criteria based on bed size or national or regional criteria based on case mix, admission volume, or patient referrals. Hospitals meeting these criteria are paid prospective payments based on the applicable urban payment rates, rather then the rural rates, as adjusted by the hospital's area wage index.

EXPLANATION OF PROVISION

The provision would provide an increase in the payment rates for PPS hospitals and in the target amounts for PPS-exempt hospitals in FY 1987 of 1.5 percent.

Although the Committee is recommending a 1.5 percent increase for both PPS and PPS-exempt hospitals, the Committee understands there are presently two distinct Medicare hospital payment systems in operation—hospitals paid under PPS and hospitals paid under the TEFRA per case cost limits. It is the Committee's view that the criteria utlized to develop an update factor for PPS-exempt hospitals should be specific to the operation of these facilities. Therefore, the Committee recommends that the Secretary consider the ProPAC recommendations regarding a separate update factor for PPS-exempt hospitals and urges the Secretary for FY 1988 and for subsequent fiscal years to utilize those criteria that are specific to the operation of PPS-exempt hospitals in developing an update factor for those facilities.

The current formula used to calculate the average standardized amounts for urban and for rural hospitals under PPS would be changed to be based on the number of pa-

tients discharged rather than the number of hospitals. This would result in amounts that represent the operating cost per discharge for the average patient as opposed to the average hospital. The effect of this provision would be to shift payments from urban hospitals to rural hospitals.

Medicare law would be amended so that the total amount of payments for outliers to sole community hospitals, with an average occupancy of 50 beds or less, and to small rural hospitals would be required to be not less than 5 percent nor more than 6 percent of the total payments based on DRG prospective payment rates projected or estimated to be made to such hospitals in a given year.

The Prospective Payment Assessment Commission (ProPAC) would be required to include in its annual report an assessment of whether the outlier thresholds established by the Secretary each year (both the generally applicable thresholds and the new thresholds for small rural hospitals) are being set at the appropriate levels to insure that between 5 and 6 percent of the PPS payments are made for outliers.

Hospitals designated as rural referral centers as of the date of enactment of this Act shall retain that designation for cost reporting periods beginning on or after October 1, 1986, and before October 1, 1989.

Effective date.—October 1, 1986.

Payments for hospital capital-related costs

Current law.—The Social Security Amendments of 1983 (P.L. 98-21) established a prospective payment system (PPS) for making payments to hospitals for the operating costs of inpatient services provided to Medicare beneficiaries. Payments for operating costs are made on the basis of fixed rates per discharge. Hospital capital-related costs of inpatient services (including depreciation, leases and rentals, interest, and a return on equity for proprietary hospitals) are excluded from PPS and are reimbursed on a reasonable cost basis. This exclusion was to expire on October 1, 1986, but enactment of the Urgent Supplemental Appropriations Act (P.L. 99-349) extended the exclusion until October 1, 1987.

In addition, under prior law, if Congress did not enact legislation by October 1, 1986 to include capital-related costs under PPS, Medicare payment for capital costs would be prohibited unless a State has a capital expenditure review agreement with the Secretary (under section 1122 of the Social Security Act) and the State has recommended approval of the specific capital expenditure. P.L. 99-349 extended the deadline for congressional action to October 1, 1987.

Explanation of provision.—The provision would reduce reimbursements to PPS hospitals for capital costs of inpatient services, otherwise payable under current law, by 3 percent in FY 1987, 5 percent in FY 1988 and 6 percent in FY 1989.

A hospital which is a sole community hospital pursuant to section 1886(d)(5)(C)(ii) of the Social Security Act would be exempt from the reductions. Under current law, a hospital which is paid as a sole community provider voluntarily may relinquish such status, and be paid in the same manner as other prospective payment system (PPS) hospitals. This provision would continue to apply, but any hospital which relinquished its status as sole community provider prior to the date of enactment of this capital provision could reapply and requalify for sole community provider status.

It is the intent of the Committee to consider the issue of payment for capital-related costs next year, and to develop a capital payment proposal which moves to a prospective payment system, but also continues cost-based reimbursement for capital-related financial obligations incurred, or enforceable agreements entered into, prior to January 1, 1986. Such, a proposal would also include a requirement that a payment adjustment for new capital (those capital-related costs "grandfathered" under cost-based reimbursement) would be included for hospitals which serve a disproportionate share of low-income patients (if such an adjustment for disproportionate share is included in law for operating costs).

Effective date.—Hospital cost reporting periods beginning on or after October 1, 1986.

Medicare as secondary payer; coverage requirements for certain other payers

Current law.—The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) required employers to offer their employees aged 65 through 69 the same group health plan offered to their employees under age 65. DEFRA extended the provision to beneficiaries covered under a working spouse's employer-based health plan when that spouse is under age 65. COBRA extended this provision to the working aged and spouses over age 69. When the beneficiary elects such coverage, Medicare becomes the secondary payer. The beneficiary retains the option to be covered only by Medicare.

Explanation of provision.—The provision would make Medicare the secondary payer for all beneficiaries (including the disabled and those who buy into Medicare) who receive employment-based health benefits as a current employee (or family member) of an employer with 20 or more employees, and would explicitly include an employer, anyone associated with the employer in a business relations (such as an agent or contractor) who is covered by the employer's health plan, and former employees who have not reached age 65. The provision would not otherwise enlarge the obligations of employers under current law. The provision also states explicitly that these group health plan requirements (and similar ones for end stage renal disease (ESRD) and for workers' compensation and liability and related insurance) would be enforceable by private action or by the Federal Government (with double the damages payable), and would impose an excise tax equal to 25 percent of group health plan expenses if the requirements were not met. Federal Medicaid payments to a State would be reduced by 25 percent of group health plan expenses of a State (or State or local governmental entity) that did not comply. Enforcement though the Equal Employment Opportunity Commission (EEOC) would be eliminated.

Finally, the provision would provide uniform rules as to the benefits Medicare pays when other payers are primary but do not pay the full charge. In particular, payment under workers' compensation or liability and related insurance is not now counted toward the Medicare deductible, but would be under this provision.

It is the Committee's intent that the Department of Health and Human Services would consult with the Departments of Treasury and Labor in implementing this provision.

Effective date.—October 1, 1986.

Payments for physicians' services

Current law.—Payments are made to physicians on the basis of reasonable charges. The reasonable charge for a service is the lowest of the actual charge, the physician's customary charge for the service or the prevailing charge for the service in the community.

DEFRA froze physician fees for the 15 month period July 1, 1984 through September 30, 1985. The Emergency Extension Act (P.L. 99-107), as amended, and COBRA extended this freeze through April 30, 1986 for participating physicians and December 31, 1986 for nonparticipating physicians.

Current law permits the Secretary certain flexibility in determining reasonable charges. Regulations allow the use of "other factors that may be found necessary and appropriate with respect to a specific item or service . . . in judging whether the charge is inherently reasonable." COBRA requires the Secretary to promulgate regulations which specify explicitly the criteria of "inherent reasonableness." HHS issued proposed regulations on February 18, 1986, summarizing the conditions under which the Secretary could use the "inherent reasonableness" authority to establish either special methodologies or specific dollar limits when fees paid under current methods are determined to be inherently unreasonable.

Explanation of provision.—The provision would identify instances where inherent reasonableness limitations could be applied though use of the limitations would not be limited to the identified instances. If the Secretary applies the inherent reasonableness authority, the provision specifies the factors that would be considered in determining the inherent reasonableness of charges. The identified factors would include cases where: prevailing charges are significantly different from those in comparable localities; Medicare and Medicaid are the main sources of payment; the marketplace for the service is not truly competitive because of the limited number of physicians performing the service; there have been increases in charges not explained by inflation; charges do not reflect changing technology or reduction in acquisition or production costs, or the prevailing charges are substantially higher than payments made by other purchasers. The Secretary must review the ten most costly procedures with respect to the aggregate cost to Medicare.

The provision would provide that regional differences in fees would be taken into account unless there is substantial economic justification for a uniform national fee or payment limit. The Secretary would be required to use the rule-making process in any case where he or she proposes to establish a new reasonable charge, or a methodology for a new reasonable charge, based on inherent reasonableness determinations. The notice must include the impact of the change or methodology proposed to be established with respect to changes in the accessibility of, and beneficiary liability for, the service. The provision would require a public comment period and comments by the Physician Payment Review Commission. The provision would require final regulations to explain the factors and the date the Secretary considered in making the final determinations.

The provision would require the Secretary both to develop an index for adjusting relative value scale (RVS) payment levels to reflect justifiable geographic cost differences and to examine a possible adjustment to encourage physicians to locate in medically underserved areas. The provision also would change the date by which the Secretary is to develop an RVS to July 1, 1989 to allow

for completion of research currently being funded by HCFA. The provision would require the consolidation of the payment methodology under HCFA's Common Procedures Coding System (HCPCS) and mandate its use for hospital outpatient services.

Effective date.—Applies to final regulations issued after July 1, 1986.

Medicare economic index for physicians' services

Current law.—Prior to 1984, the increase in the prevailing charge level was updated annually. This update has been limited by the Medicare economic index (MEI). Expressed as a maximum allowable percentage increase, this index reflects changes in physicians' operating expenses and earnings levels.

Explanation of provision.—The provision would modify the MEI to account for a historical overstatement of housing costs. A "rental equivalence" component would be substituted for the housing "home ownership component" of the Consumer Price Index (CPI). This proposed change is patterned after a comparable change made in the CPI in 1983. The provision would adjust the MEI retroactively to 1973, the base year for the MEI.

The provision would provide that the adjustment of the MEI would be made in two stages with one-half of the adjustment becoming effective January 1, 1987, and the other half January 1, 1988. The provision would require the Secretary to utilize the rulemaking process for proposed changes in the methodology, basis, or elements of the MEI.

Effective date.—January 1, 1987.

End-stage renal disease payments

Current law.—Under the end-stage renal disease (ESRD) program, patients with kidney failure can receive dialysis treatments and physician care. For these services, Medicare will pay:

(a) to a dialysis facility, a so-called "composite rate" for routine kidney dialysis performed on an outpatient basis; and

(b) to a renal physician, a predetermined amount per patient per month for physician services. This amount is called the "monthly capitation payment" (MCP).

Explanation of provision.—The provision would modify the physician payment rates as set forth in the notice in the Federal Register of July 2, 1986. The current methodology used to compute the MCP reflects an assumption that physicians care for 10 patients who dialyze at home for every 7 patients that are dialyzed in a facility during a given period of time. This is a ratio of 10:7.

Based on a recent General Accounting Office study of actual physician services furnished, that ratio would be reduced from 10:7 to about 4:1. As a result of correcting the ratio, the average MCP rate would be reduced from approximately $187 to $173 per patient per month.

In addition, this provision would reduce the current renal facility rates by $1.00 rather than by $11.00 as proposed by the Administration. The provision would require an independent study of the appropriateness of the facility rate to be completed within one year by the General Accounting Office.

Effective date.—August 1, 1986 for physicians payments; and for facilities October 1, 1986 through September 30, 1988.

Payments for ambulatory surgery

Current law.—The Omnibus Reconciliation Act of 1980 (P.L. 96-499) authorized payments for facility services furnished in connection with ambulatory surgical procedures specified by the Secretary of Health and Human Services (HHS). Payments are made on the basis of prospectively set known rates as the "standard overhead amounts."

HHS issued final regulations and an accompanying notice, August 5, 1982, identifying four groups of surgical procedures and the payment amount for each group. The payment amounts and the list of procedures have not been updated. The rates do not include payments for physicians' services, prosthetic devices, or laboratory services.

No beneficiary cost-sharing is required in connection with services provided in ambulatory surgical centers.

Explanation of provision.—The provision would extend the ambulatory surgical center (ASC) prospective payment approach to hospital outpatient department (OPD) surgery. For all surgeries approved for performance in an ASC, Medicare-participating hospitals would receive the lesser of (a) Medicare's reasonable costs for surgery minus 20 percent of the actual charge, or (b) Medicare's propsective rate for ASC's minus 20 percent of that rate. The provision would be effective for hospital accounting years that begin on or after July 1, 1987.

The provision would require the Secretary, no later than July 1, 1987, to update the 1982 ASC rates that are currently in use. Thereafter, the Secretary annually would review the ASC and OPD rates and revise the list of procedures which are approved for ASC performance and reimbursement.

The provision would impose the standard part B coinsurance (20 percent) and deductible ($75) for ambulatory surgery services.

Utilizing the HCPCS data that will be available after July 1, 1987, the Secretary would be required to: (a) develop packages of pre- and post-operative services for different procedures that are appropriate for application of a prospective payment system, and (b) develop a PS methodology for all outpatient procedures. The Secretary would be required to report to Congress on these packages and the PPS methodology by January 1, 1991.

For contracts entered into or renewed after January 1, 1987, the Secretary would be required to add to each Utilization and Quality Control Peer Review Organization (PRO) scope of work the requirement that PROs review the medical necessity and quality of surgery in OPD and ASC settings. The percentage of cases to be reviewed, and whether there is to be pre- and post-procedure review, is left to the Secretary's discretion. Payments for the cost of outpatient certified registered nurse anesthetist (CRNA) services and direct medical education would continue to be made as under current law. The Secretary would be required to conduct a two-year study on educational activities in hospital outpatient settings and report back to Congress with recommendations about a proper payment for graduate medical education (GME) related to outpatient hospital services.

Effective date.—July 1, 1987.

Payment of medicare claims

Current law.—Hospitals, skilled nursing facilities and home health agencies who meet certain requirements may receive Medicare periodic interim payments (PIP) every two weeks, based on estimated annual costs without regard to the submission of individual bills. At the end of the year, a settlement is made so that the provider receives the actual payment amounts for treating Medicare beneficiaries. In proposed fiscal year 1987 regulations for the prospective payment system (PPS), the Department of Health and Human Services proposed to end PIP for most PPS and PPS-exempt hospitals, effective July 1, 1987, except in the event a beneficiary is an inpatient for more than 45 Medicare-covered days.

The Health Care Financing Administration (HCFA) recently issued guidelines requiring each part A intermediary and part B carrier to process at least 95 percent of "clean" Medicare claims within 27 days of receipt. "Clean" Medicare claims are those not requiring development for payment safeguard activities or additional information. The guidelines apply to Medicare claims submitted by beneficiaries, physicians, providers, and suppliers of health care.

Explanation of provision.—The provision would eliminate periodic interim payments for all PPS hospitals. Qualified non-PPS hospitals, skilled nursing facilities, and home health agencies (all of which are paid on the basis of costs) would continue to receive such payments.

The provision also would require each part A intermediary and part B carrier to process and pay at least 95 percent of all "clean" Medicare claims within 24 days of receipt. The 24 day limit would be a ceiling. Providers who received payments during the first half of 1986 for their clean Medicare claims within a shorter time period should not have their payments delayed beyond the claims processing time frames they experienced during the first six months of 1986 in order to meet the requirements of this provision. The committee intends that the 24 day standard be applied without differentiation between electronically transmitted and conventional "paper" claims.

The elimination of PIP for PPS hospitals would be delayed until an intermediary had demonstrated that it had complied with the prompt payment provision for at least three consecutive months. The Committee intends that the Secretary would establish, on a temporary basis, interim payments during any period in which claims processing is suspended. If an intermediary fails to meet the prompt payment criterion for three consecutive months, all the hospitals it serves may choose to be placed on PIP. Once an intermediary has reestablished compliance with the prompt payment rule for three consecutive months, the reinstatement of PIP would be discontinued.

If the carrier fails to pay 95 percent of clean part B claims within 24 days, interest will be assessed on delayed claims for each day beginning with the 25th day (at the usual government prompt payment rate) until the claim is paid. To allow time for carriers to develop new processing systems, the interest requirement would be delayed 6 months and there would be a 15-day grace period (i.e., the penalties would only be applied to claims on or after the 40th day) for one year.

Effective date.—October 1, 1986.

Changes in inpatient hospital deductible

Current law.—Medicare's inpatient hospital deductible must, by law, be adjusted each January based on a formula which reflects the average cost of a day of hospital care.

In recent years lengths of stay have been decreasing faster than costs per stay. Total costs now are divided by a smaller denominator; this results in a higher per-day figure. The deductible was $400 in 1985, and

is $492 in 1986. The Administration estimates that the deductible will increase by 16 percent to $572 in 1987.

Explanation of provision.—This provision would set the deductible at $520 in 1987. In future years, the annual increase in the deductible would be tied to the annual increase in the average cost of a Medicare hospital discharge instead of the cost of an average day of hospital care.

Effective date.—January 1, 1987.

Provider representation of beneficiaries on appeals

Current law.—In 1984, manual instructions prohibited providers (e.g., hospitals and home health agencies) from representing a beneficiary in an appeal where a payment has been denied for a service they provided.

Explanation of provision.—The provision would broaden the appeal authority to include provider representation of beneficiaries for all Medicare part A and part B appeals of claims denials. Providers would not be allowed to claim the costs of unsuccessful appeals on the cost report. Beneficiaries would not be responsible for the costs of successful or unsuccessful appeals filed on their behalf.

Effective date.—Enactment.

Notice of hospital discharge rights; discharge planning

Current law.—Under the Medicare prospective payment system hospitals are reimbursed on a per case basis according to a patient's diagnosis. The payment rates reflect the average cost of providing care for patients in the same diagnostic category. Hospitals and/or physicians determine when it is medically appropriate to discharge a Medicare beneficiary from inpatient care. In February 1986, the Health Care Financing Administration arranged for voluntary distribution to patients through hospitals of a notice of patient rights which includes information concerning financial liability for continued inpatient stay and procedures to appeal a discharge notice.

Beneficiaries who have been in the hospital three days and require additional skilled care are eligible for up to 100 days of care in a Medicare approved skilled nursing facility (SNF). Beneficiaries who must remain at home but still require skilled nursing care on an intermittent basis are eligible for home health services. In May 1986, regulations were issued to require hospitals which participate in Medicare to have a discharge planning program to facilitate the provision of follow-up care after discharge from the hospital. Fiscal intermediaries determine whether claims for these services meet Medicare coverage criteria after a claim has been submitted.

Explanation of provision.—The provision would amend Medicare's conditions of participation for hospitals to require that beneficiaries receive a notice of patient rights at the time of admission to the hospital. The notice would include information concerning rights to inpatient and post-hospital care under Medicare, financial liability, and appeal rights.

The provision would require a hospital, as a condition of participation in Medicare, to provide a timely discharge planning evaluation for beneficiaries that would meet guidelines to be established by the Secretary. The discharge evaluation would asssess the patient's need for post-hospital services and the availability of these services. The Committee intends that the Secretary exercise flexibility in establishing the standards and guidelines for discharge planning so as not to place undue hardship on small hospitals, particularly those in rural areas. In establishing conditions of participation for hospitals not accredited by the Joint Commission on Accreditation of Hospitals, the Secretary did provide flexibility in the discharge planning requirements, including flexibility for the hospital to determine the appropriate personnel to carry out the discharge planning. The Committee expects the Secretary to allow for similar flexibility under the discharge planning requirements of this provision.

The Secretary would be required to implement a pilot program to test prior and concurrent authorization for SNF and home health services as an alternative to the waiver of liability provision. The results of the pilot program would be due to the Congress April 1988.

Effective date.—The notice of patient rights would be required no later than six months after enactment. The discharge planning requirement would be effective one year after the date of enactment.

PRO review of discharge appeals

Current law.—If a Medicare beneficiary believes that his or her discharge decision is premature, he or she may appeal to a Utilization and Quality Control Peer Review Organization (PRO). The PRO must make a determination within three working days of receipt of the appeal. In the event of an adverse decision, the beneficiary may be financially liable for several days of continued stay before receiving notice of the PRO's decision.

Explanation of provision.—The PRO would be required to make the appeal decision within two calendar days after receipt of an appeal. A beneficiary who appeals his or her discharge notice and loses the appeal would not be liable for charges for a continued inpatient hospital stay until the day following receipt of the PRO's adverse decision on appeal. This financial protection could apply only up to four days after the discharge notice.

Effective date.—The expedited PRO review of hospital denial notices would be effective 30 days after enactment.

PRO review of inpatient hospital services and readmissions

Current law.—Utilization and Quality Control Peer Review Organizations (PRO's) review cases of all patients that have been readmitted to the same hospital within 15 days of discharge.

Explanation of provision.—Review of cases that have been readmitted to the hospital will include at least a sample of readmissions occurring within 31 days of discharge.

The provision would require the Secretary to take measures needed to ensure that PROs receive necessary patient information. This information should be transmitted directly from the hospital if the fiscal intermediary unnecessarily delays forwarding the data.

Effective date.—Intensified readmission review would apply to PRO contracts entered into or renewed on or after January 1, 1987. The timely data and information sharing requirements would be effective within six months of the date of enactment.

PRO review of quality of care

Current law.—Utilization and Quality Control Peer Review Organizations (PROs) are required to review at least a sample of the professional activities of physicians and other health care practitioners and of institutional and noninstitutional providers (including health maintenance organizations and competitive medical plans) for purposes of determining whether the services provided were medically necessary and met professionally recognized standards of care. However, PRO contracts limit required review to inpatient hospital services. PROs are also responsible for assuring confidentiality of patient information.

Explanation of provision.—The provision would require each PRO to devote a reasonable proportion of its efforts to quality of care reviews. In addition, each PRO would be required to provide that a reasonable allocation of its quality of care review activities is made among the different cases and settings (including postacute care settings, ambulatory settings, and health maintenance organizations) for which potential problems of quality have been identified. The provision would require the Secretary of Health and Human Services to identify methods to assist PROs in identifying those cases which are more likely than others to be associated with quality care problems.

PROs would be required to acknowledge formally all written beneficiary complaints about the quality of Medicare covered services. This acknowledgement would advise the beneficiary that appropriate action would be taken. The PRO will determine the appropriate course of action which may include a formal investigation. The PRO would be expected to establish a process to account for each request and its disposition.

In addition, PROs would be required to share confidential information related to quality of care with state licensing authorities and national accrediting bodies acting pursuant to section 1865 of the Social Security Act.

Effective date.—The provision relative to PRO requirements would apply to PRO contracts entered into or renewed on or after January 1, 1987. The amendment relating to the Secretary's responsibilities to help PROs identify quality problems would be effective on enactment. Beneficiary complaints received nine months after the date of enactment must be acknowledged. PROs are required to share confidential information for requests received six months after enactment.

Payment for home health services

Current law.—Under regulations published July 5, 1985, reimbursement for home health services is limited to 120 percent of the mean cost per visit incurred by all home health agencies. For cost reporting periods beginning on or after July 1, 1986 the limits are set at 115 percent of the mean, and for such periods beginning on or after July 1, 1987 the limits are set at 112 percent of the mean. Separate limits are established for and applied to each type of service (e.g., skilled nursing, home health aide, and physical therapy services).

Explanation of provision.—The provision would allow home health agencies to apply the per service limits in the aggregate rather than to each type of home health service. The General Accounting Office would be required to report on the appropriateness of applying the limits on a service-by-service basis.

Effective date.—Cost reporting periods beginning on or after October 1, 1986.

Occupational therapy services

Current law.—Part B coverage of occupational therapy services is limited to treatment in a hospital outpatient department, comprehensive outpatient rehabilitation fa-

cility, home health agency, or when provided incident to physicians' services.

Explanation of provision.—The provision would extend reimbursement under part B of Medicare for occupational therapy services. This therapy would be covered when provided in a skilled nursing facility (when part A coverage is exhausted), in a clinic, or a rehabilitation agency. Payment would be made on a reasonable cost basis.

The provision would provide part B coverage of occupational therapy services when furnished in a therapist's office or a beneficiary's home. The independently practicing therapist would have to meet licensing and other standards prescribed by the Secretary. No more than $500 in incurred expenses would be eligible for coverage in a calendar year per beneficiary. Payment would be based on 80 percent of reasonable charges.

Effective date.—October 1, 1986.

Modify waiver of liability and appeals for home health services

Current law.—Home health agencies can receive payments for items or services which are not deemed reasonable and necessary or are determined to be custodial in nature, if neither the beneficiary nor the provider knew (or could reasonably be expected to have known) that they were not covered. Home health care agencies can be presumed to meet this test if their claims denial rate falls below 2.5 percent. CORBA maintained this favorable presumption criteria for home health agencies until 12 months after claims processing for home health agencies has been consolidated under 10 regional intermediaries (as required by law).

Beneficiaries who are homebound and require (a) skilled nursing services on an intermittent basis or (b) physical or speech therapy are eligible for home health services. Program guidelines specify that intermittent care is care usually provided a few hours a day several times a week. These guidelines also specify that intermittent care can include reasonable and necessary daily care (7 days a week) for a short period of time (2-3 weeks) and, in a few cases involving unusual circumstances, an additional period when certified by a physician. The manuals classify denials of coverage under the intermittent or homebound criteria as "technical denials". Technical denials cannot be appealed.

Explanation of provision.—The provision would amend the waiver of liability provision. The provision would allow the payment for home health services if the provider did not or could not have been expected to know that payment would be denied on the basis that the individual was not homebound or did not require care on an intermittent basis. By removing these coverage criteria from "technical denial" status, all home health service claims could be appealed. The Secretary would be required to issue regulations which specify the limitations that were applied through manuals and guidelines as of January 1, 1986 to be applied to homebound and intermittent status for covered home health services. Final regulations must be published by July 1, 1987.

Effective date.—The expansion of the appeal and waiver of liability provisions would apply to coverage denials occurring after July 1, 1987.

Establishement of patient outcome assessment project

Current law.—No provision.

Explanation of provision.—The Committee is concerned about the wide variation in medical practice patterns throughout the country. The provision would require the Secretary of Health and Human Services to study nationwide variations in medical practice patterns for certain medical procedures. Further, the Secretary would be required to study the relationship between these variations and health status outcomes, with primary emphasis on Medicare beneficiaries.

Effective date.—October 1, 1986.

B. MEDICAID PROVISIONS

1. Optional coverage of poor pregnant women, infants, and children

Current law.—States are required to provide Medicaid coverage to all children receiving assistance under the federally assisted Aid to Families with Dependent Children (AFDC) program and may provide coverage for children who would be eligible for AFDC except for income requirements (known as the medically needy). In addition, States may cover all or reasonable categories of children under age 18 or 19 or 20 or 21 who do not meet the AFDC definition of dependent children (known as Ribicoff children). States are required to cover all children born after October 1, 1983 up to age five who meet the AFDC income and resources requirements and may extend coverage to all such children under age five immediately. States are also required to cover pregnant women meeting AFDC income and resources standards. The January 1986 AFDC levels in the 48 contiguous States and the District of Columbia were all below the poverty line.

Explanation of provision.—The provision would give States the option to expand Medicaid eligibility to cover: (1) pregnant women with incomes up to the Federal poverty level; and (2) young children with family incomes up to the Federal poverty level. Initially the States could cover children under age one. Beginning in fiscal year 1988 the age level would increase by one in each fiscal year until all children up to age five were included. Under the provision, States would be permitted, but not required, to impose an assets test for both pregnant women and children equal to that used under the current AFDC, Supplemental Security Income (SSI), or the State medically needy program.

The provision would specify that election of expanded Medicaid coverage would be optional with the States. Covered services would include prenatal, delivery, and 60-days of post-partum care services for pregnant women and all Medicaid services for covered children.

The provision is intended to promote reductions in infant mortality and incidence of low birthweight. Accordingly, States will be able to elect to cover women and certain children with incomes up to the poverty line for services that would be designed to achieve these goals.

The Committee believes that to ensure the effectiveness of this provision, States should conduct outreach efforts to insure that potentially eligible women are aware of the availability of this coverage. Without such outreach and care, this amendment might merely result in substitution of Federal funds for State or local funds now spent on hospital-based deliveries without any concomitant reduction in infant mortality or incidence of low birthweight. This provision is not intended to permit States or localities to reduce their current levels of services to pregnant women and children.

Effective date.—April 1, 1987.

2. Optional coverage of elderly and disabled poor and poor medicare beneficiaries

Current law.—Eligibility of the elderly and the disabled for Medicaid is linked to actual or potential receipt of cash assistance under the Federal Supplemental Security Income (SSI) program. The elderly and the disabled covered under Medicaid generally are persons receiving Federal and/or State SSI payments, residing in a skilled nursing facility or intermediate care facility, or incurring substantial medical expenses. The income and resources eligibility criteria differ substantially among the States.

Proposal.—The States would have the option to expand Medicaid eligibility to cover the elderly and disabled with an income threshold up to the Federal poverty level for (1) all Medicaid services; or (2) only the cost of the Medicare part A deductible and coinsurance, and the part B premium, deductible, and coinsurance. The resource limit would be the same as under the SSI program for States which restrict coverage to the categorically needy; States having medically needy programs could use the medically needy resource levels.

The provision would provide that election of expanded coverage would be optional with the States. However, the election could only be made where the State had expanded its Medicaid coverage for children up to one year of age and pregnant women as authorized under the Committee bill. States would not be required to use the same income levels for newly eligible children and pregnant women as they use for the newly eligible aged and disabled.

Effective date.—July 1, 1987.

3. Hold-harmless provison for change in Federal medical assistance percentage

Current law.—COBRA provided that beginning in fiscal year 1987, the Federal Medical Assistance Percentage (FMAP) is to be calculated on an annual rather than a biennial basis. The FMAP, which represents the Federal share of Medicaid expenditures in the State, is tied to a formula inversely related to the per capita income of the State.

Explanation of provision.—The provision would specify that any State which would be adversely affected in FY 1987 by the change from a biennial to annual calculation of the FMAP, would be permitted to continue to use the FY 1986 matching rate for FY 1987 for Medicaid.

Effective date.—October 1, 1986.

4. Respiratory care services for ventilator-dependent individuals

Current law.—States are required to cover home health services for Medicaid beneficiaries who are over 21 and categorically needy under 21 if they are eligible to receive skilled nursing facility services. They may also offer such services to the medically needy.

Medicaid will pay for ventilator dependent services in the home only if the State has elected to provide such coverage on a statewide basis or if the State is offering the services to a target population group under a home and community-based services waiver.

Explanation of provision.—The provision would require States to cover respiratory services in the home for individuals who (1) are medically dependent on a ventilator for life support at least 6 hours per day; (2) have been so dependent for at least 30 consecutive days (or the maximum number of days authorized under the State plan, whichever is less), as inpatients, and who,

but for home respiratory care, would require respiratory care on an inpatient basis paid for by Medicaid in these institutions; (3) have adequate social support services to be cared for at home; and (4) wish to be cared for at home. The requirements under (2) may be satisfied by a continuous stay in any one or more of the following facilities: hospitals, skilled nursing facilities, or intermediate care facilities.

Effective date.—Service performed on or after October 1, 1986.

5. Respite care pilot project in New Jersey

Current law.—Medicaid does not currently cover respite care services except where provided under a home- and community-based services waiver.

Explanation of provision.—The provision would fund a respite care project in the State of New Jersey now operated by the New Jersey Department of Health. All families would be eligible for the project but priority would be given to Medicaid recipients, with others paying on a sliding scale for services. Highest priority will go to elderly beneficiaries who will become Medicaid eligible if they become institutionalized. Half of the funding for the respite care program would come from the State and half from Medicaid. In no case will Federal outlays exceed $1,000,000 in FY 1987, and $2,000,000 in each of FYs 1988, 1989, and 1990. Federal funding will cease to be available after September 30, 1990.

Effective date.—Enactment.

6. Presumption of eligibility for pregnant women

Current law.—Title XIX of the Social Security Act allows for a three month retroactive eligibility period prior to the date on which application for medical assistance is made. Medicaid regulations further require State agencies to determine eligibility within 45 days from the day of the application for beneifits. If the application is approved, medical expenses incurred during those 45 days would be reimbursed under the normal Medicaid rules. If the application is denied, medical expenses incurred during those 45 days would be the responsibility of the individual.

Explanation of provision.—The provision would permit State agencies to accelerate Medicaid eligibility for ambulatory prenatal care. Under the program, the agency may for any one pregnancy, grant presumptive eligibility for a period not to exceed 45 days if: (1) the woman has begun maternity care with a qualified Medicaid provider eligible to participate in the presumptive eligibility program; (2) the provider determines that the woman's family income falls below the applicable Medicaid standard; (3) the provider notifies the State agency within 5 working days of the woman's eligibility; and (4) the individual applies for program benefits within 14 calendar days of the beginning date of the presumed eligibility period.

A qualified Medicaid provider for purposes of this provision is an organization which provides outpatient hospital rural health, or Medicaid clinic services as defined under Title XIX of the Social Security Act. In addition, the provider must be receiving funding from certain other Federal programs or be a State-approved perinatal clinic.

States must provide guidelines to these clinics on how to determine this presumptive Medicaid eligibility. Clinics that do not perform this eligibility function to the satisfaction of the State can be barred from participating from this presumptive eligibility program.

Federal medical assistance payments made on behalf of pregnant women during the accelerated eligibility period would be at the same rate applicable for other beneficiaries in the State regardless of whether such women are ultimately determined to be eligible for medical assistance.

State agencies would be responsible for processing the normal application for benefits. This application would include all the information otherwise required for all State Medicaid applicants, such as third party liability information, social security number, establishment of paternity, assignment of rights to payments, and all information related to income and resources.

Effective date.—April 1, 1987.

C. MISCELLANEOUS PROVISIONS

1. Retroactive modification of child support arrearages

Current law.—In most States, a child support order can be modified only prospectively; that is, the terms of the modification do not take effect until after the date on which it becomes final. Thus, only future child support payments would be affected. However, a number of States permit the child support award to be retroactively modified. In such States, the court (or administrative entity) has the authority to reduce or nullify arrearages. Further, under the Uniform Reciprocal Enforcement of Support Act (URESA), in interstate cases, the court in the noncustodial parent's State may modify the child support order of the custodial parent's State to the same extent the order could be modified in the State that issued the order.

Explanation of provision.—The provision adds to the child support enforcement program established by title IV of the Social Security Act a new requirement which States must meet to be in compliance with that program. To meet this new requirement, State laws relating to the enforcement of child support orders must prohibit changes in those orders which are effective on a retroactive basis. The Committee recognizes that a person's financial circumstances change. The noncustodial parent may lose his or her job or face other circumstances that cause him or her not to be able to afford the original child support award. The amendment is not intended to prevent changes in future child support payments if the financial situation of the noncustodial parent changes. What the Committee is seeking to prevent is the purposeful noncompliance by the noncustodial parent, because of his hope that his child support obligation will be retroactively forgiven. If the noncustodial parent's circumstances change because of unemployment, illness or another such reason, the amendment puts the burden on the noncustodial parent to notify the custodial parent and the court or entity which issued the child support order of his changed circumstances and his intent to have his child support order modified. No modification would be permitted before the date of this notification.

2. Hold-harmless provision for change in Federal medical assistance percentage for purposes of the AFDC Program

Current law.—COBRA provided that beginning in fiscal year 1987, the Federal Medical Assistance Percentage (FMAP) is to be calculated on an annual rather than a biennial basis. The FMAP is tied to a formula inversely related to the per capita income of the State. The FMAP may also be used for AFDC.

Explanation of provisions.—The provision would specify that any State which would be adversely affected in FY 1987 by the change from a biennial to annual calculation of the FMAP, would be permitted to continue to use the FY1986 matching rate for FY1987 for AFDC.

Effective date.—October 1, 1986.

TITLE VI—A: REVENUE PROVISIONS

1. Extend Medicare coverage and hospital insurance tax to all State and local government employees (sec. 661 of the bill)

Present law.—Prior to enactment of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), P.L. 99-272, State and local government employees were covered for social security and Medicare benefits only if the State and the Secretary of Health and Human Services (HHS) entered into a voluntary agreement providing such coverage. In COBRA, the Congress extended Medicare coverage (and the corresponding hospital insurance payroll tax) on a mandatory basis to State and local government employees hired after March 31, 1986, for services performed after that date.

COBRA also authorized States to elect to extend Medicare coverage to State and local government employees hired prior to April 1, 1986, by voluntary agreement with HHS. Under present law, however, Medicare coverage is not mandatory for State and local government employees hired prior to April 1, 1986 unless such a voluntary agreement is in effect. Medicare coverage (and the hospital insurance payroll tax) is mandatory for Federal employees.

For wages paid in 1986 to Medicare-covered employees, the combined employer-employee hospital insurance tax rate is 2.9 percent (1.45 percent on each) of the first $42,000 of wages (Code secs. 3101, 3111, and 3121(a)).

Reasons for change.—Individuals who have worked in State and local government employment that is excluded from Medicare coverage often qualify for Medicare benefits. These individuals qualify as a result of work performed in other employment covered under the program or through the entitlement of a spouse. By and large, individuals who qualify after having worked in excluded State and local government employment have contributed signficantly less in FICA payroll taxes than others who become entitled to benefits having had comparable lifetime earnings all of which were subject to FICA. Such individuals thus represent an inequitable financial drain on the Medicare hospital insurance program.

Unlike monthly social security benefits, where minimal covered earnings and tax contributions result in minimal benefit amounts, entitlement to Medicare is entitlement for the full range of benefits. The benefits are the same regardless of whether the insured worker has made significant tax contributions over his or her working lifetime or whether the individual has qualified with the minimum number of quarters of coverage. The committee believes that this anomaly should be corrected.

Explanation of provision.—The provision extends hospital insurance (Medicare) coverage on a mandatory basis to all employees of State and local governments not otherwise covered for Medicare under present law.[1] The employers and their employees

[1] As under present law, Medicare coverage and the hospital insurance tax are not extended to individuals hired by a State or political subdivision to

will become liable for the hospital insurance portion of the FICA tax, and the employees will earn credit toward Medicare eligibility based on their covered earnings.[2] (The optional Medicare coverage provision enacted in COBRA is terminated.) The collection of the hospital insurance tax with respect to State and local government employees to whom the provision applies is to be carried out in the same manner as provided in COBRA with respect to employees hired after March 31, 1986.

Effective date.—Medicare coverage and the corresponding hospital insurance payroll tax are extended to all State and local employees (not otherwise covered by present law) effective after April 30, 1987, for services performed after that date.

2. Increase in cigarette excise tax rates (sec. 662 of the bill)

Present law.—An excise tax is imposed on cigarettes manufactured in or imported into the United States (Code sec. 5701). In COBRA, the Congress made permanent the tax rate on small cigarettes at $8 per thousand (i.e., 16 cents per pack of 20 cigarettes), and the tax on large cigarettes at $16.80 per thousand. (Proportionately higher rates apply to large cigarettes that exceed 6.5 inches in length.) Most cigarettes are classified as small cigarettes (i.e., weigh not more than three pounds per thousand) and thus are taxable at 16 cents per pack.

Reasons for change.—The committee determined that the present budgetary situation requires an increase in cigarette excise tax rates. The committee further believes that an increase in cigarette taxes should help to discourage smoking, particularly among younger Americans, and reduce associated health risks.

The committee took into consideration that cigarette excise tax rates were unchanged between 1951 and 1982. Because the tax is imposed at a flat rate, rather than as a percentage of sale price, the effective rate of the tax declined steadily during this period. Even with the increase made by the bill, the tax rate will remain lower than it would have been had the 1951 tax rate been indexed for changes since 1951 in the consumer price index.

Explanation of provision.—The bill increases the excise tax rate on small cigarettes to $12 per thousand (i.e., from 16 to 24 cents per pack of 20 cigarettes). Large cigarettes not exceeding 6.5 inches in length are to be taxed at a rate of $25.20 per thousand; proportionate increases apply for large cigarettes that exceed 6.5 inches in length.

As in the case of the 1982 rate increase, the increased rates under the bill apply to certain cigarette floor stocks. Under the bill, an additional tax is imposed on each person holding cigarettes for sale (other than certain retail stocks) on October 1, 1986, if the cigarette were removed from bonded premises before that date and taxes were paid on removal at the present-law rates. The additional tax (which is treated as a tax imposed under sec. 5701) equals the excess of the tax that would apply to removal of the cigarettes from bonded premises on or after October 1, 1986, over the present-law tax rates on such cigarettes (e.g., the additional tax on small cigarettes is $4 per thousand). This additional tax is due and payable on November 17, 1986.

The bill expressly provides that cigarettes that are held in a foreign trade zone on October 1, 1986 and that are entered into the customs territory of the United States on or after October 1, 1986 are treated as held for sale on October 1, 1986 and are subject to the floor stocks tax. This includes both foreign articles on which taxes have been determined or customs duties liquidated by a customs officer at the present-law rate, and also domestic articles as to which tax liability has attached at the present-law rate and which have been placed under supervision of a customs officer, if such foreign or domestic articles are held in a foreign trade zone on October 1, 1986 and are entered or re-entered into the customs territory of the United States on or after October 1, 1986.

An exemption from the floor stocks tax is provided only for cigarettes held for sale by a retailer on October 1, 1986 at the place where intended to be sold at retail. For example, cigarettes held for sale on October 1, 1986 on the shelves of a retail store will be exempt as held by a retailer, but cigarettes held on October 1, 1986 in warehouses or other similar facilities where retail consumers do not have regular access to them or in a foreign trade zone are not to be treated as retail stocks held by a retailer and hence are not eligible for the exemption.

Effective date.—The provision is effective for cigarettes removed from bonded premises after September 30, 1986, and for floor stocks (other than exempted retail floor stocks) held or treated as held on October 1, 1986.

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, DC, July 29, 1986.

Hon. BOB PACKWOOD,
Chairman, Committee on Finance, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimates of the provisions in the Senate Committee on Finance's reconciliation package. Provisions with no outlay or revenue effect are not listed in the tables. The estimates are shown in two separate attachments—one showing estimated outlay effects and one showing estimated revenue effects.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

RUDOLPH G. PENNER.

TABLE 1.—THE ESTIMATED REVENUE EFFECTS OF THE SENATE FINANCE COMMITTEE RECONCILIATION PROVISIONS RELATIVE TO THE BUDGET RESOLUTION BASE

[Fiscal years, in billions of dollars]

	1987	1988	1989	3-year total
Increase cigarette excise tax by 8 cents per pack, net [1]	1.593	1.684	1.693	4.970
Extend Medicare coverage to State and local government employees hired prior to April 1, 1986 [2]	0.829	2.151	2.169	5.149
Total revenue effect, net	2.422	3.835	3.862	10.119

[1] Effective October 1, 1986.
[2] Effective May 1, 1987.

TABLE 2.—FINANCE RECONCILIATION PROVISIONS

[In millions of dollars]

SUBTITLE A—OUTLAY PROVISIONS

Sections	FY 1987	FY 1988	FY 1989	3-year total
Part 1—Provisions relating to the Medicare Program				
Subpart A—Provisions relating to part A of Medicare:				
601—Payments for inpatient hospital services: [1]				
Budget authority	10	30	55	95
Outlays	−180	−230	−260	−670
602—Payments for capital related costs:				
Budget authority	5	15	40	60
Outlays	−75	−205	−310	−590
603—Changes in inpatient hospital deductible:				
Budget authority	−40	−105	−175	−320
Outlays	420	660	630	1,710
604—Requiring notice of hospital discharge rights:				
Budget authority	0	−1	−1	−2
Outlays	3	5	7	15
Subtotal for subpart A:				
Budget authority	−25	−61	−81	−167
Outlays	168	230	67	465
Subpart B—Provisions relating to parts A and B of Medicare:				
611—Medicare coverage as secondary payor:				
Budget authority	−40	−36	−12	−88
Outlays	−255	−340	−370	−965
612—Payment of Medicare claims:				
Budget authority	615	360	375	1,350
Outlays	−2,140	−185	−245	−2,570
613—Payment for home health services:				
Budget authority	−1	−2	−5	−8
Outlays	15	15	20	50
614—Modifications of waiver of liability and appeal provisions for home health services:				
Budget authority	−2	−5	−10	−17
Outlays	40	45	50	135
615—Provider representation of beneficiaries on appeals:				
Budget authority	0	−1	−1	−2
Outlays	4	7	7	18
616—Establishment of patient outcomes project:				
Budget authority	0	−1	−2	−3
Outlays	5	7	8	20
Subtotal subpart B:				
Budget authority	572	315	345	1,232
Outlays	−2,331	−451	−530	−3,312
Subpart C—Provisions relating to part B of Medicare:				
621—Payments for physician services:				
Budget authority	−105	−110	−125	−340
Outlays	−100	−105	−120	−325
622—MEI for physicians services:				
Budget authority	−85	−215	−260	−560
Outlays	−50	−200	−250	−500
623—End stage renal disease payments:				
Budget authority	−32	−32	−32	−96
Outlays	−30	−30	−30	−90
624—Payments for ambulatory surgery:				
Budget authority	−55	−95	−125	−275
Outlays	−45	−85	−120	−250
625—Occupational therapy services:				
Budget authority	15	16	20	51

relieve unemployment; patients or inmates working in a hospital, home, or other institution; temporary State or local government workers hired for certain emergencies; or certain students working in District of Columbia hospitals. Also, the provision extends for Medicare coverage purposes the present-law exception, applicable under social security and Medicare coverage pursuant to voluntary State agreements, for certain election officials and election workers who are paid less than $100 in a calendar year (see 42 U.S.C. see 418(c)(8)).

[2] Also, employees who performed service for a State or local government before May 1, 1987 that would constitute Medicare-qualified government employment if performed after May 1, 1987 may receive credit, for Medicare coverage purposes only, for such prior service under transitional provisions in the bill, similar to transitional provisions enacted when mandatory Medicare coverage was extended to Federal employees. The bill includes a provision authorizing appropriations as required for the transitional provision.

TABLE 2.—FINANCE RECONCILIATION PROVISIONS—Continued

[In millions of dollars]

SUBTITLE A—OUTLAY PROVISIONS

Sections	FY 1987	FY 1988	FY 1989	3-year total
Outlays	15	15	20	50
Subtotal subpart C:				
Budget authority	−262	−436	−522	−1,220
Outlays	−210	−405	−500	−1,115
Subpart D—Peer review organizations:				
631—PRO review of hospital denial notices:				
Budget authority	0	0	0	0
Outlays	1	2	2	5
632—PRO review of inpatient hospital services:				
Budget authority	0	0	−1	−1
Outlays	2	3	3	8
633—Requiring PRO review of quality of care services:				
Budget authority	0	0	0	0
Outlays	1	2	2	5
Subtotal subpart D:				
Budget authority	0	0	−1	−1
Outlays	4	7	7	18
Subtotal Medicare provisions:				
Budget authority	285	−182	−259	−156
Outlays	−2,369	−619	−956	−3,944
Part 2—Provisions relating to the Medicaid Program				
641—Optional coverage of pregnant women and infants:				
Budget authority	25	85	110	220
Outlays	25	85	110	220
642—Optional coverage of elderly and disabled:				
Budget authority	45	170	240	455
Outlays	45	170	240	455
643—Respiratory care services:				
Budget authority	−2	0	0	−2
Outlays	−2	0	0	−2
644—Hold-harmless for Medicaid matching percentage:				
Budget authority	50	0	0	50
Outlays	50	0	0	50
645—Respite care pilot project:				
Budget authority	1	2	2	5
Outlays	1	2	2	5
646—Presumptive Eligibility:				
Budget authority	2	2	2	6
Outlays	2	2	2	6
Subtotal Medicaid provisions:				
Budget authority	121	259	354	734
Outlays	121	259	354	734
Part 3—Miscellaneous provisions				
651—Procedure to prohibit retroactive modification of child support payments:				
Budget authority	−1	−2	−3	−6
Outlays	−1	−2	−3	−6
651—Hold-harmless for AFDC matching percentage:				
Budget authority	15	0	0	15
Outlays	15	0	0	15
Subtotal miscellaneous provisions:				
Budget authority	14	−2	−3	9
Outlays	14	−2	−3	9
Offset to revenue provisions				
Additional Medicare expenditures as a result of State and local coverage:				
Budget authority	0	0	0	0
Outlays	0	2	6	8
Subtotal all outlay provisions:				
Budget authority	420	75	92	587
Outlays	−2,234	−360	−599	−3,193

[1] Estimate pending final legislative language.

Additional Views of Senator William Armstrong on the Medicare Tax on State and Local Employees

Earlier this year, Congress imposed the Medicare Hospital Insurance payroll tax on State and local employees hired after March 31, 1986—that is, on newly hired workers. It was the judgment of Congress last fall that such a significant tax on State governments and workers should be phased-in prospectively. I believe this was the appropriate way to handle the imposition of the tax and do not support imposing it on current State and local employees as proposed in this reconciliation bill.

I recognize that many State and local employees become eligible for Medicare benefits through private sector employment, or through a spouse, and as a result receive full benefits while paying a lesser amount in Medicare taxes than a private sector employee. In my view, this inequity was addressed last year in an equitable manner by phasing in the new tax. There is about a 9% turnover rate each year among State and local employees. Thus, over a relatively short period of time, all State and local workers will be required to pay into Medicare.

I think this solution is far preferable to imposing a direct 1.45% pay cut on current State and local workers and requiring State governments as employers to pay an equal tax. I am concerned this proposal will seriously undermine financial stability of existing State supported retirement and health care programs. In addition, some State treasuries are already suffering from the problems facing the oil and farm industries. In recent years, States have also faced limitations on direct Federal aid from Congress. While reductions in such Federal aid are justified because of the Federal deficit, I do not believe Congress should, at the same time, ask State governments to pay more from their own treasuries in taxes to Washington.

Additional Views of Senator George J. Mitchell, Reconciliation Act of 1986

I cannot support the recommendations of the Finance Committee to meet its reconciliation instructions because, once again, the Committee is relying on regressive excise and payroll taxes to reduce federal budget deficits.

Too often over the last few years, Congress has turned to taxes which are not based on ability to pay as a means of meeting budget reconciliation instructions for deficit reduction.

As a result, federal excise, payroll, and use taxes are contributing a growing share of federal revenues, causing a redistribution of tax burdens away from upper income families and toward middle and low income earners. In 1982, 1983, 1984 and again earlier this year, Congress enacted legislation increasing the payroll tax and almost every excise tax while creating new use fees.

Unfortunately, it appears that this trend toward greater reliance on taxes which are not based on ability to pay will continue. This is the second budget reconciliation measure we have considered during 1986. The measure enacted earlier this year increased federal revenues by $6 billion over a three year period, almost all of it from excise and payroll taxes.

In this reconciliation measure the Finance Committee is proposing to raise another $10 billion over three years, all of which would be raised from higher payroll and excise taxes.

As we consider this budget measure, House and Senate conferees are meeting to finalize an income tax reform measure that will reduce individual income taxes between $100 billion and $140 billion over the next five years. After 18 months of consideration of income tax reform, Congress is not likely to turn to the income tax system again. Yet, it is likely that in September Congress will once again have to look for more revenues to meet the Gramm-Rudman budget targets. As a result, Congress will vote still more increases in excise and fixed taxes not related to ability to pay, even as we reduce individual income taxes which are based on ability to pay.

This continuing redistribution of tax burdens on to lower and middle income earners is neither fiscally nor socially responsible. It should be stopped.

Committee on Government Affairs

TITLE VII

U.S. Senate,
Committee on Governmental Affairs,
Washington, DC, July 29, 1986.

Hon. Pete V. Domenici,
Chairman, Committee on Budget, Washington, DC.

Dear Mr. Chairman: In accordance with the reconciliation instructions in the First Concurrent Resolution on the Budget (S. Con. Res. 120) the enclosed recommendation of the Committee on Governmental Affairs to effect budgetary savings is submitted.

The Committee has approved legislation which established civil penalties and fines for those who submit false claims and statements to the federal government. The enclosed language is a modification of S. 1134, previously reported by the Committee.

Other recommendations to effect further savings will be submitted shortly by separate letter.

Sincerely,

William V. Roth, Jr.,
Chairman.

Program Civil Fraud

Part B of section 7 establishes an administrative remedy for false claim and statement cases under $100,000 that the Department of Justice has declined to litigate. This remedy is based on legislation (S. 1134, the Program Fraud Civil Remedies Act of 1986) that was reported by the Governmental Affairs Committee on November 19, 1985 (report 99-212).

While judicial remedies are available to penalize and deter fraud against the government, the cost of litigation often exceeds the amount recovered, thus making it economically impractical for the Justice Department to go to court. The government is frequently left without an adequate remedy for the small-dollar cases.

The consequence, according to the Justice Department, is that the federal government loses "tens, if not hundreds, of millions of dollars" to fraud each year. Beyond the actual monetary loss, fraud in federal programs also erodes public confidence in the administration of these programs by allowing ineligible persons to participate.

In a July 16, 1986, letter to Senator William V. Roth, Jr., Chairman of the Governmental Affairs Committee, the Congressional Budget Office states that the language contained in part B of section 7 "would result in a net reduction in the deficit as a result of increased civil penalty collections and/or some decrease in fraudulent activity." Although CBO is reluctant to provide a firm savings estimate, the letter cites a 1982 General Accounting Office report, which estimates that "cases of fraud targeted by this bill cost the government $30 million to $40 million annually."

Under the administrative remedy set forth in this section, a typical case would begin with an investigation conducted by the agency's investigating official, usually the Inspector General. The IG's findings would be transmitted to the agency's reviewing official, who would independently evaluate

the allegations to determine whether there is adequate evidence to believe that a false claim or statement has been submitted.

If so, the matter would be referred to the Justice Department for consideration. This procedure ensures that the Department will have an opportunity to review the charges and elect, if it so chooses, to litigate in federal court. An agency may only commence administrative proceedings against the person alleged to be liable if the Justice Department approves initiation of such proceedings. In those cases, the reviewing official would notify the person of the charges and of his or her right to a hearing.

An Administrative Law Judge—an independent, trained hearing examiner—would conduct the hearing to determine whether or not the person is liable and the amount of penalty and assessment, if any, to be imposed. The hearing itself would be conducted pursuant to the due process safeguards of the Administrative Procedure Act, which entitles the person to a written notice of the allegations, the right to be represented by counsel, and the right to present evidence on his or her own behalf. The amendment even goes beyond these APA protections by providing the person discovery rights.

Finally, the person alleged to be liable has the right to appeal the hearing examiner's decision to the agency head and then, having exhausted all administrative remedies, the right to obtain judicial review in a U.S. Court of Appeals.

In establishing liability under the administrative remedy, the government would not only have to prove that a claim or statement is false, but also that the person "knows or has reason to know" that the claim or statement is false. The amendment defines this knowledge standard to cover those persons who either have actual knowledge that a claim or statement submitted is false, act in deliberate ignorance of the truth or falsity of the claim or statement, or act in reckless disregard of the truth or falsity of the claims or statement. The penalty and assessment, if the person is found liable, would be up to $10,000 for each false claim or statement, plus double the amount falsely claimed.

The "knows or has reason to know" standard for establishing liability under this section is intended to capture those persons who recklessly disregard facts which are known or readily discoverable upon reasonable inquiry, while excluding those persons who submit false claims or make false statements through mistake, momentary thoughtlessness, or inadvertence. The definition clarifies, therefore, that a person who makes a false claim or statement through mere negligence does not meet the requisite *scienter* requirement and would not be held liable under the Act. Only those individuals who are extremely reckless, who demonstrate an extreme departure from ordinary care, would be subject to liability.

CBO Cost Estimate

Congressional Budget Office,
U.S. Congress,
Washington, DC, July 16, 1986.

Hon. William V. Roth, Jr.,
Chairman, Committee on Governmental Affairs, U.S. Senate, Washington, DC.

Dear Mr. Chairman: I am pleased to clarify the CBO cost estimate for S. 1134, dated December 3, 1985. We believe that the bill would result in a net reduction in the deficit as a result of increased civil penalty collections and/or some decrease in fraudulent activity. The amount of the savings cannot be reliably estimated, however, because of uncertainty as to the amount of fraud, the way agencies would make use of the new authority, and the deterrent effect of any agency actions. As a result, there is no clear basis for projecting the savings that would result from the bill. As stated in CBO's cost estimate, the General Accounting Office conducted a comprehensive study of fraud in government programs (Fraud in Government Programs: How Extensive Is It? How Can It Be Controlled?, AFMD-81-73), and estimated that cases of fraud targeted by this bill cost the government $30 million to $40 million annually.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

Rudolph G. Penner,
Director.

U.S. Senate,
Committee on Governmental Affairs,
Washington, DC, July 29, 1986.

Hon. Pete V. Domenici,
Chairman, Committee on the Budget, Washington, DC.

Dear Mr. Chairman: In accordance with the reconciliation instructions in the First Concurrent Resolution on the Budget (S. Con. Res. 120) the recommendations of the Governmental Affairs Committee to effect the required budgetary savings are enclosed.

The Committee has adopted language to provide changes in the revenue foregone appropriation and moves the date for participation in the new Federal Employees Retirement System to April 1987. In addition, the Committee has approved legislation which establishes civil penalties and fines for those who submit false claims and statements to the federal government.

Sincerely,

William V. Roth, Jr.,
Chairman.

Thomas F. Eagleton,
Ranking Minority Member.

Federal Employee Retirement System

This language amends the dates on which current federal employees who are subject to the Civil Service Retirement and Disability System and who are not required to participate in the new Federal Employees' Retirement System may elect to participate in the new system and the system's new thrift savings plan. Under current law, employees may elect to participate in the new retirement plan beginning July 1, 1987. Alternatively, those employees remaining in the current civil service retirement plan may elect to participate in the new thrift savings plan beginning July 1, 1987. This language amends these provisions by changing the starting date to April 1, 1987.

Revenue Foregone Appropriation

This amendment would revise the method for computing the revenue foregone appropriation for the United States Postal Service. This provision implements one of the recommendations made by the Postal Rate Commission in its report of June 18, 1986 on preferred postal rates.

Currently, the federal government provides the Postal Service with funds to capture the revenue shortfall created by allowing eligible mailers lower postage rates than would otherwise be available to them. In its study, the Postal Rate Commission concluded that the present method for calculating revenue foregone results in an overstatement of the amount, thus inflating the amount Congress is requested to appropriate. The Committee endorses the Postal Rate Commission recommendation that a new method, the "equal markup" method be instituted to more accurately capture the revenue foregone.

CBO Cost Estimates

Congressional Budget Office,
U.S. Congress,
Washington, DC, July 31, 1986.

Hon. William V. Roth, Jr.,
Chairman, Committee on Governmental Affairs, U.S. Senate, Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has prepared the attached table analyzing the budget impact of the reconciliation recommendations adopted by the Senate Committee on Governmental Affairs on July 30, 1986.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

Rudolph G. Penner,
Director.

RECONCILIATION RECOMMENDATIONS OF THE SENATE COMMITTEE ON GOVERNMENTAL AFFAIRS—FEDERAL BUDGET IMPACT RELATIVE TO CURRENT LAW AND THE BUDGET RESOLUTION BASELINE

[By fiscal year, in millions of dollars]

	1987	1988	1989	1990	1991
Authorization					
Postal Service: [1]					
Estimated authorization level			−210	−300	−300
Estimated outlays			−210	−300	−300
Direct Spending					
Civil service retirement: [2]					
Estimated budget authority	664	64	66	56	37
Estimated outlays	−247	22	38	42	25
Revenues [2]	−42	2	3	4	5

[1] The Committee recommendations would revise the basis for determining costs to be recovered by revenues plus appropriations for reduced-rate categories of mail. If this legislation is enacted, and if appropriations in future years are adjusted correspondingly, revenue foregone payments would be an estimated $594 million in 1989, $539 million in 1990, and $575 million in 1991. It is possible that these amounts would be insufficient to maintain current postal rates for preferred mailers.

[2] The Committee recommendations would allow most federal civilian employees to begin contributing to the government retirement program's thrift savings plan and to begin participating in the new retirement system three months earlier than under current law. Earlier employee contributions would increase offsetting collections (negative outlays) in 1987, but would increase outlays in subsequent years as a result of larger withdrawals. In addition, because the employee contributions are tax deductible, the government's tax revenues would drop in 1987, while in subsequent years the larger withdrawals would result in higher tax revenues.

Note.—Negative outlays represent a decrease in spending and in the deficit. Negative revenue figures represent a decrease in revenues, and an increase in the deficit.

Committee on Labor and Human Resources

Title VIII

U.S. Senate, Committee on Labor and Human Resources,
Washington, DC, July 25, 1986.

Hon. Pete V. Domenici and Hon. Lawton Chiles,
Chairman and Ranking Minority Member, Committee on the Budget, U.S. Senate, Washington, DC.

Dear Pete and Lawton: In compliance with the Senate Budget Committee procedures for reporting a reconciliation bill in response to the First Concurrent Budget Resolution for Fiscal Year 1987, we hereby submit a complete package of proposed legislative changes for inclusion in Title VIII of that bill.

This package includes: (1) the legislative language to implement the reductions, (2) the accompanying report language, and (3) a CBO cost estimate for the Senate Labor Committee amendments to the Guaranteed

Student Loan program and the Education loan asset program. The Committee is pleased to report a reconciliation package which meets the required savings in fiscal year 1987 as well as over a three-year period. These three-year savings of $1.5 billion are not expected to adversely affect beneficiaries most in need.

Sincerely,

EDWARD M. KENNEDY,
Ranking minority member.
ORRIN G. HATCH,
Chairman.

REPORT LANGUAGE ON GUARANTEED STUDENT LOAN PROGRAM

The Guaranteed Student Loan (GSL) Program has been under close review in the past few years, both by the members of the Committee and members of the Senate as a whole. Last year, a great deal of time was spent debating legislation to save $800 million over 3 years as instructed by P.L. 99-272, the Consolidated Omnibus Budget Reconciliation Act of 1985. Subsequently, the Subcommittee on Education, Arts and Humanities began work on S. 1965, a bill to reauthorize the Higher Education Act of 1965. Five cost saving provisions currently included in Senate-passed S. 1965 have been extracted and one additional proposal submitted as legislative language necessary to achieve cost savings pursuant to this Committee's reconcilation instructions in the Concurrent Resolution on the Budget—FY87, S. Con. Res. 120. Two of the above provisions, increasing the interest rate on GSL's and reducing the lender yield, were to be effective as of July 1986 under language in Senate-passed S. 1965. The effective date is changed to October 1, 1986. Outlay savings achieved by the adoption of this language include $795 million in budget authority and $680 million in outlays over a three year period.

(1) NEEDS BASIS FOR THE GUARANTEED STUDENT LOAN PROGRAM

This language requires that all applicants undergo a financial needs test to receive a GSL. Under current law, a student from a family with an annual income under $30,000 is automatically eligible for a loan. By requiring all students to undergo a needs test, the Committee seeks to ensure that students are borrowing according to their need. Concern has been raised about the exceptionally harsh treatment of low income independent students with children when instituting an across-the-board needs test. The Committee responded to this concern by clarifying the treatment of independent students (see section on independent student).

(2) INTEREST RATE FOR NEW BORROWERS

The interest rate for new borrowers in the GSL program is increased from 8% to 10% once the student begins repayment.

(3) RULE FOR REINSURANCE BASED ON DEFAULT RATES

The Committee language also changes the rate of reimbursement of claims paid on defaulted loans to the guarantee agencies (known as reinsurance) from the current 100%-90%-80% to 100%-80%-70% for new loans. While still providing incentives for the agencies to maintain a low default rate (less than 5%) and thus receive 100% reimbursement, this change will encourage enhanced due diligence and an increased emphasis on default prevention for those agencies with a higher default rate. The increase in the amount of student loans in default is of great concern to the Committee and this is one step toward lowering the default rate.

(4) SPECIAL ALLOWANCE

The special allowance which the Federal government pays to the banks to encourage their participation has been decreased in this language from the current 3.5% to 3.0%. The Committee does not intend to force any banks out of the program; rather, it is the Committee's finding that as the GSL program has grown, the banks have made a profit from this program. In the Committee's view, the banks can and should share in cost saving measures.

(5) DEFINITION OF INDEPENDENT STUDENT

The definition of independent student for all financial aid programs has been amended to require that unmarried students and students without dependents under 23 years of age must satisfy the established criteria for the award year plus the two previous years. The following criteria requires that the student:

Does not live for more than 6 weeks a year with his/her parents;

Is not claimed as a dependent for Federal income tax purposes by his/her parents; and

Does not receive more than $750 in financial assistance from his/her parents.

Students who are 23 years of age and above, or married students with dependents, fall under the current rule of satisfying the criteria for the award year plus one previous year.

ADDITIONAL PROPOSAL

Additionally, the Committee requires that $20 million be returned in fiscal year 1987 to the Department of the Treasury from state guarantee agency advances.

All of the above mentioned language assumes an effective date of October 1, 1986.

REPORT LANGUAGE ON EDUCATION LOAN ASSET SALES

The College Housing Loan program supports financing for the construction, renovation, and acquisition of college and university housing and related student service facilities through direct, subsidized loans made from a revolving fund. This financing is intended to help higher education institutions to accommodate increases in resident student enrollments and also to support energy conservation rehabilitation of existing facilities.

Since the inception of this program in 1950, over $3.79 billion in loans has been awarded, with about $2.676 billion remaining outstanding at the close of fiscal year 1984. Eligible applicants are institutions of higher education, certain vocational institutions, teaching hospitals, and public or private non-profit college housing agencies.

Loan capital has been provided both with Department of the Treasury borrowings and through the marketing of Government National Mortgage Association public securities. New loan commitments may be made from the revolving fund's available resources. The authorized level of new loans must be specified each year in appropriations language. In fiscal year 1984 and fiscal year 1985, $40 million in loan authority was authorized annually.

The Committee members were instructed to achieve $579 million in savings in the College Housing Loan Program in fiscal year 1987. That will be achieved by directing the Secretary of Education to sell approximately 50 percent of the loan obligations held by the Department of Education on this program. These loans have a face value of $1.3 billion. The Department of Education estimates that the sale of these loans will result in a profit of $579 million in fiscal year 1987. The proceeds from this sale will be used to pay off a portion of the Department of Education's debt to the Department of the Treasury. Language is included to clarify the Department of Education's authority to sell these loans at a discount. The Secretary of Education is directed to compute the discount which may be offered to a borrower as an inducement to early repayment in an amount determined to be in the best financial interests of the Federal government.

Also, language is included which states the Department of Education's authority to sell Higher Education Academic Facilities Loans. The reconciliation instructions assumed savings in the Higher Education Academic Facilities Loan program after fiscal year 1987.

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, DC, July 25, 1986.

Hon. ORRIN G. HATCH,
Chairman, Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate of the legislative changes sent by the Senate Committee on Labor and Human Resources to the Senate Budget Committee, July 25, 1986. This legislation would make changes in the Guaranteed Student Loan program, Title VII of the Higher Education Act of 1965, and the College Housing Act of 1950, for the purpose of meeting the reconciliation instructions included in the Concurrent Resolution on the Budget—Fiscal Year 1987 (S. Con. Res. 120).

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

RUDOLPH G. PENNER.

COST ESTIMATE

1. Bill number: None.

2. Bill title: Education Budget Savings Act of 1986.

3. Bill status: As passed by the Senate Committee on Labor and Human Resources on July 25, 1986 and sent to the Senate Budget Committee.

4. Bill purpose: The purposes of the bill are: (1) to make changes in spending in the Guaranteed Student Loan program, and (2) to amend Title VII of the Higher Education Act of 1965 and the College Housing Act of 1950 regarding the sale of loan obligations, all for the purpose of deficit reduction consistent with the reconciliation instructions included in the Concurrent Resolution on the Budget—Fiscal Year 1987 (S. Con. Res. 120).

5. Estimated cost to the Federal Government: This bill is intended as a reconciliation act. We have, therefore, done the estimates relative to the baseline used for S. Con. Res. 120. The baseline differs from current law in that it reflects the full projected cost of the current programs for the next five years.

TABLE 1.—ESTIMATED FEDERAL COSTS RELATIVE TO BASELINE UNDER THE ECONOMIC ASSUMPTIONS CONSISTENT WITH THE CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1987

[By fiscal year, in millions of dollars]

	1987	1988	1989	1990	1991
Changes to baseline					
Guaranteed student loans:					
Budget authority	−55	−235	−505	−675	−755
Outlays	−30	−185	−465	−650	−735
College housing and higher education loan asset sales:					
Budget authority		−15	−9	−8	−7
Outlays	−579	−314	94	94	118
Bill total:					
Budget authority	−55	−250	−514	−683	−762
Outlays	−609	−499	−371	−556	−617

Note: The costs of the bill fall within budget functions 500 and 900.

Basis of Estimate: Guaranteed Student Loan Program

This legislation makes several programmatic changes to the Guaranteed Student Loan (GSL) program. Specifically, these changes would: (1) Limit program eligibility to remaining financial need. This would be done by both eliminating the current Guaranteed Student Loan (GSL) family contribution schedule and the $30,000 family income cap and using the "uniform methodology" currently in federal regulations for approving needs analysis systems for other federal student aid programs. (2) Change the definition of an independent student to require any single student under age 23 without dependents to prove two prior years of financial independence from their parents. (3) Increase the interest rate on GSLs from 8 to 10 percent when the loan enters repayment. (4) Reduce lender yield on new loans by .50 percent. (5) Lower the current reinsurance triggers for the federal share of default claims from 100 percent/90 percent/80 percent to 100 percent/80 percent/70 percent and (6) Recall $20 million of the state guarantee agency advances in 1987. The estimates, consistent with bill language, assume an October 1986 implementation date. In combination, these proposals reduce budget authority in 1987 by $55 million and outlays by $30 million. By 1991, budget authority is reduced by $755 million and outlays by $735 million.

In 1987, CBO projects that the GSL program would cost $3.2 billion under current law. This level reflects $9.75 billion in new loan commitments to 4.25 million students and a cumulative outstanding loan volume over $50 billion. Below is a brief discussion of the separate proposals and the major programmatic assumptions behind the budget estimates.

This bill would repeal the current GSL family contribution schedule published by the Department of Education, eliminate the current $30,000 income cap, and require the determination of financial need to be done through the "uniform methodology" (UM) financial needs analysis. The UM is currently in federal regulations for approving needs analysis systems used in other federal student aid programs.

As a result of the UM needs test, close to one million students are estimated to either have their borrowing levels held below the maximum levels or lose eligibility for loans altogether. Most of those affected would either be dependent students whose family income is close to the current $30,000 income cap and who attend relatively low-cost schools, or dependent undergraduates whose family income is in excess of $30,000 who would be expected to contribute more of their income to education due to a broader definition of income and who would be expected to make a family contribution from assets. In addition, independent students would also be affected since these students would be expected to contribute a significant amount of their earnings towards their education.

Since borrowers could be required to apply for their loans through a needs application administered or contracted by the Department of Education, the federal government would incur increased federal application processing costs. The 1985 cost of processing an application was $7.75. Adjusting for inflation and assuming the federal government would process about 1.5 million more applications than are currently processed in the Pell Grant program, federal administrative costs would increase by about $13 million in 1987.

In addition to the change in the needs analysis eligibility criteria, S. 1965 would affect another 45,000 students, who are single independent students under 23 years of age without dependents, by the redefinition of an independent student.

These students would be reclassified as dependent students in determining family resources and financial need. It is assumed that the majority of these students could not borrow as dependent students.

The lender yield on newly guaranteed loans in the GSL program would be reduced by .50 percent to a total yield to lenders of the 91-day Treasury bill rate plus 3.0 percent. The estimate of this proposed change reflects the change in yield on all new loan commitments. The cost estimate associated with this provision does not reflect any change in lender behavior. If lenders dropped out of the program as a result of lower total yields, the budget savings from the provision would be higher; however, eligible GSL borrowers would no longer have GSL loan capital available to them.

This bill changes the federal reinsurance trigger from 100 percent/90 percent/80 percent to 100 percent/80 percent/70 percent on all new loans. Guarantee agencies would be responsible for covering 10 percent more of default costs on any new loan as of 1987 when the guarantee agencies annual default claims exceed 5 percent of their cumulative matured loans. The federal reinsurance on GSLs will remain 100 percent for the first 5 percent of default claims.

Outstanding advances to state guarantee agencies currently exceed $170 million. The Consolidated Omnibus Budget Reconciliation Act of 1986 recalls $75 million of these advances during 1988. This bill would recall an additional $20 million of the advances in 1987.

Sale of Loan Obligations

This bill would require the Secretary of Education to sell college housing and higher education facilities loan obligations in a manner consistent with the directions in S. Con. Res. 120. CBO estimates that the Secretary's plan for the sale, initially proposed in the President's budget for fiscal year 1987, will meet the targets specified in the resolution. CBO assumes that the loans would be sold without future recourse to the federal government.

The proposed plan calls for the sale of most of the existing portfolio of housing and facilities loans over the four year period 1987–1990. The loans proposed for sale have a principal value of $2.4 billion. The sale price, realized over the four year period, is estimated to be $1.1 billion. The price is discounted from the principal value to reflect the time value of the interest and principal payments over the period of the loan.

In selling the loans, the federal government would realize a reduction in expected future principal repayments and interest revenue over the life of the loans, partially offsetting the collections from the sale. This reduction is estimated to be $500 million over the five year period 1987–1991, and $2.6 billion over a twenty year period.

6. Estimated cost to State and local goverment: The Congressional Office has determined that the budgets of state and local governments would not be affected directly by the enactment of this bill.

7. Estimate comparison: None.

8. Previous CBO estimate: None

9. Estimate prepared by: Deborah Kalcevic and Ken Pott.

10. Estimate approved by: C.B. Nuckolz (for James L. Blum, Assistant Director for Budget Analysis).

COMMITTEE ON SMALL BUSINESS

TITLE IX

U.S. SENATE,
COMMITTEE ON SMALL BUSINESS,
Washington, DC, July 29, 1986.

Hon. PETE V. DOMENICI,
Hon. LAWTON CHILES, *Chairman, Ranking Minority Member, Committee on the Budget, U.S. Senate, Washington, DC.*

DEAR PETE and LAWTON: In accordance with the reconciliation instruction included in section 2(t) of S. Con. Res. 120, enclosed are the changes in laws within the Committee's jurisdiction to achieve cost savings to meet the reconciliation instruction. Also enclosed is the Committee's report to accompany these statutory provisions.

On July 24, 1986, the Committee met and unanimously reported out these changes. The Committee rejects the assumptions underlying the reconciliation instruction to sell the disaster loan portfolio without recourse to the federal government. Instead, the Committee's recommendation directs the Secretary of the Treasury to sell section 503 certified development company loans now held by the Federal Financing Bank. The Committee believes that these loans are among the best quality loans made by the Small Business Administration. Indeed, the Committee has been advised that these loans may indeed sell at a premium, thereby providing revenues to the Treasury and reducing the deficit. It is the Committee's firm judgment that to direct the sale of loans on a basis other than with recourse will only be wasting valuable assets and add to deficits.

Sincerely,

LOWELL WEICKER, Jr.,
Chairman.

DALE BUMPERS,
Ranking Minority Member.

SENATE COMMITTEE ON SMALL BUSINESS SUBMITS THE FOLLOWING REPORT

[To accompany transmittal of changes in law to achieve cost savings required by the reconciliation instruction pursuant to S. Con. Res. 120, to the Senate Committee on the Budget]

The Senate Committee on Small Business, pursuant to Sec. 2(t) of S. Con. Res. 120 submits changes in law to achieve cost savings as required by the Committee's reconciliation instruction.

I. RECONCILIATION INSTRUCTION

Section 2(t) of S. Con. Res. 120 provides that:

The Senate Committee on Small Business shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in law within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $438,000,000 and outlays by $343,000,000 in fiscal year 1987; decrease budget authority by $399,000,000 and outlays by $55,000,000 in fiscal year 1988; and decrease budget authority by $223,000,000 and outlays by $14,000,000 in fiscal year 1989.

Although not specifically binding on the Committee, assumptions were made by the conferees in S. Con. Res. 120 in developing this reconciliation instruction. The instruction to the Small Business Committee was based on the assumption that the entire Disaster Loan portfolio held by the Small Business Administration (approximately $4.4 billion) would be sold over four years at a rate of approximately one billion dollars a year. The resolution, however, also assumes that the Disaster Loan program at the SBA would continue to be funded at current levels. Therefore, appropriations of $450 million in fiscal year 1988 and $600 million in fiscal year 1988 would be required.

The Committee has jurisdiction over federal spending programs at the Small Business Administration which are in budget functions 370 and 450. Cuts of the magnitude required by this instruction, particularly the $343 million in outlay savings in fiscal year 1987, can only be achieved by the sale of loan assets. The Committee's primary considerations have focused on which of the SBA loans should be sold and on whether they should be sold with recourse to the Federal government.

II. SUMMARY OF CHANGES IN LAW

After careful consideration, the Committee rejects the proposal in the Budget resolution to sell disaster loans in function 450 of the budget and recommends, instead, the sale of Certified Development Company debentures issued pursuant to section 503 of the Small Business Investment Act of 1958 which are now held by the Federal Financing Bank. These debentures would appear in function 370 of the budget.

The Committee submits the following recommendations as changes in laws under its jurisdiction:

The Secretary of the Treasury is authorized and directed to sell section 503 certified development company debentures now held by the Federal Financing Bank in sufficient amounts to reduce outlays by $361,000,000 in fiscal year 1987, $55,000,000 in fiscal year 1988 and $14,000,000 in fiscal year 1989; provided that such sales shall be with full recourse to the Federal government; and provided further that the sale of debentures discharges SBA's liability to the Federal Financing Bank. The Administration and the Secretary of the Treasury are precluded from selling any other loans to achieve cost savings.

III. DISCUSSION OF THE NEED FOR LEGISLATION

A. Background and legislative history

The President's budget submission for fiscal year 1987 again proposed the elimination of the Small Business Administration (SBA) as an independent agency, the elimination of all SBA's credit assistance programs and the transfer of the Agency's loan portfolio to the Department of the Treasury for liquidation and sale.

In its recommendations and views submitted by letter on March 5, 1986, to the Senate Budget Committee, this Committee strongly opposed the President's plan. Instead, the Committee recommended changes in SBA programs then embodied in the conference agreement on the budget for fiscal year 1986, which had not yet been enacted. With the enactment of P.L. 99-272, the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985, $2.5 billion of outlay savings were achieved through significant program reductions and restructuring at SBA.

The Committee's views to the Budget Committee also expressed strong reservations about the proposed loan asset sales in the President's budget because, in the long run, the sale would cost the federal government.

However, during full Senate consideration of S. Con. Res. 120, on April 30, 1986, Chairman Weicker in a colloquy with Senator Domenici agreed to a pilot program to sell $220 million of business loans a year for fiscal years 1987-89 in order to test the concept of loan asset sales.

B. Disaster Loan Program

The SBA disaster loan fund is a revolving fund in function 450 of the budget. The budget resolution assumes that the entire disaster loan portfolio would be sold over four years. The resolution also assumes that the program would continue through fiscal year 1989 at current levels. A summary of the anticipated savings from the sale of such loans is as follows:

Fiscal year 1987:	
BA	−$438
O	−343
Fiscal year 1988:	
BA	−399
O	−55
Fiscal year 1989:	
BA	−223
O	−14
Total:	
BA	−1,060
O	−412

Under the disaster loan program, SBA has been making below-market loans at four and eight percent to homeowners, businesses and farmers who are victims of natural disasters for uninsured losses. Although P.L. 99-272 eliminated the eligibility of agricultural enterprises for SBA disaster loan assistance, there are currently over 47,000 farm loans in the portfolio. Of this number only about 35,000 are current on repayments.

The Committee rejects the proposal in the budget resolution for several reasons.

First, the idea of selling the entire portfolio which supports the revolving fund, while simultaneously continuing the program, makes little sense. According to the SBA, under the assumptions in the resolution, the program could be maintained at current funding levels in fiscal year 1987 without an appropriation, but in fiscal year 1988 and fiscal year 1989 appropriations would be required. SBA estimates appropriations of $450 million in fiscal year 1988 and $600 million in fiscal year 1989 will be necessary. It makes litle sense to sell the portfolio only to have to recapitalize the fund in fiscal year 1988.

Second, if sold without recourse to the federal government, the loans would be very deeply discounted. The CBO estimated that the portfolio would sell for about 38 cents for every dollar of face value on the loan. Investment banking firms have informed the Committee that without a guarantee the portfolio would have to be sold at fire-sale prices, if they could be sold at all.

Additionally, the Committee is concerned about protections for homeowners, businesses and farmers who have been the recipients of SBA disaster assistance. Sale of these loans to private investors without recourse to the government would mean that these borrowers, in the event of default, would be subject to immediate foreclosures by potential private investors. This would be particularly harsh for farmers who have SBA disaster loans, given the presently depressed state of the farm economy. SBA indicates that currently only about 70 percent of farm loans in the portfolio are current.

C. Section 503 Certified Development Company Program

Under the Section 503 Certified Development Company (CDC) program, the SBA certifies local development companies to make fixed-asset "bricks and mortar" loans to growing small businesses for planned expansion and job creation. The small business concern receives 50 percent of the project financing from a bank, invests 10 percent of the cost from its own funds, and SBA guarantees a debenture issued by the CDC for the remaining 40 percent of the project cost, which must be secured by adequate collateral. The SBA-guaranteed debenture is then sold to the Federal Financing Bank. The borrower's promissory note to the CDC and accompanying security are assigned by the CDC to SBA.

Since the program's inception in 1980, over 590 CDC's have been certified by SBA and over 5,400 loans have been approved by the Small Business Administration. According to SBA, the actual loss rate in the program has been about 1.5 percent although the ultimate loss rate may prove somewhat higher, since this is a fairly unseasoned program. The Committee believes the 503 loans are of a far better quality than the disaster loan portfolio, since they are more highly collateralized and to date have shown a very high currency rate. This view is supported by comments the Committee has received from investment banking firms.

It is difficult to predict with any certainty what any loan may sell for in the private capital market, but estimates from both governmental and private sources indicate that the 503 loan portfolio would yield a much higher return, even without recourse to the government, than the disaster loan portfolio. This in part is explained by the simple fact that average yield on the 503 portfolio is 11.2 percent, while the yield on the Disaster loan program is 4.4 percent.

The Administration estimates that if sold on a non-recourse basis Section 503 loans would get about 49 cents for every dollar of face value. CBO estimates the portfolio could sell for as much as 60-70 cents. One investment banking firm estimated that the portfolio could sell for up to 83 cents on the dollar. By contrast, if sold with recourse to the Federal government, which implies that the investor assumes virtually no risk of non-payment, the portfolio would sell at a premium to face value since the average yield is some 200 to 300 basis points above comparable market yields. Consequently, the government would expect to make a

"profit" by selling the loans for $1.12 to $1.13 on the dollar. From the standpoint of savings to the Government, Section 503 loans are the better loans to sell.

D. Loan asset sales

A fundamental question for the Committee in authorizing sale of loans at SBA as a test of the pilot concept is whether loan assets should be sold with or without recourse to the Federal government. The sale of loans on a non-recourse basis has two consequences: 1) the loans will have to be sold at much more deeply discounted prices, and 2) in the event of default, investors may have no choice but to liquidate the loan, including recourse to collateral.

The Committee takes note of the statement of the managers on the conference agreement on S. Con. Res. 120 for guidance in meeting the reconciliation instruction:

The conferees hope that the appropriate committees of the Congress will consider legislation that establishes specific guidelines for the sale of these assets. Such legislation should address the process and terms of asset sales, including whether there should be any form of Federal guarantee and what kind of protections should be provided to borrowers.

The conferees believe that specific legislative guidelines for loan asset sales should be established to insure that the sales occur successfully and expeditiously without adverse consequences.

This discussion of loan asset sales clearly implies that authorizing Committees should make final decisions on whether a sale should be with or without recourse. Notwithstanding this clear statement by the managers of the conference, this Committee has been advised by the Congressional Budget Office (CBO) and the Office of Management and Budget (OMB) that loan asset sales will be scored as offsetting receipts only if they are sold without recourse to the Federal government.

On July 24, 1986, Chairman Weicker recieved a letter from James Miller, Director of OMB, which states, ". . . the Administration intends to score as borrowing, rather than as off-setting collections, all sales of loan assets with recourse . . . while we support the sale of loan assets without recourse, sale with recourse should be scored as agency debt."

A memorandum from the Congressional Budget Office (CBO) provided to the Committee staff, presented the following view:

The sale of federal loan assets with recourse to the government or with a federal guarantee is a form of borrowing in that the government has entered an obligation to make a series of payments to an investor that is not dependent on the stream of payments on the underlying assets. The loan asset "sale" with recourse, thus, is not a genuine sale because it gives rise to a liability: the unconditional obligation to pay by the federal government. If loan assets were removed from the books of the federal government by such "sales", the government would be left with unrecognized, but potentially sizable, liabilities.

In contrast, loan asset sales that are final and without recourse to the government entail only an exchange of one asset—cash—for another—loans. The investor is entitled only to the stream of payments on the purchased assets, and is without further claim on the federal government.

The Senate Small Business Committee fundamentally disagrees with the proposition that no budget savings would be achieved by the sale of loan assets with recourse and rejects the notion.

First, the policy as stated in this memorandum suggests that all loans guaranteed by the Federal government will be defaulted. The memorandum further misstates the nature of the federal guarantee, calling it an "unconditional" obligation to pay on the part of the government. Obviously, the liability is contingent only.

The Committee believes that it would be more appropriate to provide for an amount likely to offset anticipated losses, rather than to assume that an entire portfolio will end in default. Sound public policy requires notice of the historical track record of a portfolio and its historical loss rate. To date, the actual loss rate on 503 loans is only 1.5 percent, and is anticipated to increase only to 5 percent over a period of years. The assertion that a federal guarantee of such loans amounts to a direct federal loan simply flies in the face of experience.

Secondly, under the CBO/OMB analysis, proceeds from a sale of assets with recourse are not scored as off-setting receipts. This begs the question of where the money goes and amounts to an economic article of faith against federal loan guarantees which ignores reality. Indeed, when the government sells an asset and receives cash the proceeds from the sale can be invested or used to reduce the deficit.

The Committee further notes that this treatment of loan asset sales is absolutely contrary to past budget practices. OMB Director Miller's letter states, "To minimize disruption in the short term, the Administration would agree to treat the limited number of existing loan sales with recourse (such as GNMA tandem, VA loans and new RHIF loans) as off-setting collections in fiscal year 1987". This treatment, thus, is an abrupt change in the rules on score-keeping and is contrary to the practice followed in the Reconciliation bill, P.L. 99-272, which was signed into law on April 7, 1986. Under that law we note that loan asset sales with recourse by the Secretary of Housing and Urban Development (HUD) were treated as off-setting receipts, thus, producing budget savings.

Even assuming a 100 percent default rate, the government still benefits from an immediate sale of a loan portfolio through the time value of money. Quite simply, a dollar in hand today is worth more than a dollar received tomorrow.

The Committee concluded, after consultation with financial experts, that the market place was likely to discount non-guaranteed loans far disproportionately to the actual risk of loss to the federal government, and that sales without recourse would cost the Treasury millions of dollars more than any reasonably anticipated losses from such guarantees.

The conference report states that loan sales should be without adverse consequences. Using CBO's conservative estimate that the 503 loan portfolio sold without recourse would return about 60-70 cents on a dollar it would be an "adverse consequence" for the government to lose over $250 million, based on a portfolio of $800 million, in order to avoid a contingent liability of approximately $40 million.

Further, selling loan assets without recourse so as to remove the government entirely from the process allows no protection for borrowers whom Congress has decided should receive federal credit assistance.

And, finally, if the purpose of reconciliation is deficit reduction, it is in the government's best interests to maximize its receipts from the sale of assets. It would be a waste of public assets to sell loans at a deep discount required by the market under a non-recourse sale.

IV. COMMITTEE RECOMMENDATION

The Committee recommendation directs the Secretary of the Treasury to sell debentures from the portfolio of Section 503 Certified Development Company loans in such amounts for fiscal years 1987-1989 as to meet the Concurrent Budget Resolution reconciliation instructions. Thus, in order to meet the required outlay savings for fiscal year 1987, the Secretary of the Treasury shall sell Section 503 debentures in such amounts as to achieve net realization of $361 million in fiscal year 1987; $55 million in savings in fiscal year 1988; and $14 million in savings in fiscal year 1989.

For fiscal year 1987, the Committee directs the Secretary to sell $361 million in Section 503 debentures, although under its budget reconciliation instructions, the Committee was ordered to produce only $343 million in savings. The additional $18 million in sales implements the Levin Amendment which sought to provide a cushion for losses to the government which might occur on loans due to eventual defaults over the next three years by the borrower. Under the Levin Amendment, the Treasury is assured of receiving a significant amount in addition to the budget mandated minimum which should provide more than enough to cover shortfalls produced by eventual defaults by borrowers over the next three years.

As the ultimate purchaser and holder of the portfolio, the Secretary of the Treasury is directed to sell the securities to the private sector on a recourse basis. In so doing, the Secretary of the Treasury must of course strive to obtain the optimal market conditions and must tailor the sale of securities in such a manner as to elicit the greatest market interest and response. The Committee believes that the Secretary should actively consult with qualified personnel at the Small Business Administration whose expertise and knowledge of the 503 program will certainly be of assistance. While the Committee gives the Secretary discretion as to the conditions of the sale, it believes that the Secretary should also rely on the advice of investment experts from the private capital markets. The Committee directs the Secretary to consider pooling of the debentures into collective, collateralized, undivided shares of ownership which will allow the targeting and sectoring of the investor market and will increase interest.

The Committee has considered and rejected the course of action proposed by OMB which would have FFB sell debentures without SBA's guarantee, and thus for less than full value, but nonetheless require SBA to make up to FFB any loss which accompanied the sale. This course could circumvent defined policy in existing authorization and appropriations measures defined by Congress and the President.

Despite the policy preference of CBO and OMB that the sale of government loans be made on a non-recourse basis, the Committee has ordered that the sale of Section 503 debentures to the private capital markets be done with the existing SBA guarantee of timely payment of principal and interest. The Federal Government has little if any experience in selling non-recourse paper, and universal predictions by experts in government finance are that non-recourse paper will cost 600 to 700 basis points to the

necessary yield and reduce the debentures from investment grade to assets of junk quality.

The Committee believes that common sense dictates that the time value of money alone produces a tangible savings to the government, and that losses on the sale of guaranteed paper can be measured by the actual loss rate and not by some mythical assumption that all loans will be defaulted. Because the sale is on a full-recourse basis, private investors will be able to turn to the Federal Government to make good on their investments in the event of default. The debentures will nevertheless be backed up by collateralized notes issued by the ultimate borrowers, the small business concerns, against which the SBA may seek redress if it is obliged to honor the term of its guarantee. The small business concern traditionally issues a note and commits collateral to the Certified Development Company, which in turn assigns the note and collateral to the Small Business Administration. The SBA will continue to be the holder of the notes and underlying security interests and collateral. In this way, investors will be able to treat 503 paper as a top-grade investment quality, and SBA will retain its security interest in the collateral.

The Committee has provided that with the sale of a debenture, the Administration is relieved of its obligation under its contract of guarantee with the Federal Financing Bank, and that there will be no liability from the Administration to the Federal Financing Bank on account of the discharge of the guarantee. However, the Administration remains as guarantor of the debenture vis-a-vis the eventual purchaser or assignee. In the event of default, the full faith and credit of the United States stands behind the instrument, and the Administration guarantees to the investor timely payment of principal and interest.

The Committee has also mandated that the integrity of existing contractual rights and obligations between the various parties to the Section 503 Certified Development Company program remain intact. Thus, for example, the CDCs shall continue to have the right to receive fees for servicing section 503 loans. The Central Fiscal Agent shall continue, and its rights and responsibilities shall also remain intact.

V. SECTION-BY-SECTION ANALYSIS

Section 901 amends Title V of the Small Business Investment Act of 1958 and creates a new section 506.

Paragraph (a) directs the Secretary of the Treasury to take appropriate action to sell to the public whatever interest the Federal Financing Bank has in debentures issued under the Section 503 Certified Development Company Program in such amounts so as to realize net proceeds of $361 million in fiscal year 1987; $55 million in fiscal year 1988; and $14 million in fiscal year 1989.

Paragraph (b) requires the Secretary to sell all such debentures with full recourse to the Federal government and to preserve the integrity of existing contractual relations between all parties to the 503 Certified Development Company project.

Paragraph (c) provides that the sale of each 503 debenture by the Secretary shall discharge any liability of the Administration to the Federal Financing Bank on the debenture, and shall, therefore, extinguish the guarantee undertaken by the Administration to the Federal Financing Bank. The Administration remains liable to each individual purchaser or assignee of the debenture as guarantor of the interest.

Section 902. In order to achieve the budget savings specified in section 901 of this Act, neither the Secretary of the Treasury nor the Administration shall sell any loans, guaranteed portion of loans, notes or debentures guaranteed by the Administration pursuant either to the Small Business Act of 1953 or the Small Business Investment Act of 1958 except those specified in section 901.

VI. COMMITTEE ACTION

The Committee met in Executive session on July 24, 1986, and unanimously voted to submit these legislative changes to the Senate Budget Committee.

VII. REGULATORY IMPACT STATEMENT

In compliance with Rule XXVI (11)(b) of the Standing Rules of the Senate, it is the Committee's belief that this bill will have no regulatory or privacy impact on the small businesses affected by the legislation.

VIII. COST OF LEGISLATION

In compliance with Rule XXVI of the Standing Rules of the Senate, the Committee estimates that the cost of the legislation will be equal to the amounts indicated by the Congressional Budget Office in the following letter:

COST ESTIMATE

1. Bill number: Not yet assigned.
2. Bill title: Proposed amendments to the Small Business Investment Act of 1958, for inclusion in the Budget Reconciliation Act of 1986.
3. Bill status: As ordered reported by the Senate Committee on Small Business, July 24, 1986.
4. Bill purpose: The proposed amendments to the Small Business Investment Act of 1958 would direct the Secretary of the Treasury to sell sufficient Section 503 debentures to result in net proceeds to the Federal Government of $361 million in 1987, $55 million in 1988, and $14 million in 1989. The assets sold would include a 100 percent guarantee by the Small Business Administration (SBA).
5. Estimated cost to the Federal Government: The table below shows the estimated budget impact of the proposed legislation relative to both current law and the 1987 resolution baseline, adjusted for enacted legislation.

[By fiscal years, in millions of dollars]

	1987	1988	1989	1990	1991
Direct spending:					
Estimated budget authority	8	11	13	13	
Estimated outlays	8	11	13	13	

The costs of this bill fall within budget function 900.

Basis of estimate:

For purposes of this estimate, it was assumed that the Treasury would sell Section 503 assets sufficient to generate net receipts to the Treasury of $361 million in 1987, $55 million in 1988, and $14 million in 1989. Because the weighted average interest rate of the outstanding loans exceeds 11 percent, it is expected that slightly less than the face value of the yearly proceeds will be sold each year.

As specified in the proposed legislation, it is expected that these assets would be sold with the existing 100 percent SBA guarantee. Unlike the sale of assets without a federal guarantee, CBO and the Office of Management and Budget consider loans sold with federal guarantees as a form of borrowing by the Federal Government. Because receipts from federal borrowing do not affect the deficit, the proceeds of the sale are now shown as a deficit reduction in the year received. The case proceeds, however, reduce the need for regular Treasury market borrowing. Interest costs, on balance, would be higher because the forgone interest on the loans sold exceeds the amount saved on regular, lower-cost Treasury borrowing. The estimated costs shown in the above table represent the net difference in the government's interest costs.

6. Estimated cost to State and local governments: None.
7. Estimate comparison: None.
8. Previous CBO estimate: None.
9. Estimate prepared by: Mary Maginniss (226-2860) and Kathy Ruffing (226-2880).
10. Estimate approved by:

C. G. NUCKOLS,
(For James L. Blum, Assistant Director for Budget Analysis).●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mrs. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and a withdrawal which were referred to the Committee on Armed Services.

(The nominations and withdrawal received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED JOINT RESOLUTION SIGNED

At 10:26 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolution:

S.J. Res. 356. Joint resolution to recognize and support the efforts of the United States Committee for the Battle of Normandy Museum to encourage American awareness and participation in development of a memorial to the Battle of Normandy.

The enrolled joint resolution was subsequently signed by the President pro tempore [Mr. THURMOND].

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, July 31, 1986, she had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 356. Joint resolution to recognize and support the efforts of the United States Committee for the Battle of Normandy Museum to encourage American awareness

and participation in development of a memorial to the Battle of Normandy.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROTH, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute and an amendment to the title:

S. 2230. A bill to improve the management of the Government by establishing an Office of Federal Management in the Executive Office of the President, and for other purposes (Rept. No. 99-347).

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. 2706. An original bill to provide for reconciliation pursuant to section 2 of the concurrent resolution on the budget for fiscal year 1987 (S. Con. Res. 120, Ninety-ninth Congress) (Rept. No. 99-348).

By Mr. ROTH, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute:

S. 1047. A bill to reform the laws relating to former Presidents (Rept. No. 99-349).

By Mr. ROTH, from the Committee on Governmental Affairs, with an amendment:

S. 2004. A bill to require the President to submit to the Congress an annual report on the management of the executive branch of the Government (Rept. No. 99-350).

By Mr. ROTH, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute and an amendment to the title:

S. 2005. A bill to amend the Inspector General Act of 1978 (Rept. No. 99-351).

By Mr. ROTH, from the Committee on Governmental Affairs, with an amendment:

S. 2426. A bill to amend the Contract Disputes Act of 1978 to require that a competitive examination process be used for the selection of members of boards of contract appeals of Federal Government agencies; to provide that the members of such boards shall be treated in the same manner as administrative law judges of the Federal Government for certain administrative purposes; and to revise the procedures for the collection of claims under Federal Government contracts (Rept. No. 99-352).

By Mr. THURMOND, from the Committee on the Judiciary, without amendment and with a preamble:

H.J. Res. 529. Joint resolution designating the week of September 21, 1986, through September 27, 1986, as "Emergency Medical Services Week."

H.J. Res. 642. Joint resolution to designate the week beginning May 17, 1987, as "National Tourism Week."

S.J. Res. 332. Joint resolution to designate the week of November 16, 1986, through November 22, 1986, as "National Software Awareness Week."

S.J. Res. 338. Joint resolution to designate November 18, 1986, as "National Community Education Day."

S.J. Res. 358. Joint resolution to designate the month of September 1986 as "Adult Literacy Awareness Month."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary:

Charles R. Simpson III, of Kentucky, to the U.S. district judge for the western district of Kentucky;

John A. Smietanka, of Michigan, to be U.S. attorney for the western district of Michigan for the term of 4 years;

Robert G. Ulrich, of Missouri, to be U.S. attorney for the western district of Missouri for the term of 4 years; and

Lincoln C. Almond, of Rhode Island, to be U.S. attorney for the district of Rhode Island for the term of 4 years.

By Mr. LUGAR, from the Committee on Foreign Relations:

Robert Brendon Keating, of the District of Columbia, to be U.S. Executive Director of the International Bank for Reconstruction and Development for a term of 2 years.

Frank G. Wisner, of the District of Columbia, a career member of the Senior Foreign Service, class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Arab Republic of Egypt.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Frank G. Wisner.

Post: Cairo.

Contributions, amount, date, and donee:

1. Self: $201.00; 1984; Aspin for Congress.

2. Spouse: None.

3. Children and spouses names: None.

4. Parents' names: Mrs. Clayton Fritchey (see attached schedule); Mr. Clayton Fritchey, none.

5. Grandparents' names: Deceased.

6. Brothers and spouses: Mr. Ellis Wisner (see attached schedule); Mrs. Ellis Wisner, none; Mr. and Mrs. Graham Wisner, $500.00, 1985, Winter for Senate; $100.00, 1984, Mondale for Pres.

7. Sisters' and spouses' names: Mr. and Mrs. Bruce Hazard (see attached schedule).

Contributions—Mrs. Clayton Fritchey—1982

Bentsen Committee	$50
Lynn Cutler for Congress	100
Friends of Dave Clark	25
Democratic Senatorial Campaign	100
Marie Ritter	100
Kunin Campaign Committee	75
Adlai Stevenson for Governor	100
Committee for Tim Wirth	100
Tim Wirth for Congress	100
Committee for Tim Wirth	100
Woman's National Democratic Club (membership)	125
Women's Campaign Fund	100
Women's Campaign Fund	1,000
Total	2,075

1983

Mondale for President Cte	1,000
Women's Campaign Fund	1,500
North Carolina Campaign Fund	190
Hunt Campaign Cte.	100
Democratic National Cte	50
Women's National Democratic Club dues	125
NARAL (Abortion rights)	250
Voters for Choice	25
Wolpe for Congress	35
Cte to reelect Packwood	200
Total	3,475

1984

Women's National Democratic Club	75
Citizens for Harkin	100
Women's Campaign Fund	1,750
John Kerry for Senate	100
Jim Hunt Election Committee	100
Timonthy E. Wirth Reelection Committee	100
Charles Percy for Senate	250
Sidney Yates for Congress	100
Winter for Senate	500
Total	3,175

1985

Women's Campaign Fund	1,500
Women's Nat. Democratic Club (membership)	200
Woman's National Democratic Club	100
Mary Sue Terry	100
Mondale/Ferraro Committee	100
Total	2,000

Contributions—Mr. Ellis Wisner

1982: (none).

1983: (none).

1984: (none).

Citizens for Tom Harkin	$25
Committee for Tim Wirth	100
Jim Hunt Committee	50
Winter for Senate	250
Democrats Vote	25

1985: (none).

1986: Lyons Gray for Congress 50

Contributions—Mr. and Mrs. Bruce Hazard

1982:

George Mitchell for Senate	$50
Maine Democratic Party	50

1983:

Elizabeth Mitchell	500
George McGovern for President	50
Maine Democratic Party	50

1985:

Maine Democratic Party	50
Carla Johnston (Congress)	25

Reginald Bartholomew, of Virginia, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Spain.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Reginald Bartholomew.

Post: Ambassador to Spain.

Contributions, amount, date and donee:

1. Self: None.

2. Spouse: None.

3. Children and spouses names Sylvic, Xian, Damira, Jonathan, none.

4. Parents' (deceased) names Thomas and Corinne, none.

5. Grandparents' (deceased) names G. and N. Bartholomew, C. and M. Delvecchio. None.

6. Brothers' and spouses' names David and Maryanne, $150, 50, $115, 50. 1982—Mitchell and O'Leary; 1982—Maine Dem. Party; 1984—State candidates and Maine Dem. Party; 1985—Maine Dem. Party.

7. Sisters and spouses names, none.

Julian Martin Niemczyk, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Czechoslovak Socialist Republic.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Julian M. Niemczyk.

Post: U.S. Ambassador to Czechoslovakia; nominated January 16, 1986.

Contributions, amount, date, donee [1].

1. Self: $4,000; 1982-85 [1].

2. Spouse: $200; 1982-85 [1].
3. Children's and spouses' names: none.
4. Parents' names: deceased.
5. Grandparents' names: deceased.
6. Brothers' and spouses' names: Paul Niemczyk (brother), $150; 1982-1985; Republican Party.
7. Sisters and spouses names: none.
[1] See donee below.

Donee:

1. Self: Republican Senatorial Inner Circle, $1,000, 1984-1985; $1,000, 1985-1986.
National Republican Heritage Groups Council, $400, 1983-1986.
National Republican Congressional Committee, $300, 1983-1986.
Republican Congressional and Senate Candidates, $1,300, 1983-1986.
2. Spouse: National Republican Congressional Committee, $90, 1983-1986.
Republican Congressional and Senate Candidates, $110, 1983-1986.

John Hubert Kelly, of Georgia, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Lebanon.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: John H. Kelly.

Post: Ambassador, Beirut; nominated; May 15, 1986.

Contributions, amount, date.

1. Self: None.
2. Spouse: Not married.
3. Children's and spouses' names: David S. Kelly (child), None.
4. Parents' names: James D. Kelly, Clarice S. Kelly, None. $33.00; 1984; Republican Senatorial Campaign Committee.
5. Grandparents' names: Deceased.
6. Brothers' and spouses' names: James A. Kelly, None. Audrey P. Kelly, None. Joan S. Kelly, None. Michael D. Kelly, None.
7. Sisters' and spouses' names: Kathryn A. Kelly, None.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and second time by unanimous consent, and referred as indicated:

By Mr. GORTON:

S. 2704. A bill to require the Environmental Protection Agency to conduct a study for the purpose of developing procedures, methods, and other means for protecting against the wrongful use of cyanide, and for other purposes; to the Committee on Environment and Public Works.

By Mr. SYMMS (for himself and Mr. McCLURE):

S. 2705. A bill to amend the Federal Insecticide, Fungicide and Rodenticide Act to permit Federal agencies to use pesticides registered under such Act in compliance with its registered users without conducting further research analyses on human health effects; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DOMENICI from the Committee on the Budget:

S. 2706. An original bill to Provide for the reconciliation pursuant to section 2 of the concurrent resolution on the budget for fiscal year 1987 (S. Con. Res. 120, Ninety-ninth Congress); placed on the calendar.

By Mr. BROYHILL:

S. 2707. A bill to amend the Wild and Scenic Rivers Act by designating a segment of the Horsepasture River in the State of North Carolina as a component of the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GORTON:

S. 2704. A bill to require the Environmental Protection Agency to conduct a study for the purpose of developing procedures, methods, and other means for protecting against the wrongful use of cyanide, and for other purposes; to the Committee on Environment and Public Works.

(The remarks of Mr. GORTON and the text of the legislation appear earlier in today's RECORD.)

By Mr. SYMMS (for himself and Mr. McCLURE):

S. 2705. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to permit Federal agencies to use pesticides registered under such act in compliance with its registered uses without conducting further research or analysis on human health effects; to the Committee on Agriculture, Nutrition, and Forestry.

FEDERAL PESTICIDE PROGRAMS IMPROVEMENT ACT

● Mr. SYMMS. Mr. President, it is no wonder that America's farmers and ranchers are in dire straits—they must apparently fight the combined efforts of both Congress and the administration before they are permitted to make a profit.

Recently, farmers and ranchers in Idaho were notified that the State's largest landlord, the Federal Government, was going to suspend control of noxious weeds on Government lands. This means that millions of acres in Idaho will be turned loose to grow thistle, leafy spurge, knapweed, and other noxious weeds.

The potential impact on agriculture is devastating. Under current conditions, noxious weeds in Idaho cost the State an estimated $50 million a year in lost agricultural production. If current control programs are suspended, and millions of acres of Government lands become weed infested, the losses to agriculture could double or even triple.

How can we in Congress justify such willful negligence and disregard for a sector of society that is already facing enormous difficulties? Could it be that noxious weed control programs are being suspended in order to save lives, protect vital species of animal or plant, or prevent some major environmental disruption? No noxious weeds are spreading uncontrolled while we wait for Federal agencies to complete research and paperwork, research that has already been done, and paperwork that yields no new information.

Recent court decisions in the Northwest have found that the National Environmental Policy Act requires Federal pesticide programs to conduct detailed site-specific research on the human health effects of pesticides prior to use of those pesticides on Government lands. This is the same research that was required of the Environmental Protection Agency, before the EPA could register the pesticides for use.

The cost of duplicating this research is phenomenal. The Bureau of Land Management estimates that it could cost as much as $5 million per compound. Just to illustrate what that adds up to, take for example the Federal Forest Vegetation Management Program. That program uses 14 different compounds, translating into 70 million dollars' worth of research required before the program could proceed. Furthermore, this research could take from 5 to 7 years. The timber lost during that period is estimated by the Bureau of Land Management to be worth $21,720,000 annually.

I might mention that there are several Government pesticide and herbicide programs that would be effected in a similar way. The Animal and Plant Health Inspection Service's Grasshopper Control Program could be suspended, the Drug Enforcement Administration's marijuana control could be halted, and the Forest Service's Pest Control Programs could come to a standstill. All of this at tremendous cost, both directly to the people of the United States and to their Treasury.

Today, I am introducing legislation to correct this untenable situation. The Federal Pesticide Programs Improvement Act is a simple amendment to the Federal Insecticide, Fungicide and Rodenticide Act, FIFRA. It clarifies that the agency of the Federal Government most qualified to do detailed pesticide research is the environmental protection agency. It also allows Federal agencies to refer to the research conducted at the time of pesticide registration when developing environmental impact statements. This eliminates the need for any duplicate research, allowing the pesticide program to proceed in a timely and economic manner.

I issue a standing invitation for any of my Senate colleagues to join me as a cosponsor of this legislation. The Federal Pesticide Programs Improvement Act will restore some sense to a policy that threatens to be the last straw for the Nation's struggling farmers, ranchers, and public land users.●

ADDITIONAL COSPONSORS

S. 2231

At the request of Mr. GARN, the name of the Senator from Nebraska [Mr. ZORINSKY], was added as a cosponsor of S. 2231, a bill to amend the Federal Deposit Insurance Act.

S. 2270

At the request of Mr. SIMON, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 2270, a bill to amend the Immigration and Nationality Act to deter immigration-related marriage fraud and other immigration fraud.

S. 2577

At the request of Mr. LAUTENBERG, the name of the Senator from Montana [Mr. MELCHER] was added as a cosponsor of S. 2577, a bill to insure that amounts paid for home improvements to mitigate indoor air contaminants such as radon gas qualify for the tax deduction for medical care expenses.

S. 2678

At the request of Mr. BENTSEN, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 2678, a bill to provide a comprehensive national oil security policy.

S. 2680

At the request of Mr. THURMOND, the names of the Senator from North Dakota [Mr. BURDICK], and the Senator from Florida [Mrs. HAWKINS] were added as cosponsors of S. 2680, a bill to amend the Internal Revenue Code of 1954 to allow a charitable contribution deduction to farmers who donate agricultural products to assist victims of natural disasters.

S. 2683

At the request of Mr. THURMOND, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 2683, a bill to make unlawful the laundering of money, and for other purposes.

S. 2688

At the request of Mr. KENNEDY, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 2688, a bill to amend the Developmental Disabilities Assistance and Bill of Rights Act to authorize grants to university graduate programs which provide training in the care of the elderly persons with developmental disabilities.

SENATE JOINT RESOLUTION 343

At the request of Mr. D'AMATO, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of Senate Joint Resolution 343, joint resolution designating the week of September 21 through September 27, 1986, as "Emergency Medical Services Week."

SENATE JOINT RESOLUTION 352

At the request of Mr. METZENBAUM, the names of the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Hawaii [Mr. INOUYE], the Senator from Maryland [Mr. SARBANES], the Senator from New Jersey [Mr. BRADLEY], and the Senator from Connecticut [Mr. DODD] were added as cosponsors of Senate Joint Resolution 352, joint resolution to designate the week beginning September 7, 1986, as "Gaucher's Disease Awareness Week."

SENATE JOINT RESOLUTION 378

At the request of Mr. MITCHELL, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of Senate Joint Resolution 378, joint resolution to provide for a temporary prohibition of strikes or lockouts with respect to the Maine Central Railroad Co. Portland Terminal Co. labor-management dispute.

SENATE CONCURRENT RESOLUTION 108

At the request of Mr. LEVIN, the names of the Senator from Connecticut [Mr. DODD], the Senator from Massachusetts [Mr. KENNEDY], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Iowa [Mr. GRASSLEY], the Senator from South Dakota [Mr. ABDNOR], and the Senator from Rhode Island [Mr. CHAFEE] were added as cosponsors of Senate Concurrent Resolution 108, concurrent resolution expressing the sense of the Congress regarding East Timor.

AMENDMENT NO. 1823

At the request of Mrs. KASSEBAUM, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of amendment No. 1823 intended to be proposed to S. 100, a bill to regulate interstate commerce by providing for a uniform product liability law, and for other purposes.

At the request of Mr. DOLE, his name was added as a cosponsor of amendment No. 1823 intended to be proposed to S. 100, supra.

AMENDMENTS SUBMITTED

STATUTORY INCREASE IN PUBLIC DEBT LIMIT

HART (AND OTHERS) AMENDMENT NO. 2241

Mr. HART (for himself, Mr. MOYNIHAN, Mr. MATSUNAGA, and Mr. WEICKER) proposed an amendment to the joint resolution (H.J. Res. 668) increasing the statutory limit on the public debt; as follows:

At the end of the amendment add the following new section:

SECTION . REPEAL.

Notwithstanding any other provision of this Joint Resolution,

(a) IN GENERAL.—Except as provided in subsection (b), the Balanced Budget and Emergency Control Act of 1985 (title II of Public Law 99-177) is repealed.

(b) EXCEPTION.—Section 272 of the Balanced Budget and Emergency Deficit Control Act of 1985 (relating to restoration of trust fund investments) and section 275 of such Act (to the extent that it relates to section 272 of such Act) shall not be included in or affected by the repeal of such Act and shall be effective as if this section had not been enacted.

(c) EFFECTIVE DATE.—

(1) The repeal made by subsection (a) shall be effective with respect to fiscal years beginning after September 30, 1986.

(2) Provisions of law amended or repealed by the Balanced Budget and Emergency Deficit Control Act of 1985 are hereby restored or revived and shall be effective as if such Act had not been enacted.

GORTON (AND OTHERS) AMENDMENT NO. 2242

(Ordered to lie on the table.)

Mr. GORTON (for himself, Mr. TRIBLE, Mr. SARBANES, Mr. SPECTER, Mr. WARNER, Mrs. HAWKINS, Mr. MATSUNAGA, Mr. BURDICK, Mr. HECHT, Mr. INOUYE, and Mr. BINGAMAN) submitted an amendment intended to be proposed by them to the joint resolution, House Joint Resolution 668, supra; as follows:

At the end of the , insert the following new section:

SEC. . COST-OF-LIVING ADJUSTMENTS IN CERTAIN FEDERAL BENEFITS.

(a) IN GENERAL.—Benefits which are payable in calendar year 1987, 1988, 1989, 1990, or 1991, under programs listed in section 257(1)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), including any cost-of-living adjustment in such benefits, shall not be subject to modification, suspension, or reduction in such calendar year pursuant to a Presidential order issued under such Act.

(b) DEFINITION.—for purposes of this section, the term "cost-of-living adjustment" means any increase or change in the amount of a benefit or in standards relating to such benefit under any provision of Federal law which requires such increase or change as a result of any change in the Consumer Price Index (or any component thereof) or any other index which measures cost, prices, or wages.

EXON (AND OTHERS) AMENDMENT NO. 2243

Mr. EXON (for himself, Mr. ZORINSKY, Mr. HARKIN, Mr. MELCHER, Mr. DIXON, Mr. BURDICK, Mr. HART, Mr. NICKLES, Mr. INOUYE, Mr. BOREN, Mr. GRASSLEY, Mr. HOLLINGS, Mr. DOLE, Mr. HEINZ, and Mr. DOMENICI) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the amendment, add the following:

Advance deficiency payments sec. . Notwithstanding any other provision of law, the Secretary of Agriculture shall, in accordance with the criteria in section 107c of the Agriculture Act of 1949, make advance deficiency payments available for the 1987 crops of wheat, feed grains, upland cotton, and rice: *Provided*, That the percentage of the projected payment rate used in computing such payments shall not be less than (1) 40 percent in the case of wheat and feed grains, or (2) 30 percent in the case of rice and upland cotton.

EXON (AND OTHERS) AMENDMENT NO. 2244

Mr. EXON (for himself, Mrs. KASSEBAUM, Mr. BYRD, Mr. CRANSTON, and Mr. KASTEN) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

SEC. . (a) The Congress finds that—

(1) safe and efficient air transportation is essential to the flow of interstate commerce in this Nation;

(2) airline traffic is estimated to increase to a record 400 million passengers aboard United States commercial aircraft in 1986 and the number of aircraft operations is projected by the Federal Aviation Administration to increase by 46 percent through the coming decade;

(3) recent studies by the National Transportation Safety Board and the General Accounting Office have indicated serious concerns with the Federal Aviation Administration's safety-related air traffic control and aircraft inspection and surveillance programs, particularly with respect to the need for additional trained and experienced personnel;

(4) the effect of air traffic controller staffing shortages, increased numbers of aircraft operations, and delays in the installation of automated systems has been a reduction in aviation safety, as evidenced by a record number of near-misses between aircraft, including 14 near-misses recorded thus far this year at Chicago O'Hare Airport, the Nation's busiest airport; and

(5) the growth of the United States commercial airline industry since deregulation and the inability of the Federal Aviation Administration to impose and enforce compliance of airline industry standards for operations and maintenance have further diminished the margin of aviation safety.

(b) It is therefore declared to be the sense of the Congress that the Secretary of Transportation—

(1) should undertake immediate action to ensure the safety of the Nation's air transportation system by increasing the number of qualified air traffic controllers and supervisors to a minimum level of 16,250, consistent with the number employed prior to 1981;

(2) should undertake immediate action to ensure the safe operation of aircraft by expanding further the Federal Aviation Administration's workforce for inspection and enforcement of aircraft operations, maintenance and reporting procedures;

(3) should consider, if necessary, restricting air traffic under the control of the Federal Aviation Administration at certain airports, or limiting the certification of new airlines, if such actions would improve aviation safety; and

(4) shall report to the Congress within 90 days after the date on which this joint resolution is enacted regarding what action will be undertaken to achieve increased air traffic safety staffing levels, the proposed timeframe for completing such actions, and any required additional funding which the Secretary considers necessary to carry out such action.

NICKLES (AND OTHERS) AMENDMENT NO. 2245

Mr. NICKLES (for himself, Mr. BOREN, Mr. DOLE, Mr. BUMPERS, Mr. SYMMS, Mr. GRAMM, Mr. BENTSEN, Mr. WALLOP, Mr. PRYOR, Mr. BURDICK, Mr. BOSCHWITZ, Mr. DOMENICI, Mr. MCCLURE, Mr. JOHNSTON, Mr. SIMPSON, Mr. STEVENS, Mr. MURKOWSKI, Mr. HECHT) proposed an amendment, which was subsequently modified, to the joint resolution (H.J. Res. 668), supra; as follows:

SEC. . REPEAL OF THE WINDFALL PROFIT TAX.

(a) IN GENERAL.—Chapter 45 of the Internal Revenue Code of 1954 (relating to windfall profit tax on domestic crude oil) is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to oil removed from the premises after October 1, 1987.

SEC. . CLARIFICATION OF STATUTE OF LIMITATIONS WITH RESEPCT TO UNDERPAYMENTS OF WINDFALL PROFIT TAX.

(a) IN GENERAL.—Subparagraph (A) of section 6501(p)(1) of the Internal Revenue Code of 1954 (relating to special rules for windfall profit tax) is amended by adding at the end thereof the following: "For purposes of the preceding sentence, a return shall not be treated as required with respect to such oil if the amount withheld under section 4995(a) is not less than the amount required to be withheld as shown on the return by the first purchaser of such oil."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be effective as of October 1, 1987 and shall apply as if included in the amendments made by section 101 of the Crude Oil Windfall Profit Tax Act of 1980.

(c) And further that no reports of any type shall be required in compliance with the windfall profits tax act effective on date of amendment.

STEVENS AMENDMENT NO. 2246

Mr. STEVENS proposed an amendment to the joint resolution (H.J. Res. 668, supra; as follows:

At the end of the amendment, insert the following new section:

SEC. . POINT OF ORDER.

(a) IN GENERAL.—Section 310(f) of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new paragraph:

"(3) It shall not be in order in either the House of Representatives or the Senate to consider any resolution providing for the adjournment sine die of either House unless action has been completed on the concurrent resolution on the budget required to be reported under section 301(a) for the fiscal year beginning on October 1 of such year, and, if a reconciliation bill or resolution, or both, is required to be reported under subsection (b) of this section for such fiscal year, unless the Congress has completed action on that bill or resolution, or both.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this joint resolution.

ABDNOR AMENDMENT NO. 2247

(Ordered to lie on the table.)

Mr. ABDNOR submitted an amendment intended to be proposed by him to the joint resolution (H.J. Res. 668), supra; as follows:

At the appropriate place, insert the following:

SEC. . Section 20(u)(4) of the Small Business Act is amended by striking out "$1,050,000,000" and inserting in lieu thereof "$1,200,000,000".

HART AMENDMENT NO. 2248

Mr. HART proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the committee amendment, add the following:

SEC. . INCREASE IN TARIFFS ON PETROLEUM AND PETROLEUM PRODUCTS.

(a) Item 475.05 of the Tariff Schedules of the United States is amended—

(1) by striking out "0.125¢ per gal." and inserting in lieu thereof "$10.0525 per Bbl.", and

(2) by striking out "0.5¢ per gal." and inserting in lieu thereof "$10.21 per Bbl.".

(b) Item 475.10 of such Schedules is amended—

(1) by striking out "0.25¢ per gal." and inserting in lieu thereof "$10.105 per Bbl.", and

(2) by striking out "0.5¢ per gal." and inserting in lieu thereof "$10.21 per Bbl.".

(c) Item 475.25 of such Schedules is amended—

(1) by striking out "1.25¢ per gal." and inserting in lieu thereof "$10.525 per Bbl.", and

(2) by striking out "2.5¢ per gal." and inserting in lieu thereof "$11.05 per Bbl.".

(d) Items 475.30, 475.35, and 475.65 of such Schedules are each amended—

(1) by striking out "0.25¢ per gal." and inserting in lieu thereof "$10.105 per Bbl.", and

(2) by striking out "0.5¢ per gal." and inserting in lieu thereof "$10.21 per Bbl.".

(e) Item 475.45 of such Schedules is amended—

(1) by striking out "2¢ per gal." and inserting in lieu thereof "$10.84 per Bbl.", and

(2) by striking out "4¢ per gal." and inserting in lieu thereof "$11.68 per Bbl.".

(f) Notwithstanding any other provision of this section, the tariff imposed upon imported refined petroleum products shall equal $14.00 per Bbl. For purposes of this section the term "refined petroleum products" shall have the same meaning as that in section (3)(5) of the Emergency Petroleum Allocation Act of 1973 * * *.

appropriated to the President for the purpose of providing or increasing funding for any program of the United States under which financial assistance (including loans and loan guarantees) is provided to lower income individuals and families adversely affected by increased energy costs, an amount equal to the monetary effect on such individuals and families of the increases in duties imposed by this section. The monetary effect of such increases on such individuals and families is to be jointly determined by the Secretary of Health and Human Services and the Secretary of Energy. Amounts appropriated pursuant to the preceding sentence shall be obligated or expended only in connection with such programs as may be otherwise provided for by law.

(h) The amendments made by this section shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date that is 15 days after the date of enactment of this Act.

HAWKINS (AND OTHERS) AMENDMENT NO. 2249

Mrs. HAWKINS (for herself, Mr. HEINZ, Mr. ABDNOR, Mr. D'AMATO, Mr. ANDREWS, Mr. GRASSLEY, Mr. PRESSLER, Mr. BYRD, Mr. DENTON, Mr. MOY-

NIHAN, Mr. CRANSTON, Mr. KASTEN, Mr. ROTH, Mr. BROYHILL, Mr. GLENN, and Mr. ZORINSKY) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the amendment, add the following:

SEC. . REMOVAL OF THREE PERCENT THRESHOLD FOR COST-OF-LIVING ADJUSTMENTS.

(a) SHORT TITLE.—This section may be cited as the "Cost-of-Living-Adjustment Reform Act of 1986".

(b) IN GENERAL.—

(1) Section 215(i) of the Social Security Act is amended by striking out "is 3 percent or more" in paragraph (1)(B) and inserting in lieu thereof "is greater than zero".

(2) Section 215(i)(1)(B) of such Act, as in effect in December 1978 and applied in certain cases under the provisions of such Act as in effect after December 1978, is amended by striking out "exceeds, by not less than 3 per centum, such Index" and inserting in lieu thereof "exceeds such Index".

(3) Section 215(i)(2)(C) of such Act is amended—

(A) by striking out clause (i) and redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively; and

(B) by striking out "under clause (ii)" in clause (ii) as so redesignated and inserting in lieu thereof "under clause (i)".

(4) Section 215(i)(2)(C) of such Act, as in effect in December 1978 and applied in certain cases under the provisions of such Act as in effect after December 1978, is amended by striking out clause (i) and by striking out "(ii)".

(5) Section 215(i)(4) of such Act is amended by inserting "and by the Cost-of-Living Adjustment Reform Act of 1986" after "Social Security Amendments of 1983".

(6) Section 215(i)(5)(A)(i) of such Act is amended by striking out "because the wage percentage increase was less than 3 percent" and inserting in lieu thereof "because there was no wage percentage increase greater than zero".

(c) EFFECTIVE DATE.—

(1) Except as otherwise provided in this subsection, the amendments made by this section shall apply with respect to cost-of-living increases determined in 1986 and all subsequent years.

(2) The amendments made by paragraphs (3) and (4) of subsection (b) shall apply with respect to months beginning after September 1986.

SASSER (AND OTHERS) AMENDMENT NO. 2250

Mr. SASSER (for himself, Mr. GORE, Mr. HEFLIN, Mr. BUMPERS, Mr. HOLLINGS, Mr. PRYOR, Mr. ZORINSKY, Mr. METZENBAUM, Mr. SARBANES, Mr. RIEGLE, Mr. LEVIN, Mr. BYRD, Mr. ROCKEFELLER, Mr. NUNN, Mr. DIXON, and Mr. EXON) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the appropriate place in the committee amendment, as amended, add the following new section:

"SEC. . (a) Notwithstanding any other provision of law, the President and the Secretary of Agriculture shall make emergency disaster assistance available, as provided in this Act, to farmers and ranchers in drought disaster areas.

DEFINITIONS

SEC. 2. For the purposes of this Act—

(1) the term "drought disaster areas" includes any area in the United States in which farming and ranching operations have been adversely affected by a drought or excessively hot weather disaster such that assistance is available in the area under subtitle C of the Consolidated Farm and Rural Development Act for such disaster; and

(2) the term "livestock" includes all classes of beef and dairy cattle, sheep, goats, and swine.

EMERGENCY FEED DONATIONS

SEC. 3. Notwithstanding any other provision of law:

(a) The Secretary of Agriculture shall make available to farmers and ranchers in each drought disaster area, at no cost, surplus stocks of commodities held by the Commodity Credit Corporation (in the area or in the State in which the area is located or an adjoining State), for the purpose of, and under the conditions set out in, subsection (b) of this section.

(b)(1) The Secretary shall make such commodities available, in any drought disaster area in which the Secretary determines there is a critical need for livestock or poultry feed, in amounts necessary to preserve livestock herds and poultry flocks in the area. For purposes of this section, the phrase "critical need for livestock or poultry feed" means that (A) the total supply of feed grains and forage available to livestock and poultry producers in the area involved is insufficient to cover the combined feed needs of such producers for more than 72 hours or such other period, determined by the Secretary, reasonably needed for supplies of feed to arrive in the area for commercial use from feed surplus areas, whichever is a longer period; and (B) as a result of such deficient supply levels, it reasonably can be expected that, without the assistance made available under this section, farmers and ranchers in the area will suffer significant losses of livestock or poultry due to mortality.

(2) Subject to section 8(b), the Secretary shall cover any costs involved in transporting such surplus commodities to the drought disaster area, using the funds, facilities, and authorities of the Commodity Credit Corporation for such purposes.

(3) The Secretary shall continue to make commodities available under this section until there no longer is a critical need for livestock or poultry feed, as determined by the Secretary.

(4) In determining the feed needs of producers in an area and the amount of commodities to be made available in the area under this section, the Secretary shall use the regulations issued under section 1105 of the Food and Agriculture Act of 1977 (7 C.F.R. 1475.52(n) and 1475.55(f)(1)) and comparable rules for poultry.

(5) Donations under this section shall be made available during the period beginning 3 days after the date of enactment of this Act and ending March 31, 1987, or the date, as determined by the Secretary, on which the emergency created by the drought or excessively hot weather no longer exists, whichever is earlier.

EMERGENCY LIVESTOCK FEED ASSISTANCE

SEC. 4. (a) Notwithstanding any other provision of law:

(1) The Secretary of Agriculture shall make emergency livestock and poultry feed assistance under section 1105 of the Food and Agriculture Act of 1977 to farmers and ranchers in drought disaster areas. Reimbursement for purchased feed provided to such farmers and ranchers under section 1105 shall be made in kind, as provided in section 8(a) of this Act, using surplus stocks of commodities held by the Commodity Credit Corporation. Whenever, under any export development program conducted by the Secretary of Agriculture, a feed grain or other commodity used for animal feed is made available to foreign purchasers at prices less than the average domestic market price for the commodity, as determined by the Secretary, reimbursement under this paragraph for purchases of such commodity shall be made at a level in excess of 50 percent of the cost of the purchased commodity if necessary to ensure that the net cost to the producer for such commodity (taking into account the reimbursement under this paragraph) is not in excess of the average price at which the commodity is made available to foreign purchasers under such export development program.

(2) The Secretary of Agriculture shall permit any producer of the 1986 crop of wheat, feed grains, upland cotton, or rice (A) who is participating in the program under the Agricultural Act of 1949 for such crop, and (B) whose farm is located in a drought disaster area, to devote acreage on the farm diverted from the production of the crop under such program to hay or grazing without regard to limitations on when haying or grazing may take place otherwise imposed under the Agricultural Act of 1949.

(3)(A) In carrying out any emergency assistance program, for farmers and ranchers in a drought disaster area under the Disaster Relief Act of 1974, subject to subparagraph (B), the President shall direct the Secretary of Agriculture to implement an emergency hay program to assist such farmers and ranchers in obtaining hay to feed their livestock. Under such program, the Secretary, subject to section 8(b), shall pay 80 percent of the cost of transporting hay from areas in which hay is in plentiful supply to the area in which the farmers and ranchers are located.

(B) The President shall take the action required under subparagraph (A) only if the Secretary of Agriculture reports to the President that—

(i) as a result of the drought or excessively hot weather, the amount of hay readily available to such farmers and ranchers at reasonable prices to feed their livestock is substantially below the amount normally available; and

(ii) the assistance to be made available under paragraph (1) and haying or grazing permitted under paragraph (2) together will be insufficient to prevent substantial losses of livestock or liquidation of herds by such farmers and ranchers in such area.

(C) The Secretary of Agriculture shall determine whether the conditions described in clauses (i) and (ii) of subparagraph (B) exist for each drought disaster area, and if such conditions exist so report to the President, within 30 days after the date of enactment of this Act and after reasonable intervals of time thereafter.

(D) Prior to making any determination under subparagraph (B), the Secretary of Agriculture shall consult with the Governor and the Secretary of Agriculture (or comparable official) of the State involved, and give due consideration to the views of the such persons.

(4) Paragraphs (1) and (3) shall become effective 15 days after the date of enactment;

and assistance under such subsections shall be available until March 30, 1987, or the date, as determined by the Secretary of Agriculture, on which the emergency created by the drought or excessively hot weather no longer exists, whichever is earlier.

(b) Effective October 1, 1986, section 1105 of the Food and Agriculture Act of 1977 (7 U.S.C. 2267) is amended by adding at the end thereof the following:

"(h) If—

"(1) the Secretary of Agriculture makes emergency livestock or poultry feed assistance available to producers in a county under section 407 of the Agricultural Act of 1949, or comparable law; but

"(2) surplus commodities of adequate nutritive value are not made available under such program for distribution to such producers within ten days after the announcement of the program for such county,

the Secretary shall make assistance available to such producers under this section until such time as surplus commodities are made available under the announced program.".

DISASTER PAYMENT PROGRAM

SEC. 5. Notwithstanding any other provision of law:

(a) The Secretary of Agriculture shall make disaster payments available, at the request of the producer, on the 1986 crops of wheat, feed grains, upland cotton, rice, and soybeans and peanuts under sections 107D(c)(2)(D), 105C(c)(2)(D), 103A(c)(2)(D), 101A(c)(2)(D), and 201(k) of the Agricultural Act of 1949, respectively, to producers located in natural disaster areas.

(b) For the purposes of this section, the conditions set out in sections 107D(c)(2)(D)(i), 105C(c)(2)(D)(i), 103A(c)(2)(D)(i), and 101A(c)(2)(D)(i) of the Agricultural Act of 1949 shall be considered as having been met.

(c) Payments under this section shall be made in kind, as provided in section 8(a) of this Act, using surplus stocks held by the Commodity Credit Corporation.

(d) The total amount of in kind payments that a producer shall be entitled to receive for the producer's crops of wheat, feed grains, upland cotton, rice, peanuts, and soybeans under this section shall not exceed an amount of commodities of a combined value of more than $100,000.

MILK PROGRAM PRODUCER ASSESSMENTS

SEC. 6. Notwithstanding any other provision of law:

(a)(1) At the option of the producer, no reductions in the price received by producers for milk marketed for commercial use under section 201(d)(2)(A) of the Agricultural Act of 1949 shall be made on milk produced by producers in drought disaster areas and marketed for commercial use during the period beginning October 1, 1986, and ending December 31, 1986.

(2) The reductions in the price of milk required under section 10 of the Food Security Improvements Act of 1987 shall not be increased as a result of the implementation of the temporary prohibition on reductions in the price of milk provided for under paragraph (1).

(b) The Secretary of Agriculture shall increase the amount of the reduction in the price received by producers in drought disaster areas for milk produced and marketed by such producers for commercial use under section 201(d)(2)(A) of the Agricultural Act of 1949 during the period beginning January 1, 1987, and ending September 30, 1987, by an amount that will ensure that, to the extent practicable, the aggregate amount of reductions applicable to milk of such producers for the period beginning October 1, 1986, and ending September 10, 1987, will be the same aggregate amount of reductions that would have been made if the prohibition on reductions under subsection (a) had not been in force.

COST-SHARING FOR SOIL CONSERVATION MEASURES AND TIMBER STAND RESEEDING EXPENSES

SEC. 7. Notwithstanding any other provision of law,

(a) The Secretary of Agriculture shall make available—

(1) cost-share payments under the agricultural conservation program to producers in drought disaster areas for conservation measures designed to prevent anticipated soil erosion due to loss of vegetative cover; and

(2) cost-share payments under the forestry incentives program to forest landowners in drought disaster areas for the reestablishment of stands of pine trees lost to drought conditions.

(b) The Secretary shall share not less than 50 percent of the cost of such measures or reestablishment of timber stands; and such cost-share payments shall be made in kind, as provided in section 8(a) of this Act, using surplus stocks of commodities held by the Commodity Credit Corporation.

(c) Payments made under this section shall be in addition to, and not in lieu of, payments made under the Soil Conservation and Domestic Allotment Act or the Cooperative Forestry Assistance Act of 1978 using funds appropriated for such purposes.

(d) Assistance under this section shall be made available to persons in drought disaster areas during the period beginning 15 days after the date of enactment of this Act and ending March 30, 1987.

PAYMENTS

SEC. 8. Notwithstanding any other provision of law:

(a)(1) In making in-kind payments under section 4(a)(1), 5, or 7, or subsection (b) of this section, the Secretary of Agriculture may—

(A) acquire and use commodities that have been pledged to the Commodity Credit Corporation as security for price support loans under the Agricultural Act of 1949, including loans made to producers under section 110 of such Act; and

(B) use other commodities owned by the Commodity Credit Corporation.

(2) The Secretary may make in-kind payments by—

(A) if requested by the producer, delivery of the commodity to the producer at a warehouse or other similar facility, as determined by the Secretary; or

(B)(i) the transfer of negotiable warehouse receipts;

(ii) the issuance of negotiable certificates that the Commodity Credit Corporation shall redeem for a commodity in accordance with regulations prescribed by the Secretary; or

(iii) such other methods as the Secretary determines appropriate to enable the producer to receive payments in an efficient, equitable, and expeditious manner so as to ensure that the producer receives the same total return as if the payments had been made in cash.

(3) In carrying out this subsection, the Secretary, to the maximum extent practicable, shall use Commodity Credit Corporation commodities stored in storage deficient areas such as the midwestern United States.

(b) Transportation cost payments made under section 3(b)(2) or 4(a)(3) of this Act prior to October 1, 1986, shall be made in kind, as provided in subsection (a), using surplus stocks of commodities held by the Commodity Credit Corporation. Such payments made after September 30, 1986, may be made in kind or in cash. The Secretary of Agriculture shall assist recipients of in-kind payments in marketing warehouse receipts, certificates, or other documents representing such in-kind payments.

CREDIT FORBEARANCE

SEC. 9. It is the sense of Congress that, with respect to farm borrowers who are adversely affected by drought disaster conditions in 1986—

(1) the Secretary of Agriculture should exercise the authority provided under section 331A of the Consolidated Farm and Rural Development Act and instruct the Farmers Home Administration to defer loan repayments and forgo foreclosures in cases where such farm borrowers are unable to make loan payments in full due to no fault of their own; and

(2) the lending institutions of the Farm Credit System and commercial lending institutions are encouraged, insofar as practicable, to adopt lenient lending, forbearance, and foreclosure policies, and to the maximum extent possible participate and cooperate with Federal and State lenders in assistance programs, with respect to such borrowers who are under financial stress due to no fault of their own.

COORDINATION OF ASSISTANCE EFFORTS

SEC. 10. It is the sense of Congress that, with respect to the provision of Federal assistance to farmers and ranchers in drought disaster areas, the Secretary of Agriculture should take steps immediately to—

(1) establish an overall coordinating mechanism within the Department of Agriculture to ensure that the assistance provided by each agency within the Executive Branch is coordinated with, and complements, the assistance provided by other agencies;

(2) ensure that government and voluntary agencies, and the farmers and ranchers, in each drought disaster area are provided a single contact person or unit for Federal assistance, and that a similar such Federal contact person or unit is provided for government and voluntary agencies, farmers and ranchers, and other persons outside drought disaster areas who wish to contribute additional assistance to drought disaster areas; and

(3) consult with the Governors, Secretaries of Agriculture (or comparable officials), and the State disaster relief agency in each State in which a drought disaster area is located, or the disaster assistance needs of farmers and ranchers located in the State.

Amend the title to read: "A bill to provide emergency assistance to farmers and ranchers adversely affected by drought disasters in 1986.".

ASSISTANCE UNDER DISASTER RELIEF ACT

SEC. 11. Title IV of the Disaster Relief Act of 1974 (42 U.S.C. 5121 et seq.) is amended by adding at the end the following new section:

"FEDERAL SHARE OF ASSISTANCE

"SEC. 240. (a)(1) The Federal share of assistance under section 402 or 403 of this Act—

"(A) shall be at least 75 percent of the actual cost of providing assistance under such section, and

"(B) shall be made only on condition that the remaining portion of such cost is paid from funds made available by a State or local government.

"(2) Where a State or local government is unable immediately to pay its share the President is authorized to advance to such government such 25 percent share, and any such advance shall be repaid to the United States.

"(b) The Federal share of assistance under sections 404, 407, and 413 shall be equal to 100 percent of the actual cost of providing assistance under such sections.

"(c) No State shall be ruled ineligible to receive assistance under subsections (a) and (b) of this section by virtue of an arithmetic formula based on income or population if such State has qualified for Federal disaster assistance within the past 24 months."

D'AMATO AMENDMENT NO. 2251

(Ordered to lie on the table.)

Mr. D'AMATO submitted an amendment intended to be proposed by him to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the Committee amendment, add the following new section:

SEC. . EXEMPT PROGRAMS AND ACTIVITIES.

(a) IN GENERAL.—Section 255(g)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)) is amended—

(1) by inserting after the item relating to Compensation of the President the following new items:

"Department of Justice, Immigration and Naturalization Service (15-1217-0-1-751);

"Department of the Treasury, United States Customs Service;

"Department of Transportation, United States Coast Guard;

"Drug Enforcement Administration (15-1100-0-1-751);";

(2) by inserting after the item relating to Exchange stabilization fund the following new item:

"Federal Bureau of Investigation (15-0020-0-1-751);";

(3) by inserting after the item relating to Federal payment to the railroad retirement account the following new item:

"Federal Prison System;"; and

(4) by inserting after the item relating to Postal service fund the following new item:

"Salaries and Expenses, United States Attorneys and Marshals (15-0322-0-1-752);".

(b) APPLICATION.—The amendment made by subsection (a) shall apply to fiscal years beginning after September 30, 1986.

HELMS (AND DENTON) AMENDMENT NO. 2252

(Ordered to lie on the table.)

Mr. HELMS (for himself and Mr. DENTON) submitted an amendment intended to be proposed by them to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the joint resolution add the following new section:

SEC. . DISAPPROVAL OF ACTION OF THE DISTRICT OF COLUMBIA COUNCIL.

The Congress disapproves of the action of the District of Columbia Council described as follows: The Prohibition of Discrimination in the Provision of Insurance Act of 1986 (D.C. Law 6-170).

NOTICE OF HEARINGS

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. DOMENICI. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources will conduct a joint field hearing with the House of Representatives Committee on Science and Technology. The hearing will take place on Thursday, September 4, 1986, at 9:15 a.m. at the Albuquerque Convention Center in the ballroom, 2d and Grand Avenue, Albuquerque, NM.

Testimony will be received on "Technology Transfer" in conjunction with "Focus 86"—a 2-day conference on Commercializing Federal Lab Technologies and enhancing U.S. competitiveness through regional economic development.

Witnesses will include representatives from Federal agencies and national laboratories, national industrial firms, as well as local New Mexican companies and academic institutions with direct experience in technology transfer mechanisms.

The hearing will focus on technology transfer issues from the standpoint of both the public and the private sectors. The hearing will explore mechanisms and policies that facilitate technology transfer; factors such as intellectual property rights and proprietary information, which are crucial to the commercialization process; financing and marketing aspects; as well as innovation concepts for collaboration between academic, industrial and Government entities.

Those who wish to testify or wish to submit written statements for the hearing record should write to the Subcommittee on Energy Research and Development, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510 (staff contact Ms. Marilyn Meigs 202-224-4431) or the office of Senator PETE DOMENICI at the Federal Building and U.S. Court House, room 10013, Albuquerque, NM 87103 (staff contact Martha Buddecke 505-766-3481).

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROTH. Mr. President, the Senate Committee on Governmental Affairs will hold a hearing on Wednesday, August 6 at 2 p.m., in SD-342 on the following nominations:

Janet D. Steiger to be a Commissioner of the Postal Rate Commission;

Mary F. Wieseman to be Special Counsel of the Merit Systems Protection Board; and,

James E. Colvard to be Deputy Director of the Office of Personnel Management.

For further information, please contact Carol Fox at 224-4751.

Mr. President, the Senate Committee on Governmental Affairs will hold a hearing on Wednesday, August 13 at 10 a.m., in SD-342 on the nomination of John Agresto to be Archivist of the United States. For further information, please contact Carol Fox at 224-4751.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public that the Committee on Energy and Natural Resources and the Select Committee on Indian Affairs will conduct a joint hearing on Monday, August 11, 1986, beginning at 10 a.m. in room SD-562 of the Senate Dirksen Office Building in Washington, DC.

Testimony will be received on S. 2676, to provide for the settlement of water rights claims of the La Jolla, Rincon, San Pasqual, Pauma, and Pala Bands of Mission Indians in San Diego County, CA, and for other purposes.

Those who wish to testify or wish to submit written statements for the hearing record should write or contact either of the two following offices:

Committee on Energy and Natural Resources, U.S. Senate, SD-358 Dirksen Senate Office Building, Washington, DC 20510 (committee contact Mr. Russell Brown at 202-224-2366).

Select Committee on Indian Affairs, U.S. Senate, SH-838 Hart Senate Office Building, Washington, DC 20510, (committee contact Patricia Zell, 202-224-2981).

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER, AND RESOURCE CONSERVATION

Mr. HEINZ. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, July 31, to hold a hearing on S. 2159, to designate the Big Sur National Forest Scenic Area; House Joint Resolution 666, expressing the sense of Congress in support of a commemorative structure within the National Park System dedicated to the promotion of understanding, knowledge, opportunity and equality for all people; and S. 767, to direct the Secretary of the Interior to permit access across certain Federal lands in the State of Arkansas, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. HEINZ. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the

Senate on Thursday, July 31, in closed session, to conduct a business meeting, and to receive a briefing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. HEINZ. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, July 31, to hold a business meeting to consider State Department nominations; and S. 1917, to amend the Foreign Assistance Act of 1961, to provide assistance to promote immunization and oral rehydration, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. HEINZ. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Thursday, July 31, to hold a hearing on the issue of satellite signal scrambling.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

LIBERAL McCARTHYISM

● Mr. GOLDWATER. Mr. President, anyone reviewing the record objectively knows beyond a shadow of a doubt that Associate Justice Rehnquist meets every test of qualification for service as Chief Justice of the U.S. Supreme Court. He is a man of superior intelligence and proven excellence and his outstanding qualities have been recognized time after time by his colleagues of the bar. Twice he has received the American Bar Association's highest rating of professional competence, judicial temperament and integrity.

Yet, some of those at the extreme end of liberal philosophy persist in attacking Justice Rehnquist on the basis of his alleged insensitivity to their agenda. Yesterday, in its lead editorial, the Arizona Republic called this attitude "liberal bigotry." The editorial also called the opposition to the nomination of Mr. Rehnquist as "liberal McCarthyism" because his critics seem to be saying it is un-American to disagree with liberalism.

Mr. President, I believe the Arizona Republic has put its finger on the problem. I am concerned that the Senate is being asked to abuse the advice and consent power conferred upon us by the framers of the Constitution. I believe the exercise we are currently going through is a test of whether or not the Senate will take it upon itself to convert the confirmation power into a license to reject obviously qualified nominees at will because of their perceived political philosophy.

The road we are asked to take would distort the power the framers of the Constitution have conferred upon us in article II, section 2, by using it as a weapon for confrontation and open collision with the President's appointment power.

Certainly, Mr. President, we are expected to make an independent decision regarding the character and fitness of every nominee. But we are not to vote on the basis of a nominee's political beliefs. To the contrary, I believe the framers contemplated that the Chief Executive of the United States should be given broad discretion in making appointments. Alexander Hamilton stated in the Federalist paper No. 76 that it is "not very probable" that the President's nomination would often be overruled.

Let us remember that the President is chosen in the only nationwide election held in our country. Thus, the will of the people, as expressed in their choice of President, should be given due respect when acting on his nominations. This is particularly true where there is a nominee of such impeccable credentials for the office as Mr. Justice Rehnquist.

Mr. President, in recent weeks the Senate has been told by one wing of political thought that it should insist on the standard of "excellence" for all members of the Federal judiciary. William Rehnquist is eminently qualified under this standard or under any other rational test.

Mr. President, I ask that the text of the editorial published in the Arizona Republic may appear in the RECORD.

The editorial follows:

[From the Arizona Republic; July 30, 1986]

LIBERAL McCARTHYISM

The opposition to the nomination of William Rehnquist as chief justice of the United States is plainly ideological. Rehnquist is a conservative, which is all the reason some of his liberal detractors require to oppose his confirmation.

Objections raised thus far to Rehnquist's nomination are allegations that as a Republican party poll watcher 25 years ago he tried to prevent Phoenix minorities from voting, and ideological objections from the far left.

If Rehnquist was judged qualified to sit on the Supreme Court in 1971, he is qualified to be chief justice in 1986. It's that simple.

The chief justice is a *primus inter pares*, the first among equals, and casts only one vote. His sole power is to assign written decisions. *Any* justice already seated on the bench is qualified to hold the position.

Rehnquist categorically denied the charges of election tampering during his 1971 nomination hearings and he was confirmed on a 68-26 vote of the then Democrat-controlled Senate.

As California's attorney general, Earl Warren gave the Constitution short thrift, enthusiastically enforcing the World War II program in which thousands of American citizens of Japanese ancestry were deprived of their property and imprisoned without due process. If that dark episode in American history did not disqualify Warren from becoming chief justice 25-year-old partisan political recollections against Rehnquist certainly do not.

It is comical that the likes of Eleanor Smeal of the National Organization for Women call Rehnquist an ideological extremist. Smeal's real objection is not ideological extremism, but that Rehnquist is a conservative, for a far left ideological extremist would not be met with similar objections by NOW.

This liberal McCarthyism goes like this: The liberal agenda is identical to "the American way," and to disagree with liberalism is to advocate un-American ideas. It is liberal bigotry, pure and simple.

It is also an absurd idea that Rehnquist is disqualified because he regularly votes with the conservative minority against the liberal majority. Were that criterion forced on the presidency it would preclude any ideological change in the court by mandating majoritarian appointments, regardless of the political ideology of the president in office. Liberals would not stand for this were the ideological shoe on the other foot.

Just because the court has followed the path of liberal judicial activism for three decades does not mean the president cannot make appointments under the powers reserved to him in the Constitution which would shift the court toward a more conservative position.

Liberalism is not protected by the Constitution, nor is it entitled by right to control the Supreme Court indefinitely. Rehnquist should be confirmed without delay, and without petty partisan politics.●

THE VALIANT AFGHAN STRUGGLE

● Mr. HUMPHREY. Mr. President, during the long, tragic course of the brutal Soviet occupation of Afghanistan, many concerned legislators throughout the world have raised their voices in support of the valiant Afghan struggle. The bloodshed in Afghanistan cannot be stopped by materiel alone, although that is of critical importance. Accompanying this must be the roar of world public opinion and outrage. People and their governments worldwide must say loudly and in one voice that the continued occupation of Afghanistan and the genocide being waged on the Afghans will not be tolerated, and that the war will have an impact on the conduct of relations between the Soviet Union and the civilized community of nations.

This type of political and diplomatic pressure is an essential component of the overall effort to end the bloodshed in Afghanistan. National outrage has been accompanied by near unanimity in the United Nations, where the General Assembly has repeatedly condemned the Soviet presence there, voting last year by an unprecedented margin of 122 to 19, with 12 abstentions, to call for:

The complete withdrawal of foreign forces.

The restoration of Afghanistan's independent and nonaligned status.

Self-determination for the Afghan people.

The creation of conditions that would enable the refugees to return home with safety and honor.

Mr. President, this international outcry is crucial to the quest to rid Afghanistan of the war which has plagued it since 1979. The Soviets must be aware by every international and parliamentary assembly worldwide that their murderous deeds in Afghanistan do not go unnoticed. Soviet diplomats and other officials must be taken to task at every opportunity for the crimes committed by their nation in its attempt to subjugate an innocent neighbor. Sustained, intense pressure must come from every quarter if the world is ever to see the restoration of Afghan independence and self-determination.

Among other international bodies, the Organization of the Islamic Conference, the Nonaligned Movement, and the European Parliament have endorsed similar principles. The latter group, Mr. President, is the only multinational institution directly elected by the people of Europe. Its 518 members are selected by voters in France, Germany, Italy, the United Kingdom, Spain, The Netherlands, Belgium, Greece, Portugal, Denmark, Ireland, and Luxembourg. Today I would like to share with my colleagues an incredible document on the situation in Afghanistan, recently passed by the European Parliament in a vote of 219 to 33, with 19 abstentions.

I would like to point out some of the major observations and provisions of the resolution.

The resolution observes that:

The problem of the presence of millions of Afghan refugees in Pakistan and other countries has assumed dramatic proportions.

The majority of the Afghan people oppose the government in Kabul, the Soviet influence on their domestic policies, and the military occupation by the Red Army.

The Soviet Union has ignored repeated international calls for its withdrawal from Afghanistan, even increasing the number of its troops there to over 121,000 in 1985.

The Soviet Union has fully occupied the Wakhan Salient in eastern Afghanistan, expelling the local population, in effect annexing the area and creating for the first time a substantial frontier between the Soviet Union and Pakistan.

Because of the millions of killed and wounded, "the Soviet Union is guilty of mass murder in Afghanistan."

The meeting of jurists held in Turin on November 1985 under the auspices of the European committees . . . clearly concluded that the resistance was a representative body and took the view that despite its internal differences, it was competent to represent the Afghan people in the fight for its right to self-determination and national identity.

Border incursions by Soviet/Afghan forces "could lead to the spread of the war and an escalation of fighting, which means that the situation in Afghanistan is a serious threat to world peace."

Based on these and other observations, Mr. President, the European Parliament resolution, among numerous provisions:

Emphasized that the Soviet Union must withdraw its troops from Afghanistan immediately and unconditionally and thereby restore Afghanistan's neutral and nonaligned status.

Calls for the International Red Cross to be allowed into Afghanistan, in accordance with the Geneva Convention.

Condemns the political imprisonment; torture; atrocities; deportation to the Soviet Union; killing of prisoners of war; destruction of villages, cattle, and harvests; bombing of medical centers; the use of toy bombs; the use of chemical weapons; cross-border attacks; prohibition of media coverage; and massive casualties which characterize the Soviet occupation of Afghanistan.

Calls for stepped-up humanitarian assistance to the Afghan people through both the International Red Cross and private aid organizations.

Calls on the European Community and the governments of member states to "recognize the Afghan resistance movement as being competent to represent the Afghan people in its fight to exercise its right to self-determination."

Calls for "political cooperation to work actively towards an early negotiated political solution involving all the parties concerned, including the various factions of the Afghan resistance movement."

Calls for "National Reconciliation Talks," with the direct participation of the resistance aimed at achieving a cease-fire in the near future. Such a cease-fire should be supervised by a U.N. peace-keeping force.

Mr. President, this is one of the most remarkable and comprehensive documents I have seen in support of the Afghans' struggle for national liberation. I would like to call my colleagues' attention to the most imperative provision in the document: Its call for direct negotiations among the warring parties in Afghanistan. As it stands now, the United Nations peace process is flawed by the lack of representation for the Mujahideen fighting the Soviets. President Reagan called for this himself in his October 1985 address to the U.N. General Assembly, insisting that the starting point for the settlement of regional conflicts "must be a process of negotiation among the warring parties in each country." This has not been the case in Afghanistan, Mr. President. Surely after more than 4 years of "indirect talks," we should get down to the real business of including the resistance in any peace settlement.

The European Parliament should be commended for its admirable and humanitarian stand on the war in Afghanistan. We must show the Soviets that both sides of the Atlantic are unprepared to accept blatant aggression against innocent nations. Consensus across the ocean does exist, as evidenced by this resolution. With the combined political and diplomatic weight of the free world behind us, we can someday hope to rid Afghanistan of Soviet forces.●

TESTIMONY OF COCHAIRMEN OF COMMONWEALTH'S EMINENT PERSONS GROUP AT FORUM ON SOUTH AFRICA

● Mr. KENNEDY. Mr. President, I would like to call the attention of my colleagues to the testimony of the cochairmen of the Commonwealth's Eminent Persons Group [EPG]—former Prime Minister Malcolm Fraser of Australia and General Olusegun Obasanjo, former Chief of State of Nigeria.

In October 1985, the 49 member states of the Commonwealth of Nations established a "small group of eminent persons [known as the Eminent Persons Group or EPG] to encourage through all practicable ways the evolution of [the] necessary process of political dialogue" between the government and the black majority required for a peaceful end of the apartheid system. In the course of their mission, the EPG dealt with all the parties involved in the South African conflict. They met with the leaders of the South African Government as well as the leaders of the anti-apartheid forces. They visited Nelson Mandela in Pollsmoor Prison three times and engaged in serious negotiations aimed at securing his release and suspending the violence inside South Africa.

Last month, the EPG issued a thoughtful and compelling report describing their experience. On Monday, July 21, 1986, the cochairmen of the EPG participated in a Forum on South Africa sponsored by Senator WEICKER and myself. At the forum, General Obasanjo warned: "[I]f nothing is done to bring about peaceful change in South Africa, there will be a descent into greater violence, violence that will go beyond the borders of South Africa that will engulf the entire region of South Africa, and, in fact beyond the region of South Africa into the other parts of Africa—violence that will have implications for all multiracial countries of the world, violence that may have implications for the East-West relationship."

The general spoke out strongly in favor of sanctions in order to lead South Africa toward negotiation. "[W]e are convinced as a group that the countries where South Africa seems to obtain succor are countries on the West that have not made definite pronouncement, or take definite decision to push South Africa toward negotiation in terms of bringing effective measures that will induce South Africa toward negotiation."

General Obasanjo went on to say that he did not advocate the complete destruction of the way of life in South Africa. "I want to emphasize here that our aim is not to destroy the economy of South Africa. If anything, our aim is to save the economy of South Africa, and save the people—all the people of South Africa—from what we see as impending disaster, which may be second only in destruction to what we have witnessed since the end of the Second World War."

Malcolm Fraser, also strongly supported sanctions against South Africa, saying that they are the last possible action to avoid greater bloodshed. "[T]he exercise of sanctions is the only thing that might divert decisions from the Africans, who would come to the conclusion that by themselves, they've got to move to a full-scale guerrilla conflict." He went on to say that the United States plays a crucial role in initiating needed sanctions worldwide. "Now, I think the dates are critical. The Commonwealth meeting starts on the 5th of August. And if Mrs. Thatcher doesn't support sanctions, then they will be looking very closely at what the United States does or what the Senate or the Congress as a whole does. If we assume for a moment that there is no effective action from the United States by the time you adjourn, it would seem they are on their own, and if they want political equality, they have to fight it out. I don't think anyone can blame the people ultimately fighting for political rights and political liberty in a situation where they basically have no liberty."

Fraser strongly urged that the United States not turn its back on the black leaders of South Africa. He warned that "The kind of government that would emerge at the end of a long, drawn-out guerrilla war would owe its allegiance to its source of arms, would be anti-West, pro-Soviet, probably Marxist and would nationalize the totality of the Western commercial-trading-financial links in South Africa."

Both General Obasanjo and Malcolm Fraser are sending the Senate a clear message—that we must pass sanctions legislation, and soon. All of the world is looking to the United States for action. The administration has not taken such action and it is now in the hands of the Senate. The House of Representatives has spoken. Now is the time for the Senate to speak, and we must have broad bipartisan support for comprehensive economic sanctions.

I ask that the testimony of both General Obasanjo and Malcolm Fraser at the Forum on South Africa on Monday, July 21, 1986 be placed in the RECORD.

The testimony follows:

Senator KENNEDY. We welcome both of you and we ask you to proceed in whichever order you would want to proceed.

General OBASANJO. Thank you very much. We thank you for giving us the opportunity to appear before you, and by appearing before you, appearing before the people of this great country.

As you rightly said, Senator Kennedy, in October last year, the Commonwealth leaders at their biannual meeting decided to set up a group of personalities of the Commonwealth to encourage political dialogue in South Africa.

This is a means of taking positive action, along, of course, with what may be regarded as negative action of functions. They had three pillars, if you like, a small amount, or if you like, functions to be followed by the work of the group. And if the work of the group is positive, of course, they do not intend to take any further measures.

If the work of the group is negative, that is, to prove there is no perceptible movement in South Africa towards of dismantling of apartheid and erecting a structure of democracy, the Commonwealth leaders were to meet and consider further stringent measures.

As soon as we were composed as a group, we met in London. We set up our program of action, and we informed the South African authorities of our existence and of our intention to visit South Africa.

Soon after that we got a response from the State President, Pieter Willem Botha, asking us to come in. And this was followed by the visit of the senior official of the Foreign Ministry of South Africa in London who talked to us on the moralities of our visit and of our work.

This, of course, led to sending a preliminary group—that is, the two co-chairmen and the lady member of our group. We went in for one week. After we had gone in for one week, the Government of South Africa gave the green light for the whole group to come in.

The whole group went in after we had visited the Front Line States. We talked to their ministers, including the State President himself. Some of these ministers we talked to five or six times. We talked to members of Parliament.

We talked to trade union leaders. We talked to business leaders. We talked to community leaders. We talked to academicians. We traveled through the length and breadth of South Africa. As a result of these wide and varied consultations and discussions with people, we came up with a negotiating concept which, we believe, if followed, will lead to the beginning of meaningful dialogue—political dialogue—between the government and the black leadership.

It consists of the government's doing certain things, things that, in fact, the world community had called on the government to do. And, of course, on the other side, it also impose such an obligation on the black leaders—an obligation like suspension of violence—and within the government, to talk on a proper agenda.

For some time, we thought that this negotiating concept was agreeable with the government until late April or early May when, by action, by words, the government indicated to all of us clearly that they were not ready for meaningful negotiations.

They did this in a number of ways. When we went in the second time on the negotiating concept which we had left with them for six weeks—if they had no reply to us, yes, or no. Then the points on which they seemed to have agreed: suspension of violence by the other side, they went back on it and insisted on a resumption of violence. A resumption of violence for people who had no political rights and very little economic right. It was not regarded as realistic.

Then while we were still there, the President made a statement which, in short, was saying to all of us: you can keep away from us and remove your fingers from our internal affairs. In spite of all of this, we remained, because we wanted to explore all of the liberal countries.

We know that what is at stake is very grave and very great. And on the last day of our meeting with eight government ministers, they left us in no doubt that our negotiation concept is unacceptable and slammed the door of negotiation right in our face.

It was also the same day that they raided countries that are liberal: Zambia, Zimbabwe and Botswana. Two of these countries happen to be countries that nominated two of us on that group, Zimbabwe and Zambia.

Our position, although it became very untenable, we did not react in any way except to continue to explore all possible ways of securing a response of the South African government to our negotiating concept.

When it dawned on us that the South African government was not interested in meaningful negotiation, we packed out of South Africa. We wrote our report, which you have kindly remarked, Senator Kennedy, as a landmark in the struggle against apartheid.

If nothing is done to bring about peaceful change in South Africa, there will be a descent into greater violence, violence that will go beyond the borders of South Africa that will engulf the entire region of southern Africa, and, in fact, beyond the region of South Africa into the other parts of Africa. Violence that will have implications for all multi-racial countries of the world, violence that may have implications for the east-west relationship.

We are convinced as a group that the countries where South Africa seems to obtain succor are countries of the west that have not made definite pronouncements, or taken definite actions to push South Africa towards negotiation in terms of bringing effective economic measures that will induce South Africa towards negotiation.

I want to emphasize here that our aim is not to destroy the economy of South Africa. If anything, our aim is to save the economy of South Africa, and save the people—all the people of South Africa—from what we see as impending disaster, which may be second only in destruction to what we have witnessed since the end of the Second World war.

Thank you.

Chairman KENNEDY. Prime Minister Fraser.

Prime Minister FRASER. Thank you very much, Senator, and gentlemen.

Like my colleague, I am honored to be asked to be here. We recognize very much the importance of actions taken by the United States, and of the very real need for free world leadership which has so often come effectively from this country.

We thank you very much for the opportunity to give our views briefly to you.

I thought I would try and deal with two questions, because I think they give an insight into the sort of action that is needed. Why did, indeed, the government turn away from negotiations late in April when we

really thought we had a negotiation within grasp?

And, secondly, what's going to happen next, if existing policies from major free world states remain unaltered? It was quite clear at the end of April that the hardliners—those that believe that they can shoot it out, tough it out—has won the argument within the South African government.

The ministers had said to us, if they shoot enough blacks, they can get rid of the violence and restore their kind of normalcy. It was instrumental that it was the Minister for Law and Order who made that comment to us in one particular discussion.

But there is another and significant reason—I think the South Africans often believe their own propaganda of the South African government. One part of their propaganda is that South Africa is a nation of minorities, all people who can't get on together and who will have very differing points of view.

Now if the South African government had believed earlier—which I think it did—that in a negotiation with them, there would be ten or twelve different African points of view being put to them, and they would then be able to pick out the points of view that were nearest their own, or indeed, persuade or cajole one or two homeland leaders to support the government's point of view.

The government's point of view, of course, was one which was still dependent upon race. The new identity document will depict race. The ministers time and again indicated to us that political rights would have to be exercised through separate racial groups.

Now, that's not the establishment of any kind of a democracy in the South African context. That is maintenance of apartheid but under another form and under another name. As a result of discussions that we had with Chief Buthelezi, who had indicated he would work under Mandela—as a result of the discussions we had with Mandela which would have been available to the government, very obviously, it was clear that the prospect of a united African leadership was starting to emerge.

And if you had Mandela being able to heal the rift between ANC and Buthelezi, as he believed he could if he were freed, and establishing a united view, all the other black groups would come around and support that kind of general, joint leadership. In those circumstances, the negotiation could not serve any purpose for the government because they knew in those circumstances they could never get that leadership to accept a dispensation for the future that was based on the race of designation of every person in the country.

I think the realization of the real prospect of the united black leadership was something that probably surprised the government, and also caused them to move dramatically away from negotiation and kill the Commonwealth initiative as they did, like the General described, early in May.

And that I think is important when we look to the future because something is going to have to alter the equation, alter the balance of forces in South Africa if the government's view is to be changed.

Well, what's next? If there is no action, no change in policies in the United States and Britain, there will still be actions from all other countries of the Commonwealth, but their trade weight is not heavy enough to carry the day.

It needs the major states. So if America and Britain would move, Germany and the community would move and Japan would certainly do whatever the United States would do. They're the major commercial and financial powers, and therefore, measures would be successful in those circumstances.

But if there is no action leading to a concerted approach from America or from Britain, the black leadership will decide that they have no substantial or significant support from the west.

They've been asking for sanctions for a very, very long while, with the exception of Chief Buthelezi. All the other leaders that spoke to us said, please, if you don't get a negotiation, try and get the west to exercise this kind of pressure.

The exercise of sanctions is the only thing that might divert decisions from the Africans, who would come to the conclusion that by themselves, they've got to move to a full-scale guerrilla conflict.

Now, I think the dates are critical. The Commonwealth meeting starts on the 5th of August. And if Mrs. Thatcher doesn't support sanctions, then they will be looking very closely at what the United States does or what the Senate or the Congress as a whole does.

If we assume for a moment that there is no effective action from the United States by the time you adjourn, it would seem they are on their own, and if they want political equality, they have to fight it out. I don't think anyone can blame the people ultimately fighting for political rights and political liberty in a situation where they basically have no liberty.

After all, the origins of the greatest of all free world paths came out of such a fight a long while ago. The kind of government that would emerge at the end of a long, drawn-out guerrilla war would owe its allegiance to its source of arms, would be anti-west, pro-Soviet, probably Marxist and would nationalize the totality of the western commercial-trading-financial links in South Africa.

The conflict would have embroiled all the other countries of southern Africa, who would then probably be coerced into moving in the same direction while now they know the collectivist approach does not work and they basically reject it. That, of course, would be a result—that would destroy the totality of western strategic and commercial interests in South Africa.

Leave aside the moral question for the moment and just look at it from the point of view of the United States' self-interest, the British's self-interest, the western self-interest. I believe, on that ground, the West ought to move very substantially.

Nobody can guarantee that sanctions will work but they are the only remaining option to the west. Surely we've learned over the last five or six years that quiet diplomacy or whatever it's called is not going to move the Afrikaner from his own favored point of view.

Indeed, Afrikaner history indicates that they have never been amenable to reason and quiet discussion but they are amenable to pressure, often extreme pressure. That's the only thing that has ever caused them to move off their own chosen path.

I think there is a good chance that sanctions would work. They would need to be effective. They would need to indicate to the whites plainly that you've got no real future in the country unless the government changes. And what the banks did voluntarily as a result of economic circumstances last year woke many whites for the first time to the fact that their futures could be in jeopardy in South Africa.

So that, I think, offers the West the only opportunity. There can't be any guarantees. It's so late in the day that there's no course available that would guarantee the preservation of western interests, or a peaceful transition in South Africa.

But if, on the one hand, the option of doing nothing is going to guarantee the destruction of western interests and the certainty of massive bloodshed in South Africa over an eight- or ten- or twelve-year period, if there is another course that provides even a reasonable chance of a better result for western interests, and for South Africa itself, then that alternative, of course, I believe should be seriously considered.

Thank you very much, Senators.

Chairman KENNEDY. Thank you very much for a splendid summation of the conclusions of your EPG group. Prime Minister, I think you have placed your finger on one of the most significant factors, and that's the issue of time. That will certainly be an issue.

I am not asking you to comment on it because obviously it's an issue for us as an institution, the Senate of the United States, to address that issue. But I think in your comments you mentioned some benchmark meetings that are coming up, the meetings in early August, the fact that eventually this body will adjourn and you point out that people in South Africa, in the government and those that are not in the government, the blacks of South Africa are watching very carefully as to what we, as a society; what we, as an institution; what the government is going to do, the Congress and the President of the United States.

And I think that, as something coming from you and coming from the General, it is very important for us to hear. We are going to at least play devil's advocate for some of the course of this panel and the remaining parts of the panel.

I and Senator Weicker are going to address some questions to you that we get asked a good deal and will probably be asked tomorrow in the Senate Foreign Relations Committee. They are concerns of Americans, members of the Congress and the Senate, and they need to be addressed.

We've attempted in our own way to address them but I'd be interested, and all of us would be interested, in yours and the General's reaction to them.

One of the challenges that is put to us is the fact that any kind of economic sanctions, that any kind of interference will be counter-productive, that it will promote intransigence with the South Africa government, that basically the government itself will become more entrenched in its own attitude and that sanctions will be self-destructive. There are those who have pointed out where sanctions haven't worked.

How do you respond to the charge that promoting economic sanctions would drive the South African government—those who you have just mentioned who are calling the shots with regards to South African policy—into more intransigence and less willing to come to grips with some of the political and human rights in that country.

General OBASANJO. As we say, nobody can say absolutely or can guarantee that sanctions will work, but when we were in South Africa we saw and witnessed that the South African government believes the efficiency of sanctions and uses it effectively against its neighbors, too. We do know that.

The South African government is afraid of only two things. Those two things are the only two things that can bring about

change: the political unrest and the imposition of sanctions. The fact they are afraid of this is an implication that it would work. If they are not afraid of it, then it would not work, but they are definitely afraid of it.

It is true that South Africa is highly developed. It is also true that South Africa depends fairly intensively on the outside world, no matter what. It may be said that South Africa's economy depends very much on the outside world.

What we are saying is not sanctions to destroy the South African economy but sanctions that have sufficient effect on the white population of South Africa, so they can bring the desired pressure on their government for change. This is the way we believe sanctions can work.

Prime Minister FRASER. If I can add to that, Senator. If you could force them into line and bring about changes under extreme pressure, the sanctions would be to get the white population much, much more concerned about their own future and the present government, and themselves would bring more pressure on the government to bear.

Chairman KENNEDY. One of the other points that is raised constantly is the argument that if we have economic sanctions, the people that it's going to hurt is the blacks. Why do you think we ought to have economic sanctions when one of the important black leaders, Buthelezi, strongly opposes it and the people who are going to be hurt most by this kind of economic action are going to be the blacks?

Prime Minister FRASER. I think that, Senator, is probably one of the most false arguments of all. Let me just say one word about Chief Buthelezi. He is a political figure in South Africa. He can't be ignored, but he is not as significant as many people say, because if you want to have a job, you have to be a card-carrying member of Inkhata or even if you want to go to school. that reinforces his numbers very, very greatly.

So he can't be ignored, but everyone else says, "We want sanctions imposed." The black leaders say, the blacks generally say, "We know that sanctions will affect us and will hurt us but we are hurting already." Sixty or seventy percent are unemployed in Crossroads and many other townships. High levels of unemployment in that and the Homelands where there is no economic activity possible, and with the towns and the general state of the country being one that really denies blacks access to the normal dignity that should be associated with the participation in a reasonable and civilized society.

So blacks suffer a great deal in current circumstances. They say they want to hurt more for a while to try and change the situation. That's their judgment and I really think it's presumptuous for white leaders from other countries—and I'm not thinking of anyone from the United States when I say that—to suggest that they have a capacity or an ability or even a right to put a superior foreign judgment over the judgment that is, in fact, made by blacks themselves in South Africa.

But also it needs to be judged against the alternative. And if one can accept the general view of our report, that a descent into greater and greater violence is likely—and in our view if there's no change there will be a total guerrilla war which will obviously hurt many, many, maybe tens or hundreds of thousands of people, black and white—that's the alternative, the sanctions.

That alternative will result in infinitely more people, black and white, being hurt than would the imposition of sanctions. So you are not comparing a sanction situation with another situation which is a clean slate. The alternative to sanctions is one that would lead to much, much greater loss of life, and greater killings.

I think it wrong for white leaders outside South Africa to try and impose their judgment over that of the blacks within South Africa. It smacks of paternalism and all sorts of things that should be put aside.

Chairman KENNEDY. General, is there anything you want to add to that?

General OBASANJO. Well, I just want to state the position of Buthelezi because maybe this is not well known. Chief Buthelezi was a member of ANC and when ANC was banned, Buthelezi remained inside South Africa while some of the leaders of ANC fled the country, others were imprisoned.

And it was decided by the ANC outside that Buthelezi should form another organization which should forswear violence so that it can carry on in existence. And he formed Inkatha.

The quarrel of Buthelezi and ANC stemmed from the fact that Chief Buthelezi hijacked and did not allow Inkatha to work with ANC. And, of course, since Inkatha is established on the basis of non-violence, no sanctions, it has to remain in that sort of mode.

But it is not a stand against a sanction or violence that causes the disagreement with ANC. It is the fact that he broke with the ANC. After all, the UDF, which cooperates with ANC at the moment, stands for the same thing as Inkatha on the issue of violence.

Chairman KENNEDY. We're trying to share the time up here, and I'll ask Senator Weicker to ask what questions he might have.

Chairman WEICKER. As I indicated in my opening Statement, I think Prime Minister Fraser emphasized in his remarks that time is of the essence in this matter. That's what I would like to base my questions on.

Number one: there are those that say we are already past the point where meaningful negotiations could take place, that, indeed, we are past the point where moderate voices can still be heard.

Would either, or both of you care to address that question as to whether or not there still is time to achieve a resolution of the matter which excludes the violence which awaits?

General OBASANJO. There is very, very little time; very little time indeed. The leadership of ANC, whether inside or outside, particularly Nelson Mandela, is acknowledged throughout South Africa as the leader, and the black people look to him for salvation.

We met him—I met him three times in the prison, and the whole group met him two times. He is an impressive man. He's a nationalist. He's a man who, even though he has been in prison, has a fairly good knowledge of what goes on around him. He's a man who has spent 24 years in prison and has never said a word of bitterness against his tormentors.

Everywhere we went and wherever we talked among the black people, they acknowledged—and as Mr. Fraser said, even Chief Buthelezi said to us—"If Nelson Mandela is out, we will gladly work under him". This is the type of person this man is.

We believe as a group, from what we saw of him and what we saw inside South Africa, that with a man like him free and able to bring his office and influence to bear, there can still be room for negotiation if there is willingness on the part of the government to do those things that are absolutely necessary to make it possible for the voice of moderation and voice of reason to come into play.

But the time is running out. We had a case while we were there of unrest in Alexandra. One of the black leaders, in fact, Desmond Tutu went to Alexandra and spoke to the people and said, "Leave, stop and let me go to Cape Town".

They told him he wouldn't get anything out of Cape Town. He would come back empty-handed. He pleaded with them. He went to Cape Town and three days later he came back empty-handed. They told him, "Next time when you appeal to us, we will not listen."

That is the way that the influence of these leaders of moderation has been diffused, and, of course, in due course they will have no influence left. And what will take over is, I guess, radicalized youngsters who say to their parents now, "You are afraid to die so that we could live a different life. If you are afraid to die, we are not afraid to die. We will die so that our children can live a decent life."

Prime Minister FRASER. Could I just add two points briefly to that, Senator? Last April or early May we were convinced that the black leadership would accept our negotiating concept. But because of what the government has done in the last three months or so, the government could accept that concept tomorrow, but the black leadership would no longer accept that concept. The government would have to do much more than it would have had to do then to demonstrate its own good faith.

I haven't been in touch with the black leadership since that time. Therefore, it's difficult to make a judgment of what more would need to be done to re-establish the possibility of a negotiation. But it could be going as far as abolition of the Population Registration Act and the Group Areas Act. And those two acts could be abolished without altering the face of South Africa in the short term simply because of economic forces. How many blacks are going to be able to buy a house in the white suburbs, for example?

So, from practical terms, those Acts could be abolished without disrupting South Africa. But something as substantial as that may be necessary to get back to the possibility of a negotiation.

And, I emphasize again the black timetable. They will be looking to see what the United States does over the next few weeks, and what the British government does over the next two or three weeks. And after those periods have gone, if there isn't substantial support, then it could certainly be far too late.

If I could just make one word of explanation—one word that my colleague used. I think he was using the word "radicalized" in the sense of believing that they are going to have to go it alone and fight it out. It wasn't being used in the sense that some people say or see it in America or Australia that "radical" equals communist. It wasn't being used in that sense. It was being used in the sense of just believing that they're going to have to fight for it.

Chairman WEICKER. If I may just follow up then: if the Congress of the United States adjourns around October 1 without any action being taken, which in the absence of a lame duck session would mean no

action could be taken until January of next year at the earliest, what would be the implication of that?

Prime Minister FRASER. Well, if you added to that no actions being taken by the British government, the black leadership would be assuming that they are not going to get substantive and adequate support from the West and that, therefore, if they are going to get political rights, they're going to have to fight for it. And that means that immediately after those sorts of deadlines occur, and it could even be as early as the end of August that they could be having meetings saying we haven't got adequate support, and therefore, we are going to have to fight for it.

Once you make those decisions and start to put them into action, terror is answered by counter-terror, and the hatreds and fears that are aroused, it's an irreversible decision. You only get back to negotiations then when one side or the other becomes exhausted enough after a long conflict. And that would be the whites after eight or ten or twelve years.

Chairman WEICKER. Then lastly, if there is action by the government of the United States—and by that I mean a resolution that has gone the entire length of the constitutional process, Congress and President—do you believe that will precipitate ensuing actions by other governments, both within and without the Commonwealth?

Prime Mininster FRASER. Let's assume for the moment that it's effective action, and if you wanted to, we could comment on that. But if there is effective action—

Chairman WEICKER. —please do.

Prime Mininster FRASER. Thank you. But if there is effective action from the United States, I'm sure it would be impossible for Britain to hang out. And all the members of the Commonwealth will—they want to and they have in a sense been held back by Britain. But I think they will be taking their decisions, other members, even if Britain doesn't, early in August.

I know that Japan will do whatever the United States does. And that's not an assumption. I was in Japan shortly before their election. If Britain moves, I have no doubt that Germany and the European community can move. So there you've got the major industrial, financial centers of the west.

Do you want me to give an indication of what we think the minimum measures necessary?

Chairman WEICKER. Yes.

Prime Minister FRASER. They are divided probably into three categories. Please have in mind that we regard these as a minimum. If anyone wanted to do more, I think that would be helpful. But break off air links both ways. That means stopping American, Australian and British aircraft going to South Africa. And just as much stopping South African aircraft coming here.

Chairman KENNEDY. What about air space, too, Mr. Prime Minister? Does that include denying air space rights, flying over countries?

Prime Minister FRASER. Well, if they can't land their aircraft anywhere, that's not necessary then, I think.

Make it so they have to go to Lusaka or Harare to get out of the country. Take away consular facilities from South Africa except for your own nationals. You for yours and Australia for its, so they have to apply to their Embassy in Washington or Canberra or wherever it might be. That would be a great annoyance to whites who want to travel, and there are a lot of them.

But then to get into more substantial measures, look at the financial banking area to see what additional steps can be taken there beyond that which was taken for commercial decisions last year. Now banning new investment is useful but symbolic. There just is not going to be new investment until the political problems are solved.

But if one could ban access to trade credit and at the same time freeze access to overseas accounts of South African individuals or corporations—accounts held in America or Australia or Britain—that would be enormously effective, especially so since a very large number of South Africans, including Afrikaners, are trying to shift funds offshore to establish a safe boathold for themselves if things go adversely in South Africa.

And our advice is that through different devices, a significant number of South Africans, including Afrikaner farmers, are trying to establish funds in America or Britain or somewhere.

And then thirdly, rather than try and put a ban on merchandise exports to South Africa, which can be difficult to police, put a ban on the major commodity and agricultural exports of South Africa which is often in bulk supplies, therefore, more easily policed and more easily monitored and most of which are in excess supply.

And even in the case of the rare metals, the dependence of the West on South Africa is grossly overstated. In nearly—well, I think in every case, there is either technological change diminishing the demand or alternative sources of supply are available, and alternative sources outside the Soviet Union. And a close analysis will demonstrate that that is correct.

Chairman KENNEDY. I think you have probably gone beyond this in your earlier responses, but let me just get your reaction.

There are those that say there have been some meaningful steps taken by the South African government in recent times: the Mixed Marriage Act, the Trade Unions Act, changes in the Pass Law, the new Constitution, and these are all steps that have been taken in the last year or year and a half. Does it show that they are really committed towards progress?

Also, did the EPG give up too early and too soon? Hasn't the South African government demonstrated that they are prepared to take steps, albeit in a gradual way? And why are you opposed to supporting the government's program of reform? Haven't really meaningful steps been taken for the first time?

Prime Minister FRASER. Not one member of our group believed meaningful steps were being taken or have been taken. Let me just mention a couple of things. The Mixed-Marriage Act certainly in some ways was an advance that affects maybe 100 people a year. What the blacks want is something that affects the generality of blacks' lives in South Africa and not something that just affects a tiny, tiny proportion of those in South Africa.

And in any case, if you are a white and you have a house in a white suburb, and if you marry a colored girl or a black girl, the minute you sign the marriage register, you cannot spend another night in the house even though generations have lived there.

The Pass Laws, the ones that were before abolished were replaced by a new identity document. So that's why the abolition of the Pass Laws was not greeted with jubilation as it should have been.

It is terribly important, I think Senator, to keep in mind what the government means when it talks about reform and new dispensation and apartheid being outmoded. They do not mean democracy organized as the federal system as we know it. They mean a system in which each person is still designated by his race and will vote in his racial group. It's racial group rights, not individual rights. And it's easily maintained by a white power veto.

Nothing was said that convinced us that the government wanted to move away from that. Indeed, we had discussions amongst ourselves in the group, knowing that to be the view of the government, did we have any right to continue to pursue a negotiation knowing that the government wasn't being genuine when it said it wanted a negotiation?

And we believed that we should pursue the possibility of getting a negotiation because sometimes miraculous things can happen in negotiation and people can be pushed up to a point of view and adopt a more reasonable view. But we never at any point believed that the government was determined to end apartheid.

They were trying to change it and modify it in ways which would gain time and gain international respectability but would not give political rights to the blacks. I don't think for a minute that we gave up too early.

I would reinforce what the General said about that earlier. We had come to the view that within the present balance of forces in South Africa, the government was uninterested in a genuine negotiation and, indeed, had moved dramatically in the opposite direction.

To continue and to have tried to achieve a negotiation in those circumstances would, I believe, have been demeaning. Once one of your distinguished colleagues, Senator, mentioned the prospects negotiating with a certain power of the 1930's, I think that at least one British Prime Minister in government lost all credibility by continuing to negotiate beyond the point in which negotiation allowed one to maintain one's own dignity and self-esteem in a democratic state.

This, again, is why we come to the need for the introduction of effective substantial measures, sanctions, to alter the balance of forces within South Africa. And without that, I don't believe there is any hope at all.

Chairman KENNEDY. General, I just have one final question. I note that Senator Weicker has one or two concluding questions. And that is with regards to the ANC.

There are those that say members of Congress and the Senate and American people that are supporting strong economic measures are really working in harmony with the ANC and that that is basically a communist-front organization. Therefore, that those who are really committed to democracy should reject both the ANC, its policies, and the policies of those who may be in harmony with the ANC.

How do you respond to the allegation that the ANC is basically a communist-front organization that is a terrorist organization and that is committed to continued violence and disruption? I suppose that's put in about as hard a way as you could put it.

General OBASANJO. Thank you, Senator.

I raised that same question with Mr. Nelson Mandela. He gave me an answer, and in front of the whole group, an answer——

Chairman KENNEDY. —for our record, I think it's important you might mention his association with the ANC. I know it. You know it. We want others who read through to know.

General OBASANJO. Well, Nelson Mandela, of course, was the leader of ANC, who has been sentenced to life imprisonment. He's spent 24 years there and has recently celebrated his 60th birthday. Now he said that in 1947 he headed the move to rid the ANC of communist elements. And that it was those who were opposed to communists that, in fact, defeated him and his group because they said that the ANC is democratic movement. And in a democracy you do not ban—or fail a radical's idea by banning them. You do it by force of persuasion.

And that the ANC is like the British Parliament where the only thing you need to be a member of is to win an election. And the only thing you need to be a member of the ANC is to be opposed to apartheid. And he said to us that if in 24 years that he has been put in prison—and the government has not got him to say what he does not believe in, how can anybody think that the communists will get him to do what he does not believe in?

And he referred to Oliver Tombo and said, "You know Oliver Tombo? We have been childhood friends. Do you see him as a Communist, or is Oliver Tombo the kind of man that the communists would put up as a front? And he will accept that position? No," he said.

He agreed that there are people in ANC who have been in the communist party before. He did not deny that. But he said they are much less in number than the number that the government quoted.

He also said that the only document that the ANC has now to work with is the Freedom Charter. And for that document, the ANC was taken to Court. The Court absolved them that that document is not a communist document. And they won that case in Court. And he referred us to the latest writeup on the ANC by Professor Lodge which is very, very instructive, and which is very up-to-date.

It talks about the ANC executives, which of them has any communist connection in the past and which of them have no communist connection. If one goes by this really, the cry that ANC is a communist organization, it's absolutely baseless.

Chairman KENNEDY. Thank you.

Senator Weicker.

Chairman WEICKER. My last question is two-part. With its policy of either acceptance, which has been the case during the past decade, or its policy of constructive engagement which is the policy of this administration, I would like to know one: the view of the United States by the white South African? And two: The view of the United States by the black African?

General OBASANJO. When we were in South Africa and we had a meeting with the President, President Botha, he left us with no doubt that . . . gave him support and two leaders for whom he has a disregard—President Reagan and Mrs. Thatcher. Wherever we went among the black people inside South Africa, we were left in no doubt that they have been disappointed, particularly by the United States.

They told us time and again that they used to look up to the United States as a model of a multi-racial society or non-racial society that they would want to emulate and, if possible, surpass. But the way that they have been abandoned by that same society, they feel that there is nothing for them to look up to. This is the picture they give us.

Prime Minister FRASER. If I could add to that, Senators. There are a number of other things which have exacerbated the views held of the United States and of Britain because I think the perceptions are shared in relation to both countries.

There is no doubt that the government has believed the United States and Britain would protect South Africa from effective measures taken by the international community. That encouraged the government's intransigence. It has made the government surer and more firm and more determined to pursue its own path.

And also because of things that have been said both here and in the United Kingdom. To give an example, Prime Minister Thatcher sought to minimize any concessions she had made at Nassau by saying she hasn't budged an inch or only a teensy-weensy bit and held up her hand. And by the kinds of statements she has made in recent days preceding the meeting to be held starting on the 3rd of August—all these sorts of things have led to the view that the two countries are not sympathetic to the cause of African nationalism in South Africa.

I believe that that's a great tragedy because the United States, in particular, has been a force for good in so much of the world and in ever so much of its history and has wandered in foreign policy more so than any other major state, I believe, to pursue courses that are correct, that are morally right, if you like, and that's not generally the standard by which the foreign policy of any government is tested.

One generally looks just to self-interest. And I've sought to argue the self-interest of Britain and the United States this morning. But here I believe the self-interested cause and the morally-right path coincide, absolutely. This is one of the things that goes to the importance of the timetable.

It is because the black leadership has been disappointed by lack of effective support from Britain and the United States for a long while now that they are looking at the upcoming period as one of great importance.

And, again, if it results in no action being taken, they'll come to the conclusions that they are without effective support and take the other decisions which were indicated. These adages are again made worse by the apparent speed with which sanctions are put in place in other areas, which I certainly agreed with and supported. Australia, under my government at the time, put in I think, more comprehensive sanctions after the invasion of Afghanistan than maybe even did the United States. We certainly supported whatever the United States did.

We don't have any significant trade with Libya or with Nicaragua but I don't disagree with the decisions of the United States in either case in relation to sanctions. For that matter—and I'm speaking for myself, only, obviously—I don't disagree with the administration's policy in relation in Nicaragua. I think it's a very difficult situation. Maybe it just establishes a credential of some kind to conservatives at least on some things.

But the fact that sanctions have been put in place in these instances, and the fact that sanctions are opposed so vehemently in relation to South Africa, just reinforces the view that Britain and America have more sympathy with Mr. P.W. Botha than the with the cause of African freedom or politial rights for blacks. I think this is tragic.

If the whole thing descends into a major guerrilla conflict, step by step, with some irreversible steps to be made very closely ahead of us, that's going to leave throughout Africa a view of the United States and of Britain which does not accord with so much of the history of this country, or of Britain, both of whom in many instances have acted internationally out of a great sense of what has to be done and of a great sense of what's right.

And to put that tradition aside is tragic, not just for the United States and not just for South Africa but I think it's tragic for all the democracies.

Chairman KENNEDY. We want to thank you very much, General, and Mr. Prime Minister. I think your comments are of great interest to us. I know it will be to the other members of the Senate and I'm sure to the American people.

We have very substantial resources in our own country in gaining insights to the problems within our country and around the world. But I do believe your insights into this situation, which is of such enormous importance and consequence to the people, black and white alike in South Africa, and to all of Africa and to all over the world, is of enormous importance to the American people.

You come from different traditions, different backgrounds, different experience and different countries, but your comments today, I think, have been of enormous help to those of us in the Senate who are trying to ensure that our policy towards that part of the world will be in line with the best traditions of the western politic for respect towards the basic political rights and human rights.

We are very, very grateful to the both of you and for the time that you have spent and your panel has spent on this issue. We know that you have other important meetings. We have already delayed you past one very important one, but we've been grateful to you for your appearance here.

General OBASANJO. Thank you. Thank you very much.

Prime Minister FRASER. Thank you very much.

TRIBUTE TO W. AVERELL HARRIMAN

● Mr. BOREN. Mr. President, I join my colleagues in paying tribute to Averell Harriman. During his long life, he touched and affected the course of American history at some of its most crucial and trying times.

Pioneering America's Navy in the First World War, molding Roosevelt's New Deal policies during the Great Depression, and negotiating the United States-Soviet Limited Test Ban Treaty, Harriman's confident and persistent personality won him the ear of almost every major world leader in the 20th century.

I want to acknowledge not only the great influence Averell Harriman had on our Nation but also the spirit in which he served it. Exceptionally capable in a multitude of private interests, he was always prepared to provide for an interest beyond himself. His willingness to head the Business Advisory Council during the depression while also chairman of the Union Pacific Railroad evidences the unselfishness he projected in times of need.

It is this combination of ability and unselfishness that characterizes the

truly great leaders of our time and which certainly describes our memory of Averell Harriman.●

BILL IRELAND, BANDMAN EXTRAORDINAIRE

● Mr. ABDNOR. Mr. President, I stand before my colleagues in this revered chamber to pay my respects to a man who enriched the lives of thousands of his fellow South Dakotans. Mr. William Ireland was a rare individual who shared not only the gift of music with his students, but also instilled in all a sense of humanity and meaning in life. The greatness of this man certainly qualified him to be addressed with a title of distinction. As a true mark of his character, he instead insisted on one name only—just plain bill. Thus, everyone young and old alike new and loved him as Bill.

Bill was the fun-loving type of person who worked hard and played hard. The glint in his eye was everpresent; it merely varied in intensity, revealing the clever whimsy and mischief at work in his mind. Those same vivid eyes would strike temporary fear in his student musicians when he would demand nothing less than their best. Such moments of trepidation faded quickly from memory however, and inevitably gave way to the fruits of Bill's labor. The rewards were personal accomplishment and blue-ribbon bands with countless trophies and honors in international competition. His bands even performed here in our Nation's captial.

During his career, Bill served as director of bands for the communities of Madison and Flandreau. His successful tenure spanned four decades and earned him honors and awards. His active involvement in the community extended far beyond his vocation. He contributed his talents, energy and vitality to various civic, social, and church organizations. His devotion and generosity to the people around him is reflected by their love for him and their sorrow in his passing. Bill will be sorely missed.

Mr. President, Bil Ireland was a truly great man. His exemplary life serves as a beacon, compelling us to strive and excel in all that we do. He was a teacher beyond his baton and music. Bill taught us the virtues of ambition, perseverence, common sense, reliance, competitiveness, respect, compassion, friendship, and love. Most of all, he showed us life has meaning and purpose.●

THE PHILOSOPHY AND SERVICE OF AVERELL HARRIMAN

● Mr. BIDEN. Mr. President, this week saw the passing of W. Averell Harriman, a man who had become an institution in the life of 20th century America. In eulogy, many have spoken and written to celebrate his contribution to the Nation. To their words, I wish to add only a comment concerning the continuing relevance of the Harriman philosophy to current national affairs. I refer most particularly to Ambassador Harriman's convictions—reflected in action—with regard to public service and to America's role and responsibility in the world.

In commemorating Mr. Harriman's life, some have commented that, with his inherited wealth, public service was not something "he had to do." Ambassador Harriman would probably have found such an account slightly amusing and more than a little ironic. Averell Harriman regarded participation in America's public life not as a sacrifice but as a privilege and an honor. Recognizing that his private wealth conferred both advantage and obligation, he exercised the advantage in order to fulfill the obligation.

We are passing now through a period when the country—as reflected in its elected administration—has drifted considerably from such quietly patriotic principles. Under the reigning ideology, national self-congratulation has become the theme; individual self-aggrandisement the prevailing credo. Public office, properly a solemn investiture of trust, has become less an opportunity for those with wealth to serve than for those who have held office to become wealthy. Meanwhile, the influence of public policy has been transformed from a means to promote the national weal into a growth industry aimed at serving factional and corporate interests. Ambassador Harriman's philosophy and service remind us of a different and higher ethic, to which we may hope someday to see our public life return.

Averell Harriman leaves more, however, than a record of honest and altruistic service. His contribution was an aggressive and agile diplomacy which served this Nation well during his lifetime and which can continue to serve by its example. Few players on the international stage ever saw or did more. None represented American interests more ably.

Ambassador Harriman believed in, and exemplified, American responsibility in the world community. He brought ideas to bear on foreign policy, while never losing the consummate diplomat's sense of the practical. He was an early, ardent, and continuing proponent of the United Nations, recognizing that its vagaries reflected no more or less than the diverse people and nationalities which comprised it.

But most significant was Ambassador Harriman's performance in the conduct of American relations with the Soviet Union. Never, through a diplomatic career that spanned decades, did Mr. Harriman exhibit the slightest illusion about the nature of Stalin or his successors. Indeed, he is blamed in some historical interpretations for contributing to the onset of the Cold War by his warnings to President Truman about the Soviet Union's postwar intentions in Eastern Europe and elsewhere. Yet, it was precisely this realism—and his ability to express himself with an elegantly firm candor—that gained Mr. Harriman a respect in the Soviet Union which he never lost and which enabled him to arbitrate so skillfully.

Averell Harriman's philosophy of United States-Soviet relations was subtle but straight-forward, emanating from the premise that American interests would best be served by a continuing effort to manage the relationship through agreements built on common ground. Such agreement, he believed, could be forged not from a mutual compatibility, which did not and does not exist, but from a mutual interest in peace, an interest intensified by the unbanishable specter of nuclear war.

It was this philosophy which Ambassador Harriman carried with him to Moscow in 1963 when, as President Kennedy's envoy, he negotiated the world's first nuclear arms control agreement, the Limited Test Ban Treaty. And it was this philosophy which produced in him a determined anger as he saw American foreign policy, in his final years, slide into a posture of unwarranted complacency mixed with unproductive bluster. America would be well served by a return to the determined and purposeful diplomacy that Ambassador Harriman so well exemplified: the iron fist in the velvet glove.

Ambassador Averell Harriman found honor in the privilege of serving his Nation. And the United States, in turn, was graced by this long and distinguished career. To fulfill its highest ideals and purpose in the world, America will continue to need such men.●

NATIONAL COMMUNITY EDUCATION DAY

● Mr. DOMENICI. Mr. President, I am pleased to be a cosponsor of National Community Education Day. I believe that learning is a lifelong process and that the most effective education takes place when the public schools and the community work together.

In New Mexico we have a number of examples of this interaction. The National Laboratories at Los Alamos provide demonstrations and discussions to attract young students into learning about science. Local school districts make facilities available after hours for continuing education and community activities. All of these programs indicate how much we value education.

Educators have long recognized the need for an educating community, a community in which the school is recognized, valued, and supported by everyone. The success of the old one-room schoolhouse is not clearly understood as the product of a totally supportive community that was willing to pay in cash, goods, and services for the education of the next generation.

The recent Department of Education publication, "What Works," reaffirmed what we all suspected, that a child's education is greatly enhanced when parents become involved to support and extend what the child learns in school. I think research would show that the community's support also has a positive effect on making young people feel that education is a very valuable commodity.

Our period of history is being referred to as the Information Age. That description is far too passive. Its not enough to have information available to us, we must develop the skills for analysing and using that information effectively. Schools can teach us the skills for analysing information but only the interaction of schools and the community can define how that information can be used effectively. In recognizing this cooperative effort with "National Community Education Day," we are laying the foundation for our next period of history, the Education Age.●

AMENDMENT RELATING TO IONIZING RADIATION

● Mr. DIXON. Mr. President, last Thursday I introduced an amendment to the Veterans Dioxin and Radiation Exposure Compensation Standards Act (Public Law 98-542; 98 stat. 2725), which would delete the word "female" in reference to breast cancer.

I became aware last week that an Illinois resident, Mr. Don Parchem, a marine veteran who had an operation for breast cancer, was turned down by the Veterans' Administration, based on the fact that even though he had been exposed to ionizing radiation while in the Marine Corps, he was not eligible for consideration because the law listed female breast cancer only as a radiogenic disease. Unfortunately, the law does not cover a male with breast cancer.

I believe that when considering the issue of breast cancer, it should not matter whether a female or male has the disease. The issue is the cancer itself.

Although scientists have determined that the likelihood of male breast cancer from radiation is very minimal, the problem does exist. I think that for those cases where male cancer is found in a veteran, and it can be proven that the cancer was caused by an individual being exposed to ionizing radiation while in the military, that individual should be compensated.

Mr. President, I have discussed my amendment with my good friend, the chairman of the Veterans' Affairs Committee, Senator MURKOWSKI, and I think we have reached an agreement which will not require me to ask for a vote on my amendment.

I yield to my good friend from Alaska.

Mr. MURKOWSKI. Mr. President, as chairman of the Senate Committee on Veterans' Affairs, I appreciate Senator DIXON's strong interest in and concern for the issues relating to veterans' exposure to ionizing radiation as a result of atomic tests.

Senator DIXON's amendment was designed to overcome what he believes is an inequitable and discriminatory differentiation between male and female breast cancer, and the consideration of those diseases by the VA in the adjudication of claims for disability compensation. He could very well be correct.

He proposed to delete the word "female" when making reference to breast cancer. Senator DIXON became very concerned as a result of a newspaper article which chronicled a veteran's denied claim for VA compensation. A male veteran had breast cancer and had been exposed to ionizing radiation when in the service. The veteran claimed discrimination because the VA's list of "radiogenic diseases" lists "female" breast cancer only as such a disease.

Public Law 98-542, the Veterans' Dioxin and Radiation Exposure Compensation Standards Act, established an advisory Committee on Environmental Hazards which is required to review scientific information on an ongoing basis. This process is intended to ensure that the VA regulations would be updated if scientific data so indicated. This committee is comprised of recognized authorities on radiation and agent orange related diseases.

Currently, available scientific information, such as that prepared by the National Academy of Sciences and the U.S. Department of Health and Human Services, indicates that little data exists on male breast cancer, in part because the incidence of this cancer in men is so rare. The advisory Committee on the Biological Effects of Exposure to Ionizing Radiation in its report entitled "The Effects on Populations of Exposure to Low Levels of Ionizing Radiation," 1980—the so-called BEIR III report—states that "[b]reast cancer occurs almost exclusively in women * * *". In addition, the reports states "[t]he female breast is one of the organs most susceptible to radiation carcinogenesis * * *. Evidence concerning male breast cancer is confined to case reports of cancers is men exposed to therapeutic radiation for benign conditions." To date, I am advised that there is no scientific data to support the conclusion that exposure to ionizing radiation is associated with male breast cancer.

However, in view of the questions that have been raised with regard to this subject in general, and the specific case referred to in the newspaper, I believe that the Senate Veterans' Affairs Committee should look into this matter further.

Therefore, I propose the following:

First, that our staffs meet promptly with the VA's Board of Veterans' Appeals—the highest level of appeal for veterans' claims—to review the facts and to determine if there is a basis for reopening the veteran's case.

Second, that I shall write to the chairman of the Committee on Environmental Hazards, and request that as part of their scheduled November 1986 meeting, that they address this issue and report their findings to the Senate Veterans' Affairs Committee with a copy to Senator DIXON. I will discuss those findings with my distinguished friend, Senator DIXON. At that time, we can determine if further action is required. If necessary, the committee will take up this issue immediately following the committee's consideration of the President's VA budget proposal for fiscal year 1988. At this time, we will provide the opportunity to hear testimony on this issue from Senator DIXON, medical witnesses, and veterans organizations.

I ask the Senator from Illinois if he believes that these steps are an appropriate avenue to pursue at this time.

Mr. DIXON. I agree with my good friend that what he has just stated is our agreement. I thank him and the staff of the committee for working on this problem with me.

Mr. MURKOWSKI. The Committee on Veterans' Affairs continues to be actively involved in issues relating to veterans' exposure to ionizing radiation. I welcome Senator DIXON's involvement with us to ensure that the VA appropriately include in its regulations diseases which have been determined to be radiogenic. I appreciate his cooperation and that of his staff, principally Charles Smith, in this matter, and look forward to working with the Senator on this and other important issues affecting our Nation's veterans.●

NAUM AND INNA MEIMAN

● Mr. SIMON. Mr. President, at the turn of the century Russia was one of the major centers of Jewish activity. Jewish learning, teaching and traditons prospered while Jews lived in small towns and cities centered on their synagogues and rabbis. Today, hardly anything from this past world still remains. In 1926, there were over 1,000 synagogues operating in the U.S.S.R. Now, there are about 70, one

synagogue for roughly every 25,000 people, and it is not uncommon to find a synagogue closed or barricaded to prevent entry. Jewish religious texts and ritual objects are not produced in the Soviet Union, Hebrew cannot be taught or studied by Jews and all Jewish communal and cultural institutions have been destroyed.

Because of the constant anti-Semitism which constantly faces Soviet Jews, many want to leave and strive for repatriation to Israel.

One example is Naum and Inna Meiman. The Meimans are an elderly, ailing couple who desperately want to emigrate to Israel. They want to reunite with their daughter and obtain medical treatment for Inna which the Soviets cannot provide. The Meimans have filed their emigration papers many times, but the Soviet Government repeatedly refuses their requests. The Meimans are wonderful, righteous people who deserve the best life can offer. The Soviet Government can give no justifiable reason why they continue to deny this lovely couple the right to medical treatment or to choose the way they want to live.

I strongly encourage the Soviet authorities to grant the Meimans exit visas to their historic homeland, Israel.●

RECESS UNTIL 10 A.M.

Mr. DOLE. Mr. President, I move that the Senate stand in recess until 10 a.m. today, August 1, 1986.

The motion was agreed to, and at 1:22 a.m., the Senate recessed until 10 a.m., August 1, 1986.

NOMINATIONS

Executive nominations received by the Senate July 31, 1986:

IN THE ARMY

The following-named Army Chaplains Competitive Category officer for appointment in the U.S. Army to the grade indicated under the provisions of title 10, United States Code, sections 611(a) and 624:

To be permanent brigadier general

Col. Charles J. McDonnell, [redacted], Chaplains Competitive Category, U.S. Army.

IN THE AIR FORCE

The following-named officers for permanent promotion in the U.S. Air Force, under the provisions of section 628, title 10, United States Code, as amended, with dates of rank to be determined by the Secretary of the Air Force:

LINE OF THE AIR FORCE

To be colonel

Robert D. Childs, [redacted].
Willie W. Gray, Jr., [redacted].
Harry F. Johnson, [redacted].
Robert B. Renz, [redacted].

IN THE MARINE CORPS

The following-named U.S. Air Force Academy graduates for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code, section 541:

Craig S. Esslinger, [redacted].
Todd W. Vosper, [redacted].

The following-named Marine Corps Enlisted Commissioning Education Program graduates for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code, section 531:

Stewart H. Holmes, [redacted].
Jeffrey D. Warren, [redacted]

WITHDRAWAL

Executive nomination withdrawn from the Senate July 31, 1986:

Jefferson B. Sessions III, of Alabama, to be U.S. district judge for the southern district of Alabama, vice a new position created by Public Law 98-353, approved July 10, 1984, which was sent to the Senate on January 29, 1986.

EXTENSIONS OF REMARKS

TRIBUTE TO COCO WEINRAUB

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. LEVINE of California. Mr. Speaker, I rise to pay tribute to Coco Weinraub, a constituent of mine recently selected to receive the Los Angeles Outstanding Youth Award. In addition to this honor, she was also asked to participate in the Junior Statesman Summer School here in Washington.

Only 100 outstanding students are chosen each year to attend this summer program. As one of them, Coco should be recognized as one of the leaders of her generation.

Her academic accomplishments are impressive. She is an "A" student at Pacific Palisades High School where she will be in the 11th grade next year. In addition to her scholastic achievements, she also participates in Student Council, the Speech Team, and is a writer for the National Youth News Service.

Mr. Speaker, I am proud to have a young constituent as talented and impressive as Coco Weinraub. I ask my colleagues to join with me in paying tribute to a remarkable young woman.

"PRIVATE" UNDERCAPITALIZED INSURANCE AND H.R. 4907

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. GRADISON. Mr. Speaker, the insurance of savings deposits is an important matter. Last year, in Ohio, and later in Maryland, this point was made all too clear.

In Ohio, savings in some 71 savings and loans were insured by a private entity, the Ohio Deposit Guarantee Fund (ODGF). Despite its official-looking seal, emblazoned with the words "all deposits GUARANTEED in full" (emphasis not added), the ODGF was an undercapitalized, private entity that was loosely regulated by the State.

The House may soon take up H.R. 4907, a bill to recapitalize the Federal Savings and Loan Insurance Corporation. The bill will create a Federal version of the ODGF; that is, private and undercapitalized. H.R. 4907 does acknowledge that FSLIC is insolvent, and is unable to step in and take care of the one-fifth or so of the troubled (that is, failed and failing) S&L's nationally. This modest step, however, pales in comparison to the problems with H.R. 4907.

Principally, these problems are:

(1) By taking only a partial step now, we ensure a larger cost later. Few are arguing that this plan will be adequate for the long run.

(2) The financing proposed in H.R. 4907 is complicated solely to mask the true nature of this transaction—borrowing by the Federal Government. This is the result of an obsession to keep the costs off-budget. We can pay now, or we can pay later. Does anyone really believe that we will not come to the rescue of this private financing corporation as the Ohio Legislature ultimately did when ODGF failed?

(3) The fancy financing may not work, if as experts predict, the shell financing corporation has difficulty collecting sufficient premiums from insured S&L's. If sound S&L's opt out, even with a required exit penalty, the S&L system will end up in worse, not better, shape.

(4) Necessary policy reforms are missing. When we bailed out the Farm Credit System, we instituted tough new policies at the same time. Throwing $15 billion at FSLIC without exacting some operating changes is not my idea of meaningful reform.

Mr. Speaker, taking a partial step in the right direction is not always the start of a great journey. In this case, it is more like Oliver Hardy stepping off the curb into a 10-foot puddle.

TRIBUTE TO W. AVERELL HARRIMAN

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. RODINO. Mr. Speaker, last Saturday, the Nation suffered a great loss when one of our finest public servants, W. Averell Harriman, passed away.

Ambassador Harriman was blessed with a rare combination of compassion and wisdom. Although born to privilege and power, he never used it to insulate himself from problems facing the world. Instead, he devoted his lifetime trying to solve those problems with thoughtful and firm persuasion. Although a wealthy and well-educated man, Ambassador Harriman never forgot the less fortunate members of our society. As Governor of New York, he worked tirelessly to champion the rights of the handicapped and minorities. Always concerned with the frightening arms race, Ambassador Harriman played a key role in negotiation of the Test Ban Treaty between the United States and the U.S.S.R.

Mr. Speaker, I pay tribute to Ambassador Harriman and I express my deepest sympathy to his lovely wife, Pamela, and their family. I commend to you the following article about Ambassador Harriman, published in the New York Times, July 30, 1986.

HARRIMAN LAUDED AS A "STATESMAN"—MOURNERS PAY TRIBUTE TO HIM AND A CAREER IN DIPLOMACY SPANNING HALF CENTURY

(By Frank Lynn)

W. Averell Harriman was mourned, celebrated and honored yesterday at funeral services that attracted some of the leading officials of the nation, the state and the city—testimony to a career that spanned more than half a century and the whole world.

Mr. Harriman, a former Governor of New York who was better known for his service as diplomat, foreign policy negotiator, Cabinet member and adviser to four Presidents, died at his home in Yorktown Heights last Saturday of kidney failure complicated by pneumonia. He was 94 years old.

He was Ambassador to the Soviet Union and Britain and an Ambassador at-large. He negotiated the nuclear test ban treaty, was an adviser to Franklin D. Roosevelt at Teheran and Yalta and played a key role in Vietnam peace talks a quarter of a century later.

Mr. Harriman administered the National Recovery Administration in the Depression and the Marshall Plan in post-World War II Europe. He knew every Soviet leader from Leon Trotsky to Yuri V. Andropov, the former Communist Party general secretary whom he visited in 1983.

As a private citizen, he was heir to the Union Pacific Railroad fortune, chairman of the board of that railroad, an investment banker, a noted polo player and art collector and an ardent Democrat, a partisanship that was reflected in the audience at yesterday's funeral.

SIMPLE SERVICE

"A great and extraordinary person has departed this life," said the Rev. Paul Moore Jr., the Episcopal Bishop of New York at the simple service in the Gothic interior of St. Thomas Episcopal Church at Fifth Avenue and 53d Street.

"To read his life story even in summary is a staggering experience," the bishop told 900 mourners. "To see history through the eyes of one who was there, with sense and deep commitment to justice and peace and freedom, who was there at almost every dangerous lurch of events in this strange century of ours," Mr. Moore said.

"We do not paint a plastic saint today," said the Bishop, "but we do paint a man filled with the obligation of his nobility.

"He was one to whom much was given, and he gave and gave and gave much more to us all. Would that everyone, however great or small his heritage, could be such a steward of his talents. He spread himself upon the whole world."

A ROUSING HYMN

His was the only eulogy at the service, which consisted largely of scripture readings, psalms and hymns, concluded by a rousing "Battle Hymn of the Republic" in which the congregation joined a 14-member choir.

But there were many other eulogies in written statements and spoken on the steamy sidewalk outside the church.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

"The world has lost one of her most respected statesmen," said President Reagan in a statement. "The death of Averell Harriman closes a chapter in diplomatic history which only someone of his talent and stature could have written."

In a letter to Pamela Harriman, Mikhail S. Gorbachev, the Soviet General Secretary, hailed Mr. Harriman for "his devotion till the last days of his life to the cause of strengthening mutual understanding between the Soviet and American peoples and improving the relations between the U.S.S.R. and the United States."

"A GREAT REASSURANCE"

Prime Minister Margaret Thatcher of Britain wrote to Mrs. Harriman, "Your husband was a man of immense distinction, truly one of the great figures of modern history." She added: "The fact that so many different Presidents recognized and drew upon his skill and experience was a great tribute to him as well as a great reassurance to America's allies, who saw him as a trusted friend and a firm champion of liberty." Mrs. Thatcher was represented at the funeral service by Lord Oliver Franks.

Outside the church, Walter F. Mondale, the former Vice President and the Democratic Presidential candidate in 1984, said that Mr. Harriman was "a remarkable human being."

"His kind doesn't exist anymore," said Henry A. Kissinger, the former Secretary of State who was joined by two other former Secretaries of State, Cyrus W. Vance and Edmond G. Muskie.

Vernon A. Walters, the United States Ambassador to the United Nations, described Mr. Harriman as "a universal statesman." Mr. Walters, who was representing the Reagan Administration, had worked with Mr. Harriman at the Vietnam peace talks in Paris.

A HARRIMAN AIDE

Senator Daniel Patrick Moynihan, who had been a Harriman aide in the 1954 election for governor and later assistant secretary to Governor Harriman, said that "as much as we are diminished by his death, we are enhanced by his life." The Senator from New York noted outside the church that he and his wife, Elizabeth, had met in that campaign.

Former Gov. Hugh L. Carey recalled that in the midst of the city fiscal crisis 10 years ago, Mr. Harriman, although suffering from injuries received in a fall at his Georgetown home, insisted on writing to various senators promoting Federal loan guarantees for New York City.

Governor Cuomo and his wife, Matilda, and former Governor Carey and Malcolm Wilson along with Mayor Koch followed the coffin into the church. Also present were three former mayors, Robert F. Wagner Sr., John V. Lindsay and Abraham D. Beame.

Mrs. Harriman led a family group that included two daughters, Mary Harriman Fisk and Kathleen Harriman Mortimer, both of Manhattan; six grandchildren, and six great-grandchildren

Among the ushers were former Secretary of Defense Clark Clifford; Nicholas deB. Katzenbach, the former Attorney General; McGeorge Bundy, John Kenneth Galbraith and Arthur Schlesinger, foreign policy advisers to various Presidents, and Sydney Gruson, vice chairman of The New York Times Company.

Senator Edward M. Kennedy and Ethel Kennedy led Kennedy family members and former Kennedy aides who were friends as well as governmental associates to Mr. Harriman.

The mourners filled the steps of the church between two rows of state troopers. Other police including five New York City motorcycle officers had led the funeral cortege to the church and after the service to the Harriman family estate in Harriman, N.Y., where Mr. Harriman was buried. Family members and friends later attended a reception at Arden House, the one-time Harriman estate in the Ramapo Mountains near Harriman.

FREEDOM FOR SOVIET REFUSENIK JULIAN EDELSTEIN

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. FLORIO. Mr. Speaker, I have returned from a visit to the Soviet Union with a firm resolve to direct the attention of my colleagues to a number of cases of individuals who have been subjected to harassment in return for declaring their wish to emigrate. I was accompanied on my visit by six constituents, Alan Respler, Michael Varbalow, Eugene Bass, Mort and Claire Jacobs, and Marcy Sanders. They were able to accompany me on several of my visits with Soviet refuseniks and families of prisoners of conscience.

A poignant experience was the visit to the mother of a prisoner, Julian Edelstein, who was imprisoned after having filed for a visa to emigrate. Julian was arrested in September 1984 and falsely charged with possession of narcotics. He was sentenced to 3 years in a labor camp and has since been imprisoned under less than humanitarian conditions. His mother, Mrs. Anya Edelstein of Moscow, reports that he is suffering from injuries received during a fall and has not been permitted access to competent medical attention.

Mr. Speaker, all of us were struck by the unfairness of this situation and by the courage shown by Mrs. Edelstein and her family. Michael Varbalow, a member of my group from New Jersey, was quick to take action on his return to the United States. He has written to U.S. Secretary of State George Shultz to request the intervention of our Government in this tragic case and to transmit to him a copy of a letter that Mrs. Edelstein presented to us from herself and Julian's wife on Julian's behalf. I wanted to share with my colleagues the following texts of Mr. Varbalow's letter and Mrs. Edelstein's plea.

JUBANYIK, VARBALOW, TEDESCO & SHAW,
Collingswood, NJ, July 18, 1986.

Re: Julian Edelstein, Soviet Refusenik.

Hon. GEORGE SHULTZ,
Secretary of State,
Washington, DC.

DEAR MR. SHULTZ: Recently, I returned from a trip to the Soviet Union. We were accompanied on the trip by the Hon. James J. Florio, United States Congressman from the First Congressional District of New Jersey. During our trip we had the opportunity to meet with many Refuseniks, and with the families of prisoners, who were imprisoned after their applications for exit visas had been filed. Among other people, we met with Mrs. Anya Edelstein, the mother of Julian Edelstein, a prisoner from Moscow. Mrs. Edelstein entrusted me with a handwritten letter addressed to you, which is enclosed herewith.

The enclosed letter was given to me on Thursday, July 10, 1986. At that time Julian Edelstein was still in a prison hospital, being denied the medical care required, notwithstanding an order that had been issued on May 27, 1986 by the Medical Office of the Ministry of Home Affairs of the Soviet Union, which order directed that Julian Edelstein be transported to Novosybirsk for proper medical treatment. I was advised on Thursday, July 17, 1986, by a person who had recently called the Soviet Union, that Mr. Edelstein has this week been transferred to the hospital at Novosybirsk, however, we do not know this to be correct.

In support of Mrs. Edelstein's letter addressed to you, I respectfully request your office to inquire as to the subject matters raised in the enclosed letter. It would be greatly appreciated by those of us who are attempting to assist the Refuseniks and the families of prisoners if your office could determine the status of Julian Edelstein and advise us of the same. It is our belief that inquiries from well respected officials of the United States Government will encourage the Soviet Union to relax its policy with respect to Refusenik emigration.

In addition to the above, I feel compelled to comment upon our experiences with the United States Consulate in Leningrad and the American Embassy in Moscow. Ambassador Hartman and Consul-General McGee represent the highest quality of the Diplomatic Corps. They and their staffs were most gracious to us and they were able to share with us important insights as to the situations prevailing in the Soviet Union. They have made us prouder to be Americans during the time we were in the Soviet Union.

It is our fervent hope that when Mr. Gorbachev visits Washington this winter that the human rights issues previously raised by our Government will be a high priority item on the agenda. It is clear that the Soviet Government has many needs, especially in view of their serious economic crisis brought about by the reduced price of oil, the nuclear accident at Chernobyl, the low productivity of their industry and the discontent of their citizens. We believe that the United States has an opportunity to bargain from a position of strength with respect to arms limitations, nuclear testing limitations, trade, technological and cultural exchange, and human rights. We urge our Government to be strong and to insist on significant substantive concessions for any benefits that we may confer upon the Soviet Government. Thank you for the continuing good works that you are doing for our Country.

Respectfully yours,
MICHAEL D. VARBALOW.

LETTER TO SECRETARY GEORGE SHULTZ FROM MRS. ANYA EDELSTEIN

HONORABLE MR. GEORGE SHULTZ: We, mother and wife of Julian Edelstein, who was arrested on the 4th of September, 1984, and sentenced to 3 years in labour camps under a false charge of "keeping narcotic stuff," inform you of the danger his health and life are now in.

On the 29th of Janaury, 1986, he fell from a 4 metre height against the ice during his work at the camp 94/4 in Vydrino, Buryatia

and, as a result, broke his hip-bone, some pelvic bones and had his urinary canals torn. After that awful trauma he was deported to a prison hospital in Ulan-Ude, Buryatia, where there have never been any specialists in this field. For more than 6 months by now he has been kept there, deprived of proper medical care, depending only on short visits of invited physicians. During all this awful time, we have been constantly appealing to our government and to Gorbachev personally for his release. The official answers we got say that his physical state is still not bad enough to come under their list of discharges.

On the 27th of May, the medical office of the Ministry of Home Affairs gave out a special order for transporting Julian to Novosybirsk by plane. This order has not been obeyed for 1.5 months by now—due to all kinds of bureaucratic obstacles. This fact alone shows there is no chance for him to get any proper help in time unitl he is released even if somebody were willing to help him there. Besides, in Novosybirsk they have no operating urologists in the hospital he is supposed to get to at last.

So our request is: help us to get Julian free, help us to take the few chances left to restore his health, to have him operated on in normal conditions by experienced surgeons, to provide for him further treatment during the long post-operation period.

With true respect,

MOTHER AND WIFE OF JULIAN EDELSTEIN.

HOME CARE QUALITY

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. ROYBAL. Mr. Speaker, I rise today, as chairman of the House Select Committee on Aging, to call the Members' attention to an issue of vital concern to all individuals and families being cared for in their own homes, that is, the quality of health and support services provided. It was out of this concern that the House Select Committee on Aging held a hearing on home care quality yesterday.

I rise also to alert the Member's to an important report released at the hearing. This report on home care quality, authored by the American Bar Association [ABA], documents the inadequacy of the current system of home care quality and the need for reforms to assure that home care beneficiaries receive the highest quality services. The ABA is to be commended for this timely and insightful analysis of home care quality assurance at the Federal and State level in this country.

The results of the committee's July 29 hearing and the ABA report highlight our lack of knowledge about the quality of care being provided to persons in their homes and the inadequacy of our current system of standards and monitoring for home care quality. By home care, we refer to the full range of health and supportive services provided to elderly and disabled persons under Medicare, Medicaid, the Social Services Block Grant Program, and the Older Americans Act.

While home care services generally enjoy a good reputation, we are deeply concerned by the potential for quality problems in light of the rapid growth in home care services in recent years, the increased financial pressures on home care providers under cost containment, the absence of adequate Federal and State quality assurance systems for home care, the lack of training for home care personnel, and, most importantly, the vulnerability of the elderly and disabled home care consumer. Clearly, home care plays a vital role in permitting older persons to continue living independently or with families in the community. Yet, providing care in the home carries the risk of poor care, unreliable services, and outright neglect, abuse and exploitation. It is therefore imperative that we have in place a means of assuring the quality of home care services if we are to be successful in providing elderly and disabled persons with the opportunity for a meaningful, healthful, and independent life.

The ABA report provides us the means for educating ourselves and the public about home care quality. With this report, it is my hope that we can focus our attention on the critical need to develop standards and monitoring mechanisms which will assure the users of home care services and their families that home care services are reliable and of the highest quality possible. I urge you, as Members of Congress and as spokespeople for Americans of all ages, to join with me in this effort.

In this spirit, I will be introducing a major reform bill within the next few weeks which establishes a home care consumer bill of rights, sets standards, creates quality assurance monitoring and sanctioning mechanisms, calls for research and demonstration projects, and requires that data be collected on home care services delivered under Medicare, Medicaid, the Social Services Block Grant Program and the Older Americans Act. When introduced, I will turn to the Members again for their support of the legislation.

TRANSPORTATION OF HANDICAPPED

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. MINETA. Mr. Speaker, I am pleased to join with my colleague, Congressman JOHN PAUL HAMMERSCHMIDT, the ranking minority member of the Subcommittee on Aviation of the Committee on Public Works and Transportation, in introducing H.R. 5274, a bill which will ensure that airlines do not discriminate against handicapped passengers.

During the past year I have met with representatives of handicapped groups and I have been concerned with the special difficulties that handicapped persons sometimes face when they seek to travel. One cause of the difficulties appears to be that there is considerable confusion among airlines and their employees about the obligations of an airline to furnish the same air transportation services to the handicapped as are furnished to other passengers.

The confusion has been increased by a recent Supreme Court decision in the case of Department of Transportation versus Paralyzed Veterans of America in which the Court ruled that nonsubsidized airlines are not subject to the requirements of section 504 of the Rehabilitation Act of 1973 prohibiting discrimination against the handicapped. Although I believe that the Federal Aviation Act, which was not involved in the Supreme Court decision, continues to protect handicapped passengers against discrimination, I believe that legislation is needed to clarify the situation and to give some specific guidance to the Department of Transportation as to the steps we wish them to take in carrying out their responsibilities.

The bill I have cosponsored makes it clear that airlines may not exclude handicapped persons from air transportation services that are available to other persons. The bill also requires that the Secretary of Transportation take specific steps in carrying out her responsibilities to enforce this requirement. First, the Secretary must provide within 90 days that DOT's current regulations setting out specific requirements for the service which subsidized airlines provide to handicapped passengers shall be extended to all airlines. These regulations, which were adopted after extensive consideration by the Civil Aeronautics Board, establish specific requirements on such issues as the rights of handicapped passengers to carry necessary personal equipment.

The bill I have cosponsored also requires the Secretary to review the procedures for dealing with the handicapped which the airlines have filed with the Federal Aviation Administration. Under current regulations, FAA does not review these policies to determine whether they are discriminatory but only reviews them to determine whether they create safety problems. Some procedures which the airlines have filed with FAA have been challenged by representatives of the handicapped as discriminating against handicapped persons without any safety justification. The provisions in our bill requiring review of the procedures will help clarify the situation. In addition, review of these procedures would end the current confused state of affairs in which many airline employees believe that their airlines' policies for dealing with the handicapped are required by FAA or have been determined by FAA to be nondiscriminatory.

Mr. Speaker, I strongly believe that handicapped passengers are entitled to take full advantage of the mobility afforded by air transportation and that handicapped persons are entitled to be treated with dignity when they travel. The legislation we are introducing will help ensure that handicapped passengers can travel without any special problems arising from their handicapped status.

ARMSTRONG WORLD INDUSTRIES

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. CLINGER. Mr. Speaker, Armstrong World Industries, Inc., a firm employing some 20,000 men and women in more than 50 manufacturing plants around the world, is sched-

uled to begin production this fall at a new manufacturing plant located in Beech Creek, PA, which I am proud to say is located in my congressional district.

Armstrong World Industries, Inc., already had a facility in Beech Creek in which the company formerly processed carpet yarn. However, the company said in 1981 that a shift in consumer demands would force them to close the Beech Creek facility and offer it for sale.

Fortunately, as things worked out, the company decided it could indeed still use the Beech Creek facility for other purposes. They approved plans for a $9 million restructuring of the existing plant building and for the purchase of machinery and equipment to produce material to be used in the manufacture of a variety of Armstrong's interior furnishings products. Initially, the new plant will employ about 35 people.

I would like to commend Armstrong World Industries, Inc., for making the decision to stay in Beech Creek and for finding a new use for their property that will allow the company to again become an active corporate citizen of the Beech Creek community.

That area, like many areas in my congressional district, has been especially hard hit by unemployment that followed the last recession and we have never fully recovered.

The decision by Armstrong World Industries, Inc., to stay in Beech Creek is significant because of the reason cited by Joseph L. Jones, Armstrong's chairman and chief executive officer.

Mr. Jones said the company had noted a turnaround in Pennsylvania's business climate under Gov. Dick Thornburgh's administration and believes that the administration and the general assembly are truly working to make our State one in which businesses can invest with the assurance of a higher degree of predictability as to taxes and regulations than in the past.

Once again, I commend the decision by Armstrong World Industries, Inc., to remain in Beech Creek and hope that the example they set for the reasons cited by the company's chairman will encourage more industries to learn that they have a friend in Pennsylvania.

HONEST BUDGETING AND H.R. 4907

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. GRADISON. Mr. Speaker, one reason I object to H.R. 4907, a bill to recapitalize the Federal Savings and Loan Insurance Corp. is that the legislation, in its present form, has been crafted intentionally to escape the budget. Consider some of the claims that have been made on behalf of this legislation:

First, "no taxpayer funds are used in this plan;"

Second, CBO (and GAO) "supports" the plan;

Third, the plan constitutes "proper budgetary treatment;"

Fourth, "since there are no budgetary outlays, there will be no increase in the Federal budget deficit as a result of this legislation;" and

Fifth, this plan is an "industry-based" solution.

The first and second of these are, at best, misleading. The last three are, quite simply, wrong.

Any FSLIC recapitalization scheme is likely to cost billions of taxpayers' dollars. The real question is how much, which depends on whether we are willing to pay now or later. If we pay later, as in H.R. 4907, the cost will be many billions more. The fact is that, as a direct result of this legislation, Federal borrowing and outlays—whether on- or off-budget—will increase significantly.

With respect to the accounting and CBO support, it is worth noting that CBO acceded to the plan only after the Treasury made a nominal and quite technical change. This nominal change in the proposal has the premiums paid by savings and loan institutions going directly to the newly created financing corporation instead of to FSLIC as is currently the case. H.R. 4907 then requires FSLIC to reduce, dollar for dollar, its own assessments to the S&L's. A serious question that has not been addressed is what happens when FSLIC's share of the premium assessment reaches zero.

In addition, under the latest proposal, given that the shell corporation will have no employees and the FSLIC already has a collection mechanism in place, FSLIC will likely act as the "agent" for the financing shell corporation in collecting the diverted premiums.

The cash flows would, therefore, be identical under Treasury's original and amended plans. The proposal is a highly imaginative budgetary gimmick. The substance of the "new" plan, as incorporated into H.R. 4907 in subcommittee by the Wylie amendment, is identical to the original.

Mr. Speaker, the full test of the letter from CBO Director Penner to Chairman St Germain commenting on the scorekeeping follows my remarks. I think you and my colleagues will agree that the amended proposal succeeds in avoiding the creation of FSLIC debt only on narrow, technical grounds.

This issue also reopens the question of whether Government-sponsored enterprises should be on-budget. In 1968, the President's Commission on Budget Concepts adopted the view that "privately-owned" entities should be off-budget, a view that, until now, has been widely accepted. However, if we authorize the new financing corporation to levy and collect fees from S&L's, we will be giving taxing powers to a "privately-owned entity." If, on the other hand, the financing corporation is considered on-budget, as is properly the case, the funds it would provide FSLIC would not be offsetting collections. They would instead be borrowed funds which, when spent by FSLIC, would constitute net outlays. Clearly, the financing corporation has more of the attributes of a subsidiary of FSLIC than a bona fide federally sponsored, for profit, financial intermediary.

Finally, the claim that H.R. 4907 constitutes an "industry-based" solution should be laid to rest. Of the $15 billion made available to FSLIC under this plan, only $3 billion, or one-fifth, comes from the S&L industry. Moreover, when the total bill comes due, the "industry-based" portion will be a still smaller percentage.

Proponents of the legislation argue that the industry will pay, through current premium assessments, for retirement of the $15 billion debt to be incurred. Yet, the industry is vigorously lobbying to unburden itself from the current special assessment which is the basis for repayment. The bottom line is that the strength of the industry's commitment to pay back the loan is soft. In reality, it is the taxpayer who is guaranteeing repayment.

Mr. Speaker, Congress should resist budget gimmickry and not hide the costs of Government from the American people.

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, DC., July 16, 1986.

Hon. FERNAND J. ST GERMAIN,
Chairman, Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives,, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed the Treasury Department's modified proposal for recapitalizing the Federal Savings and Loan Insurance Corporation (FSLIC), as embodied in proposed amendments to H.R. 4907. These amendments would eliminate the requirement that the FSLIC pay dividends to the financing corporation. Instead, the financing corporation would be empowered to assess insured institutions in order to service its debt. FSLIC assessments would be correspondingly reduced.

CBO determined that under Treasury's original proposal (H.R. 4907), FSLIC's commitment to pay fixed "dividends" to the financing corporation would be a debt obligation of the FSLIC. Because borrowed funds are not treated as offsetting collections, $12 billion of the amounts transferred from the financing corporation to the FSLIC would not be recorded as offsetting collections on the budget.

Treasury's amendments address this concern by diverting deposit insurance premium payments, which would otherwise be made to the FSLIC, to the financing corporation. There would be no payments from the FSLIC to the financing corporation, and thus, technically, FSLIC would have no debt obligation. Therefore, on the basis of current federal accounting conventions, CBO would score as offsetting collections the full amount of funds provided to the FSLIC by the financing corporation.

The receipts forgone by the FSLIC, in yielding some of its assessment power to the financing corporation, may, in the long run, turn out to be very similar to the stream of payments involved in servicing the FSLIC debt under the original proposal. Thus, a future cost is being imposed on the unified budget that may be very similar to that which would have been involved in borrowing. Nevertheless, as noted above, the FSLIC's obligations under the modified proposal are sufficiently different technically from borrowing that CBO believes it should not be scored as such.

The CBO scoring of this proposal is based on the assumption that the financing corporation would be off-budget. This assumption, however, is a close call. On the one hand, it could be argued that on-budget treatment is appropriate, because by authorizing the financing corporation to levy and collect fees from insured institutions, the proposed statute would confer powers

on a "privately-owned" entity identical to those of a government agency, the FSLIC. Indeed, having obtained assessment power from the FSLIC, the financing corporation would have more quasi-governmental power than most federally-sponsored, wholesale, financial intermediaries. On the other hand, the financing corporation would not have a direct line of credit with the Treasury, as do most existing off-budget government-sponsored enterprises. In the end, CBO based its assumption on the criterion adopted by the President's Commission on Budget Concepts in 1967, that "privately-owned" entities should be off-budget.

I hope this information is helpful to you. If you wish further details, we would be pleased to provide them. An identical letter has been sent to Congressman Wylie.

With best wishes,

Sincerely,

RUDOLPH G. PENNER,
Director.

TOM HAYDEN SHOULD BE REMOVED AS CALIFORNIA ASSEMBLY MEMBER

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. DORNAN of California. Mr. Speaker, on June 23, 1986, the California State Assembly, under article VII, section 9 of the California State Constitution, voted to remove Tom Hayden from serving as a California assemblyman. This California Constitution article states that, "No person * * * who advocates the support of a foreign government against the United States in the event of hostilities shall hold any office or employment under this State." This is very, very clear language. Tom Hayden's actions—his active support of the Communist government in Hanoi—during the Vietnam conflict flat out precludes his serving in the California Assembly under the California Constitution.

Tom Hayden did not merely protest United States actions in Vietnam. He went to Hanoi, not once, but four times and trips to Moscow, Peking, Havana, Prague, and Bratislava. Then, on other trips he traveled to meet with Communist terrorists and fighters in Laos and Cambodia, and probably made other secret trips the news media never found out about. By Hayden's very appearance in Hanoi and his willing broadcasts in support of the Communist cause throughout Southeast Asia he aided and abetted the Hanoi Leninist government.

I wish to commend my colleague in the California Legislature, Assemblyman Gil Ferguson, who has worked relentlessly to bring this constitutional issue of honor to a vote. Although the measure was defeated, it was an important vote. It was a vote for justice. By only 3 votes, Tom Hayden avoided being driven from public service for aiding an enemy. Three votes! By voting along party lines—only four of the majority party crossed over—the vote did not exonerate Hayden, it only brought shame to the majority party who failed to uphold the constitution they were sworn to uphold. As the California State VFW chairman stated at the end of the day, "We're not going to let it die. We're not going to let our people—veterans—down.

Mr. Speaker, Assemblyman Ferguson fought for his countrymen, us, in three wars. I would like to share with you and our colleagues Assemblyman Ferguson's remarks before the California State Assembly.

Hayden's pathetic insult to career military people during his lame defense was an ad hominem attack on Gil Ferguson. Hayden whined, "Maybe Mr. Ferguson fought in one war too many." What a sleazy remark about a fighting marine. I guess you have to consider the source, a traitor, a liar, and a coward. He called my friends and all of our returning POW's liars, killers, and hypocrites!

We know who the killer was. The blood of the genocide in Cambodia, the blood of the 600,000 boat people who perished on the China seas, the blood of those who suffer and die in the 14 gulag concentration camps of Vietnam today—all that blood is on hands and conscience of Tom Hayden. Reapportionment will eventually bring justice to this bloody traitor.

Mr. Speaker, I submit for the historical RECORD the powerful and emotionally gripping words of friend Col. Gil Ferguson. I'm proud to know him.

Mr. Speaker, Members, I rise to make a motion. I move that under the authority granted this Assembly by Article 4, Section 5 of the Constitution of California that Tom Hayden be removed as Assemblymember from the 44th Assembly District. Pursuant to Article 7, Section 9 of the Constitution of California, which disqualifies any person, who advocates the support of a foreign government against the United States in the event of hostilities, from holding office under this state.

Thank you Mr. Speaker. Members of the House, I have been given the honor, and the privilege and the duty for speaking for the thousands and thousands of veterans, and the Veterans of Foreign War, the American Legion, the Marine Corp League, California War Veterans for Justice and many other groups who have asked me to represent them today because they don't have the privilege of standing on this floor as an elected representative. I have accepted that duty and responsibility.

Mr. Speaker, on behalf of these millions of veterans I make a plea to you for justice. The veterans of this state have been rebuffed for nearly four years by partisan politics. It is an American tragedy that we, as individuals of this assembly, in the Constitution of the State of California, continue to be besmirched by the illegal occupation of a seat by Tom Hayden in this Assembly.

Tom Hayden was not a simple flag burner or draft card burner. He wasn't a Quaker down on his knees praying for peace. Tom Hayden was an active supporter of the enemy of our country.

He gave up his passport and went to North Vietnam at the invitation, the specific invitation, of the premier of North Vietnam, our enemy Phan Van Dong? And they paid for him to go there. And while he was there he used their radio to propagandize our troops for fighting and dying in the jungles or in the POW pits. And he discouraged them from fighting. He asked that they abandon their country, that they abandon their Commander in Chief and not obey him.

Mr. Speaker, there are thousands of good patriotic Americans who opposed the war. A lot of them are sitting right here. But this wasn't simple opposition to the war. Only Tom Hayden gave up his passport and went to Hanoi and talked over their radio. Only Tom Hayden went to Communist China to conspire with them about the war in Vietnam. Only Tom Hayden went to Moscow and talked to their leaders to conspire about the war in Vietnam. Only Tom Hayden went to Czechoslovakia to speak with the North Vietnamese and the Viet Cong from the south, and other communist who were supporting them. And while he was there, under his own sworn testimony, with his lawyer present, he testified that he helped prepare the document which described the meeting, the meeting at Prague. It was a conference, according to his words, intended to create solidarity and mutual understanding between revolutionaries from Vietnam and their American supporters. And when asked by his interrogators "are you one of their American supporters" he responded "I have already said I am." And he stood up at that meeting at Prague looking at those communists that had just been killing our soldiers and he raised his arms and he said "I am a Viet Cong. We are all Viet Cong."

He was no simple draft dodger. No patriot praying for peace. He bragged about the defeat of America and our allies. After Siagon fell, he was quoted as saying "I see this as the result of something we have been working toward for a long time." He bragged about the defeat of America and our allies.

Those that utter such disloyal things are not simply opposing U.S. policy. They are speaking as enemies who eagerly seek the defeat of America. These offenses, plus many others that he did, and Tom Hayden's inglorious record, literally define what aid and comfort to the enemy means.

Mr. Speaker, the California Constitution is very clear. It names the residency, the age, the citizenship that an assemblyperson must have in order to be seated. It is also explicit under Article 7, Section 9 and it limits that no one, not withstanding any thing else in the constitution, that no one who advocates the support of the enemy during a time of conflict can serve here. The constitution doesn't have a time limit on it anymore than international statute of limitations has run out on Nazi war criminals, 40 years after they have done their dirty work. There's no statute of limitations on our constitution either.

I'm not asking you to judge this man or condemn him as a traitor or as a criminal. It is not important that he was never charged for any of these crimes. It says in our constitution quite explicitly that he can't sit here because he advocated the support of a foreign power during war. And that he did. And everyone, you and I and everyone in this state, knows that. That's not something we have to guess about or conject about. The fact that twice the 44th District has elected him does not suspend the California Constitution. The California Constitution is superior to the voters of the 44th District, my district or your district. And the California Constitution says that he cannot serve anymore than if he were the wrong age or if he was not a citizen of these United States.

Mr. Speaker, the veterans of this state have been ignored long enough, for too long. They are never going to forget or forgive so long as Tom Hayden sits here shielded from justice by political partisanship. Today the Vietnam veterans ask how long is it going to be before a man who called our heroes, when they finally got out of those

bug-infested POW cages, "liars, hypocrites and pawns."

How long is it going to be that we allow him to sit here. He's going to tell you about how he helped rescue POWs. He went to North Vietnam and begged them to give him a prisoner so he would have some validity. Begged them please give me some prisoners let somebody go, and they said no. And he started back thinking that he failed—that he was going to come back here without a prisoner that the could show the people that he is really a good guy. And they stopped him in Rangoon? and said no we'll give you a couple—from Laos, they had hundreds there. Every single one of them were murdered and died except the two he brought out. And still today he parades them around like monkies in a cage. They know what would have happened to them had they stayed there. They would have died. But he didn't bring them out because he cared anything about them. His real feelings about them is that they are liars, hypocrites and pawns.

He brought them out like he uses you, and like he uses everybody else, every person that has ever touched his life. It doesn't bother him to bring this poor POW any place he's needed to show him off. He never once asked about the hundreds that he left behind that they killed. Never once has he apologized to those POWs. And now he is trying to tell you that he was an agent. He was an agent all right, for the other side. He was no agent of ours. I don't care how many trumped-up telegrams or phony baloney things he shows you, or things out of some government that was infested by the same kinds as he was. He is still what he has always been and that's a traitor to America.

The California Constitution is explicit and clear. I shouldn't be speaking for veterans because I don't vote for their bills. Let me tell you, I earned my right to speak for them watching my blood flow out on the sands of Tarawa, fighting in the jungles of the South Pacific, at the Chosin reservoir in Korea, in the jungles of Vietnam. I don't need to vote for any damn bills here. I'm a free man. And I've earned my right to speak for the veterans. I stood on that battlefield. It wasn't a damn football game where you root for the other side. People were dying. Our people. 58,039 of them. Their names are etched on that wall. Because of the kinds of things that he did we lost our fathers and our loved ones and it's a disgrace, a national disgrace that he sit here dishonoring all our veterans.

I'm not going to ask you to vote against him. I'm going to demand in the name of the veterans that you obey the Constitution of the State of California and oust him from the Assembly.

We lost the flow of our youth on those battlefields as did many of our allies. We lost our fathers, our loved ones and most horrible of all, even of those who came back, lost our innocence, their heart and our soul in that war. It is a national disgrace that he still sits here. I cannot believe that anyone would put their party ahead of their heart and their soul of themselves and their constituents.

We, in a time like this, have to rise above party, we have to rise above those things that are political. And we have to think about America and the example we are setting for tomorrow and what we owe the veterans of yesterday. He dishonors all of us here—veterans, representatives, who sit here as elected representatives, all our allies all over the world. The veterans don't understand our parliamentary maneuverings; they won't understand what it means to appeal, to rule out of order, to table. They have just told me that when I vote those who don't vote like I vote or those who can't reach their button at all are going to be considered as those who continue to shelter this traitor, to allow him to sit here in open defiance of our constitution. I am asking you to uphold that constitution and oust that traitor from this assembly.

Thank you Mr. Speaker.

MORE CONSIDERATION OF LEAD SHOT BAN IS NEEDED

HON. RICHARD STALLINGS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. STALLINGS. Mr. Speaker, I would like to take this opportunity to comment on the proposed ban on lead shot for hunting waterfowl. The proposed ban on lead shot is a radical departure from traditional sporting practices and I feel that before such a departure is made a thorough examination is required.

For decades, lead shot has been the shot of preference to the hunters in the congressional district which I represent, the Second Congressional District of Idaho. There are many reasons for this preference. The reasons include availability, accuracy, shooting performance, price, and the compatibility with weapons. Enforcement procedures and the validity of the evidence also needs to be carefully considered. All of these factors should be thoroughly studied before a ban of lead shot is enforced.

As I reviewed the proposed rule which bans lead shot, I was disturbed by the fact that the dangers of steel shot were not objectively discussed. The potential harm from steel shot was treated as an argument for which a rebuttal must be drafted rather than an independent issue which deserves an objective study. For example, most of the duck and goose hunting in southern Idaho occurs during the coldest months of the year. Several of the gun enthusiasts in my district have informed me that the cold temperatures and the brittle nature of steel can greatly increase the chance the shotgun barrels can expand or even explode while steel shot is being used.

I am also concerned that powder quantities are being increased in steel shot loads to compensate for the decrease of distance that is caused from the lighter steel pellets. If a lower quantity of powder is the limit for safe shooting conditions with lead, why is a higher quantity suddenly considered safe for steel?

Furthermore, I am concerned that no consideration has been given to specialty shotguns. Gun dealers in my district inform me the over-and-under and side-by-side double-barrel shotguns are especially damaged by steel shot. In fact, one gun dealer from Burley, ID, lost his thumb as a direct result from shooting steel shot in a double-barreled shotgun. Many double-barrel shotguns, as well as older model gun barrels, are made of much lighter steel than the steel used in the shot itself.

The evidence presented to justify the ban on lead shot is not conclusive. It is my understanding that the ducks used in the study were alive when they were captured and were subsequently killed to determine the exact damage to our waterfowl by lead poisoning. It is also my understanding that the survey on which most of the evidence was taken from on the damage to waterfowl was conducted between the years 1983 and 1959. Frank Bellrose's survey does not convince me that the problem with waterfowl or eagles is on the upswing. While I am not philosophically opposed to the move to a nontoxic shot, I do feel that a radical departure from traditional practices demands that the evidence for such a switch be overwhelming and well documented.

Finally, I am greatly concerned about the enforcement of this ban. Before a ban of lead is imposed, an enforcement mechanism should be in place. Short of examining every pellet of every shotgun shell of every hunter, there is no possible way to determine the type of shot the hunter is using. Such an examination would constitute unreasonable invasion of privacy. With the already expensive price of ammunition, many people reload their own shotgun shells. What would prohibit people from putting lead shot in a steel casing? Virtually, short of an all out ban on the production of lead shot itself, will there ever be any suitable means of enforcing people from using lead shot.

In summary, I feel that the safety of hunters and sportsmen should be carefully considered. Most of the hunting in my district is a family affair. I do not know how I could explain to a father of a young hunter who was maimed or even killed by an exploding gun that steel shot is beneficial. The availability of inexpensive ammunition, the accuracy of lead ammunition, and the problem with enforcing the steel ammunition in certain districts should be carefully considered before a ban is proposed.

TRIBUTE TO REV. CALVIN O. BUTTS III

HON. JAMES A. TRAFICANT

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. TRAFICANT. Mr. Speaker, on August 1, 1986, the 17th Congressional District Causcus, Inc., will host a reception for Rev. Calvin O. Butts III, executive minister of the Abyssinian Baptist Church in Harlem, NY. This reception is being held in Warren, OH, and I am both honored and pleased to have Reverend Butts come to speak in my district. At this time, Mr. Speaker, I would like to say a few words in tribute to this extraordinary man.

Throughout his life, Reverend Butts has spoken out for basic human rights and civil freedoms. He has provided a strong and powerful voice to the civil rights movement and to the cause of justice and fair play. He is president of Africare, an independent organization dedicated to the improvement of the quality of life in rural Africa. He is currently an adjunct professor in the African Studies Department of the City College of New York. He has taught previously at Fordham University as well.

He is a graduate of Morehouse College, Atlanta, GA—B.A. in philosophy—as well as

Union Theological Seminary, New York City—master of divinity—church history—Drew University, Madison, NJ—doctor of ministry—church and public policy.

As someone who has dedicated his life to furthering the cause of justice and freedom, it is only fitting that he serve as executive minister of the church formerly pastored by the late Congressman from Harlem, Adam Clayton Powell. Reverend Butts has been, and continues to be, a leader in furthering civil rights in this country. He is currently involved in a legal battle challenging New York State's runoff primary law. It was Reverend Butts who led the fight against police brutality in New York City.

Reverend Butts is a man deeply committed to activism and working toward a better society for all. He is a man of deep convictions and high principles. I am honored to have him come to my district and speak, and consider it a privilege to take this opportunity to pay tribute to such a great American.

CIVIL RICO REFORM

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. RODINO. Mr. Speaker, I am today introducing legislation to amend the Racketeer Influenced and Corrupt Organization [RICO] chapter of title 18 of the United States Code.

The RICO chapter of title 18 makes it unlawful to use proceeds of a "pattern of racketeering activity" to operate, acquire an interest in, or control an enterprise. Pattern of racketeering activity is defined to be the commission of at least two "predicate acts" within 10 years of each other. Predicate acts—State and Federal crimes listed in 18 U.S.C. 1961(a)—range from murder and extortion to cigarette bootlegging, and include mail fraud, wire fraud, and fraud in the sale of securities. RICO provides for criminal penalties and also authorizes a person whose business or property has been injured by a RICO violation to bring a civil action for treble damages and attorney's fees.

Many business groups and labor have argued that the RICO civil action enables plaintiffs to displace Federal and State regulatory schemes, and that the treble damages provision gives civil RICO plaintiffs an unfair advantage and the ability to coerce settlements. They have argued for the addition of a prior conviction requirement, which would permit a plaintiff to bring a civil RICO action only if the defendant has been convicted of a RICO violation or for one of the predicate acts alleged to be part of the pattern of racketeering activity.

State and local prosecutors and consumer groups have strongly opposed a prior conviction requirement, arguing that it would unduly limit access to the courts by victims of crime, undercut the deterrence value of RICO, and inject unnecessary pressures into the criminal justice system. They believe that civil RICO is especially important in the area of white collar crime.

The State attorneys general, local prosecutors, and consumer groups contend that a prior conviction requirement would virtually destroy the private attorney general function civil RICO was intended to serve. This function is especially important because of the limited resources available to prosecutors generally.

The bill that I am introducing today is designed to curb the inappropriate use of civil RICO while still preserving the private attorney general function civil RICO was intended to serve.

This bill takes away the principal incentive for bringing a civil RICO case—automatic treble damages. The bill would cut down on the number of civil RICO cases in other ways as well. It would: First, amend civil RICO to require that the predicate acts be related to the affairs of an organization, not be isolated acts, not be so closely related in time and place as to constitute a single transaction, and all occur within 5 years of each other; second, impose a statute of limitation of 2 years after the accrual of the cause of action, that is, the commission of the second predicate act; and third, limit an organization's respondent superior liability. Finally, the bill would remove the stigma that can result from being named a defendant in a civil RICO suit by changing the racketeering terminology.

At the same time, the bill preserves the private attorney general function. It provides an incentive to bring civil RICO actions by mandating the award of attorney's fees to a prevailing plaintiff. The bill also entitles a prevailing plaintiff, upon a showing of actual malice, to recover punitive damages of up to twice the plaintiff's actual damages. Thus, in an appropriate case a civil RICO plaintiff will recover treble damages and attorney's fees, as under current law.

I believe this bill addresses the real concerns of the critics of civil RICO without destroying the important private attorney general function.

TRIBUTE TO BARRY & HOMER, INC.

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. BORSKI. Mr. Speaker, I rise today to recognize one of America's oldest photographic labs, Berry & Homer, Inc., in Philadelphia. As a major employer, Berry & Homer has contributed to Philadelphia's economic growth while serving businesses across the United States such as advertising agencies, graphic design studios, museums, industrial firms and our Nation's photographers. For 88 years, this important firm has grown to expand and update its technological labs with the installation of computerized production facilities making it one of the largest commercial custom color labs in the United States.

Furthermore, because Berry & Homer process such a wide variety of artistic media, including print and mount photos, slides and transparencies, their works have been displayed in museums and Government exhibits throughout the Nation. Their perseverence in maintaining an outstanding reputation for professional and high quality work is commendable and I ask my colleagues to join me as I salute this dedicated firm of Philadelphia.

ARMS CONTROL: WHAT DO WE WANT?

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. COURTER. Mr. Speaker, when the chief architect of the ABM Treaty warns against giving away the strategic defense initiative for offensive weapons cuts, we ought to listen. Henry Kissinger has written an article which I urge Members to read.

Dr. Kissinger warns against a grand compromise which would exchange a moratorium on defensive weapons for reductions in the number of Soviet strategic nuclear warheads. That compromise would not reduce the threat either side poses to the other; it would likely prove to be either dangerous or irrelevant. Most damaging of all—as General Secretary Gorbachev is bright enough to recognize—extending the ABM Treaty would devastate further funding for SDI research.

Dr. Kissinger says that we need to address key questions about the long-term purpose behind SDI: What danger does SDI seek to protect us against? Do we want to defend missile bases or population centers? And at what level of attack? It would be invaluable for Congress, the President, and the American people to open up the debate on these issues now as we move toward the next summit.

The article follows:

[From the Washington Post, July 29, 1986]

ARMS: FIRST LET'S FIGURE OUT WHAT WE WANT

(By Henry Kissinger)

After months of shadowboxing, Washington and Moscow have signaled each other that their interest in improved relations and hence a summit is high. This raises the perennial questions of East-West relations: (1) What are Soviet purposes? (2) What agenda will advance the world toward peace?

No doubt Mikhail Gorbachev seeks a relaxation of tensions. He has set for himself the herculean task of making the existing Soviet system more efficient, and avoidable foreign policy crises are likely to prove an unwanted distraction. But prudence—in addition to ideology—will cause Gorbachev to strive for a relaxation of tensions at the lowest possible bureaucratic cost. Unless there is no other way to achieve his goals, he would be reluctant to challenge the foreign policy premises that have produced two generations of geopolitical pressure. The Soviet leaders will change, if at all grudgingly, because they are imprisoned by their own domestic constraints. A creative American diplomacy must discourage the easy way out—which would be to simply freeze the existing status quo, especially in the military field. American diplomacy must show the way to a better solution.

The Soviet desire to confine the East-West dialogue to arms control is understandable. Circumscribing the discussion obsures the Soviet global political pressures—in Afghanistan, Cambodia, Angola, Nicaragua—that have been a major factor in international tensions. And by enshrining a con-

cept of deterrence based exclusively on offensive weapons and rejecting deployments on strategic defense, it contributes to the eventual demoralization of the West.

The unresolved domestic controversy in the United States between advocates of arms control and those who rely on unilateral defense has prevented the elaboration of a long-range strategy and of criteria by which to judge progress. It has exhausted the energies of the American leadership, which is reduced to refereeing arcane disputes between technical experts. It caused defense policy to be shaped by the pressures of the budget and arms control discussions to be dominated by what the Soviets have said they will accept. Thus a high administration official, explaining President Reagan's draft reply to the Soviets' latest arms control proposal, was quoted as saying that Reagan "knows [Gorbachev] needs a quid pro quo to buy time to compete with us on defense." Can this be an American arms control objective? Or is it sophistication run amok?

For three decades Western arms controllers and the scientific groups that back them have opposed every new strategic weapon because they believe that a small number of relatively unsophisticated weapons is enough to deter aggression by threatening massive civilian and industrial damage. For an equal period those relying on unilateral defense have harassed arms control negotiators because they believe that arms control creates the illusion of eased tensions while in fact thwarting the sophisticated weapons needed for a strategy aimed at military rather than civilian targets.

The arms controllers have refused to face the fact that their insistence on basing deterrence on offensive weapons and on atrophying strategic defense will ultimately drive democracies to pacifism. The "defense unilateralists" have refused to face the fact that arms control is now an essential requirement of both domestic and allied politics, that their choice may be between a negotiated arms control agreement or a legislated unilateral one. In the end each group has managed to paralyze the other without being able to achieve its own objectives.

America's allies have on the whole added their pressures on behalf of any scheme labeled arms control to satisfy their presumed public opinion, and on behalf of a nuclear strategy because it is cheaper. But what is the sense of talking extended deterrence—the NATO term of art for a strategy involving a prolonged, if limited, nuclear exchange—when one nuclear accident in the Soviet Union produced near-panic all over Europe?

As a result, arms control policy has been frozen in the categories of a generation ago, when each missile had a single warhead and accuracies were poor. But now a single missile can carry 10 or more warheads and threaten several launchers; improvements in accuracy are dramatic. Thus reductions that do not alter the disproportion of warheads to launchers do not ease the dangers of a first strike; indeed they may well increase the risk by making surprise attacks on land-based missiles more calculable and exposing the missile-carrying submarine fleet to break-throughs in anti-submarine warfare.

America's unresolved internal debate tempts the Soviets to choose, from among the flood of schemes generated by contending elements of the American bureaucracy, those most compatible with their interests. America is perilously close to negotiating with itself.

The United States has proposed reducing strategic nuclear warheads from the current approximately 12,000 to 6,000. The Soviets have countered by offering a ceiling of 8,000, but they have linked that ceiling to a renunciation of the deployment and development of defensive weapons for a period of 15 to 20 years. A "grand compromise" is now being widely urged that envisages reductions below the Soviet ceiling in return for a moratorium on defensive weapons for, say, 10 years.

The biggest argument on behalf of the "grand compromise" is that its advocates believe the Soviets will accept it. I defy any systems analyst to distribute the 8,000 warheads that would remain if the Soviet proposal were accepted—or the 6,000 in the U.S. version for that matter—in a manner that would reduce the threat either side poses to the other. And the indefinite delay in deploying strategic defense would perpetuate the strategy that is fostering pacifism in the West.

It will be argued that the "grand compromise" concedes nothing because the moratorium on deploying a strategic defense could be negotiated to coincide with the U.S. estimate of how long it will take to complete the research necessary for deployment. But no moratorium has ever been abandoned first by the United States, no matter what the provocation.

President Reagan was roundly castigated when after five years of restraint he declared that he was no longer bound by SALT II, which he had refused to ask the Senate to ratify, which the Soviets were violating and which, had it been ratified, would have expired at the end of this year. How then could a formal moratorium on defensive weapons be ended? And, were it ended, would Congress vote the funds necessary to finance the Strategic Defense Initiative program? Indeed I doubt that during a moratorium there would be adequate funds even for research.

We may well be facing a unique opportunity for a new start in East-West relations. But its test will be the content, not the fact, of an agreement. When will we ever bring about a new direction in East-West diplomatic and security relationships if it is not possible to do so now, with a new Soviet leadership facing major problems and far less encumbered by the past than it will be later? Can the West do no better than a numbers game that rearranges existing categories but does not change them?

The attempt to negotiate a numerical compromise on the present basis this year is likely to prove either irrelevant or dangerous. It also focuses the dialogue between the heads of governments on issues that are most likely to make them prisoners of technical bureaucrats. A much more realistic and useful objective for the summit would be to seek to elaborate principles that can guide negotiators and that might well lead to an agreement by the time the president visits Moscow in late 1987 or in 1988.

Two principles seem to me essential: (1) Deployment of strategic defense cannot be separated from the level of strategic offense. Obviously the lower the level of offense, the lower the level of defense can be. (2) To make a strategic difference, reductions must involve a restructuring of the strategic forces of both sides. One way of achieving this is to ban multiple warheads, at least on land-based missiles. This would reduce warheads by some 80 percent. It would also be a major obstacle to a first strike because an aggressor would exhaust his arsenal in seeking to destroy the opposing retaliatory force, leaving no reserve for threatening other damage.

To bring about the same kind of new direction in defense and arms control policy that it has already achieved in domestic policy, the Reagan administration needs to strengthen its national security machinery. Earlier administrations may have erred by reserving too much power for the White House; the pendulum has now clearly swung too far in the opposite direction of departmental self-will.

Outside panels have proved successful with respect to space in the Rogers Commission, with respect to Defense Department organization in the Packard Commission. A panel on national strategy should be created. It should be charged not with developing actual negotiating positions but with developing a strategic doctrine by which negotiating positions can be judged. It could begin with seeking to answer the key questions raised by the Strategic Defense Initiative. Against what dangers does the Strategic Defense Initiative seek to protect: The defense of missile bases? Of population centers? And against what level of attack? And how will each proposed deployment be modified by various reduction proposals? For the basic debate over strategic defense concerns not technical feasibility but purpose and doctrine.

Together with establishing the criteria, it might be useful to appoint a presidential representative for East-West negotiations reporting to the president and the secretary of state. In order to cut through departmental rivalries, the representative could be given broad conceptual instructions and empowered to make referendum agreements—that is, provisional agreements subject to subsequent approval. In this manner too the president could raise the issues of long-term purposes for which no forum now exists.

Disputes that are essentially philosophical can obviously not be settled by procedural devices alone. They will help only if the administration decides that to explore the prospects of peace it will first have to define its content.

CONGRESSIONAL CALL TO CONSCIENCE ON BEHALF OF SOVIET JEWRY

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. MORRISON of Connecticut. Mr. Speaker, in conjunction with the Congressional Call to Conscience, I would like to bring to the attention of the House the deteriorating situation for Jews in the Soviet Union. After the signing of the Helsinki accords in 1975, the number of Jews permitted to leave the Soviet Union each year rose dramatically to over 50,000 at its peak. Since 1979, the number of emigrants has steadily decreased, and if the decline continues at its present rate, fewer than 800 Jews will be allowed to emigrate this year. But those are the lucky ones. The refuseniks left behind face systematic harassment and possible imprisonment for their requests to leave the Soviet Union.

Two years ago, I adopted Dr. Josif Begun, a refusenik who was imprisoned for his attempts at strengthening Jewish identity and preserving Jewish culture in the Soviet Union. After applying for an exit visa to Israel in 1971, Dr. Begun was fired from a series of jobs and could only find work as a Hebrew and math tutor. In March of 1977, he was arrested on charges of "parasitism." Begun embarked on a hunger strike of over 100 days, but was forced-fed every 3 days. He was arrested again in 1982 on charges of anti-Soviet agitation and propaganda, and this time sentenced to 7 years in a labor camp to be followed by 5 years of internal exile.

Begun's wife was informed by authorities this spring that he had been placed in solitary confinement for alleged "failure to fulfill work quotas." In May of this year, Josif was placed in the hospital for undisclosed medical reasons.

The last correspondence from Begun was sent in December of 1985 but not received until March of this year—3 months later. Since then, no communication between Josif and his family has been permitted.

It is inhumane that Begun has not been allowed contact with his family. Once again, I call on the Soviet authorities to release a man who was unfairly imprisoned and whose health is rapidly deteriorating.

Last month I adopted another refusenik, Grigory Brondshiptz, on whose behalf I spoke at the Congressional Prayer Fast and Vigil on June 5. Grigory was denied permission to emigrate from the Soviet Union with his family in 1979 and has not been allowed to join them here in the United States since. No word on Grigory's whereabouts has been heard since the Moscow Olympics of 1980, when his telephone was disconnected.

I recently received a letter from Grigory's 11-year-old son, Henry, who was saddened "about the fact that my father can't immigrate to America, but hope that in future tries, that he will be let out." He concluded his letter with the request to "please continue such tries to help my father."

Henry, I am committed to continue my efforts on your father's behalf and that of Joseph Begun, and to continue to keep such issues of conscience at the top of the congressional agenda.

This Friday, August 1, marks the 11th anniversary of the signing of the Helsinki accords. As Members of Congress, we must renew our commitment to human rights by continuing to pressure the Soviet authorities to abide by their agreements in the Helsinki accords.

APPROPRIATE USE OF HAZARDOUS SUBSTANCE HEALTH STUDIES AND THEIR LIMITATIONS AS A BASIS FOR DETERMINING INDIVIDUAL RIGHTS AND REMEDIES

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. DORNAN of California. Mr. Speaker, environmental damage and the fear of adverse health effects from hazardous substance release has made the Superfund Program one of the most certain opportunities for complex and costly litigation. The bill before us today takes positive steps to reduce the fear of health effects where that fear is unwarranted and provides a means to determine what the real health risks are through various types of health studies. By providing a vehicle for obtaining a greater understanding of the relationship between chemicals in the environment and potential or observed health characteristics, the health authorities section of this bill should help reduce the complex and costly litigation which is encouraged by the fear of adverse health effects from hazardous substances. This result will not be achieved, however, unless the limitations inherent in these kinds of health studies are recognized and the data which flows from them is used responsibly in a way which recognizes those limitations. Let us be clear in our recognition of these limitations and in our intent for the use of the health studies data as we consider this bill. There are many uncertainties in our ability to translate the presence of a given chemical or combination of chemicals into observable or likely health effects in individuals. It is this Member's hope and intent that the health studies data produced will foster a better understanding where there is uncertainty and that where uncertainty persists the data will be accorded only such weight as that uncertainty allows.

It is my fervent hope that when used with a recognition of its limitations and for the purposes which underlie the provisions of the health studies section, the data which will result from the health studies authorized here will indeed help to reduce costly and complex litigation through a better understanding of the real risks involved, and will not further increase the present level of hazardous substance litigation.

CAPTIVE NATIONS WEEK

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. LAGOMARSINO. Mr. Speaker, I rise today to mark the 28th commemoration of Captive Nations Week. It certainly is not a cause for celebration but a time for sadness, reflection, and reaffirmation. During the week of July 20 to 26, we should take a clear-eyed look at the world and see the millions deprived of their sovereignty, of their freedom.

Mr. Speaker, this Nation was founded on the principle that a government can justly rule only with the consent of those governed. This right of self-determination has been denied to much of the world's population. During Captive Nations Week we rededicate ourselves to our battle against tyranny which began with the American Revolution and continues today in every corner of the world.

Mr. Speaker, there are forces at work in the world, forces of injustice and oppression, which seek to extinguish the torch of liberty. Totalitarian regimes such as the Soviet Union and its satellites show no respect for even the basic rights of the individual, trampling precious human dignity.

Mr. Speaker, since its inception in 1917, the ruling Communist Party of the Soviet Union has held nations captive, imposing unpopular governments that have left millions without genuine national expression. In Eastern Europe, they replaced Nazi brutality with their own brand of state-sponsored oppression. The nations of Poland, Hungary, Czechoslovakia, Romania, and Bulgaria remain today, over 40 years later, walled off from the rest of Europe. The German nation, temporarily divided among the Allies, was supposed to be reunified into a peaceful, free nation. Unfortunately, only one half of Germany has realized this stage with the creation of the Federal Republic of Germany. The Soviet Union has prevented the other half from realistically joining this process. Instead, they created the German Democratic Republic, a Soviet-supported totalitarian government which keeps East Germany behind the Iron Curtain. Deprived of liberties, the peoples of these lands dream of self-determination, of life without the choking Soviet grip.

Mr. Speaker, during Captive Nations Week we must also remember other lands in the grasp of totalitarianism. Mongolia has been a Soviet satellite since the 1920's. The people of Cuba have also been locked in a numbing chokehold, victims of a revolution betrayed. The nations of Estonia, Lithuiania, and Latvia were forced by bayonet and bullet to become part of the Union of Soviet Socialist Republics. Ethnic minorities like the Muslims in the so-called republics of the southern U.S.S.R. have watched helplessly as their religion and culture are regulated and repressed, their sons sent to fight fellow Muslims in Afghanistan. The Jewish minority is oppressed, for the most part, and not allowed to escape.

Mr. Speaker, we must raise the banner of liberty against the callous cadres of totalitarianism. Today, in Afghanistan, Nicaragua, and southern Africa, people are taking up arms against totalitarian rule. In these captive nations we must commit ourselves. To be true to all those who share our ideal of government of the people, by the people and for the people, we can do no less. We must oppose governments like that of the Sandanistas, which allows no free press and expels priests, like that of Vietnam, which pursues a colonial empire in Kampuchea while ignoring the basic rights and needs of its people, and like that of Ethiopia, which lets millions starve as a government policy. During Captive Nations Week we must understand this and pledge our renewed allegiance to the cause of freedom and self-determination so that someday there will be no captive nations, so that someday injustice will be vanquished.

EXPLANATION OF VOTE ON REPRESENTATIVE WALKER'S AMENDMENT

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. LEWIS of Florida. Mr. Speaker, earlier today I voted against Representative WALKER's amendment, to cut by $20 million the funding for the National Highway Traffic Safety Administration grants to the States, some of which are used to monitor compliance with the 55 mph speed limit. Representative WALKER's amendment sought to use the $20 million cut from the National Highway Traffic Safety Administration grants, to increase funding for Coast Guard drug interdiction activities by $20 million.

Although I, wholeheartedly support the goal of improving the effectiveness of our drug interdiction efforts, in my view and that of 298 of my House colleagues, this amendment was clearly not the way to achieve this laudable objective. To reduce the funding for highway safety, regardless of how one feels about the 55 mph speed limit, is inappropriate and ill-advised.

As it should be for every public official, the war on drugs has long been a top priority of mine. During my tenure in Congress, I have maintained a strong commitment to the control of illegal narcotics, having sponsored and cosponsored many important and meaningful pieces of legislation. In addition, in May 1984, I brought together members of the law enforcement community in order to form the ad hoc drug and Law Enforcement Liaison Committee. This committee, made up of south Florida drug law enforcement officials, was formed to keep the lines of communication open at the local, State, and Federal levels, and has had a positive effect through increased coordination of effort against drug smuggling and trafficking in south Florida.

Clearly, much remains to be done in the fight against illegal narcotics. However, what is needed is an integrated, long-range plan for combating this national menace, not the piecemeal approach characterized by Representative WALKER's amendment. In my view, a national commitment to eradicate this problem; composed of stiffer penalties, better coordination among law enforcement efforts, greater emphasis of education programs, and adequate funding for all of these areas; is essential if we are sincere in our desire to win this war.

TRIBUTE TO THE KNIRKS

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. PURSELL. Mr. Speaker, I rise today to pay tribute to a family I am proud to represent here in the U.S. Congress.

Arlouine and Blaque Knirk reside in Quincy, MI, where for years they operated a very successful farm. And it is because of their successful farming efforts that I bring Arlouine and Blaque to our attention.

In recognition of their outstanding work, the Knirks are being inducted into the Michigan Farmers' Hall of Fame. It is a fitting honor that after 36 years of crop and livestock farming, the achievements of this couple be made a part of Michigan's farming history.

The Knirks' farming career started while he was teaching vocational agriculture and secured a loan to purchase their first farm of 212 acres. From that point the Knirks built a farming operation that today—now run by their sons—includes some 24 farms and approximately 2,700 acres.

The family specializes in feeding out more than 5,000 cattle per year and growing more than 2,000 acres of crops.

During his career, Blaque has received numerous agriculture and leadership awards, as well as serving as a guest lecturer at Michigan State University.

Blaque also has served in a variety of capacities at the same time he farmed, including the State agriculture commission, director of the Michigan Livestock Exchange, the Michigan Farm Bureau, and its related companies, and the Quincy and Branch County School Boards.

Such a dedicated level of involvement obviously put a strain on the time of both Blaque and Arlouine. In response to questions from the hall of fame, Arlouine pointed out many times her husband's involvement meant getting up at four in the morning so that their day's work could be completed.

This couple worked hard and tried their best. They survived and built a profitable farming operation—for which they can stand proud.

Mr. Speaker, I congratulate the Knirks on their fine farming career and on their inclusion in the Michigan Farmers' Hall of Fame.

THE PRESIDENT'S MISGUIDED SUPPORT OF APARTHEID

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mrs. COLLINS. Mr. Speaker, The Reagan administration has again proven itself to be South Africa's best friend. Freedom-loving people of the world call for sanctions against the apartheid regime. Yet, the administration has chosen to tie the United States even closer to Pretoria by increasing the importation of South African textiles into the United States.

Yesterday, the Washington Post reported that Pretoria was granted a 4-percent rate increase in the amount of textile goods allowed into the United States. This is greater than that granted the major textile-producing democracies. Negotiations for this new increase must have been underway at the same time that the House was considering the sanctions bill. Certainly, the President could provide no greater insult to Congress.

Not only has the President's action tied us closer to the despicable apartheid regime, but this move has come at a time when our own textile industry is suffering terrible hardship. Instead of supporting U.S. workers, the administration has chosen to aid a racist government whose textile industry is underwritten by the labor of second-class citizens who are forced to accept starvation wages. How can our industry compete with that?

Perhaps this trade agreement is part of Reagan's grand strategy of constructive engagement. Maybe he is rewarding Pretoria for enacting a nationwide state of emergency with which to intensify the oppression of the black majority. Well, the lesson has not been lost on the Botha government. South Africa has now decided to continue to station armed troops within black schools, insuring that the students will learn the lessons of oppression at a young age.

President Reagan's support of South Africa's racist policies are deplorable. They remain contrary to the ideals of this Nation and the will of the vast majority of Americans. Now, he is stealing jobs from American workers in order to support apartheid. The President is out of step with the American people and stands, like an ostrich with his head in the sand, against the flow of history.

Listen, Pretoria! Racism, slavery, and oppression are the vestiges of a brutal past. Freedom, justice, and human dignity represent the future. President Reagan may stand beside you, but America does not! Apartheid must end!

AND ALL THAT JAZZ

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1986

Mr. WYDEN. Mr. Speaker and fellow jazz enthusiasts, this weekend one of the premier jazz festivals in the country will be held in Gresham, OR, at the foot of picturesque Mt. Hood.

In 5 short years, the Mt. Hood Festival of Jazz has skyrocketed up the list of must see jazz events. And with such legendary performers as Freddie Hubbard, Mel Torme, Sarah Vaughan, Stan Getz, Buddy Rich, Dave Brubeck, and Ramsey Lewis performing in past years, it's not surprising. In addition to these legends, younger stars such as Wynton Marsalis, Herbie Hancock, the Crusaders, Tom Scott, and Spyro Gyra have graced the Mt. Hood stage.

This year's lineup follows in what has become the Mt. Hood tradition of providing a 2-day plateful of the varieties of jazz. Saturday's performances include the Yellow Jackets, Joe Pass, and Oscar Peterson. Sunday's lineup includes Michael Franks, Dizzy Gillespie, Dave Brubeck and Stan Getz. Sunday audiences will get the added bonus of a superstar jam session with Dizzie Gillespie, Stan Getz and Dave Brubeck joining forces.

The Mt. Hood Festival of Jazz' story includes more than just music. It is the story of a community with a can do spirit. Seven years ago, civic leaders from Gresham, which is located 12 miles east of Portland, got together on a summer afternoon to kick around some ideas. The question they posed to themselves

was, "What can we do to put Gresham on the cultural map?" The answer that evolved over several months was a music festival; specifically, a jazz festival.

That answer was only the beginning of a monumental process of making the dream become a reality. What followed was a collective effort by local businesses, civic leaders, and interested citizens that made the first Mt. Hood Festival of Jazz come to life in August 1982.

Today, the Mt. Hood Festival of Jazz is both a premier jazz event and a celebration of community spirit—the celebration of a community's determination in taking a small idea and, by working hard, making it grow into a full-blown, world-class success.

By the way, if any of my colleagues are interested in tickets for this year's festival, it's too late. All 9,000 seats for both days are sold out. But if you call early, you can get tickets for next year's sixth annual Mt. Hood Festival of Jazz.

DEDICATION OF THE JAMES C. CRUMLISH, JR., EN-BANC COURTROOM

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. MURTHA. Mr. Speaker, well-deserved recognition was recently paid to one of Pennsylvania's most prominent jurists President James C. Crumlish, Jr., of the Commonwealth Court. The Commonwealth Court has been recognized by legal scholars and by the bar as a highly responsible and responsive institution; both as a trial court of original jurisdiction and as Pennsylvania's intermediate court of appeals, its opinions have touched the lives of hundreds of thousands of our citizens, and shaped Pennsylvania's legal and social landscape. Chief Justice Robert N.C. Nix of the Pennsylvania Supreme Court joined by Justice James T. McDermott presided over a special session of the Commonwealth Court, which was also attended by Chief Judge Vincent A. Cirillo of the Pennsylvania Superior Court and literally dozens of Pennsylvania's trial and appellate judges, and an overflow crowd for the dedication of the James C. Crumlish En-Banc Appellate Courtroom in the Robert N.C. Nix Federal Building in Philadelphia.

The enduring principles which have distinguished the broad and varied career of Jim Crumlish the man and the judge were eloquently spoken on by the chief justice, by Judge Crumlish's distinguished colleague Judge Theodore O. Rogers, by Marvin Comisky, senior partner in the distinguished Philadelphia law firm of Blank, Rome, Comisky & McCauley and John M. Elliott, senior partner in the Philadelphia/Pittsburgh national law firm of Baskin, Flaherty, Elliott & Mannino. President Judge Crumlish received a standing ovation as he movingly responded to these remarks by remembering his father, the late Judge James C. Crumlish of the Court of Common Pleas of Philadelphia, who was also a distinguished Philadelphia jurist and civic leader. Together both the Judges Crumlish wrote a unique page in Pennsylvania's judicial history by authority over 3,000 far-reaching opinions. I am proud to memorialize their tremendous accomplishments in today's CONGRESSIONAL RECORD by inserting the following:

REMARKS OF JOHN M. ELLIOTT

President Judge Crumlish, Mr. Chief Justice Nix, Justice McDermott, Honorable Members of the Bench and Bar, Ladies and Gentlemen and Especially Members of the Crumlish Family: Today is a particularly meaningful day for all who have been touched by the unique senses of history and justice which distinguish the varied and successful career of President Judge James C. Crumlish, Jr.

In but a wink of the proverbial historic eye, sixteen years of hard, creative and responsible legal craftsmanship by you, your Court and predecessors have enhanced the quality of life of all the citizens of Pennsylvania, as the Commonwealth Court has emerged with a well-deserved national reputation for progressive and decisive leadership. In doing so, your Court has creatively responded to the challenges of change, and its enduring and progressive legacy is writ large on legal and social issues that did not even exist when this Court was founded.

Today, in large measure due to your compassionate leadership, Pennsylvania's work places are safer; our schools are better funded; our public officials from Governors to local taxing bodies have been told to do the public's business fairly and openly; and all Pennsylvanians have benefited from timely justice, as the Commonwealth Court's opinions have promptly and professionally issued.

Today, however, is much more than a memorialization of the individual and collective achievements of President Judge Crumlish and his Court.

Today is a remembrance of deep and abiding spiritual values; of a strong personal faith; of eloquent deeds; of the courage to continually strive in the face of victories and defeats.

Today is also a testimonial to the power of love. It is no secret that Jim Crumlish—the man—is unabashedly in love with his family, his country, his Court, his profession and with his faith.

This love of life's fullness which fuels President Judge Crumlish's intellectual and spiritual powers inevitably and enviably draws upon the continuity of a shared dream, which is rich in the lyricism and indominable hope that sprang first from the keen mind and strong heart of Jim's devoted father, the late Judge James C. Crumlish of the Court of Common Pleas of Philadelphia County.

The distinguished careers of both father and son are in many ways a seamless web, with both Judges enjoying not only personal and professional accomplishments, but both deeply savoring the humanity of freedom as expressed in the poetry, song and oral traditions of Ireland.

In grateful remembrance and in dreaming hope, President Judge Crumlish's career is a recognition that what God has begun in all of us, we can through hard work and a sense of what should be bring to fruition to create a better world for all.

Thus, today is a sweet day of continuity; now just a few city blocks link the court rooms where Philadelphia's most famous father/son judicial team of the 20th Century have authored over 3,000 judicial opinions.

In a few moments, the dedication of this courtroom will be history, but it is our fond hope that this chamber will always echo the resonance of a full and compassionate justice that draws a large measure of inspiration and instruction from the unique public service of President Judge C. Crumlish, Jr. May his memory always be green here.

REMARKS BY MARVIN COMISKY, ESQ.

May it please the Court: While time permits only a capsule presentation, I would like to discuss three subjects: the personal history of the President Judge as known to me through my personal contacts with him over a period in excess of 25 years; the innovative establishment of this Court, and finally the contribution of this Court and its President Judge to the citizens of this Commonwealth.

Let me start with the President Judge: After his active duty in the United States Navy during World War II, he graduated from the University of Pennsylvania Law School. He was appointed to the Registration Commission of the City and County of Philadelphia by Republican and Democratic Governors. Between 1961 and 1966, he served as an outstanding District Attorney in Philadelphia County. From 1966 until his investiture as Judge of the Commonwealth Court, he engaged in the general practice of law.

The President Judge was appointed to this Court on March 17, 1970 by Governor Shafer. In an historical ceremony, he was sworn in as one of the original seven jurists of the Commonwealth Court on April 15, 1970 in Harrisburg. I was pleased on that special occasion to have had the honor of addressing the Court.

The first session of the Commonwealth Court took place in Philadelphia on Tuesday, October 6, 1970 and, here too, I was honored to have had the pleasure of addressing the Court on that equally significant occasion.

The President Judge has served continuously as a Judge of the Commonwealth Court from the date of original investiture until the present time. The six other judges originally appointed are no longer with the Commonwealth Court and so the President Judge is the Senior Judge in terms of longevity as well as by election to his President Judge status on April 8, 1980. I hasten to add, however, that the Honorable Theodore O. Rogers has been a member of this Court since shortly after its first session and is generally regarded by the Bar as a De Facto Founding Jurist.

I think it quite evident from the preliminary comments that I feel a special attachment to this Court. I was present at its conception, at its birth, during its thriving infancy, and happily now in the Court's vigorous teens.

Let me now turn appropriately to the establishment of the Court itself. The Commonwealth Court began as a proposal submitted to the Constitutional Convention of 1967-1968 and is the first Appellate Court in Pennsylvania's history to be created by a Constitutional Convention. After the approval of the electorate, the legislature passed the required implementation legislation; and the Court was invested in an elaborate ceremony held, as I have said, on April 15, 1970 in Harrisburg. The Commonwealth Court became and remains the only appellate court which also acts as a court of original jurisdiction.

[As an aside it is interesting to note there were never any amendments proposed at the Constitutional Convention to delete the Commonwealth Court from the Judiciary Article. The need for the Court had been well established in the minds of the Constitutional delegates and the public.]

Turning lastly to the contribution of this Court in the administration of justice and service to the public, some review, albeit brief, of the work of the Court and the President Judge is merited. At the investiture of the President Judge in 1980, I summarized some statistical information concerning the entire Court and referred to a list of cases—in a roll call of honor—in which the President Judge had authored the Opinions. Perhaps it would be in order to refresh one's memory of those important statistics from 1970 through 1980 and to recall those significant cases reflecting the scope and expertise of this then very young Court. However, limitations on time militate against that repetition. Let me summarize in this way: my comments then showed that the incoming President Judge participated valiantly in the first decade of effort including his full share of all opinions: majority, memorandum, per curiam, concurring and dissenting.

I would, however, like to dwell upon that same range of material from 1980 through 1985.

The volume of cases and their increasing significance—the expanding role call of honor—has continued for the Court and its President Judge.

For the period 1980–85 the following occurred: 22,417 cases were filed, an annual average of 3,736; argument was heard in 4,891 cases, an annual average of 815; 6,842 majority opinions were filed, an annual average of 1,140; 1,688 trials on evidentiary hearings additionally were conducted, in many instances involving several days for a single matter, an annual average of 281.

And the adventure and excitement of presiding over key issues has continued unabated. Again a reference to a few Opinions authored by the President Judge illustrates this statement:

In *Essler* v. *Buckman*, 53 Pa. Cmwlth. 580, 419 A.2d 217 (1980), in original jurisdiction, the Court addressed the issue of preserving the sanctity of our election laws.

In *Strassburg Associates* v. *Newlin Township*, 52 Pa. Cmwlth. 514, 415 A.2d 1014 (1980), the Court determined the issue of standing where a township appealed from an Environmental Hearing Board decision.

In *Luccino* v. *Foreign Countries of Brazil, South Korea, Spain, Mexico and Argentina*, 82 Pa. Cmwlth. 406, 476 A.2d 1369 (1984), again in original jurisdiction, the Court found that these nations had discriminated under the Pennsylvania Unfair Trade Practices Act.

In *Fischer* v. *Department of Public Welfare*, 85 Pa. Cmwlth. 240, 482 A.2d 1148 (1984), the Court dealt with the explosive issue of regulating and funding of abortions.

In *AFS-ME* v. *Commonwealth*, 77 Pa. Cmwlth. 37, 465 A.2d 62 (1983), again in original jurisdiction, the Court held the Commonwealth could not force state employees to increase their contributions to the state pension fund without granting a corresponding increase in benefits.

In *Sullivan* v. *County of Bucks*, Pa. Cmwlth. 499 A.2d 678 (1985), a case described in the media as the "Pump Case", the County was not allowed to prevent construction of facilities to provide cooling water to the Limerick power plant; and

In *Green* v. *Pennsylvania public Utility Commission*, 81 Pa. Cmwlth. 55, 473 A.2d 209, aff'd, *Barasch* v. *Pennsylvania Public Utility Commission*, 507 Pa. 430, 490 A.2d 806 (1985), the Court dealt with an important utility rate case for nuclear generating stations.

The very statement of these issues resolved by this Court from 1980 to the present emphasizes the crucial position of this Court and the President Judge in the hierarchy of appellate and original jurisdiction courts of this state.

At the time of the creation of this Commonwealth Court it was stated that "we are participating in an experiment, that the members of this Court have an awesome responsibility and at the same time an exciting opportunity to strengthen the fabric of justice in Pennsylvania." The Court and its President Judge can indeed be proud of its efforts and accomplishment in fulfilling that responsibility.

In the lifetime of courts, this Court is just in its teens. It is difficult to believe that it can reach any higher level of respect and regard than that which it has already achieved. We have every confidence that it will continue to maintain the exemplar position in the Court System of this Commonwealth that it has achieved through the solemnity of procedure, the mature consideration of each matter, the tolerance it has expressed of all views and its unbiased judgment. I think it is fitting, since in terms of longevity and achievement the name of the President Judge has become so well identified with this Commonwealth Court, that his name should remain etched in the annals of this Court by dedicating this en banc courtroom in his honor.

REMARKS BY PRESIDENT JUDGE CRUMLISH

I know I am expected to acknowledge the compliments which this occasion has induced. I can't deny they are nice to hear. I also realize that it is appropriate to respond with a few brief remarks.

As I thought of what I would say, it occurred to me that maybe we all should pause and look at this event from a different perspective.

I believe that lately we have been placing too much emphasis on our own present accomplishments when we should be remembering that were it not for the perseverance and faith of past generations, none of it could happen.

As a for instance consider this:

We today are sitting in a room of a building which is dedicated in recognition of the service of a distinguished citizen, public servant and lawyer.

His son, and his grandsons are the beneficiaries of a life time of struggle and disappointment.

Sitting in this same room we are immediately adjacent to a law library which has been dedicated to an acclaimed jurist, the son of a distinguished father and lawyer, whose vision set the goals for that son.

And here as I sit, a common thread appears linking me to those sons, and I think of three fathers who have passed on their different ethnic experiences: whose ancestral roots are in three different continents. Yet all three in common are Pennsylvanians.

But whatever individual difference and under whatever circumstances, honor comes to them, the equation has the same common denominator: love of God, love of country, love of the pursuit of justice.

I mention these men specifically because we can see their achievements. We are close enough in time to understand what led them to achieve.

But this country, this desire for justice also belongs to an earlier too easily forgotten generation.

Should we forget the generations of brakemen, breakerboys, blacksmiths and carpenters; the steel and millworkers, the longshoremen, police and firemen, all the slaves, the indentured servants or the freemen.

Should we forget the derision, the discrimination they painfully endured simply because they looked and spoke differently; how they were "hated for being what we are" as the Irish lyricist lamented.

These obscure men and women devoid of social grace and formal education enflamed their offspring with the notion that equal opportunity or social justice, as it came to be known can be attained by faithfull perseverance in the study and practice of the law. That their newly adopted country under God's law demanded active participation in their Government's affairs. So it was that the brick and mortar the stones and lumber of the administration of justice came into being and each one of us here has a share of the benefits of this magnificent structure.

This is the past generation's charge to the present and it goes on to our sons and daughters and to their sons and their daughters. This is our common denominator this is our heritage.

I believe today's honor belongs to my past generation. This is my heritage.

And so I would hope as time goes by, should a young man or woman entering this room say "Crumlish—who was he?" An old timer merely might whisper he was the son of an orphaned son of Irish immigrants and he believed that he inherited a trust and that this room is simply a reminder to all who advocate justice that they likewise are the trustees of a tradition of justice conceived as an ideal nurtured by self-discipline and denial and matured by reason.

That future generations will look to them and will judge them severely by the fidelity of their stewardship.

A TRIBUTE TO THE PARKINSON SUPPORT GROUPS OF AMERICA

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. BIAGGI. Mr. Speaker, it has been just over 1 month since the Parkinson Support Groups of America held their national convention. It is with great pride and pleasure that I recognize this national organization and the important work they are performing for both Parkinsonians and their families, and the public in general.

Education, information, and support are the cornerstones upon which this group was founded. This group was based on the belief that it is essential to educate both Parkinsonians and the public about this disease. In addition, the PSGA exchanges mutually beneficial health related information, and provides support, as well as a morale booster, to fellow Parkinsons victims and their families.

The Parkinson Support Groups of America has carefully coordinated their many and varied activities to coincide with the purposes of the organization. These activities include annual conventions, radio and television appearances, panels of speakers, attendance at major symposiums and neurological meetings, a monthly newsletter, and a library of materials on Parkinson's disease.

Unfortunately, Parkinson's is a relatively unknown and often misunderstood affliction. It is a disease crippling an estimated 1.5 million elderly Americans; 1 out of every 100 Americans over the age of 60 suffer from Parkinson's, a disease which can render its victims virtually helpless. The Parkinson Support Groups of America have been instrumental in working for the amelioration of Parkinsonism, and have been devoted to assisting Parkinson's patients and their families cope with this illness. It is through their efforts and support that hope continues to burn brightly for the millions of families affected by Parkinson's disease. The work of the many all-volunteer Parkinson's groups across America should serve as an example, and an inspiration, to everyone across the country.

For the benefit of my colleagues, I wish to insert into the RECORD a statement by the PSGA further explaining the functions of this fine organization.

The material follows:

WHAT DOES A SUPPORT GROUP HAVE TO OFFER?

The answer lies within each individual. Our problems are many and varied, depending on the length of time we have had this affliction, its severity, the various medications we may have been taking, and their possible side-effects. No two people check out uniformly in these categories, yet there is a common bond running through all this disparity. This is derived from the knowledge that in spite of all the variations, we share mutual experiences and feelings, enabling us to understand each others' problems.

The basic function of most groups is carried out through the group meeting, at which an atmosphere of sociability is usually encouraged—often with refreshments.

A formal program may be a speaker on some topic of interest to parkinsonians or it may be a "buzz-session," in which the members exchange ideas and feelings. Often the meeting is broken up by an exercise period, for obvious reasons.

Many groups offer activities such as weekly exercise groups, picnics, theater parties, etc. PSGA and its member support groups try to keep abreast of the latest developments in research, not only toward a final "cure", but also in the area of making the symptoms easier to endure until such a permanent answer can be found.

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REMARKS OF DR. JAMES O. CHATHAM, HIGHLAND PRESBYTERIAN CHURCH LOUISVILLE, KY

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. MAZZOLI. Mr. Speaker, a constituent has requested that I place in the RECORD a sermon delivered by Dr. James O. Chatham, on June 29, 1986, at the Highland Presbyterian Church, Louisville, KY.

While Dr. Chatham's remarks are a thoughtful and prayerful approach to the discussion of the strategic defense initiative [SDI], I have read other equally thoughtful and prayerful remarks which reach an opposite conclusion.

For my part, I believe funding a limited, carefully monitored and circumscribed, research and development program for SDI is appropriate, wise and in the national interest.

A policy of protecting and defending our Nation from the enemy's nuclear attack—the premise of SDI—is more sensible than today's policy of mutually assured destruction [MAD] under which each side assures the other's destruction in the event a dispute begins.

In any event, Dr. Chatham's comments are a worthwhile addition to this important debate:

A MIGHTY FORTRESS

(II Samuel 7:8-17; Luke 13:31-35)

When I was about 8 years old, someone in my family gave me, either for Christmas or birthday, a large cardboard army fort with an assortment of cardboard soldiers. The fort was rectangular in shape with two floor levels, observation towers in all four corners, and a door on the front that swung open and shut. The soldiers were standing firing rifles from their shoulders, just the right height to aim over the top wall of the fort. For several years that fort was one of my favorite toys. On a rainy day, or whenever I grew tired of playing with neighborhood friends, I would go into my room and set it up. I took great delight in arranging and rearranging, having the soldiers take aim at an invisible enemy behind bedposts or chair legs, surrounding the fort with a wall of wooden alphabet blocks to enhance the internal security. I was careful to protect the fort from every direction, leaving no vulnerability gaps, so that those inside could be entirely confident of safety. Once I got it all set up, of course, there was no way I was going to take it down. It would sit for several days in the middle of my floor with everyone who entered my room having to step carefully around it. I am sure my Mother cleaned up and put away that fort at least 50 times while I was growing up.

It was not until a number of years later that I realized what I was doing through my childhood game. Every single one of us human beings is born with a profound and persistent urge to establish our safe place amid the hostile and alien forces of the universe, a refuge where we may rest securely against the dangers that afflict human life. It is an elemental human instinct buried deeply in our souls from ancient times. As long as we have lived on earth, we have possessed it, and expressed it. We long for a protected space where our minds can rest at ease that danger will not invade.

When Cain became a fugitive and a wanderer in the hostile territory east of Eden, he built a city. But it was more than just a city. Cain was seeking to re-establish the safe refuge he had lost, hoping to create a place of secure rest from his fugitive wandering.

You and I have been re-enacting that script since the dawn of humanity. We have at times built massive stone walls to live behind, huge things that even an earthquake could not move. We amass large bank accounts to dwell within, far more than we or our kin will ever use. We construct vast empires of political power. We set up comprehensive insurance programs. We eat vitamin-enriched diets, work out regular exercise plans, seek miracle medicines and special cures. And the impulse behind all of these creations is more than just to provide for our daily earthly needs. That is a good and necessary agenda, but we have more than that in mind. Our impulse is to transcend earth by finally establishing a place that is above earth's hazards, a protected ground that the ravages of history cannot attack. Ultimate security—that is our deep need, and that, beneath it all, is what we are trying to build.

What I was doing with my fort, of course, was providing, in my mind and imagination, my safe place. It was I who would rest securely behind those fort walls. It was I who took confidence that any attacks from danger would fail. I can remember even now coming away from my game very reassured, feeling good about the security I had, in my imagination, established.

I was absolutely fascinated, years later, when I studied II Samuel 7 in our Bible and found there a whole society of human beings doing exactly the same thing. The scene was Jerusalem; the date about 960 B.C.E. Israel had departed Egypt, wandered in the wilderness, and successfully settled the promised land. King David had been highly successful in his military campaigns. He had overthrown Canaanite cities all over the region and driven their inhabitants from the land. He had expanded Israel's borders north beyond Galilee, east across the Jordan, and south into the Negeb Desert. He had consolidated the whole country under his rule and brought peace and safety to the promised land. It was a spirited time; all Israel felt good about life in the future.

Jerusalem became the capital, a city built high upon one of Judea's hills. Heavy stone walls were erected to protect the town and comfortable dwellings to house its inhabitants. One could stand atop Mt. Zion and survey the beauty of the whole Judean countryside. It was a magnificent scene, a lovely place for a city; with plentiful water from the Spring of Gihon, adequate agriculture, and excellent military protection provided by the steep descents beneath the

town walls. Truly a city given by God, a gracious bestowal to those who had, but a few years earlier, been slaves in Egypt. What wonders the Lord had provided. What wonders the Lord had provided!

But this was not quite enough. For with human beings, this is not ever quite enough. Deep within the people of that town was the impulse to establish total security, to build an impenetrable barrier against all the hazards of history, a fortress that no danger of any kind could ever invade. They wanted to make Jerusalem their safe place, and establish it forever as their refuge. They set out to do this in the most plausible way they knew: to establish a covenant with God for their protection. They would be God's people through all generations, and God would surround them with a lasting security that no destruction could penetrate. As a canopy shielding them from the outer world, so God would surround them day and night with steadfast love and unfailing care.

They firmly believed that they had successfully established this covenant with God. Listen to II Samuel 7 and to the promises they heard God making to them about their town:

The word of the Lord came to Nathan the prophet, "Go and tell my servant David, thus says the Lord: 'I will appoint this city and this land for my people, Israel, and will plant them securely, that they shall be disturbed no more. Violent men shall afflict them no more, as formerly. I will give you rest from your enemies, and establish in this place the throne of your kingdom forever.' "

This same confidence is stated in a number of places in the Bible. Psalm 132:

The Lord has chosen Zion; he has desired it for his habitation: "This is my resting place for ever; here I will dwell, for I have desired it. I will abundantly bless her provisions, I will satisfy her poor with bread. Her priests I will clothe with salvation, and her saints will shout for joy." (vss. 13–16)

Isaiah 37: No foreign king shall come into this city, or shoot an arrow there, or come before it with a shield, or cast up a siege mound against it. . . . Behold, I will defend this city to save it, for my own sake and for the sake of my servant David. (vss. 33–35)

Ancient Jerusalem believed that they had accomplished it—that total security for which you and I yearn. They had completed their covenant with the Almighty God, maker of heaven and earth, and no danger could ever be strong enough to break through God's protection. That they believed—for 400 years—until the city was destroyed. Until the Babylonians overran this holy sanctuary with battering rams and swords and spears and arrows and fire, razing it to the ground and leaving it a pile of rubble smouldering on the mountain top, leaving it in shame and agony, not so much over the physical destruction—which was bad enough—but over the destruction of the covenant with God that this people had been sure they had.

From this they learned that God does not provide impenetrable protection to earthly domains. God does not guarantee forts or cities or churches or homes or nations or anywhere else as safe places. You and I still have the impulse to create one for ourselves but there is no way we can do that. Stone walls will not accomplish it. A bank account will not accomplish it. Insurance coverage will not accomplish it. Miracle medicine will not accomplish it. God simply does not grant to us the capacity to make ourselves fully and totally safe.

The only ultimate security in the universe is God: God's power, God's promise. We lay hold upon this security not by ownership but by faith. It is not something we can build; It is something we can only be given. "God is our refuge and strength, a very present help in trouble"—by faith we know it is true. "A mighty fortress is our God, a bulwark never failing." "I am sure that neither death nor life, nor angels, nor principalities, nor things present nor things to come, nor powers, nor height, nor depth, nor anything else in all creation shall be able to separate us from the love of God," that love which surrounds us like a securing canopy. Only in God is there a safe place; nowhere in the universe is there any other.

I am convinced that the appeal of the Strategic Defense Initiative, otherwise known as the Star Wars Program, is rooted in this deep impulse within us all to build ultimate security. How nice it would be to have a laser shield that would melt enemy missiles aimed at this country. How nice it would be to know that up there in the sky is an invisible cover protecting us day and night. How nice it would be to know that all the nuclear bombs Russia can launch will have no effect on us whatsoever. The grim spectre of the nuclear age would be removed. We could sleep soundly at night, our minds at rest in the fact that nothing bad could happen. Our "safe-place/yearning" would find its satisfaction. This, I am convinced, is the fundamental appeal of star wars.

But the S.D.I. is a perfect example of what we have been talking about. A great part of the scientific world tells us already that it will never work, that it is technologically impossible. If we try seriously to make it work, we will tax into destruction the very society it is designed to protect. That is, while the street people die, and the unemployed die, and the disabled die, and the small farmers die, and thousands of others suffer, we build a laser shield to protect ourselves from death and suffering—that is called irony. But this is what happens when we try to build ultimate security: we tax into destruction the very people we are trying to protect. And if we get the system in place and get it working, what will happen next? Will it provide the security we seek? No. I'll tell you what will happen next. Nuclear missiles will become quickly obsolete, and hostile nations will find other ways to strike and kill one another.

For several years I had a next-door neighbor who was a geneticist. He directed a research project on how to control tsetse flies by alternation of their genes. He predicted to me one evening that before many years pass nuclear warfare will be obsolete, a relic of the disappearing past. In its place, we will be able to attack an enemy by changing the genetic structure of its wheat, its corn, its cattle, its pigs and its fruit, thereby rendering them disease-prone if not impotent. That is, we will be able to starve another nation to death simply by sifting across its fields a bit of powder dropped from a high-flying airplane or a satellite—a kind of modern-day version of "sowing their fields with salt". This and several other means of attack—guerrilla warfare, chemical warfare, and others—could render star wars impotent in a day. No laser shield will provide very much protection for very long.

"God is our refuge and strength, a very present help in trouble." Either we shall find our safety in God, or we shall not find it at all. God's power, God's promise, God's reconciliation, God's peace. Either we shall have faith that God is going to give it to us, and thereby reach forward toward it, or we shall not receive the gift at all.

My friends, the path to world security does not lie in building ultimate attack-shields behind which we can hide, but in building relationships of cooperation within which we can settle our feuds without killing one another. In the establishment of world law that will govern all nations and world courts that will settle disputes. In the establishment of non-aggression treaties based upon a genuine determination not to kill one another. In cultural and educational exchange programs designed to convey that neither "them" nor "us" is a mad dog out to torture the world, but rather, for the most part, fairly decent people struggling to live and love and enjoy life.

I can remember on one occasion playing with my childhood fort and setting it up in a different way. Instead of locking the fort door shut, as I usually did, I propped it open. Instead of using the alphabet blocks to build an extra wall of fortification, I used them to outline roads and to build bridges. I had cars and trucks and people traveling this way and that, all through the complex. Beneath the bed was a parking lot and behind the chair was an airport. I can remember having a different sensation that day, one of hope and openness. I think that my imagination had caught a different vision.

WORKING TOGETHER, BENEFITING ALL

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. BROWN of California. Mr. Speaker, I would like to bring to the attention of my colleagues, an article which appeared in yesterday's Washington Post, titled "Putting Genes on a Map, World's Scientists Begin Planning a Detailed Description of Human DNA."

This is a very exciting time in many scientific fields. The technological age has brought us a treasure of new tools with which we can develop answers to questions which have puzzled us for years. One particularly intriguing field of inquiry is that of describing sequences of genes in human chromosomes, and detailing the impact of an individual gene, or groups of genes, on the development and functioning of the human organism. We already know that several diseases are genetically related, yet we can readily identify and map the active genes for only a handful of these diseases. But, according to Dr. Leroy Hood of the California Institute of Technology, in 2 to 3 years, a vast new array of technologies will be available to help scientists in their quest to map gene sequences. This mapping of specific genes in humans will, in turn, lead to a better understanding of the entire human genetic landscape, and help scientists develop treatments and preventive procedures for many genetic diseases currently deemed incurable.

Unfortunately, this knowledge is not cheap. Experts estimate that the task of mapping human genetic structure could cost between $1 billion and $10 billion over the next decade, and could require 100 man-years of effort.

Mr. Speaker, last week, nearly 100 of the world's best health scientists gathered at the National Institutes of Health [NIH] to propose the formation of an international team to undertake this task. This effort should be highly commended. An international effort will enable the United States to share the cost burden of this research, and should speed up the time it takes to complete such a valuable initiative. Yet this effort holds a greater potential as well: The formation of such an international effort will develop another arena in which the United States can learn to communicate and cooperate with the global scientific community.

Undertaking such an ambitious program requires the establishment of a solid and stable arena where international efforts can take place. The advances in international relations which would be made by the development of an international research effort to map human genes will bring us another step closer to an age where the global community can routinely work together, as a community, to solve humanity's problems. Mr. Speaker, I encourage all my colleagues to read the following article, and to support U.S. participation in such a program.

The article follows:

[From the Washington Post, July 30, 1986]

PUTTING GENES ON A MAP: WORLD'S SCIENTISTS BEGIN PLANNING A DETAILED DESCRIPTION OF HUMAN DNA

(By Sally Squires)

Nearly 100 of the world's top scientists gathered at the National Institutes of Health last week to propose formation of an international team to map the locations of human genes—a feat that is the biological equivalent of charting a vast, unexplored continent.

"The goal is understanding human disease," said Sir Walter Bodmer of London's Imperial Cancer Research Fund Laboratory. Bodmer chaired the human gene mapping meeting, sponsored by the Howard Hughes Medical Institute. A gene map of the human chromosomes, he said, would enable scientists to offer better means of disease "prevention and treatment."

Chromosomes are microscopic, rodshaped bodies located in each living cell. Each chromosome contains one long strand of deoxyribonucleic acid, or DNA, the blueprint of life. DNA—or a similar chemical, RNA—is found in every living thing. DNA orchestrates every facet of development—from directing which cells will become part of the brain or heart to determining hereditary characteristics such as sex, hair color, skin and eyes.

Segments of DNA that direct the creation of a single protein are called genes. If one of these genes is missing or altered, the result can be a serious illness such as cystic fibrosis.

The more information scientists have about genes and their locations, the better they can diagnose, treat and prevent diseases. Gene mapping and cloning are already allowing the prenatal detection of some 15 genetic diseases, including cystic fibrosis, Duchenne's muscular dystrophy, sickle cell disease and hemophilia.

Since 1978, scientists have been able to identify and clone, or genetically copy, some of the specific genes that cause these defects.

Work is also progressing on other diseases that are suspected of having a genetic basis, including heart disease and cancer. The goal is to treat these diseases by gene therapy—that is, altering the gene to either prevent or treat a disease. But unless scientists know the location of specific genes and how they work, they are limited in the treatment they can provide.

Mapping specific genes in humans and in other closely related animals, including mice, will help scientific develop treatments for genetic disease, researchers say.

"We're just now becoming aware of the genetic basis for development," noted Dr. Frank H. Ruddle, a Yale University biology professor who participated in the meeting. "As we become aware of genetic mechanisms of development, it will give us insight into abnormal birth defects, genetics and the environment and it will give us insight into aging as well into neurogenesis [development of the brain and nervous system] and behavior."

Since the task of mapping the genetic structure is so complex and time-consuming, the scientists called for an international team of researchers from around the world who would work together on the project from various laboratories. Connecting these scientists would be sophisticated computer data banks to analyze and store information about the chromosomes.

But exactly who will coordinate and fund this project, which has been estimated to cost between $1 billion and $10 billion over the next decade, is uncertain.

"I'm in favor of the project," said Dr. James Watson, who shared the Nobel prize in 1962 for discovering the structure of DNA and now heads the Cold Spring Harbor Laboratory on Long Island. "But I think that I can say that everyone else at Cold Spring Harbor is against it."

The concern of many younger scientists, Watson and others told the meeting, it that research dollars—already in short supply—would be siphoned from other ongoing projects to fund the gene-mapping project.

Some initial organizational money may come from the Hughes Institute, the largest private philanthropic institution of any kind in the world. The institute already funds gene studies at Yale University, Baylor College of Medicine and the University of Utah. Hughes currently spends $3.5 million annually to fund the New Haven Gene Mapping Project at Yale.

"What might be an additional role for Hughes is to participate in the coordination of the project," said Dr. Donald S. Fredrickson, president and chief executive officer of the Hughes Institute. The topic will be addressed at an upcoming board of trustees meeting, Fredrickson said.

NIH and the Department of Energy also are likely to expand their already central roles in gene research. Among other research, NIH now funds GenBank, a data base of gene information, housed at the Department of Energy's Los Alamos National Laboratory in New Mexico.

Estimates of exactly how much time will be saved with an international scientific effort vary. If work continues at its current speed, British scientist Dr. Sydney Brenner said, developing a gene map of the human chromosomes would take about "100 man-years to develop." With an international effort, the project "is well within one's ability to set up and do within a two- to three-year period."

"That means," said Nobel laureate Dr. Walter Gilbert of Harvard University, a molecular biologist and an advocate of the project, "that many of the benefits of having the physical map . . . would be available to us by 1988-90." This advance would enable researchers to identify functions of specific genes and "speed up all future human gene cloning tremendously." Gene clones—artificially produced genes—can be used for a variety of purposes in detecting and treating disease.

When the project is completed, experts estimate, it will take some 10,000 books to list the names and descriptions of the 3 billion chemical units that make up the 46 human chromosomes. By the time the project is finished, new technology will likely allow the information to be stored on optical discs that can be read by lasers—similar to the way music is now recorded on compact discs.

While most of the assembled researchers were in favor of the gene-mapping project, they agreed to put off for several years the complete sequencing of the entire set of human genes. Sequencing identifies the building blocks of the DNA which make up the genes, but doesn't tell what the individual genes do. Sequencing is similar to a satellite image of a continent that shows in detail such things as deposits of minerals, whether there is snow on the ground, if there is a sand dune present or a lake or mountain range. Chromosome mapping might be compared to identifying where the cities are and what their functions are.

By mapping known genes first, scientists say they can gain significant amounts of information at a fraction of the cost of sequencing. In the meantime, waiting a few years will allow rapidly evolving technological methods to catch up with the demands necessary for sequencing.

It seems important to "complete the gene map which is already being put together and then wait until the technology for sequencing gets better and cheaper and faster and be prepared to go eventually to do the ultimate goal of sequencing," said Hughes Institute's Fredrickson.

In two to three years, said Dr. Leroy Hood of the California Institute of Technology, a vast new array of technologies will be available to help scientists in their quest. These advances will allow sequencing to occur "10 times faster, 100 times more accurately and 100 times less expensively" than current methods, Hood said. "To do this right, you have to have technology developments."

"In the long run, if we spend five years to develop powerful new kinds of technologies, we're going to be in a position . . . to make a better assessment to the extent to which complete sequencing is necessary or desirable," he said.

As part of this effort, Hood unveiled the first automated DNA sequencing machine in June. The technique assigns a color to each of the chemical building blocks of DNA. Lasers then read the colors and relay the information to a computer.

"By getting together, we can hopefully achieve a great deal more than we can separately," Bodmer said.

AIDS TREATMENT

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. MRAZEK. Mr. Speaker, today I introduced a bill designed to improve counseling, education, and services related to acquired

immune deficiency syndrome [AIDS]. This bill, identical to legislation recently reported out of the Senate Committee on Labor and Human Resources, would provide local communities with badly needed funds to help initiate networks of outpatient medical services for AIDS patients and persons who have been exposed to the AIDS virus. The bill is a timely response to a critical health care problem.

As you may be aware, the Public Health Service predicted last June that by 1991, AIDS will be among the top 10 causes of death in this country. Despite this grim fact, AIDS patients today often find themselves ostracized and unable to obtain the medical care that they desperately need. As AIDS becomes more widespread in our society, we must find compassionate ways of dealing with victims of this deadly disease. The best place to start is by ensuring that AIDS patients have access to physical and mental health care appropriate to their illness.

The AIDS Service Coordination Act of 1986 would fill a glaring gap in Federal health care funding by authorizing the Secretary of Health and Human Services [HHS] to make grants of up to $1 million each for demonstration projects for networks of services relating to AIDS and AIDS-related complex. The bill authorizes appropriations of $40 million for 1987 for this purpose. Grants could be made to public and nonprofit private entities, and applications from areas with a current or projected high incidence of AIDS would be given special consideration. These funds would be used to supplement, and not supplant any State, local, or other non-Federal funds otherwise made available for such services.

The demonstration projects set up under these grants would establish cost-effective networks of outpatient medical services for AIDS patients and persons who have been exposed to the AIDS virus. Services to be provided in the demonstration projects could include: First, comprehensive ambulatory care services specific to the diagnosis and treatment of AIDS; second, home health care services, hospice services, and respite care services; third, counseling and mental health services; fourth, case management services, and; fifth , education for health personnel concerning AIDS and infection with the AIDS virus. No grant money could be used for construction or renovation, reduction of previous debts, payment for items or services covered by the Social Security Act, or payment for hospital inpatient services.

The bill also directs the Secretary to conduct a survey to determine the total number of U.S. children with AIDS who have been abandoned by their parents, the problems encountered by social service agencies in placing children with AIDS in foster homes, and recommendations for improving the care of children with AIDS who lack parental involvement and support.

This bill will not cure AIDS, but it will make the lives of AIDS patients far more comfortable. At a time when over 22,000 cases of AIDS in the United States have already been reported to the Centers for Disease Control, and when a total of 270,000 is expected by the end of 1991, it is incumbent upon us to help communities set up vital treatment programs.

I urge my fellow Members of Congress to join me in this effort to expand and improve treatment services available to AIDS patients. I would like to request that the text of my bill be inserted in the RECORD following my remarks.

H.R. 5305

A bill to authorize the Secretary of Health and Human Services to make grants for demonstration projects for networks for services relating to acquired immune deficiency syndrome, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FINDINGS

SECTION 1. The Congress finds that:

(1) Acquired immune deficiency syndrome is a catastrophic disease and public health problem with consequences which pose significant challenges to American society. It has been declared the Nation's "number one public health priority".

(2) As of June 1986, over 21,500 cases of acquired immune deficiency syndrome have been reported. According to estimates by the Public Health Service, by 1991 there may be 196,000 cases of acquired immune deficiency syndrome and 125,000 deaths from acquired immune deficiency syndrome. The number of Americans who are infected with the AIDS virus is currently estimated to be between 1,000,000 and 1,500,000 individuals.

(3) The Public Health Service estimates that by 1991, the direct costs to provide health care for individuals with acquired immune deficiency syndrome will be between $8,000,000,000 and $16,000,000,000. In 1986, it is estimated the United States will spend between $870,000,000 and $1,300,000,000 for health care for individuals with acquired immune deficiency syndrome.

(4) The costs of caring for individuals with acquired immune deficiency syndrome are disproportionately paid for in certain urban centers. As of June 1986, there are 23 cities in which there are at least 100 cases of acquired immune deficiency syndrome and 1,000 cases of acquired immune deficiency syndrome related complex. Careful coordination of health services has significantly reduced the cost of providing health care in some urban centers.

IMPROVED CARE AND TREATMENT

SEC. 2. Title III of the Public Health Service Act is amended by adding at the end thereof the following new part:

"PART J—ACQUIRED IMMUNE DEFICIENCY SYNDROME

"DEMONSTRATION PROJECTS FOR ACQUIRED IMMUNE DEFICIENCY SYNDROME

"SEC. 391. (a) The Secretary may make grants to public and nonprofit private entities for demonstration projects for the development, establishment, or expansion in service areas of coordinating networks for the provision of comprehensive and cost-effective health and support systems for eligible individuals. Services to be provided through each such network shall include—

"(1) comprehensive ambulatory care services specific to the diagnosis and treatment of acquired immune deficiency syndrome;

"(2) home health care services, hospice services, and respite care services;

"(3) counseling and mental health services;

"(4) case management services; and

"(5) education for health personnel concerning acquired immune deficiency syndrome and concerning infection with the AIDS virus.

"(b) A grant made under this section shall not be used for—

"(1) the construction or major renovation of facilities;

"(2) the payment or reduction of deficits of an entity which resulted from obligations which were incurred by the entity prior to the date on which the entity receives payment under a grant under this section;

"(3) payment for items and services for which payment may be made under title XVIII of the Social Security Act or under a State plan approved under title XIX of such Act; or

"(4) payment for inpatient hospital services.

"(c) No grant may be made under this section for a demonstration project unless an application therefor is submitted to the Secretary in such form and at such time as the Secretary may prescribe. Each such application shall contain—

"(1) information demonstrating—

"(A) that existing resources in the service area to be served by the demonstration project are insufficient to meet the needs of such service area for care and treatment of eligible individuals; and

"(B) that the entity applying for the grant has a successful record of managing projects which provide a variety of health services;

"(2) assurances that appropriate local health care providers and voluntary organizations have been consulted in development of the application for the grant;

"(3) evidence of coordination with, and support for the application for such grant by, local public health authorities;

"(4) assurances that the network to be supported by the grant will have appropriate relationships with an academic health center;

"(5) assurances that such network will make every reasonable effort to collect appropriate reimbursement for health services provided by or through such network to persons who are entitled to insurance benefits under title XVIII of the Social Security Act, to medical assistance under a State plan approved under title XIX of such Act, or to assistance for medical expenses under any other public assistance program or private health insurance program;

"(6) assurances that Federal funds made available under this section for any period will be used to supplement and increase the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the services for which funds are provided under this section and will in no event supplant such State, local, and other non-Federal funds;

"(7) a description of the manner in which the entity applying for a grant under this section will evaluate the services and activities provided by or through the network to be developed, established, or expanded with such grant; and

"(8) such other information as the Secretary may prescribe.

"(d) In making grants under this section, the Secretary shall give special consideration to applicants from service areas with current or projected high incidences of eligible individuals, including service areas with current or projected high incidences of eligible individuals who are children or who are intravenous drug abusers.

"(e) The Secretary may not make a grant under this section in any fiscal year to any entity which receives or has received a grant under section 301 of this Act pursuant to the provisions of Public Law 99-178 for a project demonstrating the delivery of health care services to victims of acquired immune deficiency syndrome.

"(f) No grant under this section for any fiscal year may exceed $1,000,000.

"(g) For purposes of this section—

"(1) the term 'eligible individual' means any individual who has acquired immune deficiency syndrome or any individual who is infected with the AIDS virus;

"(2) the term 'nonprofit private entity' means an organization which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954 (other than a private foundation as defined in section 509(a) of such Code); and

"(3) the term 'service area' means a metropolitan area which has a significant incidence of acquired immune deficiency syndrome, as determined by the Secretary.

"(h) To carry out this section, there are authorized to be appropriated $40,000,000 for fiscal year 1987. Amounts appropriated under this section shall remain available for obligation or expenditure until September 30, 1988.".

SURVEY ON CHILDREN WITH ACQUIRED IMMUNE DEFICIENCY SYNDROME

SEC. 3. The Secretary of Health and Human Services shall conduct, or shall provide for the conduct of, a survey to determine—

(1) the total number of children in the United States with acquired immune deficiency syndrome who have been abandoned by their parents and are living in hospital environments;

(2) the total number of children in the United States with acquired immune deficiency syndrome who have been placed in foster care;

(3) the problems encountered by social service agencies in placing children with acquired immune deficiency syndrome in foster care; and

(4) recommendations for improving the care of children with acquired immune deficiency syndrome who lack ongoing parental involvement and support.

71-059 O-87-24 (Pt. 13)

HOUSE OF REPRESENTATIVES—*Friday August 1, 1986*

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. WRIGHT].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
July 31, 1986.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Friday, August 1, 1986.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Almighty God, we recognize how we so easily understand those who are like us, so may we also seek to understand those who are of differing societies and cultures. We appreciate, O God, our heritage and history, but we also know that You are the God of all peoples, that You are the Creator of all humankind. Help us, gracious God, so to live our lives in harmony and peace. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment concurrent resolution of the House of the following title:

H. Con. Res. 374. Concurrent Resolution relative to adjournment to a date certain during the remainder of the 99th Congress.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. In view of the commitments made to Members for an adjournment time today and the schedule pending before us, the Chair will announce it will take 1-minute statements later in the day.

PROVIDING FOR CONSIDERATION OF H.R. 4428, DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1987

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 523 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 523

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4428) to authorize appropriations for fiscal year 1987 for the Armed Forces for procurement, for research, development, test, and evaluation, for operation and maintenance, and for working capital funds, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and to the amendments made in order by this resolution and which shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Armed Services now printed in the bill, as modified by deleting section 601 thereof and renumbering sections 602 and 603 accordingly, as an original bill for the purpose of amendment under the five-minute rule, and all points of order against said substitute for failure to comply with the provisions of clause 7 of rule XVI and clause 5(a) of rule XXI are hereby waived. Before said substitute is considered by title for amendment and before the consideration of any other amendments, it shall be in order to consider the amendments designated in section two of this resolution, only in the order listed, and said amendments shall be considered as having been read. The chairman of the Committee on Rules is authorized and directed to file in the House a supplemental report on this resolution, on Monday, August 4, 1986, containing the texts of the amendments designated in section two which are required to be printed in said reports. Said reports shall be considered to be reports of the Committee on Rules, and the chairman of the Committee on Rules shall have until midnight on Monday, August 4 to file such report. Amendments required to be printed in Monday's report should be submitted to the chairman of the Committee on Rules by 12 o'clock noon on Monday, August 4, 1986. After the disposition of the amendments designated in section two of this resolution, the Committee of the Whole shall rise without motion, and no further amendment to the bill shall be in order except as subsequently determined by the House.

SEC. 2. The amendments are as follows:

(1) It shall first be in order to consider an amendment, if offered by the chairman of the Committee on Armed Services or his designee, inserting a new Division D in the committee substitute, as modified, containing the text of the committee amendment in the nature of a substitute recommended by the Committee on Armed Services now printed in the bill H.R. 4370 to amend title 10, United States Code, to reorganize the Department of Defense, and revising section, title, and division designations accordingly. Before the consideration of any amendments to said amendment, it shall be in order to debate said amendment for not to exceed two hours, to be equally divided and controlled by the proponent of the amendment and a Member opposed thereto. It shall then be in order to consider said amendment as original text for the purpose of amendment under the five-minute rule, but debate on each amendment, or on each amendment thereto, shall continue not to exceed twenty minutes, to be equally divided and controlled by the proponent of the amendment and a Member opposed thereto.

(2) It shall then be in order to consider an amendment, if offered by Representative Mavroules of Massachusetts or his designee, containing the text of the amendment printed in the initial report of the Committee on Rules on this resolution, relating to procurement reform, and all points of order against said amendment for failure to comply with the provisions of clause 7 of rule XVI and clause 5(a) of rule XXI are hereby waived. Immediately after said amendment is offered, it shall be in order for Representative Dickinson of Alabama or his designee to offer a substitute for said amendment printed in the supplemental report of the Committee on Rules on this resolution filed in the House on Monday, August 4, 1986. Before the consideration of any amendments to said amendments, it shall be in order to debate said amendments for not to exceed two hours, to be equally divided and controlled by the proponents of said amendments. At the conclusion of said debate said amendments shall be considered for amendment under the five-minute rule, but no amendment to the amendment or to the substitute shall be in order except amendments printed in the supplemental report of the Committee on Rules on this resolution filed in the House on Monday, August 4, 1986. Debate on each such amendment shall continue not to exceed twenty minutes, to be equally divided and controlled by the proponent of the amendment and a Member opposed thereto. At the conclusion of three hours after consideration of amendments to the amendment and to the substitute commences, no further debate or amendment thereon shall be in order, and the Chair shall put the question on the pending amendment or amendments.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Ohio [Mr. LATTA] for purposes of debate only and, pending that, I yield myself such time as I shall consume.

Mr. Speaker, House Resolution 523 is a modified open rule providing 3 hours of general debate to be equally divided between the chairman and the ranking minority member of the Committee on Armed Services.

The rule makes in order the Committee on Armed Services amendment in the nature of a substitute now printed in the bill as original text to be considered by title, with each title considered as read. The substitute is considered to have been modified by deleting section 601 and renumbering sections 602 and 603. Clause 7 of rule XVI and clause 5(a) of rule XXI are waived against the substitute. Clause 7 of rule XVI prohibits nongermane amendments. Because the substitute recommended by the Committee on Armed Services is broader in scope than the bill as originally introduced, the germaneness waiver is necessary.

Clause 5(a) of rule XXI prohibits appropriation in a legislative bill.

Mr. Speaker, the rule provides that before the substitute is considered by title and before the consideration of any other amendments, it shall be in order to consider amendments designated in section 2 of this resolution. The amendments are to be considered as read and are to be offered only in the order listed in the rule.

The rule authorizes the chairman of the Committee on Rules to file a supplemental report on Monday, August 4, 1986, containing the text of the amendments designated in section 2 of this resolution.

After the disposition of those amendments, the rule provides that the committee shall rise without motion, and no further amendment to the bill is in order except as subsequently determined by the House.

Mr. Speaker, the following amendments are made in order: first, the amendment by Representative ASPIN or his designee containing the text of the committee amendment in the nature of a substitute to H.R. 4370, a bill reorganizing the Department of Defense. The amendment is debatable for 2 hours. Amendments to the amendment are debatable for 20 minutes each.

The second amendment to be offered is an amendment by Representative MAVROULES or his designee printed in the initial report of the Committee on Rules. The rule waives clause 5(a) of rule XXI and clause VII of rule XVI against the Mavroules amendment.

Immediately after the Mavroules amendment is offered, the rule makes in order an amendment printed in the August 4, 1986 supplemental report by Representative DICKINSON or his designee. The two amendments are debatable for 2 hours, divided and controlled by the proponents of the amendments.

Amendments printed in the supplemental report of August 4, 1986, to the Mavroules and Dickinson amendment can then be offered. Each such amendment is debatable for 20 minutes. After the conclusion of 3 hours of consideration of amendments, the rule states that no further debate or amendment shall be in order, and the Chair shall put the question on the pending amendment or amendments. Amendments to Mavroules and the Dickinson substitute will be brought to the Rules Committee before noon on Monday, August 4, to be included in the supplemental report of the Committee on Rules. The supplemental report will be filled by noon. Mr. Speaker, the rule reflects an understanding between parties on how to deal with amendments to the Department of Defense reorganization and procurement reform.

□ 1015

I want to commend in the warmest way the majority and the minority for the splendid spirit of cooperation and grave concern for the public interest and the interest of the House, and the way they worked together in advising the Rules Committee about preparation of this rule.

After these two issues have been considered, it is the intention of the Rules Committee to reconvene and report out another resolution providing for the further consideration of H.R. 4428, the Department of Defense authorization bill.

Mr. Speaker, this is not the last rule on the National Defense Authorization Act of 1986. This rule only gets things started. The agreement between the parties relates to the calendar through Tuesday, but they have not yet arrived at agreement relative to the calendar beginning the following Wednesday. That is the reason the Rules Committee is going to meet again on Monday or Tuesday for the promulgation of further governing the last phases of the debate upon this important matter.

This rule not only gets things started, it provides for general debate and then structures discussion on the two major issues, Department of Defense reoganization and weapons procurement.

All of the Members of the House are aware of the need to provide as best we can so that the debate on this bill shall not be drawn out beyond the terms of reasonableness or beyond the calendar possibilities available for legislation. There are other issues to be discussed. Members should be aware that the Rules Committee will be meeting next Wednesday to craft a rule permitting debate on other amendments. To provide for orderly consideration, the Rules Committee must see the amendments in advance of the meeting. I do want to emphasize to Members that it will be necessary that amendments that ought to be considered and provided for by the Rules Committee will have to be filed by noon on Monday with the Rules Committee.

I take this opportunity, therefore, to notice all Members that the Rules Committee asks Members wishing to offer amendments to the bill to submit their amendments to the Rules Committee by 5 p.m. on Tuesday, August 5, 1986. This morning I sent a "Dear Colleague" letter to all Members to that effect explaining that the Rules Committee will only consider amendments that have been submitted by 5 p.m. Tuesday, August 5. That means amendments to come up Wednesday and thereafter in the debate on this bill.

Mr. Speaker, we tried to provide a fair rule. We have worked in consultation with the majority and the minority on the Armed Services Committee, and we have tried to be cooperative with the leadership of the House. Therefore, I urge the Members to support the rule.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding.

In the rule in at least two places we are waiving clause 5(a) of rule XXI, which is the rule of the House which prohibits committees other than the Appropriations Committee from appropriating money.

Can the gentleman tell me where the appropriations are in this bill that we are waiving, what they are and whether or not the fall within the 302 allocations for the Defense Department?

Mr. PEPPER. There are certain sections of the bill with respect to waivers that were necessary. We granted a waiver on those sections.

Mr. WALKER. If the gentleman will yield further, the problem that this gentleman has is, under the Budget Act, we have set some fairly stringent levels for defense expenditure. That means that the 302 levels under the Budget Act and what the Appropriations Committee will be permitted to bring out here will be very, very tight and will impact upon our priorities.

Now we have a bill coming to the floor where the Armed Services Committee is evidently going to do some appropriating of its own down inside the bill, and it seems to me that that would have a direct impact then on the 302 allocation available to the Approprations Committee that, therefore, could have a fairly significant impact downstream on the ability of the Appropriations Committee to meet certain defense priorities.

What I am trying to figure out is just what we have waived here and what that means relative to the 302 allocation for the Defense Department.

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Speaker, let me explain a little bit about the bill.

As the gentleman knows, the authorization bill does not have to legally meet the targets of the budget resolution. It has by custom met the targets of the budget resolution, but really it is the appropriation bill that really has to make the targets in the budget resolution.

But as it has developed, we have made the target just because the pressure on the House floor for us to make the target.

This year we have a very unusual situation, in that the budget resolution conference report has two numbers in it which are somewhat inconsistent. We have a BA number, which is at 292 in the budget resolution for defense; and an outlay number of 279. The trouble is you cannot get there from here. You cannot get a BA number of 292 consistent with a budget outlay number of 279 without totally distorting the defense budget.

What the committee did was mark to the 292, which is the BA number in the budget resolution, and consequently we are going to bring to the floor a bill that is over in outlays, about $6 billion too high in outlays.

There will be an amendment offered on the floor as part of the budget debate not in this rule that we have now but in the followup rule. There will be an amendment offered that will bring the whole thing down to the outlay number of 279. It, of course, will mean that we do not go as high as the Budget Committee would have allowed us on the budget authority. So we will bring in a 279 outlay number, but it will be maybe $7 billion or $8 billion less than the 292 allowed in the budget.

Mr. WALKER. Mr. Speaker, if the gentleman from Florida will yield further, I am still not getting an answer to my question. I understand what the gentleman has just told me.

My problem is that we are waiving rule XXI, clause 5, which relates to allowing the authorizing committee to do appropriating in this bill. The gentleman from Wisconsin has just explained to us why I have my concern. The gentleman has explained to us that he is bringing a bill to the floor that is not in compliance with the Budget Act. However, the Appropriations Committee will have to be in compliance with the Budget Act, and now we are appropriating in a bill other than an appropriations bill, and I am trying to figure out just what it is we are doing and no one seems to be able to answer the question. I would like to know what appropriations are in here, what the level is, and how much money we are talking about.

Mr. PEPPER. Mr. Speaker, I would say to the gentleman the two 5(a) waivers are, one, to allow the Department of Defense to accept and then spend money for defense dependents' education by accepting and spending. There is technically an appropriation and a waiver is necessary because it is an appropriation on an authorization bill.

Mr. WALKER. If the gentleman will yield further, that is very helpful. That is what I was looking for.

Is that the case in both of the rule XXI, 5(a) waivers? It appears to me that that might be the case on page 2. Is that also the case with regard to the amendment that would be offered by Mr. MAVROULES on page 4?

Mr. PEPPER. I would say to the able gentleman that the other waivers are what we consider relatively minor matters comparable to this, the one that I have just given the gentleman.

Mr. WALKER. And in no cases are we appropriating moneys that would typically be within the jurisdiction of the Appropriations Committee to allocate priorities?

Mr. PEPPER. Certainly not in any major respect. There might be a minor incident.

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Speaker, as I understand it, just checking with staff here, the only thing we are doing that affects the appropriations are some land transfers and some transfers from the national defense stockpile in which, under the land transfers, some land is being sold and other land acquired. There is no net increase or decrease, a wash. And from the national stockpile transactions, some items in there, silver, for example, are being sold and other national commodities are being bought. Again, there is no effect on the budget.

Mr. PEPPER. Mr. Speaker, I want to supplement what the chairman said. No new budget authority is involved on the bill; only technical uses of funds already appropriated.

□ 1025

Mr. WALKER. If the gentleman would yield further, now we are getting some fairly interesting explanations, because it is this gentleman's understanding that as a part of the reconciliation process that we are looking at in just a few days, one of the things being looked at for reconciliation was in fact the national stockpile issue, and we were also looking at some land sales as a part of the reconciliation. Now I gather what we are doing in this bill is we are impacting upon our ability to do some of those things in reconciliation by waiving rule XXI in order to place those things in this particular bill.

Mr. ASPIN. If the gentleman will yield, we do not have any reconciliation actions here in our part of the bill. This would not affect our ability to conduct reconciliation if we should so choose on those issues. They are talking about public lands, not military lands.

Mr. WALKER. If the gentleman from Florida will yield further, we are talking, I think, in at least some versions of reconciliation around here of doing something on the national stockpile on silver that the gentleman just mentioned a moment ago.

Mr. ASPIN. If the gentleman will yield, we are not being asked to do anything. The DOD is not being asked on that reconciliation. It does not come into us.

Mr. WALKER. If the gentleman will yield, I do have concerns. I think there is something a little fishy here.

I thank the gentleman again for yielding.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we consider the rule on a very important piece of legislation, the Defense authorization bill. I want to stress the importance of this legislation.

This bill will affect the character and the capabilities of our defense establishment. While I am sure we will consider it with the gravity that such legislation demands, I must candidly admit that I remain concerned that some among us will mistake this occasion for an opportunity to express their concerns on other matters.

I say to each one of my colleagues that the question before us is not an economic one, not a social one, but a question of security of the United States of America; of freedom, and yes, of peace.

I look at the President's request for the resources needed to equip our patriotic Americans who have chosen to wear the uniform of our country, and I look at the figure contained in this authorization bill, my concern with defense is heightened by the disparity between the two.

I conclude that this bill fails our President in his effort to maintain the military forces of the United States at a level of readiness and capability required for continued prosperity, freedom and world peace.

Certainly in marking to the limit of their authority under the budget resolution, the Armed Service Committee is to be commended. Likewise, I applaud the wisdom of their decision to recommend a very modest cost-of-living increase for our uniformed citizens.

This decision demonstrates to Americans in uniform that we understand and appreciate the rigors and sacrifices inherent in a life of service to the Nation. In so doing, this bill will make a positive contribution to ensuring that we maintain the high standards of quality now evident in the ranks of soldiers, sailors, airmen and marines.

Still, I must confess to having very serious reservations about cutting so drastically from the President's defense request. This bill, in the judgment of those in a position to know, does not provide the resources needed to maintain a high quality, high confidence defense for the United States of America.

This House must understand how defense capabilities will be affected by the shortfall in defense resources represented in the authorization bill. We must understand that continued deep cuts in the defense budget will ultimately leave us short of the forces required to accomplish the range of defense missions that we have deemed vital to our national interest. We must put ourselves in a position of having to make very dangerous choices between such essentials as high confidence in nuclear deterrence or conventional readiness. The choices of which allies to protect and which to abandon; between readiness today or building a foundation for defense of future generations of Americans.

Rather than embodying a congressional list of defense priorities, the current authorization proposal simply cuts everything. There are several specific problems with the bill.

Ongoing programs are slashed without regard for efficiency or military need. The current proposal will reduce procurement of Navy ships and tactical fighters that underwrite our conventional capability. There is a great risk here: Less mobility and reduced air support for our soldiers. Further, pilots will be less well prepared for combat because of cuts in operation and maintenance funding mean reduced flying hours, less proficiency training, and fewer realistic exercises.

The risk will be compounded by reduced numbers of infantry support vehicles, delays in procuring a new radio and a failure to achieve desired stockpiles of ammunition and other stock.

But that is not all. Our strategic deterrent forces will also suffer. For the fourth year in a row, we will fail to fulfill the previous year's agreement for the acquisition of Peacekeeper missiles. In addition, we will drop the only Trident submarine requested for 1987.

To our constituents these changes may not sound like much, indeed, they may sound popular. But we know something they do not. We know that we will eventually need all of these things and when we eventually require these systems, it will be even more expensive than it would have been this year.

Even more telling is that we will be unable to achieve the size of our forces required for the future. The elimination of 9 ships from this year's budget request reduces annual ship construction to a level that will make it impossible to attain the 600-ship fleet required for defense.

The Air Force faces similar problems. Procuring fewer tactical aircraft per year even threatens the force we already have.

In addition to the cuts mandated in the near term, this authorization bill would deliver a massive cut to our research and development effort. It cuts from the Strategic Defense Initiative, which is the first real effort to free our children from the threat of enemy nuclear missiles. Overall, this proposal will cut 18 percent from the research and development effort that is the very foundation upon which the future security of our Nation depends.

In short, this bill reflects no priorities or order for defense. It is simply a bill designed to make cuts.

The bill will also hamper our effort to improve the Defense Department's management and acquisition. The Packard Commission's most significant and fundamental recommendation was that defense programs must be stablized. Production rates must be set and maintained year after year at the most efficient levels possible. Multiyear procurement contracting must be used to achieve the efficiencies and reduce costs possible from quantity purchases; and other efficiency-enhancing procedures must be strictly adhered to.

But this bill turns its back on those recommendations. It reduces production rates below economic levels. Additionally, it limits the benefit of multiyear procurements.

The resulting stretchout of needed weapons systems will not only delay deployment of systems needed by our troops, but will end up costing the taxpayer more for the same defense capability.

DOD has estimated, for example, that the cost of the Patriot missile will increase by $200 million, and the F-16, a system that achieved remarkable cost reductions in the past, by $409 million.

Finally, most amazing to me, is that during a time of austerity, this bill funds items not requested or needed by the Defense Department. National Guard facilities in home districts; some $151 million for the procurement of 12 new T-46 trainer aircraft that the Air Force did not include in its request. And $200 million to keep the B-1 production line open beyond the 100 aircraft limit set by DOD.

Certainly there are flaws in this bill and hopefully they will be corrected during the debate and the amendment process that we will go through. But we are dealing with such an important and dangerous issue, we cannot afford to take it lightly. I must applaud the action taken by the majority and the minority on attempting to reduce the strung-out debate that we had some time back on this piece of legislation which took 3 weeks, and certainly we do not have 3 weeks now to consider this bill.

□ 1035

So every moment on this floor that we will have to debate this bill during this period of time will be important to the defense of this country.

Mr. COURTER. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I am happy to yield to the gentleman from New Jersey.

Mr. COURTER. Mr. Speaker, I thank the gentleman for yielding.

Perhaps I can get the attention of the gentleman from Florida [Mr. PEPPER] or the chairman of the committee, the gentleman from Wisconsin [Mr. ASPIN], because I have some questions on this.

The first question that I have is this: There was some preliminary discussion yesterday in the Rules Committee that we would be protected if amendments were filed in the RECORD. Now, that seems to have changed.

Mr. PEPPER. Mr. Speaker, will the gentleman yield?

Mr. COURTER. Let me just finish my statement first. Then I will ask if either of the gentleman can elaborate on it.

My quick reading of this rule, this proposed rule—we have not yet voted on it—indicates that in order to be protected in some instances, I am sure whether in some or all, you have to file your amendment with the Rules Committee and they have to somehow approve it or not.

I wonder if either gentleman, the chairman of the Rules Committee or the chairman of the Armed Services Committee, could elaborate so I can really understand what we are doing here.

Mr. PEPPER. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Florida.

Mr. PEPPER. Mr. Speaker, with respect to the filing of amendments with the Rules Committee, I was intending to give this additional statement. Let me reiterate that this is the first part of what we hope will be a two-part sequence providing for the completion of consideration of H.R. 4428.

I anticipate scheduling a second hearing of the Committee on Rules for possibly Wednesday, August 6, 1986, to provide a rule to complete the defense authorization bill.

Last night I sent to all offices a letter asking that all Members who

want to be able to offer amendments to the bill which were not made in order by the rule we will consider today would have those amendments presented to the Rules Committee no later than 5 p.m. on Tuesday, August 5, 1986. It will be only those amendments which we have received by that time that the Committee on Rules will consider at our next meeting on this subject next week. Amendments should be brought to H-311 in the Capitol, which is the Rules Committee office.

Only amendments to the Mavroules and Dickinson substitute have to be submitted to the Rules Committee by noon Monday. In other words, only the Mavroules or Dickinson substitute amendments would have to be presented to the Rules Committee by noon on Monday; the other amendments would have to be presented by 5 o'clock next Tuesday afternoon.

Mr. COURTER. Mr. Speaker, if the gentleman would continue to respond and if the gentleman from Ohio would continue to yield, I understand the requirement of having amendments filed and given to the Rules Committee by noon on Monday has to do only with the section on acquisition reform and on reorganization?

Mr. PEPPER. The gentleman is correct.

Mr. COURTER. Therefore, if you have an amendment to another section of the bill unrelated to those two areas, you may or may not; that is, we do not know how you will treat that. In other words, we do not know what the rule is going to be, and the rule may prohibit your coming forward with that amendment, or does the simple printing in the RECORD protect you irrespective of what the rule is going to come out to be next Wednesday?

Mr. PEPPER. That matter will be decided by the Rules Committee meeting next Wednesday.

Mr. COURTER. So the question is correct. In other words, if I have a very important amendment on MX or SALT II or SDI, I do not know whether, under the proposed rule or under the scenario now, whether I will have the right to be able to proffer that or not?

Mr. PEPPER. I will defer to the gentleman from Wisconsin [Mr. ASPIN] for an answer to that.

Mr. LATTA. I yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Speaker, as the gentleman knows, these things are always up to the Rules Committee, but let me tell the gentleman what we are trying to work out and why we are doing this two-stage rule.

We did the first stage because it was something that we could deal with, that is, packages that we deal with, general debate, military reform, and procurement reform issues. It is as the gentleman stated. If you have amendments to the procurement reform package, the date is noon on Monday. Now, if you have another amendment to anything other than the procurement issue, any of the other issues coming later——

Mr. COURTER. How about reorganization?

Mr. ASPIN. Under the rule on that, you can offer the amendment on the floor directly; you do not have to go to the Rules Committee with that amendment.

Mr. COURTER. So that can be done directly on the floor?

Mr. ASPIN. Correct.

Mr. COURTER. That is, if you have an amendment with respect to reorganization, provided it has been printed in the RECORD?

Mr. ASPIN. Correct.

Mr. COURTER. With respect to acquisition and procurement, you have to file your amendment with the Rules Committee by Monday next?

Mr. ASPIN. Monday next at noon.

Mr. COURTER. Monday next at noon. And that is for their consideration?

Mr. ASPIN. No, no.

Mr. COURTER. If you file it with the Rules Committee, therefore, you have the right to proffer it on the floor?

Mr. ASPIN. It may be offered on the floor if it has been filed by noon on Monday.

Mr. COURTER. You will be able to offer it on the floor?

Mr. ASPIN. Yes. The purpose of having it filed is just so the committee, the staff, and everybody concerned can have a chance to read it and look at it, and maybe we can put some together and maybe we can accept some. In other words, it is to try to expedite the process a little bit and understand the universe of amendments we are dealing with.

Now, let me go to the second question. The second question is any amendment covering parts of the bill that we have not yet covered. The deadline for that is 5 o'clock on Tuesday.

Again it is not the purpose of that requirement to deny anybody the chance to have amendments heard and voted on. The purpose of it again is to make sure that we know what we are dealing with on the amendments, the number of amendments, and to try to apportion time fairly.

What the Rules Committee is going to try to do with those amendments that we will have as of 5 o'clock on Tuesday is to try and sort through them and see if we can get some agreement on time. That will be incorporated in the rule which it will present to the House following what it sees is available at 5 o'clock on Tuesday. They will try to get some rationality for it. In other words, there are some amendments we may want to debate for an hour and some we may want to debate for 2 hours. Some amendments may be acceptable, and maybe a discussion of 10 minutes per side can deal with them. We would like to try to deal with these things in a rational way. It is not the intention of this process to deny any Member the opportunity to have amendments heard and voted on.

Mr. COURTER. All right. I understand the gentleman. I agree with respect to that, that you must get some rationality to the process, and also you have to limit the proliferation of amendments as the bill gets older and Members become wearier.

In other words, I can be assured that if I, this Member from New Jersey, have an amendment that I think is important and I want to offer it, I will be protected? You are in essence guaranteeing me that right, providing it is filed by 5 p.m. Tuesday with the Rules Committee?

Mr. ASPIN. It is my understanding that the gentleman from New Jersey can count on it, but the chairman of the Rules Committee is here and he can speak for himself. I do not think it is the intention of this rule to shut off any Member from being heard on an amendment, but the gentleman can speak for himself.

Mr. PEPPER. Mr. Speaker, if the gentleman will yield further, the able gentleman from New Jersey must recognize that the Rules Committee always tries to aid the House. The gentleman must remember that what we propose has to be approved by the House. We try to recommend to the House a procedure that will be fair to the individual Members and at the same time fair to the House as a whole in accomplishing its legislative purpose. We do not want to shut off any Member.

The gentleman will recall that we had the immigration bill up here last year, and he will remember that we presented a very complex rule for the benefit of the membership. So in this case we are doing our best to accommodate the Members and see that they are fairly dealt with and at the same time take into account the overall situation that the House itself faces.

Mr. COURTER. Mr. Speaker, I understand what the gentleman is saying. I am just going to rely on the fact that the Rules Committee will treat us fairly in this regard. I guess I recognize that there is no possibility of guarantees that I will be given that right.

Mr. PEPPER. I want to add to what the able chairman of the Committee on Armed Services said. When we meet next Wednesday in the Rules Committee, we expect to have before us the amendments that are proposed,

and we will try to deal fairly with those amendments. We will see that the Members are fairly dealt with in the debate of the floor of the House.

Mr. COURTER. Mr. Speaker, I have another matter, if the gentleman will continue to yield.

Mr. LATTA. I yield briefly.

Mr. COURTER. The question I have is really directed to the chairman of the Armed Services Committee and I wonder if he would be kind enough to try to answer it.

We do have a situation where the Armed Services Committee voted an authorization first at the $285 billion level. Then, because of what the full House did on the budget, we increased that to the $292 billion authorization level.

□ 1045

The outlay level is at $279 billion and there is a concern about reaching $279 billion if you have $292 billion in authorization.

It is my understanding that the chairman of the full committee is going to offer an amendment to reduce the authorization from $292 billion to the $285 billion figure. Is that correct?

Mr. ASPIN. The amendment will not be offered by the gentleman. There will be an amendment offered, yes.

Mr. COURTER. To reduce it from $292 billion to the $285 billion figure?

Mr. ASPIN. Somewhere around $285 billion, I am not sure, but I think that is roughly correct, yes.

Mr. COURTER. Now, that amendment, will that amendment take the work of the Armed Services Committee under consideration, or is that going to be a newly crafted authorization bill, irrespective of the particular work of the various subcommittees of the Armed Services Committee?

Mr. ASPIN. I cannot answer the chairman's question in detail. The authors of the amendment are the gentleman from Oklahoma [Mr. MCCURDY] and the gentleman from South Carolina [Mr. SPRATT]. What they are doing, as I understand it from the discussions that we have had on the subject, is essentially dealing with the committee bill, but necessarily taking some things out in order to get the outlay figure down to $279 billion.

Mr. COURTER. Some things are in there and some things may not, the gentleman cannot guarantee those figures because he does not know what is in them.

The last question I have, does the minority then have a substitute right to that McCurdy-Spratt amendment?

Mr. ASPIN. That was the subject of intense discussion yesterday and it is still ongoing.

Let me put it this way. The minority has alerted us that they have a substitute or they are in the process of putting together a substitute, and clearly, if the minority has a substitute and wants to have it reported on and voted on, it will be done.

Where the negotiations could not be successfully completed yesterday was on the discussion of how and under what circumstances these two amendments would then be considered to the bill, what would come up first, what would come up second, whether one would be a substitute for the other, whether they would be in sequence; if they were in sequence, whether the last amendment that carried would be the one that was in final form, and if that is the case, which one goes second.

So, yes, the answer to the gentleman's question is that there will be, in all likelihood——

Mr. COURTER. In all likelihood.

Mr. ASPIN. Two amendments. On our side there will be an amendment, and I take it from the gentleman's side there will be an amendment, so there will be two amendments.

The issue under discussion is what is the sequence and under what circumstances do those two amendments get considered?

Mr. COURTER. Well, I am nervous about the words "in all likelihood." The likely thing that will happen, the Republicans will not be given an opportunity to craft their own substitute, is that correct?

Mr. ASPIN. The gentleman will have an opportunity and if they want to have an amendment, there is going to be an amendment, as I explained. It is not that there will not be an amendment, the question is, and the gentleman from Alabama over there with whom I spent long hours negotiating, if they had been a little more reasonable, we would have this thing wrapped up now.

What we are talking about is under what circumstances and in what order these two amendments having to do with budget authority and outlays will be considered.

Mr. COURTER. Well, I will step back in just 1 second because my ranking member is here and he can speak a lot better than I can on these issues; but speaking for myself, there is so much yet to be decided, so much cloudiness on what is going to happen, so many words like "probably" and "you can be assured" and "it is unlikely" that I have problems with where we are today and, of course, that is my right. I doubt that I will vote in favor of what we have so far.

Mr. ASPIN. If there were not cloudiness, we would be able to present a rule dealing with the whole bill today, but there would be cloudiness, in any case. I mean, it was our intention from the very start to have a two-stage rule. Stage No. 1 would deal with the early days of consideration of the defense bill.

Stage No. 2 would come when we saw the universe of amendments that Members want to offer.

So I think the only way that we can logically deal with this thing, limit the amount of time that the bill will take, but be fair to all the amendments, is to have a second rule which will go into the question and decide, well, this is an important issue, it ought to have 2 hours of debate, this is a less important issue, it ought to have an hour of debate, et cetera.

Mr. LATTA. Mr. Speaker, I will reclaim my time.

Just let me say, the gentleman from New Jersey brings up a very important point. Certainly when this matter comes before the Rules Committee, the majority certainly would not object to a minority substitute to the McCurdy amendment on something so important.

Mr. DICKINSON. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I am happy to yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Speaker, if I might have the attention of the chairman of the Armed Services Committee, I wanted to respond to something the gentleman said, and I do not want to misquote him.

I agree with most of what the gentleman said as to why we are in the position we are to have to ask for a truncated or a hyphenated or a two-part rule, but when the gentleman talks about our side, the gentleman is the chairman of the Armed Services Committee. The gentleman does not mean to imply when he says our side that the gentleman is talking for the committee. The gentleman is not representing the committee. The gentleman is not representing the committee position. The gentleman is representing a position that is antithetical to what the committee voted, what we supported. The gentleman is representing somebody who has nothing to do with the committee on many of these amendments, is that not correct?

Mr. ASPIN. Mr. Speaker, if the gentleman will yield, no, the gentleman is not correct. We are talking about an issue that was debated in our committee and voted on in our committee and the chairman was on the minority side on that vote.

Mr. DICKINSON. No, in the sequence the gentleman wants to offer the amendments, and that is where we break down, the sequence and who goes first, the gentleman wants to give the advantage to people who are not even on the committee, and certainly not to support the committee position; is that not correct?

Mr. ASPIN. The gentleman——

Mr. DICKINSON. The gentleman can answer that yes or no.

Mr. ASPIN. There is no sense in the gentleman from Alabama and I rehearsing our differences.

Mr. DICKINSON. The gentleman is leaving the impression that he is representing the committee on our side and the gentleman's side. The gentleman is not representing the committee. He is not representing a majority of the committee. The gentleman is representing an interest that is not the interest of the majority of the committee and the gentleman is insisting on a position in the offering of the amendments that will give an advantage to someone who is not with the committee position. It is just that simple.

Mr. ASPIN. Mr. Speaker, the gentleman is not correct. In the discussions with the gentleman from Pennsylvania [Mr. WALKER] and in the discussions with the gentleman from New Jersey [Mr. COURTER], I made it very clear that the committee position was $292 billion. It is marked in the budget authority number; but we are over in outlays in the committee.

A significant number of committee members, the gentleman from Wisconsin included, voted for an amendment in the committee offered by the gentleman from South Carolina [Mr. SPRATT] that would have marked to the outlay number and cut the budget authority.

That is all I would say.

Mr. DICKINSON. And that failed.

Mr. ASPIN. That failed.

Mr. DICKINSON. Now the gentleman is insisting on a position in the rules that will put that position at an advantage over the committee position. That is where we break down.

Mr. ASPIN. Not at all.

Mr. DICKINSON. Then why would the gentleman insist on it, if it is not giving the advantage? The gentleman is certainly doing that.

Mr. ASPIN. Mr. Speaker, will the gentleman yield for just a moment?

Mr. LATTA. I yield to the gentleman from Wisconsin for just a moment. I only have 3 minutes left.

Mr. ASPIN. Mr. Speaker, the point about all these negotiations is that we have an amendment that the gentleman from South Carolina [Mr. SPRATT] and the gentleman from Oklahoma [Mr. MCCURDY] were going to offer to that bill.

We now discover that others may have a substitute amendment, but that is an issue that is ongoing in discussions. We had discussions of it yesterday. We are having more discussions today. Before the second rule comes to the Rules Committee, we expect to have it worked out as to what amendments are going to be offered and in what order.

Mr. LATTA. Mr. Speaker, I reserve the balance of my time.

Mr. PEPPER. Mr. Speaker, I yield myself such time as I may consume.

I just want to say this. The chairman of the Armed Services Committee and the ranking minority member of that committee have been wonderful in the spirit of cooperaton which they have exhibited in trying to work this thing out. The Rules Committee has tried to be cooperative with both the chairman and the minority. There has been splendid progress achieved so far. I hope nothing will happen that will impede the progress that I hope will be made in that conciliatory approach to this very difficult problem. That is why the Rules Committee has divided this rule into two parts in order to give the maximum opportunity for negotiation and agreement.

I want to commend the majority and minority of the Armed Services Committee for what they have done so far. I hope they will carry forward with that very desirable progress.

Mr. LATTA. Mr. Speaker, I have no additional requests for time, and I yield back the balance of my time.

Mr. PEPPER. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. NATCHER). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 245, nays 122, not voting 64, as follows:

[Roll No. 278]

YEAS—245

Ackerman	Clinger	Fazio
Akaka	Coleman (TX)	Feighan
Alexander	Collins	Fish
Anderson	Combest	Flippo
Andrews	Conte	Florio
Anthony	Coughlin	Foglietta
Applegate	Coyne	Foley
Aspin	Craig	Frank
Atkins	Dannemeyer	Fuqua
AuCoin	Darden	Garcia
Barnard	Daschle	Gaydos
Bateman	de la Garza	Gejdenson
Bates	Dellums	Gephardt
Bellenson	Derrick	Gibbons
Bennett	Dickinson	Gilman
Boggs	Dicks	Glickman
Boland	Dingell	Goodling
Bonior (MI)	DioGuardi	Gordon
Borski	Donnelly	Gradison
Bosco	Dorgan (ND)	Gray (IL)
Brooks	Downey	Gray (PA)
Bruce	Duncan	Guarini
Burton (CA)	Durbin	Hall (OH)
Bustamante	Dwyer	Hamilton
Byron	Eckart (OH)	Hatcher
Carper	Edwards (CA)	Hawkins
Carr	Erdreich	Hayes
Chandler	Evans (IL)	Hefner
Chapman	Fascell	Hendon
Hertel	Michel	Schumer
Holt	Miller (CA)	Seiberling
Horton	Mineta	Sharp
Howard	Mitchell	Sikorski
Hoyer	Moakley	Slattery
Huckaby	Molinari	Smith (FL)
Hughes	Mollohan	Smith (NE)
Ireland	Moody	Smith (NJ)
Jacobs	Morrison (WA)	Snowe
Jenkins	Mrazek	Snyder
Jones (NC)	Murphy	Solarz
Jones (OK)	Murtha	Spratt
Jones (TN)	Natcher	St Germain
Kanjorski	Nelson	Staggers
Kaptur	Nichols	Stallings
Kasich	Nowak	Stangeland
Kastenmeier	Oberstar	Stark
Kennelly	Obey	Stokes
Kildee	Olin	Studds
Kindness	Ortiz	Swift
Kleczka	Owens	Synar
Kolter	Panetta	Tallon
Kostmayer	Pashayan	Taylor
Latta	Pease	Thomas (GA)
Lehman (CA)	Penny	Torres
Lehman (FL)	Pepper	Torricelli
Leland	Perkins	Traficant
Levin (MI)	Pickle	Traxler
Levine (CA)	Price	Udall
Lewis (FL)	Quillen	Valentine
Lipinski	Rahall	Vander Jagt
Lloyd	Rangel	Vento
Loeffler	Ray	Visclosky
Long	Regula	Volkmer
Lowry (WA)	Reid	Waldon
Lujan	Richardson	Walgren
Luken	Rinaldo	Watkins
MacKay	Ritter	Waxman
Madigan	Robinson	Weaver
Manton	Rodino	Weiss
Markey	Roe	Wheat
Martin (NY)	Rose	Whitley
Martinez	Rostenkowski	Whitten
Matsui	Roukema	Wilson
Mavroules	Rowland (CT)	Wise
Mazzoli	Rowland (GA)	Wolpe
McCloskey	Roybal	Wright
McCurdy	Russo	Wyden
McDade	Sabo	Yates
McEwen	Savage	Yatron
McHugh	Scheuer	Young (AK)
McKinney	Schneider	Young (MO)
Mica	Schroeder	

NAYS—122

Archer	Hall, Ralph	Pursell
Armey	Hammerschmidt	Ridge
Barton	Henry	Roberts
Bentley	Hiler	Roemer
Bereuter	Hopkins	Rogers
Bilirakis	Hubbard	Roth
Bliley	Hunter	Saxton
Boehlert	Hutto	Schaefer
Boulter	Hyde	Schuette
Broomfield	Jeffords	Schulze
Brown (CO)	Johnson	Sensenbrenner
Burton (IN)	Kolbe	Shaw
Callahan	Kramer	Shumway
Chappie	LaFalce	Shuster
Cheney	Lagomarsino	Siljander
Coats	Leach (IA)	Skeen
Cobey	Lent	Slaughter
Coleman (MO)	Lewis (CA)	Smith (IA)
Courter	Lott	Smith, Robert (NH)
Crane	Lowery (CA)	Smith, Robert (OR)
Crockett	Lungren	Solomon
Daniel	Mack	Spence
Daub	Marlenee	Stenholm
Davis	Martin (IL)	Strang
DeLay	McCain	Stratton
DeWine	McCandless	Stump
Dornan (CA)	McCollum	Sundquist
Dreier	McGrath	Sweeney
Eckert (NY)	McKernan	Swindall
Emerson	McMillan	Tauke
Fawell	Meyers	Tauzin
Fiedler	Miller (OH)	Thomas (CA)
Fields	Miller (WA)	Vucanovich
Franklin	Monson	Walker
Frenzel	Montgomery	Weber
Gallo	Moorhead	Whittaker
Gekas	Myers	Wortley
Gingrich	Nielson	Young (FL)
Gonzalez	Oxley	
Green	Packard	
Gregg	Petri	
Gunderson	Porter	

NOT VOTING—64

Annunzio	Cooper	Livingston
Badham	Dixon	Lundine
Barnes	Dowdy	Mikulski
Bartlett	Dymally	Moore
Bedell	Dyson	Morrison (CT)
Berman	Early	Neal
Bevill	Edgar	Oakar
Biaggi	Edwards (OK)	Parris
Boner (TN)	English	Rudd
Bonker	Evans (IA)	Shelby
Boucher	Ford (MI)	Sisisky
Boxer	Ford (TN)	Skelton
Breaux	Fowler	Smith, Denny (OR)
Brown (CA)	Frost	
Bryant	Grotberg	Towns
Campbell	Hansen	Whitehurst
Carney	Hartnett	Williams
Chappell	Hillis	Wirth
Clay	Kemp	Wolf
Coble	Lantos	Wylie
Coelho	Leath (TX)	Zschau
Conyers	Lightfoot	

□ 1110

The Clerk announced the following pair:

On this vote:

Mr. Morrison of Connecticut for, with Mr. Bartlett against.

Mr. DAVIS and Mr. ROGERS changed their votes from "yea" to "nay."

Mr. YOUNG of Missouri change his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDING THE REVISED ORGANIC ACT OF THE VIRGIN ISLANDS, THE COVENANT TO ESTABLISH A COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS, AND THE ORGANIC ACT OF GUAM

Mr. UDALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2478) to amend the Revised Organic Act of the Virgin Islands, to amend the Covenant to Establish a Commonwealth of the Northern Mariana Islands, to amend the Organic Act of Guam, to provide for the governance of the insular areas of the United States, and for other purposes, with Senate amendments thereto, concur in the Senate amendment numbered 1, disagree to the Senate amendment numbered 3, and concur in the Senate amendments numbered 2 and 4 with amendments.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The Clerk will report the Senate amendments and the House amendments to the Senate amendments.

The Clerk read the Senate amendments and the House amendments to Senate amendments numbered 2 and 4, as follows:

Senate amendments:

Page 6, strike out lines 1 to 7, inclusive and insert:

SEC. 2. A total of up to $4,000,000 of funds currently reserved for use by the economic development loan fund, as established under subsection (c) of section 702 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, approved by Public Law 94-241, may be expended for capital improvement projects, provided that such funds become available for use by the economic development loan fund and such funds are not obligated for economic development loans.

Page 6, strike out lines 16 to 20, inclusive and insert:

SEC. 4. Effective October 1, 1986, there are authorized to be appropriated $1,500,000 for grants to the College of the Virgin Islands for projects related to the Eastern Caribbean Center, to remain available until expended.

Page 8, line 8, strike out "669g-1" and insert "669h".

Page 8, after line 18, insert:

SEC. 9. (a) Section 506 of the Education Amendments of 1972, Public Law 92-318 (86 Stat. 235) is further amended by inserting, "the Northern Marianas College", after "the College of Micronesia" in subsection (a).

(b) Section 5 of the Act of August 30, 1980, c. 841, 26 Stat. 417 (the Second Morill Act), as added by section 506(c) of Public Law 92-318 (86 Stat. 235) is amended by striking out "and Micronesia, and Guam" and inserting in lieu thereof "Guam, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands (other than the Northern Mariana Islands)".

(c) Subsection (c) of section 1361 of Public Law 96-374 (94 Stat. 1367) is amended by striking out "American Samoa and in Micronesia" and inserting in lieu thereof "American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands (other than the Northern Mariana Islands)".

(d) Section 22 of the Act of June 29, 1935, c. 388, 49 Stat. 439, as amended (7 U.S.C. 329) is further amended—

(1) by striking out "and Guam" wherever it appears and inserting in lieu thereof "Guam, and the Northern Mariana Islands";

(2) by striking out "$8,100,000" and inserting in lieu thereof "$8,250,000"; and

(3) by striking out "$4,360,000" and inserting in lieu thereof "$4,380,000".

(e) The first sentence of section 3(b)(2) of the Act of May 8, 1914, c. 79, 38 Stat. 372, as amended (7 U.S.C. 343), is further amended by striking out "and Guam" and inserting in lieu thereof "Guam, and the Northern Mariana Islands".

(f) Section 10 of the Act of May 8, 1914, c. 79, 38 Stat. 372, as added by section 1(i) of Public Law 87-749 (76 Stat. 745) and as amended (7 U.S.C. 349), is further amended to read as follows: "The term 'State' means the States of the Union, Puerto Rico, the Virgin Islands, Guam and the Northern Mariana Islands.".

SEC. 10. The Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America approved by Public Law 94-241 (90 Stat. 263) is amended—

(1) in section 703, subsection (a), after the words "section 702" add the words "and section 705";

(2) in section 704, subsection (a), after the words "section 702" add the words "and section 705";

(3) in section 704, delete subsection (c), and redesignate subsection (d) as subsection (c);

(4) after section 704 add a new section 705, as follows:

"SEC. 705. Enactment of this section by the United States Congress and approval by the President shall constitute a commitment and pledge of the full faith and credit of the United States for the payment of $228,000,000 at guaranteed annual amounts of direct grant assistance for the Government of the Northern Mariana Islands for an additional period of seven fiscal years after the expiration of the initial seven-year period specified in section 702, which assistance shall be provided according to the agreement of the special representatives on future United States financial assistance for the Government of the Northern Mariana Islands, executed July 10, 1985, between the special representative of the President of the United States and the special representatives of the Governor of the Northern Mariana Islands. The islands of Rota and Tinian shall each receive no less than a ⅛ share and the island of Saipan shall receive no less than ⅝ share of annualized capital improvement project funds which shall be no less than 80 percent of the capital development funds identified in the schedule of payments in paragraph 2 of part II of the agreement of the special representatives."; and

(5) in section 1003, subsection (b), delete "Article VII, Sections" and insert in lieu thereof "701-704,"; redesignate subsection (c) as subsection (d); and add a new subsection (c) as follows:

"(c) Section 705 will become effective as of October 1, 1985.".

SEC. 11. Public Law 96-193 is amended by adding the following new section at the end of title III:

"SEC. 306. (a) The Secretary shall provide an exemption from applicable noise standards to permit the operation of any noncomplying aircraft if the operator is flying such aircraft between Honolulu or other nations and points in the United States Pacific territories or the Trust Territory of the Pacific Islands (or successor political entities). No such noncomplying aircraft shall be allowed to operate at any other United States airports.

"(b) Nighttime noise restrictions for aircraft operating pursuant to subsection (a) of this section shall be inapplicable in Honolulu, the United States Pacific territories and the Trust Territory of the Pacific Islands (or successor political entities), provided that the State of Hawaii institutes nighttime noise restrictions for Honolulu International Airport, with equal application to all operators, that are no more restrictive than the existing restrictions.".

SEC. 12. (a) In awarding assistance grants, consolidated under the provisions of title V of the Act entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain acts related thereto, and for other purposes." (91 Stat. 1159, as amended), to the Trust Territory of the Pacific Islands, American Samoa, Guam, the Northern Mariana Islands or the Virgin Islands, the Administrator of the Environmental Protection Agency may, in his discretion, adjust or otherwise modify maintenance or level of effort requirements.

(b) In awarding grants to the Trust Territory of the Pacific Islands, American Samoa, Guam, the Northern Mariana Islands and the Virgin Islands under section 201(g)(1) of the Clean Water Act (33 U.S.C. 1251 et seq.), the Administrator of the Environmental Protection Agency may waive limitations regarding grant eligibility for

sewerage facilities and related appurtenances, insofar as such limitations relate to collector sewers, based upon a determination that applying such limitations could hinder the alleviation of threats to public health and water quality. In making such a determination, the Administrator shall take into consideration the public health and water quality benefits to be derived and the availability of alternate funding sources. The Administrator shall not award grants under this section for the operation and maintenance of sewerage facilities, for construction of facilities which are not an essential component of the sewerage facilities, or any other activities or facilities which are not concerned with the management of wastewater to alleviate threats to public health and water quality.

SEC. 13. Section 29 of the Organic Act of Guam (64 Stat. 392) is amended by adding the following new subsection (c):

"(c) the Government of Guam may establish an Office of Public Prosecutor and an Office of Public Auditor.".

SEC. 14. Section 101(a)(15)(D) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(D)) is amended by inserting "(i)" after "(D)" and by adding at the end the following new clause:

"(ii) an alien crewman serving in good faith as such in any capacity required for normal operations and service aboard a fishing vessel having its home port or an operating base in the United States who intends to land temporarily in Guam and solely in pursuit of his calling as a crewman and depart from Guam with the vessel on which he arrived. For the purposes of this clause, an alien crewman shall be considered to have departed from Guam after leaving the territorial waters of Guam, without regard to whether the alien arrives in a foreign state before returning to Guam;".

SEC. 15. Subsection 212(l) of the Immigration and nationality Act (8 U.S.C. 1182) is amended as follows:

"(l)(1) The requirement of paragraph (26)(B) of subsection (a) of this section may be waived by the Attorney General, the Secretary of State, and the Secretary of the Interior, acting jointly, in the case of an alien applying for admission as a nonimmigrant visitor for business or pleasure and solely for entry into and stay on Guam for a period not to exceed fifteen days, if the Attorney General, the Secretary of State, and the Secretary of the Interior, after consultation with the Governor of Guam jointly determined that—

"(A) an adequate arrival and departure control system has been developed on Guam, and that

"(B) such a waiver does not represent a threat to the welfare, safety, or security, of the United States, taking into account the conditions prevailing on, and the location of, Guam.

"(2) An alien may not be provided a waiver under this subsection unless the alien has waived any right—

"(A) to review or appeal under this Act of an immigration officer's determination as to the admissibility of the alien at the port of entry into Guam, or

"(B) to contest, other than on the basis of an application for asylum, any action for deportation against the alien.

"(3) Any personnel employed by the Immigration and Naturalization Service in order to implement the provisions of this subsection shall not be counted for the purposes of personnel ceilings or other limitations on the number of employees in either the Immigration and Naturalization Service or the Department of Justice.

"(4) Assignments of employees of the territory of Guam to the Immigration and Naturalization Service under section 3374 of title 5, United States Code, shall not be subject to the time limitation provided for in section 3372(a) of title 5, United States Code.

"(5) The Attorney General is authorized to accept from the Territory of Guam reimbursement for the increased cost of administering the Immigration and and Nationality Act resulting from this subsection.

"(6) The Attorney General, after consultation with the Secretary of State, and the Secretary of the Interior, and the Governor of Guam, shall issue regulations governing the admission of nonimmigrant aliens pursuant to the visa waiver authorized by this subsection.".

House amendments to Senate amendments numbered 2 and 4:

Amend Senate amendment numbered (2) by changing "$1,500,000" to "$1,200,000,000".

Amend Senate amendment numbered (4) to read as follows: Page 8, after line 18, insert:

SECTION 9. (a) Section 506 of the Education Amendments of 1972, Public Law 92-318 (86 Stat. 235) is further amended by inserting, "the Northern Marianas College", after "the College of Micronesia" in subsection (a).

(b) Section 5 of the Act of August 30, 1980, c. 841, 26 Stat. 417 (the Second Morill Act), as added by section 506(c) of Public Law 92-318 (86 Stat. 235) is amended by striking out "and Micronesia, and Guam" and inserting in lieu thereof "Guam, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands (other than the Northern Mariana Islands)".

(c) Subsection (c) of section 1361 of Public Law 96-374 (94 Stat. 1367) is amended by striking out "American Samoa and in Micronesia" and inserting in lieu thereof "American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands (other than the Northern Mariana Islands)".

(d) Section 22 of the Act of June 29, 1935, c. 388, 49 Stat. 439, as amended (7 U.S.C. 329) is further amended—

(1) by striking out "and Guam" wherever it appears and inserting in lieu thereof "Guam, and the Northern Mariana Islands";

(2) by striking out "$8,100,000" and inserting in lieu thereof "$8,250,000"; and

(3) by striking out "$4,360,000" and inserting in lieu thereof "$4,380,000".

(e) The first sentence of section 3(b)(2) of the Act of May 8, 1914, c. 79, 38 Stat. 372, as amended (7 U.S.C. 343), is further amended by striking out "and Guam" and inserting in lieu thereof "Guam, and the Northern Mariana Islands".

(f) Section 10 of the Act of May 8, 1914, c. 79, 38 Stat. 372, as added by section 1(i) of Public Law 87-749 (76 Stat. 745) and as amended (7 U.S.C. 349), is further amended to read as follows: "The term 'State' means the States of the Union, Puerto Rico, the Virgin Islands, Guam and the Northern Mariana Islands.".

SEC. 10. The Act of March 24, 1976 (Public Law 94-241; 90 Stat. 263), is amended by adding the following new sections at the end thereof:

"SEC. 3. Pursuant to section 701 of the foregoing Covenant, enactment of this section shall constitute a commitment and pledge of the full faith and credit of the United States for the payment of $228 million at guaranteed annual amounts of direct grant assistance for the Government of the Northern Mariana Islands for an additional period of seven fiscal years after the expiration of the initial seven-year period specified in Section 702 of said Covenant, which assistance shall be provided according to the schedule of payments contained in the Agreement of the Special Representatives on Future United States Financial Assistance for the Government of the Northern Mariana Islands, executed July 10, 1985, between the special representative of the President of the United States and the special representatives of the Governor of the Northern Mariana Islands. The islands of Rota and Tinian shall each receive no less than a ⅛ share and the island of Saipan shall receive no less than a ¼ share of annualized capital improvement project funds, which shall be no less than 80% of the capital development funds identified in the schedule of payments in paragraph 2 of Part II of the Agreement of the Special Representatives. Funds shall be granted according to such regulations as are applicable to such grants.

"SEC. 4.(a) Section 704(c) of the foregoing Covenant shall not apply to the federal financial assistance which is provided to the Government of the Northern Mariana Islands pursuant to Section 3 of this Act.

"(b) Upon the expiration of the period of federal financial assistance which is provided to the Government of the Northern Mariana Islands pursuant to Section 3 of this Act, payments of direct grant assistance shall continue at the annual level provided for the last fiscal year of the additional period of seven fiscal years until Congress otherwise provides by law.

"SEC. 5. Should the Secretary of the Interior believe that the performance standards of the agreement identified in Section 3 of this Act are not being met, he shall notify the Government of the Northern Mariana Islands in writing with the intent to resolve such issue in a mutually agreeable and expeditious manner and notify the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. Should the issue not be resolved within thirty days after the notification is received by the Government of the Northern Mariana Islands, the Secretary of the Interior may request authority from Congress to withhold payment of an appropriate amount of the operations funds identified in the schedule of payments in paragraph 2 of part 2 of the Agreement of the Special Representatives for a period of less than one year but no funds shall be withheld except by Act of Congress.".

"SEC. 11. The final rule of June 18, 1986 amending part 697 of title 29 of the Code of Federal Regulations shall have no effect. The minimum rates of wages paid to the employees in American Samoa shall be those in effect July 1, 1986, until new rates are established by another industry committee acting pursuant to the Fair Labor Standards Act of 1938.

SEC. 12. (a) In awarding assistance grants, consolidated under the provisions of title V of the Act entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain acts related thereto, and for other purposes." (91 Stat. 1159, as amended), to the Trust Territory of the Pacific Islands, American Samoa, Guam, the Northern Mariana Islands or the Virgin

Islands, the Administrator of the Environmental Protection Agency may, in his discretion, adjust or otherwise modify maintenance or level of effort requirements.

(b) In awarding grants to the Trust Territory of the Pacific Islands, American Samoa, Guam, the Northern Mariana Islands and the Virgin Islands under section 201(g)(1) of the Clean Water Act (33 U.S.C. 1251 et seq.), the Administrator of the Environmental Protection Agency may waive limitations regarding grant eligibility for sewerage facilities and related appurtenances, insofar as such limitations relate to collector sewers, based upon a determination that applying such limitations could hinder the alleviatioin of threats to public health and water quality. In making such a determination, the Administrator shall take into consideration the public health and water quality benefits to be derived and the availability of alternate funding sources. The Administrator shall not award grants under this section for the operation and maintenance of sewerage facilities, for construction of facilities which are not an essential component of the sewerage facilities, or any other activities or facilities which are not concerned with the management of wastewater to alleviate threats to public health and water quality.

SEC. 13. (a) Section 29 of the Organic Act of Guam (64 Stat. 392) as amended, is further amended—

(1) by striking "at such places" and all thereafter in subsection (b) and inserting in lieu thereof "according to the laws of Guam."; and

(2) by adding the following new subsection at the end thereof:

"(c) The Government of Guam may by law establish an Office of Public Prosecutor and an Office of Public Auditor. The Public Prosecutor and Public Auditor may be removed as provided by the laws of Guam.".

SEC. 14. (a) Subsection (l) of section 212 of the Immigration and Nationality Act (8 U.S.C. 1182) is amended to read as follows:

"(l)(1) The requirement of paragraph (26)(B) of subsection (a) of this section may be waived by the Attorney General, the Secretary of State, and the Secretary of the Interior, acting jointly, in the case of an alien applying for admission as a nonimmigrant visitor for business or pleasure and solely for entry into and stay on Guam for a period not to exceed 15 days, if the Attorney General, the Secretary of State, and the Secretary of the Interior, after consultation with the Governor of Guam, jointly determine that—

"(A) an adequate arrival and departure control system has been developed on Guam, and

"(B) such a waiver does not represent a threat to the welfare, safety, or security of the United States or its territories and commonwealths.

"(2) An alien may not be provided a waiver under this subsection unless the alien has waived any right—

"(A) to review or appeal under this Act of an immigration officer's determination as to the admissibility of the alien at the port of entry into Guam, or

"(B) to contest, other than on the basis of an application for asylum, any action for deportation against the alien.

"(3) If adequate appropriated funds to carry out this subsection are not otherwise available, the Attorney General is authorized to accept from the Government of Guam such funds as may be tendered to cover all or any part of the cost of administration and enforcement of this subsection.

"(b) After consultation with the Secretary of State, the Secretary of Interior, and the Governor of Guam and within 90 days after the date of the enactment of this Act, the Attorney General shall issue regulations governing the admission, detention, and travel of nonimmigrant aliens pursuant to the visa waiver authorized by the amendment made by subsection (a).

"(c) Each year the Attorney General shall submit a report on the implementation of section 212(1) of the Immigration and Nationality Act to the Committees on the Judiciary and Interior and Insular Affairs of the House of Representatives and the Committees on the Judiciary and Energy and Natural Resources of the Senate.".

SEC. 15. (a) Section 308 of the Immigration and Nationality Act (8 U.S.C. 1408) is amended by adding at the end the following new paragraph:

"(4) A person born outside the United States and its outlying possessions of parents one of whom is an alien, and the other a national, but not a citizen, of the United States who, prior to the birth of such person, was physically present in the United States or its outlying possessions for a period or periods totaling not less than 7 years in any continuous period of 10 years—

"(A) during which the national parent was not outside the United States or its outlying possessions for a continuous period of more than one year, and

"(B) at least five years of which were after attaining the age of fourteen years.

The proviso of section 301(g) shall apply to the national parent under this paragraph in the same manner as it applies to the citizen parent under that section.".

(b) The amendment made by subsection (a) shall apply to persons born before, on, or after the date of the enactment of this Act. In the case of a person born before the date of the enactment of this Act—

(1) the status of a national of the United States shall not be considered to be conferred upon the person until the date the person establishes to the satisfaction of the Secretary of State that the person meets the requirements of section 308(4) of the Immigration and Nationally Act, and

(2) the person shall not be eligible to vote in any general election in American Samoa earlier than January 1, 1987.

SEC. 16. (a) Section 341 of the Immigration and Nationality Act (8 U.S.C. 1452) is amended—

(1) in the heading, by inserting "OR U.S. NONCITIZEN NATIONAL STATUS" after "CITIZENSHIP",

(2) by inserting "(a)" after "SEC. 341.", and

(3) by adding at the end the following new subsection:

"(b) A person who claims to be a national, but not a citizen, of the United States may apply to the Secretary of State for a certificate of non-citizen national status. Upon—

"(1) proof to the satisfaction of the Secretary of State that the applicant is a national, but not a citizen, of the United States, and

"(2) in the case of such a person born outside of the United States or its outlying possessions, taking and subscribing, before an immigration officer within the United States or its outlying possessions, to the oath of allegiance required by this Act of a petitioner for naturalization,

the individual shall be furnished by the Secretary of State with a certificate of non-citizen national status, but only if the individual is at the time within the United States or its outlying posessions.".

(b) The item in the table of contents of such Act relating to section 341 is amended to read as follows:

"Sec. 341. Certificates of citizenship or U.S. non-citizen national status; procedure.".

(c) The Secretary of State may not impose a fee exceeding $35 for the processing of an application for a certificate of non-citizen national status under section 341(b) of the Immigration and Nationality Act filed before the end of fiscal year 1987.

SEC. 17. The Act of June 12, 1906 (34 Stat. 259, 43 U.S.C. 391) is amended by inserting a comma after "State of Texas" and adding "American Samoa, Guam, the Northern Mariana Islands and the Virgin Islands."

SEC. 18. (a) Section 9(a) of the Organic Act of Guam (64 Stat. 387) is amended by adding the following new sentence at the end thereof:

"The Government of Guam may by law establish a Civil Service Commission to administer the merit system. Members of the commission may be removed as provided by the laws of Guam.".

SEC. 19. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

(b) Pursuant to the terms of the Organic Act of Guam (64 Stat. 384), as amended; the Joint Resolution to Approve the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (90 Stat. 263), as amended; the Puerto Rican Federal Relations Act (64 Stat. 319), as amended and supplemented; and the Revised Organic Act of the Virgin Islands (86 Stat. 497), as amended and supplemented and an Act to authorize appropriations for certain insular areas of the United States, and for other purposes (92 Stat. 487), as amended; there shall be paid into the treasuries of Guam, the Northern Mariana Islands, Puerto Rico, and the Virgin Islands respectively the full amounts which are to be covered into the treasuries of said islands or paid pursuant to said laws as amended and supplemented and such amounts shall not be reduced, notwithstanding Public Law 99-177, Public Law 99-366, or any other provision of law.

SEC. 20. (a) Section 105(b)(2) of Public Law 99-239 is amended to read as follows:

"(2)(A) Except for programs or services provided by or through other federal agencies or officials to the Federated States of Micronesia or the Republic of the Marshall Islands, or for which residents thereof are eligible pursuant to the Compact or any other provision of this joint resolution, appropriations made pursuant to the Compact or any other provision of this joint resolution may be made only to the Secretary of the Interior. The Secretary of the Interior shall coordinate and monitor any programs or activities, including such activities for which funding is made directly to such other agencies, provided to the Federated States of Micronesia or the Republic of the Marshall Islands by agencies of the Government of the United States and related economic development planning pursuant to the Compact or pursuant to any other authorization except for the provisions of sections 161(e), 313, and 351 of the Compact and the authorization of the President to agree to an effective date pursuant to this resolution. Funds appropriated to the Secretary of the Interior pursuant to this paragraph shall not be allocated to other Departments or agencies, except that the Secretary of the Interior shall be able to reim-

burse Departments or agencies for purposes authorized by this joint resolution.

"(B) The programs and services specified in section 105(h)(1), sections 105(i)(1) and (2), section 111(a), the services of the National Health Service Corps pursuant to section 105(k), and the technical assistance and national Historic Preservation Act grants pursuant to section 105(*l*), P.L. 99-239 shall be provided on a nonreimbursable basis.

SEC. 21. (a) Section 373 of title 28, United States Code, is amended to read as follows:

"§ 373. Judges in territories and possessions

"(a) Any judge of the District Court of Guam, the District Court of the Northern Mariana Islands, or the District Court of the Virgin Islands who retires form office after attaining the age and meeting the service requirements whether continuous or otherwise, of subsection (b) shall, during the remainder of his lifetime, receive an annuity equal to the salary he is receiving at the time he retires.

"(b) The age and service requirements for retirement under subsection (a) of this section are as follows:

"Attained age:	Years of service:
65	15
66	14
67	13
68	12
69	11
70	10

"(c)(1) Any judge or former judge who is receiving an annuity pursuant to this section may elect to become a senior judge of the court upon which he served before retiring.

"(2) The chief judge of a judicial circuit may recall any such senior judge, with the judge's consent, to perform, for the court from which he retired, such judicial duties for such periods of time as the chief judge may specify.

"(3) Any act or failure to act by a senior judge performing judicial duties pursuant to recall under paragraph (2) of this subsection shall have the same force and effect as if it were an act or failure to act of a judge on active duty; but such senior judge shall not be counted as a judge of the court on which he is serving as a recalled annuitant for purposes of the number of judgeships authorized for that court.

"(4) Any senior judge performing judicial duties pursuant to recall under paragraph (2) of this subsection shall be paid, while performing such duties, the same compensation (in lieu of the annuity payable under subsection (a) of this section) and the same allowances for travel and other expenses as a judge on active duty with the court being served.

"(5) Any senior judge performing judicial duties pursuant to recall under paragraph (2) of this subsection shall at all times be governed by the code of judicial conduct for United States judges approved by the Judicial Conference of the United States.

"(d) Any judge who elects to become a senior judge under subsection (c) of this section and who thereafter—

"(1) accepts civil office or employment under the Government of the United States (other than the performance of judicial duties pursuant to recall under subsection (c) of this section);

"(2) engages in the practice of law; or

"(3) materially violates the code of judicial conduct for United States judges,

shall cease to be a senior judge and to be eligible for recall pursuant to subsection (c) of this section.

"(e) Any judge of the District Court of Guam, the District Court of the Northern Mariana Islands, or the District Court of the Virgin Islands who is removed by the President of the United States upon the sole ground of mental or physical disability, or who is not reappointed (as judge of such court), shall be entitled, upon attaining the age of 65 years or upon relinquishing office if he is then beyond the age of 65 years, (1) if his judicial service, continuous or otherwise, aggregates 15 years or more, to receive during the remainder of his life an annuity equal to the salary he received when he left office, or (2) if his judicial service, continuous or otherwise, aggregated less than 15 years but not less than ten years, to receive during the remainder of his life an annuity equal to that proportion of such salary which the aggregate number of his years of his judicial service bears to 15.

"(f) Service at any time as a judge of the courts referred to in subsection (a) or of any other court of the United States, as defined by section 451 of this title, shall be included in the computation of aggregate years of judicial service for purposes of this section.

"(g) Any retired judge who is entitled to receive an annuity under subsection (a) shall be entitled to a cost of living adjustment in the amount payable to him computed as specified in section 8340(b) of title 5, except that in no case may the annuity payable to such retired judge, as increased under this subsection, exceed 95 percent of the salary of a United States district judge in regular active service.".

(b)(1) Subsection (a)(1)(B) of section 376 of title 28, United States Code, is amended to read as follows:

"(B) a judge of the District Court of Guam, the District Court of the Northern Mariana Islands, or the District Court of the Virgin Islands;".

(2) Subsection (a)(2)(B) of Section 376 of title 28, United States Code, is amended to read as follows:

"(B) in the case of a judge of the District Court of Guam, the District Court of the Northern Mariana Islands, or the District Court of the Virgin Islands, (i) an annuity paid under subsection (a) of section 373 of this title or (ii) compensation paid under paragraph (4) of subsection (c) of section 373 of this title;".

(c) The amendments made by this section shall not affect the amount payable to a judge who retired in accordance with the provisions of section 373 of title 28, United States Code, in effect on the day before the date of enactment of this Act.

SEC. 21. (a) The first proviso of Section 2(a)(2) of Public Law 94-204 (89 Stat. 1146) as amended by Section 1411(a) of Public Law 96-487 (94 Stat. 2498) is amended to read as follows:

"Provided, the interest on proceeds received prior to January 2, 1976, shall be calculated and paid at the rate of the earnings on Individual Indian Moneys in the custody of the Secretary of the Interior pursuant to Sections 463 and 465 of the Revised Statutes (25 U.S.C. 2 and 9) and invested by him pursuant to the Act of June 24, 1938 (25 U.S.C. 162a) from the date of receipt to January 2, 1976. Effective January 2, 1976, the interest so calculated shall be added to the principal amount of such proceeds. The interest on this total amount and on proceeds received on or after January 2, 1976, shall be calculated and paid as though such proceeds and previously calculated interest had been deposited in the escrow account from January 2, 1976, or the date of receipt, whichever occurs later, to the date of payment to the affected Corporation."

(b) Section 2(e) of Public Law 94-204 (89 Stat. 1146) as added by Section 1411(b) of Public Law 96-487 (94 Stat. 2498) is amended to read as follows:

"The Secretary shall calculate the amounts payable pursuant to this section and notify the affected Corporation of the results of his calculations. The affected Corporation shall have 30 days in which to appeal the Secretary's calculations after which the Secretary shall promptly make a final determination of the amounts payable. The Secretary shall certify such final determinations to the Secretary of the Treasury and each determination shall constitute a final judgment, award, or compromise settlement under Section 1304 of Title 31 of the United States Code. The Secretary of the Treasury is authorized and directed to pay the such amounts to the appropriate Corporation out of funds in the Treasury: *Provided,* That if the lands from which the proceeds and interest entitlement are derived have not been conveyed to the selecting Native Corporation at the time the Secretary makes his final determination, the Secretary of the Treasury is authorized and directed to pay such amount into the escrow account where it will earn interest and be disbursed in the same manner as other proceeds and interest."

Mr. UDALL (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments and the House amendments to the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. NATCHER). Is there objection to the request of the gentleman from Arizona?

Mr. LAGOMARSINO. Mr. Speaker, reserving the right to object, the original bill passed the House with the support of the minority and after having been cleared with the administration. Will the gentleman explain the Senate and proposed House amendments and explain whether what he proposes is also as agreed?

Mr. UDALL. If the gentleman will yield, yes, it is. It has long been the practice to incorporate miscellaneous essentially matters concerning the territories and commonwealths into an annual omnibus bill. These bills have been developed on a bipartisan consensus basis.

In keeping with this tradition, this legislation is the product of close cooperation with the minority and the Senate. It also has been developed in careful consultation with appropriate administration agencies, other concerned committees, and, of course, insular areas officials.

The primary purposes of this legislation are to grant insular areas powers that are consistent with self-government and meet basic commitments contained in the laws establishing Federal-insular relationships as well provide for the participation of insular areas in programs and adjust requirements to unique insular circumstances.

When the bill, H.R. 2478, was orignally passed by the House last year, it

was intended to be the omnibus insular areas act of 1985 and expected that another bill would be considered this year. Prolonged consideration by the Senate, however, developed the measure into omnibus legislation for both sessions of the 99th Congress.

The other body both amended provisions included in the House-passed bill and added new provisions, all of which I will outline in greater detail shortly. For the most part, these changes are supportable. In some cases, however, they are of concern to members of both parties of the Committee on Interior and Insular Affairs, members of other committees of the House, and the administration.

The amendments to the Senate amendments which we propose add new provisions as well as amend provisions amended by the other body, all of which I will also outline in greater detail. We have worked with other Members and committees, administration officials and Senate sponsors to respond to the concerns which have been raised.

Thus, we expect that these amendments will meet with approval on the other side of the Capitol. We also expect Presidential approval since the original bill passed the House with administration clearance and since our amendments also reflect our sincere efforts to accommodate administration concerns.

This legislation, our best and basic effort to balance insular needs and national interests in this Congress, is made possible by the leadership of the gentleman from California, BOB LAGOMARSINO, who serves as the Minority spokesman on insular areas matters on the Committee on Interior and Insular Affairs. Equal responsibility for this bill is shared with its original sponsor and the senior insular representative, RON DE LUGO of the Virgin Islands, and the other insular representatives: FOFO SUNIA of American Samoa, JAIME FUSTER of Puerto Rico, and BEN BLAZ of Guam. The elected representative of the Northern Mariana Islands, who does not sit in the House, Froilan Tenorio, also contributed to our work on this bill.

Finally, the dedication of Senators JAMES MCCLURE, J. BENNETT JOHNSTON, JR., and LOWELL WEICKER, JR.; the efforts of the ranking Republican and Democrat of the Committee on Interior and Insular Affairs, DON YOUNG and JOHN SEIBERLING; and the cooperation of other Members of the House must also be recognized as making this legislation possible.

Senate amendment No. 1 amends section 2 of the bill as passed by the House. It would place a $4 million cap on the existing unexpended appropriations for economic development in the Northern Mariana Islands which the House provision would authorize to be expended for capital development projects which facilitate economic growth.

Through hindsight, we now know that the financial assistance required during the first phase of the Federal relationship with the commonwealth included less than enough for public sector development and more than needed for private sector development to meet the goal of raising the standard of living in these islands. More basic infrastructure than has been put in place is essential if much more business activity is to occur.

Commonwealth officials are in a better position to determine exactly what expenditures are needed for public and private sector projects than are Federal officials. Thus, the Senate limitation on the authority to shift appropriations from economic to capital development projects is unnecessary.

Still, the $4 million amount of the limitations is generous. So, the Senate amendment is not objectionable.

Senate amendment No. 2 amends section 4 of the bill as passed by the House. It would make the effective date of the authorization of appropriations for projects related to the Eastern Caribbean Center at the College of the Virgin Islands the beginning of fiscal year 1987 rather than fiscal year 1986. It also would increase the authorization from $1.2 million to $1.5 million for the Center proposed by the President in his Caribbean Basin Initiative. Finally, it would not limit appropriations for this purpose to any agency while the House bill specified the Department of The Interior.

Our first amendment amends Senate amendment No. 2 to return the amount authorized to $1.2 million. The increase in the amount of the authorization is justified because of the projects which are now planned but the administration, which supported the $1.2 million figure when the bill originally passed the House, has opposed it. The delay in the effective date of the authorization is retained because of the prolonged consideration of this legislation. Additionally, although we still intend that grants be provided through the Department of the Interior, the general authorization is accepted because certain spending might more properly be provided through agencies which have broader foreign assistance responsibilities.

Senate amendment No. 3 was intended to make a technical amendment necessary to accomplish the purposes of section 8 of the House bill. In fact, it would not do that. Thus, we would disagree with it.

The first part of Senate amendment No. 4 would add a new section 9 to grant the Northern Marianas College eligibility for most land grant college programs. Unfortunately, it would not, however, extend all of the assistance granted other insular land grant institutions.

The most important assistance which would not be provided is the $3-million endowment which has been provided colleges in American Samoa, the Trust Territory of the Pacific Islands, Guam, and the Virgin Islands. Acceptance of the Senate amendment does not mean that we agree with those who believe that the Northern Marianas College is too small to receive this assistance.

An endowment for the Northern Marianas College and any other discrepancies between the assistance granted various insular land grant institutions should be considered in future legislation. The first part of our second amendment accepts the Senate provision with a technical amendment.

The second part of Senate amendment No. 4 would add a new section 10 to amend the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America to provide assistance that the covenant contemplated. It would require the granting of $228 million from fiscal years 1986 through 1992 for local government operations, capital development, startup costs of the islands' federally funded health center, and planning for its pension system.

The assistance would be provided and expended according to the terms of an agreement between representatives of the President and the Governor. Their recommendations to Congress were made pursuant to the covenant, which was approved by law.

We have no objection to the amount of assistance which would be provided even though it could be less than what would be provided if the current authorization were to continue, depending on inflation. The recommendations are fair in this respect.

We do have objections, however, to the adminstration's proposal to amend our covenant with these Western Pacific islands to provide this assistance. We also object to some of the proposed terms of this assistance.

These objections do not indicate a lack of appreciation for the fine work done by the Federal and commonwealth representatives who developed the recommendations. In most respects, we concur in their recommendations. They have done a real and, I hope, lasting service.

Unfortunately, they developed their recommendations with only perfunctory consultation with the Congress. Because of this, certain flaws were incorporated into their proposals which we cannot approve.

The congressional role in the development of the recommendations, it is important to note, contrasted sharply with the procedure used in developing the covenant which required the recommendations in the first place. In the case of the covenant, concerned

members of the Committee on Interior and Insular Affairs were central, although unofficial, participants in development of the agreement, properly advising both Federal and insular negotiators.

The most troublesome of the administration's proposals would grant the Secretary of the Interior new deferral authority to withhold grants to assist the commonwealth in meeting local governmental responsibilities. The $100.5 million could be withheld if the secretary believed that provisions of or understandings related to the recommendations were not being met.

This House has clearly rejected the deferral concept and the administration has just as clearly clung to it. The assistance which we must provide the commonwealth, however, need not and should not be complicated by the debate on the deferral issue. New authority should not be delegated to the executive branch in this regard nor does existing authority need to be curbed.

Those who drafted the recommendations understandably wanted assurance that the assistance would only be used in accordance with its purposes. They recognized a potential conflict between guaranteeing the assistance and requiring that it only be expended according to certain terms.

Limiting the lawful expenditure of appropriations to specified terms is proper and essential. The problem is created by the precise means proposed for enforcing the limitations.

Among other deficiencies, the proposed method would contradict the guaranteed nature of this assistance. Subjecting the assistance we provide by law on a full faith and credit basis to withholding without approval in law would make a mockery of the commitment.

Permitting the withholding to be done at the discretion of the Secretary of the Interior would assign the Secretary broad powers not conferred upon him by the covenant. While we have a great deal of respect for and confidence in the current managers of the department's Office of Territorial and International Affairs, we cannot make a self-governing commonwealth captive to the judgments of any persons who may hold their offices.

Many of the recommended requirements on the use of the funds are advisable and should be implemented as agreed by the representatives of the President and the Governor. Some of the recommended requirements, however, are not advisable.

Among these are so-called performance standards and understandings which are not concrete or are already disputed. For example, a requirement that the commonwealth flatly reduce the overall size its government is not realistic and not appropriate for Federal officials to enforce in any case.

The requirement to implement a plan to transfer governmental functions to private businesses to the extent feasible too vague. It could contradict congressional intent in the case of facilities paid for by Federal assistance; have federally financed assets transferred to private interests on an unfair basis; or result in essential services not being adequately provided.

Although privatization could result in more efficient local government, it involves decisions that the elected representatives of both the peoples of the Northern Mariana Islands and the United States should make.

Other requirements to end subsidies for the Commonwealth's power system and not alter the nature of the local agency which expends capital development funds also subject possibly be worthwhile goals to possibly unwise decisions. Approval of assistance we must provide the Commonwealth should not be used to obtain authority to implement policies which require legislative guidance.

The generality of the recommendations would grant Interior Department officials broad discretion to control actions of local elected officials. It would also make it inappropriate to have all of the assistance provided for basic public services deferred because essential services could be interrupted due to minor disputes.

The recommended delegation of authority to amend almost any provision of what was requested to be an agreement approved by law must also be opposed. Substantial provisions of agreements that Congress and the President approve should remain in effect until they are amended with approval by law.

Such a delegation could allow the will of the Congress to be subverted immediately after it is expressed. Combined with the potentially overwhelming power that the recommendations would grant, it could subvert the will of both the elected representatives of the United States and the Northern Mariana Islands.

Another provision of the recommendations which would confer on the Interior Department new authority over commonwealth would require that it approve the planned use of the $126 million for public infrastructure and private business development. If Federal approval of the projects were to be required, such approval should be granted by law.

While it is appropriate for Federal officials to review commonwealth capital development plans to ensure that the use of appropriations complies with pertinent laws, this does not vest power to make discretionary policy judgments as to which projects should be undertaken. Proposed use of the capital development assistance should be set forth in a locally determined plan, as required by the agreement, which can be updated during the annual budget process. If proposed use of the funds is objectionable, the Secretary could propose withholding of assistance to Congress and the President.

A further concern with the recommendations is that they would have Federal law indirectly require that current commonwealth law regarding the use of capital development funds and public utilities not be amended in important respects. There is nothing wrong with making the assistance contingent upon adherence to the relevant principles behind the commonwealth laws involved. The effective limitation on the local legislative authority of the commonwealth could be broader than that, however.

Another problem with the recommendations is that some matters which should have been considered as they were developed were not.

One is that the assistance should be adequate, when combined with local revenues, to prevent the commonwealth from incurring debt to finance local government services.

A related matter is that commonwealth income taxes ought to be consistent with the requirements of the covenant and other applicable Federal law imposing a tax burden on residents of the commonwealth that is equitable in comparison to that of most Americans. This is especially relevant because Federal taxpayers are subsidizing the costs of local government that Commonwealth taxpayers cannot meet themselves.

A third matter also deals with the responsibility of the commonwealth to the rest of the American political family. Americans, including those of the commonwealth or other insular areas, should be employed to the greatest extent reasonable in the use of this Federal assistance.

A significant problem with the recommendations is that they call for amendment of the covenant. Setting aside the question of whether the covenant itself can technically be amended by us since it is not a public law, amendments to the relationship established by the covenant should only be made when imperative.

In this case, amending the covenant is not essential. The amendments that were proposed are unnecessary or broader in scope than is necessary. The recommended assistance can equally effectively be provided by amending the law approving the covenant.

It is necessary, however, to make the provision of the covenant adjusting annual Federal assistance for inflation ineffective during this second phase of assistance, however.

It is also necessary to ensure that these funds are not sequesterable under unrelated measures concerning

the Federal budget if this assistance is to be provided on a guaranteed basis, as was recommended. If we do not exempt it from Gramm-Rudman cuts, there is no guarantee that the recommended assistance will actually be provided without unnecessary judicial action.

The second part of our second amendment would, therefore, amend the second part of the Senate amendment No. 4 to substitute for section 10. The substitute would amend the law approving the covenant to add three new sections to provide the $228 million requested by the administration.

The first of these sections would provide the assistance in the same amounts as recommended. It clarifies that any regulations which maybe applicable under law to grants of this nature do indeed apply. It neither adds to nor detracts from applicability under other laws.

Such regulations are meant to include those which are necessary for reasons of administrative procedure and to ensure the proper expenditure of funds. They could only be those which are consistent with the covenant relationship and the guaranteed nature of this assistance so that they cannot be used as a means of withholding funds for reasons related to disputes under requirements of an agreement not approved by law.

The second new section would exempt the recommended assistance from the covenant provision adjusting amounts of assistance for inflation. It would also provide that assistance for years beyond fiscal year 1992 will be at the rate of that last year of this second phase of assistance until Congress determines otherwise.

The third section is consistent with the Senate's intent on authority to withhold guaranteed assistance. It enables the administration to propose temporary withholding if it believes assistance has not properly been spent as agreed with the commonwealth with withholding possible if authorized by Congress.

We expect that the necessary authorization law could be promptly considered if need be. Because such a decision could be tantamount to actually authorizing assistance in the first place, it should be made through an authorization bill.

Consideration of an administration proposal in this regard would permit Congress to specifically consider the applicable requirement of the agreement contained in the recommendations. After hearing both sides of the dispute, a determination whether the recommended requirement should be enforced could be made by law. This should occur after Congress considers the reasons for the proposed withholding, the reasons that the Commonwealth has not complied with the proposed requirements, and the legislative history we are creating regarding the requirements.

The second amendment would not approve the agreement but the agreement would remain an agreement between representatives of the Federal and Commonwealth executives. We anticipate that it would be followed except in the case of provisions that I have indicated we cannot endorse.

For example, capital development funds should only be expended according to planned use. Although the Secretary of the Interior is not being empowered to approve the plan, if he objects to aspects and convinces Congress that his objections are well-founded, other assistance to the Commonwealth could be temporarily withheld.

The third part of Senate amendment number four would exempt aircraft flying between the Pacific territories or Commonwealth or the entities of the Trust Territory of the Pacific Islands and Honolulu, HI, or foreign nations from the noise standards applicable to aircraft flying in the United States.

I support the intent of the Senate sponsors of this provision to increase the amount and reliability of air service in the insular areas. Separated from one another and the rest of the Nation by many miles of water, the territories and Commonwealths have a unique and tremendous dependence on air transportation.

Because it is not exaggerating to say that adequate air service can be a lifeline in these distant insular borders of our Nation and because of our fundamental responsibility for them, there is a special Federal responsibility to ensure that they are connected to the rest of the nation and their regional neighbors by regular, reasonable, and reliable transportation. We have recognized this by making Guam eligible for essential air service in circumstances which would not quality other communities.

I also agree with the Senate sponsors that Federal noise standards which make a great deal of sense in the United States may not be appropriate in the case of insular areas. Flights between them are almost exclusively over water so little, if any, bothersome noise is actually heard. Further, since many insular airports are used by military aircraft which are not required to comply with noise standards, or are adjacent to military runways, any noise that is heard is already being created.

Enabling aircraft not in compliance with noise standards to fly in the unique situations I have identified would also not create precedents that would be applicable to flights in the United States.

Since noncomplying aircraft is a fraction of the cost of complying aircraft, using such aircraft in insular areas could make the difference between whether service is provided or not. Complying aircraft is not cost effective between the distant, small islands involved.

The representative of American Samoa, in particular, our colleague FOFO SUNIA, as well as the representative of Guam, our colleague BEN BLAZ, have spoken convincingly of the need for measures to help provide insular area service such as what was proposed.

There are problems with the means that the Senate has chosen to assist insular air service needs, however. A number of Members of this House, including the chairman of the Subcommittee on Aviation and Members of both parties on the Committee on Interior and Insular Affairs, oppose this part of the Senate amendment.

One problem deals with the question of equity for complying aircraft serving these routes. Another problem involves the inclusion of an airport in a State. A third problem is the exclusion of the Caribbean insular areas, which face similar circumstances.

The Senate acted on this provision after its sponsors and their staff were assured that potential problems with it had been overcome. Unfortunately, they were misinformed.

We have exerted a great deal of effort to reach a compromise on this matter that takes care of its problems. I regret, however, that all persons seeking this assistance were not as willing to compromise as were all of the Members concerned with the provision.

Thus, our second amendment would delete this part of Senate amendment No. 4. While we would delete it, however, we hope that other, more appropriate, means of ensuring adequate air transportation in all of the insular areas will be devised.

In the place of the Senate's proposed section 11 we have substituted a provision which would void a recent adjustment in the minimum wage rate in American Samoa determined by a Department of Labor committee. It would also continue the minimum wage rates which were in effect at the beginning of this month until adjusted by another Department of Labor committee, which must be composed of new members.

Because of American Samoa's relatively undeveloped economy and much lower standard of living, the Federal minimum wage does not apply in the territory. Instead, special minimum wage rates are established periodically by special committees designated by the Department of Labor.

A committee that met this year for this purpose failed to adequately comprehend the reasons that Congress had determined that a special minimum wage should apply in the terri-

tory. They set rates for various categories of employees beginning on July 7 that involve excessive increases of up to 90 percent.

These rate increases could cost the territorial government $7 million by fiscal year 1988, a cost the Federal Government might have to make up. There are also clear indications that it would also force the tuna canning industry, which directly and indirectly accounts for half of the private sector employment in the territory, to substantially shift its operations to foreign locations.

The new rates have already discouraged proposed investment from locating in the islands. They would make American Samoa more uncompetitive than it already is as a place of doing business.

Reasonable increases are warranted and we would favor increases as great as are reasonable. The proposed increases are not reasonable, however.

Legislative relief is needed because the Department of Labor takes the position that it lacks legal authority to grant administrative relief.

The substitute section 11 does not amend the Fair Labor Standards Act, nor does it modify the statutory system for periodic review and revision of minimum wages in American Samoa. It merely suspends the current wage order and continues the prior minimum wage in effect, pending the recommendations of a new industry committee convened in accordance with existing law. The order which would be voided was signed June 18 and was published in the Federal Register June 20 to take effect as early as July 9.

As this new committee considers what minimum wages are appropriate in American Samoa, they should consider the extent to which rates facilitate maximum employment; the extent to which they enable American Samoan businesses to be competitive within the region; and the potential impact on the insular and Federal budgets.

We fully recognize the general jurisidiction of the Committee on Education and Labor over measures relating to wages. We particularly appreciate the efforts to resolve this matter and the cooperation of the chairman of the Subcommittee on Labor Standards, who is also a member of the Committee on Interior and Insular Affairs, our colleague AUSTIN MURPHY. We also appreciate the statesmanship on this matter of Delegate SUNIA, who is concerned both about fair wages and maximum employment in the territory.

The fourth part of Senate amendment No. 4 would add a new section 12 which would authorize the Administrator of the Environmental Protection Agency to adjust maintenance or level of effort requirements and waive grant eligibility limitations for sewer collectors if these limitations would hamper clean water efforts in American Samoa, Guam, the Northern Mariana Islands, the Virgin Islands, and the Trust Territory of the Pacific Islands. It is similar to a provision of a bill that passed the House in 1984 but was not acted upon by the Senate due to opposition from the EPA.

The provision is essentially EPA's proposed, narrower revision of the original House-passed provision. It is incorporated in our second amendment with clerical changes.

The authority it would grant to adjust or waive grant requirements because of unique conditions which make standards that are appropriate in the case of the States inappropriate in the case of the insular areas is consistent with a number of laws. Often the exercise of such flexibility is essential for accomplishing the purposes of requirements themselves.

It is intended that the EPA will use the flexibility granted by this provision to waive requirements, including time limitations, to alleviate threats to the public health and water quality, and to encourage the development of water treatment facilities.

The provision would also allow Federal funds to be used for the construction of sewage collection systems to receive sewage from household connections and transport it to interceptors, provided that the required findings related to threats to public health are made. The Clean Water Act does not permit use of Federal funds for the installation of house connector lines to sewage collection systems.

The fifth part of Senate amendment No. 4 would add a new section 13 which would authorize Guam to establish offices of public prosecutor and public auditor. It would do this by amending the Organic Act of Guam.

This provision has been incorporated in our amendments with minor additions. One is needed to accomplish the Senate's intent that the office can be independent of ultimate control of the Governor. The other is to clarify that the offices must be established by law, so that both the Governor and legislature have a say in their exact nature.

Although this section is needed because of a provision of the Organic Act, it has been incorporated with some reluctance. The decision it has us make is one that could be made by the people of Guam if they exercise the authority granted by law to write their own constitution.

It is clear that they have not done this pending revisions of their relationship with the United States. Because they have also clearly indicated their desire to improve this relationship by becoming a commonwealth, however, it does not seem that a constitution enacted prior to commonwealth being established would have to be revised very much in any case.

This part of our amendments also makes clear that any change in the authority for operation of the school system also must be made by local law. In this respect, section 13 of the bill would clarify the Organic Act of Guam, as it would be amended by section 5 of the bill.

The sixth part of Senate amendment No. 4 would add a new section 14 which would correct an inconsistency in the Immigration and Nationality Act which allows alien crewmen on foreign vessels to enter Guam for shore leave while denying the same alien crewmen entry to Guam if they work on U.S.-registered vessels.

After the Senate added this provision to the bill, it passed the House as a separate measure. Because of this, the chairman of the Subcommittee on Immigration, Refugees, and International Law, our colleague, ROMANO MAZZOLI, has requested that we exclude this part of the Senate amendment from the bill.

In its place we have added a substitute for the seventh part of Senate No. 4 that also deals with an immigration matter pertaining to Guam. It was revised in cooperation with Chairman MAZZOLI and Delegate BLAZ.

The provision would revise a section of the 1984 omnibus insular areas act which authorizes the waiving of visa requirements for alien visitors to Guam of not more than 15 days. It is needed because the administration has avoided implementing the original provision.

The additions we have made to the Senate provision are principally intended to ensure that this delay does not continue. Regulations setting forth the details of the program would be required to be issued within 90 days after this legislation is enacted and annual reports on it would also be required.

The substitute also, however, excludes aspects of the Senate provision to which the administration has objected. These related to the assigning of Federal and local employees to the program.

At the same time, our second amendment retains a provision included by the Senate authorizing the use of funds which may be made available by Guam to cover program costs. While this is included to ensure that any lack of adequate Federal funding does not further delay implementation, it is not intended that the territory should bear the financial burden of this Federal responsibility.

The program authorized in 1984 was intended to be subject to the same limitation on eligible countries as a proposed pilot nationwide program. Our intent now, however, is that it not be subject to limitations which were in-

tended to govern the nationwide pilot program.

Guam's size and location provide sufficient safeguards for the welfare and security of the United States. They easily allow for preventing visa waiver recipients from traveling to Hawaii and other States. Any nonimmigrants who overstay the visa waiver period of 15 days can be quickly located and expelled. The waiver of remedies provision contained in this legislation also ensures that there will be little, if any, administrative costs attributable to appeals of entry denials.

In view of these factors, the visa waiver system should be literally applied to as many countries as possible, certainly including those which have visa denial rates through 16 percent for the preceding calendar year, such as South Korea and Taiwan. If problems develop, they can be dealt with on a country-by-country basis.

In addition to the obligations that this provison would impose on the Immigration and Naturalization Service, the program that it would establish necessarily impose responsibilities on the airlines who must cooperate with its controls, especially with regard to preclearance. The government of Guam will also need to cooperate to make this program a success.

The seventh part of our second amendment would add a new section 15 which would grant U.S. noncitizen national status to children born abroad of one U.S. noncitizen national parent who has been a long-term resident of the United States or the insular areas. It would also add a new section 16 to provide for the issuance of certificates of U.S. nationality to U.S. noncitizen nationals.

The intent of these provisions is to conform treatment of U.S. nationals to the treatment of U.S. citizens in these respects.

These provisions are included at the request of the very able Delegate from American Samoa, our colleague FOFO SUNIA, who led 154 Members in sponsoring the bill that they are based upon. A substitute for that bill, H.R. 3555, has been reported by the Subcommittee on Immigration, Refugees, and International Law after having been developed through collaboration with us. The language of this section is the language of the subcommittee bill.

The understanding of Chairman MAZZOLI in the development of this provision is greatly appreciated. The jurisdiction of the Committee on the Judiciary concerning immigration and naturalization matters is fully recognized.

Several hundred long-term residents of American Samoa would be granted U.S. nationality by this section. They are presently American Samoan in every respect other than U.S. nationality.

These individuals are the offspring of American Samoans and non-American Samoans born outside of the territory because of temporary residence abroad of their parents, a circumstance that was common in the nearby islands of the region. Most have lived most of their lives in the territory and many have legal rights to communal property and Matai titles there.

This provision would enable these residents of American Samoa to take their place with other members of their community. It would enable them to vote in the territory after this year and obtain a U.S. passport.

Many of the individuals who would qualify for U.S. nationality under this provision are older and desirable records may not exist to substantiate the residency of their parents. In these cases, officials of the Department of State should rely on whatever information can be provided and use liberal discretion as they do to qualify every individual who can reasonably be presumed to be eligible.

For example, the parents of some individuals may have been born a century ago, well before the Samoan islands ceded themselves to the United States. It will be difficult for these individuals to establish both that his or her noncitizen national parent was born in the islands now comprising American Samoa and that this parent lived for 10 years in American Samoa. Anyone would have a hard time providing documentation that an ancestor had lived in a certain place 70 or 80 years ago for a continuous period of 10 years. This is especially true in an area that was unaccustomed to detailed records of civil administration in the first decades of this century.

The eighth part of the second amendment would authorize Bureau of Reclamation assistance in American Samoa, Guam, the Northern Mariana Islands, and the Virgin Islands. It would add a new section 17 to amend the law authorizing expenditures to add these insular areas to the list of applicable States.

All of the insular areas have critical water resources infrastructure needs. Some are so great as to imperil public health and impede economic development.

These islands are also almost totally dependent upon imported oil for energy production although they have significant indigenous renewable resources. It is intended that the authority granted by this section will enable and stimulate the Bureau of Reclamation to dedicate significant resources to the full range of insular needs which it has the capability to help meet.

The ninth part of the second amendment would authorize Guam to establish an independent civil service commission to administer the merit system that the legislature is required to establish. The new section 18 is included at the request of Guam's tireless representative, Delegate BLAZ, because of the question which has been raised about the territory's ability to create independent agencies.

The 10th part of the second amendment adds a new section 19 with two provisions. The first would authorize whatever appropriations may be needed to implement the requirements of this legislation. Although it is an open-ended authorization, only minimal amounts, if any, should actually be necessary.

This section would also require the payment of the full amounts required to be paid to Guam, the Northern Mariana Islands, Puerto Rico, and the Virgin Islands under the laws establishing their basic relationships with the United States, as these laws have been directly amended or supplemented. It would supercede provisions of other laws which would temporarily withhold a portion of these payments.

This provision is needed because of a technical deficiency in the Balanced Budget and Emergency Deficit Control Act of 1985. It failed to exempt these payments from sequestration even though the full amounts of almost all the payments would eventually be paid to the insular governments.

Tax collections for Puerto Rico are required by law to be placed into a trust fund, the unobligated balances of which can only and would still be released to the commonwealth. There are discrepancies between advance estimated payments of tax collections for Guam and the Virgin Islands and actual collections during any year are required to be reconciled the following fiscal year. Payment of the assistance that has been committed to the Northern Mariana Islands on a full faith and credit basis is presumably enforceable in court.

The Director of the Office of Management and Budget agrees that the sequesterability of Federal collections for the insular areas is a technical problem with the so-called Gramm-Rudman law. He notes that the funds which are being withheld "appear in the Federal budget as an incidental matter for convenience of administration rather than as a means of resource allocation" and recognizes that similar funds were exempted from sequestration.

The chairman of the Committee on the Budget has also recognized that these funds should not be subject to sequestration. The cooperation of our great colleague from Pennsylvania, BILL GRAY, in correcting this error is greatly appreciated. The representatives of the Virgin Islands, RON DE LUGO; Puerto Rico, JAIME FUSTER; and Guam, BEN BLAZ have all worked effectively to develop this provision.

In the cases of Guam, Puerto Rico and the Virgin Islands, the payments involved are Federal tax, duty, or fee collections originating in these islands. Federal insular policy has always required that revenue derived from people who have no vote in the decisions of how to spend it only be spent for their benefit. For Puerto Rico, the payments included both taxes transferred pursuant to section 9 of the Puerto Rican Federal Relations Act and custom duties transferred pursuant to section 5F of the Puerto Rican Federal Relations Act which continued provisions of the First Organic Act of Puerto Rico.

In the case of the Northern Mariana Islands, the payments are guaranteed grants. Their purpose is to raise the standard of living of the people of the islands so that they can effectively join the American community and support the costs of local government.

These payments are provided as fundamental fiscal element of the political relationships between the insular areas and the United States. Any failure to provide them could contradict not only the specific requirements involved but also call the overall relationships into question both within the islands and internationally. The potential problems are particularly serious because some of the relationships were established on a mutual agreement basis.

It should also be recognized that the 3.5 million Americans of the territories and commonwealths are among the neediest Americans. The per capita incomes of the insular areas are a fraction those of the rest of the Nation and their unemployment rates range to many times higher. Still, in most cases they do not receive the assistance exempted from deficit reduction cuts to provide a safety net for the needy.

Further, all of the insular areas already face serious budgetary problems of their own. Sequestering these funds would not alleviate the Federal deficit since the full amounts would eventually be paid; it would only exacerbate insular deficit problems.

The 11th part of our second amendment would add a new section 20 which would amend a provision of the law which approved the Compact of Free Association with the Federated States of Micronesia and the Marshall Islands. It would clarify how appropriations are to be made for programs and services required by that law. This section would also clarify that programs and services provided pursuant to that law are provided on a nonreimbursement basis.

This provision is included at the request of our dedicated colleague, JOHN SEIBERLING, who chairs the subcommittee with jurisdiction over matters concerning these governments of the Trust Territory of the Pacific Islands.

The 12th part of our second amendment would add a new section 21 which would provide judges of the U.S. District Courts of Guam, the Northern Mariana Islands and the Virgin Islands who take senior status when their terms expire with benefits equitable with those provided judges of other U.S. district courts. It would provide that they continue to receive the salary payable to Federal district judges rather than that salary only when recalled to service and an annuity at the rate of their salary when they retired at other times.

These provisions are a necessary supplement to provisions included in the 1984 Omnibus Insular Areas Act. That law expanded the jurisdiction of the Federal district courts in Guam, the Northern Mariana Islands, and the Virgin Islands and provided that the judges could take senior status in much the same manner as judges of other Federal district courts.

The need for these provisions is also suggested by another law enacted in 1984 which expanded the age and service criteria for retirement by life tenure judges. This section conforms the criteria relating to the term judges of the courts in the three insular areas to the criteria applicable to other district court judges.

Although judges of the Federal district courts in Guam, the Northern Mariana Islands, and the Virgin Islands do not have life tenure, the only meaningful distinctions between their positions and those of other Federal district judges is that they must elect senior status when their terms expire and that the jurisdiction of their courts may actually be greater because it includes local as well as Federal jurisdiction.

When the 1984 provisions expanding the jurisdiction of Federal courts in these insular areas and the positions of these judges were being considered, members of the Committee on Interior and Insular Affairs favored life tenure for these judges, as is provided for judges of the Federal district court in Puerto Rico. Administration concerns prompted a compromise with the Senate that increased the former 8-year term to the 10-year minimum needed for retirement.

Providing that these judges could elect to become senior judges at the end of their term provided possible life-time responsibility, however. Still, the 1984 law only provided that these judges receive the salary payable to Federal district judges, which other senior district judges continue to receive for life, when actually serving.

When not serving, they receive the compensation payable to Federal judges in the insular areas who fully retire. This, although it can be adjusted to meet changes in the cost of living, cannot be greater than 95 percent of the salary payable Federal district court judges.

It is this inequity in the treatment of Federal district judges who retire but elect senior status which these provisions would rectify. Doing so should provide no precedent for the treatment of other Federal judges who are appointed for terms of office. This is because, as I indicated, the position of the judges of the Federal district courts in these insular areas is more similar to that of the life tenure judges of other Federal district courts than it is to the position of other judges with term appointments.

At present, there are four judges who could be affected by these provisions when they retire.

The other aspects of these provisions essentially restate, clarify, and conform present law.

This section is included at the request of our colleague from the Virgin Islands, RON DE LUGO, whose efforts have made it possible. Details on it have been worked out with the chairman of the Subcommittee on Courts, Civil Liberties, and the Administration of Justice, our colleague, BOB KASTENMEIER, whose understanding of the need it addresses is very much appreciated.

Judge Henry Feuerzeig of the Territorial Court of the Virgin Islands, who made substantial contributions to the reforms in the Federal-insular judicial relationship enacted in 1984, was a driving force behind these provisions. The contributions of Bill Weller of the administrative office of the U.S. courts also played a key role in developing this section.

This change in the treatment of senior judges in Guam, the Northern Mariana Islands, and the Virgin Islands has support in the judicial branch. Among others, the chairman of the territories subcommittee of the judicial conference, Judge Anthony Kennedy of the Ninth Circuit Court of Appeals, and Senior Judge Albert Maris of the Third Circuit Court of Appeals, who has long contributed his wisdom to matters regarding courts in the territories, were consulted.

The 13th part of our second amendment would add a new section 22. It does not concern the territories or Commonwealths but is added at the request of the ranking Republican of the Committee on Interior and Insular Affairs, our colleague, DON YOUNG, who has provided the following explanation:

This legislation amends section 2 of Public Law 94-204 to provide for expeditious payment of interest to Alaska Native Corporations. Section 2 was enacted in 1976 and was amended by section 1411 of the Alaska National Interest Lands Conservation Act in 1980.

Section 2 established an escrow account to collect and preserve for the

ultimate native landowners the proceeds that the Federal Government was receiving on lands selected by native corporations. In 1980 amendments, Congress pledged to pay interest on these proceeds, whether escrowed or not. This legislation would complete this long-delayed pledge.

The legislation directs the Department of the Interior to calculate the interest amounts owed and directs the Treasury Department to pay this amount to the affected native corporation using 31 U.S.C. 1304 funds. These amounts may be calculated and paid on a corporation-by-corporation basis, or by such other methods as will expedite payment.

The fiscal year 1986 Interior and Related Agencies Appropriation Act (Public Law 99-450) appropriated the principal amount of the proceeds identified by the Secretary of the Interior, but did not appropriate funds for interest due to unresolved issues as to how the interest would be calculated. The conference report (H.R. Rept. No. 99-450) on the Appropriation Act required the Secretary to report to Congress on resolving the interest issue. The conference report directed that compound interest—"periodic addition of accured interest to principal"—under prevailing Bureau of Indian Affairs interest rates, be paid to "make the native corporations whole." The Secretary's report, dated July 18, 1986, ignores this directive and would award only simple interest for pre-1976 proceeds. That is not what Congress intended and this amendment would correct any latent ambiguity.

Consistent with the objective of making the native corporations whole, this legislation directs the payment of compound interest on all the proceeds. For time periods prior to January 2, 1976—the date of enactment of Public Law 94-204—the interest rate shall be the rate of compounded earnings on invested funds of the individual Indian moneys account of the Secretary of the Interior. For time periods on or after January 2, 1976, the interest rate shall be the monthly rates of return actually earned on the Alaska Native escrow account, with monthly compounding.

This legislation fairly resolves the ambiguities in the section 2 interest methodology. Portions of section 2 suggest a fixed interest rate at the time of payment—which could mean either the time of payment receipt by the Government or the time of payment to the Natives—while other portions suggest a floating interest rate determined on a semiannual basis. This legislation provides for a floating interest rate reflecting the Government's rate of return on the Native's money, so that Natives will not be penalized or receive a windfall from a fixed interest rate.

While section 2 referred to "simple interest", it also described semiannual computations, thereby suggesting that the simple interest would be reinvested or compounded every 6 months. Aside from these ambiguities, section 2(a)(2) provided a commitment to pay the money within 2 years (by 1982)—a short time where there would be no great difference between compounded and simple interest rates. This deadline was not met. Compound interest now is required to make the Natives whole, as Congress recognized in the 1985 conference report. The Government effectively earned compound interest on the Natives' money by foregoing compounded borrowing costs and denied the Natives the ability to earn compound interest, so only a compounded rate of return will make the Natives whole.

The legislation appropriately used the judgment and settlement fund of the Treasury (31 U.S.C. 1304) since the bill settles an outstanding Federal debt, avoids litigation, and settles land-related claims under the Alaska Native Claims Settlement Act. The Treasury fund also allows a more expeditious certification of interest amounts and payment to the Natives because it avoids the need for individually verified appropriations each year. The money is desperately needed by many native corporations. This bill fulfills the long-delayed legislative commitment to pay interest, and eliminates a greater Federal interest debt in the future.

Mr. LAGOMARSINO. Mr. Speaker, further reserving the right to object, this bipartisan legislation, as the gentleman from Arizona [Mr. UDALL] has pointed out, has been worked out with all concerned. It includes administrative proposals and should have a positive budgetary impact because of the new compact which it approves with the Northern Mariana Islands.

Mr. Speaker, I rise in support of H.R. 2478. A number of provisions deal with specific insular areas, while other sections of the bill affect all of the insular areas.

While I am speaking of the insular areas collectively, I want to emphasize that each of the island groups are distinct with their own strengths and needs. They each have contributed to the United States in many ways including U.S. foreign policy.

The Eastern Caribbean Center was established in the Virgin Islands by President Reagan as a link between the United States and Eastern Caribbean Island States. One section of this legislation authorizes $1.5 for projects of the Eastern Caribbean Center in the Virgin Islands. This funding is an investment in improved Caribbean Basin relations which will generate much greater returns for the United States.

Our other American family member in the Caribbean, Puerto Rico, has also made positive contributions to our foreign policy.

Puerto Rico is not under the administration of the Secretary of the Interior: However, it is one of the insular areas and deserves the attention of the Congress. I think it is important to point out that Puerto Rico ranks 24th out of the 50 States in population size. With Puerto Rico as a State, the other body would number 102 and this body would have 442 Representatives instead of 435. The representation of those nine is currently vested in one Resident Commissioner.

It should be noted that the Resident Commissioner has limited the extension of the provisions of two sections of this legislation from applying to Puerto Rico. These are programs or activities currently available to the States which would be extended to the insular areas. However, as I stated earlier, each of the insular areas is unique with its own strengths and needs.

Recognizing that, I defer to the Resident Commissioner to decide if the Bureau of Reclamation Assistance, for the development of water supply, hydroelectric power generation, irrigation water service, water quality improvement, wind power and solar power research, fish and wildlife enhancement, outdoor recreation, flood control, and other related activities, is needed in Puerto Rico. Likewise, the provision to allow participation in the Hunter Safety Education Program may not be needed in Puerto Rico.

Therefore, I am deferring to the judgment of their elected Representative preclude Puerto Rico's inclusion. I am cognizant that Puerto Rico is treated as a State under the law for numerous provisions. I am willing to support other provisions to be extended to Puerto Rico.

The Virgin Islands and Puerto Rico are not the only contributors to U.S. foreign policy. There are three members of the American family in the Pacific who are contributing to our international activities every day. Of course, I am referring to American Samoa, Guam, and the Northern Mariana Islands. These areas proudly fly and salute the American flag, even though their white star is not on the field of blue. We are fortunate to have these islands as a part of the American family. They are each full voting members of the influential South Pacific Commission.

The colleges in American Samoa, Guam, and the Northern Mariana Islands have attracted students from throughout the Pacific Islands. It is to our benefit that these future leaders of the Pacific are learning of democracy and the free enterprise system in the U.S. Island Education Centers. They learn alongside their island

counterparts who are U.S. citizens. When they return home, they have a better understanding of the American system and are less likely to be influenced by propaganda from powers unfriendly to the United States.

The Northern Mariana Islands College is providing a needed service to the people of the islands. The college received full accreditation in 1985, and is expanding its facilities to allow for an improved curriculum. The college has an experimental farm and seeks to train individuals in agriculture. The islands have the potential to expand their agriculture industry whereby they could export to the relatively close countries of Asia. The Northern Mariana Islands is the only State or insular area without a land grant institution. There is no doubt that land grant status should be extended given the full accreditation, improved curriculum, and expanded facilities. Land grant status will continue indefinitely, provided, as stated in this legislation, that accreditation is maintained.

I feel confident the college will continue as an effective learning institution, with the continued support of the Governor and legislature of the Northern Mariana Islands.

I want to commend my colleague from Guam, BEN BLAZ, for his intense effort on behalf of this legislation. The thing in particular that impresses me about the gentleman from Guam, is not his hard work on legislation regarding Guam, nor is it his serious concern on provisions affecting the neighboring islands of the Northern Mariana Islands, or the freely associated states of Micronesia. He does an outstanding job in those areas, as should be expected of one acting on behalf of his home or region. The thing that impresses me most about BEN BLAZ is how he looks at all issues and how they affect people, States, and countries. It is not just the short-term gain he examines but the long-term effects. It is his foresight that gives me confidence in the legislation that has been developed on behalf of the insular areas. The Delegates from the various insular area have cooperated in developing a viable piece of legislation which takes care of both specific and general needs.

□ 1120

Mr. Speaker, further reserving the right to object, I yield to the gentleman from Wisconsin [Mr. SENSENBRENNER].

Mr. SENSENBRENNER. Mr. Speaker, it is my understanding that there is a provision within the House amendment that takes care of the problem relating to one-parent national voting in American Samoa. Is that correct?

Mr. LAGOMARSINO. That is correct.

Mr. SENSENBRENNER. If the gentleman will yield further, let me say that in my opinion, this is a very necessary provision, because about 400 people in American Samoa, including the mother of our Delegate from American Samoa [Mr. SUNIA] have been inadvertently disenfranchised from participating in general elections in American Samoa by something that has been in the law since 1929.

This amendment removes this egregious inequity and in my opinion is necessary legislation.

The Subcommittee on Immigration, Refugees, and International Law of the House Committee on the Judiciary did review this particular piece of legislation that has the unanimous support, including the enthusiastic support of all four members of the Republican minority.

I would like to thank the gentleman from Arizona [Mr. UDALL] and the gentleman from California [Mr. LAGOMARSINO] for expediting this piece of legislation as an amendment to the omnibus territories bill rather than us having to pass separate legislation late in the session.

Mr. LAGOMARSINO. Further reserving the right to object, Mr. Speaker, I yield to the Delegate from Guam [Mr. BLAZ].

Mr. BLAZ. Mr. Speaker, I rise in strong support of this legislation. I want to thank the gentleman from Arizona, MO UDALL, chairman of the Interior and Insular Affairs Committee, for his support and able leadership in bringing H.R. 2478 to the floor today. I also want to thank Mr. LAGOMARSINO, Mr. YOUNG, Mr. LUJAN, and my colleagues from the territories, Mr. DE LUGO, Mr. SUNIA, and Mr. FUSTER for their support.

The measure before us is the result of careful consideration and compromise, and comes to the floor with bipartisan support. It contains several items of importance to each of the territorial representatives and the American citizens from the territories and I urge approval of its passage.

Mr. Speaker, the American citizens in our territories are governed in their respective jurisdictions by the delegated power of Congress. For Guam, the instrument of local autonomy is the Organic Act which was enacted by Congress in 1950. The Organic Act established limited self-government for the island of Guam. Over the years the Organic Act has been amended in a gradual evolution toward more complete self-government for the people of Guam. H.R. 2478 follows the practice of responding to the request of the people of Guam for greater powers of self-government. H.R. 2478 also responds to the need to rationalize the application of the Organic Act to the changing circumstances of the territory by providing for the establishment of effective local mechanisms to deal with local issues. These are:

Section 5 of the bill would repeal an archaic provision of the Organic Act and would grant Guam the power to organize its public school system by local laws.

Sections 13 and 17 would amend the Organic Act by authorizing the creation by local laws of an independent public prosecutor and public auditor and an independent civil service commission. These independent agencies would be better able to deal with local crime and corruption and to insulate Government employees from partisan politics.

The passage of this omnibus bill presents a significant opportunity to spur Guam's economic development and the growth of tourism in the territory. The omnibus bill calls for the immediate implementation of a visa waiver system for Guam. Citizens from countries having visa denial rates for the preceding year of 16 percent or less will not be required to obtain a visa prior to landing in Guam. This provision will meet the concerns for the safety and security of the United States while opening up new tourism and business markets for Guam, such as Hong Kong, Taiwan, and South Korea.

In this era of Federal fiscal restraint and burgeoning trade deficits it makes sense to encourage tourism for Guam. This tool will enable Guam to reach out on its own to the populous and prosperous nations of East Asia for new tourists. The added jobs and revenue, which growth in this industry creates, will help to cover the decrease in Federal funding. The Asian money spent in our island territory will also help to reduce the national trade imbalance. Implementation of the visa waiver in Guam is a timely and appropriate step.

These provisions and others in H.R. 2478 are of significant interest and benefits to our American citizens in Guam and the territories. I urge support and passage of this legislation.

Mr. LAGOMARSINO. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from the Virgin Islands [Mr. DE LUGO].

Mr. DE LUGO. Mr. Speaker, I rise in support of H.R. 2478, and the amendments thereto offered by the gentleman from Arizona, Chairman UDALL. I commend the chairman for his leadership in steering the amendments that have made this noncontroversial, yet comprehensive response to legislative needs of the territories and commonwealths. I also thank the ranking minority members of the committee, particularly the gentleman from California [Mr. LAGOMARSINO], as well as the gentleman from New Mexico [Mr. LUJAN] and the gentleman from Alaska [Mr. YOUNG] for their interest and support. There are several sections that are of concern to my constituents, the people of the U.S. Virgin Islands, and I will discuss them briefly.

Of primary concern is section 1 of the bill, which would empower the people of the Virgin Islands to act by initiative and recall. Passage of this proposal fulfills a promise which I made to my constituents during the last campaign. It is a power exercised by a number of States, and, I believe, is in the strongest of democratic traditions. The representative process has failed. As a Representative, it is with caution that I promised to seek such authority, and it is a power that I expect will be used conservatively. My faith in representative government is tempered only by my belief that the people must have all the tools they need to make Government responsive and accountable.

Section 3 of the bill clarifies that the concurrent jurisdiction that American Samoa, Guam, and the Virgin Islands share with the Federal

Government over Federal lands in each of these insular areas is comprehensive. The amendment was originally intended to overturn a lower court decision that found that this jurisdiction did not extend to land use on a "Federal enclave"—a decision that was recently overturned on appeal. The amendment is useful, nonetheless, as it is expected to foreclose any future limiting construction of the broad jurisdiction intended.

Section 4 of the bill authorizes $1.5 million for the Eastern Caribbean Center at the College of the Virgin Islands. The concept of the center grew out of the President's Caribbean Basin Initiative, and his reference in the early days of the CBI to the role that the U.S. Virgin Islands could play in developing an educational adjunct to the initiative. The college responded with enthusiasm. The President had suggested an expansion of what the college had always viewed as its mission: To share its resources with its neighbors in the eastern Caribbean. Making the center a reality has been difficult under the current budgetary climate. Research and curriculum development has been directed at evaluating and responding to the unique problems faced by these island nations and stressing the areas where the college has particular expertise. This has been complemented where possible with seminars and workshops. This authorization is expected to continue the programs that have already been initiated in the area's agriculture, telecommunications, and natural and human resource development. Each of these programs has been designed to meet educational needs as identified and requested by the participating eastern Caribbean nations, and are expected to benefit the economic agenda of the territory as well.

Section 6 of the bill directs the Secretary of the Interior to propose options to the Congress for the disposition of Water Island, in the St. Thomas Harbor. This island, the subject of my earlier reference to land described by a Federal district court as a "Federal enclave," has long been a sore subject in the Virgin Islands. Transferred from the Department of Defense to the Department of Interior back in 1952, the island was leased by Interior to private individuals. The theory was that the Virgin Islands would benefit from development of Water Island as a resort. The terms of the lease and the type of development that ensued, suggest a different agenda. Private homes predominate, and neither the small hotel nor the guesthouse on the island suggest the type of economic asset to the territory that would warrant the incentive provided under the terms of the lease. By directing the Secretary of Interior to propose options for the disposition of Water Island, it is expected that property interests on Water Island will be equitably resolved, that liability which the Federal Government may otherwise incur under the terms of the lease will be resolved, and most importantly that Water Island will be made an integral part of the Virgin Islands, with all open property transferred to the local government. The current situation on Water Island is simply too uncertain. Property rights are unclear, legal jurisdiction is in continual debate, and underlying the whole picture is the sense that the lease is inappropriate in that it created by its terms an exclusive enclave which has been a source of tension both for the residents of Water Island and the community in which they seek to coexist. Last October, the Committee on Interior and Insular Affairs held an oversight hearing on the Department of Interior's administration of Water Island, at my request. Section 6 is an outgrowth of that hearing.

Section 12 grants the territories greater access to Environmental Protection Agency programs. These programs have eluded the territories in the past because of water quality grant requirements and limitations which are not appropriate. It does so by allowing EPA to adjust maintenance or level of effort requirements for waste water treatment facilities and by authorizing the Agency to waive counterproductive grant eligibility requirements for sewer collectors. It is expected that this will yield the assistance in eliminating threats to public health most consistent with the policies reflected in the Clean Water Act.

Section 16 of the bill authorizes the Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Marianas to receive Bureau of Reclamation Assistance. This is particularly important to the Virgin Islands. Water is a scarce commodity in the territory. Thus, the desire to make agriculture a viable industry has suffered. Other industry and public consumption has been served by water production through desalination. This has been a major governmental investment. Furthermore, the territory's dated water catchment and distribution system must be repaired where possible, and, due to corrosion, replaced. Efficiency is crucial, and this provision will assure the needed direction and assistance.

Section 18 provides in part for the exclusion from sequestration orders of funds that would otherwise be covered over to Guam, Puerto Rico, and the Virgin Islands. The cover-over of these funds are integral to the formal relationship between these territories and commonwealth, and should not be diminished through general budget cutting devises. Under the territorial arrangements, these accounts were never to be considered Federal revenues, and this should not be pooled in efforts to reduce Federal outlays.

The last provision that I will comment on is section 20 which will grant to Federal district court judges in the Virgin Islands, Guam, and the Northern Mariana Islands retirement benefits equal to those provided to judges of other U.S. district courts. The provision would simply offer these judges the salary of the office when they retire, instead of limiting their benefits to the salary they had upon retirement. These judges have the same Federal jurisdiction as article III district court judges, plus significant local jurisdiction. It simply is not fair to discriminate against them in retirement. The provision is supported by the judicial conference. Its budgetary impact is nil, and will remain so until the salaries of district court judges is raised and one of the four judges covered by the provision retires. Currently, only one of them is eligible to do so.

I urge my colleagues to support H.R. 2478. It represents the careful efforts of Members from both sides of the aisle to respond to the unique issue affecting the U.S. insular areas. To the extent this goal could be met in a noncontroversial product, H.R. 2478 is successful.

Mr. LAGOMARSINO. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Ohio [Mr. SEIBERLING].

Mr. SEIBERLING. Mr. Speaker, I rise in support of this very meritorious piece of legislation.

Mr. Speaker, the amendment to Public Law 99-239 in section 20 of the omnibus territories bill (H.R. 2478) is an amendment designed to clarify congressional intent regarding some provisions in the Compact Act of 1985 that was signed into law this past January. The language contained herein was worked out on a bipartisan basis by the staffs of the House Interior and Insular Affairs Committee and the Senate Energy and Natural Resources Committees.

The first part of the amendment clears up some ambiguities concerning the language of section 105(b)(2). It makes it clear that programs or services to be provided by or through Federal agencies or officials—other than Interior, such as Public Health Service—to the FSM and Marshalls' governments under Public Law 99-239 will continue to be funded and administered by those other agencies or officials. In other words, their funds do not have to be part of the budget of the Department of the Interior.

Second, subsection B clarifies the fact that certain Federal programs and services under the Compact Act of 1985 were meant by Congress to continue to be funded by the U.S. Government. It was never meant, for example, that the Micronesians would have to pay for the continued services and programs of the Public Health Service for the duration of the compact. If there was anything the committees agreed on, it was that these programs were meant to be extended on a nonreimbursable basis. There was never any argument about this matter. So all we are doing here is underlining congressional intent on this critical matter so that there is no doubt in the minds of anyone in the administration what we had in mind in the first place.

Mr. LAGOMARSINO. Mr. Speaker, further reserving the right to object, I yield to the gentleman from American Samoa [Mr. SUNIA].

Mr. SUNIA. Mr. Speaker, I have had the pleasure of working with two distinguished chairmen in preparation for this day. The Honorable MORRIS K. UDALL, of Arizona, and the honorable ROMANO L. MAZZOLI, of Kentucky, have earned for themselves a hallowed place in the lives of the residents of my islands. I commend also the work of the honorable ROBERT LAGOMARSINO, and his deep understanding of the problems and concerns of Americans in our territories.

By means of H.R. 2478 my territory will have concurrent civil and criminial jurisdiction with the United States over property reserved or controlled by the United States in American Samoa.

In addition, from this bill American Samoa will receive one third of a State's allocation under the Justice Assistance Act, which helps to cope with growing crime problems.

This omnibus territories bill grants American Samoa one-sixth of 1 per centum of the funds available under the Hunter Safety Program of the Federal Aid in Wildlife Restoration Act of 1937. This assistance will provide education to teach hunters how to hunt safely.

Under H.R. 2478 the Administrator of the Environmental Protection Agency [EPA] will have the flexibility to modify certain water quality grant requirements and limitations which he determines inappropriate to conditions in American Samoa. The Administrator of the EPA may use his flexibility to waive requirements, including time limitations on grants, to alleviate threats to the public health and quality and to encourage the development of water treatment facilities. This provision would allow Federal funds to be used for the construction of sewage collection systems.

Through the kindness of the Honorable GEORGE MILLER, of California, who chairs the Subcommittee on Water and Power, this bill will authorize the Secretary of the Interior to provide water resource research, planning and management assistance in American Samoa. The Secretary's assistance will promote solutions which encourage small-scale, resource-conserving projects suited to the needs of my constituency.

By means of two sections of this bill an alien might become a U.S. noncitizen national if he or she had one U.S. noncitizen national parent who met certain qualifications. Prior to the birth of his or her alien child, the noncitizen national parent must have been physically present in the United States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam or American Samoa for no less than 7 years in any continuous period of 10 years. During that period the noncitizen national parent cannot have left the United States or American Samoa for a continuous period of more than 1 year. At least 5 years of the 10-year period must have occurred after the noncitizen national parent attained the age of 14 years.

H.R. 2478 contains a provision that a person who claims to be a noncitizen national under this bill must prove that he or she is such to the satisfaction of the Secretary of State. What the applicant must establish to the Secretary's satisfaction is that he or she had one noncitizen national parent who had been physically present prior to the applicant's birth in the United States, the District of Columbia, Guam, Puerto Rico, the Virgin Islands or American Samoa for 10 years, 5 years after the parent attained the age of 14 years.

A problem may arise for an applicant who was born prior to the 1930's. His or her noncitizen national parent could have been born as long ago as the 1870's or 1880's. It will be difficult for such an applicant to establish both that his or her noncitizen national parent was born in the islands now comprising American Samoa and that this parent lived for 10 years in American Samoa. The latter would require the applicant to furnish proof of residence in these islands as early as the first decade of this century.

Regardless of what part of the world one is considering, anyone would have a hard time providing documentation that an ancestor had lived in a certain place 70 or 80 years ago for a continuous period of 10 years. It is especially so in an area that in the first decades of this century was unaccustomed to detailed records of civil administration.

As the sponsor and author of these sections of H.R. 2478, I urge the Secretary of State to understand the circumstances of an applicant who will have to supply proof of his or her parent's continuous residence so many decades ago. I request that the Secretary allow greater leniency for such an applicant than for one who will need to prove his or her parent's continuous residence in a later decade of this century.

Mr. LAGOMARSINO. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Puerto Rico [Mr. FUSTER], the Resident Commissioner.

Mr. FUSTER. Mr. Speaker, I rise in support of the bill. I want to thank the chairman, Mr. LAGOMARSINO, and Mr. YOUNG of Alaska, and Mr. GRAY for the support they have given us in this piece of legislation that is very important for the Commonwealth of Puerto Rico.

Mr. Speaker, I would like to thank Chairman MO UDALL of the Interior Committee, Chairman BILL GRAY of the Budget Committee, and a bipartisan group of my colleagues, JOHN SEIBERLING, ROBERT LAGOMARSINO, DON YOUNG, RON DE LUGO, BEN BLAZ, and FOFO SUNIA, who joined forces to approve today H.R. 2478, a very important piece of legislation to the 3.5 million American citizens of Puerto Rico and to the citizens of the Virgin Islands, Guam, and American Samoa.

On its face, Mr. Speaker, the provision of H.R. 2478 regarding Puerto Rico does not appear to have a very large import. It merely corrects a technical deficiency in the Balanced Budget and Emergency Deficit Control Act of 1985, pursuant to which Internal Revenue collections for Puerto Rico are temporarily sequestered to become available for obligation the following fiscal year. The provision in H.R. 2478 would do away with what is in effect a 1-year deferral of the funds in question.

However, to us in Puerto Rico much more than a technical correction is at issue. To us this action by the Congress is a reaffirmation of a commitment made by the United States to the Commonwealth of Puerto Rico during the previous several decades.

The importance of this matter was recognized early on this year when Majority Whip THOMAS S. FOLEY, Budget Committee Chairman WILLIAM GRAY, and the Interior Committee Chairman MO UDALL went on record to state that the Internal Revenue collections for the Commonwealth of Puerto Rico should be fully paid into the treasury of Puerto Rico notwithstanding Public Law 99-177 or any other provision of law.

It was also recognized in the U.S. Senate, in Report 99-301 which accompanies the urgent supplemental appropriations bill for 1986. These and other statements from congressional sources acknowledge:

First, that the cover-over to the Puerto Rican treasury of Internal Revenue collections was established to compensate Puerto Rico for a serious limitation imposed upon it when it was annexed to the United States in 1898; that is, its inability to impose and collect customs duties on foreign imports. To remedy this situation Congress enacted in 1917 the cover-over provision which requires that funds collected from excise taxes and custom duties be returned to the treasury of Puerto Rico, after collection costs are deducted.

Second, that this cover-over provision was not created for Federal revenue purposes. Indeed, as the Director of the Office of Management and Budget, Mr. James Miller III has stated, the funds in question "appear in the Federal budget as an incidental matter for convenience of administration rather than as a means for resource allocation."

Third, that this fiscal arrangement is an integral part of the relationship between the United States and Puerto Rico and has been consistently honored by the United States for seven decades now. Any definite action to alter it could call the overall relationship into question both in Puerto Rico and internationally.

In providing for full and immediate payment of the funds in question, H.R. 2478 restores full validity to the cover-over arrangement that is so important to United States-Puerto Rico relations. That is why, as I said before, Mr. Speaker, this is a vital matter to Puerto Rico which goes beyond the strictly technical matter it deals with.

I hope that once approved by this House, it will also be expeditiously approved by the Senate and signed into law by the President of the United States.

Mr. LAGOMARSINO. Mr. Speaker, further reserving the right to object, I yield to the gentleman from the Virgin Islands [Mr. DE LUGO].

Mr. DE LUGO. Mr. Speaker, I would like to pay special thanks to the chairman of the Subcommittee on Courts, Civil Liberties and the Administration of Justice, the gentleman from Wisconsin [Mr. KASTENMEIER] for his help in working out a piece of legislation that was of tremendous importance to all of the territories.

Mr. LAGOMARSINO. Mr. Speaker, I withdraw my reservation of objection, and I urge support of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Arizona [Mr. UDALL]?

There was no objection.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO HAVE UNTIL MIDNIGHT, SATURDAY, AUGUST 2, 1986, TO FILE REPORTS ON H.R. 5242 and H.R. 5288

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tomorrow, Saturday, August 2, 1986, to file a report on the bills, H.R. 5242 and H.R. 5288.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1987

Mrs. BURTON of California. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 521 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 521

Resolved, That all points of order against consideration of the bill (H.R. 5294) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies for the fiscal year ending September 30, 1987, and for other purposes, for failure to comply with the provisions of clause 2(l)(6) of rule XI and clause 7 of rule XXI are hereby waived. During the consideration of the bill all points of order against the following provisions in the bill for failure to comply with the provisions of clause 2 of rule XXI are hereby waived: beginning on page 5, line 7 through page 7, line 6; beginning on page 30, lines 12 through 24; and beginning on page 58, lines 14 through 22.

The SPEAKER pro tempore. The gentlewoman from California [Mrs. BURTON] is recognized for 1 hour.

Mrs. BURTON of California. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Missouri [Mr. TAYLOR] for the purpose of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 521 waives points of order against H.R. 5294. Clause 2(L)(6) of rule XI and clause 7 of rule XXI are waived against consideration of the legislation. These rules require that committee reports and relevant materials be available for 3 days. Since the Appropriations Committee filed the report on this bill on July 30, the report has not been available for the required time. The rule also waives points of order against specified paragraphs of H.R. 5294.

Since general appropriation bills are privileged under the rules of the House, this resolution does not provide for any special guidelines for the consideration of the bill. Provisions relating to time for general debate are not included in the rule. Customarily, Mr. Speaker, general debate time is limited by a unanimous-consent request by the floor manager prior to the consideration of the bill.

Mr. Speaker, this resolution waives clause 2 of rule XXI, which prohibits unauthorized appropriations and legislative provisions in general appropriation bills against certain paragraphs in the bill. The specified paragraphs which have been protected by this waiver are detailed in the rule, by reference to page and line numbers in the bill.

Mr. Speaker, H.R. 5294 appropriates $13.8 billion in new budget authority for the Department of the Treasury, the U.S. Postal Service, various offices in the Executive Office of the President and various independent agencies. H.R. 5294 consists of six titles. Title I would appropriate $6.2 billion for the Department of the Treasury. Title II would appropriate $690 million for the U.S. Postal Service. Title III contains $95 million for the Executive Office of the President. Title IV contains $6.8 billion for various independent agencies such as the General Services Administration, the Office of Personnel Management, the civil service retirement and disability fund, and the Federal Elections Commission. Titles V and VI contain general provisions.

Mr. ROYBAL and his subcommittee is to be complimented on their efforts to bring this measure before us in a timely manner. The rule provides only those waivers that are necessary for the expeditious consideration of this bill and I urge my colleagues to adopt the resolution.

□ 1130

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 521 waives certain points of order against consideration of the Treasury, Postal Service, and general Government appropriations bill for 1987.

This resolution, which I support, provides for timely consideration of the bill, H.R. 5294. The rule waives points of order that would otherwise lie against consideration of the bill under clause 2(l)(6) of rule XI, and clause 7 of rule XXI.

Neither the bill, nor the committee report, nor the printed committee hearings has been available for the required 3 days, and the Committee on Appropriations has been asked to proceed with the bill today.

Mr. Speaker, the rule also waives certain points of order that would otherwise lie against several provisions of the bill for failure to comply with clause 2 of Rule XXI.

The bill appropriates funds for four paragraphs, which are specified in the rule, for which authorizing legislation has yet to be enacted. In addition, three of the specified paragraphs do contain provisions and restrictions that are legislative in nature.

Mr. Speaker, I am not going to take the time to cover the specific provisions which are protected from points of order by this rule.

I do want to point out, however, that the Committee on Rules provided only the waivers that were requested by the chairman of the Committee on Appropriations, the gentleman from Mississippi [Mr. WHITTEN].

Mr. Speaker, I also want to point out that there are 20 pages of other legislative limitations and restrictions which are not protected from points of order by this rule.

Mr. Speaker, the chairman and ranking Republican member of the Treasury, Postal and General Government Subcommittee, the gentleman from California [Mr. ROYBAL] and the gentleman from New Mexico [Mr. SKEEN] limited their request for waivers to the ones we included in this rule.

Mr. Speaker, H.R. 5294 appropriates $13.8 billion for the Treasury Department, the Postal Service, the Executive Office of the President, and various independent agencies for fiscal 1987.

The bill is $938 million more than the administration's budget request, and is $738 million higher than our current appropriations for items covered by the bill.

Mr. Speaker, the Committee on Appropriations exceeded the administration's request primarily because of the three items:

A $650 million appropriation to the Postal Service in order to maintain current nonprofit mail rates until October 1, 1987.

Roughly $100 million worth of increases for the Customs Service.

Increases of $150 million above the request for the Internal Revenue Service.

Mr. Speaker, there are over 50 legislative provisions that limit or restrict the use of funds which are not protected from points of order. For the most part, these are found beginning on page 39 of the reported bill and they run for 20 pages.

I think it is significant that the Committee on Rules did not protect these from points of order, although we did find it necessary to conduct a second meeting late yesterday afternoon to provide a waiver for section 619 of the bill.

Mr. Speaker, section 619 of the bill relates to rules and regulations of the Office of Personnel Management dealing with the Government's charity drive, the Combined Federal Campaign.

Mr. Speaker, Members who oppose the language added by the Committee on Appropriations will have ample op-

portunity to make their relevant points of order.

I support this rule so we may get on with considering the bill.

Mr. Speaker, I yield such time as he may consume to the gentleman from New Mexico [Mr. SKEEN], the ranking member of the Subcommittee on Appropriations for Treasury and Postal Service.

Mr. SKEEN. I thank the gentleman for yielding this time to me.

Mr. Speaker, I want to urge my colleagues to support this rule. I think it is a fair rule. Given the complexities of the report in this appropriations, which is Treasury, Postal Service, and General Government, some 64 agencies involved, it is a very complex and complicated piece of work.

The committee itself has operated very well, and I think this is due to the able leadership of the chairman, Mr. ROYBAL of California, who has done an outstanding job. Of course, all the committee members have worked very hard on this bill. It takes a long time to go through the hearing process for that many separate agencies.

It gives you a real insight into Government operations in total while dealing with this particular subcommittee.

I just want to say that the rule that was crafted, I think, is fair. It gives everybody a chance; if you have something you do not like in this bill you have the opportunity to discuss it. It is open.

There were some waivers granted. That is going to cause some discussion, I am sure, but that is what this process is all about.

I think it is a good rule, it is an open rule insofar as it could be handled under the peculiarities of this particular type of approach to appropriations.

I want to commend the Committee on Rules again.

I thank the Speaker.

Mr. TAYLOR. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. COBEY].

Mr. COBEY. Mr. Speaker, I am taking this time to ask my colleagues to join me in defeating the motion to rise today on the Treasury/Postal Service bill. I would like to have the opportunity to offer an important amendment. My amendment would instruct the Federal Election Commission to comply with the recent Supreme Court decisions where the Court ruled that expenditures of forced union dues for political purposes violates the constitutional rights of dissenting workers.

I had hoped for open debate on statutory remedies to this injustice, but unfortunately we have not had an amendable FEC reauthorization bill before this House.

Please join me today in opposing the motion for the Committee of the Whole House to rise prior to consideration of my amendment.

Mr. TAYLOR. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. BURTON of California. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. NATCHER). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 278, nays 92, not voting 61, as follows:

[Roll No. 279]

YEAS—278

Ackerman	Dorgan (ND)	Jeffords
Akaka	Downey	Jenkins
Alexander	Duncan	Johnson
Anderson	Durbin	Jones (NC)
Andrews	Dwyer	Jones (OK)
Anthony	Dyson	Jones (TN)
Applegate	Eckart (OH)	Kanjorski
Aspin	Edwards (CA)	Kaptur
Atkins	Edwards (OK)	Kastenmeier
AuCoin	Erdreich	Kennelly
Barnard	Evans (IL)	Kildee
Bateman	Fazio	Kindness
Bates	Feighan	Kleczka
Beilenson	Fish	Kolter
Bennett	Flippo	Kostmayer
Bentley	Florio	LaFalce
Bereuter	Foglietta	Leach (IA)
Bilirakis	Foley	Lehman (CA)
Boehlert	Ford (MI)	Lehman (FL)
Boggs	Frank	Leland
Boland	Franklin	Lent
Bonior (MI)	Fuqua	Levin (MI)
Bonker	Gallo	Levine (CA)
Borski	Garcia	Lewis (FL)
Bosco	Gaydos	Lipinski
Brooks	Gejdenson	Lloyd
Bruce	Gephardt	Loeffler
Burton (CA)	Gibbons	Long
Bustamante	Gilman	Lowery (CA)
Byron	Glickman	Lujan
Callahan	Gonzalez	Luken
Carper	Goodling	MacKay
Carr	Gordon	Manton
Chandler	Gradison	Markey
Chapman	Gray (IL)	Martin (NY)
Chappell	Gray (PA)	Martinez
Clinger	Green	Matsui
Coleman (MO)	Guarini	Mavroules
Coleman (TX)	Gunderson	Mazzoli
Collins	Hall (OH)	McCloskey
Conte	Hall, Ralph	McCurdy
Coughlin	Hammerschmidt	McDade
Coyne	Hatcher	McEwen
Crockett	Hawkins	McGrath
Daniel	Hayes	McHugh
Darden	Hefner	McKinney
Daschle	Hendon	McMillan
Davis	Hertel	Miller (CA)
de la Garza	Horton	Miller (OH)
Dellums	Howard	Mineta
Derrick	Hoyer	Mitchell
Dickinson	Hubbard	Moakley
Dicks	Huckaby	Molinari
Dingell	Hughes	Mollohan
DioGuardi	Hutto	Montgomery
Donnelly	Jacobs	Moody
Morrison (CT)	Rose	Swift
Morrison (WA)	Rostenkowski	Swindall
Mrazek	Roth	Synar
Murphy	Roukema	Tallon
Murtha	Rowland (CT)	Tauke
Myers	Rowland (GA)	Tauzin
Natcher	Roybal	Taylor
Nelson	Russo	Thomas (GA)
Nielson	Sabo	Torres
Nowak	Savage	Torricelli
Oakar	Saxton	Traficant
Oberstar	Schneider	Traxler
Obey	Schroeder	Udall
Olin	Schuette	Valentine
Ortiz	Schulze	Vento
Owens	Schumer	Visclosky
Panetta	Seiberling	Volkmer
Pashayan	Sharp	Waldon
Pease	Sikorski	Walgren
Penny	Skeen	Watkins
Pepper	Slattery	Weaver
Perkins	Smith (FL)	Weiss
Pickle	Smith (IA)	Wheat
Price	Smith (NE)	Whitley
Pursell	Smith (NJ)	Whitten
Rahall	Snowe	Wilson
Rangel	Snyder	Wise
Ray	Solarz	Wolpe
Regula	Spratt	Wortley
Reid	St Germain	Wright
Richardson	Staggers	Wyden
Rinaldo	Stallings	Yates
Ritter	Stark	Yatron
Robinson	Stokes	Young (AK)
Rodino	Stratton	Young (FL)
Roe	Studds	Young (MO)
Rogers	Sundquist	

NAYS—92

Archer	Henry	Petri
Armey	Hiler	Porter
Bartlett	Holt	Quillen
Barton	Hopkins	Ridge
Bliley	Hunter	Roberts
Boulter	Hyde	Roemer
Broomfield	Ireland	Schaefer
Brown (CO)	Kasich	Sensenbrenner
Burton (IN)	Kolbe	Shaw
Chappie	Kramer	Shumway
Cheney	Lagomarsino	Shuster
Coats	Latta	Siljander
Cobey	Lewis (CA)	Slaughter
Coble	Lightfoot	Smith, Robert (NH)
Combest	Lott	
Courter	Lowry (WA)	Smith, Robert (OR)
Craig	Lungren	
Crane	Mack	Solomon
Dannemeyer	Madigan	Spence
Daub	Marlenee	Stangeland
DeLay	Martin (IL)	Stenholm
DeWine	McCain	Strang
Dreier	McCandless	Stump
Eckert (NY)	McCollum	Sweeney
Emerson	McKernan	Thomas (CA)
Evans (IA)	Meyers	Vander Jagt
Fawell	Michel	Vucanovich
Fiedler	Miller (WA)	Walker
Fields	Monson	Weber
Frenzel	Moorhead	Whittaker
Gekas	Oxley	
Gregg	Packard	

NOT VOTING—61

Annunzio	Dowdy	Mikulski
Badham	Dymally	Moore
Barnes	Early	Neal
Bedell	Edgar	Nichols
Berman	English	Parris
Bevill	Fascell	Rudd
Biaggi	Ford (TN)	Scheuer
Boner (TN)	Fowler	Shelby
Boucher	Frost	Sisisky
Boxer	Gingrich	Skelton
Breaux	Grotberg	Smith, Denny (OR)
Brown (CA)	Hamilton	
Bryant	Hansen	Towns
Campbell	Hartnett	Waxman
Carney	Hillis	Whitehurst
Clay	Kemp	Williams
Coelho	Lantos	Wirth
Conyers	Leath (TX)	Wolf
Cooper	Livingston	Wylie
Dixon	Lundine	Zschau
Dornan (CA)	Mica	

□ 1155

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to recommit was laid on the table.

Mr. ROYBAL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5294) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1987, and for other purposes; and, pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from New Mexico [Mr. SKEEN] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

□ 1158

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5294, with Mr. BEILENSON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous consent agreement, the gentleman from California [Mr. ROYBAL] will be recognized for 30 minutes, and the gentleman from New Mexico [Mr. SKEEN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. ROYBAL].

Mr. ROYBAL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Treasury, Postal Service and General Government Subcommittee presents a bill for your consideration that provides $13.8 billion in recommended appropriations for 1987. This is an increase of $938.2 million over the budget. $753.1 million over 1986, and $3 million under 302(b) allocation for discretionary items.

The departmental amounts are as follows: For the Treasury Department, $6.2 billion, which is an increase of $286.5 million over the budget, and $608.4 million over 1986. For the Executive Office of the President, we have appropriated $95.5 million, a reduction of $4.2 million below the budget, and $2.3 million over 1986.

For independent agencies covered by this bill, such as GSA, the Office of Personnel Management, the Tax Court and others, $6.8 billion, which is an increase of $7.2 million over the budget, and $753 million over 1986. Mr. Chairman, I have stated right along that we are $938.2 million over the budget. Now this is due to the fact that there has not been any budget recommendation for revenue foregone, that is, for the Post Office and that amounts to $650 million.

The budget recommended a decrease of 1,547 positions for the Customs Service. We, in turn, have restored those positions and have appropriated an additional $100 million to add an additional 850 positions.

For Internal Revenue Service, we have appropriated an additional $150 million over the budget. These three additions amount to $900 million, which takes up $900 million of the $938.2 million that we exceed the budget recommended by the administration.

I would like to explain the reasons for these increases. In the U.S. Customs Service, the committee recommends $100 million above the budget in order to bring the U.S. Customs staffing to a level that is adequate to prevent the influx of massive amounts of drugs and other contraband into this country.

In response to the Gramm-Rudman sequestration, the Customs Service proposed to reduce on-board staffing by 777 positions. And in addition to that, the 1987 Customs budget recommended a further reduction of 770 positions. This is a total of 1,547 positions below the present level of staffing that the administration wanted to cut.

The committee disallowed the proposed reduction and added 850 new positions. The committee believes that the high level of drug abuse and the related crime in this country requires a strong law enforcement effort to stem the tide of illicit drugs coming into the United States. The recommended increases would also expedite the processing of visitors to this country, and of our own citizens that are returning from abroad.

Further, this increase would also expedite the processing of commercial goods being imported, and also help prevent, of course, the illegal exportation of high-technology items that may be going to unfriendly countries.

I might also point out that the U.S. Customs Service is the second largest producer of revenue for the Government, and that it brings into the Treasury of the United States more than $12.5 billion per year.

The main objective of the committee's increase in this amount and in the additional staffing is to do something about the flow of narcotics. I do not believe that there is a single school, public or private, in the United States, regardless of its status, that does not have a problem with regard to narcotics in the school somewhere.

□ 1205

I think that narcotics is actually undermining the moral fiber of our Nation, and a great deal has to be done by the United States to stem the flow of narcotics. The leadership of the House has gotten together now to initiate an effort to do something about narcotics. And why should we, the Members of the House of Representatives, not also join in that effort by putting money in that very department that deals with the interdiction of narcotics? That is why that amount is in this bill, $100 million more than was recommended in the budget itself.

Now, in the Internal Revenue Service, the committee added $150 million above the President's budget to fund an additional 3,500 positions above the President's request.

The Members probably remember that during last year's season a breakdown in the tax processing system occurred and resulted in many thousands of taxpayers not receiving their tax refunds in a timely fashion. The truth of the matter is that the mechanism broke down. Not enough personnel were available to do the job. There was not enough money to pay for the computers and for the things that were needed to do the job adequately.

Last year in the regular 1986 bill that this committee reported out and that the House passed last summer, we had provided funds in excess of the President's budget because our review and our analysis at the time indicated that the Internal Revenue Service was underfunded for 1986, and the committee was correct. As late as last fall the administration was still expressing opposition to the higher amount for IRS that the House had included in the Treasury bill. After the Treasury bill for 1986 was vetoed by the President, funding for the IRS was reduced to bring the bill within a level of funding acceptable to the administration.

But then in January of this year we received a request, an urgent request, to fund an additional $340 million for IRS, which was almost the exact amount that had been recommended by the committee and the amount that had been vetoed.

The subcommittee now recommends including $150 million above the President's budget in spite of the fact that the Committee on Ways and Means, which is actually the authorizing committee, recommended to us, to the Committee on Appropriations, that we add not $150 million but $550 million, and that we add not just 3,500 positions but, as they recommended, that we add 12,000 positions. But we could not do that, and we could not do that because we have to be below the

302(b) allocation. And that is exactly what this committee has done.

The subcommittee believes that increased staffing levels for the services are essential to achieve more responsive and effective administration of the tax system in the collection of additional revenues. I was told by the chairman of one of the authorizing committees that this department brings into the Treasury anywhere between 18 and 21 times the amount that we spend to operate it. In other words, let us just say it is $18 for every dollar that is invested.

Mr. Chairman, I think that I have clearly discussed at least the overage up to $900 million. But there are the other amounts that we have increased. This is for Customs Service air interdiction. This is to provide additional air interdiction for narcotics, for nothing else. For that we appropriate an additional $12.5 million. For Secret Service, it is $3.6 million. This is to restore counterterrorist funds.

Now, I do not know of anyone in this House who would like to delete these moneys for counterterrorist funds. I do not think that we do.

We must also provide moneys to continue our construction that we have already started at Beltsville for law enforcement training, and for that we put in $6 million. For Alcohol, Tobacco and Firearms, we put in $12 million, and this is to restore cigarette smuggling funds and to provide for increased law enforcement activity.

Now, for the Federal Law Enforcement Center, which is most important, we put in an additional $8.6 million, and this is for the purpose of restoring antiterrorist training and basic training.

Now, I ask, how can we do anything about terrorism if we do not train our personnel? The reason we put this money in is because we believe it is necessary to train our own personnel. So we include in that $8.6 million.

Then for the General Services Administration, we include $5 million. This is for strategic materials for research facilities. For the National Historical Publications and Records Commission, we added $4 million.

This is the full amount that we appropriated, which exceeds the recommendation of the President, and I do not see any one item here that should not have been increased because each one of these items has to do with the security of this Nation.

We do not like the idea of coming before the House and telling our colleagues that we are over this budget, over the recommended budget. We do not like it, but the truth of the matter is that we find it necessary, and it is necessary because what we as a committee have done is based not only on what we as a collective committee have decided, but that decision has been based on the recommendations made by the authorizing committees, and their recommendations are based on hearings that have been held and research that they have done. Their recommendations are just and are fair, and we believe that we have the responsibility to comply with their requests as much as we possibly can, even though in this instance we were not able to do it 100 percent.

Mr. Chairman, I would like to thank the Members of my committee. We have gone through a tremendous period of give and take, and there has been opposition. Again on their behalf I must say that we do not like this idea of coming in with a recommendation that is above the budget, but this recommendation is the collective opinion of these Members who sat and deliberated for hours and finally came up with a recommendation.

I would like to thank the gentleman from Hawaii [Mr. AKAKA], the gentleman from Maryland [Mr. HOYER], the gentleman from Massachusetts [Mr. BOLAND], and the gentleman from Illinois [Mr. YATES], as well as the ranking minority member, the gentleman from New Mexico [Mr. SKEEN], the gentleman from California [Mr. LOWERY], and the gentleman from Virginia [Mr. WOLF] for the very fine job that has been done.

Mr. Chairman, I present this bill for the consideration of the Members and ask for their support.

Mr. SKEEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to begin by commending the gentleman from California [Mr. ROYBAL], the chairman of this subcommittee. It has been a real pleasure working with him. My entire tenure on the committee began just a short time ago, and I think I have learned a great deal. I have great admiration for the fairness of this gentleman, the chairman of the subcommittee, and also for the colleagues that we work with, both on the majority and the minority sides in this committee.

It might be well at this point for me just to make the point that this is one of the most unusual subcommittees probably in the Congress of the United States, and that is because the Subcommittee on Treasury, Postal Service, and General Government deals with some 64 different agencies. If one wants to learn about government and government spending, I think this is the place where one would get more insight and more experience on how this is handled than any other, because it is a diverse subcommittee, and it handles a large number of activities in government operation from the executive branch, of course, to Treasury and Postal, of course, and many other agencies. This is a tough committee to serve on because you spend a great deal of time in hearings and you have to have that kind of input to make these determinations.

We hear a lot about the problems of the budget. Everybody wants to cut money. We all talk about cutting. That is the great cry around here. On the other hand, there are committees—and the Committee on Appropriations is one—that have to decide where we are going to spend the money, because if we are not going to shut government down entirely, we have to come up with a plan for the orderly expenditure of funds. I think that is what this subcommittee has tried to do in this bill.

□ 1215

It is a good mix. It is a good experience. I think the committee members from the full committee level all the way down under the able leadership of our chairman, the gentleman from Mississippi [Mr. WHITTEN] have done an outstanding job, keeping in mind that we have restraints to operate under, yet we have got to make this Government work.

This bill I think is equitable. It has been well-crafted and I think it addresses the problems that we face today.

There are three major accounts in our bill, each of them in one way or another are very important to our constituents. This covers the U.S. Customs Service, the Internal Revenue Service and the revenue foregone appropriations, which subsidizes the nonprofit mailers.

Speaking about the Customs Service, one of the most important agencies that we deal with, this is a revenue-producing agency, extremely important in today's fight against illegal drug importations.

The committee has recommended an appropriation of $793 million for the Customs Service. With this level of funding, the committee proposes to restore some 1,547 positions that OMB, that is the Office of Management and Budget, proposed to eliminate in fiscal year 1987. Therein lies a large part of the problem is this difference of opinion with the committee and the OMB operation as to what we really need to make these particular agencies work.

In addition, the committee has provided funding for an additional 850 Customs personnel. One of the major functions carried out by the Customs Service is the detection, interdiction, and investigation of the smuggling of illegal narcotics and other contraband into the United States. If we truly have declared a war on drugs, then let us fight the battle in a meaningful way and provide our agents with the resources that they need to protect our borders from illegal drug importations.

Likewise, the committee is committed to insuring that our tax system is

operated in an orderly fashion. We want to encourage voluntary compliance with our tax laws and seek out those who avoid paying their fair share.

If you want a real stunning figure, you might take a look at the fact it was estimated that we left some $80 billion on the table of collectible taxes that were not collected last year because we did not have the resources, the agents or the data-collecting facilities to audit and collect the $80 billion that we left and we sorely need as far as operating this Government is concerned.

The committee recommends a funding level of $4.24 billion for the IRS. In the past the IRS funding issue has been misunderstood, I think, by the folks at OMB. For years, the committee has been concerned over the inadequate budget for the IRS. Last year we attempted to rectify the problems of lost tax returns, long refund delays, and inadequate taxpayer services by allocating the IRS enough money to let them do their job properly. However, the OMB strongly recommended a veto of our bill, only to submit a major supplemental for tax administration just a few months later. We want to avoid having the OMB come back to us early next year to request yet another supplemental for the IRS.

The last point I want to make is that dealing with revenue foregone. The committee has recommended $690 million for payment to the Postal Service fund. The proposed funding level for revenue foregone is $650 million. This was a zero recommendation from the administration. Therein also lies one of the problems why this particular committee's appropriations are so much higher than that recommended by the recommendation. This level should be sufficient to maintain the $650 million level. It should be sufficient to maintain current rates for nonprofit mailers until October 1, 1987.

Thus, overall, I am very pleased with our bill. Mr. Chairman, I urge all my colleagues to get in there and debate their points, but I think we have come out with an equitable that will provide adequate appropriations to operate these some 64 agencies that we have dealt with.

Mr. ROYBAL. Mr. Chairman, I yield 3 minutes to the gentleman from Hawaii [Mr. AKAKA].

Mr. AKAKA. Mr. Chairman, I rise in support of the bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies for the 1987 fiscal year.

I want to take this opportunity to commend the distinguished gentleman from California, Chairman ED ROYBAL, and the ranking minority member, JOE SKEEN of New Mexico, for their industrious efforts in bringing this measure to the floor of the House. Led by the diligent efforts of these two gentlemen, the members of the subcommitte, and the subcommittee staff, Tex Gunnels and Bill Smith, have formulated a fair, solid, and overall respectable piece of work.

I want to express my thanks, first of all, to the Rules Committee for reporting a rule waiving points of order against the appropriation for the Customs Service. I know that the Appropriations Committee is reluctant to request, and the Rules Committee is reluctant to grant, rules which waive points of order against unauthorized appropriations. However, the waiver provided for the Customs sections of our bill is entirely appropriate.

It is through no fault of the Appropriations Committee that the activities of the Customs Service are not authorized. We face the same situation almost every year because the Customs Service has only been authorized once in the past 10 years. This year, an authorization has not even been reported from the Ways and Means Committee.

In light of the grave problems that this country faces with drugs streaming through our borders, it would have been irresponsible for us not to fund the Customs Service simply because there is no authorization. Owing to these compelling circumstances, the Rules Committee granted a waiver, and I thank them for it.

One of the most important items in this bill is the funding we provide for the Customs Service. Every Member of this House is well aware that ilicit drugs threaten to destroy the youth of our Nation.

Any Member who is serious about doing something to address our Nation's drug problem should support this bill. Our committee has dramatically "beefed-up" funding for the Customs Service so that it can wage a war on drugs. Without the funding provided by the committee, the Customs Service would be unable to fight the flood of drugs entering this country.

According to the Select Committee on Narcotics, of which I am a member, 85 tons of cocaine, 10 tons of heroin, 15,000 to 16,000 tons of marijuana and 200 tons of hasish entered our borders last year. The illegal drug trade is an insidious plague which infects our society, and only if we are prepared to provide the Customs Service with the manpower and resources they need will we be able to stop drug runners at our borders.

While drugs may be the most important element of the jurisdiction of the Customs Service, we should not lose sight of the fact that the Customs Service enforces over 400 laws and regulations. Some of these laws are very important to domestic industry. Time and time again, Members have written our subcommittee and testified at our hearings to request that the Customs Service be given adequate resources to fight the problem of illegal imports. I know how critical this is for the domestic textile industry. Industry representatives and veteran customs' personnel agree that $35 to $40 billion in goods which should be subject to duty enter this country illegally. This costs the U.S. Treasury nearly $3 billion in lost duties each year.

Another meritorious feature of the bill concerns the U.S. Postal Service's revenue foregone initiatives. As the largest item in the Postal Service's budget, revenue foregone provisions compensate the Postal Service for the revenue lost as a result of their providing subsidized mail service to small community newspapers, libraries, and nonprofit organizations. There is no doubt that any reduction in funding for nonprofit mail rates from the amount approved by the committee would drastically inhibit the wave of voluntarism and private initiative in the United States.

There are many organizations which merit such reduced postal rates in their efforts to provide service to the public. Organizations such as the American Cancer Society, the American Heart Association, the American Red Cross, and the National Easter Seal Society, just to mention a few, all benefit from the Revenue Foregone Reimbursement Program.

The committee has acted responsibly in restoring the funds necessary to implement the revenue foregone provisions, despite the administration's desire to defund the program. Let me commend the wisdom of the subcommittee in its efforts to continue this valuable program.

Mr. Chairman, I believe this bill represents a balance of necessary spending and fiscal restraint. This is a good bill, and one that every Member of the House should support. Once again, I want to commend the subcommittee for its tireless efforts on this bill. I urge my colleagues to rise in strong support of this substantive work.

Mr. SKEEN. Mr. Speaker, I yield such time as he may consume to the sedate, quiet and distinguished gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, I rise in support of H.R. 5294, the Treasury-Postal Service appropriations bill for fiscal year 1986.

I want to commend the chairman of the subcommittee, my good friend, ED ROYBAL, for bringing a well-balanced bill to the floor.

For several years now, Chairman, ROYBAL has done an outstanding job in guiding this bill on the floor, negotiating with the other body and bringing back the House position from conference.

Every member of the subcommittee can attest ED ROYBAL is a fair chairman who listens and acts on the concerns of the Members of this House.

As a long time member of this subcommittee, it's a pleasure for me to work with Chairman ROYBAL. And he has an able staff headed by Tex Gunnels, a friend of mine for over 20 years.

And as the ranking member of the subcommittee, my good friend JOE SKEEN has done an outstanding job during his first term on the Appropriations Committee.

Both gentlemen have worked hard together with the other members of the subcommittee to produce a well balanced bill that doesn't bust the budget.

Last year, the Treasury bill was the only bill vetoed by the President. I think that the administration made a mistake in rejecting the Treasury bill, and that shortsighted gesture almost caused a funding crisis in the IRS. This Committee averted a serious disruption of our tax system by appropriating $340 million for the IRS in the Urgent Supplemental—a supplemental request that was recommended just a few months after the President vetoed the bill.

Today, the subcommittee has recommended a responsible bill that attempts to adequately fund important law enforcement agencies and the Postal Service subsidy without busting the 302(b) allocation. In fact, this bill is $3 million below the allocation in discretionary budget authority. However, because the administration underfunded several agencies in their request to Congress, the bottom line shows a $938 million increase over the President's recommended level.

As the chairman explained, most of the increase—some 97 percent of the $938 million increase—is due to add-ons for three agencies: the IRS, the Postal Service, and Customs. So, if you're looking for a place to cut, you have to take a slice out of nonprofit mailing subsidies, cut revenue producing problems or slash drug interdiction money in the Customs Service. As you can see, there's not much of a choice.

Moreover, almost half of the money appropriated in this bill is for mandatory items. The payments for retired Federal employee health benefits and to the civil service retirement and disability fund, along with the President's salary, amount to $6 billion out of the $13.7 billion provided in this bill. These payments are fixed costs mandated by law. The Appropriations Committee has no control over this mandatory spending, and the amount provided in this bill is the same as the administration requested.

Mr. Chairman, I disagree with the administration's position on funding levels recommended in this bill.

Because the administration proposal for a cross subsidy of postal rates has not been passed, the committee recommended $650 million to maintain reduced nonprofit mail rates.

To continue our war on drugs, the committee added $112 million to the Customs Service.

To ensure the revenue predictions in the budget resolution, the committee recommended an additional $150 million for the Internal Revenue Service.

Despite these well justified increases, OMB objects to this bill.

The administration is most concerned about a $5.4 million cut for the Office of Information and Regulatory Affairs in OMB and language restricting the use of OMB resources. This provision has implications for all of the programs in this bill, and I regret that the committee has taken this action.

OMB will recommend a veto if this language is included. Let me read from a letter that I received from JIM MILLER:

"The denial of funding for the Office of Information and Regulatory Affairs alone would prompt a veto recommendation."

I am including for the RECORD a copy of this letter and the accompanying statement of administration policy.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, July 30, 1986.

Hon. SILVIO CONTE,
Committee on Appropriations,
U.S. House of Representatives,
Washington, DC.

DEAR SIL: As the House Appropriations Committee prepares to mark up the 1987 Treasury/Postal Service/General Government Appropriations bill, I would like to outline the Administration's position on the bill approved by the Subcommittee.

If the bill is presented to the President in its present form, I will recommend a veto. The denial of funding for the Office of Information and Regulatory Affairs constitutes an unacceptable restriction on the Executive Branch's constitutional prerogatives and responsibility to oversee regulatory affairs and would prevent the application of the Paperwork Reduction Act. This provision alone would warrant a veto recommendation.

The funding levels in the bill are unacceptable as well. Total discretionary budget authority in the bill is $7.7 billion, $1.0 billion more than the President's request and $0.6 billion more than the 1986 enacted level. The increase jeopardizes the likelihood of meeting the target deficit established in the Gramm-Rudman-Hollings legislation.

The Administration opposes three major increases in discretionary spending.

The Postal Service increase of $650 million in the revenue forgone appropriation over the request continues subsidization of preferred mailers. Moreover, the increase provides reduced postage for questionable uses of the mail (i.e. advertising and commercial solicitation for products and services) are ones taxpayers cannot and should not bear.

The Subcommittee has increased funding for Customs Service salaries and expenses by $100 million and added 850 positions. This 14 percent increase of budget resources and personnel over the President's request is unwarranted and cannot be supported by any demonstration of need by the Customs Service.

The Internal Revenue Service increase of $150 million, with an additional 3,000 to 3,500 positions, is unacceptable. The President's request already includes major increases in tax processing, examinations and appeals, and investigations, collection and taxpayer service. Further increases as outlined in the Subcommittee bill will make it very difficult to recruit, train, and assimilate these large numbers of personnel and will also exacerbate overall funding level problems.

The Administration must also take issue with several language provisions. The bill, which mandates Customs Service staffing levels and prohibits consolidation of regions, puts unnecessary restraints on the Service as it strives to improve efficiency through administrative changes. Section 522 continues the prohibition on transferral of the Critical Materials Stockpile from General Services Administration, and Section 619 continues the ban on changing the Combined Federal Campaign rules. These are yet further infringements on Executive Branch prerogatives.

Other provisions in the bill overstep legislative functions (particularly those enunciated by the Supreme Court in *INS.* v. *Chadha*) by requiring Congressional Committee approval of Executive Branch actions and impeding the ability of the Executive Branch to manage properly and effectively its responsibilities. The most objectionable provisions involve the transfer of funds within appropriations. While we remain open to discussion of specific issues and items of concern to Members and Committees of the Congress, we strongly oppose efforts to infringe upon the constitutional authority and legitimate policy and managerial functions of the Executive Branch.

The enclosure identifies and discusses these and other funding and language provisions that are objectionable to the Administration.

I hope that you will use your influence to report a bill that eliminates unnecessary spending increases and objectionable language provisions and would be acceptable to the Administration.

Sincerely yours,

JAMES C. MILLER III,
Director.

TREASURY-POSTAL APPROPRIATIONS BILL, 1987 Objectionable Provisions

I. FUNDING LEVELS

U.S. Postal Service. The Administration opposes the Postal Service increase of $650 million in the revenue forgone appropriation which continues the subsidization of the preferred mailers and unfairly burdens the American taxpayers. Moreover, the Committee's increase provides reduced postage rates for questionable uses of the mail (i.e. advertising and commercial solicitation of product services) at the taxpayers' expense.

U.S. Customs Service, Salaries and expenses. The Subcommittee has provided a $100 million increase above the President's request, including funding for 850 FTE. An increase of this size is unjustifiable, and the Administration strongly opposes it.

Internal Revenue Service. The Subcommittee increased funding by $150 million and staffing by 3000 to 3500 FTE over the President's budget. In 1986 IRS received large increases for returns processing and computer equipment. The President's request already includes significant additional increases, particularly in examination and appeals and investigation, collection and taxpayer service. The Subcommittee's additions are unnecessary, or at least premature until the latest increases are assimilated and results are evaluated.

Bureau of Alcohol, Tobacco and Firearms. The Administration opposes the increase of $12 million over the President's request.

U.S. Secret Service. The Administration opposes the increase of $6 million for continued construction at the Rowley Training Center. The revised Master Plan for the Training Center has never been approved by the Secretary of the Treasury.

Federal Law Enforcement Training Center. The Subcommittee funding recommendation for FLETC is a 41% increase over the President's budget and is clearly unjustified given the projected basic training student attendance for 1987. In addition, the Administration believes it is premature to appropriate additional anti-terrorist training funds without first determining specific course content, the appropriate agency participants and overall program jurisdiction.

National Defense Stockpile Transaction Fund. The Administration does not support the construction of a Strategic Material Research Facility in Amherst, Massachusetts, and therefore opposes the $5 million Subcommittee funding for this account.

Office of Management and Budget. The decrease in funding of $5.4 million is highly objectionable to the Administration. The discontinuation of funding for the Office of Information and Regulatory Affairs will jeopardize essential Executive Branch activities.

General Services Administration, Federal Buildings Fund. The Administration opposes the addition of five construction projects and strongly opposes the construction of a Federal building in Wilkes-Barre, Pennsylvania, and the purchase of a site for a Federal building in Chicago, Illinois.

II. LANGUAGE PROVISIONS

Office of Information and Regulatory Affairs. The Subcommittee has restricted *any* expenditures on OIRA. The denial constitutes an unacceptable restraint on the Executive's constitutional prerogatives and responsibility to oversee regulatory affairs, and will prevent the enforcement of the Paperwork Reduction Act. This item alone will warrant a veto recommendation of the bill.

Internal Revenue Service. The restrictions on setting personnel levels for taxpayer service of the Internal Revenue Service are objectionable. The restriction limits the flexibility of the IRS to efficiently allocate resources and to respond to changing workforce needs.

Critical Materials Stockpile. The Administration opposes the prohibition on the transfer of the stockpile management from the General Services Administration.

Consolidation of Customs offices. The prohibition on consolidation within the Customs Service infringes on management prerogatives. Given this prohibition, Customs will not be able to realize efficiency improvements through re-assigning responsibilities and duties among offices. The Administration strongly opposes this provision.

U.S. Customs Service, Personnel Floor. The Administration opposes the bill language establishing an FTE floor level of 14,891 FTE for the U.S. Customs Service. In addition, the Administration opposes Section 520, which establishes monthly reporting requirements on FTE levels by each Customs Service district. Such an arbitrary requirement diminishes the management role of the Executive Branch in developing a national operating strategy for Customs Service activities.

Combined Federal Campaign. The continued ban on changing the rules of CFC is unnecessary.

Office of Management and Budget. The restrictions regarding the review of marketing orders and Executive Branch testimony, as well as the issuance of certain statistical data and regulations, are objectionable.

Advisory Commission on Intergovernmental Relations. The Subcommittee has cut the President's request for Federal funding for the Advisory Commission on Intergovernmental Relations (ACIR) in half. The ACIR provides independent research on a wide range of issues with intergovernmental impact. The Administration recommends the continuation of the requested level of Federal support for their work.

Title V, Section 507. The Administration opposes the prohibition on contracting for work performed by employees in selected positions in the General Services Administration.

Title V, Section 509. The Administration strongly opposes the prohibition on sale, lease, rental, excessing, surplusing or disposal of any portion of properties located at Fort DeRussy, Honolulu, Hawaii.

General and administrative provisions in violation of Chadha. The Supreme Court ruled in 1983 (in *INS.* v. *Chadha*) that legislative vetoes of Executive Branch actions taken pursuant to law are not permitted under the Constitution. Such vetoes include not only actions by one House, but also actions by Committees. The Subcommittee has included the unconstitutional requirement for approval from the House and Senate Committees on Appropriations in the following cases:

Secret Service activities (listed in Title I, p. 11);

Tranfer funds for the Department of the Treasury between appropriations;

Increases in project funding within the Federal Buildings Fund for Repairs and Alterations;

The funding of additional projects for which prospectuses have been fully approved within the Federal Buildings Fund;

Emergency repairs funded by the Federal Buildings Fund;

Transfer of funds within the Federal Buildings Fund; and

Renovation of offices in excess of $5,000.

Section 611, which states "None of the funds made available pursuant to the provisions of this Act shall be used to implement, administer, or enter in any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States' is constitutional under *Chadha* as well.

Prohibition on payment of nominees. The Administration has consistently opposed section 606 prohibiting the payment of funds "to any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve the nomination of said person." This provision raises substantial constitutional concerns as an infringement on the President's appointment authority.

Mr. Chairman, I'd hate to see the hard work of this committee rejected because of this provision.

It doesn't belong in this bill, and I'll be working in conference with the other body to restore the funding and to remove this restrictive language.

Mr. Chairman, this is a good bill, and I urge my colleagues to support H.R. 5294.

□ 1230

Mr. ROYBAL. Mr. Chairman, I yield such time as he may require to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, at this time I would like to pay tribute to the chairman of this subcommittee, Mr. ROYBAL, to the ranking member, Mr. SKEEN, and to each subcommittee member, Mr. AKAKA, Mr. HOYER, Mr. COLEMAN, Mr. BOLAND, Mr. YATES, Mr. CONTE, Mr. LOWERY, and Mr. WOLF.

In fact, I want to pay tribute to each member of the Appropriations Committee and particular each subcommittee chairman and ranking minority member—SILVIO CONTE, the ranking minority member of the committee; NEAL SMITH and the late George O'Brien of the Commerce-Justice Subcommittee; BILL CHAPPELL and JOE MCDADE of the Defense Subcommittee, formerly chaired by our good friend Joe Addabbo; JULIAN DIXON and LARRY COUGHLIN of the District of Columbia Subcommittee; TOM BEVILL and JOHN MYERS of the Energy and Water Development Subcommittee; DAVE OBEY and JACK KEMP of the Foreign Operations Subcommittee; EDDIE BOLAND and BILL GREEN of the HUD-Independent Agencies Subcommittee; SID YATES and RALPH REGULA of the Interior Subcommittee; BILL NATCHER and SIL CONTE of the Labor-HHS-Education Subcommittee; BILL HEFNER and MICKEY EDWARDS of the Military Construction Subcommittee; BILL LEHMAN and LARRY COUGHLIN of the Transportation Subcommittee; and, of course, VIRGINIA SMITH, the ranking minority member of the Agriculture and Rural Development Subcommittee which I chair.

I suspect that I have served on the Appropriations Committee longer than anybody in history and have been chairman since 1979. Certainly I have enjoyed every bit of it. But what I want to point out is that in a recent magazine article it was said that the Appropriations Committee is the only committee whose bills have to pass.

That being true, we certainly have a great responsibility. I would not say that our Committee on Appropriations is completely nonpartisan, but I will say that it is bipartisan.

May I say again and point out for the record that the purpose of appro-

priations and the purpose of government is to serve the people. The complaint that is made about this bill, as about many others, is about the things in there that render service to the people.

Unfortunately we have people here who look only at dollars and cents and cost and this and the other. That has to be done, but the sole purpose of government is to help the people and not to cause trouble.

The cuts that we have made in the last few years have not gone to the deficit or to the debt. It has gone to increase the carryover and certain other activities of the Government.

I pointed this out several times. In the early days of our Republic, or before our Republic, you might say, in 1781 to 1788 we had each State looking after its own well-being within its territorial boundaries. It did not work.

The word "United" got into the name of our country because the colonies and later the States joined together. Keep this in mind; we started throwing the weight of the Federal Government behind the development and behind the problems of all the country in 1934. Since 1934, due to the fact that the Federal Government threw its weight into development, the wealth of this country has increased 41 times. Since 1940 it has increased 36 times. It is estimated that our total national value is $16.2 trillion.

I grant you that our finances are in bad, bad shape, but that is not the fault of the committee. Again, I want to compliment not only my subcommittee chairman and the Republican leader here but all members of the committee. I can't say how proud I am of the Appropriations Committee. We get lots of requests; we do the best we can. I think that we all can be proud of our actions.

You may say well, they passed the Budget Act; now live with it. We passed the Budget Act here because 46 percent of our spending was bypassing the annual review process and the Appropriations Committee, where we had held the line. After 10 years now 52 percent is going around the annual review process and appropriations.

The other thing that I would point out is that when they agreed to let the Senate be controlled by outlays, why that is under the control of the executive branch. I do not know what we can do, but our committee is trying to work it out.

I take this time to commend the folks who I work with and commend them for the job that they have done in looking after the country and remembering that we represent the people, and let us take care of the people's interest.

Mr. SKEEN. Mr. Chairman, how much time remains on this side?

The CHAIRMAN. The gentleman from New Mexico [Mr. SKEEN] has 18 minutes remaining.

Mr. SKEEN. Mr. Chairman, I yield 6 minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Chairman, I am pleased to rise in support of H.R. 5294, our Treasury-Postal appropriations bill for fiscal year 1987, and I commend the distinguished chairman of the committee, the gentleman from California [Mr. ROYBAL], and our ranking minority member, the gentleman from New Mexico [Mr. SKEEN], for their hard work in bringing this measure to the floor at this time. Included in this legislation is the vital revenue foregone appropriations of $650 million.

Presently, without revenue foregone, many nonprofit organizations could not continue to make their vital contribution to our Nation's educational, social, and cultural strength. Such valuable organizations as public libraries and countless other important nonprofit entities would find it considerably difficult to continue their programs without financial help with their mailings.

Accordingly, I urge my colleagues to support this portion of the bill.

Mr. Chairman, I am in further support of that provision of the Treasury, Postal Service, and general government appropriations which refer, specifically to fiscal 1987 funding levels for the U.S. Customs Service. The flood of illicit drugs coming to our shores is expected to be greater this year than ever before. Our House Select Committee on Narcotics Abuse and Control, on which I serve as ranking minority member, under the leadership of our distinguished chairman, the gentleman from New York, Mr. RANGEL, has estimated that 12 tons of heroin, as much as 60,000 tons of marijuana, 200 tons of hashish, and an alarming 150 tons of cocaine will be smuggled into the United States during the current year. Only 85 tons of cocaine was estimated to be imported in 1984. Increased availability has resulted in increasing demand for, and addition to drugs. More than 25 million people have tried cocaine, and as many as 1.2 million people have become addicted and are in need of treatment.

The Customs Service is a key component of our Nation's effort to control the importation of drugs and other contraband at land, sea, and air ports of entry into the United States. We must do everything we can to assure that the Customs Service has the manpower and resources to continue to do the most effective job possible in our war against drugs. The bill before us today seeks to accomplish this goal by restoring the 1,547 positions that were proposed for elimination in 1987; provided for an additional 850 positions, and directed the Customs Service to maintain an average of 14,891 personnel during fiscal year 1987. As a result, funding is proposed to be increased to $793 million which is $100 million above the budget request and $76 million above the fiscal 1986 funding level.

Mr. Chairman, early this year the Select Committee on Narcotics Abuse and Control traveled to our Southwest border to review the drug trafficking situation in that region, and to meet with Mexican President de la Madrid and Attorney General Ramirez to discuss ways that the ever increasing drug trafficking activity across our border with Mexico could be stopped. Our study mission revealed the distressing fact that in terms of drug smuggling, our border with Mexico is out of control—it is a virtual sieve. It is estimated that Mexico currently supplies 42 percent of the heroin, 30 to 35 percent of the marijuana, and one-third of the cocaine consumed in the United States.

In an effort to respond to this situation, the administration is currently planning a Southwest border drug interdiction initiative. That initiative is a direct result of planned actions resulting from the President's April 8, 1986, National Security decision directive in which drug trafficking is recognized as a national security threat. While details of the operation have not been fully disclosed at this time, it is understood that the Customs Service will be sending as much as 200 additional personnel to the Southwest border to increase our drug interdiction capability. I applaud that effort and look forward to the detailed information the committee has requested on Customs' plans and operations in this important venture.

In closing, Mr. Chairman, I would add that we are all coming to recognize that as important as they are, enforcement and interdiction activities alone will never lead to a victory in our war against drugs. Education initiatives to reduce demand at home, and increased emphasis on reducing drug production in source countries must also be addressed. The majority and minority leadership are currently working on a legislative package designed to provide such a coordinated approach to the drug problem. Clearly, the Customs Service will play a key role in any antidrug legislation that is fashioned. In our continuing efforts to combat narcotics trafficking, I urge my colleagues to support the bill before us today.

Mr. ROYBAL. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. COLEMAN].

□ 1240

Mr. COLEMAN of Texas. Mr. Chairman, I rise in strong support of H.R.

5294, the Treasury, Postal Service, and general Government appropriations bill for fiscal year 1987.

Under the able leadership of the chairman, Mr. ROYBAL, and the ranking minority member, Mr. SKEEN, the committee has produced a bill which meets to goals of the Nation in the area of drug enforcement, revenue collection, and the management of Government while staying under the 302(b) allocation provided by the conference report on the budget resolution for fiscal year 1987.

The chairman has already addressed the fine points of the legislation before the House and therefore I would like to address some important areas contained in this bill in greater detail.

The committee has made substantial changes to the administration's budget request for the U.S. Customs Service. The administration had requested that the Congress affirm the Gramm-Rudman cut of 777 full time personnel in the Customs Service below the fiscal year 1986 level and cut an additional 770 full time positions for a total cut of 1,547 full time positions below the fiscal year 1986 level. This request follows a pattern of proposed cuts which the Congress has rejected during the last 3 years. The committee again rejected the cuts and, instead, restored the 1,547 positions and added 850 full time positions for a total of 2,397 full time positions above the administration's request. This level is in accord with the conference report on the budget resolution for fiscal year 1987.

The committee and the Congress are increasingly alarmed by the rising quantity of illegal narcotics being smuggled into the Nation and the toll they have taken on human life. Earlier this week, the House leadership of both parties announced the formation of an omnibus drug interdiction package. Following that, the President announced a new initiative on the part of the administration. The rising death toll of drugs has shortened the fuse of the American public—they are demanding action.

This bill provides for such action through the increase in Customs Service personnel. This is not the first time the committee has produced such a bill, in the past, we have lost some ground due to the intransigence of the administration toward the Customs Service. However, continued bipartisan support to enhance the agency's ability to detect and interdict illegal narcotics has prevailed. Unfortuntely, even when the committee and the Congress have provided the funds necessary, we have found that the Customs Service and the administration have found ways to not hire the number of personnel requested in the bill.

Last year, the conference committee included language in the conference report on the Treasury, Postal Service, and general Government appropriations for fiscal year 1986 prohibiting the Customs Service from reducing personnel levels below the level of 14,041 full time equivalent positions. In November, the Comptroller of the Customs Service issued a memorandum to the Commissioner outlining the conference report language on personnel levels and ways in which the Commissioner could evade the law and intent of Congress. I found this abrogation of congressional intent on the part of the Commissioner to be an outrage and therefore I offered language contained in this bill which directs the Customs Service to "hire and maintain an average of 14,891 full-time-equivalent positions" in fiscal year 1987. While I will agree with Members that this language may appear to "micromanage" the agency, in the case of the Customs Service, I believe we have no other choice but to ensure that the adequate number of personnel are hired to do the job.

The committee provided $67.5 million for the operation and maintenance account of the Air Interdiction Program—the airborne arm of Customs. This will allow the Customs Service to meet the needs of its Air Interdiction Program and avoid unnecessary down-time for lack of adequate maintenance resources. Furthermore, this would allow for the purchase and stationing of the Southwest aerostat for radar surveillance. While some Members may believe this amount is inadequate, they should be advised that this amount is $12.5 million above the administration's request.

The committee also approved language which prohibits the Customs Service from implementing single shifts at airports and charging user fees for overtime costs beyond those single shifts. Earlier this year, the Customs Service sought to impose these single shifts without proper prior notification of the committee. The committee and the Congress placed a prohibition on this action in the supplemental appropriations for fiscal year 1986 and has continued prohibition until the Custom Service presents a detailed proposal to the committee.

The committee also adopted language in the bill to direct the Customs Service to report to the Committee on Appropriations and the Committee on Ways and Means on the personnel vacancy level per month. In the past, the committee has noted that a large number of positions authorized and appropriated have remained vacant. In fact, study of the issue shows that for fiscal years 1981 through 1985, an average of 353 positions authorized and appropriated by the Congress were never filled. The committee is informed of such vacancies only on an annual basis. Efforts to retrieve this information on a more frequent basis from the Customs Service has been unsuccessful after requests over the last 3 years. It is the opinion of the committee that such information is necessary if the Congress is to ensure adequate enforcement of our trade and drug smuggling laws.

Another area of interest addressed by this legislation involves the ongoing efforts of both public and private parties to bring about the timely funding of international border crossings with our neighbors to the South, Mexico. With regard to the often discussed crossing at Ysleta, TX, I am particularly encouraged by recent reports that both the United States and Mexico are about to move forward on this project. For this reason, I have included language in the committee report accompanying the bill which allows for the expeditious expenditure of funds to meet our necessary bilateral obligations.

Mr. Chairman, this is a good bill. It is within budget. It provides the necessary resources for the collection of revenue, interdiction of drugs, and enforcement of trade laws. Three issues are paramount in this Nation—the budget deficit, the drug crisis, and the trade deficit. This bill addresses all three of those very real concerns. A vote for this bill is a vote to raise the revenue for the Government to function, to continue the war on drugs, and to ensure enforcement of our trade laws.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN of Texas. I yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Chairman, I want to compliment the gentleman on his statement and certainly commend the chairman of this committee. With respect to Custom workers, I notice the gentleman spent some time in his statement on that. The fact is that we transferred 88,000 Government workers to Pentagon activities, and as a result, there really is a tremendous shortage of Custom workers.

If we are really serious about not allowing illegal drugs into this country, we had better do something fast.

Mr. COLEMAN of Texas. Mr. Chairman, they are the front line, I would tell the gentlewoman, and she is absolutely right. I appreciate her remarks.

Mr. SKEEN. Mr. Chairman, I yield 2½ minutes to the gentleman from North Carolina [Mr. COBEY].

Mr. COBEY. Mr. Chairman, today, I hope to offer an important amendment that addresses a practice which is most unjust, and indeed, which is illegal. Unfortunately, however, it's a practice which has gone on unchecked for years. I'm asking my colleagues to help me defeat the motion to rise on

this bill, so that I might have an opportunity to offer my amendment.

Mr. Chairman, I'm talking about the practice of using compulsory union dues for political purposes. The Supreme Court says that this practice is illegal; that it violates the constitutional rights of workers. In fact, the Supreme Court has ruled four times on this issue—the most recent ruling was this past spring. And yet, despite the Supreme Court decisions affirming the illegality of this practice, it's still a common occurrence throughout our country.

Unfortunately, our Federal election laws don't address this problem and because of this, it's extremely difficult for wronged employees to gain redress. Instead, they've been faced with costly and lengthy legal procedures to recover misspent dues. It's up to the Congress to make sure that the agencies we fund uphold the law. That's why I want to offer my amendment to insure the FEC complies with the Supreme Court decisions in all of its rules, regulations, and advisory opinions.

It's unfortunate that there's been no opportunity to address this problem in an authorization procedure. It's also unfortunate that there's been no action resulting from oversight hearings. It appears that the only way to insure that workers are shielded from this particular injustice is my amendment to make the FEC comply with the Supreme Court rulings barring the use of compulsory union dues for political purposes. I urge you to join me in my effort to defeat the motion to rise, and to support my amendment against the use of compulsory union dues for politics.

Mr. ROYBAL. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. SCHEUER].

Mr. SCHEUER. Mr. Chairman, I thank the gentleman very much for yielding me this time. I want to take my hat off and congratulate the chairman and his colleagues on both sides of the aisle on this subcommittee for the outstanding job that they have done in turning the administration's rhetoric that we hear about drugs into hard, tangible action.

Our country has failed spanning several administrations in meeting the problem of drugs, which is now a cancer in our society. The drug infestation of our society is threatening the qualify of life in our cities, and it is responsible for perhaps two-thirds of violent crime. It is the leading cause of education failure in a country that now has 20 percent of its work force, 20 percent of its work force functionally illiterate, and that figure is growing as more kids are dropping out of school and as more kids seem to finish 12 years of public education and are unable to read, write, and count.

The impact of that in future years is horrifying when one thinks that by the turn of the century three-quarters of all of the new jobs that will be created between now and then will require some degree of post-secondary education, education after high school, computer education, all kinds of education where literacy, the ability to read, write, and count will be indispensable minimal preconditions to success in life. The drug scourge today is the leading threat to bringing our full population, including our minorities, including blacks and Hispanics, into full equal participation in the labor force.

Perhaps this might sound like going far astray of our subject, but it is directly connected with the magnificent action that the gentleman is proposing in this committee of adding 2,400 jobs and $100 million to fund the Customs Service. I would like to ask the chairman of the subcommittee: Do you feel that the 2,400 jobs and the $100 million of additional funding as an act, as specific, tangible, positive act of this Congress as compared to the rhetoric that we have been hearing from the administration, devoid of any tangible substance, in fact rhetoric which has been accompanied by cutting law enforcement right down the line across all of the law enforcement agencies, is this going to help substantially to staunch the flow of narcotic drugs into our country and into the arms, and down the throats of our kids in every town, hamlet, and city in the United States?

□ 1250

Mr. ROYBAL. Mr. Chairman, if the gentleman will yield, and in response to his question, the answer is, of course, "Yes;" that is one of the main reasons that this money is being put back into the bill. We are increasing the number of personnel because if we do not, more and more narcotics will be coming into the United States.

This means, then, that the moral fiber of this country will continue to deteriorate. Something has to be done besides talk. We have to do more than just talk about this situation. This is putting money on the front line where these narcotics agents and inspectors actually look into cargo as well as the luggage of people coming into the country.

They also have within the organization sophisticated aircraft that can follow people who leave the United States, go to a foreign country, bring the narcotics back to this Nation. The aircraft that we have today are not sufficient in numbers or sophistication to do that, this provides money for that purpose.

We are doing what I think is long overdue: Providing money and personnel for the interdiction of narcotics where it really counts, on the front lines.

Mr. SCHEUER. Mr. Chairman, I again congratulate the gentleman and his colleagues.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. SCHEUER. I yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, I want to join in his statement. I want to commend the chairman, the gentleman from California [Mr. ROYBAL] and the ranking member, the gentleman from New Mexico [Mr. SKEEN] and the committee for putting this together.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROYBAL. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I want to say that this is the frontline, and if our Customs agents can stop a kilo or a greater amount of cocaine, heroin, or whatever coming in, and I think the gentleman from Texas touched on this, that saves the country a great deal of money in subsequent prosecutions and penalizations and other things, and education and lost jobs as this contraband is distributed throughout the United States.

These people are our frontline fighters, and I commend the committee in raising the number of Customs agents.

Mr. SKEEN. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I, too, want to congratulate the committee for doing what they have done on the Customs Service for the Drug Interdiction Program. I think that they have provided some additional money; that is going to give the Customs Service additional resources with which to pursue the drug fight, and I think the committee deserves our commendation for having moved as far as they did.

I will be offering an amendment to try to provide a modest amount of additional resources. I have been through the bill; it is rather difficult in the bill with all the mandatories in it and so on to find places where you can eke out a little bit of money to get some additional drug money in the bill; but I did find in the Office of the Secretary that the committee had designated it for an increase of $4.6 million.

My guess is, as a priority for the country, that we could reduce that $4.6 million by about $3 million and get ourselves some additional drug agents, some Customs agents, about 60 more, and take it out of the hide of bureaucracy; and as a matter of national priorities we would be better off.

So I will be offering some amendments in order to do that; take $3 million out of the Office of the Secretary and put it over into the Customs Serv-

ice for the purpose of providing even more Customs personnel.

That would give us 60 additional Customs personnel. As I say, that is very, very modest, but it is in fact something which is going to be needed.

This is the list of things that are going to be needed in the Customs Service alone in the drug interdiction program that the bipartisan task forces are coming up with.

The gentleman from Oklahoma [Mr. ENGLISH], when he introduced his bill the other day, H.R. 5267, which is a part of that bipartisan package—this is what it contemplates in terms of just the Customs Service.

It is a $384 million additional commitment that this Nation is going to have to make. My modest, $3 million amendment, is in fact 1 percent of what we will need if we are to bring about this program.

It seems to me that the House may want to adopt this amendment to cut bureaucracy in order to fight drugs, and when we get to the appropriate part in the bill, I would urge that amendment's adoption.

Mr. ROYBAL. Mr. Chairman, I yield 3 minutes to the gentleman from Oklahoma [Mr. JONES].

Mr. JONES of Oklahoma. Mr. Chairman, first let me add my commendation to the subcommittee for what it is doing to beef up the law enforcement and particularly the fight against narcotics and drug trafficking. I think that is a major part of this bill, that is very important.

I would like to call my colleagues' attention to a relatively obscure part of the bill, which declares that no funds can be used to consolidate or close small post offices; and I want to particularly thank the chairman of the subcommittee for responding so positively to a letter and request that I made a couple of weeks ago to take this action.

As my colleagues may or may not know, some proposed postal regulations were published that would have had the effect of making it far easier to close small rural post offices, and even more objectionable, to do this without sufficient public input, public participation in that decision.

This is particularly affective of States such as Oklahoma, who have a number of small communities who revolve around the post office itself.

So I want to thank the chairman. I do know that when we took this up with the Postmaster General, that they did postpone for another 30 days the period of time in which to have public comment on these proposed regulations; and I would certainly urge my colleagues, particularly those who represent preodominantly rural States, to urge your constituents to make your comments known during this period.

I think it is fair to say, as I read this language, that regardless of what happens after this public comment period, that States such as Oklahoma, who have rural post offices, will not be faced with the threat of having them closed down. Is that something we can tell our constitutents, Mr. Chairman?

Mr. ROYBAL. Mr. Chairman, if the gentleman will yield, that is, of course, correct, and that is in the bill.

For example, we have the language in the bill that none of the funds provided in this act shall be used to consolidate or close small rural and other small post offices in the fiscal year ending September 30, 1987.

Mr. JONES of Oklahoma. I thank the chairman.

Mr. SKEEN. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. SHAW].

Mr. SHAW. Mr. Chairman, I would like to express my sincere appreciation to the distinguished chairman of the subcommittee, Congressman ROYBAL, as well as the ranking minority member, Congressman SKEEN, for their support for the inclusion of $2,461,000 in this bill for the design of new Federal building in Miami, FL.

This building is desperately needed by law enforcement agencies currently scattered in a number of leased locations throughout the Miami area.

Because of this fragmentation and the absence of federally owned facilities, these agencies have had to cope with a number of serious security, management and other problems which could be minimized, if not eliminated, by the colocation of these agencies in a single, Government-owned facility.

Leasing costs are high in Miami and agencies are paying hundreds of thousands of dollars annually for duplicative security and related services.

The Committee on Public Works and Transportation authorized the appropriation of funds for this project on June 24 of this year.

The amount included in this bill today will enable GSA to begin the design work for the project.

On that point, I would like to ask the distinguished chairman of the subcommittee, "Would it be his understanding that if these design funds are made available to GSA in fiscal year 1987 that GSA should go forward with the design of the project?"

□ 1300

Mr. ROYBAL. The gentleman is correct. In fact, the moneys are in the bill at the present time; $2,461,000 is in the bill for that specific purpose.

Mr. SHAW. I would also like to inquire of the gentleman if it is reasonable to expect that, should the design funds be made available this year, that we could anticipate that funds for the construction of the project could be made available in future fiscal years.

Mr. ROYBAL. Yes, if they fit within the future fiscal years plans. I cannot guarantee it will be next year but soon thereafter.

Mr. SHAW. Mr. Chairman, I again would like to thank the chairman and the ranking member for their leadership and support of this very important project for the citizens of south Florida.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman from Florida for his work in the Public Works Committee and for this colloquy and thank the chairman for his responses. This is a very important project. It will save money for the Government, and I hope that we can proceed with its design and construction.

Mr. SHAW. As my friend from Miami, FL, also recognizes as well as I do, we have a very dangerous situation down here. This is not going to be a cureall, but it is certainly going to be a very important step forward toward safety and efficiency in law enforcement in the Miami area, in the south Florida area.

I thank the gentleman, and I yield back the balance of my time.

Mr. ROYBAL. Mr. Chairman, may I inquire how much time remains on this side?

The CHAIRMAN. The gentleman from California [Mr. ROYBAL] has 30 seconds remaining, and the gentleman from New Mexico [Mr. SKEEN] has 3 minutes and 30 seconds remaining.

Mr. ROYBAL. Mr. Chairman, I yield the 30 seconds remaining to the gentleman from Oklahoma [Mr. MCCURDY].

Mr. SKEEN. Mr. Chairman, I yield 30 seconds to the gentleman from Oklahoma [Mr. MCCURDY].

Mr. MCCURDY. I appreciate the gentleman from California and the gentleman from New Mexico yielding this time.

Mr. Chairman, I rise to commend and thank the gentleman from California, the distinguished chairman of the subcommittee, for his leadership in this area, particularly with respect to the U.S. Postal Service.

All of us rely on the Postal Service, and it is critically important that it operate as effectively and efficiently as possible.

The Postmaster General recently announced plans to construct a 240,000-square-foot classroom/laboratory/technical training center in Norman, OK. This facility strengthens the Postal Service's 17-year relationship with the community of Norman, and it will benefit every American. The chairman of the subcommittee

has been extremely helpful in ensuring that the Postal Service meet its commitments in an expeditious manner, and I want to thank him personally for his continuing leadership role.

Mr. Chairman, I yield back the balance of my time.

Mr. SKEEN. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, this is a good bill, like all Appropriations Committee bills, but it is about $750 million more than we spent last year. That is nearly 5.5 percent. The item for Customs alone, which a number of Members commented on, is over the after-sequester number, up 15 percent. I think it is the kind of profligacy that we have been seeing around here for the past 2 weeks. I intend to raise an amendment to try to reduce a tiny bit of the overspending in the bill. I hope they will be accepted, and I hope someday that this House will bring forth bills that aim at the target that we established for Gramm-Rudman rather than at how much we can spend to take care of all our wonderful programs.

Mr. SKEEN. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Chairman, I rise in support of the increase in IRS's budget as contained in the Treasury fiscal year 1987 appropriations bill. The increase over the administration's proposed IRS budget, which has been reported out of committee, is desperately needed, and is an essential step toward improving IRS operations.

The winners, today, are all taxpayers and the U.S. Treasury. Taxpayers win because they now have a better chance of receiving a timely, accurate solution to their tax problems. They can expect their refunds more promptly and better taxpayer service. The Federal Government wins because more money will be flowing into the Federal coffers. This does not mean IRS harassment, but rather collection of part of the IRS's accounts receivable which is currently $45 billion. Further this means more effective criminal investigative efforts, including those directed at offshore, money laundering operations.

Mr. Chairman, as chairman of the Subcommittee on Oversight, I have spent the last several years examining IRS's resource needs. I have visited IRS district offices and service centers, and met with taxpayers and tax practitioners all over the country. It has been the unanimous view that IRS needs to be more efficient, effective, and equitable in its administration of the tax laws. In order to accomplish this, adequate resources must be given to the IRS. The Appropriations Committee bill is leading the Congress in the right direction. I congratulate them on their efforts and give their leadership my support. To do otherwise will create serious problems for taxpayers in the future.

I am inserting in the RECORD a letter the Ways and Means Committee chairman and I sent to Appropriations Subcommittee Chairman ROYBAL which sets out the optimal fiscal year 1987 funding level for the IRS. As you will see, we have a long way to go to reach the point where IRS is funded as it should be. Let us today take a step in the right direction and adopt the Appropriations Committee's funding level for the IRS.

COMMITTEE ON WAYS AND MEANS,
HOUSE OF REPRESENTATIVES,
Washington, DC., June 11, 1986.

Hon. EDWARD R. ROYBAL,
Chairman, Subcommittee on Treasury, Postal Service and General Government, Committee on Appropriations, House of Representatives, H-164 The Capitol, Washington, DC.

DEAR MR. CHAIRMAN: On May 12, 1986, the Committee on Ways and Means' Subcommittee on Oversight held a hearing to review the Administration's fiscal year 1987 budget proposals relating to the Internal Revenue Service. This hearing marks the third time the Subcommittee on Oversight has examined the adequacy of staffing and funding levels of the IRS under the current Administration. It marks, as well, the third time that we are forwarding to you our recommendation that the Internal Revenue Service's resource level be increased above that provided in the administration's budget request.

The filing season problems of 1985 and the current funding crisis, which has necessitated the urgent supplemental appropriations request for fiscal year 1986, set forth the stark reality of an inadequately funded IRS. Rather than pointing fingers at who's to blame, the time has come for the Congress to take a leadership role in rebuilding IRS into a first-class agency that effectively and fairly administers our Federal tax system and collects revenues. It is our hope that the administration will join the Congress in making such a commitment to ensure an optimally funded and functioning Internal Revenue Service.

As you are well aware, the fiscal year 1987 budget request for IRS provides for 95,084 positions and $4,097.8 million to administer this Nation's tax laws. This proposed budget level is 3,008 positions and $194.5 million less than IRS initially proposed to the U.S. Department of the Treasury, and 285 positions and $22.4 million less than the Treasury Department proposed to the Office of Management and Budget. The fiscal year 1987 budget request represents an increase of 1,360 positions and $271.6 million above fiscal year 1986 levels.

The increases contained in the fiscal year 1987 budget request are insufficient to enable the IRS to keep pace with its obligations in fiscal year 1987. Years of neglect have left IRS unable to efficiently assess and collect taxes legally due and owing the Federal Government, or provide taxpayers with prompt and meaningful service, or, in the final analysis, to maintain and promote voluntary compliance. The following facts contained in the fiscal year 1987 budget request present particular concern:

The fiscal year 1987 budget request is built upon the passage of the fiscal year 1986 urgent supplemental, which is uncertain at this time. If the supplemental is either delayed or vetoed, the fiscal year 1987 budget would fall apart.

Although the fiscal year 1987 budget request provides for an increase of 1,360 positions for a total of 95,084 positions, there are 1,708 authorized fiscal year 1986 permanent positions that remain unfilled, and 1,775 estimated unfilled permanent positions for fiscal year 1987.

Despite the dismal 1985 tax filing season and the fiscal year 1986 supplemental request of 5,558 positions and $140.23 million to restore the effectiveness of tax processing, the fiscal year 1987 budget request for Returns Processing and Revenue Accounting calls for a decrease of 1,590 positions and an increase of $9.40 million. Moreover, in fiscal year 1987 the IRS will process 3.5 million more tax returns and supplemental documents than it did in fiscal year 1986. Finally, service center inventories remain alarmingly and unacceptably high. By late April 1986, correspondence and adjustments inventories had reached 1.1 million, unpostable inventories had reached 1.6 million, and by March 31, 1986, accounts receivable inventories had reached $45 billion.

Despite the possible reduction in (or cancellation of) ADP acquisitions that may result if the fiscal year 1986 supplemental is not timely approved, and the reduction of selected ADP and systems modernization expenditures as a result of Gramm-Rudman-Hollings, the fiscal year 1987 budget request for Computer Services calls for a decrease of 27 positions and an increase of $39.73 million. This is 143 positions less than the fiscal year 1985 level. Moreover, the wisdom of this resource allocation is highly questionable in light of major computer problems recently experienced.

The 1987 budget request emphasizes a major revenue initiative for the examination of tax returns. However, even under this initiative, only 120,000 additional tax returns will be examined, which will ultimately result in assessments of $829 million, of which only $600 million is estimated to be collected. Hence, this initiative only brings in an additional $5,000 per tax return examined. Worse, the audit level for fiscal year 1987 is projected to be only 1.4 percent, which is less than that for fiscal year 1983 (1.59 percent) and all prior years.

Despite increases in resources, and even with the tax shelter initiative in the budget request, case levels in Appeals and Tax Litigation continue to rise dramatically.

The modest increase in resources for Collection constitutes a decrease of 2,064 positions from actual fiscal year 1985 levels. Yet inventories of uncollected tax, i.e., taxes owing and due, remain outrageously high (over $45 billion as of March 31, 1986), while collected accounts receivable are $760 million less than actual fiscal year 1985 levels.

While the budget request states that the resources requested for Taxpayer Service in fiscal year 1987 would provide the same basic level budgeted in fiscal year 1986, fewer taxpayers (about 4.5 million) will receive direct assistance than in fiscal year 1985.

The request points out the need for greater emphasis on the General Enforcement Program (GEP) "due to the growing amount of activity involving fraudulent tax shelters, questionable refund schemes, offshore banking, tax havens and the need to maintain a strong presence in the illegal tax protester area". However, only a small in-

crease in the number of GEP special agents and tax fraud investigations is called for.

Thus, while deficiencies are most egregious in Returns Processing and Collection, no major IRS function escapes the impact of inadequate resource levels. Moreover, IRS programs, when viewed on a multiyear basis (see enclosure A), appear to suffer from a roller coaster-type allocation of resources. What is increased one year is reduced the next year, on and on, with little, if any, net gain. It seems apparent that greater stability, permanence and recognition of ever-increasing workloads are called for in the IRS budget process, at the very least.

Virtually every witness at the Oversight Subcommittee's hearing recommended that the IRS budget not be viewed solely on an annual basis, but should take into account projections over several years. Witnesses urged that an overall production goal be established followed by a determination of what resource level is needed to achieve that goal.

To this end, the Subcommittee asked the Internal Revenue Service to supply information on the maximum capacity of the IRS, in terms of both staffing and funding, to assimilate and absorb additional resources above the levels proposed in the fiscal year 1987 budget request, which could be used effectively and productively to improve tax administration and raise additional revenues. We forward to you the Internal Revenue Service's response, which we believe not only demonstrates conclusively the budgetary deficiencies of the Service, but also presents a realistic productivity goal (see enclosure B). In summary, IRS states that it could assimilate (i.e., hire, train and deploy) 12,490 additional positions over the fiscal year 1987 budget request of 95,000 positions, for $558 million in additional funding. More than half of these positions would be devoted to improving the processing of tax returns and resolving taxpayer account and tax law inquiries more expeditiously. The remaining positions would be added to direct enforcement effects, predominantly in Collection, for a yield of $1,764 billion in additional revenue. In addition to personnel, IRS estimates that it would assimilate $75 million in automated data processing and systems modernization costs.

We believe that the Congress, with the cooperation of the administration, should begin now to take steps within the framework of IRS's response to ensure that IRS achieves this goal of maximum productivity. This Nation's taxpayers deserve no less. Particular attention should be given in this process, especially for fiscal year 1987, to Returns Processing, Taxpayer Service and Collection.

Sincerely,

DAN ROSTENKOWSKI,
Chairman, Committee on Ways and Means.
J.J. PICKLE,
Chairman, Subcommittee on Oversight,

INTERNAL REVENUE SERVICE AVERAGE POSITIONS

Program	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	Change 1987 to 1976	Percent 1987 to 1976
Examination	27,977	27,020	26,993	27,173	28,226	26,913	26,714	26,737	27,273	28,353	28,729	31,156	3,179	11.36
Appeals	1,834	1,801	2,2,59	2,116	1,923	1,894	1,955	2,135	2,512	2,580	2,508	2,846	1,012	55.18
Counsel	1,566	1,552	1,649	1,717	1,692	1,713	1,828	1,873	1,942	1,969	1,992	2,158	592	37.80
Tax fraud	4,182	3,987	4,344	4,395	4,447	4,347	4,264	4,074	4,474	4,686	4,413	4,408	226	5.40
Collection	12,195	11,359	10,966	11,318	11,286	13,075	14,416	17,222	18,183	17,248	15,140	15,152	2,957	24.25
Info. Rtrns. Prog.	1,621	2,220	2,748	2,893	2,963	3,367	3,553	3,410	3,651	4,467	4,962	5,767	4,146	255.77
EP/ED	2,272	2,383	2,454	2,357	2,286	2,142	2,017	2,115	2,432	2,418	2,401	2,393	121	5.33
Total enforcement	51,647	50,322	51,413	51,969	52,823	53,451	54,747	57,566	60,467	61,721	60,145	63,880	12,233	23.69
Tax processing	24,780	25,425	25,514	25,601	25,405	23,884	19,723	17,915	16,546	19,605	22,466	20,153	(4,627)	−18.67
Systems modernization							400	731	2,835	3,274	3,380	3,382	3,382	
Taxpayer service	4,609	4,876	5,034	5,263	5,533	5,225	4,065	4,274	4,304	4,434	4,734	4,710	101	2.19
Other [1]	3,228	3,120	3,368	3,335	3,703	3,596	3,922	3,117	3,483	3,225	2,999	2,959	(269)	−8.33
Total service	84,264	83,743	85,329	86,168	87,464	86,156	82,857	83,603	87,635	92,259	93,724	95,084	10,820	12.84

NOTES:
[1] Includes Executive Direction, Management Services, Technical Rulings, Statistical Reporting, and the Data Center.
(1) The Actual columns of the fiscal year 1978–1987 Congressional Submissions were used. Fiscal year 1986 and fiscal year 1987 were derived from the fiscal year 1987 Congressional Submission.
(2) Adjustments were made to the budget structures in an attempt to maintain a consistent classification of the programs throughout the years.
(3) Resources for the IRP program were extracted from Examination, Collection, Returns Processing, Computer Services, and Taxpayer Service. Prior to fiscal year 1983, the IRP resources represent the best available estimates rather than actual data.
(4) Adjustments in FTE were made to the fiscal year 1983—fiscal year 1986 columns to bring the actuals into agreement with 1136 report totals.
(5) Systems Modernization includes staff devoted to design and implementation of ADP and systems modernization (ACS, AES, etc.). Computer operators at IRS service centers are, however, included under tax processing.

COMMISSIONER OF INTERNAL REVENUE,
Washington, DC, May 29, 1986.

Hon. J.J. PICKLE,
Chairman, Oversight Subcommittee, House of Representatives, 1105 Longworth House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: This letter is in response to your May 19 request for information on the Internal Revenue Service's budget. Specifically, you asked the Service to supply an estimate of the maximum amount of resources of both staffing and funding that the IRS could assimilate effectively and productively.

The Service could assimilate—that is hire, train and deploy—approximately 12,000 additional positions over the FY 87 budget request of 95,000 positions. Slightly over half of these positions would be devoted to other than direct revenue producing programs. These positions would be devoted to improving the processing of tax returns and resolving taxpayer account and tax law inquiries more expeditiously.

In terms of direct enforcement efforts, the Service could add 3,000 staff years in collection, 500 staff years in appeals and tax litigation, 500 staff years in examination, and 375 staff years in the information returns program. In total, we believe that these direct enforcement programs would yield between $1.7 and $1.8 billion. In addition to these enforcement personnel, approximately 800 additional staff years could be added in other enforcement areas, such as Criminal Investigation and compliance research. However, the IRS does not have yield data for these other enforcement activities. Details on the total staffing allocations are set forth in Enclosure A to this letter. To assimilate this volume of new positions, particularly in district offices, authority to hire would have to be received in advance of the fiscal year to cope with recruiting, space, and other significant logistical problems.

In addition to personnel, the Service estimates that it could assimilate $75 million in automated data processing and systems modernization costs.

A summary description of these initiatives and their effect on the tax administration system is set forth in Enclousre B. I hope this information is responsive to your request.

Sincerely yours,

JAMES I. OWENS,
Acting Commissioner.

INTERNAL REVENUE SERVICE ADDITIONAL RESOURCES WHICH COULD BE ASSIMILATED IN FISCAL YEAR 1987 ABOVE THE PRESIDENT'S BUDGET REQUEST

[Dollars in millions]

	Salaries and expenses		Processing tax returns		Examination and appeals and		Investigation, collection and taxpayer service		Total		Additional revenue collected or accelerated
	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	
Fiscal year 1987 President's budget request	2,044	95.1	27,327	1,262.9	38,974	1,603.2	26,739	1,136.6	95,084	4,097.8	
Additional resources:											
Process tax returns			5,480	180.0					5,480	180.0	125
Taxpayer service							1,500	70.0	1,500	70.0	

INTERNAL REVENUE SERVICE ADDITIONAL RESOURCES WHICH COULD BE ASSIMILATED IN FISCAL YEAR 1987 ABOVE THE PRESIDENT'S BUDGET REQUEST—Continued

[Dollars in millions]

	Salaries and expenses		Processing tax returns		Examination and appeals and		Investigation, collection and taxpayer service		Total		Additional revenue collected or accelerated
	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	
Subtotal: Basic responsibilities			5,480	180.0			1,500	70.0	6,980	250.0	
Service center examination					100	3.0			100	3.0	23
Office audit					400	13.0			400	13.0	52
Subtotal: Examination					500	16.0			500	16.0	
Employee plans					125	5.0			125	5.0	
Appeals and tax litigation					500	20.0			500	20.0	470
Tax fraud							585	30.0	585	30.0	
Collection:											
Accounts receivable							2,000	90.0	2,000	90.0	730
Deliquent returns							1,000	40.0	1,000	40.0	204
Information returns [1]			375	15.0					375	15.0	160
Compliance research					250	10.0			250	10.0	
Subtotal: Enforcement			375	15.0	1,375	51.0	3,585	160.0	5,335	226.0	1,764
Statistics of income			50	2.0					50	2.0	
Inspection							125	5.0	125	5.0	
Total staffing			5,905	197.0	1,375	51.0	5,210	235.0	12,490	483.0	
ADP and systems modernization				41.5		10.5		23.0	0	75.0	
Total additional resources			5,905	238.5	1,375	61.5	5,210	258.0	12,490	558.0	
Grand total	2,044	95.1	33,232	1,501.4	40,349	1,664.7	31,949	1,394.6	107,574	4,655.8	

[1] The service could assimilate an additional 1,500 positions in the Information Returns Program, effective July 1, 1987. This results in a FTE computation of 375.

ENCLOSURE B

INTERNAL REVENUE SERVICE

EXPLANATION OF ADDITIONAL RESOURCES WHICH COULD BE ASSIMILATED IN FY 87 ABOVE THE PRESIDENT'S BUDGET REQUEST

Process Tax Returns: 5,480 positions and $180 million.

The Service could assimilate additional resources in its ten service centers. These additional resources would be used to:

Compensate for the continued decline in our ability to attract and retain a seasonal workforce;

Provide fully for the training of new and experienced employees;

Maintain quality improvement efforts begun in FY 1986;

Ensure timely posting of data from tax returns and payments to accounts;

Continue to reduce unpostable and adjustment inventories;

Provide better communication with taxpayers by improving correspondence procedures and practices;

Provide assistance to tax enforcement programs (e.g. pulling returns) and undertake expanded documents matching (for example; matching amounts of withheld tax against employer quarterly returns, tracking deferred adverse tax consequences, etc.), which would result in $125 million in additional revenue; and

Process increased volume of currency and cash transaction reports.

Taxpayer Service: 1,500 positions and $70 million.

The Service could assimilate additional resources to assist taxpayers in meeting their filing responsibilities and in resolving their concerns on the status of their tax accounts. The additional 1,500 positions would be applied to telephone answering and would achieve an 85 percent level of service. Some 15 million additional taxpayers would be assisted.

ADDITIONAL TAX ENFORCEMENT RESOURCES FOR FY 1987

Examination: 500 positions and $16 million.

The Service could assimilate an additional 500 positions (above the 2,500 position increase in the President's FY 1987 budget) which would be devoted to:

Conducting correspondence examinations at the service centers involving issues such as unallowables, self-employment tax, multifilers, etc., collecting an additional $23 million in FY 1987 (100 positions);

Examining individual tax returns in the district offices thus increasing revenue collections in FY 1987 by $52 million (400 positions);

Employee Plans: 125 positions and $5 million.

The Service could assimilate 125 additional positions to reduce the backlog of requests for determination letters for employee plan as well as master and prototype plan sponsor amendments required by recent legislation (TEFRA, DEFRA & REA) (125 positions).

Appeals and Tax Litigation: 500 positions and $20 million.

The Service could utilize an additional 500 positions to:

Settle and litigate over 3,000 cases involving $100,000 or more in potential tax liability (200 positions);

Settle and litigate 6,500 cases involving $10,000–$20,000, primarily individual tax returns, currently in inventory and flowing from the increased correspondence and district office examinations (300 positions).

By closing these cases, the Service would accelerate collection of tax revenues by $470 million in FY 1987.

Tax Fraud: 585 positions and $30 million.

The Service could devote an additional 585 positions toward investigating cases involving foreign transactions and bank accounts which have potential for large amounts of unreported tax liabilities.

Collection: 3,000 positions and $130 million.

The Service could assimilate an additional 3,000 positions in FY 1987 to devote to:

Collecting taxes owed but not paid thus reducing the inventory of accounts receivables. About $730 million would be collected (2,000 positions).

Examining employment tax returns. These examinations would be conducted by revenue officers in connection with their work on securing delinquent returns from employers. An additional $204 million would be collected in FY 1987 (1,000 positions).

Document Matching: 375 positions and $15 million.

The Service could assimilate an additional 1,500 positions in FY 1987 to follow-up on all instances of unreported income identified through matching. However, because of the nature of the processing cycle the Service would not be able to effect this increase until July 1, 1987 thus realizing only 375 Full Time Equivalent (FTE). The additional resources would increase revenue collections annually by $348 million, of which $160 million would be collected in FY 1987.

Compliance Research: 250 positions and $10 million.

The Service could assimilate an additional 250 positions to increase research in tax compliance.

The CHAIRMAN. The time of the gentleman from Texas [Mr. PICKLE] has expired.

Mr. RAHALL. Mr. Chairman, the bill before us today appropriates a total of $13.8 billion in fiscal year 1987 for the Treasury Department, U.S. Postal Service, Executive Office of the President, and certain independent agencies. The total amount appropriated by this bill is $938.2 million more than the administration's request and $753.1 million more than the fiscal 1986 appropriation after the Gramm-Rudman reduction.

The measure eliminates funding for the Office of Management and Budget's [OMB] Office of Information and Regulatory Affairs, and includes a number of limitations on the use of funds, including a ban on the use of Federal employee health plan benefits to pay for abortions, except when the life of the woman would be endangered if the fetus were carried to term.

Most of the difference between the bill's total appropriation and the administration's request is due to the inclusion of $650 million to compensate the Postal Service for revenue foregone as a result of preferred mailing rates available to nonprofit organizations, certain rural newspapers, and other preferred mailers, for which the administration proposed no funding. The Postal Service assures that this amount would be sufficient to maintain current preferred rates throughout fiscal 1987. This is an issue of concern to many of my fellow

West Virginians who realize that the elimination of this funding could lead to an increase in postage rates.

Also of interest to my constituents is the bills provision of $150 million more than the administration requested for the Internal Revenue Service in order to improve compliance with tax laws and improve processing of tax returns. Adequate funding in this area is imperative if this Nation's citizens are to be instilled with confidence in our tax system. We cannot, in the name of deficit reduction, allow tax evaders to enjoy a free ride on the backs of honest taxpaying Americans. Furthermore, we cannot justify funding levels that result in the loss of tax returns or months of delay in returning to taxpayers that money which is rightfully theirs.

Of keen interest to many West Virginians is a restriction on the use of the funds appropriated by this bill with regard to auto recordkeeping. This measure would prohibit the use of funds in the bill to implement Internal Revenue Service regulations regarding recordkeeping for vehicles used in business. Rules calling for "contemporaneous" recordkeeping caused quite an uproar in the State of West Virginia and throughout the Nation last year when the IRS published regulations in compliance with the Deficit Reduction Act of 1985. The regulations published by the IRS up to date in this regard place a formidable administrative task on employees and employers, an unreasonable burden which can lead to additional tax fraud. At this time, when the public is crying out for tax simplification, these types of regulations are a slap in the face to those who are trying to comply with the law.

The funding levels of this bill recognize the needs of my fellow West Virginians and all Americans. I am particularly pleased with the funding levels for the revenue forgone subsidy and IRS administration. Barring the adoption of any amendments which would devastate programs vital to my constituents, it will be my pleasue to support this legislation.

The Chair recognizes the gentleman from New Mexico [Mr. SKEEN], who has 1 minute remaining.

Mr. SKEEN. Mr. Chairman, I have no more requests for time, and I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1987, and for other purposes, namely:

TITLE I—TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary including operation and maintenance of the Treasury Building and Annex; hire of passenger motor vehicles; not to exceed $22,000 for official reception and representation expenses; not to exceed $200,000 for unforseen emergencies of a confidential nature, to be allocated and expended under the direction of the Secretary of the Treasury and to be accounted for solely on his certificate; not to exceed $650,000, to remain available until expended, for repairs and improvements to the Main Treasury Building and Annex, $55,642,000.

INTERNATIONAL AFFAIRS

For necessary expenses of the international affairs function of the Office of the Secretary, hire of passenger motor vehicles; maintenance, repairs, and improvements of, and purchase of commercial insurance policies for, real properties leased or owned overseas, when necessary for the performance of official business; not to exceed $2,000,000 for official travel expenses; and not to exceed $73,000 for official reception and representation expenses; $22,442,000.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

For necessary expenses of the Federal Law Enforcement Training Center, as a bureau of the Department of the Treasury, including purchase (not to exceed eight for police type use) and hire of passenger motor vehicles; for expenses for student athletic and related activities; uniforms without regard to the general purchase price limitation for the current fiscal year; the conducting of and participating in firearms matches and presentation of awards; not to exceed $3,000,000 for repair, alteration, minor construction, and related equipment for the Federal Law Enforcement Training Center facility to remain available until expended; not to exceed $2,000 for official reception and representation expenses; and services as authorized by 5 U.S.C. 3109: *Provided,* That funds appropriated in this account shall be available for State and local government law enforcement training on a space-available basis; training of foreign law enforcement officials on a space-available basis with reimbursement of actual costs to this appropriation; acceptance of gifts; training of private sector security officials on a space-available basis with reimbursement of actual costs to this appropriation; travel expenses of non-Federal personnel to attend State and local course development meetings at the Center; $29,499,000.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Financial Management Service, $251,117,000, of which not to exceed $2,137,000 shall remain available until expended for systems modernization initiatives.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Alcohol, Tobacco and Firearms, including purchase of three hundred vehicles for police-type use for replacement only; and hire of passenger motor vehicles; hire of aircraft; and services of expert witnesses at such rates as may be determined by the Director; not to exceed $5,000 for official reception and representation expenses; $190,463,000 of which $15,000,000 shall be available solely for the enforcement of the Federal Alcohol Administration Act during fiscal year 1987, and of which $1,000,000 shall be available for the payment of attorneys' fees as provided by 18 U.S.C. 924(d)(2): *Provided,* That no funds appropriated herein shall be available for administrative expenses in connection with consolidating or centralizing within the Department of the Treasury the records of receipts and disposition of firearms maintained by Federal firearms licensees or for issuing or carrying out any provisions of the proposed rules of the Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, on Firearms Regulations, as published in the Federal Register, volume 43, number 55, of March 21, 1978.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

For necessary expenses of the United States Customs Service, including purchase of up to five hundred motor vehicles for replacement only, including four hundred and ninety for police-type use; hire of passenger motor vehicles; not to exceed $10,000 for official reception and representation expenses; and awards of compensation to informers, as authorized by any Act enforced by the United States Customs Service; $793,000,000, of which not to exceed $150,000 shall be available for payment for rental space in connection with preclearance operations, and of which not less than $300,000 shall be expended for additional part-time and temporary positions in the Honolulu Customs District, and not to exceed $1,000,000, to remain available until expended, for research: *Provided,* That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year: *Provided further,* That none of the funds made available by this Act shall be available for administrative expenses to pay any employee overtime pay in an amount in excess of $25,000: *Provided further,* That the Commissioner or his designee may waive this limitation in individual cases in order to prevent excessive costs or to meet emergency requirements of the Service: *Provided further,* That none of the funds made available by this Act may be used for administrative expenses in connection with the proposed redirection of the Equal Employment Opportunity Program: *Provided further,* That none of the funds made available by this Act shall be available for administrative expenses to reduce the number of Customs Service regions below seven during fiscal year 1986: *Provided further,* That the United States Customs Service shall hire and maintain an average of 14,891 full-time equivalent positions in fiscal year 1987: *Provided further,* That none of the funds made available in this or any other Act may be used to fund more than nine hundred and fifty positions in the Headquarters staff of the United States Customs Service in the fiscal year ending September 30, 1986 and the Customs Service shall begin planning to reduce headquarters staff to no more than nine hundred positions by September 30, 1987: *Provided further,* That no funds appropriated by this Act may be used to implement single eight hour shifts at airports and that all current services as provided by the Customs Service shall continue through Septem- ber 30, 1987.

OPERATION AND MAINTENANCE, AIR INTERDICTION PROGRAM

For expenses, not otherwise provided for, necessary for the hire, lease, acquisition (transfer or acquisition from any other agency), operation and maintenance of aircraft, and other related equipment of the Air Program; $67,200,000.

CUSTOMS FORFEITURE FUND

(LIMITATION ON AVAILABILITY OF DEPOSITS)

For necessary expenses of the Customs Forfeiture Fund, not to exceed $8,000,000,

as authorized by Public Law 98-473 and Public Law 98-573; to be derived from deposits in the Fund.

CUSTOMS SERVICES AT SMALL AIRPORTS

(TO BE DERIVED FROM FEES COLLECTED)

Such sums as may be necessary, not to exceed $365,000, for expenses for the provision of Customs services at certain small airports designated by the Secretary of the Treasury, including expenditures for the salaries and expenses of individuals employed to provide such services, to be derived from fees collected by the Secretary of the Treasury pursuant to section 236 of Public Law 98-573 for each of these airports, and to remain available until expended.

UNITED STATES MINT

SALARIES AND EXPENSES

For necessary expenses of the United States Mint; $43,508,000, of which $1,325,000 shall remain available until expended for research and development projects.

EXPANSION AND IMPROVEMENTS

For expansion and improvements to existing Mint facilities, $694,000, to remain available until expended.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt issues of the United States; $218,564,000.

INTERNAL REVENUE SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Internal Revenue Service, not otherwise provided; for executive direction and management services, and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services, as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; $95,147,000, of which not to exceed $25,000 for official reception and representation expenses and of which not to exceed $500,000 shall remain available until expended, for research.

PROCESSING TAX RETURNS

For necessary expenses of the Internal Revenue Service not otherwise provided for; including processing tax returns; revenue accounting; computer services; and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; $1,332,902,000, of which not to exceed $50,000,000 shall remain available until expended for systems modernization initiatives.

EXAMINATIONS AND APPEALS

For necessary expenses of the Internal Revenue Service for determining and establishing tax liabilities; employee plans and exempt organizations; tax litigation; hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; $1,623,162,000.

INVESTIGATION, COLLECTION, AND TAXPAYER SERVICE

For necessary expenses of the Internal Revenue Service for investigation and enforcement activities; including purchase (not to exceed four hundred and fifty-one for replacement only, for police-type use) and hire of passenger motor vehicles (31 U.S.C. 1343(b)); securing unfiled tax returns; collecting unpaid accounts; examining selected employment and excise tax returns; technical rulings; enforcement litigation; providing assistance to taxpayers; and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner: *Provided,* That notwithstanding any other provision of this Act, none of the funds made available by this Act shall be used to reduce the number of positions allocated to taxpayer service activities below fiscal year 1984 levels, or to reduce the number of positions allocated to any other direct taxpayer assistance functions below fiscal year 1984 levels, including, but not limited to Internal Revenue Service toll-free telephone tax law assistance and walk-in assistance available at Internal Revenue Service field offices: *Provided further,* That the Internal Revenue Service shall fund the Tax Counseling for the Elderly Program at $2,400,000. The Internal Revenue Service shall absorb within existing funds the administrative costs of the program in order that the full $2,400,000 can be devoted to program requirements; $1,196,581,000.

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

SECTION 1. Not to exceed 1 per centum of any appropriation made available to the Internal Revenue Service for the current fiscal year by this Act may be transferred to any other Internal Revenue Service appropriation.

SEC. 2. Not to exceed 15 per centum, or $15,000,000, whichever is greater, of any appropriation made available to the Internal Revenue Service for document matching for the current fiscal year by this Act may be transferred to any other Internal Revenue Service appropriation for document matching.

SEC. 3. None of the funds made available by this Act shall be used to implement Temporary Internal Revenue Service Regulation section 1.274-5T or section 1.274-6T.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

For necessary expenses of the United States Secret Service, including purchase (not to exceed three hundred and forty-three vehicles for police-type use for replacement only) and hire of passenger motor vehicles; hire of aircraft; training and assistance requested by State and local governments, which may be provided without reimbursement; services of expert witnesses at such rates as may be determined by the Director; rental of buildings in the District of Columbia, and fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control, as may be necessary to perform protective functions; the conducting of and participating in firearms matches and presentation of awards and for travel of Secret Service employees on protective missions without regard to the limitations on such expenditures in this or any other Act: *Provided,* That approval is obtained in advance from the House and Senate Committees on Appropriations; including $6,000,000 for continued construction at the James J. Rowley Secret Service Training Center; for research and development; not to exceed $7,500 for official reception and representation expenses; and for uniforms without regard to the general purchase price limitation for the current fiscal year; $316,800,000, of which $500,000 shall remain available until expended for research.

DEPARTMENT OF THE TREASURY—GENERAL PROVISIONS

SECTION 101. Appropriations to the Treasury Department in this Act shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901), including maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; entering into contracts with the Department of State for the furnishing of health and medical services to employees and their dependents serving in foreign countries; and services as authorized by 5 U.S.C. 3109.

SEC. 102. None of the funds appropriated by this title shall be used in connection with the collection of any underpayment of any tax imposed by the Internal Revenue Code of 1954 unless the conduct of officers and employees of the Internal Revenue Service in connection with such collection complies with subsection (a) of section 805 (relating to communication in connection with debt collection), and section 806 (relating to harassment or abuse), of the Fair Debt Collection Practices Act (15 U.S.C. 1692).

SEC. 103. (a) None of the funds appropriated by this Act may be used to disqualify, pursuant to section 411(d)(1)(B) of the Internal Revenue Code of 1954, any plan which has vesting requirements or provides for nonforfeitable rights to benefits, equal to or more stringent than 4/40.

(b) None of the funds appropriated by this Act may be used to issue an unfavorable advance determination letter, pursuant to section 411(d)(1)(B) of the Internal Revenue Code of 1954, with respect to any plan which has vesting requirements or provides for nonforfeitable rights to benefits, equal to or more stringent than 4/40.

SEC. 104. Not to exceed 1 per centum of any appropriations in this Act for the Department of the Treasury may be transferred between such appropriations. However, no such appropriation shall be increased or decreased by more than 1 per centum and any such proposed transfers shall be approved in advance by the Committees on Appropriations of the House and Senate.

SEC. 105. None of the funds made available by this Act may be used to place the United States Secret Service, the United States Customs Service, or the Bureau of Alcohol, Tobacco and Firearms under the operation, oversight, or jurisdiction of the Inspector General of the Department of the Treasury.

This title may be cited as the "Treasury Department Appropriations Act, 1987".

TITLE II—POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

For payment to the Postal Service Fund for revenue foregone on free and reduced rate mail, pursuant to subsections (b) and (c) of section 2401 of title 39, United States Code; and for meeting the liabilities of the former Post Office Department to the Employees' Compensation Fund and to Postal employees for earned and unused annual leave as of June 30, 1971, pursuant to 39 U.S.C. 2004; $690,049,000: *Provided,* That mail for overseas voting and mail for the blind shall continue to be free: *Provided further,* That six-day delivery and rural delivery of mail shall continue at the 1983 level: *Provided further,* That none of the funds made available to the Postal Service by this Act shall be used to implement any rule, regulation, or policy of charging any officer or employee of any State or local child support enforcement agency, or any individual participating in a State or local program of child support enforcement, a fee for infor-

mation requested or provided concerning an address of a postal customer: *Provided further,* That none of the funds provided in this Act shall be used to consolidate or close small rural and other small post offices in the fiscal year ending on September 30, 1987.

This title may be cited as the "Postal Service Appropriation Act, 1987".

TITLE III

EXECUTIVE OFFICE OF THE PRESIDENT

COMPENSATION OF THE PRESIDENT

For compensation of the President, including an expense allowance at the rate of $50,000 per annum as authorized by 3 U.S.C. 102; $250,000: *Provided,* That none of the funds made available for official expenses shall be expended for any other purpose and any unused amount shall revert to the Treasury pursuant to section 1552 of title 31 of the United States Code: *Provided further,* That none of the funds made available for official expenses shall be considered as taxable to the President.

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Administration; $16,238,000 including services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 107, and hire of passenger motor vehicles.

THE WHITE HOUSE OFFICE

SALARIES AND EXPENSES

For necessary expenses for the White House as authorized by law, including not to exceed $3,850,000 for services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 105; including subsistence expenses as authorized by 3 U.S.C. 105, which shall be expended and accounted for as provided in that section; hire of passenger motor vehicles, newspapers, periodicals, teletype news service, and travel (not to exceed $100,000 to be expended and accounted for as provided by 3 U.S.C. 103); not to exceed $20,000 for official entertainment expenses, to be available for allocation within the Executive Office of the President; $25,179,000.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

OPERATING EXPENSES

For the care, maintenance, repair and alteration, refurnishing, improvement, heating and lighting, including electric power and fixtures, of the Executive Residence at the White House and official entertainment expenses of the President; $4,942,000, to be expended and accounted for as provided by 3 U.S.C. 105, 109-110, 112-114.

OFFICIAL RESIDENCE OF THE VICE PRESIDENT

OPERATING EXPENSES

For the care, maintenance, repair and alteration, refurnishing, improvement, heating and lighting, including electric power and fixtures, of the official residence of the Vice President, and not to exceed $60,000 for official entertainment expenses of the Vice President, to be accounted for solely on his certificate: $211,000: *Provided,* That advances or repayments or transfers from this appropriation may be made to any department or agency for expenses of carrying out such activities.

SPECIAL ASSISTANCE TO THE PRESIDENT

SALARIES AND EXPENSES

For necessary expenses to enable the Vice President to provide assistance to the President in connection with specially assigned functions, services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 106, including subsistence expenses as authorized by 3 U.S.C. 106, which shall be expended and accounted for as provided in that section; and hire of passenger motor vehicles; $1,849,000.

COUNCIL OF ECONOMIC ADVISERS

SALARIES AND EXPENSES

For necessary expenses of the council in carrying out its functions under the Employment Act of 1946 (15 U.S.C. 1021); $2,346,000.

OFFICE OF POLICY DEVELOPMENT

SALARIES AND EXPENSES

For necessary expenses of the Office of Policy Development, including services as authorized by 5 U.S.C. 3109, and 3 U.S.C. 107; $2,665,000.

NATIONAL CRITICAL MATERIALS COUNCIL

SALARIES AND EXPENSES

For necessary expenses of the National Critical Materials Council, including activities as authorized by Public Law 98-373; $250,000.

NATIONAL SECURITY COUNCIL

SALARIES AND EXPENSES

For necessary expenses of the National Security Council, including services as authorized by 5 U.S.C. 3109; $4,627,000.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

For necessary expenses of the Office of Management and Budget, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109; $34,274,000: *Provided,* That none of the funds appropriated in this Act for the Office of Management and Budget may be used for the purpose of reviewing any agricultural marketing orders or any activities or regulations under the provisions of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.): *Provided further,* That none of the funds made available for the Office of Management and Budget by this Act may be expended for the review of the transcript of actual testimony of witnesses, except for testimony of officials of the Office of Management and Budget, before the Committee on Appropriations or the Committee on Veterans' Affairs or their subcommittees: *Provided further,* That this proviso shall not apply to printed hearings released by the Committee on Appropriations or the Committee on Veterans' Affairs: *Provided further,* That none of the funds made available by this Act or any other Act shall be used to reduce the scope or publication frequency of statistical data relative to the operations and production of the alcoholic beverage and tobacco industries below fiscal year 1985 levels: *Provided further,* That none of the funds appropriated by this Act shall be available to the Office of Management and Budget for revising, curtailing or otherwise amending the administrative and/or regulatory methodology employed by the Bureau of Alcohol, Tobacco and Firearms to assure compliance with section 205, title 27 of the United States Code (Federal Alcohol Administration Act) or with regulations, rulings or forms promulgated thereunder: *Provided further,* That none of the funds made available by this Act shall be available to fund activities of the Office of Information and Regulatory Affairs.

OFFICE OF FEDERAL PROCUREMENT POLICY

SALARIES AND EXPENSES

For expenses of the Office of Federal Procurement Policy, including services as authorized by 5 U.S.C. 3109; $1,660,000.

UNANTICIPATED NEEDS

For expenses necessary to enable the President to meet unanticipated needs, in furtherance of the national interest, security, or defense which may arise at home or abroad during the current fiscal year; $1,000,000.

This title may be cited as the "Executive Office Appropriations Act, 1987".

TITLE IV—INDEPENDENT AGENCIES

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

SALARIES AND EXPENSES

For necessary expenses of the Administrative Conference of the United States, established by the Administrative Conference Act, as amended (5 U.S.C. 571 et seq.) including not to exceed $1,000 for official reception and entertainment expenses; $1,559,000.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Advisory Commission on Intergovernmental Relations Act of 1959, as amended, 42 U.S.C. 4271-79; $1,045,000, and additional amounts collected from the sale of publications shall be credited to and used for the purposes of this appropriation.

ADVISORY COMMITTEE ON FEDERAL PAY

SALARIES AND EXPENSES

For necessary expenses of the Advisory Committee on Federal Pay, established by 5 U.S.C. 5306; $229,000.

COMMITTEE FOR PURCHASE FROM THE BLIND AND OTHER SEVERELY HANDICAPPED

SALARIES AND EXPENSES

For necessary expenses of the Committee for Purchase From the Blind and Other Severely Handicapped established by the Act of June 23, 1971, Public Law 92-28, including hire of passenger motor vehicles; $778,000: *Provided,* That such funds shall not be used to administer the program authorized by such Act through the designation of any central nonprofit agency, as authorized by such Act, which fails to employ qualified handicapped individuals, as defined by the Rehabilitation Act of 1973 (Public Law 93-112), to fill job vacancies that may occur during the fiscal year, which fails to institute by December 31, 1986, an affirmative action program plan for hiring, placement, and advancement of handicapped individuals that includes numerical goals for employment of such persons, or which fails to submit to the Committee for Purchase From the Blind and Other Severely Handicapped an affirmative action accomplishment report and affirmative action program plan update by the end of the fiscal year, in accordance with Equal Employment Opportunity Commission management directives EEO-MD-711 dated November 2, 1982, and EEO-MD-711A dated October 4, 1983.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the Federal Election Campaign Act of 1971, as amended; $12,000,000.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

LIMITATIONS ON AVAILABILITY OF REVENUE

The revenues and collections deposited into the Fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), shall be available for necessary expenses of real property management and related activities not otherwise provided for, including operation, maintenance, and protection of federally owned and leased buildings; rental of buildings in the District of Columbia; restoration of leased premises; moving Government agencies (including space adjustments) in connection with the assignment, allocation and transfer of space; contractual services incident to cleaning or servicing buildings and moving; repair and alteration of federally owned buildings, including grounds, approaches and appurtenances; care and safeguarding of sites; maintenance, preservation, demolition, and equipment; acquisition of buildings and sites by purchase, condemnation, or as otherwise authorized by law; conversion and extension of federally owned buildings; preliminary planning and design of projects by contract or otherwise; construction of new buildings (including equipment for such buildings); and payment of principal, interest, taxes, and any other obligations for public buildings acquired by purchase contract, in the aggregate amount of $2,317,718,000 of which (1) not to exceed $160,096,000 shall remain available until expended for construction of additional projects as authorized by law at locations and at maximum construction improvement costs (including funds for sites and expenses) as follows:

New Construction:

Alabama:

Jasper, Federal Building, $3,376,000

Florida:

Miami, Federal Building (design), $2,461,000

Illinois:

Chicago, Federal Building and Courthouse (site and design), $32,087,000

New Jersey:

Paterson, Federal Building (site and design), $1,500,000

New Mexico:

Columbus, Border Station, $2,680,000

Pennsylvania:

Wilkes-Barre, Federal Building (Social Security Administration), $20,672,000

South Carolina:

Columbia, Federal Building, Courthouse, Claim, $1,057,000

Construction Projects, less than $500,000, $1,000,000:

Purchase:

New York:

Wellesley Island, Border Station, $1,925,000

Other Selected Purchases, including options to purchase, $93,338,000:

Provided, That each of the immediately foregoing limits of costs on new construction projects may be exceeded to the extent that savings are effected in other such projects, but by not to exceed 10 per centum: *Provided further*, That all funds for direct construction projects shall expire on September 30, 1988, and remain in the Federal Buildings Fund except funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date: *Provided further*, That claims against the Government of less than $50,000 arising from direct construction projects, acquisitions of buildings and purchase contract projects pursuant to Public Law 92-313, be liquidated with prior notification to the Committees on Appropriations of the House and Senate to the extent savings are effected in other such projects; (2) not to exceed $224,720,000, which shall remain available until expended, for repairs and alterations: *Provided further*, That funds in the Federal Buildings Fund for Repairs and Alterations shall, for prospectus projects, be limited to the amount by project as follows, except each project may be increased by an amount not to exceed 10 per centum unless advance approval is obtained from the Committees on Appropriations of the House and Senate for a greater amount:

Repairs and Alterations:

California:

Los Angeles, Federal Building, $7,825,000

District of Columbia:

Federal Building #6, $1,213,000

Federal Building #8, $1,886,500

Federal Building #9, $1,712,500

Federal Building #10A, $1,121,000

General Accounting Office, $3,552,500

Justice, $599,500

State, $2,764,500

Steam Distribution System, $13,796,000

Kentucky:

Louisville Post Office, Courthouse, $1,500,000

Missouri:

Kansas City, Federal Building, $4,408,000

St. Louis, Federal Building (Mart), Phase I, $20,000,000

Kansas City, 601 E. 12th, $996,500

Kansas City, 1500 Bannister, $2,560,000

St. Louis, 4300 Goodfellow, $2,176,000

North Carolina:

Asheville, Federal Building, $7,847,000

Texas:

San Antonio, Post Office, Courthouse, $6,078,000

Minor Repairs and Alterations, $144,684,000:

Provided further, That additional projects for which prospectuses have been fully approved may be funded under this category only if advance approval is obtained from the Committees on Appropriations of the House and Senate: *Provided further*, That all funds for repairs and alterations prospectus projects shall expire on September 30, 1988, and remain in the Federal Buildings Fund except funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date; (3) not to exceed $143,442,000 for payment on purchase contracts entered into prior to July 1, 1975; (4) not to exceed $935,100,000 for rental of space; (5) not to exceed $734,319,000 for real property operations; (6) not to exceed $57,090,000 for program direction and centralized services; and (7) not to exceed $62,951,000 for design and construction services which shall remain available until expended: *Provided further*, That for the purposes of this authorization, buildings constructed pursuant to the Public Buildings Purchase Contract Act of 1954 (40 U.S.C. 356), the Public Buildings Amendments of 1972 (40 U.S.C. 490), and buildings under the control of another department or agency where alterations of such buildings are required in connection with the moving of such other department or agency from buildings then, or thereafter to be, under the control of the General Services Administration shall be considered to be federally owned buildings: *Provided further*, That none of the funds available to the General Services Administration shall be available for expenses in connection with any construction, repair, alteration, and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, as amended, has not been approved, except that necessary funds may be expended for each project for required expenses in connection with the development of a proposed prospectus: *Provided further*, That funds available in the Federal Buildings Fund may be expended for emergency repairs when advance approval is obtained from the Committees on Appropriations of the House and Senate: *Provided further*, That amounts necessary to provide reimbursable special services to other agencies under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)(6)) and amounts to provide such reimbursable fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control as may be appropriate to enable the United States Secret Service to perform its protective functions pursuant to 18 U.S.C. 3056 as amended, shall be available from such revenues and collections: *Provided further*, That revenues and collections and any other sums accruing to this fund during fiscal year 1987 excluding reimbursements under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)(6)) in excess of $2,317,718,000 shall remain in the Fund and shall not be available for expenditure except as authorized in appropriation Acts.

FEDERAL SUPPLY SERVICE

OPERATING EXPENSES

For expenses authorized by law, not otherwise provided for, necessary for supply distribution (including contractual services incident to receiving, handling and shipping supply items), procurement (including royalty payments), inspection, standardization, property management, and other supply management activities, transportation activities, transportation audits by in-house personnel; utilization of excess and disposal of surplus personal property, and the rehabilitation of personal property including services as authorized by 5 U.S.C. 3109; $170,839,000.

FEDERAL PROPERTY RESOURCES SERVICE

OPERATING EXPENSES

(Including transfer of funds)

For expenses, not otherwise provided for, necessary for carrying out the functions of the Administrator with respect to utilization of excess real property; the disposal of surplus real property; the utilization survey, deed compliance inspection, appraisal, environmental and cultural analysis, and land use planning functions pertaining to excess and surplus real property; the National Defense Stockpile established by the Strategic and Critical Materials Stock Piling Act, as amended (50 U.S.C. 98-98h, et seq.) the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061, et seq.) including services as authorized by 5 U.S.C. 3109 and reimbursement for recurring security guard service; $40,975,000, of which $11,563,000 shall be derived from proceeds from transfers of excess real property and disposal of surplus real property and related personal property, subject to the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-5), and of which $29,412,000 for the transportation, processing, refining, storage, security, maintenance,

rotation, and disposal of materials contained in or acquired for the stockpile shall remain available through fiscal year 1988.

NATIONAL DEFENSE STOCKPILE TRANSACTION FUND

For the year ending September 30, 1987, in addition to the funds previously appropriated for the National Defense Stockpile Transaction Fund, pursuant to 50 U.S.C. 98a and g(a), (2)(c), and 50 U.S.C. 100a, notwithstanding the provisions of 50 U.S.C. 98h, an additional $5,000,000 is appropriated, to be available until expended, for a grant for construction of a strategic materials research facility at the University of Massachusetts at Amherst. Notwithstanding any other provision of the law, funds previously made available to the fund may be used for evaluating, testing, relocating, and upgrading stockpile materials to meet current stockpile specifications.

GENERAL MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of agency management of activities under the control of the General Services Administration, and general administrative and staff support services not otherwise provided for; for providing accounting, records management, and other support incident to adjudication of Indian Tribal Claims by the United States Court of Claims, and services authorized by 5 U.S.C. 3109; $125,374,000, of which $900,000 shall be available only for, and is hereby specifically earmarked for, personnel and associated costs in support of Congressional District and Senate State offices: *Provided*, That this appropriation shall be available, subject to reimbursement by the applicable agency, for services performed for other agencies pursuant to subsections (a) and (b) of section 1535 of title 31, United States Code.

INFORMATION RESOURCES MANAGEMENT SERVICE

OPERATING EXPENSES

For expenses authorized by law, not otherwise provided for, necessary for carrying out Government-wide and internal responsibilities relating to automated data management, telecommunications, information resources management, and related activities, including services as authorized by 5 U.S.C. 3109; and for the Information Security Oversight Office established pursuant to Executive Order 12356; $30,653,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General; $21,108,000: *Provided*, That not to exceed $10,000 shall be available for payment for information and detection of fraud against the Government, including payment for recovery of stolen Government property.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

For carrying out the provisions of the Act of August 25, 1958, as amended (3 U.S.C. 102 note), and Public Law 95-138; $1,234,000: *Provided*, That the Administrator of General Services shall transfer to the Secretary of the Treasury such sums as may be necessary to carry out the provisions of such Acts.

GENERAL SERVICES ADMINISTRATION—GENERAL PROVISIONS

SECTION 1. The appropriate appropriation or fund available to the General Services Administration shall be credited with (1) cost of operation, protection, maintenance, upkeep, repair, and improvement, included as part of rentals received from Government corporations pursuant to law (40 U.S.C. 129); and (2) appropriations or funds available to other agencies, and transferred to the General Services Administration, in connection with property transferred to the General Services Administration pursuant to the Act of July 2, 1948 (50 U.S.C. 451ff) and such appropriations or funds may be so transferred, with the approval of the Office of Management and Budget.

SEC. 2. Funds available to the General Services Administration shall be available for the hire of passenger motor vehicles.

SEC. 3. Appropriations available to any department or agency during the current fiscal year for necessary expenses, including maintenance or operating expenses, shall also be available for payment to the General Services Administration for charges for space and services and those expenses of renovation and alteration of buildings and facilities which constitute public improvements, performed in accordance with the Public Buildings Act of 1959 (73 Stat. 749), the Public Buildings Amendments of 1972 (86 Stat. 216), or other applicable law.

SEC. 4. Not to exceed 1 per centum of funds made available in appropriations for operating expenses and salaries and expenses, during the current fiscal year, may be transferred between such appropriations for mandatory program requirements. Any transfers proposed shall be submitted promptly to the Committees on Appropriations of the House and Senate for approval.

SEC. 5. Funds in the Federal Buildings Fund made available for fiscal year 1987 for Federal Buildings Fund activities may be transferred between such activities only to the extent necessary for mandatory program requirements. Any transfers proposed shall be submitted promptly to the Committees on Appropriations of the House and Senate for approval.

SEC. 6. Funds hereafter made available to the General Services Administration for the payment of rent shall be available for the purpose of leasing, for periods not to exceed thirty years, space in buildings erected on land owned by the United States.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

For necessary expenses in connection with National Archives and Records Administration and related activities, as provided by law, and for expenses necessary for the review and declassification of documents, and for the hire of passenger motor vehicles, $105,321,000, of which $4,000,000 for allocations and grants for historical publications and records as authorized by 44 U.S.C. 2504, as amended, shall remain available until expended.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses to carry out functions of the Office of Personnel Management pursuant to Reorganization Plan No. 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, medical examinations performed for veterans by private physicians on a fee basis, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles, not to exceed $2,500 for official reception and representation expenses, and advances for reimbursements to applicable funds of the Office of Personnel Management and the Federal Bureau of Investigation for expenses incurred under Executive Order 10422 of January 9, 1953, as amended; $99,846,000 in addition to $55,400,000 for administrative expenses for the retirement and insurance programs to be transferred from the appropriate trust funds of the Office of Personnel Management in the amounts determined by the Office of Personnel Management without regard to other statutes: *Provided*, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by section 8348(a)(1)(B) of title 5, U.S.C.: *Provided further*, That funds made available by this appropriation may be used, at the discretion of the Director of the Office of Personnel Management, to provide salaries, administrative support and for other expenses of the Commission on Executive, Legislative, and Judicial Salaries. No part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of the Office of Personnel Management established pursuant to Executive Order 9358 of July 1, 1943, or any successor unit of like purpose.

REVOLVING FUND

Pursuant to section 1304(e)(1)(ii) of title 5, United States Code, costs for entertainment expenses of the President's Commission on Executive Exchange shall not exceed $12,000.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

For payment of Government contributions with respect to retired employees, as authorized by chapter 89 of title 5, United States Code, and the Retired Federal Employees Health Benefits Act (74 Stat. 849), as amended, $1,469,357,000, to remain available until expended.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

For financing the unfunded liability of new and increased annuity benefits becoming effective on or after October 20, 1969, as authority by 5 U.S.C. 8348, and annuities under special Acts to be credited to the Civil Service Retirement and Disability Fund, $4,619,365,000: *Provided*, That annuities authorized by the Act of May 29, 1944, as amended (22 U.S.C. 3682(e)), August 19, 1950, as amended (33 U.S.C. 771-775), may hereafter be paid out of the Civil Service Retirement and Disability Fund.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out functions of the Merit Systems Protection Board pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles; $20,251,000, together with not to exceed $1,200,000 for administrative expenses to adjudicate retirement appeals to be transferred from the Civil Service Retirement and Disability Fund in amounts detemined by the Merit Systems Protection Board.

OFFICE OF SPECIAL COUNSEL

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Office of the Special Counsel pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978 (Public Law 95-454), including services as authorized by 5 U.S.C. 3109, payment

of fees and expenses for witnesses, rental of conference rooms in the District of Columbia and elsewhere, and hire of passenger motor vehicles; $4,640,000.

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Federal Labor Relations Authority, pursuant to Reorganization Plan No. 2 of 1978, and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, including hire of experts and consultants, hire of passenger motor vehicles, rental of conference rooms in the District of Columbia and elsewhere; $17,064,000: *Provided*, That public members of the Federal Service Impasses Panel may be paid travel expenses and per diem in lieu of subsistance as authorized by law (5 U.S.C. 5703) for persons employed intermittently in the Government Service, and compensation as authorized by 5 U.S.C. 3109.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

For necessary expenses, including contract reporting and other services as authorized by 5 U.S.C. 3109; $25,538,000: *Provided*, That travel expenses of the judges shall be paid upon the written certificate of the judge.

This title may be cited as the "Independent Agencies Appropriations Act, 1987".

TITLE V—GENERAL PROVISIONS

THIS ACT

SECTION 501. Where appropriations in this Act are expendable for travel expenses of employees and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amount set forth therefor in the budget estimates submitted for the appropriations: *Provided*, That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System; to travel performed directly in connection with care and treatment of medical beneficiaries of the Veterans' Administration; to travel of the Office of Personnel Management in carrying out its observation responsibilities of the Voting Rights Act; or to payments to interagency motor pools where separately set forth in the budget schedules.

SEC. 502. No part of any appropriation contained in this Act shall be available to pay the salary of any person filling a position, other than a temporary position, formerly held by an employee who has left to enter the Armed Forces of the United States and has satisfactorily completed his period of active military or naval service and has within ninety days after his release from such service or from hospitalization continuing after discharge for a period of not more than one year made application for restoration to his former position and has been certified by the Office of Personnel Management as still qualified to perform the duties of his former position and has not been restored thereto.

SEC. 503. No part of any appropriation made available in this Act shall be used for the purchase or sale of real estate or for the purpose of establishing new offices inside or outside the District of Columbia: *Provided*, That this limitation shall not apply to programs which have been approved by the Congress and appropriations made therefor.

SEC. 504. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 505. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 506. No part of any appropriation contained in this Act shall be available for the procurement of, or for the payment of, the salary of any person engaged in the procurement of any hand or measuring tool(s) not produced in the United States or its possessions except to the extent that the Administrator of General Services or his designee shall determine that a satisfactory quality and sufficient quantity of hand or measuring tools produced in the United States or its possession cannot be procured as and when needed from sources in the United States and its possessions, or except in accordance with procedures prescribed by section 6-104.4(b) of Armed Services Procurement Regulation dated January 1, 1969, as such regulation existed on June 15, 1970: *Provided*, That a factor of 75 per centum in lieu of 50 per centum shall be used for evaluating foreign source end products against a domestic source end product. This section shall be applicable to all solicitations for bids opened after its enactment.

SEC. 507. None of the funds made available to the General Services Administration pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949 shall be obligated or expended after the date of enactment of this act for the procurement by contract of any service which, before such date, was performed by individuals in their capacity as employees of the General Services Administration in any position of guards, elevator operators, messengers, and custodians, except that such funds may be obligated or expended for the procurement by contract of the covered services with sheltered workshops employing the severely handicapped under Public Law 92-28.

SEC. 508. No funds appropriated in this Act shall be available for administrative expenses in connection with implementing or enforcing any provisions of the rule TD ATF-66 issued June 13, 1980, by the Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms on labeling and advertising of wine, distilled spirits and malt beverages, except if the expenditure of such funds is necessary to comply with a final order of the Federal court system.

SEC. 509. None of the funds appropriated by this Act may be obligated or expended in any way for the purpose of the sale, lease, rental, excessing, surplusing or disposal of any portion of land identified on the date of enactment of this Act as Fort DeRussy in Honolulu, Hawaii.

SEC. 510. None of the funds appropriated in this Act may be used for administrative expenses to close the Information Resources Management Office of the General Services Administration located in Sacramento, California.

SEC. 511. None of the funds made available by this Act for the Department of the Treasury may be used for the purpose of eliminating any existing requirement for sureties on customs bonds.

SEC. 512. None of the funds made available by this Act shall be available for any activity or for paying the salary of any government employee where funding an activity or paying a salary to a government employee would result in a decision, determination, rule, regulation, or policy that would prohibit the enforcement of section 307 of the 1930 Tariff Act.

SEC. 513. None of the funds made available by this Act shall be available for the purpose of transferring control over the Federal Law Enforcement Training Center located at Glynco, Georgia, out of the Treasury Department.

SEC. 514. No part of any appropriation contained in this Act shall be available for the procurement of, or for the payment of, the salary of any person engaged in the procurement of stainless steel flatware not produced in the United States or its possessions, except to the extent that the Administrator of General Services or his designee shall determine that a satisfactory quality and sufficient quantity of stainless steel flatware produced in the United States or its possessions, cannot be procured as and when needed from sources in the United States or its possessions or except in accordance with procedures provided by section 6-104.4(b) of Armed Services Procurement Regulations, dated January 1, 1969. This section shall be applicable to all solicitations for bids issued after its enactment.

SEC. 515. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

SEC. 516. No part of any appropriation contained in this Act shall be available for the payment of the salary of any officer or employee of the United States Postal Service, who—

(1) prohibits or prevents, or attempts or threatens to prohibit or prevent, any officer or employee of the United States Postal Service from having any direct oral or written communication or contact with any member or committee of Congress in connection with any matter pertaining to the employment of such officer or employee or pertaining to the United States Postal Service in any way, irrespective of whether such communication or contact is at the initiative of such officer or employee or in response to the request or inquiry of such member or committee; or

(2) removes, suspends from duty without pay, demotes, reduces in rank, seniority, status, pay, or performance of efficiency rating, denies promotion to, relocates, reassigns, transfers, disciplines, or discriminates in regard to any employment right, entitlement, or benefit, or any term or condition of employment of, any officer or employee of the United States Postal Service, or attempts or threatens to commit any of the foregoing actions with respect to such officer or employee, by reason of any communication or contact of such officer or employee with any member or committee of Congress as described in paragraph (1) of this subsection.

SEC. 517. Except for vehicles provided to the President, Vice President and their families, or to the United States Secret Service, none of the funds provided in this Act to any Department or Agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than twenty-two miles per gallon. The requirements of this section may be waived by the Administrator of the General Services Administration for special purpose or special mission automobiles.

SEC. 518. No funds appropriated by this Act shall be available to pay for an abortion, or the administrative expenses in connection with any health plan under the Federal employees health benefit program which provides any benefits or coverages for abortions.

SEC. 519. The provision of section 518 shall not apply where the life of the mother would be endangered if the fetus were carried to term.

SEC. 520. The United States Customs Service shall submit to the Committee on Appropriations and the Committee on Ways and Means once each month a report detailing, by Customs Service district, the number of positions authorized, and for which appropriations have been made, which are vacant.

SEC. 521. Effective January 15, 1987, none of the funds made available by this Act may be used to store, to maintain or to protect more than 122,911,736 troy ounces of silver deposited in the National Defense Stockpile.

SEC. 522. None of the funds made available by this Act shall be used to transfer any functions under the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.) which were delegated to the Administrator of General Services under Executive Order 12155 (September 10, 1979) to any other agency, department, or instrumentality of the Federal Government.

TITLE VI—GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

SECTION 601. Unless otherwise specifically provided, the maximum amount allowable during the current fiscal year in accordance with section 16 of the Act of August 2, 1946 (60 Stat. 810), for the purchase of any passenger motor vehicle (exclusive of buses and ambulances), is hereby fixed at $6,600 except station wagons for which the maximum shall be $7,600: *Provided*, That these limits may be exceeded by not to exceed $2,700 for police-type vehicles, and by not to exceed $4,000 for special heavy-duty vehicles: *Provided further*, That the limits set forth in this section shall not apply to electric or hybrid vehicles purchased for demonstration under the provisions of the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976.

SEC. 602. Appropriations of the executive departments and independent establishments for the current fiscal year available for expenses of travel or for the expenses of the activity concerned, are hereby made available for quarters allowances and cost-of-living allowances, in accordance with 5 U.S.C. 5922-5924.

SEC. 603. Unless otherwise specified during the current fiscal year no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in the continental United States unless such person (1) is a citizen of the United States, (2) is a person in the service of the United States on the date of enactment of this Act, who, being eligible for citizenship, has filed a declaration of intention to become a citizen of the United States prior to such date and is actually residing in the United States, (3) is a person who owes allegiance to the United States, (4) is an alien from Cuba, Poland, South Vietnam, or the Baltic countries lawfully admitted to the United States for permanent residence, or (5) South Vietnamese, Cambodian and Laotian refugees paroled in the United States after January 1, 1975: *Provided*, That for the purpose of this section, an affidavit signed by any such person shall be considered prima facie evidence that the requirements of this section with respect to his status have been complied with: *Provided further*, That any person making a false affidavit shall be guilty of a felony, and, upon conviction, shall be fined no more than $4,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for any other provisions of existing law: *Provided further*, That any payment made to any officer or employee contrary to the provisions of this section shall be recoverable in action by the Federal Government. This section shall not apply to citizens of Ireland, Israel, the Republic of the Philippines or to nationals of those countries allied with the United States in the current defense effort, or to temporary employment of translators, or to temporary employment in the field service (not to exceed sixty days) as a result of emergencies.

SEC. 604. Appropriations available to any department or agency during the current fiscal year for necessary expenses, including maintenance or operating expenses, shall also be available for payment to the General Services Administration for charges for space and services and those expenses of renovation and alteration of buildings and facilities which constitute public improvements performed in accordance with the Public Buildings Act of 1959 (73 Stat. 749), the Public Buildings Amendments of 1972 (86 Stat. 216), or other applicable law.

SEC. 605. Funds made available by this or any other Act for administrative expenses in the current fiscal year of the corporations and agencies subject to chapter 91 of title 31, United States Code, shall be available, in addition to objects for which such funds are otherwise available, for rent in the District of Columbia; services in accordance with 5 U.S.C. 3109; and the objects specified under this head, all the provisions of which shall be applicable to the expenditure of such funds unless otherwise specified in the Act by which they are made available: *Provided*, That in the event any functions budgeted as administrative expenses are subsequently transferred to or paid from other funds, the limitations on administrative expenses shall be correspondingly reduced.

SEC. 606. No part of any appropriation for the current fiscal year contained in this or any other Act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve the nomination of said person.

SEC. 607. Pursuant to section 1415 of the Act of July 15, 1952 (66 Stat. 662), foreign credits (including currencies) owed to or owned by the United States may be used by Federal agencies for any purpose for which appropriations are made for the current fiscal year (including the carrying out of Acts requiring or authorizing the use of such credits), only when reimbursement therefor is made to the Treasury from applicable appropriations of the agency concerned: *Provided*, That such credits received as exchanged allowances or proceeds of sales of personal property may be used in whole or part payment for acquisition of similar items, to the extent and in the manner authorized by law, without reimbursement to the Treasury.

SEC. 608. No part of any appropriation contained in this or any other Act, shall be available for interagency financing of boards, commissions, councils, committees, or similar groups (whether or not they are interagency entities) which do not have a prior and specific statutory approval to receive financial support from more than one agency or instrumentality.

SEC. 609. Funds made available by this or any other Act to (1) the General Services Administration, including the fund created by the Public Building Amendments of 1972 (86 Stat. 216), and (2) the "Postal Service Fund" (39 U.S.C. 2003), shall be available for employment of guards for all buildings and areas owned or occupied by the United States or the Postal Service and under the charge and control of the General Services Administration or the Postal Service, and such guards shall have, with respect to such property, the powers of special policemen provided by the first section of the Act of June 1, 1948 (62 Stat. 281; 40 U.S.C. 318), but shall not be restricted to certain Federal property as otherwise required by the proviso contained in said section and, as to property owned or occupied by the Postal Service, the Postmaster General may take the same actions as the Administrator of General Services may take under the provisions of sections 2 and 3 of the Act of June 1, 1948, (62 Stat. 281; 40 U.S.C. 318a, 318b), attaching thereto penal consequences under the authority and within the limits provided in section 4 of the Act of June 1, 1948 (62 Stat. 281; 40 U.S.C. 318c).

SEC. 610. None of the funds available under this or any other Act shall be available for administrative expenses in connection with the designation for construction, arranging for financing, or execution of contracts or agreements for financing or construction of any additional purchase contract projects pursuant to section 5 of the Public Building Amendments of 1972 (Public Law 92-313) during the period beginning October 1, 1976, and ending September 30, 1987.

SEC. 611. None of the funds made available pursuant to the provisions of this Act shall be used to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States.

SEC. 612. No part of any appropriation contained in, or funds made available by this or any other Act, shall be available for any agency to pay to the Administrator of the General Services Administration a higher rate per square foot for rental of space and services (established pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended) than the rate per square foot established for the space and services by the General Services Administration for the current fiscal year and for which appropriations were granted.

SEC. 613. (a)(1) Notwithstanding any other provision of law, and except as otherwise provided in this section, no part of any of the funds appropriated for the fiscal years ending September 30, 1987, or September 30, 1988, by this Act or any other Act, may be used to pay any prevailing rate employee described in section 5342(a)(2)(A) of title 5, United States Code, or any employee covered by section 5348 of that title—

(1) during the period from the date of expiration of the limitation imposed by section 613 of H.R. 3036, incorporated by reference in section 101(h) of Public Law 99-190, until the first day of the first applicable pay period that begins not less than ninety days

after that date, in an amount that exceeds the rate payable for the applicable grade and step of the applicable wage schedule in accordance with such section 613; and

(2) during the period consisting of the remainder, if any, of fiscal year 1987 and that portion of fiscal year 1988 that precedes the normal effective date of the applicable wage survey adjustment that is to be effective in fiscal year 1988, in an amount that exceeds, as a result of a wage survey adjustment, the rate payable under paragraph (1) of this subsection by more than the overall average percentage adjustment in the General Schedule during fiscal year 1987.

(b) Notwithstanding the provisions of section 9(b) of Public Law 92-392 or section 704(b) of Public Law 95-454, the provisions of subsection (a) of this section shall apply (in such manner as the Office of Personnel Management shall prescribe) to any prevailing rate employee to whom such section 9(b) applies.

(c) Notwithstanding any other provision of law, no prevailing rate employee described in subparagraph (B) or (C) of section 5342(a)(2) of title 5, United States Code, may be paid during the periods for which subsection (a) of this section is in effect at a rate that exceeds the rates that would be payable under subsection (a) were subsection (a) applicable to such employee.

(d) For the purpose of this section, the rates payable to an employee who is covered by this section and who is paid from a schedule that was not in existence on September 30, 1986, shall be determined under regulations prescribed by the Office of Personnel Management.

(e) Notwithstanding any other provision of law, rates of premium pay for employees subject to this section may not be changed from the rates in effect on September 30, 1986, except to the extent determined by the Office of Personnel Management to be consistent with the purpose of this section.

(f) The provisions of this section shall apply with respect to pay for services performed by any affected employee on or after October 1, 1986.

(g) For the purpose of administering any provision of law, rule, or regulation that provides premium pay, retirement, life insurance, or any other employee benefit, that requires any deduction or contribution, or that imposes any requirement or limitation, on the basis of a rate of salary or basic pay, the rate of salary or basic pay payable after the application of this section shall be treated as the rate of salary or basic pay.

(h) Nothing in this section may be construed to permit or require the payment to any employee covered by this section at a rate in excess of the rate that would be payable were this section not in effect.

(i) The Office of Personnel Management may provide for exceptions to the limitations imposed by this section if the Office determines that such exceptions are necessary to ensure the recruitment or retention of qualified employees.

SEC. 614. None of the funds made available in this Act may be used to plan, implement, or administer (1) any reduction in the number of regions, districts or entry processing locations of the United States Customs Service; or (2) any consolidation or centralization of duty assessment or appraisement functions of any offices in the United States Customs Service.

SEC. 615. During the period in which the head of any department or agency, or any other officer or civilian employee of the Government appointed by the President of the United States, holds office, no funds may be obligated or expended in excess of $5,000 to renovate, remodel, furnish, or redecorate the office of such department head, agency head, officer, or employee, or to purchase furniture or make improvements for any such office, unless such renovation, remodeling, furnishing, or redecoration is expressly approved by the Committees on Appropriations of the House and Senate.

SEC. 616. (a) If any individual or entity which provides or proposes to provide child care services for Federal employees applies to the officer or agency of the United States charged with the allotment of space in the Federal buildings in the community or district in which such individual or entity provides or proposes to provide such service, such officer or agency may allot space in such a building to such individual or entity if—

(1) such space is available;

(2) such officer or agency determines that such space will be used to provide child care services to a group of individuals of whom at least 50 percent are Federal employees; and

(3) such officer or agency determines that such individual or entity will give priority for available child care services in such space to Federal employees.

(b)(1) If an officer or agency allots space to an individual or entity under subsection (a), such space may be provided to such individual or entity without charge for rent or services.

(2) If there is an agreement for the payment of costs associated with the provision of space allotted under subsection (a) or services provided in connection with such space, nothing in title 31, United States Code, or any other provision of law, shall be construed to prohibit or restrict payment by reimbursement to the miscellaneous receipts or other appropriate account of the Treasury.

(3) For the purpose of this section, the term "services" includes the providing of lighting, heating, cooling, electricity, office furniture, office machines and equipment, telephone service (including installation of lines and equipment and other expenses associated with telephone service), and security systems (including installation and other expenses associated with security systems).

SEC. 617. Funds appropriated in this or any other Act may be used to pay travel to the United States for the immediate family of employees serving abroad in cases of death or life threatening illness of said employee.

PARTICIPATION IN THE COMBINED FEDERAL CAMPAIGN

SEC. 618. (a) ELIGIBILITY TO PARTICIPATE IN 1986.—(1) Notwithstanding any other provision of law, and any regulations prescribed thereunder, any application by the Federal Employee Education and Assistance Fund (a nonprofit corporation incorporated in the District of Columbia) for admission to the Combined Federal Campaign, whether in a particular community or otherwise, shall be considered without regard to any eligibility requirements, to the extent that such requirements relate to any period before the date on which such Fund became incorporated.

(2) The eligibility of the Fund to be admitted to the Combined Federal Campaign in a particular community shall also be determined without regard to any criteria relating to having a "direct and substantial presence" in the community involved.

(3) This subsection shall be effective only with respect to the Combined Federal Campaign as conducted during calendar year 1986.

(b) DEFINITIONS.—For the purpose of this section, the term "Combined Federal Campaign" and the term "community" each has the meaning given such term by section 950.101 of title 5 of the Code of Federal Regulations (as in effect on the date of the enactment of this Act).

SEC. 619. None of the fund appropriated by this Act or any other Act shall be used for preparing, promulgating or implementing any regulations dealing with organization participation in the 1986 and 1987 Combined Federal Campaign other than repromulgating and implementing the 1984 and 1985 Combined Federal Campaign regulations, unless such regulations provide that any charitable organization which participated in any prior campaign shall be allowed to participate in 1986 and 1987 campaign.

SEC. 620. None of the funds appropriated or made available by this Act shall be used to implement or enforce the rule proposed on May 7, 1986 (51 Federal Register 16988-16991), or any other regulation issued pursuant to statute requiring competitive bidding for electricity, gas, or steam utility services acquired by the Federal Government.

SEC. 621. None of the funds appropriated by this or any other Act, may be used to repeal, amend or modify any policy, procedure or practice contained in 48 CFR, Subpart 19.5 and in effect May 1, 1986.

SEC. 622. None of the funds appropriated by this or any other Act may be used prior to April 1, 1987, to implement changes to OMB Circular A-21 made subsequent to February 11, 1986.

This Act may be cited as the "Treasury, Postal Service and General Government Appropriations Act, 1987".

Mr. ROYBAL (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point and that all debate on the bill and all amendments thereto end by 2:15 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. FRENZEL. Mr. Chairman, I reserve points of order against sections 514 and 520.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. JACOBS. Reserving the right to object, I would ask the chairman of the subcommittee how many amendments are anticipated and the logical allocation of the time he is limiting to each amendment? How would it divide out? How much time does the gentleman contemplate for each of the anticipated amendments?

Mr. ROYBAL. If the gentleman will yield, the Chair, I think, would have to make that determination. We have so far about four amendments, but it is my opinion it will be more than the four amendments.

Mr. JACOBS. Four amendments? Then it would be less than 10 minutes per amendment.

Mr. ROYBAL. It would be more than 10 minutes per amendment.

Mr. JACOBS. Would the gentleman amend his unanimous consent request to allow 15 minutes for any amendment where those wishing to speak request that much time?

Mr. ROYBAL. Well, we do not know how many amendments we will have. We could have more than——

Mr. JACOBS. Then I do not know whether I will object.

Mr. ROYBAL. The gentleman can do whatever he so desires.

Mr. JACOBS. I desire that everybody be assured that amendments involving important questions at least have 15 minutes each.

Mr. ROYBAL. The gentleman is asking an almost impossible question to answer at this time.

Mr. JACOBS. I am glad it is "almost."

Mr. ROYBAL. We do not know how many amendments there will be. We do know that we are to either rise or adjourn by 3 o'clock. We would like to, if possible, do as much as we possibly can to finish the bill, if it is possible. Not knowing how many amendments there are, I cannot comply with the request of the gentleman. If we knew how many amendments there were, perhaps we could. As of this moment, neither I, as chairman of this committee, nor does the Chairman of the Committee of the Whole House, know how many amendments there may be.

Mr. JACOBS. Let us say if there are five amendments, that there will be at least 15 minutes on each amendment if it is desired by the membership? It might not be.

Mr. ROYBAL. Five amendments; that would be 1 hour and 15 minutes. The gentleman from Illinois [Mr. GRAY] has just indicated that he has an amendment. That would be six.

We started with four; now we have six. We would like to know how many more amendments there are.

Mr. FRENZEL. Mr. Chairman, will the gentleman from Indiana yield on his reservation of objection?

Mr. JACOBS. Yes; I yield to the gentleman from Minnesota.

Mr. FRENZEL. I thank the gentleman for yielding.

The suggestion of the gentleman to the Chairman means that voting time will not detract from the 15 minutes allowed for debate on each of the amendments. Is that correct?

Mr. JACOBS. Obviously, obviously. And what if we did rise at 3 o'clock and came back and finished it, is that a mortal sin? It is a lot of money that we are talking about here.

Mr. FRENZEL. If the gentleman will yield further, there is over $13 billion in here we are going to decide in an hour if we accept the request of the Chairman.

Mr. JACOBS. Yes; it blows your mind, does it not?

Mr. ROYBAL. Since we do not know how many amendments there are, Mr. Chairman, and there appears to be an increasing number of amendments being considered every second, I believe at this moment it is best to withdraw this unanimous consent request and let us see what happens and let the Members of the House bring in all the amendments they want, and then we will probably have to rise around 3 o'clock this afternoon.

The CHAIRMAN. The gentleman withdraws his unanimous consent request.

Mr. JACOBS. Is the gentleman withdrawing his unanimous consent request? It is withdrawn.

The CHAIRMAN. Does the gentleman from California [Mr. ROYBAL] renew his unanimous consent request for opening the bill to amendment at any point?

Mr. ROYBAL. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any points of order against the bill?

The Chair would advise that any points of order must be made at this point.

Mr. FRENZEL. I did not hear the Chairman.

The CHAIRMAN. The Chair would advise that any points of order must be made at this point.

POINTS OF ORDER

Mr. FRENZEL. Mr. Chairman, I have a point of order against section 514.

The CHAIRMAN. The gentleman will state his point of order.

Mr. FRENZEL. Mr. Chairman, I make a point of order against section 514 of the bill as constituting legislation in an appropriation bill and therefore in violation of rule XXI, clause 2. It prohibits appropriated funds from being used in the procurement of any stainless steel flatware not produced in the United States except to the extent that the Administrator of General Services determines that a satisfactory quality and sufficient quantity of stainless steel flatware produced in the United States cannot be procured as and when needed for domestic sources.

Section 514 specifically imposes an additional duty on a Federal official to make a determination not otherwise required by law and establishes a procurement requirement not in existing law. Similar language in previous Treasury appropriation bills has been stricken on points of order, and I urge that my point of order be sustained.

The CHAIRMAN. Does the gentleman from California wish to be heard on this point of order?

Mr. ROYBAL. Mr. Chairman, yes, I do. I will concede the point of order.

The CHAIRMAN (Mr. BEILENSON). The gentleman concedes the point of order, and the Chair, therefore, sustains the point of order.

Mr. FRENZEL. Mr. Chairman, I have a point of order against section 520.

The CHAIRMAN. The gentleman will state his point of order.

Mr. FRENZEL. Mr. Chairman, I make a point of order against this section as constituting legislation on an appropriation bill, therefore violating clause 2 of rule XXI. Section 520 would require the Customs Service to report to the Appropriations Committee and the Ways and Means Committee detailing by Customs district the number of positions authorized for which appropriations have been made which are vacant. It establishes monthly reporting requirements for the Customs Service not contained in existing law, and I therefore ask that my point of order be sustained.

The CHAIRMAN. Does the gentleman from California wish to be heard on the point of order?

Mr. ROYBAL. Mr. Chairman, the Chair concedes the point of order.

The CHAIRMAN (Mr. BEILENSON). The gentleman concedes the point of order, and the Chair therefore sustains the point of order.

Are there other points of order? No other points of order?

For what purpose does the gentleman from Pennsylvania seek recognition?

Mr. WALKER. I have an amendment at the desk.

The CHAIRMAN. The Clerk will report the amendment.

Does the gentleman from Illinois [Mr. ROSTENKOWSKI] have a point of order?

POINT OF ORDER

Mr. ROSTENKOWSKI. I have a point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state his point of order.

Mr. CONTE. It comes too late, Mr. Chairman. The Chairman had recognized the gentleman.

The CHAIRMAN. The Chair would advise the gentleman from Massachusetts [Mr. CONTE] that under some rules a point of order can be made at any time.

Mr. CONTE. No; it cannot. The gentleman from—all right.

The CHAIRMAN. The gentleman from Illinois will please state his point of order.

Mr. ROSTENKOWSKI. Mr. Chairman, I make a point of order against section 3 of Administrative Provisions

for the Internal Revenue Service of H.R. 5294.

Mr. Chairman, I make a point of order against section 3 on the ground that it is a tax measure that is in violation of paragraph (B), clause 5 of House rule 21.

Paragraph (B), clause 5 of House rule 21 makes tax and tariff amendments to bills and resolutions reported by any committee not having jurisdiction over such measures subject to a point of order at any time during House consideration of the legislation.

The term "tax measures" includes any provisions having the substantive effect of amending the Internal Revenue Code to impose a tax. The term also encompasses provisions having the substantive effect of amending the Internal Revenue Code to repeal a tax or to provide an otherwise unauthorized deduction.

Section 3 prohibits the use of funds appropriated by this act to implement certain specified Treasury regulations.

Those regulations are issued under Internal Revenue Code section 274(d). Section 274(d) already specifically requires taxpayers to maintain detailed information to substantive expenses deducted on their Federal income tax returns.

Section 274(d) emphatically states that the taxpayer must substantiate by adequate records: First, the amount of the expense, second, the time and place of the expense, third, the business purpose of the expense, and fourth, the business relationship to the taxpayer. The regulating authority provided under this section is to implement these specific, detailed requirements already in the code.

Let me explain the very significant practical consequences of this provision in the appropriation bill, Mr. Chairman.

This substantiation is required by Public Law 99-44, the 1985 legislation which reiterated the code's substantiation requirements when it repealed the contemporaneous recordkeeping requirement for certain automobile expenses.

The statutory language that I have described was passed as part of a carefully crafted compromise in 1985. The conference agreement of the 1985 act passed the House of Representatives by a vote of 412 to 1.

It is reasonable to expect the issuance of new tax regulations to take 2 years before they can be finalized. In fact, the average period of time before regulations are issued is probably longer than 2 years.

The process of issuing tax regulations is as follows. The regulation is:

Drafted by an IRS attorney;

Reviewed by an IRS attorney;

Reviewed by the division director of the IRS Legislation and Regulations Division;

Reviewed by the IRS Chief Counsel;

Reviewed by the IRS Commissioner's staff;

Reviewed by a Treasury docket attorney;

Reviewed by upper level staff of the Treasury Department; and

Reviewed by OMB.

Changes are made at each stage of this process. When this first review process is completed and changes incorporated, the process is repeated. After the second review process, the document is signed by all the participants.

The resulting document is published in the Federal Register as proposed temporary regulations. The public is allowed 60 days to provide comments.

That public comment period is followed by a public hearing for which 30 days' notice is provided.

These public comments are then incorporated and the whole review process begins again before regulations are finalized.

This process is required by law. The lengthy period for public comment is required by either the Administrative Procurements Act or Treasury's own rules. The courts require that the treasury follow its own procedures in issuing regulations. If the Treasury does not follow these procedures, the courts will invalidate the regulations. So there is no way for the IRS to eliminate any of the major stages in this process.

As we see, 2 years is an optimistic timetable for completion of this process.

Until revised regulations are issued, the IRS cannot enforce the tax law. This means that the Federal Government will not collect the revenue that we counted on when we passed the 1985 act.

For fiscal year 1987, according to the Joint Committee on Taxation, this provision could lose approximately $200 million in revenues.

Mr. Chairman, this provision is clearly a tax measure within the meaning of rule 21.

I will note that the Chair sustained a similar point of order on July 26, 1985, against a funding prohibition for Treasury regulations affecting certain continuing care facilities that was contained in that Treasury-appropriations measure.

In addition, on September 12, 1984, a point of order was sustained against a provision limiting the use of funds appropriated in that Appropriations Act or any other act to impose of assess tax due on custom gun manufacturers.

Mr. Chairman, I urge the Chair to sustain this point of order.

□ 1315

The CHAIRMAN. Does the gentleman from Massachusetts [Mr. CONTE] wish to be heard on the point of order?

Mr. CONTE. Mr. Chairman, I rise in opposition to the point of order. The gentleman has raised a point of order under rule 21 clause 5(b), which reads in pertinent part:

No bill or joint resolution carrying a tax or tariff measure shall be reported by any committee not having jurisdiction to report tax and tariff measures.

The point of order is made against section 3 of the bill which denies the use of funds in the bill to implement two sections of specific IRS regulation.

Clause 5(b) was adopted in 1983. Its application has been progressively widened by a series of rulings in 1983, 1984, and 1985. The Chair's ruling on the pending point of order will determined whether clause 5(b) will be widened to a point where it threatens to destroy an integral part of the parliamentary law through which we exercise the appropriation power delegated to us by the Constitution.

Because this ruling presents such an important question, I ask the indulgence of the Chair and of the committee in developing my argument against the point of order.

I respectively direct the attention of the Chair to the statement by the distinguished majority leader on January 3, 1986, page H7, where in discussing the new rule the majority leader said:

The sixth change that we propose in the rules would allow a new point of order to raised at any time against a provision measure, unless that measure was reported by the Committee on Ways and Means, *the committee which has proper jurisdiction over those matters.*

This statement, which is the only legislative history available to us, clearly suggests that a "tax measure" be defined in terms of the jurisdiction of the Committee on Ways and Means over "those matters."

The question the Chair must decide then is whether a limitation on a specific object—two sections of a specific IRS regulation—falls within the jurisdiction of the Committee on Ways and Means.

That question, I submit, was settled in 1865 when revenue and appropriations were given to separate committees.

The pertinent jurisdiction of the Committee on Ways and Means is "revenue measures."

The pertinent jurisdiction of the Committee on Appropriations is "appropriation of the revenue for the support of the Government."

And it has been held consistently that in the exercise of its jurisdiction, the committee may by limitation deny funds for a purpose otherwise authorized by law, so long as that limitation does not change existing law.

The language in question is not a "tax measure" or a "revenue measure." It does not change existing law. It does not establish a new tax, or directly repeal or amend an existing tax.

It is clearly consistent with the doctrine of limitations which has been carefully developed over many years, and which was definitively stated by Chairman Nelson Dingley of Maine on January 17, 1896.

The House in Committee of the Whole has the right to appropriate for any object which it may deem improper, although that object may be authorized by law; and it has been contended, and on various occasions sustained by the Committee of the Whole, that if the committee has the right to refuse to appropriate anything for a particular purpose authorized by law it can appropriate for only part of that purpose and prohibit the use of the money for the rest of the purpose * * *.

That principle of limitation has been sustained so repeatedly that it may be regarded as part of the parliamentary law of the Committee of the Whole.

Previous rulings of the Chair have all been grounded on changes in existing law or tax policy. None of these rulings have applied clause 5(b) to a limitation on appropriations for a specific object within the IRS.

To do so would be to drastically narrow the "principle of limitation" that is "part of the parliamentary law of the Committee of the Whole."

To do so would give the Committee on Ways and Means effective jurisdiction over any bill or amendment that would reduce, increase, or place conditions on appropriations for the IRS.

That construction of the rule is not reasonable or workable, and is not justified by the language of the clause or its legislative history. I urge the Chair to overrule the point of order.

Mr. FRENZEL. Mr. Chairman, I wish to be heard on the point of order.

The CHAIRMAN. The gentleman from Minnesota is recognized to speak on the point of order.

Mr. FRENZEL. Mr. Chairman, with respect to the defense raised by the gentleman from Massachusetts, Chairman Dingley, when he performed in 1896, was about 80 years ahead, or slightly more than that, of the rule that the chairman of the Ways and Means Committee accuses this particular section of violating and, therefore, Chairman Dingley's at least are irrelevant to the matter at hand.

The point of order should be sustained.

The CHAIRMAN (Mr. BEILENSON). The Chair thanks the three gentlemen for presenting their arguments and is prepared to rule, unless another Member wishes to speak to this point of order.

The gentleman from Illinois makes a point of order against section 3 of the bill on the grounds that it contains a tax or tariff measure in a bill not reported from a committee having that jurisdiction, in violation of clause 5(b) of rule XXI. The section prohibits the use of funds in the bill to implement certain specified Treasury regulations. Those regulations, issued under section 274(d) of the Internal Revenue Code, detail the law's specific requirement that taxpayers maintain detailed information to substantiate the deductibility of certain expenses on their tax returns. Without these regulations, taxpayers, as well as the IRS, will have no guidance. While it is correct that new regulations could be promulgated, in the opinion of the chair there will necessarily be a delay before new regulations would be in place. In the interim, the IRS cannot enforce the law and would necessarily result in a direct loss of revenue to the Federal Treasury.

The Chair would also say in response to the specific argument presented by the distinguished gentleman from Massachusetts that it believes that the progression of decisions under clause 5(b), rule XXI with respect to limitations on availability of funds for the IRS or Customs Service in this general appropriation bill stand for the proposition that a limitation otherwise in order under clause 2(c) of rule XXI can still be construed as a "tax or tariff measure" where it can be conclusively shown that the imposition of the restriction on IRS funding for the fiscal year will effectively and inevitably either preclude the IRS from collecting revenues otherwise due and owing under provisions of the Internal Revenue Code or require collection of revenue not legally due and owing.

□ 1325

It may be permissible for the Committee on Appropriations to recommend limitations on IRS or Customs Service funding which do not inevitably result in a change in tax or tariff liability for the fiscal year in question, such as certain limitations on administrative activities of those agencies, but in this case the Chair has been shown that the limitation does inevitably change the tax status of some taxpayers during all or a part of the fiscal year. The effect of this ruling is not therefore, as contended by the gentleman from Massachusetts, to "give the Committee on Ways and Means effective jurisdiction over any bill or amendment that would reduce, increase, or place conditions on appropriations for the IRS," but is only to preclude limitations which as a matter of law would change tax status or liability by the inevitable effect on the ability of the IRS to collect revenues.

The Chair, therefore, upholds the point of order made by the gentleman from Illinois.

Are there any additional points of order?

Mr. ROSTENKOWSKI. Mr. Chairman, I have an additional point of order.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois on his point of order.

Mr. ROSTENKOWSKI. Mr. Chairman, I make a point of order against section 103 of H.R. 5294 on the ground that it is a tax measure that is in violation of paragraph (B), clause 5 of House rule 21.

Paragraph (B), clause 5 of House rule 21 makes tax and tariff measures reported by and committee not having jurisdiction over such measures subject to a point of order at any time during House consideration of the legislation.

Section 103 of H.R. 5294 is clearly a tax measure within the meaning of rule 21.

Section 103 would deny funds under the act to the Internal Revenue Service to impose vesting requirements for qualified pension plans under Internal Revenue Code section 411 more stringent than 4/40.

Section 411 of the code sets forth minimum vesting standards which must be met for a plan to be "qualified" by the Internal Revenue Service. Section 411 was generally added to the code to insure that pension plans were equitable to rank and file employees by requiring that qualified plans provide a nonforfeitable right to benefits by all employees within a reasonable time period.

Section 411 gave the Service statutory authority to impose vesting standards by regulation. In addition, section 411(d)(1)(B) gives the Service authority to disqualify a plan if its vesting requirements discriminate in favor of highly compensated employees, key employees, or shareholders.

The Tenth Circuit Court of Appeals, in Tamko Asphalt versus Commissioner, noted that "Congress expected the IRS to require a plan's benefits to vest more rapidly when the turnover rate of rank and file employees is significantly greater than the rate of employees who are officers, shareholders, or highly compensated."

Thus, it seems clear that the Service has the statutory authority to both impose vesting standards and to disqualify plans that have discriminatory vesting standards.

Secton 103 of H.R. 5294 would limit the types of vesting standards that can be imposed by the IRS and that were contemplated when code section 411 was enacted.

No funds would be available to disqualify plans or to issue unfavorable advance determination letters if a pension plan has vesting standards at least equal to 4/40—that is a nonforfeitable right to 40 percent of benefits after 4 years of service.

This provision is clearly a tax measure within the meaning of clause 5(b) of rule 21.

Mr. Chairman, prior rulings have held that a provision which has the effect of rendering a legally required

tax uncollectible is a tax measure within the meaning of rule 21.

Section 103 clearly meets this test. Taxes on employer contributions to pension plans with vesting schedules that discriminate in favor of key employees will be deferred even if the statute contemplates current taxation of those contributions.

Consequently, prohibitions on disqualifications result in tax deferral on income that is legally taxable currently.

Section 103 is clearly a tax measure.

I urge the Chair to sustain this point of order.

The CHAIRMAN. Does any Member wish to be heard on the point of order?

Mr. ROYBAL. Mr. Chairman, I concede the point of order.

Mr. FRENZEL. Mr. Chairman, I have a point of order.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota on his point of order.

Mr. FRENZEL. Mr. Chairman, my point of order is that it is a violation of rule XXI, clause 2, legislating on an appropriations bill, which is a different point of order than the chairman makes. I think the section violates both of those rules, Mr. Chairman.

The CHAIRMAN (Mr. BEILENSON). Does any Member wish to be heard on the point of order?

Mr. CONTE. Mr. Chairman, we concede the point of order.

The CHAIRMAN. The gentlemen from California and Massachusetts concede the point of order of the gentleman from Illinois, and the Chair, therefore, only rules in favor of the point of order as proposed by the gentleman from Illinois. The section is therefore stricken.

The Chair recognizes the gentleman from Pennsylvania [Mr. WALKER] and thanks him for being so patient.

AMENDMENTS OFFERED BY MR. WALKER

Mr. WALKER. Mr. chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: In title I, on Page 2, Line 17, strike "$55,642,000" and insert in lieu thereof "$52,642,000".

Mr. WALKER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALKER. Mr. Chairman, I ask unanimous consent that the two amendments that I have at the desk be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALKER. Mr. Chairman, furthermore, I ask unanimous consent that the time on this amendment be limited to 10 minutes to be equally divided between myself and the gentleman from California [Mr. ROYBAL].

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Is there objection to waiving the reading of the second amendment of the gentleman from Pennsylvania?

There was no objection.

The amendment reads as follows:

Amendment offered by Mr. WALKER: In Title I, On Page 5, Line 16, strike "$793,000,000" and insert in lieu thereof "$796,000,000".

Mr. WALKER. Mr. Chairman, this is the amendment that I described in the general debate and I do not need to go into it in great detail. It takes $3 million out of the Office of the Secretary and places it over into the Customs Service.

The idea here is to create 60 additional positions within the Customs Service that can be used for drug interdiction. The plan that we have for increasing drug interdiction in the Customs Service over fiscal year 1986 levels is about a $334 million plan. This is a very, very modest attempt to attempt to implement a little bit of that plan. It would be about a 1-percent increment and would come of, essentially, bureauracy.

So the choice that I have offered the House here is a choice between additional bureaucracy and additional Customs agents for drug interdiction.

I would hope that the House would see fit to approve an enhancement of drug enforcement versus the additional amount of money in the Office of the Secretary.

Let me point out that the committee has given the Office of the Secretary about $4.6 million more. I am lowering the amount of increase over fiscal year 1986. The Secretary's office will still get an additional $1.6 million over what they had this year, even under my amendment. So I would hope that the House will see fit to try to improve drug enforcement a little more than the committee has done.

The committee has done a fine job; this enhances it a little bit more.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. HUNTER. I thank the gentleman for yielding.

Mr. Chairman, I think the amendment of the gentleman from Pennsylvania is meritorious and it simply reflects the fact that we are going to have to move more people from the front offices to the front lines. The front lines in this country right now, in the narcotics war, are the borders of this Nation. We are having an enormously great problem in trying to interdict aircraft from coming in, vessels, people, and vehicles.

□ 1335

If we can have more agents on the line, that is going to save the Nation a great deal of money in pursuit and prosecution and imprisonment of the people once they get inside the interior of the country.

Mr. Chairman, I think this is a very important amendment.

Mr. WALKER. Mr. Chairman, I thank the gentleman from California [Mr. HUNTER] very much, and I reserve the balance of my time.

Mr. ROYBAL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think the Members of the House should know the position the committee has taken with regard to this appropriation. The committee appropriated $4.6 million more than the appropriation in 1986 but $2 million less than the budget estimate for 1987.

The Department of the Treasury does in fact oppose this amendment. I approach this amendment with mixed feelings. I, of course, support the idea of making more money available and more staff available for the interdiction of narcotics.

On the other hand, I do not want to cripple the operation of an already existing organization that has in fact received an appropriation that is $2 million less than the budgetary request.

This is going to be a difficult situation for any particular Member of the House to decide. The proposed transfer of $3 million would represent less than four-tenths of 1 percent of what the Appropriations Committee has already provided for the U.S. Customs Service, and according to the Department of the Treasury, that would have little impact on its drug interdiction. It would be disastrous, they say, to the Office of the Secretary's appropriations from which funds would be transferred since it would represent a reduction of over 5 percent. The proposed 5-percent reduction would seriously impair the Secretary of the Treasury in carrying out his responsibilities and the oversight capabilities of the Department.

I appreciate what the gentleman is trying to do, but I think the $112 million that the committee has already appropriated is about all that Customs can accommodate at this time. These funds will retain 1,457 positions that the administration wanted to cut and then provide an additional 850 positions for fiscal year 1987.

I am sure that the gentleman understands that the Secretary of the Treasury must have adequate staff to support and carry on his functions. It would be a serious mistake, I believe,

to reduce the funds available for leadership within the Department of the Treasury, which, of course, also includes the Customs Service. It is essential to have overall leadership. We must have policy formulation and coordination at the top Treasury Department level, and I am afraid the gentleman's amendment would reduce that capability.

Mr. Chairman, I have certain feelings in favor of the amendment, but then looking at this amendment very carefully, I believe that the gentleman's amendment would hurt more than help the fight against the smuggling of illegal drugs into this country.

Mr. Chairman, very reluctantly, I must say that I hope the gentleman does withdraw his amendment, but if he does not withdraw the amendment, I hope that we will be able to defeat the amendment at this time.

The CHAIRMAN. The time of the gentleman from California [Mr. ROYBAL] has expired.

The Chair will advise the gentleman from Pennsylvania [Mr. WALKER] that he has 3 minutes available if he wishes to use the time.

Mr. WALKER. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I would simply point out that the numbers of people that can be hired as a result of the approval of this amendment, modest as it is, would be a sufficient number of people to include the upgrade for the United States-Bahamas Drug Interdiction Task Force. They request $3 million to do the upgrade as contemplated in the bipartisan approach. It seems to me that that is an important thing that could be done for the amount of money that is involved. There is a number of other things also that could be done, but that precise amount is what is needed for that particular goal that we want to reach.

So, Mr. Chairman, I urge the House to take a little bit of money out of bureaucracy and put it in drug interdiction.

Mr. CONTE. Mr. Chairman, I rise in opposition to the Walker amendment.

The committee has added over $112 million to the President's request for the U.S. Customs Service. It's a significant amount which they will have difficulty in spending during 1 fiscal year. The OMB policy statement on this bill objects to the committee's increase funding for Customs, claiming that Customs just can't effectively spend these additional funds.

I have also received a letter from Mr. John Rogers, Assistant Secretary of the Treasury. He strongly opposes the cut and maintains that "it would have little impact on drug interdiction."

I agree with him, and I urge my colleagues to reject the amendment.

The letter follows:

DEPARTMENT OF THE TREASURY,
Washington, DC, August 1, 1986.

Hon. SILVIO CONTE,
Ranking Minority Member,
Committee on Appropriations,
Washington, DC.

DEAR MR. CONTE: It is my understanding that an amendment to the Treasury, Postal Service, and General Government Appropriations Bill may be offered that would transfer $3 million from the Office of the Secretary appropriation to the U.S. Customs Service for drug interdiction efforts.

Although the Administration and the Department are seriously committed to stopping the flow of drugs into the nation, we are strongly opposed to a transfer of resources. The bill that has been reported by the Appropriations Committee already includes an additional $112.5 million to the Administration's request for the U.S. Customs Service. The Appropriations Committee's action will provide the U.S. Customs Service an additional 15 percent increase in resources over and above the Administration's request. The majority of these resources would be used to enhance the Service's drug interdiction efforts.

The proposed transfer of $3 million would represent less than four tenths of one percent of what the Appropriations Committee has already provided to the U.S. Customs Service and would have little impact on its drug interdiction. However, it would be disastrous to the Office of the Secretary appropriation from which the funding would be transferred, since it would represent a reduction of over five percent. The proposed five percent reduction would seriously impair the Secretary of the Treasury in carrying out his responsibilities and oversight of the Department.

I would appreciate your support in ensuring that such an amendment is not enacted. Thank you for your assistance.

Sincerely,

JOHN F. W. ROGERS,
Assistant Secretary
of the Treasury (Management).

The CHAIRMAN. The Chair wishes to advise the gentleman from California [Mr. ROYBAL] that the Chair was in error, and the gentleman does have 2 minutes remaining if the gentleman wishes to use that time or to yield that time. And the gentleman from California, if he wishes, has the right to close.

Mr. ROYBAL. Mr. Chairman, I do not wish to continue the dialog. Shall we proceed? I yield back the balance of my time.

Mr. WALKER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Pennsylvania [Mr. WALKER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 254, noes 109, answered not voting 68, as follows:

[Roll No. 280]

AYES—254

Ackerman	Gray (IL)	Packard
Anderson	Gregg	Pashayan
Andrews	Guarini	Pease
Anthony	Gunderson	Penny
Applegate	Hall (OH)	Petri
Archer	Hall, Ralph	Porter
Armey	Hamilton	Price
Aspin	Hefner	Pursell
AuCoin	Hendon	Rahall
Barnard	Henry	Ray
Bartlett	Hertel	Regula
Barton	Hopkins	Reid
Bateman	Hubbard	Richardson
Bates	Huckaby	Ridge
Bennett	Hughes	Rinaldo
Bentley	Hunter	Ritter
Bereuter	Hutto	Roberts
Bilirakis	Ireland	Robinson
Bliley	Jacobs	Roe
Borski	Jeffords	Roemer
Boulter	Jenkins	Rose
Brooks	Johnson	Roth
Broomfield	Jones (OK)	Roukema
Brown (CO)	Jones (TN)	Rowland (CT)
Bruce	Kanjorski	Rowland (GA)
Burton (IN)	Kaptur	Russo
Bustamante	Kasich	Saxton
Byron	Kennelly	Schaefer
Callahan	Kildee	Scheuer
Carper	Kindness	Schneider
Chandler	Kleczka	Schuette
Chapman	Kolbe	Schulze
Chappie	Kostmayer	Seiberling
Cheney	Kramer	Sensenbrenner
Cobey	LaFalce	Sharp
Coble	Latta	Shaw
Coleman (MO)	Leach (IA)	Shumway
Coleman (TX)	Lehman (CA)	Shuster
Combest	Lent	Sikorski
Coughlin	Levin (MI)	Siljander
Courter	Levine (CA)	Slattery
Craig	Lewis (CA)	Slaughter
Crane	Lewis (FL)	Smith (FL)
Daniel	Lightfoot	Smith (NE)
Dannemeyer	Lipinski	Smith (NJ)
Darden	Loeffler	Smith, Robert (NH)
Daschle	Lott	Snowe
Daub	Lowry (WA)	Solomon
DeLay	Lujan	Spence
Derrick	Luken	Spratt
DeWine	Lungren	St Germain
Dicks	Mack	Staggers
DioGuardi	MacKay	Stallings
Donnelly	Madigan	Stenholm
Dorgan (ND)	Manton	Stump
Dornan (CA)	Marlenee	Sundquist
Downey	Martin (IL)	Sweeney
Dreier	Mavroules	Swift
Durbin	McCain	Swindall
Dwyer	McCandless	Tauzin
Dyson	McCloskey	Taylor
Eckart (OH)	McCollum	Thomas (GA)
Edwards (OK)	McCurdy	Torricelli
Emerson	McEwen	Traficant
Erdreich	McGrath	Traxler
Evans (IA)	McKernan	Valentine
Fascell	McMillan	Vander Jagt
Fawell	Meyers	Visclosky
Feighan	Michel	Vucanovich
Fiedler	Miller (OH)	Walgren
Fields	Miller (WA)	Walker
Florio	Moakley	Watkins
Foglietta	Molinari	Weaver
Frank	Mollohan	Weber
Franklin	Monson	Weiss
Fuqua	Montgomery	Whittaker
Gallo	Moorhead	Wilson
Garcia	Neal	Wise
Gekas	Nelson	Wolpe
Gephardt	Nielson	Wortley
Gilman	Nowak	Wright
Gingrich	Olin	Wyden
Glickman	Ortiz	Yatron
Goodling	Owens	Young (FL)
Gradison	Oxley	

NOES—109

Akaka	Boggs	Carr
Alexander	Bonker	Clinger
Atkins	Bosco	Coats
Beilenson	Brown (CA)	Collins
Boehlert	Burton (CA)	Conte

Coyne	Lagomarsino	Rogers
Crockett	Lehman (FL)	Rostenkowski
Davis	Leland	Roybal
Dellums	Long	Sabo
Dickinson	Lowery (CA)	Savage
Dixon	Martinez	Schumer
Duncan	Matsui	Sisisky
Dymally	Mazzoli	Skeen
Eckert (NY)	McDade	Smith (IA)
Edwards (CA)	McHugh	Snyder
Evans (IL)	McKinney	Solarz
Fish	Miller (CA)	Stangeland
Flippo	Mineta	Stark
Foley	Mitchell	Stokes
Ford (MI)	Moody	Stratton
Frenzel	Morrison (CT)	Studds
Gaydos	Mrazek	Synar
Gibbons	Murphy	Tauke
Gonzalez	Murtha	Thomas (CA)
Green	Myers	Torres
Hammerschmidt	Natcher	Udall
Hatcher	Nichols	Vento
Hawkins	Oakar	Waldon
Hayes	Oberstar	Waxman
Hiler	Obey	Wheat
Holt	Panetta	Whitten
Howard	Parris	Wolf
Hoyer	Pepper	Yates
Hyde	Perkins	Young (AK)
Jones (NC)	Pickle	Young (MO)
Kastenmeier	Rangel	
Kolter	Rodino	

NOT VOTING—68

Annunzio	Early	Mikulski
Badham	Edgar	Moore
Barnes	English	Morrison (WA)
Bedell	Fazio	Quillen
Berman	Ford (TN)	Rudd
Bevill	Fowler	Schroeder
Biaggi	Frost	Shelby
Boland	Gejdenson	Skelton
Boner (TN)	Gordon	Smith, Denny (OR)
Bonior (MI)	Gray (PA)	Smith, Robert (OR)
Boucher	Grotberg	Strang
Boxer	Hansen	Tallon
Breaux	Hartnett	Towns
Bryant	Hillis	Volkmer
Campbell	Horton	Whitehurst
Carney	Kemp	Whitley
Chappell	Lantos	Williams
Clay	Leath (TX)	Wirth
Coelho	Livingston	Wylie
Conyers	Lloyd	Zschau
Cooper	Lundine	
de la Garza	Markey	
Dingell	Martin (NY)	
Dowdy	Mica	

□ 1345

Messrs. STUDDS, WHEAT, BONKER, TAUKE, SCHUMER, and LOWERY of California changed their votes from "aye" to "no."

Messrs. SWIFT, STAGGERS, and FASCELL, Mrs. KENNELLY, and Messrs. OWENS, LEVIN of Michigan, KILDEE, ROSE, DERRICK, CHAPMAN, GARCIA, and ORTIZ changed their votes from "no" to "aye."

So the amendments were agreed to.

The result of the vote was announced as above recorded.

□ 1400

Mr. ROYBAL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have been asked by the leadership to move to rise for the afternoon so that all Members may fulfill their travel commitments. It is anticipated that sometime next week we will return to this bill and conclude debate on the amendments.

Mr. Chairman, I ask unanimous consent that further debate on the bill and all amendments thereto be limited to 2 additional hours.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

PARLIAMENTARY INQUIRY

Mr. MORRISON of Connecticut. Mr. Chairman, reserving the right to object, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MORRISON of Connecticut. Mr. Chairman, my inquiry is referring to an amendment that is printed in today's RECORD, whether or not, since it was filed prior to the time of this unanimous-consent request, if the request is granted, it will be protected under the 5-and-5-minute rule.

The CHAIRMAN. The answer is yes, such an amendment will be protected.

Mr. MORRISON of Connecticut. Mr. Chairman, I withdraw my reservation of objection.

Mr. FRENZEL. Mr. Chairman, reserving the right to object, Mr. Chairman, I merely want to repeat the question of the gentleman from Connecticut [Mr. MORRISON]. Amendments printed in today's RECORD, notwithstanding the request made by the distinguished subcommittee chairman, will have 5 minutes allowed for debate in favor, and 5 minutes against?

The CHAIRMAN. That is again correct.

Mr. FRENZEL. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROYBAL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. GRAY of Illinois) having assumed the chair, Mr. BEILENSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5294) making appropriations for the Treasury Department the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1987, and for other purposes, had come to no resolution thereon.

LEGISLATIVE PROGRAM

(Mr. LOTT asked and was given permission to address the House for 1 minute.)

Mr. LOTT. Mr. Speaker, I have requested this time for the purpose of receiving the legislative schedule.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I am happy to yield to the gentleman from Mississippi [Mr. LOTT], the distinguished majority whip, for the purpose of providing the membership information with regard to whether we are going to have any more votes today, and the schedule for next week.

Mr. FOLEY. I thank the gentleman for yielding.

Mr. Speaker, this concludes the schedule for today and for this week, and the House will move to special orders immediately following whatever unanimous-consent requests may be made.

Mr. Speaker, the House will adjourn to meet at noon on Monday next.

On Monday we will take up the following suspensions:

H.R. 5299, Veterans Compensation Amendments of 1986;

H.R. 4333, USC, title 38, amendments to improve veterans benefits for former pow's;

H.R. 4623, Veterans Health Care Amendments of 1986;

H.R. 5047, to eliminate gender-based language distinctions in USC, title 38;

H.R. 4825, to provide direct access to certain health facilities under Federal employee health benefit programs;

S. 140, Children's Justice Act;

H.R. 5242, Agricultural Export Act of 1986; and

H.R. 5288, emergency assistance for drought relief.

Also we will begin general debate and conclude it on the Defense Department Authorization Act for fiscal year 1987. The rule has been adopted.

On Tuesday the House will meet at noon. We will consider the Private Calendar. We may consider suspensions that I have announced which have not been concluded on Monday, but there will be no votes on Tuesday on suspensions that are debated on Monday or Tuesday. Those votes will be taken on Wednesday.

On Tuesday we will consider the Department of Defense amendments, beginning with those relating to military reorganization, under which the rule provides for a maximum of 2 hours of debate. We will then consider the military procurement amendments, for which there is a 3-hour limitation on debate.

For the guidance of Members, Tuesday will probably be a very late session. In my previous announcement, I suggested that it might go as late as midnight. We hope that it will not go that late, but Members should be prepared for the possibility of a session very late in the evening.

On Wednesday, the 6th of August, we will meet at 10 a.m. and consider the veto override vote on H.R. 1562, the Textile and Apparel Trade Enforcement Act of 1985. Following that we will return to H.R. 5294, the Treasury-Postal appropriations for fiscal year 1987, and then continue consideration of H.R. 4428, the Defense Department authorizations.

Again, the order in which we will consider amendments to the Depart-

ment of Defense authorizations on Wednesday and following days has not yet been determined, and will be determined by a rule which will be adopted next week on Tuesday or Wednesday.

Mr. LOTT. I thank the gentleman for that information. I would like to clarify or emphasize just a few points.

First, Members should expect recorded votes on Tuesday afternoon, probably, though, late in the afternoon; is that correct?

Mr. FOLEY. That is correct. It was an assumption made earlier that there would probably be only one or maybe no votes on military reorganization. I am told that now there will be amendments offered to the military reorganization amendment which is being considered first and is under a 2-hour time limitation, so we could have some amendments on that subject earlier in the afternoon than we previously anticipated. I assume that there will be no votes on the procurement issues until late in the afternoon.

Mr. LOTT. But there will be votes on Tuesday, and we will likely go late Tuesday night?

Mr. FOLEY. Yes, as I have said, we could go as late as midnight. I hope that it is not that late.

Mr. LOTT. With further regard to Tuesday, does the gentleman anticipate the normal procedure of having 1-minutes taken up before we proceed to the regular business of the day?

Mr. FOLEY. Yes, we assume that there will be 1-minute on Tuesday. I believe that we are planning to suggest that we forgo those on Wednesday, but that will be announced later.

Mr. LOTT. And Wednesday will be the day that we will have the votes on suspensions. They will be deferred from Monday, and we will vote on them on Wednesday. Maybe I missed it, but at what point? Will it be when we first go into business?

Mr. FOLEY. I believe that we are planning to take up the votes on any suspensions ordered as the first order of business on Wednesday, followed by the textile override, followed by the Post Office and Civil Service appropriation, followed by DOD.

Mr. LOTT. All right. Also, I notice that the reconciliation legislation is not included here in your agenda, although the Committee on the Budget has reached agreement, for the most part, and they are scheduled at this time to come before the Committee on Rules probably next Tuesday.

Hoping that we would have action as quickly as possible in the House so that the Senate also could act, and so there could be a conference, and so we could get this all done before August 15, so that the reconciliation package will be counted when the so-called "snapshot" is taken, I was just assuming that we were going to take up reconciliation next week, maybe Wednesday or Thursday or at some point. When are we going to have reconciliation?

Mr. FOLEY. Not before Wednesday, certainly. We do share the gentleman's concern and the concern of the minority that we consider reconciliation as soon as possible. Diligent efforts are under way, as the gentleman noted, to bring this to the floor. There is unanimity of view that this should be considered as promptly as possible.

□ 1410

Mr. LOTT. Mr. Speaker, let me clarify that one point. Are you saying that it still could come up next week, even though it is not on the list here?

Mr. FOLEY. Yes. As all announcements of this kind are made with the reservation that conference reports may be brought up at any time and a further program may be announced later. It may be that we will.

Mr. LOTT. We can expect changes at any point and at any time, depending on what is needed at that particular moment?

Mr. FOLEY. It is possible, in conjunction with what is in the interest of the Congress and of the House.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from New York.

Mr. STRATTON. I just wanted to commend the gentleman from Washington for pointing out that in between the postal bill, the textile bill, and two or three other bills, we are actually going to consider part of the defense bill.

Mr. FOLEY. I will tell the gentleman, who is one of our leading experts in the Congress, that his long history of support for the Department of Defense and for our national security is always reflected in the deliberations of the House in these matters and will be again this year.

Mr. LOTT. That is very good, I say to the gentleman from Washington [Mr. FOLEY].

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, I thank the gentleman for yielding. I notice on the schedule this week that we had quite a few differences with the prospective schedule articulated by the distinguished majority whip last week at this time when we reviewed the schedule. Can the gentleman give us any assurances that we are actually going to do what he says or are we going to have another week like this one? I particularly refer to reconciliation. It is an important bill. It is a lot of money. We would like to have some idea of how to prepare for it, and I think the schedule last week was probably a disappointment to the gentleman. It certainly was to me. Can we not do a better job of managing the program of the House?

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, as the gentleman knows, sometimes matters are not only enormously important, as we all agree, but somewhat difficult to bring to the floor as quickly and in as orderly a manner as we would wish. It is unusual, for example, to have more than one rule on the Department of Defense authorization bill, but because the bill is complicated, and because it would, under normal circumstances, probably take as long as 3 weeks, we are attempting to cooperate with the minority in reaching an agreed procedure by which we can expedite the bill before the House.

I will assure the gentleman that we share his concern and the concern of the gentleman from Mississippi that we reach the reconciliation bill as soon as possible. And with that concern in mind, we are going to bring this bill to the floor as soon as possible. We understand the need to bring it to conference and to conclude it before the 15th of August. I can only give the gentleman that assurance, and we share his overall objectives and desires.

Mr. LOTT. I believe the gentleman indicated that we would be in session next Friday and will have votes, and Members need to be on notice that we will not have a change in this on Thursday night and we will, we can expect to be in on Friday and have recorded votes?

Mr. FOLEY. Let me make it as clear as I can to the gentleman and to the House. We are planning, planning a Friday session next week. It will be on the Department of Defense appropriation bill. There will be votes, and no Member should assume that this will change, or that there will be an alteration in the schedule which will lead to an adjournment of the House on Thursday evening.

We will meet on Friday and there will be votes on Friday, and it will be on the Department of Defense.

We do plan to conclude the business of Friday by 3 o'clock.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from California.

Mr. LUNGREN. Mr. Speaker, I would just ask the distinguished acting majority leader as to whether or not the list that we have of the Suspension Calendar is complete? The reason I ask is that on the Judiciary Committee, after many months, we have passed out a designer drug bill and a money laundering bill, both specifically dealing with the major problem of drugs that we know we have a

bipartisan effort on. There were some of us on the committee that had hopes that that would appear on the Suspension Calendar next week.

Can the distinguished whip tell us whether there is a possibility that that may take place?

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, I am advised that we plan to program that important legislation before the 15th of August and it could be announced later. But I doubt that it will be on the Suspension Calendar next week. We will plan to consider it before the 15th of August.

Mr. LUNGREN. If the gentleman will yield further, I appreciate the gentleman's comments. I am somewhat disappointed, because I think there was a bipartisan feeling on the full committee that this was noncontroversial, that we could get it on the floor without amendment, and that we could, in fact, meet it up with companion legislation in the other body and have that out there waiting for any date.

Mr. FOLEY. As the gentleman may know, and I am not going to violate the rules by discussing activities in the other body, but the other body has not completely resolved its position on this subject. What I am telling the gentleman is that we will program this legislation within the next week or the week after, and that is a very expedited consideration considering the report of the bill. We are attempting to proceed on a bipartisan program, and we will get it done as soon as possible.

Mr. LUNGREN. I thank the gentleman.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GRAY of Illinois). The Chair would like to announce that since 1-minute speeches were preempted this morning, the Chair will entertain 1-minutes this afternoon as soon as we hear from the acting majority leader.

ADJOURNMENT TO MONDAY, AUGUST 4, 1986

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourns to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule shall be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4300

Mr. HUGHES. Mr. Speaker, I ask unanimous consent to have my name withdrawn as a cosponsor of H.R. 4300, the Parental Medical Leave Act of 1986.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

COMMUNICATION FROM THE HONORABLE ROBERT S. WALKER, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable ROBERT S. WALKER:

HOUSE OF REPRESENTATIVES,
Washington, DC, July 31, 1986.

Hon. THOMAS P. O'NEILL,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to notify you, pursuant to Rule L(50) of the Rules of the House of Representatives, that Marc Phillips of my district office staff has been served with a subpoena issued by the District Court of the County of Lancaster. After consultation with the General Counsel to the Clerk, I will inform you of my determination as required by House Rule.

Cordially,

ROBERT S. WALKER.

□ 1420

A LEGISLATIVE PACKAGE TO DEAL WITH THE DRUG CRISIS

(Mr. RANGEL asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. RANGEL. Mr. Speaker, I take this opportunity to share with you the progress that is being made by Republicans and Democrats as a result of our leadership coming together to put together a package to deal with the terrible crisis of drugs which is affecting our Nation, our family, and our children.

This morning the majority leader of the House, JIM WRIGHT, coupled with BEN GILMAN and several Members of the Congress including BILL HUGHES of New Jersey and DAN DANIELS met with the press to let you know the progress that is being made by the legislative committees.

I take this 1 minute because the press was concerned about the amounts of moneys that we may have to expend to have a package that is really going to do the job. I know the concern by Members on both sides of the aisle, but I take this minute to ask you to really consider the fact that we are dealing with a $200 billion industry, and it is going to take some tools and some weapons in order to challenge this great menace; and I hope that you will review within your own committee what restrictions you can place as far as the cost of the budget, but to acknowledge the fact that if we are going to do a job that we should not want to look like politicians or those that are just doing a cosmetic job, but to give the President a package which he can support.

I am thoroughly convinced that if Members of the House; liberal and conservative, Democrats and Republicans, work hard at this not to achieve headlines but to do a job in which the American people can be proud, that we can come up with those types of caps on those figures that we can agree to in the House and in the Senate, and give the President an offer he cannot refuse.

COMPETITIVE CURRENCY DEVALUATIONS

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, our Government started this Nation downward on the slippery slope of managed currency debasement in 1933. Robert Lincoln O'Brien, the Chairman of the Tariff Commission at the time, thoroughly exposed the fallacy that a weaker currency can make for a stronger trade posture. He told the House Committee on Ways and Means:

> The advantages of currency debasement are partly illusory and partly temporary. Those that are not illusory, are temporary; and those that are not temporary, are illusory.

The policy of deliberate currency debasement was a fiasco: It did not produce the exports hoped for, but it led to competitive devaluations and trade war. The gold content of the dollar was stabilized on January 31, 1934, in recognition of the fact that there are no winners in a beggar-thy-neighbor contest, only losers. There can be no doubt that the present bout of competitive devaluations sweeping through the globe will also be followed by stabilization, when the world's trading nations sober up.

The question is how much more damage the policymakers at the Treas-

ury and on the Federal Reserve Board will inflict on the world economy before they concede defeat.

NEED FOR ACTION ON TRADE REFORM

(Mr. GUARINI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUARINI. Mr. Speaker, we are no longer approaching a crisis situation; it is here. Economic growth has slowed to 1 percent and the latest statistics show a $168 billion trade deficit in 1986. Our economy and our industries are severely threatened.

This picture will not change on its own. The dollar has declined more than 30 percent; yet in June, our manufacturing trade deficit posted a record high of $13 billion. A weaker dollar alone will not shrink this growing menace.

There is no growth in U.S. exports. Our trading partners are not buying our goods. We continue to lose millions of jobs abroad.

With only 30 working days till adjournment, we must find time for trade reform. The House of Representatives passed a strong trade bill to restore American competitiveness and jobs, increase capital investment, open foreign markets and promote exports. I urge the Senate to quickly do the same and put our economy back on a sound footing.

FATHER JENCO RETURNS HOME

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, I have just returned from Andrews Air Force Base, together with Senator DIXON of the other body, to welcome back to the United States Father Jenco, one of our hostages in captivity in Beirut, Lebanon, since January 8 of last year; over 550 days.

Father Jenco looks tired but very, very happy to be home. I am going to a reception at the Catholic Relief Services office here in Washington, DC. You will recall, Mr. Speaker, he was head of Catholic Relief in Beirut, Lebanon, for that area of the world when he was taken prisoner.

I am going to return to Father Jenco an historical letter. He has not seen this, although I told him I had it at planeside this morning; this is a letter that he wrote to Congressman George O'Brien and to myself from his dungeon where this priest was chained to a wall, and it was signed by Father Jenco and three other Americans who are still prisoners held in captivity in some dungeon in the Bekaa Valley or Beirut, Lebanon.

I hope to get together with Father Marty as soon as he has gotten his health back, and with Benjamin Weir, who was released last September, and find out what we can do in this Congress to put the pressure on the right places; both strong pressure and maybe some expressions of gratitude to people we otherwise would not want to do it to, to get them to return our other Americans.

Mr. Speaker, I just found out that this group held six of our seven hostages; they have killed one, released two, and still hold three; that they were given four people off TWA flight 847, those with Jewish surnames—were delivered to these people who hold these three Americans. That for one ugly period of a fortnight, they held 10 Americans. That the Speaker of the House of Iran came to Damascus and at least made them give back the four. Why not the whole 10?

They gave back the four passengers off TWA flight 847 to rejoin with the other 28 members and they were driven over to Damascus.

I demand that the same people that negotiated those four back, from Tehran and in Damascus, get back the remaining three Americans that still suffer in this captivity.

MULTI-FIBER AGREEMENT OF TEXTILES AND GARMENTS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, today in Geneva a historic event occurred. The many, many nations around the world who are parties to the multifiber arrangement on textiles and garments reached an agreement, an agreement of enormous proportion that required years of negotiation and almost endless negotiation this week.

□ 1430

This agreement bears heavily upon the vote that we are going to take on Wednesday to override the veto of the President. I hope if any Member of this House wants to override the veto of the President, that the Member of the House will avail himself of the progress that was made in this sensitive area in this agreement that has just been reached today because in my opinion the agreement that has been reached today and will be the future agreement on textiles and garments unless the President's veto is overridden, is far superior to the kind of action we would get out of overriding the President's veto.

Mr. Speaker, I can think of nothing worse right now for the economy of the United States or for the economy of the world than to override the President's veto on this tariff bill. There is no doubt that chaos would reign supreme around the world, that retaliation would begin in earnest against many of our export markets, that we would lose jobs rather than gain jobs and that we would delay the inevitable in the textile industry and the garment industry, which is the restructuring that is now going on.

As I say, if there is any doubt in any Member's mind about voting to override, they should avail themselves of all the facts and all the figures that come out of today's agreement.

SUCCESSFUL MFA EXTENSION NEGOTIATED

(Mr. FRENZEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Chairman, I want to concur with the statement of the distinguished gentleman from Florida who just preceded me in the well. Just this afternoon the administration has announced the signing of the new MFA agreement. When Congressman JENKINS, who is the chief sponsor of the bill vetoed by the President, selected the date of August 6 for the shootout on the veto override, he did so because that was the due date for the MFA agreement, and he suggested that if the agreement was concluded satisfactorily that there may not be a need for a veto override.

I suggest that there is no need. We have successfully concluded the negotiations for the toughest textile agreement in the history of the world. It is, in my judgment, overly generous to the American textile industry. There is no need any longer to vote for the override of the President's veto.

WE HAVE TO GIVE AWAY EVERYTHING AND BACK OFF FROM TOUGH POSITION IN ORDER TO GET A MULTIFIBER AGREEMENT

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. I would just say to my two good friends that the message we have gotten back from the textile representatives who were in Geneva is remarkably different. We were told, for example, that for the last 36 hours before the signing, no American textile representatives were allowed to talk to the negotiators. In fact, they were learning what was going on from the Europeans who were meeting regularly with their governments and then telling the Americans what the American Government was giving away.

In addition, I have been told a few minutes ago by Mr. JENKINS it is his understanding that there are no provi-

sions for punishing fraud by foreign importers. I have been told by Mr. JENKINS that it is his understanding that there are no provisions for stopping surges in imports. In fact, I think you will find that by the end of today the administration's public relations gesture will have fallen flat and it will be clear that once again our trade negotiators have given away the store in order desperately to get an agreement at the last possible minute, exactly as Mr. Lenahan predicted after he left the Commerce Department and went to work for foreign countries. Because he said in a Hong Kong speech that we would have to give away everything and back off from our tough position to get a multifiber agreement quickly.

I will be giving a special order in a few minutes, and I will be glad to share time with my distinguished colleagues. I think you will find that the industry does not agree with the interpretation of the administration on this agreement.

Thank you.

AVIATION TRUST FUND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas [Mr. GLICKMAN] is recognized for 5 minutes.

Mr. GLICKMAN. Mr. Speaker, the administration is playing a numbers game again. There is a balance of over $7.8 billion in the aviation trust fund. It is available to make much needed improvements in our aviation infrastructure, but it is going unused. Evidently, the administration prefers to use these funds to make the overall budget look better. That is a perversion of the trust fund and the taxes which are being collected to maintain it. It also artifically makes the deficit look less problematic since those funds are dedicated to one purpose.

Today I am introducing a bill to suspend the collection of airport and airway excise taxes whenever the airport and airway trust fund balance exceeds $1 billion. The bill requires the Secretary of Transportation to make a determination by each December 15 of the balance of the trust fund on December 31. If the fund balance exceeds $1 billion, taxes will be suspended on aviation gasoline and fuel, tires, and tickets. The suspension would continue for the following calendar year when the next determination is made.

Those who use our airways have always been willing to cover the costs of the related infrastructure by having these taxes collected but they are understandably frustrated when they continue to pay for improvements that are not being made. The administration has time and time again ignored the need to commit the funds that are available to make improvements in areas vital to air safety. Instead, they feel compelled to let a huge trust fund sit idle while taxes continue to be collected. We do need to balance the budget, but the aviation trust fund is not the way to do it. It was not intended to be a slush fund for covering shortfalls in the budget. Using it to pad their budget numbers is a misuse; it is also a slap at the flying public.

In a recently released report, the General Accounting Office projected that the trust fund would have some $12 billion on hand by 1991. This means that some $10 million is being collected every month from those who use aviation. But what can we say they are getting in return? Numerous airports are in need of improvement; there are not adequate means of disseminating hazardous weather information to pilots; and funds need to be expedited for modernizing our air traffic control system.

Especially when much of our domestic aviation industry is depressed, it does not make sense to keep collecting these taxes just to let the trust fund balance grow. I would rather see that $10 million a month go to buying new airplanes and stimulating this key American industry.

In sum, this bill says the time has come to shoot straight with our aviation community. Either use the revenues for their intended purpose or stop collecting them until we do.

I urge my colleagues to join me in this effort so we can get this concept incorporated into the rewrite of the Airport and Airways Development Program next year.

OPERATION PUSH CELEBRATES 15TH ANNIVERSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois [Mrs. COLLINS] is recognized for 5 minutes.

Mrs. COLLINS. Mr. Speaker, beginning this weekend, August 3 to 6, in Chicago, Operation PUSH will celebrate its 15th anniversary. I wish to commend PUSH for the excellent and long standing contributions it has made to our Nation and society.

Founded in 1971 by Rev. Jesse L. Jackson, PUSH (People United to Serve Humanity) has remained dedicated in both word and deed to extolling the values of education, social responsibility and self-motivation. One of its most important goals has been to foster a stronger sense of community, hope and dignity among blacks and other minorities as well as the underrepresented in society. I am proud to say that they have met and surpassed this objective.

Although PUSH has served and will continue to serve as an important symbol for human rights both nationally and internationally, its contributions do not cease with the nourishment of the human spirit. Nor have its lofty ideals fallen on deaf ears. Significant and positive results have been made by "Push for Excellence", a program aimed at improving the Nation's public schools and championing academic excellence. More recently, the Economic Justice System, founded in 1981, has been responsible for achieving reciprocal trade agreements with major U.S. corporations like Coca-Cola, Seven-Up, and Burger King. These agreements and covenants have come about through negotiations and organized consumer boycotts. PUSH's efforts have successfully focused on narrowing the disparity of trade between mostly white dominated companies and black America, by educating corporate administrators of the importance of black dollars to their continued success.

In Chicago, PUSH takes the lead in fighting against rules and regulations which will harm black and low-income consumers. Most recently, they have led the attack against higher mass transit fees, are actively engaged in a boycott of WBBM-TV (a CBS affiliate) for unfairly firing a black reporter and not hiring enough black writers and producers.

Through the leadership of Reverend Jackson, Dr. Hycel Taylor, Rev. Willie Taplan Barrow and others, the black community has had a voice and a champion for its cause. Through their concerted efforts, PUSH has contributed much to all Americans who believe in equality, parity and justice.

Fifteen years of service to America is a milestone. It is for this reason that I pay tribute to this fine organization.

Let me close by sharing with my colleagues the PUSH philosophy.

OPERATION PUSH, INC.—PUSH INSTITUTE

PUSH PHILOSOPHY

We, the People United to Save Humanity, believe that humanity will be saved and served only when justice is done for all people. We believe that we must challenge the economic, political, and social forces that make us subservient to others; and that we must assume the power (of being) given us by the Power of God. We believe that our worth as humane people is expressed in our united efforts to secure justice for all persons. We, therefore, state our declaration of goals.

1. PUSH for a comprehensive economic plan for the development of Black and poor people. This plan will include status as underdeveloped enclaves entitled to consideration by the World bank and the International Monetary Fund.

2. PUSH for humane alternatives to the welfare system.

3. PUSH for the revival of the labor movement to protect organized workers and to organized unorganized workers.

4. PUSH for a survival Bill of Rights for all children up to the age 18 guaranteeing their food, clothing, shelter, medical care, education and employment.

5. PUSH for a survival Bill of Rights for the aging guaranteeing adequate food, clothing, shelter, medical care meaningful programs and employment.

6. PUSH for full political participation including the automatic voter registration as a right of citizenship.

7. PUSH to elect to local, state and federal offices persons committed to humane economic and social programs.

8. PUSH for humane conditions in prisons and sound rehabilitation programs.

9. PUSH for a Bill of Rights for veterans whose needs are ignored.

10. PUSH for adequate health care for all people based upon need.

11. PUSH for quality education regardless of race, religion or creed.

12. PUSH for economic and social relationships with the nations of Africa in order to build African/Afro-American unity.

13. PUSH for national unity among all organizations working for the humane economic, political and social development of people.

14. PUSH for a relevant theology geared to regenerating depressed and oppressed peoples.

15. PUSH for Black excellence.

We are dedicated to reaching our goals through the research, education, development and execution of direct action programs that provide for economic political and cultural independence.

UNFOLDING EVENTS REGARDING GRAMM-RUDMAN-HOLLINGS LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. RAY] is recognized for 5 minutes.

Mr. RAY. Mr. Speaker, I want to take a few minutes to express my observations on the recent unfolding events regarding the Gramm-Rudman-Hollings legislation.

The Washington Post in an editorial of July 20 wrote, "Congress has been doing well in its tormenting struggles with the budget—better than much of Congress itself expected."

Despite predictions of failure and budget breakdown last spring, a budget resolution did emerge and as the Post said, it was "a very credible one."

Then the Supreme Court knocked the automatic enforcement provision out of the legislation that was forcing down the deficit. When this occurred, the stock market experienced the largest 1-day drop in its history, which reflected the concerns of the citizens.

On July 17, the House and the Senate ratified the 1986 cuts which the Court invalidated. The vote was with a huge majority.

I want to make the point that there is enough blame for us all to share in the legislative and administrative branches. It's not that we have failed to recognize the needs and wants of America and the world. In fact, we have been overly generous. It is to our blame that we have reached catastrophic levels in our society that we as a Nation must now focus on more seriously than at any other time in our history.

To name a few: The huge Federal deficit; the problems of the economic plight of agriculture; the climbing trade deficit; our unwelcome status as the largest debtor nation; the all time high Federal deficit; America's inability to compete internationally; below average standards for our educational systems; and a weakened national foundation which must support our future prosperity.

It's imperative that all segments of society look beyond its own interest areas and make the necessary efforts and sacrifices to focus on the big picture.

Mr. Speaker with the indulgence of this body I want to comment on the present circumstances as I understand them.

Much has been said, mostly in a critical manner, about Gramm-Rudman-Hollings which would cap the deficit at $144 billion in 1987, and would continue to reduce it annually by approximately $40 billion until 1991. Hopefully, this would create a balanced budget by 1991. But, even if this is successful, this country will still have a national debt of at least $2 trillion. The interest on the debt will continue to be an entitlement of $150 billion and more each year. So, in effect, we have a two-step program which should work:

First, to balance the budget by 1991, and

Second, to begin to whittle away the debt and in the years thereafter to reduce the amount of interest paid on that debt in the 1990's.

Most likely special interest groups of all categories will surely see this as an assault on their own sometimes narrow world and will rise up in protest. This is a natural process but we as a Nation must rise above such interest but remember that fairness and equity is important to all segments of society.

Members of Congress, concerned with their political future, will have a tough choice. We can decide to either vote courageously for continued cuts or we can follow the line of least resistance and refuse to face up to the necessary sacrifices a balanced budget will require.

I happen to believe that it's high time to stand up for what's best for America. There is no greater priority. It's time to protect this country's future, to return it to the fiscal responsibility necessary to keep it the greatest Nation on Earth, to take such political risks as are necessary in the process.

I'm not happy living in a debtor nation, and I don't imagine that my colleagues and our citizens are happy about it either: 1987 will prove to be a key to the success or failure of Gramm-Rudman-Hollings. Its failure would mean the abandonment of fiscal responsibility.

There was relief and even jubilation by many when the Supreme Court, on July 7, ruled against the trigger mechanism contained in the legislation. The sequestration authority given by Congress to the Comptroller General was ruled unconstitutional.

There is no doubt that many expect Gramm-Rudman-Hollings to disappear and many who are indeed hoping that it will. For myself, I pray that it will survive, for the sake of all of us.

The Supreme Court has defused the time bomb in the Gramm-Rudman-Hollings Deficit Reduction Act, but all of the other mechanisms in the law remain intact.

It is now up to Congress instead of the Comptroller General to vote to impose whatever cuts are necessary in order to bring the budget in line with the Gramm-Rudman-Hollings deficit targets.

On August 15, the Congressional Budget Office and the Office of Management and Budget will make their formal projections of the budget deficit for 1987.

If the estimates are higher than the deficit target under Gramm-Rudman-Hollings—$144 billion—and they almost certainly will be—then further cuts in Federal spending will have to be made. It is assumed that half of the cuts will come from defense, and half from nondefense accounts. This means that certain items passed into the House and Senate budget may have to be deleted in the defense and nondefense areas.

If the plan follows schedule, a temporary joint congressional committee will be formed and will issue a report specifying how much spending will have to be cut. This report will be converted into a formal joint resolution, which must be voted on immediately by both the House and the Senate.

Afterward, Congress can, through the normal legislative process, enact alternative deficit reduction measures that would supercede the across-the-board cuts.

But, if Congress does not put in place some kind of legislation that would make the necessary cuts, then the possibility of ever meeting the Gramm-Rudman-Hollings targets may be lost forever.

The most recent polls indicate that a majority of the people expect Congress to act in a fiscally responsible manner.

Therefore, while it is conceivable that some might vote against such a formal joint resolution mandating cuts in 1987 spending, I hope that most Members will make the hard choice necessary to achieve the deficit target for 1987.

I hope that we in Congress as well as members of the present administration make every effort to stabilize the public debt relative to GNP. A number of factors could be helpful.

All eyes are on economic growth at this time. If the economy performs well, the Gramm-Rudman-Hollings budget would bring the deficit close to 3 percent of GNP according to House Budget Chairman BILL GRAY.

This would be a major step toward the fiscal balance required to restore strength to our economy, especially in the areas of manufacturing and agriculture, two sectors severely weakened by the trade deficit according to Chairman GRAY.

But we should be aware of a number of pitfalls which could impact on the budget.

The most serious is the inability to forecast the deficit.

For instance, 1 year ago, the 1987 deficit was forecast at $171 billion. In February it was estimated at $202.7 billion. In July, OMB was estimating that it might be as high as $215 billion.

Now, OMB is speculating that it may go as high as $220 billion.

A close examination of the budget will reveal a number of parochial, business as usual, items tucked into the budget which may have to be deleted. Over $2 billion is camouflaged for a continuation of revenue sharing for States, counties, and cities. Revenue sharing was a flawed concept from the beginning. It's now more inappropriate than ever, because there is no revenue to share except from additional treasury borrowing.

UDAG grants are alive and well in the budget.

Despite tough talk to make deeper cuts in the Federal payroll, the recently approved budget calls for a Federal pay raise of at least 3 percent.

Retired Federal employees—civil service and military retirees—can look for a COLA of between 2 and 3 percent.

A 3½-percent inflation index does not mandate a COLA for the more than 37 million Social Security recipients or other for 1987, but the politically sensitive budget committees have included one anyway.

In my opinion, these and other items should be flagged as "cut" targets and cut before Gramm-Rudman-Hollings goes into the sequestration gear.

There are plenty of reasons to believe that it will.

One of the main concerns is the lagging growth in the economy. Instead of the expected output of goods and services at an annual rate of 4 percent, it has stagnated in the second quarter of 1986 at 2 percent.

Forecasters are increasingly saying it will not get better.

This is a repeat of 1985 when the projections also fell to 2 percent. This means that national income is running at $170 billion lower than expected.

This has already cost the Government more than $60 billion in revenue and is the cause of the 1986 deficit being foreseen in the $212 to $215 billion range.

Therefore, my colleagues, I would encourage that we recognize that America is at a crucial point. As a collective body, we can have an impact.

The problems are evident and we have always, even at the midnight hours, been able to put our shoulders to the wheel and to correct the problems of America.

The hour is, in my opinion, upon us. The train is on the track. The obstacles are somewhat uncertain, but we can prevail.

Gramm-Rudman-Hollings isn't the best locomotive, but we should do our best to drive it to the goals that we all are seeking—fiscal responsibility and a policy of operating within our Nation's income.

To that end, there is not one political career that is not worth sacrificing.

LEGISLATION AMENDING THE DEBT CEILING LEGISLATION

(Mr. ARCHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARCHER. Mr. Speaker, I have just introduced new legislation to implement the language which the other body passed last night as an amendment to the debt ceiling which would repeal the windfall profit tax. This is an odious tax which no longer produces any revenue, requires an enormous amount of administrative red tape both for the private sector and for the IRS and other Government agencies and which would further unleash, by its repeal, additional activity for the discovery of more domestic energy resources which this Nation will desperately need in the years ahead as our production declines domestically and our imports increase, placing us in a great vulnerability to foreign sources of vital energy.

I urge the majority leader of the House Mr. WRIGHT, a fellow Texan, to push this legislation and to give us an opportunity to have a vote on it on the floor of the House in a very short period of time.

IN SUPPORT OF REPEAL OF THE WINDFALL PROFITS TAX

(Mr. BARTON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Speaker, I rise to strongly support the most needed legislation that my colleague from Texas, Congressman BILL ARCHER, just introduced to repeal the windfall profit tax.

I am proud to be one of the original cosponsors of this legislation. This is legislation that was attached to the debt ceiling limit that is in the other body at this time which was introduced by the distinguished Senator from Oklahoma, Senator NICKLES. I will be working with Congressman ARCHER and the other 33 cosponsors in the House of Representatives to make sure that this much-needed legislation is passed in this body as soon as possible.

SUCCESSFUL MFA EXTENSION NEGOTIATED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. FRENZEL] is recognized for 5 minutes.

Mr. FRENZEL. Mr. Speaker, the administration has signed a 5-year extension to the multifiber arrangement which expired July 31, 1986. The agreement was a successful one that should solve some of the concerns of the U.S. textile/apparel industry.

First of all, coverage is expanded to include most fibers including those recommended by the textile industry—silk blends, linen and ramie. Next, antifraud and circumvention provisions have been significantly strengthened. Further, the United States will have the ability to prevent import surges by unilaterally imposing import restraints for up to 2 years rather than the current 1 year.

This agreement should provide the coverage, enforcement and protection against surges requested by the textile industry. I attach a press release and fact sheet from the White House for further information.

STATEMENT BY THE PRINCIPAL DEPUTY PRESS SECRETARY

The President today announced that U.S. trade officials have successfully renegotiated a stronger and more comprehensive Multifiber Arrangement (MFA) that will help the textile and apparel industries compete more fairly in the international marketplace.

When the President vetoed the Textile and Apparel Trade Enforcement Act of 1985, last December, he directed the Office of the U.S. Trade Representative to aggressively renegotiate the MFA "on terms no less favorable than present." The new five-year MFA concluded this morning in Geneva significantly improves on the MFA that expired on July 31.

It expands coverage to previously uncontrolled fibers such as ramie, linen and silk blends, so that textile products made of fabrics engineered to circumvent our bilateral agreements can be restrained. It also provides a mechanism to prevent destructive import surges, and improves provisions to prevent fraud. We also made clear in these negotiations that we would continue to pursue measures in our bilateral agreements that will open markets to our textile exports.

The new MFA, coupled with tougher bilateral agreements with major trading partners such as Taiwan and Hong Kong, will allow us to moderate growth in textile and apparel imports without incurring reprisals against U.S. exports abroad. This is an orderly and positive program that stands in sharp contrast with the sledgehammer approach of the Textile and Apparel Trade Enforcement Act.

That legislation would cost consumers an extra $44 billion for clothing over the next five years—$70,000 for each job supposedly protected by the bill. And by requiring the unilateral and illegal abrogation of our international agreements, the bill would guarantee retaliation against U.S. exporters, including the agricultural, aerospace and high-technology electronics sectors, threatening the jobs of the five million Americans who produce goods for export. It would pit industry against industry, worker against worker and region against region. If this legislation becomes law, our trading partners would likely refuse to adhere to the Multifiber Arrangement and other international agreements.

By renegotiating the MFA, we have provided the maximum possible protection for American textile workers without sacrificing jobs in our healthy export industries or overburdening American consumers.

FACT SHEET: THE NEW MULTIFIBER ARRANGEMENT

OVERVIEW

The U.S. Government, along with over fifty of its major trading partners, has successfully renegotiated a renewal of the Mul-

tifiber Arrangement (MFA). This tough new agreement will allow the United States to benefit our textile and apparel industry without incurring reprisals against U.S. exports abroad. The new MFA also gives us the tools needed to negotiate strong, comprehensive bilateral textile agreements and avoid damaging import surges.

The new MFA agreement will enable the U.S. to thoroughly and effectively deal with previously uncontrolled fibers, such as ramie, linen and silk blends, so that textile products made of fabrics engineered to circumvent our bilateral agreements can be restrained.

The agreement will also enhance our ability to control disruptive imports by unilaterally imposing restraints for as long as two years, rather than one year as under the previous MFA, without the agreement of the exporting country. This will give the United States a mechanism to prevent import surges when bilateral agreements cannot be reached.

The provisions on anti-fraud and circumvention have been greatly strengthened, requiring exporting countries to cooperate with the United States in pursuing fraudulent activities and allowing for reductions in quotas so that the United States does not have to bear the brunt of illegal activities.

These negotiations were concluded in Geneva, Switzerland on August 1, 1986, following ten months of talks. The new MFA will go into effect immediately and will expire on July 31, 1991.

BACKGROUND

Fifty-four of the world's trading nations are signatories to the MFA, an international agreement negotiated under the auspices of the General Agreement on Tariffs and Trade (GATT).

The new MFA is an extension of arrangements that began in 1973, and was preceded by cotton textile arrangements beginning in 1961. There have been two extensions of the MFA—on January 1, 1978 and on January 1, 1982. This last MFA expired on July 31, 1986.

Like the GATT, the MFA sets standards for countries to follow in conducting international trading activities and resolving disputes arising from these activities. GATT members recognized that problems in textile trade are unique, due in part to the relatively volatile nature of trade in this sector. They established the MFA as a means of resolving these unique problems.

The MFA is a negotiated exception from the General Agreement on Tariffs and Trade (GATT). In particular, the MFA allows countries to limit imports "selectively," that is to place quotas on particular products from individual supplying countries. The importing country must be prepared to justify the restraint based on disruption of its domestic market. Importing countries are also permitted to impose quotas without paying "compensation" to the affected exporting country, as would normally be required under GATT rules. Most important, adherence to MFA rules ensures the continuation of negotiated resolution of trade disputes.

Under the MFA framework, importing and exporting countries negotiate bilateral textile agreements. The United States has agreements with over 40 countries, using a system of quotas covering more than 100 product categories. The President has authority under Section 204 of the Agricultural Act of 1956 to impose controls, provided that a multilateral agreement exists—like the MFA—signed by "countries accounting for a significant part of world trade" in textiles.

FEDERAL BUREAUCRACY RUNNING FROM REALITY WITH RESPECT TO INTERNATIONAL TRADE ISSUES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. GINGRICH] is recognized for 60 minutes.

Mr. GINGRICH. Mr. Speaker, today I am going to talk about the degree to which the Federal bureaucracy is running from reality as it deals with international trade issues.

The report that I had was remarkably different from our distinguished colleagues from Florida and Minnesota about the multifiber agreement.

My understanding is, as has been reported by our very distinguished leader in the fight for the survival of American jobs in the textile industry, that our negotiators in Geneva once again caved in to pressure from foreign exporters and were apparently willing to continue sacrificing American jobs on the altar of free trade.

My understanding is that the agreement contains no provisions to control massive import surges such as those we have experienced since the beginning of the decade, and it is in fact those massive import surges which often destroy small companies trying to get started or trying to survive.

In addition, apparently there is no language to penalize fraud in circumvention of bilateral textile agreements. In other words, apparently the new agreement in Geneva allows foreign countries to cheat, to destroy American jobs, to send exports to the United States without any kind of effective monitoring, and then if we happen to catch them, under the new agreement there are not provisions to stop them or to punish them.

□ 1445

Now this is typical of the performance of our trade and international bureaucracy, because our international bureaucracy seems to understand that there are American jobs and American interests at stake. I am frankly amazed that many of my conservative colleagues who know how bad the State Department in dealing with the Soviet Union or dealing with Nicaragua or dealing with Angola seem blind to the degree to which the same internationalist perspective leads to unilateral disarmament on trade negotiations.

Now, the collapse of the American position on multifibers should not have come as a shock. In fact, there was a speech made a few months back by a former American negotiator which warned that we would give up our position on the multifiber agreements. That speech was made in Hong Kong. I think it is sort of interesting on two levels; interesting first that an American trade negotiator only a few months after leaving the U.S. Government should end up in Hong Kong; and second, that, in advising the Hong Kong Government, and what he said was that the U.S. Government would cave in.

From the Daily New Record in New York, Wednesday, May 28, 1986, "Lenahan's Key Hong Kong Speech," is the headline of an article by Mark Hosenbalt:

> The Commerce Department is examining a speech given in Hong Kong last week by Walter C. Lenahan, its former top textile official, to see if it revealed any secret information about U.S. textile negotiating positions. Desiree Tucker, a spokeswoman for the Commerce Department's International Trade Administration, where Lenahan headed the textile office until last February, said the Department was looking into Lenahan's speech to see if he disclosed any nonpublic information about the U.S. negotiating strategy. Tucker denied that the Department was conducting an investigation, however. Reports from Hong Kong say that in a speech to the Hong Kong Exporters Association, Lenahan last week predicted that if the United States wanted to win agreement from its trading partners to begin a new round of global talks on lowering trade barriers, Washington would have to retreat from its current tough position on textile imports. "Because the U.S. wants a new multilateral trade round under the auspices of GATT," Lenahan said, "it will have to make important concessions to developing countries in multifiber arrangement negotiations," according to reports. Lenahan also reportedly suggested that the administration would try to crack down hard on the big three textile exporters; namely, Hong Kong, Taiwan and Korea, and liberalize imports from the Caribbean. And he also reported the U.S. desire to expand the multifiber agreement to include silk, linen and ramie, which are not covered by the agreement.

Notice now that in this report on May 28 in the Daily News Record we have a man who, until February, was designing the U.S. trade policies in the U.S. trade negotiating pattern in Commerce, in fact, who is described as the former top textile official, now going to Hong Kong where he is a paid consultant telling Hong Kong how to defeat the American strategy. It is a little bit like a Superbowl in which the assistant coach for your team just happens to show up on the other team's bench advising them about your game plan.

But notice how accurately he made a point about what has happened now in Geneva. He said the U.S. Government will be so eager to get an agreement that it will give away the store, it will give in and it will change its policies.

Frankly, we have already seen this happening in the past few weeks. As an example, there was a Hong Kong agreement, and the Hong Kong agreement continued the process of giving away the U.S. textile and apparel market. After announcing that a

freeze would be sought with Hong Kong, the current bilateral agreement was scrapped and replaced with one that contains no change in growth rates for Hong Kong's apparel quotas. The growth rates in the new U.S. bilateral are in fact higher, much higher, than the growth rates in the Hong Kong agreement with the European Common Market.

During the 6 years of this agreement imports from Hong Kong will be more than 200 million square yards higher than a freeze at 1985 quota levels. Most of this increase will be in apparel categories that have the highest import penetration levels in the United States.

Furthermore, apparel construction of fibers outside the multifiber agreements exported to the United States to avoid the reach of the multifiber agreement will continue to be shipped in massive quantities to the United States; for example, over 500 million sweaters.

Interestingly, for example, is an example of how foreign governments and foreign importers are much smarter than the U.S. bureaucracy. One of the parts of the Hong Kong agreement was that the shipments under $250 would not count toward the quota. In other words, every time a shipper in Hong Kong wanted to send $249 worth of fabric or apparel, even if he wanted to send 1,000 of $249, which is $249,000 in the same week, none of that would count toward the quota. So, obviously, in the age of air express and in the age of relatively cheap shipping, what you do if you have used up your quota is you now just start shipping $249.99 bundles, all of which are technically smaller than the quota size starts at.

But we have other examples of the U.S. bureaucracy giving away the store. For example, the Washington Post, Tuesday, July 29:

> On the eve of the Senate Foreign Relations Committee debate on economic sanctions against South Africa, the office of the U.S. special trade representative has negotiated a tentative bilateral agreement with the South African government increasing the rate of textile exports to the United States.

The article went on to say:

> The 4 percent increase granted South Africa is greater than the rate increases granted this year to Taiwan, South Korea and Hong Kong—the major textile exporters to the United States.

In other words, at a time when everyone else in the United States was talking about what should we do with South Africa, the United States Trade Office is increasing by 4 percent the textile quota for South Africa.

But there are other examples. Consider, for example, the negotiations that were held with Turkey. All of this, by the way, is occurring in approximately the same timeframe, and all of this involves a period when the administration was saying that it was going to be very tough, that it was going to protect the U.S. market, that it was going to work to make sure that President Reagan's promises were kept.

Here is what Inside U.S. Trade said, a weekly report of June 27, 1986. The article is entitled "Administration Reaches Textile Pact With Turkey Allowing Import Growth:"

> U.S. officials in the process of renegotiating nearly 30 bilateral textile agreements have concluded a pact with Turkey that will allow for significant growth in at least 10 categories of textile imports. While the effect of this agreement on the remaining bilaterals and the overall question of textile imports is not yet known, congressional and industry sources reacted sharply. Sources say the agreement was very generous to Turkey and that it bore the thumbprint of the State Department and was in fact negotiated in part with the goal of easing diplomatic and military tensions that had developed between the two countries.

In other words, once again the U.S. State Department gave away American jobs, gave away the American market, gave away American prosperity in order to somehow accomplish a diplomatic goal that the professional bureaucrats in the State Department was worth putting people out of work:

> According to government sources, the agreement does not address provisions for import surges, new fibers, better access to Turkish markets or better prevention of Customs frauds.

Notice again exactly the complaints we have been told by telephone occurred in Geneva with the multifiber agreement: no provisions for import for surges, which kills small businesses; no provisions for stopping Customs fraud; no better access to the market of the country that is allowed to ship to us.

Free trade has become a slogan which means the free American market gets exploited by foreign companies while we are locked out of their country. It is in fact a one-way trade.

Let me continue, because what is interesting is every single thing that was not in the agreement with Turkey, this article points out:

> * * * points the administration has consistently pushed during textile negotiations. Ironically, overshipments that were embargoed during bilateral negotiations were not counted against the new limits, but were incorporated into the category increases, according to reliable sources. If this is the case, sources say, Turkish exporters were allowed unregulated shipments twice, allegedly creating a surge of 188,000 dozen shirts.

That is, since shirts are shipped by the dozen, that is an import of almost 2 million shirts.

□ 1455

It means that not only did we not roll Turkey back in terms of the amount of imports they send to the United States, not only did we not stop Turkey and freeze them at the point they were at when the negotiations began, we actually allowed them to count two illegal shipments as part of the base on which we now have new limits.

Furthermore, we gave away, the U.S. bureaucracy gave away the very items which they said they were negotiating on, and achieved for American textiles, nothing for American workers, and nothing for American jobs.

Let me go on: "Turkey is not one of the major exporters of textiles to the United States, but it has one of the highest growth rates and has the potential to be a top supplier in the near future, according to Commerce Department sources close to the negotiations.

The talks were finalized during the recent multifiber arrangement negotiations in Geneva, and follow guidelines set down by the current MFA. The administration has stressed the workability of improved multilateral and bilateral textile agreements as alternatives to the congressional textile bill.

The same points have been brought up in negotiations with Hong Kong, Korea, and Taiwan. Though not one of the big three, Turkey has increased its exports to develop markets such as the European Community tremendously in recent years, and according to observers, "has the resources, technology, and Government support," notice, Government support, "to become a major textile exporter in the near future."

Notice what this article is saying. Turkey is in a position, with Government support, to invade our market with subsidized exports. Furthermore, because the European Common Market is now not accepting as many Turkish goods, the Europeans apparently said to Turkey, "Why do you not sell the goods you used to sell us to the United States? After all, the U.S. State Department will always give you what you want."

The result was in order to have the Turks allow us to help protect Turkey, that is, in order to keep NATO all right, we are now allowing the Turks to sell goods in our market so we can have the privilege of protecting Turkey. It is a little bit bizarre.

In the old days, empires used to exist in which they paid you to protect them? Now we pay them in order to be allowed to protect them?

Mr. WEAVER. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Oregon.

Mr. WEAVER. I thank the gentleman for yielding.

Mr. Speaker, I am pleased to hear the gentleman talking in this vein, and I completely concur in his remarks and am learning a great deal about the textile industry.

I would like the gentleman, these are political decisions, who is in charge of the bureaucracy? Who is the boss? What is his name?

Mr. GINGRICH. Clayton Yeutter is the boss of that part of the bureaucracy, George Shultz——

Mr. WEAVER. It is Ronald Reagan, is it not?

Mr. GINGRICH. I would say to the gentleman that Ronald Reagan is President; obviously he is ultimately in charge of the whole system. Part of the reason I am doing this special order is to say to the President and his appointees that I think we are faced with a real turning point in American history. I think we are at the end of the post-World War II era where we were rich enough and strong enough where we could absorb everybody else's exports. I think we need to be as tough in negotiating on trade as the President is in negotiating with the Soviets.

Mr. WEAVER. If the gentleman will yield, I would like to compliment the gentleman. I think he is exactly right that we are at a great turning point. I certainly associate myself with his thoughts and ideas. I assume this means, of course, that he will be a strong supporter of the override the textile bill as will I.

Mr. GINGRICH. Absolutely. I appreciate the gentleman's comments. I think that the way in which the Geneva negotiating went on, as I commented earlier, I have been told that the Europeans were allowed in the room and worked with their government, that the Asians were allowed in the room and worked with their governments, but that the Americans were told by their Government "We will not talk to you," for the last 36 hours before the negotiations were signed. I think is a continuation of a process, as the gentleman may know, we have been told that recently when the Hong Kong negotiation was being signed that there were seven very important and powerful and wealthy Chinese manufacturers who were sitting in a Washington hotel. They were talking with their negotiator, the Hong Kong negotiator. They were talking with the former American negotiator who is now hired by the law firm that represents Hong Kong.

Meanwhile, the American textile negotiators would not talk with the American manufacturers. In fact, I have been told, although we do not yet have proof of this, I have been told by a textile manufacturer that the first word the American manufacturers had of what was going on was when a Chinese manufacturer called to tell them what our Government had given Hong Kong.

Now there is something wrong when U.S. bureaucrats leave their job, go to work for Hong Kong, sit in the hotel room with Hong Kong businessmen, negotiate back through the Hong Kong businessmen to the Hong Kong negotiator to the United States Government, and know before the American workers do what is going to happen to American jobs.

Let me go on with Turkey for just 1 more minute. This article, "Inside U.S. Trade," went on to say:

> Turkey, which as recently as this January, had opposed the U.S. efforts to reshape the Multifiber Agreement, now appears likely to support U.S. proposals, according to U.S. sources. Concerned that the Multifiber Agreement would no longer be a tool to grant textile exporters more access but rather was going to be an instrument to restrict textile imports to developed countries, the Turkish government opposed any renewal of the Multifiber Agreement.
>
> However, Turkey will now most likely support the U.S. as it presses for changes in the multilateral regime before its July 31 expiration date, according to a Turkish source.

Notice what that paragraph says. The Turks were against the agreement, they were against negotiating in Geneva as long as they thought, "That it would be an instrument to restrict textile imports."

However, the Turks came to believe it would be "A tool to grant textile exporters more access."

Now what does this mean? It means that once again the U.S. bureaucracy has been snookered. Once again, we have given away the store. Once again countries other than the United States are going to gain, and once again our trade negotiators were simply outclassed.

This is not just a problem for textiles; this is a problem for the whole country. An article on the Nation's trade deficit said recently, "The Nation's merchandise trade deficit widened to $14.2 billion in May from $12.1 billion the month before, with agricultural imports surpassing exports for the first time in more than two decades", the Government said Friday.

Friday's Commerce Department report showed that once again the turnaround in the trade deficit expected from a weakening U.S. dollar has yet to materialize. Not since 1959 have agricultural imports exceeded exports, according to Agriculture Department analyst Tom Warden.

However, Warden said the "Agriculture Department still anticipates a trade surplus in agricultural products for 1986 of about $7.5 billion, down from $11.4 billion in 1985."

Let me make this point to all of our friends in the House who represent farming districts: A U.S. Government too weak and too inept to defend and protect the textile industry is a U.S. Government too weak and too ineffective and too inept to protect American agriculture. All over the world other governments are now subsidizing agricultural exports. All over the world other governments are now eating up American markets. Brazil is now very aggressive in soybeans. Argentina is very aggressive in wheat. The Common Market is very aggressive in wheat.

The result is the very same government that cannot protect textile workers is not protecting farmers and the result is we face a crisis, a common crisis on whether or not the United States is going to be able to survive in a world market in which we are less and less effective.

Two examples: While the United States has bought more and more and more textile apparel from China, up dramatically, China has bought less and less and less from us in agriculture. We have been buying their textiles and their apparel; they have not been buying our goods. In fact, 1983 is the year in which we began to buy more textiles from China and apparel from China than they bought agricultural goods from us.

In fact, in 1986 they will buy so little American agriculture that it will be almost impossible for China to retaliate against the textile bill because they are not buying anything.

The second example: There are five major textile and apparel manufacturing countries. They sell far more to us than they buy from us in agricultural exports. They have far more at risk in international trade now than we do because they are simply not buying our exports.

One more point I would like to make about the whole issue of agricultural exports, and that is that there are a number of groups, including the Corn Growers' Association, that are now supporting the textile override because they have come to understand that a U.S. Government too weak to protect textiles is a U.S. Government too weak to protect agriculture.

Mr. WEAVER. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Oregon.

Mr. WEAVER. I am just really pleased with what the gentleman is saying. He is pointing out home truths. That we do not need to fear retaliation. As a matter of fact, those people who say that the great United States has to tremble before Taiwan or Korea, I find should go home and bury their heads in the sand because we are the strong power and we do not need to fear retaliation, but we are also in a trade war today, we are in a trade war now. They are shooting at us now. We had better start shooting back.

Mr. GINGRICH. I would say to my friend that I find it very interesting that there seems to be almost a schizophrenia in the House and in the country.

□ 1505

Most of my friends on the left who understand the need to be tough when negotiating on trade are less convinced of the need to be tough in other kinds of negotiating. Most of my friends on the right who are very angry at the State Department for not understanding how to negotiate with the Soviet Union and others have no concept of negotiating on trade, and in fact many of them, in the name of free trade, are for unilateral disarmament.

Now, free trade on America's part with Japan or Hong Kong or the European Common Market means that foreigners set the rules. It does not mean that we have free trade. It means that foreign governments will decide the terms under which American jobs survive.

Let me say this also: Some of our good friends have this idea that if only the currency would work out all right, if only the dollar's value got to some magic point, then everything would work. And they have been in particular looking at the yen.

Now, there are two things I want to say about that. The first is that while the value of the yen has been going up pretty steadily since August 1985, so has the volume of imports from Japan in textiles and apparel. This shocks people. This graph is not large enough for anyone to see, but the fact is that the value of the yen has gone up dramatically, and at the very same time the number or the amount—not the dollar value now, but the actual amounts, millions of square yards of textile and apparel imports—has gone up almost as dramatically. It has gone up in fact from about 700 million square yards in August 1985 on a 12-month average to over 770 million square yards in April of 1986.

So literally the volume of exports from Japan to the United States in apparel and textiles has gone up at the same time the value of the yen has gone up. Let me make a second point.

Mr. WEAVER. Mr. Speaker, would the gentleman yield on that point?

Mr. GINGRICH. I am glad to yield to the gentleman from Oregon.

Mr. WEAVER. Mr. Speaker, the gentleman makes an excellent point. The gentleman has been making just penetrating points.

The yen is at an all time high with the U.S. dollar since the Second World War. It has never been higher. So the trade balance should have shifted. It has not, as the gentleman has pointed out. It has gone the other way, for one special reason that the pundits did not understand, because they do not understand business or trade or anything else, it seems, and that is that you have got a company producing textiles in Korea, Taiwan, Japan, or wherever, or a company producing chips or cars or electronic equipment, it does not matter, but with that company producing textiles over there, if the currency evaluations go against them, they still have loans at the bank, they still have employees, they still have commitments, and they are still going to manufacture. And if they manfacture, they are still going to have to sell because they must have cash-flow, and they have a commitment of employment as well to their workers. So they continue to sell into our markets even though the currency evaluations have gone beyond them.

Now, this is going to increase, not go down. The fact is that the world is awash with goods today, and we are going to be drowned in it if we do not do something about it.

Mr. Speaker, I commend the gentleman for his efforts on this issue.

Mr. GINGRICH. Mr. Speaker, let me in fact build on that. There was an article which appeared in the April 23, 1986 issue of Business Week entitled "Everybody Plays in Trade." At the top of the article it says this:

An outgoing Commerce Department trade negotiator explains why the rising yen is unlikely to do much soon to calm U.S.-Japanese trade tension.

Mr. Speaker, let me just read a few paragraphs from that article:

Businessmen and politicians banking on the dollar's fall against the yen to resolve our trade problems with Japan will get cold comfort from outgoing Commerce Department Counselor Clyde Prestowitz. "If the yen went to 130, it might have an immediate effect," Prestowitz tells us as he cleans out his desk at Commerce. "But the current exchange rate [around 160 yen to the dollar] isn't going to have much effect on the trade deficit. The Japanese may invest more in the U.S., but that usually means assembly plants, and they're importing the parts. And beyond the exchange rate, there is not much you can do short term."

In matters of U.S.-Japanese trade, Prestowitz is worth listening to. Fluent in the Japanese language and Japanese business practices, Prestowitz ran a consulting and trade company with a Tokyo office from 1978 to 1981, when he joined Commerce as one of the U.S.' chief trade negotiators.

• • • Prestowitz, now 44, has watched as Japan's trade surpluses with the U.S. ran from $18 billion in 1981 to $49.7 billion last year. Frustrated, he announced his resignation in late April and will soon join the Smithsonian's Woodrow Wilson International Center in Washington, D.C. to write a book.

Underlying Prestowitz' belief that the U.S. will continue to run huge trade deficits with Japan is his conviction that U.S. trade policy is hamstrung by personalities and politics. Commerce fights the State Department, Congress fights the Administration, and everybody scorns the U.S. Trade Representative.

We should notice here, by the way, as they mention in this article about Japan, the conflict between the State Department and Commerce that I pointed out earlier in one analysis that said, "We got a terrible agreement with Turkey recently because the State Department forced the trade negotiators to sign a bad agreement."

This article goes on to quote Prestowitz:

"Virtually everybody in Washington plays in trade," complains Prestowitz.

Then the article goes on:

He nods as we note that Trade Representative Clayton Yeutter, whose office is supposed to watch over U.S. trade interests, was excluded from last month's Tokyo summit.

Further on in the article Prestowitz is quoted as saying:

"Bob Strauss was the strongest USTR we've ever had, but if you compare Strauss at his strongest with the Minister of MITI, it is to laugh."

Prestowitz points to the current antidumping cases against Japanese semiconductor manufacturers as an example of the dangers of having no coherent trade policy. "I pushed them through Washington solely to get leverage to negotiate access to the Japanese market. According to Data-quest, Japan will become the world's number one chip market this year, and if U.S. manufacturers don't have a significant share of that market, they won't have the volume to be competitive."

Let me make two points here. No. 1, our friends who keep talking about sunrise and sunset industries have pointed proudly for years to computer chips and computers. The Japanese by deliberate strategies have penetrated the American market, driven down the price of chips, and convinced the semiconductor industry that it cannot survive on its own.

I have talked with the chief executives of the Harris Corp. and Motorola Corp. who will tell you flatly that against the Koreans and Japanese, backed by their governments, individual American corporations smaller than IBM cannot survive.

Furthermore, there is an article in today's Washington Post pointing out that once again yesterday we caved in with the Japanese, and that an agreement which the Reagan administration is saying is a wonderful agreement has been reached, but the only two private market analysts cited said they did not think it would have very much effect. So in a very high technology, future-oriented industry we are not doing our job.

Let me continue for just a moment with this article:

Worse, the bureaucrats bicker for influence and media access. "We [at Commerce] are constantly having to develop position papers and then hand them over to USTR, and they dance off into the spotlights and the press conferences. Either you don't keep very good people here at Commerce very long, or the good guys here say, 'You guys at USTR want something? Do it yourself.' And they [at Commerce] sabotage it."

Now, this is a man who is just now retiring from the U.S. Department of Commerce who is saying that our trade policy and our trade bureaucracy is a joke, that we are incapable right now of negotiating with Japan or

Korea or Germany or Turkey with any kind of effectiveness.

The article continues:

The brunt of Prestowitz' message falls especially on those who believe U.S.-Japanese trade turbulence can be calmed with such short-term policies as currency intervention. "The agreement [at the Tokyo summit] on moderating exchange rates is positive," Prestowitz allows. "But when you have a surplus of very cheap capital, and there's no danger your company is going to be taken over by some junk bond outfit if its shares drop a few points, it's much easier to take the long-term view. If you get into a slugging match in something like semiconductors, where the only question is who can spend more longer, the Japanese can win every time."

Mr. Speaker, let me repeat that quote from Prestowitz: "* * * the Japanese can win every time."

The article goes on as follows:

Most of all, however, Prestowitz hopes the business and political communities will acknowledge that radical shifts in the global economy since the 1950s now demand a comprehensive reexamination of our entire attitude toward trade.

Let me repeat that, because this is my major appeal to President Reagan, to the Reagan administration, and to our Republican colleagues in the House. This is the core of why we should vote for the textile bill.

* * * Prestowitz hopes the business and political communities will acknowledge that radical shifts in the global economy since the 1950s now demand a comprehensive reexamination of our entire attitude toward trade.

Then the article goes on:

Prestowitz says: "Since the war we've been the leader of the free-trade system. But we're facing a kind of trade relationship with countries in Asia and elsewhere that was not contemplated. For a long time the sheer dominance of the U.S. economy allowed us to accept the unequal trading relationship. But as we decline relatively in weight in the trading system, we're less able to carry the costs of some of the inequalities in the relationships."

The article then closes with this paragraph from the author of the article, a writer for Business Week named Marc Beauchamp:

Academic economists and administration free-traders may not like such talk from a seasoned trade negotiator. But foolish are the Generals who ignore the daily intelligence from the trenches.

□ 1515

Now, let me remind our readers and our listeners, Prestowitz was, if I understand it correctly, a Reagan appointee who joined the Commerce Department in 1981, who came out of private enterprise. Prestowitz is not some career bureaucrat who is hanging around saying that only the bureaucracy can do it. He is a conservative, rational businessman, saying that in the real world of negotiating with Japan, in the real world of saving American jobs, and competing with the Common Market, we have got to be smarter and better than we are being.

I would suggest that the multifiber agreement is another example of why we have to be smarter than we are.

Let me go back to the currency question just for a second. In fact, as the gentleman from Oregon noted, while from March 1985 to June 1986 the yen has increased by 35 percent against the dollar, at the very same time the South Korean currency got weaker by 4 percent. The Chinese currency got weaker by 13 percent.

In other words, in two of our biggest competitors, South Korea and China, in terms of apparel and textiles, while everybody was focusing on the Japanese yen getting stronger, two of our competitors had a better advantage, a 4-percent-better advantage over the last year for Korea, a 13-percent-better advantage for the People's Republic of China.

What about Hong Kong? Hong Kong stayed exactly even because in fact Hong Kong currency basically tracks the United States dollar.

What about Taiwan? The big advantage that currency fluctuation gave us against Taiwan was a 4-percent improvement.

So I would say, while the Japanese are simply lowering their profit margin to keep their market share, the Chinese are increasing their profit margin, because their currency is getting better against the dollar from China's standpoint.

Let me go a stage further. What should bother all of us is not only that the U.S. trade bureaucracy has no concept of how to protect American jobs, it is not only that the State Department seems systematically willing to give away American jobs for whatever the State Department defines as interest, but it is also that the rules of the game are rigged against American business.

Let me cite an article out of yesterday's Washington Post, entitled, "GAO Cites Possible Lenahan Conflicts. Agency Says It Will Refer Case to Justice Department for Potential Criminal Prosecution."

The General Accounting Office has found that a former Commerce Department official may have violated federal conflict-of-interest laws by talking to three companies about a job while participating in government decisions affecting his potential employers.

The article goes on to say:

According to the GAO, the investigative arm of Congress, Lenahan also advised clients of his consulting firm about textile trade issues that he had been deeply involved in for the government. The GAO said he helped Israel change an agreement he had negotiated six months earlier for the U.S. Government; advised the Japanese government on a new textile agreement after he had served as a member of the U.S. delegation in the talks a month earlier, and advised Hong Kong on its textile agreement after having served on the government committee that developed the U.S. negotiating strategy.

Now, let me just say, if that is accurate, if the General Accounting Office report is accurate, and Mr. Lenahan, whom I do not know, but who was in fact the most important single textile negotiator for the U.S. Government, if in fact with Israel, Japan, and Hong Kong, within a very brief time of his quitting his Government job he helped them negotiate back with the very office he had been in charge of, there is something wrong. That is literally like having your assistant coach at the Super Bowl game decide in the morning that he will walk across the field and spend the day advising the opposition team on what plays to run, having studied your playbook all that time.

The GAO listed four episodes in which Lenahan may have violated federal conflict-of-interest laws:

While discussing a possible job with Liz Claiborne, Lenahan served on a government panel that developed the U.S. negotiating position for textile quota agreements with Taiwan, Korea and Hong Kong. Lenahan said he knew that Hong Kong and Taiwan were major suppliers of Liz Claiborne garments.

While talking about his present job with IBERC, Lenahan ran meetings that affected textile imports from Hong Kong and China. These countries are clients of IBERC and the New York-Washington law firm of Mudge, Rose, Guthrie, Alexander and Ferdon, with which the consulting firm is allied. The meetings led to toughening of quotas for those countries.

Lenahan participated in the negotiations of a bilateral trade agreement with Japan despite knowing that IBERC had an interest in the outcome. One of the consulting firm's client is the Japan Chemical Fibers Association.

Lenahan advised Commerce officials about a textile quota bill then before Congress while he was talking about a new job with Liz Claiborne, IBERC and Burlington. By significantly reducing textile imports, the GAO said, the bill would affect the financial interests of all three firms.

Now, the IBERC, by the way, is the International Business and Economic Research Corp., a consulting firm that represents textile companies and that is in fact often paid for, has its work paid for by the law firm which represents Hong Kong.

Let me also point out that the International Business and Economic Research Corp. is often cited by people who say they are for free trade.

In other words, we have studies done by a firm paid by Hong Kong that proves we ought to trade with Hong Kong. That is somehow not a conflict of interest if it favors the side of the trade bureaucracy.

Now, how serious is this? Well, let me quote from the Daily News Record of July 9:

U.S. HAS TOP-SECRET REPORT ON TEXTILE POSITION LEAKS

The Reagan Administration has evidence, in the form of a top-secret intelligence report, suggesting that sensitive U.S. textile negotiating information was leaked to a textile exporting country, government sources have disclosed.

Chief U.S. Textile Negotiator Charles Carlisle was made aware of the secret intelligence report several months ago, the sources said, and this prompted him to suggest publicly in April that a leak of U.S. negotiating information had occurred.

But, the existence of the intelligence report interpreted by the Administration as providing independent evidence of such a leak has not previously been disclosed. Indications are that the Administration regards the intelligence report as so secret that it is reluctant to make it public in order to advance investigations into the sources of the alleged negotiating leak.

Carlisle has declined publicly to identify the country which allegedly received the leaked information, which reportedly related to U.S. negotiating strategy for talks on the renewal of the Multi-Fiber Arrangement, which regulates international textile and apparel trade.

In other words, the very agreement in Geneva yesterday which we have been told by the textile industry was a sellout of United States jobs, that agreement not only had been forewarned by the Hong Kong sellout and the Turkey sellout, it also had been indicated by the fact apparently countries such as South Korea and Hong Kong were the recipients of secret Government information.

Let me quote for a moment if I might Mr. Carlisle himself, talking about that sort of problem. This is from the April 29 Washington Post, entitled, "U.S. Stand On Textile Talks Leaked, Negotiator Says: Current Or Former Official Held To Blame."

The body of the article goes on to say:

Key parts of the U.S. position in critical textile negotiations were leaked to a foreign government, undercutting efforts to provide protection for the domestic textile industry, the chief negotiator said yesterday.

Congressional sources said the information could have come only from someone still in government or who had left recently. Sources in the administration and on Capitol Hill refused to speculate on the leaker's identity.

Negotiator Charles R. Carisle said he discovered that the U.S. negotiating position had been compromised when he made stops in Hong Kong, South Korea and Taiwan to describe the U.S. position in negotiatioins to renew the multifiber arrangement (MFA), which regulates textile trade. The three nations are leading Far East suppliers of textiles and clothing to the U.S. market.

Notice now this paragraph:

Carlisle said, however, that the U.S. position was already known in at least one country.

In other words, when our man arrives to tell the foreign government what our position will be, the foreign government says, "Oh, we know that. We already have your playbook. We know what your Government wants to do."

Carlisle said, and I quote Carlisle himself;

Certain sensitive information became known to some foreign governments before I conveyed it. It's a problem in this city, a very regrettable problem, that undercuts our ability to conduct the Nation's business.

The article went on to say:

The leak of information on textile negotiations, however, shows that the problem reaches beyond the high-profile, high-priced lobbying by former White House aide Michael K. Deaver that presently is getting most of the attention.

"I think we have a continuing problem in this city," said Carlisle, "and I think it is widely recognized that exceedingly confidential Cabinet discussions get out on the street within a matter of hours."

The Japanese Embassy, for instance, learned important information in Cabinet deliberations of a trade case involving machine tool imports three years ago. Prime Minister Yasuhiro Nakasone made a personnel plea to President Reagan to change the decision.

Now, what is that saying? It is saying that we are in a situation where even if the U.S. negotiators were better than they are, even if the system for U.S. negotiations was better that it is, that we are having people who are leaking to our foreign competitors our positions. It is in this setting that the Geneva Multifiber Agreement is such an outrage and it is for this reason that some people have been calling for investigations into the way in which we have been negotiating on textiles.

What makes all this particularly frustrating is that Ronald Reagan has consistently said in print that he would support efforts to protect American jobs.

Let me quote from September 3, 1980, a letter from Ronald Reagan:

The fiber/textile/apparel manufacturing complex provides 2.3 million vitally needed American jobs, including a high percentage of female and minority employees. As President, I shall make sure that these jobs remain in this country.

The Multifiber Arrangement (MFA), which is supposed to provide orderly international trade in fibers, textiles, and apparels, was first negotiated under a Republican Administration. The MFA expires at the end of 1981 and needs to be strengthened by relating import growth from all sources to domestic market growth. I shall work to achieve that goal.

In other words, the President promised before he was President on September 3, 1980, that he would only allow textiles to grow at the rate the domestic market increased. In fact what has happened? Imports have grown at the rate of 100 percent. From 1980 to 1985, the market has grown 10 percent. While the market increased by a factor from 100 to 110, imports were increasing by a factor of 100 percent, from 100 to 200.

In other words, we were getting 10 times as big an increase in imports as we were in the market itself.

Now, what happens when you are flooded with foreign imports, much of it made, for example, by 28-cent-an-hour Chinese workers or by 13-year-old girls in Thailand working for $1.40 a day? What happens is that your employment goes down. Employment in 1980 was at about 2.3 million, as President Reagan said at that time. Employment today is in fact down by about 250,000 jobs.

The difference is that the President and the administration did not work to protect those jobs the way they said they would.

This is a very severe, very difficult problem. The actual numbers are that more than 300,000 American textile and apparel workers have lost their jobs since 1980. Data Resources, Inc., estimates that by 1990 if import trends continue, and the Multifiber Agreement just signed in Geneva yesterday indicates that it will, 947,000 people employed by the U.S. textile and apparel industry will have lost their jobs.

Let me carry on. After all, the September 30, 1980, promise was Candidate Reagan. What about President Reagan?

October 4, 1982, this is the President now:

You know that I share your concern about the unemployment and the decrease in production in the textile/apparel industry caused by imports and further exacerbated by the recession. As I mentioned during our recent discussion concerning textile industry problems, I have made a commitment that was reaffirmed last December by Jim Baker, to seek to relate total import growth to the rate of growth in the domestic market.

Now, the question is this. The President twice promised to relate total import growth to the growth of the American market. Does the Turkish agreement meet the President's standards? No. It fails.

Does the Hong Kong agreement reach the President's standard? No. It fails.

Does the new Multifiber Agreement meet the President's standard? No. It fails.

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What then is the case? One of our problems is that there is a real disagreement about fact and fiction. There is a great deal of misinformation about the textile and apparel bill and the upcoming vote to override President Reagan's veto. Let us distinguish fact from fiction.

Fiction: The textile and apparel issue is only a regional problem.

Fact: In a June 1986 poll Americans said that they were fed up with a weak, ineffective trade policy. When asked, 73 percent nationally said that

their Congressman should vote to control clothing and textile imports.

Everyone expects the South to be pro-textile, but consider these results:

In the West, 68 percent support, 21 percent oppose, and 11 percent do not know.

In the Midwest, 63 percent support, 28 percent oppose, and 9 percent do not know.

In the Northeast, 66 percent support, 25 percent oppose, and 9 percent do not know.

That is by Government Research Corp./Matthew Greenwald & Associates, June 1986.

Fiction: Most voters do not really care how I vote on the textile bill.

Fact: In June 1986, 83 percent said "they will consider their Congressman's position on trade issues when they decide who to vote for in November."

Fiction: Farmers want free trade and oppose the textile bill.

Fact: In July 1986 in Iowa, 16 percent were more likely to vote for a Congressman who voted to sustain the veto—that is, against the trade bill—and 56 percent in Iowa were less likely a vote for a Congressman who voted to sustain the veto.

I might also say to my Republican friends who are thinking about the Presidency that in Iowa 15 percent were more likely to vote Republican for President if the veto was sustained, and 40 percent were less likely to vote Republican for President if the veto was sustained. In other words, by 40 to 15, Iowans are likely to vote against the Republican Party if the veto is sustained, and for Congress, it is by 56 to 16 they favor overriding the veto.

Fiction: But farmers are for totally free trade.

Fact: All U.S. trade patterns are changing. On July 18 the National Corn Growers Association endorsed the Textile and Apparel veto override. They noted, "Farmers are increasingly becoming victims of the unfair trade practices of United States trading partners * * * South Korea and other textile exporting countries cannot expect to have it both ways. It's time to send a signal to the world and to the Department of State that we are not pleased with this one-way trade policy."

Fiction: The administration's new trade agreements show that they have already gotten the message and are negotiating better.

Fact: Despite its press releases, the administration's recent agreements have been a disaster.

Turkey received increases ranging from 40-percent to 219-percent growth in various quotas.

Hong Kong received a 23-percent increase in quotas, and still it has a $250 shipping loophole below which nothing counts against the quota. In other words, 1,000 shipments at $249 each would not count one item against the limit. While the Hong Kong limit looked hopeful in including ramie under the quotas, the Hong Kong manufacturers have already announced that they will move their ramie factories to the Philippines, which has no quotas. Uncle Sam is once again Uncle Sucker.

Fiction: The administration has kept its word.

Fact: The President promised again and again that he would work to set limits on textile and apparel imports. He promised to fight for American jobs.

The promises have been broken. Only Congress can renew the faith of the American people that American jobs are as important as Mexican loans, Turkish military bases, and Communist Chinese good will.

Fiction: The U.S. textile and apparel industry is old-fashioned and does not deserve help.

Fact: The American textile and apparel industry's 4.5-percent-a-year productivity increase is better than the 2-percent-a-year U.S. manufacturing average.

One billion dollars a year has been invested by the textile and apparel industry every year since 1964. In 1985 it invested $1.8 billion.

Twenty-cent-an-hour Chinese workers and $1.40-a-day 13-year-old Thai girls are working in moden factories built with World Bank and IMF loans. Our taxpayers are loaning the money to build the factories so sweatshop wages can destroy our jobs.

In fact, the American textile and apparel industry is the most modern in the world, but it pays $6 and $7 an hour, not 20 cents.

A vote to sustain the veto is a vote to replace $6-an-hour American jobs with 20-cent Chinese workers.

Fiction: This bill would seal off the U.S. market.

Fact: The United States accepts three times as much apparel per capita as the European Common Market and Japan. With this bill, we would still be the most open textile and apparel market in the world.

Fiction: This bill is protectionist, like Smoot-Hawley.

Fact: This bill would leave 50 percent (half) of the U.S. market in imported goods, and would allow imports to grow as fast as the market.

Fiction: We do not need a law, we just need good enforcement of the agreements.

Fact: It is precisely because the administration refuses to enforce the agreements that we need a law. Despite every promise, the administration simply refuses to keep the agreements and enforce quotas.

Fiction: I would vote for the override, but the administration has taken care of my trade problem.

Fact: Until Wednesday, the administration may promise anything. The day after Congress fails to override the veto, it will return to business as usual. If Congress cannot fight successfully for the largest American industry (2.3 million jobs), the message to the State Department and the Trade Representative will be clear: You can ignore Congress, because it cannot get its act together.

Summary: If you think that the State Department and the trade office have been aggressive, hard-hitting, and decisive, you should vote to sustain the veto.

If you think that this administration has a thought-out trade policy for oil, agriculture, and manufacturing, you should vote to sustain the veto.

If you think that this administration is more afraid of Congress and the American people than it is of Japan, Saudi Arabia, Korea, and the IMF and the World Bank, you should vote to sustain the veto.

If you think that the Republican Party should go into the fall elections as the party that thinks that our trade deficit does not matter and foreign imports do not matter, you should vote to sustain the veto.

Now some people will say, "Oh, but I am a free-trader. I am ideologically committed to free trade."

Let me point out a few things as a historian. This is the "Wealth of Nations," the book usually cited by free-traders. It is in fact something on the order of 1,000 pages thick.

Let me quote some examples free-traders never tell you about from Adam Smith, who was not only a smart man, but whose last job was as collector of customs for Scotland.

Adam Smith was much more complicated than some kind of dogmatic giving away the store in the name of an ideology.

Adam Smith advocated free trade in a theoretical abstract world, and mutual trade in the real world of nation states. In the "Wealth of Nations," written in 1776, he states, "Those two cities [London and Calcutta] * * * at present carry on a very considerable commerce with each other, and by mutually affording a market, give a good deal of encouragement to each other's industry." Page 23.

Let me note that I am for mutual trade. Notice how on page 23 he says "mutually affording a market." If Japan wants to be part of a common market, I am all for it. If Canada wants to be part of a common market, I am all for it. I will accept dislocations, if it is really fair. But if it is one-sided, where we provide the market and they provide the jobs, I am against it. That is not free trade, that is being dumb.

Adam Smith provides four cases in which "it will generally be advantageous to lay some burden upon foreign [industry], for the encouragement of domestic industry." That is page 484.

1. "When some particular sort of industry is necessary for the defense of the country." Page 484.

Adam Smith was so favorable to the defense argument that he noted, "As defense, however, is of much more importance than opulence, the act of navigation is, perhaps, the wisest of all commercial regulations of England." That is page 487. The Navigation Act decisively favored British and punished foreign shipping. In some cases it prohibited foreign shipping totally. Its purpose was to build up shipping for the Royal Navy.

2. "The second case * * * is when some tax is imposed at home upon the produce of the [domestic industry]. In this case it seems reasonable that an equal tax should be imposed upon the like * * * products of the foreign industry. That is page 487.

In other words—and I defy any free-trader to look at this in the American context—any tax that we levy on an American industry, we should be taxing foreign goods according to Adam Smith. Let me tell you, if we did that, we would have massive tariffs tomorrow morning. We do not do that. Smith points out that if you tax your own industry and you do not tax foreigners, they are going to drive you out of business. Free-traders never quote that page when they talk about Adam Smith.

3. The third case is, "when some foreign nation restrains by high duties or prohibitions the importation of some of our manufactures into their country. Revenge in this case naturally dictates retaliation, and that we should impose like duties and prohibitions upon the importation of some or all of their manufactures in ours. Nations accordingly seldom fail to retaliate in this manner."

That is page 489, and Adam Smith never saw the American State Department. The fact is that Smith says specifically that if Korea prohibits us, we should retaliate. If Japan prohibits us, we should retaliate. On page 489, Adam Smith, the father of free trade, specifically calls for retaliation.

4. The fourth and final case, "when particular manufactures, by means of high duties or prohibitions upon all foreign goods which can come into competition with them, have been so far extended as to employ a great multitude of hands. Humanity may in this case require that the freedom of trade should be restored only by slow gradations, and with a good deal of reserve and circumspection. Were those high duties and prohibitions taken away all at once, cheaper foreign goods of the same kind might be poured so fast into the home market, as to deprive all at once many thousands of our people of their ordinary employment and means of subsistence. The disorder which this would occasion might no doubt be very considerable." Page 491.

In other words, if 300,000 workers—what Adam Smith calls a "great multitude of hands"—have lost their jobs, would that not fit what he calls a "disorder"? Is that not exactly what he is describing on page 491?

Smith was not a protectionist, but he was also not a pure theortician. He knew that there was a gap between the ideal of a free market and the reality of nation states.

Look again at the administration's dogmatic free-trade positions, and consider the exceptions outlined by the father of free trade.

The SPEAKER pro tempore (Mr. GRAY of Illinois). The Chair reminds the gentleman that he has 3 minutes remaining.

□ 1540

Mr. GINGRICH. Let me just close by saying that I would also remind our friends of the American tradition and the lessons of Alexander Hamilton and Henry Cabot Lodge.

The first American state paper to deal with trade and tariffs is the Report on Manufactures communicated to the U.S. House of Representatives December 5, 1791, by Secretary of the Treasury Alexander Hamilton.

He served as aide to Washington, helped write the Constitution, coauthored the Federalist Papers and studied the writings of Adam Smith.

His 129-page paper is a classic statement on the role of government in regulating trade in a world of nation-states.

In 1885, Henry Cabot Lodge edited Hamilton's papers and wrote a commentary. As a rising young reform Republican, Lodge's comments on the debate over trade bear repeating for our generation:

> The report on manufacturers is, with the exception of the first report on the public credit, the most important state paper written by Hamilton, and to say this is to say a great deal. Unlike most of his reports, it laid the foundation of the protective policy in the United States; and was an integral part of that national system of measures which was the polestar of Hamilton's statesmanship. Its principles were all subsequently adopted; its doctrines have prevailed as a rule in the political contests to which the tariff at various periods has given birth, and it has colored and guided the views of our statesmen and the economical and industrial policy of the country for nearly a century.
>
> For many years Hamilton had been a close student of political-economical questions. After reading all the earlier writers, he read Adam Smith with great care, and wrote in 1783, while a member of Congress, an extended commentary, no longer in existence, upon the 'Wealth of Nations.' His training and preparations are shown fully in this report, not only in discussing the protection principle, but in the able treatment of the general theory of taxation. As an exposition of the reasons for the protection of nascent industries—a doctrine accepted by Mill—this report has never been surpassed, and as an argument for the adoption of the protective principle as the true policy for the United States, without reference to other countries, it has never been successfully answered.
>
> The question, under very different conditions, is a living one today . . . Apart from its intrinsic merits as an argument, and apart from the principles it advocates, Hamilton's report on manufactuers, especially when the tariff is an immediate issue, is very wholesome reading. Whether a man is a free-trader, tariff-reformer, or a strong protectionist, he will do well to study this report, for it contains one thoroughly good lesson. It clears the mind from cant. It shows the true why in which this subject should be discussed, from whatever point of view one approaches it. Hamilton always looked facts in the face. He knew that the question of free-trade or protection was purely a question of business expediency, and as such he discussed it. Probably nothing made Carlyle more violent in his denunciations of the "dismal science," than the cant which the Manchester school brought into it, which became well-nigh universal in England. Free-trade was good business policy for England, and so far so good, but when its supporters undertook to make a moral question out of it, to elevate it as a fetch which was to cure all human ills, and to hold up the "laissez aller" principle as a sort of religous creed, Carlyle crying in the wilderness revolted. He, like others who had studied history, knew that the waste places of the earth had not been built up, and civilization painfully extracted from barbarism, by "laissez aller" and "laissez faire," and he was nauseated by the humbug with which the whole matter was enveloped.

The SPEAKER pro tempore. The time of the gentleman from Georgia [Mr. GINGRICH] has expired.

AGRICULTURE TRADE POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon [Mr. WEAVER] is recognized for 15 minutes.

Mr. WEAVER. Mr. Speaker, I want to say to my friend from Georgia [Mr. GINGRICH] that I am deeply appreciative of his remarks, and his very cogent statement. I learned a lot, and I completely agree with him on everything he said. His professorial tone taught me a lot. I usually take a more emotional point of view.

But I would like to ask the gentleman a question. There is another issue that he hinted upon in his speech that is presently upon us. As a matter of fact, it has been incorporated in a bill in the other body, and it has passed out of the Agriculture Committee in the House of Representatives. That is an attempt to subsidize the Soviet Union with our grain for our grain sales.

We have passed out a bill in the Agriculture Committee, on which I sit. I was, of course, strongly opposed to the bill. It has $300 million of subsidies to

the Soviet Union to buy our grain even cheaper than we are selling it today.

It is very clear, it should be very clear, anyway, unless people cannot think straight, that if you drive the price of grain down in this country more that we simply drive the world price down. We do not sell anymore, and our farmers actually get a lower price for the grain, and the subsidies, the regular farm subsidies that go to farmers would increase the cost to the taxpayers twofold. They would increase the farm subsidies paid to the farmer, and it increases the subsidy paid to the Soviet Union.

What does the gentleman from Georgia think about subsidizing the Soviet Union?

Mr. GINGRICH. Mr. Speaker, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from Georgia.

Mr. GINGRICH. Mr. Speaker, as the gentleman knows, I am very strongly against subsidizing the Soviet Union.

I would say, however, I am very strongly in favor of taking the steps that are necessary to create a world market in grain in which our farmers may have a fair chance to compete.

I find it amazing that the International Monetary Fund and the World Bank, and legitimate U.S. efforts over the last 2 decades have created competitors who have helped drive us out of our own market. I would cite one other example. Our friends from the European Common Market intensely subsidize wheat. I am not an expert in this area. But my understanding is that the French for wheat is something like $6.15 a bushel.

We are never again going to be competitive in the world market until we adopt, as a national policy, the principle that we will go into the market and make it so expensive for our competitors to try to play this game that we have a general agreement. I would like to see the President call for a summit conference of the grain-exporting countries and get them to sit down in one place and recognize that the gentleman is exactly right, we are playing a game of beggar thy neighbor whereby the Canadians are going to lower the price in order for people to buy it.

Mr. WEAVER. Is the gentleman aware, first of all, that this gentleman from Oregon has had a bill every year in the House of Representatives, and has offered it as an amendment to the farm bill in 1977 and 1981, to actually increase the price of our grain to the Soviet Union and other countries in the same way OPEC increased the price of oil? If we had to sell a little less, but got more dollars for it, that makes sense. OPEC made millions and hundreds of millions of dollars.

If the gentleman would allow me to finish, that makes sense.

Mr. GINGRICH. Of course. It is the gentleman's time.

Mr. WEAVER. What does not make sense is if you are selling at a loss, at a great loss, and every bushel of corn, wheat, soybeans that you sell at a loss is bankrupting our farmers. Why on Earth are we going to sell even cheaper? Does that make sense to make it up in volume? Besides which, a direct subsidy of hundreds of millions of dollars to the Soviet Union.

We are going to be called upon next week to vote hundreds of millions of dollars for military weaponry to defend ourselves against the Soviet Union. Why, on the other hand, then, are we about to subsidize with one of the most precious commodities in the world, food, the Soviet Union with hundreds of millions of dollars? I ask my friend from Georgia, please explain this paradox for me.

Mr. GINGRICH. I appreciated the gentleman's earlier comments to my professorial tone, and all I can say to my good friend from Oregon is, while I have studied the textile matter and have some knowledge, I am frankly puzzled by the level of confusion that everybody seems to have about the world grain market, and I say this in this context:

There is an excellent article I am sure my friend has seen in Foreign Affairs called "A World Awash in Grain," which makes the point that in the 1950's we shipped one shipload of grain a day, a day to India. Last year India exported $100 million in grain.

That is a change so profound that I think it requires us to rethink our entire agricultural policy. Yet, we stumble along. And I would not absolve this administration. I think there has been a bipartisan and a cross-ideological lack of inventiveness in agriculture.

Mr. WEAVER. Let me tell my friend that on the Agriculture Committee I have had the Secretary of Agriculture, Mr. Block, then Secretary, on the stand many times.

□ 1550

I am also, as well as a champion of selling grain to the Soviet Union at higher prices, not lower: Let us gouge the Soviet Union with our grain prices in the same way they gouged everyone else in their oil and their gold. Why should oil be sold high and gold be sold high and our grain be sold low?

We have been taken for suckers for a long time. It is about time for us to sell high and buy low; instead of buying high and selling low, instead of being taken for suckers as we have and the gentleman has just mentioned.

I am also the father of the organic farming bill, to start getting away from the toxic chemicals we use to grow and start growing our commodities with more natural methods—which we find out, by the way, are oftentimes cheaper.

So I have asked Secretary Block, "What's the main problem with our agriculture? Why are our farmers going bankrupt, Mr. Secretary?" He said, "We produce too much. The world is awash in commodities, in grains." He said, "Therefore, the price has been driven down."

I said, "Mr. Secretary, I'm championing the organic farming bill that you're opposing. Why do you oppose the organic farming bill, Mr. Secretary?" This is in the same sentence almost. He will say, "Well, we wouldn't grow enough." We would, of course grow plenty to feed ourselves—they just cannot put it together. They cannot press the idea on one side of their head into the idea on the other side of their head.

That is irrelevant today, I think we should go into organic farming, and I think this is the time to do it to save our soil and water; but the question I am making now is, something that I have told the House for 12 years and we have not got it through to the people of this country, particularly the bureaucrats, as my friend from Georgia astutely blames, because in this instance it is sure bureaucrats, let me tell you.

We sell 78 percent of the soybeans in the world markets, right now. If we stopped selling soybeans, Japan would be in real trouble. I mean, they just simply wouldn't eat a lot of the foods they are eating now. We sell 50 percent of the corn in world markets. If we stopped selling corn, the Politburo would not eat very many steaks, basically because these are going to feed animals for the wealthy in these countries.

So it is time we woke up to the fact that we control grain markets far more than OPEC controls oil markets and yet we stupidly, when we have a problem selling our grain—now the reason that our grain sales to the Soviet Union have fallen is that the Soviet Union has cut by 70 percent the amount of grain they bought in the world.

Everybody is saying, Oh, gosh. The Soviet Union is playing politics with their grain purchases. Yes; they are. They are pretty astute. They start buying, since Mr. Gorbachev is in there, from the European Economic Community, because they are trying to wean them away from us on other grounds, but their total purchases of grain—the Soviet Union—have gone from 28 million metric tons to 11 million metric tons, and that is the reason they are not buying from us.

So we are going to go out and do the stupidist thing imaginable. We are going to subsidize the Soviet Union with hundreds of millions of dollars to buy our grain even cheaper, and we

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are going to drive the world price down, which means the rest of our grain sold to Japan or anywhere else will be driven down in price.

That is stupid; and that means if the price falls that the Government subsidy that supports the farmer between its support price and the world market price, that subsidy paid by the taxpayer is going to get greater. Let me tell you, it is going to be astronomical: $35 billion this year is guessed.

What the farmer needs is a higher price, not a lower one. When is somebody going to stand up and say this in the Department of Agriculture, in the White House, or in the other body?

Because I will fight on the floor of the House of Representatives any attempt to subsidize the Soviet Union in the purchase of our grain, and drive the price down further, cost our taxpayers hundreds and hundreds if not billions more dollars in taxes.

I invite the public to write Congressman JIM WEAVER and tell him, "We don't want the Soviet Union subsidized with our tax money by selling our grain cheaper."

Let me tell you, it is serious: A bill has passed the other body, the U.S. Senate, incorporating this subsidy. A bill has passed the House Committee on Agriculture, only 2 days ago, incorporating this subsidy. It is to be brought to the House floor. They mean business, and if we are going to fight them, we must protest this now, today, at a time when Canadian lumber imports are drowning the timber industry in Oregon, and driving our mills out of business and forcing wage reductions in our mill workers; at a time like this we must simply protect American industry, American agriculture, American workers.

If we will not, if we will not protect American workers, who will?

THE ASSASSINATION OF JUSTICE BORDA OF COLOMBIA

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, as I read this morning's Washington Post, I was appalled, angered, and saddened to learn of the assassination of Colombia's Supreme Court Justice Hernando Baquero Borda.

I did not know Justice Borda; but his death stirs feelings of remorse because he died helping our country in the drug war. He was murdered because he approved extraditions of drug trafficking suspects to the United States.

I stand here before you to vent my frustrations and anger at a drug war that is out of control—a drug war that we are losing. We see reports of drug crimes committed daily, we learn of citizens at every stratum destroyed by drug abuse, and we hear cries for help and of despair from addicts. Yet so many are indifferent to the drug problem believing that they are far removed from this ugly cancer, and still others have thrown up their hands in despair.

New research proves that the link between narcotics and lawbreaking is worse than we feared. Here in our Nation's capital, two-thirds of crime suspects tested had used narcotics in the days before their arrest. Nationally, a third of the inmates in Federal prisons are serving time for drug-related violations; and 80 percent of those behind bars admit to having taken drugs. There is no denying that we are all victims of drugs.

We have repeatedly turned to our President for leadership in combating this pervasive disease, but no substantive drug policy has been established. The President is only now awakening to the frightening truths of this problem. Yes; he has increased money for law enforcement, but he has consistently sharply reduced funding for drug education and drug interdiction. Customs Service is just one example. We need a comprehensive plan designed to also curb drug demand and availability.

Congress has waited long enough. I commend our Speaker for his leadership and initiative in bearing arms on this issue. And I congratulate our Majority Leader JIM WRIGHT for his able guidance as he directs the formulation of such a plan. America has had enough.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. WOLF (at the request of Mr. MICHEL), for today, until 1 p.m., on account of attending a funeral.

Mr. PARRIS (at the request of Mr. MICHEL), for today, until 1 p.m., on account of attending a funeral.

Mrs. LLOYD (at the request of Mrs. WRIGHT), for today, after 12:45 p.m., on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. RAY, today, 5 minutes.

Mr. FRENZEL, today, 5 minutes.

Mr. WEAVER, for 15 minutes, today.

(The following Members (at the request of Mr. SLAUGHTER) to revise and extend their remarks and include extraneous material:)

Mr. GINGRICH, for 60 minutes, on August 4 through August 8.

Mr. LUNGREN, for 60 minutes, on August 5 and August 6.

(The following Members (at the request of Mr. HOYER) to revise and extend their remarks and include extraneous material:

Mr. ANNUNZIO, for 5 minutes, today.

Mr. COLLINS, for 5 minutes, today.

Mr. RAY, for 30 minutes, today.

Mr. GONZALEZ, for 60 minutes, today, August 4, August 5, August 6, and August 7.

Mr. LIPINSKI, for 5 minutes, on August 5, August 6, and August 7.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SLAUGHTER) and to include extraneous matter:)

Mr. SAXTON.

Mr. GREEN.

Mr. HENRY in two instances.

Mr. SCHULZE.

Mr. LAGOMARSINO in two instances.

Mr. COURTER.

Mr. YOUNG of Alaska.

(The following Members (at the request of Mr. HOYER) and to include extraneous matter:)

Mr. HAMILTON in two instances.

Mr. MARKEY.

Mr. ROSTENKOWSKI.

Mr. GARCIA.

Mr. STARK in four instances.

Mr. MONTGOMERY.

Ms. OAKAR in two instances.

Mr. FEIGHAN in two instances.

Mr. DWYER of New Jersey.

Mr. AUCOIN.

Mr. FRANK in two instances.

ADJOURNMENT

Mr. WEAVER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 p.m.) under its previous order, the House adjourned until Monday, August 4, 1986, at 12 o'clock noon.

OATH OF OFFICE, MEMBERS, RESIDENT COMMISSIONER, AND DELEGATES

The oath of office required by the sixth article of the Constitution of the United States, and as provided by section 2 of the act of May 13, 1884 (23 Stat. 22), to be administered to Members, Resident Commissioner, and Delegates of the House of Representatives, the text of which is carried in 5 U.S.C. 3331:

"I, A B, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely without any mental reservation or purposes of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God."

has been subscribed to in person and filed in duplicate with the Clerk of the House of Representatives by the following Member of the 99th Congress, pursuant to the provisions of 2 U.S.C. 25:

ALTON R. WALDON, JR., Sixth, New York.

EXECUTIVE COMMUNICATIONS, ETC.

3990. Under clause 2 of rule XXIV, a letter from the Assistant Secretary of the Army (Civil Works), transmitting a report from the Chief of Engineers, Department of the Army, dated September 24, 1984, on Monongahela River navigation system, Pennsylvania and West Virginia, locks and dams 7 and 8, was referred to the Committee on Public Works and Transportation and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows: *(omitted from the Record of July 31, 1986)*

Mr. FUQUA: Committee on Science and Technology. H.R. 4260. A bill to provide the Small Business Administration continuing authority to administer a program for small innovative firms; with an amendment (Rept. 99-646, Pt. III). Ordered to be printed. (Submitted Aug. 1, 1986.)

Mr. DINGELL: Committee on Energy and Commerce. H.R. 4260. A bill to provide the Small Business Administration continuing authority to administer a program for small innovative firms; with an amendment (Rept. 99-646, Pt. IV). Orded to be printed.

Mr. HAWKINS: Committee on Education and Labor. H.R. 1156. A bill to coordinate and expand services for the prevention, identification, treatment, and follow-up care of alcohol and drug abuse among Indian youth, and for other purposes; with an amendment (Rept. 99-733, Pt. I). Ordered to be printed.

Mr. MONTGOMERY: Committee on Veterans' Affairs. Report of the Committee on Veterans' Affairs pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. 99-734). Referred to the Committee of the Whole House on the State of the Union.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 5047. A bill to amend title 38, United States Code, to eliminate gender-based language distinctions in title 38, United States Code, and to make technical corrections in that title; without amendment (Rept. 99-735). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON A REPORTED BILL SEQUENTIALLY REFERRED

Under Clause 5 of Rule X the following action was taken by the Speaker:

H.R. 4260. Referred to Committee of the Whole House on the State of the Union. The Committees on Armed Services, Foreign Affairs, and Veterans' Affairs discharged from further consideration of H.R. 4260.

H.R. 4333. Discharged from the Union Calendar; referred to the Committee on Appropriations for a period not to exceed fifteen legislative days with instructions to report back to the House as provided in section 401(b) of Public Law 93-344.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RODINO:

H.R. 5316. A bill to amend title 28 of the United States Code to provide for the appointment of additional bankruptcy judges, to provide for the appointment of U.S. trustees to serve in bankruptcy cases in judicial districts throughout the United States, to make certain changes with respect to the role of U.S. trustees in such cases, and for other purposes; to the Committee on the Judiciary.

By Mr. ALEXANDER:

H.R. 5317. A bill to amend the Consolidated Farm and Rural Development Act to direct the Secretary of Agriculture to transfer sufficient funds from amounts authorized for guaranteed loans to amounts authorized for insured loans to meet the continuing need for such insured loans; to the Committee on Agriculture.

By Mr. ARCHER (for himself, Mr. ARMEY, Mr. BARTLETT, Mr. BARTON of Texas, Mr. BOULTER, Mr. CHAPPIE, Mr. CHENEY, Mr. COMBEST, Mr. CRANE, Mr. DANNEMEYER, Mr. DELAY, Mr. DORNAN of California, Mr. DIO-GUARDI, Mr. DREIER of California, Mr. EDWARDS of Oklahoma, Mr. FIELDS, Mr. GINGRICH, Mr. HUNTER, Mr. LAGOMARSINO, Mr. LEWIS of California, Mr. LOEFFLER, Mr. LOTT, Mr. LUNGREN, Mr. NIELSON of Utah, Mr. PACKARD, Mr. ROBERTS, Mr. SKEEN, Mr. SHUMWAY, Mr. SWEENEY, Mr. THOMAS of California, Mrs. VUCANOVICH, Mr. YOUNG of Alaska, Mr. DUNCAN, and Mr. VANDER JAGT):

H.R. 5318. A bill to amend the Internal Revenue Code of 1954 to repeal the windfall profit tax; to the Committee on Ways and Means.

By Mrs. BENTLEY:

H.R. 5319. A bill entitled the "Federal Employees Optional Early Retirement Act of 1986"; to the Committee on Post Office and Civil Service.

By Mr. BONKER:

H.R. 5320. A bill to amend part B of title XVIII of the Social Security Act to provide for two additional voluntary insurance options for Medicare beneficiaries permitting coverage of certain gaps in Medicare coverage and covering selected outpatient prescription drugs for the treatment of chronic illness; jointly, to the Committees on Ways and Means, and Energy and Commerce.

By Mr. FUQUA (for himself, Mr. WALGREN, Mr. BROWN of California, Mr. BOEHLERT, Mr. RITTER, Mr. LUNDINE, Mr. MINETA, Mr. LEWIS of Florida, and Mr. WIRTH):

H.R. 5321. A bill to amend the Stevenson-Wydler Technology Innovation Act of 1980 to establish a National Quality Improvement Award, with the objective of encouraging American business and industrial enterprises to practice effective quality control in the provision of their goods and services; to the Committee on Science and Technology.

By Mr. GARCIA:

H.R. 5322. A bill to require national banks and federally chartered thrift institutions to provide advance notice of any proposal to close a branch of such bank or thrift institution to the Comptroller of the Currency or the Federal Home Loan Bank Board, as the case may be, and to customers of such branch, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 5323. A bill to amend the Lanham Act to limit the defense against trademark infringement relating to geographic origin; to the Committee on the Judiciary.

By Mr. GLICKMAN (for himself and Mr. HORTON):

H.R. 5324. A bill to amend the Airport and Airway Improvement Act of 1982 to require airports receiving grants to be in compliance with airport security requirements; to the Committee on Public Works and Transportation.

By Mr. GLICKMAN (for himself and Mr. LIGHTFOOT):

H.R. 5325. A bill to amend the Internal Revenue Code of 1954 to provide that the excise taxes providing revenues for the airport and airway trust fund shall not apply if the unobligated balance in such fund exceeds $1 billion; to the Committee on Ways and Means.

By Mr. MARLENEE:

H.R. 5326. A bill to eliminate certain customs user fees; to the Committee on Ways and Means.

By Ms. OAKAR (for herself, Mr. OBERSTAR, Mr. ANTHONY, Mr. MURTHA, Mr. BEVILL, Mr. GAYDOS, Mr. STOKES, Mr. FEIGHAN, Mr. FROST, Mr. BROOKS, Mr. MOLLOHAN, Mr. NOWAK, Mr. WALGREN, Mr. MARTINEZ, Mrs. BENTLEY, Mr. RICHARDSON, Mr. DIXON, Mr. TRAFICANT, Mr. FORD of Michigan, and Mr. REGULA):

H.R. 5327. A bill to allow certain steel companies to elect a 15-year carryback of 50 percent of investment tax credit carryforwards in existence as of the beginning of their first taxable year beginning after December 31, 1985; to the Committee on Ways and Means.

By Mr. OLIN:

H.R. 5328. A bill to modify the authority of the Small Business Administration to make disaster loans under section 7(b) of the Small Business Act by providing for a disaster loan program involving guaranteed loans made by private financial institutions; to the Committee on Small Business.

By Mr. SCHULZE:

H.R. 5329. A bill to deny most-favored-nation and preferential tariff treatment to the products of foreign countries that are sources of narcotic and psychotropic drugs and other controlled substances and do not cooperate with the United States in eliminating the production and distribution of those substances; to the Committee on Ways and Means.

By Mr. SPENCE:

H.R. 5330. A bill to require the Secretary of Agriculture to make surplus basic agricultural commodities available without charge to producers of the 1986 crop of such commodities in designated disaster areas; to the Committee on Agriculture.

By Mr. WILSON:

H.R. 5331. A bill to impose additional duties on oil country tubular goods; to the Committee on Ways and Means.

By Mr. YOUNG of Alaska:

H.R. 5332. A bill to amend the Alaska National Interest Lands Conservation Act of 1980 to clarify the conveyance and ownership of submerged lands of Alaska Natives, Native corporations and the State of Alaska; to the Committee on Interior and Insular Affairs.

By Mr. AuCOIN, (for himself, Mr. ST GERMAIN, Mr. GONZALEZ, Mr. BOLAND, Mr. GREEN, Mr. WYLIE, Mr. MCKINNEY, Mr. FOLEY, Mr. AKAKA, Mr. ANDERSON, Mr. ANNUNZIO, Mr. ANTHONY, Mr. APPLEGATE, Mr. BARNES, Mr. BARTLETT, Mr. BARTON of Texas, Mr. BATEMAN, Mr. BEDELL, Mr. BENNETT, Mrs. BENTLEY, Mr. BEVILL, Mr. BIAGGI, Mr. BLAZ, Mr. BLILEY, Mr. BONER of Tennessee, Mr. BONIOR of Michigan, Mr. BORSKI, Mrs. BOXER, Mr. BREAUX, Mr. BROOKS, Mr. BROOMFIELD, Mr. BROWN of California, Mr. BROWN of Colorado, Mr. BRYANT, Mr. BURTON of Indiana, Mrs. BURTON of California, Mr. BUSTAMANTE, Mr. CALLAHAN, Mr. CAMPBELL, Mr. CARNEY, Mr. CARPER, Mr. CHAPPELL, Mr. CHAPPIE, Mr. CLINGER, Mr. COATS, Mr. COBEY, Mr. COELHO, Mr. COLEMAN of Missouri, Mr. COLEMAN of Texas, Mrs. COLLINS, Mr. CONTE, Mr. CONYERS, Mr. COOPER, Mr. COUGHLIN, Mr. CROCKETT, Mr. DANIEL, Mr. DASCHLE, Mr. DAUB, Mr. DE LA GARZA, Mr. DERRICK, Mr. DICKS, Mr. DIOGUARDI, Mr. DIXON, Mr. DORNAN of California, Mr. DOWDY of Mississippi, Mr. DREIER of California, Mr. DWYER of New Jersey, Mr. DYSON, Mr. EMERSON, Mr. ENGLISH, Mr. FAUNTROY, Mr. FAZIO, Mr. FEIGHAN, Mr. FISH, Mr. FLIPPO, Mr. FLORIO, Mr. FOGLIETTA, Mr. FRANK, Mr. FRANKLIN, Mr. FRENZEL, Mr. FROST, Mr. FUQUA, Mr. FUSTER, Mr. GALLO, Mr. GARCIA, Mr. GEJDENSON, Mr. GILMAN, Mr. GORDON, Mr. GRAY of Illinois, Mr. GUARINI, Mr. RALPH M. HALL, Mr. HAMILTON, Mr. HARTNETT, Mr. HATCHER, Mr. HAYES, Mr. HEFNER, Mr. HENRY, Mr. HORTON, Mrs. HOLT, Mr. HOWARD, Mr. HOYER, Mr. HUBBARD, Mr. HUCKABY, Mr. HUGHES, Mr. JONES of North Carolina, Mr. KANJORSKI, Ms. KAPTUR, Mr. KEMP, Mrs. KENNELLY, Mr. KLECZKA, Mr. KOLBE, Mr. KOLTER, Mr. KOSTMAYER, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LATTA, Mr. LEHMAN of California, Mr. LENT, Mr. LEVIN of Michigan, Mr. LEVINE of California, Mr. LEWIS of California, Mr. LIGHTFOOT, Mrs. LLOYD, Mrs. LONG, Mr. LUKEN, Mr. LUNDINE, Mr. MCCAIN, Mr. MCCOLLUM, Mr. MCDADE, Mr. MCEWEN, Mr. MCHUGH, Mr. MCKERNAN, Mr. MCMILLAN, Mr. MACK, Mr. MACKAY, Mr. MANTON, Mr. MARKEY, Mr. MARTIN of New York, Mr. MARTINEZ, Mr. MATSUI, Mr. MAVROULES, Mr. MAZZOLI, Mr. MILLER of Washington, Mr. MINETA, Mr. MITCHELL, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MONSON, Mr. MONTGOMERY, Mr. MOORE, Mr. MOORHEAD, Mr. MORRISON of Connecticut, Mr. MRAZEK, Mr. MURPHY, Mr. NEAL, Mr. NELSON of Florida, Mr. NICHOLS, Mr. NIELSON of Utah, Ms. OAKAR, Mr. ORTIZ, Mr. OWENS, Mr. PACKARD, Mr. PANETTA, Mr. PARRIS, Mr. PEPPER, Mr. PERKINS, Mr. PRICE, Mr. QUILLEN, Mr. RAHALL, Mr. RICHARDSON, Mr. RINALDO, Mr. REID, Mr. RODINO, Mr. ROE, Mr. ROSE, Mr. ROTH, Mr. ROWLAND of Georgia, Mr. SABO, Mr. SAVAGE, Mr. SAXTON, Mr. SCHEUER, Mr. SCHUETTE, Mr. SCHUMER, Mr. SHAW, Mr. SHELBY, Mr. SHUMWAY, Mr. SKELTON, Mr. SMITH of Florida, Mr. SNYDER, Mr. SOLARZ, Mr. SOLOMON, Mr. SPRATT, Mr. STALLINGS, Mr. STOKES, Mr. STRANG, Mr. STUMP, Mr. SUNIA, Mr. SWINDALL, Mr. TALLON, Mr. THOMAS of Georgia, Mr. TORRES, Mr. TORRICELLI, Mr. TOWNS, Mr. TRAFICANT, Mr. TRAXLER, Mr. VALENTINE, Mr. VANDER JAGT, Mr. VENTO, Mrs. VUCANOVICH, Mr. WALGREN, Mr. WATKINS, Mr. WAXMAN, Mr. WEAVER, Mr. WEBER, Mr. WEISS, Mr. WHEAT, Mr. WHITLEY, Mr. WHITTEN, Mr. WILSON, Mr. WIRTH, Mr. WISE, Mr. WOLF, Mr. WOLPE, Mr. WORTLEY, Mr. WYDEN, Mr. YATRON, Mr. YOUNG of Alaska, Mr. YOUNG of Florida, and Mr. YOUNG of Missouri):

H.J. Res. 692. Joint resolution to designate the week of October 19, 1986, through October 26, 1986, "National Housing Week"; to the Committee on Post Office and Civil Service.

By Mr. GREEN (for himself and Mr. COELHO):

H.J. Res. 693. Joint resolution to designate the week beginning November 16, 1986, as "National Arts Week"; to the Committee on Post Office and Civil Service.

By Mr. SAXTON (for himself and Mr. SMITH of New Jersey):

H. Con. Res. 376. Concurrent resolution expressing the sense of the Congress with respect to reimbursement of Deborah Heart and Lung Center under the program known as the Civilian Health and Medical Program of the Uniformed Services; to the Committee on Armed Services.

By Mr. DORNAN of California:

H. Res. 524. Resolution welcoming Father Lawrence Jenco back to the United States after 18 months in captivity, encouraging those who assisted in securing his release to help in securing the release of the remaining hostages in Lebanon, and for other purposes; to the Committee on Foreign Affairs.

By Mr. DIOGUARDI:

H. Res. 525. Resolution calling upon the President of the United States to implement those recommendations developed by his Blue Ribbon Commission on Defense Management to enhance our national security, which do not require passage of legislation by the Congress; to the Committee on Armed Services.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 67: Mr. MCKINNEY.

H.R. 442: Mr. MCKINNEY.

H.R. 669: Mr. CHAPMAN, Mr. WALGREN, Mr. SMITH of Florida, Mr. FRANK, and Mr. SCHUETTE.

H.R. 1136: Mr. MOAKLEY and Mr. LEWIS of Florida.

H.R. 1213: Mr. MATSUI, Mr. MINETA, Mr. TORRICELLI, and Mr. HUNTER.

H.R. 1375: Mr. DYSON.

H.R. 2663: Mr. WHITTAKER, Mrs. JOHNSON, Mr. LELAND, Mr. YOUNG of Alaska, Mr. SOLARZ, and Mrs. MEYERS of Kansas.

H.R. 3842: Mr. LELAND.

H.R. 4142: Mr. SPRATT, Mr. RICHARDSON, Mr. WOLPE, Mr. CRAIG, Mr. RAY, Mr. PERKINS, Mr. BOSCO, Mr. BARTON of Texas, Mr. WRIGHT, Mrs. ROUKEMA, Mr. MARTIN of New York, Mr. ROBERT F. SMITH, Mrs. JOHNSON, Mr. FEIGHAN, Mr. BARTLETT, Mr. MARLENEE, Mr. MCDADE, Mr. FRENZEL, Mr. VOLKMER, Mr. BUSTAMENTE, Mr. DAVIS, Mr. GIBBONS, Mr. SAVAGE, Mr. HEFNER, Mr. ROE, Mr. SUNIA, Mr. DYSON, Mr. BILIRAKIS, Mr. MONSON, Mr. WHITLEY, Mrs. MARTIN of Illinois, Mr. CHAPMAN, Mr. BORKSI, and Mr. ROSE.

H.R. 4183: Mr. LUJAN, Mr. LEVINE of California, Mr. LIPINSKI, Mr. BEREUTER, Mr. MOODY, Mr. CHAPMAN, Mr. NICHOLS, Mr. HILLIS, Mr. ROBINSON, Mr. LUNDINE, Mr. GINGRICH, Mr. DYSON, Mr. WALKER, and Mr. HAMMERSCHMIDT.

H.R. 4197: Mr. ACKERMAN.

H.R. 4671: Mr. BORSKI.

H.R. 4698: Mr. WOLPE and Mr. OWENS.

H.R. 4901: Mr. ST GERMAIN, Mr. FAZIO, Mr. MITCHELL, Mr. LEHMAN of Florida, Mr. BIAGGI, Mr. CROCKETT, Ms. KAPTUR, Mr. GARCIA, Mr. TORRICELLI, and Mr. MARTINEZ.

H.R. 4902: Mr. ST GERMAIN, Mr. FAZIO, Mr. MITCHELL, Mr. LEHMAN of Florida, Mr. BIAGGI, Mr. CROCKETT, Ms. KAPTUR, Mr. GARCIA, Mr. TORRICELLI, and Mr. MARTINEZ.

H.R. 4903: Mr. ST GERMAIN, Mr. FAZIO, Mr. MITCHELL, Mr. LEHMAN of Florida, Mr. BIAGGI, Mr. CROCKETT, Ms. KAPTUR, Mr. GARCIA, Mr. TORRICELLI, and Mr. MARTINEZ.

H.R. 4904: Mr. FAZIO, Mr. SOLOMON, Mr. MITCHELL, Mr. LEHMAN of Florida, Mr. BIAGGI, Mr. CROCKETT, Ms. KAPTUR, Mr. GARCIA, and Mr. TORRICELLI.

H.R. 4934: Mr. EDGAR, Mr. STUDDS, Mr. RICHARDSON, Mr. APPLEGATE, Mr. GIBBONS, Mr. SWIFT, Mr. PANETTA, Mr. GALLO, Mr. WEBER, Mr. STAGGERS, Mr. SAXTON, Mr. CHAPPIE, Mr. BOEHLERT, Mr. SKEEN, Mr. RAHALL, Mr. MOLLOHAN, Mr. REID, Mr. LEVINE of California, Mr. MARTIN of New York, Mr. FRANKLIN, Mr. MONTGOMERY, Mr. HUTTO, and Mr. GUNDERSON.

H.R. 4945: Mr. DAVIS.

H.R. 5047: Mr. EDWARDS of California, Mr. WYLIE, Mr. EDGAR, Mr. HILLIS, Mr. APPLEGATE, Mr. SOLOMON, Mr. SHELBY, Mr. MCEWEN, Mr. MICA, Mr. SMITH of New Jersey, Mr. DASCHLE, Mr. BURTON of Indiana, Mr. DOWDY of Mississippi, Mr. SUNDQUIST, Mr. EVANS of Illinois, Mr. BILIRAKIS, Ms. KAPTUR, Mrs. JOHNSON, Mr. PENNY, Mr. MOLINARI, Mr. STAGGERS, Mr. RIDGE, Mr. ROWLAND of Georgia, Mr. HENDON, Mr. BRYANT, Mr. ROWLAND of Connecticut, Mr. FLORIO, Mr. GRAY of Illinois, Mr. KANJORSKI, Mr. ROBINSON, and Mr. MCCLOSKEY.

H.R. 5064: Mr. FAUNTROY.

H.R. 5065: Mr. FAUNTROY.

H.R. 5067: Mr. WORTLEY, Mr. BOEHLERT, Mr. HENRY, Mr. MARTINEZ, Mr. MITCHELL, Mr. CROCKETT, Mr. MRAZEK, and Ms. KAPTUR.

H.R. 5080: Mr. ACKERMAN.

H.R. 5213: Mr. SIKORSKI, and Mrs. BYRON.

H.R. 5276: Mr. MARTIN of New York.

H.R. 5288: Mrs. BYRON and Mr. WATKINS.

H.J. Res. 127: Mr. MANTON and Mr. MONSON.

H.J. Res. 379: Mr. YOUNG of Missouri, Mr. DE LUGO, Mr. LIPINSKI, and Mr. MACK.

H.J. Res. 512: Mr. BIAGGI, Mr. STRANG, Mr. SAXTON, Mr. KOLTER, Mr. LIVINGSTON, Mr. WEBER, Mr. MCDADE, Mr. SNYDER, Mr. BEVILL, Mr. FROST, Mr. GRAY of Pennsylvania, Mr. RALPH M. HALL, Mr. HEFNER, Ms. KAPTUR, Mr. LOWRY of Washington, Mr. LUKEN, Mr. PERKINS, Mr. RODINO, Mr. BONIOR of Michigan, Mr. BOSCO, Mr.

CARPER, Mr. GEKAS, Mr. DOWDY of Mississippi, Mr. DARDEN, Mr. FEIGHAN, Mr. DE LA GARZA, Mr. WALDON, and Mr. BLAZ.

H.J. Res. 594: Mr. REID.

H.J. Res. 631: Mr. SHAW, Mr. HAYES, Mrs. BENTLEY, Mr. MACK, Mr. MILLER of Washington, Mr. WOLF, Mr. NEAL, Mr. TORRICELLI, Mr. SMITH of Florida, Mr. FASCELL, Mr. HAMILTON, Mr. GIBBONS, Mr. BEILENSON, Mr. DYMALLY, Mr. FAZIO, Mr. EVANS of Illinois, Mr. BEVILL, Mr. FLORIO, Mr. MRAZEK, Mrs. JOHNSON, Mr. LIPINSKI, Mr. VANDER JAGT, Mr. MITCHELL, Mrs. BOXER, Mr. OLIN, Mrs. LLOYD, and Mr. DARDEN.

H.J. Res. 654: Mr. KOLBE, Ms. OAKAR, Mrs. BENTLEY, and Mr. SEIBERLING.

H.J. Res. 655: Mr. ACKERMAN, Mr. BONER of Tennessee, Mr. CALLAHAN, Mr. CHAPPIE, Mr. COATS, Mr. DYMALLY, Mr. GILMAN, Mr. HUGHES, Mr. KOSTMAYER, Mr. LANTOS, Mr. LELAND, Mr. LUNDINE, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MONTGOMERY, Mr. PURSELL, Mr. ROEMER, Mr. TRAXLER, Mr. WAXMAN, and Mr. YOUNG of Florida.

H. Con. Res. 129: Mr. SCHEUER, Mr. MACK, Mr. YOUNG of Alaska, and Mr. ERDREICH.

H. Res. 492: Mr. DELAY, Mr. EDWARDS of Oklahoma, and Mr. PACKARD.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 4300: Mr. HUGHES.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4428

By Mr. McKINNEY:

[18]—At the end of title X of division A (page 239, after line 5), add the following new section:

SEC. 1033. FUNDING OF COAST GUARD DRUG-INTERDICTION PERSONNEL.

Of the funds appropriated for operation and maintenance for the Navy for fiscal year 1987, the sum of $15,000,000 shall be transferred to the Secretary of Transportation and shall be available only for members of the Coast Guard assigned to duty as provided in section 1421(a) of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 750).

By Mr. OBERSTAR:

[19]—At the end of title IX of division A (page 214, after line 18), add the following new section:

SEC. 925. SUBCONTRACTOR INFORMATION TO BE PROVIDED TO PROCUREMENT OUTREACH CENTERS.

(a) CONTRACTORS TO FURNISH INFORMATION.—(1) Chapter 142 of title 10, United States Code, is amended—

(A) by redesignating section 2416 as section 2417; and

(B) by inserting after section 2415 the following new section:

"§ 2416. Subcontractor information

"(a) The Secretary of Defense shall require that any defense contractor in any year shall provide to an eligible entity with which the Secretary has entered into a cooperative agreement under this chapter, on the request of such entity, the information specified in subsection (b).

"(b) Information to be provided under subsection (a) is a listing of the name of each appropriate employee of the contractor who has responsibilities with respect to entering into contracts on behalf of such contractor that constitute subcontracts of contracts being performed by such contractor, together with the business address and telephone number and area of responsibility of each such employee.

"(c) A defense contractor need not provide information under this section to a particular eligible entity more frequently than once a year.

"(d) In this section, the term 'defense contractor', for any year, means a person awarded a contract with the Department of Defense in that year for an amount in excess of $100,000.".

(2) The table of sections at the beginning of such chapter is amended by striking out the item relating to section 2416 and inserting in lieu thereof the following new items:

"2416. Subcontractor information.
"2417. Regulation.".

(b) EFFECTIVE DATE.—Section 2416 of title 10, United States Code, as added by subsection (a), shall take effect on January 1, 1987.

H.R. 5081

By Mr. LEACH of Iowa:

—Page 5, line 1, strike out "$250,000,000" and insert in lieu thereof "$200,000,000".

—Page 5, line 3, strike out "on a grant basis for budget support".

—Page 5, beginning in line 1, strike out "$250,000,000 to be paid before October 1, 1986, to the Government of the Philippines on a grant basis for budget support," and insert in lieu thereof "$200,000,000 to be paid to the Government of the Philippines before October 1, 1986,"; and page 6, after line 16, add the following:

SEC. 107. EARMARKING ASSISTANCE FOR THE PHILIPPINES FOR FISCAL YEAR 1987.

Of the aggregate amounts made available for the fiscal year 1987 for assistance under chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance), under chapter 4 of part II of that Act (relating to the economic support fund), or under the Arms Export Control Act (relating to foreign military sales financing), not less than $180,000,000 shall be available only for the Philippines.

—Page 6, after line 16, add the following:

SEC. 107. EARMARKING ASSISTANCE FOR THE PHILIPPINES FOR FISCAL YEAR 1987.

Of the aggregate amounts made available for the fiscal year 1987 for assistance under chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance), under chapter 4 of part II of that Act (relating to the economic support fund), or under the Arms Export Control Act (relating to foreign military sales financing), not less than $180,000,000 shall be available only for the Philippines.

By Mr. SOLOMON:

—Strike out paragraph (1) of section 102 of the committee amendment and insert in lieu thereof the following:

(1) ECONOMIC SUPPORT FUND.—Assistance under chapter 4 of part II of the Foreign Assistance Act of 1961, $100,000,000.

H.R. 5294

By Mr. BENNETT:

—Strike out section 521 (page 46, lines 3 through 6).

—Strike out section 522 (page 46, lines 7 through 13).

By Mr. CONTE:

—On page 46, strike lines 7 through 13, and insert in lieu thereof:

SEC. . The Administrator of General Services is directed to use any proceeds from the sale of silver as provided in Section 521 of this Act to purchase materials required to meet the goals of the National Defense Stockpile, and such proceeds may not be used for any purpose except for the purchase of materials in short supply in the National Defense Stockpile.

By Mr. FRENZEL:

—On page 22, on line 12, strike the figure "$12,000", and insert in lieu thereof the figure "$11,800".

—On page 59, after line 11, insert the following new section:

"SEC. 623. Notwithstanding any other provision of this Act, each amount, except amounts for the U.S. Customs Service, appropriated or otherwise made available by this Act not required to be appropriated or otherwise made available by previously enacted law is hereby reduced by 3.5 percent."

—On page 59, after Line 11, insert the following new section:

"SEC. 623. Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act not required to be appropriated or otherwise made available by previously enacted law is hereby reduced by 8.94 percent."

(Amendment in the nature of a substitute to the amendment submitted by Mr. MORRISON of Connecticut)

—On page 59, after Line 11, insert the following new section:

"SEC. 623. Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act not required to be appropriated or otherwise made available by previously enacted law is hereby reduced by 8.94 percent."

—On page 59, after Line 11, insert the following new section:

"SEC. 623. Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act not required to be appropriated or otherwise made available by previously enacted law is hereby reduced by 9.76 percent."

By Mr. HUNTER:

—In Title I, On Page 5, Line 16, strike "$793,000,000" and insert in lieu thereof "$807,000,000".

—Before the period on page 15, line 2, add the following new proviso:

": *Provided further*, that none of the funds made available to the Postal Service by this Act may be used to support third class or reduced rates of postage for any organization defined in 39 United States Code 3626(e).".

By Mr. MORRISON of Connecticut:

(Amendment in the nature of a substitute to the amendment offered by Mr. FRENZEL)

—At the end of Title VI, insert the following new section:

"SEC. 623. Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act, except for those amounts appropriated or otherwise made available for the United States Customs Service and the Internal Revenue Service, and which is not required to be appropriated or otherwise made avail-

able by previously enacted law, is hereby reduced by 9.76 percent."

—

—At the end of Title VI, insert the following new section:

"SEC. 623. Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act, except for those amounts appropriated or otherwise made available for the United States Customs Service and the Internal Revenue Service, and which is not required to be appropriated or otherwise made available by previously enacted law, is hereby reduced by 9.76 percent."

SENATE—*Friday, August 1, 1986*

(Legislative day of Monday, July 28, 1986)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Gracious God of peace and love, approaching recess or adjournment seem always to be a time of increased aggravation, provoking battles, partisan and personal. Save us Lord from a disagreeable, divisive spirit. Spare us from victories in which nobody wins and defeats in which everybody loses. Quiet hearts—cool minds—strengthen the corporate will against fragmentation—dissolve frustration. Cause Your peace to descend upon each of us and all of us. Infuse us with the healing power of love and by Your grace, guide the Senate through these tempestuous days to a high hour of unity and achievement. In the name of the Prince of Peace we pray. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able and distinguished majority leader, Senator ROBERT DOLE, of Kansas, is recognized.

Mr. DOLE. Mr. President, I thank the distinguished President pro tempore, the Presiding Officer, Senator THURMOND, of South Carolina.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, we just recessed. So, after the recognition of the two leaders, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(Mr. HECHT assumed the chair.)

SCHEDULE

Mr. DOLE. Mr. President, following morning business, the Senate will resume the debt limit. Pending is the Sasser amendment, No. 2250. Votes can be expected throughout the day's session.

I understand there are a number of amendments, including one from the Senator from New Jersey that Senator SASSER has agreed to be brought up first. It is one that we are going to accept. There may be others in that category. So I hope we could move some of those amendments.

It would seem to me that the list I had contained about 20 amendments and I think a couple of those have been resolved. In visiting with the manager on this side, Senator HEINZ, I understand that maybe as many as 10 of the others can be done very quickly. So I guess what I am leading up to is that we intend to finish this today, with the possible exception of potential amendments on South Africa and so-called Contra aid.

What I would hope to do—what I would like to do, put it that way—would be to advance this debt limit extension to third reading, with the exception that it would be in order to offer amendments on South Africa and Contra aid if we can work out some agreement—we have had a meeting on that—and that we would bring the debt ceiling extension back to the Senate floor at some specific time so that we would not preclude those who have amendments on South Africa or Contra aid. In other words, we would not take them up until the last day we are in and say, "Now we are back on the debt limit."

I would also say this: I know there are a number of ways it can be done. There are a number of amendments on the debt limit extension. I know the Gramm-Rudman amendment is going to be very controversial in the House and I am certain many of the others will never see the light of day if it follows the pattern of past amendments to the debt ceiling. So I would guess the conferees will need as much time as possible to work out all the differences.

Failing that, I assume we could have a temporary debt extension for 30 days until we come back, because we are advised by Treasury that as of September 2—and I have not checked with the Secretary of the Treasury for a week or so—but September 2 was sort of the magic date when Treasury felt it would be unable to meet the Government's obligations without a debt ceiling extension.

In any event, I think we made good progress yesterday afternoon; not quite as much in the evening. But, hopefully, we can continue working on the bill. And Members who would like to complete action early perhaps could keep that in mind when they are making their speeches.

In addition, we hope to lay down the DOD authorization bill later today. I am advised by Senators NUNN and GOLDWATER that they are optimistic about being able to complete action on that bill by next Wednesday evening.

Mr. MELCHER. Mr. President, will the Senate majority leader yield?

Mr. DOLE. I am happy to yield.

Mr. MELCHER. I thank the majority leader for yielding.

There are two points I would like to raise, if he does not mind. First of all, when you speak about bringing out the proposition on Contra aid, does the majority leader contemplate that, when that is presented, it will be presented to us as it passed the House?

Mr. DOLE. I would have to defer to others who have looked at that. It is my understanding that probably is the case. But I am not certain of that.

Mr. MELCHER. Well, I would like to point out that, as the Contra aid bill passed the House, it not only had the issue of whether or not to provide the $100 million for the Contras in Nicaragua, it also carried with it the baggage of transferring $300 million, some of which could have been famine relief funds and Public Law 480 or Food For Peace funds for four other countries, economic aid in Central America. I want to be consulted and notified if that proposal is going to be brought to the floor before any agreement.

Mr. DOLE. I share the Senator's concern. I am advised by the distinguished Senator from Georgia, Senator MATTINGLY, the chairman of that subcommittee, that that problem has been taken care of. I am happy to yield to the Senator from Georgia for clarification.

Mr. MATTINGLY. That is correct. We added a separate title to the military construction bill to really take care of the "Dear Colleague" letter that you sent out. So that will not be a factor when that bill is brought to the floor. There is a copy of it probably in today's RECORD, so I will get it for the Senator.

Mr. MELCHER. I thank the majority leader and I thank my friend from Georgia.

My second point is, and I address it to the majority leader, last night at the conclusion of the debate on the drought relief for Southern States, there were some statements made as to the intent of the language of the

amendment. The junior Senator from Rhode Island, for instance, said that it perhaps went too far and had in the language of the amendment some unknown factors.

In addition, the junior Senator from New Hampshire stated what was not correct as it was interpreted by the sponsors of the amendment, the two Senators from Tennessee. I would like to state this to the majority leader: that, indeed, the intent of the amendment as was described by the Senators from Tennessee certainly meshed and was incorporated in the language of the amendment.

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I hope that the majority leader has had a chance to corroborate this because I think we left last night or early this morning with a great deal of confusion as a result of those statements made by the two Senators, the one from Rhode Island, the junior Senator from Rhode Island, and the senior Senator from New Hampshire as to what we were actually voting on.

I tracked the statements of the intent of the authors with the language itself and with the basic law that is in our agricultural sections of the code. Indeed, they were not misrepresenting the language.

Can the majority leader assure me that he also agrees with that?

Mr. DOLE. I am going to have to get off my statement here. But what I have done is to have my staff take a look at the amendment. I have not seen their analysis. Certainly the intent of the Senator from Tennessee and the other cosponsors was to do precisely what they said they were going to do. I do not have any quarrel with that. I did not get involved in the debate. It seems to me we have a problem that should be addressed. But there were questions I raised—and I think legitimate questions—which I hope we can resolve this morning. We want to get on with the amendment, and go on to something else.

Mr. MELCHER. I thank the majority leader for that.

Is the majority leader going to be in a position before we act on the amendment to corroborate that it does indeed track with the basic law?

Mr. DOLE. I hope so. That is what we are trying to do now.

Mr. MELCHER. I thank the majority leader.

Mr. DOLE. Mr. President, I will summarize my statement very quickly.

Mr. BYRD addressed the Chair.

Mr. DOLE. I am happy to yield.

Mr. BYRD. I do not want to interrupt the distinguished majority leader if he is intending to go to a statement with respect to the program. But if he is going into a different subject, I would like a moment.

The distinguished majority leader has made reference to the amendment on South Africa or a freestanding resolution.

Mr. DOLE. That is correct.

Mr. BYRD. The Foreign Relations Committee on yesterday did not get consent to meet during the business session of the Senate. That request was cleared on this side. Under the rule the distinguished majority leader and the minority leader can agree to give that committee and most other committees consent to meet. Therefore, a request of the committee does not require the consent of the Senate, it only requires the mutual consent of the two leaders.

In order to expedite action by the Foreign Relations Committee on that matter—the South Africa matter—I am prepared to join with the majority leader in giving consent to that committee to meet. I hope the Senate committee would not meet for just a couple of hours today and break up without acting on this important legislation.

So I ask the distinguished majority leader, Is he prepared to join with me in giving consent to that committee to meet today?

Mr. DOLE. I would say my understanding is that this has only been done very infrequently. The last time was in 1977. We do not just casually override the wishes of our colleagues—on either side. I think it can be resolved without giving consent. I discussed the matter with the Senator who, I believe, raised an objection, and who also had an objection on that side of the aisle to the Agriculture Committee meeting.

I think we can work this out, if he will not object to the Foreign Relations Committee. I would add the committee started their session this morning at 8 o'clock.

I visited briefly with the chairman about 1 a.m. He thought they could complete action by noon. But, if not, and if everything else fails, I believe I would be prepared to give consent for the committee to continue meeting. I want to check one more time.

I would like to avoid doing that if at all possible. The minority leader wants the Foreign Relations Committee to complete its work, and I understand the Senate Agriculture Committee would like to complete its work on what we know as FIFRA, the Federal Insecticide, Fungicide, and Rodenticide Act.

Mr. BYRD. Mr. President, would the distinguished majority leader yield further?

Mr. DOLE. Mr. President, I yield to the distinguished Senator 2 minutes from my time because I think he is entitled to some additional time.

Mr. BYRD. But I think this ought to be made clear, if the distingushed majority leader will yield on his time 2 minutes from my time given. The majority leader refers to this as a casual overriding of our colleagues' feelings or whatever it may be. Mr. President, this is the Senate rule that I am talking about. This is allowed. While we may not have done it often, and we have not, and I do not think that we should do it often, I do not want to be put in the position of giving consent that a committee meet if there are a lot of objections to us doing so.

But I had something to do with writing this into the rule. It is a rule. And the majority leader and the minority leader can mutually give consent to that committee and most other committees.

If the distinguished majority leader as a quid pro quo wishes to give the Agriculture Committee consent to meet today, I am willing to do that. I am willing to join with the distinguished majority leader in getting that to be in order to get this South Africa legislation out of the Foreign Relations Committee.

So I want to make it clear that as far as this side is concerned I am ready to give consent to the Foreign Relations Committee. It does not have to have the unanimous consent of the Senate if the distinguished majority leader will join with me.

I thank the majority leader.

Mr. DOLE. I thank the minority leader.

LOWER INTEREST RATES

Mr. DOLE. Last week Paul Volcker, Chairman of the Federal Reserve, testified to the Senate Banking Committee on the state of the economy, and the course of monetary policy. Earlier this week the Fed Chairman made a similar appearance before our colleagues in the House.

Much of what Chairman Volcker had to say is very welcome to this Senator; some points I would differ with, or give a different emphasis. Today, it may be appropriate to highlight the differences, although it should be clear that, as is usually the case, by and large, I am strongly in agreement with Paul Volcker. I also want to note that on Tuesday my good friend and distinguished colleague, PETE DOMENICI, spoke eloquently and forcefully about the need for a lower interest rate environment for the world economy. I agree, and that is the theme I want to stress this morning.

THE QUESTION OF STRATEGY

Chairman Volcker in his testimony said some very sensible things about the relationship between economic growth here in the United States, interest rates, and the trade deficit. Clearly Mr. Volcker agrees with me that lower interest rates are desirable. At the same time, he left no doubt that he is reluctant to take the lead toward lower interest rates at this time. The Chairman would rather

wait, see how things go, and move only when he is convinced there is no risk of excessive dollar depreciation that could lead to inflation.

Well, life is full of risks. If we agree that lower interest rates are good all around for the world economy, we should also be able to agree that someone needs to take the lead on this issue. Where Government action is involved, good things seldom happen on their own. The Fed demonstrated economic and political leadership a few weeks ago in lowering the discount rate by half a point. I hope and trust that Chairman Volcker has no intention of laying aside that leadership role.

In my view, there are sound strategic reasons for exercising leadership on the question of interest rates. Lower interest rates can help boost the volume of world trade, and dampen the fires of protectionism: The very concerns Chairman Volcker cites in cautioning against demand stimulus in the United States. They do so by reducing debt costs for Third World countries that are markets for U.S. exports; by moderating the dollar and making our exports more competitive; and by putting the pressure on our trading partners to take advantage of the great potential for stable growth in their economies—a potential that will slip away from all of us unless we act in a responsible and reasonably coordinated way.

APPROPRIATE CAUTIONS

I do urge that we exercise economic leadership, but I would never suggest we do so blindly. If we want lower interest rates, there are things we must do to make lower rates work, and to make them sustainable without inflation. On the top of the list, in my view, are reducing the U.S. budget deficit, and resisting any measures that would close off world markets as we seek to promote U.S. exports more effectively overseas. As Chairman Volcker told our Banking Committee:

> Taken by itself, depreciation of our currency in an effort to reduce the trade deficit poses a risk of renewed inflation.

That is not a risk I want to take: As the dollar moderates, so should the level of debt in the United States, and the pace of creation of that debt.

□ 1020

Fortunately, we are making some progress—and I would say only some progress—on that front. While our budget deficit has not been reduced nearly as much as I would like, it is coming down—by public demand, and under pressure from the Gramm-Rudman-Hollings limits. At the same time, we have so far resisted pressure to slide down the protectionist slope. We will bargain hard to open markets, but we are not going to slam any doors shut. If we can hold the line, or even make progress, on each of these fronts, then a low interest rate world offers great promise indeed. What we need is a determined effort to lead our friends and competitors in the world economy to the same conclusion.

FULFILLING THE PROMISE

The Reagan administration took office pledging to end the era of "stagflation," high taxes, and big Government. Much of that promise has been realized, a tribute to the exceptional leadership of a great President. But in the international economic arena—the arena we are in, and where we must stay—many risks still lie ahead.

Back in 1983, I had the privilege of addressing the United Nations Association of the United States. Some of the remarks I made at that time seem more relevant than ever today. If I may be permitted to quote:

> Foreign exchange markets are unruly because governments are unruly. In the real and imperfect world, there is no agreement on coordination of fundamental economic goals and how to reach them. Exchange rates simply reflect those basic differences.

I went on to suggest that:

> The time has also come for us to begin laying the groundwork for better ordering international economic relations. Not through massive government intervention of restrictions on market behavior—but through communication, consultation, and a real effort to build a consensus on shared economic goals * * * the alternatives, various forms of the economic straitjacket, are policies of the past.

That consensus I urged in 1983 still eludes us. We can advance the cause of that "better ordering" of economic relations among the nations of the world by leading the way to a lower interest rate environment—by reducing our own borrowing needs as a nation—and by encouraging, by example and by strong advocacy, the kinds of productivity enhancing tax and regulatory reform that are under way in the United States. We just cannot afford to sit this one out.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The minority leader is recognized.

Mr. BYRD. Mr. President, before the distinguished majority leader leaves the floor, I ask unanimous consent that my remaining 8 minutes be reserved for a later time, and I ask unanimous consent that the time of the majority leader under the standing order may be extended by 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PAC LEGISLATION

Mr. BYRD. Mr. President, I take this time because I see the distinguished Senator from Oklahoma [Mr. BOREN] on the floor. The distinguished majority leader, on yesterday, stated again his intention to bring up the Boren PAC legislation. That is the campaign financing reform legislation. I am a cosponsor of that legislation and I am very interested in seeing it brought up.

The distinguished majority leader has indicated that he intends to bring that legislation up on the 11th of August and complete it on the 12th.

Mr. BOREN had a meeting on yesterday of several supporters of the legislation. He is now here on the floor and I understand he wants to be certain that he should continue to make plans with the cosponsors thereof. I would like to join him in that plan for action on that legislation on the 11th of August.

May I ask the distinguished majority leader if that is a reasonable expectation and is that still the intention of the majority leader?

Mr. DOLE. Mr. President, I would say that it is still my intention, but I would also say that it depends on what happens to the debt limit ceiling, South Africa, aid to the freedom fighters, and a lot of other things that are piling up. I certainly intend to keep my word to the distinguished Senator from Oklahoma. It may mean staying here all day today and all day tomorrow to do it, but I am prepared to do it. It seems to me if we made that commitment, we ought to do it before the recess.

Mr. BOREN. Mr. President, I say to the distinguished majority leader, I appreciate the statement that has just been made. We did have a meeting of the cosponsors, since the distinguished majority leader had indicated to me that we would probably commence the debate and get a good portion of the debate out of the way actually on Monday, since plans were being made that it would be his intention to start on the 11th. We would plan to have our cosponsors here early enough in the day to commence the debate early in the day. I appreciate hearing that that is his intention.

Mr. DOLE. Let me just say to the Senator from Oklahoma, if we get something else jammed up in there that we cannot dispose of, it would pose some problems for the majority leader. I think we have to all understand if we are going to do all these things, and I certainly made this commitment and I will keep it, it is not going to be any bed of roses around this place the next couple of weeks. I would hope my colleagues would understand that all bets are off as far as no votes on Monday, votes after 6 o'clock on Monday, anytime in the next 2 weeks. Because we do want to do what the distinguished Senator from Oklahoma desires to do, as well as a number of other things: reconciliation, the Superfund conference, freedom fighter aid, South Africa, and finish the debt ceiling. And I know I have left out at least one or two items.

Mr. BOREN. Mr. President, I appreciate those comments. I know there are problems for the majority leader and the minority leader in arranging schedules, trying to move the Senate along.

I would point out that when we released the subject matter in S. 655, we did so with the knowledge that we would have a chance this year, early enough in the year, to have access so that we could complete action on campaign reform and the House could still act. I appreciate the majority leader's commitment to bring this up before the August 15 recess.

I will say that we will be ready to start on Monday. The cosponsors will be here and prepared to begin the debate.

I would like to request of the majority leader and the minority leader that they might give some consideration to working out some sort of a time agreement, or perhaps begin negotiations on that subject.

Under the parliamentary situation that we have, when S. 655 becomes the pending business, all time previously allocated to the subject of the debate has expired. Under the unanimous-consent request under which we were operating, previously entered into, there would not be time for debate.

I think it would certainly be the feeling of those on both sides of the issue that a certain minimum amount of time might be set aside, whether that be 5 hours or 10 hours equally divided, for debate on the amendment before we go to a vote, not going to a vote immediately without time for debate.

I would express the hope to my colleagues, the distinguished majority leader and the distinguished minority leader, that perhaps before we approach the 11th and begin debate on that day, or calling up the bill on that day, that the two of them would explore the possibility of at least allowing some time for debate on both sides before we go to a vote on that amendment. I would hope that could happen.

Mr. BYRD. Mr. President, I will do everything I can to assist the distinguished Senator from Oklahoma and the majority leader in attempting to work out something in this regard. This is important legislation. It would put limitations on the amounts of PAC contributions that a candidate could receive. It is long overdue. I very strongly support the legislation. I hope that everything can be done. I will do everything I can in regard to this matter.

Mr. BOREN. I thank the minority leader.

Mr. MATTINGLY. Mr. President, would the minority leader be willing to extend the morning hour when he has completed, to ask unanimous consent for an additional 5 or 7 minutes so I can make a statement?

Mr. BYRD. Yes, I would be happy to—morning business, not morning hour.

Mr. President, I ask unanimous consent that the period for the transaction of routine morning business—why not let the acting Republican leader make the request?

EXTENSION OF TIME FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. HEINZ. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business be extended to no later than 10:40 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, may I ask if that is all right with the distinguished senior Senator from Wisconsin?

Mr. HEINZ. Mr. President, I ask unanimous consent that morning business be extended to 10:45 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KASTEN. Mr. President, I shall not object, but a parliamentary inquiry: We are not in morning business now, are we? Are we not on leaders' time?

The PRESIDING OFFICER. We are conducting leadership time.

Mr. KASTEN. Mr. President, I do not know how much time has been formally allocated, but I would like some time during morning business for a speech of between 3 and 5 minutes. If the senior Senator from Wisconsin and the Senator from Georgia are the only two Senators speaking, then there would be enough time.

Mr. PROXMIRE. With the two Senators from Wisconsin and the Senator from Georgia, there are three of us.

Mr. HEINZ. Mr. President, the Senator from Pennsylvania advises that he does not anticipate there will be any difficulty with Senators who wish to speak as in morning business being able to do so.

RESERVATION OF MINORITY LEADER'S TIME

Mr. BYRD. Mr. President, in order to accommodate the convenience and the needs of my colleagues who were being kept waiting here by this rather extended colloquy during the majority leader's time—but I think the colloquy was necessary; I have no problem with that—I ask unanimous consent that I may reserve the time under my order. I ask unanimous consent to have the 2-minutes restored, that I have the full 10 minutes, that I have reserved that time for use later in the day for my special order.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, during which time Senators may speak for up to 5 minutes each.

WHY NOT AGREE TO CUT NUKE WEAPONS TESTS AND NUKE WEAPONS TOGETHER?

Mr. PROXMIRE. Mr. President, those of us who favor arms control have to grasp at straws and I would like to take a couple of minutes this morning to illustrate one straw we have to grasp at with the administration.

Mr. President, recently, the Reagan administration briefly floated a proposal to tie a superpower agreement to reduce nuclear weapons in with an agreement to reduce the number of nuclear weapons test explosions. This suggestion was reported to be included in a draft of a letter that might be sent by President Reagan to Secretary Gorbachev. The administration has apparently made no decision on whether the President will actually make such a proposal.

It appears that there is a division on this issue within the administration. On the same day, July 17, that this possible new arms control proposal was reported in the New York Times, Soviet Foreign Minister Eduard Shevardnadze said in London that a Reagan-Gorbachev summit meeting later this year would focus on negotiation of a total test ban treaty. American officials have denied this. They have insisted that the summit meeting will be concerned with verification of compliance with the present treaty limitations such as the 150-kiloton limit on underground tests.

Now, how about this proposed gradual movement toward some kind of new nuclear arms control agreement? Would a dual reduction of both the number of nuclear weapons on both sides and the number of underground tests, combined with more thorough verification procedures, represent a significant advance in arms control? The answer is easy. With the sad shape superpower arms control agreements are in these days, anything is better than nothing. Right now there is no significant and effective nuclear arms control agreement between the two superpowers. None: the nuclear arms race is only limited on both sides by budget limitations and a growing recognition that a superpower nuclear war would be so totally catastrophic for both sides that it won't be fought. It follows that if a nuclear war will never be fought, any additional increment of nuclear weapons is totally useless. And yet both superpowers are

plowing ahead, building up their nuclear arsenals.

If both sides really understand that a nuclear war can never be fought and that nuclear weapons for that reason are useless, why do we need an arms control agreement? The answer: the arms race could sweep both powers headlong toward an increasingly dangerous instability. Both superpowers solemnly promised in the Limited Test Ban Treaty of 1963 that was ratified by this body that they would both work to negotiate a comprehensive end to nuclear weapons tests. Such a treaty vigorously enforced, could stop the technological arms race because testing is quintessential to the development of new nuclear weapons. The Soviet Union has unilaterally stopped its testing for nearly a year. Secretary Gorbachev has declared this cessation of testing is a challenge to the United States to negotiate a mutual end to nuclear weapons testing. There has been no American response.

The Reagan administration has until now flatly refused to consider negotiating an end to U.S. nuclear weapons tests. Now we have the first gleam of light. The administration has not relented on their opposition to ending all nuclear weapons testing. They may, however, propose to negotiate a mutual partial reduction in the number of nuclear weapons tests conducted by both sides tied in with a mutual weapons reduction.

One suggestion has been that both sides reduce their nuclear arsenal and the number of tests by 30 percent. Would such an agreement represent a significant arms control advance? By itself—in this Senator's judgment—it would not. But as a process in moving toward an eventual end of both nuclear weapon production and nuclear weapons tests it has promise. It has special promise because it comes in the administration of this President. President Reagan—for all his virtues and merits—is, of all the Presidents who have served this country in the nuclear age, the most negative on arms control. If this President can agree to start the process of reducing both our nuclear weapons arsenal and the number of nuclear weapons tests that this country annually conducts, future Presidents should find it far easier to move to entirely stop the production and the testing that is essential to the development of newer, more devastating and dangerous nuclear weapons.

So far, this administration has made no progress on arms control. It has gutted every significant arms control agreement made by previous administrations. Now there seems to be at least an outside chance that arms control may be redeemed after all. That conclusion may be too optimistic based on the record of the past 5 years. But as I have said—it's sure better than nothing.

□ 1040

THE MYTH OF THE DAY

Mr. PROXMIRE. Mr. President, the myth of the day is that the economy is going to boom in 1987 and grow by 4.5 percent after adjusting for inflation. Administration officials are leaking that forecast before its official release in early August.

Anyone who believes that forecast will prove that P.T. Barnum was right: A sucker really is born every minute.

Look at the record. Since 1984, the economy has been sluggish, growing at a rate of about 2.5 percent a year. Administration optimists remain undaunted by this record. Every 6 months they peer into their crystal balls and predict a boom—6 months later. Dr. Doom has been replaced by Dr. Boom.

Yet another optimistic forecast would not be worthy of comment except for two factors: one economic and the other political. The economy's weak performance recently has been keenly disappointing. This was to be the year when falling oil prices and interest rates were finally going to pull the economy out of the doldrums. That has not happened and time is running out on this expansion. Most economists, including many who were confidently predicting a boom, have now recognized that the economy is badly out of balance and are adjusting their forecasts downward. But not the administration.

What about the politics of this situation? An optimistic economic forecast means that the administration can predict higher Government revenues. This, in turn, means that the administration and Congress will not have to cut spending as much to reach in theory the deficit targets established by Gramm-Rudman. This forecast of 4.5 percent real growth means that the administration can protect from cuts perhaps $4 to $5 billion in military spending. And congressional Republicans up for reelection will not have to defend cutting an equal sum from popular domestic programs. All happily begin their campaigns comforted by the fact that the public has been flimflammed again.

But these political benefits, so apparent in 1986, could backfire by 1988. If we do not meet the $144 billion deficit target in 1987, then we will have to cut even more to reach the $108 billion target in 1988. Sooner or later, the facts will overpower all the flimflams. The public will realize that deficits are not going down. The finger of blame will be pointing at the administration, which having heralded the passage of Gramm-Rudman, is now conspiring to pull its teeth.

Mr. President, when the public realizes that big deficits are a fact, and that the administration is winking at them, the Democrats will be able to shake the label as the party of big deficits. I can think of no better gift going into the election year of 1988.

I yield the floor.

TAX REFORM STAGGER—RECIPE FOR RECESSION

Mr. KASTEN. Mr. President, economic statistics released over the past few days are sending an important signal.

Real GNP rose only 1.1 percent in the second quarter of 1986.

The U.S. trade deficit increased by a huge 21 percent in the first 6 months of this year. And business capital spending fell at a 9-percent rate during the first two quarters of 1986.

The clear message—our current economic recovery is a fragile one. And clearly, we here in Congress should be working overtime to boost the economy, not undercut it.

Instead, we are perilously close to passing a tax reform bill that, while a boon for our economy in the long run, could be the force that pushes our economy into a recession in 1987.

The villain—one simple provision that insiders call the "6-month stagger."

The 6-month stagger in the tax reform bill would close tax loopholes effective January 1, 1987. Yet the offsetting tax rate reductions would not go into effect until July.

That means American taxpayers will experience a $23 billion tax increase next year. And what will that mean to our already sluggish economy?

Experience has shown how powerful the impact of anticipated tax policy changes can be. A recent survey by the chamber of commerce found that 42 percent of its business members have delayed or canceled investment plans because of the uncertainty surrounding the effective date of tax reform. It is no wonder that economic growth is down.

Back in 1981 Congress underestimated the importance of effective dates and decided to gradually phase-in the Reagan tax rate reductions. Taxpayers delayed investment decisions and deferred any income they could, waiting for tax rates to go down. The economy crept to a halt, fell into recession, and the paper savings that were to be realized from the phase-in transformed into triple-digit deficits.

Now we are about to make the same mistake again.

And the reason, once again, is revenue estimates. Congress still worships at the altar of static revenue estimates. This year, we are so devout we seem willing to offer up the health of our economy in sacrifice.

If you eliminate the stagger, it is argued, it will cost $29 billion. How would you pay for it?

Yet, according to a study run on the Washington University econometric model, eliminating the stagger would increase real economic activity by $31.7 billion over the next 3 years, create 900,000 additional jobs, and have no noticeable effect on inflation or interest rates.

Delaying the effective date, on the other hand, would slow the economy, reduce the tax base, decrease tax revenues, and increase outlays for social programs. Delay the effective date and the deficit will rise.

I believe that the revenue loss that might result from eliminating the stagger would be offset by the higher revenues that would follow from increased economic growth over the next 5 years.

In the real world, people adjust their behavior in response to incentives, not to the Joint Committee on Taxation's static revenue estimates.

Better to risk a short-term revenue shortfall coupled with robust economic growth than to suffer the consequences of imposing a major tax increase on what is now a very fragile economy.

Maintaining the 6-month stagger is a prescription for economic disaster. We must act to prevent an economic downturn and to provide jobs and growth in our economy.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1050

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE DISTRIBUTION OF THE BENEFITS OF TAX REFORM

Mr. MITCHELL. Mr. President, for 2 weeks, a conference committee of House and Senate Members has been meeting on the tax reform bill. The conference includes hundreds of matters of importance to individuals and businesses across the Nation.

But the central issue at stake is the appropriate distribution of tax burdens under the new system. I continue to think the conferees should give the highest priority to that matter.

The Senate bill should be changed to provide a fairer distribution of the benefits of tax reform to preserve the progressivity of the Federal tax system. Not only should middle-income taxpayers get more tax relief from this reform, but the wealthiest taxpayers should pay a fair share of the tax burden. I believe that will require a third tax bracket at a higher rate than the 27-percent level in the Senate bill.

When the conferees consider how to distribute the benefits of tax reform between income groups, they will be comparing the distribution of the tax burden under current law to the distribution under tax reform. That is an appropriate comparison, but it is an incomplete base from which to analyze the reform measure.

It is incomplete because it accepts the erosion of progressivity which has occurred in the Federal tax system over the last several years. The overall trend away from taxation based on ability to pay dates from about 1965. But the 1981 tax bill, which sharply cut rates for the rich while creating a host of new tax shelters opportunities, dramatically accelerated the shift of the tax burden to lower and middle-income taxpayers and away from wealthy taxpayers.

The nonpartisan Congressional Research Service has found that the 1981 tax bill increased the after-tax income of wealthy individuals five to six times more than it increased the after-tax incomes of middle-income taxpayers.

And since 1982, in response to the budget deficits caused by the 1981 tax and spending bills, the administration and Congress have relied to a greater extent on other taxes which are not related to the ability to pay, such as excise taxes and user fees. Combined with payroll tax increases and the rapid growth of tax shelters, this has caused a further shifting of the tax burden down the income scale.

This process has undermined public confidence in the Federal income tax system. People believe the system is unfair. And they are right.

Tax reform is an effort to correct a system where tax rates are too high and tax avoidance too common. That is the major source of public support for tax reform. And, in a budgetary climate where the Federal Government borrows a quarter for every dollar it spends, it is the only legitimate basis for the bill.

We should not, therefore, ratify the distortions of this system by perpetuating them in the reform bill. But if we give all the revenue we recapture by limiting tax shelter abuses back to the highest income group in the country, that is exactly what we will be doing.

Both the Senate and House tax bills give the $200,000-plus income group the largest increase in after-tax income. Yet, the argument persists that a tax reform bill with a top rate of 27 percent will not give disproportionate benefits to the wealthy because the average tax cut that would go to the highest income group is not greater than the average tax cut to other income groups.

While that is true, the averages do not accurately reveal the enormity of the tax cut that most of the rich will receive from a top rate of 27 percent. Indeed, the House bill gives the above $200,000 income group a larger average tax cut than is provided in the Senate bill. Nevertheless, the implications of the Senate bill are far more disturbing because the tax cuts for most high income taxpayers are much greater than in the House bill. The Senate bill does a far more effective job in limiting tax shelters and thus increasing the tax liabilities of those taxpayers who have most aggressively avoided taxes. That their taxes should go up is a logical and expected result of tax reform but it does not necessarily follow that the tax reduction for all other income taxpayers who have not avoided taxes in the past should consequently be greater.

Yet, that is the result of the essentially flat rate tax structure in the Senate bill. All of the additional revenue raised from the more stringent tax shelter limitations would be returned to the same income group that has made the most use of tax shelters over the last few years. As a result, more than half of the top income group—about 359,0900 taxpayers—will receive an average tax cut of $53,000 in 1988. That's $19 billion shared by 359,000 taxpayers.

The tax incentives that will be eliminated by tax reform were not designed to provide tax reduction to the wealthy. Instead, the resulting tax avoidance by high-income earners was an unintended side effect of congressional decisions to encourage investment in certain socially desirable areas. It follows, therefore, that the repeal of these provisions should not inure soley to the benefit of the high-income earners, but should be shared by all taxpayers.

Recent studies by the Congressional Joint Economic Committee on the changing economic status of American families are particularly relevant to this debate. Those studies show that American society is becoming increasing stratified by a growing concentration of wealth and income.

Last November the Joint Economic Committee released a study on "family income in America" which reveals the steady deterioration of real income—income adjusted for inflation—that middle-income families have experienced since 1973.

Despite an enormous increase in work effort by the entry of millions of married women and mothers to the full-time labor force, median household income has fallen in real terms by 6 percent. The income families with children has fallen almost twice as much.

Average weekly earnings have declined by a full 14.3 percent since 1973. Most Americans are working more and

earning less for their work today than they did 10 or 15 years ago.

The share of national income received by the middle 60 percent of Americans is at the lowest level since such statistics were first compiled in 1947. The poorest 20 percent of Americans have also seen a decline in their income to the lowest level since 1947. Meanwhile, the richest 20 percent claim a growing portion of national income.

The Joint Economic Committee released an even more startling study last week on "the concentration of wealth in the United States." That study shows that the richest Americans are claiming a larger share of the Nation's wealth than at any time since 1922. This trend toward greater concentration of wealth has been particularly dramatic over the last 10 years. Today, the richest one-half of 1 percent of all American families—about 420,000 families—now hold an incredible 35 percent of the Nation's wealth, up from 25 percent just 20 years ago. The richest 10 percent of the population hold 72 percent of the Nation's wealth. Meanwhile, the remaining 90 percent hold only 28 percent of the Nation's wealth.

This greater disparity in wealth and income has been reinforced by recent changes which have reduced progressivity in the tax system. The economic forces which cause growing inequality in incomes are magnified by taxes which shift the tax burden down the income scale.

Following enactment of tax reform, the trend away from tax progressivity will continue. After 18 months of often contentious debate, Congress is not likely to reopen income tax issues in the near future.

But of course our budget deficit will force us to consider an increase in Federal revenues. The Gramm-Rudman deficit targets demand it. The President's budget recommended it. The only debate is over which taxes and who pays.

In fact, one reason for the haste in completing work on the income tax reform bill is to prevent it being used as a revenue raising vehicle.

Some tax policymakers have already suggested that the taxes needed to comply with the Gramm-Rudman deficit target for fiscal year 1987 could be obtained from more excise tax increases.

We have already started down that road. In its budget reconciliation measure, the Senate Finance Committee voted last week for another $8.5 billion in tax increases over the next 3 years, all of it to come from payroll and excise taxes.

That regressive excise taxes are being increased even while progressive income taxes are being reduced by over $100 billion is not a surprise. It continues the public policies of the last few years which have been marked by an indifference to the needs of the less fortunate in our society.

But the American system is based on the expectation of improvement for the majority, not the concentration of wealth in a few hands. Americans will not long tolerate such dramatically increased inequality in incomes.

It is on this point that decisions by the tax conferees become most relevant. No one suggests that tax reform should be used as a means of redistributing income by increasing the tax burden on the rich. But neither should tax reform be a further shift of the tax burden to the middle class.

The final tax reform bill must recognize the shift in relative tax burdens that occurred over the last several years and the diminished role of the individual income tax in the immediate future.

In recent weeks, a consensus has emerged that tax reform must give greater relief to the middle class than is provided in the Senate bill. Yet this desirable outcome is coupled with the claim that the so-called maximum Senate rate of 27 percent in the Senate bill is essential.

Last month, the President traveled to Alabama to proclaim that a rate higher than 27 percent is not acceptable to him. That is interesting because for 12 months he had been promoting a top rate of 35 percent. Certainly few, if any, in the Dothan, AL crowd he was addressing had such high incomes that they would be affected if the tax conferees agree on a rate higher than 27 percent.

Many Members of Congress have also drawn the line at a 27-percent rate. But their concern is directed to a very small number of taxpayers. Fewer than one-half of 1 percent of all taxpayers have incomes in excess of $200,000. That is the income group that has most at stake in the 27-percent maximum rate. The great majority of taxpayers with incomes over $75,000 already face a higher rate than 27 percent because of the phaseouts of the lower marginal tax rate and the personal exemption.

It is only when joint adjusted gross income exceeds $185,320 that the 27-percent rate applies again. This is the income group that reaps huge windfalls from the Senate version of tax reform.

For several weeks now we have heard a chorus of cheers inside the beltway for the virtues of the Senate bill with its 27 percent tax rate.

But we have not heard the same chorus from the American people.

Americans don't like the current system because it is unfair. It lets too many high-income individuals avoid paying a fair share of taxes. So why should American applaud a reform that will give 359,000 of the highest income people in the country a tax cut averaging $53,000?

Why should Americans applaud a tax bill that will put single taxpayers earning less then $18,000 a year in exactly the same tax bracket as multimillionaries?

There is no evidence of public support for this kind of change in the tax system. Indeed, the evidence is to the contrary.

A recent Roper poll showed an overwhelming majority of Americans—77 percent—believe high-income families pay too little in Federal income taxes. Only 1 in 5 supported a cut in the maximum tax rate from 50 to 35 percent; two-thirds felt it was a bad idea.

So it is not surprising that the applause for the "top" 27 percent rate resounds inside the beltway. There is no public support for it out in the country.

This and other recent polls show continued public support for the principles of progressive taxation—the principle of taxes based on the ability to pay. In fact, the Roper poll indicates public support for a more progressive system, not a less progressive system, to achieve greater tax fairness.

We have come a long way and overcome many obstacles in our effort to restore public confidence in the Federal income tax system. But we will not have properly discharged our responsibility—nor will we have earned the people's confidence—if the final bill enacted into law has the rate structure in the Senate bill.

The conferees must be made aware of this. They should construct a tax reform bill that will enjoy broad public support by preserving the principle of progressivity. Ability to pay should continue to be a factor in assessing tax liability.

EULOGY FOR AVERELL HARRIMAN

Mr. DODD. Mr. President, "life is action and passion," Oliver Wendell Homes, Jr., once wrote, so "it is required of a man that he should share the action and passion of his time at the peril of being judged not to have lived at all." In a remarkable lifetime that encompassed nearly half that of the nation he served so well, Averell Harriman lived with a passion that never faded and in a rush of activity that rarely flagged.

While still a boy he travelled on fabled trips of exploration to the American West, Alaska and Siberia. In his 10th decade he journeyed to Moscow to nurture the chances for lasting peace between the superpowers and blunt the threat of nuclear annihilation. All the years between were crowded with excitements and accomplishments and adventures too numerous to catalog. The irony is that 94

years seem too brief a span to do what he did.

His breadth of interest, talent, and achievement equalled his length of years. He was banker, entrepreneur, publisher, author, diplomat, administrator, politician, philanthropist, art collector, and negotiator par excellence.

He was Ambassador to the Soviet Union, field director of the Marshall plan, Secretary of Commerce, and Governor of New York. He was friend, adviser, and faithful servant to a half dozen Presidents. His diplomatic service ran the gamut from helping forge World War II's "Big Three" alliance to negotiating responsibilities for Presidents Kennedy and Johnson on Southeast Asia. If his accomplishments in World War II alone had been rewarded with hash marks, Theodore White once remarked, "they would have run up his sleeve from wrist to shoulder."

Of course the thing that stands out most was his pivotal contribution to Soviet-American relations. He knew the Soviet leaders from Trotsky through Andropov, dealt with them more often and more intimately, interpreted their motivations and behavior more acutely, and represented to them the interests and goals of the American people and their Presidents more faithfully than anyone else in history.

He went as Franklin Roosevelt's personal emissary to Stalin when Hitler's armies were on the verge of knocking Russia out of the war and held out the hand of American friendship, support and alliance.

When wartime cooperation froze into a cold war, he represented President Truman's and the American people's firm resolve not to permit a Soviet tyrrany to sweep across Europe.

He was President Kennedy's choice to symbolize America's commitment to restraining the inexorable spread of nuclear weapons. The Limited Test Ban Treaty he negotiated, which remains in effect more than two decades later, still stands as the single most striking success in the course of nuclear diplomacy.

As a result of all this experience, his memory was a national archive of history and anecdote. Much of what we know of Stalin's cold calculations and sadistic humor, for example, comes from Harriman's numerous meetings with him. One story he enjoyed repeating may serve as illustration.

At the Potsdam conference in 1945, where the allies met to chart the course of the postwar world, he approached the Soviet dictator to congratulate him on the defeat of Hitler. He must take great satisfaction, Harriman suggested, to be here on the outskirts of Berlin, after all the Russians had suffered, in total victory. "Czar Alexander," Stalin replied, "got to Paris."

Earlier this week, I paid my respects at his funeral in New York City. Among those there to celebrate his life and mourn his passing, I believe there was a sense of loss beyond that customarily felt at the death of a great man.

Perhaps it was because Averell Harriman was a human link, the last truly significant one probably, with chapters in our national history which continue to hold strong emotional and intellectual sway over us, even as they recede in time.

He played such a prominent role in times when American Power was preeminent and American morality unquestioned and there seemed no gap between them. His death not only deprives us of a noble spirit but makes us more aware of the ambiguities and uncertainties of America's role in today's world.

HELSINKI HUMAN RIGHTS DAY

Mr. DOLE. Mr. President, today is the 11th anniversary of the signing of the final Act of the conference on security and cooperation in Europe—better known as the Helsinki accords.

Unfortunately, the promise of the accords—for assuring human rights for all men and women, have not been realized. And in fact, in many ways, there has been a sad regression.

The Soviet Union, and other Eastern bloc countries continue to refuse to open up their societies and allow the most basic of freedoms—freedom of speech, religion, the freedom to choose where to live.

Every once in a while these governments throw their people a bone and the rest of the world hopes for more. They let a separated couple reunite, or allow a hero like Anatoly Shcharansky to emigrate. But for the millions left behind, or in prison, or afraid to speak out, these countries have failed miserably. They have failed to abide by the documents they signed 11 years ago.

So, it is the responsibility of those of us who cherish and ferociously protect basic rights, basic freedoms, to continue to decry the absence of these rights whenever and wherever we see it. This anniversary should be a time of rededication—a time to pledge never to relent in our commitment to make the Helsinki accords a reality.

RETIREMENT OF DR. FREEMAN H. CARY

Mr. BENTSEN. Mr. President, Dr. Freeman H. Cary will soon retire after 14 years of dedicated service as Attending Physician to the U.S. Congress.

Throughout his long and distinguished career, Dr. Cary has discharged his professional responsibilities with a dedication that has earned the admiration of a great many of us who are privileged to count him as a friend. Whether engaging in a casual conversation or supervising the emergency treatment of one of the more than 80,000 patients seen by the Congressional clinic each year, Dr. Cary was unfailingly professional, kind, and generous of his time and knowledge.

Dr. Cary has left an indelible mark of service to the Congress. He developed a CPR course through which hundreds of Capitol Hill employees have been trained to administer this life-saving technique. He has worked closely with our Food Service Department to educate members and staff on proper nutrition, and he served as unofficial adviser to the Senate Staff Club on wellness campaigns designed to improve the overall physical condition of congressional employees.

Freeman Cary has devoted thousands of hours to community and national service through his affiliation with the American Heart Association, and in recognition of his contributions to the prevention and treatment of heart disease, he won the Silver and Bronze medallions from the Georgia and Florida Heart Associations. Dr. Cary is also a fellow of the American College of Physicians, the American College of Chest Physicians, and the American Heart Association Council of Clinical Cardiology.

Before his service in Washington, he was director of the Cardiac and Stroke Rehabilitation Clinics at Emory University and Grady Hospital in Atlanta, and subsequently served as clinical professor at the University of Southern Florida and Florida Tech.

In addition to his many professional and community activities, Freeman Cary found time to remain an active member of the U.S. Naval Reserve, and rose to the rank of rear admiral.

For those of us who know him, it comes as no surprise that this quiet, unassuming and dedicated individual should have given so much to those around him for so long. Freeman Cary will be missed, and I am sure that I speak for his many friends on Capitol Hill and throughout the Nation when I wish him, his wife Sara and their children the very best as they enter the next chapter of a lifetime of service to the Nation.

SALE OF SUBSIDIZED AMERICAN GRAIN TO THE SOVIET UNION AND THE PEOPLE'S REPUBLIC OF CHINA

Mr. MOYNIHAN. Mr. President, this afternoon President Reagan authorized the sale of 4 million metric tons of American wheat to the Soviet Union under the 1985 farm bill's Agricultural Export Enhancement Program.

Over the years in the Senate I have had repeated occasions to warn of the

danger of confirming the few tattered prophecies which still sustain the ideology of Soviet communism.

On occasion after occasion, as specific examples have arisen, I have offered this simple proposition. The Soviets are a "People of the Book." This is something we, surely, can understand. Theirs is a different book, the writings of Marx and Engels, followed by the great exegeses of Lenin, but a book even so, and above all a book of prophecy.

In simplified form this prophecy foretells the collapse of capitalism through a process of over production, the consequent decline of profit margins, and the immizeration of the masses.

When this sequence did not arrive as soon as expected, which is to say a half century or so after Marx and Engels first prophesied, their disciple Lenin offered a simple and vastly important intermediate prophecy. The collapse of capitalism, he preached, had been somewhat postponed by the advent of colonialism which gave the industrial nations an outlet for their surplus production. (Note that under Leninist doctrine the capitalists do not exploit the colonies. They heap treasure on them. But no matter.) When Lenin himself came to power in 1917 he predicted that the West would treat Russia as an underdeveloped colony in this respect. We imperialists would vie with one another to dump our surplus turbines and locomotives and wheat and whatever on the new Soviet motherland.

In a 1982 article in the New Republic, "Trading with the Russians," Henry A. Kissinger took note of this prophecy, but noted also the further irony of which I have been speaking on this floor for almost a decade. The irony that is, that the most anti-Soviet Government of a generation should be interested in subsidizing this process, thereby reinforcing the prophecy:

> Lenin's legendary dictum that capitalists would compete to sell the rope with which they would be hanged is coming true with a vengeance—for Lenin never guessed that Western governments would provide the money to buy the rope and subsidize the price to facilitate the purchase.

If we are to take this matter seriously, as I believe we should, then we have to be careful in our documentation. I don't think the term can actually be traced to Lenin. There does not appear to by any solid textual evidence that Lenin ever actually said: "The imperialists are so hungry for profits that they will sell us the rope with which to hang them." However, there is reason to believe he wrote something similar. Shortly after Lenin's death, the Russian artist I.U. Annenkov claims to have copied the following passage from Lenin's papers. (Years later the passage appeared in the New York Russian-language publication Novyi Zhurnal, 1961, p. 147):

> The capitalists of the whole world and their governments in their rush to conquer the Soviet market will close their eyes to the activity referred to above (various diplomatic subterfuges of the Soviet government) and will thereby be turned into blind deaf mutes. They will furnish credits which will serve us for the support of the Communist Party in their countries and, by supplying us materials and technical equipment which we lack, will restore our military industry necessary for our future attacks against our suppliers. To put it in other words, they will work on the preparation of their own suicide.

Indeed, the Bolsheviks seem to have been obsessed with the idea. In "Russia and the West Under Lenin and Stalin" (1961, pp. 184–85), George Kennan describes what he calls the "imaginary statement of the Soviet leaders to the Western governments":

> • • • since we are not strong enough to destroy you today • • • we want you during this interval to trade with us; we want you to finance us; • • • An outrageous demand? Perhaps. But you will accept it because you are slaves to your own capitalistic appetites • • • you will wink at our efforts to destroy you, you will compete with one another for our favor • • •. It is, in fact, you who will, through your own cupidity, give us the means wherewith to destroy you.

Kennan then says, for himself (p. 185):

> I can only assure you that this formulation is not one whit sharper or more uncompromising than the language consistently employed by the Soviet leaders at that time. I do not believe that it embraces a single thought which did not then figure prominently in their utterances.

Another important source is a 1964 book by Louis Fischer, "The Life of Lenin" (pp. 563–4), which includes Fischer's account of Lenin's address to the Ninth All-Russian Congress of Soviets, delivered on December 23, 1921:

> The capitalist nations had refused the Soviet government diplomatic recognition, yet they traded with it. A thousand locomotives had been ordered abroad. "We have already received the first thirteen Swedish, and thirty-seven German" locomotives (said Lenin). "This is the smallest beginning, still it is a beginning • • • we are overpaying, nevertheless they are helping our economy. They brand us as criminals yet they help us • • •."

We have every reason to believe that this view continues. In large part, we continue to perpetuate it.

Following the invasion of Afghanistan, President Carter put an end to our sale of surplus wheat to the Soviets. Came the 1980 Presidential election and candidates competed with one another in proclaiming both their anticommunism and the speed with which, if elected, they would end the grain embargo. As it happened, Ronald Reagan was elected and he did exactly that on April 24, 1981.

Then came the celebrated affair of the Yamal pipeline designed to bring Siberian natural gas to Western Europe. At a summit meeting of Western leaders held in Ottawa in July 1981, the new President proposed that the West not provide the credits and technology to build the pipeline. Ten days later, however, it was announced that the administration had approved an export license for the Caterpillar Co. to sell the Soviets 100 pipelaying tractors such as they would need to build the pipeline. On August 6, the First National Bank of Chicago announced it would head a syndicate of banks to lend the Soviets the money to buy the Caterpillar equipment.

It appears the President's decision was made impulsively, at a meeting in the Cabinet Room with the Republican congressional leadership. The Caterpillar Co. headquartered in Peoria, IL, was in trouble, the Republican leader of the House of Representatives was, and is, from Peoria, and the then chairman of the Senate Foreign Relations Committee was a former business executive from Illinois. Even as the President was making his decision, the State Department was working up an options paper. But this is precisely the point. No one is to blame, at least from the Soviet point of view—their scientific socialism which explains historically determined events. Everyone acted as they had to act. Having glutted the American market with tractors and earth-moving equipment, the Caterpillar Co. had to, as Lenin wrote:

> Rush to conquer the Soviet market • • • supplying us materials and technical equipment which we lack.

As it turns out, before delivery of the tractors, Caterpillar's export license was canceled on December 29, 1981, when the President prohibited the export of oil and gas equipment to the Soviet Union. The Commerce Department also suspended consideration of a license to sell an additional 200 tractors to the Soviets.

Still, the problem for us in Lenin's prophecy is that he wasn't all that wrong. All the more important then to keep in mind that when we behave as we do, we shore up an otherwise collapsing set of Soviet doctrines.

Marxist-Leninist ideology is now largely a spent force in the world. It was once a hurricane force. It is almost impossible from this distance to reconstruct the absolute conviction of crucial sectors of Western political and intellectual elites 50 and 60 years ago that the future belonged to Moscow.

No one any longer believes this. Evidently not even in Moscow. To be sure, Marxist-Leninist regimes appear from time to time. But at the risk of being harsh, on the periphery of events, not the center.

Moreover, Soviet society just isn't working. What was to have been a transformation in personal and social relations has simply turned into a

mess. I date our first real glimpse into this development from the study prepared by Murray Feshbach and Stephen Rapawy for the Joint Economic Committee in 1976, where for the first time it was reported that, contrary, you might say, to all possibility, infant mortality in the Soviet Union was going up, and the life expectancy of males was going down. Demography is destiny, and there was the future of Soviet society for all to see.

They can't feed themselves: Soviet grain production has fallen from a high of 229 million tons in 1978 to 190 million tons in 1985. The Soviet Union must now import one-fifth of its grain supplies, some 35 to 55 million tons of grain yearly since 1978. The Worldwatch Institute's report, "State of the World" (1986, p. 19) predicts that continuous massive imports will be needed. It says:

> The 1985 massive crop shortfall, the seventh consecutive one, signals a systematic deterioration of Soviet agriculture that * * * assures grain deficits far into the future.

The Soviets even depend substantially on the technology they get from the West to arm themselves. They pay for this, when they do, with natural gas, crude oil, and seal skins. Clearly the Soviets are a vast and menacing military power. They are, and so they will remain. I have written again and again that our grand strategy must be to wait out the Soviets, to traverse an excruciatingly dangerous period of history in which their decline progresses until it comes to some equilibrium far down the scale from the present.

It is an incredible irony that while we wait, we often help to prop up the faltering Soviet economy, and in so doing give credence to Lenin's dictum. The Export-Import Bank Act Amendments of 1986, S. 2247, which the Senate passed by voice vote last Tuesday, contained an amendment to the Agricultural Export Enhancement Program offered by the distinguished majority leader. The majority leader's amendment, which the Senate agreed to without objection, required the Secretary of Agriculture to allow the Soviet Union and the People's Republic of China to purchase subsidized United States grain through the end of this fiscal year. For wheat the Government now pays a subsidy of $2 per bushel. Wednesday, the House Agriculture Committee reported an even stronger provision—a bill, H.R. 5242, that would permit such sales through September 1987, when the export subsidy program expires.

The $1.5 billion Agriculture Export Enhancement Program, which passed as part of the 1985 farm bill, was created to promote exports of American agricultural commodities to countries where other exporters of arm products with their own subsidy programs, such as our Western European allies, were in competition for the market.

Earlier this year, Secretary of State George P. Shultz, succeeded in excluding Soviet block nations from the Agricultural Export Enhancement Program. He has reportedly called the proposed legislation that would eliminate the exclusion ridiculous.

This exclusion upholds the 1982 accord the United States joined with its Western allies as part of its settlement of the trans-Siberian pipeline dispute, in which the allies agreed not to subsidize the Soviet economy.

Now Congress threatens to reverse the policy against subsidized sales to Soviet bloc nations, and again jeopardizes the preeminence and unity it seeks among its allies—this time most acutely in the south Pacific and to the north, where we would undercut grain sales by Australia and Canada. Australian Prime Minister Robert Hawke is quoted in Thursday's Washington Post as warning that the proposed legislation would have "devastating implications" for his country and questioning the U.S. leadership of the Western world. Canadian Ambassador Allan E. Gotlieb said his Government was "extraordinarily concerned" that this country was "beginning to subsidize the Soviet consumer."

An editorial in Thursday's New York Times explains:

> It is far from clear that selling food below cost to the Russians serves American's strategic interests. But the folly of this case is evident. Subsidizing grain exports would slam the Australian economy, already suffering from depression in commodity prices. Besides, the subsidies could harm American farmers. Their gain in market share might be more than offset by the resulting reduction in the price of wheat exported without subsidy.

Apparently the only logic, if it may be called that, fueling the grain sales legislation is the need to bail out the failed farm policies of this administration; and that should tell us quite a lot. The President's top advisors debated the legislation in a meeting on Monday. The Washington Post quotes a senior White House official who said that the foreign policy advisers "made a good case" in the meeting but that "the political logic" on the other side was "pretty hard to refute."

Mr. President, in response, I quote again from the New York Times editorial:

> As a policy, dumping food is senseless. Export subsidies are far more costly than compensating farmers directly, with cash. And in the few months since the American program was authorized, subsidies have created bitter conflicts with Thailand and the Philippines as well as Australia.

So, Mr. President, there are many problems with the proposal to sell subsidized surplus grain to the Soviet Union and to the People's Republic of China. For this Senator, one of the most perplexing is our penchant for proving what the early Communist theorists predicted.

CONCLUSION OF MORNING BUSINESS

Mr. HEINZ. Mr. President, what is the pending business?

The PRESIDING OFFICER. If there is no further morning business, morning business is closed.

INCREASE IN STATUTORY LIMIT ON THE PUBLIC DEBT

The PRESIDING OFFICER. The clerk will report the unfinished business.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 668) increasing the statutory limit on the public debt.

The Senate resumed consideration of the bill.

Pending:

Sasser Amendment No. 2250, to provide emergency assistance to farmers and ranchers adversely affected by this year's drought and excessively hot weather. (By 55 yeas to 40 nays (Vote No. 173), Senate agreed to waive section 302(a) of the Congressional Budget Act for consideration of the amendment.)

Mr. HEINZ. Mr. President, is the amendment of the Senator from Tennessee still pending?

The PRESIDING OFFICER. The Senator is correct, it is pending.

Mr. HEINZ. Mr. President, I have discussed this with the Senators from Tennessee [Mr. SASSER and Mr. GORE]. I ask unanimous consent that their amendment be temporarily set aside so that we can take up an amendment to be offered by the Senator from Washington [Mr. EVANS] and the Senator from New Jersey [Mr. BRADLEY].

Mr. GORE. Mr. President, reserving the right to object, just to clarify the request, after the amendment by the Senator from New Jersey and the Senator from Washington, it would be in order to move directly back to the amendment of Senator SASSER.

The PRESIDING OFFICER. That would be automatic, under the precedent.

Mr. HEINZ. The Senator is correct.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Jersey.

AMENDMENT NO. 2253

(Purpose: To clarify the income tax exemption of Indian fishing rights)

Mr. BRADLEY. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Jersey [Mr. BRADLEY], for himself and Mr. Evans, proposes an amendment numbered 2253.

Mr. BRADLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment, add the following:

SEC. . INDIAN FISHING RIGHTS

(a) Notwithstanding any other provision of law—

(1) income derived by an Indian from fishing, whether for commercial or subsistance purposes, shall not be subject to, or taken into account in determining, any income tax imposed by the Internal Revenue Code of 1954, by any other provision of Federal law, or by any law of a State or political subdivision of a State, and

(2) any activities conducted by any Indian in connection with fishing shall not be subject to any tax imposed by the Internal Revenue Code of 1954, by any other Federal law, or by any law of a State or political subdivision of a State,

if the rights of such Indian to fish are provided for, or secured by, any treaty or other provision of Federal law, regardless of whether such rights are limited to subsistence or commerical fishing.

(b) The provisions of subsection (a) shall apply notwithstanding any other provision of Federal law that may be enacted on or after the date of enactment of this Act, unless such subsequent provision of Federal law specifically cites this section.

Mr. BRADLEY. Mr. President, this amendment is offered on behalf of myself and the distinguished Senator from Washington [Mr. EVANS].

The amendment will stop an attempt by the Internal Revenue Service to impose Federal taxes on Pacific Northwest tribal fishermen on income derived from treaty designated waters.

Mr. President, the Lummi Indian Tribe has fished in coastal waters and rivers in the Pacific Northwest for generations. An 1855 treaty between the U.S. Government and the Lummis confirms the tribe's fishing rights largely unencumbered by regulation. The U.S. Supreme Court has upheld seven times, twice in the last decade, these Indian tribal fishing rights, including commercial fishing and its economic benefits.

The Internal Revenue Service has decided to attack this long-standing and recognized right and to tax the Lummi's revenues from fishing.

There is an important principal at stake here. I think we should not break any more treaties with native Americans, and certainly we should not allow the Internal Revenue Service to break a treaty that has been adhered to by the U.S. Government for 131 years. This amendment would rectify that situation.

Mr. EVANS. Mr. President, I am pleased to join my colleague from New Jersey in rectifying a wrong which the Internal Revenue Service would impose not only on the Lummi Indians but also the other Indians of the Northwest who have treaties with the United States and who have operated under those treaties for more than 130 years.

Recent court decisions, as the Senator from New Jersey has pointed out, have clearly and consistently, time and time again, pointed out the absolute right of those Indians not only to seek but also to take a certain percentage of that cash. This is an encumbrance by the IRS.

Interestingly enough, the Solicitor for the Department of the Interior has written what I believe is a significant legal opinion which upholds the Indian position, and it was opposed by the Justice Department. So there is a split—an internal conflict, if you will—between the lawyers of the Federal Government.

Unfortunately, since the Justice Department prevails on the side of the IRS, the argument of the Solicitor of the Department of the Interior will not be heard in the Government's case.

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I have tried for a year now to get the IRS to change its mind, change its position. They have refused to do so.

The only alternative remaining open to us is this piece of legislation. I believe that it is accurate to say it has been cleared on both sides of the aisle, and I urge its passage.

Mr. President, I ask unanimous consent that the Solicitor's opinion of the Department of the Interior be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, DC, March 12, 1985.

Memorandum To: Secretary.

From: Solicitor.

Subject: Federal income taxation of Stevens treaty fishing income—Response to IRS opinion of November 23, 1983.

You have asked me to comment on the legal arguments made in an opinion of the Office of Chief Counsel, Internal Revenue Service, dated November 23, 1983. The IRS opinion was issued in response to Solicitor Coldiron's memorandum of September 21, 1983, which expressed his view that income earned by members of certain Washington State treaty tribes in the exercise of their treaty fishing right is not subject to federal income taxation. The Internal Revenue Service takes the position that such income is subject to federal income taxation.

I have already conveyed to you my reconfirmation of Solicitor Coldiron's 1983 opinion. In my view, the principal weakness of the IRS response to that opinion is its misapprehension of the Supreme Court's holding in *Squire* v. *Capoeman*, 351 U.S. 1 (1956). The IRS considers *Capoeman* to require an express exemption from federal tax. However, the General Allotment Act, which the Supreme Court construed in *Capoeman* to have created a tax exemption for income from the sale of timber on allotted land, did not contain such a tax exemption in explicit terms. The Court inferred an exemption from the government's undertaking, expressed in section 5 of the act, 25 U.S.C. § 348, to convey the allotment at the end of the trust period "free of all charge or encumbrance whatsoever" and a 1906 amendment to section 6 of the act, 25 U.S.C. § 349, which provides for removal of "all restrictions as to . . . taxation" after issuance of a fee patent. That language, construed in conjunction with the underlying purpose of the General Allotment Act, i.e., "to protect the Indians' interest and 'to prepare the Indians to take their place as independent, qualified members of the modern body politic' ", was sufficient, the Court held, to constitute the clear expression necessary to create a tax exemption. 351 U.S. at 6-9. See our 1983 opinion at 5-7.

The Internal Revenue Service takes the position that the policy underlying the Stevens treaties is not relevant to the determination of whether the treaties created a tax exemption. In so doing, the IRS ignores the practice established by the Supreme Court in *Capoeman* and followed consistently by the lower courts. That practice requires the identification of language in a treaty or statute which is arguably a tax exemption but then allows consideration of the underlying purpose of the enactment for the purpose of interpreting the arguable language to determine its tax exemption effect. The practice is discussed at some length in our 1983 opinion at pages 5-9. The proper role of policy in tax exemption analysis was succinctly described by the Ninth Circuit in *United States* v. *Anderson*, 625 F.2d 910 (9th Cir. 1980) cert. denied, 450 U.S. 920: *Capoeman* and every other Supreme Court and Ninth Circuit case have held that . . . policy arguments are fruitless in the absence of statutory or treaty language that arguably is an express tax exemption. Such policy arguments, however, might persuade courts to construe such arguable language, if any exists, actually to be an express tax exemption.

625 F.2d at 914, n.6. IRS quotes this statement from *Anderson* for the proposition that express exemptive language in a treaty a statute is required. IRS opinion at 6-7. It misses, however, the real thrust of the statement, which is that policy may indeed be examined to assist in the determination of whether arguable language is an express exemption.

In a recent decision, the Ninth Circuit demonstrated that it is still of the view that the purpose of a statute is relevant to the determination of whether a tax exemption is present. That court held in *Karmun* v. *Commissioner*, 749 F.2d 567 (9th Cir. 1984), that income from the sale of reindeer or reindeer products by Alaska natives was not exempt from federal income tax because the Reindeer Act, 25 U.S.C. §§ 500-500n, did not contain a clear expression of intent to exempt. The court considered, inter alia, the purpose of the Reindeer Act, which it found to be the provision of a continuing food source to the Eskimos of northwestern Alaska through the establishment of a native-operated reindeer industry. The court concluded, "That purpose is not undermined by requiring the owners and operators of the reindeer herds to pay federal income taxes on their profits from the successful conduct of such operations." 749 F.2d at 570.

Thus, it is amply clear that past and present judicial analysis requires a consideration of the underlying purpose of the Stevens treaties in order to determine whether the language in the treaties which secures a fishing right to the tribes creates a tax exemption. To conclude that the "right of taking fish" does not include a tax exemption, without any attempt whatsoever to determine the scope of the fishing right in-

tended by the parties to the treaties, would directly contravene the well-established principles of the tax cases. Authoritative judicial analysis of the scope of the treaty right is readily available in the well-developed body of law culminating in the Supreme Court's decision in *Washington* v. *Washington State Commercial Passenger Fishing Vessel Ass'n (Fishing Vessel)*, 443 U.S. 658 (1979). In my view, there is neither a legal basis nor a practical justification for ignoring this body of law, as IRS does.[1]

The treaty cases and their relevance to the tax exemption issue are discussed in our 1983 opinion at 2-4 and 9-12. One case cited in that opinion warrants some further mention. In *Tulee* v. *Washington*, 315 U.S. 681 (1942), the Supreme Court held that the State of Washington was precluded from imposing a license fee upon Indians engaged in the exercise of their Stevens treaty fishing right. In striking down the fee, the Court stated that it "acts upon the Indians as a charge for exercising the very right their ancestors intended to reserve" and "that such exaction of fees as a prerequisite to the enjoyment of fishing . . . cannot be reconciled with a fair construction of the treaty." 315 U.S. at 685.

Tulee involved a state license fee and not a federal tax. The rationale of that case, however, is relevant to any tax which would diminish the value of the treaty right because any such tax would necessarily be a "charge" for exercising the right. An income tax, in fact, might well be a more onerous burden on the right, because greater in amount, than a license fee would be. Further, the fact that an income tax does not fall directly upon the fishing activity but upon income therefrom is, under *Capoeman*, irrelevant if the treaty precludes taxation of the fishing right.[2] See 1983 Solicitor's opinion at 7.

Another concern I have with the IRS opinion is its heavy reliance on *Strom* v. *Commissioner*, 6 T.C. 621 (1946), aff'd per curiam, 158 F.2d 520 (9th Cir. 1947) and *Earl* v. *Commissioner*, 78 T.C. 1014 (1982). For the reasons discussed in our 1983 opinion at 12-15, I believe that *Strom* has been effectively eroded by subsequent case law and that *Earl* is seriously flawed. While these two Tax Court cases are clearly relevant to the present issue, they cannot be considered controlling because they are completely inadequate in treaty analysis.

I can understand that, from the perspective of the IRS, this matter may appear to be solely a tax issue, with respect to which Tax Court decisions might be considered controlling and federal tax cases might constitute the sole appropriate body of law by which to analyze the issue. This is not only a tax issue however; it is also an Indian treaty issue. There are two bodies of law which must be considered in relation to each other. The controlling cases here are not the two Tax Court cases but the two Supreme Court cases, *Capoeman* and *Fishing Vessel*, which represent the paramount authority in those two bodies of law. A proper analysis of the issue should begin with those cases and must relate the two bodies of law in proper perspective. This, IRS simply has not done.

I am somewhat concerned with some erroneous statements made in the IRS opinion about positions taken in our 1983 opinion. I point these out primarily for clarification purposes.

The IRS opinion states at page 6 that our 1983 opinion "argues that Interior Department's policies of promoting optimal land use on Treaty land with a goal towards eventual Indian economic independence precludes taxation of the fishing income earned by enrolled Tribal members." The 1983 opinion contains no such statement. Nor does it take the position, as the IRS opinion implies, that policy, standing alone, is a sufficient basis for a tax exemption. Our position on the proper role of policy is discussed above and at pages 5-9 of the 1983 opinion.

The IRS opinion states at pages 7-8 that "Interior's memorandum also places substantial reliance on the Ninth Circuit's statement in *Stevens* v. *Commissioner*, 452 F.2d 741, [746] ([9th] Cir. 1971), to the effect that as the agency charged with the administration of the Indian laws and responsible for drafting many of them, Interior's interpretation is entitled to 'great weight' and 'is not to be overturned unless clearly wrong.'" The IRS memo then proceeds at some length to construe the *Stevens* statement as applicable only to the facts at issue in that case. While our 1983 opinion cited the *Stevens* case for another proposition, it did not, in fact, cite or rely on the language quoted by IRS. That language, however, simply expresses a well-established general principle, and I find it somewhat puzzling that IRS considers it so alarming. This Department's authority to interpret federal Indian statutes and treaties derives from its paramount responsibility for Indian affairs within the federal government, just as the authority of the IRS to interpret the federal tax laws derives from its responsibility to administer those laws. Courts commonly look for guidance to federal agency interpretations of statutes wihtin the jurisdiction of the agencies.

These last two points are minor ones, of course. My primary objections to the IRS opinion are, as discussed above, its incorrect analysis of *Squire* v. *Capoeman* and its failure to address the treaties which are at the heart of the issue under discussion.

FRANK K. RICHARDSON.

Mr. BRADLEY. Mr. President, I move the amendment.

The PRESIDING OFFICER. Is there further debate?

If not, the question is on agreeing to the amendment.

The amendment (No. 2253) was agreed to.

Mr. BRADLEY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EVANS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, let me just say one word. Senator HEINZ is here. Let me indicate that as I have indicated privately to the distinguished Senators from Tennessee, it would be my hope we can dispose of the amendment that is pending rather quickly. We are just trying to go over it one quick time to make certain there is some change that ought to be made. I am certain the Senators from Tennessee would be happy to look at it. We ought to have that information, I think, within the next 15 minutes.

Perhaps in the meantime if the manager has a few other amendments we could wipe out, it would really be helpful.

Mr. HEINZ. Mr. President, I see the Senator from Iowa on the floor. Does he have an amendment? Mr. President, I would like to know if the Senator from Iowa has an amendment that he wishes to offer.

Mr. GRASSLEY. Yes, I do, but I am not ready to let it go right at this minute.

Mr. HEINZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2254

(Purpose: To reestablish food bank special nutrition projects)

Mr. HEINZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is the Senator asking unanimous consent to set the pending amendment aside?

Mr. HEINZ. Mr. President, I ask unanimous consent that the amendment of the Senator from Tennessee be temporarily laid aside.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania?

Mr. SASSER. Mr. President, reserving the right to object, may I ask the distinguished Senator from Pennsylvania how long he anticipates this amendment will take?

Mr. HEINZ. Just a few minutes.

Mr. SASSER. I ask my friend from Pennsylvania, has it been cleared on both sides?

Mr. HEINZ. This amendment has been cleared on both sides.

Mr. SASSER. I would like to get some idea of when we could move back on the Sasser amendment.

Mr. HEINZ. It would be the hope of the Senator from Pennsylvania we would be back on the Sasser amendment upon disposition of this amendment and I understand the Senator from Iowa has a very short amendment. I would estimate maybe 10 minutes at the most.

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[1] IRS simply dismisses it: "The non-tax cases which are cited by Interior are, in our view, inapposite to the issue considered herein." IRS opinion at 10.

[2] The State of Washington recognizes that treaty fishermen are immune, even though not expressly exempted, from a state fish sales tax. See *Washington Dept. of Fisheries* v. *DeWatto Fish Co.*, 660 P.2d 298, 301 (Wash. Ct. App. 1983). Such a tax, of course, is one which, like an income tax, would attach after exercise of the fishing right and would not therefore be a prerequisite to exercise of the right. As explained in our 1983 opinion at page 4, the United States, absent exercise by Congress of its power to abrogate treaties, is subject to the same limitations as the states with regard to the Indians' treaty rights.

Mr. SASSER. I take it this amendment will not require a rollcall vote.

Mr. HEINZ. The Senator is correct.

Mr. SASSER. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. HEINZ] proposes an amendment numbered 2254.

Mr. HEINZ. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment, add the following new section:

SEC. . FOOD BANK SPECIAL NUTRITION PROJECTS.

The first sentence of section 211(d) of the Agricultural Act of 1980 (7 U.S.C. 4004(d)) is amended by striking out "a progress report on July 1, 1983, and a final report on January 1, 1984," and inserting in lieu thereof "an annual report".

Mr. HEINZ. Mr. President, there are some 600 million pounds of cheese in federally-supported warehouses, all OK which could be distributed to the poor and to emergency feeding groups around the country. It costs $48 million per year for the cheese to be stored. At the same time, a project which utilizes the efficient distribution networks of the Nation's food banks has been allowed to lapse, and the amendment I offer would simply make a technical correction to the Agriculture Act of 1980 to restore existing authority for food banks to receive commodities under the Temporary Emergency Food Assistance Program [TEFAP], and distribute them through their network of emergency feeding organizations.

In 1983 and 1984 the U.S. Department of Agriculture ran the food bank demonstration project, which successfully used food banks as distribution centers for surplus commodities—cheese, butter, nonfat dry milk, flour, rice, and honey. These commodities are all in surplus, and there are many, many residents of our cities who need them desperately. It strikes me as a great wrong to overlook the effective work our food banks can do for needy Americans.

I recognize that some have raised concerns that additional TEFAP distribution would displace commercial sales—but I must emphasize that in the urban areas served by food banks that is just not the case. These people are the truly needy, and their ability to purchase these commodities is very limited. The market displacement, it appears, would be minimal. At the same time, I understand that the USDA is concerned about additional distribution costs if this amendment is enacted. I recognize that concern, but must emphasize that $48 million in needless storage costs seems a far greater cost than that of distributing the food to those that need it.

This amendment is very simple but its enactment would assist thousands of needy Americans to receive surplus food and feed themselves and their families. Food banks are now unable to provide TEFAP commodities to their feeding organizations. My amendment seeks to change that inequity by reopening authority for food banks to receive those commodities which are distributed through the TEFAP program. The amendment simply deletes statutory language relating to the date when a progress report and an annual report are due under the 1983 demonstration project, and substitutes a requirement for an annual report. The statutory requirement for commodity distribution is mandatory.

Some food banks are able to structure themselves to the point where they are able to assist TEFAP distribution. The nature of food banks, however, is not to distribute commodities themselves, but to be a center of distribution for emergency feeding organizations. They are able to provide the management and storage skills which often have been lacking in the TEFAP Program. Let me emphasize the importance of these skills. Last December I received a GAO study which Senator EAGLETON and I had requested. The study found shocking incidents where surplus cheese and butter had been left to rot in inadequately managed warehouses. Inventory management was inadequate, and some warehouses just had no idea what commodities had been received, or where they were to be distributed. Food banks provide far superior commodity management, and the use of their abilities would be a real boon to the program.

I see no reason to debate the amendment at length. It is simple and straightforward. I am ready to discuss the amendment if there are any questions.

Mr. President, we have been debating here the Sasser-Gore amendment to permit a substantial distribution of a good deal of commodities to farmers in need. This amendment, in comparison to what the Senate is about to do, and that is to pass some version of that amendment, is small indeed, because this amendment only deals with making it easier, making it possible, and facilitating the distribution of some of the surplus commodities, specifically some of the 600 million pounds of cheese that we have in federally supported warehouses where the taxpayers are bearing the costs of those storage facilities, which cheese could be distributed to the poor and to emergency feeding groups around the country.

It cost $48 million a year to store that cheese and this amendment that I offer would make what I could call technical corrections to the Agricultural Act of 1980 to restore existing authority for food banks to receive commodities under the Temporary Emergency Food Assistance Program, TEFAP, and to distribute them through their network of the emergency food organizations.

Mr. President, I am advised that the minority, Senator LONG's staff have examined this amendment. They have indicated to me that there is no objection to it on their side.

I know of no objection to it on our side.

I move the amendment.

The PRESIDING OFFICER. Is there further debate?

If not, the question is on agreeing to the amendment.

The amendment (No. 2254) was agreed to.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. THURMOND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2255

(Purpose: To amend the Internal Revenue Code of 1954 to allow a charitable contribution deduction to farmers who donate agricultural products to assist victims of natural disasters)

Mr. THURMOND. Mr. President, I send an amendment to the desk and ask the clerk to report.

The PRESIDING OFFICER. Is the Senator requesting unanimous consent to set aside the Sasser amendment?

Mr. SASSER. Mr. President, reserving the right to object, may I inquire of my friend from South Carolina how long this amendment will take?

Mr. THURMOND. It should not take over 3 or 4 minutes.

Mr. SASSER. Will it require a rollcall?

Mr. THURMOND. No.

Mr. SASSER. Following the disposition of the amendment of the Senator from South Carolina, the Senate will return to the Sasser amendment, is that correct?

The PRESIDING OFFICER. That is automatic under the precedents.

Mr. SASSER. I thank the Chair.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Carolina [Mr. THURMOND] for himself and others proposes an amendment numbered 2255.

Mr. THURMOND. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment, add the following:

SEC. . CONTRIBUTIONS OF AGRICULTURAL PROPERTY FOR VICTIMS OF NATURAL DISASTERS.

(a) IN GENERAL.—Subsection (e) of section 170 of the Internal Revenue Code of 1954 (relating to contributions of ordinary income and capital gain property) is amended by adding at the end thereof the following new paragraph:

"(6) SPECIAL RULE FOR CONTRIBUTIONS OF AGRICULTURAL PRODUCTS FOR VICTIMS OF NATURAL DISASTERS.—

"(A) IN GENERAL.—For purposes of this paragraph, a qualified contribution means a charitable contribution of an agricultural product by a taxpayer who produced such agricultural product, if such taxpayer is actively and regularly engaged in the trade or business of farming, but only if—

"(i) the donee is a State, political subdivision of a State, or an agency of such State or political subdivisions.

"(ii) the agricultural product is to be used by the donee within the 3-month period beginning on the date on which such contribution is made for the care of individuals who have been adversely affected by a drought, flood, or other major natural disaster that occurred during the 6-month period ending on such date.

"(iii) the agricultural product is not transferred by the donee in exchange for money, other property, or services,

"(iv) the taxpayer receives from the donee a written statement certifying that the donee's use and disposition of the agricultural product will be in accordance with the provisions of clauses (ii) and (iii), and

"(v) in the case in which the agricultural product is subject to regulation under the Federal Food, Drug, and Cosmetic Act, such product fully satisfies the applicable requirements of such Act and regulations promulgated thereunder for 180 days before the date of contribution.

"(B) AMOUNT OF DEDUCTION.—Notwithstanding any other provision of this subsection, the amount allowable as a deduction under subsection (a) for any qualified contribution (as defined in subparagraph (A)) shall be an amount equal to the wholesale market value of the agricultural product reduced by the amount of any costs or expenses incurred in the production of such product and for which a deduction has been taken by the taxpayer.

"(C) DEFINITIONS.—For purposes of this paragraph—

"(i) FAIR MARKET VALUE.—The term 'fair market value' means, with respect to any agricultural product, the lowest wholesale market price for such product in the regional market nearest the taxpayer during the month in which the contribution is made.

"(ii) AGRICULTURAL PRODUCT.—The term 'agricultural product' means any hay, feed, crop, livestock, poultry, or product thereof, which is not subject to any excise tax imposed under chapters 51 and 52.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to contributions made after June 30, 1986, in taxable years ending after June 30, 1986.

Mr. THURMOND. Mr. President, I will just take about a minute and a half here. I think it is all agreed to.

Mr. President, many farmers have been donating hay and feed grains to help farmers suffering from the impact of a natural disaster. Unfortunately, current law does not entitle these generous farmers the opportunity to take a fair deduction for their charity. Instead of receiving much needed income for this hay, farmers who have contributed the source of their livelihood can only deduct their actual cost in the product.

This bill and amendment to the debt limit extension resolution would provide a charitable contribution to the extent of the lowest wholesale market price for the agricultural product. The deduction would only be available to agricultural products donated for the benefit of individuals who have been adversely affected by drought, flood, or any other natural disaster. Farmers would be able to donate their products to a State agency which would certify that all reasonable efforts would be made to distribute the products to those truly in need. The contribution must be made within 6 months of the natural disater.

Mr. President, the cosponsors of this amendment are Senators HOLLINGS, GRASSLEY, ZORINSKY, ABDNOR, BOREN, DENTON, COCHRAN, ROCKEFELLER, HELMS, NICKLES, QUAYLE, SIMPSON, MATTINGLY, NUNN, EXON, PRYOR, WALLOP, GORE, HEFLIN, RIEGLE, HECHT, COHEN, SIMON, ANDREWS, WILSON, BURDICK, and HAWKINS.

If any other Senators desire to be added I would be glad for them to be added, and I ask unanimous consent that they can add their names any time today.

The PRESIDING OFFICER. Without objection, it is so ordered.

□ 1110

Mr. THURMOND. Mr. President, I ask unanimous consent that the names of Senator LUGAR, Senator TRIBLE, and Senator STEVENS be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I understand Chairman PACKWOOD has agreed to accept this amendment and the acting chairman of the Finance Committee has now agreed to accept it, the distinguished Senator HEINZ, and also Senator LONG on the Democratic side has agreed to accept it.

Mr. HEINZ. Mr. President, if the Senator will yield, the Senator is correct. Both Senator PACKWOOD and I have examined the amendment. It does exactly what the Senator from South Carolina says it will do. It enables the donation at the lowest applicable wholesale price of commodities by those producers of those commodities to help disaster victims. Those commodities would be donated in a carefully controlled fashion through a designated State agency.

Speaking for Senator PACKWOOD and also for this Senator, we have no objection to the amendment.

● Mr. QUAYLE. Mr. President, on July 23, 1986, the U.S. Senate adopted a resolution to commend those farmers who have donated feed grains and hay to farmers in areas of the drought-stricken Southeast so they may feed their livestock. I am proud to have been a cosponsor of that resolution, and even more proud to represent in the U.S. Senate the over 110 Indiana farmers, and other citizens of 48 Indiana counties who were involved in this relief effort—Hoosiers like Gale McFarland who donated the hay production of an entire field, which amounts to nearly 2,000 bales. Another Hoosier, Bob Sheets, trucked approximately 250 bales of hay to be loaded for delivery to the Southeast. CSX Transport of Greenfield, IN, donated a train to transport hay to South Carolina, Indianapolis State Avenue Railyard donated their facilities, and Superior Truck Training Service of Indianapolis donated the use of 50 trucks to transport hay from local collection sites to the designated pickup sites, while the Mennonite Disaster Services provided the labor needed to load the hay on the rail cars and trucks. Eli Lilly & Co. of Indianapolis donated 100 tons of hay. These are just of few of the Hoosiers who were willing to help others in the time of adversity. Today it is my privilege to cosponsor the amendment offered by the distinguished senior Senator from South Carolina, Senator THURMOND, which would allow farmers who make such donations in times of natural disasters a tax deduction equal to the wholesale market value of the donated commodities.

This amendment would afford farmers who donate agricultural goods to States which have been adversely affected by drought, flood, frosts, or any natural disaster equitable treatment under the Tax Code. Under current law, money contributions to charitable organizations who provide disaster relief are tax deductible in most instances. Donations of ordinary income property, however, are subject to special rules in order to prevent fraud and overvaluation. The amendment of which I am a cosponsor would tailor these special rules governing gifts of property to accommodate emergency circumstances, and would apply only to agricultural products.

Mr. President, the American farmer embodies the character of perseverance and generosity which has made our Nation great. Our Nation's farmers, although still the most productive in the world, are in the midst of dire financial straits. These economic bad times have been exacerbated for farmers in the Southeast who face the worst drought in the past 100 years—spanning the period that weather records have been kept. Farmers throughout the Nation have rallied to

donate hay and feed grains to Southeastern farmers and ranchers so that they may feed their livestock which would surely otherwise die. These donations certainly represent charitable giving and should be treated as such under our tax laws. The scope of this amendment is limited strictly to agricultural commodities and catastrophic emergency circumstances. Furthermore, it limits the deduction to the lowest wholesale market value of that commodity in the market nearest the farmer at the time of the contribution. This amendment does not allow abusive tax avoidance, but rather provides a fair deduction like that afforded others who come to the aid of their fellow Americans in the face of a disaster.●

● Mr. WILSON. Mr. President, it is painfully evident that our Nation's Southeastern farmers are facing an economic catastrophe due to the severe drought within the region. In the past few weeks, we have heard of the desperate conditions which have already claimed an estimated 700 million dollars' worth of agriculture losses. In response to this severe situation, Senator THURMOND has introduced an amendment, which I am pleased to cosponsor, which will provide a glimmer of hope to address this crisis. Under existing law, these unselfish farmers have no opportunity to obtain a tax deduction for their generosity. If enacted this amendment would provide a tax deduction for farmers who donate agricultural products to individuals who have been adversely affected by drought, flood, or any other natural disaster.

This legislation has been carefully drafted to protect against tax fraud. The State departments of agriculture would certify that the donated products would actually go to those individuals who are truly in need. The bill states that farmers shall account for their contributions based on the lowest wholesale price at the time of donation and that these donations are limited to agricultural products donated within 6 months following a natural disaster.

In my State alone, the State department of agriculture has coordinated an effort entitled "Operation Haylift," which has united the generous donations from California farmers with their fellow farmers throughout the country. These California farmers have donated over 2,000 tons of hay representing a value of over $150,000 which would normally be fed to their own livestock or sold to help alleviate their own farm debts. The Southern Pacific Railroad is providing—at no charge—the transportation service to ship these donated commodities from the west coast to the Southeast.

I believe the generous actions of our Nation's farmers are very admirable. Currently, they are facing their own economic crisis; however, these farmers are willing to donate hay to the farmers of the Southeast for their livestock in order to survive this devastating drought. Although these farmers are not asking to be reimbursed or subsidized for their efforts, they are entitled to a tax deduction.

I feel that this bill will be an incentive for additional farmers to contribute additional commodities to their Southeastern counterparts.

Mr. President, I would like to thank my distinguished colleague from South Carolina for his prompt actions to help these drought stricken farmers throughout the Southeast, and I am pleased to join him as a cosponsor of this legislation.●

CHARITABLE CONTRIBUTIONS TO FARMERS

Mr. WALLOP. Mr. President, I speak in support of Senator THURMOND's amendment to the debt limit extension resolution, Senate amendment No. 2255. This bill amends the Internal Revenue Code to allow an equitable charitable deduction to individuals who contribute agricultural products to victims of a natural disaster.

This amendment would help those generous Americans who are donating hay and feed to Southeastern farmers whose livestock are starving because of the worst drought seen in over 100 years.

I am proud of the American spirit and especially want to recognize the people in my State of Wyoming who are donating their agricultural products. Wyoming, like other States, has experienced financial difficulties in the agricultural industry during the past year, but we are not as unfortunate as Southeastern farmers who were hit with a double-barrel—first the financial crisis and then the drought.

In this spirit, I encourage my colleagues to support this amendment which is similar in concept to the charitable contributions we make to our church, or to preferred organizations, but current law does not apply when personal property is the gift donated. This legislation has been drafted to avoid abuse of the tax law as it applies to charitable contributions.

This amendment applies to only gifts distributed by the proper agency to those persons who have suffered misfortune due to a natural disaster. The contribution must be made within 6 months of the natural disaster.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 2255) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HEINZ. Mr. President, I am advised that the Senator from Iowa has an amendment. I do not know if he is as yet prepared to offer his amendment.

Mr. President, I am advised that that amendment is not yet ready to go. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1120

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the consideration of the Sasser amendment be set aside for the consideration of an amendment that I am prepared to offer.

Mr. SASSER. Reserving the right to object, Mr. President, may I inquire of the Senator from Iowa how long this amendment will take?

Mr. GRASSLEY. I believe I am very accurate in saying to the Senator from Tennessee that it should take just a few minutes. About three Senators are desiring to speak. Further, the determination of that conclusion is the fact that we had offered this with relatively no controversy on the tax bill a month ago. It was controversial at that time because of the time constraints we were under. So we were promised to bring it up on this legislation.

Mr. SASSER. Mr. President, may I inquire of the Senator from Iowa whether or not this amendment will require a rollcall vote?

Mr. GRASSLEY. This amendment will not require a rollcall.

Mr. SASSER. Mr. President, it is my understanding that the amendment deals with terrorists in Libya.

Mr. GRASSLEY. Yes.

Mr. SASSER. Mr. President, we have no objection to temporarily setting aside our amendment to take up the amendment of the Senator from Iowa, with the stipulation that we return immediately to our amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2256

(Purpose: To deny foreign tax credits attributable to activities conducted in foreign countries which repeatedly provide support for acts of international terrorism)

Mr. GRASSLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa Mr. GRASSLEY, Mr. LAUTENBERG, Mr. PROXMIRE, Mr. DENTON, Mr. DOLE, Mr. HARKIN, and Mr. MATTINGLY, proposes an amendment numbered 2256.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the committee amendment, insert the following:

SEC. . DENIAL OF FOREIGN TAX CREDIT FOR TAXES PAID TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.

(a) IN GENERAL.—Section 901 (relating to taxes of foreign countries and of possessions of the United States) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) Denial of Foreign Tax Credit, Etc. With Respect to Countries Which Support International Terrorism.—

"(1) IN GENERAL.—Notwithstanding any other provision of this part—

"(A) no credit shall be allowed under subsection (a) for any income, war profits, or excess profits taxes paid or accrued (or deemed paid under section 902 or 960) during the taxable year to any country identified under paragraph (2) as repeatedly providing support for acts of international terrorism, and

"(B) subsections (a), (b), and (c) of section 904 and sections 902 and 960 shall be applied separately with respect to income for such taxable year from sources within any country so identified.

"(2) IDENTIFICATION OF COUNTRIES.—Paragraph (1) shall apply to countries which the Secretary of State, pursuant to section 6(j) of the Export Administration Act of 1979, as amended, has designated as countries that repeatedly support acts of international terrorism. Notwithstanding subparagraph (2)(A), paragraph (1) shall not apply whenever the Secretary of State determines and certifies to Congress that a specific country listed as a terrorist country under 6(j) of the Export Administration Act of 1979, as amended, no longer supports nor carries out terrorist activities.

"(3) PART-YEAR RULE.—If an identification under paragraph (2) is in effect for less than an entire taxable year, paragraph (1) shall be applied by taking into account only that portion of the taxes and income which accrues (as determined under regulations) with respect to activities which occur in the portion of the taxable year for which such identification is in effect."

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by subsection (a) shall apply with respect to taxes the liability for which accrues with respect to activities conducted after August 1, 1986, in taxable years ending after such date.

(2) EXCEPTION FOR SALE FOR DIVESTITURE OF ASSETS.—The amendment made by subsection (a) shall not apply to any taxes the liability for which accrues with respect to activities—

(A) in connection with the sale or divestiture of assets held by a taxpayer in a foreign country to which the amendments made by this section apply, and

(B) which are authorized by the Secretary of the Treasury or his delegate.

Mr. GRASSLEY. Mr. President, today in accordance with the agreement that was made—and I already alluded to it—with the leadership during the consideration of the tax reform bill, I am offering an amendment to the legislation now under consideration, and I am doing this on behalf of myself and a bipartisan group of Senators: Senator LAUTENBERG, Senator PROXMIRE, Senator DENTON, Senator HARKIN, and Senator DOLE. DENTON

□ 1130

The purpose of this amendment is to deny tax advantages to companies for their operations in countries that actively support terrorists, and therefore, to require our tax policy to conform with our foreign policy of combatting terrorism. Presently, the Secretary of State has designated the countries of Libya, Syria, Iran, Cuba, and South Yemen as terrorist countries, under the Export Administration Act.

Mr. President, under current U.S. tax laws, U.S. corporations are permitted to credit, on a dollar-for-dollar basis, foreign taxes they pay against U.S. taxes that would otherwise be due on overseas earnings.

The intent of these credits is to prevent double taxation to those who work or invest abroad, a laudable tax policy for our country to have. We do not question the overall positive effect of this policy, but we do seriously question whether these tax benefits should be available to those whose activity provides bread and butter for State sponsored terrorism.

Mr. President, a glaring example of the unintended effect of these tax credits can be seen in Libya, where these incentives benefited terrorists more than American citizens. Last year, taxes from American corporations reportedly amounting to $2 billion were paid to Qadhafi, which he used, I feel comfortable in saying, to bankroll his State-sponsored terrorism.

Although we have witnessed a profound decrease in Libyan-related terrorist acts since the American bombing of Libya, Qadhafi has vowed he will strike again.

In addition, a potentially more serious terrorist threat can be seen in the country of Syria, which has one of the largest armed forces in the Middle East. Just 2 weeks ago, British authorities directly implicated the Syrian Government for the first time in the outrageous attempt 3 months ago to plant explosives on an Israeli airliner with nearly 400 passengers aboard.

We all know there are terrorist training camps in Syria, Libya, and other terrorist countries. Mr. President, how can we in Congress stand by and allow American companies and individuals to help prop up these terrorist regimes? I say we cannot permit some Americans to profit from revenues used to kill and terrify other Americans.

Therefore, I urge my colleagues to join me and my fellow cosponsors in this bipartisan effort to kick the economic crutches out from under terrorists and the cowardly nations that support them. A vote for this amendment is a strong and clear vote against world-wide terrorism.

Mr. President, I yield the floor.

Mrs. HAWKINS addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mrs. HAWKINS. Mr. President, I rise to offer a modification to the pending amendment. I offer this modification to the amendment offered by my good friend and distinguished colleague, the senior Senator from Iowa. Senators D'AMATO, CHILES, DECONCINI, and HOLLINGS join me as supporters of this modification.

Mr. President, I fully support Senator GRASSLEY's amendment, but I do not think it goes far enough. My modification not only will eliminate the foreign tax credits for companies or subsidiaries doing business in terrorist-supporting nations, but it will also repeal a related tax credit that allows U.S. companies to avoid paying taxes on profits earned by their foreign subsidiaries operating in such nations.

This modification also expands upon the Grassley amendment by including nations we do not recognize or with whom we have severed diplomatic relations as well as the terrorist nations. In all, my modification affects 11 nations: Albania, Angola, Cambodia, Cuba, Iran, Libya, Mongolia, North Korea, Southern Yemen, Syria, and Vietnam.

The provision repeals the tax credits for U.S. foreign subsidiaries of U.S. companies to continue to avoid taxes by simply reinvesting the profits in other foreign ventures without the profits ever being repatriated to the parent company. Without this modification repealing deferral on these taxes, eliminating the foreign tax credit will really have no teeth. The U.S. corporations will simply launder all business profits through a subsidiary.

It is unconscionable that we support such international pariahs through our Tax Code.

In terrorist nations which the State Department has designated under the Export Administration Act, Libya, Iran, Syria, Cuba, and South Yemen, United States companies operating abroad get a 1 for 1 tax credit for every dollar of tax paid to foreign nations. Thus, these foreign taxes cost U.S. companies nothing, zero, but they cost the U.S. taxpayers plenty.

Mr. President, for too many years, our tax policies have subverted our foreign policies. We should not encourage, through our Tax Code, what we discourage through diplomacy. The

trade impact of this amendment is significant. We are talking about trade impact all the time here. The nations affected ran a net trade surplus with the United States of more than $1.4 billion in just 1985. In effect, we are encouraging other nations to levy high taxes on U.S. firms operating abroad.

It is wrong, Mr. President, to use our tax policies to subvert our foreign policies. The United States is leading the battle against international terrorism. Our allies are watching closely what we do. Our allies may want to join us in our fight, but must be puzzled by our contracting actions between our foreign policies and our tax policies.

State-sponsored terrorism is one of the worst crimes against humanity. Nations that support such malicious and cowardly acts are the indisputable pariahs of the world and should be treated accordingly.

It is difficult enough, Mr. President, trying to convince our allies to join us in ecconomic sanctions against terrorists, but to have to worry whether U.S. companies are legally compromising our efforts is something else.

Mr. President, I compliment the senior Senator from Iowa for his amendment.

I understand there is no opposition to my modification to the amendment.

The PRESIDING OFFICER. Only the Senator from Iowa can modify his own amendment.

Mr. GRASSLEY. Mr. President, I do accept the modification.

Mr. BYRD. Mr. President, as the Chair has said, only the author of the amendment can modify his amendment. He can modify it in accordance with the wishes of the distinguished Senator from Florida.

Mr. GRASSLEY. The Senator is very correct. I do so modify my amendment.

The PRESIDING OFFICER. The amendment is so modified.

The amendment, as modified, is as follows:

At the end of the committee amendment, insert the following:

SEC. . DENIAL OF CERTAIN TAX BENEFITS WITH RESPECT TO ACTIVITIES IN CERTAIN FOREIGN COUNTRIES.

(a) DENIAL OF FOREIGN TAX CREDIT.—Section 901 (relating to taxes of foreign countries and of possessions of the United States) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) DENIAL OF FOREIGN TAX CREDIT, ETC. WITH RESPECT TO CERTAIN FOREIGN COUNTRIES.—

"(1) IN GENERAL.—Notwithstanding any other provision of this part—

"(A) no credit shall be allowed under subsection (a) for any income, war profits, or excess profits taxes paid or accrued (or deemed paid under section 902 or 960) during the taxable year to any country to which this subsection applies, and

"(B) subsections (a), (b), and (c) of section 904 and sections 902 and 960 shall be applied separately with respect to income for such taxable year from sources within any country so identified.

"(2) COUNTRIES TO WHICH SUBSECTION APPLIES.—

"(A) IN GENERAL.—This subsection shall apply to any foreign country.—

"(i) the government of which the United States does not recognize, unless such government is otherwise eligible to purchase defense articles or services under the Arms Export Control Act,

"(ii) with respect to which the United States has severed diplomatic relations,

"(iii) with respect to which the United States has not severed diplomatic relations but does not conduct such relations, or

"(iv) which the Secretary of State has, pursuant to section 6(j) of the Export Administration Act of 1979, as amended, designated as a foreign country which repeatedly provides support for acts of international terrorisms.

"(B) PERIOD FOR WHICH SUBSECTION APPLIES.—This subsection shall apply to any foreign country described in subparagraph (A) during the period—

"(i) beginning on the later of—

"(I) January 1, 1987, or

"(II) 6 months after such country becomes a country described in subparagraph (A), and

"(ii) ending on the date the Secretary of State certifies to the Secretary of the Treasury that such country is no longer described in subparagraph (A).

"(3) PART-YEAR RULE.—If this subsection applies to any foreign country for any period less than an entire taxable year, paragraph (1) shall be applied by taking into account only that proportion of the taxes and income described in paragraph (1) for the taxable year as the portion of the taxable year which includes such period bears to the entire taxable year."

(b) DENIAL OF DEFERRAL OF INCOME.—

(1) GENERAL RULE.—Section 952(a) (defining subpart F income) is amended by striking out "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof ", and", and by inserting immediately after paragraph (4) the following new paragraph:

"(5) the income of such corporation derived from any foreign country during any period during which section 904(i) applies to such foreign country."

(2) INCOME DERIVED FROM FOREIGN COUNTRY.—Section 952 (defining subpart F income) is amended by adding at the end thereof the following new subsection:

"(e) INCOME DERIVED FROM FOREIGN COUNTRY.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of subsection (a)(5), including regulations which treat income paid through 1 or more entities as derived from a foreign country to which section 904(i) applies if such income was, without regard to such entities, derived from such country."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1987.

Mr. GRASSLEY. Mr. President, those who might argue—though I have not heard it yet—that somehow foreign policy issues of terrorism have no business being discussed with the general subject of tax reform or tax legislation in general, I think miss a very important point in the area of foreign tax credits as applied to terrorist countries. Our tax system is in direct conflict with our foreign policy interest of defeating terrorism. Foreign policies and tax policies are closely interrelated.

If we are really serious about getting tough with the terrorists, we have to strike at terrorism in every conceivable legitimate way. This surely includes denying terrorists indirect tax subsidies.

□ 1140

Mr. President, I do see the Senator from New Jersey on the floor, who cosponsored this legislation. I shall yield the floor if the Senator seeks recognition.

Mr. LAUTENBERG. Mr. President, yes, I joined with Senator Grassley in offering this amendment to deny foreign tax credits to companies operating in countries that actively support terrorism. This amendment is similar to S. 2429, legislation that Senator GRASSLEY and I introduced as the Anti-Terrorism Tax Act on May 8, 1986. It will save tax dollars, not spend them.

Our Tax Code currently permits U.S. corporations that do business in foreign countries to credit the taxes they pay to foreign governments against their U.S. tax bill. The purpose of this "foreign tax credit" is to prevent corporations that operate abroad, and those that invest in them, from being subject to double taxation. That principle is not at issue here. The issue is whether American taxpayers should subsidize, even indirectly, governments that support and sponsor terrorism. I say they should not.

To prevent that subsidy, and to encourage companies to leave countries that sponsor terror, this amendment would deny the foreign tax credit to corporations that operate in countries that have exhibited a pattern of support for terror as verified by the Secretary of State on his terrorist list. Initially, we started with five countries, which particularly were listed because of their support of terrorism. Of course, that amendment has now been modified by the author of the amendment and while we have some concerns about whether or not we invade the province of the foreign policymakers in our country, we believe that all nations that are identified with terrorism should be included on this list.

The one thing I do not want to do, however, is get confused with other foreign policy objectives. When we discuss Angola, it seems there are other sides of that issue that include some support from the Government of South Africa. Therefore, while I am troubled by some parts of the amendment, I support it, because I think we have to do whatever we can to suppress terrorism and not in any way, di-

rectly or indirectly, lend our support to it.

Governments that support terror are specifically defined by reference to the terrorist list that is kept by the Secretary of State pursuant to the requirements of the Export Administration Act. Right now, as I said, there are five countries on that list—Libya, Syria, Iran, South Yemen, and Cuba. We prohibit tax credits if countries participate in an international boycott; why should we do less with countries that support terrorism?

This amendment will deny the benefit of American tax dollars to countries who practice terror, dollars that often provide the financial support for a regime dedicated to terror. Libya is a case in point. Last year, Qadhafi garnered $2 billion in tax revenue from the taxes of American companies operating in Libya; $2 billion used for the killing of innocent Americans and others around the globe; $2 billion to train and equip those who blow up discotheques and airplanes.

If we are to destroy Libya's ability to foment terror around the world, we must undercut the oil revenues that keep her afloat by making it less profitable for American companies to pump oil in Libya. How can we expect the cooperation of our allies in our program to isolate Libya economically and diplomatically if we ourselves provide tax benefits to companies operating there?

Although most American companies have now left Libya, this amendment applies to all companies that could operate there or in any other terrorist country in the future.

When we introduced S. 2429, the Anti-Terrorism Tax Act, it required that the foreign tax credit be denied to companies operating in terrorist countries immediately upon enactment of the bill. For companies operating in Libya who have been under orders to leave the country for some time, this is not unfair.

However, Mr. President, to give companies now in Syria, South Yemen, Iran, and Cuba time to leave without selling their assets at bargain basement prices, we have provided some leeway in our amendment. It permits companies to receive the foreign tax credit during the time it takes to sell or divest themselves of assets in terrorist countries, provided the Secretary of the Treasury grants such an exception. It will also provide time for companies operating in countries put on the terrorist list in the future to adjust to losing the foreign tax credit.

Mr. President, the Senate has already voted to deny tax benefits to Americans who continue to work in Libya in defiance of President Reagan's orders. We should do the same for corporations who operate in terrorist countries.

I urge my colleagues to adopt this amendment to send a message that the U.S. Government will no longer credit taxes paid to terrorists against taxes owed to the U.S. Treasury.

I thank the Senator from Iowa.

Mr. GRASSLEY. Mr. President, I compliment the Senator from New Jersey because, in this and many other areas, I have had an opportunity to work with him. He has been very helpful and I hope I have been helpful to him in several areas. He has really been out in front on this issue and I want to recognize that.

Mr. LAUTENBERG. Mr. President, I thank the Senator from Iowa. I share his sentiments. We have worked on many things and I think they have always been fruitful and positive. I appreciate the opportunity to work with him in this area as well.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the following Senators be added as cosponsors of the modified amendment: Senators D'AMATO, CHILES, DECONCINI, and HOLLINGS.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. D'AMATO. Mr. President, I support the modification to Senator GRASSLEY's amendment to eliminate certain tax preferences for U.S. companies operating in nations which we do not recognize, with which we do not have diplomatic relations, or which are supporters of terrorism.

Mr. President, for far too long, we have allowed our tax policy to subvert our foreign policy. It is unconscionable that U.S. companies operating in nations hostile to the United States are provided the same tax preference treatment as if they were doing business in our closest allied nations. It is unthinkable for me that we allow nations which we do not recognize, with which we do not have diplomatic relations, or which support international terrorism against Americans to benefit from our Tax Code.

U.S. companies operating overseas are provided a dollar-for-dollar tax credit against U.S. taxes for taxes paid abroad. The Tax Code also allows U.S. taxes on income earned abroad by foreign subsidaries of U.S. firms to be deferred until that income is remitted to U.S. parent corporations. Our amendment eliminates these tax breaks for income earned in nations hostile to the United States.

Only four countries—Albania, Angola, Mongolia, and North Korea—are withheld United States diplomatic recognition. Cuba, Iran, Cambodia, South Yemen, and Vietnam are nations with which we have severed relations. Under the Export Administration Act, the State Department has listed five nations which support international terrorism: Libya, Iran, Syria, Cuba, and South Yemen. These 11 pariah nations are eligible to benefit economically from tax breaks provided by an indiscriminate application of the U.S. Tax Code. This is in spite of the fact that we officially hold these hostile powers in the lowest regard. Surprisingly, some of these nations also enjoy most-favored-nation trading status and, in the case of Angola, Syria, and Iran, there is substantial United States trade.

We believe the nations listed above should no longer benefit from this preferential tax treatment. We should not encourage through our Tax Code what we discourage through diplomacy. We therefore propose that U.S. firms be denied foreign tax credits for payments they make to governments we do not recognize, have severed relations with, or which are officially considered sponsors of terrorism.

Presently, if a U.S. firm pays $1 of tax to any of these hostile governments, it receives an equivalent $1 reduction in its U.S. corporate taxes. This arrangement helps illegitimate and outlaw governments, in effect, to finance their activities by drawing on the resources of the U.S. taxpayer. Essentially, our tax policy is encouraging them to set their taxes as high as possible.

To reduce the rewards to such governments and to increase the taxes paid to the U.S. Treasury, our amendment will eliminate this tax credit for firms doing business in these nations. This favorable tax treatment, however, will be restored once normal relations are resumed. Making restoration contingent upon the reestablishment of normal relations will give U.S. firms operating inside the borders of our enemies an increased incentive to work toward reconciliation.

The trade impact of this amendment is significant. The naitons listed above ran a net trade surplus with the United States of more than $1.4 billion in 1985. Many argue that we should conduct no business with these regimes; here we argue merely that we should at least not use our Tax Code to worsen our trade imbalance with these nations. A more rational tax policy in this instance will help our trade balance, increase our tax revenues, create new jobs at home, and improve our security.

To make the foreign tax credit repeal truly effective, it also is necessary to eliminate a complementary tax break. Under current law, corporate income earned in foreign countries is not subject to U.S. tax until it is eventually repatriated back to the United States. In many cases, this could take years. This provision is also repealed for these hostile nations by our amendment. Otherwise, companies could choose never to repatriate their earnings. Perversely, this would encourage them to use the profits earned in these nations to further expand

their business operations in enemy countries.

The effective date of this amendment is January 1, 1987; this is sufficient notice to provide U.S. firms with an opportunity to prepare for its imposition. In the future, our amendment would provide a 6-month grace period before the imposition of these restrictions whenever we refuse to recognize or sever relations with a nation, or name that nation formally as a sponsor of terrorism.

Mr. President, this amendment makes good sense economically and politically. It is time that we align our tax policy with our foreign policy. The United States is leading the battle against international terrorism and to isolate pariah nations. Our allies which may want to join us in our fight must be puzzled by our contradicting foreign and tax policy actions. It is difficult enough, Mr. President, trying to convince our allies to join us in economic sanctions against outlaw nations to have to worry whether U.S. companies are, legally, compromising our efforts.

I urge strong Senate support for this important measure.●

Mr. GRASSLEY. Mr. President, I have no further statement to make at this point. I hope that following my promise to the Senator from Tennessee, we can move to consideration of this amendment.

Mr. LEVIN. Mr. President, I commend my friend from Iowa for his leadership and others who have worked on this. It is obviously an important contribution. I ask unanimous consent that I be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment.

The amendment (No. 2256), as modified, was agreed to.

Mr. GRASSLEY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SASSER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2250

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Tennessee.

Mr. HEINZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. I ask unanimous consent that I be permitted to proceed for 4 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE ADMINISTRATION'S TRADE POLICY AND TRADE RECORD

Mr. LEVIN. Mr. President, yesterday, the administration announced the conclusion of an agreement with Japan regarding semiconductors. The administration hopes that the agreement will limit the dumping into our country of subsidized Japanese semiconductors while opening up the Japanese market to our semiconductors. I hope so, too. But it is too early to judge the effect of that agreement as the industry itself pointed out this morning.

It is not, however, too early to judge the administration's overall trade policy and trade record. It has been a disaster—and it can lead to a debacle if it isn't changed to recognize reality.

The President can begin that process when he discusses trade in his Saturday radio address to the Nation. In that speech, he will need to do more than point to a semiconductor agreement whose value has yet to be determined and whose alleged relief comes too late to help thousands of workers and hundreds of businesses. He cannot just praise an uncertain future while we have an all-too-certain present.

Two days ago, the Commerce Department announced that we had a negative trade balance of $14.2 billion for the month of June alone. That gives us a trade deficit for the first 6 months of 1986 of almost $84 billion. At this rate, 1986 will be a banner year for trade deficits—we could easily exceed last year's record deficit of $148 billion. I hope the President will explain the threat the record-breaking trade deficit poses to our economy. Even more importantly, I hope that he will give us an alternative to continuing in this direction—concrete ways to reduce the trade deficit substantially.

That is my hope. But my fear is that the President will simply attack the House of Representative as it gets ready to vote on an override of his veto of the textile bill which Congress passed last year. Congress put off an override vote for almost 8 months in order to give the President time to negotiate limits on the imports that are threatening to completely bury our domestic textile and apparel industry in a mountain of foreign-made fabric. What we've gotten are several bilateral agreements with some of the major foreign exporters of textiles which limit the increase in the textiles they may send to the United States. And that is something that those exporters have pledged to do before—and failed to do before. The House will be deciding next week whether they are satisfied with a strategy which simply might slow down the rate of increase in imports and in the trade deficit—but does nothing to reduce those imports and that deficit.

Rather than attacking the Congress, I hope the President will acknowledge that congressional concern—from both parties—is evidence that his trade policy isn't giving American workers or American industry the attention and support they deserve.

Finally, I hope the President will talk about the future of the American worker. About 25,000 American jobs are lost for every $1 billion of our trade deficit. With our deficit heading toward the $160 billion mark this year, that translates into 4 million Americans who may not be working next year because of our trade imbalance.

It is obvious to me that the President's trade policy did not work last year, it is not working this year, and unless some changes are made, millions of Americans will not be working next year because of the President's policy.

In his speech on Saturday, I hope the President indicates that he is willing to work with Congress to fix what is not working. I hope he avoids the temptation to merely condemn Congress for succumbing to "special interests" or for seeking to pass "kamikaze" legislation. This kind of rhetoric will not reduce the trade deficit. It is going to take an aggressive, activist trade policy, one which goes after other countries' unfair trade practices, one which opens up markets in countries that currently keep out our goods, and one which helps to improve our country's competitiveness in the world market.

While I hope the President will say these things, I am afraid all we will hear tomorrow is lots of talk about the inherent virtues of free trade and next to nothing about the fact that free trade only works when everyone plays by the same rules.

Right now the Congress understands those rules. We understand that the time to play has long since passed. We should not play under unfair rules; they do not work and as a result neither do millions of Americans. It is time for some fair play. And that means it is time to adopt a firm and decisive policy designed to deal with the unfair trading practices of other nations and the ineffective trade policy adopted by our own.

Mr. President, I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1150

Mr. HEINZ. Mr. President, I ask unanimous consent that the call of the quorum be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCREASE IN STATUTORY LIMIT ON THE PUBLIC DEBT

The Senate continues with the consideration of the joint resolution.

Mr. HEINZ. Mr. President, last night the Senate entered into a unanimous-consent agreement limiting debate on the amendment proposed to be offered by the Senator from North Carolina [Mr. HELMS]. I rise to indicate to Senators with an interest in this amendment that it would be the intention of this Senator to ask unanimous consent to lay aside the pending amendment for the period of 1 hour, which is what the Senate agreed to, so that we might conclude debate on Senator HELMS' amendment. I am advised that the Senator from Illinois [Mr. DIXON] has asked protection until 1 o'clock. It is 5 minutes to 12 and it seems to me, if we took up that amendment, it would work to his and the advantage of many other Senators. The key thing that I want to advise my colleagues of is that there are opponents to the Helms amendment, and I want them to be able to be present before I make that unanimous-consent request. I do not wish to in any way preclude their opportunity to debate the Helms amendment.

Mr. President, at this time I am not going to make that request. I am going to suggest the absence of a quorum, but it is the intention of the Senator from Pennsylvania to renew that request in a few minutes.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1200

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I indicated a moment ago that it would be my intention to ask unanimous consent to set aside the pending amendment. I am still not ready to do so, but I want to encourage the principal opponents to Senator HELMS' amendment, Senator EAGLETON and Senator MATHIAS, who should be concluding at this very minute the business of the Foreign Relations Committee, to come to the floor. The Foreign Relations Committee can meet only until noon today. Unanimous consent has not been entered into for them to continue past 12 noon today. It is this Senator's hope that at the conclusion of their hearing, those two Senators will come to the floor of the Senate so that we may take up the Helms amendment.

We may be forced to take up the Helms amendment rather quickly, to try to expedite the business of the Senate, or we may be forced to proceed to a vote on the Sasser amendment.

It is the desire of at least one Senator, Senator DIXON, who has a commitment to meet Father Jenco, to not have a vote before 1 o'clock. I hope we do not put ourselves in a position where we have to vote on any amendment before 1 o'clock.

Mr. SASSER. Mr. President, we have been very cooperative in setting aside the pending amendment in order to take up other amendments and to accommodate our colleagues. We want to continue to do that.

We will be agreeable to setting aside the pending amendment at some juncture, if the Senator from Pennsylvania so requests, to accommodate him and the Senator from North Carolina. But I do wish to emphasize that following disposition of the amendment to be offered by the Senator from North Carolina, which I understand has a time agreement of 1 hour and 15 minutes——

The PRESIDING OFFICER. The time agreement is for 1 hour.

Mr. SASSER. I thank the Chair.

Following the expiration of the 1 hour, or such time shorter than that which may be required, I do intend to press for the pending amendment and to dispose of that expeditiously. The yeas and nays have been ordered.

I say that so that my colleagues who may be within the sound of my voice or in their offices will know that there will be a rollcall vote sometime shortly following disposition of the Helms amendment.

Mr. HEINZ. Mr. President, I want to thank the Senator from Tennessee for his cooperation. It is quite true that he has been most helpful. He has done everything he can to help expedite our consideration of other business, and I want to express my appreciation to him.

Mr. SASSER. I thank the Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HATFIELD). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2257

(Purpose: To void D.C. Law 6-170.)

Mr. HELMS. Mr. President, I presume that it will be in order for me to call up the amendment. Incidentally, I wish to modify it or send a new version to the desk. Maybe the latter would be better. I send the amendment to the desk.

The PRESIDING OFFICER. The Senator from North Carolina will have to ask unanimous consent to temporarily set aside the pending amendment.

Mr. HELMS. I am sorry. I thought the distinguished Senator from Pennsylvania had done that. I do make such a request.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS], for himself and Mr. DENTON, proposes an amendment numbered 2257:

At the end of the pending amendment, add the following:

SEC. . DISAPPROVAL OF ACTION OF THE DISTRICT OF COLUMBIA COUNCIL.

The Congress disapproves of the action of the District of Columbia Council described as follows: The Prohibition of Discrimination in the Provision of Insurance Act of 1986 (D.C. Law 6-170); and, notwithstanding any other provision of law, D.C. Law 6-170 shall be null and void effective from June 6, 1986.

Mr. HELMS. I yield myself such time as I may require. Also, I ask the distinguished occupant of the chair to notify me when I have used 20 minutes of my time.

Mr. SASSER. Mr. President, may I make a parliamentary inquiry?

It is my understanding that a time agreement has been entered into on the Helms amendment of 1 hour.

The PRESIDING OFFICER. The Senator is correct. The time agreement is 1 hour.

Mr. SASSER. I thank the Chair, and I thank the Senator from North Carolina.

Mr. HELMS. The Senator is quite welcome.

Mr. President, the pending amendment is a result of an agreement I have made with about 600 black ministers whose congregations represent 150,000 members in the District of Columbia—a very fine, dedicated group of ministers who are concerned, and rightly so, about an action by the District of Columbia City Council.

The D.C. City Council passed an unfair and unwise law—the number of it is D.C. Law 6-170—and it is identified as the D.C. AIDS law. Congress, of course, has the authority, under both the Constitution and the D.C. Home Rule Act, to veto this law.

I am going to get into the details as I move along, but first let me pay my respects to the ministers who are so perceptive about this matter. They are fine, dedicated ministers in Washington, DC.

The point, Mr. President—and this has been emphatically made by the ministers—is that D.C. Law 6-170 discriminates in favor of a special class of people whose lifestyles places them at risk of developing AIDS; and this law would require everybody else to pick up the tab.

It involves insurance, health, life, and disability insurance. Of course, as we all know, insurance is, and should

be, a matter of contract between the insurer and the insured. It has been a longstanding practice of the insurance industry to base premiums on individual or group risk, and actuarial standards are established, of course. Those at higher risk of developing a disease, whatever it may be, pay higher premiums. That is the way it works. Those who are healthy pay a standard premium. This system of freedom of contract, without Government interference, has served the people of this country well, providing insurance at fair rates for well over a century. But along comes the D.C. City Council, Mr. President, deliberately upsetting the apple cart.

□ 1210

The D.C AIDS law is an unfair law because it would suspend longstanding risk assessment practices for a relatively few individuals and would force insurance companies to carry such individuals at low risk premiums. It is an unwise law, Mr. President, because it will ultimately frustrate, if not deny, thousands of D.C. citizens the opportunity to obtain life, health, and disability insurance. The insurance simply will not be available because insurers will have ceased doing business in D.C., as some have decided to do, or the insurance will be too costly to obtain. Either way, the majority of residents of the District of Columbia lose, and lose big, for the sake of a special group.

That is the case as stated by the hundreds of black ministers and the 150,000 members of their congregations.

Mr. President, the insurance industry spent thousands of dollars lobbying against D.C. law 6-170. Since the D.C. council turned a deaf ear, the fine black ministers of the District of Columbia and their congregations have come together to oppose D.C. law 6-170 and to support my efforts to overturn this unjust law.

Let us look at the facts in detail. D.C. law 6-170, which was passed on May 27, prohibits health, disability and life insurers in the District of Columbia from all testing for acquired immune deficiency syndrome [AIDS], aids related complex [ARC] and the HTLV-III infection and from using any test to deny, amend, cancel, or refuse to renew a policy. D.C. law 6-170 also prohibits an insurer from asking an applicant his or her occupation, sex, sexual oreintation, marital status, age or similar factors for the purpose of determining the probability of his or her contracting AIDS. For 5 years under this D.C. law, insurers are prohibited from raising the rates of those who test positive for the presence of any probable causative agent of AIDS, ARC or the HTLV-III infection. Unless the applicant has been diagnosed by a licensed physician as having AIDS or the applicant displays other symptoms to show that the applicant has developed AIDS, the insurer cannot conduct any AIDS test to determine insurance or to set premiums.

If ever there was a piece of unjustified special interest legislation, Mr. President, this is it. For every other disease, an insurer can use any available medical information and tests to determine whether an applicant has a disease or is at high risk of contracting a disease or illness. The insurer can test an applicant for high blood pressure, diabetes, cancer, allergies, anemia, alcohol, drug abuse, paralysis, and heart attacks. The insurer can run blood tests to determine the applicant's health status. The insurer can consider if the applicant is overweight, or if he smokes. The insurer can ask the applicant about his medical history. The insurer can consider the applicant's occupation. And the list goes on and on. If the insurer determines that the individual is at high risk, he is either denied insurance or the applicant's premiums are set in accordance with his individual risk.

That is the way the game works everywhere except in the District of Columbia where these people with a lifestyle of their own who deliberately put themselves at risk in contracting AIDS are singled out by the D.C. Council and told, "We are going to put you on a little bit of a pedestal and we are going to give you preferential treatment."

The fine black ministers and their congregations do not like this and I do not blame them.

So if the D.C. AIDS bill takes effect, and it will unless Congress does something about it or unless the courts do something about it, insurers will have to suspend these longstanding practices for those applicants who have contracted the AIDS virus and are at risk of developing AIDS. The Centers for Disease Control [CDC] estimated that 5 to 10 percent of those who are infected with the AIDS virus will develop a severe case of AIDS possibly within 5 years and 20 to 30 percent will develop ARC. A July 22, 1986, report prepared by the Library of Congress said flatly, "Current estimates are that at least one-third of those who test positive will develop AIDS."

Representatives of the insurance industry have testified before Congress opposing State laws forbidding insurers from using antibody tests to determine insurability.

On November 1, 1985, the House Subcommittee on Health, of the Committee on Energy and Commerce held hearings on the financing of health care costs associated with AIDS. In his testimony, Dr. Donald Chambers, vice president and chief medical director of the Lincoln National Life Insurance Co. testified:

This violation of sound underwriting principles is one to which the industry takes exception, as it marks an unprecedented departure from an insurers traditional ability to underwrite with access to all pertinent medical information. Legislative sanctions of this type simply foster adverse selection—a process by which a disproportionate number of high-risk individuals are given incentive to purchase health insurance, resulting in a severely skewed and unfair subsidization of the high-risk group by the low-risk population. The industry feels it is incumbent upon us as insurers of the population at large to do all we can to detect the minority of applicants who have been infected with the AIDS virus. Testing applicants for the presence of the HTLV-III antibody does indeed provide the underwriter a reliable tool on which to base his risk assessment.

On July 24 I received a letter signed by 15 independent D.C. life underwriters. In that letter, similar points were reiterated. They stated:

As professionally trained and experienced insurance underwriters, we oppose D.C. Act 6-170's ban on all forms of AIDS testing for the following reasons:

(1) Sound insurance underwriting requires the questioning of applicants on all factors which would impact on that applicant's expected mortality. D.C. Act 6-170 prohibits questioning on an important aspect of an insurance applicant's present and future health.

(2) Sound insurance underwriting principles require that policyholders' premiums cover the policyholder's risk. By barring an investigation of a major risk factor, D.C. Act 6-170 requires that increased costs incurred by that factor to be imposed on all other policyholders. Insurance costs will increase substantially as a result.

(3) Insurance firms unwilling to assume the burden of an unknown, vastly expensive risk may well do not more business in the District of Columbia, reducing the choices available to District residents.

(4) Other high risk groups such as victims of hypertension already pay substantially higher premiums. Those premiums must increase still further to cover the risk created by AIDS exposed policyholders.

Senator Helms, we urge you to keep up your fight to overturn D.C. Act 6-170, the only law in the nation which bans any and all forms of AIDS testing for insurance purposes.

As this letter indicates, and as I have said before, if D.C. law 6-170 takes effect, Mr. President, one of two things will happen. The insurance companies will cease doing business in D.C. because it is uneconomic, or policyholders not at risk of developing AIDS will be forced to foot the bill for the AIDS group in the form of higher premiums, including those policyholders who are already paying higher premiums because they are at risk of developing another illness such as cancer or a heart attack, or whatever.

As this last letter indicates, the insurance industry will not ultimately be the one to suffer. Whether insurers stay in the District or leave, the ones who will suffer will be the residents of the District of Columbia. If the insurers stay, the person who works at a small company, who makes, let us say,

$15,000 a year, and who participates in a small group health insurance plan, will be forced to pay higher premiums for someone else's health risk. And, of course, if the employer pays 50 to 60 percent of the premium, he will have to dish out more money as well.

Or what about a single mother struggling to keep her income above the poverty line, where every penny counts? She will be the one forced to pay for someone else's health risk.

It is important to note that three insurance companies have already decided to pull out of D.C. In a June 28, 1986 Washington Times article, it was reported that three insurance companies—Geico, Bankers Security, and Berkshire Life—intend to leave D.C. Another life insurance company—Golden Rule Life—has scrapped its plans to open a regional marketing office in the District for health policies.

It is not coincidental, Mr. President, that these companies are pulling out. They are packing up and moving away because they cannot afford to stay if the D.C. AIDS bill takes effect. In the June 28 Washington Times article, Berkshire Life's president, Albert Cornelio, is quoted as saying:

> The law essentially takes away our ability to underwrite in a normal fashion as we would for any other disease. . . . For a company such as Berkshire, this is a risk we just can't handle.

Concerned D.C. ministers and the Federation of Citizens Associations of the District of Columbia have written me supporting my efforts to overturn the D.C. law 6-170.

The Reverend John G. Martin, founder and executive director of the Third World Assembly, Inc., wrote me a letter dated July 30, 1986. In the letter he said:

> The Third World Assembly, Inc. domiciled in Washington, D.C. and whose executives mostly reside in the District of Columbia, support S.J. Res. 366 to disapprove D.C. law 6-170. . . . It is my hope that the Senate can see the wisdom of your decision to morally uphold their constitutional responsibilities.

The Reverend Cleveland B. Sparrow, chairman of the moral majority and pastor of Sparroworld Baptist Temple, wrote me on July 24, 1986. In his letter he stated:

> I thank God continuously for your outstanding leadership in the United States Congress to repeal the poorly conceived D.C. Act 6-170 and to protect the citizens as well as the three million annual visitors to Washington, D.C., the Capital of the United States of America and a shining star in the Free Western World.

At another point in the letter he states:

> I urge you to keep up your fight to overturn D.C. Act 6-170, the only law in the nation which bans any and all forms of AIDS testing for insurance purposes. I have been assured that you will receive additional letters in support of the position stated in this letter.

On July 30, I received a letter from the Reverend John D. Bussey. In his letter he stated:

> This comes to urge you and to commend you in all the efforts you have made and are making to overturn D.C. Act 6-170, which was recently passed by the D.C. City Council and signed into law by the Mayor.

At another point in the letter he states:

> The Baptist Ministers' Conference of Washington, D.C. and Vicinity is an organization of Baptist pastors and ministers with a membership of more than 600. They voted that I should testify on their behalf at a regular meeting in June. The pastors who are members of this Conference represent approximately 150,000 members in their churches.
>
> I am a pastor of long standing and high respect among the ministry and the people of the District of Columbia, having been Pastor of Bethesda Baptist Church for the past 32 years. We urge you, sir, to do whatever you can to overturn this unreasonable Act.

Mr. President, I have not had the pleasure of meeting Reverend Sparrow, Reverend Martin or Reverend Bussey, although I hope that I have that opportunity in the near future. I do appreciate, however, their leadership on this issue. They, as citizens of the District of Columbia and as ministers of the Gospel, have done a remarkable job in alerting District residents to the dangers of the D.C. AIDS law.

The Federation of Citizens Associations of the District of Columbia supports my efforts as well. A letter from the Federation's president, Mabel Morris, stated:

> The Federation of Citizens Associations of the District of Columbia represents thousands of District residents through their memberships in neighborhood citizens associations concerned with all phases of community life such as health, education, transportation, public works, etc.
>
> It does, through unanimous action of its Executive Board in a meeting on June 10, 1986, oppose D.C. Act 6-170 known generally as the AIDS Insurance Act.
>
> It does also support resolutions by Senator Helms and Representative Dannemeyer urging Congressional disapproval of this Act.

Mr. President, in my mind, the choice is simple. We can ignore the concerns of the insurance industry—that they will have to raise premiums for everyone, or pull out of D.C. We can ignore the D.C. ministers and the thousands of members of their congregations who are pleading with us to overturn D.C. law 6-170—or—we can listen and exercise our constitutional power and overturn this unwise and unjust law.

I ask unanimous consent that copies of the letters of Reverend Sparrow, Reverend Bussey, Reverend Martin, Reverend Fuller and the letter from the 15 D.C. life underwriters as well as the letter from the Federation of Citizens Associations of the District of Columbia and other letters be printed in the RECORD at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SPARROWORLD BAPTIST TEMPLE,
July 24, 1986.

Hon. JESSE HELMS,
U.S. Senate, Washington, DC.

DEAR SENATOR HELMS: I thank God continuously for your outstanding leadership in the United States Congress to repeal the poorly conceived D.C. Act 6-170 and to protect the citizens as well as the three million annual visitors to Washington, D.C., the Capitol of the United States of America and a shining star in the Free Western World.

Mayor Marion Barry and the D.C. City Council chaired by Mr. David Clark have shown disregard, if not total contempt for approximately 98 per cent of the people of the District of Columbia in that far less than 2% of the population have tested positive for aids. This is a blatant act of discrimination against innocent victims of cancer, cardio-vascular diseases, muscular dystrophy and other illnesses. This is not only discrimination, but a flagrant violation of the Equal Protection Provision of the 14th Amendment to the U.S. Constitution. Congress is required to take appropriate action when the U.S. Constitution has been violated and the anticipated action is in complete accord with Section 601 of the D.C. Home Rule Act.

I am deeply concerned over the illogical action taken by the Mayor and City Council when they passed D.C. Act 6-170. In my capacity as Pastor of the Sparroworld Baptist Temple, a father of five children, a citizen of Washington, D.C. for 30 years and Chairman of the Washington, D.C. Chapter of the Moral Majority I have been made aware of a broad base effort to repeal D.C. Act 6-170.

(1) By copy of this letter, the City Council is again requested to call-back D.C. Act 6-170.

(2) The Baptist Ministers Conference of Washington, D.C. and Vicinity of which I am one of approximately 500 Baptist Ministers voted to condemn the bill because it was discriminatory.

(3) The D.C. Board of Elections has authorized a referendum for the 4 November 1986 general election and efforts are underway to obtain the required 13,000 signatures on petitions. It is estimated that this effort will cost the citizens of Washington, D.C. over $100,000.00 and would not be necessary if Congress would repeal D.C. Act 6-170.

(4) On 22 July 1986, Ministers of Washington united with the Insurance representatives to repeal D.C. Act 6-170's ban of AIDS testing for the following reasons:

(1) Sound insurance underwriting requires the questioning of applicants on all factors which would impact on that applicant's expected mortality. D.C. Act. 6-170 prohibits questioning on an important aspect of an insurance applicant's present and future health.

(2) Sound insurance underwriting principles require that policyholders' premiums cover the policyholder's risk. By barring an investigation of a major risk factor, D.C. Act 6-170 requires the increased costs incurred by that factor to be imposed on all other policyholders. Insurance costs will increase substantially as a result.

(3) Insurance firms unwilling to assume the burden of an unknown, vastly expensive risk may well do no more business in the

District of Columbia, reducing the choices available to District residents.

(4) Other high risk groups such as victims of hypertension already pay substantially higher premiums. Those premiums must increase still further to cover the risk created by AIDS exposed policyholders.

I urge you to keep up your fight to overturn D.C. Act 6-170, the only law in the nation which bans any and all forms of AIDS testing for insurance purposes. I have been assured that you will receive additional letters in support of the position stated in this letter.

Thank you again for what you will do.

Yours-in-Christ,

REV. CLEVELAND B. SPARROW, SR.,
Pastor, Sparroworld Baptist Temple,
Chairman, Washington, D.C. Moral Majority.

THE THIRD WORLD ASSEMBLY, INC.,
Washington, DC, July 30, 1986.

Hon. JESSE HELMS,
U.S. Senate, Washington, DC.

SENATOR HELMS: The Third World Assembly, Inc. domiciled in Washington, D.C. and whose executives mostly reside in the District of Columbia, support SJ Res. 366 to disapprove D.C. Law 6-170.

After joining congressman Dannemeyer in his initial effort to overturn the deadly legislation contained in D.C. Law 6-170, and appearing in testimony before Hon. Walter E. Fauntroy, Chairman of Subcommittee on Fiscal Affairs and Health July 14, 1986, and being thwarted by a minority group on a proposed D.C. Referendum temporarily, it is a blessing from God that we have such men as yourself morally persuaded that what is good for the nation is good for all.

The Third World Assembly, Inc. wholeheartedly supports SJ Res. 366 which you have introduced in the Senate for the good of all.

It is my hope that the Senate can see the wisdom of your decision to morally uphold their constitutional responsibilities.

Yours for a better nation,

REV. JOHN G. MARTIN,
Founder/Executive Director.

FEDERATION OF CITIZENS
ASSOCIATIONS OF THE
DISTRICT OF COLUMBIA,
July 16, 1986.

DISTRICT OF COLUMBIA COMMITTEE,
U.S. House of Representatives, Washington, DC.

TO MEMBERS OF THE COMMITTEE: The Federation of Citizens Associations of the District of Columbia represents thousands of District residents through their memberships in neighborhood citizens associations concerned with all phases of community life such as health, education, transportation, public works, etc.

It does, through unanimous action of its Executive Board in a meeting on June 10, 1986, oppose D.C. Act 6-170 known generally as the AIDS Insurance Act.

It does also support resolutions by Senator Helms and Representative Dannemeyer urging Congressional disapproval of this Act.

It hereby communicates to the Congress its action and reasons therefor on the attached sheet. It further believes that its large constituency makes it deserving of recognition at public hearings on any matter which it deems to be in the public interest.

Respectfully submitted.

Mrs. EDWARD B. MORRIS,
President.

D.C. ACT 6-170 OPPOSITION

The Federation of Citizens Associations of the District of Columbia opposes Act 6-170 for a number of reasons:

1. It prohibits insurors from considering lifestyle choices as they do in the case of smoking.

2. It excludes an obviously correlated factor, sexual lifestyle, from basic underwriting decisions.

3. It treats AIDS differently from other insurance underwriting.

4. It will increase the insurance premiums of the general population above those in surrounding jurisdictions.

5. It will price the poor out of affordable insurance.

6. It will extend the price regulation of insurance into this one unique area.

7. It will drive insurance companies from the District, such as Geico.

8. It condones illegal acts such as sodomy and drug use.

9. The D.C. Council treats insurance as an industry non grata while giving favorite treatment to other industries such as development and liquor.

10. It is slapping the Congress in the face for disapproving the "sex act" five years ago.

11. The AIDS bill is mislabeled. Titled to prohibit insurance discrimination, it fails to address many "discriminations" of other kinds. The description of the bill talks about testing and benefits but also contains a great deal more.

The Federation does not see Congressional disapproval of the AIDS insurance Act as being contrary to the principles of home rule which include possible Congressional disapproval as part of the legislative process.

Moreover, if the District of Columbia becomes a mecca for persons infected with AIDS and if affordable insurance becomes scarce, the quality of life here will deteriorate to such an extent that the ability of the Federal government will be impaired due to low morale and difficulty in recruiting employees, and tourists (Americans from all over the nation wishing to visit their nation's capital) will be deterred.

These issues are germane to the Federal interest and merit disapproval of D.C. Act 6-170.

If the Congress does not wish to disapprove D.C. 6-170, it can take action remanding the issue to referendum and facilitate the local referendum process by extending the Congressional review period to enable referendum sponsors to gather enough signatures to get the issue on the ballot in September or November.

The House District of Columbia Committee should send some sort of action to the House floor even if a negative recommendation to permit the duly elected Representatives of the people to debate, amend, and vote on the matter.

This Federation urges that the Congress disapprove D.C. Act 6-170.

JULY 23, 1986.

Hon. JESSE HELMS,
U.S. Senate,
Washington, DC.

DEAR SENATOR HELMS: We, the undersigned are firmly opposed to D.C. Act 6-170 and support your efforts to overturn that legislation in the United States Senate.

As professionaly trained and experienced life insurance experts, we oppose D.C. Act 6-170's ban on all forms of AIDS testing for the following reasons:

(1) Sound insurance underwriting requires the questioning of applicants on all factors which would impact on that applicant's expected mortality. D.C. Act 6-170 prohibits questioning on an important aspect of an insurance applicant's current health.

(2) Sound insurance underwriting principles require that policyholders' premiums cover the policyholder's risk. By barring an investigation of a major risk factor, D.C. Act 6-170 requires the increased costs incurred by that factor to be imposed on all other policyholders. Insurance costs will increase substantially as a result.

(3) Insurance firms unwilling to assume the burden of an unknown, vastly expensive risk may well do no more business in the District of Columbia, reducing the choices available to District residents.

(4) Present practice of classifying risks is non-discriminatory. Persons in higher risk groups, such as victims of hypertension pay higher premiums than those who are in good health. This bill is unfair because it denies equal treatment to all applicants.

Senator Helms, we urge you to keep up your fight to overturn D.C. Act 6-170, the only law in the nation which bans any and all forms of AIDS testing for insurance purposes.

Sincerely,

FIFTEEN INSURANCE EXPERTS.

BETHESDA BAPTIST CHURCH,
Washington, DC, July 30, 1986.

Hon. JESSE HELMS,
Dirksen Senate Office Building,
Washington, DC.

DEAR SIR: This comes to urge you and to commend you in all the efforts you have made and are making to overrun D.C. Act 6-170, which was recently passed by the D.C. City Council and signed into law by the Mayor.

I recently spoke before Congressman Dannemeyer for the Baptist Ministers' Conference and have since then spoken before the D.C. House Committee in opposition to the enactment of D.C. Act 6-170. Since that time I have organized a committee entitled "The Committee Against D.C. Act 6-170." This Committee is in the process now of gathering signatures in an attempt to place this on the ballot in November for the people to vote for or against.

I am enclosing a copy of the testimony I gave before the House Committee on D.C. Affairs. This will give the reasons for our opposition.

The Baptist Ministers' Conference of Washington, D.C. and Vicinity is an organization of Baptist pastors and ministers with a membership of more than 600. They voted that I should testify on their behalf at a regular meeting in June. The pastors who are members of this Conference represent approximately 150,000 members in their churches.

I am a pastor of long standing and high respect among the ministry and the people of the District of Columbia, having been Pastor of Bethesda Baptist Church for the past 32 years. We urge you, Sir, to do whatever you can to overturn this unreasonable Act.

Yours in Christian service,

Rev. JOHN D. BUSSEY.

STATEMENT OF REVEREND JOHN D. BUSSEY

TO Hon. JESSE HELMS, Hon. WILLIAM DANNEMEYER.

I am pastor of Bethesda Baptist Church of Washington, D.C. and the chairman of

the Committee Against D.C. Act 6-170. I am speaking for the committee and on behalf of the Baptist Ministers Conference of Washington, D.C. and vicinity of which the Reverend William H. Montgomery is president.

Sirs, I urge you and your committee to put in motion the necessary procedures to cause D.C. Act 6-170 to be overturned or repealed for the following reasons.

The first ground is that the measure is anti-business.—It forces the insurance industry to cover persons who have tested positive on any test to screen for the presence of any probable causative agent of AIDS.

An insurer may not use age, marital status, geographic area of residence, sex, sexual orientation or any other similar factors or combination of factors for the purpose of seeking to predict whether any individual may in the future develop AIDS or an AIDS related complex.

An insurer may not use age, marital status, geographic area of residence, occupation, sex, sexual orientation in determining rates, premiums, dues assessments, benefits covered or expenses reimbursable.

An insurer may not require or request any individual directly or indirectly to take any test to screen for the presence of any probable causative agent of AIDS or AIDS related complex.

An insurer may not request any individual directly or indirectly to disclose whether he or she has taken such test.

Sirs, it is my conviction and that of the Committee Against D.C. Act 6-170 and the Baptist Ministers Conference, that the above mentioned provisions of D.C. Act 6-170 run blatantly and foolhardedly counter to the established and sound business practices of the insurance industry. We are convinced,

Sirs, that a law of this kind in the District of Columbia could very well force every major insurance company to flee the District of Columbia or Bankrupt them if they dare to stay. The only other obvious alternative for them would be to increase their rates and premiums beyond the ability of all but the most affluent to afford.

D.C. Act 6-170 is anti-business in that it criminalizes traditionally sound business practices of the insurance industry.

The bill states that it is illegal to discriminate because of age. If such logic were applied to the automobile insurance industry, such insurers would be compelled to charge every driver the same rates regardless of whether they were experienced and settled senior citizens with no history of accidents or young teenagers out to burn up the road. The bill also states that it is illegal to discrimination because of marital status. Once again looking at the automobile insurers as an example, the bill would require the industry to charge a parent driving carefully because his vehicle is loaded with his small loved ones as a single young person who cares about no one but himself. I am not suggesting that the measure applies to automobile insurance. I cite these examples to demonstrate how each of us has been living with "quote-unquote" discrimination by the insurance industry for decades except we have long recognized the validity and legality of the logic supported by actuarial tables.

The bill makes it illegal to utilize the results of any test to determine the likelihood that a person will develop or actually has AIDS for the next five years. The logic is that it takes five years for any test to prove statistically reliable. The error with that logic is that is assumes that no one in the field of medical science is already in the process of developing a test which will prove accurate next year because they started four years ago or two years from now because they started two years ago and so on. The city council and the mayor, in enacting this legislation, have stated that it is just too bad if such a test is announced before five years is up! If this act is not repealed, any person with stock in an insurance company in the district is well advised to trade it in.

D.C. Act 6-170 is unreasonable.—This act purports to safeguard AIDS victims against discrimination where insurance coverage is concerned. What this act really does, sirs is to blatantly discriminate against every other citizen in D.C. and eventually the entire Nation. It seeks to force, by law, the insurers to issue policies to many persons who are totally uninsurable. We contend that this is unwarranted preferential treatment at the obvious expense of all of us. Everyone knows that family medical history of high blood pressure, cancer, heavy smoking, heart disease, sickle cell anemia, stroke, etc. have long been used by the insurance industry to determine the insurability of an individual and the costs of his premium.

By the enactment of this measure, the city council and the mayor have lead the citizens of the District of Columbia to believe that the protections of the act do not extend to persons who actually have AIDS at the time of application for insurance. That is not correct. Only persons who have actually been diagnosed as having aids are exempt from the protections of the act.

If a person has AIDS, but does not know it or if he knows he has AIDS, but he has not been to a doctor for treatment he is protected by the act—even though he has AIDS. What rational reason can the city council give for refusing an insurer the ability to administer the test and to require further diagnosis by a physician for a person who tests positive? The act simply goes too far.

As a matter of fact, the act possibly hurts the very citizens it purports to protect by prohibiting the testing. Many individuals who have aids unknowingly would find out when they applied for insurance, tested positive and followed up the test with medical diagnosis by a qualified physician.

The citizens for whom I speak are convinced that the unreasonableness of D.C. Act 6-170 is enouth to recommend its repeal by Congress.

[This section addressed to Mr. Fauntroy, personally]

Our efforts in coming before you today are not anti-homerule.—Mr. Chairman, we are in the process of seeking to have this law repealed through the referendum process. The initiative, referendum and recall procedures are part an parcel of the ability of any jurisdiction to exercise homerule. In this jurisdiction, however, the referendum process is fatally defective. A proposer of an initiative has 180 days within which to secure the required number of signatures. We are given a mere thirty days that is cut short by a ten day challenge period and cut further by the possibility of litigation by the opposers of the referendum.

By proposing a referendum, we are submitting that the majority of the voters in the District of Columbia do not favor the law. However, we may not get the opportunity to exercise homerule and prove it because of the unreasonably short period of time that we have to secure the necessary signatures. Mr. Chairman, if you as an outspoken supporter of homerule, believe that Congress should let the city decide, then we challenge you to introduce a measure to extend the congressional review period on this act to afford district residents the opportunity to vote on the matter. We are really asking you to give us the necessary time to exercise homerule.

Thank you for your consideration.

MARANATHA CHURCH
ON CAPITOL HILL,
July 23, 1986.

Hon. JESSE HELMS,
U.S. Senate,
Washington, DC.

DEAR SENATOR HELMS: As a pastor in the District of Columbia I am opposed to D.C. Act 6-170. I as a district resident am embarrassed to admit that our city council showed the neglect that they did for the well being of the citizens of this community. I thank you for taking the responsible concern for our city that should have been demonstrated by our elected officials.

In conclusion I am in support of the Resolution of Disapproval that you are sponsoring in the Senate.

Thank you for your help.

Sincerely,

BRETT FULLER, *Pastor.*

ASSEMBLIES OF GOD-POTOMAC
DISTRICT COUNCIL,
Fairfax, VA, July 15, 1986.

Hon. JESSE HELMS,
U.S. Senate,
Washington, DC.

DEAR SENATOR HELMS: As a minister of the gospel and an executive working with thousands of our ministers and church members, I wish to express my deep concern that your influence and support will be solidly behind the House Bill dealing with AIDS—S.J. Res. 366, the Resolution of Disapproval of D.C. Act 6-170, the AIDS insurance legislation. I join with the overwhelming majority of my fellow citizens who have no interest in subsidizing an immoral life style and who do not wish to see their insurance rates raised in such an arbitrary manner. Thank you for your consideration of this matter.

Sincerely yours,

T. BURTON PIERCE,
Executive Secretary.

Mr. HELMS. I thank the Chair and I reserve the balance of my time.

Mr. MATHIAS. Mr. President, I am happy to join the Senator from Missouri in opposing this amendment. I appreciate the forebearance of the Senator from Missouri in letting me move forward.

Mr. President, I do strongly oppose the amendment offered by the Senator from North Carolina. As he knows, beyond anything else, it is an attempt to circumvent the work of the duly elected representatives of the District of Columbia and should not be condoned by the Senate.

In 1973 Congress returned to the citizens of the District of Columbia the right to govern themselves, a right they had lost nearly 100 years earlier. In enacting the District of Columbia Self-Government and Governmental Reorganization Act of 1973, also known as the Home Rule Act, Congress recognized the disservice it had

done to the citizens of the Nation's Capital a century earlier. I said at that time:

The passage of this bill would restore local self-government to the Capital and would return to the citizens of the District of Columbia, after far too long a time, the basic democratic privileges which the citizens of every village, every town, every city, every county, every State now enjoy.

Mr. President, if the Senate today acts to adopt the amendment of the Senator from North Carolina, we act to take back that "local self-government," the "basic democratic privilges" to which every citizen of this country—including every citizen of the District—is entitled. I urge my colleagues not to allow this to happen.

In the early days of the home rule, as the Senator from Missouri will recall, the District of Columbia Court of Appeals held that "[t]he core and primary purpose of the Home Rule Act * * * was to relieve Congress of the burden of legislating upon essentially local matters 'to the greatest extent possible consistent with the constitutional mandate'." And that is just what home rule has done. Where before the Congress would, on a regular basis, concern itself with alley closings and street renamings, regulation of local industries and local businesses, establishing pay levels, benefits and working conditions for local workers, Congress has now been able to step back and allow the local legislature to make these local decisions.

Under the provisions of the Home Rule Act, Congress delegated much of its authority over the day-to-day operations of the city to a locally elected government. However, Congress did not relinquish its duties and responsibilities with respect to the city as set out in article 1, section 8 of the Constitution. We have retained the power to legislate for the District as the Constitution requires, and to review the actions taken by the city government. We have established a scheme by which Congress can overrule an action of the city council. And, in fact, that scheme has been utilized, sparingly, when the Congress felt that the council had overstepped its bounds.

When the council of the District of Columbia enacts a measure and it is signed by the Mayor, the matter is transmitted to the President of the Senate and the Speaker of the House for a 30 legislative-day layover period, pursuant to the provisions of the Home Rule Act. In the Senate, every such measure is referred to the Governmental Affairs Subcommittee on Governmental Efficiency and the District of Columbia, where each is reviewed based on certain criteria. The subcommittee reviews a measure to determine whether the council has stayed within the boundaries of its authority as delineated in the Home Rule Act; whether the measure violates the Constitution; and, whether the measure conflicts with some strong Federal interest.

And that, really, is the process that we should be dealing with Mr. President. Not an amendment on a national debt limit bill.

In fact, a resolution of disapproval was filed on this matter by the Senator from North Carolina. But it has not been pursued. The District Committee volunteered to have a hearing on it and tried to make it at a time convenient to the Senator from North Carolina, but no such hearing has been held. I would renew the invitation to have such a hearing if the Senator from North Carolina wishes to have it, because that is the process, that is the statutory way to proceed.

To continue, when a piece of council legislation violates one of the principles that I have outlined, the Home Rule Act provides for a resolution of disapproval to be used to keep the legislation from becoming law. Only twice in the 11-year history of home rule, during which time hundreds of measures have been enacted, has Congress judged that one of the criteria was violated, necessitating congressional intervention.

Mr. President, council act 6-170, the Prohibition of Discrimination in the Provision of Insurance Act of 1986, does not violate these criteria; it is, in fact, the purest form of a local legislature addressing a local issue. It requires no interference from the Congress.

D.C. Act 6-170 was unanimously passed by the Council of the District of Columbia on May 27, 1986, and signed by the Mayor on the 6th of June. Its purpose is to eliminate a perceived discrimination within the city in the provision of insurance. Based on the decision of the elected representatives of the citizens of the district that there is no reliable test to screen for the possible occurrence of acquired immune deficiency syndrome, the bill prohibits an insurer from using the results of such a test in determining whether to provide insurance and at what rates. It does *not* require insurers to insure anyone who has AIDS. It merely freezes for 5 years the current insurance rate structures until sufficient actuarial data can be developed to assess risk and determine rates for those exposed to the AIDS virus.

Mr. President, D.C. Act 6-170 is a purely local law affecting a purely local matter—the regulation of insurance in the District of Columbia. It is by no means outside of the boundaries of the Home Rule Act authority delegated to the council. It is clearly not unconstitutional. And there is no overriding Federal interest that must take precedence over that of the local government and it citizens.

So I urge, Mr. President, that the Senate defeat this amendment on the grounds of substance and on the grounds of constitutional practice with respect to home rule in the District of Columbia.

I yield the floor to the Senator from Missouri.

Mr. EAGLETON. Mr. President, I thank my colleague from Maryland.

Mr. President, I am here on the floor to seek to debate and, once again, explain home rule in the District of Columbia.

The Helms amendment would overturn a D.C. bill that deals with a civil issue. Both Houses of Congress must vote to do so. Just 2 weeks ago a subcommittee of the House District of Columbia Committee voted to allow enactment of the city's law. Last week the full House refused to consider this matter. Thus, should the Senate agree today to support Mr. HELMS' amendment, the House will not accept it and the District bill will become law. Thus, consideration of this Helms amendment is truly an exercise in public relations.

□ 1230

D.C. Act 6-170, the Prohibition of Discrimination in the Provision of Insurance Act of 1986, prohibits insurance companies operating in the District of Columbia from discriminating against individuals who test positive for exposure to the AIDS virus by either refusing coverage to such persons or by increasing health insurance premiums to such individuals for 5 years. The measure has no effect in cases where AIDS has been diagnosed. It is strongly opposed by the insurance industry and by those who believe that all individuals who test positive for exposure to AIDS will move across District lines and become District residents in order to obtain insurance coverage.

I am not here to debate the wisdom of the D.C. bill. I am not here to debate whether or not insurance companies should be allowed to establish premiums based on individual differences, such as sex, age, health conditions, and habits, such as smoking.

I quite frankly, am a smoker. I know an insurance company has the right to deny me and other smokers insurance coverage based on the higher risk posed by my own self-inflicted smoking. I an not arguing that substantive matter. I am not here to debate the moral questions of whether those who test positive for AIDS should or should not be given special treatment by society.

I am here simply to state that under the D.C. Self-Government and Governmental Reorganization Act of 1973—the Home Rule Act—the District of Columbia is fully within its rights and powers to pass D.C. Act 6-170. Under the Home Rule Act, Congress has reserved for itself the power

to review all D.C. bills and, indeed, to overturn such legislation. Since home rule commenced, however, Congress has seen fit to exercise that power only twice, once in 1978, and again in 1981. I personally approved of the first disapproval because the D.C. Council had exceeded its authority under the home rule charter, usurping zoning powers that under the home rule legislation belonged to the city's board of zoning adjustment and zoning commission. The second disapproval, a criminal matter which could be overturned by a one-House vote at that time, succeeded in the House. I opposed that disapproval and would have argued strenuously against it had it come to the Senate. So, let me repeat. Resolutions of disapproval have been adopted by Congress on only two D.C. acts. Since enactment of home rule, Congress has reviewed and allowed to stand around 1,000 D.C. acts.

As I mentioned above, passage of the Helms resolution of disapproval will also let this measure stand, given last week's House action. And the House is right. Senator MATHIAS and I each have served on the District of Columbia Committee—now Subcommittee—for 18 years. We wrote the Home Rule Act, and by that act, promised as much self-government to the District of Columbia as we found constitutionally allowable. No one today would be arguing that North Carolina, or Georgia, or the State of Washington, or California did not have the right to pass the legislation passed by the District regardless of how stupid that legislation might be.

During the years we have implemented the provisions of the Home Rule Act, we have tried to review D.C. bills by three standards: Is the bill consistent with the provisions of the home rule legislation; is the bill constitutional; and does the bill contain matters of overriding Federal interest or concern. D.C. Act 6-170 satisfies all of the three standards if not the standard of legislative wisdom.

Home rule means the District of Columbia has the freedom to legislate its own local destiny. Included within that concept of freedom is the freedom to act stupidly. Every State legislature exercises that freedom. The U.S. Senate exercises that freedom to the fullest. We did so as recently as 1:30 a.m. this morning when we deliberated beyond meaningful human acuity.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Chair. I appreciate the review of the Home Rule Act by my friend, the distinguished Senator from Missouri [Mr. EAGLETON].

Just for the record, I was here as administrative assistant to a Senator in 1951, 1952, and 1953 when the question of home rule came up repeatedly. It did not happen when I was here at that time. But on July 10, 1973, the Senate passed S. 1435, which as Senator EAGLETON has said, bears the title "The District of Columbia Charter Act," the home rule charter creating a representative role of government for the District by providing for election of major and city council by the voting citizens of the District of Columbia. That is correct, but it is important to note that the very same act recognized the constitutional powers vested in Congress over the District of Columbia affairs, and the charter provided for a congressional veto of any act of the city council of the District of Columbia.

It is true that since that law was passed the appropriate committees in the House and the Senate have construed their own litmus test. They decided they will consider only those laws passed by the D.C. Council if the D.C. Council actions violate one of the three conditions: one, if there is a Federal interest; two, if there is a violation of the Constitution; three, if there is a violation of the home rule charter. All testimony is confined to those three issues. But that is not what the act itself says. The act itself contains no such litmus test. This is a set of parameters adopted by the relevant committees.

House hearings were held on July 15, and up until the day before, the D.C. ministers and the insurance companies were prohibited from testifying according to what they tell me. Then, Mr. President, the House committee attempted to vote before the GEICO Insurance Co. was allowed to testify. Fortunately, one Member objected to the unanimous-consent request to vote at that time, and GEICO testified. But their minds were made up. And away she went. Only two Members voted to report the bill out of committee.

I have just been in a conversation with the distinguished Senator from Maryland, who is my chairman on the Rules Committee, a Senator whom I admire greatly. We had requested a hearing, and he said that we were offered a hearing, if I understand my conversation correctly.

□ 1240

I know of no offer, which does not imply whatsoever that a letter was not sent.

Mr. MATHIAS. Let me say these communications gaps do occur.

Mr. HELMS. Mr. President, in all fairness, I stand corrected up to a point. I did not receive anything from a staff member offering a hearing this week. Frankly, I did not know about that. But there was a time when we were dealing with subjects ranging to and including South African options and that sort of thing, and it was not possible to have a hearing.

Let me ask the Senator, and he may not know the answer to it, about receiving testimony from ministers in the hearings.

Mr. MATHIAS. We have always welcomed ministers. My door has been open as chairman of the District Committee to these ministers. We have always made it possible for them to testify in appropriate cases. Our open door policy operates in dealing with them.

Mr. HELMS. I admire the Senator for the manner in which he operates.

Mr. MATHIAS. As the chairman himself knows, sometimes it is difficult to accommodate all witnesses, but we make every effort to do that. We certainly do not keep any group out.

Mr. HELMS. Mr. President, I suggest the absence of a quorum, with the time to be equally divided.

Mr. MATHIAS. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I yield myself such time as I may require.

There was a communication. The distinguished Senator is exactly right. I apologize for not being aware of it. As I indicated earlier, it was a time when he and I were both tied up with other matters.

Let me ask the Senator this question: Is my impression correct that only those laws passed by the D.C. Council will be considered for override if they violate one of three conditions I set forth a while ago: Federal interest, violation of the Constitution, or violation of the home rule charter. Is that correct?

Mr. MATHIAS. Well, I think it is clear that if any one of those conditions existed, that would be prima facie grounds for overruling an action of the council. I would not say that those would be the only rules because any man is capable of very creative mischief and it is possible that other things might be considered. But, clearly, those are the prima facie grounds on which an action of the Council can be overruled and should, in my judgment, be overruled.

Mr. HELMS. I thank the Senator.

Mr. President, let me read into the RECORD an item in the remainder of my time before I ask for the yeas and nays.

Mr. President, I have a communication from Mrs. Edward B. Morris, president of the Federation of Citizens Associations of the District of Columbia, writing to me on July 16, 1986, and stating:

The Federation of Citizens Associations of the District of Columbia represents thousands of District residents through their membership in neighborhood citizens associations concerned with all phases of community life such as health, education, transportation, public works, et cetera.

Then she goes on to say:

It does also support resolutions by Senator HELMS and Representative DANNEMEYER urging congressional disapproval of this act.

It hereby communicates to the Congress its action and reasons therefore on the attached sheet. It further believes that its large constituency makes it deserving of recognition at public hearings on any matter which it deems to be in the public interest.

Under a previous unanimous-consent request, the Chair graciously authorized me to insert that and other material into the RECORD.

Mr. President, let me summarize very briefly.

The distinguished Senator from Missouri [Mr. EAGLETON] made it crystal clear that any discrimination in favor of, frankly, a homosexual group who placed themselves at risk through their chosen lifestyle is pertinent.

As he said, he had no quarrel with the substance of this amendment. He said that he understood, and I think he said he agreed with, the insurer's right to consider the habits of citizens, such as smoking, overweight, and other things.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. EAGLETON. Mr. President, I yield 2 minutes from my time to the distinguished Senator.

Mr. HELMS. I thank the Senator.

The Senator, as I understand it, is basing his objection purely on the grounds that he considers it to be an invasion of the authority of the D.C. City Council.

I would say to him that the Congress is not only authorized but it has the duty to intervene when it perceives such injustice as has been outlined in letter after letter by the black ministers of the District of Columbia.

So, that is the issue. Should preferential treatment be given to this group, or will they be treated like all other citizens?

That is all the ministers are asking for. I think that is a good question.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Maryland has 9 minutes remaining and the Senator from Missouri has 5 minutes remaining.

□ 1250

Mr. EAGLETON. Mr. President, I believe as anyone does on a commonsense basis, that insurance companies have the right to take into account actuarial risks, actuarial tables in writing insurance. I used, in my opening remarks, the illustration of myself as a lifelong smoker. An insurance company can find me an infinitely greater risk than someone else of comparable age who has abstained from cigarettes for all of his or her life. But the issue before us, as I see it, is not the wisdom or brilliance of the ordinance passed by the District of Columbia Council. The issue is Home Rule for the District of Columbia.

Are we going to superimpose our judgment over every bill or over every ordinance that is passed by the D.C. Council? Are we going to become a sort of appellate District of Columbia Council? Are we going to go back to the old days, when we virtually were, in many respects, the District of Columbia Council?

We did away with that because we thought that a body of American citizens, those living in the District of Columbia, were entitled to determine their own destiny, to elect their own representatives, to decide their own civil matters before an elected D.C. Council. If we vote for the Helms amendment, we are on the way back to the bad old days. We are on the way back to the U.S. Senate and the U.S. Congress becoming a sort of super District of Columbia Council.

Regardless of how one feels about the wisdom or the substantive merits of the bill that the District of Columbia Council passed, the issue is, do we want to go back to those bad old days? I suggest not.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MATHIAS. Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator from Maryland has 9 minutes remaining, the Senator from Missouri has 4 minutes.

Mr. MATHIAS. Mr. President, I agree with the Senator from Missouri. The question here is a home rule question: Do we think that we are doing such a great job on legislating for the Nation and the world that we have time left over to go back into the business of being a city council? Questions such as whether we should have dogs running in heat on the streets of the District of Columbia—that is the kind of thing that used to be legislated on here, before home rule.

There are those myriad activities that go on in any modern urban center that we could be legislating on. Do we want to go back into that business? Have we done such a splendid job on the national scene and have we so much time left over that we want to become once again a municipal council? That is the kind of question we are considering here.

Mr. President, no one doubts that serious interests are at stake. No one doubts that there can be honest differences of views on issues that come before the city council. But what we have tried to do with home rule is adopt a system that is both a matter of political equity and political fairness, a system which allows local citizens to have local government on a democratic basis. Do we want to put Congress back in the municipal business?

In the case at hand, the District of Columbia Act 6-170 is a purely local law affecting a purely local matter, the regulation of insurance in the District of Columbia. It is by no means outside the boundaries of the Home Rule Act, the authority delegated to the city council. It does not seem to be unconstitutional.

There is no overriding Federal interest involved that might take precedence over that of the local government of local citizens. There is a provision and a procedure by which such questions could be legislated if Congress wishes to do so. That procedure has not been followed. Instead, here we are, on a debt limit bill, a matter of the greatest urgency, with a municipal ordinance problem.

Mr. President, I shall feel constrained when the time has expired to make a motion to lay this amendment on the table. In the meantime, I yield 2 minutes to the Senator from Massachusetts.

Mr. KERRY. Mr. President, I thank the distinguished Senator from Maryland. I shall be very, very brief.

Mr. President, I rise in opposition to the amendment of the Senator from North Carolina.

The issue raised by our colleague is very simple: What is the role of the Congress in legislating purely local issues regarding the District of Columbia?

To answer this question we need look no further than the opening lines of the 1973 legislation which created the present form of local government for Washington. In granting home rule to the District we declared:

It is the intention of Congress to the greatest extent possible, consistent with the constitutional mandate, to relieve Congress of the burden of legislating upon essentially local District matters.[1]

If any area of economic regulation has been considered historically to be local in nature, it is the regulation of insurance. Ever since the enactment of the McCarran-Fergusen Act in 1945,

[1] District of Columbia Self-Government and Governmental Reorganization Act, § 102.

the Congress has taken a hands-off position with respect to State and local regulation of insurance. The result is a highly sophisticated and effective system of State law and regulation governing our country's insurance industry.

That system of State regulation takes into account the differing interests and policies unique to each State. For example, a growing number of States are enacting legislation similar to that recently enacted by the District of Columbia Council. Both California and Wisconsin restrict the right of insurance companies to discriminate in coverage involving HTLV-3 carriers. My own State of Massachusetts and five others—New York, Illinois, California, Louisiana, and Maryland—all prohibit discriminating in writing insurance policies involving the sickle-cell trait. Illinois, Maine, and New York also prohibit special insurance treatment of persons who have been exposed to the drug DES.

The recently enacted legislation of the District of Columbia Council is in this tradition and reflects the considered judgment of the District's elected political officials about what is in the interests of the citizens who elected them.

Indeed, the local legislation which would be overturned by Senator HELMS was enacted by a unanimous vote of all 13 elected representatives—Republican and Democratic—on the District of Columbia Council.

Mr. President, I can think of no area of District government policy more appropriately covered by the language which I just cited from the 1973 Home Rule Act than the regulation of insurance.

If we in Congress are to begin second guessing the District government on an issue as local in nature as this, then we will be setting a dangerous precedent for the business of the Senate to be interrupted any number of attempts to interfere in District government affairs.

We have far too many serious responsibilities which only we in the Senate can address, to be distracted with requests to function in the place of a local city council.

Mr. President, apart from the obvious fact that the amendment of the Senator from North Carolina violates the mandate of the 1973 home rule statute and threatens to distract the Senate with innumerable local issues in the future—I believe there is another strong reason for opposing it.

The most important reason is that it is simply wrong for us to impose our will on a District of Columbia government which is unrepresented in this body.

The abolition of slavery, universal sufferage—for men and women—the principle of one person-one vote, have brought to the governing of our State and local governments a sense of fairness and equity not imaginable 200 years ago.

One of the few remaining obstacles to the perfection of democratic principles of Government in the United States is the archaic status of the District of Columbia.

More than 600,000 of our Nation's citizens are permanent residents of the District of Columbia. They are all Americans. They pay taxes, they serve in the Armed Forces, they attempt to participate in local self-governance, as do the citizens of every 1 of the 50 States. Yet they are completely unrepresented by voting membership in the Congress of the United States.

The amendment of the Senator from North Carolina serves to highlight this inequity.

Without exception, every elected official of the District of Columbia government supports the local legislation the Senator would overrule. Yet he would impose his own will on them and the constituents they represent.

I strongly believe that approval of his amendment would be a giant step backward in the development of this Nation as well as an inappropriate use of the Senate's time and energy.

If we in Congress are to concern ourselves with the welfare of the citizens of the city of Washington, we would do far better to devote ourselves to seeing that they one day can send one of their own to this body to speak for them, and to end the anachronistic system of denial of basic democracy which has blighted our Nation's Capital for generations.

Mr. President, 13 people have spoken for the District of Columbia. Yet the District of Columbia, of all the places in the United States, where there are 600,000 of our Nation's citizens who pay Federal taxes, are subject to the Armed Forces and everything else, has no representation in Congress. There is no reason that several Senators should overturn that expressed will of their elected body, their elected officials.

● Mr. LEVIN. Mr. President, the issue here is not whether we agree with the decision of the D.C. City Council restricting certain insurance company practices nor is it in any way a question of whether we approve of AIDS or the behavior which makes it likely that someone may contract that disease. In fact, I do not agree with it. Rather the issue is simply one of whether or not the District of Columbia has the right to make its own decisions and its own mistakes.

Both the chairman and ranking member of the District of Columbia Subcommittee, people who wrote the home rule law and have had the responsibility of seeing that it is obeyed, have indicated that the D.C. action was within the law. They may not support the decision made by the District, but they do support the right of the District of Columbia to make a decision. So do I. And that is why I am voting to table this amendment.●

The PRESIDING OFFICER. The time has expired. Who yields time?

Mr. MATHIAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

□ 1300

Mr. MATHIAS. Madam President, I ask unanimous consent that the call of the quorum be suspended.

The PRESIDING OFFICER (Mrs. KASSEBAUM). Without objection, it is so ordered.

Mr. MATHIAS. I move to table the amendment of the Senator from North Carolina and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ARMSTRONG. I announce that the Senator from Oregon [Mr. PACKWOOD], the Senator from Wyoming [Mr. SIMPSON], the Senator from Idaho [Mr. SYMMS], the Senator from Virginia [Mr. Warner], and the Senator from Connecticut [Mr. WEICKER], are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Maine [Mr. MITCHELL] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 41, nays 53, as follows:

[Rollcall Vote No. 174 Leg.]

YEAS—41

Andrews	Eagleton	Mathias
Baucus	Evans	Melcher
Biden	Goldwater	Metzenbaum
Boschwitz	Gorton	Moynihan
Bradley	Harkin	Nunn
Bumpers	Hart	Pell
Burdick	Hatfield	Proxmire
Chafee	Heinz	Riegle
Chiles	Johnston	Sarbanes
Cohen	Kennedy	Simon
Cranston	Kerry	Specter
D'Amato	Lautenberg	Stafford
Dodd	Leahy	Stennis
Durenberger	Levin	

NAYS—53

Abdnor	Gore	McClure
Armstrong	Gramm	McConnell
Bentsen	Grassley	Murkowski
Bingaman	Hatch	Nickles
Boren	Hawkins	Pressler
Broyhill	Hecht	Pryor
Byrd	Heflin	Quayle
Cochran	Helms	Rockefeller
Danforth	Hollings	Roth
DeConcini	Humphrey	Rudman
Denton	Inouye	Sasser
Dixon	Kassebaum	Stevens
Dole	Kasten	Thurmond
Domenici	Laxalt	Trible
Exon	Long	Wallop
Ford	Lugar	Wilson
Garn	Matsunaga	Zorinsky
Glenn	Mattingly	

NOT VOTING—6

Mitchell	Simpson	Warner
Packwood	Symms	Weicker

So the motion to lay on the table the amendment (No. 2257) was rejected.

□ 1330

Mr. HELMS. Madam President, I move to reconsider the vote by which the motion was rejected.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Madam President, I see no point in a rollcall on the amendment itself. I ask unanimous consent to vitiate the yeas and nays.

The PRESIDING OFFICER. Is there an objection? Hearing none, it is so ordered.

The question is on agreeing to the amendment of the Senator from North Carolina [Mr. HELMS].

The amendment (No. 2257) was agreed to.

Mr. DOLE. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now is on the amendment of the Senator from Tennessee [Mr. SASSER]. The yeas and nays have been ordered.

Is there further debate?

Mr. DOLE addressed the Chair.

Mr. BOSCHWITZ. Madam President, may we have order?

The PRESIDING OFFICER. The Senate will please be in order so we can hear the majority leader.

Mr. KENNEDY. Madam President, I wonder if I could have the attention of the majority leader and also the chairman of the Foreign Relations Committee.

The PRESIDING OFFICER. Will the Senator from Massachusetts suspend a moment until the Senate is in order?

The majority leader.

Mr. DOLE. Madam President, first let me indicate that I have had a number of inquiries about the balance of the day. I think it will be as long or short as people would like to make it.

We still have about 15 amendments. It is my intention to finish this bill today or tomorrow, with the exception of—and I think that would be part of the question—with the exception of the amendments on Contra aid and South Africa; in other words, advance this bill to third reading with the exception of those two amendments—they would still be in order, with a certain date, so we would not be pushed up against the recess—and then lay down the DOD authorization bill, have opening statements, and then on Monday we would be on that with amendments.

I am happy to yield to the Senator from Massachusetts.

Mr. KENNEDY. Madam President, as the leader probably knows by now, the Senate Foreign Relations Committee reported out, by a vote of 15 to 2, economic sanctions on South Africa. I believe that is a very clear signal to Pretoria. I think it is also a clear signal to the White House about what is going to be the outcome of the debate and discussion on South Africa.

I wonder, in light of the very strong bipartisan effort by the committee, what the intention of the leadership would be in terms of the scheduling action by the Senate on South Africa. I am aware of the complex parliamentary situation once we address the substance of the issue, but I am just wondering what the leader might be able to tell us on the schedule.

The people of South Africa should have no doubt where the Senate of the United States stands on this battle against apartheid. We stand firmly and strongly against apartheid and for a free South Africa, and I hope that the Senate can act as soon as possible.

But I am just interested in what the majority leader and the chairman of the Foreign Relations Committee can tell us as to when we might be able to expect the debate on this issue to begin.

Mr. DOLE. Madam President, let me indicate that I first want to commend the Senate Foreign Relations Committee and the chairman for reporting out a bill this morning. It is an indication, I think, to everyone that there is no game playing on this issue. We are just trying to resolve it.

I commend Senator LUGAR, Senator PELL, and others. After staying in until 2 o'clock, they were there at 8 o'clock this morning to start the markup, and that is how it was completed. So I congratulate the members of the Foreign Relations Committee.

It seems to me that there is only one issue left. If we could complete all the amendments on this bill, advance it to third reading—I am talking about the debt limit extension—and lay down the DOD authorization bill and hopefully get an agreement to conclude action on that by Wednesday evening, this coming Wednesday, August 6, then the only thing remaining would be in which order we take the freedom fighters aid, the Contra aid and South Africa.

It seems to me that is the one area we need to work out some agreement on. We have not given up on that, I might say, because we had a meeting on it yesterday. We are still working on it today. As soon as I have any information, I will be happy to pass it on to the Senator from Massachusetts.

Mr. KENNEDY. Madam President, do I understand that there would have to be final disposition of this measure, then, prior to the time of the August recess?

Mr. DOLE. The disposition of the debt limit extension?

Mr. KENNEDY. The debt limit extension including an amendment on South Africa. I, for one, would be quite prepared to see the anti-apartheid legislation of the Foreign Relations Committee made the pending business, either as a free-standing bill or as an amendment to the debt limit. Is it the leader's understanding that the debt limit has to pass and we will have to resolve the South Africa issue one way or the other before the recess?

Mr. DOLE. And the issue on Contra aid, yes.

Mr. LUGAR. Will the leader yield for a moment?

Mr. DOLE. I am happy to yield to the distinguished chairman of the Foreign Relations Committee.

Mr. LUGAR. Madam President, I simply wish to thank the leaders on both sides of the aisle for convening a meeting yesterday that was very helpful, because the distinguished Senator from Massachusetts was involved, the Senator from California, the Senator from Connecticut, and others who have been deeply interested in South Africa legislation. They were willing to allow the committee process to work.

We came in early, as the Senator has pointed out. We had good bipartisan activity and a spirit of comity and, by a vote of 15 to 2, reported, I think, a good bill for which the Senate will then work its will.

I am going to follow my leader in terms of priorities here.

□ 1340

I really am very hopeful that we will pass the Contra legislation and South Africa if we somehow can come to time limits, have a good debate in which Members have a chance to offer their amendments, and get votes on them. I think we will work our will best that way.

I congratulate everybody for taking the time yesterday to allow us to do our work. We think we have a good product to submit to the Senate.

Mr. KENNEDY. Will the Senator yield?

Mr. DOLE. I am happy to.

Mr. KENNEDY. I want to express my appreciation to the Foreign Relations Committee. I think this is a good bill. I think it is a very fine beginning. I want to express appreciation to the chairman of the committee, and to the ranking minority member, Senator PELL, and other members of the committee for the work that has been done. I think we are off to a very strong start.

I thank the leader.

Mr. BYRD. Madam President, I say to the distinguished majority leader that I did not hear everything that was said because I was not in the Chamber at the time he began. But I came in when I saw him on the tube. He mentioned a number of things which I would merely want to make a brief comment on.

First, he indicates something about a Saturday session. That is fine with me. But if we are going to have a Saturday session, I think we ought to tell people now that we are going to have one.

Perhaps the majority leader is in no position to say we can complete action on this resolution today up to the point that there are only two remaining issues, one being South Africa, and the other being Contra.

In that event, if it is the desire of the distinguished majority leader to indicate that if we do not finish that point today we will be in tomorrow, then all Senators will know. But I think we ought to have some more definite indication as to what we are going to do here. If we do not do it, then what are we going to do? That is No. 1.

I will yield briefly, either at this point or in a moment if the distinguished majority leader wishes to respond.

Mr. DOLE. I believe if the Senator will yield, that is precisely what I said. I even held up a list. Obviously I want to go home. If we can complete at 3:30 today we will go home at 3:30. If not, I want to try to complete it because we are trying to accommodate various issues we raised in a meeting yesterday which would get us down to those two amendments.

Mr. BYRD. I take it, Madam President, that the distinguished majority leader is saying if we do not complete that list today, we are going to be in tomorrow. Is that what he is saying?

Mr. DOLE. That is correct.

Mr. BYRD. I think that is good for all Senators because they will know better now to adjust their schedules, whether or not to call up their amendments and whether or not they would be willing to enter into time agreements on that.

Second, may I say that the distinguished majority leader has indicated that he would like to take up DOD next. I hope that will be done. He hopes that we can have an agreement that that will be completed by the close of business next Wednesday, I believe he said.

Mr. DOLE. Yes.

Mr. BYRD. I hope that, too. But I must say, so that everybody will know the realities of the situation here, it is one thing to say we are working on that, but it is quite another to say that we will be able to reach an agreement that as of 4 o'clock next Wednesday, or as of 4 o'clock next Thursday, we want an agreement that that bill will be advanced to third reading at that point. We do not know what amendments are going to be called up. We do not have the bill up yet. Until we get the bill up and know what amendments Senators are going to offer or want to offer, nobody on either side of this aisle will be prepared to agree that there will be final action on the DOD bill next Wednesday or next Thursday or next Friday or next Tuesday.

I do not want to be misunderstood. I want as much as the distinguished majority leader does to see us achieve these goals that we are attempting to set out here. The RECORD will show that for a week I have been standing on this floor saying we have got to get some action, we have to get this done, we want to get DOD up, if we are not careful we will be up to the last minute, have all this work to do and it will not be done.

I want a realistic picture about this DOD bill. We do not know what amendments will be called up. Maybe it can be finished in 2 days. I hope it can be.

But as to agreement right now or today that final action will come on that bill next Tuesday or Wednesday, I seriously doubt that can be gotten on either side. We will try however on our side. Perhaps the agreement does not have to be gotten today. I do not think the majority leader has said that. But it is not going to be as easy as it sounds. We all need to work hard to achieve this.

Finally, and on that point, of course the managers can work to try to complete by a time certain. They will do that, I am sure.

Finally, whatever agreement can be worked out here on these various packages is to some considerable degree going to depend upon what is worked out on South Africa. We cannot allow ourselves to get into a situation whereby South Africa is pushed off, pushed off, and pushed off for one reason or another, and then when it gets down to the end of the period before the recess we only have a little time or we do not have enough time on South Africa.

So I just should say, and I want to compliment the Foreign Relations Committee for acting to report out a measure today. That is good news. It should give us all encouragement. But that is a major player in this whole mix.

I am saying all of that. I compliment the distinguished majority leader. He is attempting to work out and achieve the goals that we discussed yesterday in his office. We, on our side, want to work with him. But a lot of these things are going to require unanimous consent in order to get them done. I do not know how many amendments remain today. I do not know whether we can get consent on either side that we will have final action and set the bill over with only the last two issues remaining, they being South Africa and Contra aid. I do not know. We put our hotline out on amendments, and there are three other amendments that want to be offered.

So I do not say this to put me in a counter position with the majority leader on what he is seeking to do. I want to help. But I want Senators to look at things realistically and not get their expectations raised too high unless we are willing in the interim to agree to consent that there will be no more amendments and we can finish it by a certain time.

Otherwise, I compliment the majority leader on saying we will just have to plow ahead and get the work done if we have to be here tomorrow.

Mr. DOLE. I thank the distinguished minority leader. I regret that they put out those hotlines. I regret that they had a response, I guess I am saying. We do not need any more amendments. Some of these the managers now have. There will be 15 that will be forgotten by midafternoon. But I guess some are not controversial. The important thing is after disposing of the Sasser amendment that everybody who has amendments be around here. Things are going to happen pretty fast. I have a feeling once this train starts rolling it will roll fairly quickly. Certainly I do not want to be here tomorrow. I am in town, but I do not want to be here. And I do not know anyone else who would like to be here tomorrow.

I think we have to when we look at the fact we have 10 legislative days, maybe 11, depending on whether you have a Saturday session next week or something. In addition, we have talked about South Africa being a priority. So is Contra aid a priority. So we have agreed to let Senator BOREN talk about a day and a half on political actions committees. We have been trying to work with Senators DOMENICI and CHILES on reconciliation which is 20 hours under the statute. There is Superfund, if the tax-writing committees can work out how to pay for it. That may not be available before the recess. There are two or three nominations on the Executive Calendar—Abramowitz, Salem, Carlisle, and others that I do not recall.

I am optimistic. I do not know why. [Laughter.]

Mr. BYRD. Madam President, if the distinguished majority leader will yield, I am optimistic too, Madam President. I will tell you why. I have been around here a long time. I have seen this place work. Oftentimes when we have some of the most difficult problems before us, as the distinguished majority leader says, some of the amendments go away, the thing begins to roll, and it works out.

If one is not an optimist, you had better not seek this job of being leader. The majority leader is an optimist. I am also. I can tell you why. I have seen it work. I hope it will again.

Mr. DOLE. I understand the question is on the Sasser amendment.

□ 1350

Madam President, I would just like to point out very quickly, if I might, to the Senator from Tennessee, some of the problems which have been raised. I think this will concern whatever the sponsor wants to do, to have a rollcall vote or a voice vote, whatever.

As I indicated earlier today, I had the staff take a look at the amendment. I did not become too involved in it last evening.

There is a problem. I am aware that USDA has been working on a program which has been announced.

I ask unanimous consent to include in the RECORD the statement from Secretary Lyng which was issued this morning.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SECRETARY LYNG EXPANDS PROGRAMS TO AID DROUGHT-STRICKEN S.E. FARMERS

WASHINGTON, Aug. 1.—Secretary of Agriculture Richard E. Lyng today announced significant new and expanded programs to aid drought-stricken farmers in Southeastern states designated as agricultural disaster areas.

"The drought continues to devastate farms from southern Pennsylvania to northern Florida," Lyng said. "Today, at the behest of the President, the U.S. Department of Agriculture is launching an intensified effort to help farmers who are victims of this national tragedy."

Lyng also announced today that over $1 billion worth of crops—including peanuts and tobacco—in the effected areas is covered under USDA's crop insurance program, a subsidized federal program.

The following new or expanded programs are in effect immediately:

Under the Feed Cost-Sharing Program, formerly known as the Emergency Feed Program, USDA will share with livestock producers the cost of purchasing feedgrains, including hay. The cost share will be up to 50 percent of the cost of feed, not to exceed 5 cents per pound—an increase from 3 cents per pound—feedgrain equivalent.

Lyng said the cost-sharing payments will be made in generic certificates. "Farmers will have the flexibility to convert the certificates into cash or to redeem them for Community Credit Corporation commodities," he said.

"To help make grain available to livestock," Lyng said, "CCC is moving grain from storage facilities in the Midwest where crops are good to areas in the Southeast where storage is available."

Lyng said drought-stricken farmers in the Southeast who participated in federal farm programs for corn, wheat, cotton and rice will be eligible for over $500 million worth of 1986 crop deficiency payments.

"Because many of these farmers need payments now, I am authorizing a nationwide, across-the-board 10 percent increase in 1986 advance deficiency payments, at a cost of about $1 billion," he said.

The 1985 Farm Bill specifies that up to 50 percent of crop deficiency payments may be paid in advance. Up to now, cotton and rice producers received 30 percent; producers of other program crops received 40 percent. With today's announcement, all farmers, in every state, will receive an additional 10 percent in generic certificates.

According to Lyng, farmers in counties designated as disaster areas also are immediately eligible for the following programs:

Under the Emergency Feed Assistance Program, eligible farmers may purchase feedgrains owned by the Commodity Credit Corporation at 75 percent of the basic county loan rate. The program does not include hay.

Under the Farmers Home Administration's emergency loan assistance program, family farmers who cannot obtain credit elsewhere are eligible for low-interest loans. The interest rate is 5 percent for loans up to $100,000, and 8 percent for loans above $100,000. Loan amounts are limited to the government's estimate of farmers' losses.

Lyng said today's actions are in addition to those previously announced, which include:

Haying and grazing of all crops is permitted on acreage set aside under the Acreage Conservation Reserve requirements of the commodity programs, including cotton.

Acres designated to be put to a conservation use under the Acreage Conservation Reserve requirements may be planted for winter pasture with fast-growing grasses or small grains for grazing.

Producers participating in federal farm programs will still be eligible to receive deficiency payments on planted acreage, even though the crop is used for forage or not harvested at all. Participating producers who harvest their crops for forage will be permitted to retain their acreage bases.

Designated counties are eligible for cost-sharing of reseeding, applying necessary minerals and controlling competitive shrubs.

The Forestry Incentive Program cost-sharing assistance is available to re-establish stands of planted pine trees lost due to drought conditions.

In addition, clerical workers in county offices will be shifted to the areas of greatest need, Lyng said.

Lyng said USDA is processing damage assessment reports as rapidly as possible and so far has designated 189 counties in Alabama, Delaware, Maryland, North Carolina, South Carolina and Virginia for emergency relief. Additional states or parts of states should be designated in the next few days, he said.

"With all the tragedy the drought has brought, I am tremendously impressed with the overwhelming voluntary response," said Lyng. "Every American can be proud of how neighbors are assisting neighbors in need."

The department's efforts are under the guidance of Drought Coordinator Jim Boillot.

USDA continues to operate a toll-free hotline to respond to farmers' questions and to facilitate drought relief efforts, he said. The hotline so far has handled over 2,200 calls. The national toll-free number is 1-800-433-0703; the number in the Washington metropolitan area is (202) 447-2637.

Mr. DOLE. Madam President, I will try to list some of the concerns we have because if we go to conference, I think everyone wants to make certain that we are not going to permit the program to be abused. That is certainly not the intention of the sponsors. But on some of the questions raised by some of the technicians—not the policymakers but the technicians at USDA—there have been some questions raised.

I think, first of all, what we are doing is establishing a Feed Donation Program. The Emergency Feed Program now in place, according to USDA officials, is more efficient in getting feed to those who need it through existing channels.

The Emergency Feed Program allows farmers to seek the best feed purchases because it is a Cost-Sharing Program. This means there are limits on the prices farmers will pay for feed.

Under the Sasser donation scheme, the Commodity Credit Corporation must transport feed into the disaster area. Availability will be limited to feeds which the Commodity Credit Corporation has on hand. Feed donated would reduce commercial sales from other areas of the country where surpluses exist. The surpluses would flow into the Price Support Loan Program and it is estimated that the additional loan activity would cost about $300 million.

Transportation costs associated with Commodity Credit Corporation grain donations could add another $50 million.

Of course, it is the Department's belief that there is no need for a new donation program when the Emergency Feed Program is already in place. There will be no incentives for farmers to obtain the best price for feed.

Also, it neglects a major need which is to provide hay, since donations would be from Commodity Credit Corporation stocks. There is also no incentive to find the most economical means of transportation.

That is all with reference to section 3 of the Sasser amendment. I believe those who support the amendment certainly do not intend for anybody to have a windfall, but I am advised that processors, to be specific, will reap quite a windfall if this legislation should become law.

With reference to section 4, according to USDA technicians—this is not those who make policy or those who might be accused of getting into politics—they have indicated to me that this introduces a complex and difficult program that would be very hard to administer.

The first question is what value do you assess a person who raises their own feed rather than purchasing it in domestic markets?

Second, which foreign buyers would we base the price on? Current export prices vary under individual contracts. Under this provision, how would we determine if we are fulfilling the law?

Third, this scheme would make the Export Enhancement Program captive to drought assistance measures. Already existing are sufficient restrictions on the EEP.

This action would also require the Secretary to pay 80 percent of the cost of hay transportation without placing any upper limit on the amount we would pay. There is no dollar limit per ton.

It also implements an unworkable procedure requiring involvement of the Secretary of Agriculture, State Governors, and the President in handling an emergency crisis situation, which would bring a lot of new paperwork into play.

Finally, with reference to section 5, that would make disaster payments available on 1986 program crops. It does not indicate that the Secretary could offset the value of disaster payments with the value of deficiency payments currently within the authority of the farm bill which, I think, is the major problem USDA has.

It is likely that producers would opt for deficiency payments since they would be greater than disaster payments, which amount to only 30 percent of the target price.

This section also makes a separate payment limitation of up to $100,000. I raised this question last evening. This would worsen the current situation where producers have taken advantage of the present $50,000 payment limitation through reconstitution, or dividing of farm units.

Madam President, I do believe that all of us from farm States want to be very careful because there is a lot of criticism of farm programs. I read a wire story this morning that they are starting to send out the cotton payments and the rice payments, and there are already complaints coming from other farmers who do not receive those large payments. In fact, this was a Wichita area paper, where they are complaining about the rice and cotton payments, and why are they not receiving larger payments in the State of Kansas.

That was the extent of the article.

Madam President, I would hope this amendment would pass. I think it is necessary. I think it sends a signal to the USDA. But I hope that if, in fact, there is a conference and if the amendment survives, it will not upset the sponsors that we should tighten up the program to make certain that none of these things that have been pointed out by technicians take place.

I know the sponsors have only one intention: to help farmers.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Madam President, I would like to speak on the amendment offered by the senior Senator from Tennessee. It is the amendment which, as the majority leader pointed out, is intended for farmers who are in great stress and farmers who have, indeed, come upon hard times through no fault of their own.

First, somewhat historically, it is important to point out that we have done certain things in the past and we have not done other things.

The most recent large crisis in U.S. agriculture was in the Middle West in 1983 when there was a drought. A billion and a half bushels of corn were lost, as well as significant losses to other crops. That would have been $4.5 billion at $3 a bushel of relief which perhaps should have gone to those farmers. Nevertheless, there was no relief, there was no program at that time, for a disaster that was far larger than the disaster which has occurred in the Southeast.

So there is no precedent to react in what is really a grandiose way for the support of this particular emergency.

Let me say first that section 3, the emergency feed donations, would provide feed at no cost, no cost whatsoever, to farmers and ranchers who are in the drought disaster areas. Of course, that is a good part of the Southeast. These donations would be provided where there is not enough feed to take care of livestock needs for 72 hours.

We do not think that 72 hours is much of a safeguard. We think that feedstuff supplies can be pretty well jimmied around so that there is not 72 hours' worth of feed available in a given community. For everybody in that community, without exception, a large or small farmer, whether he has 8,000 cows, as one farmer does down in Florida, or if he has eight cows, or if he has a million turkeys or if he has fewer, all the feed is free.

What the cost of that feed would be to the taxpayers is quite something to behold. This is going to be a very expensive provision in an amendment which is well-intentioned. We should know that as we vote on that particular provision.

At no cost, surplus stocks of commodities held by the Commodity Credit Corporation are going to be given, without limitation, to every farmer who is in this particular area in the event there are no stocks capable of providing 72 hours' worth of feed.

Madam President, that will mean, of course, that very few people in the Southeast will buy feed commercially during this period. The program will increase free stocks of grain which will depress markets throughout the country, perhaps throughout the world, with the result that deficiency payments could increase.

□ 1400

So the cost of this program is not just a cost as it applies to the emergency feed but it also will raise deficiency costs on all of the crops in all of the States.

Furthermore, in the event that feed is not purchased and is instead given from CCC stocks, certainly, the price will fall. At the end of the season, we will find that the CCC will simply be compelled to buy up more of the crop that is not otherwise needed because it has been displaced in the marketplace by grain that has been given away. As CCC stocks go out the front door, in effect, they come back in the back door because of this particular phenomenon.

All of the transportation costs will be recovered as well. There is no real limitation in this bill to cover or in some way limit transportation costs, which can be very excessive and get out of hand very quickly.

In the event that a community would have more than 72 hours' worth of feed, then the emergency livestock feed assistance provisions would come into play where the cost to the Government would be 50 percent. A farmer would go out and buy the feed; then he would get 50 percent of his cost in payment in kind, PIK commodities. In other words, if the corn was bought for $2, he would get $1 worth of certificates that are negotiable and could be redeemed for any commodity owned by the CCC. That, too, would transfer a great deal of commodities from CCC inventories and make them into free stocks which would drive down prices all over this country. That would increase the cost of this program perhaps exponentially, so there is no way to know what the real upper limit to the cost of this program will be.

In the event that foreign purchasers, because of an export enhancement program, were able to buy feed grains somewhat cheaper, then the farmers assisted by this provision would receive grain at the same price. I must say I have no argument with that particular provision, but it, too, will add to the cost; 80 percent of the transport costs would be covered by the Federal Government under the Emergency Livestock Feed Assistance Program as well.

The disaster payments program with respect to crops of wheat and feedgrains, upland cotton, rice, and soybeans would be made as an entitlement—regardless of whether a farmer has been cautious and gone out and bought some insurance or in some way provided for this eventuality. The fact that he was cautious, in effect, would work against him because he would lose the full value of the insurance premium. If he did not buy insurance he will get up to $100,000 worth of free commodities. So the farmer who didn't buy insurance will be better off. He gets the same amount of Govern-

ment assistance and never has to pay for any insurance.

Once again, huge stocks would flow out of CCC inventory to flood the market, drive down prices, increase deficiency payments and other payments for farmers in every State of this country, and create enormous budgetary costs.

The disaster payments programs is available in counties which are declared disaster areas due to drought, the actual payment is triggered simply at the request of the farmer. That is the only condition. It is an entitlement. There is no loss even required; there is just a loss assumed. In many of these disaster programs we have had, at least a farmer had to come in and show that he lost a crop. There is no such provision in this bill to the best of my reading of it here. There would just be an entitlement for all of these producers and there would be a cap of $100,000.

The milk program part of the amendment does not look particularly expensive. The excusing of the dairy assessment of 40 cents for a 3-month period and then making it up in the first 9 months of 1987 would not be so costly. It should be understood, though, that those cows would be eating free food or, at most, feed that costs the farmer 50 percent.

Madam President, this is an amendment that gives relief of a scope that is very, very broad. It gives relief of a scope that we can almost not measure and that will certainly be in the billions of dollars. It will not only have a positive impact on farmers in the Southeast, but all other farmers will suffer because market prices will surely go down as this huge amount of commodities is put onto the marketplace.

There is no provision here for natural disasters other than drought. Certainly, in my State, there have been some natural disasters—instead of too little water, too much water. I know in the surrounding States there have been some of those problems. No provision is made in the bill for farmers who have been flooded. I suppose, to be fair to farmers of our area, we should make provisions for them as well. So it will go, that we continue to make provisions one after the other and insure and compensate each farmer for each loss.

Frankly, Madam President, I find this amendment by my friend from Tennessee to be without limits, without controls, excessive, certainly having a major impact on the budget, and having also a major impact on farmers in all States. So I oppose the amendment.

Madam President, I yield the floor.

Mr. SASSER. Madam President, I thank my colleagues for their insights on the pending Sasser-Gore amendment. I also express my appreciation to the majority leader and officials from the U.S. Department of Agriculture for their support as stated in the majority leader's remarks not long ago here on the floor. I have long been cognizant of the majority leader's concern for the farmers of this Nation and I very much appreciate the statement of our distinguished majority leader that this is an amendment that is needed.

I would say with regard to the concerns that the majority leader raised, that had been expressed by the Department of Agriculture, that some are legitimate. But I think, clearly, that they demonstrate the need for the passage of this amendment. It is time now to move past the bureaucratic phase of providing relief to these farmers who have been hard hit by drought, and move into a legislative phase which will mandate that some relief be given to them.

The litany which the majority leader shared with us today of the concerns of the Department of Agriculture, I believe clearly demonstrates why the Department of Agriculture has been immobile and unresponsive to the needs of these desperate farmers in the Southeastern part of the United States.

For my part, Madam President, I welcomed the statement this morning of the distinguished junior Senator from Georgia [Mr. MATTINGLY] in support of this amendment. The distinguished junior Senator from Georgia indicated that this amendment was necessary for precisely the same reason that my colleague [Mr. GORE] and I indicated last evening or, more precisely, early this morning. This amendment is necessary because the Department of Agriculture has not, in the past, exercised its discretionary authority to bring relief to the hard-hit farmers in our region of the country.

□ 1410

Certain discretionary disaster authority has existed since 1977. The Department of Agriculture on its own motion abandoned those programs to bring relief in the event of disaster, in 1982. I think it should be pointed out that this amendment creates no new programs. It creates no new authority. It simply requires the use of the authority that already exists and is at the disposal of the Secretary of Agriculture.

I thank my distinguished colleague from Minnesota for his insight into the amendment. I believe that he has furnished a valuable and fruitful colloquy. I am sure the conferees will pay close attention to the legislative history that has been developed here and that surrounds the proceedings and this amendment. It may very well be that some of these concerns will be addressed in the conference. I suspect that they will.

Madam President, at this time I urge the passage of this amendment and yield to my distinguished junior colleague from Tennessee.

(Mr. GORE and Mr. BOSCHWITZ addressed the Chair.)

The PRESIDING OFFICER (Mr. HECHT). The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I would point out to my friend from Tennessee—was the Senator yielding to his colleague?

Mr. GORE. I am prepared to withhold. I was going to make a statement but I am content to withhold.

Mr. SASSER. I was under the impression my junior colleague had a question he wished to ask.

Mr. BOSCHWITZ. Was the Senator yielding for a question?

Mr. SASSER. I assume he can seek recognition in his own right if that is what he wishes.

Mr. BOSCHWITZ. I would say to the Senator from Tennessee, to the best of my knowledge, the emergency feed program is new authority. I quite agree that the emergency livestock feed assistance does come under the Food and Agricultural Act of 1977 that the Senator is speaking of and section 1105 is a 50-percent program, but I do believe that the emergency feed donations are not existing law but this would be new law. Those, of course, are the donation parts of the bill.

Mr. GORE addressed the Chair.

Mr. FORD. Mr. President, will the distinguished Senator from Minnesota yield for a question?

Mr. BOSCHWITZ. Yes, I will yield for a question.

Mr. FORD. Last evening a lot of noses were out of joint in this Chamber, if I could use that term, because they thought somebody was getting an amendment in before theirs. I heard many statements on the floor last night saying that "this is my amendment," or "this is my bill and it is included in here, and I resent it." They did not say that exactly.

Another Senator was saying, "this was my amendment and I kind of thought I was going to be first," and then the accusations were made as to who was going to get to the dais first with their bill, that it was a race for introduction.

Now we find, particularly from that side, that neither one of them is any good, that we do not need these amendments. Something is very strange about this.

So can the Senator explain to this Senator why the darkness has brought light at the end of the tunnel?

Mr. BOSCHWITZ. I would say to the Senator that I did not participate in the exercise he was just talking about—of people jockeying around trying to get their amendments in

first. I was not part of that. I am just commenting, I say to my friend from Kentucky, on this whole program.

I would be supportive of a program that had some limitations but addressed the needs. Clearly, there are needs. I do not mean to decry the needs that exist in the Southeast. I have no argument with that at all.

However, I do have an argument with an unlimited entitlement program that has a cost not only to the Treasury—from the standpoint of fulfilling the needs of the Southeast—but also has a cost to the entire farm program. It may well and probably will cause the whole price structure to deteriorate for these commodities.

Mr. FORD. Mr. President, it appears we are getting a filibuster now.

Mr. BOSCHWITZ. We are not filibustering.

Mr. FORD. Rather than trying to get this amendment up and voted on and do something for the farmers and let it take its normal procedure, that it would be cured in conference. So I say to my colleague I hope that we could get on with the vote on this amemdment.

(Mr. GORE addressed the Chair.)

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. BOSCHWITZ. I thank my friend from Kentucky. I was certainly not filibustering this bill. As a matter of fact, I was just in the process of trying to yield the floor when he asked a question. I see that he is no longer listening. But nevertheless, it is not my intention to filibuster. Rather I'm just pointing out the various aspects of the bill.

(Mr. GORE addressed the Chair.)

Mr. BOSCHWITZ. I will yield the floor in a minute, I say to the junior Senator from Tennessee. But I hope that we would be able to impose some type of reasonable limitations on this amendment with respect to transportation costs, and with respect to the value of the commodities that we are going to give away.

I yield the floor.

Mr. GORE addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. GORE. Mr. President, I thank the Chair very much and I appreciate the comments just made to the effect that there will not be a filibuster of this amendment. I think we should proceed expeditiously to a vote on the amendment.

I would just very briefly say that there are really two aspects to the problem. One is the emergency aspect of the problem which under the provisions has a 72-hour trigger for the definition of need, and then there is the somewhat longer term problem of how these farmers are going to get through the winter after their hay crop has been completely used up where they normally rely on it through the winter. I do not think there is going to be an incentive to go from one program to the other because the emergency 72-hour provision is just that, and it is designed to be limited to those circumstances. It directly reaches the regulations issued under section 1105 of the Food and Agriculture Act of 1977. Those regulations are there to be read and people are quite familiar with them.

But standing back from the details of it and looking at the overall problem, we have to address this issue expeditiously. We should do it on a bipartisan basis. I join my senior colleague from Tennessee in expressing appreciation to the majority leader for his statement of support earlier and to the junior Senator from Georgia for his support earlier and to many other Senators, particularly our other cosponsors who have worked so hard to get this amendment this far along.

To put the case very simply, Mr. President, our amendment is necessary in order to respond to an unprecedented emergency. The drought in the Southeastern part of our country has created for farmers devastating conditions which cry out for a sensible response. This short-term measure to respond to that emergency is greatly needed. As someone from the Southeastern part of the country, I for one am very grateful to those Senators from other parts of the country, whose areas have not been hard hit by this drought, for their willingness to help. We are one Nation, one people, and when we have an emergency of this magnitude in one part of our country, then Americans pull together and help out.

As to the concerns that have been raised, yes, some of them can be addressed in the conference committee. Now is the time to move forward without further delay and to pass this amendment. So I urge my colleagues on both sides of the aisle to vote yea.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. I would like to make some comments. My colleague will be offering an amendment regarding a disaster situation that exists among some farmers in our State for whom we would also like consideration.

I think the debate we have had over this disaster program has been good in the sense that it shows the need for a uniform national disaster program.

In my State we have had two or three severe droughts and have not had the same consideration, although certainly I am not in any way jealous or saying that one thing justifies another. But what I am saying is I have always in my 12 years in the Congress been very willing to help other parts of the country when there was trouble, and there certainly is trouble with this great drought that we have heard about in the Southeast. That is why my colleague and I have crafted an amendment which, as I understand it, under the rules can only be offered at this point by unanimous consent. But I hope that that amendment would be included for these reasons.

□ 1420

We also have very severe conditions in our State. Farmers, ranchers, and small businessmen have the difficulty of the economic recession combined with certain weather conditions which my colleague will describe.

Also, later today, separate from this bill, I shall offer a limitation on the size of some of the payments that are in the farm program.

I express a concern that I hope this legislation is crafted in such a way on this floor and in conference so that we do not have scandalous situations such as big farms getting huge subsidies, as reported in the New York Times: $9 million for a single dairy farm, and so forth.

I will try to address this later today, in a separate amendment. I hope that in tailoring this bill, we do not read in the paper of things that will outrage taxpayers in a few months because of loopholes huge farms use to get a combination of payments. I sincerely hope we do not see a situation where some individuals and some corporations are able to rip the government off.

With that in mind, I yield to my colleague, who will present our amendment.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. ABDNOR. I thank my colleague for yielding.

Mr. President, last night, when this amendment was offered, I stated that there are a lot of areas in the United States that have been hit by similar situations. I did not know quite the extent of the amendment, and it was 1 o'clock in the morning. But news travels fast, and out in South Dakota my telephone has been busy this morning, and articles have appeared in the paper, because in South Dakota we have a very similar situation.

In the western part of the State, it started a year ago. In the summer, we had no rain whatsoever, and it was declared a disaster area, with the limited programs they had. Then, to make matters worse, in October, which was unusual, they got a foot of snow, and the snow kept adding all year long.

Then came the spring, when it finally melted, and grass started coming, and it looked good, and calves started coming for those poor souls, and we had one of the worst blizzards in history. It wiped out half the crop and many of the cattle.

These people are still waiting to get a disaster loan, let alone some of the other programs.

I do not suppose anyone ever heard of a flood in South Dakota, except for Rapid City, where several hundred lives were snuffed out, but this year we have floods. I have a news article that was sent to me about a man in South Dakota who used to live 2 miles from Lake Thompson and is now 2 blocks away. These people never had a chance to bring crops in.

I thought I did a monumental thing in appropriations—the Senator from Florida knows about this—where we provided that these people will be able to keep at least the 40-percent disaster payment they got earlier, and that is the best we could do.

I was hoping that the Senator from Tennessee, the author of this amendment—he is the only one who could do it—would give unanimous consent to allow me to add this to the amendment, as a modification. I wonder if he would consider it. I hate to put him on the spot. He has been very nice. I have been talking with him. I wonder if he would give me an opportunity to modify his amendment and to send an amendment to the desk, to do these very things. It would be greatly appreciated and it is much needed.

These people are not in huge areas. In South Dakota where this drought existed, we take 30 or 40 acres for a calf. It would be like a drop of water in a glass to add this to it. I would appreciate it very much.

I know that the chairman of the Budget Committee is champing at the bit. This would only be a small amount and would do the very thing he is talking about. As I said last night, it really does not make any difference whether you are drought stricken and flood stricken, 1,000 miles away from where another person is or you are here. If the Senator would allow me to offer this amendment, I would be most grateful.

I ask the Senator from Tennessee if he would consider that.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I would like very much to accommodate my distinguished friend from South Dakota. We would be agreeable to his amendment. At least, this Senator would not object. I see the distinguished chairman of the Budget Committee standing there, and I do not know what his response would be. I think I know what it would be. But we have no objection to amending our amendment to cover flood damage.

I do have a problem with the amendment of the distinguished Senator in that it is retroactive to June or July 1985, as I recall. Many objections were raised on the floor last evening with regard to the cost of this initiative—most of them, I might say, coming from the distinguished Senator from South Dakota's side of the aisle.

So, in order to reawaken that sleeping beast, at least at this juncture on this particular problem, I would not be in a position to agree with the Senator's amendment totally. We simply have no cost figures on it, not even ballpark figures, and that causes me some concern.

Mr. BOSCHWITZ. Mr. President, will the Senator yield for a question?

Mr. ABDNOR. I yield.

Mr. BOSCHWITZ. I wish to ask a question of the Senator from Tennessee. Does he have a ballpark figure on what the cost of his amendment is?

Mr. SASSER. I do, indeed. The Congressional Budget Office indicated last evening that the approximate cost would be $300 million. We contest those costs, because we think they are inflated, due to the CBO's method of scoring these expenditures. But the projected cost is $300 million.

If I may answer the inquiry of the Senator, last evening we received a budget waiver just as to the Sasser-Gore amendment. If we were to go further now and expand it to include other items which will incur additional expenditures, then we would have to go back and seek another budget waiver, and I am very reluctant to enter that thicket once again.

Mr. ABDNOR. Mr. President, I do not have time to ask CBO to furnish figures as to the cost. This is a matter of whether people will go out of business or stay in business, on the same basis and on the same grounds as something that is happening in the Southwest.

I heard someone say last night that they are only going to get half a hay crop this year. Let me tell you something: You could see every piece of soil in South Dakota last year before the drought hit. We do have programs on the reservations for the Indians. They got free hay and were getting all the hay they wanted, and I was all for that. But the ranchers could not get a drop. They borrowed money, sold off half their herds. Much of their herds were cut down. Add to that the snow; add to that the fact that half of their crops were wiped out, and tell me they do not have all the problems that exist in Tennessee or Alabama or anywhere else.

□ 1430

I guess that I would be a very poor Senator if I just let my State sit out in the cold and not be treated equally on this situation.

Mr. GORE. Mr. President, will the Senator yield?

Mr. ABDNOR. Yes.

Mr. GORE. This is just for a brief question. Is it not a case that after this amendment is disposed of the Senator would not be within his rights to offer an amendment embodying the suggestion he is making. Then if demand was made for another budget waiver, I am sure the Senator would find sympathetic reaction.

But in order to do it by the method proposed now, it would void the budget waiver which we fought for and received from the Senate last night. But the Senator could proceed on his own initiative and offer a separate amendment immediately upon the disposal of the one that is pending.

Mr. ABDNOR. That is true.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. ABDNOR. Yes.

Mr. DOMENICI. I was not trying to get the floor on this amendment but let me state to the Senator what I was trying to do.

I was going to see if we could set the amendment aside for a couple minutes because Senator CHILES and I have one.

But let me suggest to the Senator if he will give us the amendment we will quickly try to get a ballpark figure—that is all we have on any disaster amendment—try to get a ballpark figure from CBO and we will call them right now and see if they can do it.

I suggest to my friends from Tennessee once we have the number if it is as small a number as suggested by Senator ABDNOR then perhaps we could talk about the amendment and some unanimous-consent agreement that would incorporate the previous waiver and wrap it around this amendment, too. I am willing to try that. But let us try to get the dollar figure first.

Mr. ABDNOR. If I could have the attention of the chairman I would like to say this: last night before that waiver vote was taken they were not talking about $300 million. The figure floating around here was between $600 million and $1.5 billion.

You cannot tell me if that is the kind of figures they are talking about voting for that waiver, $10 million keeps alive some of my ranchers and helps some of the people who already talk about going out of business because all I could get them was 40 percent of the deficiency payment instead of 100 percent. Everybody else was doing it. I would be a terrible Senator if I didn't do it.

If I was asking for hundreds of millions that would be one thing but this is a lousy excuse, if I may say so, to say that $8 to $10 million is going to have much of an effect on that budget waiver.

Mr. DOMENICI. No, he did not say that. He said that technically we have to get another waiver. That is what he said.

Mr. ABDNOR. The Senator means this one was that?

Mr. DOMENICI. I am trying to accommodate. If I can get the number, I

think I can work out something where those who lodged the objection might find a way to incorporate that amendment and there would be no need for an additional waiver.

Mr. SASSER. If the distinguished chairman of the Budget Committee will yield a moment, I think that my colleague from Tennessee lays out a logical approach to this. We have been laboring over this amendment now for many hours, and I think the majority leader is wishing to push us to dispose of this particular amendment. What I would suggest we do is to lay aside this amendment for 2 minutes in order that the distinguished chairman of the Budget Committee and the ranking minority member could dispose of a housekeeping problem of budgetary affairs, and then let us move immediately to a vote on the Sasser-Gore amendment and then have the amendment opened to amendment and allow the distinguished Senator from South Dakota, when he receives his figures from CBO, to propose the amendment. At that time, I would have no objection to it; I would have no standing to object, but I would have no objection to it and see myself in a position of perhaps supporting him.

Mr. DOMENICI. Let me ask. I clearly do not want to ask unanimous consent at this point for anything more than 5 minutes to do this amendment that Senator CHILES and I have. If the Senator will let us do that I would like to continue to work on the other issue.

Mr. SASSER. I will be delighted to set aside my particular amendment for the Senator's amendment for not to exceed 5 minutes, if we could then move back on our amendment.

I am hopeful we can move then to dispose of this amendment and if the Senator from South Dakota wishes to amend it we can proceed to do that.

Mr. GORE. Mr. President, reserving the right to object, I wonder if it might be possible to include in that unanimous-consent request a request that we move to a vote on the Sasser-Gore amendment at 2:45 p.m.?

Mr. DOMENICI. Let me say to my friend, the junior Senator from Tennessee, I am not making that kind of decision here. We are just trying to get some amendments completed.

If you all do not want to let us have 3 or 4 minutes, we will do it before the time passes. The leader is here.

Mr. GORE. Mr. President, I ask unanimous consent that there be a vote at 2:45 p.m. on the Sasser-Gore amendment and in the intervening period of time 5 minutes be set aside for consideration of and disposal of an amendment to be offered by the chairman of the Budget Committee.

Mr. DOLE. Mr. President, if I could just reserve the right to object, to see if we can dispose of the Sasser amendment quickly, I do not think it is going to take a rollcall. I do not know if it will or not.

Is it possible to have whatever the budget thing the Senator is doing back here in 5 minutes?

Mr. DOMENICI. We were only asking for 5 minutes.

Mr. DOLE. I do not mean Senator DOMENICI's information. I mean the information that Senator ABDNOR would need.

Mr. DOMENICI. I do not think that could be done in 5 minutes. That is why I am trying to work this out.

Mr. DOLE. I say both Senators have been very patient in laying their amendment aside since 11 o'clock this morning. It is now 2:35 p.m., and I would rather not object.

Let us do this. Let us let them take up their amendment and see how quickly we can get the information. If we cannot get it in the next 10 or 15 minutes, we will adopt the suggestion.

Mr. GORE. Mr. President, I will withdraw the request. I note that the yeas and nays have been ordered. We do anticipate a record vote on the amendment after all this body has been through on it.

But I would hope we could move expeditiously to a vote after the disposal of the amendment which will be now taken up and have ours temporarily set aside.

Mr. DOLE. I hope at the appropriate time we vitiate the yeas and nays. If a record vote is going to be demanded, I think we might alert Members to come over and discuss it.

Mr. SASSER. If the majority leader will yield a moment, perhaps I could have a moment to discuss that with my principal cosponsor. I know the majority leader expressed an interest to dispose of this amendment by way of a voice vote. That might be expeditious.

Mr. President, if the majority leader will yield 1 minute more, following this disposition of the business of the distinguished chairman of the Budget Committee and the ranking member, I presume we would be in the position to go to a vote on this? Is that correct? I ask the distinguished leader.

Following the disposition of the matter concerning the distinguished chairman of the Budget Committee, we will then be back on our amendment and it is our hope at that time we can go to final disposition of the Sasser-Gore amendment.

Mr. DOLE. That is correct.

Mr. SASSER. I thank the leader.

Mr. DOMENICI. Mr. President, I ask unanimous consent that we set aside the pending amendment for no more than 5 minutes for the purpose of offering a Domenici-Chiles amendment on the fallback procedure in Gramm-Rudman-Hollings and then we return to the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2258

(Purpose: To modify the schedule under the "fallback" procedure provided for in section 274(f) of the Balanced Budget and Emergency Deficit Control Act of 1985)

Mr. DOMENICI. Mr. President, I send an amendment to the desk in behalf of myself and the ranking minority member of the Budget Committee, Senator CHILES.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] for himself and Mr. CHILES proposes an amendment numbered 2258.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the committee amendment, as amended, add the following new section:

SEC. . MODIFICATION OF SCHEDULE UNDER "FALLBACK" PROCEDURE.

(a) IN GENERAL.—

(1) Section 274 of the Balanced Budget and Emergency Deficit Control Act (2 U.S.C. 922) is amended by striking subsection (f) and redesignating subsections (g) and (h) as subsections (f) and (g), respectively.

(2) Part E of the Balanced Budget and Emergency Deficit Control Act is amended by redesignating section 275 as section 276 and inserting after section 274 the following new section:

"SEC. 275. ALTERNATIVE SEQUESTRATION PROCEDURES.

"(a) REPORTS TO JOINT COMMITTEE.—In the event that any of the reporting procedures described in section 251 are invalidated, then any report of the Comptroller General under subsection (b) or (c)(2) of section 251 shall be transmitted to the Speaker of the House of Representatives (in this section referred to as the 'Speaker') and the President of the Senate, who shall refer the report to the Temporary Joint Committee on Deficit Reduction in accordance with subsection (c).

"(b) ESTABLISHMENT OF TEMPORARY JOINT COMMITTEE.—

"(1) Upon the invalidation of any such procedure, there is established a Temporary Joint Committee on Deficit Reduction (in this section referred to as the 'Joint Committee'), composed of the entire membership of the Committees on the Budget of the House of Representatives and the Senate. The Chairmen of such committees shall act as Co-Chairmen of the Joint Committee.

"(2) Actions taken by the Joint Committee shall be determined by a majority vote of the members representing each House.

"(3) The purposes of the Joint Committee are to receive any report referred to it pursuant to paragraph (3) or (7) of subsection (c) and to report (with respect to each such report) a joint resolution under paragraph (1) or (2) of subsection (d).

"(c) ALTERNATIVE SCHEDULE.—Notwithstanding any other provision of this Act, in the event that the reports of the Comptroller General for a fiscal year are to be transmitted to the Speaker and the President of the Senate pursuant to subsection (a)—

"(1) the Directors shall transmit the report under section 251(a)(2) for such fiscal year to the Comptroller General on August 20 of the calendar year in which the fiscal year begins (as provided in such section),

"(2) the Comptroller General shall transmit the report under section 251(b) for such fiscal year to the Speaker and the President of the Senate on August 25 of the calendar year in which the fiscal year begins (as provided in such section);

"(3) the Speaker and the President of the Senate shall refer the report of the Comptroller General under section 251(b) to the Joint Committee—

"(A) on August 25 of the calendar year in which the fiscal year begins, or

"(B) if August 25 of such year falls during an adjournment of the Congress for a period of more than 3 days, on the day after the last day on which either House of the Congress stands adjourned pursuant to the concurrent resolution providing for such adjournment;

"(4) the President shall issue an initial order under section 252(a) for the fiscal year after a joint resolution reported pursuant to subsection (d)(1) becomes law and before the later of—

"(A) September 2 of the calendar year in which the fiscal year begins, or

"(B) two calendar days after the day on which the joint resolution becomes law;

"(5) the Directors shall transmit the report under section 251(c)(1) for such fiscal year to the Comptroller General on the second calendar day of the fiscal year;

"(6) the Comptroller General shall transmit the report under section 251(c)(2) for such fiscal year to the Speaker and the President of the Senate on the third calendar day of such fiscal year;

"(7) the Speaker and the President of the Senate shall refer the report of the Comptroller General under section 251(c)(2) to the Joint Committee on the third calendar day of such fiscal year; and

"(8) the President shall issue a final order under section 252(b) for the fiscal year within one calendar day after a joint resolution reported pursuant to subsection (d)(2) becomes law.

"(d) JOINT RESOLUTION.—

"(1) Not later than two calendar days after the date on which the Speaker and the President of the Senate refer a report of the Comptroller General under section 251(b) to the Joint Committee (pursuant to subsection (c)(3) of this section), the Joint Committee shall report a joint resolution certifying the contents of the report.

"(2) Not later than one calendar day after the date on which the Speaker and the President of the Senate refer a report of the Comptroller General under section 251(c)(2) to the Joint Committee (pursuant to subsection (c)(7) of this section), the Joint Committee shall report a joint resolution certifying the contents of the report.

"(3)(A) In the event that any of the reporting procedures described in section 251 are invalidated, the Joint Committee may report a joint resolution affirming as law any order issued by the President under section 252 that was rendered invalid by the invalidation of such procedures.

"(B) Any joint resolution reported pursuant to this paragraph shall provide that—

"(i) the order is affirmed as of the date on which the order was issued, and

"(ii) the joint resolution affirming the order does not supersede any laws enacted after the date on which the order was issued and before the date on which the joint resolution becomes law.

"(e) PROCEDURES FOR CONSIDERATION OF JOINT RESOLUTION.—

"(1) Except as provided in paragraph (2), the provisions of section 254(a)(4) shall apply to consideration of a joint resolution reported pursuant to subsection (d).

"(2)(A) In the case of any joint resolution reported pursuant to subsection (d), debate in each House of the Congress shall be limited to two hours.

"(B)(i) In the case of a joint resolution reported to a House of the Congress pursuant to paragraph (1) or (3) of subsection (d), a vote on final passage shall be taken by such House on or before the second calendar day of session after the date on which the joint resolution is reported to that House.

"(ii) In the case of a joint resolution reported to a House of the Congress pursuant to paragraph (2) of subsection (d), a vote on final passage shall be taken by such House within one calendar day after the date on which the joint resolution is reported to that House.

"(f) DISCHARGE OF JOINT RESOLUTIONS.—Any joint resolution of the type described in paragraph (1) or (2) of subsection (d) that is introduced in either House of the Congress shall be referred to the Joint Committee. If the Joint Committee fails to report a joint resolution under such paragraph by the requisite date, any joint resolution referred to the Joint Committee pursuant to the preceding sentence shall be automatically discharged to the House in which it was introduced and shall be placed upon the appropriate calendar.

"(g) EFFECT OF ENACTMENT OF JOINT RESOLUTION.—Upon the enactment of a joint resolution under paragraph (1) or (2) of subsection (d), such joint resolution shall be deemed to be the report received by the President under subsection (b) or (c)(2) of section 251 (whichever is applicable).

"(h) DATES FOR SUBMISSION OF REPORTS AND ISSUANCE OF ORDERS.—The provisions of section 251(e) shall apply to reports submitted and orders issued in accordance with this section.".

(3) The table of contents set forth in section 200(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901 note) is amended by striking the item relating to section 275 and inserting in lieu thereof the following new items:

"Sec. 275. Alternative sequestration procedures.
"Sec. 276. Effective dates.".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective on the date of the enactment of this joint resolution.

Mr. DOMENICI. Mr. President, I have some detailed talking points that explain the technical amendments.

The theory underlying Gramm-Rudman is that the threat of automatic across-the-board cuts would be so politically galvanizing as to force Congress and the President to make prioritized cuts beforehand in order to avoid a sequester order. I believe that putting the teeth back into sequestration by overcoming the constitutional flaw will help to keep up that much-needed pressure. Hopefully Gramm-Rudman will work as intended, and we will all play our parts on the budgetary stage to reduce the deficit.

However, I have some ancillary concerns that I would like to share with you. While we have taken every precaution to be sure that Gramm-Rudman II is constitutional, we need to make sure that the fallback operates smoothly in the highly unlikely event that the courts decide otherwise. If we don't fix it, or if the fix is held to be unconstitutional Gramm-Rudman will continue to operate through the fallback procedures set forth in section 274(f) of the act.

As we saw a few weeks ago, the fallback procedure has some serious flaws. It is intended to provide expedited, protected consideration of legislation which provides across-the-board sequestration. But in certain circumstances, the procedures are ill-timed, clumsy, and inappropriate.

Our amendment addresses the following major problems; First, the necessity of having GAO participate; second, the schedule and timing for the fallback procedure; third, the inability of the temporary joint committee to affirm a sequester that is already in place; and fourth, the confusion over whether the temporary joint committee can be discharged from introduced legislation.

Under current law, the joint report of the Directors of OMB asnd CBO is the basis for action by the temporary joint committee. In other words, GAO is entirely cut out of the process as it now stands.

In my view, and I'm sure my colleagues will agree, the participation of GAO is a necessary component of the decisionmaking process under Gramm-Rudman-Hollings. OMB and CBO must necessarily average a host of conceptual and philosophical differences, so that their report is, in that sense, a compilation of arbitrary figures. I propose to add GAO to the fallback procedure so that the temporary joint committee might have the benefit of the Comptroller General's expertise and opinions.

Now let me turn to the schedule. As it currently exists, the act provides that OMB and CBO take their snapshot of the fiscal year 1987 deficit on August 15 and send it to the TJC on August 20. If the joint resolution reported by the TJC is enacted, the President is to issue his initial order on September 1, and it goes into effect October 1. On October 5, OMB and CBO take their second snapshot and send it to the TJC. If the joint resolution is enacted, the President issues his final order on October 15, and it is effective immediately.

The problems with this schedule are obvious. It does not mesh with the normal August recess period. This very year, for example, Congress is not scheduled to be in session between August 20 and September 1. In fact, we are not due to return from the Labor Day recess this year until September 8. Even though the TJC will

not receive the OMB/CBO report until that date, and we could enact a joint resolution shortly thereafter, there is no authority for the President to issue the initial order on any day other than September 1. Moreover, the TJC is not schedule to receive the second OMB/CBO report until October 5, while Congress is scheduled to adjourn sine die on October 3.

I think it would be advisable to collapse the fallback schedule significantly, and to change what are currently specific dates to floating requirements, so that each step takes place within a certain length of time after the prior step, rather than on a date certain.

What I have in mind is this: OMB and CBO take their first snapshot on August 15. They transmit their report to the Comptroller General on August 20. The Comptroller General transmits his report to the TJC on August 25 or on the first subsequent day that both Houses are in session. The TJC has 2 calendar days to report the joint resolution. The Chambers must vote on it within 2 days of session after it is reported. The President issues his initial order within 2 calendar days of signing the joint resolution or of our veto override. The initial order goes into effect October 1. OMB and CBO take their second snapshot and transmit their report to the Comptroller General on October 2. The Comptroller General transmits his report to the TJC on October 3. The TJC has 1 calendar day to report the joint resolution. The Chambers must vote on it within 1 calendar day. The President issues his final order, effective immediately, within 1 calendar day of enactment or veto override.

This revised schedule will ensure that the process is completed by October 6, at the latest. I suggest reducing the number of days for TJC action and floor consideration because extended deliberation in the TJC is made unlikely because we cannot amend the report, and because floor debate is limited to 2 hours in each House, with no amendments in order.

I realize that this collapsed schedule will be difficult to follow at certain stages. But I believe it will work more efficiently, particularly in election years.

The second issue is retroactivity. We dealt with this last week. The fallback, as it currently exists, does not take into account a situation where an order is issued pursuant to a mechanism which is later invalidated. Last week, the TJC faced the question of ratifying an order that had been in effect for over 4 months. But the TJC could not report a joint resolution to do this. The TJC could only report a joint resolution affirming the January 15 report from OMB/CBO. However, that report did not reflect what the February 1 order did, because of intervening changes made by GAO. Because Congress' desire was to ratify the status quo, including changes made by laws enacted after February 1, we had to pass a separate concurrent resolution which directed the enrolling clerk to change the joint resolution in order to fulfill our intentions.

This problem may arise again if the so-called Gramm-Rudman II fix is enacted, resulting in a Presidential order, and the Supreme Court subsequently invalidates the new automatic procedure.

My amendment takes care of this situation by providing the TJC with the authority to report legislation retroactively ratifying a Presidential order.

Another issue concerns the discharge of the TJC should a joint resolution to affirm the Directors' report be introduced in either Chamber and referred to it. In the Senate, such a discharge is inferred because of the deadline set for the committee's action. This is not the case in the House. It seems to me that Members of both Chambers should be able to further the sequester process by introducing legislation and ensuring a discharge, so that even if the TJC is not able to act, the full Congress could exercise its will and vote on the joint resolution.

My amendment takes care of this issue by inserting in the statute language which specifically provides for such discharge in both Chambers.

Let me conclude by saying again that I intend to do everything I can to make sure that neither automatic sequester procedures nor the fallback need ever be used in future years. But since we have these procedures, it behooves us to try to make them work as they were intended.

And now let me just summarize the main point of the amendment. Mr. President, this amendment that I offer on behalf of myself and the distinguished senior Senator from Florida, Senator CHILES, is with reference to dates and times. I would almost call it a perfecting amendment. Basically we have found now, in walking our way through the fallback process under Gramm-Rudman-Hollings I, that there are some difficulties with reference to the time that is allotted to the Joint Budget Committee to do its work, on the one hand; 5 days is too long for them to be off just ratifying an order. It is just a long delay. They cannot amend. In the case of the initial sequester report, we changed that to 2 days instead of 5. In the case of the final sequester report, we changed it to 1 day instead of 5.

There are a couple of other calendar items that we changed that we think make eminent sense because it will cause us to do our work on time and in an expedited manner, and the joint committee will be discharged of the joint committee if we don't do our work.

There is one other thing we found in the fallback process that we are fixing here. The Senate should know that there is still an outside chance, and it may be very, very outside, that we will be using that fallback provision again and that, in fact, we would have adjudicated Gramm-Rudman-Hollings II and it might be declared unconstitutional.

In that event, what we have done is make sure that that joint committee that meets to ratify the order causing the sequester to become operative once signed by the President in fact can ratify an order that is already in effect, as well as changes that have occurred since the order was issued.

□ 1440

We were not able to do that last time. And so we are permitted now to go pick up those activities without being found to be out of order on the privileged activity that we bring before the Senate.

Now, if anyone other than the Senator from New Mexico understands any of that at this point, I would be very surprised. Nonetheless, I have tried my best to explain quickly what we have done. I assure Senators and other than the last one I spoke of, the rest are just dates and times to make everything work better.

I yield to my friend from Florida.

Mr. CHILES. Mr. President, I join with the distinguished chairman in offering this amendment. I would say this is a provision that Senator KERRY, the junior Senator from Massachusetts, has been very interested in and has talked to us about and had a similar provision like this that he actually was interested in moving.

So I would ask unanimous consent, if he desires to be a cosponsor, that he might be made a cosponsor. I have not been able to find out if he desires that or not.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, current law provides that the OMB-CBO report go directly to the joint Budget Committee which has to report it without amendment. If OMB and CBO disagree on any estimate, then they average the automatic procedure, they must average. The automatic procedure allows GAO to depart from the average if they feel either OMB or CBO is off base.

This provision requires, under the fallback procedure of legislating the cuts, that the OMB-CBO report go to GAO which can change it before it comes to the Congress. No Constitution problem here, because GAO is a congressional agency and is reporting its impartial findings to the Congress.

I urge that we adopt this amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 2258) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHILES. Mr. President, I thank the distinguished Senator from Tennessee.

Mr. DOMENICI. Mr. President, I thank the Senator from Tennessee and other Senators for permitting us to have this unanimous-consent agreement.

Mr. SASSER. I thank the distinguished chairman of the Budget Committee and the distinguished ranking member.

AMENDMENT NO. 2250

(The following remarks occurred earlier:)

Mr. MATTINGLY. Mr. President, I rise to urge the Senate to pass the pending amendment that would give aid to the drought-stricken farmers of the Southeast.

The pending amendment is similar in many respects to an amendment, No. 2235, that was submitted on Monday of this week and can be found in the RECORD for that day. I am not going to quibble over pride of authorship, I think that is unimportant. The situation in my State and in neighboring States is too serious for petty partisan politics. As I said last night, a starving cow does not care whether a bale of hay is Republican or Democrat.

There have been questions raised about this amendment. I believe they can be resolved in conference. In fact, I have an amendment that contains some language that I ask unanimous consent to have printed in the RECORD at this point that we shall make available to the conferees that should satisfy those questions.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the end of the pending amendment, add the following new section:

"SEC. . (a)(1) Notwithstanding any other provision of law, the Secretary of Agriculture shall make available within 10 days following the date of enactment of this Act, in addition to any advance deficiency payments previously made available to producers in accordance with section 107C(a) of the Agricultural Act of 1949 (7 U.S.C. 1445b-2), advance deficiency payments to eligible producers participating in an acreage limitation program established for any of the 1986 crops of wheat, feed grains, upland cotton or rice under sections 101A, 103A, 105C and 107D of the Agricultural Act of 1949. Such payments shall be available in an amount determined by multiplying—

(A) the estimated farm program acreage for the crop, by

(B) the farm program payment yield for the crop, by

(C) 10 percent of the projected payment rate, as determined by the Secretary.

(2) Advance deficiency payments made in accordance with paragraph (1) shall be made in the form of commodity certificates and shall otherwise be subject to section 107C of the Agricultural Act of 1949 (7 U.S.C. 1445b-2).

(b) Notwithstanding any other provision of law, within 45 days following enactment of this Act, for producers who are eligible to participate in disaster or economic emergency programs administered by the Department of Agriculture due to drought or excessive heat, the Secretary of Agriculture shall make available to such producers disaster payments in an amount sufficient to ensure that each such producer receives at least 50 percentum of the amount such producer would have received from nonrecourse loan and purchase activities established for the 1986 crops of wheat, feed grains, cotton, rice soybeans, and peanuts under section 107D, section 105C, section 103A, section 101A, section 201, and section 108B of the Agricultural Act of 1949 on an average crop yield for the farm; *Provided* that:

(1) such payments shall be made in the form of generic, negotiable commodity certificates redeemable from stocks of commodities held by the Commodity Credit Corporation; and

(2) such payments shall be made without regard to any contract of insurance such producer may have to indemnify against crop losses, except when the payment would result in a producer receiving more than 100 percentum of the amount he otherwise would have received from nonrecourse loan and purchase activities, in which case the disaster payment shall be reduced to achieve such 100 percent level.

(3) for the 1986 crop year, the aggregate amount expended for such disaster payments and payments made under normal nonrecourse loan purchases activities shall not exceed the total which the Secretary would otherwise be obligated to expend for nonrecourse loan and purchase activities for all program crops in all counties having producers eligible for such disaster payments, if such crops had produced an average yield; and

(5) in determining a producer's average yield for the 1986 crop year, the Secretary shall use the average of the past five years production on the farm, excluding the high and low years, or the average of all years if production history for the farm is less than five years.

(c) Notwithstanding any other provision of law:

(1) The Secretary of Agriculture shall within 10 days following the enactment of this Act and ending March 31, 1987, or the date, as determined by the Secretary on which the emergency created by the drought or excessive hot weather of 1986 no longer exists, implement and conduct the emergency feed program authorized by section 1105 of the Food and Agriculture Act of 1977 (7 U.S.C. 2267).

(2) Payments made to eligible persons shall be made in the form of commodity certificates redeemable from surplus stocks of commodities held by the Commodity Credit Corporation.

(3) Persons eligible for assistance under the program formulated under this subsection shall be reimbursed for not to exceed 50 percent of the cost of the food purchased by such eligible persons but not to exceed 5 cents per pound feed grain equivalent, as determined by the Secretary.

(d) Notwithstanding any other provision of law, the Secretary of Agriculture shall make available—

(1) cost-share payments in accordance with the Agricultural Conservation Program to producers in drought affected disaster areas in order to prevent soil erosion due to loss of vegative cover; and

(2) cost-share payments in accordance with the Forestry Incentive Program to forest landowners in drought affected disaster areas for the re-establishment of stands of pine or other trees lost due to drought conditions.

(3) The Secretary shall share not less than 50 percentum of the cost of such measures or re-establishment of timber stands. Such payments, to the extent practicable, shall be made in the form of commodity certificates redeemable from the surplus stocks of commodities held by the Commodity Credit Corporation.

(4) Payments made in accordance with this subsection shall be made in addition to, and not in lieu of, payments made under the Soil Conservation and Domestic Allotment Act or the Cooperative Forestry Assistance Act of 1978, using funds appropriated for such purposes.

(5) The Secretary of Agriculture shall allow producers who are participating in acreage limitation programs for the 1986 crops of wheat, feed grains, upland cotton or rice to hay and graze acreage devoted to conserving uses.

(6) Assistance made available to eligible persons in accordance with paragraph (1) and (2) of this subsection shall be available during the period beginning within 10 days following the enactment of this Act.

(e) It is the Sense of Congress that, with respect to the 1986 disaster caused by drought and excessive heat, the President should:

(1) declare a drought emergency in accordance with the Disaster Relief Act of 1974 (42 U.S.C. 5122);

(2) direct the Secretary of Agriculture to use the Commodity Credit Corporation the provide cost-share assistance in the form of commodity certificates for the replacement or deepening of existing water wells of producers of livestock or poultry adversely affected by this emergency; and

(3) direct the Director of the Federal Emergency Management Agency to reimburse the Secretary of Agriculture or the Commodity Credit Corporation for any expenses incurred in providing such assistance.

Mr. MATTINGLY. The most important point is to get something passed immediately. This is a regional disaster. During the many hours of effort that went into my amendment, I have worked closely with some of my Democratic colleagues such as senior Senators from Alabama and Senator ZORINSKY, Senator HOLLINGS, and others. I am willing to work with all of my colleagues who are trying to help the farmers of the Southeast.

There are those who say we should do nothing, that today the Secretary of Agriculture will announce a program that will make this legislation meaningless. I cannot agree with that.

It is a terrible assessment. Let me tell you why, Mr. President.

Most of the actions mandated by both my amendment and the one before us now are currently within the discretionary authority of the Department of Agriculture. I, along with all the other Senators from the Southeast, Republican and Democrat, have been urging immediate action. While I welcome the announcement of the Secretary today, it is late in coming and lacks certainty for the future.

Over the past week, I have been in practically nonstop negotiations with the Department on this matter. My office has been crowded with lawyers and accountants from USDA and OMB. We could not reach any agreement that I felt would go far enough toward helping the people who so desperately need our help.

There comes a time when politics and partisanship and bureaucrats have to be set aside. If we wait until all the bureaucrats are satisfied with a plan of action, we shall be here for the rest of the year. The time has come for Congress to mandate or to "make" the Department to do what it should have done days ago. My farmers cannot survive on promises. Livestock cannot eat good intentions. Half-way measures or gestures will not be enough.

I am not going to go and tell the farmers of my State or in the Southeast, anyplace where they are drought ridden, that the Government would like to do more but it has accounting problems.

That is all the argument appears to be to me. With all do respect, I do not want to hear any more about accounting problems. I want some help for America's farmers—significant help that will get them through this crisis. I have walked the last mile with the Department on this matter. I have given them every chance in the world. The time has come for Congress to put a pitchfork where it will do the most good.

Let us forget for a moment partisanship and bureaucratic accounting problems that can and will be worked out. Let's remember the human tragedy that is occurring in the South.

There was one farmer who called my office this week and said he had 600 acres in soybeans and they were gone. "If I don't get some help," he said, "I'm gone too and so are all of my neighbors." We cannot let these people down. We cannot let these hardworking farmers blow away with the dust on their fields.

I urge the Senate to pass this amendment and bring relief to the drought-stricken Southern farmers before they are beyond the point where we can help them.

Just as an example, Mr. President, I received in my office a letter from the President of the Georgia Farm Bureau. It is very interesting. It has a few statistics from a survey just finished on July 25; $533 million lost in the State of Georgia, over a half-billion dollars. The summary is that we have had a 47-percent decrease in corn production, a 71-percent decrease in soybean production, a 51-percent decrease in cotton production, a 79-percent decrease in hay production.

Mr. President, I know you cannot see this, but I hope my colleagues can. This is the State of Georgia, the biggest State east of the Mississippi. The red section represents where there is a 60-percent and above loss of crops in the State by this drought. It is a natural disaster that needs to be addressed.

I ask unanimous consent to have the letter and accompanying material printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GEORGIA FARM BUREAU FEDERATION,
Macon, GA, July 31, 1986.

Hon. MACK MATTINGLY,
U.S. Senate,
Washington, DC.

DEAR MACK: Enclosed are the results of the Georgia Farm Bureau survey of the drought damage and estimates of the reduction in crop and livestock production in the state.

The map indicates the severity of the damage for all sections of the state. The dollar value was determined by the percentage of decrease in production calculated on estimated acres planted and current markets as of July 25, 1986.

There are also additional losses on other commodities, the horticultural and timber industry, which have not been determined for lack of a dependable measure.

We appreciate all you are doing to assist us during these difficult times.

Sincerely,

ROBERT L. NASH, *President.*

1986 GEORGIA FARM BUREAU DROUGHT SURVEY SUMMARY

Broiler—13% decrease in production equal $3.5 million loss.

Egg—16% decrease in production equal $1.5 million loss.

Beef—28% decrease in production equal $12.6 million loss.

Dairy—17% decrease in production equal $2 million loss.

Hogs—21% decrease in production equal $15 million loss.

Corn—47% decrease in production equal $84 million loss.

Soybeans—71% decrease in production equal $127 million loss.

Peanuts—28% decrease in production equal $145 million loss.

Pecans—50% decrease in production equal $36 million loss.

Tobacco—29% decrease in production equal $37 million loss.

Cotton—51% decrease in production equal $36 million loss.

Hay—79% decrease in production equal $34 million loss.

Total loss equal $533,600,000.00

GEORGIA FARM BUREAU FEDERATION DROUGHT ESTIMATE SUMMARY 137 COUNTIES REPORTING

Corn: Dry land, 64% reduction; irrigated, 36% reduction.

Vegetables: 59% reduction.

Peanuts: Dry land, 60% reduction; irrigated, 19% reduction.

Tobacco: Dry land, 34% reduction; irrigated, 18% reduction.

Cotton: Dry land, 57% reduction; irrigated, 30% reduction.

Wheat: 57% reduction.

Corn silage: 72% reduction.

Broilers: Number lost: 1,170,700 head; percent decrease in production: 13% reduction; increase in cost: 10%.

Layers: Number lost: 76,350 head; percent decrease in production: 16% reduction; increase in cost: 17%.

Soybeans: Dry land, 72% reduction; irrigated, 36% reduction.

Fruits: 58% reduction (late cold weather and drought).

Hay: 79% reduction.

Pecans: Dry land, 66% reduction; irrigated, 33% reduction.

Horticulture (greenhouse and container grown plants) 28% reduction.

Blueberries: 75% reduction.

Milo: 77% reduction.

Beef cattle: Number lost: 654 head; percent decrease in production: 28% reduction; increase in cost: 34%.

Dairy cattle: Number lost: 288 calves; percent decrease in production: 17% reduction; increase in cost: 18%.

Hogs: Number lost: 2,385 head; percent decrease in production: 21% reduction; increase in cost: 11%.

Catfish: Number lost: 14,000 lbs.; percent decrease in production: 38% reduction.

Honeybees: Number colonies lost: 50; percent decrease in production: 20% reduction.

Drought damage to the state's agricultural commodities has already totaled more than $530 million, the Georgia Farm Bureau, the state's largest farm organization, said today as it released the results of the first detailed survey of drought damage in the state.

In its assessment of drought damage in each county during the period July 15 through 25, the state Farm Bureau found that the majority of the state—106 counties—had suffered farm commodity losses of 60 percent or more.

A belt of 40 counties running from Southwest to Southeast Georgia, and the extreme northeastern corner of the state, have suffered losses in the 40 to 60 percent range. The southeastern corner of the state has suffered the least damage with losses of 40 percent and below.

Although the drought's complete toll on the state's agricultural sector will not be known until harvest time, the Farm Bureau decided to conduct a survey now to provide Congressional and U.S. Department of Agriculture officials with accurate, up-to-date information to use in making decisions about providing aid to the state's farmers, said Georgia Farm Bureau President Bob Nash.

"The Farm Bureau's findings will be presented to Agriculture Secretary Richard Lyng and Georgia's Congressional delegation immediately," said Nash. "We hope our findings will spark some further aid for Georgia's farmers and show federal officials just how severe the situation is," he added.

Nash also said that farmers needed the survey to help them make marketing decisions this fall.

According to the Farm Bureau survey, the total loss to the state's farm commodities as of July 25 was $533.6 million. Nash noted

that there has been some deterioration of crops since then.

The Farm Bureau survey found that the drought has already decreased broiler production 13 percent with death losses of poultry totaling $2.5 million and gross income losses to farmers of $1 million.

Egg production has dropped 16 percent, amounting to $1.5 million in losses.

As of April 1986, beef production had declined 28 percent amounting to a loss of 21 million pounds or $12.6 million and dairy production had dropped 17 percent amounting to 20 million pounds or $2 million.

Also as of April, hog production had dropped 21 percent amounting to a $15 million loss.

Total loss to the state's corn crop is estimated at 40 million bushels or $84 million.

The state's soybean crop has suffered a 71 percent loss totaling $128 million, and the peanut crop has already declined 28 percent amounting to a $145 million loss.

Tobacco yields are estimated to be off 29 percent or a $37 million loss; cotton down 51 percent with a $36 million loss and hay down 79 percent with a $34 million loss.

Mr. MATTINGLY. Mr. President, I shall just say that the drought damage to the commodities and agriculture in my State is devastating. The assessment they have made between July 15 and July 25 of this year shows that over 106 counties out of 159 have losses of 60 percent or more. It is a devastating loss. It needs to be addressed, and it can be addressed. It is not good that we try to address it with discretionary authority with the Department of Agriculture.

What we are trying to do, what the Senators from Tennessee are trying to do and the Senator from Georgia is trying to do is take away the discretionary authority and make it mandatory authority. What that simply means is make them do what is required, take the surplus commodities that we have, almost $10 billion stored in this country, and use it for a useful purpose; that is, try to relieve the drought-stricken farmer in the Southeast.

(Conclusion of earlier remarks.)

● Mr. GOLDWATER. Mr. President, the Sasser amendment on farm disaster relief has an outrageous provision which would totally undercut the intent of the Federal Crop Insurance Program by providing in the amendment the following: Farmers whose crops were lost in the drought will receive 100 percent in deficiency payments plus whatever they had insured the crop against loss. In essence, the farmer who chose not to insure the crop will be making a windfall as opposed to those who spent their hard earned farm dollars to buy crop insurance. In light of the continued efforts by the Congress to reduce the Federal deficit, this possibility is totally unacceptable and unnecessary.

This provision in the amendment grossly undercuts the Federal Crop Insurance Program which is the very agency charged with the task of coming to the relief of the farmer who wisely insured his crop against natural disasters. I am continually appalled by the willingness of the Congress to avoid the very programs it created to deal with the public's need.

If we are ever to have a sound fiscal farm program, the U.S. Congress cannot act out of an emotional state. Of course, this is a highly emotional time for farmers who must watch their crops and livestock being destroyed by the drought. Those of us in Congress, however, must not allow ourselves to act rashly and from those same emotions.

Elected officials are given the public trust to calmly determine policy and to put into motion those Federal programs designed to address such disasters. There are Federal farm programs on the books to protect the American farmer from the loss of farm payments due to natural disasters. The Congress must allow those programs to be set into motion as they were designed. If the Department of Agriculture is not acting quickly enough for some, I cannot stress the need strongly enough to allow officials at the Department of Agriculture to formulate a sound relief package with existing programs and any new measures this current disaster requires.

We are all concerned with the tremendous losses the farmers are experiencing. I join my colleagues in wanting to give them assistance. I am proud of the generosity of the American people who have donated their time, effort, animal feed, and transportation services to assist the farmers.

In closing, I have every confidence there will be tangible relief given to the farmers. My only request is to allow the very best relief to be presented to the Congress by Secretary Lyng before taking action on the pending amendments. I would like inserted in its entirety the announcement made by Secretary Lyng this morning on new and significant expanded programs to aid drought-stricken farmers.

The announcement follows:

SECRETARY LYNG EXPANDS PROGRAMS TO AID DROUGHT-STRICKEN SOUTHEASTERN FARMERS

WASHINGTON, Aug. 1—Secretary of Agriculture Richard E. Lyng today announced significant new and expanded programs to aid drought-stricken farmers in Southeastern states designated as agricultural disaster areas.

"The drought continues to devastate farms from southern Pennsylvania to northern Florida," Lyng said. "Today, at the behest of the President, the U.S. Department of Agriculture is launching an intensified effort to help farmers who are victims of this national tragedy."

Lyng also announced today that over $1 billion worth of crops—including peanuts and tobacco—in the affected areas is covered under USDA's crop insurance program, a subsidized federal program.

The following new or expanded programs are in effect immediately:

Under the Feed Cost-Sharing Program, formerly known as the Emergency Feed Program, USDA will share with livestock producers the cost of purchasing feedgrains, including hay. The cost share will be up to 50 percent of the cost of feed, not to exceed 5 cents per pound—an increase from 3 cents per pound—feedgrain equivalent.

Lyng said the cost-sharing payments will be made in generic certificates. "Farmers will have the flexibility to convert the certificates into cash or to redeem them for Commodity Credit Corporation commodities," he said.

"To help make grain available to livestock," Lyng said, "CCC is moving grain from storage facilities in the Midwest where crops are good to areas in the Southeast where storage is available."

Lyng said drought-stricken farmers in the Southeast who participated in federal farm programs for corn, wheat, cotton and rice will be eligible for over $500 million worth of 1986 crop deficiency payments.

"Because many of these farmers need payments now, I am authorizing a nationwide, across-the-board 10 percent increase in 1986 advance deficiency payments, at a cost of about $1 billion," he said.

The 1985 Farm Bill specifies that up to 50 percent of crop deficiency payments may be paid in advance. Up to now, cotton and rice producers received 30 percent; producers of other program crops received 40 percent. With today's announcement, all farmers, in every state, will receive an additional 10 percent in generic certificates.

According to Lyng, farmers in counties designated as disaster areas also are immediately eligible for the following programs:

Under the Emergency Feed Assistance Program, eligible farmers may purchase feedgrains owned by the Commodity Credit Corporation at 75 percent of the basic county loan rate. The program does not include hay.

Under the Farmers Home Administration's emergency loan assistance program, family farmers who cannot obtain credit elsewhere are eligible for low-interest loans. The interest rate is 5 percent for loans up to $100,000, and 8 percent for loans above $100,000. Loan amounts are limited to the government's estimate of farmers' losses.

Lyng said today's actions are in addition to those previously announced, which include:

Haying and grazing of all crops is permitted on acreage set aside under the Acreage Conservation Reserve requirements of the commodity programs, including cotton.

Acres designated to be put to a conservation use under the Acreage Conservation Reserve requirements may be planted for winter pasture with fast-growing grasses or small grains for grazing.

Producers participating in federal farm programs will still be eligible to receive deficiency payments on planted acreage, even though the crop is used for forage or not harvested at all. Participating producers who harvest their crops for forage will be permitted to retain their acreage bases.

Designated counties are eligible for cost-sharing of reseeding, applying necessary minerals and controlling competitive shrubs.

The Forestry Incentive Program cost-sharing assistance is available to re-establish stands of planted pine trees lost due to drought conditions.

In addition, clerical workers in county offices will be shifted to the areas of greatest need, Lyng said.

Lyng said USDA is processing damage assessment reports as rapidly as possible and so far has designated 189 counties in Alabama, Delaware, Maryland, North Carolina, South Carolina and Virginia for emergency relief. Additional states or parts of states should be designated in the next few days, he said.

"With all the tragedy the drought has brought, I am tremendously impressed with the overwhelming voluntary response," said Lyng. "Every American can be proud of how neighbors are assisting neighbors in need."

The department's efforts are under the guidance of Drought Coordinator Jim Boillot.

USDA continues to operate a toll-free hotline to respond to farmers' questions and to facilitate drought relief efforts, he said. The hotline so far has handled over 2,200 calls. The national toll-free number is 1-800-433-0703; the number in the Washington metropolitan area is (202) 447-2637.●

Mr. HEINZ. Mr. President, I think we are ready to dispose of the pending amendment. Have the yeas and nays been ordered on the amendment?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. HEINZ. Mr. President, I have discussed this with the Senators from Tennessee as to the need for a rollcall vote. It is my understanding they do not seek such rollcall vote, so I would ask unanimous consent that the yeas and nays be vitiated.

Mr. SASSER. Mr. President, I have no objection to vitiating the yeas and nays.

If the Senator would yield for just a moment, I ask unanimous consent that Senator HART be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Without objection, the yeas and nays are vitiated.

The question is on agreeing to the amendment.

The amendment (No. 2250) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2259

(Purpose: To modify the application of agricultural payment limitations to corporate stockholders)

Mr. PRESSLER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER] proposes an amendment numbered 2259.

At the appropriate place, insert the following new section:

SEC. . APPLICATION OF AGRICULTURAL PAYMENT LIMITATIONS TO STOCKHOLDERS.

Subparagraph (B) of section 1001(5) of the Food Security Act of 1985 (7 U.S.C. 1308(5)(B)) is amended to read as follows:

"(B) A stockholder of a corporation with more than a 20 percent ownership interest in the corporation shall not be considered as a separate person from the corporation for purposes of determining whether the corporation and stockholder are separate persons under this section.".

Mr. PRESSLER. Mr. President, the amendment I am offering would change the percentage of ownership an individual must have in a farm corporation to be considered a person for purposes of the payment limitation. The amendment is designed to make it more difficult for corporations to circumvent the individual $50,000 payment limitation.

Specifically, my amendment would change the definition of a corporation. Currently, if an individual, including his spouse, minor children and trusts for children or legal entity, own more than 50 percent of the stock, he or she is not considered a separate person for purposes of the $50,000 payment limitation. This allows a 50-percent stockholder or less in a corporation to receive a $50,000 payment as well as the corporation. My amendment will reduce the percent of stock ownership under this provision to 20 percent. Therefore, any stockholder with more than 20 percent ownership will be considered the same as the corporation for the purposes of the payment limitations. This change will make it much more difficult for farm corporations to circumvent the $50,000 payment limitation.

For many years Congress has established a limitation on the amount of farm program benefits an individual farmer may receive. The intent of this provision was to prevent the owners of large farms from receiving hundreds of thousands and millions of dollars in farm program benefits. This both holds down farm program costs and directs benefits to family size farmers. Unfortunately, large corporate farms have found creative means of avoiding the payment limitation. Multimillion dollar payments have gone to some huge corporate farms. These huge payments increase the cost of farm programs and give badly needed programs for family farmers a bad reputation.

Mr. President, while there are sufficient Senators on the floor, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. COCHRAN. Mr. President, would the Senator yield for a question?

Mr. PRESSLER. If I could finish my opening statement, I would then be happy to yield. I will yield as much time as the Senator from Mississippi wants if I could finish one more paragraph.

The 1982 Agriculture Census determined that there were 59,792 corporate farms. These corporate farms accounted for 23.3 percent of all farm revenue. An estimated 90 percent of the farms with gross sales of over $500,000 were corporate farms. Eliminating these huge corporations from farm programs would save millions of dollars. These corporations are in the least need of these payments. In many respects we are financing the takeover of the family farm by the corporate farm when we allow this to continue.

My amendment would not totally eliminate the loophole, but would make it much more difficult for corporations to use it. I also considered trying to change the definition of a farm, but that approach would just give the lawyers of huge corporate farms more work in finding new loopholes. After consulting with USDA, I determined that changing the ownership percentage requirement was the simplest and most direct method of placing more effective limitations on farm program benefits. As long as we have a farm program with payment limitations, there will be large farmers trying to find loopholes. My amendment closes the largest loophole. I urge my colleagues to support this amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD a New York Times article dated Sunday, July 27, 1986, and entitled "Big Farms, to Get Huge U.S. Subsidies," and one dated July 22, 1986.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, July 27, 1986]

BIG FARMS TO GET HUGE U.S. SUBSIDIES

WASHINGTON, July 26 (AP).—A single California farming operation will collect $20 million in Federal subsidies this year, one of many multimillion-dollar payments the Government is expected to make in the struggle for the United States to regain its former dominance in farm exports.

"Multimillion-dollar payments in rice and cotton will not be uncommon," Robert Thompson, the Agriculture Department's chief economist, said recently. "It will get obscene."

Representative Tony Coelho, Democrat of California, a member of the House Agriculture Committee, which helped write the law, said: "They're going to be big, and very controversial. We knew that when we did this. But the only way to turn it around is to get these big guys cooperating so we can help the family farmer as well."

Analysts estimate the Government will pay more than $30 billion in farm aid for the fiscal year 1986.

The apparent top recipient of subsidies under the new farm law is an agriculture business giant, the J.G. Boswell Company, which grows more than 62,000 acres of

cotton and 30,000 acres of wheat in the San Joaquin Valley near Fresno, Calif.

Figures computed by the Agricultural Stabilization and Conservation Service, the Agriculture Department's subsidy arm, show that Boswell will collect nearly $10.4 million in payments on those crops, based on current prices.

'IT'S GOING TO HIT $20 MILLION'

In addition, the operation may receive that much or more as the marketing handler for its own cotton, said Bob Crockett, a crop program specialist for the Agricultural Stabilization and Conservation Service in California, at Sacramento. "It's going to hit $20 million, that's what we figure," he said.

Wes McAden, Boswell's Washington lobbyist, said economic uncertainty forced the farm to accept payments.

"It's mandatory economically," Mr. McAden said. "You don't know where the market's going. The only uncertainty is how low it's going."

In recent years, Boswell has refrained from participating in Federal crop programs.

This year's subsidy payments promise to dwarf those made under the $10 billion program in 1983, which caused a public outcry and damaged the credibility of farm programs.

$9 MILLION FOR DAIRY FARM

Another farming operation in Kings County, Calif., Salyer American, will collect nearly $3.4 million on its 28,000 acres of cotton, the agriculture agency said. Large payments are certain to go to other growers of cotton, rice, wheat, corn and milk in major producing areas because of new provisions in the 1985 farm law.

One large dairy producer, Gerrit Degraaf of Riverside County, Calif., will receive $9.8 million under a Federal subsidy to encourage dairy herd slaughter. Joe E. Gonsalves of Kings County will be paid $8 million to get out of the dairy business, figures from the agency show.

As in 1983, the size of the payments is likely to bring calls for changes in the farm law, which is designed as a long-term program to restore slumping export sales by lowering prices.

"It's going to be a publicity disaster," said Representative Pat Roberts, Republican of Kansas, a member of the House Agriculture Committee. "We're in danger of trashing this program before it's had a chance to work."

The law producing the huge payments was drafted a year ago in a growing atmosphere of despair over the decline in United States agriculture exports. From a high of $43.8 billion in 1981, overseas sales have slumped and are expected to be $27.5 billion this year. In May the nation suffered its first one-month farm trade deficit in nearly 30 years.

Congress decided to cut prices to attract customers. But to soften the impact lower prices would have on farmers, suffering their worst economic times since the Depression, the law-makers built in huge subsidies.

In past years individual subsidy payments have been limited by a $50,000 ceiling to any single producer. The new law creates numerous intentional exceptions to the payment limit, however.

For example, cotton and rice farmers many continue to borrow from the Government at harvest time to pay their bills while they wait to sell their crops. But instead of paying back the full amount of the loan, they need only pay back what the crops bring on the market. The farmer simply pockets the difference, expected to be roughly half the loan in the case of rice and about 20 percent for cotton.

For wheat and corn growers, a portion of their income subsidy payment under the new law is exempt from the payment limit. And a growing number of subsidized farmers are splitting up their farms into smaller units, frequently parceling them out among family members or other partners, to collect multiple subsidy checks of $50,000.

PROGRAM ONCE COST $4 BILLION

In return for the income guarantees, farmers must agree to cut the amount of acreage they plant, by 25 percent for cotton, 35 percent for rice, in an attempt to curtail production.

Even the Government's official estimate of the cost of the farm program is $26 billion, which would be a record. Just a few years ago the cost of farm programs hovered at about $4 billion a year.

But almost no farmers, particularly the big operators, can afford to stay out of the Government crop program because of the uncertainty of prices.

[From the New York Times, July 22, 1986]

COST OF FARM LAW MIGHT BE DOUBLE ORIGINAL ESTIMATE

(By Keith Schneider)

WASHINGTON, July 21.—Agriculture Department analysts said today that the new farm law, which represented an abrupt policy shift, might cost the Government twice what economists estimated last December.

Their official cost estimate for farm programs under the law passed late last year is now $26 billion for the fiscal year 1986, but analysts acknowledged today that it could exceed $31 billion and might soar to $35 billion.

The program has not succeeded in stemming the decline in overseas sales of agricultural products, except for cotton and rice, the budget analysts acknowledged. As a result, the costs of taking over and storing surplus crops are mounting rapidly.

DESIGNED TO AID EXPORTS

In addition, far more farmers signed up for the price- and income-support programs than had been expected when the estimates were made.

The law, signed by President Reagan last December, was designed to reverse the five-year decline in American agriculture, by improving the sales of farm products overseas. The law drastically lowered the prices the Government sets for wheat, corn, soybeans and other major crops, to make United States farm products more competitive on the world market.

COMPLEX FACTORS AT WORK

The law also provided farmers and trading companies with an array of financing options and subsidy programs to enhance the sale of grain overseas and reduce the mountains of price-depressing surpluses filling United States storage facilities. For example, rice and cotton growers can export their crops at world-market prices, and the Government will make up the difference in a direct cash subsidy.

The law's failure to affect most export sales underscores the complex economic and political factors at work in the global trade of farm products. And though leading farm-state lawmakers of both parties have expressed dismay with the export situation and the continuing depression in agriculture, they concede that there are no easy solutions.

Last December, the department's economists predicted the new program would cost $17.5 billion this fiscal year, and the overall cost of the five-year law would not exceed $54 billion. In January, the department revised the estimate upward to $20 billion and $85 billion over all.

Just last week, budget analysts at the Agriculture Department told President Reagan that the fiscal 1986 farm program cost would probably not exceed $26 billion. But today, in response to questions about other economists' predictions, the officials said the costs are likely to soar well past a record $30 billion this fiscal year, which would exceed the cost overruns at the Department of Defense in contributing to the Government's budget deficit.

"The $26 billion is an honest estimate based on how we normally project expenditures," said Stephen B. Dewhurst, the department's budget officer. "Most people, though, think the number will be much higher because, that's the way costs have been going."

When Congress approved the new law late last year, economists said it would be the most expensive in history. The prices farmers were receiving for their grain on the domestic and world markets were so low that many experts said record numbers of farmers would sign up to receive Government loans and income supports in exchange for reducing the amount of land they farmed. Economists said the Government would be offering the highest prices and would become the world's best customer for grain, but few expected the costs to exceed $30 billion in the program's first year.

In 1981, when United States farm exports reached a record $44 billion, farm program costs totaled $4 billion. Since then, exports have fallen and this year are expected total $27.5 billion. It is this precipitous drop in exports that is seen to be at the root of the current farm crisis.

Today, the Agriculture Department said that 91 percent of the nation's rice growers, 83 percent of the corn growers, and 80 percent of the wheat growers are participating in Government farm programs this year, a record number.

At the same time, the Government-owned surplus is growing as foreign competitors undercut American prices and traders find it increasingly difficult to sell wheat, corn, soybeans and other crops overseas.

In May, the United States imported more food than it exported for the first time since August 1971. And export sales of farm products as a percentage of total exports is at the lowest point since the early 1940's.

Meanwhile, the Government has sent memos to military bases, shippers and others seeking storage space for the more than two billion bushels of surplus wheat now in stock, a record. Stocks of surplus corn now total a record four billion bushels, and the harvest is expected to increase that total to well over five billion early next year.

"The increased participation means the Government is supporting more production in all grain commodities," said Milton Hertz, acting administrator of the Agricultural Stabilization and Conservation Service, the agency that oversees the farm programs.

Moreover, a recent analysis by the Department of Agriculture shows that the vast majority of income- and price-support payments are going to the largest and wealthi-

est farmers, who are not suffering from the farm depression nearly so acutely as mid-sized family farmers. Just 18 percent of farm program payments reach the neediest farmers, according to the analysis. The remainder is paid to farmers with the least debt.

SOME SAY MORE TIME IS NEEDED

Though farm program regulations specify that no farm is to receive income support payments exceeding $50,000, the eligibility rules can be easily circumvented, according to the Department of Agriculture, and thousands of farmers are receiving payments in excess of $500,000.

"There are farmers in every state that are breaking the spirit of the law by subdividing their farms on paper to increase their payments," said Randy Russell, a private farm consultant in Washington who was the Reagan Administration's coordinator during the Congressional debate last year on the farm law. "This is the real issue in controlling costs. We need to decide as a society how much we are willing to provide in the farm sector."

He said that the law could not have been expected to show immediate improvement in American farm sales overseas. Administration officials also say that the program needs time to show results.

But the high costs of the farm programs, and the falling exports, are causing the farm issue to be viewed with increasing urgency on Capitol Hill. Recently, Bob Dole of Kansas, the leader of the Republican majority in the Senate, wrote a letter to President Reagan warning that unless more is done to use the export-enhancing provisions of the law to increase overseas sales, Congress might reopen debate on farm policy and seek new legislation.

Other observers said that nobody in Congress or the Administration has a ready solution. "The program is not working. Every day we have more evidence of their malfunctioning," said John Schnittker, a private farm economist in Washington. "The law is expensive. The surpluses are getting worse. The payments being made are going mostly to well-off farmers. The situation is completely out of control."

Mr. PRESSLER. Mr. President, let me just quote some from the first New York Times article. I think this is what urban taxpayers are reading that really upsets them.

A single California farming operation will collect $20 million in Federal subsidies this year, one of many multimillion-dollar payments the Government is expected to make in the struggle for the United States to regain its former dominance in farm exports.

"Multimillion-dollar payments in rice and cotton will not be uncommon," Robert Thompson, the Agriculture Department's chief economist, said recently. "It will get obscene."

And it goes on to cite examples:

Analysts estimate the Government will pay more than $30 billion in farm aid for the fiscal year 1986.

The apparent top recipient of subsidies under the new farm law is an agriculture business giant, the J.G. Boswell Company, which grows more than 62,000 acres of cotton and 30,000 acres of wheat in the San Joaquin Valley near Fresno, Calif.

Figures computed by the Agricultural Stabilization and Conservation Service, the Agriculture Department's subsidy arm, show that Boswell will collect nearly $10.4 million in payments on those crops, based on current prices.

"IT'S GOING TO HIT $20 MILLION"

In addition, the operation may receive that much or more as the marketing handler for its own cotton, said Bob Crockett, a crop program specialist for the Agricultural Stabilization and Conservation Service in California, at Sacramento, "It's going to hit $20 million, that's what we figure," he said.

□ 1450

It goes on later talking about $9 million for a dairy farm. It cites additional examples.

The point is that when the farm bill left here there was a feeling of a limit of $50,000 for deficiency payments. But that has been circumvented in a number of ways. Even after my amendment passes it still can be circumvented to some extent.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. PRESSLER. I agreed to yield to the Senator from Mississippi. I will yield to either.

Mr. MELCHER. I thank my friend from South Dakota for yielding.

He is speaking about rice and cotton which is not subject to a limitation as far as the marketing loan portion of the deficiency payment is concerned. Is that not correct?

Mr. PRESSLER. I believe that is correct. My amendment addresses just a portion of the problem.

Mr. MELCHER. I understand that. But when he reads the New York Times article he is referring to rice and cotton payments. One in particular was named Boswell. So his amendment will not change that, would it?

Mr. PRESSLER. I am not sure if it will change Boswell per se.

Mr. MELCHER. Just on the rice and cotton marketing loan payments which can be quite huge—his amendment does not seek to correct that, does it?

Mr. PRESSLER. It would depend on how the corporations are set up. Probably not. I would agree. I said in my opening statement I was citing the New York Times article as kind of an article that we are seeing. I am not sure how those corporations are set up. If you had a series of people owning 1 percent, you could in an exponent way expand greatly. But I believe my colleague makes a very good point.

Mr. MELCHER. Mr. President, would my colleague continue to yield?

Mr. PRESSLER. Yes.

Mr. MELCHER. Furthermore, wheat and feed grains are not subject to marketing loan as rice and cotton are. So therefore their payment limitations are clearly at $50,000 per farm. Is that not correct?

Mr. PRESSLER. You mean wheat and——

Mr. MELCHER. And feed grains.

Mr. PRESSLER. It is clearly $50,000 except when they can circumvent it. For example, I have here examples under current law how, let us say, 10 persons could form 45 corporations, 50-50 stockholders, also receive 10 individual payments for a total of 55 payments.

Mr. MELCHER. If my colleague will further yield, is it true that the Secretary of Agriculture must establish that in the case of 10, if there are 10 individual farms, in the case of wheat, corn, and feed grains there can only be a $50,000 payment limitation per farm. Is that not correct?

Mr. PRESSLER. That is per farm. But there is also per individual. For example, there are two persons under current law, one corporation, 50-50 ownership, two individual payments, there are three total payments. So you would have $150,000, as I understand it.

Mr. MELCHER. Might I say to my friend from South Dakota, the Secretary may establish in each case that there is a separate farm. Is that not correct? And that the $50,000 payment limitation for wheat and corn farmers and other feed grains would then apply to each of those farms.

Mr. PRESSLER. The farm would qualify for one but the two persons would qualify for two. That is one each.

Mr. MELCHER. I ask my friend. It is my understanding of the Agricultural Act of 1949, as amended, in regard to payment limitations on wheat and feed grain farmers it is $50,000 per farm. Might I ask my friend: Is my understanding inaccurate?

Mr. PRESSLER. That is correct.

Mr. MELCHER. I am inaccurate or I am right?

Mr. PRESSLER. You are correct.

Mr. MELCHER. There is a $50,000 payment limitation paid per farm as determined by the Secretary and he must determine it for wheat and feed grain producers, and therefore they would not fit into the Boswell story, would they?

Mr. HEFLIN. Will the Senator yield?

Mr. PRESSLER. Yes; I yield.

Mr. HEFLIN. I have to go to the Judiciary where they are holding hearings on the Chief Justice candidate Rehnquist. I do need to get back. I am interested in this amendment.

I would like to ask the able Senator from South Dakota, has there been any hearing held on this type of amendment?

Mr. PRESSLER. I do not know for certain if there have been hearings recently. I know in the House there have been some discussions on limiting payments. I hope there are hearings because what is happening is that some people are getting these huge subsidies, while the intent of the law is for those payments to go to family farm-

ers and ranchers which is being circumvented in my view. I hope there are hearings. I offered an amendment similar to this. I had the support of the chairman of the Agriculture Committee when the farm bill was up. My amendment was defeated.

But stories are beginning to appear in the papers. Let me say on the Boswell example, I do not know how the corporation or corporate structure was set up and how the amendment would affect them. But the point I am making is that if there have not been specific hearings there should be. The problem is still there whether there have been hearings or not. I would certainly welcome hearings.

Mr. HEFLIN. The whole area that the Senator gets into may be an area that needs some review and needs to be looked at. The limitation that goes back really right now about 6 or 7 years at the time it was adopted, there are a lot of aspects and I point out that the Senator's amendment deals primarily with a stockholder in a corporation. Intelligent and very smart lawyers can invent entities that can do various things. They could, instead of having stock in a corporation, if they wanted to perhaps have successors that would prevent what the Senator is trying to do from going into effect by creating trusts, and by having certain trust aspects involved here. Then there are certain things, other types of partnerships, and there are subsidiary corporations involved.

Mr. PRESSLER. If my colleagues will yield, trust or not, Mr. President, I believe I hold the floor.

I yielded for a question.

Mr. HEFLIN. My point is, it needs to go in and be studied, because I think it is an area that needs some study. We need to look into the thing. I do not think we need to rush into it here on a debt limit bill on a Friday afternoon late when we have stayed here until nearly 1:30 last night and many of us who are interested in agriculture are involved in such things as the Rehnquist hearings. It seems to me this is the type of thing that the Senator is trying to do which may have merit and if it does have some merit it needs to be thoroughly explored. I think the Senator may be approaching it based on what he may have seen in a newspaper.

So I really would try to implore the Senator from South Dakota, if he could at this time, to withhold his amendment and get some hearings on this thing to see what the consequences of his amendment might be. Let us look at the situation. It is sort of like a doctor diagnosing. If a doctor reads in the newspaper that there is one symptom, there may be other symptoms. I think we need to thoroughly explore this. I think at this particular time it would be wise if we set this aside and not act on it until a particular time. I would like to suggest that to the Senator from South Dakota.

Mr. PRESSLER. I thank my colleague. I think his advice is usually very sound. He is a good friend.

□ 1500

Let me say that I have been trying to get hearings on this subject for over a year. It is my strongest feeling that one of the great flaws in the farm bill was that it did not have a real limitation on payments. It is true there is a limitation of $50,000 per farm, but there are ways of circumventing that with certain farming corporations. With a good lawyer, five persons can form at 10 corporations with a 50-50 percent, calling for five individual payments of $50,000. The 10 corporations would each qualify as one person for 10 payments and the five individual payments so there would be a total of 15 total payments at $50,000 each.

That was not the intent of the law. The intent of the law was that there would be one $50,000 payment.

I might say we are talking about taxpayers' money here, but a lot of people get mad at the farm program when they read and hear that some are circumventing the intent of the law. I have been trying to get hold of this problem.

I know there are a lot of big farms in a lot of States and a lot of big farm corporations that are opposed to this.

Perhaps I can wait another year. I have been waiting for hearings and I have been waiting for action. Therefore, I have decided to force it to a vote if that is possible this afternoon.

I yield to my friend from Nebraska.

Mr. EXON. Mr. President, I want to compliment my friend from South Dakota for bringing up this matter. I think it is very timely. I have looked at his amendment and if it comes to a vote, I will vote for his amendment, as I have indicated to him. I think we have just begun to uncover what I think is going to be a major national disgrace with regard to the last farm bill.

The objections that he is raising now are just some of the concerns that I had when the bill was up, and why I voted against it, although I am a farm State senator.

I would simply say that there are a lot of unfair things going on today. My colleague, Senator ZORINSKY and I have had a feeling that the enforcement of the $50,000 limit on deficiency payments, whether it is to go to corporate farms or individual farms, has been enforced unequally in the different States of the United States, so much so that we feel that in Nebraska, for example, the officials there are enforcing very strictly the $50,000 limit and not allowing farms to be "put up," so that in a fairly large operation there would not be more than one $50,000 limit, which was the basic intent of the farm bill but not well spelled out.

I understand that other States are allowing their farmers, whether they are corporations or individuals, to split up some of the farm entities. Therefore, we are suggesting that any unevenness in the enforcement of this provision is obviously, on its face, unfair.

Following up the remarks of our colleague who spoke on this, who had to return to the important deliberations by the Judiciary Committee, the Senator from Alabama, I believe he has a good suggestion, which I made to the Senator from South Dakota yesterday.

I do not believe that this amendment should be withdrawn. I think we should have a vote on it.

Could we get a commitment that the Agriculture Committee of the Senate would begin hearings on this matter forthwith? I do not mean waiting until the next calendar year. We are supposedly in a rush to adjournment, though we are not making very much progress. But the hours, days, and weeks tick by.

I am very much concerned, as I have expressed on this floor on many occasions in the last 10 days, with the lack of moving foward constructively.

Given the fact that the worthy amendment by the Senator from South Dakota corrects only one portion of some gross inequities in the farm bill, and given the fact that the sooner the U.S. Senate recognizes its obligations to make some major rewrites of that farm bill, I am wondering if it would be worthwhile to pursue a course of action of getting a commitment from the chairman and ranking member thereof from the Senate Agriculture Committee to hold some hearings in 1986, now and in September when we return, to see if we can come up with obvious repairs that need to be made forthwith.

It could be said that the form of the amendment of the Senator from South Dakota is only piecemeal and only attacks part of the problem. It could be said that it is a mandate, but a mandate may be better than ignoring the problem altogether. I think that is what the Senator from South Dakota is trying to point out.

In this regard, I would simply say that we must not merely focus on the $50,000 payment limit per farm, per corporation farm, individual farm, or a combination thereof.

I suggest we also have to look at the matter of recourse and nonrecourse loans, which mean much more in total income to many of the larger farmers and even those receiving the $50,000 payment limit.

It was this Senator who brought up during the discussion on the farm bill last year that in addition to setting a

limit on the deficiency payment, we should also consider setting a limit on the loan guarantees or crops pledged for loans by these farmers over and above the $50,000 limit.

It should be made clear that the $50,000 limit in many cases is only the smallest part of the subsidy that goes to many of these very, very large farms, especially corporate farms, which have taken advantage of the farm bill.

As an editorial comment, I would only say, Mr. President, that much of this morass that we find ourselves in now with regard to the farm bill was brought about by the faulty premise in the farm bill, in the opinion of this Senator who pointed that out at the time of debate on the farm bill, that we have structured a farm bill under the leadership of an administration that believes that if we force down prices low enough, we will produce our way out of the depression that we have in the Farm Belt today.

I think if that has proven anything, it has proven it is not going to work. By forcing prices down it assumes that we will get a larger share of the international market. I warned at that time and I warn again now, Mr. President, that by forcing prices down to a level, for example, of $1.50 a bushel for corn, even if we could sell it in the international marketplace, which we have not been able to do to date, but even if we are successful in that, it costs more than $2 a bushel at a minimum to raise corn in the Corn Belt today.

I say that this whole process and the whole thrust we are on with the farm bill is one that is not only going to ruin farmers but balloon the cost of the farm program way out of line.

Would it be possible that we could use the amendment offered by the Senator from South Dakota as a leverage to get a commitment for the Agriculture Committee to begin forthwith addressing not only the shortcomings of the farm bill we have just enunciated, but many other items that will come up when we get into it? That is my suggestion.

Putting it another way, would it not be wise to use the initiative of the Senator from South Dakota to get a commitment to call the Agriculture Committee of the Senate back into action to take a look at what he is suggesting here, along with many other factors with regard to the shortcomings of the farm bill that need to be addressed?

Mr. PRESSLER. Mr. President, my colleague is recognized as one of the most eloquent spokesmen for agriculture in the Senate. He has spoken very well for agriculture.

Let me say that if there could be an agreement to have hearings, I would not pursue a rollcall vote on this. We have been trying to check it with the Agriculture Committee. The chairman of the appropriate subcommittee is on the Senate floor.

It is my strongest feeling that we are going to be hearing more and more about huge payments that were not intended in the farm program. I think there is going to be a cry across our land, not just from farmers but from taxpayers, to look into this.

As my colleague from Nebraska said, this amendment is only a beginning. There are also a number of other issues and ways of circumventing this. My amendment is a Band-Aid, but a Band-Aid is certainly a start. If I could receive a commitment for hearings in this area, looking into this area—I have several other articles that I wish to submit for the RECORD—I would be willing to forego a rollcall vote on the matter.

□ 1510

Mr. MELCHER. Mr. President, would the Senator yield?

Mr. PRESSLER. Yes, I yield.

Mr. MELCHER. I thank my friend for yielding again. I think the request for hearings is not only proper but timely. What my friend is bringing up is not just payment limitations. He is bringing up the concept of what is called a marketing loan. That only applies to rice and cotton. It does not apply to these other commodities. Because of that provision just for rice and cotton, there are much larger payments than the $50,000. Whether that is wise or not is a matter of concern to all of us in agriculture and I believe it should be reviewed.

The stories that have been referred to, particularly the New York Times piece, were dealing with substantial payments to rice and cotton producers. The $50,000-payment limitation is not the whole ball of wax there. Those two commodities are subject to the marketing loan, which is a bigger payment.

I have been on either the House Agriculture Committee or the Senate Agriculture Committee ever since I have been here—17, going on 18 years. I have learned more about the Farm Act than I ever cared to learn about it. Part of it I learned just by sitting at hearing after hearing and markup after markup and I had to just put up with all of the intricacies of this 1949 Farm Act as amended. Every time we get a new farm bill, we are amending the old 1949 act.

There is one problem that I do not believe the Senator from South Dakota intends to make worse under his amendment. It has to do with family corporations, the so-called small business corporations. Let me give an example. A family with three sons, the farm was one entity. They formed a family corporation for all kinds of reasons. Some of them were reasons of inheritance.

The three sons then—one stays on the family farm and the two others acquire or lease or rent other farms, two other farms. This is a hypothetical situation, but it happens. It happens in my State and I'm sure it happens in the State of the Senator from South Dakota—my former State, by the way.

Is that family corporation then caught up in the Senator's amendment and the three different farms, because they are all part of the one family corporation, does that make those three farms then just one farm? As I read this amendment, that, I believe, would be the outcome.

Mr. PRESSLER. If my colleague will yield, it depends on how they would set the corporation up. Let me say that I think my colleague from Montana, who has been on the Agriculture Committees—and I served with him in the House—understands this very well. Indeed, I have prepared a second amendment which would place a limitation on all farm program payments of $300,000 annually. I just arrived at that figure by talking to my colleague from North Dakota.

As my colleague says, several farm programs are excluded from the $50,000-payment limitation. The limitation does not take into account real farm family corporations, as the Senator said so well. We thought of hooking the two amendments together, but for fear of not getting enough votes we did not. Every time we make it a little tougher, we probably lose some votes.

I think what the Senator said is correct, there is a need for us to do a comprehensive review of this; it seems to me the cap of $300,000 on all farm program payments would take care of many problems. The amendment before the Senate at this moment does not have that $300,000 cap. If I were writing it myself, I would have included that, but I am told that it would cost us so many votes, we would have no chance of passing it. My amendment merely addresses the situation where people juggle around the corporate structure to qualify for more payments. As to the example my friend has given, it depends on how ingenious the family is in setting up the corporation and how good a lawyer they have. That would be my judgment.

Mr. MELCHER. Mr. President, if the Senator will yield, I think the point is that setting up this family corporation was for a different purpose, part of which still remains. Subsequent to that time, part of this hypothetical situation is two sons, two brothers, actually formed other farms, either purchased or leased.

But because they are still part of the family corporation, the Senator's amendment, I believe as I read it, would force the Secretary to treat those three farms as just one entity

and therefore subject to just the one payment limitation.

Mr. PRESSLER. Of course, when they set that up, they could have realized there was a $50,000-payment limitation. It would depend upon how they incorporate it, I would have to say to my colleague.

Mr. MELCHER. These family corporations are set up for a variety of reasons. My hypothetical example was one set up prior to the actual time when the two brothers went on separate farms.

I know these problems exist because we attempted to allow the Secretary, in reviewing that, to be very practical about it by giving an exemption to such a family corporation so the Secretary would not be forced to do the impractical thing and say, well, even though there are three farms, it is only one.

But I believe that the language that the Senator has presented would nullify that, would not allow the Secretary to have that discretion.

I only have one other question, Mr. President, if the Senator will continue to yield. That is, would not this apply to the 1986 crop, which already has agreements arrived at between the Secretary of Agriculture and the individual farm operators?

Mr. PRESSLER. The answer to that is no.

Mr. MELCHER. It is not intended to apply to the 1986 crop?

Mr. PRESSLER. No, it is not.

Let me say that under the three-person example the Senator gave, it could be set up as three corporations which would get a $50,000 payment each, plus three individual payments, with a possibility of six total payments for $300,000, as I see it, unless we are missing something.

□ 1520

The point I am trying to make is that the current law invites mischief in multiple farm payments, in multiple extension of the $50,000 limit to amounts far in excess of that.

Mr. MELCHER. I thank my friend from South Dakota.

Mr. COCHRAN. Mr. President, I appreciate having the benefit of the discussion between the Senators from Montana and South Dakota about the meaning of various provisions of this amendment and its impact on, among other things, this year's crop.

We discussed, as I recall, during the markup of the 1985 farm bill, issues such as the one raised by the Senator from South Dakota, and we even had amendments on the floor of the Senate which were debated in full and carefully considered as we were approving and passing that legislation. These are issues that have been reviewed, were reviewed very carefully at that time and disposed of one way or the other. I am somewhat concerned about the wisdom of coming in at this point while we are debating the debt limit extension and without much notice rearguing or reexamining amendments that have the effect of rewriting major provisions of the 1985 farm law. Under that law, advance deficiency payments have already been made to many producers of commodities covered by this bill.

The impact of a change at this point in the crop year, if it would be considered to have application in this crop year, would be economically disasterous for many producers, disrupt the marketplace, and make a difficult situation in agriculture much, much worse.

I hope the Senator will consider withdrawing his amendment, and if he will I will be very happy, as chairman of the subcommittee that has jurisdiction over the production, marketing and stabilization of farm commodity prices, to make a commitment that we will have hearings at the appropriate time, following the crop year, to examine the effects of these provisions on the agriculture economy, the impact on the Treasury of the United States and to see whether or not there is a better way to structure our farm programs. I think that such hearings are in order and they should be held.

In the last few days all of us have been asked questions about these large payments that are projected to be made to some producers, some are corporations and some are individuals, under the programs in the farm bill. I do not know whether those stories are all true or whether they are not, but I think we ought to find out. We are not going to know the answers to those questions until after the crop year is over; or to know how competitive we have been so we can assess the effectiveness of the export program and look at the cost to our Government of these programs. I think all of that ought to be examined, and it is an appropriate role for our committee to fulfill as part of our oversight function.

So for my part, as subcommittee chairman, I make the commitment to the Senator from South Dakota now that we will have hearings to look into these problems and specifically the problem described by this amendment, the percentage of ownership by the stockholder of a corporation, and the likelihood of that being an abuse of the payment limitation provision of the farm bill. I would like to know whether it is abusive, too, and to what extent it affects the cost of the program. I think these issues can more properly be reviewed in the context of hearings where we really find out what the other options are and what the effects of these provisions have been. If the Senator could consider withholding an insistence that we proceed to a vote on this amendment, I give him the assurance that we will have those hearings that he has requested.

Mr. PRESSLER. I thank my colleague very much. Let me say that I shall withdraw my amendment. I thank my colleague from Mississippi, who I came to the House of Representatives with and who has been a leading spokesman for agriculture and many other things throughout the years. I very much appreciate his interest.

Let me say that I also had a second amendment, which I shall not offer, which would have placed a limitation for all farm program payments at $300,000 annually. As my colleagues from Montana and Nebraska have eloquently stated, the amendment I have before the Senate, a $50,000 corporation limit, is merely a Band-Aid, so to speak. But we are going to be seeing reports of abuse, what I call abuse, but it is legal abuse, things that we are allowing. It is very urgent the U.S. Senate look into this and that we take corrective action. I know that even if an amendment were adopted on this debt ceiling, it would probably be dropped in conference so it is probably a futile effort at this point, but I do think we have accomplished a great deal by getting a commitment for hearings. I thank my colleague and I would say, unless others wish to speak on it, I intend to withdraw the amendment.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I thank the Senator from South Dakota for raising the issue, and I think withdrawing the amendment with a promise of hearings by the Senator from Mississippi is appropriate action. Just recently we had a problem in our State where advance deficiency payments were withheld because there was an investigation going on of what was alleged to be widespread abuse of the $50,000 limit. I do not know how extensive the abuse is. I have a feeling that there is some. I do not know what the budgetary impact of this year's deficiency payments are going to be and what they would be under this amendment. But I do think that the Senator from South Dakota has raised a very legitimate issue. And we may find that the second amendment which he described a moment ago, that is, to limit all payments to everybody to $300,000, may be a legitimate way to address it. Maybe 20 percent holdings by a particular stockholder, as this amendment addresses, is a legitimate way to get at it. There is not any question but that these deficiency payment limitations need to be addressed.

About 3 years ago I had a study done on the possibility of raising the deficiency payment from $50,000 to

$100,000. Now, that would have absolutely no chance of passage here because it would be perceived as compounding the problem which has been described. On the other hand, the study that I had done indicated that the budgetary impact might actually be negative if you tightened the program up and simply said only one payment per family, per corporation, and so on, as had been the custom in what we would call the good old days.

I think the chairman of the Subcommittee on Agricultural Appropriations might want to ask the Department of Agriculture to give them the benefit of that study or an updated study. It might be that you could eliminate an awful lot of legal shenanigans by raising the limit, cut the actual outlay to the Government, and probably help the people we are trying to benefit.

So I just wanted to make those points and say I applaud the Senator from South Dakota for his efforts in bringing this to our attention and soon we will know, I think, as a result of some of these investigations just how widespread the alleged abuses have been, and the subcommittee on which I also sit will have an opportunity to look at these.

□ 1530

I look forward, as a member of that subcommittee, to these hearings, to see what we can do to improve this program.

I yield the floor.

Mr. PRESSLER. Mr. President, before withdrawing my amendment, I ask unanimous consent that the name of Mr. ABDNOR be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, I ask unanimous consent to have my second amendment, which I am not offering, be printed in the RECORD. It would place a limitation for any farm program payment of $300,000 annually.

I thank my colleague from Mississippi sincerely.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the appropriate place in the joint resolution, insert the following new section:

SEC. . AGRICULTURAL PAYMENT LIMITATIONS.

Effective only for the 1987 through 1990 crops of wheat, feed grains, upland cotton, extra long staple cotton, and rice, section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(1) by striking out paragraph (1) and inserting in lieu thereof the following new paragraph:

"(1) For each of the 1987 through 1990 crops, the total amount of payments (excluding disaster payments) that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) for wheat, feed grains, upland cotton, extra long staple cotton, and rice may not exceed—

"(A) in the case of payments as defined in paragraph (3)(A), $50,000; and

"(B) in the case of payments as defined in paragraph (3)(B), $300,000.";

"(2) in paragraph (3)—

"(A) by inserting "(A)" after the paragraph designation;

"(B) by striking out "section" the first place it appears and inserting in lieu thereof "paragraph (1)(A)";

"(C) by redesignating subparagraphs (A) through (H) as clause (i) through (viii), respectively; and

"(D) by adding at the end thereof the following new subparagraph:

"(B) As used in paragraph (1)(B), the term "payments" does not include:

"(i) loans or purchases;

"(ii) any part of any payment that is determined by the Secretary of Agriculture to represent compensation for resource adjustment (excluding land diversion payments) or public access for recreation; or

"(iii) any benefit received as a result of any cost reduction action by the Secretary under section 1009."; and

"(3) in paragraph (5), by striking out subparagraph (B) and inserting in lieu thereof the following new subparagraph:

"(B) A stockholder of a corporation with more than a 20 percent ownership interest in the corporation shall not be considered as a separate person from the corporation for purposes of determining whether the corporation and stockholder are separate persons under this section.".

Mr. BUMPERS. Mr. President, will the Senator yield for a question?

Mr. PRESSLER. I yield.

Mr. BUMPERS. Does the Senator have the figures on what the anticipated cost would be this year—the deficiency payment?

Mr. PRESSLER. $50 million over the next 3 years would be saved.

Mr. BUMPERS. Under the Senator's amendment?

Mr. PRESSLER. Yes.

Mr. BUMPERS. My question is, What is the total cost of the program anticipated to be for this crop year, the total cost of the farm program, the crop year 1986?

Mr. PRESSLER. I do not have that figure.

Mr. BUMPERS. Does the Senator have the costs for 1985.

Mr. PRESSLER. It is much higher than the projection. I do not have that figure with me, but it is extremely high.

Mr. BUMPERS. One other point I would like to get off my chest: A cruel hoax was played on our farmers recently. It was corrected before some of us almost knew it existed, but I thought it was cruel on the part of AFCS. They were conducting an investigation of the so-called payment abusers. When we passed the supplemental appropriation, which the Senator from Mississippi will recall contained the money for the advance deficiency payments, they withheld that money from farmers who were hanging by their thumbs, because this investigation was going on. They were not about to investigate everybody in the State. They were targeting their investigation. Thousands of our farmers were not under investigation; they were not considered potential abusers of the program. Still, their advance deficiency payments were withheld, and I am not sure they have gone out yet. They were supposed to go out this week. I have not checked in the last couple of days to see whether they did or not.

I just wanted to get that off my chest.

Mr. PRESSLER. Mr. President, I ask unanimous consent to withdraw my amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

The Senator from Washington.

Mr. COCHRAN. Mr. President, will the Senator yield?

Mr. GORTON. I yield.

Mr. COCHRAN. I thank the Senator.

Mr. President, I compliment the distinguished Senator from South Dakota for his cooperation and for bringing this important issue to the attention of the Senate.

AMENDMENT NO. 2242

(Purpose: To provide that the full cost-of-living adjustment in annuities payable from the Civil Service Retirement and Disability Fund and certain other Federal benefits shall be made in 1987, 1988, 1989, 1990, and 1991)

Mr. GORTON. Mr. President, I have an amendment at the desk, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Washington [Mr. GORTON], for himself and Senators TRIBLE, SARBANES, SPECTER, WARNER, HAWKINS, MATSUNAGA, BURDICK, HECHT, INOUYE, BINGAMAN, RIEGLE, COHEN, DOMENICI, BYRD, BUMPERS, KENNEDY, and NICKLES proposes an amendment numbered 2242.

Mr. GORTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the committee amendment insert the following new section:

SEC. . COST-OF-LIVING ADJUSTMENTS IN CERTAIN FEDERAL BENEFITS.

(a) IN GENERAL.—Benefits which are payable in calendar year 1987, 1988, 1989, 1990, or 1991, under programs listed in section 257(1)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), including any cost-of-living adjustment in such benefits, shall not be subject to modification, suspension, or reduction in such calendar year pursuant to a Presidential order issued under such Act.

(b) DEFINITION.—For purposes of this section, the term "cost-of-living adjustment" means any increase or change in the amount of a benefit or in standards relating to such benefit under any provision of Federal law which requires such increase or

change as a result of any change in the Consumer Price Index (or any component thereof) or any other index which measures costs, prices, or wages.

Mr. DOMENICI. Mr. President, will the Senator permit me to inquire of him whether his amendment is going to take much time?

Mr. GORTON. This Senator's own explanation of the amendment will not take much time. There are a number of cosponsors, and I am not sure how many of them wish to speak, or whether anyone wishes to speak in opposition. So I suppose it could take anywhere from 5 minutes to a half-hour. This Senator does not intend to ask for a rollcall vote. Some other Senator might wish to do so.

Mr. DOMENICI. I will abide by what is most convenient for the Senator. I have an amendment that I believe will be accepted rather quickly and requires little or no explanation. Would it be convenient for the Senator to permit me to do that at this time?

Mr. GORTON. The Senator from Washington would be delighted to yield, just so that the unanimous-consent agreement allows my amendment to come immediately after the amendment of the Senator from New Mexico is completed.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Mexico.

AMENDMENT NO. 2260

(Purpose: To disapprove the uranium enrichment criteria submitted by the Department of Energy pursuant to section 161 v. of the Atomic Energy Act of 1954)

Mr. DOMENICI. Mr. President, I send an amendment to the desk on behalf of myself, Mr. FORD, Mr. MCCLURE, Mr. WALLOP, Mr. SIMPSON, Mr. HATCH, Mr. BINGAMAN, Mr. GARN, and Mr. BUMPERS, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for himself and others, proposes an amendment numbered 2260.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the committee amendment insert the following new section:

SEC. . Pursuant to the provisions of section 161 v. of the Atomic Energy Act of 1954, the Congress disapproves the uranium enrichment criteria submitted to Congress pursuant to such section on July 24, 1986. Notwithstanding any other provision of law, the Secretary of the Department of Energy shall not implement the uranium enrichment criteria as submitted to the Congress.

Mr. DOMENICI. Mr. President, in addition to the cosponsors, I might say that the distinguished ranking minority member of the Energy Committee, the Senator from Louisiana [Mr. JOHNSTON] supports the amendment. The Senator from Ohio [Mr. METZENBAUM] supports the amendment. However, they are not listed as cosponsors.

Mr. President, this amendment would disapprove the Department of Energy's proposed uranium enrichment criteria which were transmitted to the Congress on July 24, 1986, pursuant to the provisions of the Atomic Energy Act of 1954 which require that these criteria be sent to the Congress. While the Department has called for public comment prior to the transmission of these criteria, they clearly have not taken the comments seriously.

Let me explain, Mr. President, the principal reasons why my cosponsors and I believe that these criteria should be disapproved. First, the criteria assume that the unrecovered costs of the Enrichment Program which are attributable to the commercial nuclear powerplant customers is $3.4 billion. Mr. President, we have received testimony from the Department itself which states clearly that the figure is more correctly $350 million. What the Department has done, with the urging of the Office of Management and Budget, is to assign all of the investment and the Departments previously unrecovered costs to only one of its two customers. The other customer, which it has not assigned any costs to is defense programs. The main reason the enrichment plants were built and the reason the Department will always maintain them is because they are essential to the national defense. As the testimony before my subcommittee makes clear, if the defense programs were assigned their share of the bill, the civilian commercial powerplant operators would only be asked to pay $350 million. If there are any Members who are asking themselves, "Why should I care?" I will tell you why. It is because the $3.4 billion will be paid by your constituents because they are ratepayers. What is more, when you figure that this amount will be paid over time and with interest, the total your constituents will be paying will be $6.5 billion.

If that is not reason enough to disapprove these criteria, it is important to realize that utilities are not going to stand still for this kind of treatment. They will stop working with the Department because of the increase in the price of enriched uranium and they will go elsewhere for enrichment services. The result will be that the taxpayer will be left footing the bill for these facilities because we must keep them open for defense programs. This would entail mothballing the facility in Kentucky at a cost of between $50 and $100 million and an annual operating budget of about $940 million for keeping the facility in operation in Ohio.

Last, Mr. President, the Department will further damage a destitute uranium mining industry with these criteria. The policies embodied in them are directly detrimental to the mining industry because of the use of the Federal stockpile and the low price that the Department will be placing on that stockpile uranium. The Department is also trying to affect pending litigation with uranium miners. They have lost several points so far and they hope that if the Congress allows these criteria to stand they can make the case to the court that the Congress agreed with some of their contentions which are included in these criteria. Clearly this would not be a valid argument even if we were to agree with these criteria, on balance. In this regard I am forced to make one further comment because the Department continues to report the legislative history of some amendments to the Atomic Energy Act that we made in 1982 incorrectly.

The Department claims that the annual determination that we required the Secretary to make about the viability of the domestic mining industry was not related to the requirement contained in 161(v) of the act that the Secretary must maintain a viable domestic mining industry. I have said in the past that this is a false interpretation and I must, once again, call their attention to the transcripts of the conference committee on H.R. 2330. The very first time I introduced this concept to the committee on September 16, 1982, I stated that the reason it was needed was because while "the word viability; that is, the viability of the domestic industry is a trigger," for the Secretary to assist the industry, "we have not been able to get any satisfactory measurement of viability, and so this provision would be an objective measurement. * * *" Thus the clear purpose of section 170B was to provide that the Secretary carried out his responsibity under 161(v) by requiring a review of the viability of the industry on an annual basis.

I urge the adoption of the amendment.

Mr. President, with reference to uranium enrichment and litigation that the Department of Energy is involved in over uranium enrichment contracts, and the Atomic Energy Act, as it pertains to a viable uranium industry and the suit they are involved in with reference to it, both of which are pending, I do nothing to those suits.

In the meantime, the Department of Energy has attempted to promulgate regulations with reference to the issues that are before the courts and is attempting to establish the amount of liability that is due from the utility

company. The OMB figure was $3.5 billion. That is seriously in dispute.

This amendment, as prescribed by law, would reject the proposed regulations to the issues I have just described, and thus leave the matter as it is, subject to further administrative processes and activities of Congress.

Both the chairman and the ranking minority member of the committee of jurisdiction support this amendment. Indeed, one of them is a cosponsor.

I misspoke myself—Senator METZENBAUM does not object, but he does not indicate his affirmative support.

Mr. HEINZ. Mr. President, we are prepared to accept the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 2260) was agreed to.

Mr. DOMENICI. Mr. President, I ask unanimous consent to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. I thank the Senator from Washington for yielding. I am most appreciative.

AMENDMENT NO. 2242

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I ask unanimous consent that the names of Senators GLENN, D'AMATO, MATHIAS, HOLLINGS, SASSER, and ABDNOR be added as cosponsors of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Mr. President, the thrust of this amendment is to treat equally with recipients of Social Security and veterans' benefits retirees dependent on other Federal retirement programs. Primarily, of course, these are civil service retirees and military retirees, but that term includes tier 2 railorad retirees, Foreign Service retirees, and those receiving Federal employees disability compensation.

At the time of the passage of the original Gramm-Rudman-Hollings Act, Social Security recipients and recipients of certain veterans' benefits were exempted from the automatic reductions called for by Gramm-Rudman-Hollings. These other retirees were not so exempted and, in fact, have the dubious distinction of being put almost first in line, so that even relatively modest sequesters would result in the loss of their cost-of-living adjustments.

At the time that decision was made by the three distinguished sponsors of Gramm-Rudman-Hollings, we were not faced with the certainty the almost certainty, that such sequester would take place.

□ 1540

The original Senate version of Gramm-Rudman-Hollings has no such sequester. It was, I think it is safe to say, the price of those sponsors getting the bill not only through the Senate but through the House in a form in which it would become law so that the $11.7 billion sequester which took place in March of this year took the entire cost-of-living adjustment away from this set of disfavored groups of Federal retirees, while, of course, Social Security retirees and certain veterans' benefits received a full cost-of-living adjustment.

I certainly hope that Congress will do its duty. I expect Congress to do its duty in the future and to see to it that we make the decisions with respect to meeting the goals of Gramm-Rudman-Hollings rather than allowing sequesters and across-the-board cuts to do so.

In any event, however, this amendment is designed to see to it that a discrimination which took place in 1986 does not take place in the years 1987 through 1991.

It grants the same exemption from the automatic sequestration called for as a last resort by Gramm-Rudman-Hollings to these various other Federal retirees as is applicable at the present time to recipients of Social Security and veterans' benefits.

Fundamentally, Mr. President, this is simply a matter of fairness. It does not change the goals of Gramm-Rudman-Hollings. It does not change the fact of a sequester if we fail. It affects only the distribution of that sequester in the sense that it treats equally all persons who are dependent in whole or in part on certain Federal retirement programs.

As such, it applies to a rather large number of people. Even for them, total benefits in 1987 will be considerably less than $0.5 billion because of our success in controlling inflation.

Much less important, however, Mr. President, than the dollar amount which is involved here is the degree of fundamental fairness.

I know that the sponsors of Gramm-Rudman-Hollings did not design this in any way to be unfair. I emphasize once again that the original form in which they introduced the bill would have made the unfairness academic at best and that it was only when the automatic sequester of March of this year was added much later in the process that the dramatic injustice which it caused became evident across the country.

To repair that injustice is the design of this amendment.

I am immensely pleased that one of its cosponsors is my distinguished colleague from South Carolina [Mr. HOLLINGS], one of the authors of the original Gramm-Rudman-Hollings bill.

I urge my colleagues to give their broad, their generous, and their loud approval to something which greatly improves the fairness of Gramm-Rudman-Hollings and without reducing its efficacy at all.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I thank our distinguished colleague from Washington for his leadership on this score. He has accurately described the seriatum of events in the institution of Gramm-Rudman-Hollings. He emphasized right on target with no attempt whatever and in fact no idea at that time there would be an inequity.

The Senator now moves to correct that inequity and I rise in support of his particular amendment.

Mr. President, I rise today in support of the protection of COLA's for military and Federal civilian retirees and other selective indexed programs for automatic cuts under the provisions of the Balanced Budget Act of 1986.

People may ask whether this is a loss of discipline—a step back—in the battle against huge Federal deficits. I would say not at all. The rules in the act setting up numerous categories of exempt, partially exempt, and nonexempt programs from cuts were imposed in conference with the House. Their goals were to put special interest groups against each other in the hope that the battle for deficit reduction would be seriously diminished or lost—or to cause great political embarrassment for those who are really serious about balancing the budget.

What really occurred, however, was a creation of a great inequity in treatment for various groups of retirees and the elderly who have worked long and hard for benefits. The issue is fairness and equity. The Government has an obligation—it has commitments to its military and civilian retirees. I would ask my colleagues, don't we owe it to our military retirees, who for their patriotic service to the country were promised certain benefits? Is it right to change the rules after people have served?

And for the civilian retirees, hundreds of thousands who worked for 30 to 40 years or more—usually at wages below their counterparts in private industry—shouldn't the promises of Government be honored?

The answer, of course, is yes. Mr. President, when I have offered my budget-freeze plans in the past, a 1-year freeze in all COLA's was an integral part of them. But let me emphasize it was a freeze in all COLA's except for the very poor in our society. I sought an across-the-board, shared sacrifice; and I rarely, if ever, heard disagreement from anyone affected by this approach. The COLA's for military and civilian retirees were not granted in 1986. It would be a travesty and a terrible injustice to continue it a

second or third year when others are receiving a COLA. The provision to protect the COLA's would ensure that the inequity is corrected and fairness is restored. Our citizens who earned these benefits should receive them, and they should know now that their Government stands behind them.

I thank the Senator from Washington.

● Mr. SASSER. Mr. President, I cosponsor the amendment offered by the Senator from the State of Washington.

The amendment is simple. It merely restores equity in the treatment of America's retired citizens under a sequestration order mandated under the Gramm-Rudman-Hollings legislation.

It does this by exempting annual cost-of-living adjustments for Federal military and civilian retirees and Railroad Retirees, tier II benefits from automatic cuts in the same way that the more than 36 million Social Security recipients in this country are exempted. By placing these retirees in the same category as Social Security recipients, we are correcting a flaw in the original Gramm-Rudman-Hollings legislation which for all intents and purposes relegated them to second-class citizenship.

The magnitude of the current deficit situation makes a potential automatic sequester probable this year, and all but inevitable next year. It is increasingly unlikely that projections of a fiscal year 1987 deficit, which will be released within the next 2 weeks by both the Congressional Budget Office and the Office of Management and Budget, will show that we will hit the $144 billion target outlined in Gramm-Rudman-Hollings. It is further unlikely that we will be able to come under the $10 billion cushion allowed under this same legislation. Thus, an automatic sequester may become a reality.

If we miss our deficit target by only a few billion dollars, the current law calls for a 50-50 split of the overage to be taken from defense spending and certain domestic spending programs. Just a few billion dollars would result in the suspension of cost-of-living adjustments for some retirees but not for others, under current law. These cost-of-living adjustments were legislated in 1972 to protect retirees from the ravages of inflation. And although inflation has continued to remain low over the past few years, the cumulative effect of denying protection to those on fixed incomes, even in periods of low inflation, can place severe financial hardships on those dependent upon retirement income.

Over a period of time, the base upon which cost-of-living adjustments are applied continues to shrink, in real terms, when these COLA's are frozen or denied. In Tennessee, this would impact upon nearly 55,000 Federal retirees and their survivors, and over 19,000 railroad retirees and their survivors.

Mr. President, it seems to this Senator that it is only fair that if we are to grant COLA protection to one class of retirees, then we ought to grant the same protection to all retirees. The Federal deficit is a serious problem confronting our national economy, it must be effectively dealt with and the Gramm-Rudman-Hollings procedure, I believe, is a good one. However, we must not allow our sense of fairness and equity to be overshadowed by our zeal to temper our deficit dilemma. We must strive to balance effectiveness with equity, efficiency with fairness. For these reasons I support the amendment offered by the Senator from Washington and urge my colleagues to do the same.●

Mr. LEAHY. Mr. President, I support the amendment sponsored by Senator GORTON to remove an inequity in the Gramm-Rudman-Hollings law.

In the event that the deficit exceeds legal limits, the Gramm-Rudman-Hollings law requires an automatic reduction in Federal spending to bring the deficit in line. Under the so-called sequester process, the first cuts to be made are in the automatic increases in certain entitlement programs. Actual cuts in programs below current levels are deferred until these inflation adjustments or automatic increases are reduced.

Unfortunately, Mr. President, Gramm-Rudman-Hollings treats various cost-of-living adjustments [COLA's] for Federal retirement programs differently. Specifically, Gramm-Rudman-Hollings excludes Social Security COLA's from the automatic cuts, but subjects the retirement COLA's of Federal civilian and military retirees to just such reductions. The same is true of COLA's for railroad retirees. This inequity in the law must be removed.

Last year, when I voted for Gramm-Rudman-Hollings, I said the new law was not perfect. The arbitrary treatment of retirement COLA's for Federal and railroad retirees is one example of this imperfection.

Sadly, on March 1, 1986, millions of Federal civilian and military retirees and railroad retirees lost their scheduled COLA's, as a result of the $11.7 billion in automatic cuts which occurred under Gramm-Rudman-Hollings.

I did everything I could to prevent the loss of those COLA's. When Congress passed Gramm-Rudman-Hollings we committed ourselves to making the tough choices to reduce the deficit, in order to avoid the automatic cuts which would occur if we failed to act responsibly. Gramm-Rudman-Hollings was intended to force Congress to come up with alternatives—with a better way to reduce the deficit than cutting programs arbitrarily, across the board.

That is why Senator JOHNSTON and I introduced the so-called Johnston-Leahy alternative budget plan last February, to prevent the loss of COLA's for Federal retirees in March and to reduce the deficit by $12.8 billion, by making legislated and sensible reductions in defense and domestic spending. Unfortunately, the Senate failed to consider our amendment, and Federal and railroad retirees were singled out.

Today, however, we have a chance to right that wrong and provide a measure of equity for our retirees. Senator GORTON's amendment will ensure that Federal and railroad retirees will never again be forced to sacrifice alone if Congress fails to live up to its obligations.

Finally, Mr. President, we owe those who serve our Nation a sound retirement system, not only as a sign of our gratitude for their public service, but as an effective means of attracting the most talented Americans to serve their Government.

I urge the Senate to adopt Senator GORTON's amendment.

● Mr. BINGAMAN. Mr. President, I am glad to join my colleague, Senator GORTON, as a cosponsor of his amendment to ensure cost-of-living adjustment equity in the coming 4 years for military and civilian retirees of the Federal Government. I will be brief in my remarks.

This amendment exempts cost-of-living adjustments for Federal retirement programs from reduction or elimination as part of Public Law 99-177, the Gramm-Rudman-Hollings deficit reduction bill. It would do so for fiscal years 1987 through 1991. This amendment would guarantee that Federal retirees will not bear a disproportionate share of the burden of any sequester under the Gramm-Rudman-Hollings bill. It does not prevent the Congress from legislating on COLA's outside of the Gramm-Rudman-Hollings process if we can muster the political courage to do so. Thus, a vote in support of this amendment is not a vote to guarantee full COLA's in the next 4 years but a vote to guarantee COLA equity in the next 4 years.

Like the chief sponsor of this amendment, Senator GORTON, I am one of those who have urged the Senate to look at the COLA issue in an equitable fashion in the past. I have voted for across-the-board freezes in Federal spending, including COLA programs. I have voted for delays in COLA's on an across-the-board basis. We do have to deal with the massive Federal deficits that we are piling up for our children and our grandchildren. But we must do so in an equitable fashion. Federal retirees should not be treated differently from Social

Security and Veterans' Administration beneficiaries. A vote for this amendment is a vote for fairness in deficit reduction.

Mr. MATSUNAGA. Mr. President, as a cosponsor, I rise in support of the amendment offered by the distinguished Senator from Washington, [Mr. GORTON] to preserve the COLA's of Federal and military retirees from the ravages of Gramm-Rudman-Hollings for the duration of that ill-considered, if well-meaning, law.

Mr. President, I opposed Gramm-Rudman-Hollings when it was considered on the floor late last year. I have also cosponsored several measures to repeal the act, one of which, the Hart-Moynihan amendment, unfortunately failed of passage yesterday. I have opposed Gramm-Rudman-Hollings on the grounds that the legislation was inherently discriminatory, patently irrational, and an unfortunate derogation of congressional responsibility. The constraints put upon this body by the act could lead to perverse consequences, gross inequities in the budget, and possibly leave us vulnerable to recession.

Mr. President, resigned now as I am to the inevitability of Gramm-Rudman-Hollings, I am resolved to soften the blow of the legislation's blunt ax against particularly vulnerable sectors of our citizenry. I speak of course, about our Nation's Federal and military retirees and their beneficiaries. Mr. President, of all the people to whom this Government owes its gratitude, those who served this Government should deserve all due consideration. Laudably, Gramm-Rudman already protects the COLA's of certain veterans, welfare recipients, and Social Security beneficiaries. It is obvious that the authors of the bill recognized the pressing need for these groups of people to be adequately protected from the creeping disease of inflation. It is, however, emblematic of the arbitrary nature of the Gramm-Rudman sequesters that COLA's for Federal and military retirees were not included in the list of exempted programs. This lamentable and irrational exclusion or oversight resulted in millions of U.S. retirees being denied even the basic inflation adjustment given to recipients of protected programs.

Mr. President, no one is more deserving of congressional preferment than the Federal and military retirees who labored in the service of our country with the expectation not of affluent private sector remuneration, but with the assurance that upon retirement, their needs would be adequately met. This guarantee was and remains one of the most important ways we have of attracting and retaining quality workers, who have contributed toward making our civil and military services the finest in the world.

Mr. President, our amendment seeks to recognize those citizens who for 20, 30, or 40 years labored under the delusion that their Government would keep its commitment to them. Mr. President, these retired public servants are not looking for handouts, they are not looking for freebies, they are simply seeking to retain some measure of control over their lives, some sense of security during those years when they are less capable of changing their income levels dramatically, if at all. We are talking about a holding action to maintain a current standard of living. Mr. President, in hundreds of letters sent to me, my constituents have expressed their frustration, anger, outrage, and sense of betrayal this issue has aroused. I am sure my colleagues have received similar letters from their own constituents. Mr. President, I urge that we respond affirmatively to their plea for equity and simply justice.

Mr. BYRD. Mr. President, I am pleased that the Senate has adopted the amendment offered by the distinguished Senator from Washington [Mr. GORTON] and the amendment by the distinguished Senator from Pennsylvania [Mr. HEINZ], the first dealing with the retirement benefits and cost-of-living adjustments for civil service retirees, black lung retirees, and military retirees, and the second amendment dealing with railroad retirement benefits.

As a cosponsor of both these amendments, I believe the Senate has acted today to rectify a very serious deficiency in the way Congress chose to deal with these retirees when it enacted the Gramm-Rudman law last year. As all my colleagues know, I opposed Gramm-Rudman then, and I remain opposed now. But if we are to have the unnecessary straitjacket of a Gramm-Rudman procedure, we must act to exempt from that straitjacket those among our population who should not and cannot suffer the Gramm-Rudman boa constrictor known as sequestration.

Our actions today to protect these retirement benefits and cost-of-living adjustments for civil service, military, railroad retirees, and for black lung beneficiaries, are fair and just. These people have invested sweat and blood, and in some cases have seriously endangered their lives and their health in the service of their country—in civilian or military capacities. Their benefits, retirement or disability, and their cost-of-living adjustments on those benefits, have been earned and should be fully paid. I applaud the Senate's action today and am proud to have been a part of it.

Mr. GORTON. Mr. President, at this point I do not see anyone else on the floor desiring to speak on the issue. I believe, however, there may be other Members who do wish to speak. For that reason I will suggest the absence of a quorum while Members are urged if they wish to speak on either side of the issue to come to the floor.

I know the majority leader and all of us would like to proceed to other amendments as quickly as possible. But I do want to leave that opportunity.

So I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. Mr. President, I rise to speak on the pending amendment and I do so to basically clarify what the basic initial makeup of the Gramm-Rudman-Hollings law was, how it dealt with COLA's, and how the current system that we have today evolved.

That is a tall order and I hope, since I know we are desirous of moving on rapidly, I will try to deviate from my background as a schoolteacher and be brief.

Mr. President, when we put together the Gramm-Rudman-Hollings amendment and set out to put into place a mechanism to reduce spending to meet an agreed-upon target if Congress and the President failed to do their job, the logic of that mechanism was a simple one.

It first asked, if you have to tighten up and reduce spending, how do you go about doing it? And we said, well, first of all, suspend all automatic spending increases in the budget that are tied to an outside index. Before you cut anything, do away with your automatic spending increases. And the basic logic there was do away with such increases that are tied, for example, to the Consumer Price Index. Of course, the most famous and most politically controversial element is the so-called cost-of-living increase.

□ 1550

The amendment before us today would eliminate a provision of the original Gramm-Rudman-Hollings bill that sets up a procedure where, initially, all automatic spending increases are suspended before any programs are cut.

Let me touch briefly, Mr. President, on the logic of that. If we have adopted a budget and set priorities, the logic was that when you are forced to tighten up and make the difficult decision, should you not suspend automatic spending increases first before you start cutting programs? We agreed at the time to do it.

Given that logic, let me talk just a moment about cost-of-living increases. And since this is a politically charged issue, let me try to set it in context.

The cost-of-living protection provided to our retirees through Federal retirement programs, through Social Security, are godsends. They are godsends in the sense that they have protected our senior citizens, our retirees, against inflation. I want to make a point that some people may be a little bit startled at, but I want to make it anyway.

Nobody ever earned these cost-of-living increases. When we are debating these issues, whether we decide to accept this amendment or not, I am not willing to concede for a moment that when somebody is demanding a COLA, that they are demanding it on any basis whatsoever other than a desire to receive a benefit. No one has ever earned or paid for a COLA under any program that I am aware of.

And I say that, Mr. President, my momma draws indemnity compensation, a widow's pension because my father was in the Army, and it has a COLA. She draws Social Security, and it has a COLA.

I remember back when we were first debating Social Security, my mother called me up and said, "I just wish they would give me what I paid into it."

So I explained to her the whole difficult issue, that we were broke and we were not going to be able to send out the checks unless we addressed the problem. But I decided to run a computer printout on my mother's Social Security. And it turned out, because of the cost-of-living increase—my mother started working in roughly 1939 and worked through the mid-1970's as a practical nurse—my mother was drawing out in 22 months what she and her employer paid into Social Security.

So while many people are tempted to say, "I wish they would give me back what I put in," the truth is people are drawing far more out than they ever put in. But my mother never paid for a cost-of-living guarantee.

When we set out to guarantee a COLA in law, we did not raise premiums to pay for it. The people who are drawing the benefit today never paid for that benefit. In fact, if you look at private retirement programs, less than 2 percent of all private retirement programs have any COLA whatsoever, and those which do have very marginal coverage.

When my father entered the Army in 1915, he never paid for a cost-of-living increase on his retirement program. But this Government, out of its concern for its citizens, has provided that benefits.

So the point I want to make is, no matter how we dispose of this amendment, let us not get confused here. It is a critical benefit to people. It is important. I support it. If we have got money, we want to pay for it. But it is not an earned benefit. It is not a benefit that anyone can say they earned a right to. And I want to be sure we debate this in that context.

When we introduced Gramm-Rudman-Hollings, we included all of the COLA's except Social Security and decided to vote on that separately. And might I say to my colleagues that I voted for the Boren amendment to treat all COLA's the same. I felt then and I feel now, Mr. President, that it is unfair to treat people separately. It is inherently unfair to pay the cost-of-living increase to one group and not to pay it to another. The Senator from Washington is making that argument, and we all know it is true.

Now, saying that it is unfair does not mean that there is no logic behind it. Something can be unfair and have logic.

The logic was that Social Security is a free-standing trust fund. It is in the black. We did raise Social Security taxes in 1982. And the logic of not paying a COLA to Social Security recipients when Social Security was in the black and had the money to pay it, also did not make sense.

So we ended up with a dilemma. The Boren amendment was defeated and we ended up with different COLA's being treated differently under Gramm-Rudman.

Now, our distinguished colleague from Washington can argue that if you are not going to withhold the COLA on Social Security, you ought not to withhold it on Federal retirees. And it is hard for me to argue with that logic. I have never been comfortable with it and I have always responded by saying to people back home, "They did not let me write the law by myself. We had to build a consensus in the House and Senate and that consensus meant taking the issue out of the debate."

But I want to ask my colleagues this question: Is it any fairer to exempt automatic spending increases in the budget and at the same time cut programs in the budget?

The $11.7 billion across-the-board cut was a 4.3 percent reduction in the programs that lacked some degree of protection or which were not exempt. Now, if we had included all of the COLA's, so that before cutting anything we eliminated all of the automatic spending increases, that sequester order, instead of being 4.3 percent, would have been 2.1 percent. I want my colleagues to understand that. Had we followed the logic of the bill and suspended automatic increases before we cut any programs, the programs that were actually cut would have been cut less than half as much as they were cut.

Mr. President, obviously, I was born not long ago, but it was not yesterday. It is pretty obvious to me we are going to adopt this amendment.

Let me remind my colleagues that if we accept this amendment we are not going to do any great damage to Gramm-Rudman-Hollings. We are not in any real way, other than the one point I want to make when I conclude, hurting the process, unless we open the floodgate here for a lot of other things to come through.

But I want my colleagues to understand what they are doing. When we exempted the other COLA's by not suspending the increases before we started cutting, we doubled the cut that was taken by all the programs that are supported by Members of the Senate and by the people in the country. We had a 4.3-percent cut instead of a 2.1-percent cut because we left out some of the automatic spending increases.

If we adopt this amendment, Gramm-Rudman will still produce the same result—a lower deficit. Hopefully, we are going to do our job—I am committed to that—and there will be no cut and COLA will be paid. I have been committed to that from the beginning.

□ 1600

But if there is an across-the-board cut and you do not suspend this automatic increase, judging from the 1986 experience, you would have cut other things by nearly 10 percent more because you let this particular group out.

Mr. President, let me sum up. No. 1, there is a lot of logic in this amendment. I cannot stand here and say we ought to treat COLA's differently for different programs. I can give you the logic of it, but I cannot justify it. That is why, in my opinion, we should have kept them all in or left them all out. But do not get carried away with the logic here that there is a problem other than unfair treatment. There is no inequity problem here. I think COLA's are good. That we provide them, I think, is an indication our society is concerned about its senior citizens. But nobody earned these COLA's.

By taking the burden off here and correcting this one inequity, it means if you went to work for the Federal Government rather than the private sector, you are going to get a COLA now just like Social Security, and I am going to be the last person on Earth arguing that ought not to be the way it is.

When you are exempting these COLA's, that means all the other programs from cancer research to education, to whatever is your own particular special program, may be cut more. So you do deal with the inequity problem when you adopt the Gorton amendment. But you create another problem of equity just the same.

A final concern about the amendment: The Gramm-Rudman-Hollings process works only when every special interest group that together make up the public interest is part of the package. One of the reasons, Mr. President, that I opposed exemptions was that I wanted to be sure every interest group had a stake in Congress doing its job and therefore avoiding the across-the-board cuts.

The danger of this amendment is that, if this amendment is adopted, over a million people who have a stake in keeping our feet to the fire and in seeing us do our job no longer have that stake. Everytime we take somebody else out of the process for whatever reason we might justify, we reduce the number of interests that are in the process. I am concerned, Mr. President, that if this process goes very far we are going to end up with people saying, "Well, do not worry about slashing and destroying these other programs, we are not going to be affected anyway. Do not make a hard choice. Leave us out." In fact, carried to some logical conclusion or extreme case, we may end up with only one program, one beneficiary who is going to be the victim of automatic cuts if we do not control the spending in other areas. And everybody would say, go ahead and cut it. If that happens, we lose the whole deficit reduction process.

So I simply want to say to my colleagues that there is an inequity in the current bill.

But the real inequity I am concerned about is the inequity of us not doing our job, of having an across-the-board cut go into effect, of indecision, of lack of leadership. And the more elements of political interests that we cut out of the process, the more likely that is to happen.

This amendment does not in any way diminish the makeup of Gramm-Rudman-Hollings. In my opinion, it will not substantially affect its functioning. But I simply want to raise a red flag here warning: Gramm-Rudman-Hollings can only work when each Senator and each interest feels they have a stake in not seeing spending cuts across the board. The more groups we exempt from the sequester process, the less incentive there is for us to do our job, to make the hard decisions. I am concerned about that. I raise that concern here today.

I yield the floor.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I rise in strong support of the amendment that is pending. I guess I should admit at the very outset that unlike the Senator from Texas, I have not run a computer printout on my mother's Social Security. I do not think that disqualifies me from speaking to the amendment.

Mr. President, I want to make three points. First of all, there clearly is an inequity. Only last night this body adopted an amendment to provide the Social Security cost-of-living adjustment regardless of whether the price or the cost of living had risen the required 3 percent over the previous calendar year.

So what inequity existed was in effect increased on yesterday evening with respect to Social Security recipients and the retirees that we are talking about who are covered under the pending amendment.

Clearly, it makes logic to have them all in or have them all out. We went even further last night in widening the gap of that logic, and given that, it seems to me it adds but another reason why this amendment ought to be adopted here today.

The fact of the matter is that unless these adjustments are made with each succeeding year, you are cutting the standard of living of the recipients of these retirement benefits. Look at it from the point of view of what is happening at the level at which the people live. You have two people living side by side in exactly the same circumstances, one drawing a retirement benefit from Social Security and the other drawing from civil or military retirement systems for their service.

One person will receive the cost of living adjustment each year, and with last night's amendment will in fact receive it even though the 3-percent trigger that was formerly required is not met. The other person under the current provisions of this law is going to be held constant. And with each succeeding year the gap in their ability to maintain the standard of living is going to widen.

These cost of living adjustments are treated in a sense as an increase. That is true in the amount of dollars. But it is not an increase in the purchasing power of those dollars because these dollars are only adjusted to the extent that there has been an increase in the cost of living. In fact, the people lag behind in that adjustment because they do not get it until the year has passed. So, for a year, they have absorbed in their standard of living rising costs. The cost-of-living adjustment then comes along and tries to bring them back equal or level with the increase in prices which they have experienced. They do not get an improvement in their standard of living. In fact, unless they get a cost of living adjustment, they will have a decrease in their standard of living. They will have a worsening of their situation. In effect over time their ability to handle their economic situation could be cut 20 percent, 30 percent, 40 percent, or 50 percent over time depending upon the increase in the cost of living over that period of time.

Third, it was argued, well other programs are going to be subjected to cuts. If you do not include these cost of livings, the extent of that cut under this Gramm-Rudman is going to be higher. But one premise in considering the other programs is that over time there are some programs you wish to do away with, or cut back on while there are other programs that come on that you wish to improve or add to.

□ 1610

In other words, there is always a constant decisionmaking going on with respect to which programs you ought to have, which ones are the most viable and the most valuable, what adjustments ought to be made between those priorities.

A retirement program is not such a program. A retirement program goes on from year to year to year. The retiree must live next year just as the retiree had to live this year, just as the retiree must live in each succeeding year.

You do not go along and say to someone, "Well, we have been looking at the priorities of our program and we have decided that we are going to do away with your retirement" or "We are going to cut it in half" or "We are not going to let it adjust to inflation and, therefore, it will be cut in half over time automatically."

Retirement is a program that, in effect, stays with us. The retirees stay with us. Hopefully, they will stay with us a long time. But if you put these economic pressures on them, they are likely to stay with us a lot less. But hopefully, they will stay with us a long time. The retirement program is a program you have from year to year to year and a responsibility we need to meet.

The argument that somehow it must be included in the total pot and that unless you do that somehow you are breaking down the logic runs directly counter to the fact that a retirement program, once instituted, is with us and the retiree is with us.

Mr. President, I urge Members to support this amendment. There is a very basic question of fairness and equity involved. There is a very basic question of sustaining our senior citizens with some dignity and self-respect in their retirement years. I simply want to underscore that the failure to provide these cost-of-living adjustments amounts in practice to a cut in the living standard of our retirees. It is not giving them more in terms of their living standard. It amounts to a cut in their living standard. I do not think that should happen. I very strongly support the amendment.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. TRIBLE. Mr. President, I rise in strong support of this amendment. I am pleased to cosponsor it. I commend it to the attention of my colleagues and encourage them to support this initiative.

As my colleagues know, the Gramm-Rudman-Hollings measure approved last year specifically protected cost-of-living adjustments provided for Social Security and veterans benefits. Special provisions were included to ensure that senior citizens and other individuals relying on these programs would not suffer any hardship under any sequestration order.

However, COLA's which are normally provided under other Federal retirement and disability programs were not protected. Military retirees, Postal Service retirees, civil service retirees, and others, some 3.5 million individuals in all, were not provided the same inflation protection so vitally important these days. COLA's for these retirees were subject to reduction or elimination.

Mr. President, these retirees have already felt the effects of deficit reduction by having their 1986 COLA canceled. Not only did we leave these retirees—many of them senior citizens on fixed incomes—subject to the impact of inflation this year, but the loss of the COLA represents a financial loss which will compound year after year.

We must meet the challenge of deficit reduction fairly and equitably. And that is why I support this amendment to ensure that no single group will shoulder an unreasonable share of the burden as we move forward in this national effort to rein in Federal spending, to narrow the gap between revenues and expenditures, and ensure the kind of dynamic, growing economy that is vital to our future.

I encourage my colleagues to support this initiative. I applaud the leadership of my colleague from Washington, Senator GORTON.

Mr. President, I yield the floor.

Mr. WARNER. Mr. President, I rise in support as an original cosponsor of the amendment offered by the Senator from Washington [Mr. GORTON] to exempt all Government retirement cost-of-living adjustments from sequester orders under the Gramm-Rudman-Hollings deficit reduction act.

Last year, during the debate on the fiscal year 1986 budget resolution, this body approved legislation which I cosponsored requiring equal treatment of all Government retirement programs.

By example, if Social Security was to be frozen, so too would Federal and military retirement benefits.

If one was to be marked for a cost-of-living increase, all then should receive one.

This policy was observed in the final version of the fiscal year budget resolution approved on August 1, 1985, with all Government retirement programs scheduled to receive a full CPI-based COLA on January 1, 1986.

As we are all aware, the Gramm-Rudman-Hollings Act superseded the 1986 budget resolution and protected COLA's for only Social Security and veterans.

Federal civilian retirees, military retirees, and railroad retirees were all left with no inflation protection for the current year.

Mr. President, Senator GORTON has now provided us with the opportunity to return to the policy of equal treatment for all retirees embodied in last year's budget.

I call on all of my colleagues to join in this effort to eliminate a great inequity from the Gramm-Rudman-Hollings process.

Mr. SPECTER. Mr. President, I rise in strong support of this amendment. The amendment, of which I am an original cosponsor, contains the key provisions of a bill I introduced in March, S. 2238, and would guarantee the COLA for fiscal years 1987-91.

The Gramm-Rudman-Hollings Deficit Reduction Act would almost guarantee that Federal military, and railroad retirees will not receive cost of living adjustments (COLA's) whenever sequestration is invoked for automatic deficit reductions to meet deficit goals. The provision requires that these COLA's be reduced until the deficit target is met or until the COLA reduction has contributed a maximum 50 percent of the required deficit reduction.

This provision was invoked in fiscal year 1986 and resulted in no COLA's being awarded to these groups in fiscal year 1986. Since then, numerous Pennsylvania retirees, and their organizations, have contacted me to protest this situation.

Federal military and railroad retirees have been seriously injured by this provision. While veterans and Social Security recipients' COLA's were correctly left untouched, the abovementioned retirees have had their COLA's eliminated.

I have always maintained that COLA's for retirees should be treated equally. While I would have preferred for this amendment to reinstate the 1986 COLA that was rescinded, as in my bill, basic fairness demands that the Senate approve this amendment to put us firmly on record in support of equal treatment for all retirees. Exempting these COLA's from sequestration in future years is the best way to accomplish that at this time.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. I ask unanimous consent that Senators CRANSTON, LEVIN, DENTON, BROYHILL, COHEN, RIEGLE, and QUAYLE be added as cosponsors to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Mr. President, I listened with great interest to the typically eloquent statement of my friend and colleague from the State of Texas in opposition to the amendment. I was particularly taken by the fact that he recognized the inequity in treating various beneficiaries of different retirement programs differently. He did, however, argue that no greater distinction exists between these retirees and other Federal spending programs, or between these retirees and Social Security beneficiaries.

Mr. President, I do not believe that to be the case.

In my view, the affinity among various retirement programs is much greater than the similarities between all retirement programs taken as a whole and other Federal programs.

My distinguished colleague from Maryland made an eloquent statement as to the impact on such retirees of a continuous loss, of the cumulative loss, of these cost-of-living adjustments with which I associate myself.

I simply reiterate that this amendment is fundamentally in the interest of equity and equal treatment among people of similar backgrounds and similar justified expectations.

It is important that we consider whether or not the various entitlement programs should be reformed. In fact, in the course of the last 3 years we have reformed Social Security, military retirement, and civil service retirement, almost all in a prospective sense. That is the right way in which retirement COLA's should be adopted.

I hope the amendment will be adopted.

Mr. DOMENICI. Mr. President, I rise in support of the amendment offered by Senator GORTON to protect the cost-of-living adjustments [COLA's] for Federal retirees, both military and civilian, from any future Gramm-Rudman-Hollings sequester order.

I believe that COLA's for all retirees should be treated the same. Social Security COLA's are now exempt while the COLA's of Federal civilian and military retirees, railroad workers and others can be reduced or eliminated, as they were in fiscal year 1986. This is not fair to the Nation's 2 million Federal retirees and 1.5 million military retirees.

My colleagues will remember that on the floor of the U.S. Senate we attempted to include Social Security in the Gramm-Rudman-Hollings sequester. We proposed to do that in order to treat all retirees equally. We failed to achieve equal treatment by including everybody. Now we will try to achieve

equal treatment by excluding all retirees.

Federal retirees have already contributed significantly toward a lower deficit. In the fiscal year 1986 sequester their January COLA increase was permanently eliminated, thus reducing the base for future COLA's. This reduction will continue to save $1.4 billion every year through the life of the Gramm-Rudman-Hollings law.

Mr. President, this amendment is a fair compromise. Federal civilian and military retirees will not get back their 1986 COLA, and that is a substantial sacrifice. But neither will we ask them to do more than their fair share.

Mr. President, I want to congratulate my good friend, the senior Senator from Washington, Senator GORTON, for working so hard to help the Nation's retirees get a fair deal in our effort to reduce the deficit.

Congress should act immediately to make sure that any reductions required in the future to lower deficits will treat all retirees fairly and consistently.

Mr. HEINZ. Mr. President, I think we are ready to vote.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I will be very brief. I think what we are about to do here has near universal approval of the body. Therefore, all that I will say is that when Gramm-Rudman-Hollings was initially brought forth upon us, and since at that time over half of the budget was placed off limits to cuts, and since Social Security recipients were excluded, as I understand the amendment that is being offered is simply treating military and civil service retirees exactly as we treat Social Security recipients.

I guess the best way to say this is what is good for the goose is good for the gander. Therefore, although this is an additional expenditure of moneys for which we do not have the money in the budget to pay for it, this is a further exclusion and protection of certain people and certain programs that I think has been unfair under Gramm-Rudman-Hollings in the initial instance.

I would simply say that since Social Security recipients were excluded, then I think it is only fair and proper that we also exclude these individuals, but I raise the question, How are we going to pay for all this?

I yield the floor.

□ 1620

The PRESIDING OFFICER [Mr. WILSON]. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2242) was agreed to.

Mr. GORTON. I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that we go into executive session to consider the nomination of M.D.B. Carlisle, of the District of Columbia, to be an Assistant Secretary of Defense.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, this nomination has been cleared by all Members on this side. There is no objection. We are ready to proceed to the confirmation of the nomination.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The clerk will state the nomination.

DEPARTMENT OF DEFENSE

The assistant legislative clerk read the nomination of M.D.B. Carlisle, of the District of Columbia, to be an Assistant Secretary of Defense.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. I ask unanimous consent that the President be immediately notified that the Senate has given its consent to the nomination of M.D.B. Carlisle.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. DOLE. I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCREASE IN STATUTORY LIMIT ON THE PUBLIC DEBT

The Senate continued with consideration of the joint resolution.

Mr. HEINZ. Mr. President, I believe the Senator from Ohio intends to offer an amendment.

Mr. GLENN. I do indeed, Mr. President.

The PRESIDING OFFICER. The Senator from Ohio.

AMENDMENT NO. 2261

(Purpose: To amend section 1105(c) of title 31, United States Code, to provide that the President may not recommend actions to increase the borrowing authority of the United States or to increase the public debt limit for a fiscal year by more than the maximum deficit amount for that fiscal year)

Mr. GLENN. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. GLENN] proposes an amendment numbered 2261.

Mr. GLENN. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the Committee amendment, add the following new section:

SEC. . LIMITATION ON RECOMMENDED INCREASES IN THE PUBLIC DEBT LIMIT.

(a) IN GENERAL.—Section 1105(c) of title 31, United States Code, is amended—

(1) by striking "The President" the first place it appears and inserting in lieu thereof "Notwithstanding any other provision of law, the President",

(2) by inserting "(other than action that would require an increase in the borrowing authority or an increase in the limit imposed by section 3101(b) of this title by more than the maximum deficit amount for the fiscal year for which the budget is submitted)" after "action" the first place it appears, and

(3) by adding at the end the following new paragraph:

"(2) For purposes of this subsection, the term "maximum deficit amount" means with respect to a fiscal year—

"(A) the maximum deficit amount determined for that fiscal year under section 3(7) of the Congressional Budget and Impoundment Control Act of 1974, or

"(B) in the case of any fiscal year beginning after September 30, 1991, zero.".

(b) APPLICATION.—The amendment made by subsection (a) shall apply to fiscal years beginning after September 30, 1987.

Mr. GLENN. Mr. President, I shall keep this explanation brief as I agreed to do with the floor managers of the bill. I have been informed the amendment is acceptable.

Mr. President, I offer this amendment that is intended to improve the underlying Gramm-Rudman-Hollings legislation and which also will serve as a basis for continued fiscal responsibility long after Gramm-Rudman-Hollings expires.

Let me describe what my amendment does.

The amendment requires that when the President submits his budget to Congress, he must either send us a balanced budget or tell us how to get to a balanced budget. It does this by amending section 1105 of title 31 of the United States Code, the section that tells us when and how the Presi-

dent must submit this annual budget. At present, that section requires the President to "recommend in the budget appropriate action" on how to make up any deficit. My amendment would clarify the term "appropriate action" so that the President cannot recommend additional borrowing, or more piling up of the national debt, as the only way of complying with law that has been inplace since 1921.

This amendment is perfectly consistent with Gramm-Rudman. In fact, I think it improves Gramm-Rudman. It contains phase-in language, so that between now and 1991 the President may recommend a budget deficit that complies with the Gramm-Rudman targets.

Mr. President, with one technical difference, this amendment is identical to the amendment I offered to the debt ceiling legislation when it was on the floor last October. That amendment passed the Senate by a vote of 93 to 4. At that time I noted that the law has always required the President to report on ways to make up for a budget deficiency. Over the years, however, two things have happened. First, Presidents have failed to file specific suggestions as to how to achieve a balanced budget. The Office of Management and Budget apparently believes that simply filing the budget satisifies the requirement of a section 1105 report; therefore, there is no one place in the Government where you can find specific Presidential recommendations on how we are going to make ends meet. Second, over the years Presidents typically have taken the easy way out and simply asked for more borrowing authority when they saw that revenues were going to fall short of outlays.

The result is that we have a law that was designed to impose fiscal responsibility but now does absolutely nothing. I agree that we need to restore fiscal responsibility, but we need to do so by starting where that process must start: with the President himself. We are not staffed or equipped at the congressional end of Pennsylvania Avenue to do this job. Under law, that is the President's responsibility.

Let me elaborate on this point, because it is important.

By law, the President initiates the budget process when he submits his recommendations to Congress in February each year. Then the Congress works its will. The final result is the 13 appropriations bills that the Constitution requires we pass before funds can be drawn from the Treasury in each of the 13 areas.

I emphasize that the appropriations bills are the final result, because I want to draw attention to the role played by Congress versus the role played by the President, for we have heard that it is Congress that is irresponsible in appropriating excessive amounts of money, and that this is why we need to impose spending restraints like Gramm-Rudman.

Well, it might come as a surprise to my colleagues to learn that during the 5 fiscal years that President Reagan has been in office, Congress has actually appropriated $3 billion less than what the President has asked for in his appropriations requests. In the past 2 fiscal years, our record has been even better. For fiscal year 1985, Congress appropriated $16.6 billion less than what the President asked for; for fiscal year 1986 we appropriated $6 billion less. That's a grand total of over $22 billion—and that ain't exactly small change.

So it's clear that the label of fiscal irresponsibility cannot be tacked on the door of Congress. Consider this: In over 200 years, this Nation had run up a national debt of $1 trillion—and that was the work of every President from George Washington through Jimmy Carter. But in just 5½ years, the Reagan administration has added a second trillion to that national debt. In other words, they've added as much debt as all the Presidents since George Washington put together.

My amendment deals with these realities. In fact, if my amendment had been in effect earlier, there probably wouldn't have even been a Gramm-Rudman bill. But without my amendment, we are putting the pressure in the wrong place—namely, the Congress—when what we really need is a law that forces the President to submit a balanced budget.

As I have said, this amendment is perfectly compatible with Gramm-Rudman. However, it goes further than Gramm-Rudman in one important respect. Gramm-Rudman runs out after fiscal year 1991. Apparently the underlying assumption is that once we have reached a balanced budget, we no longer need the discipline that got us there. My amendment, on the other hand, would impose a permanent requirement for fiscal responsibility, including every year following 1991, for which the President would have to submit a balanced budget or tell us exactly how to get there. If my amendment passes, no President will be able to submit a budget that is fat with deficits but contains no weight reduction plan.

I remind my colleagues that this amendment passed overwhelmingly, 94 to 3, last fall; unfortunately it was dropped from the bill in conference. Now the Senate has another opportunity to show our colleagues in the other body how important we believe this issue to be.

Mr. President, present law requires that when the President submits his budget, if that budget will result in a shortfall, he will submit to the Congress his recommendations for "appropriate action." Those are the words in the United States Code. In the fine print at the bottom of the page, "appropriate action" is defined. It says that there can be new "taxes, loans, or other," which defines appropriate action.

What Presidents from time immemorial have tried to do is just say we will increase the national debt. That is the bill we are on right now. We will increase the national debt as a way of taking care of deficits. They have never gone through the hard, tough spadework that we cannot do at this end of the avenue, indeed, do not have the people to do at the end of the avenue, They have not gone through the hard, tough work of recommmending through their departments exactly where the cuts would or would not occur in getting to a true, honest-to-goodness balanced budget.

When Gramm-Rudman was being considered by us here some months ago, I suggested with regard to those words "appropriate action" we should take a look at the fine print at the bottom of the page and say when a President submits to us a budget that is unbalanced, of course he can still ask for an increase in the national debt but he cannot use that as his only means of complying with the law. What he will have to do also, in addition to ask for increases in the national debt, is indeed say that he has a plan and he is submitting that plan to the Senate and the Congress of the United States as to how we are going to deal with that.

The President, the executive branch is the one that puts the budget together and the President is the one who has the thousands of people in every department to work on the budget and tell us where they would recommend that we would pull back. They could recommend we would not be as expansive, say, in defense or in social programs or whatever the President deemed he would recommend to us. Then Congress would do its traditional role of working its will.

Too often, we have had things the other way around. We do not have the people at this end of the avenue to do all of that budget work, nor should we be required to have those extra thousands of people to do the work the executive branch is already charged with doing.

When Gramm-Rudman was before us last fall, I proposed an amendment that the President, while he may submit a request for increasing the national debt as one way of taking care of an imbalance, he also, at the same time, must submit to us his plan for reaching a balanced budget. That passed in this body 93 to 4. The initial, procedural vote on my amendment was tighter, before people saw what it was really all about, and then a lot of votes shifted. We won that vote 93 to

4, but it was unfortunately dropped in conference with the House.

What I am doing today, Mr. President, is submitting that same proposal. It makes eminent good sense, as I think was attested to by the vote we got the last time it was considered here. Since we had such an overwhelming vote before, that can stand as the test of what the Senate thought of it before. We had that kind of support and I am quite happy to have a voice vote on this.

I do believe it has been accepted on both sides of the aisle. I see the distinguished Senator from Louisiana [Mr. LONG] is not on the floor right now, but he indicated to me a moment ago that he thought it would be satisfactory to him, as did the floor manager on the majority side.

That is a brief explanation of it, Mr. President. I do not think I need to go further.

Mr. President, I recommend that we vote this out on a voice vote of approval, so we can put that requirement on the President, which is exactly where it should be, whether that President is a Republican, Democrat, or whatever.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2261) was agreed to.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GLENN. Mr. President, I ask unanimous consent that Senator EXON be added as a cosponsor on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, I thank the floor managers.

Mr. HEINZ. Mr. President, I know there are Senators who say they have amendments but they are not here on the floor and I hope they will come to the floor because we want to dispose of as many amendments as we can this evening. If there are no amendments proposed shortly, we shall be able to move to disposition of this legislation. I say that to all Senators so they will be here in order to protect their rights to the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1630

Mr. HEINZ. Mr. President, I ask unanimous consent that the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2262

(Purpose: To amend the Balanced Budget and Emergency Deficit Control Act of 1985 to exempt certain railroad retirement benefits from sequestration or reduction under an order issued by the President under section 252 of such Act)

Mr. HEINZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. HEINZ] proposes an amendment numbered 2262.

Mr. HEINZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the Committee amendment, add the following new section:

SEC. —. EXEMPT PROGRAMS AND ACTIVITIES.

(a) IN GENERAL.—Section 255(g)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)) is amended by inserting after the item relating to Compensation of the President the following new item: "Dual benefits payments account (60-0111-0-1-601);".

(b) APPLICATION.—The amendment made by subsection (a) shall apply to fiscal years beginning after September 30, 1986.

Mr. HEINZ. Mr. President, this amendment is identical to the Railroad Retirement Benefits Protection Act, S. 2253, which I introduced earlier this year. This amendment will correct an oversight by Congress in the treatment of railroad retirement vested dual benefits under Gramm-Rudman-Hollings. Under the current provisions of Gramm-Rudman-Hollings, this past April 1 saw rail retirees receive a 7.7 percent reduction in their vested dual benefits. Unless corrected, this oversight could ultimately wipe out as much as 10 to 20 percent of the benefits that over 312,000 retired rail workers have depended on for years.

At the time Gramm-Rudman-Hollings was signed into law, it was the intent of Congress that in the event of a sequester caused by Congress failure to meet the budget targets, retired workers and their families would be affected only in certain ways. Like other Americans, in the event of such a sequester, retirees would feel the impact of the cuts in programs that serve everyone, such as defense and law enforcement.

In these circumstances retirees were also expected to bear reductions in other services such as nutrition and home care for the elderly.

In the area of income security however, Congress intended only a very limited impact on retirees. Social Security and SSI were exempted from cuts, and military retirees, civil service retirees, and railroad retirees would at most have their benefits frozen. Let me emphasize, Mr. President, that in the worse case, railroad retirees were going to lose only their COLA's. I do not believe that anyone in Congress intended or contemplated reducing current retirement benefits, but unfortunately, that is exactly what has happened to rail retirees vested dual benefits.

To understand how this situation came about, we must examine some of the history and structure of the railroad retirement system. The system was created in 1935, at the same time as Social Security. The intent was to add social insurance features to the extensive private pension system that the railroads had already created. Rail workers paid taxes that were higher than Social Security taxes, because they expected to receive higher benefits. The basic system lasted until 1974, when Congress created the system we have today. Most of us believe that the present system pays only two types of benefits, tier 1 and tier 2, but it actually pays two additional types, supplemental benefits and vested dual benefits. The benefit structure can be summarized as follows.

Tier 1 benefits essentially duplicate Social Security. Funding comes from taxes paid by rail employers and employees into a trust fund. Tier 2 is intended to duplicate a private industry pension. Tier 2 funding also comes from rail employer and employee taxes paid into a trust fund. Supplemental benefits are an extra benefit provided to retirees with over 25 years of rail employment. This benefit is supported by taxes paid into a trust fund by rail employers. Tier 1 and tier 2 have automatic COLA's, supplemental benefits have no COLA. Virtually all of the 953,000 rail retirees receive tier 1 benefits which average $536 per month, and tier 2 benefits which average $134 per month. 201,000 retirees also receive supplemental benefits averaging $48 per month.

Vested dual benefits differ from the other benefits in several respects. These benefits arose because, prior to the restructuring of railroad retirement in 1974, persons with extensive nonrail employment qualified for higher benefits under Social Security and railroad retirement combined than did persons who worked exclusively in rail employment, despite the fact that rail employees paid more in retirement taxes. This was a drain on the rail retirement system because all of the extra benefits were paid by the rail system. Congress eliminated these dual benefits in 1974 for all workers and retirees who had not already vested for them. At the same time, Congress created a separate account, the vested dual benefits account, to pay benefits to the workers who had

already vested. Congress chose to fund this account out of general revenues because of the inequity of charging rail workers for benefits for which they no longer qualified.

Mr. President, although these vested dual benefits are essential to the recipients, they really amount to a very modest augmentation of tier 1 and tier 2 benefits. Prior to Gramm-Rudman, they averaged only $104 per month among the 312,000 retired workers, spouses and survivors who receive them. They now average only $96 per month. Since no new vesting can occur, and since there is no COLA for vested dual benefits, the eligible population has been shrinking and outlays have fallen from $430 million in 1983 to $390 million in 1986. The total Gramm-Rudman-Hollings cut in this account amounted to $16.7 million, which works out to an average benefit reduction of $8 per month, roughly $100 per year, with the Gramm-Rudman cuts plus the normal shrinkage in the program, the fiscal year 1987 budget allocation stands at only $364 million.

Mr. President, one may ask how it happened that vested dual benefits were cut by Gramm-Rudman-Hollings. I believe there is no explanation for this other than that it was quite simply an oversight on the part of Congress. Most of us, when we think of railroad retirement, think of only tier 1 and tier 2. We knew that Gramm-Rudman-Hollings did not affect tier 1, and that at most it cancelled the tier 2 cola. So we believed that rail retirees would at the worst suffer a freeze or a small increase in their benefits. Congress failed to anticipate how vested dual benefits would be affected by the fine print. As it turns out, supplemental benefits were not cut because those taxes and benefits are processed through the same trust fund as the tier 1 benefits, so they fortunately were exempted from Gramm-Rudman-Hollings. It apparently was thought that vested dual benefits were similarly exempt. However, because vested dual benefits are processed through a separate account, they did not receive the same protection as supplemental benefits and thus became vulnerable to automatic cuts. This amendment simply has them processed in the same way.

Mr. President, we must remember that these vested dual benefits are more than just some bookkeeping account that no one cares about except the actuaries at the Railroad Retirement Board. There are 312,000 people out there who have depended on these benefits for years in order to make ends meet. The $8 that was cut out of benefit checks may not seem like much to some people, but for retirees who often have to make every penny count that $8 can mean a warmer house, or several more meals at the end of a month. In addition to the loss of their benefits, these 312,000 people also have to live in fear that their benefits will be reduced in the future in an unspecified amount as the result of some automatic budget process that they understand only vaguely, if at all.

Mr. President, I urge my colleagues to join me in rectifying this situation and eliminating this fear from the lives of rail retirees by supporting this amendment.

Mr. President, this is an amendment that affects a very small group of people who were unintentional casualties of the Gramm-Rudman sequester process, namely those railroad retirees who are entitled to and who do receive what are called vested dual benefits. There are about 312,000 of such railroad retirees.

Just very briefly, what happened in Gramm-Rudman, when we adopted it last year and as it stands today, is that we made a policy judgment that where retirement programs were concerned, to the extent that they were going to be affected by any sequester, only the COLA would be affected. We just had an amendment by the Senator from Washington which has dealt with that, to mitigate what are perceived to be some very unfair effects of that.

When we adopted Gramm-Rudman, we in fact did implement the policy I just described, namely, holding everything except COLA's harmless. We did it for what are called the tier 1 benefits of railroad retirees. Those are more or less equivalent to the Social Security benefits that people receive, and they are financed by taxes on the railroad employees and on the railroad employers. Under Gramm-Rudman, since they were like Social Security benefits, no COLA was cut.

The railroad retirees also have the equivalent of a private pension called tier 2 benefits, and they, too, are financed and trust funded as are the tier 1 benefits, paid for again by employer and employee dedicated taxes to that trust fund. Gramm-Rudman canceled that COLA which was equivalent to 32.5 percent of any tier 1 COLA. Through an oversight of drafting in my judgment—and I have discussed this with the Senator from New Hampshire [Mr. RUDMAN] as well as the Senator from Texas [Mr. GRAMM]—it would appear that the unintended result through this drafting error, most people thinking that the tier 1 and tier 2 and indeed all railroad retirement benefits would be subject to Gramm-Rudman principles, the so-called dual benefit, because it was in a separate account—it was not in this trust fund account like the tier 1 benefit and the tier 2 benefit but within a separate account—was in fact subject to a sequester of roughly 4.3 percent. Over the course of the year, of course, since that had to be constrained to a 7-month period, the result was a larger percentage cut in benefits, and those 312,000 railroad retirees actually had their benefits cut on average $8 a month.

By the way, on average they only got $104 a month. That was never the intention of Gramm-Rudman-Hollings, and I say that was never the intention either of the bill or to the best of my understanding of any of the sponsors.

Mr. GRAMM. Will the distinguished Senator yield?

Mr. HEINZ. I am pleased to yield to my friend from Texas.

Mr. GRAMM. Let me say I think this amendment is in every way conformable with the spirit of the Gorton amendment. To adopt that amendment and not adopt this amendment, I think, would promote tremendous unfairness and inequity in the bill, and I strongly support this amendment.

Mr. HEINZ. Mr. President, I thank my friend from Texas. I think I have explained the problem, and I hope the Senate will adopt the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreement to the amendment.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HEINZ. Mr. President, I ask unanimous consent that the call of the quorum be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I ask unanimous consent that the Senator from Pennsylvania [Mr. SPECTER] be added as a cosponsor, equally the Senator from Tennessee [Mr. SASSER], and I am advised that the Democratic leader, Senator BYRD, would also like to be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the distinguished Senator.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1640

Mr. EAGLETON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

71-059 O-87-28 (Pt. 13)

AMENDMENT NO. 2263

[Purpose: To limit the authority to invest and disinvest assets in the Civil Service Retirement and Disability Fund]

Mr. EAGLETON. Mr. President, I have an amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Missouri [Mr. EAGLETON], for himself, Mr. GORE, Mr. LEVIN, and Mr. GLENN, proposes an amendment numbered 2263.

Mr. EAGLETON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment, insert the following new section:

SEC. . CIVIL SERVICE RETIREMENT AND DISABILITY FUND.

(a) Investment and Restoration of the Fund.—Section 8348 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(j)(1) Notwithstanding subsection (c) of this section, the Secretary of the Treasury may suspend additional investment of amounts in the Fund if necessary to ensure that the public debt of the United States does not exceed the public debt limit.

"(2) Any amounts in the Fund which, solely by reason of the public debt limit, are not invested shall be invested by the Secretary of the Treasury as soon as such investments can be made without exceeding the public debt limit.

"(3) Upon expiration of the debt issuance suspension period, the Secretary of the Treasury shall immediately issue to the Fund obligations under chapter 31, of title 31 that (notwithstanding subsection (d) of this section) bear such interest rates and maturity dates as are necessary to ensure that, after such obligations are issued, the holdings of the Fund will replicate to the maximum extent practicable the obligations that would be held by the Fund if the debt issuance suspension period had not occurred.

"(4) On the first normal interest payment date after the expiration of any debt issuance suspension period, the Secretary of the Treasury shall pay to the Fund, from accounts in the general fund of the Treasury of the United States not otherwise appropriated, an amount determined by the Secretary to be equal to the excess of—

"(A) the net amount of interest that would have been earned by the Fund during such debt issuance suspension period if—

"(i) amounts in the Fund that were not invested during such debt issuance suspension period solely by reason of the public debt limit had been invested, and

"(ii) redemptions and disinvestments with respect to the Fund which occurred during such debt issuance suspension period solely by reason of the public debt limit had not occurred, over

"(B) the net amount of interest actually earned by the Fund during such debt issuance suspension period.

"(5) For purposes of this subsection and subsections (k) and (l) of this section—

"(A) the term 'public debt limit' means the limitation imposed by section 3101(b) of title 31; and

"(B) the term 'debt issuance suspension period' means any period for which the Secretary of the Treasury determines that the issuance of obligations of the United States sufficient to orderly conduct the financial operations of the United States may not be made without exceeding the public debt limit.".

(b) Sales and Redemptions by the Fund.—Section 8348 of title 5, United States Code, as amended by subsection (a), is further amended by adding at the end the following new subsection:

"(k) The Secretary of the Treasury may sell or redeem securities, obligations, or other invested assets of the Fund only for the purpose of enabling the Fund to make payments authorized by the provisions of this subchapter or chapter 84 of this title or related provisions of law. If the Fund holds any amounts which, by reason of the public debt limit, are not invested, the Secretary may nevertheless make such sales and redemptions if, and only to the extent, necessary to ensure that such payments are made in a timely manner.".

(c) Reports Regarding the Operation and Status of the Fund.—Section 8348 of title 5, United States Code, as amended by subsections (a) and (b), is further amended by adding at the end the following new subsection:

"(l)(1) The Secretary of the Treasury shall report to Congress on the operation and status of the Fund during each debt issuance suspension period for which the Secretary is required to take action under paragraph (3) or (4) of subsection (j) of this section. The report shall be submitted as soon as possible after the expiration of such period, but not later than the date that is 30 days after the first normal interest payment date occurring after the expiration of such period. The Secretary shall concurrently transmit a copy of such report to the Comptroller General of the United States.

"(2) Whenever the Secretary of the Treasury determines that, by reason of the public debt limit, the Secretary will be unable to fully comply with the requirements of subsection (c) of this section, the Secretary shall immediately notify Congress of the determination. The notification shall be made in writing.".

Mr. EAGLETON. Mr. President, earlier the Senate passed a Finance Committee amendment protecting the Social Security Trust Fund from disinvestment during panicky moments such as this, when the Government is, so to speak, on the brink of bankruptcy. Senators GORE, LEVIN, GLENN, and I are offering an identical amendment—protecting the civil service retirement and disability fund—from hasty quick-fixes which undermine the financial integrity and public confidence in Federal trust funds.

The civil service retirement and disability fund, the fund which contains Federal employees' retirement contributions, has $126.4 billion invested in Treasury securities. According to the General Accounting Office, on three occasions since 1984, the Treasury has manipulated the civil service retirement and disability fund by taking "unusual actions in an attempt to manage the Government's finances." During fiscal years 1984, 1985, and 1986 the Treasury departed from normal procedure in handling the fund's investment in two ways: First, it delayed investment of fund receipts and, second, it prematurely redeemed some of the funds securities. GAO estimates as a direct result of that action, the fund lost tremendous interest earnings.

Mr. President, I ask unanimous consent to have printed in the RECORD a table showing the figures.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Interest amount lost
Fiscal year:	
1984	$62,221,813
1985	79,231,138
1986	6,056
Total	141,459,007

Mr. EAGLETON. Mr. President, Treasury has restored $77,774—a mere drop in the bucket; $141,381,233 in interest belonging to civil service retirees is lost. The Treasury is not entirely to blame. The laws instructing the Secretary of the Treasury regarding trust funds and the Federal debt conflict. With our amendment, we clarify our intent—the money put away in good faith by retirees must be there in full.

The purpose of this amendment is to both modify and clarify the authority of the Secretary of the Treasury in connection with his responsibilities for investing the assets of the civil service retirement and disability fund. Specifically, the amendment would allow the Secretary to temporarily suspend additional investment of the fund's assets when such investments would otherwise result in the public debt limit being exceeded.

Furthermore, after such a suspension, the Secretary would be required: First, to reimburse the fund for any investment lost as a result of the suspension and, second, to invest uninvested assets of the fund in a manner which, to the extent practicable, would make the fund whole, as though such suspension never occurred.

Moreover, the amendment would allow the Secretary to disinvest assets of the fund when the fund is holding uninvested assets due to the public debt limit, but only when necessary to ensure timely payment of amounts authorized to be made from the fund.

Mr. GORE. Mr. President, Federal employees earn, as part of their compensation package, retirement benefits payable through the civil service retirement and disability trust fund. Like the Social Security trust fund, the civil service retirement and disability fund is a dedicated trust fund and as such, its assets may only be used to provide benefits to civil service retirees.

That fund stands as a strong symbol of assurance that Federal employee retirement benefits will be paid when

they become due. While employees may not fully understand the arcane interactions of Federal financing that result in the ultimate dispersal of their annuity checks, they do recognize when moneys that they have contributed toward the financing of their benefits have been used in ways other than those intended or promised under the statute establishing that fund.

It was right for them to take offense last year when the civil service fund was the first tapped—even before Social Security disinvestment—to keep the Nation solvent during the 1986 debt ceiling crisis.

GAO determined that such raids by the Department of Treasury has lost the civil service retirement and disability trust fund interest earnings because "Treasury did not follow its established fund management procedures." GAO's investigation determined that Treasury delayed investment of fund receipts, prematurely redeemed some fund securities, and "took other unusual actions in an attempt to manage the government's finances."

The losses total $141,459,007.

Fiscal year:	
1984	$62,221,813
1985	79,231,138
1986	6,056

The amendment that Senator EAGLETON and I propose would acknowledge, indeed would preserve, the sanctity of those contributions that these employees have made toward their retirement.

By treating these contributions and the Government's share of retirement pension costs as usable only for the payment of civil service retirement and disability benefits, the Congress will be restoring the confidence that has undergone severe strain over the past few years.

Congress has been active in Federal employee retirement. There have been a never-ending stream of proposals from the administration to cut Federal employee benefits, particularly civil service retirement. In fact, Congress has found it necessary to suspend or modify cost-of-living adjustments in response to serious fiscal concerns.

New Federal employees have been covered by Social Security, an event that Federal retirees and employees had long feared would merely be a pretext for seizing the assets of the civil service retirement trust fund to reinforce the financing of Social Security.

Although it was not Congress' intent, the Social Security amendments did require Congress to develop a complete new retirement plan for Federal employees. While that work is completed, and those of us who participated in that development are proud of that achievement, Federal employees and retirees are understandably anxious that their retirement expectations remain threatened when they see their cost-of-living adjustments reduced because of budgetary concerns and their retirement funds used to pay obligations other than those intended.

Is it any wonder, then, that our country's present and former employees fear the worst, This amendment places the Federal employees' trust fund on the same footing as the Social Security trust funds, as a backstop for the benefits of the rest of the Nation's employees. It is the least we can do. It is the right thing to do. Our Federal workers deserve it.

Mr. HEINZ. Mr. President, I am advised that there is no objection to the amendment on this side.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 2263) was agreed to.

Mr. EAGLETON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HEINZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I ask unanimous consent that Senator HOLLINGS and Senator GRASSLEY be added as cosponsors to the pending amendment No. 2262.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I ask unanimous consent that we temporarily lay aside the pending amendment to consider an amendment to be offered by the Senator from South Dakota.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABDNOR. Mr. President, I thank the Senator from Pennsylvania.

AMENDMENT NO. 2264

Mr. ABDNOR. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. ABDNOR] proposes an amendment numbered 2264.

Mr. ABDNOR. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the committee amendment, as amended, add the following new section:

SEC. . Not withstanding any other provision of law,

(a) the Secretary of Agriculture shall reimburse farmers or ranchers for the cost incurred by such farmers or ranchers for transporting hay during the period July 1, 1985, to June 1, 1986, as a result of a natural disaster caused by flood, excessive moisture, or drought;

(b) The Secretary shall reimburse such farmers or ranchers in an amount which does not exceed 80 percent of the cost of such transportation (but not to exceed $50 per ton);

(c) The Secretary shall carry out the provisions of this through the Commodity Credit Corporation.

SEC. . Section 22(b)(1) of Public Law 99-349 is amended by deleting "40 percent of the projected payment rate" and inserting in lieu thereof "100 percent of the projected payment rate".

SEC. . It is the sense of Congress that with respect to farm and ranch borrowers who were adversely affected by drought disaster in 1985 or flood disaster in 1985 and 1986—

(1) the Secretary of Agriculture should exercise the authority provided under section 331A of the Consolidated Farm and Rural Development Act and instruct the Farmers Home Administration to defer loan repayments and forgo foreclosures in cases where such farm and ranch borrowers are unable to make loan payments in full due to no fault of their own; and

(2) the lending institutions of the Farm Credit System and commercial lending institutions are encouraged, insofar as practicable, to adopt lenient lending, forbearance, and foreclosure policies, and to the maximum extent possible participate and cooperate with Federal and State lenders in assistance programs, with respect to such borrowers who are under financial stress due to no fault of their own.

Mr. ABDNOR. Mr. President, I think both managers here on the floor are well aware of this amendment. I discussed it earlier as a possible amendment to the Sasser amendment.

It was determined at that time to propose my amendment as a standing amendment.

I ask immediate consideration of the amendment.

Let me say this for those who were not here: This amendment covers the drought in South Dakota during 1985 and the flooding during 1986. In terms of dollars it is quite minor.

Mr. PRYOR. Mr. President, reserving the right to object, it is my understanding that the Senator from South Dakota is offering an amendment that he discussed earlier in this day relative to drought specifically related to South Dakota.

Mr. ABDNOR. Yes, and the flood as well. It may seem unusual but it is possible in South Dakota to have a flood in the East and a drought in the West.

Mr. PRYOR. Let me say to my distinguished friend from South Dakota it is my understanding at this point there are Members on this side, or at

least a Member on this side of the aisle, wishing to express an interest in this matter or at least ask the Senator from South Dakota some questions on this.

Mr. HEINZ. Mr. President, will the Senator from South Dakota yield?

Mr. ABDNOR. I yield.

Mr. HEINZ. Mr. President, I say to the Senator from South Dakota as manager of the bill it has been discussed on this side of the aisle. I cannot speak for the other side of the aisle. But it has been discussed with the Finance Committee, the Budget Committee, and the Agriculture Committee, and there is no objection to it from either of those committees on this side of the aisle.

Mr. ABDNOR. Mr. President, let me say everyone was not on the floor when I referred my amendment to Senator SASSER and at that time accepted it. Then we decided the best for all concerned was to keep my amendment separate from Senator SASSER's. My amendment is a little bit different than the context of his bill.

Mr. PRYOR. Mr. President, the Senator from Arkansas is not implying to the Senator from South Dakota that there is opposition at this point necessarily to the Senator's amendment. I do know there is at least one Member on our side wishing to be heard relative to this matter.

Mr. ABDNOR. I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I am sorry I was not on the floor when the distinguished Senator from South Dakota offered the amendment. I just now had a copy of the amendment handed to me. I was not here to listen to the explanation of the amendment. I understand it was given by the distinguished Senator from South Dakota.

Mr. President, will the Senator from South Dakota yield to answer some questions without me losing my right to the floor?

Mr. President, I wish to ask the Senator from South Dakota again to briefly explain the amendment and exactly what it covers and what years it covers.

Mr. ABDNOR. I am more than happy to explain the amendment if the Senator will yield to me.

Mr. HARKIN. I yield the floor to the Senator from South Dakota.

Mr. ABDNOR. Mr. President, one part of my amendment allows farmers who are prevented from planting to receive 100 percent of their normal deficiency payments. It simply deletes the words "40 percent of the projected payment rate" and inserts in lieu thereof "100 percent of the projected payment rate."

This spring, on the urgent supplemental appropriations bill, I attached an amendment to allow flooded farmers to receive 40 percent of their deficiency payments.

I preferred 100 percent but I guess we were being conservative so I settled for the 40 percent. That 40 percent is the amount farmers received at farm program signup time.

But last night it became perfectly clear that if we allow farmers in the drought disaster areas of the southeast to receive full deficiency payments, my farmers in South Dakota should also receive full deficiency payments.

My amendment certainly is not at all out of line compared with the tremendously large Sasser amendment we passed not long ago here on the floor. His amendment was discussed last night and, as the good Senator from Iowa said during the discussion last night, there are farmers in Iowa and South Dakota and everywhere else that have been equally damaged by national disasters.

Last summer we probably had a greater, more severe drought in parts of South Dakota among our ranchers than the people in the Southeast are having today, taking nothing away from them.

I have heard talk of half a hay crop in the Southeast. That was unheard of last year in South Dakota. We didn't have a hay crop at all! My farmers not only sold off cattle, mortgaged everything they had to buy hay, but they also experienced deep snow from October on. When we finally got pasture coming in in the spring, we had a severe blizzard that wiped out half of our calf crop leaving our ranchers virtually broke and others heavily in debt. Many still have bills to pay and some still are trying to obtain a disaster loan from the Farmers Home Administration.

It just seems that in fairness that my amendment should be accepted. If we are going to help in the Southeast to keep them in business, and keep them operating, it seems a great injustice to tell the ranchers of South Dakota who have been experiencing the very thing that they cannot have the same entitlement that we decided to give to Southeastern farmers a few hours ago when we passed the Sasser amendment.

□ 1700

(Mr. GRAMM assumed the chair.)

Mr. HARKIN. Mr. President, I thank the Senator from South Dakota for his explanation. Again, I am curious as to one part of the amendment here. It is section blank. It is on the bottom of the first page of the 2-page amendment. I would call the attention of the distinguished Senator from South Dakota to that. It says:

It is the sense of Congress that with respect to farm and ranch borrowers who were adversely affected by drought disaster in 1985 or flood disaster in 1985 and 1986—

(1) the Secretary of Agriculture should exercise the authority provided under section 331A of the Consolidated Farm and Rural Development Act and instruct the Farmers Home Administration to defer loan repayments and forgo foreclosures in cases where such farm and ranch borrowers are unable to make loan payments in full due to no fault of their own.

I wonder if the distinguished Senator from South Dakota, Mr. President, could tell us what that is all about. I would be delighted to yield to the Senator without losing my right to the floor.

Mr. ABDNOR. Mr. President, I think the Senator is familiar with how important and how much impact a sense of the Congress has; but it simply instructs the Secretary of Agriculture that he is to be as lenient as possible in situations such as this and that he should try to be as broadminded and fair as he can in the process. It tells him that Congress is concerned about problems such as drought and flooding.

I think even the Senator from Iowa would think that is only fair.

Mr. HARKIN. Mr. President, in regard to the amendment now pending before us, in the first section of the amendment, it says "The Secretary shall reimburse." That is not suggestive language. It is mandatory language.

"The Secretary shall reimburse farmers or ranchers an amount which does not exceed 80 percent of the cost of such transportation"—of the hay, I guess that is what it is—"during the period July 7, 1985, to June 1, 1986, as a result of a natural disaster caused by flood, excessive moisture, or drought."

Is that much of a departure from present law, Mr. President, I would like to ask the Senator?

Mr. ABDNOR. That is the same language, I might reply, as in the Sasser language, only it applies to the drought that occurred in South Dakota in 1985.

My amendment does not include as many people as the Sasser amendment because ranchers in South Dakota need 20 to 30 acres just to keep a cow and a calf. They are the ones that experienced the drought; they experienced a heavy snow; they experienced a blizzard that almost wiped them out. And if anyone needs some help—it is the ranchers and farmers of South Dakota. Certainly we have got to be fair and say, "My heavens, this is only fair to give the ranchers of South Dakota the same opportunity we are giving to the rest of the Southeast."

Mr. HARKIN. Mr. President, claiming my time again, I again point out to the distinguished Senator from South Dakota what I pointed out last evening, and that is again here we are trying to make a fix on a disaster. I have no doubt there was a natural disaster in that part of the country

during that period of time. Again, I would point out, Mr. President, that in Iowa, in 1983, we suffered a very severe drought. Many farmers and ranchers in southern Iowa had to do many of the same things that farmers and ranchers in the State of South Dakota had to do in 1985. Yet, there was no fix made for them.

Yet, here we have an amendment coming along to fix one particular disaster, natural disaster, that occurred in one State during one period of time. Again, I make the point, as I made last night, Mr. President, that, basically, we should have disaster assistance for all farmers in all parts of the country who suffer from natural disasters. We ought not to be doing this on a piecemeal basis.

I am just rather curious as to whether the distinguished Senator from South Dakota might entertain amending his amendment just to say, "All farmers and ranchers from the period beginning," let us say, January 1981. Well, I guess I would have to say 1982, January 1982, when the 1981 farm bill went into effect. If, from that period on, we could just cover all farmers and all ranchers in the United States, reimburse them for 80 percent of the cost of transportation of hay, if they could somehow show they were victims of a natural disaster caused by drought, flood, or excessive moisture.

It seems to me that would be the fair way to do it. And I am sure there are some farmers in Iowa who probably have some old bills they could drag out of a drawer, or find someplace, which they were stuck with back in 1983 for transporting hay. We might have even brought some from South Dakota down to southern Iowa at that time, yet I do not know that they got reimbursed for any of their transportation costs.

But when you open the door like this to make a fix in one area, then there are other areas that crop up where they have natural disasters. Again, it points out, I think, the need to have a disaster program that is fair and equitable to all farmers all over the country and not just do this on a piecemeal basis, as we are doing here right now.

Mr. President, I would like to ask about the cost, if there has been a cost associated with this amendment and if we know how much the cost has been estimated by the Congressional Budget Office.

Mr. ABDNOR. Mr. President, let me say to the Senator, if I can respond.

Mr. HARKIN. I am delighted to yield without losing my right to the floor.

Mr. ABDNOR. First, let me say that obviously the Senator is right. He is not going to get a quarrel out of me over the way disaster programs have been handled in the past. In 1977 and 1978, the transportation of hay was paid for by the Government. It had been cut out and now it is back in. Ultimately, you are probably right. We need something that is consistent and applies to one and all.

I appreciate your problem in Iowa, but that was several years ago. You probably know the facts and figures. It took me all afternoon to arrive at the figures, calling back and forth to South Dakota and the CBO. The cost of my amendment is $11 million, which is a far cry from the figures I heard last night about the cost of the Sasser amendment being $660 million up to $1.5 billion. I am talking about a $11 million figure for my amendment.

In a sense, the ranchers of South Dakota are still trying to work their way out of this. The effects of this disaster are still with them. Probably some of those people, I am sure, still have unpaid bills, and are hoping to get a disaster loan.

We should have a long-term disaster program for all of agriculture. I do not quarrel with that. But that does not exist today. We would be very poor Senators if Senator PRESSLER and I were not concerned about our farmers and ranchers in South Dakota who are still working their way out of the 1985 drought. Additionally, farmers presently are undergoing a flood in the east, which is a bit unusual for South Dakota, but it occurred. I think it is only right that they receive the same consideration that this body decided to give to the farmers in the many States of the Southeast. I heard people say that farmers in the Southeast have one-half of a hay crop. There was no such hay crop in South Dakota. As a matter of fact, they had to start buying hay last summer. They were buying hay this spring. They have plenty of problems from the drought.

I certainly think South Dakota's ranchers and farmers deserve the same kind of consideration we gave to Southern farmers a few hours ago. The Senator from Iowa agreed we should vote for a waiver on the Budget Act last night to make it possible to implement anything up to—I heard a figure of $300 million, and I have heard as high as $1.5 billion.

Mr. HARKIN. Again, I am still curious as to what the estimate of cost is on this amendment. I heard a figure of $11 million. Mr. President, I am curious to find out whether or not we do have indeed an estimate of the cost of this amendment. The Senator from Iowa would like to find out what the cost is.

The PRESIDING OFFICER. May I remind the Senator from Iowa that the Chair is not involved in this debate. He must inquire of a Member through the Chair if he seeks an answer.

Mr. HARKIN. Mr. President, I am addressing my inquiries to the distinguished Senator from South Dakota through the Presiding Officer of the Senate as per the rules of the Senate. I would be delighted to yield to the Senator from South Dakota for a response without losing my right to the floor.

Mr. ABDNOR. Mr. President, if I can answer that, I thought I told the Senator from Iowa the cost of my amendment. I am a little surprised he refuses to accept the CBO figures. It is $11 million. That figure is pretty accurate. They have been figured all afternoon with the State of South Dakota, and the ASCS office. That is a lot closer cost estimate than that for the States we were talking about last night. You voted for a figure you did not know whether was $660 million or $1.5 billion.

Mr. BYRD. Mr. President, regular order. Senators should address other Senators through the Chair and not in the second person.

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. BYRD. Mr. President, I ask for regular order also.

The PRESIDING OFFICER. Senators will address each other through the Chair. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, what I attempted to do since I have the floor is to address the distinguished Senator from South Dakota through the Presiding Officer, who is chairing the Senate. I had propounded the question, Mr. President, as to what the cost of this amendment was. The distinguished Senator from South Dakota has now responded that CBO's estimate is $11 million.

Mr. President, I do have another parliamentary inquiry.

Mr. President, is this amendment because it does have additional costs of $11 million subject to a point of order? And if so, under which section of the Budget Impoundment Control Act is this amendment a subject of point of order if indeed it is a subject of a point of order?

The PRESIDING OFFICER. The Chair has been informed by the Parliamentarian that the amendment calls for money in fiscal year 1987, and would not be subject to a point of order under section 311 of the Budget Act.

Mr. HARKIN. Is it not a subject of point of order?

The PRESIDING OFFICER. It might be subject to a point of order under section 302, depending on whether or not the appropriate committee has submitted its allocations pursuant to that section.

Mr. HARKIN. Mr. President, further parliamentary inquiry: This Senator would like to know if indeed it is subject to a point of order under section 302, and whether or not those al-

locations have been made. This Senator understands that the Agriculture Committee on which this Senator sits, and also the Agriculture Appropriations Subcommittee of the Senate Appropriations Committee, has not indeed made such allocations.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. If in fact the Agriculture Committee has not submitted its allocations under section 302(b), then a point of order would lie.

Mr. HARKIN. Mr. President, further parliamentary inquiry: Would this point of order lie under section 302(c)?

The PRESIDING OFFICER. The point of order would lie under section 302(c) if the Agriculture Committee has not submitted its 302(b) allocations.

Mr. HEINZ addressed the Chair.

Mr. HARKIN addressed the Chair.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. HEINZ. Mr. President, I demand regular order.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. HEINZ. I demand regular order.

The PRESIDING OFFICER. Regular order is that the Senator from Iowa has the floor.

The Senator from Iowa.

Mr. HARKIN. Mr. President, it occurs to this Senator then that we have a situation here where again we are being asked, as we were the other evening, to go beyond what is in the Budget Act. In other words, this is subject to a point of order.

This Senator from Iowa earlier this year offered an amendment to provide for payments of CCC loans to farmers. CBO at that time said that it would not cost any additional outlays over a 2-year period of time, but since it was shifting money for fiscal year 1987 to fiscal year 1986, it also was subject to a point of order. A point of order was raised at that time against that amendment.

I said at that time that I thought it odd that those who were so supportive of the Gramm-Rudman-Hollings provision who wanted to stick by these allocations that now I find are coming to the floor offering amendments which increase the spending of the Federal Government. As I said last night, this Senator is not opposed to that because I think the disasters where they occur, natural disasters, that farmers ought to be indemnified for those natural disasters whenever they occurred not on a piecemeal basis as we are seeing here now but on a general basis whenever and wherever they may happen in the United States.

So this Senator finds it rather odd that now we have the distinguished Senator from South Dakota who I understand has been, unless the Senator's memory is incorrect, a strong supporter of the Gramm-Rudman-Hollings measure, invoking points of orders to hold spending in line now offers an amendment to increase spending by $11 million because some of his farmers were hurt in a drought a year ago.

Well, some of this Senator's farmers were hurt in a drought in 1983. We implored, we beseeched, we asked the Secretary of Agriculture to assist and to help. You know we were told there was Federal crop insurance. Well, I can only assume that the farmers in South Dakota also had available Federal crop insurance last year also. So why do farmers in South Dakota need another $11 million?

Last evening we had a point of order raised against the amendment offered by the distinguished Senator from Tennessee. A motion was then made to waive that point of order.

This Senator supported that motion to waive the point of order because I said at the time I am not opposed to farmers, whether they are in the Southeastern part of the United States or in South Dakota, from receiving what I believe they need in order to survive. I am not really opposed to this. But I think when we are going to have the rules here, when you are going to ask one Senator to abide by the rules and the points of order raised when one Senator seeks to help a portion of his or her constituents, and points of order are raised on one side of the aisle, then I think it is only fair that points of order be raised each succeeding time that any Senator offers an amendment that goes beyond the spending allocations or exceeds the allocation made by the authorizing committees.

□ 1720

So, Mr. President, that being the case, this Senator is prone to raise a point of order against the pending amendment.

Mr. ABDNOR addressed the Chair.

Mr. HARKIN. I also hasten to add that if a motion is made to waive the Budget Act, that, again, this Senator would be prepared to vote with those in waiving the Budget Act and in providing this kind of indemnity to the farmers in South Dakota. But I think it is important that Senators once again express themselves whether or not they do, in fact, want to waive these provisions of the Budget Act to provide for this amount of money.

I again would hope that we might just amend it and just put in all farmers all the way from January 1981 on and let them partake. We have a little $11 million amendment here to indemnify some farmers in South Dakota. Again, I just find it curious that those who always are supposed to abide by the rules and raise points of order now are trying to get an extra $11 million and have those of us remain silent.

Mr. President, I would inquire of the Senator from South Dakota, if, indeed, he would be supportive of further amendments that would provide this kind of assistance to all the farmers who suffered from droughts, floods, or excessive moisture going back, let us say, through 1983. That would cover the farmers in Iowa who suffered from the drought in 1983. Mr. President, I ask that the Senator respond to that question and ask unanimous consent that I not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from South Dakota.

Mr. ABDNOR. Mr. President, I would like to reply to that. If the Senator would like to sit down and work out a long-range program, I would be happy to be part of it. I doubt that he can devise an amendment today that would take care of that. I have clear evidence of the disaster that occurred and is occurring in both the drought and flood area in South Dakota.

I might say to the Senator from Iowa, if he is not aware of it, that there is no crop insurance for hay. If he will recall, there was no prevented planting crop insurance available this year to the grain farmers in South Dakota. I would like to bring that to the attention of my colleague from Iowa.

I do not know what occurred in Iowa. I guess the way this has approched my amendment here, that each State must look out for itself. I cannot speak for Iowa.

If he feels that something is lacking, he should do what I have done here, do a little research and dig out the facts, to have the case clearly show that his farmers are deserving of assistance. If he has a case, I would be happy to vote for it.

Mr. HARKIN. This Senator is curious why last night the distinguished chairman of the Budget Committee, who is not present on the floor, raised a point of order against the amendment offered by the Senator from Tennessee to provide drought assistance to farmers in the Southeast. This Senator is curious why the chairman of the Budget Committee is not raising a point of order against this amendment.

I guess, Mr. President, if the amendment only provides $11 million, no point of order would be raised. But if it provides for coverage to farmers all over the Southeast, then I guess a point of order could be raised.

Again, I find it very curious, really, that the distinguished chairman of the Budget Committee is not raising the point of order about this $11 million under section 302.

I raised that issue last night. Just as I did not raise the point of order last night, I will not raise it today.

Again, Mr. President, I think the Senators ought to be well-advised that everyone can play this game but it is going to be interesting to see who raises points of order on what amendments and whether or not we now find the Budget Act really is just a political football. Those who may offer amendments like this will not have a point of order raised. I will not raise it because I am very sympathetic to the farmers of South Dakota who were hard hit by the drought of last year. I am sympathetic with all farmers all over the United States who are suffering now because of low prices and droughts and everything else happening to them. But, again, I find it very curious that we do not see a point of order raised by the distinguished chairman of the Budget Committee. Perhaps, after I yield the floor, such will happen. If that is so, I assume the Senator from South Dakota would move to waive the Budget Act and this Senator would be prepared at that point to support the Senator from South Dakota in that motion.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Mr. President, earlier I spoke in support of this amendment. I think there has been a need indicated to review our disaster program. Our State of South Dakota has suffered severe disaster. My colleague has done an excellent job of raising this point. I support the amendment. I will not repeat the speech which I gave earlier today on this amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Is there further debate? If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2264) was agreed to.

Mr. ABDNOR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BUMPERS. Mr. President, what is the pending business?

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Pennsylvania.

Mr. BUMPERS. Could I inquire of the Senator from Pennsylvania whether or not he would like me to ask unanimous consent to set his aside temporarily?

Mr. HEINZ. I would think that we could dispose of the amendment of the Senator from Pennsylvania and the amendment of the Senator from Tennessee, depending upon the time for the remarks of the Senator from Tennessee.

AMENDMENT NO. 2262

Mr. HEINZ. I ask unanimous consent that the Senator from Nebraska [Mr. ZORINSKY], be added as a cosponsor of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRYOR. Mr. President, I ask unanimous consent that I be added as a cosponsor to the Senator from Pennsylvania.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Tennessee is recognized.

Mr. SASSER. Mr. President, I am pleased today to join my distinguished colleague from Pennsylvania as an original cosponsor of this amendment.

The senior Senator from Pennsylvania and I have a long track record with regard to protecting the earned benefits of America's retired railroaders. This amendment goes hand in hand with the Gorton amendment, which was adopted on the floor of the Senate a short time ago.

For the past 5 years now, we have, from time to time, attempted to stave off attacks on the railroad retirement system by this administration. I am sure my distinguished friend from Pennslyvania will recall our efforts in 1982 on behalf of more than 1 million railroad retirees and dependents.

In 1982, I offered an amendment to the budget resolution which essentially protected the retired railroaders from unwarranted benefit cuts by the administration. One of the principal provisions of my amendment protected the vested dual benefit account.

That amendment was agreed to by a very substantial bipartisan majority of 57 to 41.

The Senate has already spoken on this matter and we should not be here, in my judgment, addressing this matter again.

□ 1730

However, because of an apparent oversight in the Gramm-Rudman-Hollings legislation, once again we find it necessary to protect those retirees who were vested under both Social Security and railroad retirement prior to the merging of these systems in 1974.

Mr. President, this is a complicated retirement program and I would like my colleagues to indulge me for just a few moments because I believe it is important that we fully understand it. Railroad retirement benefits have two components that are paid to all retirees: tier I benefits, which are equivalent to Social Security; and tier II benefits, which are essentially a railroad industry pension. However, prior to the restructuring of the system in 1974, there were persons with extensive nonrail employment who qualified for higher benefits under Social Security and railroad retirement combined than did persons who worked exclusively in rail employment. This was recognized in 1975 and the vested dual benefit account was designed to accommodate this inequity.

Now, this dual benefit account is constantly shrinking due to the nature of the limited number of retirees and dependents who qualify for it. In 1983, full funding for the account was $430 million. Prior to the Gramm-Rudman-Hollings sequestration in March the account stood at $390 million. However, while most programs subject to sequestration absorbed a 4.3-percent cut in March, the dual benefit account, because of a glitch in the legislation, received a 7.7-percent cut. These retirees, of which there are 312,000 nationwide, and 6,500 in Tennessee alone, are the only group of retirees who have been asked to suffer a significant cut in real income. It must be remembered, this account does not receive a cost-of-living adjustment. These benefit cuts, therefore, represent a reduction in actual real disposable income.

It is this situation which we propose to correct today with our amendment. Our amendment ensures that there will be no further reductions in the vested dual benefit account. I urge my colleagues to support us in this effort to restore equity in the treatment of railroad retirees under the Gramm-Rudman-Hollings legislation.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania.

The amendment (No. 2262) was agreed to.

Mr. HEINZ. I move to reconsider the vote by which the amendment was agreed to.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2265

(Purpose: To set the loan rate for 1986 and 1987 soybeans at $5.02 and direct the Secretary to implement either a marketing loan or a producer payment option program)

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself, Mr. PRYOR, Mr. FORD, Mr. DIXON, and Mr. HARKIN, proposes an amendment numbered 2263.

At the end of the pending committee amendment insert the following:

SOYBEAN PRICE SUPPORT

SEC. . The Senate finds that:

(a) Soybean production and processing are two of the fastest growing sectors in agriculture, with production having increased seven fold over the last thirty years;

(b) Soybeans rank number two in value in the U.S. for all crops grown, and nearly 50 percent of all soybeans grown in the U.S. are produced on farms harvesting 50 acres or less;

(c) One-fifth of all U.S. cropland is planted to soybeans, and soybeans account for over 30 percent of all land in production in Appalachia, over 40 percent in the southeast, and over 50 percent in the delta states;

(d) The U.S. is the leading exporter of soybeans, exporting over 40 percent of the soybean crop each year, and over 15 percent of the value of all U.S. agricultural exports is due to the sale of soybeans, oil, and meal;

(e) It is widely speculated that the Secretary of Agriculture will announce a new formula price support loan of $4.77 per bushel for soybeans in August 1986, and that required budget cuts could push actual loan prices lower for 1987 soybeans;

(f) Trading of soybeans is currently hovering near the $5.02 loan rate, USDA soybean acreage figures for 1986 were higher than predicted by trade analysts thus putting further pressure on prices, and export sales are slow with foreign buyers anticipating lower soybean prices with the expected lowering of the loan rate;

(g) U.S. soybean stocks are likely to remain near the 1985-1986 record level of 14 million metric tons (515 million bushels) and world soybean stocks are forecast to reach a record 23 million metric tons, and the anticipation of continued large supplies led the Secretary to announce a 12 month extension of 1985 price support loans in order to encourage continued on-farm storage, thereby relieving pressure on commercial storage;

(h) Although world soybean exports are forecast to show a slight gain, U.S. soybean exports are forecast to remain near current levels during 1986-1987, and Brazil and Paraguay are expected to capture the small amount of projected gain;

(i) Although drought conditions affect areas of the south, currently less than 5 percent of the U.S. soybean production lies within the drought area, and this has no significant impact on prices;

(j) Soybeans are an important crop grown on 550,000 farms in the U.S., and a drop in prices, whether brought on by higher than expected production, level exports sales, a decrease in the loan rate, or a combination of these, will have a serious negative impact on net farm income;

(k) In the Food Security Act of 1985, Public Law 99-198, under Section 801, the Secretary is directed to establish the price support rate for soybeans at $5.02 per bushel for 1986 and 1987, and the Secretary, at his discretion, may reduce the support rate no more than 5 percent per year nor below $4.50 per bushel in an effort to maintain domestic and export sales;

(l) Under Section 801 the Secretary may authorize the use of a marketing loan to assist in the maintenance of the "competitive relationship of soybeans and domestic and export markets * * *; and

(m) Under the authority of the Commodity Credit Corporation Charter Act, the Secretary has the authority to implement for soybeans a so-called producer option payment program, under which the government will pay (in cash or certificate) a producer not to put his soybeans into loan or will pay a producer who has a loan to opt out of the loan, and in either case the producer would sell his soybeans at the world price.

Therefore, It is the sense of the Senate, that:

(1) the Secretary of Agriculture shall institute a marketing loan program for soybeans as authorized in the 1985 Food Security Act, or a so-called producer option payment program; and

(2) the Secretary shall maintain the formula price support loan rate for soybeans at $5.02 per bushel.

Mr. BUMPERS. Mr. President, I can describe this amendment, which is a sense-of-the-Senate resolution, which ought to make it fairly palatable to the managers of this bill. It deals with the price of soybeans.

The Secretary has announced a program for 1986 for all other programs except soybeans. I am very apprehensive about what is going to happen to soybean farmers this year and next. I had a conversation with the Secretary this afternoon and discussed several options with him as to what he might be planning. I must say that I was rather pleased by the response, though he has not formulated his final ideas on it and will not, apparently, until later in August. He has all this month to decide what he wants to do with the soybean program.

Mr. President, this sense-of-the-Senate resolution is very simple and I shall describe it concisely and answer any questions anybody has.

No. 1, the soybean loan price this year for the 1985 crop was $5.02. Our amendment would leave the price of $5.02 for the 1986 crop year and the Secretary would have considerable discretion as to how to implement that.

I might say at this point that if there is a sequester this fall under Gramm-Rudman, whatever it might amount to, obviously, the $5.02 loan rate will be reduced by that amount, but I am hoping that there will not be a sequester.

At the $5.02 price, the farmer will have these options under my amendment. I might say if the Secretary chose to pick any one of these as the exclusive option for soybean prices, I think it would probably be satisfactory with me, but I think he might also find it to his advantage, to the farmer's advantage, and to the advantage of the world price of soybeans to combine the options.

The price would be maintained at $5.02 a bushel. The farmer, when he harvests his 1986 crop chooses, under by amendment. He can just go in and put his crop in at $5.02. But the Secretary would be directed under this amendment to establish a marketing loan agreement, which would simply work this way.

You go ahead and put your beans in loan at $5.02 and at any time during the 9-month period until maturity of the loan, the farmer could take his beans out of loan and redeem them and sell them on the world market at the world market price. He would then be paid by the Secretary the difference between that price and $5.02. But the benefit is that he would sell the beans—the Government would not store them. And the price would be competitive. This should increase our export potential rather dramatically without hurting the farmer financially. He is, in effect, being allowed to redeem his loan at the world market price.

The third option is, and I think the Secretary is going to like this one, to encourage people not to put their beans in the loan. This is the one that the American Soybean Association, I think, really prefers. The farmer goes to the Commodity Credit Corporation and gets a certificate in value of $1 per bushel, either a generic certificate or one that is only redeemable in soybeans at the discretion of the Secretary. That is all he ever gets. If he sells the beans for $4.50 and redeems the certificate for $1, he winds up getting $5.50. If you sell your beans at $3.50 you wind up getting $4.50.

Mr. President, this program would also work to get people who now have beans in the loan program to take them out. That is about as concise as I can make it.

□ 1740

Mr. President, bear in mind that soybeans do not have a target price. There is no set aside. Any soybeans are not eligible for any kind of a deficiency payment. Finally, it is the only program the Secretary has not announced yet.

All we are trying to say is people are not going to rush to plant soybeans at $5.02 or if there were a Gramm-Rudman cut of 25 cents, they are not going to rush to plant beans for sure at $4.77.

All we are trying to do is to give the Secretary some guidance and let him know that the Senate is very apprehensive about the future of soybean farmers of this country. I am hoping that sometime this month—I understand it is going to be on August 29—the Secretary will make this decision, and I am hoping he will use this amendment as some guide in establishing the program. What we are saying here is first, leave the price at $5.02; second, establish a marketing loan arrangement; third, give people a certificate as an incentive to stay out of the loan program. The amendment directs the Secretary to do these things, but it does not actually change the law to require him to do so. Therefore, it has no budget impact. I am hoping the Secretary will use this amendment as a reason to implement this kind of program.

Mr. President, I hope the floor managers would see fit to accept this.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. BUMPERS. Will the Senator from Pennsylvania yield a moment? I

offer this amendment on behalf of myself, Mr. PRYOR, Mr. DIXON, Mr. FORD, and Mr. HARKIN.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I understand this is supposed to be a sense of the Senate resolution. I have a copy of the resolution, and it is a sense of the Senate resolution up to the point where it says that "Therefore, it is the sense of the Senate that."

And then it departs from the usual way we stipulate a sense-of-the-Senate resolution and goes on to say that "The Secretary of Agriculture shall institute a marketing loan program for soybeans."

It goes on to say that "The Secretary shall maintain the formula price support loan rate in soybeans at $5.02 per bushel."

Mr. President, I have been involved with the drafting, as most of us have, of sense-of-the-Senate resolutions, and we have some objection to that particular drafting in the Senator's amendment. The ones that I have seen—and I have seen a good number of sense-of-the-Senate resolutions—say it is the sense of the Senate that the Secretary of Agriculture should or the Secretary of the Treasury should. I ask the Senator from Arkansas if he would be willing to modify his amendment in order to obviate objections on this side of the aisle?

Mr. BUMPERS. Mr. President, I had assumed, as far as drafting was concerned, once you say it is the sense of the Senate, it is not binding; it is a sense of the Senate that the Secretary shall. But I agree with the Senator that "should" is a better word, and I, therefore, modify my amendment in the first line of item 1, where the word "shall" is stated, by changing it to "should" and in the second item, the Secretary "shall" be changed to "should."

The PRESIDING OFFICER. The Senator has a right to modify his amendment. The amendment is so modified.

The amendment, as modified, is as follows:

At the end of the pending committee amendment insert the following:

SOYBEAN PRICE SUPPORT

SEC. . The Senate finds that:

(a) Soybean production and processing are two of the fastest growing sectors in agriculture, with production having increased seven fold over the last thirty years;

(b) Soybeans rank number two in value in the U.S. for all crops grown, and nearly fifty percent of all soybeans grown in the U.S. are produced on farms harvesting 50 acres or less;

(c) One-fifth of all U.S. cropland is planted to soybeans, and soybeans account for over 30% of all land in production in Appalachia, over 40% in the southeast, and over 50% in the delta states;

(d) The U.S. is the leading exporter of soybeans, exporting over 40% of the soybean crop each year, and over 15% of the value of all U.S. agricultural exports is due to the sale of soybeans, oil, and meal;

(e) It is widely speculated that the Secretary of Agriculture will announce a new formula price support loan of $4.77 per bushel for soybeans in August 1986, and that required budget cuts could push actual loan prices lower for 1987 soybeans;

(f) Trading of soybeans is currently hovering near the $5.02 loan rate, USDA soybean acreage figures for 1986 were higher than predicted by trade analysts thus putting further pressure on prices, and export sales are slow with foreign buyers anticipating lower soybean prices with the expected lowering of the loan rate;

(g) U.S. soybean stocks are likely to remain near the 1985–1986 record level of 14 million metric tons (515 million bushels) and world soybean stocks are forecast to reach a record 23 million metric tons, and the anticipation of continued large supplies led the Secretary to announce a 12 month extension of 1985 price support loans in order to encourage continued on-farm storage, thereby relieving pressure on commercial storage;

"(h) Although world soybean exports are forecast to show a slight gain, U.S. soybean exports are forecast to remain near current levels during 1986–1987, and Brazil and Paraguay are expected to capture the small amount of projected gain;

"(i) Although drought conditions affect areas of the south, currently less than 5% of the U.S. soybean production lies within the drought area, and this has no significant impact on prices;

"(j) Soybeans are an important crop grown on 550,000 farms in the U.S., and a drop in prices, whether brought on by higher than expected production, level exports sales, a decrease in the loan rate, or a combination of these, will have a serious negative impact on net farm income;

"(k) In the Food Security Act of 1985, P.L. 99-198, under Section 801, the Secretary is directed to establish the price support rate for soybeans at $5.02 per bushel for 1986 and 1987, and the Secretary, at his discretion, may reduce the support rate no more than 5% per year nor below $4.50 per bushel in an effort to maintain domestic and export sales;

"(l) Under Section 801 the Secretary may authorize the use of a marketing loan to assist in the maintenance of the "competitive relationship of soybeans and domestic and export markets . . ."

"(m) under the authority of the Commodity Credit Corporation Charter Act, the Secretary has the authority to implement for soybeans a so-called producer option payment program, under which the government will pay (in cash or certificate) a producer not to put his soybeans into loan or will pay a producer who has a loan to opt out of the loan; and in either case the producer would sell his soybeans at the world price.

Therefore, It is the sense of the Senate, that:

(1) the Secretary of Agriculture should institute a marketing loan program for soybeans as authorized in the 1985 Food Security Act, or a so-called producer option payment program; and

(2) the Secretary should maintain the formula price support loan rate for soybeans at $5.02 per bushel.

Mr. HEINZ. Mr. President, I thank the Senator. Just to clarify for the record what the Senator has done, it is my understanding that the resolving paragraph of the amendment now reads, "Therefore, it is the sense of the Senate that the Secretary of Agriculture should institute a marketing loan program," and so forth, and in paragraph 2, "The Secretary should maintain the formula price support loan rate for soybeans at $5.02 per bushel"?

Mr. BUMPERS. The Senator is correct.

Mr. HEINZ. Mr. President, there will be no objection to the amendment on this side.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. PRYOR. Mr. President, there is no objection to the amendment on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2265) was agreed to.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RELEASE OF FATHER LAWRENCE MARTIN JENCO

Mr. DIXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIXON. Mr. President, I have at the desk a resolution that has been cleared on both sides. There is no objection to it. It simply is a resolution by my distinguished colleague, Mr. SIMON, and myself, expressing the delight of the Senate that Rev. Lawrence Martin Jenco has been released; he is back on American soil, and expressing the support of the Senate for the release of Terry Anderson, David Jacobsen, Thomas Sutherland, and William Buckley as soon as possible, and otherwise expressing the resolve of the Senate to work for their release. It has been cleared on both sides, Mr. President. I ask that all Members of the Senate be joined as cosponsors if they are inclined and would appreciate, Mr. President, immediate consideration of the resolution.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

Mr. HEINZ. Mr. President, reserving the right to object, and I shall not object, I commend the Senator from Illinois for his efforts in this regard, and I certainly think that all Senators do indeed welcome the Reverend Jenco.

Mr. DIXON. I thank my friend from Pennsylvania.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will report the resolution.

The bill clerk read as follows:

A resolution (S. Res. 457) to commemorate the return of Reverend Lawrence Martin Jenco to freedom from captivity in Lebanon.

The Senate proceeded to consider the resolution.

Mr. DIXON. Mr. President, it is a happy task to offer a resolution on behalf of myself and Senator SIMON, welcoming Father Lawrence Martin Jenco home.

Earlier this afternoon, I had the honor of greeting him and his family when he stepped foot on American soil for the first time in over 18 months.

It was a deeply moving experience, one I shall not soon forget.

However, in our joy of the return of this kind and gentle man, who has been held hostage by the Islamic Jihad in Lebanon, we cannot forget those who are still suffering at the hands of these terrorists. The families and friends of Terry Anderson, David Jacobsen, Thomas Sutherland, and William Buckley remain without their loved ones. Those hostages, who have been released, have all remained committed to the release of all those who were held with them.

If we had given up after the release of Rev. Benjamin Weir, we would not have welcomed Father Martin home today. And so we must redouble our efforts to see that all of our people are returned to safety very soon.

Much, much more can be accomplished through humanity than hatred. Communication must continue at all levels. The families of the hostages have continued to speak to anyone who would listen, urging the release of their loved ones. It is my belief that these personal, human pleas have been most effective, and it is my sincere hope that the captors will find it in their hearts to release the remaining Americans. They must be convinced that their hostility for our Government should not be directed against innocent people.

Welcome home, Father Martin. We all wish you many years in which to continue your important work and enjoy your beautiful family. They have been magnificent in their steadfast faith that you would return home. You are all an inspiration to me and the entire Nation.

Mr. SIMON. Mr. President, I rise today to join my friend and colleague from Illinois in the submission of this resolution.

It is a great pleasure and honor to welcome Father Jenco home. For his wonderful family it is indeed a dream come true. Let us continue our efforts to make this dream a reality for the families of the remaining hostages in Lebanon.

The PRESIDING OFFICER. Is there further debate on the resolution?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from New Mexico.

Mr. DOMENICI. Will the Senator from Illinois put the Senator from New Mexico on as an original cosponsor? The Reverend Jenco was in my State 2 years, recently as pastor in a church in a small town right next to my hometown of Albuquerque.

Mr. DIXON. May I say I am delighted and honored to have the senior Senator from New Mexico as a sponsor. I do not know whether it is proper, Mr. President, to say but if all Members of the Senate would like to be cosponsors, I know my colleague and I would warmly welcome everyone. This is certainly a resolution everyone can support. It simply expresses our joy that Father Jenco is home and expresses our hope that we could work to obtain the release of the other hostages.

The PRESIDING OFFICER. Is there further debate? If not, the question occurs on the resolution.

The resolution was agreed to. The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 457

Whereas, the release of the Reverend Lawrence Martin Jenco from captivity by his terrorist kidnappers is a matter of international celebration;

Whereas, Terry Anderson, David Jacobson, Thomas Sutherland, and William Buckley are still being held captive in Lebanon by the Islamic Jihad;

Whereas, the Islamic Jihad, in releasing Father Lawrence Martin Jenco, stated that this was their last humanitarian gesture;

Whereas, the families of those who remain captive cannot fully share the joy of the Jenco family so long as their loved ones remain hostage;

Whereas much more can be accomplished with humanity than hatred;

Resolved, that the nation welcomes Reverend Lawrence Martin Jenco home;

Be if further resolved, that we cannot forget those who do not yet enjoy the freedom being celebrated by Father Jenco;

Be it further resolved, that we must continue all efforts to gain the release of the other hostages;

Be it further resolved, that the nation recognizes the efforts of all who worked so diligently for his release and that of his fellow hostages.

INCREASE IN THE STATUTORY LIMIT ON THE PUBLIC DEBT

The Senate continued with the consideration of the resolution.

Mr. DOMENICI. Mr. President, I am going to take a few minutes just to talk about a couple of things, and if there are further amendments, if somebody is in a hurry, if they will just remind me, I will even take less time.

It has been implied on the floor by at least the junior Senator from Iowa that I have some sole and singular responsibility as the Senator from New Mexico because I occupy the position as chairman of the Budget Committee to raise points of order with reference to matters that are brought before the Senate which may or may not affect the budget of the United States.

Now, I did not think I had any special privileges around here, and I did not think I had very many singular responsibilities, some but not very many, so I went back again before I addressed the Senate for a few minutes and looked at the Budget Act. I think the Senate understands this. I hope my friend, the junior Senator from Iowa, does.

I do not find any mention in the Budget Act that points of order are exclusively within the domain of the chairman of the Budget Committee. As a matter of fact, it does not even mention him or her. It merely says, "A point of order shall lie." And as I read the law, that means there are 100 Senators, Democrats and Republicans, men and women. Any one of them have the privilege and the right to raise a point of order about the Budget Act and any violation of it. As a matter of fact, if they want to do it, there is nothing the chairman of the Budget Committee can do about it. I do not exercise my judgment or discretion about anyone raising a point of order on the budget. I hope there are no Senators who would raise that about the Senator from New Mexico.

□ 1750

If anyone is wondering why I approach the Budget Act in a nonpartisan way, all they have to do is look at my record for the last 4 or 5 years. I have had my share of battles with the President of the United States—and he is a Republican—since I have been chairman. I have raised points of order against Republican Senators, against Democratic Senators. Whenever it seems, in my judgment, that I should do it because it is meaningful with reference to what we are trying to do around here, I do it.

Last night, it happened that I thought perhaps $1.5 billion was very meaningful. Since we never had this case before, a 302(c) situation, under the Budget Act—very technical, very difficult—and since the kind of expenditures were very different, because they were entitlements or direct expenditures, I thought I should call it to the attention of the Senate.

So I say to the Senate—in particular, my friend the distinguished Senator from Iowa—that I appreciate the advice he has given me over here—if not directly, by implication—as to when I should and should not raise a point of order. I appreciate it greatly, although I do not think it will have a great deal of impact, because I have

been doing this for a long time. I do not think I need any advice at this point, but I thank him for it.

I also encourage any Senator who worries about a point of order to do what I did and look at the act. It is not the responsibility of the chairman or the ranking minority member, or exclusively their right. Any Senator worried about the budget of the United States and the budget process and bills coming before us that are outside the prerogatives and need a waiver—it is their prerogative to raise the point of order, if they so choose.

I hope they give me the same kind of prerogative to raise it when I choose. I hope there is no implication that I choose that as a partisan basis, because I do not. I have absolutely no regard for that. If it is meaningful, in my judgment, and it should be done, I do it.

Having said that, Mr. President, while I am on my feet, I just want to suggest that I think that during the next 4 or 5 years, we are about to create a new kind of currency in the United States, and it does bother me. I hope the Senate will look at it, not with reference to what we have done but what we might be about to do over the next 4 or 5 years.

Mr. President, we have a lot of grain in storage in the United States that we paid for. Some of it we are paying for with tax dollars. It has a value. When we want to help people, we do not want to tell the American taxpayers: "We want you to pay taxes to help with some program," especially if it breaks the budget. What we are doing is saying why do we not give that person, who is entitled to something—or we are about to say they are—why do we not give them some ownership right in that grain? Why do we not say, "Go sell that ownership right?" And what are they selling it for? Money. The person to whom we gave the certificate gets money for it, and somebody else now own some grain.

We have so many billions of dollars worth of it that if we continue as we are—as we did with the last disaster relief program, as we did with the payment-in-kind program—we think we are going to perform some great subterfuge on the American people, that we can really give money away and it will not cost anyone anything. I submit that it is costing somebody something.

First of all, those who get those certificates and pay money for them probably are going to buy some grain that they otherwise would have bought. So, in a sense, it is no help at all with reference to the surplus, No. 1.

No. 2, if we decide that this is our newest way to pay money to people and assume it is not costing anything, if we indeed continue on that line, then we are going to have people dealing with those certificates almost as some kind of new commodity, and there will begin to be discounts on them. Then what is going to happen? The price of the commodity will drop—and that will really help the farmer. That is what we are trying to prevent from happening. Then the price in the field is going to drop.

So I took the floor to say that I hope that every time we find a problem in farm country, we do not decide that we have a new kind of currency, that we ought to pay somebody in kind by giving them an ownership right in this surplus grain, which they can sell for dollars, without giving some thought to it.

If we would like to take grain and give it to a foreign country as a poverty program, to help them, they are not there as consumers. So presumably they are going to use the grain, and there is a new market and not a drag on the market.

I have one last observation. I think the debt limit bill is getting close to seeing its day. I think it is time we give serious thought to amending the budget law substantively, to put in effect something like the Gephardt rule, which is now part of the U.S. House of Representatives. They do not vote on a debt limit unless we send them a debt limit; and if they have to, they figure out some way not to do it. I used to think it was a giant avoidance on their part.

We have Gramm-Rudman-Hollings and the Budget Act, and we vote for a budget resolution and for appropriations, and every one of them has to have at least a majority of Senators present and voting. We made the decision to spend the money, and then we come along each year, two or three times, and say we have done that, but we do not want to pay for it. Those who do not want to vote to extend the debt say, "We don't want to let our Government borrow, but we already told them they will have to borrow." So we bring this bill up every year, sometimes two or three times a year, to extend the debt which we already created, and then we come here for 1 or 2 weeks with all kinds of amendments; because it is one of those "must" bills which the President of the United States must sign. And if he does not, we run out of money.

So we think we are saying to him: "It is your fault if we run out of money, so sign this bill with anything in it. Send your new farm bill on it, and you had better sign it, or you will be responsible when we can't pay our bills."

Frankly, I hope he vetoes a couple of them. I hope he sends it back if we send all this stuff to him. We just add and add. I think one time we put a foreign aid bill on it because we could not pass an authorization bill for 5 years. We said one time we will put it on and sent it to the President and let him be responsible for the country going broke. It was a foreign aid bill he did not want.

So I say to the Senate that I do not know when, but I think the time has come that we do not have this situation two or three times a year. From my standpoint, in my own right, I am seriously considering how to get rid of it. We may have a 6-week debate when that occurs; but, sooner or later, we will do that, I hope.

Then we will take all those other votes as a sense of our final judgment, and we are not going to try to fool the American people by voting against a debt limit extension when we voted for everything else around here that caused it.

Having said that, Mr. President, I hope we will finish this and make the necessary amendments to the Gramm-Rudman-Hollings effort and get on with getting ourselves out of a sequester possibility.

While we are running into the last hours before we get on with a few efforts to reduce the deficit, let me make a couple of comments on sequester. I think my friends in the Senate might wonder about it.

I am now prepared to say that even if we pass a reconciliation bill at $9.2 billion outlay revenue reduction and it goes to conference and the President signs it, I believe there still will be a sequester, but it will not be very big.

□ 1800

But nonetheless, I believe there will be one.

Let me put it another way. At least the preliminary sequester order will be entered. I think we have an outside chance if we are careful of it being of the dimension and size that we can take care of in between the August 15 date and the October 5 date with some kind of congressional action; at least I hope so.

If the appropriations bills do not exceed the budget resolution by very much in their cumulative effect and they want to get passed in between there and they will keep them under control, I think we might have, let us put it, a probability of avoiding a sequester before we leave on October 5 or thereabouts when we intend to take our recess.

Mr. President, I thank the Senate for their indulgence, and I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

AMENDMENT NO. 2266

(Purpose: To amend the Small Business Act to increase the authorized level of surety bond guarantees)

Mr. ABDNOR. Mr. President, I send an amendment, sponsored by myself, Senator SIMPSON, Senator DANFORTH, Senator ANDREWS, Senator DUREN-

BERGER, Senator KASTEN, Senator PRESSLER, and Senator BOSCHWITZ, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from South Dakota [Mr. ABDNOR], for himself, Mr. SIMPSON, Mr. DANFORTH, Mr. ANDREWS, Mr. DURENBERGER, Mr. KASTEN, Mr. PRESSLER, and Mr. BOSCHWITZ proposes an amendment numbered 2266.

Mr. ABDNOR. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

Mr. BYRD. Mr. President, I object. At least let us hear a little bit about the amendment.

The PRESIDING OFFICER. Objection is heard.

The clerk will report the amendment.

The bill clerk read as follows:

At the appropriate place, insert the following:

SEC. . Section 20(u)(4) of the Small Business Act is amended by striking out "$1,050,000,000" and inserting in lieu thereof "$1,200,000,000".

Mr. ABDNOR. Mr. President, I will be brief. This amendment addresses a crisis which has arisen in my State of South Dakota and which will soon be a problem for many Members of this body. The problem has to do with the SBA Surety Bond Guarantee Program. SBA has already run up against its statutory limit on guarantee authority.

Mr. President, through its Surety Bond Guarantee Program, the SBA assists qualified small business contractors by extending a guarantee to a surety of up to 90 percent against loss in order to make bonding more easily obtainable. Bid bonds, as well as payment and performance bonds, may be guaranteed on contracts of up to $1 million.

Since its inception in 1971, this program has guaranteed over 166,000 surety bonds, permitting the award of over $12 billion in contracts to small businesses. Prior to its enactment small and minority small business contractors, with limited track records and resources, found it difficult, if not impossible, to bid on construction contracts requiring surety bonds. With the assistance of the SBA Surety Bond Program, small businesses are now able to obtain the surety bonding required to bid on almost all federally funded and private construction contracts.

A crisis has arisen for many small contractors who are bidding on projects. With SBA's guarantee authority near expiration, these contractors will not be able to secure a bond and hence will be precluded from participating in the bidding on projects for which they are qualified.

The amendment calls for a $150-million increase in guarantee authority for fiscal year 1986. SBA informs me that an increase of this amount will allow continuation of the program through the end of the fiscal year. I encourage my colleagues to address this problem before the guarantee authority is completely exhausted and many small businesses are left with no alternative but to forego viable business opportunities.

This increase in guarantee authority is within the constraints imposed by Gramm-Rudman-Hollings. As a matter of fact, CBO estimates that this amendment will actually result in a reduction in outlays of $500,000 in fiscal year 1986, due to the increase in fees from this program.

Mr. President, this amendment has been cleared by the Budget Committee, the Small Business Committee Chairman, Senator WEICKER, the Subcommittee on Appropriations for Commerce, State, and Justice. It has been cleared by Mr. RUDMAN.

I have talked to both sides of the aisle, the leadership, and they have all agreed to it.

I urge its passage.

The PRESIDING OFFICER. Is there further debate on the amendment?

Does the Senator from Pennsylvania seek recognition?

Mr. HEINZ. Mr. President, there is no objection to the amendment on this side.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2266) was agreed to.

Mr. ABDNOR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2267

(Purpose: To provide for adequate financing of the costs incurred by the Fiscal Service of the Department of the Treasury in providing services relating to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, and to exempt administrative expenses for the program of old-age, survivors, and disability insurance benefits established under title II of the Social Security Act from sequestration and reduction under the Balanced Budget and Emergency Deficit Control Act of 1986)

Mr. BUMPERS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself, Mr. SARBANES, and Mr. BYRD, proposes an amendment numbered 2267.

Mr. BUMPERS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the Committee amendment, add the following new section:

SEC. . TIMELY ISSUANCE OF OASDI BENEFIT CHECKS; ADMINISTRATIVE EXPENSES OF OASDI TRUST FUNDS.

(a) EXEMPT PROGRAMS AND ACTIVITIES.—Section 255(g)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)) is amended by inserting after the item relating to Exchange stabilization fund the following new items:

"Federal Disability Insurance Trust Fund (20-8007-0-7-650);

"Federal Old-Age and Survivors Insurance Trust Fund (20-8006-0-7-650);".

(b) PAYMENTS FROM OASDI TRUST FUNDS TO FISCAL SERVICE OF THE TREASURY.—Section 201(g) of the Social Security Act (42 U.S.C. 401(g)) is amended—

(1) by striking "(ii)" in paragraph (1)(A)(ii) and inserting in lieu thereof "(ii) the sum derived by adding (I) the amounts required to be expended from the Trust Funds for such three-month period pursuant to paragraph (5), and (II)", and

(2) by adding at the end thereof the following new paragraph:

"(5) Notwithstanding any other provision of law, the Managing Trustee is directed to pay from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund to the Department of the Treasury, for allocation to the Fiscal Service of such Department, the amounts estimated by the Managing Trustee which will be expended by the Fiscal Service during the three-month period referred to in paragraph (1)(A)(i) in connection with the administration of programs established under this title that relate to such Trust Funds. Payments made pursuant to this paragraph shall be finally accounted for in coordination with the final accounting provided for in paragraph (1)(A) and shall be subject to annual audit. Proper adjustments shall be made pursuant to this paragraph to the extent prior payments under this paragraph were greater than or less than actual expenditures by the Fiscal Service in connection with the administration of this title.".

(c) EFFECTIVE DATES.—

(1) The amendments made by subsection (a) shall apply to fiscal years beginning after September 30, 1986.

(2) The amendments made by subsection (b) shall apply to three-month periods beginning after September 30, 1986.

Mr. BUMPERS. Mr. President, this is a very simple amendment and I will make my statement in about 2 minutes.

It simply says that administrative expenses of the Social Security Administration will be exempt from automatic cuts under the Gramm-Rudman amendment.

Last year the GAO did a survey and found that half of the people who called Social Security offices had to call three and four times before they could get anybody on the other end to help them.

That same survey showed that one-fourth of all the people who went to Social Security offices had to wait for more than a half-hour to be served.

In spite of all these deplorable service circumstances, last year there was an effort to start a process that could have led to the closing of hundreds of Social Security offices across the country and it was only an angry response from Congress that stopped it.

There was a proposal to cut 17,000 persons from the Social Security Administration over a 5-year period. That would have amounted to a 20-percent cut in personnel, and it is impossible to imagine how the Social Security Administration could even begin to maintain the services that the elderly are entitled to with that kind of a cut.

Last year Congress told the administration that it expected them to restore 1,000 positions in the Social Security Administration for 1986, and that has not been done.

Mr. President, I have a deep and abiding interest in this for two reasons: No. 1, last year there was a proposal to shut a number of Social Security offices in my State. Second, if you have ever stood around a Social Security office you have watched people come in for service and have to sit for much too long, and it is not the fault of the personnel in the Social Security office—it is because we simply do not have enough personnel to serve the requirements of the elderly. The number of people on Social Security is going up dramatically every year.

It just seems to me that it would really be a breach of faith not to exclude the administrative costs of operating the Social Security System, personnel, and so on. There are roughly 75,000 people in the Social Security Administration serving 35 million people.

This amendment simply says, and I might say to the Senator from New Mexico it is impossible to say precisely what the budget impact of that would be, but I do not think it would be terribly great. But at the same time I can tell you the burden on the elderly would be extensive and considerable unless we do this.

Mr. HEINZ. Mr. President, I want to be clear on what this amendment does.

As I understand it, what the Senator from Arkansas would do is to exempt the operation of all of the nontrust funded administrative practices and services provided by the Social Security Administration from any Gramm-Rudman sequester or operation; is that correct?

Mr. BUMPERS. The Senator is correct.

Mr. HEINZ. Mr. President, I was afraid that that is what the Senator from Arkansas had proposed, because to my mind it would set a very dangerous precedent for us to start exempting every bureaucrat who works with or administers the trust fund.

We are talking about not just the Social Security trust fund here or the Medicare trust fund, but we are talking about the airport trust fund. We are talking about the highway trust fund. We are talking about, I suppose, the waterway trust fund in which user fees are deposited. We can think of probably a half dozen or a dozen trust funds.

By the way, if in fact we establish the precedent of protecting from the Gramm-Rudman sequester those civil servants who administer services connected with a trust fund, we are beginning to find a lot of other agencies suddenly developing a trust fund.

Senator PACKWOOD proposed trust funding the Internal Revenue Service, very much for the reasons that are suggested here.

Some people have proposed trust funding the Customs Service. Then all the Customs people will get special protection at some point.

I suppose someone will come along and trust fund Congress and the next thing you know we will not be able to be subject to Gramm-Rudman.

□ 1810

Well, Mr. President, that principle, it seems to me, is just a bad principle. If we are serious about cutting the Federal budget, we should not start exempting one group of civil servants or one group of bureaucrats just because of some of the functions they perform in connection with the administration of a program that happens to have a trust fund.

So I move to table the Bumpers amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BUMPERS. Would the Senator withhold?

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. There is a motion to table that is pending and it is not debatable, the Senator is advised.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senator may have 2 or 3 minutes.

The PRESIDING OFFICER. Is there objection to the request?

Mr. BYRD. He asked the distinguished manager of the bill to withhold the motion.

Mr. HEINZ. Reserving the right to object, I think if the Senator from Arkansas is to be yielded 2 or 3 minutes, there should be at least equal time on this side.

Mr. BYRD. Yes, I make that request.

The PRESIDING OFFICER. Is there objection to that request?

Mr. BUMPERS. Reserving the right to object, and I shall not.

Mr. HEINZ. Mr. President, I am not clear on the request.

The PRESIDING OFFICER. A request has been made that there be 2 minutes to be granted to the Senator from Arkansas and 2 minutes to be granted to the other side.

Is there objection? Without objection, it is so ordered.

The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, a number of people wanted to speak on this, but I recognize the time constraints here and everybody is wanting to get going.

I want to make this point. There are now 36 million people on Social Security in this country and the number is going up dramatically each year.

Now, I want somebody to explain to me why this is a bad amendment when, obviously, the GAO says Social Security cannot even begin to meet the demand now. And if you are adding a million people a year to the system, what do you think the next GAO report is going to show?

I can tell you that people are going great distances in my State right now—we are a rural State—just to apply for Social Security, sitting there anywhere from 15 minutes to 2 hours to file their application. And I can tell you that if this amendment is defeated, they will be sitting there for 3 or 4 hours and going even greater distances. Because every Senator here ought to realize that there are 5,000 Social Security offices in this country serving these people. In many instances, the service is not enough. But I can tell you one thing: There will be a lot less if this amendment is not adopted, and you can explain to the elderly why they cannot get through on the telephone, why they have to sit there for 1 or 2 hours just to file their applications for Social Security. Five years from now, there will be 5 million more recipients. Are you going to have the same inadequate work force you have now, serving 41 million people?

Mr. President, this is worthy of consideration here and I strongly urge the adoption of it.

Mr. DOMENICI. Mr. President, I might say to my friend, we would be glad to have hearings on this if he would like to bring it before the committee.

Let me make three points. This very issue was raised in the conference on Gramm-Rudman-Hollings between Senators and Members of the House. It was clearly understood that, so long as we were talking about the administrative costs, which are now $3.5 billion, which are appropriated every year, just like hundreds of other accounts, that it ought to be treated like all other accounts.

I guarantee you that there were horror stories about how we were unable to handle people on the telephone under Social Security before Gramm-Rudman-Hollings was invent-

ed, and there will be trouble with it even after it has left the scene.

It is a $3.5 billion appropriated account, just like the other appropriated accounts of our Government, and this will stay. If this amendment is adopted, it is taken out of the sequester pressure and we do not have anybody there putting any pressure on us to get our budget under control, because here is another big account that is never going to be touched.

We want to pay Social Security. We have exempted it. Why are we going to exempt an administrative process in the administration of hundreds of thousands of people? They ought to be able to find the 4-percent savings if there is a sequester, just like the Highway Administration, just like all the other parts of our Government that are having trouble in tough fiscal times. If this was something that we had dreamt up and sort of hoodwinked the House into agreeing to, perhaps we ought to reconsider it. But they know it is in here in conference. They understand it and they agreed to it. It should not have special treatment. We are not trying to give it any different treatment than any other account of Government. They can streamline like everyone else.

If I have any further time, I yield it to the Senator from Texas.

The PRESIDING OFFICER. The 2 minutes have expired.

Mr. BUMPERS. Mr. President, do I have any time remaining?

The PRESIDING OFFICER. The Senator has 30 seconds remaining.

Mr. BUMPERS. Mr. President, I want to make this point. There has been much made about trust funds, that if we are going to exempt the Social Security trust fund, how about the highway trust fund and how about the airport trust fund?

I want to say to my colleagues that anyone who does not know the difference between the Social Security trust fund and the highway trust fund or the airport trust fund or any other trust fund is in big trouble.

I yield back the balance of my time.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Pennsylvania [Mr. HEINZ] to table the amendment of the Senator from Arkansas [Mr. BUMPERS]. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BRADLEY (after having voted in the negative). Mr. President, on this vote I have a live pair with the senior Senator from California [Mr. CRANSTON]. On this vote I voted "yea." If he were present and voting, Senator CRANSTON would vote "nay." Therefore, I withdraw my vote.

Mr. ARMSTRONG. I announce that the Senator from Maine [Mr. COHEN], the Senator from New York [Mr. D'AMATO], the Senator from Missouri [Mr. DANFORTH], the Senator from Washington [Mr. EVANS], the Senator from Utah [Mr. GARN], the Senator from Florida [Mrs. HAWKINS], the Senator from New Hampshire [Mr. HUMPHREY], the Senator from Idaho [Mr. MCCLURE], the Senator from Oregon [Mr. PACKWOOD], the Senator from Delaware [Mr. ROTH], the Senator from Wyoming [Mr. SIMPSON], the Senator from Idaho [Mr. SYMMS], the Senator from Virginia [Mr. TRIBLE], and the Senator from Connecticut [Mr. WEICKER] are necessarily absent.

Mr. BYRD. I announce that the Senator from California [Mr. CRANSTON], the Senator from Colorado [Mr. HART], the Senator from New York [Mr. MOYNIHAN], and the Senator from Rhode Island [Mr. PELL] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 45, nays 36, as follows:

[Rollcall Vote No. 175 Leg.]

YEAS—45

Abdnor	Gorton	McConnell
Armstrong	Gramm	Melcher
Bentsen	Grassley	Murkowski
Bingaman	Hatch	Nickles
Boren	Hatfield	Nunn
Boschwitz	Hecht	Pressler
Broyhill	Heinz	Proxmire
Chafee	Helms	Quayle
Cochran	Hollings	Rudman
Dixon	Kassebaum	Stafford
Dole	Kasten	Stennis
Domenici	Laxalt	Stevens
Durenberger	Long	Thurmond
Exon	Lugar	Wallop
Goldwater	Mattingly	Warner

NAYS—36

Andrews	Glenn	Matsunaga
Baucus	Gore	Metzenbaum
Biden	Harkin	Mitchell
Bumpers	Heflin	Pryor
Burdick	Inouye	Riegle
Byrd	Johnston	Rockefeller
Chiles	Kennedy	Sarbanes
DeConcini	Kerry	Sasser
Denton	Lautenberg	Simon
Dodd	Leahy	Specter
Eagleton	Levin	Wilson
Ford	Mathias	Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Bradley, for.

NOT VOTING—18

Cohen	Hart	Pell
Cranston	Hawkins	Roth
D'Amato	Humphrey	Simpson
Danforth	McClure	Symms
Evans	Moynihan	Trible
Garn	Packwood	Weicker

So the motion to lay on the table amendment No. 2267 was agreed to.

□ 1830

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. HEINZ. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, I just want to comment on this vote. I think it is an unfortunate vote, and I think it is an improper vote. We have tried over a period of time to keep Social Security out of the Federal budget. We have acted to do so so that we would not go in and try to chop up the Social Security system, which is financed by its own payroll taxes. The Social Security system is in good financial condition as we know it at the present time.

What is happening here is that the people who do not like Social Security, people who consistently voted against Social Security in terms of cuts in the minimum benefit, cuts in the early retirement benefit, cuts in the COLA adjustments, for the most part are the people here today who are voting to cut the ability of the agency to act administratively.

Mr. FORD. Mr. President, I make the point of order that the Senate is not in order.

The PRESIDING OFFICER. The point of order is well taken. The Senate is not in order. The Senate will come to order.

□ 1640

Mr. RIEGLE. Mr. President, I am distressed about the fact that a tabling motion was offered on this issue, which is a very important issue, without there having been a chance for any kind of meaningful debate on the issue. All the money that is used to run Social Security administratively comes out of the Social Security trust funds; it is money that is considered in terms of the payroll tax contribution and is there for a purpose. Those who run Social Security have to decide what the administrative needs are. All the evidence we have shows that Social Security is not overstaffed. In fact, more and more people are coming on the Social Security rolls. It is becoming more difficult to handle that administrative load.

When people are calling in to check their Social Security status, they are finding it is very difficult to get answers because the people are spread so thin within the agency now so that citizens who have to get answers are having difficulty doing so. Sometimes they have to go back several times to try to get an answer or to wait for long periods of time.

Social Security offices across the country have either been shut down or are threatened by shutdown because there is not enough staff to manage them.

If you look at this vote total we have just had, most of the people—not all but most of the people—that are on that tabling motion today are people who have consistently voted to cut

Social Security in a multitude of different ways over a period of time. So I do not think anybody ought to be misled about what is going on here. People are trying to reach over into the Social Security system to produce an artificial saving so they can somehow say that is in effect reducing the spending of Government in other general areas of Government, separate and apart from Social Security. That is what is going on here. We have seen this time and time again.

The effort to cut the minimum benefit, the effort to cut early retirement benefits, to cut the COLA benefit, the effort to squeeze other people out in terms of their Social Security, all have been made not to save Social Security but to create an artificial saving to keep from cutting other Government spending that is clearly out of control. That is what is going on here.

That is why the tabling motion was made, because the people on the other side of this issue are afraid to debate the issue before the vote. They want to vote first and not have any debate. Whoever voted to table this issue, is going to have this come back to haunt them and bite them in the future and it should. It is an attack on Social Security and an attack on Social Security recipients. That is exactly what it is.

If every agency in the Government were as competently run today as the Social Security Administration, we would save billions of dollars. If you want to look at administrative waste, go to the Defense Department. There is plenty of it there. Go to any other agency of Government. My experience has been the Social Security Administration is run quite efficiently. Its administrative cost levels are lower, by and large, than in other areas of the Government.

When I see people coming in here to arbitrarily cut the Social Security Administration, where everybody that belongs to Social Security needs a timely response and you need administrative capability in order to provide that, to come in here and target that agency with this kind of Gramm-Rudman cut, especially after we have had all the sophistry in the past about protecting Social Security from Gramm-Rudman and then to see them come back around and attack Social Security in this backdoor fashion, I think is wrong.

I think it is wrong and it ought to be unmasked. I hope we will have an opportunity in the future to vote on this issue again after we have had a lengthy debate. I want to see people cast those same votes when all the facts are out in the light of day.

I think many of the people who voted to table today, if they knew the public was going to understand the meaning of that vote, might think twice about it and vote the other way.

I yield the floor.

AMENDMENT NO. 2268

(Purpose: To change the basis for computation of emergency compensation whenever the Secretary of Agriculture adjusts the level of loans and purchases for the 1986 crop of wheat under the Agricultural Act of 1949.)

Mr. BOREN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. BOREN], for himself, and Mr. ANDREWS, Mr. NICKLES, Mr. MELCHER, and Mr. EXON, proposes an amendment numbered 2268.

Mr. BOREN. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the pending amendment, add the following new section:

SEC. . Section 107D(c)(1)(E)(ii) of the Agricultural Act of 1949 is amended by striking out "marketing year for such crop" and inserting in lieu thereof "the first five months of the marketing year for the 1986 crop and the marketing year for each of the 1987 through 1990 crops".

ADJUSTMENT OF BASIS OF DETERMINATION OF WHEAT DEFICIENCY PAYMENTS

Mr. BOREN. Mr. President, this amendment will modify the basis for determination of a portion of wheat deficiency payments for the 1986 wheat crop.

Let me make it perfectly clear at the outset, Mr. President, this amendment will not cost the taxpayers 1 cent. According to CBO estimates received this afternoon, there is no cost associated with the amendment. Consequently, this amendment is not subject to a point of order.

The Food Security Act of 1985 included a provision which requires a portion of the deficiency payment to be determined on the basis of the reduced loan rate or the average price received by farmers during the marketing year. In the past, the entire deficiency was based on the loan rate or the average price during the first 5 months of the marketing year. Under previous law, producers could get their entire deficiency payment 5 months after the beginning of the marketing year. For wheat, that meant producers received their deficiency payments in November. Under the farm bill enacted in December, producers can get a portion of their deficiency payment in November, but must wait until June or July of the next year to receive the balance.

The 1985 farm bill provides for two deficiency payments, in essence. The regular deficiency payment is based on the difference between the target price and the statutory loan rate or the average market price during the first 5 months of the marketing year, whichever is higher. The Secretary has the authority under the law to reduce the loan rate by up to 20 percent. If the Secretary uses this authority, which he has for the 1986 wheat crop, the producer is then entitled to another deficiency payment. This payment is based on the difference between the statutory loan rate and the new loan rate or the average market price during the entire marketing year.

The 1986 program for wheat provides for a target price of $4.38 per bushel. The statutory loan rate is $3, providing for a maximum deficiency payment of $1.38. The Secretary did use his authority to drop the loan rate to $2.40 thereby providing for a second deficiency payment with a maximum rate of 60 cents. It is this deficiency payment which is determined by using the market price for the entire marketing year. As the law stands now, farmers must wait until June or July 1987 to receive this second payment on a crop that is harvested, in Oklahoma, in May 1986. For wheat, the marketing year ends in May the year after the crop is harvested. When this provision was included, obviously little thought was given as to the effect this would have on producers' income and their ability to pay their operating loans or their ability to cash-flow.

American farmers are having a very difficult time generating enough cash to meet their current expenses right now. If they cannot get all of their deficiency payment until the summer of 1987, many will be unable to raise enough cash to put in the 1987 crop due to the fact that they will not be able to produce a financial statement which cash-flows this year. Farmers need to receive their payments in a prompt manner; they cannot afford to wait an entire year to be paid for their crop. Creditors will be hesitant to provide a farmer money for the 1987 crop if the farmer cannot pay off his loan for the 1986 crop.

Mr. President, this problem is very serious. There could be many producers forced out of business simply because of the provision contained in the 1985 act.

It is true, we adopted the same provision in the farm bill for corn. However, corn producers are not faced with the problem encountered by wheat producers. A corn farmer's balance sheet and his ability to cash-flow will not be changed if he receives the balance of his deficiency payments 12 months after the marketing year begins or 5 months after. This is because the marketing year for corn begins on September 1 and ends on August 31. If the payment is based on the first 5 months of the marketing year, they get their payment in February. If the payment is based on the

full 12 months of the marketing year, they get the payment 7 months later, in October of the same year. The corn farmer's cash-flow statement remains the same for that calendar year.

Wheat producers, on the other hand, are affected because the wheat marketing year begins on June 1 and ends on May 31. This means that if the payment is based on a 5-month average, the producer gets the money in November of this year. If the payment is based on a 12-month average, on the other hand, the producer will not get the payment until July of the next year. This creates a shortfall for the current year. For wheat producers, unlike corn producers, there is a cash-flow problem.

The amendment we are considering today will correct this problem by requiring that all deficiency payments be determined on the basis of the average market price received during the first 5 months of the marketing year instead of the entire marketing year. This modification would only affect the 1986 wheat crop. The amendment does not modify the farm bill with respect to future crops.

As I stated earlier, this amendment will not cost the Federal Government 1 cent. Without its adoption, on the other hand, it will place a tremendous burden on the wheat farmers of our Nation.

I urge my colleagues to support this amendment.

Let me make it perfectly clear once again, Mr. President, that this amendment will not cost the taxpayers. According to a CBO estimate received this afternoon, there is absolutely no cost at all associated with this amendment. Consequently, the amendment is not subject to a point of order.

Let me explain very briefly. Under the provisions of the farm bill we passed, there are two deficiency payments. One is on the basis of the normal statutory loan rate and the target price. The other is under the authority of the Secretary of Agriculture to reduce the loan rate from $3 down to $2.40. That additional 80 cent deficiency payment, according to the way the farm bill was drafted, would not be paid until after the end of the marketing year and would be based upon a 12-month average price. In the past, we have always based a deficiency payment on the average of the first 5 months' prices. That would mean, ironically, that while the farmers are being pressed so hard right now in terms of their cash-flow, the second deficiency payment would not be paid until after that entire marketing year. This would create cash-flow problems.

Mr. President, by shifting this for 1 year only, given the fact that the market price is now below the loan rate for both the $3 and the $2.40, there is no cost at all associated in allowing the farmers to have the usual 5 months' average and be able to be paid within the same calendar year that they have harvested the crops. It is very important because when they go to the bank, they need to be able to show that cash-flow to get their loans to plant the crop for next year.

Mr. President, I shall defer further explanation in light of the time constraints on my colleagues. I believe it is understood by those on both sides of the aisle and it is my hope that the amendment might be accepted.

Mr. NICKLES. Mr. President, I congratulate and compliment the senior Senator from Oklahoma, my friend and colleague [Mr. BOREN]. I am a cosponsor of this amendment and a sponsor of the earlier legislation that did the same thing.

Basically, by moving this up from July to November or December, this would allow farmers to receive deficiency payments in the same time period they have received them for the last several years. With wheat prices being as low as they are, it would make sense. To say they are having cash-flow problems would be an understatement.

I hope my colleagues can agree to it. I hope we can do it by voice vote. It is a positive amendment, a good amendment for wheat farmers. It will not have any impact on the budget.

Basically, we are talking about moving it up in the fiscal year, but allowing the wheat farmer to have the payments in the same calendar year. That is the way they have had it in the past, that is the way it will be this year if the amendment is agreed to. I hope it will be agreed to.

Mr. FORD. Mr. President, will the Senator from Oklahoma yield for a question?

Mr. BOREN. I shall be happy to yield.

Mr. FORD. Does the Senator's amendment just apply to wheat?

Mr. BOREN. Yes, Mr. President, and for this year. We are in a difficult situation and we want to move the payment date this year for wheat only because of the price situation, according to the CBO estimates, without having any budgetary impact at all. So for wheat farmers, when they have harvested that wheat, let us say in May or June of this year, instead of having to wait until July of the following year to get their payment, they would get their payment in November.

Mr. FORD. I understand that part of it. I just want to know if anybody else is taken care of. It appears we are reaching all the way back to 1982, or trying to, to pay for flood and other disasters, droughts, and I think before this night is over, I may have a little 1983 amendment.

I thank the Senator.

Mr. BOREN. I thank my colleague.

Mr. HEINZ. Mr. President, I am advised by the Budget Committee that this is budget neutral. I am advised there is no objection on the part of the Committee on Agriculture and I know of no objections.

The PRESIDING OFFICER. Is there further debate on the amendment? The Senator from South Dakota.

Mr. ABDNOR. Mr. President, I ask unanimous consent that the Senator from South Dakota may be listed as a cosponsor.

Mr. BOREN. I would be privileged to add the Senator from South Dakota as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

□ 1850

Is there further debate? Is there further debate on the amendment?

The amendment (No. 2268) was agreed to.

Mr. BOREN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2269

(Purpose: To provide for adequate financing of costs incurred by the Fiscal Service of the Department of the Treasury in providing services relating to the social security trust funds)

The PRESIDING OFFICER. Are there further amendments?

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from California [Mr. WILSON], for himself, Mr. LUGAR, Mrs. HAWKINS, Mr. HEINZ, and Mr. TRIBLE, proposes an amendment numbered 2269.

Mr. WILSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the amendment, add the following:

SEC. . Subsection (g) of section 201 of the Social Security Act (42 U.S.C. 401(g)) is amended—

(1) in paragraph (1)(A)(ii), by inserting after "(ii)" the following: "the sum derived by adding (I) the amounts required to be expended from the Trust Funds for such three-month period pursuant to paragraph (5), and (II)", and

(2) by adding at the end of the subsection the following:

"(5) Notwithstanding any other provision of law, the Managing Trustee is directed to pay from each of the Trust Funds to the Department of the Treasury, for allocation

to the Fiscal Service of such Department, the amounts estimated by the Managing Trustee which will be expended by such Service during the three-month period referred to in paragraph (1)(1)(i) in connection with the non-personnel costs of administration of title II relating to such Trust Funds. Payments made pursuant to this paragraph shall be finally accounted for in coordination with the final accounting provided for in paragraphs (1)(A) and shall be subject to annual audit. Proper adjustments shall be made in payments subsequently made pursuant to this paragraph to the extent prior payments were greater than or less than actual expenditures by such Service.".

Mr. WILSON. Mr. President, as we have established, Social Security payments have been protected from sequestration under the Gramm-Rudman-Hollings law, but the moneys necessary to print and mail the Social Security checks are subject to sequestration. Now, that I think is unintended and it is simply a function, Mr. President, of the fact that rather than having the funds paid for directly from the Social Security Trust Fund itself there is a roundabout procedure employed. The Financial Management Service, which is within the Treasury Department, is the agency actually responsible for issuing and mailing all Social Security benefit checks. But instead of its being reimbursed directly from the trust fund, it currently works in a different fashion. The Social Security Trust Fund instead makes payment to the general fund. The FMS within Treasury receives an appropriation and thereby, of course, is subject to sequestration.

Now, the point very simply stated is that if the Social Security Trust Fund itself directly mailed and printed the checks, there would be no question because sequestration would never come into play. So what we are seeking to do very simply is to achieve just about that same effect without amending Gramm-Rudman and without amending the budget.

Mr. HEINZ. Will the Senator yield for a question?

Mr. WILSON. Yes, I will be happy to yield.

Mr. HEINZ. Mr. President, I thank the Senator from California for yielding. I would like to know, if the Senate were to adopt his amendment, were it to become law, whether it would in any way prevent a sequester from going into effect that would cut, for example, any kind of controllable expense in the Social Security Administration? Controllable expenses typically are such expenses as personnel pay, those kinds of costs. Or does his amendment only affect the kinds of costs that must be incurred every time the Social Security check is mailed, that is to say, the cost of paper for the check, the cost of printing the check, the cost of postage, which are literally, I think, within the commonsense meaning of the world "uncontrollable"?

Are there any controllable costs that would be exempted from Gramm-Rudman sequestration?

Mr. WILSON. No, there are not. They are uncontrollable expenses. They are the paper, they are the postage, they are the cost of printing, and the mailing.

Mr. HEINZ. I thank the Senator for his answer. Mr. President, the reason I make that point is that there is, at least on the surface, similarity between this amendment and the amendment of the Senator from Arkansas [Mr. BUMPERS]. Senator BUMPERS' amendment, however, would have exempted $3.5 billion worth of expenses, most of which, if not all of which, were in the common parlance "controllable" expenses. And so I think we have established for the record and I think the Senator from California has made clear that these kinds of costs which he has referred to in his amendment, which his amendment covers, would but for an oversight that was made at some point in the past normally have been costs that would have been borne by the Social Security trust tund. My understanding is in fact the trust fund will bear those costs.

Mr. WILSON. That is correct. The only change, the simple change is that they will make reimbursement directly to the Financial Management Service.

It does not amend Gramm-Rudman. It does not amend or change the Budget Act. It does not affect costs except in the sense that what it will do is allow the Financial Management Service to gain full reimbursement required in order to make timely delivery of the checks.

Mr. HEINZ. Mr. President, I know of no objection to the amendment on this side.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, I am not sure what this amendment does and I gather that it is designed to affect Social Security in a way that I think is probably going to hurt it. Now, as I understand it, in listening to the Senator—and perhaps the Senator from California will persuade me to the contrary—the thrust of his amendment is to see to it that there would be no cuts in administrative service costs with respect to sending out the Social Security checks. Am I right in thinking that?

Mr. WILSON. It is designed and would achieve the effect of allowing the agency that has the responsibility for printing and mailing the checks to receive full direct reimbursement from the Social Security Trust Fund.

It thereby eliminates the possibility of sequestration and the reduction of the funding necessary for full cost reimbursement, for the cost of printing and mailing.

Mr. RIEGLE. What areas of Social Security, may I ask, would be affected by Gramm-Rudman cuts, then?

Mr. WILSON. By Gramm-Rudman costs?

Mr. RIEGLE. By sequester under the Gramm-Rudman law? What area of Social Security then, administrative activity would be cut?

Mr. WILSON. None.

Mr. RIEGLE. None whatsoever?

Mr. WILSON. No, because this would avoid any appropriation. The point is that if the Social Security Trust Fund itself were directed to print and mail the checks, obviously there would be no sequestration. But because instead we employ an office within the Department of the Treasury, that Department and that office now receive an appropriation and therefore are subject to sequestration. So what this would do is achieve the effect of a direct payment from the Social Security trust fund to FMS and thereby eliminate any problem with there being less than full costs being reimbursed.

Mr. BUMPERS. Will the Senator from Michigan yield for a question?

Mr. RIEGLE. Yes, I would yield for a question without losing my right to the floor.

Mr. BUMPERS. As I understand the amendment of the Senator from California, the checks that go out to Social Security recipients each month, the manual labor and the printing of the checks, the envelopes, the postage, all of that, is done by Treasury, not by the Social Security Administration; is that not correct?

Mr. WILSON. That is correct.

Mr. BUMPERS. And the money that we appropriate to Treasury is actually used for this purpose. So what the Senator is doing—and I am going to support the Senator, I am going to support this amendment—is exempting that part of the Treasury Department's appropriation that they use for the mailing, for the printing, whatever that costs, the printing, postage, and everything it takes to get these checks out every month. Is that not a fair statement?

Mr. WILSON. That is a fair statement. The Senator from Arkansas is correct because what he is really saying, and this is the fact, is that this amendment will result in funds from the Social Security trust fund which are being used to pay for the printing and mailing not going through the roundabout procedure of going into the general fund through an appropriation which is sequesterable.

Mr. GRAMM. Will the distinguished Senator yield? I can give you the numbers that nail down the coffin on this. The Financial Management Service within the Department of Treasury performs a number of services, including a mail house function for a variety

of Government agencies—Social Security, VA benefits, IRS refunds and civil service checks. It works like this. Fifty-one million dollars in expense is incurred this year for check mailing by Social Security, so the Financial Management Service technically spends the $51 million necessary to send out these checks, and then sends a bill to Social Security. Social Security pays it. Now, when a sequester order comes in and the $51 million is cut, the necessary check mailing services would be reduced. Social Security is not affected. The services are affected. So all the distinguished Senator from California is doing here is structuring the system just as if Social Security mailed the checks themselves.

□ 1900

What we are doing is making an accounting change for bookkeeping purposes, just as if Social Security mailed the checks themselves rather than paying the Financial Management Service to do this. It is a simple, reasonable amendment—no hidden trapdoors.

Mr. BUMPERS. I should like to make this point: As I understand it, it is a very graphic description of what happens. What Social Security does, in effect, is that they are contracting with financial services of the Treasury Department to perform this function for them, and they reimburse them for that function. Is that correct?

Mr. GRAMM. That is correct.

Mr. WILSON. That is correct.

Mr. BUMPERS. Without this amendment, if Gramm-Rudman-Hollings were to take effect and there was a sequester order, the $51 million that the Senator just mentioned would be subject to a sequester order, would it not?

Mr. GRAMM. The Senator is correct.

Mr. BUMPERS. So the difference in the amendment of the Senator from California and the amendment of the Senator from Arkansas is simply one of degree.

Mr. GRAMM. Mr. President, if the Senator will yield, I will respond.

In this situation, we are talking about postal charges that are paid ultimately to the Postal Service and what is in essence a Government mail house that sends the checks. In the case of the distinguished Senator's amendment, we were talking about $3.7 billion. We were talking about 78,000 employees. We were talking about a number of activities within an agency that last year gave back $100 million, the year before gave back $100 million, the year before that gave back $70 million. That is the difference, and it is a very significant one indeed.

Mr. BUMPERS. As I say, it is just a matter of degree.

The other point I want to make is that this is not just postage. This is manpower for the printing, manpower for operating the mailing machines—the whole 9 yards; $51 million.

If there were a 10 percent sequester order, that $51 million would be subject to a $5.1 million sequester.

I remind the Senator that I intend to support the amendment. But to suggest that, somehow or other, this amendment has no effect on Gramm-Rudman and we are not amending the Gramm-Rudman law is not correct.

Mr. RIEGLE. Mr. President, not having yielded the floor, let me ask this question of the Senator from California: What would the effect of this be on district offices?

Mr. WILSON. It would have no effect on district offices because it does not relate to them. It relates purely to the printing and processing and mailing of the checks.

Mr. RIEGLE. Is the Senator aware of what a sequester order under Gramm-Rudman would do to district offices of Social Security?

Mr. WILSON. Yes, but that would have no effect whatever on this.

Mr. RIEGLE. Can the Senator from California tell me what that would be? My understanding is that if we have a sequester under Gramm-Rudman, the administrative moneys available that run the district offices of Social Security will be cut. Is that the understanding of the Senator from California?

Mr. WILSON. The administrative? Yes, I think that is the case.

Mr. RIEGLE. How about those people who work on the administrative side of Social Security, who have the job of registering new beneficiaries? If there is a sequester under Gramm-Rudman, would that person not also be cut?

Mr. WILSON. The administrative services would be subject to sequester, as I understand.

Mr. RIEGLE. So they would be cut as well.

How about people in Social Security who provide basic services—answer the phones and deal with citizens who walk into local offices to check on the status of their Social Security account? If there is a Gramm-Rudman sequester, those personnel would also be cut, would they not?

Mr. WILSON. Administrative services would be subject to the sequester.

Mr. RIEGLE. The reason I asked the Senator this is that, for some reason, he is making a differentiation and saying that the people who mail out the checks should be protected from sequester cuts, but the rest of the Social Security functions that are carried out by these other people—those who run the district offices, who register new beneficiaries, who answer inquiries of people about their Social Security accounts—you do not make any provisions for them, and they would be subject to cuts under Gramm-Rudman.

Mr. WILSON. This relates purely to the processing and mailing of the checks.

Mr. RIEGLE. Why does the Senator make that differentiation? Why is it more important to exempt that group of employees that is mailing out the checks than it is to not exempt the employees who are figuring out who the checks should be mailed to and what the amounts are? I do not understand the difference—why you can make a differentiation and exempt one group but not exempt another group that is equally vital in getting the right amounts to people.

Mr. WILSON. I think the Senator just made that distinction. But I think the real answer to the question is that these are uncontrollable costs. There is nothing the Social Security trust fund can do about the cost of postage. It costs them the same as you and me—I take that back. It costs them a good deal more. There is nothing they can do about the cost of printing. Those are uncontrollable.

The Senator is talking about minimal personnel costs in this amendment. Knowing that he, and I think probably everybody else on this floor, does not wish to create a situation, particularly through inadvertence, where we have risked the untimely delivery or the delivery to less than all the recipients of the funds to which they are entitled, I would urge that we cure this existing defect, and we can do it very simply.

Mr. DOMENICI. Mr. President, will the Senator permit me to explain?

Mr. RIEGLE. Just a minute, I say to the chairman of the committee.

This is precisely the problem. You have taken out a very small part of the total administrative effort of Social Security. You have taken out only the mailing of the checks. But, in a sense, everything that comes before that is actually, in many respects, even more important, because that determines who gets the check, when they should get the check, what the amount of the check should be; if there is a mistake, how it should be cleared up, and so forth.

It seems to me that what you have done with your amendment is that you are leaving the entire rest of the Social Security administrative area subject to these cuts. You are going to let the sequester come in and slice down those areas where we know we have problems, and at the same time you have carved out this one narrow area which has to do only with mailing out the checks, whether they are right or wrong, and saying that that area is more important and there should be no automatic sequester cut in that area.

What I want to understand before we finish discussing this—because there was no debate before, and I think the Senator from Pennsylvania abruptly and improperly cut off debate on this amendment when it was offered by Senator BUMPERS earlier, in his full-scale effort to protect the administrative aspect of Social Security. So I want to understand why we are exempting one part of the administrative effort to Social Security but we are not at the same time exempting the rest of Social Security for precisely the same reasons. I have not heard any answer to that yet, and I would like to hear an answer.

Mr. WILSON. One answer is that we are talking in this case about funds coming directly from the Social Security Trust Fund.

Mr. RIEGLE. All the funds come directly from the Social Security Trust Fund. All the administrative efforts that are paid for by Social Security, that carry out the Social Security function, are paid for out of the Social Security Trust Fund. It is a self-financing operation. They pay their own bills. I do not understand what the differentiation is that you are making.

Mr. DOMENICI. May I answer the question, with the Senator's permission?

Mr. RIEGLE. If the Senator is willing to take a try at it.

Mr. WILSON. I yield to the Senator from New Mexico.

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The PRESIDING OFFICER (Mr. STEVENS). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, let me see if I could explain to the Senate how this works and why the Senator from California has done this precisely in the right manner.

Let me say to my friend from Michigan, if you take the FMS, Federal Mail Service, it is a department of Government. It does a lot of things by way of service for the Government. One thing it does is mail out Social Security checks. What happened under Gramm-Rudman-Hollings is that under current law without this change there was a sequester of FMS. FMS got sequestered. It got its 3.4-percent cut so it did what it could to save money within its hundreds of personnel, even though it had charge of mailing out mail for all branches of Government.

But Social Security's $51 million was not cut. They did the service for Social Security in total. That was current law.

All this amendment is saying is that there will be no change in that, that is the way it will be.

FMS will take a sequester but in no event will they sequester the Social Security funds that come directly to it from the trust fund.

Mr. RIEGLE. I thank the Senator for that explanation, and I understand that with respect to the mailing costs.

But is it the understanding of the Senator from New Mexico that as it relates to the other administrative costs of Social Security, the people who run the district offices, the people who process the claims, the people who answer the phones, deal with walk-in traffic of people who are in asking questions about their Social Security accounts, all those functions as I understand it will be cut if there is a Gramm-Rudman sequester.

Mr. DOMENICI. If there is a Gramm-Rudman sequester the overall administrative functions of the $3.7 billion agency called Social Security, which some years adds offices, some years closes offices, some years adds hundreds of employees, some years is frozen, yes, it will take the same kind of cut as all the rest of the departments of Government.

Mr. RIEGLE. That is precisely my concern.

So in the other areas of the Social Security Administration there will be the automatic cuts in the administrative levels if there is a sequester under Gramm-Rudman. So those areas will have to shave down. But for some reason the Senator is differentiating out the part that has only to do with the mailing of the checks; the Senator protects that part.

Mr. DOMENICI. That is right.

Mr. RIEGLE. What about all those things that lead up to——

Mr. DOMENICI. That is correct.

Mr. RIEGLE. Determining how much money is properly in a person's account, what the amount of the check should be, when the check should go out, when the person is eligible.

Mr. DOMENICI. The Senator is right. We want to make sure they get their checks and they will get their checks and the agency will have to accommodate like every other agency of Government.

Let me tell the Senate what is going to happen and why they were right in tabling the previous amendment.

To have it any other way is to take the $3.8 billion agency that administers Social Security, take it out and say the rest of Government takes its cut, all of the rest of Government takes its cut, half of the cut comes out of defense, and half comes out of education, half comes out of agriculture, and the Senate just decided they were not going to do that. That is the essence of the debate that the Senator wants to bring up again that we finished.

We did not try to move quickly. We did not even know the amendment was coming up. That is for sure. We had lists of amendments around here for days and we did not even know it was coming up. It came up. We debated it and we tabled it.

Mr. RIEGLE. Let me reclaim my time. I thank the Senator for his comments.

I think when we originally handled Gramm-Rudman on the floor there was a real fight on the issue of Social Security. Steps were taken to protect Social Security, to put Social Security to the side.

But what I think is happening here is that we are seeing a back-door attempt to reach in and in effect to cut into the effectiveness of Social Security.

Social Security is one of the most efficiently run agencies within our Federal Government system with respect to the percentage of costs that goes for administrative activity. It is one of the lowest. It is much lower than we find in the Pentagon. It is much lower than we find in other agencies of Government.

I have not heard anybody make an argument that the Social Security Administration today is poorly managed, is overstaffed, is a sloppy operation in terms of lots of extra people sitting around doing nothing.

The picture that I have and the reports I have gotten are to the contrary, that it is an agency that is spread very thin and more and more people are coming on to Social Security all the time.

As I understand it, we will have net addition of people to the Social Security system—I am talking about people who will be entitled to receive Social Security benefits and require processing and so forth—in the amount of a million people a year. So the workload to service the people of the country is growing in Social Security.

I do not think this is a time when we want to come along with automatic cuts, and I do not think frankly we have the capacity here in the Senate to have the knowledge to say that this is the place where we ought to be going out and cutting costs on an automatic basis in an agency separately funded, which is the Social Security Administration.

I just do not think we can make the case that says we should do that. In fact, I do not think we should do that. I think it has a separate administration of people who oversee the execution of the Social Security system, and they are in a position to decide what the level of administrative personnel is that they require.

But what we are finding is that the Social Security offices around the country are being shut down. People are finding that if they call into a Social Security office to try to get needed information about their Social Security account status they are not getting timely answers, they are

having difficulty getting through because the workload is so heavy with the existing base of personnel.

And so to come in here now with an amendment that exempts the mailing costs, that somehow says the mailing cost is more important than the processing cost, figuring out how much a person is entitled to receive, when they are eligible, when their checks ought to start and whether adjustments are needed in their checks. To say we are not going to protect that part of the administrative effort so they really know what we are doing in Social Security, we are going to have the automatic cuts there, but we are going to turn around and say, "But we are not going to have any cuts when we send the checks out, we are going to send the checks out whether they are right or wrong, let us get the checks out."

Well, we do need to get the checks out but it is very important that at the same time we provide the protection for the check writers and the check senders that we provide the same protection for the people who have to do the important arithmetic calculations to decide who is eligible, when they are eligible, what the amounts of their benefits are going to be, especially when the people who contribute to Social Security are paying this bill anyway.

This money is not coming out of the Treasury of the Government. This is coming out of the Social Security Trust Funds. It is coming from people's own contributions to Social Security.

I mean how can we say that part is less important and slice those people out, let us have the automatic cuts there, we cannot protect the calculation of benefit, but once it has been calculated even if it is wrong, let us make sure we send it right on out there. That does not make any sense. We should protect the entire administration of Social Security.

When I get around the country and around my State what I hear the people saying is this; they say "Keep your cotton-picking hands off the Social Security System." Every time Congress tries to fool with it we make it worse, especially since the Reagan administration hit town. It has been to come in here and try to cut it, shave it, cripple it in multiple ways.

In fact, there have even been cases that had to be taken to court to stop some of the abuses that have been going on.

I do not know why the sponsor of the amendment somehow has a particular concern about those employees who send out the checks, but he does not have any concern about the employee who has to calculate how much is supposed to be out in the check—that does not make any sense—or the employee hwo has to calculate whether a person has received the full amount that he is eligible to receive.

The people who run that agency are a lot more competent to run it than we are with the amendments we are offering late in the day on a Friday afternoon, especially when there are not any supporting documents on the other side on this issue.

That is why when the Bumpers amendment was offered before which was designed to protect the whole Social Security Administrative system there was a move to table it immediately and why was that, because there was a desire to prevent debate on the issue.

The only reason we are getting debate now is that we have a secondary amendment that really is very anemic, that addresses only a very small part of the problem and in a sense I think is misleading.

I do not say it is the intent to be misleading but the fact will be it is being misleading because if it is passed, it will give the impression that we are solving the problems within the administrative side of Social Security when in fact we are not.

I must say I detect an eagerness on the part of some to want to get in there and just cut right into that Social Security Administration, and there is an interesting connection between the people who appear to have the greatest enthusiasm for that who are the people that time and time again have come to the floor to try to cut Social Security itself, to try to make deep cuts in it.

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Social Security is not contributing one dime to the Federal deficit at this time. In fact, the system is in surplus and it ought not be subjected to any kind of a sequester.

That is one of the defects of Gramm-Rudman, it ought to have absolutely no way to get its hand in any way, shape or form, on the Social Security System. Not one fingerprint ought to be able to get in there.

But, in fact, that is one of the major defects of Gramm-Rudman, is it is designed so it can go in and cut Social Security benefits, though it pretends and says it does not do that.

Mr. RUDMAN. Will the Senator yield?

Mr. RIEGLE. Of course I yield to my friend.

Mr. RUDMAN. Now, I say to the Senator from Michigan, I have sat here very quietly and listened to the Senator's speech, which he has every right to give. He is my friend. I respect him.

But let us stop it right here. Let us just take the last statement. Statement: Gramm-Rudman was designed to find a way to cut Social Security benefits. That is what the transcript says. I would like the Senator to either withdraw that statement or correct it.

Mr. RIEGLE. Well, let me say to the Senator, I feel that, in this provision, the one we are talking about right now——

Mr. RUDMAN. We are talking about benefits. That is what the Senator said. My question was benefits. The Senator used the word benefits. That is all I am talking about. The Senator can say anything else he wants to say, but the word "benefits" ought to be explained or stricken from the RECORD, because the Senator from Michigan knows that "ain't" so.

Mr. RIEGLE. Let the Senator from Michigan restate his belief about it, and my position is this: What the Gramm-Rudman sequester allows is for the automatic cutting mechanism to reach into the Social Security Administration and to make cuts. Now, I think, when we had the debate originally, the assertion was being made that somehow Social Security, in its entirety, was going to be exempt from any kind of Gramm-Rudman cut. I believe that is the way——

Mr. GRAMM. Will the distinguished Senator yield?

Mr. RIEGLE. No; I do not at the moment. I am talking to the Senator from New Hampshire. I do not yield to the Senator from Texas. When I finish responding to the Senator from New Hampshire, I will be happy to respond to the Senator from Texas.

Mr. RUDMAN. I thank the Senator from Michigan.

Mr. RIEGLE. I am not finished, if I may say.

I think at the time the Social Security protections under Gramm-Rudman, as they were crafted, gave the impression—and I think were designed to give the impression—that Social Security was going to be exempt, lock, stock and barrel from Gramm-Rudman cuts.

Mr. GRAMM. Will the Senator yield on that?

Mr. RIEGLE. No; I will not yield at this time, but I will yield in a moment.

I think the impression was given that the Gramm-Rudman procedure, under any basis, even including the sequester cuts, would not reach in and in any way affect Social Security; that Social Security, as a separate entity, would be exempt. And I think many people ended up feeling somewhat more comfortable about Gramm-Rudman, whether they supported it or not, simply because there was the impression that Social Security was being held harmless. It was being set to the side.

What I am saying in this: It is not being held harmless. I do not mean to suggest the sequester order will cut benefits, per se. I do not want that impression given.

Mr. RUDMAN. I appreciate that.

Mr. RIEGLE. That was not my intention to say that, so let me clear that point up.

Mr. RUDMAN. I thank the Senator.

Mr. RIEGLE. But I will say to the Senator that if the administrative responsibilities that have to be carried out within Social Security itself cannot be carried out adequately, if there are not enough people to do the job and to do it right, if mistakes are made, if they are late in calculating benefits, if they calculate benefits improperly, we could end up sending somebody a check, but it may come later than it should, it may be for a lesser amount than it should be. So, if we are not administering the agency properly, we, in a sense, handicap its ability to function properly and there are going to be mistakes made and people are going to be hurt as a result of it.

I do not think we, in all our wisdom in designing an automatic cut mechanism, ought to reach over into a separate trust fund area, privately and separately financed, and try to tell those people what is the level of proper administrative activity.

I will say, because I do not think this has been said in the debate thus far, the administrative costs of Social Security run about 2 percent of the total expenses of that operation. They are about 2 percent. Now, I do not know of any other agencies in Government, certainly major agencies with the kind of enormous administrative burden that one sees in Social Security, with massive record keeping—you have got almost everybody in the population that has to be handled through their administrative system—I am frank to say I do not know of another agency of Government whose administrative costs as a percent of their total activity is as low as that. Maybe somebody can give me some examples. But if there are other examples, I think they are very few in number and I, frankly, do not know of any.

So my point is this: You have a very well-run agency, in my view, at the moment, although I think they are straining under the increased load of people coming onto Social Security to be able to go ahead and meet their responsibilities. This is not the time, I say to the Senator from New Hampshire, to come in and have automatic cuts hit into the administrative side of Social Security.

The very same argument the Senator from California uses with respect to the mailing costs, to say that it is important we not tamper and interfere with the mailing costs, applies just as importantly, if not more importantly, to say we should not tamper with the administrative side that leads up to calculating who gets the checks and in what amounts and when they ought to be sent.

What sense is there in protecting the mailing side if the checks are wrong? We want to make sure the checks are right and that they are going out on a timely basis. So why not protect the whole process?

Mr. RUDMAN. Will the Senator yield?

Mr. RIEGLE. Yes.

Mr. RUDMAN. I thank the distinguished Senator for his clarification, because I think we all understand now it was not designed to cut benefits.

As far as the Senator's comments, very thoughtful comments, about the system itself, I might just point out to my friend from Michigan, the reason this amendment is offered by the Senator from California is because some bureaucrat down at the Treasury Department issued the classic Washington Monument syndrome statement after the first Gramm-Rudman sequester.

He said: "We have got the checks, but we may not have enough money or equipment to mail them out." And, on inquiry, it was apparent that the Social Security Administration could handle the processing, even with the sequester, but there might be a problem with the mailing. That is what the Senator is trying to fix. I will not debate the rest of the issue with the Senator.

I thank him for his clarification.

The only point I wanted to make was that never on this floor have we discussed, when this was passed, that we were going to cut Social Security benefits. That was my only reason for rising. If I seemed intemperate, I apologize. But the RECORD ought to be clear.

Mr. RIEGLE. I thank the Senator. Let me ask the Senator this question: Is my memory right that, in the original version of Gramm-Rudman-Hollings, Social Security was to be included in the original version under the cutting mechanism, was it not?

Mr. RUDMAN. The answer to that question is that, as it was brought to the floor, it was excluded.

Mr. RIEGLE. I beg the Senator's pardon.

Mr. RUDMAN. The answer to that question is that, as it was brought to the floor, it was excluded.

If the question was: Were other things discussed? A lot of other things were discussed. When it came to the floor as Gramm-Rudman-Hollings, it was excluded. And we are judged here on our records, not on our conversations, even those that took place yesterday, let along 25 years ago.

Mr. RIEGLE. Let me just say to my good friend from New Hampshire, I think he knows, as I do, that the original version of Gramm-Rudman-Hollings, as it surfaced and was debated and so forth, in fact did contemplate cuts in Social Security. In fact, there was quite a battle, as I understand, that went on among both the original sponsors and others who later became sponsors that brought about a change in that. In fact, Senator HOLLINGS and I have appeared on national television shows in which he said he insisted that change be made before he would be willing to come aboard to get to the final version.

Mr. RUDMAN. There were discussions; the Senator is absolutely correct.

The President of the United States, Ronald Reagan, told the sponsors that they had better forget that idea because he would protect Social Security at all costs. When the President speaks, we listen.

Mr. RIEGLE. Yes; well, you know, it is interesting, I would say just in addition to my friend from New Hampshire, the President said a lot of different things on Social Security. He was for protecting it, then he was for cutting it; then he was for protecting it, and then he was for cutting it. And now he is for protecting it again and I am delighted he is. I hope we can keep him in this position for at least 2½ years, because we cannot afford any cuts in Social Security.

Now, the Senator from Texas was asking that I yield to him.

Mr. GRAMM. I will wait to speak on my own time.

Mr. RIEGLE. I thought the Senator might prefer to do that.

I will conclude in this fashion, Mr. President, and that is this: I think what we have here is a situation where it is one thing to go ahead and to protect one small and important part, but a small part of the administrative effort of Social Security, and that is the mailing out of the checks to the recipients. We want those checks to go out and we want them to go out on a timely basis.

□ 1930

But I think we misled people if at the same time we are willing to allow automatic cuts to be made in the administrative side of Social Security that has to do with all of the work that must go on to decide who gets the checks and how much they should get and when they should get them. In fact, if we allow that side of Social Security to break down because there is not enough administrative personnel or because automatic cuts are made in the levels of personnel that are needed, we can find that, in fact, more mistakes will be made. We do not know how many, and we do not know who the persons might be, across the country, that are the ones that have the mistakes made with respect to what they received—but even the ability to go back, check it out, and find it out who is going to be impaired if we see these automatic cuts taking place on the administrative side of all of the

necessary responsibilities of keeping the records, for virtually everybody in the American population.

Because the record has shown that the Social Security Administration has been well run with a very low administrative cost percentage-wise, one of the lowest in the Government. If we could ever get the Pentagon to get its administrative costs down to the level we see in Social Security, we could, in fact, save billions and billions of dollars. That would really have the effect of reducing the deficit.

But what these automatic cuts under Gramm-Rudman do in terms of administrative personnel and administrative effort is that the automatic sequester mechanism reaches back around. It makes a cut of those administrative people and functions in Social Security. They do it blindly. They do it without any measurement of what the needs are within Social Security. They do not take account of the fact that the population is rising—I am told roughly a million new people a year have to be handled within the Social Security recordkeeping system. That does not take into account any of those considerations or the need of people to call to get information and clarification about their records to keep their records straight.

It says, if a Gramm-Rudman cut comes in, we are going to reach right on in and cut the Social Security administrative capability just like we cut everything else. We are going to do that even though the Federal Government is not providing one penny to Social Security. That is the self-financing operation with people themselves, citizens and their employers actually sending the money in to run the Social Security system, to provide the money to do so. In fact, it is in surplus. In fact, it is well managed. It has its own administrative personnel at a senior level that are there to manage the administrative side of that function.

So, it is not as if no one is in charge and they need to have the U.S. Senate or the Congress through an automatic cutting mechanism decide how this ought to be done. They have a way of doing it. They are competent at doing it, and much more competent at doing it than we are.

I will conclude by saying to my colleague and friend from California that I think his amendment addresses one part of the problem. I think it is fine to address one part of the problem. But, if you do not address the remainder of the problem, I think you are misleading people into believing that we are really protecting Social Security I think we are misleading people into thinking that we are protecting Social Security from Gramm-Rudman cuts because clearly we will not, and the administrative side of Social Security will feel the effect of Gramm-Rudman cuts. I do not think we should in any way mislead people into thinking that their problems are going to be more efficiently handled when they go to Social Security. In fact, if these automatic cuts hit Social Security when soembody has a problem, they go to a Social Security office or they write in or call, they are going to get worse service even though they are paying the full dollar for good service.

I will conclude with this final thought; that is, the reason this is happening, the reason some people want to reach in through this automatic Gramm-Rudman cutting mechanism and cut some of the administrative costs out of Social Security, I think ,is really for two reasons. Some people just do not like Social Security. They would like to disband it, harm it, and they would like to do what they could to eliminate it if they could do so.

There are others who want to create, in a sense, an artificial surplus that could then be offset against loaded spending in other parts of the Federal Government because, if you can somehow squeeze down the cost of Social Security by squeezing down the administrative costs of Social Security, under the way we calculate our budget, you can then turn around and give more money to some other agency of Government. You can end up spending more say in the Defense Department under the way we do the accounting and still reach the Gramm-Rudman targets if you go over here into Social Security and somehow make a cut that squeezes down the cost of Social Security.

That is what is going on here. That is what some people want to do. They want to create that saving in Social Security.

Mr. GRAMM. Will the Senator name these people?

Mr. RIEGLE. I will yield to the Senator from Texas.

Mr. GRAMM. I will wait. The Senator was concluding several times. I will wait until he concludes.

Mr. RIEGLE. If the Senator has a question, I would certainly be happy to answer it.

I yield the floor.

The PRESIDING OFFICER. The question is on the amendment.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I will not be long. There are several points I want to make. It is late and no one is probably paying attention to this debate. It is a good thing because any one paying attention would be wasting his time.

Mr. President, first of all, any Member of this body who is awake knows what occurred when we debated the Social Security issue—and, I urge my colleagues to go back and look at the record, look at the debate, look at the conference. We made it very clear. Beneficiaries, yes, bureaucrats, no. We are not going to have two governments in this country, Government employee-Social Security, Government employee-non-Social Security. What kind of system would that be? Quite frankly, I think when people discuss these sinister plots regarding Social Security, they ought to state precisely who they are talking about.

In terms of what we are doing here, the paradox is that this amendment really does not have anything to do with Social Security. Let me explain very simply because I want my colleagues to understand how Social Security has nothing to do with the amendment offered by the Senator from Arkansas. It was simply a way of trying to help out an agency that was affected when the sequester order went into effect not because of the Senator from South Carolina, and the Senator from New Hampshire, and the Senator from Texas, but because the U.S. Congress did not meet the budget it broke, a budget for which I did not even vote. When that cut went into effect a little agency of the Treasury—I say little, only $244.6 million—called the Financial Management Service had a 4.3-percent across-the-board cut.

They were doing work for Social Security with a $51 million mailing cost to Social Security. We did have someone, as indicated by the Senator from New Hampshire, tell us in a typical proposition 13 fashion that government may not be able to mail out the checks. Even though you are paying for the checks, government may not be able to mail them out. There was $244.6 million in the account, Mr. President, the Financial Management Service could have mailed almost five times the number of checks that they actually mailed.

The problem was not that Social Security was cut by Gramm-Rudman, or that postage was cut by Gramm-Rudman. It was not. The Financial Management Service paid the postage on the Social Security checks but because of this expense the rest of the account got cut even more.

This amendment simply does not have anything to do with Social Security checks. This amendment states that for accounting purposes, since Social Security is paying for the service, this payment does not count toward the allocation of the financial management services—so that other accounts do not get cut even more relative to this account.

Finally, let me say that if you do not want the administrative function of Social Security cut—if you honestly believe this is an agency that is so well run that there is not a nickel, not a penny that they could do without, even though they only gave $100 mil-

lion back last year, and gave $100 million back the year before, and $70 million the year before that—then you can prevent such a cut. You can prevent a cut from ever going into effect by adopting a real budget, and enforce it every single day. That is all you have to do. It is easy. That way you can go home and say, I have never cut Social Security. I will never cut Social Security. There are those who would, with their black hearts, but I have never cut Social Security.

Let me say this to my colleagues who do not want to cut Social Security, let us meet the targets of Gramm-Rudman-Hollings and therefore guarantee that this will never happen.

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The question is on the amendment.

The Senator from California.

Mr. WILSON. Mr. President, I thank all participants in this lively debate. I particularly thank my friend from Michigan for his compelling argument in favor of my amendment. I knew that he and others when they understood would realize how important it is for Social Security recipients to receive their checks on time.

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What we are seeking to do, neither he nor anyone else need apologize for, to simply remove the procedural roadblocks which threaten Social Security recipients with not receiving their checks. I would urge all Senators who wish timely delivery in mailing to support this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2269) was agreed to.

Mr. WILSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. Mr. President, I move to lay that motion on the table.

AMENDMENT NO. 2270

(Purpose: To direct the General Accounting Office to conduct a study of the treatment of offsetting receipts under the Balanced Budget and Emergency Deficit and Control Act of 1985.)

Mr. HEINZ. Mr. President, I send an amendment to the desk on behalf of the Senator from Maryland [Mr. MATHIAS] and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. HEINZ], for Mr. MATHIAS, proposes an amendment numbered 2270.

Mr. HEINZ. Mr. President, I ask unanimous consent to dispense with further reading of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the committee amendment insert the following:

(a) Congress finds:

(1) that U.S. competitiveness depends on the productivity and creativity that is promoted and protected by the proper administration of patent, copyright, and trademark laws.

(2) that the user fees paid by those applying for patents and registering claims for copyrights and trademarks are an important source of revenue for the proper administration of intellectual property laws.

(3) that under the current interpretation of the Gramm-Rudman-Hollings statute user fees are included in the baseline for purposes of sequestration.

(4) that this interpretation, by reducing taxpayer support as patent, copyright and trademark user fees increase, may discourage use of the intellectual property law system, and have adverse effects on creativity and innovation.

(b) The General Accounting Office is directed to conduct a study of the budgetary treatment of user fees in the Patent and Trademark Office and Copyright Office, and report to Congress within six months of the date of enactment to show how such budgetary treatment and user fee policy may affect the proper administration of patent, copyright and trademark laws.

(c) The General Accounting Office is further directed to include in such way an examination of offsetting collections credited to appropriation accounts, offsetting receipts, and governmental receipts dedicated to trust funds under the Balanced Budget and Emergency Deficit Control Act of 1985. The study shall identify the amount of spending that is supported by such collections and receipts and discuss the treatment of such spending under a sequester order.

Mr. MATHIAS. Mr. President, today I offer an amendment to House Joint Resolution 668 to require the General Accounting Office to study the treatment of Patent and Trademark Office and Copyright Office user fees for the purposes of sequestration orders or resolutions under the Gramm-Rudman-Hollings statute. This amendment is a modified version of amendment No. 2233, which I submitted on July 28.

Mr. President, it may appear that this amendment addresses a minor issue of interest only to bookkeepers. That appearance is deceptive. This amendment addresses issues that are important to America's position in competitive world markets.

It is widely acknowledged in this Chamber that improving our industrial competitiveness is a very high priority. While there is disagreement as to how to promote U.S. competitiveness in the world, all agree that strong intellectual property standards are a key component. Our competitiveness is closely tied to innovations which are prompted and protected by strong laws on patents, copyrights, and trademarks.

However, the Gramm-Rudman-Hollings statute threatens to undermine our efforts to promote and protect intellectual property by imposing on both the Patent and Trademark Office and the Copyright Office more than their fair share of across-the-board budget cuts. The ultimate effect is to impose a surcharge on the innovators and creators who use the patent, copyright, and trademark systems.

Most agencies and programs receive the vast bulk of their funding from the taxpayer through appropriations. But the Patent and Trademark Office and Copyright Office also rely heavily on user fees to pay for agency activities. Both taxpayers and users—those applying for patents and registering claims for copyrights and trademarks—are essential sources of revenue for the efficient administration of our intellectual property laws. In addition, user fee revenue allows these agencies to maintain and expand their contributions to technological progress and artistic expression—and to our national economy and security—without continual pressure for increased deficit spending.

But the Gramm-Rudman-Hollings law, as currently interpreted, impedes these goals. When the fiscal year 1986 sequestering order was prepared, both appropriated funds and offsetting receipts or user fees were included in the baseline against which the across-the-board reduction is assessed. Of course, the reduction was actually taken only from appropriated funds; the user fees charged were not reduced. As a result, for both the Patent and Trademark Office and the Copyright Office, taxpayer-funded appropriations were reduced by a much larger percentage than other nondefense accounts.

Out of the total fiscal year 1986 nondefense sequesterable baseline of $240 billion, removing these user fees would have caused a reduction of only $125 million, or about fifty-two thousandths of 1 percent. However, while the overall budget impact is small, the effect of including user fees in the baseline on these agencies can be devastating. Sixty percent of Patent and Trademark Office revenue comes from those applying for patents and trademarks. Similarly, the Copyright Office receives 40 percent of its funding from user fees.

As a result of the fiscal year 1986 sequestration order, the Patent and Trademark Office's taxpayer-funded appropriation was reduced, not by 4.3 percent, but by 10.5 percent, more than twice the across-the-board percentage of other nondefense accounts. In the case of the Copyright Office the sequestration cut 7 percent of its taxpayer dollars.

The inequitable treatment of the intellectual property agencies should disturb all who care about American innovation, creativity, and competitiveness. As chairman of the Subcommittee on Patents, Copyrights and Trademarks, I am particularly concerned about the prevailing interpretation of Gramm-Rudman-Hollings. In an effort to address this problem ad-

ministratively, I joined with Representative ROBERT KASTENMEIER, chairman of the counterpart subcommittee in the other body, to write to the Comptroller General, the Congressional Budget Office, and the Office of Management and Budget. We asked them to justify their interpretation of the statute, and if possible to reconsider it. We learned that, while CBO initially agreed that offsetting receipts should not be included in the sequesterable baseline, in the final analysis all the agencies agreed to include user fees. Congress alone can correct the problem that Congress, in its haste to craft the Gramm-Rudman-Hollings law, has inadvertently created. For the information of my colleagues, the correspondence with the Comptroller General and the Directors of OMB and CBO on this subject was reprinted in the CONGRESSIONAL RECORD from July 28, at page 17845.

The Supreme Court decision striking down the sequestration process does not help to solve the problem. Unless Congress acts, the same interpretation of Gramm-Rudman-Hollings used to calculate the fiscal year 1986 sequester will govern the preparation, by OMB and CBO, of any deficit-cutting resolution presented to the temporary joint budget committee established by the fallback provisions of the statute. Similarly, if Congress decides to revive the sequestration power by assigning it to an executive branch agency, that authority will probably follow the same accounting rules that were used for this fiscal year, unless Congress instructs it to do otherwise.

Congress has asked creators and innovators to shoulder part of the burden of running the Patent and Trademark Office and the Copyright Office by paying for the services they use. But now Congress, under the prevailing interpretation of Gramm-Rudman-Hollings, penalizes creators and innovators. The more they use the system, the more they invent and create, the more will be slashed from the taxpayer support for these agencies.

Both the President and Congress wanted to avoid an automatic tax increase as a means of meeting deficit targets. That's why the Gramm-Rudman-Hollings law is limited to spending cuts. But the prevailing interpretation of this law implicitly imposes a tax on creativity and innovation. This not only places greater burdens on those who must pay; it also jeopardizes the efficient administration of intellectual property laws that are so important to our economic prosperity.

I believe this is neither fair nor good policy. In my view, if automatic cuts are to be made, only spending funded by the taxpayer should be counted. Services that are paid for by the users of the Patent and Trademark and Copyright Offices should not be included. Equity calls for such treatment, and American competitiveness would benefit from it.

The distinguished chairman of the Budget Committee has shared with me his concern about the amendment I originally submitted, which would have amended Gramm-Rudman-Hollings to exclude user fee revenue from the sequesterable base for the Patent and Trademark Office and Copyright Office. He is concerned about the precedent that enactment of that amendment might set, since other agencies that receive user fees might also argue for similar treatment. I believe that the intellectual property agencies are readily distinguishable from these other agencies, both in the degree to which they depend on user fees for revenue, and in the relationship of their missions to the maintenance of American competitiveness. However, I recognize the legitimacy of Senator DOMENICI's concern. It may be that the General Accounting Office can recommend some method for more equitable treatment of user fee revenue of these agencies, and that is what this modified version of the amendment directs GAO to study.

Mr. HEINZ. Mr. President, I know of no objection to the amendment. It is a study amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2270) was agreed to.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KERRY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, will the Senator yield without losing his right to the floor so that I might ask the distinguished majority leader if there will likely be any more rollcall votes tonight?

Mr. HEINZ. I yield.

Mr. BYRD. I thank the Senator for yielding without losing his right to the floor.

The PRESIDING OFFICER. Without objection, the Senator reserves his right to the floor.

The majority leader.

Mr. DOLE. Mr. President, as I understand, this last amendment is a study and there was no objection to it. There is one other technical amendment, I assume, by the Finance Committee.

Mr. HEINZ. The Senator is correct.

ORDER OF PROCEDURE

Mr. DOLE. What I would hope to do is to get a unanimous consent agreement which has been circulated, though I am not certain whether it has been agreed to, which would permit us to move off the debt extension bill and lay down the DOD authorization bill—the chairman of the Armed Services Committee has been patiently waiting for several hours—and probably not make any statements on that but at least lay it down tonight so it will be pending on Monday.

The distinguished Senator from Georgia is also here. If they want to make statements, obviously, we can be prepared to do that.

Mr. NUNN. Mr. President, I will say to the majority leader, I do not anticipate, unless the chairman wishes, that statements would be made on the DOD bill. We can lay it down with the committee amendment pending and make our statements on Monday morning.

We are hoping we can get amendments over here early, and perhaps even take up SDI on Monday. Hopefully, there will be a rollcall vote and maybe conclude that important element of the bill on Monday.

Mr. President, I would not anticipate opening statements tonight. We can do that early Monday morning.

Mr. GOLDWATER. Will the Senator yield?

Mr. HEINZ. I yield.

Mr. GOLDWATER. What the majority leader said is exactly what we have agreed to. We would like to get on with our business.

Mr. DOLE. We would, too.

I wonder if the unanimous-consent request has been agreed to, if we are in a position to agree to that.

Mr. BYRD. I think the unanimous-consent request would require some clarification.

If the distinguished majority leader would like to proceed with the next amendment, perhaps we can put in a quorum call and see if certain Senators will be available to discuss this.

Mr. DOLE. I would not like to say there will be no more votes tonight unless we can reach an agreement. If Senators have amendments, they should be prepared to offer amendments.

Mr. BYRD. If the Senator will yield, this agreement needs clarification.

Mr. DOLE. I am just suggesting if there are other amendments.

Mr. BYRD. But I am also saying that this request, as it is written, is going to need some changes or some understandings for clarification. I want to make that clear. There is no disposition on my part to say that I object to the request. I hope we can work it out. I believe we can. But it does have some problems.

Mr. DOLE. If the Senator will yield, I suggest until we do that, all I am saying is we cannot announce there will be no additional votes.

Mr. BYRD. Surely.

TITLE II—FURTHER MODIFICATION

Mr. HEINZ. Mr. President, I ask unanimous consent that title II of the

committee amendment, as previously modified, be further modified. I send to the desk the appropriate modification.

May I say that this modification provides simply technical changes and corrections to the portion of the committee amendment relating only to disinvestment of the Social Security Trust Fund. It does not in any way affect any of the amendments adopted—Gramm-Rudman-Hollings II, or any of the other amendments. It is simply a technical amendment which has been cleared on both sides.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Pennsylvania? Without objection, the unanimous-consent request is agreed to.

The substitute (modification) to the committee amendment is as follows:

Strike out title II of the matter proposed to be inserted, and insert in lieu thereof the following:

SEC. 201. SHORT TITLE.

This title may be cited as the "Social Security Trust Funds Management Act of 1986".

SEC. 202. INVESTMENT AND RESTORATION OF TRUST FUNDS.

(a) Subsection (d) of section 201 of the Social Security Act (42 U.S.C. 401(d)) is amended—

(1) by striking out "(1) on original issue" and inserting in lieu thereof "(A) on original issue",

(2) by striking out "(2) by purchase", and inserting in lieu thereof "(B) by purchase";

(3) by striking out "It shall be" and inserting in lieu thereof "(1) It shall be", and

(4) by adding at the end thereof the following new paragraphs:

"(2) If—

"(A) any amounts in the Trust funds have not been invested solely by reason of the public debt limit, and

"(B) the taxes described in clause (3) or (4) of subsection (a) with respect to which such amounts were appropriated to the Trust Funds have actually been received into the general fund of the Treasury of the United States,

such amounts shall be invested by the Managing Trustee as soon as such investments can be made without exceeding the public debt limit and without jeopardizing the timely payment of benefits under this title or under any other provision of law directly related to the programs established by this title.

"(3)(A) Upon expiration of any limit impact period, the Managing Trustee shall immediately—

"(i) reissue to each of the Trust Funds obligations under chapter 31 of title 31, United States Code, that are identical, with respect to interest rate and maturity, to public debt obligations held by such Trust fund that—

"(I) were redeemed during the debt limit impact period, and

"(II) as determined by the Managing Trustee on the basis of standard investment procedures for such Trust Fund in effect on the day before the date on which the debt limit impact period began, would not have been redeemed if the debt limit impact period had not occurred, and

"(ii) issue to each of the Trust Funds obligations under chapter 31 of title 31, United States Code, that are identical, with respect to interest rate and maturity, to public debt obligations which—

"(I) were not issued during the debt limit impact period, and

"(II) as determined by the Managing Trustee on the basis of such standard investment procedures, would have been issued if the debt limit impact period had not occurred.

"(B) Obligations issued or reissued under subparagraph (A) shall be substituted for obligations that are held by the Trust Fund, and for amounts in the Trust Fund that have not been invested, on the date of which the debt limit impact period ends in a manner that will ensure that, after such substitution, the holdings of the Trust Fund will replicate to the maximum extent practicable the obligations that would be held by such Trust Fund if the debt limit impact period had not occurred.

"(C) In determining, for purposes of this paragraph, the obligations that would be held by a Trust Fund if the debt limit impact period had not occurred, any amounts in the Trust Fund which have not been invested, and any amounts required to be invested under paragraph (2), shall be treated as amounts which were required to be invested upon transfer to the Trust Fund.

"(4) The Managing Trustee shall pay, on the first normal interest payment date that occurs on or after the date on which any debt limit impact period ends, to each of the Trust Funds, from amounts in the general fund of the Treasury of the United States not otherwise appropriated, an amount determined by the Managing Trustee to be equal to the excess of—

"(A) the net amount of interest that would have been earned by such Trust Fund during such debt limit impact period if—

"(i) amounts in such Trust Fund that were not invested during such debt limit impact period solely by reason of the public debt limit had been invested, and

"(ii) redemptions and disinvestments with respect to such Trust Fund which occurred during such debt limit impact period solely by reason of the public debt limit had not occurred, over

"(B) the sum of—

"(1) the net amount of interest actually earned by such Trust Fund during such debt limit impact period, plus

"(ii) the total amount of the principal of all obligations issued or reissued under paragraph (3)(A) at the end of such debt limit impact period that is attributable to interest that would have been earned by such Trust Fund during such debt limit impact period but for the public debt limit.

"(5) For purposes of this section—

"(A) The term 'public debt limit' means the limitation imposed by subsection (b) of section 3101 of title 31, United States Code.

"(B) The term 'debt limit impact period' means any period for which the Secretary of the Treasury determines that the issuance of obligations of the United States sufficient to orderly conduct the financial operations of the United States may not be made without exceeding the public debt limit.".

(b) Subsection (a) of section 201 of the Social Security Act is amended by adding at the end thereof the following new sentence: "All amounts so transferred shall be immediately available exclusively for the purpose for which amounts in the Trust Fund are specifically made available under this title or under any other provisions of law directly related to the programs established by this title.".

SEC. 203. REPEAL OF NORMALIZED TAX TRANSFERRED.

(a) Subsection (a) of section 201 of the Social Security Act is amended by striking out the matter following clause (4) and inserting in lieu thereof the following: "The amounts appropriated by clauses (3) and (4) shall be transferred from the general fund of the Treasury of the United States to the Federal Old-Age and Survivors Insurance Trust Fund, and the amounts appropriated by clauses (1) and (2) of subsection (b) shall be transferred from the general fund of the Treasury to the Federal Disability Insurance Trust Fund, upon receipt by the general fund of taxes specified in clauses (3) and (4) of this subsection (as estimated by the Secretary). Proper adjustments shall be made in amounts subsequently transferred to the extent amounts previously transferred were in excess of, or were less than, the taxes specified in such clauses (3) and (4). All amounts so transferred shall be immediately available exclusively for the purpose for which amounts in the Trust Fund are specifically made available under this title or under other provisions of law directly related to the programs established by this title.".

(b) The amendment made by subsection (a) shall take effect on July 1, 1990.

SEC. 204. FAITHFUL EXECUTION OF DUTIES BY MEMBERS OF BOARD OF TRUSTEES OF TRUST FUNDS.

Section 201(c) of the Social Security Act is amended by striking the last sentence and inserting the following: "A person serving on the Board of Trustees (including the Managing Trustee) shall not be considered to be a fiduciary, but each such person shall faithfully execute the duties imposed on such person by this section. A person serving on the Board of Trustees (including the Managing Trustee) shall not be personally liable for actions taken in such capacity with respect to the Trust Funds.".

SEC. 205. REPORTS REGARDING THE OPERATION AND STATUS OF THE TRUST FUNDS.

Subsection (c) of section 201 of the Social Security Act is amended—

(1) by striking "once" in the fourth sentence and inserting "twice",

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively,

(3) by redesignating paragraphs (3), (4), and (5) as subparagraphs (D), (E), and (F), respectively,

(4) by inserting after subparagraph (B) (as redesignated by paragraph (2) of this section) the following:

"(C) Report to the Congress as soon as possible, but not later than the date that is 30 days after the first normal interest payment date occurring on or after the date on which any debt limit impact period for which the Managing Trustee is required to take action under paragraph (3) or (4) of subsection (d) ends, on—

"(i) the operation and status of the Trust Funds during such debt limit impact period, and

"(ii) the actions taken under paragraphs (3) and (4) of subsection (d) with respect to such debt limit impact period;",

(5) by striking out "in paragraph (2) above" and inserting in lieu thereof "in subparagraph (B) above",

(6) by inserting "(1)" after "(c)", and

(7) by adding at the end thereof the following:

"(2) The Managing Trustee shall report monthly to the Board of Trustees concerning the operation and status of the Trust Funds and shall report to Congress and to the Board of Trustees not less than 15 days prior to the date on which, by reason of the public debt limit, the Managing Trustee expects to be unable to fully comply with the provisions of subsection (a) or (d)(1), and shall include in such report an estimate of the expected consequences to the Trust Funds of such inability.".

SEC. 206. ELIMINATION OF UNDUE DISCRETION IN THE INVESTMENT OF TRUST FUNDS.

(a) Section 201(d) of the Social Security Act is amended, in the first sentence—

(1) by inserting "immediately" after "to invest"; and

(2) by striking ", in his judgment,".

(b)(1) Paragraph (2) of section 201(d) of the Social Security Act, as added by section 202 of this Act, is amended to read as follows:

"(2) If any amount in either of the Trust Funds is not invested solely by reason of the public debt limit, such amount shall be invested as soon as such investment can be made without exceeding the public debt limit and without jeopardizing the timely payment of benefits under this title or under any other provision of law directly related to the programs established by this title.".

(2) The amendment made by paragraph (1) shall take effect on July 1, 1990.

SEC. 207. SALES AND REDEMPTIONS BY TRUST FUNDS.

Section 201(e) of the Social Security Act is amended—

(1) by inserting "(1)" after "(e)"; and

(2) by adding at the end the following:

"(2)(A) The Managing Trustee may effect any such sale or redemption with respect to either Trust Fund only for the purpose of enabling such Trust Fund to make payments authorized by this title or under any other provisions of law directly related to the programs established by this title. If either of the Trust Funds holds any amounts which are not invested by reason of the public debt limit, the Managing Trustee is nevertheless directed to make such sales and redemptions if, and only to the extent, necessary to assure timely payment of benefits and other payments authorized by this title or by any other provisions of law directly related to the programs established by this title, but the principal amount of obligations sold or redeemed pursuant to this sentence shall not exceed the principal amount of obligations that would have been sold or redeemed under normal operating procedures in order to make such payments.".

SEC. 208. EFFECTIVE DATE.

Except as otherwise provided by this title, the amendments made by this title shall take effect on the date of enactment of this Act.

PROTECTING THE INTEGRITY OF SOCIAL SECURITY TRUST FUNDS

Mr. KASTEN. Mr. President, we have an amendment before us today which contains some significant provisions affecting the Social Security trust funds. Specifically, this committee amendment will require more effective management of the trust funds and ensure payment of Social Security benefits when the Government reaches the debt ceiling.

We all remember the crisis that resulted when the Government bumped up against the debt ceiling limit last year. First, millions of elderly and disabled Americans were threatened with the prospect of not receiving their benefit checks. Then we learned that the trust funds were used to carry the Government through the debt crisis, and that millions of dollars in trust fund interest were lost as a result of this action.

Fortunately, benefits were paid and Congress restored the interest lost to the trust funds. But, unless we take further action, beneficiaries will face the same uncertainties and we will leave the trust funds at risk each time the Government reaches the debt ceiling. I believe that Congress has a responsibility to ensure that this doesn't happen.

Mr. President, the amendment before us includes a number of provisions that will protect the integrity and stability of the Social Security Program when the Government reaches the debt limit:

First, the amendment allows temporary disinvestment of the trust funds in a debt crisis exclusively for the purpose of paying Social Security benefits and administrative expenses. This will ensure continued benefit payments when we reach the debt ceiling, but it will prohibit the use of the trust funds to keep the rest of the Government afloat.

Second, it provides a permanent appropriation to immediately restore the trust funds of the amount disinvested plus interest lost once the debt ceiling is raised. This will protect the trust funds from undue losses by requiring that they are returned to the same financial condition they would have been in had no debt ceiling constraints been encountered.

Third, it requires that Social Security payroll taxes be invested as soon as room is available under the debt ceiling. This prevents the Government from using Social Security funds to pay for other Government obligations. There is also reinforcing language limiting the use of Social Security funds exclusively to pay benefits and administrative costs.

In addition, the amendment increases the number of trustee reports to Congress on the status of the trust funds from once a year to twice a year.

Finally, the amendment eliminates the normalized tax transfer in 1990. This accounting mechanism credits the trust funds with anticipated revenues at the beginning of each month, allowing investment of funds. Now that the trust funds are healthy, we don't need this transaction. Instead, trust funds will be credited on a daily basis as revenues come in.

I support these changes to protect the Social Security system during a debt limit impasse, and I commend the members of the Finance Committee for their efforts to address this complex issue.

As members of the Finance Committee are aware, I introduced a bill earlier this year to protect the Social Security trust funds and ensure benefit payments in a debt limit situation. Although our means to resolve this issue have differed at times, both my bill and the committee's amendment now achieve the same goal—protecting the trust funds and providing a failsafe for Social Security benefits in a debt crisis.

I believe the committee amendment is a significant improvement over other disinvestment proposals considered by Congress which leave benefits in jeopardy during a debt crisis, and I thank the committee for addressing my concerns in this regard.

Mr. President, this amendment goes a long way toward restoring public confidence in the independence and stability of the Social Security Program. I urge my colleagues to support this amendment to free Social Security as a political hostage of the debt limit.

Mr. HEINZ. Mr. President, I have listened with interest to the comments of the Senator from Wisconsin. First, I want to thank the Senator for his support of the committee amendment. But above all, I would like to thank the Senator for his efforts to address the Social Security disinvestment issue and for his involvement in the development of this legislation. I know last year's Social Security disinvestment has been an ongoing concern of the Senator from Wisconsin, and I appreciate his continued efforts to find a workable alternative for future debt showdowns. I believe the Senator from Wisconsin's contributions have helped us shape an acceptable solution to this complex problem.

SOCIAL SECURITY TRUST FUND

● Mr. CRANSTON. Mr. President, I strongly support the provisions of the modified Finance Committee Amendment to the debt ceiling legislation relating to the Social Security Trust Fund. These provisions were authored by the distinguished Senator from New York [Mr. MOYNIHAN]. They are intended to remove Social Security from the political turmoil surrounding the legislative brinksmanship often associated with the debt ceiling legislation.

Last year, Social Security was dragged into the political fray when the Secretary of the Treasury divested long-term trust fund investments in efforts to avoid exceeding the debt limit while the proponents of the Gramm-Rudman law tied up passage of the debt ceiling legislation. Although Congress acted swiftly to require that the trust fund be reimbursed for the interest lost as a result

of those actions as well as for interest lost as when a similar divestment took place in 1984, it is clear that unless Congress acts to protect Social Security in future debt ceiling crisis situations, the program will continue to be manipulated during similar debt ceiling legislative maneuvers.

Mr. President, it is important to understand that the problem being addressed is not merely stopping the premature divestment of Social Security investments during a debt ceiling crisis, but the necessity of removing Social Security from that debate entirely. The Social Security system is and should be independent from the unified budget. I helped lead the efforts last year to bring about that separation from the unified budget. Social Security is funded by a separate, dedicated payroll tax and it should not be dragged into the debates over how to deal with the consequences of the deficit in general revenues.

Unlike the General Treasury, the Social Security Trust Fund is fiscally in balance and running a surplus. Social Security beneficiaries shouldn't have to go through the annual emotional turmoil of wondering whether their checks are going to arrive in the mailbox on time because the debt limit for the general spending hasn't been dealt with in a timely fashion. We need to put an end to the cruel practice of holding Social Security benefits hostage while other battles are being fought out on the debt ceiling measure.

We took a major step forward last year in protecting Social Security from political manipulation when the trust fund was removed from the unified budget. Today, we have the opportunity to take another step to protect the commitment to Social Security beneficiaries that they will receive the benefits they are entitled to receive on time. Social Security is too important to the well-being and survival of millions of older Americans to allow it to continue to be a pawn in the annual political chess game we engage in when we debate the debt limit legislation. We need to assure Social Security beneficiaries that future debt ceiling crises will not jeopardize Social Security benefits. These provisions are intended to help achieve that goal and should be enacted.●

SOCIAL SECURITY TRUST FUNDS

Mr. BUMPERS. Mr. President, I am especially pleased that the legislation we are considering today contains a provision that is essential to ensuring the sanctity of the Social Security trust funds. This provision bars the Treasury Department from using the Social Security trust fund to pay the Government's bill when the public debt ceiling is reached. Social Security recipients of this country need this assurance that the trust fund is there for Social Security and nothing else.

The bill says that the trust funds can only be used exclusively for Social Security. Social Security is a solemn trust, and Social Security recipients deserve to know that it is being administered properly. People pay into Social Security with a view that the system will be there for them when they retire. That is the promise we are making to the American people, and it is our duty to keep it. With this legislation, we are living up to our duty. I have long advocated that Social Security be put off limits for other Government spending, and I am pleased that the Senate is taking that action.

When Social Security was created in 1935, it was founded on the principle that special taxes on wages would be used to pay for retirement and disability benefits. And so it was administered for nearly the first 50 years. Only in the most recent crisis surrounding the unprecedented national deficit have the trust funds been tapped. I am a strong proponent of the provisions of this bill that will ensure that the trust funds will not be tapped again.

When Treasury cashed in $28 billion Social Security trust long-term securities last fall to cover the Government's checks, I was outraged. I was pleased to have cosponsored an amendment at that time with my distinguished colleague, Senator MOYNIHAN, requiring that this money be immediately restored to the trust fund with interest.

I also was an original cosponsor of a bill (S. 2542) Senator MOYNIHAN introduced permanently to prevent the trust funds from being cashed in to pay the Government's bills. The gist of that bill has been incorporated into the legislation we are considering. I have been concerned about trust fund management all along, and I am happy that the Senate is finally considering this worthy proposal.

For too long, the citizens of this country have viewed Social Security with skepticism. The financial crises Social Security faced from 1975 through 1983 have eroded the confidence of the American people that Social Security will be there for them when they retire. That lack of confidence is no longer warranted. The amendments to the Social Security Act in 1977 and 1983 have restored the trust funds to financial health.

Despite continuing fears that Social Security would go broke, most experts agree that the surplus in the funds is enough to meet growing demands for at least the next 25 years. This year, for example, the trust funds will have a positive balance approaching $50 billion.

The Social Security actuaries estimated in their last report that by 1994 the old age survivors and disability insurance [OASDI] trust fund will have a surplus of over $480 billion. This yields a trust fund ratio of 121 percent—enough of a surplus to keep the program going for an entire year without any tax receipts. The actuaries further think that the 75-year outlook is "secure." Mr. President, I ask unanimous consent that an article by Robert Hey on the financial integrity of the trust funds that appeared in the Christian Science Monitor be printed in the RECORD following my remarks.

The Social Security trust fund provisions of the bill we are considering should further reassure the American people that the trust funds are being administered properly. This bill eliminates certain discretionary decisions by the Treasury Secretary, and requires him to invest Social Security tax receipts in guaranteed Government securities. Most importantly, it prevents disinvestment of the Social Security trust funds except in a month where Social Security tax receipts are less than expenditures. It does, however, allow for disinvestment of the trust funds in the event of a debt limit crisis so that Social Security benefits can be paid. This assures that Social Security recipients will get their checks if the Government's debt limit is reached.

Mr. President, I urge my Senate colleagues to adopt this provision. I would further note that the House has recently passed a broader Social Security legislation that includes the disinvestment provisions, but would also create an independent agency to administer the Social Security program. I have cosponsored legislation in the Senate (S. 122) to create such an independent agency, and the time is ripe to give Social Security the proper attention it deserves. I would hope that the Senate, in conferring with the House on this legislation, will adopt an independent agency proposal.

Once again, let me state that I am pleased that the Social Security recipients of this country will be assured that Social Security will not be used for anything else but to pay benefits. I am proud to play a part in strengthening the laws that will protect the benefits they worked hard to earn.

[From the Christian Science Monitor]

EXPERTS: SOCIAL SECURITY STRONG

(By Robert P. Hey)

WASHINGTON.—It is widely expected here that the retired Americans who receive social security checks each month will get a cost-of-living raise this year. In this election year neither Congress nor the administration is likely to refuse to provide a raise to the 35 million recipients, even though under current law inflation has not been high enough to justify a hike in benefits.

But a more basic public concern continues to hover over the social security system: Will the system run out of money in a few years, despite the improvements Congress and the President three years ago made in social security's finances?

A poll last year by Yankelovich, Skelly & White reported that 56 percent of Americans between 45 and 61 think it is either very likely or somewhat likely that, when they retire, social security payments will no longer be provided. The concern is greatest among the young: 75 percent of those polled between 25 and 34 expressed this doubt.

Virtually all experts agree there is no realistic reason for such concern in this century. Most add that social security is financially sound at least until about 2015, when the last of the post World War II baby-boomers are expected to retire.

Social security expert Robert M. Ball notes that even the system's own actuaries consider that it is in close actuarial balance until 2068, which is as far ahead as they have looked. Mr. Ball was social security administrator from 1962 to 1973 and was a member of the '83 commission that put the system on sound economic footing. He says the concern that social security may not be economically sound "is not a real issue, but it is an issue of education" and public perception.

Wilbur Cohen, another former social security administrator, agrees. He says he is "concerned over the extent of the unnecessary anxiety about the financing of the social security system, especially by young people."

Sen. John Heinz (R) of Pennsylvania, chairman of the Senate Committee on Aging, says he thinks the 1983 adjustments to social security's finances fixed the system's economic base for 75 years. Yet he says public confidence in the system remains so fragile that it would be undermined if Congress did not grant a cost-of-living increase this year. He believes they would conclude, mistakenly, if there were no increase that social security was in financial trouble again.

Such public concern is a legacy of social security's 1981–82 fiscal problem, when the system was so low on funding that retirees were concerned for good reason that it would run out of money and their checks would stop coming. But the President's National Commission on Social Security Reform recommended far-reaching improvements in its financing. As a consequence, social security now is salting money away in its trust fund against the time when the baby-boomers do retire, and there are fewer Americans working relative to the number retired.

According to most projections, by the year 2015 social security should have enough money to pay almost five years worth of benefits. That will be important, because about then it will begin to decrease as the members of the baby-boom generation enter retirement. Further, the buildup until 2015 is intended to help pay for the retirement of Americans too young today to work. When they begin their professional lives there will be relatively fewer Americans working compared with the number retired.

Whether the Social Security Trust Fund actually will wind up with this much money depends on the accuracy of projections about the economy and the numbers of future retirees and workers.

Experts agree that the most important assumption is the economic projection. If the economy does not perform as well over the next few decades as forecast, there would be less money in the fund than is currently projected.

● Mr. DODD. Mr. President, earlier today I voted in support of a motion to table the amendment offered by the Senator from North Carolina [Mr. HELMS], which would overturn recently approved legislation in the District of Columbia to prohibit insurers from denying or increasing the cost of coverage to persons who test positive for exposure to the AIDS virus. I wish to make clear that my vote to table the Helms amendment is not an endorsement of the recent legislation here in the District. To the contrary, Mr. President, I believe this is an unwise, counterproductive law.

According to a recent article in the Washington Post, at least four life and health insurance companies have decided to stop doing business in the District rather than comply with this legislation. After all, risk assessment is the very essence of the insurance business. Whether we agree with this law is not the issue raised in my mind by the Helms amendment. The real issue, Mr. President, is whether this body wants to sit in judgment as the final abriter of laws enacted by the elected representatives of the District of Columbia.

Once we start down this path, I fear where it may lead. I consistently have supported home rule for the citizens of Washington, DC, and believe that in this and other cases the redress lies with the people through the usual political channels. Our attention here should be focused more appropriately on providing support for both a cure and assistance to the victims of this dreaded virus.●

ELIMINATION OF THE SOCIAL SECURITY TRIGGER

● Mr. DOMENICI. Mr. President, I rise in support of the amendment offered by Senator HAWKINS to eliminate the 3-percent trigger for cost-of-living adjustments to Social Security benefits.

Under present law, Social Security benefits are increased for inflation only if the inflation rate is 3 percent or more. Benefits for railroad retirement, supplemental security income, and veterans pensions are controlled by the same provision. Economists now believe that the inflation rate will be less than 3 percent this year. It is more likely to be less than 2 percent.

Although 2 percent doesn't sound like much of an increase, we must remember that many of these people are living on the edge of poverty. Unless we take action, millions of elderly and disabled people will not be protected against inflation by a cost-of-living adjustment next January. In my own State of New Mexico, there are more than 230,000 people in these programs.

Mr. President, the current policy was not intended to save money. It was designed for administrative convenience, to eliminate the time-consuming task of making small changes in the benefit structure. Benefits are adjusted in the second year to catch up to the full amount of the inflation. Since the trigger was put in place, improved automation has simplified the task of implementing rate changes. Also, we have noticed problems and inequities which arise from the complex interactions among the various trust fund and other income security programs.

As a side effect of the way benefits and wages are indexed, people who retire in 1987 would receive a windfall. Their benefits would be adjusted for 2 years' worth of inflation, even though they have experienced only 1 year of retirement. This could cost as much as $600 million over 5 years.

Because of this windfall, failure to eliminate the trigger may actually cost money in the long run. If the COLA is 1 percent, which is possible, SSA's actuary projects a 5-year cost of $200 million if we do not remove the trigger.

Finally, many income security programs are not affected by the Social Security trigger. Federal civilian and military retirees receive cost-of-living adjustments regardless of the rate of inflation. Why should their benefits be protected in this way, when those of the aged, blind, and disabled—particularly SSI recipients—are not?

The budget resolution passed last month assumes that there will be a COLA in January 1987. I agree with the American Association of Retired Persons when it said "Social Security and Federal pensions should be adjusted to reflect inflation, no more, no less." There is no reason for 37 million Social Security beneficiaries to wait a year to receive the benefits to which they are entitled because of an outdated technical provision. I believe that we should act quickly to assure that it will happen.●

● Mr. BINGAMAN. Mr. President, I welcome this opportunity to cosponsor and to support the amendment disapproving the new uranium enrichment criteria released by the Department of Energy.

Section 161(v) of the Atomic Energy Act specifies a number of important contraints on DOE's actions. These contraints are vital to the protection of the public interest. First, the act requires DOE to limit enrichment of foreign uranium intended for domestic end-use to the extent necessary to assure the maintenance of a viable domestic uranium industry. Second, the act requires DOE to recover its costs. But DOE's new criteria, in a fashion evidently designed to protect the agency's current policies—which have been criticized by GAO—do not limit enrichment of foreign uranium even though DOE admits that the domestic uranium industry is non-viable and even though thousands of New Mexico uranium miners are unemployed. Moreover, DOE purports to write off over $4 billion of its costs. Translated, this means taxpayers must pick up this financial burden. While a write

off may be justified, this required a change in the law.

Mr. President, DOE claims that it should be allowed to do as it is doing because domestic utilities will otherwise abandon DOE and go abroad for enrichment services. But the agency has never substantiated this. First, U.S. utilities prefer the security of a domestic enrichment source. Second, there will be little or no available foreign enrichment capacity by 1990. Third, DOE and NRC enjoy the power under existing law to require use of domestic enrichment facilities to the extent necessary to carry out the policies of the Atomic Energy Act, including those of section 161(v). Finally, and in any event, the law is the law and DOE should act in accordance with it.

Mr. President, to a large extent DOE's criteria appear to be an end-run around some litigation which the agency faces. But it is an end-run which itself violates the law. Unless and until DOE brings itself into line with applicable legal requirements, the litigation can only be expected to continue and, despite the agency's numerous efforts at delay, ultimately to result in orders requiring DOE compliance.●

URANIUM ENRICHMENT

● Mr. GARN. Mr. President, I am pleased to cosponsor the language of disapproval of the uranium enrichment criteria recently issued by the Department of Energy. Under section 161(v) of the Atomic Energy Act, those criteria must be submitted to Congress for at least 45 days of review prior to becoming effective.

Mr. President, DOE's new criteria do not comply with the substantive requirements of the Atomic Energy Act. Let me elaborate on one specific example. The act requires DOE, in mandatory terms, to limit enrichment of foreign-source uranium to the extent necessary to assure the maintenance of a viable domestic uranium industry. Such assurance is necessary to protect U.S. national security and energy independence, as well as to maintain a vital domestic industry in the face of foreign subsidies and other unfair trading practices. By DOE's own admission, our domestic uranium industry is nonviable. This situation is keenly witnessed in Utah, where the uranium industry is in deep depression with hundreds of workers unemployed. DOE has unlawfully failed to implement section 161(v). DOE's new criteria continue to fail to encompass enrichment limits.

To take another example, section 161(v) requires DOE to recover all its costs, yet DOE is purporting to write off over $4 billion in taxpayer investment. A write-off of this or some other amount may well be appropriate, but that is for Congress, and not DOE, to decide.

Finally, the criteria vest open-ended discretion in the agency to do whatever it wants when it wants. This makes oversight extremely difficult. In addition, it does not auger well for the privately owned portions of the nuclear industry.

Whether we legislate on this score or not in the few legislative days remaining this term, the fact remains that the revised criteria violate the law. While this issue will likely be determined in the courts whether we act or not, we owe it to the public to at least try to sort out this mess. Any effort to check DOE's violation of the law thus merits our strong support.●

ASSURANCE THAT SOCIAL SECURITY CHECKS WILL BE MAILED

● Mr. WILSON. Mr. President, the Senate is on record many, many times in support of Social Security, its financial integrity, and the maintenance of benefit levels. We have most recently, and perhaps, most significantly, exempted Social Security payments from cuts under Gramm-Rudman-Hollings.

Yet, Mr. President, I cannot believe that, while voting to strengthen Social Security and maintain benefits, we would want to effectively prevent beneficiaries from receiving their monthly payments.

Unfortunately, the interplay of Gramm-Rudman and the way that the processing of checks is paid for will lead to a failure to get Social Security payments into the hands of our senior citizens—unless we do something before the start of the 1987 fiscal year.

As I have said, Social Security payments have been protected from sequestration orders under the Gramm-Rudman-Hollings law.

But, Mr. President, the moneys necessary to print and mail these very same Social Security benefit checks are subject to sequestration. The problem, Mr. President, is inherent in the current process by which the Financial Management Service receives its funds, and it can easily be corrected. All we need to do is perform a simple accounting, or technical, adjustment.

Mr. President, the Financial Management Service, which is within the Treasury Department, is responsible for actually issuing all Social Security benefit checks. These costs include printing, storage, and mailing of the checks. FMS later "bills" the Social Security trust funds, managed by the Secretary of the Treasury, for its expenses related to the checks.

As only the Federal accounting system might devise, however, rather than the trust funds reimbursing FMS directly, it makes a payment to the general fund of the Treasury.

So, where does FMS get the money needed to pay for the costs associated with processing and mailing Social Security checks? It gets it through an annual appropriation—which makes it sequesterable under Gramm-Rudman.

Mr. President, this makes no sense. If Social Security processed and mailed benefit checks on its own, we would not have this problem. However, because it uses the centralized services of the Treasury—the Financial Management Service—Social Security can be prevented from getting benefits to its beneficiaries. As I said, this makes no sense.

FMS is simply providing a service, on a "reimbursable" basis. I believe that these operations, these service activities, should not be affected; rather, sequestration should only affect the administrative account of the benefiting agency—in this instance, Social Security.

To solve this problem, I introduced legislation, S. 2600, which would do no more than change the peculiar process that I outlined. After consultation with the Department of Treasury, I have revised my proposal and offer it today as a solution.

My amendment will permit the Social Security trust funds to directly reimburse the Financial Management Service for processing and mailing costs, rather than having them make payments to the general fund. This will guarantee that FMS will be able to mail all benefit checks on time—without fear that a sequestration order will shortchange the agency and as a result shortchange Social Security recipients.

If we do not adjust the process for the costs necessary to issue and mail all benefit checks, the Financial Management Service will be faced with a no-win situation—it has the responsibility to mail out all checks, but is faced with a possible postage rate increase and the virtual certainty being shortchanged by receiving less than the full amount required to meet the full costs timely mailing of Social Security checks to their recipients.

Mr. President, let me make clear that there is one thing that my amendment would not do: It would not amend Gramm-Rudman-Hollings and establish a new account that cannot be sequestered; it would not increase Federal budget authority; it would not increase budget outlays; In short, it would have no budgetary impact at all.

Mr. President, my amendment would simply allow the Financial Management Service to continue to receive all the moneys necessary for it to provide its vital service to all Social Security benefit recipients. It will let all Americans know, unequivocally, that they can rest assured—all benefit checks will continue to be processed and mailed on time.●

Mr. HEINZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT REQUEST

Mr. DOLE. Mr. President, we have reached that point, as far as I know, where there are no additional amendments on either side on the debt ceiling bill. What has been circulated is the unanimous consent request that gets us from the debt ceiling to the DOD authorization bill with an agreement to come back to the debt ceiling if we have not completed the DOD authorization bill by the close of business on Thursday, August 7.

The reason for that is because we have Members who wish to do two things: Some have suggested if we cannot work out some agreement between now and Thursday on aid to the freedom fighters and South Africa, they will want to put those amendments on the debt ceiling.

As I understand from the meeting we had yesterday, that is precisely what this unanimous consent agreement does.

We had one agreement drafted that covered everything, when we would finish DOD, when we would finish aid to the Contras, when we would finish South Africa.

But we determined very early that that was not going to be agreed to. It was my understanding, unless I did not hear it correctly in the meeting yesterday, that this would get us to the DOD authorization bill and give us a couple or 3 days to see if we could work out South Africa and Contra aid. If we could not, we are right back where we are, without any prejudice to anyone, on Thursday next. Then we could debate both issues on the debt ceiling.

What I propose to do with this agreement is advance the bill to third reading with the exception of those two matters and if we have not completed the DOD authorization—lay down the DOD authorization tonight. Both Senator GOLDWATER and Senator NUNN are here. They have been anxiously waiting.

If that is not completed by Thursday, August 7, then we will provide that on the DOD authorization bill, there would be no amendment dealing with either South Africa or Contra aid. If they have not completed final action on the DOD authorization at the close of business on Thursday, we would resume consideration of House Joint Resolution 668, which is the debt ceiling extension.

I do not believe there is any controversy there. It seems to me that gives us Monday, Tuesday, Wednesday, and Thursday to try to work out how we are going to handle aid to the Contras and South Africa.

Yesterday, the concern was getting the bill out of committee. There was a lot of suspicion that was not going to happen. It happened. The bill has been reported by the Foreign Relations Committee.

I am prepared either to start debating Contra aid on the debt ceiling or South Africa on the debt ceiling, but I would prefer, as I understood most Members did—I think every Member in the meeting—that we would work out some arrangement where we could move the DOD authorization and try to work out the other two issues, then come back to the debt ceiling and debate the issues there if we cannot reach an agreement between now and Thursday.

Mr. KENNEDY. Would the majority leader be good enough to yield?

Mr. DOLE. I am happy to yield.

Mr. KENNEDY. I appreciated the opportunity to talk with the leader in the past few days and with others about the schedule and how to communicate the interests of various Senators. The strong vote in the Senate Foreign Relations Committee today, 15 to 2, is a strong indication of bipartisan support for important and significant economic sanctions against South Africa. It is reasonable to assume that there will be less difficulty in disposing of the South African issue than the Contra issue, although there may be those who differ with that assessment.

I would not object to the plan outlined by the majority leader if we had assurance that we would have a final vote on the South Africa sanctions no later than Friday, August 15.

Mr. DOLE. I cannot give that assurance.

Mr. KENNEDY. Then I think I shall have to object, Mr. President. But I am quite ready to agree on a reasonable way to deal with both South Africa and Contra aid. But I shall insist that we have that opportunity to vote on South Africa, and I will voice an objection.

If the majority leader is not prepared to give any agreement either on taking up the South Africa measure or final disposition before the day we adjourn, then I, I would object to this proposed agreement.

Mr. DOLE. I have not propounded the request yet. I just say this is precisely the agreement we had in my office yesterday. Now the Senator wants to change it. It is precisely the agreement, the first half of the agreement. We said OK, let us go ahead, let us take all the amendments on the debt ceiling except the two so that everybody is going to be protected, then go on to the DOD authorization. I was going to ask every day this week, part of last week, about getting the DOD authorization. Let us do that, lay it down. If it is not completed by Thursday, we are right back in the same position where we are now and nobody has lost any rights.

That was the understanding. I did not draft this. I asked the Parliamentarian to do it.

Mr. KENNEDY. The leader was there. Other Members on the floor now were there. My recommendation at that meeting was that we would file cloture on the Defense authorization.

On Contra aid, and on South Africa as necessary, and be prepared to deal in a timely fashion with all three of those issues in the remaining 2 weeks. That was my recommendation at that meeting.

I do not want my position distorted by the majority leader. That was my recommendation. I am prepared to proceed in any way that would permit those three issues to be resolved.

Clearly, that is not the desire of the majority leader at this time. If we cannot reach agreement for a fair disposition of the South Africa issue prior to the recess, I will have to protect my rights to offer the amendment by whatever means are available on other vehicles.

Mr. BYRD. Mr. President, will the majority leader yield?

Mr. DOLE. I yield, Mr. President.

Mr. BYRD. The distinguished majority leader has not stated precisely what was agreed on in that meeting. It was I who made the proposal that there be 1 day of debate on South Africa; that a cloture motion be introduced on that day; that it be a full day of debate, not just an hour, not just 2 hours. As I remember, I said we have been going from 9 o'clock until 7 around here, so let us have a full day of debate, have the cloture motion introduced, then have the second day, a full day of debate again. And during the debate, there could be amendments called up and disposed of. Then on the third day under rule 22, have the cloture vote. If cloture was invoked, that is it. But drop the 30 hours.

Then I said we should have the same thing on Contra aid. I did not say which would come first, but I said we would have the same proposal with respect to both, that there be a full day of debate, a cloture motion entered that day, a second full day of debate, and then, on the third day, have the cloture vote.

That is what was said. That is what we kind of tentatively agreed to. I made the proposal. So if we are going to talk about what went on in the meeting yesterday, let us just air it.

That is not included here. That is not what we are saying here. That was not all of it.

We indicated also that we would try to complete action on the debt limit extension up to the two remaining

issues, South Africa and the Contras; put that over then until sometime next week; in the meantime, go to DOD, take it up, try to dispose of it. But we would leave the debt limit resolution train at the station out there so that if we could not resolve these other two matters in the meantime—at that time, the Foreign Relations Committee had not reported out the South Africa measure and the Appropriations Committee had not, at that time—has not yet—reported out the MilCon appropriations bill on which the Contra aid legislation, I believe, is attached.

That was the understanding. What we have here is a proposal to put the debt limit extension measure over until a future date. In the meantime, we go with DOD and if passage of DOD does not occur by the close of business on next Thursday, then the Senate would resume consideration of the joint resolution on the debt limit until disposed of.

□ 2000

That is not what we agreed to yesterday. I think we can work this out if there is a willingness on both sides to do it. But I would have a number of questions. No. 1, suppose DOD is disposed of before next Thursday? And I doubt that will happen. But this does not say that if DOD is disposed of before next Thursday, the Senate will immediately resume House Joint Resolution 668, the debt limit extension. Furthermore, it does not provide for a final disposition by cloture of either of those two key items, South Africa and Contra aid. That was what we talked about yesterday, and I specifically said in that meeting the reason I think we ought to have a cloture vote is because we would shut out then all nongermane amendments, we would shut them out, we get a cloture vote and then forget about the 30 hours. That is not provided for in here. I would like to see that provided. That is within the power of the distinguished majority leader. He could assure the Senate that we will have a cloture vote no later than Thursday, a week from next Thursday. I do not have to go into a lengthy speech to describe how that would be done but he can do that, and he can also assure himself that he will have a cloture vote on Contra aid, even prior to that as far as that is concerned. But I think we have to have a very, very definite agreement that assures those two specifics.

That is what we were talking about yesterday, and I hope that we would try to reach an accord to that end.

Mr. DOLE. I do not have any quarrel with the distinguished minority leader or the Senator from Massachusetts, but I would indicate there was also recited at that meeting that—there were 6 or 7 of us there and there are 93 out here who were not in the meeting. We had a lot of ideas. We were waiving the 30 hours of debate if you get cloture. I asked the question, if you do not get cloture the first day on Contra aid, will we have a second cloture vote? I assume you could have a third cloture vote, and sooner or later you would have to pull it down. We talked in a general way. Then I asked to be drafted some provision that we might start circulating, and I learned very quickly that we were not going to get that far.

I think everybody agreed had we been able to put that agreement together, we would have been in pretty good shape, and I would have been for it, the minority leader would have been for it, everybody in that meeting, I guess, would have been for it. But I think there were 93 Senators who were not in that meeting; 92.

Now, let me repeat, as far as I know there are no more amendments to the debt ceiling. The question now is whether I am going to offer Contra aid and, if I do, will the Senator from Massachusetts move to recommit, with South Africa, and will I add amendments to authorize Contra aid and we are right back where we started. That is question No. 1.

Question No. 2, since we have completed our work on the debt ceiling with those two exceptions, what do we lose by permitting Senators who are here, the Armed Services Committee chairman and ranking member, to proceed to lay down the DOD authorization, which they can do, if not complete, get very close to completion, by Thursday? If they do not complete it by Thursday, we are right back where we are right at this moment.

I have not lost any of my rights, the Senator from Massachusetts has lost none of his rights, and in the meantime we are doing something because if we are not going to take up DOD I assume we are just going to try to work out an agreement the next 2 or 3 days on South Africa and Contra aid. As I look at the calendar, there are precisely 10 legislative days left between now and August 15, maybe 11 if we meet on a Saturday, which is not likely. Now, maybe somewhere along the line—there is no guile, there is no effort to deceive anyone. I am just trying to get some work done in the Senate, and again I would say the RECORD will reflect that every day on this floor the last few days I have been asked by the minority leader, when are we going to get to the DOD authorization bill. I want to get to the DOD authorization bill. I agree with the minority leader. I agree with the Senator from Georgia. I agree with the Senator from Arizona. It is an important piece of legislation.

I think I recollect the Senator from Georgia said on this floor the last couple of days, maybe we ought to take a day or two to concern ourselves about the American interests. And this is a big, big piece of legislation.

I do not know what the Senator from Massachusetts loses. He just does not gain anything. I think we are all in this together. I am certainly willing to work on Monday, Tuesday, Wednesday, and Thursday of next week to reach some fair agreement on the disposition of those two big issues. If we cannot reach an agreement, we have not lost a thing. We are right where we are at this very moment where I have the floor and I can send to the desk the amendment on Contra aid, which I have.

I do not want to do that. I do not believe the Senator from Massachusetts wants to put South Africa on this bill either because there has been a bill reported by the Senate Foreign Relations Committee that has not yet reached the floor. It was approved by a 15-to-2 vote. I am not certain which bill the Senator from Massachusetts would offer, but I am certainly at a loss to understand what anyone loses. There was no way we could have gotten what we all would like to have gotten in that session we had yesterday.

So I decided if you are not going to get the whole loaf, you better take half a loaf, you better do what you can on the debt ceiling and you better get Senators GOLDWATER and NUNN started on DOD authorization and in that 4-day period myself, Senator LUGAR, Senator KENNEDY, Senator BYRD, Senator WEICKER, and others who have an interest in South Africa and Contra aid will try to reach some agreement.

If we do not, we are precisely where we are at this moment, right back with me standing here, the Senator from Massachusetts standing there; I will have this amendment at the close of business Thursday and, if we cannot work out an agreement, then it will probably be offered.

It was also my understanding in that meeting that the Senator from Connecticut wants a freestanding vote on South Africa. It is an important issue. We have 30-some amendments flying around on the debt ceiling extension. It should not have any. You are going to clutter it up with South Africa and I will clutter it up with aid to the freedom fighters or Contra aid, and I do not think we have really achieved anything.

But I am not certain I can stand here now and say without any doubt that on a certain day next week we are going to be prepared to vote on either the freedom fighters or South Africa. But I want to complete South Africa before August 15. I want to complete freedom fighters before August 15. I do not believe I have given any indication otherwise. I hope that we would just proceed, let the DOD bill come up. We have a cloture motion ready to

file on the DOD authorization, signed by 16 Members. If that is complete, all we have to decide is which comes first, freedom fighters or South Africa.

Mr. KENNEDY. Will the majority leader yield?

Mr. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. DOLE. I will be happy to yield to the minority leader.

Mr. BYRD. I want to point out the problem with what the distinguished majority leader says. The consent proposal does not definitely provide for the disposal of the South Africa measure or Contra aid.

□ 2010

I read from the second paragraph:

If final passage——

meaning the DOD authorization——

does not occur by the close of business on Thursday, August 7, the Senate will resume H.J. Res. 668 and remain on the joint resolution until disposed of.

Now, suppose we go back to the debt limit extension. What assurance is there that some Senator—and Senators other than the majority leader can offer cloture motions. What assurance is there that a Senator—let it be the majority leader; it might be minority leader; it might be any Senator—might offer a cloture motion on this debt limit extension? If that cloture is invoked, South Africa is not a germane, and South Africa could not be offered to that debt limit extension; and Contra aid is not germane.

That is what is wrong with the agreement, and that is what is not in keeping with the intention and understanding, I think, of everybody there.

Mr. DOLE. I do not think that was ever even discussed. Not in the meeting I attended yesterday. Maybe there was another meeting. But not that particular scenario.

Mr. BYRD. There are many scenarios that could happen.

Mr. DOLE. I can only play one at a time.

Mr. BYRD. I can only play one at a time.

Mr. DOLE. There is not any assurance.

Mr. BYRD. I am trying to help the distinguished majority leader.

Mr. DOLE. I had a little agreement drafted here that I thought would suit everyone. Just let me read it. I will be happy to try one tonight.

I ask unanimous consent that the debt limit bill, H.J. Res. 668, be read a third time no later than the close of business today, provided, that amendments dealing with South Africa and aid to freedom fighters be in order when it is resumed, no later than Monday, August 11; provided that the DOD authorization bill, S. 2638, be laid before the Senate on tomorrow and proceeded with until concluded, no later than close of business Tuesday next;

We might even slip that to Wednesday.

and that on Wednesday next the Senate proceed to the Military Construction Bill, H.R. 5052, at 10:00 a.m. and the Senate proceed with that bill until concluded no later than the close of business Thursday next; and further that on Friday next at 10 a.m. the Senate proceed to a bill to be called up by the Senator from Indiana [Mr. LUGAR] dealing with South Africa and that the Senate proceed on that bill until concluded, no later than the close of business that day.

If I could have that agreement, we might even leave before the 15th of August; but I doubt that I can get that agreement because some do not want to vote on freedom fighters. They want to filibuster freedom fighters.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. BYRD. May I ask the majority leader to yield for a moment?

We did not discuss that scenario, either, but I would be happy to take a look at that.

What I am saying to the distinguished majority leader is that if he would simply write into this agreement that a cloture vote would occur not later than Thursday, a week from next Thursday, on South Africa, and then he could put his own provision, so far as I am concerned, as to the date when Contra aid would be voted on by cloture, perhaps we could agree on this.

But there is no assurance, I say once again, most respectfully, to the majority leader—there is no assurance in this agreement right here, and that is what we are talking about. We are talking about agreements. We are talking about orders of the Senate that will be entered on a unanimous-consent agreement. There is nothing here that assures Senators who are interested in South Africa getting a vote on that. There is nothing to assure Senators who want a vote on Contra aid that a cloture motion will not be entered on the debt limit extension and they will be heard out.

Another scenario we have not discussed, but a possibility and a good reason why Senators will want to make sure the agreement is clear and that it specifically states these things so that everybody will be protected—another scenario could be like this:

The distinguished majority leader or any other Senator could offer a cloture motion on Contra aid; cloture could be invoked; Contra aid would be voted on; and then, before anybody could offer an amendment on South Africa and a cloture motion on that measure, a motion to invoke cloture could be offered on the debt limit extension. So that Contra aid is in. Those who want to vote on Contra aid—I do not mind having a vote on Contra aid—would get their vote, would get their cloture, would get that provision in the debt limit extension; and then slap a cloture motion on the debt limit extension itself, invoke cloture; and no nongermane amendments could come in under cloture, and South Africa is out.

That is what the distinguished Senator from Massachusetts is concerned about, I think. That is certainly what I am concerned about.

If we can do that, then I think we will be moving in accordance with the understanding we had yesterday.

I thank the distinguished majority leader for yielding.

Mr. DOLE. But I do not think there is anything I cannot do. I do not need the unanimous-consent agreement. I may have to wait until Monday to get the votes to move to the DOD authorization. I can do that right now. I do not need unanimous consent.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. BYRD. I understand all that.

Mr. DOLE. What are we arguing about?

Mr. BYRD. I am not arguing about anything. I am trying to help the distinguished majority leader get an agreement that will see the Senate act on DOD. I have no objection to going to DOD. But I would hope we could work out an agreement whereby we would take up these measures in an orderly fashion, so that those who want a vote on South Africa will get it and those who want a vote on Contra aid will get it, and we will get action on DOD.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. KENNEDY. In conclusion, I just want to state my position. It has been represented in a way that does not accurately reflect my intention.

I am not interested in preventing the Senate from considering the defense authorization bill. I want to make that clear. I am prepared to move to that bill at the present time. I think it is important. There are a number of matters in it which I would like to debate, and I supported the bill in the Armed Services Committee. The chairman and the ranking minority member are here, prepared to begin the debate. So I welcome the opportunity to move to that legislation.

It is also essential that we have an opportunity for the Senate to work its will on both South Africa and Contra aid.

The fact of the matter is, Mr. Leader, you do not know whether you have the votes on Contra aid. I believe that we do, with regard to South Africa. Because you do not know whether you have the votes on it, you are holding South Africa hostage to Contra aid.

The PRESIDING OFFICER. The Senator will address the Chair and not address another Senator.

Mr. KENNEDY. Who was I addressing?

Mr. DOLE. Me.

Mr. KENNEDY. Excuse me.

The fact is, the majority leader is not sure whether he has the votes on Contra aid, and so he is holding South Africa hostage to Contra aid. That is the fact. The leader may call it by another name, but that is the fact of the matter.

Furthermore, as a strong supporter of sanctions against South Africa, I am prepared to offer the South African amendment on the debt limit bill, although I prefer that we have a free-standing measure as outlined by the Senator from Connecticut. We are prepared to ban a cloture vote. We are prepared to see it go back to the House on the debt limit bill.

□ 2020

I do not believe that the majority leader is so sure whether he wants Contra aid to go back to the House on the debt limit. The House might take another look at it. But let us not mislead the Senate that it is a question of Tweedledum and Tweedledee, South Africa and Contra aid. It is going to be much more difficult for the majority leader to pass Contra aid than for us to pass sanctions against South Africa. We can dispose of the South Africa issue in 4 days at the most, if we need two cloture votes on the debt limit, one on the amendment, and one on final passage of the bill. If the opponents do not require us to have a second cloture vote, we could dispose of it in 2 days.

On the merits, the South African issue could be disposed of in 1 day.

But unless we are able to obtain some assurance about a fair opportunity to vote on South Africa, we will have to exercise whatever parliamentary rights we have, so that the Senate can express itself on this issue.

I thank the Chair.

Mr. DOLE. Mr. President, in my view we have two important issues.

I think many of us who supported sanctions on South Africa last September are prepared to do so again. This is not the question.

I would guess on that issue there is not much division in this Senate. I hope not. It is bipartisan, nonpartisan, whatever, as it should be.

But there is another issue where the Senate is closely divided. It is an issue in which the President of the United States feels very strongly, and that is Contra aid.

I have some responsibility to the President as leader of the Senate, whether I am majority leader, minority leader, or whatever.

I am perfectly willing to sit down and work out some agreement that is fair and above board, the only kind we are going to have in this body; the only kind we ever had as far as this Senator knows.

But I am not prepared to say OK we will take care of South Africa and then you just do the best you can on Contra aid.

We passed Contra aid in this body in March, a bipartisan vote. In my view, there is no reason that we should not have an opportunity to take it up again. Whether or not we have the votes on cloture I do not know.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. NUNN addressed the Chair.

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, FISCAL YEAR 1987

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar 713, S. 2638, the DOD authorization bill.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DOLE and Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. I say the Senator from Massachusetts indicated a few moments ago he did not mind going to the DOD authorization bill. That is what I was attempting to do.

But I will move that the Senate turn to that in a minute and see if we can accommodate some of our colleagues on an issue I thought was of some interest and that is the DOD authorization bill.

But the facts are unless we can do it one way we are not going to do it at all. That is what I hear in this Chamber.

Mr. GOLDWATER. Will the Senator yield?

Mr. DOLE. I am happy to yield to the Senator.

Mr. GOLDWATER. I would like to make a suggestion, I guess in the form of an inquiry.

I look at the situation we have right now with the debt limit of great importance to our country, the DOD authorization bill of even greater importance to our country.

I do not think there is any question at all but the people in South Africa know that this Congress is going to vote sanctions. I do not think there is any question of that.

Now, on Contra aid there may be some question on that, but we are not interested I think at the moment in South Africa. I am just wondering if my friend from Massachusetts, and I think he has to feel the same way as I do relative to this sanctions vote, considers it absolutely necessary that we have the vote on the sanctions next week? Could we not put that off, say, until we come back from the recess because we do have these very, very important bills, the debt limit and our Armed Services authorization bill which the Senator from Massachusetts has worked so hard on with all of us?

Mr. KENNEDY. I respond to the Senator.

The PRESIDING OFFICER. The majority leader has the floor.

Does the majority leader yield?

Mr. DOLE. I yield to the Senator from Massachusetts for that purpose.

Mr. KENNEDY. Mr. President, I say to the Senator from Arizona, let me just say it is not necessary to vote next week on sanctions against South Africa. I do believe that it is essential, though, that we vote on them prior to the August recess. We may need two cloture votes, and I would hope we could take up the issue to have the second cloture vote, if necessary, on Friday, August 15, the day that we begin the recess. There is no reason we have to vote next week on it, but I would hope that we would vote before the August recess begins.

Mr. President, if I could just have the majority leader's attention for 1 minute.

Mr. DOLE. The Senator from Kansas has the floor. I am happy to yield.

Mr. KENNEDY. I withdraw my earlier objection. I did not intend to oppose moving to the defense authorization bill, but I wanted to make my position clear on the South Africa issue. In argument, we have the option to add that onto the defense authorization bill if we are not able to reach some other satisfactory arrangement.

Mr. NUNN. Mr. President, will the majority leader yield?

The PRESIDING OFFICER. Does the Chair understand that the Senator from Massachusetts has withdrawn the objection to the majority leader's unanimous-consent request?

Mr. KENNEDY. To move to the defense authorization.

Mr. DOLE. Let me renew my request.

I ask unanimous consent that the Senate now turn to the consideration of Calendar No. 713, S. 2638, the DOD authorization bill.

Mr. NUNN. Mr. President, will the majority leader yield?

Mr. DOLE. I am happy to yield the floor.

Mr. NUNN. I would like him to yield.

Mr. DOLE. I am happy to yield.

Mr. BYRD. Could we have the clerk report the bill?

The assistant legislative clerk read as follows:

A bill (S. 2638) to authorize appropriations for military functions of the Department of Defense and to prescribe military personnel levels for such Department for fiscal year 1987, to revise and improve military compensation programs, to improve defense procurement procedures, to authorize

certain construction at military installations for fiscal year 1987, to authorize appropriations for national security programs of the Department of Energy for fiscal year 1987, and for other purposes.

The Senate proceeded to consider the bill.

Mr. NUNN. Mr. President, will the majority leader yield for a brief question?

Mr. DOLE. Yes.

Mr. NUNN. It seems to me that there is still another. We are not going to solve the whole problem tonight. It is obvious we are not going to solve the Contra problem in terms of getting that up. We are not going to solve the South Africa problem.

There is another problem it seems to me we should be able to solve and help the majority leader and it seems to me to help the body. That is close off the amendments to the debt ceiling other than those two matters.

The way this unanimous consent is drafted—and I would ask the majority leader to make sure he follows this closely, it may be that he has some reason that would be opposed to this particular suggestion—there are four paragraphs in this unanimous-consent agreement.

Paragraph 1 basically says that no other business except aid to the freedom fighters and South Africa can be in order on this debt ceiling.

Paragraph 2 goes to the DOD authorization bill and states that if final passage does not occur the Senate will resume the debt ceiling bill.

Paragraph 3 forecloses any amendment on South Africa or Contra aid to the military authorization bill.

And paragraph 4 goes back to the debt limit extension bill.

It seems to me it is very important tonight if it is possible to close off amendment to this bill other than the Contra aid and South Africa.

If you struck paragraph 3 it seems to me that then we would be right where we are now because the Senator from Massachusetts can offer to this DOD authorization bill, which is now the pending business of the Senate, the South African resolution, the majority leader can offer the Contra resolution; so the DOD authorization bill has already got that exposure.

I would hope neither of those would be offered on that bill.

If you struck paragraph 3 you would foreclose any further amendment to the debt ceiling. You would put us in a position we are no worse off than we are right now on the DOD authorization bill, but you would protect the Senator from Massachusetts and the majority leader's right to offer the Contra or the South Africa resolution to either the DOD authorization bill or the debt ceiling bill.

What that would do it would leave everyone where they are now but the Senate as a whole and majority leader I think would be much better off because you would not have other amendments that could be proposed to the debt ceiling bill over the weekend.

We may come back here Monday morning and have 50 more amendments to the debt ceiling bill and then instead of making progress we are going to be behind the eight ball.

So it seems to me if we struck paragraph 3 and pose that same unanimous-consent agreement everyone would be as well off but we would not have that kind of exposure and no one would be losing their opportunity, including the Senator from Massachusetts.

□ 2030

Mr. DOLE. Mr. President, I thank the Senator from Georgia on his constructive suggestion; even if we would only agree to the first paragraph, just the first paragraph.

Mr. KENNEDY. I think the suggestion is a constructive one and I would support the recommendation of the Senator from Georgia.

Mr. BYRD. If I understood the distinguished Senator from Georgia, he is suggesting that the agreement that was presented be presented again—that agreement was not entered into—be presented again, but without paragraph 3.

Mr. NUNN. Mr. President, the Senator from West Virginia is correct.

Mr. BYRD. Mr. President, paragraph 3 is not what gave this Senator any problem to begin with.

Mr. NUNN. I understand that, but the problems posed by the Senator from West Virginia would be, it seems to me, answered by striking paragraph 3, because then the Senator from Massachusetts, on the South African resolution, and the Senator from Kansas could pose their amendments to the DOD bill, as well as the debt ceiling bill.

Mr. DOLE. Mr. President, if I might add, I think I know the concern the distinguished minority leader has, and we could add to that another paragraph, which asks unanimous consent that, regardless of cloture being invoked on the debt limit bill, House Joint Resolution 668, that the germaness provisions of rule XXII not prohibit the offering of amendments on the two issues dealing with aid to Contras, freedom fighters, and South Africa. Would that take care of it?

Mr. BYRD. Mr. President, I suppose I have worked out more time agreements in this Senate than any other Senator in the history of the Senate.

I would be happy, if the distinguished majority leader wanted to, to put in a quorum call and let us see what we are talking about, let us see it in writing, and it may be that this is something we could agree on.

Mr. DOLE. Mr. President, I would be pleased to do that, because I think the Senator from Georgia could be correct. I mean, we could get back here on Monday and there would be an additional 10 or 20 amendments on the debt ceiling, and that would not be in the best interest of getting that passed.

Mr. KERRY. Mr. President, will the majority leader yield?

Mr. DOLE. I am happy to yield to the junior Senator from Massachusetts.

Mr. KERRY. Mr. President, it is my understanding, then, that essentially we have in writing the entirety of the proposed UC in paragraphs 1, 2, and 4.

Three would be taken out and in its place would be the paragraph that has just been propounded with respect to the germaneness issue as to South Africa and Contra assistance.

Mr. DOLE. That would be satisfactory with me.

Mr. KERRY. It would be a four paragraph UC, with the addition of the new paragraph.

Mr. DOLE. Either that, or we could just add what I just read to paragraph 1, eliminating the present unnumbered paragraph 3.

Mr. GOLDWATER. Will the Senator yield?

Mr. DOLE. I am happy to yield.

AMENDMENT NO. 2271

(Purpose: To reduce amounts authorized to reflect inflation and fuel savings, and to correct technical errors)

Mr. GOLDWATER. Mr. President, because we are now in the position of having had the defense bill brought up and there are more problems to solve, I would like to get some of my troops home.

I would like to, on behalf of the committee, send to the desk an amendment and ask for its immediate consideration. It is a technical amendment. I will explain it briefly.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. GOLDWATER] proposes an amendment numbered 2271.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

On page 3, line 3, strike out "$2,985,600,000" and insert in lieu thereof "$2,793,700,000".

On page 3, line 4, strike out "$2,354,900,000" and insert in lieu thereof "$2,198,200,000".

On page 3, line 6, strike out "$4,101,000,000" and insert in lieu thereof "$3,794,900,000".

On page 3, line 7, strike out "$2,342,800,000" and insert in lieu thereof "$2,283,300,000".

On page 3, line 8, strike out "$5,559,300,000" and insert in lieu thereof "$5,365,900,000".

On page 4, line 9, strike out "$10,552,070,000" and insert in lieu thereof "$9,903,070,000".

On page 4, line 11, strike out "$5,905,890,000" and insert in lieu thereof "$5,557,490,000".

On page 4, line 12, strike out "$9,914,600,000" and insert in lieu thereof "$9,323,800,000".

On page 4, line 13, strike out "$6,121,657,000" and insert in lieu thereof "$5,934,057,000".

On page 4, line 17, strike out "$1,477,000,000" and insert in lieu thereof "$1,382,700,000".

On page 6, line 18, strike out "$17,484,904,000" and insert in lieu thereof "$16,383,104,000".

On page 6, line 19, strike out "$8,611,400,000" and insert in lieu thereof "$8,116,200,000".

On page 6, line 20, strike out "$47,374,848,000" and insert in lieu thereof "$10,068,348,000".

On page 7, line 18, insert the following:

(c) Notwithstanding the amounts authorized to be appropriated by subsection (a), the total amount authorized to be appropriated by this subsection if $454,300,000".

On page 7, line 23, strike out "$1,477,500,000" and insert in lieu thereof "$1,431,300,000".

On page 10, line 24, strike out "$4,939,469,000" and insert in lieu thereof "$4,815,669,000".

On page 11, line 2, strike out "$9,490,978,000" and insert in lieu thereof "$9,265,378,000".

On page 11, line 3, strike out "$15,301,673,000" and insert in lieu thereof "$14,908,873,000".

On page 11, line 4, strike out "$7,507,074,000" and insert in lieu thereof "$7,310,974,000".

On page 20, line 1, strike out "$20,664,070,000" and insert in lieu thereof "$20,602,870,000".

On page 20, line 2, strike out "$24,275,960,000" and insert in lieu thereof "$24,016,760,000".

On page 20, line 3, strike out "$1,834,100,000" and insert in lieu thereof "$1,830,300,000".

On page 20, line 4, strike out "$19,418,371,000" and insert in lieu thereof "$19,036,071,000".

On page 20, line 6, strike out "$778,300,000" and insert in lieu thereof "$776,100,000".

On page 20, line 7, strike out "$906,000,000" and insert in lieu thereof "$887,400,000".

On page 20, line 8, strike out "$63,000,000" and insert in lieu thereof "$62,800,000".

On page 20, line 9, strike out "$907,800,000" and insert in lieu thereof "$887,100,000".

On page 20, line 10, strike out "$1,722,800,000" and insert in lieu thereof "$1,714,800,000".

On page 20, line 11, strike out "$1,774,700,000" and insert in lieu thereof "$1,727,900,000".

On page 241, line 7, strike out "$3,050,606,000" and insert in lieu thereof "$2,950,806,000".

On page 242, line 17, strike out "$6,000,000 and insert in lieu thereof "$5,500,000".

On page 242, line 17, insert the following:

"(8)(A) Notwithstanding the amounts authorized to be appropriated by paragraphs (1)-(6) of this subsection, the total amount authorized to be appropriated by this subsection for the purposes described in such paragraphs is $1,326,910,000.

"(B) Notwithstanding the amounts authorized to be appropriated by subparagraphs (A) and (B) of paragraph (7) of this subsection, the total amount authorized to be appropriated by this subsection for the purposes described in such subparagraphs is $1,618,396,000.".

On page 256, line 7, strike out "$2,236,843,000" and insert in lieu thereof "$2,161,343,000".

On page 257, after line 13, insert the following:

"(8)(A) Notwithstanding the amounts authorized to be appropriated by paragraphs (1)-(6) of this subsection, the total amount authorized to be appropriated by this subsection for the purposes described in such paragraphs is $1,437,160,000.

"(B) Notwithstanding the amounts authorized to be appropriated by subparagraphs (A) and (B) of paragraph (7) of this subsection, the total amount authorized by this subsection for the purposes described by such subparagraphs is $724,183,000.".

On page 268, line 9, strike out "$2,229,899,000" and insert in lieu thereof "$2,148,689,000".

On page 269, after line 13, insert the following:

"(7)(A) Notwithstanding the amounts authorized to be appropriated by paragraphs (1)-(5) of this subsection, the total amount authorized to be appropriated by this subsection for the purposes described in such paragraphs is $1,313,280,000.

"(B) Notwithstanding the amounts authorized to be appropriated by subparagraphs (A) and (B) of paragraph (6) of this subsection, the total amount authorized to be appropriated for the purposes described by such subparagraphs is $835,409,000.".

On page 275, line 9, strike out "$587,490,000" and insert in lieu thereof "$568,500,000".

On page 275, line 25, strike out "$31,950,000" and insert in lieu thereof "$30,760,000".

On page 276, after line 18, insert the following:

"(10) Nothwithstanding the amounts authorized to be appropriated by paragraphs (1)-(8) of this subsection the total amount authorized to be appropriated by this subsection for the purposes described by such paragraphs is $550,900,000.".

On page 278, line 5, strike out "$247,000,000" and insert in lieu thereof "$239,000,000".

On page 278, line 19, strike out "$121,100,000" and insert in lieu thereof "$118,700,000".

On page 278, line 20, strike out "$86,700,000" and insert in lieu thereof "$83,200,000".

On page 278, line 22, strike out "$44,500,000" and insert in lieu thereof "$43,800,000".

On page 278, line 25, strike out "$140,000,000" and insert in lieu thereof "$137,000,000".

On page 279, line 1, strike out "$58,900,000" and insert in lieu thereof "$55,400,000".

On page 30, line 11, insert "and shall" after "subsection (a),".

On page 83, line 4, strike out "which" and insert in lieu thereof "that".

On page 106, beginning on line 14, strike out "(using" and all that follows through "fiscal year)" on line 16.

On page 107, beginning on line 10, strike out "(using" and all that follows through "fiscal year)" on line 11.

On page 111, line 4, insert "of this Act" after "701 and 702".

On page 118, line 23, strike out "part" and insert in lieu thereof "title".

On page 120, line 22, insert "of this Act" after "section 808".

On page 122, line 23, strike out "to an offense" and insert in lieu thereof "only to offenses".

On page 125, line 7, insert "of this Act" after "806".

On page 203, line 22, strike out "structures" and insert in lieu thereof "structure".

On page 235, strike out lines 23 and 24.

On page 236, line 2, strike out "$4,240,000" and insert in lieu thereof "$5,120,000 ".

On page 236, line 4, strike out "$2,640,000" and insert in lieu thereof "$2,800,000".

On page 236, line 6, strike out "$1,320,000" and insert in lieu thereof "$1,400,000".

On page 236, line 8, strike out "$1,320,000" and insert in lieu thereof "$1,400,000".

On page 236, line 10, strike out "$5,610,000" and insert in lieu thereof "$5,950,000".

On page 236, line 11, strike out "$60,000" and insert in lieu thereof "$69,000".

On page 236, line 12, strike out "$330,000" and insert in lieu thereof "$350,000".

On page 236, line 14, strike out "$4,753,000" and insert in lieu thereof "$6,000,000".

On page 306, after line 6, insert the following:

SEC. 2186a. MULTIFUEL SOURCES FOR NEW HEATING SYSTEMS AT MILITARY INSTALLATIONS.

(a) IN GENERAL.—Section 2690 of title 10, United States Code, is amended to read as follows:

"§ 2690. Multifuel sources for new heating systems

"(a) Except as provided in subsection (b), each new heating or cogeneration system which is installed or constructed at any military installation located on lands under the jurisdiction of a military department and which requires 100 million British thermal units input per hour or more shall have multiple fuel capability. The primary and secondary fuel capability of any such system shall be a fuel from the solid fuel group or the liquid and gas hydrocarbon group (petroleum and natural gas). The fuel capability of a new heating or cogeneration system shall be determined on the basis of life cycle costs and availability of fuels.

"(b) In any case in which local restrictions or costs make the installation or construction of solid or dual fuel equipment infeasible, the Secretary concerned may waive the requirement of subsection (a), but such waiver shall not become effective until after the Secretary concerned has notified the appropriate committees of Congress in writing of the waiver and the reasons for exercising such waiver authority.

"(c) In this section, the term 'multiple fuel capability' means the capability of using two or more types of fuel.".

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of Chapter 159 of such title is amended by striking out the term relating to section 2690 and inserting in lieu thereof the following:

"2690. Multifuel sources for new heating systems.".

Mr. GOLDWATER. Mr. President, the purpose of this committee amend-

ment is to reduce the overall authorization totals included in the original bill reported by the committee to reflect additional inflation and fuel savings identified and validated after the committee bill was reported to the Senate, and to correct a number of purely technical errors appearing in S. 2638.

I ask unanimous consent that the committee amendment be considered and agreed to en bloc and that the bill, as amended, be considered as original text for the purposes of further amendment.

The PRESIDING OFFICER. Is there objection to the Senator's request? Without objection, it is so ordered.

Mr. GOLDWATER. I ask unanimous consent that an explanation of the amendment be printed at this point in the RECORD.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

The committee amendment makes changes to the reported bill in three areas: inflation funding adjustments, reductions for fuel savings, and minor technical amendments.

The budgetary impact of the amendment is to reduce the authorization bill as reported by $6.8 billion in budget authority and approximately $2 billion in outlays. The authorization bill will total $294.8 billion in budget authority and $286 billion in outlays.

INFLATION

The amendment reduces the budget authorizations in the bill by approximately $6 billion due to reestimates of inflation for Fiscal Years 1985-1987. The impact on the FY 1987 outlay estimate is a reduction of approximately $1.4 billion.

In its letter of May 29, 1986, DOD identified $581 million in available funds resulting from actual end-of-year inflation experience for FY 1985. Based on committee staff assumptions of inflation estimates for Fiscal Years 1986 and 1987, DOD has identified an additional $6.4 billion savings which could result from reestimates of inflation for FY 1986 and FY 1987.

The authorization bill as reported already includes $1 billion in reductions in the O&M and procurement accounts which are based on inflation adjustments. Therefore, the committee amendment reduces the reported bill by only $6 billion in additional inflation savings.

FUEL SAVINGS

In its letter of May 29, 1986, DOD identified $664 million in savings resulting from lower fuel prices in FY 1986, and the reported bill takes these savings into account. More recent informal estimates from DOD indicate that an additional $800 million may be available in FY fuel savings.

The committee amendment reflects the reduction of an additional $800 million from the O&M accounts for fuel savings. The impact on the FY 1987 outlay estimate is a reduction of approximately $640 million.

TECHNICAL AMENDMENTS

This portion of the committee amendment consists of corrections of typographical and other minor errors in the printing of S. 2638, as well as corrections required to carry out the intent of the committee at the time it ordered the bill reported.

SUMMARY OF FUNDS RECOMMENDED FOR AUTHORIZATION

[In thousands of dollars]

	Fiscal year—		Budget authority			
			S. 2638 as reported		Committee amendment	
	1986 final	1987 request	Change from request	Recommendation	Change from bill	Revised recommendation
PROCUREMENT						
Army:						
Aircraft	3,524,200	3,264,700	−279,100	2,985,600	−191,900	2,793,700
Missiles	2,904,332	2,438,200	−83,300	2,354,900	−156,700	2,198,200
Weapons & tracked combat vehicles	4,676,800	4,452,600	−351,600	4,101,000	−306,100	3,794,900
Ammunition	2,497,200	2,254,000	88,800	2,342,800	−59,500	2,283,300
Other procurement	5,240,256	6,169,00	−609,700	5,559,300	−193,400	5,365,900
Total, Army procurement	18,842,788	18,578,500	−1,234,900	17,343,600	−907,600	16,436,000
Navy:						
Aircraft	11,175,678	11,304,300	−752,230	10,552,070	−649,000	9,903,070
Weapons	5,216,095	6,095,400	−189,510	5,905,890	−348,400	5,557,490
Shipbuilding and conversion	10,840,400	11,046,200	−1,131,600	9,914,600	−590,800	9,323,800
Other procurement	6,381,282	6,538,800	−416,143	6,121,657	−187,600	5,934,057
Marine Corps	1,660,766	1,565,000	−88,000	1,477,000	−94,300	1,382,700
Total, Navy procurement	35,274,221	36,549,700	−2,578,483	33,971,217	−1,870,100	32,101,117
Air Force:						
Aircraft	23,030,524	19,127,400	−1,642,496	17,484,904	−1,101,800	16,383,104
Missiles	8,317,042	8,982,400	−371,000	8,611,400	−495,200	8,116,200
Other procurement	8,568,083	10,900,300	−525,452	10,374,848	−306,500	10,068,348
Total, Air Force procurement	39,915,649	39,010,100	−2,538,948	36,471,152	−1,903,500	34,567,652
Defense agencies procurement	1,287,740	1,488,400	−10,900	1,477,500	−46,200	1,431,300
National Guard & Reserve proc	1,501,800	0	465,000	465,000	−10,700	454,300
DOD NATO cooperative programs	15,000	0	0	0	0	0
Coastal defense augmentation	235,000	0	0	0	0	0
DOD chemical demilitarization prog	0	120,100	0	120,100	0	120,100
Total, procuement	97,072,198	95,746,800	−5,989,231	89,848,569	−4,738,100	85,110,469
RESEARCH, DEVELOPMENT, TEST, AND EVALUATION						
Army	4,841,472	5,550,300	−610,831	4,939,469	−123,800	4,815,669
Navy (including Marine Corps)	10,076,939	10,586,800	−1,095,822	9,490,978	−225,600	9,265,378
Air Force	13,787,408	17,275,400	−1,973,727	15,301,673	−392,800	14,908,873
Defense agencies	6,642,386	8,364,300	−1,010,326	7,353,974	−194,700	7,159,274
Director, test and evaluation	118,500	141,800	0	141,800	−1,400	140,400
Director, oper test and evaluation	0	11,300	0	11,300	0	11,300
Total, research, development, test, and evaluation	35,466,705	41,929,900	−4,690,706	37,239,194	−938,300	36,300,894
OPERATION AND MAINTENANCE						
Army	19,097,557	21,341,870	−677,800	20,664,070	−61,200	20,602,870
Navy	24,514,719	25,688,500	−1,412,540	24,275,960	−259,200	24,016,760
Marine Corps	1,612,050	1,864,100	−30,000	1,834,100	−3,800	1,830,300
Air Force	19,620,538	21,214,500	−1,796,129	19,418,371	−382,300	19,036,071
Defense agencies	7,600,894	8,573,700	−240,772	8,332,928	0	8,332,928
Army Reserve	780,100	793,100	−14,800	778,300	−2,200	776,100
Naval Reserve	894,950	975,900	−69,900	906,000	−18,600	887,400
Marine Corps Reserve	57,200	65,300	−2,300	63,000	−200	62,800
Air Force Reserve	902,700	975,600	−70,800	904,800	−17,700	887,100
Army National Guard	1,652,800	1,786,900	−64,100	1,722,800	−8,000	1,714,800
Air National Guard	1,806,200	1,932,700	−158,000	1,774,700	−46,800	1,727,900
Rifle Practice, Defense	920	930	0	930	0	930

SUMMARY OF FUNDS RECOMMENDED FOR AUTHORIZATION—Continued

[In thousands of dollars]

	Fiscal year—		Budget authority			
			S. 2638 as reported		Committee amendment	
	1986 final	1987 request	Change from request	Recommendation	Change from bill	Revised recommendation
Claims, Defense	143,300	155,600	−11,500	144,100	0	144,100
Court of Military Appeals, Defense	3,200	3,400	−200	3,200	0	3,200
Pan American Games	10,000	15,000	0	15,000	0	15,000
Environmental restoration fund	(379,100)	385,900	−15,300	370,600	0	370,600
Afghanistan aid	0	0	10,000	10,000	0	10,000
Total, operation and maintenance	78,697,128	85,773,000	−4,554,141	81,218,859	−800,000	80,418,859
REVOLVING AND MANAGEMENT FUNDS						
Army stock fund	393,000	296,700	−25,000	271,700	0	271,700
Navy stock fund	638,500	478,500	−40,000	438,500	0	438,500
Marine Corps stock fund	37,700	45,900	−4,000	41,900	0	41,900
Air Force stock fund	415,900	239,400	−20,000	219,400	0	219,400
Defense stock fund	91,700	136,800	−11,000	125,800	0	125,800
ADP management fund	100,000	0	0	0	0	0
Total, revolving and management funds	1,676,800	1,197,300	−100,000	1,097,300	0	1,097,300
Special foreign currency	2,100	3,500	0	3,500	0	3,500
Total	212,914,931	224,650,500	−15,243,078	209,407,422	−6,476,400	202,931,022
MILITARY CONSTRUCTION						
Army	1,685,570	1,698,570	−306,560	1,392,010	−65,100	1,326,910
Navy/Marine Corps	1,669,445	1,795,380	−296,120	1,499,260	−62,100	1,437,160
Air Force	1,759,093	1,702,820	−327,340	1,375,480	−62,200	1,313,280
Defense agencies	238,295	674,600	−104,710	569,890	−18,990	550,900
Army National Guard	149,101	121,100	0	121,100	−2,400	118,700
Air National Guard	139,000	140,000	0	140,000	−3,000	137,000
Army Reserve	70,700	86,700	0	86,700	−3,500	83,200
Naval Reserve	51,800	44,500	0	44,500	−700	43,800
Air Force Reserve	70,650	58,900	0	58,900	−3,500	55,400
NATO infrastructure	38,000	247,000	0	247,000	−8,000	239,000
Total, military construction	5,871,756	6,569,570	−1,034,730	5,534,840	−229,490	5,305,350
FAMILY HOUSING						
Army	1,627,131	1,740,646	−88,050	1,652,596	−34,200	1,618,396
Navy	738,739	792,913	−55,330	737,583	−13,400	724,183
Air Force	941,898	860,409	−6,000	854,409	−19,000	835,409
Defense agencies	20,300	17,600	0	17,600	0	17,600
Homeowners assistance fund	0	6,000	0	6,000	−500	5,500
Total, family housing	3,328,068	3,417,568	−149,380	3,268,188	−67,100	3,201,088
Base Closure Commission	0	0	1,000	1,000	0	1,000
Total, mil con and family housing	9,199,824	9,987,138	−1,183,110	8,804,028	−296,590	8,507,438
DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS						
Operating expenses	6,017,887	6,523,694	−202,175	6,321,519	0	6,321,519
Plant construction	938,541	1,027,241	−136,000	891,241	0	891,241
Capital equipment	462,387	547,465	−35,000	512,465	0	512,465
Adjustments	0	0	−300,000	−300,000	0	−300,000
Total, DOE programs	7,418,815	8,098,400	−673,175	7,425,225	0	7,425,225
Federal Emergency Management Agency Civil Defense Program	130,815	126,565	−15,000	111,565	0	111,565
Revision of Davis-Bacon	0	0	−28,000	−28,000	0	−28,000
Grand total of bill	229,664,385	242,862,603	−17,142,363	225,720,240	−6,772,990	218,947,250

The PRESIDING OFFICER. Who seeks recognition?

Mr. DOLE. Mr. President, the pending business is the DOD authorization?

The PRESIDING OFFICER. The pending business is the DOD authorization.

Mr. DOLE. That will be pending on Monday?

The PRESIDING OFFICER. The majority leader is correct.

Mr. DOLE. And, as I understand it, on Monday, the managers will make their opening statements. I have also learned that on Monday there will be a full debate of SDI. I think there are some 10 or 13 speakers prepared to address that issue.

Unless there are other statements the manager wishes to make, I would suggest the absence of a quorum so we might see if we can work out at least a portion of this unanimous-consent agreement that protects us from further amendments on the debt limit extension.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 2140

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from the State of Alaska, rescinds the quorum call.

RECESS SUBJECT TO THE CALL OF THE CHAIR

The PRESIDING OFFICER. The Senate will stand in recess subject to the call of the Chair.

Thereupon, at 9:44 p.m., the Senate recessed until 12:19 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. STEVENS].

□ 0020

[The following proceedings occurred after midnight:]

Mr. DOLE. Mr. President, first I wish to thank the Presiding Officer for his patience. I must say, as I waited for Senator BYRD, I thought there cannot be anything complicated about this. Then he showed it to me. He started raising a lot of questions.

What we are trying to maintain is neutrality, and at the same time cut off a lot of amendments being filed Monday, Tuesday, and Wednesday on the debt ceiling that would prevent action on anything, on that or South Africa.

I believe what we both want to do, and I think the RECORD should reflect that, is we would like to work out some agreement.

We are going to try that Monday, Tuesday, and Wednesday. We are

going to do it in good faith. We will make a gentleman's agreement. We have had to deal with other people. The two of us can probably work out an agreement.

Mr. President, these are very important issues. I cannot recall any time since I have been around here where you had a situation like this.

What we would hope to do, and what I believe the principals would like to do in each case, would be to have free-standing proposals where there can be a vote—Contra aid, South Africa, getting away from the debt ceiling, not a very attractive vehicle—and then go to conference.

I am not certain what would happen. The DOD authorization is not an attractive vehicle for either of us. The Contra aid would tie it up in conference for weeks.

I believe there is a strong feeling by Members on both sides of the aisle on each issue that we ought to resolve these issues before the August 15 recess. That is the feeling of the distinguished minority leader and that is the feeling of the majority leader. I guess the only difference is how we resolve it. I would like to resolve both in a positive way, which would mean passing each; others that resolving would be to pass one and kill the other. I am not saying which would be the case.

In any event, I want to thank the distinguished minority leader for his patience and assistance.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. Mr. President, I will propound the following unanimous-consent request.

Provided, that no further amendments be in order to House Joint Resolution 668, other than those dealing with South Africa—front line States—and those dealing with Central America—Contra aid—neither of which can be offered to the other;

Provided, the committee amendment, as amended, be deemed agreed to;

Provided, that no call for regular order will serve to bring back House Joint Resolution 668 prior to the close of business Wednesday next.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, and I will not object, I simply rise to state that I wish to thank the distinguished Presiding Officer, the distinguished senior Senator from Alaska, for his patience and his assistance in helping to arrive at the language that we are agreeing to this evening. It is now 12:25 in the morning, as a matter of fact, Saturday morning.

I also want to thank the distinguished majority leader for his patience and his assistance in working out the language that we are agreeing to this evening.

Mr. President, I should state for the RECORD that since we stopped and walked away to begin our attempts at working out an agreement several hours ago, we have spent all of that time working on this agreement.

We have not reached an agreement on the whole package yet. When we left here today, prior to that moment we were talking about, I believe, four paragraphs. I simply state here, as I stated then, those four paragraphs contained a great number of problems. Now we see that indeed that was the case.

Part of that overall proposal at that time I think has now been worked out with the request that the distinguished majority leader has propounded. I think I need say no more. This at least accomplishes something.

Having said that, I think I will withdraw my reservation.

The PRESIDING OFFICER. There being no objection, the unanimous-consent request of the majority leader is agreed to and the three pending amendments will fall.

The text of the unanimous-consent agreement is as follows:

Ordered, That during the consideration of H.J. Res. 668, the Debt Limit Extension Bill, no other amendments be in order, except South Africa/Front Line States and Central America/Contra aid amendments, neither of which can be offered to the other; that the committee amendment, as amended by the Senate, be considered agreed to; and that no call for the regular order shall serve to bring back the unfinished business, H.J. Res. 668, prior to the close of business on Wednesday, August 6, 1986.

Mr. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. DOLE. I am happy to yield.

Mr. BYRD. I ask unanimous consent that the following comments be included with those I made earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thanked various Senators earlier with respect to our efforts to work out the partial agreement that we reached this evening.

I should also thank the staff and in thanking the staff I compliment Senator DOLE on his magnificent staff. They are very dedicated and extremely helpful in working out agreements.

I am also extremely proud of my own floor staff who are equally helpful and dedicated, and I think without their outstanding services this evening we would have had to labor longer.

Mr. DOLE. Mr. President, I thank the distinguished minority leader.

I certainly want to share those remarks. On both sides staff help has been invaluable.

I think we all are very candid about what we are trying to achieve that made it much easier. We are trying to keep a measure of neutrality while we worked out the larger agreement.

I certainly appreciate all their suggestions.

Again I thank the distinguished Presiding Officer. I knew he had other plans this evening. It is a little late. But we appreciate very much his patience and assistance.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend beyond the hour of 12:35 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mrs. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MEASURE PLACED ON THE CALENDAR

The Committee on Finance was discharged from the further consideration of the following bill; which was placed on the calendar:

S. 1655. A bill to amend the Unfair Competition Act of 1916 and Clayton Act to provide for private enforcement of the Unfair Competition statute in the event of unfair foreign competition, and to amend title 28 of the United States Code to provide for private enforcement of the Customs fraud statute.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3559. A communication from the Secretary of Energy transmitting a draft of proposed legislation to provide the Department with flexibility to adjust the production rate of the Naval Petroleum Reserves; to the Committee on Armed Services.

EC-3560. A communication from the Assistant Secretary of the Air Force transmitting, pursuant to law, a report on decision to convert the grounds maintenance function at Reese AFB, Texas, to performance under contract; to the Committee on Armed Services.

EC-3561. A communication from the Assistant Secretary of the Treasury transmitting, pursuant to law, a report on the Fishery Conservation and Management Act; to the Committee on Commerce, Science, and Transportation.

EC-3562. A communication from the Secretary of Energy transmitting, pursuant to law, the Comprehensive Ocean Thermal Technology Application and Market Development Plan; to the Committee on Energy and Natural Resources.

EC-3563. A communication from the Acting Secretary of the Postal Rate Commission transmitting, pursuant to law, notice of the rescheduling of a postponed hearing on a change in collect on delivery service; to the Committee of Governmental Affairs.

EC-3564. A communication from the Benefits Administrator of the Seventh Farm Credit District, St. Paul, Minn., transmitting, pursuant to law, the annual report of the District disclosing the financial condition of the Retirement Okan for the Employees; to the Committee on Governmental Affairs.

EC-3565. A communication from the D.C. Auditor transmitting, pursuant to law, a report entitled "Revenue Report for April 1986"; to the Committee on Governmental Affairs.

EC-3566. A communication from the Acting Director of the Selective Service System transmitting, pursuant to law, a revision of systems of records relative to the Privacy Act; to the Committee on Governmental Affairs.

EC-3567. A communication from the Assistant Administrator of the Environmental Protection Agency transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3568. A communication from the Employee Benefits and Risk Manager, Farm Credit Banks of Louisville, KY, transmitting, pursuant to law, a financial report on farm credit institutions in the Fourth District; to the Committee on Governmental Affairs.

EC-3569. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, a report on the Low Income Home Energy Assistance Program for fiscal year 1985; to the Committee on Labor and Human Resources.

EC-3570. A communication from the Director of the EEOC transmitting, pursuant to law, a report on the Commission's interagency coordination activities; to the Committee on Labor and Human Resources.

EC-3571. A communication from the Acting Assistant Secretary of Education transmitting, pursuant to law, the annual report of the Office for Civil Rights; to the Committee on Labor and Human Resources.

EC-3572. A communication from the Director of the Defense Security Assistance Agency transmitting, pursuant to law, a confidential report on a foreign military assistance sale to the Netherlands; to the Committee on Armed Services.

EC-3573. A communication from the President and Chairman of the Export-Import Bank of the United States transmitting, pursuant to law, the 1985 Annual Report of the Eximbank; to the Committee on Banking, Housing, and Urban Affairs.

EC-3574. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report on GAO's unqualified opinion relative to the Pennsylvania Avenue Development Corporation's fiscal year 1985 financial statements; to the Committee on Energy and Natural Resources.

EC-3575. A communication from the Assistant Secretary of the Interior transmitting, pursuant to law, the annual report on royalty management and collection activities; to the Committee on Energy and Natural Resources.

EC-3576. A communication from the Executive Secretary of the FDIC transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3577. A communication from the Plan Administrator for the Eighth Farm Credit District, Omaha, NE, transmitting, pursuant to law, the GAO report for the employee benefit trust plan; to the Committee on Governmental Affairs.

EC-3578. A communication from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, a report on a new computer-matching program relating to State Medicaid agencies; to the Committee on Governmental Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-821. A joint resolution adopted by the Legislature of the State of California; to the Committee on Banking, Housing, and Urban Affairs.

"SENATE JOINT RESOLUTION NO. 40

"Whereas, Agriculture is a vital sector of the United States economy, particularly in California where it accounts for nearly 15 billion dollars in gross receipts from the production of 250 different crops and livestock; and

"Whereas, The prosperity of California agriculture depends directly upon healthy export markets which account for 25 percent of California agricultural sales and nearly one-third of the state's farm acreage; and

"Whereas, The preservation and development of export markets is necessary in order for California to utilize its long-term comparative advantage in the production of food and fiber for world markets; and

"Whereas, The federal government has imposed food and trade embargoes as a political weapon against unfriendly nations; and

"Whereas, Unilateral embargoes have typically been ineffective because the targeted nations have succeeded in establishing alternative suppliers in other countries; and

"Whereas, Embargoes have placed an unfair and disproportionate burden on the trade and agricultural sectors and have damaged the reputation of the United States as a reliable supplier on world markets; and

"Whereas, The ability of agriculture in the United States and California to compete effectively in world export markets in the long run depends critically upon developing its reputation as a reliable supplier; now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to refrain from using food embargoes as a unilateral sanction against unfriendly nations when such an action would be likely to cause harm to the agricultural and trade sectors of the United States and California, unless it can be shown that the action has widespread, multilateral support which will preclude the offending nation from simply turning to alternative suppliers in other countries and causing a further deterioration in the reputation of United States agriculture as a reliable supplier of food and fiber products to world markets, or unless it can be shown that such an embargo is vital to the security of the citizens of the United States; and be it further

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, the Majority Leader of the Senate, to each Senator and Representative from California in the Congress of the United States, and to the Secretary of State and the Secretary of Agriculture."

POM-822. A resolution adopted by the Eighteenth Guam Legislature; to the Committee on Energy and Natural Resources:

"RESOLUTION NO. 403 (LS)

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, the United States Congress authorized a panel to study the termination of the Power Pool Agreement between the United States Navy and the Guam Power Authority; and

"Whereas, this panel is comprised of representatives of the United States Navy, the Guam Power Authority and the Department of Interior; and

"Whereas, upon completion of an independent study by the firm of Ernst and Whinney, recommendations will be submitted to the United States Congress on the question of termination of said Power Pool Agreement; and

"Whereas, the Guam Power Authority and the Department of Interior have shown a reluctance to apprise the Legislature of the progress made on such study or details of the negotiations relative to the termination of the Power Pool Agreement; and

"Whereas, the question of terminating the Power Pool Agreement is perhaps the single greatest issue facing the people of Guam; and

"Whereas, the Legislature is the chief policy making body of the territory of Guam; and

"Whereas, it is vitally important that the Legislature be kept informed about the possible termination of the Power Pool Agreement so that local policies regarding development and utilities can be properly designed and implemented; and

"Whereas, during the week of July 21, 1986, representatives of Ernst and Whinney will be on Guam to brief members of the Guam Power Authority Board of Directors, as well as the Board of Directors of the Public Utilities Commission and the Governor of Guam; and

"Whereas, the Board of Directors of the Guam Power Authority and the Public Utilities Commission, as well as the Governor, will be given an opportunity to comment on the completed independent study prior to its finalization and submission to the United States Congress; and

"Whereas, the Legislature has not been extended an invitation to said briefing; and

"Whereas, the Guam Power Authority and the Department of Interior have refused to provide copies of the interim report by Ernst and Whinney to the Legislature; now therefore, be it

"Resolved, that the Eighteenth Guam Legislature request the United States Congress to direct the United States Department of Interior to invite members of the Legislature to briefings to be held on Guam by Ernst and Whinney during the week of July 21, 1986, relative to discussing the completed study on terminating the Power Pool Agreement; and be it further

"Resolved, that the Eighteenth Guam Legislature request Ernst and Whinney and the Department of Interior to provide the Legislature with a copy of all reports as they come out; and be it further

"Resolved, that the Legislature be given an opportunity to comment on said study, and that its comments be included in the submittal of such study to the United States Congress; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to Richard Montoya, Assistant Secretary of Territorial Affairs, Department of Interior; to Nancy Boone, Department of the Interior; to all members of the study panel; to the President of the United States Senate; to the Speaker of the United States House of Representatives; to Congressman Ben Blaz; to Senator James McClure; to Congressman Morris Udall; to Senator J. Bennett Johnston; to the Chairman of the Board of the Guam Power Authority; to Guam Power Authority Acting General Manager Tom Ada; and to the Governor of Guam."

POM-823. A joint resolution adopted by the Legislature of the State of California; to the Committee on Environment and Public Works:

"SENATE JOINT RESOLUTION NO. 48

"Whereas, Santa Monica Bay is a state and national treasure, where the beaches are among the most popular in the country, and the water provides a variety of recreational and commercial activities to residents and tourists of the state and country; and

"Whereas, The dumping of DDT, cyanide, polychloronated biphenyls (PCBs), and other hazardous wastes into Santa Monica Bay has created a potentially hazardous health and environmental problem to the citizens in the greater Los Angeles area; and

"Whereas, Reports of the contamination of Santa Monica Bay have been verified by the health officials of the County of Los Angeles, the California Regional Water Quality Board (Los Angeles Region), and the State Department of Health Services; and

"Whereas, The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Sec. 9601 et seq.) provides that those hazardous substance release sites placed on its priority list will qualify for federal cleanup funds to quickly alleviate these problems; and

"Whereas, It is imperative to assess the contamination of Santa Monica Bay and the potential health consequences and to act as soon as possible to correct this contamination which could affect the public health of the large population of the greater Los Angeles area; now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature supports and endorses the effort by the Representatives from California in Congress to place Santa Monica Bay on the Environmental Protection Agency's "National Priorities List" for removal and remedial action funding pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and thus expedite the cleanup of Santa Monica Bay, and also supports and endorses the agreement by the Environmental Protection Agency to conduct a preliminary assessment of the condition of Santa Monica Bay; and be it further

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the Administrator of the Environmental Protection Agency and to each Senator and Representative from California in the Congress of the United States."

POM-824. A joint resolution adopted by the Legislature of the State of California; to the Committee on Environment and Public Works:

"SENATE JOINT RESOLUTION NO. 63

"Whereas, Federal disaster assistance to supplement state and local efforts is available under Public Law 93-288, the Disaster Relief Act of 1974; and

"Whereas, Since 1976, 20 of the 38 states of emergency in California caused by storms, fires, floods, earthquakes, and other natural calamities received declarations of disaster by the President of the United States and thus warranted federal aid for losses to public property; and

"Whereas, Under Public Law 93-288, federal aid of $288.7 million in these 20 disasters helped cushion the total public loss of $775 million to state and local government; and

"Whereas, New regulations proposed by the Federal Emergency Management Agency to implement Public Law 93-288 will impose a financial burden on California and local governments by increasing the local percentage of the cost-sharing ratio; and

"Whereas, Under the proposed regulations for capability indicators for assistance based on per capita income and damage liability, California must first incur damages of $30 million before any federal assistance can become available; and

"Whereas, This level of loss would have made state and local governments totally responsible for losses incurred in 10 of the 20 presidentially-declared disasters since 1976; and

"Whereas, The eligibility of local governments for federal assistance will also be severely curtailed under the capability indicators established by the proposed regulations; and

"Whereas, Restrictions of eligibility pertaining to special districts are intentionally discriminatory and are unacceptable because of fiscal or insurance consequences; and

"Whereas, Other restrictions in the proposed regulations would subject individual local governments or the state to unreasonable financial commitments and would not finance corrective measures meant to prevent the recurrence of problems; and

"Whereas, The proposed regulations interfere with state autonomy by requiring the Governor and the Legislature to impose additional mandates on local governments in order to qualify for federal assistance; and

"Whereas, In imposing those requirements and adopting capability indicators based on per capita income, the federal government fails to recognize the state constitutional limits on public expenditures and revenue collection by both state and local governments; now, therefore, be it

Resolved by the Senate and assembly of the State of California, jointly, That the Legislature of the State of California memorializes the President and Congress of the United States to prohibit the adoption of the proposed changes in 44 Code of Federal Regulations Part 205 pertaining to the disaster declaration process, public assistance eligibility, public assistance program administration, and hazard mitigation as published in the Federal Register volume 51, No. 75, April 16, 1986; and be it further

Resolved, That the Legislature of the State of California further memorializes the Congress of the United States to convene oversight hearings on the proposed changes in regulations governing the work of the Federal Emergency Management Agency in order to properly evaluate the need to the federal government and the impact to the states and local governments of the proposals; and be it further.

"Resolved, That the Secretary of Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-825. A resolution adopted by the Mono County, CA, Board of Supervisors opposing planned changes in the Disaster Relief Act as proposed by the Federal Emergency Management Agency; to the Committee on Environment and Public Works.

POM-826. A resolution adopted by the Kings County, CA, Board of Supervisors relative to federal disaster assistance; to the Committee on Environment and Public Works.

POM-827. A resolution adopted by the Legislature of the State of California; to the Committee on Finance.

SENATE RESOLUTION NO. 45

"Whereas, Congress is currently considering a tax reform bill which could have a profound effect on the lives and pocketbooks of millions of Americans; and

"Whereas, As part of its deliberations on this tax reform bill, the Congress is weighing various proposals regarding the treatment of individual retirement accounts (IRA's) under the Federal Internal Revenue Code; and

"Whereas, According to a recent study 28 million American families are currently taking advantage of the deduction for IRA contributions and the deferral of taxation on interest earned by IRA's, which are available to them pursuant to existing laws; and

"Whereas, Statistics indicate that approximately 65% of the households with IRA's have annual incomes of $40,000 or less; and

"Whereas, Another recent study indicates that IRA contributions have significantly increased the amount of savings deposited in financial institutions, and a higher rate of savings helps to stimulate the economy by keeping money in productive circulation; and

"Whereas, The current treatment of IRA's under the federal tax laws has proved to be beneficial both for a large number of individual taxpayers and for the economy as a whole; now, therefore, be it

Resolved by the Senate of the State of California, That the Congress and President of the United States are respectfully memorialized to maintain the current availability of the deduction for individual retirement accounts in any tax reform statute which they may enact; and be it further

Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, the Speaker, and the Chairperson of the Committee on Ways and Means of the United States House of Representatives, the Chairperson of the Committee on Finance of the United States Senate, and each Senator and Respresentative from California in the Congress of the United States.

POM-828. A resolution adopted by the Senate of the Legislature of the State of Illinois; to the Committee on Finance:

"SENATE RESOLUTION No. 902

"Whereas, Terrorism is on the rise throughout the world, and Americans are the target in many instances; and

"Whereas, The countries that sponsor and encourage the terrorist acts of their citizens need to be dealt with in a practical sense, one that will hurt the stability of their nation; and

"Whereas, Military retaliation is a reaction to terrorism, while economic sanctions such as the ban of imports from terrorist allied countries would make it harder for countries to promote and support terrorist attacks; therefore, be it

"*Resolved, by the Senate of the Eighty-Fourth General Assembly of the State of Illinois,* That we urge Illinois businesses to boycott the importation of goods from Iran, Libya and Syria; and that we urge the President of the United States and the Congress to take all necessary steps to ban the importation of such goods into the United States; and be it further

"*Resolved,* That we urge the Governor of Illinois to publicize this urgent message with the hope that businesses throughout the State will feel the necessity to comply with the request; and be it further

"*Resolved,* That a suitable copy of this preamble and resolution be respectfully submitted to President Ronald W. Reagan, Governor James R. Thompson, the Speaker of the United States House of Representatives, the President of the United States Senate, and the Members of the Illinois Congressional Delegation."

POM-829. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations:

SENATE JOINT RESOLUTION No. 65

"Whereas, Twelve years have passed since the Turkish invasion and the Cyprus problem remains one of denied redress; and

"Whereas, The humanitarian crisis involving two hundred thousand refugees and two thousand missing persons grows increasingly more desperate; and

"Whereas, The Government of the Republic of Cyprus rendered substantive assistance to our wounded marines in Lebanon while Turkey refused to do so though requested; and

"Whereas, President Reagan has declared that human rights shall be the hallmark of United States foreign policy; and

"Whereas, By the illegal use of United States supplied military weapons in violation of the United States Foreign Assistance and Sales Acts, and in violation of the Charter of the United Nations Organization, Turkey has attacked, seized and continues to occupy 38% of the territory of the independent nation of Cyprus; and

"Whereas, Turkey is currently the recipient of financial and military assistance approaching $1 billion per annum; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California, jointly,* That the Legislature of the State of California urges the President and the Congress of the United States:

"1. To assist the United Nations Secretary General in finding a solution to the Cyprus problem based on the Charter and the relevant resolutions of the United Nations, with international guarantees for the unity, sovereignty and independence of the Republic of Cyprus;

"2. to stop subsidizing, through its aid to Turkey, the illegal occupation of Cyprus until a mutually acceptable solution is found:

"3. To exert their best efforts with Turkey to effectuate, prior to a final agreement,

"a. The return of the FAMAGUSTA-VAROSHA and MORPHOU regions under Greek Cypriot control;

"b. The removal of the 35,000 turkish occupation troops and 60,000 colonizers from the island;

"c. To restore to the people of Cyprus majority rule with minority rights guaranteed, freedom of movement, freedom of settlement and the right to own property anywhere in the republic; and be it further

"*Resolved,* That the Members urge the President and the Congress to give generous support to the Cypriot refugees; and be it further

"*Resolved,* That the members urge the President and the Congress to review the current policies of Turkey regarding its treatment of the ethnic and religious minorities residing in Turkey, in the light of President Reagan's repeated expressions of concern for human rights; and be it further

"*Resolved,* That the Secretary of the Senate transmit copies of this resolution to the President of the United States, to the presiding officer of each House of the Congress of the United States, to the Secretary of State and to each Senator and Representative from California in the Congress of the United States."

POM-830. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Foreign Relations:

"RESOLUTION

"Whereas, the United States of America was founded on the fundamentals of human liberty, including the freedom of speech, the right to justice, and the equality of all people; and

"Whereas, the maintenance of those rights for all people has dictated our actions with all the countries of the world throughout the history of this great nation; and

"Whereas, insuring the maintenance of these fundamental human rights must include the implementation of strict sanctions against those nations which vehemently and consistently deny the human dignity which God gives to every human being; and

"Whereas, the Republic of South Africa, utilizing a racially discriminatory system of apartheid, is a nation deserving such sanctions; and

"Whereas, the government of the Republic of South Africa has taken no decisive action toward the realization that minority rule and majority suppression cannot exist in modern society; and

"Whereas, the government of the Republic of South Africa answers the pleas of political leaders through exile; imprisonment, as is the case of Nelson Mandela; or death, as was the case of Steven Biko; and

"Whereas, Nelson Mandela has been imprisoned for twenty-four years for attempting to exercise the same freedoms that Americans actively practice daily; and

"Whereas, achieving the freedom of Nelson Mandela is imperative to the fostering of peaceful change in the Republic of South Africa; and

"Whereas, the United States is quite capable of stringent sanctions, since nearly a half billion American dollars are spent annually on the purchase of South African Krugerrands which accounts for approximately fifty percent of their sales; and

"Whereas, technological sanctions and the granting of asylum to political refugees are two other means by which the United States could influence the Republic of South Africa into initiating a change that will not result in further discrimination and human rights violations; and

"Whereas, the black majority in South Africa is seeking not to dominate, but to live in democratic equality in much the same manner as our own Founding Fathers; and

"Whereas, the United States must abandon its present failing policy of 'constructive engagement' to pursue a more stringent policy that will bring about a change that will result in justice for all, since means used to date have not proven successful: Therefore, be it

"*Resolved,* That the Legislature of Louisiana does hereby memorialize the Congress of the United States and in particular the members of the Louisiana congressional delegation to impose more stringent sanctions against the Republic of South Africa in hopes of achieving the release of Nelson Mandela and the abandonment of apartheid rule in that nation, and be it further

"*Resolved,* That certified copies of this Resolution shall be forwarded to the Secretary of the Senate and the clerk of the House of Representatives of Congress of the United States, and to each member of the Louisiana congressional delegation."

POM-831. A joint resolution adopted by the Legislature of the State of California; to the Committee on Governmental Affairs:

SENATE JOINT RESOLUTION No. 45

"Whereas, The findings of the Commission on Wartime Relocation and Interment of Civilians, established by the federal Commission on Wartime Relocation and Internment of Civilians Act, describe the circumstances of the evacuation, relocation, and internment of in excess of 110,000 United States citizens and permanent resident aliens of Japanese ancestry during World War II pursuant to Executive Order No. 9066 issued by President Roosevelt on February 19, 1942; and

"Whereas, The evacuation, relocation, and internment of individuals of Japanese ancestry was carried out notwithstanding that there were no documented acts of espionage or sabotage, or other acts of disloyalty by any citizens or permanent resident aliens of Japanese ancestry on the west coast; and

"Whereas, There was no military or security reason for the evacuation, relocation, and internment; and

"Whereas, The evacuation, relocation, and internment of the individuals of Japanese ancestry was caused by racial prejudice, war hysteria, and a failure of political leadership; and

"Whereas, The excluded individuals of Japanese ancestry suffered enormous damages and losses, both material and intangible, and there were incalculable losses in education and job training, all of which resulted in significant human suffering for

which full and appropriate compensation has not been made; and

"Whereas, The basic civil liberties and constitutional rights of those individuals of Japanese ancestry interned were fundamentally violated by that evacuation and internment; now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to enact House Resolution 442, the "Civil Liberties Act of 1985," which would, among other things, acknowledge the fundamental injustice of the evacuation, relocation, and internment of United States citizens and permanent resident aliens of Japanese ancestry; apologize on behalf of the people of the United States for the evacuation, relocation, and internment of such citizens and permanent resident aliens; provide for a public education fund to finance efforts to inform the public about the internment of those individuals so as to prevent the recurrence of any similar event; and make restitution to those individuals of Japanese ancestry who were interned; and be it further

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-832. A joint resolution adopted by the Legislature of the State of Illinois; to the Committee on the Judiciary;

"SENATE JOINT RESOLUTION NO. 23 OFFERED BY SENATOR SAM M. VADALABENE

"Whereas, The freedom and peace we enjoy in our country today are in large part due to the valiant efforts of those brave heroes of the American armed forces who were willing to fight and die for their nation and their fellowman; and

"Whereas, To fittingly and properly honor these valiant men and women, the first Memorial Day was established by General Order Number 11 of the Grand Army of the Republic in Washington, D.C., on May 5, 1868, to be May 30, 1868; and

"Whereas, It has been noted that several federal holidays have been changed from traditional dates to Mondays in order to create three-day weekend holidays; and

"Whereas, The date of May 30 remains significant in the minds and hearts of many citizens of this great Republic and holds special significance to the members of the various veterans organizations in this country, including the American Legion; therefore, be it

"Resolved, by the Senate of the Eighty-Fourth General Assembly of the State of Illinois, the House of Representatives concurring herein, That we join with the American Legion, all veterans organizations and concerned veterans and citizens of this country in urging the Congress of the United States to enact legislation which will reestablish the date of May 30 of each year to be observed as the Memorial Day holiday in commemoration of the countless brave heroes who sacrificed their lives in valiant service to our country; and be it further

"Resolved, That suitable copies of this preamble and resolution be presented to the President of the United States Senate, the Speaker of the United States House of Representatives and each Member of the Illinois Congressional Delegation."

POM-833. A joint resolution adopted by the Legislature of the State of California; to the Committee on Veterans' Affairs:

"SENATE JOINT RESOLUTION NO. 42

"Whereas, For 17 years, the Mission Hills Little League, Inc., and the Veterans' Administration have carried out a cooperative agreement which allows the league to use perimeter areas of the Sepulveda Veterans' Hospital facility to maintain playing fields for which, in exchange, the league administers, operates, and maintains the fields as well as a nine-hole golf course located on the same grounds for use by convalescing patients and the public; and

"Whereas, Under recent federal legislation mandating reductions in government expenditures, the United States General Accounting Office has recommended that the Veterans' Administration dispose of what is referred to as "excess land" which directly threatens the use by Mission Hills Little League, Inc., of the land on which these playing fields are situated; and

"Whereas, Mission Hills League, Inc., has been operating quality programs for youth since 1957, the backbone of which are involved with these playing fields operated under the agreement with the Veterans' Administration; and

"Whereas, The program operated by Mission Hills Little League, Inc., is financially self-sustaining through donations, fund raising activities, local business sponsors, and snackbar revenues with administration and operation of the league accomplished entirely by volunteers; and

"Whereas, All girls and boys ages six to 15 are eligible to play little league ball since no one is ever turned away by Mission Hills Little League, Inc., because of inability to pay, unlike most private organizations; and

"Whereas, In the 29 years since its beginning, approximately 12,000 youths have participated in the Little League program operated by Mission Hills Little League, Inc., and while attaining the physical skills and fitness benefits of a baseball program, the children are learning other important skills such as social interaction, sportsmanship, teamwork, community pride, and responsibility, and these benefits far outweigh the value of one-time revenue from the sale of the acreage on which the fields are situated; and

"Whereas, There is no feasible alternative site for these playing fields in the densely-populated Mission Hills area, so that this popular program which is so important and constructive for the development and well-being of our young people is threatened with curtailment if these fields are no longer available for use; now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California urgently memorializes the President, Congress, and the Veterans' Administration to do everything possible to preserve the right of Mission Hills Little League, Inc., to continue to use the playing fields on the Sepulveda Veterans' Hospital facility pursuant to that agreement which has worked so well and has been a benefit both to the Little League and the hospital for 17 years; and be it further

Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the United States Veterans' Administration."

POM-834. A concurrent resolution adopted by the legislature of the State of Louisiana; ordered to lie on the table:

HOUSE CONCURRENT RESOLUTION NO. 243

"Whereas, the Congress of the United States is currently considering Senate Bill 1567 and House Resolution 6 in conference committee; and

"Whereas, this legislation is known as the "Water Resources Authorization Bill"; and

"Whereas, this legislation authorizes many new construction projects in this country and, if enacted into law, would impose cost sharing by local interests on many previously approved projects; and

"Whereas, the Congress of the United States, by the Flood Control Act of 1928, as amended, approved the Mississippi River and Tributaries Project without cost-sharing provisions; and

"Whereas, the Mississippi River and Tributaries Project drains forty-one percent of the lands in the United States and two provinces in Canada and is of such magnitude that the entire nation benefits from both the flood-control and navigation aspects of the project.

"Whereas, several upstream states have completed their portions of the project; and

"Whereas, the remaining features to be accomplished are located in Louisiana, and this state has participated in the project to a substantial degree; and

"Whereas, Senate Bill 1567 and House Resolution 6, as amended, would impose cost sharing on the Mississippi River and Tributaries Project and would cause an untold amount of delay in the completion of this significant and important national flood-control project.

"Therefore, be it resolved that the Legislature of Louisiana does hereby memorialize the Congress of the United States to remove the Mississippi River and Tributaries Project from the cost-sharing provisions of House Resolution 6.

"Be it further resolved that certified copies of this Resolution shall be forwarded to the Secretary of the Senate and the clerk of the House of Representatives of the Congress of the United States, and to each member of the Louisiana congressional delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 567: A bill to convey Forest Service land to Flagstaff, Arizona (Rept. No. 99-353).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with amendments:

S. 1819: A bill to amend the Wild and Scenic Rivers Act to designate certain segments of the Cache la Poudre River and the South Fork of the Cache la Poudre River in Colorado as a component of the National Wild and Scenic River System (Rept. No. 99-354).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with amendments and an amendment to the title:

S. 1888: A bill to provide for a program of cleanup and maintenance on Federal public

lands, national parks, recreation areas, and for other purposes (Rept. No. 99-355).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with amendments:

S. 1911: A bill to direct the Administrator of General Services to release, on behalf of the United States, certain conditions and reservations contained in a conveyance of land to the State of Utah (Rept. No. 99-356).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 1946: A bill to designate the West Branch of the Farmington River as a study area for inclusion in the national wild and scenic rivers system, and for other purposes (Rept. No. 99-357).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, without amendment:

S. 2091: A bill to amend the provisions of the Federal Land Policy and Management Act of 1976 relating to the acquisition of public lands (Rept. No. 99-358).

H.R. 850: A bill to modify the boundary of the Humboldt National Forest in the State of Nevada, and for other purposes (Rept. No. 99-359).

H.R. 934: A bill to provide certain authority to reduce erosion within the Cuyahoga Valley National Recreation Area, and for other purposes (Rept. No. 99-360).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with amendment:

H.R. 1343: A bill to authorize the use of funds from rental of floating drydock and other marine equipment to support the National Maritime Museum in San Francisco, California (Rept. No. 99-361).

H.R. 1390: A bill to authorize additional long-term leases in the El Portal administrative site adjacent to Yosemite National Park, California, and for other purposes (Rept. No. 99-362).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, without amendment:

H.R. 1963: A bill to increase the development ceiling at Allegheny Portage Railroad National Historic Site and Johnstown Flood National Memorial in Pennsylvania, and for other purposes and to provide for the preservation and interpretation of the Johnstown Flood Museum in the Cambria County Library Building, Pennsylvania (Rept. No. 99-363).

H.R. 3212: A bill to declare that the United States holds certain lands in trust of the Reno Sparks Indian Colony (Rept. No. 99-364).

H.R. 3556: A bill to provide for the exchange of land for the Cape Henry memorial site in Fort Story, Virginia (Rept. 99-365).

By Mr. STAFFORD, from the Committee on Environment and Public Works, with an amendment in the nature of a substitute:

S. 2397. A bill to authorize appropriations for the Public Buildings Service of the General Services Administration for fiscal year 1987 (Rept. No. 99-366).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GORTON:

S. 2708. A bill to authorize certain atmospheric and satellite programs and functions of the National Oceanic and Atmospheric Administration, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. SPECTER:

S. 2709. A bill to amend the Motor Vehicle Information and Cost Savings Act to require certain information to be filed in registering the title of motor vehicles, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HEINZ (for himself and Mr. SPECTER):

S. 2710. A bill to address the problem of human exposure to radon through indoor accumulation by directing the Environmental Protection Agency to establish and coordinate a nationwide program of research dissemination of information to the public; to the Committee on Environment and Public Works.

By Mr. DODD:

S. 2711. A bill to restrict procurement by the Department of Defense of ball bearings and roller bearings, and for other purposes; to the Committee on Armed Services.

By Mr. KENNEDY (for himself and Mr. HARKIN):

S.J. Res. 384. A joint resolution instructing the U.S. Executive Directors of Multilateral Institutions to vote against loans to Chile; to the Committee on Foreign Relations.

By Mr. RIEGLE (for himself, Mr. ROTH, Mr. DECONCINI, Mr. DODD, Mr. ROCKEFELLER, Mr. NICKLES, Mr. EXON, Mr. HOLLINGS, Mr. DIXON, Mr. HATCH, Mr. GORE, Mr. PELL, Mr. MOYNIHAN, Mr. GRASSLEY, Mr. LAUTENBERG, Mr. QUAYLE, and Mr. LEVIN):

S.J. Res. 385. A joint resolution to designate October 23, 1986 as "National Hungarian Freedom Fighters Day"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mrs. HAWKINS:

S. Res. 456. A resolution expressing the sense of the Senate regarding a new international convention on drug trafficking; to the Committee on Foreign Relations.

By Mr. DIXON (for himself, Mr. SIMON, Mr. DOMENICI, Mr. BINGAMAN, and Mr. LEVIN):

S. Res. 457. A resolution to commemorate the return of Reverend Lawrence Martin Jenco to freedom from captivity in Lebanon; considered and agreed to.

By Mr. HATFIELD:

S. Res. 458. A resolution referring the bill for the relief of Spalding and Son, Inc. to the Chief Judge of the United States Claims Court; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GORTON:

S. 2708. A bill to authorize certain atmospheric and satellite programs and functions of the National Oceanic and Atmospheric Administration, and for other purposes; to the Committee on Commerce, Science, and Transportation.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION ATMOSPHERIC AND SATELLITE PROGRAM AUTHORIZATION ACT

● Mr. GORTON. Mr. President, today I am introducing legislation to authorize fiscal year 1987 appropriations for the atmospheric and satellite programs of the National Oceanic and Atmospheric Administration [NOAA].

This bill authorizes a total of $640.9 million in new budget authority for NOAA. The current level of funding for these programs, after reductions made pursuant to the Gramm-Rudman-Hollings legislation, is $663.2 million. I would like to describe for my colleagues the activities which are authorized by this bill, the assumptions which I have used to build the subactivity authorization figures, and some of the major funding issues within the scope of this legislation.

NOAA's atmospheric and satellite programs fall into five budget subactivities. The following table contains the current funding level, the administration's fiscal year 1987 request, and the authorization level in my bill for each subactivity.

[In millions of dollars]

	Fiscal year 1986	Request	1987 authorization
Public warning and forecast	277.8	274.5	317.0
Atmospheric and hydrological research	64.3	60.3	64.3
Satellite services	69.3	72.4	69.3
Satellite systems	229.8	168.2	[1] 190.2
Data and information services	22.1	23.1	22.1
Total	663.2	589.5	662.9

[1] Includes $22 million already authorized by Public Law 99-62.

PUBLIC WARNING AND FORECAST SERVICES

This subactivity includes the collection, processing, and dissemination of meteorological, hydrologic, an oceanographic information by the National Weather Service.

Mr. President, NOAA has for several years been involved in the development of the next generation weather radar [Nexrad] program. Nexrad is being developed by NOAA, the Federal Aviation Administration [FAA], and the Air Force to replace outdated Federal weather radars. Nexrad will be a Dopplar radar system, and will improve significantly forecasts of severe storms, aviation hazards, and flash floods.

NOAA's share of Nexrad funding has come out of the public warning and forecast subactivity. The administration has proposed, however, to fund NOAA's fiscal year 1987 share of Nexrad—$47.5 million—out of the FAA's aviation trust fund. The Congress has shown no inclination to use the aviation trust fund for this purpose, and the House has passed an appropriations bill which includes $42

million in the public warning and forecast subactivity for Nexrad.

My bill specifies that at least $42.5 million of the $317 million authorized for the subactivity is authorized only for Nexrad development. Nexrad is a high administration priority for fiscal year 1987 because long lead part procurement must be completed in 1987 to maintain the schedule for full-scale Nexrad production in upcoming years. I urge my colleagues to support a funding level of at least $42.5 million for Nexrad in fiscal year 1987.

The bill tracks the President's request for the other programs within the subactivity; in fact, the authorization level—$317 million—is equal to the requested level—$274.5 million—plus the Nexrad authorization—$42.5 million.

ATMOSPHERIC AND HYDROLOGICAL RESEARCH

The purpose of NOAA's atmospheric and hydrological research is to develop knowledge and understanding of the processes and conditions which cause environmental changes. The knowledge gained by these programs helps NOAA develop technologies and techniques to improve environmental monitoring and weather forecasting.

The authorization level in my bill for this subactivity is $64.3 million, which is the 1986 level after reductions made pursuant to Gramm-Rudman-Hollings. The authorization level is about $4 million higher than the administration's request, and is intended to restore proposed reductions in meteorological research, including mesoscale convective system research and the Program for Regional Observing and Forecasting Services [PROFS].

SATELLITE SERVICES

The Satellite Services subactivity includes the operation and maintenance of NOAA's satellite systems and associated ground equipment. NOAA is responsible for the operation of three satellite systems: the geostationary operational environmental satellites [GOES], polar-orbiting environmental satellites, and land remote sensing satellites [Landsat].

My bill authorizes $69.3 million for this subactivity. This level is the same as the 1986 post-Gramm-Rudman-Hollings level, and no changes in services are intended.

SATELLITE SYSTEMS

This subactivity consists of the procurement of NOAA's satellite systems. I believe that the most important issues in this bill are within this subactivity because all of NOAA's satellite systems are at critical points in their procurement schedules and because the administration has proposed to reduce funding for satellite systems by more than $60 million. I would like to describe the status of each of the satellite systems and the assumptions which I have used in authorizing this subactivity.

The geostationary satellite, or GOES, system is NOAA's primary satellite system for weather forecasting. The satellite photographs which are used on television weather forecasts are from GOES.

NOAA normally operates two GOES, but the premature failure of a GOES satellite in 1984 and the loss of its replacement in the Delta launch failure earlier this year have left NOAA with only one healthy satellite in orbit and one more to be launched before the end of the decade. NOAA is developing a new generation of GOES satellites which, if adequately funded, will be prepared for launch by 1990.

The administration requested a fiscal year 1987 appropriation of $118.5 million for procurement of the new GOES satellites. I had thought that this funding level would be provided by the Congress without controversy, but the House appropriations bill has cut $40 million from the President's request. My bill assumes that the entire $118.5 million will be available for GOES procurement, and I strongly urge my colleagues to support full funding for GOES.

The polar-orbiting satellite system supplements the GOES system for weather forecasting and provides the U.S. commitment to an international search-and-rescue satellite program. NOAA operates two polar orbiters, which each provide global coverage every 12 hours. The administration has proposed to cut funding for polar-orbiter procurement from $85 million to less than $25 million, and to reduce NOAA's system to a single satellite.

My bill directs NOAA to continue to launch satellites into two complementary polar orbits, but does not add money to the administration's request. The requested level of $25 million is sufficient to maintain a two-satellite system because NOAA has not spent about $65 million in previous appropriated money, which is intended to begin procurement of three new polar orbiters. NOAA did not begin the procurement because of uncertainty over the design and launch of the new satellites. The development of these satellites, known as NOAA, K, L, and M, is well behind schedule and I hope that NOAA will expedite the arrangements for procurement of NOAA, K, L, and M.

NOAA's third satellite system, Landsat, is not used for weather forecasting but for revealing features of the Earth's surface. Landsat data have many commercial applications, including oil and mineral exploration, cartography, hydrology, and agricultural monitoring. The Congress authorized the phased commercialization of Landsat in 1984, and last year authorized a subsidy of $295 million to fund the development of a system to follow the current Landsat system; $125 million of this authorization has been appropriated; the authorization extends through fiscal year 1989.

The administration has proposed to terminate the subsidy for the Landsat commercialization contract. This proposal effectively would end United States involvement in land remote sensing and would leave the growing market for remote sensing data to other nations, notably France, which launched its SPOT satellite earlier this year.

My bill states that at least $22 million of the funds authorized for satellite systems is authorized only for Landsat commercialization. This is not a new authorization, but a requirement that the satellite systems appropriation include some of the funds already authorized for Landsat commercialization. The Landsat commercialization contract calls for a fiscal year 1987 appropriation of $87 million, but budgetary restraints cause us to think in more modest terms. NOAA hopes to combine any appropriated funds with funds from other sources, including the Department of Defense and NASA. I hope that, rather than abandon a commitment of 15 years and over $1 billion, the Congress will see that the Landsat Program is transferred to the private sector, as proposed by Presidents Carter and Reagan, and as authorized by the Congress.

My bill authorizes $190.2 million for satellite systems. The authorization is intended to track the administration requests for GOES and the polar orbiters—$168.2 million—and to add at least $22 million for Landsat.

Mr. President, I ask unanimous consent that the text of the bill be included at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2708

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Oceanic and Atmospheric Administration Atmospheric and Satellite Program Authorization Act of 1986".

TITLE I—ATMOSPHERIC PROGRAMS

PUBLIC WARNING AND FORECAST SERVICES

SEC. 101. (a) There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its public warning and forecast service duties under law, $317,000,000 for fiscal year 1987. Moneys appropriated pursuant to this authorization shall be used to fund those duties relating to public warning and forecast specified by the Act entitled "An Act to increase the efficiency and reduce the expenses of the Signal Corps of the Army, and to transfer the Weather Service to the Department of Agriculture", approved October 1, 1890 (15 U.S.C. et seq.), the Act entitled "An Act to define the functions and duties

of the Coast and Geodetic Survey, and for other purposes", approved August 6, 1947 (33 U.S.C. 883a et seq.), and by any other law involving such duties. Such duties include meteorological, hydrological, and oceanographic public warnings and forecasts.

(b) Of the amount authorized to be appropriated by subsection (a) of this section, $42,500,000 is authorized to be appropriated only for activities related to the Next Generation Weather Radar Program. Such activities may include site surveys, preparation for production radars, limited radar production, initial operational test and evaluation of radars, training of personnel, release of long lead items for full production, award of the production contract, and land acquisition for radar sites.

ATMOSPHERIC AND HYDROLOGICAL RESEARCH

SEC. 102. There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atomspheric Administration to carry out its atmospheric and hydrological research duties under law, $64,300,000 for fiscal year 1987. Moneys appropriated pursuant to this autorization shall be used to fund those duties relating to atmospheric and hydrological research specified by the Act entitled "An Act to increase the efficiency and reduce the expenses of the Signal Corps of the Army, and to transfer the Weather Service to the Department of Agriculture", approved October 1, 1890 (15 U.S.C. 311 et seq.,), and by any other law involving such duties. Such duties include research for developing improved prediction capabilities for atmospheric and hydrological processes.

TITLE II—SATELLITE PROGRAMS

SATELLITE SERVICES

SEC. 201. There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its satellite services duties under law, $69,300,000 for fiscal year 1987. Moneys appropriated pursuant to this authorization shall be used to fund those duties relating to satellite services specified by the Act entitled "An Act to increase the efficiency and reduce the expenses of the Signal Corps of the Army, and to transfer the Weather Service to the Department of Agriculture", approved October 1, 1890 (15 U.S.C. 311 et seq.), the National Aeronautics and Space Administration Authorization Act, 1985, approved July 16, 1984 (Public Law 98-361; 98 Stat. 422), and by any other law involving such duties. Such duties include satellite maintenance and operations and satellite data analysis.

SATELLITE SYSTEMS

SEC. 202. (a) There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its satellite systems duties under law, $168,200,000 for fiscal year 1987. Moneys appropriated pursuant to this authorization shall be used by the National Oceanic and Atmospheric Administration to purchase, launch and operate the most reliable polar-orbiting meteorological satellite system that is feasible, including a full complement of all present instruments in the afternoon orbit and a backup capability for additional reliability in the morning orbit. In addition, such moneys shall be used to fund those duties relating to satellite systems specified by the Act entitled "An Act to increase the efficiency and reduce the expenses of the Signal Corps of the Army, and to transfer the Weather Service to the Department of Agriculture", approved October 1, 1890 (15 U.S.C. 311 et seq.), the National Aeronautics and Space Administration Authorization Act, 1985, approved July 16, 1984 (Public Law 98-361; 98 Stat. 422), and by any other law involving such duties. Such duties include spacecraft procurement, launch, and associated ground station system changes involving polar-orbiting and geostationary environmental satellites.

(b) None of the funds authorized to be appropriated by subsection (a) of this section may be expended until not less than $22,000,000 of the funds made available by the Act entitled, "An Act to provide authorization of appropriations for activities under the land Remote-Sensing Commercialization Act of 1984", approved July 11, 1985 (Public Law 99-62; 99 Stat. 118) have been expended.

DATA AND INFORMATION SERVICES

SEC. 203. There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its data and information services duties under law, $22,100,000 for fiscal year 1987. Moneys appropriated pursaunt to this authorization shall be used to fund those duties relating to data and information services specified by the Act entitled "An Act to increase the efficiency and reduce the expenses of the Signal Corps of the Army, and to transfer the Weather Service to the Department of Agriculture", approved October 1, 1890 (15 U.S.C. 311 et seq.), and by any other law involving such duties. Such duties include environmental data and information products and services in the atmospheric, marine, solid earth, and solar-terrestrial sciences.●

By Mr. SPECTER:

S. 2709. A bill to amend the Motor Vehicle Information and Cost Savings Act to require certain information to be filed in registering the title of motor vehicles, and for other purposes; to the Committee on Commerce, Science, and Transportation.

UNIFORM TITLE LEGISLATION

● Mr. SPECTER. Mr. President, I am introducing legislation which will increase the penalties for odometer tampering. I congratulate the Senator from Nebraska, Senator EXON, for introducing and getting passed in this body an excellent odometer tampering bill, S. 475. However, I believe that even stiffer penalties than are contained in S. 475 are required. We need a penalty that will put an end to a crime that costs the Nation's consumers $2 billion annually according to the National Highway Traffic Safety Administration. My bill addresses the problem of repeat offenders who are major perpetrators of this crime.

S. 475 increases the maximum penalty for odometer tampering from $1,000 to $2,000 and the maximum jail sentence from 1 year to 3 years. Two thousand dollars may be enough for a first offender, but a repeat offender should be more severely punished. In the legislation that I propose, second-time offenders would receive a maximum fine of $5,000 per car and third-time offenders would receive a maximum penalty of $10,000 per car, up to a maximum fine of $100,000 for any related series of violations.

The major odometer tampering offenders reportedly are fleets with late model luxury cars that have high mileage. The Pennsylvania Independent Automobile Dealers Association (PIADA) provided an example of the economics of odometer fraud. They stated that a typical fleet car with 30 to 40 thousand actual miles has an increased resale value of $4,000 with only 5 to 10 thousand miles showing on its odometer. Even if we catch these offenders, the maximum fine is only $2,000, which means a profit of $2,000 in the above example. They correctly pointed out that this is not a sufficient deterrent and that fines should be increased to reduce the would-be criminal's preceived profit.

The jail sentences must also be increased. S. 475 accomplishes increasing the penalty under current law from a misdemeanor with a 1-year maximum, to a felony with a 3-year maximum sentence. To deter would-be repeat offenders, my bill provides a 3-year mandatory jail term for third time offenders.

I am aware of the overcrowding in our jails, however, I feel that the threat of a mandatory jail sentence will end odometer fraud once and for all without a significant increase in our jail population.

A summary comparison of the legislation that I am introducing versus S. 475 follows:

Penalty	S. 475		Sen. Specter's bill	
	Max. fine (car)	Crim. penalty (yrs. max.)	Max. fine (car)	Crim. penalty (yrs. max.)
First offenders	$2,000	3	* $2,000	3
Second offenders	2,000	3	* 5,000	3
Third offenders	2,000	3	* 10,000	3

* Up to a maximum fine of $100,000 for any related series of violations.

S. 475 also requires States to use the bank intaglio process on car registrations. This process includes the use of a special paper, that shows alterations, and requires the use of special equipment. State officials claim that purchasing this equipment would cost millions of dollars in additional administrative costs.

My bill will allow states to come up with their own alternatives to the bank intaglio process, as long as they offer similar protection against alterations. These alternatives would have to be approved by the U.S. Secretary of Transportation. The flexibility in my bill would save the States money and give them discretion in decision-making, while still protecting the public. I would just like to add that this bill is endorsed by the Pennsylvania Independent Automobile Dealers Association [PIADA].

I feel that my bill will significantly deter odometer fraud and save Americans billions of dollars, and I urge my fellow Senators to support it.●

By Mr. HEINZ (for himself and Mr. SPECTER):

S. 2710. A bill to address the problem of human exposure to radon through indoor accumulation by directing the Environmental Protection Agency to establish and coordinate a nationwide program of research dissemination of information to the public; to the Committee on Environment and Public Works.

INDOOR RADON RESEARCH AND ASSISTANCE ACT

● Mr. HEINZ. Mr. President, today I rise to introduce legislation on behalf of myself and Senator SPECTER which would designate the Environmental Protection Agency as the lead Federal agency in addressing the serious national radon contamination problem.

The bill, called the "Indoor Radon Research and Assistance Act of 1986", will give the Environmental Protection Agency (EPA) the statutory authority to conduct and coordinate Federal efforts to research the problem of radon gas contamination. This bill has been introduced as H.R. 5202 by Congressman YATRON in the other body where it has 44 cosponsors.

This legislation is needed because nothing in our laws gives any entity of the Federal Government the explicit authority to take actions to alleviate indoor radon hazards and provide guidance and leadership to States and the private sector in addressing indoor radon.

Radon contamination is the health threat of the decade: the Centers for Disease Control estimate that 5,000 to 20,000 people die each year of radon induced lung cancer. This compares with 100,000 lung cancer overall each year.

And radon contamination is not limited to Pennsylvania and New Jersey. Although the magnitude of the indoor radon problem is not yet known, existing radon testing data show some high radon levels in nearly every State, indicating that indoor radon contamination is a national problem.

No overall Federal strategy exists to address the indoor radon issue. However, various Federal agencies are involved in radon-related efforts. For example, the EPA is currently conducting research on the extent of radon contamination in the United States and providing technical assistance to the States while the Department of Energy (DOE) conducts other types of research. EPA and DOE plan to spend $10.8 million during fiscal years 1985 and 1986 on radon related-research. It is important to note that although the Federal agencies reviewed in the GAO report all appear to have sufficient statutory authority to conduct their ongoing radon efforts, these efforts are being conducted at the discretion of each individual agency. None of the enabling statutes reviewed by the GAO explicitly mandates or requires that radon research, technical assistance, guidance or other assistance be provided.

In addition, all the radon activities of the various Federal agencies are being conducted autonomously. Designating the EPA as lead agency will insure that Federal radon research efforts do not overlap, that radon research is conducted on the most significant issues and that the Federal Government is operating under and recommending consistent radon policies and guidance. The Congress should designate the EPA as the lead Federal agency regarding radon for the purpose of prudent oversight and clear accountability.

At this time no clear statutory authority or responsibility exists for federally regulating radon or for providing financial assistance to alleviate indoor radon hazards. As the Federal role in addressing the radon problem increases, it is only proper that citizens have the expertise and leadership of one Federal agency to rely on rather than several.

It should be noted that the bill Senator SPECTER and I introduce will make the EPA the lead agency but does not compel the EPA to take a regulatory response to the radon problem. While the EPA would provide technical assistance to the States, the EPA would not pay for the actual remediation of homes of radon. The cost of radon removal at this time must be borne by residents. Since the costs of radon mitigation can run as high as $15,000, I fully support extending the current medical deduction to taxpayers who make efforts to rid their homes of the cancer inducing radon gas. I plan to work with my colleagues to ensure that the current medical deduction is extended to radon costs this year as part of the final tax reform bill.

This bill is acceptable to the EPA and I urge all my colleagues to support Senator SPECTOR and I in this legislation.●

● Mr. SPECTER. Mr. President, I am introducing today a Senate companion bill to Congressman YATRON's bill in the House of Representatives which will provide the statutory authority for the Environmental Protection Agency to address one of the foremost health dangers in America today—radon gas contamination in residential housing. Radon is a colorless, odorless gas that emanates from decaying natural uranium deposits and seeps into homes from air and water. Radon is a leading cause of lung cancer and may be responsible for up to 20,000 deaths each year nationwide.

This legislation will direct the Administrator of the Environmental Protection Agency to establish and coordinate a nationwide program of research and development, technical assistance to the States and dissemination of information to the public.

The Pennsylvania Congressional Delegation recently requested a General Accounting Office study of the Federal efforts to address the radon problem. The GAO investigation revealed that while EPA has taken a lead role, numerous Federal agencies are involved in addressing the radon problem. This bill provides EPA with the explicit authority to lead the fight against radon contamination by coordinating efforts among all agencies involved and expanding its present activities.

During debate on the Superfund reauthorization, Senators LAUTENBERG and MITCHELL successfully offered an amendment which I cosponsored, directing the EPA Administrator to conduct a broad program of indoor air quality research. While the value of that measure cannot be doubted, it is my sense that additional legislation is necessary for several reasons. First, this bill, on the basis of the GAO's findings, specifically addresses radon contamination, not the broader and more general problem of indoor air quality. Second, much has happened since the adoption of the above-mentioned Superfund amendment in September 1985. This bill will include essential programs that were excluded from the Superfund amendment, such as technical assistance to the States. Third, the Superfund amendment does not provide sufficient funding for an effective radon program. Rather than the $6 million, 2-year authorization in the Superfund measure, this legislation will provide a $5 million authorization for each of the next 5 fiscal years.

Last, and not the least of concerns, the conference committee on Superfund has been struggling for some time to complete its work. With no guarantee that the Superfund conference will be concluded in the near future, or that the indoor air amendment will be part of the final package, it is essential that the Senate have another, stronger radon mitigation vehicle with which to work over the coming weeks.

The need for statutory authority to address radon is clear. The radon threat began to receive national attention some 20 months ago when Mr. Stanley Watras of Boyertown, PA, a construction engineer for the Limerick Nuclear Power Plant, walked into his workplace. To his suprise and to the astonishment of his fellow workers, Mr. Watras set off the plant's radiation alarms, signalling that he had been contaminated by radiation beyond the level of safety. Mr. Watras subsequently requested a radiation level check at his home a few miles

from the plant. Air samples taken at the Watras home revealed an extraordinary concentration of radon gas.

Mr. Watras' home, we have discovered, lies along the "Reading Prong," a stretch of land beginning outside Reading and running northeast into New Jersey, New York, and even into New England. In recent visits to homes in the Boyertown area, I witnessed the recording of dangerously high levels of radon contamination and discussed this problem on-site with EPA officials. Clearly, this is a health danger with which local, State and Federal Governments must come to grips immediately.

Mr. President, the wide geographic scope of the radon problem and the unknown extent of radon gas' effects clearly necessitate the implementation of a statutory, nonregulatory program within the Federal Government. Recognizing that indoor radon contamination is a national problem, the coordination of efforts among States and Federal agencies is necessary to disseminate information, identify dangerous radon concentrations and facilitate mitigation efforts. I urge my colleagues to join me in support of this bill so, that we can expedite remedial action for this important problem.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2710

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Indoor Radon Research and Assistance Act of 1986".

SEC. 2. FINDINGS.

The Congress finds that—

(1) radon may accumulate indoors in such a way as to increase the risk of developing lung cancer in humans;

(2) evidence indicates that high levels of radon have been found indoors throughout the United States;

(3) an adequate information base on indoor radon problems does not exist and such an information base should be developed by the Federal Government;

(4) reliable and inexpensive technologies and methods to detect, prevent, and abate human exposure to radon through indoor accumulation do not exist and such technologies and methods should be developed by the Federal Government;

(5) at the time of the introduction of this Act, Federal indoor radon research programs are fragmented and underfunded;

(6) the Environmental Protection Agency's efforts to conduct research, provide technical assistance, and disseminate information to the public concerning exposure to radon through indoor accumulation has been hindered by a lack of clear statutory authority; and

(7) the General Accounting Office has recommended that the Environmental Protection Agency be assigned the overall responsibility of directing and coordinating Federal activities addressing indoor air quality problems, especially exposure to radon through indoor accumulation.

SEC. 3. ADMINISTRATOR OF ENVIRONMENTAL PROTECTION AGENCY TO ESTABLISH, CONDUCT, AND COORDINATE NATIONWIDE STUDY OF HUMAN EXPOSURE TO RADON THROUGH INDOOR ACCUMULATION.

(a) ESTABLISH OF PROGRAM; ASSESSMENT WITHIN 1 YEAR.—The Administrator of the Environmental Protection Agency shall—

(1) establish a research and development program with respect to human exposure to radon through indoor accumulation; and

(2) complete a nationwide statistical survey of the sources and levels of radon within 1 year after funds are appropriated to carry out this Act.

(b) PROGRAM REQUIREMENTS.—In carrying out the program described in subsection (a), the Administrator of the Environmental Protection Agency shall do at least the following:

(1) CONDUCT AND COORDINATE FEDERAL RESEARCH EFFORTS.—Conduct and coordinate Federal research efforts relating to the causes, effects, extent, prevention, and abatement of indoor accumulation of radon.

(2) TECHNICAL ASSISTANCE TO STATES.—Encourage, cooperate with, and render technical assistance, training, and guidance to relevant State agencies and other appropriate public or private agencies, institutions, organizations, and individuals to help such entities gain expertise and the capacity to effectively respond to the problems posed by human exposure to radon through indoor accumulation.

(3) COLLECTION AND DISSEMINATION OF INFORMATION.—In cooperation with other Federal departments and agencies, and with other public or private agencies, institutions, and organizations having related responsibilities—

(A) collect information on—

(i) the short- and long-term health effects of varying degrees of human exposure to radon,

(ii) the sources and levels of radon, and

(iii) ways to prevent or abate the indoor accumulation of radon, or avoid exposure to radon; and

(B) disseminate such information to the public.

(4) DEVELOP RELIABLE AND INEXPENSIVE MITIGATION TECHNIQUES.—Develop reliable, inexpensive, and easy to implement processes, methods, and devices to detect, prevent, control, and reduce the indoor accumulation of radon.

(5) DEVELOP MODEL CERTIFICATION PROGRAMS.—In consultation with State governments, develop model certification programs for contractors engaged in radon detection and abatement.

(6) DEVELOP MODEL BUILDING CODES.—In consultation with the Department of Housing and Urban Development, develop model building codes designed to prevent the accumulation of radon in housing.

(c) RADON DEFINED.—As used in this Act, the term "radon" means radon gas and the decay products of radon gas.

(d) REPORTS.—The Administrator of the Environmental Protection Agency shall annually submit to the Congress a report on the activities carried out under this section.

(e) CONSTRUCTION OF SECTION.—This section shall not be construed to authorize or require any regulatory program or activity other than the activities specified in this section. This section shall not be construed to affect the regulatory authority of any other agency or instrumentality of the United States.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this Act not to exceed $5,000,000 for each of fiscal years 1987, 1988, 1989, 1990, and 1991.

By Mr. DODD:

S. 2711. A bill to restrict procurement by the Department of Defense of ball bearings and roller bearings, and for other purposes; to the Committee on Armed Services.

BALL AND ROLLER BEARING IMPORT RELIEF ACT OF 1986

● Mr. DODD. Mr. President, on June 18 of this year the Joint Logistics Commanders of the Department of Defense issued a very important report on the state of the ball bearing industry in this country and its critical importance to our national defense and security. The Joint Logistics Commanders Bearing Study contains a number of very troubling conclusions and poses a series of options available to the United States to redress the problems confronting the industry.

Among other things, this report found that "the industry is at risk and will experience a dramatic contraction if nothing is done" to reverse the erosion of this industry which has resulted from a trend of increasing import penetration. I might note, Mr. President, that the industry has already lost one-third of its domestic market to foreign firms. As plant after plant has closed its doors, 10,000 American workers have lost their jobs. Moreover, the report concluded that if we do not soon take action to reverse these trends, we may find ourselves with a domestic industry which is incapable of meeting our defense requirements at the very time that peace may be threatened. The bearing industry is a very important industry to the State of Connecticut, and to the more than 20 other States where the industry has factories. Not only does this industry provide components to our aerospace and weapons industries, but to almost every other industry in the economy in which moving parts are an element in the final product.

Since 1980, Connecticut alone has lost nearly 3,000 jobs as imports have replaced domestic sales. Comparable losses have also occurred elsewhere in the United States. What has occurred in Connecticut and elsewhere has made it clear to me that we can no longer let this situation continue. The time has come to act to save our domestic bearing industry, and to preserve and protect our national security.

In order to achieve these goals, I am today introducing the "Ball and Roller Bearing Import Relief Act"—a bill which I hope will lead to the revitalization of an industry so critical to our national defense. This bill would re-

quire that, for a period of 5 years, all Department of Defense procurement of ball and roller bearings be from domestic companies, unless the Secretary of Defense is able to certify that a specific type of bearing is not available domestically, in sufficient quantity. I believe that this provision will guarantee the industry a minimum level of sales. Without sufficient sales to restore profitability to the industry, funds will be unavailable for the investments that are required if the industry is to keep pace with changing technology.

Defense procurement alone may not generate sufficient funds required by the industry, since defense sales represent only 15 percent of the industry's sales. A healthy share of the nondefense market is also essential to the survival of the industry. Therefore, tariffs and quotas may also be necessary in the short term to ensure the survival of the industry and to meet our national security interests. For that reason, I have also included provisions for the expedited consideration of any request by the industry for tariff or quota protection pursuant to the national security provisions of section 232 of the Trade Expansion Act of 1962. Finally, in recognition of the fact that it may not be possible to reopen all of the factories which have closed their doors since the mid-1960's when imports first began to flood our markets, I have also included procedures for expedited consideration of petitions by workers or firms in this industry for trade adjustment assistance under the Trade Act of 1974. It is my hope that in a small way this may ease their painful transition to other employment and business activities.

This bill is just the first step along the long road to restoring the domestic ball and roller bearing industry to health. However, it is a crucial first step and one we must take quickly if the United States is to preserve this industry and if we are to protect our long term national security interests. Mr. President, I would ask that the text of my bill be printed in the RECORD.●

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2711

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Ball and Roller Bearing Import Relief Act of 1986".

SEC. 2. The Congress finds that—

(1) a healthy domestic ball and roller bearing industry (hereafter in this section referred to as the "industry") is of critical importance to a sound domestic industrial base in the United States;

(2) the industry has a broad role in the supply of essential components to other industries representing the core of a modern industrial economy;

(3) the Federal Government has previously recognized the importance of the industry to the defense-related industrial base of the United States by requiring that certain bearings purchased by the Department of Defense be manufactured in the United States or Canada;

(4) the United States market for this industry has been increasingly penetrated by imports over the past decade, which has resulted in reductions in capacity, employment, and abandonment of certain markets by domestic producers in the industry; and

(5) the industry is under a state of siege, caught between an eroding share of the domestic market and rising imports of bearing-containing finished goods that compete with the industry's domestic customers.

SEC. 3. (a) Except as provided in subsection (b), the Department of Defense may not procure ball bearings or roller bearings which have been manufactured outside the United States (including the Commonwealth of Puerto Rico, Virgin Islands of the United States, and the territories and possessions of the United States).

(b)(1) If the Secretary of Defense certifies in writing to the Secretary of Commerce that—

(A) any kind of ball or roller bearings needed by the Department of Defense is not manufactured in the United States; or

(B) any kind of ball or roller bearings manufactured in the United States is not available in sufficient quantities to meet the needs of the Department of Defense, the prohibition prescribed in subsection (a) shall not apply in the case of any contract for the procurement of such kind of ball or roller bearings, as the case may be, which is awarded pursuant to a procurement solicitation issued during the period beginning 30 days after the date on which the certification is received by the Secretary of Commerce and ending on the date on which the Secretary of Defense or the Secretary of Commerce determines that the certified condition has terminated.

(2) Notwithstanding paragraph (1), the Department of Defense may not conduct a procurement with respect to which a certification has been made under such paragraph if the Secretary of Commerce disagrees with the findings of the Secretary of Defense (with respect to a condition described in such paragraph) contained in the certification and notifies the Secretary of Defense, in writing, of the disagreement within 30 days after the date on which the certification is received by the Secretary of Commerce.

(c) The Secretary of Defense shall prescribe regulations to carry out this section.

(d) This section shall apply to procurement solicitations issued by the Department of Defense during the 5-year period beginning on January 1, 1987.

SEC. 4. Subsection (b) of section 232 of the Trade Expansion Act of 1962 (19 U.S.C. 1862(b)) is amended—

(1) by striking out "Upon request" and inserting in lieu thereof "(1) Upon request", and

(2) by adding at the end thereof the following new paragraph:

"(a)(A) The President and the Secretary shall give expedited consideration to any application submitted under this section with respect to imports of ball bearings or roller bearings.

"(B) The Secretary shall provide notice to the Secretary of Labor of any determination made by the Secretary under paragraph (1) that imports of ball bearings or roller bearings threaten to impair the national security.".

SEC. 5. (a) Section 223 of the Trade Act of 1974 (19 U.S.C. 2273) is amended by adding at the end thereof the following new subsection:

"(e) The Secretary shall give expedited consideration to any petition filed under section 221 on behalf of workers of a firm, or subdivision of a firm, that produces ball bearings or roller bearings if the Secretary of Commerce has determined under section 232 of the Trade Expansion Act of 1962, at any time during the 3-year period preceding the date of the determination of the Secretary under subsection (a), that imports of ball bearings or roller bearings threaten to impair the national security.".

(b) Section 251 of the Trade Act of 1974 (19 U.S.C. 2341) is amended by adding at the end thereof the following new subsection:

"(e) The Secretary shall give expedited consideration to any petition filed under subsection (a) on behalf of a firm that produces ball bearings or roller bearings if the Secretary has determined under section 232 of the Trade Expansion Act of 1962, at any time during the 3-year period preceding the date of the determination of the Secretary under Subsection (c), that imports of ball bearings or roller bearings threaten to impair the national security.".

By Mr. KENNEDY (for himself and Mr. HARKIN):

S.J. Res. 384. Joint resolution instructing the U.S. Executive Directors of Multilateral Institutions to vote against loans to Chile; to the Committee on Foreign Relations.

PROHIBITING U.S. SUPPORT FOR LOANS TO CHILE

Mr. KENNEDY. Mr. President, I send a joint resolution to the desk and urge its prompt and favorable consideration by the Senate. It instructs the U.S. Executive Directors of multilateral financial institutions to vote against loans to Chile until Congress determines that the Government has ended its abhorrent human rights abuses, has agreed to extradite the killers of Orlando Letelier and Ronni Moffit, and has brought to justice those individuals responsible for the brutal murder-by-fire of Rodrigo Rojas.

Darkness has descended upon the people of Chile. Hope for an early and peaceful return to democracy is fading. The virulent repression and inhumanity of the Chilean regime knows no bounds. From the day General Pinochet seized power in 1973, through the assassination of Orlando Letelier on the streets of Washington and now to the fiery execution of Rodrigo Rojas—a student at Woodrow Wilson High School in Washington—General Pinochet's reign of terror continues.

The violence and repression grow with each passing day as students, housewives, physicians and lawyers are beaten and arrested on the streets of Santiago.

For too long, this administration has kept General Pinochet afloat by voting to approve $2 billion in loans to the Government of Chile. These votes

have been in direct violation of section 701 of the International Financial Institutions Act.

Shortly after Orlando Letelier and Ronni Moffitt were murdered in the streets of Washington in 1976, Congress cut off all economic and military assistance to Chile. Congress also enacted into law section 701 of the International Financial Institutions Act which directs the U.S. Executive Directors of multilateral financial institutions to oppose loans to countries whose governments engage in a pattern of gross violations of internationally recognized human rights. For 13 years, the Government of Chile has engaged in such a pattern but the Reagan administration has yet to oppose a single multilateral international loan to Chile on the human rights grounds stipulated in section 701.

President Ford voted no; President Carter voted no; but the Reagan administration has voted in favor of $2.2 billion in loans to Chile. This is not only unconscionable; it is illegal.

Continued U.S. support of multilateral loans to Chile violates section 701 of the International Financial Institutions Act. The statute is clear: the U.S. Executive Directors are instructed to oppose any loan to countries whose governments engage in a pattern of gross violations of internationally recognized human rights, such as torture or cruel, inhumane, or degrading treatment or punishment, prolonged detention without charges, or other flagrant denial to life, liberty, and the security of person. The law does not allow for a pattern of improvements in human rights, nor does it allow for abstentions on votes. Under the law, if the Government engages in a pattern of gross human rights violations, the United States must vote no. This is not a matter of discretion; it is a matter of law.

The Government of Chile has been consistent for 13 years; it has systematically and routinely violated fundamental human rights. Let me just take note of two specific examples of this record. The Government of Chile murdered Orlando Letelier on our streets; it murdered Rodrigo Rojas de Negri who was a resident of Washington. More generally, the State Department's 1985 Human Rights Report states 5,401 instances of detention, 564 kidnapings and 72 political killings. According to America's Watch Committee during just March and April of 1986 the Government of Chile was responsible for 5 violent deaths, 22 attempted homicides, 1,610 detentions for political activities, 4 expulsions, 13 threats and intimidations, and 141 cases of torture, cruel, inhumane or degrading treatment. Between April 29 and May 15, the Government raided 39 shanty towns and rounded up over 94,000 individuals, yet of that group of 94,000, only 5 individuals were charged with crimes. These shanty town raids are clearly a method of intimidation used by the Government. Rodrigo Rojas was visiting one such shanty town to show solidarity with its people when the Chilean soldiers raided the town and set him on fire.

Voting no on more international loans to Chile would do more than send a clear signal to Pinochet that the United States was seriously committed to opposing human rights abuses; it would also have a severe economic impact on Chile. Chile's foreign debt is estimated to be around $20 billion; its annual interest payments are nearly $2 billion, roughly half of its annual export earnings. Yet in 1985, Chile received $1.1 billion in multilateral bank loans which then facilitated a major debt rescheduling package worth nearly $2 billion. These loans have enabled Pinochet to maintain his good standing with the international financial community—and his tight grip on power.

While the United States alone does not control sufficient votes in the multilateral institutions to stop the loans, our policies have strong influence not only with the direction other countries chose to vote, but also in the number and amount of loans which are brought up for consideration in the institutions.

It is time the United States puts itself clearly on the side of democracy and decency in Chile and distanced itself from the Pinochet regime. Orlando Letelier, Rodrigo Rojas, and countless others whose names we do not know have died at the hands of Pinochet and his henchmen. It is time for the U.S. Congress to repudiate the Pinochet regime and state its unequivocal support for immediate restoration of democracy in Chile. And the place to begin is with the resolution before us today.

I urge the Senate to adopt this important Resolution.

By Mr. RIEGLE (for himself, Mr. DECONCINI, Mr. DODD, Mr. ROCKEFELLER, Mr. NICKLES, Mr. EXON, Mr. HOLLINGS, Mr. DIXON, Mr. HATCH, Mr. GORE, Mr. PELL, Mr. MOYNIHAN, Mr. GRASSLEY, Mr. LAUTENBERG, Mr. QUAYLE, and Mr. LEVIN):

S.J. Res. 385. Joint resolution to designate October 23, 1986 as "National Hungarian Freedom Fighters Day"; to the Committee on the Judiciary.

NATIONAL HUNGARIAN FREEDOM FIGHTERS DAY

● Mr. RIEGLE. Mr. President, today, along with the bipartisan support of 16 cosponsors, I am introducing a joint resolution designating October 23, 1986 as "National Hungarian Freedom Fighters Day". A companion bill, House Joint Resolution 657 has been introduced in the House of Representatives by Congressman FRANK HORTON of New York.

This year, October 23 will mark the 30th anniversary of the failed attempt by the Hungarian people to free themselves from Soviet domination. On that date three decades ago, university students in Budapest organized to express their solidarity with striking workers in Poland, and to vent their frustration with the intransigence of the Hungarian dictatorship headed by Matyas Rakosi. They marched to the radio building to express their dissatisfaction through a broadcast. Within minutes, dozens of them lay dying from wounds inflicted by the bullets of the Hungarian police forces.

The following day, the Hungarian Politiburo consented to the students' demands and elected Imre Nagy to the premiership. He proceeded to announce Hungary's neutrality, its withdrawal from the Warsaw Pact, and the intention to hold free multiparty elections.

Within hours, what began as a humble movement, initiated by a number of disenchanted students and supported by Imre Nagy, had gained the support of a vast number of Hungarian citizens, united in their desire to be liberated from Soviet oppression.

Two days after Hungary was declared an independent state, the military forces of the Soviet Union moved into Budapest and crushed the brave attempt by the freedom fighters to regain their sovereignty. Despite courageous efforts by scores of Hungarians to retain their freedom, hundreds of Hungarian citizens were murdered and thousands were injured in the invasion. A tragic signal was sent around the world that the Soviet Communists would not tolerate dissent within their empire, and that all Eastern European nations would remain subject to Moscow as long as the Communist Party reigns.

This message would, unfortunately, be repeated—in Czechoslovakia in 1968, in Afghanistan during the last days of 1979 and in Poland in 1970 and again in 1981. The Hungarian freedom fighters are only some of the more obvious victims of arbitrary Soviet tyranny.

Commemoration of Hungarian Freedom Fighters Day gives us occasion to reflect on a world much changed by the effects of World War II. Hungary is but one of the many countries which fell prey to Soviet domination, imprisoned behind a curtain which has divided Europe—East and West.

While the Hungarian uprising was easily put down by the Soviet forces, the spirit of those who sacrificed their lives in that effort continues to burn in the hearts of those still striving for liberty. Recalling the Hungarian experience gives us a new and greater appreciation for the freedoms we enjoy

and grants us the opportunity to support the efforts of those for whom the struggle continues today.

Mr. President, I ask unanimous consent that the full text of the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 385

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas, the antidemocratic Government of Hungary was installed and is supported by the Government of the Soviet Union;

Whereas, on October 23, 1956, freedom fighters in Hungary attempted to establish a coalition government and free the people of Hungary from oppression by ending the political and economic domination of the people of Hungary by the Government of the Soviet Union;

Whereas, the continued oppression of the people of Hungary by the Government of the Soviet Union is a violation of the principles set forth in the Yalta Agreement of 1945, the Universal Declaration of Human Rights, and the Helsinki Final Act of the Conference on Security and Cooperation in Europe, of which the Government of the Soviet Union is a signatory or under which such Government is otherwise obligated;

Whereas, the Congress supports the efforts of the people of all nations to assert the right of self-determination; and

Whereas, October 23, 1986, is the 30th anniversary of the uprising of the people of Hungary against the antidemocratic Government of Hungary: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, that October 23, 1986, is designated "National Hungarian Freedom Fighters Day", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.●

ADDITIONAL COSPONSORS

S. 853

At the request of Mr. PRYOR, the name of the Senator from Connecticut [Mr. WEICKER] was added as a cosponsor of S. 853, a bill to amend the Trade Act of 1974 to allow watches to be designated as eligible articles for purposes of the generalized system of preferences.

S. 1026

At the request of Mr. PRESSLER, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 1026, a bill to direct the cooperation of certain Federal entities in the implementation of the Continental Scientific Drilling Program.

S. 1888

At the request of Mr. BUMPERS, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 1888, a bill to provide for a program of cleanup and maintenance on Federal public lands, national parks, recreation areas, and for other purposes.

S. 2345

At the request of Mr. KENNEDY, the names of the Senator from Utah [Mr. HATCH], and the Senator from California [Mr. WILSON] were added as cosponsors of S. 2345, a bill to improve counseling, education, and services relating to acquired immune deficiency syndrome.

S. 2489

At the request of Mr. KENNEDY, the name of the Senator from Florida [Mrs. HAWKINS] was added as a cosponsor of S. 2489, a bill to improve the training of physicians in geriatrics.

S. 2536

At the request of Mr. HATCH, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 2536, a bill to provide for block grants to States to pay for the costs of immunosuppressive drugs for organ transplant patients.

S. 2649

At the request of Mr. KENNEDY, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 2649, a bill to amend title XIX of the Social Security Act to strengthen and improve Medicaid services to low-income children, and for other purposes.

S. 2650

At the request of Mr. KENNEDY, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 2650, a bill to amend title XIX of the Social Security Act to strengthen and improve Medicaid services to pregnant women and infants, and for other purposes.

S. 2665

At the request of Mr. SYMMS, the name of the Senator from Nevada [Mr. LAXALT] was added as a cosponsor of S. 2665, a bill to amend the national maximum speed limit law.

S. 2668

At the request of Mr. BRADLEY, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 2668, a bill to amend the Tariff Schedules of the United States to temporarily suspend the duties on jacquard cards.

S. 2669

At the request of Mr. BRADLEY, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 2669, a bill to amend the Tariff Schedules of the United States to temporarily suspend the duties on certain weaving machinery.

S. 2678

At the request of Mr. BENTSEN, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 2678, a bill to provide a comprehensive national oil security policy.

S. 2680

At the request of Mr. THURMOND, the name of the Senator from Virginia [Mr. TRIBLE] was added as a cosponsor of S. 2680, a bill to amend the Internal Revenue Code of 1954 to allow a charitable contribution deduction to farmers who donate agricultural products to assist victims of natural disasters.

S. 2695

At the request of Mr. EXON, the name of the Senator from Nebraska [Mr. ZORINSKY] was added as a cosponsor of S. 2695, a bill to provide for an additional district court judge for the judicial district of Nebraska.

S. 2701

At the request of Mr. LUGAR, the name of the Senator from Virginia [Mr. TRIBLE] was added as a cosponsor of S. 2701, a bill to provide a comprehensive policy for the United States in opposition to the system of apartheid in South Africa, and for other purposes.

SENATE JOINT RESOLUTION 249

At the request of Mr. DENTON, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of Senate Joint Resolution 249, a joint resolution to proclaim October 23, 1986, as "A Time of Remembrance" for all victims of terrorism throughout the world.

SENATE JOINT RESOLUTION 338

At the request of Mr. RIEGLE, the name of the Senator from Idaho [Mr. MCCLURE] was added as a cosponsor of Senate Joint Resolution 338, a joint resolution to designate November 18, 1986, as "National Community Education Day".

SENATE JOINT RESOLUTION 348

At the request of Mr. GLENN, the name of the Senator from Oregon [Mr. PACKWOOD] was added as a cosponsor of Senate Joint Resolution 348, a joint resolution to designate the week beginning November 24, 1986, as "National Family Caregivers Week".

SENATE CONCURRENT RESOLUTION 94

At the request of Mr. DENTON, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of Senate Concurrent Resolution 94, a concurrent resolution expressing the sense of the Congress that the President should declare a State of national emergency with respect to terrorist acts committed against nationals of the United States.

SENATE RESOLUTION 420

At the request of Mr. CHILES the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of Senate Resolution 420, a resolution to express the sense of the Senate regarding prompt payment of Medicare claims.

AMENDMENT NO. 2242

At the request of Mr. GORTON, the names of the Senator from West Virginia [Mr. BYRD], the Senator from Arkansas [Mr. BUMPERS], the Senator from Michigan [Mr. RIEGLE], the Senator from Maine [Mr. COHEN], the Senator from California [Mr. CRANSTON], the Senator from Michigan [Mr. LEVIN], The Senator from Alabama [Mr. DENTON], the Senator from North Carolina [Mr. BROYHILL], the Senator from Indiana [Mr. QUAYLE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. NICKLES], and the Senator from Georgia [Mr. MATTINGLY] were added as cosponsors of Amendment No. 2242 proposed to House Joint Resolution 668, a joint resolution increasing the statutory limit on the public debt.

AMENDMENT NO. 2250

At the request of Mr. SASSER, the name of the Senator from Colorado [Mr. HART] was added as a cosponsor of Amendment No. 2250 proposed to House Joint Resolution 668, a joint resolution increasing the statutory limit on the public debt.

SENATE RESOLUTION 456—RELATIVE TO A NEW INTERNATIONAL CONVENTION ON DRUG TRAFFICKING

Mrs. HAWKINS submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 456

Whereas trafficking in illegal drugs is increasingly undertaken by criminal organizations with multinational dimensions;

Whereas law enforcement and demand reduction measures must also assume multinational dimensions effectively to combat trafficking and use of illegal drugs;

Whereas the United Nations Division on Narcotic Drugs is currently working on a draft of a new international convention on drug trafficking at the direction of the General Assembly and the United Nations Commission on Narcotic Drugs; and

Whereas this draft convention will be one of the matters discussed at the 1987 World Conference on Drug Abuse to be held in Vienna, Austria, in July 1987: Now, therefore, be it

Resolved, That (a) the Senate hereby strongly urges the President to give high priority and complete support to these new multinational initiatives against drug trafficking.

(b) It is the sense of the Senate that—

(1) the President should name as the head of the United States delegation to the 1987 World Conference on Drug Abuse the most appropriate representative with at least Cabinet-level rank; and

(2) the President should instruct the United States delegation to such Conference to urge the adoption of the following elements in any new international convention against drug trafficking:

(A) A central provision should establish the principle of universal jurisdiction over the narcotics trafficking offenses that will be covered by the convention, similar to that accorded to the offense of air piracy by the Convention for the Suppression of Unlawful Seizure of Aircraft.

(B) Any drug trafficking should be an extraditable offense in any extradition agreement, and the political offense exemption should not be applicable to any extradition request involving such an offense.

(C) The statute of limitations for drug trafficking offenses and forfeiture provisions related to drug trafficking should be removed or extended to the greatest possible extent.

(D) An appropriate level of import and export control of precursor and essential chemicals for controlled and illicit drugs should be instituted, similar to the control required for the drugs themselves.

(E) The failure of parties to the Single Convention on Narcotic Drugs and the Psychotropic Covention to enforce the control and antidrug trafficking measures in free ports should be seriously addressed.

(F) Laws and international agreements dealing with the problem of tracing and forfeiture of financial and other assets of drug traffickers should be refined to reach such assets passing through fiduciaries.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

● Mrs. HAWKINS. Mr. President, I have today introduced a Senate resolution urging the President to incorporate specific, tough elements into the U.S. negotiating stance on the U.N.'s new International Convention on Drug Trafficking. This resolution flows from the work of the Senate Caucus on International Narcotics Control, which I chair.

The caucus held hearings on this general subject in June where we took testimony from our U.N. Ambassador Vernon Walters, the Justice Department, Customs, and the Coast Guard. This Drug Trafficking Convention is currently being drafted at the U.N.'s Division of Narcotics Drugs in Vienna. A preliminary draft should be circulated for comment to member nations some time this month. Comments from nation states on this preliminary draft will be sought before October 31, 1986. The draft treaty will then be discussed in depth at the U.N.'s February 1987 Vienna meeting of the Commission on Narcotic Drugs.

By getting the views of the Senate in on the ground floor, we should be in a better position to affect the actual language of the new drug trafficking convention.

In essence, this resolution seeks the same no nonsense and expedited procedures for apprehension and prosecution of drug traffickers as has been secured in international law for airplane hijackers. Universal jurisdiction over drug trafficking offenses would allow the long arm of U.S. law enforcement to reach out wherever drug traffickers seek refuge.

Other specific elements for the drug trafficking treaty sought by this resolution include provisions to:

Expedite extradition of drug traffickers;

Removal of the statute of limitations for drug trafficking offenses and asset forfeiture laws by member nations;

Establishment of an appropriate regime of international controls for precursors and essential chemicals needed for drug production.

Tighten surveillance and improved cooperation in free ports, many of which are currently considered major trafficking transshipment hubs by law enforcement officials;

Improved money laundering and asset forfeiture laws which anticipate and deal with the various ruses and dodges of drug traffickers and their witting and unwitting agents.

This is in no way intended as an exclusive list of suggestions by the Senate. It is simply a compilation of some key elements which have come to the attention of the Senate Caucus.

I hope my colleagues will see fit to join me in this worthwhile initiative, which is intended to be helpful to our treaty negotiators.●

SENATE RESOLUTION 457—COMMEMORATING THE RETURN TO FREEDOM OF REVEREND LAWRENCE MARTIN JENCO

Mr. DIXON (for himself, Mr. SIMON, Mr. DOMENICI, Mr. BINGAMAN, and Mr. LEVIN of Michigan) submitted the following resolution; which was considered and agreed to:

S. RES. 457

Whereas the release of the Reverend Lawrence Martin Jenco from captivity by his terrorist kidnappers is a matter of international celebration;

Whereas, Terry Anderson, David Jacobson, Thomas Sutherland, and William Buckley are still being held captive in Lebanon by the Islamic Jihad;

Whereas, the Islamic Jihad, in releasing Father Lawrence Martin Jenco, stated that this was their last humanitarian gesture;

Whereas the families of those who remain captive cannot fully share the joy of the Jenco family so long as their loved ones remain hostage;

Whereas much more can be accomplished with humanity than hatred;

Resolved, that the Nation welcomes Reverend Lawrence Martin Jenco home;

Be it further resolved, That we cannot forget those who do not yet enjoy the freedom being celebrated by Father Jenco;

Be it further resolved, That we must continue all efforts to gain the release of the other hostages; and

Be it further resolved, That the Nation recognizes the efforts of all who worked so diligently for his release and that of his fellow hostages.

SENATE RESOLUTION 458—TO REFER THE BILL S. 249 TO THE COURT OF CLAIMS

Mr. HATFIELD submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 458

Resolved, That the bill (S. 249) for the relief of Spalding and Son, Inc. of Grants Pass, Oregon, together with all accompanying papers, is hereby referred to the United States Claims Court pursuant to sections 1492 and 2509 of title 28, United States Code. The Claims Court shall proceed expeditiously with the same in accordance with the provisions of said sections, and report to the Senate at the earliest practicable date, giving such findings of fact and conclusions of law as shall be sufficient to inform the Congress of the nature and character of the demand as a claim legal or equitable against the United States, and the amount, if any, legally or equitably due from the United States to Spalding and Son, Inc.

AMENDMENTS SUBMITTED

STATUTORY INCREASE IN PUBLIC DEBT LIMIT

BRADLEY (AND EVANS) AMENDMENT NO. 2253

Mr. BRADLEY (for himself and Mr. EVANS) proposed an amendment to the joint resolution (H.J. Res. 668) increasing the statutory limit on the public debt; as follows:

At the end of the amendment, add the following:

SEC. . INDIAN FISHING RIGHTS.

(a) Notwithstanding any other provision of law—

(1) income derived by an Indian from fishing, whether for commercial or subsistence purposes, shall not be subject to, or taken into account in determining, any income tax imposed by the Internal Revenue Code of 1954, by any other provision of Federal law, or by any law of a State or political subdivision of a State, and

(2) any activities conducted by any Indian in connection with fishing shall not be subject to any tax imposed by the Internal Revenue Code of 1954, by any other Federal law, or by any law of a State or political subdivision of a State,

if the rights of such Indian to fish are provided for, or secured by, any treaty or other provision of Federal law, regardless of whether such rights are limited to subsistence or commercial fishing.

(b) The provisions of subsection (a) shall apply notwithstanding any other provision of Federal law that may be enacted on or after the date of enactment of this Act, unless such subsequent provision of Federal law specifically cites this section.

HEINZ AMENDMENT NO. 2254

Mr. HEINZ proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the amendment, add the following new section:

SEC. . FOOD BANK SPECIAL NUTRITION PROJECTS.

The first sentence of section 211(d) of the Agricultural Act of 1980 (7 U.S.C. 4004(d)) is amended by striking out "a progress report on July 1, 1983, and a final report on January 1, 1984," and inserting in lieu thereof "an annual report".

THURMOND (AND OTHERS) AMENDMENT NO. 2255

Mr. THURMOND (for himself, Mr. LUGAR, Mr. TRIBLE, Mr. HOLLINGS, Mr. GRASSLEY, Mr. ZORINSKY, Mr. ABDNOR, Mr. BOREN, Mr. DENTON, Mr. COCHRAN, Mr. ROCKEFELLER, Mr. HELMS, Mr. NICKLES, Mr. QUAYLE, Mr. SIMPSON, Mr. MATTINGLY, Mr. NUNN, Mr. EXON, Mr. PRYOR, Mr. WALLOP, Mr. GORE, Mr. HEFLIN, Mr. RIEGLE, Mr. HECHT, Mr. COHEN, Mr. SIMON, Mr. ANDREWS, Mr. WILSON, Mr. BURDICK, Mrs. HAWKINS, and Mr. STEVENS) proposed an amendment to the joint resolution H.J. Res. 668, supra; as follows:

At the end of the amendment, add the following:

SEC. . CONTRIBUTIONS OF AGRICULTURAL PROPERTY FOR VICTIMS OF NATURAL DISASTERS.

(a) IN GENERAL.—Subsection (e) of section 170 of the Internal Revenue Code of 1954 (relating to contributions of ordinary income and capital gain property) is amended by adding at the end thereof the following new paragraph:

"(6) SPECIAL RULE FOR CONTRIBUTIONS OF AGRICULTURAL PRODUCTS FOR VICTIMS OF NATURAL DISASTERS.—

"(A) IN GENERAL.—For purposes of this paragraph, a qualified contribution means a charitable contribution of an agricultural product by a taxpayer who produced such agricultural product, if such taxpayer is actively and regularly engaged in the trade or business of farming, but only if—

"(i) the donee is a State, political subdivision of a State, or an agency of such State or political subdivision,

"(ii) the agricultural product is to be used by the donee within the 3-month period beginning on the date on which such contribution is made for the care of individuals who have been adversely affected by a drought, flood, or other major natural disaster that occurred during the 6-month period ending on such date,

"(iii) the agricultural product is not transferred by the donee in exchange for money, other property, or services,

"(iv) the taxpayer receives from the donee a written statement certifying that the donee's use and disposition of the agricultural product will be in accordance with the provisions of clauses (ii) and (iii), and

"(v) in the case in which the agricultural product is subject to regulation under the Federal Food, Drug, and Cosmetic Act, such product fully satisfies the applicable requirements of such Act and regulations promulgated thereunder for 180 days before the date of contribution.

"(B) AMOUNT OF DEDUCTION.—Notwithstanding any other provision of this subsection, the amount allowable as a deduction under subsection (a) for any qualified contribution (as defined in subparagraph (A)) shall be an amount equal to the wholesale market value of the agricultural product reduced by the amount of any costs or expenses incurred in the production of such product and for which a deduction has been taken by the taxpayer.

"(C) DEFINITIONS.—For purposes of this paragraph—

"(i) FAIR MARKET VALUE.—The term 'fair market value' means, with respect to any agricultural product, the lowest wholesale market price for such product in the regional market nearest the taxpayer during the month in which the contribution is made.

"(ii) AGRICULTURAL PRODUCT.—The term 'agricultural product' means any hay, feed, crop, livestock, poultry, or product thereof, which is not subject to any excise tax imposed under chapters 51 and 52.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to contributions made after June 30, 1986, in taxable years ending after June 30, 1986.

GRASSLEY (AND OTHERS) AMENDMENT NO. 2256

Mr. GRASSLEY (for himself, Mr. LAUTENBERG, Mr. PROXMIRE, Mr. DENTON, Mr. DOLE, Mr. HARKIN, Mr. MATTINGLY, Mr. D'AMATO, Mr. CHILES, Mr. DECONCINI, Mr. HOLLINGS, and Mr. LEVIN) proposed an amendment, which was subsequently modified, to the Joint resolution (H.J. Res. 668), supra; as follows:

At the end of the committee amendment, insert the following:

SEC. . DENIAL OF CERTAIN TAX BENEFITS WITH RESPECT TO ACTIVITIES IN CERTAIN FOREIGN COUNTRIES.

(a) DENIAL OF FOREIGN TAX CREDIT.—Section 901 (relating to taxes of foreign countries and of possessions of the United States) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) DENIAL OF FOREIGN TAX CREDIT, ETC. WITH RESPECT TO CERTAIN FOREIGN COUNTRIES.—

"(1) IN GENERAL.—Notwithstanding any other provision of this part—

"(A) no credit shall be allowed under subsection (a) for any income, war profits, or excess profits taxes paid or accrued (or deemed paid under section 902 or 960) during the taxable year to any country to which this subsection applies, and

"(B) subsections (a), (b), and (c) of section 904 and sections 902 and 960 shall be applied separately with respect to income for such taxable year from sources within any country so identified.

"(2) COUNTRIES TO WHICH SUBSECTION APPLIES.—

"(A) IN GENERAL.—This subsection shall apply to any foreign country—

"(i) the government of which the United States does not recognize, unless such government is otherwise eligible to purchase defense articles or services under the Arms Export Control Act.

"(ii) with respect to which the United States has severed diplomatic relations,

"(iii) with respect to which the United States has not severed diplomatic relations but does not conduct such relations, or

"(iv) which the Secretary of State has, pursuant to section 6(j) of the Export Administration Act of 1979, as amended, designated as a foreign country which repeatedly provides support for acts of international terrorisms.

"(B) Period for which subsection applies.—This subsection shall apply to any foreign country described in subparagraph (A) during the period—

"(i) beginning on the later of—

"(I) January 1, 1987, or

"(II) 6 months after such country becomes a country described in subparagraph (A), and

"(ii) ending on the date the Secretary of State certifies to the Secretary of the Treasury that such country is no longer described in subparagraph (A).

"(3) PART-YEAR RULE.—If this subsection applies to any foreign country for any period less than an entire taxable year, paragraph (1) shall be applied by taking into account only that proportion of the taxes and income described in paragraph (1) for the taxable year as the portion of the taxable year which includes such period bears to the entire taxable year."

(b) DENIAL OF DEFERRAL OF INCOME.—

(1) GENERAL RULE. —Section 952(a) (defending subpart F income) is amended by striking out "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof ", and", and by inserting immediately after paragraph (4) the following new paragraph:

"(5) the income of such corporation derived from any foreign country during any period during which section 904(i) applies to such foreign country."

(2) INCOME DERIVED FROM FOREIGN COUNTRY.—Section 952 (defining subpart F income) is amended by adding at the end thereof the following new subsection:

"(e) INCOME DERIVED FROM FOREIGN COUNTRY.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of subsection (a)(5), including regulations which treat income paid through 1 or more entities as derived from a foreign country to which section 904(i) applies if such income was, without regard to such entities, derived from such country."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1987.

HELMS (AND DENTON) AMENDMENT NO. 2257

Mr. HELMS (for himself and Mr. DENTON) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the pending amendment, add the following:

SEC. —. DISAPPROVAL OF ACTION OF THE DISTRICT OF COLUMBIA COUNCIL.

The Congress disapproves of the action of the District of Columbia Council described as follows: The Prohibition of Discrimination in the Provision of Insurance Act of 1986 (D.C. Law 6-170); and, notwithstanding any other provision of law, D.C. Law 6-170 shall be null and void effective from June 6, 1986.

DOMENICI (AND CHILES) AMENDMENT NO. 2258

Mr. DOMENICI (for himself and Mr. CHILES) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the committee amendment, as amended, add the following new section:

SEC. —. MODIFICATION OF SCHEDULE UNDER "FALLBACK" PROCEDURE.

(a) IN GENERAL.—

(1) Section 274 of the Balanced Budget and Emergency Deficit Control Act (2 U.S.C. 922) is amended by striking subsection (f) and redesignating subsections (g) and (h) as subsections (f) and (g), respectively.

(2) Part E of the Balanced Budget and Emergency Deficit Control Act is amended by redesignating section 275 as section 276 and inserting after section 274 the following new section:

"SEC. 275. ALTERNATIVE SEQUESTRATION PROCEDURES.

"(a) REPORTS TO JOINT COMMITTEE.—In the event that any of the reporting procedures described in section 251 are invalidated, then any report of the Comptroller General under subsection (b) or (c)(2) of section 251 shall be transmitted to the Speaker of the House of Representatives (in this section referred to as the 'Speaker') and the President of the Senate, who shall refer the report to the Temporary Joint Committee on Deficit Reduction in accordance with subsection (c).

"(b) ESTABLISHMENT OF TEMPORARY JOINT COMMITTEE.—

"(1) Upon the invalidation of any such procedure, there is established a Temporary Joint Committee on Deficit Reduction (in this section referred to as the 'Joint Committee'), composed of the entire membership of the Committees on the Budget of the House of Representatives and the Senate. The Chairmen of such committees shall act as Co-Chairmen of the Joint Committee.

"(2) Actions taken by the Joint Committee shall be determined by a majority vote of the members representing each House.

"(3) The purposes of the Joint Committee are to receive any report referred to it pursuant to paragraph (3) or (7) of subsection (c) and to report (with respect to each such report) a joint resolution under paragraph (1) or (2) of subsection (d).

"(c) ALTERNATIVE SCHEDULE.—Notwithstanding any other provision of this Act, in the event that the reports of the Comptroller General for a fiscal year are to be transmitted to the Speaker and the President of the Senate pursuant to subsection (a)—

"(1) the Directors shall transmit the report under section 251(a)(2) for such fiscal year to the Comptroller General on August 20 of the calendar year in which the fiscal year begins (as provided in such section),

"(2) the Comptroller General shall transmit the report under section 251(b) for such fiscal year to the Speaker and the President of the Senate on August 25 of the calendar year in which the fiscal year begins (as provided in such section);

"(3) the Speaker and the President of the Senate shall refer the report of the Comptroller General under section 251(b) to the Joint Committee—

"(A) on August 25 of the calendar year in which the fiscal year begins, or

"(B) if August 25 of such year falls during an adjournment of the Congress for a period of more than 3 days, on the day after the last day on which either House of the Congress stands adjourned pursuant to the concurrent resolution providing for such adjournment;

"(4) the President shall issue an initial order under section 252(a) for the fiscal year after a joint resolution reported pursuant to subsection (d)(1) becomes law and before the later of—

"(A) September 2 of the calendar year in which the fiscal year begins, or

"(B) two calendar days after the day on which the joint resolution becomes law;

"(5) the Directors shall transmit the report under section 251(c)(1) for such fiscal year to the Comptroller General on the second calendar day of the fiscal year;

"(6) the Comptroller General shall transmit the report under section 251(c)(2) for such fiscal year to the Speaker and the President of the Senate on the third calendar day of such fiscal year;

"(7) the Speaker and the President of the Senate shall refer the report of the Comptroller General under section 251(c)(2) to the Joint Committee on the third calendar day of such fiscal year; and

"(8) the President shall issue a final order under section 252(b) for the fiscal year within one calendar day after a joint resolution reported pursuant to subsection (d)(2) becomes law.

"(d) JOINT RESOLUTION.—

"(1) Not later than two calendar days after the date on which the Speaker and the President of the Senate refer a report of the Comptroller General under section 251(b) to the Joint Committee (pursuant to subsection (c)(3) of this section), the Joint Committee shall report a joint resolution certifying the contents of the report.

"(2) Not later than one calendar day after the date on which the Speaker and the President of the Senate refer a report of the Comptroller General under section 251(c)(2) to the Joint Committee (pursuant to subsection (c)(7) of this section), the Joint Committee shall report a joint resolution certifying the contents of the report.

"(3)(A) In the event that any of the reporting procedures described in section 251 are invalidated, the Joint Committee may report a joint resolution affirming as law any order issued by the President under section 252 that was rendered invalid by the invalidation of such procedures.

"(B) Any joint resolution reported pursuant to this paragraph shall provide that—

"(i) the order is affirmed as of the date on which the order was issued, and

"(ii) the joint resolution affirming the order does not supersede any laws enacted after the date on which the order was issued and before the date on which the joint resolution becomes law.

"(e) PROCEDURES FOR CONSIDERATION OF JOINT RESOLUTION.—

"(1) Except as provided in paragraph (2), the provisions of section 254(a)(4) shall apply to consideration of a joint resolution reported pursuant to subsection (d).

"(2)(A) In the case of any joint resolution reported pursuant to subsection (d), debate in each House of the Congress shall be limited to two hours.

"(B)(i) In the case of a joint resolution reported to a House of the Congress pursuant to paragraph (1) or (3) of subsection (d), a vote on final passage shall be taken by such House on or before the second calendar day of session after the date on which the joint resolution is reported to that House.

"(ii) In the case of a joint resolution reported to a House of the Congress pursuant to paragraph (2) of subsection (d), a vote on final passage shall be taken by such House within one calendar day after the date on which the joint resolution is reported to that House.

"(f) DISCHARGE OF JOINT RESOLUTIONS.—Any joint resolution of the type described in paragraph (1) or (2) of subsection (d) that is introduced in either House of the Congress

shall be referred to the Joint Committee. If the joint Committee fails to report a joint resolution under such paragraph by the requisite date, any joint resolution referred to the Joint Committee pursuant to the preceding sentence shall be automatically discharged to the House in which it was introduced and shall be placed upon the appropriate calendar.

"(g) EFFECT OF ENACTMENT OF JOINT RESOLUTION.—Upon the enactment of a joint resolution under paragraph (1) or (2) of subsection (d), such joint resolution shall be deemed to be the report received by the President under subsection (b) of (c)(2) of section 251 (whichever is applicable).

"(h) DATES FOR SUBMISSION OF REPORTS AND ISSUANCE OF ORDERS.—The provisions of section 251(e) shall apply to reports submitted and orders issued in accordance with this section.".

(3) The table of contents set forth in section 200(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901 note) is amended by striking the item relating to section 275 and inserting in lieu thereof the following new items:

"Sec. 275. Alternative sequestration procedures.

"Sec. 276. Effective dates.".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective on the date of the enactment of this joint resolution.

PRESSLER (AND ABDNOR) AMENDMENT NO. 2259

Mr. PRESSLER (for himself and Mr. ABDNOR) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the appropriate place, insert the following new section:

SEC. . APPLICATION OF AGRICULTURAL PAYMENT LIMITATIONS TO STOCKHOLDERS.

Subparagraph (B) of section 1001(5) of the Food Security Act of 1985 (7 U.S.C. 1308(5)(B)) is amended to read as follows:

"(B) A stockholder of a corporation with more than a 20 percent ownership interest in the corporation shall not be considered as a separate person from the corporation for purposes of determining whether the corporation and stockholder are separate persons under this section.".

DOMENICI (AND OTHERS) AMENDMENT NO. 2260

Mr. DOMENICI (for himself, Mr. FORD, Mr. HATCH, Mr. SIMPSON, Mr. WALLOP, Mr. MCCLURE, Mr. BINGAMAN, Mr. GARN, and Mr. BUMPERS) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the committee amendment insert the following new section:

SEC. . Pursuant to the provisions of section 161 v. of the Atomic Energy Act of 1954, the Congress disapproves the uranium enrichment criteria submitted to Congress pursuant to such section on July 24, 1986. Notwithstanding any other provision of law, the Secretary of the Department of Energy shall not implement the uranium enrichment criteria as submitted to the Congress.

GLENN (AND EXON) AMENDMENT NO. 2261

Mr. GLENN (for himself and Mr. EXON) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the Committee amendment, add the following new section:

SEC. . LIMITATION ON RECOMMENDED INCREASES IN THE PUBLIC DEBT LIMIT.

(a) IN GENERAL.—Section 1105(c) of title 31, United States Code, is amended—

(1) by striking "The President" the first place it appears and inserting in lieu thereof "Notwithstanding any other provision of law, the President",

(2) by inserting "(other than action that would require an increase in the borrowing authority or an increase in the limit imposed by section 3101(b) of this title by more than the maximum deficit amount for the fiscal year for which the budget is submitted)" after "action" the first place it appears, and

(3) by adding at the end the following new paragraph:

"(2) For purposes of this subsection, the term 'maximum deficit amount' means with respect to a fiscal year—

"(A) the maximum deficit amount determined for that fiscal year under section 3(7) of the Congressional Budget and Impoundment Control Act of 1974, or

"(B) in the case of any fiscal year beginning after September 30, 1991, zero.".

(b) APPLICATION.—The amendment made by subsection (a) shall apply to fiscal years beginning after September 30, 1987.

HEINZ (AND OTHERS) AMENDMENT NO. 2262

Mr. HEINZ (for himself, Mr. SPECTER, Mr. SASSER, Mr. BYRD, Mr. HOLLINGS, Mr. GRASSLEY, Mr. ZORINSKY, and Mr. PRYOR) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the Committee amendment, add the following new section:

SEC. —. EXEMPT PROGRAMS AND ACTIVITIES

(a) IN GENERAL.—Section 255(g)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)) is amended by inserting after the item relating to Compensation of the President the following new item:

"Dual benefits payments account (60-0111-0-1-601);".

(b) APPLICATION.—The amendment made by subsection (a) shall apply to fiscal years beginning after September 30, 1986.

EAGLETON (AND OTHERS) AMENDMENT NO. 2263

Mr. EAGLETON (for himself, Mr. GORE, Mr. LEVIN, and Mr. GLENN) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the amendment, insert the following new section:

SEC. . CIVIL SERVICE RETIREMENT AND DISABILITY FUND.

(a) INVESTMENT AND RESTORATION OF THE FUND.—Section 8348 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(j)(1) Notwithstanding subsection (c) of this section, the Secretary of the Treasury may suspend additional investment of amounts in the Fund if necessary to ensure that the public debt of the United States does not exceed the public debt limit.

"(2) Any amounts in the Fund which, solely by reason of the public debt limit, are not invested shall be invested by the Secretary of the Treasury as soon as such investments can be made without exceeding the public debt limit.

"(3) Upon expiration of the debt issuance suspension period, the Secretary of the Treasury shall immediately issue to the Fund obligations under chapter 31 of title 31 that (notwithstanding subsection (d) of this section) bear such interest rates and maturity dates as are necessary to ensure that, after such obligations are issued, the holdings of the Fund will replicate to the maximum extent practicable the obligations that would be held by the Fund if the debt issuance suspension period had not occurred.

"(4) On the first normal interest payment date after the expiration of any debt issuance period, the Secretary of the Treasury shall pay to the Fund, from amounts in the general fund of the Treasury of the United States not otherwise appropriated, an amount determined by the Secretary to be equal to the excess of—

"(A) the net amount of interest that would have been earned by the Fund during such debt issuance suspension period if—

"(i) amounts in the Fund that were not invested during such debt issuance suspension period solely by reason of the public debt limit had been invested, and

"(ii) redemptions and disinvestments with respect to the Fund which occurred during such debt issuance suspension period solely by reason of the public limit had not occurred, over

"(B) the net amount of interest actually earned by the Fund during such debt issuance suspension period.

"(5) For purposes of this subsection and subsections (k) and (l) of this section—

"(A) the term 'public debt limit' means the limitation imposed by section 3101(b) and title 31; and

"(B) the term 'debt issuance suspension period' means any period for which the Secretary of the Treasury determines that the issuance of obligations of the United States sufficient to orderly conduct the financial operations of the United States may not be made without exceeding the public debt limit.".

(b) SALES AND REDEMPTIONS BY THE FUND.—Section 8348 of title 5, United States Code, as amended by subsection (a), is further amended by adding at the end the following new subsection:

"(k) The Secretary of the Treasury may sell or redeem securities, obligations, or other invested assets of the Fund only for the purpose of enabling the Fund to make payments authorized by the provisions of this subchapter or chapter 84 of this title or related provisions of law. If the Fund holds any amounts, which, by reason of the public debt limit, are not invested, the Secretary may nevertheless make such sales and redemptions if, and only to the extent, necessary to ensure that such payments are made in a timely manner.".

(c) REPORTS REGARDING THE OPERATION AND STATUS OF THE FUND.—Section 8348 of title 5, United States Code, as amended by subsections (a) and (b), is further amended by adding at the end the following new subsection:

"(l)(1) The Secretary of the Treasury shall report to Congress on the operation and status of the Fund during each debt issuance suspension period for which the Secretary is required to take action under paragraph (3) or (4) of subsection (j) of this section. The report shall be submitted as soon as possible after the expiration of such period, but not later than the date that is 30 days after the first normal interest payment date occurring after the expriation of such period. The Secretary shall concurrently transmit a copy of such report to the Comptroller General of the United States.

"(2) Whenever the Secretary of the Treasury determines that, by reason of the public debt limit, the Secretary will be unable to fully comply with the requirements of subsection (c) of this section, the Secretary shall immediately notify Congress of the determination. The notification shall be made in writing.".

ABDNOR (AND OTHERS) AMENDMENT NO. 2264

Mr. ABDNOR (for himself and Mr. Pressler) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the appropriate place in the committee amendment, as amended, add the following new section:

SECTION .

Not withstanding any other provision of law,

(a) the Secretary of Agriculture shall reimburse farmers or ranchers for the cost incurred by such farmers or ranchers for transporting hay during the period July 1, 1985, to June 1, 1986, as a result of a natural disaster caused by flood, excessive moisture, or drought;

(b) The Secretary shall reimburse such farmers or ranchers in an amount which does not exceed 80 percent of the cost of such transportation (but not to exceed $50 per ton);

(c) The Secretary shall carry out the provisions of this through the Commodity Credit Corporation.

SECTION .

Section 22(b)(1) of Public Law 99-349 is amended by deleting "40 percent of the projected payment rate" and inserting in lieu thereof "100 percent of the projected payment rate".

SECTION .

It is the sense of Congress that with respect to farm and ranch borrowers who were adversely affected by drought disaster in 1985 or flood disaster in 1985 and 1986—

(1) the Secretary of Agriculture should exercise the authority provided under section 331A of the Consolidated Farm and Rural Development Act and instruct the Farmers Home Administration to defer loan repayments and forgo foreclosures in cases where such farm and ranch borrowers are unable to make loan payments in full due to no fault of their own; and

(2) the lending institutions of the Farm Credit System and commercial lending institutions are encouraged, insofar as practicable, to adopt lenient lending, forbearance, and foreclosure policies, and to the maximum extent possible participate and cooperate with Federal and State lenders in assistance programs, with respect to such borrowers who are under financial stress due to no fault of their own.

BUMPERS (AND OTHERS) AMENDMENT NO. 2265

Mr. BUMPERS (for himself, Mr. PRYOR, Mr. FORD, Mr. DIXON, and Mr. HARKIN) proposed an amendment, which was subsequently modified, to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the pending committee amendment insert the following:

SOYBEAN PRICE SUPPORT

SEC. . The Senate finds that:

(a) Soybean production and processing are two of the fastest growing sectors in agriculture, with production having increased seven fold over the last thirty years;

(b) Soybeans rank number two in value in the U.S. for all crops grown, and nearly fifty percent of all soybeans grown in the U.S. are produced on farms harvesting 50 acres or less;

(c) One-fifth of all U.S. cropland is planted to soybeans, and soybeans account for over 30% of all land in production in Appalachia, over 40% in the southeast, and over 50% in the delta states;

(d) The U.S. is the leading exporter of soybeans, exporting over 40% of the soybean crop each year, and over 15% of the value of all U.S. agricultural exports is due to the sale of soybeans, oil, and meal;

(e) It is widely speculated that the Secretary of Agriculture will announce a new formula price support loan of $4.77 per bushel for soybeans in August 1986, and that required budget cuts could push actual loan prices lower for 1987 soybeans;

(f) Trading of soybeans is currently hovering near the $5.02 loan rate, USDA soybean acreage figures for 1986 were higher than predicted by trade analysts thus putting further pressure on prices, and export sales are slow with foreign buyers anticipating lower soybean prices with the expected lowering of the loan rate;

(g) U.S. soybean stocks are likely to remain near the 1985-1986 record level of 14 million metric tons (515 million bushels) and world soybean stocks are forecast to reach a record 23 million metric tons, and the anticipation of continued large supplies led the Secretary to announce a 12 month extension of 1985 price support loans in order to encourage continued on-farm storage, thereby relieving pressure on commercial storage;

(h) Although world soybean exports are forecast to show a slight gain, U.S. soybean exports are forecast to remain near current levels during 1986-1987, and Brazil and Paraguay are expected to capture the small amount of projected gain;

(i) Although drought conditions affect areas of the south, currently less than 5 percent of the U.S. soybean production lies within the drought area, and this has no significant impact on prices;

(j) Soybeans are an important crop grown on 550,000 farms in the U.S., and a drop in prices, whether brought on by higher than expected production, level exports sales, a decrease in loan rate, or a combination of these, will have a serious negative impact on net farm income;

(k) In the Food Security Act of 1985, P.L. 99-198, under Section 801, the Secretary is directed to establish the price support rate for soybeans at $5.02 per bushel for 1986 and 1987, and the Secretary, at his discretion, may reduce the support rate no more than 5 percent per year nor below $4.50 per bushel in an effort to maintain domestic and export sales;

(l) Under Section 801 the Secretary may authorize the use of a marketing loan to assist in the maintenance of the "Competitive relationship of soybeans and domestic and export markets . . ."

(m) Under the authority of the Commodity Credit Corporation Charter Act, the Secretary has the authority to implement for soybeans a so-called producer option payment program, under which the government will pay (in cash or certificate) a producer not to put his soybeans into loan or will pay a producer who has a loan to opt out of the loan; and in either case the producer would sell his soybeans at the world price.

Therefore, It is the sense of the Senate, that:

(1) the Secretary of Agriculture should institute a marketing loan program for soybeans as authorized in the 1985 Food Security Act, or a so-called producer option payment program; and

(2) the Secretary should maintain the formula price support loan rate for soybeans at $5.02 per bushel.

ABDNOR (AND OTHERS) AMENDMENT NO. 2266

Mr. ABDNOR (for himself, Mr. SIMPSON, Mr. DANFORTH, Mr. ANDREWS, Mr. DURENBERGER, Mr. KASTEN, Mr. PRESSLER, and Mr. BOSCHWITZ) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the appropriate place, insert the following:

SEC. . Section 20(u)(4) of the Small Business Act is amended by striking out "$1,050,000,000" and inserting in lieu thereof "$1,200,000,000".

BUMPERS (AND OTHERS) AMENDMENT NO. 2267

Mr. BUMPERS (for himself, Mr. BYRD, and Mr. SARBANES) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the appropriate place in the Committee amendment, add the following new section:

SEC. . TIMELY ISSUANCE OF OASDI BENEFIT CHECKS; ADMINISTRATIVE EXPENSES OF OASDI TRUST FUNDS.

(a) EXEMPT PROGRAMS AND ACTIVITIES.—Section 255(g)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)) is amended by inserting after the item relating to Exchange stabilization fund the following new items:

"Federal Disability Insurance Trust Fund (20-8007-0-7-650);

"Federal Old-Age and Survivors Insurance Trust Fund (20-8006-0-7-650);".

(b) PAYMENTS FROM OASDI TRUST FUNDS TO FISCAL SERVICE OF THE TREASURY.—Section 201(g) of the Social Security Act (42 U.S.C. 401(g)) is amended—

(1) by striking "(ii) in paragraph (1)(A)(ii) and inserting in lieu thereof (ii) the sum derived by adding (I) the amounts required to be expended from the Trust Funds for such three-month period pursuant to paragraph (5), and (II)", and

(2) by adding at the end thereof the following new paragraph:

"(5) Notwithstanding any other provision of law, the Managing Trustee is directed to pay from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Dis-

ability Insurance Trust Fund to the Department of the Treasury, for allocation to the Fiscal Service of such Department, the amounts estimated by the Managing Trustee which will be expended by the Fiscal Service during the three-month period referred to in paragraph (1)(A)(i) in connection with the administration of programs established under this title that relate to such Trust Funds. Payments made pursuant to this paragraph shall be finally accounted for in coordination with the final accounting provided for in paragraph (1)(A) and shall be subject to annual audit. Proper adjustments shall be made pursuant to this paragraph to the extent prior payments under this paragraph were greater than or less than actual expenditures by the Fiscal Service in connection with the administration of this title.".

(c) EFFECTIVE DATES.—

(1) The amendments made by subsection (a) shall apply to fiscal years beginning after September 30, 1986.

(2) The amendments made by subsection (b) shall apply to three-month periods beginning after September 30, 1986.

BOREN (AND OTHERS) AMENDMENT NO. 2268

Mr. BOREN (for himself, Mr. ANDREWS, Mr. NICKLES, Mr. ABDNOR, Mr. EXON, and Mr. ABDNOR) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the pending amendment, add the following new section:

SEC. . Section 107D(c)(1)(E)(ii) of the Agricultural Act of 1949 is amended by striking out "marketing year for such crop" and inserting in lieu thereof "the first five months of the marketing year for the 1986 crop and the marketing year for each of the 1987 through 1990 crops".

WILSON (AND OTHERS) AMENDMENT NO. 2269

Mr. WILSON (for himself, Mr. LUGAR, Mrs. HAWKINS, Mr. HEINZ, and Mr. TRIBLE) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

SEC. . Subsection (g) of section 201 of the Social Security Act (42 U.S.C. 401(g)) is amended—

(1) in paragraph (1)(A)(ii), by inserting after "(ii)" the following:

"the sum derived by adding (I) the amounts required to be expended from the Trust Funds for such three-month period pursuant to paragraph (5), and (II)", and

(2) by adding at the end of the subsection the following:

"(5) Notwithstanding any other provision of law, the Managing Trustee is directed to pay from each of the Trust Funds to the Department of the Treasury, for allocation to the Fiscal Service of such Department, the amounts estimated by the Managing Trustee which will be expended by such Service during the three-month period referred to in paragraph (1)(1)(i) in connection with the non-personnel costs of administration of title II relating to such Trust Funds. Payments made pursuant to this paragraph shall be finally accounted for in coordination with the final accounting provided for in paragraphs (1)(A) and shall be subject to annual audit. Proper adjustments shall be made in payments subsequently made pursuant to this paragraph to the extent prior payments were greater than or less than actual expenditures by such Service.".

MATHIAS AMENDMENT NO. 2270

Mr. HEINZ (for Mr. MATHIAS) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the committee amendment insert the following:

(a) Congress finds:

(1) that U.S. competitiveness depends on the productivity and creativity that is promoted and protected by the proper administration of patent, copyright, and trademark laws.

(2) that the user fees paid by those applying for patents and registering claims for copyrights and trademarks are an important source of revenue for the proper administration of intellectual property laws.

(3) that under the current interpretation of the Gramm-Rudman-Hollings statute user fees are included in the baseline for purposes of sequestration.

(4) that this interpretation, by reducing taxpayer support as patent, copyright and trademark user fees increase, may discourage use of the intellectual property law system, and have adverse effects on creativity and innovation.

(b) The General Accounting Office is directed to conduct a study of the budgetary treatment of user fees in the Patent and Trademark Office and Copyright office, and report to Congress within six months of the date of enactment to show how such budgetary treatment and user fee policy may affect the proper administration of patent, copyright and trademark laws.

(c) The General Accounting Office is further directed to include in such a way an examination of offsetting collections credited to appropriation accounts, offsetting receipts, and governmental receipts dedicated to trust funds under the Balanced Budget and Emergency Deficit Control Act of 1985. The study shall identify the amount of spending that is supported by such collections and receipts and discuss the treatment of such spending under a sequester order.

DEPARTMENT OF DEFENSE AUTHORIZATON ACT

GOLDWATER AMENDMENT NO. 2271

Mr. GOLDWATER proposed an amendment to the bill (S. 2638) to authorize appropriations for military functions of the Department of Defense and to prescribe military personnel levels for such Department for fiscal year 1987, to revise and improve military compensation programs, to improve defense procurement procedures, to authorize certain construction at military installations for fiscal year 1987, to authorize appropriations for national security programs of the Department of Energy for fiscal year 1987, and for other purposes; as follows:

On page 3, line 3, strike out "$2,985,600,000" and insert in lieu thereof "$2,793,700,000".

On page 3, line 4, strike out "$2,354,900,000" and insert in lieu thereof "$2,198,200,000".

On page 3, line 6, strike out "$4,101,000,000" and insert in lieu thereof "$3,794,900,000".

On page 3, line 7, strike out "$2,342,800,000" and insert in lieu thereof "$2,283,300,000".

On page 3, line 8, strike out "$5,559,300,000" and insert in lieu thereof "$5,365,900,000".

On page 4, line 9, strike out "$10,552,070,000" and insert in lieu thereof "$9,903,070,000".

On page 4, line 11, strike out "$5,905,890,000" and insert in lieu thereof "$5,557,490,000".

On page 4, line 12, strike out "$9,914,600,000" and insert in lieu thereof "$9,323,800,000".

On page 4, line 13, strike out "$6,121,657,000" and insert in lieu thereof "$5,934,057,000".

On page 4, line 17, strike out "$1,477,000,000" and insert in lieu thereof "$1,382,700,000".

On page 6, line 18, strike out "$17,484,904,000" and insert in lieu thereof "$16,383,104,000".

On page 6, line 19, strike out "$8,611,400,000" and insert in lieu thereof "$8,116,200,000".

On page 6, line 20, strike out "$10,374,848,000" and insert in lieu thereof "$10,068,348,000".

On page 7, after line 18, insert the following:

"(c) Notwithstanding the amounts authorized to be appropriated by subsection (a), the total amount authorized to be appropriated by this subsection is $454,300,000".

On Page 7, line 23, strike out "$1,477,500,000" and insert in lieu thereof "$1,431,300,000".

On Page 10, line 24, strike out "$4,939,469,000" and insert in lieu thereof "$4,815,669,000".

On Page 11, line 2, strike out "$9,490,978,000" and insert in lieu thereof "$9,265,378,000".

On Page 11, line 3, strike out "$15,301,673,000" and insert in lieu thereof "$14,908,873,000".

On Page 11, line 4, strike out "$7,507,074,000" and insert in lieu thereof "$7,310,974,000".

On Page 20, line 1, strike out "$20,664,070,000" and insert in lieu thereof "$20,602,870,000".

On Page 20, line 2, strike out "$24,275,960,000" and insert in lieu thereof "$24,016,760,000".

On Page 20, line 3, strike out "$1,834,100,000" and insert in lieu thereof "$1,830,300,000".

On Page 20, line 4, strike out "$19,418,371,000" and insert in lieu thereof "$19,036,071,000".

On Page 20, line 6, strike out "$778,300,000" and insert in lieu thereof "$776,100,000".

On Page 20, line 7, strike out "$906,000,000" and insert in lieu thereof "$887,400,000".

On Page 20, line 8, strike out "$63,000,000" and insert in lieu thereof "$62,800,000".

On Page 20, line 9, strike out "$904,800,000" and insert in lieu thereof "$887,100,000".

On Page 20, line 10, strike out "$1,722,800,000" and insert in lieu thereof "$1,714,800,000".

On Page 20, line 11, strike out "$1,774,700,000" and insert in lieu thereof "$1,727,900,000".

On Page 241, line 7, strike out "$3,050,606,000" and insert in lieu thereof "$2,950,806,000".

On Page 242, line 17, strike out "$6,000,000" and insert in lieu thereof "$5,500,000".

On page 242, after line 17, insert the following:

"(8)(A) Notwithstanding the amounts authorized to be appropriated by paragraphs (1)-(6) of this subsection, the total amount authorized to be appropriated by this subsection for the purposes described in such paragraphs is $1,326,910,000.

"(B) Notwithstanding the amounts authorized to be appropriated by paragraphs (A) and (B) of paragraph (7) of this subsection, the total amount authorized to be appropriated by this subsection for the purposes described in such paragraphs is $1,618,396,000.".

On page 256, line 7, strike out "$2,236,843,000" and insert in lieu thereof "$2,161,343,000".

On page 257, after line 13, insert the following:

"(8)(A) Notwithstanding the amounts authorized to be appropriated by paragraphs (1)-(6) of this subsection, the total amount authorized to be appropriated by this subsection for the purposes described in such paragraphs is $1,437,160,000.

"(B) Notwithstanding the amounts authorized to be appropriated by paragraphs (A) and (B) of paragraph (7) of this subsection, the total amount authorized by this subsection for the purposes described by such subparagraphs is $724,183,000.".

On page 268, line 9, strike out "$2,229,899,000" and insert in lieu thereof "$2,148,689,000".

On page 269, after line 13, insert the following:

"(7)(A) Notwithstanding the amounts authorized to be appropriated by paragraphs (1)-(5) of this subsection, the total amount authorized to be appropriated by this subsection for the purposes described in such paragraphs is $1,313,280,000.

"(B) Notwithstanding the amounts authorized to be appropriated by subparagraphs (A) and (B) of paragraph (6) of this subsection, the total amount authorized to be appropriated for purposes described by such paragraphs is $835,409,000.".

On page 275, line 9, strike out "$587,490,000" and insert in lieu thereof "$568,500,000".

On page 275, line 25, strike out "$31,950,000" and insert in lieu thereof "$30,760,000".

On page 276, after line 18, insert the following:

"(10) Notwithstanding the amounts authorized to be appropriated by paragraphs (1)-(8) of this subsection the total amount authorized to be appropriated by this subsection for the purposes described in such paragraphs is $550,900,000.

On page 278, line 5, strike out "$247,000,000" and insert in lieu thereof "$239,000,000".

On page 278, line 19, strike out "$121,100,000" and insert in lieu thereof "$118,700,000".

On page 278, line 20, strike out "$86,700,000" and insert in lieu thereof "$83,200,000".

On page 278, line 22, strike out "$44,500,000" and insert in lieu thereof "$43,800,000".

On page 278, line 25, strike out "$140,000,000" and insert in lieu thereof "$137,000,000".

On page 279, line 1, strike out "$58,900,000" and insert in lieu thereof "$55,400,000".

On page 30, line 11, insert "and shall" after "subsection (a),".

On page 83, line 4, strike out "which" and insert in lieu thereof "that".

On page 106, beginning on line 14, strike out "(using" and all that follows through "fiscal year)" on line 16.

On page 107, beginning on line 10, strike out "(using" and all that follows through "fiscal year)" on line 11.

On page 111, line 4, insert "of this Act" after "701 and 702".

On page 118, line 23, strike out "part" and insert in lieu thereof "title".

On page 120, line 22, insert "of this Act" after "section 808".

On page 122, line 23, strike out "to an offense" and insert in lieu thereof "only to offenses".

On page 125, line 7, insert "of this Act" after "806".

On page 203, line 22, strike out "structures" and insert in lieu thereof "structure".

On page 235, strike out lines 23 and 24.

On page 236, line 2, strike out "$4,240,000" and insert in lieu thereof "$5,120,000".

On page 236, line 4, strike out "$2,640,000" and insert in lieu thereof "$2,800,000".

On page 236, line 6, strike out "$1,320,000" and insert in lieu thereof "$1,400,000".

On page 236, line 8, strike out "$1,320,000" and insert in lieu thereof "$1,400,000".

On page 236, line 10, strike out "$5,610,000" and insert in lieu thereof "$5,950,000".

On page 236, line 11, strike out "$60,000" and insert in lieu thereof "$69,000".

On page 236, line 12, strike out "$330,000" and insert in lieu thereof "$350,000".

On page 236, line 14, strike out "$4,753,000" and insert in lieu thereof "$6,000,000".

On page 306, after line 6, insert the following:

SEC. 2186a. MULTIFUEL SOURCES FOR NEW HEATING SYSTEMS AT MILITARY INSTALLATIONS

(a) IN GENERAL.—Section 2690 of title 10, United States Code, is amended to read as follows:

"§ 2690. Multifuel sources for new heating systems

"(a) Except as provided in subsection (b), each new heating or cogeneration system which is installed or constructed at any military installation located on lands under the jurisdiction of a military department and which requires 100 million British thermal units input per hour or more shall have multiple fuel capability. The primary and secondary fuel capability of any such system shall be a fuel from the solid fuel group or the liquid and gas hydrocarbon group (petroleum and natural gas). The fuel capability of a new heating or cogeneration system shall be determined on the basis of life cycle costs and availability of fuels.

"(b) In any case in which local restrictions or costs make the installation or construction of solid or dual fuel equipment infeasible, the Secretary concerned may waive the requirement of subsection (a), but such waiver shall not become effective until after the Secretary concerned has notified the appropriate committees of Congress in writing of the waiver and the reasons for exercising such waiver authority.

"(c) In this section, the term 'multiple fuel capability' means the capability of using two or more types of fuel.".

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of Chapter 159 of such title is amended by striking out the item relating to section 2690 and inserting in lieu thereof the following:

"2690. Multifuel sources for new heating systems.".

NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT

HATCH (AND OTHERS) AMENDMENT NO. 2272

Mr. DOLE (for Mr. HATCH, for himself, Mr. DANFORTH, Mr. KENNEDY, Mr. HOLLINGS, Mr. GORTON, and Mr. RIEGLE) proposed an amendment to the bill (S. 2184) to authorize appropriations to the National Science Foundation for the fiscal year 1987, and for other purposes; as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "National Science Foundation Authorization Act for Fiscal Year 1987".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. (a) There are authorized to be appropriated to the National Science Foundation, for fiscal year 1987, the sums set forth in the following categories:

(1) Mathematical and Physical Sciences, $489,870,000.

(2) Engineering, $172,470,000.

(3) Biological, Behavioral, and Social Sciences, $270,500,000.

(4) Geosciences, $289,150,000.

(5) Scientific, Technological, and International Affairs, $47,030,000.

(6) Computer and Information Science and Engineering, $122,980,000.

(7) Program Development and Management, $78,000,000.

(8) United States Antarctic Program, $117,000,000.

(9) Science and Engineering Education, $89,000,000.

(b) Notwithstanding any other provision of this Act, from the amount authorized under subsection (a)—

(1) not less than $33,430,000 is authorized only for purposes of the Social and Economic Sciences Division;

(2) not less than $49,870,000 is authorized only for purposes of the Behavioral and Neural Sciences Division;

(3) not less than $89,060,000 is authorized only for the purposes of the Astronomical Sciences Division; and

(4) not less than $11,500,000 is authorized only for the purposes of the College Science Instrumentation Program.

AVAILABILITY

SEC. 3. (a) Appropriations made under authority provided in sections 2 and 5 shall remain available for obligation for periods specified in the Acts making the appropriations.

(b) To the extent that the total amount appropriated to carry out program activities specified in this Act is less than the total amount authorized to be appropriated for such activities under this Act, all such authorized amounts for such activities or their

subactivities shall be reduced proportionally.

OFFICIAL EXPENSES

SEC. 4. From appropriations made under authorizations provided in this Act, not more than $5,000 for fiscal year 1986 may be used for official consultation, representation, or other extraordinary expenses at the discretion of the Director of the National Science Foundation. The determination of the Director will be final and conclusive upon the accounting officers of the Government.

FOREIGN CURRENCY AUTHORIZATION

SEC. 5. In addition to the sums authorized by section 2, not more than $700,000 for fiscal year 1987 are authorized to be appropriated for expenses of the National Science Foundation incurred outside the United States, to be drawn from foreign currencies that the Department of the Treasury determines to be excess to the normal requirements of the United States.

TRANSFERS AUTHORIZED

SEC. 6. (a) Funds may be transferred among the categories listed in section 2(a), so long as the net funds transferred to or from any category do not exceed 10 percent of the amount authorized for that category in section 2.

(b) The Director of the National Science Foundation may propose transfers to or from any category exceeding 10 percent of the amount authorized for that category in section 2. An explanation of any such proposed transfer must be transmitted in writing to the Speaker of the House of Representatives, the President of the Senate, the Committees on Labor and Human Resources and Commerce, Science, and Transportation of the Senate, and the Commitee on Science and Technology of the House of Representatives. The proposed transfer may be made only when 30 calendar days have passed after submission of the written explanation.

MISCELLANEOUS AMENDMENTS

SEC. 7. (a) Section 3(a)(6) of the National Science Foundation Act of 1950 (42 U.S.C. 1862(a)(6)) is amended to read as follows:

"(6) to provide a central clearinghouse for the collection, interpretation, and analysis of data on scientific and engineering resources to provide a source of information for policy formulation by other agencies of the Federal Government; and".

(b)(1) Section 6 of the National Science Foundation Act of 1950 (42 U.S.C. 1864a) is amended—

(A) by striking out "(a)" after the section designation; and

(B) by striking out subsection (b).

(2) Section 5316 of title 5, United States Code, is amended by striking out "Assistant Directors, National Science Foundation (4).".

(c) Section 10 of the National Science Foundation Act of 1950 (42 U.S.C. 1869) is amended by striking out ", within the limits of funds made available specifically for such purpose pursuant to section 16,".

(d) Section 11 of the National Science Foundation Act of 1950 (42 U.S.C. 1870) is amended—

(1) by striking out "and" at the end of paragraph (i);

(2) by striking out the period at the end of paragraph (j) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(k) during the 5-year period beginning on the date of the enactment of the National Science Foundation Authorization Act for Fiscal Year 1987, to indemnify grantees, contractors, and subcontractors associated with the Ocean Drilling Program under the provisions of section 2354 of title 10, United States Code, with all approvals and certifications required by such indemnification made by the Director.".

TASK FORCE ON WOMEN, MINORITIES, AND THE HANDICAPPED IN SCIENCE AND TECHNOLOGY

SEC. 8. (a) It is the purpose of this section to establish a task force on women, minorities, and the handicapped in science and technology to—

(1) examine the current status of women, minorities, and the handicapped in science and engineering positions in the Federal Government and in federally assisted research programs;

(2) coordinate existing Federal programs designed to promote the employment of women, minorities, and the handicapped in such positions;

(3) suggest cooperative interagency programs for promoting such employment;

(4) identify exemplary State, local, or private sector programs designed to promote such employment; and

(5) develop a long-range plan to advance opportunities for women, minorities, and the handicapped in Federal scientific and technical positions in federally assisted research, and to coordinate the activities of participating agencies with the Committee on Equal Opportunities in Science and Engineering established by section 36 of the National Science Foundation Authorization and Science and Technology Equal Opportunities Act (42 U.S.C. 1885c), after the termination of the task force established by this section.

(b) For purposes of this section, the term "participating agency" means—

(1) the National Science Foundation;

(2) the Department of Health and Human Services;

(3) the National Aeronautics and Space Administration;

(4) the Environmental Protection Agency;

(5) the Department of Agriculture;

(6) the Department of Defense;

(7) the Department of Education;

(8) the Department of Energy;

(9) the Department of Commerce; and

(10) the Department of the Interior.

(c)(1) The task force on women, minorities, and the handicapped in science and technology shall be composed of individuals appointed by participating agencies pursuant to this subsection.

(2) The head of each participating agency shall appoint two individuals to serve as members of the task force. If an appointed member is unable to serve for the duration of the task force, the head of the participating agency who appointed that member shall appoint another individual to fill the vacancy.

(3) Task force members may be appointed from private business, academia, professional associations, or nonprofit foundations.

(d) The task force shall prepare and submit a report on its findings and recommendations to the President, the Congress, and the head of each participating agency not later than December 31, 1989.

(e) The Office of Science and Technology Policy shall call the first meeting of the task force not later than 90 days after the date of enactment of this Act, shall ensure that each participating agency has appointed two members, and shall assist the task force to meet its objectives.

(f)(1) Members of the task force not otherwise employed by the Federal Government shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the task force.

(2) The Director of the National Science Foundation shall make provision for administrative support of the task force, and may enter into agreements with the heads of other participating agencies to facilitate the work of the task force.

(g) The task force shall terminate on January 31, 1990.

GREENHOUSE EFFECT REPORT

SEC. 9. The President shall, at the earliest practical date (but not later than August 1, 1987), submit to the Congress a report on any action taken or proposed to be taken by the Federal Government with respect to the establishment of an International Year of the Greenhouse Effect to occur in calendar year 1991. Such report shall include descriptions of possible international missions and related research and educational activities, and other such activities as the President may consider appropriate.

COMPUTER NETWORK STUDY

SEC. 10. (a) The Office of Science and Technology Policy (hereinafter referred to as the "Office") shall undertake a study of critical problems and current and future options regarding communications networks for research computers, including supercomputers, at universities and Federal research facilities in the United States. The study shall include an analysis of—

(1) the networking needs of the Nation's academic and Federal research computer programs, including supercomputer programs, over the period which is fifteen years after the date of enactment of this Act, including requirements in terms of volume of data, reliability of transmission, software compatibility, graphics capability, and transmission security;

(2) the benefits and opportunities that an improved computer network would offer for electronic mail, file transfer, and remote access and communications for universities and Federal research facilities in the United States; and

(3) the networking options available for linking academic and other federally supported research computers, including supercomputers, with a particular emphasis on the advantages and disadvantages, if any, of fiber optic systems.

(b) The Office shall submit to the Congress—

(1) within one year after the date of enactment of this Act, a report on findings from the study undertaken pursuant to subsection (a) with respect to needs and options regarding communications networks for university and Federal research supercomputers within the United States; and

(2) within two years after the date of enactment of this Act, a report on findings from the study undertaken pursuant to subsection (a) with respect to needs and options regarding communications networks for all research computers at universities and Federal research facilities in the United States.

REPEAL

SEC. 11. Title IX of the National Defense Education Act of 1959 (42 U.S.C. 1876 et seq.) is repealed.

ADDITIONAL STATEMENTS

RULES COMMITTEE ALLOCATIONS OF THE CONCURRENT RESOLUTION ON THE BUDGET FOR 1987

● Mr. MATHIAS. Mr. President, attached is a report required by section 302(b) of the Congressional Budget Act.

The report sets forth the Rules Committee's allocations among programs within the committee's direct spending jurisdiction of the amounts allocated to the committee in the joint statement of managers accompanying Senate Concurrent Resolution 120.

I submit the report for the RECORD:

SENATE COMMITTEE ON RULES AND ADMINISTRATION ALLOCATIONS PURSUANT TO SENATE CONCURRENT RESOLUTION 120, 99TH CONGRESS

[In thousands of dollars]

Accounts within the committee's direct spending jurisdiction	1987	1988	1989
Function 500:			
Oliver Wendell Holmes devise fund (Library of Congress). Account: 01-25 03-5075-503:			
Budget authority	6	7	7
Outlays	7	10	10
Gift and trust fund accounts (Library of Congress). Account: 01-25 03-9971-503			
Budget authority	8,751	6,927	6,927
Outlays	9,163	6,927	6,927
Canal Zone biological area fund (Smithsonian Institution): Account: 32-50 33-8190-503:			
Budget authority	119	135	135
Outlays	129	135	135
Total, function 500:			
Budget authority	8,876	7,069	7,069
Outlays	9,299	7,072	7,072
Function 800:			
Presidential election campaign fund (Department of the Treasury): Account: 15-05 20-5081-806:			
Budget authority	37,000	38,000	38,000
Outlays	18,224	155,451	7,090
Total, function 800:			
Budget authority	37,000	38,000	38,000
Outlays	18,224	155,451	7,090
Grand total:			
Budget authority	45,876	45,069	45,069
Outlays	27,523	162,523	14,162●

HELSINKI ACCORDS ANNIVERSARY

● Mr. BOREN. Mr. President, 11 years ago, on August 1, 1975, 35 nations signed the Final Act of Security and Cooperation in Europe, widely known as the Helsinki accords. I join my colleagues in commemorating the anniversary of that agreement and in calling for renewed commitment by the signatory nations to the rights and ideals it enshrines.

The Helsinki accords represent a landmark in the history of international relations and individual human rights. Their precise application, interpretation and significance has been greatly disputed over the past 11 years, but they remain a positive statement of guidelines which demand the respect of the governments and nations of the world in their conduct of their own and other peoples.

The Final Act of Security and Cooperation in Europe sets out principles to be observed by the participating nations in respect of European security; economic, scientific, technological, and environmental cooperation; and humanitarian, cultural, and educational links between different countries. In doing so, it draws attention to the increasing need for international communication and exchange, to further world progress and harmony.

The provisions of the accords in respect of human rights—for example, the guarantees of freedom of thought, conscience and religion, and of equal rights and self-determination of peoples—have a particular importance in the right of the consistent denial of such rights by both signatories and nonsignatories to the accords: the abuses of the apartheid regime in South Africa, and the repression of religious minorities, such as Jews, in the Soviet Union are instances which spring immediately to mind. I call upon the Government of the United States and the governments of all countries to review the Helsinki accords this week and to make whatever alterations in their policies are necessary to ensure that the tenets of the accords do not go unobserved.

Governments work on behalf of citizens. We in the United States and governments elsewhere have a duty to strive to ensure that the fundamental rights of the people of our own and other nations are protected. We pride ourselves on our Nation's history of respect for the freedoms of the individual. We have a moral responsibility to ensure that those rights remain upheld and to work toward achieving an equal level of liberty in those countries where the rights of individuals are continually violated and ignored.

Many of us in the Senate have been involved in working on behalf of our neighbors in every way we can, to seek to attain from their governments concern and respect for their fundamental rights as human beings amongst other human beings. Often we call for compliance with the terms of the Helsinki accords. The accords offer a common standard for nations of many different kinds, and many different aims, to observe.

The power of governments to protect their citizens and to work toward promoting mutual understanding and cooperation among different peoples is immense. Equally, that power may be used negatively to restrain the liberty and creativity of individuals. Mr. President, I believe that the Helsinki accords are a noble and necessary attempt to encourage moral responsibility in the governments of the world, so that nations can work together toward meeting fundamental human needs.

May this 11th anniversary of the accords signify a renewed dedication of the nations of the world toward achieving universal respect for basic human rights.●

HELSINKI HUMAN RIGHTS DAY

● Mr. RIEGLE. Mr. President, today marks the 11th anniversary of the signing of the Final Act of the Conference on Security and Cooperation in Europe, popularly known as the Helsinki accords. As a cosponsor of Senate Joint Resolution 371, designating August 1, 1986, as "Helsinki Human Rights Day," I rise to commemorate this important date.

On August 1, 1975, 33 West and East European States, with Canada and the United States, signed the Helsinki Final Act. That act provides for:

First, equal rights and self-determination of people, and guarantees of fundamental freedoms of thought, conscience, religion or belief;

Second, improving economic, scientific, and environmental cooperation; and

Third, improving cooperation in humanitarian fields, such as supporting the freer movement of people, ideas, and information, between signatory States.

In light of our special focus on human rights today, it is interesting to note that in his recent Moscow summit with Francois Mitterrand, Mikhail Gorbachev resurrected de Gaulle's vision of a Europe stretching "from the Atlantic to the Urals," implying that it was time to set the stage for a new era of cooperation among European States. "It is necessary," said Gorbachev, "to get rid of political thinking that views Europe as a theater of operations. Europe must set an example of coexistence among sovereign, different but peaceful countries, countries aware of their interdependence and building their relations on trust." He even went so far as to say that the Soviet Union was ready for "international cooperation on humanitarian problems."

Despite Mr. Gorbachev's call for a new Soviet emphasis on humanitarian concerns and European cooperation, the record of the Eastern bloc, and the Soviet Union in particular, in implementing the human rights provisions of the Helsinki accords, leaves much to be desired.

Examples of East bloc violations of the Helsinki accords are numerous. Primary among them, is the persecution suffered by citizens in the East bloc countries who organized to monitor the compliance of their governments with the agreement. The Helsinki Committee in Poland, charter 77 in Czechoslovakia, and monitoring groups in Armenia, Lithuania, Ukraine, and Georgia, placed great

faith in the accords. But many of their members were punished with harsh prison terms in Siberia and elsewhere, simply for exercising the civil rights guaranteed in the final act. Oleksy Tykhy, Yuri Lytvyn, Vasyl Stus, Rev. Bronius Laurinavicius, and others, have paid with their lives for their involement in the public monitoring process in the Soviet Union.

Although some may criticize the Helsinki accords for their lack of effectiveness, I strongly believe that the regular process of reviewing international compliance with the provisions of the agreement has provided us with an important forum for discussing individual liberties in Eastern Europe. Equally important, the United States, by promoting civil liberties and human rights around the world, demonstrates its own commitment to the pursuit of human rights for all people in all nations. By our examples we can hope to influence other governments to honor the rights of their own citizens.

Today we pay tribute to those who, at great personal risk to themselves, continue the struggle for human rights behind the Iron Curtain. The American people, our Government, and our media, all have a very important role to play in advancing the cause of human rights in Eastern Europe and throughout the world. As we mark this "Helsinki Human Rights Day," let us reaffirm our commitment to human rights, and to working toward the full implementation of the provisions of the Helsinki accords.●

TRIBUTE TO BEN COLE

● Mr. LUGAR. Mr. President, it is not often that one man makes such an impression on Washington. Ben Cole is one such man. Since July 1949 Ben Cole has covered Indiana politicians and their role in Washington politics. For 42 years Ben has served as bureau chief of the Indianapolis Star. That paper has been well served. It is difficult to imagine the Washington scene without Ben Cole at each press conference and important committee meeting, reporter's notebook in hand, I have counted so heavily upon his presence and his supporting comments that it will be difficult to hold these events without him.

And Ben Cole has been a very special friend. Long before I came to Washington, Ben had established a reputation for comprehensive coverage of national politics. He was an intimate friend with each member of the Indiana congressional delegation for decades and a regular participant in the life of Hoosier congressional offices.

I have been honored by Ben's introductions to his many friends in the Washington Press Corps and by his especially generous personal coverage of my work. His institutional memory has been a source of reference for me and his general counsel has offered excellent guidelines for thoughtful and prudent activity.

His retirement is richly deserved but surely he will find time for a few more articles of reminiscence and good advice. In the end the U.S. Senate owes Ben Cole its respect and warmest congratulations.

I submit for the RECORD an article by Ben Cole:

AN ASSIGNMENT SPANNING EIGHT PRESIDENCIES COMES TO CLOSE

(By Ben Cole)

WASHINGTON.—The Indianapolis Star is one of my earliest memories and has been a major part of my life.

Long before I could read, I knew about Roger Bean and Jiggs, the only two comic strips in the paper back in 1919. My mother used to read me the Edna Wallace Hopper ads ["Don't Wait 'Til You Look Like Sixty"], and we would laugh together. I had no idea what Mrs. Hopper's facial products did, but it was funny to a tot.

My dad wrote advertising for a furniture store on East Washington Street in Indianapolis [a handy place to watch the circus parades]. In 1921, when I was about 5 years old, he took me with him on a Sunday night while he made last-minute corrections in one of his ads.

I was fascinated by the linotype machine, the big page forms on the steel trucks and all the hubbub in the composing room as the Monday morning paper was being readied.

One of the printers set my name on the linotype—36-point Cheltenham on an 8-point base. I kept that slug well into adulthood. Whatever happened to it I do not know, but I miss it. That piece of typemetal sealed my fate forever. Unknown to me, printer's ink had been infused into my blood.

I saw all the Thomas Meighan movies and longed to be a smart-talking reporter who wore his hat in the house and solved crimes right and left.

In a way, though, it was printing that was the lure of newspapering. In Junior high school in Terre Haute, where my family lived for a time, I spent as many hours as possible in the print shop. The printer's trade was beyond me, however: Only printers' sons needed apply.

My senior year in high school, a counselor urged me to abandon dreams of low-paying work in the writing business and become a doctor. So, that's what I intended to be when I enrolled in Butler University.

Ultimately, however, ink prevailed over antiseptics and, with a lot of help from my dad and some of his newspaper friends, I got a toe-hold job writing business news for the Terre Haute papers.

The Fair Labor Standards Act suddenly reduced hours to 40 a week, and there was a job for a general assignment reporter. No more blurbs about local businesses. (Ironically, at this late date a federal judge in New Hampshire has ruled that reporters are professionals and not subject to the Fair Labor Standards Act.)

Early in World War II, I had an assignment to cover a meeting of business leaders organizing the Indiana war bond effort. The speaker was the state war bond chairman, Eugene C. Pulliam.

He was then in his mid-40s, a dynamic man with a brisk, businesslike and convincing manner of speaking. Somewhere during the evening I thought, "I'd like to work for him."

After the army refused to let me get into uniform, I had a chance to go to Indianapolis and *The Star*—the paper of my dreams. The late James A. Stuart, who was managing editor and then editor of *The Star*, gave me a job as a copy reader.

A month after I started to work on *The Star*, it was bought by Eugene C. Pulliam. Suddenly, I was indeed working for the man who impressed me so greatly that night in Terre Haute.

Robert P. Early, then city editor, asked me to work for him on my days off and cover a United States Senate field hearing on small business. I was overjoyed to be reporting again. The stories caught Mr. Pulliam's eye.

Just before V-E day, Early rescued me from the copy desk forever and I was assigned to cover the Statehouse. Thus began a stormy, tense, absorbing three years of reporting state government and Indiana political news.

Early was promoted to managing editor, meantime. And when my friend, Charlie Griffo, was about to go to work temporarily in Phoenix, Ariz., Early asked me to return to the city room and take his place as assistant city editor. I demurred, but then I seldom won an argument with Bob Early.

During the summer of 1948, Mr. Pulliam confided during a trip to Lake Wawasee that he was about to merge *The Star* and *The News*. "I think you'd better go to Washington," he said.

The idea fell out of my mind however, and in the fall, when the papers were at last brought under single ownership. Eugene S. Pulliam, the city editor of The Star, left to become managing editor of The News.

I was unexpectedly promoted to city editor, a job I'd dreamed of and which, once I got it, turned out to be far more difficult and never-wracking than I ever suspected. Nonetheless, it was a great job and I began to get the hang of it, when Mr. Pulliam remembered that he wanted me to go to Washington.

In June 1949, we set out for Washington, D.C., with our two babies in an old Chevrolet. The car overheated and stranded us overnight in St. Clairsville, Ohio, but at last we reached our destination on the hottest day of the year.

When our furniture eventually arrived, we moved into a tiny brick salt box house in Falls Church, Va. My then-partner from The News was the late Gene Dawson, and the two of us went to work July 5, 1949, on a long table in a tiny one-room bureau.

The first Christmas in Washington brought us desolating homesickness, but after another year, we were thoroughly acclimated.

I have only one complaint about the 37 years spent covering eight presidents, 18 Congresses, countless Supreme Court cases, federal bureaus, departments and assorted special events, plus 16 national political conventions [two each election year except 1956 and 1984 when I was assigned only to one]. The time sped all to fast.

Writing this column has been a 37-year assignment. It began one Friday in 1949 when I gathered up a bunch of little items and strung them together under a title, Hoosiers in Washington. Mr. Pulliam thought it was a great idea and ordered it continued indefinitely. Bob Early said it should have a distinctive title. I came up with Ripples from the Potomac. Early changed it to Washing-

ton Ripples. The boss may not always be right, but he is always the boss.

Now, as the Fisk ads used to say, it's time to retire. My love affair with The Star that began when I was still in rompers is still very much alive, and it will continue as long as I live. It has brought me much happiness, many headaches, countless friends and (I suppose) a smattering of enemies.

I'm told this little column has many followers. It is difficult to tell them goodby, but I do so now with full-hearted thanks for their patience and their continued interest.●

TRIBUTE TO BEN COLE

● Mr. QUAYLE. Mr. President, it is a personal privilege but also my sad duty to report to the Senate on the end of an historic era in Indiana journalism. On July 31, the dean of the Hoosier press corps, Benjamin Richason Cole—Ben to his many friends and admirers—retired after 48 years as a newspaperman, including 42 years with the Indianapolis Star and 37 years as the chief Washington correspondent for Indiana's largest daily.

A native of Indianapolis, Ben graduated from Arsenal Technical High School in 1934, and he attended Butler University in 1934-35, Indiana State Teachers College in 1938 and the American Press Institute at Columbia University in 1948.

Ben launched his career in journalism in 1938 as a reporter for the Terre Haute Tribune-Star Publishing Co. He first went to work for the Indianapolis Star on March 27, 1944, as a copy editor, and in subsequent years, he won steady promotions to statehouse reporter, 1945-48; assistant city editor 1948; and city editor, 1949. He has served as the Star's Washington correspondent since July 5, 1949. In that capacity, he has also filed regular dispatches for the Muncie Star and Vincennes Sun-Commercial, which, along with the Star and Indianapolis News, are owned by Central Newspapers, Inc. Since 1955, Ben has also served as Washington correspondent of another Central Newspapers daily, the Arizona Republic.

A past president of the Indianapolis Press Club, Ben has been honored by both his peers and his public throughout his career. He is a member and past president, 1982, of the prestigious Washington Gridiron Club. Ben also has won election to the Washington Hall of Fame of Sigma Delta Chi, the Society of Professional Journalists, and he has received the Hanson H. Anderson Award for Public Service and been named Hoosier Man of the Year by the Indiana Society of Washington.

Mr. President, Ben Cole has been fair, objective, and accurate in his reporting throughout his long and distinguished career. He is a reporter's reporter who has a wealth of knowledge about their inner workings of the Nation's Capital, but he has never forgotten his Indiana roots. Ben is also a gifted writer who, in news reports, columns, and book reviews, has demonstrated graceful mastery of a demanding craft. His professionalism and strong sense of civic responsibility have been and will continue to be an inspiration to generations of Hoosier journalists.

Ben Cole has retired from the daily grind of journalism, but I am certain he will remain busy in the coming years. I understand that he and his wife, Kathleen, plan to travel, and I know he looks forward to spending more time with his three children and four grandchildren. I also know that Ben has purchased a personal computer, a clear sign he intends to continue writing columns and book reviews. I venture Ben has the makings of an impressive book or two in him, as well. I wish him Godspeed, great happiness, and good health for many years to come.

During his 37 years here in Washington, Ben Cole wrote a weekly column called "Washington Ripples" for the Sunday edition of the Star. A collection of stories about Hoosiers working and living in the Nation's Capital—and of Ben's reminiscences about the eight Presidents, 18 Congresses, innumerable Supreme Court cases and 16 national political conventions he has covered—"Ripples" has been one of the paper's most popular features for years. With Ben's retirement, "Ripples" will be stilled, but his remarkable legacy will never be forgotten.

Mr. President, I ask that a story about Ben Cole by Doug McDaniel that was published in the Indianapolis Star on July 27 be printed in the Record.

The article follows:

STAR'S BEN COLE RETIRING AFTER 37 YEARS IN WASHINGTON

(By Doug McDaniel)

WASHINGTON.—When Benjamin R. Cole first came to the nation's capital to serve as bureau chief of The Indianapolis Star, Harry S. Truman was president.

Since that hot July day in 1949, Cole has watched, reported on, and mingled with the seven other presidents who have sat in the Oval Office.

Now after 48 years as a newspaperman, 42 of them with The Indianapolis Star, the dean of the Indiana press corps will retire July 30.

He takes with him a multitude of honors from his print colleagues and a host of accolades from those he has covered for so many years.

"Ben has been fair, objective, and exceedingly accurate in his reporting throughout his long and distinguished career. Ben Cole is a reporter's reporter who has a wealth of knowledge about the inner workings of the nation's capital," said Sen. Dan Quayle, R-Ind., who was a newspaperman himself before entering Congress in 1977.

Among Cole's honors are membership in the prestigious Washington Gridiron Club, which elected him president in 1982; the Hanson H. Anderson Public Service award; the 1979 Indiana "Man of the Year" award from the Indiana Society of Washington; and the 1986 "alumnus of the year" award by Arsenal Technical High School.

A past president of the Indianapolis Press Club, Cole is also a member of the Washington Hall of Fame of the Sigma Delta Chi Society of Professional Journalists and is listed in Who's Who in America.

It may be unknown to many, but Cole also served as correspondent for the Muncie Star, the Vincennes Sun-Commercial, and the Arizona Republic at the same time he filed dispatches for the Indianapolis Star. Those papers are part of Central Newspapers Inc., which also is the holding company for the Indianapolis Star and The Indianapolis News.

Sen. Richard G. Lugar, R-Ind., who was mayor of Indianapolis before coming to Congress, has long followed the work of Cole.

"Long before I came to Washington, Ben had established a reputation for comprehensive coverage of national politics . . . it will be difficult to imagine the Washington scene without Ben Cole at each press conference and important committee meetings, reporter's notebook in hand," said Lugar.

Cole first knew he wanted to make journalism his profession while attending Butler University in 1935. He landed a job as a substation newspaper carrier manager for the Indianapolis Times. One of the carriers he supervised was a lad named Ted Stevens, who later became a U.S. Senator from Alaska.

The two Indianapolis natives still joke about their carrier days in the neighborhoods around 44th Street and College Avenue. At one recent Capitol Hill luncheon, Cole was introduced as Stevens' "first boss."

Eugene S. Pulliam, publisher of The Indianapolis Star and The Indianapolis News, described Cole as a great newspaperman.

"I was proud to work with him and proud of what he did for the paper. I count him as a good friend," Pulliam said.

Cole began his newspaper career in earnest as a reporter for the Terre Haute Tribune-Star in 1938. He joined The Indianapolis Star as a copy editor in 1944 and worked his way through the ranks to statehouse reporter, assistant city editor and, finally city editor in 1949.

Once in Washington, he developed his widely read "Ripples" column, consisting of anecdotal tales about Hoosiers living and working in Washington. Besides his daily news articles, Cole also contributed editorials and book reviews for The Star.

One of his favorite stories happened shortly after Cole arrived in Washington.

It involved a reporter for the Kansas City Star who, as Cole later found, has a reputation for being a better drinker than journalist. This reporter was passing along a hot news tip to his colleagues: President Truman was going to fill a vacancy at the Supreme Court by naming Sherman Minton of Indiana.

No other reporter but Cole used the story. "In my innocence and youth I looked at him as a wise old oracle. Fortunately, the story turned out to be true and The Indianapolis Star was credited nationwide for breaking the story." Cole recalled.

Al Cromley, bureau chief of the Daily Oklahoman, has known Cole since 1953.

"Ben has the fantastic ability to express himself beautifully, using Hoosier allusions and humor * * *no matter what the topic, he always had an Indiana anecdote to illustrate his point," Cromley said.

"He never lost his roots."

Although Cole is retiring from daily reporting, he still plans to keep active. He has bought a personal computer and will frequently contribute editorials and book reviews.

He is also planning to travel with his wife. Kathleen, and is thinking about writing a book or two.

Lugar perhaps best summed up the feelings of Cole's colleagues and friends.

"His retirement is richly deserved but surely he will find time for a few more articles of reminiscence and good advice."●

CONGRATULATIONS TO TAMMY GIORDANO

● Mr. QUAYLE. Mr. President, I am pleased to offer my congratulations to Tammy Giordano of Shelbyville, IN, who is visiting Washington this weekend to receive the International Youth Award given by the Sertoma organization during their annual convention. Sertoma is an acronym for "service to mankind," a lofty ideal which Tammy personifies.

Tammy's list of achievements is impressive, especially when one considers her young age of 17. She has helped with the St. Jude Bike-A-Thon to benefit terminally-ill children; volunteered with Head Start, filling in until staff were available; volunteered with preparing and delivering food supplies with the Shelby County Food Pantry; and donated hours of her time in visits to nursing homes, a children's home and local youth shelter. She has also been a leader in her high school activities, including the volleyball team, Home Economics Club and Future Farmers of America. She worked with school officials to establish local chapters of Students Against Drunk Driving and Teenagers Against Drunk Driving.

Tammy is also one of Shelbyville's most visible youth activities in drug and alcohol prevention programs. It is this dedication which especially commands our admiration. Tammy herself came from a background of abuse and neglect which led to delinquent behavior both at home and in school. By the age of 14, Tammy had run away from a youth shelter and was incarcerated in jail. Her salvation came in the form of a loving family, the Giordanos, who adopted Tammy and another young woman and took them into their family. With the love and guidance of the Giordanos, Tammy's case workers, two dedicated police officers and Tammy's self determination, she has turned her life around. Tammy now dedicates much of her time to helping others and is being so honored by the Seratoma service organization, selected from among nominees from throughout the United States and several foreign countries.

Tammy and her sister Tina were adopted as difficult, older children. They have publicly shared their experience in order to recruit foster families and secure adoptive homes for older, hard to reach children. Tammy's story is one which offers hope and courage to many other youth who face similar odds and one which kindles a profound respect for Tammy and the Giordanos.

I am pleased to bring this success story to the attention of my colleagues and to offer my resounding approval to the selection of Tammy Giordano by the Bertoma club for their International Youth Award. My best wishes go with Tammy and her family for continued success and happiness. Their story is one which inspires hope and reinforces dedication to others.

I ask that the context of Tammy's acceptance speech given when she was selected as a regional award winner, be printed in the RECORD.

The speech follows:

ACCEPTANCE SPEECH—SERTOMA YOUTH AWARD

(Tammy E. Giordano)

I'm very nervous about giving this speech and talking to strange people although I visited the Canada House last night and I am sure you don't remember me but I remember some of you. . . .

I wouldn't be standing here today if it weren't for my family and the people from my community. There were people who wanted me to make it and who believed in me. It seems like centuries ago that I was the scrawny kid that Karen described to you earlier who was headed no-where. I was lucky and blessed by God because I had a whole lot of people from my community who cared for me but I didn't understand why.

I myself, can't believe I am standing here now accepting such an honorable award. People who I thought were my enemies were really my friends trying to help me. Charlie and Dan were policemen. They picked me up. They influenced my life because they really cared about me. Charlie has always been here for me whenever I needed him. If there has ever been anything special in my life, he is always there to see me do it. He got on me a few times but he encouraged me a lot. He really has influenced my life and knowing how much he cares about me makes me feel really good. He will always be a special.

My case workers at home are Vickie and June. They are two terrific ladies and I know they are my friends for life. They put up with a lot of stuff in the beginning when I first came to them. They were also always there when something special was going on in my life. They never gave up on me or stopped believing in me.

The seven most important men in my life are my dad and my brothers. They helped me to grow up and to see that life was fun. They helped me become a stronger person. They expected more of me than I was giving and I wanted to live up to their expectations. Also, their friend and coach, Mr. Brattain, said lots of nice things about them. I wanted people to say things like that about me. They also showed me that there were different ways of doing things than what I had been doing.

My best friend is also my sister. Her name is Tina. She gave me the strength to keep going when things were new and the toughest. She was my crutch. Just sharing our lives gave me strength when I was down but needed to go on. Our relationship will always be special because of what we have come thru together.

The most special person in my life happens to be my mother. She taught me to have confidence and to believe in myself. She taught me how important it is to be proud of what you are. Another thing she taught me was to hold my head up and walk proudly. She still gets on me about that sometimes. She taught me about respect for myself and for others. And I had never given it before but she taught me about love and how to give it to others. She still gets on me about my posture but I tell her every teenager goes thru this.

There are countless others who have helped me. These people are a part of me and they live inside of me. I also want to thank Tri-County Sertoma and La Sertoma. I thank each and every one of you. Sure, I have done a lot of things but without all the people I have mentioned I would have never made it. Part of the person that I am is made up of all the love and support that all of you have given to me.

When I leave here today I will take my award with me and I will be a much stronger person because I will know that all of you are behind me. You have given me so much. I want to be the very best person I can be and I want to work to make the world an even better place to live. That will be my gift back to all of you. Thank you.●

THE ELEVENTH ANNIVERSARY OF THE HELSINKI FINAL ACT

● Mr. D'AMATO. Mr. President, today marks the 11th anniversary of the signing of the Final Act of the Conference of Security and Cooperation in Europe [CSCE], giving birth to the Helsinki process. With participation by 35 nations, including the United States and the Soviet Union, the process has been the subject of considerable debate here and abroad. Hailed by supporters, denounced by critics, and dismissed by others, it nevertheless remains a reality in the international arena. While it was conceived by the Soviets during the 1950's, our experience with the Helsinki process shows it held substantial advantages for the West and still contains considerable potential for employment in the service of United States interests, especially our dedication to human rights. In this 11th year of the Helsinki process, we must dedicate ourselves to the determined, focused, and coordinated effort necessary to realize the process' great remaining potential.

Containing provisions concerning security, trade, and human rights, the Final Act is unique in that it established a standard against which the behavior of participating States can be judged. This is particularly significant in the area of human rights, an area which had long been considered purely a matter of internal affairs. While the Final Act represents a sweeping move forward in this regard, its value must ultimately be determined by the willingness of the signatories to comply with the commitment created by their adherence to it. Mere

words are not sufficient. They must be followed by concrete deeds.

As Dr. Andrei Sakharov has noted, "The whole point of the Helsinki accords is mutual monitoring, not mutual evasion of difficult problems." This concept was further elaborated by another Soviet dissident, Natan Shcharansky. In testimony before the Helsinki Commission, which I chair, Shcharanksy observed:

> I often hear the question, . . . if it is worth it to continue the United States of America's participation in the Helsinki process. My opinion is that the mistake wasn't in signing the Act. The mistake is not to demand that the Soviet Union fulfill all of its obligations under the Final Act.

Both of these men have paid dearly for their commitment to human rights and the Helsinki process. Sakharov, an outspoken critic of Soviet human rights violations, was banished to the closed city of Gorky in 1980. He and his wife, Dr. Elena Bonner, a founding member of the Moscow Helsinki Group, continue to be harassed by the Soviet secret police. There has been no word of the couple's well-being since Bonner returned to internal exile in early June. Shcharansky, also a founding member of the Moscow Group, spent more than 9 years in the Soviet gulag because of his activism, particularly with regard to Jewish emigration. Despite these hardships, they remain steadfast in their defense of individual human rights.

Regrettably, their cases are not isolated instances of abuse. Rather, they symbolize the brutal nature of the Soviet regime and its contempt for those who seek the very rights guaranteed by the Helsinki Final Act. Thousands have been consigned to psychiatric hospitals, while others serve long terms in prisons, labor camps, or internal exile because of their dissent. Churches are closed or destroyed, their members persecuted by the authorities. Millions are denied their national and ethnic rights, the victims of a brutal policy of russification, an attempt to strip them of their rich culture and heritage. Those who seek to emigrate are treated as traitors; they are often fired from their jobs, denied access to educational institutions, and ostracized by the State.

An estimated 400,000 Soviet Jews have indicated their desire to join their families in the West. At the same time, the Soviet Government maintains that all Jews who wish to emigrate have been allowed to do so. Yet when Ida Nudel, an activist in the Jewish emigration movement, hung a sign reading "KGB give me my visa" from the window of her apartment, she was arrested and sentenced to 4 years internal exile. Fifteen years after filing to emigrate, she remains separated from her family residing in the West.

Such human rights violations are not limited to the Soviet Union, however. Millions of East Europeans suffer a similar fate. The people of Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Romania are denied basic human rights by the repressive regimes in those countries. Despite the suspension of martial law in Poland, hundreds of political prisoners remain behind bars. Just last week, the Romanian Government destroyed the last Sephardic temple in that country. Members of the Hungarian minority in Romania are persecuted. Bulgaria maintains virtually total control over the life of its people and has engaged in a campaign of forcible assimilation aimed at the Turkish minority. Czechoslovakia continues to persecute members of charter '77 and VONS, Committee for the Defense of the Unjustly Persecuted. East Germany enforces a restrictive emigration policy. Hungary continually harasses those who publish or possess unofficial writings.

These are but a few examples of the human rights violations which are taking place today in Eastern Europe. The continuation of these abuses, in violation of provisions of the Final Act, jeopardize the future of the entire Helsinki process.

The credibility of the Helsinki process rests upon compliance in all areas of the Helsinki Final Act, including human rights. The further development of security and cooperation, key objectives of the CSCE, must be based upon trust. While it is true that we should not expect trust to develop overnight, 11 years have passed since the signing of the Final Act with limited progress in this direction.

As we prepare for the opening of the Vienna Review Meeting in November, we look not for wide-ranging new proposals but compliance with existing commitments. As President Gerald Ford noted when he signed the Final Act 11 years ago today, "History will judge this conference not by what we say here today, but by what we do tomorrow—not only the promises we make but by the promises we keep."

NAUM & INNA MEIMAN: STRUGGLING AS REFUSENIKS

● Mr. SIMON. Mr. President, Naum and Inna Meiman are Soviet Jews who have been denied permission to emigrate to Israel several times. The Meimans are an elderly, ailing couple whose wish is only to seek proper medical treatment for Inna and to see their daughter, Olga, who lives in the West. The Meimans have done nothing illegal nor are they of any use to the Soviet Government, yet officials have repeatedly refused their requests.

As refuseniks Naum and Inna have had to endure many years of strain. Since his first application, Naum, who worked as a physicist, was forced to retire from his job and isolated from the scientific community. Now, despite his years of training and brilliant work, he can only try to work at home away from advancements and new theories.

Inna is seriously ill with cancer. She urgently requires medical treatment only available in the West. The Soviets could offer a wonderful humanitarian gester by allowing her an exit visa so she may obtain treatment, yet they have refused her pleas.

In addition, the Soviets have further aggravated the Meimans' situation by disconnecting their telephone, confiscating their mail, and ransacking their apartment.

The Meimans are a good and caring couple who have suffered needlessly because they have expressed their desire to leave the Soviet Union. The Soviets have denied Naum and Inna their basic human rights for far too long. I strongly urge the Soviet authorities to allow Naum and Inna the right to emigrate to Israel.●

HELSINKI HUMAN RIGHTS DAY

● Mr. DECONCINI. Mr. President, I would like to express my pride in our Government's recognition of this day, August 1, 1986, as Helsinki Human Rights Day. It was on this day 11 years ago that 35 nations, including the United States and the Soviet Union, joined together in signing the Final Act of the Conference on Security and Cooperation in Europe, often referred to as the Helsinki accords.

At Helsinki the signatory nations pledged to the world that they would "respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion, or belief." At Helsinki the signatory nations agreed to deal in a positive and humanitarian spirit with the freer movement of people, ideas, and information. It has been over a decade since the signing of the Helsinki agreement, and in those years the whole world has seen Soviet action to be in direct contravention to Soviet commitments.

Democratic nations cheered when Anatoly Shcharansky walked across a Berlin bridge to freedom. Free men everywhere cheered when he told a New York crowd: "All the resources of a superpower cannot isolate a man who hears the voice of freedom." But for every Anatoly Shcharansky who walks across a bridge to freedom, there are hundreds more whose names and cases have gone unreported. For every Anatoly Shcharansky there are hundreds of Soviet citizens who continue to be followed, watched, searched, arrested, beaten, sent to psychiatric hospitals, or banished to Siberia to hard labor camps.

Yes; we rejoice in the release of Anatoly Shcharansky after 10 years in Soviet prisons and labor camps. Yes; we rejoice in the recent Kremlin promise to reunite more than 200 of its citizens with relatives here in the United States. Yet; we cannot forget that there are thousands of Soviet citizens whose basic human rights continue to be blatantly violated.

We must continue to send a message loud and clear to the Soviet Union that, while we welcome East-West Cooperation, such cooperation must in part be conditioned on Soviet human rights performance. We must continue to send a message loud and clear to the Soviet Union that there will be no significant improvement in relations between our two nations unless they keep the commitment they pledged at Helsinki.

Three times I've traveled to the Soviet Union and met with refuseniks whose only crime is applying for a visa. And once the authorities discover that someone has applied for an exit visa, the persecution begins. We all know the scenario. Jobs are taken away, apartments searched, phones disconnected, mail seized, arrests made on trumped-up charges.

I've met with Brezhnev, with Andropov, and with Gorbachev on the issue. I pray that I am wrong, but Mr. Gorbachev's negative response last summer did not give me much reason for hope. He made it very clear that human rights in the Soviet Union are none of our business. They believe it to be solely an internal issue and do not look favorably on outsiders who try to intervene.

On that same trip I visited Dr. Alexander Lerner for the second time. I first met that distinguished scholar in November 1978. Professor Lerner has been waiting for 14 years to join his daughter in Israel. And he has paid the price. The end of his professional career. Difficulties passed on to his children—the arrest of his son who applied for a visa.

Professor Lerner talked about the KGB crackdown on Jews who insist on practicing their religion or who teach Hebrew. "Unfortunatley," he told us, "the situation in Jewish life here became worse than before; many are jailed—arrested, sentenced—for nothing, practically. Some of them are Hebrew teachers but, of course, they cannot officially be accused of studying Hebrew, so they are accused of many other things."

Yuli Edelstein is one of those Hebrew teachers. He was accused of illegal possession of drugs which were allegedly found by the KGB on a windowsill. The problem is, the flat where they were found has no windowsills. Because he refused to stop practicing his religion, Yuli Edelstein is now serving a 3-year term in a Siberian labor camp.

There are stories with happy endings. I pray that one day there will be more. Last summer my wife Susan and I met a young couple in Kiev—Sandy and Aleksei Lodisev. Sandy, a U.S. citizen, is Jewish. Aleksei, a Soviet citizen, is not. Their only fault was falling in love. They met while she was on a student fellowship to the Soviet Union. They married, and Aleksei resigned from his position with a computer company. He feared his classified job would jeopardize any chance he had to get a visa. For 4 years his fears proved to be correct.

When I met with Mr. Gorbachev last September I spoke to him about Sandy and Aleksei. I don't know how much of an impact that talk had. But the good news is that Aleksei Lodisev received an exit visa.

Yes; Yelena Bonner was allowed to receive medical treatment in the West. But Dr. Sakharov and Yelena Bonner continue to endure a terrifying regime of isolation at the hands of the Soviet authorities.

In the Kremlin religious believers continue to suffer harassment and persecution, with more than 350 activists of all faiths either in prison or internal exile. The flow of information, which is the foundation for any free society, has been obstructed at every turn by the Soviet Union. The recent nuclear reactor tragedy in the USSR is yet another reminder of Soviet indifference to its own citizens, its satellite nations and the rest of the civilized world.

Purely and simply, the Soviets made human rights and humanitarian commitments in Helsinki. The West needs continually to hold them to their promise.

Mr. President, I am grateful to my colleagues in the Congress for their overwhelming support of my resolution which proclaims this day as Helsinki Human Rights Day. I would particularly like to commend the distinguished chairman of the Helsinki Commission, Senator D'AMATO, and the cochairman, Congressman HOYER, for their leadership and persistence in striving to achieve full implementation of the human rights and humanitarian provisions of the Helsinki accords.

I would like to conclude with the words of the social reformer Jacob Riis: "When nothing seems to help," he says, "I go and look at a stonecutter, hammering away at his rock perhaps a hundred times without a crack showing in it. Yet at the hundred and first blow it will split in two, and I know it was not that blow that did it but all that had gone before."

Jacob Riis was talking about persistence. He was talking about fighting the good fight. He was talking about the kind of work all of us must do to ensure basic human freedom throughout the world.●

A FORMULA FOR GENERATIONAL EQUITY

● Mr. DURENBERGER. Mr. President, for 1½ years I have chaired a small educational organization called Americans for Generational Equity. AGE was founded to promote the time-honored American tradition of passing on to our children and grandchildren a better life than we inherited. It is a tradition that is in danger of dying.

Upward mobility has been the essence of the American dream. Yet, today's affluence is the byproduct of generations of self-sacrifice. We would do well to remember that these past sacrifices were the expression of old American values: Thrift, hard work, self-reliance, individual initiative, and mutual support through the institutions of the family, the church, and the community. It is our value system, not our affluence, that has been the mainstay of the American dream. And as these values have eroded, so, too, has our ability to keep the dream alive.

The statistical profile of the new downward mobility—spelling the end of the American dream for many of our young—has become a familiar staple of social commentary. The baby boom generation is worse off than its parents. Today's 30-year-olds now earn an average 25 percent less than their counterparts did in 1973. Today's children are, on average, considerably worse off than the baby boomers. Almost half of all Americans living in poverty are children.

These trends didn't just happen. They were the result of a sea change in American values. In the 1960's and early-1970's America transformed into the entitled society. We reduced our commitment to saving and investing, preserving our marriages, nurturing our children, and sacrificing for the future. We became a society geared to milking the here and now.

Already, the dividends of this shift are painfully clear. Yet, current Government priorities remain firmly rooted in the new ethos of entitlement. Unless we rediscover the old values, I fear our young and future generations will know far more downward mobility in the future than we have seen to date.

Mr. President, I am not alone in this assessment. Dr. Donald Kennedy is president of Stanford University and a valued colleague on the board of directors of Americans for Generational Equity. His recent speech to the Bohemian Grove illustrates a growing concern among our top educators that America is not living up to its self-image as an investing society. In it, he concludes that "scientific and technological decay, political neglect of education and the schools, and the juvenalization of poverty are all related; all

form a trend in America's political economy that could, if we do not arrest it, become a death spiral."

Dr. Kennedy calls for a series of steps by the Federal Government that I think are long overdue: Tax treatment to encourage investment, particularly in research and other ventures that yield future benefits. Increasing federal investment in the young. A new kind of instrument for evaluating how each national policy affects the welfare of different age groups. A Federal capital budget. Strengthening Federal support for university-level research and education at all levels.

Mr. President, I commend Dr. Kennedy's most forward-looking and insightful remarks.●

CONSTRUCTION INDUSTRY LABOR LAW AMENDMENTS

● Mr. KASTEN. Mr. President, I understand through recent conversations with my colleagues that the Senate will shortly be considering S. 2181, the construction industry labor law amendments, as an amendment to other "must pass" legislation. A recent Washington Post article lays out many of the issues before us on this bill, and I think it deserves the attention of the Members of this body. Mr. President, I ask that the article be printed in the RECORD.

The article follows:

[From the Washington Post, July 30, 1986]

A SENATE TEST OF LABOR'S STRENGTH

(By Peter Perl)

For 15 years, McDowell Contractors Inc. signed contracts with the Operating Engineers union, agreeing to provide union wages, benefits and pension contributions in exchange for a steady supply of skilled labor from the union hall in Birmingham.

But in 1980, all that changed. As members of Engineers Local 312 prepared to start work on an airport-paving job that McDowell had won, the company told the union that McDowell Contractors' workers would not be doing the job.

Instead, McDowell Materials Corp., a newly formed company, would be performing the airport work. McDowell had gone "double-breasted" by creating a nonunion spinoff firm, and the union members were out of luck.

In one of the sharpest labor-management congressional battles of recent years, the Senate is expected to consider this week a highly controversial bill that would outlaw such double-breasted construction firms. The House approved the measure 229 to 173 on April 17, but its outcome in the Senate is uncertain.

Business lobbyists were caught by surprise when the AFL-CIO succeeded in pushing the bill through the House, winning what was considered the first major legislative victory for labor in the last several years. The Senate vote is now shaping up as a major test of strength between a declining labor movement and an aggressive business coalition.

Labor union lobbyists and sponsors of the bill describe it as a simple matter of fairness. "We believe the law should not permit employers to avoid collective bargaining contracts by playing corporate shell games," said Robert Georgine, president of the AFL-CIO Building and Construction Trades Department.

But a broad coalition of business groups and their Senate supporters is strongly fighting the bill. Sen. Orrin G. Hatch (R-Utah), chairman of the Labor and Human Resources Committee, has called it an "obscene measure" that would trample the rights of employers and employees, who Hatch said could be forced to join unions against their will. Hatch has offered 100 amendments and threatened a filibuster to slow the bill's progress.

Sen. Alfonse M. D'Amato (R-N.Y.), who has strong support from New York's powerful construction unions, is a prime sponsor of the bill and plans to increase its chances by trying to attach it to the pending resolution on defense authorization or to legislation to increase the federal debt ceiling.

Both sides have run intense lobbying campaigns aimed at key Senate Republicans, especially those seeking reelection, and both sides claim to have at least 50 votes.

The so-called double-breasting bill is an attempt to reverse the dramatic decline in union membership among the nation's 5 million construction workers. Unions represented roughly 75 percent of construction workers in the 1960s, but that share has fallen to about 30 percent, in part because of the growth of double-breasted operations, which are now common in major metropolitan areas.

In the District of Columbia, for instance, two leading construction firms, offshoots of the same parent firm, are a prime example of double-breasting. The George Hyman Construction Co., founded in 1922, has operated as a union shop for decades. In 1977, Hyman's parent company set up a nonunion arm, Omni Construction, which has became a leading builder in the region. Both are controlled by the Clark Construction Group, based in Bethesda.

The bill would alter the Hyman-Omni setup by amending the National Labor Relations Act to redefine such companies as a "single employer." The House-passed bill says that any two construction firms "having any direct or indirect common ownership, management, or control" would be bound to honor any union contract involving either firm.

"You would force employers to go either all-union or all-nonunion routes, and you would force literally tens of thousands of workers into unions, without their ever having a vote," said Mark A. DeBernardo, manager of labor law for the U.S. Chamber of Commerce, which has lobbied heavily against the bill, along with the National Association of Manufacturers, the Associated General Contractors, and dozens of other trade groups and corporations. Labor Secretary William E. Brock also opposes it.

"This is very, very bad legislation . . . and it took awhile for the industry to come awake to how bad it is," said Richard Getsinger, senior vice president of Hyman. He said the bill could force Clark to choose between nonunion and union operations, and said the bill could "backfire" on unions by forcing some firms to abandon union operations.

Getsinger said labor law already prohibits union firms from creating "sham" companies specifically to evade an existing union contract. The National Labor Relations Board has cited dozens of companies for illegal double-breasting in recent years, but unions contend that loopholes in the law allow most companies to avoid NLRB sanctions.

Critics said a hidden danger of the bill is that it would legalize "common situs" picketing, in which workers striking one subcontractor could shut down an entire construction site. Such picketing is now illegal. Critics also said that if the owner of a nonunion firm in Texas with 500 workers bought stock in a unionized firm in Maryland with 10 workers, the 500 workers would be instantly unionized against their will.

But these arguments are dismissed as "red herrings and scare tactics" by former representative Leo C. Zeferetti (D-N.Y.) now the AFL-CIO's chief lobbyist on the bill. "This has been the most ridiculous campaign of nonsense and rhetoric ever," said Zeferetti, who said the bill has been debated and amended in the House so that it is clearly aimed only at requiring "both sides to live up to their contracts." When nonunion workers are compelled to join unions, he said, they are free to vote to decertify the union.

"It is a classic union-versus-contractor dispute," said a Republican Senate staff member, "Some of the unions have made it their life-and-death number one priority, and the businesses are now working hard to mobilize opposition and have finally started screaming."●

MAJ. GEN. ALFRED F. AHNER'S CAREER AND RETIREMENT

● Mr. QUAYLE. Mr. President, I would like to draw the attention of my colleagues to the retirement on July 1 of Maj. Gen. Alfred F. Ahner, adjutant general of the State of Indiana.

General Ahner served as adjutant general of the State of Indiana for some 16 years. His career of military service began in August 1942, when he enlisted in what was then the Enlisted Reserve Corps. He served on active duty throughout World War II, and was commissioned in 1945. Released from active duty in 1946, he was assigned to the Officer's Reserve Corps, and then appointed to the Indiana Army National Guard in 1948.

In the Guard, his efforts and abilities were recognized. After serving in a variety of posts, he was appointed assistant adjutant general in 1957, and promoted to lieutenant colonel. General Ahner was temporarily appointed adjutant general in 1959, when a vacancy in the post occurred, and promoted to brigadier general. General Ahner was appointed adjutant general in 1972, and promoted to major general in 1974. He has served as adjutant general continously since then. The State of Indiana has greatly benefited from his conscientious service and hard work over the years.

I have a long professional and personal relationship with General Ahner. Beyond having served under him during my years as a member of the Indiana National Guard, I am privileged to now count him as a friend. I am sure all my colleagues join me in congratulating General Ahner

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on his years of service to our country and to the State of Indiana, and in extending to him our best wishes for the future.●

NATIONAL WHITE HOUSE CONFERENCE ON SMALL BUSINESS

● Mr. LAXALT. Mr. President, I would like to take this opportunity to remind my distinguished colleagues that the National White House Conference on Small Business will be meeting here in Washington, DC, August 17–21, and to encourage them to show the conference delegates we appreciate the vital role they are playing in the American economy.

Five years ago, when the delegates to the 1980 White House Conference on Small Business issued their final report, they predicted that we were entering into a new age of entrepreneurship. Today, with small business having contributed 5 of the 7 million new jobs created during this recovery, we can see just how accurate that prediction was.

After the doldrums of the seventies, the American entrepreneur has regained his place in the world's imagination. Through innovation and risk-taking, small business owners are showing that the spirit of enterprise still burns brightly in this country and is still the best way to bring people jobs and a better way of life.

Next month's conference will provide the small business community with an opportunity to gather and evaluate the impact of the Federal Government upon the entrepreneur. What they will produce is a list of their top 40 recommendations for Government action. This will serve as an agenda to guide the President and Congress as they consider the issues which affect this important sector of our economy.

The White House Conference on Small Business will also provide all of us with a chance to join in what President Reagan has called "a celebration of the age of the entrepreneur." These men and women have given a great deal to their communities and this country. It is important that they return from this conference with the knowledge that we appreciate their importance in fulfilling the American dream.●

ENERGY INDEPENDENCE: OIL IMPORT FEE NEEDED

● Mr. BINGAMAN. Mr. President, I am greatly concerned about two issues; the lack of a national energy policy, and the resulting impact on the oil and gas industry and the entire Nation.

BACKGROUND

The United States has enjoyed a period of relative energy stability largely because of drilling and exploration between 1973 and 1982, and successful conservation efforts. However, the domestic oil industry today is faced with rapidly declining prices, oversupply, and increased competition from lower priced imports of crude and petroleum products. The industry also has had to restructure to meet the demands of merger activity and now faces the uncertainty of proposed changes in our tax laws.

These factors are undercutting our exploration and production efforts in the United States. Since 1981 nearly 346,000 jobs have been lost in the oil and gas industry. Although almost 82,000 wells were drilled in 1984, the rig count and other indicators point to a significantly lower number in 1985. The past 2 months have seen a substantial decrease in drilling permits, down 37 percent from 1985 levels. Just as the industry responded to the need for more drilling in the 1970's and early 1980's, oversupply and weak prices are now forcing the industry to cut back its activity. Action by major producers such as Arco, Tenneco, Phillips, and Amoco in the past few months to slash capital spending for exploration and development prove this point.

As the United States faces reduced drilling, production and exploration, lower refinery capacity and increased imports of crude and product, the inevitable result in the U.S. industry will be a return to foreign dependence. In only 1 year since 1970 has the Nation found as much oil as it produced. That was in 1980, and since then domestic reserves have declined to 27.8 billion barrels, the lowest level since 1951. As the rate of drilling drops as a result of lower oil prices, the shrinkage of these reserves would accelerate. That will make the United States more dependent on foreign sources of oil. Without any exploratory program, the Nation's reserves could drop by half by 1990, with production likely to decline as well. The Energy Information Agency predicts a doubling of imports by 1995. This scenario is based on a per barrel price of oil of $25. Given the current situation, the level of imports will certainly increase.

IMPORT FEE

Clearly, the Nation would benefit most from long-term stability in the oil market, which would in turn ensure the preservation of a strong, constant level of drilling in this country.

There are several bills that have been introduced to impose an oil import fee. However, there has been little support for such a fee at this time. This is unfortunate, but our energy independence is already threatened.

Last night we considered a bill which would establish a $10 fee on every barrel of crude oil or petroleum product imported into the United States. Unfortunately, although I voted for it, it was roundly defeated. A fee would serve to raise the price of imported oil from the levels determined by an unstable market. A fee would be applied to imports of refined and crude oil products in order to prevent importation of these products to circumvent the crude oil fee. The existence of such a variable fee would establish a floor for domestic oil prices and help stabilize the world oil price.

Furthermore, a fee would ensure that foreign producers pay a fair tax on oil that flowed into the United States as a result of a price drop. The extremely low tariff imposed on imported oil at present in effect enables imports to be subsidized by the taxes paid in domestic production. A fee would also preserve the value of the Nation's Strategic Petroleum Reserve, on which nearly $13.5 billion has been spent since 1977. A fee would discourage import, while encouraging domestic production, and thus enable the United States to avoid a return to dangerous levels of foreign dependence.

NATIONAL SECURITY

Most important, an oil import fee would help ensure that our national security is not threatened. Without a fee to stabilize oil prices, the potential threats are significant.

REDUCED STRIPPER OIL PRODUCTION

A drop in prices could eliminate over half of the Nation's production from low-volume stripper wells, making necessary an additional $4.6 billion per year in imports. There are over 441,000 stripper wells, and they produce an average of only 3 barrels per day, or a daily total of about 1.3 million barrels. Many operate on a margin of only a few dollars per barrel.

As oil prices decline, large numbers of strippers become uneconomic and have to be shut in. Once production from a well ends, most States require that the wells be plugged and abandoned. The United States could thus lose perhaps 7 to 8 percent of its total domestic production. Furthermore, since stripper wells comprise three-fourths of the Nation's wells, they drive much of the oil well servicing support industry, which has itself been in depression. Although stripper wells produce little individually, collectively they are a major resource for the Nation.

THE END OF ALASKAN EXPLORATION

Alaska provides 1.1 million barrels of oil per day, roughly 20 percent of total domestic production. Alaska holds nearly a third of the Nation's known oil reserves, and is estimated by the U.S. Geological Survey to contain up to a quarter of the Nation's undiscovered recoverable reserves. A drop in oil prices would preclude the chance that other Alaskan oil fields could be found and put on stream. Eliminating Alas-

ka's rich potential would mortgage the Nation's energy future.

REDUCED OCS EXPLORATION

The U.S. Geological Survey estimates that a third of the Nation's remaining undiscovered recoverable reserves of oil lie under the waters of the Outer Continental Shelf. A fall in prices makes the deeper waters of the OCS uneconomic and ensure that much of the Nation's potential would remain locked away for years.

REDUCED NATURAL GAS DEMAND

Virtually all of the power plant capacity and 45 percent of the U.S. industrial load can switch to residual fuel oil. If oil prices, and therefore fuel oil prices, continue to drop, the gas bubble may not end until the mid-1990's.

Clearly some action must be taken and I think an oil import fee must be further considered.

OPPOSITION

I am well aware of the arguments against an import fee from the impact it would have on our friendly trading partners, such as Mexico and Canada, to the lost opportunity for economic growth because of falling prices and the potential for inflated prices in other sectors of the economy. I believe the concerns for our neighbors to the north and south are somewhat overstated. I would think that both nations would benefit from a more stable world oil market—which is what this fee is intended to encourage. However, I would suggest that any short-term losses to our economy would not compare with the devastating impact of a collapse of our domestic energy industry.

ADMINISTRATION'S RULE

It is true that the President currently has the authority to impose an oil import fee under the Trade Expansion Act of 1962, but has been unwilling to recognize that it is in the national interest to do so. Unfortunately, the administration seems oblivious to the potential consequences of declining prices. Secretary of Energy Herrington, testifying before the Senate Energy and Natural Resources Committee several weeks ago said: "Energy is no longer a destabilizing force in our economy." I believe that statements such as this show little understanding of the seriousness of our energy situation, and demonstrate the kind of short-term perspective that has come to characterize Federal Government policy on energy.

SUMMARY

The Congress must take the lead in recognizing the importance of our energy needs. If enacted, an oil import fee would prevent the United States from returning to greater dependency on foreign sources of energy. It would enable the domestic industry to remain a viable source of energy in the future. And it would preserve governmental tax revenues in the event of a fall in world oil prices, and stop the tax subsidization of imported oil. Most important the Nation would benefit most from long-term stability in the oil market, which would in turn ensure the preservation of a strong, constant level of drilling and exploration and a viable domestic industry. We must end the complacency that currently clouds our energy future and realize the growing threat to our Nation's desire for energy independence. An oil import fee can help move us in that direction.

I am disappointed the Hart oil import fee was defeated last night, but I know it will be considered again and I intend to support it again. I urge my colleagues to join me in this support.●

HELSINKI HUMAN RIGHTS DAY

● Mr. LEVIN. Mr. President, today marks the 11th anniversary of the signing of the Final Act of the Conference on Security and Cooperation in Europe, better known as the Helsinki accords. Congress has marked the occasion by declaring August 1, 1986, as "Helsinki Human Rights Day."

We all know that the Helsinki accords have not brought an end to human rights violations by the Soviet Union and other Eastern European coutries. In fact, there has not been any discernible decrease in these violations over the past 11 years. On the other hand, the existence of the Conference on Security and Cooperation in Europe gives us a regular forum in which to raise questions of human rights with these countries, pointing out where they have violated specific portions of the Helsinki accords. The followup conferences in Belgrade and Madrid have also given us opportunities to raise specific human rights cases with the governments concerned, and the upcoming review conference in Vienna will provide a similar opportunity.

I hope that at Vienna our delegates will bring up the case of Abe Stolar and his family. Abe Stolar is an American citizen, whose immigrant parents moved back to Russia when he was a boy. The Stolars have been trying to leave the Soviet Union since before the Helsinki accords were signed in 1975. They have been granted permission to leave several times before, only to have their hopes cruelly dashed at the last moment. Last November, the day before President Reagan met Secretary General Gorbachev in Geneva, the Soviets informed the United States Government that a number of Soviet refuseniks would be allowed to emigrate. The Stolars were on that list. Nine months later, the rest of the people on that list have departed, and the Stolars are still there.

Abe Stolar recently sent me a copy of an open letter he wrote to former Soviet Ambassador to the United States, Anatoly Dobrynin, in which he asks Mr. Dobrynin to use his influence to end the Stolars' long wait. He appeals to Mr. Dobrynin as someone who has firsthand knowledge of the American way of life, and who understands how Soviet human rights violations harm relations between our two countries.

Not long ago, I spoke to Abe Stolar on the telephone. I have corresponded with him for many years now. His courage and perseverance continue to amaze me. After all the disappointments of the past 11 years, he remains undiscouraged. Abe Stolar has little reason to be optimistic and yet he still believes that "reason and common sense" will prevail. I hope that my colleagues will be as inspired as I was by his letter.

Mr. President, I ask that Abe Stolar's letter to former Ambassador Dobrynin appear in the RECORD.

The letter follows:

AN OPEN LETTER

Mr. DOBRYNIN: Since I was sadly disappointed not to receive any reply to the letter I wrote you on April 11, I am compelled to once again call your attention to my case through this Open Letter.

I am an American citizen who was stripped of former Soviet citizenship 11 years ago. I have been trying to get out of the Soviet Union with my family since then. Neither my son nor my wife are Soviets.

To recapitulate my story: After ten years of my fight to be released, the Soviets finally in March 1985 allowed, even pressured, part of my family to get out, but insisted that we abandon my daughter-in-law, Julia Shurukht, in Russia. The chief of the national Visa Office, R.A. Kuznetsov, made it clear that this would not be a temporary separation; my son and his wife would never see each other again.

The day before President Reagan's meeting with General Secretary Gorbachev in Geneva last November, the Soviets officially informed the United States government that my family of four, including my daughter-in-law, was being allowed out. We were on a list of ten families that the Soviets were letting out. The other nine have long left, but my family is still here.

This February my daughter-in-law gave birth to a baby. Now the fight is to get all five of us out.

The Visa Office demands that my daughter-in-law produce a written renunciation of financial claims from her mother. The mother had submitted such a waiver of financial claims, but it was not notarized, so the Visa Office demands a new one, which the mother refuses to give since she has maintained no relations with her daughter for many years.

The command to let my family go must come from someone higher up in authority, like you. We appeal to you, a man who has been in the closest contact with the American way of life for many years, and who can appreciate more than regular Soviet leaders the damage being done to the Soviet image by our prolonged detention here without rights and in unnatural circumstances. You witnessed demonstrations outside the Soviet Embassy in Washington and the Soviet mission in New York.

We hope that in your person, a man of common sense and reason has come into a position to put an end to the shameful treatment my family is being subjected to till this very day.

We hope you will finally put an end to this deplorable situation, which benefits no one, and causes nothing but harm. We hope you will see that my whole family of five people can leave the Soviet Union without further delays.

ABE STOLAR,
Moscow, June 17, 1986.

HELSINKI ACCORDS

● Mr. BOSCHWITZ. Mr. President, today is the 11th anniversary of the signing of the Helsinki final act. Unfortunately, it is an anniversary more in the breech than in the fulfillment of the act's goals. Despite being a signatory, the Soviet Union continues to violate the precepts concerning elemental human rights in the accords.

The Helsinki accords were designed to be a balanced package of principles to provide a framework for improving cooperation in many areas, including security, trade, environment, culture, and human rights. If the accords have allowed some improvement in relations with the East, Europe, we must still insist upon a more vigorous application of the Helsinki accords which guarantees to each of our citizens freedom of movement, religion, and cultural expression, as well as the right to emigrate.

The issue of human rights must continue at the top of our list as we look toward the upcoming summit with the Soviet Union. The struggle for family reunification, approval of visas, and family visits, which are for all intents and purposes simply ignored by the Soviets, must not be sacrificed in order to improve United States-Soviet relations.

Today is the 11th anniversary of the signing of the Helsinki accords. Let us acknowledge the day, while recognizing that we have a long way to go before declaring a victory in the war to preserve human rights.●

ELEVENTH ANNIVERSARY OF THE HELSINKI FINAL ACT

● Mr. LEAHY. Mr. President, I rise today to speak in commemoration of the signing of the Helsinki final act on August 1, 1975. On that day, the leaders of 33 nations of Western and Eastern Europe, Canada, and the United States, placed respect for fundamental human rights squarely within the framework of East-West relations.

The final act addressed a broad range of international concerns—the environment, national security, trade, human rights, and exchanges in the areas of science and technology, culture, and education. By observing the final act's standards for humane and responsible international behavior, signatory states agreed to work toward mutual trust and cooperation.

For many Helsinki observers, these 11 years have been disheartening. In 1976, the "Moscow Helsinki Group" was formed to oversee the Soviet Union's implementation of the provisions of the final act. The Group disbanded after several years of harsh repression. Forty-two members of other Soviet Helsinki monitoring groups are currently in prison, labor camps or internal exile. We must have faith that they will someday join Natan Shcharansky, who after 9 years of imprisonment, this year crossed the Glienicke Bridge to freedom.

In 1975, we committed ourselves to adhere to certain standards in our relations with other nations. We reaffirm that commitment today. The record of the Eastern European nations has been profoundly disappointing. Tens of thousands of their citizens look to us to continue to set the example, and we likewise reaffirm our commitment to them.

We all are hopeful that in the next decade, relations between East and West will reach a new level of mutual acceptance and cooperation. That was the goal of each of the leaders who signed the final act, and that is what the people of our countries long for. Today we renew our pledge to do all we can to make that a reality.

ORDERS FOR MONDAY, AUGUST 4, 1986

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate convenes on Monday, August 4, 1986, the reading of the Journal be dispensed with, no resolutions come over under the rule, the call of the calendar be dispensed with, and, following the recognition of the two leaders under the standing order, there be special orders in favor of the following Senators for not to exceed 5 minutes each: Senator PROXMIRE and Senator BOREN; to be followed by a period for the transaction of routine morning business, not to extend beyond the hour of 12 noon, with Senators permitted to speak therein for not more than 5 minutes each; provided further, that the morning hour be deemed to have expired.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. DOLE. Mr. President, I would like to inquire of the distinguished minority leader if he is in a position to pass any of the following calendar items: Calendar No. 736, Calendar No. 737, Calendar No. 739, and Calendar No. 740.

Mr. BYRD. Mr. President, the items that have been identified by the distinguished majority leader have been cleared by all Members on this side of the aisle and we are ready to proceed.

Mr. DOLE. I thank the minority leader.

Mr. President, I ask unanimous consent that the calendar items identified be considered and passed en bloc, that all committee-reported amendments be considered and agreed to en bloc, and that a statement by the distinguished Senator DOMENICI be inserted following S. 1963.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

CONVEYANCE OF CERTAIN LANDS TO THE NEW MEXICO INSTITUTE OF MINING AND TECHNOLOGY

The Senate proceeded to consider the bill (S. 1963) to direct the Secretary of the Interior to convey certain interests in lands in Socorro County, NM, to the New Mexico Institute of Mining and Technology, which had been reported from the Committee on Energy and Natural Resources, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italics.)

S. 1963

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TRANSFER OF LANDS

(a) Subject to valid existing rights and except as provided in section 3, the Secretary of the Interior (hereafter in this Act referred to as the "Secretary") is authorized and directed to convey to the New Mexico Institute of Mining and Technology (hereafter in this Act referred to as the "Institute"), Socorro, New Mexico, at fair market value, as determined by the Secretary, all rights, title, and interest of the United States in and to the public lands aggregating approximately **[**8.501.55**]** *8,501.55* acres in Socorro County, New Mexico, as generally depicted on a map entitled "New Mexico Institute of Mining and Technology Land Transfer, Socorro, New Mexico" dated 1985, to be used for research and education.

(b) The conveyance required by subsection (a) shall occur only after the Institute performs and provides to the Secretary a survey of the archeological resources of the area which identifies the mitigation measures, if any, that the Institute, in coordination with the State of New Mexico Historic Preservation Office, will implement following the conveyance and shall be conditioned on the implementation of such mitigation measures.

MAPS AND DESCRIPTION OF LANDS

SEC. 2. As soon as practicable after the date of the enactment of this Act, the Secretary of the Interior shall submit a map and legal description of the public lands designated in the first section of this Act to the Committee on Energy and Natural Resources of the Senate, and the Committee

on Agriculture and the Committee on Interior and Insular Affairs of the House of Representatives. Such map and legal description shall have the same force and effect as if included in this Act, except that any clerical or typographical errors in such map or legal description may be corrected. The Secretary of the Interior shall place such map and legal description on file, and make them available for public inspection, in the Office of the Director, New Mexico State Office, Bureau of Land Management, Santa Fe, New Mexico.

RESERVATION OF RIGHTS

[SEC. 3. There are reserved to the United States all minerals that may be found in the lands described in the first section, together with the right of the United States, its permittees, lessees, or grantees, at any time, to prospect for, mine, and remove such minerals.]

SEC. 3. There are reserved to the United States all minerals that may be found in the lands described in the first section, Provided, however, That such lands, except for valid existing rights, shall not be available for location and patent under the United States Mining Law, Act of May 10, 1872 (17 Stat. 91; 30 U.S.C. 22, 28, 28b).

● Mr. DOMENICI. Mr. President, this measure would direct the Secretary of the Interior to convey for fair market value approximately 8,502 acres of Bureau of Land Management land in Socorro County, NM, to the New Mexico Institute of Mining and Technology.

The land that will be conveyed in this bill is necessary so that valuable educational research and testing work at the terminal effects research and analysis group at the institute can continue. The institute's present field laboratory does not have enough useable space for these activities. If the institute's present field laboratory is not expanded, a very important component of our Nation's defense-related research and testing capabilities will be put in jeopardy. Therefore, this legislation is not only very important for the institute and for New Mexico, but for the Nation as well.

NEW MEXICO INSTITUTE OF MINING AND TECHNOLOGY

New Mexico Institute of Mining and Technology, or New Mexico Tech as we New Mexicans call it, is located in the city of Socorro, NM, which lies approximately 75 miles south of Albuquerque in the Rio Grande Valley. Founded as the New Mexico School of Mines when New Mexico was still a territory, New Mexico Tech has become a highly regarded college and research center. It has gained international prominence for the work it has conducted in the areas of petroleum recovery, explosive technology, and military hardware research.

New Mexico Tech encompasses a small college—approximately 1,300 undergraduate and graduate students—plus three other divisions: the State of New Mexico Bureau of Mines and Mineral Resources, the New Mexico Petroleum Recovery Research Center, and the Research and Development Division. The Bureau of Mines is the official State agency responsible for original investigations and recommendations concerning the development of New Mexico's considerable mineral and energy resources. The Petroleum Recovery Research Center is the newest of New Mexico Tech's divisions. Since its establishment in 1975, the center has gained wide recognition for its studies on new and improved methods of recovering oil and gas. The Research and Development Division supports research throughout New Mexico Tech and operates a number of geophysical laboratories, including a new Center for Explosives Technology Research and the Terminal Effects Research and Analysis group.

I would like to note that a recent poll of residents of Socorro County, NM, where New Mexico Tech is located, shows overwhelming support for New Mexico Tech and its research projects. Sixty-one percent of respondents stated that they believe that the relationship between Tech and the community are very good or excellent. Sixty-eight percent of respondents supported New Mexico Tech's attempts to attract private industry to construct research facilities on the campus. Ninety percent of respondents expressed the belief that New Mexico Tech helps the economy of the region.

TERMINAL EFFECTS RESEARCH AND ANALYSIS GROUP

In 1949, New Mexico Tech established the Terminal Effects Research and Analysis [TERA] group. TERA conducts research on defense system components intended for use by the U.S. Armed Forces. This work involves large explosive charges, rocket propellants, and long-range gun firings, all of which require large expanses of land for purposes of safety and security. Accordingly, TERA includes a 10-square-mile field laboratory on State land for these defense-related research and testing projects. The activities of this laboratory have steadily increased to a level of more than $3 million annually. The customer list of the laboratory includes all three military services and most major defense contractors.

TERA evolved from ordnance research projects during World War II. Over the years, TERA's combination of knowledge and experience, specialized test facilities, fast turnaround, and reasonable cost have served to make it a very important defense related research center. The expertise of TERA centers on experimental development, evaluation, and analysis of defense system components.

The group's personnel design, fabricate, test, and evaluate a wide variety of defense-related materials and components. Primarily known for original work in the fields of aircraft vulnerability, antiaircraft missile warhead design, and warhead evaluation, TERA has also been involved in the design and evaluation of gun-fired projectiles for similar targets. The group was deeply involved in the pioneering design, test, and evaluation effort for the Talos, Tartar, and Terrier warhead systems and has been more recently involved in projects with the Sea-Sparrow, Phoenix, standard missiles-2, AMRAAM, Chaparral, and Roland missile systems.

A number of products of TERA's research and development efforts are considered to be original concepts. These include the continuous rod warhead, the metallic-fuel-enhanced focused gas warhead, the wrap-around warhead, and the HIBAL warhead.

Although major emphasis has been on work with defense systems under U.S. Navy contracts, TERA has carried out many projects for other branches of the military and Government agencies, such as the Departments of Energy and State, and for many private concerns as well. U.S. defense laboratories for whom TERA has conducted work include: Naval Surface Weapons Center/Dahlgren Laboratory; Naval Civil Engineering Laboratory; Naval Ship Research and Development Command; Army Ballistic Research Laboratory; Picatinny Arsenal; Redstone Arsenal; Eglin Air Force Base; Kirtland Air Force Base; Air Force Armament Test Laboratory; Air Force Ballistic Missile Office; Air Force Technical Director; Rock Island Arsenal; Army Tank and Automotive Command; Army Research and Development Command; and Naval Weapons Center.

The TERA field laboratory is situated in mountainous terrain on New Mexico Tech land, just 10 minutes from the main campus. The current 44 test facilities and associated equipment provide for an unusually self-contained and self-sufficient system for conducting research, development, and analysis. Within this field laboratory are a variety of gun ranges, ordnance storage and loading facilities, a large machine shop, complete construction and equipment-service shops, extensive salvage material reserves, and an office complex with computer facilities.

At TERA, there is unusually close interplay between the components of ordnance development that frequently are isolated from each other. For instance, computer analysis and weapons design activities are carried out within a few steps of a machine shop where weapon components under study are fabricated for field testing, which is carried on only 2 miles from the back door. TERA can fabricate weapon components under study, provide a field laboratory for testing these, and perform sophisticated computer analyses of test results. This

close-knit interaction permits theoretical analysis, practical experience, fabrication, and field testing to blend in a remarkably productive and cost-effective manner.

TERA maintains a full-time staff of approximately 200 individuals. Of this number, 52 are research professionals and technical assistants. The remainder of the staff is comprised of instrumentation, camera, and ordnance crews, machinists, field construction personnel, mechanics, office staff, and guards.

One of the greatest resources available to the research effort is the capability of the student body—both graduate and undergraduate. Student assistants can be found in all phases of the TERA effort. Approximately 45 students will be working at TERA at any given time. New Mexico Tech faculty and staff are also available on a proportional time basis.

THE NEED FOR AN EXPANDED FACILITY

In recent years, the spread of civilian population centers has made it increasingly difficult for Federal laboratories and project offices to carry out certain types of research and development activities at their facilities. As a consequence, all branches of the military are looking to TERA to assume more of the testing work which is required to fulfill their explosive testing obligations. For instance, New Mexico Tech is currently conducting negotiations with the military for such project requests as a 5-kilometer—3 mile—gun range to test 120mm ammunition for the M-1 Abrams tank, an area for testing 10,000-pound explosive charges against blast barriers for U.S. embassies abroad, and a 5-kilometer range for a testbed electromagnetic rail gun. This work, by its very nature, involves large explosive charges, rocket propellants, and long-range gun firings, all of which require large expanses of land for purposes of safety and security.

The current emphasis on economic development, particularly through the Rio Grande Research Corridor initiative, also is resulting in an increased demand for TERA's facilities. To meet these demands, the field laboratory will have to expand beyond its current boundaries. However, all the usable, meaning horizontal, land available within the current TERA facility is occupied.

There currently is land available for the expansion of the laboratory facilities. This land lies south and west of the present field laboratory and is contiguous to the present laboratory boundaries. The land is owned by the Federal Government and is administered by the Bureau of Land Management of the Department of the Interior.

It is this land which S. 1963 seeks to transfer to New Mexico Tech for use as part of the TERA laboratory. This arrangement would allow TERA to continue its vital work and would permit TERA to make timely commitments to potential customers, particularly private industry customers whose inflexible schedules usually require their receiving on-the-spot, guaranteed agreements for facilities.

The land proposed to be transferred meets several requirements. Most importantly, it is contiguous to the present laboratory and, thus, is well situated for security purposes. It also meets both line-of-site and safety requirements. Additionally, the land will allow for economies of operation that might otherwise not exist in a location further removed from the existing facility. Finally, the expanded facilities will also provide TERA with certain capabilities which do not now exist—a longer range, an ability to do larger tests, less down time, and thereby greater efficiency.

Let me assure you that TERA's use of this land would be carried on with the highest possible standards of safety and security. For 37 years, this group has been doing explosives testing and research on lands in this area. The research does not consist of dropping bombs or shooting missiles, either of which could land unexploded. Rather, the research consists of the explosion of individual ordnance and the firing of individual rounds of various types of ammunition under extremely controlled conditions that preclude the possibility of having unexploded ordnance. There is no likelihood of contaminating the land to be transferred with unexploded ordnance of other hazardous materials.

S. 1963

S. 1963 authorizes the Secretary of the Interior to convey three parcels of land totaling 8,501.55 acres, more or less, to New Mexico Tech. This land is specifically designated for use for educational and research purposes, and it is intended that the land be used by the TERA group to expand its field laboratory. New Mexico Tech will pay fair market value for the land, which is estimated to be about $75 an acre, or a total of approximately $640,000. The university intends to use State general obligation bonds to purchase this land. A measure providing these funds has been approved by the New Mexico State Legislature and the Governor and now awaits approval by the voters.

The transfer of the land is subject to all valid existing rights. There are currently three geothermal leases—comprising approximately 3,000 acres—and nine mining claims on the subject lands. It is not anticipated that these rights would be exercised, but New Mexico Tech is prepared to work out agreements with the possessors of these rights if the possessors decide to develop these resources. There also are two grazing permittees on the subject lands. New Mexico Tech has negotiated agreements with these permittees which will allow the joint use of these lands. The mineral rights of the land to be conveyed are reserved to the United States under the bill, but the lands would not be open for prospecting and patenting under the Mining Act of 1872.

Prior to the transfer of the land, New Mexico Tech must undertake a survey of the archeological resources of the land. New Mexico Tech is obligated to work with the State of New Mexico Historic Preservation Office to develop measures which will mitigate, to the extent possible, any damage to these resources. The conveyance of the land is conditioned upon the implementation of the mitigation measures identified.

It should be noted that alternatives to this land transfer, such as leasing, a land swap, a conveyance pursuant to the Federal Land Policy and Management Act, or transfer under the Recreation and Public Purposes Act, were explored and rejected as either not permitted under the law or unworkable. It was determined that this statutory land transfer was the most proper and effective way to proceed.

CONCLUSION

Mr. President, it is obvious that a lot of worthwhile activity is going on with the TERA group at New Mexico Tech. This bill will guarantee the continuation of the research and development activities at TERA which are so vital to our national interest.

S. 1963 will provide New Mexico Tech with the additional land to fulfill TERA's defense-related commitments. This land meets all the requirements for safe and efficient operations. The Federal Government will receive fair market value for the land. Existing rights to the land and the archeological resources of the property will be adequately protected. I, therefore, hope that this measure will have the support of each Member of this body.●

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1963

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TRANSFER OF LANDS

(a) Subject to valid existing rights and except as provided in section 3, the Secretary of the Interior (hereafter in this Act referred to as the "Secretary") is authorized and directed to convey to the New Mexico Institute of Mining and Technology (hereafter in this Act referred to as the "Institute"), Socorro, New Mexico, at fair market value, as determined by the Secretary, all right, title, and interest of the United States in and to the public lands aggregating ap-

proximately 8,501.55 acres in Socorro County, New Mexico, as generally depicted on a map entitled "New Mexico Institute of Mining and Technology Land Transfer, Socorro, New Mexico" dated 1985, to be used for research and education.

(b) The conveyance required by subsection (a) shall occur only after the Institute performs and provides to the Secretary a survey of the archaeological resources of the area which identifies the mitigation measures, if any, that the Institute, in coordination with the State of New Mexico Historic Preservation Office, will implement following the conveyance and shall be conditioned on the implementation of such mitigation measures.

MAPS AND DESCRIPTION OF LANDS

SEC. 2. As soon as practicable after the date of the enactment of this Act, the Secretary of the Interior shall submit a map and legal description of the public lands designated in the first section of this Act to the Committee on Energy and Natural Resources of the Senate, and the Committee on Agriculture and the Committee on Interior and Insular Affairs of the House of Representatives. Such map and legal description shall have the same force and effect as if included in this Act, except that any clerical or typographical errors in such map or legal description may be corrected. The Secretary of the Interior shall place such map and legal description on file, and make them available for public inspection, in the Office of the Director, New Mexico State Office, Bureau of Land Management, Santa Fe, New Mexico.

RESERVATION OF RIGHTS

SEC. 3. There are reserved to the United States all minerals that may be found in the lands described in the first section: *Provided, however,* That such lands, except for valid existing rights, shall not be available for location and patent under the United States Mining Law, Act of May 10, 1872 (17 Stat. 91; 30 U.S.C. 22, 28, 28b).

DESIGNATION OF CUMBERLAND TERMINUS OF THE CHESAPEAKE AND OHIO CANAL IN HONOR OF J. GLENN BEALL, SR.

The Senate proceeded to consider the bill (S. 1766) to designate the Cumberland terminus of the Chesapeake and Ohio Canal National Park in honor of J. Glenn Beall, Sr., which had been reported from the Committee on Energy and Natural Resources, with an amendment.

On page 2, strike lines 18 and 19, and insert the following:

(d) There are authorized to be appropriated up to $25,000 to carry out the purposes of this Act.

So as to make the bill read:

S. 1766

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Cumberland terminus of the Chesapeake and Ohio Canal National Historic Park is hereby dedicated to J. Glenn Beall, Sr. in grateful recognition of his outstanding efforts to preserve and protect the canal and towpath from development.

(b) In order to carry out the provisions of this Act, the Secretary of the Interior is authorized and directed to provide such identification by signs, including changes in existing signs, materials, maps, markets, or other means as will appropriately inform the public of the contributions of J. Glenn Beall, Sr.

(c) The Secretary of the Interior is further authorized and directed to cause to be erected and maintained, within the exterior boundaries of the Cumberland terminus of the Chesapeake and Ohio Canal National Historical Park, an appropriate memorial to J. Glenn Beall, Sr. Such memorial shall be of such design and be located at such place as the Secretary shall determine.

(d) There are authorized to be appropriated up to $25,000 to carry out the purposes of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1766

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Cumberland terminus of the Chesapeake and Ohio Canal National Historical Park is hereby dedicated to J. Glenn Beall, Sr. in grateful recognition of his outstanding efforts to preserve and protect the canal and towpath from development.

(b) In order to carry out the provisions of this Act, the Secretary of the Interior is authorized and directed to provide such identification by signs, including changes in existing signs, materials, maps, markers, or other means as will appropriately inform the public of the contributions of J. Glenn Beall, Sr.

(c) The Secretary of the Interior is further authorized and directed to cause to be erected and maintained, within the exterior boundaries of the Cumberland terminus of the Chesapeake and Ohio Canal National Historical Park, an appropriate memorial to J. Glenn Beall, Sr. Such memorial shall be of such design and be located at such place as the Secretary shall determine.

(d) There are authorized to be appropriated up to $25,000 to carry out the purposes of this Act.

RELEASE OF REVERSIONARY INTEREST IN CERTAIN LANDS

The bill (H.R. 1740) to direct the Secretary of the Interior to release a reversionary interest in certain lands in Orange County, FL, which were previously conveyed to Orange County, FL, was considered, ordered to a third reading, read the third time, and passed.

EXEMPTION OF CERTAIN LANDS IN THE STATE OF MISSISSIPPI

The bill (H.R. 1795) to exempt certain lands in the State of Mississippi from a restriction set forth in the act of April 21, 1806, was considered, ordered to a third reading, read the third time, and passed.

□ 0030

Mr. DOLE. Mr. President, I move to reconsider the vote by which the various bills were passed.

Mr. BYRD. I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The motion was agreed to.

JAPANESE TECHNICAL LITERATURE ACT

Mr. DOLE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1073.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1073) entitled "An Act to amend the Stevenson-Wydler Technology Innovation Act of 1980 for the purpose of improving the availability of Japanese science and engineering literature in the United States, and for other purposes", do pass with the following amendments:

(1) Page 1, line 4, strike out [1985".], and insert: *1986".*

Page 2, lines 14 and 15, strike out [businesses and professional societies], and insert: *businesses, professional societies, and libraries*

(3) Page 3, line 1, after "translate,", insert: *index,*

(4) Page 4, line 10, strike out [1985,], and insert: *1986,*

(5) Page 4, strike out lines 14–17, inclusive, and insert:

● Mr. BAUCUS. Mr. President, on May 6 of last year Senator ROCKEFELLER and I introduced S. 1073, the Japanese Technical Literature Act. Senators GORTON, GORE, INOUYE, and BINGAMAN became cosponsors. The bill passed the Senate on November 23, 1985, and, with slight revisions, passed the House on June 23 of this year. I rise to urge its final adoption by the Senate today.

Let me briefly explain why this legislation is necessary.

America faces a trade crisis. We all know the statistics. Our international competitors are beating the daylights out of us, and our trade deficit is growing larger each month. For every 2 dollars' worth of U.S. goods going out, 3 dollars' worth of foreign goods are coming in.

An important cause of our declining competitiveness is unfair foreign trade practices. This subject has received a lot of attention in this Chamber, as it should.

But increased market access won't be enough to solve our overall trade problem with Japan or anyone else.

Our fundamental challenge is to increase America's competitiveness in the world economy. In the end, we have to produce our way out of the trade deficit, by increasing our productivity. The plain fact is that Japan and others are catching up. From 1977 to 1983, Japan's manufacturing productivity grew four times as fast as ours; Germany, Italy, and France were way ahead of us too. Even Britain, which

we sometimes think of as an empire in decline, increased its productivity faster than we did.

We have to reverse this trend and increase our productivity growth rate. Otherwise, we won't be able to provide decent economic opportunities for our children.

Increasing America's competitiveness and productivity growth requires many changes. It requires improving the inputs into our economy: education, training, capital, research and development, and management.

Perhaps more fundamentally, it requires a change of habits and outlook: A recognition that we will not remain economically dominant automatically, but only through hard work and constant innovation.

Among other things, this means that we must be willing to learn from others, as they have benefited by learning from us.

An important first step is to improve the flow of Japanese scientific and technical literature to United States researchers and industries. As Harvard professor Ezra Vogel writes in his new book "Comeback":

> The nation most successful in adapting to . . . worldwide economic changes is Japan. To respond more effectively, we Americans need to acknowledge the scope of its success and learn how the Japanese achieved it.

One reason for Japan's postwar economic miracle is Japan's ability to acquire and incorporate American technology. This did not happen accidentally. Japan sends 13,000 undergraduates to American universities each year; we send about 700 to Japan. Japanese companies use university affiliate programs, endowed chairs, and university-based research to get early access to United States technical developments. And since 1957, the Japanese Prime Minister's Office has operated the "Japanese Information Center of Science and Technology," which gathers, abstracts, and translates information from around the world and makes it available to Japanese business and government researchers.

Americans, in contrast, have not paid much attention to Japanese technical developments. At one time, this may have been justified by the belief that the Japanese were imitators, not innovators. But even if that belief was justifiable once, it isn't now. Japan ranks third in scientific research, just behind the United States and the Soviet Union. Japanese semiconductor, telecommunications, fiberoptics, biotechnology, and robotics technology compete directly with ours. And Japan's "Fifth Generation" artificial intelligence project is designed to achieve a profound breakthrough in computer technology.

Plenty of published materials describes these developments. Anyone who's visited Japan and seen the bookstores on almost every streetcorner knows that the Japanese are prolific writers and voracious readers. In fact, the Japanese publish about 10,000 technical journals, from "Advances in Biophysics" to "World of Steel."

Unfortunately, we don't monitor Japanese technical literature closely. Japanese is a difficult language; acquiring and translating Japanese technical documents is very expensive, especially for small companies. But whatever the reason, the result is that we know very little about Japanese inventions. Says D. Bruce Merrifield, Assistant Secretary of Commerce for Productivity, Technology, and Innovation: "We are not doing an adequate job of translating, much less monitoring."

To address this problem, we introduced the Japanese Technical Literature Act [JTLA]. As the committee report says,

> The objective of the bill is to create a program within the Federal Government to increase the availability of Japanese technical literature within the United States.

To accomplish this, we build upon several existing private sector and Government programs.

Specifically, the bill directs the Commerce Department to do four things:

First, it directs the Department to establish a program to monitor Japanese technical information and translate selected Japanese technical documents.

Second, it directs the Department to prepare an annual report describing important Japanese technical developments.

Third, it directs the Department to make existing Government translations more widely available to U.S. businesses, primarily by publishing an annual index of Government translations.

Finally, it directs the Department to encourage more United States companies and trade associations to review Japanese technical literature.

Mr. President, Senator ROCKEFELLER and I worked hard to design a program that would help U.S. businesses at the lowest possible cost, and I think that we succeeded. I was delighted that our bill has been endorsed by the National Association of Manufacturers, the Electronics Industry Association—Telecommunications Group, the Semiconductor Industry Association, and the American Institute of Aeronautics and Astronautics. Letters of support from these organizations were reprinted in the November 23, 1985 CONGRESSIONAL RECORD, on page 33487.

After passing the Senate, S. 1073 was referred to the House Science and Technology Committee. That committee reported the bill favorably, with four minor changes. First, the spending authorization is changed from fiscal 1986 to fiscal 1987. Second, the authority for administering the program is moved from the Office of Productivity, Technology, and Innovation to the office of the Secretary. Third, the Secretary is directed to consult about information needs not only with business and professional societies, but also with libraries. Fourth, the authorization is increased from $500,000 to $1 million; however, the House report recommends that this money come largely from reprogramming existing Commerce Department funds. Each of these changes improves the bill, and I urge that we adopt them by passing S. 1073 as amended by the House.

Mr. President, in one sense this is a modest bill. It won't erase our trade deficit or increase our productivity overnight. But in other sense it is profound, because its passage would be one of the first signs that Congress is beginning to focus on the fundamental issue of the next decade: increasing U.S. international competitiveness.

Before we vote, I would like to acknowledge the important contribution of Senator ROCKEFELLER. We worked together to develop this bill, and his steady hand guided it through the Commerce Committee. I also would like to acknowledge the assistance of Mr. DANFORTH, Mr. GORTON, and Mr. HOLLINGS in the Senate, and Mr. FUQUA, Mr. WALGREN, Mr. MINETA, Mr. LUJAN, Mr. BOEHLERT, and Mr. LUNDINE in the House. Finally, I would like to acknowledge the efforts of the Democratic counsel to the Commerce Committee's Science, Technology, and Space Subcommittee, Pat Windham, whose creativity and technical skills have been crucial to the development of this legislation during every stage of the process.

I urge my colleagues to support passage of this bill.●

● Mr. ROCKEFELLER. Mr. President, I am pleased to join my colleague from Montana [Mr. BAUCUS] as the Senate completes action on S. 1073, the Japanese Technical Literature Act of 1986. In my view, the breadth of support for the measure in the Congress—and the prompt consideration of it by both Houses over the past 14 months—signals a strong commitment on our part to helping American industries and researchers learn more about technological advances by Japan.

The bill would coordinate and expand upon existing efforts by the Federal Government to acquire, translate, and disseminate Japanese scientific and technical publications. The Japanese themselves provided the model for this legislation: For years, they've made vigorous, systematic efforts to learn everything they could from us. Their scientists and engineers comb our professional journals, track our research and inventions, visit our companies and laboratories, and con-

sult widely with those in the forefront of particular fields. All this information-gathering has been of tremendous value to Japanese industry in developing new products and producing them with dazzling efficiency.

We fully recognize that the language barrier makes a parallel effort—on our part—much more difficult. But the competition is proving that we really have no choice. The Japanese have excelled as researchers—and pushed rapidly ahead in such areas as ceramics, fiberoptics, and various aspects of computer technology. American scholars and industrialists could clearly learn a great deal from their counterparts in Japan—and won't stay in the forefront of their field unless they do so.

At stake, I am convinced, are our hopes of remaning a vital economic power. A special report in Business Week a few months ago offered a shocking description of the condition of our industrial landscape. As our industries—one after another—lose their competitive advantage to foreign competitors, we risk becoming a nation of "hollow corporations" whose manufacturing operations have been moved abroad. We may continue to excel as inventors, designers, marketers, and distributors, while our production line is obliterated. Even Japanese executives, according to the article, are amazed that the United States would stand by and let this happen to its economy.

Obviously, this cannot be our vision of the future. But to prevent it, we must innovate—develop new products and processes with at least the same intensity as our competitors. Only then can we count on retaining the strong base in manufacturing that has supported rising standards of living in this country for more than a century.

Our legislation will help American businesses and researchers gain access to information they must have if this country is to return to its rightfully dominant place in international trade. Compared to the size of the information gap—and the difficulty of the Japanese language, which makes the availability of translated material a necessity—the program we're proposing is truly a modest one. Our bill cannot match what the Japanese Government now does in the way of collecting and translating scientific and technical material from other countries, but it represents a good start. The resources devoted to this program by the Commerce Department can make a visible difference—and complement what the private sector can do to make Japanese technical information more widely available.

Admittedly, this country is likely to face a shortage of people qualified to do this kind of translation for some years to come. Relatively few Americans with backgrounds in specialized scientific fields are fluent in both English and Japanese. Private organizations have testified that they prefer—from the standpoint of American users—to have the translations done by people whose native language is English. S. 1073 does not directly address this problem, but we plan with subsequent legislation to explore ways of dealing with this bottleneck by encouraging American science and engineering students to become proficient in technical Japanese.

The measure before us, as my colleague explained, differes in only a few minor respects from the one passed unanimously by the Senate last November. We are pleased that the bill emerged from the House in essentially the same form, and are deeply grateful to the principal House sponsors—Representatives MINETA, WALGREN, LUNDINE, and BOEHLERT—for producing that result. We also welcome the willingness of the Commerce Department to reprogram existing funds, which we hope will enable the program to be operated at close to the level authorized by the bill.

The bill authorizes the program for 1 year, during which the level of technical information-gathering activity by Commerce and other Federal agencies will be thoroughly reviewed. In particular, we are counting on the department to upgrade its presence in this area in Japan, to strengthen its contacts with Japanese Government agencies and research institutions and be in a better position to identify and acquire pertinent technical documents. Clearly, information from potential users of the material—and their professional organizations—will be vital to the department in shaping this program and determining what material to obtain. But we see a continuing role for the department, beyond acquainting potential users with private sources of Japanese technical information. The aim of the program should be to add to the flow of usable information about Japanese research. And if the program succeeds in increasing awareness among businesses and researchers of the need for this information, it should encourage more activity by both private services and government agencies.

In short, the legislation before us represents just the kind of constructive alliance between government and industry that can improve our standing in international competition. With an increased, visible effect by the Commerce Department to gather and make translated material on Japanese technology available to a broader segment of our industries and research institutions, we can start to meet the urgent need for this kind of information. As we send this legislation forward to the White House, we have hopes that the program will be implemented with enthusiasm—and that the investment in technological information-gathering will pay off to our industries the way it has in Japan.●

□ 0030

Mr. DOLE. I move that the Senate concur in the House amendment.

The motion was agreed to.

Mr. DOLE. I move to reconsider the vote by which the motion was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT, FISCAL YEAR 1987

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate turn to consideration of Calendar No. 734, S. 2184 to authorize appropriations to the National Science Foundation.

The PRESIDING OFFICER. The bill will be stated.

The assistant legislative clerk read as follows:

A bill (S. 2184) to authorize appropriations to the National Science Foundation for the fiscal year 1987, and for other purposes.

The Senate proceeded to consider the bill which has been reported from the Committee on Labor and Human Resources, with an amendment to strike out all after the enacting clause, and insert the part printed in italic and reported from the Committee on Commerce, Science, and Transportation with amendments (omit the material printed in bold brackets and insert the part printed in bold).

S. 2184

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

Short Title

SEC. 101. This title *may be cited as the "National Science Foundation Authorization Act for Fiscal Year 1987".*

AUTHORIZATION OF APPROPRIATIONS

SEC. 102. *(a) There is authorized to be appropriated to the National Science Foundation $1,685,000,000 for the fiscal year 1987.*

(b) Funds authorized for the fiscal year 1987 will be available for the following categories:

(1) Mathematical and Physical Sciences, $489,870,000.

(2) Engineering, $172,470,000.

(3) Biological, Behavioral, and Social Sciences, $270,500,000.

(4) Geosciences, $298,150,000.

(5) Scientific Technological, and International Affairs, $47,030,000.

(6) Computer and Information Science and Engineering, $122,980,000.

(7) Program Development and Management, $78,000,000.

(8) United States Antarctic Program, $117,000,000.

(9) Science and Engineering Education, $89,000,000.

AVAILABILITY

SEC. 103. (a) Approriations made under authority provided in sections 102 and 105 shall remain available for obligations for periods specified in the Acts making the appropriations.

(b) To the extent that the total amount appropriated to carry out program activities specified in this title is less than the total amount authorized to be appropriated for such activities under this title, all such authorized amounts, including floors and ceilings, for such activities or their subactivities shall be reduced proportionally.

OFFICIAL EXPENSES

SEC. 104. From appropriations made under authorizations provided in this title, not more than $5,000 for fiscal year 1987 may be used for official consultation, representation, or other extraordinary expenses at the discretion of the Director of the Foundation. The determination of the Director will be final and conclusive upon the accounting officers of the Government.

FOREIGN CURRENCY AUTHORIZATION

SEC. 105. In addition to the sums authorized by section 102, not more than $700,000 for fiscal year 1987 are authorized to be appropriated for expenses of the National Science Foundation incurred outside the United States, to be drawn from foreign currencies that the Treasury Department determines to be excess to the normal requirements of the United States.

TRANSFERS AUTHORIZED

SEC. 106. (a) Funds may be transferred among the categories listed in section 102(b), so long as the net funds transferred to or from any category do not exceed 10 percent of the amount authorized for that category in section 102.

(b) The Director of the Foundation may propose transfers to or from any category exceeding 10 percent of the amount authorized for that category in section 102. An explanation of any such proposed transfer must be transmitted in writing to the Speaker of the House of Representatives, the President of the Senate, the Committees on Labor and Human Resources and Commerce, Science, and Transportation of the Senate, and the Committee on Science and Technolgy of the House of Representatives. The proposed transfer may be made only when 30 calendar days have passed after submission of the written explanation.

(C) Notwithstanding the provisions of subsections (a) and (b), the Director shall allocate from funds available to the Foundation an additional $4,000,000 to the activity described in section 102(b)(9) for the College Science Instrumentation Program, and an additional $3,000,000 to the activity described in section 102(b)(3) for behavioral and social sciences.

(d) Notwithstanding the provisions of subsection (a) and (b), the Director shall allocate from funds available to the Foundation an additional $4,000,000 to the activity described in section 102(b)(1) for astronomical sciences.

AMENDMENTS TO THE NATIONAL SCIENCE FOUNDATION ACT OF 1950

SEC. 107. (a) Section 3(a)(6) of the National Science Foundation Act of 1950 (42 U.S.C. 1862(a)(6)) is amended to read as follows:

"(6) to provide a central clearinghouse for the collection, interpretation, and analysis of data on scientific and engineering resources and to provide a source of information for policy formulation by other agencies of the Federal Government; and".

(b)(1) Section 6 of the National Science Foundation Act of 1950 (42 U.S.C. 1864a) is amended—

(A) by striking out "(a)" after the section designation; and

(B) by striking out subsection (b).

(2) Section 5316 of title 5, United States Code, is amended by striking out "Assistant Directors, National Science Foundation (4)".

(c) Section 10 of the National Science Foundation Act of 1950 (42 U.S.C. 1869) is amended by striking out ", within the limits of funds made available specifically for such purpose pursuant to section 16,".

TASK FORCE ON WOMEN, MINORITIES, AND THE HANDICAPPED IN SCIENCE AND TECHNOLOGY

SEC. 108. (a) It is the purpose of this section to establish a task force on women, minorities, and the handicapped in science and technology to—

(1) examine the current status of women, monorities, and the handicapped in science and engineering positions in the Federal Government and in federally assisted research programs;

(2) coordinate existing Federal programs designed to promote the employment of women, minorities, and the handicapped in such positions;

(3) suggest cooperative interagency programs for promoting such employment;

(4) identify exemplary State, local, or private sector programs designed to promote such employment; and

(5) develop a long-range plan to advance opportunities for women, minorities, and the handicapped in Federal scientific and technical positions in federally assisted research, and to coordinate the activities of participating agencies with the Committee on Equal Opportunities in Science and Engineering established by section 36 of the National Science Foundation Authorization and Science and Technology Equal Opportunities Act (42 U.S.C. 1885c), after the termination of the task force established by this section.

(b) For purposes of this section, the term "participating agency" means—

(1) the National Science Foundation;

(2) the National Institutes of Health;

(3) the National Aeronautics and Space Administration;

(4) the Environmental Protection Agency;

(5) the Department of Agriculture;

(6) the Department of Defense;

(7) the Department of Education;

(8) the Department of Energy;

(9) the Department of Commerce; and

(10) the Department of the Interior.

(c)(1) The task force on women, minorities, and the handicapped in science and technology shall be composed of individuals appointed by participating agencies pursuant to this subsection.

(2) The head of each participating agency shall appoint two individuals to serve as members of the task force. If an appointed member is unable to serve for the duration of the task force, the head of the participating agency who appointed that member shall appoint another individual to fill the vacancy.

(3) Task force members shall be appointed from private business, academia, professional associations, or nonprofit foundations.

(d) The task force shall prepare and submit a report on its findings and recommendations to the President, the Congress, and the head of each participating agency not later than December 31, 1989.

(e) The Office of Science and Technology Policy shall call the first meeting of the task force not later than 90 days after the date of enactment of this Act and shall ensure that each participating agency has appointed two members.

(f)(1) Members of the task force not otherwise employed by the Federal Government shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the task force.

(2) The Director of the National Science Foundation shall make provision for administrative support of the task force, and may enter into agreements with the heads of other participating agencies to facilitate the work of the task force.

(g) The task force shall terminate on January 31, 1990.

REPEAL

SEC. 109. Title IX of the National Defense Education Act of 1959 (42 U.S.C. 1876 et seq.) is repealed.

Greenhouse Effect Report

Sec. 110. The President shall, at the earliest practicable date (but not later than August 1, 1987), submit to the Congress a report on any action taken or proposed to be taken with respect to the establishment of an International Year of the Greenhouse Effect to occur in calendar year 1991. Such report shall include descriptions of possible international missions and related research and educational activities, and such other activities as the President may consider appropriate.

TITLE II

Short Title

Sec. 201. This title may be cited as the "Supercomputer Network Study Act of 1986".

Findings

Sec. 202. The Congress finds that—

(1) the Federal Government has established supercomputer facilities at United States universities and within Federal research facilities in order to make supercomputer services widely available to the academic and reserch communities;

(2) these supercomputer services play a central role in the advancement of scientific and engineering knowledge in the United States, and will become even more important to research in the years to come;

(3) new research projects and new efforts to improve communications among government, universities, and industry in order to promote the Nation's future competitiveness will require greater transmissions of data among institutions;

(4) universities around the Nation are connected to these academic and Federal supercomputer facilities through a network of telecommunications links that soon may be unable to handle the rapidly increasing demand from researchers;

(5) given the explosive growth in supercomputer activities in the United States, the proliferation of data handling protocols, and the potential inability of current networking arrangements to handle this growing amount of communications, the Federal Government must ensure the development of a supercomputer networking policy to meet the Nation's current and future needs;

(6) as compared with traditional telecommunications technologies, new systems such as fiber optic technologies appear to offer remarkable advantages, including much higher data transmission capacities, lower operating expense, greater reliability, and greater security;

(7) a fiber optic networking system for academic and Federal supercomputers might greatly benefit both the research community and the development of new United States communications technologies;

(8) a high speed networkis likely to provide most institutions of higher learning with more equal access to the currently limited number of United States supercomputer centers; and

(9) the Congress and the academic community would benefit from a study of options for the future networking of such supercomputers in the United States.

Study by the Office of Science and Technology Policy

Sec. 203. (a) The Office of Science and Technology Policy (hereinafter referred to as the "Office") shall undertake a study of critical problems and current and future options regarding communications networks for supercomputers at universities and Federal research facilities in the United States. The study shall include an analysis of—

(1) the networking needs of the Nation's academic and Federal research supercomputer programs over the period which is 15 years after the ate of enactment of this Act, including requirements in terms of volume of data, reliability of transmission, software compatibility, graphics capability, and transmission security;

(2) the benefits and opportunities that an improved computer network would offer for electronic mail, file transfer, and remote access and communications for universities and Federal research facilities in the United States; and

(3) the networking options available for linking academic and other federally supported supercomputers, with a particular emphasis on the advantages and disadvantages, if any, of fiber optic systems.

(b) The Office shall, within 1 year after the date of enactment of this Act, report to the Congress on the findings from the study undertaken in accordance with subsection (a) of this section.

Administrative Provisions

Sec. 204. (a) The Office may, in order to carry out the provisions of this title, hold such hearings and consult with such representatives in academic institutions, the business community, Federal, State, and local governments, and other organizations, associations, and individuals as the Director of the Office considers advisable.

(b) Each department, agency, and instrumentality of the executive branch of the Federal Government, including independent agencies, shall furnish to the Office, upon request made by the Director of the Office, any information or assistance the Director considers necessary to carry out the study undertaken in accordance with this title.

Mr. DOLE. I ask unanimous consent that the committee-reported amendments be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendments were withdrawn.

AMENDMENT NO. 2272

(Purpose: To make an amendment in the nature of a substitute)

Mr. DOLE. Mr. President, I send an amendment to the desk in the nature of a substitute in behalf of Senators HATCH, DANFORTH, KENNEDY, HOLLINGS, GORTON, and RIEGLE, and ask for its immediate consideration.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE], for Mr. HATCH, Mr. DANFORTH, Mr. KENNEDY, Mr. HOLLINGS, Mr. GORTON, and Mr. RIEGLE, proposes an amendment numbered 2272.

Mr. DOLE. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "National Science Foundation Authorization Act for Fiscal Year 1987".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. (a) There are authorized to be appropriated to the National Science Foundation, for fiscal year 1987, the sums set forth in the following categories:

(1) Mathematical and Physical Sciences, $489,870,000.

(2) Engineering, $172,470,000.

(3) Biological, Behavioral, and Social Sciences, $270,500,000.

(4) Geosciences, $298,150,000.

(5) Scientific, technological, and International Affairs, $47,030,000.

(6) Computer and Information Science and Engineering, $122,980,000.

(7) Program Development and Management, $78,000,000.

(8) United States Antarctic Program, $117,000,000.

(9) Science and Engineering Education, $89,000,000.

(b) Notwithstanding any other provision of this Act, from the amount authorized under subsection (a)—

(1) not less than $33,430,000 is authorized only for purposes of the Social and Economic Sciences Division;

(2) not less than $49,870,000 is authorized only for purposes of the Behavioral and Neural Sciences Division;

(3) not less than $89,060,000 is authorized only for purposes of the Astronomical Sciences Division; and

(4) not less than $11,500,000 is authorized only for the purposes of the College Science Instrumentation Program.

AVAILABILITY

SEC. 3. (a) Appropriations made under authority provided in sections 2 and 5 shall remain available for obligation for periods specified in the Acts making the appropriations.

(b) To the extent that the total amount appropriated to carry out program activities specified in this Act is less than the total amount authorized to be appropriated for such activities under this Act, all such authorized amounts for such activities or their subactivities shall be reduced porportionally.

OFFICIAL EXPENSES

SEC. 4. From appropriations made under authorizations provided in this Act, not more than $5,000 for fiscal year 1987 may be used for official consultation, representation, or other extraordinary expenses at the discretion of the Director of the National Science Foundation. The determination of the Director will be final and conclusive upon the accounting officers of the Government.

FOREIGN CURRENCY AUTHORIZATION

SEC. 5. In addition to the sums authorized by section 2, not more than $700,000 for fiscal year 1987 are authorized to be appropriated for expenses of the National Science Foundation incurred outside the United States, to be drawn from foreign currencies that the Department of the Treasury determines to be excess to the normal requirements of the United States.

TRANSFERS AUTHORIZED

SEC. 6. (a) Funds may be transferred among the categories listed in section 2(a), so long as the net funds transferred to or from any category do not exceed 10 percent of the amount authorized for that category in section 2.

(b) The Director of the National Science Foundation may propose transfers to or from any category exceeding 10 percent of the amount authorized for that category in section 2. An explanation of any such proposed transfer must be transmitted in writing to the Speaker of the House of Representatives, the President of the Senate, the Committees on Labor and Human Resources and Commerce, Science, and Transportation of the Senate, and the Committee on Science and Technology of the House of Representatives. The proposed transfer may be made only when 30 calendar days have passed after submission of the written explanation.

MISCELLANEOUS AMENDMENTS

SEC. 7. (a) Section 3(a)(6) of the National Science Foundation Act of 1950 (42 U.S.C. 1862(a)(6)) is amended to read as follows:

"(6) to provide a central clearinghouse for the collection, interpretation, and analysis of data on scientific and engineering resources and to provide a source of information for policy formulation by other agencies of the Federal Government; and".

(b)(1) Section 6 of the National Science Foundation Act of 1950 (42 U.S.C. 1864a) is amended—

(A) by striking out "(a)" after the section designation; and

(B) by striking out subsection (b).

(2) Section 5316 of title 5, United States Code, is amended by striking out "Assistant Directors, National Science Foundation (4).".

(c) Section 10 of the National Science Foundation Act of 1950 (42 U.S.C. 1869) is amended by striking out ", within the limits of funds made available specifically for such purpose pursuant to section 16,".

(d) Section 11 of the National Science Foundation Act of 1950 (42 U.S.C. 1870) is amended—

(1) by striking out "and" at the end of paragraph (i);

(2) by striking out the period at the end of paragraph (j) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(k) during the 5-year period beginning on the date of the enactment of the National Science Foundation Authorization Act for Fiscal Year 1987, to indemnify grantees, contractors, and subcontractors associated with the Ocean Drilling Program under the provisions of section 2354 of title 10, United States Code, with all approvals and certifications required by such indemnification made by the Director.".

TASK FORCE ON WOMEN, MINORITIES, AND THE HANDICAPPED IN SCIENCE AND TECHNOLOGY

SEC. 8. (a) It is the purpose of this section to establish a task force on women, minorities, and the handicapped in science and technology to—

(1) examine the current status of women, minorities, and the handicapped in science and engineering positions in the Federal Government and in federally assisted research programs;

(2) coordinate existing Federal programs designed to promote the employment of

women, minorities, and the handicapped in such positions;

(3) suggest cooperative interagency programs for promoting such employment;

(4) identify exemplary State, local, or private sector programs designed to promote such employment; and

(5) develop a long-range plan to advance opportunities for women, minorities, and the handicapped in Federal scientific and technical positions in federally assisted research, and to coordinate the activities of participating agencies with the Committee on Equal Opportunities in Science and Engineering established by section 36 of the National Science Foundation Authorization and Science and Technology Equal Opportunities Act (42 U.S.C. 1885c), after the termination of the task force established by this section.

(b) For purposes of this section, the term "participating agency" means—

(1) the National Science Foundation;

(2) the Department of Health and Human Services;

(3) the National Aeronautics and Space Administration;

(4) the Environmental Protection Agency;

(5) the Department of Agriculture;

(6) the Department of Defense;

(7) the Department of Education;

(8) the Department of Energy;

(9) the Department of Commerce; and

(10) the Department of the Interior.

(c)(1) The task force on women, minorities, and the handicapped in science and technology shall be composed of individuals appointed by participating agencies pursuant to this subsection.

(2) The head of each participating agency shall appoint two individuals to serve as members of the task force. If an appointed member is unable to serve for the duration of the task force, the head of the participating agency who appointed that member shall appoint another individual to fill the vacancy.

(3) Task force members may be appointed from private business, academia, professional associations, or nonprofit foundations.

(d) The task force shall prepare and submit a report on its findings and recommendations to the President, the Congress, and the head of each participating agency not later than December 31, 1989.

(e) The Office of Science and Technology Policy shall call the first meeting of the task force not later than 90 days after the date of enactment of this Act, shall ensure that each participating agency has appointed two members, and shall assist the task force to meet its objectives.

(f)(1) Members of the task force not otherwise employed by the Federal Government shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the task force.

(2) The Director of the National Science Foundation shall make provision for administrative support of the task force, and may enter into agreements with the heads of other participating agencies to facilitate the work of the task force.

(g) The task force shall terminate on January 31, 1990.

GREENHOUSE EFFECT REPORT

SEC. 9. The President shall, at the earliest practical date (but not later than August 1, 1987), submit to the Congress a report on any action taken or proposed to be taken by the Federal Government with respect to the establishment of an International Year of the Greenhouse Effect to occur in calendar year 1991. Such report shall include descriptions of possible international missions and related research and educational activities, and other such activities as the President may consider appropriate.

COMPUTER NETWORK STUDY

SEC. 10. (a) The Office of Science and Technology Policy (hereinafter referred to as the "Office") shall undertake a study of critical problems and current and future options regarding communications networks for research computers, including supercomputers, at universities and Federal research facilities in the United States. The study shall include an analysis of—

(1) the networking needs of the Nation's academic and Federal research computer programs, including supercomputer programs, over the period which is fifteen years after the date of enactment of this Act, including requirements in terms of volume of data, reliability of transmission, software compatibility, graphics capability, and transmission security;

(2) the benefits and opportunities that an improved computer network would offer for electronic mail, file transfer, and remote access and communications for universities and Federal research facilities in the United States; and

(3) the networking options available for linking academic and other federally supported research computers, including supercomputers, with a particular emphasis on the advantages and disadvantages, if any, of fiber optic systems.

(b) The Office shall submit to the Congress—

(1) within one year after the date of enactment of this Act, a report on findings from the study undertaken pursuant to subsection (a) with respect to needs and options regarding communications networks for university and Federal research supercomputers within the United States; and

(2) within two years after the date of enactment of this Act, a report on findings from the study undertaken pursuant to subsection (a) with respect to needs and options regarding communications networks for all research computers at universities and Federal research facilities in the United States.

REPEAL

SEC. 11. Title IX of the National Defense Education Act of 1959 (42 U.S.C. 1876 et seq.) is repealed.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute.

The amendment in the nature of a substitute (No. 2272) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BYRD. Mr. President, I move to lay the motion on the table.

The motion to lay on the table was agreed to.

● Mr. HATCH. Mr. President, I am very pleased to recommend passage of this legislation to reauthorize the programs and activities of the National Science Foundation, the Nation's lead agency for guaranteeing the health and progress of our American scientific enterprise. Since 1950, NSF has supported the kind of basic research in science and engineering which is a crucial first-step to the development and implementation of new technologies.

Last year NSF awarded 12,000 grants and contracts for research in all scientific and engineering disciplines in more than 2,000 colleges and universities, nonprofit institutions, and small businesses throughout the United States. In accounting for about 28 percent of all Federal support for research in colleges and universities, the NSF also plays a major role in the education and training of the next generation of American scientists and engineers.

NSF is also a large part of our total national effort to improve science and mathematics education in our elementary and secondary schools. Activities such as teacher institutes, materials development, and sponsorship of National Science Week have already contributed significantly to the enhancement of science and math teaching as well as to the public's understanding of the key role science plays in our society today.

In short, this measure authorizes $1.685 billion for the research and education programs of the National Science Foundation for fiscal year 1987. This level represents an increase of 8.4 percent over the fiscal 1986 presequestration level. This increase in the NSF budget for basic research is especially critical now as the United States is fighting to maintain its leadership in science and technology as well as in the world economy.

In the post-World War II decades, new technology has been responsible for nearly half of all productivity gains. And, while productivity in the United States remains high in absolute terms, it has declined relative to that of Britain, France, West Germany, Japan, and Korea. In order for us to compete internationally, we must continue to support the basic research and education activities of the NSF. We must guarantee the base for future innovation and development as well as the supply of qualified scientists and engineers.

Mr. President, this is no time to stop funding research, and we can't afford to be too cheap despite the pull and tug of other governmental priorities. The investment we make in basic research and science education in the 1980's will yield substantial dividends as we turn into the year 2000. President Reagan is right to emphasize science and technology as key not only to our prosperity as Americans, but also to improving the quality of life for people around the world.

Mr. President, S. 2184 has received considerable scrutiny and has been favorably reported by two Senate committees. I hope all Senators will join us in supporting this measure. I want to express my appreciation to my colleagues on the Labor Committee and on the Commerce Committee for their assistance in bringing to the Senate

what I consider to be an excellent bill. There was a great collegial spirit at work on this bill that extended beyond partisan or committee lines. I might also point out that this spirit reached as far as the House of Representatives, as we consulted with members of the House Science and Technology Committee during our discussions. I attribute this, in large part, to our shared belief in the importance of NSF's mission.

I hope the Senate will approve this measure without further amendment.●

● Mr. GORTON. Mr. President, I am pleased to cosponsor this bill to authorize the National Science Foundation for fiscal year 1987. The National Science Foundation's support for long-term fundamental research contributes to the strength and well-being of the Nation in many ways. The Nation benefits from significant advances in the field of science and engineering, and these advances contribute to progress in many important areas of Federal responsibility, such as health, environmental, and agricultural research, national defense, and our Space Program.

More importantly, however, basic research is the foundation upon which our technologically advanced economy is built. Basic research, and the training of technology personnel, improves the ability of American industry to develop and market products successfully in the international marketplace. University laboratories are the source of fundamental understanding and new ideas which underlie all important new technology, and of the new scientists and engineers we need to solve important national problems.

I would like to congratulate the distinguished Senator from Utah on reporting an authorization bill at the President's request. On sequential referral to the Commerce Committee, there were very few amendments to the bill. I sponsored one which directs the Director to allocate an additional $4 million to astronomical sciences. The purpose of this provision is to rectify some of the unfortunate repercussions on astronomical research of the accident involving the space shuttle *Challenger.* The National Science Foundation funds ground-based astronomers, many of whom also conduct research funded by the National Aeronautics and Space Administration on spaced-based instruments. The *Challenger* accident has caused a lengthy delay in astronomers' ability to use instruments such as the Hubble space telescope, which was to have been launched in the fall of 1986, but which now will not be launched until at least mid-1988. These astronomers must continue their work on ground-based instruments, and the additional $4 million is intended to help fund this research.

I urge my colleagues to support H.R. 4184.●

● Mr. RIEGLE. Mr. President, I am very pleased to join my colleagues from the Commerce and Labor Committees in proposing this substitute.

It is a good proposal. The substitute authorizes NSF's fiscal year 1987 operations at the level requested by the President. Both Senate committees approved that request in our respective versions of the NSF bill, and the figure is in line with the basic assumptions of the budget resolution. I strongly support that proposed budget level and the increases it includes. Never before have NSF's research and education programs been so important to our country's technological competitiveness and economic future.

Mr. President, until last year we encountered tremendous difficulty in enacting an NSF authorization. The bill last year and this bill before us today are the products of many months of negotiation and compromise between the Commerce Committee and the Labor and Human Resources Committee. The procedure that we have established meets all of our needs, and together we have drafted a bill that well serves the needs of the entire scientific community.

I strongly support this legislation, commend it to my colleagues in the Senate, and hope that Congress completes action and sends it to the President in a very timely way.●

● Mr. GORE. Mr. President, it gives me great pleasure to support the proposed National Science Foundation Authorization Act.

Within this bill I have two amendments, the computer network study and the greenhouse effect report. The first amendment was originally introduced with Senator GORTON as S. 2594. It calls for a 2-year study of the critical problems and current and future options regarding communications networks for research computers. The second amendment requires the President to submit a report to Congress on the actions taken to establish an International Year of the Greenhouse Effect.

Both of these amendments seek new information on critical problems of today. The Computer Network Study Act is designed to answer critical questions on the needs of computer telecommunications systems over the next 15 years. For example, what are the future requirements for computers in terms of quantity and quality of data transmission, data security, and softwear compatibility? What equipment must be developed to take advantage of the high transmission rates offered by fiber optic systems?

Both systems designed to handle the special needs of supercomputers and systems designed to meet the needs of smaller research computers will be evaluated. The emphasis is on research computers, but the users of all computers will benefit from this study. Today, we can bank by computer, shop by computer, and send letters by computer. Only a few companies and individuals use these services, but the number is growing and existing capabilities are limited.

In order to cope with the explosion of computer use in the country, we must look to new ways to advance the state-of-the-art in telecommunications—new ways to increase the speed and quality of the data transmission. Without these improvements, the telecommunication networks face data bottlenecks like those we face every day on our crowded highways.

The private sector is already aware of the need to evaluate and adopt new technologies. One promising technology is the development of fiber optic systems for voice and data transmission. Eventually we will see a system of fiber optic systems being installed nationwide.

America's highways transport people and materials across the country. Federal freeways connect with State highways which connect in turn with county roads and city streets. To transport data and ideas, we will need a telecommunications highway connecting users coast to coast, State to State, city to city. The study required in this amendment will identify the problems and opportunities the Nation will face in establishing that highway.

The second amendment provides for a Presidential study of a possible international year of the greenhouse effect. As you know, the buildup of atmospheric carbon dioxide, chlorofluorocarbons, and other trace gases is causing a global warming that could have disastrous results on sea level, agriculture, and the climate. Rapid deforestation around the world is compounding the problem.

Now is the best time to slow down and stave off the potentially devastating impact of the greenhouse effect. We can move quickly to increase research into this global problem by establishing an international year of the greenhouse effect.

The concept of establishing a year of study to focus on a special issue or problem brought great success with the International Geophysical Year in 1957. That year led to the measurement of atmospheric concentrations of carbon dioxide which continues to this day.

Mr. President, I join with my colleagues in supporting the National Science Foundation Authorization Act of 1987.●

● Mr. ROCKEFELLER. Mr. President, I rise here today in strong support of S. 2184, a bill to reauthorize the National Science Foundation for 1987. I am certain that my colleagues in the Senate will view this legislation

with the same enthusiasm and interest as those of us who have served in its authorizing committees.

In an era of budgetary constraints and economic austerity it becomes particularly important to define our spending priorities and allocate our resources wisely. In my view, investing in our country's future, in our technological and scientific base, is not only wise, it is essential.

Mr. President, as an independent Federal agency, NSF has the unique responsibility for insuring the national health, prosperity, and welfare by promoting the progress of science and engineering. The National Science Foundation accomplishes this mission through the support of research and education in all fields of science and engineering at more than 2,000 colleges and universities across the United States.

Although its effort is a small fraction of the total national effort in research and development, the National Science Foundation is the primary source of support for these activities in our Nation's colleges and universities. This community is the principal performer of basic research in the physical and natural sciences that is the basis for the entire R&D enterprise. In fact, research funded by NSF not only provides the necessary personnel training needed by industry and academia, but has led to many developments such as new and improved materials, the revolution in areas of communications and microelectronics, advanced computing and biotechnology.

Furthermore, Mr. President, the National Science Foundation has the critical responsibility of ensuring that our children be educated in science and mathematics at an early age so that they may become our future scientists and engineers, and of supporting a steady stream of graduate students in science and engineering so that our technological excellence be maintained.

For those of us who consider research and education among our top priorities, it was particularly pleasing to note that the administration had requested a 13-percent increase for the National Science Foundation. Indeed, the authorization bill before us today is, in my opinion, a well balanced and fair request which will allow the National Science Foundation to fulfill its mission.

Mr. President, S. 2184 has several important features, among them is a slated increase of $4 million in redirected funds for astronomy. As many of us know, this program is the breeding ground for much of our space-related basic research and it also finances the National Radio Astronomy Observatories, like the one in my State of West Virginia at Greenbank.

Finally, Mr. President, I want to commend my colleagues in the Labor and Human Resources Committee for their excellent work in support of science and mathematics education. Senators HATCH, KERRY, and MATSUNAGA have all paid special attention this year to a subject that is of great interest to me as well as to them—the subject of technology education and preparing young people to deal with an ever more technological society. I hope that the Senate will devote even more attention in the future to this important issue.●

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to Calendar No. 717, H.R. 4184, the House companion bill.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 4184) to authorize appropriations to the National Science Foundation for the fiscal year 1987, and for other purposes.

Mr. DOLE. Mr. President, I move to strike all after the enacting clause and insert the text of S. 2184, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 4184), as amended, was passed.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent that S. 2184 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE CALENDAR

Mr. DOLE. Mr. President, I would like to inquire of the minority leader if he is in a position to confirm the following nominations on the Executive Calendar:

Calendar No. 895, George R. Salem; Calendar No. 940, William F. Ryan; Calendar No. 941, J. Michael Dorsey; Calendar No. 942, Manuel H. Johnson; Calendar No. 943, Donna Pope; Calendar No. 944, Richard H. Francis; Calendar No. 948, Charles R. Simpson III; Calendar No. 949, John A. Smietanka; Calendar No. 950, Robert G. Ulrich; Calendar No. 951, Lincoln C. Almond; Calendar No. 953, Reginald Bartholomew; Calendar No. 954, Julian Martin Niemczyk; and Calendar No. 955, John Hubert Kelly.

□ 0050

Mr. BYRD. Mr. President, I beg the distinguished majority leader's pardon. I am not sure that I clearly understood one or two of the calendar order numbers. Would he kindly repeat that request?

Mr. DOLE. They were Calendar Nos. 895, 940, 941, 942, 943, 944, 948, 949, 950, 951.

Mr. BYRD. Would the distinguished majority leader go back to 948, please?

Mr. DOLE. Yes; Calendar No. 948, Charles R. Simpson III; 949, John A. Smietanka; 950, Robert G. Ulrich; 951, Lincoln C. Almond; 953, Reginald Bartholomew; 954, Julian Martin Niemczyk; 955, John Hubert Kelly.

Mr. BYRD. So that the majority leader and I are tracking each other precisely, I should like to respond in this manner. Of the calendar orders stated by the majority leader, the following are agreeable on this side with respect to confirmation: 895, 940, 941, 942, 943, 944, 945—no—948, 949, 950, 951. That is as far as I can.

The PRESIDING OFFICER. The Chair is in doubt about 945.

Mr. BYRD. 945 I called by mistake. It is cleared on this side, but the distinguished majority leader did not call it up.

Mr. DOLE. I thank the distinguished minority leader. So that Calendar Nos. 953, 954, and 955 are not included.

Mr. BYRD. Yes.

The PRESIDING OFFICER. The Chair asks the clerk if there is any question about the nominations agreed to.

Mr. DOLE. I thank the Presiding Officer.

EXECUTIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate go into executive session in order to consider the nominations just identified by the distinguished minority leader and confirmed by the majority leader.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. DOLE. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF LABOR

George R. Salem, of Virginia, to be Solicitor for the Department of Labor, vice Francis X. Lilly, resigned.

EXPORT-IMPORT BANK OF THE UNITED STATES

William F. Ryan, of New Jersey, to be First Vice President of the Export-Import Bank of the United States for the remainder of the term expiring January 20, 1989, vice John A. Bohn, Jr.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

J. Michael Dorsey, of Missouri, to be an Assistant Secretary of Housing and Urban Development, vice Warren T. Lindquist, resigned.

FEDERAL RESERVE SYSTEM

Manuel H. Johnson, of Virginia, to be Vice Chairman of the Board of Governors of the Federal Reserve System for a term of 4 years, vice Preston Martin, resigned.

DEPARTMENT OF THE TREASURY

Donna Pope, of Ohio, to be Director of the Mint for a term of 5 years. (Reappointment)

SOLAR ENERGY AND ENERGY CONSERVATION BANK

Richard H. Francis, of Virginia, to be President of the Solar Energy and Energy Conservation Bank, vice Joseph S. Bracewell.

THE JUDICIARY

Charles R. Simpson III, of Kentucky, to be U.S. district judge for the western district of Kentucky, vice Charles M. Allen.

DEPARTMENT OF JUSTICE

John A. Smietanka, of Michigan, to be U.S. attorney for the western district of Michigan for the term of 4 years. (Reappointment)

Robert G. Ulrich, of Missouri, to be U.S. attorney for the western district of Missouri for the term of 4 years. (Reappointment)

Lincoln C. Almond, of Rhode Island, to be U.S. attorney for the District of Rhode Island for the term of 4 years. (Reappointment)

NOMINATION OF GEORGE SALEM

Mr. HATCH. Mr. President, I rise today in support of the nomination of Mr. George Salem to be the Solicitor of Labor. Mr. Salem is an excellent candidate for this position, and already has an enviable record as the Acting Solicitor.

In June of this year, the Committee on Labor and Human Resources held a hearing on Mr. Salem's nomination. Although Mr. Salem has been involved in literally tens of thousands of issues while serving as the Acting Solicitor of Labor, one issue caught the attention of one member of the committee—the Labor Department's handling of the ERISA Advisory Council's Task Force on Terminations. Questions were raised about whether any laws had been violated, and accusations were made that Mr. Salem might have run afoul of the Department's own regulations by granting conflict-of-interest waivers to the task force members and allowing the task force to meet in private.

Testimony received at the hearing demonstrated quite clearly that Mr. Salem had properly complied with applicable laws and regulations in the issuance of the waivers and in allowing the meetings to be closed. In a statement prepared by the Office of Government Ethics, the Director of that office indicated that Mr. Salem had acted properly, responsibly, and commendably in the handling of the matter. In fact, the Ethics Office went on to state:

We would hope more agencies would assist their advisory group members in understanding the appropriate parameters of their actions as has the Department of Labor in this instance. Mr. Salem was unanimously reported from the committee on June 25.

Despite the glowing review by the Office of Government Ethics and the more than adequate responses provided by Mr. Salem, a request was made for an investigation of this matter by the General Accounting Office.

The GAO report is now in, and it vindicates Mr. Salem on all but one count. According to the report, the Task Force on Terminations was not subject to the Federal Advisory Committee Act and therefore the task force was not required to comply with the balance and public access provisions of the act. The report also concluded that once the Department of Labor decided to treat the task force members as special Government employees, the Department's actions, including the granting of waivers, were appropriate. The report also notes, however, that the Department of Labor should have resolved the employee status of the task force members and addressed the conflict-of-interest issues before the task force was allowed to begin meeting, instead of during the meeting process.

While the delay in resolving these issues may not have satisfied totally the Office of Government Ethics guidelines, let's be fair to Mr. Salem. Mr. Salem was not in a position to control the fact that the task force began to meet before he became involved. Those of us familiar with the issue all know that considerable pressure was placed on the Department by some Members of this body for an expedited study of pension plan asset reversions, and the Department was attempting to do all it could to satisfy this congressional directive.

It is to Mr. Salem's credit that despite this pressure, he actually stopped the task force from continuing to meet at one point until the ethical issue could be resolved. In addition, the GAO report states that the determinations made by Mr. Salem with regard to the employment status and conflict-of-interest issues were correct, despite the delay.

Mr. Salem has performed admirably as Acting Solicitor of Labor since last December. He has provided outstanding leadership and valuable insight in carrying out the duties that have been assigned to him. On the basis of his performance and the positive results of what has become a very thorough investigation of his actions, I hope my colleagues will join me in voting to confirm his nomination.

NOMINATION OF WILLIAM F. RYAN

Mr. LAUTENBERG. Mr. President, I support the nomination of William F. Ryan to be First Vice President of the Export-Import Bank.

Mr. Ryan, a resident of New Jersey, brings to the Bank significant experience and expertise in the area of international finance acquired during a distinguished and successful career in the private sector.

Mr. Ryan served as a vice president for finance for Gulf + Western Industries. Before joining Gulf + Western, Mr. Ryan was chief of international finance at what was then known as the Allied Chemical Corp. HIs career in the private sector commenced with the Irving Trust Co. of New York.

Mr. Ryan's appointment to the Export-Import Bank would mark a return to public service that he began as a foreign service officer in the State Department. Mr. Ryan served here at home and in posts in Australia and England.

The Export-Import Bank has an important role to play to encourage American exports, and to combat subsidized credit granted by our trade competitors. I think Mr. Ryan will make a major contribution to the Bank's effort.

Mr. President, Mr. Ryan will bring to Government experience, intelligence, and wisdom. It is heartening to see that an individual of Mr. Ryan's status is willing to leave a successful post in the private sector to serve the Government and to offer to the public the value of his skills.

I urge the Senate to confirm his nomination.

NOMINATION OF RICHARD H. FRANCIS

Mr. McCLURE. Mr. President, on July 30, by a vote of 18 to 0, the Committee on Energy and Natural Resources reported the nomination of Richard H. Francis to be president of the Solar Energy and Energy Conservation Bank at the Department of Housing and Urban Development.

Dr. Francis has served as manager of the bank since June 1982. He had previously held senior positions in educa-

tional and housing organizations beginning in 1971, and prior to that date he served for 20 years as an officer in the U.S. Marine Corps. Dr. Francis is a graduate of the U.S. Naval Academy, and he received his masters degree from Yale University and his Ph.D. from the University of Maryland.

The Solar Energy and Energy Conservation Bank provides loans to eligible persons through the States and, in some instances, through local communities under State auspices. These loans may be used for solar energy or energy conservation projects.

In his statement before the committee during his nomination hearing, Dr. Francis described his implementation of the Bank's program during the past 4 years. He said:

I am convinced that the program I have developed has resulted in a very effective economical operation which has precluded fraud, waste and mismanagement, thus directing maximum funding toward program objectives. I want to assure you, Mr. Chairman, each member of this committee and the entire Congress that I have attempted to act in the best interest of the citizens of this country whom we all serve to implement this program in a fair and effective manner in accordance with all the governing statutes.

Mr. President, Dr. Francis has fully complied with the committee's rules requiring submittal of a financial disclosure report and a detailed information statement. On behalf of the Committee on Energy and Natural Resources, I recommend Senate approval of Dr. Francis' nomination.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

□ 0040

Mr. DOLE. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE ABRAMOWITZ NOMINATION

Mr. DOLE. Mr. President, I say before resuming legislative session, it will be my hope that we could confirm the nomination of Morton I. Abramowitz, of Massachusetts, to be Assistant Secretary of State. We had debate and vote on that last week.

It was my understanding that the distinguished Senator from North Carolina, Senator HELMS, would permit me to act on that this week. Maybe I misunderstood the Senator, but I would hope that early next week we could dispose of this nomination.

There are others we may not be able to dispose of but I hope we can do that one.

LEGISLATIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislation business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL 11 A.M., MONDAY, AUGUST 4, 1986

Mr. DOLE. Mr. President, I move that the Senate stand in adjournment until 11 a.m., on Monday, August 4, 1986.

The motion was agreed to; and, at 12:39 a.m., the Senate adjourned until Monday, August 4, 1986, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate August 1, 1986:

DEPARTMENT OF DEFENSE

Richard P. Godwin, of California, to be Under Secretary of Defense for Acquisition, new position.

IN THE NAVY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be vice admiral

Vice Adm. Edward A. Burkhalter, Jr., [redacted]/1120, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 5148(b), to be assigned as Judge Advocate General of the Navy:

Rear Adm. Hugh D. Campbell, [redacted] 2500 Judge Advocate General's Corps, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. Richard M. Dunleavy, [redacted]/1320, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. Robert F. Dunn, [redacted]/1310, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. Diego E. Hernandez, [redacted]/1310, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. Charles R. Larson, [redacted]/1120, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. Paul F. McCarthy, Jr., [redacted]/1310, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. Edward H. Martin, [redacted]/1310, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. (lower half) Paul D. Miller, [redacted]/1110, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 711, to be reassigned in his current grade to be senior Navy member of the Military Staff Committee of the United Nations and to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

Vice Adm. Henry C. Mustin, [redacted]/1110, U.S. Navy.

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of sections 593 and 8379, title 10 of the United States Code. Promotions made under section 8379 and confirmed by the Senate under section 593 shall bear an effective date established in accordance with section 8374, title 10 of the United States Code (effective dates in parenthesis):

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. Frederick J. Barratt, [redacted] (3/27/86).

Maj. Harvey R. Chapman, [redacted] (5/13/86).

Maj. Douglas J. Cossentine, [redacted] (5/27/86).

Maj. Richard Drolet, [redacted] (4/5/86).

Maj. Pat C. Fragile, [redacted] (5/7/86).

Maj. Stephen W. Groves, [redacted] (4/6/86).

Maj. Melvin N. Hanna, [redacted] (5/1/86).

Maj. Barney L. Hitt III, [redacted] (4/1/86).

Maj. Richard A. Kertz, [redacted] (4/19/86).

Maj. Willima E. Mancini, [redacted] (4/13/86).

Maj. Frank J. Romaglia, [redacted] (4/9/86).

Maj. Walter S. Stashkiw, [redacted] (5/3/86).

Maj. Kenneth J. Stromquist, Jr., [redacted] (4/17/86).

Maj. Jackie W. Vaughn, [redacted] (4/6/86).

Maj. Kenneth E. Voelker, [redacted] (5/18/86).

Maj. Douglas B. Weber, [redacted] (5/6/86).

Maj. Wynne P. Williams, [redacted] (4/25/86).

CHAPLAINS

To be lieutenant colonel

Maj. Gerald A. Funcheon, [redacted] (4/29/86).

Maj. Larry M. Kirk, [redacted] (4/5/86).

MEDICAL SERVICE CORPS

To be lieutenant colonel

Maj. James R. Caldwell, [redacted] (4/3/86).

NURSE CORPS

To be lieutenant colonel

Maj. Margaret A. Woods, [redacted] (5/8/86).

CONFIRMATION

Executive nonination confirmed by the Senate August 1, 1986:

DEPARTMENT OF DEFENSE

M. D. B. Carlisle, of the District of Columbia, to be an Assistant Secretary of Defense.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

Executive nominations confirmed by the Senate August 2, 1986:

DEPARTMENT OF LABOR

George R. Salem, of Virginia, to be Solicitor for the Department of Labor.

EXPORT-IMPORT BANK OF THE UNITED STATES

William F. Ryan, of New Jersey, to be First Vice President of the Export-Import Bank of the United States for the remainder of the term expiring January 20, 1989.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

J. Michael Dorsey, of Missouri, to be an Assistant Secretary of Housing and Urban Development.

FEDERAL RESERVE SYSTEM

Manuel H. Johnson, of Virginia, to be Vice Chairman of the Board of Governors of the Federal Reserve System for a term of four years.

DEPARTMENT OF THE TREASURY

Donna Pope, of Ohio, to be Director of the Mint for a term of five years.

SOLAR ENERGY AND ENERGY CONSERVATION BANK

Richard H. Francis, of Virginia, to be President of the Solar Energy and Energy Conservation Bank.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

Charles R. Simpson III, of Kentucky, to be United States District Judge for the Western District of Kentucky.

DEPARTMENT OF JUSTICE

John A. Smietanka, of Michigan, to be United States Attorney for the Western District of Michigan for the term of four years.

Robert G. Ulrich, of Missouri, to be United States Attorney for the Western District of Missouri for the term of four years.

Lincoln C. Almond, of Rhode Island, to be United States Attorney for the District of Rhode Island for the term of four years.

EXTENSIONS OF REMARKS

CONRAIL: NOW OR NEVER

HON. DENNIS E. ECKART
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. ECKART of Ohio. Mr. Speaker, one of the major issues which remains unresolved before the Congress is the proposed sale of Conrail. Much has been written in recent months concerning the fate of the Government-owned freight railroad, and I would like to call to the attention of my colleagues an editorial in the July 28 Barron's which succinctly and accurately suggests that selling Conrail through a public offering is the best and only route available. As the author Robert Bleiberg points out, such a plan promises to "keep an extraordinarily farsighted management at the throttle, skirt any anticompetitive pitfalls and in the end probably raise more money for the Federal Treasury."

Mr. Speaker, those are the goals I believe this Congress and this administration should be seeking in the sale of Conrail, and I fully agree with the following commentary that time is running out for making real and meaningful progress on this issue. I urge all of my colleagues to read this editorial and to consider the warning it sends if we fail to take action.

The article follows:

[From Barron's, July 28, 1986]

CONRAIL'S FUTURE: UNLESS THE LINE GETS OUT OF GOVERNMENT HANDS, IT WILL HAVE NONE

(By Robert M. Bleiberg)

Bear with us a moment while we quote from our favorite source. Five weeks ago, on this page, some sage wisely observed: "The trend is your friend, as they run around proclaiming in the commodities pits, but friends can be fickle . . . the greatest market tides have eddies and ebbs."

Accurate in terms of the stock market, as we have seen since early July, the point seems to hold equally true of other sweeping tides in the affairs of men. Take the global toward denationalization (or privatization) of state-owned companies and industries, a marvelous idea whose time, as we repeatedly have told our readers, has finally come. Here and there, however, both at home and abroad, it apparently has hit a bit of a snag. Thus, in France a lame-duck Socialist president, briefly at least, has balked the plans of the newly elected center-right premier, who is seeking to restore the commercial banking business, among others, to private hands. Similarly, the Anglo-French consortium that aims to finance and build a tunnel under the English Channel has deemed it expedient to postpone until fall a proposed $200-million-pound international flotation of equity in the project.

The biggest roadblock has been thrown in the path of the proposed divestiture by the U.S. government of its 85% stake in the Consolidated Rail Corp. (or Conrail, as the carrier is known far and wide). Last winter, the Senate, by a sizable majority, approved the sale of Conrail to the Norfolk Southern Corp., chosen instrument of the Department of Transportation and its hard-driving Secretary, Elizabeth Dole. However, in late spring, while making its tortuous way through the House of Representatives, the proposed transaction ran into the rigid opposition of Congressman John Dingell, Michigan Democrat who heads the House Energy and Commerce Committee, and, for the time being, has been derailed.

Other man-made hazards lately have surfaced. Last week, for example, Sen. John Danforth, Missouri Republican who runs the Senate Commerce, Science and Transportation Committee, jolted Conrail and its management by proposing to divert nearly half of its ready cash into a program to pay some of the bills of the hard-pressed National Aeronautics and Space Administration, a legally doubtful move that would have depleted the carrier's finances and undercut its plans for the future. Though cooler heads swiftly prevailed, the harebrained scheme, by no means the first (or probably last) of its kind, remains a threat. Warned Sen. Danforth: "It could be a race to see who can get their hands on the cash first."

If the sale of Conrail falls through, the fault will lie not with Congressman Dingell, whose position (for a change) strikes us as sensible, but rather at DOT's door. For reasons that might have looked good at the time, Secretary Dole two years ago chose Norfolk Southern over several competitors in a bidding contest for Conrail. In so-doing however, she rode roughshod over the protests of Conrail's management, which, after bringing the carrier from the brink of ruin to recovery, naturally wants to remain in charge. She also ignored the objections of other railroads and shippers, which view the proposed merger as a blow to competition. Worst of all, she shrugged off a rival bid for Conrail made, with management's blessing on behalf of a group of individual and institutional investors by Morgan Stanley, which proposes a public offering of Conrail's common stock.

Congressman Dingell (who had to be sold on the idea of privatization) now endorses such an approach. Organized labor, management and most of the industry also have climbed aboard, leaving Secretary Dole (and the Reagan Administration, which is deeply beholden to another Dole, the Senate majority leader) uncomfortably on the freight.

Too bad. After weighting the pros and cons, this publication many months ago concluded that a public offering was the right route to take. Among other advantages, it promised to keep an extraodinarily farsighted management at the throttle, skirt any anti-competitive pitfalls and in the end probably raise more money for the federal treasury.

Since then, the case for going public has grown stronger. Despite the slowdown in U.S. business activity, Conrail has extended its fine operating record—one of the best in the country, by the way—another year or two, thereby undercutting DOT claims about its lack of viability. Just last week, moreover, in a decision that rocked the industry and jolted Wall Street, the Interstate Commerce Commission rejected the merger of the Santa Fe and Southern Pacific as a combination in restraint of trade; a decision that casts fresh doubt on the linkage of Conrail and Norfolk Southern. More than ever, a sale of stock to the public looks like the way to go.

With respect to divestiture, the going (as noted) to date has been tough. DOT and Conrail's chief executives never have seen eye-to-eye: Years ago, the Department unsuccessfully sought to break up the road and sell it as scrap, while in 1984, when the bidding got serious, management went public with its plan for a public offering, thereby, in effect, cooly defying its own bosses.

More recently the lines have hardened. A senior executive of Norfolk Southern has branded Morgan Stanley's consortium—an electric group of nonprofit institutions, banks and insurance companies, venture capitalists, money managers and Sylvester Stallone, who is listed as an "entertainer"—a bunch of "fast-buck artists," while Conrail has settled for denouncing the opposition as "opportunists." In a dazzling display of hardball, Secretary Dole blocked the reappointment to Conrail's board of a director who seemed to be siding with management. Now, of course, the deal has been sidetracked in the House.

What will get the stalled transaction moving again remains to be seen. Norfolk Southern can't be pleased about the ICC ruling on Santa Fe-Southern Pacific, which will only make its uphill legislative struggle harder. In turn, the White House, for which the divestiture of Conrail has become a key element in its highly touted privatization drive, reportedly has turned more receptive to a public offering.

What's clear is that divestiture is now overdue and that time may be running out. On the first count, Secretary Dole's longstanding assertion that Conrail needs a strong merger partner because the carrier can't make it on its own has all but collapsed. In 1985 (after adjustment for wage concessions in effect the previous year), Conrail, despite lackluster business activity, actually made more money than in 1984, a skein of profitability that has stretched through the first six months of 1986 as well. In tacit acknowledgement of its progress—10 years ago, it inherited the wreckage of half-a-dozen bankrupt railroads in the Northeast and Midwest—bidders have upped the ante by hundreds of millions of dollars.

From day one, moreover, Conrail has been in the van of the move toward railroad deregulation. As a spokesman once told a Senate committee: "Since its inception, Conrail has taken the lead in making the rail industry more competitive and responsive to shipper needs. In 1980, Conrail led the fight for the Staggers Act and ever since has been aggressive in its efforts to enhance the competition the act sought to bring to the rail industry. In 1981, Conrail withdrew from the rate bureau in which rates had been set collectively for over one hundred years. To

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

this day, it remains the only railroad to have done so.

"In 1981, Conrail began its challenge to the 'equalized joint rate' system under which every route between two points, regardless of cost or efficiency, is priced the same. Against the strenuous opposition of those who benefit from this anticompetitive scheme, Conrail has fought for the right to price its services independently and, therefore, competitively. Today, Conrail leads the industry in developing computer technology to facilitate such independent pricing." And to judge by its award-winning ways—L. Stanley Crane, chairman and chief executive officer, has just become the first railroad man ever to receive a shippers' "Connie Award"—transportation-wise it continues to break fresh ground.

If the roadblocks aren't removed, such progress will be at grave risk. For one thing, Conrail's failure to return to the private sector by Dec. 31, 1986, will push it into hard bargaining with organized labor over three years' and hundreds of millions of dollars' worth of back pay. For another, to judge by Sen. Danforth's move to tap the company till (and equally abortive and ill-advised earlier raids), protracted delay is bound to trigger further grabs. (Some television clown has even suggested that Conrail fund the federal war on drugs.) In which case the railroad stands in danger of remaining a permanent ward of the federal government, and, sooner or later, reverting to a physical and financial wreck. Let's not turn back the clock.

TRIBUTE TO HERMAN BROTMAN

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. BIAGGI. Mr. Speaker, on June 15, a nationally known, valued pioneer in the field of gerontology and a long time friend of the House and Senate Aging Committees passed away. Herman Brotman died at the age of 75 leaving behind a beloved wife, a multitude of close friends and associates and a legacy of his life's work on behalf of our Nation's elderly population.

As an original member of the House Select Committee on Aging, I have had the direct and indirect benefit of Herman's expertise when he served as a consultant to the committee. However, Herman's interest in and concern about our older population started back in 1935, when as a young man in his twenties, he was assigned to work on the preparation of the research materials for what ultimately became the Social Security Act.

After serving in the United States Army during World War II in Austria and receiving the Army's Award for Meritorious Civilian Service, Herman returned to the United States in late 1952 and was soon involved with the problems of the aged through special studies and by joining the small Special Staff on Aging attached to the Office of the Secretary of HEW, Arthur F. Flemming.

When the Administration on Aging was formed to replace the special staff, Herman stayed with it and eventually became Assistant Commissioner of AOA. During these years, one of his many notable accomplishments was the authorship of the Older Americans Act, first enacted in 1965. This act literally humanized a variety of services for the elderly. Other achievements focused on producing publications and statistical studies and analyses which quickly became the basic literature for students and for practicing professionals in the field of gerontology.

Upon his retirement from Federal service in 1973, Mr. Brotman became even more involved and professionally active in all aspects of gerontology. He served as a consultant to the Senate and House Committees on Aging, and to several major research companies, such as Mitre, who were interested in various aspects of the field such as technological aids for the aged, and housing and health requirements. In addition, he served on advisory boards for such governmental groups as Area Agencies on Aging, and the Virginia Office for the Aging in Richmond. He lectured at various universities throughout the State of Virginia and elsewhere, he served on the boards of many of the organizations in the field of aging, and wherever there was a need for his first-hand knowledge. His professional organization, the Gerontological Society, recognizing his tireless and dedicated work, voted unanimously to give him their first Kent Award. Among the last special tasks he agreed to undertake was serving on the task force authorized by the Fairfax County Board of Supervisors to prepare projections and offer recommendations for essential services for the county's growing aged population. Mr. Brotman, unfortunately, passed away before this undertaking was completed.

Herman Brotman was a remarkable man in many, many ways. His background was one that spoke of an intense desire to help the aging in our society, but his personal qualifications were what made him so loved and admired. Herman Brotman provided invaluable aid to me in my capacity as the chairman of the Subcommittee on Human Services of the House Select Committee on Aging. His counsel in the initial development of the Older Americans Act, was part of the reason the act has been an unqualified success story for the past 20 years. Herman's guidance and advice was key in the development of almost every piece of aging legislation to come out of the committee, but his contributions were always presented in a quiet, subtle way. He was that type of man—low-key, but so very effective.

The loss of Herman Brotman is felt intensely by all those who were honored to know and work with him. His legacy of service and commitment to the elderly of our Nation will endure for years to come. He blended a keen sense of foresight with practical sense of today's world in his work on behalf of policy. As we approach the 1987 reauthorization of the Older Americans Act, we will often pause to reflect on how far we have come with the Older Americans Act. When we make this pause we will also reflect on the singular and vital contributions Herman Brotman made to this landmark law and we would pay no greater tribute to him than to keep this bill intact and allow it to grow to meet the increasing number of seniors who need its services.

Let me at this point express my deepest condolences to his devoted wife Sylvia who was his partner for 52 memorable years. We share her loss but assure her that his was a full and productive life of service to his Nation.

COST OF COMPLIANCE WITH THE FAIR LABOR STANDARDS AMENDMENT OF 1985

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. MURPHY. Mr. Speaker, I rise today to bring to the attention of my colleagues an economic impact study recently completed by the Department of Labor [DOL] estimating the costs State and local governments will incur as a result of compliance with the Fair Labor Standards Amendments of 1985 enacted last fall.

As you may recall, during consideration of H.R. 3530, many municipal leaders expressed concern over the cost of the minimum wage and overtime requirements act. Many local government associations seemed to grossly overestimate the costs and created a furor which made reasonable legislation difficult. There were some claims that the cost of complying with the act would run into billions of dollars. In fact, Secretary of Labor William Brock added panic-stricken fuel to the fire when he cited estimates "as high as $4 billion a year" in testimony before the Senate Labor Committee.

Throughout the debate last fall, I maintained that these projections were exaggerated and that we could preserve the protections of the Fair Labor Standards Act [FLSA] for local government workers while easing the burden on local government's budgets and giving them greater flexibility in managing their affairs. In addition, Secretary Brock was repeatedly asked to provide a complete and quantifiable analysis of the cost issue. It was regrettable, with the considerable reputation and resources of the Bureau of Labor Statistics, that decisions on this major labor statute had to be made without definitive information from the Secretary of Labor.

Mr. Speaker, the DOL has at long last completed such a study, providing us with empirical data that would have been most useful 8 months ago. Nevertheless, I am happy to report that the DOL study validates the conclusions made last fall. The costs of FLSA compliance for local governments has been manageable and reasonable.

According to the economic impact study, approximately 13.8 million State and local employees were brought under coverage of the FLSA by the Garcia decision. But as a result of the 1985 FLSA amendments, which permitted the continued use of compensatory time, the actual cost of providing State and local government employees with basic labor protections is estimated by the DOL study to be only $216 million for the first year.

Moreover, the DOL concluded that, even without the 1985 amendments, the FLSA's overtime provisions would have only cost State and local governments an estimated $733 million. These projections remain far below those which were offered last year by

local government associations and Secretary Brock.

In crafting this important legislation, we sought to balance the interest costs of both State and local government workers and taxpayers. Given the modest costs cited in the DOL study, we have accomplished our goal. We have extended basic labor projections to 13.8 million employees while saving the taxpayers over $500 million.

Mr. Speaker, the DOL's economic impact study can be found in the July 16 Federal Register at page 25710. I respectfully submit a summary of this DOL study as a reminder that basic labor protections can be secured for all workers without burdening either the taxpayer or the employer.

DEPARTMENT OF LABOR

WAGE AND HOUR DIVISION

[29 CFR Part 553]

Application of the Fair Labor Standards Act to Employees of State and Local Governments

Background

After the decision by the U.S. Supreme Court in *Garcia* v. *San Antonio Metropolitan Transit Authority et al. (Garcia)*, 105 S. Ct. 1005 (February 19, 1985), holding that the FLSA may constitutionally be applied to State and local governments, representatives of many State and local government employer and employee organizations identified several areas in which they believed they would be adversely affected by application of the FLSA. On November 13, 1985, the Fair Labor Standards Amendments of 1985 were enacted into law. These amendments changed certain provisions of the FLSA as they relate to employees of State and local governments.

The 1985 Amendments responded to many of these concerns by including special provisions in the FLSA which apply only to employees of State and local governments.

Summary

The 1985 FLSA Amendments reduced the fiscal impact on State and local units of governments. The fiscal impact [1] is summarized as follows:

Overtime Payroll Costs

Cost of *Garcia* Decision (1984 date reference)	$733
Savings resulting from 1985 Amendments (1985 data reference)	517
Remaining Cost	216

TABLE III.—*Estimated schedule of fiscal payments to meet overtime standards for the Fair Labor Standards Act, with banking of compensatory hours provided under the 1985 amendments*

[Millions of 1985 dollars]	*Payment* [1]
1986:	
April-June	119
July-September	218
October-December	237
1987:	
January-March	289
Estimated fiscal payments—April 1986-March 1987	[2] 216
April-June	310
July-September	310
October-December	316
1988:	
January-March	316
Estimated fiscal payments—April 1986-March 1988	[2] 313
Projected annual cost for subsequent years	332
Projected annual savings for subsequent years	[3] 401

Source: Current Population Survey.

[1] Constant person-hours assumed.

[2] From April 1986 through March 1987 approximately $216 million will be paid in overtime premium payment; from April 1987 through March 1988, approximately $313 million will be paid in overtime premium payments.

[3] The estimate for the *Garcia* decision was $733 million. The projected annual savings estimate assumes that state and local governments did not change any of their employment practices to accommodate the overtime costs associated with the decision.

[1] The 1985 FLSA Amendments did not change the status of minimum wage workers in relation to the *Garcia* decision with the possible exception of the use of volunteers. Therefore, there is no minimum wage payroll cost impact estimated for the 1985 FLSA Amendments. The estimated minimum wage impact of the *Garcia* decision for calendar year 1984 was $396 million.

LEGISLATION TO AMEND BANKRUPTCY CODE

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. TRAFICANT. Mr. Speaker, on July 17, LTV Steel Co. filed for bankruptcy. On July 17, thousands of LTV employees and retirees, and former employees on disability, had their hospitalization and health benefits arbitrarily terminated.

Chapter 11 of the Bankruptcy Code is not just being used for legitimate business reorganization. Clearly, it is being used as a weapon to take away the benefits of the working people of America. Benefits that are contracted in good faith—benefits that are earned through hard work and loyalty by employees—these are benefits that should be protected during reorganization; instead, they are unfairly cast aside. As a result of the LTV situation, thousands of workers in my district found themselves without health and hospitalization coverage simply because the company chose not to abide by a contract that was made in good faith. Fortunately, the company has made arrangements for workers to receive health and hospitalization coverage through private insurance companies—but at an increased cost to the employee. In my view, the company should have never been permitted to cut off these benefits in the first place. That's why I am introducing legislation which would amend title 11 of the Bankruptcy Code to prevent companies from rejecting hospitalization and health benefits for current or former employees. These employees contributed to these plans and they should be treated separately and these benefits as sacred.

With 10 of the top 12 steel companies having underfunded pension plans and the financial ability to hire $500-an-hour lawyers, there is no question that they will attempt to change compelling existing law with a precedence-setting decision of a Federal judge. This legislation would make such attempts futile and moot.

In closing, Thomas Jefferson, who was very leary of the concentration of power of Federal judges once said: "A powerful judge can take the Constitution and mold it as clay in his hand. Thank God for juries."

Dear colleagues, don't leave the rights and welfare of the people in the hands of one judge. We must work together to make the policy affecting health and hospitalization benefits crystal clear. On behalf of the American worker, I ask you to join me in this effort.

H.R. 5298

A bill to amend title II of the United States Code to prevent the rejection of executory contracts that provide hospitalization and health benefits to current or former employees of the debtor.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 365 of title II, United States Code, is amended—

(1) in subsection (a) by striking out "and (d)" and inserting in lieu thereof "(d), and (n)", and

(2) by adding at the end thereof the following:

"(n) No executory contract that provides for hospitalization or health benefits for current or former employees of the debtor may be rejected.".

MEXICO—A NEIGHBOR IN CRISIS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. UDALL. Mr. Speaker, this is the 12th in a series of articles that I have submitted over the course of the past several weeks to illustrate the current crisis in Mexico.

I feel it is critically important to remember that Mexico is not some distant trouble spot, but rather, our friend and valued neighbor to the south.

In today's article, Warren Strobel expresses concern over the effect of Mexico's problems on United States foreign policy. Citing economic problems due to the drop in oil prices and potential political turmoil from reported corruption in the ruling Institutional Revolutionary Party, he says that the United States is underestimating the future problems that Mexico can cause for the United States. In the article, Lawrence Eagleburger, an ex-State Department official, calls for a more long-term United States foreign policy on Mexico and the entire Central American region rather than attempts to solve short-term political and economic problems.

The article follows:

[From the Washington Times, July 28, 1986]

MEXICO TO TOP U.S. PROBLEM LIST BY YEAR 2000, EAGLEBURGER WARNS

(By Warren Strobel)

Mexico will pose the United States' greatest foreign policy dilemma before the year 2000, but the danger is largely unrecognized by U.S. analysts, a former state department official said.

Lawrence S. Eagleburger, former undersecretary of state for political affairs in the Reagan administration, said the U.S. foreign policy establishment has underestimated not only Mexico's growing turbulence but evolving threats to the NATO alliance as well.

"I am now firmly convinced that Mexico will be our single most serious foreign policy problem" by the end of the century or before, said Mr. Eagleburger. "It is a country that is coming apart at the seams.

"I can't think of any single issue that could more affect the way we look at the rest of the world than growing instability immediately on our border," he said.

"I don't see in Washington or much of anywhere else any very clear thinking on the subject," he said. "I don't see anybody looking at this whole as a major strategic problem for the United States."

Mr. Eagleburger, president of Kissinger Associates Inc., made his remarks in a luncheon meeting Friday with reporters and editors of The Washington Times.

He said Mexico's internal problems have resulted not only from a sharp drop in its oil revenues and a corresponding debt crisis, but from corruption in the Institutional Revolutionary Party, known as PRI, which has ruled the nation for 57 years.

Mr. Eagleburger said there is a "clear relationship" between Mexico and Central America where, in Nicaragua, U.S.-backed resistance forces are fighting the Marxist Sandinista government.

Although the rebels are unlikely to defeat the Soviet- and Cuban-backed Sandinistas in the near term, it is important to maintain pressure on Managua to blunt that government's expansionist aims, Mr. Eagleburger said.

U.S. foreign policy, however, suffers from an apparent inability to be consistent and take a long-term view. Instead, it views problems in "snippets," he said.

This short-range policy perspective also imperils the U.S. alliance with Western Europe and Japan in a greater, and more unrecognized, danger than ever before, said Mr. Eagleburger, who joined the State Department in 1957.

While the United States takes a necessarily global view of foreign policy, "Europe more and more is found contemplating its navel, less and less concerned about what takes place outside the confines of Europe," he said.

"We are seeing the beginnings, more than the beginnings, of a deterioration in the trans-Atlantic relationship, which over time can have a profound impact on the way we do our foreign policy business," Mr. Eagleburger said.

THE PERES-HASSAN SUMMIT

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. WOLPE. Mr. Speaker, this week the Middle East is a different place than it was last week: a region more hospitable to the seeds of peace that have been cultivated so carefully by King Hassan of Morocco and Prime Minister Shimon Peres of Israel. Their historic 2-day summit meeting is a signal event that demonstrates the vast potential for diplomacy and cooperation that truly exists for Israel and her Arab neighbors. Courage, conviction, and determination can transform that potential into the most forceful reality.

The Hassan-Peres discussions are significant in several respects. The dream realized by the Camp David accords and the peace treaty between Israel and Egypt remains very much alive—indeed, for 6 years it has steadily defied the consistent efforts by the enemies of peace to kill it.

Second, there is but one path toward peace in the region: direct, face-to-face negotiations. Only through dialog can progress be made; only through discussions can legitimate differences be bridged; only with diplomacy can progress be achieved. Let us hope that the example set by King Hassen—recognizing the utility and wisdom of meeting with the Prime Minister of Israel—will encourage leaders from other countries to meet with Israel's leadership.

Third, there is growing support for the forces of moderation in the Middle East. King Hassan's bold initiative was strongly endorsed by President Mubarak of Egypt—a particularly welcome statement—and received support from both Palestinian leaders on the West Bank and King Hussein of Jordan. There appear to be encouraging signs that momentum from the Peres-Hassan summit can lead to joint undertakings, on other fronts, with those who truly want to wage peace in the Middle East.

For all its real and symbolic significance, the Hassan-Peres summit remains a new and fragile endeavor in the region. The immediate and hostile reaction of some nations highlights the profound difficulties in sustaining the peace process in the Middle East. Syria, for example, continues to resist efforts for peace at every step of the way. It is most unfortunate that King Hassan felt it necessary to resign his post as President of the 21 nation Arab League as a result of this pressure. The United States can play a critical role in strengthening this delicate process. Consistent and effective diplomatic efforts on our part with other Arab nations can help cement the initiative started last week. This goal should be an important ingredient in our dialog with other Arab States and African countries that have shown an openness to negotiations and peace in the region.

This is also a moment of triumph for Prime Minister Peres. Mr. Peres has once again demonstrated the lengths to which Israel will go to obtain that most cherished and intangible objective of his people: acceptance by Israel's neighbors. At every opportunity the Prime Minister has made clear his determination to forge a better future for Israeli and Arab alike. His leadership is an inspiration to all people of goodwill.

We do not know what will result from this extraordinary summit meeting. But we do know that a dramatic step has been taken by the allies of peace in the Middle East. This is a moment for commitment and rededication by all involved in this dynamic process.

A TRIBUTE TO THOSE WHO FOUGHT DISEASE—AND DISCRIMINATION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. BIAGGI. Mr. Speaker, I am proud and honored today to pay tribute to the millions of persons in this Nation with a cancer history who have fought both the disease—and employment discrimination. These brave and courageous men and women throughout this Nation have had to endure the battle against cancer, only to be subject to the susequent fight against employment discrimination. It is a national outrage that cannot be allowed to continue.

For almost 3 years, I have been involved in the fight to outlaw this grievous injustice. During this time, I have received hundreds and hundreds of phone calls and letters from people across the entire country who have shared their own personal story with me. At this time, I wish to share just a few of these stories with my colleagues.

Barbara Serviss is 25 years old. At the age of 18, she was diagnosed as having Hodgkins's disease. She was treated successfully and has been disease free since that time—over 6 years. Barbara Serviss was denied the opportunity to join the New York City Police Department. She received a score of over 90 percent on her written exam, and passed both the medical and agility tests. Yet, she was denied a job solely on the basis that she was unfortunate enough to have once had cancer, and lucky enough to have conquered it.

James Koopman was fired from his job as president of the Phoenix Forging Co., after being diagnosed as having pancreatic cancer. He had an impeccable work and performance record during his many, many years of service. Yet, he was fired because the company did not want "a president who was going to die." That was almost 4 years ago.

Gary Wells was demoted and then forced into disability retirement from a company he wishes to have remain anonymous because he still receives some payments from them. In April 1984, Mr. Wells was diagnosed as having Hodgkins disease. He began chemotherapy treatments, but scheduled them on Fridays after work, so as not to interfere with his job. Two months later, he was demoted without warning from the vice presidency of the company, to the job of a division manager. In January 1985, he was given an ultimatum from his company—either retire early on disability, or you will be fired. Ironically, Mr. Wells was not eligible for Social Security disability because his doctor does not consider him disabled.

This represents a mere snapshot of the people who have contacted me to tell me of their bout with cancer, and subsequent fight against employment discrimination. Yet, I believe these stories adequately portray the plight of the cancer survivor with respect to our Nation's workplace.

One out of every five persons with a cancer history face employment discrimination. Obviously, this is not an isolated or hypothetical problem. It is a national tragedy, a grievous violation of civil and human rights, that must be eliminated.

And so, it is my privilege and pleasure to recognize the spirit, the determination, and the courage of persons with a cancer history—who often must fight both the disease and society's prejudice, discrimination, and misconceptions. These people truly serve as an inspiration to all.

If I have learned only one fact since my involvement in the fight to outlaw employment discrimination against persons on the basis of cancer history, it is this—it is imperative that we permit and encourage these people to remain fully integrated, productive, and active members of society, and the workplace.

CUTTING BLACK YOUTH UNEMPLOYMENT

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. STOKES. Mr. Speaker, it is widely known that black male youths have a significantly higher rate of unemployment than white youths in our society. Although many reasons have been offered for this wide disparity, government officials are still searching for a solution to this problem.

In an attempt to obtain some answers as to why this situation exists, the National Bureau of Economic Research conducted a survey of young, inner-city black men living in economically distressed areas in Boston, Philadelphia and Chicago. Their findings were analyzed by researchers from several universities and the results were presented in a report "The Black Youth Employment Crisis," published this month by the University of Chicago Press.

Mr. Speaker, a brief overview of the report appeared in the July 20, 1986 edition of the New York Times. I bring this article to the attention of my colleagues for their information and consideration.

[From the New York Times, July 20, 1986]

CUTTING BLACK YOUTH UNEMPLOYMENT—CREATE JOBS THAT PAY AS WELL AS CRIME

(By Richard B. Freeman)

The United States has an enviable record for increasing employment in the past 15 years for most groups of workers, but not for young black men.

Lacking skills and facing a desperate shortage of jobs with career prospects, many young black men consider street life an attractive and rational alternative to the normal working world. Many have serious drug and drinking problems, and are deeply involved in crime—in 1980, according to Census Bureau figures, more than 4 percent of black men aged 20 to 29 were in jail. Many more simply waste their youth handing around street corners.

Despite some recent improvement, black youth employment remains at disastrous levels. In 1985, with economic recovery in full swing, only 36 percent of black male youths aged 18 and 19 and 60 percent of those aged 20 to 24 were employed, compared with 51 percent of 18- and 19-year-olds and 77 percent of 20- to 24-year-olds 15 years earlier. Nearly one-half of 16- to 24-year-old black men had no work experience at all in 1984. Even compared with European countries with widespread unemployment, such as Britain or Belgium, joblessness among young black Americans is staggering and shows no signs of improving.

What's wrong? What can be done to improve the situation?

To try to answer these central and difficult questions, the National Bureau of Economic Research developed a survey to illuminate the economic lives of young, inner-city black men living in poverty areas in Boston, Chicago and Philadelphia. The survey was conducted in 1979 and 1980 by Mathematica Inc., a private survey research company. Initial worries that the youths would be uncooperative and in some cases dangerous proved false: 83 percent of those contacted gave detailed answers about what they did with their time, their work experience and goals, family background, churchgoing, participation in crime and other sensitive activities. Researchers from several universities analyzed the data and the results have just been presented in "The Black Youth Employment Crisis," published this month by the University of Chicago Press.

While the research did not uncover a "magic policy bullet," it did provide an insight into the policies and programs that probably would or would not make a significant dent in the problem of black youth joblessness. Perhaps the most important finding was that there is no single cause of the problem and fence no single solution. Rather, joblessness among young black men is part-and-parcel of other social pathologies that go beyond the labor market, including youth crime, drug and alcohol abuse, residual employer discrimination and performance on the job, particularly absenteeism.

At the outset, it is important to recognize that the bulk of the youths are serious about seeking jobs. Indeed, they want the same kinds of jobs at the same wages that other young persons receive. But they have trouble getting those jobs.

For example, we asked youths "How willing are you to take a job at different levels of pay?" and "Would you take a full-time job not, if it were as a laborer in a factory at—?" Various hourly wage levels were suggested in the latter question, beginning at $2.50 and rising until the respondent indicated an acceptable wage.

Their answers showed that young black men from the inner city are as willing to work at given levels of pay as are white youths—the average unemployed youth said he would work for $4.47 an hour, compared with $4.59 an hour for the average unemployed white youth. However, when they held a job, the same black youths were paid an average of $4 an hour, compared with $4.75 for the white youths.

While they are willing to work at jobs and wages comparable to those of white youths, they are generally unwilling to take worse or lower-paying jobs despite higher, unemployment. Indeed, the major difference between black and white youth employment experiences is in the ability to obtain work rather than the ability to hold a job once it is found. Black youths were half as likely to find work in a two-week period than were white youths. When out of work, moreover, the typical inner-city black youth was more likely to spend his time hanging out or watching TV than engaging in activities likely to enhance job prospects.

An important alternative to work for youths in general, and for black youths in particular, is crime. In the N.B.E.R. survey, 32 percent of the youths thought they could earn more from criminal "street" activity than from legitimate work. In addition, 21 percent of the youths admitted to drug usage beyond marijuana and 16 percent to drinking significant amounts of alcohol.

Youths who committed crimes, who used drugs or drank, who saw crime as a relatively lucrative alternative to work and who perceived the risk and the penalties of being caught as modes, had markedly lower chances of being in school or of holding a job. As a policy matter, these other social problems must also be addressed in any major effort to come to grips with the black youth unemployment problem.

We also found that youth joblessness is connected to the family's welfare status. Black youths from welfare homes with the same family income and otherwise comparable to youths from non-welfare homes had a much worse experience in the job market. Youths living in public housing projects also did less well than youths living in private housing. Thus, the unemployment rate among 19- to 24-year-old who received no public assistance and who did not live in public housing was 28 percent in 1979. Among those from families on welfare, the unemployment rate rose to 43.8 percent. And among those whose families collected welfare and lived in public housing, the unemployment rate soared to 52 percent.

Clearly, the current welfare system—lacking programs or incentives to promote employment—is doing nothing to correct joblessness. And, evidently, isolating the poor in the noisy, chaotic and crime-ridden environment of public housing projects is just as harmful for youth employment. Like the very worst inner-city neighborhoods, the projects become magnets for the most violent and crime-prone youths, who have already been kicked out of school and alienated from society. It is not, to say the least, an atmosphere in which middle-class values about work can take hold.

On the positive side, the research found that a significant proportion of black youths were taking steps to escape from their proverty status. These youths tended to go to church more often than others (though their professed religious beliefs were not markedly different from others) and they tended to have greater occupational aspirations than others.

Also youths from families in which other members worked also tended to do better, though it is unclear whether this represents an improved ability to find jobs because of better information or "connections" or merely a stronger work ethic instilled by the family experience. Whatever the answer, factors that raise job holding and family stability among black adults may offer an important "indirect" approach for improving the job chances of black youths.

The survey results demonstrate clearly that some popular policy initiatives, particularly "enterprise zones" that would attract businesses to distressed, inner-city neighborhoods, do not appear likely to raise black youth employment significantly. The study found that black youths living in Chicago close to factories and jobs had only marginally better employment experience than those living far away from jobs. At the borderline between the black and white areas of the city, moreover, the white youths got the jobs, suggesting that race, education and cultural factors not space, are what count.

Another oft-mentioned policy initiative, a youth subminimum wage, does not look much more promising. The minimum wage has fallen markedly relative to average wages in recent years without any noticeable ameliorative effect. Employers are more interested in whether a youth will work hard and show up on time than in saving 20 or 30 cents an hour.

Even the "trickle down" effect of creating more jobs is unlikely to be the cure that some would like to believe. One of the sur-

prising findings of the survey was that 71 percent of the youths who were not employed and not in school thought they could obtain a minimum-wage job either very or somewhat easily. The problem is not one of creating jobs, but of creating jobs that offer career opportunities that dominate alternative opportunities, such as crime.

This is not to say that the condition of the market is not a major determinant of youth joblessness. In the survey, inner-city black youths in Boston, a city with a relatively strong labor market, had an employment rate some 10 points higher than the rate for their counterparts in Chicago or Philadelphia, and Boston youths appear to be doing even better than that in the current Boston boom. However, while economic expansion can raise black youth employment significantly it will not, by itself, bring about full employment for them.

The overall picture of the black youth employment situation that emerges from this research effort is one in which black youth clearly want to work, but only at jobs and with wages that are comparable to those received by their white counterparts. Unfortunately, with increased job market competition from women and other groups, and an increasingly disadvantageous family background, black youths have had trouble obtaining such jobs. Many have been led into alternative ways of obtaining money "on the street" and have been involved in crime, drugs and other activity that will not get them back on track. The growth of welfare households in which no adults work seems also to have exacerbated the problem, either because of its effect on contacts and information or its effect on attitudes and "work ethic."

If there is one theme that emerges, it is that a broad range of public and private activities are needed, along with a strong job market, to improve black youth employment. While the research suggests that black youths, like others, respond rapidly to market incentives, changing the incentives will require much more than traditional job training programs and antidiscrimination activity. And major progress will not be possible without a strengthening of public and private social institutions, ranging from schools, churches and community organizations to the welfare and criminal justice systems.

THE BIOLOGICAL WEAPONS ACT OF 1986

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. RODINO. Mr. Speaker, today I, along with the distinguished ranking minority member of the Judiciary Committee [Mr. FISH], am introducing legislation designed to give teeth to one of the most important international agreements ever entered into by the United States. The formal name of that agreement is the "Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction." It is also referred to as the "Biological Weapons Convention," and as both names imply, its purpose has been to ensure that the horrors of biological warfare will never be visited upon mankind.

By way of background, the United States, in 1969, unilaterally renounced the use of biological weapons and pledged to destroy its existing stockpile. Coterminously, the United States and other nations were drafting the Biological Weapons Convention. In 1972, the administration endorsed the convention, and by the time the convention was ratified by the United States in 1975, the United States had destroyed all biological weapons in its possession. This policy of renunciation remains the official policy of the United States. In 1984, Secretary of Defense Caspar Weinberger stated,

The United States does not and will not possess biological or toxin weapons. We will not develop such weapons nor assist others to do.

The purpose of the Biological Weapons Convention is to prohibit the development, production, stockpiling, acquisition or retention of first, biological agents or toxins of types and in quantities that have no justification for peaceful purposes, and second, weapons, equipment and means of delivery designed to use such agents or toxins for hostile purposes.

The convention, which has been adopted by 102 nations, including the Soviet Union, specifically requires each party to take all measures necessary to prevent and prohibit within its territory, under its jurisdiction, or under its control anywhere, the activities proscribed.

The Carter administration submitted legislation to this end, which I introduced in 1980. Regrettably, this administration has not seen fit to submit similar legislation. Because we are convinced that this matter should not and cannot admit of further delay, we have crafted a bill, modeled closely on the 1980 bill, to bring the United States into conformity with its international obligation.

Our legislation would subject to stiff fines and potential life imprisonment anyone—whether a private individual, a corporation, or a government official—who knowingly develops, produces, stockpiles, transfers, acquires, retains or possesses any agent, toxin or delivery system for the purpose of causing mass destruction, or who assists a foreign state or international organization to manufacture or otherwise acquire any agent, toxin or a delivery system for such purpose. This is the very heart of the legislation. Remarkably, there presently is no Federal statute that directly prohibits and punishes those who would use biological weapons to wreak devastation on the United States. In addition, the bill provides definitions of the various technical terms, authorizes the Attorney General to seize and destroy biological agents, toxin and weapons and to obtain injunctions against those planning to produce or use such contraband. Finally, and very importantly, our bill makes clear that the use of biological entities for peaceful purposes is not prohibited.

Mr. Speaker, biological weapons are fully the equal of nuclear weapons in terms of the horrors they can cause. The rapid advances recently made in gene-splicing technology gives science the ability to create super organisms that combine the most deadly features of a variety of organisms. And because deadly biological agents can be carried in a container as small as a test-tube, and therefore can easily be hidden, biological weapons can be smuggled into the United States more easily than any other type of weapon of mass destruction. In that sense, they are a terrorist's dream.

Dr. Donald B. Louria, chairman of the Department of Preventative Medicine and Community Health of the New Jersey Medical School, has written about what could happen if an E. coli bacterium were combined with, for example, aconitine (a toxin derived from certain plants) and tetradotoxin (produced by puffer fish) to produce a deadly new bacterium:

The following could be a realistic scenario for 1990: A foreign agent or a terrorist dumps a vial containing billions of these bacteria into the water supply, so that the drinking water of hundreds of thousands of people contains a small number of these vicious bacteria per quart. Their adherence capacities will allow them to displace the benign E. coli bacteria normally in the gut. Victims will not necessarily exhibit any diarrhea or other intestinal manifestations. As far as the intestines are concerned, this organism will be accepted as part of the normal bacterial flora. Even if recognized, the new E. coli will be resistant to antibiotics. Once it grows in number, silently but relentlessly, it will start to produce toxins in significant amounts—not one toxin, but two or perhaps three or more, each capable of causing disability or death. Its ability to colonize the the intestines will make it able to spread from person to person.

The result—catastrophe rivaling the black plague or cholera or the 1918 epidemic of influenza. Millions would die and medical science would be helpless. The development of antidotes, vaccines, or new antibiotics might take years. Even if a vaccine were developed, the terrorists could introduce another organism with new toxins.

Dr. Louria's grim scenario is anything but far fetched. Even without using recombinant DNA techniques, a variety of micro-organisms already exist in nature that can be used to produce frightening biological weapons.

It is clear to me that we must do everything in our power to prevent the use of biological weapons. Even if the United States had never ratified the biological weapons convention our duty to outlaw these repugnant instruments of destruction would be clear. That we also have an international obligation under the terms of the Convention presents an equally powerful reason for moving forward in this area without further delay.

TOUGHER TRADE POLICIES NEEDED

HON. WES WATKINS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. WATKINS. Mr. Speaker, this country is in desperate need of an effective trade policy. This able body has approved a comprehensive trade package that takes a step in the direction that is needed to establish a policy that will mean export enhancement, employment and growth in the economy.

Let not the people of this country be deceived when they hear of sporadic agreements being reached prior to a crucial veto override that could force the administration to look at this issue. The administration is leading the American public down a path of deception by camouflaging the trade issue with false hopes of agreements with Hong Kong, Korea, and Taiwan. Most of its agreements are not worth the paper on which they are written. In fact, the information that I have indicates the agreement reached with Hong Kong, a major supplier of textile and apparel imports, is significantly more generous to Hong Kong than the current agreement. Is this the trade policy of this country? Every American should be outraged at an administration that will by trade weaken this country one segment at a time.

Every day that passes without a tougher, consistent trade policy means a continued erosion of the U.S. industrial base and a decline in the standard of living for future generations.

It is embarrassing for the President to support trade reform after the policies he implemented have resulted in our country increasing its trade deficit from $36.3 billion in 1980 to $148.5 billion in 1985 and our Nation becoming a debtor nation for the first time since 1914. Further, we are not only a debtor nation but, the world's largest debtor nation.

The time is now for the President to initiate an oil import fee to save the domestic oil industry but not wait and time such action to elect Republicans to the Senate. It's ironic, that the administration advocates a huge military budget at the price of our standard of living but, has pushed trade policies that very well may make United States defenseless if we must depend on foreign oil to support the military. The fact is that if our forces were mobilized today that we wouldn't have the oil production or refining capacity to carry out our mission for any extended period of time. Since 1981, domestic refinery capacity has plunged in the United States while imports of refined products have escalated to an all-time high. Just this morning, the petroleum trade deficit figures released by the Commerce Department for the month of June confirm that continued trend.

The June trade figures indicated once more the Nation had imported more agriculture products than had been exported. In May, the United States became an importer of agriculture products for the first time in 20 years. Agriculture had been the only consistent, positive figure to offset the deficit. The administration's approach to the trade problem has changed the one remaining and sustaining factor. No action indicates to me that this administration may not consider a trade deficit a problem. I hope that is not the case.

The President needs to lead, not stand idly by unilaterally disarming our Nation without a trade policy. Our national security and standard of living for all Americans are at stake. Mr. President, a $170 billion trade deficit projected for 1986 if the trend continues is a reason for a firm policy in trade. The only policy exhibited so far is one of unemployment guaranteed for the people of America. Stop the rhetoric and help pass a comprehensive trade package before the end of the Congress.

CONTRADICTIONS

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. MOODY. Mr. Speaker, most of us, at one time or another, have come across an editorial, a letter, or heard a speech that synthesises our own thoughts so clearly that we observe, "I couldn't have said it better myself." The editorial in today's New York Times is such an item and I would like to share it with my colleagues.

[From the New York Times, July 31, 1986]

CONTRADICTIONS

When the Supreme Court recently upheld the right of the states to regulate private sexual conduct, it inflamed people who believe in privacy, gratified people who dislike homosexuals—and gave new force to some striking contradictions in American attitudes.

These can be framed as questions:

Why is it that the people most outraged when government puts its hand in your pocket for taxes are often the people quickest to applaud when government sticks its nose into your bedroom?

Why is it that the people who believe most fiercely in capital punishment are often the same people who, proclaiming the right to life, most bitterly oppose abortion?

Why is it that the people most opposed to giving welfare assistance to distraught young mothers are often those who fight hardest against providing sex education and contraception to poor teen-agers?

The answer in each case is that these may not be contradictions at all. For what they demonstrate best is not inconsistency about life but consistency about punishment.

In this view, crime absolutely must not pay. The state should kill murderers, no matter that, oh dear, it sometimes kills the wrong man. Sin must not pay. The careless teen-age girl should bear the badge and burden of her shame, no matter how little she really knows about sex and no matter how incapable she, a child, is of raising a baby. To those of this Puritan persuasion, government has a sober duty. Far from getting off people's backs, it should impose a strict moral harness.

Others of us are left to believe that it is barbarous for the state, prone to error, to kill. We are left to believe—to know—that thousands of babies are conceived out of pathetic ignorance or a misguided hunger to be taken seriously. And when it comes to sexual conduct between consenting adults in their own homes—well, if that's not privacy, what is?

Government often must legislate and enforce morality, but whenever it does, it tilts inescapably toward conformity and vengeance. Yet when the very definition of life, liberty and happiness is in dispute, it is government's duty to tilt instead toward diversity and compassion.

A WARM WELCOME FOR CONGRESSMAN ALTON WALDON

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. RANGEL. Mr. Speaker, it was with great pride that I introduced ALTON R. WALDON, Jr., to the U.S. House of Representatives on June 29. I have a deep personal respect for AL, and I am delighted that he has joined us as a colleague and a fellow lawmaker.

We are a nation which for the most part offers great opportunity to those who work long enough and hard enough to make it. Only in this country is it possible to rise up from humble beginnings to the top of the ladder of success. When this happens, we can all take pride, because it is evidence that hope need never be in vain, that the future is ours to make.

AL WALDON grew up in the melting pot of Queens, NY. His old neighborhood was a hard-working community made up of people from every corner of the world. Immigrants who traveled from Europe settled in Queens with the dream of building a new life in America. They were joined by black Americans, Hispanics and people from the islands of the Caribbean. When AL was growing up, he could walk down the street on a given day and hear a dozen languages being spoken. The Statue of Liberty might as well have been located in his old neighborhood.

AL's beginnings were humble. His father worked hard, and his mother raised three sons. They knew the hard reality of poverty, but a strong family structure brought them stability and a high sense of values. The Waldon boys grew up in the streets of New York, attended public schools, and were imbued with a deep belief in achievement. It is this kind of background that made AL WALDON what he is today. He is a good man who has never forgotten where he comes from.

AL WALDON is a man who loves people, and his career is one of dedicated service to the public. He rose up the ranks from a police officer to police captain. He was commissioner of the New York State Commission on Human Rights, and was counsel to the Office of Mental Retardation and Developmental Disability. AL eventually ran successfully for a seat in the New York State Assembly, and served for two terms. He has a sincere sensitivity for people that is very rare these days.

While AL WALDON is a man of energy and hope, he knows that a great deal of work remains to be done. He has seen with his own eyes how young people need role models to look up to. He knows that the scourge of drugs is a seductive temptation to youngsters who see little opportunity in the land of opportunity. And he cries inside when children abandon their schools and take to the streets because no one has pointed the way out of the streets.

The people of New York's Sixth Congressional District will be ably represented by Congressman WALDON. They will have a 7-day-a-week Representative who will work compassionately and diligently on their behalf. He is a

product of American hope, and he is living proof that the American Dream still exists. I welcome AL WALDON, and I wish him the best of luck.

U.S. NEEDS TO RATIFY TREATY TO PREVENT INTERNATIONAL CHILD ABDUCTIONS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. STARK. Mr. Speaker, the issue of international child abductions has developed into a serious problem here. Over the past 3 years, the number of such kidnapings known to the State Department has risen from 677 to 2,184, an alarming increase. There have been two such tragic cases in my own Ninth Congressional District in California. Unfortunately, the State Department does not have authority to compel the return of the child from a noncustodial parent outside of the United States.

Congress has already agreed to provide safety for our youngsters on the domestic front. We have passed both the Parental Kidnaping Prevention Act and the Missing Children's Assistance Act. The time has come to focus on protecting American children on the international level.

Within the United States, if a child is taken from his noncustodial parent to another State, the courts located in the State where the child has been taken cannot overturn the original custody decree and grant custody rights to the noncustodial parent. However, once a child is taken to a foreign country, that country can exercise independent jurisdiction based upon the child's presence in their territory. The foreign country can overturn American court orders and grant custody rights to the parent who currently has the child. Thus, child custody dispute settlements are not necessarily valid outside the United States.

On October 24, 1980, after 4 years of consideration, the Hague Convention was unanimously adopted at the 14th session of the Hague Conference on Private International Law. The convention basically provides that upon application by an aggrieved parent to the central authority of the country to which the child has been taken, a wrongfully removed child is to be promptly returned to the country of its habitual residence, thus restoring the status quo before the abduction took place. The convention stipulates that each participating country is required to establish a national central authority responsible for receiving and processing parental requests.

The Hague Convention was developed to: First, secure the prompt return of children wrongfully removed to or retained in any contracting state; and second, ensure that rights of custody and of access under the law of one contracting state are effectively respected in the other contracting states.

Unfortunately, the convention is currently in force in just five countries: Canada, Portugal, France, Switzerland, and Hungary. Some of the other countries that originally signed the treaty but have yet to ratify it are the United States, United Kingdom, Belgium, Spain, and Greece. The Department of State claims that about one-half of the requests for assistance in finding children taken from the United States involve abductions to countries which participated in the Hague Convention but have not formally ratified the treaty. The Department of State statistics show that Germany, which has not signed the treaty, is the most popular country for child abductors.

Why has the United States not ratified the Hague Convention? Ratifying the convention would extend our domestic principles regarding protection of children and custodial decrees. In George Shultz' October 4, 1984, statement supporting the convention, he stated that, "By promptly restoring the status quo ante, subject to express requirements and exceptions, the convention seeks to deny the abductor legal advantage in the country to which the child has been taken, as the courts of that country are under a treaty obligation to return the child without conducting legal proceedings on the merits of the underlying conflicting custody claims."

In a letter to the Senate on October 30, 1985, President Reagan requested ratification of the Hague Convention. The President stated that, "The convention is designed to secure the prompt return of children who have been abducted from their country of habitual residence or wrongfully retained outside that country. It also seeks to facilitate the exercise of visitation rights across international borders. The convention reflects a worldwide concern about the harmful effects on children of parental kidnaping and a strong desire to fashion an effective deterrent to such conduct."

In 1980 we agreed to the Hague Convention. Five years passed until the treaty was submitted to the Senate in 1985. It is now July 1986 and we still have not ratified the treaty.

Because of the growing rise in international child abductions, and the fact that consular officers of the Department of State cannot take custody or force the return of the child to the deprived parent in the United States, it seems that the Hague Convention is our best solution to this problem of child abduction. I understand that the Senate has a busy schedule for the rest of the session, but given the importance of this issue, I urge my colleagues to ratify the Hague Convention in order to reduce the problem of international child abductions.

THE COMMERCIAL VESSEL LIABILITY AND SAFETY ACT OF 1986

HON. JOHN MILLER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. MILLER of Washington. Mr. Speaker, for over a year now, the Committee on Merchant Marine and Fisheries has been working on two of the most pressing problems facing the Nation's commercial fishing industry. On the one hand, insurance costs have gone through the ceiling. On the other, fishing vessels were coming under widespread criticism because of a lack of safety or survival standards.

There is an obvious link between these problems. After several hearings, including two in Seattle, after hearing from hundreds of witnesses and reading thousands of pages of documents, I believe the committee has crafted a good bill which addresses these problems.

On July 23, the committee approved and sent to the full House, H.R. 5013 "The Commercial Fishing Vessel Liability and Safety Act of 1986." This bill addresses the problems of skyrocketing insurance costs by establishing a new system for compensating injured crew members. The new formula is fair to the injured crew member and to the vessel owner. And perhaps most importantly, it sends a clear message to the insurance companies that Congress can set clear limits on liability exposure to protect an important industry.

I was particularly interested in making sure this legislation set realistic and effective safety and survival standards for commercial fishing vessels. Mr. Speaker, commercial fishing is hazardous work. The industry has the highest mortality rates of any profession in the Nation. The great majority of vessel owners know and respect the sea. There is, however, a small fraction who think they are lucky and it will be the other guy's boat which sinks. These are the people who need to be policed by the provisions in this bill.

Almost a year ago, Congressman MIKE LOWRY and I introduced legislation which included what we believed were effective safety and survival standards for commercial fishing vessels. I am delighted to report that the full committee has incorporated all of our bill's major safety provisions in the final legislation.

H.R. 5013 says if you want affordable insurance you must comply with the safety standards to get the protection of the new liability limits. These safety standards include requirements that all fishing vessels carry safety equipment including emergency position indicating radio beacons [EPIRB's], life rafts, exposure suits, visual distress signals, and radio equipment. Additionally, vessels built after December 31, 1987, or substantially altered after that date to enter a new fishery, would have to undergo stability testing. A civil penalty of up to $5,000 could be assessed for violations of the safety provisions. Finally, the bill's liability limitations are waived if an injury occurs because any of the safety standards were not met.

Mr. Speaker, I've talked about what H.R. 5013 will do. Let me share with my colleagues what the commercial fishing industry is doing to police itself. The North Pacific Fishing Vessel Owner's Association is working with the Coast Guard to develop a full complement of training materials to make fishing vessels around the country a little safer. They have an excellent training program which includes courses in navigation, fire fighting, and first aid. They have just published a safety manual which will become, I hope, a regularly used reference book for every boat. And, Mr. Speaker, they are now getting ready to produce a set of video tapes to help teach more and more crew members that safety comes first if you want to come home.

Other associations are putting together insurance pools and policing their membership

by making sure that vessels have the right equipment for where they fish and are stable in high seas.

Mr. Speaker, the fishing industry is important to the Nation and it is particularly important to my district and to my State. The fishing industry in Washington State is the largest in the United States, employing over 17,000 people as crew members and another 6,000 in processing. Fish landed, processed, and distributed from Washington's fleet is worth an estimated $1.2 billion. Many of the people employed in the fishing industry are young college students who go to work on troller, purse seiner, or long liner, to earn enough money to continue their education. All the people who go to sea deserve the best protection we can give them. H.R. 5013 will protect crew members who are injured. It protects vessel owners from runaway insurance costs. And, most important, it will help prevent injury and loss of life because of inadequate safety and survival equipment.

I hope the Congress will promptly consider this bill and pass it. And I hope the President signs it into law. This is carefully crafted, responsive legislation and it deserves our support.

H.R. 5297 STUDENT DRUG AND ALCOHOL ABUSE PREVENTION AND INTERVENTION DEMONSTRATION PARTNERSHIP GRANTS INTRODUCED

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. DYMALLY. Mr. Speaker, today I am introducing legislation which I believe will be a strong attack on the drug and alcohol abuse problem that is growing so rapidly among students in our Nation's schools. I believe this will be an effective piece of legislation because it is based on a review of the research literature in drug abuse and on detailed discussions with drug and alcohol abuse prevention professionals. The bill I am introducing reflects the advice gleaned from the literature and from professionals regarding programs that are effective in drug abuse prevention, early intervention, and rehabilitation services in the school setting.

In designing this bill, I wanted to find a way to make the best use not only of resources directed at schools and colleges but also of other resources available in the community. To accomplish this, the bill requires that applications for grants available under the act be made through substance abuse prevention, early intervention, and rehabilitation boards. These boards are constituted either by local education agencies or colleges. The important feature of the boards is that they bring together all relevant sectors of the community. That is, the board must obtain health care, mental health care, and social service professionals as well as school personnel, parents, and law enforcement officials. Through the boards, the communities that experience drug abuse problems will have a mechanism for pooling resources and for creating comprehensive programs to address the abuse problem.

Our background research showed that the war against drugs in schools needs to be fought on three fronts. The major thrust must be at the level of prevention. The greatest return for the least proportional expenditure of resources can be had by stopping the problem before it starts. The next point of attack is at the point where children are just beginning to experiment with drugs and alcohol. The professionals call this "early intervention." By the time children get to high school, many of the prevention and early intervention programs are too late. Addiction has already occurred in a shocking number of cases. Our bill provides funds that would help the schools to link students with addictions to service providers in the community. The same programs are available through this bill at the college level.

The interest that is now being taken by the Congress in the problem of substance abuse is timely and crucially important to the future health of our country. If we use funds effectively now, we may be able to stem this wave of abuse before all hope of control is lost. Already, the problem robs children of education, causes millions of dollars to be lost through theft, results in thousands of hours of work time lost, costs hundreds of millions of dollars in increased social service and law enforcement costs, and literally consumes the lives of those taken into its clutches. I urge my colleagues to throw their full hearted support behind the overall effort to end substance abuse, and I urge them to support H.R. 5297, which will be an effective means for curtailing substance abuse in our schools.

REPRESENTATIVE DE LA GARZA PRAISES KENNEMER BROTHERS FOR THEIR UNSELFISH AND HUMANITARIAN EFFORTS TO ASSIST DROUGHT-STRICKEN SOUTH CAROLINA FARMERS

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. DE LA GARZA. Mr. Speaker, I rise today to tell you and my colleagues about two young men from my district who represent the best that is America.

Dean Kennemer, age 16, and Don Kennemer, age 14, the sons of Mr. and Mrs. Jack Kennemer of Alice, TX, heard about the drought conditions affecting farmers in the Southeast, and on their own, volunteered to help do something about it. These two young men donated hay which they themselves had grown to go to farmers in South Carolina who were in desperate need. I did not want this unselfish act to go unheralded, and in a time when some of our young people get such a bad reputation for drugs and other misdeeds, I want you to know just what these fine young men are doing with their lives.

Dean, who attends Alice High School, and Don, who attends William Adams Junior High School, are both active members of the Jim Wells County Cattle Club, a part of the 4-H Program. Dean is raising Santa Gertrudis show heifers and Don is raising Chianina and Limousin crossbred commercial steers. These young men are not only talking about staying in the cattle business, they have for the most part taken over the lead roles in their family commercial cattle operation even at their young ages.

Dean and Don Kennemer have as a secondary 4-H project range management which includes raising their own hay, oats and wheat for feed, and it is from these stocks raised by their own hands that they donated over 50 tons of hay which went to South Carolina.

Recognizing that the future of successful cattle operations must include the use of artificial insemination, both of the boys have been trained in and have become extremely proficient in everyday use of artificial insemination of their project cattle and the family's commercial herd. The boys recently gave a 4-H project domonstration on artificial insemination, which included an actual artificial insemination, at Texas A&M University and were awarded ninth place in the statewide competition. Also, at the Junior National Santa Gertrudis Heifer Show, held at Kingsville, TX, Dean gave a speech detailing his artificial insemination program for which he was awarded the third place prize on a national basis.

Mr. Speaker, these young men are not only planning and studying for their future, they are the living embodiment of what we mean when we talk about the family farm. I hope you will join me in saluting Dean and Don Kennemer and their family as they look to a future that we hope will allow them to continue providing the food and fiber the Nation and the world so badly need.

DRUGS EPIDEMIC

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. PEPPER. Mr. Speaker, I am introducing today three bills to combat the insidious epidemic of drugs that is sweeping across our Nation, leaving tragedy and devastation behind.

For years this epidemic has been growing in our midst but in the last few months it has erupted in a new, more virulent outbreak. Nearly pure forms of heroin and cocaine—black tar and crack—are being circulated in our cities. These drugs are so potent that they can wreck the lives of users after the briefest experimentation. Crack, in fact, is powerful enough to become addictive after even a single use.

The treachery of these drugs isn't limited to their users. Our communities are also being ravaged. Crime is going up dramatically as a new group of addicts turns to illegal activities to finance their drug use. Law enforcement personnel say these criminals are engaged in a frenzy of stealing. In Florida law enforcement officials predict that serious crime will increase substantially in 1986 compared to 1985 when it jumped 14 percent. That is a truly alarming projection for the people and law enforcement personnel in my State. According to the most recent statistics, robberies are up 17 percent, burglaries, 15.5 percent;

motor vehicle theft, 27.5 percent and violent crime, 12.2 percent.

This problem isn't limited to Florida. The National Cocaine Hotline estimates that 1 million Americans in 25 States have experimented with crack. There is growing use in Boston, Detroit, Dallas, Los Angeles, Philadelphia, and San Francisco. As the number of users increase, so, too, will crime. Drugs and crime are inextricably linked. Studies report that 80 percent of the criminals now in our jails have used drugs.

Mr. Speaker, the bills being introduced today approach the drug problem from two directions, that of law enforcement and of drug abuse treatment, both of which are essential to bring it under control.

The first bill, the Local Law Enforcement Personnel Act of 1986, provides money for local governments to hire new police officers so they can expand their efforts to combat serious crime. The money would be targeted where it can do the most good nationwide.

The bill would offer funds to cities with populations over 100,000 which are major entry points for illegal drugs and which are experiencing increases in violent crime of at least 10 percent. In selecting the cities, the Attorney General would be required to consider the volume and seriousness of illegal drugs in a particular locality. With these two criteria, the bill accomplished several objectives. Cities that are beleaguered by drug-related crime would be helped and by putting more resources at the disposal of local law enforcement, it would help stop the spread of drugs through interstate commerce.

The bill authorizes $250 million in fiscal years 1987 to 1989. A total of 15 cities could be eligible to receive money through this program. Depending on the cities selected, all the authorized money might not be needed. In addition, the bill contains a cap on the number of new personnel to be hired, limiting the officers to 500 or a number sufficient to establish a ratio of 3 police officers per 1,000 residents.

The second bill permits the Department of Justice Assets Forfeiture Fund to be used to assist State education and prevention programs. The money in the funds comes from the sale of assets of convicted drug traffickers. Therefore, a wise use of this money would be for programs that can reduce the number of potential customers.

The final bill permits the Customs Forfeiture Fund which is similar to the Justice Department fund to be used to increase the number of Customs officers and also the canine enforcement programs. Both an increase in personnel in these two programs should generate enough revenue from drug seizures to pay fo themselves. It would also be a signal to drug smugglers that we are determined to stop illegal trafficking.

FAIRNESS IN COMPETITION ACT OF 1986

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. KINDNESS. Mr. Speaker, the recent decision of LTV Corp., the Nation's second largest steelmaker, to seek protection from its creditors by filing for reorganization in bankruptcy is one more stark example of the vulnerability American producers experience in the face of unfair foreign competition.

Today I am introducing the "Fairness in Competition Act of 1986," a bill which I believe will greatly enhance the ability of American workers, corporations, and unions to combat the unfair trade practices of foreign governments subsidizing products for export to the United States.

Specifically, suits could be brought to bar imports subsidized by foreign governments. The test under a new section 27(a)(2) of the Clayton Act, would be whether the subsidy (A) "causes or threatens material injury to an industry or to labor in the United States," (B) "prevents the establishment or modernization of any industry" inside the United States or (C) results in monopoly or restraint of trade.

Under this bill, suits could be brought against foreign governments, foreign corporations, and any other relevant defendant for treble damages and injunctive relief. The bill contains language in section 27(b)(1) making it clear that s subsidy by a foreign government is to be considered a "commercial activity" under the Foreign Sovereign Immunities Act of 1976—28 U.S.C. sections 1602–1611—so that a foreign government would be unable to avoid U.S. court jurisdiction by arguing that a subsidy was an "act of state," that is, a political rather than a commercial decision.

In addition, the definition of subsidy would be amended to include any "rebate, repayment or offset of, or credit against, any tax or tax liability levied or assessed on the value of articles, if such rebate, repayment, offset, or credit is made by reason of the exportation of those articles." This section would address the common practice of rebating the "value added tax" on products for export.

In this time of large trade deficits and repeated allegations of unfair trade practices for which there are inadequate remedies, I believe workers and unions should have a mechanism, in addition to that used by corporations, which will enable them to assert their right to a level trading plane.

I urge my colleagues to carefully consider this important piece of legislation which will not only provide a genuine enforcement remedy against unfair trade practices, but will send a clear signal to our trading partners that we will not tolerate illegal subsidization of products for export to the United States.

SPANISH CAPTIONING SERVICE

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. WIRTH. Mr. Speaker, I have recently learned of an innovative and extremely important project being developed by the National Captioning Institute [NCI] that would caption prime time and and other programs in Spanish in order to foster greater English competency across America. This Spanish Captioning Service would provide a tremendously beneficial service to the approximately 18 million Hispanic Americans currently living in the United States, comprising America's largest minority language group. More than 4 million of these people understand little or no English, and thus have no access to America's news, political, educational, or entertainment programming. Furthermore, the service will give access to that programming to the approximately 500,000 Hispanic deaf or hearing impaired persons in this country.

The Spanish Captioning Service will enable Hispanic Americans to watch news, educational and entertainment programming in English, while simultaneously reading a written translation in Spanish. The service, by captioning in Spanish those programs that are broadcast in English, would provide an invaluable instructional tool for non-English speaking Hispanics as well as those who want to improve their competency in English.

Besides being a tremendous educational tool, the Spanish Captioning Service will meet a crucial social need by helping Hispanics to more easily assimilate into our communities and be more successful in our workplaces. The service will thereby assist the American business community by helping to familiarize Hispanics with English as well as American customs and values, while still enabling Hispanics to maintain their own culture and traditions. As such, the service will provide an essential integrating force for communities, especially those with large Hispanic populations.

The basic technology for the service already is in existence. It would use—with minor modifications—the closed captioning technology which NCI presently uses to enable hearing impaired viewers to read captions at the bottom of their television screens. Further, the service offers a unique way to make all types of television programming available to a broader audience, without incurring significant capital costs or tying up existing broadcast or nonbroadcast capacities.

For these reasons, I strongly support and commend the efforts of NCI to develop the Spanish Captioning Service on a nationwide basis. I hope that my House colleagues will also lend their active support to ensure that this extremely important public service becomes a reality.

MEDICARE BENEFITS DELAYED

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. BILIRAKIS. Mr. Speaker, on July 11 at the request of Congressman PEPPER, I was invited to participate in a hearing of the Aging Committee's Health and Long-Term Care Subcommittee to examine a matter I have been concerned about for sometime.

The issue is the delay that Medicare beneficiaries are experiencing in receiving reimbursement on Medicare claims—some for as long as 4 or 5 months. The hearing was a very effective and informative one and we were given assurance that HCFA's policy of

deliberately delaying reimbursement for the purpose of accumulating interest on the funds would be reversed.

During the House Energy and Commerce Committee's markup on the budget reconciliation bill last week, I expressed my continued concern over this matter and have requested that language reflecting this concern be included in the report. However, Mr. Speaker, we are today considering appropriations for HCFA and I want the record to clearly show my concern over HCFA's policy on reimbursement. Hundreds of my constituents have told me how the reimbursement expected from a Medicare claim is necessary to pay rent, utilities, taxes, and even food. I don't want the Federal budget balanced at the expense of our elderly citizens and the practice of using their money to accumulate interest is reprehensible to say the least. I hope HCFA gets my message.

EAGLE SCOUT ROBERT W. MURRAY

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. LIPINSKI. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues the achievements of a fine young man in my district, Robert Murray. Soon Robert will be honored for achieving the highest rank in Scouting, that of Eagle Scout.

The path of Eagle Scout is truly a long and difficult one. It requires an extraordinary amount of dedication and determination not usually seen in youths of this age. The tasks which must be completed to become an Eagle Scout cover virtually every realm of human experience. Some require intellectual and creative abilities while others call for physical agility and strength. Some tasks help integrate the young man into society through community action that benefits his neighborhood and world. Still other acts are performed alone intended to develop internal growth and maturity. Always, however, is the challenge to set and strive for goals through initiative and diligence.

Young men like Robert are leaders. The achievement of Eagle Scout is likely to be only the beginning of a future full of accomplishments for this young man has shown that he can perform exceptionally well without a compelling hand of authority over him. I say this not to downplay the importance of the encouragement he received from his family and Scout leaders but, rather, to assert the independence and self-motivation he has already shown.

Your achievement of becoming an Eagle Scout is praised and applauded. It is with sincere pleasure that I commend you, Robert Murray, before my fellow Members in Congress.

A SALUTE TO JACK B. GOUNDER

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. YATRON. Mr. Speaker, I rise today to pay tribute to my good friend, Mr. Jack B. Gounder. On Saturday, August 23, 1986, Jack will be installed as president of the Mid-Atlantic Shrine Association [M.A.S.A.] at the Fall Shrine Convention in Pittsburgh.

This is indeed a well-deserved honor for Jack. He has dutifully served with the Shriners for a number of years, many of these spent in important leadership positions. In 1978, Jack was elected Potentate of the Rajah Temple in Reading, PA. In 1983, in recognition of his fine work at Rajah Temple, he was elected to third vice president of M.A.S.A. He continued to advance through the vice president position and will serve as M.A.S.A. president for the year 1986–87.

As president, Jack will head an association of 23 Shrine Temples from Pennsylvania, New York, Maryland, New Jersey, Connecticut, Delaware, Virginia, West Virginia, and the District of Columbia. In his position, Jack will help oversee the many charitable and community service activities of the Shriners. Knowing of Jack's dedication and commitment, I am certain that he will be up to the task. He can be justifiably proud of this great honor. I know that my colleagues will want to join me in congratulating Jack Gounder and wishing him continued success and good fortune.

JOHN DALTON, FORMER GOVERNOR OF VIRGINIA

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. WHITEHURST. Mr. Speaker, the passing of John Dalton in Richmond, VA, this week grieves Virginians from all walks of life.

While it is a matter of record that he was the last Republican Governor of Virginia, John Dalton's career reached back into his youth. His father, Ted Dalton, who led the rebirth of the Republican Party in Virginia, kindled his son's interest in politics, and John fulfilled the dreams of his father.

Yet John Dalton's life was not so narrow as to be totally consumed by political affairs. A devoted family man, he will be remembered by all who knew him for his humanitarian spirit, which transcended party boundaries. Above all, we will remember his love for Virginia and his energy in bringing prosperity to its people. John Dalton worked tirelessly when he was Governor to bring investment to the Commonwealth and to enhance the education of its people and thus achieve for all Virginians the promise of a better life.

Struck down at a time when most of us are at our most productive, John Dalton's loss is particularly tragic, but he will live in our memories and our hearts as an inspiration. It is the legacy of John Dalton that will never die.

THE 27TH MEETING OF MEMBERS OF THE EUROPEAN PARLIAMENT AND OF THE U.S. HOUSE OF REPRESENTATIVES

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. FASCELL. Mr. Speaker, the 27th meeting between Members of the House of Representatives and a delegation of the European Parliament was held in Santa Fe, NM on June 20–23, 1986. The U.S. delegation was chaired by the gentleman from California [Mr. LANTOS] and cochaired by the gentleman from New York [Mr. GILMAN]. European delegation was chaired by Pieter Dankert of the Netherlands, a past president of the European Parliament. Representatives from nine European political party groups participated in this meeting.

Mr. Speaker, relations between the United States and Western Europe continued to be good. However, the close political relationship the United States has enjoyed with Western Europe has been confronted with a set of challenges which if left unattended could weaken the close bonds between us. The United States and European Community are involved in a series of trade disputes which have drawn much attention. In 1985, the U.S. trade deficit with the European Community was $23 billion, a figure which is part of a much larger deficit the United States faces worldwide. The United States and the European Community have had disputes before, but unlike previous ones this occurs at a time when the U.S. position is comparatively weaker. The discussion of this matter at Santa Fe showed that both sides recognize the seriousness of the problem and the need to correct it for both economic and political reasons.

Another challenge the United States and Europe face is international terrorism. In the immediate aftermath of the United States air strikes in Libya, there was widespread dismay with Europe in the United States. The U.S. delegation explained this to their European colleagues. However, this meeting also found that the European and U.S. positions on terrorism have come closer together since then, and the exchange of views identified areas where additional cooperation could occur.

This series of meetings with the European Parliament is an effective reminder of the many areas of common concern the United States and Europe share. Whether the question involved finding agreement on arms control policies or the division of defense costs between the United States and Europe, there is a strong conviction on both sides that solutions must be found jointly. Agreement on other issues, such as the control of narcotics trafficking or the establishment of environmental regulations, are cases where agreement is more quickly reached.

Mr. Speaker, a report of the 27th meeting is printed below. I strongly commend this report to my colleagues because I believe it gives a comprehensive portrait of the many issues which affect U.S. relations with Western Europe.

The report follows:

COMMITTEE ON FOREIGN AFFAIRS,
HOUSE OF REPRESENTATIVES,
Washington, DC, July 30, 1986.

Hon. DANTE B. FASCELL,
Chairman, Committee on Foreign Affairs, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: We respectfully submit our report on the 27th meeting between a delegation from the United States Congress and a delegation of the European Parliament held in Santa Fe, New Mexico from June 20-23, 1986. Representative Tom Lantos (D-Calif) chaired the U.S. delegation; Representative Benjamin A. Gilman was the co-chairman. Other members of the U.S. delegation included Representatives Bill Frenzel (R-Minn), J.J. Pickle (D-Tex), William M. Thomas (R-Calif), William F. Clinger (R-Penn), Douglas K. Bereuter (R-Neb), John F. Seiberling (D-Ohio), Bill Richardson (D-NM), and Esteban Torres (D-Calif). The European delegation was chaired by Mr. Pieter Dankert of the Netherlands; Mr. Rene Piquet of France served as co-chairman.

This meeting occurred during a troubled period in U.S.-EC trade relations. Consequent to the accession of Spain and Portugal to the EC, the EC on March 1st had placed into effect restrictions affecting imports of U.S. oilseeds, soybeans, and wheat into Portugal and corn and sorghum into Spain. Up to $1 billion of U.S. exports could be affected by these measures. On May 15th, the President announced a series of quantitative restrictions on EC products entering the United States. Those intended to respond to the Portuguese measures entered into effect on May 19. The remaining steps were to take effect on July 1st, pending the outcome of negotiations between U.S. and EC officials. These developments were the latest of a series of commercial disputes between the U.S. and EC. However, the large amount of trade at stake has made this particular dispute more troublesome than most trade disagreements. Commentators on both sides of the Atlantic have warned that a trade war could damage close U.S.-European political ties as well as harm export trade at a time when it is especially important for economic growth.

POLITICAL-SECURITY ISSUES

Since the beginning of the year, the primary political issue between the U.S. and the EC has been how to deal with the threat of international terrorism. This topic had been discussed extensively at the January meeting in Dublin, during which President Reagan imposed economic sanctions on Libya. The June meeting continued this discussion in light of the U.S. air strikes against Libya and subsequent actions by both the EC and U.S. There was agreement among most of the delegation that the restrictions placed on the movement of Libyan officals on April 14 and 21 by the EC Council of Ministers had brought the EC and U.S. positions closer together.

Representative Lantos pointed out that a large majority of the American people had supported the President's decision to retaliate against Libya for its involvement in a bombing of a West Berlin disco which took two American lives and that of a West Berlin civilian. Several American delegates asked about the implementation of EC measures against Libya, particularly the reported unwillingness of Greece to expel Libyan diplomats. Representative Gilman stressed the international nature of present-day terrorism as compared with that of the 1970's and urged the Europeans to implement economic sanctions.

Several Europeans, expecially Mr. Blumenfeld, agreed that prior implementation of joint economic sanctions might have made the U.S. air strikes on Libya unnecessary. Mr. Blumenfeld said that the U.S. and EC countries should press for stricter enforcement of the Vienna Convention or its revision, if necessary, to prevent the abuse of diplomatic privileges by countries supporting terrorism. Yet, the European delegation was largely uncomfortable with the unilateral nature of the U.S. action against Libya. Some stressed the importance of fighting terrorism without resorting to means which appear extralegal or undemocratic—lessons which had been learned from Europe's struggle against terrorists during the 1970's. Finally, the relationship between the decline in U.S. tourism in Europe and the issue of terrorism was of concern to several on the European delegation, and they urged their American colleagues to take action to reverse this development.

The second item on the political-security agenda was the incident at the Chernobyl nuclear reactor in the Ukraine. Both delegations appeared to agree that Chernobyl was less an issue of East-West relations than a question of how to manage the complex techologies. Representative Richardson noted several of the implications of the Chernobyl incident and then turned to steps that could be explored to prevent such incidents or provide better means of immediate communication about them. Strengthening the International Atomic Energy Agency and the technical asssitance capabilities of both the U.S. and EC were among the proposals discussed by the delegations. As part of the review of the impact of Chernobyl, Representative Seiberling urged increased international cooperation on a wide-range of environmental issues. This proposal was favorably received by several members of the U.S. and European Parliament delegations.

The two delegations also discussed the present status of arms control efforts. Representative Clinger explained the factors which led to President Reagan's announcement on May 27th that in the future he would no longer feel compelled to make arms control decisions along the limits set in the SALT II Treaty. (Representatives Clinger, Bereuter, and Gilman presented prepared texts in the meeting which are on file with the Subcommittee on Europe and the Middle East). He noted that there was general understanding of the factors underlying the President's decision although many Members of Congress might have struck a different balance between the advantages of continuing compliance. Although many in the Congress opposed the President's decision, Representative Clinger noted there was a general understanding on why he had so decided. The Soviets had violated provisions of the treaty, and under it an arms buildup, rather than a reduction, had occurred. Speaking from a more critical vantage point, Representative John Seiberling criticized the Reagan Administration's record on arms control and warned that President Reagan's decision could give the Soviets an opportunity to increase their strategic forces substantially. The European delegation lauded the passage in the Congress of a resolution urging the President to hold to the SALT II limits. Mr. Segre observed that President Reagan's remarks at Glassboro, New Jersey on East-West relations and arms control created a more favorable climate for U.S.-Soviet negotiators. A common theme of several European speakers, especially Messrs. Brok and Penders, was that arms control discussions should not overlook conventional issues, such as those under discussion in the Stockholm Conference on Disarmament in Europe.

The European concern about conventional forces provided a link with the next topic on the agenda—Atlantic Alliance issues and burdensharing. Representative Bereuter surveyed the last 40 years of the U.S. role in NATO and concluded that it was time for the Europeans to assume a greater responsibility for their defense. The European allies have the financial resources to do so, and the United States may have to redeploy some of its forces elsewhere, as had been illustrated by the U.S. air strike against Libya. Representative Bereuter stressed that such alliance—wide changes should be done cooperatively. Some in the United States, he noted, might find it difficult to accept a larger European voice in NATO, but in the longrun it would serve both U.S. and European interests. Although some in the European delegation questioned specific figures on NATO burdensharing cited by Representative Bereuter, there was agreement with his judgment that Europe should and could do more. Mr. Penders referred to the new generation of conventional weapons—the so-called "emerging technologies"—as an area where Europe could better coordinate its endeavors and do more for its defense. However, as Mr. Dankert commented, Europe's capability to formulate a unified position in NATO continued to be hindered by differing views within Europe as to what its political role should be.

Two regional issues—Central America and South Africa—were also discussed in the meeting. Representative Richardson explained the division within the Congress over the President's request for military assistance to the Contras opposing the Sandinista government in Nicaragua. Representative Richardson cited policies and conditions within Nicaragua which have caused alarm as well as the anti-democratic tendencies within the Contra organizations and their relative ineffectiveness. The European delegation reflected the high importance which the European Community has placed on the Contadora Process. Besides their commitment to the Contadora Process, the members of the European Community had also stressed regional economic cooperation as another path that could lead to a solution of the Central American situation.

The discussion on South Africa occurred only three days after the House of Representatives has voted in support of a withdrawal of U.S. firms and investments and a cessation of trade with South Africa. Representative Lantos stressed that the House's vote was a Congressional signal of alarm and frustration with the deteriorating situation in South Africa. Although the Senate probably would not support the House measure, he remarked that many in the House and Senate believed it is time for the United States to impose tougher sanctions than those announced by President Reagan in September 1985. The European delegation shared the strong dislike of apartheid and the policies of the South African government expressed by the Americans, but there was some division within them over the value of sanctions. Mr. Glinne remarked that the measures announced by the EC the previous September were full of loopholes. He cited the strict measures against trade with South Africa announced by Denmark,

Ireland, and the Netherlands as examples. A more critical view of sanctions was stated by Mr. Blumenfeld and Mr. Cervetti, who pointed out opposition to sanctions by some sectors of the black community and warned against additional repressive measures by the South African government.

TRADE AND INTERNATIONAL ECONOMIC ISSUES

The discussion on trade issues occurred against the backdrop of the U.S.-EC dispute after the entrance of Spain and Portugal into the European Community. Both delegations expressed their concern about the seriousness of the present dispute and said they were hopeful that negotiators could find a solution before the U.S. imposed a set of retaliations against the EC on July 1. Representative Frenzel said both sides would get through the present difficulties simply because they had little other choice but to do so. Yet the U.S. delegation, particularly Representatives Bereuter and Thomas, stressed the United States would hold firm in its position that EC policies affecting select U.S. agricultural imports into Spain and Portugal violate the General Agreement on Tariffs and Trade and that the U.S. would continue to seek compensation along GATT guidelines.

Delegates on both sides acknowledged that protectionism had become a problem in their trade policies and that programs aimed at limiting agricultural production were not that successful. The European Parliament delegation argued that EC policies were not as restrictive as many in the U.S. think. Mr. Marques Mendes claimed that the new set of EC tariffs on industrial products would be lower than present levels—a claim disputed by the U.S. delegation. As to agriculture, U.S. delegates pointed out that the U.S. had been forced to emulate the policies of the Common Agriculture Policy (CAP) in order to compete with subsidized European exports. An example was the Export Enhancement Program for cotton and rice. Mr. Clinton referred to recent price freezes in the EC which are intended to discourage overproduction and added that the European Commission and the EC agriculture ministers were exploring other steps to handle the problems posed by surplus production.

Possible steps to resolve U.S.-EC trade disputes may be found in the next multilateral trade round, which will be the subject of a meeting of ministers from the GATT countries in September. There was general agreement between the delegations on what issues should be discussed in a new trade round but doubt that some of the troublesome issues will actually be resolved. Representative Frenzel remarked that U.S. support for the GATT had eroded. Therefore, it was even more urgent for the new GATT round to establish a regimen which would restore U.S. confidence. Mr. Welsh identified several areas which needed attention in the trade discussions—dispute settlements, safeguards, market access, and agriculture. But potential problems exist. Mr. Welsh said the EC was willing to discuss agriculture in the new round but that this did not include CAP mechanisms—a major source of disagreement with the United States and others.

The delegations also discussed the present thrust of international economic policy and the ongoing problem of international indebtedness. Unlike discussions of two or three years ago, when the dollar was high, speakers quickly agreed on many observations. Representative Torres said the initiative of Secretary of the Treasury James Baker to bring down the dollar was important but asked whether it was enough. He recommended that additional steps be taken to create a stable framework for the international monetary system and that the major developed countries act to keep their markets open to imports from developing countries. From the European side Mr. Gautier observed that fuller European use of the European Monetary System would move Europe toward support of an international monetary conference. Mrs. Hoff examined several options to promote a solution of the international debt crisis, including reduction of interest rates, greater flexibility on export credits, and more coordination of policies by the EC, the U.S. and Japan.

INTERNATIONAL DRUG TRAFFICKING AND NARCOTICS

The discussion on drug trafficking and narcotics was, in part, an update of the situation since the last meeting in Dublin. Representative Gilman stated that the situation had worsened and that the situation "is totally out of control." Representative Gilman cited evidence showing that the survival of several Latin American nations was threatened by the activities of drug traffickers. He cited a number of measures which should be taken to combat drug traffickers and the increased use of drugs: increased funding for the UN Fund for Drug Abuse Control, the formulation of comprehensive regional and global strategies, the use of the military to assist law enforcement authorities where possible, and, specifically for the European Parliament, the continuation of the Parliament's Drug Inquiry Committee. Responding for the European delegation, Mr. Brok agreed with Mr. Gilman's recommendations and assured him that presentation of the report by the Drug Inquiry Committee would not end its work. Several delegates encouraged efforts to control the overseas investment of money acquired through drug trafficking.

HUMAN RIGHTS AND UPDATE ON VISA RECIPROCITY

The two delegations were in agreement over the continued violation of human rights in the Soviet Union and the Soviet failure to honor the terms of the Helsinki Accord. Mr. Penders referred to the relative lack of progress with the Soviets in recent years on this issue; yet, he stated he believed the document negotiated at the recent meetings in Bern, Switzerland with the Soviets had made some minimal gains. Along with Lord Bethell, Mr. Penders disagreed with the U.S. decision not to sign it. In his statement to the Europeans, Representative Gilman also reviewed the poor Soviet record on human rights. Although the Soviets had taken some steps since the Reagan-Gorbachev summit in Geneva, he believed that these actions had acted as window-dressing to divert attention from the continued infringements on human rights made in many areas of Soviet life. Several members of the U.S. delegation also discussed the role of the Jackson-Vanik Amendment in U.S. human rights policy and its effectiveness in influencing human rights policies in the Soviet Union and Eastern Europe. In closing, both delegations agreed that there is a need to focus on human rights abuses in other parts of the world besides Eastern Europe and the Soviet Union.

Lord Bethell and Mr. Glinne briefly raised visa reciprocity with the U.S. delegation. For several years the European Community has urged the United States to end its visa requirement for citizens of EC countries who come to the U.S. for tourist or business purposes. Representative Seiberling explained that the immigration bill currently before the Congress contains a three year waiver program which would be an experiment for visa reciprocity. If the immigration bill failed to pass the Congress this year, he said he would press for consideration of separate legislation. Representative Thomas agreed on the need to consider this question separately in the absence of an immigration bill.

Since U.S.-EC relations have been strained by a serious trade dispute and differing views on how to handle international terrorism, this meeting occurred at an opportune time. The three days of discussions showed the many areas of agreement which the United States has with the twelve members of the European Community. Common views on issues were more frequent than was disagreement. The U.S. delegation believes the EC is anxious to cooperate with the U.S. in as many areas as possible affecting both U.S.-European relations as well as in outside areas. The meetings of the delegation of the U.S. Congress with the European Parliament delegation have created an open environment to explore many areas of cooperation. We look forward to meeting with the European delegation again in January to continue to examine those issues where U.S.-European cooperation can help find solutions.

Sincerely yours,

TOM LANTOS,
Chairman,
U.S. Congressional Delegation.
BENJAMIN A. GILMAN,
Cochairman,
U.S. Congressional Delegation.

CHAIRMAN VOLCKER'S RESPONSE TO REPRESENTATIVE LaFALCE CONCERNING THE CONSTITUTIONAL STATUS OF THE FEDERAL RESERVE BOARD

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. LaFALCE. Mr. Speaker, during Chairman Volcker's February 19, 1986 appearance before the House Banking Committee concerning the semiannual review of monetary policy, I asked Chairman Volcker to have the Federal Reserve Board's General Counsel prepare a legal memorandum discussing the Federal Reserve's status as an executive, legislative, or independent agency under the Federal Constitution. As one of the 12 Members of the House of Representatives that challenged the constitutionality of the Balanced Budget and Emergency Deficit Control Act—the Gramm-Rudman Act—I was keenly aware of the fact that the status of independent agencies under the U.S. Constitution was called into question—at least indirectly—by the Gramm-Rudman lawsuit.

As the public debate continues on this question, I thought my colleagues, and members of the press and public, would be interested in the Fed's analysis as to its own status in the structure of our government. Ac-

cordingly, I am sharing with you Chairman Volcker's letter and the Fed General Counsel's memorandum in response to the questions I posed to Chairman Volcker.

Generally, the Fed concludes that it is an independent agency established by Congress to carry out a specified, but limited, scope of delegated functions. Citing the Supreme Court case of Humphrey's Executor decided in 1935, as well as the recent Gramm-Rudman Supreme Court decision, the Fed asserts that independent agencies are operating within the scope of well-accepted constitutional principles.

FEDERAL RESERVE SYSTEM,
Washington, DC, July 21, 1986.

Hon. JOHN J. LAFALCE,
House of Representatives,
Washington, DC.

DEAR JOHN: Now that we have the Supreme Court decision in the Gramm-Rudman case and have had an opportunity to review it, we are in a position to respond to your request during my last monetary policy review testimony. I think you will agree that the Supreme Court's decision, as well as the concurring opinion by Justice Stevens and the dissenting opinions by Justices Blackmun and White were generally supportive of the position of independent agencies. Mike Bradfield's memorandum reviews the Court's opinion as well as the background on the development of our status in the overall governmental framework.

In addition, I thought it would be useful to bring to your attention a case brought by Senator Melcher against the Federal Open Market Committee challenging the constitutionality of Federal Reserve Bank presidents serving on the Federal Open Market Committee. The effect of holding these arrangements unconstitutional would undermine the regional structure of the Federal Reserve System which is an important element in its independence as envisioned by the Framers of the Act.

Please let me know if you have any further questions on this matter.

Sincerely,

PAUL.

Enclosure.

JULY 18, 1986.

MEMORANDUM

To: The Honorable John J. LaFalce.
From: Michael Bradfield.
Subject: Status of the Board of Governors of the Federal Reserve System.

You asked Chairman Volcker, during his testimony before the House Banking Committee during its Semi-Annual Hearing on Monetary Policy, for a memorandum from me on the status of the Board of Governors of the Federal Reserve System within the structure of government established by the Constitution. It is clear from the Federal Reserve Act, as it has been amended from time to time, that Congress has made the judgment that the functions of the central bank can most effectively be carried out through an agency that has a certain degree of independence from transitory political pressures that may be transmitted through both the Congress and the Executive. Three major tools have been used to carry out this objective—removal of members only for cause, extended terms of office for members and budgetary independence for the System as a whole.

This independence was originally structured and emphasized through reliance on regional reserve banks, extended terms for Board members, and removal only for cause. As Congress gained experience, it decided, in the period from 1933 to 1935, to strengthen the Board's position in four important ways. First, it removed the Secretary of the Treasury and the Comptroller of the Currency from the Board because they exerted undue executive branch influence. Second, Congress centralized greater authority within the System in the Board by creating the Federal Open Market Committee with the seven Board members as regular participants. Third, the terms of service of members were lengthened from ten to fourteen years. Finally, the Congress provided that the Board's funds, which were initially considered to be public monies, "shall not be construed to be public funds or appropriated monies."

For almost a century, since the establishment of the first independent federal agency—the Interstate Commerce Commission—in 1887, Congress has used this vehicle to accomplish the goal of applying a combination of technical expertise and objective judgment, fortified by a degree of independence from transitory political pressures, as a solution to dealing with certain limited but complex problems facing the government. Congress has sought, through this institutional device, to deal not only with banking and financial issues, but also regulatory problems arising from such widely diverse activities as nuclear energy (the Nuclear Regulatory Commission), labor relations (National Labor Relations Board), and transportation safety (the National Transportation Safety Board).

A recent compilation submitted to the Supreme Court in connection with the Gramm-Rudman-Hollings litigation lists 26 independent agencies now carrying out delegated functions, all with members having specific and, in most cases, lengthy terms of office. Fifteen of these agencies have members that can be removed only for cause, and fourteen are specifically designated by Congress as "independent" agencies. Judging from this widespread use of the independent agency concept, Congress appears to have clearly recognized both the utility and desirability of a specific category of agencies, established with a certain, and varying, degree of independence from the Executive and the Congress, and carrying out a limited, but quite diverse scope of delegated functions.

You have also asked under what circumstances and under what conditions questions as to the Board's status could arise. As you are aware, the issue of the status of independent agencies was recently highlighted in the litigation challenging the constitutionality of the 1985 Balanced Budget and Emergency Deficit Control Act (the "Gramm-Rudman-Hollings Act").

The Constitutional foundation for independent agencies was recognized by the Supreme Court in the case of *Humphrey's Executor*, 295 U.S. 602 (1935). In that case the Supreme Court held that the President could not remove a Federal Trade Commission member at will. The decision in *Humphrey's Executor* is fundamentally based on the Court's acceptance of a distinction between agencies exercising "any executive function—as distinguished from executive power in the constitutional sense." At p. 628. Under this distinction, officers who do not, for example, exercise the President's foreign affairs powers, who are instead subject to control of the law as established by Congress, and not to the exclusive direction of the President, are within the group of officials who are not removable at will by the President. Citing the particular facts of the FTC's delegated authority to exercise quasi-judicial and quasi-legislative functions, the Court held that arrangements that set a term and put limits on removal do not violate the separation of powers provisions of the Constitution. The Court said that "The authority of Congress in creating quasi-legislative or quasi-judicial agencies, to require them [commissioners] to act in discharge of their duties independently of executive control cannot well be doubted, and that authority includes, as an appropriate incident, power to fix the period during which they will continue in office and to forfeit their removal except for cause." Based on the decision in *Humphrey's Executor*, the Third Circuit Court of Appeals, which has recently reviewed the debate about the constitutionality of independent agencies, stated "We note that the constitutionality of independent agencies has been settled for half a century." *Ameron, Inc.* v. *U.S. Army Corps of Engineers*, Nos. 85-5226 and 85-5377 (3rd Cir. Mar. 27, 1986).

Even more recently, in holding Gramm-Rudman-Hollings unconstitutional on the grounds that the Comptroller General's role in implementing that legislation violated the Constitutional doctrine of separation of powers because the Comptroller is a part of the legislative branch but exercises executive powers under that Act, the Supreme Court cited *Humphrey's Executor* and implicitly endorsed the statutes establishing independent agencies. *Bowsher* v. *Synar*, No. 85-1377 (July 7, 1986). A concurring opinion by Justices Stevens and Marshall even more strongly endorsed the concept of independent agencies noting that "it is entirely proper for Congress to specify the qualifications for an office that it has created. . . ." (concurring opinion at 5) Dissents by Justices White and Blackmun also endorsed independent agencies. Justice White, while disagreeing with the Court's decision, noted that the holding "is fully consistent with the Court's longstanding recognition that it is within the power of Congress under the 'Necessary and Proper' Clause, Art. I, Sec. 8, to vest authority that falls within the Court's definition of executive power in officers who are not subject to removal at will by the President and are therefore not under the President's direct control." (White dissent, at 3) Finally, Justice Blackmun's dissent noted, "Furthermore, I think it is clear under *Humphrey's Executor* v. *United States* . . . that 'executive' powers of the kind delegated to the Comptroller General under the Deficit Control Act need not be exercised by an officer who serves at the President's pleasure, . . ." (Blackmun dissent at 102) Thus, while differing on the constitutional issue raised in *Bowsher*, all nine Justices agreed that Congress may establish agencies to perform executive functions that operate independently of the direct control of the President.

It seems clear that independent agencies are operating within the scope of well-accepted constitutional principals. I would sum up the law as follows:

The Constitutional doctrine of separation of powers does not require three branches of government hermetically sealed from each other, with separate labels—executive, legislative, judicial—attached to each.[1]

[1] See *Buckley* v. *Valeo*, 424 U.S. 1, at 121 "But they [the framers] likewise saw that a hermetic sealing off of the three branches of Government

Rather, it requires that the checks and balances built into the Constitution be complied with in the exercise of governmental power. Agencies whose members are appointed by the President in accordance with the Constitution, but who are removable by the President, but only in accordance with specified standards, and who exercise limited powers that do not usurp the "executive power of the President in the Constitutional sense," fall clearly within the permissible constitutional boundaries.

The question of the Board's status also arises on occasion in connection with the application of specific statutes. Although the Board is, for example, clearly subject to the Administrative Procedure Act, the Freedom of Information Act and other statutes concerning the exercise of governmental power, it is generally not subject to statutes concerning only the administration of the executive branch. For example, section 10 of the Federal Reserve Act provides, as noted above, not only that the System funds are not to be considered government monies, but also that the Board has the authority to determine the manner in which its obligations shall be incurred and paid and that the personnel expenses of the Board "shall be governed solely by the provisions of this Act." It is, however, in the context, of applying statutes of general application that the issue of whether the System is considered to be in the Executive Branch may arise. Cases considering the Board's and the Reserve Bank's status under legislation affecting the government heve treated the System differently under different statutes. Where a decision holds that specific statutes apply to the Board, such as those affecting historic buildings, it is only determining that such provisions are generally applicable to independent as well as other agencies of the United States.

CONGRESSIONAL INITIATIVES AGAINST DRUG TRAFFICKING AND ABUSE

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. KINDNESS. Mr. Speaker, concern over drug trafficking and drug abuse is nothing new. But from time to time, events such as the drug-induced death of a famous person or the indictment of an apparently model citizen on charges of drug trafficking cause that concern to be heightened to the point where citizens, including legislators, ask what is being done and what more can be done.

It is unfortunate that it takes tragedies like the recent deaths of University of Maryland basketball player Len Bias and Cleveland Browns football player Don Rogers to stimulate legislative efforts like that announced last week by House Speaker TIP O'NEILL to enact legislation and provide funding for efforts to deal with both the supply of drugs and the demand for drugs. The timing and estimated cost of this legislation have caused some of my colleagues to suspect that the Speaker was prompted more by partisan motives than by genuine concern over drug trafficking and drug abuse.

Nevertheless, I have felt for a long time that more could and should be done to deal with the trafficking in and abuse of drugs. As ranking minority member of a Government Operations subcommittee, I have been, for the past 4½ years, overseeing our efforts to effectively utilize the resources of our military services to assist our law enforcement agencies in their efforts against drug trafficking. And, as a member of the Judiciary Committee, I have worked on legislation to make it easier for our law enforcement agencies to successfully investigate and prosecute drug traffickers and their organizations.

The proper involvement of the military in the so-called drug war has been a subject of controversy for some time. Legislation was enacted in 1981 to clarify the ways in which the military could properly assist civilian law enforcement agencies. Since that time, we have transferred military equipment to law enforcement agencies, including the U.S. Customs Service, for use against drug smugglers. Meanwhile, the threats to our southern border—drugs, illegal immigration, hostile governments, and terrorism—have increased.

In hearings before our Government Operations Subcommittee last year, we learned of the extent of the connections between drug traffickers and guerillas and terrorists in Central and South America. Given the proven ability of these traffickers to penetrate our borders—not to mention the debilitating effect of drugs on our people—it is not difficult to conclude that narcotics trafficking poses a threat to our national security as great if not greater than that posed by Soviet strategic forces.

The recent involvement of United States military forces in Bolivia revealed the problems inherent in direct involvement of United States forces in antidrug efforts. But, I like most of my colleagues, applauded President Reagan for his recent decision to recognize the threat to our national security posed by drug trafficking and to order more direct involvement by the military services in assisting civilians law enforcement agencies in their antidrug trafficking efforts.

So far, Congress has made limited demands on the military to lend equipment such as aircraft, radars, and helicopters to law enforcement agencies—and provide the necessary training and maintenance for their use. But, there is widespread belief that the military can and should provide more and that that would provide law enforcement agencies with a more effective deterrent to smuggling of drugs as well as other contraband.

Yesterday, legislation which I have cosponsored was introduced to authorize the provision of more military equipment to our civilian law enforcement agencies. Among other things, that legislation would:

Provide the United States Customs Service with 879 new personnel, military aircraft, command centers, secure radio communications equipment, and operation and maintenance funds for the Customs' air and maritime interdiction programs as well as a joint United States-Bahamian drug interdiction task force;

Provide the Coast Guard with 1,500 new personnel and secure radio communications equipment;

Provide the Department of Justice with 600 new agents for the Drug Enforcement Administration—100 to be posted overseas—secure radio communications equipment, and an unspecified number of additional assistant U.S. attorneys; and

Provide the Department of Defense with funds to replace and modify aircraft, helicopters, and radar for use by civilian law enforcement agencies.

The justification for these proposals can be found in the testimony I heard during the many days of oversight hearings held by our Government Operations Subcommittee over the past 4½ years.

The Reagan administration has previously indicated its support for some of these proposals; it can be expected to offer constructive alternatives to some of the others. For example, some feel that we may be providing more to the Customs Service than it can prudently use and that we are not providing sufficient equipment to the Coast Guard. I am sure that my colleagues are open to considering those alternatives before acting upon this legislation in September.

This legislation will in no way "solve" the problems of drug trafficking and drug abuse. We must also bolster our efforts at education and treatment so to discourage the use and thereby reduce the demand for drugs. And, we must continue to encourage our neighbors to combat drug cultivation and trafficking in their countries. The experience of countries like Columbia and Bolivia demonstrate the threat to national security posed by the traffickers of narcotics.

Some have become cynical about all of these efforts. I, too, have been frustrated by the increase in drug use and abuse even as we have increased our law enforcement efforts against drug trafficking. But, the threat is too great to our society; we must defend ourselves, whether that means an Air Force surveillance plane flying along the southern border looking for smugglers or giving our young people the widsom and the confidence to say "no" to drugs.

THE GOLD HILL INN

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. WIRTH. Mr. Speaker, Colorado is home to many unique and lovely places, and I would like to bring one of them, the Gold Hill Inn, to the attention of my colleagues.

Gold Hill, CO, is a town of fewer than 150 people on top of Horsfal Mountain, about 10 miles outside of Boulder. There, Frank and Barbara Finn run a charming restaurant and hotel with the help of their children and son-in-law. Built in 1872, the Inn may or may not be haunted by its original builder, and ghosts aside, it's a lovely place to eat or spend the night.

The Denver Post ran an article on July 8 which I would like to share with our colleagues. The article, reprinted below, captures the rustic glory of the Gold Hill Inn.

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from one another would preclude the establishment of a nation capable of governing itself effectively."

THE BLUE BIRD LODGE—RIGHT NEXT DOOR TO GOLD HILL INN

(By David McQuay)

GOLD HILL.—One night Frank Finn was awakened by the sound of someone sawing wood. He says he walked into the next room and found the light on but no one there. He went back to sleep, woke up again to the sawing, and couldn't find anyone. The light was on again. The next day he woke up and went into the room. Sawdust was on the floor.

Feel a little like Rod Serling, Frank?

He thinks it was the ghost of the hotel's builder, Tim Walter. Well, hey, the Finns are building a deck out back; maybe they can put the old boy to work.

Finn and his wife, Barbara, run the Gold Hill Inn with help from their children and son-in-law. It's in the middle of nowhere, and they're expanding. The saloon and the restaurant are the largest industries in the town of maybe 150 people, and next door the Finns have just reopened the old Wentworth House, one of the oldest hotels in Colorado, and christened it the Blue Bird Lodge, in honor of a group of Chicago ladies called The Bluebirds who used the hotel as a vacation spot in the '20s.

First you have to find Gold Hill. It's about 10 miles and half a century from the outskirts of Boulder. You take Mapleton Avenue or Four Mile Canyon Drive and keep ascending Horsfal Mountain, even after you think you have passed all civilization and are about to turn back to douse your defeat at Tom's Tavern. Suddenly, on a stretch of dirt road at the top of the mountain, the few log homes and the Gold Hill Inn appear like apparitions out of an old Henry Fonda film. Gold Hill is a town made of wood and dirt. Only a couple of families have moved here in a quarter-century.

The Wentworth House started as a hotel in 1872, built during the Gold Hill gold rush. Barbara Finn says this was the first permanent mining camp in Colorado. The town was swollen with a thousand people and who knows how many saloons. Then the rush was over, and Gold Hill quieted down. In 1921, Jean Sherwood, a Chicago art patron and founder of the Boulder Art Association, bought the Wentworth and turned it into the Bluebird Lodge. She marketed it as a vacation spot for ladies who wanted a taste of mountain air and a little bird watching. They called themselves the Bluebirds.

There was a skating rink across the street, but it was closed after a Bluebird became smitten with a local miner she met there. This was scandalous. Mrs. Sherwood's good girls were not supposed to associate with swarthy Colorado miners. The rink stayed closed.

The poet and newspaperman Eugene Field used to stay at the lodge—it's surprising that Mrs. Sherwood would let a poet or a newspaperman near her Bluebirds—and Field wrote several poems here, including "Casey's Table d'Hote." Legend has it that Clarence Darrow stood on the steps of the lodge and recited "Casey's Table d'Hote" to a swarm of admiring Bluebirds.

In the late '50s the idea of a vacation in Gold Hill, with or without skating rink, no longer appealed to the Bluebirds. Then came the Finns in 1959. Tired of the East Coast, they moved to Boulder and helped start the YMCA, but decided that their daughter, Deborah, should attend a small grade school. They enrolled her in Gold Hill's one-room schoolhouse, which is now a two-roomer, and worked as caretakers on the Trojan Ranch. During their first winter there "we had three feet of snow and not a stick of wood," Frank Finn says.

Then the Gold Hill Inn went up for sale, and until the Finns were able to borrow $12,000 to buy it, Barbara would send over the pet donkey, Twinkle, to nip at prospective buyers looking at the property.

They ran it as a hotel in the late '60s, but this was more than a decade before America went bonkers over old hotels and the bed-and-breakfast idea, and the Finns turned the inn into a variety of things, including a home for troubled juveniles and foster children. The Finns did this for free.

The hotel has nine rooms ($35 for a single or double, includes breakfast), and plenty of rough old charm, avoiding bed-and-breakfast cutesiness. Here we have commodes, floral wallpaper that was around during the Bluebirds' reign, the door of the old Gold Hill post office, a Victrola in the sitting room, an oil of the huntress Diana with duck and dog in the dining room.

Gary Millennor, the hotel manager and the Finns' son-in-law, sleeps with the ghosts upstairs in what used to be the Bluebirds'; dance hall. Business is slow at the hotel, but the restaurant is often packed. The Finns knew nothing about running a restaurant 25 years ago. "She's a chemist, I'm a social worker and our first cook was a cab driver from Chicago," Finn says.

Now the cook is their son Christopher, the maitre d' son Gary. For $17.50 plus tax you can gorge yourself with a six-course meal including appetizer, soup, salad, an entree such as smoked stuffed trout or fresh salmon steak with fresh vegetables, dessert, and cheese and fruit. They are sometimes very busy, and reservations are requested. You never know who will show up; one time it was Senator Fulbright, another time 75 Jesuits getting loose after a theology conference.

Two of the priests walked up to a nun in the bar and said, "Sister, how about swinging from the rafters?"

Before she had time to consider this request, the Jesuits hoisted her up for a swing and left her up there. "There's nothing like 75 Jesuit priests, singing 'There's Nothing like a Dame,'" Frank says.

In the restaurant is a rebuilt Venus de Milo which a hermit named Snowbound Charlie used to keep chained to a tree for some reason, and on a wall is an old picture of a bison used as an advertisement for the Union Pacific Railroad. The artist was never paid, so he added a profile of the Union Pacific president on the bison's rump.

Whatever the success of the hotel, it is doubtful that hordes of tourists will invade Gold Hill. "This is the only business in town, except for a shop or two," Millenor says. "I'd still like to see that dirt road. That's what we like about Gold Hill."

A TRIBUTE TO MR. ERNEST E. LATSHA

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. GEKAS. Mr. Speaker, many times I have come to the floor of the House of Representatives to praise the accomplishments of my constituents. At this time I would like to bring to the attention of my colleagues the work of a man who has unselfishly spent the past 28 years of his life dedicated to public service. The man to which I refer is Mr. Ernest E. Latsha, who will be finishing his term as chairman of the board of the Dauphin County Housing and Redevelopment Authority on August 26, 1986.

Under Mr. Latsha's leadership, many innovative housing programs have been initiated, resulting in a great improvement in the quality of life of the residents of Dauphin County. Not only has Mr. Latsha been a staunch supporter of new housing programs, he also has been a supporter of home ownership, property improvements, and new private housing development, and has advocated the authorities' issuance of tax-exempt revenue bonds to foster such improvements.

Because of this man, thousands of Dauphin County residents now have safe, decent, affordable living accommodations. In fact, in the 28 years of his involvement in the redevelopment and housing programs, a total of 54 housing and community improvement projects were undertaken, at a total cost of $111,181,729. Truly a great accomplishment.

Mr. Speaker, it is my hope that more Americans will follow the example set by Mr. Ernest Latsha, and devote some of their time to public service. I truly believe that our quality of life would only improve further. Allow me to express my gratitude to Ernest Latsha for many jobs well done. I am honored to have an individual like him living in my district.

YURI DRUZHNIKOV

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. FRENZEL. Mr. Speaker, I am pleased to participate in the Congressional Vigil for Soviet Jewry, this year on behalf of Mr. Yuri Druzhnikov. It was the sister of Mr. Druzhnikov, now residing in my district, who first brought the plight of her brother to my attention.

Yuri Druzhnikov is a well-known Russian novelist, playwright, and author of short stories for children. He has been a refusenik for 9 years and has been denied over 10 requests to emigrate. After his first application for an exit permit was submitted, he was immediately expelled from the Union of Soviet Writers, allegedly for "having chosen the road of betrayal to his country." His books were removed from libraries and bookstores, his name was deleted from articles in professional literary journals, magazines, and newspapers. His books accepted for publication by Moscow publishing houses were prohibited by censorship.

One of his plays which had a successful run of some 1,000 performances was closed down without notice. His other plays were prohibited by the Ministry of Culture. His voice, which had sounded regularly in a radio program for parents about the problems of their children, grew silent.

In October 1982, a group of Minnesotans participation in the Friendship Force's trip to the Soviet Union visited Yuri Druzhnikov and

other refuseniks. These new friends of Mr. Druzhnikov tell me that after that encounter, his mail was completely cut off.

I am told that the original reason given for the denial of Mr. Druzhnikov's visa was that his wife, Galina, held a position as an engineer that was allegedly a security risk. Mr. and Mrs. Druzhnikov have been divorced for 6 years now and his former wife is not seeking permission to emigrate. However, to the best of our knowledge, the nature of Galina's job is still being given as the reason to deny Yuri his right to an exit visa.

In the past years, Yuri Druzhnikov had chosen a path of quiet diplomacy and avoidance of political demonstrations or protests. But now after 9 years as a refusenik, life in the Soviet Union has become intolerable.

I know that Yuri Druzhnikov is hopeful that all those individuals sympathetic to the plight of Soviet Jews will hear his plea and join in and appeal to the Soviet authorities on his behalf.

BURSHTEIN FIGHTS SOVIETS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. PORTER. Mr. Speaker, I would like to introduce my colleagues to a brave young man, Albert (Chaim) Burshtein, a 20-year-old citizen of Leningrad. In his 20 years, Chaim has witnessed continuous persecution of his family and friends, has experienced constant harassment, and has been a victim of harsh anti-Semitic policy at the hands of the Soviet authorities.

Chaim is a man of strong will and determination and despite the efforts of the Soviets to break his spirit, he is ready to challenge the officials that are out to destroy him. Chaim, although suffering from a debilitating disease of his shinbone which has left him an invalid, has not given up his fight to live in Israel.

In the past year he was arrested for "stubbornly demanding an exit visa to Israel," and for planning a work strike to protest the refusal of his family's exit visas. He then went on a hunger strike to protest his arrest from November 6 to 13. In December 1985, Chaim also participated in the hunger strike in sympathy for the plight of Leonid Volvovsky.

In an effort to call attention to the plight of separated families, Chaim was a signatory to a letter sent to the 27th Communist Party Congress in February. Since that time Chaim has been receiving a great deal of pressure from the KGB at his job, because of all his activities. His telephone at work was also disconnected.

Within the last 2 months the Soviet authorities have cracked down on Chaim. On May 25, Chaim was with a group of friends near a metro station. When he walked away from the group, they were surrounded by KGB agents and were taken away. Chaim followed, trying to ask questions but he too was taken away by force. While he continued to yell at the KGB, the group was finally released.

In a matter of a few days, Chaim was fired from his job after extreme pressure was exerted on his boss by the KGB. Chaim has become a target of persecution and abuse by the Soviet authorities and will continue to be so until he gives up his determination to live in Israel or until his voice is silenced by the KGB.

Mr. Speaker, Chaim will not give up his determination and his voice will not be silenced unless he is allowed to repatriate to Israel. He is determined to fight and I urge my colleagues to join him in his fight. Chaim is presently involved in a law suit against the Soviet authorities pertaining to his illegal dismissal from his employment. I am honored to be named in the suit to represent Chaim, and I would like to urge my colleagues to continue to pressure the Soviets, so that the continued persecution of Soviet Jews stops.

I would like to submit to the RECORD the documentation of the case that Albert (Chaim) Burshtein is bringing against the Soviet officials, so that my colleagues can understand the fight that he is waging against a system that is determined to break him.

[From Chicago Action for Soviet Jewry, Highland Park, IL]

To: The Court of Dzerzhinsky District of Leningrad.

From: Albert Burshtein.

APPLICATION

Based on Article 3 of the Civil Procedural Code of the RSFSR, The Right to Appeal a Trial; and Article 15, The Jurisdiction of the Court, I ask you to consider the question of my illegal dismissal from my job, based on Article 33 of the Labor Code of the RSFSR, "for shirking work on the March 25 and March 26, 1986."

My "shirking of work at my job" for two days was circulated by those present at work despite the fact that on March 18, 1986, I suffered from an unprecedented exacerbation of my illness. This was proved by the Sick Leave Certificate which required a home treatment regime. On March 19, 1986, despite my poor health condition, I went to the trial of my friend, Vladimir Lifshitz, a citizen of Israel. He was accused under Article 190 of the Criminal Code of the RSFSR, "slander defaming the Soviet Regime." Despite proof introduced by the accused and his attorney, who persuasively proved that the incriminated materials were not slanderous, the court acknowledged Lifshitz to be guilty.

On March 19, under a non-medical directive, Polyclinic No. 88 of Kirovsk District sent a medical staff five times to my home in order to prove my absence and for breaking the home regime. As a result, on March 24, my Sick Leave Certificate was stopped mainly because of breaking the home regime despite my disablement and the exacerbation of my illness. I would like to point to the fact that often having the exacerbation four or five times a year, even of a lighter form, would be proved by an ambulance regime but not a home regime.

[EDITOR'S NOTE: "Ambulance regime" is when a patient is able to move about and "home regime" is when the patient is required to stay at home.]

I have had a Sick Leave Certificate for 20–30 days but now it was stopped in five days. Being disabled for work this very day, March 25, I invited a doctor over. He came and confirmed the fact of my illness and then confessed that he refused to give me a Sick Leave Certificate from the Assistant Chief of the Polyclinic. On March 25 and March 26, I appealed to the Polyclinic where not a single doctor or administration staff person doubted the existance of my disease but all refused to give me a Sick Leave Certificate or any form to confirm the valid reason for my absence from my job. So for those two days, I was dismissed despite my explanation of the reason and the labor law, namely, Article 33 of the Labor Code that states: One of the reasons for cancelling a labor contract may be the shirking of a job without valid reason. However, Clause 29 of the Commentaries to Labor Laws of U.S.S.R. states: The shirking of a job is not considered if the person is absent because of valid reasons such as, illness, helping the ill, etc. On April 15, 1986, the Primal Court of RSFSR for legal cases stated that the absence of a Sick Leave Certificate cannot serve as a reason for dismissal from work, if it is proved that the absence was due to illness.

For the sake of proving that the real reason of my absence from work on March 25 and 26 was illness based on my right according to Articles 49, 57 and 64 of the Civil Procedural Code of the RSFSR, I ask you to obtain the necessary documents as an end to my appeal:

1. The explanation handed to the Administration of my job by me on March 27, 1986.

2. Sick Leave Certificate for March 18 to March 24.

3. To extract from the Polyclinic the materials detailing the frequency, time and duration of my illness, and the regime of treatment for the last two years.

4. To extract from the Registration Journal of the Polyclinic confirmation of the fact that I invited a doctor to my home on March 25.

5. Based on my right confirmed by Articles 51, 57, and 31 I ask that you obtain and add to the case the testimony of two Professors of the Cincinnati Ohio University, who stayed with me on March 25 and who are able to confirm all facts: Benny Krause, 1828 Crestfield, Cincinnati, Ohio 45237; and Jonathon Sarner, 2644 Rasaniville, Cincinnati, Ohio 45237.

Thus, in accordance with Article 49 of the Civil Procedural Code the valid reason for my shirking work during March 25 and 26 would clearly be proved as will the illegal dismissal from my work by the administration. I would like to point to the fact that this dismissal is the last step in the long process of pressure on me by the Ambulance Car Garage Administration with the aim of firing an inconvenient worker. The facts of the illegal official reproofs, all signing and preparing of materials, resulted in my arrest for 15 days for announcing on November 7, a work strike to demand that the violations of human rights in the U.S.S.R. be stopped.

Based on my rights confirmed by Articles 43, 44, and 433, I ask that Attorneys, Congressman John Porter and Mr. Carlos Rizowy of the United States, participate in my trial. Based on Article 9 regarding publicity of a trial, I ask you to introduce a hall containing more than 50 people for the realization of my relatives and friend's rights. I ask you to protest my illegal dismissal from my job.

THE MIKE MONRONEY AERONAUTICAL CENTER

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. EDWARDS of Oklahoma. Mr. Speaker, earlier this month, we celebrated the 50th anniversary of the Nation's air traffic control system. Often overlooked is the critical role of the FAA's Training Center in Oklahoma City, where air traffic controllers learn their profession.

The Mike Monroney Aeronautical Center conducts a number of critical FAA activities. In addition to training air traffic controllers, the Center trains FAA employees in airport security, flight standards, logistics, airway facilities, and aviation inspection.

The Center also contains the Civil Aeromedical Institute, which conducts aerospace medical research, and the FAA depot, which maintains an inventory of more than $200 million in supplies, and supports the National Airspace System and 14,200 installations around the world.

In a speech several weeks ago, James E. Richardson, Director of the Center, spoke of the importance of the facility to our Nation's airport/airways system and the economy of the State of Oklahoma.

I commend Mr. Richardson's remarks to my colleagues.

SPEECH BY JAMES E. RICHARDSON, DIRECTOR, MIKE MONRONEY AERONAUTICAL CENTER, DEDICATION OF THE FAA EXHIBIT, OKLAHOMA AIR SPACE MUSEUM

Ladies and gentlemen and distinguished guests.

It's a privilege for me to be able to represent the over 2,000 employees of the Mike Monroney Aeronautical Center in this dedication ceremony. The display signifies a token of our appreciation to the people of Oklahoma, to the Oklahoma City community, the Chamber of Commerce, and countless others who have supported the FAA and the Aeronautical Center over the past 40 years.

Simply put, it is our way of saying thanks to all of you.

The display is centered around an air traffic control environment and that is appropriate this year because, as most of you know, we are celebrating the 50th anniversary of the air traffic control system in the United States. However, the display also includes video disks that depicit not only air traffic control but;

A history of aviation.

A simulated flight from Oklahoma City to Dallas showing the interaction between the pilot and controller.

An overview on careers in aviation and more—there are six subjects in all.

The surrounding panels also depict the many other services we provide at the Aeronautical Center . . . such as:

Our FAA Depot, which has an inventory of over $200 million in supplies and supports the National Airspace System and 14,200 FAA installations around the world.

Our Data Services Division, which provides administrative data processing and payroll services for the entire Department of Transportation.

Our Airmen and Aircraft Registry, which maintains records of more than 2.8 million airmen and more than 290,000 aircraft in the United States.

Our Procurement Division, which buys supplies and services in support of the National Airspace System and spends more than $100 million a year, much of it here in Oklahoma.

Our FAA Academy, the Agency's principal source of technical training.

The Civil Aeromedical Institute, which is involved in all types of aerospace medical research projects using world-renowned experts in various fields.

The Transportation Safety Institute, which deals with training in airport security fields and promotes safety across all transportation modes.

The Coast Guard Institute, which administers a major training program in 100 different courses.

The display was designed and built by our own people and that in itself signifies the quality of people we have and their commitment to their organization and this community.

Virtually every facet of aviation in the world touches the aeronautical center in some way and I am not sure very many Oklahomans recognize the important role we play. For instance, I'm sure few are aware that our scope of work involves thousands of foreign nationals who learn their skills or hone their abilities at our Center's Technical School. More than 6,000 from over 100 countries have trained in various disciplines including what might be the hottest topic of all right now—airport security. Moreover, we support over 250 international agreements through which we provide technical and logistics support to international aviation.

I would also like to highlight for you some of our other major programs currently in place and some of the major things planned.

We have a $30 million renovation project currently underway to update our physical facilities and to get them ready for the future. We have been in Oklahoma City for 40 years and this project will rehabilitate our buildings to last 40 more. Economically, this project will result in 100 new jobs a year for the next 4 years.

We are automating our warehouse at a cost of over $13 million. This facility supplies parts and equipment throughout the world, on demand, and usually in just a few hours. We will have drones working the parts bins at 60 miles an hour, just to give you an idea of the sophistication of the project.

We are planning an extensive office automation project that will be ongoing and productive. It will result in increased efficiency, and will enable us to bring new workloads into the Center. In turn, this will increase our importance to Government and hopefully bring more business to Oklahoma.

The Agency is in the middle of a $10 to $11 billion National Airspace System expansion program over the next 5 to 10 years which will have a tremendous impact on things we do. The Center will play a major role in providing the necessary support, primarily in the area of logistic support through the depot and in technical training in the Academy.

With regard to technical training in the Academy, I am pleased to announce that there is going to be a significant increase in our daily student population next year. We are projecting an increase of approximately 3,000 additional students starting in October with enrollment going from 12,000 to nearly 15,000 students. In air traffic control training alone, we will experience a growth of 116 percent over what we have done this year. In addition to this, students will stay longer. "Student-weeks" at the Academy will increase almost 70 percent, going from 63,000 to 104,000 "Student-weeks."

These figures do not include approximately 50 to 75 new instructors who must be hired to handle the influx of students in all disciplines at the Academy, including instructor training, air traffic control, airway facilities, flight standards, and airport and logistics.

What does this all mean?

First, a new surge in activity at the Center.

Second, an additional $16 million in "hard" money will go into the Oklahoma City economy, and these figures are based on percentages of funds students will spend here. Student expenditures will go from $25 million to $41 million next year.

And third, to handle these increases, it will be necessary to increase our overall budget request from $192 million this year to approximately $217 million in fiscal year 1987.

The resulting economic impact will go across the board—from hotels, motels, and apartments to food stores and entertainment facilities. At any given time of the year, we will have approximately 2,000 students in residence at the Center and living in Oklahoma City and the metro area.

These are impressive numbers and I am pleased to give them to you today as we dedicate this fine showpiece from the people of the Mike Monroney Aeronautical Center. We want it to be a reminder of the 40 years of progress at the Center and the 50 years of dedication in the Air Traffic Control System.

IMPROVING QUALITY OF ACADEMIC LIFE

HON. WAYNE DOWDY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. DOWDY of Mississippi. Mr. Speaker, it is a privilege for me to bring to the attention of my colleagues the remarks of my friend, Dr. James A. Hefner, president of Jackson State University. The speech was delivered at a gathering at the Vista Hotel in Washington, DC, to celebrate an exciting endeavor involving Jackson State University, the Lawrence Berkeley Laboratory, and the Ana G. Mendez Educational Foundation. I know my colleagues in Congress join me in congratulating Dr. Hefner and the others who worked to make this unique idea a reality.

INTRODUCTORY REMARKS BY JAMES A. HEFNER, PRESIDENT, JACKSON STATE UNIVERSITY

Ladies and gentlemen, I am delighted to welcome you to this historic celebration. We are here, as you know, to celebrate a unique arrangement comprising Jackson State University, the Lawrence Berkeley Laboratory, and the Ana G. Mendez Educational Foundation.

Let me pause and thank all of you for coming to celebrate this joyous occasion with us. Without the support of Congressman Jamie Whitten, Senator Mark Hatfield, Senator John Stennis, Senator Thad Cochran, Congressman Wayne Dowdy, the Mis-

sissippi delegation in general, Congresswoman Lindy Boggs, Congressman Louis Stokes, Congressman Mickey Leland, Congressman Bill Richardson, and Dr. Margaret Seagears we would not be here this evening. I wish to thank all of you including my colleagues at the Department of Energy, Lawrence Berkeley Laboratory, particularly Harold Wilson and Walt Hartsough, as well as alumni and friends of Jackson State University. I realize that these occasions are not self-generating, that a number of individuals contributed to the Consortium and special funding that we are receiving for research and faculty development. So let me thank in a very special way Ms. Miriam Cruz, President of the Equity Research Corporation. This charming and hard working young lady has been the glue that has kept this whole enterprise together. She has indeed helped institutionalize the Consortium.

You should all know that the Jackson State University/Lawrence Berkeley Laboratory/Ana G. Mendez Educational Foundation Consortium is dedicated to improving the quality of research and instruction at Jackson State and the Mendez institutions. The original bilateral arrangement which was established in 1981 between Jackson State and Lawrence Berkeley Laboratory was designed to enhance research in the natural sciences. The bilateral relationship was expanded in 1983 to include the Ana G. Mendez Educational Foundation. Thanks to Dr. Margaret Seagears, President Mendez and his institutions were invited to enter into a unique arrangement with Jackson State and Lawrence Berkeley Laboratory. I say unique because this is the first instance that I am aware of where a formal relationship among an historically black university, an Hispanic organization, and a major research laboratory have united to improve the quality of academic life at their respective institutions, and thus the entire nation.

I say the entire nation because our Consortium is, in my judgement, a marvel for the rest of the country. Some of us may recall that President Ronald Reagan cited the Jackson State/Lawrence Berkeley Laboratory cooperative arrangement in Executive Order 12320 as the definitive model in the country. The President's Executive Order praised the unique arrangement between Jackson State, a major Black institution, and Lawrence Berkeley Laboratory, a major research lab, as the kind of example that he wished to see replicated.

I know that all of you can clearly see why we are pleased and excited about this evening and the future. We are confident that this Consortium will have a tremendous impact upon our institutions and America. We urge you to support and work with us as we strive to educate young men and women—the future leaders of this nation.

Again, I wish to thank all of you for joining us this evening.

TAX BREAK FOR FARMERS

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. CAMPBELL. Mr. Speaker, South Carolina and several other States in the Southeastern area of the United States are presently facing difficult times as record-breaking heat and the lowest level of rainfall in decades dries up our agricultural base. This drought has left thousands of farmers without the ability to feed their livestock as their feedcrops wither away.

Recently, these southern farmers have had firsthand experience with the real generosity of the American people. As we all know, farmers throughout this land have gone through some difficult times but despite their problems, their generosity to their southern neighbors has been heartwarming. Last week two Air Force C–141 transport planes delivered the first shipments of hay from the farmers of Illinois. Since that time farmers from New York, Indiana, Iowa, Missouri, Kansas, and others have contributed thousands of tons of hay to South Carolina, Georgia, Alabama, and North Carolina.

And the kindness and munificence of our Nation has not stopped. South Carolina has received offers from Maine, California, and others. Railroad cars, trucks, and planes have been donated and people have given up their time to load, deliver, and unload these gifts of hay and feed. To quote from an editorial in one of South Carolina's newspapers, the Charleston News and Courier:

No guitars, recording stars, T-shirts or hyped-up radio and television productions were involved in this grassroots farm-aid effort. The ongoing haylift—which is coming from Midwestern farms by trains, trucks and planes—is the best example of Americans helping Americans we've seen in a long time.

The crisis is still with us and the work must continue and it is important to remember that these problems will develop again wherever and whenever natural disasters occur. Therefore a more long-range solution to ease future crises should be developed. One step we should take is to insure that farmers who do contribute receive fair and equitable tax treatment for their genorosity. Under current law these public-spirited farmers are not allowed the same tax treatment other taxpayers receive when they contribute goods or money to a charitable organization or a State. However there are special rules under section 170 of the Internal Revenue Code which apply to gifts of property.

The charitable deduction for contributions of ordinary income property is limited to the owner's adjusted basis which is usually his or her investment the property. For example, if a painter donates one of his works to a museum, he would only be able to deduct his basis in the painting. This would amount to the actual cost of producing the painting. This reason for this valuation is to eliminate fraud and abuse that would occur from the overvaluation of the property donated.

In my view, the current emergency circumstances require different remedies that are more equitable.

Therefore, I am introducing legislation which fairly considers the circumstances and offers a limited exception to the rule in these emergency situations.

This legislation would allow equitable charitable contributions to farmers who donate agricultural products for the benefit of individuals who have been adversely impacted by floods, droughts, or any other natural disaster. The donee of the agricultural product, for instance a State agricultural department, would certify that all reasonable efforts would be made to distribute the product to farmers truly in need. In order to obtain the more favorable deduction the donor must contribute the product within a 6-month period from the time of the natural disaster. The recipient of the product must also certify that the contribution has been made during this time period.

In order to assure certainty in the value of the product, the charitable contribution would be limited to the wholesale market price for such product in the regional market nearest the farmer during the month in which the contribution is made. Furthermore, this exception is limited to agricultural products, which are specifically defined in the bill.

This legislation has been carefully drafted with the policy of the current law in mind. It provides certainty in determining the value of a product. It applies only to agricultural products. It is only applicable to a limited period of time following a natural disaster. It provides necessary assurances that the products will benefit only those people who desperately need them.

As a matter of law, it is tailored to avoid abuse. As a matter of general fairness, it allows farmers to have the benefit of their hard work when they contribute products to States devastated by natural disaster. It is by no means a windfall to farmers. It is a fair deduction necessitated by emergency conditions.

THE DISTINGUISHED CAREER OF RICHARD WARDEN

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. WIRTH. Mr. Speaker, for many years Richard D. Warden has been a visible and active political figure in Washington, DC. He has steadily worked on behalf of a wide range of labor issues and in the process has earned the respect of the Members of Congress, congressional staffs, and colleagues with whom he has worked so closely. His commitment to important labor issues and his insight into the legislative process have earned Dick Warden a key role here on Capitol Hill.

With your permission, Mr. Speaker, I would like to share with our colleagues an article from the July 14, 1986, edition of the National Journal which profiles the accomplished career of this very distinguished idividual. The article is reprinted below.

UAW's Voice Against Imports

As a classic Washington Careerist, Richard D. Warden has performed effectively in several posts during a quarter-century on the liberal flank. His issues and coalitions have changed, depending on the views of the reigning Washington powers and the needs of his own clients, but his operating methods have remained the same.

"One advantage in being here a long time is that I know a lot of people from spending time on the Hill at committees, off the House and Senate floors, in meetings," he said. "I perfer to deal with Members directly, although that sometimes is hard * * *.

As frustrating as Congress is, it still has a fascination for me."

Warden, 54, is best known as the legislative director of the United Auto Workers (UAW), a post he has held since 1975, except for a 1977-79 stint as assistant Health Education and Welfare (HEW) secretary for legislation and seven subsequent months at an AFL-CIO post. In recent years, he has spent much of his time pushing legislative steps to reduce automobile imports. But he has remained a major player on broader issues such as domestic spending, consumerism and civil rights.

"We have had to fight like hell with this Administration to preserve what we had on things like deregulation, budget cuts, social security and judgeship nominations," he said. "People in this town frequently don't recognize the tough times in many parts of the country where people are really hurting."

His skills, according to those who have worked with Warden, include legislative savvy and a willingness to understand differing viewpoints. "Few people I've seen are as perceptive in anticipating congressional reaction to events and have his network of contacts," said Richard Cotton, a Washington attorney who served as executive assistant to HEW Secretary Joseph A. Califano Jr. during Warden's tenure there. "His intelligence about the Hill was always accurate and detailed."

"Dick is intellectually stronger than most lobbyists and can broaden his perspective on issues," said Alvin From, a former congressional and White House aide who is now executive director of the Democratic Leadership Council. "I may disagree with him on issues like trade, but unlike some in labor, he has been willing to talk to us about problems like competition and the cost of labor."

The UAW focus on what critics call protectionism might jar some of Warden's longtime liberal friends, but he said that the debate really centers on "whether it is healthy for the nation to lose our industrial base."

Warden has worked on a host of trade proposals, including the "domestic content" bill restricting imports of automobile parts—which the House passed in 1982 and 1983—a controversial measure sponsored last year by Rep. Richard A. Gephardt, D-Mo., that would have imposed a 25 per cent surcharge on goods from countries having a large trade imbalance with the United States and a less sweeping Gephardt proposal that would force a 10 per cent cut in imports from certain nations, which was included in the trade bill that was recently passed by the House.

Warden "is always there when we need him," said Michael R. Wessels, Gephardt's chief legislative aide. "Members trust him. He wants to win and not to just have an issue and go down in flames." Warden has aided Gephardt's presidential ambitions by securing an invitation for him to appear last February at the AFL-CIO executive council's annual meeting in Bal Harbour, Fla.

Other Democratic congressional aides said that Warden is among a handful of labor leaders whom they can depend on to contact Members on an issue and get results. Many senior labor officials—including some in the AFL-CIO hierarchy—spend too much time pursuing lost causes, they said, or lecturing lawmakers about what should be done. House Speaker Thomas P. O'Neill Jr., D-Mass., reportedly complained at a leadership meeting with union representatives early this year about their diminishing effectiveness.

One source of Warden's effectiveness has been his willingness to work with other lobbyists, in the labor community and elsewhere, on issues that may not directly affect the UAW. "He doesn't always call in his chits, but he has done a lot for other people," said a congressional aide. "This helped him get results on the domestic content bill, for example."

Warden's two-and-a-half years in the Carter Administration were a mixed blessing because of the strains between the White House and Califano and the problems on the Hill on issues such as health cost containment. "The issues we were working on were right, but the execution was not as good," Warden said. "But I learned a lot—about the power of industry, for example—and it was an exhilarating experience."

In addition to his tenure as HEW's chief lobbyist, Warden served from 1967-69 as congressional liaison and as deputy director in the department's civil rights office, where he worked on school desegregation compliance. His lengthy resumé also includes jobs in two congressional offices and with a public-interest group. He came to Washington in 1961 as part of the American Political Science Association's congressional fellow program, having previously been a reporter for the Great Falls (Mont.) Tribune.—RICHARD E. COHEN

RECEIVES BOY SCOUT EAGLE AWARD

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. GEKAS. Mr. Speaker, today I would like to recognie the achievement of Ryan E. Klingaman of Selinsgrove, PA, who will receive the Boy Scout Eagle Award on August 10, 1986. To fulfill the requirements of this prestigious award Ryan successfully raised money for the Sunbury Community Hospital at their fair in 1985. The presentation of the award is an opportunity to recognize this man's dedication to his community and country.

Ryan, a member of Scout Troop 419, began the Scouting program as a Cub Scout in 1975 and became a Boy Scout in 1979. Throughout his years of Scouting Ryan has served as scribe, patrol leader, assistant senior patrol leader, and as a member of the leadership corps. he was initiated into the Order of the Arrow in 1982 and was a member of the Susquehanna Council Contingent to the National Boy Scout Jamboree in 1985. Ryan has also shown his enthusiasm at Selinsgrove High School as a member of the chorus, the varsity football team, and as a participant in the school play. he has also served his church as acolyte and as an usher.

Ryan has demonstrated excellent service and leadership capabilities through his work with the Boy Scouts and should be congratulated for earning this very distinguished award. I am honored to have an individual like Ryan in my district and wish him luck and great success in his future endeavors.

FARM GROUPS OPPOSE TEXTILE BILL OVERRIDE

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. FRENZEL. Mr. Speaker, printed below is a press release and a letter from many farm groups which discuss the danger of retaliation against ag exports if the textile bill veto is overridden. I commend their wise advice to my colleagues.

[Press release from the National Grange, July 30, 1986]

AG GROUPS OPPOSE OVERRIDE CHALLENGE

WASHINGTON, DC.—"If Congress overrides President Reagan's veto of the textile import restriction bill, we can expect a further decline in American farm exports," warned Edward Andersen, Master of the National Grange. Andersen said the Grange and 10 other national agricultural organizations have contacted Congressmen encouraging them not to override the President's veto. The override challenge is scheduled for Aug. 6.

Andersen said the President recognized the threat to American farmers when he originally vetoed the bill last year. He said there are more appropriate solutions to deal with the serious problems of the domestic textile industry. He said the Grange and the other agricultural groups support a strong negotiating stance through voluntary import restraints plus measures to assist unemployed textile workers and businesses which have been hurt by unfair or excessive growth of textile and apparel imports.

"Unwise unilateral protectionist steps induce retaliation," said Andersen. "Relief for the textile industry should not be at the expense of the American farmer who can ill afford further export cutbacks," he declared.

In addition to the National Grange, other groups opposing the override challenge are the American Farm Bureau Federation, Millers' National Federation, National Association of Wheat Growers, National Cooperative Business Assn., National Grain Trade Council, National Soybean Processors Assn., National Turkey Federation, North American Export Grain Assn., U.S.A. Poultry & Egg Export Council, Inc. and United Fresh Fruit & Vegetable Association.

JULY 30, 1986.

Hon. BILL FRENZEL,
Longworth House Office Building,
Washington, DC.

DEAR CONGRESSMAN FRENZEL: American farmers and agricultural exporters continue to fear a further decline in farm exports if world trade disruption causes an even greater drop in the purchasing power of developing country customers, or if the United States takes unwise unilateral protectionist steps which induce retaliation.

The textile import restriction bill (H.R. 1562), which is now scheduled for an August 6th House "override" challenge, represents such a threat, as President Reagan properly recognized when he vetoed it last year.

We continue to support a strong negotiating stance by the Administration to deal with the serious problems of the domestic textile industry through voluntary import restraints and through appropriate measures to assist unemployed textile workers and businesses which have been hurt by

unfair or excessive growth of textile and apparel imports.

American farmers would be unfairly penalized if the needed relief for the United States' textile industry were to be accomplished by the arbitrary and GATT-violative approach of H.R. 1562. We urge the Congress and the Administration to find more appropriate solutions for this problem through bilateral and multilateral negotiations within the framework of the Multi-Fiber Agreement and the upcoming major GATT trade negotiating round.

American Farm Bureau Federation, Millers' National Federation, National Association of Wheat Growers, National Cooperative Business Association, National Grain Trade Council, National Grange, National Soybean Processors Association, National Turkey Federation, North American Export Grain Association, U.S.A. Poultry and Egg Export Council, Inc., and United Fresh Fruit and Vegetable Association.

THE UNITED STATES SHOULD APPREHEND INTERNATIONAL TERRORISTS ABROAD FOR TRIAL IN THE UNITED STATES

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. STUMP. Mr. Speaker, in recent years the number and severity of terrorist incidents abroad directed at U.S. officials, installations, and citizens has increased dramatically. In response, the United States Government has begun actively to defend American interests abroad against international terrorists and states which support them, as the recent defensive United States air strikes on Libyan military installations show. With the efforts of the Congress to enact laws with extraterritorial application to punish terrorist acts against Americans abroad, the role of the judicial branch of the United States Government in the war against terrorism will increase.

Lt. David L. Abney, U.S. Navy, of the Office of the Judge Advocate General of the Navy in San Diego, has explored U.S. law as it applies to the apprehension of international terrorists abroad for return to the United States for trial. Lieutenant Abney's article in the June 30, 1986, National Law Journal makes clear that, in appropriate circumstances, the United States may apprehend a terrorist abroad and bring him to the United States for trial in accordance with our constitutional processes. I urge my colleagues to review Lieutenant Abney's article and its positive implications for the war against international terrorism.

[From the National Law Journal, June 30, 1986]

ABDUCTING TERRORISTS TO TRY IN UNITED STATES: A SANCTIONED WAY TO FIGHT THE FOE?

(By David L. Abney)

The United States is now the prime target of international terrorists. Assassins have killed American citizens while bombs and flames have destroyed American property around the globe. Hampered by uncertainty about the identity, motives, support and location of the terrorists, the U.S. government has not managed to crush the elusive foe.

Infiltration of the terrorist groups is a tedious and dangerous task, and it is almost impossible to defend each potenial target without unduly burdening the rights of innocent citizens. Military reprisal actions risk the deaths of foreign nationals uninvolved in terrorist activities and alienate international public opinion. Selective murder of known terrorists is also politically unattractive and violates fundamental American concepts of justice.

Since the root causes of terrorism will never be eradicated in our very imperfect world, the United States must devise an effective method to combat terrorism and limit the damage. It is time to institute a full-scale program to abduct known international terrorists by bounty or direct government action, and then bring them to trial in our federal courts. One within the territory of the United States, the suspect would be prosecuted while enjoying all the rights accorded each criminal defendant. Although some nations would protest a self-help approach, the terrorists themselves would have a better chance than most of their intended and past victims. This tactic is certainly more in keeping with our notions of decency and fair play.

If the federal government can overcome the difficult problems of locating and capturing suspected terrorists, and weather the storm of selective international outrage, the question will arise concerning the legality of the personal jurisdiction over the defendants. The answer appears to be that personal criminal jurisdiction under such circumstances would be legal, absent outrageous mistreatment of the defendant in the abduction process.

The general rule is that U.S. courts will not deny personal jurisdiction over an accused merely because he was abducted or illegally arrested by the government.[1] This is true whether the defendant is a citizen or an alien and whether the apprehension occurs within or beyond the territory of the United States.[2] This rather wide-open judicial attitude is known as the "Ker-Frisbie" rule, taking its name from a pair of Supreme Court decisions.[3]

In the 1886 ruling of *Ker* v. *Illinois*,[4] a federal agent executing an Illinois arrest warrant kidnapped an embezzlement suspect in Peru and returned him against his will for trial in Cook County. Although he had full extradition papers in due form, the apprehending officer apparently thought it was easier to shanghai Frederick Ker and hustle him out of Peru without further ceremony.[5] Following Mr. Ker's conviction in state court, he asserted on appeal that his abduction and trial had deprived him of due process of law. The defense theory centered on non-compliance with the applicable extradition treaties and on the unlawful arrest methods.[6]

Justice Samuel F. Miller was unmoved by the appellant's position. As far as the failure to follow a correct extradition, he summarily dismissed Mr. Ker's argument:

There is no language in this treaty, or in any other treaty made by this country on the subject of extradition, of which we are aware, which says in terms that a party fleeing from the United States to escape punishment for crime becomes thereby entitled to an asylum in the country to which he has fled; indeed, the absurdity of such a proposition would at once prevent the making of a treaty of that kind.[7] Similarly, the improper abduction technique was not a source of judicial relief.

The question of how far his forcible seizure in another country, and transfer by violence, force or fraud to this country, could be made available to resist trial in the state court, for the offense now charged upon him is one which we do not feel called upon to decide, for in that transaction we do not see that the Constitution, or laws, or treaties, of the United States guarantee him any protection. There are authorities of the highest respectability which hold that such forcible abduction is no sufficient reason why the party should not answer when brought within the jurisdiction of the court which has the right to try him for such an offense, and presents no valid objection to his trial in such court.[8]

The Supreme Court explicitly reaffirmed the vitality of the Ker rationale in the 1952 opinion of *Frisbie* v. *Collins*.[9]

Although both *Ker* and *Frisbie* involved state court cases, the doctrine has uniformly been followed in federal criminal trials.[10] In fact, American law-enforcement personnel have directly or indirectly obtained the abduction of suspects from all over the world, including from such countries as Canada,[11] Mexico,[12] Turkey,[13] Martinique,[14] the Dominican Republic[15] and Senegal.[16] Most federal illegal seizures from overseas have been connected with narcotics,[17] and espionage offenses,[18] although the crimes have ranged from mail fraud,[19] to bail jumping.[20] Interestingly, the Ker-Frisbie rationale is accepted by most nations in the conduct of their own criminal justice system.[21]

The only theoretical exception to the Ker-Frisbie rule has been suggested by the 2d U.S. Circuit Court of Appeals in *U.S. v. Toscanino*.[22] In that case, the defendant alleged that he had been kidnapped in Uruguay by American agents and repeatedly tortured before his forcible return to the United States. If the defendant's story had been true, the appellate court would have held that evolving due process concepts had made an incursion on Ker-Frisbie:

Accordingly we view due process as now requiring a court to divest itself of jurisdiction over the person of a defendant where it has been acquired as the result of the government's deliberate, unnecessary and unreasonable invasion of the accused's constitutional rights. This conclusion represents but an extension of the well-recognized power of the federal courts in the civil context to decline to exercise jurisdiction over a defendant whose presence has been secured by force or fraud.[23]

The purported "Toscanino exception" is still only a theory at this point. On remand, the District Court could find no credible evidence of any participation by United States agents in any of the illegalities supposedly perpetrated on the accused.[24] The 2d Circuit has indicated in subsequent cases that any exception to the Ker-Frisbie rule would be allowed only if the defendant were the victim of "cruel, inhuman and outrageous" maltreatment of government agents.[25] However, no 2d Circuit case to date had denied criminal jurisdiction based on the abduction of the defendant from a foreign country.[26]

As a matter of fact, there is apparently no reported federal case in which the Toscanino exception has actually been applied.[27] In those instances in which there has been outrageous mistreatment, of the defendant, American authorities have been able to shift the blame onto foreign officials not acting under the direction, control or instigation of the United States.[28] Courts have allowed American agents themselves to go so far as to incapacitate suspects and trans-

port them at gunpoint to the United States.[29]

The Toscanino lack-of-due-process type of defense has proved to be of no avail to suspects illegally transported to the United States. Other defenses also have failed. Courts have dismissed out of hand the claim that an illegal arrest automatically voids criminal jurisdiction.[30] Judges have likewise refused to fashion an exclusionary rule mandating the release of a defendant brought before the court through a court-sponsored abduction under a Fourth Amendment analysis.[31]

Kidnapping and forcible transportation of suspects from the territory of other nations may lead to diplomatic difficulties and engender a lack of respect for the sovereign integrity of the United States itself.[32] Courts are definitely sensitive to the possible international ramifications of unilateral American action. But the law is clear that such altruistic concerns are a matter for the executive branch to resolve, not the judiciary.[33] In any event, under international law, it is the offended sovereign nation that has the right to complain and seek redress for any violation of international custom, law and treaty. The abducted defendant has no right to assert the violation himself.[34]

As suggested in *Ker*, the defendant may be able to sue the arresting officer in tort for false imprisonment and related wrongs.[35] Extradition by the foreign government for a kidnapping committed within its territory is a definite possibility. It has happened in several cases of abductions from Canada and Mexico into the United States.[36] Whether extradition of law-enforcement personnel would be allowed to a hostile government, or following an operation sanctioned by the proper authorities, is a question that has an intuitive negative answer. By precedent it is clear that civil and criminal action against the abductors will not vitiate criminal jurisdiction over the person of the original defendant, although it may provide some moral solace.[37]

Since the abduction of international terrorists may well involve the use of American military forces, there is a real concern that the posse comitatus law may be violated.[38] That law forbids the use of the military to enforce the criminal civilian laws of the U.S. government absent specific congressional or constitutional mandate.

Despite the posse comitatus statute, the military has indeed apprehended criminals in the past for prosecution in federal courts. In fact, there was a rash of such military arrests following World War II as American traitors and turncoats were rounded up by American military investigators.[39] Once again, the remedy would not be release of the defendant even if the posse comitatus law was breached, but rather some sort of action against the military and executive officers in charge of the action. Whether any sanctions would be forthcoming is, of course, highly unlikely.[40] If Congress were concerned about the prospects, a modification of the posse comitatus law could easily be made.

International terrorists are now having their day of bloody glory and fear. Unless we are to sink to their level, our response must be more measured, deliberate and confined than their angry acts. We must punish, as far as possible, only the guilty, and only in keeping with our highest traditions. One good way to ensure that only the criminals are punished is to abduct them whenever and wherever they are found, transport them to the United States, and give them a full and proper criminal trial.[41] This method should be used in conjunction with all other practical methods, but it is at least a useful idea, and one apparently already sanctioned by well-defined American law.

FOOTNOTES

(1) See, e.g., U.S. v. Valot, 625 F.2d 308, 309 (9th Cir. 1960) (jurisdiction upheld over defendant kidnapped from Thailand by the U.S. Drug Enforcement Agency). See also, Scott, Criminal Jurisdiction of a State Over a Defendant Based Upon Presence Secured by Force or Fraud, 37 Minn. L. Rev. 91 (1953) (state practice in this area).

(2) See, e.g., U.S. v. Winter, 509 F.2d 975, 985 (5th Cir.), (illegal arrest by U.S. Coast Guard did not defeat criminal jurisdiction), cert. denied 423 U.S. 825 (1975). See also, Comment, International Bountyhunting: A Question of State Responsibility, 15 Cal. W. Int'l L. J. 397 (Spring 1985) (improved extradition processes will diminish attempts to gain jurisdiction by financed kidnapping).

(3) See, e.g., U.S. v. Darby, 744 F.2d 1508, 1530 (11th Cir. 1984) (kidnapping of British subject in Honduras by American agent did not defeat jurisdiction in drug-smuggling prosecution).

(4) 119 U.S. 436 (1886).

(5) See generally, Fairman, Ker v Illinois Revisited, 47 Am. j. Int'l L. 678 (19853) (brief analysis of the case).

(6) 119 U.S. at 439–45.

(7) Id. at 442.

(8) Id. at 444 (citations omitted).

(9) 342 U.S. 519 (1952) (abduction of defendant in violation of Federal Kidnapping Act would not defeat criminal jurisdiction).

(10) See generally, Annot., District Court Jurisdiction Over Criminal Suspect Who Was Abducted in Foreign Country and Returned to United States for Trial or Sentencing, 64 A.L.R. Fed. 292 (1983).

(11) See, e.g., Autry v. Wiley, 440 F.2d 799 (1st Cir. 1971) (seizure of American sailor on desertion charges).

(12) See, e.g., Ex Parte Campbell, 1 F. Supp. 899 (S.D. Tex. 1932) (federal felony apprehension).

(13) U.S. v. Insull, 8 F. Supp. 310 (N.D. Ill. 1934) (felony charges).

(14) Marschner v. U.S., 470 F.Supp. 201 (D. Conn. 1979).

(15) U.S. v. Wilson, 721 F.2d 967 (4th Cir. 1983) (illegal attempt to export firearms to Libya). See also, U.S. v. Wilson, 732 F.2d 404 (5th Cir. 1984) (illegal plot to export large quantities of explosives to Libya).

(16) U.S. v. Orsini, 402 F. Supp. 1218 (E.D.N.Y. 1975) (preliminary motion), 424 F. Supp. 229 (E.D.N.Y. 1976) (merits of narcotics prosecution). aff'd without opinion, 559 F.2d 1206 (2d Cir.), cert. denied. 4343 U.S. 997 (1977).

(17) See, e.g., U.S. V. Cordero, 608 F.2d 32 (1st Cir. 1981) (abduction from Panama), same case on interlocutory motion sub nom., U.S. v. Sorren, 605 F.2d 1211 (1st Cir. 1979).

(18) See, e.g., U.S. v. Rosenberg, 195 F.2d 583 (2d Cir. 1952) (abduction of member of Rosenberg spy ring from Mexico), see also related case, U.S. v. Sobell, 142 F. Supp. 515 (S.D.N.Y. 1956), aff'd. 244 F.2d 520 (2d Cir.), cert. denied, 355 U.S. 873 (1957).

(19) See, e.g., Unverzagt v. Benn, 299 F. 1015 (W.D. Wash. 1924) (abduction from Canada, aff'd. 5 F.2d 492 (9th Cir.), cert. denied. 269 U.S. 566 (1925).

(20) See, e.g., U.S. v. Lara, 539 F.2d 495 (5th Cir. 1976), (seizure from Panama).

(21) See generally, Note, Extraterritorial Jurisdiction and Jurisdiction Following Forcible Abduction: A New Israeli Precedent in International Law, 72 Mich. L. Rev. 1087, 1106 et seq. (1974). See also, Garcia-Mora, Criminal Jurisdiction of a State Over Fugitives Brought From a Foreign Country by Force or Fraud: A Comparative Study. 32 Ind. L.J. 427 (1957); and, Morgenstern, Jurisdiction in Seizures Effected in Violation of International Law, 29 Brit. Y.B. Int'l L. 265 (1952).

(22) 500 F.2d 267 (2d Cir.), reh. denied over dissent, 504 F.2d 1380 (2d Cir. 1974).

(23) 500 F.2d at 275.

(24) U.S. v. Toscanino, 398 F.Supp. 916 (E.D.N.Y. 1975).

(25) U.S. ex rel. Lujan v. Gengler, 510 F.2d 62 (2d Cir.) (abduction from Bolivia on narcotics charges), cert. denied, 421 U.S. 1001 (1975). See also, Note, International Abduction of Criminal Defendants: Overreaching by the Long Arm of the Law: United States v. Toscanino, United States ex rel. Lujan v. Gengler, 47 U. Colo. L. Rev. 489 (1976) (author argues that judicial action may be needed to curb increased use of abductions by executive branch).

(26) See, e.g., U.S. v. Reed, 639 F.2d 896 F.2d 896 (2d Cir. 1981) (fraud suspect kidnapped in Uruguay). This case was discussed in Casenote, Constitutional Law—Due Process—Forcible Abduction of Fugitive in Foreign Country Does Not Violate Due Process, United States v. Reed, 639 F.2d 896 (2d Cir. 1981), 6 Suff. Transnat'l L.J. 357 (1982).

(27) See, generally, 21 Am. Jur. 2d 341 Criminal Law (1981 & 1985 Sup.); and 22 C.J.S. Criminal Law 146 (1961 & 1985 Supp.) See also, U.S. v. Miller, 384 F. Supp. 56 (S.D. Fla. 1974) (abduction from Jamaica); and, U.S. v. Lovato, 520 F.2d 1270 (9th Cir.) (abduction from Mexico), cert. denied, 423 U.S. 985 (1975).

(28) See, U.S. v. Fielding, 645 F.2d 719 (9th Cir. 1981) (torture by Peruvian police), withdrawing earlier opinion found at, 630 F.2d 1357 (9th Cir. 1980); and U.S. v. Lira, 515 F.2d 68 (2d Cir.) (torture by Chilean police). cert. denied, 423 U.S. 847 (1975).

(29) See, e.g., U.S. v. Reed, 639 F.2d 896. 900 F.2d Cir. 1981) (see n. 26, supra).

(30) See, e.g., U.S. v. Hamilton, 460 F.2d 1270 (9th Cir. 1972) (arrest in Canada); and, Wentz v. U.S., 244 F.2d. (9th Cir. 1957) (abduction from Mexico). See also, Ambramovsky-Eagle, U.S. Policy in Apprehending Alleged Offenders Abroad: Extradition, Abduction, or Irregular rendition?. 57 Ore. L. Rev. 51 (1977); and, Bassiouni, Unlawful Seizures and Irregular Rendition as Alternatives to Extradition, 7 Vand. J. Transnatl L. 25 (1973).

(31) See, e.g., U.S. v. Cotten 471 F.2d 744, 747–78 (9th Cir.) (abduction from Vietnam), cert. denied, 411 U.S. 936 (1973). See also, Webb. Constitutional and International Law—International Kidnapping—Government Illegality as a Challenge to Jurisdiction, 50 Tul. L. rev. 169 (1975).

(32) See, e.g., U.S. v. Lira, 515 F.2d 68 (2d Cir.) (Oakes, Circuit Judge, concurring), cert. denied, 423 U.S. 847 (1975). See also, Cordozo. When Extradition Fails Is Abduction the Solution?, 55 Am. J. Int'l L 127 (1961) (abduction conflicts with concepts of international decency and law); and, Dickinson, Jurisdiction Following Seizure or Arrest in Violation of International Law, 28 Am. J. Int'l 231 (1934) (an arrest violative of international law should deny jurisdiction to the Court).

(33) See, e.g., U.S. v. Quesada, 512 F.2d 1043, 1045 (5th Cir. 1975) (abduction from Venezuela); U.S. v. Herrera, 504 F.2d 859, 860 (5th Cir. 1974) (abduction from Peru); and, Ex Parte Lopez, 6 F. Supp. 342 (S.D. Tex. 1934) (abduction from Mexico over protests of Mexican government).

(34) See, U.S. v. Cordero, 668 F.2d 32, 38 (1st Cir. 1981). See also, Feinrider, Extraterritorial Abuctions: A Newly Developing International Standard, 14 Ark L. Rev. 27 (1980) (developing international law may provide some protections to defendants); and, O'Higgins, Unlawful Seizure and Irregular Extradition, 36 Brit. Y.B. Int'l L. 279 (1960).

(35) See, Ker v. Illinois, 119 U.S. 436, 444 (1886).

(36) See, e.g., Villareal v. Hammond, 74 F.2d 503 (5th Cir. 1934) (extradition to Mexico); and, Collier v. Vaccaro, 51 F.2d 17 (4th Cir. 1931) (extradition to Canada).

(37) See, e.g., U.S. v. Cotten, 471 F.2d 744, 748 n.7 (9th Cir.)., cert. denied, 411 U.S. 936 (1973).

(38) See, 18 U.S.C. 1385 (1982).

(39) See, e.g., U.S. v. Best. 76 F. Supp. 138, 140–41 (D. Mass. 1948) (procurement of witness); Chandler v. U.S., 171 F.2d 921, (1st Cir. 1948) (treason suspect taken from Germany). cert. denied, 336 U.S. 918 (1949); and Gillars v. U.S., 182 F. 2d 962, 972–73 (D.C. Cir. 1950) (arrest of propagandist in Germany).

(40) See, U.S. v. Cotten, 471 F.2d 744, 747, 749 (9th Cir.). cert. denied, 411 U.S. 936 (1973).

(41) See, Lubet, Extradition Reform: Executive Discretion and Judicial Participation in the Extradition of Political Terrorists, 15 Corn. Int'l L.J. 257 (1982) (legislative reform needed to effectively deal with terrorists while still respecting the political rights of innocent persons): Sponsler, International Kidnapping, 5 Int'l Law 27 (1971); and Note, Bringing the Terrorist to Justice: A Domestic Law Approach. 11 Corn. Int'l L.J. 71 (1978 (improve extradition process).

PAUL J. BURNSKY AND BILL PHILLIPS FIGHT FOR A STRONGER MERCHANT MARINE

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. DYSON. Mr. Speaker, I rise today in tribute of two men who have remained passionately committed to the revitalization of our Nation's merchant marine. I speak of Paul J. Burnsky, president of the AFL-CIO Metal Trades Department, and Bill Phillips, legislative consultant for the AFL-CIO Metal Trade Department, who have eloquently and repeatedly defended the rebirth of our merchant marine in the name of national security and improved domestic economic conditions.

Indeed, it would be prudent to listen closely to Paul Burnsky's plea that we not foresake domestic shipbuilders in favor of cheaper foreign competition. While free-market principles suggest the advantages of competition, it is imperative that we must first acknowledge, in Paul Burnsky's words, "that the overriding national interest of the United States should determine our shipbuilding and maritime policies." What is clearly in the long-range interest of our Nation is a policy that protects the domestic shipbuilding industry and not, as the present administration proposes, one that promotes incentives for the acquisition and maintenance of ships from foreign nations.

Historically, two criteria have served for assessing the value of our merchant marine. In general terms, these are the industry's commercial viability and its capability for serving as a naval or military auxiliary in times of emergency. However, the Reagan administration's maritime strategy, as embodied in the Merchant Marine Act Amendments of 1986 (H.R. 4024 and H.R. 3141), disregards national security and domestic economic concerns.

There should be no doubt that attainment of President Reagan's proposed 600-ship Navy is essential if we are to have a Navy that can carry out the missions assigned to it. There is certainly no question that achieving this goal will require continuing large shipbuilding programs. But support for naval ship construction programs is not in itself sufficient to maintain a strong national maritime posture. The maritime interests of our country require that we maintain a strong merchant marine, with modern ships manned by skilled American crews, and a strong shipbuilding and repair industry to support both the Navy and the merchant marine.

Accordingly, it is important that we ask ourselves whether the United States could furnish the requisite number and variety of ships to sustain a long-term sealift should a protracted conflict occur. The answer to that is, firmly, no. The inescapable conclusion of any survey of our present sealift resources is that there exists no surplus of military useful vessels. This is not any less true after taking into account the addition to these resources that may come from encouraging the repatriation of foreign-flag vessels. Given this situation, any policy threatening to liquidate our shipyards takes on the appearance of the absurd. Should such a policy in fact have this effect, the Department of Defense may soon add ships and components to its list of strategic imports. Not only will we not be a reliable military ally, we will not even be military self-sufficient.

I share with Paul Burnsky and Bill Phillips an unwillingness to concede the commercial viability of a U.S. merchant marine. Clearly, its possible and desirable that a way be found to bring a greater percentage of our cargo under our own flag. This must be the foundation of any plan that will preserve the shipbuilding components of our merchant marine. But this alone will not assure the prosperity of U.S. shipyards and their suppliers. Mr. Speaker, beyond cargo preference legislation, two additional elements are essential to a revitalized merchant marine: One, a thoughtful and effective alternative upon which a comprehensive, long-range policy can be constructed that comes from the industries themselves; and two, and perhaps most significantly, their message must find a safe harbor in the Congress where it may be delivered time and time again.

So, Mr. Speaker, I proudly salute Paul J. Burnsky and Bill Phillips, for their contributions toward the revitalization and, indeed, the survival of America's shipbuilding industry.

TRIBUTE TO DR. WENDELL P. RUSSELL

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. FAUNTROY. Mr. Speaker, it gives me great pleasure to bring to the attention of my colleagues in the House of Representatives the outstanding community service of my longtime friend, Dr. Wendell P. Russell, pastor of the Matthews Memorial Baptist Church located in Washington, DC.

On Saturday, August 2, 1986, the Shaw Community Center Food Committee will honor Dr. Wendell P. Russell because of his unselfish commitment and diligent work in raising funds for Thanksgiving food baskets which are distributed to needy families in the District of Columbia. He is also being recognized for his various contributions as a minister of the Gospel, educator, community activist, civic leader, and college president. In addition to his pastoral responsibilities at the Matthews Memorial Baptist Church, he serves as the executive director of the D.C. Occupational Information Coordinating Committee, an innovative program designed to improve national communications and planning in the field of manpower.

Dr. Russell's sincere efforts to help others as a volunteer with the Shaw Community Center Food Committee is a reflection of his love for people, his dedication to a worthwhile community project and his devotion to charity. In the Holy Scriptures, the Apostle Paul wrote: "* * * though I have all faith, so that I could remove mountains, and have not charity, I am nothing"—I Corinthians 13:2.

Mr. Speaker, I am both pleased and honored to have the opportunity to extend my personal best wishes to Dr. Russell for the distinguished service he has renderd to our local community. I invite my colleagues to join me in saluting this selfless humanitarian.

IMPROVEMENT NEEDED IN DOMESTIC PROGRAMS

HON. ROBIN TALLON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. TALLON. Mr. Speaker, there is an epidemic of hunger in the United States. Recently, the Harvard-based Physician Task Force on Hunger in America concluded that a minimum of 20 million Americans experience hunger each month. And the numbers of the hungry continue to grow despite our enormous rate of agricultural production; despite Government food assistance programs designed to provide adequate food and nutrition to every American; and despite the charitable intentions and concern exhibited across the Nation. The tragic fact remains that hunger is eroding our Nation's future strength and capability.

Yet, as poverty and hunger have increased, food stamp coverage has not. Something is wrong. In 1980, 68 Americans received food stamps for every 100 in poverty. By last year that number had dropped to 59 for every 100 in poverty. Today, 4 million more people live in poverty than in 1980. In other words, as poverty has increased, the Food Stamp Program serves fewer people rather than more.

Programs first launched during the New Deal in the 1930's and then greatly expanded in the 1960's actually had some success in reducing poverty rates and lifting some of the poor into the middle class. But there were also enough failures to give Government intervention a bad name. Inflation has eaten away the value of anitpoverty aid. During the Reagan administration, we have witnessed deep cuts in programs providing job training and public-service employment, unemployment insurance, food stamps, compensatory education and nutrition for children. And this reduction in Government assistance has been accompanied by a devastating increase in the number of poor and hungry in America. In the latest Federal count there were 35.3 million poor—1 American in 7. And the most tragic statistic of all says that one-fourth of all children under age 6 live in poverty.

The statistical picture for the poor is as grim now as in any recent time. And behind the statistics are real people. Hardworking people, striving to maintain a family of four on a salary of $10,000. Elderly people who live on potatoes, beans, a little bacon and a few onions. Countless infants who die because their mothers did not eat well during pregnancy and seldom, if ever, saw a doctor.

Mr. Reagan contends that if hunger in America really does exist, it is due to ignorance or inaction on the part of the needy. I believe just the reverse is true: an important cause of hunger in America is a national ignorance or disbelief that hunger is a tragic reality for a growing number of Americans and that

our existing programs for hunger are not working.

Hands Across America demonstrated that America has the desire and capacity to end hunger. But it takes organized leadership on a national level to formulate the solid, effective program that can translate that desire into reality.

The Hunger Relief Act of 1986 can provide us with such a program. This is a multifaceted proposal that seeks to improve domestic food assistance programs. It establishes no new programs but strengthens nutrition and food assistance programs that are already in place by improving benefits, enhancing program eligibility and assuring better and more efficient use of these vital resources. This legislation, which affects the Food Stamp Program, the School Lunch and Breakfast Programs, the Program for Women, Infants and Children [WIC], Elderly Nutrition Programs, and Nutrition Education and Monitoring Programs, is designed to help ensure that recipients receive an adequate diet, to enhance work incentives, and to improve nutrition education. The comprehensive changes proposed in this bill add less than $1 billion to the cost of these programs in fiscal year 1987.

This program addresses pockets of neglect which have limited the effectiveness of our hunger programs for the elderly, school lunch recipients, the working poor. The bill would gradually base food stamp benefits on the Department of Agriculture's low-cost food plan rather than the thrifty food plan. The low-cost plan is an average low-cost nutritionally adequate diet; the thrifty plan provides an adequate diet only if the shopper has substantially more nutritional knowledge than average.

To address the "heat or eat" dilemma faced by many recipients, the cap on the deduction for shelter costs would be raised from $147 to $175. The medical deduction for the elderly also would be more flexible, setting the threshold at 5 percent gross income or $35, whichever is less.

Asset limits would be raised to $2,250 for nonelderly households and $3,500 for elderly households. As recommended by the President's Task Force on Food Assistance, the limit for an automobile would be raised to $5,500.

The bill would defray rising school meal costs by increasing the reimbursement rate by 5 cents for all school breakfasts and by an additional 5 cents for schools serving a "severe need" population. The reimbursement rate for breakfasts in day care centers and family and group day care homes would also be increased by 5 cents.

The working poor would be aided by increasing Federal reimbursement for reduced price lunches and breakfasts, lowering the maximum price children pay from 40 cents to 25 cents for lunches and from 30 cents to 15 cents for breakfasts.

Funding for Women, Infants and Children [WIC] Program would be raised enough to allow participation to increase by 280,000 in fiscal year 1987. It is estimated that millions more are in need of the assistance but are not served because of lack of funds.

Funding for Elderly Nutrition Programs, including Congregate and Home Delivered Meals and Nutrition Education, would be increased as well as funding for the major nutritional and education programs.

I believe the combined effects of all of these steps will go far toward addressing the severe pockets of hunger in our Nation. Americans are a generous people. Faced with natural disasters, time after time, Americans come to the aid of those who have been devastated. We need to realize that poverty is our biggest national disaster. The poor need and deserve the same spirit of sharing today. I urge your support for this important measure.

A LETTER TO ORTEGA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. LAGOMARSINO. Mr. Speaker, I wish to bring to the attention of my colleagues the following open letter to Nicaraguan leader Daniel Ortega, which was published by the New York Times on July 29, 1986. The letter is written by Violeta Chamorro, owner of the closed newspaper La Prensa, and widow of Pedro Joaquin Chamorro, whose assassination in 1978 led to the downfall of Nicaraguan Dictator Anastasio Somoza. The publication of Mrs. Chamorro's letter coincided with Daniel Ortega's presence in New York to seek United Nations action against the United States for its policies against Nicaragua and for U.N. support of the world court ruling against the United States. As Mrs. Chamorro so eloquently writes, Ortega propagates so many lies, as is the case in other countries under Communist dictatorship, that no one would believe him if he ever said anything true.

[From the New York Times, July 29, 1986]

A LETTER TO ORTEGA

(By Violeta Barrios de Chamorro)

President Ortega,

As chairman of the board of directors of La Prensa, I was not greatly astonished to hear your recent statement that I deserve to be sentenced to 30 years in jail after being tried by the people's anti-Somocista tribunals.

I say that I listened to these words without surprise, because I am now accustomed to hearing you speak. Your expression is confused and contradictory, full of the kinds of passion not befitting a head of state.

If you so desire, I will happily turn myself in to the authorities, so that they may apply the jail sentence with which you are threatening me. In this way, I will be proudly following the example of my husband, Pedro Joaquin Chamorro Cardenal. Imprisonment was the only way the previous dictatorship, led by Gen. Anastasio Somoza Debayle, could deal with him.

If perhaps my age or the precarious state of my health do not permit me to serve the 30-year sentence you want for me then you can easily follow the example set for the American spy who betrayed his country, which you mentioned in your speech, and apply two life sentences plus 50 or 60 years, if that appeals to you.

How quickly you have forgotten my strong nationalist position. Remember that in 1979, in San José, Costa Rica, I was the only one who opposed any resolution of the Nicaraguan problem that included the involvement of foreign countries. What I said then I say now: the grave crisis afflicting Nicaragua must be resolved among ourselves the Nicaraguans, without the interference of Cubans, Soviet or Americans.

You will never convince anyone that I am a traitor to my country, nor that I received money from the Central Intelligence Agency, nor that I am part of the Reagan Administration's terrorist plan. These falsehoods have been repeated so often that now nobody believes them. Commander Ortega, the same thing is happening here in Nicaragua as in other countries under Communist dictatorship: because there are so many lies every day, no one will believe you on the day when you say something true.

I also heard in your speech that you seem to like the idea of doing with me what the Americans did with citizens of Japanese descent during the greatest armed conflict in history: imprison everyone who is slightly suspicious in concentration camps.

This is already under way, Commander Ortega, by means of repression and the banning of all contradictory opinion. Your Sandinista party has already created a great concentration camp in Nicaragua. But the Nicaraguan people are not losing their liberating spirit and will never lose it even in the worst of the gulags your mind is able to conceive.

THE 45TH ANNIVERSARY OF UKRAINIAN INDEPENDENCE

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. BONIOR of Michigan. Mr. Speaker, June 30 marks the 45th anniversary of the restoration of Ukrainian independence. The day commemorates the heroic actions of the Ukrainian people who defied both the Soviet and Nazi armies in 1941 to proclaim the freedom of their nation.

The Ukrainian liberation movement took control of the radio station, called a national assembly and established a provisional government. Although the Nazi response was swift and brutal—the leaders of the Ukrainian Government were imprisoned or murdered and countless citizens were massacred—the Ukrainian resistance fought on. It was a critical factor in Hitler's final defeat. At the end of World War II, the Ukrainian Insurgent Army was the third leading military power in Eastern Europe.

The Ukrainian struggle helped to ensure the allied victory in World War II but it did not win freedom for Ukraine. Soviet rule meant forced collectivization, outlaw of the Catholic church, suppression of the Ukrainian language and the harshest repression by the KGB. Yet the Ukrainian resistence continued, and continues even to this day.

The call for independence that was sounded on June 30, 1941 lives on. It is symbolized by the unflagging spirit and the suffering of Ukrainian Catholic activist Iosyf Terelia who, after years of KGB persecution, was sentenced in February 1985, to 12 years of incarceration and was told he would never leave prison alive. The struggle of Ukraine was brought home to the American people by the determination of seaman Miroslav Medvid to

seek freedom in the United States. Although Medvid was cruelly returned to the Soviets, the American people must not forget his fate nor that of his countrymen and women.

IMMIGRATION POLICY

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. BROOMFIELD. Mr. Speaker, one of the keys to creating additional new jobs in the United States lies in our ability to entice foreign companies to open or expand manufacturing operations in this country.

Many States, including my own State of Michigan, have made this a top priority.

A major problem in achieving that goal lies in the orderly and expeditious granting of visas to the top professional staffs of those companies who are needed to setup and operate these job-creating facilities. Existing plants moving to high technology modernization have incurred similar problems.

A recent article in "Federal Focus", which I commend to my colleagues, suggested a number of measures to help speedup the process.

IMMIGRATION POLICY—A TOOL FOR CREATING U.S. JOBS

(By Brion Sasaki and Michael Volpe)

Both a record trade deficit and high foreign imports threaten thousands of American manufacturing jobs. Although the Administration is taking an increasingly tougher stand against unfair trade practices of other nations, Congress wants to go even further.

But an important tool to improve our trade position has been overlooked—streamlining U.S. immigration laws to attract foreign companies to build manufacturing plants here, eventually creating more jobs for Americans and adding tax revenues.

The Immigration and Naturalization Service (INS), working with the State Department and Labor Department, processes the paperwork for foreign corporate personnel transferred to U.S. operations. The overworked immigration staffs must direct their limited resources first toward issuing tourist and student visas, processing naturalized citizens, and restricting illegal aliens.

To its credit, the INS recognizes the importance of facilitating multinational transfers and, in the May 21, 1986 Federal Register, proposed changes to ease the entry of key international business personnel. It has also instituted an experimental computer project to speed visa processing.

Separately, the House Judiciary Subcommittee will hold hearings on legislative proposals for a special non-immigrant visa class specifically for employees of multinational businesses.

Much more needs to be done. The Administration and Congress should also consider:

(1) Increasing the INS's processing fees and using such fees to offset increased INS program costs;

(2) Increasing INS staffing and budget levels to reflect the importance of INS efforts in reducing U.S. trade deficits;

(3) Lifting the ceiling on the number of foreign business professionals allowed into the U.S. under the "Third Preference Category;" and

(4) Acting immediately in promulgating new and streamlined INS and State/Labor Department regulations to reduce unnecessary paperwork and delays.

With continuing high demand for foreign products, the real question is not whether Americans buy such products, but where they are produced. By expediting U.S. entry of key foreign business personnel, the INS will be a key player in U.S. job creation and economic development, while reducing reliance on imported goods.

PERSONAL EXPLANATION

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. GUNDERSON. Mr. Speaker, due to a death in my family I was unavoidably absent from Washington during the past 2 days, and missed a number of recorded votes that took place in the House. If I had been present for those votes I would have voted as follows:

Rollcall, No. 254, "no."
Rollcall, No. 255, "aye."
Rollcall, No. 256, "aye."
Rollcall, No. 257, "no."
Rollcall, No. 258 "present."
Rollcall, No. 259, "aye."
Rollcall, No. 260, "no."
Rollcall, No. 261, "no."
Rollcall, No. 262, "no."
Rollcall, No. 263, "no."
Rollcall, No. 264, "no."
Rollcall, No. 265, "aye."
Rollcall, No. 266, "no."
Rollcall, No. 267, "aye."
Rollcall, No. 268, "no."
Rollcall, No. 269, "aye."
Rollcall, No. 270, "aye."

DRUG TESTING WON'T WORK

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. EDWARDS of California. Mr. Speaker, the drug problem has become a top national priority. The House is currently developing a massive legislative program to address all aspects of the problem—interdiction, enforcement, education, prevention, treatment, and rehabilitation. The President, on the other hand, has come up with yet another simplistic, proposal—mandatory drug testing for Federal employees. Drug tests are inaccurate and very likely unconstitutional. And they will do nothing to stem the flow of illegal drugs into this country. Our colleague GARY ACKERMAN has written a cogent article on the subject, which appeared in the July 1986 issue of the Federal Managers Quarterly. I would like to share it with all my colleagues in the House.

The article follows:

SHOULD WE DRUG-TEST FEDERAL EMPLOYEES?

(By Representative Gary L. Ackerman)

Two serious problems facing this country are organized crime and drug abuse. The two problems are closely linked; organized crime thrives off the sale of illicit drugs.

Each of these evils threatens countless lives, we all agree. Disagreements arise, however, over what should be done to curb them. On March 3, 1986, the President's Commission on Organized Crime issued a report entitled "America's Habit: Drug Abuse, Drug Trafficking, and Organized Crime." One of the Commission's proposals touched off a firestorm of controversy. That recommendation was:

"The President should direct the Heads of all Federal agencies to formulate immediately clear policy statements, with implementing guidelines, including suitable drug testing programs, expressing the utter unacceptability of drug abuse by Federal employees."

The report praised private businesses which drug-test their employees, and went on to say that government contractors, as well as state and local governments, should also "implement drug program, including suitable drug testing."

The Commission's reasoning, apparently, was that curtailing drug use would also curtail a major source of income for organized crime, and that Federal employees should set an example by submitting to drug tests. The Commission claimed that its recommendations "have not been reached carelessly" and resulted from "months of concerted research and analysis." The Subcommittee on Human Resources, which I Chair, has oversight responsibilities for privacy rights of Federal employees, and on March 18 we held a hearing to consider the Commission's recommendation. That hearing revealed that the recommendation is fraught with problems.

What is "suitable drug testing?" The Commission never defined that term. The most common test is urinalysis, so we focused first on the accuracy of such tests. We learned that urinalysis can make certain *harmless* substances register as something illegal; *poppyseeds*, for example, can register as opium. We also heard about an Air Force laboratory in Texas which had reported an unusual number of positive tests for marijuana. Investigators determined, however, that most of these were "false positives," caused by the fact that lab workers had used laboratory ovens to heat tacos for lunch, and the test had mistaken *taco grease* as marijuana residue.

Even if the tests themselves were 100 percent accurate, test results depend upon the abilities of testers. There are documented cases where specimens have been switched or mislabeled, or the specimens have been contaminated. The Centers for Disease Control recently surveyed thirteen private laboratories, which performed urinalyses to test for barbituates, amphetamines, methadone, cocaine, codeine, and morphine. As reported in *The Journal of the American Medical Association*, that survey found that the laboratories suffered from "serious shortcomings" in quality control, lacked common operating standards, and had error rates as high as 69 percent. Another investigation of an Army lab found that 97 percent of its marijuana analyses were "not scientifically or legally supportable."

Inaccurate tests can ruin a worker's career. The Defense Department, the largest agency to employ drug-screening, recently had to reconsider its punitive actions taken against 70,000 soldiers who had been disciplined on drug charges, because their drugs tests had been flawed.

Apart from the problem of inaccurate test results, there is the larger question of employee privacy. The Fourth Amendment to

the Constitution protects "The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures" and establishes the principle of "probable cause." Drug tests can be unreasonably instrusive and humiliating. The Defense Department's regulations, for example, require that urine samples must be "collected *under the direct observation* of a designated individual of the same sex. . . ." In addition, the Defense Department's tests are conducted *randomly*, without any reasonable suspicion of drug abuse. (In effect, random tests require the individual to *prove* his or her *innocence*, which completely reverses the traditional principle that one is presumed innocent until proven guilty.)

While Federal courts have not yet ruled on the constitutionality of mandatory drug testing of Federal employees, there have been decisions that the extraction of bodily fluids involves a "search" within the meaning of the Fourth Amendment. Several cases are now pending, and it is likely that the courts will rule that mandatory tests are unconstitutional unless there is reasonable suspicion, based on objective facts, that the employee is using drugs.

Another privacy issue concerns the traditional confidentiality of medical records. Urinalysis can be used to identify a variety of medical conditions, including urinary tract infections, epilepsy, veneral disease, and pregnancy. It is not unreasonable to fear that the Federal government, at some future time, could become Big Brother and use urinalysis as a means of developing medical and social files on every employee.

A third question raised by the Commission's recommendation is the cost of universal drug-testing. The Commission did not address that question, but our Subcommittee received testimony that universal testing could cost up to $100 million. In a time of shrinking budgets, any Federal manager could find a better use for such a sum.

Finally, our hearing found absolutely no evidence that drug abuse is a problem within the Federal workforce; therefore, there is no evidence that drug-testing them would have any impact on organized crime. With little to be gained toward the Commission's goal of cutting off income to organized crime, why should we single out Federal employees for tests which are embarrassing, intrusive, and often unreliable?

Obviously, there are many unsettling questions raised by the Commission's recommendation. Not surprisingly, most of those who testified at our hearing strongly *opposed* the recommendation. These included Members of Congress, spokesmen of Federal employee unions, and even a toxicologist who had been in charge of quality control for drug tests by the armed forces. We did receive testimony from a proponent of drug-testing, the Deputy Executive Director of the President's Commission. But when I requested that he, as a Federal employee, undergo a urinalysis instead of being sworn in, he declined, on the grounds that I had no "probable cause" and had given him no advance warning! I think his refusal eloquently stated the case against random drug tests.

As a result of our hearing, I am presently drafting legislation which would set restrictions on random drug-testing of Federal employees. There may well be cases where random drug-testing of Federal employees would be reasonable—for example, when positions involve national security or public safety. But, outside of such positions, tests should be based on a reasonable suspicion of drug abuse. I also believe that managers should take no personnel action against an employee solely because of one drug test, and that our priority, after discovering an instance of drug abuse, should be the rehabilitation of the employee.

Some of the other recommendations by the President's Commission have genuine merit—the stricter enforcement of drug laws, better drug education in our schools, and greater international cooperation to stop drug trafficking. Those steps, rather than random testing of dedicated employees, are the best and fairest ways to reduce the demand for drugs.

SUPPORT FOR APARTHEID MUST END

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. OWENS. Mr. Speaker, recent actions by the South African Government make it clear that they will pursue their brutal racist policies within South Africa while playing the role of marauder in the whole of southern Africa. It is clear that South Africa does not plan to stop its savage attacks on its neighbors or its own people. It is time for the administration to act and impose a total embargo on South Africa while insisting that there be complete divestment.

A call for sanctions responds to the unambiguous appeals of South Africa's black majority. "Our country is burning and bleeding", said Bishop Desmond Tutu on April 2 in his call for punitive sanctions. "We face a catastrophe in this land and only the action of the international community by applying pressure can save us."

The forcefulness and unanimity of these pleas cannot be ignored. Nonetheless, some Americans who should behave more responsibly have joined with the white minority and those who profit from apartheid in cautioning against sanctions. Satisfied with the breadth of the President's Executive order last September, they argue that it has resulted in positive developments within South Africa. They assert that stronger action now would only punish a government struggling to implement reforms.

Nothing could be further from the truth. Botha's ostensible reforms are merely a ruse designed to stifle the growing clamor for effective sanctions. Meanwhile, apartheid has been further entrenched, and its opponents have been hunted down with added ruthlessness. President Botha's announcement of the repeal of the pass laws was coupled with an assurance that the government will continue the practice of racial classification, replacing the passes with other identity documents which indicate race. Moreover, these changes will not affect those people who have been assigned to apartheid's independent homelands. In other areas of South Africa, the Group Areas Act will continue to ensure the segregation of residential areas.

This is yet another exercise in the repackaging of apartheid, as in the past, such endeavors are designed to disrupt the international consensus in favor of comprehensive sanctions, to buttress the arguments of those who continue to counsel leniency in our relations with Pretoria, to alleviate the pressures on the minority government, and to buy time for the white regime to devise new strategies for the perpetuation of its racist rule. The announcement was also timed to divert attention from the introduction of dangerous and draconian new security legislation which will give Law and Order Minister Louis Le Grange sweeping new powers and place his department above the law.

However, we should not become confused by the various legal labels given to South African laws because they all end up providing for the arbitrary and brutal enforcement of apartheid. For example, the recently ended State of Emergency merely added two additional repressive measures. The first was the advance grant to immunity to all law enforcement personnel, government ministers and state officials for acts "committed in good faith." The second was a more free attitude toward acts which were permissible including random shooting into crowds, extensive use of tear gas and random use of whips against groups including children. One has to wonder how one can "in good faith" randomly fire into a crowd.

Although the state of emergency permitted all law enforcement personnel to arrest and detain anyone without charges for 14 days, this can hardly be seen as new. The preexisting Internal Security Act, section 28, permitted preventative detention orders which could be renewed indefinitely as well as detention for interrogation under section 29. Many of these arrested under the state of emergency were held over the 14 days by simply changing their status to Internal Security Act detainees. Now that the state of emergency has been ended, the Internal Security Act is used instead. Some progress!

The issue of immunity for the police and other officials remains de facto after the end of the state of emergency. Complaints must be filed against the police within 6 months after the act which forms the basis for the complaint. Since detainees under the Internal Security Act are held incommunicado by the police, as opposed to being placed in the prison system, they have been prevented from filing timely complaints in many cases and their claims have been denied by the police in the balance of the cases. Courts have generally accepted the police denials as satisfactory evidence.

We must not again fall victim to the cynical device of renaming the apartheid apparatus. Botha's hollow reforms do not even begin to address the fundamental demands of South Africa's people. Mass organizations are still banned and popular leaders remain imprisoned or in exile. One person, one vote is not even discussed. No attempt has been made to dismantle the internal security apparatus. Troops continue to occupy the Black townships. The reformist policies of the apartheid government had now sent some 160 Black men, women and children to their graves. In March these reforms claimed 171 lives, making it the bloodiest period since the present wave of rebellion began 20 months

ago—all in spite of the lifting of the State of Emergency on March 7.

Increasingly, the American people are registering their distaste for apartheid. To date, 17 States, more than 45 cities and counties, and over 75 colleges and universities have divested more than $12 billion in firms doing business in South Africa. Despite this growing public outcry, U.S. firms are formulating new justifications for their South African holdings in an attempt to deflect calls for disinvestment. General Motors, for example, recently announced that is will help to defend people charged with the violation of Port Elizabeth's beach apartheid laws. This has been billed as a significant challenge to apartheid, in spite of the fact that GM continues to supply nearly 1,000 vehicles per year to the South African security forces for the enforcement of the very laws which GM professes to oppose. No program of handouts to South Africa's Black population, no matter how wide-ranging, can offset the economic, technological, and psychological benefits which the apartheid regime gains from continued U.S. investment.

Meanwhile, the Reagan administration has made it clear to New York City that they will not be permitted to require bidders for contracts involving Federal funds to be free of South African involvement. In short, our Government has made it clear that although they say that they oppose apartheid, they insist that municipalities which refuse to deal with those who profit from apartheid will be penalized. How, we might ask, can you oppose the evil of apartheid while feeding it with federal moneys?

The time to rally behind an effective legislated boycott of South Africa has more than come. Our Nation's present conduct is both hypocritical and self defeating. We must understand that majority rule will come to South Africa. We are simply increasing the cost of that eventually—a cost being paid in the blood of South Africans who cannot be expected to forget who made that price higher.

Decency and justice require a boycott of all interaction with South Africa. Beyond decency and justice, I urge my colleagues to recognize that our current hypocritical policies are not in our Nation's best interest. Rational self-interest is sufficient justification to end American support of apartheid.

TAX REFORM

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Ms. OAKAR. Mr. Speaker, I am very proud of one of my colleagues and classmates, DON PEASE. As a member of the Ways and Means Committee and a conferee on the House-Senate conference on the tax reform bill, H.R. 3838, DON has done an exemplary job not only for his constituents but for the Nation.

Congressman PEASE's contributions are not only recognized by those of us who serve with him, but his outstanding work has recently been acknowledged by the Cleveland Plain Dealer in an article which I am submitting for the RECORD. I commend it to my colleagues attention.

[From the Cleveland (OH) Plain Dealer, July 27, 1986]

TAX REFORM THRUSTS PEASE INTO LIMELIGHT

(By Tom Diemer)

WASHINGTON.—Inside the Capital Beltway, the match-up between House and Senate tax reform conferees is viewed as the Super Bowl of the legislative season, which explains why Rep. Donald J. Pease, the surprise starter for the House team, has gained instant celebrity status here.

Pease, D-13, of Oberlin, is a well-respected, junior member of the Ways and Means Committee who wins a few, but loses some, too, and rarely finds his name in headlines or his office flooded by lobbyists. All of that changed over the last 10 days.

The former Oberlin newspaper publisher and state legislator has been himself described in the national media as an "old-style liberal," soft-spoken and extremely conscientious, and an ardent, hardworking supporter of genuine tax reform. All true, though Pease, 54, isn't tickled with the phrase "old-style."

"I was very pleased for the recognition that it brought to me in my district, but especially within the Beltway (the expressway circling Washington)," Pease said in an interview. "Folks inside my district have heard a lot about me, but people inside the Beltway have not heard so much. I think I have been a very good, effective member of the Ways and Means Committee and all the adjectives are hopefully deserved."

Ways and Means Chairman Don Rostenkowski, D-Ill., thought they were deserved. By all accounts, he named Pease as a House member of the joint conference committee because of his enthusiasm for unfettered tax reform, his hard work and his loyalty to the chairman from Illinois.

Pease, who has been on the Ways and Means Committee for only six years, leapfrogged eight more senior members for a spot on the House-Senate panel that will decide new tax rates for millions of Americans, and the corporate world, too. The task of the joint committee is to reconcile hundreds of differences, many minor, between the two tax bills.

Pease is firmly committed to Rostenkowski's vision of tax reform and has told lobbyists he will not sponsor any amendments that would significantly alter the House bill.

Lobbyists? Only about 10 times the average number poured into Pease's office last week, according to his legislative director, Steve Bailey.

That would be more than 100 visits to discuss everything from accounting procedures imposed by a new tax structure to the tax situation of employees of the Panama Canal.

Pease was lobbied on Tuesday by Ohio Gov. Richard F. Celeste and on Thursday by Cleveland Mayor George V. Voinovich, both inquiring about the status of tax-free bond financing for the domed stadium project. It is in the House bill, thanks to Pease, but not in the Senate version.

After 10 years in the trenches, the serious, unflappable former Fulbright scholar seems just a little taken back by it all. He sounded almost breathless in a column written for newspapers in his Lorain County district.

"The longest five minutes of my life began last Wednesday when a Ways and Means Committee staff member told me that the chairman, Dan Rostenkowski, wanted to see me in his private, hideaway office in the Capitol," Pease wrote. "The summons could mean only one of two things: either I was to be appointed to the tax reform conference committee or I was to be gently informed that I was not being appointed."

Pease knew he was a long shot. "Still I had hopes," he said. When he was chosen: "Bingo! I would be one of a handful of House and Senate members who would write the final version of the most important tax bill in decades."

He is the only Ohioan on a 22-member panel that met through the weekend in a bid to fashion a bipartisan product for President Reagan's signature by October.

"I rely very much on knowledge of the issues," Pease said, assessing his doggedly low-key style. "I'm not much for blowing my own horn or giving fiery speeches. Essentially, I am an inside legislator who believes in getting things done (through) knowledge of the issues and of the process.

"I've never shrunk from the adjective 'liberal,' even in 1980 and 1982 when Reagan was riding high. I would prefer to be called a traditional liberal. I refer to myself in election time as a common-sense congressman, a common sense liberal."

As such, Pease, the tax negotiator, can be expected to look out for the interests of organized labor, seek a third tax bracket above the Senate's 27% ceiling, and be tough on corporations currying special treatment. He will press for better treatment for middle-class taxpayers and restoration of full deductibility for investments in Individual Retirement Accounts.

The lobbying these days is deferential, low-pressure. It is, after all, late in the game.

"Sometimes they ask how you feel about an issue. Most of them won't even do that."

Because of the horde awaiting his arrival each morning, Pease has slipped in a back entrance to his Capitol Hill office, which happens to be right down the hall from where the conference committee meets.

Since he was the surprise pick, the lobbyists have had to play catch-up with a quiet guy some of them had ignored in favor of more veteran members of Rostenkowski's powerhouse committee.

Steve Bailey, Pease's legislative director, runs interference with the lobbyists and tries to maintain the same even keel as his boss. "It is part of the job," he said.

Gary Falle, a Washington-based lobbyist for Celeste, specializing in tax matters, said Pease "give the state of Ohio all the time we need."

"He is not a star because he doesn't push himself to be a star," Falle said. "He didn't get on the conference committee by pushing himself. He did that by being a good congressman."

JUSTICE FOR LTV RETIREES

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. FEIGHAN. Mr. Speaker, on July 17, 1986, LTV Corp., the second largest manufacturer of steel in the United States, filed for bankruptcy under chapter 11 of the Federal Bankruptcy Code.

LTV Corp. is a major American company. It is one of the 50 largest corporations in the country. It is a major defense contractor. It employs tens of thousands of workers, and it has over 75,000 retirees.

LTV now joins a host of other American companies that have been forced into bankruptcy in recent years.

Let no one doubt how serious this action is. By filing a chapter 11 bankruptcy, LTV has taken the extraordinary step of halting the payment of over $4 billion to more than 20,000 creditors. More shockingly, in direct violation of every standard of decency and compassion, and with a callousness that borders on the criminal, LTV canceled, by executive fiat, their negotiated commitment of health and pension benefits to tens of thousands of retirees—decent, hard-working men and women who had built the company through their hard labor and who had negotiated in good faith for benefits that they have every right to expect.

The bankruptcy of LTV Corp. brings into sharp focus the complete failure of the Reagan administration in fashioning a coherent, cohesive, and competent economic policy. Where we need a clear statement of policy, we are offered only a policy of failure, a policy of inaction, a policy that invites industrial dislocation and economic defeat.

The American people deserve more than this. The American people demand more than this. The United States is a robust, competitive, productive and innovative Nation. We have led the world for decades. We are the largest exporting and the largest importing country in the history of humankind. We have met great challenges and conquered them. We have endured.

Now, however, we are burdened by the largest international trade deficit in history. Our industrial base is declining. Our workers are losing heart, and our industrial preeminence is at risk.

Just yesterday, we heard more bad news. Despite the administration's continued rosy forecasts, America's trade deficit has continued to skyrocket. In June, as in May, the United States purchased over $14 billion more from foreign countries than we sold to them. The trade deficit, which has already cost our country millions of manufacturing jobs, is now headed for an astounding $170 billion.

This House has consistently urged that the administration take action to avert catastrophe. We have proposed tough policies to open foreign markets to American products. We have proposed strong policies to foster free trade. We have proposed fair policies to ensure that our industrial companies have an opportunity to compete and expand. We have proposed rational policies to enable our workers to retrain for jobs that will be created in the changing marketplace of a world economy. We have proposed sound policies that will halt the exodus of hardworking Americans from their assembly lines into unemployment lines.

The bankruptcy of LTV is one more indication that we must do more than propose new policies. We must fight to pass them. We must tell the administration that we have waited too long, that too many American companies are going under, that too many American workers are remaining idle, that too many lives, and the future of too many families are at stake. We need action to secure our position as an economic leader, and we need that action now.

The LTV bankruptcy, the largest bankruptcy in U.S. history, will help us focus more closely on the need for progressive policies that ensure economic growth, future prosperity and a vibrant, competitive America.

While LTV's case cannot be seen outside of the context of the wider economic and trade failings of the Reagan administration, there is one aspect of LTV's conduct that cannot be excused, explained or rationalized away. I am referring, Mr. Speaker, to the cold and calculated decision to abrogate their contractual obligation to tens of thousands of retirees. This action was unprecedented. It was nothing less than a gutless attempt to use the bankruptcy laws to cancel a commitment made to 78,500 men and women who had made a good faith agreement with LTV.

The corporation claims that it was obligated to terminate their health and life insurance promises to retirees. This is fatuous nonsense. The law prohibits it. The Bankruptcy Reform Act of 1984 supports the collective bargaining process. It mandates that a company filing for bankruptcy honor its collective bargaining agreements.

LTV unilaterally, without consultation with, or consideration for its agreements, rejected its responsibilities to its retirees. It unilaterally terminated the health benefit coverage. It unilaterally placed tens of thousands of retirees, 30,000 of whom live in and around Cleveland, into a state of fear. This act of corporate arrogance is appalling. More than half of the retirees who relied on LTV to keep their word, to keep their part of an agreement that was made in good faith, are under 65, under the age of eligibility for Medicare. As a result, they are in danger. The price of insurance coverage is very expensive, too expensive for most of the retirees to afford. LTV's decision to cancel its retirees health benefits will rank as one of the most unconscionable corporate actions of the 20th century.

Mr. Speaker, I am gratified that action was taken yesterday in the Senate, and in the U.S. Bankruptcy Court in New York City. The Senate rapidly passed legislation, which I have cosponsored in the House, to require LTV to obey the law and fulfil its obligations to its retirees. In New York, Bankruptcy Judge Barton Lifland ordered that LTV restore the benefits in full for the next 6 months. For retirees who have been living in the dark shadow of LTV's outrageous decision on benefits, yesterday's actions are a small ray of light cutting through the darkness. It is my hope that the House can add to the ray of light and of hope by acting with a degree of urgency on the legislation that has been brought forward by several members in an effort to resolve the crisis facing LTV in particular and American industry in general.

FRANK DOEZEMA OF SHELBYVILLE, MI, INDUCTED INTO MICHIGAN FARMERS' HALL OF FAME

HON. PAUL B. HENRY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. HENRY. Mr. Speaker, it is with great pleasure that I rise today to acknowledge Mr. Frank Doezema of Shelbyville, MI, and his induction this month into the Michigan Farmers' Hall of Fame. The Michigan Farmers' Hall of Fame, located in Delton, MI, was founded in 1982 to honor farmers for their contributions to their local communities and to Michigan's agricultural industry.

Induction into the Hall of Fame is truly an honor, and I am pleased to join with many others in recognizing the exemplary contributions of Doezema and the Doezema family.

Mr. Speaker, Frank Doezema has spent his entire life in the west Michigan area. He was born on October 25, 1903, in Grand Rapids, MI. In the early years of his life he lived and worked on his parent's dairy farm, which is now part of the Kent County International Airport. On July 9, 1924, he married Jennie Belfoort and took over the operation of his parents farm. Eleven years later he, his wife, and his four children moved some 20 miles south to Martin, MI, with a team of horses, six cows, a Fordson tractor and a few farm implements.

A year later they moved to nearby Hopkins, MI, where they farmed 130 acres and milked about two dozen cows. As was customary in those days, the entire family worked side by side milking cows and picking corn by hand. In 1943, the Frank Doezema family again moved a few miles, this time to the present farm near Shelbyville, MI. Here the Doezema farm operation grew to 36 milk cows, 200 acres of land and additional rented land. In the early sixties, Frank formed a partnership with Willis, one of his sons who chose to continue the family farm operation. Together they milked 80 cows, made numerous capital improvements to the farm, and expanded to 600 acres of land.

Now officially retired from the partnership, Frank still drives and spends many long hours in the field. Along with building a solid farm operation, Mr. Doezema has been involved in building a strong community through his long involvement in local affairs. He has been a member of the East Martin Christian Reformed Church for more than 40 years, and served on its consistory, men's society, and on the Christian school board. He has been a member of the Allegan County Farm Bureau for many years. Frank is also still active visiting with other farmers at auctions and "solving the world's problems" in the local coffee shop.

Frank and his wife Jennie, who died in November 1984, had seven children. Willis now operates the home farm in Shelbyville. Bob is an independent truck driver; Bruce a fertilizer salesman. One of their daughters, Glora VanGoor is a housewife and school bus driver. Ardith, the other daughter, is employed at the Upjohn Pharmaceutical Co. Another son Leon,

now deceased, was a dairy farmer. And their youngest son, Frank Jr., gave his life for his country in the Vietnam conflict, in January 1968. Frank enjoys the 32 grandchildren and 27 great-grandchildren he now has.

Mr. Speaker, it is indeed fitting that Frank Doezema, his family, and the contributions he has made to Michigan agriculture be acknowledged by the Congress of the United States. It is on the shoulders of people of steadiness, faith, and commitment, that the communities of our great country have been built and have bound us together. Families like the Doezema's bind us all together. For that we are proud and thankful.

THE TAX BILL

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, July 30, 1986, into the CONGRESSIONAL RECORD:

THE TAX BILL

Congress is in the final stages of resolving differences between tax bills passed by the House and Senate and writing the most sweeping overhaul of the federal tax code in its 70-year history. I find Hoosiers increasingly interested in how these changes will affect them.

After nearly two years of work, the question is not if tax reform will occur, but how it will look. The bills have more similarities than differences. Both reduce individual rates and cut taxes for most taxpayers. Both increase corporate taxes. Both trim, but do not end, tax breaks and create a fairer system allowing taxpayers in similar cases to pay similar taxes. Both remove about 6 million working poor from the tax rolls.

Nonetheless, countless differences separate the 3,379-page House bill from the 1,489-page Senate version, differences too wide to bridge easily. In general, the question is who pays for rate reductions, and who gets the largest share of the benefits. The Senate bill cuts rates more, but it also puts more restrictions on individual tax breaks. The House bill, despite its higher rates, offfers larger tax cuts to individuals, regardless of income. It pays for these cuts largely by eliminating corporate tax preferences.

Here is a summary of the major issues:

Individual rates: One big difference in the two plans is rates for individuals. The Senate plan has only two rates, 15% and 27%, with a temporary third rate of 32% for upper-income taxpayers. The House bill has a more progressive rate structure: 15, 25, 35 and 38%. Because it trims fewer individual tax breaks, the House bill gives larger individual tax cuts than the Senate bill at every income level. The average individual cut is 9% under the House bill, 6.4% under the Senate bill.

It is impossible to predict what top rate will be adopted. The President insists a 27% top rate is an essential trade-off for lost tax breaks. Many members agree that the top rate can be lower than the House's 38%, but argue that more progressive rates are needed. In the end, the top rate may depend on how many revenue-losing preferences are added back to the bill.

Deductions: Both plans keep the most popular itemized deductions in current law—mortgage interest and state and local income and property taxes—but the Senate plan cuts back other widely-used deductions. The Senate bill sharply limits the deduction for state and local sales taxes, ends most miscellaneous deductions, trims medical expense deductions, disallows consumer interest deductions, and restricts the charitable deduction to those who itemize. The House bill keeps or expands most of these deductions.

Individual retirement accounts (IRAs): The most controversial part of the Senate plan is its proposal to end deductions for contributions to IRAs. The proposal allows IRA deductions for those not covered by employer pension plans. All taxpayers could make nondeductible contributions to IRAs and defer taxes on income earned by IRAs. Trimming IRAs raises $25 billion and is a key way the Senate bill funds rate cuts. The House bill keeps the current IRA deduction largely intact. I expect the final bill to keep some IRA deduction.

Capital gains: The Senate bill taxes capital gains at the same rates as ordinary income instead of at preferred rates. Though the amount of money raised is arguable, the provision is critical to keep the bill's benefits from favoring the rich. More than half the capital gains tax benefits go to taxpayers making more than $200,000 a year. The House plan ups the top capital gains rate from 20% to 22%. If the top rate on ordinary income stays under 30%, capital gains will probably not get special treatment. Otherwise, a capital gains rate under 30% will probably be approved.

Minimum tax: Tax reform has been fueled partly by stories of wealthy people and corporations using tax breaks to avoid paying any taxes. Both plans have tough new "minimum taxes" to prevent this. The House minimum tax raises more revenue from individuals. The Senate's minimum tax raises much more from corporations, largely because the House plan ends many corporate tax breaks and raises the revenue through the regular tax system.

Tax shelters: The Senate bill virtually ends tax shelters by preventing most taxpayers from using investment losses to offset other income for tax purposes. These provisions hurt the real estate industry, but the House is likely to accept the Senate bill more or less intact.

Business taxes: Perhaps the sharpest difference between the bills is how the tax burden is split between businesses and individuals. Both bills lower corporate rates, and both increase total business taxes by ending tax breaks like the investment tax creidt. Overall, the House bill increases business taxes about $40 billion more than the Senate. All sides agree that business taxes should not weaken economic growth. But how big an increase is a burden, and which industries bear that burden, is one of the most divisive issues, especially since the size of the business tax increase determines the extent to which popular personal deductions can be saved.

Depreciation: Business depreciation allowances have been a major battleground in the tax overhaul debate, both because they represent a large pool of money, and because many smokestack industries rely on them. Partly to compensate for the loss of the investment tax credit, the Senate bill allows depreciation write-offs more generous than current law. Depreciation allowances in the House bill are less generous than current law.

Industry-specific breaks: Big fights are also expected over some industry-specific tax benefits. The House bill substantially reduces tax breaks for the oil and gas industry, the timber industry, defense contractors and large banks. The Senate bill leaves most of these tax breaks in place.

In my judgment, both bills improve current law. My hope is that negotiators will combine the best of the individual reforms in the Senate bill with the best of the corporate reforms in the House bill to make a law stronger than either.

IN PRAISE OF HELSINKI HUMAN RIGHTS DAY

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1986

Mr. GARCIA. Mr. Speaker, today is Helsinki Human Rights Day. It is a day to reaffirm our commitment to human rights throughout the world.

As the Chairman of the North Atlantic Assembly's Civilian Affairs Committee, I have a special interest in human rights and the Helsinki accords. My committee has a special subcommittee, the Subcommittee on the Free Flow of Information and People, that concerns itself with the Helsinki accords within an East-West framework. Twice a year, the subcommittee issues reports on human rights and the accords. In addition, it issues a quarterly publication entitled the Bulletin that reports on human rights violations.

This past May at a miniplenary session of the Assembly, the subcommittee issued a report entitled "Restrictions on Human Contacts." It discussed the "links between people and not just relations between states * * * draw(ing) up an inventory of the implementation of the commitments entered into at Helsinki by the Warsaw Pact states." I would be happy to make available to my colleagues a copy of the report. It is an excellent example of the kind of work being done by the committee and the entire Assembly.

It is interesting to note that the Assembly's subcommittee is only one example of the human rights activities and organizations that the Helsinki accords have spawned. America's Watch and Helsinki Watch are two other examples of fine organizations that have arisen as a result of the accords.

As part of my statement recognizing August 1 as Helsinki Human Rights Day, I am including excerpts from the latest report from the North Atlantic Assembly's subcommittee dealing with the accords. I want to commend the subcommittee's rapporteur/author, Spanish Member of Parliament, Ludivina Garcia Arias, for her fine work.

NORTH ATLANTIC ASSEMBLY, SUBCOMMITTEE ON THE FREE FLOW OF INFORMATION AND PEOPLE

(By Mme Ludivina Garcia Arias)

INTRODUCTION

While it is true that some progress was made in the years immediately following the signing of the Final Act, the situation has, if anything, deteriorated since 1979, both as regards emigration and as regards internal legislation, although the situation varies from one Warsaw Pact country to another. One thing that has certainly become clear is the existence of a link between improvement in East-West relations in all fields, and the state of human relations. It should also be remembered that the European countries have a particular interest in developing commercial, economic and political contacts, because they take a greater interest in traditional historical and cultural ties which constitute the basic texture of European relations, and by the humanitarian questions which follow therefrom. The division of Germany is the clearest example of this. On the other hand in establishing a link between greater Western flexibility and an improvement in human conditions the Soviets are hoping to be able to kill two birds with one stone, by also fostering differences between the Western countries. These attempts have so far proved unsuccessful. Human rights questions have instead produced co-ordinated positions on the part of the various countries of the Alliance, which are also often supported by the neutral and non-aligned countries.

Parliamentarians, acting in their respective countries, or through the medium of the North Atlantic Assembly, have an important role to play, not only by bringing out into the open the things that need to be known, but also in drawing the attention of the Alliance governments to violations of the human rights clauses of the Helsinki Final Act. All too often, governments and diplomats tend to look on these questions as more or less accessory to "serious", in other words traditional, diplomacy. Parliamentarians, whose function is to represent people and not to administer them, constitute a key factor in this process.

In closing, the Rapporteur would like to make one personal remark. All governments, and of course, most especially all dictatorial and totalitarian governments, tend to invoke the principle of "non-interference" to prevent foreign citizens and states drawing attention to the violations of human rights which they commit. Quite apart from the fact that the CSCE process distinguishes between non-interference and non-intervention, and hence encourages each of the signatory states to comment on what is happening in its partner countries, it should be stated that the citizens of the countries in which freedom of expression does not exist, and where the rights of man are violated, are desperately anxious for internal intervention. Intervention, both public and private, makes it more difficult for the state to infringe the rights of its citizens, who do not care if their country is the "victim" of interference or intervention. Having lived through a situation where freedom of expression was banned, the Rapporteur begs to remind her colleagues that the free countries have not only the right but a duty to intervene in favour of the defence of human rights and the freedom of men and women.

THE BOLIVIAN DRUG RAIDS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. LAGOMARSINO. Mr. Speaker, the ongoing Bolivian drug raids, aided by United States military personnel, deserves greater attention and consideration by all Americans interested in seeing international drug trafficking stopped. A recent editorial in the Oxnard Press-Courier, a prominent newspaper in my district, emphasizes the importance of this joint Bolivian-United States operation, and states that, along with an earlier effort in the Bahamas, "these joint operations represent a dramatic step in the Reagan administration's campaign to staunch the flood of drugs that menace the United States. I commend the editors of the Press-Courier for their thoughtful and incisive analysis, and I urge my colleagues to consider carefully the importance of using all available resources to fight the drug war we face.

[From the Oxnard Press-Courier, July 21, 1986]

STRIKE FORCE IN DIRTY WAR

The Reagan administration's campaign to stem the flow of illegal drugs from Latin America began in earnest last week as six U.S. Army Black Hawk helicopters swept into the jungles of eastern Bolivia. The aircraft, flown by U.S. pilots, carried Bolivian anti-drug forces that are raiding 50 of that nation's clandestine cocaine labs.

The bold joint operation, which is expected to last two months, is designed to destroy the facilities in Bolivia that produce most of the 100 tons of cocaine that are shipped abroad each year by Bolivian drug barons. This staggering figure accounts for 25 percent of the world supply and nearly 30 percent of the cocaine coming into the United States each year.

Although cocaine is the largest single component of Bolivia's $3 billion economy, the new Bolivian government seems determined to put an end to this deadly trade. Last April, President Victor Paz Estenssoro requested U.S. assistance in the drug raids. That request, it should be noted, was prompted by a recent U.S. decision to cut off a large share of American aid to Bolivia so long as that government refused to eradicate a significant portion of the country's coca crop.

The timely strike is the first to be carried out under a directive signed April 8 by President Reagan that declared drug trafficking to be a national-security threat. But this is not the first time U.S.-manned helicopters have assisted an anti-drug effort by another country. Operation Bahamas has seen American pilots transport Bahamian troops throughout that Caribbean country during the last three years.

More encouraging still, U.S.-supported assaults against cocaine facilities in Peru and Colombia are under consideration. These operations, which could begin as early as next month, would be more limited than the Bolivian strike. Agents from the U.S. Drug Enforcement Administration would assist local troops and police in raids against cocaine-producing areas.

Taken together, these joint operations represent a dramatic step in the Reagan administration's campaign to staunch the flood of drugs that menace the United States. Granted, the use of U.S. personnel in these raids presumes the possibility of American casualties. Indeed, the soliders have the green light to defend themselves if fired upon. But the attendant risk seems completely justified, given the grim toll of death and suffering that cocaine causes each year in this country.

That sentiment was generally reflected on Capitol Hill, where the operation received strong bipartisan support. Such support began to surface six years ago, when it became apparent that the United States ought to use its military resources to supplement law-enforcement efforts in the war against international drug dealers.

This strategy has already paid dividends off the coast of South Florida, where the illicit drug traffic was dramatically reduced by the use of Navy patrol boats and surveillance aircraft. President Reagan's recent executive order allows the military freer rein to undertake drug-enforcement missions for their own sake without working them into existing missions.

Which isn't to suggest that American paratroopers will be dropping into Panama in the near future to disrupt Gen. Noriega's drug deals. Or that the U.S. Air Force will be conducting surgical strikes against Colombia's cocaine factories. But it does increase the risks to the international drug traffickers as they ply their deadly trade. And that bodes well for the United States to gain some ground in this dirty war.

POLITICAL DECISIONS JEOPARDIZE SEARCH FOR NUCLEAR WASTE SITE

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. BONKER. Mr. Speaker, the question of how to safely dispose of the Nation's growing stockpile of high-level nuclear waste is one of the most controversial issues of nuclear age. The Department of Energy recently made resolution of the issue even more difficult when it selected the Hanford Nuclear Reservation in south-central Washington, despite its known shortcomings, as one of three finalist sites and abandoned the search for the second repository in the Eastern States required by the Nuclear Waste Policy Act of 1982. It appears that both of these decisions were based more on politics than on science.

The Department of Energy [DOE] proposes to spend several years and over $1 billion to study intensively the Hanford site for suitability as the Nation's first high-level nuclear waste repository. Two other sites, in Texas and Nevada, will also be characterized. Because of Hanford's geologic and hydrologic complexity, and its proximity to the Columbia River, it was last among the five sites on DOE's short list, and I had hoped that it would be eliminated as a candidate. It is also troubling that DOE has indefinitely postponed the search for the second repository in the East. Although this may be politically expedient, it destroys the delicate balance of the Nuclear Waste Policy Act and ignores the fact that over 80 percent of the Nation's nuclear waste is generated in Eastern States.

Confidence in the process has been so badly damaged by DOE that strong corrective steps are needed to get it back on track. I support the recommendation of Washington State's Governor, Booth Gardner, that we temporarily halt the selection process, extend the deadlines in the act, ensure that outside experts oversee the selection process, reinitiate the characterization selection, and review the need for a second repository. Early construction of a monitored retrievable storage [MRS] facility is essential for safe storage of nuclear wastes until a final solution is in place. In addition, research into such promising alternatives to deep geologic disposal as subseabed disposal should be stepped up, rather than cut back.

With some 15,000 metric tons of high-level civilian reactor wastes already generated, the need for a safe disposal plan is urgent. But because this waste will remain deadly for millenia, we owe it to future generations to base our decisions relating to nuclear waste disposal on technical merit, not politics.

To counter DOE's apparent belief that Hanford offers the path of least political resistance, the Washington State Legislature has proposed a special session to put the issue before the voters in the form of a referendum. As Ted Natt, editor of the Pulitzer Prize winning Longview Daily News, states in the "Views of the News" that follow, "it isn't hard to predict how the vote will go on such a measure."

[From the Longview (WA) Daily News, July 14, 1986]

VIEWS OF THE NEWS—SAYING NO

(By Ted M. Natt)

Governor Gardner and the legislative leadership have agreed on a one-day special session to put a referendum on the ballot on Hanford becoming the Nation's nuclear garbage pit.

It isn't hard to predict how the vote will go on such a measure. The Tri-Cities area would support it while most of the rest of the state will say "no thanks" with emphasis.

Some of the strongest opposition to Hanford as a nuclear waste site will come from those of us who live along the Columbia River, downsteam from Hanford. We are the ones who have had to live with Hanford's radiation leaking into the river and getting into aquatic life.

Too many people in both Washington and Oregon depend on the Columbia for drinking water, recreation and fishing to have it contaminated by toxic nuclear wastes. Hanford's experts on nuclear matters haven't been able to keep the existing quantities of nuclear wastes, mostly low level varieties, from leaking. It stretches credibility beyond the breaking point to suppose they will be able to guarantee the public that the highly toxic wastes involved in the national program will be contained safely forever.

Some of the high level wastes will be deadly for thousands of years.

The citizens here do not want nor will they tolerate Hanford becoming the Nation's nuclear wastes pit. The risks are too great.

The advantage in having a referendum on the matter is it is a statewide vote and the Nation's first on the subject. A statewide vote saying no thanks to the nuclear waste idea will not be something this administration or any future one can ignore. It will also give our congressional delegation some leverage with their colleagues.

The best thing that could happen in the wake of the vote in this state would be for Oregon to put a similar referendum on its ballot, too.

TEXTILE AND GARMENT INDUSTRY NEEDS HELP

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. FRANK. Mr. Speaker, as we approach the critical vote in which we attempt to override President's Reagan's unfortunate veto of the garment and textile bill, an act I hope we will take so that we can provide some help to many hardworking men and women in this country whose jobs are in jeopardy, I would like to share with the members two recent excellent editorials on this subject from the Fall River Herald News.

The Herald News, as is appropriate for a newspaper which serves a community in which the garment and textile industries are important, has been a constant source of solid and reasonable argument in favor of Federal action to help the garment and textile industries survive. It is important to note that the Herald News is a newspaper which is often quite sympathetic to President Reagan and his goals, and indeed, even in these editorials there are arguments that reflect many of the goals which the President espouses. I believe that the sentiments voiced by the Herald News in this context are important. Unfortunately, the President has not taken the kind of advice that is offered in these editorials about the need to rewrite our trade agreements, and I believe that this is one further reason why the vote to override the veto on August 6 is the proper vote.

TEXTILE INDUSTRY NEEDS HELP

The International Trade Commission is conducting negotiations for a new agreement about textiles.

The trade conference is being held in Geneva, and more than 50 countries have sent representatives to what is certain to be a difficult series of meetings.

The present agreement, known as the Multifiber Arrangement, is scheduled to expire at the end of this month.

Some of the 50 countries represented at the Geneva conference are seeking a renewal of the agreement, more or less as it stands. Others will be looking for an increase in the amount they are permitted to send abroad.

The United States is seeking considerable changes, especially in terms of the number of textile imports that can be shipped into this country.

During the years between 1976 and 1985 the imports of cloth and clothing by the United States more than doubled, increasing from approximately 4 billion square yards to 8.4 billion square yards.

This immense increase in textile imports has evidently had a deplorable effect on the textile industry here in the United States.

The reason for this calamitous effect is obvious. The countries sending textiles here for the most part can produce the goods they sell at a far lower rate than is true of companies here in the United States.

There is a distinct conflict of legitimate interests between the textile firms in this country and those producing textile goods abroad.

As a result, the United States is seeking a major revision of the Multifiber Arrangement that will put much stricter limits on the volume of textile imports into this country.

It is hard indeed to see how it can do otherwise.

To accept a simple renewal of the present agreement would be equivalent to accepting the destruction of the textile industry in this country.

It would also amount to an invitation to Congress to pass protectionist legislation, in spit of President Reagan's opposition.

The principal exporters of textile goods must try to understand that the domestic industry is still important to the United States, and that it is being crowded out of existence.

The easiest and best way out of a difficult situation is for the countries represented at the Geneva Conference to impose realistic quotas on the textile goods they ship abroad.

If this solution proves unacceptable to the major textile exporters, then there is little doubt that Congress will do what it can to protect the domestic industry.

Free trade is right in principle, but it must be conducted realistically. Textile imports that have doubled in a single decade are clearly unrealistic unless free trade is to amount to nothing more than the right of one nation to destroy the industry of another.

REWRITE TRADE AGREEMENTS

President Reagan has blasted a measure passed by the House which includes a number of provisions intended to help this country's industries compete with foreign imports.

The President called the bill protectionist and claimed it would inevitably lead to an international trade war.

There is considerable justice to the President's view of the House bill. Even if the word protectionist is avoided, the purpose of the measure is clearly to bolster domestic industries at the expense of their foreign competitors.

It is also true, as he pointed out, that the provisions of the House bill, if put into effect, will precipitate a trade war.

The President referred to Canada's retaliation when he imposed a relatively minor tariff on shingles and shakes.

That, as he suggested, is only an unimportant example of what this country can expect if it imposes protectionist tariffs and duties on a wide range of imports.

The outcome would be, as he indicates, an international trade war, which apart from the economic damage it would do, would also harm the good relations between this country and its allies.

The President remains a strong advocate of free trade, as he has been all along, and it is hard not to feel that in principle he is right.

The trouble is that many industries in this country are really in a bad way because of the flood of imports pouring in from overseas.

They are naturally turning to Washington for help, and feel with some justice that the administration's attempts to improve their

situation have not been decisive enough to make much difference.

The trouble is that the existing trade agreements were drawn up when the United States and its allies were in a very different relationship from the one they are in now.

They were drawn up when this country was incontestably the industrial leader of what was then called the Free World. Now several of its allies, notably Japan and West Germany, have forged ahead, and it is absurd that agreements that favor them because of their weak condition should still be in force when they are actively and successfully competing with the United States.

The existing trade agreements must be overhauled, and rewritten in terms of the realities of today's world.

The administration knows this and is moving in that direction, but perhaps with less force than it should.

It is all very well for the administration to oppose protectionism, but if it expects Congress and the public to accept its guidance, then it must offer something better than the maintenance of trade agreements that should be scrapped as obsolete.

WRANGLER

HON. ALTON R. WALDON, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. WALDON. Mr. Speaker, today's edition of the New York Daily News contains a centerpiece article entitled, "Wrangler," which chronicles a day in the legislative life of our good friend and colleague, CHARLES B. RANGEL.

This article, which was written by Lee Rainey of the News' Washington bureau, details a typical 18-hour day for the Representative from New York's 16th District. As the article shows, CHARLIE RANGEL is a fighter who knows how to deliver for his constituents, for the city and State of New York, and for millions of low- and middle-income citizens across the country.

Mr. Speaker, during my brief tenure in this body, CHARLIE RANGEL has been of immense assistance to me. I am fortunate to have him as a colleague, and I value his counsel. Because I believe this article clearly shows how hard CHARLIE RANGEL works, I think it is important to share it with my colleagues, and I ask unanimous consent to have the article reprinted in the RECORD at this point.

WRANGLER

Twenty-two men hold the most coveted legislative jobs in Washington this summer: the conferees molding a final tax reform bill. They are the most besieged folks in town—by lobbyists, by reporters and by other legislators.

Daily News correspondent Harrison Rainy spent a day behind the scenes with one of the chosen, Rep. Charles Rangel (D-Manhattan).

8:28 a.m.—Rangel lumbers into his House office, grabs a handful of messages from the receptionist Brenda Swygert and is off to the races. He phones officials at New York Blue Cross-Blue Shield, telling them he thinks he has stopped the threat to their tax-exempt status. Next, he tells officials at New York and Columbia universities that he's working on their request to keep tax breaks for charitable donations as liberal as possible.

His tax aide, Jon Sheiner, and chief of staff, George Dalley, brief Rangel on lobbyists they have held at bay for the past hour.

Rangel, who represents Harlem, a poor district, has the problems of doctors and lawyers on his mind, too. They fear they will be forced to pay back taxes because the Senate bill would retroactively kill their tax shelters. Rangel agrees to argue their case, though he frets, "That may be too heavy for me to lift."

He tells Sheiner to get more data from New York developers to help make the case for tax breaks for building low-income housing.

9:15 a.m.-Noon—A private session of House Democratic conferees. Rangel scores "for my people"—winning support for generous tax credits to the working poor.

12:15 p.m.—The group breaks for a vote on the House floor. Reporters surround Rangel when he leaves the caucus room. Lobbyists are on the prowl, and Rangel is buttonholed by Rep. Charles Rose (D-N.C.), who introduces him to a "friend" who is an insurance industry lobbyist. Rangel tells the lobbyist he thinks the industry won't be hit too hard.

12:18 p.m.—Rangel greets Robert McGlotten, chief AFL-CIO lobbyist, and tells him things look tough for Rangel's campaign to protect thousands of fledging actors and actresses. They will probably have to pay tax for the first time on unemployment benefits and Rangel is not confident he can get them more liberal tax treatment for such expenses as costumes and props.

12:31 p.m.—Rangel eats an Italian hero from the House cafeteria at his desk. "This is killing me!" he exclaims as he removes a leg brace he wears because of the strain of walks to and from the Capitol.

1:05 p.m.—He walks into his outer office to find it filled with housing developers. "You're not going to get everything, but I've protected low-income housing as best I can." he says.

1:13 p.m.—He walks with one of his favorite lobbyists, his former tax aide, Bill Signer, who is pressing him to give retroactive tax relief to employers who hire the poor. "You've gotta get a stronger argument," he tells Signer.

1:30-6 p.m.—At the Democrats' afternoon private session, Rangel prevails in his bid to help New York savings banks by allowing them long-term writeoffs of business losses. He also fights to a draw on the doctors' tax shelters.

6:13 p.m.—A meal break. Ways and Means Committee Chairman Dan Rostenkowski (D-Ill.) orders takeout—chicken, sandwiches, burgers. The lawmakers sit at the "adults" table and staffers at the "kids" table, swapping stories about their bosses.

6:49 p.m.-12:07 a.m.—A marathon session. Rangel seems to sway most to New York Blue Cross-Blue Shield's case to stay tax-exempt. He convinces the Democrats they should lift a tax break lid threatening city hospital building programs. He saves his "actors and actresses" speech for last. It's the one time he really gets worked up—but it fails.

12:32 a.m.—Rangel tells his staff good night, and says, "All in all, it wasn't a bad day."

IN RECOGNITION OF 11th ANNIVERSARY OF HELSINKI ACCORDS

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. WOLF. Mr. Speaker, as a member of the Human Rights Caucus, I join my colleagues in recognition of August 1 as the 11th anniversary of the signing of the Final Act of the Conference on Security and Cooperation in Europe, generally known as the Helsinki accords. The signing of the Helsinki Final Act in 1975 set forth the principles which have helped establish human rights as a legitimate issue of international concern and discussion.

The Helsinki Final Act, which was signed by the heads of 33 European countries, the United States, and Canada represents a framework for the participating states to work to resolve the humanitarian, economic, political and military issues that divide Europe. The goals of the Helsinki Final Act are to strengthen security, expand cooperation, build mutual confidence, and promote human rights.

I regret that on this anniversary we cannot also celebrate adherence to the Helsinki Act by all signatory nations. The overall record of compliance by the Warsaw Pact nations leaves much to be desired.

Section VII of the Helsinki Final Act requires, "respect for human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief," The repression of basic religious and human freedoms of the Soviet Union, Romania, and the Warsaw Pact nations contravene the Helsinki Final Act and other international agreements such as the Universal Declaration of Human Rights and the Declaration Against Religious Intolerance, documents approved by the General Assembly of the United Nations without objection from the Soviet Union.

In July 1985, I traveled to Romania with my House colleagues TONY HALL and CHRIS SMITH to investigate reports of human rights violations and religious repression in that country. It was clear then, and it remains clear now, that religious freedom is suppressed in Romania. I believe that continued economic ties between our two countries hinge on improvements in Romania's record of human rights and religious freedoms.

In previous statements and letters, I have expressed my concern about many human rights abuses including the use of slave labor in the Soviet Union, persecution of Vladimir Khailo, a Soviet Baptist evangelist from Krasny Luch, U.S.S.R., and the continued persecution of Soviet Jews. I have also supported legislative initiatives and other efforts to bring an end to these situations. As human rights abuses continue, we must remain firm in our resolve to speak out against them and support principled efforts to end such abhorrent treatment of our fellow man. America and other nations of the free world must continue to seek justice and respect for basic human rights, including freedom of speech, religion and emigration worldwide as embodied in the Helsinki accords.

TOUGHER PENALTIES FOR COCAINE

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. OWENS. Mr. Speaker, I have introduced the Anti-Cocaine Amendments Act of 1986 (H.R. 5195) as a result of reviewing our current legislation pertaining to cocaine. I was more than shocked when I realized that the enhanced penalties provisions did not come into play for cocaine until the amount imported, held, or sold was 10 times greater than the requirements for enhanced penalties for heroin. Why did cocaine get this special, more lenient treatment? It seems clear that at the time the law was enacted the dangers of cocaine were less apparent and that it is entirely possible that many considered cocaine to be a "recreational" drug which posed little threat to Americans.

Today, we are unfortunately aware of the very real dangers of cocaine in its various forms. It is a stimulant which causes the user to engage in aggressive and dangerous behavior. When inhaled through the use of "crack," it can enter the body swiftly in lethal doses. Ironically, those who are in the best shape and have the highest functioning of the pulmonary and cardiac systems get the highest doses which result in cardiac arrest and death. Death comes quickly and there is no way that it can be prevented in the absence of trained medical personnel with the appropriate equipment. This is in marked contrast to a heroin overdose where antidotes are available and there is a period of time when it is possible to reverse the situation and save the life of the victim.

The Anti-Cocaine Amendments Act not only removes the preferential treatment for cocaine, but decreases the amount which will subject the importer and pusher to enhanced penalties of 20 years and a $250,000 fine for the first offense and 40 years and a $500,000 fine for a subsequent offense. The current level is 100 grams for heroin and I have proposed a level of 5 grams for cocaine. I believe that this approach is necessary in light of the dangers of cocaine. We must make it perfectly clear that we view this drug as highly dangerous and that we will not tolerate its importation, possession, or sale. This is a poison that people use because of its reported "high." We have an obligation to recognize the dangers that it poses and we have an obligation to make it clear that we will not tolerate its sale in our communities.

The deaths from cocaine in New York City have increased almost twentyfold from 1983 to 1985. These are our children and young people who are dying. We cannot do anything about the lives that have been lost so far, but we can assert a policy that makes it clear that we will not tolerate the further importation, possession, or sale of cocaine. We owe that much to those who have died and to their families. We owe that much to all of our people who are at risk from this newest plague in our midst.

I urge you to join with me in cosponsoring the Anti-Cocaine Amendments Act of 1986.

INSURANCE OF ELDERLY

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Ms. OAKAR. Mr. Speaker, I rise today in support of the American steel industry. American steel is struggling for its life and needs our help. Today I have introduced legislation which will, with the help of the conferees, provide both security for the steel workers and a boost to modernize an aging and ailing industry.

The Senate Tax Reform Act contains a transition rule allowing the steel companies to carry back their unused tax credits for 15 years and so receive large tax refunds. My legislation would require the steel companies to choose between either putting this money into a special fund to provide health and life insurance coverage for employees and retirees in the event of bankruptcy or reinvest the moneys in its steel facilities. The steel companies and their employees need these investment tax credits and I implore my colleagues to support their inclusion in the final tax reform product.

The steel industry's position recently took a deep plunge. On July 17, 1986, the LTV Corp., this country's second largest steel producer, filed for chapter 11 reorganization—the largest such filing ever.

The drastic action taken by LTV has ominous overtones for the rest of this country's steel producers, its workers, suppliers, and surrounding communities. A bankruptcy filing of this magnitude reaches into every sector of our economy. Every district that is home to any of LTV's 90,000 active, deferred and actual retirees and workers or their dependents and relatives will feel its effect. The filing will influence the business decisions of countless vendors and creditors of LTV who have counted on the business of their No. 1 customer, who will now not only be unable to meet its current obligations, but will not be reordering.

Yes, the plight of the steel industry affects us all. The bill I have introduced today will give the steel companies the flexibility and opportunity they need to invest in their workers as effectively as possible. It is now up to the companies to do what is best for their employees and the steel industry.

A BILL TO AMEND THE CLAYTON ACT

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. FEIGHAN. Mr. Speaker, I rise to introduce a companion bill to S. 2687, which Senators GLENN and METZENBAUM introduced in the Senate last week.

This bill would amend the Clayton Act to ensure that States and workers are given a voice in the divestitures that occur during corporate mergers. Under current antitrust law, it is all too easy for corporations involved in mergers to slough off smaller subsidiaries without considering their independent survivability or even the competence of their buyers. The merging corporations may fatten up their balance sheet, but their smaller subsidiaries are often lost in the paper shuffle and left to wither away.

This is not an imaginary scenario. There are 700 unemployed steel workers in Massillon, OH who can attest to the seriousness of this problem. During the merger of LTV and Republic Steel, the Enduro plant was given over into questionable financial hands, and the result was a rapid decline that resulted in the loss of almost 700 jobs. And Enduro's shutdown is only symptomatic of the larger problem.

Like most of the other States in the northern tier, Ohio has paid a heavy price for having been at the heart of one of the world's prime manufacturing regions. Since 1979, Ohio has lost 259,000 manufacturing jobs, both to foreign competition and to other parts of the country. Its manufacturing employment since that time has declined 19.9 percent, compared with a decline of 8.4 percent for manufacturing jobs in the Nation as a whole. For these reasons, Ohio and similarly situated States cannot survive the current trend of companies divesting themselves of entities which are not capable of succeeding financially when independent. That trend has resulted only in perpetuating the problem of declining industries, and in throwing even more people out of work.

My bill will help to reverse this trend by making a crucial change in Federal antitrust law. As it now stands, a court must decide whether the divestiture of a certain entity is in the public interest, but those with the most to lose—the workers—are given little say about what the public interest is. Neither the Department of Justice nor the divesting company have sufficient motivation to ensure that a divested company will be able to compete in the marketplace or that its buyer is reputable.

The workers do. This bill would expand their role in the consent decree proceedings, and, as an added safeguard, it would allow the State attorney general to participate as well. This bill recognizes that consent decrees have the greatest impact on the workers and on the States where divestitures take place. Our national antitrust law should reflect this fact and make sure that local concerns are not disregarded.

The viability of American corporations is extremely important in the face of today's trade situation. I doubt that anyone will disagree that we need to implement legislation that will permit and promote the growth of American industries. Yet we are doing anything but that when we allow the divestiture and failure of money making businesses such as Enduro. We cannot turn back the clock for the Enduro workers, but we must do everything in our power to make sure there are no more Enduros. This legislation is an important first step.

H.R. —

A bill to amend the Clayton Act regarding consent judgments

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That the Clayton Act is amended by adding between section 7A and section 8 the following:

"CONSENT AGREEMENTS AND DECREES AND ORDERS IN ACQUISITIONS

"SEC. 7B. (a) With respect to any acquisition—

"(1) no Commission consent agreement,

"(2) no consent decree proposed to a court of competent jurisdiciton by the Commission or the Attorney General, and

"(3) no order issued by either the Commission or, in the case of an action brought by the Attorney General, a court which provides for the divestiture of any part of the assets of a party to such acquisition shall become final before the required divestiture has been approved by the Commission or the court. If the divestiture required by a consent agreement, consent decree, or order is not approved, such agreement, decree, or order may be rescinded by the Commission or court and the Commission or the Attorney General may petition the court for further relief or, if appropriate, initiate an action or proceeding to consider the legality of the acquisition and the need for further relief.

"(b) The provisions of consent decrees proposed by the Attorney General or the Commission and consent agreements proposed by the Commission shall be enforceable, consistent with the terms of the agreement or proposed decree, after agreement by the persons subject to the provisions of the consent decree or agreement, in accordance with procedures authorized by law for enforcement of final orders and decrees.

"(c) No divestiture shall be deemed an acceptable remedy for an acquisition which substantially lessens competition unless the divestiture fully restores competition lost as a result of the acquisition and there is a substantial likelihood that any buyer of divested assets will be a viable competitor for the foreseeable future. In approving divestitures, the Attorney General, the Federal Trade Commission, or the court, as appropriate, shall insure that reasonable steps are taken to protect the interests of affected employees and to preserve employment consistent with the full restoration of competition.".

SEC. 2. Section 5(f) of the Clayton Act (15 U.S.C. 16(f)) is amended by adding at the end thereof the following: "Where any merger proposed by the Justice Department or the Federal Trade Commission provides for divestiture of one or more enterprises or facilities which collectively employ more than 100 full-time employees in a State, the attorney general of such State shall be deemed to be an interested party and may intervene as of right in any proceeding under subsection (e).".

ELTON AND LYNDE SMITH INDUCTED INTO MICHIGAN FARMERS' HALL OF FAME

HON. PAUL B. HENRY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. HENRY. Mr. Speaker, it is with great pleasure that I rise today to acknowledge Elton and Lynde Smith of Caledonia, MI, and their induction on August 29 into the Michigan Farmers' Hall of Fame. The Michigan Farmers' Hall of Fame, located in Delton, MI, was founded in 1982 to honor farm families for their contributions to their local communities and to Michigan's agricultural industry. Induction into the hall of fame is truly an honor, and I am pleased to join with many others in recognizing the exemplary contributions of Elton and Lynde Smith to their community and to Michigan's and the Nation's agriculture.

Mr. Speaker, the name Elton Smith is a familiar one to many of my colleagues, especially those on the Agriculture Committees, which oversee Federal farm policy. As a vice president of the American Farm Bureau, Elton has been directly involved in bringing the farmer's message to Washington. And Elton speaks with authority, for as he has become increasingly involved in national and international agricultural issues, he has never forgotten—indeed he has never left—the life of the American family farmer. Elton Smith is recognized by his neighbors and by people throughout Michigan and the Nation as being an outstanding farmer. He has served agriculture through his activities in cooperatives, within the Farm Credit System, and in public service through the Farm Bureau and many other farm organizations. He holds the high distinction of being nominated by four Presidents of the United States to work on issues related to foreign trade.

The awards Elton has received are too numerous to list. But some of the more prominent include the Distinguished Service to Agriculture Award and the Outstanding Dairyman Award from Michigan State University, FFA, National Star Farmer, 4-H Foundation Award, and numerous soil conservation awards.

Elton still remains active in his own farm operation. Starting more than 50 years ago on 120 acres of land rented from an uncle, Elton's good stewardship has allowed him to increase his operation to 900 acres of land, specializing in a Red and White Holstein dairy operation. Throughout the years, Elton has adopted new and improved methods of technology to increase the efficiency of his operation.

Mr. Speaker, it is said that behind every good man is a better woman. If that is true, then Elton's wife Lynde is among the best. Lynde Smith has been active in several community organizations, in activities chiefly related to agriculture and the local church. Throughout the years, Lynde has done many chores on the farm. For many years, as the herd size was expanding, she had the responsibility of feeding the newborn calves. Like many farm wives, she is the accountant for the operation, keeping the books and other financial records of the farm. Long before it was popular, Lynde would host farm tours for schoolchildren. And each child that visited the farm would take home a farm coloring book Lynde had created. It is these multitude of "little touches" that has made Lynde such an outstanding partner to her husband Elton. There is probably no woman in Michigan who has warmed up more meals, stayed up more late nights until her husband returned from meetings, answered more phone calls, and supported her husband more than Lynde Smith.

Mr. Speaker, it is entirely fitting that the Congress of the United States recognize the contributions Elton and Lynde Smith have made to agriculture and to their community. I am personally grateful for the kindnesses they have shown and the advice they have given to me. Thank you.

THE UNITED STATES AND MEXICO

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. HAMILTON. Mr. Speaker, I would like to insert my foreign affairs newsletter for July 1986 into the CONGRESSIONAL RECORD:

THE UNITED STATES AND MEXICO

Most Americans take Mexico for granted, and know very little about it despite our shared 2,000 mile border. But Mexico's problems are increasingly our problems. Its stability will rank second only to our relations with the Soviet Union in significance in the years ahead.

The U.S. and Mexico have enjoyed close, friendly and coooperative relations for many years. Our relations with the 80 million Mexicans are diverse and complex, and involve daily contacts at every governmental, business, social, and cultural level. Mexico is our third largest trading partner after Canada and Japan, and our chief source of oil imports. Over 7 million U.S. citizens are of Mexican descent.

In recent years U.S. attention has focused on illegal immigration and drug trafficking, but Mexico's internal problems are the real time bomb on our southern border. Despite sixty years of political stability, Mexico has extremes of wealth and poverty and 50% of the work force is unemployed or under-employed. Every Mexican politician is aware that political instability is a possibility, if not a probability.

The economic outlook for Mexico is grim. Inflation is 85% and Mexico has a $97.4 billion foreign debt. Plummeting prices for oil, the source of 50% of Mexico's foreign exchange earnings, raise the possibility of a suspension in Mexico's debt payments. Nearly $74 billion of this debt is owed to commercial banks, including $24.4 billion to U.S. banks. Mexico's debt payments last year of $14.1 billion, equal to 6% of GNP, made it a net exporter of capital. This is unhealthy for a developing economy. Resolving this problem will be critical for both the U.S. banking system and Mexico's future growth.

The roots of the present crisis date from the 1970s oil boom, when commercial banks eagerly extended credits to Mexico. Then in 1982, world recession, steeply rising interest rates, and a decline in oil prices caught Mexico in a cash squeeze. Tough austerity measures plus new credits provided by the International Monetary Fund (IMF), the U.S., and commercial banks enabled Mexico to stabilize its finances. But stabilization had costs. A two-thirds cut in imports meant Mexico could not acquire capital goods and raw materials to increase and diversify exports. Mexico's ability to earn foreign exchange remained tied to the price of oil. Sharp cuts in the government budget (equal, in U.S. terms, to a $300 billion cut in one year) meant that other important reform measures became difficult to implement. Accelerating inflation and dismal growth, coupled with the Mexico City earth-

quake of September 1985 and related decline in tourist revenues, left Mexico vulnerable when oil prices dropped 50% in early 1986.

Coming after four harsh years, the current economic crisis puts the Mexican political system under greater stress. It confronts the Institutional Revolutionary Party (PRI), which has ruled in Mexico since 1929, with a severe challenge. Foreign creditors are demanding a radical overhaul of Mexico's economy if it is to receive new credits. But if the Mexican economy is shuffled too much the PRI's strong hold over the country's political and economic life, already under attack, could be disrupted. The question is whether the PRI can ride out the storm. The U.S. holds no special brief for the PRI, but it has an urgent interest in helping prevent social and economic chaos which may spill across the border.

How can this be done? The fundamental problem for Mexico is simply that it spends more than it earns. This was true when Mexican crude oil was fetching $24 a barrel; today with crude oil in the $15 range the situation is acute.

There is remarkable agreement about what Mexico needs to do. It needs to move boldly to cut subsidies and the budget deficit, eliminate money-losing state enterprises, reduce the government work force, liberalize trade and investment, and relax exchange controls. Mexico's future growth will depend less on financial patchwork arrangements than on its ability to export. This latest crisis may force the PRI toward more market-oriented policies.

Mexico, however, will resist strongly foreign domination of the economy. It is good news therefore that Mexico has signed a $1.6 billion rescue agreement with the IMF which does not impose onerous terms, even as it signals to creditors that Mexico is taking serious steps to address its problems and create the climate for future economic growth. The IMF pact has triggered a promise of $2 billion in World Bank loans and intensified pressure on commercial banks to provide $6 billion in new money to help Mexico.

New funds for Mexico in conjunction with economic reform is consistent with the "Baker Plan" put forward by Treasury Secretary James Baker in October 1985. Critics, however, label this approach a palliative. They say Mexico is paying interest on old loans with new loans which only increases its debt. Another suggested approach to Mexico's debt problem is to cut interest rates and forgive some portion of the principal on previous loans. This approach would involve large loan losses but the argument is that it would improve the quality of remaining loans. In addition, changes in U.S. banking regulations could ease the impact on commercial banks.

The U.S. needs to craft a coherent policy on an urgent basis because the outlook for Mexico remains troubling. Economic conditions in Mexico are unlikely to improve over the next several years. Economic dependence on the U.S. and dissatisfaction with the PRI are likely to increase.

Relations with Mexico in coming years will take an increasingly large share of U.S. policymakers' time. While we can choose our friends, we cannot choose our neighbors. Americans must learn that what injures Mexico does damage to U.S. interests as well. We must be able to live together with civility and understanding.

AIDS DISCRIMINATION AND THE AMA

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. FRANK. Mr. Speaker, last week I spoke during special orders on the effort by the Justice Department to distort the plain meaning of section 504 so as to deny protection against discrimination to people with AIDS or AIDS antibodies. I mentioned at that time the courageous and forthright position taken by the American Medical Association in opposition to the Justice Department's gravely mistaken view.

I recently had a chance to review the amicus curiae brief submitted by the AMA in the case of Nassau County versus Arline. While that case deals with an individual suffering from tuberculosis, an illness quite different in communicability in most instances from AIDS, there are some points in which the arguments are related. And in the course of that brief, counsel for the AMA analyzed the Justice Department's opinion and pointed out how plainly erroneous it is from both a legal and medical standpoint.

I am including the section of the AMA amicus curiae brief pointing out the grave errors in the Justice Department's opinion on section 504.

IN THE SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1985

No. 85-1277

SCHOOL BOARD OF NASSAU COUNTY, FLORIDA and GRAIG MARSH, Individually and as Superintendent of Schools of Nassau County, Florida, PETITIONERS,

v.

GENE H. ARLINE, RESPONDENT.

On Writ of Certiorari to the United States Court of Appeals for the Eleventh Circuit

BRIEF OF THE AMERICAN MEDICAL ASSOCIATION AS AMICUS CURIAE IN SUPPORT OF PETITIONERS

III. THE JUSTICE DEPARTMENT'S FRAMEWORK FOR APPLYING SECTION 504 TO EMPLOYMENT DECISIONS REGARDING THOSE HANDICAPPED BY A COMMUNICABLE DISEASE IS INCORRECT

In a recent opinion, the Office of Legal Counsel of the Department of Justice set forth a different approach to the application of Section 504 to employment decisions affecting those with communicable diseases in general and AIDS in particular.[18] With respect to the statutory definition of a "handicapped individual," the DoJ Opinion makes a crucial distinction between (a) the disabling effects of a communicable disease on its victims, which qualify as handicaps, and (b) the ability of the victims to spread the disease to others, which "is not itself a handicap." DoJ Opn. at 27. The Opinion then concludes that, because the ability of the victims of a communicable disease to spread the disease is not a "handicap," Section 504 "simply does not reach decisions based on fear of contagion—whether reasonable or not . . ." Thus, according to the opinion, if an employer discharged an employee based solely on a fear of the risk of a disease's communicability, rather than a reasonable medical judgment about that risk, there would be no "discrimination" in a statutory sense, "solely on the basis of handicap." Id. at 29-32.

This proposed framework does violence to the fundamental Congressional purpose of Section 504 of protecting handicapped individuals from decisions based on fear, prejudice or stereotype. See, *e.g.*, S. Rep. No. 1297, 93rd Cong., 2nd Sess. (1974). It also does violence to the statutory language and to the decisions of this Court.

First, and most fundamentally, the Justice Department opinion misconstrues the statutory meaning of a "handicap." Section 504 applies to "handicapped individuals" and Section 7(7)(B) defines "handicapped individuals" as, *inter alia*, "any person who (i) has a physical or mental impairment which substantially limits one or more of such persons' major life activities." The implementing regulations define "physical impairment" as any "physiological disorder or condition . . . affecting one or more of the . . . body systems . . . " 45 C.F.R. 84.3(j)(2)(i). When Section 504, Section 7(7)(B) and the implementing regulations are read together, it is clear that, for Section 504 purposes, a handicap is an impairment that causes certain limiting effects on life activities. But it is the impairment, not just the effects of the impairment on the afflicted individual, that is the "handicap," in the statutory sense. This plain reading of the statute and the regulations is borne out by the analysis of HEW that accompanied the 1977 general Section 504 regulations.[19]

Thus, if a disease like tuberculosis substantially limits a person's major life activities, then tuberculosis is the impairment or handicap, including, but not limited to, the effects of that disease. In those circumstances, a federal fund recipient could not, therefore, discriminate against an individual "solely on the basis of" the disease of tuberculosis (including the effects of the disease on the victim and on third parties), unless that individual were not "otherwise qualified" for employment.[20] The Justice Department's distinction between the effects of an impairment on the individual and the effects on third parties for purposes of determining what is a handicap thus does not find support in the legislative purpose or language or in the relevant regulatory history.

Second, the Justice Department's approach sweeps much too broadly. Many handicapped individuals may pose a degree of danger to others, either by virtue of a communicable disease or for other reasons. See *Southeastern Community College* v.

[18] "Application of Section 504 of the Rehabilation Act to Persons with AIDS, AIDS-Related Complex, or Infection with the AIDS Virus," June 20, 1986 [hereafter "DoJ Opn."]. This opinion has been lodged with the Court by petitioners.

[19] See 45 C.F.R. Pt. 84, App. A, at 310 (1985) (the "impairment" is the "handicap", not *just* the effects of that impairment) and 311 (alcoholism and drug addiction are diseases; diseases are impairments; drug addiction or alcoholism, not just their effects, may be considered handicaps).

[20] A person who has no symptoms of a communicable disease but nonetheless carries it may not be handicapped within the statutory definition because being a pure carrier may not, depending on medical evaluations and legal judgments, significantly limit the carrier's major life activities. But it does not follow that a person who is ill with the disease and who meets the statutory definition of "handicapped individual" enacted by the Congress may be irrationally discriminated against because of one of the effects—communicability—of the disabling disease. *Cf.* DoJ Opn. at 29-32.

Davis, 422 U.S. at 407 (hearing disability in nurse could pose danger to patients). But, rather than allowing employers to act irrationally toward such handicapped individuals based on a fear of a perceived danger to third parties, the better course, as set forth in *Southeastern Community College*, is to focus on the issue of whether the handicapped individual is "otherwise qualified."

Indeed, this Court has stated that "the question of who is 'otherwise qualified' and what actions constitute 'discrimination' under [Section 504] would seem to be two sides of a single coin; the ultimate question is the extent to which a grantee is required to make reasonable modifications in its programs for the needs of the handicapped." *Alexander* v. *Choate*, 105 S. Ct. at 720, n.19. Rather than focusing, as the DoJ Opinion does, on different effects of a single handicap and allowing irrational discrimination with respect to one of those effects not deemed a "handicap," the better approach, mandated by *Davis* and *Alexander* and urged by the AMA in this brief, is to require federal fund recipients to take reasonable, but not fundamental, steps or modifications in accommodating handicapped individuals. In the context of this case, of course, that means federal fund recipients may make employment decisions that are reasonably related to reasonable medical judgments about the risks to third parties posed by individuals with communicable diseases—no more is required but also no less.[21]

CONCLUSION

Accordingly, the AMA respectfully submits that the framework set forth in this brief for analyzing the application of Section 504 to employment decisions by federal fund recipients comports with the statute and fairly resolves the statutory tension between protecting individuals who suffer from a handicapping communicable disease and protecting third parties exposed to risk by those with such a disease. For the limited reasons stated above, the judgment of the court of appeals should be vacated and the case remanded for further proceedings.

Respectfully submitted,

Of Counsel:

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July, 1986

[21] Employment decisions about AIDS victims, like decisions about anyone handicapped by a communicable disease, should thus be based on reasonable medical judgments about their handicap and their risk to others and not, as the DoJ opinion would allow, on irrational fear of the handicapped individual's ability to communicate the disease.

CONGRESSIONAL CALL TO CONSCIENCE VIGIL FOR SOVIET JEWRY

HON. H. JAMES SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. SAXTON. Mr. Speaker, it is an honor for me to participate in the 1986 Congressional Call to Conscience Vigil for Soviet Jewry. It is my hope that the vigil will serve as a reminder to the Soviet Government that we in the United States continue to expect them to abide by the Helsinki accords and other human rights documents of which they are a signatory. Unfortunately, as well as being a signatory of these documents, the Soviet Government is also a violator.

Mr. Speaker, Jewish life in the Soviet Union is dominated by determined, state-sanctioned propaganda and harassment activities. In fact, the few freedoms which have been accorded other religious minorities are not extended to Jews. The ultimate goal of the Soviet Government is the annihilation of Jewish culture. Because Jews are denied the right to pass on most of their rituals and traditions to younger generations, the Jewish religion may well face extinction in the Soviet Union.

Over 350,000 Jews have shown an interest in emigrating from the Soviet Union, but many are unable to begin the process due to innumerable and clever bureaucratic obstacles. Harassment, discouragement, and illness caused by the stresses of refusenik life prevent thousands from ever beginning the process of emigration, which takes years, if permission to leave is granted at all.

Mr. Speaker, I call on the Soviet Government to end anti-Semitic practices and to ease restrictions on emigration. The Soviet Union must understand that this situation is intolerable to freedom-loving people everywhere.

And, Mr. Speaker, I would too speak on behalf of Gennady Feldman, who has been applying to emigrate since 1976. He hopes to join his sister and elderly parents who now live in Israel. His parents are ill, and only want to live to see their son.

Gennady, because he applied to emigrate, now lives the tragic life of a refusenik. He cannot find work, he has no place to live and depends on friends for shelter, and he has been beaten by auxiliary police. The Soviet Government punishes Gennady for a desire to be reunited with his family by assuring that he is an outcast in Soviet society and by denying him the right to leave.

I call upon the Soviet Government to grant Gennady the basic human right of emigration.

IN HONOR OF THE ELEVENTH ANNIVERSARY OF THE SIGNING OF THE HELSINKI ACCORDS

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. GARCIA. Mr. Speaker, today is the 11th anniversary of the signing of the Helsinki accords. As chairman of the North Atlantic Assembly's Committee on Civilian Affairs, I have a special interest in the accords and the achievements that have come about as a result of their implementation, or in too many cases, their lack of implementation.

Yet, despite the fact that the world is not now free of human rights abuses because of the accords, the progress achieved as a result of their signing is, nonetheless, significant. The Civilian Affairs Committee has a subcommittee, the Subcommittee on the Free Flow of Information and People, that monitors East-West human rights problems. The very fact that such a subcommittee exists, and that so many other excellent organizations set up to monitor the accords also exist, is a tribute to the struggle for human rights that their signing represents.

In honor of this special anniversary, I am submitting for the RECORD an article from today's New York Times on the importance of the Helsinki process. It was written by Mr. Warren Zimmermann, Chairman of the U.S. delegation to the Vienna review meeting of the Helsinki accords, which are scheduled to begin in November. I urge my colleagues to take a moment to read Mr. Zimmermann's fine essay.

MAKING MOSCOW PAY THE PRICE FOR RIGHTS ABUSES

(By Warren Zimmermann)

WASHINGTON.—Eleven years ago today, in Helsinki, 35 countries signed the closest thing we will ever have to a post-World War II peace settlement—the Final Act of the Conference on Security and Cooperation in Europe. In the United States, that document has become less understood even as it has grown more controversial.

The Helsinki Final Act established the only forum in which all the key East-West issues can be discussed by all the European states as well as by the United States and Canada. It continues to be a major force in the policies of all of our European allies. And it remains a Magna Carta to those courageous people who are fighting for their human rights in the Soviet Union and Eastern Europe. These factors alone entitle it to more attention in this country than it gets.

When President Gerald R. Ford, General Secretary Leonid I. Brezhnev and 33 other leaders gathered in the great Finnish architect Alvar Aalto's Finlandia House, they constituted the most important collection of statesmen to meet on pan-European themes since the Congress of Vienna in 1815. As at Vienna, they had differing reasons for being there, and the six languages in which the Final Act was signed testified to the diversity of the motives and aspirations of those who signed it.

For its part, the Soviet Union wanted a World War II peace treaty that would make permanent their own postwar frontiers and those of their Eastern European satellites. But the Helsinki document, while recognizing the "inviolability of frontiers," also contained an important, and often overlooked, provision that frontiers could be changed "by peaceful means and by agreement"—for example if there were an agreement to reunify Germany.

The Soviet Union also failed to get the peace treaty it wanted out of Helsinki; the document was oddly called the "Final Act" so as to distinguish it from a legal instrument and to emphasize that it was politically but not legally binding. In addition, the Russians wanted the document to embody their vague and propagandistic security proposals, which have been such unhelpful additions to the European debate since the Khrushchev era. Again, their success was minimal: the security elements of the Final Act occupy only five pages in a 58-page document devoted mainly to human rights and

contacts, economic relations and other issues.

The Soviet Union's Eastern European allies had an agenda quite different from Moscow's. They saw and still see Helsinki as an opportunity to increase their ties with the West under cover of a document the Soviet Union had signed. There has since been a dramatic increase in both individual and official ties between Eastern and Western Europe, but the real fulfillment of this aspiration sadly remains potential. Still, the Final Act—with its insistence that each participating state is sovereign and with its multiple incentives to East-West contacts—remains a unique framework for the day when political conditions permit a healing of Europe's division.

For the United States and the other members of the North Atlantic Treaty alliance, Helsinki meant the opportunity to subject the Soviet Union and its allies to rigorous human rights criteria. In retrospect, the Final Act is extraordinary in its commitments to individual liberties that the Soviet Union was pressured to accept. Through the years, the security aspects of Helsinki have been balanced by equal attention to the human dimension—to freedom of thought, conscience and religion; to access to information; and to the reunification of families. The West continues to insist on this vital balance, believing that a country that threatens its own citizens is also an inherent threat to those beyond its borders.

The Helsinki summit conference created not just a document but also a process. First, in the Soviet Union, Czechoslovakia and elsewhere, spontaneous groups of monitors sprang up with the aim of holding their government to the commitments they had assumed. The founder of the Soviet group was Yuri F. Oriov; charter members included Anatoly B. Shcharansky and Yelena G. Bonner, the wife of Andrei D. Sakharov.

Second, the signing of the Helsinki document was succeeded by two major review meetings, in Belgrade and Madrid, at which the Soviet human rights record was subjected to intensive and well-publicized scrutiny. A third review meeting will begin in Vienna this autumn.

In addition, "experts' meetings" proliferated between review meetings: in Ottawa on human rights, in Budapest on cultural cooperation, in Bern on human contacts, and in Stockholm on reducing the dangers of surprise attack.

The Soviet human rights record since Helsinki has been abysmal. Mr. Oriov, Mr. Shcharansky and Miss Bonner were rewarded for their championship of the Final Act with long sentences of prison or internal exile. Many others, less well known were similarly punished.

Those human rights violations by the Soviet Union have led some observers of the Helsinki process to argue that the United States should abandon it altogether. That argument is wrong. It is akin to scrapping the criminal code because there are people who break the law. While the Helsinki process has not corrected the Soviet abuse of individual liberties, Moscow has paid a price for that abuse through a sharp drop in Soviet popularity and credibility in Europe. The period of the Madrid meeting—1980 to 1983—witnessed a dramatic decline of the pro-Soviet left in France, a West German decision to deploy American nuclear missiles on German soil, and sustained popular support in Britain and Italy for Governments that believed in a strong security tie with the United States.

The Helsinki process must and will continue. At the Vienna review meeting, the United States delegation will insist on compliance with commitments and will rigorously draw the balance between promises made and promises kept. President Ford said at Helsinki, "Mere assertions of good will, passing changes in the political mood of governments, laudable declarations of principles, are not enough." The Soviet Union must now realize this. Its intransigence has not paid off. Its new leaders should find it in their own interest to honor the commitments their Government already undertook on Aug. 1, 1975.

THE SEARCH FOR A PEACEFUL SOLUTION TO CRISIS IN CENTRAL AMERICA CONTINUES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. LAGOMARSINO. Mr. Speaker, the search for a peaceful solution to the crisis in Central America continues, with the principal parties affected by that crisis carrying out further negotiations and consideration of the latest Contadora peace document. At a meeting in San Salvador, which concluded July 26, the Foreign Ministers of El Salvador, Guatemala, Honduras, and Costa Rica met to discuss ways to achieve peace through democracy. Costa Rican Foreign Minister Madrigal was quoted as saying that Nicaragua was absent from the meeting because the four countries that attended the 2-day meeting "are trying to achieve peace through democracy, and Nicaragua, on several occasions, has said that it does not believe in this democracy." A full report on that meeting follows:

[From Central America, July 1986]

COSTA RICAN MINISTER ON REGIONAL MEETING

(By Ricardo Chacon)

SAN SALVADOR, 26 Jul (ACAN-EFE).—The meeting of the foreign ministers of El Salvador, Guatemala, Honduras, and Costa Rica to analyze the last version of the Contadora peace document ended today in San Salvador amid total silence. [Passage ommitted.]

Before returning to his country, Costa Rican Foreign Minister Rodrigo Madrigal Nieto gave an exclusive interview to ACAN-EFE. Minister Madrigal Nieto said that the meeting was "cordial" and that with this meeting they were not attempting to "create a bloc to oppose Nicaragua." [Passage omitted.]

"It was a highly positive meeting during which we discussed matters of a broader perspective in an attempt to achieve peace in the area, how to get financing for our countries, and how to advance in the fields of technology and culture," the Costa Rican foreign minister added. However, Madrigal hinted that the foreign ministers had discussed more specific matters like the Central American parliament, Contadora, and the position of the four countries regarding Nicaragua. [Passage omitted.]

Madrigal said that Nicaragua was absent from the meeting because the four countries that attended the 2-day meeting "are trying to achieve peace through democracy, and Nicaragua, on several occasions has said that it does not believe in this democracy."

"Nicaragua has described democracy in Central America as decrepit; therefore it was not invited to attend the meeting. This does not mean that we will not sit down and talk with Nicaragua some day, especially the day when the brother people of Nicaragua achieve democracy," Madrigal added calmly.

The first of these meetings was held in Honduras on 17 July. Guatamala was not present at that meeting. Guatemala was present at the San Salvador meeting, and Madrigal said that it is "important that representatives of the Vinicio Gerezo government attend these meetings because we want the democratic countries to be united and work together."

"Guatemala plays an important role, and without Guatemala we would not be able to adopt a more vigorous stance in Central America. Guatemala's participation has been very positive," Foreign Minister Madrigal said. [Passage omitted.]

[Panama City ACAN in Spanish at 0048 GMT on 28 July 1986 transmits a Ricardo Chacon report on statements by Costa Rican Foreign Minister Rodrigo Madrigal Nieto made shortly before leaving El Salvador after attending the Central American foreign ministers' meeting. The report says:

["The Costa Rican foreign minister called for the creation of a 'democratic alliance' among the Central American countries, from which Nicaragua would be excluded."

[" 'We proposed the creation of a democratic alliance a long time ago; apparently it is something that has been adapting to circumstances,' the Costa Rican foreign minister told ACAN-EFE before leaving El Salvador.

["This democratic alliance," Madrigal noted, 'must be achieved through broad participation, where democracy is viewed as a fundamental value for resolving the problems of Central America.'

["According to the foreign minister, the alliance would seek, among other things, 'to establish greater ties with Europe, especially the EEC, so they can move closer and become familiar with our positions.' "

["Madrigal Nieto added that his country will not participate in the attempts to make the Central American Defense Council (Condeca) reemerge. The Condeca is a regional institution created in the seventies at Nicaraguan dictator Anastasio Somoza's initiative to fight against the isthmus' incipient guerrilla movements."

[" 'Costa Rica cannot participate in the new CONDECA because our country's Constitution bans armies. In any event, we would participate as mere observers,' Madrigal Nieto explained."]

IMPACT OF COMPREHENSIVE MONEY LAUNDERING PREVENTION ACT OF 1986

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. DREIER of California. Mr. Speaker, on July 27, the House Banking Committee unanimously reported out H.R. 5176, the Comprehensive Money Laundering Prevention Act of 1986. If enacted, this measure would make significant changes to the Bank Secrecy Act

[BSA], the Right to Financial Privacy Act, and other laws affecting the control of financial institutions.

I reluctantly supported H.R. 5176 because I feel strongly that something must be done to address the growing problem of drug sales and the use of our banking institutions to launder profits from this dangerous and illegal trade. H.R. 5176 goes a long way to address this problem. However, I believe that some of its provisions are extreme in that they will set a precedent for the erosion of our Nation's financial privacy laws.

For instance, section 8 of the bill would virtually result in the repeal of the Financial Privacy Act by giving the Secretary of the Treasury broad authority to investigate all transactions in excess of $3,000. I am deeply concerned about any law which gives the Federal Government unrestricted access to the most intimate financial affairs of private citizens.

H.R. 5176 also raises other substantive concerns. According to the Institute for Strategy Development [ISD], a consulting firm specializing in regulation and legislation affecting the banking industry, "the impact of H.R. 5176 on all financial institutions, their employees, and their customers raises substantive operation, privacy, and strategic concerns." An objective analysis of H.R. 5176 was recently published in the July 28 issue of the institute's Bank Regulation & Legislation Review. In it, the institute described the impact of H.R. 5176 as follows:

IMPACT OF H.R. 5176

Some of the implications of the legislation depend on the manner in which the regulations it authorizes are issued. The Secretary of the Treasury is given broad authority to determine who shall report and what should be reported by financial institutions on a world-wide basis, whether or not a U.S. citizen is involved in the transaction, as long as the institution involved has an office in the United States.

Similarly, the authority granted to the regulators under the change in control provisions is very broad. The regulators, under this bill, would have the obligation to investigate the background of persons filing notices to acquire banks and thrifts. This authority could be used to thwart attempts by foreign governments to acquire indirect control of U.S. institutions.

A potential, if unintended, consequence of the change-in-control provisions could confound the efforts of non-financial corporations to use those provisions to acquire banks for their financial-service networks (as they have done in the past). Indeed, the provisions could even be interpreted as requiring regulators to deny acquisitions by banks which have had any BSA violations—a prohibition which would affect financial institutions across the country which have paid BSA fines.

Other effects of the bill are more immediately quantifiable. The standards of knowledge or intent necessary to commit a violation of the reporting requirements of the BSA would be reduced. Thus, the protections against civil and criminal liability currently afforded by law would be reduced. Concurrently, H.R. 5176 would raise the penalties for violations of the BSA. Financial institutions could thus be exposed to substantial penalties for even the most minor and most innocent clerical errors.

Additionally, the increased reporting and record-keeping requirements will increase instances in which BSA violations are possible. Similarly, the requirement that financial institutions certify BSA exemptions to the Secretary would expose the institutions to greater potential liability and require bank examinations of customer activities.

The additional record-keeping and reporting requirements imposed on financial institutions could be extremely costly, burdensome, and difficult to meet. Some of these increased requirements would be specifically mandated by the bill, while others could result from Treasury regulations to implement the measure's requirements.

The summons, seizure, and forfeiture authorities of the Treasury Secretary may also prove very costly to financial institutions. The seizure and forfeiture provisions could mean that innocent lien-holders would not be protected in all situations where the Secretary could seize an interest in property traceable to a monetary instrument that was derived from illegal sources.

The financial privacy rights of financial-institution insiders—directors, officers, employees and controlling shareholders—who are suspected of violating the BSA or any law relating to crimes against financial institutions would no longer be protected by the Right-to-Financial-Privacy Act. To a lesser degree, the financial-privacy rights of other persons would also be reduced by the exceptions H.R. 5176 would make to the RFPA.

Mr. Speaker, I believe one of the most effective ways to control drug trafficking is to deny those who engage in this illegal activity a safe haven to hide their profits. However, I raise these concerns because I believe it's important that, in our efforts to stop criminal elements in our society, we must be careful not to trample the rights of innocent citizens. It is my hope that these problems can be resolved during subsequent legislative consideration of this issue.

THE NATIONAL QUALITY IMPROVEMENT AWARD ACT OF 1986

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. FUQUA. Mr. Speaker, today I am introducing a bill which will promote American competitiveness in the global marketplace by creating a National Quality Improvement Award Program.

The fact that America is facing a competitiveness crisis is no secret. Evidence demonstrating our trade collapse has been gathering for two decades and culminated in 1985—a year which saw the United States become a net debtor nation for the first time in its history. This same competitiveness problem has cost America 2 million manufacturing jobs since 1981 and has led to a trade deficit of over $160 billion annually. Although this problem has many root causes, one of the most important is America's loss of quality management. As Dr. Joseph Juran, an internationally recognized expert on quality management, testified to the Science, Research and Technology Subcommittee last month.

Until several decades ago, we in the U.S.A. were among the world leaders in quality. That leadership provided us with a broad market for our products in exports, as well as domestically. In turn the marketability of our products created jobs. It also contributed to favorable trade balances.

In an effort to regain the quality edge we lost to Japan and several European nations, many experts have called for the creation of a national quality award to stimulate the quality management process in American industries. Such an award would parallel the Deming prize awarded annually in Japan for exemplary quality improvement. Ironically, the Japanese prize was set up by an American, Edward Deming, in an effort to put Japanese industry back on its feet after the destruction of World War II. The experiment worked and today Dr. Deming's name is synonymous with efficient production and high quality products for millions of Japanese consumers.

The bill I am introducing today, entitled the "National Quality Improvement Award Act," empowers the Secretary of Commerce to designate an appropriate entity to oversee the awarding of a national quality prize to enterprises in four categories: individuals, companies, company divisions, and nonprofit organizations. In order to qualify for the award, an enterprise will have to undergo a rigorous evaluation of its business operations. Awardees will also be obliged to help other American enterprises improve their quality management. In return for the service they will provide less successfully managed businesses, the award winners will be allowed to publicize their victory in advertising.

The award itself will be accompanied by an Information and Technology Transfer Program which will disseminate pertinent information on successful quality improvement strategies to all program participants. Furthermore, my bill anticipates that the cost of this program will be borne by the private sector. My bill authorizes the Secretary of Commerce to accept gifts from public and private sources and, if necessary, to impose fees upon applicants so as to make the program completely self-funding.

In developing and drafting this legislation, I have worked closely with the American Society for Quality Control and the Juran Foundation, two leading quality associations; Myron Tribus, an expert on America's competitiveness decline; and John J. Hudiburg, CEO and president of Florida Power and Light.

By implementing an innovative three phase quality management program, Florida Power and Light [FPL] has shown that an effective quality management program can be built up fairly quickly here in America. Learning from visits he made to Japanese businesses, Hudiburg guided his company through the circle, policy development, and quality in daily work phases of a Quality Improvement Program. Today, more than 60 percent of FPL's employees have dedicated themselves to improving operations by joining quality teams. The result has been vastly improved service for FPL's customers and a valuable lesson for all of American Industry.

Although this single bill will not solve our worsening competitiveness crisis, I am convinced that it will do much to focus the necessary attention on our Nation's quality management failure. Once this attention is correctly

directed, it is only a matter of time before our industries regain their position as global quality leaders.

GETTING THE TAXPAYER OFF THE HOOK FOR WESTLANDS

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. WOLPE. Mr. Speaker, I wish to commend the House of Representatives for its action yesterday on Representative GEORGE MILLER's amendment to prohibit the Interior Department from settling out of court the Westlands versus United States lawsuit on irrigation water. Our action was the first step in preventing the activation of a settlement that fails to protect the American taxpayer, the environment, and the public interest in general.

As a member of the Budget Committee and a long-standing opponent of environmentally unsound, outrageously expensive Federal boondoggles, I must express my deep concern about this settlement. Our past battles to kill the Clinch River breeder reactor and the Synfuels Corporation have only confirmed the central importance of stopping these wasteful and dangerous projects in their tracks. As we struggle to meet a $144 deficit target for the coming fiscal year there can be no doubt in anyone's mind as to the necessity of eliminating unfair, wasteful spending. Clearly the Westlands agreement qualifies in both these categories.

In direct violation of the 1982 Reclamation Reform Act, this settlement entitles a group of wealthy Westland agricultural interests to expanded water rights at a fraction of their actual cost. Furthermore, it lets Westlands off the hook for the disastrous environmental damage this project creates.

Westlands irrigation water has already contaminated the Kesterton Wildlife Refuge, creating one of the worst environmental crises in the West, which will cost about $500 million to clean up. The settlement not only releases Westlands from responsibility for this problem, but in fact encourages further such problems by increasing the amount of cheap water available to the Westlands area.

And for whom are we so heavily burdening the public treasury, endangering our natural resources and violating the law? Some of the wealthiest agricultural businesses in the country. The average "farmer" in Westlands owns over 3,500 acres of land, among these "farmers" are such corporate interests as Standard Oil, Southern Pacific, and Tenneco. One Westlands interest, the Boswell Co., is the largest cotton grower in the country and will receive $20 million in Government cotton and wheat subsidies alone.

It defies comprehension that Secretary of the Interior Hodel would propose a billion-dollar giveaway to these corporations now when family farmers throughout the Midwest are engaged in a life or death struggle simply to make ends meet. In a period of fiscal austerity, it is our responsibility as legislators to ensure that scarce Federal resources are targeted toward those who are truly in need. I am deeply encouraged by the message the House sent Mr. Hodel yesterday about the paramount importance of meeting this responsibility. Now, it is up to the Senate to follow suit. The Congress only has a 30-day review period in which to express its opinion of the court settlement. I urge the Senate to act quickly within this time period to express its own disapproval of the settlement as well so that we may bring an end to this dangerous, wasteful proposal.

FARMERS NOT GETTING THEIR LOANS

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. ALEXANDER. Mr. Speaker, today I am introducing legislation that will require Farmers Home Administration to carry out its original purpose of loaning money directly to farmers. The bill I have introduced requires the Secretary of Agriculture to transfer up to 25 percent of the funds from the Guaranteed Loan Program to the Direct Operating Loan Program. This bill will require the Secretary to fund the loan applications which await approval solely because funds do not exist in the direct operating loan program.

My bill is directed toward saving farmers who qualified for loans but because of Government foot-dragging have not been financed. Farmers Home Administration is dragging its feet seemingly unwilling to fulfill its responsibility, so we in Congress, must ensure that our farmers are served by their Government and those institutions established to assist farmers doing their job.

During these depression days on the farm, Government should be offering a helping hand to farmers facing serious financial stress. Instead Farmers Home Administration has made it even harder for farmers to obtain operating loans and carry out their business of farming.

Since June, even if a farmer does qualify for a direct operating loan fund is completely exhausted. In Arkansas, Farmers Home is short $4 million leaving 73 farmers without funding. This situation exists in almost all farm States.

Funding is available however. The Secretary of Agriculture and the Administrator of Farmers Home is authorized to replenish the fund but have chosen not to do so. The 1985 farm bill gives the Secretary of Agriculture the discretion to transfer up to 25 percent of the guaranteed loan fund to the direct operating loan fund.

The original allocation for direct operating loans of $2.2 billion was depleted in early June. However, the guaranteed loan fund still has $453 million out of $1.710 billion in its pool and according to FmHA this will be more than enough to cover any additional guarantees.

The Administration has chosen to push the guaranteed operating loan program onto bankers and farmers. Bankers are already over-extended in agricultural lending and must guard their assets closely. Also the guranteed loan program has had a bad reputation among bankers as requiring too much paperwork. Even with the recent changes in the program, these two facts added to the current dismal financial condition in agriculture make bankers naturally cautious about trying something different.

The guaranteed loan program does serve a purpose; however, this is not the time to force it upon the agriculture lending community. The administration tried to do this by refusing to allocate direct operating loan money to the States' Farmers Home Administration offices until they had made as many guaranteed loans as possible. Now, the administration keeps pushing the guaranteed loan program and refuses to transfer funds to the direct operating loan fund.

But while the administration is trying to convince bankers to lend money with a guarantee, farmers are not getting their loans. The purpose of Farmers Home is to assist farmers who can not borrow from commercial banks not to convince bankers to loan farmers money.

UNITED STATES MUST HELP ECONOMY OF HAITI

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. OWENS. Mr. Speaker, when former Haitian President Jean-Claude Duvalier fled his country 5 months ago, he left behind a legacy of national poverty and unemployment. At the present time, the unemployment rate there is over 50 percent, and rising. Another approximately 25 percent of the labor force is underemployed. Haiti's annual per capita income of $300 and an illiteracy rate of 80 to 90 percent, make it one of the poorest and least-developed countries in the world, and the poorest country in our hemisphere.

Most of the economic chaos of the country can be traced to the reign of Francois and Jean-Claude Duvalier. Their 29-year dynasty left behind a corrupt, ineffective government, a ravaged economy, and an unequal economic status quo. Recent figures show that the richest 5 percent of the people in Haiti own and control about 50 percent of the country's GNP. The vast majority of the population live in the countryside and are engaged in cash-crop agriculture based on cheap labor. For decades the Duvalier government has helped Haiti's small minority of rich landowners maintain their privileged position and has allowed them to exploit the country's rural citizens.

In order to improve the lives of the Haitian people, the Government of Haiti needs to be responsive to the needs of the Haitian people and to effectively set national economic goals and priorities. The upcoming elections in Haiti must be open and fair in order to ensure that the new government has the trust and respect of the Haitian people. Such a democratically elected government and private industry in Haiti will need to work together to devise new strategies for the improvement of trade, manufacturing, and agriculture. There is a need for an establishment of a sound system of tariffs and for improved structuring of the nation's economy to ensure a higher standard of living

for the majority of the poverty-stricken Haitians.

Improving the economic situation in Haiti will be the foremost challenge of a new democratic government. This economic development process can be greatly facilitated by the United States. We can provide financial resources, technical assistance, special import considerations, and political support for the new government. America has the opportunity to truly assist a country which has suffered a great deal under the oppressive Duvalier government. We in Congress have the ability to initiate this cooperative process, and I urge my colleagues to support the political and economic reconstruction of Haiti.

A SPECIAL APPEAL FOR VETERANS EDUCATIONAL BENEFITS

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. FEIGHAN. Mr. Speaker, America's 28 million veterans served their country proudly and well, often during times of great peril. They offered their lives to protect freedom, and we owe them that protection and care in return.

Of particular concern are veterans' educational benefits. Many veterans sacrificed their traditional college years to faithfully serve the Nation. They did so with the promise that we would, in return, help them afford the education they postponed. Now, when these men turn to us to fulfill our end of the deal, they discover that the administration wants to renege on its promise to help pay the high cost of a college education.

The plight of American veterans seeking an education is eloquently and poignantly expressed in a letter I received from Mr. Richard J. Seeger, one of my constituents. I strongly support his views and ask that his letter be printed in the RECORD at this point:

ROCKY RIVER, OH,
March 18, 1986.

Congressman EDWARD F. FEIGHAN,
1223 Longworth Office Building,
Washington, DC.

DEAR CONGRESSMAN FEIGHAN, Please permit me to introduce myself. I am a veteran, a full time student, a father of three children, a registered voter, and thirty-four years old. I have given up my first career two years ago so as to go back to college and pursue an education. I now work only part time to help defray living expenses and to afford myself proper time for my studies.

I have recently been the victim of veteran's educational benefit cuts and my acceptance of this has been less than honorable. I have served my country in its time of need, 1971 to 1979 in the U.S. Air Force, and now when I am in need my country says, so what, sorry about that.

I have heard Governor Celeste's speech and campaign against illiteracy, and fight to house the homeless "street people", and now a cut in educational benefits. The three of these in one sentence sound hypocritical to me. I think someone's priorities are a little backwards. If we as a state and a nation wish to do anything about balancing a budget, helping out this country economically, housing the homeless, training the illiterate, cutting down on crime, lowering unemployment, or talking peace, the last place the budget should be cut is education. Cutting educational funds may be a short term cure at best, but the effects are very long term.

Approximately one year ago the veterans administration was granted a rate increase. This increase was the first increase in years and was long overdue. Today that overdue increase was taken away while tuition continued to increase. In September 1985, my tuition went up 7% which was about forty dollars, today my educational benefits went down 7.8% which was about forty-seven dollars per month or one hundred twenty one dollars ($121.00) per quarter. I have made all my personal budget cuts when I gave up my career to pursue an education. My family has given up much more than they deserve so I would be able to go to school. I counted on the government for aid which I earned. My next budget cut will make me a statistic as a homeless "street person" the governor campaigned to help. I can not cut my budget any lower.

I ask you for help. This 8.7% cut back in veterans educational benefits should have never been made.

Respectfully submitted.

RICHARD J. SEEGER.

"CHALLENGER" MEMORIAL

HON. H. JAMES SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. SAXTON. Mr. Speaker, I have the honor of having within my district, three eighth grade students who are gaining national recognition in their efforts to remember and commemorate the teacher Christa McAuliffe for her bravery and courage.

These students, Nikos Pavlides, Ako Robinson, and Anthony Battista were so inspired with the bravery and courage shown by Ms. McAulliffe, that they felt a memorial should be erected in her honor and to serve as a symbol of these characteristics for future generations. These three boys designed a model of a memorial—a transparent globe with a bronze shuttle being launched from its surface. Inside this transparent globe will be the thousands of letters received from school children in support and memory of Christa McAuliffe.

Once the idea of the *Challenger* memorial was conceived, the boys set out on the chore of finding support and bringing their dream to reality. They did not have long to wait. Just 2 weeks ago, the American Federation of Teachers, of which Mrs. McAuliffe was a member, invited the boys to be guest speakers at the federation's national convention in Chicago. After the boys presented their idea for a memorial, the 2,700 delegates voted overwhelmingly to endorse the project and to house the memorial at its Washington headquarters.

Mr. Speaker, I applaud these students for their initiative and thank the American Federation of Teachers for its assistance in furthering the boys' goal.

THE WRONG WAY TO HELP AMERICA'S FARMERS

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. GARCIA. Mr. Speaker, the New York Times ran an editorial today discussing a bill passed last week in the Senate requiring the President to subsidize wheat exports to the Soviet Union and China. The editorial criticizes the bill saying that it could damage relations with Australia.

It could also damage relations with Argentina. While I do not want to undermine any attempts to aid our beleaguered farmers, I, nonetheless, agree with the gist of the Times editorial, suggesting that the bill be dropped not only in the interest of helping Argentina and Australia, but as the editorial points out, in the interest of helping our own farmers as well.

But getting back to Argentina, that nation has been struggling with severe economic problems for several years. It is important to remember that those problems were not the result of policies undertaken by the present Argentine Government. They are problems that President Alfonsin inherited from the previous military government. If we expect Argentina to continue to build its democracy, we must do what we can to help it along economically. Dropping the subsidy bill is a step in that direction.

I am submitting for the RECORD a copy of the Times editorial:

AGAINST AUSTRALIA'S GRAIN

The farm web grows more tangled. Desperate to unload America's surplus grain, the Senate last week passed a bill requiring President Reagan to subsidize wheat exports to China and the Soviet Union. Australia, a wheat grower that does not subsidize sales, is furious. Canberra threatens unspecified retaliation.

The answer to this spat between allies is to drop the subsidy bill. It's foolish to damage relations with Australia for the questionable benefits from selling food at bargain prices to the Soviet Union. But the larger issue, how to control the rising use of export subsidies for farm products, can't be so readily buried. America and the European Community, the principal offenders, grow ever more desperate for ways to dump farm surpluses.

Farm law now gives the Administration the option of sweetening private export deals with bonuses from Government stockpiles. This subsidy has been used to rid the larder of some rice, sugar and grain. But the biggest potential customers for wheat, China and the Soviet Union, are ineligible, having been designated "unfriendly" countries by President Reagan. That is why grain belt legislators, led by Robert Dole, the Senate majority leader, want to force the President's hand.

It is far from clear that selling food below cost to the Russians serves America's strategic interests. But the folly of this case is evident. Subsidizing grain exports would slam the Australian economy, already suffering from the depression in commodity prices. Besides, the subsidies could harm American farmers. Their gain in market share might

be more than offset by the resulting reduction in the price of wheat exported without subsidy.

The broader policy issue isn't so simple. America subsidizes some farm exports. But it's a minor sinner compared with the European Community. Europe's generous price support system has created mountainous surpluses of grain, sugar and dairy products—and with them, pressure to export the surpluses for whatever the market will bring. Ten years ago, these surpluses might have been absorbed by food-importing countries. Today, thanks to the rapid development of agriculture in China and India, world markets are choked and prices are chronically depressed.

As a policy, dumping food is senseless. Export subsidies are far more costly than compensating farmers directly, with cash. And in the few months since the American program was authorized, subsidies have created bitter conflicts with Thailand and the Philippines as well as Australia.

The single logical argument for American export subsidies is to impel Europe to bargain. Thus far it hasn't worked. Britain would happily agree to end food dumping, but conservative Governments in France and West Germany remain too dependent on their farm votes to accept economic rationality. This leaves the Reagan Administration with the job of pressing the Europeans for concessions without committing America to the self-defeating course of competitive subsidy. That is no easy task. Neither is any sensible reform of agricultural policy.

INTRODUCTION OF THE SUPPLEMENTAL MEDICAL INSURANCE IMPROVEMENT ACT OF 1986

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. BONKER. Mr. Speaker, today, I am pleased to introduce legislation that will expand Medicare by offering its beneficiaries two additional Supplementary Medical Insurance options. This bill is primarily designed to protect the elderly from rising cost sharing requirements that have increased rapidly over the past decade. This proposal not only will reduce out-of-pocket costs for the elderly and eliminate much of the confusion for both consumers and providers, but will not result in any additional costs to the Federal Government. The first option would allow beneficiaries to purchase more comprehensive coverage of services under Medicare parts A and B. The second option would permit beneficiaries to purchase coverage for outpatient perscription drugs used in the treatment of chronic illnesses.

Mr. Speaker, last year our Nation celebrated the 20th anniversary of the Medicare Program. Enacted in 1965 to alleviate the serious health care financing problems faced by growing numbers of older persons, Medicare has emerged as the premiere Federal health program in this country. At the time of its passage, the cost of basic health care was beyond the reach of many older Americans. On average, the elderly were paying a substantial percent of their income for health care, and their ability to maintain an adequate standard of living was slowly eroding.

Without question, Medicare has been of immense assistance to older persons over the past two decades. Since its enactment, Federal spending for Medicare has risen from $7 billion in 1966 to an estiamted $75 billion in outlays projections for 1986. Despite this tremendous growth, health care expenditures not paid by the program have been rising steadily as a percent of the average older person's income. By 1984, health spending not paid by Medicare again equaled 15 percent of the average older persons income—almost equal to the share paid by the elderly prior to the enactment of the Medicare Program. Translated to actual dollars, direct out-of-pocket health care expenses averaged $1,575 per person in 1984, even with Medicare. For all too many Medicare beneficiaries, the cost of an acute and serious illness has once again become catastrophic.

Not only has the financial burden for the elderly increased, but the tremendous growth of Medicare expenditures in the last decade has placed severe strain on the Federal budget. Figures released this week revealed that today spending for health care in the United States rose 8.9 percent last year, 5 percent higher than the overall Consumer Price Index of 3.9 percent. By contrast, benefit payments under the Medicare Program increased faster than overall health spending. According to the Department of Health and Human Services, Medicare payments rose 12.2 percent last year. Inflationary health costs and mounting pressures for deficit reductions have made Medicare a prime target for budget cuts.

Originally intended to cover 80 percent of the elderly's medical expenses, Medicare currently pays less than half of older Americans' health care bill. The elderly must pay a variety of deductibles, coinsurance, and physician charges in excess of what Medicare considers reasonable in the case of unassigned claims. In order to deal with this "gap" in coverage, a piecemeal system of private insurance has developed to help pay for expenses not reimbursed by the existing Federal program.

Currently, about two-thirds of Medicare beneficiaries have enrolled in private "medigap" insurance. Although these supplemental insurance programs have helped, the cost of this protection is often very high and the extent of coverage can vary tremendously.

Over the years, the House Select Committee on Aging has examined various "medigap" programs, and has generally determined that such private insurance can help to insulate individuals from health costs not covered by Medicare. Unfortuantely, the committee also found that a large portion of the elderly population is confused about various types of supplementary health insurance, and often purchase policies that are duplicative or of little use when actually needed.

In the past I have authored and actively supported legislation to expand Medicare benefits and reduce costsharing. Yet, the current climate of fiscal restraint renders such proposals difficult—if not impossible. Thus, if we cannot expand benefits the least we can do is ensure that Medicare beneficiaries get the best coverage they can for the money they have to spend. This is the central purpose of my bill. Its specific provisions are as follows.

First, each individual that chooses to enroll in the SMI, or part B program, would be given the opportunity to voluntarily select additional insurance coverage for most costsharing requirements under both parts A and B. This medigap coverage would include all but the first hospital deductible in a given year, all copayments for hospital care above the 60th day, and all hospital care beyond the 60th lifetime day. All complicated spell of illness requirements would be eliminated. In addition, the 20 percent part B coinsurance requirement would be covered up to the reasonable charge level allowed by Medicare. Enrollee premiums for this optional comprehensive insurance coverage would be calculated by Medicare actuaries to reflect the actual cost of coverage. No new payroll tax or Federal general revenues would be required. The primary advantage to the beneficiary would be the low cost of the premium, better coverage, and less confusion about their benefits. If implemented immediately, the cost of the comprehensive coverage option would be about $20 per month—an amount considerably lower than medigap insurers charge for similar coverage.

The second part of this legislation would allow each individual who chooses to enroll in the SMI program a one-time opportunity to voluntarily select coverage of outpatient drugs used in the treatment of chronic illnesses. As with the first option, enrollee premiums would be calculated by the actuaries to reflect the actual cost of coverage. A restricted drug benefit formula would be developed by the Secretary of Health and Human Services as well as a prospective payment rate, and claim processing system in which druggists would be required to take assignment for the payment of covered drugs. This SMI drug option would afford important protection against the heavy costs of long-term disease. We estimate that the premium would be about $9.40 per month.

Mr. Speaker, I believe this legislation offers substantial advantages to both consumers and providers of health care. Clearly, the enactment of this bill would save Medicare beneficiaries money. Additionally, the proposal would also be easy to administer because Medicare already collects premiums and pays bills. Hospitals would no longer need to be bill collectors in their efforts to collect deductibles and copayments. Finally, physicians who take assignment would have all SMI benefits coordinated by Medicare, thus eliminating some of their administrative costs and difficulties.

I want to reemphasize that I do not view my bill as a solution to the health care financing problems facing our Nation's elderly. The costsharing burden placed on older persons under the present program is intolerable and must be removed. The Department of Health and Human Services has already begun an initiative to study options for catastrophic medical insurance. In the next few months the HHS task force will be submitting their findings and recommendations for consideration. I look forward to examining this report carefully.

In the meantime, my legislation is designed to ease the financial problems faced by older citizens in meeting their basic daily needs. It is

one way that we can act to guarantee that the gains they have made will not be eroded. I urge my colleagues to support this measure.

NATIONAL ARTS WEEK

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. GREEN. Mr. Speaker, on behalf of myself and my distinguished colleague from California, Mr. COELHO, I am today introducing a joint resolution which would designate the week of November 16, 1986 as National Arts Week. National Arts Week was first held last September, in conjunction with the 20th anniversary of the National Endowment for the Arts, to celebrate the arts in America, and it is important that we continue this effort. During this week, many special events and performances are held to celebrate America's rich and diverse artistic heritage, to focus attention on the importance of the arts to our way of life, and to encourage corporate and individual investment in artistic activities.

The arts in America give expression to our national identity and contribute to our national mental health. If we examine the spectrum of individual and group artistic expression in the United States, we find we are glimpsing our past and our present; we are viewing the soul of our Nation, with its wonderful ethnic and social diversity. In fact, the sum of this expression is America. The arts let us stand apart from the sometimes grim realities of life, to escape and to refresh our spirit. Paradoxically, the arts also allow us an increased understanding of the human condition.

In its first year, National Arts Week 1985 was very successful; more than 800 public arts events took place in each of the 50 States, with 100 proclamations from Governors and mayors across the country. This year, we hope for even greater support, and plan to focus particular attention to arts on the local level, in cities and towns as large as New York City and as small as Petaluma, CA. By doing so, we can help create a permanent base of community support for the arts which can sustain them in this era of decreasing national funding.

The entire U.S. arts community has joined to support National Arts Week 1986, in a public/private partnership that encompasses Federal and State arts agencies, a special Corporate Committee, national arts groups, arts services organizations, and especially local arts groups.

The Corporate Committee, which articulates the support of American business for the arts, is headed by Paul Elicker, chairman of SCM Corp. The Corporate Committee is very significant, as it represents a firm commitment from the private sector.

Also vitally important is the existing support of the National Endowment for the Arts, without which National Arts Week could not take place. We can also count on the participation of two other major public arts groups, the National Association of State Arts Agencies and the National Association of Local Arts Agencies, to make the week a success. In addition, members of the Committee of National Arts Service Organizations will be promoting this effort.

Well-known artists, from many diverse disciplines, are already involved as members of a Committee of Artists. The committee, chaired by Leonard Bernstein, includes musical luminaries such as Isaac Stern, Beverly Sills, Ella Fitzgerald, and Cab Calloway; stars of stage and screen such as Helen Hayes, Theodore Bikel, and Clint Eastwood; writers such as James Michener, Ralph Ellison, and Eudora Welty; and designers such as I.M. Pei and Isamu Noguchi, to name only a few.

By showing our support for National Arts Week 1986, we can give additional impetus to the celebration, thereby not only promoting private, State, and local artistic activities, but also encouraging corporate and individual investment in the arts as well. I urge you to join with me in this effort by cosponsoring this important legislation.

THE SUBMERGED LANDS UNCERTAINTY IN ALASKA

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. YOUNG of Alaska. Mr. Speaker, I am introducing legislation today which is intended to clarify authorities for submerged lands conveyances in the State of Alaska pursuant to the Alaska Statehood Act and the Alaska Native Claims Settlement Act. Both of these statutes provide the acreage entitlements for the State of Alaska and Alaska Native Corporations. Unfortunately, uncertainty arose some time ago over the proper survey methodology used to determine the chargeability of submerged lands acreages against total acreage entitlements.

The legislation I am introducing will resolve this uncertainty by requiring the application of survey rules which are applicable to all States. These rules have been agreed to by the State of Alaska and the Department of the Interior, which are following the procedures outlined in a memorandum of agreement executed in March 1984.

In addition to specifying the use of survey rules, the legislation also repeals a statute of limitations contained in the Alaska National Interest Lands Conservation Act which mandates the time limits for the filing of certain actions between the State of Alaska and Alaska Native Corporations.

Under section 901, the State of Alaska is required to file civil actions challenging land conveyances to Alaska Native villages where the ownership of lands underlying navigable waters remains in dispute.

Due to continued uncertainty over navigability determinations in Alaska, the State of Alaska has indicated it intends to file multiple lawsuits against each of the 180 villages in Alaska. The purpose of the suits would be solely to meet the statute of limitations requirements of section 901, which requires suits to be filed to preserve rights claimed by the State of Alaska within 6 years from conveyance.

Last year, President Reagan signed into law a 1-year extension of the statute of limitations contained in Anilca. I had sought the extension to provide more time to develop a comprehensive resolution of the submerged lands substantive issues. I believe this legislation resolves those issues justly and fairly.

Mr. Speaker, this legislation is supported by the State of Alaska, the Department of the Interior, and Alaska Native Corporations. It is quite similar to legislation pending in the other body which has been introduced by Senators MURKOWSKI and STEVENS.

Mr. Speaker, it is time to establish a congressional mandate which resolves the submerged lands uncertainty in Alaska. There have been extensive discussions on resolutions of this issue by the staff of the Interior and Insular Affairs Committee. Justice and fairness dictate that Congress live up to the acreage entitlements stated in the Alaska Statehood Act and the Alaska Native Claims Settlement Act, especially where, as here, we can do so merely by applying the rules which are applied to all other States. For these reasons, I urge my colleagues to support this legislation.

THE GOALS OF TAX REFORM

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. COURTER. Mr. Speaker, the groundswell of congressional support for and interest in tax reform has been based on an expectation that any comprehensive measure would achieve three goals: to reduce tax rates across the board, take a substantial number of the working poor off the tax rolls, and provide incentives for economic growth and job creation.

The Senate plan, the starting point for the House/Senate conference, certainly reduces tax rates and would remove the tax burden of an estimated 6 million low-income individuals. However, a recent editorial in the Home News of central New Jersey accurately points out the dangerous possibility that conferees may neglect incentives for economic expansion in their attempt to insure fairness for low- and middle-income taxpayers. Particularly insightful is the newspaper's observation that the lag between the effective date for certain new rules and the lower tax rates could actually raise some people's taxes. The decline in the rate of growth now being projected for the coming year would only be exacerbated by the $23 billion in additional taxes the time-lag would produce. Its a dirty trick to play on the American taxpayers and will be counterproductive for our efforts to promote economic growth. The Home News editorial follows:

GROWTH IS THE WATCHWORD

As the Senate and House tax conferees get down to work today, the promise on almost everyone's lips is that the final tax-overhaul bill will contain greater tax relief for the middle class than the Senate bill, without any significant increase in the Senate bill's two individual tax rates. Rewarding middle-income Americans (however

middle-income is ultimately defined) and protecting the Senate's 15 percent and 27 percent tax rates have become the cornerstones of this historic tax-reform initiative. But it is vital that the conferees not give short shrift to a third element—promoting economic growth.

"We don't want to fall into this trap of playing to the audience to such a degree that we hurt economic growth," Treasury Secretary James Baker warned this week. "We don't want to kill the goose that laid the golden egg."

It could happen all too easily.

This year's economic growth figures already are about two percentage points below the Reagan administration's January forecast, and the economy's sluggishness is making economists and investors nervous. It's also forcing the government to revise—upward—its deficit projections for fiscal 1987.

A remarkably pessimistic Budget Director James Miller conceded this week that Uncle Sam could end the current fiscal year with yet another record deficit—this time in "the neighborhood of $220 billion." And in that neighborhood, all bets are off about the willingness of Congress and the president to accept budget cuts necessary to meet Gramm-Rudman-Hollings deficit targets.

Against the backdrop of this cloudier-with-chance-of-storms economic forecast, the tax conferees need to keep a weather-eye on the impact of their tax-changes on businesses. Treasury Secretary Baker, for example, worries that additional tax-relief for the middle class may be bought at the price of stingier rules on corporation depreciation write-offs, which would discourage business investment and economic growth. And there's a growing recognition of the need to make both the new tax rules and the new tax rates effective on the same date, instead of holding off the new, lower tax rates until six months after the new deduction-eliminating rules go into effect.

New Jersey Sen. Bill Bradley, who will be one of the key players in the tax conference, wants to change the rule/rate time-lag that would result in a tax increase next year for many people. "You want this tax overhaul to be popular," he says. "You want people to say, 'This is terrific.' So you've got to be sure that the first tax bill shows your best face, not your worst."

And more than that, the tax writers have to make sure they don't add to the economy's slowdown with the drag of a $23 billion tax increase that the time-lag would produce.

The tax conferees have a historic opportunity to clean up a preference-laden tax code and institute rules that are fairer and simpler. But they also must make certain that the tax overhaul encourages economic growth.

DRUG TRADE ELIMINATION ACT

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. SCHULZE. Mr. Speaker, the recent news on increased cooperation between Bolivia and the United States on Bolivia's cocaine trafficking has shed much needed light on an issue of critical importance to our Nation—eliminating illegal drugs and narcotics at their source.

Ongoing efforts between the United States and other countries have been made to eradicate poppy plants, marijuana plants, and coca leaves overseas, but much more remains to be done. Despite attempts to eliminate drug imports into this country, they are still largely uncontrolled—Mexico, Bolivia, and Pakistan are just a few countries reported to have increased drug crops.

Stronger action must be taken with Congress becoming a more and more active participant in the process, which is why I am introducing the Drug Trade Elimination Act. The purpose of this legislation is to tie most-favored-nation and preferential trade treatment to progress made by other countries to eliminate their involvement in producing, processing and transporting illicit drugs. I am sure that once countries realize the devastating impact of losing these valuable trade benefits, they will implement the necessary tough measures to stop the exporting of illicit drugs into our country.

CROHN'S DISEASE

HON. HARRY REID

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. REID. Mr. Speaker, many people suffer needlessly because of a common, but not well known disease. Often misdiagnosed as anorexia, ulcers, or psychosomatic problems, it attacks the intestines, producing diarrhea, cramps, weight loss, pain and fever.

The most frequent victims are young people, often in their twenties. It retards the growth of many of the 10,000 children it attacks, and is linked to various forms of arthritis.

The name of the disease is Crohn's. There is no cure.

A Crohn's patient will go through periods of remission. There is, of course, the fear that the painful symptoms could return at any time. Medications can control the symptoms, but the disease can destroy the gastrointestinal tract to the point that the body can no longer absorb nourishment.

Crohn's is often treated by surgery; but even after successful medical and surgical therapy the relapse rate is 75 to 80 percent.

Very little has been done to find a cure for Crohn's. Thanks to the efforts of Mr. Meyer Blinder of Denver, CO, scientists are now progressing toward that goal.

Mr. Blinder, the president of the investment banking firm Blinder, Robinson and Co., has pledged $1 million to eradicate this dread disease. Of the amount pledged, $850,000 has already been given to UCLA where work is currently being done to find a cure.

Known for this and other philanthropic endeavors, Mr. Blinder has developed a reputation as a man of charity. The researchers at UCLA opine that he had done more to eradicate Crohn's disease than anyone else in the world.

As representatives of our various congressional districts, we should thank Mr. Meyer Blinder for his selfless efforts. We should also bring to the attention of the people of this country the importance of finding a cure for Crohn's disease. Through the Meyer Blinders of the world, we will be able to do this.

A RESOLUTION COMMEMORATING "NATIONAL HOUSING WEEK"

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. AuCOIN. Mr. Speaker, it is my pleasure today to introduce a resolution designating the week of October 19–26, 1986, as "National Housing Week."

It is no secret that a strong housing industry is a critical building block in our Nation's economy. Since World War II, the housing industry has led our country's economic recovery from each recession. Initial jobs opening in the lumber and construction industries have set off a wave of market needs in the appliance, real estate, and furniture industries. And today the housing industry maintains its leading role toward recovery with new jobs, new wages, and community pride.

Housing is one of the largest contributors to the health and vitality of the Nation's economy. In calendar year 1985 alone, the value of all new housing was $113.5 billion, resulting in an estimated 2.5 million man-years of direct employment. In turn, those workers paid $17.6 billion in Federal income taxes and $3 billion in State and local taxes. It is estimated that housing-related industries contributed approximately $171.5 billion to the Nation's economy—comprising about 5 percent of the gross national product [GNP] in 1985.

Housing and homeownership are fundamental to the character of our Nation and our economic system. To provide decent and affordable housing is to provide access to the American dream for millions of families across the country. In short, Mr. Speaker, it allows the families the opportunity to get a piece of the rock. Homeownership—and the ability to achieve that goal—is fundamental to our national character and the foundation of our communities.

When housing prospers, America prospers. Yet, housing's strength continues to be threatened by uncontrolled Federal budget deficits. The housing industry and America's homebuyers have shared my concern about the need for immediate action to reduce the Federal budget deficit. Indeed, slashing the deficit is perhaps the most productive thing we can do to recognize housing and all that it stands for.

For 4 years now, these deficits have sapped the underlying strength of our economy, stifled investment and damaged housing. Housing has willingly borne its fair share—and more—of the cuts in domestic spending to bring the deficit under control. While there's no question that we must address the deficit crisis if we are to avoid another round of damagingly high interest rates, we must not delude ourselves into believing that the destruction of productive housing programs—that help generate revenues—is the answer.

The passage of this resolution commemorating "National Housing Week" is an appro-

priate time to reaffirm our historical commitment to housing and homeownership and to recognize the economic opportunities created by a vibrant housing market.

STOP THE VISITOR TAX

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. MARLENEE. Mr. Speaker, today I introduced legislation to repeal the month old authority of the U.S. Customs Service to charge special user fees for passengers and commercial vehicles entering the country. My bill would repeal the authority to charge and collect certain port of entry custom fees.

The Consolidated Omnibus Budget Reconciliation Act of 1985 contained provisions authorizing the U.S. Customs Service to charge user fees to cover expenses incurred by processing arrivals at ports of entry. Since July 7 fees are being assessed on the arrival of commercial vessels over 100 net tons ($397), trucks ($5), trains ($5 per car), private yachts, boats, and general aviation ($25 per year) and on passengers arriving on commercial aircraft, trains, and vessels ($5 for countries other than Canada, Mexico, and adjacent islands).

The bill would repeal the fees assessed to private vessels and aircraft and to passengers arriving via commercial carrier. The Department of the Treasury estimates that approximately $180 million will be picked from the pockets of visitors arriving in the United States. Why should an extra $180 million be taken from the pockets of these people?

Charging customs fees is an irresponsible and precedent-setting law. These fees penalize the individual and make him carry the burden of what should be a service of the United States. The users of the customs services are the citizens who are entitled to border protection. Border inspection is a Federal responsibility not a special service.

If we are going to control deficits, we must cut spending. We shouldn't resort to custom fees as a backdoor revenue-raising tactic to balance the budget.

I urge you to cosponsor my bill and to voice your opposition to these fees.

TRIBUTE TO MICHAEL DANIEL RUDESS

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Ms. KAPTUR. Mr. Speaker, each of us has a profound respect for those who serve our Nation in the military. We take pride in their accomplishments. We are saddened when tragedy occurs. This week, Sp4c. Michael Daniel Rudess, from my district, was killed in the line of duty as an Airborne Ranger, during the U.S. Army Desert Warfare Exercise at the Dugway Proving Grounds in Utah. Specialist Fourth Class Rudess was killed on the first anniversary of his military service to our Nation.

Michael Daniel Rudess, husband of Nicky Rudess, proud father of Melinda Rudess, and son of Sharon and Robert Rudess of Oregon, OH, was 19 years old, well on his way to a distinguished career in the military. I know my colleagues in the U.S. House of Representatives join me in saluting Michael Daniel Rudess for his brave service to our country. We share in the grief his family is experiencing.

This is especially painful for me because of my close personal friendship with Michael's family. On behalf of the U.S. House of Representatives and the people of Ohio's Ninth District, I extend the Nation's heartfelt condolences to the family of Michael Rudess. We hope that the sorrow soon passes and is replaced with bright memories of a truly gifted and special young man who served his country in one of its most distinguished branches, the Airborne Rangers.

RULE ON H.R. 3810, THE IMMIGRATION CONTROL AND LEGALIZATION AMENDMENTS ACT OF 1986

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. ROSTENKOWSKI. Mr. Speaker, I take this opportunity to inform my colleagues that the Committee on Ways and Means, on Wednesday, July 30, 1986, favorably ordered reported to the House of Representatives H.R. 3810, the Immigration Control and Legalization Amendments Act of 1986.

I wish to serve notice, pursuant to the rules of the Democratic Caucus, that I have been instructed by the Committee on Ways and Means to seek less than an open rule for the consideration of this legislation with regard to those provisions under its jurisdiction by the House of Representatives.

TRIBUTE TO GEORGE M. SKURLA

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. MRAZEK. Mr. Speaker, I rise today to pay tribute to George M. Skurla, president of the Grumman Corp., who retired yesterday after 42 years of service to the corporation.

Mr. Skurla, a resident of Woodbury in Long Island's Third Congressional District, rose through a series of engineering and operational posts to the presidency of Grumman. He became president and chief operating officer of Grumman Aerospace Corp. in 1974, was elected to the Grumman Corp. board and became the parent company's president last year.

Like so many others who have served with Grumman, Mr. Skurla had an instrumental role in one of the most exciting and inspiring chapters in our Nation's history. In 1965, as director of operations for Grumman at the Kennedy Space Center, he led a 1,600-member team through its paces as the final pre-flight tests for the Apollo Lunar Excursion Module were conducted. This spacecraft, of course, took men to the lunar surface for the first time in 1969 and many subsequent times thereafter. The Lunar Excursion Module was designed and developed by the Grumman Corp.

But beyond his accomplishments within Grumman, Mr. Skurla also has been an outstanding member of his community, holding memberships in various professional societies and civic organizations. He has received numerous awards as a distinguished citizen and respected member of his field.

I'm sure my colleagues join with me today in wishing Mr. Skurla a long and happy retirement after years of dedicated service to a corporation which stands as a cornerstone of economic prosperity on Long Island.

CONGRESSIONAL SALUTE TO IVA KISOR-REED

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. MATSUI. Mr. Speaker, I honor here today Iva Kisor-Reed—a longtime public servant who is now retiring after 11 years of dedicated service to the Federal Information Center.

Ms. Kisor-Reed is a native of Arkansas and the mother of three children. Her career with the Federal Government has spanned through three decades, beginning in 1964 with the Bureau of Reclamation. Shortly thereafter, she took a position with the 2034th Communications Squadon at Mather Air Force Base and 3 years later became a career Federal employee.

In 1975, Ms. Kisor-Reed accepted a job with the Federal Information Center. That position offered what she considered to be the perfect environment for service to the public. An example of the dedication with which she approached her work can be seen in her efforts to continue taking classes throughout her tenure with the Government in areas applicable to her career.

Mr. Speaker, while I regret the loss of such a truly dedicated public servant, I offer Ms. Kisor-Reed only the best wishes for a happy retirement and heartfelt gratitude for her years of service.

SHEILA BROWNLEE, AN OUTSTANDING COACH

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. HERTEL of Michigan. Mr. Speaker, today I would like to reflect on the outstanding job Sheila Brownlee has done as a high school cheerleading coach in Michigan.

Sheila Brownlee began her coaching career in 1971 at St. Clair Shores Lakeview, where she was once a cheerleader. During the next 10 years she led the team to numerous victo-

ries. In both 1978 and 1979, the team finished first runner up to the National Grand title. The following year, Coach Brownlee's team captured its first National Grand title and went on to capture the title again in 1981. The team soon achieved national attention by performing at Disneyworld, at the Tangerine Bowl in 1980, and at the Detroit Lions football games from 1978 to 1981.

In recognition of her dedication and strong commitment to excellence in teaching and coaching cheerleading, the Lakeview team nominated Sheila to the National Cheerleading Hall of Fame. She was chosen to receive this great honor and was inducted in 1981.

After taking a year off Ms. Brownlee resumed coaching at Utica Ford. She led the team to become the first runner up in the World Championships. The following year, Coach Brownlee accepted a position at Pontiac Catholic. This job was definitely a new challenge as this team had already won the State championship for the last 5 years. Sheila continued to work hard, always striving for perfection and always encouraging every member on the team. She upheld the longstanding tradition of excellence and the team remained State champions for the next 3 years. This fine achievement inspired her to meet further challenges as she led the Pontiac Catholic team to win the United States Cheerleading Association Triple Crown, the greatest accomplishment in the world of high school cheerleading, by winning the top three places at the All-American, National, and Grand National Championships.

Sheila Brownlee, a talented and dedicated coach, consistently upheld the standards of cheerleading. Now after 14 successful years as an outstanding cheerleading coach, Sheila is retiring. Although she will continue to be involved with cheerleading as historian for the Michigan Cheerleading Coaches Association, we will certainly miss her dynamic coaching and the excellent leadership that she has displayed. I ask that my colleagues join me in commending Coach Sheila Brownlee on the outstanding job she has done as a coach and leader for our young people.

SALUTE TO OLD BRIDGE, NJ: BICENTENNIAL COMMUNITY

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. DWYER of New Jersey. Mr. Speaker, it is my great pleasure to inform the Congress that Old Bridge, NJ, has been recognized as one of the first 15 "Designated Bicentennial Communities" in the Nation. This honor was conferred upon Old Bridge Township on June 21, 1986, by a unanimous vote of the Commission on the Bicentennial of the U.S. Constitution.

Official designation can only be conferred upon a community after its elected officials have authorized a commission. Thanks to the efforts of outstanding local leaders such as Old Bridge Mayor Russell Azzarello and the members of the township council, such a commission was organized. This honor is a tribute to the work of these dedicated local officials.

I am very proud of the role that my district will be playing in the celebration of the 200th anniversary of our Constitution. I am pleased to see that local governments such as Old Bridge will be active in educating our citizens with regard to the history of our Nation, and more specifically, with regard to the history of our unique form of Government. The awareness of young Americans regarding our heritage and our system of Government is crucial to the survival of the goals of the Constitution.

Working together, the U.S. Bicentennial Commission and local communities such as Old Bridge, are certain to produce a commemoration of the Constitution that is memorable as well as educationally rewarding. Once again, I am extremely proud of the contribution that the township of Old Bridge will be making to this experience.

STANLEY A. FRONE

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. MONTGOMERY. Mr. Speaker, yesterday, a very able member of the staff of the Committee on Veterans' Affairs, Mr. Stanley A. Frone, was laid to rest in the Calverton, NY, National Cemetery. Stanley's untimely death occurred as a result of a boating accident during a fishing trip with a friend, who, unfortunately, lost his life as well.

Stanley will be greatly missed by the members and staff of our committee. He was a Vietnam-era veteran. He came to the committee about 18 months ago following 8 years of service in the U.S. Marine Corps. During his service Stanley was awarded the Battle "E" Ribbon, Sea Service Deployment Ribbon, and the Good Conduct Medal with one star.

Stanley was a key member of the committee staff, having developed an expertise in word processing and computer programming. His extensive computer knowledge has greatly assisted not only our committee but all committees of the House. He played a major role in a project between our committee and the Clerk of the House that will improve efficiency in the printing of committee hearings and reports. His efforts will lead to great monetary savings over the years.

Mr. Speaker, Stanley is survived by his mother, Barbara Wright of Norfolk, VA; one sister, Barbara Frone, and two brothers, Vadis and Jason Frone.

We shall miss him.

ONE HUNDRED YEARS OF THE McCONAGHY HOUSE

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 1, 1986

Mr. STARK. Mr. Speaker, August 23, is a special day for the residents of Hayward, CA. The McConaghy House "a majestic sampling of yesteryear" will be celebrating its 100th anniversary. This occasion is one of historical and civic pride.

The McConaghy Estate is a classic Victorian mansion, stark white with blue trim and tree-lined walks, reflecting the character and times of the late 19th century. Neal McConaghy, who immigrated to the United States in 1848 from Ireland, built the estate in 1886. He prospered in his country through business investments and farming. John McConaghy, the youngest of Neal McConaghy's children, left the estate to the San Francisco Shriners.

In order to capture its past beauty the citizens of Hayward with the assistance of the Hayward Area Recreation Department restored the McConaghy House. The Hayward Area Recreation Society has proceeded to establish a museum in the estate, complete with furnishings of the period.

Mr. Speaker, I would like us all to recognize the 100th anniversary of the McConaghy Estate as well as the citizens of Hayward who have put forth such efforts to preserve our past for enjoyment of future generations.

HOUSE OF REPRESENTATIVES—*Monday, August 4, 1986*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Bless all those, O gracious God, who labor in this place and who use their gifts and talents in the service of Government. May their devotion to their tasks, their long hours of labor, their commitment and concern find appreciation from those who benefit from their dedication. May each of us in all we do, ever seek to do justice, love mercy, and walk humbly with You. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 1740. An act to direct the Secretary of the Interior to release a reversionary interest in certain lands in Orange County, Florida, which were previously conveyed to Orange County, FL; and

H.R. 1795. An act to exempt certain lands in the State of Mississippi from a restriction set forth in the Act of April 21, 1806.

The message also announced that the Senate agrees to the amendments of the House to the bill (S. 1073) "An act to amend the Stevenson-Wydler Technology Innovation Act of 1980 for the purpose of improving the availability of Japanese science and engineering literature in the United States, and for other purposes."

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4184. An act to authorize appropriations to the National Science Foundation for the fiscal year 1987, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1766. An act to designate the Cumberland terminus of the Chesapeake and Ohio Canal National Historical Park in honor of J. Glenn Beall, Sr.; and

S. 1963. An act to direct the Secretary of the Interior to convey certain interests in lands in Socorro County, NM, to the New Mexico Institute of Mining and Technology.

CONSENT CALENDAR

The SPEAKER. This is the day for the call of the Consent Calendar.

The Clerk will call the eligible bill on the Consent Calendar.

JOHN W. BRICKER BUILDING

The Clerk called the bill (H.R. 4555) to designate the Federal building at Spring and High Streets in Columbus, OH, as the "John W. Bricker Building."

There being no objection, the Clerk read the bill, as follows:

H.R. 4555

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The Federal Building located at 200 North High Street, Columbus, Ohio, is designated as the "John W. Bricker Building."

SEC. 2. REFERENCE.

Any reference in a law, map, regulation, document, record, or other paper of the United States to that building shall be deemed to be a reference to the "John W. Bricker Building."

With the following committee amendment in the nature of a substitute:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. DESIGNATION.

The Federal Building located at 200 North High Street, Columbus, Ohio, is designated as the "John W. Bricker Federal Building."

SEC. 2. REFERENCE.

Any reference in a law, map, regulation, document, record, or other paper of the United States to the building referred to in section 1 shall be deemed to be a reference to the "John W. Bricker Federal Building."

The committee amendment in the nature of a substitute was agreed to.

Mr. GRAY of Illinois. Mr. Speaker, I rise in strong support of H.R. 4555, a bill to designate the Federal building at Spring and High Streets in Columbus, OH, as the "John W. Bricker Federal Building."

Mr. Speaker, this legislation has the endorsement of all 21 Members of the Ohio delegation and honors the recently deceased former U.S. Senator from Columbus, OH, the Honorable John W. Bricker, who admirably served the citizens of Ohio in the Senate from January 3, 1947, to January 3, 1959.

Mr. HOWARD. Mr. Speaker, I rise in strong support of H.R. 4555, a bill to designate the Federal building at Spring and High Streets in Columbus, OH, as the "John W. Bricker Federal Building."

Mr. Speaker, John William Bricker was born on a farm near Mount Sterling, Madison County, OH, on September 6, 1893. He attended the county schools and Mount Sterling High School. He graduated from the Ohio State University at Columbus, A.B., 1916 and from its law department LL.B., 1920, and LL.D., 1940. He was admitted to the bar in 1917 and commenced practice in Columbus, OH, in 1920. During the First World War, John Bricker served as first lieutenant and chaplain in the U.S. Army in 1917 and 1918. He was solicitor for Grandview Heights, OH, 1920–28; and assistant attorney general of Ohio, 1923–27. He was a member of the Public Utilities Commission of Ohio 1929–32 and again was attorney general of Ohio 1933–37.

The Honorable John Bricker was elected Governor of Ohio in 1939 and served in this capacity until 1945. He was a Republican candidate for Vice President in 1944 and was a delegate to the Republican National Conventions from 1936 to 1968, except 1944. John Bricker was elected as a Republican to the U.S. Senate in 1946 and served admirably from January 3, 1947, to January 3, 1959. During his tenure in the U.S. Senate, Senator Bricker was held in high esteem by his colleagues.

In view of his outstanding record of public service, it is most fitting and appropriate to name the Federal building at Spring and High Streets in Columbus, OH, as the "John W. Bricker Federal Building."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title of the bill was amended so as to read: "A bill to designate the Federal Building at Spring and High Streets in Columbus, Ohio, as the 'John W. Bricker Federal Building'."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GRAY of Illinois. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

HUMAN RIGHTS VIOLATIONS HAVE NO IDEOLOGICAL BOUNDARIES

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, only in America would a repressive dictator Daniel Ortega get favorable publicity. As Ortega tries to rally support for his cause, here is one Member of Congress who votes against aid to the Contras, but who is singularly unimpressed with Mr. Ortega's commitment to peace and democracy. I am sure I am not alone.

I would like to see Mr. Ortega out of office by the ballot box, but not by force, and not by the Contras. The prospects for this are dim, because in Nicaragua the ballot box is a form of electoral freedom that is not terribly important.

And while we chastise repressive right-wing dictators like Pinochet in Chile and Botha in South Africa, let us not forget the left-wing despots like Ortega and Fidel Castro. Recently an account came out of Cuba by a political prisoner named Valladares who spoke about Castro's torture chambers and repression. If his accounts are correct, Castro makes all despots look like Peter Pan in comparison.

Let us not forget political prisoners around the world who are suffering. Let us not forget that human rights violations have no ideological boundaries. Both parties should not overlook their weaknesses; Republicans winking at rightwingers, and Democrats winking at the left. Let us work together standing up for peace and freedom and democracy around the world, regardless of ideological ties.

HE WHO HAS THE WITS METES OUT THE WHACKS

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, once upon a time, there lived a prankster by the name of Till Eulenspiegel, who made it his business to help people make fools of themselves. One day he went to the fair riding a magnificent horse, where a crafty horse trader wanted to dupe him in making him an offer to trade. Till said: "Alright, I will give you the deal of your life and turn the horse over to you free and clear, after I have given you three good lashes with my whip." The horse trader decided that the indignity of being whipped in public was a cheap price to pay for the dream horse. His only condition was that the transaction be witnessed by the mayor and the elders of the town, "Indeed," Till replied, "and by the rest of the town as well!" When the town folk assembled, he smartly laid his whip across the back of the horse trader twice, and then put it away. "Ouch!" yelled the man, "Hurry up and let's get this thing over with!" But Till mounted his horse and said: "That's all for now. According to our agreement, the horse stays with me until I have given you the third lash. And I am in no hurry to give you the third lash—no hurry at all," and he rode away, leaving the covetous horse trader sputtering with rage, and the town folk chuckling with glee.

Mr. Speaker, in spite of the entreaties of Treasury Secretary Baker, the latter-day German and Japanese "Eulenspiegels" refuse to administer the third whack to the dollar, and so the chance to export what Uncle Sam has been promised remains a dream. The moral for the Secretary is that it takes more than covetousness and masochism to develop export markets. Above all, it takes a dollar with a fixed gold content which cannot be whacked, abused, and ridiculed by anybody with impunity, in plain view of the whole world.

LET US NOT COLLECT MONEY ON PHONY ISSUES

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, there is an amazing fund-raising effort going on by the Republicans that I must say I think is fraudulent. They are out trying to raise money to repeal the 22d amendment to the Constitution. That amendment says no third term, and they are out there trying to peddle Ronald Reagan's popularity by saying if you send in your money, maybe they can repeal it and maybe we can have him for a third term.

They are really all wrong, because if you remember, the persons who introduced the 22d amendment happened to be Republicans, and the reason they happened to do it was because of Roosevelt and Roosevelt's popularity. So they do not have any real beef with the Democrats. I think the Democrats would like to repeal the 22d amendment.

I am sure that those of us on the Judiciary Committee could move that repeal very rapidly just as soon as Vice President BUSH, JACK KEMP, and Senator DOLE bring the bill over to us. I guarantee you we will have hearings and we will have it out here.

So let us get serious about this and let us not collect money from people on phony issues.

U.S. TAXPAYERS SHOULD NOT PAY FOR ILLEGAL ALIENS TO ATTEND COLLEGE

(Mr. PETRI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PETRI. Mr. Speaker, should America's taxpayers pay to send illegal aliens to college?

Well, that's what the House's rewrite of the Higher Education Act would do.

The House bill makes students eligible for all Federal student aid if they are citizens, or permanent residents, or have received a diploma from an American secondary school.

Since our secondary schools are under court order to educate children of illegal aliens, and since many other foreign students in scholarship and exchange programs receive U.S. diplomas, there could be large numbers of aliens qualifying for taxpayer-financed grants and loans.

Mr. Speaker, this is ridiculous? The U.S. taxpayer should not be forced to send illegal aliens to college! We must get rid of this provision!

The Higher Education reauthorization is already in conference with the Senate. As a member of the conference committee, I'm going to fight for the interests of the taxpayers.

□ 1210

WE NEED A STRONGER SMALL BUSINESS SET-ASIDE PROGRAM

(Mr. COOPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COOPER. Mr. Speaker, most Members of this body are proud of the small business set-aside program because of the way it helps small business get its fair share of Government procurement contracts.

I'm proud of the program and I want to see it stronger, not weaker.

That's why I am concerned about a small, unnoticed section of the upcoming defense authorization bill. This section, 911 (a) and (e), would have a radical and devastating impact on the entire small business set-aside program.

I urge everyone who is listening to examine closely these two small sections of the massive DOD bill.

They affect all Government procurement, not just DOD. They affect all small businesses in every congressional district. The House Small Business Committee, of which I am a member, is on record opposing such proposals.

How did they get into the DOD bill? No one seems to know. But to help small business in your district, vote for the Cooper amendment to strike these sections from the bill.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are

ordered, or on which the vote is objected under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, August 6, 1986.

DIRECT REIMBURSEMENT OF CERTAIN HEALTH CARE PROVIDERS

Ms. OAKAR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4825) to amend chapter 89 of title 5, United States Code, to provide authority for the direct payment or reimbursement of certain additional types of health care professionals; to clarify certain provisions of such chapter with respect to coordination with State and local law; and for other purposes.

The Clerk read as follows:

H.R. 4825

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORITY TO PAY OR REIMBURSE CERTAIN ADDITIONAL HEALTHCARE PROFESSIONALS.

(a) IN GENERAL.—Section 8902(k) of title 5, United States Code, is amended—

(1) in paragraph (1), by inserting "except if, or to the extent that, any such supervision or referral is required under State or local law, or regulations issued thereunder, as described in subsection (m)(1)(B))" after "practitioner";

(2) by redesignating paragraphs (2) and (3) as paragraphs (3) and (5), respectively;

(3) by inserting after paragraph (1) the following:

"(2)(A) When a contract under this chapter requires payment or reimbursement for services which may be performed by a health practitioner referred to in subparagraph (B), an employee, annuitant, family member, or former spouse covered by the contract—

"(i) shall be free to select, and shall have direct access to, such a health practitioner without supervision or referral by another health practitioner (whether of a type referred to in subparagraph (B) or otherwise), except if, or to the exent that, any such supervision or referral is required under State or local law, or regulations issued thereunder, as described in subsection (m)(1)(B); and

"(ii) shall be entitled under the contract to have payment or reimbursement made to him or on his behalf for the services performed.

"(B) This paragraph applies with respect to—

"(i) a chiropractor;

"(ii) a qualified clinical social worker, as defined by section 8901(11)(A) of this title;

"(iii) a marriage and family therapist; and

"(iv) a nurse midwife, nurse practitioner, and any other nurse;

who is licensed or certified as such under Federal or State law, as applicable.";

(4) in paragraph (3) (as so redesignated by paragraph (2))—

(A) by inserting "as defined by section 8901(11)(B) of this title," after "qualified clinical social worker,"; and

(B) by striking "As" and inserting "Subject to subsection (m)(1)(B), as";

(5) by inserting after paragraph (3) (as so redesignated by paragraph (2)) the following:

"(4) When a contract under this chapter requires payment or reimbursement for services of a health practitioner covered by paragraph (2) or (3), the terms and conditions governing such payments or reimbursements shall (except to the extent otherwise permitted under paragraph (3)(A)) be the same as the terms and conditions generally applicable under contracts under this chapter requiring payments or reimbursements for services of health practitioners covered by paragraph (1)."; and

(6) by amending paragraph (5) (as so redesignated by paragraph (2)) to read as follows:

"(5) The provisions of this subsection shall not apply to prepayment plans described in section 8903(4) of this title.".

(b) STATEMENT OF CONGRESSIONAL INTENT.—It is the intent of Congress—

(1) that nothing in the amendment made by subsection (a) shall interfere with applicable institutional anesthesia practice rules, or State or local law, governing supervision of a certified registered nurse anesthetist by another health practitioner; and

(2) that such amendment, as it relates to a certified registered nurse anesthetist, shall apply only with respect to a certified registered nurse anesthetist who is self-employed and licensed or certified under Federal or State law, as applicable.

(c) IMPLEMENTING REGULATIONS.—Regulations or instructions issued to carry out the amendments made by subsection (a) shall reflect the statement of congressional intent set forth in subsection (b).

SEC. 2. COORDINATION WITH STATE AND LOCAL LAW.

Section 8902(m) of title 5, United States Code, is amended—

(1) by redesignating paragraph (1) as paragraph (1)(A);

(2) by adding at the end of paragraph (1)(A) (as so redesignated by paragraph (1)) the following:

"(B) Nothing in this chapter nor in the provisions of any contract under this chapter shall be considered to supersede or preempt any State or local law, or any regulation issued thereunder, which relates to licensing or certification to practice medicine, nursing, or another health profession."; and

(3) by amending the last sentence of paragraph (2)(A) to read as follows: "In applying this paragraph with respect to a qualified clinical social worker under section 8901(11)(B) of this title, any provision of a contract relating to the condition described in subsection (k)(3)(A) of this section shall not be considered.".

SEC 3. EFFECTIVE DATE.

The amendments made by this Act shall be effective with respect to contracts entered into or renewed for calendar years beginning after the date of the enactment of this Act.

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentlewoman from Ohio [Ms. OAKAR] will be recognized for 20 minutes and the gentleman from New York [Mr. GILMAN] will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today the House of Representatives will consider H.R. 4825, the Federal Employees' Health Care Freedom of Choice Act of 1986. This legislation will guarantee enrollees in the Federal Employees Health Benefits Program [FEHBP] access to licensed, qualified health providers of their choice.

H.R. 4825 was reported by the Committee on Post Office and Civil Service by a unanimous vote. I want to thank my colleagues on the committee, especially Congressmen YOUNG, MYERS, LELAND, and SOLARZ, for their enthusiastic support of this bill. Additionally, I commend the 32 Members who have cosponsored this legislation. I greatly appreciate the bipartisan support for this bill, and for the principles of choice and expanded access to health care.

Freedom of choice is a hallmark of the FEHBP. As the largest employer-sponsored group health program in the world, the FEHBP includes almost 300 plans, offering employees a wide range of options for meeting their health insurance needs.

Freedom of choice is important within plans, as well. However, those Federal employees enrolled in fee-for-service plans do not always have direct access to the qualified health providers of their choice. Currently, FEHBP plans may refuse to reimburse a licensed professional who provides a health care service, simply because that professional is not a physician.

H.R. 4825 requires FEHBP plans to directly reimburse qualified nurses, nurse practitioners, nurse anesthetists, clinical social workers, marriage and family therapists, and chiropractors for covered services rendered to Federal enrollees. In order to be reimbursed, these professionals must be licensed or certified as qualified providers under State law.

Expanded access to health providers increases the likelihood that FEHBP enrollees will be able to find the health care they need. This is especially crucial in areas of mental health care and primary care, in which Federal employees' health needs may not always be met. In addition, a greater choice among providers will also promote cost effectiveness within the FEHBP. Often, nonphysician providers charge fees lower than those of physicians.

Mr. Speaker, Congress has acted before to expand access to nonphysician providers under the FEHBP. Last year, Congress passed H.R. 3384, a bill which I authored to make a number of improvements in the FEHBP, including mandatory direct access. However, H.R. 3384 was vetoed by President Reagan. The President stated that the issue warranted further study, including congressional hearings. He also cautioned that a direct access policy

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might be contrary to State laws regulating the practice of health care.

Following the President's veto, Congress responded with further action on the direct access issue. First, we enacted Public Law 99-251, directing the Office of Personnel Management [OPM] to study the feasibility of direct reimbursement for nonphysician providers and report to Congress no later than April 1.

In its study, the OPM reported that it independently encourages FEHBP insurance carriers to allow direct access to a variety of qualified health care providers. Currently, a number of FEHBP plans already permit such access to nurse-midwives, clinical social workers, chiropractors, and other providers. Furthermore, the OPM study noted the successes of the medically underserved areas experiment, in which direct access to nonphysician providers was guaranteed. This program was important for assuring that quality health care would be available in medically underserved areas. OPM concluded that, based on this experiment, direct access would not increase program costs.

Second, the Subcommittee on Compensation and Employee Benefits, which I chair, held hearings on direct access and the OPM report. Witnesses representing physician and nonphysician providers testified on a direct access policy under the FEHBP.

All witnesses agreed that a Federal law should not conflict with State statutes licensing health care providers and regulating the practice of medicine. These laws protect the quality of health care by ensuring that providers practice according to accepted guidelines and meet professional standards.

As a result of this testimony, I included language in H.R. 4825 which restates and strengthens current policy that Federal law governing the FEHBP shall not override State or local laws which relate to the licensing or certification to practice medicine, nursing, or another health profession.

FEHBP insurance plans may not, however, impose their own requirements on practitioners in addition to those mandated by law. To do so restricts freedom of choice, inhibits competition, and denies Federal employees access to health care providers.

Finally, the Committee on Post Office and Civil Service requested a report from the Congressional Budget Office to determine the cost of H.R. 4825. The CBO reported that enactment would have no significant impact on the Federal budget. In addition, the budgets of State and local governments would not be directly affected. CBO confirmed our premise that the provision of direct reimbursement will not raise costs.

It is important to remember, Mr. Speaker, that H.R. 4825 mandates expanded access to providers, but does not require expanded coverage for health services. I realize that some opponents of this bill have charged otherwise. In addition, opponents have implied that expanding access to nonphysician providers will raise costs or lower the quality of health care.

Clearly, the public hearing record, the CBO report, the OPM report, and other documentation supporting this legislation indicate otherwise. By passing H.R. 4825 today, we will increase freedom of choice for FEHBP enrollees and broaden their access to quality health care, without raising costs. This bill represents an important improvement in the Federal Health Insurance Program, especially in medically underserved areas, where insufficient access and choice have threatened the quality of health care.

In conclusion, Mr. Speaker, this legislation has been developed very carefully to expand freedom of choice and promote cost effectiveness while protecting the quality of health care. A clear public record supports this initiative. The role of States in regulating health care standards and practices is respectfully recognized. H.R. 4825 has strong bipartisan support. I encourage my colleagues to vote "yes" for this important reform.

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Mr. Speaker, I reserve the balance of my time.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4825, legislation to amend title 5, United States Code, to provide authority for the direct payment or reimbursement of certain health care professionals; to clarify existing law with respect to coordination with State and local law; and for other purposes and I commend the gentlewoman from Ohio for her leadership and sponsorship of this vital measure.

With the current emphasis on cost-effective health care, consumer rights and improved delivery of health services, direct reimbursement for certain health care practitioners becomes an important consideration for consumers and health care systems alike.

In addition to making health care more available to the consumer through the presence of alternative reimbursable providers, this legislation provides consumers with choices regarding both the kind of health care provider they need and want, and the kind of health care they desire.

Currently, there is a need to eliminate discriminatory practices which allow for reimbursement for the same services by some providers and not by others, and to provide reimbursement to those already providing care but currently forced to bill under an approved name, often at higher rates.

Direct reimbursement to nurse practitioners, for example, will allow nurses who are qualified health care providers to be viewed as credible and economic participants in our changing health care system, eligible in their own right to be reimbursed for providing health care services.

In summary, direct reimbursement: First, provides for consumer choice of health care provider and services best suited for his/her health care needs; Second, provides for greater access of the consumer to health care promoting prevention and early detection and treatment, thus reducing more expensive care associated with late diagnosis and hospitalization; and third, provides high quality cost-effective alternatives in health care to the consumer and the insurer.

Accordingly, I urge my colleagues to fully support this legislation.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Ms. OAKAR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I simply wanted to add that I would like to pay my respect and gratitude to the gentleman from Mississippi, Mr. MONTGOMERY, and the gentleman from Arkansas, Mr. JOHN PAUL HAMMERSCHMIDT, who were due to be recognized first but out of courtesy to the gentleman from New York Mr. GILMAN, and myself allowed us to precede them only on this bill. We want to thank them very, very much.

Mr. Speaker, I think it is a great hallmark with the passage of this legislation that we give access to all Federal employees, to all the different types of licensed health practitioners. When we do this, I think we are going to maintain the quality care that we would like to have with respect to all Americans and at the same time possibly lower the cost. I think that is what it is all about. What we are saying today is that we respect all the health providers of this country, whether they are physicians or people in the social work area or, in particular, some of my favorite people, the nurses.

Mr. Speaker. I yield back the balance of my time.

The SPEAKER pro tempore (Mr. COOPER). The question is on the motion offered by the gentlewoman from Ohio [Ms. OAKAR] that the House suspend the rules and pass the bill, H.R. 4825.

The question was taken: and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Ms. OAKAR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and

include extraneous matter, on H.R. 4825, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

VETERANS' COMPENSATION AMENDMENTS OF 1986

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5299) to amend title 38, United States Code, to provide a 2-percent increase in the rates of compensation and of dependency and indemnity compensation [DIC] paid by the Veterans' Administration and for other purposes.

The Clerk read as follows:

H.R. 5299

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This Act may be cited as the "Veterans' Compensation Amendments of 1986".

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—RATE INCREASES

SEC. 101. DISABILITY COMPENSATION.

(a) IN GENERAL.—Section 314 is amended—

(1) by striking out "$68" in subsection (a) and inserting in lieu thereof "$69";

(2) by striking out "$126" in subsection (b) and inserting in lieu thereof "$129";

(3) by striking out "$191" in subsection (c) and inserting in lieu thereof "$195";

(4) by striking out "$274" in subsection (d) and inserting in lieu thereof "$279";

(5) by striking out "$388" in subsection (e) and inserting in lieu thereof "$396";

(6) by striking out "$489" in subsection (f) and inserting in lieu thereof "$499";

(7) by striking out "$617" in subsection (g) and inserting in lieu thereof "$629";

(8) by striking out "$713" in subsection (h) and inserting in lieu thereof "$727";

(9) by striking out "$803" in subsection (i) and inserting in lieu thereof "$819";

(10) by striking out "$1,362" in subsection (j) and inserting in lieu thereof "$1,362";

(11) by striking out "$62", "$1,659", and "$2,325" in subsection (k) and inserting in lieu thereof "$63", "$1,692", and "$2,372", respectively;

(12) by striking out "$1,659" in subsection (l) and inserting in lieu thereof "$1,692";

(13) by striking out "$1,829" in subsection (m) and inserting in lieu thereof "$1,866";

(14) by striking out "$2,080" in subsection (n) and inserting in lieu thereof "$2,122";

(15) by striking out "$2,325" in each place it appears in subsections (o) and (p) and inserting in lieu thereof "$2,372";

(16) by striking out "$998" and "$1,487" in subsection (r) and inserting in lieu thereof "$1,018" and "$1,517", respectively;

(17) by striking out "$1,494" in subsection (s) and inserting in lieu thereof "$1,524"; and

(18) by striking out "$289" in subsection (t) and inserting in lieu thereof "$295".

(b) SPECIAL RULE.—The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 102. ADDITIONAL COMPENSATION FOR DEPENDENTS.

Section 315(1) is amended—

(1) by striking out "$81" in clause (A) and inserting in lieu thereof "$83";

(2) by striking out "$136" and "$43" in clause (B) and inserting in lieu thereof "$139" and "$44", respectively;

(3) by striking out "$56" and "$43" in clause (C) and inserting in lieu thereof "$57" and "$44", respectively;

(4) by striking out "$66" in clause (D) and inserting in lieu thereof "$67";

(5) by striking out "$147" in clause (E) and inserting in lieu thereof "$150"; and

(6) by striking out "$124" in clause (F) and inserting in lieu thereof "$126".

SEC. 103. CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS.

Section 362 is amended by striking out "$360" and inserting in lieu thereof "$367".

SEC. 104. DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES.

Section 411 is amended—

(1) by striking out the table in subsection (a) and inserting in lieu thereof the following:

"Pay grade	Monthly rate	"Pay grade	Monthly rate
E-1	$501	W-4	$717
E-2	515	Q-1	633
E-3	528	Q-2	653
E-4	563	Q-3	700
E-5	577	Q-4	740
E-6	590	Q-5	815
E-7	619	Q-6	918
E-8	653	Q-7	992
E-9	[1] 682	Q-8	1,088
W-1	633	Q-9	1,168
W-2	658	Q-10	[2] 1,280
W-3	677		

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $736.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,372.";

(2) by striking "$57" in subsection (b) and inserting in lieu thereof "$58";

(3) by striking "$147" in subsection (c) and inserting in lieu thereof "$150"; and

(4) by striking out "$72" in subsection (d) and inserting in lieu thereof "$73".

SEC. 105. DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN.

Section 413 is amended—

(1) by striking out "$247" in clause (1) and inserting in lieu thereof "$252";

(2) by striking out "$356" in clause (2) and inserting in lieu thereof "$363";

(3) by striking out "$460" in clause (3) and inserting in lieu thereof "$469"; and

(4) by striking out "$460" and "$93" in clause (4) and inserting in lieu thereof "$469" and "$95", respectively.

SEC. 106. SUPPLEMENTAL DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN.

Section 414 is amended—

(1) by striking out "$147" in subsection (a) and inserting in lieu thereof "$150";

(2) by striking out "$247" in subsection (b) and inserting in lieu thereof "$252"; and

(3) by striking out "$126" in subsection (c) and inserting in lieu thereof "$129".

SEC. 107. EFFECTIVE DATE FOR RATE INCREASES.

The amendments made by this title shall take effect on December 1, 1986.

TITLE II—MISCELLANEOUS

SEC. 201. DISCLOSURE OF FINANCIAL INFORMATION BY FEDERAL FIDUCIARIES.

Section 3202(b) is amended by inserting after the second sentence the following new sentence: "The Administrator may, as a part of the accounting process, require the fiduciary to disclose any additional financial information concerning the beneficiary that is within the fiduciary's knowledge.".

SEC. 202. TREATMENT OF CERTAIN VETERANS' PROGRAMS UNDER BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.

(a) SERVICE-CONNECTED PROGRAMS.—(1) Chapter 1 of title 38, United States Code, is amended by adding at the end the following new section:

"§ 113. Treatment of certain programs under sequestration procedures

"(a) The following programs shall be exempt from inclusion in any joint report of the Directors of the Office of Management and Budget and the Congressional Budget Office, and from inclusion in any presidential order, under part C of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901 et seq.):

"(1) Benefits under chapter 21 of this title, relating to specially adapted housing for disabled veterans.

"(2) Benefits under chapter 907 of this title, relating to burial benefits for veterans who die as the result of a service-connected disability.

"(3) Assistance under chapter 31 of this title, relating to training and rehabilitation for veterans with service-connected disabilities.

"(4) Benefits under chapter 35 of this title, relating to educational assistance for survivors and dependents of certain veterans with service-connected disabilities.

"(5) Benefits under chapter 39 of this title, relating to automobiles and adaptive equipment for certain disabled veterans and members of the Armed Forces.

"(b) The following accounts of the Veterans' Administration shall be exempt from inclusion in any joint report of the Directors of the Office of Management and Budget and the Congressional Budget Office, and from inclusion in any presidential order, under part C of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901 et seq.):

"(1) The following life insurance accounts:

"(A) The National Service Life Insurance Fund authorized by section 720 of this title.

"(B) The Service-Disabled Veterans Insurance Fund authorized by section 722 of this title.

"(C) The Veterans Special Life Insurance Fund authorized by section 723 of this title.

"(D) The Veterans Reopened Insurance Fund authorized by section 725 of this title.

"(E) The United States Government Life Insurance Fund authorized by section 755 of this title.

"(F) The Veterans Insurance and Indemnity appropriation authorized by section 719 of this title.

"(2) The following revolving fund accounts:

"(A) The Veterans' Administration Special Therapeutic and Rehabilitation Activities Fund established by section 618(c) of this title.

"(B) The Veterans' Canteen Service revolving fund authorized by section 4204 of this title.

"(c)(1) A benefit under section 901, 902, 903, 906, or 908 of this title that is subject to reduction under a sequestration order or sequestration law shall be paid in accordance with the rates determined under the sequestration order or law (if any) in effect on the date of the death of the veteran concerned.

"(2) A benefit paid to, or on behalf of, an eligible veteran for pursuit of a program of education or training under chapter 30, 34, or 36 of this title that is subject to a sequestration order or a sequestration law shall be paid in accordance with the rates determined under the sequestration order or law (if any) in effect during the period of education or training for which the benefit is paid.

"(d) In computing the amount of new budget authority by which a budget account of the Veterans' Administration is to be reduced for a fiscal year under a joint report of the Directors of the Office of Management and Budget and the Congressional Budget Office, or under an order of the President under part C of the Balanced Budget and Emergency Deficit Control Act of 1985, the base from which the amount of the reduction for such account is determined shall be established without regard to any amount of new budget authority available in such account for any of the programs listed in subsection (a) of this section.

"(e) For purposes of this section:

"(1) The term 'sequestration' means a reduction in spending authority and loan guarantee commitments generally throughout the Government pursuant to law under the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901 et seq.) or any other law.

"(2) The term 'sequestration law' means a law enacted with respect to a sequestration under the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901 et seq.) or any other law (under the procedures specified in that Act or otherwise).

"(3) The term 'sequestration order' means an order of the President issued under part C of such Act.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"113. Treatment of certain programs under sequestration procedures.".

(b) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), section 113 of title 38, United States Code, as added by subsection (a), shall apply with respect to a sequestration order issued, or a sequestration law enacted, for a fiscal year after fiscal year 1986.

(2) Such section applies with respect to a sequestration law enacted for fiscal year 1986 insofar as that law otherwise applies to veterans' life insurance accounts listed in subsection (b)(1) of such section.

(c) CERTAIN HOUSING PROGRAMS.—(1) Subchapter III of chapter 37 of title 38, United States Code, is amended by adding at the end the following new section:

"§ 1831. Exemption from certain provisions of law

"The housing loan programs provided in this chapter shall be exempt from reduction under any sequestration order or any sequestration law (as such terms are defined in section 113(e) of this title).".

(2) The amendment made by paragraph (1) shall apply to fiscal year 1986 and each fiscal year thereafter.

(3) The table of sections at the beginning of such chapter is amended by adding at the end of the items for subchapter III the following new item:

"1831. Exemption from certain provisions of law.".

The SPEAKER pro tempore. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. MONTGOMERY] will be recognized for 20 mintues and the gentleman from Arkansas [Mr. HAMMERSCHMIDT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY].

GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on H.R. 5299, and also on H.R. 5047, H.R. 4333, and H.R. 4623, the three other veteran bills that will follow this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the distinguished gentleman from Ohio, the very able chairman of our Subcommittee on Compensation, Pension and Insurance, Mr. APPLEGATE, is to be commended for bringing this bill to the committee and to the floor for consideration. Last year we exempted the compensation, DIC and pension COLA's for veterans from sequestration; however, we later found that some programs for severely disabled veterans, many who were disabled due to combat injuries, were adversely affected by Gramm-Rudman-Hollings. DOUG APPLEGATE and JERRY SOLOMON, the ranking minority member of the subcommittee, immediately moved to correct the situation.

Veterans throughout the country are grateful for the priority given to the programs contained in this bill and I want to acknowledge their good work at this time.

Mr. Speaker, as usual, the subcommittee had the complete attention and cooperation of the distinguished gentleman from Arkansas [Mr. HAMMERSCHMIDT], the ranking minority member of the full committee. I have often said this, but it needs to be said again. Veterans have no better friend in the Congress than the gentleman from Arkansas. He has helped write practically every law in place for veterans during the past 20 years. I'm grateful, as are all members of the committee, for the work of JOHN PAUL HAMMERSCHMIDT.

I would now like to briefly summarize this bill for my colleagues. H.R. 5299 provides for 2 percent COLA for service-connected veterans. The administration's proposed fiscal year 1987 budget request submitted earlier this year recommended a 3.7-percent cost-of-living allowance [COLA] for the service-connected disability compensation and DIC programs. At that time, the 3.7-percent rate adjustment represented the increase that was anticipated for the indexed nonservice-connected pension program, based on the changes in the Consumer Price Index [CPI] from the third quarter of calendar year 1985 to the third quarter of calendar year 1986.

In its report to the Committee on the Budget—February 27, 1986—the committee recommended that the first concurrent budget resolution contain new budget authority and outlays for a 3.7-percent increase effective December 1, 1986. The resolution, as passed by the House, included a 3.4-percent increase based on the then current economic assumptions. The conference agreement on the proposed budget for fiscal year 1987, adopted by both Houses, limited all Federal COLA's to not more than 2 percent.

The amended bill would also exempt from sequestration in fiscal year 1987 and later the following programs relating to service-connected veterans, if in fact we do have such cuts:

First, wheelchair homes for service-connected paraplegic veterans;

Second, service-connected burial allowance for veterans who die of service-connected disabilities;

Third, vocational training benefits for service-connected veterans;

Fourth, educational benefits for dependents and survivors of totally disabled service-connected veterans; and

Fifth, automobile allowance and adaptive equipment for service-connected amputees.

The bill would further exempt all VA administered insurance programs, the VA special therapeutic and rehabilitation activities fund and the veterans' canteen service revolving fund, and the VA Home Loan Guaranty Program from any ceiling on its credit authority.

For other programs not exempted from cuts, the bill would provide that the reduction of a benefit next year, triggered by sequestration, would be governed by the date of the entitling event rather than by the date of VA's administrative action on the claim.

The bill would also require a fiduciary for an incompetent or minor Veterans' Administration beneficiary to

provide information to the agency which is necessary to establish the eligibility of the beneficiary to be benefits.

The Congressional Budget Office [CBO] says the first-year cost of the bill will be $173 million in budget authority and $156 in outlays, which is within the budget resolution.

Mr. Speaker, I urge favorable consideration of this legislation.

There follows background as well as a detailed explanation of the bill:

COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION

BACKGROUND

There were 2,228,619 veterans receiving disability compensation as of July 1, 1986. The Veterans' Administration expenditures for disability compensation for fiscal year 1986 is expected to be $8.4 billion.

The basic purpose of the disability compensation program, throughout its history, has been one of providing a measure of relief from the impaired earning capacity of veterans disabled as the result of their military service. The amount of compensation payable varies according to the degree of disability, which, in turn, is required by law to represent, to the extent practicable, the average impairment in earning capacity resulting from such disability or combination of disabilities in civil occupations.

To be eligible to receive disability compensation a veteran must have contracted a disease, suffered an injury which is not the result of willful misconduct, or aggravated an existing disease or injury in the line of duty during active duty service and have been discharged under other than dishonorable conditions.

The responsibility for determining a veteran's entitlement to service connection for a disability rests solely with the Veterans' Administration. This determination is based upon the service medical records or other evidence which may be presented to the Veterans' Administration by the veteran. The law provides that if a veteran had service of 90 days or more during time of war or after December 31, 1946, and develops a chronic or tropical disease to a degree of 10 percent or more within 1 year of his discharge from such service, service connection may be granted by presumption. Service connection may be granted by presumption for active tuberculosis or Hansen's disease (leprosy) which becomes manifest to a degree of 10 percent or more within 3 years of a veteran's discharge from such service and for multiple sclerosis becoming manifest to a 10-percent degree within 7 years of a veteran's discharge from such service. In cases of prisoners of war, diseases related to nutritional deficiencies or anxiety states or psychosis which become manifest to a degree of 10 percent or more at any time after service, may be granted service connection on a presumptive basis.

When a claim for service-connected disability benefits is received by the Veterans' Administration, that agency obtains the service medical records and the issue of service connection is generally decided based upon such records. If the service medical records do not establish that the disability was incurred in service, the veteran may submit evidence to substantiate the contention. Generally, this may be by statements from persons with whom the veteran served relating knowledge of the veteran's injury or disease. The Veterans' Administration also would consider the question of entitlement to service connection by presumption if the disabililty is a chronic disease becoming manifest within the prescribed period of time. If a veteran is granted service connection, the percentage of disability is generally based upon the findings of a VA examination. If a veteran with a service-connected disability should feel in some later year that the disability has increased in severity, evidence of this, usually a statement of recent medical treatment, may be presented to the Veterans' Administration to request reevaluation of the disabililty. Should the Veterans' Administration deny service connection or deny a request for an increased rating, the veteran may appeal the denial decision to the Board of Veterans' Appeals provided the veteran notifies the agency of his or her disagreement with the decision within 1 year of the date of notification of the decision.

The law provides that a case involving a complex or controversial medical issue may be referred to a medical specialist outside of the Veterans' Administration for an advisory opinion. The law also provides that, if service connection for a veteran's disability has been in existence for 10 or more years, service connection may not be severed except in the case of fraud. The law further provides that a disability rated continuously at or above an evaluation for 20 or more years shall not thereafter be rated at a lesser evaluation.

The percentage of disability for a specific disability is assigned by the Veterans' Administration. That agency has established a "schedule for rating disabilities" which is used as the guideline for the measuring of the degree of disability. Compensation is paid for disabilities at ratings of 10 percent, 20 percent, 30 percent, and so forth up to 100 percent. The amount of compensation payable for each percentage of disability is established by law. Additional compensation is payable for the loss of a limb, blindness, and other severe disabilities. Additional dependency allowance is payable to veterans with a rating of 30 percent or more for a spouse, minor children, or dependent parents.

DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVORS OF VETERANS WHO HAVE DIED OF SERVICE-CONNECTED CAUSES

As of July 1986, there are 261,345 spouses and 50,911 children receiving dependency and indemnity compensation [DIC]. These are the survivors of more than 300,000 veterans who either died in service or who died of service-connected causes. Over $2.0 billion is expected to be paid in fiscal year 1986 to the survivors. Widows and children of veterans who died of causes determined to be service-connected are entitled to receive monthly DIC.

The purpose of this benefit is to provide partial compensation to the designated survivors for the loss in financial support sustained as the result of the service-connected death. Income and need are not factors in determining a surviving spouse's or child's entitlement since the Nation assumes, in part, the legal and moral obligation of the veteran to support the spouse and children. Payments of DIC for surviving spouses are determined on the basis of the veteran's service pay-grade and range from $491 for the surviving spouse of an E-1 to $1,255 for the surviving spouse of an 0-10. Surviving spouses are entitled to an additional $57 for each child.

There is an additional allowance of $147 monthly which is payable to eligible surviving spouses who are patients in a nursing home or who are in need of the regular aid and attendance of another person.

Surviving spouses qualified for DIC who are not so disabled as to request the regular aid and attendance of another person but who, due to disability, are permanently housebound, may be granted a special allowance of $72 monthly in addition to the DIC rate otherwise payable.

If there is no surviving spouse receiving dependency and indemnity compensation benefits but there is a surviving child, the child is entitled to $247 monthly with additional benefits for other children.

When a service-connected disability is found to be the principal or contributory cause of death, such death is considered to be service connected. These determinations are made on a very liberal basis. For example, there are disabilities which by their very nature are so overwhelming that eventual death can be anticipated irrespective of coexisting condition. Even though such a disability is nonservice-connected and is the primary cause of death, consideration is given to whether the coexisting service-connected conditions were of such severity as to have been a material influence in accelerating death. Where death had been so accelerated, it will be considered service connected. The death of any veteran whose service-connected disabilities were the primary cause of death or contributed materially in producing death would, of course, render the survivor basically eligible for service-connected death benefits.

The same benefits provided for those entitled to DIC are also payable to surviving spouses or children of certain veterans whose deaths are not service-connected but who, at death, had been in receipt of total (100 percent) ratings for service-connected disabilities. It is necessary for entitlement under this provision that the 100-percent rating has been in effect continuously for at least 10 years at death; or continuously since service and for at least 5 years. A surviving spouse must have been married to a veteran for at least 2 years at the time of death before entitlement exists.

Historically, the Congress has increased compensation rates whenever there has been an appreciable increase in the cost-of-living index, since the rates are not indexed to the consumer price index by law. This is necessary to ensure that inflation does not erode the purchasing power of those receiving compensation and DIC benefits.

Should the proposed rate increase be enacted, the changes in compensation and DIC rates effective December 1, 1986, would be as follows:

	Increase (monthly rate)	
	From	To
Percentage of disability or subsection under which payment is authorized:		
(A) 10 percent	$68	$69
(B) 20 percent	126	129
(C) 30 percent	191	195
(D) 40 percent	274	279
(E) 50 percent	388	396
(F) 60 percent	489	499
(G) 70 percent	617	629
(H) 80 percent	713	727
(I) 90 percent	803	819
(J) 100 percent	1,335	1,362

	Increase (monthly rate)	
	From	To
Higher statutory awards for certain multiple disabilities:		
(K) (1) Additional monthly payment for anatomical loss, or loss of use of, any of these organs: One foot, one hand, blindness in one eye (having light perception only), one or more creative organs, both buttocks, organic aphonia (with constant inability to communicate by speech), deafness of both ears (having absence of air and bone conduction)—For each loss	62	63
(2) Limit for veterans receiving payments under (A) to (J) above	1,659	1,692
(3) Limit for veterans receiving benefits under (L) to (N) below	2,325	2,372
(L) Anatomical loss or loss of use of both feet, one foot and one hand, blindness in both eyes (5/200 visual acuity or less), permanently bedridden or so helpless as to require aid and attendance	1,659	1,692
(M) Anatomical loss or loss of use of both hand, or of both legs, at a level preventing natural knee action with prosthesis in place or of one arm and one leg at a level preventing natural knee or elbow action with prosthesis in place or blind in both eyes, either with light perception only or rendering veteran so helpless as to require aid and attendance	1,829	1,866
Percentage of disability or subsection under which payment is authorized:		
(N) Anatomical loss of both eyes or blindness with no light perception or loss of use of both arms at a level preventing natural elbow action with prosthesis in place or anatomical loss of both legs so near hip as to prevent use of prosthesis, or anatomical loss of one arm and one leg so near shoulder and hip to prevent use of prosthesis	2,080	2,122
(O) Disability under conditions entitling veterans to two or more of the rates provided in (L) through (N), no condition being considered twice in the determination, or deafness rated at 60 percent or more (impairment of either of both ears service-connected) in combination with total blindness (5/200 visual acuity or less) or deafness rated at 40 percent or total deafness in one ear (impairment of either or both ears service-connected) in combination with blindness having light perception only or anatomical loss of both arms so near the shoulder as to prevent use of prosthesis	2,325	2,372
(P) (1) If disabilities exceed requirements of any rates prescribed, Administrator of VA may allow next higher rate or an intermediate rate, but in no case may compensation exceed	2,325	2,372
(2) Blindness in both eyes (with 5/200 visual acuity or less) together with (A) bilateral deafness rated at 30 percent or more disabling (impairment of either or both ears service-connected) next higher rate is payable, or (B) service-connected total deafness of one ear or service-connected loss or loss of use of an extremity the next intermediate rate is payable, but in no event may compensation exceed	2,325	2,372
(3) Blindness with only light perception or less with bilateral deafness (hearing impairment in either one or both ears is service-connected) rated at 10 or 20 percent disabling, the next intermediate rate is payable, but in no event may compensation exceed	2,325	2,372
(4) Anatomical loss or of use of three extremities, the next higher rate in paragraphs (L) to (N) but in no event in excess of	2,325	2,372
Percentage of disability or subsection under which payment is authorized:		
(Q) [This subsection repealed by Public Law 90-493]		
(R) (1) If veteran entitled to compensation under (O) or to the maximum rate under (P); or at the rate between subsections (N) and (O) and under subsection (K), and is in need of regular aid and attendance, he shall receive a special allowance of the amount indicated at right for aid and attendance in addition to such rates	998	1,018
(2) If the veteran, in addition to need for regular aid and attendance, is in need of a higher level of care, a special allowance of the amount indicated at right is payable in addition to (O) or (P) rate	1,487	1,517
(S) Disability rated as total, plus additional disability independently ratable at 60 percent or over, or permanently housebound	1,494	1,524
(T) Additional monthly allowance for a veteran in receipt of compensation for a disability not evaluated more than 90 percent disabling who has suffered a service-connected loss or loss of use of an extremity evaluated not less than 40 percent and has suffered a non-service-connected loss or loss of use of the paired extremity evaluated at not less than 40 percent	289	295

In addition to basic compensation rates and/or statutory awards to which the veteran may be entitled, dependency allowances are payable to veterans who are rated at not less than 30 percent disabled. The rates which follow are those payable to veterans while rated totally disabled. If the veteran is rated 30, 40, 50, 60, 70, 80 or 90 percent disabled, dependency allowances are payable in an amount bearing the same ratio to the amount specified below as the degree of disability bears to total disability. For example, a veteran who is 50 percent disabled receives 50 percent of the amounts which appear below.

	Increase (monthly rate)	
	From	To
If and while veteran is rated totally disabled and:		
Has a spouse	$81	$83
Has a spouse and child	136	139
Has no spouse, one child	56	57
For each additional child	43	44
For each dependent parent	56	57
For each child age 18-22 attending school	124	126
Has a spouse in nursing home or severely disabled	147	150

The following increases are provided for surviving spouses of deceased veterans whose deaths are service-connected and who are receiving dependency and indemnity compensation [DIC] payments.

Pay grade	From	To
E-1	$491	$501
E-2	505	515
E-3	518	528
E-4	552	563
E-5	566	577
E-6	578	590
E-7	607	619
E-8	640	653
E-9	[1] 669	[1] 682
W-1	621	633
W-2	645	658
W-3	664	677
W-4	703	717
O-1	621	633
O-2	640	653
O-3	686	700
O-4	725	740
O-5	799	815
O-6	900	918
O-7	973	992
O-8	1,067	1,088
O-9	1,145	1,168
O-10	[2] 1,255	[2] 1,280

[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $736.

[2] If the veteran served as chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, commandant of the Marine Corps or commandant of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,372.

When there is no surviving spouse receiving dependency and indemnity compensation, payment is made in equal shares to the children of the deceased veteran. These rates are increased as follows:

	Increase (monthly rate)	
	From	To
One child	$247	$252
Two children	356	363
Three children	460	469
Each additional child	93	95

LIMITATIONS UNDER PUBLIC LAW 99-177

At the time that the legislation, subsequently enacted as Public Law 99-177, was under consideration in the House, provisions were inserted to exempt programs for service-connected disabled veterans from sequestation. Specifically, compensation for service-incurred disabilities was given the same exemption as that afforded Social Security beneficiaries.

Subsequent to enactment, the sequestration order required a number of ancillary benefits for severely disabled service-connected veterans to be reduced for the period of March 1, 1986 through September 30, 1986. These included housing benefits for wheelchair homes, the burial allowance payable for veterans who die of service-connected causes, the automobile and adaptive equipment allowance for veterans with service-connected amputations, vocational training for veterans with service-connected disabilities which produce pronounced vocational handicaps, and the educational program for dependents of totally disabled service-connected veterans and survivors of those veterans who die of service-connected causes. The committee believes that these programs, which are only available to veterans with service-connected disabilities or to their spouses or children, are an integral part of the compensation which a grateful Nation makes available to these individuals. They should be afforded the same protection against across-the-board cuts which was given to the underlying compensation benefit.

The sequestration order also created a ceiling, imposed for the first time by that sequestration order, limiting VA home loan commitments. As a result of the improving economy and the lowering of interest rates which produced an unprecedented increase in VA home loans, the agency twice this calendar year faced a shutdown of the Home Loan Program. Each time, the Congress approved legislation to increase the ceiling to permit the program to continue operation. The committee has concluded that the sequestration process should not apply to the VA Home Loan Programs since loan guarantees require no direct Federal outlays. A reduction in the number of loans will not result in any deficit reductions. The actual result of limiting the number of home loans would be to decrease revenue generated by the 1 percent user fee required of all veterans who do not have service-connected disabilities.

The sequestration order also placed a limitation on the loans veterans can obtain on their GI insurance policies. Those veterans who choose to request policy loans are merely borrowing their own funds.

The sequestration order limited the use of the special therapeutic and rehabilitation activities fund and the veterans' canteen service revolving fund. These are self-supporting funds which require no outlays.

The committee has been made aware of unfair and inequitable results on other benefit programs of the Veterans' Administration resulting from sequestration. As implemented by the VA, Public Law 99-177, which required reduction in outlays, made reductions in the rate of veterans' benefits dependent on the date of the Agency's administrative action to pay the benefit, rather than on the date of the entitling event. For example, if a veteran died in January 1986 from a nonservice-connected disease or injury, the full payment of $300 was made if authorized prior to March 1, 1986. On the other hand, if the VA was unable to process the payment until after February 28, payment was made at less than 100 cents on the dollar.

In addition to the unfairness of this, it also presents an opportunity for mischief on the part of the Agency. Although the committee is not aware of any instance of manipulation on the part of the Veterans' Administration, it could have scheduled its work-load in February to process payments not subject to sequestration, leaving payments subject to sequestration until March so as to pay less than the statutory rate. Similarly, as the end of September ap-

proaches, the Agency could concentrate on paying all of the sequestered claims, leaving non-sequestered benefit payments until October when payments may be due at the full rate.

The bill would provide that the rate of payment for a benefit affected by sequestration would be based on the date of entitlement, rather than when payment was made. The effect of this particular provision would be to realize the savings required by Public Law 99-177 for these programs; however, the savings would be spread over a slightly different period. This is simple fairness and equity. The committee believes such cuts should be made on a logical and fair basis and not be exposed to the risk of manipulation of case loads by the Veterans' Administration.

□ 1230

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume, and I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the House is today considering three bills of intense interest to those to whom our Nation owes so much—our Nation's veterans.

The bill, H.R. 4333, introduced by our colleague from Ohio, Mr. APPLEGATE, would improve veterans' benefits for former prisoners of war suffering from organic residuals of hypothermia, from spastic colon, and from arthritis due to trauma. It also reduces from 6 months to 90 days the period of time a former POW must have been held captive to qualify for VA-furnished treatment for a dental condition or disability.

As vice chairman of our House Task Force on POW's and MIA's in Southeast Asia, we on the task force have had the opportunity to interview many of our brave Americans who had been held captive. Thus, we know that our former POW's certainly deserve every consideration that our Nation can give them. This legislation is long overdue and I am hopeful that our colleagues will join with us in adopting it.

I am so pleased to have cosponsored H.R. 4623, which allows the VA to authorize either in-home or private community respite care for veterans suffering from chronic long term illnesses or confined to VA nursing homes.

Our medical experts report that home care is in many cases the most effective means to obtain a full recovery. For this reason, and because of the many other long overdue clarifications and rectifications of VA policy, I urge the adoption of H.R. 4623.

The third legislation, H.R. 5299, authorizes a 2-percent cost-of-living adjustment [COLA] in disability compensation and dependency and indemnity compensation rates for veterans and their survivors. Mr. Speaker, our veterans have given their all so that our Nation may be free. It would truly be ironic if we allowed inflation to undermine the firm foundation of gratitude we had built for our veterans over the years.

Accordingly, I am pleased to rise in support of all of these needed veterans bills and I urge my colleagues to join in support.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in strong support of H.R. 5299, the veterans' compensation amendments of 1986. This measure would provide a 2-percent cost-of-living adjustment for veterans' service-connected disability compensation and for dependency and indemnity compensation for veterans' families. Also, the bill would exempt certain veterans' benefits and programs from sequestration.

As long as there is going to be a COLA, though a small one, veterans should share in it. For that reason, I support the bill.

The bill also contains some exemptions from sequestration which, in my view, are fair and equitable. The committee does not take this step lightly. Many of the supporters of the bill voted for Gramm-Rudman-Hollings and strongly believe in deficit reduction.

Benefits for severely disabled service-connected veterans have been cut by sequestration. These cuts are in benefits to amputees, blinded veterans, paraplegics, and quadraplegics, most of whom were injured on the battlefield. The Congress should not allow their benefits to be reduced. The moral obligation the Nation owes these service-connected disabled veterans goes beyond deficit reduction, important as it is.

Benefits for survivors of veterans who died from service-connected causes should be treated similarly. These situations are quite self-evident.

There are other VA programs addressed by H.R. 5299. Because of the nature of these programs, sequestration does not serve to reduce the deficit. The first of these is the ceiling on the Home Loan Guarantee Program. This Congress has already had to raise the ceiling twice to keep the program going. Applying sequestration to the Loan Guarantee Program has no direct relationship to reducing the deficit. No savings can be attributed to the sequestration—it only establishes an artificial limit on program activity.

Life insurance funds administered by the VA also should not be sequestered. Again, sequestration saves no money and only artificially limits activity. With loans on the cash value of VA-held life insurance policies, the Government is not saving its money when it sequesters, it is holding back the veteran's own money! Clearly, this is wrong.

Certain VA revolving fund accounts do not require appropriations, and applying sequestration against them does not save 1 red cent.

A problem has been pointed out to the committee regarding the point in time at which sequestration is applied. As the law is now being interpreted by the VA, if an education or training benefit for which retroactive payments are due is processed after the date the sequestration order becomes effective, the back benefits are also sequestered, even though they accrued before the date of sequestration.

I have even heard of one case in which the VA sequestered a veteran's benefits which had accrued before Gramm-Rudman-Hollings was enacted. We should not permit this kind of unfairness to occur through quirks in administration. The problem is easily remedied by a provision of this legislation which allows sequestration only for education and training benefits due during the period of sequestration and not before.

Mr. Speaker, H.R. 5299 owes its existence to the hard work of Mr. APPLEGATE, chairman of the Subcommittee on Compensation, Pension and Insurance; of Mr. SOLOMON, the subcommittee's ranking member; and of Mr. MONTGOMERY, chairman of the Committee on Veterans' Affairs. Each of these gentlemen is a true veterans' advocate.

Mr. Speaker, I hope the Members of this body will vote favorably on this significant legislation for veterans.

Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON], the ranking member on the subcommittee.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for yielding time to me. As the ranking Republican member of the Subcommittee on Compensation, Pension, and Insurance, I would like to take this opportunity to commend our distinguished subcommittee chairman, Mr. APPLEGATE, for the expeditious manner with which he has moved on this vitally needed legislation.

I wish also to thank our distinguished committee chairman, Mr. MONTGOMERY, and the ranking Republican, Mr. HAMMERSCHMIDT, for making this legislation a top priority. I am convinced that the 2-percent cost-of-living adjustment provided in this bill is essential to the continued financial well-being of our disabled veterans and their families.

In his fiscal year 1987 budget proposal for the Veterans' Administration, President Reagan recommended a COLA for disabled veterans to offset the effects of inflation on their fixed incomes. The budget resolution adopted by Congress includes authority for this increase.

With this bill today, we are continuing the tradition of making certain that disabled veterans do not lose in the battle against inflation. Fortunately the rate of inflation has slowed dra-

matically in the past 5 years, but the action we take today will once again show our concern for those who fought our Nation's battles.

We are also faced with adjustments necessary because of Gramm-Rudman. As we are not attempting to say that all VA programs are exempt from the efforts to control the Federal deficits. What we are saying is that we owe special consideration to our service-connected disabled veterans.

I am certain that these men and women who never hesitated to step forward when their Nation needed them, will in turn be appreciative that we have acted forthrightly in supporting this important bill.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. SMITH], a member of the committee.

Mr. SMITH of New Jersey. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in support of H.R. 5299 which provides a 2-percent cost-of-living adjustment for service-connected disabled veterans drawing compensation payments from the Veterans' Administration [VA].

Although H.R. 5299 was reported out by the Compensation, Pension and Insurance Subcommittee, it contains an important provision regarding the VA Home Loan Program which falls under the jurisdiction of the Subcommittee on Housing and Memorial Affairs. As the ranking Republican on that subcommittee, I wanted to take a few minutes to express my support for the provision exempting the Home Loan Program from sequestration under Public Law 99-177, the Balanced Budget and Emergency Deficit Control Act of 1985.

Over the past few months, Mr. Speaker, it has become apparent that this particular program should not have been subject to sequestration.

For many veterans, Mr. Speaker, the Home Loan Program is the only VA benefit they will ever use. Because of the dramatic drop in interest rates, record numbers of veterans are seeking first-time loans or refinancing existing loans. Twice this year, record-breaking loan volume—which will exceed 400,000 loans by year end—has forced Congress to raise the loan guaranty ceiling, most recently to $38.3 billion.

I believe it is time to apply a long-term remedy to the program's situation and exempt it from sequestration. The ceiling on the loan guaranty does not reduce the deficit, Mr. Speaker, which we can all agree was the point of Public Law 99-176. In fact, limiting program participation may even raise the deficit by reducing receipts of the 1-percent user fee veterans pay to the VA.

I also have problems with the formula for calculating the ceiling. The number used for determining this figure is only a potential future liability. The program only costs the VA money if a veteran forecloses on his loan. Historically, this is a rare occurrence. It is almost impossible to accurately forecast the VA's actual liability or the savings which could result from the ceiling.

Furthermore, Mr. Speaker, the VA Home Loan Program is an entitlement for eligible veterans. By law, sequestration cannot result in a person being denied eligibility for a benefit.

Finally, Mr. Speaker, I fail to see the logic of imposing an artificial ceiling on the program which would prevent veterans from refinancing a high interest rate to a low interest rate. Refinancing may prevent foreclosures by lowering the veteran's monthly payments. Nearly half of the current home loan activity is refinancing.

Exempting the Home Loan Program from Gramm-Rudman should not add to our Federal deficit and indeed may result in savings. Therefore, I urge my colleagues to support H.R. 5299.

Finally, Mr. Speaker, I want to commend the chairman of the full committee, the gentleman from Mississippi [Mr. MONTGOMERY], and the ranking minority member, the gentleman from Arkansas [Mr. HAMMERSCHMIDT], for their leadership in this legislation and for all the bills that are before the VA today.

Mr. MONTGOMERY. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. DARDEN].

Mr. DARDEN. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise today in strong support of H.R. 5299—the Veterans' Compensation Amendments of 1986. There are approximately 28.2 million living veterans and 54 million survivors and dependents of veterans. These groups comprise 35 percent of the U.S. population. Many of these men and women bear physical scars of their service in the defense of our Nation.

H.R. 5299 would provide a 2.0-percent increase in the rates of compensation and of dependence and indemnity compensation [DIC] paid by the Veterans' Administration to disabled veterans and their survivors or dependents.

This modest increase will allow each disabled veteran to retain purchasing power which would otherwise be lost to inflation. The provisions of this legislation are consistent with the assumptions passed by this body in the budget resolution.

In addition, provisions of H.R. 5299 specify that benefit programs that make homes accessible to wheelchairs for paraplegic veterans, burial allowances and certain other programs for severely disabled veterans would be exempt from future sequestration cuts under Gramm-Rudman.

I agree that we must balance the budget and reduce our national deficit. However, I do not believe that we can, in good conscience, achieve that balance by withholding this type of funds from American veterans.

We can take great pride in the manner in which this Nation has responded to the needs of our veterans. We must maintain this proud tradition by protecting and improving veterans' programs through responsible legislation authored and nurtured with sensitivity and concern. I believe the passage of H.R. 5299 is one step in accomplishing this goal and I urge my colleagues to join me in supporting this legislation.

Mr. MONTGOMERY. Mr. Speaker, I have no further requests for time, and I ask the Members to support this legislation.

The SPEAKER pro tempore (Mr. GRAY of Illinois). The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 5299.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

ELIMINATION OF GENDER-BASED LANGUAGE DISTINCTIONS IN TITLE 38, UNITED STATES CODE

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5047) to amend title 38, United States Code, to eliminate gender-based language distinctions in title 38, United States Code, and to make technical corrections in that title.

The Clerk read as follows:

H.R. 5047

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ELIMINATION OF GENDER-BASED LANGUAGE DISTINCTIONS IN TITLE 38.

Title 38, United States Code, is amended as follows:

(1)(A) Section 102 is amended—

(i) by striking out subsection (b);

(ii) by striking out "(1)" after "(a)";

(iii) by striking out "(2)" before "Dependency" and inserting in lieu thereof "(b)";

(iv) by striking out "(A)" and "(B)" and inserting in lieu thereof "(1)" and "(2)", respectively; and

(v) by striking out "(3) For the purposes of this subsection" and inserting in lieu thereof "(C) For the purposes of this section,".

(B) The heading of section 102 and the item relating to that section in the table of sections at the beginning of chapter 1 are amended by striking out the semicolon and the last word.

(2) Section 103 is amended—

(A) in subsection (a)—

(i) by striking out "woman as the widow" and inserting in lieu thereof "person as the widow or widower";

(ii) by striking out "she" and inserting in lieu thereof "such person";

(iii) by striking out "him" and inserting in lieu thereof "the veteran";

(iv) by striking out "his" and inserting in lieu thereof "the veteran's"; and

(v) by striking out "legal widow" and inserting in lieu thereof "legal widow or widower";

(B) in subsection (b), by striking out "widow" and inserting in lieu thereof "surviving spouse";

(C) in subsection (c), by striking out "woman is or was the wife" and inserting in lieu thereof "person is or was the spouse";

(D) in subsection (d)(1), by striking out "widow of a veteran shall not bar the furnishing of benefits to her as the widow" and inserting in lieu thereof "surviving spouse of a veteran shall not bar the furnishing of benefits to such person as the surviving spouse";

(E) in subsection (d)(2)—

(i) by striking out "widow" each place it appears and inserting in lieu thereof "surviving spouse"; and

(ii) by striking out "her" and inserting in lieu thereof "such person"; and

(F) in subsection (d)(3)—

(i) by striking out "widow" each place it appears and inserting in lieu thereof "surviving spouse";

(ii) by striking out "man" and inserting in lieu thereof "person";

(iii) by striking out "herself" and inserting in lieu thereof "himself or herself";

(iv) by striking out "his wife" and inserting in lieu thereof "that person's spouse"; and

(v) by striking out "her" and inserting in lieu thereof "that person".

(3) Section 104(b) is amended by striking out "him" and inserting in lieu thereof "the Administrator".

(4) Section 105 is amended—

(A) in subsection (a)—

(i) by striking out "his" in the first sentence and inserting in lieu thereof "the person's"; and

(ii) by striking out "him" in the second sentence and inserting in lieu thereof "the person"; and

(B) in subsection (b), by striking out "service, or by absenting himself" in clause (1) and inserting in lieu thereof "service or by absenting himself or herself".

(5) Section 106 is amended—

(A) in subsection (b)(2), by striking out "his" and inserting in lieu thereof "the person's";

(B) in subsection (c)—

(i) by striking out "him" and inserting in lieu thereof "that individual";

(ii) by striking out "his" and inserting in lieu thereof "that individual's"; and

(iii) by striking out "he" and inserting in lieu thereof "that individual"; and

(C) in subsection (d)—

(i) by striking out "by him" in clause (2);

(ii) by striking out "he" each place it appears in the second sentence and inserting in lieu thereof "such individual"; and

(iii) by striking out "his" in the second sentence and inserting in lieu thereof "the".

(6) Section 107(a) is amended by striking out "his" in the last sentence and inserting in lieu thereof "such member's".

(7) Section 108(b) is amended by striking out "his" both places it appears and inserting in lieu thereof "that individual's".

(8) Section 109(b) is amended by striking out "he" in the second sentence and inserting in lieu thereof "such person".

(9) Section 210 is amended—

(A) by striking out "he" each place it appears and inserting in lieu thereof "the Administrator";

(B) in subsection (a), by striking out "He" and inserting in lieu thereof "The Administrator";

(C) in subsection (c)(3)(A), by striking out "widow" and inserting in lieu thereof "surviving spouse"; and

(D) in subsection (c)(3)(B), by striking out "him" and inserting in lieu thereof "the Administrator".

(10) Sections 212(a), 215, and 217(b) are amended by striking out "he" and inserting in lieu thereof "the Administrator".

(11) Section 213 is amended—

(A) by striking out "he" in the first sentence and inserting in lieu thereof "the Administrator"; and

(B) by striking out "his" in the second sentence and inserting in lieu thereof "the Administrator's".

(12) Section 219(a) is amended—

(A) by striking out "he" and inserting in lieu thereof "the Administrator"; and

(B) by striking out "him" and inserting in lieu thereof "the Administrator".

(13) Section 230(a) is amended by striking out "he" and inserting in lieu thereof "the Administrator".

(14) Section 233 is amended—

(A) by striking out "he" in subsection (a) and inserting in lieu thereof "the Administrator"; and

(B) in subsection (b), by striking out "when he determines" and inserting in lieu thereof "upon determining".

(15) Section 235 is amended by striking out "his" and inserting in lieu thereof "the President's".

(16) Section 236 is amended by striking out "his" and inserting in lieu thereof "the Administrator's".

(17) Section 241 is amended—

(A) by striking out "his" in paragraph (1) and inserting in lieu thereof "the veteran's"; and

(B) by striking out "he" in paragraph (2) and inserting in lieu thereof "the Administrator".

(18) Section 242(a) is amended by striking out "he" and inserting in lieu thereof "the Administrator".

(19) Section 244(5) is amended by striking out "his" and inserting in lieu thereof "the Administrator's".

(20) Section 602 is amended by striking out "his".

(21) Section 704 is amended—

(A) in subsection (d)—

(i) by striking out "his" each place it appears and inserting in lieu thereof "the insured's"; and

(ii) by striking out "he" each place it appears and inserting in lieu thereof "the insured"; and

(B) in subsection (e)—

(i) by striking out "his" and inserting in lieu thereof "the insured's"; and

(ii) by striking out "he" and inserting in lieu thereof "the Administrator".

(22) Section 705 is amended—

(A) by striking out "his" each place it appears and inserting in lieu thereof "the"; and

(B) by striking out "him" and inserting in lieu thereof "the insured".

(23) Section 707 is amended by striking out "his" in subsections (a) and (c) and inserting in lieu thereof "the insured's".

(24) Section 708 is amended by striking out "his" and inserting in lieu thereof "the insured's".

(25) Section 712 is amended—

(A) by striking out "his" each place it appears and inserting in lieu thereof "the insured's"; and

(B) by striking out "he" in the first sentence of subsection (d) and inserting in lieu thereof "the insured".

(26) Section 713 is amended by striking out "his" each place it appears and inserting in lieu thereof "the".

(27) Section 716(e) is amended by striking out "his" and inserting in lieu thereof "the insured's".

(28) Section 725 is amended—

(A) by striking out "he" each place it appears and inserting in lieu thereof "such person";

(B) by striking out "him" each place it appears and inserting in lieu thereof "the applicant"; and

(C) by striking out "his" in subsection (d)(3) and inserting in lieu thereof "the Administrator's".

(29) Section 742 is amended—

(A) in subsection (b)—

(i) by striking out "his" and inserting in lieu thereof "the insured's"; and

(ii) by striking out "he" and inserting in lieu thereof "the insured"; and

(B) in subsection (c)—

(i) by striking out "he" and inserting in lieu thereof "the insured";

(ii) by striking out "his term" and inserting in lieu thereof "the term";

(iii) by striking out "his failure"; and

(iv) by striking out "his control" and inserting in lieu thereof "the insured's control".

(30) Sections 743, 744(b), 745, 746, 747, and 748 are amended by striking out "his" and inserting in lieu thereof "the insured's".

(31) Section 750 is amended by striking out "in his lifetime or by his last will and testament" and inserting in lieu thereof "while alive or by last will".

(32) Section 752 is amended by striking out "his" each place it appears and inserting in lieu thereof "the".

(33) Section 759(a) is amended—

(A) by striking out "his" and inserting in lieu thereof "the applicant's"; and

(B) by striking out "he" and inserting in lieu thereof "the applicant".

(34) Section 760(a) is amended by striking out "his" and inserting in lieu thereof "the guardian's".

(35) Section 765 is amended—

(A) in paragraph (5)(B), by striking out "he" and inserting in lieu thereof "such person"; and

(B) in paragraph (9)—

(i) by striking out "his minority" and inserting in lieu thereof "the child's minority"; and

(ii) by striking out "his adoption" and inserting in lieu thereof "the child's adoption".

(36) Section 766 is amended—

(A) in subsection (c), by striking out "him" and inserting in lieu thereof "the Administrator"; and

(B) in subsection (d), by striking out "he" and inserting in lieu thereof "the Administrator".

(37) Section 767 is amended—

(A) in subsection (b)—

(i) by striking out "him" and inserting in lieu thereof "such member";

(ii) by striking out "he" each place it appears and inserting in lieu thereof "such member"; and

(iii) by striking out "his" and inserting in lieu thereof "such member's"; and

(B) in subsection (c)—

(i) by striking out "his" and inserting in lieu thereof "such member's"; and

(ii) by striking out "he" and inserting in lieu thereof "such member".

(38) Section 768 is amended—

(A) in subsection (a)(2)—

(i) by striking out "his"; and

(ii) by striking out "him" and inserting in lieu thereof "the member";

(B) in subsection (a)(3)—

(i) by striking out "his"; and

(ii) by striking out "him" and inserting in lieu thereof "the member"; and

(C) in subsection (b), by striking out "his" and inserting in lieu thereof "the".

(39) Section 769 is amended—

(A) in subsection (a)(1), by striking out "his" and inserting in lieu thereof "the member's";

(B) in subsection (a)(3), by striking out "him" and inserting in lieu thereof "the member";

(C) in subsection (a)(4)—

(i) by striking out "him" both places it appears and inserting in lieu thereof "the member"; and

(ii) by striking out "his" and inserting in lieu thereof "the member's";

(D) in subsection (b), by striking out "he" and inserting in lieu thereof "the Administrator";

(E) in subsection (d)(3), by striking out "his" and inserting in lieu thereof "the Administrator's"; and

(F) in subsection (e), by striking out "he" and inserting in lieu thereof "the Administrator".

(40) Section 770 is amended—

(A) by striking out "his" each place it appears in subsection (a) and inserting in lieu thereof "the insured's"; and

(B) by striking out "his" in subsection (e) and inserting in lieu thereof "the member's".

(41) Section 774 is amended by striking out "his" and inserting in lieu thereof "the Administrator".

(42) Section 776 is amended by striking out "him" and inserting in lieu thereof "the Administrator".

(43) Section 777 is amended—

(A) in subsection (a)—

(i) by striking out "his" both places it appears and inserting in lieu thereof "such person's"; and

(ii) by striking out "he" and inserting in lieu thereof "such person";

(B) in subsection (c)—

(i) by striking out "he" the first place it appears and inserting in lieu thereof "the Administrator"; and

(ii) by striking out "he" the second place it appears and inserting in lieu thereof "such member or former member";

(C) in subsection (d), by striking out "his" and inserting in lieu thereof "such person's";

(D) in subsection (e), by striking out "he" and inserting in lieu thereof "the insured"; and

(E) in subsection (g)—

(i) by striking out "his" and inserting in lieu thereof "the insured's"; and

(ii) by striking out "he" and inserting in lieu thereof "the Administrator".

(44) Section 781(b) is amended—

(A) by striking out "he" and inserting in lieu thereof "such person"; and

(B) by striking out "his" and inserting in lieu thereof "such person's".

(45) Section 783 is amended by striking out "his" and inserting in lieu thereof "such beneficiary's".

(46) Section 784(g) is amended by striking out "his" both places it appears and inserting in lieu thereof "the insured's".

(47) Section 787 is amended by striking out "himself or any other" and inserting in lieu thereof "any".

(48) Section 801(a) is amended by striking out "he" and inserting in lieu thereof "the Administrator".

(49) Section 806 is amended—

(A) by striking out "his" in subsection (b) and inserting in lieu thereof "the veteran's";

(B) by striking out "he" in subsection (c) and inserting in lieu thereof "the veteran";

(C) by striking out "his" in subsection (d) and inserting in lieu thereof "the veteran's";

(D) in subsection (g)—

(i) in paragraph (2)—

(I) by striking out "he" each place it appears and inserting in lieu thereof "the Administrator";

(II) by striking out "his" and inserting in lieu thereof "the Administrator's"; and

(III) by striking out "him" each place it appears and inserting in lieu thereof "the Administrator";

(ii) in paragraph (3), by striking out "he" and inserting in lieu thereof "the veteran"; and

(iii) in paragraph (5), by striking out "him" each place it appears and inserting in lieu thereof "the Administrator"; and

(E) in subsection (h)—

(i) by striking out "his" in the first sentence and inserting in lieu thereof "the Administrator's"; and

(ii) by striking out "his" in the second sentence and inserting in lieu thereof "the veteran's".

(50) Section 901(b) is amended by striking out "his" and inserting in lieu thereof "the veteran's".

(51) Section 904 is amended by striking out "his" each place it appears and inserting in lieu thereof "the veteran's".

(52) Section 1000(a) is amended—

(A) by striking out "servicemen" and inserting in lieu thereof "servicemembers"; and

(B) by striking out "To assist" and all that follows through "the Administrator" in the second sentence and inserting in lieu thereof "The Administrator".

(53) Section 1001 is amended by striking out "he" and inserting in lieu thereof "the Administrator".

(54) Section 1002 is amended—

(A) by striking out "he" each place it appears and inserting in lieu thereof "such member"; and

(B) by striking out "wife, husband," in paragraph (5).

(55) Section 1004 is amended—

(A) in subsection (d), by striking out "he" each place it appears and inserting in lieu thereof "the veteran";

(B) in subsections (b), (e), and (g), by striking out "he" and inserting in lieu thereof "the Administrator"; and

(C) by striking out "his" each place it appears and inserting in lieu thereof "the Administrator's".

(56) Section 1005 is amended—

(A) by striking out "his" in subsection (a) and inserting in lieu thereof "the Administrator's"; and

(B) by striking out "He" in subsection (c) and inserting in lieu thereof "The Administrator".

(57) Section 1006 is amended by striking out "he" and inserting in lieu thereof "the Administrator".

(58) Section 1007 is amended—

(A) by striking out "he" both places it appears and inserting in lieu thereof "the Administrator"; and

(B) by striking out "He" at the beginning of the second sentence and inserting in lieu thereof "The Administrator".

(59) The third sentence of section 1780(d)(2) is amended by striking out "serviceman" and inserting in lieu thereof "person".

(60) Section 2024(g) is amended by striking out "his" and inserting in lieu thereof "the".

(61) Section 3001(b)(1) is amended by striking out "widow or" each place it appears and inserting in lieu thereof "surviving spouse or".

(62) Section 3006 is amended by striking out "he" and inserting in lieu thereof "the Administrator".

(63) Section 3010(b)(1) is amended by striking out "his" and inserting in lieu thereof "the veteran's".

(64) Section 3012(b)(6) is amended by striking out "his" and inserting in lieu thereof "the payee's".

(65) Section 3020 is amended—

(A) in the third sentence of subsection (a)—

(i) by striking out "his" and inserting in lieu thereof "the payee's";

(ii) by striking out "he" and inserting in lieu thereof "the payee"; and

(iii) by striking out "him" and inserting in lieu thereof "the payee"; and

(B) in the first sentence of subsection (b)—

(i) by striking out "he" and inserting in lieu thereof "such person";

(ii) by striking out "widow" and inserting in lieu thereof "surviving spouse";

(iii) by striking out "she" both places it appears and inserting in lieu thereof "the surviving spouse";

(iv) by striking out "to her" and inserting in lieu thereof "to the surviving spouse"; and

(v) by striking out "by her" and inserting in lieu thereof "by the".

(66) Section 3021(a) is amended—

(A) by striking out "his"; and

(B) by striking out "His" in subparagraphs (A), (B), and (C) of paragraph (2) and inserting in lieu thereof "The veteran's".

(67) Section 3022 is amended by striking out "his" and inserting in lieu thereof "the payee's".

(68) Section 3101 is amended—

(A) by striking out "his or her" in the last sentence of subsection (a) and inserting in lieu thereof "a"; and

(B) by striking out "his" each place it appears in subsection (b) and inserting in lieu thereof "the beneficiary's".

(69) Section 3102 is amended—

(A) by striking out "his" in subsection (b) and inserting in lieu thereof "the veteran's"; and

(B) by striking out "his" both places it appears in subsection (c) and inserting in lieu thereof "the Administrator's".

(70) Section 3103 is amended—

(A) in subsection (a)—

(i) by striking out "he" and inserting in lieu thereof "such person"; and

(ii) by striking out "his" and inserting in lieu thereof "such officer's";

(B) in subsection (b)—

(i) by striking out "his" and inserting in lieu thereof "a person's";

(ii) by striking out "any person" and inserting in lieu thereof "that person"; and

(iii) by striking out "he" and inserting in lieu thereof "such person";

(C) in subsection (c)—

(i) by striking out "his" both places it appears and inserting in lieu thereof "the individual's"; and

(ii) by striking out "he" and inserting in lieu thereof "the individual"; and

(D) in the second sentence of subsection (e)(2), by striking out "his or her" and inserting in lieu thereof "the".

(71) Section 3104 is amended—

(A) in subsection (a)(1), by striking out "his" and inserting in lieu thereof "such person's";

(B) in subsection (b)—

(i) by striking out "widow" in paragraph (1) and inserting in lieu thereof "surviving spouse";

(ii) by striking out "his" in paragraph (1) and inserting in lieu thereof "such person's"; and

(iii) by striking out "he or she" in paragraph (3) and inserting in lieu thereof "such person"; and

(C) in subsection (c)—

(i) by striking out "his" and inserting in lieu thereof "any person's";

(ii) by striking out "to any person" and inserting in lieu thereof "to such person"; and

(iii) by striking out "he" and inserting in lieu thereof "such person".

(72) Section 3105 is amended—

(A) by striking out "he" and inserting in lieu thereof "such person"; and

(B) by striking out "his" and inserting in lieu thereof "such person's".

(73) Section 3106 is amended by striking out "his" and inserting in lieu thereof "the".

(74) Section 3108(c) is amended—

(A) by striking out "his" and inserting in lieu thereof "the Administrator's; and

(B) by striking out "he" and inserting in lieu thereof "the dependent".

(75) Section 3109 is amended—

(A) by striking out "his" each place it appears in subsection (a) and inserting in lieu thereof "such person's"; and

(B) by striking out "he" in subsection (b) and inserting in lieu thereof "such person".

(76) Section 3202 is amended—

(A) in subsection (a), by striking out "he" and inserting in lieu thereof "the Administrator";

(B) in subsection (b)—

(i) by striking out "his trust" in the first sentence and inserting in lieu thereof "the trust of such guardian, curator, conservator, or other person";

(ii) by striking out "his duly" in the first sentence and inserting in lieu thereof "the Administrator's";

(iii) by striking out "his" in the second and third sentences and inserting in lieu thereof "the Administrator's"; and

(iv) by striking out "himself" in the third sentence and inserting in lieu thereof "the Administrator";

(C) in subsection (d)—

(i) by striking out "his" in the second sentence and inserting in lieu thereof "the veteran's";

(ii) by striking out "his" in the third sentence and inserting in lieu thereof "the beneficiary's"; and

(iii) in the fourth sentence—

(I) by striking out "him" and inserting in lieu thereof "the beneficiary";

(II) by striking out "he" and inserting in lieu thereof "the beneficiary"; and

(III) by striking out "his" each place it appears and inserting in lieu thereof "the beneficiary's"; and

(D) in subsection (e), by striking out "his".

(77) Section 3203(e) is amended by striking out "his" and inserting in lieu thereof "the veteran's".

(78) Section 3303 is amended by striking out "his" and inserting in lieu thereof "the veteran's".

(79) Section 3401 is amended by striking out "he" and inserting in lieu thereof "such individual".

(80) Section 3404(b) is amended by striking out "he" and inserting in lieu thereof "the Administrator".

(81) Section 3405 is amended by striking out "him" and inserting in lieu thereof "to the claimant or beneficiary".

(82) Section 3501 is amended—

(A) by striking out "his" the first place it appears and inserting in lieu thereof "a claimant's"; and

(B) by striking out "his" the second, third, and fourth places it appears and inserting in lieu thereof "such fiduciary's".

(83) Section 3503 is amended—

(A) by striking out "his" in subsection (c) and inserting in lieu thereof "the veteran's"; and

(B) by striking out "he" each place it appears in subsection (d)(2) and inserting in lieu thereof "the Administrator".

(84) Section 3504(b) is amended—

(A) by striking out "his" and inserting in lieu thereof "the Administrator's"; and

(B) by striking out "he" and inserting in lieu thereof "the dependent".

(85) Section 4005 is amended—

(A) by striking out "his" each place it appears and inserting in lieu thereof "the claimant's"; and

(B) by striking out "him" and inserting in lieu thereof "the claimant or legal guardian".

(86) Section 4106(b) is amended—

(A) by striking out "him" and inserting in lieu thereof "such person"; and

(B) by striking out "he" and inserting in lieu thereof "such person".

(87) Section 4107(e)(5) is amended by striking out "her" and inserting in lieu thereof "the nurse's".

(88) Section 4110 is amended—

(A) by striking out "of his own choosing" in subsection (c) and inserting in lieu thereof "chosen by such person";

(B) in subsection (d)—

(i) by striking out "He" and inserting in lieu thereof "The Administrator"; and

(ii) by striking out "he" and inserting in lieu thereof "the Administrator"; and

(C) in subsection (e)—

(i) by striking out "he" and inserting in lieu thereof "the Administrator"; and

(ii) by striking out "him" and inserting in lieu thereof "the Administrator".

(89) Section 5101 is amended by striking out "his" each place it appears and inserting in lieu thereof "the".

(90) Section 5102 is amended—

(A) by striking out "he" each place it appears and inserting in lieu thereof "the Administrator";

(B) by striking out "his" and inserting in lieu thereof "the Administrator's"; and

(C) by striking out "He" and inserting in lieu thereof "The Administrator".

(91) Section 5103 is amended by striking out "his" each place it appears and inserting in lieu thereof "the".

(92) Section 5104 is amended—

(A) by striking out "he" each place it appears and inserting in lieu thereof "the Administrator"; and

(B) by striking out "his" each place it appears and inserting in lieu thereof "the Administrator's".

(93) Section 5201(a)(1) is amended by striking out "his" and inserting in lieu thereof "such person's".

(94) Section 5202 is amended—

(A) in the first sentence of subsection (b)—

(i) by striking out "his last" each place it appears and inserting in lieu thereof "such person's last";

(ii) by inserting "has personal property situated on such facility and" before "shall have designated";

(iii) by striking out "to whom he desires his personal property situated upon such facility to be delivered, upon the death of such veteran" and inserting in lieu thereof "to receive such property when such veteran, dependent or survivor dies,"; and

(iv) by striking out "him" and inserting in lieu thereof "the Administrator";

(B) in the second sentence of subsection (b)—

(i) by striking out "by the veteran" and inserting in lieu thereof "by such veteran, dependent, or survivor";

(ii) by striking out "if he has";

(iii) by striking out "his" and inserting in lieu thereof "the Administrator's";

(iv) by striking out "as provided in this subchapter," and inserting in lieu thereof "in writing delivered to the Veterans' Administration"; and

(v) by striking out "child, grandchild, mother, father, grandmother, grandfather, brother or sister" and inserting in lieu thereof "children, grandchildren, parents, grandparents, siblings";

(C) by striking out the third sentence of subsection (b);

(D) in the fourth sentence of subsection (b)—

(i) by striking out "his designee may in such case select the one to receive such possession," and inserting in lieu thereof "the Administrator's designee may in such case deliver the property either jointly or separately in equal values, to those equally entitled thereto"; and

(ii) by striking out "in his discretion" and inserting in lieu thereof "in the discretion of the Administrator or the Administrator's designee"; and

(E) in subsection (c), by striking out "his" and inserting in lieu thereof "the Administrator's".

(95) Section 5203 is amended by striking out "his" and inserting in lieu thereof "such person's".

(96) Section 5204 is amended by striking out "his" each place it appears and inserting in lieu thereof "such person's".

(97) Section 5206 is amended by striking out "his" and inserting in lieu thereof "the owner's".

(98) Section 5207 is amended—

(A) by striking out "his" and inserting in lieu thereof "the Administrator's"; and

(B) by striking out "by him promulgated" and inserting in lieu thereof "prescribed by the Administrator".

(99) Section 5220 is amended—

(A) in subsection (a)—

(i) by striking out "surviving him any" and inserting in lieu thereof "any surviving";

(ii) by striking out "his" each place it appears and inserting in lieu thereof "the decedent's";

(iii) by striking out "he" and inserting in lieu thereof "such person"; and

(iv) by striking out "owned by him" and inserting in lieu thereof "owned by such person"; and

(B) in subsection (b), by striking out "his" and inserting in lieu thereof "such person's".

(100) Section 5221 is amended by striking out "he" and inserting in lieu thereof "such person".

(101) Section 5222 is amended—

(A) by striking out "he" and inserting in lieu thereof "the Administrator"; and

(B) by striking out "his" and inserting in lieu thereof "the Administrator's".

(102) Section 5223 is amended by striking out "his" each place it appears and inserting in lieu thereof "the decedent's".

(103) Section 5224 is amended—

(A) by striking out "his" each place it appears and inserting in lieu thereof "the Administrator's"; and

(B) by striking out "him" and inserting in lieu thereof "the Administrator".

(104) Section 5225 is amended by striking out "his" and inserting in lieu thereof "the Administrator's".

(105) Section 5226 is amended—

(A) by striking out "himself" and inserting in lieu thereof "such person";

(B) by striking out "his" in the second sentence and inserting in lieu thereof "the veteran's";

(C) by striking out "he" and inserting in lieu thereof "the Administrator"; and

(D) by striking out "his authorized" each place it appears, and inserting in lieu thereof "the Administrator's authorized".

SEC. 2. GENERAL TECHNICAL AMENDMENTS.

Title 38, United States Code, is amended as follows:

(1) Section 101 is amended—

(A) by inserting "Army" before "National Guard" in paragraphs (22)(C), (23), and (27)(F); and

(B) by striking out "and the" in paragraph (31) and all that follows through "widower".

(2) Section 233(a) is amended by striking out "subparagraph (4)" and inserting in lieu thereof "paragraph (4) of this subsection".

(3) Section 235 is amended—

(A) by inserting "(a)" before "The Administrator";

(B) by indenting paragraphs (1) through (7) two ems;

(C) by inserting "Service" in paragraph (5) after "Foreign";

(D) by striking out "The foregoing authority" and inserting in lieu thereof "(b) The authority in subsection (a) of this section"; and

(E) by striking out "titles 5 and 22" and inserting in lieu thereof "title 5 and the Foreign Service Act of 1980 (22 U.S.C. 3901 et seq.)".

(4) Section 241 is amended—

(A) by inserting "The Administrator shall" after "(1)";

(B) by striking out "eligible and, in carrying" and inserting in lieu thereof "eligible. In carrying";

(C) by striking out "release;" and inserting in lieu thereof "release.";

(D) by inserting "The Administrator shall" after "(2)";

(E) by striking out "veterans; and" and inserting in lieu thereof "veterans.";

(F) by inserting "The Administrator shall" after "(3)"; and

(G) by striking out "clauses (1) and (2) above" and inserting in lieu thereof "paragraphs (1) and (2) of this section".

(5) Section 612(j) is amended—

(A) by striking out "pursuant to" and inserting in lieu thereof "under";

(B) by striking out "(voluntarily requesting" and inserting in lieu thereof "who voluntarily request";

(C) by striking out the parenthesis after "immunizations";

(D) by striking out "facility, utilizing" and inserting in lieu thereof "facility. Any such immunization shall be made using";

(E) by striking out "Administration," and all that follows through "to provide" and inserting in lieu thereof "Administration. For such purpose, notwithstanding any other provision of law, the Secretary may provide"; and

(F) by striking out "cost and the provisions of section" and inserting in lieu thereof "cost. Section".

(6) Section 612A(h)(3)(A)(i) is amended by striking out "the date of the enactment of this section" and inserting in lieu thereof "December 3, 1985,".

(7) Section 801(a) is amended—

(A) by striking out the comma after "veteran" the first place it appears; and

(B) by striking out "title, based on service after April 20, 1898," and inserting in lieu thereof "title".

(8) Section 1411(a) is amended by inserting a comma after "of this section" in the matter preceding clause (1).

(9) Section 1841 is amended—

(A) by striking out "per centum" in paragraph (1) and inserting in lieu thereof "percent"; and

(B) by striking out "one hundred and eighty days" in paragraph (2) and inserting in lieu thereof "180 days".

(10) Section 1842 is amended by striking out "per centum" each place it appears and inserting in lieu thereof "percent".

(11) Section 1849 is amended by striking out "Effective for fiscal year 1982 and fiscal years thereafter, there" and inserting in lieu thereof "There".

(12) The item relating to section 4106 in the table of sections at the beginning of chapter 73 is amended to read as follows:

"4106. Period of appointments; promotions.".

(13) Section 4202(11) is amended by striking out "and without regard" and all that follows through "(7 U.S.C. 2240),".

(14) Section 4204 is amended by striking out ", amounts heretofore appropriated to carry out Public Law 636, Seventy-ninth Congress,".

(15) Section 5010(a)(1) is amended—

(A) by striking out "one hundred and twenty-five thousand and not less than one hundred thousand" and inserting in lieu thereof "125,000 and not less than 100,000"; and

(B) by striking out "ninety thousand" both places it appears and inserting in lieu thereof "90,000".

(16) Section 5073(a)(2) is amended—

(A) by striking out "twelve-month" each place it appears and inserting in lieu thereof "12-month"; and

(B) by striking out "per centum" each place it appears and inserting in lieu thereof "percent".

(17) Each subchapter heading is amended so as to be printed in all capital letters and in light-face type.

(18) The table of parts at the beginning of title 38 is amended by striking out "1501" in the item relating to part III and inserting in lieu thereof "1401".

SEC. 3. TECHNICAL AMENDMENTS TO PROVISIONS ENACTED BY VETERANS' BENEFITS IMPROVEMENT ACT OF 1984.

(a) AMENDMENTS TO PUBLIC LAW 98-543.—(1) Section 105 of the Veterans' Benefits Improvement Act of 1984 (Public Law 543) is amended by striking out "413" and inserting in lieu thereof "413(a)".

(2) Section 111(c)(1)(B) of such Act is amended by striking out "subsection (b)" and inserting in lieu thereof "subsection (c)(1)(B)".

(b) AMENDMENTS TO TITLE 38.—(1) Section 524 of title 38, United States Code, is amended—

(A) by striking out "subsection (d)" in subsection (a)(2) and inserting in lieu thereof "subsection (b)";

(B) by striking out "subsection (a)(1)" in subsection (b)(4) and inserting in lieu thereof "subsection (a)"; and

(C) in subsection (c)—

(i) by striking out "Notwithstanding subsection (c) of section 525 of this title, a veteran" and inserting in lieu thereof "A veteran";

(ii) by striking out "subsection (b)" the second place it appears and inserting in lieu thereof "subsection (b)(1)"; and

(iii) by striking out the period and inserting in lieu thereof "without regard to the date on which the veteran's entitlement to pension is terminated.".

(2) Section 525(a) of such title is amended by striking out "under section 521 of this title".

(3) The item relating to section 524 in the table of sections at the beginning of chapter 15 of such title is amended by inserting "program of" after "Temporary".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the Veterans' Benefits Improvement Act of 1984 (Public Law 98-543).

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Mississippi [Mr. MONTGOMERY] will be recognized for 20 minutes and the gentleman from Arkansas [Mr. HAMMERSCHMIDT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 5047 is the result of several years of work to eliminate gender references in title 38 of the United States Code, which contains all of the laws providing benefits to veterans.

It is a difficult and thankless task to review this entire title and identify gender references. However, some day there will be a woman Administrator of Veterans' Affairs. When that day comes, there will not be a sentence in title 38 which says that "he is appointed with the advice and consent of the Senate."

Instead, it will read "the Administrator is appointed with the advice and consent of the Senate."

This bill does not make any substantive change in any of the provisions which it amends. The changes are only technical, there is absolutely no intrent to change the purpose of any current laws.

I would like to express the committee's appreciation for the efforts of the staff of the general counsel of the Veterans' Administration, particularly Mr. Tom Dodson, and the staff of the

Legislative Counsel's Office, particularly Mr. Bob Cover. I am not aware that any similar review of an entire title has been undertaken for the sole purpose of eliminating gender based distinctions.

Mr. Speaker, I urge the enactment of this measure.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. I thank the gentleman from Mississippi for yielding time to me.

Mr. Speaker, the gentleman is indeed correct. I stand here as the dean of the women in the House, and I congratulate the Committee on Veterans' Affairs for doing this.

I would just like to put it in perspective and say to the gentleman from Mississippi that I am sure that George Washington would be proud of him, too, because one part of our history that we forget is that even in Revolutionary War we had some women veterans. Many of them cut their hair off and fought alongside the soldiers. Often their gender was not discovered until they were injured.

There was a great crisis in the Congress afterward because many people did not want to extend to these women these benefits because supposedly they were not to be in the Revolutionary War.

George Washington was the one who intervened and said no, no, no, if they fought, they should be treated that way.

The only Revolutionary War veteran buried at West Point is a woman.

The fight for getting this gender-free recognition has been going on for a long time started by the Father of our Country. So I am very pleased that over 200 years later we finally find this coming about.

I know that it is a long task. We smile about it, but it is a long and difficult task to go through these titles and make this change, and I think that that is why there has always been something else to do, something more pressing. And yet I really salute the committee for doing it. I think that it is very important that it is done, and congratulations.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 5047, a technical bill to eliminate gender-based language distinctions in title 38, which is the title of the United States Code on veterans' benefits. At one time, the military services were viewed as a "man's world," and as a result, veterans' programs and benefits were legally described in terms which applied to men. Of course, we know that in fact women have for a long time been making very important contributions as members of the military services, even though until more recently, there was in some quarters a lack of recognition.

Well, with this legislation there should be no doubt that women are equally veterans, in word as well as in deed.

Mr. Speaker, my good friend, Mr. MONTGOMERY, chairman of the Veterans' Affairs Committee, deserves the credit for this fine bill, and I commend him for it. I am pleased to support H.R. 5047, and I urge its adoption by the House.

Mr. MONTGOMERY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 5047.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

IMPROVED BENEFITS FOR FORMER PRISONERS OF WAR

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4333) to amend title 38, United States Code, to improve veterans' benefits for former prisoners of war.

The Clerk read as follows:

H.R. 4333

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. IMPROVED BENEFITS FOR FORMER PRISONERS OF WAR.

(a) PRESUMPTION OF SERVICE CONNECTION FOR CERTAIN DISABILITIES.—Section 312(b) of title 38, United States Code is amended—

(1) by striking out "or" at the end of clause (9); and

(2) by inserting after clause (10) the following:

"(11) organic residuals of hypothermia, particularly frozen hands and feet,

"(12) spastic colon,

"(13) arthritis due to trauma,".

(b) INTERNMENT PERIOD REQUIRED FOR VA DENTAL CARE.—Section 612(b)(1)(G) of such title is amended by striking out "six months" and inserting in lieu thereof "90 days".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on October 1, 1986.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Mississippi [Mr. MONTGOMERY] will be recognized for 20 minutes and the gentleman from Arkansas [Mr. HAMMERSCHMIDT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, again I want to acknowledge the good work of the distinguished gentleman from Ohio, Mr. APPLEGATE, and the very able ranking minority member of the subcommittee, Mr. SOLOMON of New York, for the attention they have given over the years to our Nation's veterans who were captured and held prisoners of war. They have initiated several bills during the past decade and ex-POW's are benefiting from their good work.

I also want to thank my friend, the ranking minority member of the full committee, Mr. HAMMERSCHMIDT, for his leadership and hard work in behalf of ex-POW's.

Mr. Speaker, H.R. 4333 is a POW bill which would provide service-connected benefits for former POW's for frostbite, traumatic arthritis, and spastic colon. It would also reduce from 6 months to 90 days the period of captivity required for continuing dental care.

Mr. Speaker, this is not an expensive bill, less than $1 million per year, but it will assist a very limited number of former POW's who have had difficulty in having VA accept their claims. I urge approval of the bill.

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Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 4333, a bill to improve certain benefits for former prisoners of war. The bill would extend presumptions of disability to three additional health problems associated with the POW experience. These are hypothermia, usually in the form of frozen hands and feet; arthritis due to trauma; and spastic colon. Additionally, the bill would reduce from 6 months to 90 days the period of captivity required to qualify for treatment of dental conditions and disabilities.

Mr. Speaker, the Committee on Veterans' Affairs has long had a special concern for prisoners of war. We know that many of the POW's from WWII, Korea and Vietnam had experiences too horrible to describe. Indeed, many of them did not survive the abuse and neglect imposed upon them. Those who did survive deserve our special consideration.

The Subcommittee on Compensation, Pension, and Insurance led by its able chairman, Mr. APPLEGATE, and by its able ranking member, Mr. SOLOMON, has been carefully considering for some time the need for additional presumptive disabilities. The excellent result is H.R. 4333.

As is well known, POW's were often not provided adequate clothing and shelter during the winter and suffered from frozen extremities. Even though frozen extremities can often be saved, they can cause life-long physical prob-

lems. The beatings and torture of POW's is equally well established, and unquestionably can result in arthritic conditions years later in the joints of the body. Spastic colon is known to be associated with the severe psychological stresses of being a prisoner of war, such as fear, anxiety, and uncertainty.

Also, the bill would reduce the length of time of captivity to qualify for dental benefits. Dental health deteriorates very rapidly when nutrition is poor and hygiene is not possible. A period of 90 days is reasonable.

In recent subcommittee hearings, we learned that many POW's, when they were repatriated, did not receive adequate discharge physical examinations, or passed up the chance for them in their understandable hurry to return to their homes. Consequently, there are no medical records to establish their disabilities, and presumptions are necessary.

In my view, the disabilities covered by this legislation should be granted a presumption in order to dispense with the need for proof of service connection.

Mr. Speaker, the cost of the bill is very modest, less than a million dollars, and this is something we certainly owe our veterans who were prisoners of war.

Finally, Mr. Speaker, I commend the distinguished chairman of the Veterans' Affairs Committee, Mr. MONTGOMERY, for expeditiously moving this legislation through the committee and to the floor.

I urge my colleagues to adopt this measure to benefit former prisoners of war.

Mr. Speaker, I yield such time as he may consume to the distinguished ranking minority member of the subcommittee, the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I certainly would like to thank Chairman MONTGOMERY again for this bill, as well as the ranking Member, the gentleman from Arkansas [Mr. HAMMERSCHMIDT], the subcommittee chairman, the gentleman from Ohio [Mr. APPLEGATE], and as well the gentleman from New Jersey [Mr. CHRIS SMITH], who is a member of the Task Force on POW's-MIA's of Southeast Asia.

Mr. Speaker, as chairman of the House Task Force on Prisoners and Missing in Southeast Asia, we have held numerous hearings in recent months in which former POW's have recounted the horrors of their time in captivity. This testimony highlights our obligation to express our gratitude for those who endured captivity, torture, and extreme conditions in service to their Nation.

The bill before the House today improves the benefits offered prisoners of war by adding three more specific medical conditions to the list of those presumed to be service-connected. These include frostbite, arthritis as a result of trauma, and spastic colon. All three conditions are commonly found among the ailments that POW's suffer as the result of the conditions of captivity.

Adding these three ailments will continue the VA tradition of giving every consideration to those who were prisoners of war in service to their country. We can never thank our POW's enough for their sacrifice, but we can, in some small way, see to it that they receive fair treatment and good medical care.

I wholeheartedly urge passage of this meritorious bill.

Mr. MONTGOMERY. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia, Mr. BUDDY DARDEN.

Mr. DARDEN. Mr. Speaker, I appreciate the gentleman from Mississippi yielding me this time, the distinguished chairman of the Veterans' Affairs Committee. Before I go into my remarks I would like to take a moment here to pay tribute to this fine chairman and this fine committee. We in Congress often feel like we have to look over the shoulders of our committees sometimes to be sure that they are carrying out their responsibilities in a proper way. But Mr. Speaker, I know of no committee in the Congress which takes a more active role of leadership and looking out for the needs of our veterans than this committee does. I want to say a personal word of tribute and thanks and congratulations for their outstanding committee and its outstanding chairman.

Mr. Speaker, I rise today in strong support of H.R. 4333—which would provide improved procedures for securing benefits by former prisoners of war. There are over 85,000 former POW's from World War II, and the Korean and Vietnam conflicts.

For the POW, wartime internment did not cause damage to his spirit or his belief in America—however, the trauma of that internment has resulted in special health conditions which continue to plague the POW after release from the armed services.

The inclusion of the ailments of frostbite residuals, spastic colon, and arthritis due to trauma, to the existing disabilities provided in the Former Prisoner of War Benefits Act of 1981, will go a long way in resolving many of the POW's medical care problems.

The former, prisoner of war is a very special veteran and deserves special attention and concern. During wartime, the POW's responsibility was to defend and protect this great Nation—our Nation's responsibility now is to provide the medical care and benefits that the POW so justly deserves. I urge my colleagues to join with me and support this very important legislation.

Mr. MONTGOMERY. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I would like to thank the gentleman from Georgia [Mr. DARDEN] for his kind words about the committee. It certainly is nonpartisan, and our total goal is to see that veterans and their dependents are properly taken care of.

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. GRAY of Illinois). The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill H.R. 4333.

The question was taken.

Mr. HAMMERSCHMIDT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

VETERANS' HEALTH-CARE AMENDMENTS OF 1986

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4623) to amend title 38, United States Code, to improve readjustment counseling for Vietnam-era veterans, as amended.

The Clerk read as follows:

H.R. 4623

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This Act may be cited as the "Veterans' Health-Care Amendments of 1986".

(b) REFERENCES TO TITLE 38.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2 COVERAGE OF RESPITE CARE.

(a) AUTHORITY TO PROVIDE INPATIENT RESPITE CARE.—(1) Section 610(a)(1) is amended by inserting "or respite care" after "nursing home care".

(2) Section 610(a)(2) is amended by inserting "(including such care provided as part of a program of respite care)" after "nursing home care" both places it appears.

(3) Section 610(f) is amended by adding at the end the following new paragraph:

"(6) Hospital care or nursing home care furnished as part of a program of respite care shall be treated for purposes of this subsection as hospital care or nursing home care furnished under this section.".

(b) AUTHORITY TO PROVIDE OUTPATIENT RESPITE CARE.—Subsections (a)(2) and (f)(2) of section 612 are each amended by adding

at the end the following new sentence: "Home health services furnished under this paragraph may include hospital-based home care furnished as part of a program of respite care.".

(c) RESPITE CARE DEFINED.—Section 601 is amended by inserting after paragraph (9) the following new paragraph:

"(10) The term 'respite care' means hospital care, nursing home care, or hospital-based home care furnished on an intermittent or temporary basis to a veteran who has been diagnosed as suffering from a chronic illness and who is receiving care—

"(A) in the individual's home; or

"(B) in a hospice program which has entered into a cooperative agreement with the Veterans' Administration to provide appropriate care for the veteran.".

SEC. 3. EXTENSION OF INDEPENDENT STATUS OF READJUSTMENT COUNSELING PROGRAM.

Section 612A(g) is amended by striking out "September 30, 1988", "October 1, 1988", "April 1, 1987", and "July 1, 1987" and inserting in lieu thereof "September 30, 1989", "October 1, 1989", "April 1, 1988", and "July 1, 1988", respectively.

SEC. 4. EXTENSION OF AUTHORITY TO PROVIDE MEDICAL CARE IN THE REPUBLIC OF THE PHILIPPINES.

Section 632 is amended—

(1) by striking out "September 30, 1986" in subsection (a) and inserting in lieu thereof "September 30, 1989"; and

(2) by striking out "for each fiscal year during the period beginning on October 1, 1981, and ending on September 30, 1986," in subsection (b)(1) and inserting in lieu thereof "for each of fiscal years 1987, 1988, and 1989".

SEC. 5. DISCIPLINARY BOARDS FOR MEDICAL PERSONNEL.

(a) AUTHORITY OF DISCIPLINARY BOARDS.—Subsection (a) of section 4110 is amended to read as follows:

"(a)(1) The Administrator may appoint boards to be known as disciplinary boards. Each such board shall consist of not less than three nor more than five employees of the Department of Medicare and Surgery who are senior in grade.

"(2) A disciplinary board shall determine charges in a covered disciplinary action brought against a person employed in a position provided in section 4104(1) of this title. A determination by a board shall be made after notice and opportunity for a fair hearing.

"(3) The majority of the members of a disciplinary board shall be employees in the same category of position as the employee who is the subject of the charges.

"(4) The appointment of disciplinary boards shall be made under regulations prescribed by the Administrator.

"(5) For the purposes of this subsection, the term 'covered disciplinary action' means a disciplinary action—

"(A) arising from performance or conduct of duties during a person's tenure with the Veterans' Administration; and

"(B) proposing that the person involved be removed, suspended for more than 14 days, or given a demotion involving the loss of grade or pay.".

(b) DETERMINATIONS OF THE BOARD.—Subsection (d) of such section is amended by striking out "suitable" and all that follows in the first sentence and inserting in lieu thereof "that the proposed disciplinary action be sustained or modified in accordance with limitations prescribed by the Administrator.".

(c) CONFORMING AMENDMENTS.—(1) Subsection (c) of such section is amended by striking out "the Chief Medical Director" and inserting in lieu thereof "the Administrator".

(2) Subsection (e) of such section is amended—

(A) by striking out the first sentence;

(B) by striking out "pursuant to this subsection" and inserting in lieu thereof "under subsection (d) of this section"; and

(C) by striking out "of the Chief Medical Director" and inserting in lieu thereof "appealed from".

SEC 6. REPORTING PERIOD FOR REPORTS ON SPECIAL PAY FOR VETERANS' ADMINISTRATION PHYSICIANS AND DENTISTS.

Section 4118(g)(C) is amended by striking out "once every two years" and inserting in lieu thereof "each four years".

SEC. 7. REGIONAL MEDICAL EDUCATION CENTERS.

(a) STATUS OF PROGRAM.—Section 4121(a) is amended—

(1) by striking out "pilot"; and

(2) by striking out "in geographically dispersed areas of the United States".

(b) PROGRAM FLEXIBILITY.—Section 4121(b) is amended—

(1) by striking out "in-residence"; and

(2) by striking out "medical and health".

(c) SHARING OF TRAINING PROGRAMS.—Section 4123 is amended—

(1) by inserting "(a)" before "The Chief Medical Director";

(2) by striking out the third and fourth sentences; and

(3) by adding at the end the following:

"(b) To the extent that facilities are available, medical and health personnel from outside the Department of Medicine and Surgery may, on a reimbursable basis, be provided training in the Centers. Such reimbursement may include reciprocal training of medical and health personnel of the Department of Medicine and Surgery provided under sharing arrangements entered into by the Chief Medical Director and the heads of the entities providing such reciprocal training. Any amounts received by the United States as reimbursement under this subsection shall be credited to the applicable Veterans' Administration Medical Appropriation.".

SEC. 8. PERIOD OF OBLIGATED SERVICE UNDER SCHOLARSHIP PROGRAM.

Section 4142(e)(1)(B)(iv)(I) is amended by striking out the parenthetical phrase and inserting in lieu thereof "(or, in the case of a participant who is a part-time student, six months for each calendar year, or part of a calendar year, for which the participant was provided a scholarship, with an academic semester or quarter to be counted in only one calendar year).

SEC. 9. ANNUAL REPORT ON FACILITES CONSTRUCTION.

Section 5007(a) is amended by inserting after "Administrator" both places it appears the following: "based on the facility plans and recommendations of the Chief Medical Director".

SEC. 10. REVISION OF STATE HOME CONSTRUCTION GRANT PROGRAM.

(a) AUTHORIZATION OF APPROPRIATIONS.—Subsection (a) of section 5033 is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the Administrator for grants under this section amounts as follows:

"(A) The sum of $50,000,000 for fiscal year 1987.

"(B) The sum of $60,000,000 for fiscal year 1988.

"(C) The sum of $65,000,000 for fiscal year 1989.

"(2)(A) The Administrator shall submit each year to the Committees on Veterans' Affairs of the Senate and House of Representatives a report concerning the operation of this section during the preceding and current fiscal year.

"(B) Each such report shall include—

"(i) a list of those States that have submitted materials to the Administrator that the Administrator considers to be a preapplication for a grant under this subchapter and for which a grant has not been made; and

"(ii) the Administrator's recommendations as to the relative priority to be given to each project for which such a preapplication had been received.

"(2) Each report under this subsection for a fiscal year shall be submitted at the same time that the President's budget for the next fiscal year is submitted to Congress.".

(b) PRIORITY OF GRANTS.—Section 5035(b) is amended by adding at the end the following new paragraph:

"(3) In considering applications under this section, the Administrator shall accord priority for approval to an application from a State—

"(A) that has made sufficient funds available for construction (or acquisition) of the State home facility for which the grant is requested so that such construction or acquisition may proceed upon approval of the grant without further action required by the State to make such funds available for such purpose; or

"(B) that does not have a State home facility constructed (or acquired) with assistance under this subchapter (or for which such a grant has been made).".

(c) REPEAL OF LIMIT ON GRANTS TO ANY STATE.—Section 5035(d) is amended—

(1) by striking out "(1)"; and

(2) by striking out paragraph (2).

(d) TECHNICAL AMENDMENT.—Section 5031 is amended by redesignating paragraphs (a), (b), (c), and (d) as paragraphs (1), (2), (3), and (4), respectively.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1986.

SEC. 11. IONIZING RADIATION REGISTRY.

(a) ESTABLISHMENT OF REGISTRY.—The Administrator of Veterans' Affairs shall maintain a special record to be known as the "Ionizing Radiation Registry" (hereinafter in this section referred to as the "Registry").

(b) CONTENT OF REGISTRY.—The Registry shall include the following information:

(1) A list containing the name of each veteran who was exposed to ionizing radiation under the conditions described in section 610(e)(1)(B) of title 38, United States Code, and—

(A) who has applied for hospital or nursing home care from the Veterans' Administration under such title;

(B) who has filed a claim for compensation under chapter 11 of such title on the basis of a disability which may be associated with the exposure to ionizing radiation; or

(C) who has died and is survived by a spouse, child, or parent who has filed a claim for dependency and indemnity compensation under chapter 13 of such title on the basis of the exposure of such veteran to ionizing radiation.

(2) Medical data relating to each veteran listed in the Registry, including—

(A) the veteran's medical history, latest health status recorded by the Veterans' Ad-

ministration, physical examinations, and clinical findings; and

(B) a statement describing birth defects, if any, in the natural children of the veteran.

(3) Data on claims for the compensation referred to in paragraph (1), including decisions and determinations of the Veterans' Administration relating to such claims.

(4) An estimate of the dose of radiation to which each veteran listed in the Registry was exposed under the conditions described in section 610(e)(1)(B) of such title.

(c) CONSOLIDATION OF EXISTING INFORMATION.—For the purpose of establishing and maintaining the Registry, the Administrator shall compile and consolidate—

(1) relevant information maintained by the Department of Veterans' Benefits and the Department of Medicine and Surgery of the Veterans' Administration,

(2) relevant information maintained by the Defense Nuclear Agency of the Department of Defense; and

(3) any relevant information maintained by any other element of the Veterans' Administration or the Department of Defense.

(d) DEPARTMENT OF DEFENSE INFORMATION.—The Secretary of Defense shall furnish to the Administrator such information maintained by the Department of Defense as the administrator considers necessary to establish and maintain the Registry.

(e) OUTREACH.—The Administrator (in cooperation and consultation with appropriate public and private agencies, organizations, and institutions) shall, to the maximum extent feasible, seek out veterans who participated in the testing of atomic and nuclear weapons or devices, as well as those who participated in the occupation of Hiroshima and Nagasaki, Japan, and provide them with information regarding the Registry.

(f) DEFINITION.—For the purpose of this section, the term "veteran" has the meaning given that term in section 101(2) of title 38, United States Code, and includes a person who died in the active military, naval, or air service.

(g) EFFECTIVE DATE.—The Registry shall be established not later than 180 days after the date of the enactment of this Act.

SEC. 12. PILOT PROGRAM ON HOSPITAL MANAGEMENT EFFICIENCY.

(a) ESTABLISHMENT OF PROGRAM.—The Administrator shall carry out a pilot program to determine the effect of the authorities provided by this section on the efficiency and economy of the management of Veterans' Administration medical centers.

(b) DESIGNATION OF MEDICAL CENTERS.—The Administrator shall designate five medical centers to participate in the pilot program. The Administrator shall consult with the Committee on Veterans' Affairs of the Senate and House of Representatives before making such designation.

(c) MANAGEMENT EFFICIENCY.—The Director of a medical center designated under subsection (b) may waive or alter such laws and regulations applicable to the management and administration of the medical center (insofar as such laws and regulations apply to such medical center) as may be authorized by the Administrator in order to improve the efficiency and economy of such medical center.

(d) PRESERVATION OF FACILITY BUDGET.—The Administrator shall ensure that a medical center designated under subsection (b) does not incur a reduction in its budget during the period of the pilot program due to any improved efficiency or economy of operation achieved by the director of the medical center attributable to the authority provided such director under this section.

(e) REPORTS.—The Administrator shall submit to Congress an annual report on the pilot program under this section.

(f) DURATION OF PROGRAM.—The pilot program under this section shall expire on September 30, 1989.

SEC. 13. PROHIBITION ON DECLARING CERTAIN VETERANS' ADMINISTRATION REAL PROPERTY TO BE EXCESS.

(a) PROHIBITION.—The Administrator of Veterans' Affairs may not declare as excess as needs to the Veterans' Administration, or otherwise take any action to dispose of, the real property described in subsection (b). If on the date of the enactment of this Act any such property is under the jurisdiction of an agency of the United States other than the Veterans' Administration, such property shall be transferred to the Veterans' Administration.

(b) DESCRIPTION OF PROPERTY.—The property referred to in subsection (a) is certain land and improvements as the Veterans' Administration Medical Center, West Los Angeles, California (consisting of approximately 80 acres) and at the Veterans' Administration Medical Center, Sepulveda, California (consisting of approximately 31.8 acres), and more particularly described in letters (and enclosed maps) transmitted by the Administrator to the Chairman of the Committees on Veterans' Affairs of the Senate and House of Representatives pursuant to section 5022(2) of title 38, United States Code, in June 1986.

SEC. 14. REPEAL OF CERTAIN VETERANS' ADMINISTRATION REPORT REQUIREMENTS.

(a) CONTRACT DENTAL CARE JUSTIFICATION.—Section 612(b) is amended by striking out paragraph (4).

(b) EXCHANGE OF MEDICAL INFORMATION PROGRAM.—Section 5057 is amended—

(1) by striking out "separate reports" and inserting in lieu thereof "a report"; and

(2) by striking out "sections 5053 and 5054 of this subchapter, each report to" and inserting in lieu thereof "section 5053 of this title. Each such report shall".

SEC. 15. TECHNICAL AMENDMENT.

Section 610(a)(1)(C) of title 38, United States Code, is amended by inserting "who is in receipt of, or" after "veteran".

SEC. 16. OUTPATIENT CLINIC, NEW JERSEY.

The Administrator of Veterans' Affairs shall establish and operate, as part of the Department of Medicine and Surgery of the Veterans' Administration, an outpatient clinic in central or southern New Jersey.

The SPEAKER pro tempore. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. MONTGOMERY] will be recognized for 20 minutes and the gentleman from Arkansas [Mr. HAMMERSCHMIDT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to pay special tribute to the distinguished gentleman from Pennsylvania, the very able chairman of our Subcommittee on Hospitals and Health Care, Mr. EDGAR, for getting this measure to the House floor for consideration. Under his dynamic leadership for the past several years, veterans' health care has been improved substantially. Due to his untiring efforts, bill after bill has been passed by the Congress and enacted into law providing benefits for many years to come for many deserving, needy veterans. BOB EDGAR cares for veterans and he has demonstrated time and time again his commitment to their health and well-being. I know of few Members in the House who have helped veterans more than the gentleman from Pennsylvania [Mr. EDGAR]. He has protected the health care budget, he has demanded that facilities be kept up-to-date and he has insisted that our veterans' hospitals be at the forefront in providing quality health care. I am grateful for the leadership he has provided for the past several years as chairman of the subcommittee.

I want to thank the gentleman from Arkansas [Mr. HAMMERSCHMIDT], the ranking minority member of the subcommittee and the full committee. The quality of health care provided veterans would not be what it is today without the good work of the gentleman from Arkansas.

I also want to commend LANE EVANS of Illinois, Dr. ROY ROWLAND of Georgia, and Mr. HAMMERSCHMIDT for their outstanding leadership and hard work provided on behalf of veterans exposed to ionizing radiation. This bill reflects the work of many members of the subcommittee and I am grateful to all of them.

In general, the provisions in this bill are intended to aid the VA in achieving more efficiency from its resources while maintaining the high quality of health care that is delivered for our veterans.

The several provisions contained in this bill are described in detail in the report accompanying it. I will not take up the time of my colleagues to describe them all now. However, there are a few items that I would like to stress.

First, this bill would again this year provide clear statutory authority for the VA to furnish respite care in VA health facilities on a prearranged basis to chronically ill veterans in order to provide brief periods of rest to caregivers in the veteran's household. This is the same provision that we passed last year in the committee and in the House. However, it was lost in conference with the Senate. It is a good idea and we need to try again with our Senate colleagues.

This bill would make permanent the VA's regional medical education program. During its 9 years of operation,

this continuing medical education program has clearly demonstrated its value in meeting the education and training needs of the VA medical staff. The changes in this program would allow the VA to use modern technology and allow such ideas as "remote" classes for geographically isolated VA medical staff.

This bill would also prohibit the VA from declaring as excess real property at the West Los Angeles and Sepulveda VA Medical Centers. Testimony at committee hearings and visits by members and staff of the Committee on Veterans' Affairs and by members of the California congressional delegation have all provided no evidence to support the notion of disposing of this land. You know, Mr. Speaker, we are not manufacturing any more land in our country. We need to be cautious in changing the uses of the land we have. We need to carefully think about the future uses of the land based on valid and compelling factors.

The measure before us would extend the Psychological Readjustment Counseling Program (Outreach centers) 1 additional year. It would move the expiration date from fiscal year 1988 to fiscal year 1989.

The bill would require the Veterans' Administration to establish a registry for veterans exposed to ionizing radiation.

The last provision I would like to emphasize concerns the State Veterans' Home Program. The bill would extend for 3 years the authority to provide grants to States for State veterans' homes. This is a popular and cost effective way to provide nursing homes and domiciliaries for veterans. It's good for the State since the State shares the cost with the VA. It's good for the VA. It's good for our veterans. My own State of Mississippi is getting its first State veterans' home this year. The bill would give priority for grants to other States which have no State home and it would give priority for grants to States which have appropriated the State share of the cost of the State home.

Mr. Speaker, today more than ever, we need to get as much out of each dollar as possible. This bill contains provisions that will help the VA to do just that and continue providing care of the highest quality in the most efficient manner for our Nation's veterans. I hope my colleagues will join me in supporting this measure.

□ 1300

Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California [Mr. BEILENSON].

Mr. BEILENSON. Mr. Speaker, I want to take this opportunity to commend our colleague, the distinguished gentleman from Mississippi [Mr. MONTGOMERY] for his untiring efforts on behalf of the veterans of this Nation and more specifically today to thank him on behalf of the residents of the 23d Congressional District in Los Angeles, whom I represent, and on behalf of the veterans of Los Angeles County.

Included in H.R. 4623, as the gentleman earlier said, is a provision that would block the sale of 80 acres of federally owned land around the VA Medical Center in Westwood, Los Angeles, a sale that the Reagan administration unwisely recommended in its 1987 budget as a way to reduce the Federal deficit.

Mr. MONTGOMERY realized immediately the serious impact this sale would have on the increasing number of veterans who will need care in the future, and introduced legislation, cosponsored by the gentleman from California and several others also from the State of California, to block the sale. He called hearings so that Federal, State, and local representatives could testify about the impact of the sale on the area. In fact, Westside and Westwood residents and their government representatives stand in united opposition to the proposed sale because the loss of this land would be so detrimental to both the veterans themselves and the community in whose midst these deserving men and women are cared for.

The people of Los Angeles are grateful to the gentleman from Mississippi [Mr. MONTGOMERY] for working to save this land for future VA expansion and to retain this open space in the heart of a fast-growing area.

Mr. Speaker, I rise in strong support of the gentleman's legislation.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4623, and urge its passage by the House.

Mr. Speaker, this bill and matters related to it have been the subject of extensive consideration by the Subcommittee on Hospitals and Health Care of the House Veterans' Affairs Committee.

H.R. 4623 is designed to improve the Veterans Administration Medical Program. One of its principal provisions gives VA clear authority to provide respite care to seriously ill patients. Thus, those who have been caring for the veteran in a noninstitutional setting would have occasional periods of relief from the stress and strains of giving such care.

Mr. Speaker, the House has previously acted on this question and we do so again in the hope that our colleagues in the other body will join with us in a timely worthwhile endeavor.

Mr. Speaker, our chairman has explained the provisions of the entire bill before us, and I need not repeat the details of it. Just briefly then, the bill:

Extends authority for medical care in the Philippines for 3 years.

Strengthens VA's internal procedures for certain disciplinary actions.

Improves procedures for VA's required study of pay comparability.

Improves VA's regional Medical Education Program and its Health Professional Scholarship Program.

Improves VA's sharing endeavor with the Department of Defense and changes certain procedures with respect to the construction of State homes.

Mr. Speaker, another provision of H.R. 4623 is deserving of special comment. Chairman MONTGOMERY and I have sponsored the idea of VA conducting a test program designed to determine if selected directors of VA medical facilities can manage those facilities more efficiently and effectively if they are left at least partially unfettered by voluminous rules and regulations. The idea is generally approved by the Veterans Administration and it is something we need to try and I am pleased to heartily endorse it.

Mr. Speaker, this bill also speaks to the proposed disposal of certain land at VA medical centers in California and would prohibit the disposal. Our committee has often looked askance at such proposals because we believe that such land ought to stay in VA's hands for possible future use.

Mr. Speaker, another key provision of H.R. 4623 concerns the establishment of a VA outpatient clinic in central or southern New Jersey. Such a clinic has long been on the drawing board at VA, but never seems to quite get off the ground. It is vitally needed and has been amply justified. In this connection, I comment our colleagues, Mr. SMITH and Mr. FLORIO of New Jersey who have exercised great diligence with respect to this matter.

On other specific mention needs to be made about one of the bill's provisions. It requires the VA to establish and maintain for possible later use a centralized register of names of veterans who have filed claims associated with exposure to ionizing radiation during World War II or during the tests conducted thereafter. This is a noteworthy amendment to H.R. 4623 which is deserving of our support.

Mr. Speaker, there are several other matters that are included in H.R. 4623. They are each proposed in the spirit of improving VA medical care for veterans.

The bill is very modest in cost. It has been carefully crafted after much study and deliberation. I commend the chairman of the House Veterans' Affairs Committee, Mr. MONTGOMERY, for his work on the bill, and I commend the gentleman from Pennsylvania, Mr. EDGAR, for his excellent stewardship

on the bill in his capacity as chairman of the Subcommittee on Hospitals and Health Care.

Mr. Speaker, I urge all my colleagues to support this bill.

□ 1310

Mr. Speaker, I reserve the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, I yield 2 minutes to the dean of the California delegation and also the dean of the Committee on Veterans' Affairs, the gentleman from California [Mr. EDWARDS].

Mr. EDWARDS of California. I thank the gentleman for yielding, the distinguished chairman of the Committee on Veterans' Affairs of the House of Representatives for his gracious introduction.

We in California, that is all 45 of us, Republicans and Democrats, are very grateful to the gentleman from Mississippi, the chairman of the committee, and the ranking Republican member of the committee, Mr. HAMMERSCHMIDT, and indeed the staff and all the Members who participated in this saving, for California and for California veterans, of this 80 acres of valuable grounds in Los Angeles, in the congressional district of our colleague and distinguished Member, Mr. BEILENSON, from being sold and someday having to buy it back.

It would be a very unwise thing to do, Mr. Chairman, to sell any property owned by the Veterans Administration in Los Angeles or in any urban area of California and indeed of any other State. We are going to need that land. We have hundreds of thousands of veterans who we are going to have to take care in the future, and this land and the land elsewhere in the country is very important; and I really compliment the committee and the leadership of the committee for taking the initiative and putting this important restriction in the legislation.

Mr. Speaker, I urge my colleagues to support this legislation.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of California. I yield to the distinguished chairman of the committee, the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. I thank the gentleman for yielding.

Let me say to the gentleman, Mr. Speaker, that there is also another piece of land in California, that is precluded from being sold, another 36 acres. So certainly, two pieces of valuable land on veterans hospital grounds are being anticipated being sold, and we certainly hope this legislation will be passed in the Senate and then signed by the President, which would block the sale of this valuable, valuable land in California.

Mr. EDWARDS of California. I thank the chairman. And I say "amen" to whatever he said. The gentleman offers splendid leadership in the committee. This is just another example of the fine things that this committee does.

Mr. Speaker, I yield back the balance of my time.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 3 minutes to a very valuable member of our committee, the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. I thank the gentleman for yielding me this time. I rise in strong support of H.R. 4623. I believe this legislation will greatly improve the delivery of healthcare services by the Veterans' Administration and urge my colleagues to support it as well.

I believe Mr. MONTGOMERY and Mr. HAMMERSCHMIDT have ably explained the reasons for the reforms H.R. 4623 seeks to enact. I too believe these amendments will make needed improvements in the VA's ability to carry out its mission to treat our veterans.

I would simply like to take a few minutes to explain section 16 of the bill which requires the VA to establish and operate an outpatient clinic in central or southern New Jersey.

The inclusion of this provision in H.R. 4623 which I offered during markup in committee is the product of more than 3 years of seeking to improve the availability of medical care to veterans in my home State of New Jersey. In its assessment of its health care delivery system in VA Medical District IV, Ocean County, NJ, emerged as the No. 1 priority for establishing a satellite outpatient clinic. I am happy to say that the proposal to establish this clinic has since received level III approval by the VA.

Such a clinic Mr. Speaker would provide minor surgery, fill pharmaceutical needs and provide local diagnostic services for veterans in Ocean, Monmouth, Burlington, Mercer, and Atlantic Counties. In 1984, the VA estimated an Ocean County satellite outpatient clinic would receive approximately 52,000 service-connected disabled patients per year. This study carefully documented the need for better access to medical care for the New Jersey veteran.

Mr. Speaker, many elderly or severely disabled veterans have infirmities which prohibit them from driving or finding suitable public transportation to travel to obtain medical treatment at the other VA facilities in my State. The fact of the matter is that veterans must travel long distances to receive outpatient care at the VA hospitals located at East Orange, Lyons, Philadelphia or the VA clinic in Newark.

Veterans in central and south Jersey must travel some 2 hours each way to utilize veterans services. That means 2 hours of travel time, followed by a 3- to 6-hour wait at the clinics, and then the long drive home again. The veteran loses an entire day by seeking treatment at a VA facility. Because of age, disabilities and distance from VA facilities, many veterans are simply having to turn elsewhere for health care.

Over 100,000 veterans live within the Ocean and Monmouth County area fully 30 percent of the population of Ocean County is comprised of senior citizens. Mr. Speaker, we are all familiar by now with the VA report on caring for the aging veteran. We know that the population of veterans over 65 who will be eligible for free VA medical care will double in the next 5 years.

If we are unable to meet the current health needs of these veterans, how will we deal with an even greater number of eligible veterans 5, 10, or 15 years down the road?

The answer, Mr. Speaker, lies within H.R. 4623. A satellite outpatient clinic in central or southern New Jersey will go a long way toward meeting the VA's obligation to provide quality, accessible health care to veterans, particularly those with service-connected disabilities.

This legislation was approved by our committee not just to meet the current unmet demand for VA medical services, but to prepare for the future. The dollars we spend to establish this clinic will provide valuable health care to a most distinguished group of Americans, our veterans.

I would also like to take this opportunity to express my sincere thanks to the distinguished chairman of the Veterans' Affairs Committee, Mr. MONTGOMERY, for his leadership and commitment to our veterans. In 1985, Mr. MONTGOMERY visited New Jersey where many of our veterans expressed their frustration with the lack of adequate VA medical care. I am grateful to the ranking Republican on our committee, Mr. HAMMERSCHMIDT, who has backed me up on the need for the clinic time and time again and I thank subcommittee chairman, Mr. EDGAR, for his support as well.

Mr. Speaker, I urge my colleagues to vote in favor of H.R. 4623.

Mr. Speaker, I yield back the balance of my time.

Mr. EDGAR. Mr. Speaker, I rise in support of H.R. 4623. It has several provisions which are intended to aid the VA in carrying out the delivery of medical services in an effective and efficient way. In these days of special fiscal awareness, we here in this body and those dedicated civil servants in the Veterans' Administration must take care to deliver the highest quality service with the dollars that are devoted to VA medical care. I believe this bill will be of help in those endeavors.

First, the bill would provide clear statutory authority to furnish respite care in VA health facilities on a prearranged basis to chronically ill veterans in order to provide brief periods of

rest to caregivers in the veteran's household. This is the same provision that we passed last year in the committee and in the House. However, it was lost in conference with the Senate. It is still a good idea and we need to try again with our Senate colleagues.

Second, this amendment would extend the authority to provide grants to States for the construction, renovation, or acquisition of State veterans home facilities. The State home program is a good one. We have State homes in Pennsylvania that are serving veterans in a great way. This program is good for the States and it is good for the VA as well. We all talk alot about the demand for extended care beds for our aging veterans. Well, Mr. Speaker, this program provides them in a very cost effective way. In addition to extending the program, it would authorize up to $50 million in fiscal year 1987, up to $60 million in fiscal year 1988, and up to $65 million for fiscal year 1989. In addition, it would remove the restriction that no one State may receive in any fiscal year more than one-third of the amount appropriated in that fiscal year for grants. It would give priority for grants to States that have appropriated their share of the project, such as Pennsylvania. It would also give priority for grants to States that have no State homes.

Mr. Speaker, this bill also would extend by 1 year, from October 1, 1988, to October 1, 1989, the date for transition of readjustment counseling from a program operating primarily in vet centers to a program operating primarily in traditional VA facilities. The vet center program, as you know, has been a successful program of providing psychological counseling for veterans of the Vietnam era and these services have been provided at locations in the community and away from the other VA medical facilities.

At the subcommittee markup on June 19, 1986, a proposal to extend the transition date by 2 years was defeated by the subcommittee. However, I believe, together with my colleague Mr. THOMAS RIDGE of Pennsylvania, that the reasons for extending the program in its current configuration are so compelling to have justified again raising the issue at the full committee markup. The full committee passed this measure for the following reasons.

The $3 million readjustment study of Vietnam era veterans due to be completed this fall has been delayed for about a year. This is the study that our committee approved and the Congress mandated to be conducted to survey the readjustment needs of the Vietnam veteran population. The law is very specific in requiring the VA to use the results of this study in its evaluation of the effectiveness of all readjustment counseling services. This evaluation is required to be completed and sent to the Congress no later than April 1, 1987. The readjustment study is also required by law to be used in a report on the transition of vet centers which is due to the Congress by July 1, 1987.

Without the results of the readjustment study of Vietnam veterans neither the administrator nor our committee can or should make any recommendation about the future of the vet centers. Therefore, I believe that extending both of the reporting datas I mentioned previously and the transition date for the vet center program, from fiscal year 1988 to fiscal year 1989 is justified. The committee also believed this provision to be justified and I hope all of my colleagues will support it in this bill.

The bill would also establish a pilot program to improve hospital management efficiency by authorizing the waive of certain laws and regulations applicable to the management and administration of medical centers. The report accompanying the bill goes into some detail about this pilot program. There are some other observations about the intent of the subcommittee and the full committee regarding this bill.

Specifically, the committee does not intend to foreclose the careful review of other provisions to gauge the merits of waiving or altering restrictions under this legislation. By way of illustration, this legislation is drafted to permit the waiver of such provisions as the restriction in section 409 of the Department of Housing and Urban Development-Independent Agencies Appropriations Act, 1986 (Public Law 99-160). That section states that no part of any appropriation contained in the act for personnel compensation and benefits shall be available for other object classifications. This limitation has its genesis in past actions involving a pattern of expenditures which the Appropriations Committee viewed as imprudent. This committee understood the basis for imposing that restriction and for the need to impose safeguards against unwarranted expenditures. In weighing the merits of authorizing this pilot program, the committee believes medical center directors should be given the pilot authority to waive this restriction—and relieve those facilities from FTEE controls—in the interest of examination of the efficiency and economy so as to permit medical center directors to exercise sound judgment regarding the use of personnel dollars for other medical care needs. The committee underscores its intent, however, that medical center directors participating in this pilot project would keep a careful, detailed accounting of how moneys are spent. Thus, while such waivers would free participants of certain constraints, this pilot does not envision a freewheeling, uncontrolled venture. Participating directors will necessarily be tasked to exercise the utmost care and prudence, and to justify the soundness of their decisionmaking.

The committee anticipates that the directors would also wish to consider waiving certain other appropriation act limitations, such as section 401 of that act, which provides that expenditures for travel expenses, other than travel performed directly in connection with the provision of VA care, may not exceed the amounts set forth for that purpose in the budget estimates submitted for the appropriations. The committee generally shares the judgment that there is a particular need to control the expenditure of dollars devoted to agency travel. Nevertheless, that limitation may result in VA's incurring unanticipated, unnecessary additional costs. For example, with modern medicine's growing dependence of high technology equipment has come the need to expend moneys on maintenance and repair. Although VA medical centers have biomedical engineers on staff, in most cases such personnel must undergo specialized training to learn to maintain complex new equipment. Stringent travel limitations can make it impossible to arrange such training, and have the effect of forcing a medical center to enter into a very costly maintenance contract instead. Conversely, having the flexibility to authorize such valuable employee travel, pursuant to the exercise of waiver authority, can greatly reduce VA's contracting costs.

Under section 404 of that act, no part of the medical care appropriation may remain available for obligation beyond the current fiscal year. Further section 1502 of title 31 generally requires that an appropriation limited for obligation to a definite period is available only for the payment of expenses properly incurred during that period unless authorized by law for expenditures during a longer period. This committee recognizes that the nature of a 1-year budget and limitations on fourth-quarter spending create certain disincentives to sound fiscal management. For example, rational managers under the current system may find it necessary to stockpile essential supplies such as x-ray film in the third quarter of a fiscal year. In light of the potential for such management practices, the directors may wish to provide a mechanism based on program need rather than time constraints. These medical centers could then purchase supplies, for example, when needed, and avoid tying up moneys in inventory. Thus, for the purpose of this experiment, the committee believes there is merit to a limited waiver of the application of section 404 of the act and section 1502 of title 31. Thus, the committee would see merit in permitting some limited percentage of funds which had been made available to each of the five participating medical centers from the medical care appropriation and which are unspent at the end of the fiscal year to remain available for obligation by each of the five medical centers during the next fiscal year. Such a waiver would permit medical centers to make decisions on the basis of program need.

The reported bill is intended to grant, to medical centers involved in the pilot project, greater flexibility in their use of the funds normally made available to them by the Department of Medicine and Surgery. The committee does not intend that the operations of the pilot medical centers will be funded at the expense of other DM&S facilities or that the operation of the pilot project will require an increase in the total medical care appropriation for any fiscal year. Moreover, the pilot project authority is not intended to, and would not, waive the Antideficiency Act to the extent that it prohibits agency expenditures in excess of its total medical care appropriation. Currently, however, under title 31, United States Code, and the regulations of the Office of Management and Budget and the VA, funds from the medical care appropriation are apportioned to the agency and allotted to the Department of Medicine and Surgery under limitations pertaining to amount, time, and in some instances, purpose. Pursuant to the regulations, any violation of such apportionment or allotment limitations is treated as a violation of the Antideficiency Act. The waiver authority would excuse the pilot centers from compliance with these types of limitations. In the medical cen-

ters' exercise of their greater flexibility in the use of funds available to them during the year, they may, for example, cause the agency to exceed a particular apportionment or allotment, for a fiscal year quarter, while not causing the VA to obligate an amount in excess of the total amount available in the medical care appropriation. For this reason, the committee intends that the exceeding of a particular apportionment or allotment limitation under title 31 which is attributable to the pilot project medical centers shall not be deemed a violation of the Antideficiency Act.

At the same time, the committee intends that the pilot medical centers should not incur a reduction in their budget allocations during the period of the program due to any improved efficiency or economy of operation achieved by the director attributable to the authority provided such director under this section. The reported bill contemplates the waiver of procedural regulations, as well as laws, in the pilot project. In providing such authority, the committee does not intend that the agency would be required to publish such waivers under the Administrative Procedure Act, including the Freedom of Information Act. Indeed, requiring the publication of such waiver would tend to frustrate the flexibility necessary to the pilot project.

In addition, the committee anticipates that the pilot directors would examine constraints on medical center management which are not based on either law or regulation, including waiving procedural limitations set by other agencies.

In a related area, the Appropriations Committees have long directed the VA to achieve an assigned FTEE level. Although this directive does not have the force and effect of law, the VA has respected the directive and internally has required medical centers to meet assigned ceiling levels. For purpose of this pilot program, however, the VA would be freed from full adherence to the assigned FTEE level to the extent that the five pilot medical centers would be freed from meeting assigned ceiling levels.

In ordering the bill reported, the committee underscores its intent that the purpose of this pilot program is to test whether increased management flexibility would improve the efficiency and economy of the operation of VA medical centers. This measure is intended to authorize the establishment of a decisionmaking environment for the period of the pilot program within which VA managers improve productivity and achieve efficiences to enable them to provide better service to VA patients.

The committees intend that the program should be monitored on an ongoing basis by the Administrator of Veterans' Affairs with annual status reports provided to the committees. In addition, the Administrator shall prepare and submit a final evaluation report to the committees within 120 days of completion of the pilot program.

Mr. Speaker, the bill would authorize the extension of the authority to provide medical care in the Republic of the Philippines for 3 years until September 30, 1989. The policy underlying this authority began in 1948.

The bill would extend from 2 years to 4 the interval for the VA report on pay comparability for VA physicians and dentists. Collection and analysis of data for the report takes so long that 2 years does not allow enough time to file the report in a timely way.

The bill would make permanent the VA's regional medical education program. During the 9 years of its operation, this continuing medical education program has clearly demonstrated its value in meeting the diverse education and training needs of the VA.

The bill would also change the method for calculating the period of obligated service required of certain participants in the VA's health professional scholarship program. This is a technical change that would only affect participants who attend school on a part-time basis and would require 6 months of service as a full-time employee for each calendar year or part of a calendar year in which the participant received scholarship support.

The bill would prohibit the VA from declaring as excess or taking any other action to dispose of real property at the West Los Angeles VA Medical Center and the Sepulveda VA Medical Center. The bill would repeal the statutory requirements for reports to justify contract dental expenditures and to review the exchange of medical information program. These programs are so small that the expense of report preparation are no longer justified.

The bill would require the VA to establish and operate an outpatients clinic in central or southern New Jersey.

Mr. Speaker, this is a good bill and I urge my colleagues to support it.

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Again, Mr. Speaker, I would like to thank Mr. EDGAR and also Mr. HAMMERSCHMIDT and the other members of the committee for their hard work, and I ask full support of this legislation and point out, Mr. Speaker, that on the majority leader's table here there are blue sheets that explain in further detail and in full the bills which we are acting on here today.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. GRAY of Illinois). The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 4623, as amended.

The question was taken.

Mr. HAMMERSCHMIDT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

CHILDREN'S JUSTICE AND ASSISTANCE ACT OF 1986

Mr. WILLIAMS. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 140) to amend the Child Abuse Prevention and Treatment Act to establish a program to encourage States to enact child protection reforms which are designed to improve legal and administrative proceedings regarding the investigation and prosecution of the child abuse cases, especially child sexual abuse cases, as amended.

The Clerk read as follows:

S. 140

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Children's Justice and Assistance Act of 1986".

TITLE I—CHILDREN'S JUSTICE

SEC. 101. SHORT TITLE.

This title may be cited as the "Children's Justice Act".

SEC. 102. CHILDREN'S JUSTICE GRANT.

(a) GRANT AUTHORIZATION.—Section 4 of the Child Abuse Prevention and Treatment Act (hereafter in this title referred to as "the Act") is amended—

(1) by redesignating subsections (d), (e), (f), and (f) (the second time such designation appears), as subsections (e), (f), (g), and (h), respectively; and

(2) by inserting after subsection (c) the following new subsection:

"(d)(1) The Secretary (acting through the Center and in consultation with the Attorney General) is authorized to make grants to the States for the purpose of assisting States in developing, establishing, and operating programs designed to improve (A) the handling of child abuse cases, particularly cases of child sexual abuse, in a manner which limits additional trauma to the child victim, and (B) the investigation and prosecution of cases of child abuse, particularly child sexual abuse.

"(2) In order for a State to qualify for assistance under this subsection, such State shall—

"(A) fulfill the requirements of subsections (b)(2) and (4) or receive a waiver of such requirements under subsection (b)(3);

"(B) establish a task force as provided in paragraph (3);

"(C) fulfill the requirements of paragraph (4); and

"(D) submit an application to the Secretary at such time and containing such information and assurances as the Secretary considers necessary, including an assurance that the State will make such reports to the Secretary as may reasonably be required and will maintain and provide access to records relating to activities under this subsection.

"(3)(A) Except as provided in subparagraph (B), a State requesting assistance under this subsection shall establish or designate a multidisciplinary task force on children's justice (hereinafter referred to as "the task force") composed of professionals with knowledge and experience related to the criminal justice system and issues of child abuse. The task force shall include individuals representing the law enforcement community, judicial and legal officers (including individuals involved with the de-

fense as well as the prosecution of such cases), child advocates, health and mental health professionals, individuals representing child protective service agencies, individuals experienced in working with handicapped children, parents, and parents groups.

"(B) As determined by the Secretary, a commission or task force established after January 1, 1983, with substantially comparable membership and functions, may be considered the task force for the purposes of this subsection.

"(C) Before a State receives assistance under this subsection, the task force shall (i) review and evaluate State investigative, administrative, and judicial handling of cases of child abuse, particularly child sexual abuse, and (ii) make recommendations in each of the categories described in paragraph (4). The task force may make such other comments and recommendations as are considered relevant and useful.

"(4)(A) Subject to the provisions of subparagraph (B), the State shall adopt recommendations of the task force in each of the following categories:

"(i) investigative, administrative, and judicial handling of cases of child abuse, particularly child sexual abuse cases, in a manner which reduces the additional trauma to the child victim and which also ensures procedural fairness to the accused;

"(ii) experimental, model, and demonstration programs for testing innovative approaches and techniques which may improve the rate of successful prosecution or enhance the effectiveness of judicial and administrative action in child abuse cases, particularly child sexual abuse cases, and which also ensure procedural fairness to the accused; and

"(iii) reform of State laws, ordinances, regulations, and procedures to provide comprehensive protection for children from abuse, particularly sexual abuse, while ensuring fairness to all affected persons.

"(B) As determined by the Secretary, a State shall be considered to be in fulfillment of the requirements of this paragraph if—

"(i) the State adopts an alternative to the recommendations of the task force, which carries out the purposes of this subsection, in each of the categories under subparagraph (A) for which the task force's recommendations are not adopted; or

"(ii) the State is making substantial progress towards adopting the recommendations of the task force or a comparable alternative to such recommendations.

"(5) For grants under paragraph (1), the Secretary shall use the amount authorized by section 1404A of the Victims of Crime Act of 1984.".

(b) CRIME VICTIMS FUND.—(1) Section 1402(c)(1) of the Victims of Crime Act of 1984 (42 U.S.C. 10601(c)(1)) is amended by striking out "$100 million" and inserting in lieu thereof "$110 million".

(2) Section 1402(d)(2) of such Act is amended to read as follows:

"(2) The Fund shall be available as follows:

"(A) Of the first $100,000,000 deposited in the Fund in a particular fiscal year—

"(i) 49.5 percent shall be available for grants under section 1403;

"(ii) 45 percent shall be available for grants under section 1404(a);

"(iii) 1 percent shall be available for grants under section 1404(c); and

"(iv) 4.5 percent shall be available for grants as provided in section 1404A.

"(B) The next $5,500,000 deposited in the Fund in a particular fiscal year shall be available for grants as provided in section 1404A.

"(C) Any deposits in the Fund in a particular fiscal year in excess of $105,500,000 shall be available for grants under section 1404(a).".

(3) The Victims of Crime Act of 1984 is amended by inserting after section 1404 the following new section:

"CHILD ABUSE PREVENTION AND TREATMENT GRANTS

"SEC. 1404A. Amounts made available by section 1402(d)(2) for the purposes of this section shall be obligated and expended by the Secretary of Health and Human Services for grants under section 4(d) of the Child Abuse Prevention and Treatment Act. Any portion of an amount which is not obligated by the Secretary by the end of the fiscal year in which funds are made available for allocation, shall be reallocated for award under section 1404(a), except that with respect to funds deposited during fiscal year 1986 and made available for obligation during fiscal year 1987, any unobligated portion of such amount shall remain available for obligation until September 30, 1988.".

(4) Section 1404(c) of the Victims of Crime Act of 1984 is amended by striking out "(c)" and all that follows through "The Federal Administrator shall—" in paragraph (3) and inserting in lieu thereof the following: "(c)(1) The Attorney General, acting through the Assistant Attorney General for the Office of Justice Programs, shall make grants—

"(A) for training and technical assistance services to eligible crime victim assistance programs; and

"(B) for the financial support of services to victims of Federal crime by eligible crime victim assistance programs.

"(2) Of the amount available for grants under this subsection—

"(A) not less than 50 percent shall be used for grants under paragraph (1)(A); and

"(B) not more than 50 percent shall be used for grants under paragraph (1)(B).

"(3) The Assistant Attorney General for the Office of Justice Programs shall—".

(5) Section 1404(a)(1) of the Victims of Crime Act of 1984 is amended by striking out "not used for grants under section 1403" and all that follows through "subsection (c)" and inserting in lieu thereof "made available by section 1402(d)(2) for the purpose of grants under this subsection, or for the purpose of grants under section 1403 but not used for that purpose".

SEC. 103. THE NATIONAL CENTER ON CHILD ABUSE AND NEGLECT.

(a) STUDIES AND REPORTS.—Section 2(b) of the Act is amended—

(1) by redesignating paragraphs (2), (3), (4), (5), (6), and (7) as paragraphs (3), (4), (6), (7), (8), and (9), respectively;

(2) by inserting after paragraph (1) the following new paragraph:

"(2) compile, evaluate, publish, and disseminate to each State such materials and information as may assist the States in achieving the objectives of section 4(d), including an evaluation of various methods and procedures for the investigation and prosecution of child phyiscal and sexual abuse cases and resultant psychological trauma of the child victim;";

(3) by inserting after paragraph (4) (as so redesignated) the following new paragraph:

"(5) develop and disseminate, to appropriate State and local officials, model training materials to assist in training law enforcement, legal, judicial, medical, mental health, and child welfare personnel in appropriate methods of interacting during investigative, administrative, and judicial proceedings with children subjected to child abuse;";

(4) by amending paragraph (7) (as so redesignated) to read as follows:

"(7) conduct research on the causes, prevention, identification, and treatment of child abuse and neglect, and on appropriate and effective investigative, administrative, and judicial procedures in cases of child abuse;"; and

(5) by inserting after paragraph (9) (as so redesignated) the following new paragraph:

"(10) Not later than two years after the first fiscal year for which funds are obligated under section 1404A of the Victims of Crime Act of 1984, the Secretary shall—

"(A) evaluate the effectiveness of assisted programs in achieving the objectives of section 4(d); and

"(B) submit a report to the appropriate committees of the Congress of such evaluation and of technical assistance in achieving the objectives of such section provided to the States through the National Center on Child Abuse and Neglect.".

(b) DISSEMINATION REQUIREMENT.—Information and materials under sections 2(b)(2) and 2(b)(5) of the Act shall be made available to appropriate State officials not later than 180 days after the date of enactment of this Act.

SEC. 104. COORDINATION OF FEDERAL PROGRAMS CONCERNING CHILD ABUSE.

Section 6(a) of the Child Abuse Prevention and Treatment Act is amended—

(1) by inserting after the first sentence "The Advisory Board shall meet at least every six months."; and

(2) in the second sentence by inserting "in order to prevent unnecessary duplication of such programs, to ensure efficient allocation of resources, and to assure that programs effectively address all aspects of the child abuse problem" after "Board".

SEC. 105. ACQUISITION OF STATISTICAL DATA.

(a) DATA ACQUISITION FOR 1987 AND 1988.—The Attorney General shall acquire from criminal justice agences statistical data, for the calendar years 1987 and 1988, about the incidence of child abuse, including child sexual abuse, and shall publish annually a summary of such data.

(b) MODIFICATION OF UNIFORM CRIME REPORTING PROGRAM.—(1) As soon as practicable, but in no case later than January 1, 1989, the Attorney General shall modify the uniform crime reporting program in the Federal Bureau of Investigation to include data on the age of the victim of the offense and the relationship, if any, of the victim to the offender, for types of offenses that may involve child abuse, including child sexual abuse.

(2) The modification, once made, shall remain in effect until the later of—

(A) 10 years after the date it is made; or

(B) such ending date as may be set by the Attorney General.

SEC. 106. AMENDMENT OF PUBLIC HEALTH SERVICE ACT.

(a) SECTION 523.—Section 523(e) of the Public Health Service Act (42 U.S.C. 290dd-3(e)) is amended by adding after and below paragraph (2) the following: "The prohibitions of this section do not apply to the reporting under State law of incidents of suspected child abuse and neglect to the appropriate State or local authorities.".

(b) SECTION 527.—Section 527(e) of such Act (42 U.S.C. 290ee-3(e)) is amended by

adding after and below paragraph (2) the following: "The prohibitions of this section do not apply to the reporting under State law of incidents of suspected child abuse and neglect to the appropriate State or local authorities.".

TITLE II—TEMPORARY CHILD CARE FOR HANDICAPPED CHILDERN AND CRISIS NURSERIES

SEC. 201. SHORT TITLE.

This title may be cited as the "Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1986".

SEC. 202. FINDINGS.

The Congress finds that it is necessary to establish demonstration programs of grants to the States to assist private and public agencies and organizations provide: (A) temporary non-medical child care for children with special needs to alleviate social, emotional, and financial stress among children and families of such children, and (B) crisis nurseries for children who are abused and neglected, at risk of abuse or neglect, or who are in families receiving child protective services.

SEC. 203. TEMPORARY CHILD CARE FOR HANDICAPPED AND CHRONICALLY ILL CHILDREN.

The Secretary of Health and Human Services shall establish a demonstration program of grants to States to assist private and public agencies and organizations to provide in-home or out-of-home temporary non-medical child care for handicapped children, and children with chronic or terminal illnesses. Such care shall be provided on a sliding fee scale with hourly and daily rates.

SEC. 204. CRISIS NURSERIES.

The Secretary of Health and Human Services shall establish a demonstration program of grants to States to assist private and public agencies and organizations to provide nurseries for children who are abused and neglected, are at high risk of abuse and neglect, or who are in families receiving child protective services. Such service shall be provided without fee for a maximum of 30 days in any year. Crisis nurseries shall also provide referral to support services.

SEC. 205. ADMINISTRATIVE PROVISIONS.

(a) APPLICATIONS.—

(1) Any State which desires to receive a grant under section 203 or 204 shall submit an application to the Secretary in such form and at such times as the Secretary may require. Such application shall—

(A) describe the proposed State program, including the services to be provided, the agencies and organizations that will provide the services, and the criteria for selection of children and families for participation in projects under the program;

(B) contain an estimate of the cost of developing, implementing, and evaluating the State program;

(C) set forth the plan for dissemination of the results of the projects; and

(D) specify the State agency designated to administer programs and activities assisted under this title and the plans for coordinating interagency support of the program.

(2) Such application shall contain assurances that—

(A) not more than 5 percent of funds made available under this title will be used for State administrative costs;

(B) projects will be of sufficient size, scope, and quality to achieve the objectives of the program;

(C) in the distribution of funds made available under section 203, a State will give priority consideration to agencies and organizations with experience in working with handicapped and chronically ill children and their families and which serve communities with the greatest need for such services;

(D) in the distribution of funds made available under section 204, the State will give priority consideration to agencies and organizations with experience in working with abused or neglected children and their families, and with children at high risk of abuse and neglect and their families, and which serve communities which demonstrate the greatest need for such services; and

(E) Federal funds made available under this title will be so used as to supplement and, to the extent practicable, increase the amount of State and local funds that would in the absence of such Federal funds be made available for the uses specified in this title, and in no case supplant such State or local funds.

(b) AWARD OF GRANTS.—

(1) In reviewing applications for grants under this title, the Secretary shall consider, among other factors, the equitable geographical distribution of grants.

(2) In the award of temporary non-medical child care demonstration grants under section 203, the Secretary shall give a preference to States in which such care is unavailable.

(3) Of the funds appropriated under section 206, one-half shall be available for grants under section 203 and one-half shall be available for grants under section 204.

(c) EVALUATIONS.—States receiving grants under this title, shall annually submit a report to the Secretary evaluating funded programs. Such report shall include information concerning costs, the number of participants, impact on family stability, the incidence of abuse and neglect, and such other information as the Secretary may require.

(d) DEFINITIONS.—For the purposes of this title—

(1) the term "Secretary" means the Secretary of Health and Human Services;

(2) the term "handicapped children" has the meaning given such term in section 602(a)(1) of the Education of the Handicapped Act;

(3) the term "crisis nursery" means a center providing temporary emergency services and care for children; and

(4) the term "non-medical child care" means the provision of care to provide temporary relief for the primary caregiver.

SEC. 206. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for the purposes of this title such sums as may be necessary for each of the fiscal years 1987 and 1988. Such sums shall remain available until expended.

SEC. 207. EFFECTIVE DATE.

This title shall take effect October 1, 1986.

The SPEAKER pro tempore. Is a second demanded?

Mr. BARTLETT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Montana [Mr. WILLIAMS] will be recognized for 20 minutes and the gentleman from Texas [Mr. BARTLETT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we have the opportunity to address a very serious health and safety problem affecting our children. The problem is child sexual abuse. This problem is not new. What is new is the recognition by the public of the seriousness and complexity of the problem and the fact that our social service agencies, our police, and our courts are not successfully dealing with the crisis.

On January 31, 1974, Congress enacted the Child Abuse Prevention and Treatment Act to provide Federal financial assistance for the identification, prevention, and treatment of child abuse—including child sexual abuse—and neglect. This legislation, despite some serious implementation problems, is having a positive effect on States' efforts to identify, prevent, and treat child abuse.

Unfortunately, the existing law has not brought about material improvement in an extremely important aspect of the problem; namely, the investigation and prosecution of child abuse cases, particularly child sexual abuse cases. Currently, many child victims are being traumatized unnecessarily by the process. In addition, child sexual abuse cases that should be successfully prosecuted are being dropped or lost because of certain State policies, practices, or procedures.

Today, we have before us the vehicle to correct these deficiencies—the House substitute to S. 140, the Children's Justice and Assistance Act of 1986. I urge my colleagues to support this crucial legislation. S. 140 was originally introduced by Senator HAWKINS and reflects amendments made by Senators CRANSTON and DODD. The bill amends the Child Abuse Prevention and Treatment Act to authorize grants to States for the purpose of assisting them in developing, establishing, and operating programs designed to improve: First, the handling of child abuse cases, particularly cases of child sexual abuse, in a manner which limits additional trauma to the child victim, and second, the investigation and prosecution of cases of child abuse, particularly child sexual abuse.

The House substitute reflects the critical input of Mr. SIKORSKI, who introduced H.R. 3858; Mr. DIOGUARDI, who introduced H.R. 2999 for himself and Mr. SIKORSKI; Mr. EDWARDS and Mr. MILLER, who introduced H.R. 2791, Mr. JEFFORDS, Mr. BARTLETT, Mr. RODINO, Mr. SENSENBRENNER, Mr. CONYERS, Mr. WAXMAN, Mr. MADIGAN, among others. As you can see, the substitute amendment is truly a bipartisan effort.

It should also be noted that title I of the substitute amendment was drafted

with the assistance of Senators HAWKINS, DENTON, CRANSTON, GRASSLEY, and DODD and has their full support.

Title I of the substitute amends the Child Abuse Prevention and Treatment Act to authorize grants to States for the same purposes described above. Funding for these grants will be from fines, penalty assessments, and other moneys deposited into the crime victims fund by criminals and persons who forfeited appearance bonds and bail bonds. Congress is not asked to appropriate any additional funds.

In order for a State to qualify for this grant, it must meet all of the requirements currently applicable to child abuse and neglect prevention and treatment programs funded under section 4(b) of the act. The State must also establish a multidisciplinary task force which will make recommendations to the State; submit an application to the Secretary; and adopt recommendations of the task force in each of three categories specified in the bill, or adopt an alternative to the recommendations of the task force in each of the categories, or make substantial progress toward adopting the recommendations of the task force or a comparable alternative.

Title I of the substitute also specifies new functions to be performed by the National Center on Child Abuse and Neglect; improves the coordination of Federal programs concerning child abuse; enhances the acquisition of data concerning child abuse, including child sexual abuse by the Attorney General and the Federal Bureau of Investigation; and amends the confidentiality provisions in the Public Health Act which deals with federally funded alcohol and drug abuse prevention treatment programs to clarify that the Federal confidentiality statutes do not supersede the application of State laws requiring the reporting of suspected incidences of child abuse by State or local authorities.

Title II of the substitute creates two new programs: First, Temporary Child Care for Handicapped Children; and second, Crisis Nurseries. The gentleman from California, GEORGE MILLER, will describe these programs in greater detail.

Under the Temporary Child Care for Handicapped Children Program, the Secretary of HHS is authorized to establish a demonstration program of grants to States to assist public and private agencies and organizations to provide in-home or out-of-home temporary nonmedical child care for handicapped children with chronic or terminal illnesses. The care may be provided on a sliding scale with hourly and daily rates. The authorization level is set at "such sums."

Under the Crisis Nurseries Program, the Secretary of HHS is authorized to establish a demonstration program of grants to States to assist private and public agencies and organizations to provide crisis nurseries for children who are abused and neglected, are at high risk of abuse and neglect, or who are in families receiving child protective services. Such service shall be provided without fee for a maximum of 30 days in any year. Crisis nurseries shall also provide referral to support services. The authorization level is set at "such sums."

At this time, I would like to include in the RECORD, a more detailed description of those aspects of the substitute which impact most directly on the Child Abuse Prevention and Treatment Act, legislation which is within the jurisdiction of the Subcommittee on Select Education, which I chair.

I urge my colleagues to support this critical legislation. Victims of child abuse, particularly child sexual abuse, deserve our support.

SUBCOMMITTEE ON SELECT EDUCATION, COMMITTEE ON EDUCATION AND LABOR, MR. WILLIAMS, CHAIRMAN

DESCRIPTION OF THE PROVISIONS RELATED TO THE CHILD ABUSE PREVENTION AND TREATMENT ACT INCLUDED IN THE AMENDMENT IN THE NATURE OF A SUBSTITUTE TO S. 140, THE CHILDREN'S JUSTICE ACT

The Senate recently passed S. 140, the Children's Justice Act. Today, the House is considering an Amendment in the Nature of a Substitute to S. 140 (hereinafter referred to as "the bill"). The purpose of this description is to explain the intent of various provisions in the bill that are related to the Child Abuse Prevention and Treatment Act (hereinafter referred to as "the Act").

I. Relationship between the bill and the act

Section 2 of the bill adds a new program to the Act (new section 4(b)). Under the new program, the Secretary (acting through the Center and in consultation with the Attorney General) is authorized to make grants to States for the purpose of assisting them in developing, establishing, and operating programs designed to improve: (1) the handling of child abuse cases, particularly cases of child sexual abuse, in a manner which limits additional trauma to the child victim, and (2) the investigation and prosecution of cases of child abuse, particularly child sexual abuse.

Four aspects of this new program are noted: the applicability of current law; the relationship to existing programs designed to accomplish similar objectives; the standards for allocating funds among the States; and the source of the funds.

A. Applicability of Current Law.

In order to qualify for a grant added by the bill, a State must, among other things, satisfy the same requirements or secure the same waiver that is currently applicable to all child abuse and neglect prevention and treatment programs funded under section 4(b) of the Act.

B. Supplement Not Supplant Existing Efforts.

Under the authority set out in the Act, the Secretary, through the National Center on Child Abuse and Neglect, is currently funding some programs that are designed to accomplish objectives that are the same or similar to the objectives in the bill. Nothing in the bill should be construed to limit the authority of the Secretary to continue the funding of these or additional programs authorized under the provisions in current law. In fact, it is expected that current efforts will continue.

C. Allocations of Funds.

Funds made available under the bill must be allocated among the States and territories in the same manner as the State grants distributed under the Act.

D. Source of Funds.

Funding for programs added by the bill is authorized under section 1404A of the Victims of Crime Act of 1984, which is added by this bill.

Under the Victims of Crime Act of 1984, a Crime Victims Fund (hereinafter referred to as "the Fund") is established in which there is deposited: fines that are collected from persons convicted of offenses against the United States (with certain exceptions); certain prescribed penalty assessments; the proceeds of forfeited appearance bonds, bail bonds and collateral collected pursuant to Federal law; and any money ordered to be paid into the Fund pursuant to Federal law.

Under existing law, during a particular fiscal year, the deposits may not exceed $100 million, with the excess being deposited in the general fund of the Treasury. Currently, money in the Fund is used for crime victims compensation program and crime victims assistance programs. Under current law, the Attorney General may in any fiscal year deduct from the amounts available for the crime victim assistance programs an amount not to exceed 5 percent of the amount in the Fund and expend the amount so deducted to provide services to victims of Federal crimes by the Department of Justice, or reimburse other instrumentalities of the Federal government otherwise authorized to provide such services.

The bill amends the Victims of Crime Act of 1984 in several ways. First, the maximum amount that may be deposited is increased from $100 to $110 million by the bill. During fiscal year 1985, some $68 million was deposited in the Fund, and the Attorney General set aside 5% of that amount for federal crime victim assistance purposes. Subsequently, however, the Administration sought to prevent the expenditure of that money. Justice Management Division, U.S. Department of Justice, FY1987 Budget Summary 49 (January 1986). The Administration also sought an even greater cut-back in the expenditure of the money collected during fiscal year 1986, proposing to limit expenditure of that money to $35 million. *Id.*

We believe not only that the proposed reductions for fiscal years 1986 and 1987 should not be implemented, but also that the Fund should be increased. Section 102(b)(1) of the amendment in the nature of a substitute therefore raises the ceiling on the Crime Victims Fund to $110 million. This action ensures that all money deposited in the Fund during fiscal years 1985 and 1986 (up to $110 million) will be expended.

Second, of the first $100 million deposited into the fund in a particular fiscal year, 4.5% must be used by the Secretary of HHS for children's justice grants. The next $5.5 million deposited in the fund (between $100 million and $105.5 million) must also be used for children's justice grants.

It is the intent of Congress that all of the funds made available for children's justice grants be obligated by the Secretary of HHS in an expeditious fashion. Abused children cannot be permitted to suffer the adverse consequences of the Secretary's failure to obligate these funds.

However, should any portion of the amount set-aside for children's justice grants not be obligated by the end of the fiscal year, such amounts must be reallocated to the Attorney General for making program assistance grants, except that with respect to all funds deposited during the current fiscal year (October 1, 1985-September 30, 1986) and made available for obligation during fiscal year 1987, any unobligated portion of such amount shall remain available for obligation until September 30, 1988.

II. Agencies authorized to apply for assistance

The bill authorizes "a State" rather than a particular agency within a State to apply for assistance. It is the intent of the House that funds under this new authority may be awarded to Statewide law enforcement agencies along with social service agencies currently receiving grants under section 4(a) of the Act. The treatment of victims of child sexual abuse should not be regarded solely or primarily as a matter for social service agencies; law enforcement agencies should also be involved under appropriate circumstances if meaningful reform is to occur.

III. Significance and functions of the multidisciplinary task force

In order to qualify for assistance under the new grant program established by the bill, a State must, among other things, establish a multidisciplinary task force on children's justice. The composition and functions of the task force are specified in the bill. A commission or task force established after January 1, 1983 with substantially comparable membership and functions (as determined by the Secretary) may be considered the "task force."

The task force's responsibilities include reviewing and evaluating State investigative, administrative, and judicial handling of cases of child abuse, particularly child sexual abuse and making recommendations to: reduce the trauma to child victims of abuse; improve the chances of successful prosecution against child abuse cases; and improve procedures for protecting children from abuse. The Task Force may, of course, make such other comments and recommendations as it considers appropriate.

The most significant reforms within a State may not require statutory or even administrative change. Therefore, the task force may consider making recommendations which may be accomplished by administrative or judicial order or by improvement which can be achieved by better enforcement or implementation of existing laws or procedures.

IV. Obligation of the State regardng the task force's recommendations

With respect to the task force's recommendations, the State must: (1) adopt recommendations of the task force in each of the three categories described below; or (2) adopt an alternative to the recommendations of the task force which carries out the purposes in each of the categories for which the task force's recommendations are not adopted.

For example, where the task force makes five recommendations under category 1, six recommendations under category 2, and seven recommendations under category 3, the State is considered in compliance with this requirement if it adopts one of the five recommendations under category 1, adopts none of the recommendations under category 2 but adopts an alternative, and adopts three of the seven recommendations under category 3.

In addition, the State is considered to be in fulfillment of the requirements if it is making substantial progress towards adopting the recommendations of the task force or a comparable alternative to such recommendations in each of the categories.

V. Categories of reforms

The bill sets out three categories of reforms. Under each category, the task force (in making recommendations) and the State (in adopting the recommendations or alternative) are required to focus on the needs of the child victim while at the same time respecting the constitutional and other rights of the accused. Thus, while this bill recognizes that sexually abused children constitute a special class of victims and witnesses deserving of special protections and treatment, the rights of the accused must also be protected.

There is no hard and fast rule regarding which of the three categories a particular reform fits under. This decision is left to the discretion of the task force and the State.

A. Category 1—Reducing Trauma to the Child Victim.

The first category includes the investigative, administrative, and judicial handling of cases of child abuse, particularly child sexual abuse cases, in a manner which reduces the additional trauma to the child victim and which also ensures procedural fairness to the accused.

Examples include: coordinating child protection or civil protection order proceedings with criminal proceedings; improving techniques for and coordinating the interviewing of children; training law enforcement personnel and prosecutors in how to relate to children; providing a victim-witness advocate or guardian-ad-litem to represent the child's interests during all legal proceedings; insuring that one prosecutor is assigned throughout the legal proceedings when possible; and giving priority to court docketing and avoiding unnecessary delays.

Additional examples include: developing interagency coordinated approaches to handling cases; establishing training centers; instituting special prosecution programs for repeat child abusers (including assignment of highly qualified investigators and a significant reduction of caseloads for prosecutors); enhancing the child's communication skills through dolls, artwork, and simplified vocabulary; modifying the physical environment by providing a small chair for the child, having the judge sit on a level with the child or wear business clothes instead of a robe; preparing child victims before their courtroom appearances by briefing them on the roles of people in the courtroom, introducing them to the judge, taking them for a tour of the courtroom, and allowing them to sit in the witness chair and speak into the microphone.

Some of the examples set out below under category 2 are also designed to reduce the trauma to the child victim.

B. Category 2—Improving the Chances of Successful Prosecution.

The second category includes experimental, model, and demonstration programs for testing innovative approaches and techniques which may improve the rate of successful prosecution or enhance the effectiveness of judical and administrative action in child abuse cases, particularly sexual abuse cases, and which also ensure procedural fairness to the accused. Examples include experimental, model and demonstration programs that rely on modifications to rules pertaining to competency, corroboration, and procedures for receiving the testimony of the child abuse victim.

In making recommendations and testing innovative approaches under this category, it is of particular importance that the constitutional rights of the accused not be abrogated. Researchers have found that many of the reforms recently enacted by State legislatures, particularly those pertaining to competency and procedures for receiving testimony of child abuse victims, are not being used because of serious questions about their constitutionality.

C. Category 3—Improving Procedures for Protecting Children From Abuse.

The third category includes reforms of State laws, ordinances, regulations, and procedures to provide comprehensive protection for children from abuse, particularly sexual abuse, while ensuring fairness to all affected persons.

Examples include: prevention and education programs; civil protection orders requiring that the abuser vacate the household and refrain from contact with the child; treatment and counseling programs for victims of child sexual abuse; treatment and support programs for families of victims; and treatment and counseling programs for child molesters.

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Mr. BARTLETT. Mr. Speaker, I am going to yield 7 minutes to the gentleman from New York [Mr. DIOGUARDI], but before doing so, I wish to call to the attention of the House the enormous amount of leadership that the gentleman from New York [Mr. DIOGUARDI], has displayed on this issue. The gentleman from New York introduced the original legislation. The gentleman saw a need and set out to be a part of the solution. The gentleman has pushed and pulled, motivated and encouraged, and cultivated this legislation. We bring this legislation here today in large part because of the leadership that the gentleman from New York has displayed.

Mr. Speaker, I yield 7 minutes to the gentleman from New York [Mr. DIOGUARDI].

Mr. DIOGUARDI. Mr. Speaker, as the original House sponsor of the Children's Justice Act, I rise in strong support of this bill's passage.

Mr. Speaker, there are many people in our Nation who must rely on our Government to protect their rights and well-being. However, I do not believe that any segment of our society is more dependent upon this protection than our children. Without a doubt, children are the most vulnerable individuals among us. Our children's survival is entirely dependent upon an adult world that must feed, clothe, and shelter them. While many will say that these responsibilities should fall upon the parents of these children, a great portion of the responsibility of protecting our children from malicious abuse and exploitation must be assumed by our Government.

I am proud to say that the Congress has had a successful history in fulfilling this obligation. Many of our first

laws designed to promote positive social changes were ones to protect children's rights, such as strong laws prohibiting the abusive use of child labor. Unfortunately, new problems have confronted our Nation with regard to the protection of our children.

The problem we address this afternoon is perhaps one of the most heinous crimes in our society, the sexual abuse of children, which is increasing every day. In fact, after I introduced the Children's Justice Act, I was shocked to learn of a major child abuse scandal within my own district in the city of Mount Vernon, where the operators of a day care center were accused of sexually abusing children for profit and were charged with several counts of rape and sodomy.

While I do not wish to make specific comments on this case, which is now under trial, young children were allegedly held down by the operator of the center while an employee raped them, and photographs were taken. Other children in my district have fallen victim to AIDS as a result of sexual abuse.

These are not isolated incidents. It is estimated that by their 18th birthday, 1 in 10 males, and incredibly, 4 out of every 10 females will be sexually abused.

If these numbers are not troubling enough, what should be is that the pain and suffering of a sexually abused child does not end with the crime itself, but is extended through our entire judicial process from the moment the case is reported, to the trial in the courtroom. Some children may never recover from the crime.

It is sickening enough to hear stories about the rape of a 3-year-old child. What sickens and angers me more, however, is hearing of that 3-year-old child being put on a witness stand and subjected to increased pain and trauma by a defense attorney who knows that by simply confusing that child, the chances of successfully prosecuting his client become virtually nonexistent. More than 90 percent of all persons accused of child sexual abuse will go off scot-free and of the 10 percent who are convicted, less than 5 percent will serve time in prison. This is a shameful record.

The purpose of the Children's Justice Act is to encourage States to enact reforms that will improve their handling of child sexual abuse cases. The areas we wish to focus upon are the reduction of trauma a child must endure as a result of abuse, and the investigation and prosecution of child abuse cases.

To qualify for assistance under this act, each State is required to establish a multidisciplinary task force composed of professionals in the area of children's justice and representing a broad occupational spectrum which may be involved with cases of child sexual abuse.

An important feature of this bill is that it does not mandate any reforms. Rather it provides the States the opportunity to examine their own procedures for handling child sexual abuse and to implement changes which best meet the needs of their individual State. New York and Montana may discover that their needs require different approaches to meet the goals of the act. This bill allows them the flexibility to address their specific needs. In addition, the very establishment of a task force will represent a positive step for those States that have yet to closely examine this issue.

I want to take this opportunity to commend Chairman WILLIAMS for the fine work he and his subcommittee have done on this bill. His efforts were instrumental in bringing this bill to the floor. I also want to extend my appreciation to Mr. SIKORSKI who introduced the Children's Justice Act with me and to Mr. BARTLETT and Mr. SENSENBRENNER for their work on the minority side. One of the most pleasing aspects of this bill has been the tremendous amount of bipartisanship which has been displayed on behalf of our children.

Many of us are parents and would be horrified if one of our children were sexually abused. Let's take the lead in helping to combat this crime and adopt S. 140.

Mr. WILLIAMS. Mr. Speaker, along with our Committee on Education and Labor, the Judiciary Committee also has maintained an active jurisdiction over this bill, and specifically the Subcommittee on Civil and Constitutional Rights has jurisdiction over this legislation.

Mr. Speaker, I yield 5 minutes to the chairman of that subcommittee and a leader on this issue in the United States, the gentleman from California [Mr. EDWARDS].

Mr. EDWARDS of California. Mr. Speaker, I am pleased to rise in support of the amendment in the nature of a substitute to S. 140, the Children's Justice Act. This legislation is further evidence of the Federal commitment to addressing the tragic problem of child abuse.

In addition to authorizing Children's Justice Grants and crisis care programs, this amendment in the nature of a substitute will accomplish three reforms recommended by a panel on child abuse convened by the California attorney general, John Van de Kamp, who has been a leader in this area. Three of the recommendations issued by his panel were contained in legislation I introduced last year as H.R. 2791, which was referred to the Judiciary Committee. I am pleased to say that those provisions were included in S. 140. They are, first, to expand the responsibilities of the National Center on Child Abuse and Neglect; second, to require the collection of statistical data on the incidence of child abuse, and to include such data in the uniform crime reporting system maintained by the FBI; and third, to clarify the balance between the confidentiality of patient records at federally assisted drug and alcohol abuse treatment programs and the mandatory reporting of suspected cases of child abuse and neglect, to make it clear that such programs can report suspected child abuse cases.

The amendment in the nature of a substitute is the result of a year of bipartisan work, involving several committees in both Houses. I would like to commend the chairman of the Subcommittee on Select Education, Mr. WILLIAMS, and the ranking minority member, the gentleman from Texas, Mr. BARTLETT, for the fine work he and his staff did to improve the Senate-passed bill. They worked closely with Senators GRASSLEY and DENTON, with my dear friend and colleague from California, Senator CRANSTON, and with the originator of S. 140, the Senator from Florida, Mrs. HAWKINS. I would also like to commend the ranking member of my subcommittee, Mr. SENSENBRENNER, for his contribution to this legislation.

Mr. Speaker, I am pleased to support this balanced package and the long overdue reforms it will help bring about. I urge my colleagues to support it, and I yield back the balance of my time.

I would like to stress several points with respect to section 102, on children's justice grants, and to describe in some detail sections 105 and 106 of the bill.

CHILDREN'S JUSTICE GRANTS

Child abuse presents a unique challenge for the criminal justice system. An abused child suffers extreme trauma from the offense itself, yet insensitivity to the feelings of the child victim during the investigation and adjudication of an abuse case can result in additional trauma. Moreover, failure to respond to the psychological pressures on the child can jeopardize the success of a prosecution, for example, if a child is so frightened or embarrassed once he reaches the courtroom that he recants or refuses to testify.

Many States have already begun to consider innovative techniques for handling child abuse cases in order to overcome such problems. They have begun to look for ways to minimize the additional trauma to the child victim and improve the chances of successful prosecution of child abuse cases. This bill is intended to provide Federal support for these efforts.

Unfortunately, some of the debate and commentary on child abuse has focused on a perceived conflict be-

tween the constitutional rights of the accused and the successful prosecution of child sexual abuse cases. This legislation, which provides that recommendations adopted under it must ensure procedural fairness to the accused, should help focus law reform efforts on alternative measures that can bring sensitivity and compassion to the trial of child abuse cases without limiting due process rights. This makes good sense from a criminal justice standpoint, since procedural fairness serves to guarantee confidence in the reliability of the outcome and thus in the credibility of the process.

The notion of "procedural fairness" comprehends at a minimum the constitutional guarantees of due process, including the sixth amendment rights of confrontation and cross examination. These essential rights can be overridden, but only in certain narrowly defined circumstances. While it would of course be inappropriate for States to adopt recommendations that videotaped testimony be used in lieu of live testimony in all child abuse cases or the hearsay rule be waived across the board for child victims, States should explore these issues and may choose to specify the circumstances, to be applied on a case-by-case basis, under which use of videotaping or closed circuit television or hearsay statements are consistent with constitutional protections of the rights of the accused.

The plight of child victims in the courtroom has generated the most concern regarding the application of standard criminal justice procedures to child abuse cases. Recent studies suggest, however, that modern technologies such as videotaping and closed-circuit television, or modifications to the hearsay rule or rules of competency, are relevant in only a small fraction of child abuse cases, and that there are other, less drastic and less constitutionally problematic measures for achieving similar effects. Reforms focused on the trial experience benefit only those few children whose cases go to trial. The trial is only the culmination of a long series of stressful and possibly traumatic events that the child endures as a case is investigated. Multiple interviews conducted by insensitive and untrained police and other government agents can do at least as much damage to children and to the prosecution's case as a court appearance by the child. This legislation directs the States to focus on the overall handling of child abuse cases, not only on the trial, and to look for ways to improve pretrial procedures and investigative practices, which do not implicate the procedural protections the Constitution accords to defendants at trial, so that children will be traumatized less during the early stages of a case.

Among the measures that may ensure sensitive treatment of the child throughout the criminal justice process are the following:

Establishing interdisciplinary teams for handling child abuse cases, consisting of specially trained law enforcement officers and prosecutors, child protective service workers, medical personnel, family counselors, and mental health professionals;

Providing special training for policy and prosecutors relating to child psychology and the dynamics of child abuse;

Providing a support person to accompany the child victim prior to and during the course of all interviews, court appearances, medical examinations and other proceedings;

To avoid repeated interviews, directing law enforcement officers, social service agencies, and prosecutors to conduct joint investigations using a single trained interviewer.

With respect to trial procedures, measures can be taken to make the courtroom and court personnel less intimidating, thereby enhancing the accuracy and reliability of the child victim's recall abilities. Possible reforms include:

Enhancing the young child's communication skills through dolls, artwork, and simplified vocabulary;

Modifying the physical environment—providing a small chair for the child, having the judge sit on a level with the child or wear business clothes instead of a judicial robe; and

Preparing child victims before their courtroom appearances by briefing them on the roles of people in the courtroom, introducing them to the judge, taking them for a tour of the courtroom, and allowing them to sit in the witness chair and speak into the microphone.

I would like to stress that this is not merely a model program bill. The children's justice grants could be used to strengthen ongoing programs. For example, rape-crisis centers, many of which currently provide services to child victims of sexual abuse, might be eligible for grants under this bill.

ACQUISITION OF STATISTICAL DATA

The substitute for S. 140 includes a number of provisions that I introduced last year as H.R. 2791, the proposed Child Abuse Reporting and Clearinghouse Improvements Act of 1985. These provisions grew out of a series of recommendations issued by a panel convened by the California attorney general, John Van de Kamp.

One of the proposals addressed the fact that, despite all the public attention that has been devoted to the problem of child abuse, there are still no firm statistical data on the number of child abuse victims. To correct this deficiency, section 105 of the bill requires the Attorney General to collect statistical data on the incidence of child abuse, including child sexual abuse.

Subsection 105(a) mandates the collection of data for calendar years 1987 and 1988. The subsection does not create any new authority. Rather, it directs the Attorney General to use existing data collection authority to focus on the incidence of child abuse. The subsection directs the Attorney General to collect data specifically from criminal justice agencies, although other additional sources of data may also be used by the Attorney General in preparing the annual summaries required by the subsection. It is recognized that the data collected may not be entirely complete, but it was considered imperative to begin the data collection process immediately.

Subsection (b) of the bill accomplishes a longer term goal—and one that should guarantee the collection of reliable statistics—by requiring the Attorney General to modify the classification system used by the FBI's uniform crime reporting [UCR] system to include data on child abuse. This change was recommended not only by the California Attorney General's commission on child abuse laws, but also by the U.S. Attorney General's Task Force on Family Violence.

The FBI and the Bureau of Justice Statistics have prepared a "Blueprint for the Future of the Uniform Crime Reporting Program." The blueprint recommends, among other changes, that the UCR be modified to include data on the age of the victim and the victim-offender relationship for a number of crimes, including those that may involve child abuse. Section 105 requires that this recommendation of the blueprint be implemented with respect to crimes that may involve child abuse, but it is intended to allow the FBI to make the required modification as part of the broader changes called for by the blueprint. Therefore, the modification is delayed for over 2 years, until January 1989, to allow the FBI time to plan and implement the blueprint changes. If the FBI decides, however, not to go forward with the blueprint, it will still be required by subsection (b) to modify the UCR to include the specified data on child abuse.

REPORTING OF SUSPECTED INCIDENTS OF CHILD ABUSE

Section 106 of the bill responds to another deficiency in child abuse laws identified by the California attorney general. It amends sections 523 and 527 of the Public Health Service Act to make it clear that the provisions requiring confidentiality of patient records for participants in federally assisted alcohol and drug abuse treatment programs do not supersede State laws mandating the reporting of suspected incidents of child abuse and neglect.

The amendment is necessary because some child protection agencies and some providers of alcohol and drug abuse treatment services have misconstrued the extent to which sections 523 and 527 and their implementing regulations restrict the reporting of child abuse and neglect. The amendment was deemed necessary to make it clear that federally assisted alcohol and drug abuse treatment programs can report suspected incidents of child abuse and neglect, and to eliminate real or perceived barriers to such reporting.

The amendment clarifies the balance that should be struck between patient confidentiality and child protection. It recognizes that there should be a concern for confidentiality even in cases involving suspected child abuse. It simply makes it clear that the interest of confidentiality does not preclude child abuse reporting as required by State law. The amendment is not intended to relieve treatment providers of the continued responsibility of ensuring that the interests of patient confidentiality are protected to the fullest extent possible.

The amendment should be applied so it does not dissuade persons from coming forward for drug or alcohol abuse treatment, especially since the children of untreated substance abusers are among the most common victims of child abuse. The amendment is not intended to suggest that substance abuse by itself is a condition that must be reported as child abuse or neglect. As under current practice, there must be some reason to suspect actual or imminent harm to the child. The amendment does not affect subsection (c) of sections 523 and 527, requiring a court order before records referred to in subsection (a) of sections 523 and 527 may be used to initiate or substantiate any criminal charges against a patient or to conduct any investigation of a patient.

CRIME VICTIMS FUND

Members of the Judiciary Committee and the Committee on Education and Labor have drafted a compromise funding mechanism that will allow these children's justice grants to be funded. The other body, of course, participated in this effort.

In deciding how to finance the new program authorized by section 102(a) of the amendment in the nature of a substitute, we considered carefully the approach taken in S. 140, which is to use appropriated funds. We decided, however, that a better method would be to utilize money from the crime victims fund because that money comes from Federal criminals, rather than from Federal taxpayers.

The crime victims fund was set up by the Victims of Crime Act of 1984 Public Law No. 98-473, title II, chapter 14, 98 Stat. 2170-78 and gets its money from persons convicted of Federal crimes through collection of fines, penalty assessments, and special forfeitures of collateral profits of crime. The fund's ceiling is $100 million, and any money from the three sources in excess of that is deposited in the general fund of the Treasury. The Attorney General makes grants from the fund to aid State crime victim compensation programs and to aid crime victim assistance programs. The crime victim compensation portion of the fund—50 percent—is used to reimburse States with eligible crime victim compensation programs for 35 percent of the compensation they pay to crime victims. Any money in the crime victim compensation portion that is left over after all reimbursements have been made is added to the crime victim assistance portion of the fund.

The crime victim assistance portion of the fund is used to aid crime victim assistance programs in the various States, but the Attorney General may set aside a part of this portion (up to 5 percent of the total in the fund) to be used for Federal crime victim assistance purposes. The Attorney General distributes the money in the fund available for crime victim assistance purposes to the chief executive of each State using a formula that gives each State $100,000 plus a share based on the State's population.

Money that is deposited in the fund during a fiscal year is normally available for expenditure in the next fiscal year, so that money deposited in the fund during fiscal year 1985 is spent in fiscal year 1986. There are circumstances, however, when money deposited in the fund during a fiscal year may be expended during that fiscal year. (See 130 CONGRESSIONAL RECORD H12087 n.8 (daily ed.), Oct. 10, 1986, remarks of Mr. RODINO.)

During fiscal year 1985, some $68 million was deposited in the fund, and the Attorney General set aside 5 percent of that amount for Federal crime victim assistance purposes. Subsequently, however, the administration sought to prevent the expenditure of that money. Justice Management Division, U.S. Department of Justice, fiscal year 1987 Budget Summary 49 (Jan. 1986). The administration also sought an even greater cut-back in the expenditure of the money collected during fiscal year 1986, proposing to limit expenditure of that money to $35 million. Id.

We considered carefully the administration's proposals when we drafted the amendment in the nature of a substitute. Federal financial aid to the innocent victims of crime began only recently, after many years of bipartisan effort, so the administration's proposal is particularly dismaying. The drastic cuts it is seeking would, if carried out, significantly diminish Federal efforts to help crime victims.

We concur with the National Association of Attorneys General, which, after noting the "beneficial impact that the Victims of Crime Act is already having to help rehabilitate victims," and pointing out that the "massive cut" proposed by the administration "will severely damage the major reforms engendered by the Victims of Crime Act, and will significantly demoralize the growing network of service providers and volunteers," unanimously adopted a resolution opposing any reduction in expenditures from the fund.

We believe not only that the proposed reductions for fiscal years 1986 and 1987 should not be implemented, but also that the fund should be increased. Section 102(b)(1) of the amendment in the nature of a substitute therefore raises the ceiling on the crime victims fund to $110 million. This action ensures that all money deposited in the fund during fiscal years 1985 and 1986—up to $110 million—will be expended.

Because the amendment uses the crime victim fund to finance the new program authorized in section 102(a), we were forced to adjust the allocation of the fund. The fund presently is divided equally between State crime victim compensation grants and crime victim assistance grants. The State crime victim assistance portion of the fund is distributed by reimbursing eligible State crime victim compensation programs for 35 percent of the compensation they pay to crime victims. Any money remaining after the eligible State programs are reimbursed is added to the crime victim assistance portion of the fund.

The crime victim assistance portion of the fund is used to make grants to States under a formula that gives each State $100,000 plus a share based upon population. In addition, however, the Attorney General may deduct an amount equal to 5 percent of the fund to finance Federal crime victim assistance programs.

After much deliberation, we concluded that the allocation for Federal crime victim assistance purposes—5 percent of the total fund—could be reduced to 1 percent. At the same time, however, by removing the Attorney General's discretion not to allocate any money for Federal crime victim assistance purposes, we ensured that that money from the fund would be used each year for such purposes.

The amendment allocates the saving resulting from this reduction to the new program authorized in section 102(a) of the bill. The amendment also makes other adjustments in the allocation formula so that when the fund reaches its ceiling, the amount available for grants for the new program authorized by section 102(a) is $10 mil-

lion, the amount by which the amendment increases the ceiling on the fund.

The amendment establishes a three-part formula for allocating money in the fund. Of the first $100 million deposited in the fund, 49.5 percent is to be available for State crime victim compensation grants; 45 percent is to be available for grants to States for the purpose of aiding crime victim assistance programs; 1 percent is to be available for Federal crime victim assistance purposes; and 4.5 percent is available for grants for the new program authorized in section 102(a) of the amendment. All of the next $5.5 million deposited in the fund is to be available for grants for the new program, and all money in the fund in excess of $105.5 million is to be available for grants to States for the purpose of aiding crime victim assistance programs.

□ 1330

Mr. BARTLETT. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise in support of S. 140, the Children's Justice Act. This legislation authorizes grants to States under the Child Abuse Prevention and Treatment Act to improve the handling and prosecution of cases of child abuse and specifically child sexual abuse. I would like to acknowledge the work and interest of a number of my colleagues, particularly Chairman PAT WILLIAMS of the Subcommittee on Select Education for the bipartisan and cooperative spirit with which he has approached this legislation.

I would also like to recognize the interest of Congressmen JIM JEFFORDS, JOSEPH DIOGUARDI, GERRY SIKORSKI, GEORGE MILLER, DAN COATS, JAMES SENSENBRENNER, DON EDWARDS, HENRY WAXMAN, JOHN CONYERS, PETER RODINO, and EDWARD MADIGAN. This legislation cuts across the jurisdiction of a number of committees and has proven to be a complex initiative to develop. It has taken the good will and sincere interest of members in the welfare of victims of child sexual abuse to reach a consensus on this important legislation.

Funding for title I of this legislation will be drawn from the victim's compensation fund and will not require new Federal appropriations.

S. 140 is a logical extension of the Child Abuse and Treatment Act. By providing grants to States to facilitate prosecution and ease trauma of victims, the number of convictions will increase and the pain and suffering of the victims will be eased. This legislation will also coordinate Federal programs and improve statistical information that will contribute to State and local agencies making sound policy decisions regarding child sexual abuse.

I would also like to indicate my support of the concepts of title II of the legislation establishing demonstration grants for temporary child care for handicapped children and crisis nurseries. The members of the Select Committee on Children, Youth, and Families, and specifically Congressmen MILLER and COATS have provided this legislation with a preventive component that makes a great deal of sense. Providing parents with a child care option while dealing with a crisis or the difficult task of caring for a handicapped or chronically ill child is good social policy, and in the case of the potentially abusive parent may prevent that abuse.

Mr. Speaker, child sexual abuse is a social nightmare. I support S. 140 because it will lead to improved prosecution of child sexual abuse cases and reduce the trauma of victims. I urge my colleagues to support this legislation.

Mr. Speaker, at this time, I would ask the gentleman from Montana [Mr. WILLIAMS] if he would engage in a colloquy.

Mr. WILLIAMS. I will be pleased to join with my friend from Texas in a colloquy.

Mr. BARTLETT. Mr. Speaker, it is my understanding that S. 140, as passed by the other body, includes a provision which states that within 1 year of the date of enactment of the Children's Justice Act, and annually thereafter, the Secretary of Health and Human Services shall report to Congress with respect to the actions carried out by agencies and departments of the United States for the purpose of coordinating programs involving child abuse prevention and treatment.

It is also my understanding that the House substitute does not contain this provision.

Mr. WILLIAMS. If the gentleman will yield, the gentleman is correct in his understanding of the Senate bill and the House substitute.

It is my position that coordination of programs involving child abuse, that is, coordination among the Federal agencies, is essential. Thus, I agree with the objectives of the provisions of S. 140, but I believe it can best be achieved if the study is conducted and the report submitted by the independent agency, the General Accounting Office.

Mr. BARTLETT. Than would the gentleman join me in requesting that the GAO conduct such a study and then submit its findings to Congress?

Mr. WILLIAMS. Yes; I would be pleased to join the gentleman in such a request.

Mr. BARTLETT. It is my understanding that several of our colleagues in the other body share our concerns and I would hope that we could jointly submit such a request to the GAO.

Mr. WILLIAMS. If the gentleman would yield further, I agree with the gentleman and believe that a joint letter would be the most appropriate way of proceeding. Therefore, I would be pleased to join the gentleman in that endeavor.

Mr. BARTLETT. I thank the gentleman for his understanding in the colloquy.

Mr. Speaker, I yield back the balance of my time.

Mr. WILLIAMS. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, at this point, I would ask the gentleman from California [Mr. EDWARDS] if he would engage me briefly in a colloquy.

Mr. EDWARDS of California. Mr. Speaker, if the gentleman will yield, I will be pleased to join my colleague in a colloquy.

Mr. WILLIAMS. Mr. Speaker, it is my understanding that funds deposited into the trust fund during the current fiscal year will be used to support programs for fiscal year 1987.

Mr. EDWARDS of California. That is correct, Mr. Speaker.

Mr. WILLIAMS. It is also my understanding that although title I of the bill takes effect on the date of enactment, it is our understanding that 4.5 percent of funds deposited into the fund between October 1, 1985, and September 30, 1986, must be used by the Secretary of Health and Human Services for Children's Justice Act programs; not simply 4.5 percent of the funds deposited after the date of enactment?

Mr. EDWARDS of California. I concur with the gentleman's understanding.

Mr. SIKORSKI. Mr. Speaker, I rise today to speak in support of the Children's Justice Act. This legislation is a valiant effort to amplify the soft cries of abused children across America.

The problem of child abuse isn't going away. America has experienced a 650-percent increase in reports of child sexual abuse since 1976. In Minnesota, 1 child in 50 was a reported victim of abuse or neglect in 1984, and the upward surge in the number of reports continues.

State and local service agencies are desperately understaffed and overworked. An article in yesterday's Washington Post illustrates one family's tragic experience with the aftermath of child sexual abuse. I have included it as part of my statement.

In my home State of Minnesota, Carol Anderson, a county caseworker, says that most families caught up in child abuse need to be visited at least once a week, but despite working 45 to 50 hours a week, she can only visit once a month or less. She says "We have to spend the time on the ones that really need help—and we have to pick just a few."

The Child Welfare League of America just published a report that vividly illustrates the problem and the need for this legislation. The study states that in spite of the huge increase in child sexual abuse reports since 1976, staff and services have not increased and in many cases have decreased. Many States suffered

severe cutbacks 2 years ago in their programs to protect children, and these shortfalls have had drastic consequences. All State agencies are required by State law to investigate abuse and neglect reports within 1 or 2 days, but one-third of the States admit they can't investigate within the required time.

Some agencies have been forced to prioritize reports of abuse and neglect, and a large number of reports are given a low priority for investigation. The child's age is sometimes a factor. According to the study, if the child is over a certain age—10 or 12, for example—it is sometimes presumed that he or she can either run away or fight back. This case is then not given the same attention as one involving a 3- or 4-year-old who is more immediately vulnerable and "too young to run."

It's not the fault of the social worker. They are on the front lines of this battle. They have to make the decisions about who can wait and who can't, and the psychological toll on them, as they try to fill the hole in the dike with their compassion, their hearts, their very lives, is incredible. And we are still not reaching all the children and families that need prevention and treatment services.

More than a year ago, I held a statewide hearing in Minnesota to hear from experts in the judicial, legal, and psychological professions—and from victims themselves—about what could be done. They all said the extent of emotional damage to child victims is as much dependent on what occurs after the abuse as from the incident itself. Our legal system, designed by adults and for adults, is ill equipped to deal with the special and delicate needs of children. The Children's Justice Act addresses this problem.

The Children's Justice Act offers incentives to States to look at their child sexual abuse prevention programs and make improvements where they deem appropriate. It encourages reforms which would reduce trauma to the child, enhance the chances of successful prosecution of child molesters, and protect children from further sexual abuse. Funds for additional assistance to the States will come from fines and penalties paid into the Crime Victims Fund by the criminals themselves.

I thank my colleagues for their hard work and concern and strongly urge them to support this important legislation. It is up to us to help protect child sexual abuse victims from further harm. The children of Minnesota and the rest of our Nation shouldn't have to wait any longer. The partial remedy is in our hands today.

[From the Washington Post, Aug. 3, 1986]

MY MOLESTED CHILDREN WERE ABUSED BY THE SYSTEM, TOO

(By Suzanne Rhodes)

Last year, our four boys—then 6, 4, 2 and 1—slowly and mysteriously became different children from those we had known. Like pendulums, their moods shifted back and forth, from giggles one moment to tears the next. They had nightmares, and we soothed their fears by letting them sleep with us. The word "hate" replaced normal feelings of anger. Play became much more physical and emotional, and hitting and angry words became the rule rather than the exception. Scolding seemed to bring on unwarranted depression and tears. Mealtimes became unpleasant; we constantly had to remind the children to eat. We became referees rather then parents.

We sought help. The boys were treated by doctors, speech therapists, hearing therapists, food alergists and even spiritual advisers all over Fairfax County. But no one had a clue to the cause of the symptoms. We occasionally noticed small bruises, but we thought they were ordinary childhood bumps. When one boy complained of a chafed scrotum, we thought it was caused by his winter underwear.

We were diagnosed as the all-American family and told not to worry. It was only a phase the children were going through.

Then suddenly, one evening in February under the most ordinary circumstances, we learned the answer. Our family was gathered around the kitchen table eating dinner. My husband and I were going out for a few hours to a bookstore—a bit of time for ourselves. Our babysitter—a 15-year old boy, seemingly a model child from a middle-class family much like our own—would soon be there.

We asked the children to please finish so the table could be cleared. We always bathed and fed the children and had the house in order when the babysitter was to come. I went over the last-minute rules: They could sleep downstairs and they could watch a Mickey Mouse tape, but first they had to finish eating. This is when it happened—as quickly as the snuffing of a brightly burning candle.

Out 5-year-old's head was bowed, and he stared at his restless hands. His voice was so quiet that I had to ask him to repeat what he had just said. Taking a deep breath, he turned his head up to me. I remember the pain as I heard his shakey words. "Mommy, I do not want to be hit anymore. Will you stay home tonight, please?"

Tears stained his cheeks. The torment he could bear no more was being released. Almost in disbelief, I asked his older brother, "Is this true?" But then my 3-year-old blurted out, "Me too, mommy, me too"—and I knew my worst nightmare had come true.

The three boys poured out the details of how they—and their baby brother—had been sexually and physically abused by the babysitter during the past year. They were disrobed and spanked. They were forced to pull down their pants and bend over. They were fondled and rubbed. Their hands were grabbed and they were pulled up the stairs on their stomachs. They were made to watch and listen, waiting for the abuser to summon them to their turn. They were not allowed to cry out, and if they did the beatings would be worse.

I listened in shock, absorbing my children's anguish, holding my baby closely. In five days we would celebrate his second birthday. For half of his life, he had been abused.

We stayed home that night and told the babysitter's parents of our discovery. The next morning we notified social services, who contacted the police.

It was the beginning of a tormenting experience. And our story is not singular. There are over half a million reported cases of child abuse a year, according to the American Association for Protecting Children, which compiles such statistics on for the Department of Health and Human Services.

For seven years, we had known the joy of creating a loving and growing family. Now, within moments that evening, we had been robbed of all of our efforts and stripped of our joy. Rage flushed my face. Why my innocent children? I felt someone grasp my hand and turned to meet my husband's eyes. He had been on the same journey.

I wanted to hit something hard. But my husband and I knew we must stay calm, for the children were watching and listening and I realized their healing process had already begun. We must be the rational parents they could trust. It was important now to hold them close, to make them feel safe, to assure them that their ordeal was over.

I sang to them softly and read them a story and we tucked them into bed. As they drifted off to sleep, I placed my hand gently upon them and prayed.

I was exhausted, but sleep wouldn't come. My mind played back the children's lives like motion pictures on a screen. There was no mercy from my memories and no unplugging the machine: "My God, how about all the times I lost my patience with them, not knowing I was compounding their burden?" My eyes filled with tears but I was afraid that if I started crying, I wouldn't be able to stop. Where was a mother's intuition that protects her innocent young?

Five months have passed since then. The babysitter ended up pleading guilty to four counts of aggravated sexual abuse of two of our sons and two daughters of a neighboring family, thus avoiding a trial. He probably will be put on probation and receive therapy. But the abused—our children—may have lifetime sentences. This is what has happened to each of them:

Our 7-year-old. Our oldest child has cerebral palsy. We had put him in a private school until the second grade to give him more time to mature emotionally, to be better able to handle his physical limitations. We did not want cerebral palsy to become an excuse not to join in and try.

The years of loving, nurturing and costly therapy had helped him develop considerable self-confidence. But in a matter of months, our babysitter did exactly the crippling damage to him that we had been avoiding. For the first time, our son thought of his limitations in a negative way. For the first time, he felt the loneliness of being vulnerable, the loss of self-respect, and the shame of not being able to defend himself or his brothers.

Out of frustration he started to twist his brothers' arms and squeeze their hands and pinch them. We sent him to his room as punishment and showed him how he was hurting his brothers, not knowing until later that he was doing to them exactly what had been done to him. He expressed fear about trying new things and became preoccupied with danger and death. We learned later that the babysitter, playing a horrible mind game, had talked about fear and death with our sons.

Worst of all, our oldest son started to use cerebral palsy as an excuse for not completing jobs and joining in family fun. When we refused to accept his excuses, he became solemn and his hands would shake as if he were in a trance, trying to escape from this world.

We were exasperated and filed with anxiety; we had no answers.

Our 5-year-old. If you know people who cry happily at parades or are stirred by Hallmark commercials, then you know our 5-year-old—an extremely sensitive child who shows his feelings openly and spontaneously.

No wonder his stomach was in knots and always hurting, that his mood swung abruptly from being too exuberant to being too melancholy. His fear of darkness of

being left alone had him in our bed every night. In his sleep he would grit and grind his teeth. His drawings left out details, and his humans became stick people without faces.

The babysitter told our son he was hitting him so he would know what "it" would feel like when he grew up. So he decided to stop growing up. We knew his reversion to baby talk was a special cry to us for help, and we spent additional time alone with him. But we knew the therapists, the food allergists and all our techniques had failed when he started to put on diapers.

Our 3-year-old. Each morning, I had the joy of peering into big blue-green eyes of my 3-year-old son as he pressed his nose against mine and said, "I love you Mommy." He is my love child. So when he started to use the word "hate," we became alarmed. Hitting replaced his cool patience, and food did not interest him anymore. A flood of tears would trickle down his cheeks for the simplest of scoldings. He went to excess to tell you how sorry he was, and he needed a lot of hugging. He would panic with fear if he was left alone, and he had to touch me to be able to go to sleep at night. He had not talked well since he was 2, but three months after the abuse stopped he was not only talking but he had an opinion about everything.

Our baby, now 2. There is no certain way of knowing what happened to our youngest. The abuse did not leave physical scars—only unseen emotional scars. Our baby was a year old when his nightmare began. Did he bite because he is aggressive or because he was afraid of people coming too close? Did he cry from normal separation anxiety or because he sensed that something was wrong? Did he nurse for two years because he wanted to or because he was finding reassurance that life was okay and he was safe?

The horror for the parent of an abused small child is that you never know the truth. It is a guessing game, and you have to stop trying to figure it out or it will drive you crazy.

When I woke up the morning after learning of their abuse, one question kept repeating itself in my mind. "Why didn't the children tell us?" The boys had been told about okay and not-okay touches. We had discussed with them the dangers of keeping harmful secrets. I had purchased books, records, tapes and coloring books, and all had been used. When we returned from going out, we always asked the boys if everything had gone all right with the sitter. They knew they could come to us for help.

As simple as it may sound, all it took to keep the boys from telling was the threat of losing the babysitter's friendship. He was a playmate, their first older friend, and he has brought them toys and Christmas gifts. My children chose to withdraw and suffer the humiliation of child abuse rather than risk a friendship.

Even today, people find it hard to believe that we didn't suspect child abuse. Friends, neighbors, our own parents—they keep asking why we didn't know. They indirectly blame us. There must have been signs, they say. If you had been a good mother, the tone of their voice suggests, you would have known. Why didn't we know? I have no answer. We did our best to find out what was happening to our children. But I can see the judgment in others' eyes that we failed. That creates a tremendous amount of guilt when you are already asking yourself those questions. People need to be aware that when children are victimized, so are the parents. But we find little compassion.

The babysitter gave a full confession when we informed his parents, and later he wrote a letter of apology to us. We extended our understanding to his parents. We were all civil. The babysitter is now waiting for a court date to be sentenced.

Thus the system seems to have worked. But it is not that simple.

The system is frustratingly slow. The babysitter was free for two months before charges were filed. During those two months, we had to meticulously prepare our children to testify in court; if we had not been willing to press charges and put our children on the witness stand, we were told, no trial would occur. Thus, our entire family became, in effect, the victim of child abuse. In part, this was because of a Fairfax County legal and judicial system that at times seems inept, unfeeling, frustratingly slow and overly concerned with the rights of the abuser at the expense of the abused.

Five months have passed and even though a trial turned out not to be necessary, the case is still not concluded. There are too many cases, too much paperwork, too few qualified people, too much stress. We have been interviewed and assessed by a social worker, a child therapist, a criminal investigator and a prosecutor. I'm sure they are committed to helping humanity. But they can be cold and arrogant, possibly because they have seen too many horrors to become as personally involved as you.

Worse than being merely slow and unfeeling, the legal processd seems so stacked in favor of the abuser and against the victim that you want to take justice into your own hands. Consider:

If the 15-year-old babysitter had been three years older, he could have served 20 years in prison on each of the four counts of abuse. But except for the worst offenders, juveniles are usually put on probation and ordered to undergo therapy in the hope of rehabilitating them. Unfortunately, statistics tell us that within two years, a juvenile abuser is likely to commit the same offense and serve time in prison. I feel strongly that therapy is needed for juveniles to help them gain control of their actions. But as important as therapy is, there must be some way other than prison to punish the offender for what he's done—lengthy community service, for example.

Before the babysitter pleaded guilty, we had to assume that my 5-year-old and 7-year-old would have to testify in front of him and be cross-examined by his lawyer in a trial—an ordeal that many adults are not up to. Like any other defendant, accused child-abusers are, of course, innocent until proven guilty and have a constitutional right to confront their accusers. But we found it almost too painful to think that our children, on top of what they had already suffered, would be subjected to the strain of being confronted by demanding, strange adults in the twilight zone of a courtroom. In this high-tech age, why can't we use video communication to gather information from the children? Why can't more use be made of anatomical dolls and children's drawings of their abuse? I understand the need for our constitutional protections, but what justice is there in allowing the system to rip open the healing wounds of innocent children?

The family of the victim, not that of the abuser, has to pay the bills—which in our case will include psychiatric therapy for four children. Most abused children go without such help because their parents cannot afford it. We consulted six attorneys about filing a civil suit to recover damages from the babysitter's parents. But we were told by all of them that it would be costly and the process would likely take two or three years. We decided our family's emotional stability was more important.

We received only a minimum of help from the authorities, some of distressing quality. Though tangible evidence and an evaluation by investigators are crucial in helping small children present their case under cross-examination, we had only one visit from a policeman and two from a social worker. I, not they, thought to have the children make drawings depicting their abuse—a powerful form of evidence.

We were given material on gathering evidence and preparing for trial by the county, but it was so inadequate that we have prepared our own manual and have offered it to the county social services authorities for their use.

Great attention needs to be focused on these injustices. I'm not a lawyer, but I am a voter. Are there no creative legislators in Richmond who could find a better legal middle ground between the rights of the accused and the abused? Right now, I find my pursuit of justice an exercise in outrage.

We do not intend to hide the truth from our boys nor the pain they suffered nor the sorrow they felt. Their experience will not become a dark shameful secret kept in a "closet." Secrets always surface and, when they do, they become tragedies. We even have made a tape recording for each boy of all the details of his case. It is sealed with instructions in our will as to when, in case of our deaths, it is to be opened by each boy or his guardian and how the guardian should handle the information. At the age of 21—or earlier if necessary—each boy will receive his sealed packet to read in private and, if he wishes, to discuss with us, a friend, or medical and legal authorities.

The package serves another grim purpose. It is a terrible fact that victims of child abusers sometimes become abusers themselves. If we were to die, and the children had future emotional problems, they would receive better medical help by having accurate information about their past.

We want them to know that we immediately pressed charges and carefully kept records. We want them to know that writing about our tragedy and keeping a journal helped put our family's lives back in order. We want them to know that we didn't think they might merely forget as the years passed. We want them, above all, to realize that we tried to understand their suffering and nurture them back with love and patience.

As the months have passed, we have tried to learn from the lessons of nature. A severed limb will alter a tree's shape, we know, but the tree does not need to die. Until the tender shoots have reached the safety of maturity, they will be sensitive and vulnerable. But one day you have again a magnificent tree that brings joy and serenity to all who gaze upon its outstretched beauty.

Our children, we pray, will experience this miracle one day.

Mr. RODINO. Mr. Speaker, I am proud to join my colleagues in supporting the Children's Justice Act.

Over the past decade, we have become increasingly aware of the tragic problem of child abuse, and

have adopted protective measures at the Federal, State, and local levels. Yet, our criminal justice system all too often remains poorly equipped to deal with these cases. Child sexual abuse victims are often further traumatized by an enforcement process insensitive to the special circumstances of a young child witness.

The Children's Justice Act provides an opportunity to reverse this unacceptable situation. The bill provides incentives to States to promote legal reforms, consistent with constitutional principles of due process, that will reduce further trauma to child victims of sexual abuse. Other key provisions strengthen the National Center on Child Abuse and Neglect's ability to help States to adopt reforms, provide for inclusion of child abuse data in the Uniform Crime Reporting System, and clarify the obligation of health care professionals, including those involved in drug and alcohol treatment programs, to comply with child abuse reporting laws.

Funding for these grants will be from fines and penalties paid into the crime victims fund by criminals. Congress is not asked to appropriate any additional funds.

In addition to these important provisions, the House version of the Children's Justice Act enhances child abuse prevention efforts by fostering two proven, cost-effective prevention models sponsored by public and private agencies; Crisis nurseries and temporary, nonmedical child care services for families with disabled or chronically ill children.

I urge my colleagues to support this critical opportunity to both prevent child sexual abuse and protect its victims.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise to join in demanding the yeas and nays on S. 140 as amended.

While I support many of the features of the Children's Justice Act, I am distressed that the proposal in front of us seeks to fund that act by using moneys designated to support a program of assistance to victims of Federal crime. That program mandated by the Victims of Crime Act [VOCA].

In fact, 90 percent of the funding sought for the Children's Justice and Assistance Act would be at the expense of that Federal assistance program, reducing its share from 5 percent of the crime victims fund to an almost meaningless 1 percent.

I understand that one of the reasons for diverting these funds is that the Justice Department this year chose first to extract its maximum share out of VOCA's crime victims funds—a share totaling $3.5 million—and then chose not to spend it, effectively impounding the money as a budget-cutting gesture. Hence, it has been argued there is no reason to continue to make such funds available for victims of Federal crime if the Justice Department is simply going to return the money to the Treasury.

I agree with those who thoroughly disapprove of the Justice Department's conduct in regard to VOCA. However, I do not think that the way to express that disapproval is to abolish the program. As the old saying goes, that method "throws the baby out with the bathwater." I believe, instead, that we must adopt reforms that ensure the institution of an active and much-needed Federal program.

Curiously, the amended version of S. 140 before us contains those needed reforms. They include:

First, making the Federal program mandatory instead of discretionary. This reform diminishes the possibility that future funds will be left unspent.

Second, putting administration of the program under the Assistant Attorney General for Justice Programs, thereby matching authority over administering the act with the responsibilities already given the Assistant Attorney General. This reform is a step toward ensuring that the fund will no longer be maladministered as it has been in the last year, for it is in that branch of the Justice Department—and perhaps in that branch alone—that crime victims have found strong and constant advocates of their cause.

Third, making explicit that the Federal program will give needed back-up support, with training and technical assistance, to Federal, State, and local recipients of VOCA grant funds. This reform is in keeping with other Federal grant programs and with the Federal Government's leadership role in this field. When, as a result of congressional action, new public services are instituted and old programs expanded, particularly in an area where volunteers are so heavily utilized, it is simply imperative to provide the individuals delivering those services with up-to-date information and training. Using half the Federal share of the VOCA fund, or 2.5 percent of the total, is the minimum funding level to meet the need for such a program.

Fourth, and the bill tightens the authority to operate a Federal Victim Assistance Program so that it is clearly focused on victims of crime. This reform will require of those operating a Federal Victim Assistance Program that they meet the same standards of eligibility that VOCA already imposes on local programs receiving funds out of their State allotment.

These are all worthy reforms that will curb the abuses in the Federal program, and I commend the authors of the bill for including them.

There is additional merit to the proposal in front of us. It strengthens congressional intent in respect to the revenues coming into VOCA's crime victims fund by rejecting a proposal by the Department of Justice that there be a $35 million spending limit placed on the fund.

There is no interest in Congress in lowering the current ceiling from $100 million to $35 million, and the Justice Department and the Office of Management and Budget know that. But defiantly, these agencies are prepared to impose their $35 million cap administratively unless Congress expressly reaffirms its intent that no such ceiling should be placed on the crime victims fund.

This bill does that. And I applaud its authors for giving us an opportunity to assert once more that it is the Congress, not the executive branch, that controls the purse strings of Government.

So important is this reassertion of legislative authority that I, for one, might be tempted to vote for this bill, flaws and all, were it the only vehicle for us to stop the Federal Government's raid on the crime victims fund. But the fact is that we will soon be given another opportunity to consider the VOCA ceiling when a bill containing technical amendments to the VOCA statute comes before us.

I am confident that we will use that opportunity to prevent the decimation of the crime victims fund, if the need to act is still urgent, just as I am confident of our being given another opportunity to vote on a Children's Justice Act if the present version is not agreed to.

Still, some might ask of me, if I support the reform to the Federal program and appreciate the need to reaffirm our original intent for the crime victims fund, why then am I seeking to have S. 140 rejected?

The answer to that question is quite simple. While the amended version of S. 140 does nominally enact a set of needed reforms in the administration of the Federal share of the Victim Assistance Program, those statutory changes are little more than rhetoric when the statute deprives the Federal program adequate funding.

By leaving only 1 percent of the crime victims fund for use in the reformed Federal program, the entire Federal Victim Assistance Program for the Nation would receive about the same amount of help from VOCA that the State of Maine received this past year.

Specifically, with revenues running about 20-percent lower this year than last. There may be only $56 million in the entire crime victims fund for spending next year. At 1 percent, that would give the Federal program $560,000 in all—$280,000 for an assistance effort and $280,000 for training and technical assistance.

For two programs with responsibilities of a nationwide scale, those are less than anemic resources—they are virtually meaningless.

Hence I feel it is imperative that we take a second look at the amended version of S. 140. There are without question alternative ways to fund the Childrens Justice Act which would leave the Federal program intact—indeed, the other body has already passed not one but two alternatives, neither of which does violence to the Federal Victim Assistance Program we established when we first enacted VOCA.

Thus, Mr. Speaker, by delaying a vote on this proposal for a couple of days, and then by sending back to committee, as I hope we will do, we will avoid enacting hastily drawn and ill-conceived legislation. In its place, we will surely be given a chance—perhaps as early as next week—to vote on a Children's Justice Act that will do honor to its intentions and no dishonor to the original intent of VOCA.

Mr. MILLER of California. Mr. Speaker, I rise to speak in support of Senate bill 140, and the amendment, in the nature of a substitute, offered by Chairman WILLIAMS of the Subcommittee on Select Education.

S. 140, The Children's Justice Act, provides incentives to States to promote legal reforms to assist children who are victims of sexual abuse.

This legislation has strong bipartisan support in both the House and Senate, reflecting increased concern over the growing numbers of child abuse cases coming before our courts, which are frequently not equipped to deal with young child victims. The Children's Justice Act recognizes and addresses this problem. It will also help us close critical gaps in our knowledge about crimes against children.

I am especially pleased that S. 140, while enhancing law enforcement efforts in abuse cases, also contains important measures designed to prevent child abuse.

Since 1974, when Congress first passed the Child Abuse Prevention and Treatment Act, the Federal Government has assumed a leadership role in combatting child abuse. Our role was reaffirmed, and strengthened when Congress reauthorized the Federal child abuse programs 18 months ago.

We are indeed doing much more today to combat child abuse. There is no doubt, however, of the need to do more. The simple fact is that our society is undergoing enormous change.

As the Select Committee on Children, Youth and Families has seen, changes in the workplace, in family structure and in the economy have placed more families under stress, at the same time they are becoming more socially isolated. These are the essential ingredients which place children at risk of abuse, both at home and outside the home.

The Children's Justice Act recognizes the increased risk and incidence of abuse, and the problems courts face in dealing with it. Under this legislation:

States will receive grants to improve the investigation and prosecution of child abuse cases and to reduce additional trauma to child victims.

The National Center on Child Abuse and Neglect will be required to evaluate investigation and prosecution methods in child sexual abuse cases to find ways to reduce trauma to children, and disseminate this information to States; and train criminal justice and child welfare personnel to deal with child sexual abuse victims.

The FBI will be required to modify its crime reporting to permit collection of statistics on child abuse crimes. While we have been collecting national statistics on child abuse that occurs within the family, we do not have statics on cases handled through the criminal justice system.

Child abuse reporting requirements will receive priority over Federal confidentiality laws. Earlier this year, the California Attorney General's Commission on the Enforcement of Child Abuse Laws recommended that State child abuse reporting requirements take precedence. This applies in cases where individuals are receiving treatment for drug or alcohol abuse through federally funded programs.

This last provision is extremely important. Testimony before the Select Committee on Children, Youth, and Families suggests very clearly that child abuse, and other forms of family violence, often occur in families where substance abuse is a problem. For these families, failure to report child abuse means they and their children will not receive the help they so desperately need.

These measures will strengthen our fight against child abuse, particularly on the legal front.

But the legislation before this body today will also enhance efforts to prevent the abuse from occurring in the first place.

Title II of S. 140 will make federal demonstation grants available to States to assist private and public agencies to develop temporary child care for handicapped children, and crisis nurseries.

Last year, the Select Committee on Children, Youth, and Families devoted much of its time to reviewing child care policy in America. As we travelded across the country, one of the findings which emerged concerned the strong role that child care can play in alleviating the stress that so many families now face, stress which is often a precursor to abuse.

Two kinds of prevention programs in particular emerged as effective in dealing with families at risk of abusing their children. They are:

Crisis nurseries which provide short-term, 24-hour care to infants and young children who are potential victims of abuse or neglect, and provide support services to their parents; and

Respite care temporary non-medical child care services, both in-home and out-of-home, for families with handicapped or chronically-ill children. These families face the same stresses as other families, but also carry the additional stress of caring for a special needs child.

In my own district of Contra Costa County, CA, Sister Ann Weltz has been a pioneer in helping to prevent child abuse by providing crisis nursery services. I have watched this program grow from the beginning, and have seen it prevent abuse from ever occurring.

Sister Ann's Bay Area Crisis Nursery served more than 850 children in its first 3 years, and helped their families cope with stress brought on by poverty, long-term unemployment, isolation or illness. These families recognize their inability to cope. They voluntarily seek temporary care, and are provided the time to seek a solution to the problems causing the stress.

Similar programs in Denver, CO, New York City and Hawaii have demonstrated effectiveness of these services in reducing child abuse and preventing foster care placements.

Handicapped and chronically ill children comprise a group that is at especially high risk for abuse and neglect:

Two recent surveys of children with cerebral palsy indicated from 11 to 20 percent had been abused or were suspected to be abused.

A 1980 study of respite care users reported that 30 percent of families surveyed said they might not have been able to cope if respite care had not been available.

In addition, the select committee heard personal stories from parents with disabled children who provide daily continuous care for their children at home.

In order to continue to keep their children at home, rather than institutionalizing them, however, these parents and advocates told us that they require temporary child care services for critical support.

The type of care that this legislation would provide is of the type families say they most often need—nonmedical child care provided on a temporary basis so that families can tend to the needs of other family members, go shopping, or simply take a break from the daily stresses of caring full-time for a child with special needs.

Pioneering respite care/child care programs in San Antonio, New Orleans, Washington, DC, California, and Nebraska use a broad range of workers to provide these services. Workers could be specially trained high school or college students, family day care providers, nonmedical personal care attendants, special education teachers, or even parents of disabled children who have formed a parent cooperative or established their own respite care program.

Despite growing evidence that crisis nurseries and temporary child care services are cost-effective approaches to child abuse prevention, most at risk families lack access to these critical services. Even in California, where such services are most readily available than in most other States, one parent told the select committee that she had to use up 2 months of her respite care allotment just to tesify at our hearing.

Chairman WILLIAMS' substitute for S. 140 will help make these important preventive services more widely available to the families that need them.

I commend Chairman WILLIAMS for his leadership in bringing this legislation before this body today. I congratulate my colleagues who have worked long and hard for its enactment, especially Representatives DON EDWARDS and GERRY SIKORSKI. I urge the rest of the Members of the House to vote their commitment to help the millions of abused and neglected children in our country and their troubled families.

Mr. SENSENBRENNER. Mr. Speaker, there is little need to build the case that child abuse is a major tragedy in this country. Research presented at the National Conference on Child Abuse and Neglect in Chicago last November indicates that at least a million children are physically abused each year. One estimate suggests as many as 5,000 of these will die as a direct result. When we include children who are sexually abused or who are neglected, estimates run as high as 3 million.

As if this suffering is not appalling enough, many abused children are additionally traumatized by legal proceedings. Crafty and formidable criminal defense lawyers, who are skilled at disorienting even expert witnesses, are allowed to intimidate, confuse, and badger child victim witnesses. It is too much to expect a child victim witness to function emotionally after such an intimidating process.

The Children's Justice Act seeks to provide some balance in our judicial system by encouraging States to implement protective reforms for the investigation and adjudication of child abuse cases. Such reforms would minimize the additional trauma to the child victim and improve the chances of successful criminal prosecution or legal action.

Under the act, the level of the Crime Victim's Fund would be increased by $10 million to allow the Attorney General to provide modest Federal financial assistance to the States to implement programs and procedures established by previously enacted State statutes which minimize additional trauma to the child victim and improve the chances of successful prosecution or legal action.

Extensive bipartisan efforts have contributed to a strong bill that I think will allow the special needs of physically and sexually abused children to be addressed effectively.

Mr. LEVINE of California. Mr. Speaker, I rise in support of S. 140, the Children's Justice Act. This important legislation is long overdue and I am glad it is before the Congress.

Children have a need and a right to adulthood without suffering sexual or physical abuse or neglect. This is a basic right few would contest. However, this right is not being protected for many, many children, and horrifying numbers of our children are molested and abused each year. Accurate statistics on this crime are difficult to find, but approximately 1 out of 4 girls and 1 out of 7 boys are abused before reaching adulthood. Our legal system has been unprepared to meet this newly acknowledged—but very old—crisis. The Children's Justice Act contains important provisions to provide the protections our children need.

S. 140, as amended, includes several key provisions for addressing child abuse, including the three provisions that Senator CRANSTON, and Congressmen EDWARDS, MILLER, COATS, and I introduced earlier this year in S. 1320 and H.R. 2791.

These three provisions, first, require the FBI to keep statistics on child abuse incidents as part of the unified crime report, providing national documentation and providing more accurate statistics on child abuse crimes; second, require the National Center on Child Abuse and Neglect to provide State officials throughout the country with materials to assist them in combating child abuse. The materials will report on successful investigation and prosecution techniques, and on ways to reduce the trauma and stress for the child associated with testifying in court; and, third, amend the Public Health Service Act to clarify the responsibility of health care practitioners in federally funded drug and alcohol treatment programs to report suspected child abuse cases. This provision will strengthen the State's rights to require reporting of suspected child abuse incidents. I am very pleased that these important provisions are being incorporated into S. 140.

Additionally, provisions in S. 140 call for grants to be made to States to establish programs for dealing with child abuse. The programs will seek to improve the handling of child abuse cases to reduce additional trauma to the child, and improve investigation and prosecution of child abuse cases. To qualify for these grants, S. 140 directs the States to establish task forces including law enforcement officers, individuals involved both in prosecuting and defending child abuse cases, health and mental health practitioners, child protective service agency staff, handicapped child care professionals, and parents and parent groups. The State task forces will review the investigative, administrative, and judicial handling of cases of child abuse within the State, and make recommendations for procedures for child abuse cases that reduce additional trauma to the child victim, while ensuring fairness to the accused. Additionally, the task forces will be charged with making recommendations for establishing experimental, model, and demonstration programs for testing techniques to improve the rate of successful prosecution while ensuring the rights of the accused, and finally, with making suggestions to reform State laws to provide protection for children while ensuring fairness to all affected parties.

Child abuse is a heinous crime against innocent and helpless victims. These important provisions provide Federal support for meaningful and strong solutions to child abuse. And strong solutions are needed.

In my district 2 years ago, the owner, family members, and past and present employees of a respected and long established day care center and preschool were charged with more than 200 counts of felony child molesting. These crimes may have occurred over a period of 10 years, victimizing over a hundred children, some as young as 2 years old. Throughout the long, painful, frustrating prosecution of this case, we've discovered that our justice system isn't prepared to deal with this heinous crime against young and frightened victims.

Laws must be passed to provide relief from torment for the helpless victims of child abuse. I urge my colleagues to support this bill.

GENERAL LEAVE

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill now under consideration.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from Montana?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Montana [Mr. WILLIAMS] that the House suspend the rules and pass the Senate bill, S. 140, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

The title of the Senate bill was amended so as to read: "An Act to amend the Child Abuse Prevention and Treatment Act to establish a program to encourage States to enact child protection reforms which are designed to improve legal and administrative proceedings regarding the investigation and prosecution of child abuse cases, particularly child sexual abuse cases, and to establish demonstration programs of temporary child care for handicapped children and crisis nurseries."

A motion to reconsider was laid on the table.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1987

The SPEAKER pro tempore. Pursuant to House Resolution 523 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4428.

□ 1339

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (HR. 4428) to authorize appropriations for fiscal year 1987 for the Armed Forces for procurement, for research, development, test, and evaluation, for operation and maintenance, and for working capital funds, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, with Mr. ROSTENKOWSKI in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from New York [Mr. STRATTON] will be recognized for 90 minutes and the gentleman from Virginia [Mr. WHITEHURST] will be recognized for 90 minutes.

The Chair recognizes the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as the chairman of the Subcommittee on Procurement and Military Nuclear Systems, I would like to highlight some of the committee's major actions concerning the defense procurement in fiscal year 1987.

□ 1340

As has already been indicated in the House on Friday, we are operating in a somewhat unusual environment. Today we are going to be carrying out general debate, and then on tomorrow there will be a discussion of the reorganization of the Defense Department and amendments to that item will be in order.

At the outset, Mr. Chairman, our subcommittee has one of the major responsibilities in the Committee on Armed Services because to a very large extent our bill involves the greatest outlay of funds, and as chairman of the Subcommittee on Procurement and Military Nuclear Systems, I want to highlight some of the committee's major actions concerning defense procurement in fiscal year 1987.

As the outset, I want to compliment the great lady from Maryland, Mrs. HOLT, the ranking Republican on the subcommittee for her leadership and cooperation. Representative HOLT will be retiring at the end of the Congress.

Her valued friendship, counsel, and strong advocacy for national defense will be sorely missed. Also, I want to thank the other members of the subcommittee for their work and contribution.

As you can appreciate, our job this year was not an easy one. Based on the committee's guidance, the $95.8 billion procurement request had been reduced by some 14.6 percent.

As Chairman BENNETT noted, the $16.9 billion seapower portion of the procurement request has been reduced by some $2.5 billion. The remaining $78.8 billion procurement request that is under the Procurement Subcommittee has been reduced by $11.5 billion. All told, procurement has been cut by $14 billion, the largest cut ever made to the Defense procurement request by the committee.

In making this massive reduction, we attempted to support existing programs, maintain the balance between strategic and conventional programs, and protect readiness and sustainability. New program starts and ramp ups have been deferred, programs have been reduced that have execution problems or raise policy concerns and financing adjustments have been made.

As a result, Army procurement programs have been cut by $2.4 billion, Navy and Marine Corps programs other than seapower reduced by $2.2 billion, Air Force programs cut by $7.3 billion, and Defense Agencies reduced by some $82 million. Admittedly, if budgetary conditions were different, some of these cuts would not have been made. In all likelihood, they will produce production inefficiencies and added costs in the long run.

In terms of major program actions, the committee is recommending the following for the Army:

A reduction of $523 million in aircraft procurement, primarily through contract savings, prior year adjustments and reductions to the AH-64 and AHIP helicopter programs.

Under Army weapons and tracked combat vehicles, the committee recommends:

Authorization of $830 million to purchase 593 Bradley fighting vehicles—a reduction of 277 vehicles or almost $300 million from the budget request. The committee also recommends deferral of the proposed modifications to the Bradley until completion of the live-fire testing. Section 121 of the bill establishes a set of detailed requirements for the development of the test plan and the conduct of the live-fire testing program. The Secretary of Defense is required to certify the suitability and realism of the test plan.

The committee recommends three major changes in Army other procurement as follows:

Denied the request of $204 million for the SINCGARS Program;

Denied the request of $117.7 million for the Aquila RPV Program; and

Deferred the request for Joint Stars ground terminals, thus saving $63.4 million.

NAVY

In the Navy, the committee took the following major actions:

Reduced requested FA-18 procurement from 120 to 96 aircraft and adjusted the FA-18 advance procurement from 132 to 102 aircraft for next year for a savings of $565.5 million;

Denied the request for nine P-3C Orion ASW patrol aircraft for a savings of $312.4 million; and

Reduced the E-6A TACAMO request from 3 to 1 aircraft for a savings of $227.7 million.

AIR FORCE

In the Air Force, the committee took the following major actions:

Approved 12 of the 21 MX missiles requested for savings of $300 million;

Recommended procurement of 135 or 260 AMRAAM missiles; established a program cost cap of $7.0 billion in fiscal year 1984 dollars for 24,000 missiles and restricted obligation of funds until flight test data demonstrates the missile's performance and design stability;

Reduced the F-15E request of 48 aircraft to 36 and required the Secretary of the Air Force to make a decision on whether to buy the F-15E or the advanced tactical fighter;

Adjusted the production rate of F-16's to 180 aircraft as compared to the request for 216 and restricted obligation of funds until a DOD decision is made on the acquisition plan for the F-16;

Authorized $200 million in prior year unobligated funds for a strategic bomber contingency fund that could be used for long lead components for continuation of the B1-B program; development of alternative sources for the ATB; or rescinded;

Approved $180 million for the C-17 airlift aircraft program, but restricted obligation of the funds until the committee receives the General Accounting Office report on the program; and

Recommended 12 T-46A trainer aircraft; but required the program to be recompeted if the cost cap is breached.

CHEMICAL WEAPONS

For chemical weapons, the committee is recommending $58.3 million for the 155-mm artillery round and $10 million for the Bigeye bomb. The funds for the Bigeye may not be obligated until all operational tests are concluded, the tests monitored by the General Accounting Office and the performance of the system certified. In addition, the Secretary of Defense is directed to study the military advantages of Bigeye as compared to long-range standoff weapons.

In addition $120.1 million was authorized for chemical demilitarization.

RESERVE COMPONENTS

In terms of National Guard/Reserve initiatives, in addition to approving most of the requested items, the committee is recommending some $509.1 million in new authorization and earmarking major equipment for the Guard and Reserve. The equipment is designed to strengthen readiness, sustainability, and combat support.

LEGISLATIVE PROVISIONS

Language items include:

Authorization of 2 multiyear contract requests, provided at least 12-percent savings are realized and options are negotiated for the Patriot and Stinger missile systems.

Mr. Chairman, this concludes my statement. The committee's action on the procurement request represents a balanced and equitable approach toward meeting our objectives. I urge the House to support the committee's recommendations.

□ 1350

Mr. WHITEHURST. Mr. Chairman, I yield myself such time as I may consume. Mr. Chairman, I would like to make a few comments in general about this year's Defense authorization bill, as well as some particular comments concerning the operations and maintenance area contained in title III.

Let me begin by reemphasizing a point which I'm sure most of my colleagues understand concerning this year's Defense authorization bill. H.R. 4428 as reported by the Armed Services Committee is $28 billion below the $320 billion requested by the administration. If I'm not mistaken, that's the largest reduction our committee has ever made to an administration's Defense request.

Circumstances we all understand and appreciate loom large in the background. The need to reduce the Federal deficit and to get our financial house in order has never been as critical as it is today. And which of us can forget the cloud of Gramm-Rudman-Hollings as it hangs over every piece of legislation which contains funding authorization or appropriation?

I want to assure my fellow Members of this House that our committee was very keenly aware of today's budget realities as we went about the business of crafting the bill under consideration today. I also want to remind my colleagues that our committee, perhaps more so than most, is also very keenly aware of the national security factors which drive the requirements behind this bill. I believe it's a good bill and one that will not only help to maintain a strong national defense, but that will also allow a substantial defense contribution to reducing the deficit problem and keep us on that road to getting our financial house in order.

I'd like to turn to an area of the bill which I consider to be extremely important—if not the most important. Title III of division A contains the authorization details for the operation and maintenance account, as well as for the working capital funds. You may be more familiar with that particular area of the DOD budget under its more common name—"readiness."

Last year, I discussed our committee's deliberate efforts to protect the O&M or readiness account. We have used a similar approach in marking our bill this year. The $82.8 billion that the committee is recommending for operation and maintenance is a significant reduction from the President's request of $86.5 billion. Even though almost every member of our committee acknowledges the need to protect readiness, we were still forced to make a $3.7 billion O&M reduction as part of the overall reduction to the defense request. There was simply no other logical and reasonable way to structure an authorization bill that would comply with the defense budget authority figure included in the Budget Resolution guidance.

Mr. Chairman, during one of our Readiness Subcommittee hearings in early 1985, I shared a story with my subcommittee colleagues. I'd like to repeat that story again today. As you may know it is said that Gen. George Washington seldom indulged in a joke or sarcasm, but when he did, he always made a hit. It has been related that he was present in Congress during the debate on the establishment of the Federal Army when a Member offered a resolution limiting the Army to 3,000 men. Upon hearing this, Washington suggested to another Member that he offer an amendment providing that no enemy should ever invade the country with more than 2,000 soldiers.

Sometimes, Mr. Chairman, I wish the Congress really could legislate the parameters of war. Unfortunately, we can't. And, therefore, it is in our decided best interest to be as ready as we can be for any eventuality. The readiness of our Armed Forces is the key to winning in any conflict. But more importantly, readiness is also the key to an effective deterrence.

I know each of us understands that our military services have made tremendous strides in their levels of readiness in the last several years. Our country has the best trained, best equipped, best supported, and brightest young men and women in the military that we have ever had. The equipment and support facilities that we in the Congress have authorized and funded is the best that modern technology can provide. Each of us should be confident in telling our constituents that our Armed Forces are ready, willing, and able to carry out their assigned missions.

This brings me to an important point which I want to stress as we begin consideration of this year's Defense authorization bill. Many of us can remember the long and tortuous discussions in this body during the late 1970's regarding the so-called hollow Army. We should never forget that there was a period when some of our ships could not put out to sea because of a shortage of personnel or a lack of repair parts, that many of our troops were severely handicapped because they lacked equipment and ammunition, and that some of our aircraft sat on runways instead of flying their training missions because of fuel shortages.

Fortunately, those lamentable times are largely behind us. But you know, my fellow colleagues, I have the uneasy feeling that we may yet face similar situations. Just a moment ago I made some very positive—and accurate I believe—remarks about the current state of readiness in our Armed Forces. Why then is Whitehurst uneasy you might ask?

I'll tell you why. During the Readiness Subcommittee's hearings this past spring, we began to hear rumblings of a problem that is only today beginning to come into focus. As fiscal year 1986 begins to draw to a close, the full impact of the first round of Gramm-Rudman-Hollings defense cuts is being felt. While cuts in procurement are obvious right up front, the effects in the world of operation and maintenance take longer to be felt.

Without going into the detailed mechanics of how one account works versus another account, let me give you a couple of quick examples. I recently learned that one way many unit and installation commanders are being forced to deal with O&M cuts is by drawing down on supply inventories. Not serious at this point, but potentially disastrous if continued over a long run. Important maintenance and overhaul work is being deferred until next fiscal year. Again, not serious at this point, but that procedure will inevitably lead to the kind of maintenance backlogs which it has taken us the last 6 years or so to eliminate. Some kinds of less critical training are being curtailed. No serious impact yet, but that is a dangerous trend which should be stopped as soon as possible. These examples represent the first inroads to the proper state of readiness which we all know must not be allowed to deteriorate.

H.R. 4428 is a good bill—not perfect and not as good in some areas as each of us would like. However, given the budget constraints of these days and times, it is a bill worthy of your support. I hope each of us listens and participates in the debate and discussion on the bill. And if we must disagree on some points, so be it. But let's also make sure that the final outcome is a Defense authorization bill that will strengthen our national defense program, maintain critical readiness, and keep us the great Nation we are.

My fellow colleagues, I urge your support for H.R. 4428.

Mr. STRATTON. Mr. Chairman, I yield 9 minutes to the gentleman from Mississippi [Mr. MONTGOMERY], otherwise known as General MONTGOMERY.

□ 1400

Mr. MONTGOMERY. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I thank the gentleman for the kind remarks that he made about the Reserves and National Guard, and also the gentlewoman from Maryland [Mrs. HOLT], whom I see on the floor today. The gentleman from Virginia [Mr. WHITEHURST] will certainly be missed. It will be his last time of helping handle the authorization bill, and I thank the gentleman for the happy times and good times that we have had working together.

Mr. Chairman, I rise in support of this legislation, and will do what I can to implement the committee report that came out on the bill.

In our committee I try, Mr. Chairman, to concentrate on certain areas—personnel matters of the military, the National Guard and Reserves, and military construction. In this bill, let me say, personally, that we have had some successes, and we have had some disappointments.

First, let me talk about the disappointments of the armed services bill. Some Members here today, for example, Mrs. HOLT, know about this disappointment about the availability of health care personnel on the battlefield for our young men that would be called up—we really do not have the health care professionals to take care of these young people. It has been pointed out by a House committee report that only 3 out of 10 Americans who would be wounded in a battle in Europe would get proper medical care.

I introduced legislation that would require certain health-care professionals to register with the Selective Service System. This passed the subcommittee, but it took a pretty heavy defeat in the full committee. Certain health-care groups oppose this legislation. They know who they are. Mrs. HOLT felt very strongly about it. We have talked to people on the committee. We hope to have hearings in the next few months to strengthen our health-care professionals.

If we have a shortage in personnel, Mr. Chairman, it is in health-care professionals. We do not have the doctors, nurses, and other professionals to take care of our military. Let us face it, the

health-car professionals in the Active Forces now are geared to take care of retirees, and they are geared to take care of dependents. This is a serious situation. It should be corrected, and I hope that we can come up with something that will help solve this problem.

On commissary privileges for the National Guard and Reserves, there was also a disappointment. I had an amendment that was defeated in the Subcommittee on Readiness that would give reservists the privilege—and their families—of going to commissaries once each month, and spread it over a 12-month period. The National Guard and Reserves do have commissary privileges now, but they can only use these privileges when they are on their active duty for training. I would hope that we would take another look at this situation.

Thanks to Mr. STRATTON and also to Mrs. HOLT and other members of the Procurement Subcommittee, we made great strides in getting better equipment to the National Guard and Reserves. Our committee has really done it along with the help of the Committee on Appropriations of the House. We still have not gone far enough, and the Defense Department must request more for reservists on equipment.

We are getting less than 5 percent for 1987 for equipment for the National Guard and Reserves. We are getting less than 7 percent of the total funding for military construction. Working with Mr. DELLUMS and Mr. KRAMER on the Subcommittee on Military Construction, we have an amendment in this bill that says 10 percent of all military construction that comes out in 1988 will have to be earmarked for the Reserves and National Guard.

Talking about the pluses in the bill, Mr. Chairman, I want to mention the 3-percent pay raise for military personnel. There is modest growth in end strengths for the reservists. The Defense Department is doing the right thing in turning more missions over to the National Guard and Reserves. Having more of these missions go to the Reserves is a good buy for the taxpayers.

Let me talk briefly about a subject that my colleagues know I am familiar with—the new GI bill. In effect, Mr. Chairman, it should be said here today that the new GI bill has saved the All-Volunteer Force. In the shortage of personnel that we are now beginning to face of high quality young men and women to serve in the Armed Forces, the new GI bill has filled the gap. It is working so well.

Members of the House should take credit for this. They voted for the new GI bill on several occasions, and it was a unanimous vote. The new GI bill is going to both Active Forces and to the Reserves.

The Army reported to us that it is their bread and butter for keeping up their strength levels in the Army; 85 percent of the new persons, men and women, coming into the Army Active Forces are signing up for the new GI bill.

Mr. Chairman, let me talk about TRIMIS. What is TRIMIS? It is the Tri-Service Medical Information System. You say, why do you even bring it up? What it means is that the services will be putting all their patient medical records in their hospitals and clinics on computers. We bring it up because the Defense Department is getting ready to waste about $2 billion, and our committee is concerned about that. The General Accounting Office is concerned about it.

What we are trying to get the Defense Department to do is to look at the Veterans' Administration's computer systems. They have software in the VA that they will give to the Defense Department. The Defense Department is looking at a Cadillac when they may only need a Ford or a Chevrolet as far as computer systems are concerned.

It would be shameful if they move ahead and implement these very expensive computer systems when we are ready to give it to them from the VA system.

Let me shift gears to medical care sharing agreements between the Veterans' Administration and military hospitals. We have a law passed 5 years ago to share equipment and other medical resources. Thus, military patients can go into the Veterans' Administration hospitals, and vice versa. It saves a lot of money for the taxpayers and we are also getting better care for our patients, both in the VA system and also in the military. In fact, in New Mexico, rather than construct a new facility, the Air Force will share the Veterans' Administration Hospital for the first time. It is working well.

In closing, let me say that there is some research money in the bill to be transferred from the military the Veterans' Administration. There is a shortage of doctors, nurses, and research people in the Army and military hospitals. There is not a shortage in the VA.

We are going to transfer some money in this bill that would give the VA the opportunity to look at gunshot wounds, to look at prosthetics, to look at blood transfusions that will help the military at a later date.

As a whole, Mr. Chairman, I think that this is a workable bill, and I certainly rise in support of it.

Mr. WHITEHURST. Mr. Chairman, I yield 5 minutes to the gentlewoman from Maryland [Mrs. HOLT].

Mrs. HOLT. Mr. Chairman, as the ranking Republican on the Procurement Subcommittee, I want to add my views to those expressed by the subcommittee chairman regarding the actions recommended for defense procurement in fiscal year 1987.

First, I want to thank my colleague, the gentleman from New York [Mr. STRATTON], for the cooperation and support that he has given me through the years. I, certainly, also want to thank the gentleman from Mississippi [Mr. MONTGOMERY] for his kind words and for the leadership that he has provided. I know of no more dedicated Member. He has almost singlehandedly, in the 14 years that I have been on the committee, provided the improvement that we have seen in capability in the Guard and Reserve.

We plan to hold hearings in September and October to try to find the answers to the health-care shortfall which the gentleman from Mississippi has sought so sincerely to correct.

I also want to thank the other members of the subcommittee and the outstanding staff for all their efforts as well. I genuinely value and will surely miss my association with this great committee.

As the gentleman from Virginia said, this is turning out to be a very, very difficult year for defense procurement, and I just want to make a couple of points in that regard. I certainly regret the fiscal environment that has imposed unprecedented reductions for defense. I think that we are cutting too far and too fast for a reasoned and sound defense. Second, in my opinion, the committee recommendation does not reflect what is needed for defense. We all know what the threat is, and to settle for any less than is necessary is certainly shortsighted in my view.

□ 1410

Instead, our recommendation represents as equitable and balanced a package as we could put together, given the unrealistic fiscal restraints and competing priorities and interests.

Finally, although there is no binding requirement to do so, we have made the tough decisions necessary to comply with the budget authority guidance provided us.

Mr. Chairman, I ask the House to support the committee recommendation and to resist proposals that would reduce the fiscal year 1987 defense program further.

Mr. STRATTON. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Mr. Chairman, I thank my distinguished colleague for yielding me this time.

Mr. Chairman, today the Committee on Armed Services brings to the floor H.R. 4428, the National Defense Authorization bill for fiscal year 1987. Di-

vision B of H.R. 4428 would provide $8.6 billion in military construction authorization and related authority in support of the military departments, the Defense agencies, the reserve components, and the NATO Infrastructure Program.

Before I proceed, Mr. Chairman, I want to express my deep appreciation to my distinguished colleague from Colorado, Mr. KRAMER, the ranking Republican member of the Subcommittee on Military Installations and Facilities, for his leadership and assistance during extensive hearings on the military construction portion of the legislation before this body today.

Also, I would like to thank all the other members of the Subcommittee on Military Installations and Facilities for their extraordinary diligence, particularly at a time when we face severe budgetary constraints and difficult choices. The 16 members of the subcommittee deserve public commendation for their courageous decision not to approve any unbudgeted items for fiscal year 1987. It was a difficult choice, but they stood tall and held the line in the face of tremendous pressure from both colleagues and constituents. Because of their hard work, the legislation before you today represents a balanced effort to meet both the fiscal constraints that face us and to respond to the most pressing construction requirements of the military departments.

For the benefit of the members, I would like to briefly review the development of this legislation. The Secretary of Defense requested new authorization for military construction and family housing in the amount of $10 billion for fiscal year 1987. On June 24 and July 24, 1986, the Committee on Armed Services approved by voice vote the legislation before you today which provides $8.6 billion in authorization for the new fiscal year. This amount is $1.3 billion or about 16 percent below the President's budget request and meets the requirements of the first concurrent budget resolution.

To achieve the necessary reductions, the committee agreed to defer all projects where there was not a clear requirement in fiscal year 1987 because of low design, cancelled or modified mission requirements, and questionable scope and/or cost estimates. The committee also deferred all new starts unless there was a clear requirement to meet national defense needs. Additional projects that otherwise met all the criteria for inclusion in the budget request were deferred because of budget constraints.

Furthermore, in a sharp departure from past years, the subcommittee denied all requests to add unbudgeted projects to the bill.

In the interest of time, I will not detail the individual actions taken by the committee. For your convenience, however, I have included in my statement a summary of those actions which are more fully explained in the committee report.

[In thousands of dollars]

Military department	Fiscal year 1987 budget request	Committee changes	Total approved by committee
Army	3,445,216	432,156	3,313,060
Navy	2,588,293	377,610	2,210,683
Air Force	2,563,229	356,789	2,206,440
Def. Agency	692,200	175,797	516,403
NATO Infra	247,000	0	247,000
Guard/Reserve	451,200	0	451,200
Total	9,987,138	1,342,352	8,644,786

Some of the major reductions made by the committee included: A $232 million from the $502 million request for facilities in Alaska and Fort Drum, NY in support of the Army's newly created light infantry divisions. The committee questioned both the requirement for and the cost of stationing a light infantry division in Alaska.

A $133 million reduction from the $187 million requested for the first 2 of the Navy's proposed 13 homeports for the Strategic Homeporting Program; the committee approved $54.4 million of the $92 million requested for construction at Staten Island, NY. The entire $95.4 million requested for Everett, WA was deferred because of unresolved environmental problems, uncertainties about financial commitments to the program by the State and local governments, and questions about the estimated cost of defense access roads.

A $23.6 million reduction in the family housing utilities account to reflect anticipated fuel savings;

$72.4 million reductions for the first phase of a new $300 million naval base the Navy proposes to build at Naples, Italy.

And finally, the committee approved the following general provisions:

Three fair market value land exchanges, one land conveyance, and one land easement;

A provision authorizing the use of $200,000 in planning and design funds for community planning at Fort Drum, NY:

A provision authorizing private development on Navy-owned land in San Diego, CA in exchange for free or below market value administrative space; and

A provision prohibiting the obligation or expenditure of NATO infrastructure funds in fiscal year 1988 unless the Secretary of Defense submits a comprehensive 5-year master plan for acquisition of air and ground defense for U.S. bases in Europe.

Mr. Chairman, the Committee on Armed Services believes that the military construction authorization contained in H.R. 4428 represents a balanced program that deserves favorable consideration by the House.

Mr. Chairman, I would now move to the second part of my responsibility in my capacity as chairperson of the Subcommittee on Military Installations and Facilities.

Mr. Chairman, today the Committee on Armed Services brings to the House H.R. 4428, the National Defense Authorization Act for fiscal year 1987. Title III of Division C would authorize $126.6 million to carry out the provisions of the Federal Civil Defense Act of 1950.

The Federal Emergency Management Agency requested authorization of $126.6 million for civil defense for fiscal year 1987. On June 24, 1986 the Committee on Armed Services unanimously approved the full amount requested.

To put the committee's action in perspective, it should be noted that compared to the enacted fiscal year 1986 appropriation of $130 million, the administration's budget request of $126.6 million represents a reduction of 3 percent.

The fiscal year 1987 budget request, as submitted and approved, would maintain the status quo pending final action within the administration on a review of civil defense policies, objectives, and programs which was mandated by the fiscal year 1986 conference report on the Defense Authorization Act. A portion of the report on the review was received by the committee on July 7, 1986; however, the national security decision directive, which is the President's policy directive on future civil defense programs, was not included in the package and is still under review within the executive branch. Currently, there is no clear indication of when the policy directive will be approved by the President and made available to the Congress.

For this reason, the committee recommends the approval of $126.6 million which would provide no-growth in the civil defense function for fiscal year 1987.

Mr. Chairman, in the few remaining moments I have I would like to address a couple of other issues. I have now discharged my responsibilities as the chairperson of the subcommittee bringing the military construction budget to the floor.

I am also a Member that represents the Eighth Congressional District in California. In that regard, I would like to alert my distinguished colleagues that during the course of the debate I will be bringing a number of amendments to the floor.

First of all, I will offer an amendment, Mr. Chairman, that would delete all Department of Defense funds for the strategic defense initiative, a program that we euphemistically refer to as star wars. That would delete all funds for the SDI testing and demonstration program.

It is the considered opinion of this gentleman that strategic defense initiative is an unnecessary and dangerous development that we do not need, and at the apropriate point I will be attempting to make as cogent an argument as I can in support of that position.

Second, Mr. Chairman, I would like to point out that along with my distinguished colleague, the gentlewoman from Colorado [Mrs. SCHROEDER], she and I will offer an amendment that proposes an alternative military budget with budget authority of $255.4 billion and outlays of $265 billion in fiscal year 1987.

□ 1420

The amendments have numerous changes, make numerous changes in defense spending, and I would not go into those specifics. At the appropriate point during the debate, we will attempt to assert our concerns.

The point there is simply that if we begin to address the policies upon which our military budget is based, that we can move away from such a heavy reliance on militarism to prop up our role in the world and certainly no need to spend nearly $300 billion in that regard.

Mr. Chairman, I would simply like to point out that in addition to the amendment on star wars and the substitute that my distinguished colleague and I will be providing, I would also, along with the gentlewoman from Colorado [Mrs. SCHROEDER] and the gentleman from Pennsylvania [Mr. GRAY] will be offering, finally, an amendment to bar payment of any funds authorized by the bill to firms or groups that conduct any business with either the South African Government or any business establishment in South Africa.

Mr. Chairman, to bring an end to apartheid in South Africa is one of the great moral issues of our time. It would seem to me that those of us who feel strongly have a responsibility to raise this issue on every appropriate vehicle that we can.

The Federal largesse of this country that goes forward as contracts to many of our corporations should be limited in their capacity to allow those contracts to go forward as long as they see fit to be in bed with perhaps the most racist and repressive regime on the face of the Earth.

That concludes my report, and I thank the gentleman for his generosity.

Mr. WHITEHURST. Mr. Chairman, I yield 18 minutes to the gentleman from New Jersey [Mr. COURTER].

Mr. COURTER. Mr. Chairman, I appreciate the time to talk a little bit about the upcoming defense debate we will be starting today and going into next week, perhaps 2 weeks.

Mr. Chairman, I would like to spend a couple of minutes talking about the bill; in particular some of the work of the House Committee on Armed Services. Some of the things I may agree with, some of the things I really do not agree with.

It has been a difficult year because we have cut more from the request this year than any other year that I can remember in almost 8 years in the House of Representatives, and I think, going back looking at the history books, we have cut more in the request of this administration in the authorization for the Department of Defense than any other administration since the beginning of this country.

It was a difficult thing to do, and I think an unfortunate thing that we had to do.

First of all, I would like to focus Members' attention on the small intercontinental ballistic missile, SICBM, the small mobile, single-warhead missile that we have been working on. There is a request which is in the bill which I don't disagree with; in fact, disagree with, and that is to increase the permissible weight of this mobile single-warhead missile from 33,000 pounds to 37,000 pounds.

As everybody will recall, last year this Congress put a limit on the level or the weight of that particular missile; the theory being that if it gets too heavy, it will be difficult being mobile and therefore do not make it too heavy.

So, we restricted its weight to 33,000 pounds and then upon further observation, analysis and research, we found out that with the increasing spread and deployment of Soviet defensive systems, it will be impossible for this single-warhead missile to be able to penetrate Soviet air space, and therefore have any capability of deterring conflict, unless there are countermeasures put on it; unless there are some penetration aids, so to speak.

So, we decided to increase its permissible weight from 33,000 to 37,000 pounds to allow the placing of penetration aids, which I support.

There was also another interesting debate in the Research and Development Subcommittee and in the full committee on the single-warhead mobile missile, and that was on the logical question of whether we should continue this thing as a single-warhead missile, or should we do the type of examination and studies to determine whether you have the same degree of deterrence, the same type of weapon by having two or perhaps three warheads; thusly increasing its weight to a degree.

The theory being, of course, that the Soviet Union would have as great a difficulty in jeopardizing and making not survivable a two- or three-warhead missile that was survivable as a one-warhead missile, because the Soviets would have to target the same number of square miles. It is called the barrage attack.

Some would argue that a three-warhead heavier missile could act as the same deterrent, would confuse the Soviets as much, would require the same degree of Soviet effort for striking that missile if you had about one-third the number and three warheads rather than one.

Regrettably, the Committee on Armed Services, the R&D committee and the full committee, took the position that we do not want to delay for 1 month or for 6 months or 9 months the research and development and testing in this small missile in order to give us that valuable information.

I think that was a mistake; I think we need the information because if we find out, pursuant to the studies, that a two-warhead or a three-warhead mobile missile will give us the same type of deterrence and the same level of survivability as a single-warhead missile, we would be saving approximately $18 to $20 billion. I think it is important to keep those numbers in mind because we are so interested in saving dollars.

So, I thought it was a mistake not delaying the small Midgetman missile just a few months in order to get the results back of that particular study.

Also, I thought there was a particular nefarious amendment that was placed in the research and development subcommittee with respect to the linkage of the small mobile missile with the 10-warhead silo-based, fixed-base MX missile.

As everybody knows, there was a lot of effort in the past number of years, more debate than we would like to think about and remember, about the possibility of us having finally a modernized, land-based leg of our triad. President after President tried; this body successful in the past couple of years, decided to go ahead and authorize money for the development of 50 MX missiles.

The amendment in the R&S subcommittee which was approved by the full committee reduced, in essence, the 10 or the 50 MX missiles that we finally got through this Congress, down to 10 unless we reached certain goals with regard to the development of the single warhead mobile missile; but there is no guarantee that we will be able, in the timeframe set out in that amendment, to achieve the deployment, achieve the research and achieve full engineering development of the small mobile missile in time, and therefore, what we have basically is now a reversal of what this Congress did in the past 2 and 3 and 4 years.

That is we have now gone, because of this linkage, from 50 MX missiles down to 10, and I just want to alert this body that I think that is going in

the wrong direction and not the right direction.

Second, there was also an effort, successfully in the committee which I regret, of deleting all money for hardening of the basing mode for the 10 warhead MX missile.

The argument people made year after year after year on this floor was the fact that MX was not a good weapon because it wasn't survivable; and with having 10 warheads and lacking in survivability, it would be a very attractive target for a first strike on the Soviet side; therefore, an increased instability.

Those people that were arguing against MX were saying "We cannot build MX because it's not survivable." Now, when it comes to doing research and development to increase the hardening of the silos to make it survivable, the Armed Services Committee decided to eliminate all funding for hardening.

□ 1430

So, it is a self-fulfilling prophecy. Obviously, MX is not survivable at the present time in its Midgetman 3 silos. The money in order to determine whether we can make it survivable was deleted, so we are going to guarantee that it is not going to be survivable. So, those people who vote against it will say, "I am against it not because of the missile but because it is not survivable," when they themselves took out the research dollars to make an effort to find out whether in fact it could be survivable. I think that is a very foolish type of approach, and I hope that in the conference we can rectify that problem.

I thought that the gentlewoman from Maryland had an excellent amendment with regard to antisatellite weapons. That also was an issue of interesting and divisive debate on this House. She crafted—now I do not know why it takes so long for some people to think of the perfect amendment; I think she had the perfect amendment. I give her a great deal of credit. She said that we cannot go forward with our own Asat Program if the Soviets eliminate their asat program. We will not have one, they will not have one, but we can continue with ours as long as they continue theirs in a deployed level. I think that makes a great deal of sense, and I would urge my friends on boths sides of the aisle the logic of parity when it comes to antisatellite weapons is logical between the Soviet Union and the United States. We will forgo all rights providing the Soviet Union eliminate their fielded existing system. What seems to be fair and right and proper for the Soviet Union in developing their capability should at least apply to ourselves.

So, I think that was a good effort by the gentlewoman from Maryland. I think it is one that should receive a great deal of support by both sides of the aisle.

I was disappointed that the committee proceeded without the type of debate that I would like with regard to a new transport cargo plane, the C-17.

The long-term goals, the Air Force has over 200 of those things at a cost of $37.5 billion. I think, very frankly, that with a mix of the C-5B's as well as the C-141's and the C-130's that we can fulfill the type of air cargo requirements without spending that type of money. In other words, this is another area that my vote would go toward saving money, not expending money; the same way with regard to reducing the number of small missiles, keeping them mobile. I think this body and this Congress could save tens of billions of dollars in the defense budget just on those two items, and I am sorry that the majority of the committee did not see this issue exactly the same way I did.

The bill this year, and we are going to be debating this tomorrow, I understand, Tuesday, is somewhat different than the bills in other years. There was a hyphenated rule. We passed one rule, we have not yet passed the second rule. The first rule which we passed is going to allow us to debate the issues of the reorganization reform inside the Department of Defense, and acquisition and procurement reform inside the Department of Defense tomorrow.

Those are very, very important initiatives. Some I think are extremely valuable and good, some of which do not do a great deal of good or harm and I think some particularly with regard to a couple of the proposed acquisition reforms we may be finding ourselves going downstream rather than upstream, making no progress rather than making progress.

So, when we have a debate tomorrow, particularly the 2 hours of debate on acquisition reform, I think it is important to keep in mind, to the Members of this body, that there is a choice, that both efforts, the Mavroules, the Nick Mavroules amendment, which contains a number of reforms, is mostly good; but there is going to be a substitute, I believe, supported by most of the ranking people, most of the subcommittee chairmen, that makes some small modifications and is in fact an improvement over the position of the gentleman from Massachusetts [Mr. MAVROULES].

So, I would hope during the debate tomorrow my colleagues do not get confused. It is going to be a little bit complicated; so keep your eyes open. The two sides are not that far apart. We think there is a more responsible way to go.

Finally, I would like to just spend the last couple of minutes talking about two general macroissues when it comes to defense spending. One is the Soviet threat, and the second is trying to answer, in a very quick way, the charge that we get all the time, "We just spend too much money on defending America."

First, with regard to the Soviet threat: There is nothing that I have read, there is nothing I do not think that anybody who is a Member of the House of Representatives has read that would indicate that the threat has diminished, that the Soviets have become non-Marxist-Leninist in their ideology, that have become more Moscow-oriented in the fact that they are not so covetous of different areas of the world.

In fact, the opposite is true, and I would like to read some statistics and, of course, some people can say statistics can do anything. I defy you to bring up statistics that really undo the statistics with regard to the Soviet capabilities versus United States capabilities, the ones I am going to read.

From 1974 to 1985, the Soviets built, that is fielded, not just doing a little research—not just drawing papier-mache reproductions of hardware—built and deployed 3 times as many strategic missiles as the United States, 10 times as many surface-to-air-missiles as the United States, 50 times as many bombers, strategic bombers as the United States. That is not five more or two more; 50 times as many. Two times as many combat fighters as the United States, three times as many military helicopters as the United States, twice as many military submarines as the United States, ten times as many artillery pieces as the United States.

Also, from a strategic area it is important to keep in mind that there is not parity in many areas and particularly this area. The Soviets have in their strategic arsenals twice the destructive power, that is twice the yield, twice the megatonnage as does the United States in our strategic arsenal.

That, I think, should be an issue in Geneva. I cannot imagine the United States wanting to negotiate an arms control agreement giving the Soviet Union twice the yield, the destructive power in their arsenal as the United States.

They also have four times the throw-weight in their strategic arsenal than the United States, 4 times the delivery capability in their strategic arsenal than the United States has in our strategic arsenal.

Those are important numbers to keep in mind. In the past 5 years even with the Ronald Reagan buildup, if you want to call it that, the Soviets have produced twice as many fighter aircraft than the United States, four times as many helicopters as the United States, 5 times as many artillery pieces than the United States, 12

times as many ballistic missiles as the United States, and 50 times as many bombers as the United States.

In 1985 the Soviets produced 100 intercontinental ballistic missiles, we none; 100 sea-launched ballistic missiles, we 74; twice the number of submarines that launch ballistic missiles than the United States; 20 intercontinental bombers, the United States 2; 700 combat aircraft, the United States 320; 2,700 tanks, the United States half that; 2,500 infantry combat vehicles, the United States 655.

Now, that is the threat. I ask the question, is that less? Is it diminished? Is it smaller than it was a year ago, 5 years, 8 years ago?

Simply, it is not.

Very quickly, in my last remaining 60 seconds: I would like to spend nothing for defense; I would like to spend just as much as we simply have to protect ourselves, to deter conflict and preserve our lives, our freedom, and our country.

It is important as well to keep in mind that Ike Eisenhower in 1961, I believe it was, made the statement that we have to be careful of the military-industrial complex. People will say, "Since then we have really done it."

The United States is spending 45 percent less of our wealth on defending America than we did when Eisenhower made that warning.

So in essence, we followed his warning. In the 1960's we were spending about 9 percent of our gross national product on defense, about 6½ to 7 percent today; about 50 percent then of Federal spending was on defense, that is down to about 30 to 33 percent today.

□ 1440

So during this debate, I urge my colleagues to remember those statistics, and remember that we have an awesome responsibility. The responsibility is to answer the question as to whether in competition with the totalitarian regime that does not have a free press, that does not have a Congress, that does not have a Senate, can a free society do those things necessary to protect itself and to protect freedom?

Mr. STRATTON. Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, it is a pleasure to follow outstanding speakers like the one I just heard, and I join with the gentleman in a desire to have a stronger national defense. It is a pleasure to serve on some of the subcommittees with the gentleman, a very thoughtful person.

It certainly is true that we need a stronger national defense. The only difference occurs as to where that money should be placed and what strengths should be given. I agree with the basic statistics the gentleman cited. I do feel we have a tremendous redundancy in nuclear weapons, and that we should channel some of this money into conventional weapons where I think we are much more in danger.

Mr. Chairman, H.R. 4428, as amended, would authorize $9,153.9 million for the construction of 15 ships and the conversion of 2 ships. The bill would authorize the construction of four *Los Angeles*-class attack submarines, three *Ticonderoga*-class cruisers, two *Arleigh Burke*-class guided missile destroyers, two SURTASS surveillance ships, two modern fleet oilers, one fast combat support ship, and one oceanographic research ship. The bill would also authorize the conversion of two crane ships.

As compared to the President's request, the bill would authorize $1,892.3 million less than the $11,046.2 million requested. The committee action in recommending authorization for Navy shipbuilding was constrained by the budget resolution which provided $292 billion for the national defense function, a reduction of $28 billion from the President's request and a decision to avoid large reductions in the funding for military personnel and readiness related accounts. As a result, the funding for shipbuilding was cut by more than 17 percent.

Ships that were requested by the President but not included in the recommended authorization are a Trident ballistic missile submarine, four minesweepers that were deleted because of difficulties in the program, a destroyer, a SURTASS surveillance ship, and the conversion of one oiler.

The committee faced difficult decisions in deciding how a cut of nearly $1.9 billion could be implemented while minimizing the impact of the national defense. The decision to recommend that the requested authorization for the 14th Trident submarine be denied was carefully considered in light of the many important defense missions that are conducted by the Navy. The committee decision to delete the Trident was heavily influenced by three factors:

First. Because of SALT II limitations on numbers of strategic systems, Poseidon ballistic missile submarines are presently being retired even though they are still militarily useful. The committee recognized that an additional Trident submarine would only exacerbate that situation.

Second. The Navy is critically short of modern surface combatants that would be required to support the sea lines of communication between the United States and Europe during a NATO war. A decision to authorize a Trident submarine this year within the imposed budget limitations would have required the reduction of at least two other ships. The ships that would have been displaced would have included surface combatants and/or attack submarines. It is the committee's judgment that such reductions would have a greater impact on the national defense than the deletion of a Trident submarine.

Third. The Navy is presently seeking to bring a second shipbuilder into the construction of Trident submarines to gain the benefits of competition. The Navy will not be able to offer the ship for competitive procurement until fiscal year 1988. The deferral of the Trident submarine requested for fiscal year 1987 may allow the opportunity for the forces of competition to bring down the cost of the vessel next year.

The committee recommendation would also restructure the procurement of Aegis cruisers and destroyers. In 1982 the Navy brought a second shipbuilder into the construction program for Aegis cruisers. The existence of competition in the Aegis cruiser program has been reported to result in significant savings in acquisition costs. The President's budget request included only two cruisers—a number that would effectively end the competition for the construction of these ships. The President's budget also included three Aegis-equipped destroyers—even though the first ship of that class is only now beginning construction, and there is only one builder. In order that competition may be maintained in the Aegis cruiser program, the committee recommends that authorization be provided for three cruisers in fiscal year 1987. In order to stay within budget constraints and consistent with the construction status of the destroyer program, the committee recommends that the budget request for three destroyers be reduced to two ships for fiscal year 1987.

I want to turn now to the committee recommendations for legislation dealing with the management and operation of the national strategic stockpile.

For the past 40 years, the policy of the U.S. Government has been to maintain a national defense stockpile. The purpose of the stockpile is to provide materials to supply the military, industrial, and essential civilian needs for national defense purposes and to preclude a dangerous and costly dependence by the United States on foreign sources for supplies of such materials in times of national emergency.

Current national defense stockpile policy originated out of the experiences of World War I, World War II, and the Korean conflict.

On July 8, 1985, the administration proposed a new national defense stockpile policy, including the sale of $2.5 billion of strategic assets and the reduction of stockpile goals from $16 bil-

lion—May 1985 prices—to $6.6 billion. Materials proposed for sale included chromium, cobalt, manganese, and platinum, all of which are primarily supplied by South Africa or the Soviet Union.

In response to the committee's request for an evaluation of the proposed policy, the General Accounting Office, in their letter of June 6, 1986, concluded that the study conducted by the National Security Council was not based on sound national security planning assumptions. The GAO letter stated:

> Thus, while our conclusion is qualified because we have not yet completed our analyses and still require additional data from NSC and the agencies to do so, our preliminary assessment is that the NSC study does not appear to be a sufficient basis for setting stockpile goals or as a basis for other U.S. mobilization planning.

During the past 2 fiscal years, the administration has completely ignored congressional direction regarding stockpiles. The fiscal year 1987 budget proposal to transfer moneys from the national defense stockpile transaction fund to the general fund of the Treasury is an example of such disregard. Such a transfer would evade the provision of the Stock Piling Act which prohibits the disposal of material from the stockpile if the disposal would result in an unobligated balance in the stockpile transaction fund in excess of $250 million. The proposal of the administration to dispose of large quantities of materials from the stockpile is another example.

How stockpile goals are developed within the executive branch is unclear, as is the basis for executive decisions that are made under existing law for the operation of the stockpile and which affect the quantity, quality, or form of materials to be included in the stockpile.

As a result, it is clear that steps must be taken to bring about stability and rationality to the stockpile program. To that end H.R. 4428 includes legislation that would establish stockpile levels in law. This would alleviate the manipulation of those levels for economic, budgetary, or any other reason and prevent the purchase of unneeded materials due to pressure from producers or foreign governments.

In addition, the committee has concluded that the stockpile program should be consolidated under the Department of Defense to rectify the long recognized management deficiencies and has included legislation to achieve that end.

Mr. Chairman, that concludes my statement.

Mr. Chairman, I would like to mention, since it has not been mentioned in my preceding remarks, that I certainly strongly favor the idea of cutting down on the proposed SDI funding, not because it is not worthy, but because there is a substantial amount of money in my amendment which I introduced, for what is needed to be done this year.

There is no need to flood this program with money. We are in short supply with regard to money for conventional weapons. We are in a very long supply with regard to even research in SDI. So I will be offering an amendment to cut that down to $3.1 billion. That is not a very deep cut, a less than $1 billion cut, from the committee's amount of money, a very substantial reduction, however, from the overall request.

Next I will be offering an amendment to cut back on some of the MX funds to make some of those funds available for conventional weaponry instead.

Finally, I have introduced in the committee, but not accepted there, an excess funds amendment. I may not offer this particular amendment, because it may be adjusted otherwise in the bill. When I offered the amendment in the committee, I was told to put forth a freestanding bill, which I have done. But I read in the press that perhaps the chairman of the committee will offer an excess funding amendment too. Therefore, I expect to offer mine also, which I think will close off this $40 billion or whatever it is that is supposed to be floating around that ought to be cut off.

Mr. Chairman, I am glad to have addressed primarily the naval functions in this bill and I would like to bring attention to the committee to the things that I have also discussed, the amendments which I personally will be offering.

□ 1450

Mr. WHITEHURST. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina [Mr. SPENCE].

Mr. SPENCE. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of H.R. 4428, the fiscal year 1987 Department of Defense authorization bill, and will address primarily those aspects of the bill related to seapower. A recent issue of U.S. News & World Report magazine summed up the President's 5-year naval recovery program rather well: the cover reads, "Tough New Navy." The lead story headline says, "Rust to Riches: The Navy is Back."

This recent article sums up what those of us, who have been working for many years to improve the Navy, already know: that the U.S. Navy has enjoyed a rejuvenation over the past 5 years that has paid great dividends in the quality of our people, the readiness of our equipment, and the numerical growth of the fleet toward the 600-ship Navy.

The press has been full of accounts of where the Navy has been this year: supporting operations at the South Pole, fighting terrorism in the air over the Mediterranean, and exploring 2½ miles beneath the ocean surface on the wreck of the *Titanic*.

But nowhere has our Nation's investment in a strong Navy and maritime superiority paid off more this year than last April in the Gulf of Sidra and over Tripoli and Benghazi. Here the skill and bravery of our pilots, the readiness of their aircraft and ships, and careful planning and mission execution helped to put the world's terrorists on notice that terrorism would not be tolerated by free people.

The President and the Congress have worked together to bring the Navy back from the doldrums of the 1970's to the position of strength it enjoys today. We have provided enough support to reach a 600-ship Navy by the end of the decade, and funded the spare parts and personnel initiatives to keep this growing fleet from becoming a hollow fleet.

But we now seem to be at a crossroads as we try to keep this momentum going. The bill before us today would cut nearly 9 percent from the President's national defense request, and more than 10 percent from the Navy's procurement budget. The committee's shipbuilding recommendation would trim the President's request by over $1.8 billion, nearly 17 percent. So at best, the 17 ships in the committee bill are a bare minimum if we are to achieve the maritime superiority our country needs for its survival.

Let me turn now to the specifics of the committee's shipbuilding recommendation. The recommended program includes three *Ticonderoga*-class Aegis cruisers; two *Arleigh Burke*-class guided missile destroyers; four *Los Angeles*-class nuclear attack submarines; long-lead funds for the next generation attack submarine, the *Seawolf*-class; a fast combat support ship; and seven other support ships of various types.

The *Ticonderoga*-class guided missile cruisers, with their Aegis weapon systems, continue to perform well above expectations; they are truly a revolutionary step in naval warfare. Nowhere was this more in evidence than in the Libyan antiterrorist raid in April of this year. Aegis cruisers provided a picture of the aerial situation of unprecedented clarity and precision, contributing tremendously to the overall success of the operation. In recommending three of these ships this year the committee also seeks to continue the benefits of competitive procurement in this program that have continued to drive the cost of these ships down, year by year.

The committee bill also recommends two *Arleigh Burke*-class guided missile destroyers. Also equipped with the Aegis system, these smaller, more versatile and less expensive ships will replace older destroyers that are reaching the end of their planned lifetimes. With two of these ships in the bill the Navy can begin the competitive procurement process for these ships that will ultimately keep their cost down.

The four *Los Angeles*-class SSN-688 attack submarines in the committee bill are a vital step in reaching the Navy's force goal of 100 nuclear attack submarines by 1990. The Soviet Union continues to outbuild us in nuclear submarines at the rate of 3 to 1; they are also getting better at incorporating the technologies that have traditionally given the United States an adge in submarine warfare. The ships in this year's bill will do three things to redress this situation: First, they will help to make up for the dangerously low attack submarine building rate of the late 1970's; second, they will incorporate a series of modifications to the ships' earlier design that will make them the world's quietest nuclear submarines, capable of performing multiple missions in a superb manner; and third, they will provide an orderly transition in both numbers and technology to the next generation of attack submarine, the *Seawolf*.

The committee bill would also authorize the initial procurement of components for the *Seawolf* attack submarine. *Seawolf* will be a quantum leap from the current generations of nuclear submarines, both United States and Soviet. It will be capable of sustained quiet tactical operations at faster speeds than any submarine in the world. It will also be able to store and deliver a larger number of a wider variety of weapons than any operational submarine today.

Finally, let me point out that the committee bill authorizes a fast combat support ship, the first in many years. This type of ship is vitally needed to supply our carrier battle groups at sea, and will help to redress a shortfall that could ultimately hinder our ability to operate our Navy worldwide.

Mr. Chairman, I believe the committee's shipbuilding recommendations strike a proper balance within the tough fiscal constraints of the budget resolution. We can't lose sight of the fact that the Soviets continue to expand and improve their fleet, outbuilding us in surface combatants and submarines consistently, year after year. The Soviets have obviously decided that they are willing to spend whatever is necessary to gain leverage over the United States at sea.

But added to our previous gains, this year's bill will help the United States to regain control of the seas. I strongly urge my colleagues to join me in supporting this bill.

Mr. STRATTON. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. NICHOLS].

Mr. NICHOLS. I thank the gentleman for yielding me this time.

Mr. Chairman, I appreciate the gentleman yielding and I would like to make some brief remarks on an amendment which I expect to offer tomorrow to the military authorization bill.

The amendment addresses the most revolutionary reform of the Defense Department structure since the Defense Department was created following World War II. I should add that the Subcommittee on Investigations has been laboring on defense reform now during the past three Congresses and last year we passed, by a substantial margin, a bill reforming the Joint Chiefs of Staff, which has been pretty much adopted in the Senate reauthorization bill passed earlier this year. Our committee has held numerous hearings on the subject and has heard from 109 different witnesses in 33 days of hearings and have accumulated better than 2,000 pages of testimony on this subject. Our bill makes a number of landmark changes in the manner in which the Pentagon would function and goes far beyond the bill recently enacted on a unanimous vote in the other body.

Senators GOLDWATER from Arizona and NUNN from Georgia deserve considerable credit for the strong congressional backing they have provided on the Senate side and our bill is entirely consistent with the Goldwater/Nunn reform package. Likewise, the Packard Commission deserves substantial credit for their strong support on reform legislation.

The theme of our bill is to provide more authority for those elements of the military responsible for actually fighting a war and we are confident that our legislation serves to place national security over the interests of the individual services.

Three of the many significant changes contained in the bill are:

First, the development of a joint speciality: For the first time in history, officers would be specifically selected and trained to serve in assignments that deal with joint, multiservice operations. The Investigations Subcommittee took testimony showing that many officers working in joint assignments have been pressured to make decisions favorable to the interests of their own service. The legislation would insulate joint officers from such service pressure by giving joint officers and the chairman of the JCS a say in such things as promotions.

The amendment would also increase the authority of the CINC's. Incredible as it may seem, the officers who would command troops in a war have limited authority now to hire and fire their subordinates, organize their commands as they see fit, specify the chain of command under them, or even employ subordinate forces as they feel best. These are the commanders in chief [CINC's] of the 10 unified and specified commands—for example, the Atlantic Command, the Strategic Air Command, and the Central Command. For decades, these 10 CINC's have been the men tasked with actually fighting a war. The service chiefs are charged with recruiting, training, and equipping forces, but have not commanded forces since the Department of Defense was created in 1947. The bill gives the CINC's full command, as President Dwight Eisenhower recommended 30 years ago, and in doing so gives the CINC's authority commensurate with the vast responsibilities.

Our amendment would also consolidate the military and civilian staffs of each service: The bill would end the often duplicative civilian and military bureaucracies and require a 15-percent cut in headquarters personnel upon consolidation. Each service now has a staff under the civilian secretary and another staff under the military chief of staff. The bill provides for a single staff. Where there is now a civilian assistant secretary for manpower and a military deputy chief of staff for personnel, the bill would allow only one manpower office. The secretary would retain civilian control as now.

Mr. Chairman, our subcommittee has labored long and hard over the provisions contained in this amendment which we will offer tomorrow. As I mentioned earlier, this legislation would increase the authority of those combat commanders in the field of the 10 unified and specified commands who would have the awesome responsibility of conducting military operations in the event we go to war. Now when you strengthen that individual—that commander in chief, the additional authority that you give him obviously has to come from a higher source and for that reason I must tell you in all honesty that many of the admirals and generals in the Pentagon object to some of the provisions contained in this legislation. But the bill is not my bill, but is the consensus of the testimony we have taken from former secretarys of defense, national security advisers, members of the Joint Chiefs of Staff and field commanders who strongly advocate the changes we are suggesting.

I have made every attempt to work with our friends in the Pentagon at the very highest levels and as one whose service in the Congress has been marked by supporting a strong defense, I regret that we have differences and there will no doubt be ef-

forts made to weaken the bill, which I hope the House will reject.

Again, I appreciate the time afforded me to make a brief explanation of the amendment which will be offered tomorrow and I earnestly and sincerely solicit your support in passage of same.

□ 1500

Mr. STRATTON. Mr. Chairman, I yield 9 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Chairman, I thank the gentleman from New York for yielding time to me.

Mr. Chairman, this year we are going to have a very interesting opportunity to pass a bill which is fiscally responsible, which reduces the risk of nuclear war, which provides us with a mighty defense, and which reflects the beliefs and desires of the people beyond the Pentagon.

The bill reported by the Armed Services Committee has a number of excellent features, but it spends too much money on unproven hardware and does not address the single most important national defense issue—arms control.

A number of members, including the chairman of the committee, have been working to develop sound amendments which reflect the wishes of the people beyond the Pentagon. Who are these people?

They are enlisted soldiers with elementary schoolchildren in Germany who do not want to be ordered home in the middle of the school year to save money which can then be put into an SDI contractors pocket.

They are church goers in Denver who cannot understand why President Reagan refuses to join the Soviet moratorium on nuclear weapons testing and seems eager to abandon the two arms control agreements which have already been negotiated.

They are retirees who do not want their Social Security benefits slashed to reduce the gapping Federal defict which is caused by profligate defense spending.

They are hard-working, tax-paying Americans who get angry when they see their money being stolen by greedy and dishonest defense contractors, who the Pentagon is not interested in patrolling.

They are freedom-loving Americans who do not understand why their Government wants to cozy up with the racist government in South Africa.

Amendments will be offered to address the concerns of these people beyond the Pentagon. And, if we meet those concerns, we will have a defense bill of which all Americans can be proud. We will have served the people in our districts, rather than the people in the Pentagon.

Perhaps the most important amendment to be offered is one to prohibit American testing of nuclear devices above 1 kiloton in yield during calendar year 1987 if the Soviets do not test and permit us to place seismic monitoring stations on Soviet soil. This amendment will establish a mutual and verifiable nuclear testing moratorium. We do not have to worry about Soviet cheating because we will have accurate monitors near Soviet testing facilities. And, we do not have to worry about the Soviets leapfrogging our sizable lead in weapons technology, because the Soviets have not been testing for the last year.

Another important arms control amendment would require the United States to continue living under the SALT II regime, which we have been following for the past 8 years. While the Soviet invasion of Afghanistan forced President Carter to withdraw the treaty from Senate consideration, the United States has been well served by compliance with the limitations contained in SALT II. The President's decision to repudiate SALT II is provocative and counterproductive to American interests. We must set American policy aright.

An amendment will be offered and should be adopted to restore this bill to appropriate spending levels. The budget resolution was a classic example of congressional numbers cooking. The budget conferees set budget authority high, to look strong on defense, and set outlays low, to reduce the deficit pursuant to Gramm-Rudman. The majority of the Armed Services Committee, who doesn't seem to know how to say no to the Pentagon, voted to mark up the bill to the inflated budget authority level, producing actual spending of $7 to $10 billion higher than contemplated in the budget resolution. This bill, more than any other, may determine whether sequestration occurs next month. If we adopt the Aspin-McCurdy-Spratt amendment to reduce outlays to $279 billion, we can have a strong national defense and meet the Gramm-Rudman targets at the same time.

Another key amendment will be offered by Mr. DELLUMS. It will prohibit the Department of Defense from doing business with any firm which does business with South Africa. In a free enterprise system, we should not tell companies with whom they can and cannot do business. But, it is perfectly appropriate for us to tell a company that it has to choose: either do business with the fascist regime of South Africa or do business with the United States Defense Department.

I will be offering an amendment to restore about one-half of the $600 million in cuts made to the budget for permanent changes in duty station [PCS] moves. I think everybody now thinks we went too far in bleeding this account for savings. My amendment is not a transfer amendment, because I want the issue to be solely the need for adequate funding of PCS moves. I believe that the House will trim the SDI Program and other programs; hence, there will be adequate funds made available to fund this restoration.

I have spoken of a number of key amendments which the House should adopt. Let me talk about some good features of the bill as reported. The committee slashed the chemical weapons request by 56 percent. I hope the remainder will be taken out on the floor. Similarly, the committee cut the President's strategic defense initiative by 29 percent. Again, a further cut on the floor is likely and desirable.

The committee bill held the readiness and personnel accounts relatively immune from the budget knife. The small cut in operations and maintenance can be made up from the reduced world price of oil. In personnel, the committee provided a 3-percent pay raise in January. I hope and expect that the same pay raise will be provided to both civilian and military people this year. The committee bill continues to permit DOD to operate to a budget, without the sort of micromanagement personnel ceilings which used to exist. It is fascinating to me that those who cry loudest for Government to act like the private sector insist on making Government inefficient and different from the private sector through the imposition of personnel ceilings.

The committee report focuses the attention of the Pentagon on spouse employment, both in the United States and abroad, on child care plans, and on relocation assistance. Each of these matters is of high importance if we are going to retain a skilled and motivated cadre of soldiers and sailors.

The bill makes a number of small, yet significant, changes in the package of benefits for survivors and former spouses of members of the uniformed services. One of these changes conforms the age termination of the pension cutoff for remarriage to the civil service. Now, under each system, remarriage after age 55 does not result in loss of benefits.

The committee bill contains an important title on procurement reform. Contained in this section are two strong whistle-blower protection provisions, one for members of the military and one for employees of contractors. Both are based on the notion that it is the employees working on a project who know best whether there is waste, fraud, or illegality. As a matter of national policy, these sections encourage

workers to come forward without fear of reprisal. An omnibus amendment will be offered to this title by Mr. MAVROULES. In a number of ways, this amendment strengthens the procurement reforms already contained in the bill.

I will be offering an amendment concerning troop levels abroad. In 1982, there was vibrant congressional discussion over whether our allies, both NATO partners and Japan, were contributing their fair share to the common defense. Since that time, the contributions of our allies have declined, our allies have been hesitant in the war against terrorism, and our budget deficit has continued to mushroom. I believe it is time to raise this issue again. I am not talking about abandoning Europe and Japan. Rather, I do not believe our allies will not pull their own weight if we continue to do all the pulling for them.

The House may this year have an unprecedented opportunity to pass a strong, reasonable, risk reducing defense bill. I hope we will do so.

□ 1510

Mr. WHITEHURST. Mr. Chairman, I have no additional requests for time, and I yield back the balance of my time.

Mr. STRATTON. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. DARDEN].

Mr. DARDEN. Mr. Chairman, I rise today in strong support of H.R. 4428, the fiscal year 1987 Department of Defense Authorization Act. As a member of the Committee on Armed Services, I want to compliment each of my colleagues who serve on the committee for a job well done. I specifically want to commend the chairman, the ranking minority member, and the subcommittee chairmen who guided this bill through the committee.

This bill represents a long, hard effort by our committee. We began writing this legislation back in February, when hearings by subcommittees were held on virtually every element and concept proposed by the Department of Defense. We accepted outright most of the DOD's requests, but we also made significant cuts in areas we believed not critical to the defense of our Nation.

I might also add that this bill has strong bipartisan support in our committee. No member received everything he or she wanted, nor was any single member able to delete programs he or she opposed. This legislation is a product of 47 Members of Congress coming together to produce the best available product for defending our Nation at an affordable cost.

Mr. Chairman, most of my time was spent in service on the Subcommittee on Research and Development. This subcommittee reviewed more than 900 R&D programs, incorporating almost 1,700 major projects and thousands more minor ones. The Research and Development Subcommittee recommended authorization of over $35.7 billion, which is more than six times the annual budget of my home State of Georgia, 65 percent of all R&D funded by the Federal Government, and 3½ times the Federal R&D funding for health and energy, combined.

A vigorous, dynamic military research and development program is absolutely vital to national security. However, our R&D effort today is hamstrung by a lack of coordination, planning, and critical evaluation, resulting in the inefficient use of increasingly limited funds.

There is a strong, growing public perception in this country that military R&D is one area where top return is not being obtained. Mr. Chairman, my experience as a member of the Research and Development Subcommittee has convinced me that this perception is correct.

The bottom line, Mr. Chairman, is this: Too many programs are yielding too few results—and at too high a cost. This is best exemplified by numerous cases of program duplication among the services.

The Research and Development subcommittee discovered during our hearings that there are currently 12 separate programs to develop a remotely piloted vehicle [RPV], focusing on missions only slightly different from each other. We should develop one RPV design, then modify it to suit specialized missions. H.R. 4288 deletes all funding for the most controversial of these programs and insists on a master plan for the entire proposed family of RPV's.

Another area of concern is the Navy's proposed advanced tactical aircraft [ATA] and the Air Force's advanced tactical fighter [ATF]. Although the former has an air-to-ground mission and the latter an air-to-air mission, it seems logical that an airframe and engine design suitable for both could be developed in a single, less-costly effort. Our committee strongly supports the ATF/ATA memorandum of understanding by the Air Force and Navy for the cross service utilization of these two aircraft.

Continuation of ongoing research efforts which already show little or no hope of success constitutes another drain on our defense dollars. Certainly, all research carries the potential for some financial loss; the quest for knowledge is one of trial and error, and those errors have their cost. However, each ongoing R&D project should be more closely monitored by Congress to ensure that it retains the potential to counter—at a reasonable cost—the threat which prompted its authorization. If not, we should cut our losses and halt the program before valuable funds are wasted.

Mr. Chairman, in this legislation, the Research and Development Subcommittee has addressed the critical problems our Nation is facing in the military research and development efforts. However, it is crucial that we recognize the problems we experience in research and development spring from the lack of a comprehensive, long-range policy at the Pentagon. The Department of Defense refuses to assign priorities among the multitude of R&D projects.

Without firm, long-range policies and priorities from the Pentagon, Congress is forced to micro-manage defense affairs. The Pentagon must accept its responsibility for setting priorities in all Defense programs, including R&D. Then, it will be up to Congress to make sure funds are provided for those truly vital national security projects.

Mr. Chairman, H.R. 4428 is a good bill. It is a bill that is conscious of budgetary concerns. As a committee, we realized that full funding was not possible in an era of Gramm-Rudman-Hollings. As a member who has supported a strong national defense since my election to Congress, I could not support legislation that is fiscally and politically unrealistic. This bill, by no stretch of the imagination, can be considered to weaken our defensive posture. I am convinced the funding levels of H.R. 4428 will meet the requirement of maintaining and enhancing our defenses.

Finally, I urge each Member to show reluctance and restraint in randomly and radically seeking to amend this bill. Historically, the Department of Defense authorization bill has been the vehicle for numerous amendments that literally clutter the issue of national security and eventually raise the cost of defending our Nation. I urge my colleagues to consider the long-term effect on the stability of our legislative process before jumping to support amendments that radically alter H.R. 4428.

I look forward to a lengthy and spirited debate during the next two weeks and want to inform my colleagues of my willingness to discuss various defense issues with them during the upcoming debate.

Mr. STRATTON. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. MCCURDY].

Mr. MCCURDY. Mr. Chairman, I rise in support of the committee bill as reported by the House Committee on Armed Services, the authorizing committee. I want to take a moment if I may to commend the chairman and the ranking minority member of the full committee for their direction and certainly their consideration and cooperation with other members in the deliberations on this important piece of legislation.

I would also like to commend, since I see him here on the floor today, our colleague, the gentleman from Virginia [Mr. WHITEHURST], who has always been, I think, one of the most ardent and outspoken advocates of continuing to improve our readiness posture of our military personnel and our military forces. It will be a sad day when he retires from this august body, and we certainly appreciate his efforts and his valuable input over the years.

I think to a large extent this bill reflects many of the concerns and provisions and direction that Mr. WHITEHURST has advocated, and that is, we attempted in this bill to establish for, I think, one of the first times the relevant priorities of the defense budget and the defense policy, and that is, we tried to protect as best we could the operations and maintenance accounts,

those basic readiness issues, and the personnel levels, with the intent of ensuring that what hardware is there works, and what people are there are trained and qualified and prepared to do their jobs.

The disappointment that I have had in the committee process, however, arose not from the establishment of these priorities, but from the fact that the Budget Committees and the budget conference reported levels to the committee that I think are inconsistent. The conference report gave us a budget authority, which is basically the sticker price on what the defense bill is, and an outlay figure which do not match. The $292 billion budget authority figure corresponds to the $279 billion figure for outlays, that money which actually can be spent during the year.

Now some people, our constituents and people sitting at home, may wonder how in the world can you say that we are only going to spend $279 billion, but you are going to say that you have the authority to go out and buy $292 billion worth of hardware? That is a good question. It is one that I think this body has to come to grips with.

In the environment today of Gramm-Rudman we have to consider the outlays, what is actually going to be spent, what actual tax dollars are going to be consumed in this budget. The Budget Committee has told us that it has to be $279.2 billion. What we have continued to do in the past 6 years is to have an increasing amount of investment accounts at the expense of actual outlays, and I think the readiness functions.

There will be an amendment offered on the floor to bring the levels of outlays within the budget levels, within budget, so as not to be faced with an amendment by someone not on the committee who would try to cut across the board. I think that both sides are looking at amendments and substitutes, and that the Members should look at those very carefully.

□ 1520

I would hope that the amendment that is adopted, if one is adopted, would maintain the priorities of protecting our readiness capabilities.

When the Gramm-Rudman hit in March the sequestration, many of our military facilities, such as maintenance facilities, in my district at Tinker Air Force Base, received dramatic and drastic cuts. I think that it affects our overall military standing and capability to fight.

There are a number of things in this bill that I believe though are very important. I believe that the work done by the Investigations Subcommittee, chaired by the able gentleman from Alabama [Mr. NICHOLS], for the reorganization of the Joint Chiefs of Staff, was an absolutely incredible piece of legislation, one that took a tremendous amount of time to develop. We had a number of witnesses, and I think that the final product is certainly one of the most remarkable pieces of legislation to come out of this body in some time.

I think that procurement reform package that came out of the procurement panel, chaired by the gentleman from Massachusetts [Mr. MAVROULES], is a good consensus document, one that addresses many of the concerns that we have in ensuring that we get our money's worth out of our defense dollars.

The other areas that need to be addressed are in two priority areas for myself. One is that of increasing our airlift capability. I notice my colleague, the gentleman from New Jersey [Mr. COURTER], earlier made a comment about the C-17 and his opposition to it.

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). The time of the gentleman from Oklahoma [Mr. MCCURDY] has expired.

Mr. MCCURDY. Could the gentleman from New York [Mr. STRATTON] yield additional time?

Mr. STRATTON. Mr. Chairman, we could just give the gentleman one more minute.

Mr. MCCURDY. Does the gentleman from Virginia [Mr. WHITEHURST] have additional time?

The CHAIRMAN pro tempore. The gentleman from Virginia [Mr. WHITEHURST] has yielded back his time. The gentleman can ask unanimous consent to regain some of that time.

Mr. WHITEHURST. Mr. Chairman, I ask unanimous consent that the gentleman from Oklahoma [Mr. MCCURDY] have 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Oklahoma [Mr. MCCURDY] is recognized for 5 additional minutes.

Mr. MCCURDY. Mr. Chairman, I thank the gentleman from Virginia [Mr. WHITEHURST] for his consideration.

As to the C-17, the operators in the field, the men and women who are responsible for ensuring that our Nation's needs are met through airlift are virtually unanimous in their support of the modernization of our airlift wings.

Many people have attacked the C-17 based upon cost, but the truth of the matter is that the annual operations and support costs for the C-17 are considerably lower than the current fleet of C-5-B's. In point of record, the C-17 annual cost is $49.3 million to operate that aircraft, based on the estimate in equal training per crew as compared with $70.8 million for the C-5-B.

Also, since I have had the privilege of having an airlift base in my district, and becoming familiar with the needs of the Air Force and the Military Airlift Command, we have found that the operational costs of the C-5 have continued to increase, and the projections, in all honesty, are extremely high and I think they are going to put a continued crunch on our operations budget in the out years.

It is important that we go forward with the modernization to increase the reliability and the maintainability and the availability of airlift in the future, which I think is provided by the C-17. It has met the airlift fleet capabilities requirements of long range. It is an oversized and bulk outsized cargo capacity. It has on-off loading drive capability. It can land in a small area, small airfield, which the C-5 is limited. It can make aerial delivery, and it certainly has the flexibility, and the combat flexibility to do the job.

I think the committee bill, by protecting the research and development moneys, and providing some procurement moneys for procurement of the C-17 was a wise investment, and I would hope that we would be able to handle any issues regarding that on the floor, and certainly in conference.

The other two issues I would like to address very quickly are that of the SDI and the small mobile missile, the small mobile missile being dubbed Midgetman.

I think it is important that we continue to modernize the land leg base of our strategic triad. It is important that we have a land leg. I think it provides the flexibility. It has certainly met historical tests of maintaining our deterrent posture. I feel that the Soviet price to knock out the small mobile missile is such that it places incredible burden on their defense budget and needs, and that the mobility and flexibility of this missile can continue to provide a stable deterrent, a nuclear deterrent to the future. I would hope that the committee would continue and the House will continue to support the small mobile missile, which I think is a much more stable system than currently in the inventory.

The last comment I would make is about the strategic defense initiative. Since I serve on the Research and Development Subcommittee, we have spent a great deal of time, under the leadership of the gentleman from Illinois [Mr. PRICE], and the gentleman from Alabama [Mr. DICKINSON], the ranking minority member, in looking at the SDI requirements.

The administration asked for a considerable increase this year in SDI funding, nearly an 84-percent increase. We felt on the subcommittee that that was too much of an increase in 1 year,

that it was more prudent to stretch that funding out over a period of years and to provide an increase, but not at the level that the administration had requested.

My personal opinion is that SDI has a role to play, that we should continue the research and development and the limited testing of the strategic defense initiative. I think the administration has had a change of position over the past couple of years since its announcement and is looking at different options other than just population defense. I believe that the SDI has very valuable arms control possibilities.

I urge our colleagues to support the committee bill.

Mr. STRATTON. Mr. Chairman, I yield 4 minutes to the gentleman from Oregon [Mr. WEAVER].

Mr. WEAVER. Mr. Chairman, I thank my good friend from New York [Mr. STRATTON] and the ranking member, the distinguished gentleman from Virginia [Mr. WHITEHURST], both of whom I hold in the highest respect.

Mr. Chairman, no bill concerns me more that comes to the floor of the House of Representatives than the defense authorization bill. Each year I study its provisions carefully. I examine our Nation's weaponry and defenses very carefully.

But I find it impossible to enter into the debate in terms of whether 40 or 50 MX's is the proper number, or whether we need 8 or 11 Trident submarines when one Trident submarine can destroy every city in the Soviet Union over the size of a city in my district, Springfield, with a population of 40,000.

I feel that we are, based on good intentions perhaps, hurtling toward holocaust, that we simply must stop and understand where we are going.

□ 1530

So not wanting to debate numbers, I turned to the last Book of the Bible, the Revelation of Jesus Christ to St. John, and I read a few versus from its apocalyptic writing, because these verses struck me so deeply.

The seven angels are sounding and we are with the third angel, chapter 8, verse 10:

> And the third angel sounded, and there fell a great star from heaven, burning as it were a lamp, and it fell upon the third part of the rivers, and upon the fountains of waters;
>
> And the name of the star is called Wormwood: And the third part of the waters became wormwood; and many men died of the waters, because they were made bitter.

I have just discovered that the word wormwood in Russian is Chernobyl—the name of the town in which the nuclear plant exploded and spread radioactivity throughout the world.

So I went on to read further verses in the Revelation of Jesus Christ to St. John, and I read this:

> And the fifth angel sounded, and I saw a star fall from heaven unto the earth: and to him was given the key of the bottomless pit.
>
> And he opened the bottomless pit; and there arose a smoke out of the pit, as the smoke of a great furnace; and the sun and the air were darkened by reason of the smoke of the pit.

Now we know now that a nuclear war would cause nuclear winter; darkening the sky, and the radioactivity throughout the world could cause people to die slowly and in great pain.

And so we read in chapter 9, verse 6:

> And in those days shall men seek death, and shall not find it; and shall desire to die, and death shall flee from them.

Mr. STRATTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as chairman of the Subcommittee on Procurement and Military Nuclear Systems, it is also a privilege to present title I of Division C of H.R. 4428. This title contains the fiscal year 1987 authorization of seven Department of Energy defense programs that are under the jurisdiction of the Committee on Armed Services.

The committee is recommending an authorization of $7.6 billion for Department of Energy defense programs, a reduction of $540 million from the President's request of $8.1 billion. The recommended authorization represents a reduction of $126 million from the authorization enacted last year. The reduction of $126 million represents a 5.7-percent real reduction after adjustment for inflation from last year's authorized level.

The military activities of the Department of Energy comprise about 2.5 percent of the national defense budget and provide essential elements of the defense forces of the Nation. The cornerstone of defense strategy continues to be strong nuclear deterrent forces to counterbalance very substantial numerical superiority of Soviet forces. All aspects of the development, construction, testing, and retirement of nuclear weapons is funded within this relatively small component of the national defense budget. In addition, the development of naval reactors that power the strategic and attack submarines, as well as many surface combatant ships of the Navy and scientific and technical capability for verification and monitoring arms control agreements, including nuclear testing and nuclear nonproliferation treaties, are funded within the military activities of the Department of Energy.

While the overall recommendation is $126 million less than authorized last year, the committee has recommended increases in a number of high priority areas. Programs for which funding would increase include:

First, nuclear safeguards and security would increase from $59.9 million to $64.9 million (8.3 percent);

Second, operating expenses of waste and byproduct management would increase from $395 million to $431 million (9.1 percent);

Third, materials production would increase from $1.875 billion to $1.96 billion (4.5 percent); and

Fourth, naval reactors development would increase from $564 million to $583 million (3.4 percent).

The recommendations would authorize $371 million for research related to the strategic defense initiative. The fiscal year 1986 authorization did not separately address SDI activities. However, a total of $270 million is being applied to these activities during fiscal year 1986. The recommended level would provide for an increase of $101 million (37 percent) and is commensurate with the increase recommended for SDI research by the Department of Defense in another portion of the bill.

The committee has also included a provision that would permit the Secretary of Defense to transfer up to $200 million of funds authorized for SDI activities of the Department of Defense to the Department of Energy for nuclear related SDI work. The Secretary would be required to inform the Committee on Armed Services 30 days in advance of the exercise of the authority to make a transfer. The provision would allow a reallocation of the funds authorized for SDI from the Department of Defense to the Department of Energy but would not allow the total amount of funds for SDI to be increased. The committee believes that the provision is consistent with the practice of providing flexibility to pursue individual technologies within legislatively determined, funding ceilings.

The recommendation would authorize $540 million for operating expenses associated with nuclear testing, maintaining testing activities at approximately the same funding level as last year. The recommendation represents a reduction of $94 million from the President's request. The reduction stems primarily from a slowing of SDI related testing and is a part of the $165 million overall reduction from the request for Department of Energy SDI programs.

The committee continues to believe that nuclear testing is essential to maintain a high confidence nuclear deterrent force and has recommended funding adequate to provide the necessary test program. The testing program that would be conducted during fiscal year 1987 is necessary if we are to retain high confidence in the safety, reliability and survivability of the nuclear weapons deployed with military forces.

The necessity of testing has been demonstrated many times and in many ways but there are always those

who would raise the issue anew. I want to speak briefly to those that would seek to change existing test practices which are limited to underground tests of less than 150 kilotons.

Existing test practices have allowed the maintenance of high confidence in our nuclear deterrent forces and have avoided any release of radiation that could endanger the health or safety of the public. If present practices are to be changed, the burden of proof that the changes will not adversely affect our present high confidence in the nuclear deterrent force should be on the proponents of the change.

In another section of the bil there is a provision that would require that each major weapon system be subjected to live fire testing. Proponents of that provision point to the Bradley Fighting Vehicle as the example that proves the need for realistic testing of weapon systems. Tracked combat vehicles have been produced since the beginning of the century and have been used extensively in combat. Notwithstanding that extensive experience it is almost universally agreed that there is a need to realistically test new and existing systems to have high confidence that they will work as intended. Similarly, automobiles have been produced for nearly a century and tens of millions of automobiles are produced around the world each year. Yet it is still necessary to test automobiles. It would be surprising if live testing were not also necessary with nuclear weapons, which have been in existence for about 40 years, have been produced in numbers that total tens of thousands, and which have been used in combat in only two instances.

□ 1540

This is relevant to the point that was made a short time before in the well by the gentlewoman from Colorado that we should stop any testing of weapons until and unless the Soviet Union is found to have resumed their testing. But the committee as a whole does not approve of that attitude. Mr. Chairman, the recommendations for the defense activities of the Department of Energy represent a balanced program that will provide for the maintenance of a high confidence nuclear deterrent. The overall funding level has been constrained within the authorization levels consistent with the budget resolution and should be supported along with the remainder of H.R. 4428.

Mr. DICKINSON. Mr. Chairman, I would like to commend our chairman, Mr. PRICE, and the other members of the Research and Development Subcommittee for their efforts on this portion of the Defense authorization bill. We were not given an easy task. The administration requested $42 billion for research, development, test and evaluation, more than $8 billion over last year's level. The committee bill recommends a $2 billion increase over last year. The $6 billion reduction in RDT&E represents some very difficult decisions, decisions that we must make in this year of constrained Federal spending. I am sure that we are going to debate a number of issues in this account, as we should.

The No. 1 R&D issue continues to be the Strategic Defense initiative [SDI] Program. The $4.8 billion request represents a $2 billion increase over last year's approved program. The committee recommends $3.4 billion, a level that provides for reasonable growth and is adequate to support the stated SDI goal of a vigorous research and technology program to support program decisions in the early 1990's. The committee is concerned about efficient use of these precious R&D dollars and believes that the $3.4 billion level will provide a strong incentive to the SDI management to execute this very important program in an efficient manner. I am aware that there will be a number of amendments to both reduce and increase SDI authorization and of course, there will be lively debate on the merits of each position. I do believe the committee position of $3.4 billion is the right level of authorization.

The ASAT (antisatellite program) is sure to be a major issue. The committee position represents a reasonable compromise between the administration's desires to continue testing and deployment versus a position taken last year by Congress to halt all testing of this system for the remainder of the fiscal year. The committee believes that a scaled down program is in order. This would provide limited funding to complete a few more R&D tests but denies funds for any production or preproduction verification of the ASAT system. The one very successful test last year does not give us the confidence we need to verify the viability of our system. A few more tests would, and would leave us in a stronger negotiating position with the Soviets, who have in place a deployed system. A complete test moratorium, I believe, is not in our best interest. The committee proposal is a good one, one that does not tie the administration's hands but continues to provide congressional control over deployment of this system.

In another area, the committee recommends full support for the national aerospace plane program. This program, funded both in DOD and NASA, provides the means to translate the aeronautical science developed in the 1960's and 1970's into the technology essential to maintain U.S. preeminence in aerospace for military applications and space transportation into the 21st century.

Another issue I would like to raise has to do with the university research program. The committee is concerned about past congressional efforts to earmark defense research and development funds for specific university research and research facilities projects. Last year about $65 million was specifically allocated to 10 universities. DOD and university officials vigorously oppose this practice on the grounds that it threatens to weaken the effective, efficient, merit-based means of allocating national research resources. The committee strongly agrees with this view. The committee urges all who are concerned with the future health of our university research and training base to resist engaging in the practice of earmarking funds for university research and research facilities projects.

In closing, I would ask your support on the actions taken in the R&D portion of this bill. This is the largest reduction we have ever made to an R&D request but the bill will provide for the largest R&D program to date.

Mr. STRATTON. Mr. Chairman, I yield back all but 10 minutes of the remaining time, and I reserve the balance of my time.

Mr. WHITEHURST. Mr. Chairman, I ask unanimous consent that I be permitted to reclaim 10 minutes of the remaining time on this side.

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. STRATTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. WEAVER] having assumed the chair, Mr. GRAY of Illinois, the Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4428) providing for the consideration of the bill (H.R. 4428) to authorize appropriations for fiscal year 1987 for the Armed Forces for procurement, for research, development, test, and evaluation, for operation and maintenance, and for working capital funds, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material on the bill, H.R. 4428.

The SPEAKER pro tempore (Mr. WEAVER). Is there objection to the request of the gentleman from New York?

There was no objection.

TWO CENTURIES OF PROTECTIONISM IS ENOUGH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. FRENZEL] is recognized for 60 minutes.

Mr. FRENZEL. Mr. Speaker, on October 9, 1985, I rose to urge my colleagues to vote against H.R. 1562, the Textile and Apparel Trade Enforcement Act of 1985, a bill that would institute drastic, unilateral rollbacks in imports, I sought to emhasize that supporting this draconian legislation meant agreeing once again to providing further relief to the most protected of our domestic industries at the expense of a wide range of other U.S. industries,

as well as our national economic and strategic interests.

Two months later, the House again jumped at the opportunity to pass a modified, but equally objectionable, version of this legislation. Because the President wisely vetoed it, we are now faced with the final showdown on this bill. It has become even more apparent in the past year how harmful this legislation would be if enacted into law. I hope the House will support the President in his efforts to maintain a trade policy that serves the Nation, not just special sectoral interests.

Unless the President prevails, we will not be able to move forward internationally to achieve agreements on market access, dispute settlement, intellectual property rights, agriculture, and services. There will be no new GATT round of multilateral trade negotiations. Progress and fair competition will be sacrificed to the insatiable demands of the textile industry, an industry whose overall profits rose by more than 100 percent in the second quarter of 1986.

For nearly two centuries, the Congress has sought to sate the protectionist appetite of the domestic textile and apparel industries. As a result, according to a recent study released by the Institute for International Economics, consumers now pay an additional $27 billion per year to protect the domestic industries. This bill is likely to add at least an additional $9 billion to this hidden price tag in the next 2 years alone. Before we rush to saddle the consumers of this country with such a burden, I thought my colleagues would welcome a review of prior efforts to protect these industries from legitimate foreign competition.

In 1816, when the U.S. tariff schedules were substantially rewritten for the very first time, the domestic cotton textile industry in New England obtained special protection from imports: a 25-percent duty applied to expensive cotton imports, coupled with a "minimum valuation provision" applied to cheaper imports. Thus began the long and consistent history of unparalleled import protection for the domestic textile and apparel industries. Through this ongoing process, "temporary" assistance has been transformed into permanent, institutionalized protection.

The modern origins of the existing U.S. regulatory system limiting trade in textiles and apparel can be traced to the 1930's. Under the Smoot-Hawley Act, Congress raised tariffs substantially on imported products, including textiles and apparel. Other nations responded in kind by raising their own barriers to imports of U.S. products. I need not remind my colleagues of the consequences of those actions.

Later in the decade, the U.S. Tariff Commission investigated the impact of rising Japanese cotton cloth imports. Eventually, trade associations from the United States and Japan entered into a 2-year "gentleman's agreement" (subsequently extended through 1940) whereby Japan "voluntarily" limited its export shipments to the United States market. (Since then, of course, such "voluntary" agreements have become a common arrow in the protectionist quiver, having been used recently to restrict other products such as steel and autos.)

Following World War II, the domestic textile industry began facing stiff foreign competition from Japan with respect to cotton blouses, velveteens, and ginghams. Moreover, changing demand patterns, the emergence of indigenous textile industries in Latin America (which had been a traditional U.S. export market), and rising imports of manmade fibers, particularly rayon, became increasingly competitive with cotton textiles. Not surprisingly, efforts were undertaken to limit legitimate import competition.

Given its commitment to trade expansion under the GATT and its publicly stated opposition to the use of quantitative restrictions for purely protective purposes, the U.S. Government initially was reluctant to use tariffs and quotas to limit imports. Instead, it considered other alternatives to assist the domestic textile industry. Japan, whose entrance into the GATT had been facilitated by the United States, provided a temporary answer in 1955 by instituting a series of internal restrictions on exports of certain cotton products.

Throughout the mid-1950's, calls for new policies to deal with foreign competition increased. In April 1955, for example, the cotton textile industry urged the Senate to block proposed tariff cuts on textile products. These amendments alone, it was nonetheless claimed, "wouldn't give the protection we will need in the future." High tariffs apparently were not enough; quantitative restrictions were needed to protect the domestic industries from "imminent" collapse.

In 1956, Congress gave the President the authority to negotiate limits with exporting countries, as well as to take unilateral action, in order to further limit textile and apparel imports. In connection with the passage of this legislation, in a theme we hear yet today, Senator Payne (of Maine) stated:

> The textile industry does not seek favors. But does ask, Mr. President, that the additional burden of ever-increasing imports not be added to its other troubles. The industry seeks a chance to adjust, to work out its problems, so that once again it can stand strong against all competition from whatever source.

Early in 1957, Japan, once again under pressure, agreed to restrain exports "voluntarily" to the United States. That same year, Italy also announced that it would restrain its exports of velveteen to the United States to a specific level. Both the Japanese and Italian restrictions went into effect without a finding of injury as required under United States law. Although exports from Japan declined, imports from Korea, Taiwan, and Hong Kong increased. As a result, the domestic textile industry continued to press for additional, more far-reaching import restrictions.

Late in 1960, the Inter-Agency Committee on Textile Problems issued a report, rejecting the industry's requests for more quotas:

> The imposition of textile quotas would be a far-reaching departure from our foreign trade policy of the last 25 years. It is considered that import restrictions should be imposed on individual products only when the detailed facts of the situation show clearly that they are required to safeguard the domestic producers of specific products. As the [Pastore Subcommittee] report so clearly recognizes, imports are not the sole cause of textile ills.

Notwithstanding this temporary setback, the push for relief continued unabated.

In newspaper ads, the industry warned the Nation about "[t]he influence of uncontrolled textile imports on our economy." For those with doubts, the industry asserted that "[t]he continuing growth of foreign imports constitutes a threat to the future of American jobs. Today * * * textiles * * * face an immediate problem as a result of these uncontrolled imports."

Following pledges made during the 1960 Presidential campaign, President Kennedy announced a seven-point program of assistance for the textile industry. The President proposed, among other things, that a conference between exporters and importers of cotton textile products be convened to find a way to encourage trade without causing undue disruption to the established industries of the importing countries. As a result of this initiative, premised on the assumption that these industries should be accorded special treatment, two forerunners to the MFA were negotiated: the Short-Term Arrangement Regarding International Trade in Cotton Textiles [STA] in 1961 and the Long-Term Arrangement Regarding International Trade in Cotton Textiles [LTA] in 1962.

These two arrangements established the right of importing countries to negotiate restrictions on low-cost cotton textile imports. Perhaps not surprisingly, the Board of Directors of the American Textile Manufacturers Institute described the STA as merely a "first step toward a solution" and called for the future inclusion of wool, silk, and manmade fibers in the agreement and tough administration of the pact.

The Kennedy administration remained reluctant to expand the protection afforded the domestic industry. Warren Christopher, chairman of the U.S. delegation that negotiated the STA, stated in a letter to the New York Times on November 20, 1961 (in words still relevant today):

> The textile industry is not threatened by extinction * * *.
>
> The policy of the Administration is . . . to help the textile industry to modernize and adjust to foreign competition * * *.
>
> The future of the United States lies in producing and selling the goods it makes best. . . . Competition from abroad . . . will constantly compel United States producers to innovate in design and advanced production methods. This, not protection, is the path of progress.

Under the LTA, the United States negotiated bilateral cotton textile and apparel restraint agreements with 31 leading exporting countries and unilaterally imposed limits on imports from countries with which it had not negotiated such comprehensive agreements. Notwithstanding the scope of protection afforded by these bilateral agreements, they were dismissed by the domestic industries as one-sided.

Not surprisingly, throughout the 1960's, further industry efforts to restrict imports continued. As the 1968 Presidential election neared, new opportunities to capitalize on the political process were pursued by the domestic textile

industry. Late in 1967, shortly after the Kennedy Round textile tariff cuts had been agreed upon, legislation was introduced to mandate quotas on textile and apparel products of all fibers.

In 1968, Presidential candidate Richard Nixon made a campaign promise to "promptly take the steps necessary to extend the concept of international trade agreements to all other textile articles involving wool, manmade fibers and blends." By October 1971, the United States had concluded bilateral agreements covering trade in wool and manmade fiber textile and apparel products with the four largest exporters—Japan, Hong Hong, Taiwan, and South Korea—and Malaysia, a small supplier. The U.S. Government then sought international acceptance for these new agreements.

In July 1972, the GATT Working Party on Textiles called for a new international arrangement covering cotton, manmade fibers, and wool textile and apparel products. This led to the negotiation of the Multifiber Arrangement (MFA), which was signed by approximately 50 countries and went into effect on January 1, 1974. Of course, political dynamics subsequently had a lot to do with the evolution of the MFA, as the protectionist net was cast even wider.

By early 1985, when Congress was asked to consider the textile quota bill, international trade in textiles and apparel was subject to more regulations, special arrangements, and volume restraints than trade in any other industrial sector. Despite the increased protection afforded by the MFA, the domestic industries have clamored for more relief. Over the past year and a half, they not only have distorted the terms of the MFA, but have castigated the Reagan administration as well for its alleged failure to properly enforce the agreement and the bilaterals negotiated pursuant to it. Industry representatives continue to assert that the textile quota bill is merely an "enforcement measure," needed to ensure that imports are substantially reduced to a level equal to the level of growth in U.S. production.

Industry claims aside, the administration has vigorously assisted the domestic industries in myriad ways. In 1981, for example, in addition to extending and strengthening the MFA, the administration renegotiated the "Big Three" bilateral restraint agreements with Taiwan, Korea, and Hong Kong, limiting import growth generally to less than 1 percent for most products subject to quotas. In the past month, the administration renegotiated the agreements with Hong Kong and Taiwan, placing even broader limits on growth.

The administration also steadily expanded the coverage of import quotas for other countries through its program of "calls" for consultations. In 1981, it established additional quotas in 18 separate instances on five supplying countries. In 1982, it imposed 38 new quotas in 8 supplying countries, only to top that in the following 2 years by imposing 221 new quotas on 23 supplying countries, including five countries not previously subject to the import controls. In 1985, the administration made 122 "calls" on 20 suppliers. Over this entire period, the administration made a total of 399 calls.

Throughout this period, the administration also took significant steps to improve the technical administration of the textile quota program. It made substantial new investments in computer technology and training, enabling it to track the flow of imports more quickly and accurately. It revised import documentation requirements to make it easier to correlate import data. Through the Customs Service, it significantly expanded its enforcement program and implemented the "trip-wire" program in an effort to detect fraud in the import process.

These efforts have substantially complicated the importing process for retailers, but have been dismissed by textile/apparel representatives as too little too late. Through the textile quota bill, they now seek to add, among other things, an import licensing scheme to this already burdensome system, allegedly to augment enforcement of the textile quota program. Their goal can only be to further complicate the efforts of retailers to import the products their customers demand.

As my colleagues are aware, in an effort to ascertain the validity of industry complaints about fraud and import growth, President Reagan, in his veto message, directed the Secretary of the Treasury "to investigate the import levels of textiles and apparel to determine if these imports have exceed those limits agreed upon in international agreements." Industry claims were flatly rejected in the report prepared by Treasury Secretary Baker, as Chairman pro tempore of the Economic Policy Council:

> The growth of imports has *not* been the result of imports allowed in excess of established quotas (emphasis in original).

Mr. Chairman, textiles and apparel have been accorded special treatment for nearly two centuries. The recurring requests for more and more import protection are likely to continue, notwithstanding the breadth of protection already available and the robust health of many facets of the textile and apparel sector. There is simply no justification for further expanding this special protection, especially in the face of the additional costs it will impose on American retailers, consumers, and exporters and the harm it will inflict on the broader interests of U.S. international trade policy.

After two centuries, I would have hoped that the domestic textile and apparel industries would have learned to walk without the aid of a Government crutch. I would have hoped as well Congress would have developed the courage to say "no." The time has come to offer these industries some intensive physical therapy. We can start by having the courage to say, "Enough is enough."

H.R. 1562 richly deserved "no" vote when we saw it last, as does the effort to override the President's veto.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WHITEHURST) to revise and extend their remarks and include extraneous material:)

Mr. FRENZEL, for 60 minutes, today.

Mr. FRENZEL, for 60 minutes, on August 5.

Mr. LEACH of Iowa, for 60 minutes, on August 7.

(The following Members (at the request of Mr. GRAY of Illinois) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. WEAVER, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. WHITEHURST) and to include extraneous matter:)

Mr. KOLBE.

Mr. SHUMWAY.

Mr. MCCAIN.

Mr. PORTER in two instances.

(The following Members (at the request of Mr. GRAY of Illinois) and to include extraneous matter:)

Mr. STARK in two instances.

Mr. LEHMAN of Florida.

Mr. FAUNTROY.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mrs. LLOYD in five instances.

Mr. HAMILTON in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. DE LA GARZA in 10 instances.

Mrs. SCHROEDER.

Mr. ROSTENKOWSKI.

Mr. SMITH of Florida.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1766. An act to designate the Cumberland terminus of the Cheseapeake and Ohio Canal National Historical Park in honor of J. Glenn Beall, Sr.; to the Committee on Interior and Insular Affairs.

S. 1963. An act to direct the Secretary of the Interior to convey certain interests in lands in Socorro County, NM, to the New Mexico Institute of Mining and Technology; to the Committee on Interior and Insular Affairs.

ADJOURNMENT

Mr. GRAY of Illinois. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 45 minutes p.m.), the House adjourned until tomorrow, Tuesday, August 5, 1986, at noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3991. A letter from the Secretary of Defense, transmitting a report on the feasibility of converting Poseidon-class submarines into SSN-type or SSGN-type submarines, and the feasibility of using Poseidon-class submarines as training platforms, pursuant to Public Law 99-145, section 1435(a) (99 Stat. 756); to the Committee on Armed Services.

3992. A letter from the Secretary of Education, transmitting notice of regulations regarding final priorities for rehabilitation long-term training workshop and facilities, pursuant to 20 U.S.C. 1232(d)(i); to the Committee on Education and Labor.

3993. A letter from the Secretary of Education, transmitting notice of regulations regarding final priorities for experimental and innovative training, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

3994. A letter from the Secretary of Education, transmitting notice of regulations regarding final Priorities for rehabilitation long-term training—Rehabilitation Counselors, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

3995. A letter from the Director Defense Security Assistance Agency, transmitting notice of the Department of the Army's intent to issue letter(s) of offer to sell certain defense articles and services to Greece (transmittal No. 86-49), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

3996. A letter from the Executive Secretary, Federal Deposit Insurance Corporation, transmitting notice of a new Federal records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3997. A letter from the Benefits Administrator, Trustees of the Seventh Farm Credit District Employees Benefits Program, transmitting the annual report on the retirement plan for the employees of the Seventh Farm Credit District, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

3998. A letter from the Chief Immigration Judge, Executive Office for Immigration Review, Department of Justice, transmitting a report on the suspension of deportation of certain aliens of good character and with required residency when deportation causes hardship under section 244(a), Immigration and Nationality Act, pursuant to 8 U.S.C. 1254(c); to the Committee on the Judiciary.

3999. A letter from the Comptroller General of the United States, transmitting a report entitled "Financial Audit—Federal Deposit Insurance Corporation's Financial Statement for 1985 and 1984," pursuant to 31 U.S.C. 719(c)(3); jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs.

4000. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to increase the authority of the Secretary of Commerce to take necessary actions to collect on loans extended under the Public Works and Economic Development Act of 1965 and section 254 of Trade Act of 1974; jointly, to the Committees on Appropriations, Public Works and Transportation, and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on August 1, 1986 the following reports were filed on August 2, 1986]

Mr. DE LA GARZA: Committee on Agriculture. H.R. 5288. A bill to provide emergency assistance to farmers and ranchers adversely affected by this year's drought and excessively hot weather; with an amendment (Rept. 99-737). Referred to the Committee of the Whole House on the State of the Union.

Mr. DE LA GARZA: Committee on Agriculture. H.R. 5242. A bill to enhance exports of U.S. agricultural commodities; with an amendment (Rept 99-736 Pt. I). Ordered to be printed.

[Pursuant to the provisions of H. Res. 523, the following supplemental report was filed on Aug. 4, 1986]

Mr. PEPPER: Committee on Rules. H. Res. 523. Supplemental Report. (Rept 99-732, Pt. II). Ordered to be printed.

[Submitted August 4, 1986]

Mr. FORD of Michigan: Committee on Post Office and Civil Service. Report pursuant to section 302(b) of the Congressional Budget Act of 1974. (Rept 99-738). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Supplemental report "Counting all the Jobless: Problems with the Official Unemployment Rate." (Rept. 99-661, Pt II). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT:

H.R. 5333. A bill to prohibit the Secretary of Defense from obligating or expending certain excess funds appropriated to the Department of Defense; to the Committee on Armed Services.

MEMORIALS

Under clause 4 of rule XXII,

445. The SPEAKER presented a memorial of the 18th Legislature of Guam, relative to termination of the power pool agreement; to the Committee on Interior and Insular Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 471: Mr. BARNARD and Mr. WISE.

H.R. 693: Mr. COOPER.

H.R. 2836: Mr. LAGOMARSINO.

H.R. 3357: Mr. LATTA.

H.R. 3654: Mr. COUGHLIN.

H.R. 4014: Mr. DOWDY of Mississippi.

H.R. 4155: Mrs. LLOYD and Mr. LOWERY of California.

H.R. 4433: Mr. STALLINGS and Mr. CRAIG.

H.R. 5157: Mr. DANNEMEYER, Mr. KOLBE, and Mr. HYDE.

H.R. 5283: Mr. GAYDOS, Mr. SAVAGE, Mr. COYNE, Mr. DELLUMS, Mr. MARTINEZ, Mr. BOSCO, Mr. GEJDENSON, Mr. FAUNTROY, Mr. DIXON, Mr. MARTIN of New York, Mr. HILER, Mr. ROE, Mr. SHELBY, Mr. EDGAR, Mr. BOLAND, Mr. LEVIN of Michigan, Mr. KANJORSKI, and Mr. GARCIA.

H.J. Res. 438: Mr. STOKES, Mr. BREAUX, Mr. BONIOR of Michigan, Mr. MORRISON of Connecticut, Mr. SHAW, and Mr. BROWN of California.

H.J. Res. 594: Mr. DE LA GARZA and Mr. TRAFICANT.

H.J. Res. 602: Mr. MINETA, Mr. ANDREWS, Mr. HALL of Ohio, Mr. WEBER, Mr. DUNCAN, Mr. WISE, Mr. VENTO, Mr. BARNES, Mr. DYSON, Mr. WYLIE, Mr. JEFFORDS, Mr. SPRATT, Mr. DANIEL, Mr. BOUCHER, Mr. DONNELLY, Mr. CHAPPIE, Mr. LANTOS, Mr. UDALL, Mr. HERTEL of Michigan, Mr. LIVINGSTON, Mr. COURTER, Mr. ATKINS, Mr. RODINO, Mr. MARTIN of New York, Mr. KRAMER, Mr. MACK, Mr. CARR, Mr. WATKINS, Mrs. LONG, Mr. GORDON, Mr. HEFNER, and Mr. PASHAYAN.

H.J. Res. 615: Mr. CARPER, Mr. LENT, Mr. MARKEY, Mr. KOSTMAYER, Mrs. BURTON of California, Mr. MANTON, Mr. BONER of Tennessee, Mr. MACK, Mr. MCCAIN, Mr. BUSTAMANTE, Mrs. BOXER, Mr. GONZALEZ, Mr. SISISKY, Mr. DWYER of New Jersey, Mr. RODINO, Mr. DYMALLY, Mr. GEJDENSON, Mr. LEHMAN of Florida, Mr. LANTOS, Mr. SAVAGE, Mr. LOTT, Mr. MINETA, Mr. BARTLETT, Mr. LELAND, Mr. STARK, Mr. WYLIE, Mr. WILSON, Mr. STOKES, and Mr. YOUNG of Florida.

H.J. Res. 619: Mr. DARDEN, Mr. LUKEN, Mr. SEIBERLING, Mr. MACK, Mr. BORSKI, Mr. KINDNESS, Mr. KOLBE, Mr. KLECZKA, Mr. RICHARDSON, and Mr. BIAGGI.

H.J. Res. 684: Mr. BOLAND, Mr. CHAPMAN, Mr. COATS, Mr. DANIEL, Mr. DAUB, Mr. FAZIO, Mr. FEIGHAN, Mr. FUQUA, Mr. FUSTER, Mr. GEKAS, Mr. GRADISON, Mr. HAYES, Mr. HENRY, Mr. HOPKINS, Mr. HORTON, Mr. KANJORSKI, Mr. KASICH, Mr. LAGOMARSINO, Mr. LIPINSKI, Mrs. LLOYD, Mr. MCDADE, Mr. MCGRATH, Mr. MCKINNEY, Mr. MANTON, Mr. MARTIN of New York, Mr. MAZZOLI, Mr. MOORE, Mr. MORRISON of Washington, Mr. MRAZEK, Mr. NEAL, Mr. PASHAYAN, Mr. REID, Mr. RITTER, Mr. ROE, Mr. DENNY SMITH, Mr. SMITH of Florida, Mr. SUNDQUIST, Mr. TRAFICANT, Mrs. VUCANOVICH, Mr. WHITTAKER, Mr. WILSON, Mr. WORTLEY, and Mr. WYLIE.

H. Con. Res. 355: Mr. ORTIZ, Mr. LEWIS of California, Mr. MURPHY, Mrs. BYRON, Mrs. BENTLEY, Mr. CROCKETT, Mr. HUGHES, Mr. BORSKI, Mr. KILDEE, Mr. SAVAGE, Mr. HERTEL of Michigan, and Mr. VENTO.

H. Res. 347: Mr. KRAMER, Mr. PACKARD, Mr. MILLER of Ohio, Mr. RAY, and Mr. BLAZ.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

450. By the SPEAKER: Petition of the stated clerk, Synod of the Northeast, Syracuse, NY, relative to Libya; to the Committee on Foreign Affairs.

451. Also, petition of the chairman of the Executive Committee of Simferopol Town Soviet People's Deputies, relative to extradition of Nazi war criminals; to the Committee on the Judiciary.

452. Also, petition of the stated clerk, Synod of the Northeast, Syracuse, NY, relative to a declaration of sanctuary; to the Committee on the Judiciary.

453. Also, petition of the tribal secretary, Lummi Indian Business Council, Bellingham, WA, relative to the imposition of Federal income taxes on tribal commercial fishermen; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4428

By Mr. COURTER:

[20]—Page 81, after line 17, insert the following new subsection (and redesignate the succeeding subsections accordingly):

(b) WAIVER AUTHORITY.—(1) The Secretary of Defense may waive subsection (a) in a particular circumstances if the Secretary determines that implementation of such subsection in the circumstance involved would endanger United States Armed Forces by causing a failure of necessary supply of petroleum products.

(2) If the Secretary makes such a determination, the Secretary shall notify Congress of such determination, and the reasons for such determination, not later than 30 days after the date of any purchase of petroleum products authorized by such waiver.

By Mr. ROBINSON:

[21]—Page 77, strike out lines 1 through 25 and insert in lieu thereof the following:

"§ 2488. Sale of alcoholic beverages on military installations

"(a) The Secretary of Defense shall provide that alcoholic beverages procured by the Department of Defense (including its nonappropriated fund instrumentalities) with appropriated or nonappropriated funds for resale on a military installation located in a State shall be procured in the State in which the installation is located. If a military installation is located in more than one State, procurement of alcoholic beverages may be made in any State in which the installation is located.

"(b) In this section, the term 'State' means each of the several States and the District of Columbia.".

Page 78, after line 11 insert the following new subsection (and redesignate the succeeding subsection accordingly):

(d) CONFORMING AMENDMENT.—Section 6 of the 1951 Amendments to the Universal Military Training Service Act (50 U.S.C. App. 473) is amended by striking out "section 2683(c)" and inserting in lieu thereof "sections 2683(c) and 2488".

Page 78, in the matter following line 14 strike out the item relating to section 2488 and insert in lieu thereof the following:

"2488. Sale of alcoholic beverages on military installations.".

[22]—At the appropriate place in title V (personnel policy) insert the following new section:

SEC. . EXTENSION OF MANDATORY RETIREMENT AGE FOR MEDICAL OFFICERS.

(a) GENERAL RULE.—Section 1251 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c) Unless retired or separated earlier, each regular officer of the Army, Navy, or Air Force who is a medical officer shall be retired on the first day of the month following the month in which the officer becomes 67 years of age.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1251(a) of such title is amended by inserting "a medical officer or" after "other than".

(2)(A) Chapter 36 of such title is amended by inserting after section 636 the following new section:

"§ 636a. Exception to mandatory retirement for medical officers

"Sections 633, 634, 635, and 636 of this title do not apply to medical officers.".

(B) The table of sections at the beginning of subchapter III of such chapter is amended by adding at the end the following new item:

"636a. Exception to mandatory retirement for medical officers.".

By Mr. WHITEHURST:

[23]—At the end of title X of division A (page 239, after line 5), add the following new section:

SEC. 1033. REIMBURSEMENT FOR INCIDENTAL EXPENSES INCURRED WHILE PROVIDING VOLUNTARY SERVICES.

Section 1588 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c) The Secretary of the military department concerned may provide for reimbursement of incidental expenses which are incurred by a person providing voluntary services under subsection (a) as an ombudsman or for a family service center program. Such Secretary shall determine which expenses are eligible for reimbursement under this subsection.

SENATE—*Monday, August 4, 1986*

The Senate met at 11 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

*I will extol thee, my God, O king; and I will bless thy name for ever and ever. Every day will I bless thee; and I will praise thy name for ever and ever. Great is the Lord, and greatly to be praised; and his greatness is unsearchable. * * * I will speak of the glorious honour of thy majesty, and of thy wondrous works. * * * The Lord is gracious, and full of compassion; slow to anger, and of great mercy. The Lord is good to all: and his tender mercies are over all his works. * * * Thy kingdom is an everlasting kingdom, and thy dominion endureth throughout all generations. * * * The Lord is righteous in all his ways, and holy in all his works. The Lord is nigh unto all them that call upon him, to all that call upon him in truth. He will fulfil the desire of them that fear him: he also will hear their cry, and will save them. * * * My mouth shall speak the praise of the Lord: and let all flesh bless his holy name for ever and ever.*—Psalms 145:1-3, 5, 8, 9, 13, 17, 18, 19, and 21.

Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able and distinguished majority leader, Senator ROBERT DOLE, of Kansas, is recognized.

Mr. DOLE. I thank the distinguished Presiding Officer, Senator THURMOND, of South Carolina, the President pro tempore.

SCHEDULE

Mr. DOLE. Mr. President, I indicate that under the standing order, the leaders have 10 minutes each, and then there are special orders not to exceed 5 minutes each for Senator PROXMIRE and Senator BOREN.

There will be routine morning business not to extend beyond the hour of 12 noon with Senators permitted to speak therein for not more than 5 minutes each.

At the conclusion of routine morning business, the Senate will resume consideration of S. 2638, the DOD authorization bill.

Mr. President, let me also indicate to all of my colleagues that this will be another very busy week. There is no question that there will be votes on Friday. I think that is a forgone conclusion. We will be doing business on Friday.

Let me also indicate that there are a number of issues to come before the Senate this week. The DOD authorization bill is a very big, massive piece of legislation with billions and billions of dollars involved, and there are a number of issues that will be debated. For examples, there is the SDI, the Strategic Defense Initiative, and I understand there are 13 speakers who wish to be heard.

It is hopeful that we can come to vote on the SDI amendments say by 2 o'clock tomorrow. That is just one issue on that massive piece of legislation.

Notwithstanding that, it is my hope that we can work late tomorrow night, and the following evening. Then we might be within the ballpark of wrapping this bill up.

I get different reports from different of my colleagues who are managing that bill. With some luck, and with Senators willing to come to the floor, offer their amendments, and do their talking so that we are not interrupted with long quorum calls, we might be able to dispose of that Wednesday or Thursday.

We still have the pending debt limit extension. It is not pending right now, but after close of business Wednesday, if somebody calls for regular order. It will be back before us. It is not subject to any further amendments, except, amendments dealing with South Africa or Central America Contra aid.

It is my hope that we can have some agreement on those two issues prior to that time. It seems to me the best way to dispose of the South Africa matter would be through a freestanding measure, and the same for the Contra aid. If we can work out some agreement, that is still possible.

It is possible that we may be able to complete action on those two matters this week.

In addition, there is the veto override in the House of the so-called textile bill. If that veto is overridden, that is a highly privileged matter, and it would come to the floor.

I would assume there would be some debate on that. I am not certain how much. But that is another matter that could crop up before the week is out.

I have not been advised but I understand I will be advised by the chairman of the Budget Committee as to what he would like to do along with Senator CHILES insofar as the budget reconciliation matter is concerned. That is under a statutory time agreement of 20 hours. If we used all of that time, we are talking about 2 good days.

So, there we are, just with the barebones matters we need to do, and there must be added to that a little item which I momentarily forgot. Hopefully, on Monday and Tuesday we will be able to consider the Boren amendment on political action committees, and amendments that might be offered to that general package.

That will take a day-and-a-half. So I do not know how many days that is. I am certain it is more than the 10 or 11 days we have before the so-called Labor Day recess which will commence at the close of business on the 15th of August.

So, I would just put all of my colleagues on notice. I do not know if there will be any votes today. That will be up to the managers. There are a number of speeches. There is no agreement not to have votes. So, there could be votes. I assume there will be votes tomorrow, and throughout the 3 or 4 days it takes on the DOD authorization.

Mr. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. President, there is also the matter of the trial in respect to the impeachment of Judge Claiborne. That matter ought to be handled during the remaining few weeks that the Senate is in session. I think the sooner we do that, the better.

The distinguished majority leader, I do not believe, mentioned that in his statement of the problem areas that have to be taken up. Also, there are several appropriation bills, one of which is the military construction appropriation bill the so-called MilCon bill.

Mr. DOLE. Mr. President, if the minority leader will yield on the point on the trial, I was called by the Speaker a few weeks ago, and was told the House would not be ready to proceed with the trial until after the recess. I read some account in the paper this morning that the House Members are angry at the Senate. I am a bit puzzled since we were only responding to the Speaker by saying, "Look, we can't do it before the recess. We will do it afterwards."

I assume they would like to deliver whatever they will deliver. Apparently, I believe, we can work that out sometime this week. But as I understand they will not be ready for the proceedings until after the recess. At

least that is what the Speaker's message was to me.

Mr. BYRD. I think the House has already sent its message over to the Senate, only to have it turned back.

Mr. DOLE. They are not ready for the trial.

Mr. BYRD. I know nothing about that—whether they are ready or not. But the Senate under its rules and practices should have been ready when the House message came over to proceed.

□ 1110

I have a resolution of my own which I will probably submit today. I want to talk to Senate counsel about it. I will be talking to the distinguished majority leader also in reference to that measure.

Mr. DOLE. I have also had a discussion with the Parliamentarian with regard to that matter.

SALE OF UNITED STATES WHEAT TO THE SOVIET UNION

Mr. DOLE. Mr. President, this past Friday, President Reagan made a decision to offer United States wheat to the Soviet Union at world market prices, a first step that will help make us more competitive in world markets. I would guess it was not an easy decision to make given the realities of the international scene. But the President made the right decision.

While we recognize the sincerity of the arguments both here and abroad against the Soviet grain offer, there is no question America has taken a first step forward in dealing with some serious problems in the farm bill: too much product already in storage; another bumper crop ready for harvest; and nowhere to sell any of this bounty, especially in the face of subsidized or unbridled foreign competition.

I read with interest a newspaper story today about the Canadians being upset with the President's grain offer to the Soviets. And I have read with interest stories about the Australians being upset. What I did not read in either story is how much of our markets they have been taking over during the past several years. In each of these countries they have a wheat board, the Canadian wheat board and the Australian wheat board, which they use to aggressively pursue opportunity for their produce. They have been systematically able to undersell us and to match the subsidized markets of the European Economic Community and, the bottom line is, we have been the loser. We have been watching our foreign markets disappear during the years because of indirect and direct subsidies from foreign competitors. In my view, the President's grain offer is not a subsidized sale to the Soviet Union.

The 1985 farm bill, passed by the Congress and signed into law by the President, contains a provision giving the administration the authority to offer commodity bonuses to our traditional trading partners. One of those partners is the Soviet Union. But some critics say, "Don't trade with the Soviets!" Again, I submit if this administration or the Congress wants to vote on having trade with the Soviet Union, let us have that vote. I would guess that the vote would be, yes, let us trade with the Soviet Union. Let us not sell them any high tech or any strategic material, obviously, or any weapons systems. But let us trade. That helps to warm up our other relationships.

I am again reminded of President Eisenhower's comment about we will sell them anything they cannot shoot back at us, and I might add the comments of Hubert Humphrey who for so many years repeated Ike's phrase with enthusiasm.

So, I would just suggest we have made the first step toward regaining some of our lost markets, and the first step is a correct step.

We are talking about a very limited step, I must say. It is not across the board. It is limited to the Soviet's fulfilling their obligation under the wheat agreement, the long-term trade agreement. They have already fulfilled their obligation on the corn side, but they have not done it on the wheat side.

Mr. President, we have gone the first step and now we ought to go across the board and be competitive on all our commodities.

Wheat may be our biggest grain burden now, but we are going to have a larger burden when the corn crop is harvested.

I would also suggest that we make an early effort to find a home for all the corn and feed grains we are going to have pouring in during the next few months. I have suggested, as have other Senators, steps that the administration might take that would not be costly or as costly as some of the proposals we have been hearing about.

Mr. President, this afternoon some of my farm State colleagues will join me in meeting with a delegation from Australia. We are pleased to meet with our Australian friends. We recognize problems of international trade and we can empathize with their concern. But let us face it, the name of the game is competition. For too long the United States just has not been much of a player. Other countries have not been shy about jumping into our markets, challenging us at home and abroad. Many of them have not been shy about how they have done it, either. They have done it through subsidies. While we were the only country cutting back production, other countries were turning up their production machine a few notches to artificially lower prices to push Uncle Sam out of the ring.

Mr. President, I think we need to make it clear that we are dealing with our friends, whether Canadians, whether Australians, whether the European community. But we are also talking about the livelihood and the survival of farmers in rural America.

We are now moving in the right direction. I believe the administration has heard our message, that we are going to insist in the Congress that the United States will be competitive. If we are not going to be competitive, we are not going to export.

It just seems to me that we have taken a small step in the right direction. I hope this is only the beginning not only insofar as the Soviet Union is concerned but with all the other countries, many of whom are our friends. That is why we see such a close vote, I believe, coming up on the override of the textile bill in the House. There is a lot of frustration.

There are a number of Members in both parties in the House and I assume in the Senate who believe that one way to send a message would be to vote to override the so-called textile bill. That will be brought up in the House on Wednesday, as I said earlier. If it is overridden in the House, then it will be on our legislative agenda very soon.

HEALTH INSURANCE COSTS FOR EMPLOYEES AND RETIRED EMPLOYEES

The PRESIDING OFFICER. The clerk will read Senate Joint Resolution 380 for the second time.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 380) directing the Conferees on the Act entitled the "Tax Reform Act of 1986" (H.R. 3838) to require that any amount refunded under section 212 of the Tax reform Act of 1986 to steel companies filing bankruptcy petitions in 1986 or thereafter be dedicated for the continuation of company-paid health insurance costs for employees and retired employees.

Mr. BYRD. Mr. President, I ask that this business wait until after the order recognizing the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. Under the standing order, the minority leader is recognized.

SOVIET SOLDIERS

Mr. BYRD. Mr. President, a Washington Post report of July 15, 1986 describes recent revelations that Soviet party officials have pulled strings to keep their sons out of Afghanistan.

The fact that the Soviet press acknowledges such practices suggests that they are very widespread, and have come to the notice of the general public.

The Washington Post account describes a rising tide of Soviet casualties—possibly well beyond State Department estimates of 10,000 dead and more than 20,000 wounded. It speculates also on the impact of Soviet Reliance on Moslem troops from within the Soviet Union—an issue I raised several times in the past.

Prior to the Senate July 4 recess, I sponsored a resolution regarding Afghanistan which called, in part, for appropriate assistance to the Afghan people, a vigorous public information campaign to make the world aware of events in that sad country, and a determination by the Secretary of State as to whether Soviet activity in Afghanistan constitutes the crime of genocide under the Genocide Convention. The Senate adopted that resolution and, in so doing, made what I believe is the most sweeping congressional statement to date concerning Afghanistan.

The Washington Post story indicates that the war in Afghanistan is taking its toll on the Soviet people, as well as the Afghans. Soviet self-interest demands a reevaluation of this brutal policy that has been pursued in Afghanistan for more than 6 years. The current Soviet approach is simply too expensive—in the price it exacts in human life, in the cost to Soviet prestige, and in the barriers it erects to improved United States-Soviet relations.

If the Gorbachev regime is serious about modernizing the vast Soviet society, it must make a start by discarding a policy in Afghanistan that is a relic of the middle ages. A continuation of the war on the Afghan people casts a shadow over whatever other image the Soviet Union wishes to project—a shadow that darkens the lives of the Soviet people as well.

I ask unanimous consent that the Washington Post article of July 12, 1986 be included in the RECORD at the close of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOME SOVIET OFFICIALS SHIELD SONS FROM AFGHAN WAR

(BY Martin Walker)

Moscow, July 11.—In a story that reflects growing social and military tensions over the Afghan war, a Soviet military journal today exposed a scandal of senior officials using their influence to keep their sons, who have been drafted into the Soviet Army, from being sent to Afghanistan.

The report, in the Defense Ministry newspaper Red Star, focused on the special treatment given to some well-connected conscripts in the Uzbekistan military district.

Uzbekistan is one of the traditionally Moslem republics of the Soviet Union, which borders Afghanistan, and is one of the main military staging areas for the Afghan war.

A number of senior officials were named for protecting their sons in this way, including the editor-in-chief of the main official newspaper, Sovietsky Uzbekistan; the chairman of the Uzbek state committee on prices; and the head of mess hall services of the Uzbek military command. A number of senior officers in the region were criticized by name for "lack of principles and complacency toward negative events."

The decision to expose the scandal, which must have been made at a high level in the Defense Ministry, follows a new, tough policy on conscription, designed to ensure that even the sons of the well-connected should do their military service.

Until recently, university students and those attending the elite research and training institutes were deferred from military service until they had their diplomas, and they could then count on becoming officers. But students in their first and second years at the prestigious Institute of International Relations in Moscow now have been conscripted into the ranks.

This reflects not so much the heavy losses in Afghanistan, and the need for more manpower, as an attempt to dampen complaints that Afghan service is reserved for the sons of ordinary Russians.

There is a widespread public belief that conscripts from the Moslem republics are being kept out Afghanistan for fear of their political loyalty, and that the sons of the powerful are also being spared the war.

In the regional cities, people claim that even sons of Muscovites are being kept out of the war. But this seems no longer to be true, if ever it was. The cemeteries of Moscow are increasingly dotted with headstones for those who fell "doing their socialist international duty." Recently, some bereaved parents erected a tall obelisk to their Afghan war victims beside Boris Pasternak's grave at Peredelkino, the writers' colony just outside Moscow.

There are no official figures on the Russian casualties, but informed Soviet sources have said that U.S. Department estimates of 10,000 dead and more than 20,000 wounded are much too low. During the Geneva summit press conference last November, Soviet spokesmen said openly that the casualties were rising, as the guerrillas received better weapons, and were causing real concern.

The quality of the troops from the traditionally Moslem areas is also a growing problem. The higher birth rate of the Moslem areas means that every third Red Army conscript will soon come from a Moslem background, and there have been repeated reports from Afghanistan of such troops selling or even giving their weapons to the guerrillas.

One Soviet newspaper last month reported that most of the recruits from Turkmenistan were not fit enough to pass the basic Army entrance physical. Most could not swim, and only one in 20 could pass the standard running test.

FORMER TOP NATIONAL SECURITY OFFICIALS OUTLINE POSSIBLE IMPACTS OF PRESIDENT'S SALT NON-COMPLIANCE POLICY

Mr. BYRD. Mr. President, the President's announcement that the United States no longer would be bound by the limits of past strategic offensive arms agreements has caused great concern in the Senate and among our NATO allies. That decision could have major implications for prospects for a productive summit, for the future of arms control, and for future defense budget requirements.

I asked three of our Nation's most respected national security experts—former Defense Secretaries Harold Brown and James R. Schlesinger, and retired Air Force Lt. Gen. Brent Scowcroft—to share with me and the Senate their thoughts about the positive and negative ramifications of the President's decision for the security of the United States and its allies.

The responses from these former top defense officials in previous Republican and Democratic administrations, raise disturbing questions about the President's policy, and they indicate clearly that the United States and its allies would be less secure—not more—if the President's announced policy is implemented later this year. Having recently received these responses, I wanted to share them with the Senate as soon as possible.

All three former defense officials agree that, should the United States abandon SALT limits and the Soviets respond similarly, the U.S.S.R. is in a much better position to increase its production and deployment of strategic weapons in the next 3 to 5 years.

Dr. Brown predicted that the net effect would be "an increase of over 5,000 accurate ICBM warheads beyond what would probably be the Soviet inventory in the early 1990's under the SALT II limits," and that "the United States would be in no position to respond at least before the early 1990's."

Both former Defense Secretaries and General Scowcroft, a former Presidential National Security adviser, further highlighted the serious political as well as military risks to the United States from a U.S. noncompliance policy. Secretary Schlesinger said there is "a very clear political disadvantage" to the policy, and he described the negative response to the President's announcement by our NATO allies and other nations as a "political windfall" for the Soviets.

Dr. Brown said that "if the United States takes the initiative in abandoning the SALT II numerical limits * * * The Soviet Union could both carry out a massive addition to the forces that the current and previous administrations have regarded as most dangerous to the United States, its accurate land-based ballistic missile warheads, while at the same time blaming the United States for abandoning arms control limits on such systems."

Former Secretary Schlesinger discounted the military value of the President's stated mechanism for

breaching SALT's central numerical limits—deployment of the 131st B-52 bomber equipped to carry air-launched cruise missiles [ALCM's]. He also warned against another "probably highly negative" ramification of an accelerated strategic arms competition caused by the administration's policy.

Given likely future limits on Federal spending, "any expansion of spending on strategic forces will mean a shrinkage of spending on theater and conventional forces," Mr. Schlesinger said. "On balance, I do not believe that would be in the interest of our overall defense posture," he concluded.

General Scowcroft said the administration's SALT noncompliance policy approach "is far from clear." However, he projected that, if the United States exceeded the SALT II limits later this year with the 131st ALCM-bomber, "the Soviets would respond in kind, by exceeding the launcher limits and, perhaps, the limits on warheads per launcher as well, especially on their heavy ICBM's."

The general rejected out of hand the two major administration arguments against such a Soviet reaction: That the Soviet economy cannot afford to increase military spending, and that the Soviets already have enough warheads to cover American targets. He said that the likely Soviet response "would not be particularly burdenson" economically, and he said there were both political and military reasons why the Soviets would add warheads in response to the United States.

Mr. Schlesinger also contradicted the ultimate validity of a major justification by administration supporters that its policy has a tactical purpose—to stimulate the Soviets to negotiate in the ongoing arms talks. He said the "odds are against" the administration's being willing to make the adjustments "unavoidable in the negotiating process" which could make its tactical move advantageous.

Finally, Dr. Brown stated that United States concerns about Soviet compliance with SALT limits should be pursued by a policy which does not undercut the treaty, and that "it would be a mistake for the United States to exceed any of the numerical limits as a reaction to Soviet behavior so far."

These are thought-provoking judgments from these national security experts, and the Senate and the administration would be wise to consider them carefully. They raise a very large caution signal about the President's SALT noncompliance policy.

Mr. President, I ask unanimous consent that my letter and the responses that I received from Dr. Schlesinger, Dr. Brown, and General Scowcroft be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OFFICE OF THE DEMOCRATIC LEADER,
Washington, DC, July 9, 1986.

DR. JAMES SCHLESINGER,
Center for Strategic and International Studies, Georgetown University, Washington, DC.

DEAR DR. SCHLESINGER: As you know, the Senate soon will be considering the Fiscal 1987 Defense Authorization Act, and it is expected that arms control issues will be a major focus of our deliberations. Your insights in the past on national security matters have been of great assistance to me personally, and to many other Senators, and I know we would find your guidance very helpful again during the upcoming floor action.

If it is not too burdensome, I would be most interested in obtaining your views, which I hope you would permit me to share with my colleagues, about the following issues:

(1) Is it in U.S. national security interests—or against them—if the United States chooses to exceed the central numerical sublimits of the SALT agreements later this year, by deploying the 131st bomber equipped with air launched cruise missiles (ALCM), and why?

(2) Which nation—the U.S. or the U.S.S.R.—is in a better position to increase its production and deployment of strategic weapons in the next 3-5 years in the absence of SALT constraints?

(3) What are other positive or negative ramifications for the national security of the U.S. and its allies if the U.S. chooses to exceed the central numerical sublimits of the SALT agreements later this year by deploying the 131st ALCM-equipped bomber?

Should you be able to share your thoughts with me in the near future, I would appreciate it greatly, since our deliberations on such matters may begin as early as July 21. My thanks in advance for your consideration.

Sincerely,

ROBERT C. BYRD.

JAMES R. SCHLESINGER,
Washington, DC, July 28, 1986.

Hon. ROBERT C. BYRD,
Office of the Democratic Leader, U.S. Senate, Washington, DC.

DEAR SENATOR BYRD: These brief comments are in response to your letter of July 9. I trust that they will be of use in illuminating for you and your colleagues the issues that you posed.

At a general level, the chief advantage that might be embodied in the Administration's announcement that it would no longer be bound by the restraints of SALT II is that the Soviets might become more eager to negotiate—and thereby hypothetically improve the outcome at the bargaining table from our perspective. Of course, in order to exploit this potential advantage in the Administration's announcement we ourselves must be prepared to negotiate seriously. Thus, the principal justification for the action taken by the Administration can only be diplomatic tactics: putting pressure upon the Soviets.

Offsetting this advantage are a very clear political disadvantage and a possible military disadvantage. On the political front, the Administration's move caused considerable concern amongst our allies and other parties in the outside world regarding what it was taken to imply about the American attitude towards arms control and about the nature of the American decision process. (The timing of the announcement, which was unfortunate, was determined solely by when the opponents of SALT II could win a decision rather than by any development on the international scene.) The allies' dissatisfaction was reflected immediately in the meeting of the North Atlantic Council in which the United States was isolated. Needless to say, the Soviets have been moving to exploit what they see as a propaganda windfall.

On the military front, there is greater uncertainty. However, if the Soviet Union does regard this as a pretext for further expanding its own strategic forces, it is in a better position to compete short-term than is the United States. Consequently, under those conditions the short-term military balance would move to our disadvantage. Of course, if the Soviets were to do so, they would forfeit much of the political windfall that has now come their way. I think therefore that, for the obvious political motive, the Soviets will exercise restraint in order to maintain their propaganda offensive on the arms control issue. In my judgment, the political consequences are more significant by far than the military consequences.

All of this is by way of background to your specific questions.

(1) In my judgment whether the United States proceeds to deploy the 131st bomber equipped with ALCMs at yearend is less important than the original announcement that we would no longer be bound by SALT II, although it will probably not even then be in the national security interest of the United States. Much of the political damage would already have been sustained. Since the United States has ample weapons against Soviet targets in the Soviet Union, it would provide little in the way of military advantage.

(2) Since the Soviet Union has greater throw-weight in its missile force and since it maintains a warmer production base than the United States, I believe that there is little question that the Soviet Union can increase its production and deployment of strategic weapons more than the United States can near-term.

(3) The other ramification of a reinforced competition in strategic arms between the United States and the Soviet Union would be budgetary—and probably high negative from our standpoint. Given the magnitude of the budget deficit, and the goal of deficit reduction (either within or without the framework of Gramm-Rudman), it is evident that the real resources available to the Department of Defense will be at best stable and are likely to decline. Consequently, any expansion of spending on strategic forces will mean a shrinkage of spending on theater and conventional forces. On balance, I do not believe that would be in the interest of our overall defense posture.

I pointed out earlier that the dramatic move by the Administration represents a stimulus to the Soviets to negotiate. If the Administration is willing to make the adjustments unavoidable in the negotiating process, this move could prove to be advantageous. On balance, I think that the odds are against such an outcome.

Respectfully yours,

JAMES R. SCHLESINGER.

THE JOHNS HOPKINS FOREIGN POLICY INSTITUTE, SCHOOL OF ADVANCED INTERNATIONAL STUDIES,

July 14, 1986.

Hon. ROBERT C. BYRD,
Democratic Leader,
U.S. Senate, Washington, DC.

DEAR SENATOR BYRD: You have asked for my views about how to proceed with respect to SALT. Specially there is the Administration's announced intention no longer to be bound by the ceilings in the SALT agreements. They apparently expect to exceed a central numerical sublimit of the SALT agreement later this year by deploying the 131st bomber equipped with air launched cruise missiles. This would exceed the 1200 sublimit on MIRVed ballistic missiles plus bombers equipped with air launched cruise missiles.

There are legitimate concerns about Soviet observance of the SALT agreements, which both sides have hitherto announced they would not do anything to undercut. In particular, Soviet practices on encryption of telemetry appear to me to undercut the SALT II Treaty, even though its language may not be precise enough to sustain unequivocally a charge of violation. Moreover, there are real questions about whether the SS-25 missile characteristics and testing practices meet the limits that define a new missile and SALT II's lower limit on warhead weight as a fraction of missile throwweight.

In my view, however, it would be a mistake for the U.S. to exceed any of the numerical limits as a reaction to Soviet behavior so far.

The numerical limits are much less equivocal, and an avowed U.S. breach in any of them would certainly give the Soviets an excuse to breach all of the rest. The Soviets are clearly in a much better position for the next three to five years than the U.S. to take advantage of an abandonment of those numerical limits.

To begin with, their modernization program over that period would in the normal course of events require them to retire hundreds of existing missiles in order to stay within the SALT II numerical limits. By not retiring them, they could at relatively low cost increase the threat to U.S. forces over what would otherwise be the base. By merely continuing production from their present production lines along with implementing their present plans for introduction of modernized missiles they could probably increase their expected number of warheads by several thousand. The U.S., as a result of the present schedule for introduction of new systems and the likely flattening or decrease in U.S. real defense budgets, would be hardly able to increase corresponding numbers at all, let alone match the Soviet increases.

Moreover, once any of the numerical limits are breached, the Soviets might be expected to ignore the limits on warhead fractionation in their larger missiles. If, for example, they were to go from 10 to 25 warheads on the SS-18 (which would take them several years) and from 6 to 12 on the SS-19, this could give them another six or seven thousand warheads of high accuracy. The SS-19 would in any event probably be replaced by the 10-warhead SS-24, but at a later time. Even so, the net effect would be an increase of over five thousand accurate ICBM warheads beyond what would probably be the Soviet inventory in the early 1990s under the SALT II limits. Again, the U.S. would be in no position to respond at least before the early 1990s.

We cannot with any confidence say this set of actions would be the Soviet response. But it is a response that would be available to them. How they would combine it with a political posture that would place the onus for the end of restrictions on strategic offensive forces on the United States for having breached the SALT II numerical limits can also not be predicted. But they would be in a position to do both, if the U.S. takes the initiative in abandoning the SALT II numerical limits. In other words, the Soviet Union could both carry out a massive addition to the forces that the current and previous administrations have regarded as most dangerous to the U.S., its accurate land-based ballistic missile warheads, while at the same time blaming the United States for abandoning the arms control limits on such systems.

U.S. allies and much of the American public, both of which bodies have come to regard arms control, however imperfect and limited in its effects, as an evidence of seriousness on the part of U.S. and Soviet leaders in trying to avoid nuclear war, would react—and indeed have reacted—critically to a U.S. breach of the SALT II numerical limit. Mrs. Thatcher is clearly in domestic political trouble for other reasons, but the charge that she has been misled on this matter by the Reagan Administration and has been unable to influence it to continue to observe the SALT II limits is damaging her further. Relations with the U.S., and U.S. foreign policy, are generally not a major issue in European elections, but there are signs that U.S. arms control policy, and specifically SALT II observance, may be an exception not only in England but elsewhere in the alliance.

Domestically, the Administration's proposed five-year program for defense already is almost certain to be deeply slashed by the Congress. It is conceivable that a massive Soviet expansion in offensive forces in response to an abandonment of the SALT II numerical limits would prompt a change in U.S. public and Congressional opinion in the direction of increasing support for defense. But encouraging such Soviet behavior does not seem to me the optimal strategy for improving the U.S. defense posture. In any event, I doubt that the Congress or the public would react by supporting increases either in U.S. strategic offensive forces or strengthening support for the Strategic Defense Initiative to such Soviet behavior, at least for several years.

What, then, should be the U.S. policy with respect to SALT II, given Soviet behavior and the nature of the U.S. security interest? My view is that the policy should be to continue not to undercut the Treaty. Response to Soviet transgressions should begin by pursuing route of the Standing Consultative Commission. Where the results of that approach are unsatisfactory, the adequacy of programmed U.S. forces should be reviewed in the light of such Soviet actions. The expected effect on Soviet behavior of political responses and of new force structure responses should be weighed. Any force structure responses should be measured, and should be such as on balance to enhance the U.S. security position. They should generally (but need not always) fall within the SALT II limits, and could be either an acceleration of planned programs or programs that we might not otherwise have done.

(a) Concerns about Soviet violations or evasions of the ABM Treaty that do not greatly change the U.S. retaliatory capability should be met with permitted U.S. offensive force changes, including a more vigorous penetration aids program.

(b) SS-25 deployment should be countered by Midgetman development (which does not violate SALT II). If no follow-on agreement is reached by deployment date (in the early 1990s) it should be deployed anyway, even though SALT II in present form would not allow Midgetman deployment. Soviet SS-25 behavior strengthens the case for Midgetman.

(c) SCC should be employed to pursue concerns about telemetry encryption (one interpretation that should be pressed is a limitation to the encryption level that prevailed when SALT II was signed), launcher numbers, and other compliance issues.

(d) To preserve a response option if Soviets continue to deploy additional (and new) ICBMs, keep the M-X line open.

(e) Dismantle Poseidon boats as needed to remain within SALT II restrictions through 1987, by cutting out missile compartments. The boats themselves should be preserved for possible future decision on conversion to other uses.

Sincerely yours,

HAROLD BROWN.

BRENT SCOWCROFT,
Bethesda, MD, July 22, 1986.

Hon. ROBERT C. BYRD,
U.S. Senate,
Washington, DC.

DEAR SENATOR BYRD: This letter is in response to your request of July 8th for my thoughts about how the country should proceed with respect to the SALT agreements.

The fundamental point of departure on this subject has to be the issue of Soviet compliance. Having formally accused the Soviet Union of violating arms control agreements, the Administration had no choice but to take some action. Not to have acted after formally charging violations would have sent the worst possible signal to the Soviets. Under the circumstances, some sort of action was clearly required; the only real question is whether the Administration's response was the proper or best one.

As a general matter, we are badly in need of some thoughtful attention to our strategic concepts. In this particular case, it is not easy to describe likely responses if the Administration approach is followed because that approach is far from clear. The Administration has said, as I understand where we are, that we do not consider ourselves bound by SALT II, but has not said that we will necessarily violate the SALT II numbers.

But, for the purposes of your letter, let us assume that the United States exceeds the SALT II limit later this year with further deployments of B-52's armed with cruise missiles. I would assume that, other circumstances remaining roughly the same, the Soviets would respond in kind, by exceeding the launcher limits and, perhaps, the limits on warheads per launcher as well, especially on their heavy ICBM's. Assuming current Soviet policies, they would do this for political objectives, and therefore would try to appear to be acting more in sorrow than in anger. Their diplomatic position could well be that they deplore the US action but in view of it they have no choice but to protect Soviet national security in the face of this new threat. They might say they would be happy to stop wherever we do but they will not allow us to succeed in what they will claim are our efforts to achieve strategic superiority. Their objective would be to fix responsibility on the US and to turn the Europeans and the Congress against the Administration.

The usual arguments against the Soviets behaving in this manner are twofold. The first argument is that the Soviet economy is in such dire straits that they cannot afford to increase military spending. This ignores the fact that the likely Soviet response would not be particularly burdensome. They already have several missile and bomber programs under way, with much of the development costs already expended. In addition, a more highly MIRVed front end for, say, the SS-18 may already have been designed. The marginal cost for the Soviet defense budget as a whole of a significant escalation in warheads would scarcely constitute an unmanageable problem.

The other usual argument against a Soviet escalatory response is that they already have ample warheads to cover the US target system. They therefore have no need for more weapons and we should not be concerned about a warhead increase. This argument overlooks two points, one political and one military. The political point is that the Soviet building program in this circumstance would probably be advertised solely as a necessary reponse to a US decision to speed up the nuclear arms race. Its political objective would be to put pressure on the Administration. The military consideration is that if the United States should decide to deploy a strategic defense or a mobile missile system, the number of Soviet offensive warheads with which those systems would have to deal would become of great importance.

The reaction domestically and by our allies to this type of scenario is likely to be a function of the degree of Soviet success in portraying the United States as the initiator of a new and limitless arms race. In terms of relative overall capability under these circumstances there is little doubt that the US could out-deploy the USSR over the long run, though the Soviets would have a clear advantage over the short term (3-5 years). The real question, however, is not our economic and military but our political ability to sustain such a competition. Would the Congress be prepared to fund a strategic program of increase magnitude, especially if the Soviets succeed in appearing as the aggrieved party? You are in a much better position than I to answer that question.

In conclusion, however, it may be premature to assume or predict any particular consequences from the highly ambiguous actions thus far taken by the President. And it does seem obvious, certainly, that the Soviets need to be brought to recognize that their cavalier attitude toward compliance creates very serious problems for the whole arms control process.

Sincerely,

BRENT SCOWCROFT.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 5 minutes.

NUCLEAR ARMS CONTROL IS VERY DEAD, INDEED: THE RECORD

Mr. PROXMIRE. Mr. President, first, it is a pleasure, an honor, and a great advantage, considering what I am talking about, to follow the distinguished minority leader [Mr. BYRD] in talking about SALT II.

Mr. President, this Senator has asserted from time to time that arms control is now dead. The administration has finally succeeded in killing it and burying it. There is literally nothing left. I have made that assertion. I have cited certain treaties that have breathed their last. But I have made no comprehensive, complete documentation of how thorough the devastation of arms control at the hands of the administration has been. Today, I intend to do that.

First, let us consider the treaties designed to restrain the superpower buildup of nuclear weapons. There were two such treaties until very recently. The first was the Strategic Arms Limitation Treaty, known as SALT I. SALT I was signed in 1972. It expired in 1977. But it had been adhered to by both sides until last Wednesday. On Thursday, July 31, the New York Times reported that at an acrimonious session between the superpowers in Geneva, the United States informed the Russians that it had no intention of abiding any more by SALT I.

The second treaty designed to restrain offensive nuclear weapons was the second Strategic Arms Limitation Treaty or SALT II. That treaty was signed by President Carter in 1979. It expired at the end of 1985. President Reagan kept it alive by Executive order until last May.

In that same New York Times article last Thursday, Bernard Gwertzman reported that the United States delegation told the Soviet side that the decision by President Reagan on May 27 to repudiate SALT II later this year, was final. So what significant arms control restraints remain on offensive nuclear arms? The answer is none.

How about nuclear defenses? In 1972, after 6 years of painful and detailed negotiations, the United States finally convinced the Soviet Union to agree to the Anti-Ballistic Missile Treaty. The United States had argued that if the Soviet built and deployed a system to defend their nuclear deterrent and their cities against American attack, we would be constrained to build an offensive missile system to overwhelm and penetrate it. And we would succeed. So the antimissile system—the Russian SDI or star wars—would provoke a superoffensive missile arms race. After 6 years of negotiations, the Russians finally agreed. Both nations signed the ABM Treaty. Both nations ratified that treaty. The United States ratification swept through the Senate 89 to 2 in 1972.

Now the President has made his top military priority the construction of the precise star wars or antimissile system which the ABM Treaty was expressly designed to prohibit. The President is now proposing that both sides repudiate the ABM arms control treaty after a period of 7 years. At that point, the ABM Treaty would be dead.

In 1963 and again in 1974, the superpowers negotiated a treaty placing limits on nuclear weapons test explosions. The 1963 treaty confined such explosions to the underground. The 1974 treaty limited the explosions to 150 kilotons. The 1963 treaty was strictly an environmental protection measure. Underground tests would provide virtually the same essential data to advance new and more devastating nuclear weapons as above ground tests. The 1974 treaty limitation on the size of explosions posed no serious threat to the development and advancement of increasingly more lethal nuclear weapons. But in both treaties, both superpowers promised to negotiate a mutual, comprehensive test ban treaty that would prevent any further nuclear weapons testing.

Such a treaty—as yet not negotiated—is quintessential to effective arms control. Here's why: The development of more and more destructive and lethal nuclear weapons not only requires years of research by topflight scientists, it also must have testing and repetitive testing. Stop the testing and you stop the onrush of the newer, more dangerous nuclear weapons technology. The administration has flatly and emphatically refused to negotiate any such agreement. It is now clear that it never will engage in such negotiations.

What does that leave of arms control? Mr. President, let me list the pathetic remnant:

We have the treaty prohibiting bacteriological warfare. Here's a treaty with an excellent purpose, but it has totally worthless provisions. It provides for no verification whatsoever. Needless to say, without verification, the Russians have violated it.

Second, we have the Antarctic Treaty. That treaty keeps military weapons and military establishments out of the Antarctic. This a great treaty if you are a penguin. It makes Opus happy.

Third, we have the treaty for the prohibition of nuclear weapons in Latin America. No one can knock it. But it has small value for those not living in Latin America.

Fourth, we have the treaty on the placement of nuclear weapons on the seabed and the ocean floor. Again, this is a great arms control treaty if you are a fish.

There is one remaining arms control treaty of substance and significance. It provides for a communications link between the Governments of the two superpowers. This could be critical in the event the superpowers come to the brink of nuclear war. In this dangerous nuclear age, this one remaining

fragment of arms control is not much. But it is all we have.

□ 1130

I yield the floor.

RECOGNITION OF SENATOR BOREN

The PRESIDING OFFICER. Under the previous order, the Senator from Oklahoma [Mr. BOREN] is recognized for a period not to exceed 5 minutes.

TAX REFORM

Mr. BOREN. Mr. President, I thank the Chair. I rise this morning to discuss the progress or lack of progress which is occurring in the conference committee between House and Senate conferees on the so-called tax reform legislation.

Frankly, I am alarmed about the press reports which I have been reading about the conference committee. It seems to me a mentality is developing that we must have a bill. I have seen that mentality developed on many subjects in this body. Legislation is proposed. We lose sight of the goals. We lose sight of the national need that is meant to be served by the passage of legislation. And those involved on the responsible committees begin to believe that they have to produce a bill no matter what.

Mr. President, this country does not need just more legislation. This country needs to have the real economic problems that are before us addressed. We all know we suffer in our society from too much consumption. We are living beyond our means. We are living off the shelf and not replenishing the inventory. We are in a situation in which we are living beyond our means in terms of governmental services. We are spending about $1 on Government services but only paying approximately 80 cents. We are living beyond our means in terms of the importation of foreign goods, running trade imbalances that are breaking all records.

Mr. President, all of us know that this means that the next generation of Americans is going to have a diminished standard of living if we do not turn around this trade imbalance. Other nations are not going to allow us to continue month after month, year after year to live beyond our means and never pay them back the funds which they are loaning to us.

The bills one of these days are going to come due and the real standard of living for the generation of Americans that is going to have to pay those bills is going to be diminished. And so there are real economic problems which need to be addressed.

I am concerned, Mr. President, that there are reports coming out that the conferees are considering proposals made largely in the House of Representatives which would further change the tax bill to encourage more consumption at the expense of saving, investment, and capital formation that are so badly needed to repair the ability of the United States to compete in world markets. We do not need more spending on consumer goods. We need more saving in this country. We need to be plowing more back into the modernization of our plant and equipment, more into research and technology so that we can compete with any other nation in the world.

It would be a serious mistake, in the midst of an economy that is already very fragile, to further slow the rate of investment and further decrease our ability to compete.

I do not need to tell my colleagues the economic figures. We have had 81 bank failures in the United States just this year, which indicates just how fragile our economy is. We have had 20 in my home State of Oklahoma in just the past 20 months alone. We know what is happening in agriculture. We know what is happening in heavy manufacturing. We know what is happening in the domestic energy industry. It has caused the economy of the entire country to slow down.

Early in the year the Office of Management and Budget projected that our economy would grow at a rate of 4 percent this year. According to the latest figures, it is only going to grow approximately 1.1 percent in the second quarter. We have seen marked instability in the stock market in recent days with record losses and plunges in a 24-hour period.

This is not the time, Mr. President, to further imbalance the economy when it is already fragile. Just because the tax bill passed the Senate of the United States on a vote of 97 to 3, just because it passed the Finance Committee, of which I am a member, by a vote of 20 to 0, does not mean that those of us in this body or on that committee were giving a blank check to the conferees to simply produce any old bill in the name of tax reform.

We have a higher responsibility, Mr. President, and as one Senator I want to serve notice that if the conference committee produces a bill which further severely damages the ability of this Nation to compete in world markets, that further discourages saving, that further discourages investment, this Senator will not hesitate to do anything he can and anything open to him under the rules of the Senate to make sure that that measure is thoroughly investigated and stopped if it does not serve the best interests of the United States. We have to think not only of our current enjoyment of consuming and having everything we want in this country. We have an obligation to think about the next generation. We have an obligation to put something aside, to save, to plow back, to make certain the standard of living in this country is not decimated. Every generation of Americans has passed on a higher standard of living, a better quality of life to the generation that succeeds them. This generation of Americans wants to be no different. We want to sacrifice. We want to give something back. We want to enhance the heritage which has been passed on to us and hand it on to the next generation. We do not want to be known as the generation that in seeking its own pleasure overconsumed, bought more from the rest of the world than it was able to sell, lived beyond its means in terms of governmental services, and did not think enough about the next generation to stop that practice and handed on the burdens of a nation on a downhill course to the next generation.

Fairness is important. I want to see us have tax reform. I want to see us have true reform. But this Senator is not ready under any circumstances to have a bill just for the sake of having one, to vote for a bill just because it has in its title "tax reform," if that bill is going to discourage the very things that this country needs. I think all of my colleagues understand the seriousness. It would be highly irresponsible for this Congress and this President to enact a law right now with the instability in the stock market, with the slow rates of economic growth, with the serious problems that we are having in the banking industry across this country, with severe dislocations in entire regions of the country including my own, which are already in the midst of what can only be called a severe recession bordering on a depression. For us, with those circumstances prevailing, to enact irresponsible legislation that will slow down the rate of investment, that will further slow the economy, that will further cause uncertainty in the midst of this situation would be highly irresponsible, as I have said, Mr. President. We must not allow it to happen.

I only hope the conferees will understand that as this Senate and as the Finance Committee by overwhelming votes sent a message that we want true tax reform, we want the loopholes closed, we want fairness in the system, we want the American people to see that our tax system is so fair that they will want to voluntarily comply with it, we did not say to the conferees we want a bill at any cost. We understand there are other serious problems in this economy, there are other goals that must be met. We must have a bill that adequately encourages saving, investment, and capital formation to rebuild the economic strength and competitive ability of this country.

So I want, Mr. President, to deliver a very simple message that as one Senator I intend to look very, very careful-

ly at the final product which emerges from the conference committee. I applaud those on the Senate side who rejected very forcefully the latest proposal by the House of Representatives which would simply transfer $140 billion from the crucial investment that we need for the future of this country onto the side of consumption so that we can have a little pleasure today without taking care of the future and the next generation. This Senator certainly intends to do everything he can within his power under the rules as allowed by the Senate rules and procedures to make sure that if such a proposal were ever accepted, we would do everything possible to prevent it from becoming law.

□ 1140

If need be, we would even have to start over in trying to find a bill that is true tax reform and bring the fairness we need, without crippling the economy and snapping the very fragile sectors of this economy at a time when it would imperil the economic well-being of all the people across this country.

I hope my colleagues will join me in paying careful attention to what is going on in the conference committee and will send a similar message to our conferees. What we need is true tax reform; what we need is a bill that will look to the future well-being of the economy of this country; what we need is a bill that will look to the next generation, and not simply a bill for the sake of delivering and passing a bill that is entitled "tax reform," even if it is one that is flying under false colors.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 12 noon, with statements therein limited to 5 minutes each.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senate Democratic leader is recognized.

ABM TREATY

Mr. BYRD. Mr. President, several of us on both sides of the aisle have been seeking increased Senate access to the ABM Treaty negotiating record to determine the validity of the administration's treaty reinterpretation and that new theory's relationship to the SDI Program.

The administration's refusal, so far, to provide adequate access could threaten the Senate's constitutional role as a coequal in the treaty process, and the reinterpretation has serious implications for the size and pace of the SDI Program, and for the future of arms control.

Last week, Senators NUNN, PELL, HART, and I met in my office with the State Department legal advisor, Judge Abraham Sofaer, to pursue this request. We had a very frank and direct discussion in which we expressed great dissatisfaction with the administration's lack of cooperation on this matter, and with its delays in responding to our request.

I told Judge Sofaer that the historical precedents clearly supported the Senate's constitutional right to access to the ABM Treaty negotiating record, and that we wanted that access to decide for ourselves about the validity of the administration's new interpretation of the treaty, especially as it related to SDI.

I said we would cooperate in trying to reach a reasonable access agreement, but that, ultimately, if the administration refused to cooperate, we intend to pursue a legislative remedy. Sometime during the consideration of the defense bill, this week, we may be compelled to pursue this remedy.

I think we made progress at the meeting, because Judge Sofaer eventually indicated that administration would be receptive to our renewing our request, with only minor modifications, in a way which may provide adequate access for all Senators to certain relevant documents.

It now remains to be seen whether the White House will accept the approach we agreed to pursue with the representative it sent here.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, now that the Senate is in morning business, and before morning business is closed, I wonder if the majority side would wish to have Senate Joint Resolution 380, directing conferees on the Tax Reform Act, read the second time and then objected to with reference to further proceeding, in order that, under rule XIV, it might go on the Legislative Calendar.

For the moment, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1200

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEATH OF W. AVERELL HARRIMAN

Mr. INOUYE. Mr. President, I join with my colleagues in marking with great sorrow the passing of W. Averell Harriman, one of our Nation's most outstanding statesmen.

Governor Harriman was an American in the finest sense of the word. He devoted his life and career to public service. He was an able diplomat and Governor, yet his curriculum vitae does not adequately reflect what he did for this country. One must go beyond his diplomatic successes to see a gentleman who possessed tremendous wisdom and great interpersonal skills. Moreover, he had the ability to keep abreast of changing times and render service to his country throughout much of the 20th century.

The influence Averell Harriman had on this Nation and the rest of the world is immeasurable. I grieve with his wife, children, and grandchildren. Averell Harriman will always be remembered as a benevolent man gifted with superior ability who dedicated his life to providing future generations with a better world in which to live.

SENATOR MARGARET CHASE SMITH OF MAINE

Mr. MITCHELL. Mr. President, the Washington Post today carried a feature article on one of our Nation's most remarkable and most admirable citizens, the former Senator from the State of Maine, Margaret Chase Smith.

Thirty-five years ago, on June 1, 1951, Senator Smith delivered on the Senate floor her "Declaration of Conscience," against a member of her own political party, at a time when such a declaration demanded not only personal courage, but the willingness to risk an entire political career.

From that time forward, the entire Nation knew what the people of Maine had been fortunate to know for decades before: The Senator from Maine was one of the most remarkable public servants our State has had the privilege of sending to Washington.

Senator Smith served our State in both the House and the Senate with an unfaltering and enduring concern for the national interest. She was a vigorous proponent of a strong America in her work on the Armed Services Committee.

But she was an equally strong proponent of an America that remained true to its principles—the principles of honesty in political debate, the principle of open debate of differences, and the fundamental principle of respect for individual rights.

Senator Smith knew that the United States can be defeated by inner disunity far more surely than by any external threat. She reminded the Nation of that fact at a time when rancor and bitterness in politics had reached a fever pitch.

Her characteristically modest hope, as reported in the Post, that her state-

ment was the beginning of the end of the witch hunting, underestimates the profound effect her words had at that time. It underestimates as well, I believe, the enduring value of her statement.

Because the wisdom of Senator Smith is as relevant today as it was 35 years ago, I ask that a copy of her remarks be reproduced today in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE GROWING CONFUSION: NEED FOR PATRIOTIC THINKING

(By Mrs. Margaret Chase Smith)

I would like to speak briefly and simply about a serious national condition. It is a national feeling of fear and frustration that could result in national suicide and the end of everything that we Americans hold dear. It is a condition that comes from the lack of effective leadership either in the legislative branch or the executive branch of our Government. That leadership is so lacking that serious and responsible proposals are being made that national advisory commissions be appointed to provide such critically needed leadership.

I speak as briefly as possible because too much harm has already been done with irresponsible words of bitterness and selfish political opportunism. I speak as simply as possible because the issue is too great to be obscured by eloquence. I speak simply and briefly in the hope that my words will be taken to heart.

Mr. President, I speak as a Republican. I speak as a woman. I speak as a United States Senator. I speak as an American.

The United States Senate has long enjoyed world-wide respect as the greatest deliberative body in the world. But recently that deliberative character has too often been debased to the level of a forum of hate and character assassination sheltered by the sheild of congressional immunity.

It is ironical that we Senators can in debate in the Senate, directly or indirectly, by any form of words, impute to any American who is not a Senator any conduct or motive unworthy or unbecoming an American—and without that non-Senator American having any legal redress against us—yet if we say the same thing in the Senate about our colleagues we can be stopped on the grounds of being out of order.

It is strange that we can verbally attack anyone else without restraint and with full protection, and yet we hold ourselves above the same type of criticism here on the Senate floor. Surely the United States Senate is big enough to take self-criticism and self-appraisal. Surely we should be able to take the same kind of character attacks that we "dish out" to outsiders.

I think that it is high time for the United States Senate and its members to do some real soul searching and to weigh our consciences as to the manner in which we are performing our duty to the people of America and the manner in which we are using or abusing our individual powers and privileges.

I think it is high time that we remembered that we have sworn to uphold the Constitution. I think it is high time that we remembered that the Constitution, as amended, speaks no only of the freedom of speech but also of trial by jury instead of trial by accusation.

Whether it be a criminal prosecution in court or a character prosecution in the Senate, there is little practical distinction when the life of a person has been ruined.

Those of us who shout the loudest about Americanism in making character assassinations are all to frequently those who, by our own words and acts, ignore some of the basic principles of Americanism—

The right to criticize.

The right to hold unpopular beliefs.

The right to protest.

The right of independent thought.

The exercise of these rights should not cost one single American citizen his reputation or his right to a livelihood nor should he be in danger of losing his reputation or livelihood merely because he happens to know some one who holds unpopular beliefs. Who of us does not? Otherwise none of us could call our souls our own. Otherwise thought control would have set in.

The American people are sick and tired of being afraid to speak their minds lest they be politically smeared as Communists or Fascists by their opponents. Freedom of speech is not what it used to be in America. It has been so abused by some that it is not exercised by others.

The American people are sick and tired of seeing innocent people smeared and guilty people whitewashed. But there have been enough proved cases, such as the Amerasia case, the Hiss case, the Coplon case, the Gold case, to cause nation-wide distrust and strong suspicion that there may be something to the unproved, sensational accusations.

As a Republican, I say to my colleagues on this side of the aisle that the Republican Party faces a challenge today that is not unlike the challenge which it faced back in Lincoln's day. The Republican Party so successfully met that challenge that it emerged from the Civil War as the champion of a united nation—in addition to being a party which unrelentingly fought loose spending and loose programs.

Today our country is being psychologically divided by the confusion and the suspicions that are bred in the United States Senate to spread like cancerous tentacles of "know nothing, suspect everything" attitudes. Today we have a Democratic administration which has developed a mania for loose spending and loose programs. History is repeating itself—and the Republican Party again has the opportunity to emerge as the champion of unity and prudence.

The record of the present Democratic administration has provided us with sufficient campaign issues without the necessity of resorting to political smears. America is rapidly losing its position as leader of the world simply because the Democratic administration has pitifully failed to provide effective leadership.

The Democratic administration has completely confused the American people by its daily contradictory grave warnings and optimistic assurances, which shows the people that our Democratic administration has no idea of where it is going.

The Democratic administration has greatly lost the confidence of the American people by its complacency to the threat of communism here at home and the leak of vital secrets to Russia through key officials of the Democratic administration. There are enough proved cases to make this point without diluting our criticism with unproved charges.

Surely these are sufficient reasons to make it clear to the American people that it is time for a change and that a Republican victory is necessary to the security of the country. Surely it is clear that this Nation will continue to suffer so long as it is governed by the present ineffective Democratic administration.

Yet to displace it with a Republican regime embracing a philosophy that lacks political integrity or intellectual honesty would prove equally disastrous to the Nation. The Nation sorely needs a Republican victory. But I do not want to see the Republican Party ride to political victory on the Four Horsemen of Calumny—fear, ignorance, bigotry, and smear.

I doubt if the Republican Party could do so, simply because I do not believe the American people will uphold any political party that puts political exploitation above national interest. Surely we Republicans are not so desperate for victory.

I do not want to see the Republican Party win that way. While it might be a fleeting victory for the Republican Party, it would be a more lasting defeat for the American people. Surely it would ultimately be suicide for the Republican Party and the two-part system that has protected our American liberties form the dictatorship of a one-party system.

As members of the minority party, we do not have the primary authority to formulate the policy of our Government. But we do have the responsibility of rendering constructive criticism, of clarifying issues, of allaying fears by acting as responsible citizens.

As a woman, I wonder how the mothers, wives, sisters, and daughters feel about the way in which members of their familes have been politically mangled in Senate debate—and I use the word "debate" advisedly.

As a United States Senator, I am not proud of the way in which the Senate has been made a publicity platform for irresponsible sensationalism. I am not proud of the reckless abandon in which unproved charges have been hurled from this side of the aisle. I am not proud of the obviously staged, undignified countercharges which have been attempted in retaliation from the other side of the aisle.

I do not like the way the Senate has been made a rendezvous for vilification, for selfish political gain at the sacrifice of individual reputations and national unity. I am not proud of the way we smear outsiders from the floor of the Senate and hide behind the cloak of congressional immunity and still place ourselves beyond criticism on the floor of the Senate.

As an American, I am shocked at the way Republicans and Democrats alike are playing directly into the Communist design of "confuse, divide, and conquer." As an American, I do not want a Democratic administration whitewash or coverup any more than I want a Republican smear or witch hunt.

As an American, I condemn a Republican Fascist just as much as I condemn a Democrat Communist. I condemn a Democrat Fascist just as much as I condemn a Republican Communist. They are equally dangerous to you and me and to our country. As an American, I want to see our Nation recapture the strength and unity it once had when we fought the enemy instead of ourselves.

It is with these thoughts that I have drafted what I call a Declaration of Conscience. I am gratified that the Senator from New Hampshire (Mr. Tobey), the Senator from Vermont (Mr. Aiken), the Senator

from Oregon (Mr. Morse), the Senator from New York (Mr. Ives), the Senator from Minnesota (Mr. Thye), and the Senator from New Jersey (Mr. Hendrickson) have concurred in that declaration and have authorized me to announce their concurrence.

The declaration reads as follows:

STATEMENT OF SEVEN REPUBLICAN SENATORS

1. We are Republicans. But we are Americans first. It is as Americans that we express our concern with the growing confusion that threatens the security and stability of our country. Democrats and Republicans alike have contributed to that confusion.

2. The Democratic administration has initially created the confusion by its lack of effective leadership, by its contradictory grave warnings and optimistic assurances, by its complacency to the threat of communism here at home, by its oversensitiveness to rightful criticism, by its petty bitterness against its critics.

3. Certain elements of the Republican Party have materially added to this confusion in the hopes of riding the Republican Party to victory through the selfish political exploitation of fear, bigotry, ignorance, and intolerance. There are enough mistakes of the Democrats for Republicans to criticize constructively without resorting to political smears.

4. To this extent, Democrats and Republicans alike have unwittingly, but undeniably, played directly into the Communist design of "confuse, divide, and conquer."

5. It is high time that we stopped thinking politically as Republicans and Democrats about elections and started thinking patriotically as Americans about national security based on individual freedom. It is high time that we all stopped being tools and victims of totalitarian techniques—techniques that, if continued here unchecked, will surely end what we have come to cherish as the American way of life.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The Chair declares that morning business is now closed.

(Mr. DOMENICI assumed the chair.)

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1987

Mr. GOLDWATER. Mr. President, what is the order of business?

The PRESIDING OFFICER. The clerk will report the pending legislation.

The assistant legislative clerk read as follows:

A bill (S. 2638) to authorize appropriations for military functions of the Department of Defense and to prescribe military personnel levels for such Department for fiscal year 1987, to revise and improve military compensation programs, to improve defense procurement procedures to authorize certain construction at military installations for fiscal year 1987, to authorize appropriations for national security programs of the Department of Energy for fiscal year 1987, and for other purposes.

The Senate resumed consideration of the bill.

Mr. GOLDWATER. Mr. President, I report to the Senate on the action taken by the Committee on Armed Services on S. 2638, the National Defense Authorization Act for fiscal year 1987.

This is, Mr. President, the last defense authorization bill in which I will participate as a Member of the U.S. Senate. That will come as a relief to some, but let me assure all my colleagues that so long as we continue the practice of making defense the scapegoat in our efforts to balance the Federal budget, I do not intend to go quietly.

Before I explain the details of our bill, I would like to pay brief tribute to a former Member of our committee. Senator John East served on the Armed Services Committee for 3½ years. During that period we all benefited from his extraordinary intellect, good humor, and sincere friendship. He served nobly under the most difficult circumstances and we will miss him.

Mr. President, I approach my task as the floor manager of this bill with mixed emotions. First of all, it has been a great honor to serve as the chairman of the Senate Armed Services Committee and to have the privilege of associating with so many truly distinguished individuals as those who make up our committee. Senator NUNN, our ranking member, has done an exceptional job sharing the committee's leadership responsibilities. I am indebted to him for his wise counsel, sincere friendship, and the bipartisan spirit in which he has helped guide the committee. Next, I would like to recognize the very important contributions by each of our subcommittee chairmen and ranking members: Senator THURMOND and Senator BINGAMAN on military construction; Senator WARNER and Senator HART on strategic and theater nuclear forces; Senator HUMPHREY and Senator DIXON on preparedness; Senator COHEN and Senator EXON on sea power and force projection; Senator WILSON and Senator GLENN on manpower and personnel; and Senator QUAYLE and Senator LEVIN on defense acquisition policy. I would also like to recognize the contributions of Senator DENTON and Senator GRAMM whose expertise and commitment to our Nation's security have become invaluable to our committee. Mr. President, to these Senators and all the members and staff of the Armed Services Committee, I extend my sincere appreciation for their dedication and hard work in producing this bill. I am immensely proud of their achievements. Finally, Mr. President, I would like to publicly welcome our newest committee member, Senator JIM BROYHILL.

Mr. President, our bill, as reported, assumes an authorization for appropriations of new budget authority of $301.6 billion and outlays of $288 billion. Those familiar with the first concurrent budget resolution will note that those amounts exceed even the upper limit of the budget resolution by several billion dollars. The reason for that is simple: Our bill was reported out of committee prior to the completion of the budget resolution conference. The committee amendment, which has now been agreed to, brings the budget authority level within the upper and lower limits of the budget resolution; however, we still exceed the outlay by $4 to $7 billion.

Some Members may ask why we did not reduce our budget authority and outlay totals to the lower limits of the budget resolution instead of coming out in the middle. The answer is rather simple: The House of Representatives is expected to produce a bill which is actually below the lowest budget resolution target for budget authority. We, on the other hand, have taken advantage of the contingency fund in the resolution which will put us in a more favorable negotiating position in the joint conference. I expect to emerge from that conference with a bill that fully meets the budget resolution targets.

Mr. President, our bill, as amended, would make total reductions from the President's request of $25.4 billion in budget authority and $10.7 billion in outlays. It is my opinion that these reductions are excessive and imprudent given the current state of world affairs. We make these recommendations not because we think defense spending should be dramatically reduced, but rather to comply with a very arbitrary budget process.

□ 1210

Mr. President, let me tell you the blunt truth: This bill does not provide adequate funding for the defense of our Nation. I am sorry to have to admit that—since this is my last defense bill—but it is true. In attempting to comply with the budget resolution, we have cut too deeply into the R&D accounts, thereby jeopardizing our technological lead over the Soviets; we have reduced production rates which will stretch out programs and raise unit costs; and we have cut too much from the operations and maintenance accounts thereby increasing maintenance backlogs and jeopardizing many of our improvements in readiness.

Mr. President, these are dangerous trends. And I hope, and pray that I can help make the Congress understand it and help begin to alert the American people about what we are doing.

With this budget we are going backward not forward, and we are undercutting the bipartisan achievements of the last 5 years. This budget, Mr. President, represents the second year

of negative growth in defense spending. The 1986 defense budget was 3.6 percent smaller than the 1985 budget, and the 1987 budget resolution would put defense 2.9 percent below the 1986 level. And this from a Congress that promised just 2 years ago to provide 3 consecutive years of 3 percent real growth each year—3-3-3—and just 1 year ago promised to maintain a 0-3-3 percent 3-year growth rate for defense.

Mr. President, earlier this year, I asked Admiral Crowe, the Chairman of the Joint Chiefs of Staff, to provide his assessment of the impact on national security of a zero real growth and a zero nominal growth defense budget over the next 5 years. His answer was quite sobering. In it, he said such an approach would be "extremely harmful." He said further that "the credibility of Western deterrence would be shaken, and there could be no guarantee of success in a major conflict with the Soviet Union. America could not truly honor her global commitments." Mr. President, this is the opinion of our Nation's senior military officer. I would point out to my colleagues that we are now below the levels Admiral Crowe described as "extremely harmful".

I ask unanimous consent that the letter I have referred to from the Chairman be inserted at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE CHAIRMAN,
THE JOINT CHIEFS OF STAFF,
Washington, DC, March 26, 1986.

Hon. BARRY GOLDWATER,
Chairman, Armed Services Committee,
U.S. Senate,
Washington, DC.

DEAR MR. CHAIRMAN: Your letter of 19 February 1986 asked for my assessment of the impact on national security if Congress were to adopt a zero real growth or a zero nominal growth budget over the next 5 years. I have discussed your request and my response with Secretary Weinberger. We agree with you that it is indeed irresponsible to endorse or reject any defense budget level without first clearly understanding what the impact would be on our military capability. Adjustments of the magnitude noted in your letter, particularly if applied for several years, would have an extremely harmful effect on the nation's defense posture. Quite simply, the credibility of Western deterrence would be shaken, and there could be no guarantee of success in a major conflict with the Soviet Union. America could not truly honor her global commitments.

I recognize the pressures faced by staunch advocates of a strong defense, such as yourself. I am also the first to admit that I am neither a sociologist nor an economist, and I would not presume to advise you in those areas of concern. But as a military professional for more than 40 years with recent command experience in NATO and the Pacific, and now as the Senior military advisor to the President and the Secretary of Defense, I find the thought of major defense reductions very perplexing and dangerous when I consider the growth threat I have seen around the world. During the decade of the 1970s, our defense budgets did not increase in real terms and as a result we found ourselves falling seriously behind. Thus in the decade of the 1980s we have had to play catch-up to help compensate for the $500 billion more the Soviets spend on defense investments. Our defense must depend upon stable budget growth over time. If the defense portion of the President's budget suffers the kind of significant decrements your letter suggests, our defense posture vis-a-vis the Soviets will be profoundly and adversely altered for at least a decade or more into the future.

Based upon the agreed-to position of zero real growth in FY 86, the magnitude of the suggested reductions range from almost $220 billion to $380 billion over the next 5 years. If the current appropriated position is the baseline, these reductions range from almost $300 billion to $450 billion when compared with the President's FY 87 budget. I have enclosed illustrative funding levels for zero real growth and for zero nominal growth reductions for the next 5 years given the FY 86 enacted level. Additionally, I have enclosed some charts which graphically display many of the points I am making.

I cannot discuss the future without a look at the past. In 1980, we were not strong enough to guarantee victory in a major engagement with the Soviets. The Services could not meet their recruiting or retention goals. A large percentage of recruits who came to serve were in the lower mental categories and were non-high school graduates. Many Services personnel were receiving food stamps and living in sub-standard housing. We had a critical shortage of noncommissioned officers. Much of our strategic nuclear deterrent was based on the 1950s and 1960s technology which could not hold Soviet hard targets at risk. We had little warning against the air breathing threat except for the Distant Early Warning System (DEW Line) dedicated in 1957 by President Eisenhower. Our Ballistic Missile Early Warning System (BMEWS) was of vacuum tube technology and could not provide needed information to the National Command Authorities. Our ground forces depended on 20-year old tanks and armored personnel carriers. Our tactical air forces consisted of early Vietnam era aircraft, and our Navy had only 479 ships, many of which were obsolete. Adding to this hollowness and lack of quality, our readiness levels were almost rock bottom and our forces virtually unsustainable. We had ships that could not sail because we could not man them, aircraft that could not fly because we did not have spare parts, and we had insufficient munitions and spares to support a war in either Europe or the Pacific. In short, we were headed toward a day of reckoning, but we caught ourselves in time and turned around.

By contrast, today we have the highest caliber of soldiers, sailors, marines, and airmen I have seen during my 40 years of service. Recruiting and retention successes have been phenomenal. Over 90 percent of our recruits are high school graduates, fewer than 10 percent are in the lower mental category, and retention has been up across the board. Better people given better care have vastly improved the quality of the total force and our ability to keep the peace or wage war. But, personnel readiness is a very fragile commodity that without constant attention could easily slip from our grasp.

Today, our strategic modernization programs are producing convincing results. We are procuring 100 B-1s which can penetrate Soviet defenses. We have procured 54 hard target capable PEACEKEEPER missiles. The TRIDENT D-5 program not only helps solve the SLBM accuracy and payload problems, but gives the nation's most survivable leg of the Triad a weapon with significant capability against essentially the full spectrum of high value Soviet installations. The upgraded BMEWS will provide a quantum jump in our ability to acquire and track incoming missiles, to determine raid size, and to forecast damage assessment. The entire DEW Line is being replaced with the modern North Warning System (NWS) which can track aircraft penetrating at very low altitudes. We are deploying the Over-the-Horizon-Backscatter (OTH-B) radar off our coasts and in Alaska. Over 3,000 M1A1 Abrams battle tanks are in the field. Coupled with almost 2,000 Bradley Fighting Vehicles, the armored and mechanized forces, so equipped, can move twice as fast as in the 1970s. Today the Navy's 542 ships include two reactivated battleships, significantly faster and quieter Los Angeles class attack submarines, and the new AEGIS cruiser. One AEGIS-equipped cruiser possesses the firepower of a squadron of older cruisers. Our Navy is well underway to 15 carrier battle groups. Tactical air forces are being modernized with the F-15, F-16, and F/A-18. Our intertheater airlift capability to deliver combat power has doubled, and the C-17 is the key to reaching future airlift goals.

Readiness has improved across the board. Since 1980, when sustainability was unacceptably low, replenishment spares funding has doubled in real terms, and depot maintenance funding and munitions sustainability funding have increased in real terms over 100 percent and 200 percent, respectively. Together with the modernization efforts, the Army now has some mechanized divisions that are 55 percent more capable to fight than in 1980. The Air Force is 83 percent more able to support wartime sortie generation. The Navy's logistics support readiness in its aviation squadrons is four times greater, twice as good for surface ships, and one and one half times better for submarines. We do train more, fly more, and operate better than during the 1970s. Our adversaries understand this strength. We cannot expect the Soviets to stay at the bargaining table and negotiate if we unilaterally grant them concessions through wholesale budget cuts to our so recently improved defense posture.

Even though we have improved, we are only midstream in what we set out to do. Much more needs to be done to ensure we can provide consistent leadership to the free world, deter the threat, or meet it. There is no reason to believe that Soviet-investment in military strength will not continue unchecked. We must, therefore, complete our strategic modernization program or once again possess a less than credible strategic deterrent. Fiscal year 1987 is the first year of procurement of the TRIDENT D-5 missile. We have completed procurement of the NWS long-range radars, but we are only now developing the prototypes for the short-range radars critical to tracking low altitude penetrating aircraft. Funds are still required to complete the West, Central, and Alaska portions of the OTH-B. The modernization of our conventional ground and air forces so vital to Central Europe is far from

complete. Few people realize only one-third of the tank battalions are equipped with the Abrams and only one-fourth of the mechanized battalions have the Bradley. Only one-fifth of our units are equipped with the new PATRIOT air defense missile. Two-thirds of the Air Force's tactical fighter squadrons have F-15s, F-16s, and A-10s. The C-17 will not enter the inventory until 1991. Only one-half of our naval fighter/attack squadrons are equipped with the F-14 and F/A-18. Only one-third of the Navy's submarine force is operating with the newest 688-class submarine. Only four of our battle groups have the AEGIS system, and we still need to procure one TRIDENT and about 20 surface ships per year just to maintain the fleet. Nor have we reached our stockage objective for war reserve munitions and other critical materiel. The threat compels us to go on. We simply must not retrench and dilute what we all have achieved in our defense efforts.

I believe the all-volunteer force is the single most powerful facet of our defense posture, but it is going to be tougher to recruit and retain good people in the future. Our personnel are more apprehensive. Pay continues to lag the civilian sector. Families still face major out-of-pocket moving expenses. Military retirement reductions are a source of major concern. We have the best personnel in the world serving in our armed forces, and we need to keep them. We cannot afford to sacrifice the gains we have made in the caliber and care of our people. The impact on readiness and overall capability would be unacceptable. There are already indications that desired levels of retention may be dropping off.

The President's Budget provides a fiscally realistic roadmap to safeguard our national security objectives and honor our commitments. But the alternatives you present in your letter would require the nation to return to the "hollow forces" of the late 1970s or scale back force structure and reduce end strength to unacceptable and dangerous levels. We have never attempted to match the Soviets one for one in people or weapons, nor should we. But we must never place our young men and women in a position to fight outmanned, inadequately trained, insufficiently sustained, and ill-equipped. There is no alternative in my mind to finishing the job. The security of these young men and women and the nation they protect is at stake.

I therefore urge you to support the President's Budget. From my perspective as the nation's senior military advisor, the need for sustained real growth for defense is both compelling and essential. Don't the citizens of the richest, most powerful nation in the world deserve an abiding sense of confidence in their ability to defend themselves and all that they hold dear?

The question of affordability is muted by all of this. I can assure you that the alternatives suggested would severely shake my confidence if they came to pass. I ask for your continued support to provide the sound defense our nation needs.

Sincerely,

WILLIAM J. CROWE, Jr.,
Chairman,
Joint Chiefs of Staff.

Mr. GOLDWATER. Mr. President, the Packard Commission recently completed one of the most thoughtful and comprehensive analyses of defense management and organization that has ever been conducted. One of the very first recommendations of that report is that we establish a stable, predictable, long-term budgeting process for defense. I am afraid, Mr. President, that today we are a far cry from that objective. By slashing more than $25 billion from the President's defense request we are providing less stability—not more—and we are only adding to the ultimate cost of defense.

Mr. President, as I have already said, this bill does not provide adequately for defense. Nevertheless, in this budgetary environment, it may be the best we can do. Therefore, despite my concerns that we are rapidly unraveling the best defense posture we have had in decades, I will ask my colleagues to join me in support of this bill.

Here are highlights of the committee's recommendations:

STRATEGIC AND THEATER NUCLEAR FORCES

The administration's request for the programs under the purview of the Strategic and Theater Nuclear Forces Subcommittee totaled $44.7 billion, a reduction of 8 percent from the request in fiscal year 1986. The committee gave careful consideration to the President's message to the Congress regarding the priority he attaches to the Strategic Modernization Program, and fully supported those aspects of the program that will deploy before 1990. Driven primarily by budgetary constraints, the committee recommended a reduction of $2.38 billion from the request for research and development; $582 million from the procurement request; and $673 million from the request for the Department of Energy national security programs. The committee made the following recommendations on major programs:

ICBM MODERNIZATION

The committee recommended full funding of $1.42 billion for the procurement of 21 Peacekeeper missiles and $322.3 million for associated research and development. The committee recommended by $700 million the small ICBM Development Program request, and a $188 million reduction in the request for follow-on basing research. Bill language was adopted fencing some of the funding authorized for these purposes until the administration reports their findings regarding small ICBM and follow-on basing options.

STRATEGIC DEFENSIVE INITIATIVE

The committee supported an aggressive Strategic Defense Initiative [SDI] Program and recommended authorization of $3.6 billion, a reduction of $1.2 billion. The $450 million of the SDI reduction was applied to a conventional technology initiative. The committee still believes the development of intermediate deployment options should be a high priority. In addition, the committee identified up to $50 million within the SDI Program for the joint development of an antitactical ballistic missile [ATBM] system with our allies.

BOMBER MODERNIZATION

The committee authorized full funding for the advanced technology bomber [ATB] and advanced cruise missile programs. The committee also authorized $255 million in procurement funding for modifications to the B-52 bomber fleet, a reduction of $158 million from the request.

SEA-BASED DETERRENT

The committee approved the procurement of one Trident strategic missile submarine, and 21 Trident II—D-5—submarine-launched ballistic missiles and $1.63 billion for associated research and development.

ASAT

The committee approved $28.5 million for advanced procurement of the Minature Homing Vehicle Antisatellite [ASAT] Program, and fully funded the request for research and development. In addition, the committee adopted a legislative provision repealing the existing moratorium on ASAT testing against objects in space.

CHEMICAL DETERRENT PROGRAM

The committee authorized $1.12 billion for the Chemical Deterrent Program, a reduction of $10 million. This authorization included continued procurement of the 155mm binary artillery shell and initial production of the Bigeye air-delivered bomb. The committee is satisfied that the technical issues identified in the Bigeye Test Program are being addressed.

DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

In view of budgetary constraints, the committee recommended a reduction of $673 million from the request, including a reduction of $178 million from the $534 million request for nuclear directed energy research associated with the SDI Program.

CIVIL DEFENSE

The committee authorized $121 million for civil defense purposes under the Federal Emergency Management Agency, a reduction of $15 million from the request.

ARMS CONTROL

The committee approved sense of the Senate legislative provisions regarding voluntary compliance with SALT II sublimits and on compliance with agreements that the Soviet Union has violated.

MANPOWER AND PERSONNEL

In manpower and personnel, the committee approved an increase of 6,850 active duty personnel out of a requested growth of 13,730. Additionally, the committee recommended freezing selected Reserve average strengths and full-time Reserve end strengths at the fiscal year 1986 levels. These reductions from the request were required because of budgetary restrictions and continuing committee con-

cern about the use of Reserve personnel in providing full-time support to the Reserve components.

The committee imposed an end strength on Department of Defense civilian personnel of 1,084,836 and limited the funds which can be expended during fiscal year 1987 for such personnel. These provisions resulted primarily from the committee's concern about the failure of the Department of Defense to meet either its hiring or budgetary targets for civilian personnel during fiscal year 1985, the first year the Department operated without civilian end strengths. It appears the Department is failing to meet either of those targets again in fiscal year 1986.

The committee approved the requested 4-percent pay raise for all military personnel. Additionally, the committee approved modest improvements in several special and incentive pays. The committee also approved provisions which will enable the Department of Defense to continue to pursue alternatives to CHAMPUS for providing health care for military beneficiaries.

PREPAREDNESS

The committee recommended $87.3 billion for those areas reviewed by the Preparedness Subcommittee. The President had requested $93 billion. The committee recommended $80.4 billion for operation and maintenance of the Armed Forces in fiscal year 1987. This amount is $800 million less than the amount authorized last year for the fiscal year 1986 program. The President has proposed $85.8 billion, a 5.7-percent increase in operation and maintenance funding.

The commitee approved the requested increases in flying hours for all services, Army battalion training days, Navy steaming days, and other programs directly related to military capability and readiness. The fiscal year 1987 ammunition request was $300 million less than the fiscal year 1986 level. The committee approved the entire amount requested and added nearly $100 million to ammunition accounts.

The committee also recommended funding for a 2-percent pay raise for civilian workers beginning January 1, 1987. The amounts requested for revolving and management funds and RDT&E for base support were reduced by 6 percent.

TACTICAL WARFARE

The committee's recommendations will continue to modernize conventional forces, although at a slower pace than requested. Wherever possible, the committee preserved efficient production rates so as to hold down unit costs. There were, however, instances where production rates were requested in order to comply with congressionally mandated budget levels.

The committee recommended approval for the administration's request for the procurement of the M-1 Abrams main battle tank, UH-60 Blackhawk helicopter, Navy A-6E/F attack aircraft, the EA-6B electronic jamming aircraft, and the Air Force's F-15E fighters.

Major reductions were recommended for the Army's Bradley fighting vehicles (−150 vehicles), the Navy's F/A-18 Strikefighter (−24 aircraft), and the Air Force's F-16 Fighters (−24 aircraft). These reductions were based on budgetary constraints. The committee also recommended termination of the Air Defense Aircraft Program because in an austere budget, new aircraft for the air defense mission are not justified.

In the munitions accounts, a special effort was made to maintain efficient production rates. All Army missiles—Chapparal, Patriot, Stinger, Laser Hellfire, TOW II and MLRS—were recommended for approval at the levels requested. Similarly, all Navy missiles—Sidewinder, Sparrow, Phoenix, and Harm—except Harpoon were fully supported. An increase of $11.5 million was recommended for Harpoon to increase production rates and lower unit cost. Except for the Infrared Maverick, all Air Force missiles were recommended for approval. The Infrared Maverick was reduced from 4,700 to 3,600 missiles, because of anticipated delays in increasing the production rate of the missile.

Consistent with the overall effort to reduce congressional micromanagement, the committee made a minimal number of specific reductions in the research and development accounts and applied large undistributed reductions instead to achieve the necessary outlay savings. The committee recommended that the Air Force precision location strike system [PLSS], and the Air Force T-46 trainer aircraft be terminated. Continued development of the Aquila Remotely Piloted Vehicle Program was approved, but the committee prohibited the expenditures of funds for Aquila procurement until the system demonstrates it can meet all operational requirements.

SEA POWER AND FORCE PROJECTION

The committee approved $24 million for Sea Power and Force Projection Programs, a reduction of $2.4 billion from the request.

In shipbuilding, $9.9 billion was authorized to procure 16 new ships, 3 conversions, and 2 acquisitions. The reductions included one multiproduct auxiliary ship [AOE], and four MSH-1 coastal minehunters. The Navy has already announced cancellation of the MSH Program.

New construction ships approved included: One Trident submarine—discussed previously; four SSN-688 class submarines; two *Ticonderoga* class Aegis cruisers, three *Arleigh Burke* class Aegis destroyers, two fleet oilers, and three *Tagos* ocean surveillance ships. The committee also authorized acquisition of up to two minehunting ships from an allied nation using funds appropriated for the MSH Program in prior years.

A total of 33 antisubmarine warfare aircraft were authorized. Funds were approved as requested for 17 Lamps Mark III helicopters, 7 SH-60F CV ASW helicopters, and 9 P-3C maritime patrol aircraft. Funds were denied for 6 Lamps Mark I helicopters and the committee recommended termination of that production line; 4 MH-53E minesweeping helicopters and 10 of the CH-53E cargo-carrying version were also fully funded.

Most naval surface-to-air missiles and all antisubmarine torpedoes were funded. The committee recommended termination of the Rolling Airframe Missile [RAM]. The committee termination of the recommended termination of the Penguin, an antiship cruise missile to be launched from helicopters.

The Navy's research and development account was reduced by 10 percent overall. Most of this change was in the form of an undistributed reduction to be allocated by the service. Similarly, the Navy other procurement account was reduced by a single undistributed reduction of 6 percent.

In strategic airlift, the committee funded the final year of procurement for C-5B Galaxy airlifters and KC-10A advanced tanker/cargo aircraft. Believing the C-17 aircraft was the most economical way to achieve airlift goals, the committee supported funding the new airlifter. All $217.3 million requested for advance procurement and $547.3 million of the $612.3 million requested for continued development was developed.

MILITARY CONSTRUCTION

The committee authorized $8.5 billion for military construction out of a budget request of $10 billion. Funds were included for new Navy bases at Staten Island, NY, and Everett, WA, and a light infantry division in Alaska. Continued work on the light infantry division at Fort Drum, NY, was also authorized. Because of severe budget constraints, the committee deferred many projects that would have improved the quality and efficiency of our military bases worldwide.

Several new legislative provisions were included in the bill. For instance, minor construction—projects $2 million and under—were authorized on a lump-sum basis rather than by line item. Another provision repealed last year's legislation that prohibited U.S. installations in Europe from converting from U.S. coal, even where it would have been cost effective. Finally, a Presidential Commission was es-

tablished to develop base closure recommendations.

DEFENSE ACQUISITION POLICY

The members of the committee agreed to include the Defense Acquisition Reorganization and Improvements Act of 1986 as provisions of the defense authorization bill. This title embodies a number of the recent recommendations of the President's Blue Ribbon Commission on Defense Management. The bill also establishes the duties of the Office of the Under Secretary of Defense—Acquisition—which was created in the Barry Goldwater Department of Defense Reorganization Act of 1986. The committee also agreed to the creation of defense enterprise programs within the military departments. Program managers of defense enterprise programs would have increased management authority and responsibility and would operate under an acquisition milestone funding authorization.

The committee agreed to a provision which would remove senior Presidential appointees with significant acquisition responsibilities from conflict-of-interest situations. The members also agreed to a provision removing barriers and unnecessary paperwork burdens for commercial manufacturers and suppliers who wish to sell products to the Department of Defense. The committee also agreed to repeal section 917 of the Department of Defense Authorization Act for fiscal year 1986, which requires contractors to maintain certain types of cost and pricing data.

In addition, the committee approved giving the Secretary of Defense the authority to establish alternative cost-neutral personnel systems to improve the professionalism of scientific, technical, and acquisition employees.

Finally, the members of the committee would give the Secretary of Defense the authority to deny contracts to companies in cases where the award of a contract would be inconsistent with U.S. foreign policy and national security interests.

OTHER ITEMS OF INTEREST

CONVENTIONAL TECHNOLOGY INITIATIVE

The committee authorized $453 million to strengthen the defense technology base and to fund research on advanced conventional defense technologies in DOD. This initiative is designed to restore funding to these important areas, which have been declining in recent years. The funding for this purpose was allocated out of the reduction made to the SDI Program. In addition, $34 million of DOE funds were allocated to support this initiative, for a total of $487 million.

ALLIED COOPERATION

The committee approved a number of initiatives which will further U.S. cooperation with key friends and allies. Specifically, the committee:

Provided new authority for the United States to enter into cooperative weapons logistics arrangements within NATO.

Extended the authorities contained in the NATO Mutual Support Act to allow the exchange of logistical support and services with the Armed forces of other key friends and allies.

Extended the authority contained in section 1102 of the 1986 Department of Defense Authorization Act to allow the President to enter into agreements for cooperative armaments projects with other friendly foreign countries.

Set aside $40 million in research and development funds for cooperative research and development projects with major non-NATO allies.

Provided new authority for the U.S. Armed Forces to conduct humanitarian and civic assistance activities within foreign countries.

I yield the floor.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I am pleased to join my colleague, the distinguished chairman of the Armed Services Committee, Senator GOLDWATER, in starting the debate on S. 2638, the National Defense Authorization Act for fiscal year 1987.

This is the fourth major piece of legislation that the Armed Services Committee has brought before the Senate this year. The President has already signed into law the Military Retirement Reform Act of 1986 which included as a separate title the committee's fiscal year 1986 supplemental authorization bill.

So those are two major pieces of legislation. The Senate has passed our version of the landmark defense reorganization legislation, and the House of Representatives will be considering its own reorganization bill this week as a part of their authorization bill.

We hope to have the conference report on the reorganization legislation in early September. I might add in my own opinion that is the most important legislation on defense matters we have considered in at least the last 10 years, perhaps many more years than that.

Hopefully, the Senate will complete action on this authorization bill before the August recess. And I hope we will be able to bring back a conference report on this legislation in September. We have a full platter. Our committee will have to be the conferees on both the reorganization bill which is a major and very complex piece of legislation, and also the authorization bill that we will be debating for the next several days here on the floor of the Senate.

So, we would like to urge all of our colleagues at the outset of this debate to please bring your amendments over as rapidly as possible. I know the Senator from Louisiana, Senator JOHNSTON, is prepared to debate the strategic defense initiative amendment today. I am hoping we will have some rollcall votes today. I do not know that, but I am hoping we will. I am hoping we can complete that strategic defense initiative debate either today or early tomorrow. That is certainly one of the major debates we will have during the course of deliberations on this bill.

Mr. President, the substantial legislative achievements of the Armed Services Committee this year are due in large part to the outstanding leadership of our chairman, the Senator from Arizona. The Senate and the country are fortunate to have a chairman of the Armed Services Committee as experienced, knowledgeable, and committed to a strong national defense as is Senator GOLDWATER.

Chairman GOLDWATER's long experience in the committee, coupled with his firsthand knowledge of just about every military system, is invaluable and I would say irreplaceable.

Mr. President, this is the last annual defense authorization bill that Chairman GOLDWATER will manage on the Senate floor. I know I speak for all of my colleagues when I say this is a milestone we would rather not reach. I might say, though, in some degree of jest that Senator GOLDWATER went through all of these testimonials back in 1964; he left the Senate; he had all the praise given him that he was due at that stage. He struck out on a bold adventure. I cannot quite remember what it was in 1964. But then he came back. So, we may find him coming back in about 2 to 4 years here in the Senate.

But I would say that we, in all seriousness, are very grateful for the outstanding leadership which Chairman GOLDWATER has rendered the Committee on Armed Services, and I think the Senate.

This bill, Mr. President, provides authorization for almost all of the major functions under the jurisdiction of our committee including the activities of the Department of Defense, the Department of Energy, which is the Nuclear Weapons Program of the Department of Energy, and the annual military construction budget.

The committee reported this bill before there was a final conference agreement on the 1987 fiscal year budget resolution. And as the Chair so well knows, and the Senator from New Mexico, the chairman of the Budget Committee, we were guided during our markup on this bill by the Senate-passed budget resolution because at the time of our markup we had not received word on the conference report.

The total amount authorized for defense appropriations in the 1987 fiscal year in this bill as reported is $242.9

billion. When the personnel levels authorized by the committees as well as the remaining elements of the national defense functions are included as they must be for scorekeeping purposes of the committee bill, it results in a total of $301.6 billion in budget authority for the national defense function in fiscal year 1987.

This is very close to the $301 billion in national defense budget authority for fiscal 1987 provided for in the 1987 budget resolution passed by the Senate.

Since the committee reported this bill, of course, the Congress has adopted the conference report on the fiscal 1987 budget resolution. This conference report provides a basic level of $292.2 billion in national defense budget authority in fiscal 1987 and $299 billion if the so-called contingency requirements in the budget resolution are triggered, and I am sure that at some point during this debate we are going to need to have a dialog with the Senator from New Mexico, the chairman of the Budget Committee, and the Senator from Florida, the ranking member about that so-called contingency fund because it will be very relevant not only to this debate on the budget numbers but it will also be relevant in conference, and it certainly will be relevant in the appropriations process.

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Chairman GOLDWATER and I offered a committee amendment which was adopted just after the Senate began considering this bill on Friday. This amendment reduced the fiscal year 1987 authorization in the bill by $6.8 billion. These reductions were achieved through additional financing savings from revised inflation assumptions that can now be more accurately predicted. This amendment brought the total national defense function budget authority down to $294.8 billion. This is still $2.6 billion above the budget authority level in the fiscal year 1987 budget resolution. However, we need a certain amount of flexibility in conference with the House, and this position will help make our case in conference that we should provide an authorization of $292.2 billion for national defense in fiscal year 1987 which is the ceiling, rather than leaving some of this needed money in conference because of a tactical position.

We have every intention of bringing back a conference report to the Senate at the budget authority level provided in the fiscal year 1987 budget resolution.

The outlay situation is different, Mr. President.

I know the chairman of the Budget Committee, who is presiding at the moment, understands this very well.

According to CBO, this bill will result in national defense outlays of $288 billion in fiscal year 1987. Our committee amendment will bring this down to $286 billion, but this is still above the $282.2 billion figure in the budget resolution with the contingency and the $279.2 billion figure without the contingency.

We could not provide the budget authority that the Budget Committees of the House and Senate felt was needed in defense, $292.2 billion, and still provide $279.2 billion in outlays. Those two figures are mutually incompatible, in my view. We chose, as most would have expected us to, to go for the budget authority figure because we felt that much money was vitally needed, at least that much money for our defense budget.

The fact is that the committee just could not meet both the $292.2 billion budget authority figure and the $279.2 billion outlay figure. The budget resolution targets would require us to cut $28 billion in budget authority and $17.5 billion in outlays from the President's original budget request.

Before the conference is over, we will make that budget authority number, but I have grave reservations about whether we will make the outlay number.

This ratio of budget authority and outlay reductions would require us to get 63 cents in outlays out of every $1 of budget authority we cut. This is totally unrealistic. To legitimately meet this outlay target, the committee would have either had to cut much deeper in the faster spending personnel and readiness accounts than we did, or we would have had to cut the overall National Defense budget authority much lower than $292.2 billion.

Many people, even those who have been here for a long time, do not quite understand the difference between budget authority and outlays in the defense function. Here it is more important than in any other part of the budget, though it comes into play everywhere. I would have ot say it is totally unrealistic for us to have these two numbers as our mandate.

All of us on the committee realize that, because of Gramm-Rudman, the $279.2 billion outlay figure will be binding in the appropriations process. This is going to require us to make some painful choices not yet made. These choices will have to be made either during the debate of this bill or in conference or in the appropriations process. Senator GOLDWATER and I will have more to say on this subject later in the debate.

I might emphasize that the outlay number is the actual number of dollars spent each year. The budget authority number is the authority for contract authority or consent to enter into contracts with the Department of Defense. The budget authority number not only controls spending, apportions the spending, in this fiscal year, but controls spending in the outyears. The outlay number is the actual dollars expended in the fiscal year and that is based not simply on budget authority this year, though that is part of it, but more importantly it is based on the budget authority in previous years.

Those previous years' number gave the Defense Department the right to enter into contracts. It is very difficult to predict exact outlays because it depends on contractors, subcontractors, delivery of equipment, and on time schedules for thousands indeed tens of thousands of separate weapons programs that are very difficult to predict with precision.

Mr. President, Senator GOLDWATER has already provided a significant amount of detail on the contents of the bill, and I will not attempt to duplicate what he has already covered. I would like, however, to provide my views on some of the highlights.

We hope to be able to point out during the debate some of the consequences of the direction we are going in terms of the impact on Defense on what I call a budget impasse between the White House and the Congress. I think that impact is going to be felt this year and I think if this impasse continues between the White House and the Congress on budget matters, we are going to have a very severe and detrimental impact on our national security over the next 3 to 5 years. Needless to say, I hope that impasse is broken. So far the signs are rather dismal in that respect.

I would be pleased to interrupt my speech at any point to get debate going on the strategic defense initiative amendment. I hope the Senator from Louisiana and others who will be speaking on the strategic defense initiative and the amendment to be proposed this afternoon will come over because when they do arrive I will be delighted to refrain from my remarks and take up where I left off at a later point. I do not want to in any way impede debate on that very important amendment.

IMPROVING CONGRESSIONAL OVERSIGHT OF DEFENSE PROGRAMS

During the committee's work on the Department of Defense reorganization legislation, Senator GOLDWATER and I spoke of the need to substantially reorder and improve the way Congress carries out its oversight responsibilities for national defense programs. We pointed out that, in our opinion, Congress spends too much time in redundant review of the details of national defense programs, focuses too much on accounting type considerations, and spends too little time on major policy issues.

I am delighted that today we are going to start debate on the strategic

defense initiative because that is relevant to our bill. It is a major part of the defense research budget. It is a policy issue. It is an extremely important element in arms control. It is an extremely important element in terms of our vulnerability in future years and is exactly the kind of debate we ought to be stimulating as policymakers.

In reporting out this bill, the committee made some immediate changes in the way we have conducted our work in the past, and we are recommending some new provisions to streamline, strengthen, and shift the focus of congressional oversight of defense programs in the future.

For example, in an effort to get out of the details of the day-to-day management of defense programs, the committee reduced the number of reports required of the Defense Department during fiscal year 1987 by almost 50 percent compared to last year.

That is a very sizable number of man-hours that will be saved in the Department of Defense.

As my colleagues may recall, the Defense reorganization bill passed by the Senate earlier this year repealed two-thirds of the permanent statutory reporting requirements for the Department of Defense.

The committee also made a conscious effort to limit the number of line items or programs which we adjusted to avoid micromanaging the Pentagon. This year the committee adjusted only 77 research and development programs out of 912, which is 57 percent fewer changes than last year. We did the same thing in the procurement accounts. Excluding the Army ammunition account, where the Army requested a budget amendment for the account, the committee altered only 74 procurement programs out of 1,623, or some 4.5 percent. For purposes of comparison, last year Congress adjusted a total of over 1,800 individual procurement programs.

To meet the deep cuts required by the fiscal year 1987 budget resolution, the committee made a large number of so-called undistributed reductions. These are cuts which are not levied against any individual program but are left to DOD managers to distribute among various programs. In taking this approach, the committee made a conscious attempt to limit individual program adjustments only to programs where the committee had a specific programmatic reason for imposing changes. Because the budget restrictions necessitated deeper reductions, the committee decided to grant the maximum degree of flexibility to the Department of Defense to allocate those reductions to programs which they considered to be of lowest priority from the standpoint of military effectiveness.

Over the longer term, the committee reaffirmed our commitment to a very important and sweeping change to begin next year, the 2-year budget process for the Defense Department.

Under current law, the President must submit a 2-year budget for the Defense Department to the Congress next year.

I proposed this amendment which was adopted in the authorization bill last year and that amendment will begin to be implemented in fiscal year 1988. This is the fiscal year we will get the President's budget on early next year.

□ 1230

Implementing a 2-year budget will help Congress move away from the detailed and repetitive annual budget reviews and provide more time for broad policy oversight. The committee intends to work very hard next year to make 2-year budgeting for the Defense Department a reality.

But we, of course, are going to have to get a lot of support to make it work. We have to have the support of the Budget Committee, we have to have the support of the Appropriations Committee. The Appropriations Committee does not necessarily have to follow us on every aspect of it, but we all have to work together because appropriation and authorization both have to occur before we have a completed budget cycle.

The committee bill also contains the legal framework for a new form of authorization for defense programs called milestone authorizations.

This is a very important concept. The Packard Commission endorsed this concept. It is one I have talked about for several years. Senator QUAYLE, Senator LEVIN, and others have put the authority in for us to begin on what I think is a very important concept. It would be a change from the way we now operate. Rather than authorizing a year-to-year increment of activity for each and every program as we do now, programs may be authorized under this milestone authorization procedure for an entire acquisition phase. For example, DOD can request authorization for the entire fullscale development of a new weapons system, even if that takes 3 or 4 years, so long as they manage the program consistent with the goals set out for the program. This milestone authorization concept should provide a greater degree of stability for defense weapons programs.

Mr. President, I believe these changes are a clear indication of the committee's strong commitment to improving congressional oversight of national defense programs.

STRATEGIC FORCES

In the area of strategic forces, I am particularly pleased that the committee bill redirects some of the resources that were requested for the President's strategic defense initiative. We shall be debating this in a few minutes in detail. I might say, in summary, I support a vigorous SDI Research Program because it serves a number of valid U.S. national security purposes. However, I believe that SDI should be but one part—albeit an important part—of a broad-based, balanced technology initiative that addresses the entire range of nuclear and conventional deficiencies in our defense posture.

For some time I have been concerned that the administration's current and projected funding levels for SDI threaten to absorb an inordinate proportion of defense dollars allocated to research and development. Since 1981, basic research and development of new technologies for conventional nonnuclear warfare applications have declined from 16 percent of the Defense Departments research, development, testing and evaluation funds, to 8.7 percent in the administration's budget request for fiscal year 1987. This decline coincides with the buildup of the SDI Program. The proposed funding level for SDI next year is larger than the entire R&D budget for the Department of the Army. I believe that the administration's SDI funding profile in the current 5-year defense plan is excessive in light of the absence of a basic system design for this program and in light of some disturbing indications of basic disagreements within the administration as to the program's goals. Those goals are very important in terms of how the money is allocated and spent.

During the committee consideration of the fiscal year 1987 defense budget, Senator COHEN, the senior Senator from Maine, and I sponsored a proposal to limit the SDI Program's growth to a 20-percent increase in lieu of the administration's requested 73 percent increase over last year's level. This meant a reduction of $1.619 billion, which was $684 million below the level recommended by the subcommittee chaired by the Senator from Virginia [Mr. WARNER], with the ranking member being the senior Senator from Colorado.

As part of this proposal, we advocated a specific concept for a balanced technology initiative and recommended that $684 million of the President's SDI budget request be applied to research in specified conventional defense enhancement programs. In a subsequent amendment, the committee added back $253 million, for a total DOD and DOE combined SDI funding of $3.953 billion for fiscal year 1987.

This is the beginning of our debate, the $3.9 billion proposal. This is the level in the bill before the Senate today.

I believe that the program needs refocusing if it is to serve valid national security needs, and if it is to enjoy the kind of bipartisan support that will be essential to see it through over a period of years. If making this proposal, I recognize the advantages SDI offers in enhancing our society.

First, SDI continues to represent an important response to the threat to United States national security posed by the Soviet Union's activities in strategic defense research, development, and deployment. SDI research is necessary in order to understand better the nature and pace of Soviet research on strategic defenses, especially research on "exotic" technologies.

Second, SDI is very important in development options for near-term deployments, both as a hedge against the possibility of a Soviet ABM Treaty "breakout" and for its potential contribution—should both our arms control efforts and our own unilateral strategic modernization programs prove inadequate—to enhancing the survivability of our strategic retaliatory forces and their supporting command and control structure. While I believe that the potential ability of ballistic defenses to provide a comprehensive, nationwide population protection should continue to be explored—we do not have to dismiss that as a possibility, and I would not counsel that we dismiss it—the major emphasis within the SDI should be dedicated to developing survivable and cost-effective defensive options for enhancing the survivability of U.S. retaliatory forces.

I believe that is a very important premise of the redirection of the program and the clarification of the program that I hope will be endorsed by the Senate during this debate.

In this regard, I note that negotiating leverage is sometimes a perishable commodity. If we are to capitalize on the historic opportunities in arms control created in part by SDI, we should be prepared to consider adjustment to the pace and scope of SDI if—and this is the big "if"—the Soviet Union agrees to significant, stabilizing and verifiable reductions in strategic offensive forces.

Third, I support a robust SDI research program for the leverage it provides to our negotiations in Geneva.

I think that leverage is real, it exists, and it is important. However, I do not believe it necessary to fund the President's entire request for SDI to maintain our leverage at the Geneva negotiations. In my view, leverage in arms control negotiations comes only from real defense programs which are aimed at realistic objectives, are adequately funded, and enjoy the support of a broad bipartisan consensus. Our negotiators in Geneva would be well-served by a robust, but better focused, and better defined SDI research effort.

There is a relationship between offense and defense and that relationship has to be considered in any examination of either our SDI Program or the relationship as it pertains to arms control.

I am pleased that the committee has adopted the basic thrust of the balanced technology initiative sponsored by Senator COHEN and myself, and has authorized $300 million for initiatives designed to leapfrog serious deficiencies in our conventional warfare capabilities, together with $153 million for partial restoration of the defense technology base activities. These allocations represent an important first step in exploiting America's comparative advantage in technology for a variety of purposes: To offset the Soviet and Warsaw pact quantitative edge in tanks, artillery, artillery tubes, helicopters and other weapons systems; to provide leverage for a new and different approach to conventional arms control—a much neglected subject in our own overall arms control thrust—and to revitalize American commercial know-how through spinoffs from a broadly based balanced technology initiative.

Finally, in this area, I commend the Strategic Subcommittee leaders—Senator HART and Chairman WARNER—for their diligent hard work.

□ 1240

CONVENTIONAL FORCES

In the conventional forces area, the committee amended the President's fiscal year 1987 budget request based on very clear cut and explicit priorities. In reviewing the budget, the committee concluded that the Department of Defense had made deep cuts in spare parts and munitions accounts prior to sending the budget to Congress. This led the committee to award the highest priority to munitions and spare parts. Except for several troubled programs, all sophisticated munitions programs—air-to-air missiles, torpedoes, surface-to-air missiles, and so forth—were funded at the requested level by the administration. The committee also gave preferential treatment to spare parts. Spare parts were funded largely at the requested level.

This necessitated selective reductions in production rates of major programs. Specifically, the committee voted reductions in F-16, F/A-18, and AH-64 combat aircraft. I should note that the reduction in the F-16 and F/A-18 were against plans, not current production rates. Only the AH-64 is proposed for funding at a production rate lower than the current rate.

These stretchouts are, however, a matter of serious concern. The chairman has already alluded to the stretchouts that occur and continue to occur. In my opinion, we produce major systems at far too inefficient a rate already, and these stretchouts reinforce that inefficiency. I should mention that while we cut back on programs currently in production, we continued to fund the major new starts requested in the budget. I am convinced we cannot afford all these programs, even though individually they have merit.

You can examine each one on its merits; one by one they can be defended. The cumulative total of the programs we have underway today and the total number of new starts that do not cost much today but have inordinate and very serious expenditure profiles down the road, that combination cannot be jstified as a whole. There is simply not enough room for all of these programs within the budget levels we have in this bill and the budget levels that are likely in the future. We are going to have to come to grips with this very serious funding profile problem.

Senator BINGAMAN and I have worked for about a year and a half now on an initiative in this area. We plan to discuss that initiative on the floor during this bill, and I am hoping that we will cast some light on the dilemma we face between existing production lines which are too inefficient and new starts which are going to cause the problem to be worse in the future.

Sometime later during consideration of the authorization bill I will spend more time outlining this problem but I do want to commend Senator KENNEDY and Senator GOLDWATER for their leadership in the conventional area.

OPERATION AND MAINTENANCE

In the important area of operations and maintenance, the committee bill includes reductions of approximately $4.6 billion. With the additional $800 million reduction contained in the committee amendment, the fiscal year 1987 authorization for operations and maintenance will be over 6 percent below the original budget request.

A large part—75 percent—of the savings in the O&M area, Mr. President, were in the area of financing adjustments—principally lower anticipated inflation and lower fuel prices. The experience of the past several years strongly suggests that these financing savings can be made without any impact on the programs funded in the O&M accounts.

In fact, I think it is important to note what O&M programs were not cut to meet the committee's budget target. This reflects the committee priorities, of course, in this area. The committee did not make any reductions to the operating tempos—flying hours, streaming time, or field training exercises—requested by the services. We did not reduce the budget request for depot maintenance and we

did not make any cuts in the area of real property maintenance. Of course, if it turns out that we have overestimated the savings from our reestimates of inflation and fuel prices, then some of these readiness programs could be cut. However, that does not appear likely at this point.

I think the committee did a good job of meeting our budget target without cutting any important readiness programs in the O&M accounts. Senators DIXON and HUMPHREY deserve a great deal of credit for this achievement.

DEFENSE MANPOWER

In the area of Defense manpower, the committee's recommendations reflect our continuing effort to hold down the growth of Defense manpower in nonessential support functions. The committee bill approves only half of the requested 13,730 increase in active duty military strength.

The committee approved about a 6,800 increase over the current level. The request was for 13,000 over the current level. So we are somewhere between the current level and the request.

Most of this increase will go to the Navy to man new ships coming into the fleet.

Reserve personnel strengths, both part-time and full-time strengths, were frozen at the current fiscal year 1986 levels.

The committee bill reimposes an end strength on Department of Defense civilian personnel which is approximately 29,800 below the requested level, and placed a limitation on the total funds that can be used to pay DOD civilian personnel during fiscal year 1987. These provisions resulted primarily from the committee's concern over the fact that the Defense Department substantially exeeded both its own hiring and budgetary targets for civilian personnel in fiscal year 1985, which is the first year the Department operated without civilian end strength controls. At the end of fiscal year 1985, for example, the Defense Department had 44,300 civilian employees more than they had projected at the beginning of fiscal year 1985.

We have been asked year after year after year to remove the end strength ceiling on civilian personnel. We finally went along with the Department of Defense. They told us they could manage it, and we wake up to the fact a year later they were 44,300 people above what they expected to have and what they told us they would have.

It appears that the Department will exceed both their end strength and budgetary targets for civilian employment again in fiscal year 1986.

The Senator from California [Mr. WILSON] and the Senator from Ohio [Mr. GLENN] have both worked long and hard on this particular matter and I know we will be hearing more about it during the course of this debate.

The committee approved the 4-percent pay raise for military pesonnel on October 1 requested in the budget. However, only modest improvements in special and incentive pays were approved by the committee because of the affordability problem. The bill also includes legislative authority which will enable the Defense Department to continue to pursue alternatives to the current CHAMPUS system for providing health care for military beneficiaries.

Finally, the committee bill includes a provision addressing the large, disproportionate growth in the size of the Military Services' Officers Corps over the last 5 years. During testimony this year, the committee learned that the size of the Officer Corps in each of the military services has increased at a much greater rate than the overall strength of the military services over the last 5 years. For the Defense Department as a whole, the size of the total Active Duty Force grew by just under 5 percent from fiscal year 1980 to fiscal year 1985, but the size of the Officer Corps increased by over 11 percent, over twice as much as the overall size of the military.

In my view, the growth in the strength of the Officer Corps in the last 5 years is less the result of hard, documented manpower requirements and more simply a reflection of improved retention.

We are grateful for the improved retention but the Department of Defense has to manage this manpower resources. They have to manage the number of officers. The number of officers cannot simply be the product of retention. The number of officers has to reflect the overall need and the size of the military.

Undocumented and unjustified growth in the size of the Services Officer Corps is very expensive, and, contributes to the proliferation of redundant headquarters and overgrown staffs within the Department of Defense. It also contributes to a very grave frustration among the Officer Corps, and that is the fact that they did not have command responsibility for very many positions. We have a number of officers that almost never have any opportunity to commend and that problem is growing worse with the increasing size of the Officer Corps.

In response to these concerns, the committee adopted a provision which would reduce the size of the total commissioned officer corps in the Department of Defense by 2 percent per year for each of the next 3 fiscal years. This total reduction is to be allocated among the military services by the Secretary of Defense based on his assessment of the relative priorities of the military services. In addition, the bill includes a provision requiring annual authorization of the size of the commissioned officer corps in each of the military services beginning in fiscal year 1988.

I want to congratulate Senator GLENN and Senator WILSON for their customary excellent work as ranking member and chairman of the Manpower and Personnel Subcommittee.

DEFENSE ACQUISITION POLICY

As we did last year, the committee adopted a number of legislative provisions to strengthen the management of the Defense acquisition system recommended by our Subcommittee on Defense Acquisition Policy. These provisions are included in a separate title—title IX—of the committee bill.

□ 1250

The committee bill includes provisions designed to implement a number of the recent recommendations of the President's Blue Ribbon Commission on Defense Management, the so-called Packard Commission. For example, the bill further delineates the duties of the Office of the Under Secretary of Defense for Acquisition which was created by statute earlier this year. Creation of this position was one of the top priorities of the Packard Commission.

The committee also agreed to the creation of defense enterprise programs within the military departments along the lines suggested by the Packard Commission. Managers of these enterprise programs within DOD would have increased management flexibility and authority to manage their programs, and could operate under the milestone authorization concept that I discussed earlier in my statement.

Finally, the committee bill includes a section giving the Secretary of Defense the authority to establish alternative personnel systems to improve the professionalism and retention of the scientific, technical, and acquisition or procurement, civilian work force in the Department of Defense. This alternative personnel management system authority is strongly endorsed by the Packard Commission.

Senator LEVIN and Senator QUAYLE have, as usual, worked tirelessly during the last year as ranking member and chairman of the Defense Acquisition Subcommittee in putting together this section of the committee bill.

Before closing, Mr. President, I again want to salute the leadership of the chairman of the Armed Services Committee, Senator GOLDWATER. He has been one of the strongest and most persistent advocates of a strong national defense of this body. This has been a consistent part of his overall career since he was elected to the Senate in 1952.

It has been a pleasure to serve as the ranking member of the committee

under Chairman GOLDWATER's leadership during the 99th Congress, and I look forward to continued close cooperation with him, to work with him on the challenges we have within the next few months. We have come a long way this year, but we still have a long way to go, as the chairman knows.

Mr. DIXON. Mr. President, today Senator GOLDWATER has introduced his last defense authorization bill. Although I have only been on the Senate Armed Services Committee for a short time, I will always remember our distinguished chairman for the leadership he has provided to all the members of the committee, and to our great country. We will all miss him.

Mr. President, I voted in the Senate Armed Services Committee to report the fiscal year 1987 Defense Authorization Act to the floor, even though we are in excess of the authorizing level.

The Senate budget resolution required a reduction in outlays from $296.7 billion to $282 billion. We did not reach this target. We are short by approximately $6.8 billion.

During the debate on this bill, our chairman and our ranking member, Senator NUNN, will discuss the outlay problems, and how difficult it is to reach the $282 billion level. I urge all of my colleagues to pay close attention, because many very hard decisions will have to be made in the next few days.

During the Armed Services Committee hearing prior to marking up this year's authorization bill, I pointed out that our recent gains in readiness and sustainability had been placed in jeopardy by the President's 1987 defense budget. I felt that the President's request disproportionately emphasized procurement of new weapons systems and, seriously underfunded spare parts, repair parts, and munitions necessary to make these new weapons capable of sustained operations in time of war.

At my urging, the committee made a great effort to protect the operations and maintenance accounts, and those other accounts dealing with spare parts and ammunition. The services are still operating at inadequate funding levels—however, we did manage to find additional money for these important programs.

Mr. President, I am greatly concerned about the overall deficit that we face. As a member of the Armed Services Committee, I recognize that our military budget must deal with the serious Soviet military buildup—but we must always be mindful of our serious budget deficit. There are still some programs we can do without, or cut further. I intend to study all amendments offered to this bill. I will oppose any amendments which I feel will harm the military's readiness and sustainability. I will support those amendments which strengthen the bill from the standpoint of fiscal prudence without doing harm to a strong national defense.

Mr. President, I again want to congratulate our distinguished chairman and our distinguished ranking minority member for the outstanding work they did on this bill.

□ 1300

Mr. THURMOND. Mr. President, I rise in support of S. 2638, the National Defense Act for fiscal year 1987, and I would like to commend the chairman of the committee, Senator BARRY GOLDWATER and the ranking member, Senator SAM NUNN, for the work that they have done in bringing this bill to the floor.

Mr. President, in bringing this bill to the floor, I would like to raise several points. First, at the adjournment of the 99th Congress, BARRY GOLDWATER, a man that I have worked with for more than three decades, will retire from the Senate. He has been called the "grandfather" of the Republican Party and the "godfather" of conservatism, and I am proud to call him friend. We will all miss his intellect, candor, and wit, and we are all grateful for his service to the Nation.

Also, I wish to acknowledge the fine work contributed to this legislation by the late Senator JOHN EAST. He served with distinction on the Senate Armed Services Committee despite ill health, and we all benefited from his insight about the importance of our national defense and the role of our Nation in a turbulent world.

The final point for my concern is quite simple; we are not authorizing enough money to meet our defense commitments. For the second year in a row, the Congress has forced a decrease in real terms in the defense budget.

Mr. President, I have been a member of the Senate for more than 30 years, and I have watched without fail the roller-coaster approach that Congress has taken to defense spending. The Congress has refused to follow the warning that defense spending cannot be compared to domestic spending priorities; it must be sufficient to keep our country strong enough militarily to defend our interests and maintain our position as a viable world power.

The Congress has already allowed military compensation to fall behind the private sector to its lowest point in comparability since the beginning of the All-Volunteer Force, and this is during an era when the pool of available manpower is shrinking rapidly.

Additionally, to meet congressionally mandated budget cuts, we have had to reduce our expenditures for research and development. These reductions do nothing but help the Soviets shorten our technological lead even more. According to the testimony of our combatant commanders, previous budget cuts have started a downward spiral in our readiness and sustainability. Further cuts in these accounts will force reductions in flying hours, steaming hours, and training days, thus lowering even further our preparedness to fight.

Mr. President, while we debate the levels of our defense spending and the costs of our international commitments, the Soviets are continuously expanding their ability to project power around the world. The Soviets now use Cam Ranh Bay in Vietnam as a forward naval staging base and are becoming increasingly capable of projecting power into a region that was once the sole domain of the U.S. 7th Fleet.

The Senate Armed Services Committee reported out a bill that reduced the President's request by $19.2 billion to $301 billion. Now that the Congress has adopted a budget resolution, we must further reduce our defense expenditures to a ceiling of about $292 billion in the authorization process. Should the Approriations Committees follow recent precedent, we can expect the amount appropriated for fiscal year 1987 will fall far short of $292 billion.

Mr. President, to many of the opponents of defense spending, this may not sound like very severe reductions, but I must remind my colleagues that we may also be facing a sequester order this fall to further reduce Federal outlays. Should the sequester order involve a conservative estimate of $20 billion, the Department of Defense would have to absorb an additional $10 billion reduction in outlays for fiscal year 1987. To reach that additional $10 billion in outlays, it may be necessary to cut budget authority by $30 billion.

Mr. President, quite simply, this means that we may be setting in motion events that will reduce the President's budget request by 19 percent. If these events take place, we will seriously impair our ability to defend our interests. To do this will only encourage the Soviets toward more adventurism. As we debate this defense budget, I urge all of colleagues to keep in mind the fact that our commitments and interests are global in nature and not hemispheric, and that as such, we must maintain levels of defense expenditures consistent with these commitments and interests.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. DANFORTH). The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, some 14 months ago I stood on the floor on the question of the strategic defense initiative, pointing out at that time that the strategic defense initia-

tive, as stated by the President of the United States in that famous speech in March 1983, created a situation that was inconsistent with reality or with science.

I stated at that time that the strategic defense initiative as proposed by the President was more hope than hype, that it was a vision that did not square with reality, that as a defense budget matter it was like a black hole that soaked up all the funds or threatened to soak up all of the discretionary funds that the whole Department of Defense would have if it were properly funded.

I paid tribute at that time, Mr. President, to the President of the United States in his ability to basically and fundamentally change the rhetoric, the ground rules, the attitudes, and the whole posture of defense spending in this country.

Only a man who is truly a great communicator is capable of that kind of fundamental change in the thinking of the American public.

I recall at that time, Mr. President, that the distinguished Senator from Georgia [Mr. NUNN] and I had a long colloquy on the floor of the Senate discussing how in my mind and I think it is fair to say in the opinion of the distinguished Senator from Georgia that our views of the strategic defense initiative were to the effect that it was inconsistent with reality to pursue what was called at that time the astrodome which most scientists did not believe and if it was inconsistent that a new set of goals, a new set of priorities, a new set of initiatives with respect to the strategic defense initiative should be pursued.

Since that time, Mr. President, a great deal of study, a great deal of time, a great deal of thought has gone into the question of the strategic defense initiative. There is no question facing the American public, facing the defense community, certainly not facing this bill which is even close in importance to this question of the strategic defense initiative.

Those who favor the strategic defense initiative in its present form point out that it can make no nuclear weapons impotent and obsolete, that it gives us a defense posture that is more moral than one based upon retaliation, which is in effect based upon the threat to kill the entire population of the other side or at least a very significant portion of them, and that it will bring us closer to world peace.

Mr. President, those who are more skeptical about the strategic defense initiative point out that even if the strategic defense initiative will work that during the many years prior to its deployment and indeed after its deployment it will constitute a destabilizing element even if it works because what its ultimate effect will be is to enhance the ability of that party that has the SDI, it will enhance their first strike capability.

And the perception of a first strike capability in the other side or the perception that the other side is about to get a first strike capability in times of crisis, in times of fatigue, fear, excitement, and danger, such as we have in a time of crisis, can lead the other side, those who do not have the strategic defense initiative, to entertain perhaps the use of a first strike themselves.

It is a classically destabilizing element, so say critics of SDI.

They also point out that it could trigger a new arms race with billions and billions of dollars, creating a new, as I say, black hole in the defense budget. It cannot work as advertised. It simply cannot make nuclear weapons impotent and obsolete no matter what you believe about the technology because, of course, it cannot be used against bombers and cruise missiles and there are literally thousands of warheads that can be dropped by bombers and by cruise missiles. Obviously you do not make a weapon obsolete if thousands of them can be used.

Then there are those who believe it will not work.

So, Mr. President, we have the outlines of a classic debate setup here on the floor of the Senate between those who think that peace is attainable, that nuclear weapons can be made impotent and obsolete and those against who believe it is destabilizing, it is dangerous, it can use up all the funds in the defense budget, and that it will not work.

Mr. President, surely this issue ought to get the attention of every Senator, not just for a few moments, but for as much time and as much interest as the issue requires.

□ 1310

The American public ought to focus on this very important and dramatic and basic issue, because in this issue of the strategic defense initiative, we can have not only hundreds of billions of dollars tied up, but the very safety of the country, either in having it or not having it, as your point of view goes.

Mr. President, the amendment which I will offer later does not take either one of these strong polls. It does not say flatly that strategic defense initiative will not work and therefore scrub it from the defense budget. On the other hand, it is very clear, or at least we are very clear in believing that it cannot be an astrodome over the United States rendering nuclear weapons impotent and obsolete. In effect, what we will be proposing, Mr. President, is a robust research and development program into the strategic defense initiative, but one which we can afford, one that is likely to lead to something that will increase and enhance the defense posture of this Nation.

Mr. President, since that last debate here on the floor of the Senate some 14 months ago, two of my colleagues and I have commissioned a 60-page report published this spring which has reported on the progress of SDI. We have had hearings in the Defense Appropriations Subcommittee, with Harold Brown, former Secretary of Defense; Robert McNamara, former Secretary of Defense; General Abrahamson, in both classified and unclassified session, and I and other colleagues have been to Lawrence Livermore Labs and to other national labs around the country. We have comissioned studies by the GAO, by the Congressional Research Service, and have been exposed to a constant diet of star wars reports and articles and speeches.

Mr. President, I think the situation is much clearer now than it was when star wars burst upon the consciousness of people in the U.S. Senate and across America.

The first question I think we sought to ask, Mr. President, is: How did it come about? How do we find ourselves today debating the question of the level of funding of star wars, debating this new issue about whether we make nuclear weapons impotent and obsolete? Did it begin with a group of our best scientists who came up with this great idea or did it start somewhere else?

Interestingly, Mr. President, star wars began not with the Joint Chiefs of Staff, not with DARPA, or the Research and Development Assistant Secretaries, or with the scientists at Lawrence Livermore Lab or elsewhere. Star wars began with Ronald Reagan.

Mr. President, on March 4, 1985, Newsweek did an interview of the President of the United States. They asked him where star wars came from. The President said:

> It kind of amuses me that everybody is so sure I must have heard about it, that I never thought of it myself. And the truth is, I did.

Mr. President, I like President Reagan. The American public likes President Reagan. I think he is the most, for whatever else you can say about President Reagan, he is the most personally successful President, perhaps, in the history of this country; if not the greatest communicator, then he ranks up there with Roosevelt in the two or three best communicators we have ever had. He is a man of strong principle and ideology and there are a lot of other things you can say about President Reagan that are good, much of which I agree with.

But, Mr. President, anybody who says that the President of the United States is noted for his technological process, for his ability to understand and make judgments in weapons systems, if that man is here in this

Senate then I would like to see him and hear him and talk to him. I have never heard that charge or that accusation made. And yet it was the President himself who made this great decision about star wars.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the full text of the Newsweek interviewer's questions and the President's answers on this point of where star wars came from.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

NEWSWEEK INTERVIEW

Question. There's been a lot of talk about when you first thought about or heard about this idea. When was that?

The PRESIDENT. I know and it kind of amuses me that everybody is so sure I must have heard about it, that I never thought of it myself. And the truth is, I did. Oh, there's been talk—I think there's a general conversational talk about things of this kind—about what I said earlier that every weapon has a defensive weapon—and then, of course, the antiballistic missile, some years ago, came on the scene and was ruled out.

I know, too, that some of our scientists were thinking in terms of a nuclear response in which nuclear explosions from here that would then prevent the others from coming through. And in one of my regular meetings with the Chiefs of Staff, I brought up this subject about a defense weapon and that every other weapon had always—there had been a defensive weapon. And I asked them—I said: Isn't it possible that our modern technology today and all that we have been able to develop, that it would be worthwhile to see if we could not develop a weapon that could perhaps take out, as they left their silos, those nuclear missiles. And the Joint Chiefs said that such an idea, they believed, was worth researching.

Question. Yes. But you had supposedly been thinking about this before you became President, even when you were Governor of California?

The PRESIDENT. No. This idea—this latter idea came after I'd heard the other things and, as I say, had been called upon by some of the scientists who were thinking in terms of nuclear explosions to destroy a nuclear explosion. And this came to me—actually, the first time I ever voiced it, I think, was in that room—in the Cabinet Room in there—after we'd had the meeting—it was coming toward the end of the meeting. And when they so much did not, you know, look aghast at the idea and instead said yes, they believed that such a thing offered possibility and should be researched, and I gave the order—I said "Go.".—Interview with Newsweek Magazine, March 4, 1985.

Mr. JOHNSTON. Mr. President, he thought up the basic concept but with whom did he consult in writing the momentous star wars speech, the speech that launched a thousand contracts?

Now, Richard Perle, the top nuclear strategist in the Pentagon, heard about it 2 days—2 days—before it was televised. Paul Nitze, the chief arms control adviser, learned of the speech the very day it was given. The Secretary of State, Mr. President, was not consulted at all. George Keyworth, the chief science adviser to the President, received 5 days' warning. We are told that Keyworth would have gotten less notice but someone cautioned: "How can the President go on the tube directing a major, high-technology initiative and tell his science adviser nothing?" based upon which he received 2 days' notice.

Mr. President, the Joint Chiefs of Staff received 2 days' notice of the star wars speech—the Joint Chiefs of Staff. The Pentagon's chief scientist, Assistant Secretary of Defense for RDT&E, Dick DeLauer, learned of the speech 9 hours before it was delivered.

The reporter who interviewed the participants noted: "Both proponents and opponents of star wars agree that it was not carefully considered."

George Keyworth, the President's Science Adviser, described his immediate reaction to notice of the impending speech in these words. If I may quote, this is the President's Science Adviser George Keyworth:

Give me time. It's big. Give me time.

Most people saw the speech very close to [the time of] delivery, and most—myself included, incidentally—had the same reaction: "My god, let's think about this some more. Let's think about the implications for the allies. Let's think about what the Soviets are going to think. Let's think about what's technically feasible. Let's think about what the scientists are going to think. Let's think about the command and control problems."

But, then, of course, Mr. President, there was not time, when George Keyworth was given only a couple of hours, the Joint Chiefs only 2 days, Dick DeLauer no notice at all, and so it goes, there simply was not time. The strategy, Mr. President, was very simple: Most top officials would not learn of the proposal until they had no choice but to support it.

What it came down to, Mr. President, was if you supported President Reagan, you supported SDI. And if you did not, you did not support SDI, which meant you would not be around in the administration. So, it has been very clear, Mr. President, that star wars came down as a proposal full-blown, risen from the ashes of quick consideration and was presented to those in the administration on the basis of "take it or leave it."

Mr. President, I have a news account detailing the early days surrounding the birth of star wars. The article is entitled "Out of the Blue: How 'Stars Wars' Was Proposed," By Frank Greve, which was published in the November 13, 1985, edition of the Philadelphia Inquirer. I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OUT OF THE BLUE: HOW "STAR WARS" WAS PROPOSED

(By Frank Greve)

WASHINGTON.—Secretary of State George Shultz was livid. He had just learned that President Reagan would announce in two days a stunning change in the nation's nuclear warfare policy.

It was a change that would immediately and unalterably be nicknamed "Star Wars," a change Shultz opposed as dangerous and, on technical grounds, impossible.

But Shultz had not even been consulted. He had simply been delivered a copy of Reagan's intended speech—an "eyes only" copy that Shultz could not even share with Paul Nitze, the President's arms control adviser. Nitze learned about Star Wars at 11 a.m. on the day of the speech, March 23, 1983.

Like Shultz, members of the Joint Chiefs of Staff got two days' warning, an examination of the origin of Star Wars reveals. So did the Defense Department's top nuclear strategist, Assistant Secretary Richard N. Perle, who was so enraged at being blindsided, according to an aide, that he "nearly fell on his sword."

Undersecretary Richard D. DeLauer, the chief Pentagon scientist, learned of the biggest, most ambitious weapons research program in history nine hours before its public announcement. Fred C. Ikle, undersecretary of defense for policy, notified at the same time, pleaded vainly for a chance to give NATO leaders advance notice.

And so it went throughout the highest echelons of the Reagan administration. The Star Wars proposal, which pushed Soviet leader Mikhail S. Gorbachev toward the bargaining table in Geneva and which now is the principle obstacle to new arms control agreements—a system so expensive it has no price tag, so complicated it has no due date—came as bolt from the blue.

That plan to knock out incoming Soviet ballistic missiles, conceived almost casually in early 1983, has become the biggest of the many differences between Reagan and Gorbachev on the eve of their Geneva summit.

"Whether strike weapons will make it to outer space or be barred from it is an all-important question," the Soviet leader said last week. "The answer to it is decisive to the course of developments in the world for many years ahead."

Yet the Strategic Defense Initiative (SDI), as Star Wars is officially named, was not a decision arrived at "after careful consultation with my advisers," as Reagan said when he announced the plan on national television. Rather, it was a decision made by Reagan and kept secret by him and a half-dozen National Security Council staff members from nearly everyone else, particularly the doubters, the detailed examination found.

The germ of the Star Wars idea appeared first in the 1980 presidential campaign, was promoted by Reagan's "kitchen cabinet" and appealed to Reagan so powerfully that even small suggestions of support from some staunchly conservative scientists and military leaders fueled his enthusiasm. The idea gathered appeal in 1983, when the growth of the nuclear freeze movement and political troubles encountered over the deployment of offensive missiles prompted Reagan to reach for something new and positive.

Many of the generals, aides, scientists, bureaucrats and appointees who know about the beginning of Star Wars now have retired. Some now consider it such a success

that they are eager to chronicle its history and perhaps stake small claims to paternity. Others say they are appalled at what they consider a folly's progress.

With significant exceptions, Star Wars participants still in government asked not to be identified, a request that has been honored. All details provided by sources who are not identified were confirmed by at least one other participant.

THE BASIC STRATEGY

The basic strategy, under a plan carried out by Rober C. McFarlane, then the President's deputy national security adviser and now his chief national security adviser, was to skirt Congress, the bureaucracy and the press. They, given half a chance, would smother the radical Star Wars idea in its crib, proponents reasoned.

Hence, most top officials would not learn of the proposal until they had no choice but to back their boss, according to many of the principals. "If you supported Reagan, you supported SDI," one insider recalled recently.

In actuality, many insiders—including the Joint Chiefs of Staff, whom Reagan singled out twice in his speech as influential supporters—had reservations about Star Wars' technology, timing and cost. Nearly all of Reagan's official advisers considered fanciful his suggestion that the new technologies might "give us the means of rendering these nuclear weapons impotent and obsolete."

"Those of us who knew what was really going on couldn't support that," said DeLauer, now a private consultant. "It was an overstatement with regard to how it would protect cities and the assertion that the protection would be leak-proof."

"We recognized that SDI was not a panacea" against nuclear threats of all kinds, said retired Army Gen. John W. Vessey Jr., then chairman of the Joint Chiefs of Staff. In fact, the Joint Chiefs had urged the President to consider strategic defense, but they had no specific plan in mind, simply considering it a concept worth careful study.

Both proponents and opponents of Star Wars agree that it was not carefully considered.

For example, nuclear physicist George A. Keyworth 2d, chief scientific adviser to the President, received five days' warning of the Star Wars decision. He might have gotten less, according to a National Security Council member, "had not we asked ourselves, 'How can the President go on the tube directing a major high-technology initiative and tell his science adviser nothing?' "

So McFarlane called Keyworth in on March 19, 1983, and asked one crucial question: Could Keyworth support stepped-up strategic defense research? Keyworth, without significant hesitation, said yes and was told to help draft the speech and build support within the scientific community.

His immediate reaction to the Star Wars idea was, "Give me time. It's big. Give me time," Keyworth said in a recent interview.

"Most people saw the speech very close to [the time of] delivery, and most—myself included, incidentally—had the same reaction: 'My God, let's think about this some more. Let's think about the implications for the allies. Let's think about what the Soviets are going to think. Let's think about what's technically feasible. Let's think about what the scientists are going to think. Let's think about the command and control problems.' "

FORMIDABLE CONCERNS

They are formidable concerns. Under the system Reagan proposed, several layers of speed-of-light weapons, either space-based or with their beams reflected off space-based mirrors, would fire upon Soviet ICBMs as they rose off their launch pads and arced through space toward the United States or Western Europe.

In a Soviet first-strike attack, the system would have to destroy thousands of warheads within half an hour of their launch—many within the first minute. In each instance, the beam would have to be aimed so precisely, DeLauer said, that it would be like spotlighting, from Earth, a basketball on the surface of the moon.

A key White House analyst involved in the decision was asked recently whether such technical problems had been examined before Reagan's speech.

"That was not an issue," he replied. "The idea was to make a decision and then make it happen."

What about whether Star Wars, if it worked, would contribute to a sound military strategy?

"That wasn't considered, either."

What about the likelihood that the Soviet Union would consider Star Wars threatening?

"As best I could tell, none of that was really thought through, either."

What about the system's relation to the Outer Space Treaty, which bans weapons in space, and the ABM (anti-ballistic missile) treaty, which limits defenses against ballistic missiles?

"That was never considered.

"None of the things you assume would be considered were considered at all," the White House analyst said. "People just don't believe that the President could make such a momentous decision so impulsively. They think we must have thought through what it would do to the treaties and how it might work as a bargaining chip in Geneva, and so on, but I can't find it.

"Neither can anybody else who's undertaken a history of SDI, and the reason is, it isn't there."

Another participant said the decision was made "with little more consideration than you give to the jacks before you bounce the ball."

TOP-DOWN LEADERSHIP

A third source, marveling at how Reagan slipped the fetters of his bureaucracy, said, "It was fabulous study of top-down leadership."

Another took a more critical view. "You'd think that if the President proposed something absolutely off the wall," he said, "there'd be someone who would stand up and say, That's screwy!

"Well, there wasn't."

What there was, by the consensus of three eminent scientists who have briefed Reagan, was a president with the scientific acumen of the average man on the street. They are not surprised that Reagan has muffed some basic strategic facts, appearing on one occasion to be unaware that the Soviets rely heavily on land-based missiles, and on another occasion describing mobile missiles, which are designed to evade an enemy attack, as possible first-strike weapons.

The scientists add, however, that Reagan is quicker than most top business executives to recognize the implications of scientific advances. And they say that Reagan, more than anyone else in his administration, is optimistic that scientific research can solve national security problems.

SEEING THE PROBLEM

Reagan vividly encountered the strategic defense problem during a 1979 presidential campaign visit to the North American Air Defense Command headquarters in Cheyenne, Wyo.

After observing NORAD radars tracking thousands of objects in space, including, he would later recall, an astronaut's glove, Reagan asked commanding Gen. Jim Hill what NORAD could do to stop an incoming Soviet missile.

"The answer was 'Nothing,' " recalled Martin Anderson, an economic adviser who had accompanied Reagan.

So Anderson drafted a campaign memo in August 1979 suggesting that Reagan propose construction of a protective missile shield against Soviet ICBMs, perhaps exploiting laser beam technologies.

A senior campaign adviser, Michael K. Deaver, said no. Deaver, who later would become deputy White House chief of staff, liked the idea but not the timing. He feared his candidate might look like a radical hawk if he proposed sharp changes in traditional nuclear doctrine.

Under that doctrine, called Mutually Assured Destruction (MAD), the superpowers have maintained nuclear peace by restricting defensive weapons and leaving themselves virtually naked to nuclear attack. The theory has been that the threat of retaliation produces a deterrent.

Reagan has never liked this idea, calling it, privately, "a Mexican stand-off."

"He said it was like two men with nuclear pistols pointed at each other's heads, and if one man's finger flinches, you're going to get your brains blown out" recalled retired Air Force Lt. Gen. Daniel Graham, a defense adviser to Reagan in 1976 and 1980. "He said it didn't make any sense to him."

Graham, a snowy-haired, abrupt former head of the Defense Intelligence Agency, favored space-based defense. As he explained in an October 1980 U.S. News & World Report interview, "The kind of superiority we should seek is technological superiority—that is, to have some of our military capabilities in an area where the Soviets, with inadequate technology, cannot challenge us. . . . If we challenge them in a technical way—such as with a space-borne defense system—and make them face an entirely different military equation, we can quickly restore the balance."

After the election, Graham founded High Frontier, a Washington-based think tank, to promote space-based defenses against Soviet ICBMs.

Four members of the President's kitchen cabinet initially were financial contributors to Graham's effort: brewer Joseph Coors, 68; paper products magnate Karl Bendetsen, 78; investor and rancher William A. Wilson, 71, and food magnate Jacquelin Hume, 80. All are influential supporters not only of Reagan, but of Stanford University's Hoover Institution on War, Revolution and Peace, the nation's premier conservative think tank.

In 1981, a senior scientist from the Hoover Institution approached science adviser Keyworth and said he wanted to offer his technical expertise to the President's well-meaning friends.

The scientist was nuclear physicist Edward Teller, 77, father of the hydrogen bomb and Keyworth's mentor. Teller, whom Keyworth described in an interview as "my father," had pushed Keyworth for the science adviser job.

Like Reagan, Teller has the gravest fear of Soviet intentions. Like Reagan, he considers the ABM treaty, which limits defensive

weapons against ICBMs, a mistake that has undermined U.S. security.

Teller believes that "the old MAD policy of mutual assured destruction is nonsense" and that "MAD is not only morally bankrupt, it is rapidly getting technically bankrupt."

Guided by Teller, the four kitchen cabinet members split from Gen. Graham and High Frontier. Thereafter they used their influence to promote four meetings between Reagan and Teller before the Star Wars speech. Teller would not comment on the sessions. "If the President will tell you, then I comment on it," he said.

Teller proposed to build an X-ray laser powered by a nuclear detonation. Called "Excalibur," the device would pick off Soviet ICBMs with powerful X-ray beams created by a controlled bomb-scale explosion in the weapon's core. It might be fired from a space-based platform or from a ground station, its beams reflected off orbiting mirrors.

In a Sept. 14, 1982 meeting with the President, according to two sources who were present, Teller warned that the Soviet Union was developing an X-ray laser weapon similar to Excalibur. "Because the Soviets are doing it, by now it is a question of life or death," he said in a recent interview.

Like Graham, Teller was not thinking of the weapon in strictly defensive terms. Excalibur, he promised the President in a letter not long after the Star Wars speech, "would end the MAD era and commence a period of assured survival on terms favorable to the Western alliance."

It was not the first time Reagan had heard such an appeal and warning. In January 1982, kitchen cabinet members Coors, Hume and Bendetsen had proposed an ABM system using directed-energy weapons, such as lasers. Accounts of that meeting reveal much of Reagan's thinking about strategic defense.

Reagan wondered, for example, whether the system should be designed to protect missile silos on populations. (Protecting hardened silos is a relatively easy task called "point defense"; protecting cities and civilians is a much more demanding job called "area defense.")

SECRECY SOUGHT

"Bendetsen told him that if you could do one, you could do the other, but that the cost and time would be very different," recalled a source present at the meeting. "He said it was a question which was not answerable by thinking of cost alone, and said that, if he had the President's permission and it were up to him, whatever the answer, it should be secret.

"What ever the case, Bendetsen said, it was too early to make a distinction between city protection and silo protection and we ought to get on with it."

The President answered, "You're right," said the source, whose account was independently confirmed.

The question of how to deal with existing ABM and space treaties was quickly dismissed. Reagan appeared satisfied when Bendetsen said, "So many people on your staff and State and committees on the Hill will be endlessly involved in those questions that it is more constructive for you to pursue the means that are involved."

Bendetsen, retired chairman of Champion International Corp., was an undersecretary of the Army between 1946 and 1952. He recommended that Reagan announce in a nationwide speech a quest, like the 1942 Manhattan Project that produced the atomic bomb, to develop new speed-of-light weaponry for strategic defense.

To do that, Reagan replied, he would need that recommendation from the Defense Department.

"Sir," Said Bendetsen, "if it is going to come from the secretary of defense, you're going to have to talk him into it."

In February 1983, Gen. Vessey had the kind of good news-bad news problem that sometimes befalls chairmen of the Joint Chiefs of Staff. He and Reagan got on so well that the President had recently instituted monthly meetings with the Joint Chiefs. Now the problem was, Vessey couldn't decide what to talk about. He called the chiefs to his office on a Saturday morning.

"We decided we didn't want to just tell him readiness was up and so forth," a participant recalled recently. "We wanted to bring the President something new, different and exciting."

Adm. James Watkins, chief of naval operations, had an idea. Reading from notes, Watkins told the chiefs that it was time to consider the possibility that new technologies would make it possible to defend against a Soviet ICBM attack.

Gradually in careful consultation with NATO allies, the United States should pursue the weapons technology advantage it had over the Soviet Union, Watkins suggested, according to notes that survived the session.

A devout Catholic deeply involved at the time in the church's nuclear ethics debate. Watkins said it was more moral to protect Americans from nuclear attack than to hold them hostage to Soviet intentions under the MAD doctrine.

"Wouldn't it be better to save lives than to avenge them?" he asked.

And where had Watkins' idea come from? "If there was a father of the idea in Adm. Watkins' mind, it was Dr. Teller," said a key aide.

SEVERAL MEETINGS

Between October 1982 and January 1983, Teller and Watkins had met "a number of times," the aide said. "And it was Dr. Teller who brought the technical information to Watkins which got him so interested in SDI."

Teller confirmed the exchange but stressed that Watkins had initiated it. Watkins declined to be interviewed. In the same 1982-83 period, according to several sources, Watkins had also met informally with McFarlane.

Still, on Feb. 11, 1983, when the Joint Chiefs met in the Roosevelt Room with the President, their strategic defense idea was vague and philosophic in tone. They did not distinguish between protecting cities and protecting missile silos or between space-based and ground-based defenses. They put the subject low on their agenda, considering it worthy, someday, of further study.

"Our recommendation was that we move into the defensive in the long run," Vessey recalled recently.

"The next step, we figured, would be to put a group togther and see what was feasible and what the alternatives were," former Army Chief of Staff Gen. E.C. "Shy" Meyer said in an interview.

Administration accounts of the session say that the Joint Chiefs were polled on the feasibility of strategic defense, that they concurred, and that Reagan drew the determination to act from their counsel.

Vessey and Meyer, in recent interviews, could not recall such a polling. Neither could others present.

As far as the Joint Chiefs were concerned, the session with Reagan had gone well, particularly when he "perked up," as one participant put it, for Watkins' strategic defense briefing.

Reagan's recollection is somewhat different. "Well, the whole thing started right in our cabinet room," he told U.S. News & World Report interviewers recently. "That was when, meeting with the Joint Chiefs of Staff, I brought up the question that nuclear weapons were the first weapons in the history of man that had not led to the creation of a defense system to protect against them. I asked if it was worthwhile looking into this. Is it possible to come up with a defense? They were all agreed it was. And right there, the program was given birth."

Reagan, it appears, seized on the Joint Chiefs' strategic defense idea as an endorsement of his own leanings. He plainly fell for Watkins' rhetorical question, "Wouldn't it be better to save lives than to avenge them?" But when Reagan used the line in his Star Wars speech six weeks later, it had an expanded meaning. He meant to use spacebased weapons that would protect cities as well as missile silos.

Unknown to the chiefs, within hours after they met with Reagan, McFarlane assigned three National Security Council staff members, all senior Air Force officers, to think about strategic defense.

McFarlane "told them he had the seeds of something, could they pull something together on strategic defense," according to a well-placed source.

They were to propose various options for strategic defense and weigh for each of them "the implications for the President's MX, B-1, Trident 2 and Pershing programs; probable international reactions; where support might come from."

According to one source close to the deliberations, McFarlane's request was so "content-free" that it was impossible for the NSC analysts to thoroughly focus on any particular strategic defense option.

What led Reagan to act, at that moment, remains a mystery. McFarlane makes it a practice not to discuss his dealings with the President, and Reagan has said only that "I made the decision." What he liked most about the Star Wars idea, he has said, was that it provided "a vision of the future that offers hope."

He needed that in March 1983. One embattled offensive missile, the MX, couldn't find a site; his promised deployment of Pershing 2 and ground-launched cruise missiles in Europe had helped spawn an intimidating peace movement at home and abroad; U.S. Catholic bishops, who had tentatively found nuclear warfare immoral, threatened to make the anti-nuclear movement a mainstream crusade.

Congress, to make matters worse, appeared ready to cut by half the growth of the defense budget, and a popular nuclear freeze resolution loomed.

Reagan had contribute to the clamor, attacking communism as "the focus of evil in the modern world" in an address March 8 in Orlando, Fla. Pending nuclear freeze proposals, he said, ignored "the aggressive impulses of an evil empire."

Shortly after the Orlando speech, the National Security Council staffers working on the Star Wars concept got new orders. They were to provide the content for the last five minutes of a speech Reagan planned to de-

liver on March 23 to promote his embattled 10 percent increase in the defense budget.

Specifically, the staffers were to provide some unlift. "The President wanted legitimately to offer some long-range hope because the rest of the speech was to be about the bucks required for his defense buildup," an informed source recalled.

"He wanted to say that, long-range, there was a prospect of real peace, and that the shift toward defensive systems offered us the possibility of resolving the nuclear dilemma."

The NSC staff members worked in the highest secrecy on a speech insert they nicknamed "The Annex." Scrap paper and drafts went into burn bags for disposal. No contact was permitted with speechwriters of the rest of the President's address, let alone anyone outside the White House. Defense Department experts were excluded because "they leak over there," one Star Wars analyst explained.

ADVISERS EXCLUDED

Outside scientific advisers were excluded, too, Keyworth said, "because if the President had gone outside the White House to solicit people for opinions, you've got to admit we would have had the leak of the month, to say the least."

Had they not been excluded, the President might have heard daunting news.

A panel of experts from the White House Science Council had produced for Keyworth in January 1983 a highly classified report on exotic weapons technologies. The report was characterized by several sources as dubious about the military applicability of all of the potential weapons, including chemical lasers and particle beams. The advisers deemed Teller's X-ray laser project to be the most promising technology, but still very remote from weapons applications.

"The report never went beyond Dr. Keyworth" in the formative period of SDI deliberations, according to an authoritative source, Keyworth said, in an interview, that all he believed the President to be proposing was a further examination of new technologies that might be useful in strategic defense.

Meanwhile, within the NSC and the White House Situation Room, efforts to draft the Star Wars speech ran into vagueness and confusion.

"The language of the drafts fluctuated from urgency to leisure in intent," according to one participant. "It ranged from 'It might be a good idea to begin thinking about . . .' to 'As of tonight, I have directed . . .' followed by the High Frontier approach. On the one side they were saying, we have the answer today, and on the other they were trying to stuff that widget back in the box."

This seesawing back and forth intensified in the final days as selected officials received drafts, and then weighed in with protests and amendments to McFarlane and Reagan. In several instances, the protests produced important changes in the final speech.

For example, arms control expert Richard Perle managed to narrow the focus of the strategic defense concept to protection against a Soviet ballistic missile attack. Otherwise, Soviet bombers and cruise missiles would have been included, dramatically increasing the complexity and cost of a strategic defense for the United States, let alone Western Europe.

Continued vulnerability to Soviet bombers and cruise missiles is often cited as the flaw in Reagans pledge that strategic defense would "give us the means of rendering these nuclear weapons impotent and obsolete.

Once they finally learned of the Star Wars decision,. Perle, phoning from a NATO conference in Lisbon, Portugal, and Shultz, in two hastily arranged meetings with Reagan, argued that his speech was unduly provocative. According to authoritative sources, they foresaw the instant new Soviet nightmare that a U.S. first strike might destroy most Soviet ICBM's and a Star Wars defense would prevent retaliation from the remainder.

ASSURANCE GIVEN

Their arguments led to Reagan's assurance that "I clearly recognize that defensive systems have limitations and raise certain problems and ambiguities. If paired with offensive systems, they can be viewed as fostering an aggressive policy, and no one wants that."

Perle also sought to reassure NATO allies. He knew what the speechwriters had overlooked: that Western Europe lies within six minutes of Soviet missiles, giving NATO allies a different, tougher strategic defense problem than the United States faces.

This produced some soothing phrases and this awkward sentence in Reagan's speech: "Tonight, consistent with our obligations under the ABM treaty and recognizing the need for closer consultation with our allies, I'm taking an important first step."

That first step, as Reagan phrased it, was "a comprehensive and intensive effort to define a long-term research-and-development program to begin to achieve our ultimate goal of eliminating the threat posed by strategic nuclear missiles." If that appeared vague, it was a reflection of the uncertainty among the Star Wars advisers and speechwriters.

The speech also reflected the concerns of the Joint Chiefs that Star Wars not interfere with their acquisition of new offensive strategic or conventional hardware. Their influence appeared more powerful the following day when White House briefers explained that Star Wars would be a consolidation of existing research programs, not a Manhattan Project, and that no new outlays for research were foreseen in 1983 and 1984.

"So they were talking about the out years," concluded Gen. Meyer, then the Army's chief of staff. "I've always thought that was funny money." Not on his watch would Star Wars hurt the Army.

Meyer has since had his doubts, he admits, whether the system would work. "Whether Star Wars is naive or not, I don't know," said Meyer. "It's naive to critics, but Reagan did what a leader does. He waves toward the horizan instead of toward the ground."

Then-Soviet Premier Yuri V. Andropov disagreed. He warned of a new arms race and concluded, "The issues of war and peace must not be treated so flippantly."

Teller first learned of the President's decision when the speech was piped in to a White House dinner to which he, the Joint Chiefs and leading scientists had been invited.

Teller's delight faded some weeks later when the administration dropped space-based X-ray lasers into a low priority in its strategic defense plans.

Among administration officials, only Defense Secretary Caspar W. Weinberger—who was notified by phone in Lisbon, Portugal, on March 19, 1983—had backed Star Wars from the start. "Anything the President wants is OK with Weinberger," defense scientist DeLauer asserted recently.

But Weinberger was to make an unsettling discovery.

One day, as they headed toward a Star Wars congressional hearing, Weinberger turned to DeLauer and asked about the X-ray laser: "Is it a bomb?"

"I had to tell him," DeLauer recalled recently. "That's how you're going to get the X-ray. You're going to have to detonate a nuclear bomb in space."

Weinberger appeared disappointed. He repeated his question: "It's not a bomb, is it?"

DeLauer, tactfully, said no, it would be a "nuclear event."

Mr. JOHNSTON. I commend Mr. Grove for a really excellent position on this very important issue of how it came about.

□ 1320

This account of the genesis of the star wars speech was confirmed by a second article. It is entitled "Star Wars, a Program in Disarray," written by Robert Scheer, which appeared in the Los Angeles Times on September 22, 1985. I ask unanimous consent that the article be placed in the RECORD as well.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STAR WARS: A PROGRAM IN DISARRAY

(By Robert Scheer)

WASHINGTON.—Secretary of State George P. Shultz was perplexed and turned to the aerospace executive next to him to ask what the President was talking about. Shultz said the President's plan sounded worrisome. The executive wasn't quite sure just what the President had in mind, but he assured Shultz that it would never get off the ground.

They were guests at a hastily arranged and secret White House dinner gathering of about 50 top government officials, weapons contractors and scientists dramatically summoned on very short notice from throughout the country to be briefed on a speech the President would soon by making to the nation.

Between their main course and dessert, the President left them to face the television cameras to speak of "changing the course of human history" with a bold new program aimed at rendering "nuclear weapons impotent and obsolete."

A scientist in attendance that night reports that most of his colleagues were stunned by the President's pitch, "except Edward (Teller)—he was just beaming. This is his baby. He's been pushing defense for years, but everybody else I talked to thought the speech was just off the wall."

So it went, back in March of 1983, when Reagan—in what is most commonly referred to as his "Star Wars" speech—proposed building a defensive system that would protect the United States against attack by intercontinential ballistic missiles. It was a flyer, a gambit, an impulse totally outside mainstream thinking on national defense. There was even something pixieish about how the President just stuck it into the end of a speech calling for more spending on offensive nuclear weapons, such as the MX missile.

"I've been having this idea," the President explained at a press conference a few days after the speech. "It's been kicking around in my mind for some time here recently. . . . And since we don't know how long it will take . . . we have to start."

Now, the whole world is discussing what is officially termed the President's Strategic Defense Initiative (SDI), a name that suggests a carefully conceived, well-thought-out and meticulously planned proposal. It is none of those things, and Administration insiders concede that the program it spawned is in disarray.

"There was no one in the Administration who had thought through the consequences," a key White House scientific consultant told The Times," and so it was natural when that bombshell hit for people to scramble around and figure out what they are going to do next."

The consultant, who requested anonymity, still works on the project but expressed concern that the office set up in the Administration to run this program is "in a shambles . . . everyone's scrambling for contracts, but it's not at all clear what we're after."

But shambles or not, "Star Wars" has become a major fact of life in the nuclear arms race. Last week, a senior White House official said Reagan plans to make his initiative the focus of next month's summit meeting with Soviet leader Mikhail S. Gorbachev. The President reportedly will attempt to shift the discussion away from traditional arms control and onto defensive strategy. The senior official was quoted as saying Reagan will tell the Soviets that "there is a new technology that may give us a new way of doing things better."

Both sides agree that efforts to construct defensive weapons are a serious obstacle to reaching agreement on a comprehensive test ban treaty, a ban on weapons in space and perhaps any arms control at all. In his news conference last Tuesday, the President said he would not halt development and testing of a "Star Wars" system in exchange for deep cuts in the number of Soviet offensive missiles.

However, despite its immediate impact, one point about the "Star Wars" debate can be made bluntly: Neither side seems to know exactly what they are talking about. As yet, neither superpower has even the recognizable beginning of a defensive system that could render nuclear weapons "impotent" as the President has proposed.

Most experts agree that this particular goal will never be met. Thus, most proponents of SDI are resigned to accomplishing something far less significant, and the talk in the trade is now most often about new anti-satellite weapons of some increased measure of protection for missile silos. And even "Star Wars" most enthusiastic boosters never claimed that the system could thwart attack by nuclear-armed cruise missiles, manned bombers or low-trajectory missiles.

However, that night in March, Reagan clearly had more in mind. For years before he became President, he had been getting enthusiastic briefings from members of the political right—such as physicist Edward Teller and retired Army Lt. Gen. Daniel O. Graham—urging development of a defensive shield to protect America against incoming missiles. Theoretically, this shield would protect civilians, as well as missile silos.

Like Teller, Graham and other members of their circle, Reagan had opposed the Richard M. Nixon Administration's treaty with the Soviets limiting deployment of anti-ballistic missiles and other defensive systems. Like them, Reagan looks with dark suspicion upon what they all see as the Anti-Ballistic Missile Treaty's aftermath—an unwarranted Soviet buildup permitted by the flawed Strategic Arms Limitation Treaties (SALT) negotiated by the Nixon, Gerald R. Ford and Jimmy Carter administrations.

In the months preceding the President's speech, this lobbying had intensified, buttressed by selective leaks to the media about alleged technological breakthroughs. But few members of the defense Establishment—Republicans or Democrats—were converted to the concept of defensive shields.

In fact, according to White House insiders, the President deliberately avoided the normal channels for clearing a new defense program because he anticipated that his government's own experts would summarily reject the proposal. Reagan wrote the relevant portions of the speech himself, while at Camp David, consulting only Robert C. MacFarlane, his national security adviser, and George A. Keyworth II, his chief science adviser.

No advise concerning the speech was asked for or received from the Joint Chiefs of Staff, the State or Defense departments. Defense Secretary Caspar W. Weinberger, who was traveling in Europe the week of the speech, had to be told by phone that something big was up.

All of this suggests that the President's impulsive proposal was a response to something other than strategic or technical necessity. That impression was confirmed by Gerold Yonas, the project's chief scientist and acting deputy director, who recalled that, during those months, the White House felt increasingly under siege:

"The opposition to MX and the freeze movement were very close to succeeding; (there was) the Catholic bishops' pastoral letter, which at one point said nuclear weapons were immoral. All of us working in the weapons game were aware of that whole business, including the anti-nuclear movement in Europe. There was a lot of frustration."

According to Yonas, there also was concern over public response to the television movie "The Day After," which graphically portrayed the effects of nuclear war.

The factors Yonas cited have all but faded from the scene, and even critics now concede that "Star Wars" has been an enormous political achievement for the President, permitting him to capture the moral high ground at a time when his defense buildup was under increasing attack.

While "Star Wars" the speech was an immediate political success, even SDI proponents agree that "Star Wars" the program has proved at best to be vague and contradictory.

The speech was a mixture of "hope and hype" says George C. Smith, an expert on nuclear war fighting at the Lawrence Livermore National Laboratory—one of two facilities where America's nuclear weapons are developed—and a strong critic of the program. "The hope is getting rid of nuclear weapons, which we all want. The hype is thinking it can be done with these new exotic weapons."

What originally caught the public's imagination was the President's notion of an umbrella that could prevent nuclear missiles from hitting this country's population as well as its military targets.

"Let me share with you a vision of the future which offers hope. . . ." Reagan said that night. "What if free people could live secure in the knowledge that their security did not rest upon the threat of instant U.S. retaliation to deter a Soviet attack, that we could intercept and destroy strategic ballistic missiles before they reached our own soil or that of our allies?"

As James R. Schlesinger, who served as defense secretary in two previous Republican administrations and as an arms control adviser to this one, said recently, "The heart of that speech was the promise that some day, American cities might be safe from nuclear attack. . . . That is the political appeal. That is what the American public hopes is going to occur. . . . (But there is) no realistic hope that we will be able ever again to protect American cities."

The President himself soon learned that there was hardly anyone around who thought such a goal realistic in the foreseeable future.

Certainly not William Perry, a hard-liner who, as undersecretary of defense in the Carter Administration, presided over a $1-billion-per-year defensive weapons research program. "I was incredulous," Perry told The Times. "My first question was who in the world was advising him (Reagan) on this. It's a very attractive idea. Too bad it's a fantasy." Perry added that "there were no breakthroughs in technology nor, in my opinion, in the (Soviet) threat" to warrant an expanded SDI program.

That view was echoed by Richard D. Delauer, Reagan's former undersecretary of defense for research and engineering. "They were going to make nuclear weapons obsolete," Delauer said. "But those of us who knew what was really going on couldn't support that."

"Nobody believes in 100% leak-proof defense," SDI chief scientist Yonas told The Times. "Nobody believes in 100% anything that's ever worked on military systems."

His view was echoed by another SDI proponent, Paul S. Brown, Livermore's assistant associate director for arms control: "When you consider what the President intended, which was a leakproof umbrella," Brown said, "I think that that's something that very few scientists think is going to be possible."

Yet there has been no shortage of scientists lining up to attempt the impossible. The SDI office recently reported that it has a stack of 1,000 proposals from universities hoping to work on "Star Wars." Major aerospace contractors already have been given substantial commitments for research.

Even SDI's critics have doubts about halting a program that has developed such a substantial constituency of scientists and contractors. "There's a tipping point on any weapons system," notes physicist Sidney D. Drell, deputy director of the Stanford Linear Accelerator Center. "Once a certain amount of money is committed, even if the weapon makes no sense, it's not going to be easy to change course.

"What's happening now is that all of the industries and many scientists are being brought into this, and that creates a constituency of support that, up the road, becomes impossible to turn off."

The Soviets' shrill criticism of "Star Wars," which Drell regards as hypocritical in light of similar programs in that country, has also served to confuse the debate.

"Once the Russians started bleeding so much about this, it made it easy to lump criticism of SDI with being soft on the Rus-

sians, which I am not," Drell said. "This is just not a good way to defend the country. There are better, more workable and cheaper ways to improve our defenses. In fact, it's distracting us from real problems we have on defense."

One of the most distracting things about SDI is that even its most fervent proponents are divided over what they are proposing.

Even before the President's speech, for example, Teller and Graham—who had influenced Reagan to make his proposal—had fallen out over just what it meant. Teller had resigned from the advisory board of Graham's High Frontiers organization, which lobbies for defensive weapons, because they are committed to diametrically opposed solutions to the problem.

Graham and his group favor using what he claims is existing, off-the-shelf technology that could be deployed rather swiftly and relatively cheaply. Graham also looks to non-nuclear weapons.

Teller, on the other hand, favors a massive, high-tech research program that would take at least a decade, require massive funding and feature work on a device called a nuclear pumped X-ray laser under his sponsorship at Livermore.

Reagan's speech appeared to favor Teller's approach in stressing the long-term research aspect of the program. But a month later, reports from the White House indicated that the program was to be non-nuclear, which would cut out Teller's pet project.

Nor was the matter made any clearer earlier this year, when Energy Secretary John S. Herrington whose department funds Livermore, issued a joint statement with Weinberger stating that the program would be non-nuclear, although research on the nuclear part would continue as a backup if all else failed.

More significant is the Administration's broad retreat on the stated purposes of the program. The emphasis now is increasingly on adding to deterrence rather than replacing it as a national strategy. In the process, the Strategic Defense Initiative has come to look more and more like an expanded ABM program.

Abandoning the goal of a nuclear shield could prove politically costly. Some erosion of public support for the project was indicated in July's ABC News/Washington Post poll, which reported that 53% of those questioned oppose SDI, while 41% approve of it. When asked if they would support SDI if it turns out to violate the ABM treaty, only 26% said yes, while 66% were in opposition.

Confused though the program's objectives may be, the Administration plans to spend $26 billion on it over the next five years. During the program's first year, the money could not be spent fast enough to use up the yearly appropriation.

The size of such funding requests comes as no surprise to Delauer, who until recently was Weinberger's top assistant on weapons technology. He is a weary veteran of lobbying efforts by Teller, Graham and other proponents of a crash program on SDI, and he feels that they seriously underestimate the cost of eventually deploying a system.

"Everybody still underestimates the cost. The secretary (Weinberger) gets mad at me about that. I was never against SDI. I just said it was going to cost a lot of money, and it wasn't going to do what everybody thought. But I didn't think it had to."

Delauer's testimony before the Senate Armed Services Committee produced the $26-billion price tag for the program over the next five years, a figure that Delauer now says he just pulled out of the air, although it was used by the Administration as a realistic projection.

As Delauer remembers it, his improvisation came under pressure from the Senate committee's ranking Democratic member: "I tried to figure out what the hell we're talking about. Sam Nunn (D-Ga.) wanted a number and kept insisting on having a number . . . OK . . . first year was $2.4 billion, and I figure, OK, best we could handle is maybe a 20-25% per year growth.

"It's not small potatoes," ventured Delauer with the air of one accustomed to shopping markets where items are routinely rounded out to the nearest million and sometimes billion for convenience of calculation. Moreover, he emphasizes that his cost estimates are for research only and have nothing to do with the expense of actually deploying a "Star Wars" system, if one eventually is developed.

Serious proponents of SDI tend to promise nothing and instead focus on the desirability of research. After all, something may work, they say, and anyway, we have to be certain that the Soviets do not surpass us with any surprise successes.

In this scenario, all problems raised by the program's critics become opportunities for research. What has been called the technological imperative for change has driven all modern weapons programs, but it is particularly powerful in pushing SDI because the science and engineering involved are so complicated and undeveloped.

William Lowell Morgan, a Livermore physicist working on the X-ray laser weapon, has grave doubts about the possibility and wisdom of deploying SDI but concedes that the science is "very interesting." This is particularly true in comparison to "just going on building warheads for missiles, which had gotten very predictable and boring."

While the vast majority of the project's scientific proponents tend to be similarly cautious in their hopes, a sense of adventure often seems to overwhelm them.

Yonas, for example, was somewhat euphoric as he ticked off the proposal's challenges: "Look, we don't have a guarantee at this point. This is still a risky venture. And we're going to continue to bill it as a research program. . . . There's an awful lot of program breakthroughs we have to make if we're going to do it.

"What we're doing in the SDI," Yonas concluded, "is trying to make the 21st Century happen a lot faster than it would have ordinarily. We're going to pull it forward by making a technology thrust."

Yonas would not rule out any of the techniques that have been proposed, except to note lightly that "we've dropped all emphasis on the crossbow—trying to pull that string tight is really a bitch, particulary when you're under attack."

One hears jokes like that all the time from proponents and critics of the program, suggesting that they are not quite sure what they are looking for, but it's fun getting there.

"I think that the great majority of the lab's technical people view the President's speech as somewhat off the wall and the programs being proposed as being, in the end, intrinsically rather foolish," notes Livermore physicist Hugh E. DeWitt. "But, obviously, the lab is benefitting right now and will continue to benefit, and everybody's rather happy with the marvelous new work."

However, other scientists have resisted the temptation. In June, computer scientist David L. Parnas quit an appointment that paid him $1,000 a day for service on a high-level advisory panel convened by the SDI organization to evaluate the computer part of the system's battle management.

"Most of the money spent will be wasted; we wouldn't trust the system if we did built it," charged Parnas, a professor who previously worked full-time at the Naval Research Laboratory on computer applications to weapons systems.

Parnas said he had no ideological objection to the defense weapons program but had concluded that a computer program of such complexity and accuracy could not be completed.

Citing the challenge of the President's speech asking scientists to work toward making nuclear weapons impotent and obsolete, Parnas wrote to the SDI organziation, "it is our duty, as scientists and engineers, to reply that we have no technological magic that will accomplish that. The President and the public should know that."

Parnas, who will continue with the Navy on other weapons, conceded in his report that "I am quite certain that you will be able to find software experts who disagree with my conclusions." He also noted that other scientists and defense contractors see SDI as a "pot of gold just waiting to be tapped."

Mr. JOHNSTON. Mr. President, Mr. Scheer wrote:

No advice concerning the speech was asked for or received from the Joint Chiefs of Staff, the State or Defense Departments. Defense Secretary Caspar W. Weinberger, who was traveling in Europe the week of the speech, had to be told by phone that something big was up.

The Secretary of Defense has to be told by telephone that something big was up. Mr. President, the fact is Ronald Reagan himself says that he conceived of the star wars concept, and he wrote the speech without consulting with the normal channels for a new defense program. His minions and his experts were not asked for advice. They were told to get in line.

Mr. President, just what is the purpose of star wars? If there was ever a study in confusion, this is it with cross-questions and crooked answers. The confusion about SDI is worse now than it was 14 months ago when I was last involved in the debate here. Yet, in this rising confusion of facts and figures, the President continues steadfastly to hold to his original vision, making nuclear weapons impotent and obsolete, and placing a shield over America. You have all seen those cartoons on television drawn by the children. There is a roof and it protects all the missiles. It is very appealing. Gentlemen, that is appealing to think we can somehow be safe. But is it realistic?

He did not sell SDI to the American people by claiming it would be only 95 percent effective, that it would only allow 460 Soviet weapons to annihilate our cities, that latter figure being based upon a particular study done in this Government. He did not sell it as a means of protecting our missiles, our

bombers, our generals, the Pentagon, the MX missile, or whatever. He said SDI would, and let me give you what he says, Mr. President, on March 23, 1983. The President said it would "render nuclear weapons impotent and obsolete." On October 31, 1985, he said it would "make it virtually impossible for these missiles to reach their target."

On February 26, 1986, he said it would "free all from the prisons of nuclear terror." On June 19, 1986, Mr. President, he said it would be "a shield that missiles could not penetrate." Again, on June 19, 1986, just weeks ago, he said that it was "a shield that could protect us from nuclear missiles just as a roof protects a family from rain."

Mr. President, let us be very clear on the floor here of the Senate. President Reagan, who invented this concept, has promoted it to the American people, not just once, not just in the original speech but over a period stretching from March 23, 1983 through July 19, 1986 as being an impenetrable shield rendering nuclear weapons impotent and obsolete, and that it will make it impossible for missiles to reach their target just as a roof protects the family from rain. That is the vision. That is how it has been sold; not once but many times, and that is aparently what its proponents believe.

Mr. President, we all know that when you buy a new roof you get a guarantee that it will not leak for 15 or 20 years. It just depends on what you are willing to pay for it. Now the generals in the Pentagon must have cringed when they heard about this family roof because it is patently absurd. SDI seeks defense insurance against ballistic missiles but it cannot be used against bombers and cruise missiles as I have pointed out earlier, and that is the fastest growing element of the Soviet nuclear threat.

These weapons and terrorist bombers as well may pass freely, beneath the so-called peace shield.

Mr. President, I do not understand how the President of the United States can make these fantastic, absurd claims to the American public over and over again when by definition it cannot be so.

Mr. President, I ask unanimous consent at this point to insert in the RECORD a list of quotes from high administrative officials on SDI's value as an impenetrable shield.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SDI QUOTES

(a) "We're researching for something that could make it, as I say, virtually impossible for these missiles to reach their targets."—*Ronald Reagan*, October 31, 1985.

(b) "The defensive systems the President is talking about are not designed to be partial. What we want to try to get is a system . . . that is thoroughly reliable and total. I don't see any reason why that can't be done."—*Secretary Weinberger*, NBC "Meet the Press," 27 March 1983.

(c) "It means instead of placing . . . a shield over America, it . . . represents a lid over the Soviet Union . . . "—*George Keyworth*, President's Science Advisor, Washington Times, 3 January 1986.

(d) "Even now we're performing research as part of our Strategic Defense Initiative that might one day enable us to put in space a shield that missiles could not penetrate, a shield that could protect us from nuclear missiles just as a roof protects a family from rain."—*Ronald Reagan*, June 19, 1986.

(e) "The aim of the SDI is to determine the feasibility of a thoroughly reliable defense against Soviet strategic and shorter-range missiles."—*SDI Report to Congress*, June 26, 1986.

(f) "The purpose of the SDI has been steadfast since its inception—to examine the feasibility of enhancing deterence through defense systems which could destroy ballistic missiles before they could reach *any* of their targets." (Emphasis added).—*Secretary Weinberger*, Letter to all Members, June 26, 1986.

Mr. JOHNSTON. Mr. President, the President may believe in this impenetrable shield but his administration or at least very important elements in his administration do not believe in the leakproof family roof. If I may quote just a few of the highlights. General Abrahamson himself, the director of the strategic defense initiative office, in testimony before the House Appropriations Committee stated, "Nowhere have we stated that the goal of the SDI is to come up with a leakproof defense."

General Abrahamson says nowhere have we said it when the President is repeating it and saying it over and over again for a period of years. Again, General Abrahamson quoted in Science magazine says "A perfect astrodome is not a realistic thing." Dr. James Fletcher who headed the team of 50 scientists who laid out the plans for the SDI research program said "There is no such thing as the nuclear umbrella."

Mr. President, so much for the leakproof guarantee on the family roof. Just what are we defending? Richard Perle, who has been referred to as the Pentagon's top nuclear strategist, and Assistant Secretary of Defense, who just yesterday was referred to in Parade Magazine as "the most powerful man in the Pentagon," more powerful than Secretary Weinberger, said this about the goal of the strategic defense initiative. Richard Perle says:

It is not the defense of the nation as a whole, not of every city and every person in it, but the defense of America's capacity to retaliate.

Perle, we are told, sees the SDI's mission as guarding "our critical defense installations, ballistic missiles, command and control facilities."

Mr. President, here is the President of the United States saying "leakproof and impenetrable shield." Here is the most powerful man in the Pentagon, according to some, and clearly one of the most influential people in the Pentagon, who says it is not the goal of SDI to defend the Nation as a whole or its cities or its people, but our capacity to retaliate. It is our critical defense installations, ballistic missiles, command and control facilities, which Richard Perle says is the subject of defense under SDI. It does not much sound like the family roof, Mr. President.

Mr. President, unfortunately, confusion also abounds about how SDI is supposed to fit into our strategic policy. For several decades we have avoided nuclear war with the Soviets because they believe that we have the capacity to inflict unacceptable damage on them through a retaliation should they strike first. That is not just a policy. That is a fact. And it is a fact that has worked since World War II.

□ 1330

But in selling SDI, the President told the American people that all of that policy is immoral. He also called on the Nation to leave behind the "defense policy of mutual assured destruction."

He further said, "How long can the American people stand still for a strategy that threatens so many innocent lives?"

It has a great appeal, Mr. President, to say that mutually assured destruction, threatening as it does the destruction of millions of people, could be substituted for by one that threatens no innocent lives.

Secretary Weinberger made the same pitch, arguing that SDI is based upon a "different philosophy of deterring war."

If there is anything that real military experts in this country bitterly resent, it is the shameless talk of the immorality of deterrence. What is offered in the place of deterrence? A research program? A concept that even its advocates agree cannot be fully operational for another two decades? A program by which there is neither an agreement nor a plan for making it operational?

I was pleased to see that the 1986 SDI report to the Congress from General Abrahamson appeared at least in part to set the record straight. The report says:

The SDI represents no change in our commitment to deterring war for the coming year. Offensive nuclear forces and the prospect of nuclear retaliation remain the key element of nuclear deterrence.

So the President may be saying that we are going to scrap all our nuclear weapons, but General Abrahamson is saying absolutely not, that the key ele-

ment of nuclear deterrence is nuclear retaliation.

Nevertheless, confusion continues in the administration over whether SDI will be a substitute for or an adjunct to nuclear retaliation.

Will SDI be nonnuclear? The answer is probably not, at least not with respect to the chief work that is being done in Lawrence Livermore Laboratory.

In calendar year 1985 alone, the President described SDI as being nonnuclear on at least 17 different occasions. Yet the x-ray laser, which is often touted as an SDI superweapon, is set off by a nuclear bomb. That nuclear explosion is now being referred to euphemistically as a nuclear event.

The B weapons envisioned for deployment in space will most likely be powered by a large nuclear reactor in space, one of perhaps 200 megawatts in size, or in that order of priority, far larger by a factor of many, many times than anything the Soviets or we have launched before.

Mr. President, I want to commend the Committee on Armed Services for the report which they have filed. SDI was obviously hastily conceived by a nonscientist, that is, the President himself. It was advertised and sold to the American people as making nuclear weapons impotent and obsolete, an impossible objective, though the President to this day clings to it. Meanwhile, the administration cannot agree on the real objectives of his multibillion dollar program. Fortunately, the Senate Armed Services Committee recognizes the confusion and the limitations on what can realistically be achieved in SDI.

On page 182 of the committee report approved by a majority of the committee they discuss why SDI cannot make nuclear weapons impotent and obsolete. In short, the Senate Armed Services Committee in effect rejects the President's central goal for the program.

On page 180 of their report they explicitly recognize the "continuing indications of basic disagreement within the administration as to the program's goals."

In fact, the committee calls for a change in the major emphasis of SDI. The committee says that instead of trying to build an astrodome over the United States, SDI should emphasize a more limited defense of missiles, bombers, and command centers, indeed much as Richard Perle has said has already been adopted by the administration as its goal.

Finally, on pages 180 and 181 the committee eloquently stated their concern over the current and projected cost of star wars. They even profess their desire to reduce the rate of funding growth for SDI.

Let me say, Mr. President, that I commend the Senate Armed Services Committee for having the wisdom and courage to say what needed to be said about star wars. But then, Mr. President, after saying all the right things, the committee did the wrong thing. After saying that the program is growing too fast, they said, "We need another 30-percent increase."

How could they reject the program's central objective, criticize SDI's goals, its current and projected funding levels, and call for a radical reduction in the scope of what SDI is primarily trying to defend and then recommend adding another $1 billion or a 30-percent increase in funding? How, Mr. President, I do not know. I shudder for the deficit when I think what might have been the committee's action had they uniformly liked SDI.

Mr. NUNN. Will the Senator yield?

Mr. JOHNSTON. Yes, I yield.

Mr. NUNN. I appreciate the Senator's enthusiastic endorsement of the committee product. I think we have one little difficulty—arithmetic. The Senator from Louisiana said a 30-percent growth. My figures indicate a 28-percent growth from last year's level.

What the Senator from Louisiana did not say was that the committee cut the President's request by $1.3 billion. To give a little history, I believe the figure was even for a 75-percent growth rate in SDI. The subcommittee, chaired by my distinguished colleague from Virginia, came back with about a 50-percent growth rate.

The committee voted twice on the funding levels. The Senator from Maine and I had an amendment to provide for a 20-percent growth rate over last year. That passed by one vote. Then another amendment was offered later in the process which came back and offered a 28-percent growth from last year.

What we have here is the President's request, if you start at last year's request, almost a doubling of the budget. The subcommittee rejected that and came with about a 50-percent increase and the full committee has about a 28-percent increase over last year. I know the Senator's point is that that is too high. But this Senator should point out that that is a considerable reduction.

The Senator is correct, I might add, in saying that the committee report has basically made an effort to refocus the Strategic Defense Initiative Program and have realistic goals and objectives, to tell the American people the truth, to continue to work on a population protector as a possibility but not a probability. It is not a probability, and we say in this report that population protection, a comprehensive shield, making nuclear weapons completely obsolete, impotent, all of those words that the President has used and some of his spokesmen have used, is not a possible outcome for SDI. We think the priority should be on making certain that we have enough defenses. If the Soviets continue to build and we continue to be threatened by the Soviet Union, we should have enough defenses to be able to survive and retaliate. That is an entirely different thing from having total population protection. The Senator is also correct that the administration continues to have a very wide-flung public description of the Strategic Defense Initiative Program which is totally inconsistent.

I agree with part of what the Senator has said, and we disagree on the bottom line number. We wanted to recognize that there are certain valuable purposes. It has an arms control leverage. It has valid purposes in terms of being a hedge against a Soviet breakout in the antiballistic missile area. It has valued purposes in terms of being a hedge against the arms control failures and our being able to find a basing mode for our own land-based system, which so far has escaped this Nation.

For all those reasons we think the SDI Program is valid, but we think it has to be described in realistic terms. We would agree with the Senator from Louisiana on that.

Mr. JOHNSTON. I thank the Senator from Georgia for his comments.

□ 1340

One reason I think this debate on SDI will be so important is that we will develop ideas about SDI and its goals in a rational way. I very much welcome what always are constructive—not only constructive, but great leadership—comments from the Senator from Georgia. As I read his report on SDI, I do not think I can disagree with a single word of it. It is totally consistent with what we want to do.

The Senator is correct that his amendment or that of the Armed Services Committee has a 20-percent real increase in SDI. I think it is probably something like 32-percent nominal increase. I just took the 30-percent figure as sort of Kentucky windage. But he is correct, it is 20 percent.

The amendment we will soon introduce calls for a 3-percent real increase or a 7-percent nominal increase. So, Mr. President, in the process of developing this debate, I hope it will be clear when the debate is finished that the goals as outlined by the Senate Armed Services Committee, which I thoroughly and totally endorse—and I agree with everything he says about the goals in SDI—our amendment is sufficient to accommodate those goals. What we are talking about and the difference in this debate is a difference of some three-quarters of a billion dollars between our amendment and the Armed Services Committee amendment; a difference between a 3 percent and a 28-percent increase. So, Mr.

President, I look forward to this being a very good debate.

Mr. WARNER. Mr. President, before the Senator concludes, I wonder if I may make a brief observation.

He mentioned the goals of SDI and I hope that in the course of his remarks today, he will touch on that goal which I think is paramount; namely, the importance of SDI to the ongoing negotiations in Geneva. I am anxious to hear how the Senator's proposed amendment of 3 percent vice the action by the Senate Armed Services Committee of 28 percent—how he correlates those two figures in these talks, which are vital not only to this Nation but to the whole world.

Mr. JOHNSTON. I thank the Senator for bringing up that point. I shall touch on that and my colleagues will also touch on that. Then I hope—I know—we will have a chance further to discuss that issue, because I agree that is a paramount issue. Whatever it takes to get a good arms control agreement, if we could spend an extra billion dollars and get a great arms control agreement, I would say let us do it. But as I shall point out in just a moment, I think our figure is really better for that purpose. But I shall get to that in just a moment.

Mr. President, last year, I said it was surreal, that it was unreal, that it was ridiculous for the Senate to increase the SDI budget by over a billion dollars when we all know what the Senate Armed Services Committee now says is true: That is, that the program was chasing an illusion of making nuclear weapons impotent and obsolete. But this year, are we going to say openly in the committee report what we knew secretly was true last year and still increase star wars by yet another billion dollars? That is the basic question, Mr. President.

We all know we do not have this money to spend. The committee, as I understand it, is still some $2.6 billion over the budget request—I am told that the committee is $2.6 billion over the budget authority and some almost $7 billion over in outlays. It is rapidly changing landscape, because there has been a new amendment introduced, I think, by the Committee on Armed Services, that we have not fully studied. But I think we are in the order of magnitude which is correct, which is we are already some $7 billion over in outlays. Yet we are talking about increasing this program by yet another billion dollars. That is the question, Mr. President.

●Mr. KENNEDY. Mr. President, I would like to begin by expressing my deep personal gratitude to our distinguished chairman, Senator BARRY GOLDWATER, for the leadership he has provided to all of us on the committee, to the Congress, and to the Nation. We are all mindful of the fact that this is the last defense authorization bill over which Senator GOLDWATER will preside, and those of us who have studied the issues and problems of our national defense during Senator GOLDWATER's tenure will miss him greatly; especially his patience, his guidance, and his knowledge.

The chairman has experienced a year of extraordinary achievement. Not only has he kept the members of this committee working together at a time of sharp debate and division over the nature and scope of our Nation's defenses, but he has presided over landmark legislation. The BARRY GOLDWATER DOD Reorganization Act of 1986 will stand as a lasting tribute to his wise, thoughtful, and courageous leadership of this committee and of the entire Senate.

Mr. President, I voted in favor of reporting the Armed Services Committee's version of the 1987 defense authorization bill to the Senate floor because I feel that, on balance, it represents a thoughtful and sound approach to our defense priorities. I do, however, have serious reservations about certain parts of the bill.

First, in the area of strategic defense, I believe, that the $3.95 billion amount approved in committee for DOD and DOE research on the strategic defense initiative is excessive; the committee rejected my motion to freeze the SDI budget at its current level of $3 billion. I plan to cosponsor an amendment by Senators JOHNSTON, EVANS, and PROXMIRE, to increase SDI funding at a more prudent rate of 3-percent real growth in 1987. Funding for SDI has been increasing at an unacceptable rate. Moreover, a greater and greater percentage of these expenditures is now being allocated to questionable demonstrations, including many in areas of technology that have been down selected.

I support the concept of a balanced technology initiative adopted by the committee. In essence, this concept would transfer funds from SDI to other neglected areas of advanced conventional weapons R&D. This worthwhile effort reflects the committee's concern that excessive funding levels for SDI are having a severe impact on research and development into ways to improve our conventional defense posture.

In addition, I continue to be concerned about the adminstration's efforts to evade the ABM Treaty's limits on the development and testing of certain types of ABM systems and components through its "reinterpretation" of the treaty's provisions. I will continue to press the administration to structure SDI research in order to remain within the strict—and the only correct—interpretation of the ABM Treaty.

I strongly support the thrust of the committee's report language on SDI; this language is an important message to the President and to the American people that SDI is moving in too many directions without coherency.

The report notes the many technical challenges the program faces; comprehensive defense of populations is, at best, far off in the future. I agree with the committee's appraisal of the dubious long-term feasibility of population defense, and I believe that an objective analysis of more limited options—such as the defense of our strategic nuclear forces—will find such options to be wanting as well.

Most important, the committee has recognized that it is unnecessary to fund the President's full request for SDI in order to maintain our negotiating leverage in Geneva. While the degree if any, of such leverage is debatable, the committee correctly notes that whatever leverage exists in waning, and that we should be willing to limit the scope of SDI in exchange for "significant, stabilizing, and verifiable reductions in strategic offensive forces."

The committee also adopted an amendment, which I strongly supported, urging the President to continue to abide by the central numerical sublimits of existing strategic arms agreements. The administration's recent announcement that it intends to repudiate the SALT agreements is one of the worst decisions of the Reagan Presidency and it is strongly opposed by the Congress, our allies, and the American people.

The SALT limits are far from perfect, but they represent the only existing restraints on the Soviet nuclear buildup. Ironically, the President is discarding SALT just when it will begin to bind the Russians most. To stay within the SALT limits between now and the end of 1987, the Soviet Union will have to dismantle over 300 missiles and bombers, while the United States will have to dismantle less than 30. To stay within the limits through 1990, the Soviets will have to dismantle over 600 missiles and five additional submarines, many from among their newest systems. Abandoning SALT now will take the lid off the arms race and could doom any chance for progress at the nuclear and space talks in Geneva.

I believe the committee has cut back too drastically on funding for the small ICBM or Midgetman missile, failing to adopt my motion to restore $450 million necessary to keep Midgetman on schedule. The effect of the cut will be to delay initial flight testing and deployment of the Midgetman missile and could well have the long-term effect of killing the program. This decision makes no strategic sense and is contrary to the recommendations of the President's Commission on Strategic Forces—the Scowcroft Commission—which urge us to move away

from MIRV'd systems toward less lucrative targets in order to reduce the incentives to strike first in a crisis. It makes far more sense to spend funds on strategic systems that enhance survivability and stability rather than on weapons, such as the MX, which do neither. The Midgetman Program is well managed and is proceeding satisfactorily. Air Force Secretary Aldridge has stated that "the small ICBM is truly an Air Force success story." We should not be slashing it as it comes to fruition.

In the area of conventional weapons, the committee once again expressed its strong support for the JTACM's, JSTAR's, and Joint Tactical Fusion Programs. These programs are important efforts to improve the effectiveness of our conventional military deterrent in the 1990's, and they deserve the full support of the Congress.

The committee also correctly moved to restore full funds for various spare parts accounts. In deciding on priorities within the defense budget, the question the Congress must ask itself is: "What will we need most if we have to go to war tomorrow?" Items like spare parts must not be cut to the detriment of overall combat capability, even in this time of severe budgetary constraints. It makes no sense to continue to purchase $40 million aircraft if we do not also maintain stockpiles of spare parts to keep those aircraft flying.

On the issue of pay and benefits for our military personnel, I was pleased to see that the pay raise will be preserved and that the GI bill test program will be protected. The committee has correctly recognized the importance of such benefits for the retention and morale of our military forces.

Finally, it is disappointing that the committee has disregarded committee jurisdictional rules by including issues properly in the province of the Labor and Human Resources Committee.

It is erroneous for the majority to accept that the David-Bacon and Service Contract Act provisions can properly be dealt with by this committee because they only apply to defense contracts. Had these measures been introduced as freestanding legislation, they would have been referred to the Labor and Human Resources Committee, and the Parliamentarian has so ruled.

The action of the committee is particularly inexplicable in light of the recent bipartisan stand taken by the committee in defending the jurisdiction of the Armed Services Committee against the intrusions of the Appropriations Committee. By legislating sweeping changes of labor law in the Armed Services Committee, the majority has greatly weakened its own right to protect its rightful jurisdiction against future intrusions. Moreover, the background, legislative history, and workplace realities which led Congress to enact and maintain the prevailing wage standards protecting private-sector employees performing on Government contracts are beyond the experience and expertise of this committee.

Both the Davis-Bacon and Service Contract Acts ensure that the Government does not use its purchasing power to depress area wages. This fundamental premise is as valid today as when Congress first enacted these statutes. Government contracts should not be awarded on the basis of exploitation nor should wage exploiters be awarded with lucrative Government contracts.

I will propose an amendment to overturn this committee action, which would remove these protections for a vast number of working men and women performing services for the Government and return us to the cutthroat wage exploitation which existed in Government contracting prior to the enactment of these statutes.

Mr. President, that completes my opening statements.●

AMENDMENT NO. 2273

(Purpose: To reduce funds for the SDI Program)

Mr. JOHNSTON. I send an amendment to the desk, Mr. President, on my behalf and also on behalf of Senator EVANS, Senator PROXMIRE, Senator CHAFEE, Senator MATHIAS, Senator KERRY, Senator KENNEDY, Senator KASSEBAUM, Senator SIMON, Senator LEAHY, Senator GORE, and I think there will be a considerable number of other Senators. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Louisiana [Mr. JOHNSTON], for himself and Mr. EVANS, Mr. PROXMIRE, Mr. CHAFEE, Mr. MATHIAS, Mr. KERRY, Mr. KENNEDY, Mrs. KASSEBAUM, Mr. SIMON, Mr. LEAHY, and Mr. GORE, proposes an amendment numbered 2273.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading be dispensed with.

Mr. GOLDWATER. Mr. President, will the Senator withhold that? I would like to hear it read. It is not very long.

The legislative clerk read as follows:

On page 11, line 4, strike out "$7,310,974,000" and insert in lieu thereof "$6,665,974,000.".

On page 15, line 15, strike out "$3,597,000,000" and insert in lieu thereof "$2,952,000,000".

On page 330, line 5, strike out "$7,425,225,000" and insert in lieu thereof "$7,358,225,000".

On page 330, line 13, strike out "$356,000,000" and insert in lieu thereof "$289,000,000".

Mr. JOHNSTON. Mr. President, let me explain to my colleagues what this amendment does. If you take the level as funded by the Armed Services Committee, it cuts a total of $712 million; $645 million is taken from the portion of the defense agency which funds SDI and $67 million is taken from the DOE portion. Or, to look at it in another way, if you take last year's level, it increases last year's level by 3 percent real or 7-percent nominal, or is about a quarter of a billion dollars—well, a $225 million—increase over last year's level.

There is no debate over whether we need a robust research program for SDI. For those who say that we are against SDI, the figures which are contained in this amendment most eloquently show that this is not an anti-SDI amendment. To the contrary, it is the largest research program in the whole Department of Defense. There is a $225 million increase after this amendment. So this is a very robust research program.

If you look at it in terms of where we started when the President made his speech in March of 1983, at that time, the research program was slightly less than a billion dollars. So this is three times the size of the program it was when we started. The real issue is, what funding level, what pace is adequate to the task?

The administration is seeking a crash program for star wars. A crash program may be needed if you are going to build an astrodome, a leakproof shield; but, Mr. President, the Armed Services Committee does not believe an astrodome or a leakproof shield is a practical thing, a practical goal, an achievable end to be met.

Only the President's rhetoric states that. Indeed, General Abrahamson, as I previously quoted, does not believe that. Richard Perle does not believe that. So a crash program to fund a leakproof shield is not what is called for. That crash program, Mr. President, is dead unless you think that the Congress will appropriate the administration's request of $5.4 billion for star wars this year and their anticipated request of $6.3 billion next year. Of course we will not.

□ 1350

The Armed Services Committee, Mr. President, did our country a great service in confirming that the goals of SDI were in disarray. This program has been running in six different directions at once, and it is time it paused long enough to catch its breath and figure out what it is trying to do. This is not the time for another massive infusion of funds, another billion-dollar increase. The amendment which we are offering is aimed at providing for a robust research program. I believe that $3.24 billion is adequate to the task for the following reasons: First, this amendment continues funding for ballistic missile defense research at more than three times what it was before the President's March 23,

1985, speech. Incidentially, 6 days after his star wars speech, President Reagan told the press that unlike the Manhattan project, "This is not a crash program." Asked if he wanted the funding for star wars research doubled or tripled, the President responded, "I don't see any need for that, no."

So the architect, the beginner of the program, stated there was no need for that tripling of the program but the program has already been tripled, and on top of that tripling, our amendment adds another $225 million for good measure.

This amendment, coupled with prior funding increases in the program, as I stated, more than triples the program.

Second, this amendment would result in an average annual increase in SDI funding of 48 percent for each of the past 3 years on an average basis. That is a 48-percent increase compounded for each of the last 3 years. We have heard former Secretary of Defense Harold Brown say that when you are already at a multi-billion-dollar level, "You are almost assuring inefficiencies and management deficiencies if you grow much faster than 25 percent per year."

On another occasion, he used a 10- to 20-percent figure. Former Secretary James Schlesinger used the figure of 30 percent as the upper limit for funding increases for research programs if waste is to be avoided. Mr. President, no one has insinuated that a research program can efficiently absorb more than a 48-percent increase per year.

If I may digress for just a moment, Mr. President, some of us who have been critical of this program have pointed out the different purposes for which these funds are spent. The most recent example is a grant—and this is really good, Mr. President. I read in Gerontology News from August of 1986 on page 5:

> The Institute of Gerontology at the University of Michigan recently was funded as part of the new federal Strategic Defense Initiative to pursue basic research on the biology of aging. Dr. Ari Gafni, associate professor of biological chemistry, in collaboration with Dr. Duncan Steel, associate professor of physics and engineering, were awarded approximately $150,000 to purchase a laser apparatus designed to probe the structure of altered enzyme molecules which accumulate during aging.

Now, Mr. President, many of us who are getting to be of a certain age would applaud the fact that we would like star wars to gear the process of aging along with putting an astrodome over the United States, but I think, at a time when we have budget deficits in excess of $220 billion, at least if we are going to fund aging and gerontology it ought to be under the name of aging and gerontology and senior citizens and all those things which we support and not under the rubric of star wars.

In any event, Mr. President, as Secretary Schlesinger and Secretary Brown and a whole host of others have pointed out, when you increase a program as rapidly as this one has been increased, it makes for monumental waste. That is only one in a whole plethora of examples of money that has been wasted in the Star Wars Program, or at least misspent under the wrong label.

Now, third, Mr. President, this amendment does not cut the current program but increases it by some quarter of a billion dollars. Fourth, the administration provides $740 million more than what this administration told the Congress it would need in fiscal year 1987 for a robust ABM research program. Just prior to the President's star wars epiphany in 1983, the administration gave the Congress a 6-year projection of their funding request for ABM research. The planned request for fiscal year 1987 for ABM research in total was $2.5 billion. That is $740 million less than what this amendment provides. Now, that $2.5 billion figure is what this administration wanted for research before we heard about the astrodome, but I think we can be confident that it represents a reasonable research program.

Finally, this funding amendment will, first, hedge against a Soviet breakout from the ABM Treaty; second, protect the United States from technological surprises from the Soviets; third, enable us to maintain an array of strategic options; fourth, keep us on the cutting edge of the requisite technologies; fifth, enable us to take advantage of the spinoffs which can be significant from new technological developments; and perhaps most of all, Mr. President, deliberateness or lack of haste will probably be a good thing for this program rather than a bad thing. It will probably enhance the quality of research, bring us closer to technologies that we can really use rather than try to run pellmell into a program making premature decisions in the early 1990's.

Now, finally, Mr. President, the distinguished Senator from Virginia has stated, "Well, what about Geneva? What does this amendment do to the President's initiatives at Geneva?"

I say to my distinguished friend from Virginia it does precisely the same thing that the Senate Armed Services Committee did when it cut the President's program by over a billion dollars. I am sure that argument was made to the Armed Services Committee, that if you cut 1 cent from the President's program how it will undermine the President in negotiating at Geneva. The Armed Services Committee did not buy that argument because the Armed Services Committee thinks, and properly stated, that we ought to redefine the goals of SDI. And I think the committee did that in a very excellent way and without hesitation cut the billion dollars.

So, Mr. President, our amendment, which increases SDI over last year's level by $712 million, hardly cuts out the ground under the President at Geneva.

Mr. President, an important thing to keep in mind about negotiation with the Soviets at either Geneva or at the summit level: From what we read in the paper, from everything that I know about negotiations with the Soviet Union, there has been no talk at all about bargaining away research into star wars.

□ 1400

The kind of discussion we have is about deployment and testing. Today's paper talks about the 7½-year delay. It is a little vague as to when the 7½-year period starts. But apparently, as I understand it, there would have to be a notice given if the Soviet proposal is accepted, and 7½ years would elapse before it could be deployed.

Our side would undoubtedly like less than 7½ years; but, in any event, there is no talk, no discussion, as I understand it, about cutting the research program. That is not on the table.

It is not a bargaining chip, either at the summit or in Geneva. What is a bargaining chip, and what I think ought to be a bargaining chip, is testing—in effect, violating the ABM Treaty, VELNON, or deployment of the SDI. Those are the things being talked about in Geneva.

It hardly makes sense to say that something which is not a bargaining chip should not be used to undercut the President on star wars. A $712 million increase in star wars is hardly undercutting him at Geneva.

Finally, Mr. President, I believe that our amendment gives a much more credible funding level to SDI than that sought by the Armed Services Committee, because it can be sustainable year after year—sustainable at a time of tough budget deficits.

Mr. President, the Soviet Union, whatever else we say about them, has excellent intelligence. They understand what the situation is with our budget deficits and they understand that the President's program of $5.4 billion and $6.7 billion or $6.8 billion next year—that those levels cannot be sustained. Those levels are unrealistic. Our amendment, which provides for a real increase of 3-percent, a $712 million increase, can and ought to be sustainable for all the reasons we say.

So, Mr. President, with apologies to my colleagues for having spoken so long, I commend the Armed Services Committee for directing, in a very excellent way, the ideas of star wars and its goals and what can be achieved; and I thank them for the opportunity

to really have what I think will be an educational debate for the American public and for our colleagues.

Mr. NUNN. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON. I yield.

Mr. NUNN. In the committee bill, which is before us, we have already gone over the numbers, and I think I understand the numbers as to where the Senator from Louisiana is going. The Senator from Louisiana is going to 3-percent real growth rate. The committee has a 28-percent real growth rate. Is that correct?

Mr. JOHNSTON. It is a 3-percent real increase.

I am sorry, I misspoke myself. I said a $712 million increase. It is a $225 million increase over last year, but $712 million less than the committee bill.

Mr. NUNN. That is the Senator's amendment?

Mr. JOHNSTON. That is our amendment.

Mr. NUNN. The most important part of what the committee did—and the Senator from Louisiana has already alluded to it—is that we tried to put SDI on a sound basis. We tried to describe the program in a way that was realistic and sustainable. It may not be as exciting or as encompassing or as politically palatable, but it will be sustainable over a period of time. Everyone knows that this program will have to last 10 or 12 years.

The other thing the committee did, which was proposed by me and the Senator from Maine, was that we went into a different concept for the use of our technology, at least an altered concept. We call it the balanced technology initiative. The balanced technology initiative, under the committee plan, includes SDI as a very important part, but also included a major thrust toward improving our conventional capabilities.

I have said many times, and I say again, that I think nothing can be more important in the defense relationship between the United States and the Soviet Union than finding a way to kill a tank. We talk about knocking down a missile and about knocking down thousands of missiles, and that is important. But I think it is just as important, in terms of the defense of this Nation, that we have something that will compensate for the huge advantage the Soviet Union has in tank warfare, and that is the area where we have more than likely a chance of confrontation.

Mr. JOHNSTON. Mr. President, if the Senator will yield on that point, I strongly agree with him. I could not agree with him more.

The fact is that to the extent we put money increases into SDI, it is likely to take money from those kinds of technologies which the Senator has described—about how to kill a tank.

We do not have the money we need or would like in defense. We cannot continue to create money out of nothing or out of the deficit. I think it is much more important to use some of that additional $712 million, if the armed services can find it, on those purposes that the Senator has just described.

Mr. NUNN. I ask the Senator from Louisiana a question. Does his amendment touch the money we shifted from SDI into what we call the balanced technology initiative? By that I mean specifically the money allocated to conventional defense technology enhancement. We shifted $300 million into that area, and shifted about $153 million into what we call the technology base area, which is the area of research that developed radar, which is the area of research that developed the Stealth Programs. Those are the areas that we think are extremely important.

Does the Senator's amendment touch those funds?

Mr. JOHNSTON. The amendment does not include those funds. In effect, it does touch those funds, but it is not the intent of our amendment to be anti those funds at all. To the contrary, I am for those programs. The reason we did not include those programs is that we think that ought to be handled separately by the committee.

Really, the question is, do you have that money? If we have the money, I would certainly vote for it, or I will take it from something else. But to seek to change it from the President's unrealistic request and act as though it is money instead of deficit, we thought was unrealistic. So I hope we will find a way to serve both purposes—that is, to cut SDI and in some separate proposal to deal with the question of other technologies.

The Senator is correct: We do not provide for those additional funds.

Mr. NUNN. It is my understanding that the Senate is amending the bill we have before us, and the Senator is amending the SDI section; but it is my understanding that the amendment does not alter the committee's allocation of those funds. So you are not touching those funds. At least, that is my understanding of the amendment.

Mr. JOHNSTON. If I may correct myself: I am advised by the staff that we do not touch the other earmarked funds, that we touch only the SDI funds.

Mr. NUNN. So that the $300 million which would go into the balanced technology initiative and the $153 million which would go into our technology base is not being affected by the Senator's amendment?

Mr. JOHNSTON. The Senator is correct. I am sorry—I misspoke myself. We touch only the SDI funds. I thought at first that those were wrapped up in the Balanced Technology Initiative Program, but we do not touch the Balanced Technology Initiative Program.

Mr. NUNN. I thank the Senator.

As a matter of fact, we were talking about tanks. Last year, the Defense Science Board came out with a report that concluded that the United States is 10 years behind the Soviet Union in tank capabilities and in antitank armor capabilities.

Of course, that is where the real action would occur if we had any kind of war in Europe or the Persian Gulf. That is not the whole thing, but it is part of what we are trying to redirect these efforts toward.

I do not agree with the Senator's bottom line. I am not for his amendment, but I do think that the SDI funding has begun to squeeze these other programs so intensely that the areas where we have the most likelihood of conflict are being squeezed right out of the picture.

□ 1410

And the areas where we have the most likelihood of having an overwhelming Soviet advantage are not being addressed with the same kind of priorities that the SDI Program itself has.

So, I would really say to the Senator I am delighted that his amendment has not affected that initiative which I will discuss more in a few moments.

I think the Senator from Washington probably would like the floor.

Mr. JOHNSTON. Mr. President, if I could just conclude by, first of all, thanking my principal distinguished coauthor, the Senator from Washington [Mr. EVANS] for being so patient.

Let me describe what is going to happen in this debate from our standpoint.

Senator EVANS will discuss this subject in general. Senator PROXMIRE, another principal coauthor, will zero in on the cost of SDI.

Senator GORE will talk about SDI in strategic stability which is, after all, the real goal of both sides, the stated goal to have more stability.

Senator KERRY will talk about the history of ABM development and ABM arms control and how SDI will deal with that subject.

Senator SIMON will speak about scientists and the SDI, skewing science to SDI, that is, the extent to which the scientific community has reacted. There has been some attempt to co-op the scientific community and what their response has been, which I think my colleagues will find very interesting.

Senator KENNEDY will talk about the x-ray laser, about the air defense initiative, the air defense initiative being a new initiative which some would describe as a half trillion dollars in size

which, if you are going to have a leakproof shield for antiballistic missiles with SDI, then you need a leakproof shield with an air defense initiative for cruise missiles and bombers, and Senator KENNEDY will speak about that.

Senator MATHIAS will speak about SDI national security. Senator CHAFEE will talk about the ABM. Senator BIDEN will speak in general on the subject. And there may be a few others.

But, Mr. President, what we are trying to do here is to take a very complex and complicated issue and divide it up into meaningful segments.

I hope they are not as long and prolix as mine has been, but at least to zero in on these great areas of concern, such as cost, such as scientific feasibility, and we hope that in the process, Mr. President, this debate will elevate the knowledge of both Senators and the American public and will bring us closer to a defense policy insofar as it relates to SDI that will enhance our defense and security rather than the opposite.

I yield the floor.

The PRESIDING OFFICER (Mr. WARNER). The Senator from Georgia.

Mr. NUNN. Mr. President, if the Senator from Washington would like to be heard at this juncture, I will yield the floor for that purpose.

I would like to make a brief response and describe the committee position which has not yet been described which will take approximately 3 or 5 minutes because we are now talking about amending the committee position and yet the conversation is really about amending the President's program, and they are two different things.

The committee has a different set of assumptions, a different set of priorities. The committee has a different number and, in fact, the committee has a different concept.

I think for the debate to proceed in an orderly way we should at least have a brief foundation laid about the committee position on SDI. So I would leave it up to the Senator.

Mr. EVANS. Mr. President, I am pleased to defer to the Senator from Georgia.

Mr. NUNN. Mr. President, I will make it very brief and cut my remarks short. But I think it would be useful at this point for the concept which the Armed Services Committee approved for the balanced technology initiative to be laid out at least in overall, broad form and we can get into details later.

First and foremost, the SDI program—and I must say again I do not agree with the amendment of the Senator from Louisiana, but I do agree with much of his critique of the present description of the program. The SDI program under the committee bill would be brought down to Earth and focused on the pursuit of those technologies which offer the best hope for enhancing the United States and our allies' strategic deterrence.

Second, the funding for the SDI would still be allowed to grow, we propose in the range of 20 to 30 percent a year, a rate which former Secretary of Defense Harold Brown, one of our foremost experts in technology, has said is more than adequate to tackle technological challenges in this program while preserving our arms control leverage in Geneva.

The exact amount provided would depend on whether the Pentagon establishes a credible architecture for this program. I want to speak at some length later in the debate, not now, about the lack of an architecture because the lack of architecture is the word they use to describe the overall plan for the program.

We have been asking for it now for 2½ to 3 years. We do not have it yet. And I saw the other day where a study came out with the description of how much the SDI program was going to cost and the Department of Defense rebuttal was how do they know how much it is going to cost because they do not know what the program is? That is exactly right. No one else knows what the program is because the Department of Defense does not have the architecture. If you do not have maybe four different optional architectures, you cannot price the program out.

Mr. JOHNSTON. Mr. President, will the Senator yield at that point?

Mr. NUNN. It is a catch-22.

I yield.

Mr. JOHNSTON. Mr. President, as I understand the reason they do not have the architecture is that the elements that it would take to make it work have not yet been invented. For example, one of the chief things they have, and I was out at Lawrence Livermore Labs last month, is a device called the free electron laser which they hope will be able to get enough energy with as little divergence or that is brought together in a beam that can destroy missiles. They are talking about this order of magnitude about having something like 200 megawatt power stations. You know these big ones like Three Mile Island are about 1,000 megawatts. They are talking about something a little smaller than Three Mile Island and having something like 20 to 30 of those depending upon how much divergence they can have in this beam, but they have not gotten the free electron laser to work, they have not invented the power station and sure do not have a way to get a 200-megawatt power station up in space.

As a matter of fact, we cannot even get a man in space until 1988 and we hope we can redesign our shuttle.

So the reason they do not have the architecture is they do not know that these things will work. Maybe they will work. But we have a long way to go before you can figure out how to get these orbiting power stations at 200 megawatts—I mean how many tons would that be in space? Would that be 5,000 tons? Or what would it be per station? But in any event, they have not invented it yet and the chances of them being able to invent it at an affordable cost are pretty remote, I would think.

Mr. NUNN. Mr. President, I say to the Senator from Louisiana the architecture for the plan does not require that all the technical parts be state of the art. It does not require that they have invented all of that. But at least a plan is what we have been looking for that will say if we can develop this, this, and this, then we can go to this basic plan. But they have not given us that yet because I do not know whether they do not have it or they do not want anybody to cost it out.

But, nevertheless, it is awfully hard to keep coming up and asking for 75 and 100 percent increases in the program that is already in the multibillion dollar range when you do not have a plan, not only do not have a plan, but you do not have plan 1, or an option 2, or an option 3 or option 4, so you cannot really get your hands on this thing. It is just an amorphous amount of tremendous expenditures in a research area.

I am convinced some of the research areas are going to be very worthwhile, and they are going to really pay off, maybe not in the kind of technology that would even apply to ballistic missiles, maybe in some other form of technology, but the problem is we are being asked to fund in major amounts a program that does not have a plan, an architecture and the amounts required for this funding are beginning to have serious impact on what some might not find as exciting research, but which is very important research into making up for a considerable number of deficiencies we have in the nonnuclear area.

□ 1420

And that is where I think our greatest danger lies in terms of Soviet confrontation.

Let me go ahead and complete this brief outline on where the committee came down on this. I might say, I am not portraying this as a unanimous committee position. There was a lot of discussion. We had several different votes. And most of the votes were decided by only one vote, so this was a small majority on the committee and we are going to hear other views from other members of the committee who would have different views as we go forward.

On the committee position, though, I have enumerated the first two prem-

ises. The third premise is the resources that would be freed up by abandoning the more grandiose and unrealistic SDI objectives should be redirected to advanced technology projects which have been underfunded, especially in conventional defense application.

And to give some examples of what I mean by "exotic" approaches, that means approaches to killing tanks and downing attack aircraft, the hypervelocity missiles for ground combat use, the defenses against antiship missiles, "smart" mines, for both land and naval warfare, lightweight air-transportable vehicles with antiarmor capabilities for use in remote areas, where we can deploy our forces in remote areas in a brief period of time and still have some chance to survive against armor, improved conventional antisubmarine warfare munitions, and "smart" standoff munitions for aircraft delivery outside lethal air defense ranges. This is not an exclusive list of technologies that we are directing the Department of Defense undertake, but this is a representative list of those that we think are very, very important.

The goal of this conventional defense technology enhancement program would be twofold: First, to use our technological advantage to compensate for our quantitative deficiencies in major weapons systems through increased performance levels of subsystems and munitions, and, second, to exploit our technological prowess to reduce unit costs, thereby allowing us to compete better in terms of quantity.

We are going to have to get to the stage where we understand that technology, whether it is technology in the strategic area or whether it is in the conventional area, it cannot simply be used just to get the most sophisticated weapons systems, we also have to have the technology utilized to have systems that are avoidable, systems that can be maintained, and systems that can be bought in sufficient quantity to be able to be competitive. The use of those are important uses of technology. People debate sometimes whether we need technology or do not need technology, whether we are going too much with technology.

It would be my view that is not the proper question. The proper question is how technology is going to be utilized. And it cannot be utilized in a prudent way if we simply go for the most sophisticated systems. That is not always the best way to use technology.

This effort should be paralleled by a new and much more innovative approach to conventional arms control. This is not part of our committee bill, but it is my view of why it is so important that we have some real breakthroughs in conventional technology. We all know that even with the 13-year-old mutual and balanced force reduction talks, known as MBFR, in Vienna, that those talks have grown stale and are increasingly irrelevant to real military concerns in Europe. Rather than concentrating on modest manpower reductions—and in those talks, that is what we are doing—we should put our effort into achieving deep cuts in Soviet armor and increasing the amount of warning time we might expect before the Soviets could credibly launch an attack. But we have little bargaining leverage for those kinds of talks—we have little bargaining leverage for our overall conventional initiative in arms control—because we are afraid to reduce the forces we now have in NATO significantly, and we have little else to trade because we are really not setting our mind in terms of using our technology to our advantage, both for defense and for arms control leverage in the conventional area.

In both the strategic and the conventional arena, the pace and scope of our technology programs could be adjusted were the Soviets to accept meaningful arms control constraints.

Lastly, high-tech spin-offs from the balanced technology initiative would be used to help make America competitive again.

The Senator from Louisiana alluded to that.

Other technological gains might find application in other ways, but we have got to use our technology that is developed with the very large expenditures we are making in the defense arena, we have got to utilize that technology to spinoff to commercial application so our economy can again become competitive and so our research efforts in defense can be cross-walked to our commercial purposes.

I do not have any legislative prescription for that, but it is going to require a great deal of intelligent management by those in the Defense Department. I would like to see a separate section of the Department of Defense that would be charged with the responsibility of taking technology that is not vital in terms of secrecy and spinning that off for maximum commercial application.

The bill reported by our committee incorporates only a portion of this total concept. We cannot, for example, in a committee bill or in a piece of legislation, legislate conventional arms control initiatives. It also is not going to be easy to create a structure for spinoffs into the commercial, arena, but we have got to start thinking about it. These efforts are more amenable to action by the executive branch in terms of initiative than to legislative fiat. This amendment, that was passed and is part of this bill, and our committee bill is only a first step in what will have to be a multiyear endeavor. It is not a one-short deal by any stretch of the imagination.

The question, I guess, for this Senate and for our country is can we find the requisite enthusiasm for a modified strategic defense initiative that contains at least some of the elements contained in the balanced technology initiative that is in this bill. I do not know the answer to that, because everyone wants to come out, the newspapers, the television, all of our public attention is: Are you for SDI or are you against SDI? That is not the question here.

I think most people who have thought about it are for a vigorous research program. The question is the funding level; the question is the purpose to which we apply that technology. So when someone asks that question, I think it is a rather uninformed question.

I happen not to be for the description of the program that the President has given. I happen not to believe that that is a realistic description. I happen not to believe that that is a description that can enjoy a strong bipartisan type support. I happen not to believe that that kind of support can be generated over enough years to really bring that program into fruition or to have the kind of continuity needed for arms control leverage.

But I am in favor of a vigorous research program, not just in the strategic arena, but also in the conventional arena.

America must use our technology wisely. We must use our technology to improve our defense forces. We must use our technology to improve the capability of the people in the field to maintain the equipment. We must use our technology in an intelligent way to drive down the per unit cost of the systems that are growing by leaps and bounds in terms of costs. We have got to have affordable systems. We have got to have maintainable systems. We have got to make up for the quantitative advantage that our adversaries have, and will continue to have, with a smart and intelligent and consistent use of technology.

So I think it is very important, before we get into a debate about the funding level—and we are going to have a debate on that; and it is very relevant—but before we do that, I think we ought to recognize that the Senate Armed Services Committee has taken a major initiative and that the President's program has been changed by this bill. It has been changed in a major direction. It has been changed in amount. So we are no longer amending simply the President's program, we are amending the committee bill.

I am delighted to see that the Senate from Louisiana has recognized that. I will not agree with him on the

funding level because I do think we need a robust program. My definition of that is somewhere in the 20- to 30-percent range. I am not sure we have the precise amount correct in our committee bill, but I think going down to 3 percent at this stage is not the best way to have that development in that program.

But I do believe it is very, very important for us to recognize that this committee has departed from last year's bill. We have departed from the President's concept. We have a new major initiative. It involves a broad use of American technology. It involves the use of American technology in the defense arena across the whole array of threats that we face and not simply the threat of ballistic missiles.

I do not diminish the importance of having a way of stopping ballistic missiles. I think it is important technically if we are not able to make a breakthrough in arms control and if we are not able to make a breakthrough in the way we deploy our systems so they are survivable.

But I do believe it is a very bad mistake to focus so much of our precious dollars and so much of our overall resources into one limited part, albeit an important part, of the threat. The threat is not simply ballistic missiles. The threat is not simply surviving an attack in terms of those missiles. The threat is much broader than that.

The threat is terrorism. The threat is the overall strength of the Warsaw Pact in Europe. The threat is the threat to the Persian Gulf area, which has the greatest deal of oil known to man and yet we are 7,000 or 8,000 miles from that area and we have a very hard time even contemplating how we would defend that area.

We are going to have to begin to look at a balanced kind of approach in terms of how we utilize our technology.

So I am delighted that we are able to have this kind of debate on policy. I congratulate the Senator from Louisiana and the Senator from Washington for bringing up this debate. I will not agree with the funding level of their amendment, but, who knows, perhaps out of all of this in the next day or two we can come to a much broader consensus in this body about how we should use our technology, not simply in the strategic arena but how we should use it overall.

□ 1430

I hope we will begin to stimulate some minds about how we spin that technology off in the commerce arena also because our country—let us face it. We are no longer competing very successfully in a broad area of manufacturing in terms of the world competition. We simply have to find ways to use our technology intelligently in the commerce arena, too, and so much of our overall Nation's effort is going into the defense research and development which I think is necessary, but we have to find a way to crosswalk that defense research into the commerce arena.

Mr. JOHNSTON. Will the Senator yield for a question?

Mr. NUNN. I yield for a question.

Mr. JOHNSTON. Does the Senator take seriously, by the way, the President's statement that he is going to spin this SDI technology over to the Soviet Union when it is developed?

Mr. NUNN. I keep saying that the President must know something about that transfer that I do not know. But I keep having great skepticism about the description. I do not know how you can spinoff a part of a technology which would be designed against defensive ballistic missiles or give that, or share or sell that to the Soviet Union because that technology is going to involve not simply shooting down missiles. It is going to involve sensors, it is going to involve communications, it is going to involve intelligence, and it is going to involve the most sophisticated softwear that mankind has ever known. It is going to involve all sorts of military applications that will apply not simply to shooting down missiles but defending against tanks and defending against terrorism.

We would have to have a major breakthrough in political relationships before I think that would even be on the horizon of reality, and, frankly, when the President makes that kind of statement—I know he is doing it sincerely—I wonder who is advising him. I wonder where he is getting that kind of advice about being able to turn this technology over to the Soviet Union. I wonder what other kind of advice he is getting, and who his advisers are in this very important arena. I take him seriously. I think he is sincere. But I am very puzzled by it, and I must say I am perplexed by it.

Mr. JOHNSTON. Is the Senator also saying he would have to have a breakthrough in human nature as well before that could be done?

Mr. NUNN. You would have to have a breakthrough and a massive change in human nature, the biggest change in human nature we would have ever had. I am not sure we want to share all of this technology even with our closest friends, let along our prime adversary.

Mr. EVANS addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. EVANS. Thank you, Mr. President.

We are in debt as usual to the long-range thinking and the excellent analysis of the Senator from Georgia. I agree that the committee has taken a long and important step toward the needed focus, a refocus on the program. Before getting into my remarks, I would like to make a couple of comments on this brief explanation of the committee's view as opposed to the administration's view of this subject.

In a former life I had some opportunity to spend time in engineering, and dealt primarily with architects. I think the term of art to develop an architecture is very well taken. That is precisely what is needed now. Architects, before they get even to the initial plans much less the detailed plans and specifications of any project, are involved in sketches, concepts, in ideas, in understanding of materials, and all the individual elements that are necessary to know before they can develop an architecture, and before they can get even to the point where detailed plans and specifications may be laid out.

I think that is precisely where we are in SDI today. There is no better reason for us to take this year, with still a modest increase to develop our ideas, and to understand how close we are. I am not sure at this point how close we really are to being able to set forth an architecture for the future of the strategic defense initiative and its research.

I agree thoroughly with the committee and with the observation of the Senator from Georgia that we need to free up those resources for conventional research. I would only say that the amendment of the Senator from Louisiana, and I agree, would free up even more resources potentially for that purpose or for other needed purposes in our military budget which will be squeezed. I do not think there is any question about it, it will be squeezed this year.

Finally, the concept of high-technology spinoffs from the military to the civilian may well be in the process of being reversed. The President's Commission on National Competitiveness just last year pointed out that we are getting to the point where in more and more cases it is the research being done at the civilian or private level that is leading to spinoffs which then can turn out to be valuable and are being utilized by our military.

So it is not a one-way street. We may find in fact that under current circumstances we will tilt even more toward the spinoffs from civilian research back into useful military uses.

Mr. President, let me begin by talking, talking about the strategic policy debate in this country today is colored principally by events which took place during 2 weeks in the spring of 1983. First was the President's SDI speech, in which he set forth his vision of a world freed from the tyranny of nuclear war, a vision which all of us would join in. Second was the release of the Scowcroft Commission report. Now, more than 3 years later, at a time when we should be building a consen-

sus on strategic policy, we are becoming balkanized.

Part of the problem is that the Scowcroft recommendations and SDI are meant to fulfill similar objectives: making our land-based deterrent less vulnerable. While the recommendations set forth in 1983 are not necessarily contradictory, the programs which have evolved are in competition.

In part, the problem is a definitional one. How big should Midgetman be? What are our goals for SDI? In part, the problem is one of less than fully thought through policy. Can we enhance stability by adding a defensive overlay, or are we just adding fuel to arms race fires? Does it make sense to put our newest, most accurate, most threatening missiles in extremely vulnerable silos? Regardless of the answers to these and related questions, the fact remains that it is high time we turn our attention to generating a genuine consensus in strategic policy. In no other area is it as important that the United States speak as a good chorus sings, in step and in tune. Unfortunately, we are neither at this point.

While it is ultimately the responsibility of the President to develop a coherent strategic policy, we in the Congress have a responsibility to take a bipartisan approach to generating the consensus necessary to successfully implement that policy. I believe in the past there have been failures on each side. In fact, the rift between Congress and the executive branch over strategic policy seems to be getting worse. In recent months it seems the Congress and the executive branch have had a worse relationship than Winston Churchill and Lady Astor.

The principal manner in which Congress is able to influence strategic policy is through its control over funding of major strategic programs. It is because I am concerned about where we are headed with SDI that I am seeking to hold the rate of growth in the SDI budget to a reasonable level.

□ 1440

In a large-scale research program of this type, the program manager has two basic choices when faced with a spending cut: Reduce the scope of the program, or stretch it out. General Abrahamson has made it very clear that he is determined to lay the groundwork for a full-scale engineering development decision in the early 1992-93 timeframe. As a result of congressional action to reduce the rate of growth in the program to merely astronomical levels last year, the general has made what he terms disappointing and premature decisions to deemphasize certain technologies which preliminary research has identified as presenting greater technical challenges than other, more promising technologies. It troubles me greatly that decisions to eliminate concepts are being made at this very early stage of the research program, particularly when the performance of the favored technologies must be improved by several orders of magnitude to be even marginally useful.

The most careful proponents of SDI characterize it as a broad-based research program, carried out within the limits of the ABM Treaty, aimed at developing effective, survivable, and cost-effective defensive systems. Such a program is warranted, they claim, both because Soviet efforts in the BMD area present a risk of breakout or creepout from ABM Treaty limits and that it is immoral and uncivilized to make peace dependent on continued subjection of the entire population of the Northern Hemisphere to the risk of annihilation; vulnerable to superpower irrationality.

On a more detailed and esoteric plane, the more sophisticated proponents point out that growing numbers of increasingly accurate Soviet warheads place United States land-based ICBM's at considerable risk. A multilayered defense system could, they argue, at the very least complicate Soviet targeting strategy while providing some residual protection to United States population centers. We are told that our research effort should proceed at a technology limited pace because a world in which the Soviets possess both a first-strike capability and an effective nationwide defense system would be a world of even greater instability in the superpower relationship. If, on top of that, the Soviets developed the means to monitor and destroy our ballistic missile submarines, we would have no choice but to acceed to Soviet demands.

I do not deny, and I am confident my colleague from Louisiana does not deny, there are reasons to conduct a robust Ballistic Missile Defense Research Program. The letter to the Armed Services Committee's chairman and ranking member I initiated with Senator JOHNSTON and with Senators CHAFEE, CHILES, MATHIAS, and PROXMIRE—and which is supported by at least 42 of our colleagues—states:

> We support a vigorous Ballistic Missile Defense Research Program which conducts research into innovative technologies. Such a program is necessary to hedge against Soviet breakout from the ABM Treaty, to protect the U.S. from technological surprises, and to maintain an array of strategic options including strategic defense.

But we will be unable to conduct a responsible, realistic program in strategic defense research if our efforts are animated by either dreams or nightmares—or both. It is important to note that we are spending lots of money in many other areas to accomplish many of the same objectives we are pursuing with SDI. We either have begun to deploy, or will soon deploy, several systems to mitigate the threat of Soviet breakout. Fifty new MX missiles will add, net, 350 new, highly accurate warheads to our strategic arsenal. We are in the process of deploying 100 B1-B penetrating bombers which published accounts indicate have one-hundredth the radar cross-section of our B-52's. We plan, within the next 6 to 10 years, to deploy the advanced technology bomber and the advanced cruise missile, each of which is expected to be nearly invisible to current and next generation radar. We have doubled the funding for the Advanced Strategic Missile Systems Program which is developing decoys, advanced radar chaff, maneuverable reentry vehicles, and other penetration aids, as well as technologies such as the Earth penetrating warhead as a countermeasure to Soviet superhardened silos. That is a long and impressive list.

Second, while we should be concerned about the possibility of technical surprise, it is open to question whether there is much chance of a revolutionary Soviet discovery that will pose a national security threat. According to DOD's annual report to Congress, the United States is at least equal to or ahead of the Soviet Union in the 20 technology areas defined by the Joint Chiefs of Staff as having greatest national security significance. According to the Office of Technology Assessment:

> In terms of basic technological capabilities, the United States clearly remains ahead of the Soviet Union in key areas required for advanced BMD systems, including sensors, signal processing, optics, microelectronics, computers, and software. The United States is roughly equivalent to the Soviets in other relevant areas such as directed energy weapons and power sources.

Both public and classified CIA assessments support these conclusions.

Third, while we may be uncomfortable in a world in which security rests on the threat of retaliation, I submit that it is neither immoral nor uncivilized to deploy the means to prevent nuclear war. If deterrence requires offensive forces, so be it.

What would be immoral and uncivilized would be to force both superpowers onto the potentially shifting sands of a mismanaged transition to a defense dominant strategic balance because the resulting instabilities could, particularly in a crisis, be fatal.

My concern is that we are proceeding not at a pace designed to give us an opportunity to make decisions about strategic defense in the future, but at a pace which implies that the decisions have already been made. Clearly, there is no consensus about SDI. The vision of an unbrella protecting us from strategic missiles persists. Now, the Air Force is weighing in with plans for the raincoat—the air defense initiative—to protect us against those air

breathing systems against which our SDI umbella would be ineffective.

Yet, military systems must be designed to fulfill missions, not visions. We need to begin now to define where we expect to go with SDI. Are we interested in developing a thin, point defense to possibly enhance deterrence? Or are we committed to making an all-out effort to emasculate nuclear weapons? These two goals, which might represent nearly opposite ends of a spectrum of strategic defense possibilities, would probably not be served best by programs of the same size, direction, or pace.

For example, a program aimed at pursuing the vision of an impenetrable shield would have to be broad in scope. Because such a goal could be realized, if ever, only in the distant future, our approach to funding such a program should be consistent with the need to ensure that more time-urgent and realistic programs are not compromised. Moreover, because the success of such a program would depend entirely on whether appropriate technologies could be developed, it would not be proper to set arbitrary deadlines or to proceed at a pace inconsistent with doing high quality research. Alternatively, if our goal is to identify technologies for some form of terminal defense only, it is not clear that it makes sense to expend huge sums in an accelerated effort to assess exotic space and ground-based directed energy weapons.

From my perspective, it seems that part of the problem is that we are pursuing each of these goals at the same time. While the goals I have identified are not necessarily incompatible, pursuing them concurrently, rather than consecutively, will inevitably lead to confusion and inefficient resource allocation. While we, in this country, are enamored with the possibility of revolutionary discoveries, history suggests that an evolutionary path is the most stable one.

If we are able to develop relatively low-cost nonnuclear intercept missiles along with related ground-based and airborne radars and sensors, we might then be in a position where serious discussion of active terminal defense would be appropriate. Some of the technologies of such a system would no doubt be applicable to development of an effective antitactical ballistic missile for use by ourselves and our allies. As long as we took care to maintain a clear distinction between ATBM's and ABM's, we would avoid ABM treaty compliance problems and help deal with a real current threat. This is just one possibility. Whatever course we pursue should take into account not just the prospects for the development of technologies for active defense, but how all our strategic programs fit together.

It is also important for us to remember a little of our recent defense history, recall our recent trip down the strategic defense path. About a decade ago, we dismantled the Safeguard system which we built to help protect some of our ICBM silos. Why? Because we found that when the Soviets adopted MIRV technology as a countermeasure to our defenses—the step we took when the Soviets deployed their system—the Safeguard system proved essentially worthless.

In fact, the history of the arms race suggests that there is still validity to the theory that limitations on defense are a necessary precondition to obtaining limits on offensive forces. Measures inevitably beget countermeasures. We responded to Soviet defenses by developing MIRV technology. We responded to Soviet air defenses by developing cruise missiles and low observables technology. The Soviets are not going to sit idly by and allow us to develop high-technology defenses without making an effort to counteract our advances. And we must remember that they will begin to respond now, not after we have deployed our system. These new offensive systems, with countermeasures built in, will inevitably be more expensive than current systems and present a larger obstacle to arms control in the future.

Our recent experience with defense and the relative stability of the current strategic balance point to taking a cautious approach to ballistic missile defense research. Yet we are acting as if we are facing the sort of national emergency which justified the Manhattan project in our approach to funding SDI. My purpose is to have us to take a closer look at where we have been and to define more clearly where we want to go before we flood this program with money. I am seriously concerned about the impact of an accelerated SDI effort on our ability to conduct responsible ballistic missile defense research. And the impact there will have repercussions for our research efforts in other defense and non-defense areas as well.

For fiscal year 1987, Congress is being asked to spend as much on SDI as we have spent for the last 3 years. I can conceive of no reasonable justification for such an increase. While the proponent of an accelerated program might point to the Apollo program or the Manhattan project as precedents for adding $2.4 billion to the SDI budget, I point out that there is nothing close to the degree of consensus on SDI that we had for those two programs of national priority.

I am very much aware, as the Senator from Georgia has pointed out, that the committee itself did not buy that request but trimmed it rather substantially. It is only after we have clearly decided the objective that we can expect to generate the sort of consensus necessary to sustain an effort of this magnitude.

Already the SDI effort is expensive, both in absolute terms and in terms of opportunity cost. As the Armed Services Committee noted in their report on this bill, "(r)esearch and development on basic new technology and on technology for conventional warfare has suffered greatly in recent years: In 1981, over 16 percent of RDT&E funds were invested in the defense technology base, but, in the fiscal year 1987 budget request, only 8.7 percent was allocated to the technology base. In real terms, the technology base funding has declined every year since fiscal year 1983. The sharpest decrease coincides precisely with the buildup of the SDI program. Indeed, the funding level proposed for SDI next year will be larger than the entire research and development budget for the Department of the Army."

It concerns me greatly that we are headed down a path in which we will be spending an ever-increasing share of our defense budget for systems that are the least likely to be used. Clearly, we must maintain an effective deterrent, but I don't believe our current course is fiscally prudent. Along with our significant effort in SDI, we are actively modernizing all three legs of our strategic triad. As a result, our conventional forces suffer. Today or tomorrow, we will have a spirited debate about whether we should take what I believe is a responsible step to build some new ports to disperse our growing fleet. And I look forward to that debate because homeporting is an important issue that requires our attention. But I am concerned that in the national security area particularly, we spend too much time looking at the trees and not enough time looking at the forest. We need to spend less time debatng specific programs like homeporting, and more time debating our overall national strategy.

We continue to decry the conventional force imbalance in Europe, and we are pursuing negotiations aimed at rectifying that very serious problem. But it is clear that there are gaps in the logic of our strategy to achieve an overall more stable military balance. On one hand, we argue that we must build up our offensive nuclear forces if we are going to achieve an agreement limiting or reducing them. Yet, at the same time, we are allowing the conventional force balance—which must be viewed as establishing the nuclear threshold—to deteriorate to our detriment. So, we have adopted a policy of build up to build down for nuclear weapons and build down and negotiate for conventional weapons. I am not convinced that either approach is wholly appropriate.

We are, to be sure, attempting to make up for quantitative inferiority

with qualitative superiority. But, as an adversary, Lenin, said: "Quantity has a quality all its own." I tend to think that our guiding priciple should be: "(Q)uality is superior to Quantity, particularly when purchased in large numbers." If we are serious about improving the quality of our conventional systems, as we must be, we must allocate resources specifically for that purpose. While I do not believe the Armed Services Committee went far enough in reducing the rate of growth for SDI funding, I am pleased that they took the initiative to provide funding for a so-called "balanced technology initiative" to focus funding on conventional weapons research.

I suggest that if the amendment we now have in front of this body is adopted, there could be even more money for that important purpose.

This does not mean that SDI funding cannot enjoy some priority. While I do not believe we should shortchange conventional weapons R&D programs to benefit SDI, it may be appropriate to allow SDI some growth so that we do not dilute its diplomatic value. With the budget we are proposing for SDI, we allow the program to grow at a somewhat faster rate than the rate of increase in Department of Defense R&D generally. Where SDI accounted for roughly 8.5 percent of total DOD funding last year, our budget would account for more than 9 percent of DOD R&D funding for fiscal year 1987.

Of course the opportunity costs of SDI must be assessed, not just from the perspective of its impact on conventional weapons programs, but from the perspective of its impact on our national research strategy as we head into the 21st century. Is pursuing strategic defense aggressively consistent with our desires to maintain a leadership role in space exploration? Is it consistent with our need to become more competitive in commercial markets or to find technical solutions to our energy vulnerability problems?

We in Congress are likely to be asked to make some important decisions in the near future about Federal research spending that will have dramatic implications for our future role in the world. The National Commission on Space recently reported to the President its recommendations for, among other things, building a manned lunar outpost by 2004. This is to be made possible by our agreement to fund a space station to be built by 1995. Such a program would require an estimated $15 billion NASA budget by 1995 and a $25 billion budget by the year 2000.

□ 1500

At the same time, we are told by the President's Commission on Industrial Competitiveness that:

(T)he United States is losing its ability to compete in world markets. We are still the world's strongest economy. However, the question we must answer is where we will be tomorrow, not just where we stand today.

I submit that we will not remain the world's strongest economy unless we begin to devote a larger share of our Federal research dollars to commercially relevant research. Just as is the case with conventional weapons, hoping for commercial spinoffs is not good enough. First, any dramatic new breakthroughs will be highly classified. I do not think we would share them with either the Soviets or with our industrial firms.

Second, it is more likely these days that SDI will benefit from commercial spinoffs than vice versa. The report of the Commission on Industrial Competitiveness states:

In the years following World War II, federally funded R&D projects were important catalysts to commercial industries such as aircraft and electronics. Today, the roles have been reversed in many technologies. Industry is the principal initiator of technological advances—such as state-of-the-art very large-scale integration electronics—and Government is a net user.

We should take the Commission's overall conclusion to heart:

In order to make technology a continuing competitive advantage for the United States, we need to * * * create a solid foundation of science and technology that is relevant to commercial uses * * * (and) apply advances in knowledge to commercial products and processes

We have serious competitive problems now and it makes little sense to attempt to justify spending $3, $4, $5, or $10 billion a year in research on an unfocused, poorly defined program on the grounds we may get some derivative commercial benefits 20 years from now.

In fact, I believe we gain some dramatic national security benefits from research directed not at developing new weapons systems but toward developing energy self-sufficiency. Today, it seems our most dramatic potential national security threat is having our oil supply line severed. We would do well to heed the advice given by Jim Schlessinger last year at a hearing before the Foreign Relations Committee on the subject of strategic policy. He stated that we would likely derive more strategic benefits from research directed at rendering oil imports obsolete than from research directed at making nuclear missiles obsolete.

As I indicated earlier, I do believe there are good reasons to conduct a robust strategic defense research program. But robust should mean lean and flexible, not wasteful and myopic. We must be wary about the potentially negative impact of an uncontrolled SDI on our overall Federal research effort. We need also be mindful of the potential impacts of SDI on the arms control process.

A stated goal of the SDI program is to develop and deploy a defensive system to protect the entire population. Deploying such a system would be squarely contrary to the terms of the ABM Treaty, which proscribes nationwide defenses or systems designed to protect more than the national capital area or a selected missile site. Although near-term research is designed to be treaty compliant, even now money is being spent to develop major demonstration projects which will within the next 5 years pose significant ABM Treaty questions.

Mr. President, many people believe that the ABM Treaty is the most significant arms control agreement currently in force. While SALT I and SALT II impose important but limited obligations on the superpowers restricting their strategic modernization efforts, it is not clear that offensive limits will be negotiable unless we maintain limits on defense.

The ABM Treaty is one important limitation that we should move away from only after we have developed a better, negotiated framework for controlling strategic defenses. But we need to abide by additional restrictions if we expect to develop defense systems that enhance stability. Certainly the Nitze criteria should continue to be the guiding principle for our research. Our systems must be survivable, feasible, and cost-effective at the margin if they are truly going to serve as "disincentives to attempts to counter them with additional offensive forces."

In the near term, we must guard against an expansion of offensive forces, a failure to achieve effective arms control, and a resulting decrease in strategic stability. It is not clear that it makes sense to expect the Soviets to embrace the United States concept of reducing offensive systems while deploying nonnuclear defensive systems. This would force the Soviets to compete in an area where they have a disadvantage and not compete in offensive forces where they have open production lines.

It is during any transition toward a defense dominant world that potential instabilities could arise. As former National Security Advisor Robert McFarlane said in an interview last year:

There is a relationship between reductions of offensive forces and the integration of defensive systems because of the potentially destabilizing effect of either side achieving a first-strike capability through possession of both. So our policy must be to first establish agreement between ourselves and the Russians on the value of defensive systems. Once we have reached agreement on that, we must establish a path for the integration of these defensive systems into the force structure that will be stable.

Such agreement on moving toward area defenses is critical and will likely be difficult to achieve. That is yet another reason for proceeding carefully with SDI. An unrestrained SDI effort will probably precipitate Soviet offensive countermeasures which will serve as an additional impediment to enhanced stability and security.

There are, almost certainly, diplomatic advantages from SDI. Most analyses of the current talks indicate that SDI is a subject of serious concern to the Soviets. To some extent, the fact they are concerned about it means that we are doing something right. But it is easy to overstate the true value of SDI in the Geneva negotiations. For one, we will not—and should not—terminate the program. The rationale for conducting BMD research that is operative today will persist for some time. Moreover, the President has stated repeatedly that while he may agree to certain deployment timetables and related limitations, he does not view SDI as a bargaining chip.

Furthermore, a research program like SDI is not like an MX missile. National technical means cannot be used to ascertain the progress achieved by a research program even if the general level of effort is known. In fact, uncertainly is the most valuable aspect of SDI for our negotiators. That uncertainty can be leveraged significantly if we play our cards right. But we must keep in mind that we have already taken advantage of BMD leverage. It was largely the leverage obtained from our deployed ABM system that enabled us to convince the Soviets to join with us in the ABM Treaty. But the leverage of defense was used to obtain an agreement on defense. It is not clear that we can use it to assist in reaching agreement on offensive systems.

In short, SDI research is an area where we can afford to move ahead with more caution. Not only is it not clear that an aggressive research program is valuable from an arms control standpoint, it is not clear that such an approach is valuable from the standpoint of conducting responsible research. The program is already funded at a level that will allow for a robust and vigorous program. Our amendment would allow the SDI organization to spend during the next fiscal year more than $200 million above what they will spend this year. We should provide for no more than that given today's fiscal and strategic realities.

□ 1510

Mr. President, before closing, let me express once again my gratitude for the remarks of the Senator from Georgia and the remarkable efforts of the chairman of the Armed Services Committee, the senior Senator from Arizona [Mr. GOLDWATER].

We are engaged in what I believe is a critical debate, an important debate, the kind of debate the Senate ought to be involved in. Too often, we get caught up in the minor leagues; we are in the nit-picking details of what ought to be management rather than policy. But this is the major leagues. We are going to make some important decisions, and it deserves the best in the debate on the floor of the Senate in the next several days and the most conscientious effort of each Senator to cast a reasonable vote when this amendment comes to a vote.

(Mr. MATHIAS assumed the chair.)

Mr. DIXON. Mr. President, I support the amendment offered by my friend, the Senator from Louisiana. My remarks will be very brief, but I suspect that not many members of the Armed Services Committee will be supporting this amendment, and probably even less will be vocal on the floor in support of this amendment, so I should like to make known very clearly the reason for my position.

I want to echo the words just expressed by the Senator from Washington, who expressed his appreciation for the contributions made by our distinguished ranking minority member on the Armed Services Committee, the senior Senator from Georgia.

I am sure that the chairman of the committee and every member, and I see many of them on the floor, appreciate the substantial contribution the Senator from Georgia made with respect to the question of the strategic defense initiative in the past, and particularly this time in the committee.

I supported the amendment sponsored by the Senator from Georgia and the Senator from Maine [Mr. COHEN] in the committee, and I think it is a substantial improvement over the original DOD authorization bill proposal. But I remind Senators that we are talking about a question of priorities—priorities in the whole budget from the standpoint of what we do this year, in view of the fiscal constraints, and, beyond that, a sense of priorities, at least in the view of this Senator, of what we do in the DOD authorization bill.

I am the ranking minority member on the Preparedness Subcommittee. I know that I express the frustration of every member of the committee, certainly the chairman and the ranking member of the committee and others, when I say that it has been a very difficult year in all cases we had to understand what were the priorities when we dealt with funding this year.

I supported so-called full funding of SDI last year. That was a minority position on this side of the aisle. But I thought that it was appropriate in the context of what was done last year.

Let us talk about the budget this year. In this year we have very serious fiscal constraints that we must meet under the directives of Gramm-Rudman-Hollings. The administration, notwithstanding all the cuts that took place everywhere in the budget, sought a funding increase for SDI of 78 percent—a 78-percent increase for SDI, 72 percent after inflation, when we were cutting almost everything else; an increase from $3.041 billion in fiscal year 1987 to the requested amount of $5.415 billion in fiscal 1987. That, of course, includes funds for the Department of Energy programs.

What we have done in the Armed Services Committee, again largely through the contribution of the Senator from Georgia, was to reduce the sum to a 28-percent increase, increasing the $3.014 billion to $3.953 billion for the next fiscal year. That is an increase of 28 percent or, as I calculated, about 23 percent after inflation. I would argue, Mr. President, that that is still too much.

I say this—and I hope my friend from Louisiana will not take exception when I say it—but I think the number he is advocating here is unlikely to emerge as the number.

I think the increase of 28 percent is simply too much. The House Armed Services Committee includes $3.708 billion. That is a 22-percent increase, a 17-percent increase after inflation.

I am supporting this amendment because I believe that advocating this lower number will at least reduce to some extent the amount in the bill as a product of the committee's efforts.

I want to point this out to the membership: Since fiscal year 1984, funding for SDI has tripled. In that period, believe it or not, the total defense budget has grown only about 8 percent. This, I think, underscores the argument I made earlier, that it is a question, in my view, of priorities—how we ought to spend this money.

Senator JOHNSTON's amendment calls for spending at the level of $3.24 billion this year. That is a 3-percent increase above inflation for the next fiscal year over this year's level.

I should like to make these two points, in conclusion: We have spent a lot of time in cutting back a great many things in this DOD authorization bill. Some will not remember this, but many on the floor will remember that we had a long fight a month or so ago on military pensions. I took the unpopular position that several of us took to meet the budget goal we had this year on savings on military pensions, and Senators will recall that we rejected the position of the distinguished Senator from California [Mr. WILSON] and the distinguished Senator from Ohio [Mr. GLENN], who were chairman and ranking minority member of the subcommittee that

worked on the military pension reform bill, and made a further reduction to meet the fiscal constraints imposed upon us in last years defense authorization legislation.

So we cut pensions. We held down salary increases. We cut back on major weapons systems. For example, we had to cut 24 F-16's and 24 F-18's; two excellent fighter planes that can provide a defense of this country now.

So in almost every conventional program we have had major cutbacks.

Finally, I want to say this, as the ranking minority member of the Preparedness Subcommittee: When we had our testimony by all the important service chiefs this year, they showed us the graphs on what was happening with respect to spare parts.

□ 1520

Mr. President, if every Member of the Senate could have seen that they would have shared the concerns of this Senator because the line on acquisition of spare parts which was represented to be 100 percent for this fiscal year is a downward line on the graph over the next 5 years, straight down. So that the acquisition of spare parts and the acquisition of ammunition, the two things that we positively must have that are vital, are being cut back every year for the next 5 years.

The plain fact is that we are denying the Armed Forces of this country the necessary things for readiness and sustainability of our respective services, and while we are doing that, we are here on the floor in the DOD authorization bill suggesting while all these cuts are taking place that there ought to be a 28-percent increase in SDI.

I do not think the American people would agree with that. I support the strategic defense initiative, but I want to read a sentence out of this report that I supported as a member of the Armed Services Committee. On the bottom of page 182 of the report of the committee, the top of page 183, here is a direct quote from our committee:

Indeed the funding level proposed for SDI next year—

This forthcoming fiscal year—

will be larger—

Will be larger—

than the entire research and development budget for the Department of the Army.

So here we are, Mr. President, arguing SDI. Most of us do not even understand it to a great extent. But we are arguing for an increase insofar as this DOD authorization bill is concerned, a 28-percent increase, while we are cutting salaries, while we are eliminating major weapon systems, while we are absolutely devastating the acquisition of spare parts and ammunition over the next 5 years. We are advocating a 28-percent increase in SDI.

So I just want to say Mr. President, that I do not have any sense of illusion about this thing. I do not think we are going to adopt—I do not say this offensively—I am going to vote for it—I do not think we are going to adopt my friend's amendment here, the Senator from Louisiana.

But I think he is making an important contribution because he is calling to the attention of this Senate, and hopefully through this Senate to the country, the outrageous increase in programs of this kind while our conventional systems that are absolutely vital to the readiness capability of this country's military are being absolutely decimated. I think there is a message in that.

I want to say in conclusion—I voted; some did and some did not, but I did—I voted for Gramm-Rudman-Hollings. There has been some criticism of me on that vote. I said when I went home that ever since I have been in the U.S. Senate, and I am concluding my first term, in the sixth year, every year we slash all the domestic programs and stack on more and more and more for the Department of Defense and much of that I thought was necessary.

I said now under Gramm-Rudman-Hollings we are going to have to treat it all kind of equal and that is going to be good for the country. We are doing that by dealing with priorities on the DOD authorization bill, and as ranking minority member on preparedness I dealt with that. The distinguished chairman here on the floor said here are the bogies; we have to meet these; and we do and we cut and we are cutting things we ought not to be cutting. That is the point I simply make. We are cutting things, things we ought not to be cutting to throw money at the sophisticated programs that people do not even understand. There is a 28-percent increase in a program and when we are cutting everything else, my friends, cutting pensions for the foot soldiers, cutting salaries for the foot soldiers, cutting major systems that I know work because I have seen them work, and spare parts. How can you fly an airplane or run a tank without a spare part? How can you shoot a gun without ammunition? That is the kind of stuff we are cutting for this program.

So I was compelled to come here, Mr. President, and make this talk simply because I think the Senator from Louisiana is at least calling our attention to this problem, and I would hope that what we ultimately do is cut SDI some more, not down under last year—a little increase would be in order, continue the research, yes, continue the research—it is important—the Soviets are doing it; we should be doing it—but not throw money at SDI while we need money so vitally for other substantially important conventional programs to defend the interest of this great country of ours.

I thank the distinguished Senator from Louisiana for offering the amendment so we can excite this kind of discussion.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. DIXON. I yield.

Mr. JOHNSTON. Mr. President, first of all, I commend the Senator for a very lucid and persuasive presentation.

Really what we are talking about, as he points out so well, is a question of priorities.

Mr. DIXON. Exactly right.

Mr. JOHNSTON. There is no free money.

Mr. DIXON. No.

Mr. JOHNSTON. You just do not take this money out of air; you take it from something else.

On this question of priorities I wonder if the Senator heard me in my initial presentation where I was talking about really what amounts to the misuse of SDI money? They are funding everything out of the SDI office. There was even an indication that in August of 1986 they are funding a program in gerontology, not that that is not worthwhile to study the aging process, but they are taking SDI money, defense money to fund research in aging and with the Committee on Gerontology which shows how far we have gone from prioritizing defense dollars.

So, I commend the Senator for his excellent presentation. I hope we can keep our eye on the ball.

One final point I want to make. The Senator said we may not have the votes for this amendment. You never know where the votes on a really important issue like this are.

I would point out to him that we had some 48 signatories on a letter supporting this very amendment at this precise funding level to the Armed Services Committee and we stated at the time that we thought we had other signatories had we had time to get them.

So, while I am not certain we will pass the amendment, I think the chances of its passage are quite good, at least judged by those who signed the letter to the Armed Services Committee.

Mr. DIXON. I thank my friend from Louisiana. He is making an important contribution here and I am hopeful this amendment will pass and I support it.

But I have seen those votes kind of evaporate when the President of the United States has an interest on a lot of things like the AWAC's sale and the resolution of disapproval on the sale recently to the Saudis, and a lot of other things. I suspect you will see some miracles take place when this vote takes place on this particular amendment.

But I wish my colleague from Louisiana well. I was delighted to express my supportive point of view for the very important contribution he is making.

It was no criticism, may I say of the chairman of our committee, who has done great work and great service and we will miss him as he leaves us after this year, or the important contribution by the Senator from Georgia, but I think this number should come down some more. It is as simple as that. There are other priorities more important in my view than expanding 28 percent research on the strategic defense initiative and some of the things they do under that nomenclature.

Mr. JOHNSTON. I thank the Senator.

Mr. NUNN. Mr. President, will the Senator yield?

Mr. DIXON. I yield.

Mr. NUNN. I say to the Senator from Illinois, Mr. President, that while I will not vote for the amendment because I do not agree with his conclusion about it, I think a great deal of what he said is absolutely valid. His views were reflected in the amendment the Senator from Illinois sponsored in the committee to bring the subcommittee level down from 50 to 28 percent growth, which is the level of funding in the bill.

There is no doubt about the fact that there are a number of things being cut. Of course, what we did with the money that the committee took out of SDI, with the help of the Senator from Illinois, was to put it into the very type research that would help address these deficiencies the Senator has enumerated, particularly in terms of conventional deficiencies. So we are in sync on the concepts. The vote of the Senator from Illinois was important in committee, was, in fact, absolutely essential since we won by only one vote on several key matters.

I will not support the Johnston amendment. I do congratulate the Senator for the comments he made and also for the tremendous work the Senator from Illinois has done on the Preparedness Subcommittee where he is a real leader; we appreciate his good work.

Mr. DIXON. I thank the Senator from Georgia and could only say once again his contribution in the committee is a great one. What he has done is significantly important.

My difference is only I would like to cut a little more and get a little closer to the figure of the Senator from Louisiana and I think in a year when we have these priority problems that is justifiable, but I certainly am indebted as all Americans are, to the Senator from Georgia on what he has done in this committee on this issue.

Mr. NUNN. I thank the Senator.

□ 1530

Mr. PROXMIRE. Mr. President, I rise in support of the Johnston-Evans amendment to set the overall funding level for the strategic defense initiative at $3.2 billion for fiscal year 1987.

Mr. President, nobody can accuse the distinguished Senator from Louisiana of being a dove. He is as strong a champion of a really strong, vigorous, effective military program as anybody in this body. I have served with him ever since he came here, and he has always been a champion of a strong military force.

I did not hear all of the fine speech—I heard much of it—of the Senator from Louisiana. I heard all of the speech by Senator DIXON. I think Senator DIXON made a very valid point—that the enormous increases that we have had in SDI have not helped our national defense; they have hurt our national defense. I think ALAN DIXON made that point very, very effectively.

Mr. President, before I go on, I would like to say that it has been a great honor for this Senator to have served for a number of years with the distinguished chairman of the Armed Services Committee, Senator GOLDWATER. I understand this is the last authorization measure that the Senator will sponsor on the floor. He has done a superb job for our national defense throughout the years. Anybody who thinks Senator GOLDWATER is a blind follower of whatever the Defense Department calls for is wrong. He and I have worked together to cut waste in flight training, helicopter training, and in many other areas. I think he has been as concerned with the waste in the military as anybody in this body, and he has probably done more than anybody now in the body to prevent it.

Mr. President, in March and June of this year, the General Accounting Office produced a detailed analysis of SDI's finances for fiscal years 1985 through 1987.

The Congressional Research Service has investigated the space transportation requirements SDI will need when it is called upon to put tons of equipment into orbit if we follow through with SDI. That investigation, so far, has disclosed the crisis we currently face in our space launch capabilities. That crisis will slow down SDI progress in the early 1990's.

At a far lower funding level than what the administration is proposing for fiscal year 1987, we could have a much more balanced and measured research program. And if the Congress adopts the pending Johnston amendment, what happens? Let me specify quickly.

First, the funding would still serve as a hedge against the Soviet breakout from the ABM Treaty. Second, it would still protect the United States from technological surprise. Third, it would still maintain an array of strategic options for the President.

Many of our colleagues have come to this same conclusion. In a series of letters to the Armed Services Committee beginning in May, 48 Senators expressed their deep concern over the funding, the pace, and the direction of the strategic defense initiative. Forty-eight Senators questioned whether the program's budget should grow by more than 3 percent in fiscal year 1987.

The principal sponsor of this amendment has stated that we have a good chance of enacting this amendment, and I would agree. After all, 48 Senators is pretty close to a majority. And, as he said, there were a number of other Senators who might very well join us.

I am pleased to see, Mr. President, that the Armed Services Committee shares the concerns expressed by those 48 Senators.

In its report on the fiscal year 1987 DOD bill, the committee agreed that the administration's funding request for SDI was "excessive."

The committee agreed that the President's vision of making nuclear weapons impotent and obsolete was a "very complex" and "uncertain" undertaking.

The committee agreed that SDI should be part of, and I quote:

> A broad-based and balanced U.S. technology initiative that addresses the entire range of nuclear and conventional deficiencies in our defense posture.

And the committee agreed that the administration's huge funding request for SDI threatened to, and again I quote:

> Absorb an inordinate proportion of defense dollars allocated to research and development.

What our amendment does, Mr. President, is set a spending level for SDI that addresses the concerns the committee has raised and addresses the concerns the 48 Senators who signed the letter have raised.

In fiscal year 1985, SDI funding increased 40 percent over the previous year. In fiscal year 1986 SDI funding jumped about 90 percent over fiscal year 1985.

These were staggering increases for this program, Mr. President. The SDI funding levels had become as large as the technology based research and development programs of all the armed services.

In a nutshell, Mr. President, we have thrown too much money at this program too quickly. And it is racing ahead aimlessly and out of control.

That is what thousands of scientists and engineers arcoss this country have been telling the Congress.

And that is what two of this Nation's most respected experts on defense—former Defense Secretaries Harold

Brown and James Schlesinger—have been telling the Congress. They have testified that a research program like SDI can reasonably absorb no more than a 25- to 30-percent increase annually.

Dr. Brown—and, incidentally, Dr. Brown was head of the Livermore Lab, as well as having been a distinguished Defense Secretary and one of the most eminent physicists in the world—Dr. Brown specifically told our Defense Subcommittee that if the SDI budget grows each year by much more that 25 percent, "you are almost assuring inefficiencies and management deficiencies."

In other words, if you throw too much money at SDI, as we have done in the past 2 years, you are just throwing that money away.

That is why we are offering this amendment today. This amendment attempts to set a more balanced and even pace for the SDI Program.

The $3.24 billion funding level that we are proposing in this amendment would result in an average annual increase in SDI's budget for the last 3 years of 48 percent per year.

No one in this Chamber should be under the slightest delusion that funding SDI at $3.24 billion in fiscal year 1987 represents any type of cut in this program.

Funding SDI at $3.24 billion in fiscal year 1987 represents a tripling—as was said by the Senator from Illinois—a threefold increase in this budget since this program was launched.

So how much will the President's vision cost this Nation before we fully deploy it? How much would it cost the United States to try to erect a full-scale comprehensive defense system?

Recently, the Johns Hopkins Foreign Policy Institute presented a lengthy and detailed report that estimated star wars would cost $770 billion.

But the institute admitted that even its estimate was based on very optimistic projections about what we could produce and what the Soviets would do in response to our system.

Former Defense Secretaries Brown and Schlesinger have estimated that star wars would cost about $1 trillion.

The respected scientific journal, Physics Today, has estimated that star wars could end up costing $2 trillion. I repeat, $2 trillion is the estimate from this higher research source.

Are those estimates excessive? Mr. President in all of the 29 years of experience this Senator has had in the U.S. Senate and on the Appropriations Committee, I have yet to see a major military project that has come in under its estimates. Usually they have exceeded the estimates, often they have greatly exceeded their estimates. What are the most common characteristics of military project that excessively exceed their estimates? There are two. No. 1, costs are likely to exceed estimates by big margins when the technology is new and especially when it is developing. No. 2, the ultimate costs turn far ahead of estimates when the project is highly controversial and hotly opposed by Members of the Congress who oppose the program in part because of its cost.

Mr. President, on the basis of these criteria, prepare for one colossally costly project. Has this Nation ever undertaken to build a total weapon system with a technology as complex and different and controversial and costly as this? Here is a project that will cost $1 trillion or more to build, $100 billion or $200 billion or more in 1986 dollars forever after to maintain and modernize.

How do we reach these colossal figures? Just look at the laundry list of missiles and space hardware we would have to deploy.

On the ground, we will need thousands of interceptor missiles. The SDI organization wants to get the cost of these missiles down to $1 million a copy, but if history is any guide, they will probably cost $5 million a copy and we will have to deploy thousands of them.

What will the interceptor missiles cost in total? Reasonable estimate—$40 billion, perhaps.

Also on the ground, we may have dozens of ground-based laser systems, at $2 billion or more a copy. Total cost for these? Roughly $35 billion.

We will also have to have dozens of ground-based radars located around the country to track warheads, each costing anywhere from $20 million to $200 million depending on what kind of economies of scale we can achieve. Total cost? About $4 billion.

To supplement the ground-based radar, we will need as many as 40 airborne trackers like the airbone optical adjunct SDI is researching. Total cost? From $3 to $10 billion.

Also on the ground, you would need battle management centers to coordinate the defense. Their total cost might run as much as $3 billion.

Now, when you get into space, the figures become even more staggering.

The frontline boost-phase defense the SDI organization envisions is thousands of space-based battle stations that fire rockets, or kinetic kill vehicles, at the Soviet missiles as they leave their silos.

These space-based battle systems could cost anywhere from $100 million to $500 million a copy depending on how much equipment they carry. Total cost? Well, possibly, conceivably, but unlikely $100 billion, but more likely as high as $700 billion for that one item.

We will need about 100 sophisticated surveillance and battle management satellites to track Soviet missiles and warheads. Cost? From $200 million to $500 million apiece, for a total cost of more than $50 billion.

The SDI organization has also said that we will need interactive discrimination lasers or particle beams to pick out Soviet warheads from decoys. We will need about 10 of these discriminators in space at a total cost of about $10 billion.

Our tab has gone so far, and I am not through totaling by any means, is up to more than $850 billion. Do we stop totaling here? No way.

We still have to deploy a massive air defense system to protect against cruise missiles and bombers costing roughly $100 billion or more.

We have to lift 20 million to 200 million pounds of hardware into space and SDI's own figures estimate that could cost as much as $200 billion.

Once we get this massive amount of hardware in space and deployed on the ground, we are not just going to let it sit there unattened while the Soviets figure out a way to defeat it. Not on your life.

We will have to be continuously maintaining and modernizing the equipment, and Harold Brown estimated in our Defense Subcommittee hearing that the annual cost of deploying, maintaining and modernizing star wars could run $100 to $200 billion every single year.

So, I would say to my colleagues, it is time to start totaling up the tab. It is time to start asking what star wars will cost this Nation.

When you do, the question you will start asking yourself is not whether star wars will cost $1 trillion, but rather how far over a trillion dollars will the price tag go?

Now I am well aware of all economies of scale and management efficiencies the SDI organization claims it can achieve.

SDI's program managers and their own studies have said that in order for star wars to be cost effective, SDI will have to have a revolution in the way the aerospace industry does business, a revolution in the way NASA does business, and a revolution in the way the Pentagon does business in research and development.

Can SDI achieve this economic revolution and drive the costs of these weapons systems down by phenomenal amounts?

SDI says it can achieve these amazing management efficiencies. Where is the evidence?

The Director of SDI told Congress in 1984 that the program could be run with a lean staff of 80 in his headquarters. In 1986 they have called for 226 people for his headquarters in fiscal year 1987, plus another 200 for a so-called think tank.

We have a $100 million cost overrun in the airborne optical adjunct project

surfacing in just one year after the contract was signed.

The GAO reports that the SDI organization's executing agencies are billing it or trying to bill it for projects that have no business being paid for out of R&D funds—like $100,000 for the Fish and Wildlife Service, and $3.5 million for a passenger car ferry.

In other words, this is not a revolutionary defense program on its way to achieve these incredible economies of scale.

It is a typical defense program that will have all the traditional inefficiencies defense programs have.

So no one can convince this Senator that $1 trillion is too high a price tag for star wars. At this point it is probably an underestimate.

Now there is one other very important question we still have not considered in looking at the cost of star wars. How would we ever pay for a $1 trillion system?

Just to put $1 trillion in perspective consider:

For $1 trillion, we can buy 16 aircraft carrier battle groups, 52 wings of F-15 fighters, and 28 armored divisions.

In 1987 dollars, $1 trillion is about what we have paid in Medicare for the last 20 years and the Federal highway system the last 30 years.

So how would we pay the $1 trillion star wars would cost?

We could raise individual income taxes by an average $1,000 per person—not family but person—annually and pay for star wars over a 10-year period.

We could close down HUD, the Department of Interior, Department of Justice, Department of Education, Department of Commerce, Department of Energy, and the State Department for 10 years.

Or we could carve the money out of the Defense Department budget. But that would mean creating a fourth branch of the service for 10 years with an annual budget equal to that of Navy.

Now, none of these choices by itself sounds too appealing, Mr. President. More likely, if we tried to erect a star wars shield, we would have to choose from a combination of these options to pay for it.

But the combination of choices will not be any less painful.

Let us face it, Mr. President. The cost of star wars—the cost of building a leaky shield that would never protect us completely from the devastation of a nuclear conflict—that cost would be staggering.

Mr. President, the amendment by Senator JOHNSTON to limit the authorization for SDI research may succeed in saving SDI from itself. I mean that. It is true that the amendment sharply reduces the amount of SDI funding the President has requested. It is also true that the increase in funding would be limited to a modest 3 percent plus inflation for 1987. But it would permit an average increase in funding of this new research program from less than $1 billion in 1984 to more than $3 billion for fiscal 1987.

Few if any major research programs have ever approached this remarkable increase in funding in such a short time. This modest increase provided in the Johnston amendment for 1 year will permit a consolidation of the all-out, pell-mell rush to pour more and more resources into this immensely complex project. It will force the program managers to make the kind of efficiency choices that are imperative to any well run program. Any experienced businessman will tell you that in times when his business is flooded with success and rapid fire growth, he expands staff without the painstaking concern he should apply to the selection of new personnel. He buys whatever equipment and materials he can get his hands on, cutting quality standards to get production volume. Costs go out of sight. Productivity falls.

And what changes all this? Answer: Hard times. When sales drop, when volume drops efficiency begins. The business manager has to lay off personnel. He has to ration his equipment purchases. He only buys equipment that will pay for itself promptly, and pay for itself even if prices fall. He has to cut inventory. So what happens to his operation? Inefficiencies disappear. Productivity sharply improves. Costs fall. An extravagant, fat, sloppy operation becomes lean and tough and efficient. Any experienced business man who has been through periods of boom and recession will tell you that a recession greatly increases the efficiency of his business. This free enterprise system of ours has suffered through many a depression and recession. No one likes it. But there is no element of our system that has suffered greater blame and brought more unrecognized strength and efficiency and long time success than the discipline forced by economic adversity.

Now, Mr. President, this Senator is not calling for adversity for the strategic defense initiative. This amendment would not bring even a momentary reduction in funding. The pending amendment will permit the program to continue to grow. In 1987 it will be one of the few programs that will grow faster than inflation. But the rapid fire, anything—goes growth that featured SDI in the past 2 or 3 years will slow down. Mr. President, I predict that if this amendment is enacted the efficiency of the SDI Program will greatly improve. SDI managers will still operate what will be far and away the biggest research program in the Defense Department. They will be able to command the resources of our commercial and university research laboratories as well as the great Government research laboratories, as no other military program can. SDI funding will not decrease. It will increase. More of our scientific genius than ever will go into this program even with the Johnston amendment. But it will not rush ahead at such a grossly inefficient pace. It will not rob other essential military programs of so much of the technological expertise they must have to maintain our critical military technological advantage in many other areas over the Soviet Union.

Mr. President, how can we forget that the Congress must operate within the Gramm-Rudman-Hollings restraints? How can we forget that in the 1987 funding year when this authorization will have much of its impact we must cut the deficit $50 or $60 billion to comply with the law that this Congress has passed? What does that mean? That means we must reduce most of our spending programs. So what do we do about the strategic defense initiative? The Johnston amendment is not asking for a reduction in this SDI Program. It is simply asking for a moderate increase.

□ 1550

SDI after 3 years of the most breathtaking increases in any Federal program, military or nonmilitary, is being asked to take a more modest increase, not a cut, a somewhat more modest increase this year. It will make the SDI program far more efficient than it would be if the program continues to rush ahead, and would make a modest and reasonable contribution to a responsible fiscal policy.

Mr. President, I yield the floor.

(Mr. McCONNELL assumed the chair.)

Mr. JOHNSTON. Will the Senator yield for a question?

Mr. PROXMIRE. I am happy to yield.

Mr. JOHNSTON. First, I commend the Senator for an excellent statement, the usual standard which he adheres to in helping this body with facts on any matter. I also commend his excellent staff man, Doug Waller, who has done such excellent work in preparing the staff report, which I consider to be a definitive piece.

I then want to ask the Senator this question: He pointed out the cost of paying for a trillion-dollar program over a 10-year period. I think he stated that the cost of such a program would be about $1,000 per person per year or about $4,000 apiece for a family of four.

The Senator did not add into that cost that $100 billion to $200 billion annual maintenance cost for operating and maintaining the program, did he?

Mr. PROXMIRE. That is absolutely correct. If you add that in, of course, it doubles it, and it is permanent. We go on with that forever and ever.

Mr. JOHNSTON. Nor did he add in the cost of the air defense initiative which might cost, I think Secretary Schlesinger said, a half trillion dollars itself. The Senator did not add in that cost either, did he?

Mr. PROXMIRE. I did not add in that cost.

Mr. JOHNSTON. Would the Senator say that if this program worked and were funded at the levels contemplated, that it might well result in a doubling of the personal income tax or it might indeed require a doubling of the personal income tax? I do not think you could pass such a measure here on the floor of the Senate even if President Reagan were not there to veto such a measure.

But those are the orders of magnitude that we are talking about, are we not, like a doubling of the personal income tax?

Mr. PROXMIRE. The Senator was right. What I was talking about was 1986 dollars. If you allow for inflation, the cost would rise. If you take the cost every year and the cost also of building the SDI system—and frankly I do not think this is an exaggeration at all, but a conservative statement based on all of our experience with new technology—I think the doubling of the personal income tax might very well be the result. I would agree with that.

Mr. JOHNSTON. I thank the Senator very much.

Mr. GORE addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. GORE. Mr. President, I rise in support of the proposed amendment to fund SDI at a combined level for DOD and DOE of $3.24 billion for fiscal year 1987, as contrasted to the $3.95 billion recommended by the Armed Services Committee.

Before speaking to the merits of the amendment, I would like to compliment its sponsor for making possible what I believe is and hope will be seen as an extremely important debate on the floor of the Senate, and, as others have noted, the kind of debate which we should have more frequently in this body; the kind of debate which can help to shape national policy on far-ranging topics like the strategic defense initiative.

I would also like to offer my compliments to the members of the committee for the bill they have brought to the floor, and particularly to the chairman and the ranking minority member for the tremendous amount of work that they and the other members of the committee have put into this bill.

I would also like to compliment them on the changes which have thus far been made on that section of the bill and the report which deal with the strategic defense initiative. I do not think, however, that the changes go far enough. It is for that reason that I am standing to support the proposed amendment. I want to discuss it in some detail in a moment.

I previously have taken the floor on 14 occasions, Mr. President, to deliver speeches on the strategic defense initiative. I think this program is in deep trouble. It is surrounded by confusion on the part of those who have been pushing it forward, and I think that this year's debate is going to play a critical role in shaping the future of this program.

The committee's recommended funding level already represents a view that the administration's call for $4.8 billion is way out in front of the program's real needs and real merits. Indeed, the committee's report language on SDI tells us that the program, as we have known it, no longer enjoys the confidence of a majority of the members of the committee.

A call to place major emphasis on developing defense for U.S. retaliatory forces is a vote of no confidence in the President's stated objective; that is, a nearly perfect defense for the population of the country.

So what we have as of this moment is not one SDI, not two SDI's, but really three competing conceptions of what SDI is all about.

The first conception, as we all know, is the President's vision of a revolutionary system designed to make nuclear weapons impotent and obsolete.

The second version of SDI is an imperfect version of a space-based defense system, totally incapable of defending the population of the United States, but seeking only to add enough uncertainty to Soviet calculations to discourage a first strike. This second version of SDI files under false colors. It pretends to be something that it is not.

Now we have a third version of SDI, one presented with total candor, which I commend, by the Armed Services Committee as a defensive technology specifically adopted to the defense of missiles and command and control centers. Although the committee does not clearly state that this version of SDI would not have space-based components, it would most likely evolve in a way that would rule out space-based elements of the system, simply because a system optimized for the defense of missile silos and command and control centers would most likely be ground based in the long run.

Mr. President, I want to speak a little bit more in a moment about these three different versions of SDI and the implications of each for stability, but the point I want to make at this juncture is that, clearly, the committee's funding recommendation should not be regarded as a precisely calibrated sum appropriate to an agreed objective. Rather, it is a compromise, not fully satisfactory to any party, nor truly reflecting the level of dissatisfaction and doubt within the committee about the program's objectives.

We here, on the floor of the Senate, are able to try again to find a level of funding that more accurately expresses the real needs of this program in its present state of confusion within the administration, and given the strong challenge mounted by the committee itself to its basic premises.

In my opinion, the 3-percent growth rate implied by the figure proposed in the pending amendment expresses where we actually are as of this moment. That is, we are prepared to support SDI research, but uncertain and divided as to where this program is really meant to go. Let us have, instead, a reasonable rate of growth in spending, focused on research and development, and a pause before we make a decision on exactly what architecture is going to be chosen for exactly which of the competing purposes put forward for SDI.

It is a message from the Senate which says, in effect, we are prepared to keep this entire project moving forward as a hedge against Soviet programs, as an incentive to negotiate, and for other reasons, but we want to see it move forward at a measured pace.

That is all the more important, Mr. President, in view of the uncertainty in other areas of nuclear modernization and arms control.

The first line of defense against the vulnerability of land-based missiles, if that is our principal objective, is the Midgetman Program. According to the Senate Armed Services Committee report for this bill:

> The findings that have been reported to the Congress indicate that the small ICBM in hardened mobile launchers will be survivable against current and future Soviet threats.

□ 1600

So if our objective is the survivability of our land-based missiles, we have confirmation from the committee itself that there is another way to achieve that objective. Midgetman, in combination with arms control, is what the overwhelming body of informed opinion in the country sees as a solution to those rancorous issues about stability that have disrupted our country's approach to both arms control and modernization. Yet the administration has allowed that program to drift toward the rocks by first allowing a hundred flowers to bloom when it comes to the missile's design; second, by proposing in Geneva that such missiles be banned altogether. If

Midgetman does not succeed, then the entire future of our land-based missiles would be in doubt. So, too, would be the President's conception of SDI because, under those circumstances, overwhelming pressure will develop to concentrate on a ballistic missile defense for ICBM's and fixed silos.

Until the administration's own priorities in this matter are finally made clear, the objectives of SDI must also be considered unclear. This, again, Mr. President, argues for a funding level in the coming fiscal year which allows for steady work on the basics in SDI, but at a rate which expresses a sense of uncertainty about the future of the program. The proposed funding level of $3.24 billion conveys that sense of where we are.

Mr. President, let me elaborate just a little bit on this problem of defining SDI and relating SDI to our overall objective of stability. Stability is one objective that we can pursue in our strategic policy. It is not the only possible objective and, indeed, we have, at times past, pursued others. Broadly speaking, there are three possible strategic goals. The first is superiority. The second is equality, sometimes described as parity. The third is stability.

Mr. President, for much of the nuclear age's history, we have pursued the goal of superiority. But even President Reagan, in endorsing the platform of the Republican Party, which itself resulted from some thoughtful debate, has excised the goal of superiority from our strategic purposes. It is a wise leader who recognizes, as the President does now, that in the age of the weapons we now have, where each superpower is capable of leapfrogging the other with a new generation of technology and where both superpowers have a sufficient level of nuclear weaponry to completely destroy the other many times over, in that kind of age, the goal of superiority does not make sense.

The second possibility is the goal of equality and, implicitly, we have been pursuing the goal of equality or parity for quite some time. But we have learned, particularly in the wake of the Scowcroft Commission's report, that the goal of equality is by itself not sufficient because, when both arsenals are replete with highly accurate multiple warhead missiles, it is possible for the two superpowers to be in a state of equality and nevertheless have an unstable relationship because equal forces can still confer an advantage to the side which strikes first.

For all those who have said repeatedly that a first strike is so wildly improbable as to be deserving of removal from our calculations about nuclear strategy, I would say that on one level, I agree, but on another level, one must admit that even theoretical first-strike advantages have played an extremely important role in destabilizing the political relationship between ourselves and the Soviet Union and in driving the arms race forward on both sides.

As a result, it seems to me to be vitally important to aim toward the goal of stability defined as follows: Restructure the relationship between the arsenals in a way that removes the ability of either superpower to gain even a theoretical first-strike advantage. How does the SDI program fit into this goal? It depends upon which SDI we are discussing.

The first version of SDI, the one proposed by President Reagan, fits into it in a completely radical way. The President says that we need this new technology to make nuclear weapons themselves impotent and obsolete. Many have said that is a completely impossible goal. Let me also add that the attempt to achieve that goal would itself produce a very destabilizing result.

But let me focus now on the second version of SDI and how it would fit into the pursuit of stability in our national strategy.

The second version of SDI is billed as an effort to complicate Soviet calculations about gaining a first strike advantage. There is a certain amount of "bait and switch" involved in this matter, with some of the advocates of the second version of SDI, of SDI-II, not being candid about their objective. They content themselves to leave the President's definition out before the country because it is more politically popular, because it has a seductive vision of a future that is not burdened with the fear of nuclear destruction, but then they are really pursuing an effort to complicate Soviet first-strike calculations.

What are we to make of the assertion that SDI can play this role? Mr. President, what frustrates some in this debate is that this point has been argued before. There was, on the floor of the Senate, from the year 1969 to the year 1972, a very long, a very spirited, a very meaningful debate about the role of limited defenses in the pursuit of strategic stability. A conclusion was reached during that debate.

The conclusion embodied in the ABM Treaty was as follows: If one superpower tries to complicate the first-strike calculations of the other by deploying a limited defensive system, then the other superpower will feel incredible pressure to overcome that limited defense by greatly increasing the number of offensive missiles targeted upon the offensive forces of that nation deploying limited defenses. The result is a double arms race, an arms race in offensive missiles and a second arms race in defensive systems. That is the likely result of the second version of SDI. SDI poses a challenge, therefore, to the very concept of deterrence.

The President's version is a radical challenge to the notion of deterrence, a challenge which comes not from the left, which has, on many occasions, said that the whole regime of deterrence is flawed and that what we need is just a unilateral halt to the arms race. The far left has said that. This time, the radical challenge to the concept of deterrence comes from the right with the assertion that once again, an investment of hope in technology will enable us to free ourselves from this burden called the nuclear arms race.

If we pursue instead a strategy designed to remove the fear of a first strike by removing any theoretical advantages that can be gained from a first strike, I believe we have a real hope of not only maintaining deterrence, but creating the conditions which will make possible a dramatic improvement in the relationship between the superpowers.

I would like to say also that the third version of SDI, the one that is promoted by the committee report, is far superior to the second version of SDI that is advocated by such thinkers as Richard Perle in the Pentagon. But the committee's version of SDI also poses problems, in my view, because it could develop, if it is robustly funded for a period of years, into a de facto assault on the ABM Treaty; a sophisticated, well-funded, powerful effort that would have as its major effect the inevitable erosion of the ABM Treaty and what it has meant to the maintenance of deterrence and stability.

One should only consider the committee's version of SDI if an effort to resolve the issue of stability by way of Midgetman and arms control had totally failed, and even then in full recognition that the status quo might be better off for us overall than SDI in any of its versions.

Now let me briefly describe why I believe the combination of Midgetman and arms control is better than SDI. If you take either SDI-II or SDI-III, and look at the principal goal of complicating a Soviet first strike on our land-based missiles, you can measure the success or failure of that effort in terms of the cost-to-attack imposed on the Soviet Union. In other words, how many missile warheads are you going to force the Soviet Union to use in order to target effectively our land-based retaliatory forces.

If a version of SDI is 20 percent effective or 30 percent effective, or 50 percent effective, you can make the calculation of how many extra warheads the Soviet Union will have to use in order to knock out our retaliatory missiles.

Midgetman, combined with a degree of arms control no greater than that which we have now in the unratified, yet still observed SALT II Treaty—Midgetman itself—raises the cost-to-

attack United States retaliatory missiles to a level above the number of warheads now owned by the Soviet Union. So again, if this is our objective, we have a better way to pursue that objective.

But there is a yet more basic question that we have to address and answer before we make a decision about SDI and the appropriate funding levels for SDI, and that is, Do we want arms control with the Soviet Union? What is our goal in our overall relationship with the Soviet Union?

If we believe that our overall goal is to arrive at some modus vivendi, some working relationship that keeps deterrence in place, that recognizes profound differences between our two systems but also recognizes that we have in common an aversion to suicide and we have in common a hope that a better relationship might be arrived at in the future, then arms control is necessary and essential. Some, however—those characterized as ultra-hardliners, some of them in positions of prominent influence within this administration I might say—argue that the only satisfactory conclusion in our competition with the Soviet Union is a dramatic transformation in the nature of the Soviet regime and that our strategy should be to apply as much pressure as possible in hopes of inducing that radical transformation sooner rather than later. It is within the context of that larger goal which one must see the more expansive versions of SDI. It really is an effort to turn up the pressure to as high a level as possible in order to stress the Soviet system, in order to make them buckle under the funding pressure, to fall in the face of the competition.

If one is pursuing that kind of basic goal, one would not be interested in arms control because arms control relieves pressure on them as well as on us, and so it is no accident, Mr. President, that the most enthusiastic supporters of SDI are simultaneously the most vocal critics of any kind of arms control effort. The vote on this amendment is in part a symbolic expression by the Senate on whether or not we want to turn up the dials on SDI as high as it is politically feasible to turn them, in an effort to put as much pressure on the Soviet Union as possible, or whether, instead, we want to have a more reasoned and modulated attempt to answer the research and development questions, pursue the technology and see what its capabilities might be, but do it in a careful way that is not destructive to arms control and not destructive to deterrence, and in a way that leaves open the possibility of improving the relationship between the two superpowers and building a better future.

If we choose the former course of action and discard such arms control constraints as now exist while simultaneously moving forward as quickly as we possibly can with SDI, make no mistake about it, Mr. President, we are sending a very powerful message to the Soviet Union. If we tell them we are not interested in keeping SALT II in place, that we are going to continue to talk in Geneva but we may not be interested in talking about real concessions on SDI, and then at the same time we turn up the funding level as high as we can to build a defensive system capable of complicating their ability to target missiles on ours, the combined message of those two strategies can be summarized in one word—build, build, build, build offensive missiles and deploy them as quickly as you can. That would be the message, that is the message, unless this Senate acts responsibly, as the committee has already begun to do, unless this Senate says, "Turn the dial back a little bit, let's be more reasoned in our approach to this issue."

Now, Mr. President, as I have said, I believe it is critically important to define the focus of SDI. I also believe that it is critically important to look carefully at the role that SDI will play with respect to arms control and with respect to our national security.

I want to make another point right here. The President's vision of a world without nuclear weapons has struck many as wildly implausible. I think it probably is, too. But it is a noble vision. It is one which should not be discarded out of hand.

□ 1620

I also argue, Mr. President, that it is barely conceivable that with arms control accomplishing deep cuts in offensive missiles, at some point in the distant future we might actually be able to reach the kind of relationship that the President's vision outlines. But those who are pushing the second version of SDI ironically reject arms control as a part of the overall strategy. They want no part of arms control. They want just to go forward pell-mell, as quickly as possible, with the technology, even in the absence of arms control.

I want to make special note of the committee's reference to the relationship between SDI and arms control.

Mr. WARNER. Mr. President, will the Senator yield for a question?

Mr. GORE. Let me read one sentence from the report, first, and then I will be delighted to yield.

The committee says on page 182 of the report:

> If we are to capitalize on the historic opportunities in arms control created in part by SDI, we should be prepared to consider adjustments to the pace and scope of SDI if the Soviet Union agrees to significant, stabilizing, and verifiable reductions in strategic offensive forces.

I commend the committee for that statement and commend it to the administration.

I yield for a question.

Mr. WARNER. I thank the Senator.

As I was listening carefully to the Senator's statements, I ran a few calculations. The basic difference between the amendment and where the committee is now is roughly $700 million, which represents a mere 13-percent of the request.

I find it difficult to believe that a simple 13-percent addition in funding would suddenly drive this whole situation into the extremes that my distinguished colleague from Tennessee represented here a few minutes ago. He represents, in essense, that this 13-percent increase would render the whole arms control process a shattering experience and the Soviets would begin to build defensive weapons.

Where is the equation that gives the Senator this foundation to argue that a mere 13 percent would bring about such dire results?

Mr. GORE. I will be glad to respond.

I do not wish to place the entire burden for the impact of SDI on arms control or the strategic relationship between the superpowers at the doorstep of the committee. I realize and recognize that the committee had reduced the outlandish request made by the administration. But in doing so, the committee is adding on a sizable sum to the already large expenditures which were programmed into last year's budget.

I think we have a basic choice in this amendment: Are we going to have modest, reasonable growth of 3 percent above last year's robust spending level, or are we going to go to the maximum level that advocates of SDI believe is feasible, given the constraints of the political and budget processes?

That is why I said earlier, in prefacing my remarks in that portion of my speech, that it was in part a symbolic vote. Are we going to go to the maximum that is militarily and budgetarily possible, or are we going to modulate that increase and hold it to a more reasonable 3-percent increase? I think the message is a very powerful one. Do we go pell-mell as far as we can, or do we hold it back to a 3-percent increase in real spending?

Mr. WARNER. I just draw the simple conclusion that I cannot find any justification for the statement that a mere 13 percent difference between where the Senator from Tennessee is comfortable and the figure of the Armed Services Committee would topple everything into the ditch.

Mr. GORE. I say to the distinguished chairman of the Strategic Subcommittee, whose work I compliment and to whom I am grateful for allowing me to participate in his subcommittee's proceedings on this ques-

tion, that if he sees the difference between the two sums as relatively trivial——

Mr. WARNER. I did not say trivial. I gave the facts.

Mr. GORE [continuing]. That should make it easier for him, and perhaps others, to support the cutback. I do not see it as a trivial difference.

Mr. WARNER. I listened carefully to the Senator from Tennessee. I weigh his remarks with great care, because I think he makes a valuable contribution to these debates. But when I look at the actual figure, just 13 percent in terms of the overall request, and that 13 percent suddenly topples the whole arms control process, versus the Soviets going into a large acceleration of their offensive weapons, I find the logic faulty.

Mr. GORE. I say to my colleague that I think he may be inadvertently setting up a straw man.

I am saying that the overall strategy of SDI over a number of years, funded at robust levels toward deeply confused goals, inconsistent with arms control goals and with the requirements of stability, taken as a whole, threatens the very dire consequences that I have outlined in my remarks.

This particular vote is one of a series of decisions along the way which we have to make in choosing between two courses of action: Either we are going to continue this pell-mell rush toward a radical challenge to a regime of stability, represented by SDI, or we are going to confine the program to more reasonable and rational goals—that is, finding out the capabilities of the technologies involved, research and development of the kind that is consistent with hedging against a Soviet breakout, and giving encouragement to arms control. So I see the decision on this amendment as an important one. But I would not, as the Senator suggests, say that the difference between these two funding levels is, by itself, the difference between two potential outcomes.

Mr. WARNER. I am glad the Senator made that clear, because it is a logical inference one could make when listening to the debate.

So, what the Senator is saying is that if the Senate were to support the position of the 3-percent amendment, there would still have to be other action taken by Congress in order to prevent the dire consequences he portrays.

Mr. GORE. If the Senate chose to adopt the pending amendment, it would be a message from the Senate that we are prepared to see research on SDI go forward at a reasonable pace, and it would send a message that in subsequent years we are going to apply similar scrutiny to the budget requested for SDI, and we are going to look very carefully at its impact on stability and totals.

By contrast, if the amendment failed, the Senate, and Congress as a whole, may not send this message at the end of the process; but the Senate would be saying that we have a thin majority in favor of turning up the dial for SDI as high as we can, given the constraints of the political process, and as soon as we find a way to remove those political constraints, we are going to go even higher and spend the maximum amount possible.

While the difference between the amount in the amendment and the amount recommended by the committee may not seem large to the Senator, it is in fact over $700 million.

Mr. WARNER. I gave the figures. I do not quantify it as large or small. I simply gave the percentage. I pointed out, as I listened to the Senator's points, that 13 percent would topple everything. I think the Senator has now made it clear that this would just be one in a series of actions, if Congress desired, which would be required for the results to come about which the Senator has portrayed.

Mr. GORE. I was just about to address the Nitze criteria. I know that the Senator is quite familiar with them. I know that the Senator was present and chairing the session when I entered into a colloquy with Assistant Secretary Richard Perle about the criterion of cost effectiveness.

□ 1630

Ambassador Paul Nitze, perhaps the most distinguished strategic thinker in this administration, has said we should not go forward with SDI unless it proves to be cost-effective at the margin. I take that to mean unless it is cheaper to deploy an increment of defense than it is to deploy an increment of offense necessary to overwhelm that increment of defense.

I used in my questioning of Secretary Perle a hypothetical example and said "If the Soviet Union could overwhelm SDI by spending 80 percent as much as we had spent to deploy SDI in the first place, would you agree that we should not go forward with it under those circumstances?"

His response, as the transcript will show, was yes, we should go forward notwithstanding the fact they could moot it and overwhelm it by spending only 80 percent as much.

Would the chairman of the Strategic Subcommittee agree with Secretary Perle's response to that hypothetical?

Mr. WARNER. I do not have a specific recollection of the Perle response. I do, however, have a specific recollection of Ambassador Nitze's criteria, and I fully support his logic and reasoning as applied to the SDI program.

I still believe that there is fundamental advantage to this Nation to have research being perfomed on capabilities to incorporate in our deterrence a measure of defense against incoming ballistic missiles. Whether that is cost-effective and on the margin remains to be seen, and we really cannot make that determination until a considerable amount of research is to be completed in the future. Whether it is 80 percent, 90 percent, I would subscribe that Mr. Nitze's formula said it should be a tradeoff, which means just as much to have offense as it would to have defense.

Mr. GORE. So the Senator would agree that it should be cheaper to deploy a defense than for deploying an offensive countermeasure capable of overwhelming that defense.

Mr. WARNER. It should be no more expensive to have a defense than it would to create an offense to overcome it. That is the optimum.

Again, we may have to pay a penalty in early stages of SDI where SDI could be projected to be somewhat more expensive than the offense because it is the initial stages, and as the Senator recognizes any new program on the beginning of the learning curve is often more expensive than it is as time passes and we are more skillful as to how to develop the systems.

Mr. GORE. So how does that leave us then on the question of cost effectiveness? Should it be viewed as a bar to the deployment if it is cheaper to overwhelm an SDI defense with an offensive increment or not?

Mr. WARNER. I think we should remain for the present time on the Nitze formula, and it should be at the margin, be hopefully equal and not greater.

Mr. GORE. If it is cheaper to overwhelm a defensive deployment in the early stages of that deployment, does the Senator entertain any doubt whatsoever that the Soviet Union would in fact deploy additional offensive missiles and moot the defensive installation report?

Mr. WARNER. I do not think this Senator or any other can opine or project with accuracy what the Soviets may or may not do. I am hopeful this matter will be resolved in forthcoming arms control talks and we will reach an understanding as to what can be done within the ABM Treaty and both sides will settle down and sign an agreement which will bring about the stability that both the Senator from Tennessee and I, and others, desire.

But in the meantime I just wish to make the point that I felt that the Senator was, if I may say with respect, slightly exaggerating the effect of a 13-percent growth over the 3 percent the amendment has just dumping the ox-cart into the ditch.

Mr. GORE. Let me take the occasion to ask one other question.

Mr. WARNER. I hasten to point out that two of our colleagues are patiently waiting, the Senator from Maryland

and the Senator from Massachusetts. I will be on this floor for the next 3 days—night and day—and I will be more than happy to continue our colloquy at a time which may not be disruptive to our other Senators.

Mr. GORE. I just want to briefly address the other of the two Nitze criteria. I do not think it will take long.

Nitze also says that SDI should not be deployed unless the resulting defensive system is survivable.

Would the Senator also agree with that assertion that it should be survivable?

Mr. WARNER. Again I think the Nitze criteria is a sound formula on which we should proceed. That measure of survivability remains to be seen after we perform the necessary research.

But I represent to the Senator that I stand firmly behind Ambassador Nitze's criteria as it applied to the SDI program but it is difficult to quantify that criteria at this time.

Mr. GORE. I appreciate the Senator's response.

In response to his earlier question, let me just simply reiterate that in offering my analysis of the effect SDI could have on the strategic relationship on stability and on deterrence, I am discussing what I believe the program as a whole is likely to do if it is continued in the fashion outlined in the committee's recommendations to the Senate. The increment of difference in 1 year's funding will, of course, not by itself make all that difference between the two possible outcomes in our strategic relationship with the Soviet Union. But if we make the wrong decision this year, we are setting out on a path that leads to the dire consequences which I believe would follow. If we reject arms control, if we reject deterrence, if we go forward with the maximum funding for SDI that is possible in the current political environment, I think would be a mistake.

Mr. President, let me conclude my remarks here because, as the chairman of the subcommittee has noted, there are others who wish to speak. I do believe that we as a country have arrived at a moment of truth, not just because of this bill which is before us today and the remainder of this week but also because of events that may take place toward the end of this year.

We have the possibility of a second summit meeting in December. We have pending a decision by the President on whether or not we will continue abiding by the restraints of the SALT II Treaty. And we have before us an offer in Geneva, put forward by the Soviet Union, to extend the terms of the ABM Treaty for 15 to 20 years.

What happens in the next 5 months will be of crucial importance to the future of the relationship between the United States and the Soviet Union.

I believe this Senate has a role to play during this crucial moment in our history.

If we as a country fail to take advantage of the opportunities inherent in the current set of circumstances, we risk great damage to whatever domestic consensus remains on strategic policy, we risk great damage to our relationship with our allies in NATO and, beyond, we risk losing one of the best opportunities we have ever had for a dramatic breakthrough in arms control and in the pursuit of strategic stability.

If our objective is stability, and if this Senate wishes to contribute toward the achievement of strategic stability, we will vote for this amendment because a vote for this amendment says we support SDI research, we support an increase above last year's generous funding level, but we have serious questions about the advisability of going full speed ahead in light of all the confusion about SDI goals, in light of all the uncertainties in the relationship between SDI and our national security and in light of the competition for funding for other priorities in the defense bill.

So I will conclude by urging my colleagues in the strongest possible terms to vote for the pending amendment.

Mr. MATHIAS. Mr. President, almost 3½ years have passed since the President gave the "Star Wars" speech that launched the SDI program. But despite the passage of time and the expenditure of billions of dollars, the SDI continues to be a program in search of a clear justification. Indeed, as time goes by, the objective of the program seems to grow more rather than less confused.

The cause of much of the confusion can be traced to the manner in which the star wars decision was made. An article entitled "Out of the Blue—How Star Wars Was Proposed," chronicles the decisionmaking process—or lack thereof—which preceded the star wars speech.

I ask unanimous consent that the text of that article be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the article is printed earlier in today's RECORD.)

Mr. MATHIAS. Mr. President, a major policy shift with long-term implications was unveiled apparently without any extensive deliberation within the administration.

George Keyworth, then Presidential Science Adviser, received 5 days warning of the star wars decision. Secretary of State Shultz learned of the speech just 2 days before it was delivered. Richard Delauer, then Under Secretary of Defense for Research and Engineering, was informed of the speech only the day before it was given. And Ambassador Nitze, whose name has been mentioned by the Senator from Tennessee, learned about the star wars speech 9 hours before it was delivered. As a White House participant in the effort has said, "none of the things you assume would be considered were considered at all."

My purpose here is not to give a detailed review of the history of the star wars decision, but to observe that the decisions we face today are shaped by the decisions of the past. And today we are still suffering the consequences of a decison too hastily made. Over the past 3½ years, the Congress has allowed the star wars budget to triple. Despite this huge infusion of resources, more questions have been raised than answers given. No clear rational for the SDI program has emerged. And I think the debate that we have heard today is an indication of that.

What we have instead is a number of often contradictory rationales that have been made in support of SDI. The President envisions a huge defensive bubble that will replace deterrance by protecting all Americans from a Soviet attack. Other Reagan administration officials concede that a more likely outcome of SDI would be a limited defense that will supposedly enhance deterrance by protecting weapons, not people, from destruction. Some see SDI as a bargaining chip that can be traded for deep cuts in Soviet offensive forces, while others refuse to bargain. Some administration officials have stressed that SDI is a reasearch program, while Secretary Weinberger has testified that he wants to deploy the system. Some believe that strategic defenses are only worthwhile if the Soviets cooperate in a transition toward a "defense dominant world," while others want to push ahead unilaterally regardless of how the Soviets react. Some see SDI as a means to engage the Soviets in a technology race that will drive them to economic ruin, while the President says he wants to share SDI technology with the Russians.

Given these often conflicting rationales and visions that are used to justify the SDI program, the armed services was charitable in concluding that there "continue to be basic disagreements within the administration as to the program goals." That is indeed a most diplomatic understatement. I submit that until we have a clearer understanding of exactly what those goals are, we should not be investing the huge sums requested by the administration or even the somewhat lesser amount recommended by the Armed Services Committee.

Why should we stay the budget ax for this program when so many deserving programs are taking the blows? Why should a program that receive so little scrutiny before it was

launched, receive so much funding now that it is underway? Why is there so much urgency about getting there, when we don't even know where it is we are going?

In posing these questions, I do not mean to suggest that we fund the program at a level consistent with clearly identifiable goals. I think we can all agree, for example, that the United States must continue to do research into strategic defense. That is a program which, as the Senator from Virginia knows, has been ongoing for many, many years; before the beginning of this administration, in fact. Such research is fully consistent with the ABM Treaty and provides a hedge against a Soviet breakout from the treaty. And I fully support funding such an effort. That objective can be comfortably met at a funding level of $3.2 billion. That still represents a 3-percent real increase over last year at a time when most programs are being cut or frozen. Therefore I urge Senators to support the proposed amendment.

CLOTURE MOTION

Mr. WARNER. Mr. President, if the Senator will yield just for a moment, I send to the desk a cloture motion.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on S. 2638, the Department of Defense authorization bill.

Senators Warren Rudman, Barry Goldwater, Slade Gorton, Bob Dole, Pete V. Domenici, Thad Cochran, Dan Quayle, Chic Hecht, James Abdnor, Paul Laxalt, Jake Garn, Pete Wilson, Phil Gramm, J.A. Denton, Don Nickles, Jesse Helms, Ted Stevens, and John Warner.

Mr. JOHNSTON. Will the Senator from Virginia yield for a comment at this time?

Mr. MATHIAS. I believe I have the floor.

Mr. JOHNSTON. Will the Senator from Maryland yield for a comment on this question at this time?

Mr. MATHIAS. I ask unanimous consent that I may yield for a comment without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, on the subject of the cloture motion, it was just filed on the bill itself. That is not a cloture motion on this amendment. I know the Senator did not have reference to this amendment, necessarily, with that cloture motion.

The distinguished Senator from Georgia and I, and the leadership of the Armed Services Committee, have discussed the pending SDI amendment, It is our hope that much or most of the debate can be concluded this afternoon and in the morning hours of tomorrow, so that we could have a vote close to the noon hour, or maybe very shortly thereafter.

I must say that I think the debate thus far has been not only an excellent debate and not one marked by delay at all, but has moved without lost space at all. So I encourage my colleagues that want to speak on this matter to come over this afternoon, if they can, and, if not, we will start, I am sure, fairly early in the morning, probably 9:30 or 10 o'clock in the morning.

Mr. WARNER. Mr. President, the Senator from Louisiana is correct in his representation. Indeed, it has been a good debate and has moved along in a timely and expeditous manner and I anticipate it will go for some time this evening.

It is the hope of the leadership that this debate can continue in the morning at an hour to be established by the leadership, but in all likelihood by 9:30, and that a vote will occur somewhere in midday. I anticipate the leadership will advise us after consultation with the proponents of the amendment and the managers of the bill.

Mr. JOHNSTON. I thank the Senator.

□ 1650

Mr. MATHIAS. Mr. President, at this point I would like to briefly address the policy dilemmas SDI poses for our allies. If the goals of SDI seem obscure to those who formulate U.S. defense policy, imagine the puzzlement of our allies. Despite the far-reaching implication star wars has for the Alliance, none of the allies were consulted in advance. It was that failure in communication that created an immediate confusion, and what I have to conclude is a lingering skepticism. Questions have been raised that remain unanswered. Does star wars reflect the resurgence of a "go it alone," fortress America attitude? Will a defensive shield against nuclear weapons make the world—and Western Europe in particular—safe for conventional war? Will the Soviets respond to SDI by building their own defenses that render the smaller independent arsenals of some of our allies impotent and obsolete? These are just a few of the questions that remain to be answered.

To its credit the administration moved quickly to limit the misunderstandings generated by its star wars surprise and has succeeded in attracting cautious support for the program among some of the allies. But it is important to recognize that whatever support exists has been conditioned on continued U.S. observance of the ABM Treaty. That linkage was clearly expressed in a resolution adopted by the North Atlantic Assembly last October in San Francisco. That is why there was an uproar in the Alliance last October when the administration announced that it has conveniently reinterpreted the ABM Treaty in a way that would allow the United States to fully develop and test a star wars system. I was at the North Atlantic Assembly at the time and the reaction from the allies was heated. It was only after Secretary Shultz came to San Francisco and assured the Assembly that we would continue to conduct the SDI Program in a manner consistent with the traditional interpretation of the ABM Treaty that the allies were ready to accept a resolution that gave conditional support for our research efforts.

The reason for our allies' insistence on continued adherence to the ABM Treaty is simple. They are leery about becoming entangled in a defensive arms race that will provoke a corresponding offensive arms race that will increase superpower tensions—tensions that are often most keenly felt in Europe. If we want the support of our allies in this and other endeavors we must be consistent about our intentions and consult with them at every turn. Policy zig-zags such as the sudden announcement of star wars and the spurious reinterpretation of the ABM Treaty only create resentment and misunderstanding. Now that we have embarked on an SDI Research Program we should proceed at a measured pace within the confines of the traditional interpretation of the ABM Treaty. All our allies understand the need to conduct research on strategic defense as a hedge against Soviet developments in this area. But they fail to see why we must devote huge amounts of money to strategic defense in such a short period of time. The Alliance would be best served by a steady, but measured program. The funding level proposed in this amendment will serve those objectives.

Mr. President, I yield the floor.

Mr. SIMON addressed the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I join in support of this amendment by the distinguished Senator from Louisiana. I commend him for his leadership on this matter. I add I am pleased particularly to be joined by my colleague from Illinois, Senator DIXON, who is a new member of the Armed Services Committee, has been doing solid work there, and who also feels that this amendment makes a great deal of sense.

Let me add the committee itself, the Armed Services Committee, reduced the appropriation from $5.4 to $3.95

billion, which in itself was a significant step. And here I think we have to give credit particularly to Senator SAM NUNN, our colleague, who has been doing exemplary work on that committee.

Let me just take 2 minutes to talk about the big picture, and then just a very few minutes to talk about the importance of this amendment in one specific area. I think we have to be careful when we get into massive allocations of funds. The former Secretary of Defense, Jim Schlesinger, says this is going to cost $700 to $800 billion; the total project, not the research part. Former Secretary of Defense Harold Brown says $1 trillion. The committee of scientists have said $1.3 trillion. I do not know who is right. I do not want to find out. But the costliest project in the history of humanity up to this point is the Interstate Highway System. We have spent on the Interstate Highway System on initial construction—this is not maintenance, but initial construction—$123 billion.

You are talking about something that is many times as costly as the Interstate Highway System. How do we pay for it? My friends, there are only three ways of paying for it. One is you cut back on education programs, other defense programs, farm programs, programs for the Port of New Orleans, programs to help the State of Kentucky, and programs that have an impact on all of our States. That is one possibility. A second possibility is you massively increase taxes, or the third is that we have even greater deficits and runaway inflation. Those are the only three possibilities.

Mr. JOHNSTON. Will the Senator yield?

Mr. SIMON. I am pleased to yield to my colleague.

Mr. JOHNSTON. I wonder if the Senator heard the excellent presentation by Senator PROXMIRE who pointed out that the orders of magnitude we are talking about here would require, if these cost estimates are what we think they are, something like doubling the personal income income tax over a period of many, many years in order to pay for this SDI.

Mr. SIMON. I have great confidence in our colleague from Wisconsin. I have every reason to believe that what he was talking about made sense. But the program does not make sense. What we clearly have to do is to take a look at where we are going.

I heard some discussions about the difference between a defensive and an offensive weapons program. My friends, and my distinguished colleague from Virginia, Senator WARNER, and Senator NUNN know this area much better than I, but it is a very fine line between what is defensive and what is offensive. And if we get into a runaway arms race, what we do know is no one wins. That is why I have appreciated, I might say to my colleague from Virginia, the very practical suggestions that he has made together with Senator NUNN to take some confidence building steps. But I think this SDI thing is not one of those confidence building steps.

A group of scientists, 7,000 of them, have sent a letter to us urging that we adopt this amendment. That includes 16 Nobel laureates. I am pleased to say that scientists at the University of Illinois were the leaders in this. I would like, Mr. President, to ask unanimous consent to enter this letter in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 25, 1986.

DEAR SENATOR SIMON: We are writing as representatives of a large and unprecedented movement of scientists and engineers boycotting the present SDI program. Over 6,900 U.S. academic scientists and engineers have joined the boycott. Our numbers include majorities in 109 relevant research departments. 57% of the total faculty at the Nation's top twenty physics departments have joined. Sixteen active Nobel Laureates are among the signers. A typical boycott pledge is enclosed.

The overriding reason for our boycott is that SDI will increase the chance of nuclear war and will offer only imaginary protection from its consequences. Vulnerable computer-controlled rapid-strike space weapons may be easily used to attack other such systems without warning. They would begin to offer illusory hope of defense against a small, ragged retaliation long before anyone could believe that they could defend against a first strike. Thus they both threaten and invite a first strike. Possession of such space weapons systems by the U.S. and the Soviet Union would inexorably lead to nuclear war.

Given the level of destruction that would be caused by leakage of even a few percent of the warheads, both sides would have little to look forward to but annihilation unless their shields worked almost perfectly. No responsible technical study holds out any hope for such a near-perfect shield.

The fallback defense for Star Wars—that it is a means to enhance deterrence—is in complete contradiction to the scope, pace, and detailed technical content of the program.

Even at the current level, SDI officials are claiming that anything short of a 33% budget increase will fail to meet commitments to dependent contractors. As the program grows, these commitments will only become more irreversible and less tied to the wisdom of the SDI approach. This massive program, aimed at breaking out of all arms control agreements as rapidly as possible, is already precipitating a new arms race, which will then be used to justify both SDI and other offensive weapons programs.

The proposal of 48 Senators to hold SDI to a 3% real funding increase would keep Congressional options open while technical information and strategic arguments are developed and become known to the public. The present committee recommendations for a 24% to 31% budget increase are not justified by the real needs of a research program. These increases reflect a concession to those wishing to use the SDI budget to lock the country into a new and dangerous strategic posture. We understand that Congress this year is not considering actually pulling back from the SDI folly. We urge that you at least do not plunge farther into it.

JOHN KOGUT.
MICHAEL WEISSMAN.
For the Scientists' Boycott of Star Wars.

Mr. SIMON. But one of the points—this is the point I want to touch on very briefly—is we are concentrating research in this SDI area, and inevitably as you concentrate research in one area it draws it away from another.

So both from the viewpoint of defense, I do not think this makes sense, and from the viewpoint of our overall economy it does not make sense. The request for research by the administration, and again it has been cut back, initially made for SDI for this next fiscal year was approximately five times the research request for cancer research. I think we have to be careful that we do not get things out of whack. And I also think we have to be looking at what we are doing to the overall economy.

I just saw the statement—maybe some of you did too in the newspapers last week or maybe the week before—where at MIT one-third of the graduates are going into military research. When they go into military research, that is a drain on our future.

In Japan they are doing some military research but primarily on television sets, refrigerators, and they are doing the research on things that sell. And it should not surprise you that we have the $50-billion-trade deficit with Japan.

□ 1700

I think it is extremely important that we look at this whole matter carefully. We want research. We are going to have to move ahead in research. We are slipping, particularly relative to Japan and West Germany, on nonmilitary research. This is not a criticism of this administration only, because this has been going on for some years.

I think without the adoption of this amendment, we have greater slippage. The amendment offered by my colleague from Louisiana is one that makes eminent good sense. It means that there will be a modest increase in research. Frankly, I think we could even freeze it or even lower it a little and not do any harm to the defense of our country. But certainly this modest request is one that we ought to be able to support.

I commend him. I urge my colleagues to support this amendment.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. SIMON. I am pleased to yield.

Mr. JOHNSTON. I want to congratulate the distinguished Senator from Illinois. He puts his finger on a very critical point. That is the technological slippage of this country in areas other than military. There are

only so many scientists, there is only so much talent, there are only so many dollars. If all those dollars are chasing free electron lasers and battle management systems, we do not have enough left for television sets, artificial intelligence, computers, and all this vast array of technology that we are slipping in. Then, indeed, the trade deficit which the Senator described as $50 billion with Japan—I think the figures have gone up since he last took a fix on that, I think it has gone up significantly——

Mr. SIMON. It was $50 billion last year.

Mr. JOHNSTON. But it continues to go up.

Mr. SIMON. There is no question about it.

Mr. JOHNSTON. If we put all of our eggs in this one basket, or maybe not all of our eggs, we are now spending right now more in SDI research than the whole Department of the Army spends on its research. It is the biggest R&D program in the whole DOD. Yet here the committee, whose rhetoric is perfect, whose definition of the program is perfect, from my standpoint, that is, they say we are not building an astrodome we are doing something less, guarding a breakout by the Soviets, that same committee wants to stack another 28-percent increase in this program on top of an increase which last year I believe was 60 percent. It has averaged a 48-percent increase over the last 3 years, a size of increase we cannot accommodate either with the size of the deficit nor can we accommodate it without exacerbating that problem of the brain drain which we already have.

I congratulate the Senator for bringing out that excellent and very central point in this debate.

Mr. SIMON. I thank my colleague. I would point out one other thing. He mentioned Japan.

It is very interesting that last year Nissan Motors got more patents from the U.S. Patent Office than General Motors and Ford combined. We are winning the war on Star Wars research; we are losing the war on car wars research. We better be paying attention to some of these civilian research areas, not putting too many eggs into one basket, both on the military and on the civilian side. I again commend my colleague.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Mr. President, I thank my colleague for the level of debate on this subject.

Let me say that I am very hopeful for a summit between President Reagan and the leader of the Soviet Union, Mr. Gorbachev. I think the entire world stands waiting for such a meeting. Indeed, the arms talks in Geneva, in my view, have reached the stage where they are waiting for a meeting between the two leaders. All the diplomatic machinery of the world has emphasized that the time is ripe for a summit. One has not yet been arranged.

I think if we trace back over the past few years, the chief reason that the Russians were willing to come to the bargaining table was the existence of something called the Strategic Defense Initiative.

Let me say that I have been somewhat of a skeptic on parts of the SDI, and I still am. I authored a small book, with a foreword by James Schlesinger, in which I stated that Congress ultimately would play the largest role in deciding what becomes of SDI. This debate today illustrates that is indeed true.

An underpinning of this Senator's thinking on SDI is its impact on the ability to get us to another summit. I believe the existence of the SDI caused the Soviets to come back to the bargaining table. There was a time, we will remember, a few years ago, when the Soviet Union refused to sit down with us. This Senator believes that the key reason they did return to the bargaining table was because of the existence of the SDI. The Soviets seem to be afraid of the SDI. Very frankly, I do not think there is as much to it as they seem to think. Maybe there is. But it has been a terrific negotiating tool. The European leaders I have had the privilege of meeting, or reading about, seem to believe that the Soviets are obsessed with the SDI, or that the Soviets believe U.S. scientists will come up with something as they did with nuclear weapons in the 1940's. It is said that Gromyko was a young diplomat here in Washington in the 1940's and has never gotten over the surprise of the United States developing the bomb in the time that we did. They believe that our scientific and intelligence community might come up with something that would be a surprise. Although they are skeptics about it, it has brought them back into the negotiating world. They have sent teams to Paris, they have sent teams to London, talking about it, criticizing it. It has brought them alive in terms of a dialogue on arms, which did not exist before SDI.

So I congratulate President Reagan. I think he is right. I am one who becomes a true believer slowly, but he has done this correctly. He has gotten the Soviets back to the bargaining table. If there is a summit, it should not be from the American President's point of weakness. If he does go to the summit, the strongest card will be the SDI.

Earlier this year the distinguished Senator from Louisiana invited me to sign a letter, and I somewhat reluctantly declined, because I am kind of in between. But I think it is such a trump card for the President of the United States that I am reluctant to vote at this time for what would be perceived as a reduction in funding.

Mr. WARNER. Mr. President, if the distinguished Senator will allow me to inject, I thank him for his very perceptive comments on this subject. As a member of the Foreign Relations Committee, he has followed events with respect to the negotiations in Geneva. I, in my capacity as one of the Members of the Senate in the observation group having gone to Geneva on a number of occasions, and having talked on a firsthand basis with our negotiators working on the arms control program, can say each supports the statements of the Senator from South Dakota. Indeed, the strength with which the Congress of the United States will give to the overall modernization program of strategic deterrence, particularly SDI, threatens their hand at the negotiating table. We are now at a critical point in those negotiations. As I said the other day, it is either go or no go. We have just a short framework of time in which to perfect that foundation on which the summit in December hopefully will take place and a successful summit the next year leading to arms control.

Mr. PRESSLER. My colleague has been chairman of the subcommittee of the Armed Services Committee which has dealt with this. He will recall we had a closed session here in the Senate Chamber. I believe the last closed subject we had was on the subject of SDI. The Senator and I have not always agreed on all amendments to SDI. But I have become a believer in the concept that it is the most central thing in negotiations with the Soviets.

I compliment the Senator from Virginia for his leadership.

Let me conclude, Mr. President, by saying that this particular Senator's position in voting on SDI during this Defense bill will be very much weighted toward the view of encouraging a summit between the President of the United States and Mr. Gorbachev.

□ 1710

It is going to be very much weighted toward what happens or might happen at the arms control talks in Geneva. I have been privileged to be a part of the observers group on one or two occasions. President Reagan has the ability to play a trump card—he is playing it probably better than anybody else has played it. I would not have believed he could play it the way he has been playing it, quite frankly. It proves his judgment is probably better than mine would have been.

He has done an excellent job of using the SDI to bring the Soviets to the bargaining table. I would not want to send him to a meeting with Gorbachev with a signal that his trump card

was being taken away from him at home.

(Mr. BOSCHWITZ assumed the chair.)

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. PRESSLER. Let me compliment my friend from Louisiana, because I have predicted that the fate of SDI would be decided eventually by Congress. I think his work in this area has been very good. I am sorry I was not able to sign his letter, and I am sorry I will not be able to support his amendment. It is only because of the desire for a summit meeting. If it were not for that meeting, I think I would have been on his side.

Mr. JOHNSTON. I think the Senator speaks to what I think is a very salient and important point here. I thank him for elucidating on that Geneva arms talk. But let me speak to the question of the bargaining chip and giving away something in SDI. In other words, giving the President a strong hand to go in and bargain and the question of this amendment are on two totally different tracks.

When the President speaks of bargaining with respect to SDI, he is talking now about a delay between some declaration or notice and the time of deployment. Our administration is talking about 7½ years as one figure for that; the Soviet Union would probably be talking about a longer period of time. But at no point are they talking about bargaining with respect to the level of funding of research. I think the reason for that is that research is really not susceptible of arms control. You cannot measure what research is going on. You can measure generally deployments and weapons tests, but you simply cannot measure how much work is going on in the lab.

What our amendment does by increasing the star wars budget by about $225 million is not to seek to cut back the program; to the contrary, it increases it. It allows for that robust research program. But that is a completely different question from the question of negotiation at Geneva.

The President's hand will be no more weakened by our amendment than it was weakened by the Armed Services Committee amendment. Both amendments have cut the President's request down. The reason we have cut the President's request down is that we believe a crash program to build an astrodome over the United States, a leakproof defense, is not a reasonable goal, certainly in the near term. That is what the Senate Armed Services Committee report explicitly says. We adopt its explicit language.

That in no way takes away from or weakens the President's hand in the negotiation, because the level of funding of research in no event would be the subject of negotiations at Geneva. Rather, it would be the question of testing and deployment and the ABM Treaty.

Mr. PRESSLER. If my colleague will yield, I recall about 2 years ago when my colleague gave a splendid speech on the SDI. The Senator from Louisiana gave an excellent speech raising questions about the SDI. I thought it was one of the best speeches on SDI that I had heard. But would not my colleague agree that the SDI, however flawed it is or whatever it is and however much one might agree with it, has changed the whole negotiating atmosphere with the Soviets? Does my colleague from Louisiana believe that the Soviets would have come back to the bargaining table in Geneva if the SDI had never been thought of or the President had never given his SDI speech or embarked on this research?

Mr. JOHNSTON. I think it is safe to say that the SDI research is a matter of great concern to the Soviet Union, that the idea of a new arms race in space is very disquieting to them and consequently, it will be one of the central issues talked about in the summit and in Geneva. I hope the President is able to talk about some cooling-off period between the time of decision to deploy and the time of actual deployment or some ban on testing or some agreement to stick to the ABM Treaty. But those are the ways in which the SDI will be negotiated. It will not be negotiated on the question of the level of funding.

What I am saying is that the level of funding ought to be an issue that Congress deals with based on our interest. In other words, what is a sustainable level of funding? What is the level of funding which will allow us to accomplish the goals we have in mind; the goals, indeed, which were explicitly set out by the Senate Armed Services Committee?

I think their disposition on the question of these goals is really quite good and I think it sums up very logically what we ought to be doing in SDI. It talks about guarding against the Soviet breakout; it talks about spinoffs from our technology. It is an excellent statement of what we ought to be doing.

The question, I think, presented on this floor is what is the proper level of funding to achieve that goal if we do agree that that is the proper goal of SDI? Both the Senate Armed Services Committee and the Johnston amendment are in no way designed to undercut the President at Geneva or at the summit and, indeed, that is not our purpose at all.

Mr. PRESSLER. If my colleague will yield, as I understand it, the Senate Armed Services Committee came to work with a level in the twenties and the Senator's level is at 3. He would limit it to 3. Is that correct?

Mr. JOHNSTON. Our amendment allows for a 3 percent real increase, which is $225 million. The Senate Armed Services Committee increases it 28 percent, which is an increase of something over $1 billion.

Mr. PRESSLER. So the percentage of one is 28 and the other is 3. My trouble at this time with that level again goes back to the negotiations. Again, this Senator comes at this from maybe a different perspective. I am as skeptical as the Senator from Louisiana expressed, I think 2 years ago or 1½ years ago, when the Senator gave his excellent speech that raised some of the questions again raised today. My problem is the President of the United States is on the verge of going to a summit. Even if we technically are not negotiating this, it would send the wrong signal. Congress ultimately will decide the SDI, even though that may not be the impression one gets from watching TV. Congress ultimately will decide the SDI. It seems to me that the 3-percent amendment would be a signal or, more than a signal, it would be a sign that Congress does not really believe we ultimately will go forward with SDI. It would take away from the President the very strong case he has in talking to the Soviets.

□ 1720

I think the Soviets may be as capable of building the SDI as we are. The negotiating tool is working to some extent. They are back in Geneva. They came back, I think, strictly because the SDI exists. If the summit occurs, the President's strongest hand is going to be played with SDI cards. I wish that there were a level between what the Senator from Louisiana and the Armed Services Committee has advocated, but my thinking is influenced by the negotiating possibilities.

Mr. JOHNSTON. I thank the Senator.

Mr. PRESSLER. Mr. President, I yield the floor.

Mr. WARNER. Mr. President, I see no Member of the Senate seeking recognition.

Mr. JOHNSTON. Mr. President, if there is no Senator seeking recognition, I would simply like to speak for a few moments, while we are waiting for one of our proponents to arrive, about some of the extraordinary difficulties with the technology of the strategic defense initiative.

Mr. President, I have had occasion to have briefings at some of our national labs, particularly at Lawrence Livermore, where the principal research is going on, as well as to read their nonclassified papers and to read a great deal on this subject.

Now, Mr. President, we speak in terms of star wars or SDI as if it will work or it will not work, and really that is not the question because it is a whole collection or array of technologies which may work in some applica-

tions and may not work in other applications. But I think we ought to keep in mind the order of magnitude of the problem that we are having to solve.

What they tell us, Mr. President, is that if you are going to have even a 90-percent effective SDI, which allows for a leak-through of hundreds of nuclear weapons, the key is to get the rockets in their boost phase and if you do not get the rockets in their boost phase when they have that bright signature, that strong heat and light which is easily discernible from an orbiting satellite, then you only get a relatively small proportion of the weapons.

Now, in order to get them at their boost phase, Mr. President, you must have really one of two things. You must have either an orbiting satellite or a pop-up satellite, both of which have their own particular problems. In order for an orbiting satellite to be able to get a rocket in its boost phase, Mr. President, if you have those which are fairly close to the ground, that is, at a low altitude of orbit, you must have a great many of those orbiting satellites. If you are talking about, say, a 200-mile elevation above the Earth, which is a fairly low orbit, then you would have to have literally hundreds, perhaps thousands, of orbiting satellites in order to have enough over the target at the time when the rocket boosts off, because obviously the lower the altitude the higher the number of orbiting statellites that would be required. Most experts reject the idea that we would be able to afford having hundreds or thousands of orbiting satellites, each armed with its own weapon, in order to knock down these satellites.

So, Mr. President, what they tell us is that you would probably require satellites of a higher orbit so that you could have fewer of those satellites orbiting.

Now, the problem with going to a higher orbit, Mr. President, is that as a laser beam is propagated over a period of many hundreds of miles, it suffers from a scientific phenomenon known as diffusion, and the further away you get the beam tends to spread out. Now, to be sure, there is better coherence in a laser beam than in any other form of light since before the laser beam was invented. Nevertheless, there is a great deal of diffusion of that beam as it goes over a certain distance. The longer the distance, the more power the laser beam must have. They are able to measure, Mr. President, the electric power that is necessary to propagate a beam of given intensity, and when they measure the requirements in terms of electricity, that translates into brightness, that translates into the distance it will propagate a given amount of energy.

Now, the problem is, Mr. President, that as you go higher, you have fewer of these orbiting satellites but you must have a greater amount of power. They have not yet invented a directed energy beam which can yet be used. A number are being looked at—the free electron laser is a source of a great deal of study; the excimer laser is hoped to be one that will be promising in future years; the neutron particle beam is another one which has its own particular characteristics because it can penetrate through an outer shielding whereas the laser beam must in effect operate on the surface by burning through. But all of these different kinds of lasers, Mr. President, require electric power and a fairly predictable amount of electric power.

Now, what they are talking about in terms of magnitude is if you are going to reduce the number of orbiting satellites to deal with the boost phase and if you hope to have as few as perhaps 20 to 40 orbiting satellites, then the order of magnitude required for electric power is 100 to 200 megawatts. Mr. President, we have never produced an orbiting satellite with a powerplant that has one-thousandth of that power, not one ten-thousandth of that power. We have, in fact, and the Soviets have, in fact, put nuclear powerplants in space but they are nuclear powerplants that produce energy in terms of kilowatts, not in terms of megawatts.

Now, to be sure, there are specific problems in having orbiting nuclear powerplants. One of the problems is pollution. We all remember when the Russian nuclear powerplant unexpectedly crashed in Canada, spewing nuclear debris over a large area of land. Luckily, it was in the far north of Canada, uninhabited, but that was a very small powerplant. I do not believe that the No. 1 problem of having these huge nuclear powerplants in space is pollution, but anyone who thinks that a 100- to 200-megawatt nuclear powerplant is a small concern in terms of the Chernobyl effect has not bothered to look at the amount of fissionable products that would be required to be put in space.

The principal problem I think—I say the principal problem. At this point, one of the almost insurmountable problems is how you get a powerplant with 100 or 200 megawatts in space. Even if it is going to work, even if you can manage it, even if you can direct its beam, the size of that is monumental. We already know what difficulties we are having with our space shuttle in lifting things into orbit. Why, the space shuttle, Mr. President, could not lift one-tenth, probably not one-hundredth of the amount of weight it would take to get a powerplant this size up in space.

It would take probably—well, we know it would take some new kind of technology—probably the new Orient Express. The President spoke in one of his speeches before the Congress about the Orient Express, saying we are going to have this new technology that would get us to Tokyo in 30 minutes, or whatever it was. Well, the real thrust for research in the Orient Express is to deal with this question of the need of being able to lift huge amounts of weight into space at a more reasonable cost.

□ 1730

On a per pound basis, Mr. President, it would probably cost hundreds of billions of dollars to lift these kinds of satellites, if they would work, to power these kinds of laser beams.

Mr. President, assume that you could get the satellite up. Assume that you envision the Orient Express, some huge monolith of a space glider that can be lifted off at reasonable expense and developed in budgetary frameworks which would be reasonable, which is almost preposterous on its face. Once you get it up there, how do you defend it? The answer is, there is no known technology; there is no known way to defend these huge plants. You would have to make yourself into a whole battle station itself.

What do you do about space mines? Let us say there is a nuclear powerplant powering the free electron laser that costs billions of dollars to put into space. A small space mine—that is, an orbiting satellite with a very small nuclear device, rather cheap—could trail that and be ready to explode on a moment's notice; or, for that matter, it could be operating in a counterorbit, so that it comes by that nuclear powerplant every so many minutes.

Just how do you defend against those things, Mr. President? Nobody knows. The scientists at Lawrence Livermore have written about the fact that this is a virtually insoluble problem. Indeed, some of the scientists at Livermore have gone so far as to say that you cannot solve the problem of space mines or of defense of your own SDI satellites unless you have a treaty with the Soviet Union which establishes rules of the road.

Can you imagine the Soviet Union, which abominate star wars, entering into a treaty with us and saying, "We won't shoot your satellites down"? That is precisely what some of the most distinguished scientists at Livermore tells us. All of them say that there is no technology on the horizon at this point to defend against attacks upon your orbiting satellites.

If you can get the satellite up, 100 or 200 megawatts, if you are pursuing the laser technology—that is not the only technology, but that seems to be the principal technology—if you get it up there and can defend it, which is very much subject to debate, then you have the question of battle management.

How do you pick out the ICBM's as they are coming over? How do you discriminate between that which is a satellite and that which is a decoy? We are told that each ICBM coming over from the Soviet Union could have tens or maybe even hundreds of decoys. In other words, once it gets into outer space, it could deploy hundreds of small balloons. They think they would probably be made of mylar. But these balloons would not do as balloons do in the atmosphere and be slowed down by the air but, rather, would come out at the same speed as the ICBM's are coming over; and to the radar, they would appear as an ICBM. How do you deal with the problem of determining what you have shot down in the boost phase? How do you distinguish that from an orbiting satellite? How do you battle manage all of this with sensors and radars and computers?

Mr. President, Dr. David Parnas, who was a member of the SDI panel and one of the most distinguished computer experts in the country, says that the real Achilles' heel of the whole system is in the software—that is to say, in the design of computer program that would be sufficient to distinguish between all these orbiting satellites—to track and control all of them as they approach the country.

He says it would take a computer program many, many times—perhaps hundreds of times—more complicated and more difficult than the most difficult computer program which has ever been designed.

There is one thing that the computer tells us, and that is that in any set of software, it never works right the first time. It must be debugged over a long period of time. If you think that debugging is not a problem, look at those of us who deal with the Federal Government and, in effect, write letters to computers; and the computer will come back wrong the first time, wrong the second time, and you feel as though you are not getting through at all.

Mr. President, those are not all the problems of the strategic defense initiative; but while we were waiting for the distinguished Senator from Arkansas to come to the floor, I thought I would mention them. As this debate proceeds, we will talk about other very technical problems of technology with the strategic defense initiative.

Mr. President, if the Senator from Arkansas is ready, I yield the floor.

Mr. BUMPERS. Mr. President, I have watched and listened to the debate this afternoon on this very important amendment by the Senator from Louisiana, Senator JOHNSTON.

I must say I have never heard Senators of this body reflect more genuine concern and thoughtfulness than I have heard reflected this afternoon.

This is indeed an important measure for reasons that go right to the heart of the amendment, and that is how much money are we going to spend on research and, second, is this whole thing a wise course for the future of mankind.

Those are very weighty subjects. We have a tendency in politics to say these things almost cavalierly and whimsically. But in this particular case they are true and I like to believe that there is a very somber and thoughtful attitude in this body about this issue, and the debate this afternoon reflects that this is the case.

We are here to debate today not whether we are going to deploy SDI, not whether or not we think that ultimately this research is going to make such a system feasible.

□ 1750

We are here today simply to debate the amount that we now choose to spend in research on the strategic defense initiative, the size of it and the pace at which we intend to pursue it. Now the size of it is relevant for two reasons. It is relevant because some feel we must go at this on something like a crash basis. But the second issue on this particular problem is, can this money, in plain commonsense terms, be spent wisely at the rate we have been appropriating it?

I am quite sure that some of the things I say here will be repetitious, but for our own edification, for 1984 we appropriated $990 million. That is almost $1 billion and, as W.C. Fields used to say, "That ain't bean bag."

But that was just for openers. For 1985, we increased it to almost $1.4 billion; a 40-percent increase. And for 1986, this year, we increased it to $2.750 billion, a 100-percent increase. And the administration asks in their original budget for a 75-percent increase to $4.8 billion.

I talked not long ago to a physicist, a person who used to be very high-ranking in the Defense Department and a man whose opinions I respect immensely. He said, "Anytime you throw that much money that fast at any project, you can rest assured that a very significant amount of it is going to be wasted."

I do not want to bring up old issues or lance old boils. But when we accelerated our military buildup in this country in 1981 and went from roughly $150 billion a year to $300 billion a year, $9,000 stepladders were absolutely predictable; $7,400 coffeepots, or whatever they were, were absolutely predictable. And that is not to point the finger at anybody. But, as often has been said, to turn a child loose in a department store with a credit card means that some foolish purchases are going to be made.

We have continued for the past 6 years to debate the wrong question on defense, and that is how much money are we going to give this year. Seldom do you hear a generic debate around here about what kind of defense we are going to have. It is always: Will we give 3 percent, 6 percent, or 10 percent in real growth?

Nobody much ever points out the fact that we have only a 50-day supply of ammunition in case of a conflict in Western Europe. Nobody points out that we have a serious shortage of ammunition, rifles, trucks, mortars, howitzers, artillery. It is always, "How much money are we going to give them this year?" And so it is with SDI.

Now there is not a question but that we have and will continue to receive significant technological benefits from this research. Nobody could say with any degree of accuracy what that research would cost if we had simply put out these grants to colleges and universities to find a technology for us. Maybe it is on a scale of 1 to 10. If we would have just given one-tenth of this amount to colleges and universities to find the same kinds of technology they are finding in the development of SDI, we could have done it for 10 percent of what it is costing.

But the Senator from Louisiana is not asking the U.S. Senate to acquiesce in a torpedoing of this research project. Indeed, my guess is that there are 100 Senators who want to continue research in SDI. We are not here to debate that.

We are here to debate whether or not this $225 million increase for 1987 over 1986 is adequate. And I say it is. Those who disagree with it say, "No, we need roughly another $700 million."

Mr. President, I think it would be well for us to reflect for just a moment on what is being done with the money we have already appropriated. Seventy-five percent of the money we appropriated for SDI in 1984 has been obligated and 60 percent of the money has been spent. Now you think about that for a moment. Only 60 percent of the money we appropriated for this 2 years ago has been spent. And in 1985, last year, 93 percent of that money has been obligated but only 58 percent of it has been spent. And believe you me, they have been putting out contracts on a crash basis.

I do not want to denigrate the way they are doing this, but I would say to every college and university president in this country, if you do not have an SDI contract, you better check your hole card. They are putting those things out like you would not believe.

And for 1986, the year we are in right now, 71 percent of the money we gave them for 1986 has been obligated and 5 percent has been spent. Mr. President, we are 2 months from the end of this fiscal year and 5 percent of the $2.750 billion we gave them last year has been spent. And here we stand today debating about whether

we shall give them $3.950 billion next year or $3.250 billion.

Mr. JOHNSTON. Will the Senator yield?

Mr. BUMPERS. I am happy to yield.

Mr. JOHNSTON. I do not know whether the Senator heard me earlier when I quoted from the August 1986 Gerontology News which pointed out that the Institute of Gerontology at the University of Michigan was funded as a part of the new strategic defense initiative to pursue basic research on the biology of aging.

Now, I am glad they are using lasers to help us combat aging. I think now that I am of a certain age I am very glad they are doing that. But I find it a bit strange that they must find the strategic defense initiative as the repository for dollars to work on aging. I think it underscores the Senator's point that they are spreading these dollars around the universities and research projects as if cost were no object.

Mr. BUMPERS. And, indeed, cost has not been an object.

Mr. JOHNSTON. Cost has not been an object, as far as SDI is concerned.

Mr. BUMPERS. I thank the Senator for his comments. I think it would be interesting to look through all of those contracts.

Mr. NUNN. Will the Senator yield briefly?

Mr. BUMPERS. I am happy to yield.

Mr. NUNN. Mr. President, I say to the Senator from Arkansas, as to his admonition to those university presidents who have not gotten an SDI contract to check their hole card, just so the confidence of the Senator from Arkansas in our university presidents will be boosted, I have an article that shows the Pentagon received nearly 1,000 university research initiative proposals, totaling initially $6 billion in research funding over the 3- to 5-year period from 175 universities. So I would say that most of those universities are checking their hole card.

Mr. BUMPERS. I say to the Senator, I just want to know one thing: Is the University of Arkansas on that list?

Mr. NUNN. I do not see it; maybe you had better check.

Mr. BUMPERS. I thank the Senator from Georgia. Mr. President, we are talking about giving another $3.25 billion for 1987, which begins in less than 2 months, when less than 5 percent of the money we gave them last year has been expended.

Now, let me proceed and simply say that I believe the physicist that I talked to, and in whom I have great confidence, gave me good advice when he said that the rate at which we are expending money for SDI guarantees an inefficient use of hundreds of millions of dollars in that program.

□ 1800

So, Mr. President, what the Senator from Louisiana is proposing is eminently sensible. It will redound to the benefit of the taxpayers in this country. I can tell you the difference between these two measures, which is roughly $700 million. Instead of giving contracts to study the aging process in space, the people of my State who are over 65 would like very much to see the copayment on Medicare reduced instead.

(Mr. WILSON assumed the chair.)

Mr. President, to continue on this whole proposition, I want to say that I am open-minded. But so far as I am concerned, the jury is out, and will remain out for a long time. I am talking about probably the next 10 years.

No. 1, the people of this country should not believe that this is going to protect population centers. It was not really designed and the present plan is not to protect population centers though Daniel Graham, General Abrahamson, and perhaps other proponents of this say that can be done. But that was really not the primary reason for the beginning of this program. It was to protect our strategic forces and command and control centers in this country. And should this system protect Alaska and Hawaii? I presume the answer is yes, though it won't be easy when Alaska is almost within rifle shot of the Soviet Union. But I have not heard anybody say that. Should it protect our NATO allies? After all, they have their own nuclear deterrent. We and our NATO allies are all in this boat together. And the linchpin of Soviet foreign policy has always been to drive a wedge between the United States and her NATO partners. And I might also say that the President's decision to scrap SALT II could not have been a greater coup for the Soviet Union in their efforts to drive a wedge between us and our NATO allies because not one single NATO ally agrees with the President in that decision. And it is a very big proposition with them.

So what we are developing here is what the French would call a Maginot Line mentality, not just a technological Maginot Line in space, but a Maginot Line in mentality which keeps cropping up and has throughout our history.

You know the Trojan horse penetrated the Trojan defenses. The fortress at Troy, which the Greeks could not penetrate to rescue Helen of Troy, was penetrated by a simple political trick of building a wooden horse. And you know, Barbara Tuchman, one of the greatest American historians, says beginning with the Trojan war down to Vietnam, for 4,000 years man has been trying to govern himself, and despite saner, clearer voices to the contrary, man keeps doing things against his own best interests.

The wise Trojan citizen Laocoon, said, "Do not open the gate. It is a Greek trick." So they opened the gates, and it was a Greek trick. Eisenhower said do not ever get bogged down in a land war in Asia. So we get bogged down in a land war in Asia, and we are going to continue paying a very heavy price for it for years and years to come. It was a terrible mistake.

So as we continue research on star wars, please, my dear colleagues, keep your options open and your mind open about the desirability of a Maginot Line in the sky because for 4,000 years Maginot Lines have not worked.

Paul Nitze is a truly outstanding scholar in the field of arms control and strategic weaponry, and a man whom I openly confess today that I have just in the past few years developed a grudging admiration for because I have watched him, I have read him, and he continues to make sense. He said do not start into this program unless, No. 1, it is survivable, and, No. 2, that it is cost-effective. Will it be survivable? Well, that will depend on what the Soviet Union does. What if the Soviet Union builds one exactly like it? What if we deploy it and the President or his successor carries on with his promise to share the technology with the Soviet Union which I must say makes about as little sense to me as anything I ever heard.

But if they had the same system, neither system would be survivable. All the apparatus of SDI is just as vulnerable to another system like it as are the missiles it is designed to destroy.

So then you talk about a hairtrigger situation. They have their SDI, we have our SDI, and whoever pushes the red button first and destroys the other SDI system leaves that other nation wide open and vulnerable to attack.

Then Paul Nitze said SDI should be cost effective, which means if the other side can defeat it, destroy it, or overwhelm it for less than it is going to cost us to deploy it, it is not a good proposition. Who could argue with that? One gets the impression that Paul Nitze is saying what all of us ought to be saying, and that is proceed with caution here. Go ahead with the research. It would be naive not to.

But in talking to another arms control expert, I asked the question if you were General Secretary Gorbachev's chief military adviser, and you thought the United States had made an irrevocable decision to not only build but also deploy the star wars system, and General Secretary Gorbachev called you in and says the United States is putting this thing up in space, what is your recommendation? And this expert said that if he were a Soviet adviser, he would say: "I would start building intercontinental bombers on a massive scale.

"No. 2, I would start building missiles with as many warheads on them as I could get on them.

"No. 3, I would put chaff and decoys by the hundreds of thousands on all of our missiles.

"No. 4, I would build cruise missiles on a grand scale, and I would deploy them on surface platforms at sea and put them up and down both coasts of the United States because the cruise missile is not vulnerable to this system. Nor are the bombers."

Finally, this arms control expert told me, you can depress the trajectory on your missiles to keep them from going too far into space and therefore greatly reduce their vulnerability to SDI.

"And, finally," he said, "I would say to Secretary Gorbachev that the Soviet Union would have to entertain the idea of the clandestine introduction of nuclear weapons into the United States." How ominous a thought. You tell me in your wildest imagination what can you think of that would be more destabilizing and which would almost certainly guarantee what Barbara Tuchman called the ultimate march of folly; that is, the nuclear holocaust.

If we cannot keep tons and tons of marijuana from coming into this country, how do we think we could keep a suitcase-sized nuclear weapon out that the Soviet Union chose to put all over the United States to be detonated from space?

That is a horrible thought. But those are just some things that we need to be thinking about, in case the Soviet Union decides that they cannot overwhelm this system, or that we really do have a first-strike on our mind.

And if it is only going to be 90 percent effective, which is the highest range I have heard for the system, if we break out of SALT II and the Soviet Union has 25,000 strategic nuclear warheads by the year 2000, and this system is in place, and it is going to work even though it has never been tested for the first time, which it cannot be, and if it works to the very highest perfection that anybody claims for it, that means 2,500 nuclear warheads are going to penetrate and hit the United States.

□ 1810

That is enough to ruin your whole day. We will have spent a trillion dollars to start the nuclear winter.

That does not count whether this system can deal with decoys—and I have heard reports of millions of decoys the Soviets could put on their missiles. I am not going to conjecture here. Maybe some of this information is classified if we got into it. But I think it is fair to say, because I have seen it in public print, that we are talking about hundreds of thousands of decoys that the Soviet Union could put on their missiles and that does not include 2,500 cruise missiles which the Soviet Union will have by 1995, according to the CIA, with our without SALT II, that are invulnerable to this system. Or all the bombers or all the other things I just discussed which this thing is absolutely inoperative against.

The other thing, which a military adviser might say to Secretary Gorbachev is, "Mr. Secretary, lasers are nothing but an intensive beam of light." It is the same thing that we used to use when we were children in the summertime when we would steal a magnifying glass from our grandmother's house and go out in the sunshine and get a paper and put the magnifier in that hot summer Sun over the paper and watch it catch on fire.

It is the same thing.

So this military adviser to Secretary Gorbachev would explain to him that that is what we are talking about, a ray of light so hot that it will destroy these missiles in what the Senator from Louisiana has called the boost phase or the thrust phase, before they escape from the atmosphere.

He would say then, "Mr. Secretary, I will tell you some things we can do because they are designing a system to destroy our existing missiles."

He would say, "In the future, we can double or even triple the thickness of the skins on our missiles, and that is going to require a lot more energy for the Americans' star wars system to destroy our missiles. No. 2, we can rifle our missiles. Instead of having our gyros keyed so that the missile just goes straight up, we can fix our gyros so that when that missile takes off, it will slowly rotate. With a rotating missile, with a skin two, three or four times thicker than they are right now, the Americans will have to have a lot more energy for their system to work."

You know, a couple of years ago, the Union of Concerned Scientists said one of these systems—and it is very technical; I do not know why it is—could require as much as a 65-percent increase in the electrical generating capacity that exists in the country right now. Can you imagine us building that much energy in this country and keeping it operating for 24 hours a day so that it could be in use for that 2½ minutes for the ultimate day that it may have to be used?

The people in my State think utility bills are high now. As taxpayers, they will be paying a pretty hefty utility bill to keep that system in operation.

So, Mr. President, the head of the French Atomic Energy Commission, Jacques Chevalier, has said that SDI can be overcome at low cost "by diversionary tactics and penetration aids, varying the trajectories of the missiles and through improved warheards." He said that SDI was more pernicious than France's failed Maginot Line. And 3 months later, the French Ministry of Defense, in a study done on their options for responding to a Soviet SDI to maintain the French offensive deterrent, concluded that "Properly conducted, such a countermeasures planning effort should allow us"—referring to the French—"to maintain in the foreseeable future the credibility of our deterrence force in the face of improved antimissile defense systems or radically new systems which we can envision today."

They concluded that even a medium-power like France could probably acquire the means to partially neutralize a space defense system sufficiently to ensure the penetration of its ballistic missiles.

Mr. President, we are all here today to debate how much money we are going to spend on research, and we should bear in mind that there have been times in the past when rational voices were drowned out by a thundering herd instinct.

There is not any question that the test which Secretary Weinberger proudly displayed on the evening news a few weeks ago turned a lot of heads. But, you know, those of us who have served on the Armed Services Committee have gone out to the desert and watched one of our antiaircraft missiles fire at a target when the engineers knew precisely when it would be fired and at what altitude it was at and it was easily destroyed. Those tests almost always are successful, a particularly when there are a couple of Senators watching.

But, you know, it has not been too many years ago when we were testing the experimental Nike-Zeus missile defense system. The Senator from Virginia remembers well the Nike Zeus system, and it had 10 successes out of 14 tests, and there was a clamor in this country to build that system.

But saner heads prevailed and we did not do it because the tests were almost meaningless. They were totally unrealistic. Then we opted for the Safeguard system. I guess that was in North Dakota. The Spartan-Sprint missile defense system was decided by one vote in 1969 in the U.S. Senate to embark on a $6 billion antiballistic missile system—one vote, though a lot of people stood here and said "This system will be obsolete before it is built."

I came to the Senate in 1975 and one of the first votes I cast was to dismantle that system almost immediately upon its completion because it was ineffective. The only problem was $6 billion was gone.

In 1983, pursuant to the Scowcroft Commission, this body voted I guess it was about 54 to 44 to build 100 MX

missiles. I am happy to say I was on the losing side. It never made any sense to put an expensive missile in a static, fixed-based silo.

And last year, to the external credit of this body, I believe 78 Senators said, "This was a mistake." And we said in the Senate, "Only 50 and no more." Finally, both bodies said, "Fifty and no more."

The only problem is, as is wont to be said around here, the cost per copy was about 80 percent more by just building 50 than it would have been if we built 100. But I was happy to help stop a system that should never have been built in the first place. It was and is a fine missile, but a terrible way to base it. Think of the money that was wasted, though there were 44 Senators saying "This is a mistake" in the beginning and, "Let us not do it."

Mr. President, these are weighty times. They only deal with the fate of man, whether he is going to survive or not; whether civilization is going to survive.

Some people sit around waiting for the depression and the economic apocalypse. Others sit around waiting for the United States and the Soviet Union to blow this planet apart.

Our job, dear colleagues, is to make sure that neither one of those things happen.

Mr. President, I yield the floor.

Mr. WARNER. Before the distinguished Senator departs I wonder if he might go back into history and think in terms of the Safeguard system and how that system led the Soviets to negotiate the ABM Treaty, one of the most valuable pillars we have in the arms control arrangements today.

Mr. BUMPERS. I will say to the Senator that it was my understanding that under the ABM Treaty as it was originally agreed to both sides were originally entitled to two antiballistic missile systems.

Mr. WARNER. That is correct. We dropped one.

Mr. BUMPERS. We dropped our one. We built ours in North Dakota, the one I alluded to a moment ago. They still have theirs around Moscow, although nobody doubts we still have the ability to incinerate Moscow.

If I were an adviser to Secretary Gorbachev, I would say, "You sure do waste a lot of money on antiaircraft defenses." They have spent hundreds of billions of dollars on air defense and it hasn't done them any good. Right now they are trying to figure out some way to defeat the B-1B and the Stealth bomber.

□ 1820

And they are trying to complete an absolutely impenetrable defense. And you know something? They cannot do it. They never will be able to do it despite spending hundreds of billions. Yet for reasons best known to them, they continue to use an unreasonable amount of their resources building an air defense system that can never defeat us. So while we opted, under the ABM treaty, for one system, we had the good sense to know that it was not going to work and we have dismantled it almost from the day it was completed. Only we are $6 billion poorer.

Mr. President, I might say that I have never heard the President say this was a bargaining chip that he is willing to bargain away. He said this is something we need to make nuclear war impossible. And I must say, that is a strange piece of logic to me.

Mr. President, I yield the floor.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. First, I ask unanimous consent that Senators STAFFORD, BUMPERS, and LEVIN be added as original cosponsors of the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, before I begin—and I expect my statement might take 15 or 20 minutes—I want to congratulate Senators NUNN and WARNER of the committee on the direction they have taken us relative to SDI. They have reduced the request of the President significantly—not enough for my taste, because I am a cosponsor of this amendment, but the request of the President has been reduced. It was an outlandishly large increase he requested. Even more important, under the leadership of Senators NUNN and COHEN, particularly, the effort has been made to recast this program into something which is more realistic and something which is far more achievable than the rhetoric of the President would suggest.

While the committee has made some reduction in this program, it has not gone far enough. This program needs a modest increase and the only way that one could say that the committee recommendation is modest is by comparison to the original request. The issue that this country will soon face, probably before the end of this decade, is whether to continue to abide by the ABM Treaty restrictions which prohibit the testing and development of space-based, air-based, sea-based, and mobile land-based components of a ballistic missile defense.

Some who believe that the ABM Treaty has served us well—and I believe that is the majority of Americans and the majority of our constituents—are aware of the fact that research is permitted under the ABM Treaty and that the SDI Program is still in the research phase and does not yet involve such components. But we also know that the administration intends to get to the testing and development stages just as quickly as it can. The Congress has wisely been reluctant to tear up the ABM Treaty and its restrictions on defensive systems. Congress knows the treaty has prevented a defensive arms race—a second arms race which would be just as costly, perhaps even more so, as the arms race in offensive nuclear weapons.

Congress has been reluctant to make a headlong dash to no-man's land, an uncontrolled race to acquire defenses against nuclear weapons, without first knowing what that landscape would look like. Mr. President, it would be simply foolhardy to abrogate or abandon the ABM Treaty without substantial assurances that a world of strategic defenses is indeed a safe world and that we have a clear way of getting to that world.

The administration acts as though the ABM Treaty prohibitions on testing and development are not there. The Senate ratified that treaty and we know those prohibitions are there. Only by ignoring the ABM Treaty can we confront the Soviets with a unilateral development and deployment of defensive systems.

What would the United States do if we were confronted by such a development; listen to what Caspar Weinberger says we would do. He wrote:

> Even a probable territorial defense (by the Soviets) would require us to increase the number of our offensive forces and their ability to penetrated Soviet defenses to assure that our operational plans could be executed.

Mr. President, the headlong rush to develop SDI presents a triple threat to American security. First, it threatens the ABM Treaty, which prohibits such development. Second, it threatens future arms control and the goal of achieving deep cuts in defensive nuclear weapons since the Soviet reaction would be to increase offensive forces in order to overwhelm our defense. And third, most ironically, and perhaps tragically, such a headlong dash to develop SDI threatens the success of SDI itself. That is true because SDI is likely to be feasible only in a world which has effective limits on the number of warheads poised to attack the defensive shield. Without such limits, SDI would face overwhelming saturation attacks. And what an irony. The prospect of unilateral SDI deployment, by threatening arms control and the deep cuts it could achieve in offensive weapons, threatens the success of SDI itself.

Yes, if we move precipitately or unilaterally toward defenses, we are destroying the possibility of achieving them.

The President's course of threatening unilateral deployment of SDI, as represented by his headlong rush to develop it, is more than ironic. It is tragic because the world would indeed be safer if we and the Soviets found a way to move jointly to defensive sys-

tems and away from reliance on offensive nuclear weapons. A course of action which destroys that possibility is one to which we must not contribute.

Let me go back for a moment to the point where I began: the future of the ABM Treaty which is so cast in doubt by the assumptions and rhetoric of the strategic defense initiative.

The strategic defense initiative signals a sudden reversal of the painstakingly forged strategic consensus reflected in the ABM Treaty. This consensus in which the views and voice of this Senate were fully involved, determined that no defense against ballistic missiles should be attempted, not only on technical grounds, but particularly as an acknowledgment of mutual deterrence. And beyond the possibility of dispute, SDI contemplates an antiballistic missile system of precisely the type prohibited by the ABM Treaty.

The ABM Treaty, as amended by its 1974 protocol, restricts deployment of any ABM system to one site only; the SDI is intended to defend more than a single U.S. silo field.

The ABM Treaty bans the development testing or deployment of space-based components, yet the KKV or kinetic kill vehicle is proposed for orbiting battle stations with the specific purpose of attacking warheads in their midcourse trajectory. Air based components are also banned; yet the airborne optical adjunct [AOA], to be tested before the end of this decade if SDIO's plans procede, is a tracking telescope mounted on a jumbo aircraft which will fly over our silo fields and attempt to track incoming MIRV's.

Sea-based ABM components are also banned, yet the pop-up nuclear x-ray laser would in all probability be based on a submarine on station near the Soviet mainland for early booster intercept. And land-based mobile components are also banned, yet the terminal imaging radar, TIR, also part of the SDI office's request this year, will probably be a mobile-based radar to enhance its survivability. And these are just a few specific examples of what a strategic defense would entail. We are clearly threatening an anticipatory breach, of the ABM treaty, to use SALT negotiator Gerard Smith's term.

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The breach may soon be real and not just anticipatory. A variety of field tests contemplated by the SDI office may breach the ABM Treaty, possibly before we are even marginally confident that a strategic defense is at all feasible and possibly before the end of this decade.

Equally distressing, Mr. President, the administration has come forward with a radical new interpretation of well-settled treaty language which it claims is justfied in the secret negotiating record of the ABM Treaty. This cannot help but raise suspicions as to U.S. intentions. Further, it has raised certain suspicions in the Senate, as these secret documents have yet to be released to us, despite repeated requests by many members of the Armed Services Committee.

The essence of the matter is how to read article V of the treaty along with its agreed statement D. Article I of the treaty outlines its general goal, to limit systems to a few sites, and prevent territorial defense. Article II clearly defines what an ABM system is by a functional approach, and adds that such a system currently consists of launchers, radars, and interceptor missiles. Articles III sharply restricts these system deployments to two sites for each party. Article IV limits testing to currently agreed test ranges. Article VI also limits testing and the placement of future radars. So the entire structure of the treaty speaks to a desire to limit to a very few sites ABM deployment, and to limit most testing and future development.

Article V, the critical passage, says: "Each party undertakes not to develop, test or deploy ABM systems or components which are sea-based, air-based, space-based or mobile land-based." What could be more clear, or more clearly consistent with the overall purpose of the ABM Treaty? It was drafted by seasoned professional diplomats and international lawyers. It means what it says. And it does not say "except future systems." That would be a simple thing to add, and they did not do so.

Now, the administration claims agreed statement D has just this effect. This agreed statement says it is added to fulfill the intent of article III, which sharply restricts ABM deployment to two sites. It continues to say that any systems "based on other physical principles" would be subject to discussions of "specific limitations" in the Standing Consultative Commission. Nowhere does this agreed statement D intimate that article V restrictions do not apply to future systems; again, had this been the intent, it surely could have been drafted to indicate this intent. It does not. Clearly, this agreed statement was intended as a simple statement that future systems or exotics could not be deployed, even in a fixed land-based mode, the only mode allowed by articles III and V, without consultations.

This traditional, common sense, plain English reading of the ABM Treaty is amply supported in the ratification record. Let me cite some examples. Senator THURMOND made the following statement during the ratification debate: "It also prevents us from developing new kinds of systems to protect our population. The most promising type appears to be the laser type, based on entirely new principles." And General Palmer, speaking for the Joint Chiefs and responding to a question from Senator Jackson as to what the Chiefs understood when they gave their approval to the treaty, said: "We can look at futuristic systems as long as they are fixed and land based." In a recent House hearing, Ambassador Gerard Smith, our chief negotiator for the ABM Treaty had this to say about the new interpretation: "The puzzling thing * * * is that it bans development of traditional technology but permits development of futuristic technology, and that strikes me as an absurdity." It is an absurdity, but the administration, while insisting it is the legally correct interpretation, won't give us their secret proof.

Mr. President, a number of us are pressing to obtain the documents to which I have referred, including the negotiating record and consultants' reports relative thereto, and I will vigorously support the efforts to amend this bill to force the administration to make those documents available if no agreement is reached relative to the release of those documents to us. It is nothing short of incredible that the administration is taking clear treaty language which prohibits the development of space-based defense systems, has ignored the settled understanding of the parties, and concocts a new interpretation to justify its decision to develop such systems.

Indeed, until last year, the administration itself, in its own arms control impact statement filed with this Congress, said that the ABM Treaty "bans the development, testing, and deployment of all ABM systems and components that are sea-based, air-based, space-based or mobile land-based."

The administration's own statement year after year said that "the ABM Treaty prohibition on development, testing, and deployment of space-based ABM systems or components for such systems applies to directed energy technology or any other technology used for this purpose."

But as I said, even more objectionable than the administration's new interpretation, its sudden new and radical interpretation and departure from past practice and accepted use, is the fact that for months the administration has found excuses to refuse us the negotiating record that it relies on so heavily for that sudden reversal of its own position and the position of prior administrations. That its new position is specious is cogently set forth in a recent article in the Harvard Law Review by Prof. Abram Chayes and Antonia Handler Chayes, which I ask unanimous consent to have printed at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. LEVIN. Mr. President, others who will support this amendment argue that implementation of an SDI program would be on a scale of economic effort nearly unprecedented in our Nation's history. Already the SDI portion of the defense authorization eclipses all other research programs. Mere comparison to the Apollo program or the Manhattan project severely understates the situation. In truth, Mr. President, no credible estimate of total SDI implementation costs can be arrived at on the basis of present knowledge.

Given the central responsibility of Congress for defense spending which is embedded in the Constitution, the authority to raise, support, and maintain our army and navy, we are particularly accountable to the American people to be certain that we do not embark on an open-ended strategic defense program which might bankrupt the Treasury while still not providing an adequate defense. And no deference to the Executive's acknowledged authority in the defense area can acquit us of this fiduciary responsibility to the American people.

The financial costs are immense; at the same time, the aims of this program are contradictory. The administration represents to the American people that the eventual goal of SDI is population defense. Witness the President's initial pledge to make nuclear weapons "impotent and obsolete." Defense Secretary Weinberger reiterated this population defense rationale only a few months ago. But the community of experts, including the majority of the Senate Armed Services Committee, says that SDI is more realistically acknowledged as a potential silo defense project as a way of enhancing deterrence.

The administration argues that SDI is a mere research endeavor at this juncture, and who can possibly be opposed to research, that native American genius? Yet all of us realize that this applied as opposed to basic research is directed toward a specific decision and that the imperatives of defense politics may well convert a decision about actual SDI implementation into an agonizing incremental commitment of the very sort our Nation has learned to beware of.

A large increase in SDI is more than a headlong plunge into wasteful spending for an uncertain system. A large increase represents a huge increased investment in a project whose parameters are unknown. A large increase in this bill still reflects some of the thinking that security for the United States will come from new nuclear weapons technology, whereas the world surely knows by now that the response to new technology is newer technology.

I am one who believes that a modest research program in SDI makes sense as a hedge against a Soviet breakout from the ABM Treaty and because we may some day want to move jointly with the Soviets away from the regime of mutual terror based on massive retaliatory strikes.

But that research must be done in a sensible and a moderate way. It is a mistake to put massive resources in SDI because of the uncertainty that we will never be able to move mutually to defense systems, because such expenditures drain billions of dollars from other needed programs and because large increases in this program reflect or presume or communicate a likelihood that we will develop or deploy SDI unilaterally.

Again, the prospect of our unilateral deployment of SDI would result in the Soviets increasing the numbers of their offensive weapons in order to overwhelm our defense, thereby destroying any hope for negotiating deep cuts in nuclear weapons stockpiles and dashing any hope for the success of SDI itself.

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The move to defensive systems is potentially too important to world security to jeopardize it with false assumptions and overblown rhetoric. Like it or not, we cannot unilaterally achieve security in a nuclear world. The Soviets will not let us, just as we will not let them. The level of funding sought for this system shows that we are still ignoring that sad fact of life.

I share the dream of President Reagan of a nuclear weapons-free world, and I also believe that systems to defend against incoming nuclear missiles might someday help us achieve a nuclear-free world, provided—and this is a key proviso—that we and the Soviets move simultaneously to develop such systems.

The alternative which the administration offers to a modest research program is a headlong rush to unilateral development, a commitment to untold financial outlays, and a journey into the highly uncertain world of unconstrained offensive and defensive strategic deployments. Such a journey would only be begun by the formal or per se abrogation of a bulwark of arms control, the ABM treaty. No one in the administration can tell us where that path might ultimately lead. Somewhere ages and ages hence, I am firmly convinced we will all heave a long, grateful sigh of relief, if this road of unilateral reliance on speculative technologies and high-technology hubris remains a road not taken.

EXHIBIT 1

[Commentaries]

TESTING AND DEVELOPMENT OF "EXOTIC" SYSTEMS UNDER THE ABM TREATY: THE GREAT REINTERPRETATION CAPER

(By Abram Chayes and Antonia Handler Chayes)

In October 1985, the Reagan Administration proposed a sweeping new interpretation of the Treaty between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems (the ABM Treaty).[1] Under this new dispensation, the ABM Treaty would permit the development and testing of anti-ballistic missile weapons based in space and using lasers, particle beams, and other novel technologies. The new interpretation is directly contrary to the position taken by the United States since 1972, when the Treaty was signed.

The issue is not simply a lawyer's quarrel or an academic exercise in textual analysis. The ABM Treaty is the only bilateral arms control agreement in full force and effect between the two superpowers. It is central to the present strategic arms control regime. Its demise would end the era of arms limitation by agreement, for if this treaty collapses, it is hard to see why either country would want to enter another one.

The new interpretation must be seen in the context of President Reagan's Strategic Defense Initiative (SDI). On March 23, 1983, the President launched this new program, challenging American science and technology to devise a defensive shield that would protect the nation against strategic nuclear missiles—that would render such weapons "impotent and obsolete."[2] Until October 1985, the SDI had been defended by government lawyers on the ground that it was confined to "research," which is not prohibited by the Treaty.[3] The proposed reinterpretation would insulate SDI from the ban of the Treaty beyond the research phase, through the stages of development and testing. The Treaty would by this interpretation prohibit only the actual deployment of a space-based system. Such a reading is a gross distortion of both the language and purpose of the Treaty.

I. THE TREATY TEXT

It should be said at the outset that realization of the goal set by President Reagan is prohibited by the Treaty. In article I(2), "Each Party undertakes not to deploy ABM systems for a defense of the territory of its country and not to provide a base for such a defense . . . ." Indeed, the basic purpose of the Treaty is to prevent the parties from ever acquiring the capability to establish the nationwide defense against strategic ballistic missiles that the President seeks. The question is how closely a party can approach that goal without fatally rupturing the Treaty.

A. Article II and V

Article V(1) of the Treaty bans the testing, development, and deployment of all ABM systems other than fixed land-based systems. It states: "Each Party undertakes not to develop, test, or deploy ABM systems or components which are sea-based, air-based, space-based, or mobile land-based." The comprehensiveness of this prohibition is confirmed by the equally sweeping definition of ABM systems in article II of the Treaty: "For the purpose of this Treaty an

Footnotes at end of article.

ABM system is a system to counter strategic ballistic missiles or their elements in flight trajectory, *currently* consisting of: (a) ABM interceptor missiles, . . . (b) ABM launchers, . . . ; and (c) ABM radars, . . .".[4]

Despite the clarity of these provisions, the new interpretation asserts that the United States *can* develop and test space-based anti-ballistic missile systems without violating the Treaty provided they are based on "other physical principles"[5] (such as lasers or particle beams) than those employed by the systems in use when the Treaty was concluded in 1972.

By what legerdemain can the straightforward prohibition of article V(1) be converted into a limited ban on development and testing of 1970's technology only? The State Department Legal Adviser sought to accomplish this result by turning the comprehensive definition of ABM systems contained in Article II(1) into a limiting definition, confined to systems comprising the three conventional components: missiles, launchers, and radars. According to the Legal Adviser's testimony: "[Article II] can more reasonably be read to mean that the systems contemplated by the treaty are those that serve the functions described *and* that currently consist of the listed components."[6]

Article II is on its face a *functional* definition. It defines the prohibited systems on the basis of performance, not technology. The word "and" does not appear in the Treaty text. Even if it did, it is hard to see how it would convert the language of subparagraph (a), (b), and (c) into words of limitation. The natural reading of the phrase "currently consisting of" makes the system description that follows illustrative, not limiting.

The legislative history supports this common-sense interpretation. When the ABM Treaty was transmitted by the President to the Senate for advice and consent, it was accompanied by a detailed "Report by Secretary of State Rogers to President Nixon on the Strategic Arms Limitation Agreements."[7] Statements made by the President and his senior officials in presenting the Treaty to the Senate have particular weight on questions of the interpretation of the treaty. The Senate's understanding of the treaty on which it acts depends on the interpretations provided by the President, who negotiated the treaty. Such interpretations are decisive with respect to the obligations assumed by the United States.[8]

The report of Secretary Rogers expressly and unambiguously affirms the functional character of the Article II definition: "Article II(1) defines an ABM system in terms of its *function* as 'a system to counter strategic ballistic missiles or their elements in flight trajectory,' noting that such systems 'currently' consist of ABM interceptor missiles, ABM launchers, and ABM radars."[9] This passage appears at the beginning of the section of the report entitled "*Future ABM Systems,*" and obviously is intended to explain the applicability of the Treaty to such future systems. The quoted passage directly contradicts the contention of the Legal Adviser that the definition is limited to systems using conventional technology. Secretary Rogers' report makes clear that the enumeration of the components is an illustrative reference to systems currently in use, not a limitation of the coverage of the Treaty.

The Legal Adviser is able to adduce no support for his position that article II is a limiting definition, either in the legislative history or in contemporaneous or later accounts by officials associated with the negotiating or ratification process. In fact, as Dr. Raymond Garthoff, the Executive Secretary and a Senior Adviser in the United States delegation that negotiated the Treaty, tells us: "the word "currently" was deliberately inserted into a previously adopted text of Article II at the time agreement was reached on the future systems ban in order to have the very effect of closing a loophole to the ban on futures in both Articles III and V (and several others)."[10]

If the draftsmen had wanted a limiting definition, they had it in the "previously adopted text" to which Dr. Garthoff refers. We know from his account that this penultimate text defined an ABM system as "a system to counter strategic ballistic missiles . . . in flight trajectory, consisting of . . . missiles, . . . launchers, . . . and radars." There could be no conceivable reason for deliberately inserting the word "currently" into that sentence if the intention had been to maintain a limiting definition. As the discussion below of the negotiating history shows, the purpose of this drafting change was to ensure the comprehensive coverage of future systems by means of the definition of the term "ABM systems," instead of dealing with the matter by special language in the substantive provisions of the Treaty, as had been originally sought by the United States.

Once the functional character of the article II definition is established, the reading of article V to ban development and testing of space-based systems using future technology is inescapable. This reading is also fully supported by the legislative history. The Rogers report itself does not state expressly that article V applies to "exotic" as well as conventional systems. But other key administration witnesses testified categorically that it does so apply. Secretary of Defense Laird, for example, in a written response to a question from Senator Goldwater of the Senate Armed Services Committee concerning "development of a boost-phase intercept capability or lasers," replied:

There is . . . a prohibition on the development, testing, or deployment of ABM systems which are space-based, as well as sea-based, air-based, or mobile land-based. The U.S. side understands this prohibition not to apply to basic and advanced research and exploratory development of technology which could be associated with such systems, or their components.

There are no restrictions on the development of lasers for fixed, land-based ABM systems. The sides have agreed, however, that deployment of such systems . . . shall be subject to discussion in accordance with article XIII . . . and agreement in accordance with article XIV . . . .[11]

This is an explicit confirmation by the Secretary of Defense that article V does prohibit development and testing of space-based systems embodying new physical principles, such as lasers. It is not cited by the Legal Adviser in his testimony and memorandum in support of the reinterpretation. Dr. John Foster, Director of Defense Research and Engineering, the official in the Defense Department directly responsible for all research on exotic ABM systems, also confirmed this interpretation of article V.[12]

The Senate fully understood the import of these statements by high-ranking administration witnesses. Senator Thurmond supported the Treaty, but mentioned among his reservations: "It also prevents us from developing new kinds of systems to protect our population. The most promising type appears to be the laser type, based on entirely new principles. Yet we forgo forever the ability to protect our people."[13] Senator Buckley, one of the two who voted against the Treaty, was even more specific: "[A]rticle V of the ABM treaty . . . would have the effect . . . of prohibiting the development and testing of a laser type system based in space . . . . The technological possibility has been formally excluded by this agreement."[14]

There is not a single positive statement in the legislative history interpreting article V as limited to current technology. Secretary Rogers does not mention exotic systems in describing that article, but he does expressly adopt a functional reading of the article II definition of ABM systems. That reading necessarily entails that the ban on development and testing in article V apply comprehensively to all space-based ABM systems, whether composed of 1972-type components or using other physical principles. Witnesses sometimes referred to the ban on deployment of exotic ABM systems without mentioning the limitations on development and testing. But whenever the Senate expressly addressed the issue of future systems, administration witnesses stated unequivocally that such systems were covered by article V.

B. Article III and Agreed Statement D

Although articles II and V are the most directly relevant to the present controversy, two other provisions, article III and Agreed Statement D, are also closely involved. Article III contains the only explicit exception to the Treaty's sweeping prohibitions. It permits deployment of fixed land-based systems at two sites—one around a party's national capital and one at a missile field—and it circumscribes in detail the type and quantity of allowable components.[15] Agreed Statement D is one of a set of Agreed Statements initialed by the heads of the two delegations and appended to the Treaty. The statements were used as a drafting device to clarify specific points or remove possible ambiguities in more general language in the body of the Treaty. They were transmitted to the Senate as part of the Treaty.[16] Agreed Statement D provides:

In order to insure the fulfillment of the obligation not to deploy ABM systems and their components except as provided in Article III of the Treaty, the Parties agree that in the event ABM systems based on other physical principles and including components capable of substituting for ABM interceptor missiles, ABM launchers, or ABM radars are created in the future, specific limitations on such systems and their components would be subject to discussion in accordance with Article XIII [establishing the Standing Consultative Commission] and agreement in accordance with Article XIV [the amending article] of the Treaty.[17]

The Legal Adviser argues that because Agreed Statement D is the only part of the Treaty that specifically mentions future technologies, it must be taken as setting forth the rules that govern their treatment. Thus, as to systems "based on other physical principles," only deployment is prohibited. This argument assumes the validity of the interpretation of article II as a limiting definition, embracing only conventional ABM systems and excluding all exotic systems from the prohibitions on testing and development in article V. The Legal Adviser denies that the prohibition in Agreed Statement D is addressed to fixed land-based systems only: "Nothing in that statement sug-

gests that it applies only to future systems that are fixed land based . . . ." [18]

But the Agreed Statement does indicate that it is confined to fixed land-based systems. The inducing clause recites that its purpose is to "insure the fulfillment of the obligation not to deploy ABM systems and their components except as provided in Article III of the Treaty." And as we have seen, the deployments permitted under article III are fixed land-based systems using 1970s-type technology.[19]

The Legal Adviser would have us believe that the Agreed Statement, tacked on at the end of the Treaty, imposed a new and far-reaching substantive prohibition on the deployment of exotic systems not found elsewhere in the instrument. The statement's role is much more modest, however, and much more appropriate to the character of such statements. As suggested in the inducing clause, it clarifies and strengthens the obligations of article III. In that article, the limits on deployments at the permitted sites are expressed in terms of missiles, launchers, and radars, the components of systems then in use. Because article III begins with an undertaking "not to deploy ABM systems or their components except" as provided in the article, the implication is that only systems using such components, that is, conventional technology, could be deployed. Agreed Statement D makes this implicit limitation explicit by stating expressly that deployment of systems based on exotic technology is prohibited by the obligations undertaken in Article III.

There is a further special reason for a statement emphasizing the prohibition on the development of fixed land-based exotics. As noted above, article III establishes strict limitations on the firepower and targeting capabilities of systems deployed at the permitted ABM sites. These limitations are designed to ensure that deployments at those sites could not function as systems for the defense of national territory or as a base for such systems, in violation of article I. The constraints were expressed in terms of the then-current technology—primarily as quantitative ceilings on the number of missiles, launchers, and radars.[20] These quantitative restrictions would have no meaning in relation to systems "based on other physical principles." If such systems were "created in the future," therefore, the parties would have to discuss how or even whether comparable restrictions on firepower and capability of the new technology could be devised.

Finally, the Legal Adviser's reading of Agreed Statement D makes an absurdity out of the text of the Treaty proper. In his analysis, the body of the Treaty would not prohibit deployment of exotic systems unless they were fixed land-based. But for Agreed Statement D, he says, the Treaty would prohibit deployment of such systems only where conventional deployment was permitted, and allowed deployment in all environments where conventional systems were prohibited. Is it conceivable that a treaty text, hammered out over two years of arduous negotiations and review, would mandate such an absurdly self-contradictory result, to be rescued, and then only partially, by the device of an Agreed Statement, appended at the last moment?

C. The Purpose of the Treaty

The interpretation of solem obligations affecting the security of the United States and the world demands more than playing word games with the text to see what meanings it can be made to bear. The fundamental reason why the reinterpretation of the treaty is unacceptable is that it reflects no intelligible policy or purpose.

The essential assurance each side sought in the ABM Treaty was that the other was not working to achieve an effective territorial defense against ballistic missiles. For this purpose, a simple prohibition on deployments was not enough. If only deployment were prohibited, one side might bring a system through the process of research, development, and testing to the very brink of deployment—and then escape the treaty constraints by withdrawal (permitted on six months notice under article XV(2)) or simply by repudiation.

The United States was particularly concerned to guard against this "breakout" possibility. It sought positive limitations to increase the lead-time between the moment when a party might decide to try for an ABM system and the time when it could achieve one. Expanding this lead-time itself reduced any incentive for noncompliance, because it meant that the United States would have time to respond to a breakout attempt before the Soviets could capitalize on it. Many of the detailed provisions of the Treaty reflect this concern.[21]

There is simply no basis for distinguishing between conventional and exotic technologies in terms of danger of breakout. It would have made no sense at all to spend four years in painful negotiation to ensure against breakout from the Treaty with conventional systems, while at the same time permitting free testing and development of "future" systems, as to which the uncertainties were very much greater, right up to the point of deployment.[22]

Consistent with these interests and concerns, many U.S. officials, as noted below, initially wanted a complete ban on futuristic systems.[23] The bureaucratic muscle of the Army, which had a research and development program for fixed ground-based lasers under way, was strong enough to prevent this comprehensive solution.[24] The final U.S. position reflected an internal compromise: development and testing in the fixed land-based mode but not otherwise, and no deployment at all. According to U.S. participants in the negotiations,[25] that was the position that ultimately prevailed. The limited compromise made sense given the configuration of domestic bureaucratic and political forces. To have accepted a treaty that severely limited conventional technologies but let exotics run free, however, would have negated the very purpose for which the negotiation was begun in the first place.

In summary, the basic aim of the Treaty is to bar defense of the national territories of the parties against strategic ballistic missiles. It thus embodies the strategic theory of mutual deterrence based on assured retaliatory capacity of each side. In addition, it would reduce the impetus for an upward spiral in offensive arms, which was to be controlled by the companion Interim Agreement on the Limitation of Strategic Offensive Arms.[26]

Accordingly, the definition of ABM systems in article II is cast in terms of system function rather than system technology, and covers future as well as "current" systems. It follows that the article V prohibition against testing, development, and deployment of all but fixed land-based systems applies to systems based on exotic as well as 1972-type technologies. The only exception to these prohibitions is the testing and development at agreed test ranges and deployment of fixed land-based systems at two sites (now one), subject to strict quantitative and qualitative limitations, as provided in articles III and IV. The limits in article III refer to missiles, launchers, and radars, thus implicitly confining deployment to systems using conventional technology. Agreed Statement D clarifies article III by making explicit this prohibition against replacing any or all of the permitted deployments by exotic fixed land-based systems, except with the concurrence of the other party.

II. THE NEGOTIATING RECORD

The Legal Adviser asserts that the reinterpretation is supported by the classified negotiating record. "The parties," he says, "did not agree to ban development and testing of such systems or components, whether on land or in space."[27] He contends that although U.S. negotiators tried to obtain a ban on development and testing of future systems, "the record of the negotiations fails to demonstrate that they actually succeeded in achieving their objective . . . [T]hey failed to obtain the ban they sought. . . ."[28] In a recent address to the American Society of International Law, he stated that the Soviets refused to accept language proffered by the American delegation (presumably as a part of what became article V) prohibiting development and testing of "future devices."[29]

Because the record is secret, these statements cannot be directly contradicted. But contemporaneous accounts, the recollections of participants in the negotiations, and on-the-record statements of officials with access to the classified materials provide glimpses of the negotiating history. According to the recollections of Ambassador Gerard C. Smith, the head of the delegation, and other delegation members no longer in government, the Soviets understood and accepted article V as a ban on development and testing of future exotic systems and components.[30]

No doubt there were disagreements between the two sides over language and draftsmanship. Such semantic battles are common in long and hard-fought negotiations. In the end, as Dr. Garthoff stated before the present controversy arose,[31] they were resolved by the insertion of the word "currently" into the definition of ABM systems in article II to ensure that systems using new technologies and composed of different components would be covered by the ban on testing and development in article V.

John Newhouse, in his authoritative book *Cold Dawn*, gives an account of the evolution of the U.S. negotiating position. He tells us that at first U.S. officials favored a complete ban on exotic systems. On July 2, 1971, it was proposed "to ban exotics by specifying that everything not allowed in a SALT agreement was forbidden." [32] The proposal was the subject of debate within the U.S. government. The controversy was resolved by National Security Decision Memorandum 127 that "Banned everything other than research and development on fixed land-based exotics." [33] When the position was presented in Geneva, there was at first some hesitation by the Soviet Union. But, Newhouse relates, "toward the end of January . . . the Soviets accepted the U.S. position on exotic systems." [34]

If, as the Legal Adviser asserts, "the Soviets refused to go along, and no such agreement was reached," [35] established State Department procedures would have required the delegation to send a reporting telegram explicitly stating that they had failed to carry out their instructions on that issue.

Indeed, the delegation could not have agreed to a text that rejected the U.S. position on such an important point without express permission from Washington. Such a telegram would be a part of the negotiating record. The Legal Adviser's theory of an undocumented "failure to agree" is simply implausibe to anyone familiar with State Department procedures.

Moreover, the practice in the SALT I negotiations when the Soviets refused to accept a major U.S. position was not simply to walk away in silence. A special device, the unilateral statement, was used to deal with such situations. These statements acknowledge that the parties have failed to reach agreement on a point of particular interest to the United States and assert in substance that the United States will regard conduct inconsistent with the U.S. position as inconsistent with the agreement.[36]

The unilateral statement technique was used in the Interim Agreement with respect to land-mobile missiles.[37] In that case, the Soviets refused an explicit prohibition on mobility that had been a major U.S. negotiating objective. The unilateral statement put the U.S. position on the public record so that the Soviets would have no doubt about it. If that format was appropriate with respect to the disagreement over land-mobile ICBM launchers, why not as to testing and development of exotic ABM systems?

Finally, the Legal Adviser's reliance on the still-classified negotiating record raises an issue of principle that is not affected by the actual content of that record.[38] Members of the Senate Armed Services Committee have requested access to the negotiating record, so far unsuccessfully.[39] The Senate, under the Constitution, is a full partner in the treaty-making process. Is it consistent with the constitutional structure for the Executive, more than a decade after the Treaty was ratified, to advance an interpretation, based on secret materials that were not before the Senate when it gave its advice and consent and are not now available to it? More broadly, is such a procedure consistent with the requirements of accountability in a democratic polity?

If the Legal Adviser continues to rely for his conclusion on an admittedly arguable reading of the negotiating record, it seems to us that he is under an obligation to make the relevant portions public. If that is impossible because of the requirements of confidentiality in international negotiations, then interpretation of the Treaty must be based solely on the text and the public record.

III. SUBSEQUENT INTERPRETATION

As a matter of United States law and under international canons of construction, consistent interpretation of the meaning of an enactment by the administrative bodies charged with its implementation is entitled to very great weight.[40] The consistent interpretation of article V by U.S. agencies-supports the traditional interpretation.

Each year since 1978, the Arms Control and Disarmament Agency has been required by law to prepare an Arms Control Impact Statement for presentation to Congress.[41] Through fiscal year 1985, each of these statements, without exception, including those prepared by the Reagan Administration, explicitly endorses the traditional interpretation.[42] The latest such statement for fiscal 1985 says: "The ABM Treaty prohibition on development, testing and deployment of space-based ABM systems, or components for such systems, applies to directed energy technology (or any other technology) used for this purpose."[43]

Moreover, the Strategic Defense Initiative Organization (SDIO), the entity in the Department of Defense with responsibility for the conduct of the Star Wars program, has heretofore operated on the assumption that the traditional interpretation of the Treaty applies to the program. In its 1985 report to Congress on the compliance status of the program, it acknowledges that:

The ABM Treaty prohibits the development, testing, and deployment of ABM systems and components that are space-based, air-based, sea-based, or mobile land-based. However, that agreement does permit research short of field testing of a prototype ABM system or component. This is the type of research that will be conducted under the SDI program.[44]

The report then justifies each of the fifteen tests or experiments proposed through fiscal year 1988 as falling into one of three categories, none of which, it contends, are prohibited by the Treaty: (1) "research," (2) development of "subcomponents," or (3) anti-satellite weapons testing.[45] Although these justifications can be challenged on their own terms, there would have been no need whatever for this elaborate legal analysis in the SDIO report if the Legal Adviser's reinterpretation were an accurate statement of the law.

CONCLUSION

A dozen years after the United States undertook in the ABM Treaty "not to deploy ABM systems for a defense of the territory of its country," the current U.S. Administration has decided that it wants to do just that if it can. From this perspective, it is not hard to deduce the origin of the reinterpretation. Although the SDI test program through 1988 might be plausibly defended under the traditional interpretation of the Treaty, subsequent stages cannot. Assistant Secretary of Defense Richard Perle testified before the Subcommittee on Strategic and Theater Nuclear Forces of the Senate Armed Services Committee that we cannot "make an intelligent decision [on whether to develop an SDI system] on the basis of the kind of testing permitted under the restricted [interpretation of the ABM Treaty]."[46] The Administration seeks to escape this difficulty by the simple expedient of reinterpreting the Treaty to read out the constraints, always assumed to be part of the Treaty, on development and testing of space-based exotic systems.

Such a procedure has a number of disturbing implications. Treaties are the supreme law of the land. They are not made by the President alone, but by the President with the advice and consent of the Senate. Although the Executive Branch has always contended that the President can unilaterally terminate a treaty, even the State Department has never argued that he can modify or alter a treaty obligation without the consent of the Senate.[47] Moreover, treaties are not only the law of this land. They also represent a solemn engagement between nations, binding at international law. The terms of that engagement cannot be altered by one of the parties without the consent of the other.

The interpretation of treaties, like the interpretation of statutes and contracts, is the business of lawyers. In our system, lawyers represent clients, and the Canons of Ethics impose an obligation of zealous representation of the client's interest, to the subordination of almost all other considerations.[48] The extent of that obligation has been questioned even in the context of the representation of private clients by private lawyers.[49] But nobody has ever supposed that it applied in anything like its full force to government lawyers. Attorney General William D. Mitchell is reputed to have said, "The government wins when justice is done."

Government lawyers whose field is international law—State Department lawyers—labor under an even heavier constraint. Many of the questions they are asked to consider are nonjusticiable. Their zeal on behalf of their client cannot be reviewed and, if necessary, righted by a neutral tribunal. They have, in a certain sense, the final responsibility for the integrity of the international legal system in which they work.

That responsibility has a special force when the questions at issue implicate arms control treaties. Some significant part of the safety and security of the globe depends on a regime of good faith compliance and action under such treaties, on both sides. It is a fragile skein, easily torn and not quickly mended. To maintain and foster that regime is a prime responsibility of international lawyers, outside of government or in. It is a responsibility equal in dignity to the one we owe our clients. It invokes the highest duty of the lawyer—fidelity to the law itself.

The administration's proposed reinterpretation of the ABM Treaty does not meet these standards.

FOOTNOTES

[1] Treaty between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, May 26, 1972, 23 U.S.T. 3435, T.I.A.S. No. 7503 [hereinafter cited as ABM Treaty]. On October 16, 1985, Robert McFarlane, Assistant to the President for National Security Affairs, said during a television interview: "[The terms of the ABM Treaty] make clear that on research involving new physical concepts, that that activity, as well as testing, as well as development, indeed, are approved and authorized by the treaty. Only deployment is foreclosed. . . ." 85 DEP'T OF STATE BULL. No. 2105, at 32-33 (Dec. 1985). On October 8, 1985, this position was affirmed at a White House background briefing. Wash. Post, Oct. 17, 1985, at A4. But on October 14, 1985, Secretary of State Shultz told a gathering of NATO officials that President Reagan had decided as a matter of policy to abide by the traditional interpretation of the treaty, although the new interpretation was "fully justified." *Id.*

[2] Address of President Reagan to the Nation on Defense and National Security, PUB. PAPERS 437, 443 (Mar. 23, 1983).

[3] DEP'T OF DEFENSE, REPORT TO CONGRESS ON THE STRATEGIC DEFENSE INITIATIVE 1985, app. B.

[4] ABM Treaty, *supra* note 1, art. II, 23 U.S.T. at 3439, T.I.A.S. No. 7503, at 5 (emphasis added).

[5] ABM Treaty, *supra* note 1, Agreed Statement D, 23 U.S.T. at 3456, T.I.A.S. No. 7503, at 22.

[6] ABM *Treaty Interpretation Dispute: Hearing Before the Subcomm. on Arms Control, Int'l Security and Science of the House Comm. on Foreign Aff.*, 99th Cong., 1st Sess. 4, 13 (1985) (statements of Abraham D. Sofaer, Legal Adviser, Department of State) [hereinafter cited as *Hearings on Interpretation*]. Following his testimony, the Legal Adviser presented to the committee a memorandum he had prepared for Ambassador Nitze entitled "Analysis of United States and Soviet Postnegotiation Public Statements Interpreting the ABM Treaty's Application to Future Systems." *Id.* app. 15, at 200 [hereinafter cited as Sofaer Memorandum].

[7] 67 DEP'T OF STATE BULL. 3 (1972) [hereinafter cited as *Report by Secretary of State Rogers*].

[8] *See* RESTATEMENT (REVISED) OF FOREIGN RELATIONS LAW OF THE UNITED STATES §326(1) & comments a & b (Tent. Draft No. 6) (1985).

[9] *Report by Secretary of State Rogers, supra* note 7, at 6 (emphasis added).

[10] INT'L SECURITY, Summer 1977, at 107, 108 (replying to a letter to the editor which commented on an article written by Dr. Garthoff entitled *Negotiating with the Russians: Some Lessons from SALT*, INT'L SECURITY, Spring 1977, at 3).

[11] *Military Implications of the Treaty on Limitations of Anti-Ballistic Missile Systems and the Interim Agreement on Limitation of Strategic Offensive Arms: Hearings before the Senate Comm. on Armed Services*, 92nd Cong., 2nd Sess. 40-41 (1972) [hereinafter cited as *Hearings on Military Implications*]. At the time the Army had a fixed land-based laser research and development program to which it and its supporters in the Senate attached great importance. *See id.* at 30-31. Thus, the colloquy quoted in the text is designed to establish that despite the sweeping prohibitions on testing and deployment of space-based exotics, the Treaty protects the Army program. The reference in the testimony to "basic and advanced research and exploratory development" is to standard Pentagon budget categories and excludes field testing and development.

[12] The following dialogue took place between Dr. Foster and Senator Jackson before the Armed Services Committee:

Senator JACKSON. . . . does the SALT agreement prohibit land-based laser development?

Dr. FOSTER. No sir; it does not. [Deleted.] . . .

Senator JACKSON. . . . Article 5 says each party undertakes not to develop and test or deploy ABM systems or components which are sea based, air based[,] space based or mobile land based.

Dr. FOSTER. Yes sir; I understand. We do not have a program to develop a laser ABM system.

Senator JACKSON. If it is sea based, air based, space based, or mobile land based. If it is a fixed land-based ABM system, it is permitted; am I not correct.

Dr. FOSTER. That is right.

Hearings on Military Implications, supra note 11, at 274-75.

[13] 118 CONG. REC. 26,700 (1972).

[14] *Id.* at 26,703.

[15] The number of permissible sites was later reduced to one by a protocol adopted in 1974. Protocol on the Limitation of Anti-Ballistic Missile Systems, July 3, 1974, art I, 27 U.S.T. 1645, 1648, T.I.A.S. No. 8276. Article III of the Treaty provides detailed limitations on the area of a permitted ABM system site (a radius of 150 kilometers), the number of missiles and launchers (100 each), and the number of radars that may be deployed at each permitted site. ABM Treaty, *supra* note 1, art. III, 23 U.S.T. at 3440, T.I.A.S. No. 7503, at 6. In addition, under article IV, testing of fixed land-based ABMs is severely restricted. *See id.*, art. IV, 23 U.S.T. at 3441, T.I.A.S. No. 7503, at 7.

[16] *See Report by Secretary of State Rogers, supra* note 7, at 4 (explaining transmittal of Agreed Statements with Treaty text).

[17] ABM Treaty, *supra* note 1, Agreed Statement D, 23 U.S.T. at 3456, T.I.A.S. No. 7503, at 22.

[18] *Hearings on Interpretation, supra* note 6, at 6. Note that Agreed Statement D itself, contrary to the Legal Adviser's position, uses the term of art "ABM systems" when referring to systems using exotic technology. ABM Treaty, *supra* note 1, Agreed Statement D, 23 U.S.T. at 3456, T.I.A.S. No. 7503, at 22.

[19] *See infra* p. 1961 & note 15.

[20] *See supra* note 15. There are qualitative limitations as well. *See* ABM Treaty, *supra* note 1, art. V(2) 23 U.S.T. at 3441, T.I.A.S. No. 7503, at 7 (prohibiting development, testing, and deployment of multiple warhead ABM missiles or rapid-reload launchers).

[21] *See, e.g.*, ABM Treaty, *supra* note 1, arts. III, IV & V (limiting development and testing); art. III (restricting deployment in permitted areas); art. V(2) (prohibiting rapid-reload launchers and multiple warhead missiles); art. VI(a) (attempting to limit the possibility of "up-grading" anti-aircraft systems and prohibiting "testing in an ABM mode"); art. VI(b) (limiting radar deployment).

[22] Moreover, although the discussion of the reinterpretation has focused to date on its application to space-based systems, it would necessarily apply as well to mobile land-based ABMs, which are also covered in article V. In 1972, U.S. worries about mobile land-based systems were particularly acute, as they are today. A provision permitting development and testing of such systems if they employed exotic but not conventional technologies would have raised serious verification problems.

[23] *See infra* pp. 1966-67 & notes 32-33.

[24] *See supra* note 11.

[25] *See infra* p. 1966 & note 30.

[26] *See, e.g., Hearings on Military Implications, supra* note 11, at 286 ("The treaty, by permitting only a small deployment of ABMs, tends to break the offense/defense action and reaction spiral in strategic arms competition.") (statement by Ambassador Gerald C. Smith); *The Moscow Summit: New Opportunities in U.S.-Soviet Relations*, Address by President Nixon to the Congress, 66 DEP'T OF STATE BULL. 855, 857 (1972) ("[T]he [ABM] agreements forestall a major spiraling of the arms race . . . .").

[27] *Hearings on Interpretation, supra* note 6, at 7.

[28] Id. at 8.

[29] Speech by Abraham D. Sofaer, Legal Adviser, Dep't. of State, American Society of International Law Annual Meeting, in Washington, D.C. (Apr. 11, 1986) (tape on file at the Harvard Law School Library).

[30] *See Reagan Team Justifies Star War Plan By Claiming Loopholes in ABM Treaty*, Wall St. J., Oct 22, 1985, at 64, col. I. For example, John Rhinelander, the Legal Adviser to the delegation, writing shortly after the adoption of the Treaty, lays out in detail the traditional interpretation of articles III and V and Agreed Statement D:

> The future systems ban applies to devices which would be capable of substituting for one or more of the three basic ABM components, such as a "killer" laser or a particle accelerator. Article III of the treaty does not preclude either development or testing of fixed land-based devices which could substitute for ABM components, but does prohibit their deployment. Article V, on the other hand, prohibits development and testing, as well as deployment, of air-based, sea-based, space-based, or mobile land-based ABM systems or components, which include "future systems" for those kinds of environments. The overall effect of the treaty, therefore, is to prohibit any deployment of future systems and to limit their development and testing to those in a fixed land-based mode.

SALT: THE MOSCOW AGREEMENTS AND BEYOND 128 (M. Willrich & J. Rhinelander eds. 1974), *reprinted in Hearings on Interpretation, supra* note 6, app. 23, at 247, 250. On November 21, 1985, Mr. Rhinelander confirmed this account in testimony before the Subcommittee on Strategic and Theater Nuclear Weapons of the Senate Armed Services Committee.

[31] *See supra* note 10 and accompanying text.

[32] J. NEWHOUSE, COLD DAWN: THE STORY OF SALT 230 (1973).

[33] *Id.* at 231. For a discussion of the importance the Army attached to its fixed land-based laser program, see note 11 above.

[34] J. NEWHOUSE, *supra* note 32, at 237.

[35] *Hearings on Interpretation, supra* note 6, at 7.

[36] UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY, ARMS CONTROL AND DISARMAMENT AGREEMENTS 146-47, 156-57 (1980). This technique was used with respect to the definition of "tested in an ABM mode" within the meaning of article VI, increases in the defenses of Soviet early warning radars, the definition of "heavy" ICBM's, and deployment of land-mobile ICBM launchers. The latter two unilateral statements are appended to the Interim Agreement on Limitation of Strategic Offensive Arms, concluded simultaneously with the ABM Treaty. The unilateral statements were presented to the Senate along with the Treaty.

[37] The unilateral statement on land-mobile ICBM launchers in the companion Interim Agreement on strategic offensive weapons is as follows:

> [I]n the interest of concluding the Interim Agreement the U.S. Delegation now withdraws its proposal that Article I or an agreed statement explicitly prohibit the deployment of mobile land-based ICBM launchers. I have been instructed to inform you that, . . . the U.S. would consider the deployment of operational land-mobile ICBM launchers during the period of the Interim Agreement as inconsistent with the objectives of that Agreement.

Id. at 156.

[38] *See* Case Concerning the Jurisdiction of the European Commission of the Danube, 1927 P.C.I.J., ser. B, No. 14, at 32 (Dec. 8, 1927) (refusal by the Permanent Court of International Justice to consider "confidential" negotiating record).

[39] National Campaign to Save the ABM Treaty, Fact Sheet No. 5: Legal Issues Relating to Reinterpreting the Anti Ballistic Missile Treaty 4.

[40] *See* RESTATEMENT (SECOND) OF FOREIGN RELATIONS LAW OF THE UNITED STATES § 152 (1965); *see also, e.g.*, Factor v. Laubenheimer, 290 U.S. 276, 294-98 (1933) (noting that executive interpretation of a treaty provision is entitled to considerable weight). For the position at international law, see VIENNA CONVENTION ON THE LAW OF TREATIES, art. 31(3)(b), at 49 (1978) and 14 M. WHITEMAN, DIGEST OF INTERNATIONAL LAW 399-402 (1970).

[41] *See* 22 U.S.C. § 2590 (1982).

[42] The first such statement, for fiscal year 1979, reads as follows: Article V . . . prohibits the development, testing or deployment of all types of ABM systems or their components that are sea-based, air-based, space-based, or mobile land-based. . . . Article II defines an ABM system as a 'system to counter strategic ballistic missiles or their elements in flight trajectory' and describes current systems as consisting of ABM interceptor missiles, ABM launchers and ABM radars. [deleted] [sic] Thus, [particle beam weapons] used for [ballistic missile defense] which are fixed land-based could be developed and tested but not deployed without amendment of the ABM Treaty, and the development, testing, and deployment of such systems which are other than fixed land-based is prohibited by article V of the treaty.

Fiscal Year 1979 Arms Control Impact Statements, 95th Cong., 2d Sess. 231 (1978) (footnotes omitted).

[43] Fiscal Year 1985 Arms Control Impact Statements, 98th Cong., 2d Sess. 252 (1984); *accord* Fiscal Year 1984 Arms Control Impact Statements, 98th Cong., 1st Sess. 266-67 (1983); Fiscal Year 1983 Arms Control Impact Statements, 97th Cong., 2d Sess. 321 (1982); Fiscal Year 1982 Arms Control Impact Statements, 97th Cong., 1st Sess. 393-94 (1981); Fiscal Year 1981 Arms Control Impact Statements, 96th Cong., 2nd Sess. 453 (1980); Fiscal Year 1980 Arms Control Impact Statements, 96th Cong., 1st Sess. 100 (1979).

[44] DEP'T OF DEFENSE, *supra* note 3, app. B at B-2.

[45] *Id.* app. B at B-4 to B-9.

[46] *SDI Testing Is Reviewed in Light of Treaty Terms*, Wash. Post, Mar. 26, 1986, at 6, col. 5.

[47] *See Treaty Termination: Hearings Before the Senate Comm. on Foreign Relations*, 96th Cong., 1st Sess. 214 (1979); *see also, e.g., Coplin v. United States*, 6 Ct. Cl. 115, 144-45 (1984) (holding that the President cannot unilaterally modify a treaty obligation on the basis of documents not approved by the full Senate), *rev'd on other grounds*, 761 F.2d 688 (Fed. Cir. 1985).

[48] CANONS OF PROFESSIONAL ETHICS Canon 15 (1952); *see* MODEL RULES OF PROFESSIONAL CONDUCT Rule 1.3 (1983); MODEL CODE OF PROFESSIONAL RESPONSIBILITY Canon 7, EC 7-1 (1980).

[49] *See, e.g.*, J. AUERBACH, UNEQUAL JUSTICE (1974); *President of Harvard Brands Legal System Costly and Complex*, N.Y. Times, Apr. 22, 1983, at A1, col. 6 (criticism of the adversary system by President Derek Bok of Harvard University).

Mr. JOHNSTON. Mr. President, will the Senator yield for a comment?

Mr. LEVIN. I am happy to yield.

Mr. JOHNSTON. First of all, Mr. President, I congratulate the Senator for a very lucid and persuasive statement. I congratulate him particularly on the question of treaties and what this might mean for stability.

I point out that Dr. Edward Teller was in my office about 10 days ago. As the Senator knows, he is a very strong proponent of SDI. I asked the doctor: "Suppose the Russians were on the threshold of developing SDI and we were not? Would you feel threatened?"

He said: "Oh, yes."

I said: "Well, why is that?"

He said: "Well, because if the Russians had an SDI, even though it were a leaky SDI, it would enhance their capability for a first strike."

I did not engage the good doctor—whom I consider to be a great American and who has contributed great things to the defense of this country in other areas, particularly in the thermonuclear bomb—in an argument. But I could well have argued with him, "Why don't you think the Soviet Union would feel also threatened by us, if we are on the threshold of devel-

oping an SDI, because whether or not it is a good defense, it clearly enhances the capability to make a first strike, and the ability to have a first-strike capability is the most destabilizing thing we could possibly do?"

I think the Senator was making that point in talking about the ABM treaty. Does the Senator not agree that that is indeed quite destabilizing?

Mr. LEVIN. Not only do I agree, but also, we are spending millions of dollars right now to defeat a Soviet SDI. This is not well known to the public, although it is not classified. It has not been particularly well publicized in the media. If we are so sure that SDI will produce a mutually secure world, why is it that we are spending so much money to defeat their SDI?

Why is it, as Caspar Weinberger has said publicly, that in response to Soviet SDI, an SDI in their hands, our reaction would be to increase our offensive weapons? We would never tolerate the Soviets having an SDI or threatening to proceed unilaterally to deploy an SDI. We would not tolerate it for 1 minute. We are not going to tolerate it. We are going to defeat it, and we are spending money to defeat it or we are going to overcome it. Weinberger says we would spend money to overcome it by increasing our offensive weapons, and that is precisely what they are going to do.

That is why I have said that defensive potentially could save this planet, and that is why I am for a modest research program. We may jointly want to move with the Soviets to defensive.

I honestly believe that Reagan's vision is the correct vision, that someday we may want to find a way to get rid of nuclear weapons in this world, and that defensive may be the only way to do it; but the only way we will get there is if we do it mutually and right now.

With this level of funding and at this level of rhetoric, what we are doing is threatening unilateral deployment of SDI.

Mr. JOHNSTON. Mr. President, I point out, first, that the amount of money allowed in this amendment is more than a modest research program. It is over $3 billion in scope—$3.24 billion, to be precise—which constitutes, in turn, about $225 million increase over last year, which, over a 3-year period, constitutes a 48-percent per year increase in SDI, far more than a modest program.

So that if we adopt this amendment, we are not saying no to SDI; we are saying a loud, resounding yes. But we are saying let us not make it a crash program that might end in some kind of nuclear crash for the country.

□ 1840

Mr. THURMOND. Mr. President, I rise in opposition to the amendment offered by my distinguished colleague, Senator JOHNSTON of Louisiana. The Senate Armed Services Committee has already cut the SDI account by $1.37 billion. This represents a reduction of 26 percent from the President's request for SDI for fiscal year 1987.

Mr. President, in March 1983, President Reagan made his historic speech about the need for SDI. His vision for the future was a regime where deterrence would be based on concepts of defense rather than mutual suicide. As the distinguished author of the amendment has pointed out, it was a message of hope.

It is our responsibility in the Congress to fund the national defense. The Commander in Chief has indicated that SDI is his No. 1 priority for our Nation, not only for our future defense, but as leverage for arms control.

The Soviets know, as do the Members of the Congress, that it will take nearly $4 billion for SDI in fiscal year 1987 simply to continue with contractual obligations undertaken in previous years. This funding level will not permit the SDI organization to initiate promising new areas of research. Such restrictions on the program will be an incentive to the Soviets to dig in their heels on arms control at the very point in time that we need maximum leverage in our negotiations.

Mr. President, last autumn I had the opportunity to visit the Soviet Union and meet with General Secretary Gorbachev, and I can assure you he is not a skeptic about the possibility of SDI working. In his remarks to the Senate delegation, he repeatedly stated that we should give up SDI. In return, he promised large reductions in Soviet offensive missiles. By adopting this amendment, we will be giving Mr. Gorbachev exactly what he wants without exacting any concessions from the Soviet Union.

I would also like to point out that the Federation of American Scientists, one of the most active anti-SDI organizations in the United States, recommended that the Department of Defense portion of the SDI account be funded at $3.3 billion for fiscal year 1987. The Federation of American Scientists recommend providing DOD with $300 million more for SDI than the Department would receive if this amendment is adopted.

Mr. President, adoption of this amendment will have the following effect on various programs with the Strategic Defense Initiative:

The Boost Surveillance and Tracking System Program would be delayed and descoped, and the flight experiment of the infrared sensor could be delayed indefinitely. The boost surveillance and tracking system is the follow-on to our current early warning satellite system. A requirement for this system existed before the SDI Program was formed.

The Space Surveillance and Tracking System Program would be delayed and descoped. The flight experiment would continue, but integration work to validate the results would be deferred. Like boost surveillance and tracking system, this program existed before SDI was formed. This system was being designed to provide U.S. satellites with warning of hostile threats to enable them to take defensive actions.

The free-electron laser experiment would be delayed, and the initiation of construction at White Sands during fiscal year 1987 would be deferred. The free-electron laser is an important hedge against Soviet responsive threats like short-burn boosters.

The Neutral Particle Beam Program will be delayed by more than 1 year. The planned flight experiment of the neutral particle beam will demonstrate our ability to do interactive discrimination. Critics of SDI argue that you cannot do discrimination, and by delaying the Neutral Particle Beam Program, this will become a self-fulfilling prophesy.

Kinetic energy weapons activities to protect near-term options will be delayed and descoped. Many Members of the Senate have spoken of the importance of near-term options to deter or respond to a Soviet ABM Treaty break-out, or to provide options to enhance the survivability of our military forces. Specifically, the Space-Based Kinetic Kill Vehicle Program will be delayed by 6 months to 1 year.

Battle management and command control, and communications activities will be delayed. Formation of the national test bed, which is being developed to test and validate battle management and command control and communications capabilities, will slip by 6 months to 1 year. Critics of SDI argue that the battle management software problems are insurmountable. Delaying the test bed will ensure that our efforts to answer these issues are delayed.

In general, efforts to reduce the SDI Program below the $3.95 billion contained in the committee bill will cause delays in activities that are vital to the program. The planned early 1990's decision point will be delayed until the midnineties or even later. Mr. President, I urge all of my colleagues to oppose this amendment.

In my judgment it is not in the best interest of national defense. It is not in the best interest of our country. It is opposed by the President. It is opposed by the Secretary of Defense. And I feel it is important that this amendment not pass.

Mr. President, I yield the floor.

Mr. CHAFEE. Mr. President, I am pleased today to give my full support to the effort to keep the strategic defense initiative a realistic and a cost-

effective research project. The efforts of Senators JOHNSTON, EVANS, PROXMIRE, and many others to bring some commonsense analysis to SDI have been impressively successful. It has been a pleasure working with them to bring SDI, as it were, back to Earth.

The clearest evidence of the success of our bipartisan work is found in the words and the deeds of the Senate Armed Services Committee. Rather than granting the administration its request for a total SDI budget, and the figures I give include the Department of Energy portion of this, instead of giving the administration its request for $5.3 billion, a 77-percent increase over this year's appropriation, the committee settled on a 32-percent increase.

Now this, in my judgment, is still excessive and many others agree with me on this subject. That is why we are here in this amendment.

Nonetheless, I do think it is important to congratulate the committee and especially its distinguished ranking minority member, the senior Senator from Georgia, for his work in peeling back the administration's request, although as I say, I do not think it went back far enough.

Extremely important it seems to me is what the committee wrote in the section of its report that deals with the strategic defense initiative, SDI. The report notes the administration request is "excessive in light of the absence of basic architectures for this program and continuing indications of basic disagreements within the administration as to the program goals."

Clearly, on this point the committee took seriously the point of view that I and 46 other Senators expressed in our May 22 letter to the chairman and ranking minority member of the Senate Armed Services Committee.

What we said in that letter was that we were deeply concerned that the growth of the SDI budget should not outpace the progress of technology, or endanger the fiscal well-being of other important defense research efforts. We did not want to see all the research money poured into this program. There are other important research efforts that need money in the Defense Department.

The committee report contains another statement that succinctly expresses my personal point of view on SDI funding which is that we should support:

> SDI at a robust but measured level consistent with the ABM Treaty until such time as progress in defining appropriate and realistic architectures, and determining the technical feasibility, survivability and cost effectiveness at the margin of potential SDI systems warrants further growth in funding.

To me that means "commonsense SDI," which is what I support. This program has far too many question marks, and far too many serious implications for arms control, to be taken lightly. I would like to highlight several of those question marks, and then focus for a few minutes on my special concern about SDI's inevitable collision with the ABM Treaty.

Mr. President, almost everyone seems to have heard about SDI, often by its familiar star wars label, but no one seems clear about the goals of the program. Is it to create the fabled "perfect astrodome" over the United States and its allies, a 100-percent effective shield against Soviet ballistic missiles? Although that is the popular view of star wars, based in large part on the President's initial statements, others say that such a shield is unachievable, and what SDI researchers are really working for is a point defense to protect our key defense capabilities. There is also significant disagreement on the cost parameters of SDI, whether we should adhere to Ambassador Nitze's "cost-effectiveness at the margin," or the Secretary of Defense's "affordability" criterion.

In addition to these basic policy questions, there are serious scientific and technical doubts about the viability of a ballistic-missile defense system. Although they have made progress in the laboratory, SDI researchers have had no major breakthroughs. Hundreds of our Nation's leading Government and university scientists have expressed their concern that the program is trying for too much too soon. Important advances still must be made in boost-phase and midphase defense, and in the development of software for battle management, before one should even talk about deployment. Perhaps most troubling of all to me is the fact that none of the sophisticated, space-age weaponry envisioned under SDI will ever—because of the nature of space war—be tested under realistic conditions.

And of course, there is the issue of cost. A recent, well-publicized Johns Hopkins study estimates a 10-year cost of at least $600 billion for a full-fledged SDI system. That astounding figure, quite possibly an underestimate, speaks volumes about the wisdom of rushing into this endeavor before we are sure where we are headed.

My principal concern with SDI is that we are headed on a collision course with the most important and effective arms control agreement we have, the ABM Treaty. Accurately called the Magna Carta of arms control, the ABM Treaty has for 14 years worked to prevent a spiraling arms race on defensive space weapons. There is no question in my mind that once SDI moves beyond the research stage it will represent a clear violation of articles I and V of that treaty.

Now, mind you, there is no question that we can have research on the SDI. No one is arguing with that. It is what do you do when you complete your research? I think it is clear when we move beyond the research and toward deployment that we get into a violation of the ABM Treaty.

This is such an important matter, that I would like to take the liberty of directly quoting from those key provisions of the ABM Treaty. Article I, section 2 says:

> Each Party undertakes not to deploy ABM systems for a defense of the territory of its country and not to provide a base for such a defense, and not to deploy ABM systems for defense of an individual region except as provided for in Article III of the Treaty.
>
> Article V, Section 1: Each Party undertakes not to develop, test, or deploy ABM systems or components which are sea-based, air-based, space-based, or mobile land-based.

□ 1900

These provisions could not, to my mind, be any clearer. Yet there are some who have attempted to contrive a new interpretation of the treaty, an interpretation which twists its meaning, and is based on the fact that many of the current SDI technologies were unknown when the treaty was signed in 1972. This reinterpretation flies in the face of the expressed intent of the ABM negotiators, and of more than a decade of careful interpretation. This campaign against the ABM Treaty seems to be based on the belief that you adhere to a treaty until its gets in your way, at which time you put a new spin on the language. As Elliot Richardson has written on another treaty issue:

> Ultimately the choice faced by the United States is starkly simple: we abide by our treaties or we don't * * * [and] to throw our legal commitments to the winds is to invite others to do the same or, as in the case of the Soviet Union, to condone their having done so.

I think that this statement is particularly apt, since we have had our problems with Soviet violation of the ABM Treaty. No question about that. The Krasnoyarsk radar we have heard so much about is, in the opinion of most experts, a clear violation. Yet our discussion of this violation loses its force when we begin indiscriminately to pour billions of dollars into a program that, if it ever reaches its goal, will be a much clearer violation of the ABM Treaty than even the Krasnoyarsk radar. If we respect our treaty obligations, we should follow the same behavior we demand of the Soviets—adherence to the letter and spirit of all arms control agreements that continue to serve the interests of world peace.

The ABM Treaty has prevented the two superpowers from falling into a dangerous, action-reaction style arms race, and I am for maintaining the integrity of the agreement. The best way to do that is to pursue Soviet vio-

lations in the body established for that purpose; namely, the Standing Consultative Commission, and keep SDI as a prudently funded, research-only program. This amendment will achieve the latter; that is, a prudently funded research-only program. It will hold the SDI budget to a 3-percent growth after inflation. In other words, we allow for inflation and 3 percent on top of that, a total of a 7-percent increase over the current year, which means a reasonable level of $3.24 billion.

Let us, then, review the various requests. These are the total requests. The President asked for $5.3 billion, or 77 percent above this year. The committee gave $3.95 billion, or 32 percent over the current year. And I pay tribute to the ranking member of the committee for his efforts in that regard.

What we propose here is to have the growth 7 percent over this year—not 32 percent, but 7 percent—which is $3.24 billion.

Mr. President, I believe President Reagan when he states that his intention with SDI is to enhance the security of the United States, and even reduce our reliance on nuclear weapons. And I am firmly in favor of continuing—to use the committee's word—a "robust" SDI research program that will serve as a hedge against Soviet ballistic missile defenses. Certainly, the Soviets are doing research in this matter. Certainly, we have got to keep pace with them. And we can keep pace with them with this order of funding. This amendment will do just that, and is consistent with the committee's commendable philosophy of pursuing balanced technology development, including enhancement of conventional defenses. And I do commend the committee for its efforts to increase our conventional defenses.

Finally, I would add that under this amendment, SDI can continue to play a positive role in the Geneva negotiations. It appears that the program helped bring the Soviets back to the table, and now it is possible that it will play a leading role in a "grand compromise" in arms control. This possible compromise would involve arms reductions and a clarifying reaffirmation of the ABM Treaty. I would gladly welcome such an agreement, Mr. President. In fact, I began pressing for just such an arrangement last October, when, in a speech before the Council for a Livable World, in London, I said:

> In return for deep and stabilizing cuts in offensive weapons, I believe the President should agree to no testing or deployment of exotic strategic defenses by either side.

And to me that would be a goal worthwhile achieving, to take deep cuts in offensive weapons and we would agree to no testing or deployment of the SDI.

I hope that we are on the verge of reaching this kind of an agreement with our adversaries. In my view, the best way to protect ourselves from the nuclear Sword of Damocles is through workable, effective arms control, and not through a costly, exotic, arms race in space. I hope that my colleagues share this view, and I urge them to support this amendment.

(Mr. GORTON assumed the chair.)

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. CHAFEE. I am happy to yield.

Mr. JOHNSTON. Mr. President, I commend the Senator, who has been an original cosponsor of this amendment and a long-time toiler in the vineyard on this most important issue. I think his statement was excellent. I hope Senators heard it and will act upon it. I hope the American public, through the medium of televised Senate proceedings, also heard it. I thought it was an excellent statement.

Mr. CHAFEE. Mr. President, I thank the junior Senator from Louisiana for those kind remarks, because he has carried the lead oar in this matter. I wish to thank him very much for what he has done and for marshaling the forces. He has summoned up a very substantial, not only number of speakers for his amendment, but a very substantial total number of Senators. I do not know how many in all, but I believe there were 47 that signed that letter to the Armed Services Committee.

Mr. JOHNSTON. Forty-eight Senators signed it.

Mr. CHAFEE. Forty-eight in all. Hopefully, we can pick up some more.

Mr. NUNN. Mr. President, may I first congratulate the Senator from Rhode Island. I do not agree with his final conclusion, because I think we need a higher dollar mark. But I do think that some of the points he made, particularly in relationship between offensive and defensive systems, the relationship between SDI and the ABM Treaty, and the importance of this whole area of arms control, are very valid points.

I wish to say to my friend from Louisiana that I think we have had a good debate today. I had hoped that we could finish this SDI portion of the defense bill. Senator GOLDWATER and I have talked about finishing this SDI amendment as early as 12 o'clock noon tomorrow. It is my understanding that we may not be coming in until 10 o'clock in the morning, and I would assume the Senator has several more speakers.

Could the Senator from Louisiana give me some indication about how much more debate he sees is necessary on this amendment?

Mr. JOHNSTON. Mr. President, I have had requests from Senator BIDEN, who indicates he would take about 10 minutes. Senator KERRY has asked for 1 hour. Senator CHILES has not specified the time, but he is usually very succinct. Senator LEVIN has finished. Senator HART needs 10 to 15 minutes. Senator KENNEDY, I believe he stated he needs about 15 minutes. And I would want to do a short summary.

These may not be all of the speakers. These are the ones who have contracted me. But my guess is we could finish those speakers within 2 or 2½ hours, at most.

Mr. NUNN. I have just been given a note that the majority leader may very well be requesting that we convene about 9:15 and we start on this bill at 10 o'clock. That would give us considerably more time.

I would pose this to the majority leader and the minority leader: If we have not finished most of the debate, short of perhaps summaries on both sides, by 12 o'clock noon tomorrow, when we would normally break for the caucuses, I would hope that we could continue this debate until 1 o'clock. Those Senators who need to go to the caucus can go to the caucus and those that have not completed their statements could continue.

□ 1910

That would give us 3 solid hours in the morning. It sounds to me as if we are going to have that long of a debate, and maybe even longer. That way we could push this amendment through to conclusion shortly after the caucuses break up at 2 o'clock, perhaps as early as 3 o'clock. If we do that, then we can move on to other business.

Perhaps we can handle another two or three major elements of the defense debate tomorrow and tomorrow evening. I foresee substantial progress on this bill as absolutely necessary tomorrow if we have any hope of finishing Wednesday night. So I know the Senator from Louisiana will cooperate with us.

But in light of this, if the Senator could notify his side of this particular amendment that the debate will start at 10 o'clock and as soon as they could be here, any of those speakers who are yet to speak, we would be delighted to have them make their presentations.

I think the Senator from Louisiana mentioned someone had an hour; 1 hour? Is that one individual speaking for an hour on this subject?

Mr. JOHNSTON. Senator KERRY, who has long been interested in this issue, has asked for an hour. Perhaps a little less time would be possible.

Mr. NUNN. Perhaps he could read the RECORD tonight and see how thoroughly it has already been covered, and then maybe he would not duplicate what has already been said. If he could do that, we would be able to cut it down somewhat.

Mr. JOHNSTON. That is possible.

Mr. President, I certainly do share the goal of the Senator from Georgia in pushing this bill along because I know how short time is. At the same time, I think he will, and indeed he has stated here on the floor, that this debate on both sides has been I think very elucidating, the kind of debate that the Senate really ought to have. This has been the grand debate in the great style. I think it has been helpful to us all. There has been no delay at all, and I think they have been excellent in their statements today.

Mr. NUNN. I agree with the Senator from Louisiana. This is probably the most important debate we will have on the defense bill this year. So I think the time has been well spent. What we are faced with on the Armed Services Committee is a very squeezed schedule. We are faced with a notice that we will leave this bill on Wednesday evening whether we are through with it or not, and at that stage we will go back to the debt-ceiling bill. At that stage who knows what is going to happen. We have the Contra amendment, we have the South Africa amendment, and we may very well be on that bill for some time. Whether we will get back to this authorization bill before the August break is the question we face.

If we do not get back to it before the August break, we may very well be in the situation where we do not have time to get a Defense bill at all this year. I think that would be injurious to our national security. I think it would be very injurious to the orderly process of how we spend this money.

Mr. JOHNSTON. Mr. President, if the Senator will yield, to sum up as far as the schedule is concerned, we will do our very best to have our Senators on our side of the amendment here to start the debate at 10 o'clock. I hope we can go through 1 o'clock, the first hour of the caucus time. That would give us 3 full hours. I urge Senators on our side to be here by 10 o'clock. We will give them notice of that so that our goal would be to vote on this shortly after the caucuses, maybe with time to sum up briefly and vote shortly thereafter. I think that is an appropriate goal, and we will work toward that goal.

Mr. NUNN. I thank the Senator. I know the Senator from Arizona, Senator GOLDWATER, will also appreciate very much the splendid cooperation. I must say to get as many speakers here and to have the kind of debate we did on Monday demonstrates a good deal of interest in this subject but also I know the Senator from Louisiana did a great deal to stimulate that presence today.

I thank the Senator.

Mr. LEVIN. Mr. President, could I briefly congratulate my friend from Louisiana for his effort here today. He has put his finger on a very critical issue. He has done it in his usual thoughtful way. I also would like to again thank the Senator from Georgia for his efforts in committee in this area. While I happen to be supportive of the amendment of the Senator from Louisiana, again let me say that the committee made progress, I believe, in putting the SDI Program on a rational basis. The Senator from Georgia and the Senator from Maine in particular were responsible for the refashioning of the SDI Program so that it can be put on a basis which knowledgeable and thoughtful people in this area can support.

As I have indicated, I am one that supports a modest research program for the reasons which the Senator from Georgia outlined on the floor this afternoon, by the way. He outlined three or four reasons why we should engage in a modest research program for SDI.

I happen to share those reasons. But, again, a lot of accolades belong to the Senator from Louisiana because he is making a very important effort to get this to a modest level in my veiw, but progress was made toward reaching that level in committee. And a lot of progress was made toward fashioning this program in a much more logical and thoughtful way as some of the rhetoric has indicated up to now.

Mr. JOHNSTON. Mr. President, if the Senator will yield, I think from his statement we have the makings of compromise. If we could take the language of the Senator from Georgia and the numbers of the Senator from Louisiana I think we would have an appropriate balance.

Mr. LEVIN. I think we ought to break open the champagne.

Mr. NUNN. I thank the Senator from Michigan for his kind remarks; the Senator from Michigan is a great supporter of this new concept on SDI. We call it now a balanced technology initiative which encompasses the strategic defense initiative, but it is much broader. The concept is all imporant.

Frankly, I think the amendment of the Senator from Louisiana is enormously important, and I think the funding level is important. I do not support the funding level being proposed in this amendment. I do believe we are now beginning slowly perhaps to come to some conclusions about the direction of the program.

I know everyone is not going to agree with the committee report. We had a close vote in committee. We passed it by only one vote. We will probably hear tomorrow from those who have different views on this subject—completely different views. But I do believe we are on the threshold at least of forming a consensus about how the program should be described, and the basic goals of the program. We are down to a difference on money.

Of course, the money difference is important. But I think the conceptual basis here is even more important than the exact funding level for this 1 fiscal year because without a conceptual basis that makes sense, and without a conceputal basis that is headed in a realistic direction and can be supported by both sides of the aisle we are not going to have a long-term SDI Program at all.

It has been torn at the seams intellectually. The stitching job to get it back into a position where it can be a vital part of our national security and also an appropriate leverage in arms control is enormously important to the security of our country.

So progress is being made. I think the debate today has helped further that overall progress.

Mr. LEVIN. I wonder if the Senator from Georgia will yield for a question while he has the floor.

Mr. NUNN. Yes; I yield.

Mr. LEVIN. I notice there has been a cloture petition filed on this bill. I do not know if the person who filed the petition made a statement at the time, I gather not, as to the purpose of that petition. It is rather unusual, I believe, that a cloture petition is filed on a bill where there is no filibuster proceeding. I wonder if the Senator from Georgia, whom I do not believe is a signatory, might be privy, or maybe was here when the petition was filed, or perhaps could illuminate us or the Senate as to the reasons why this petition might have been filed at this point.

Mr. NUNN. I did not encourage that cloture petition being filed. I expressed some skepticism about it although I know the purpose is to accelerate the bill itself and perhaps rule out nongermane amendments. It would not rule out amendments like the Johnston amendment we have debated today because that is germane to the bill. The hope of those who file this petition is we will be able accelerate the bill itself and be able to complete it Wednesday night. Frankly, I think without a good deal of cooperation with or without cloture we are not going to finish this bill Wednesday night. It will take an extraordinary amount of cooperation and good will on both sides of the aisle to do that. I am not sure the cloture petition will further that.

I think everyone involved with amendments, or who has an amendment filed, for their own protection needs to take a good look at the cloture rules to make sure their amendments are germane and make sure they are filed in a timely fashion. I do not know how the cloture vote will come out when it is voted on. But it is essential that people who have legiti-

mate amendments take care of protecting themselves because we could vote on that cloture petition on Wednesday.

Mr. LEVIN. I thank the Senator.

Mr. NUNN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1920

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. HUMPHREY. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond the hour of 8 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

HAPPY BIRTHDAY, SENATOR STENNIS

Mr. BYRD. Mr. President, in the bustle of issues that crowd the Senate agenda, we sometimes overlook some small personal courtesies—an oversight that the press of business usually renders forgivable.

Yesterday, one of our most distinguished Members passed a milestone, and I believe all of us would want to pause and note it.

On August 3, 1901, Senator JOHN STENNIS was born, and yesterday Senator STENNIS and his loved ones marked his 85th birthday. Senator STENNIS was first elected to represent Mississippi in the Senate in 1947. I know that all of our colleagues want to join me in wishing our most senior colleague the happiest birthday.

I am certain that most of us could recount occasions over the years when we have been recipients of Senator STENNIS' special brand of graciousness and courtliness. None of us has failed to be moved and inspired by Senator STENNIS' courage and energy and his strong sense of duty in the face of personal struggles in recent years. In every respect, Senator STENNIS has served his colleagues as a model of gentlemanliness, strength, and character.

But in addition to those personal qualities of greatness that commend Senator STENNIS to us as a man, all of us recognize and applaud JOHN STENNIS' attributes as a Senator and as a dedicated patriot and public servant, without fear of contradiction.

Senator STENNIS is one of the most respected and most trusted Members of the U.S. Senate, and his contributions to the Senate and to our country over his long career are incalculable.

So, again I know I speak for all of our colleagues in wishing Mr. JOHN STENNIS the happiest 85th birthday possible and, although it was yesterday, yesterday being a Sunday, we all today join in expressing to him our wishes for many more birthdays to come.

Mr. NUNN. Mr. President, will the Senator from West Virginia yield?

Mr. BYRD. Mr. President, if the distinguished Senator from Arkansas will allow me to yield at the moment for the purpose of hearing responses from other Senators.

Mr. BUMPERS. I am happy to yield.

Mr. NUNN. Mr. President, I thank the Senator from West Virginia for bringing this event to our attention.

Senator STENNIS was on the floor all morning this morning and a great deal of the afternoon paying very careful attention to this debate.

He has not only been chairman of our committee, he is now the ranking minority member on the Appropriations Committee. He has been a stalwart supporter of the national security of our country for years and years. I do not know anyone who has surpassed his record in upholding the security of our Nation and the men and women who have fought and been prepared to fight and die for our country. He did it during the period of time when it was the hardest period probably since World War II to carry that more lonesome torch during the Vietnam war.

He is truly a patriot. We have been talking this afternoon about a robust, strategic defense program, an effective program, a lean program, and a flexible program.

I use all of those adjectives to describe our senior colleague from Mississippi. He is still energetic, he is robust, he is innovative, and he is truly in my book a Senator's Senator.

So I know all of our colleagues would like to join the Senator from West Virginia in wishing our colleague from Mississippi a very happy 85th birthday.

Mr. BYRD. I thank the distinguished Senator from Georgia. I know Senator STENNIS will appreciate those remarks from the Senator from Georgia whom we all respect as being one of the leading experts on our national defense and, as the distinguished Senator from Georgia has indicated, Senator STENNIS has likewise over the years been one of the foremost of all Senators in pressing for a strong national defense.

Mr. JOHNSTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. BUMPERS. Mr. President, I am happy to yield for whatever purposes other Senators wish to engage each other without losing my right to the floor.

Mr. BYRD. I thank the distinguished Senator from Arkansas.

Mr. JOHNSTON. Mr. President, if the Senator from West Virginia will yield to just a short comment, I would like to also commend him for bringing to our attention Senator STENNIS' 85th birthday.

We have talked a lot, as the Senator from West Virginia did and the Senator from Georgia did, about Senator STENNIS and his inestimable contributions to this country and its national defense and others.

I would simply like to say, Mr. President, that I think Senator STENNIS has distinguished himself as much by traits of personal character as by things he has stood for.

I think all of us who came here for the first time, and that includes every sitting Senator, as we looked around this body for a role model, I think JOHN STENNIS of Mississippi has epitomized what all of us would like to be able to achieve in terms of those qualities of courage, character, integrity, that we all aspire to and do not quite reach that goal as Senator STENNIS has.

So I thank the Senator from West Virginia for bringing this matter to our attention and I wholly endorse the sentiments which he has stated.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Louisiana for his fine statement with respect to the attributes of Mr. STENNIS and I am sure that Senator STENNIS will appreciate greatly those comments.

With the same understanding on the part of the Senator from Arkansas and the Chair's protection of the Senator's right to the floor, I yield to the distinguished Senator from Virginia.

Mr. WARNER. Thank you, Mr. President.

I join those on this side of the aisle commending my distinguished minority leader. He always seems to have that personal touch. There is no aisle when it comes to matters of this nature. He looks upon all of us in terms of our personal life and being one in the body. I thank him.

I associate myself with the remarks made by the distinguished minority leader and those of Mr. NUNN and those of Mr. JOHNSTON. I would like to go on.

I have an old saying when in doubt check with Senator STENNIS, and I do frequently.

I thank the Senator from Arkansas.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Virginia who is a member of the Committee Armed Services on which Senator STENNIS has served so long and so well, and I am sure that Senator STENNIS will be gratified upon reading the comments of the distinguished Senators

from Virginia of whom he is so fond and with whom he has such a very fine working relationship.

Mr. President, I thank the distinguished Senator from Arkansas for his characteristic courtesy and patience.

Mr. BUMPERS. I thank the distinguished minority leader.

Mr. President, before speaking on the matter at hand I would like to add my comments to those that have already been made by my colleagues regarding our revered and esteemed colleague, Senator STENNIS. He is not only revered and esteemed by every single one of his colleagues, but that reverence for him is richly earned.

He is a man of power, intellectual power and discipline and he has been a role model for all of us. All of us who have sat in private with him in the caucuses and on the floor of this Senate have never—I suspect I can say for myself and all others who have served with him and now serve with him—seen Senator STENNIS conduct himself in any but the very highest ethical standards in both public and private, never reflected anything but the very highest credit on the great people of Mississippi.

We all admire him for his discipline, for his tenacity, for his stoic attitude about his health condition as it occurred a few years ago and the great strenth he has demonstrated to all of us in overcoming that.

We all wish him a happy birthday and many more.

Mr. BYRD. Could I just interrupt the Senator briefly to thank him as well as I have thanked other Senators for his kind comments concerning the birthday of our illustrious colleague, Senator STENNIS.

I appreciate the Senator's remarks and I am confident Senator STENNIS will value these remarks coming as they do from this fine knowledgeable Senator from Arkansas who is also a close neighbor of Senator STENNIS in the neighboring State of Mississippi.

I know that Senator STENNIS will be grateful.

I again thank the Senator.

Mr. BUMPERS. I thank our distinguished leader.

BIRTHDAY GREETINGS TO SENATOR STENNIS

Mr. DOLE. Mr. President, I want to join all my colleagues in wishing the senior Senator from Mississippi, Senator STENNIS, a most happy 85th birthday.

Senator STENNIS holds the distinction of being the oldest Senator. But more important, he is certainly one of the wisest. His knowledge of this body, its history and what will be its legacy, is second to none.

He is a gentleman in the finest sense of the word. JOHN STENNIS represents the best traditions of the Senate—honesty, integrity, and dedication—traditions that those of us more junior Members should certainly strive to emulate.

Senator STENNIS' presence in this Chamber is a ever-present reminder of what true service to the Senate, to this country is all about. I want to wish him the very best for the coming year, and extend the hope that he will keep reminding us of what we should all be about.

STRATEGIC DEFENSE INITIATIVE

Mr. HUMPHREY. Mr. President, I did not come to the floor to address the issue of the Johnston amendment. But inasmuch as I have followed a number of speakers who have addressed the issue of SDI, I want to say that I am one Senator who is troubled by the apparent offer of the President to put SDI on the bargaining table at Geneva.

This Senator was among the earliest supporters, I think, of the strategic defense initiative back when the mere mention of the acronym brought guffaws and sneers, back we were more often ridiculed than praised for our support of that important system.

We supported that first of all because we believed in it and believed in the ability of the American people to achieve whatever they can conceive in a technological sense anyway. We supported that because of our faith in the American people and the faith that a free country has certain advantages over totalitarian states, particularly in the area of research and production.

We supported it ultimately in the faith that the President was serious when he said that SDI is not a bargaining chip; that SDI is not on the table and will never be on the table.

Lo and behold, if press accounts are accurate, SDI is now on the table by virtue of a letter the President has sent to Mr. Gorbachev. We do not know precisely the contents of the letter, so we cannot come to precise conclusions. But it certainly looks as though SDI is on the table contrary to all the assurances given supporters in the last several years.

I guess I will withhold judgment on the ultimate wisdom of this decision and this move until I find out precisely what has been proposed and have a chance to look at the details.

But I must say, Mr. President, and I think it is fair to speak on behalf of others in my position, that we are very, very worried. Indeed, we are upset. Speaking for myself, I am even a little bit angry and feeling betrayed.

"INFORMED CONSENT" LETTERS

Mr. HUMPHREY. Mr. President, in the recent Thornburgh case, the Supreme Court struck, among other provisions, a provision of Pennsylvania law requiring women contemplating abortion be informed of the medical risks of abortion and the state of development of their unborn children. A noted columnist has appropriately dubbed this ludicrous Court decision a guarantee of a woman's "right not to know." And in a sense it's true: As of this moment, as of the Thornburgh decision a few weeks ago, women not only have the right to have an abortion, they also have the right to know nothing about the procedure, nothing about the aftereffects of abortion on their health, both physical and psychological, and to know nothing about the development of the unborn child destroyed by abortion.

However, Mr. President, it is important to point out that the Court did not completely close the door to informed consent. In its decision, the Court recognized "a requirement that the woman give what is truly a voluntary and informed consent, as a general proposition, is, of course, proper and is surely not unconstitutional." In other words, Mr. President, the Court has left open the door to carefully constructed laws requiring women be provided information about abortion so they might give a truly informed consent to the procedure.

I believe the State legislatures will now try to write such requirements into law that can be held constitutional. In addition, I intend shortly to introduce legislation in the Senate requiring recipients of Federal funds who perform abortions to ensure that consent to abortion is in fact informed consent.

I want to be clear about what I mean by informed consent. I am not talking about parental consent or parental notification. The latter two concern the involvement of parents in the abortion decision. They are important matters, but they are not what I am addressing. Rather, I am talking about the informing of the woman contemplating abortion about the abortion procedure, possible complications of the abortion, alternatives to abortion, and information about the unborn child who is about to be destroyed.

Providing for informed consent is standard, professional procedure with any other serious medical procedure. Physicians are expected to conscientiously and professionally inform their patients about an operation, the dangers and the alternatives. But, as I have noted, the Supreme Court has ruled, at least in Thornburgh, that requiring a woman to be so informed about that operation known as abortion may be deemed unconstitutional.

As of the Thornburgh decision in the case of abortion, physicians may not be required by law to explain matters to their patients in such a way as to assure informed consent to the surgery. This despite the fact that many women facing an unplanned pregnan-

cy are not only distressed, but may face external pressures which push them into a rash, uninformed abortion decision. This despite the fact that an abortion can affect the patient physically and psychologically for many years and in some cases for the rest of their lives. This despite the obvious fact that abortion will destroy the unborn child she is carrying in her womb. And let us remember that under Roe versus Wade and its progeny women can obtain abortions at any time during pregnancy, even during the last week of term, if two physicians agree that an abortion is needed even if only for emotional health.

Let me remind my colleagues that thousands of late term abortions are performed every year in this country, and even in these cases, as in all abortion cases, women need not grant informed consent to the procedure, according to the Supreme Court.

Mr. President, I could easily speak every day about the need for informed consent legislation. Instead, I propose to let women who consented to abortions on an uninformed or misinformed basis and who later regretted it speak in my place. Accordingly, I have compiled scores of letters from women around the Nation detailing the horrors, the sorrows, the fears, the pain, and the regret that each has felt as a result of not being informed, or being misinformed, about the abortion decision.

Beginning tomorrow, I will insert in the CONGRESSIONAL RECORD a letter from one State each day, in alphabetical order by State. I encourage the Senators from each State to read the letter from their constituents. I think my colleagues, and others who may read these intensely personal and emotional letters, will realize the importance of informed consent in the matter of abortion.

In addition, of course, to these women who sent letters which they have consented to place in the CONGRESSIONAL RECORD, there are additional thousands and thousands of women privately suffering as a result of the abortions they now regret. And I hope that my colleagues will seriously consider cosponsoring my informed consent language, guaranteeing all women the respect and dignity of making an informed choice in matters that can seriously affect their own health and well-being, and that of their children and families.

I have letters from each of the 50 States lamenting the lack of information or the misinformation given to women by abortionists. Women discuss physical ailments such as subsequent premature births, cervical weakness, periodic or complete sterility, and miscarriages. They discuss emotional ailments such as eating disorders, nightmares, depression, and suicidal tendencies. They discuss guilt and anger, obsession with the dead child and a resulting failure to relate emotionally to the spouse and other children. They discuss turning to alcohol and drugs.

□ 1930

There is an almost universal agreement in these letters the abortionists served them poorly. The letters relate expedience on the part of doctors and the apparent profit motive in the abortion industry. The women often report that they were required to pay before they had any services rendered, and they suggest that remuneration is uppermost in the abortionists, minds. Many of the women say they felt scarcely any human relationship to the physician who performed the abortion.

Almost all of the letters plead that physicians be required to give information about the development of the fetus. In this area women felt most cheated and misinformed. Many of them say they were informed abortion involved only a blob of tissue. Two women reveal that in the operating room, they looked into the jar fitted onto the vacuum aspirator and saw pieces of their babies floating there.

The letters come from both married and single women; some with children and others without; women of various ages, educational, and economic backgrounds. Some of the women were pressured by their parents, others by boyfriends or husbands, still others by friends or by society in general. All say that informed consent could help to protect women from well-meaning but ignorant friends, and from self-interested parties pressuring for the abortion.

Mr. President, the authors of all these letters agree that they needed full information and were denied it. One woman comments: "Since abortion is a surgical procedure, women have a right to know what may happen to them during and following the abortion."

Another says, "A woman should be made aware of all the options and all the possible consequences of abortion before she consents to having one. I believe women have a right to know, and when the truth is not made known to them they are being taken advantage of."

I ask my colleagues to consider this: Of what use is a right, if the information to use it wisely is withheld? What good is a right to do something, without the right to information which allows prudent exercise of that right? A choice made on an uninformed or misinformed basis is no choice at all. Where there is no information or misinformation, there is really no consent.

Accordingly, I intend to offer informed consent legislation similar to S. 2420, which I introduced earlier this year. The bill will require that an individual who receives Federal funds for the provision of health services, and who, within the scope of his/her employment, performs an abortion on a woman, first ensure the patient has received information necessary for her to give informed consent. The bill requires that the pregnant woman, prior to an abortion, be provided with information necessary to enable her to intelligently exercise her judgment with respect to the abortion.

Failure to comply with this requirement will result in termination of all Federal funds for the provision of health services. Any woman injured by the failure to comply with this requirement will be entitled to bring a cause of action for appropriate relief in Federal court.

I stated earlier that despite the impressions left by *Thornburgh*, the Supreme Court has not closed the door to laws requiring informed consent. Instead, the Court in *Thornburgh* implied certain principles for legislation, which, if met, may stand up under Court scrutiny.

First, the information must be relevant to the consent, thus advancing a legitimate interest. The law's intent may not be to dissuade a woman from having an abortion. Instead, it must further a State's legitimate interest in promoting the health of the woman.

Second, the informed consent provisions may not require a rigid body of information be provided to the woman. The physician must have flexibility to meet the particular needs of the woman, and may not be required to present what she considers extraneous information.

Finally, the informed consent process must not make the physician an agent of the Government, by requiring that he or she distribute printed information, even upon the request of the woman.

In drafting my informed consent bill, Mr. President, I have taken into account these criteria which seem to have been laid down in the *Thornburgh* decision. I believe the bill will be found constitutional when tested as law.

Mr. President, I believe further that the State legislatures will now move for their part to enact informed consent legislation at the State level, which will be held constitutional. I think it is time that we moved, for our part in Congress, at the Federal level.

In conclusion, I want now to read into the RECORD just a few of the letters that have come to me from women across the country who have had abortions who feel that they were not properly informed of the nature of abortion and who now regret it and suffer pain and sorrow as a consequence. These are women who are willing to be known publicly by name as women who have undergone abor-

tions and are willing to let others learn by their mistakes in the hope that Congress will be stimulated to pass the kind of legislation which I have introduced, or which I shall introduce shortly.

I shall just read these letters. I shall not read the name of the correspondent. That, of course, will be printed in the CONGRESSIONAL RECORD, but I see no point in reading it on the floor of the Senate.

DEAR SENATOR HUMPHREY: When I had an abortion 14 years ago, I feel that I was not told the truth about abortion itself or its aftermath. I was told that the baby was just a piece of tissue and would not feel any pain during the procedure. I was also assured that the abortion would not have any adverse effects on any future pregnacies. The truth is that this so called "tissue" is a live baby who feels pain and fights to live.

The truth is that it took a year for me to become pregnant with my first child, who was born six weeks prematurely. After that my tubes were closed completely and required major surgery to open them again. At this time I am carrying my second child. My doctors prognosis is that this one will be born prematurely also.

The consequences are serious and it is not a decision to be made lightly. Had I been told the truth I don't think I would have gone through with the abortion and I wouldn't have to live with the guilt and shame of it. I wouldn't have to cry every time I realize that a child I've come to know and love is the same age my child would be, if I had let my baby live.

Sincerely,

WENDY VAINEO,
Illinois.

COOLESKILL, NY, *June 7, 1986.*

DEAR SENATOR HUMPHREY: When I was sixteen and a junior in high school I became pregnant. My parents offered abortion to me as an option. Not knowing any more about abortion than they did, I had the abortion. I am telling you this because I want to express my support of the current informed consent legislation before you.

When a woman is faced with a crisis pregnancy as I was, what is foremost in her mind are all the negative aspects. Maybe she's young and single as I was, needing to finish high school and looking ahead to college. Maybe she has small children already and can't practically handle another one on her own. There are scores of reasons and circumstances that tend to make the situation look impossible. The point is this—she may have many reasons why she should have an abortion, but none why not to. It's just harder to see the latter than the former at a crisis time, but it doesn't mean there aren't any viable reasons why not to. Unfortunately, she would usually find out after it's too late that there are very good reasons why she shouldn't have aborted.

I believe if there was an informed consent law, it would prevent this from happening. A woman would have to be made aware of all the options and all the possible consequences of abortion before she consents to having one. I believe women have a right to know and when the truth is not made known to them they are being taken advantage of.

If I knew then what I know now about the lasting effects of an abortion, I would have given my baby life and saved myself a lot of heartache.

Thank you for your support of this legislation.

Sincerely,

LISA MURRAY.

AUBURN, WA, *June 6, 1986.*

TO WHOM IT MAY CONCERN: At the age of 19 I found myself pregnant and all alone. Scared, embarrassed, and desperate, I went to the medical professionals (doctors) for help. When asked what I intended to do about the situation I had gotten myself in, I said, "I want an abortion." I didn't even know what an abortion was. All I knew is that it would get me out of the predicament I was in. The doctor advocated it thoroughly considering my age, parental authority, relationship with my boyfriend and, most importantly, my financial status.

I was offered all the reasons for why I should have an abortion, but not one reason for why I might consider an alternative. If this doctor would have told me I would practically destroy myself physically and emotionally, I would never have made the choice that I did. He not only offered no information regarding the physical and psychological complications I might suffer, but said nothing about the development of my growing child. He spoke only of "pregnancy tissue" which was inside my being.

Informed consent is so desperately needed in the country. Women are fighting for their rights every day, yet they seem to overlook the right to knowledge in all aspects of their physical and psychological health. Part of our rights as women is to be informed regarding the possible outcome of all surgical procedures, regardless of how safe and simple they may be.

It is my sincere prayer that you will do all you can to help preserve life, not make human beings an endangered species.

Respectfully,

MARSHA PALMER.

Another from Washington State.

□ 1940

For the information of my colleagues, I have just two more letters to read.

JUNE 6, 1986.

DEAR SENATOR HUMPHREY: I'm writing this letter today concerning informed consent. If we were not living in a day and age in which deception and double standards are overrunning our legal system, I would not have to write this letter today. You see, I'm a victim of abortion and, even if it takes until my last breath, I must be heard.

When I was 17 I found myself in a crisis pregnancy. I was afraid of what everyone, including my family, would think. My boyfriend pressured me to have an abortion. When I went to the local family planning clinic, I sought guidance and wanted to know what I could do about my situation. I wanted a helping hand. When I walked into the clinic, I trusted the nurses and doctors and thought they were concerned about my health enough to help me make a decision, not make my decision for me.

Only one solution was strongly recommended that day. When I questioned the development of my baby, I was told that it wasn't a baby yet and that it looked like a tadpole. Since that day I have learned differently. God forgive them for trying to keep me ignorant. I was told that abortion was simple and safe and that I could go on and live the rest of my life and have children when I was in a position to provide for them. I heard no scientific facts that day, only biased opinions. I was not told what abortion itself could do to me in the years to come, only that it was "safe and simple." I was not told that I would abuse myself with alcohol, try to kill myself, develop an eating disorder and have terrible dreams. Worst of all, I was not told that I might never have another child. It has been 14 years since my "safe and simple" abortion and I have never been able to have another child.

If I knew then what I know now about the developing baby in my womb and the severe physical and psychological effects which abortion could have on me, I would never have taken the step that I took that day. You see, the decision is irreversible and I will have to live with the pain for the rest of my life.

Please stop the lies and help protect young women like myself so that we can be assured the right to be informed.

Sincerely,

SUE LILJENBERG,
Washington.

Finally, Mr. President, a letter from a woman in Kansas:

DEAR SENATOR HUMPHREY: There are no words to express my deepest sincere support of an informed consent bill. Being a woman who experienced an abortion, I can tell you that withholding information from women that may affect them for the rest of their lives is both dangerous and demeaning. Doctors may explain more to their patients about tonsillectomies or appendectomies than they do about abortions. I really believe that if I had been fully informed, both medically and as to my options, I would have chosen not to abort my baby.

I was given a saline abortion at four months and I never once was told of the pain involved during the injection of the saline solution into my womb. Neither was I told of the pain involved in labor, nor even that my body would go into labor to reject the struggling, dying baby that was being burned alive in my uterus. Over four hours after the injection, I gave birth to my dead son. I know he was my son because I asked the nurse what it was as she removed the bedpan and she said, "It's a boy."

Then began the horror that I have lived with for years afterward, the horror of the certainty that I had killed by own son in a moment of confusion and, I believe, the omission of basic information that would have changed the course of my life. I was twenty-one years old then. My son would now be fourteen.

Most sincerely yours,

ROSEMARIE GASTON
Wichita, KS

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mrs. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Energy and Natural Resources.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON WHALING ACTIVITIES OF NORWAY—MESSAGE FROM THE PRESIDENT—PM 163

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

Pursuant to the provisions of subsection (b) of the Pelly amendment to the Fishermen's Protective Act of 1967, as amended (22 U.S.C. 1978(b)), I am reporting to you following certification by the Secretary of Commerce that Norway has conducted whaling activities that diminished the effectiveness of the International Whaling Commission (IWC) conservation program.

Under the Pelly amendment, when the Secretary of Commerce determines that a foreign country is conducting a fishing operation that diminishes the effectiveness of an international fishery conservation program, he will certify this determination to the President. After receiving a certification, the President may direct the Secretary of the Treasury to embargo the offending country's fishery products to the extent sanctioned by the General Agreement on Tariffs and Trade. Within 60 days following the certification, the President is required to notify the Congress of any action taken under the certification.

On June 9, 1986, Secretary of Commerce Malcolm Baldrige certified that Norway has conducted whaling operations that diminish the effectiveness of the IWC conservation program. Secretary Baldrige based his determination on the following: (1) the Norwegian harvest of minke whales in the North Atlantic was from two stocks for which the IWC had established zero quotas and (2) there had been no indication that Norway intended to comply with IWC standards.

Norway had objected to the IWC decision which resulted in the setting of zero quotas and, additionally, to the IWC classification of the primary stock whales as a "protection stock" which by definition prohibits commercial whaling. By objecting, Norway is not bound by these IWC decisions under international law. Even though the objections release Norway from any treaty obligation to observe the zero quotas, the taking of more minke whales than permitted under quotas is inconsistent with the international conservation standard and, in the absence of remedial or mitigative actions, diminishes the effectiveness of the Commission and its conservation program.

The Government of Norway announced on July 3, 1986, that it would suspend commercial whaling after the 1987 coastal whaling season and would reduce the domestic quota for 1987 from the total quota of 400 animals planned in 1986. Because the foundation of the effectiveness of the IWC conservation program remains the voluntary compliance of member governments, and the Norwegian decision contemplates compliance, even though delayed, with IWC zero quotas, I am not imposing sanctions upon Norway at this time.

I am making this decision on the premise that Norway will not allow the resumption of any commercial whaling after the 1987 season unless the IWC takes affirmative action to authorize such a resumption. Secretary Baldrige will continue his certification of Norway until the Government of Norway withdraws its objections to the IWC decisions mentioned above or the IWC authorizes the resumption of commercial whaling on stocks of interest to Norway.

I have therefore directed Secretary Baldrige, in cooperation with Secretary of State George Shultz, to monitor developments relating to Norwegian whaling carefully during the period of this certification. I will expect to receive any additional recommendations as may be warranted under the certification, and I will at that time reassess my position and take necessary action. I will send to the Congress a supplemental report at such time.

RONALD REAGAN.

THE WHITE HOUSE, *August 4, 1986.*

MESSAGES FROM THE HOUSE

At 4:26 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 3113) providing for the coordinated operation of the Central Valley project and the State water project in California; it asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. UDALL, Mr. MILLER of California, Mr. COELHO, Mr. LEHMAN of California, Mr. YOUNG of Alaska, Mr. CHENEY, and Mr. PASHAYAN as managers of the conference on the part of the House.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 5205. An Act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1987, and for other purposes.

The message further announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 371. Joint resolution to designate August 1, 1986, as "Helsinki Human Rights Day."

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 5205. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1987, and for other purposes; to the Committee on Appropriations.

MEASURE PLACED ON THE CALENDAR

The following joint resolution was read the second time and placed on the calendar:

S.J. Res. 380. Joint resolution directing the conferees on the Act entitled the "Tax Reform Act of 1986" (H.R. 3838) to require that any amount refunded under section 212 of the Tax Reform Act of 1986 to steel companies filing bankruptcy petitions in 1986 or thereafter be dedicated for the continuation of company-paid health insurance costs for employees and retired employees.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolution were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DANFORTH:

S. 2712. A bill to extend the effective period of the International Coffee Agreement Act of 1980 until October 1, 1989; to the Committee on Finance.

By Mrs. KASSEBAUM:

S. 2713. A bill to amend title 408 of the Federal Aviation Act of 1958 to ensure the preservation of employee seniority rights in airline mergers and similar transactions; to the Committee on Commerce, Science, and Transportation.

ADDITIONAL COSPONSORS

S. 15

At the request of Mr. MOYNIHAN, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of S. 15, a bill to authorize the Secretary of Health and Human Services to make grants to States for the purpose of increasing the ability of States to provide drug abuse prevention, education, treatment, and rehabilitation, and for other purposes, to authorize the Attorney General to make grants to States for the purpose of increasing the level of State and local enforcement of State laws relating to produc-

tion, illegal possession, and transfer of controlled substances.

S. 2073

At the request of Mr. McCLURE, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 2073, a bill to encourage the standardization of nuclear powerplants, to improve the nuclear licensing and regulatory process, to amend the Atomic Energy Act of 1954, and for other purposes.

S. 2269

At the request of Mr. LAUTENBERG, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of S. 2269, a bill to amend title 10, United States Code, to permit members of the Armed Forces to wear, under certain circumstances, items of apparel not part of the official uniform.

At the request of Mr. D'AMATO, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 2269, supra.

S. 2331

At the request of Mr. HEINZ, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 2331, a bill to amend title XVIII of the Social Security Act to assure the quality of inpatient hospital services and posthospital services furnished under the Medicare Program, and for other purposes.

S. 2539

At the request of Mr. WARNER, the names of the Senator from North Carolina [Mr. BROYHILL] and the Senator from New Hampshire [Mr. RUDMAN] were added as cosponsors of S. 2539, a bill to consolidate and improve provisions of law relating to absentee registration and voting in elections for Federal office by members of uniformed services and citizens of the United States who reside overseas.

S. 2588

At the request of Mr. DOMENICI, the names of the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Nebraska [Mr. ZORINSKY], and the Senator from California [Mr. CRANSTON] were added as cosponsors of S. 2588, a bill to provide permanent authorization for White House Conferences on Small Business.

S. 2654

At the request of Mr. D'AMATO, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 2654, a bill to permit States and political subdivisions of States to enforce State or local antiapartheid laws with respect to contracts funded in whole or in part by funds provided by the Federal Government.

SENATE JOINT RESOLUTION 328

At the request of Mr. RIEGLE, the names of the Senator from Virginia [Mr. TRIBLE], the Senator from Oklahoma [Mr. NICKLES], the Senator from Indiana [Mr. LUGAR], the Senator from South Dakota [Mr. ABDNOR], the Senator from Georgia [Mr. NUNN], the Senator from Georgia [Mr. MATTINGLY], the Senator from New York [Mr. MOYNIHAN], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Nebraska [Mr. ZORINSKY], the Senator from Michigan [Mr. LEVIN], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Maryland [Mr. SARBANES], the Senator from Connecticut [Mr. DODD], the Senator from Nevada [Mr. LAXALT], the Senator from Arizona [Mr. DECONCINI], the Senator from South Carolina [Mr. THURMOND], the Senator from North Dakota [Mr. BURDICK], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Alabama [Mr. DENTON], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Alabama [Mr. HEFLIN], the Senator from New Jersey [Mr. T4Lautenberg], and the Senator from South Dakota [Mr. PRESSLER] were added as cosponsors of Senate Joint Resolution 328, a joint resolution to designate the week beginning May 4, 1986, as "National Correctional Officers Week."

SENATE JOINT RESOLUTION 352

At the request of Mr. MOYNIHAN, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of Senate Joint Resolution 352, a joint resolution to designate the week beginning September 7, 1986, as "Gaucher's Disease Awareness Week."

SENATE JOINT RESOLUTION 359

At the request of Mr. NICKLES, the name of the Senator from Kansas [Mr. DOLE] was added as a cosponsor of Senate Joint Resolution 359, a joint resolution to designate March 17, 1987, as "National China-Burma-India Veterans Association Day."

SENATE JOINT RESOLUTION 368

At the request of Mr. DIXON, the names of the Senator from Kansas [Mr. DOLE], the Senator from Mississippi [Mr. STENNIS], the Senator from Florida [Mr. CHILES], the Senator from Oklahoma [Mr. NICKLES], the Senator from Virginia [Mr. WARNER], the Senator from Vermont [Mr. STAFFORD], the Senator from Nebraska [Mr. ZORINSKY], the Senator from Florida [Mrs. HAWKINS], the Senator from South Dakota [Mr. ABDNOR], the Senator from North Dakota [Mr. ANDREWS], the Senator from Georgia [Mr. NUNN], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Michigan [Mr. RIEGLE], the Senator from Nebraska [Mr. EXON], the Senator from Massachusetts [Mr. KERRY], the Senator from Arkansas [Mr. PRYOR], and the Senator from Connecticut [Mr. DODD] were added as cosponsors of Senate Joint Resolution 368, a joint resolution to designate the month of October 1986, as "National Spina Bifida Month."

SENATE CONCURRENT RESOLUTION 147

At the request of Mr. CRANSTON, the names of the Senator from New York [Mr. MOYNIHAN] and the Senator from Pennsylvania [Mr. HEINZ] were added as cosponsors of Senate Concurrent Resolution 147, a concurrent resolution to express the sense of the Congress that the monkeys known as the Silver Spring Monkeys should be transferred from the National Institutes of Health to the custody of Primarily Primates, Inc., animal sanctuary in San Antonio, TX.

SENATE RESOLUTION 435

At the request of Mr. MOYNIHAN, the names of the Senator from Vermont [Mr. STAFFORD] and the Senator from Illinois [Mr. DIXON] were added as cosponsors of Senate Resolution 435, a resolution to recognize Mr. Eugene Lang for his contributions to the education and the lives of disadvantaged young people.

AMENDMENTS SUBMITTED

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, FISCAL YEAR 1987

JOHNSTON (AND OTHERS) AMENDMENT NO. 2273

Mr. JOHNSTON (for himself, Mr. EVANS, Mr. PROXMIRE, Mr. CHAFEE, Mr. MATHIAS, Mr. KERRY, Mr. KENNEDY, Mrs. KASSEBAUM, Mr. SIMON, Mr. LEAHY, Mr. GORE, Mr. BUMPERS, Mr. LEVIN, and Mr. STAFFORD) proposed an amendment to the bill (S. 2638) to authorize appropriations for military functions of the Department of Defense and to prescribe military personnel levels for such Department for fiscal year 1987, to revise and improve military compensation programs, to improve defense procurement procedures, to authorize certain construction at military installations for fiscal year 1987, to authorize appropriations for national security programs of the Department of Energy for fiscal year 1987, and for other purposes; as follows:

On page 11, line 4, strike out "$7,310,974,000" and insert in lieu thereof "$6,665,974,000".

On page 15, line 15, strike out "$3,597,000,000" and insert in lieu thereof "$2,952,000,000".

On page 330, line 5, strike out "$7,425,225,000" and insert in lieu thereof "$7,358,225,000".

On page 330, line 13, strike out "$356,000,000" and insert in lieu thereof "$289,000,000".

McCONNELL AMENDMENT NO. 2274

(Ordered to lie on the table.)

Mr. McCONNELL submitted an amendment intended to be proposed

by him to the bill S. 2638, supra; as follows:

On page 229, between lines 14 and 15, insert the following new section:

(1) No chemical weapons, agents, or components used in chemical weapons may be shipped by any means to the Lexington-Bluegrass Depot in Richmond, Kentucky, for any purpose, including disposal;

(2) Following disposal of chemical weapons stockpile stored at the Lexington-Bluegrass Depot, as required by Public Law 99-145, the facility may not be used for assembly, construction, testing, storage, or disposal of any chemical or biological weapon.

MITCHELL AMENDMENT NO. 2275

(Ordered to lie on the table.)

Mr. MITCHELL submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

On page 20, line 1, strike out "$20,664,070,000" and insert in lieu thereof "$20,657,270,000".

On page 20, line 2, strike out "$24,275,960,000" and insert in lieu thereof "$24,269,160,000".

On page 20, line 4, strike out "$19,418,371,000" and insert in lieu thereof "$19,411,671,000".

On page 20, line 17, strike out "$370,600,000" and insert in lieu thereof "$385,900,000".

On page 276, line 6, strike out "$16,400,000" and insert in lieu thereof "$21,400,000".

INDIAN HEALTH CARE AMENDMENTS

ANDREWS AMENDMENT NO. 2276

(Ordered to lie on the table.)

Mr. ANDREWS submitted an amendment intended to be proposed by him to the bill (S. 277) to reauthorize and amend the Indian Health Care Improvement Act, and for other purposes; as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "Indian Health Care Amendments of 1986".

TABLE OF CONTENTS

Sec. 1. Short title; table of contents.
Sec. 2. References.
TITLE I—INDIAN HEALTH MANPOWER
Sec. 101. Health professions recruitment program for Indians.
Sec. 102. Health professions preparatory scholarship program.
Sec. 103. Indian health service extern programs.
Sec. 104. Indian health professions scholarship program.
Sec. 105. Native Hawaiian health professions scholarship program.
Sec. 106. Community health representatives.
TITLE II—HEALTH SERVICES
Sec. 201. Improvement of Indian health status.
Sec. 202. Catastrophic health program.
Sec. 203. Health promotion and disease prevention.
Sec. 204. Reimbursement of certain expenses.
TITLE III—HEALTH FACILITIES
Sec. 301. Consultation; closure of facilities; reports.
Sec. 302. Safe water and sanitary waste disposal facilities.
Sec. 303. Use of non-Service funds for renovation.
TITLE IV—ACCESS TO HEALTH SERVICES
Sec. 401. Grants and contracts with tribal organizations.
Sec. 402. Medicare provisions.
Sec. 403. Medicaid provisions.
Sec. 404. Demonstration program.
TITLE V—URBAN INDIAN HEALTH SERVICES
Sec. 501. Revision of program.
Sec. 502. Urban Indian organization.
TITLE VI—ORGANIZATIONAL IMPROVEMENTS
Sec. 601. Management information system.
TITLE VII—MISCELLANEOUS PROVISIONS
Sec. 701. Health education.
Sec. 702. Arizona as a contract health service delivery area.
Sec. 703. Eligibility of California Indians.
Sec. 704. California as a contract health service delivery area.
Sec. 705. Contract health facilities.
Sec. 706. National Health Service Corps.
Sec. 707. Health services for ineligible persons.
Sec. 708. Infant and maternal mortality; fetal alcohol syndrome.
Sec. 709. Contract health services for the Trenton Service Area.
Sec. 710. Use of new resource allocation methods.
Sec. 711. Severability.

REFERENCES

SEC. 2. Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Indian Health Care Improvement Act (25 U.S.C. 1601, et seq.).

TITLE I—INDIAN HEALTH MANPOWER

HEALTH PROFESSIONS RECRUITMENT PROGRAM FOR INDIANS

SEC. 101. Subsection (c) of section 102 (25 U.S.C. 1612 (c)) is amended to read as follows:

"(c) There are authorized to be appropriated for the purpose of carrying out the provisions of this section—

"(1) $650,000 for fiscal year 1987,

"(2) $700,000 for fiscal year 1988, and

"(3) $750,000 for fiscal year 1989.".

HEALTH PROFESSIONS PREPARATORY SCHOLARSHIP PROGRAM

SEC. 102. (a) Section 103 (25 U.S.C. 1613) is amended by striking out subsection (d) and inserting in lieu thereof the following:

"(d) The Secretary shall not deny scholarship assistance to an eligible applicant under this section solely on the basis of the applicant's scholastic achievement if such applicant has been admitted to, or maintained good standing at, an accredited institution.

"(e) There are authorized to be appropriated for the purpose of carrying out the provisions of this section—

"(1) $5,400,000 for fiscal year 1987,

"(2) $6,100,000 for fiscal year 1988, and

"(3) $6,800,000 for fiscal year 1989.".

(b) Subsection (c) of section 103 is amended by striking out "expenses" and inserting in lieu thereof "expenses of a grantee while attending school full time".

INDIAN HEALTH SERVICE EXTERN PROGRAMS

SEC. 103. Subsection (d) of section 105 (25 U.S.C. 1614) is amended to read as follows:

"(d) There are authorized to be appropriated for the purpose of carrying out the provisions of this section—

"(1) $400,000 for fiscal year 1987,

"(2) $450,000 for fiscal year 1988, and

"(3) $500,000 for fiscal year 1989.".

INDIAN HEALTH PROFESSIONS SCHOLARSHIP PROGRAM

SEC. 104. (a) The first sentence of section 338G(a) of the Public Health Service Act (42 U.S.C. 254r(a)) is amended—

(1) by striking out "section 765(a)" and inserting in lieu thereof "section 338F(a)";

(2) by striking out "$5,450,000 for the fiscal year ending September 30, 1978, $6,300,000 for the fiscal year ending September 30, 1979, $7,200,000 for the fiscal year ending September 30, 1980, $9,000,000 for the fiscal year ending September 30, 1981, $10,300,000 for the fiscal year ending September 30, 1982, $11,800,000 for the fiscal year ending September 30, 1983, and $13,600,000 for the fiscal year ending September 30, 1984," and inserting in lieu thereof "$8,100,000 for the fiscal year ending September 30, 1987, $9,234,000 for the fiscal year ending September 30, 1988, and $10,300,000 for the fiscal year ending September 30, 1989,"; and

(3) by inserting "psychologists," after "pharmacists,".

(b) Subsection (b) of section 338G of the Public Health Service Act (42 U.S.C. 254r(b)) is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) The active duty service obligation prescribed in the written contract entered into under this subpart shall be met by a recipient of an Indian Health Scholarship by service—

"(A) in the Indian Health Service;

"(B) in a program conducted under a contract entered into under the Indian Self-Determination and Education Assistance Act;

"(C) in a program assisted under title V of the Indian Health Care Improvement Act; or

"(D) in the private practice of the applicable profession if, as determined by the Secretary, in accordance with guidelines promulgated by the Secretary, such practice is situated in a physician or other health professional shortage area and addresses the health care needs of a substantial number of Indians.

"(3) The Secretary shall not deny scholarship assistance to any eligible applicant under this section solely upon the basis of the applicant's scholastic achievement if such applicant has been admitted to an accredited educational institution to pursue a course of study described in subsection (a).".

(c) Subsection (c) of section 338G of the Public Health Service Act (42 U.S.C. 254r(c)) is amended to read as follows:

"(c) The term 'Indian' has the meaning given to such term by section 4(c) of the Indian Health Care Improvement Act and includes the individuals described in clauses (1) through (4) of section 4(c) of such Act.".

NATIVE HAWAIIAN HEALTH PROFESSIONS SCHOLARSHIP PROGRAM

SEC. 105. The Public Health Service Act (42 U.S.C. 201, et seq.) is amended by insert-

ing after section 338G the following new section:

"SEC. 338H. NATIVE HAWAIIAN HEALTH SCHOLARSHIPS.

"(a) Subject to the availability of funds appropriated under the authority of subsection (d), the Secretary shall provide scholarship assistance to students who—

"(1) meet the requirements of section 338A(b), and

"(2) are Native Hawaiians.

"(b) The scholarship assistance provided under subsection (a) shall be provided under the same terms and subject to the same conditions, regulations, and rules that apply to scholarship assistance provided under section 338A.

"(c) For purposes of this section, the term 'Native Hawaiian' means any individual who is—

"(1) a citizen of the United States, and

"(2) a descendant of the aboriginal people who, prior to 1778, occupied and exercised sovereignty in the area that now constitutes the State of Hawaii, as evidenced by—

"(A) genealogical records,

"(B) Kupuna (elders) or Kama'aina (long-term community residents) verification, or

"(C) birth records of the State of Hawaii.

"(d) There are authorized to be appropriated $1,800,000 for fiscal year 1987, and for each fiscal year thereafter, for the purpose of funding the scholarship assistance provided under subsection (a).".

COMMUNITY HEALTH REPRESENTATIVES

SEC. 106. Title I is amended by adding at the end thereof the following new section:

"COMMUNITY HEALTH REPRESENTATIVE PROGRAM

"SEC. 107. (a) Under the authority of the Act of November 2, 1921 (25 U.S.C. 13), popularly known as the Snyder Act, the Secretary shall maintain a Community Health Representative Program under which the Service—

"(1) provides for the training of Indians as health paraprofessionals, and

"(2) uses such paraprofessionals in the provision of health care to Indian communities.

"(b) The Secretary, acting through the Community Health Representative Program of the Service, shall—

"(1) provide a high standard of paraprofessional training to Community Health Representatives to ensure that the Community Health Representatives provide quality health care to the Indian communities served by such Program,

"(2) in order to provide such training, develop a curriculum that—

"(A) combines education in the theory of health care with supervised practical experience in the provision of health care,

"(B) provides instruction and practical experience in health promotion and disease prevention activities, particularly—

"(i) nutrition,

"(ii) physical fitness,

"(iii) weight control,

"(iv) cessation of tobacco smoking,

"(v) stress management,

"(vi) control of alcohol and drug abuse (including prevention of fetal alcohol syndrome),

"(vii) control of high blood pressure,

"(viii) prevention of lifestyle-related accidents,

"(ix) prevention and management of hearing and vision problems, and

"(x) prevention of diabetes, and

"(C) provides instruction in the latest and most effective social, educational, and behavioral approaches to the establishment and maintenance of good health habits,

"(3) develop a system which identifies the needs of Community Health Representatives for continuing education in health care, health promotion, and disease prevention and develop programs that meet the needs for such continuing education,

"(4) develop and maintain a system that provides close supervision of Community Health Representatives,

"(5) develop a system under which the work of Community Health Representatives is reviewed and evaluated, and

"(6) ensure that the provision of health care, health promotion, and disease prevention activities are consistent with the traditional health care practices and cultural values of the Indian tribes served by such Program.".

TITLE II—HEALTH SERVICES

IMPROVEMENT OF INDIAN HEALTH STATUS

SEC. 201. (a) Section 201 (25 U.S.C. 1621) is amended to read as follows:

"IMPROVEMENT OF INDIAN HEALTH STATUS

"SEC. 201. (a) The Secretary is authorized to expend funds which are appropriated pursuant to subsection (j), through the Service, for the purposes of—

"(1) raising the health status of Indians to zero health resources deficiency,

"(2) eliminating backlogs in the provision of health care services to Indians,

"(3) meeting the health needs of Indians in an efficient and equitable manner, and

"(4) augmenting the ability of the Service to meet the following health service responsibilities:

"(A) clinical care (direct and indirect) including clinical eye and vision care;

"(B) preventive health;

"(C) dental care (direct and indirect);

"(D) mental health, including community mental health services, inpatient mental health services, dormitory mental health services, therapeutic and residential treatment centers, and training of traditional Indian practitioners;

"(E) emergency medical services;

"(F) treatment and control of, and rehabilitative care related to, alcoholism and drug abuse (including fetal alcohol syndrome) among Indians;

"(G) home health care;

"(H) community health representatives; and

"(I) maintenance and repair.

"(b)(1) Any funds appropriated pursuant to subsection (j) shall not be used to offset or limit any appropriations made to the Service under the Act of November 2, 1921 (25 U.S.C. 13), popularly known as the Snyder Act, or any other provision of law.

"(2) Funds which are appropriated pursuant to subsection (j) may be allocated to, or used for the benefit of, any Indian tribe which has a health resources deficiency level at level I or II only if a sufficient amount of funds have been appropriated pursuant to subsection (j) to raise all Indian tribes to health resources deficiency level II.

"(3)(A) Funds appropriated pursuant to subsection (j) may be allocated on a service unit basis but such allocation shall be made in a manner which ensures that the requirement of paragraph (2) is met. The funds allocated to each service unit under this subparagraph shall be used by the service unit (in accordance with paragraph (2)) to raise the deficiency level of each tribe served by such service unit.

"(B) The apportionment of funds allocated to a service unit under subparagraph (A) among the health service responsibilities described in subsection (a)(4) shall be determined by the Service in consultation with the affected Indian tribes.

"(c) For purposes of this section—

"(1) The health resources deficiency levels of an Indian tribe are as follows:

"(A) level I—0 to 20 percent health resources deficiency;

"(B) level II—21 to 40 percent health resources deficiency;

"(C) level III—41 to 60 percent health resources deficiency;

"(D) level IV—61 to 80 percent health resources deficiency; and

"(E) level V—81 to 100 percent health resources deficiency.

"(2) The term 'health resources deficiency' means a percentage determined by dividing—

"(A) the excess, if any, of—

"(i) the value of the health resources that the Indian tribe needs, over

"(ii) the value of the health resources available to the Indian tribe, by

"(B) the value of the health resources that the Indian tribe needs.

"(3) The health resources available to an Indian tribe include health resources provided by the Service as well as health resources used by the Indian tribe, including services and financing systems provided by any Federal programs, private insurance, and programs of State or local governments.

"(4) Under regulations, the Secretary shall establish procedures which allow any Indian tribe to petition the Secretary for a review of any determination of the health resources deficiency level of such tribe.

"(d)(1) Programs administered by any Indian tribe or tribal organization under the authority of the Indian Self-Determination and Education Assistance Act shall be eligible for funds appropriated pursuant to subsection (j) on an equal basis with programs that are administered directly by the Service.

"(2) If any funds allocated to a tribe or service unit under the authority of this section are used for a contract entered into under the Indian Self-Determination and Education Assistance Act, a reasonable portion of such funds may be used for health planning, training, technical assistance, and other administrative support functions.

"(e) The Secretary, acting through the Service, shall expend directly or by contract not less than 1 percent of the funds appropriated pursuant to subsection (j) for research in the areas of health service responsibilities set out in subparagraphs (A) through (H) of subsection (a)(4). Indian tribes and tribal organizations contracting with the Service under the authority of the Indian Self-Determination and Education Assistance Act shall be given an equal opportunity to compete for, and receive, such research funds.

"(f) By no later than the date that is 60 days after the date of enactment of the Indian Health Care Amendments of 1986, the Secretary shall submit to the Congress the current health services priority system report of the Service for each Indian tribe or service unit, including newly recognized or acknowledged tribes. Such report shall set out—

"(1) the methodology then in use by the Service for determining tribal health resources deficiencies, as well as the most recent application of that methodology;

"(2) the level of health resources deficiency for each Indian tribe served by the Service;

"(3) the amount of funds necessary to raise all Indian tribes served by the Service below health resources deficiency level II to health resources deficiency level II;

"(4) the amount of funds necessary to raise all tribes served by the Service below health resources deficiency level I to health resources deficiency level I;

"(5) the amount of funds necessary to raise all tribes served by the Service to zero health resources deficiency; and

"(6) an estimate of—

"(A) the amount of health service funds appropriated under the authority of this Act, or any other Act, including the amount of any funds transferred to the Service, for the preceding fiscal year which is allocated to each service unit, Indian tribe, or comparable entity;

"(B) the number of Indians eligible for health services in each service unit or Indian tribe; and

"(C) the number of Indians using the Service resources made available to each service unit or Indian tribe.

"(g)(1) The Secretary, acting through the Service and in conjunction with each Indian tribe, shall annually update the tribal specific health plans which were developed as part of the plan required under section 703. The updating of such plans shall be carried out in accordance with the methodology submitted to the Congress under subsection (f), as modified through consultation with the Indian tribe to which such plan relates.

"(2) The Secretary shall submit to Congress an annual report on the health services priority system of the Service by no later than 60 days after the date the President submits to the Congress the budget required under section 1105 of title 31, United States Code, for any fiscal year beginning after September 30, 1987. Such report shall be based on the updated tribal specific health plans described in paragraph (1) and shall include information on any change in the methodology used by the Service since the submission of the report required under subsection (f) or since the previous submission of the report required under this section.

"(h)(1) The President shall include with the budget submitted under section 1105 of title 31, United States Code, for each fiscal year a separate statement which—

"(A) specifies the amount of funds requested to carry out the provisions of this section for such fiscal year, and

"(B) specifies the total amount obligated or expended in the most recently completed fiscal year to carry out subsection (g) and to carry out each of the subparagraphs of subsection (a)(4).

"(2) Funds appropriated under authority of this section for any fiscal year shall be included in the base budget of the Service for the purpose of determining appropriations under this section in subsequent fiscal years.

"(i) Nothing in this section is intended to diminish the primary responsibility of the Service to eliminate existing backlogs in unmet health care needs, nor are the provisions of this section intended to discourage the Service from undertaking additional efforts to achieve parity among Indian tribes.

"(j) There are authorized to be appropriated for the purpose of carrying out the provisions of this section—

"(1) $28,000,000 for fiscal year 1987,

"(2) $46,000,000 for fiscal year 1988, and

"(3) $46,000,000 for fiscal year 1989.

Any funds appropriated under the authority of this subsection shall be designated as the 'Indian Health Care Improvement Fund'.".

(b) Section 4 (25 U.S.C. 1603) is amended by striking out subsections (i), (j), and (k), and by inserting in lieu thereof the following new subsections:

"(i) 'Area office' means an administrative entity including a program office, within the Indian Health Service through which services and funds are provided to the service units within a defined geographic area.

"(j) 'Service unit' means—

"(1) an administrative entity within the Indian Health Service, or

"(2) a tribe or tribal organization operating health care programs or facilities with funds from the Service under the Indian Self-Determination and Education Assistance Act,

through which services are provided, directly or by contract, to the eligible Indian population within a defined geographic area.".

CATASTROPHIC HEALTH PROGRAM

SEC. 202. Title II is amended by adding at the end thereof the following new section:

"CATASTROPHIC HEALTH EMERGENCY FUND

"SEC. 202. (a)(1) There is hereby established an Indian Catastrophic Health Emergency Fund (hereafter in this section referred to as the 'Fund') consisting of—

"(A) the amounts deposited under subsection (d), and

"(B) the amounts appropriated under subsection (e).

"(2) The Fund shall be administered by the Secretary, acting through the central office of the Service, solely for the purpose of meeting the extraordinary medical costs associated with the treatment of victims of disasters or catastrophic illnesses who are within the responsibility of the Service.

"(3) The Fund shall not be allocated, apportioned, or delegated on a service unit, area office, or any other basis.

"(4) No part of the Fund or its administration shall be subject to contract or grant under any law, including the Indian Self-Determination and Education Assistance Act.

"(b) The Secretary shall, through the promulgation of regulations consistent with the provisions of this section—

"(1) establish a definition of disasters and catastrophic illnesses for which the cost of treatment provided under contract would qualify for payment from the Fund;

"(2) provide that a service unit shall not be eligible for reimbursement for the cost of treatment from the Fund until its cost of treating any victim of such catastrophic illness or disaster has reached a certain threshold cost which the Secretary shall establish at not less than $10,000 or not more than $20,000;

"(3) establish a procedure for the reimbursement of the portion of the costs incurred by—

"(A) service units or facilities of the Service, or

"(B) whenever otherwise authorized by the Service, non-Service facilities or providers,

in rendering treatment that exceeds such threshold cost;

"(4) establish a procedure for payment from the Fund in cases in which the exigencies of the medical circumstances warrant treatment prior to the authorization of such treatment by the Service; and

"(5) establish a procedure that will ensure that no payment shall be made from the Fund to any provider of treatment to the extent that such provider is eligible to receive payment for the treatment from any other Federal, State, local, or private source of reimbursement for which the patient is eligible.

"(c) Funds appropriated under subsection (e) shall not be used to offset or limit appropriations made to the Service under authority of the Act of November 2, 1921 (25 U.S.C. 13), popularly known as the Snyder Act, or any other law.

"(d) There shall be deposited into the Fund—

"(1) all reimbursements to which the Service is entitled from any Federal, State, local, or private source (including third party insurance) by reason of treatment rendered to any victim of a disaster or catastrophic illness who is within the responsibility of the Service, and

"(2) all funds recovered under the authority of Public Law 87-693 (42 U.S.C. 2651, et seq.), popularly known as the Medical Care Recovery Act, by reason of such treatment.

"(e) There are authorized to be appropriated for the purpose of carrying out the provisions of this section—

"(1) $9,000,000 for fiscal year 1987, and

"(2) for each of the fiscal years 1988 and 1989, such sums may be necessary to restore the Fund to a level of $9,000,000 for such fiscal year.

Funds appropriated under the authority of this subsection shall remain available until expended.".

HEALTH PROMOTION AND DISEASE PREVENTION

SEC. 203. (a) The Congress finds that—

(1) health promotion and disease prevention activities will—

(A) improve the health and well being of Indians, and

(B) reduce the expenses for medical care of Indians,

(2) health promotion and disease prevention activities should be undertaken by the coordinated efforts of Federal, State, local, and tribal governments, and

(3) in addition to the provision of primary health care, the Indian Health Service should provide health promotion and disease prevention services to Indians.

(b) Section 4 (25 U.S.C. 1603), as amended by section 201(b) of this Act, is further amended by adding at the end thereof the following new subsections:

"(k) 'Health promotion' includes—

"(1) cessation of tobacco smoking,

"(2) reduction in the misuse of alcohol and drugs,

"(3) improvement of nutrition,

"(4) improvement in physical fitness,

"(5) family planning, and

"(6) control of stress.

"(l) 'Disease prevention' includes—

"(1) immunizations,

"(2) control of high blood pressure,

"(3) control of sexually transmittable diseases,

"(4) prevention and control of diabetes,

"(5) pregnancy and infant care (including prevention of fetal alcohol syndrome),

"(6) control of toxic agents,

"(7) occupational safety and health,

"(8) accident prevention,

"(9) fluoridation of water, and

"(10) control of infectious agents.".

(c) Title II (25 U.S.C. 1621, et seq.), as amended by section 202, is further amended by adding at the end thereof the following new section:

"HEALTH PROMOTION AND DISEASE PREVENTION SERVICES

"SEC. 203. (a) The Secretary, acting through the Service, shall provide health

promotion and disease prevention services to Indians.

"(b) The Secretary shall include in each report which is required under section 201(g) an evaluation of—

"(1) the health promotion and disease prevention needs of Indians identified in tribal specific health plans,

"(2) the health promotion and disease prevention activities which would best meet such needs,

"(3) the internal capacity of the Service to meet such needs, and

"(4) the resources which would be required to enable the Service to undertake the health promotion and disease prevention activities necessary to meet such needs.

"(c) Under regulations, the Secretary shall require that each Indian tribe include within any tribal specific health plan that such tribe is required to submit to the Secretary a comprehensive plan developed by such tribe for health promotion and disease prevention among members of such tribe.

"(d) By no later than the date that is 1 year after the date of enactment of the Indian Health Care Amendments of 1986, the Secretary, acting through the Service, shall—

"(1) develop from tribal specific health plans a comprehensive plan for the provision by the Service of health promotion and disease prevention services to Indians, and

"(2) establish a schedule for the provision of health promotion and disease prevention services by the Service.

"(e)(1) The Secretary shall establish at least 1 demonstration project (but no more than 4 demonstration projects) to determine the most effective and cost-efficient means of—

"(A) providing health promotion and disease prevention services,

"(B) encouraging Indians to adopt good health habits,

"(C) reducing health risks to Indians, particularly the risks of heart disease, cancer, stroke, diabetes, anxiety, depression, and lifestyle-related accidents,

"(D) reducing medical expenses of Indians through health promotion and disease prevention activities,

"(E) establishing a program—

"(i) which trains Indians in the provision of health promotion and disease prevention services to members of their tribe, and

"(ii) under which such Indians are available on a contract basis to provide such services to other tribes, and

"(F) providing training and continuing education to employees of the Service, and to paraprofessionals participating in the Community Health Representative Program, in the delivery of health promotion and disease prevention services.

"(2) The demonstration project described in paragraph (1) shall include an analysis of the cost effectiveness of organizational structures and of social and educational programs that may be useful in achieving the objectives described in paragraph (1).

"(3)(A) The demonstration project described in paragraph (1) shall be conducted in association with at least one—

"(i) health profession school,

"(ii) allied health profession or nurse training institution, or

"(iii) public or private entity that provides health care.

"(B) The Secretary is authorized to enter into contracts with, or make grants to, any school of medicine or school of osteopathy for the purpose of carrying out the demonstration project described in paragraph (1).

"(C) For purposes of this paragraph, the term 'school of medicine' and 'school of osteopathy' have the respective meaning given to such terms by section 701(4) of the Public Health Service Act (42 U.S.C. 292a(4)).

"(4) The Secretary shall submit to Congress a final report on the demonstration project described in paragraph (1) within 60 days after the termination of such project.

"(5) The demonstration project described in paragraph (1) shall be established by no later than the date that is 6 months after the date of enactment of the Indian Health Care Amendments of 1986 and shall terminate on the date that is 2 years after the date of enactment of such Amendments.

"(7) There are authorized to be appropriated $500,000 for the purpose of carrying out the provisions of this subsection, such sum to remain available without fiscal year limitation.

"(f)(1) The Secretary shall establish in the State of Hawaii, as a demonstration project, a Native Hawaiian Program for Health Promotion and Disease Prevention for the purpose of exploring ways to meet the unique health care needs of Native Hawaiians.

"(2) The demonstration program that is to be established under paragraph (1) shall—

"(A) provide necessary preventive-oriented health services, including health education and mental health care,

"(B) develop innovative training and research projects,

"(C) establish cooperative relationships with the leadership of the Native Hawaiian community, and

"(D) ensure that a continuous effort is made to establish programs which can be of direct benefit to other Native American people.

"(3) The Secretary is authorized to enter into contracts with Native Hawaiian organizations for the purpose of assisting the Secretary in meeting the objectives of the demonstration program that is to be established under paragraph (1).

"(4) The Secretary shall submit to the Congress an annual report on the status and accomplishments of the program during each of the fiscal years 1987, 1988, and 1989.

"(5)(A) The Secretary shall include in any contract which the Secretary enters into with any Native Hawaiian organization under this subsection such conditions as the Secretary considers necessary to ensure that the objectives of such contract are achieved.

"(B) The Secretary shall develop procedures to evaluate compliance with, and performance of, contracts entered into by Native Hawaiian organizations under this subsection.

"(C) The Secretary shall conduct an annual onsite evaluation of each Native Hawaiian organization which has entered into a contract under this subsection for purposes of determining the compliance of such organization with, and evaluating the performance of such organization under, such contract.

"(D) If, as a result of the evaluations conducted under subparagraph (C), the Secretary determines that a Native Hawaiian organization has not complied with or satisfactorily performed a contract entered into under this subsection, the Secretary shall, prior to renewing such contract, attempt to resolve the areas of noncompliance or unsatisfactory performance and modify such contract to prevent future occurrences of such noncompliance or unsatisfactory performance. If the Secretary determines that such noncompliance or unsatisfactory performance cannot be resolved and prevented in the future, the Secretary shall not renew such contract with such organization and is authorized to enter into a contract under this subsection with another Native Hawaiian organization that serves the same population of Native Hawaiians which is served by the Native Hawaiian organization whose contract is not renewed by reason of this subparagraph.

"(E) In determining whether to renew a contract entered into with a Native Hawaiian organization under this subsection, the Secretary shall—

"(i) review the records of the Native Hawaiian organization, and

"(ii) shall consider the results of the onsite evaluations conducted under subparagraph (C).

"(F) All contracts entered into by the Secretary under this subsection shall be in accordance with all Federal contracting laws and regulations except that, in the discretion of the Secretary, such contracts may be negotiated without advertising and need not conform to the provision of the Act of August 24, 1935 (40 U.S.C. 270a, et seq.).

"(G) Payments made under any contract entered into under this subsection may be made in advance, by means of reimbursement, or in installments and shall be made on such conditions as the Secretary deems necessary to carry out the purposes of this subsection.

"(H) Notwithstanding any other provision of law, the Secretary may, at the request or consent of a Native Hawaiian organization, revise or amend any contract entered into by the Secretary with such organization under this subsection as necessary to carry out the purposes of this subsection, except that whenever such organization requests retrocession of any contract entered into under this subsection, such retrocession shall become effective upon a date specified by the Secretary that is not more than 120 days after the date of the request by such organization or at such later date as may be mutually agreed to by the Secretary and such organization.

"(I)(i) For each fiscal year during which a Native Hawaiian organization receives or expends funds pursuant to a contract entered into under this subsection, such organization shall submit to the Secretary a quarterly report on—

"(I) activities conducted by the organization under the contract,

"(II) the amounts and purposes for which Federal funds were expended, and

"(III) such other information as the Secretary may request.

"(ii) The reports and records of any Native Hawaiian organization which concern any contract entered into under this subsection shall be subject to audit by the Secretary and the Comptroller General of the United States.

"(J) The Secretary shall allow as a cost of any contract entered into under this subsection the cost of an annual private audit conducted by a certified public accountant.

"(K) The authority of the Secretary to enter into contracts under this subsection shall be to the extent, and in amounts, provided for in appropriation Acts.

"(6) For purposes of this subsection—

"(A) The term 'Native Hawaiian' means any individual who—

"(i) is a citizen of the United States,

"(ii) is a resident of the State of Hawaii, and

"(iii) is a descendant of the aboriginal people who, prior to 1778, occupied and ex-

ercised sovereignty in the area that now constitutes the State of Hawaii, as evidenced by—

"(I) genealogical records,

"(II) Kupuna (elders) or Kama'aina (long-term community residents) verification, or

"(III) birth records of the State of Hawaii.

"(B) The term 'Native Hawaiian organization' means any organization—

"(i) which serves and represents the interests of Native Hawaiians,

"(ii) which is recognized by the Office of Hawaiian Affairs of the State of Hawaii and E Ola Mau for the purpose of planning, conducting, or administering programs (or portion of programs) authorized under this Act for Native Hawaiians, and

"(iii) in which Native Hawaiian health professionals significantly participate in the planning, management, monitoring, and evaluation of health services.

"(7) There are authorized to be appropriated $500,000 for each of the fiscal years 1987, 1988, and 1989, for the purpose of carrying out the provisions of this subsection.".

REIMBURSEMENT OF CERTAIN EXPENSES

SEC. 204. Title II, as amended by section 203(c), is further amended by adding at the end thereof the following new sections:

"REIMBURSEMENT FROM CERTAIN THIRD PARTIES OF COSTS OF HEALTH SERVICES

"SEC. 204. (a) The United States shall have the right to recover the reasonable expenses incurred by the Secretary in providing health services, through the Service, to any individual to the same extent that such individual, or any nongovernmental provider of such services, would be eligible to receive reimbursement or indemnification for such expenses if—

"(1) such services had been provided by a nongovernmental provider, and

"(2) such individual had been required to pay such expenses and did pay such expenses.

"(b) Subsection (a) shall provide a right of recovery against any State, or any political subdivision of a State, only if the injury, illness, or disability for which health services were provided is covered under—

"(1) workers' compensation laws, or

"(2) a no-fault automobile accident insurance plan or program.

"(c) No law of any State, or of any political subdivision of a State, and no provision of any contract entered into or renewed after the date of enactment of the Indian Health Care Amendments of 1986, shall prevent or hinder the right of recovery of the United States under subsection (a).

"(d) No action taken by the United States to enforce the right of recovery provided under subsection (a) shall affect the right of any person to any damages (other than damages for the cost of health services provided by the Secretary through the Service).

"(e) The United States may enforce the right of recovery provided under subsection (a) by—

"(1) intervening or joining in any civil action or proceeding brought—

"(A) by the individual for whom health services were provided by the Secretary, or

"(B) by any representative or heirs of such individual, or

"(2) instituting a separate civil action, after providing to such individual, or to the representative or heirs of such individual, notice of the intention of the United States to institute a separate civil action.

"CREDITING OF REIMBURSEMENTS

"SEC. 205. (a) Notwithstanding any provision of law other than this section, all funds received into the Treasury of the United States by reason of the provision of health services by the Service, including—

"(1) amounts paid under section 713(b)(1)(B), and

"(2) recoveries made under—

"(A) section 204, or

"(B) Public Law 87-693 (42 U.S.C. 2651, et seq.), popularly known as the Medical Care Recovery Act,

shall be credited to the reimbursable account of the Indian Health Service in the Treasury of the United States and shall remain available until expended.

"(b) Subsection (a) shall not apply to any amounts described in section 202(d).".

TITLE III—HEALTH FACILITIES

CONSULTATION; CLOSURE OF FACILITIES; REPORTS

SEC. 301. Section 301 (25 U.S.C. 1631) is amended to read as follows:

"CONSULTATION; CLOSURE OF FACILITIES; REPORTS

"SEC. 301. (a) Prior to the expenditure of, or the making of any firm commitment to expend, any funds appropriated for the planning, design, construction, or renovation of facilities pursuant to the Act of November 2, 1921 (25 U.S.C. 13), popularly known as the Snyder Act, the Secretary, acting through the Service, shall—

"(1) consult with any Indian tribe that would be significantly affected by such expenditure for the purpose of determining and, whenever practicable, honoring tribal preferences concerning size, location, type, and other characteristics of any facility on which such expenditure is to be made, and

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"(2) ensure, whenever practicable, that such facility meets the standards of the Joint Commission on Accreditation of Hospitals by not later than 1 year after the date on which the construction or renovation of such facility is completed.

"(b)(1) Notwithstanding any provision of law other than this subsection, no Service hospital or other outpatient health care facility of the Service, or any portion of such a hospital or facility, may be closed if the Secretary has not submitted to the Congress at least 1 year prior to the date such hospital or facility (or portion thereof) is proposed to be closed an evaluation of the impact of such proposed closure which specifies, in addition to other considerations—

"(A) the accessibility of alternative health care resources for the population served by such hospital or facility;

"(B) the cost effectiveness of such closure;

"(C) the quality of health care to be provided to the population served by such hospital or facility after such closure;

"(D) the availability of contract health care funds to maintain existing levels of service; and

"(E) the views of the Indian tribes served by such hospital or facility concerning such closure.

"(2) Paragraph (1) shall not apply to any temporary closure of a facility or of any portion of a facility if such closure is necessary for medical, environmental, or safety reasons.

"(c) The President shall include with the budget submitted under section 1105 of title 31, United States Code, for each of the fiscal years 1987, 1988, and 1989, program information documents for the construction of 10 Indian health facilities which—

"(1) comply with applicable construction standards, and

"(2) have been approved by the Secretary.

"(d)(1) The Secretary shall submit to the Congress an annual report which sets forth—

"(A) the current health facility priority system of the Service,

"(B) the planning, design, construction, and renovation needs for the 10 top-priority inpatient care facilities and the 10 top-priority ambulatory care facilities (together with required staff quarters),

"(C) the justification for such order of priority,

"(D) the projected cost of such projects, and

"(E) the methodology adopted by the Service in establishing priorities under its health facility priority system.

"(2) The first report required under paragraph (1) shall be submitted by no later than the date that is 180 days after the date of enactment of the Indian Health Care Amendments of 1986 and, beginning in 1987, each subsequent annual report shall be submitted by the date that is 60 days after the date on which the President submits the budget to the Congress under section 1105 of title 31, United States Code.

"(3) In preparing each report required under paragraph (1) (other than the initial report), the Secretary shall—

"(A) consult with Indian tribes and tribal organizations including those tribes or tribal organizations operating health programs or facilities under any contract entered into with the Service under the Indian Self-Determination and Education Assistance Act, and

"(B) review the needs of such tribes and tribal organizations for inpatient and outpatient facilities, including their needs for renovation and expansion of existing facilities.

"(4) For purposes of this subsection, the Secretary shall, in evaluating the needs of facilities operated under any contract entered into with the Service under the Indian Self-Determination and Education Assistance Act, use the same criteria that the Secretary uses in evaluating the needs of facilities operated directly by the Service.

"(5) The Secretary shall ensure that the planning, design, construction, and renovation needs of Service and non-Service facilities which are the subject of a contract for health services entered into with the Service under the Indian Self-Determination and Education Assistance Act are fully and equitably integrated into the development of the health facility priority system.".

SAFE WATER AND SANITARY WASTE DISPOSAL FACILITIES

SEC. 302. Section 302 (25 U.S.C. 1632) is amended to read as follows:

"SAFE WATER AND SANITARY WASTE DISPOSAL FACILITIES

"SEC. 302. (a) The Congress hereby finds and declares that—

"(1) the provision of safe water supply systems and sanitary sewage and solid waste disposal systems is primarily a health consideration and function;

"(2) Indian people suffer an inordinately high incidence of disease, injury, and illness directly attributable to the absence or inadequacy of such systems;

"(3) the long-term cost to the United States of treating and curing such disease, injury, and illness is substantially greater than the short-term cost of providing such

systems and other preventive health measures;

"(4) many Indian homes and communities still lack safe water supply systems and sanitary sewage and solid waste disposal systems; and

"(5) it is in the interest of the United States, and it is the policy of the United States, that all Indian communities and Indian homes, new and existing, be provided with safe and adequate water supply systems and sanitary sewage waste disposal systems as soon as possible.

"(b)(1) In furtherance of the findings and declarations made in subsection (a), Congress reaffirms the primary responsibility and authority of the Service to provide the necessary sanitation facilities and services as provided in section 7 of the Act of August 5, 1954 (42 U.S.C. 2004a).

"(2) The Secretary, acting through the Service, is authorized to provide under section 7 of the Act of August 5, 1954 (42 U.S.C. 2004a)—

"(A) financial and technical assistance to Indian tribes and communities in the establishment, training, and equipping of utility organizations to operate and maintain Indian sanitation facilities;

"(B) ongoing technical assistance and training in the management of utility organizations which operate and maintain sanitation facilities; and

"(C) operation and maintenance assistance for, and emergency repairs to, tribal sanitation facilities when necessary to avoid a health hazard or to protect the Federal investment in sanitation facilities.

"(3) Notwithstanding any other provision of law—

"(A) the Secretary of Housing and Urban Affairs is authorized to transfer funds appropriated under the Housing and Community Development Act of 1974 (42 U.S.C. 5301, et seq.) to the Secretary of Health and Human Services, and

"(B) the Secretary of Health and Human Services is authorized to accept and use such funds for the purpose of providing sanitation facilities and services for Indians under section 7 of the Act of August 5, 1954 (42 U.S.C. 2004a).

"(c) Beginning in fiscal year 1987, the Secretary, acting through the Service, shall develop and begin implementation of a 10-year plan to provide safe water supply and sanitation sewage and solid waste disposal facilities to existing Indian homes and communities and to new and renovated Indian homes.

"(d) The financial and technical capability of an Indian tribe or community to safely operate and maintain a sanitation facility shall not be a prerequisite to the provision or construction of sanitation facilities by the Secretary.

"(e) The provisions of this section shall not diminish the primary responsibility of the Indian family, community, or tribe to establish, collect, and utilize reasonable user fees, or otherwise set aside funding, for the purpose of operating and maintaining sanitation facilities.

"(f) Programs administered by Indian tribes or tribal organizations under the authority of the Indian Self-Determination and Education Assistance Act shall be eligible for—

"(1) any funds appropriated pursuant to subsection (h), and

"(2) any funds appropriated for the purpose of providing water supply or sewage disposal services,

on an equal basis with programs that are administered directly by the Service.

"(g)(1) The Secretary shall submit to the Congress an annual report which sets forth—

"(A) the current Indian sanitation facility priority system of the Service;

"(B) the methodology for determining sanitation deficiencies;

"(C) the level of sanitation deficiency for each sanitation facilities project of each Indian tribe or community;

"(D) the amount of funds necessary to raise all Indian tribes and communities to a level I sanitation deficiency; and

"(E) the amount of funds necessary to raise all Indian tribes and communities to zero sanitation deficiency.

"(2) The first report required under paragraph (1) shall be submitted by no later than the date that is 180 days after the date of enactment of the Indian Health Care Amendments of 1986 and, beginning in 1987, each subsequent annual report shall be submitted by the date that is 60 days after the date on which the President submits the budget to the Congress under section 1105 of title 31, United States Code.

"(3) In preparing each report required under paragraph (1) (other than the initial report), the Secretary shall consult with Indian tribes and tribal organizations (including those tribes or tribal organizations operating health care programs or facilities under any contract entered into with the Service under the Indian Self-Determination and Education Assistance Act) to determine the sanitation needs of each tribe.

"(4) The methodology used by the Secretary in determining sanitation deficiencies for purposes of paragraph (1) shall be applied uniformly to all Indian tribes and communities.

"(5) For purposes of this subsection, the sanitation deficiency levels for an Indian tribe or community are as follows:

"(A) level I is an Indian tribe or community with a sanitation system—

"(i) which complies with all applicable water supply and pollution control laws, and

"(ii) in which the deficiencies relate to routine replacement, repair, or maintenance needs;

"(B) level II is an Indian tribe or community with a sanitation system—

"(i) which complies with all applicable water supply and pollution control laws, and

"(ii) in which the deficiencies relate to capital improvements that are necessary to improve the facilities in order to meet the needs of such tribe or community for domestic sanitation facilities;

"(C) level III is an Indian tribe or community with a sanitation system which—

"(i) has an inadequate or partial water supply and a sewage disposal facility that does not comply with applicable water supply and pollution control laws, or

"(ii) has no solid waste disposal facility;

"(D) level IV is an Indian tribe or community with a sanitation system which lacks either a safe water supply system or a sewage disposal system; and

"(E) level V is an Indian tribe or community that lacks a safe water supply and a sewage disposal system.

"(6) For purposes of this subsection, any Indian tribe or community that lacks the operation and maintenance capability to enable its sanitation system to meet pollution control laws may not be treated as having a level I or II sanitation deficiency.

"(h)(1) There are authorized to be appropriated for each of the fiscal years 1987, 1988, and 1989, $5,000,000 for the purpose of providing funds necessary to implement the responsibilities of the Service described in subsection (b)(2).

"(2) In addition to the amount authorized under paragraph (1), there are authorized to be appropriated for each of the fiscal years 1987, 1988, and 1989, $850,000 for the purpose of providing 30 new full-time equivalents for the Service which shall be used to carry out the responsibilities of the Service described in subsection (b)(2).".

USE OF NON-SERVICE FUNDS FOR RENOVATION

SEC. 303. (a) Section 305 (25 U.S.C. 1634) is amended to read as follows:

"EXPENDITURE OF NON-SERVICE FUNDS FOR RENOVATION

"SEC. 305. (a) Notwithstanding any other provision of law, the Secretary is authorized to accept any major renovation or modernization by any Indian tribe of any Service facility, or of any other Indian health facility operated pursuant to a contract entered into under the Indian Self-Determination and Education Assistance Act, including—

"(1) any plans or designs for such renovation or modernization, and

"(2) any renovation or modernization for which funds appropriated under any Federal law were lawfully expended,

but only if the requirements of subsection (b) are met.

"(b) The requirements of this subsection are met with respect to any renovation or modernization if the renovation or modernization—

"(1) does not require or obligate the Secretary to provide any additional employees or equipment,

"(2) is approved by the appropriate area director of the Service, and

"(3) is administered by the Indian tribe in accordance with the rules and regulations prescribed by the Secretary with respect to construction or renovation of Service facilities.

"(c) A renovation or modernization shall not be authorized by this section if such renovation or modernization would require the diversion of funds appropriated to the Service from any project which has a higher priority under the health facility priority system of the Service.

"(d) If any Service facility which has been renovated or modernized by an Indian tribe under this section ceases to be used as a Service facility during the 20-year period beginning on the date such renovation or modernization is completed, such Indian tribe shall be entitled to recover from the United States an amount which bears the same ratio to the value of such facility at the time of such cessation as the value of such renovation or modernization (less the total amount of any funds provided specifically for such facility under any Federal program that were expended for such renovation or modernization) bore to the value of such facility at the time of the completion of such renovation or modernization.".

(b) The paragraph relating to administrative provisions of the Health Services Administration under the heading "Department of Health and Human Services" in title II of the matter contained in section 101(c) of Public Law 98-473 (98 Stat. 1863) is amended by striking out the sixth proviso.

TITLE IV—ACCESS TO HEALTH SERVICES

GRANTS AND CONTRACTS WITH TRIBAL ORGANIZATIONS

SEC. 401. (a) Section 404 (25 U.S.C. 1622) is amended—

(1) by striking out "and" at the end of subsection (a)(2) and inserting in lieu thereof "or", and

(2) by striking out "shall include, but are not limited to," in subsection (b) and inserting in lieu thereof "may include, as appropriate,", and

(3) by adding "or" at the end of subsection (b)(3).

(b) Subsection (c) of section 404 (25 U.S.C. 1622(c)) is amended to read as follows:

"(c) There are authorized to be appropriated for the purpose of carrying out the provisions of this section—

"(1) $2,000,000 for fiscal year 1987,

"(2) $500,000 for fiscal year 1988, and

"(3) $500,000 for fiscal year 1989.".

MEDICARE PROVISIONS

SEC. 402. (a) Section 1880 of the Social Security Act is amended—

(1) in subsection (a), by striking out "A hospital or skilled nursing facility" and inserting in lieu thereof "A provider of services or a rural health clinic";

(2) in subsection (a), by striking out "hospitals or skilled nursing facilities (as the case may be)" and inserting in lieu thereof "facilities of that type";

(3) in subsection (b), by striking out "a hospital or skilled nursing facility" and inserting in lieu thereof "a provider of services or a rural health clinic";

(4) in subsection (b), by striking out "hospitals or skilled nursing facilities (as the case may be)" and inserting in lieu thereof "facilities of that type";

(5) in subsection (c), by striking out "any hospital or skilled nursing facility" and inserting in lieu thereof "any provider of services or rural health clinic";

(6) in subsection (c), by striking out "hospitals and skilled nursing facilities" each place it appears and inserting in lieu thereof in each instance "providers of services and rural health clinics"; and

(7) in subsection (d), by striking out "hospitals and skilled nursing facilities" and "hospitals and facilities", and inserting in lieu thereof in each instance "providers of services and rural health clinics".

(b) Section 1880(c) of the Social Security Act is further amended—

(1) by inserting after the first sentence the following: "In making payments from such fund, the Secretary shall ensure that each service unit of the Indian Health Service receives at least 50 percent of the amounts to which the providers and rural health clinics of the Indian Health Service, for which such service unit makes collections, are entitled by reason of this section, if such amount is necessary for the purpose of making improvements in such providers and rural health clinics in order to achieve compliance with the conditions and requirements of this title."; and

(2) by striking out "The preceding sentence" and inserting in lieu thereof "This subsection".

(c) The amendments made by this section shall apply to services performed on or after the date of the enactment of this Act.

MEDICAID PROVISIONS

SEC. 403. (a) Section 1911 of the Social Security Act is amended by striking out "or skilled nursing facility" each place it appears and inserting in lieu thereof in each instance "skilled nursing facility, or any other type of facility which provides services of a type otherwise covered under the State plan".

(b) Section 1911 of the Social Security Act is amended by adding at the end thereof the following new subsections:

"(c) The Secretary is authorized to enter into agreements with the State agency for the purpose of reimbursing such agency for health care and services provided in Service facilities to Indians who are eligible for medical assistance under the State plan.

"(d) Notwithstanding any other provision of law, payments to which any facility of the Indian Health Service (including a hospital, intermediate care facility, skilled nursing facility, or any other type of facility which provides services of a type otherwise covered under the State plan) is entitled under a State plan approved under this title by reason of this section shall be placed in a special fund to be held by the Secretary and used by him (to such extent or in such amounts as are provided in appropriation Acts) exclusively for the purpose of making any improvements in the facilities of such Service which may be necessary to achieve compliance with the applicable conditions and requirements of this title. In making payments from such fund, the Secretary shall ensure that each service unit of the Indian Health Service receives at least 50 percent of the amounts to which the facilities of the Indian Health Service, for which such service unit makes collections, are entitled by reason of this section, if such amount is necessary for the purpose of making improvements in such facilities in order to achieve compliance with the conditions and requirements of this title. This subsection shall cease to apply when the Secretary determines and certifies that substantially all of the health facilities of such Service in the United States are in compliance with such conditions and requirements.".

(c) Subsections (b) and (c) of section 402 of the Indian Health Care Improvement Act (42 U.S.C. 1396j, note) are repealed.

(d) The amendments made by this section shall apply to services performed on or after the date of the enactment of this Act.

DEMONSTRATION PROGRAM

SEC. 404. Title IV is amended by adding at the end thereof the following new section:

"DEMONSTRATION PROGRAM FOR DIRECT BILLING OF MEDICARE, MEDICAID, AND OTHER THIRD PARTY PAYORS

"SEC. 405. (a) The Secretary shall establish a demonstration program under which Indian tribes, tribal organizations, and Alaska Native health organizations, which are contracting the entire operation of an entire hospital or clinic of the Service under the authority of the Indian Self-Determination and Education Assistance Act, shall directly bill for, and receive payment for, health care services provided by such hospital or clinic for which payment is made under title XVIII of the Social Security Act (medicare), under a State plan for medical assistance approved under title XIX of the Social Security Act (medicaid), or from any other third-party payor. The Federal medical assistance percentage under the medicaid program shall continue to be 100 percent for purposes of the demonstration program.

"(b)(1) Each hospital or clinic participating in the demonstration program described in subsection (a) shall be reimbursed directly under the medicare and medicaid programs for services furnished, without regard to the provisions of sections 1880(c) and 1911(d) of the Social Security Act and section 713(b)(2)(A) of this Act, but all funds so reimbursed shall first be used by the hospital or clinic for the purpose of making any improvements in the hospital or clinic that may be necessary to achieve or maintain compliance with the conditions and requirements applicable generally to facilities of such type under the medicare or medicaid program. Any funds so reimbursed which are in excess of the amount necessary to achieve or maintain such conditions or requirements shall be used—

"(A) solely for improving the health resources deficiency level of the Indian tribe, and

"(B) in accordance with the regulations of the Service applicable to funds provided by the Service under any contract entered into under the Indian Self-Determination and Education Assistance Act.

"(2) The amounts paid to the hospitals and clinics participating in the demonstration program described in subsection (a) shall be subject to all auditing requirements applicable to programs administered directly by the Service and to facilities participating in the medicare and medicaid programs.

"(3) The Secretary shall monitor the performance of hospitals and clinics participating in the demonstration program described in subsection (a), and shall require such hospitals and clinics to submit reports on the program to the Secretary on a quarterly basis (or more frequently if the Secretary deems it to be necessary).

"(4) Notwithstanding sections 1880(c) and 1911(d) of the Social Security Act, no payment may be made out of the special fund described in sections 1880(c) or 1911(d) of the Social Security Act for the benefit of any hospital or clinic participating in the demonstration program described in subsection (a) during the period of such participation.

"(c)(1) In order to be considered for participation in the demonstration program described in subsection (a), a hospital or clinic must submit an application to the Secretary which establishes to the satisfaction of the Secretary that—

"(A) the Indian tribe or Alaska Native health organization contracts the entire operation of the Service facility;

"(B) the facility is eligible to participate in the medicare and medicaid programs under sections 1880 and 1911 of the Social Security Act;

"(C) the facility meets any requirements which apply to programs operated directly by the Service; and

"(D) the facility is accredited by the Joint Commission on Accreditation of Hospitals, or has submitted a plan, which has been approved by the Secretary, for achieving such accreditation prior to October 1, 1987.

"(2) From among the qualified applicants, the Secretary shall, prior to October 1, 1986, select no more than 4 facilities to participate in the demonstration program described in subsection (a). The demonstration program described in subsection (a) shall begin by no later than October 1, 1988, and end on September 30, 1992.

"(d)(1) Upon the enactment of the Indian Health Care Amendments of 1986, the Secretary, acting through the Service, shall commence an examination of—

"(A) any administrative changes which may be necessary to allow direct billing and reimbursement under the demonstration program described in subsection (a), includ-

ing any agreements with States which may be necessary to provide for such direct billing under the medicaid program; and

"(B) any changes which may be necessary to enable participants in such demonstration program to provide to the Service medical records information on patients served under such demonstration program which is consistent with the medical records information system of the Service.

"(2) Prior to the commencement of the demonstration program described in subsection (a), the Secretary shall implement all changes required as a result of the examinations conducted under paragraph (1).

"(3) Prior to October 1, 1987, the Secretary shall determine any accounting information which a participant in the demonstration program described in subsection (a) would be required to report.

"(e) The Secretary shall submit a final report at the end of fiscal year 1992, on the activities carried out under the demonstration program described in subsection (a) which shall include an evaluation of whether such activities have fulfilled the objectives of such program. In such report the Secretary shall provide a recommendation, based upon the results of such demonstration program, as to whether direct billing of, and reimbursement by, the medicare and medicaid programs and other third-party payors should be authorized for all Indian tribes and Alaska Native health organizations which are contracting the entire operation of a facility of the Service.

"(f) The Secretary shall provide for the retrocession of any contract entered into between a participant in the demonstration program described in subsection (a) and the Service under the authority of the Indian Self-Determination and Education Assistance Act. All cost accounting and billing authority shall be retroceded to the Secretary upon the Secretary's acceptance of a retroceded contract.".

TITLE V—URBAN INDIAN HEALTH SERVICES

REVISION OF PROGRAM

SEC. 501. Title V (25 U.S.C. 1651, et seq.) is amended to read as follows:

"TITLE V—HEALTH SERVICES FOR URBAN INDIANS

"PURPOSE

"SEC. 501. The purpose of this title is to encourage the establishment of programs in urban centers to make health services more accessible to urban Indians.

"CONTRACTS WITH URBAN INDIAN ORGANIZATIONS

"SEC. 502. Under authority of the Act of November 2, 1921 (25 U.S.C. 13), popularly known as the Snyder Act, the Secretary, through the Service, shall enter into contracts with urban Indian organizations to assist such organizations in the establishment and administration, within the urban centers in which such organizations are situated, of programs which meet the requirements set forth in this title. The Secretary, through the Service, shall include such conditions as the Secretary considers necessary to effect the purpose of this title in any contract which the Secretary enters into with any urban Indian organization pursuant to this title.

"CONTRACTS FOR THE PROVISION OF HEALTH CARE OR REFERRAL SERVICES

"SEC. 503. (a) Under authority of the Act of November 2, 1921 (25 U.S.C. 13), popularly known as the Snyder Act, the Secretary, through the Service, shall enter into contracts with urban Indian organizations for the provision of health care or referral services for urban Indians residing in the urban centers in which such organizations are situated. Any such contract shall include requirements that the urban Indian organization successfully undertake to—

"(1) determine the population of urban Indians residing in the urban center in which such organization is situated who are or could be recipients of health care or referral services;

"(2) determine the current health status of urban Indians residing in such urban center;

"(3) determine the current health care needs of urban Indians residing in such urban center;

"(4) identify all public and private health services resources within such urban center which are or may be available to urban Indians;

"(5) determine the use of public and private health services resources by the urban Indians residing in such urban center;

"(6) assist such health services resources in providing services to urban Indians;

"(7) assist urban Indians in becoming familiar with and utilizing such health services resources;

"(8) provide basic health education, including health promotion and disease prevention education, to urban Indians;

"(9) establish and implement manpower training programs to accomplish the referral and education tasks set forth in clauses (6) through (8) of this subsection;

"(10) identify gaps between unmet health needs of urban Indians and the resources available to meet such needs;

"(11) make recommendations to the Secretary and Federal, State, local, and other resource agencies on methods of improving health service programs to meet the needs of urban Indians; and

"(12) where necessary, provide, or enter into contracts for the provision of, health care services for urban Indians.

"(b) The Secretary, through the Service, shall by regulation prescribe the criteria for selecting urban Indian organizations to enter into contracts under this section. Such criteria shall, among other factors, include—

"(1) the extent of unmet health care needs of urban Indians in the urban center involved;

"(2) the size of the urban Indian population in the urban center involved;

"(3) the accessibility to, and utilization of, health care services (other than services provided under this title) by urban Indians in the urban center involved;

"(4) the extent, if any, to which the activities set forth in subsection (a) would duplicate—

"(A) any previous or current public or private health services project in an urban center that was or is funded in a manner other than pursuant to this title; or

"(B) any project funded under this title;

"(5) the capability of an urban Indian organization to perform the activities set forth in subsection (a) and to enter into a contract with the Secretary under this section;

"(6) the satisfactory performance and successful completion by an urban Indian organization of other contracts with the Secretary under this title;

"(7) the appropriateness and likely effectiveness of conducting the activities set forth in subsection (a) in an urban center; and

"(8) the extent of existing or likely future participation in the activities set forth in subsection (a) by appropriate health and health-related Federal, State, local, and other agencies.

"CONTRACTS FOR THE DETERMINATION OF UNMET HEALTH CARE NEEDS

"SEC. 504. (a) Under authority of the Act of November 2, 1921 (25 U.S.C. 13), popularly known as the Snyder Act, the Secretary, through the Service, may enter into contracts with urban Indian organizations situated in urban centers for which contracts have not been entered into under section 503. The purpose of a contract under this section shall be the determination of the matters described in subsection (b)(1) in order to assist the Secretary in assessing the health status and health care needs of urban Indians in the urban center involved and determining whether the Secretary should enter into a contract under section 503 with the urban Indian organization with which the Secretary has entered into a contract under this section.

"(b) Any contract entered into by the Secretary under this section shall include requirements that—

"(1) the urban Indian organization successfully undertake to—

"(A) document the health care status and unmet health care needs of urban Indians in the urban center involved; and

"(B) with respect to urban Indians in the urban center involved, determine the matters described in clauses (2), (3), (4), and (8) of section 503(b); and

"(2) the urban Indian organization complete performance of the contract within one year after the date on which the Secretary and such organization enter into such contract.

"(c) The Secretary may not renew any contract entered into under this section.

"EVALUATIONS; CONTRACT RENEWALS

"SEC. 505. (a) The Secretary, through the Service, shall develop procedures to evaluate compliance with, and performance of, contracts entered into by urban Indian organizations under this title. Such procedures shall include provisions for carrying out the requirements of this section.

"(b) The Secretary, through the Service, shall conduct an annual onsite evaluation of each urban Indian organization which has entered into a contract under section 503 for purposes of determining the compliance of such organization with, and evaluating the performance of such organization under, such contract.

"(c) If, as a result of the evaluations conducted under this section, the Secretary determines that an urban Indian organization has not complied with or satisfactorily performed a contract under section 503, the Secretary shall, prior to renewing such contract, attempt to resolve with such organization the areas of noncompliance or unsatisfactory performance and modify such contract to prevent future occurrences of such noncompliance or unsatisfactory performance. If the Secretary determines that such noncompliance or unsatisfactory performance cannot be resolved and prevented in the future, the Secretary shall not renew such contract with such organization and is authorized to enter into a contract under section 503 with another urban Indian organization which is situated in the same urban center as the urban Indian organization whose contract is not renewed under this section.

"(d) In determining whether to renew a contract with an urban Indian organization under section 503, or whether to enter into

a contract with an urban Indian organization under section 503 which has completed performance of a contract under section 504, the Secretary shall review the records of the urban Indian organization, the reports submitted under section 507, and, in the case of a renewal of a contract under section 503, shall consider the results of the on-site evaluations conducted under subsection (b).

"OTHER CONTRACT REQUIREMENTS

"SEC. 506. (a) Contracts with urban Indian organizations entered into pursuant to this title shall be in accordance with all Federal contracting laws and regulations except that, in the discretion of the Secretary, such contracts may be negotiated without advertising and need not conform to the provisions of the Act of August 24, 1935.

"(b) Payments under any contracts pursuant to this title may be made in advance or by way of reimbursement and in such installments and on such conditions as the Secretary deems necessary to carry out the purposes of this title.

"(c) Notwithstanding any provision of law to the contrary, the Secretary may, at the request or consent of an urban Indian organization, revise or amend any contract entered into by the Secretary with such organization under this title as necessary to carry out the purposes of this title, except that whenever an urban Indian organization requests retrocession of the Secretary for any contract entered into pursuant to this title, such retrocession shall become effective upon a date specified by the Secretary not more than one hundred and twenty days from the date of the request by the organization or at such later date as may be mutually agreed to by the Secretary and the organization.

"(d) In connection with any contract entered into pursuant to this title, the Secretary may permit an urban Indian organization to utilize, in carrying out such contract, existing facilities owned by the Federal Government within the Secretary's jurisdiction under such terms and conditions as may be agreed upon for the use and maintenance of such facilities.

"(e) Contracts with urban Indian organizations and regulations adopted pursuant to this title shall include provisions to assure the fair and uniform provision to urban Indians of services and assistance under such contracts by such organizations.

"REPORTS AND RECORDS

"SEC. 507. (a) For each fiscal year during which an urban Indian organization receives or expends funds pursuant to a contract entered into pursuant to this title, such organization shall submit to the Secretary a quarterly report including—

"(1) in the case of a contract under section 503, information gathered pursuant to clauses (10) and (11) of subsection (a) of such section;

"(2) information on activities conducted by the organization pursuant to the contract;

"(3) an accounting of the amounts and purposes for which Federal funds were expended; and

"(4) such other information as the Secretary may request.

"(b) The reports and records of the urban Indian organization with respect to a contract under this title shall be subject to audit by the Secretary and the Comptroller General of the United States.

"(c) The Secretary shall allow as a cost of any contract entered into under section 503 the cost of an annual private audit conducted by a certified public accountant.

"LIMITATION ON CONTRACT AUTHORITY

"SEC. 508. The authority of the Secretary to enter into contracts under this title shall be to the extent, and in an amount, provided for in appropriation Acts.".

URBAN INDIAN ORGANIZATION

SEC. 502. Subsection (h) of section 4 (25 U.S.C. 1603(h)) is amended by inserting "urban or off-reservation" after "governed by an".

TITLE VI—ORGANIZATIONAL IMPROVEMENTS

MANAGEMENT INFORMATION SYSTEM

SEC. 601. (a) Title VI is amended to read as follows:

"TITLE VI—INDIAN HEALTH SERVICE

"MANAGEMENT INFORMATION SYSTEM; ACCESS TO PATIENT'S RECORDS

"SEC. 601. (a)(1) The Secretary shall establish an automated management information system for the Service.

"(2) The information system established under paragraph (1) shall include—

"(A) a financial management system,

"(B) a patient care information system for each area served by the Service,

"(C) a privacy component that protects the privacy of patient information held by, or on behalf of, the Service, and

"(D) a services-based cost accounting component that provides estimates of the costs associated with the provision of specific medical treatments or services in each area office of the Service.

"(3) By no later than September 30, 1987, the Secretary shall submit a report to Congress setting forth—

"(A) the activities which have been undertaken to establish an automated management information system,

"(B) the activities, if any, which remain to be undertaken to complete the implementation of an automated management information system, and

"(C) the amount of funds which will be needed to complete the implementation of a management information system in the succeeding fiscal years.

"(b) Notwithstanding any other provision of law, each patient shall have reasonable access to the medical or health records of such patient which are held by, or on behalf of, the Service.".

(b) The amendment made by subsection (a) shall take effect on the date of enactment of this Act.

TITLE VII—MISCELLANEOUS PROVISIONS

HEALTH EDUCATION

SEC. 701. (a) Section 706 (25 U.S.C. 1676) is amended to read as follows:

"HEALTH EDUCATION

"SEC. 706. (a)(1) By no later than the date that is 1 year after the date of enactment of the Indian Health Care Amendments of 1986, the Secretary of the Interior and the Secretary of Health and Human Services shall enter into an agreement to coordinate the efforts of the Department of the Interior and the Department of Health and Human Services in health promotion, disease prevention, and health education among Indian youth.

"(2) The agreement required under paragraph (1) shall—

"(A) establish minimum health outcome objectives for schools operated by the Bureau of Indian Affairs and schools operated under contract with the Bureau of Indian Affairs,

"(B) provide for special emphasis on the identification and coordination of available resources and programs to combat alcohol and drug abuse among Indian youth through education, counseling, and referral services,

"(C) provide authority for personnel of the Service to conduct training seminars on health promotion, disease prevention, and health education for teachers in such schools,

"(D) recognize the role of tribally controlled community colleges, departments of health education at universities and colleges, and schools of the health professions in providing training on health promotion, disease prevention, and health education to teachers in such schools, and

"(E) provide for inclusion of tribal representatives in such training.

"(3) A memorandum of the agreement entered into under paragraph (1) shall be published in the Federal Register by no later than the date that is 30 days after the date on which such agreement is entered into by the Secretary of the Interior and the Secretary of Health and Human Services.

"(b)(1) The health outcome objectives that are required to be established under the agreement entered into under subsection (a)(1) shall serve as guidelines for the development of health education programs in schools operated by the Bureau of Indian Affairs and in schools operated under contract with the Bureau of Indian Affairs. Such health outcome objectives and guidelines shall prescribe the minimum objectives that such programs must achieve.

"(2) The Secretary of the Interior may establish critical job elements for personnel employed by the Department of the Interior which condition the continued employment of such personnel on achievement of specific objectives the Secretary of the Interior determines to be necessary to assure that health education programs designed to meet, at a minimum, the health outcome objectives established under the agreement entered into under subsection (a)(1) are incorporated into the curricula of schools operated by the Bureau of Indian Affairs and schools operated under contract with the Bureau of Indian Affairs.

"(c) The Secretary of Health and Human Services shall encourage the involvement of parents of Indian youth, and other interested members of Indian tribes, in training seminars on health promotion, disease prevention, and health education that are conducted by the Secretary of Health and Human Services pursuant to the agreement entered into under subsection (a)(1) by providing timely notice of such seminars to schools operated by the Bureau of Indian Affairs and to schools operated under contract with the Bureau of Indian Affairs.

"(d) The Secretary of Health and Human Services may elect to include in contracts the Secretary of Health and Human Services enters into with urban Indian health care programs a requirement that such programs provide health promotion, disease prevention, and health education to the Indian communities served by such programs.

"(e) The Secretary of Health and Human Services may elect to include in contracts the Secretary of Health and Human Services enters into with any tribal organization under the authority of the Indian Self-Determination and Education Assistance Act a requirement that the tribal organization

provide health promotion, disease prevention, and health education to the communities served by the tribal organization.".

(b) Section 4 (25 U.S.C. 1603), as amended by section 203(b) of this Act, is further amended by adding at the end thereof the following:

"(m) 'Health education' includes, but is not limited to—

"(1) personal health,

"(2) mental and emotional health,

"(3) consumer health,

"(4) environmental health,

"(5) community health,

"(6) dental health, and

"(7) education in—

"(A) the cessation of smoking,

"(B) the hazards of smoking,

"(C) the hazards of alcohol and drug abuse,

"(D) nutrition,

"(E) safety and the prevention of accidents,

"(F) the prevention and control of disease, and

"(G) family life matters.".

ARIZONA AS A CONTRACT HEALTH SERVICE DELIVERY AREA

SEC. 702. (a) Subsection (a) of section 708 (25 U.S.C. 1678 (a)) is amended—

(1) by striking out "1984" and inserting in lieu thereof "1989", and

(2) by striking out "Indians in such State" and inserting in lieu thereof "members of federally recognized Indian tribes of Arizona".

(b) Subsection (c) of section 708 (25 U.S.C. 1678(c)) is amended to read as follows:

"(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.".

ELIGIBILITY OF CALIFORNIA INDIANS

SEC. 703. Section 709 (25 U.S.C. 1679) is amended to read as follows:

"ELIGIBILITY OF CALIFORNIA INDIANS

"SEC. 709. (a) The following California Indians shall be eligible for health services provided by the Service:

"(1) Any Member of a federally recognized Indian tribe.

"(2) Any descendant of an Indian who was residing in California on June 1, 1852, but only if such descendant—

"(A) is living in California,

"(B) is a member of the Indian community served by a local program of the Service, and

"(C) is regarded as an Indian by the community in which such descendant lives.

"(3) Any Indian who holds trust interests in public domain, national forest, or Indian reservation allotments in California.

"(4) Any Indian in California who is listed on the plans for distribution of the assets of California rancherias and reservations under the Act of August 18, 1958 (72 Stat. 619), and any descendant of such an Indian.

"(b) Nothing in this section may be construed as expanding the eligibility of California Indians for health services provided by the Service beyond the scope of eligibility for such health services that applied on May 1, 1986.

"(c) Paragraph (4) of subsection (a) shall not apply after September 30, 1988.".

CALIFORNIA AS A CONTRACT HEALTH SERVICE DELIVERY AREA

SEC. 704. Section 710 (25 U.S.C. 1680) is amended to read as follows:

"CALIFORNIA AS A CONTRACT HEALTH SERVICE DELIVERY AREA

"SEC. 710. The State of California, excluding the counties of Alameda, Contra Costa, Los Angeles, Marin, Orange, Sacramento, San Francisco, San Mateo, Santa Clara, Kern, Merced, Monterey, Napa, San Benito, San Joaquin, San Luis Obispo, Santa Cruz, Solano, Stanislaus, and Ventura shall be designated as a contract health service delivery area by the Service for the purpose of providing contract health services to Indians in such State.".

CONTRACT HEALTH FACILITIES

SEC. 705. Title VII is amended by adding at the end thereof the following new section:

"CONTRACT HEALTH FACILITIES

"SEC. 711. The Service shall provide funds for health care programs and facilities operated by tribes and tribal organizations under contracts with the Service entered into under the Indian Self-Determination and Education Assistance Act—

"(1) for the maintenance and repair of clinics owned or leased by such tribes or tribal organizations,

"(2) for employee training,

"(3) for cost-of-living increases for employees, and

"(4) for any other expenses relating to the provision of health services,

on the same basis as such funds are provided to programs and facilities operated directly by the Service.".

NATIONAL HEALTH SERVICE CORPS

SEC. 706. Title VII, as amended by section 705 of this Act, is further amended by adding at the end thereof the following new section:

"NATIONAL HEALTH SERVICE CORPS

"SEC. 712. The Secretary of Health and Human Services may remove a member of the National Health Service Corps from a health facility operated by a tribe or tribal organization under a contract with the Service entered into under the Indian Self-Determination and Education Assistance Act only if the Secretary has provided written notice of such removal or withdrawal to such tribe or tribal organization at least 60 days before the date on which such contract is entered into or renewed.".

HEALTH SERVICES FOR INELIGIBLE PERSONS

SEC. 707. (a) Title VII, as amended by section 706 of this Act, is further amended by adding at the end thereof the following new section:

"HEALTH SERVICES FOR INELIGIBLE PERSONS

"SEC. 713. (a)(1) Any individual who—

"(A) has not attained 19 years of age,

"(B) is the natural or adopted child, stepchild, foster-child, legal ward, or orphan of an eligible Indian, and

"(C) is not otherwise eligible for the health services provided by the Service,

shall be eligible for all health services provided by the Service on the same basis and subject to the same rules that apply to eligible Indians until such individual attains 19 years of age. The existing and potential health needs of all such individuals shall be taken into consideration by the Service in determining the need for, or the allocation of, the health resources of the Service. If such an individual has been determined to be legally incompetent prior to attaining 19 years of age, such individual shall remain eligible for such services until one year after the date such disability has been removed.

"(2) Any spouse of an eligible Indian who is not an Indian, or who is of Indian descent but not otherwise eligible for the health services provided by the Service, shall be eligible for such health services if all of such spouses are made eligible, as a class, by an appropriate resolution of the governing body of the Indian tribe of the eligible Indian. The health needs of persons made eligible under this paragraph shall not be taken into consideration by the Service in determining the need for, or allocation of, its health resources.

"(b)(1)(A) The Secretary is authorized to provide health services under this subsection through health facilities operated directly by the Service to individuals who reside within the service area of a service unit and who are not eligible for such health services under any other subsection of this section or under any other provision of law if—

"(i) the Indian tribe (or, in the case of a multi-tribal service area, all the Indian tribes) served by such service unit requests such provision of health services to such individuals, and

"(ii) the Secretary and the Indian tribe or tribes have jointly determined that—

"(I) the provision of such health services will not result in a denial or diminution of health services to eligible Indians, and

"(II) there is no reasonable alternative health facility or services, within or without the service area of such service unit, available to meet the health needs of such individuals.

"(B) In the case of health facilities operated under a contract entered into under the Indian Self-Determination and Education Assistance Act, the governing body of the Indian tribe or tribal organization providing health services under such contract is authorized to determine whether health services should be provided under such contract to individuals who are not eligible for such health services under any other subsection of this section or under any other provision of law. In making such determinations, the governing body of the Indian tribe or tribal organization shall take into account the considerations described in subparagraph (A)(ii).

"(2)(A) Persons receiving health services provided by the Service by reason of this subsection shall be liable for payment of such health services under a fee schedule prescribed by the Secretary which, in the judgment of the Secretary, results in reimbursement in an amount not less than the actual cost of providing the health services. Notwithstanding section 1880(c) or 1911(d) of the Social Security Act or any other provision of law, fees collected under this subsection, including medicare or medicaid reimbursements under titles XVIII and XIX of the Social Security Act, shall be credited to the account of the facility providing the service and shall be used solely for the provision of health services within that facility.

"(B) Health services may be provided by the Secretary through the Service under this subsection to an indigent person who would not be eligible for such health services but for the provisions of paragraph (1) only if an agreement has been entered into with a State or local government under which the State or local government agrees to reimburse the Service for the expenses incurred by the Service in providing such health services to such indigent person.

"(3)(A) In the case of a service area which serves only one Indian tribe, the authority of the Secretary to provide health services

under paragraph (1)(A) shall terminate at the end of the fiscal year succeeding the fiscal year in which the governing body of the Indian tribe revokes its concurrence to the provision of such health services.

"(B) In the case of a multi-tribal service area, the authority of the Secretary to provide health services under paragraph (1)(A) shall terminate at the end of the fiscal year succeeding the fiscal year in which at least 51 percent of the number of Indian tribes in the service area revoke their concurrence to the provision of such health services.

"(c) The Service may provide health services under this subsection to individuals who are not eligible for health services provided by the Service under any other subsection of this section or under any other provision of law in order to—

"(1) achieve stability in a medical emergency,

"(2) prevent the spread of a communicable disease or otherwise deal with a public health hazard,

"(3) provide care to non-Indian women pregnant with an eligible Indian's child for the duration of the pregnancy through post partum, or

"(4) provide care to immediate family members of an eligible person if such care is directly related to the treatment of the eligible person.

"(d) Hospital privileges in health facilities operated and maintained by the Service or operated under a contract entered into under the Indian Self-Determination and Education Assistance Act may be extended to non-Service health care practitioners who provide services to persons described in subsection (a) or (b). Such non-Service health care practitioners shall not be regarded as employees of the Federal Government for purposes of section 1346(b) and chapter 171 of title 28, United States Code (relating to Federal tort claims) even if such practitioners provide services to eligible persons as a part of the conditions under which such hospital privileges are extended.

"(e) For purposes of this section, the term 'eligible Indian' means any Indian who is eligible for health services provided by the Service without regard to the provisions of this section.".

INFANT AND MATERNAL MORTALITY; FETAL ALCOHOL SYNDROME

SEC. 708. Title VII, as amended by section 707 of this Act, is further amended by adding at the end thereof the following new section:

"INFANT AND MATERNAL MORTALITY; FETAL ALCOHOL SYNDROME

"SEC. 714. (a) By no later than January 1, 1988, the Secretary shall develop and begin implementation of a plan to achieve the following objectives by January 1, 1992:

"(1) reduction of the rate of Indian infant mortality in each area office of the Service to the lower of—

"(A) twelve deaths per one thousand live births, or

"(B) the rate of infant mortality applicable to the United States population as a whole;

"(2) reduction of the rate of maternal mortality in each area office of the Service to the lower of—

"(A) five deaths per one hundred thousand live births, or

"(B) the rate of maternal mortality applicable to the United States population as a whole; and

"(3) reduction of the rate of fetal alcohol syndrome and fetal alcohol effect associated with maternal consumption of alcohol to the lower of—

"(A) one per one thousand live births, or

"(B) the rate of fetal alcohol syndrome and such fetal alcohol effect applicable to the United States population as a whole.

"(b) The President shall include with the budget submitted under section 1105 of title 31, United States Code, for each fiscal year a separate statement which specifies the total amount obligated or expended in the most recently completed fiscal year to achieve each of the objectives described in subsection (a).".

CONTRACT HEALTH SERVICES FOR THE TRENTON SERVICE AREA

SEC. 709. Title VII, as amended by section 708 of this Act, is further amended by adding at the end thereof the following new section:

"CONTRACT HEALTH SERVICES FOR THE TRENTON SERVICE AREA

"SEC. 715. (a) The Secretary, acting through the Service, is directed to provide contract health services to members of the Turtle Mountain Band of Chippewa Indians that reside in the Trenton Service Area of Divide, McKenzie, and Williams counties in the State of North Dakota and the adjoining counties of Richland, Roosevelt, and Sheridan in the State of Montana.

"(b) Nothing in this section may be construed as expanding the eligibility of members of the Turtle Mountain Band of Chippewa Indians for health services provided by the Service beyond the scope of eligibility for such health services that applied on May 1, 1986.".

USE OF NEW RESOURCE ALLOCATION METHODS

SEC. 710. (a) Notwithstanding any other provision of law, any method of allocating funds appropriated for any fiscal year beginning after fiscal year 1985—

(1) among area offices or service units of the Indian Health Service, or

(2) among, or under, contracts entered into by the Secretary of Health and Human Services and Indian tribes or tribal organizations under the Indian Self-Determination and Education Assistance Act, may differ from the method used in allocating such funds appropriated for fiscal year 1985 only if the requirements of subsection (b) are satisfied with respect to such differing method.

(b) The requirements of this subsection are satisfied with respect to a method of allocating funds only if the Secretary of Health and Human Services—

(1) prescribes regulations setting forth such method,

(2) publishes the preliminary form of such regulations in the Federal Register at least 180 days before the beginning of the first fiscal year with respect to which such method is to be applied,

(3) consults with Indian tribes and tribal organizations on the implementation of such method before the final form of such regulations is published in the Federal Register,

(4) submits to the Congress, before the final form of such regulations is published in the Federal Register, a report which—

(A) fully describes—

(i) what the final form of such regulations will be, and

(ii) the effects of the implementation of such method,

(B) states the schedule for the implementation of such method,

(C) sets forth the comments received by the Secretary of Health and Human Services concerning the preliminary form of such regulations and the responses of the Secretary of Health and Human Services to such comments,

(D) describes the consultations undertaken to satisfy the requirements of paragraph (3), and

(E) states whether all the data required to implement such method is available and, if not, the time necessary for the Secretary of Health and Human Services to obtain such required data, and

(5) publishes the final form of such regulations in the Federal Register at least 90 days before the beginning of the first fiscal year with respect to which such method is to be applied.

SEVERABILITY

SEC. 711. If any provision of this Act, any amendment made by this Act, or the application of such provision or amendment to any person or circumstances is held to be invalid, the remainder of this Act, the amendments made by this Act, and the application of such provision to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

● Mr. ANDREWS. Mr. President, I am today submitting an amendment in the nature of a substitute to S. 277, a bill to reauthorize the Indian Health Care Improvement Act of 1976. In the last Congress, the President vetoed a similar bill on the basis of provisions that are not contained in this amendment. Over the past 6 months, the committee has consulted closely with the Department of Health and Human Services to address a number of other concerns of the administration. I believe this amendment addresses most of the Department's concerns without diminishment of the efficacy of the legislation. This bill, with the amendment I am submitting today, represents a comprehensive response to the serious health problems that this Nation's first Americans continue to suffer.

Mr. President, I ask that this bill, with the amendment in the nature of a substitute, be brought up for consideration by the Senate at the earliest possible time.●

● Mr. ABDNOR. Mr. President, I would like to express my appreciation to the chairman of the Senate Select Committee on Indian Affairs, Senator ANDREWS, for accepting my amendment to clarify language in section V of the Indian Health Care Improvement Act dealing with health services for urban Indians.

The term "urban Indian health" can be somewhat misleading. I would like to point out that this program is based in areas other than large metropolitan cities and it has played a major part in improving the health status of native Americans in South Dakota. I should also like to take this opportunity to reiterate my strong support for the Urban Indian Health Program.●

● Mr. MURKOWSKI. Mr. President, the Indian Health Service has been in the process of implementing a new method of distributing its funds to

Indian health care providers. This new funding process known as the resource allocation methodology [RAM] is an attempt by the Indian Health Service to distribute funds on a more equitable basis.

Mr. President, while I support the Indian Health Service's general attempt to more equitably distribute funds I have concerns about several aspects of the process. RAM would make a number of radical changes in current IHS policy, all of which need to be studied carefully prior to implementation. For example, IHS proposes to offset 90 percent of Medicaid and Medicare collections against funding allocations for service units and areas, even where the costs of collection greatly exceed 10 percent. Another example is the proposal to distribute as much as 30 percent of IHS funds according to a health status indicator that is often criticized as severely flawed.

In an attempt to better inform tribes and tribal organizations about RAM and to seek tribal input, the Indian Health Service recently conducted a 4-day workshop on how RAM would be implemented. However, at that workshop the Indian Health Service unveiled a version of RAM that was radically different from the one described in previous meetings. To illustrate how radical the change was I will share some comparisons of how various service units would fare under the April RAM and the RAM that was presented at the workshop. Alaska, along with California and Oklahoma, for example would experience significant changes in funding levels under the April RAM as compared to the July RAM. While the IHS is attempting to seek tribal input, the tribes have no way of knowing whether the resource allocation of today will be anything like the methodology 4 months from now.

As a result of these developments, and of many discussions with Alaska Native groups, I have become firmly convinced that implementation of RAM must be postponed until the tribes and tribal organizations have the opportunity to study and comment on the proposed components of RAM which must be published in the Federal Register. Also, Congress must have the opportunity to scrutinize the methodology and to evaluate IHS' efforts to address the concerns of the Indian and Alaska Native people.

At my urging, the committee has included section 710 which would accomplish all of these requirements. It would require IHS to publish regulations on RAM, allow the opportunity for comment, and actively consult with tribes and tribal organizations.

Again, I emphasize that while I fully support the Indian Health Service's efforts to distribute funds on an equitable basis I believe that it is premature to implement RAM without adequate consultation with Indian and Alaska Native health providers.●

D'AMATO (AND OTHERS) AMENDMENT NO. 2277

(Ordered to lie on the table.)

Mr. D'AMATO (for himself, Mr. LAUTENBERG, Mr. WILSON, Mr. GRASSLEY, Mr. BOSCHWITZ, and Mr. KERRY) submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

On page 59, between lines 3 and 4, insert the following new section:

SEC. 512. WEARING RELIGIOUS APPAREL NOT PART OF THE OFFICIAL UNIFORM

(a) IN GENERAL.—Chapter 45 to title 10, United States Code, is amended—

(1) by redesignating section 774 as section 775; and

(2) inserting after section 773 the following new section:

"§ 774. Wearing religious apparel

"(a) Except as provided in subsection (b), a member of the armed forces may wear an item of religious apparel if—

"(1) the wearing of the item of apparel is part of the religious observance of the religious faith practiced by the member; and

"(2) the item of apparel is neat, conservative, and unobtrusive.

"(b) The Secretary concerned may prohibit a member from wearing an item of religious apparel if the Secretary determines that the wearing of such item significantly interferes with the performance of the member's military duties.".

"(b) CONFORMING AMENDMENTS.—The table of chapters at the beginning of such chapter is amended—

(1) by redesignating the item relating to section 774 as 775; and

(2) by inserting below the item relating to section 773 the following new item:

"774. Wearing religious apparel.".

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. HELMS. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry will meet on Thursday, August 7, 1986, at 9:30 a.m. in room SR-332, to continue the markup of amendments to the Federal Insecticide, Fungicide, and Rodenticide Act.

Please contact the committee staff at 224-2035 if further information is needed.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER, AND RESOURCE CONSERVATION

Mr. WARNER. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Monday, August 4, to hold a hearing to consider: S. 485, to amend the Alaska National Interest Lands Conservation Act of 1980 to clarify the treatment of submerged lands and ownership by the Alaskan Native Corporation; S. 1330, to amend section 504 of the Alaska National Interest Lands Conservation Act to allow expanded mineral exploration of the Admiralty Island National Monument in Alaska, S. 2065, to amend the Alaska Native Claims Settlement Act to proved Alaska Natives with certain options for the continued ownership of lands and corporate shares pursuant to the act and for other purposes; and S. 2370, to allow the Francis Scott Key Foundation, Inc., to erect a memorial in the District of Columbia.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE NOMINATION OF JUSTICE REHNQUIST TO BE CHIEF JUSTICE

● Mr. SIMON. Mr. President, yesterday's New York Times editorial is as balanced and sensible a reflection on the dilemma which the Senate and the Nation face as any I have read.

The cloud should be cleared. And this administration should be doing everything it can to get rid of that cloud.

The Supreme Court is one place where there should be no question in the public mind about our dedication to truth and justice.

I ask that the New York Times editorial be printed in the RECORD.

The editorial follows:

[From the New York Times, Aug. 3, 1986]

THE PAST IN MR. REHNQUIST'S FUTURE

An embarrassing thing has happened to William Rehnquist on his way to confirmation as Chief Justice of the United States. His testimony has been contradicted, and his credibility severely undermined, by a highly effective witness before the Senate Judiciary Committee.

Ordinarily, even a distinguished lawyer's word would be no contest against that of a sitting Supreme Court justice. Ordinarily, too, a minor confrontation nearly a quarter of a century ago would have little bearing on a nominee's present qualifications. But the clash is such that senators can no longer address the nomination without resolving a long-festering question about Mr. Rehnquist's behavior with voters in Phoenix in November 1962—and his present representation of it.

Accused of harassing black and Hispanic voters when he was a young Republican campaigner, Justice Rehnquist has repeatedly denied even legally challenging any prospective voter. But James Brosnahan, a former Federal prosecutor, now testifies that he saw Mr. Rehnquist acting as a challenger among highly agitated voters at a Phoenix polling station in 1962. So have some other witnesses.

Mr. Brosnahan, an experienced trial lawyer, was the most effective witness, for what he didn't say as well as what he did. He emphasized that he did not personally

see Mr. Rehnquist challenge a voter. He said he and an F.B.I. agent were summoned to a largely Democratic district by citizens complaining that Mr. Rehnquist was annoyingly challenging their right to vote. Mr. Brosnahan said Mr. Rehnquist defended his conduct, but never denied that he had challenged voters.

This is no ordinary conflict of testimony. Democratic opponents of Mr. Rehnquist's appointment as Chief Justice consider the Phoenix episode part of a pattern of undiminished hostility toward minority rights, as subsequently recorded in the Justice's rulings. And they also question his veracity on other issues. Mr. Rehnquist was confronted with a 1952 memorandum that he drafted to defend the "separate but equal" doctrine in race relations. He has clung to the discredited claim that he was not expressing his views but those of his boss, the late Supreme Court Justice Robert Jackson.

All this would appear as only momentary and partisan commotion if Justice Rehnquist's own testimony to the committee had made him appear a distinguished candidate for America's leading judge. He might have disarmed the skeptics with masterful readings of the Constitution, as did Sandra Day O'Connor five years ago. But when asked his number one goal for the judiciary, he rehashed the languishing proposal of retiring Chief Justice Warren Burger for a new court, a junior Supreme Court to settle questions not important enough for the Justices themselves.

Asked to demonstrate some new sensitivity to civil rights, he gave only cramped interpretations of his backward-looking decisions in that field. Asked about his previous sworn testimony about challenging voters, he was evasively technical.

President Reagan has not helped his candidate by invoking executive privilege to deny the committee the memorandums on civil liberties that Mr. Rehnquist wrote as Assistant Attorney General in the Nixon Administration. Justice Rehnquist did not object to their disclosure, but someone must fear it.

Justice Rehnquist's confirmation as Chief is no longer so certain that arguments against him can be brazenly evaded. The doubts now raised should be embarrassing to Americans. Both the nominee and the Senate should want these factual disputes cleanly resolved. A Chief Justice can be less than inspiring or less than an ardent civil libertarian, but he cannot be less than a champion of truth.●

TRIBUTE TO RACHEL SNYDER

● Mr. RIEGLE. Mr. President, I rise today to pay tribute to a courageous young woman from Lake Orion, MI. Rachel Snyder took her own life when she jumped in front of a van with three children inside to prevent it from rolling into the lake.

Rachel Snyder was an inspiration to her community as she often looked after the children of friends as well as delivering medicine to the sick or shopping at garage sales to buy used clothes for the needy.

To Ms. Snyder's family, I would like to extend my warmest sympathy and condolences. In addition, I would like to insert the following article about Rachel Snyder which appeared in the Detroit News on July 25, 1986.

The article follows:

[From the Detroit News, July 25, 1986]

HARD-LUCK LAKE ORION FAMILY GRIEVES FOR HEROIC BABY-SITTER

(By Robert E. Roach)

Rachel Snyder loved children, but none more than the three children of a hard-luck Lake Orion couple she befriended two years ago.

"She simply loved our kids as if they were her own," 25-year-old Robert Clemens said Thursday in the driveway where Miss Snyder, 19, died beneath her father's van. She had run into the vehicle's path to stop it after it started to roll downhill toward the lake with Clemens' children—ages 4 months to 2½ years—inside.

"She became the sister I never had," said Clemens' wife, Cindy. "She would often stop by and watch the kids, just to let us get out of the house.

"We would go to Meijer's grocery shopping and she'd take care of the kids, putting then on the (mechanical) horse. She'd take me to the doctor or run us to the grocery store. She took us anyplace we needed.

"She would go out of her way to make us happy. And just last week we talked of her becoming a godparent to the children. She wanted to let us know she would take care of them if something ever happened to us."

The accident occurred about 10:15 a.m. Wednesday, an hour after Miss Snyder drove Clemens to St. Joseph Mercy Hospital in Pontiac to visit his wife. After a weekend of dizziness and nausea, Mrs. Clemens was hospitalized Tuesday for testing and treatment for possible spinal meningitis.

Clemens, who works part-time as a tree trimmer, doesn't drive because of an eye disability. His wife met Miss Snyder in night school two years ago.

Miss Snyder would visit the Clemens' modest home in Rustic Cabins, an aging lakefront resort on South Broadway in the Lake Orion business district.

"Rachel just took over the whole family like it was her own," said Shirley Jenkins, the Clemens' landlady.

Religion played a major role in Miss Snyder's life, according to family and friends. When Lake Orion teachers went on strike at the beginning of her junior year in high school, she enrolled in the Indianwood Christian Academy in Oxford, where she improved academically and developed a close relationship with Christ, said her father, David Snyder.

"Through all of this, there is absolutely no question where she is right now," he said. "We know she is with the Lord."

Cheryl Cooper, former youth director at New Hope Bible Church in Clarkston, said Miss Snyder cared about people, especially children.

"She was our assistant and whenever we had something for the little kids, Rachel was always there—making calls, organizing and seeing that everyone knew what money or food to bring," she said.

The van was owned by Miss Snyder's father. The woman had parked it about 75 feet from the lake and police estimate it traveled no more than 15 feet before stopping.

"It probably would have hit a couple of trees and not gone in the lake, but Rachel didn't know that and tried to stop it," said James Leach, Lake Orion police chief.

There were no witnesses, but police said one of the children might have shifted the van's transmission out of park.

In addition to her parents, Miss Snyder is survived by a brother and four sisters, three grandparents and her great-grandfather.

Funeral arrangements are by the Harold R. Davis Funeral Home in Auburn Hills. Visitation hours are from 3 to 5 p.m. and 7 to 9 p.m. today in the funeral home. Service will be at 11 a.m. tomorrow at the New Hope Bible Church in Clarkston.●

UNITED STATES-CANADIAN TRADE

● Mr. SYMMS. Mr. President, in the past 2½ years, I have attempted to highlight major problems in United States-Canadian trade. In efforts to secure fair trade in lumber with Canada, I have met with top officials of both governments, sponsored legislation calling for a tariff on Canadian lumber and cosponsored a bill redefining natural resource subsidies. I supported the initiation of negotiations with Canada to establish a free trade zone between the two countries, with the understanding that this free trade would also be fair. One of the principal trade irritants between the United States and Canada has been the deluge of Canadian softwood lumber in the American market. I've consistently maintained that this deluge is fueled by a Canadian stumpage subsidy.

The evidence is so persuasive that the Coalition for Fair Lumber Imports in May initiated action to obtain a countervailing duty on Canadian softwood lumber. This action is progressing. The International Trade Commission has returned a preliminary finding that the American industry has suffered injury. It is now up to the Department of Commerce to determine if a subsidy exists. If there has been any doubt that a subsidy exists, a series of articles in the Vancouver Sun should help clear up those doubts. These articles, written by Mr. Don Whitely, the Sun's business writer, speaks frankly about "Sympathetic Administration". "Sympathetic Administration"—which has been in effect for the past 5 years—means that the Canadian Government has purposefully bent its rules to benefit the industry by allowing less valuable wood to be left to rot, permitting larger areas to be clear-cut and relaxing required forestry practices. Such policies on the part of the Canadians give overwhelming proof that they intend to push their lumber production at the expenses of the U.S. lumber industry. It also shows that this is an issue which cannot be resolved by forming task forces for discussions with the Canadians. To protect its own interests, the United States must strictly enforce its trade agreements. I'm delighted that this administration has adopted a realistic, aggressive portion in its dealings with Canada.

Mr. President, I ask that these articles explaining Canadian timber policy be printed in the RECORD.

The articles follow:

FORESTRY RULES WERE BENT TO AID INDUSTRY

(By Don Whiteley)

For five years now, the provincial forests ministry has been systematically bending its rules and regulations to keep the economically devastated forest industry from collapsing.

The policy, called "sympathetic administation" by some and "the velvet glove" by others, has been hailed by industry as a savior and criticized by others as merely saving the existing corporate players while at the same time jeopardizing B.C.'s timber supplies.

Forests Minister Jack Heinrich insists the economic downturn justified the approach, but he is equally adamant that continuation of the policy makes him "uncomfortable."

"The recession hit us like a ton of bricks." said Don Lanskail, former president of the B.C. Council of Forest Industries and leader of the industry's campaign to get relief. "We looked collectively and individually for whatever means there was to survive.

Les Reed, UBC forestry professor and former federal assistant deputy minister in charge of the Canadian Forest Service, doesn't quarrel with that.

"But five years is too long. It was only supposed to last six months.

The forest management system in B.C. is based in part on a philosophy of "use it or lose it." To keep a forest license, the company must use the wood at ministry-mandated volumes and rates.

In the last five years of sympathetic administration, critics argue, some companies have neither used the resource, nor have they lost their rights to retain it.

The key components in sympathetic administration are:

Utilization standards. Rules governing what types of trees must be harvested in what proportion, how big the stump can be, what diameter trees must be cut—all aimed at ensuring that the maximum volume of wood is harvested and the minimum is wasted—have been eased in favor of economic considerations.

In simple terms, companies were allowed to leave more inferior wood behind, whereas in the past they had to process it.

Logging regulations. Rules govern the rate at which timber in a given area is harvested, how large a piece of land can be clear cut, and how long the logged land must be left before the licensee can go back and harvest adjacent stands of trees. These too, have been eased so that the industry can cut a higher proportion of timber on its first pass, clear cut bigger pieces of land, and return to the area for a second pass much sooner.

The effect of this relaxation was to sacrifice esthetics in favor of economics.

Cut control regulations. Companies were allowed to harvest volumes significantly below what was required over a five-year harvesting period.

This measure effectively side-stepped the "use it or lose it" philosophy that is supposed to govern a company's right to retain its forest licences. They didn't use it, and they didn't lose it.

Sympathetic administration was applied in some of the province's eight forest regions more than in others, and much of the nuts and bolts of what was permissible and what wasn't was left to the discretion of distinct managers and field staff.

Mike Apsey, president of the B.C. Council of Forest Industries, was deputy forests minister at the time the policy was implemented.

"Forest management procedures are not enshrined in law, they are developed by the forest service," he said. "They had discretion within limits.

"If markets were so bad, why were we asking them to pick up material off the forest floor and haul it some place at a hell of a cost when there's no market for it," Apsey said. "That kind of move, simply because a policy is there, is goofy."

Apsey said nothing done in the cause of sympathetic administration contravened any laws, and nothing compromised good forest management practices.

Critics don't deny the need, but suggest that one of the prices of five years of sympathetic administration might be a significant reduction in the amount of wood available for harvest in the future.

"At the time, it had to be done," said Bill Young, who was the province's chief forester when the policy was implemented. "But carrying it on for five years means new assumptions will have to be made when calculating future annual allowable cuts. They will have to reflect what was actually harvested rather than what they assumed initially would be harvested."

Les Reed is blunter.

"They are allowing high grading in the most flagrant manner," he said. "The AAC is based on the volume in the watershed. When you go through the watershed and high-grade, you leave pockets of unusable stuff. When you compromise the system, damage is done."

Don Lanskail defends the approach.

"It was well understood the industry was in desperate shape," he said.

Gerry Burch, vice-president at B.C. Forest Products, estimates that sympathetic administration has saved the industry $5 a cubic metre in wood costs, and he makes no apology for that.

"The big companies would probably have survived without it, but the medium and little companies wouldn't. I don't like the term sympathetic administration because it infers some weakness. What they did was just plain common sense."

Bob Williams, the NDP's forestry critic, doesn't see it that way. He argues that all the sympathetic management approach has done is waste wood that should have been processed rather than left to rot, and preserve the existing cast of characters in the forest industry.

Rather than protect existing forest tenures held by existing companies, Williams wants to see the tenures offered to others who want an opportunity to try to do better.

Heinrich, who has been minister for less than six months, says the relaxed guidelines are completely justified in light of the economic conditions faced by the industry.

"Why make them cut wood there's no market for?" he asked.

While Heinrich defends the five-year time period, he makes it clear it won't last for much longer.

Apsey concedes there's a limit to how long standards can be relaxed without causing problems.

"Sympathetic administration was not something that was intended to go on and on," he said. "It was intended to be in place for the term of the recession. I had no idea how long it would last. I was hoping it would be short lived, but the cycle has outguesed a lot of people."

Heinrich is also determined, he says, to get back to the utilization standards that maximized the commercial use of the wood.

"It's not a problem in the Interior, but on the coast we need to have more barkers and chippers installed (to make use of the wood now being left behind) and a market for those products," he said. "We must get back to close utilization."

The poorer quality wood Heinrich is referring to is generally used for pulp and paper production.

BCFP's Burch thinks there shouldn't be a return to the strict standards of the 70s and early 80s.

"It was all done in repsonse to the environmental movement. No research was done." Burch said. "Logging was supposed to be creating damage to soil, wildlife, fish. None of the rules had an economic impact put on them. We went along with it as long as we could pay for it."

And Burch has no problem with accusations that the relaxed standards result in highgrading the forest—taking only the best and leaving the rest.

"Yes, we've high graded and as far as I'm concerned there's nothing wrong with it," he said.

Wes Cheston, assistant deputy forests minister, said all forest regions have been asked to assess the impact of sympathetic administration and that review is now underway.

He emphasized that forest management was not sacrificed because of relaxed rules.

"We never compromised silviculture, because it wouldn't make any sense to allow things that would just add to the costs of tree planting," he said.

Former chief forester Young says the biggest concern with sympathetic administration, now that it has been in effect for five years, is the impact on the annual allowable cut.

Each forest license has an AAC set by the chief forester every five years, and it lasts for a five-year period.

According to Young, an AAC is calculated using a wide range of factors.

"It's not just the waste, it's species cut, accessibility, environmental sensitivity—they all have to be taken into consideration in setting the AAC for the next five years," he said.

Young said if stands aren't cut, or volumes are left behind because of relaxed utilization standards, they must be taken out of the AAC.

Heinrich sees Young's point: "I'm very aware of the problem. I'm going to have to look at it."

FOREST FIRMS GET WARNING ON HARVESTS

(By Don Whiteley)

To help the forest industry through tough times, the forest ministry's books were cooked.

Forests Minister Jack Heinrich doesn't dispute that fact, and indeed he agrees he has the authority to do even more cooking if he chooses.

For three years, the provincial ministry of forests offered the forest industry artificially inflated timber harvest numbers to keep them from technically violating regulations governing their forest licences.

Despite the assistance, two forest companies that benefited have received letters ad-

vising them their licences are in some trouble.

Heinrich explains the situation:

"The allegation was made that the books were cooked. Is this true? I asked my deputy (deputy forests minister Al MacPherson) and he said yes, it's true, but it's not unusual."

In the three-year period 1981-83, companies that didn't cut the required minimum 50 per cent of the annual allowable cut on their licences were credited with a "book entry" of 50 per cent anyway.

Not all companies, and not all regions, needed the help. Among those that did were Doman Industries Ltd. and B.C. Forest Products Ltd. in the midcoast district of the Vancouver Forest Region.

Companies are given harvesting rights on the understanding that they actually cut the wood. If they don't, the Forest Act gives the minister the authority to take away the license in whole or in part.

At the end of a five year period, a licensee must have harvested a volume of timber within 10 per cent of the accumulated annual volumes. Within that, the licensee can cut as little as 50 per cent or as much as 150 per cent in any one year.

In tough times, the 50 per cent minimum became impossible to attain. When the recession hit the forest industry in 1981, the then-deputy forests minister Mike Apsey sent out a memo authorizing cut control relaxations that effectively allowed the industry to cut less than the regulations required.

Apsey, currently president of the B.C. Council of Forest Industries, defends the decision:

"Why would you force a company to cut wood if there's no market? You'd be making them cut not only the poor quality wood, but the good quality wood, just to satisfy a rule. That rule didn't work during the recession, so what do you do? Cause goofiness?"

Heinrich agrees, but he recognizes he's going to have a problem with at least one of those licenses.

Doman Industries Ltd. licence A168-45 in the midcoast district has an annual allowable cut of 414,610 cubic metres, according to documents in the Vancouver Forest Region offices in Burnaby.

The five-year cut control period on that license extends from 1982 through 1986.

In 1982, the documents show that Doman cut only 29 per cent of the required volume. The relaxed policy gave Doman a 50-percent credit anyway.

The next year, Doman effectively didn't operate, reporting only 25 cubic metres of harvest. Again, the company got credit for 50 per cent in keeping with the relaxed policy.

In 1984 Doman's cut was 141,728 cubic metres, or 38.4 per cent of the AAC, and the ministry estimates that the 1985 cut (official figures are not yet available) will be about 48 per cent.

With only one year to go, and a maximum annual harvest limited to 150 per cent of the AAC, Doman will be hard pressed to end up with a cut much higher than 86 per cent of the total five-year volume. The minimum is supposed to 90 per cent.

Heinrich confirms that it is within his authority to give Doman that 90 per cent, if he chooses, not withstanding the two years of "cooked" 50 per cent entries Doman has already received.

The ministry has already sent a letter to Doman, which claims it has lost more than $3 million in the area, warning the company the cut on its A168-45 midcoast licence puts its AAC "at risk."

John Howe, timber officer in the Vancouver Forest Region, says Doman's midcoast licence is not the only one in some danger, but it's probably the worst example.

B.C. Forest Products, too, has been sent a letter (May 31, 1985) warning the company that its midcoast licence A168-42 is in some danger.

Between 1982 and 1984 the company has cut between 50 and 56 percent of the AAC each year, and that includes one year, 1983, when one of the ministry's "cooked" figures was allowed.

Gerry Burch, BCFP's woodlands vice-president, recognizes the company's problems in the midcoast.

"There were some units there where every operator was down under 50 percent," he said. "They're all (the five-year cut control periods) drawing to a close now, and they're tightening up."

Heinrich said none of the specific licenses has yet been drawn to his attention, but while he said the decision to "cook the books" was justified in light of economic conditions, he agrees he'll have some tough decisions to make.

"I understand this area in the Kimsquit (in one of Doman's licences) was authorized on the basis it would provide wood for a pulp mill," he said.

Heinrich is referring to a commitment made by Doman in the early 1980s to construct a pulp mill. In exchange for the commitment, Doman got the rights to cut certain volumes of timber.

"It (the pulp mill) hasn't been delivered," Heinrich said. "In addition there's a massive undercut. It's an issue I'm going to have to resolve. How, I'm not sure."

FOREST UNION ADVISES REASON

(By Don Whiteley)

A negotiated settlement with the U.S. on lumber imports could cost jobs, according to a spokesman for the International Woodworkers of America.

But the impact won't be severe, and it may be Canada's best chance to prevent the much more onerous impact of a tariff imposed by U.S. trade regulators.

"We don't think it will be as bad as everyone thinks it will be," said Doug Smyth, the IWA's research director. "Jack (IWA Regional president Jack Munro) has been frank with local officials. They are accepting it very well. It's a question of short term pain for long term gain."

Smyth said anything that lessens the amount of wood now crossing the border will have an impact on employment.

"But there are various aspects of employment," he said. "The number of employees is one dimension, but another is the number of hours worked."

Smyth said he couldn't produce any hard numbers on the volume of B.C. timber production that is tied to overtime work.

"But some plants and companies are doing very well, and perhaps they don't have to go all that full out," he said.

Smyth stressed that the IWA is committed to helping Canada make as strong a case as possible before U.S. regulatory authorities now considering a countervailing duty position.

"I don't think there's ever been any question the IWA feels we must make an all-out defense," he said. "We have never believed there was a large subsidy in the B.C. stumpage system and we've never said there is."

But he points out that the "rightness" of Canada's cause doesn't necessarily sway the Americans.

"The problem is we continue to increase shipments by leaps and bounds, and to the Americans it's an untenable situation." he said. "We don't think we can do that without discussing it with them."

Smyth said he didn't think the series of U.S.-Canada lumber meetings earlier this year produced what they could have.

"As far as we know, the Canadians didn't move an inch—and that's the crux of the problem. We wouldn't be facing a countervailing duty petition if they had."

While the IWA is participating fully in the battle against the countervailing duty, it wants to see some negotiations between the two countries.

NAUM AND INNA MEIMAN: DANGEROUSLY ILL

● Mr. SIMON. Mr. President, recently my friends Naum and Inna Meiman joined with two other refuseniks in the Soviet Union who are also stricken with cancer, Tatyana Kheifetz-Bogomolnaya and Benjamin Charny, to publicly plead for medical treatment.

Inna, like Tatyana and Benjamin, has been ill for some time and is in critical condition. Inna has been through four hazardous operations, and remains in constant pain as the tumor in her neck continues to grow and her condition continues to deteriorate. Soviet doctors have said there is nothing more they can do for her and have left her to her sad fate.

Each one of these cancer victims has had to suffer additionally because of the terrible strain on their lives as refuseniks. They have been subject to senseless torment just because they have expressed their desire to emigrate. Soviet authorities have even disconnected the Meimans' phone, leaving Inna without a means to call an ambulance in an emergency. This is a complete abuse of human rights and an outrage.

It is the only hope of these victims that the Soviets would allow them the opportunity to obtain proper treatment available through technological breakthroughs in the West. Soviet refusal to let them receive treatment abroad is repulsive.

I would like to submit to the CONGRESSIONAL RECORD a letter from these refuseniks which poignantly describes their plight.

I strongly urge the Soviet Government to allow the Meimans to emigrate to Israel.

The letter follows:

We, Inna Kitrosskaya-Meiman, Tatjana Kheifetz-Bogomolnaya, Benjamin Charny and members of our families have joined in a group to make people of the world aware of our grave situation and to plead with them for help.

We are refuseniks, who, while waiting for many years for permission to emigrate to Israel for reunification with our families were striken with cancer.

All pain and suffering that we have to bear because of our disastrous illness is aggravated by multiple stresses of our life as

refuseniks. After applying for emigration visas all of us lost jobs, we are separated from our immediate relatives living now in Israel, USA and Canada. Some of us have gone through all kinds of harassment, such as searches, house arrests, shadowing, interrupted telephone and post communication.

Our health is in such a state that we have been officially recognized as invalids. Each of us has repeatedly appealed to the OVIR and other Soviet organizations requesting them to take our dangerous illness into consideration when deciding our fate. Two of us have written to Mr. Gorbachev and earlier to his predecessors, but to no avail. We know that several years ago refuseniks, diagnosed as having cancer were granted the permission to leave together with their families in conformity with the letter and spirit of Helsinki Final Act about the human approach to reunification of families with ailing family members. The fact that we are still denied visas is incompatible with the assertion by M.S. Gorbachev at the XXVII Congress of CPSU that reunification of families should be approached in humane and positive spirit.

Two remarkable breakthroughs in cancer therapy have occurred in the United States. One involves a substance called tumor necrosing factor, and the second, a complex procedure in which the white blood cells of the patient with cancer are removed, incubated with a cancer killing substance and reinfused into the patient. Both these approaches are highly experimental but would offer Inna Kitrosskaya-Meiman some hope in curing this cancer.

We appeal for help to Heads of Governments who signed the Helsinki Accord in 1975, to the Parliaments of these countries, to oncologists and physicians for whom the Hippocratic oath is not an empty phrase, to international medical community, to cancer patients who are familiar with all pain and fear, to people of good will all over the world Reunification of our families, elimination of stress and peace of mind is a matter of life and death for us.

INNA KITROSSKAYA-MEIMAN,
NAUM MEIMAN,
TATJANA KHEIFETZ-BOGOMOLNAYA
BENJAMIN BOGOMOLNY,
BENJAMIN CHARNY,
YADWIGA CHARNY,
ANNA CHARNY.●

BUDGET SCOREKEEPING REPORT

● Mr. DOMENICI. Mr. President, I hereby submit to the Senate the first budget scorekeeping report for fiscal year 1987. The report shows the current revenue, spending, public debt, and credit levels based on completed congressional action as of this time, and compares those amounts to the levels contained in the budget resolution, Senate Concurrent Resolution 120. This report will continue to provide information on fiscal year 1986 until its expiration on September 30.

This report is prepared by the Congressional Budget Office in response to section 308(b) of the Congressional Budget Act of 1974, as amended. This report also serves as the scorekeeping report for the purposes of section 311 of the Budget Act. The staff of the Budget Committee will be pleased to answer any inquires regarding this report, or to provide further details.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 4, 1986.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of congressional action on the budget for fiscal years 1986 and 1987. The estimated totals of budget authority, outlays, and revenues for each fiscal year are compared to the appropriate or recommended levels contained in the most recent budget resolutions, Senate Concurrent Resolution 32 for fiscal year 1986, and Senate Concurrent Resolution 120 for fiscal year 1987. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32 and is current through August 1, 1986. The report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended.

No changes have occurred since my last report on fiscal year 1986. This is my first report on fiscal year 1987.

With best wishes,

Sincerely,

RUDOLPH G. PENNER, *Director.*

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE, 99TH CONGRESS, 2D SESSION, AS OF AUGUST 1, 1986

[In billions of dollars]

	Current level [1]	Budget resolution (S. Con. Res. 32)	Current level (+/-) resolution
FISCAL YEAR 1986			
Budget authority	1,053.0	1,069.7	-16.7
Outlays	980.0	967.6	12.4
Revenues	778.5	795.7	-17.2
Debt subject to limit	2,072.1	[2] 2,078.7	-6.6
FISCAL YEAR 1987			
Budget authority	636.3	1,093.4	-$457.1
Outlays	737.3	995.0	-257.7
Revenues	845.7	852.4	-6.7
Debt subject to limit	2,072.1	[2] 2,322.8	-250.7
Direct loan obligations	20.3	34.6	-14.3
Guaranteed loan commitments	33.1	100.8	-67.7

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval. In addition, estimates are included of the direct spending effects for all entitlement or other programs requiring annual appropriations under current law even though the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] The current statutory debt limit is $2,078.7 billion.

FISCAL YEAR 1986, SUPPORTING DETAIL FOR CBO WEEKLY, SCOREKEEPING REPORT, U.S. SENATE, 99TH CONGRESS, 2D SESSION, AS OF AUGUST 1, 1986

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			777,794
Permanent appropriations and trust funds.	723,461	629,772	
Other appropriations	525,778	544,947	
Offsetting receipts	-188,561	-188,561	
Total enacted in previous sessions.	1,060,679	986,159	777,794
II. Enacted this session:			
Commodity Credit Corporation urgent supplement appropriation, 1986 (Public Law 99-243).			
Federal Employees Benefits Improvement Act of 1986 (Public Law 99-251).		4	
VA home loan guarantee amendments (Public Law 99-255).		-51	
Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272).	-4,259	-6,001	765
Department of Agriculture urgent supplemental, 1986 (Public Law 99-263).			
Advance to hazardous substance response trust fund (Public Law 99-270).			
FHA and GNMA Credit Commitment Assistance Act (Public Law 99-289).		-380	
Federal Employees Retirement Act of 1986 (Public Law 99-335).			-90
Temporary extension of certain housing programs (Public Law 99-345).		-304	
Military Retirement Reform Act (Public Law 99-348).	-25		
Urgent Supplemental appropriations, 1986 (Public Law 99-349).	-3,508	475	
Total			
III. Continuing resolution authority.			
IV. Conference agreements ratified by both Houses: Panama Canal Commission Authorizing Act (H.R. 4409).	18	16	
V. Entitlement authority and other mandatory items requiring further appropiation action:			
Compact of free association.	3	3	
Special benefits (Federal employees).	14	14	
Family social services	100	75	
Payment to civil service retirement [1].	(37)	(37)	
Total entitlements	118	93	
Total current level as of August 1, 1986.	1,053,024	980,012	778,469
1986 budget resolution (S. Con. Res. 32).	1,069,700	967,600	795,700
Amount remaining:			
Over budget resolution.		12,412	
Under budget resolution.	16,676		17,231

[1] Interfund transactions do not add to budget totals.

Note.—Numbers may not add due to rounding.

FISCAL YEAR 1987, SUPPORTING DETAIL FOR CBO WEEKLY SCOREKEEPING REPORT, U.S. SENATE, 99TH CONGRESS, 2D SESSION, AS OF AUGUST 1, 1986

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			843,799
Permanent appropriations and trust funds.	733,558	647,692	
Other appropriations		195,861	
Offsetting receipts	−163,823	−163,823	
Total enacted in previous sessions.	569,735	679,730	843,799
II. Enacted this session:			
Federal Employees Benefits Improvement Act of 1986 (Public Law 99–251).		2	
Technical Corrections Amends to Food Security Act (Public Law 99–253).	50	50	
VA home loan guarantee amendments (Public Law 99–255).		49	
Food Security Improvements Act of 1986 (Public Law 99–260).	−115	−115	
White Earth Reservation Land Settlement Act of 1985 (Public Law 99–264).	10	10	
Consolidated Omnibus Budget Reconciliation Act of 1986 (Public Law 99–272).	236	−3,472	2,590
FHA and GNMA Credit Commitment Assistance Act (Public Law 99–289).		−178	
Federal Employees' Retirement System Act of 1986 (Public Law 99–335).	−150	−1,670	−666
Judicial Improvements Act (Public Law 99–336).	2		
Temporary extension of certain housing programs (Public Law 99–345).		−85	
Military Retirement Reform Act (Public Law 99–348).	−47	146	
Urgent supplemental appropriations, 1986 (Public Law 99–349).	−278	−914	
Total enacted this session.	−292	−6,177	1,924
III. Continuing resolution authority.			
IV. Conference agreements ratified by both Houses: Panama Canal Commission Authorizing Act (H.R. 4409).		2	
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Payment to the CIA retirement fund.	126	126	
Claims, defense	156	150	
Payment to the foreign service retirement trust fund [1].	(173)	(173)	
Range improvements	10	7	
BLM: Miscellaneous trust fund.	(2)	(2)	
Compact of free association.	42	42	
Payments to air carriers, DOT.	32	30	
Retired pay—Coast Guard.	370	341	
Maritime, operating-differential subsidies.		297	
BIA: Miscellaneous trust funds.	1	1	
Social services block grant.	2,700	2,538	
Family social services	758	584	
Guaranteed student loans.	3,219	2,580	
Higher education facilities loans and insurance.	19		
Government payment for annuitants.	1,459	1,301	
Retirement pay for PHS officers.	83	81	
Medicaid	19,595	19,241	
Medical facilities guarantee and loan fund.	20	19	
Payments to health care trust funds [1].	(20,826)	(20,826)	
Special milk program	16	11	
Child nutrition programs.	4,212	3,791	
Federal unemployment benefits and allowances.	103	102	
Advances to unemployment trust fund [1].	(9)	(9)	
Special benefits (general retirement and Federal employee retirement).	257	257	
Black lung disability trust fund.	549	549	
Supplemental security income.	7,846	7,846	
Special benefits for disabled coal miners.	698	638	
Assistance payments	7,350	7,350	
Child support enforcement.	599	583	
Payments to social security trust funds [1].	(501)	(501)	
Veterans insurance and indemnities.	5	4	
Veterans readjustment benefits.	750	723	
Veterans compensation.	10,300	9,360	
Veterans pensions	3,684	3,385	
Veterans burial benefits.	138	138	
Salaries of judges	104	103	
Fees and expenses of witnesses.	46	37	
Compensation of the President.	(2)	(2)	
Payment to civil service retirement trust fund [1].	(4,557)	(4,557)	
National wildlife refuge fund.	6	6	
Military pay raises and benefits.	1,566	1,539	
Total entitlements	66,820	63,763	
Total current level as of August 1, 1986.	636,262	737,318	845,723
1987 budget resolution (S. Con. Res. 129):	1,093,350	995,000	852,400
Amount remaining:			
Over budget resolution.			
Under budget resolution.	457,088	257,682	6,677

[1] Interfund transactions do not add to budget totals.
[2] Less than $500 thousand.
Note.—Numbers may not add due to rounding.●

TEXTILES AND LUMBER

● Mr. HATFIELD. Mr. President, this week, the Congress once again will vote on the Textile and Apparel Trade Enforcement Act. I voted against this unwise legislation last year and will vote to sustain the President's veto if the bill is brought before this body.

A number of our colleagues have given speeches on this floor in recent months on the need for our basic industries to become more competitive. While some have argued for the erection of trade barriers, I continue to support the efforts of those who advocate improved productivity and a "Yankee trader" spirit of negotiation as the best ways to fight our way out of our huge trade deficits.

I wish to bring to the Senate's attention today how one Oregon lumber mill has set a standard for competing in difficult economic times. Mr. President, I ask that an editorial entitled "Efficient Mill Bucks Industry Trend" be printed at this point in the RECORD.

The editorial follows:

[From the Portland Oregonian, July 14, 1986]

EFFICIENT MILL BUCKS INDUSTRY TREND

(By Russell Sadler)

EUGENE.—Some 20 percent of the saw-mills in the Northwest have closed in the last six years—most permanently. The Western plywood industry has lost 22 percent of its capacity since 1979. Employment in Northwest wood product mills has plunged 25 percent in that time—in Oregon, that means about 16,000 fewer people are working in the industry. Eugene and Springfield have been among the hardest hit by this decline in timber industry employment.

Late last month, Aaron Jones, the president of Seneca Sawmill Co., announced he would spend $7 million to build a new sawmill adjacent to his two existing mills in Eugene. Jones' competitors fear he knows something they don't or has gone nuts.

"Since the economic boat went over the waterfall," said Jones, describing the onset of the recession, "Seneca has not had a losing month. Our operation is actually more profitable in hard times because log prices are lower."

A ruthless preoccupation with efficiency is the secret to Seneca's success, according to some of Jones' competitors. The advanced technology in his mills gets more boards out of smaller logs then nearly anyone in the business. This preoccupation is evident in the planning for the new mill.

The new mill will produce 25,000 board feet of 8-foot 2-by-4 studs every hour, or about 200,000 board feet in an eight-hour shift—well above the industry average. After consultation with many employees, the new mill machinery is being custom-manufactured according to Seneca specifications.

"We are planning a package-type mill that we can franchise and sell all over the country," Jones said.

Seneca's present mill cuts boards up to 24 inches wide and 28 feet long, about 600,000 board feet in two shifts a day.

All Jones' mills handle small logs, but the new mill is designed to handle the smallest logs.

"We are aiming a the small woodlot owner and the farmer market," Jones said. "Between Eugene and Noti, for example, there are hundreds of acres of sound young timber growing on private property. We will cater to the family trade. A farmer can cut the small trees, buck them to 8-foot lengths, bring them to our mill on his farm truck. We'll scale them and hand him a check. He

can go into town and buy his groceries with the money."

Paper mills in Michigan and Minnesota successfully buy pulpwood this way, according to Jones, and he wants to develop a similar log supply here so his mill is less dependent on federal timber and unpredictable bidding cycles.

Jones' advanced technology is so efficient with so little waste that he gets two or three more boards from a 12-inch log than less efficient mills. The money from these extra boards is the money Jones takes to the bank. And Jones takes a lot of money to the bank. He is financing Seneca's new mill entirely out of cash reserves.

"They called from the lottery and offered to loan me money when they heard about the mill," Jones said. "They told us they could loan it to us cheaper than the bank. I couldn't get it through their heads we weren't going to borrow from the bank."

All this emphasis on efficiency has a price. "Our success requires employees who work in lockstep with no variations. We're just like the supermarket. We stick to the formula," Jones said. "We are playing to a volume market. The margins are thinner, but we make money."

Production technology in Seneca's new mill will be years ahead of the rest of the industry.

"The worst thing you can say about it is that it will be so efficient it will provide very few jobs," Jones said. It will take only 20 more workers per shift to produce 200,000 board feet of 2-by-4s. Jones thinks the mill may indirectly support another 100 jobs in logging and road building and among suppliers.

"Those numbers tell you a lot about what has happened to this business over the years," Jones said. "When I first went to work in a mill in 1940, Booth-Kelly employed 1,100 workers who produced less than half the lumber I do today with 160 workers."

Why don't competitors follow Jones' successful formula? Jones blames lack of foresight and the tax laws.

"You are looking at an industry that is basically bankrupt," said Jones. "Many companies have mortgaged their fee timberlands to expand, but they built bigger, not better. They have to shut these monster mills down when the price of timber gets high because the mills are so expensive to run, they can't make a profit at today's log prices."

Jones is buying timber from private companies today—Weyerhaeuser, Bohemia Inc. and International Paper—because the companies cannot afford to run their logs through their own mills.

"These people are looking at losses. They sell logs to me because the money I pay helps minimize their losses," Jones said.

The tax system also is a factor. Prior to the 1981 tax changes, the tax rate on ordinary income ranged as high as 70 percent to 90 percent, while the capital gains rate ranged from 22 to 35 percent, Jones said.

"This spread in the tax rate encourages the industry to put everything into capital gains recovery. They buy a stand of timber, turn around and sell it in a few years and pay 22 cents on the dollar, instead of paying 70 cents on ordinary income that should be invested in building a more efficient mill," he said.

"Call it luck or whatnot, we didn't get into chasing capital gains. We didn't have the money to get into fee timber, so we put our money into modernizing production."

With opinions like these, one can understand why Jones is not universally loved in the timber business. But he has his competitors' respect. Blind luck or perceptive judgment, Jones has a winning formula. In the middle of the worst recession since the Great Depression, Jones is building a $7 million mill with cash reserves while his competitors struggle to stay afloat.

Mr. HATFIELD. Mr. President, Aaron Jones is not alone in his effort to meet competition head-on. Whether that competition comes from domestic lumber mills or foreigners operating legally under existing laws, he knows that the best way to survive in American industry is to fight.

Samuel Slater knew the same thing when he established this country's first textile mill in Pawtucket, RI in 1791. Instead of accepting the established order or complaining about current conditions, men like Jones and Slater have seen opportunities for innovation and have moved our Nation forward.

There are problems facing America's textile and lumber industries today but those problems will not be solved by erecting artificial barriers to competition. Those barriers will only provide temporary relief and result in a trade war with some of our strongest allies. This Nation needs businessmen who are willing to meet competition squarely and use American technology to our advantage.●

PRISONERS OF WAR IN SOUTHEAST ASIA

● Mr. HEINZ. Mr. President, I wish to insert in the RECORD a resolution adopted by the Pennsylvania State Senate June 24 regarding the plight of those of our missing servicemen and women, who remain unaccounted for in Southeast Asia.

The Pennsylvania Senate resolution calls for the Congress of the United States and the President to take aggressive action to secure the freedom of our POW's. I fully agree with the goal of the Pennsylvania Senate and pledge to work with the President for the release of all the POW's currently held captive or those who are considered missing in action in Southeast Asia.

President Reagan has declared the issue of accounting for our missing service personnel a matter of high national priority. I agree with the President that every action should be taken to reach an accord with the Government of Vietnam, Laos, and Kampuchea on the return of missing servicemen and the remains of war casualties.

The United States currently lists 2,436 Americans service personnel still missing in action or otherwise unaccounted for in Indochina. In February 1985, the Republic of Vietnam indicated to the United States that it was interested in normal relations. Several recovery expeditions have been successful in obtaining new information on missing servicemen killed in action.

At this time, Pennsylvania has 125 servicemen officially listed as unaccounted for in Southeast Asia. For the families of these missing servicemen, the President and all elected officials should make every effort to determine the status of all missing servicemen and women.

Mr. President, I ask that the Pennsylvania State Senate resolution be printed in the RECORD following my remarks.

SENATE RESOLUTION NO. 180

Whereas, The 12 years after the Vietnam War has witnessed the triumphant return of 566 military and 25 civilian prisoners of war from Southeast Asia; there currently remain more than 2,436 Americans still missing or otherwise unaccounted for in Indochina; and

Whereas, The families of servicemen and civilians missing in Indochina still suffer untold grief and uncertainty due to lack of an adequate accounting; and

Whereas, The President has declared the issue of America's missing or otherwise unaccounted for in Indochina a matter of high national priority and has high level dialogue with the governments of the Lao Peoples' Democratic Republic and the Socialist Republic Vietnam on this issue; and

Whereas, The Socialist Republic of Vietnam, in February 1984, promised to accelerate the resolution of this humanitarian issue and, in February 1985, indicated it was interested in normal relations with the United States; and

Whereas, There is a growing body of evidence that Americans continue to be held captive in Indochina; therefore be it

Resolved, That the Senate support the President's pledge of high national priority to resolve the status of more than 2,436 Americans still missing and unaccounted for in Indochina; and be it further

Resolved, That the strongest signal that can be sent to the governments of Vietnam and Laos is the united voice of the American people, demanding that the United States Government and Congress take more decisive and aggressive action to secure the freedom of our POW's; and be it further

Resolved, That the Senate urge the President and the Congress of the United States to ensure that this issue remains one of highest national priority and to accelerate efforts in every possible way to obtain the immediate release of Americans who are still being held captive in Indochina; and be it further

Resolved, That copies of this resolution be transmitted to the Honorable Ronald Reagan, President of the United States, to the presiding officers of each house of Congress and to each member of Congress from Pennsylvania, and to the legislatures of the 50 states.●

THE 75TH ANNIVERSARY OF KAPPA ALPHA PSI

● Mr. LUGAR. Mr. President, I would like to take this opportunity to bring to the attention of my colleagues the 75th anniversary of Kappa Alpha Psi, Inc., which originated in my State of Indiana. The achievement and distinction that Kappa Alpha Psi has brought to Indiana and to this Nation should be commended.

Kappa Alpha Psi was founded at Indiana University on January 5, 1911, to encourage black achievement on college campuses by bringing men of culture, patriotism together for mutual support.

The fraternity now has over 75,000 members. They provide housing, scholarships, loans, and job placement as well as social interaction for its collegiate members. The credo of the fraternity achievement in every field of endeavor is illustrated by the founders of this great fraternity: Elder Watson Diggs, Dr. Guy L. Grant, Byron L. Armstrong, Edward G. Irvin, Dr. Ezra D. Alexander, Paul W. Caine, attorney Henry T. Asher, George Edmunds, John M. Lee, and Dr. Marcus P. Blakemore. Each Kappa provides outstanding leadership in their respective communities. Some of the prominent members include U.S. Congressmen JOHN CONYERS, GEORGE CROCKETT, JR., MERVIN DYMALLY, WALTER FAUNTROY, and LOUIS STOKES; Mayors Tom Bradley, Johnny Ford, and Carl Officer; Michigan Secretary of State Richard Austin, OIC founder Dr. Leon Sullivan; tennis pro Arthur Ashe, pro football player Gale Sayers; basketball players Bill Russell and Indiana's Oscar Robertson; Deputy Mayor Joe Slash; Indianapolis businessmen Jesse Carter, John Bailey, and Bill Mays, and many many more.

Indiana is proud that such a worthwhile organization was founded in our great State and, on this occasion, I wish the very best to Kappa Alpha Psi and all its members as they celebrate their 75th anniversary.●

SENATOR STENNIS' 85TH BIRTHDAY

Mr. SIMPSON. Mr. President, while we await the opportunity to conclude, let me just note that indeed yesterday was the birthday of our colleague, Senator JOHN STENNIS—his 85th birthday—and it is with great pleasure that I take a moment to acknowledge that. This remarkable gentleman served with my father in the U.S. Senate. He then became later the chairman of the Milward L. Simpson Chair of Political Science at the University of Wyoming and serves unselfishly there in that capacity to this day. As I think of all the Members of this Senate, I feel this man seems to epitomize the respect and admiration that we should have for one another. He is one who enjoys the greatest degree of respect and admiration of his colleagues. He has been immeasurably courteous to me, a man of stately kindness and genuine love and compassion; he is our guide and our counsel, and I want to just add my deep and rich admiration and regard for Senator JOHN STENNIS. I wish him a very happy birthday.

□ 1950

REPORT ON A MARRIAGE

Mr. SIMPSON. Mr. President, perhaps I could take a moment to express a personal item.

Let me share with you that I have had a nearly perfect recent record on voting in this place. I think I missed one vote in 2 years. Then this weekend I went off to participate in the marriage of my oldest son, Bill. At the bachelor party Thursday night, I was contacted and told I had missed six rollcall votes. I thought there should be cheerier news for me on an occasion like that. The next day, I think I missed two rollcall votes.

So I have fallen from grace and I regretted that, but not really too much.

It was a delightful experience as we celebrated that remarkable time in his life. I knew I would fall prey to some emotion if my daughter were to do that, but surely not my oldest son. It was a moving and lovely experience and a delightful new chapter in the life of the Simpsons. I wish him and his dear wife, Debbie, all of God's grace and blessings.

I wanted to share that, not with my constituents for they will find out soon enough; but to say what an agreeable happening, and a very moving one, it was.

SENATE JOINT RESOLUTION 380 PLACED ON CALENDAR

The PRESIDING OFFICER. The clerk will read Senate Joint Resolution 380 for a second time.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 380) directing the conferees on the act entitled the "Tax Reform Act of 1986" (H.R. 3838) to require that any amount refunded under section 212 of the Tax Reform Act of 1986 to steel companies filing bankruptcy petitions in 1986 or thereafter be dedicated for the continuation of company-paid health insurance costs for employees and retired employees.

Mr. SIMPSON. Mr. President, I object to further consideration of that measure at this time.

The PRESIDING OFFICER. Objection has been heard to further consideration of Senate Joint Resolution 380, and it will be placed on the calendar.

ORDER FOR RECESS UNTIL 9:15 A.M. TOMORROW

Mr. SIMPSON. Mr. President, after conferring with the Democratic leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:15 a.m. on Tuesday, August 5, 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TUESDAY

RECOGNITION OF CERTAIN SENATORS

Mr. SIMPSON. Mr. President, I ask unanimous consent that following the recognition of the two leaders under the standing order on tomorrow, there be special orders in favor of the following Senators for not to exceed 5 minutes each: Senators HAWKINS, PROXMIRE, GORE, GORTON, HEFLIN, MELCHER, and LEVIN.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. SIMPSON. Mr. President, I ask unanimous consent that on tomorrow, following the special orders just identified, there be a period for the transaction of routine morning business, not to extend beyond 10 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. SIMPSON. Mr. President, at 10 a.m., tomorrow, the Senate will resume debate on S. 2638, the Department of Defense authorization bill. Pending is the Johnston amendment No. 2273.

ORDER FOR RECESS BETWEEN 12 NOON AND 2 P.M. TOMORROW

I ask unanimous consent that the Senate stand in recess between 12 noon and 2 p.m. tomorrow, in order for the weekly party caucuses to meet.

Mr. BYRD. Mr. President, reserving the right to object. Would the distinguished acting Republican leader [Mr. SIMPSON] consider recessing the Senate from 1 until 2, rather than from 12 until 2?

I make that request in view of the fact that Mr. NUNN would like to have as much debate ensue as possible, so that we would not have to stay so late tomorrow evening, or at least more debate would transpire.

There is a second problem, and, of course, this one can be handled in another way if the distinguished Senator would permit—that is, that Senators should have until 1 p.m. tomorrow to file amendments in the first degree to the Department of Defense authorization bill, a cloture motion having been filed today. That problem could be taken care of if the acting leader would provide that notwithstanding that the Senate goes into recess at 12 noon tomorrow until 2 p.m., Senators might have until 1 p.m. tomorrow to file their first-degree amendments.

Mr. SIMPSON. Mr. President, I can share with the Democratic leader, after checking with the staff in order that we might properly protect our people, that I can certainly agree to the filing of whatever may be required prior to the time of 1 o'clock because of the cloture motion, but as to the

delay there, I cannot clear that at this time and will make inquiry at the moment as to whether that might be able to be done.

Mr. BYRD. Very well.

Mr. SIMPSON. I am sure that tomorrow we would have that information.

Mr. BYRD. That would be certainly satisfactory with me. On tomorrow that could be changed if the Republican leader or the acting Republican leadership, by then determine on the basis of checking with his colleagues on that side, that it could be done.

In the meantime, then, if the acting leader would provide that first-degree amendments could be filed up until 1 p.m. tomorrow, notwithstanding the recess at 12 noon, that would protect those Senators who wish to file first-degree amendments to the Department of Defense authorization bill.

Mr. SIMPSON. Mr. President, I ask that the unanimous-consent request be so modified.

Mr. BYRD. Mr. President, I thank the distinguished acting leader and I remove my reservation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON. Then, Mr. President, at 2 p.m. the Senate will resume consideration of S. 2638, the Department of Defense authorization bill. Votes can be expected throughout the day and a late session is expected in order to make some progress on this bill.

We have as, the Democratic leader knows, a heavy agenda and a recess period or district work period, as it is known, which is unprecedented in an election year, that he helped craft and fashion along with the Republican leadership which was very serious, yet leaves us less time than usual.

The Senator from West Virginia.

Mr. BYRD. Mr. President, I have no further business that I would suggest to the acting Republican leader. I thank him for his characteristic courtesy.

Mr. SIMPSON. I reciprocate that.

The Democratic leader has been very patient and instructive with me in my duties and I appreciate that.

RECESS UNTIL 9:15 A.M. TOMORROW

Mr. SIMPSON. Mr. President, then I move, in accordance with the previous order, that the Senate stand in recess until 9:15 a.m. on Tuesday, August 5, 1986.

The motion was agreed to, and at 7:58 p.m., the Senate recessed until tomorrow, Tuesday, August 5, 1986, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate August 4, 1986:

DEPARTMENT OF ENERGY

Martha O. Hesse, of Illinois, to be a member of the Federal Energy Regulatory Commission for the remainder of the term expiring October 20, 1987, vice Raymond J. O'Connor resigned.

EXTENSIONS OF REMARKS

DRUG TESTING IN THE WORKPLACE

HON. PATRICIA SCHROEDER
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES

Monday, August 4, 1986

Mrs. SCHROEDER. Mr. Speaker, we are told that the Attorney General of the United States favors widespread drug testing of Federal employees, and that almost 25 percent of Fortune 500 companies test applicants or employees for drug use. What we are not told about are the rates of error in drug testing technology, the violations of privacy and constitutional rights, and the cost to both employer and employee as funds that would otherwise be spent on capital investment or law enforcement are instead channeled to drug testing companies.

The American Civil Liberties Union addresses some of these issues in a question-and-answer format. I hope my colleagues find the attached article as instructive as I did.

WHAT ACLU HAS TO SAY ABOUT—DRUG TESTING IN THE WORKPLACE

The American Civil Liberties Union opposes indiscriminate urine testing because we believe it is unfair and unreasonable to force millions of American workers who are not even suspected of using drugs, and whose job performance is satisfactory, to submit to degrading and intrusive urine tests on a regular basis. It is unfair to treat the innocent and the guilty alike.

Here are some frequent questions posed by members of the public about our stand on drug testing:

Question. If you don't use drugs, you have nothing to hide. Why object to testing?

Answer. Innocent people do have something to hide: their privacy. This "right to be left alone" is, in the words of the eminent Supreme Court Justice Louis Brandeis, "the most comprehensive of rights and the right most valued by civilized men." Urine tests are an unprecedented invasion of privacy. In addition to evidence of illegal drug use, the tests can disclose numerous other details about one's private life. Urinalysis can tell a company whether an employee or job applicant is being treated for a heart condition, depression, epilepsy, diabetes or schizophrenia. It can also reveal whether an employee is pregnant.

Innocent people also have reason to be concerned because the method of urinalysis most commonly used in drug testing (the "EMIT kit") is inherently unreliable. The EMIT kit gives a false positive result at least 10 percent and possibly as much as 30 percent of the time.

Companies that manufacture EMIT kits warn employers to follow up any positive result with additional, more sophisticated confirmatory tests. But such confirmatory tests are expensive, and in practice many employers do not use them. Millions of people across the country risk not being hired or losing their jobs and their reputations because of the EMIT kit test.

Question. Still, isn't indiscriminate testing the best way to catch the users?

Answer. It may be the easiest way to identify drug users, but it is also by far the most un-American. There is a long tradition in the United States that general searches of innocent people are unfair. This tradition began in colonial America, when King George's soldiers searched everyone indiscriminately in order to uncover those few who were committing offenses against the Crown. These general searches were deeply hated by the early Americans, and were a leading cause of the Revolution. After the Revolution, and fresh from the experience of the unfairness of indiscriminate searches, the Fourth Amendment was passed. It says that you cannot search everyone, innocent and guilty alike, to find a few who are guilty. You must have good reason to suspect a particular person before subjecting him or her to intrusive and degrading body searches.

But mandatory, general drug testing programs threaten to turn these traditional principles upside down. Compulsory blood and urine tests are bodily searches, according to the U.S. Supreme Court. The lower courts have already struck down mandatory testing programs in several government workplaces as violative of the Fourth Amendment because they were not based on particularized suspicion. And although the Fourth Amendment doesn't legally limit the power of private employers, the same principles of fairness ought to apply. Tests should be limited to those workers who are reasonably suspected of using drugs (including alcohol) in a way that impairs job performance.

Question. Aren't there exceptions to the rule? Shouldn't workers such as airline pilots, who can endanger the lives of others if they aren't functioning properly, be subject to drug testing?

Answer. Obviously people who hold the lives of other people in their hands should be held to a higher standard of job performance. But urine testing won't do that. Urinalysis cannot measure current impairment or intoxication. It would be far more meaningful to require all airline pilots to undergo a brief neurological exam for impaired visual acuity or motor coordination before stepping into the cockpit. No one could object to that. But urine testing is simply irrelevant to the issue of job impairment, and people in high risk occupations should be subjected to urinalysis on the same basis as anyone else—only to confirm a reasonable suspicion, based on observation, that a particular individual is job impaired because of drug abuse.

Question. What about the high economic costs to industry of drug use? Shouldn't employers be permitted to institute drug testing as a way to protect their investment?

Answer. The economic costs to industry of drug use are cited to justify mass drug testing in the workplace. Billions of dollars, we are told, are lost through low productivity and absenteeism. Some experts question these estimates as extrapolations and projections that have no convincing data base. Moreover, the economic costs of alcoholism and heavy cigarette smoking are without doubt higher, since so many more people use alcohol and smoke. But no one has yet suggested tests to discover the extent to which workers are drinking or smoking in the evenings or on weekends.

The people who most often cite the high economic costs to industry caused by drug use are the same people who are reaping huge profits from urine testing—manufacturers of the urine test, chemical laboratories and professional drug abuse consultants. Their pronouncements ought to be viewed with skepticism.

Question. If urine testing is out, is there anything left that can be done about the drug "epidemic"?

Answer. Urine testing doesn't prevent drug use, or cure addiction. Education and voluntary rehabilitation are the only approaches that do. A well-funded, well-coordinated public education effort, such as the anti-smoking campaign, would do more to bring drug use under control than the most massive program of testing. Such efforts work. Since 1965, the proportion of Americans who habitually smoke cigarettes has gone down from 43 percent to 32 percent. Those who have studied this decline attribute it to public education. Certainly, it cannot be attributed to forced testing or employer sanctions.

Question. Have any courts ruled that mandatory urine testing of government employees is a violation of the Constitution?

Answer. Virtually every court that has heard a constitutional challenge to testing by government agencies and employers has found that some degree of individual suspicion is necessary. These courts have prohibited programs that included "random" or "blanket" drug testing. A state court judge in New York ruled that a local board of education could not subject all teachers being considered for tenure to urinalysis because "an invasive bodily search may be constitutionally made only when based upon reasonable suspicion based on supportable objective facts." A federal judge in Iowa ruled that random tests of prison guards were unconstitutional unless conducted on the basis of "reasonable suspicion."

Question. But if the Constitution doesn't apply to private employees, how can the privacy rights of private employees be protected?

Answer. Only by special federal or state laws or by union contracts. At this time employees of private companies have virtually no protection against the mandatory drug testing programs that have now been adopted by 25 percent of the Future 500 companies. The ACLU believes it is grossly unfair that government workers are protected in their rights to privacy while their counterparts in private industry are not. Labor unions should push to include a ban on blanket testing in collective bargaining agreements, and the rights of non-union employees can only be protected by pressing for the passage of federal, state or local legislation.

Because of the efforts of the ACLU and other concerned organizations, the City of San Francisco, for example, has enacted a

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

model law which protects workers in private industry from indiscriminate drug testing. The new law says that no employer doing business in San Francisco "may demand, require, or request employees to submit to, to take or to undergo any blood, urine, or encephalographic test in the body as a condition of continued employment" unless three conditions are met:

1. the employer has reason to believe the employee's faculties are impaired on the job;

2. the employee's impairment presents a clear and present danger to his own safety or the safety of others;

3. the employer gives the employee the opportunity, at the employer's expense, to have the sample tested by an independent laboratory and gives the employee an opportunity to rebut or explain the results.

This law strikes the delicate balance between an employee's fundamental right to privacy, and the legitimate business needs of the employer.

BURSHTEIN FIGHTS SOVIETS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 4, 1986

Mr. PORTER. Mr. Speaker, I would like to introduce my colleagues to a brave young man, Albert (Chaim) Burshtein, a 20-year-old citizen of Leningrad. In his 20 years, Chaim has witnessed continuous persecution of his family and friends, has experienced constant harassment and has been a victim of harsh anti-Semitic policy at the hands of the Soviet authorities.

Chaim is a man of strong will and determination and despite the efforts of the Soviets to break his spirit, he is ready to challenge the officials that are out to destroy him. Chaim, although suffering from a debilitating disease of his shinbone which has left him an invalid, has not given up his fight to live in Israel.

In the past year he was arrested for "stubbornly demanding an exit visa to Israel," and for planning a work strike to protest the refusal of his family's exit visas. He then went on a hunger strike to protest his arrest from November 6 to November 13. In December 1985, Chaim also participated in the hunger strike in sympathy for the plight of Leonid Volvovsky.

In an effort to call attention to the plight of separated families, Chaim was a signatory to a letter sent to the 27th Communist Party Congress in February. Since that time Chaim has been receiving a great deal of pressure from the KGB at his job, because of all his activities. His telephone at work was also disconnected.

Within the last 2 months the Soviet authorities have cracked down on Chaim. On May 25, Chaim was with a group of friends near a metro station. When he walked away from the group, they were surrounded by KGB agents and were taken away. Chaim followed, trying to ask questions but he too was taken away by force. While he continued to yell at the KGB, the group was finally released.

In a matter of a few days, Chaim was fired from his job after extreme pressure was exerted on his boss by the KGB. Chaim has become a target of persecution and abuse by the Soviet authorities and will continue to be so until he gives up his determination to live in Israel or until his voice is silenced by the KGB.

Mr. Speaker, Chaim will not give up his determination and his voice will not be silenced unless he is allowed to repatriate to Israel. He is determined to fight and I urge my colleagues to join him in his fight. Chaim is presently involved in a law suit against the Soviet authorities pertaining to his illegal dismissal from his employment. I am honored to be named in the suit to represent Chaim, and I would like to urge my colleagues to continue to pressure the Soviets, so that the continued presecution of Soviet Jews stops.

I would like to submit to the RECORD the documentation of the case that Albert (Chaim) Burshtein is bringing against the Soviet officials, so that my colleagues can understand the fight that he is waging against a system that is determined to break him:

To: The Court of Dzerzhinsky District of Leningrad.

From: Albert Burshtein.

APPLICATION

Based on Articles 3 of the Civil Procedural Code of the RSFSR, The Right to Appeal a Trial; and Article 15, The Jurisdiction of the Court, I ask you to consider the question of my illegal dismissal from my job, based on Article 33 of the Labor Code of the RSFSR, "for shirking work on the March 25 and March 26, 1986."

My "shirking of work at my job" for two days was circulated by those present at work despite the fact that on March 18, 1986, I suffered from an unprecedented exacerbation of my illness. This was proved by the Sick Leave Certificate which required a home treatment regime. On March 19, 1986, despite my poor health condition, I went to the trial of my friend, Vladimir Lifshitz, a citizen of Israel. He was accused under Article 190 of the Criminal Code of the RSFSR, "slander defaming the Soviet Regime." Despite proof introduced by the accused and his attorney, who persuasively proved that the incriminated materials were not slanderous, the court acknowledged Lifshitz to be guilty.

On March 19, under a non-medical directive, Polyclinic No. 88 of Kirovsk District sent a medical staff five times to my home in order to prove my absence and for breaking the home regime. As a result, on March 24, my Sick Leave Certificate was stopped mainly because of breaking the home regime despite my disablement and the exacerbation of my illness. I would like to point to the fact that often having the exacerbation four or five times a year, even of a lighter form, would be proved by an ambulance regime but not a home regime. (Editors note: "Ambulance regime" is when a patient is able to move about and "home regime" is when the patient is required to stay at home.)

I have had a Sick Leave Certificate for 20-30 days but now it was stopped in five days. Being disabled for work this very day, March 25, I invited a doctor over. He came and confirmed the fact of my illness and then confessed that he refused to give me a Sick Leave Certificate from the Assistant Chief of the Polyclinic. On March 25 and March 26, I appealed to the Polyclinic where not a single doctor or administration staff person doubted the existance of my disease but all refused to give me a Sick Leave Certificate or any form to confirm the valid reason for my absence from my job. So for those two days, I was dismissed despite my explanation of the reason and the labor law, namely, Article 33 of the Labor Code that states: One of the reasons for cancelling a labor contract may be the shirking of a job without valid reason. However, Clause 29 of the Commentaries to Labor Laws of USSR states: The shirking of a job is not considered if the person is absent because of valid reasons such as, illness, helping the ill, etc. On April 15, 1986, the Primal Court of RSFSR for legal cases stated that the absence of a Sick Leave Certificate cannot serve as a reason for dismissal from work, if it is proved that the absence was due to illness.

For the sake of proving that the real reason of my absence from work on March 25 and 26 was illness based on my right according to Articles 49, 57 and 64 of the Civil Procedural Code of the RSFSR. I ask you to obtain the necessary documents as an end to my appeal:

1. The explanation handed to the Administration of my job by me on March 27, 1986.

2. Sick Leave Certificate for March 18 to March 24.

3. To extract from the Polyclinic the materials detailing the frequency, time and duration of my illness, and the regime of treatment for the last two years.

4. To extract from the Registration Journal of the Polyclinic confirmation of the fact that I invited a doctor to my home on March 25.

5. Based on my right confirmed by Articles 51, 57, and 31 I ask that you obtain and add to the case the testimony of two Professors of the Cincinnati Ohio University, who stayed with me on March 25 and who are able to confirm all facts: Benny Krause, 1828 Crestfield, Cincinnati, Ohio 45237; and Jonathon Sarner, 2644 Rasaniville, Cincinnati, Ohio 45237.

Thus, in accordance with Article 49 of the Civil Procedural Code, the valid reason for my shirking work during March 25 and 26 would clearly be proved as will the illegal dismissal from my work by the administration. I would like to point to the fact that this dismissal is the last step in the long process of pressure on me by the Ambulance Car Garage Administration with the aim of firing an inconvenient worker. The facts of the illegal official reproofs, all signing and preparing of materials, resulted in my arrest for 15 days for announcing on November 7, a work strike to demand that the violations of human rights in the USSR be stopped.

Based on my rights confirmed by Articles 43, 44, and 433, I ask that Attorneys, Congressman John Porter and Mr. Carlos Rizowy of the United States, participate in my trial. Based on Article 9 regarding publicity of a trial, I ask you to introduce a hall containing more than 50 people for the relization of my relatives and friend's rights. I ask you to protest my illegal dismissal from my job.

KIDNEY DISEASE [ESRD] PROGRAM AND THE BUDGET RECONCILIATION BILL

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 4, 1986

Mr. STARK. Mr. Speaker, Members are receiving letters from constituents concerned about the End Stage Renal Disease [ESRD] Program. Many of these constituents either have or have a relative who has kidney disease. They are understandably concerned about any changes in this program, since it is a financial lifeline, enabling thousands to afford treatment against this otherwise deadly disease.

I believe that the Ways and Means Committee has included in title X of the budget reconciliation bill a series of changes in this program that will help improve patients' rights and the quality of care under this program. We have also made some cuts in the rate of facility and physician reimbursement, but those cuts are based on data from the administration and the GAO which indicates that the cuts should not impact on the quality of medical care.

To help Members respond to the inquiries they have received on this issue, I would like to include a portion of the committee's report language at this point in the RECORD:

PAYMENT RATES FOR RENAL SERVICES AND IMPROVEMENTS IN ADMINISTRATION OF END STAGE RENAL DISEASE NETWORKS AND PROGRAM

(Section 10233 of the bill)

PRESENT LAW

(a) Composite rates for dialysis treatment—End Stage Renal Disease (ESRD) facilities receive a "composite" payment rate for each dialysis treatment furnished. It is based on a weighted average of facility mix (hospital-based/free-standing) and a weighted average of in-facility and home dialysis. Free-standing facilities are currently paid on average $127 per treatment and hospital-based facilities receive on average $131 per treatment. Exceptions to the composite rate are provided if it is determined that a facility is an isolated essential facility. The Administration, in proposed regulations, is planning to reduce the composite payment rate for each treatment by approximately $11.00 (9%).

(b) Payment for physicians' services—Physicians are paid a monthly capitated payment for routine services provided to outpatient maintenance dialysis patients (ESRD). The rate of approximately $187 per patient per month is based on an assumption that the physician provides one brief visit per dialysis session and one intermediate visit per month to the average ESRD patient. The fee is adjusted for the proportion of home and facility patients treated. The Administration has issued a final notice, effective August 1, 1986, to reduce the monthly capitated payment by approximately $14 (8%).

(c) Reorganization of ESRD network areas and organizations—The Secretary is required to establish network organizations to assure effective and efficient administration of the ESRD program. The 32 network organizations are responsible for coordinating and evaluating ESRD services provided within assigned geographic areas. Under the Consolidated Omnibus Budget Reconciliation Act of 1986, the Secretary may consolidate the network areas to not less than fourteen. The Secretary is proposing through regulation to reduce the number of networks to 14 and modifying the functions of the networks.

EXPLANATION OF PROVISION

(a) Composite rates for dialysis treatment—The facility composite rate would be reduced by approximately $5.50 per treatment (4.5%) based upon more recent cost audits, data on facility treatment mix, and home/in-facility dialysis mix. The base rate for free standing ESRD facilities could be no lower than $117.50 and for hospital based facilities, $121.50. This proposal overrides the Administration's proposed rule published in the Federal Register on May 13, 1986.

The Committee is concerned about the appropriateness of the Administration's proposed regulation to reduce the ESRD facility composite rate by approximately $11.00 per treatment. As a result, the General Accounting Office (GAO) was asked to critique the Administration's proposed reduction, considering the data and methodology used by HHS to compute the proposed rates. GAO responded in a report dated July 22, 1986, that the most recent data available to develop the proposed rates was used and used appropriately. GAO added that an exceptions process for facilities where the costs exceed the composite rate for reasons beyond their control would be appropriate.

Because of a concern that quality of care and access to care could be jeopardized by the $11.00 reduction in the composite rate proposed by the Administration, the Committee bill provides only half of the rate reduction proposed by the Administration. Further, the Committee is concerned about access to quality care in rural and isolated areas. The Committee expects HCFA to improve the exceptions process for facilities with costs higher than those reflected in the composite rate. Specifically, HCFA should define the term "isolated essential facility" to reduce the data requirements so that more facilities deserving an exception to the composite rate will be able to successfully apply for such status.

The Committee bill provides for the appeals process to be streamlined so that an exception would be deemed to be approved unless the Secretary disapproved it by not later than 45 working days from the date the application was filed with the intermediary. The Committee intends that the fiscal intermediaries will complete within 15 working days their recommendations so that HHS will have 30 working days to make its decisions. If the isolated essential facility status is granted the facility would receive reimbursement based upon its request from the date it filed for the exception.

(b) Payment for physicians' services—The monthly capitated payment (MCP) rate for physicians treating ESRD patients would be reduced by approximately $14 (8%) to reflect the shorter period of time spent on patients who receive their care at home. In 1983, the MCP rate was computed by HHS based on the average estimated physician involvement with ESRD patients, weighted by the national average percentage of patients who dialyze at home and at facilities. Generally, physicians have less involvement with home patients than with facility patients. GAO has determined that physicians could treat 3.9 home patients for every facility patient, a ratio of 3.9 to 1 rather than a 1.4 to 1 ratio used to established the 1983 rates. The Committee bill provides for the Secretary of HHS to provide for an adjustment in the home/facility physician treatment ratio (used in establishing such payment rates) from 1.4 to 1 in order to reduce by approximately $14 the average MCP rate for physician services to maintenance dialysis patients.

To better monitor the rate reductions, the Committee bill provides for the Secretary to contract with the National Academy of Science's Institute of Medicine to evaluate the effects of the proposed physician and facility rate reductions to determine if access to care or quality of care is being effected. A report to Congress on the results of the study is to be made by January 1, 1988. Once the study is completed it is the intent of the Committee to review the proposed rates.

(c) Reorganization of ESRD network areas and organizations—The Committee bill provides for a network program with a funding source that would better meet the needs of medicare ESRD beneficiaries. The bill would override the proposed rule published in the Federal Register on April 15, 1986.

The Secretary is directed to establish at least 17 ESRD networks. The Secretary is to publish in the Federal Register, after consultation with appropriate professional and patient organizations, the criteria for determining the geographic area for each network. In order to better evaluate the performance of networks in the future and to establish the reorganized networks, the Secretary is directed to establish standards, criteria and procedures for evaluating networks. The Committee intends that HHS will designate existing networks or a combination of existing networks in first establishing the new network organizations. The Committee hopes that existing networks will voluntarily combine and request being designated as the network in their geographic area. Once a network administrative organization agreement has been established it may not be terminated by the Secretary unless it fails to meet the established standards and criteria. At least one patient representative is to serve on each network council and medical review board.

The responsibilities of the networks are to include: (1) collecting, validating and evaluating patient and facility data, (2) developing quality assurance standards, (3) conducting reviews and evaluations of the delivery of ESRD services, (4) conducting on-site review of the medical care provided beneficiaries in facilities when it is deemed necessary by a medical review board or the Secretary, (5) providing recommendations to ESRD facilities for improvements in ESRD care, (6) implementing a procedure for evaluating and resolving patient grievances, and (7) working with patients and facilities in encouraging participation in vocational rehabilitation programs.

In order for the networks to perform the functions required and to place the networks on a sound financial basis the Secretary would be required to reduce the amount of each composite rate payment for each treatment by 50 cents and provide for payment of such amounts to each network. Traditionally, home dialysis treatments are provided three times a week, thus $1.50 per week would be transferred to the area network. The Committee understands that some existing and emerging technologies may require the equivalent of more or less than three dialyses per week. It is the intent

of this legislation that an ESRD patient be considered to have three dialyses per week and that $1.50 per week be transferred to the area network. Each network would receive the total amount withheld from facilities in that network's geographic area. If the new networks are not operational by Janaury 1, 1987, it is the intent of the Committee that the Secretary is to fully fund the existing networks from this source of revenue.

The Secretary would be required to establish a national end stage renal disease registry from data reported by ESRD network organizations, transplant centers from other sources. This data should cover on all ESRD patients to assist the Congress and the medical community in dealing with ESRD related issues. The Secretary is to coordinate data collection activities and determine the appropriate location of the registry. A report on the progress made in establishing the registry is due by January 1, 1987, and the registry is to be established by January 1, 1988.

Because of the controversy over the safety of reusing dialyzer filters, the Secretary would be required to establish by no later than January 1, 1988, protocols on standards and conditions for the reuse of dialyzer filters for those facilities and providers which reuse such filters. The Secretary is also directed to report by January 1, 1988, on the results of a study of the appropriateness of establishing protocols on standards and conditions for the reuse where appropriate of other dialysis supplies. The Secretary would be required to incorporate protocols established by this bill into the facilities' conditions of participation. Failure of a facility to follow an established protocol would subject the facility to denial of participation in the medicare program and to denial of payment for dialysis treatment.

EFFECTIVE DATE

The amendment applies to facility rates as of October 1, 1986, for physician rates August 1, 1986, for network organizations January 1, 1987.

A TRIBUTE TO CHARLES A. KNOWLES

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 4, 1986

Mr. KOLBE. Mr. Speaker, I want to share with my colleagues the memory of a good friend, a dedicated advocate for the rights of the elderly, and a fine human being, Mr. Charles A. Knowles, who passed away July 13.

Charles was born in Malden, MA, in 1905. He studied electrical engineering at Northeastern University in Boston and at New York University in New York City. He was a telephone company executive and held management positions with companies in New York and New Jersey.

What makes the life of Charles Knowles special is what happened after he retired and moved to Tucson 15 years ago. He dedicated his retirement years to a tireless campaign to get legislators on the State and national levels to acknowledge this country's aging population and to give them the attention they merit. He and his wife, Catherine, sat on many commissions and have been honored both within Arizona and the Nation for their work with the elderly.

Mr. Knowles shared a 1978 Jefferson Award with his wife for outstanding community service. This is the highest award an individual can receive for community service. Together, they spent 60 to 80 hours each week working on community affairs. I know that to be the case, because I served in the Arizona Senate for 6 years, when both of these dedicated individuals were working to improve the lives of the elderly. Catherine and Charles Knowles were familiar figures in the halls of the legislature. Much of the time Catherine was confined to a wheelchair and Charles pushed her up and down the mall from the house to the senate, all the while buttonholding members of the legislature on behalf of the elderly.

The memory of Mr. Knowles brings to mind a favorite verse from the Bible: "Iron sharpenth iron, thus a man sharpenth the contenance of another." Having a man like Charles Knowles in our midst, a man with a spirit as strong as iron, sharpens the spirit and critical abilities of all of us who came into contact with him. I know Charles sharpened my own spirit, making me aware, in his own indomitable fashion, of the dynamic contribution senior citizens bring to our communities. In the words of Arizona Governor Bruce Babbitt: "He refused to be satisfied with letting others do the work while he sat idly by."

Sitting idly by was certainly not Charles' style. Following his retirement, he participated at the local and State levels in the White House Conference on Aging, chaired the Utility Rate Study Committee of the Arizona Council for Senior Citizens, served on the Governor's Task Force on Retirement and Aging, and was a member of the Governor's Oversight Committee on Aging.

His energy seemed boundless, as he was also a member of the executive board of the Pima Council on Aging, a charter member of Kino Community Hospital Board of Trustees, and the first senior citizens to become a member of the Western Gerontological Society.

He was president of the Council of Senior Citizens Organizations of Pima County for the past 15 years, relinquishing the post a month before he died. He also donated his time as a member of the Sabbar Shrine Temple and the Jerusalem Daylight Masonic Lodge.

I wish to share the memory of Charles Knowles with my colleagues that we might recall the contribution he made to Arizona and this Nation. He served as an example of the vitality of senior citizens, and as a reminder of the value of volunteerism. We will miss Charles Knowles, one who gave so freely of himself, in order to make this world better for us all, young and old alike.

Mr. Speaker, I am submitting an editorial from the Arizona Daily Star of July 16, 1986, about the life and contributions of Charles Knowles.

[From the Arizona Daily Star, July 16, 1986]

A RARE ADVOCATE FOR THE AGING

Charles A. Knowles, a local champion for rights of the elderly for the past decade and a half, died last weekend at the age of 81. But for the 538,000-some older people in Arizona, he will not easily be forgotten.

Knowles turned his own retirement into 15 years of advocacy. He challenged legislators and local and industrial leaders, working for, among other things, the abolition of food tax and for political representation for the elderly.

One of the main thrusts of his work was to get legislators to acknowledge the country's aging population and to serve it accordingly. He participated at state and local levels in the White House Conference on Aging, and served in numerous other groups, including the governor's Task Force on Retirement and Aging, the Pima Council on Aging, and the Pima County Council of Senior Citizens Organizations.

Knowles, a telephone executive who retired after a major heart attack, also was the first senior citizen to become a member of the Western Gerontological Society.

Knowles and his wife, Catherine, worked as a team, and have been nationally recognized for their efforts—which extended to working for the rights of children, the "elderly of the future."

"We've found that by working for things that help the entire community, we help ourselves," he once said.

Both the elderly and the "elderly of the future" will continue to benefit from that generous way of looking at the world.

THE 11TH ANNIVERSARY OF THE SIGNING OF THE HELSINKI FINAL ACT

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 4, 1986

Mr. SMITH of Florida. Mr. Speaker, Friday marked the 11th anniversary of the signing of an important human rights document, the Helsinki Final Act. The 35 signatories—the United States and the Soviet Union included—agreed to respect fundamental human rights and to allow emigration for family reunification.

The Soviet Union has consistently exhibited a disregard for and denial of human rights and ignored their commitment to humanity as a signatory to these accords. Since 1979, Jewish emigration from the Soviet Union has dropped dramatically, from 51,000 in 1979, to 1,140 in 1985. This is by no means due to a decrease in emigration applications which number in the tens of thousands. The Soviet Union has stepped up its actions in its quest to eradicate the Jewish religion and heritage. Soviet Jews wanting to emigrate are harassed, intimidated and subjected to continuing abuse.

Soviet violations of the Helsinki Final Act do not stop at the persecution of Soviet Jews. There is no freedom of religion, press, information, or movement in Soviet society. There have been constant violations of human rights in the Soviet Union including, imprisonment of sane people in psychiatric hospitals, some never being heard from again, and the imprisonment of people for political reasons.

We must call upon the Soviet Union, and other signatories who have seriously violated the provisions of the Helsinki Final Act, to comply to the intent of these accords and to make human rights a primary policy of their government.

Today, I ask my colleagues to reflect on the importance of this document to international human rights and security. I hope that through our constant and consistent efforts, be it through writing letters, signing petitions, and speaking out publicly that our frustration with human rights violations will soon be turned into praise for adherence to the accords.

Every person is a citizen worthy of basic human rights, and therefore, deserves the fundamental rights that all human beings enjoy. We must not betray the people of this world who are being denied their basic human rights, and we must utilize the Helsinki Final Act to continuously pressure countries like the Soviet Union, which do not adhere to its principles.

PET RESCUE AND ADOPT-A-PET: HUMANITARIAN SOLUTION TO A GROWING PROBLEM

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 4, 1986

Mr. LEHMAN of Florida. Mr. Speaker, unwanted and stray animals are a growing problem in virtually every part of the country. Hundreds of thousands of dogs and cats without owners or homes are destroyed by local governments each year, and millions more roam through our cities, towns and countryside. It is a problem that is not getting any better.

In Dade County, FL however, two nonprofit groups are helping to make pets out of these unwanted animals. Pet Rescue and Adopt-a-Pet obtain dogs and cats from the county animal shelter, spay or neuter them and care for them until they are placed in homes where they will receive good care. The benefit to the county and to the animals is obvious, as are the smiles and excitement of the many boys and girls who receive their first pets from these fine organizations.

The Miami Herald recently printed an article on Pet Rescue and Adopt-a-Pet, and I wanted to share it with my colleagues.

TWO GROUPS TO HELP COUNTY FIND HOMES FOR PETS

(By Celia W. Dugger)

Metro-Dade County killed 24,866 dogs and cats last year, many of them because no one adopted them in time.

On any given day, the cages at the county pound are packed with howling, mewing, pacing, panting animals.

Two non-profit groups now want to help the county place those pets in homes. Metro would give the dogs and cats to the groups at no charge, and in exchange, the groups would spay or neuter the pets and care for them until they were adopted.

The lucky animals taken in by Adopt-a-Pet or Pet Rescue would get a permanent reprieve from their death sentence at the pound.

"We would keep them until they were adopted or passed away from natural causes," said Gardnar Mulloy, Pet Rescue, vice president.

The two groups will take as many of the county's animals as they can handle. Mulloy said his group had placed 2,000 pets in homes last year. But sometimes the group's shelter at 3440 NW 191st St. has space for more animals.

"Our effort is humanitarian," he said. "We check homes to make sure they do not go to brutal homes."

Betty Plass, recording secretary for Adopt-a-Pet in Goulds, said her group often has space for small dogs, which are more popular than larger animals. They keep the animals at 11900 SW 232nd St. Until someone takes them home. In the last year they have placed about 250 animals.

"We just keep plugging away, and eventually you find somebody," she said.

Vaughn Garbarek, director of Dade Animal Services said he hopes the groups will help reduce the number of animals the county puts to sleep. He said he hopes the public remembers that animals can be adopted at the pound, too. It is at 7401 NW 74th St.

A county ordinance requires that animals be held for five days. After that, their fate is up to the judgment of the people running the pound.

"We always have surplus animals because we don't have unlimited space. They could be adopted out if they could be held longer," he said.

RETURN OF THE TEXTILE BILL

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 4, 1986

Mr. SHUMWAY. Mr. Speaker, once again, the controversial issue of protectionism comes before us as the House prepares to vote on overriding a Presidential veto. As yesterday's Washington Post editorialized, the bill in question is both atrocious and vindictive, and it will do nothing to help our own textile industry. I commend the editorial to my colleagues' attention, and I am in particular agreement with its closing summary: "To increase its exports, the United States needs open markets abroad. Closing its own markets further with this vindictive textile bill would be a poor way to begin."

The editorial follows:

RETURN OF THE TEXTILE BILL

Last December Congress passed an atrocious bill to push down imports of textiles, at great cost to consumers. President Reagan wisely vetoed it. Now the bill is back. On Wednesday the House is to take a vote on overriding the veto—a date chosen by the bill's supporters eight months ago, in the hope that proximity to the election would overcome members' better judgment.

But if the American textile industry is in as much trouble as it claims, you can only conclude that more protection can't help. This industry has benefited from steadily broadened import protection for 30 years, and it says it still can't compete.

South Africa has become part of this debate. A number of congressmen angrily denounced the agreement that the administration negotiated in June permitting a 4 percent increase in South African textile exports to this country. Why a new agreement with South Africa? Because textile imports from South Africa more than doubled last year, and the administration got this agreement to cap the surge. The 4 percent expansion that it permits is relatively small for this kind of deal and is the price of the cap.

But the bill doesn't hurt South Africa. On the contrary, in the items that it covers, the new agreement sets quotas for South Africa substantially smaller than those in the textile bill. The bill is broader; you can't say with assurance that it would actually be better for the South Africans. But it wouldn't be worse. The congressman who wishes to express his outrage toward South Africa will need to find another occasion. This bill expresses only neutrality toward South Africa. It's aimed mainly at Hong Kong, Taiwan and South Korea. That's the kind of offensive anomaly that Congress always creates when it tries to write discriminatory country-by-country quotas into trade bills.

In Geneva on Friday the world's trading nations put into effect a broader and stronger revision of the Multi-Fiber Arrangement, the international rule book of commerce in textiles. The MFA is not ideal. It's a protectionist system. But at least it has some balance and sophistication, unlike the vetoed bill.

The congressmen who denounce the administration for letting too much imported textiles into the country are frequently the same congressmen who also denounce it for failing to increase this country's exports—particularly farm exports. To increase its exports, the United States needs open markets abroad. Closing its own markets further with this vindictive textile bill would be a poor way to begin.

CAPTIVE NATIONS WEEK

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 4, 1986

Mr. PORTER. Mr. Speaker, July 20–26 marks the 28th commemoration of Captive Nations Week. It is chance to reflect upon the plight of all those living under totalitarian rule that leaves them without the basic freedoms to express themselves culturally, religiously, politically, or nationally.

Captive Nations Week is a chance to renew our efforts on behalf of individuals such as Balys Gajauskas, a Lithuanian national who fought Soviet occupying forces during World War II and has spent 34 of the years following the war in Soviet prisons. We must also remember Yuri Shukhevych, a Ukrainian, first arrested in 1948 at the age of 15 for refusing to denounce his father who had been the commander-in-chief of the Ukrainian Insurgent Army. Each time he nears the end of a prison sentence new charges are brought against him. It is an opportunity to think of Constantin Sfatcu, a Romanian convicted of attempting to murder a policeman. The charges were brought after his car containing Bibles and other religious literature was stopped. Basic human rights that we consider fundamental to our lives are systematically denied to those who reside in captive nations. Let us recognize Captive Nations Week by honoring our own freedom and working for the freedom of others.

TRIBUTE TO BISHOP CHARLES HERBERT FOGGIE

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 4, 1986

Mr. FAUNTROY. Mr. Speaker, it is with no small measure of elation and honor that I rise in this noble Chamber to salute the contributions and achievements of one of America's most devoted and unique religious and civic leaders, Bishop Charles Herbert Foggie of the Third Episcopal District of the African Methodist Episcopal Zion Church. I am especially honored to offer these words of tribute because 1986 marks the celebration of the anniversary of his 50th year in ordained ministry as well as his assumption of the presidency of the board of bishops of the African Methodist Episcopal Zion Church.

The record of human history makes clear the conclusion, that the litmus test for greatness that endures in the hearts of endless generations, is that quality of servanthood and selfless giving that leaves to the future a world better than the past. By this measure, Bishop Foggie is a giant.

As a scholar, he has sought to release human kind from the tyranny of ignorance by a ministry of teaching that has caused thousands to claim the rich liberty that comes from God and to pursue the talents and vocations God has blessed them to perfect.

In an age of compromise and capitulation, as a civil rights leader and voice for the right, he, like the prophets of ancient days, dared to challenge injustice and remind those who had forgotten, that God in the act of creation had not created a world of caste but of community, where every person without reference to pigment, was to share Earth's bounty as brothers and sisters.

Finally, in a time when human needs have gone unaddressed, as a bishop in the church of Christ, he has done pioneering work in bringing good news to the people of South America. The Caribbean and has proven a force for securing justice and progress for the last; the lost and least of America.

Thus, Mr. Speaker, I am honored today to salute Bishop Charles Herbert Foggie: pastor, teacher, prophet, and friend to the young, for giving in his life of sharing, a brilliant and scintillating personification of the profound religious tradition that has made our Nation great.

The great theologian Dr. Howard Thurman had this to say of those who seek to scale the mountain of vision and duty:

> A religion that places before men goals that can be reached and ends that can be completely satisfied is a bad religion. The glory of religion, even as of life, is the fact that when men have utilized their powers to the full, there remain stretching out before them vast reaches of the yet unexplored. At their best, men are willing to settle for the highest; anything less than that at long last merely contributes to their delinquency and snatches from their hands the bracing vigor of infinite development and growth.

Mr. Speaker, in a time when compromise, indifference and mediocrity have rendered too many ears and hearts delinquent to the summons of compassion, justice and community, I salute a great Christian leader for being used by his Creator to point men to the mountain of God's great expection.

America is thankful for its Charles Foggies. May God be praised for him.

AMENDMENT TO PROHIBIT DISCRIMINATION AGAINST SINGLE PARENTS IN NATIONAL GUARD AND RESERVES RECRUITMENT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 4, 1986

Mr. STARK. Mr. Speaker, I would like to have printed in the RECORD an amendment that Representative SCHROEDER and I plan to offer to the defense authorization bill. The amendment would prohibit the Reserves from disqualifying an aspiring recruit because that person is a single parent. In addition, it would require that single parents seeking to join the Reserves receive treatment with respect to parenthood equivalent to the treatment of a member of the Reserves who becomes a single parent while enlisted.

Currently, single parents are prohibited from joining the Reserves unless they go through a court-ordered permanent transfer of custody of their children. This requirement is expensive, burdensome, and traumatic; in some States a person must be declared an unfit parent as part of a permanent custody transfer. It is also not necessary. If a person is already a member of the Reserves and becomes a single parent, that person can work out a child care agreement with the commanding officer and a third party that agrees to care for the child while the reservist is on duty. By all accounts, this arrangement has worked out well. It should be extended to those who have not yet enlisted.

The different treatment strikes us as illogical and unfair. A potential recruit is presumed to be incapable of handling the joint responsbilities of parenthood and Reserve duty but someone already in the Reserves is given an opportunity to work things out. Our amendment would offer potential recruits the same treatment accorded to members of the Reserves.

There are several reasons why this amendment is justified. Single parent families are no longer unusual in our society. In 1985, 22.2 percent of all families were headed by a single parent; 87 percent of those single parents were women. In 1960, only 9 percent of families were led by a single parent; in 1970, it was still only 11 percent. Only 8 percent of the National Guard today are single parents. As large numbers of single parents become commonplace, we adapt to accommodate this change. Companies are becoming more lenient in granting leave for parents and are providing child care facilities, schools are offering after school programs for children whose parents work late, families are increasingly called upon to babysit. Certainly, our Armed Forces could also adjust.

This amendment applies only to the Reserves, not to active duty service personnel. Reserves are only on duty one weekend a month plus 2 weeks per year. Unlike active duty soldiers, they live in their own communities with support systems of family and friends. They are not transferred around the world every year. The burdens of Reserve duty are not more difficult than those of working for a private corporation that requires some travel. Many single parents do that now. We believe they could also handle Reserve duties.

Mr. Speaker, this amendment has been strongly endorsed by recruiters I have talked to. They work hard to fill their ranks with the high quality soldiers we expect and they feel unnecessarily hamstrung by this restriction. They see how well other single parents who are already enlisted handle their duties and wonder why they can't offer the same opportunity to other people who would also like to join. We should listen to the opinions of the people in the field on this issue.

Clearly there are reasonable alternatives to the current requirements. A three-party agreement among the recruit, the commanding officer and the people agreeing to take care of the children when necessary should be sufficient to satisfy the needs of the Reserves. The amendment that Representative SCHROEDER and I will offer will help Reserve recruiting, strengthen the ranks of our Reserves and provide a valuable opportunity to single parents who want to serve their country and provide for their families. We urge our colleagues to support it.

AMENDMENT TO H.R. 4428

SEC. . TREATMENT OF SINGLE PARENTS ENLISTING IN RESERVE COMPONENTS OF THE ARMED FORCES.

(a) IN GENERAL.—(1) Section 510 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e)(1) In determining whether a person is qualified for enlistment as a Reserve of an armed force, the Secretary concerned may not disqualify the person because the person is a single parent.

"(2) The Secretary concerned shall provide that treatment of a single parent applying to enlist as a Reserve shall be equivalent with respect to parenthood to the treatment of a member enlisted as a Reserve who becomes a single parent during the term of the member's enlistment. Such equivalent treatment may include a requirement for a written agreement with respect to child care.

"(3) In this subsection, the term 'single parent' means a person who is not married and who has custody of a child under the age of 18 pursuant to a court order.".

(b) EFFECTIVE DATE.—Section 510(e) of title 10, United States Code, as added by subsection (a), shall take effect on the date of the enactment of this Act.

ROCKY MOUNTAIN ENERGY/ TAIWAN POWER CO. JOINT AGREEMENT

HON. JOHN McCAIN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 4, 1986

Mr. McCAIN. Mr. Speaker, recent years have been difficult, if not catastrophic, for the U.S. mining and energy minerals industry. From a leader in the production of copper, molybdenum, uranium, and other natural resources, the United States has fallen to the status of an also-ran. That has been tough on the Nation and tough on the economy of Arizona.

Why has this occurred? A slow world economy has, of course, contributed to the downturn. Yet vastly increased foreign competition is perhaps the key reason. In some cases developing nations, rich in natural resources but with little other economic strength, have flooded world markets with raw materials and energy minerals, sometimes sold at prices below cost simply to obtain foreign currency. In other cases, developed nations with higher grade deposits have simply and legitimately undersold us.

Today I am happy to report some good news about our mining industry and the success of one company in finding a willing foreign client.

On July 16, here in Washington, an agreement was signed between Rocky Mountain Energy, the mining subsidiary of Union Pacific Corp., and Taiwan Power Co., the Republic of China's leading utility, to explore for and develop uranium reserves in the United States. The agreement is important for several reasons.

First, it will result in a substantial equity contribution by the Republic of China in a United States mineral exploration project. This brings back to U.S. shores trade dollars we have been sending to the Pacific Rim area in increasing amounts over the past 15 years.

Second, the agreement is a reaffirmation of Taiwan's commitment to "Buy American" wherever possible. It is another step in a new trade program by the Republic of China designed to reduce as much as possible the trade imbalance between our nations.

Third, this unique joint venture is a recognition by the Republic of China that the United States uranium industry can guarantee security of supply to a degree greater than any other energy exporting country. Unless we all have forgotten the lessons of the past few years, this is a point other nations should consider carefully when deciding which country is to supply their fuel needs.

Fourth, the type deposit targeted by this exploration program is a low-cost, high-grade ore which if found in sufficient quantities can contribute to increased U.S. competitiveness on world uranium markets. Finally, this agreement may lead to new markets for United States uranium on Taiwan and beyond.

For my State, which contains the rich uranium deposits of the Arizona strip, this agreement will provide new economic benefits to local businesses even during the exploration phase. If development and production are initiated, local economic growth and local and State tax revenue increases could be significant.

Of course the economic benefits of such a program must be accompanied by a strong commitment on the part of the mining company to conduct their activities in an environmentally sound manner. The natural resources of this State include what is under the ground but also what lives on the ground and above it. All must be protected. I have confidence that the activities defined in this special trade agreement will be conducted properly and in accordance with all our environmental protection laws.

A strong domestic energy industry is good for the people of Arizona and the Nation. The U.S. uranium industry has a long way to go before it can again be considered a viable industry, but this agreement is at least a step in the right direction.

I congratulate both Rocky Mountain Energy and Taiwan Power Co. on this new trade agreement.

RULE ON H.R. 5300, THE OMNIBUS RECONCILIATION ACT OF 1986

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 4, 1986

Mr. ROSTENKOWSKI. Mr. Speaker, I take this opportunity to inform my colleagues that the Committee on Ways and Means on July 23, 1986, transmitted to the Budget Committee recommendations for reducing the budget deficit pursuant to the reconciliation instruction contained in Senate Concurrent Resolution 120.

I wish to serve notice, pursuant to the rules of the Democratic caucus, that I have been instructed by the Committee on Ways and Means to seek less than an open rule for the consideration of title X of H.R. 5300, the Omnibus Reconciliation Act of 1986 by the House of Representatives.

TRIBUTE TO MR. CHESTER KNIGHT

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 4, 1986

Mr. ASPIN. Mr. Speaker, I rise today to pay tribute to an outstanding member of my community, Mr. Chester Knight. Mr. Knight will join the Wilmont High School class of 1961 in celebrating their 25th reunion. Chester Knight was the class counselor for the graduating class of 1961.

Chester Knight taught and served as assistant principal at Wilmont High from 1957 to 1965. In that time he proved himself to be a dedicated and effective teacher.

We have all had at one time or another someone we could call a good teacher, a teacher who inspired us to question and from whom we learned a great deal. It is rare, however, to come across a teacher who is a great educator and more. It is rare to have a teacher who cares enough to get to really know his students and become a real friend. This is this kind of teacher who cannot only teach a subject successfully but has a positive impact on his or her students' futures. This is the kind of teacher who can actually help a student turn around his or her life when without this influence they might be headed for failure. This is the kind of teacher that Chester Knight was.

Chester Knight's tireless efforts in working to make the class of 1961 a successful and well-educated group have succeeded. The members of this class have gone on to successful and fulfilling careers.

Chester Knight is currently retired and lives in New Lisbon, WI. He is an avid rower and has rowed in the Badger game races. He is the proud father of four and the equally proud grandfather of five grandchildren.

I am delighted and honored to join with my colleagues and the Wilmont High School class of 1961 to thank Chester Knight for his fine work and to pay him the highest compliment—he made a difference.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, August 5, 1986, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

AUGUST 6

9:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

Office of Technology Assessment
The Board, to meet in open and closed sessions, to discuss pending business matters.
Room to be announced

9:30 a.m.
Finance
International Trade Subcommittee
To hold hearings on S. 2660, to restrict unfair trade practices in the interna-

tional trading system of the United States.
SD-215

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Environment and Public Works
Business meeting, to mark up S. 1225, to revise certain provisions of the Atomic Energy Act of 1954 regarding liability of nuclear accidents.
SD-406

Judiciary
To continue hearings on the nomination of Antonin Scalia, of Virginia, to be an Associate Justice of the Supreme Court of the United States.
SD-106

Select on Indian Affairs
To hold hearings on S. 2504, to provide for the exchange of certain lands between the Pueblo of Santa Ana and the University of New Mexico, and H.R. 3214, to provide for the use and distribution of funds awarded to the Crow Creek Band of Umpqua Indians held in trust by the Secretary of the Interior.
SD-628

2:00 p.m.
Governmental Affairs
To hold hearings on the nominations of James E. Colvard, of Virginia, to be Deputy Director of the Office of Personnel Management, Mary F. Wieseman, of Maryland, to be Special Counsel of the Merit Systems Protection Board, and Janet D. Steiger, of the District of Columbia, to be a Commissioner of the Postal Rate Commission.
SD-342

2:30 p.m.
Conferees
On S. 1965, to revise certain provisions and to authorize funds for programs of the Higher Education Act.
SD-562

AUGUST 7

9:30 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253

Finance
To hold hearings on S. 1871, relating to imports which threaten to impair the national security (incorporated in S. 1860 as Title X).
SD-215

Small Business
To hold hearings on S. 2647, to create the Corporation for Small Business Investment.
SR-428A

Special on Aging
To hold hearings to review retiree health benefits.
SD-628

Joint Economic
Investment, Jobs, and Prices Subcommittee
To hold hearings and review health and safety standards relating to hospital disinfectants.
SD-562

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Judiciary
To continue hearings on the nomination of Antonin Scalia, of Virginia, to be an Associate Justice of the Supreme Court of the United States.
SD-106

Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings to review the impact of drug education.
SD-430

2:30 p.m.
Rules and Administration
To hold hearings on S. 2539, to consolidate and improve provisions of law relating to absentee registration and voting in elections for Federal office by members of uniformed services and citizens of the United States who reside overseas.
SR-301

4:00 p.m.
Select on Intelligence
Closed briefing on intelligence matters.
SH-219

AUGUST 8

2:30 p.m.
Conferees
On S. 1965, to revise certain provisions and to authorize funds for programs of the Higher Education Act.
SD-562

AUGUST 11

9:30 a.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 2635, to protect the integrity and quality of certain reaches of the Henry's Fork of the Snake River, Idaho.
SD-366

10:00 a.m.
Energy and Natural Resources
To hold joint hearings with the Select Committee on Indian Affairs on S. 2676, to provide for the settlement of water rights claims of the La Jolla, Rincon, San Pasqual, Puama, and Pala Bands of Mission Indians in San Diego County, California.
SD-562

Select on Indian Affairs
To hold joint hearings with the Committee on Energy and Natural Resources on S. 2676, to provide for the settlement of water rights claims of the La Jolla, Rincon, San Pasqual, Puama, and Pala Bands of Mission Indians in San Diego County, California.
SD-562

AUGUST 12

9:00 a.m.
Veterans' Affairs
To resume hearings on the reported sightings of live military personnel missing in action in Southeast Asia.
SR-325

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Environment and Public Works
Business meeting, to consider S. 2083, to promulgate regulations for asbestos hazard abatement in the Nation's schools. S. 1696, to establish a Federally-declared floodway for the Colorado River. S. 740, to authorize funds through fiscal year 1995 to promote the conservation of migratory waterfowl and to offset or prevent the serious loss of wetlands and other essential habitat, and other pending calendar business.
SD-406

Labor and Human Resources
Aging Subcommittee
To hold hearings to review certain reauthorization provisions of the Older Americans Act.
SD-430

AUGUST 13

9:30 a.m.
Energy and Natural Resources
To hold hearings on H.J. Res. 17, to consent to an amendment enacted by the legislature of the State of Hawaii to the Hawaiian Home Commission Act, 1920.
SD-366

Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

10:00 a.m.
Governmental Affairs
To hold hearings on the nomination of John Agresto, of the District of Columbia, to be Archivist of the United States.
SD-342

Labor and Human Resources
To resume hearings on S. 1804, to establish a program to provide development and incentive grants to States for enacting medical malpractice liability reforms.
SD-430

AUGUST 14

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Judiciary
Business meeting, to consider the nominations of William H. Rehnquist, of Virginia, to be Chief Justice of the United States, Antonin Scalia, of Virginia, to be an Associate Justice of the Supreme Court of the United States, and other pending calendar business.
SD-226

SEPTEMBER 9

9:30 a.m.
Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings to review graduate medical education in ambulatory settings.
SD-430

SEPTEMBER 10

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
To hold hearings to review the human resources impact on drug research and space technology.
SD-430

SEPTEMBER 11

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

SEPTEMBER 16

10:00 a.m.
Labor and Human Resources
To hold hearings on pending nominations.
SD-430

SEPTEMBER 17

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

SEPTEMBER 18

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

SEPTEMBER 24

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

SEPTEMBER 25

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

OCTOBER 1

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

OCTOBER 2

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

HOUSE OF REPRESENTATIVES—*Tuesday, August 5, 1986*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Almighty God, we reach out in this, our prayer for all people, with any need. We especially remember those who are near and dear to us who are ill and who look to You for strength and peace. May Your healing power be manifest in the lives of all who know You as Creator and may Your spirit abide with each one of us this day and all our days. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the bill on the Private Calendar.

STEVEN McKENNA

The Clerk called the bill (H.R. 1598) for the relief of Steven McKenna.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER. This concludes the call of the Private Calendar.

MODIFICATION TO COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 4428, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1987

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute to H.R. 4428 recommended by the Committee on Armed Services, now printed in the bill, be modified by the amendment I have placed at the desk, to be considered as original text for the purpose of subsequent amendment in the Committee of the Whole under the 5-minute rule pursuant to House Resolution 523.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. BATEMAN. Mr. Speaker, reserving the right to object, I yield to the gentleman from Mississippi so that he might explain briefly the purpose of the unanimous-consent request and advise us whether or not it has been cleared with the leadership on this side of the aisle.

Mr. MONTGOMERY. Mr. Speaker, if the gentleman will yield, this amendment would correct errors in the reported bill in order to reflect the actions taken during deliberations in the committee. The amendment would—

First, correct certain inadvertently unadjusted dollar figures in sections 3011 and 3012, relating to authorization levels for defense activities of the Department of Energy;

Second, correct the unintentional omission of a report-and-wait requirement in section 3024, relating to transfer authority; and

Third, correct the unintentional omission of a distinction between enlistments before and after fiscal year 1987 in section 651, relating to reenlistment bonuses.

These are technical corrections that have been cleared with both sides.

Mr. BATEMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The text of the modification offered by Mr. MONTGOMERY is as follows:

Page 118, line 8, insert "with respect to reenlistments and extensions of enlistments after September 30, 1986," after "under such section".

Page 317, line 4, strike out "$3,246,454,000" and insert in lieu thereof "$3,327,454,000".

Page 317, line 7, strike out "$854,200,000" and insert in lieu thereof "$895,200,000".

Page 317, line 9, strike out "$517,800,000" and insert in lieu thereof "$539,800,000".

Page 317, line 11, strike out "$1,815,604,000" and insert in lieu thereof "$1,833,604,000".

Page 318, line 4, strike out "$1,555,990,000" and insert in lieu thereof "$1,565,990,000".

Page 318, line 6, strike out "$170,000,000" and insert in lieu thereof "$176,000,000".

Page 318, line 13, strike out "$489,830,000" and insert in lieu thereof "$493,830,000".

Page 318, line 18, strike out "$422,050,000" and insert in lieu thereof "$431,050,000".

Page 318, line 20, strike out "$308,345,000" and insert in lieu thereof "$314,345,000".

Page 318, line 22, strike out "$72,205,000" and insert in lieu thereof "$75,205,000".

Page 323, line 15, strike out "$17,220,000" and insert in lieu thereof "$27,220,000".

Page 333, line 11, insert after "Energy." the following new sentence: "The authority granted in this subsection may not be exercised until—

"(1) the Secretary of Defense notifies the Committees on Armed Services and Appropriations of the Senate and House of Representatives of the intent of the Secretary to exercise such authority; and

"(2) a period of 30 days passes after such Committee receive such notification.".

PROVIDING CONDITIONS FOR CONSIDERATION OF AMENDMENTS RELATING TO PROCUREMENT REFORM ON H.R. 4428, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1987

Mr. MAVROULES. Mr. Speaker, I ask unanimous consent that, during the consideration in the Committee of the Whole of amendments to the Mavroules amendment—and to the substitute thereto—relating to procurement reform on H.R. 4428, the Chair put the question on the pending amendment or amendments, without further debate or amendment, after 3 hours of debate on perfecting amendments, rather than after 3 hours of consideration of such amendments pursuant to House Resolution 523.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. ASPIN. Mr. Speaker, reserving the right to object, I shall not object, but I did want to give the gentleman from Massachusetts a chance to explain what this unanimous consent is and how important it is.

Mr. Speaker, under my reservation of objection, I yield to the gentleman from Massachusetts [Mr. MAVROULES].

Mr. MAVROULES. Mr. Speaker, House Resolution 523 is the rule under which the Committee of the Whole will consider procurement reform issues on H.R. 4428, the defense authorization bill. Three hours are allotted for consideration of perfecting amendments to the procurement reform amendment and substitute made in order under the rule.

In light of the number of amendments published to the Committee on Rules, however, it has become clear that excluding the time spent on votes and quorum calls from the time allotted for procurement reform amendments would better ensure the fair and orderly resolution of those issues by the House. My request, therefore, is that we do just that: agree that 3 hours shall be available for debate on these matters.

Mr. ASPIN. Mr. Speaker, further reserving the right to object, I take it this issue has been cleared with the minority and with the gentleman from Alabama [Mr. DICKINSON] and the gentleman from New Jersey [Mr. COURTER].

Mr. MAVROULES. It has been cleared with the minority side, and with the gentleman from Alabama [Mr. DICKINSON] and the gentleman from New Jersey [Mr. COURTER] also.

Mr. ASPIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON A BILL MAKING APPROPRIATIONS FOR FOREIGN ASSISTANCE AND RELATED PROGRAMS, 1987

Mr. OBEY. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight, August 5, 1986, to file a privileged report on a bill making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1987, and for other purposes.

Mr. CONTE reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

NEW OFFENSIVE AGAINST DRUGS

(Mr. HUTTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUTTO. Mr. Speaker, I am very pleased that both the administration and the Congress are taking steps to begin a major offensive against drugs. The drug abuse that continues to plague our Nation is of great concern to most Americans. Parents of school-age children are particularly aware of this tremendous problem.

Peer pressure is a major factor in the increasing use of drugs by teenagers. Because of greater emphasis on how peer pressure contributes to the drug abuse problem, "Just Say No" clubs are being formed in schools all across America. These clubs are designed to help prepare elementary and junior high students to take a stand against the pressure to experiment with and use drugs.

Not to be excluded from the midst of this epidemic are young adults. Studies show that the use of cocaine among college students has increased at an alarming rate. There are reports of between 3 million and 5 million regular cocaine users nationwide. Since 1981, the number of drug-related deaths and emergency-room visits has tripled. We don't need to be reminded of the tragic deaths of two young athletes on the verge of successful careers.

This body needs to fully support the efforts of the joint House-Senate omnibus drug bill. It would require the executive branch to utilize its vast resources to stop the introduction of narcotics into the United States. I also urge this body to take steps to deploy radar, aircraft, and military personnel by expanding the role of the Nation's Armed Forces in the war on drugs. We must take action to rid America of the infestation of drugs and make our society drug-free.

ASSISTANCE FOR THE DROUGHT-STRICKEN SOUTH

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. CONTE. Mr. Speaker, this past weekend, I pitched in a helping hand, so to speak, up in my district as farmers from western Massachusetts loaded hay onto boxcars and tractor-trailers for donation to drought-stricken farmers in Anderson, SC.

This project, coordinated by Sonny Williams and Silvio Rottie in my district, continues the old New England tradition of helping a neighbor in times of need. And whether that neighbor is just across the street or 1,000 miles away, this weekend's volunteer effort shows that the tradition continues.

This weekend, we shipped 260 tons of hay down South, with 100 tons more waiting to be shipped.

For my part, Mr. Speaker, I drove a forklift with hay from Chapin Farms in Sheffield, MA.

I also unloaded square bales of hay, donated by Tim Johnson's farm in West Stockbridge, from a flatbed truck and into railroad cars, which, incidentally, were donated by ConRail. Mr. Speaker, this demonstration of American generosity at its finest deserves our recognition.

I would like to submit for the RECORD the names of those who donated hay or who assisted in last weekend's effort.

The names follow:

DONATIONS OF HAY

Sonny Williams, Dan Galusha, William Dudley, Leona Butler, George Noble, Jr., Silvio Rottie, Fred Balawender, Everett Martin, Jonas Zieminski, Donald Leab, Fred Scace, Robert Wirtes, J.W. Kelly, Crane Farm, Bruce Lilie, Robert Chapin, Sodo Spring Farm, Sunset Farm.

Four Brook Farm, Frank Carrington, Ralph Rotondo, Lani Sattler, Timothy Johnson, Russell Clark, Under Mountain Farm, James Larkin, James Iwanowicz, Henry Eggenberger, Gerald Reder, Edwin Clairmont, Leo Choqquette, Russell Smith, Charles Proctor, Richard Tryon, Sydney Curtiss, Great Barrington Fair, Raymond Scace, Bruce Andrews.

VOLUNTEERS AND SHIPPERS

Lamori Trucking, Biaginni Trucking, Petricca Construction, Agway, J. Taylor Trucking, Berkshire Chemical Haulers, Inc., Nelson Freightways, Crate Cartage, B.S.G. Transport, Diesel Dan, Dalton Tractor, Wilson Williams Company, Donald Clark, Jr., Al Canali, Art Gregory, Nelson Cande, Undermountain Truck Sales, Peter Cachat, Pratt and Whitney.

□ 1210

HOUSE AND SENATE CONFEREES ON SUPERFUND REACH FINAL AGREEMENT

(Mr. ECKART of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ECKART of Ohio. Mr. Speaker, late Thursday last, the House and Senate conferees on Superfund reached final agreement after 6 months of very difficult, controversial, and convoluted negotiations. The result is a $9 billion comprehensive overhaul of the current Superfund program that will mean more, better, and faster cleanups for the hazardous wastesites across the Nation.

The conference agreement includes mandatory stringent cleanup standards; an enforceable cleanup schedule, greatly expanded health protection authorities and public participation requirements. In addition, a comprehensive community right-to-know provision and a new program for cleaning up leaking underground storage tanks.

Further, an aggressive program for cleaning up our Federal facilities, and reform of unfair State procedural statutes which have kept citizens from having their day in court.

Today, I will circulate to all House Members an important "Dear Colleague" letter summarizing in detail these and other provisions in the agreement. Now the bill moves to the financing provisions, but the most important provisions relating to the enforceable and necessary cleanups of the Nation's hazardous wastesites is finally concluded.

DEMORALIZING TRADE AND PRODUCTION

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, Benjamin M. Anderson was one of the greatest monetary scientists of this country. He witnessed the deliberate debasement of the dollar in 1933-34 and commented as follows:

When men are dealing with sound money, when they trust money and their minds are on the value of their products, rather than on the vicissitudes of fluctuating or depreciating currencies, then a rise in prices is a stimulant to trade and production. When, however, prices are rising merely because money is falling, and because men distrust money, speculation overtakes trade and production.

The distinction between rising goods and falling money is one which is forced promptly upon the attention of all those engaged in exporting and importing, by the daily fluctuations of the exchange rates. Export trade is badly demoralized by currency depreciation. When men trust their money, as under the gold standard, an adverse balance of payments gives a meaningful stimulus to exports and it meaningfully inhibits imports. When, however, exchange is depreciating because of deliberate debasement and through distrust in the value of money, the reverse takes place. Exporters reason that they should not hurry to export because they can get still more domestic currency for their export at a later time; importers reason that they must hasten to import all they can because the foreign exchange, in which they pay for their imports, will cost more in domestic currency next week, next month, next year.

There is nothing wholesome in economic life that results from a rise in prices which is due simply to currency debasement.

IMPORTANT VOTE PENDING ON SMALL BUSINESS SET-ASIDE PROGRAM

(Mr. COOPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COOPER. Mr. Speaker, most Members of the House think that they are doing all they possibly can this week for the textile and apparel industry by voting to override the President's veto on the textile bill.

There is a little-known vote today that could have a far more important impact for those textile and apparel firms. Today, we will be voting not on the threat of foreign imports to our small textile firms but to the threat posed by our own Government.

A little-noticed provision in the Defense authorization bill, section 911 (a) and (e) would radically alter the existing Small Business Set-aside Program and I feel affect it for the worst.

This provision would not only affect all small business set-asides but every Federal agency; not just DOD. How will it affect your district? The Armed Services Committee can only tell you to guess. For the textile industry, the DOD bill will lower the current maximum size standard from 500 employees to about 250 employees. I have a firm in my district with 450 employees. That is telling that firm to lay off 200 people or to give up their small business status.

The Small Business Committee voted against a similar proposal this winter; NFIB, the National Federation of Independent Business, is making this a key business vote of the year. I would urge the Members to support my amendment to strike the provision from the bill.

CRITICAL LEGISLATION ON MONEY LAUNDERING AND DESIGNER DRUGS SHOULD BE CONSIDERED SOON

(Mr. McCOLLUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCOLLUM. Mr. Speaker, a few days ago in the wake of the tragic death of Len Bias and the increased public awareness of drug trafficking and drug abuse in our country, you called upon us to form a bipartisan package of legislation in order to fight the drug war in this country in a renewed effort.

I applaud that fact and I am a participant in creating the legislation that we hope is out on the floor of the House on the date you specified of September 10 for a vote. However, it concerns me that we are now within less than 6 weeks of the final session, final day of the session, this time of our Congress, and that by the time we have the vote on this package we will be within less than 4 weeks of the final day.

We have a couple of bills that already have come out of committee that are critical to the fight on the war on drugs, and I would hope that those bills on money laundering from the Judiciary and Banking Committees and designer drugs out of the Judiciary Committee that have been long in the process and are not at all new and being created just for this package, I would hope that they would be moved and that you would allow them to be moved under suspension of the rules so that in the allotted time we have got, we can go to conference with the Senate on their legislation that they are moving over there in the other body, and that we can work out something without having to wait on a package.

I want to see the package but I do not want to see good legislation, critical legislation like money laundering and designer drugs, caught up in it. So I urge the leadership and I urge my colleagues to press the issue and let us have these two bills out on suspension within the next week.

DISASTER LOAN EFFICIENCY ACT

(Mr. OLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OLIN. Mr. Speaker, last Friday I introduced the Disaster Loan Efficiency Act. After a devastating flood in November 1985, thousands of my constituents needed the Small Business Administration's help in trying to replace or repair houses and businesses. The complex forms and long delays from the SBA left those constituents confused, frustrated, and hurt.

That is why I introduced the Disaster Loan Efficiency Act which would transfer authority to make and administer disaster loans from the SBA to private financial institutions. Local financial institutions understand the communities they serve. They make and service loans every day. They can do a better job at less cost.

I hope that my colleagues who have had natural disasters will join in this effort. I ask all Members to consider cosponsoring the Disaster Loan Efficiency Act.

MEMBERS URGED TO SIGN LETTER TO PRESIDENT ASSAD COMMENDING HIM FOR ROLE IN HOSTAGE RELEASE

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, if I might have the attention of the gentleman from California [Mr. COELHO], I would like Mr. COELHO to join me on a letter to President Assad, as the majority leader JIM WRIGHT did last month, to express our gratitude for his help in getting Father Jenco back.

I had the opportunity to go to Joliet, IL, at the invitation of the Jenco family and ride in the parade welcoming their beloved native son back to Illinois. It was the longest parade I have ever seen in my life. Mile after mile were curbs lined by all the citizens of Joliet, including a bride and groom on their wedding day, as well as the 20 or so grand nieces and nephews of Father Jenco.

The only dark cloud over that explosion of love by the city of Joliet toward their returned hostage was the fact that he has left behind three brothers, as he calls them; Mr. Sutherland, Mr. Jacobson from a district adjacent to mine in California, and Terry Anderson, the head of AP in Beirut, was captured 1 year ago March.

I believe that if we express the proper gratitude to President Assad, despite the differences between our two nations, that he will redouble his efforts to bring out our remaining three hostages.

There are 181 current Members of Congress who have not signed my second letter to Assad asking him to work hard, and if we get that letter over to him showing unanimous spirit in this House of gratitude for something that was positive, I think we will see our other hostages returned home soon in spite of the threats of this

weekend that they are in imminent danger of being executed.

□ 1220

GARMENT AND TEXTILE WORKERS WOULD BENEFIT BY OVERRIDE OF PRESIDENT'S VETO

(Mr. FRANK asked and was given permission to address the House for 1 minute.)

Mr. FRANK. Mr. Speaker, tomorrow the House will take a very important vote. It is a vote that will have a very significant impact on the ability of hundreds of thousands of working men and women right away to continue to earn a living. We are going to be voting on the override of the President's unfortunate veto of a bill to provide some help to the garment and textile industries.

We have countries in the world which reject whole categories of American goods, objecting to our effort to provide some help against unfairly subsidized imports to Americans who are occupied in the garment and textile industries.

We hear a lot about high-wage industries in America being the cause of our problems. That is a gravely overstated point, and if we look at the wages in the garment and textile industries, we know they have never been high-wage industries. We are talking about hard-working men and women trying to do their best, and through no fault of their own they find their livelihoods threatened by unfairly subsidized imports from overseas. We are not asking to shut them all out; we are asking for a little relief.

Mr. Speaker, the President's insensitivity in that veto was appalling. I hope the House will respond by overriding it.

PENNSYLVANIA FIRM CITED FOR ITS WORK ON STATUE OF LIBERTY RESTORATION

(Mr. McDADE asked and was given permission to address the House for 1 minute.)

Mr. McDADE. Mr. Speaker, I rise to pay tribute to a firm from my district which served as the prime architectural and engineering company for the restoration of America's Statue of Liberty.

Mr. Speaker, the memory of the recent centennial celebration in honor of "Lady Liberty" will not soon be forgotten.

For years to come the Statue of Liberty will stand as a symbol of freedom because of the generous outpouring of money and talent which came during the recent restoration project. And the talent to rebuild our Great Lady came from companies like GSGSB, that have grown under the blanket of freedom and prosperity which the statue represents.

During the centennial celebration we paid respect to the statue's sculptor, Bartholdi, and to poet Emma Lazarus for their contributions to Lady Liberty as we know her today. I believe it is also appropriate to pay tribute to Mr. John Patrick Gilboy, Mr. E. Lawrence Bellante, and their entire group for their modern-day efforts to ensure that the Statue of Liberty will stand for another 100 years.

This firm and many others like it demonstrated the strength, and skill, and discipline, developed over the decades of freedom, which we have enjoyed under the light from the torch of our Statue of Liberty.

Well done.

THE CONSEQUENCES OF ABANDONING SALT

(Mr. DICKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DICKS. Mr. Speaker, later during consideration of the Defense authorization bill I will be offering an amendment with the gentleman from Wisconsin [Mr. ASPIN], and the gentleman from Florida [Mr. FASCELL], to preserve the strategic force limits included in the SALT II Treaty.

One aspect of abandoning the treaty has not received as much attention as it deserves. This is the fact that such an action would blind the United States to Soviet force developments. The anxieties that would result from a loss of provisions that are designed to improve verification of force levels could fuel an accelerated arms race.

These implications were recently addressed by former CIA Director William Colby in the New York Times of Wednesday, July 2, 1986. I am having his explanation included in the RECORD so that the House can be aware of this important aspect of the SALT issue:

[From the New York Times, July 2, 1986]

TO ABANDON SALT IS TO BLIND THE U.S.

(By William E. Colby and Robert D. English)

WASHINGTON.—So far, most critics of President Reagan's decision to abandon SALT II have focused on the near-term prospect of a renewed arms race. Nearly as troubling is the possibility that our ability to gather intelligence about the Soviet Union's strategic forces will be severely handicapped. This could prove to be as dangerous to national security as the arms race itself.

Central to SALT and other arms control treaties is a carefully crafted framework of verification provisions that help each side keep track of the other's nuclear weapons. For the most part, both have observed these rules. This is an unheralded triumph of the arms control process.

One provision is the nonconcealment, noninterference rule. The Soviet Union may not hide its silos and mobile missiles, for example. Neither may it interfere with our reconnaissance satellites. Second are "cooperative measures." One says that a cruise-missile-carrying bomber must have observable differences between it and a similar bomber that cannot carry such missiles. Another requires prior notification of missile-test flights and confines them to a few agreed sites. When a missile or a submarine is retired, its silo or launch tubes must sit open for our satellites to inspect.

Third, there are the weapons limits of the treaty itself that channel future Soviet forces in relatively predictable directions. This helps our intelligence gathering and eases fears about sudden "breakouts."

On the whole, the verification framework has helped stabilize the strategic balance. When we know what the Russians are up to, we can tailor our forces accordingly and be confident that our deterrent is robust. When we don't know, we worry. Without reliable information, the most dire predictions can be taken as fact. Priorities are skewed, money wasted and the strategy balance destabilized. The bomber and missile "gaps" of the 1950's and early 1960's are two examples of this syndrome.

Consider what could happen without SALT. The Soviet Union might decide that, with an arms race starting, it would prefer for us to know as little as possible about its strategic weapons programs. Silos would be covered, mobile missiles camouflaged. The Russians might also choose to interfere with our spy satellites; short of direct attack, this could be done by jamming or temporarily "blinding" them. Unannounced missile tests might be conducted over unfamiliar ranges, further hampering our ability to gather important data. And these data might be even more heavily coded—"encrypted"—than they already are.

Our Strategic Defense Initiative almost certainly will prompt Moscow to expand its inventory of strategic warheads. This could be done quickly by loading the huge SS-18 with 20 warheads or more. More deviously, the Kremlin could simply test launch an SS-18 and simulate the release of 20 warheads. This might force us to conclude that all SS-18's carry 20 warheads, whether they really do or not. And should Moscow conclude that we are preparing for protracted nuclear war, it might decide to secretly stockpile numerous spare missiles near silos or mobile launchers. Such stockpiling is illegal under SALT II because the arms would be impossible to monitor.

These are only some of the steps Moscow might take. It is not difficult to imagine others. The worry is not that we will find ourselves in the dark overnight. Our intelligence is good and we know a great deal about Soviet nuclear forces. But as these forces change over time, we will know less and less. New missile "gaps" will suddenly appear and our deterrent will be twisted to counter inflated or nonexistent threats.

The SALT process has seen the Soviet Union take reluctant steps toward a slight opening of its tightly closed society. A Soviet officer commented in Vienna in 1978, as he delivered the SALT II-required listing of nuclear forces, that his step reversed 400 years of Russian history. That small step in the right direction might now be replaced by a run in the other, toward secrecy.

(William E. Colby, who is former Director of Central Intelligence, is a member of the Committee for National Security, an organization concerned with defense policy.

Robert D. English is senior Soviet analyst for the committee).

IN SUPPORT OF STRATEGIC HOMEPORTING

(Mr. HORTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HORTON. Mr. Speaker, as we begin the difficult process of determining our Nation's defense priorities, it is important that we consider strategic homeporting to be among those priorities.

The Navy is continuing toward its goal of a 600-ship fleet. New facilities must be built to accommodate these vessels. Dispersing these facilities will cost $846 million, while concentrating them will cost $629 million. In short, we gain an important tactical advantage by dispersing the fleet for a cost of $217 million.

The strategic advantage to dispersing our Navy vessels are clear. Gulf coast ports will put some of our ships closer to potential hotspots in the Caribbean. Northwest ports move us 2½ days closer to the protection of Alaska and vital oil shipping routes. Northeast ports place us closer to the North Atlanta sealanes so critical to the protection of Europe and our NATO allies in a conventional war.

Many of my colleagues from Midwestern States opposed the strategic homeporting concept during its initial consideration in June, fearing negative economic consequences for that area. However, it is important to note that the Secretary of the Navy has given his assurance that facilities in the Great Lakes region are considered critical to the future growth of the Navy, and that they will continue to function with full support. Facilities in the Midwest have not been and will not be sacrificed for strategic homeporting.

Given the clear strategic benefits and the Secretary's assurance that Midwestern States will not be hurt, I urge my colleagues to support the Navy, and support the strategic homeporting concept.

ANOTHER GREAT RUSSIAN GRAIN ROBBERY

(Mr. WEAVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEAVER. Mr. Speaker, do you remember the great Russian grain robbery? Our own Government, under the blind leadership of Earl Butz, who knew the Russian crop had been devastated by drought, let the Russians buy out our grain stocks on the cheap without telling our farmers how desperately they needed our food. After our farmers sold their grain and the Russians were stuffed with cheap food, the price suddenly went up, cheating our farmers from profits that should have been theirs and making the American consumers pay. It was a swindle of mammoth proportions.

Another such swindle is about to take place. The American taxpayer is about to subsidize the Russians by hundreds of millions of dollars to allow them once again to buy cheap food from our farmers. No one will benefit but the Russians.

A PROPOSAL FOR A WORLD CEREAL GRAINS CONFERENCE

(Mr. PETRI asked and was given permission to address the House for 1 minute.)

Mr. PETRI. Mr. Speaker, with the President's decision to spend $52 million subsidizing wheat sales to the Soviet Union, we have fired one more shot in what could become a full-blown world agricultural trade war. Our friends in Thailand were already complaining bitterly because we have been dumping rice in the world market. Now our friends in Australia and elsewhere are seeing the wheat market further trampled. We're bankrolling our enemy and bankrupting our allies.

But the problem is broader than that, for many other countries are engaged in predatory pricing activities. In fact, the entire world market for cereal grains is in a mess and the situation is deteriorating. It's time for a world cereal grains conference at which all the major producing nations could get together and at least talk about what is going on. Maybe we could get some agreements to move toward a less predatory, more market driven system. Today I am writing to the President asking him to call for such a conference, and I invite my colleagues to join me in this effort.

FATHER JENCO IS NOT A LIAR

(Mr. SMITH of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Florida. Mr. Speaker, as an aside, the two previous speakers will be happy to know that the Committee on Foreign Affairs just reported the grain transaction bill negatively by a vote of 26 to 2, and there is good bipartisan support for doing away with this atrocious idea.

Mr. Speaker, let me just say that I do not believe there is a person in this country who honestly believes that Father Jenco is a liar, but that is just what has been said by the Islamic bandits, the Islamic murderers who had been holding him in captivity for almost 19 months. He came home and he told the Pope that they had given him a message to deliver, and he delivered it. He told the Archbishop of Canterbury the same thing, and he delivered the message. He told the President of the United States the same thing, and he delivered the message. Now those rotten murderers have told the world that Father Jenco is a liar, that he did not deliver any messages from them at all because they did not give him one to deliver.

What nonsense. What stupidity. Why do we not believe what we see with our own eyes? These people are nothing more than terrorists, murderers, and bandits, Mr. Speaker, and if we do not hold those countries that control those territories, that control their actions, like Syria, to account, we are never going to do away with terrorism.

Mr. Speaker, I urge this administration to protest in the strongest terms to the place where it will do the most good, to Syria, and to other nations like Syria which harbor and control terrorists, and tell them if they do not give back the American hostages, America is going to act.

BARBARA VUCANOVICH SUPPORTS THE NEVADA LAND TRANSFER BILL

(Mrs. VUCANOVICH asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. VUCANOVICH. Mr. Speaker, last week a bill, H.R. 5277, was introduced by my colleague, Mr. REID, and I to facilitate a land transfer in the State of Nevada. The land would be transferred from the Bureau of Land Management to the Forest Service.

H.R. 5277 is the result of careful negotiations and cooperation between the State of Nevada, the BLM, and the Forest Service. The parties involved in this transfer reached an agreement and are satisfied with this bill.

The land to be transferred will be added to the Humboldt, Toiyabe, and Inyo National Forests and will come under the skilled management of the Forest Service. This is a cost-effective measure and will improve the management efficiency of the forests. The people of Nevada, as well as visitors to our great State, will be the beneficiaries of this management.

This is a noncontroversial bill. It is a Nevada bill and has the support of the entire Nevada delegation. The people in Nevada are very anxious for this transfer to occur and I urge its rapid passage.

□ 1230

COOPER AMENDMENT TO DEFENSE AUTHORIZATION BILL TO HELP SMALL BUSINESS DESERVES SUPPORT

(Mr. JONES of Tennessee asked and was given permission to address the

House for 1 minute and to revise and extend his remarks.)

Mr. JONES of Tennessee. Mr. Speaker, today, during the consideration of H.R. 4428, the Defense authorization bill, Congressman JIM COOPER will offer an amendment to repeal language that would adversely affect small businesses. H.R. 4428 would change the small business set-aside size standards for Government contracts. Such actions would adversely affect many manufacturers, including those manufacturers of military clothing.

We should support the Cooper amendment to this bill because his amendment will help small business. The military clothing industry is made up almost entirely of small businesses and the language in the bill would impact them directly. They will have two choices if this language is allowed to remain in the bill: they will either have to reduce their workforces or they will have to get out of the Government contract business altogether. There is no other option for these businesses.

The textile industry has been hurt enough by foreign imports. We in Congress should not contribute to its further demise. We should be trying to help these small businesses keep their employees. We cannot afford to have any more of our textile manufacturers go out of business.

I hope you will support the Cooper amendment to the Defense authorization bill today. It will be a vote of support for the small businesses of our Nation and for their employees.

LIABILITY INSURANCE, THE CRISIS CONTINUES

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks)

Mrs. BENTLEY. Mr. Speaker, in the deluge of appropriations bills, in the hectic scheduling of late summer, it is very easy to ignore the continuing crisis in liability insurance. The hurried action of many State legislatures to cap personal liability awards is like using flour paste to cover the Grand Canyon.

Action has been temporary in some States, not uniform for all 50 States—in a country where interstate commerce is a way of life and a base of our business success.

Product liability insurance, which is necessary for the continuation of any kind of manufacturing in this country, is still not being addressed. A spate of legislation on this Hill would handle each sector of industry and product differently.

What a bureaucratic, paper chase nightmare we are constructing if we follow that route. And yet, in desperation, many manufacturers are asking for support for their own industries' bills. I am cosponsor on at least one.

We are being backed into patchwork solutions and the problem and the country deserve better than that. We need to provide a better way.

VOTE TO OVERRIDE VETO OF TEXTILE AND APPAREL TRADE ENFORCEMENT ACT

(Mr. DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIEL. Mr. Speaker, I rise to associate myself with the remarks made by the gentleman from Massachusetts [Mr. FRANK].

The administration's trade representatives have strained mightily to convince us and the American public that it has reestablished orderly markets for textiles and apparel, but their claims simply are not valid. The bilateral agreements with Hong Kong and Taiwan, and conclusion of MFA last Friday, all permit a continuing, consistent expansion of imports to the American market beyond any reasonable definition of domestic market growth.

Many of us believed that a retreat in the value of the dollar against foreign currencies would provide a measure of relief, but this too has proved not to be the case. Certainly it would have seemed to make sense that as foreign products became more expensive here, shoppers would turn to American garments and fabrics.

Unfortunately, the countries against whose currencies the dollar has fallen represent only a small portion of textile imports. It is true our exports to Western Europe may pick up somewhat, but this will have little effect on imports. Western Europe accounts for less than 3 percent of all apparel shipments to this country.

On the other hand, countries which represent the source of greatest import activity continue to maintain an exchange rate which is favorable to them. Taiwan—the major supplier—has tied its currency fluctuations directly to the dollar. The People's Republic of China and South Korea deliberately manipulate their exchange rates so that their currencies have actually continued to weaken against the dollar.

A weakened dollar will not stanch the flood of imported fabric and apparel; the recently negotiated agreements legitimize it.

These additional points should be made.

Those who oppose H.R. 1562 contend that retaliation against agricultural products will result. If that is so, why are so many farm groups supporting the override?

It is also contended that the consumer will be adversely affected. A designer shirt made in Boston or in Hong Kong has the same price on the retail store shelf.

There are many other reasons why the President's veto should be overridden.

Indeed, we have no choice, if we are to maintain a textile industry adequate to our needs and I urge that all of you who care about a strong, jobs-sustaining industrial community to vote "yes" on this override.

THE BRADLEY FIGHTING VEHICLE

(Mr. McEWEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks)

Mr. McEWEN. Mr. Speaker, I rise today to speak in support of the Bradley Fighting Vehicle. This system is an integral part of the Army's combined arms team. It meets the requirements defined by the Army's leadership and fulfills its mission satisfactorily on the battlefield.

Certainly if we review the evidence, we find that the Bradley is one of the most thoroughly tested and proven systems that the Army has introduced in the last 20 years. The Congress has challenged the program at every step of its development.

Of all existing lightly armored fighting vehicles, the Bradley is the best. It is less vulnerable, more agile, and it has more offensive firepower than any other fighting vehicle in the world. The Bradley has been successfully deployed in our active divisions at home and in Europe—earning only the highest praise and acclaim by the toughest critic of all—the U.S. infantryman.

It is no surprise that the Bradley's opponents at home, like its opponents on the battlefield, would avoid making frontal assaults on it—they know they would lose. Instead they resort to flanking attacks of which the live fire tests issue is only the latest—distorting those results to imply that the Bradley is not survivable, and the program should be killed. The Bradley Fighting Vehicle is a fine piece of equipment that our Army needs. It has proven its worth. I trust that we will reaffirm our support of this program this week.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
August 4, 1986.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5, Rule III of the

Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House at 4:40 p.m. on Monday, August 4, 1986 and said to contain a message from the President reporting on Norwegian Minke whaling activities.

With kind regards, I am,

BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

REPORT ON WHALING ACTIVITIES OF NORWAY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-251)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Merchant Marine and Fisheries and ordered to be printed:

(For message, see proceedings of the Senate of Monday, August 4, 1986, at page 18981.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 5081, PHILIPPINES ASSISTANCE ACT OF 1986

Mr. BEILENSON, from the Committee on Rules, submitted a privileged report (Rept. No. 99-739) on the resolution (H. Res. 526) providing for the consideration of the bill (H.R. 5081) to authorize additional economic and military assistance for the Philippines, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1400, GENERAL REVENUE SHARING PROGRAM AUTHORIZATION EXTENSION

Mr. BEILENSON, from the Committee on Rules, submitted a privileged report (Rept. No. 99-740) on the resolution (H. Res. 527) providing for the consideration of the bill (H.R. 1400) to extend the authorization of appropriations for general revenue sharing for 5 years, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1426, INDIAN HEALTH CARE AMENDMENTS OF 1985

Mr. BEILENSON, from the Committee on Rules, submitted a privileged report (Rept. No. 99-741) on the resolution (H. Res. 528) providing for the consideration of the bill (H.R. 1426) to reauthorize and amend the Indian Health Care Improvement Act, and for other purposes, which was referred to the House Calendar and ordered to be printed.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on the motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 or rule XV.

Such rollcall vote, if postponed, will be taken on Wednesday, August 6, 1986.

□ 1240

EMERGENCY ASSISTANCE FOR DROUGHT RELIEF

Mr. DE LA GARZA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5288) to provide emergency assistance to farmers and ranchers adversely affected by this year's drought and excessively hot weather, as amended.

The Clerk read as follows:

H.R. 5288

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President and the Secretary of Agriculture shall make emergency disaster assistance available, as provided in this act, to farmers and ranchers in natural disaster areas.

DEFINITIONS

SEC. 2. For the purposes of this Act—

(1) the term "natural disaster areas" includes any area in the United States in which farming and ranching operations have been adversely affected by a drought or excessively hot weather disaster, or a flood disaster, occurring in calendar year 1986, as determined by the Secretary of Agriculture, such that assistance is available in the area under subtitle C of the Consolidated Farm and Rural Development Act for such disaster; and

(2) the term "livestock" includes all classes of beef and dairy cattle, sheep, goats, and swine.

EMERGENCY FEED DONATIONS

SEC. 3. Notwithstanding any other provision of law:

(a) The Secretary of Agriculture shall make available to farmers and ranchers in each natural disaster area, at no cost, surplus stocks of commodities held by the Commodity Credit Corporation (in the area, in the State in which the area is located or an adjoining State, or in a storage deficient area (as described in section 9(b) of this Act)), for the purpose of, and under the conditions set out in, subsection (b) of this section.

(b)(1) The Secretary shall make such commodities available, in any natural disaster area in which the Secretary determines there is a critical need for livestock or poultry feed, in amounts necessary to preserve livestock herds and poultry flocks in the area. For purposes of this section, the phrase "critical need for livestock or poultry feed" means that (A) the total supply of feed grains and forage available to livestock and poultry producers in the area involved is insufficient to cover the combined feed needs of such producers for more than 72 hours or such other period, determined by the Secretary, reasonably needed for supplies of feed to arrive in the area for commercial use from feed surplus areas, whichever is a longer period; and (B) as a result of such deficient supply levels, it reasonably can be expected that, without the assistance made available under this section, farmers and ranchers in the area will suffer significant losses of livestock or poultry due to mortality.

(2) Subject to section 9(c), the Secretary shall cover any costs involved in transporting such surplus commodities to the natural disaster area, using the funds, facilities, and authorities of the Commodity Credit Corporation for such purposes.

(3) The Secretary shall continue to make commodities available under this section until there no longer is a critical need for livestock or poultry feed, as determined by the Secretary.

(4) In determining the feed needs of producers in an area and the amount of commodities to be made available in the area under this section, the Secretary shall use the regulations issued under section 1105 of the Food and Agriculture Act of 1977 (7 CFR 1475.52(n) and 1475.55(f)(1)(1986)) and comparable rules for poultry.

(5) Donations under this section shall be made available during the period beginning 3 days after the date of enactment of this Act and ending March 31, 1987, or the date, as determined by the Secretary, on which the emergency created by the drought, excessively hot weather, or flood no longer exists, whichever is earlier.

EMERGENCY LIVESTOCK FEED ASSISTANCE

SEC. 4. (a) Notwithstanding any other provision of law:

(1) The Secretary of Agriculture shall make emergency livestock and poultry feed assistance under section 1105 of the Food and Agriculture Act of 1977 to farmers and ranchers in natural disaster areas. Reimbursement for purchased feed provided to such farmers and ranchers under section 1105 shall be made in kind, as provided in section 9(a) of this Act, using surplus stocks of commodities held by the Commodity Credit Corporation. Whenever, under any export development program conducted by the Secretary of Agriculture, a feed grain or other commodity used for animal feed is made available to foreign purchasers at prices less than the average domestic market price for the commodity, as determined by the Secretary, reimbursement under this paragraph for purchases of such commodity shall be made at a level in excess of 50 percent of the cost of the purchased commodity if necessary to ensure that the net cost to the producer for such commodity (taking into account the reimbursement under this paragraph) is not in excess of the average price at which the commodity is made available to foreign purchasers under such development program.

(2) The Secretary of Agriculture shall permit any producer of the 1986 crop of wheat, feed grains, upland cotton, or rice (A) who is participating in the program under the Agricultural Act of 1949 for such crop, and (B) whose farm is located in a natural disaster area, to devote acreage on the farm diverted from the production of the crop under such program to hay or grazing without regard to limitations on when haying or grazing may take place otherwise imposed under the Agricultural Act of 1949.

(3)(A) In carrying out any emergency assistance program, for farmers and ranchers in a natural disaster area under the Disaster Relief Act of 1974, subject to subparagraph

(B), the President shall direct the Secretary of Agriculture to implement an emergency hay program to assist such farmers and ranchers in obtaining hay to feed their livestock. Under such program, the Secretary, subject to section 9(c), shall pay 80 percent of the cost of transporting hay from areas in which hay is in plentiful supply to the area in which the farmers and ranchers are located.

(B) The President shall take the action required under subparagraph (A) only if the Secretary of Agriculture reports to the President that—

(i) as a result of the drought, excessively hot weather, or flood disaster, the amount of hay readily available to such farmers and ranchers at reasonable prices to feed their livestock is substantially below the amount normally available; and

(ii) the assistance to be made available under paragraph (1) and haying or grazing permitted under paragraph (2) together will be insufficient to prevent substantial losses of livestock or liquidation of herds by such farmers and ranchers in such area.

(C) The Secretary of Agriculture shall determine whether the conditions described in clauses (i) and (ii) of subparagraph (B) exist for each natural disaster area, and if such conditions exist so report to the President, within 30 days after the date of enactment of this Act and at reasonable intervals of time thereafter.

(D) Prior to making any determination under subparagraph (B), the Secretary of Agriculture shall consult with the Governor and the Secretary of Agriculture (or comparable official) of the State involved, and give due consideration to the views of such persons.

(4) Paragraphs (1) and (3) shall become effective 15 days after the date of enactment; and assistance under such paragraphs shall be available until March 31, 1987, or the date, as determined by the Secretary of Agriculture, on which the emergency created by the drought, excessively hot weather, or flood no longer exists, whichever is earlier.

(b) Effective October 1, 1986, section 1105 of the Food and Agriculture Act of 1977 (7 U.S.C. 2267) is amended by adding at the end thereof the following:

"(h) If—

"(1) the Secretary of Agriculture makes emergency livestock or poultry feed assistance available to producers in a county under section 407 of the Agricultural Act of 1949; but

"(2) surplus commodities of adequate nutritive value are not made available under such authority for distribution to such producers within ten days after the announcement of the program under such authority for such county,

the Secretary shall make assistance available to such producers under this section until such time as surplus commodities are made available under the announced program.".

DISASTER PAYMENT PROGRAM

SEC. 5. Notwithstanding any other provision of law:

(a) The Secretary of Agriculture shall make disaster payments available, at the request of the producer, on the 1986 crops of wheat, feed grains, upland cotton, rice, and soybeans and peanuts under sections 107D(c)(2)(D), 105C(c)(2)(D), 103A(c)(2)(D), 101A(c)(2)(D), and 201(k) of the Agricultural Act of 1949, respectively, to producers located in natural disaster areas.

(b) For the purposes of this section, the conditions set out in sections 107D(c)(2)(D)(i), 105C(c)(2)(D)(i), 103A(c)(2)(D)(i), and 101A(c)(2)(D)(i) of the Agricultural Act of 1949 shall be considered as having been met.

(c) Payments under this section shall be made in kind, as provided in section 9(a) of this Act, using surplus stocks held by the Commodity Credit Corporation.

(d) The total amount of in kinds payments that a person shall be entitled to receive for the producer's crops of wheat, feed grains, upland cotton, rice, peanuts, and soybeans under this section shall not exceed an amount of commodities of a combined value of more than $100,000.

(e) In making payments to persons for a crop under this section, the Secretary of Agriculture shall ensure that each person that has entered into a crop insurance contract covering such crop under the Federal Crop Insurance Act receives payment under this section without any reduction in the amount of the payment to take into account the indemnity received by the person under the crop insurance contract for the crop, except that no such person shall receive a payment under this section on a portion of the person's normal production that combined with the indemnity under the person's crop insurance contract will cause such person to receive payments under both on more than 100 per centum of the person's normal production, as determined by the Secretary.

MILK PROGRAM PRODUCER ASSESSMENTS

SEC. 6. Notwithstanding any other provision of law:

(a) At the option of the producer, no reductions in the price received by producers for milk marketed for commercial use under section 201(d)(2)(A) of the Agricultural Act of 1949 shall be made on milk produced by producers in natural disaster areas and marketed for commercial use during the period, beginning October 1, 1986, and ending December 31, 1986.

(b) The Secretary of Agriculture shall increase the amount of the reduction in the price received by each producer in a natural disaster area, if the producer exercises the option for a suspension of reductions under subsection (a), for milk produced and marketed by such producer for commercial use under section 201(d)(2)(A) of the Agricultural Act of 1949 during the period beginning January 1, 1987, and ending September 30, 1987, by an amount that will ensure that, to the extent practicable, the aggregate amount of reductions applicable to milk of such producer for the period beginning October 1, 1986, and ending September 30, 1987, will be the same aggregate amount of reductions that would have been made if the suspension of reductions under subsection (a) had not been in force for such producer.

ASSISTANCE FOR QUOTA AND ALLOTMENT HOLDERS

SEC. 7. (a) Effective only for the 1986 crop of peanuts, section 358a(k)(1) of the Agricultural Adjustment Act of 1938, as added effective for the 1986 through 1990 crops of peanuts, is amended by adding at the end thereof the following:

"Notwithstanding the foregoing provisions of this paragraph, because of the severe drought conditions in many 1986 peanut production areas and because producers of the 1986 crop were not timely notified of their farm poundage quotas, including any increase therein for undermarketings of quota peanuts from previous years, the Secretary shall waive the requirement, with respect to any 1986 farm poundage quota, that a lease of the quota may be entered into during the fall or after the normal planting season only if the quota has been planted on the farm from which the quota is leased, as provided in the following two sentences. The Secretary shall waive such requirement at the request of the owner, or the operator with permission of the owner, of the farm if the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act determines and certifies that such owner or operator made a good faith effort to plant and produce the 1986 quota on such farm. For the purpose of the preceding sentence, a person may establish that the person made a good faith effort to plant the crop by showing that the person did not intentionally fail to plant or that the person was not provided with timely information as to the amount of the 1986 quota for the farm.".

(b) Section 316(a)(1)(A)(ii) of the Agricultural Adjustment Act of 1938 is amended by striking out the period at the end of the last sentence and inserting in lieu thereof a colon and the following: *"Provided,* That because of the severe drought conditions in many 1986 production areas, such prohibition on lease and transfer shall become effective beginning with the 1988 crop if the holder of record of the allotment or quota to be leased or transferred—

"(1) is age 55 or older and receives at least one-half the person's income from the allotment or quota; or

"(2) is blind or disabled; or

"(3) is a single head of household and receives at least one-half of the person's income from the allotment or quota.

For the purposes of the proviso to the preceding sentence, when there are more than one holder of record of the allotment or quota, if one-half or more of such holders meet one or more of the criteria under such proviso, such proviso shall apply to the allotment or quota.".

COST SHARING FOR SOIL CONSERVATION MEASURES AND TIMBER STAND RESEEDING EXPENSES

SEC. 8. Notwithstanding any other provision of law,

(a) The Secretary of Agriculture shall make available—

(1) cost-share payments under the agricultural conservation program to producers in natural disaster areas for conservation measures designed to prevent anticipated soil erosion due to loss of vegetable cover; and

(2) cost-share payments under the forestry incentives program to forest landowners in natural disaster areas for the reestablishment of stands of pine trees lost to drought conditions.

(b) The Secretary shall share not less than 50 percent of the cost of such measures or reestablishment of timber stands; and such cost-share payments shall be made in kind, as provided in section 9(a) of this Act, using surplus stocks of commodities held by the Commodity Credit Corporation.

(c) Payments made under this section shall be in addition to, and not in lieu of, payments made under the Soil Conservation and Domestic Allotment Act or the Cooperative Forestry Assistance Act of 1978 using funds appropriated for such purposes.

(d) Assistance under this section shall be made available to persons in natural disaster areas during the period beginning 15 days after the date of enactment of this Act and ending March 30, 1987.

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PAYMENTS

SEC. 9. Notwithstanding any other provision of law:

(a)(1) In making in-kind payments under section 4(a)(1), 5, or 8, or subsection (c) of this section, the Secretary of Agriculture may—

(A) acquire and use commodities that have been pledged to the Commodity Credit Corporation as security for price support loans under the Agricultural Act of 1949, including loans made to producers under section 110 of such Act; and

(B) use other commodities owned by the Commodity Credit Corporation.

(2) The Secretary may make in-kind payments by—

(A) if requested by the producer, delivery of the commodity to the producer at a warehouse or other similar facility, as determined by the Secretary; or

(B)(i) the transfer of negotiable warehouse receipts;

(ii) the issuance of negotiable certificates that the Commodity Credit Corporation shall redeem for a commodity in accordance with regulations prescribed by the Secretary; or

(iii) such other methods as the Secretary determines appropriate to enable the producer to receive such payments in an efficient, equitable, and expeditious manner so as to ensure that the producer receives the same total return as if the payments had been made in cash.

(b) In carrying out this section and section 3, the Secretary, to the maximum extent practicable, shall use Commodity Credit Corporation commodities stored in storage deficient areas such as the midwestern United States.

(c) Transportation cost payments made under section 3(b)(2) or 4(a)(3) of this Act may be made in kind, as provided in subsection (a), using surplus stocks of commodities held by the Commodity Credit Corporation, or in cash.

(d) The Secretary of Agriculture shall assist recipients of in-kind payments in marketing warehouse receipts, certificates, or other documents representing such in-kind payments.

CREDIT FORBEARANCE

SEC. 10. It is the sense of Congress that, with respect to farm borrowers who are adversely affected by natural disaster conditions in calendar year 1986—

(1) the Secretary of Agriculture should exercise the authority provided under section 331A of the Consolidated Farm and Rural Development Act and instruct the Farmers Home Administration to defer loan repayments and forgo foreclosures in cases where such farm borrowers are unable to make loan payments in full due to no fault of their own; and

(2) the lending institutions of the Farm Credit System and commercial lending institutions are encouraged, insofar as practicable, to adopt lenient lending, forbearance, and foreclosure policies, and to the maximum extent possible participate and cooperate with Federal and State lenders in assistance programs, with respect to such borrowers who are under financial stress due to no fault of their own.

COORDINATION OF ASSISTANCE EFFORTS

SEC. 11. It is the sense of Congress that, with respect to the provision of Federal assistance to farmers and ranchers in natural disaster areas, the Secretary of Agriculture should take steps immediately to—

(1) establish an overall coordinating mechanism within the Department of Agriculture to ensure that the assistance provided by each agency within the Executive Branch is coordinated with, and complements, the assistance provided by other agencies;

(2) ensure that government and voluntary agencies, and the farmers and ranchers, in each natural disaster area are provided a single contact person or unit for Federal assistance, and that a similar such Federal contact person or unit is provided for government and voluntary agencies, farmers and ranchers, and other persons outside natural disaster areas who wish to contribute additional assistance to natural disaster areas; and

(3) consult with the Governor, Secretary of Agriculture (or comparable official), and the State disaster relief agency in each State in which a natural disaster area is located, on the disaster assistance needs of farmers and ranchers located in the State.

BUDGET PROVISION

SEC. 12. (a) To ensure that no outlays, as defined in the Budget Act of 1974, are incurred as a result of the implementation of this Act that will cause the public debt to be increased, the Secretary of Agriculture, under such terms as the Secretary may prescribe, shall sell notes held in the Rural Development Insurance Fund created by section 309A of the Consolidated Farm and Rural Development Act in such amounts as to realize net proceeds of not less than $230,000,000 from such sales during fiscal years 1986 and 1987.

(b) Section 309A(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929a(e)) is amended by striking out the period at the end of the second sentence and inserting in lieu thereof the following: ", including sale on a nonrecourse basis. The Secretary and any subsequent purchaser of such notes sold by the Secretary on a nonrecourse basis shall be relieved of any responsibilities that might have been imposed had the borrower remained indebted to the Secretary.".

(c) Any sale of notes, as described in subsection (a), shall not alter the rights or obligations of the borrower specified in the note, except that the Secretary of Agriculture, prior to sale, shall ensure that such notes, as sold, contain no terms for graduation of the borrower to any other source of credit.

(d) Notwithstanding any other provision of law, each institution of the Farm Credit System shall be eligible to purchase notes held in the Rural Development Insurance Fund and to service (including the extension of additional credit and all other actions necessary to preserve, conserve, or protect the institution's interest in the purchased notes), and collect and dispose of such notes, subject only to such terms and conditions as may be agreed to by the Secretary of Agriculture and the purchasing institution and as may be approved by the Farm Credit Administration.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is a second demanded?

Mr. MADIGAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas [Mr. DE LA GARZA] will be recognized for 20 minutes and the gentleman from Illinois [Mr. MADIGAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, all of us have heard of the terrible impact of the abnormal weather conditions in the Southeast and Middle Atlantic States are going through and the possibility that it may continue. The drought has been of such magnitude that it has caused tremendous devastation throughout the area.

I would like, before proceeding, to commend all who have offered their assistance. From practically all of the States of the Nation, hay, ice, and other things have been sent. From prayers to hay and everything in between that could help has been sent by volunteers, the railroads, and the trucking industry.

The administration has offered some assistance administratively. What we have today is an initiative of the Committe on Agriculture and of the House of Representatives to add to what we feel would be the Federal involvement in this endeavor. We know the constraints that we have on the budget. There was a cost attached to the assistance rendered by CBO, some of which is involved in what the administration has done with existing law through the Department of Agriculture. The balance, which would accrue to what we do today, we provide in the amendment, the necessary amount to offset the possible cost, and that will be done through the budget process. Therefore, the cost would not be an added burden on the budget, it would not exceed the 302 function, but rather we have provided the necessary amount to transfer to cover the expenditure that could possibly be reached if we fulfill the requirements of this legislation.

Basically what we try to do, Mr. Speaker, is to utilize some of the surplus commodities which we have on hand that are already causing a problem from another direction in that we do not have enough storage for the new crop coming in. We felt that some of this could be moved into the drought-stricken areas. It will be moved. Apparently, though, I have some basic disagreement with it personally, but I accept the CBO's position that this will in part displace some that could have been sold. That would entail some of it going into the loan, and this is where the cost comes from. My south Texas, Main Street opinion is that if it is there, it is bought and paid for, it is costing

money to store, then we might as well move it out and do some good with it and utilize it to help those that are in very difficult circumstances.

We have a provision for the crop insurance, because we have a Crop Insurance Program, and we do not want to in fact tamper with that because we want it to expand and to grow, and hopefully someday to get away from disaster payment as such, but rather work it through the crop insurance, and let the farmer protect himself.

This is an extraordinary situation, and we are not at the stage yet where everyone has crop insurance, but we do not want this to be a precedent. It is not intended for this to be a precedent. These are extraordinary times, and this is an extraordinary measure, and hopefully we will go back to the crop insurance as it is intended by the law on the books, and I mention that because part of the amendment deals with that.

You cannot say enough about what has been done by the private sector. Then you might add, "Well, why then Federal involvement?" The private sector can only do so much. Voluntarism can only go so far. This is what we are concerned with, that the drought will be beyond the time that the trucking industry can contribute, longer than the railroads can contribute, than individuals can contribute hay, for example. Soon you will run out, and therefore you have to have in hand so that it is a very difficult situation for the farmers that were already in very dire straits without the drought, you now have an added problem.

I would like to mention that from throughout the United States help has come, but if I might be forgiven for a provincial mention, I think that this is exemplary. In my congressional district, two young men, Dean and Don Kennemer, who are, I think, 14 and 16 years old, raised hay for a 4-H project. Working with their father, they donated all the hay from that project that is coming into South Carolina into the district of our colleague, Mr. BUTLER DERRICK. This is the kind of activity that I applaud here and that we are so grateful and thankful for like these two young men from outside Alice, TX, who took it on their own initiative to volunteer. Then it was moved by railroad.

I do not want to single out any railroads, but the one that comes from Laredo to Corpus Christi, and then from Corpus Christi up on another railroad.

With that, Mr. Speaker, this is really an attempt within the constraints of the budget, within the limitations that we have as far as new legislation, utilizing the existing legislation to the fullest, availing ourselves of what the President and the Department of Agriculture have already done, we feel that we need this added measure to really complement the needs of those that are suffering through the Southeast and the Middle Atlantic.

I would hope that our colleagues support this endeavor and imprint the knowledge and the interst of the Congress on what we do for those that are suffering at this time.

I am sure that there is not a Member of this Congress or an American citizen that is not aware of the devastating drought that has caused an estimated $2 billion in damage to crops and livestock across the Southeast and Middle Atlantic States.

The farmers of these regions and the American people owe a great debt of gratitude to those citizens, businesses, and Government employees who have given freely of their time, talent, and energy to deliver thousands of tons of hay to drought-stricken livestock producers in these regions.

One shining example of this voluntarism can be found in my Congressional district in Texas, where Dean and Don Kennemer, two 4-H Club members, donated 50 tons of hay that as we speak is en route to farmers in South Carolina.

The contributions that individual citizens like the Kennemers have made to minimize the damage from the drought exmplify the best that is America. But the disaster is too large for volunteers to handle on their own.

Volunteers in hay distribution centers in drought-stricken States cannot continue to work 18-hour days, 6 days a week without pay for very long. Railroads, airlines, and trucking firms cannot be expected to provide free transportation indefinitely.

It is time for the Federal Government to respond quickly, decisively, and compassionately to assist the victims of the worst drought in the Southeast in over a century.

In response to the many requests the Committee on Agricultrue received from farm families State officials, and Members of Congress to assist those that live in the areas hardest hit by the drought, the committee reported H.R. 5288.

H.R. 5288, as reported, will require the Federal Government to make emergency disaster assistance available to farmers and ranchers adversely affected by natural disasters in 1986.

For the most part, the bill uses the authorities of existing law to provide emergency feed and other assistance to livestock, dairy, and poultry producers, and to make disaster payments to the producers of wheat, feed grains, upland cotton, rice, soybeans, and peanuts in 1986.

The bill provides for payments in kind for cost sharing of soil conservation measures and for the reseeding of timber stands lost due to 1986 drought conditions.

In addition, the bill expresses the sense of the Congress encouraging lenders not to foreclose on farmers, and instructing the Federal Government to streamline its current disaster assistance efforts.

Finally, the bill makes a permanent change in the law to improve the operation of emergency feed programs for livestock and poultry producers.

The Congressional Budget Office projects the cost of the programs in H.R. 5288 to total $530 million in fiscal year 1987. However, because some of these programs have already been initiated by the Department of Agriculture, the bill will result in additional costs to the Federal Government of only $230 million. This is a small price to pay to alleviate the more than $2 billion in losses caused by the drought. Yet, the substitute we are considering will even offset the additional costs. The House has before it a substitute for the committee substitute. The substitute before the House does not delete any provision from the committee-reported bill. It singly adds three important new provisions as follows:

First, it adds a new section 12 to provide for the sale of certain FmHA loan assets to cover the $230 million in additional outlays connected with the bill.

Second, it adds a new subsection (e) to section 5 to clarify that holders of crop-insurance policies will not be penalized, under the bill's disaster payments program, for buying crop insurance.

Third, it adds a new section 7 to the bill to provide more flexibility in the operation of the Federal peanut and tobacco programs, in view of the adverse effects of this year's drought on many peanut and tobacco areas.

The floor substitute also makes several technical and conforming changes.

The assistance this legislation provides to producers who have suffered from drought or floods in 1986 will not only help these farm families, but will also help small businesses, rural communities, and the economies of these States as a whole.

I urge my colleagues to join me in supporting the swift approval of H.R. 5288.

Mr. MADIGAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, at the outset, I think that it is important to underline or emphasize, if I may, the remarks of the gentleman from Texas [Mr. DE LA GARZA] with regard to the marvelous outpouring of support for farmers in the Southeast that has been forthcoming from farmers in other regions of the country. Farmers in other regions of the country faced with severe financial difficulties themselves have been voluntarily giving up and shipping to farmers in the Southeast hay and other materials.

In fact, one of the elevators in my district last week sent several hundred bushels of corn to the Southeast. I think that this outpouring of neighborliness on the part of farmers and others for their brethren in the Southeast is an extremely impressive thing which we cannot say enough good.

I think that it is also important to acknowledge the friendship for the farmers in the Southeast that has been demonstrated by several U.S. companies, railroads, trucking companies, and others, that have made their equipment available for the transportation of much-needed assistance to these people in the drought-stricken regions of the country.

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But we would be remiss if we did not also mention the employees of those trucking lines, railroads, and other firms who have given voluntarily of their time to make that transportation a reality. And certainly it is important to acknowledge the activities of President Reagan in this regard, who has ordered that American aircraft, military aircraft, be made available for airlifting supplies to people in the Southeast.

The administration has gone forward with the emergency feed program, and both the President and Secretary Lyng certainly need to be respected and to have their work acknowledged by the Members of this House as we consider this bill this afternoon.

I am sure that there are more initiatives to come from the President and from Secretary Lyng as we move on through this crop year. But it is their ambition, I understand, to do things in a timely fashion, to supply the emergency feed assistance now, as they are doing, to supply the row crop assistance later in the year after several of the policy questions associated with this kind of effort have been answered.

One of those, the question of how you deal with people who bought crop insurance versus people who did not buy crop insurance is of particular concern both to Secretary Lyng and to the gentleman from Tennessee [Mr. JONES], who is the chairman of our Conservation and Credit Subcommittee. I understand that we will address some of those Jones-Lyng concerns in the committee amendment in the nature of a substitute that will be taken up as we deliberate this bill.

This bill, as it comes to the floor of the House, has a CBO estimated cost of some $530 million. Roughly $300 million of that amount has already been allocated or expended in a sense by the actions that have already been taken by the President and by the Secretary of Agriculture. The other or remaining $230 million cost associated with this effort is to be addressed in the committee amendment by an offsetting sale of some loans that we have that we can sell and thus generate the revenue at a profit to the Government for doing that, making the bill we are considering a revenue-neutral item this afternoon.

This is a bill that is very good for the southeastern region of the United States. It is very good for the midwestern region of the United States. It is very important to have this bill moving as a possible vehicle for further amendment as the administration and the Congress get further into dealing with this terrible problem and see what other activities may be needed on the part of all of us.

So I would recommend this bill to the Members of this assembly meeting this afternoon to consider this important question and urge that they all support this particular piece of legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. DE LA GARZA. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia [Mr. OLIN].

Mr. OLIN. Mr. Speaker, I rise today in support of H.R. 5288, the emergency drought relief bill. Having just returned from a weekend during which I traveled through eight of the nine counties in my district, five of which are now eligible for Federal drought assistance, I can assure my colleagues that the drought in the Southeast is severe and that the farmers need more than just the promise of low-interest disaster loans. They are not lacking debt—they are lacking rain; they are lacking feed for their animals.

We can't make it rain, but the House Agriculture Committee crafted a bill that offers more than just an additional burden of debt. It provides free grain to those livestock and poultry producers who have a critical need, who are within 72 hours of running out of food for their animals. It offers low-cost grain out of Government-owned surplus to help farmers who will be forced to buy grain this year when they ordinarily would have raised their own. It provides transportation assistance to get hay into the drought areas, after the generous and greatly appreciated donations of our neighbors have been exhausted and farmers are facing a bleak winter of empty barns and silos. The committee also encourages the Department of Agriculture to work with the Federal Emergency Management Agency in giving transportation assistance for the movement of feed grains into the Southeast.

One item of particular importance to me is a provision the committee adopted that assures that our farmers in the Southeast who are buying feed grains will be subsidized at least as much as our export customers ar being subsidized to buy our grain. It would be indefensible for us to be offering our international trading partners a better deal on grain than we are willing to offer our own drought-ravaged farmers in this country.

Another provision which benefits many dairy producers in the Southeast is the postponement of assessments to finance the whole-herd buyout. Dairy farmers' milk checks are now being reduced by 52 cents for every 100 pounds of milk marketed in order to build up the pool to pay farmers to go out of the dairy business for 5 years. The committee recognizes that dairy farmers staying in business will need every penny of available cash to buy feed this fall to keep their herds in production through the winter. Postponing the collection of that assessment for 3 months will mean a lot to the farmer.

The bill also recognizes that when faced with the choice of either feeding his animals or keeping up payments on his loans, a farmer will opt for the welfare of his livestock. The bill encourages the Secretary of Agriculture to use the authority available to him in times of economic emergency to instruct the Farmers Home Administration to defer loan repayments and forgo foreclosures in instances where the borrower's inability to make payments is due to no fault of his own.

This bill has a great deal of merit; I'm pleased to be a cosponsor. At a time when our farmers desperately need our help, we are ready to help. The crisis is real. The need is urgent. I urge my colleagues to join me in responding to that need by passing H.R. 5288.

Mr. DE LA GARZA. Mr. Speaker, I yield 3 minutes to the distinguished chairman of the Subcommittee on Conservation and Credit, the gentleman from Tennessee [Mr. JONES].

Mr. JONES of Tennessee. Mr. Speaker, I urge support for this emergency disaster relief legislation. Agricultural producers throughout the Southeast and Mid-Atlantic States are barely hanging on while the worst drought and heat wave in this century continues to ravage the farm economy.

There has been an extraordinary outpouring of good will from all over the Nation through private-sector donations of hay and feed and transportation assistance. Federal and State governments have provided important relief measures, but more must be done.

The emergency feed and financial assistance provided in this legislation is the least we can do in this time of such anguish. Time is running out for many farm families and the drought so far is unyielding. We must act firmly and quickly if we are to avoid a repeat of the human tragedy and economic disaster of the 1930's.

Mr. Speaker, the agriculture disaster which has prompted this legislation is but another prime example of how important it is that we do all we can to promote and improve the Federal Crop Insurance Program. We have included provisions in this legislation that recognize and address the potential adverse impact of disaster programs on the future sales of crop insurance.

It would not be fair to those farmers who did protect themselves with crop insurance to now set up a situation where they receive any less assistance because they made a prudent business decision. It would also be unfair to send a signal to farmers everywhere that they need not insure themselves in the future.

It clearly has been the intent of Congress that our goal is a nationwide, self-help disaster protection program of crop insurance rather than reliance on emergency measures such as this. I remain strongly committed to that longstanding goal, and I hope my colleagues share this desire.

An affordable and sound crop insurance program makes good budget sense. It makes good business sense. And it is the only fair solution to a problem that will continue to plague farmers as long as they till the land.

Mr. MADIGAN. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from South Carolina [Mr. SPENCE], who has been very active in this effort.

Mr. SPENCE. Mr. Speaker, I rise in strong support of this bill.

Mr. Speaker, I am pleased to rise in support of H.R. 5288, the Emergency Assistance for Drought Relief Act.

We are, unfortunately, faced today with a severe crisis in farm America. The Southeastern drought and heat wave, by some accounts the worst since 1711 and certainly as devastating as the conditions existing during the thirties, have destroyed crops and left livestock short of feed. On the other hand, Midwestern, Northern, and other regional farmers have been blessed with bumper crops and have overflowing silos which cannot further accommodate their anticipated harvest. This, in combination with international market conditions, will result in crop prices well below the cost of production. Consequently, our farmers across the Nation face foreclosure, loss of livelihoods and the disappearance of a way of life which has been the traditional foundation of our American society.

There is no one solution or easy set of solutions to these difficulties. Additionally, no farmer has to be reminded that the wheels of government often turn pretty slowly and are, unfortunately, sometimes subject to the winds of political posturing.

Our efforts must be a coordinated approach devoid of political grandstanding. All of us—Democrats, Republicans or what have you—are in this together. Drought knows no political party. I sincerely believe that the bill which Chairman DE LA GARZA has escorted through the committee in so expeditious a fashion is such an effort.

While the administration already has several programs at its disposal to assist those in need, this present crisis is so severe as to require more innovative and far-reaching initiatives on our part. The bipartisan bill before us today is a fitting governmental outgrowth of the heartwarming and generous response of the people to people help citizens from all over the country have been extending to the farmers of my district, State, and region.

Further, let me also recommend to my colleagues related legislation which I and other Members have introduced; specifically, language to grant tax credits to farmers who have given commodities in this effort, proposals to expand our agricultural export markets, and a bill to extend the concept of our foreign assistance programs to our own citizens by authorizing the outright donation of commodities to farmers in designated disaster areas. Low interest loans are fine but currently many of our farmers are in debt to the limit as a result of several successive and unabated farm disaster years. Also, knowing full well that a significant number of farmers cannot repay the debt which they already carry, I feel that a moratorium on farm foreclosures by government agencies would be an appropriate and prudent measure to salvage family farm operations and the communities which are so heavily dependent upon them.

I have talked to men and women involved in every aspect of farming, and one single theme rings true; namely, they have got to have help right now. The need is great, the hour is short, the opportunities and alternatives are set before us, now is the time to act.

Mr. DE LA GARZA. Mr. Speaker, I yield 10 minutes to the distinguished gentleman from Georgia [Mr. THOMAS], a member of our committee.

Mr. THOMAS of Georgia. Mr. Speaker, as one who comes from one of the States and areas that has been dramatically affected by this devastating drought, perhaps the worst in all of recorded history, I come here today to say that the people that I visit with across the farm lands and across the rural communities of the Southeast are not criticizing what we do here, they are looking to us for hope, the last source perhaps for hope that is available.

But I think the important thing to remember is today we are talking more about just those farm families and actually farmers who live on the land, that a drought of this magnitude, occurring at the time that it has occurred, with the stage already set for economic hardship unparalleled in our history, that our entire rural fabric of the rural Southeastern United States and the rural part of our country in that area stands to be devastated unless there is help that comes from the Federal area.

What we are doing today is within our budgetary means. It makes sense and it is compassionate. It is a thing that should be done, this Congress responding to an emergency in which situations are beyond the means of those impacted by it to cope on their own.

So I encourage, as we have worked across the lines in the Agriculture Committee to bring this bill to the House floor today, and there has been a great deal of support from both sides of the aisle, I encourage the Members of this body at large to support this legislation as it comes before the House.

□ 1300

Mr. MADIGAN. Mr. Speaker, I yield such time as he may consume to a distinguished member of the Committee on Agriculture, the gentleman from Michigan [Mr. SCHUETTE].

Mr. SCHUETTE. Mr. Speaker, the drought in the Southeast has caused terrible devastation to farmers in that part of our Nation. Their plight has aroused the concern and compassion of all Americans, especially of those who are a part of our Nation's agricultural community.

In the best American tradition of volunteerism, people all over our country have pulled together to help their neighbors in the drought-stricken Southeast. The response to their plight by the farmers and others of mid-Michigan has been overwhelming. I have been using my district offices to help coordinate these efforts. Farmers who are anxious to donate their surplus hay, truckers who are willing to haul it, and many others have banded together to help those in the Southeast who have seen their land scorched and withered by drought. Although many of these farmers are themselves facing hard times, this has done nothing to stop their enthusiasm for helping a fellow farmer in need.

Mr. Speaker, I ask my colleagues to join me in supporting the efforts of these Americans to help their fellow Americans. I urge my colleagues to support H.R. 5288.

Mr. DE LA GARZA. Mr. Speaker, I yield 1 minute to our distinguished colleague, the gentleman from Maryland [Mr. DYSON].

Mr. DYSON. Mr. Speaker, I rise in support of this legislation. I come from one of the States that has been declared a disaster area. I would like the chairman of the Committee on Agriculture to know that the Federal task force was in Maryland this past weekend, and as delighted as the farmers are with the declaration of emergency by the Department of Agriculture, they are more happy with this piece of legislation.

So I salute him and the gentleman from Illinois [Mr. MADIGAN] and in particular my good friend, ED JONES from Tennessee, who has been a good friend to the farmers of the Eastern Shore and has been a good friend in our rural electric cooperatives.

Mr. Speaker, I urge my colleagues to support this. I would like to express my disappointment on hearing that the administration is not supporting it.

Mr. Speaker, today I rise to express my strong support of this legislation. I wish to inform the distinguished chairman that the farmers in my district are more happy with this piece of legislation than they are with the Secretary of Agriculture's disaster declaration. I salute the chairman, the gentleman from Illinois [Mr. MADIGAN], and in particular my friend, ED JONES of Tenneseee, who has been a good friend to the farmers of the Eastern Shore and to our rural electric cooperatives. The Agriculture Committee deserves thanks for expediting this important legislation to the floor. The extreme heat and drought which has devastated the Mid-Atlantic and Southeast regions requires immediate relief measures, and I believe that this bill addresses many of these needs.

In recent days, I have been in contact with Secretary of Agriculture Richard Lyng and he has reacted positively to my request for a drought task force. Also, he has declared most of Maryland a disaster area. But this is not enough. The last thing many of these farmers need is another loan, even with low-interest rates. They are already having trouble repaying their current debts. Our farmers are reeling from low prices for commodities, an ever-decreasing share of the world market, a decrease in land value, unfair competition

from foreign countries, and surpluses that result from them being the most efficient producers in the world.

I cannot explain the frustration I felt, knowing that all of the farmers will not benefit from the Secretary's disaster declaration. I am further disappointed to hear that the administration will not support this legislation. Agriculture has been replaced by agribusiness, and agribusiness is another word for survival. The family farmer has been replaced by the corporation and many farmers now find employment away from the fields they once plowed. Our Government must provide the emergency assistance that can only be adequately supplied through the resources and expertise of the USDA.

Although 21 of Maryland's 23 counties were declared disaster areas late last week, the damage done is irreversible and it has tragically affected the lives of many good farmers. The total damage to Maryland is over $110 million, and the losses to the Eastern Shore and to southern Maryland, which I represent, are approximately $70 million. Unfortunately, the losses in terms of human suffering is incalculable and cannot be adequately compensated even by these emergency relief measures.

Many States have felt the unmerciful fury of Mother Nature since last spring when these areas dried up, spreading human despair throughout the area. Even farmers who are considered unaffected by the drought, because of irrigation, are painfully aware of family and friends who are suffering severe financial losses. We must not ignore their cries for help.

Last Friday, I escorted a USDA task force to the beautiful Eastern Shore of Maryland, this rural area has suffered the greatest losses from the drought. We visited Caroline County, where estimates have placed the expected loss in yields at 50 percent for corn and soybeans and 30 percent for wheat. In dollars, the preliminary losses are estimated at $12 million. We saw the stunted and burned corn, much of which had already withered up from lack of rain, and we heard farmers tell us that they may be driven out of farming as a result of the losses they will suffer from the drought. It is difficult to express my feelings of loss to see America's proud, hard-working farmers crushed and ruined by events which they have no control over.

Even with all the problems our farmers are forced to contend with, their values continue to be rooted in strong bonds to family and their own self-sufficiency. These values have allowed them to continue to feed our great country and much of the world. These are truly the Herculean efforts of a special class of American heroes. It is time that the administration recognize their contributions to our great country and give them the assistance they so desperately need.

Mr. MADIGAN. Mr. Speaker, I yield such time as he may consume to a most distinguished and effective member of the Agriculture Committee, the gentleman from Oregon [Mr. ROBERT F. SMITH].

Mr. ROBERT F. SMITH. Mr. Speaker, I rise in support of this legislation and I urge the Members to join me in voting for its passage.

There can be no one in this Chamber who is unfamiliar with the disastrous affects of the widespread drought in our Nation's Southeast. It has robbed ranchers in the Southeast of their most precious commodity: lifegiving water.

This bill extends the helpful hand of Government to those ranchers whose livestock are dying because of a lack of adequate feed in the wake of the drought.

Less publicized, but just as debilitating, ranchers in the American Northwest are suffering also from a lack of feed because of an imbalance of natural water supplies.

There is but one difference: ranchers in the Southeast have too little water; in the Northwest, we have too much of it.

Oregon and other areas of the West have suffered for the 3 straight years with feed-killing floods. Too much water kills crops and drowns grazing lands, just as surely as too little water parches them.

Certainly, nature is fickle in her distribution of water, and her choice of disasters. But today, both drought and flood jeopardize hundreds of thousands of head of livestock.

Without feed, livestock die, regardless of nature's choice of destruction.

Last week I added to this bill a provision to broaden emergency feed assistance to include Western ranchers who will lose stock because floods have created a lack of feed.

I am thankful that the committee saw fit to approve that provision, making this one of the most comprehensive and sensible agricultural disaster assistance bills I've seen before us in a long time.

I urge you to join me in passage of this comprehensive and highly beneficial Emergency Feed Assistance Act.

Mr. DE LA GARZA. Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama [Mr. SHELBY].

Mr. SHELBY. Mr. Speaker, I rise in support of H.R. 5288 which provides emergency drought relief assistance to farmers and cattlemen in Alabama and throughout the Southeast. The Southern States have experienced the worst drought in over 100 years, and I commend Chairman DE LA GARZA for bringing this emergency measure to the floor of the House in such an expeditious manner.

As an original cosponsor of H.R. 5288, I strongly support this legislation which reaffirms the administration's existing authority and grants new authority to the Secretary of Agriculture for emergency drought relief. The overall best aspect of the bill is that it provides cost-sharing and feed, instead of offering our farmers the last thing they need—more debt.

However, I am concerned about a technical aspect in the administration of our emergency feed program which makes a world of difference to our farmers. As I understand it, under the emergency feed programs, farmers are required to use the feed within a period of 90 days. This presents a problem for the farmers because their livestock simply cannot eat the amount of feed available in that short amount of time. I wonder if this emergency bill would be implemented in the same manner. If that is the case, I would urge that, in the conference, we extend the amount of time during which farmers can use the feed under this emergency program. I am not arguing that farmers get more feed, just that they be able to use the same amount of feed over a longer period of time—perhaps for an additional 90 or 120 days.

Mr. Speaker, I now yield to the distinguished chairman, the gentleman from Texas [Mr. DE LA GARZA] to respond to my inquiry.

Mr. DE LA GARZA. Mr. Speaker, I would state to our distinguished colleagues that that time limitation is not in law, and is not in our bill but rather in the regulations, and we certainly would be very happy to work with the gentleman either in conference or working with the Department to see if the added time would be feasible and what can be done to alleviate the problem, should there be a problem.

Mr. SHELBY. Mr. Speaker, I appreciate the statement of the distinguished chairman and I hope that that will not be a problem; but I wanted to raise it here in the debate on the bill, because this is how you eradicate it.

I appreciate the gentleman yielding me the time.

Mr. MADIGAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in summary, I would like to remind the committee that we are talking about giving away grain that is already owned by the Commodity Credit Corporation; that was paid for in prior years in previous budget cycles; that the committee amendment which will be offered by the gentleman from Texas will make this legislative initiative revenue neutral, party because some of the expense contemplated here has already been incurred by the administration and partially because some $230 million of that cost will be offset by provisions in the committee amendment.

It is wrong to assume that there is not a cost to the Government if we do nothing. If we do nothing there will be a cost to the Government through defaults by farmers to the Farm Credit Administration, defaults to the Farmers Home Administration, in a few instances, defaults to the Small Business Administration; and that does not

count the agribusiness failures that might occur in the Southeast if farmers in the Southeast are not given some ability or some assistance in paying their bills.

We avoid those defaults; we reach out to help people that are the victims of the most serious drought in recorded history in the Southeastern region of the United States.

The most important thing we do, which is the most important thing that this body traditionally can do, is to give people hope who otherwise would not have hope. That is a very important thing for us to try to do this afternoon; and notwithstanding the objections of others, I urge all the members of the committee to vote for this bill, and yield back the balance of my time.

Mr. DE LA GARZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the distinguished gentleman from Illinois for his cooperation and for the fine statement, with which I concur wholeheartedly.

Mr. ALEXANDER. Mr. Speaker, I rise today in support of the Emergency Drought Relief Act.

Just when you think it can't get any worse on the farm, Mr. Speaker, it gets worse. The American farmer has been kicked around by the world economy. He has been cut adrift by a low-price Government farm policy. And now, in much of this country, he is being crushed by Mother Nature.

I wonder if my colleagues have been through the countryside in time of drought? I have, Mr. Speaker, and let me say that to someone like myself who grew up on the farm there is not a more depressing sight.

Soybean fields ought to be a lush green at this time of year, bursting with blooms that will turn into a bountiful yield. Instead, the plants across much of the Nation are low, with a few blooms, and in the hardest-hit areas the fields have kind of a sickly yellow color.

Cotton fields at harvest time are supposed to be seas of cotton balls, with specks of white as far as the eye can see just waiting to be gathered in. In my home county, the county extension agent says that there will be 20 to 30 percent fewer white specks in those fields to be harvested.

Corn, Mr. Speaker, is one of the most depressing sights of all. My brother and I grew roasting ears when I was growing up. I know very well that corn at this time of the year is supposed to be about as high as my head. But, Mr. Speaker, in many places across the South the corn is about 4 feet high, the ears are stunted, and the shucks are a burnt brown and so dry they almost crumble when you touch them.

There are fields in the South, Mr. Speaker, where if you didn't know better you'd think some invading army had marched through and taken a blowtorch to the land.

There are places where we're fighting the drought successfully, but even then there are costs beyond those quantifiable in dollars. We've saved some of our crops in eastern Arkansas, where the drought hasn't been as long as it has been elsewhere, by running the irrigation pumps 24 hours a day.

But much of our water in the Arkansas countryside comes from wells. The drought just sends the water table that much lower. If you have to send all the water out into the fields, that means your family doesn't have water to drink, or bathe, or do laundry.

For better or worse, Mr. Speaker, the farm policy now in place in this country encourages overproduction. About the only way a farmer can survive these days is to try and make up in volume what he loses in low prices. Now, for many of our farmers, even that possibility has gone by the wayside.

As Andy Vanglider of the University of Arkansas Cooperative Extension Service in Craighead County, AR told the Arkansas Gazette:

I think we could lose some farmers because of this weather. They just cannot survive in drought conditions like these. These are farmers that need to have the maximum crop possible this year to stay in business, and they aren't going to get it.

In short, Mr. Speaker, as you drive through the countryside you can see the livelihoods of men and women blow away like so much dust from the parched Earth.

We make a lot of noise in this House about the family farmer. If we are really that concerned with the survival of the family farmer in much of America, it is now time that we put up or shut up. This bill the Agriculture Committee has brought us is vitally needed.

It would require USDA to make disaster payments with surplus commodities to wheat, feed grain, soybean, cotton and rice producers. It encourages farm lenders, both Federal and commercial, to adopt a policy of forbearance rather than foreclosure toward financially strapped farm borrowers who are hurt by the drought. It also contains provisions to help dairymen and livestock producers.

The first role of Government, Mr. Speaker, is to help the people when they are harmed by circumstances beyond their control. That's what we're here for today. I urge the swift passage of this bill.

Mrs. LLOYD. Mr. Speaker, I rise in support of this bill. The Southeast United States is suffering the worst drought conditions ever recorded in its history. As we enter the "dog days" of August, traditionally the hottest period of the summer, there appears to be little hope for rain.

Even if we could hope for rain, it would be too late to save crops. Farmers have already started plowing under their fields, and many farms with livestock populations are critically threatened without some assistance to feed those animals. I commend those farmers who, in the true American spirit, have donated hay or feed to assist those affected by this disaster. Equally important are those who generously assisted in getting surpluses to those areas.

It is estimated that the cost of crop and livestock damage to the region due to the drought will exceed $2.3 billion.

In my own State of Tennessee, our Governor has applied for disaster assistance for nearly 20 counties, most of which are in southern middle Tennessee and east Tennessee. Three of those counties comprise almost one-half of my district.

We all know agriculture is a high risk business in the best of times, the farmers are being asked to shoulder more and more of the risk themselves. This risk is already high just depending on normal weather. However, when we don't have normal weather, we are all at risk. A very basic necessity is threatened: food supplies—everyone's food supplies.

We must pass this emergency legislation.

Mr. DE LA GARZA. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. DE LA GARZA] that the House suspend the rules and pass the bill, H.R. 5288, as amended.

The question was taken.

Mr. MADIGAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1310

WELCOMING FATHER LAWRENCE JENCO BACK TO THE UNITED STATES

Mr. HAMILTON. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the resolution (H. Res. 524) welcoming Father Lawrence Jenco back to the United States after 18 months in captivity, encouraging those who assisted in securing his release to help in securing the release of the remaining hostages in Lebanon, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from Indiana?

Mr. BLOOMFIELD. Mr. Speaker, reserving the right to object, at this time I yield to the chairman of the Subcommittee on Europe, the gentleman from Indiana [Mr. HAMILTON], to explain the purpose of this resolution.

Mr. HAMILTON. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of House Resolution 524, welcoming Father Lawrence Jenco back to the United States after 18 months in captivity and encouraging those who assisted in securing his release to help in securing the release of the remaining hostages in Lebanon.

Mr. Speaker, the tragedy of the civil war in Lebanon has preoccupied all of us at one time or another over the last few years. The hostage issue has been

among the most important matters we have followed in Lebanon.

Since January 8, 1985, when Father Jenco was taken hostage and several other Americans were taken hostage in subsequent months, few issues have united this Congress more than support for efforts to obtain the early release of the hostages. Over the many months, members of the Committee on Foreign Affairs have met frequently with the families of the hostages and have urged the United States to step up diplomacy to obtain the release of the hostages.

Those efforts must continue even as we celebrate the return of Father Jenco of Joliet, IL. And today, there would be no happier man than former Congressman George O'Brien, who worked so vigorously and persistently on behalf of Father Jenco's release.

Mr. Speaker, I want to commend the gentleman from California [Mr. DORNAN] for this resolution. I also want the families of all the remaining hostages to know that we will continue, through private diplomacy and all other means available, to work for the early release of their loved ones.

Mr. Speaker, I urge my colleagues to support House Resolution 524, as amended.

Mr. BROOMFIELD. Mr. Speaker, reserving further the right to object, I yield to the principal sponsor of the resolution, the gentleman from California [Mr. DORNAN], who has done so much to seek the release of Father Jenco.

Mr. DORNAN of California. Mr. Speaker, I thank my distinguished Republican leader on the Committee on Foreign Affairs.

There are still three hostages remaining in Lebanon, and I thank my chairman for his kind words about my efforts on behalf of the hostages; but in spite of our elation over Father Jenco's return, this dark cloud hangs over us. Three hostages, all of whom have been there for more than a year, must be fully aware that one of their numbers has probably died—Bill Buckley—although we still hold out the hope of hopes that he is alive.

I know they must also know that another hostage held by a totally different group that has never identified themselves by name, did brutally murder the librarian from our American University in Beirut on April 17, dumping his body in an alleyway in Beirut; Mr. Peter Kilburn.

The saddest thing about the remaining three hostages is that for over a year they were in special company with two men of God, Father Jenco and Benjamin Weir. I do not think there has ever been a prisoner in history where there was a relationship of chaplains to prisoners of 2 to 3, although the chaplains were themselves hostages. But with the release of Rev. Benjamin Weir last September and the release of Father Jenco on July 26, a few days ago, these three hostages have now lost their two men of God, and continue to languish in the their dungeon without the chaplains there to give them solace.

These must be very dark days for David Jacobsen and for Thomas Sutherland, both men of the American University in Beirut: The former being the director of the hospital. God knows, no nation on Earth needs hospital care more than the torn citizens of Beirut. Tom Sutherland was there as the acting director of the agriculture department to give some of our American skills in agronomy to the people of the Middle East.

Terry Anderson's bracelet that I now wear, was given to me by his sister on Friday when we were all enjoying Father Jenco's company. He is there merely to report the news, as the AP bureau chief.

So I would like to take this opportunity, Mr. HAMILTON and Mr. BROOMFIELD, to thank President Assad of Syria. We have serious and tense differences between our two governments, but I believe as one Member that Mr. Assad was sincere when he said he would redouble his efforts to get our hostages out. He told me that personally in his offices on June 30. To prove the point I will remind you that when Father Jenco was released, President Assad sent a message to the Prime Minister of Greece. I have that confidential communique right before me.

He said there were two things that caused Syria to intensify its efforts to get our hostages out. One was the visit of Mrs. Margaret Papandreou, the wife of the head of state of Greece, who is, as we all know, an American citizen, and the second reason was a letter signed by 260 Congressmen. Unfortunately they counted doubles. You see, I was so vigorous around the floor that I got nine double signatures. It was 251, in reality but still is a significant letter.

They did leave out in the letter the trip of Mr. George O'Brien last August 10 through 12 that the gentleman from Indiana referred to.

But I would like to say something about George's trip right now.

When the Syrians received Father Jenco last July 26, before they turned him over to our Ambassador, who is doing a superb job, Mr. Bill Eagleton, and his great team of diplomats there in Damascus, they brought in, to meet Father Jenco, Mrs. Peggy Say. She is the sister of AP bureau chief Terry Anderson, one of the hostages, and let her have a private moment with Father Jenco. We saw the initial embrace and tears, and then they had a private moment.

Then they brought in and introduced to Father Jenco, and I think this is stunning, two Syrian diplomats, what we would call FSO's, Foreign Service officers. President Assad told Father Jenco that after George O'Brien's visit a year ago next week, he assigned two members of his foreign embassy to do nothing but work the Jenco case. That is what one Congressman, George O'Brien was able to do with one trip on his own. His staff told me over the weekend that he was discouraged from making that trip to speak out for one of his constituents.

So I express my gratitude to President Assad, and I tell him, "Mr. President, press on, get the other three Americans back, and the South Korean, and the Irishman, and the Englishman, and the four Frenchmen—maybe there are five Frenchmen there now—to get all these people back. You referred to them, President Assad, as "innocents," and that they certainly are. I am sending you another letter signed by House Members, hopefully the rest of our leadership together with Mr. WRIGHT, Mr. MICHAEL, and Mr. BROOMFIELD, and Mr. HAMILTON, who are all on the first letter. Let us see if we cannot remove the suffering innocents from this agony that we see before us in Beirut."

I truly thank both of my colleagues for their efforts in expediting this greeting. I only wish that they had been there with me and George O'Brien's widow in the longest parade that I have ever seen, 4 or 5 miles through the streets of Joiliet with a bride and groom standing on the curb waiting to run into the street to grab Father Jenco's hands; to see Father Jenco's little grand-nephews and nieces, in little yellow T-shirts, 15 or 20 of them that said, "Welcome home, Great Uncle." And as I told Father Jenco, that T-shirt's saying had a double meaning because aside from being a great uncle, he has been a great man. He has been particularly outstanding in the dignity with which he accepted the suffering and the cross that God meted out to him.

I want to see three other parades, one in Huntington Beach, CA, one somewhere in Colorado, and I forgot to ask Peggy Say where she and her brother were, possibly in upstate New York. We need those other parades. We need our innocent American citizens back.

So thank you, President Assad. Press on. I will be circulating that letter in the House in the next few days. Thank you, Chairman BROOMFIELD, it is an honor to serve with you.

Mr. BROOMFIELD. Mr. Speaker, I just merely want to add my congratulations to the gentleman from California [Mr. DORNAN] for all the work he has done and to the chairman of our committee. I also want to join in saying, "Welcome home, Father Jenco."

Mr. Speaker, we were all overjoyed to receive the news that Father Lawrence Jenco was released after 18 months in captivity in Lebanon's Bekaa Valley. Our colleague from California, Mr. DORNAN, introduced the resolution we are now considering and I want to commend him for his attention to this important event.

American hostages ruthlessly kidnaped in Lebanon are all the innocent victims of terrorism fostered by the political and religious turmoil in that battered country. This resolution expresses the elation of the House of Representatives at the release and homecoming of Father Jenco. It also restates the firm commitment of this body to securing the safe release of the remaining hostages held by the Islamic Jihad. Last, it expresses the gratitude of the House to all governments and individuals involved in securing the release of Father Jenco and encourages their continued assistance toward a full resolution of the hostage situation.

This measure is an important statement of our joy during the homecoming of Father Jenco and our continued concern that all other Americans held hostage in Lebanon be released. I urge my colleagues to support the resolution.

Mr. Speaker, I join wholeheartedly in support of this resolution.

Mr. GILMAN. Mr. Speaker, I rise in support of this very appropriate resolution, welcoming Father Lawrence Jenco back to the United States.

I think it is appropriate to note at this point those Members who have been devoting their time and efforts in a special way, to the plight of the American hostages in Lebanon. First and foremost, was our beloved friend and colleague, the late gentleman from Illinois, Congressman George O'Brien. The effort to gain the release of his friend, Father Jenco, was a major preoccupation of George O'Brien over the many months of his final illness. It is a tragedy that he did not live to see the fruition of his efforts—the release of Father Jenco.

Others prominently involved in this effort have been the gentleman from California [Mr. DORNAN], who has traveled, at risk to his health, to Syria, trying to move the Syrians to use their influence in this effort. The gentleman from California [Mr. DYMALLY] has also been involved in trying to focus the attention of the Congress and the administration on this matter. We should also acknowledge the profound interest in the fate of the hostages evidenced by the Chairman of the Foreign Affairs Committee, the gentleman from Florida [Mr. FASCELL] the ranking member, the gentleman from Michigan [Mr. BROOMFIELD], and the chairman of the Subcommittee on Europe and the Middle East and of the Select Committee on Intelligence, the gentleman from Indiana [Mr. HAMILTON]. These Members have been active in informal "task force" monitoring efforts to free our hostages.

Mr. Speaker, we must continue to exert every effort, and seize every opportunity, to work for the release of the remaining hostages, and indeed, to work for peace in Lebanon, bearing in mind that we should not advocate steps which would compromise our underlying policies or which would lead to further violence. We cannot let the killers of our diplomatic staff in Kuwait, for example, go unpunished. I want to commend the work of our State Department, and indeed, the leadership of the President and the Vice President on this issue. Finding the right levers to move in a case like this one is excruciatingly difficult. The Assistant Secretary for Near East and South Asian Affairs, Richard Murphy, has been hard at work on this issue, as has Ambassador Oakley, the coordinator of antiterrorism affairs at the Department, and I know that Secretary Shultz has taken a personal, active interest in the resolution of this case.

It is with warm hearts and great joy that we welcome Father Jenco back to the United States. Let us now rededicate ourselves to the return of the remaining hostages in safety and dignity.

Mr. BROOMFIELD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 524

Whereas Father Lawrence Jenco was released on July 26, 1986, after 18 months in captivity in Lebanon's Bekaa Valley;

Whereas at least four Americans—Terry Anderson (chief Middle East correspondent for the Associated Press), Thomas Sutherland (Dean of Agriculture at American University in Beruit, Lebanon), David Jacobsen (Administrative Director of American University Hospital in Beruit, Lebanon), and William Buckley (United States diplomat)—are still being held hostage by the pro-Iranian terrorist organization calling itself Islamic Jihad;

Whereas David Jacobsen was allowed to appeal by videotape to the United States Government to intensify its efforts to secure the safe release of the remaining hostages; and

Whereas the American hostages taken in Lebanon have all been the innocent victims of political and religious turmoil and are suffering unjustly at the hands of extremists: Now, therefore, be it

Resolved, That the House of Representatives—

(1) on behalf of the American people, expresses elation at the return of Father Lawrence Jenco after 18 months of captivity in Lebanon;

(2) restates its firm commitment to securing the safe release of the remaining hostages;

(3) condemns the act of taking hostages, and any other act of terror, as a means of influencing the foreign policy of the United States;

(4) urges a full accounting of the well-being of United States diplomat William Buckley, to be followed by his return to his relatives as soon as possible; and

(5) expresses gratitude to all governments and individuals involved in securing the release of Father Jenco and encourages their continued assistance toward a full resolution of the hostage situation.

AMENDMENT OFFERED BY MR. HAMILTON

Mr. HAMILTON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAMILTON: In the text of the resolution, strike out "and" at the end of paragraph (4); strike out the period at the end of paragraph (5) and insert in lieu thereof "; and"; and after paragraph (5), insert the following:

(6) condemns all those governments and individuals who have control over areas in which kidnapers and other terrorists operate, or who have the ability to influence those who exercise such control, and who by their actions or inactions allow acts of terrorism directed against United States citizens or others, and calls upon them to comply with their international obligations to act to prevent acts of international terrorism.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Indiana [Mr. HAMILTON].

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The resolution as amended, was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HAMILTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

□ 1320

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1987

The SPEAKER pro tempore. (Mr. GRAY of Illinois). Pursuant to House Resolution 523 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4428.

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IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4428) to authorize appropriations for fiscal year 1987 for the Armed Forces for procurement, for research, development, test, and evaluation, for operation and maintenance, and for working capital funds, to prescribe personnel strengths for such fiscal year for the Armed Forces,

and for other purposes, with Mr. ROSTENKOWSKI in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Monday, August 4, 1986, the gentleman from New York [Mr. STRATTON] had 10 minutes of general debate remaining and the gentleman from Alabama [Mr. DICKINSON] had 10 minutes of general debate remaining.

The Chair recognizes the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Chairman, I reserve the balance of my time.

Mr. DICKINSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as we conclude our debate on this very momentous bill, I do have a few observations I would like to make.

First, this is probably the most complicated Defense authorization bill to ever come to the floor, in that there are so many facets and ramifications to it and so many people have gotten in on the act.

We started out with a simple Defense authorization bill, as we do every year, and then as the number of people have expressed interest and as has been the history over the past few years, we have more and more people who offer policy amendments to it. When this bill is considered, most anything can be germane to it when it is offered as an amendment.

As we have seen in the past, and has been pointed out on this floor, we used to offer this bill and perhaps get the entire Defense authorization bill through in 3 days. It has grown every year to the point where last year it took two weeks, with the interest expressed by Members and procurement reform and policy issues such as SDI, such as SALT, such as limitations on the use of chemical and biological weapons, and on and on. It was quite obvious that we would not complete this bill in under 2 weeks. And looking at the calendar and computing the time available to us in order to complete this bill this year, it was thought necessary that we do a radical change in the way the bill is presented, and seek two rules, as has been pointed out.

We have approved the first half of the rule which allowed us to come to the floor yesterday and today, and in the next few minutes I will be meeting with the chairman of the full committee, Mr. ASPIN, to see if we can agree on the shape and the size and the effect of the second half of the rule that would allow the balance of the bill to come to the floor from tomorrow on.

Ths is a very broad, very comprehensive bill, and it is hoped that when we conclude the authorization portion of this bill, which will probably be early next week, even if we work late in the evening all this week including Friday afternoon, that by Tuesday, perhaps Wednesday at the latest, we can conclude and then we will be followed directly then by the Defense appropriations bill which will come on heels of this bill and be finished next week before the House goes into its August recess.

So having put it in that timeframe, it is necessary that we have some agreements and some constraints on amendments that can be offered. It is for that reason we are put in the unusual posture of having to agree to the unusual presentation of the bills as they come to the floor. You say who may offer an amendment, and then you have to decide who will go first, who will get the last shot at it, who will offer the last amendment, what is the more strategically advantageous position to take. That is the debate we are involved in now.

As to specifics of the bill, today we will be discussing, first, the reauthorization of the Department of Defense and Joint Chiefs, which I support. Second, we will be going into matters dealing with procurement reform. The committee itself came up with a package of 10 different amendments which will be offered by Mr. MAVROULES en bloc, which the committee supported. Then there will be an additional package of 10 amendments that have not been acted on or even considered by the committee. This will bring about a considerable amount of discussion this afternoon. It is anticipated we will be here until 10 or 11 o'clock tonight.

Let me talk specifically about some of the things dealing with research and development, the committee on which I serve as the ranking member.

One of the big issues that we will be faced with today, before the bill is concluded at least, will be SDI, what will be adequate funding for the strategic defense initiatives. This is a matter that is very important to the administration. It is very important to the American people, for that matter. And we are looking today not whether or not we shall have a SDI, but at what level of funding.

There was a figure offered of $4.8 billion advocated by the administration, and one was offered in committee to reduce it to $1 billion. We will be discussing today the full range of anywhere from $4.8 billion to a reduction to $1 billion. I would hope that the House Members, the full House, support the committee position which we feel is a very fair and reasonable amount of $3.4 billion. It is not what the administration asked. It reduces it by $1.4 billion. It is more than what we had last year. We think it represents a fair compromise.

I think we have done the best we could in the time given to us. We have met the targets that were given to us by the Budget Committee. I think that the product that we are discussing today is a very defensible product. We have done the task that has been set to us in terms of dollars, and we have done the best we could. We have come in on the spending levels assigned to us.

Let me just point out one problem that we have though, especially as it relates to research and development. Last year, about $65 million was specifically allocated for university research. It was anticipated that the Department of Defense would go into the private sector and deal with universities that had whatever capability that was required and give them research grants to work for the Department of Defense.

We authorized this, but a funny thing happened before we were finished with it. Before it got out of the Appropriations Committee, they had earmarked all of the funds, $65 million, for 10 specified universities that just happened to be in the districts of 10 of the members on the Appropriations Committee. It is a bad way to authorize and spend Defense money. The Department of Defense opposes it. I personally oppose it. I do not think it is the right thing to do. I would hope that this year in this bill, in authorizing research and development dollars for defense purposes, that we will not set up a vehicle where everybody on the Appropriations Committee who has a college back home that wants to get into the business will not have x amount of dollars earmarked for their alma mater to the detriment of those universities across the country that are not so represented in the Appropriations Committee.

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By and large, I think it is a good bill and I support it. Unfortunately, it is going to take a long time to bring in the extraneous matters that will be brought in, but I do not know, under our system, of any different way of doing it.

Mr. Chairman, I would like to commend our chairman, Mr. PRICE, and the other members of the Research and Development Subcommittee for their efforts on this portion of the Defense authorization bill. We were not given an easy task. The administration requested $42 billion for research, development, test and evaluation, more than $8 billion over last year's level. The committee bill recommends a $2 billion increase over last year. The $6 billion reduction in RDT&E represents some very difficult decisions, decisions that we must make in this year of constrained Federal spending. I am sure that we are going to debate a number of issues in this account, as we should.

The No. 1 R&D issue continues to be the strategic defense initiative—SDI program. The $4.8 billion request represents a $2 billion increase over last year's approved program. The committee recommends $3.4 billion, a

level that provides for reasonable growth and is adequate to support the stated SDI goal of a vigorous research and technology program to support program decisions in the early 1990's. The committee is concerned about efficient use of these precious R&D dollars and believes that the $3.4 billion level will provide a strong incentive to the SDI management to execute this very important program in an efficient manner. I am aware that there will be a number of amendments to both reduce any increase SDI authorization and of course, there will be lively debate on the merits of each position. I do believe the committee position of $3.4 billion is the right level of authorization.

The Asat [antisatellite program] is sure to be a major issue. The committee position represents a reasonable compromise between the administration's desires to continue testing and deployment versus a position taken last year by Congress to halt all testing of this system for the remainder of the fiscal year. The committee believes that a scaled-down program is in order. This would provide limited funding to complete a few more R&D tests but denies funds for any production or preproduction verification of the Asat system. The one very successful test last year does not give us the confidence we need to verify the viability of our system. A few more tests would, and would leave us in a stronger negotiating position with the Soviets, who have in place a deployed system. A complete test moratorium, I believe, is not in our best interest. The committee proposal is a good one, one that does not tie the administration's hands but continues to provide congressional control over deployment of this system.

In another area, the committee recommends full support for the national aerospace plane program. This program, funded both in DOD and NASA, provides the means to translate the aeronautical science developed in the 1960's and 1970's into the technology essential to maintain U.S. preeminence in aeronautics for military applications and space transportation into the 21st century.

Another issue I would like to raise has to do with the university research program. The committee is concerned about past congressional efforts to earmark defense research and development funds for specific university research and research facilities projects. Last year about $65 million was specifically allocated to 10 universities. DOD and university officials vigorously oppose this practice on the grounds that it threatens to weaken the effective, efficient, merit-based means of allocating national research resources. The committee strongly agrees with this view. The committee urges all who are concerned with the future health of our university research and training base to resist engaging in the practice of earmarking funds for university research and research facilities projects.

In closing, I would ask your support on the actions taken in the R&D portion of this bill. This is the largest reduction we have ever made to an R&D request but the bill will provide for the largest R&D program to date.

Mr. STRATTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the legislation that has come before the House in connection with the reorganization of the military services has provoked the Secretary of Defense to provide to members of the committee his own feelings and views with respect to this legislation. I think that since the reorganization legislation is of significance and importance, we should, before voting on this legislation, to at least understand the views of the Secretary of Defense, Mr. Weinberger.

In a letter that the Secretary has directed to me, he says there are three basic provisions that lie at the heart of our concern. The integration of the departmental headquarters staff, the development of an elitist cadre of joint staff specialists, and the introduction of new terms relating to the operational command authority of the combatant commanders.

The integration of the service Secretariat and military staffs as proposed in title IV of H.R. 4370 would weaken the effective management of our defense effort by blurring the distinct, unique, and vital roles of the service Secretary and the service Chief. It would weaken civilian oversight by eliminating the objective views of a separate staff, and at the same time it would diminish the ability of the service Chief to provide independent advice which would be particularly significant with respect to the service Chief's function as a member of the Joint Chiefs of Staff.

Moreover, on a less momentus but still important note, it would reduce the service Chief to little more than a senior military assistant to the service Secretary thereby substantially weakening the authority, responsibility, and stature of the service Chief with the attendant impact on morale and leadership.

I think that nothing today would bring out precisely what the Secretary of Defense is saying than the recognition of the fact that the U.S. Navy today is operating extremely effectively and has grown from a 400-ship Navy to a 600-ship Navy under the inspired leadership of the Secretary of the Navy, whose picture is on the cover of U.S. News & World Report, John Lehman.

That Secretary of the Navy has done a magnificent job in revitalizing the Navy, in inspiring the Navy, and in developing a Navy that is now operating with great skill and aplomb around the world.

The legislation that the committee has brought forth would weaken the Secretary, it would downgrade the Secretary, and at the same time, would downgrade the chief uniformed officer in each of the services.

The outstanding performance of Secretary Lehman is quite clear, but the same problem would follow with respect to the other services as well. I think at a time when we want to maintain the importance of civilian leadership in our military forces, for us to downgrade the Secretariat and the service Chiefs is a very serious blow to the kind of military morale that is extremely necessary for a military service to function.

The second complaint of the Secretary of Defense addresses itself to title III in the legislation that would establish a corps of officers specifically selected and trained to serve in assignments that deal with joint, multiservice operations. "Quality staff officers," Secretary Weinberger says,

> with a breadth of experience and a thorough understanding of uniform action and joint military operations are required to ensure that national military strategy and contingency plans are developed and executed. But that objective is not achieved by insulating officers in joint assignments.
>
> We support identifying, monitoring, training and fully employing high-caliber officers in joint positions, but we do not support a corps of elitists, segregated after one-third of their career for special consideration and promoted based on assignments instead of individual merit.

I think that anyone who has been in the military services knows that there are a very large number of outstanding officers who have participated in joint operations at one time or another and are fully qualified to deal with joint operations and have that kind of a slant with their activities.

What this bill would do would select some elitist group of joint service officers and then put them in some kind of a joint service harem until they were called out for particular service. That is not what we want. We want officers that do not try to assert their superiority over their colleagues, but carry on the duties that they are supposed to carry on.

In fact, the Secretary of Defense points out that the President's Commission, headed by Secretary Packard, believes that the present authority of the Chairman of the Joint Chiefs of Staff to influence the quality of the personnel assigned to the armed services to the Joint Staff is adequate and to assure proper support for him and for the Joint Chiefs of Staff.

We note that the JCS corporately control all military personnel and therefore are in the best position to provide the chairman with the best possible staff. We do not believe that Congress can usefully legislate new rules for selecting and promoting Joint Staff officers. I think that is something that we need to eliminate from this legislation and I think Secretary Packard has made a very substantial contribution in that statement.

At this point in the RECORD I include the following letter from Secretary Weinberger:

SECRETARY OF DEFENSE,
Washington, DC, July 25, 1986.

Hon. SAMUEL S. STRATTON,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN: In the near future, the House of Representatives will be asked to vote upon H.R. 4370, a bill to amend Title 10, United States Code, to reorganize the Department of Defense.

Defense reorganization has been the subject of much study, debate and legislative activity during the past year. The President's Commission on Defense Management has issued several reports and the Senate has passed a bill on defense reorganization (S. 2295). S. 2295 is consistent with the recommendations of the President's Commission. The President has endorsed the recommendations of the Commission and provisions of S. 2295 that accord with the Commission's recommendations. We support S. 2295 and are already in the process of implementing those recommendations of the Commission which are not dependent on enactment of new legislation.

H.R. 4370 goes far beyond S. 2295 and is inconsistent with the recommendations of the President's Commission. It contains detailed provisions that would adversely impact upon internal DoD management and severely restrict the authority of the Secretary of Defense.

Three basic provisions lie at the heart of our concern—the integration of the departmental headquarters staff, the development of an elitist cadre of joint staff specialists, and the introduction of new terms relating to the operational command authority of the combatant commanders.

Integration of the Service Secretariat and military staffs, as proposed in Title IV of H.R. 4370 would weaken the effective management of our defense effort by blurring the distinct, unique, and vital roles of the Service Secretary and Service Chief. It would weaken civilian oversight by eliminating the objective views of a separate staff. At the same time, it would diminish the ability of the Service Chief to provide independent advice, which would be particularly significant with respect to the Service Chief's function as a member of the Joint Chiefs of Staff. Moreover, on a less momentous but still important note, it would reduce the Service Chief to little more than a senior military assistant to the Service Secretary thereby substantially weakening the authority, responsibility and stature of the Service Chief with the attendant impact on morale and leadership.

Title III would establish a corps of officers specifically selected and trained to serve in assignments that deal with "joint," multiservice operations. Quality staff officers with a breadth of experience and a thorough understanding of unified action and joint military operations are required to ensure that national military strategy and contingency plans are developed and executed. But, that objective is not achieved by insulating officers in joint assignments. We support identifying, monitoring, training, and fully employing high caliber officers in joint positions, but we do not support a corps of elitists, segregated after one-third of their career for special consideration and promoted based on assignment instead of individual merit. Experience indicates that joint staffs benefit most from the infusion of first-rate officers with functional expertise and current service backgrounds.

In its final report, the President's Commission pointed out:

"The Commission believes that the present authority of the Chairman of the Joint Chiefs of Staff to influence the quality of the personnel assigned by the Armed Services to the Joint Staff is adequate to assure proper support for him, and for the Joint Chiefs of Staff. We note that the JCS corporately control all military personnel, and therefore are in the best position to provide the Chairman with the best possible staff. We do not believe that Congress can usefully legislate new rules for selecting and promoting Joint Staff officers."

We have proposed alternative provisions for Title III which accomplish the purpose of improving the quality and career development of joint speciality officers while avoiding the harmful impacts of H.R. 4370's current provisions referred to in the final report of the President's Commission.

Title I would pose problems in that it would create new concepts entitled "command" and "command authority" rather than the traditional concept of "full operational command." This would confuse the distribution of responsibilities between the operational and administrative chains of command which the Services are structured and manned to fulfill. We believe that these harmful impacts could be avoided while still achieving the constructive purposes of Title I by adopting a formulation of the restructured authority of the combatant commanders similar to that outlined in S. 2295. Consistent with the provisions of S. 2295, we have reinforced the authority of the combatant commanders by our own management actions during the past year. For example, we have significantly expanded the role played by the combatant commanders in the PPBS process. The Joint Chiefs have also recently completed a revision of JCS Publication 2, Unified Action Armed Forces, which provides broader authority and flexibility for the combatant commanders.

Two other concerns are also troublesome. First, Title V requires extensive studies of the Office of the Secretary of Defense by the Secretary's subordinates and by an independent contractor, presumably funded by the Department. Although I would certainly be willing to cooperate in reviews of my performance by the President and Congress, and would not object to analysis and criticism of the Department by outside interests, it would violate sound principles of prudent management to perform the evaluations in the manner provided by H.R. 4370.

Finally, an amendment to H.R. 4370 deletes from Title 10, United States Code, the Navy's general responsibility for naval reconnaissance, antisubmarine warfare, and protection of shipping. This provision appears to have resulted from a misunderstanding of the language in question, which relates to broad Navy roles and missions, not the command authority of the combatant commanders. It is important to preserve in law the inclusion of naval reconnaissance, antisubmarine warfare, and protection of shipping in the Navy's functional roles. There are certain intelligence fusion, reconnaissance and antisubmarine warfare activities that the President and Secretary of Defense have given to the Department of the Navy as Executive Agent. Those functions cannot be performed as well by a combatant commander. Therefore, this section of H.R. 4370 should be deleted or further amended to include alternative provisions which we have proposed.

We ask that you weigh the provisions of H.R. 4370 against the declared objectives and carefully consider the adverse effects of some of its detailed provisions upon effective management of the Department of Defense.

Sincerely,

CAP WEINBERGER.

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The third title which Secretary Weinberger has referred to has to do with what was referred to earlier as the Hopkins amendment. It was an amendment that would delete traditional wording in terms of roles and missions between the various services that have gone back some 25 years ago. The language that the Hopkins amendment deleted would wipe out what had been assigned as roles and missions for the Navy as a result of the Key West agreement when President Truman laid out the roles and missions that the Navy should not be the sole agent of the Defense Department in connection with undersea warfare and sensitive intelligence activities of the Navy.

Mr. BUSTAMANTE. Mr. Chairman, I want to commend both our committee chairman, Mr. ASPIN and the ranking minority member, Mr. DICKINSON, for their fine work on the Defense authorization bill.

Mr. Chairman, the fiscal 1987 Defense authorization bill reflects the House Armed Services Committee's concern for minority small business participation in defense contracting. Under section 1032 of the bill, the committee provides that 5 percent of the amount appropriated for the Department of Defense for procurement, research and development, and military construction be set aside for minority small business concerns. The committee's action demonstrated its concern over the slippage in minority business participation in Defense Department contracting. In fiscal 1984, the Defense Department purchased nearly $125 billion of goods and services from domestic business. Out of $125 billion, $2.710 billion, or 2.2 percent, was awarded to minority small businesses. In fiscal 1985, however, out of a total of $139.6 billion, minority small businesses were only awarded $2.899 billion, or 2.1 percent of total procurement. The committee has therefore included this section to encourage the Defense Department to pursue higher levels of minority business participation.

Defense Department efforts to develop a more diversified and broad base of suppliers are crucial to increasing competition. The Defense Department, with its control of nearly 80 percent of all Government purchases, can significantly build the productive capacity of small and minority businesses. In turn, as more of these businesses participate in procurement, they inject greater choice and competition to the procurement process due to the expanded market of available and capable suppliers.

The provision is consonant with our Nation's policy to increase and preserve competition in the marketplace. It also promotes the opportunity of all to compete in our economy. Finally, it reaffirms our commitment to full economic parity for all American businesses.

Mr. Chairman, I also commend the committee for accepting report language charging the Defense Department to issue regulations di-

recting Federal defense contractors to pay their subcontractors on time.

In 1982, Congress passed the Prompt Payment Act which requires Federal agencies to pay bills to all prime contractors within 30 days. Following that act, Congress amended the Small Business Act in 1984 to require that prime contractors dealing with the Federal Government establish procedures to ensure timely payment of their small business subcontractors. Since that time, however, the Department of Defense has failed to issue regulations to implement this provision of the law. Many subcontractors continue to receive payments well past promised deadlines. When businesses work for the Federal Government, they deserve to get paid on time. This holds true not only for firms which contract directly with the Federal Government but also for subcontractors. Small businesses operate with limited capital. Late payments can have a devastating effect on their finances. Unless prime contractors pay their subcontractors on time, many special businesses will choose not to compete for Federal jobs. That means that the share of Government projects handled by small- and minority-owned businesses is likely to diminish. In the final anlaysis, paying subcontractors promptly is just good business. More small business will compete for subcontracts if they are confident they will receive prompt payment. More competition means lower bids and, ultimately, lower costs for the Federal Government.

Mr. Chairman, I further commend the committee for setting aside site preparation funding of $10 million for the 450-bed replacement facility at Brooke Army Medical Center, Fort Sam Houston, San Antonio, TX. The committee, recognizing the urgent need to replace the present facility with a modern replacement teaching hospital, approved this funding. The funding will allow Brooke Army Medical Center to continue providing the high quality care it is known for. Moreover, through this funding, Brooke Army Medical Center will be able to maintain its significant contribution to military medical readiness and graduate medical education.

Finally, Mr. Chairman, despite our committee's efforts to get the Army to provide Congress with the test results it needs to make a responsible decision on the Bradley Fighting Vehicle Program, we are faced this week with the responsibility to vote on this program without having test results to support our actions. Furthermore, our committee's investigation of the Bradley's testing program has raised concerns on whether a truly realistic live-fire test is being conducted to properly evaluate the effects of survivability improvements on casualty reductions. Consequently, I will support an amendment which will be offered later by the gentleman from California, Mr. LEVINE. His amendment will insure that a truly realistic live-fire test is conducted and that Congress be provided with the best results in a timely fashion.

Mrs. LLOYD. Mr. Chairman, I strongly support the committee chairman's amendment on the compelling logic that we would finally be giving the specified commanders—the CINC's—full command of the forces assigned to them. We would also make all the services equal by repealing ambiguous language regarding Navy operations. It is true that this proposal, if adopted, will shake the command system as it has not been "shaken since the end of World War II." From my perspective, this reform is long overdue and in providing a role to the CINC's in shaping our overall Defense budget, and having their own operations budget we will help insure that real warfighting needs are met because they have the responsibility.

We have heard a lot of rhetoric about the Joint Staff being compared with the general staff of imperial Germany; I dismiss that objection as sophomoric since this legislation presumes that DOD will draw on an experienced cadre that is, those officers who are fully aware of the service's problems and requirements. It must be pointed out that these would be the highest quality of officers specially suitable for this type of joint service. As we all know, under the current system there is a general agreement that the Navy and Marines are not even assigning their average officers to serve among the 400 JCS staffers, no less the exceptional ones.

This bill insures the perservation of the corporate memory within the Joint Staff and cuts costs and duplication by creating a single integrated staff for each service with a limited personnel staff for the service Secretary and Chief. Thus, civilian control of the service would be preserved with much less of a tendency for institutional micromanagement. As General Westmoreland has noted, the lack of an integrated development of strategic plans has been a serious weakness." He also believes that a strong expert Joint Staff "should expedite sound decisions at the senior level of Government."

Congress took the first step in this direction by reforming the Joint Chiefs. This is a complementary bold step aimed at "bringing our military machinery into tune" with these challenging and perilous times.

Thank you, Mr. Chairman.

The CHAIRMAN. The time of the gentleman from New York [Mr. STRATTON] has expired.

All time has expired.

Pursuant to the rule, the amendment in the nature of a substitute recommended by the Committee on Armed Services now printed in the bill as modified by deleting section 601 thereof and renumbering sections 602 and 603 accordingly and as modified by the order of the House of today is considered by titles as an original bill for the purpose of amendment under the 5-minute rule.

Before the consideration of any other amendments, it shall be in order to consider the amendments designated in section 2 of House Resolution 523, only in the order listed in said resolution, and said amendments shall be considered as having been read.

First, an amendment inserting a new Division D in the committee substitute, as modified, containing the text of the committee amendment in the nature of a substitute recommended by the Committee on Armed Services now printed in H.R. 4370 if offered by the chairman of the Committee on Armed Services or his designee, which shall be considered as original text for the purpose of amendment under the 5-minute rule, but shall be debatable before consideration of amendments thereto for 2 hours equally divided and controlled by the proponent and a Member opposed thereto.

Debate on each amendment to this amendment and on each amendment thereto shall be limited to 20 minutes equally divided and controlled by the proponent and a Member opposed thereto.

For what purpose does the gentleman from Alabama [Mr. NICHOLS] rise?

AMENDMENT OFFERED BY MR. NICHOLS

Mr. NICHOLS. Mr. Chairman, I have been designated by the chairman of the Committee on Armed Services to offer an amendment made in order under the rule.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. NICHOLS: Page 353, after line 10, insert the following new division (and redesignate division D as division E):

DIVISION D—DEPARTMENT OF DEFENSE REORGANIZATION

SEC. 3500. SHORT TITLE.

This division may be cited as the "Bill Nichols Department of Defense Reorganization Act of 1986".

TITLE I—COMBATANT COMMANDS

SEC. 350. ENHANCEMENT OF AUTHORITY OF COMMANDERS OF UNIFIED AND SPECIFIED COMBATANT COMMANDS.

(a) REVISION AND EXTENSION OF COMBATANT COMMAND AUTHORITY.—(1) Title 10, United States Code, is amended by inserting after chapter 5 the following new chapter:

"CHAPTER 6—COMBATANT COMMANDS

"161. Establishment.
"162. Forces assigned to combatant commands.
"163. Functions and supervision.
"164. Administration and support of assigned forces.
"165. Unified and specified commands: program and budget proposals; net assessments.
"166. Combatant command subordinate commanders and CINC staff officers: selection and tenure.
"167. Joint Commanders Council.

"§ 161. Establishment

"(a) UNIFIED AND SPECIFIED COMMANDS.—With the advice and assistance of the Chairman of the Joint Chiefs of Staff, the President, through the Secretary of Defense, shall—

"(1) establish unified combatant commands and specified combatant commands to perform military missions; and

"(2) prescribe the force structure of those commands.

"(b) SPECIAL COMBATANT COMMANDS.—(1) If the President determines that a situation warrants the creation for a specific military mission of a force outside the existing unified and specified commands, the President, with the advice and assistance of the Chairman of the Joint Chiefs of Staff and acting through the Secretary of Defense, may—

"(A) establish a special combatant command to respond to that situation; and

"(B) prescribe the mission, force structure, and support and administrative arrangements of that command.

"(2) In the case of any such special combatant command, the President, with the advice and assistance of the Chairman of the Joint Chiefs of Staff and acting through the Secretary of Defense, shall prescribe the chain of command from the President and Secretary of Defense to the commander of that command. Such chain of command shall be the shortest practicable for each force deployed consistent with proper supervision and support.

"(c) PERIODIC REVIEW.—(1) The Chairman shall periodically (and not less often than every other year)—

"(A) review the overall structure of the unified and specified combatant commands (including the relationship among their respective functions, missions, areas of responsibility, and chains of command); and

"(B) recommend to the President, through the Secretary of Defense, any changes that the Chairman considers necessary or appropriate.

"(2) The President shall promptly inform Congress of any action taken in response to recommendations made by the Chairman under paragraph (1)(B).

"§ 162. Forces assigned to combatant commands

"(a) ASSIGNMENT OF FORCES.—(1)(A) Except as provided in paragraph (2), the Secretaries of the military departments shall assign all forces under their jurisdiction to unified and specified combatant commands to perform the missions assigned to those commands. Such assignments shall be made as directed by the Secretary of Defense, including direction as to the command to which forces are to be assigned.

"(B) As directed by the Secretary of Defense, the commanders of the unified and specified combatant commands and the Secretaries of the military departments shall assign forces under their jurisdiction to any special combatant command established under this chapter to perform the missions assigned to that command.

"(2) Except as otherwise directed by the Secretary of Defense, forces to be assigned by the Secretaries of the military departments to the combatant commands under paragraph (1) do not include forces assigned to the recruiting, organizing, training, or supplying of the armed forces.

"(3) A force assigned to a combatant command under this section may be transferred from the command to which it is assigned only by authority of the Secretary of Defense and under procedures prescribed by the Secretary with the approval of the President.

"(4) A force not assigned to a combatant command remains, for all purposes, in the military department concerned.

"(5) Unless otherwise directed by the Secretary of Defense, all forces operating within the geographic area assigned to the commander of a unified command shall be assigned to and under the command of the commander of that command. The preceding sentence applies to forces assigned to a specified command or a special combatant command only as prescribed by the Secretary of Defense.

"(b) COMMAND OF ASSIGNED FORCES.—(1) Notwithstanding any other provision of law, a force assigned to a combatant command under this section is under the command of the commander of that command. In this section, the term 'command' means the authority to give authoritative direction to subordinate forces necessary to accomplish assigned missions.

"(2) The Secretary of Defense shall ensure that commanders of combatant commands have sufficient authority over the forces assigned to their commands to exercise effective command over those forces.

"(3) If a commander of a combatant command at any time considers his authority over any of the forces assigned to that command to be insufficient to command effectively, the commander shall promptly inform the Secretary of Defense.

"(c) ORGANIZATION, TRAINING, AND EMPLOYMENT OF ASSIGNED FORCES.—(1) The commander of each combatant command shall prescribe the chain of command and organizational structure of forces assigned to that command. To the extent practicable, the structure established should be the structure that would be used in the event of war or hostilities.

"(2) The commander of a combatant command shall have authority—

"(A) to train forces assigned to that command; and

"(B) to employ those forces to accomplish assigned missions.

"§163. Functions and supervision

"(a) FUNCTIONS.—Commanders of combatant commands established under this chapter are responsible to the President and to the Secretary of Defense for such missions as may be assigned to them by the Secretary with the approval of the President.

"(b) SUPERVISION BY JCS CHAIRMAN.—Subject to the authority, direction, and control of the Secretary of Defense, the Chairman of the Joint Chiefs of Staff supervises the commanders of the combatant commands and is their spokesman at the seat of Government.

"§ 164. Administration and support of assigned forces

"(a) ADMINISTRATION.—Subject to the authority, direction, and control of the Secretary of Defense, the Secretary of each military department is responsible for the administration of forces assigned by that department to combatant commands.

"(b) SUPPORT.—Unless otherwise directed by the Secretary of Defense, the Secretary of each military department is responsible for the support of forces assigned by that department to combatant commands. The Secretary of Defense may assign the responsibility for the support of forces assigned to a combatant command (or any part of that responsibility) to—

"(1) one or more of the military departments;

"(2) other agencies of the Department of Defense; or

"(3) the commander of the combatant command concerned.

"(c) REQUESTS BY CINCS TO PROVIDE OWN SUPPORT.—(1) If a commander of a combatant command decides that performance of a support function (or any part of such a function) by elements of that command would improve the capability of the command to carry out assigned missions or would otherwise be more effective, economical, or efficient, the commander may submit to the Secretary of Defense a proposal for the transfer of that function (or any part of that function) to the command.

"(2) Parts of a support function with respect to which a commander may submit a proposal under this subsection include the authority, with respect to that function, to establish requirements and to plan and direct distribution.

"(d) ADVICE OF CHAIRMAN.—The functions of the Secretary under this section shall be carried out with the advice and assistance of the Chairman of the Joint Chiefs of Staff.

"§ 165. Unified and specified commands: program and budget proposals; net assessments

"(a) COMBATANT COMMAND BUDGETS.—The Secretary of Defense shall include in the annual budget of the Department of Defense submitted to Congress a separate budget proposal for such activities of each of the unified and specified combatant commands as may be determined under subsection (b).

"(b) CONTENT OF PROPOSALS.—A budget proposal under subsection (a) for funding of activities of a combatant command shall include funding proposals for such activities of the combatant command as the Secretary (after consultation with the Chairman of the Joint Chiefs of Staff) determines to be appropriate for inclusion. Activities of a combatant command for which funding may be requested in such a proposal include the following:

"(1) Joint exercises.

"(2) Force training.

"(3) Contingencies.

"(4) Selected operations.

"(c) SUBMISSION BY CINCS.—The commander of each unified or specified combatant command shall submit to the Chairman an annual program and budget proposal for that command for consideration for inclusion under subsection (a) in the next budget of the Department of Defense.

"(d) SUBMISSION OF BUDGET PROPOSALS BY CHAIRMAN.—The Chairman shall—

"(1) review and analyze the combatant command budget proposals submitted under subsection (c);

"(2) establish priorities in accordance with guidance provided by the Secretary; and

"(3) recommend to the Secretary for the purposes of subsection (a) a budget proposal for each command.

"(e) SECRETARY OF DEFENSE GUIDANCE.—Budget proposals under subsections (c) and (d) shall be prepared in accordance with, and subject to, guidance furnished by the Secretary of Defense, including guidance with respect to anticipated budget limitations.

"(f) NET ASSESSMENTS.—(1) In accordance with guidelines established by the Secretary of Defense, the findings, conclusions, and recommendations of any net assessment conducted by an organization of the Department of Defense shall be made available to the commanders of the unified and specified combatant commands.

"(2) The Chairman of the Joint Chiefs of Staff shall establish procedures by which—

"(A) each commander of a combatant command may require the Joint Staff to assist the commander with respect to net assessments relating to the commander's duties; and

"(B) each commander shall contribute to the preparation, conduct, and findings of net assessments performed by the Joint Staff.

"(3) The Secretary of Defense shall establish procedures by which a commander of a combatant command may require organizations of the Department of Defense that perform net assessments (in addition to the Joint Staff) to assist the commander with respect to net assessments relating to the commander's duties.

"(4) The commander of a unified or specified combatant command shall include the results of any current net assessment conducted by or on behalf of his command—

"(A) in preparing any evaluation of the capabilities of his command for submission to the Secretary or the Chairman; and

"(B) in developing operations plans for the command.

"§ 166. Combatant command subordinate commanders and CINC staff officers: selection and tenure

"(a) SELECTION.—

"(1) SENIOR GENERAL AND FLAG OFFICERS.—The selection of a general or flag officer for recommendation to the President for nomination to an assignment as a principal subordinate officer of the commander of a unified or specified combatant command, or to the staff of such a commander, in a position of importance and responsibility designated by the President under section 601 of this title shall be made by the commander of that command in accordance with procedures prescribed by the Secretary of Defense. Such procedures shall provide for the selection to be made from a list of officers submitted to the commander by the Secretary of the military department concerned and that the commander may specify the number of officers to be included on such a list.

"(2) OTHER OFFICERS.—Except as provided under paragraph (1), the selection of an officer to an assignment as a principal subordinate officer of the commander of a unified or specified combatant command, or to the staff of such a commander, shall be made by that commander. Such selection shall be made from a list of officers submitted to the commander by the Secretary of the military department concerned. The commander may specify the number of officers to be included on such a list.

"(b) TENURE.—The tenure of an officer assigned to a combatant command under subsection (a) is subject to the approval of the commander of the combatant command.

"§ 167. Joint Commanders Council

"(a) ESTABLISHMENT.—There is hereby established in the Department of Defense a council to be known as the 'Joint Commanders Council'. The Council consists of—

"(1) the Chairman of the Joint Chiefs of Staff, who is the head of the Council; and

"(2) the commanders of the unified and specified combatant commands.

"(b) FUNCTIONS.—The Council, as a body, shall—

"(1) provide advice to the President and Secretary of Defense on matters with respect to which such advice is requested; and

"(2) advise the Chairman, as requested by him, on the execution of the Chairman's responsibilities.".

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part I of subtitle A, of such title are amended by inserting after the item relating to chapter 5 the following new item:

"6. Combatant Commands ..... 161".

(b) COURT-MARTIAL JURISDICTION.—Section 822(a) of title 10, United States Code (article 22(a) of the Uniform Code of Military Justice), is amended—

(1) by redesignating paragraphs (2) through (7) as paragraphs (4) through (9), respectively; and

(2) by inserting after paragraph (1) the following new paragraphs (2) and (3):

"(2) the Secretary of Defense;

"(3) the commanding officer of a unified or specified combatant command;".

(c) OPERATIONAL AUTHORITY OVER FORCES.—Section 5012 of such title is amended—

(1) by striking out "is generally" and all that follows in the third sentence of subsection (a) and inserting in lieu thereof ", in accordance with integrated joint mobilization plans, for the expansion of the peacetime components of the Navy to meet the needs of war."; and

(2) by striking out subsection (d).

(d) CONFORMING AMENDMENTS.—

(1) REPEAL OF SECTION 124.—(A) Section 124 of such title is repealed.

(B) The table of sections at the beginning of chapter 3 of such title is amended by striking out the item relating to section 124.

(2) COMMAND AUTHORITY OF CINCS.—Sections 3034(d)(4), 5081(c), 5201(d), and 8034(d)(4) of such title are amended by striking out "full operational command vested in unified or specified combatant commanders under section 124 of this title" and inserting in lieu thereof "command authority vested in the commanders of unified and specified combatant commands under chapter 6 of this title".

SEC. 3502. FUNCTIONS OF CHAIRMAN OF JOINT CHIEFS OF STAFF.

(a) IN GENERAL.—Section 141(c) of title 10, United States Code, is amended—

(1) by striking out the matter preceding clause (1) and inserting in lieu thereof the following:

"(c) Subject to the authority and direction of the President and the Secretary of Defense, the Chairman (in consultation, as appropriate, with the other members of the Joint Chiefs of Staff and with the commanders of the unified and specified commands) shall—";

(2) by striking out "and" at the end of paragraph (7);

(3) by redesignating paragraph (8) as paragraph (15); and

(4) by inserting after paragraph (7) the following new paragraphs:

"(8) submit to the Secretary recommendations for the allocation of defense resources under the proposed national defense budget for each fiscal year, to be developed within anticipated limits on funding levels available for defense functions and based on—

"(A) guidance provided by the Secretary;

"(B) recommendations submitted by the commanders of the unified and specified combatant commands based on the requirements of their assigned missions; and

"(C) recommendations (as appropriate) submitted by the Secretaries of the military departments and the heads of other components of the Department of Defense;

"(9) review the program objectives and budget proposals of the Secretary of each military department and of those defense agencies with a combat support mission and recommend to the Secretary changes in such proposals in accordance with the Chairman's recommendations under clause (8);

"(10) in accordance with section 165(d) of this title, recommend to the Secretary a budget for each unified and specified combatant command, including the functions of each such command for which funds should be appropriated to the command;

"(11) establish and maintain, in consultation with the commanders of the unified and specified combatant commands, a uniform system of evaluating the overall capabilities of each such command to accomplish its missions;

"(12) monitor the extent to which each military department provides officers for joint duty assignments and report to the Secretary of Defense when any department provides substantially fewer than one-third of the positions on the Joint Staff and one-third of the total number of joint duty assignments;

"(13) develop doctrine for the joint employment of the armed forces;

"(14) perform net assessments to determine the capabilities of the armed forces to carry out military operations under unified command; and".

(b) CONSULTATION.—Section 141 of such title is further amended by adding at the end the following new subsection:

"(e) In carrying out his functions under this chapter or any other provision of law, the Chairman shall consult, as appropriate, with the other members of the Joint Chiefs of Staff and the commanders of the unified and specified commands.".

(c) JOINT STAFF NET ASSESSMENT CAPABILITY.—Section 143 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(f) The Chairman shall ensure that the Joint Staff is organized and staffed so as to provide the Chairman the necessary staff expertise to enable him to carry out section 141(a)(14) of this title.".

SEC. 3503. TRANSFERS OF STAFF PERSONNEL.

(a) TRANSFERS OF STAFFS TO CINC HEADQUARTERS.—The Secretary of Defense shall provide that personnel assigned to the headquarters staffs of the military departments and of the separate Armed Forces and personnel assigned to the staffs of the commanders of subordinate forces of the unified and specified commands shall, to the maximum extent practicable, be transferred to the staffs of the commanders of the unified and specified commands to reflect transfers of functions provided for or authorized by this Act. Such transfers shall be carried out as expeditiously as possible.

(b) LIMITATION ON TOTAL STAFF SIZE.—The total size of the headquarters staffs of the commanders of the unified and specified commands, the military departments, the separate Armed Forces, and the commanders of subordinate forces of the unified and specified commands may not be greater after any such transfer of functions than it was before such transfer.

SEC. 3504. INITIAL REVIEW OF UNIFIED COMMAND PLAN.

(a) MATTERS TO BE CONSIDERED—The first review of the structure of the unified and specified commands under section 161(c) of title 10, United States Code, as added by section 3501, shall include consideration of the following:

(1) Creation of a unified strategic command combining the missions, functions, and forces of the Strategic Air Command, the strategic forces of the Navy, and other appropriate forces.

(2) Creation of a unified command for special operations missions.

(3) Revision of the geographic area that is the responsibility of the Central Command, to include the ocean areas adjacent to Southwest Asia.

(4) Revision of the geographic area that is the responsibility of the Southern Command, to include the ocean areas adjacent to Central America.

(5) Revision of the missions, functions, and responsibilities of the Readiness Command and of the Central Command.

(6) Elimination of the United States Forces Caribbean Command.

(b) DEADLINE.—The first report to the President under such section shall be made not later than one year after the date of the enactment of this Act.

SEC. 3505. REPEAL OF CERTAIN LIMITATIONS ON DEFENSE MANAGEMENT.

(a) PROHIBITION AGAINST CONSOLIDATING FUNCTIONS OF THE MILITARY TRANSPORTATION COMMANDS.—Section 1110 of the Department

of Defense Authorization Act, 1983 (Public Law 97-252; 96 Stat. 747), is repealed.

(b) PROHIBITION AGAINST ALTERING COMMAND STRUCTURE FOR MILITARY FORCES IN ALASKA.—Section 8106 of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of Public Law 99-190 (99 Stat. 1221)), is repealed.

SEC. 3506. TRANSITION.

(a) GENERAL RULE.—Except as otherwise provided in this section, this title and the amendments made by this title shall take effect on the date of the enactment of this Act.

(b) ASSIGNMENT OF FORCES TO COMBATANT COMMANDS.—Section 162 of title 10, United States Code, as added by section 3501, shall take effect at the end of the 90-day period beginning on the date of the enactment of this Act.

(c) PROGRAM AND BUDGET PROPOSALS.—Section 165 (other than subsection (f)) of title 10, United States Code, as added by section 3501, shall take effect with respect to program and budget proposals for fiscal year 1989.

(d) SELECTION AND TENURE OF SUBORDINATE OFFICERS.—Section 166 of title 10, United States Code, as added by section 3501, shall take effect at the end of the 90-day period beginning on the date of the enactment of this Act.

(e) COMBATANT COMMAND EVALUATION SYSTEM.—The uniform system of evaluating the overall capabilities of each unified and specified combatant command required to be established by paragraph (11) of section 141(c) of title 10, United States Code, as added by section 3502(a), shall be established not later than the end of the one-year period beginning on the date of the enactment of this Act.

TITLE II—DEFENSE AGENCIES

SEC. 3601. OVERSIGHT REQUIREMENTS WITH RESPECT TO DEFENSE AGENCIES.

(a) IN GENERAL.—(1) Chapter 8 of title 10, United States Code, is amended—

(A) by redesignating section 191 as section 196; and

(B) by inserting after the table of sections the following new sections:

"§ 191. Authority to provide for common performance of supply or service activities

"Whenever the Secretary of Defense determines it will be more effective, economical, or efficient, the Secretary shall provide for the performance of a supply or service activity common to more than one military department by one agency or such other organization as the Secretary considers appropriate.

"§ 192. Defense agencies: oversight by the Secretary of Defense

"(a) PERIODIC REVIEW.—Periodically (and not less often than every two years), the Secretary of Defense shall review the services and supplies provided by the defense agencies to ensure that the provision of those services and supplies by those agencies, rather than by the military departments, is a more effective, economical, or efficient manner of providing those services and supplies consistent with the requirements for combat readiness of the armed forces.

"(b) INFORMATION REQUIRED FOR REVIEW.—(1) In performing the review required by subsection (a), the Secretary shall obtain, as appropriate, the views of—

"(A) the directors of the defense agencies;

"(B) the Chairman of the Joint Chiefs of Staff;

"(C) the Secretaries of the military departments;

"(D) the Chief of Staff of the Army, the Chief of Staff of the Air Force, the Chief of Naval Operations, and the Commandant of the Marine Corps; and

"(E) the commanders of the unified and specified combatant commands.

"(2) Paragraph (1) shall apply to the National Security Agency as determined appropriate by the Secretary. The Secretary shall establish procedures under which information required for review of the National Security Agency shall be obtained.

"§ 193. Combat support agencies: duties of the Chairman of the Joint Chiefs of Staff

"(a) COMBAT READINESS.—(1) Periodically (and not less often than every two years), the Chairman of the Joint Chiefs of Staff shall submit to the Secretary of Defense a report on the combat support agencies. Each such report shall include—

"(A) a determination with respect to the responsiveness and readiness of each such agency to support operating forces in the event of a war or threat to national security; and

"(B) any recommendations that the Chairman considers appropriate.

"(2) In preparing each such report, the Chairman shall review the plans of each such agency with respect to its support of operating forces in the event of a war or threat to national security. After consultation with the Secretaries of the military departments and the commanders of the unified and specified combatant commands, as appropriate, the Chairman may, in accordance with guidelines established by the Secretary of Defense, take steps to provide for any revision of those plans that the Chairman considers appropriate.

"(b) PARTICIPATION IN JOINT TRAINING EXERCISES.—The Chairman shall—

"(1) provide for the participation of the combat support agencies in joint training exercises to the extent necessary to ensure that those agencies are capable of performing their support missions with respect to a war or threat to national security; and

"(2) assess the performance in joint training exercises of each such agency and, in accordance with guidelines established by the Secretary of Defense, take steps to provide for any change that the Chairman considers appropriate to improve that performance.

"(c) READINESS REPORTING SYSTEM.—The Chairman shall develop, in consultation with the director of each combat support agency, a uniform system for reporting to the Secretary of Defense, the commanders of the unified and specified combatant commands, and the Secretaries of the military departments concerning the readiness of each such agency to perform with respect to a war or threat to national security.

"(d) REVIEW OF NATIONAL SECURITY AGENCY.—(1) This section shall apply to the National Security Agency, but only with respect to functions the Agency performs for the Department of Defense.

"(2) The Secretary, after consulting with the Director of Central Intelligence, shall establish policies and procedures with respect to the application of this section to the National Security Agency.

"(3) The Secretary shall submit to Congress a report on any revision of the policies and procedures established under paragraph (2).

"§ 194. Combat support agency representatives: combatant command headquarters

"Upon the request of the commander of a unified or specified combatant command, the director of a combat support agency shall assign a representative of that agency to the headquarters of that command.

"§ 195. Definition of combat support agency

"In this chapter, the term 'combat support agency' means any of the following:

"(1) The Defense Communications Agency.

"(2) The Defense Intelligence Agency.

"(3) The Defense Logistics Agency.

"(4) The Defense Mapping Agency.

"(5) Any other defense agency designated as a combat support agency by the Secretary of Defense.".

(2) The table of sections at the beginning of such chapter is amended to read as follows:

"Sec.
"191. Authority to provide for common performance of supply or service activities.
"192. Defense agencies: oversight by the Secretary of Defense.
"193. Combat support agencies: duties of the Chairman of the Joint Chiefs of Staff.
"194. Combat support agency representatives: combatant command headquarters.
"195. Definition of combat support agency.
"196. Unauthorized use of Defense Intelligence Agency name, initials, or seal.".

(b) DEFENSE AGENCY DEFINED.—Section 101 of such title is amended by adding at the end the following new paragraph:

"(43) 'Defense agency' means an agency established by the Secretary of Defense under section 191 of this title (or under the second sentence of section 125(d) of this title (as in effect before the date of the enactment of the Department of Defense Reorganization Act of 1986)) to perform a supply or service activity common to more than one military department.".

(c) CONFORMING AMENDMENT.—Section 125 of such title is amended by striking out the last sentence of subsection (d).

(d) TRANSITION PROVISIONS.—

(1) SECRETARY OF DEFENSE REVIEW OF DEFENSE AGENCIES.—The first review under section 192 of title 10, United States Code (as added by subsection (a)(1)), shall be completed not later than the end of the two-year period beginning on the date that the report required by section 202(f) is required to be submitted to Congress.

(2) FUNCTIONS OF CHAIRMAN OF JOINT CHIEFS OF STAFF.—The first report under subsection (a) of section 193 of such title (as added by subsection (a)(1)) shall be submitted, and subsections (b) and (c) of such section shall be implemented, not later than the end of the one-year period beginning on the date of the enactment of this Act. The Secretary of Defense shall provide an interim report on the implementation of such subsections (b) and (c) in the report of the Secretary submitted to Congress for 1987 under section 133(c) of title 10, United States Code, and shall provide a final report on such implementation in the report of the Secretary under such section submitted for 1988.

(3) APPLICATION TO NATIONAL SECURITY AGENCY.—The Secretary of Defense shall, before the end of the 120-day period beginning on the date of the enactment of this Act—

(A) establish the policies and procedures required to be established by subsection (d)(2) of section 193 of such title (as added by subsection (a)(1)) with respect to the application of such section to the National Security Agency; and

(B) submit to Congress a report on such policies and procedures.

SEC. 3602. REASSESSMENT OF DEFENSE AGENCIES.

(a) SECRETARY OF DEFENSE.—(1) The Secretary of Defense shall conduct a study of the functions and organizational structure of the defense agencies. The study shall determine the most appropriate means of providing the supplies and services now provided by those agencies, after considering the matters set forth in subsection (d) and the reports submitted under subsection (b).

(2) To the extent that the most appropriate means of providing those supplies and services is determined under paragraph (1) to be the existing defense agency structure, the study shall analyze methods to improve the performance and responsiveness of the defense agencies with respect to the entities to which they provide those supplies and services, particularly with regard to the unified and specified combatant commands.

(b) SERVICE SECRETARIES AND CHAIRMAN OF THE JOINT CHIEFS OF STAFF.—The Chairman of the Joint Chiefs of Staff and the Secretaries of the military departments shall each conduct a study of functions and organizational structure of the defense agencies. The Chairman and Secretaries shall each submit a report to the Secretary of Defense on such study at a time specified by the Secretary. Each such report shall include a discussion of and recommendations concerning each matter set forth in subsection (d).

(c) NATIONAL SECURITY AGENCY.—This section shall apply to the National Security Agency as determined appropriate by the Secretary. The Secretary shall establish procedures under which information required for review of the National Security Agency shall be obtained.

(d) MATTERS CONSIDERED.—The studies required by subsections (a) and (b) shall consider the following matters:

(1) Whether the existing allocation of functions to, and organizational structure of, the defense agencies meets the statutory requirement of providing more effective, economical, or efficient provision of a supply or service activity common to more than one military department and eliminating duplication in the provision of that supply or service activity.

(2) Alternative allocations of authority and functions assigned to the defense agencies, including—

(A) various possible redistributions of responsibilities among those agencies;

(B) transfer of those functions to the military departments;

(C) transfer of those functions to the Office of the Secretary of Defense;

(D) transfer of those functions to the Chairman of the Joint Chiefs of Staff, the commanders of the unified and specified combatant commands, or other joint entities of the Department of Defense;

(E) creation of new defense agencies; and

(F) other organizational changes in the Department of Defense designed to make the performance of those functions more effective, economical, or efficient.

(3) The effect of the amendments made by section 3601 on ensuring the readiness and responsiveness of the defense agencies in the event of a war or threat to national security and any additional legislation that the Secretary considers necessary to ensure such readiness and responsiveness.

(4) Additional legislative or administrative actions that the Secretary considers necessary to ensure effective oversight of defense agency resource management, personnel policies, and budget procedures and to clarify the chain of command.

(5) The findings of the report of March 1979 entitled "Report to the Secretary of Defense of the Defense Agency Review" and directed by Major General Theodore Antonelli, United States Army (Retired).

(e) CONSULTATION WITH APPROPRIATE OFFICIALS.—The Secretary, in carrying out the study required by subsection (a), shall consult with the directors of the defense agencies and such other officials as the Secretary considers appropriate.

(f) REPORT.—The Secretary of Defense shall submit to Congress a report that includes the following:

(1) A report on the study required by subsection (a) that includes—

(A) a discussion of and recommendations concerning each matter set forth in subsection (d); and

(B) a discussion of the reports required by subsection (b).

(2) A copy of each report required by subsection (b) and the comments of the Secretary concerning each such report.

(g) DEADLINE FOR SUBMISSION.—The report required by subsection (f) shall be submitted not later than the end of the one-year period beginning on the date of the enactment of this Act.

SEC. 3603. REPORT ON IMPROVED APPLICATION OF COMPUTER SYSTEMS TO DEFENSE AGENCY FUNCTIONS.

(a) IN GENERAL.—The Secretary of Defense shall prepare a report describing a plan for the improved application of computer systems to defense agency functions and activities, particularly with respect to the application of new automated data processing equipment and systems to such activities and the replacement of existing equipment and systems with new equipment and systems. The report shall set forth a plan for the rapid replacement of existing automated data processing equipment and systems when necessary for agency functions.

(b) SUBMISSION OF REPORT.—The report required by subsection (a) shall be submitted as part of the report of the Secretary under section 3602(f).

TITLE III—JOINT OFFICER PERSONNEL POLICY

SEC. 3701. JOINT OFFICER MANAGEMENT.

(a) ESTABLISHMENT OF JOINT SPECIALTY.—Part II of subtitle A of title 10, United States Code, is amended by inserting after chapter 37 the following new chapter:

"CHAPTER 38—JOINT OFFICER MANAGEMENT

"Sec.
"661. Joint specialty.
"662. Selection for senior military positions.
"663. Training and education.
"664. Length of joint duty assignments.
"665. Procedures for monitoring careers of joint officers.
"666. Reserve officers not on the active duty list.
"667. Annual report to Congress.
"668. Definitions.

"§ 661. Joint specialty

"(a) ESTABLISHMENT.—The Secretary of Defense shall establish an occupational category for officers of the Army, Navy, Air Force, and Marine Corps on the active-duty list who (in addition to their principal military occupational specialty) are particularly trained in and oriented toward joint matters (as defined in section 668 of this title). Officers with that occupational category shall be identified or designated in such manner as the Secretary of Defense directs. For purposes of this chapter, that category is referred to as the 'joint specialty'.

"(b) NUMBERS AND SELECTION.—

"(1) NUMBER.—The number of officers with the joint specialty shall be determined by the Secretary. Such number shall be large enough to meet the requirements of subsection (d).

"(2) SELECTION OF OFFICERS FOR JOINT SPECIALTY.—Officers shall be selected for the joint specialty by the Secretary of Defense with the advice of the Chairman of the Joint Chiefs of Staff. The Secretaries of the military departments shall nominate officers for selection for the joint specialty. Nominations shall be made from among officers—

"(A) who meet qualifications prescribed by the Secretary of Defense; and

"(B) who—

"(i) are senior captains or, in the case of the Navy, lieutenants; or

"(ii) are serving in the grade of major or lieutenant commander or a higher grade.

"(c) TRAINING AND EXPERIENCE REQUIREMENTS.—

"(1) GENERAL RULE.—An officer who is nominated for the joint specialty may not be selected for the joint specialty until the officer—

"(A) successfully completes an appropriate program at a joint professional military education school; and

"(B) after completing such program of education, successfully completes a full tour of duty in a joint duty assignment.

"(2) EXCEPTION FOR OFFICERS WITH CRITICAL SKILLS.—An officer who has a critical occupational specialty involving combat operations (as designated by the Secretary of Defense) who is nominated for the joint specialty may be selected for the joint specialty after successful completion of a joint duty assignment of not less than two years and successful completion of a program under paragraph (1)(A). An officer selected for the joint specialty under this paragraph shall be required to complete the generally applicable requirements for selection under paragraph (1)(B) as soon as practicable after such officer's selection.

"(d) JOINT DUTY ASSIGNMENTS.—

"(1) 50 PERCENT REQUIREMENT.—The Secretary of Defense shall ensure that approximately one-half of the joint duty assignment positions in grades above captain or, in the case of the Navy, lieutenant are filled at any time by officers who have (or have been nominated for) the joint specialty.

"(2) CRITICAL ASSIGNMENTS.—The Secretary of Defense shall designate not fewer than 1,000 joint duty assignment positions as critical joint duty assignment positions. Each such position shall be held only by officers with the joint specialty.

"(e) CAREER GUIDELINES.—The Secretary, with the advice of the Chairman of the Joint Chiefs of Staff, shall establish career guidelines for officers with the joint specialty. Such guidelines shall include guidelines for—

"(1) selection;

"(2) training;

"(3) military education;

"(4) types of duty assignments;

"(5) information and guidelines to be furnished by the Secretary of a military department under section 615 of this title for officer selection boards; and

"(6) such other matters as the Secretary considers appropriate.

"§ 662. Selection for senior military positions

"(a) POLICY FOR SELECTION FOR SENIOR POSITIONS.—The Secretary of Defense shall establish policies to ensure that, whenever practicable, the criteria set forth in subsection (b) are applied to the selection of an of-

ficer for recommendation to the President for—

"(1) appointment as Chairman of the Joint Chiefs of Staff or as a Chief of Service; or

"(2) assignment as the commander of a unified or specified combatant command.

"(b) CRITERIA.—The criteria referred to in subsection (a) are as follows:

"(1) JCS CHAIRMAN.—The criteria for selection of an officer for recommendation for appointment as Chairman of the Joint Chiefs of Staff are that the officer have served as a Chief of Service or as the commander of a unified or specified combatant command.

"(2) CHIEF OF SERVICE.—The criteria for selection of an officer for recommendation for appointment as a Chief of Service are that the officer have had significant experience in joint duty assignments and that such experience include at least one joint duty assignment as a general or flag officer.

"(3) CINC.—The criteria for selection of an officer for recommendation for assignment as the commander of a unified or specified combatant command are that the officer—

"(A) have the joint specialty; and

"(B) have had at least one joint duty assignment as a general or flag officer.

"(c) CHIEF OF SERVICE DEFINED.—In this section, the term 'Chief of Service' means the Chief of Staff of the Army, the Chief of Naval Operations, the Chief of Staff of the Air Force, or the Commandant of the Marine Corps.

"§ 663. Training and education

"(a) CAPSTONE COURSE FOR NEW GENERAL AND FLAG OFFICERS.—

"(1) REQUIREMENT.—Each officer selected for promotion to the grade of brigadier general or, in the case of the Navy, rear admiral (lower half) shall be required, after such selection, to attend a military education course designed specifically to prepare new flag and general officers to work with the other armed forces.

"(2) WAIVER AUTHORITY.—Subject to paragraph (3), the Secretary of Defense may waive paragraph (1)—

"(A) in the case of an officer whose immediately previous assignment was in a critical joint duty assignment and who is thoroughly familiar with joint warfare matters;

"(B) when necessary for the good of the service;

"(C) in the case of an officer whose proposed selection for promotion is based primarily upon scientific and technical qualifications for which joint requirements do not exist (as determined under regulations prescribed under section 619(e)(4) of this title); and

"(D) in the case of a medical officer, dental officer, veterinary officer, medical service officer, nurse, biomedical science officer, chaplain, or judge advocate.

"(3) LIMITATION ON WAIVER AUTHORITY.—The authority of the Secretary of Defense to grant a waiver under paragraph (2) may only be delegated to the Deputy Secretary of Defense or an Assistant Secretary of Defense. Such a waiver may be granted only on a case-by-case basis in the case of an individual officer.

"(b) JOINT MILITARY EDUCATION SCHOOLS.—The Secretary of Defense shall periodically review and revise the curriculum of schools of the National Defense University (and of any other joint professional military education school) to enhance the education and training of officers in joint military matters. Such schools shall be required to maintain rigorous standards for the military education of officers with the joint specialty.

"(c) OTHER PROFESSIONAL MILITARY EDUCATION SCHOOLS.—The Secretary of Defense shall require that each Department of Defense school concerned with professional military education periodically review and revise its curricula for senior and intermediate grade officers in order to strengthen the focus on—

"(1) joint military operations; and

"(2) preparing officers for joint duty assignments.

"(d) POST-TRAINING DUTY ASSIGNMENTS.—The Secretary shall ensure that—

"(1) unless waived by the Secretary in an individual case, each officer with the joint specialty who graduates from a joint professional military school shall be assigned to a joint duty assignment for that officer's next duty assignment; and

"(2) a high proportion (which shall be significantly greater than 50 percent) of the other officers graduating from a joint professional military school also receive assignments to a joint duty assignment as their next duty assignment.

"(e) OTHER REQUIREMENTS FOR SENIOR OFFICERS.—The Secretary shall take all other practicable measures to improve the training and experience of officers serving in senior joint duty assignments.

"§ 664. Length of joint duty assignments

"(a) GENERAL RULE.—The length of a joint duty assignment—

"(1) for general and flag officers shall be not less than three years; and

"(2) for other officers shall be not less than three and one half years.

"(b) WAIVER AUTHORITY.—The Secretary of Defense may waive subsection (a) in any case, but the Secretary shall ensure that the average length of joint duty assignments meets the standards prescribed in that subsection.

"(c) CERTAIN OFFICERS WITH CRITICAL COMBAT OPERATIONS SKILLS.—Joint duty assignments of less than the period prescribed by subsection (a), but not less than two years, may be authorized for the purposes of section 661(c)(2) of this title. Any such assignment shall not be counted for the purposes of determining the average length of joint duty assignments under subsection (b).

"§ 665. Procedures for monitoring careers of joint officers

"(a) PROCEDURES.—(1) The Secretary of Defense, with the advice of the Chairman of the Joint Chiefs of Staff, shall establish procedures for overseeing the careers of—

"(A) officers with the joint specialty; and

"(B) other officers who serve in joint duty assignments.

"(2) Such oversight shall include monitoring of the implementation of the career guidelines established under section 661(e) of this title.

"(b) ADVICE OF CHAIRMAN OF JOINT CHIEFS OF STAFF.—The Chairman of the Joint Chiefs of Staff shall advise the Secretaries of the military departments with respect to duty assignments of—

"(1) officers with the joint specialty; and

"(2) other officers serving in joint duty assignments.

"(c) FUNCTION OF JOINT STAFF.—The Secretary shall take such action as necessary to enhance the capabilities of the Joint Staff so that it can—

"(1) monitor the promotions and career assignments of officers with the joint specialty and of other officers who have served in joint duty assignments; and

"(2) otherwise advise the Chairman on joint personnel matters.

"§ 666. Reserve officers not on the active duty list

"The Secretary of Defense shall establish personnel policies emphasizing training and experience in joint matters for reserve officers not on the active-duty list. Such policies shall, to the extent practicable for the reserves components, be similar to the policies provided by this chapter.

"§ 667. Annual report to Congress

"(a) IN GENERAL.—The Secretary of Defense shall include in the annual report of the Secretary to Congress (in that portion of the report relating to management) the following information:

"(1) The number of officers qualifying for the joint specialty and their education and training.

"(2) The promotion rate for officers in the joint specialty compared with the promotion rates for officers in the same armed force and at the same competitive category, shown for all officers of the armed force and for officers serving on the headquarters staff of the military department concerned.

"(3) The promotion rates of other officers serving in joint duty assignments, compared in the same manner as specified in paragraph (2).

"(4) Promotion rates for officers below the zone, shown for officers with the joint specialty and other officers who have served in joint duty assignments, compared in the same manner as specified in paragraph (2).

"(5) An analysis of assignments of officers after selection for the joint specialty.

"(6) The average length of tours of duty in joint duty assignments—

"(A) for general and flag officers, shown separately for assignments to the Joint Staff and other joint duty assignments; and

"(B) for other officers, shown separately for assignments to the Joint Staff and other joint duty assignments.

"(7) In any case in which the information under paragraphs (2) through (6) shows a significant imbalance between officers serving in joint duty assignments and other officers, a description of what action has been taken (or is planned to be taken) by the Secretary to correct the imbalance.

"(8) Any other information or comparative data that shows performance of the Department of Defense and the performance of each military department in carrying out this chapter and section 626a of this title.

"(b) ANNUAL REPORT OF THE SECRETARY DEFINED.—In this section, the term 'annual report of the Secretary' means the annual report of the Secretary of Defense required by section 133(c) of this title.

"§ 668. Definitions

"(a) JOINT MATTERS.—In this chapter, the term 'joint matters' means matters relating to the integrated employment of land, sea, and air forces, including matters relating to—

"(1) national military strategy;

"(2) long-range and contingency planning; and

"(3) command and control of combat operations under unified command.

"(b) JOINT DUTY ASSIGNMENT.—

"(1) IN GENERAL—The Secretary of Defense shall by regulation define the term 'joint duty assignment' for the purposes of this chapter. That definition shall be limited to assignments in which the officer gains significant experience in joint matters and shall exclude—

"(A) assignments for joint training or joint education; and

"(B) assignments within an officer's own military department.

"(2) PUBLICATION.—The Secretary shall publish a list showing—

"(A) the positions that are joint duty assignment positions under such regulation and the number of such positions; and

"(B) of the positions listed under subparagraph (A), those that are critical joint duty assignment positions and the number of such positions.".

(b) CLERICAL AMENDMENTS.—The tables of chapters at the beginning of subtitle A, and at the beginning of part II of subtitle A, of title 10, United States Code, are amended by inserting after the item relating to chapter 37 the following new item:

"38. Joint Officer Management..... 661".

SEC. 3702. PROMOTION POLICY FOR JOINT SERVICE OFFICERS.

(a) COMPOSITION OF SELECTION BOARDS.—Section 612 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c) Each selection board that will consider officers who have served in joint duty assignments shall include at least one officer designated by the Chairman of the Joint Chiefs of Staff who is currently serving in a joint duty assignment. The Secretary of Defense may waive the preceding sentence in the case of any selection board of the Marine Corps.".

(b) REVIEW OF PROMOTION LISTS BY CHAIRMAN OF JCS.—Section 618 of such title is amended—

(1) by redesignating subsections (b), (c), (d), and (e) as subsections (c), (d), (e), and (f), respectively; and

(2) by inserting after subsection (a) the following new subsection (b):

"(b)(1) After completing the requirements of subsection (a), the Secretary concerned shall submit the report to the Chairman of the Joint Chiefs of Staff.

"(2) The Chairman shall review the report in accordance with guidelines prescribed by the Secretary of Defense. After reviewing the report of a selection board, the Chairman may recommend for promotion officers who—

"(A) were considered by the board and not recommended for promotion; and

"(B) have served or are serving in joint duty assignments.

"(3) The number of such officers that the Chairman recommends for promotion in any competitive category considered by the board may not exceed 10 percent of the number of officers that the board was authorized to recommend for promotion in that competitive category (but in any case the Chairman may recommend one such officer).

"(4) After reviewing the report of a selection board, the Chairman shall return the report to the Secretary concerned with the names of officers (if any) who were not recommended for promotion by the selection board and who the Chairman recommends for promotion under paragraph (2). Except as provided under paragraph (5), each such name shall be added to the report of the selection board.

"(5) If the Chairman recommends officers for promotion under paragraph (2), and if (after consulting with the Chairman) the Secretary concerned disagrees with any such recommendation of the Chairman, the Secretary—

"(A) may return the report, together with the Chairman's recommendations and comments, to the selection board for further proceedings in accordance with subsection (a);

"(B) may convene a special selection board in the manner provided for under section 628 of this title for consideration of any such officer on his record; or

"(C) may take other appropriate action to satisfy the concerns of the Chairman.

"(6) If, after completion of all actions taken under paragraph (5), the Secretary concerned and the Chairman remain in disagreement with respect to the selection for promotion of an officer, the Secretary concerned shall indicate such disagreement, and the reasons for such disagreement, as part of his transmittal of the report of the selection board to the Secretary of Defense under subsection (c). Such transmittal shall include the name of each officer recommended by the Chairman."; and

(3) by adding at the end of paragraph (1) of subsection (c) (as redesignated by paragraph (1)) the following new sentences: "If the Secretary concerned and the Chairman of the Joint Chiefs of Staff disagree with respect to a recommendation for promotion by the Chairman under subsection (b), the Secretary of Defense shall, before transmitting the report to the President, decide the matter by directing that the name of an officer recommended for promotion by the Chairman be added to, or not be added to, the report of the selection board for officers recommended for promotion. After final action by the Secretary of Defense, the report of the selection board, as modified in accordance with subsection (b) and the decisions of the Secretary of Defense, shall be considered for all purposes to be the report of the selection board.".

(c) PROMOTION POLICIES FOR JOINT SERVICE OFFICERS.—

(1) RELATIVE PROMOTION RATES.—Chapter 36 of such title is amended by inserting after section 626 end the following new section:

"§ 626a. Promotion policy for joint service officers

"The Secretary of Defense shall establish policies to ensure that, whenever practicable, selection of officers on the active-duty list for promotion under this chapter is carried out in a manner consistent with the following policies:

"(1) JOINT STAFF OFFICERS.—Officers who are serving on, or have served on, the Joint Staff shall, as a group, be promoted at a rate not less than the rate for officers of the same armed force in the same grade and competitive category who are serving or have served on the headquarters staff of their armed force.

"(2) JOINT SPECIALTY OFFICERS.—Officers with the joint specialty under chapter 38 of this title shall, as a group, be promoted at a rate not less than the rate for officers of the same armed force in the same grade and competitive category who are serving or have served on the headquarters staff of their armed force.

"(3) OTHER JOINT ASSIGNMENT OFFICERS.—Officers who are serving in, or have served in, joint assignments (other than officers covered by paragraphs (1) and (2)) shall, as a group, be promoted at a rate determined by the Secretary of Defense between—

"(A) the rate for all officers of that armed force in the same grade and competitive category; and

"(B) the rate for officers of the same armed force in the same grade and competitive category who are serving or have served on the headquarters staffs of the military departments.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter II of such chapter is amended by adding at the end the following new item:

"626a. Promotion policy for joint service officers.".

SEC. 3703. JOINT DUTY ASSIGNMENT AS PREREQUISITE FOR PROMOTION TO GENERAL OR FLAG OFFICER RANK.

Section 619 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e)(1) An officer may not be selected for promotion to the grade of brigadier general or, in the case of the Navy, rear admiral (lower half) unless the officer has served in a joint duty assignment.

"(2) Subject to paragraph (3), the Secretary of Defense may waive paragraph (1)—

"(A) when necessary for the good of the service;

"(B) in the case of an officer whose proposed selection for promotion is based primarily upon scientific and technical qualifications for which joint requirements do not exist;

"(C) in the case of a medical officer, dental officer, veterinary officer, medical service officer, nurse, biomedical science officer, chaplain, or judge advocate; and

"(D) until January 1, 1992, in the case of an officer who the Secretary determines served before the date of the enactment of this subsection in an assignment (other than a joint duty assignment) that involved significant experience in joint matters.

"(3)(A) A waiver may be granted under paragraph (2) only on a case-by-case basis in the case of an individual officer.

"(B) In the case of a waiver under paragraph (2)(A), the Secretary shall provide that the first duty assignment as a general or flag officer of an officer for whom the waiver is granted shall be in a joint duty assignment.

"(C) The authority of the Secretary of Defense to grant a waiver under paragraph (2)(B) or (2)(C) may only be delegated to the Deputy Secretary of Defense or an Assistant Secretary of Defense.

"(4) The Secretary of Defense shall prescribe regulations to carry out this subsection. Such regulations shall specifically identify those categories of officers for which selection for promotion to brigadier general is based primarily upon scientific and technical qualifications for which joint requirements do not exist.".

SEC. 3704. ANNUAL REPORT ON IMPLEMENTATION.

The Secretary of Defense shall include in the annual report of the Secretary to Congress under section 133(c) of title 10, United States Code, for each year from 1987 through 1991 (in that portion of the report relating to management) a detailed report on the implementation of this title and the amendments made by this title.

SEC. 3705. TRANSITION.

(a) JOINT SPECIALTY.—

(1) INITIAL SELECTIONS.—The Secretary of Defense shall make the initial selections of officers for the joint specialty under chapter 38 of title 10, United States Code, as added by section 301, from among officers in such grades as the Secretary determines.

(2) SPECIAL RULES.—In making such selections, the Secretary—

(A) may waive the requirement of either subparagraph (A) or (B) (but not both) of section 661(c)(1) of title 10, United States Code, as added by section 3701, in the case of officers in a grade above captain or, in the case of the Navy, lieutenant and below the grade of brigadier general or rear admiral (lower half); and

(B) may waive the requirements of both subparagraphs (A) and (B) of such sentence

in the case of general and flag officers who have served in joint duty assignments.

(3) SUNSET.—The authority provided by this section shall expire two years after the date of the enactment of this Act.

(b) JOINT DUTY ASSIGNMENTS.—(1) Section 661(d) of title 10, United States Code, as added by section 3701, shall be implemented as rapidly as possible and not later than two years after the date of the enactment of this Act.

(2) The list of positions that are joint duty assignments required to be published by section 668(b)(2) of such title shall be published not later than the end of the six-month period beginning on the date of the enactment of this Act.

(c) CAREER GUIDELINES.—The career guidelines required to be established by section 661(e) of such title, the procedures required to be established by section 665(a) of such title, and the personnel policies required to be established by section 666 of such title shall be established not later than the end of the six-month period beginning on the date of the enactment of this Act. The provisions of section 665(c) of such title shall be implemented not later than the end of such period.

(d) TRAINING AND EDUCATION.—

(1) CAPSTONE COURSE.—Subsection (a) of section 663 of such title, as added by subsection (a), shall apply with respect to officers selected in reports of officer selection boards submitted to the Secretary concerned after the end of the 120-day period beginning on the date of the enactment of this Act.

(2) REVIEW OF MILITARY EDUCATION SCHOOLS.—(A) The first review under subsections (b) and (c) of such section shall be completed not later than 120 days after the date of the enactment of this Act. The Secretary of Defense shall submit to Congress a report on the results of the review at each Department of Defense school not later than 60 days thereafter.

(B) Such subsections shall be implemented so that the revised curricula take effect with respect to courses beginning after August 1987.

(e) PROMOTION POLICY.—(1) The amendments made by subsections (a) and (b) of section 3702 shall take effect with respect to selection boards convened under section 611(a) of title 10, United States Code, after the end of the 120-day period beginning on the date of the enactment of this Act.

(2) Section 626a of title 10, United States Code, as added by section 3702(c), shall take effect with respect to selection boards convened under section 611(a) of title 10, United States Code, after the end of the 180-day period beginning on the date of the enactment of this Act.

TITLE IV—MILITARY DEPARTMENT ORGANIZATION

SEC. 3801. REORGANIZATION OF MILITARY DEPARTMENTS BY THE SECRETARY OF DEFENSE.

(a) IN GENERAL.—The Secretary of Defense shall reorganize the executive part of the military departments in accordance with the provisions of this title.

(b) REORGANIZATION POLICIES.—In carrying out the reorganization required by subsection (a), the Secretary of Defense shall implement the following policies:

(1) Each military department shall have a single integrated staff for the executive part of the department, rather than separate civilian secretariat and military staffs.

(2) Commissioned officers serving on the new military department staff shall not constitute or be organized as a separate component within the staff (other than the personal staff of a Service Chief).

(3) The functional assignments of the assistant secretaries of the military departments shall be as uniform as possible across the military departments. In implementing this policy, the Secretary shall limit exceptions to the greatest extent possible.

(4) Senior civilian officials on the department staff who are political appointees shall not be placed in a position subordinate to a military officer.

(5) The size of the department staffs shall be substantially reduced from the combined size of the prior secretariat and military staffs, with functions to be shifted to appropriate joint staffs or to subordinate commands outside the seat of government.

(6) The military staff functions relating to the reserve components shall not be abolished or consolidated with other elements of the military department staff.

(7) The position of Administrative Assistant in the Department of the Army provided for under section 3016 of title 10, United States Code, shall not be abolished and the other military departments may be authorized to have a similar position.

(c) LIMITATION ON FUTURE ADMINISTRATIVE REORGANIZATION OF THE MILITARY DEPARTMENTS.—After the reorganization required by this section is implemented, no reorganization may be made within the Department of Defense that would be inconsistent with the policies set forth in subsection (b).

(d) SUPERVISORY CONTROL OF MILITARY PERSONNEL.—Nothing in this title limits the authority of a Service Chief, under the authority, direction, and control of the Secretary concerned, to exercise supervisory control over members of the Armed Forces under his jurisdiction, especially with respect to personnel matters, in the manner exercised by the Service Chief before the enactment of this Act.

SEC. 3802. EXECUTIVE PART OF MILITARY DEPARTMENTS.

(a) IN GENERAL.—The executive part of each of the military departments is composed of the following:

(1) The Secretary of the military department.

(2) The Under Secretary.

(3) The Assistant Secretaries.

(4) The general counsel.

(5) The Chief of Staff and, in the case of the Department of the Navy, the Chief of Naval Operations and the Commandant of the Marine Corps.

(6) The Vice Chief of Staff or, in the case of the Department of the Navy, the Vice Chief of Naval Operations and the Assistant Commandant of the Marine Corps.

(7) Deputy Chiefs of Staff and, in the case of the Department of the Navy, Deputy Chiefs of Naval Operations.

(8) The Administrative Assistant, in the case of the Department of the Army and any other military department with a similar position.

(9) Other offices or positions provided by law to be in the executive part of the military department.

(10) Civilian personnel in the military department assigned or detailed to the executive part of the military department.

(11) Other members of the Armed Forces assigned or detailed to the executive part of the military department.

(b) ASSISTANT SECRETARIES.—

(1) FUNCTIONS.—The Assistant Secretaries of the military departments shall be assigned the following areas of responsibility by the Secretary of Defense:

(A) Manpower functions.

(B) Reserve affairs functions.

(C) Financial management and comptroller functions.

(D) Research and development functions.

(E) Acquisition functions.

(F) Logistics functions.

(G) Installations functions.

(H) In the case of the Department of the Army, civil works functions.

(2) NUMBER.—There shall be four Assistant Secretaries in each military department, plus an additional Assistant Secretary in the Department of the Army for civil works functions.

(c) PERSONAL STAFFS OF SERVICE SECRETARIES AND SERVICE CHIEFS.—The Secretary of each military department and each Service Chief may each have a personal staff of not more than 30 persons. The Administrative Assistant, and the staff of the Administrative Assistant, of a military department shall not be counted as part of the personal staff of the Secretary of the military department under this subsection.

(d) LIMITATION ON SIZE OF MILITARY DEPARTMENT STAFF.—The total number of persons assigned or detailed to the department staff or staffs of a military department may not exceed 85 percent of the total number of persons on the service secretariat and headquarters staff or staffs of that military department before the reorganization of that department under this Act. The Secretary of Defense shall ensure that the reduction of the number of persons on staffs of military headquarters results in a reduction in the number of persons that are assigned to duty in the Washington, D.C., area.

SEC. 3803. LIMITATION OF DEPARTMENT STAFF FUNCTIONS.

(a) JOINT STAFF.—The Secretary of Defense, in carrying out the reorganization required by this title, shall provide that operation and planning responsibilities that are duplicated by the staff of the Joint Chiefs of Staff shall be shifted to that staff.

(b) DECENTRALIZATION OF NON-HEADQUARTERS FUNCTIONS.—The Secretary of Defense, in carrying out the reorganization required by this title, and the Secretaries of the military departments shall provide that functions that may be performed by subordinate commands outside of the Washington, D.C., area shall be reassigned to those commands.

SEC. 3804. RESPONSIBILITIES OF SERVICE SECRETARIES.

(a) INTELLIGENCE ACTIVITIES.—Subject to the authority, direction, and control of the Secretary of Defense, the Secretary of a military department is responsible to the Secretary of Defense for the effective supervision and control of the intelligence activities of that military department.

(b) OPERATIONAL READINESS.—The Secretary of a military department, in organizing, training, and equipping forces under the jurisdiction of the Secretary, shall ensure the operational readiness of such forces.

SEC. 3805. IMPLEMENTATION AND REPORT.

(a) IMPLEMENTATION.—The Secretary of Defense shall complete implementation of this title not later than September 30, 1987.

(b) REPORT.—The Secretary shall submit to Congress a report on such implementation. The report shall be submitted not later than 30 days after the date provided under subsection (a). The report shall include a draft of legislation to make conforming changes to title 10, United States Code, and other appropriate provision of law to reflect the reorganization carried out pursuant to sec-

tion 3801 and the effect of the other provisions of this title.

SEC. 3806. DEFINITION.

For purposes of this title, the term "Service Chief" means any of the following:

(1) The Chief of Staff of the Army.

(2) The Chief of Naval Operations.

(3) The Chief of Staff of the Air Force.

(4) The Commandant of the Marine Corps.

TITLE V—MISCELLANEOUS

SEC. 3901. ANNUAL REPORT ON NATIONAL SECURITY STRATEGY.

(a) REPORT REQUIREMENT.—The President shall submit to the Committees on Armed Services and Foreign Relations of the Senate and the Committees on Armed Services and Foreign Affairs of the House of Representatives each year a comprehensive written report on the national security strategy of the United States. The President shall submit such report on the same date each year on which he submits the budget to Congress pursuant to section 1105 of title 31, United States Code.

(b) CONTENTS OF REPORT.—The report referred to in subsection (a) shall include—

(1) a comprehensive discussion of the vital interests, goals, and objectives of the United States throughout the world;

(2) a coordinated and comprehensive description of the foreign policy, worldwide commitments, and national defense capabilities of the United States necessary to deter aggression and to implement the national security strategy of the United States;

(3) a discussion of the proposed short-term and long-term uses of the political, economic, military, and other elements of the national power of the United States to protect or promote the interests and achieve the goals and objectives referred to in clause (1);

(4) a discussion of the adequacy of the capabilities of the United States to carry out the national security strategy of the United States, including an evaluation of the balance among the capabilities of all elements of the national power of the United States to support the implementation of the national security strategy; and

(5) such other pertinent information as may be necessary to help inform Congress on matters relating to the overall foreign policy strategy and military strategy of the United States.

(c) CLASSIFICATION.—The report referred to in subsection (a) shall be transmitted in a classified and an unclassified form.

SEC. 3902. MANAGEMENT STUDIES OF OFFICE OF THE SECRETARY OF DEFENSE.

(a) SECRETARY OF DEFENSE STUDY.—The Secretary of Defense shall conduct a study on the functions and organization of the Office of the Secretary of Defense. The study shall examine the functions, divisions of responsibility, and management structure of the Office, including each of the matters specified in subsection (c).

(b) SERVICE SECRETARIES AND CHAIRMAN OF THE JOINT CHIEFS OF STAFF.—The Chairman of the Joint Chiefs of Staff and the Secretaries of the military departments shall each conduct a study of the functions and organization of the Office of the Secretary of Defense. The Chairman and Secretaries shall each submit a report to the Secretary of Defense on such study at a time specified by the Secretary. Each such report shall include a discussion of and recommendations concerning each matter specified in subsection (c).

(c) MATTERS TO BE INCLUDED.—The studies required by subsections (a) and (b) shall include consideration of the following:

(1) Whether the present allocation of functions to, and the organizational structure of, the Office constitutes the most effective, efficient, and economical allocation and structure.

(2) Whether the present organization of the Office is the most effective and efficient for the functions of policy initiation, development, and articulation.

(3) Whether the present organization of the Office best ensures that military strategy and military planning are dictated by considerations of national policy and strategy.

(4) Whether effective civilian control of the Department of Defense is best provided by the present structure of the Office, including civilian control of—

(A) policy planning;

(B) force planning;

(C) program development;

(D) budget development;

(E) program execution; and

(F) program review.

(5) Means to improve and strengthen the evaluation function, with particular reference to the findings and recommendations set forth in the final report of the Defense Organization Project of the Georgetown University Center for Strategic and International Studies, entitled "Toward A More Effective Defense" and published in February 1985.

(6) Means to improve and strengthen the oversight function within each element of the Office.

(7) Factors inhibiting efficient and effective execution of the functions of the Office, including factors relating to—

(A) duplication of functions (both within the Office and between the Office and other elements of the Department);

(B) insufficient information; and

(C) insufficient resources (including personnel).

(8) Alternative allocations of authorities and functions of the Office and other reorganization proposals for the Office, including the desirability of—

(A) establishing the Office by law;

(B) establishing Under Secretaries of Defense for mission-oriented areas of responsibility;

(C) establishing the Secretaries of the military departments as Undersecretaries of Defense;

(D) eliminating functional descriptions or designations of Assistant Secretaries of Defense by law;

(E) revising the planning, programming, and budgeting system to strengthen policy and strategy direction;

(F) decentralizing functions of the Office;

(G) reducing the number of officials reporting directly to the Secretary of Defense; and

(H) changing the number of military and civilian personnel in the Office.

(d) ANALYSIS OF CIVILIAN CONTROL.—The Secretary of Defense, in considering under subsection (c)(4) whether effective civilian control of the Department of Defense is best provided by the current structure of the Office, shall examine the functions performed in the Office by members of the Armed Forces on active duty and the functions performed by members in a retired status serving in civilian positions. Such examination shall include determination of—

(1) the number of positions in the Office in grades GS-9 (or the military equivalent) and above held by members of the Armed Forces on active duty, shown for each pay grade by number and as a percentage of the total number of positions in the Office in the pay grade concerned; and

(2) the number of such positions held by members of the Armed Forces in a retired status, shown in the same manner as provided under paragraph (1).

(e) CONSULTATION WITH OTHER APPROPRIATE OFFICIALS.—The Secretary of Defense, in carrying out the study required by subsection (a), shall consult with and obtain the views of the Under Secretaries and Assistant Secretaries of Defense, the directors of the defense agencies, and such other officials as the Secretary considers appropriate.

(f) INDEPENDENT CONTRACTOR STUDY.—The Secretary shall provide for an independent study to be carried out by a contractor to consider the same matters considered in the study of the Secretary under subsection (a). The Secretary shall ensure that the contractor has full access to such information as the contractor requires and that the contractor otherwise receives full cooperation from all Department of Defense officials and entities.

(g) REPORT TO CONGRESS.—(1) The Secretary of Defense shall submit to Congress a report on the Secretary's study under subsection (a). The report shall include—

(A) the findings and conclusions of the Secretary with respect to each of the matters set forth in subsection (c);

(B) the findings and statistical determinations required under subsection (d); and

(C) any recommendations of the Secretary for organizational changes in the Office of the Secretary of Defense and a description for the means for implementing each such recommendation.

(2) The Secretary shall include with the report a copy of each report to the Secretary under subsection (b) and a copy of the report of the independent contractor under subsection (e), together with such comments on each such report as the Secretary considers appropriate.

(3) The report under this subsection shall be submitted not later than one year after the date of the enactment of this Act.

The CHAIRMAN. Pursuant to House Resolution 523, the gentleman from Alabama [Mr. NICHOLS] will be recognized for 1 hour, and a Member opposed will be recognized for 1 hour.

Is there any Member in the Chamber opposed to the amendment offered by the gentleman from Alabama [Mr. NICHOLS]?

Mr. STRATTON. Mr. Chairman, I am opposed to the legislation.

The CHAIRMAN. The Chair will then recognize the gentleman from New York [Mr. STRATTON] for 1 hour.

The Chair now recognizes the gentleman from Alabama [Mr. NICHOLS].

Mr. NICHOLS. Mr. Chairman, I would request that 30 minutes of my time be yielded to the ranking minority member of my subcommittee, the gentleman from Kentucky [Mr. HOPKINS].

The CHAIRMAN. The Chair understands that the gentleman from Kentucky [Mr. HOPKINS] will be yielding time.

Mr. HOPKINS. That is correct, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. NICHOLS].

Mr. NICHOLS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I offer as an amendment to the DOD authorization bill, the text of H.R. 4370, the Bill Nichols Department of Defense Reorganization Act of 1986. H.R. 4370 was reported by the Committee on Armed Services on June 25, 1986, by a vote of 40–4. The committee attempted to schedule floor time for consideration of this bill as freestanding legislation. Time was not available because of the press of appropriations bills. Consequently, the committee has chosen to have this legislation considered as an amendment to the Defense Authorization Act.

Mr. Chairman, before I discuss the substance of this amendment, some things need to be said about its origins.

Members may wonder why I would offer as an amendment a bill with a title that bears my name. The explanation is that the Committee on Armed Services chose to rename the bill after me when it was reportd to the full committee by the Investigations Subcommittee, which I chair. You will have to ask other members of the committee why they chose to rename the bill. I can only say that I have considered Department of Defense reorganization unfinished business since the day I became chairman of the Investigations Subcommittee in 1983, and have worked since that time for this day to come. Consequently, it is difficult for me to describe the mixture of humility and pride with which I rise to introduce this motion—humility at having been so honored by my colleagues while realizing that so many of them have contributed to this legislation and also deserve to be honored; pride in the secure knowledge that I bring to this House legislation of the highest importance touching on our very survival as a nation that is, in the words of the Constitution, intended to "Promote the general welfare" and to "Provide for the common defense."

But let me hasten to fill in the list of those who also deserve credit and recognition for the legislation I propose as an amendment to the authorization bill.

Defense reorganization owes a great deal to the efforts and leadership of the chairman and ranking member, and the entire membership, both Democrat and Republican, of the Armed Services Committee of the other body. During the 97th and 98th Congresses the legislative traffic signal from the other body on Defense Department reorganization legislation was a red light. When he became chairman of the Senate Armed Services Committee, the senior Senator from Arizona turned the light to green in a hurry. And the view of the senior Senator from Georgia that reorganization legislation should be comprehensive, covering all major Defense Department elements, prevailed. If it were not for the work of those two Members of the other body, there would be no reason for us to be considering reorganization legislation today.

This legislation also traces much of its lineage to the excellent work of the Packard Commission. As you may know, Representative BILL DICKINSON, the ranking minority member of the Committee on Armed Services and a distinguished member of our Alabama delegation, deserves great credit for the creation of that Commission.

Many of the provisions in the bill can be traced to the recommendations of more than a score of studies and reports dating back 30 and 40 years that have never been heeded because entrenched interests in the Pentagon opposed them. The 1985 Georgetown Center for Strategic and International Affairs' study of defense organization and the Heritage Foundation's 1984 study are merely the latest examples of inquiries supported by knowledgeable, defense-oriented leaders that have recommended, indeed urged, Defense Department organizational reform.

The chairman of the committee, Representative LES ASPIN, spent a great deal of his personal time last winter sifting and studying the recommendations of past studies. Since becoming chairman, he has emerged as a major force influencing significant Defense Department organizational reform.

Representative IKE SKELTON has played a similar role for an even longer period.

Most of all, however, the legislation is the product of members of the Investigations Subcommittee over the last three Congresses who have collectively heard over 100 witnesses whose testimony now totals more than 2,000 printed pages. The witnesses included former Secretaries of Defense and National Security Advisers to the President, present and former Chairman and members of the Joint Chiefs of Staff, present and former service Secretaries, unified and specified commanders, defense intellectuals, several Members of Congress, and on and on.

The task of the subcommittee has not been easy—not because of the absence of agreement that the Defense Department has grave problems. There is a consensus on that. The problem has stemmed from the lack of agreement among knowledgeable individuals concerning just what should be done to correct Defense Department organizational flaws. The subcommittee members deserve great credit for staying with the issue and coming up with a balanced package of reforms that will work. They listened to testimony, they discussed the provisions, and they considered the views of other Members.

I especially want to express appreciation for the assistance and support of the ranking minority member of the investigations subcommittee, Representative LARRY HOPKINS. At the beginning of our hearings back in February, LARRY was concerned about whether we could accomplish the mammoth task we were undertaking. He sat there hour after hour beside me during the hearings. As the testimony progressed, LARRY became convinced that we must press through to complete a comprehensive Defense Department reorganization without delay. He has supported me at every step along the way and has been instrumental to the success of our efforts. He deserves great credit for what is destined to be landmark legislation.

Representatives NICK MAVROULES, JOHN SPRATT, DAVE MCCURDY, and JOHN KASICH, spent many hours in their offices meeting with Pentagon officials and private experts, studying documents, and exploring issues with their staffs. The subcommittee members also sent committee staff to the Pentagon after this year's hearings for a very detailed reexamination of the legislative proposals. They then deliberated changes for almost 8 hours and made scores of revisions to the original bill language. Finally, the subcommittee made a decision.

It is in this light that I hope Members of this body will judge the legislation that is the subject of my motion. We all agree that there are problems with Defense Department organization. But there are probably as many opinions about how to resolve those problems as there are people in this Chamber. Last year we passed a Joint Chiefs of Staff bill with only minor changes from the committee text. The other body has affirmed our work by accepting its principal provisions. What you have before you is the work of the same members who have spent a considerable amount of time devising a balanced package of reforms that, in their judgment, is most likely to do the job. I hope you will once again accept their judgment.

Let me, at this point, thank the Members who have already registered their acceptance and support of our work. The bill has been endorsed by 62 cosponsors, and 22 additional Members have called to indicate their support since the deadline for cosponsors passed. I have appended a list of supporters to my statement to be included in the RECORD.

Now, I do not intend to spend a lot of time attempting to persuade you that Defense Department organizational reform is needed. If you still need convincing, let me refer you to our report (H. Rept. 99–700), where the problems are discussed in detail.

Instead, I intend to describe the five parts of the bill and briefly to explain why I think each is important. The committee report, of course, contains a much more detailed treatment. In addition, I have a summary of the legislation for interested Members that compares the House provisions with both the Senate bill and the Packard report.

Title I would strengthen the unified and specified commanders. In a few months, 3 years will have passed since 241 young Americans were killed in the terrorist attack on the Marines at the Beirut Airport. I was assigned the sad task of conducting the committee inquiry into that tragedy. Representative NICK MAVROULES led a delegation to Lebanon that took testimony on shipboard.

I believe that I can state with assurance that no Member who took part in that investigation will ever forget it; the magnitude of the tragedy, experienced first hand, seared our consciousness indelibly. In the anteroom to the Committee on Armed Services hearing room, serving as a perpetual reminder of another tragedy, is the windlass of the battleship *Maine*—253 Americans died when that ship was blown up in Havana Harbor on February 15, 1898. America responded by going to war with Spain. What has been America's response to the deaths of 241 Americans on October 23, 1983? It may not be as dramatic, but, for the Committee on Armed Services, I believe the answer is before you in the form of the most far-reaching reform of the U.S. Military Establishment in modern history.

We laid the blame for the tragedy in Beirut in 1983 on the shoulders of the commander on the ground and his superiors in the chain of command right up to the commander of the European Command. We held them responsible. The subcommittee report concluded "that the higher elements of the military chain of command are * * * accountable for failing to exercise sufficient oversight of the MAU [marine amphibious unit].

But responsibility is only one side of the coin. The other side is authority to carry out a responsibility. Military commanders are held responsible for all that occurs or fails to occur in their command. There were indications in the Lebanon investigation testimony, however, that the authority of the European commander and his subordinates was not commensurate with their responsibilities. At the same time, the Commandant of the Marine Corps made it clear, in testimony, that he possessed neither the authority nor the responsibility to oversee the marines in Beirut.

After extensive hearings this year, the committee can affirm that the combatant commanders [CINC's] do indeed lack authority commensurate with their responsibilities. They are responsible for our very survival as a nation, if war should come, because they are our combat commanders. Yet, incredibly, their authority is limited in such areas as: First, exercising command authority; second, organizing their commands; third, training their forces; fourth, employing forces as they see fit; fifth, establishing the chain of command to their subordinates; sixth, choosing their subordinate commanders and dismissing them; seventh, exercising court martial authority; eighth, budgeting for joint training, contingencies, and command and control; and ninth, influencing the flow, quality, quantity, and placement of equipment and logistics support.

The committee held the European commander responsible in 1983. Today, in 1986, the committee seeks to give him and the other combat commanders the fullest measure of authority so that they and their subordinates right down to the commander on the ground have the means to carry out their responsibilities. That is what title I is about.

Title II of the bill addresses the defense agencies. It requires the first ever fundamental reassessment of defense agencies and contains other provisions intended to focus those defense agencies that are assigned a combat support mission on the wartime requirements of that mission. Congress in 1958 authorized the Secretary of Defense to create agencies to provide common service and supply functions if they would be more effective, economical, or efficient than having the services perform the functions independently. Critics, such as Representatives JIM COURTER, claim that the agencies have not lived up to expectations. In fact, however, no one knows because no thoroughgoing reappraisal has ever been undertaken. The bill would require such an analysis.

Title III of the bill establishes a program for managing officers who serve in joint duty assignments. It creates a joint specialty career category with incentives to attract outstanding officers. It also establishes level safeguards to protect the careers—promotions and assignments—of officers serving in joint billets.

A consistent theme in the testimony since 1982 is that officers who serve in joint billets are disadvantaged in many ways. Their promotions and future assignments have not compared favorably over past years to those of their contemporaries on service staffs. Two different witnesses this year revealed that the services seek to intimidate their officers serving in joint billets in order to forward parochial service interests.

The shabby treatment of joint officers, in addition to being inexcusable on a personal basis, results in incalculable losses to the quality of the Nation's defense when joint duty positions of the highest importance are not filled with talented, motivated, professionally schooled, and independent-minded officers.

The bill, in its most unique—and potentially its most promising—initiative, directs that the management of joint officers be altered. In creating a joint specialty the bill would provide for the selection of outstanding officers to serve in joint billets, ensure that they receive rigorous professional military education, and increase the experience level in key joint positions. Other safeguards would protect promotions and assignments.

Title IV of the bill requires the Secretary of Defense reorganize the executive part of each of the military departments by creating in each a single integrated staff that combines the separate, and often duplicative, civilian secretariat and military staffs that now exist. The secretariats each have hundreds of personnel; the military headquarters staffs collectively number between 8,000 and 10,000 personnel. The bill requires a cut of 15 percent—1,400–1,600 personnel—as a result of the elimination of duplication in the present multiple staffs.

There are now nine major staffs in the Pentagon. This bill would reduce the number by 33 percent to six. More important, the consolidation would increase civilian control. It complements the Packard Commission acquisition recommendations. The commission would streamline the acquisition process by limiting the acquisition decision chain to three executives in each service. Through consolidation, the bill would eliminate an entire bureaucratic layer.

Title V contains a basic reassessment of the functions and organization of the Office of the Secretary of Defense [OSD]. The study would examine, among other things, how civilian control of the Defense Department is effected; the manner in which policy is initiated, developed, evaluated, and implemented; the role of OSD in the development of military strategy and military planning; and how to eliminate duplication of functions.

Title V also contains a requirement for the President to submit a yearly report on the national security strategy of the United States. The Senate bill contains identical language.

In closing, Mr. Chairman, I want to remind Members that they have an opportunity today to reform the Pentagon that no Member has enjoyed in almost three decades. The last major changes to the overall organization of the Department of Defense were enacted in 1958. There seems to be a built-in reflex in any bureaucracy opposing change. In the Pentagon, the various bureaucratic staffs, both civil-

ian and military, have joined the Secretary of Defense and other civilian officials to place obstacles in our path at every step. Despite their opposition, for the first time in 28 years, there is a chance to overcome the forces of the status quo. The Packard Commission report, the President's acceptance of the commission recommendations, the work of the other body, and the persistence of my fellow committee members all point in the same direction—toward meaningful organizational reform of the Department of Defense. I hope Members will oppose all weakening amendments and join together in support of this amendment to demonstrate both to the Pentagon and the American people that this Congress intends to organize our National Defense Establishment to maximize its capabilities to support the national, rather than parochial service, interests.

HOUSE ARMED SERVICES COMMITTEE—SUMMARY OF COMMITTEE ON ARMED SERVICES BILL ON STRUCTURAL REFORM OF THE DEFENSE DEPARTMENT, REPORTED JUNE 25, 1986

STRENGTHENING THE UNIFIED AND SPECIFIED COMMANDERS/COMMANDS (TITLE I)

Title I would strengthen the U.S. military war-fighting commands. (A major theme throughout the five titles is to focus the peacetime military on its wartime missions and responsibilities. The war-fighting commands on the joint military "operational" side of the defense structure—the chairman, Joint Staff, unified and specified commands—are strengthened. The Services and Defense Agencies—the "input organizations"—are made more responsive to the "output" or war-fighting organizations.)

House bill—*CINC command.* Commanders of the 10 unified and specified commands (the "CINCs")—responsible for preparedness for and conduct of war—are given full command of forces assigned to them—meaning that these commanders for the first time will exercise full authoritative direction over subordinate forces necessary to accomplish their assigned missions.

The Senate bill gives the CINCs full operational command. The term "operational command," as defined by the Joint Chiefs of Staff, severely limits the command authority of a unified commander. For example, the Pentagon definition includes the statement that operational command does not include discipline, internal organization and unit training. Other directives further limit the CINCs' command authority.

The Packard Commission found that "the measure of command now accorded the nation's combatant commanders is not always sufficient for our forces to perform with high confidence of success and coherence of effort. Unified commanders require broader authority than operational command, as now understood and practiced, in order to meet the heavy responsibilities that their missions place on them."

President Eisenhower, in 1958, wrote Congress that the CINCs' authority "is short of the full command required for maximum efficiency" and recommended that the law be amended "to remove any possible obstacles to . . . full command . . . by the unified commanders." Congress, instead, erected additional barriers.

House bill—*repeal of independent operating authority for the Navy.* (The Hopkins amendment.) The Navy, unlike the other three Services, has authority in present law that could be interpreted to authorize it to conduct military operations autonomously—independent of the command authority of any unified or specified commander. The law states that the Navy "is generally responsible for naval reconnaissance, antisubmarine warfare, and protection of shipping." Because a major purpose of the bill is to focus the Services on preparing forces and to ensure the CINCs' authority to conduct operations to carry out wartime missions, the ambiguous language concerning the Navy is deleted.

House bill—*additional CINC authority.* In line with his broadened command authority, each CINC is given the authority to hire and fire—to select the commanders of principal subordinate units, and to remove them; to exercise court martial jurisdiction over his command; to organize the command; to prescribe the chain of command within his command; to train assigned forces; and to employ his forces to accomplish assigned missions as he sees fit. Also, for the first time, a CINC could assume limited authority over some support functions (e.g., munitions, fuel, and oil).

The Senate bill, although it increases the authority of the CINCs, does not go so far in many of these areas.

The Packard Commission recommended that "Unified Commanders should be given broader authority to structure subordinate commands, joint task forces, and support activities in a way that best supports their missions and results in a significant reduction in the size and numbers of military headquarters."

House bill—*CINC budget.* An "operations" budget would be authorized for each unified and specified commander, as determined by the Secretary of Defense. The budget could include funding for such activities as joint exercises, force training, contingencies, and selected operations.

House bill—*CINC role in shaping national defense budget.* The unified and specified commanders would be given an advisory role through the chairman of the Joint Chiefs of Staff that would allow them to play a more significant part in advising the Secretary of Defense on the shape of the overall defense budget. The bill would require the chairman to submit recommendations to the Secretary of Defense each year for the overall allocation of the defense budget. The chairman's recommendations would be based upon recommendations submitted to him by the CINCs as well as the military departments.

The Senate bill does not give the CINCs an "operations" budget nor provide for them to play a legislatively-mandated role in the shaping of the overall defense budget.

The Packard Commission finds that "the views of the CINCs [must] be more strongly and purposefully represented than they are at present within the councils of the Joint Chiefs and in weapons requirements decision-making."

House bill—*establishment of special combatant commands.* The bill makes several changes in the way combat commands are established.

Establishment. Unified and specified commands are to be established by the President through the Secretary of Defense with the advice and assistance of the chairman. The change from existing law is that the chairman, rather than the JCS as a whole, advises the Secretary of Defense and the President on the establishment of unified and specified commands.

Special combatant commands. The President is authorized to create "special combatant commands" to respond to situations like the Beirut Marine deployment. These commands would be established if the President determines the situation warrants such a force to perform a specific military mission. The President would be required to prescribe the shortest practicable chain of command for each force deployed consistent with proper supervision and support.

The Senate bill contains the same language concerning establishment of unified and specified commands but does not include provisions for a special combatant command.

The Packard Commission recommends that "for contingencies short of general war, the Secretary of Defense, with the advice of the Chairman and the JCS, should have the flexibility to establish the shortest possible chains of command for each force deployed, consistent with proper supervision and support. This would help the CINCs and the JCS perform better in situations ranging from peace to crisis to general war."

House bill—*reassessment of command structure.* Periodic review of the overall structure of the unified and specified commands would be required to ensure that theater (e.g., Europe, Pacific) and functional (e.g., Strategic Air Command, Military Airlift Command) command arrangements can respond to changing worldwide conditions. A major initial review would also be required to reevaluate the worldwide combat command structure, including such issues as creating a strategic command (combining SAC, naval nuclear missile submarines, other strategic structures); revising the missions, functions, and responsibilities of the Readiness and Central Commands; establishing a unified command for special operations; and revising the geographic area assigned to the Southern Command (to include ocean areas adjacent to Central America, which are now included in the Atlantic and Pacific Commands.)

The Senate bill requires periodic review of the combatant command structure but does not single out issues for a major initial review.

The Packard Commission recommends that "the Unified Command Plan should be revised to assure increased flexibility to deal with situations that overlap the geographic boundaries of the current combatant commands and with changing world conditions."

House bill—*assignment of forces to unified and specified commands.* All military forces, except those required by the Services for recruiting, organizing, training, and supplying of the armed forces, would be assigned to the unified and specified commands.

The Senate bill would require assignment of all "combatant" forces to unified and specified commands.

House bill—*Joint Commanders Council (JCC).* A council would be established consisting of the JCS chairman and commanders of each of the unified and specified commands. The JCC would advise the chairman on how to carry out the responsibilities he will assume as a result of the defense reorganization legislation. The council would be available to advise the President and Secretary of Defense as required.

The Senate bill does not contain a JCC provision.

House bill—*net assessment.* The responsibility to perform net assessments would be assigned to the JCS chairman. He would

also be required to develop a net assessment capability in the Joint Staff and make it available to the unified and specified commanders.

The Senate bill contains no provisions concerning net assessment.

The Packard Commission recommends that "the Chairman, with the assistance of the JCS and the Director of Central Intelligence, . . . prepare a net assessment of the effectiveness of United States and Allied Forces as compared to those of possible adversaries. The net assessment would be used to evaluate the risks of options and would accompany the recommendations of the Secretary of Defense to the President."

House bill—*warfighting capability assessment; joint doctrine development; consultation.* The JCS chairman would be required to establish and maintain a system for evaluating the overall capabilities of each unified and specified command to accomplish its missions. He would also develop doctrine for the joint employment of the armed forces. The chairman would be required to consult, as appropriate, with other members of the JCS and the CINCs in carrying out his responsibilities.

The Senate bill has similar provisions.

House bill—*repeal of prohibitions on altering the combat command structure.* The bill repeals existing prohibitions in law against (1) creating a unified military transportation command, and (2) altering the command structure for military forces in Alaska.

The Senate bill includes the item concerning the military transportation commands but the alteration of the Alaska command structure was struck from the Senate bill by a Floor amendment.

The Packard Commission recommends that "the Secretary of Defense should establish a single unified command to integrate global air, land, and sea transportation, and should have flexibility to structure this organization as he sees fit. Legislation prohibiting such a command should be repealed."

DEFENSE AGENCIES—ASSESSMENT; INCREASING RESPONSIVENESS (TITLE II)

Title II requires the first fundamental reassessment of defense agencies and contain other provisions intended to focus defense agencies with a combat support mission on the wartime requirements of that mission. Congress in 1958 authorized the Secretary of Defense to create agencies to provide common service and supply functions if they would be more effective, economical, or efficient than having the Services operate independently. The defense agencies have never been evaluated to determine whether they have indeed proved to be more effective, economical, or efficient. Title II requires such an evaluation.

The Senate bill provides that the Secretary of Defense "shall periodically assess the continuing need for each" defense agency.

The Senate bill requires the JCS chairman to advise the Secretary of Defense on the preparedness of defense agencies that have wartime support responsibilities and to "assess the adequacy of the contingency plans, participation in joint exercises, and readiness reporting systems" of each such defense agency.

REFORMING THE JOINT OFFICER PERSONNEL STRUCTURE (TITLE III)

Title III creates a joint specialty career category with incentives to attract outstanding officers. It also establishes legal safeguards to protect the careers (promotions and assignments) of officers serving in joint assignments.

Joint specialty.

Definition. Officers particularly trained in and oriented toward the integrated employment of land, sea, and air forces including national military strategy, long range contingency planning, and command and control of combat operations and unified command.

Number. A pool of officers sufficiently large to fill approximately one half of all joint duty assignments.

Selection. Nominated by service secretaries, selected by the Secretary of Defense *only* after completion of joint schooling and a successful joint tour.

Career oversight. The Secretary of Defense is required to establish career guidelines for the joint specialty and to establish procedures for overseeing the careers of all officers who serve in joint positions.

Joint experience. The Secretary of Defense designates 1,000 key joint positions. These can only be filled by joint specialists (by definition, officers who have had joint training and who have had a joint assignment). The Secretary also defines what constitutes a joint assignment and publishes a list of those assignments. (A joint assignment cannot be within a officer's own military department.)

Incentives. As a matter of policy, to be applied by the Secretary of Defense where applicable, joint duty is made a criteria for high rank.

Future CINCs must have the joint specialty and at least one joint duty assignment as a general or flag officer.

Future chiefs of staff must have significant experience in joint duty assignments and at least one joint duty assignment as a flag officer.

Future JCS chairmen must have been a CINC or a chief of service. A prerequisite for promotion to general and flag officer in the future will be a joint duty assignment.

Joint education.

Revise curricula emphasizing joint military matters. The Secretary of Defense is responsible for strengthening the focus of all professional military schools on joint matters and ensuring that most graduates of joint schools receive joint assignments.

Capstone course. All new flag officers, with certain exceptions, must attend a course specifically designed to prepare them to work with the other armed forces.

Length of joint assignments. Standardized at 3 years for flag officers; 3½ years for others. An exception allows 2 year assignments for officers with critical operational skills.

Reserves. The Secretary of Defense will establish a program emphasizing training and experience in joint matters for the Reserves comparable to the joint specialty requirements.

Joint officer promotions.

Policies concerning comparable promotion rates:

Joint specialty and Joint Staff officers, as a group, shall be promoted at the same rate as officers serving on the highly selective military headquarters staffs.

Other officers in joint positions shall be promoted at a rate specified by the Secretary of Defense between the Service-wide rate and the rate of promotion for military headquarters staffs.

Service selection boards. An officer designated by the JCS chairman and serving in a joint assignment will sit as a member of each service board that considers officers who have served in joint duty assignments.

JCS chairman review of selection board results. The JCS chairman will review the list of recommended promotees of each selection board and, if he believes that joint officers have been slighted, may recommend names to be added to the list. His recommendations will go to the Secretary of Defense unless the chairman and the service secretary can resolve differences.

The Senate bill contains language consistent with the House provisions on joint officers. But the Senate bill does not establish explicit requirements to ensure the improved effectiveness of joint officers. Instead, the Senate bill makes the Secretary of Defense responsible for seeing that "service personnel policies enhance the abilities of those officers assigned to joint duty positions to perform effectively the duties of such positions." The Senate bill says that the Secretary of Defense shall ensure that "officers are well prepared to assume joint duty positions . . ."; "continuity is attained and preserved in joint organizations . . ."; career policies "provide sufficient incentives for officers to seek joint duty assignments"; "the curricula of joint military colleges and schools are oriented to preparing officers for joint duty assignments"; "a substantial percentage of the graduates of joint military colleges and schools are assigned to joint duty positions"; and the curricula of professional military schools "give appropriate emphasis to instruction in joint military matters."

CONSOLIDATING THE MILITARY DEPARTMENT HEADQUARTERS STAFFS (TITLE IV)

Title IV requires that the Secretary of Defense reorganize the executive part of the military departments by creating a single integrated staff, eliminating the separate and often duplicative civilian secretariat and military staffs that now exist. The secretariats now have hundreds of personnel; the military headquarters staffs each have several thousand personnel.

Support for this reform goes back at least to the 1969 Blue Ribbon Defense Panel that proposed integrating secretariat and military staffs to the extent necessary to reduce duplication. That study was followed by the Defense Manpower Commission recommendation in 1976 that only one layer at the military department level was needed to manage manpower activities. The Departmental Headquarters Study in 1978 recommended selective integration of secretariats and military headquarters staffs in the areas of manpower, reserve affairs, logistics, research and engineering, and financial management.

Principal guidelines in the House bill for the Secretary of Defense to follow in reorganizing the military department headquarters:

Establish a single integrated staff for the executive part of each department. The service secretaries and the service chiefs may have a personal staff of not more than 30 persons. Also, the position of administrative assistant to the service secretary will continue to be authorized. There will be no separate military component within the headquarters staff.

Functional assignments of assistant secretaries shall be as uniform as possible across the military departments. (A misconception has been that this bill will require elimination of deputy assistant secretary positions. It will not.)

No senior civilian official (political appointee) shall be placed in a position subordinate to a military officer.

With consolidation should come elimination of duplication resulting in a 15% personnel reduction.

Service secretaries shall ensure the operational readiness of the forces they organize, train, and equip and shall be responsible to the Secretary of Defense for the effective supervision and control of the intelligence activities of their departments.

Operation and planning responsibilities that are duplicated within the service headquarters and the Joint Staff shall be shifted to the Joint Staff. Reserve staff functions shall not be affected.

The existing supervisory control of the chiefs over service personnel shall not be limited.

Functions that may be performed by subordinate commands outside the Washington, D.C., area shall be reassigned to those commands.

The Senate bill contains extensive revisions of the law on the three military departments. The revisions standardize the appointment, powers, and duties of military department officials, both civilian amd military, but do not require major organizational change. Much of the present legislative language was carried over from statutes governing the War and Navy Departments prior to the establishment of the Defense Department in 1947.

One objective of the Senate effort, according to the Senate report, is to reduce duplication of staff effort. To that end, the Senate requires a reduction in the military headquarters staffs comparable to that required in the House bill (15%). But the Senate does not require consolidation of military headquarters and service secretariats.

MANAGEMENT EVALUATION OF THE OFFICE OF THE SECRETARY OF DEFENSE; REQUIREMENT FOR ANNUAL REPORT ON NATIONAL SECURITY STRATEGY (TITLE V)

Title V requires a basic reassessment of the functions and organization of the Office of the Secretary of Defesne (OSD). The study would include the proper allocation of functions to and within OSD; how civilian control of the Department of Defense is effected; the manner in which policy is initiated, developed, and articulated; the role of OSD in the development of military strategy and military planning; how to improve and strengthen evaluation and oversight; how to eliminate duplication of functions; various alternative organizational structures; and the composition and background of personnel in OSD.

This title also contains a requirement for the President to submit a yearly report on the national security strategy of the United States including a discussion of vital interests, goals, and objectives of the United States throughout the world; a description of worldwide commitments, and national defense capabilities of the United States necessary to deter aggression and to implement the national security strategy of the United States; a discussion of the adequacy of the capability of the United States to carry out the national security strategy of the United States; and a discussion of the means possessed by the United States to protect or promote its interests and achieve the goals and objectives of the U.S.

The Senate bill contains extensive revisions of the law pertaining to OSD. One item of major significance is the establishment of the position of the Under Secretary of Defense for Acquisition.

The Senate bil contains identical language concerning the report on the national security strategy of the United States.

COSPONSORS OF H.R. 4370—DEPARTMENT OF DEFENSE REORGANIZATION ACT

Andrews, Michael.
Aspin, Les.
Bates, Jim.
Bedell, Berkley.
Bevill, Tom.
Bilirakis, Michael.
Blaz, Ben.
Byron, Beverly.
Clinger, Bill.
Coelho, Tony.
Daniel, Dan.
Darden, George.
Davis, Robert W.
Dickinson, William.
DioGuardi, Joseph.
Eckert, Fred J.
Edgar, Bob.
Edwards, Mickey.
English, Glenn.
Fazio, Vic.
Fish, Hamilton, Jr.
Fowler, Wyche.
Frank, Barney.
Frost, Martin.
Garcia, Bob.
Gejdenson, Sam.
Gingrich, Newt.
Glickman, Dan.
Hamilton, Lee H.
Hopkins, Larry.
Hoyer, Steny.
Hughes, William.
Kaptur, Marcy.
Kasich, John.
Kolbe, Jim.
Kostmayer, Peter.
Lloyd, Marilyn.
Martin, Lynn.
Martinez, Matthew.
Mavroules, Nick.
McCloskey, Frank.
McCurdy, Dave.
Morrison, Bruce.
Neal, Stephen.
Packard, Ron.
Penny, Timothy.
Reid, Harry.
Richardson, Bill.
Ridge, Thomas.
Roukema, Marge.
Sabo, Martin.
Scheuer, James.
Schroeder, Pat.
Shaw, E. Clay, Jr.
Skelton, Ike.
Smith, Larry.
Sunia, Fofo.
Volkmer, Harold.
Watkins, Wes.
Whittaker, Bob.
Williams, Pat.
Wirth, Timothy.

SUPPORTERS OF H.R. 4370, DEPARTMENT OF DEFENSE REORGANIZATION ACT

AuCoin, Les.
Barton, Joe.
Berman, Howard.
Bliley, Thomas.
Bonker, Don.
Chapman, Jim.
Dicks, Norman.
Downey, Thomas.
Foglietta, Thomas.
Gephardt, Richard.
Gray, Ken.
Hertel, Dennis.
Hillis, Elwood.
Kennelly, Barbara.
Leath, Marvin.
Lipinsky, William.
Ortiz, Solomon.
Price, Melvin.
Robinson, Tommy.
Stallings, Richard.
Torres, Esteban.
Vento, Bruce.
Whitley, Charles.
Wolpe, Howard.

□ 1400

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). The gentleman from Alabama [Mr. NICHOLS] has consumed 17 minutes.

The Chair would like to remind Members that they should refrain from mentioning Members of the other body by name in their remarks as we debate the bill.

Mr. HOPKINS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, "Historic" is a label so often attached to legislation around here that it sometimes loses its meaning.

That label really does apply today, because what we're proposing is legislation that will determine how we defend our freedom.

We're attempting to bring our military team together in a way that the best interests of the Nation supersede all other considerations.

And I think it is a fitting tribute that this legislation bears the name of our chairman, BILL NICHOLS, who has, more than anyone else in this Congress, persevered in reminding his colleagues year after year of the need to take another look at the structural problems affecting the management and operation of our military forces.

I know I join many of my colleagues in thanking Chairman BILL NICHOLS for his guidance and leadership in shepherding this courageous legislation through the numerous obstacles leading up to today's consideration.

Mr. Chairman, this effort is not new.

Last year, the House overwhelmingly approved the first installment of the reform effort by restructuring the Joint Chiefs of Staff, the pinnacle of our military hierarchy.

Today we are taking the logical next step by improving the manner in which the Pentagon conducts its day to day business—from combat planning and operations to officer promotions.

Chairman NICHOLS has already made detailed remarks on the bill, and I won't repeat those.

Let me just attempt to put this effort and today's consideration into the proper perspective.

We have before us a package that in every respect goes beyond the scope and magnitude of the legislation ap-

proved earlier this year by the other body.

We can go down the line in virtually every category of this bill and find a stronger, more effective approach to correcting the problems affecting the operation of our military forces.

Mr. Chairman, reform is never easy, whether it is reform for our Tax Code or the Pentagon.

There is a built-in inertia to overcome, particularly when you are trying to bring change to institutions as basic as our Tax Code or our defense system.

What I've found is that everyone is for reform until you begin getting specific.

Everyone is for military reform until they realize that it involves changing the "business as usual" approach to defending our Nation.

This bill has been a focus for objections by many, both inside and outside of the Pentagon, who are intent on preserving the status quo despite the fact that the present defense system has in some crucial situations proven to be inadequate, fractured by competing service interests, and weakened by uncertain delegation of command.

This opposition has chosen to ignore the intent and content of this package, in my opinion because in almost every instance, the objections raised by the Pentagon seem to be a case of reading into this bill words and intentions which simply don't exist.

The Armed Services Committee in particular has been subjected to a certain amount of lobbying and pressure. I believe it is a good sign for the future and ultimate success of this legislation that by an overwhelming majority our committee resisted those narrow, parochial interests and has crafted legislation that truly deserves to be called "historic."

The burden of proof now falls on those who would tear our work apart.

They must prove that their objections aren't just motivated by the same old interservice jealousies and rivalries.

They must prove that their concern centers around the very sobering responsibility of defending our country.

We have reaffirmed our belief in the concept of civilian control of the military, and at the same time we have erased some of the more glaring instances of congressional mircomanagement.

We have uncluttered the chain of command and bestowed clearer authority and responsibility to our commanders in the field rather than the Pentagon bureaucracy.

We have made it clear that the time has come to leave interservice rivalries where they belong—on football fields and other outlets of healthy competition.

At the same time, we have built into the system more accountability which is of particular concern to those of us who have been called upon to investigate specific failures associated with this Nation's military activities, only to find that the present system makes it almost impossible to assign responsibility for those failures.

I am proud to join my chairman and colleague, BILL NICHOLS, in presenting this historic initiative before the House, and I ask for the support of my colleagues.

Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. DICKINSON], the ranking minority member of our committee.

Mr. DICKINSON. Mr. Chairman, I rise in support of the reorganization which we are considering, and I would like to give a little bit of the background of how this came about.

Mr. Chairman, the Senate was working on a similar piece of legislation, of which, when it passed, the chairman of the Senate Armed Services Committee, Senator GOLDWATER, said that he looked on this as the most significant thing that he had done in his 20-odd years of service in the Senate. He was proud of it. It needed doing.

We have very closely followed what they have done, and we have passed legislation out of our committee in which in conference with the Senate I think we can resolve any differences and come out with a good, workable piece of legislation.

It is only natural that those who are affected, if it is going to have a negative impact on any part of their little fiefdoms or the way in which they have always done business, or they see themselves losing some authority or some control, whether it be one of the Joint Chiefs or whether it be below them, could have some negative reactions and say, "Well, we don't like this, it is impacting us." But believe me, we think that this is necessary.

I was very instrumental in the formation of what has been called the Packard Commission. We recognized last year that something had to be done to correct a number of imbalances and a number of problems within the Department of Defense, and I urged the President and the Vice President and the head of the National Security Council and the Secretary of Defense, and everyone with whom I came in contact that had authority in this area, to set up some commission, some blue-ribbon commission from across the strata of the economy and Government to deal with problems affecting the Department of Defense. The President did this, and it was called the Packard Commission.

□ 1410

The Packard Commission was made up of the most prestigious people in the country, so far as I am concerned, that were knowledgeable in this area. They came out with a series of recommendations as to how we could best make the Department of Defense effective, to make it more effective, to make it more responsive to the needs of the people and the defense of this country.

They did that. And they did a tremendously good job, in my opinion. I think editorial writers across the country have given the Packard Commission very high grades.

This committee, in its bill that is before us now, has adopted almost in toto the recommendations of the Packard Commission which were not partisan. They were not promilitary, they were from industry, they were from labor, they were from any number of walks of life. That is included in this bill.

So if it gives some people a little heartburn because they might not have as much authority as they might have had, or they do not think this is going to work right, all I can say is this is the best product that we could come up with, and we recognized the need for change. The changes that we have studied, and after 2 years of hearings, are incorporated here. If everybody is not 100 percent pleased, we are sorry, but we are not surprised.

We think the gentleman from Alabama [Mr. NICHOLS], and the gentleman from Kentucky [Mr. HOPKINS], have done a tremendous job. The gentleman from Alabama [Mr. NICHOLS], has been associated with this for over 2 years. As a matter of fact, he had the unfortunate experience of undergoing heart surgery recently, and even while he was lying in the hospital he was still working on this bill in order to get it ready to come to the floor at this time.

I think it is a much needed piece of legislation. It may not be perfect, but it is better than what we have in place. It should be adopted.

My congratulations to the members of the subcommittee that worked on this. I think when we go to conference with the other body we are going to come out with perhaps even a better piece of legislation.

But however it occurs and however it comes out, it is going to be an improvement over what we presently have. I would urge all of the Members on both sides of the aisle to support this part of our Defense authorization bill.

Mr. NICHOLS. Mr. Chairman, I yield 2½ minutes to the distinguished chairman of the committee, the gentleman from Wisconsin [Mr. ASPIN].

Mr. ASPIN. Mr. Chairman, I rise in strong support of this legislation and I rise to honor the single person who is most responsible for this piece of legislation and for the fine piece of work that we have before us, and that is the gentleman from Alabama, Mr. BILL NICHOLS.

There are a number of people who have worked very, very hard on this, among which I would list on the minority side the gentleman from Kentucky, LARRY HOPKINS; the gentleman from Ohio, JOHN KASICH; and I see the gentleman from Missouri, IKE SKELTON on our side of the aisle and others. But the person who was the guiding light, the person who had the perseverance, the person who picked up this issue when he took over the subcommittee from our former colleague, Dick White, and picked up the issue and has fought for it all these long hard years is the gentleman from Alabama [Mr. NICHOLS].

He is a person who, when I first came in contact with the issue, I watched him doggedly sitting across from the gentleman from Texas in those conferences with the other body that we had 2 years ago and literally forced upon them the consideration of the JCS bill. Since then the gentleman from Texas has moved on to other things and the chairmanship was taken over by other people in the other body, and the people in the other body have come around 180 degrees. They are now in favor of this bill, and they are in favor of this concept.

But there long before them was the gentleman from Alabama. He was there before them and he is here now with a stronger bill than they have over in the other body. If you look at any number of ways in which what we are doing here in the House compares with what is going on over in the U.S. Senate, what we are doing here is a stronger bill. It is a better bill, and it is a much more comprehensive bill. That is due to this gentleman sitting right here, the gentleman from Alabama. His leadership on this has been every bit as critical.

One last point. The gentleman from Alabama, BILL NICHOLS, is among the most honorable men I have ever met. It has perhaps even been the most difficult task I think in his public life. He has always been a strong supporter of national defense. He was wounded in World War II, and he has sacrificed.

The gentleman from Alabama [Mr. NICHOLS] has always been a very strong supporter of our national defense, and I think he took this on with the understanding of what it would mean. It means a very, very much stronger national security. This is an important thing. It is a way in which we strengthen defense without spending more money.

This man sitting before us has sacrificed more for his country than the vast majority of professional military personnel. It is a very great honor that I have serving with him in the Congress of the United States, and a great honor that I rise and support this legislation which is so aptly named the Nichols military reform bill that will be passed by the House today.

The CHAIRMAN pro tempore. Does the distinguished gentleman from New York [Mr. STRATTON] desire to yield time?

Mr. STRATTON. Mr. Chairman, would the Chair advise how much time this gentleman has?

The CHAIRMAN pro tempore. The gentleman from New York [Mr. STRATTON] has 1 hour remaining, the gentleman from Kentucky [Mr. HOPKINS] has 19 minutes remaining, and the gentleman from Alabama [Mr. NICHOLS] has 10½ minutes remaining.

Mr. STRATTON. Mr. Chairman, I yield 15 minutes to the gentleman from New Jersey [Mr. COURTER].

Mr. COURTER. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, in my belief this is an important piece of legislation. I am going to vote in favor of it. I think it has gone in the proper direction in some areas, not far enough in other areas, and according to the old statement, in so many areas, rearranged the chairs on the *Titanic*, because it has not really gone to the root of the problem.

I think part of the problem is us. I think part of the problem is the Congress of the United States. Also part of the problem is in Pentagon acquisition policy, organizations, command and control, in the proliferation of agencies and those people who work for the Department of Defense, both military and civilian who do not really seem to have a great deal of accountability.

The Department of Defense is clearly the largest planned economy in the world outside of the Soviet Union. I have been looking at some of the proliferation of congressional involvement in this whole Department of Defense process and found out that we ourselves are causing a good deal of consternation.

At the present time, there are close to 20 to 40 congressional committees and subcommittees garrisoned by about 3,000 staffers, 300 percent more than in 1963, who routinely hear almost 5,000 hours of testimony from 1,200 Department of Defense witnesses in 400 hearings, and still find time and curiosity to request 460 reports each year—I am going to have an amendment on reports soon—250 studies, 20,000 pages of program justifications, all in a typical year.

The Secretary of Defense, who surely has more important things to do, finds that he spends about 55 hours each year testifying in the witness chair before various committees and subcommittees on an annualized basis. In 1984 he went to 38 different hearings. Congressional offices as a whole each year generate 123,000 letters to the Department of Defense, each of which, of course, has to be answered. The answers have to be scrutinized by the services and various departments in those services to make sure that the answers do not compromise on national security grounds. Many of those letters have to be reviewed by the Secretary of Defense because, when we and the staffers up on Capitol Hill send inquiries to the Pentagon, we do not normally send them to staff, we send them to Secretary of Defense Weinberger.

□ 1420

So it increases what he has to do in answering and reviewing all these letters to the Congress.

We as well proliferate the Department of Defense from this body, the House and the other body, the Senate, to the Department of Defense by about 600,000 telephone calls per year; all of which have to be returned.

What I am saying, very frankly, is that the Congress is indeed a part of the problem as well. That is reflected by our inability to terminate programs. Last night I sat with the distinguished chairman of the House Armed Services Committee in a television program; and once again we both had to throw up our hands and admit the fact that the Congress did not have the intestinal fortitude to make any terminations in major weapons system programs. I recommended one or two, but it fell on dead ears.

Often we lament the fact that there is insufficient competition inside the Department of Defense, but we ourselves, the Congress, when it will interfere with corporations in our own congressional districts, are the first ones to raise our voices saying that, "Here we shouldn't have competition; over there it's OK."

We often talk in the abstract about the advantages of multiyear contracting, but everytime we try to use multiyear contracts of major weapon systems, a Congressman will stand up and say that, "I want to have my crack at the apple this year, and I want to have it next year" and you cannot bind a future Congress.

We talk in terms of the importance of 5-year planning; about 2-year budgets. It has been within our power for decades to have 2-year budgets, that is our discretionary area, but we fail to do so.

The Congress, when it comes to the production of weapons systems often slows them down rather than stops them, and then speeds them up. I have just two examples:

The production rate for the Tomahawk cruise missile went from 1,082 to 251 in just 1 year; the Copperhead antitank missile production rate went from 132,000 to 9,000 back to 31,000 in 3 consecutive years.

Now I ask, is that rational? That is not the fault of the Department of Defense; that is the fault of the Congress. We in this legislation, as good as it is, have not really addressed congressional reform, the congressional-military complex. It has not looked at the Department of Defense as one of the most centralized, planned economies in the entire world. It has not looked at the proliferation of unaccountable defense agency functions—and all you have to do is really look at just one Department of Defense agency, the Defense Logistic Agency, and I will mention a couple of things with respect to same.

The Defense Logistic Agency was created under the idea that the various branches of the service have to purchase spare parts and equipment. Those spare parts and that equipment being in common with all the services. Therefore, why not have a centralized agency who is charged with the function of purchasing those items for all the services? You have greater leverage over vendors because you are buying in quantity.

I would submit, if the various service Secretaries or the services bought, there would be sufficient quantity, No. 1; and sure enough, over time, about 70 percent of that which the Defense Logistics Agency purchases and procures and manages is not in common with the balance of the other services.

It is service specific. It is only to the Navy, only to the Army, or only to the Air Force.

The number of people working for these agencies has proliferated dramatically. It started out with about 5,000 or 10,000. Now that one agency has over 40,000 people working for it. From 1962 to 1967, DLA grew 360 percent; from 16,501 employees to 59,535 employees.

Mr. Chairman, the concern I have is the fact that sometimes we are moving not in the right direction but the wrong direction. We feel somehow that what we should do is have increased oversight functions, increased centralization, increased bureaucratization, and I well recognize the important contribution of the gentleman from Alabama in this particular reorganization bill.

The important contribution is that we are going to have centralized policy, and we are going to increase the importance of the commander in chief, which I think is important; but when it comes to the actual day-to-day work of the Department of Defense, I would like to give more authority to individuals, more accountability to the agencies and the services themselves.

As I basically say that I think we are constantly in favor of increased organization when we should actually deorganize and increase accountability.

If this Congress would spend a few minutes and examine the way the most profitable, the most well run, large corporations in the United States are run, they will find out that they have centralized policy; but when it comes to getting the job done, they give a great deal of discretion to individuals and to departments and to subdepartments.

The Congress is not moving in that direction, but the opposite direction. I think that is a shame. I think this bill was an opportunity to correct some of the overcentralization that we are imposing on the Department of Defense, and we did not do it.

After we go through the general debate, Mr. Chairman, I am going to offer an amendment which simply is going to delete annual reporting requirements. It is going to delete about 300 annual reporting requirements; I am sure some of which was required by legislation passed 35 years ago in this body.

An amendment that this gentleman from New Jersey will be bringing to the floor when we are under the 5-minute rule and it is permissible to do so, is simply going to eliminate some of these annual reports that take a great deal of effort, a great deal of resources, a great deal of money, a great deal of people that I can tell you nobody in this body looks at.

I know that when President Carter was running for election for the first time, he was talking about the importance of sunsetting legislation. Well, I have a sunset amendment, and it has to do only with reporting requirements, and I would hope that the Members of this body will take the one small step toward true debureaucratization by voting in favor of my amendment to eliminate about 300 annual reports that are required to be written, drafted, and sent to this body by this Congress in permanent legislation.

The Packard Commission finally has received a great deal of attention. The regrettable thing, however, is the fact that the first couple of reports of the Packard Commission received a great deal of attention. Their final report, which should in my mind have received a great deal of attention, received almost no attention at all.

Most of the final recommendations of the Packard report I thought were bold, innovative, and eminently sensible. According to the Commission, and I quote: "Congressional focus is myopic and misdirected."

I do not think there have been very many Members of this body that have quoted the Packard Commission, in its final report, that said, "Congressional focus has been myopic and misdirected."

In the 1985 Defense budget, for instance, the Commission notes:

Congressional changes in over 1,800 separate defense programs. Moreover, Congress forced the Defense Department to conduct 458 studies of everything from the feasibility of selling lamb products in commissaries to the status of retirement benefits for Philippine scouts.

□ 1430

Talking about reports, talking about our concern about the proliferation of paperwork or the waste of taxpayers' money.

"Presented with the coherent Defense budget request by the administration Congress replies," according to the Packard Commission, "with fiddling which verges on randomness." That is an indictment of the Congress of the United States. I think we had a golden opportunity to do something about it, and we ignored the final Packard Commission report.

The Commission describes congressional micromanagement as excessive and harmful to the long-term defense of this country. Once again when it comes to micromanagement, we have done nothing about it whatsoever. That is the Packard Commission report. Among the concise recommendations for corrective action, the Commission says that the "Congress should agree to a 2-year Defense budget," we have been through that, "after approving a 5-year defense plan," which we should be doing.

It goes on and talks about the fact that the Congress should put its own house in order.

"Reviewing large successful civilian development and procurement programs such as IBM, IBM 360 computer program, the Boeing 767 transport plane, the AT&T telephone switch system and the Hughes communication system," the Packard Commission recommends "commonsense practices long familiar to the average businessman." In other words, the Packard Commission looked at the big private enterprise initiatives' products and wanted the Congress to comport itself the same.

Some of these recommendations are as follows: "Most successful programs," the Packard Commission says "have a short unambiguous chain of command, strengthened by strong management support throughout the life of the program." That is the type of true reform. "Unlike the congressional oversight system" says the Packard Commission report, "reporting requirements in successful private enterprise management are the exception, not the rule."

Once again we make it the rule and not the exception.

The Packard Commission's final report goes on and says "Management staffs consist of a small number of highly qualified, clearly accountable individuals while the defense procurement process dissipates responsibil-

ity," I will say it again, "dissipates responsibility among a large number of anonymous persons."

Finally, "continuous contact with the customer and realistic product tests are indispensable to private enterprise industries. The defense acquisition enterprise, in the Commission's view, must emulate this model to the maximum extent possible."

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). The time of the gentleman has expired.

Mr. STRATTON. I yield an additional 15 seconds to the gentleman from New Jersey.

Mr. COURTER. I thank the gentleman for yielding me these additional 15 seconds. I have taken longer than I should. I am going to vote in favor of the reform. It moves in the right direction in some instances, but I think when it comes to overcentralization, overreport requirements, overtestifying, overbureaucratization, we indeed have a long way to go.

I thank the gentleman from New York.

Mr. JEFFORDS. Mr. Chairman, for the past few weeks, we have spent hours and hours debating a few million dollars here or there, and whether we can afford any increase at all in programs that benefit our farmers, our environment, our children, health care, transportation, and drug enforcement. We've had to make some difficult decisions, limiting the amount that we can spend in all areas, and forcing cutbacks in many cases. We could wipe out all of this restraint and frugality in any one vote on this defense bill. We're talking big money here, and it's important that we keep our sense of perspective as we authorize almost 50 percent of all discretionary Federal spending.

When President Reagan assumed office in 1981, he had a clear mandate from the American people to rebuild our national defenses and improve the readiness of our Armed Forces. From fiscal year 1981 to 1985, budget authority for the Department of Defense received an average yearly increase of 8.24 percent above inflation. While I felt that these increases should have been smaller, I supported upgrading and modernization of our forces. For the most part, this program has been successful, and our national defense is now much more suited to the challenges it faces.

This priority on defense improvement has not been without considerable cost, however. During this period of defense increases, domestic spending was limited to a 5-percent increase. The Reagan tax reforms of 1981, designed to encourage more business investment and economic growth, sharply decreased Federal revenues. The deficit swelled from $78.9 billion in fiscal year 1981 to a whopping $212.2 billion in fiscal year 1985, a 269-percent increase. While our Armed Forces had become better able to counter the military threat, our national security was increasingly threatened by this out-of-control Federal deficit.

As pressure for reduction of Federal spending mounted, Congress and the administration proved incapable of uniting behind a deficit reduction plan. Frustration both in Washington and the Nation at-large culminated in the emergence of the Gramm-Rudman deficit reduction law less than 1 year ago. For all the disagreement over the wisdom and mechanics of Gramm-Rudman, it has had a very definite impact upon the congressional budget process and the formulation of the bill we have before us today.

In 1986, for the first time in more than a decade, spending authority for the military did not rise. The Gramm-Rudman sequestration order of March 1 eliminated $13.3 billion in budget authority for the Department of Defense, bringing the Department slightly below its fiscal year 1985 authorization level. While actual outlays continued to rise, the Department of Defense has been forced for the first time in recent history to deliniate its spending priorities without requesting further increases in spending. In light of the near doubling of defense spending during the 1980's, this isn't an inappropriate demand.

The Armed Services Committee recognized that while "the threat to national security continues to grow, * * * [the threat] comes from many sources and one such source is the state of the economy." Therefore, in drawing up the fiscal year 1987 authorization bill, the committee attempted to address the problem of the growing deficit and allocate spending reductions so as to protect the readiness and superior quality of our military forces. I am pleased that the committee has proposed a long overdue conventional defense initiative, placing a greater priority within the research and development account on nine conventional weapons systems as opposed to continued increases for strategic systems. While I believe that this task could have been accomplished with $285 billion in budget authority, I commend the committee for adhering to the fiscal year 1987 budget resolution limitation of $292.2 billion. In order to bring the bill's outlays in line with the budget, I will support the effort to bring outlays down to $279 billion.

There are, however, a few areas where I disagree with the committee's recommendations. For instance, an increase of 24 percent of the strategic defense initiative is out of line with Congress' attempts to evenly distribute the burden of spending restraint. I support continued research on SDI and military uses of space but an increase of this magnitude is simply unacceptable given the current budgetary circumstances. Therefore, I will be supporting the Bennett amendment to hold SDI spending at current levels.

I am pleased that the committee language prevents the production of antisatellite missiles [Asat] although I have continually opposed testing of Asat's against an object in space. Because of our dependence upon satellites, we have very little to gain and a great deal to lose by forcing an escalation of the race to develop satellite kill capacity. As in prior years, I urge all of my colleagues to support the Brown/Coughlin amendment to continue the current moratorium on testing against an object in space.

Chemical weapons pose a unique problem for strategic, budgetary and moral reasons. I am opposed to the use of chemical weapons, although I realize that our aging stockpiles are an increasing safety threat. In the very near future we will be forced to dismantle these weapons and develop an effective deterrent against Soviet use of chemicals, perhaps through better protection of our troops in the event of a chemical attack. I do not support production of the Bigeye bomb, particularly in light of current NATO objections to its deployment in Europe. Until there is an acceptable NATO plan for dealing with chemical weapons and negotiations aimed at eliminating chemicals have been throughly explored, I will not support a resumption of production.

In light of recent developments concerning nuclear testing, I am pleased that Representatives ASPIN and GEPHARDT will offer an amendment establishing a temporary moratorium on nuclear testing over 1 kiloton. This moratorium is conditioned upon the Soviets accepting incountry monitoring equipment and confinement of all testing to one site. Without threatening our national security, a temporary moratorium would provide an opportunity for negotiated reductions in the levels of nuclear weapons while slowing the escalation of the arms race.

We must remember that every decision we make in the course of considering this bill will have an impact upon both our national security and our economy. We cannot afford to compromise the health of our defense or of our society. I trust that this body will approve legislation that takes all of these factors into account and thereby provides for a truely strong America.

Mr. NICHOLS. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. DARDEN].

Mr. DARDEN. I thank the gentleman from Alabama for yielding time to me.

Mr. Chairman, I rise today to express my wholehearted support for the efforts of the distinguished gentleman from Alabama, the chairman of the Subcommittee on Investigations. BILL NICHOLS has never wavered from his goal of reorganizing our command structure, and has brought legislation this far through sheer determination, tenacity, and a belief that his actions are in the best interest of our national defense.

Mr. Chairman, the time is ripe for military reorganization. Our military command structure needs fixing. We have had highly competent individuals commanding our forces over the years. But they have been severely limited by the command structure under which they have operated. We have been successful in various operations, such as Grenada and Libya, but only because our soldiers and weapons were superior to those of our enemy. But the time, and battle, is coming where our superior men and equipment will have to be supplemented by a command structure that is efficient and streamlined.

The purpose of this legislation is to focus the peacetime military on its wartime mission and responsibility. In battle, mistakes translate into casualties. We cannot tolerate one single

American casualty through a lack of battlefield coordination or communication within our Armed Forces command structure. I am not suggesting the brave individuals who have commanded our forces are responsible. I am suggesting, however, that the system they operate under has the inherent weakness of lacking coordination in battle. This is dangerous in our present era of rapid escalation.

Mr. Chairman, I will not spend a great deal of time explaining the specifics of this legislation. The chairman of the subcommittee is much better versed in them than I. However, there are several points that I believe to be critical to an effective reorganization proposal.

Title I of H.R. 4370 gives the commanders of the unified and specified commands, the so-called CINC's, full command of the forces assigned to them. They are allowed to employ and dismiss subordinates as necessary. They are also given restricted budgetary input into the requirements of their command. No longer will bureaucrats thousands of miles away be able to fully determine what a field commander actually needs to be successful in battle.

Title V is especially important to me because it requires the President to submit to the Committees on Armed Services and Foreign Relations an annual, detailed report on America's national security strategy. This report could be, and probably should be, classified at the highest level. But at least, we in Congress would have some idea of the vital interests, goals, and objectives of the United States throughout the world.

Mr. Chairman, I once again, commend the gentleman from Alabama and his subcommittee for a job well done. I strongly urge my colleagues in the House to support this reorganization effort whose time has come.

The CHAIRMAN pro tempore. The Chair would like to inform the Members that the gentleman from Kentucky [Mr. HOPKINS] has 19 minutes remaining, the gentleman from Alabama [Mr. NICHOLS] has 8½ minutes remaining, and the gentleman from Alabama is entitled to close the debate on his amendment, and the gentleman from New York [Mr. STRATTON] has 44½ minutes remaining.

Mr. HOPKINS. Mr. Chairman, I yield 8 minutes to the distinguished gentleman from Ohio [Mr. KASICH], a member of the subcommittee, who, I might add, has devoted himself to our task every minute and every hour of every day that we have been formulating this historic legislation. My compliments go to the gentleman from Ohio.

Mr. KASICH. I deeply appreciate the generous comments of the gentleman from Kentucky. He certainly has done a yeoman's job on the legislation. I also, of course, would like to take some time to compliment the gentleman from Alabama [Mr. NICHOLS] not only my chairman but one of my advisers, for all his work. He went through a very serious operation, and we held up everything here in order to get him back because without him we could never put the bill together.

The other person I want to compliment is IKE SKELTON. IKE has been in the field trying to do the spade work, and so has NICK MAVROULES, who was involved in the analysis of Beirut. But the man who really deserves a lot of credit, who has not been mentioned, even though I hesitate to give him a great compliment because sometimes he is pulling our chain a little bit, is LES ASPIN, the chairman of our committee.

Mr. ASPIN came to both Mr. NICHOLS and to LARRY HOPKINS and said, "Look, we have got to move this package. The Senate is moving comprehensive reform of the Pentagon." LES ASPIN along with NEWT GINGRICH served on the Georgetown Center for Strategic and International Studies report, which was probably the foundation for all the defense reform that is going on. The Georgetown study, as everyone knows, is clearly a bipartisan, prodefense study. It put together a variety of recommendations as to how we can improve the operation of our Nation's military.

Mr. ASPIN went to BILL NICHOLS and LARRY HOPKINS and said, "Can you do this?" and they said, "We don't know if we have enough time." The committee went to work, day after day, hour after hour, and we had some of the most distinguished military leaders in our Nation's history come before our subcommittee and give us their views in terms of how we can improve DOD. There is one thing that I believe is universal, and that is that everybody felt that there were difficulties, that there were problems with the system. Those who represented the status quo said, "Well, there may be problems but we fixed them all. We got regulations into effect, and everything is being worked out."

They did not deny that there were serious problems. But they said though they were on the verge of solving those problems. But other supporters of reform, including the people from the Georgetown Center, former Chairman of the Joint Chiefs, distinguished three-star and four-star generals had this to say: "The system does have serious problems. We don't have to do a complete revision of this system, but if we can just patch some things and make some very basic and fundamental reforms within DOD, we can solve the problems."

So what have we done in this bill? Our constituents ought to be thrilled. What we are doing is saying to the Department of Defense, "We are going to give you a system that will allow you to be more efficient in carrying out the military operations that this country has to conduct both in peacetime and in case of a conflict."

Let me tell you one of the things that we have in this bill. We are trying to shift power. That is why so many people in Washington are squabbling over whether this bill is good or bad. Who is squabbling over it? People who are most angry about this reform bill are those people who are in power.

□ 1440

What are we doing in this bill? We are shifting power from the hallowed halls of Washington, DC, to the people out in the field who have to conduct the operations. And we think that the people who conduct the operations out in the field, the people who have to be involved in any kind of a conflict that could occur, should be able to make decisions on what budgets ought to look like, on what priorities ought to be. We say that the commanders in the field, in effect, ought to be in charge, not just in time of conflict, but also in the conduct of planning. So what we say is that the commanders in the field ought to simply be in charge and they ought to impact on many of the decisions that currently they cannot influence.

The present Chairman of the Joint Chiefs of Staff, Admiral Crowe, in written testimony and then reconfirming it when he came before our subcommittee, said, "I had great difficulty being able to effect the decisionmaking process when I was out in the Pacific because, frankly, the commanders in charge do not have the clout that they need in order to be successful in carrying out their mission." That situation cited by Admiral Crowe is what we are trying to change.

I think this bill is going to go a long way in solving the problems we had, for example, in Iran, where nobody was clearly in charge, and in Beirut, where we could not even identify what the chain of command was. That is so distinguishable with what just happend in Libya, where Admiral Kelso in the Mediterranean was clearly in charge. We knew who was in charge.

What we are really trying to do is to put in statute that mechanism we use to vest power in the hands of a commander in the Mediterranean for the successful Libyan mission. We want to have somebody who is going to be answerable and somebody who is in charge.

The other thing we try to do in this bill is to make sure that there is rhyme and reason in our weapons systems. We want to make sure that strategy is tied to systems, and so that every service cannot demand the Cadillac of weapons systems, but rather we ought to work together, coordinate

together, and strategies ought to harmonize with weapons systems purchases. That will save us, in my view, literally billions of dollars.

What else do we do in the bill? We try to stress the importance of joint work. We are trying to say that people ought not to think only as members of the Army or as members of the Air Force or members of the Navy, but that people ought to work together. That is what leads to a successful operation, that is, the Air Force fliers flying all the way from England and synchronizing with Navy fliers in the Mediterranean in one of the most successful military operations in U.S. history. That was because we had joint work. We are simply trying to put into statute that formula which leads to success.

I think we have a great bill. We are trying to cut down on bureaucracy. We are trying to integrate military departments, cut the number of people who are doing the same jobs, and we are involved in trying to reassess defense agencies to make sure that they do what they are supposed to do.

Finally, ladies and gentlemen, I think we have a great legislative product. We are going to go to conference committee with the U.S. Senate, with the two great Senators, Senator NUNN and Senator GOLDWATER, to work out the differences. But we are going to get a more efficient, a more lean, and a more effective Department of Defense that is not only going to make the services and the servicemen happy, but the taxpayers of America very happy.

Mr. NICHOLS. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. VALENTINE].

Mr. VALENTINE. Mr. Chairman, much has been said in the past few months and years about defense spending, the size of the Defense budget, and the role that defense should play in reducing the Federal budget deficit. This discussion is healthy, and necessary. But even more important, in my opinion, is the need to obtain more value for each defense dollar that is spent and to improve the effectiveness and efficiency of the Department of Defense and the military services.

We have a proposal before us today that responds to these vital concerns.

This historic legislation, which is deservedly named for our colleague from Alabama, BILL NICHOLS, proposes the most wide-ranging reform of the Defense Department since that Department was created after World War II.

I want to stress two provisions that merit our special attention. First, this plan greatly strengthens the roles of the commander in chief of the 10 unified and specified commands. These are the military officers who would actually command our troops in wartime. They have an awesome responsibility, but they do not have commensurate authority. This proposal corrects that problem by giving the commanders in chief full command of their troops.

Second, this reorganization plan consolidates the military and civilian staffs of each military service. Today, there is far too much duplication, with military and civilian staffs performing the same functions. We are not only wasting money under these circumstances; we are also loading the decisionmaking process down with a cumbersome, unnecessary bureaucracy. By combining the staffs, we can eliminate wasteful spending and effort without sacrificing effectiveness. We have an opportunity to create a more streamlined, responsive process in the Department of Defense.

These changes are also badly needed if we are to be able to tell the American taxpayer honestly that we are doing everything possible to improve the effectiveness of our military services. This proposal does much to combat a perennial national security problem—interservice rivalry and parochialism. A much greater degree of interservice cooperation must be built into the system. This legislation does that, and we will reap the benefits for decades to come.

The Department of Defense is a vast and complex institution, but the issue before us today is simple. Do we have the resolve to make the changes and improvements demanded by the national security requirements of the 1980's and beyond? I urge my colleagues to answer that question with a clear and resounding "yes" by voting for the Armed Services Committee proposal.

Mr. HOPKINS. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. MCEWEN].

Mr. MCEWEN. Mr. Chairman, I thank the gentleman from Kentucky for yielding time to me.

Mr. Chairman, I would like to take this opportunity to express my sincere appreciation to the distinguished chairman of the Armed Services Committee, LES ASPIN, and to BILL DICKINSON, the ranking member, for their efforts to bring this legislation to the floor. In addition, I want to thank the Investigations Subcommittee chairman, BILL NICHOLS, and ranking member, LARRY HOPKINS, for their important support for the National Security Strategy Act.

Mr. Chairman, several of our colleagues have joined with Mr. CHENEY and myself in support of the proposal to develop a long range national strategy for the United States. The distinguished gentleman from Missouri, IKE SKELTON, and the gentlelady from Illinois, LYNN MARTIN, have provided their insights and counsel during the Armed Services Committee consideration of this measure. In my view, the Members of the House have reaped the fruits of their labor and benefited greatly from their participation in this endeavor.

Mr. Chairman, in its recently completed report, the President's Blue Ribbon Commission on Defense Management emphasized that: "Today there is no rational system whereby the executive branch and the Congress reach coherent and enduring agreement on national military strategy, the forces to carry it out, and the funding that should be provided."

Over the years, Members of the House and Senate have strongly voiced the need to improve the method by which the Congress receives from the executive branch positions covering America's foreign policy objectives and the supporting defense requirements.

In the past, Congress has collected this body of policy information in a very diverse manner: Presidential addresses, posture statements, hearings, fact sheets, response to questions, and the like. In addition, this information is received in a fragmented manner—presented at different times, to different committees and in different versions. To support the development of an institutional report on the national strategy of the United States, Senator WARNER, Representative CHENEY, and I have proposed the National Security Strategy Act.

Under the provisions of title V of this bill, the President would provide an annual foundation report on the National Security Strategy to the Committees on Armed Services and Foreign Affairs of the House, and to the Armed Services and Foreign Relations Committee of the Senate in the beginning of each year.

The National Security Strategy Report would contain a comprehensive discussion of the vital interests, goals, and objectives of the United States throughout the world. In addition, the report would be in a classified and unclassified form.

This report would include a coordinated and comprehensive description of the foreign policy, worldwide commitments, and national defense capabilities of the United States necessary to deter aggression and to implement the national security strategy of the United States. In essence, this report would synchronize our defense and foreign policy.

Mr. Chairman, this issue is critically important to the future of our Nation and has been all too often overlooked. We live in a world of escalating and evolving crises and threats. Sometimes it appears that the United States has been relegated to a position of responding and reacting to the aggressive initiatives of other nations. In some instances, it appears that the United States has lost the will and the

ability to proactively chart a decisive course of action—in our Nation's best interest.

Whereas a national strategy will not provide absolute guarantees, it will, however, certainly maintain a focus, limit the parameters for error, and provide solid guidelines for the formulation of long-range policy.

In my view, an effective national strategy would encompass the integration and synthesis of all primary elements of national power: Political, economic, psychological, moral, and military.

Under many circumstances, the real strengths of the United States are not considered in policy formulation, and consequently an effective strategy has failed to materialize. As some foreign policy analysts comment, we are prone to mount a "narrow military defense against a comprehensive Soviet strategy."

Whether we accept it or not, it is an undisputed fact that the United States now has the leadership responsibility for the free world. We have just entered our fifth decade in that leadership position which began with the dawn of the nuclear age at the close of World War II.

The inherent dangers in our Nation's foreign and defense policy have been evident to some of us for a long time. As members of the key congressional committees, which deal with national security issues on a daily basis, it has become increasingly apparent to us that the lack of adequate coordination between the Departments of State and Defense present serious problems to our Nation.

As my colleagues are well aware, Congress is constantly faced with making critical decisions regarding our national security. Unfortunately, we oftentimes make these decisions without a clear comprehensive understanding of our national strategy.

However, we now have the opportunity to change the manner in which we make these decisions and address these critical foreign policy situations. What we have proposed is a strategy which integrates and synthesizes all aspects of America's power.

With this common understanding, Members of Congress will be better prepared to measure the value and relevancy of individual programs by assessing how they contribute to the national strategy, military strategy, and foreign policy.

Over 170 years ago, Thomas Jefferson said: "If a nation expects to be ignorant and free, it expects what never was and never will be."

Mr. Chairman, this is really what this initiative is all about, what this Congress is all about—studying the issues, refusing to be ignorant about them, and looking for a better way to insure that we are able to safeguard the freedoms of this great Nation.

I urge my colleagues to support this measure.

I include the following article:

[From the Washington Post, July 6, 1986]

SYMPTOMS AND A STRATEGY

(By David S. Broder)

Symptoms of a serious problem have been popping up all over Washington in recent weeks. President Reagan did—or maybe didn't—signal an end to American adherence to the SALT II treaty limits on deployment of nuclear missiles. The House, by a shaky 12-vote margin, reversed its earlier refusal to provide military aid to the anti-Sandinista contras in Nicaragua.

The State Department said the United States is ending its defense obligations to New Zealand because of New Zealand's refusal to allow Navy ships with nuclear weapons the use of its harbors. On another front, the United States increased its contacts with forces opposing the government of South Africa, but refused again to impose economic sanctions against apartheid.

More symptoms: the budget approved by Congress reduced inflation-adjusted Pentagon appropriations for the second straight year, without any easing of our defense obligations. And the Senate Armed Services Committee, trying to stay within those limits, had a series of 10-to-9 votes on military projects involving several hundred million dollars each.

Is this any way for a superpower to manage its national security? The answer given by several key Republican legislators is "No," and they have taken the lead in a modest-looking but potentially significant reform.

Believing that all these are symptoms of a lack of an agreed-upon overall defense and foreign policy, Sen. John Warner (R-Va.) and Reps. Bob McEwen (R-Ohio) and Dick Cheney (R-Wyo.) have sponsored what they call "the national strategy act." Its provisions were attached to the Department of Defense reorganization act recently passed by the Senate and to the companion bill being written in the House Armed Services Committee.

It would require the administration to submit, at the time of the president's annual budget message, "a comprehensive written report on the national security strategy of the United States," including a rundown on our "vital interests, goals and objectives" and "the foreign policy, worldwide commitments and national defense capabilities . . . necessary to deter aggression."

At the beginning of each congressional session, the secretaries of state and defense would be invited to testify together on the report to joint meetings of the Foreign Affairs and Armed Services committees of the House and Senate.

Smart "hawks," such as Rep. John McCain (R-Ariz.), the much-decorated Navy veteran and Vietnam POW, have complained for more than two years that military spending has not been gauged by "the commitments the United States has in the world" and the resources available to meet them. As Warner, McEwen and Cheney pointed out in interviews, the process mandated by their national strategy act could force a degree of rationality and planning into the foreign-policy defense field.

It would give Congress a basic yardstick against which to measure the myriad individual decisions it makes on foreign aid, military assistance and defense appropriations. Although foreign-policy goals logically should determine defense strategy, the Armed Services and Foreign Affairs committees almost never meet or do business with each other.

"Instead of focusing on the national interest," McEwen said, "we go from crisis to crisis and parochial interest to parochial interest. . . . We debate aid to contras as if the issue were which agency's accounting system we trust, and we decide battleship versus carrier, not on our obligations to protect the sea lanes, but whether Pascagoula or San Diego should have more jobs."

Equally important are the potential benefits for the administration. The secretary of state and secretary of defense traditionally avoid giving joint testimony to Congress. By requiring them to frame a joint "national strategy" document and answer questions on it together, Cheney said, "you not only force a more coherent debate, you force the early surfacing of the differences within the administration."

Warner, a former secretary of the Navy, agreed that one of the major effects of the new process "would be to require both the secretaries to meet beforehand to reconcile the major differences those two powerful individuals often have had." That is supposed to be done now through the National Security Council. But the frequent disagreements between George Shultz and Caspar Weinberger on arms control, troop commitments and other basic security issues clearly indicate that the process is not working well. Nor is this the first administration to face that problem.

The sponsors tell me that Weinberger has been supportive of their effort while the State Department, perhaps jealous of its prerogatives, has been dragging its feet, giving public assent while Undersecretary John Whitehead lobbied privately against it. That does not bode well for the execution of the new procedure if, as seems likely, it becomes law this year.

The effort to involve both the administration and Congress in defining a comprehensive and reasonable national security policy deserves the best effort both branches of government can muster.

□ 1450

Mr. STRATTON. Mr. Chairman, I yield 8 minutes to the gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. I thank the gentleman for yielding me this time.

Mr. Chairman, while my views on certain aspects of the provisions of H.R. 4370 which would reorganize the Department of Defense are not entirely favorable, there are provisions which are at least potentially beneficial, and my regard for the distinguished patrons is very high. The gentleman from Alabama [Mr. NICHOLS] is in my opinion one of the great and most patriotic members of this body. He and the distinguished and capable gentleman from Missouri [Mr. SKELTON], have labored long and thought deeply on this vastly significant legislation. Despite reservations about certain important features of this bill I join in the well deserved chorus of praise for Mr. NICHOLS, Mr. SKELTON, and for the gentleman from Wisconsin and chairman of the full committee Mr. ASPIN.

Mr. Chairman, too many have dismissed any and all objections to this bill as objections inspired by a bloated and self-serving Pentagon bureaucracy. Some contend it is understandable that the military services would object to key provisions in this bill because they are the ones losing power. What we are supposed to take from that is that our Armed Forces are incapable of reacting for other than parochial interests. I think that does our military leadership a grave injustice, and, more crucial for our purposes, Mr. Chairman, it begs the question. We in this body should look seriously at the provisions of this bill, and whether in significant respects it will result in a more efficient, more capable, and more flexible vehicle for the management and maintenance of our national defense capability. Despite the undisputed good intentions of the authors of this measure there are provisions of this legislation which I believe will ill serve our national defense.

I'm afraid that all of us have gotten in the habit of deciding that if it's labeled reform, especially when applied to the military, it must be a good thing. But labels can be deceptive. If, for example, staff integration is to save manpower slots at headquarters, which is the reason assigned in its behalf, then why should it be necessary to mandate a 15-percent manpower reduction in the headquarters staff of the service secretaries and chiefs of staff of the military services. The other body, while mandating a 15-percent reduction in headquarters staff, does not require staff integration. If all that is at stake is protecting staffing levels, why have the Armed Forces resisted our bill and not the other, when the other body's bill cuts as many or more people from headquarters positions? I do not find any intelligible rationale for integration of the service secretaries' staffs with those of the military chiefs. I suggest there is none. The giants of our military history understood that consolidating or integrating the staff of the civilian heads of our armed services with the staffs of our military chiefs will at worst undermine civilian control over our military establishment or at best will diffuse and weaken our military leaders ability to marshal forces to meet the threat of potential enemies. As time goes by, either the secretariat or the uniformed headquarters will gradually wither away. Civilian oversight and policy control, harnessed to the expertise of the services' finest officers, have combined to produce the finest Army, Navy, Air Force, and Marine Corps in the world. The required integration of staff called for by this bill may upset the delicate balance that has served us so well.

This bill is also a testament to the appetite of the Congress to micromanage. If enacted, there will be some 22 pages in title 10 dedicated to the careers, promotions, selection and assignment of a group of officers termed "joint officers." Very troubling, inflexible, and I believe counterproductive provisions will exalt staff officers over combat leaders. Under this bill these joint specialists will be the only officers who can later be general and flag officers, CINC's, Service Chiefs, or Chairman of the Joint Chiefs of Staff.

In short, Mr. Chairman, we have created a general staff. Worse, we will have penalized those whose skill and talents lie in combat and conduct of operations and preferred those whose talents and experience have been more extensively related to joint specialties and staff assignments. We risk reward for more time at a desk and denigrate experience in the field or at sea. Military giants like George Patton, Douglas MacArthur, Chester Nimitz, and Hap Arnold did not get their military experience behind a desk in the Pentagon. They got it by fighting with and leading, soldiers, sailors and airmen. Joint training and operations are undeniably important, and should be and are receiving increased emphasis by all of our services. My concern is the over breadth and rigidity of a statutory mandate to advance personnel whose careers are dominated by joint staff experience at the expense of combat and operational leaders.

Finally, this bill goes beyond any useful purpose as it relates to joint and specified commanders. Quite properly operational control and full control over joint training should be given the CINC's. They should be assured a voice in planning resource allocation and setting priorities. If there are deficiencies in any of these regards it is well that the law correct them. It is in my view an error to over correct these programs and saddle the CINC's with the administrative and budgetary requirements which detract from their vital roll as war fighters, and especially if in the process they become war lords of separate fiefdoms rather than integrated commanders pursuing a comprehensive global strategy we need to let our commanders command, not burden them with excessive administrative responsibility, court martial jurisdiction, budget wars, and endless committee obligations in Washington.

In closing I again salute the sponsors of this reorganization package. Their motives and very substantial efforts reflect great credit upon them. There is merit to ingredients of this package. Unfortunately some of the ingredients of the bill were damaged in transit.

Mr. HOPKINS. Mr. Chairman, I yield 3 minutes to the gentleman from Guam [Mr. BLAZ].

□ 1500

Mr. BLAZ. Mr. Chairman, I thank the gentleman from Kentucky for yielding this time to me.

Mr. Chairman, let me associate myself with the accolades that have been expressed earlier relative to the work done by the chairman of the subcommittee, the ranking member, and all the members of the subcommittee, on this very, very important piece of legislation.

I am particularly thrilled to make some remarks about the gentleman from Alabama, Mr. BILL NICHOLS, because I have an association with him dating back to his Auburn, AL, days where he stands tall, and as tall as he stands at Auburn, he stands as tall in the House. I think it is remarkable, I say to the gentleman from Alabama.

Mr. Chairman, in the 30 years I served in the Armed Forces of the United States, I spent 6 years on the joint staff directly or indirectly. One of the things that bothered me throughout the time of my service was that on the dozen or so occasions that I would ask a question as to why we were doing the things we were doing, the responses were always: "It would take an act of Congress to change it." You can imagine how great I feel right now, participating ever so peripherally in this act of Congress that is going to change some things from the way they operated in the past.

I can assure the Members, Mr. Chairman, that this is a red-letter day in the Armed Forces of the United States, an organization which has not seen very many red-letter days in the last few years.

The merits of the bill have been discussed, and I will not go into all the details, but let me make a few observations.

It is quite ironic that, as we prepare ourselves to celebrate the 200th anniversary of the Constitution of the United States, a document that has been described by many as almost perfect, a document which has sustained 26 amendments in the last 200 years, this defense bill that we are planning to change ever so slightly has been around for 40 years, one-fifth of the life of the Constitution, and it has never been amended. That puts it in the same class as the Bible, and that should not be so.

Also interesting is the fact that 90 percent of the flag officers of the Army, Navy, Air Force, and Marines who are retired are in favor of what we are trying to do, yet 99 percent of those on active duty are not. That is very interesting.

Mr. Chairman, there are studies galore in the last four decades asking us to make some changes. Whether we call it reform or reorganization, it matters not. I can assure that Members that, as a member of the Armed

Forces for 30 years, I believe changes are in order. Changes for the good are in order.

Finally, Mr. Chairman, I want to say, relative to the consolidation of the military staff and the civilian staff, I think that I can make a case to reduce that staff by 25 percent, and the Armed Forces should be lucky that we are only asking for a 15-percent reduction.

Obviously, Mr. Chairman, I have very strong feelings about this matter. No doubt there will be people who will be objecting to the bill's passage, no doubt there will be criticisms, but let me say to the Members that I base my observation on 30 years of experience, 6 years of which were with the joint staff.

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). The Chair wishes to state that the gentleman from Kentucky [Mr. HOPKINS] has 4 minutes remaining; the gentleman from Alabama [Mr. NICHOLS] has 6½ minutes remaining; and the gentleman from Alabama [Mr. NICHOLS] is entitled to close the debate. The gentleman from New York [Mr. STRATTON] has 36½ minutes remaining.

Mr. STRATTON. That means, Mr. Chairman, that the closure of debate may be postponed for some 36 minutes; is that the case?

The CHAIRMAN pro tempore. The gentleman should feel free to yield back the balance of his time so we might get into the amendment stage.

Mr. STRATTON. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. Mr. Chairman, I appreciate the gentleman's yielding me these 3 minutes.

The primary reason I wanted to take the well is to congratulate the gentleman from Alabama [Mr. NICHOLS] the gentleman from Kentucky, the gentleman from Missouri, and the other members of this committee.

It takes a little courage to change the course of events and the organizational status that has gone on for many years, and I congratulate them on demonstrating their courage to do that.

I may say that there are some things in this bill that worry me some, but I am not on that subcommittee, and I believe that the members probably went to bat on those things and studied them. I guess the greatest concern I would have about it would be the possibility of creating a group of people who are sort of elitist, who actually were not combat-experienced people and who might eventually find all the high-ranking, responsible jobs in their hands. However, it has been my observation about government that the system of government is not nearly as important as the people who occupy the positions in government. You can have a bad system, and if you have good people working under it, it will work out pretty good. If you have a good system and you have incompetent people working under it, it will not work. I think we have dedicated, fine people in all three branches of the service—four branches, including the Marine Corps. I think they will make the system work.

I am glad that this subcommittee has been chaired by the gentleman from Alabama [Mr. NICHOLS], a combat veteran, and that other combat veterans have been involved in this decisionmaking process and have given it the thought they have given it. Although I am not on that subcommittee and do not see all the things just exactly as they see them, I plan to vote for this. I have some reservations about it, but as I said, I think the system can be made to work by people who are dedicated to make it work.

The main reason I wanted to take the floor at this point was to thank the chairman of the subcommittee, who is a combat veteran and a heroic man in every respect, and the other members who worked with him on the committee, the gentleman from Missouri [Mr. SKELTON], the gentleman from Kentucky [Mr. HOPKINS], and the others who devoted so much time in an effort to find a good solution to this problem.

To some people this perhaps looks like a little too much micromanagement, I am sure, but as I said before, the people who are going to have these jobs can make it work. They know that Congress wants them to make it work. They know that everybody wants a strong national defense.

So, Mr. Chairman, before I sit down, again let me say that I congratulate particularly the gentleman from Alabama [Mr. NICHOLS] for his great service in this respect.

Mr. STRATTON. Mr. Chairman, I yield 10 minutes to the gallant gentleman from Arizona [Mr. MCCAIN].

Mr. MCCAIN. Mr. Chairman, I thank my dear colleague and friend, the gentleman from New York [Mr. STRATTON] the gentleman who has labored so hard and for so many years in behalf of this Nation's defense. He has done a wonderful job, and he is a man that so many of us view as a role model.

I would also like to take this opportunity to commend the distinguished chairman of the Investigations Subcommittee of the Committee on Armed Services, the gentleman from Alabama [Mr. NICHOLS] for his tireless efforts which have resulted in the amendment before us to reorganize the Department of Defense. I know that the gentleman has had an excellent series of hearings on the matters raised by the amendment, and I assume that there are a number of difficult choices that are presented by the pros and cons on the language and the intent of this legislation.

Realizing, of course, that these matters are outside my committee responsibilities, I would like to share some thoughts with the Members based upon my close and continuing association with the Armed Forces of the United States.

Let me hasten to say that I am not opposed to change where such change will make our Armed Forces leaner and meaner in the accomplishment of their war-fighting mission, nor am I opposed to changes in our Defense Establishment which will produce more bang for the buck. I am, however, opposed to changes which will trade off efficiency for centralization and individual war-fighting skills for perceived inattention to joint duty. Most importantly, I am unalterably opposed, as I am sure others must be, to mandating change through legislation when many of these changes can be made through direction from the executive branch. Clothing the President and the Secretary of Defense with a mantle of inflexibility when our national security is dependent upon flexibility would be the height of folly.

Let me just focus on a few of the items in the amendment which concern me. My concerns are based not only upon my reading of the amendment but my own experiences.

First, and most importantly, the amendment seems to shift the emphasis of our warriors from warfare skills to staff expertise by creating a troublesome and, in my mind, inflexible joint office subspecialty which will reward staff duty at the expense of war-fighting and other service duty. I am clearly in favor of the Secretary of Defense ensuring a system where the proper proportion of the Armed Forces' "brightest and best" are assigned to joint duty.

I am not in favor, however, of making second-class citizens of those warriors—and there are many of them—who by intent or necessity concentrate on their particular warfare skills, be they soldiers leading soldiers into battle, flying aircraft, or driving ships.

Let me just point out a concrete example of what I am saying. During the years 1954 to 1963 the members of the naval air arm of this country were strained to an incredible degree.

□ 1510

Those who were capable of fighting jet aircraft in combat were required to either serve in Vietnam in squadrons or onboard ship or back in training or preparing others to fight in that long and arduous chapter in our Nation's history.

Let me point out that we would be penalizing those individuals today because they were not put on joint serv-

ice duty because the Navy could not afford to put them on joint service duty at that time, because their skills were in short supply and very dramatically needed to fulfill the training needs and requirements in order to fight that war. That is an example, if the kind of legislation that may be enacted today had been in being during the years 1964 to 1973, we would have suffered even more dramatically in our ability to fight that war.

I would like to think that all of us who wore the uniform of military service to our country were something special, something elite.

Let us not institutionalize in law a class unto themselves of the elite.

The worst mistake we may be making in this amendment today is creating an elite class of officer corps and there is historical precedent for this in other nations. There has been no nation in history that has done anything but suffer because of the creation of an elite officer corps, and it is not confined to the German Army.

The amendment also would integrate fully the secretarial and military headquarters staffs. I am not opposed, in fact, I am strongly in favor of trimming headquarters staff to the extent possible consistent with getting the job done and eliminating costly and inefficient duplication of effort, but it is my opinion that there are unique and separate roles for each of these staffs. It would be naive to believe that policy formulation at the secretarial level is not in reality a part of the political process. We do not want, nor can we ever have, a political role for our military personnel. Our headquarters and military staffs need to make pure military decisions. The secretarial staffs need to make those that are impacted by politics in the political process. In my judgment, to do so would diminish the quality of military advice that is being received. Consequently, we should shy away from the proposed integration and concentrate on removing duplication, inefficiency, and bureaucracy from our headquarter's military staff.

Let me just say one other thing about integration of military and secretarial staffs. As a former naval officer, I was proud to identify myself with those who were members of the U.S. Navy. There is, and always should be, a nonquantifiable esprit de corps personified by the service chiefs.

As I read the amendment, the strengthening of the authority of the commanders of the combat commands, when combined with the proposed intergration of the headquarter's staffs, would at least to a large degree relegate the service chiefs to functionaires. Let me tell you, if such is the case esprit de corps would suffer severely in our Armed Forces, with a concomitant weakening of morale amongst our men and women in the armed services. This would be neither a desirable nor a healthy situation.

Finally, let me now address the issue of strenghtening the authority of the combatant commanders. I firmly believe that the combatant commanders should have the resources to do the job in the shortest of all possible chains of command to get the job done. The history of Vietnam suggests very strongly that one of the reasons why we did so poorly was because of the micromanagement of that war, not from the Pentagon building, but from the basement of the White House.

Wars should be fought and won by on-scene commanders, rather than by bureaucrats driven by a political process back here in Washington.

On the other hand, we must not burden these on-scene commanders with the seemingly endless process of budgeting and administration. The present budgeting and administration process which is constantly evolving must do a better job of meeting the real needs of the combatant commanders from a finite pool of resources; but to delegate this authority to the CINC's may cause a new kind of competition to be created between the various CINC's and may cause us more difficulties than the present system.

I clearly applaud the herculean efforts of the chairman in examining the issues during the hearings. It is my understanding, and I believe witness after witness has reinforced my thinking, that many of the provisions of the amendment address concerns of the past and are overreactive to problems which can be cured by the President in an evolutionary manner.

We should work to achieve inflexible change only where absolutely necessary and only where we are sure it does not detract from our war-fighting capability or denigrate the skills of our men and women in the armed services who are serving us with such courage and skill today in America.

Mr. HOPKINS. Mr. Chairman, I yield 1 minute to the gentlewoman from Maryland [Mrs. BYRON].

Mrs. BYRON. Mr. Chairman, I rise in support of this reorganization bill. As a member of the subcommittee that worked long and hard on this piece of legislation, I think it contains the most significant changes in the structure of the Department of Defense since its creation after World War II.

Initially, I had some reservations as to certain aspects of this bill. There is one area that I still have some difference with my colleague on the other side of the aisle, but I am hopeful that these issues will be resolved in the conference.

I fully support the concept of this bill which provides more authority to those command elements of the military that operate jointly or in a military-serve basis.

Let me say about the chairman of the Investigative Subcommittee that I know of no one who is more fair, more conscientious and more diligent.

I also must say at this time that I do not know any piece of legislation on which we have held more hearings, more in-depth aspects of any area on this bill, and therefore I urge my colleagues to vote for this legislation, which I think puts our national security above the interests of our individual services.

Mr. NICHOLS. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. MCCURDY].

Mr. MCCURDY. Mr. Chairman, I rise today in strong support of the legislation before us that was reported by the Intelligence Subcommittee of the Armed Services Committee that was so ably chaired by the gentleman from Alabama [Mr. NICHOLS].

Mr. Chairman, I know of no person in this body who exemplifies the best of American patriotism than the gentleman from Alabama. He has served our Nation well in the days of World War II through his experience and service here in these chambers, and I know of no person who has a greater respect and admiration and devotion to our military and armed services than the gentleman from Alabama. I want to commend him for his excellent leadership on this issue. I have had the privilege of serving on the Investigative Subcommittee with him and also having served on the Georgetown panel which dealt with reorganization, and I appreciate his cooperation in the findings of that panel.

Mr. Chairman, my personal here is former Gen. George Catlin Marshall. I believe in the books and biographies I have read of him that he would be proud of this particular legislation today because I believe that it continues the thrust in which he worked, and that is to place the interests of the United States and the defense of this great and free Nation above the parochial interests of any individual service.

I had been amazed by some of the comments of our colleagues have indicated that it appears only the people who should be the chiefs of our military are those who have had operating experience.

I would point out, though, in the history of the great General Marshall that he was penalized for years, not being promoted because, quite frankly, he never commanded troops in the field during combat and that he was always in a staff function; but thank God the United States realized his great potential for leadership and made him Chief of Staff of the Army for World War II, because it was with his leadership we were able to be successful.

I also want to comment and state at the outset that I appreciate the willingness of the chairman to include in the bill the requirement for that assessment which is basically the development and use of honest and critical intelligence regarding our capabilities.

Mr. Chairman, I rise in strong support of this legislation and encourage its adoption.

Mr. STRATTON. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Mississippi [Mr. MONTGOMERY].

□ 1520

Mr. MONTGOMERY. Mr. Chairman, I would like to thank the gentleman from New York [Mr. STRATTON] for yielding these 2 minutes to me. I might disagree with him some on this amendment, and I do rise in support of the Bill Nichols Department of Defense Reorganization Act. I would certainly like to commend the gentleman from Kentucky and also the gentleman from Missouri and other members of the subcommittee for coming out with this legislation.

Mr. Chairman, I guess that I know BILL NICHOLS as well as anyone in the Chamber today. We both came to the Congress at the same time, about 20 years ago, and it has been nothing but pleasure, those whole 20 years, working with BILL NICHOLS. We come from adjoining States, our paths have crossed many times, and I think certainly that it is proper to name this act after BILL NICHOLS. He is not only dedicated to his State, but he has been dedicated to the Congress.

As has been mentioned here several times, he is a hard worker, on the job all the time, totally sincere in everything that he does, has a quick mind, and is well prepared. As has also been mentioned, he sacrificed part of himself for this great country, as he was severely wounded in World War II.

One part of the bill that I like, Mr. Chairman, and I like most parts of this legislation, is that it pins down the responsibilities of our U.S. commanders around the world. In the past in some of the skirmishes in which some lives have been lost in the last several years, it has been hard to say who was the commander, who was responsible. That should not happen in our type of democracy, and to have a strong military, someone has to take responsibility of successes and failures in the military.

Under the Bill Nichols Reorganization Act, it pins this down. A commander anywhere around the world will have that total responsibility; he will get the credit, or he will get the sadness.

Mr. Chairman, I rise in support of this legislation.

Mr. STRATTON. Mr Chairman, I yield myself 3 minutes.

Mr. Chairman, I too certainly want to join in congratulating the gentleman from Alabama for his persistence in getting this legislation through, and, in fact, I think that it ought to be noted that the reason that I am standing here as the loyal opposition in connection with the matter is that the distinguished chairman assumed that in a controversy of this sort that the Democratic side would be handled by himself, and the Republican side would be handled by the gentleman from Kentucky [Mr. HOPKINS]. But it turned out that the Parliamentarian designated that in a contest of this sort there had to be one proponent and one opponent, and the only person that he could find as an opponent was the Member from New York.

I have differed with the gentleman on a few occasions in connection with this legislation, but he is a great Member of the House, a great military hero, and an outstanding friend, and I want him to know, as I am sure he does know, that any objections that I might have had certainly are not so serious as to impair our serving together and our friendship, and I want to commend him for what I know will be an overwhelming victory as far as this legislation is concerned when the votes are counted.

Mr. HOPKINS. Mr. Chairman, I would like to close out the debate on our side.

The CHAIRMAN pro tempore. The gentleman from Alabama [Mr. NICHOLS] will close out the debate on his amendment.

Mr. HOPKINS. Mr. Chairman, I yield myself such time as I may consume.

The CHAIRMAN pro tempore. The gentleman from Kentucky [Mr. HOPKINS] is recognized for 3½ minutes, the remainder of his time.

Mr. HOPKINS. Mr. Chairman, I want to take this opportunity to make the record very clear in reference to some of the Members who have spoken here earlier, particularly my friend, the gentleman from New York [Mr. STRATTON], who was at one time the chairman of this subcommittee, and it was my distinct privilege and honor to serve under him at a time when it took a great deal of courage, in my opinion, to be the chairman of this subcommittee, a time when some of our Nation's fighters were called into question as far as Iran was concerned. I know that the gentleman was under a great deal of pressure at that time, and I stood in admiration then as I do now for the great contribution that he makes to this country.

He stands in opposition to this bill, but it is purely for parliamentary reasons, let me assure the record of that, because in the years that I have known the gentleman from New York, he has never stood in opposition to defending this country of ours or shirked from his duty as a member of this subcommittee or of the full committee.

The gentleman from Mississippi talked a little bit earlier about pinpointing authority and responsibility. I think that this bill does exactly that. It has been my experience as a member of this subcommittee to see that in Washington when things go well, there certainly is an ample number of people in Washington to step forward and to take the credit for those things. But when things do not go well, it seems by design that here in Washington there are enough layers of bureaucracy that it is extremely difficult to find anyone who is responsible.

I think that this bill goes a long way toward pinpointing authority and responsibility. I want to compliment once again the chairman of this subcommittee, my friend, the gentleman from Alabama [Mr. NICHOLS], the gentlewoman from Maryland, the gentleman from New York, the gentleman from Missouri, who is not even a member of this subcommittee, but gave hours of his time to sit in, and certainly the other Members on both sides of the aisle. It has been my distinct pleasure to stand in the shadow of these Members of Congress.

Mr. Chairman, I yield back the balance of my time.

Mr. NICHOLS. Mr. Chairman, first I want to say that I appreciate all of the many compliments that have been passed on by my colleagues. They sounded very reminiscent of eulogies at a country funeral back home, but I am appreciative of them nevertheless.

Mr. Chairman, I yield the balance of my time to the gentleman from Missouri [Mr. SKELTON].

The CHAIRMAN pro tempore. The gentleman from Missouri [Mr. SKELTON] is recognized for 4 minutes.

Mr. MAVROULES. Mr. Chairman, will the gentleman yield?

Mr. SKELTON. Mr. Chairman, I yield to my friend and colleague, the gentleman from Massachusetts [Mr. MAVROULES].

Mr. MAVROULES. I thank the gentleman for yielding.

Mr. Chairman, during the course of this debate, a number of times the Beirut incident has arisen, first mentioned by our chairman during general debate. Those Members who might be a little confused on the issue are perhaps debating in their minds as to how they are going to vote on this reorganization. Let me extend to them the opportunity to read very carefully the report that the Investigations Subcommittee has for their perusal, and if that is not enough to demand reorganization at that level and at all levels, then perhaps they might want to read the President's blue-ribbon commission report, commissioned by the

President on the Beirut, Lebanon, incident.

I think that once they read that, that they will become very objective in their views. There is no doubt in my mind that they have to come up with an "aye" vote in support of this reorganization.

Mr. SKELTON. I thank the gentleman.

Mr. Chairman, this bill is properly named the "Bill Nichols Reorganization Act." In a word, I am proud to be associated with him and with his work product. It will be a lasting monument to a great American. I also compliment the ranking minority member, the gentleman from Kentucky [Mr. HOPKINS] for his able work in this area.

Mr. Chairman, this is an important measure. Thus, we here in Congress are here to strengthen the way in which business is done in the Pentagon. Rather than devote my few minutes to the entire bill, I wish to address myself to the one most important issue that is contained in this measure. Today the Congress of the United States is reacquainting the military of the United States with a most important military principle—the necessity of unity of command.

Napoleon stated as one of his maxims of war: "Nothing is so important in war as an undivided command." That is what we speak of here today. That is our business and what we are about.

I say, Mr. Chairman, that this measure is not meant as a criticism, nor our remarks as a criticism, of those fine admirals and generals whom we are blessed to have as leaders of our military. We merely want to give them a better structure within which they can make decisions.

The gentleman from Arizona spoke a few moments ago about those who wear the uniform, and let me say to him this, that those who wear the uniform of the U.S. military are entitled to the best decisions from their superiors.

□ 1530

They are not entitled to fractured command.

The gentleman from New York also spoke saying that this measure will weaken civilian control. To the contrary, this bill will increase civilian control by making the military more efficient, by giving it the mission, and by having that mission done well, completed, with the very minimal chances of it going awry.

The most serious flaw, as I mentioned, concerns the authority and influence of the combat commanders. Who is in charge? Who is accountable? Who is responsible?

This committee and this bill has discovered that the U.S. military command authority is usually and intentionally diffused, almost always divided and complex.

Mr. STRATTON. Mr. Chairman, I commend the chairman for handling this debate in an outstanding way, and I yield back the balance of my time.

The CHAIRMAN pro tempore. All time for general debate has expired.

Are there any amendments to the amendment offered by the gentleman from Alabama [Mr. NICHOLS]?

AMENDMENT OFFERED BY MR. STRATTON TO THE AMENDMENT OFFERED BY MR. NICHOLS

Mr. STRATTON. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. STRATTON to the amendment offered by Mr. NICHOLS: Strike out section 101(c) (page 14, lines 4 through 12).

The CHAIRMAN pro tempore. Under the rule, the gentleman from New York [Mr. STRATTON] will be recognized for 10 minutes, and a Member in opposition will be recognized for 10 minutes.

The Chair recognizes the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am reading once again from the letter submitted by the Secretary of Defense, Mr. Weinberger, which I think goes to what I regard as one of the most serious questions that this legislation raised. But I believe that the letter of the Secretary of Defense has, to a large extent, qualified this particular problem.

Secretary Weinberger writes:

* * * an amendment to H.R. 4370 deletes from Title 10, United States Code, the Navy's general responsibility for naval reconnaissance, antisubmarine warfare, and protection of shipping. This provision appears to have resulted from a misunderstanding of the language in question, which relates to broad Navy roles and missions, not the command authority of the combatant commanders. It is important to preserve in law the inclusion of naval reconnaissance, antisubmarine warfare, and protection of shipping in the Navy's functional roles. There are certain intelligence functions, reconnaissance and antisubmarine warfare activities that the President and Secretary of Defense have given to the Department of the Navy as Executive Agent. Those functions cannot be performed as well by a combatant commander. Therefore, this section of H.R. 4370 should be deleted or further amended to include alternative provisions which we have proposed.

I think since the Secretary points out that the matters that were originally striken out by the Hopkins amendment are not related to individual combat commanders, but rather to the authority of the Secretary of Defense and the President, and go back to the roles and missions that were hammered out back in the early 1950's at the Key West conference and, therefore, my amendment would strike out the amendment offered by the gentleman from Kentucky [Mr. HOPKINS] under a mistaken impression that it related to individual combat commanders, but rather to the responsibilities of the President and the Secretary of Defense.

Mr. NICHOLS. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN pro tempore. The gentleman from Alabama [Mr. NICHOLS] is recognized for 10 minutes.

Mr. NICHOLS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think at this point in time it should be stated that the overall goal of our committee when we started out on this reorganization matter was to give full command to the CINC's. That is one of the principal issues that we tried to achieve.

Let me read into the RECORD what the chairman of the Senate Armed Services Committee said just recently about command. He said: "Unity of command is one of the fundamental principles of any military operation. Every West Point plebe knows that. It means that there is only one commander. It means that there is only one chief and he is over all of the Indians, no matter what the tribe."

That is what command means, and the intention, I am sure, of the gentleman from Kentucky will so indicate.

It is not our intent to butcher up any one branch of the service in any way. In fact, we tried to clarify and to put some people's minds at ease on that particular point when we put some specific language in the report.

Let me read that language to the House. "It is not the intent of the committee, however, with this change to title X, to affect any alteration of the roles performed by the Navy."

So, for that reason, and in order to give our CINC's full command, which has been recommended by President Eisenhower shortly after World War II, this language was deleted by the gentleman from Kentucky, and I would have to oppose the language of the gentleman from New York.

Mr. HOPKINS. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Kentucky.

Mr. HOPKINS. I appreciate my chairman yielding.

Let me concur with what he is saying, Mr. Chairman, inasmuch as this language was put in in the 1940's when then President Eisenhower was establishing our CINC's, 10 of them around the world, and the Navy objected, it is my understanding, at that time, out of fear that the Army was going to take control of the Marines and that the Air Force would take charge of the naval aviators.

The amendment that was originally offered by me in the subcommittee

does nothing of the sort. We were very careful to make sure that that is not touched.

The gentleman from Alabama, Chairman NICHOLS, has mentioned that the chairman of the Select Committee on Intelligence has crafted a letter saying that it does not in any way affect the intelligence of our country. Therefore, it just seems to me that the question here is whether we want to preserve our national security or the prerogative of one individual military service.

In my view, this amendment stands out like a neon sign announcing that some services are more equal than others. No other service enjoys this protective language, Mr. Chairman, and I happen to believe that reform should not stop at the water's edge.

Finally, Mr. Chairman, let me say that the defeat of this amendment and retention of the bill's collective language, in my view, is crucial to efforts to enhance the command authority of the CINC's and enable all military forces to fight together as a team instead of individual players.

Mr. COURTER. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from New Jersey.

Mr. COURTER. Mr. Chairman, I thank the gentleman for yielding.

The question that I have simply is was this initiative in order to change the status quo with regard to the Navy's role in antisubmarine warfare, of the Navy's role in reconnaissance and protection of ships, did this enjoy the benefit of hearings such that people from the Navy could testify, the Secretary of Defense could proffer his testimony, the National Security Adviser and so on?

□ 1540

Mr. NICHOLS. Let me respond to the gentleman and say to him that it is not the intention of the committee in any way to change the role of the Navy as has been delegated to them; and I believe that will become a little clearer later on as we go into the bill.

Mr. COURTER. Mr. Chairman, if the gentleman will continue to yield, I have studied the language which was deleted by the Hopkins amendment and it sure sounds to me that the logical conclusion of that deletion is the changing of the role of the Navy when it comes to those three very most important functions that they are uniquely qualified to perform.

If the gentleman can assure me that the gentleman from New York, the person who is profferring the amendment, that the Hopkins amendment does not affect Navy reconnaissance and Navy antisubmarine warfare work and antiship work, then there is perhaps no need for the Stratton amendment; but it is my understanding that there is a need, that irrespective of the assurances of the gentleman from Alabama, the role of the Navy is in fact quite dramatically affected.

Mr. NICHOLS. Mr. Chairman, I will yield further to the gentleman from Kentucky, who is the sponsor of the amendment, to respond to that.

Mr. HOPKINS. Mr. Chairman, during our committee's enhancement of the authority of the combatant commanders in title I of the bill, we became concerned that this language, which places the responsibility for naval reconnaissance, antisubmarine warfare and protection of shipping in the Department of the Navy, diminishes the authority of the commanders of the unified command.

We believe that if, for example, the commander of the European command is to be responsible for the defense of Europe, he should have the authority to direct all forces necessary to carry out that responsibility; and we recognize that the actual exercise of command over the naval units of the European command would be carried out by the naval component commander.

Thus, there is no question, and I assure my friend from New Jersey, that these responsibilities would be carried out by a Navy commander; but we believe that the exercise of that command should be the level of the combatant commander rather than back in Washington.

We have, and it has been stated in testimony, that even the Cub Scouts—they are different, perhaps—but even the Cub Scouts have a den mother; and the Navy should of course be no different.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, I deeply appreciate the gentleman's concern about the role of the Navy and I want to assure the gentleman in a couple of areas.

First of all, I do not believe it is the intention of the subcommittee to somehow dilute the authority of the Navy when it comes to ASW, naval reconnaissance or protection of shipping; any more than it is in our interest somehow to dilute the Air Force's responsibility for intercepting planes. The difference is, the Navy is spelled out in the code and the Air Force is not.

Even if the gentleman had a concern about stripping that language out, I refer to page 7 of the bill that says:

> Commanders of the CINC's established under this chapter are responsible to the President and the SecDef for such missions as may be assigned to them by the Secretary with the approval of the President.

Now what that section essentially says is that, while the Hopkins amendment may strike language, we still vest with the Secretary of Defense and with the President the ability for the Secretary of Defense to command the CINC's to provide that the Navy does ASW, naval ship reconnaissance or ship protection and the other statutory provision that currently exists.

So this is not any effort whatsoever to dilute that valuable mission that the Navy performs, other than to say that we should not have separate sections in the code that authorize particular activity on behalf of one service when we do not do it on any other.

Let me point out to the gentleman that this is probably the best example of interservice rivalry that exists, because the services outside of the Navy love this provision; the Navy does not like it because they will lose their preference in the code.

It is not my intent, nor do I believe the intent of the subcommittee to somehow say that the Navy should not be in charge of this; they are not going to be involved in it; it is not that at all. It is simply to put all the forces under the CINC, under the commander, with adequate protection for the Secretary of Defense to ensure that the Navy carries out the functions that are currently in the statutes.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I appreciate the gentleman yielding to me.

Mr. Chairman, it was my understanding that the Deputy Secretary of Defense, Mr. Taft, had provided language to the gentleman from Alabama [Mr. NICHOLS] that was acceptable to the Secretary of Defense and it was my understanding that the gentleman from Alabama or some other Member in support of the legislation was going to offer that language as a substitute for the amendment that I had offered, but the gentleman from Kentucky, in his earlier discussion, talks about something where the Navy is going to have some special recognition that no other service has.

I would point out in this amendment of mine.

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). The time of the gentleman from Alabama [Mr. NICHOLS] has expired.

The gentleman from New York [Mr. STRATTON] has 7 minutes remaining, if he cares to continue.

Mr. STRATTON. Mr. Chairman, I yield myself such time as I may consume.

The legislation points out that it is not only the Navy that has been designated for certain functions as an executive agent of the Secretary of Defense and the President, but other services are from time to time designated as special executive agents for the President and the Secretary.

I assume, although I do not officially know, that the Air Force is an executive agent in connection with the U.S. Space Program. To suggest that it is just another example of trying to give the Navy something that nobody else has, no other service has. These functions are determined by the Secretary of Defense and by the President of the United States, and that certainly is not improper or illegal.

Mr. COURTER. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from New Jersey.

Mr. COURTER. Mr. Chairman, I speak in favor of the gentleman from New York's amendment; I think it is an important one, as the gentleman knows.

Once again, it seems to me that the Congress is moving down the road of attempting to fix something that is not broken. Now there has been no testimony, there has been no indication by any of the services, the Secretary of Defense, of the Deputy Secretaries of Defense, the Assistant Secretary of Defense, that the present scenario does not work. It has worked well.

Our Navy reconaissance capabilities go unchallenged; the ability for the Navy to make decisions as to where they should be deploying submarines and antisubmarine warfare mode, goes unchallenged; the capability of defending our ships by the Navy goes unchallenged.

Once again, rather than Congress taking a situation that is broken, rather than Congress fixing something that in fact needs fixing, we are changing a law where there has been, No. 1, no testimony; No. 2, no requests by the Secretary of the Navy or Secretary of Defense to change something.

Once again we are changing something that simply is not broken. So I rise in strong support of the Stratton amendment, something that maintains the status quo which has existed for decades.

The gentleman from Ohio talks about interservice rivalry. Nothing can attribute more to the proliferation of interservice rivalry than changing a sensitive piece of legislation that goes to the heart of interservice competition.

So it seems to me that the Stratton amendment is an important amendment; it clarifies a role; it gives and allows the Navy to continue discretion in an area where they have the expertise. It would be a shame if someone who is in joint command tells the Navy where and when to send its submarines, to send its surface ships, for these very important assignments.

So I appreciate the gentleman and his amendment, and I intend on supporting it. I hope everybody does.

Mr. STRATTON. Mr. Chairman, I appreciate the gentleman's support.

Mrs. BYRON. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentlewoman from Maryland.

Mrs. BYRON. Mr. Chairman, I rise in support of the gentleman's amendment. As I spoke earlier in support of this bill, I stated that there was an area that I have grave concern about, and I wanted to look at that further; and this was that one area.

Let me say that the Navy has a responsibility to monitor our fleets of submarines. It also has a responsibility with their aircraft, which are a very important, integral part of the Navy.

□ 1550

What concerns me under this amendment would be the feasibility in the future of coming back and saying, well, no longer will the Navy need aircraft to handle their duties.

I think it is extremely important that the Navy maintain their fleet of aircraft, that they maintain that flexibility not only as in surface warfare but also the important part of that which we have seen in the past that aviation has played in the Navy.

I think the amendment of the gentleman clarifies some of those points that were in the bill.

Mr. STRATTON. I thank the gentlewoman.

Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). For what purpose does the gentleman from Missouri [Mr. SKELTON] rise?

PERFECTING AMENDMENT OFFERED BY MR. SKELTON TO THE AMENDMENT OFFERED BY MR. NICHOLS

Mr. SKELTON. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Perfecting amendment offered by Mr. SKELTON to the amendment offered by Mr. NICHOLS: Page 14, strike out lines 4 through 12 and insert in lieu thereof the following:

(c)(1) Notwithstanding any other provision of law, the President and the Secretary of Defense may assign missions, roles, and functions to the military departments, unified and specified commands, and other elements of the Department of Defense.

(2) Section 5012 of title 10, United States Code, is amended—

(A) by striking out "is generally" and all that follows in the third sentence of subsection (a) and inserting in lieu thereof ", in accordance with integrated joint mobilization plans, for the expansion of the peacetime components of the Navy to meet the needs of war."; and

(B) by striking out subsection (d).

Mr. SKELTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Missouri [Mr. SKELTON] is recognized for 10 minutes.

Mr. SKELTON. I thank the chairman.

Mr. Chairman, this is an amendment that I offer to perfect and to clarify the situation so there will be no question henceforth.

I understand the arguments made by the distinguished gentleman from New York, and I wish to make some comments in regard to this whole area.

On July 25, a letter was sent to the gentleman from Alabama [Mr. NICHOLS], the chairman, from the Secretary of Defense, indicating that the language that was deleted from the law in the subcommittee and in the committee dealing with naval reconnaissance and antisubmarine warfare and protecting shipping should be left in the law because the present Secretary of Defense had assigned certain functions to the Department of the Navy as executive agent.

Now I wish to offer this so there will be no misunderstanding. There is absolutely no intention and no intent whatsoever in this legislation to impair the President's or the Secretary of Defense's authority to assign executive agent status to any Department of Defense entity, none whatsoever.

I believe it would be difficult for any of the lawyers in the Pentagon, regardless of what service they represent, to make the case that this legislation does impair the President's or the Secretary of Defense's authority in that regard.

Nevertheless, in order to make it crystal clear in the law and henceforth forevermore and to put this issue forever at rest, I am offering this perfecting amendment, which will, and for the edification of those present, I will read the perfecting part: Notwithstanding any other provision in law, the President and Secretary of Defense may assign missions, roles, and functions to the military departments, unified and specified commands, and other elements of the Department of Defense.

Mr. Chairman, what this does is remind us through the law that the Commander in Chief is still the Commander in Chief—that is really what it says, no more and no less. I think in all fairness, this would deal with the problem and put it behind us so we can get on with other issues.

Mr. KASICH. Mr. Chairman, will that gentleman yield?

Mr. SKELTON. I yield to the gentleman from Ohio, [Mr. KASICH].

Mr. KASICH. I thank the gentleman for yielding.

I appreciate the amendment of the gentleman from Missouri. I think it is just fine because it just is a repetition of the paragraph that I pointed out in

the Nichols legislation that already provides authority to the Secretary of Defense and the President to let the Navy do what they have historically done.

The reason I rise to say that is, I think it is important to realize that, when we crafted this legislation, we did take that into consideration but I certainly will support this Skelton amendment if it will make people feel better about exactly what we are trying to do.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. SKELTON. I yield to the gentleman from Alabama, the chairman of the subcommittee.

Mr. NICHOLS. I thank the gentleman for yielding.

I think I ought to make a statement about how this amendment came about.

Let me say to the committee that I, too, got a letter from Secretary Weinberger, and it speaks about certain matters which the feels were given to the Navy from the President and the Secretary, using the Navy to be executive agent.

Now, Mr. Chairman, let me say to you that nobody in this body feels stronger about supporting this country and preserving any particular intelligence that we ought to preserve than the gentleman from Kentucky and this gentleman from Alabama. This letter disturbed me. For that reason, I took the opportunity this morning to have a conversation with the No. 2 man in the Department of Defense, and we discussed this provision.

He explained some concerns that the Department of Defense had and, together, we sat down and tried to come up with language which would put those concerns to rest.

The amendment, the perfecting amendment offered by the gentleman from Missouri represents that particular legislation.

Let me say further in behalf of the gentleman's motion, that his language has been considered by the Navy, by the Defense Department since it was prepared, and they have no objection to it. I strongly support it and urge its adoption.

Mr. HOPKINS. Mr. Chairman, will the gentleman yield?

Mr. SKELTON. I yield to the gentleman from Kentucky.

Mr. HOPKINS. I thank the gentleman for yielding.

Mr. Chairman, I support this amendment as clarifying language. I must question whether or not it is actually necessary, but in the spirit of cooperation and in response to concerns of my colleague from New York, my colleague from New Jersey, and some of my friends in the Pentagon, we accept and support this clarifying language.

The provision in the committee bill clearly leaves the authority for assignment of roles and missions to the discretion of the President and the Secretary of Defense here it rightly belongs. That is what this perfecting amendment does, and I compliment the gentleman from Ohio on his offering it, and I clearly support it.

Mr. SKELTON. I thank the gentleman.

Mr. COURTER. Mr. Chairman, will the gentleman yield?

Mr. SKELTON. I yield to the gentleman from New Jersey.

Mr. COURTER. I thank the gentleman for yielding.

The perfecting amendment of the gentleman is an amendment to the Stratton amendment; is that correct?

Mr. SKELTON. It is a perfecting amendment to the Stratton amendment; that is correct.

Mr. COURTER. The Stratton amendment reinstates the language in the statute which was in fact deleted by the Hopkins amendment; is that correct?

Mr. SKELTON. I do not have it in front of me. My understanding is that the Stratton amendment struck what was put in in the committee.

Mr. COURTER. Yes. And the gentleman is saying that his clarifying perfecting amendment has been viewed by the service Secretaries who may be directly affected; that is, the Secretary of the Navy, and there is no objection.

Mr. SKELTON. I would have to defer to the gentleman from Alabama. I do know he talked to the Assistant Secretary of Defense on this issue.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. SKELTON. I yield to the chairman of the subcommittee.

Mr. NICHOLS. I thank the gentleman for yielding.

Let me say that a high-ranking representative from the Department of Defense, since we began debate on this bill, has been to the outside Chamber, has looked at the language, and is pleased with it.

Mr. COURTER. I thank the gentleman and congratulate him.

Mr. SKELTON. I thank the gentleman.

Mr. Chairman, I ask for a favorable vote on the perfecting amendment that I have offered.

The CHAIRMAN pro tempore. Does any Member rise in opposition to the perfecting amendment offered by the gentleman from Missouri?

If not, the question is on the perfecting amendment offered by the gentleman from Missouri [Mr. SKELTON] to the amendment offered by the gentleman from Alabama [Mr. NICHOLS].

The perfecting amendment to the amendment was agreed to.

The CHAIRMAN pro tempore. The Stratton amendment to strike will not be voted on, under the precedents, the text proposed to be stricken having been completely amended.

Are there other amendments to the amendment offered by the gentleman from Alabama?

AMENDMENT OFFERED BY MR. COURTER TO THE AMENDMENT OFFERED BY MR. NICHOLS, AS AMENDED

Mr. COURTER. Mr. Chairman, I offer an amendment. Mr. Chairman, I have two amendments. This amendment concerns the waiver of certain reporting requirements.

The Clerk read as follows:

Amendment offered by Mr. COURTER to the amendment offered by Mr. NICHOLS, as amended: At the end of title V (page 68, after line 3) add the following new section:

SEC. 503. WAIVER OF CERTAIN REPORTING, NOTIFICATION, AND STUDY REQUIREMENTS.

(a) IN GENERAL.—Except as provided in subsection (b), effective on January 1, 1987, any provision of law contained in title 10, United States Code, title 37, United States Code, or in any other provision of law contained in any Act authorizing appropriations to or for the Department of Defense or in any Act making appropriations to or for the Department of Defense that requires the President or any official or employee of the Department of Defense to submit in writing any report, notification, or study to Congress or to any committee of Congress shall not be effective to the extent that such provision requires the submission in writing of such report, notification, or study.

(b) EXCEPTIONS.—Subsection (a) of this section shall not apply to any provision of law enacted on or after the date of enactment of this Act or to any provision of law that requires the submission of the following reports, notifications, and studies:

(1) The annual reports, statements, and recommendations required by section 133(c) of title 10, United States Code, relating to the accomplishments of the Department of Defense.

(2) The annual report required by section 133(e) of such title, relating to foreign policy, major military missions, and military force structure.

(3) The reports required by subsection (b)(5) of section 139 of such title (as redesignated by section 104(6) of this Act) and the annual report required by subsection (g) of such section, relating to operational test and evaluation activities.

(4) The annual report required by section 142 of such title (as redesignated by section 104(1) of this Act), relating to North Atlantic Treaty Organization readiness.

(5) The reports required by section 1464(c) of such title, relating to the status of the Department of Defense Military Retirement Fund.

(6) The annual report required by section 2208(k) of such title, relating to the condition and operation of working-capital funds.

(7) The notifications required by section 2233a(a)(1) of such title, relating to expenditures and contributions for acquisition of facilities for reserve components.

(8) The notifications required by section 2304(c)(7) of such title, relating to the use of procurement procedures other than competitive procedures.

(9) The notifications required by section 2306(h)(3) of such title, relating to cancellation ceilings in certain multiyear contracts.

(10) The annual report required by section 2313(d)(4) of such title, relating to subpoenas issued by the Director of the Defense Contract Audit Agency to obtain contractor records.

(11) The annual report required by section 2349 of such title, relating to North Atlantic Treaty Organization acquisition and cross-servicing agreements.

(12) The semiannual report required by section 2357 of such title, relating to contracts in excess of $50,000 entered into by the military departments for research and development.

(13) The notifications required by section 2394(b)(2) of such title, relating to contracts for energy or fuel.

(14) The annual report required by section 2397(e) of such title, relating to the names of certain employees and former employees of defense contractors.

(15) The notifications required by clauses (B) and (C) of section 2401(b)(1) of such title, the cost analyses required by section 2401(e)(1) of such title, and the reports required by section 2401(e)(2) of such title, all relating to the long-term lease or charter of vessels and aircraft by the military departments.

(16) The notifications required by subsection (e)(1) of section 2403 of such title and the annual report required by subsection (e)(2) of such section, relating to waivers of certain requirements for contractor guarantees.

(17) The notifications required by paragraphs (1) and (2) of section 2407(d) of such title, relating to certain contracts awarded by the Department of Defense in connection with North Atlantic Treaty Organization cooperative agreements.

(18) The annual report required by section 2457(d) of such title, relating to the policy to standardize equipment, ammunition, and fuel procured for the use of United States military forces stationed in Europe under the North Atlantic Treaty.

(19) The reports required by subsection (a) or (e) of section 2662 of such title and the annual report required by subsection (b) of such section, relating to certain real property transactions.

(20) The proposals referred to in section 2667a(b)(1) of such title, relating to sale and replacement of nonexcess real property.

(21) The notifications required by section 2672(b) of such title, relating to acquisitions of interests in land for more than $100,000.

(22) The notifications required by section 2676(d) of such title, relating to reductions in scope and increases in cost of a land acquisition.

(23) The notifications and submissions required by section 2687(b) of such title, relating to base closures and realignments.

(24) The annual report required by section 2779(b)(4) of such title, relating to the use of funds appropriated for the elimination of certain losses caused by fluctuations in currency exchange rates of foreign countries.

(25) The reports required by section 2780 of such title (as redesignated by section 104(2) of this Act), relating to sales or transfers of certain defense articles.

(26) The reports required by section 2803(b) of such title, relating to emergency military construction projects carried out under section 2803 of such title.

(27) The reports required by section 2804(b) of such title, relating to military construction projects not authorized by law.

(28) The notifications required by paragraphs (2) and (3) of section 2805(b) of such title, relating to minor construction in connection with certain relocations of activities from one installation to another.

(29) The reports required by section 2806(c)(2) of such title, relating to contributions for North Atlantic Treaty Organization Infrastructure.

(30) The notifications required by subsection (b) of section 2807 of such title and the reports required by subsection (c) of such section, relating to architectural and engineering services and construction design in connection with military construction or military family housing projects.

(31) The notifications required by section 2808(b) of such title, relating to military construction projects in the event of a declaration of war or national emergency.

(32) The justifications and economic analyses required by section 2809(a)(4) of such title, relating to long-term contracts for the construction, management, and operation of certain facilities.

(33) The notifications and justifications required by section 2823(b) of such title, relating to disagreements on the availability of suitable alternative housing at locations in the United States where family housing is proposed to be constructed.

(34) The notifications required by section 2827(b) of such title, relating to relocation of military family housing units.

(35) The economic analyses required by section 2828(g)(6)(A) of such title, relating to leasing military family housing facilities.

(36) The notifications required by section 2834(b) of such title, relating to agreements with the Secretary of State for the use of Department of State housing and related services by Department of Defense personnel.

(37) The notifications required by subsections (d) and (e) of section 2853 of such title, relating to reductions in the scope of work or increases in the cost of military construction projects.

(38) The notifications required by section 2854(b) of such title, relating to repair, restoration, or replacement of damaged or destroyed military facilities.

(39) The annual request required by section 2859 of such title, relating to military construction authorizations.

(40) The annual report required by section 2861(a) of such title, relating to military construction activities and military family housing activities.

(41) The annual report required by section 2871(c)(3) of such title (as redesignated by section 104(8) of this Act), relating to military and civilian personnel end strength levels, certain other manpower requirements, base structures, and certain requirements for and information on officers.

(42) The annual report required by section 2871(d)(2) of such title (as redesignated by section 104(8) of this Act), relating to average student training loads.

(43) The annual report required by section 2871(e) of such title (as redesignated by section 104(8) of this Act), relating to operations and maintenance.

(44)(A) The annual and supplemental reports required by section 2872 of such title (as redesignated by section 104(9) of this Act), relating to weapons development and procurement schedules, including the matter required by section 53(b) of the Arms Export Control Act (95 Stat. 1524; 22 U.S.C. 2795b(b)) to be included in such annual reports.

(B) The notifications in lieu of such supplemental reports under subsection (b) of such section 2872.

(45) The Selected Acquisition Reports required by section 2873 of such title (as redesignated by section 104(10) of this Act).

(46) The notifications required by subsection (d)(3) of section 2874 of such title (as redesignated by section 104(11) of this Act) and reports required by subsection (e) of such section, relating to increases in program acquisition unit costs and procurement unit costs of certain major defense acquisition programs.

(47) The notifications required by section 7307(b)(2) of such title, relating to the disposition of naval vessels to foreign nations.

(48) The quarterly report required by section 7434 of title 10, United States Code, relating to the production from the naval petroleum reserve.

(49) The annual report required by section 406(i) of title 37, United States Code, relating to dependents accompanying members of the Armed Forces stationed outside the United States.

(50) The statements and quarterly report required by subsections (c) and (e) of section 709 of the Department of Defense Appropriation Authorization Act, 1975 (88 Stat. 408; 50 U.S.C. App. 2403–1(e)), relating to the export of certain goods, technology, and industrial techniques.

(51) The notifications, summaries, certifications, and reports required by subsections (a), (b), and (c) of section 502 of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2304 note), relating to conversion of performance of commercial and other type functions from Department of Defense personnel to private contractors.

(52) The notifications required by section 1201(c) of the Department of Defense Authorization Act, 1984 (Public Law 98–94; 97 Stat. 678), relating to transfers of amounts of authorizations.

(53) The reports and assessments required by section 1231 of the Department of Defense Authorization Act, 1984 (Public Law 98–94; 97 Stat. 693), relating to certain intercontinental ballistic missile systems.

(54) The reports required by section 307(b)(3) of the Department of Defense Authorization Act, 1985 (98 Stat. 2515; 10 U.S.C. 2304 note), relating to waivers of a prohibition on contracting out certain logistics activities.

(55) The annual report required by section 1002(d)(1) of the Department of Defense Authorization Act, 1985 (98 Stat. 2575; 22 U.S.C. 1928 note), relating to the supply of munitions and certain aircraft facilities in support of the North Atlantic Treaty Organization.

(56) The annual report required by section 1002(d)(2) of the Department of Defense Authorization Act, 1985 (98 Stat. 2575; 22 U.S.C. 1928 note), relating to the status and cost of the United States commitment to the North Atlantic Treaty Organization and certain activities of other North Atlantic Treaty Organization members.

(57) The annual reports required by subsections (c) and (d) of section 1003 of the Department of Defense Authorization Act, 1985 (98 Stat. 2576; 22 U.S.C. 1928 note), relating to allied contributions to the common defense.

(58) The annual report required by section 1102 of the Department of Defense Authorization Act, 1985 (98 Stat. 2580; 10 U.S.C. 2872 note (formerly 10 U.S.C. 139 note)), relating to the Strategic Defense Initiative and any other antiballistic missile defense program.

(59) The notifications required by section 1501(c) of the Department of Defense Authorization Act, 1985 (Public Law 98–525; 98 Stat. 2626), relating to transfers of amounts of authorizations.

(60) The reports required by section 1536(g) of the Department of Defense Authorization Act, 1985 (98 Stat. 2633; 46 U.S.C. 1120 note), relating to the Commission on Merchant Marine and Defense.

(61) The certification required by section 125(a)(1) of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 601), relating to any new contract for the procurement of 5-ton trucks.

(62) The legislative environmental impact statement required by section 209(c) of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 610), relating to full-scale development of a small intercontinental ballistic missile or the selection of basing areas for the deployment of such missile.

(63) The certification required by section 222 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 613), relating to termination of a prohibition of deployment of a strategic defense system.

(64) The reports required by section 223 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 613), relating to the Strategic Defense Initiative.

(65) The quarterly reports required by section 502(c) of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 621), relating to the obligation of funds appropriated for civilian personnel.

(66) The report required by section 1002 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 705), relating to Soviet compliance with arms control commitments.

(67) The annual report required by section 1221(d)(2) of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 727), relating to a research program to support the polygraph activities of the Department of Defense.

(68) The annual reports required by section 1407 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 745), relating to unobligated balances in appropriation accounts.

(69)(A) The certifications required by subsections (b) and (c)(2) of section 1411 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 745), relating to the procurement or assembly of binary chemical weapons.

(B) The report required by subsection (e) of such section, relating to consultations among North Atlantic Treaty Organization member nations concerning North Atlantic Treaty Organization's chemical deterrent posture.

(70) The annual reports required by section 704 of the Military Construction Authorization Act, 1982 (Public Law 97-99; 95 Stat. 1377), relating to contracts for construction in the United States and its possessions.

(71) The economic analyses required by section 802(d)(1) of the Military Construction Authorization Act, 1984 (97 Stat. 784; 10 U.S.C. 2821 note), relating to proposed military housing rental guarantee agreements.

(72) The notifications required by section 803(b)(2) of the Military Construction Authorization Act, 1984 (97 Stat. 785; 10 U.S.C. 2821 note), relating to waivers of a requirement to use manufactured or factory-built housing fabricated in the United States by a United States contractor for military family housing construction in foreign countries.

(73) The report required by section 840(d) of the Military Construction Authorization Act, 1986 (Public Law 99-167; 99 Stat. 998), relating to the sale of land at Fort Jackson, South Carolina.

(74) The notifications required by the proviso in section 8005(m) of the Department of Defense Appropriations Act, 1985 (as contained in section 101(h) of the Joint Resolution entitled "Joint Resolution making continuing appropriations for fiscal year 1985, and for other purposes", approved October 12, 1984 (Public Law 98-473; 98 Stat. 1923)), relating to unusual cost overruns incident to overhaul, maintenance, and repair for certain ships.

(75) The annual report required by section 8104(b) of the Department of Defense Appropriations Act, 1985 (as contained in section 101(h) of the Joint Resolution entitled "Joint Resolution making continuing appropriations for fiscal year 1985, and for other purposes", approved October 12, 1984 (Public Law 98-473; 98 Stat. 1942; 10 U.S.C. 2872 note (formerly 10 U.S.C. 139 note))), relating to consultations with members of common defense alliances concerning Strategic Defense Initiative research.

(76) The notifications required by section 8020 or 8021 of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of the Joint Resolution entitled "Joint Resolution making further continuing appropriations for the fiscal year 1986, and for other purposes", approved December 19, 1985 (Public Law 99-190; 99 Stat. 1206)), relating to transfers of working capital funds.

(77) The notifications required by section 8021 of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of the Joint Resolution entitled "Joint Resolution making further continuing appropriations for the fiscal year 1986, and for other purposes", approved December 19, 1985 (Public Law 99-190; 99 Stat. 1206)), relating to the obligation of working capital funds to procure war reserve material inventory.

(78) The notifications required by section 8042 of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b)) of the Joint Resolution entitled "Joint Resolution making further continuing appropriations for the fiscal year 1986, and for other purposes", approved December 19, 1985 (Public Law 99-190; 99 Stat. 1210), relating to the availability of appropriated funds for intelligence or special activities different from activities justified to the Congress.

(79) The notification required by section 8075 of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of the Joint Resolution entitled "Joint Resolution making further continuing appropriations for the fiscal year 1986, and for other purposes", approved December 19, 1985 (Public Law 99-190; 99 Stat. 1214), relating to the acquisition of certain types of weapons, subsystems, and munitions of European North Atlantic Treaty Organization manufacture.

(80) The certification required by section 8097 of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of the Joint Resolution entitled "Joint Resolution making further continuing appropriations for the fiscal year 1986, and for other purposes", approved December 19, 1985 (Public Law 99-190; 99 Stat. 1219)), relating to the obligation or expenditure of funds to carry out a test of the Space Defense System (anti-satellite weapon) against an object in space.

(81) The annual report required by the third proviso in the undesignated paragraph under the heading "FOREIGN CURRENCY FLUCTUATION, CONSTRUCTION, DEFENSE" in the Military Construction Appropriation Act, 1980 (Public Law 96-130; 93 Stat. 1019), relating to transfers of appropriated funds to eliminate losses in military construction or expenses of family housing caused by fluctuations in foreign currency exchange rates of foreign countries.

(82) The reports required by section 125(a) of the Military Construction Appropriations Act, 1985 (as contained in section 101(e) of the Joint Resolution entitled "Joint Resolution making continuing appropriations for fiscal year 1985, and for other purposes", approved October 12, 1984 (Public Law 98-473; 98 Stat. 1883)), relating to terminations of a prohibition on the availability of appropriated military construction funds to foreign governments ineligible to receive such funds by reason of inadequate drug control measures.

(83)(A) The semiannual report required by section 5(b) of the Inspector General Act of 1978 (5 U.S.C. App. 3), relating to activities of the Inspector General of the Department of Defense.

(B) The reports required by section 5(d) of such Act (5 U.S.C. App. 3), relating to particular cases of problems, abuses, or deficiencies which have come to the attention of the Inspector General of the Department of Defense.

(C) The statements required by paragraphs (3) and (4) of section 8(b) of such Act (5 U.S.C. App. 3), relating to the exercise of certain authority of the Secretary of Defense with respect to the activities of the Inspector General of the Department of Defense.

(84) The requirement to furnish information and to report to Congress concerning intelligence activities as provided in subsections (a) and (b) of section 501 of the National Security Act of 1947 (50 U.S.C. 413).

(c) CHANGE FROM QUARTERLY TO ANNUAL REPORT.—Section 406(i) of title 37, United States Code, is amended—

(1) by striking out "quarter" in the matter preceding clause (1); and

(2) by striking out "quarter" in clauses (1) and (2) and inserting in lieu thereof "fiscal year".

Mr. COURTER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from New Jersey [Mr. COURTER] is recognized for 10 minutes.

Mr. COURTER. I thank the Chairman. Obviously, the reason I asked unanimous consent that the amendment be considered as read is because it is an amendment which we have touched on already in general debate, No. 1; No. 2, it is an amendment that was filed with the Rules Committee and also filed in the CONGRESSIONAL RECORD. So Members have indeed had time to look it over to find out precisely what the language is.

□ 1600

I would hope that this amendment receives the enthusiastic support of all

Members of this body, the House of Representatives.

The amendment simply states that of the large number of annual reports that the Department of Defense is obligated to prepare at great manpower expense, review and submit to the Congress annually, this sunsets most of them, but not all of them.

I might also add that there is a similar provision in the other body and that it passed with really no objection. So we are dealing with something that has seen a great deal of support.

Of the reports that we allow the annualized effort to remain with, there are about 84. The amendment deletes the requirement that the Department of Defense prepare approximately 264 reports.

As I mentioned in general debate, I remember about 5 or 6 years ago during a great Presidential campaign. It was in vogue by Presidential candidates of both political parties to talk about the importance of sunsetting agencies, sunsetting departments, sunsetting Government regulations and Government requirements. All I am attempting to do, the purpose of that effort, the purpose of those campaign pledges, was to make sure that those agencies, those functions, those departments and those rules and regulations would be looked at to make sure that they were valuable, to be studied to make sure that they did not exist simply because of inertia, to make sure that they were justified every year and not just once when they are placed into permanent law 35 or 40 years ago.

I am not sunsetting a department. I am not sunsetting agencies. I am not sunsetting regulations. All I am doing is saying that if these 264 annual reports are so very crucial to the survival of this country or so very crucial to the streamlined working of democracy in America, then the individuals who think they are so important can seek them on an annual basis, or next year come before this body to prove once again that they are greatly meritorious and they should be given on an annualized basis year after year without even requests.

The problem here is the fact that an individual Member of this body may have a good idea as to a report that they would like on milk, a report that they would like on unemployment in their congressional district, a report that they would like on readiness, a report that they would like on the command structure, and they require a report on an annualized basis. The reports are always prepared. They have to be according to law. They are rarely looked at and almost never read. They require a great deal of effort, a great deal of expense and a great deal of personnel to draft them.

So this basically means that 264 reports are sunsetted. If they prove to be essential, if they prove to be dramatically important, obviously we can request them again. But it seems to me foolish and ridiculous that, year after year after year, additional reports are required, some of which are required to be reported annually year after year.

All this amendment is doing is a small, small step toward true debureaucratization, a true military reform. There seems to be no harm in it. I do not see there is any great objection to it, although I know that perhaps some Members want to speak on it. I would hope that my colleagues will take this one small vote to delete paperwork, to reduce the type of effort and work that we are facing in the Department of Defense, and to vote in favor of this amendment which simply deletes 264 reports to the Congress, most of which are not asked for and not read.

Mr. Chairman, I reserve the balance of my time.

AMENDMENT OFFERED BY MR. NICHOLS AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. COURTER TO THE AMENDMENT OFFERED BY MR. NICHOLS, AS AMENDED

Mr. NICHOLS. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. NICHOLS as a substitute for the amendment offered by Mr. COURTER to the amendment offered by Mr. NICHOLS, as amended: At the end of title V (page 68, after line 3), add the following new section:

SEC. 3903. REDUCTION OF REPORTING REQUIREMENTS.

(a) POLICY.—It is the policy of Congress to reduce the administrative burden placed on the Department of Defense by requirements for reports, studies, and notifications to be submitted to Congress through the elimination of outdated, redundant, or otherwise unnecessary report requirements.

(b) COMPILATION OF EXISTING REPORT REQUIREMENTS.—(1) The Secretary of Defense shall compile a list of all provisions of law currently in effect that require the President, with respect to national defense functions of the Government, or any official or employee of the Department of Defense to submit in writing any report, notification, or study to Congress or any committee of Congress.

(2) The Secretary shall submit to Congress the list compiled under paragraph (1) not later than six months after the date of the enactment of this Act. The Secretary shall include with such list (with respect to each report, notification, or study shown on the list) the following:

(A) The date the requirement for such report, notification, or study was first imposed by law.

(B) The Secretary's assessment of the continuing utility of such requirement to Congress and to the executive branch.

(C) The Secretary's assessment of the administrative burden of such requirement and how such burden relates to the utility of the report, notification, or study.

(D) The Secretary's recommendation as to whether such requirement should be retained, modified, or repealed.

(3) The matter submitted under paragraph (2) shall also include any recommendation of the Secretary for consolidation of different requirements for reports, notifications, and studies and a draft of legislation to implement any changes in law recommended by the Secretary.

(c) PARTIAL TERMINATION OF PROGRAMS ON LIST.—Except as provided in subsection (d), effective as of the end of the first session of the 100th Congress, each provision of law shown on the list submitted under subsection (b) that is contained in title 10, 32, or 37, United States Code, or in any Act authorizing appropriations or making appropriations for military functions of the Department of Defense (including military construction and military family housing functions) and that is recommended by the Secretary of Defense under subsection (b)(2)(D) to be repealed shall not be effective to the extent such provision requires the submission in writing of report, notification, or study shown on the list.

(d) EXCEPTIONS.—Subsection (c) shall not apply to any provision of law enacted on or after the date of enactment of this Act or to any provision of law that requires the submission of the following reports, notifications, and studies:

(1) The annual reports, statements, and recommendations required by section 133(c) of title 10, United States Code, relating to the accomplishments of the Department of Defense.

(2) The annual report required by section 133(e) of such title, relating to foreign policy, major military missions, and military force structure.

(3) The reports required by subsection (b)(5) of section 136(a) of such title and the annual report required by subsection (g) of such section, relating to operational test and evaluation activities.

(4) The annual report required by section 133(a) of such title, relating to North Atlantic Treaty Organization readiness.

(5) The reports required by section 1464(c) of such title, relating to the status of the Department of Defense Military Retirement Fund.

(6) The annual report required by section 2208(k) of such title, relating to the condition and operation of working-capital funds.

(7) The notifications required by section 2233a(a)(1) of such title, relating to expenditures and contributions for acquisition of facilities for reserve components.

(8) The notifications required by section 2304(c)(7) of such title, relating to the use of procurement procedures other than competitive procedures.

(9) The notifications required by section 2306(h)(3) of such title, relating to cancellation ceilings in certain multiyear contracts.

(10) The annual report required by section 2313(d)(4) of such title, relating to subpoenas issued by the Director of the Defense Contract Audit Agency to obtain contractor records.

(11) The annual report required by section 2349 of such title, relating to North Atlantic Treaty Organization acquisition and cross-servicing agreements.

(12) The semiannual report required by section 2357 of such title, relating to contracts in excess of $50,000 entered into by the military departments for research and development.

(13) The notifications required by section 2394(b)(2) of such title, relating to contracts for energy or fuel.

(14) The annual report required by section 2397(e) of such title, relating to the names of certain employees and former employees of defense contractors.

(15) The notifications required by clauses (B) and (C) of section 2401(b)(1) of such title, the cost analyses required by section 2401(e)(1) of such title, and the reports required by section 2401(e)(2) of such title, all relating to the long-term lease or charter of vessels and aircraft by the military departments.

(16) The notifications required by subsection (e)(1) of section 2403 of such title and the annual report required by subsection (e)(2) of such section, relating to waivers of certain requirements for contractor guarantees.

(17) The notifications required by paragraphs (1) and (2) of section 2407(d) of such title, relating to certain contracts awarded by the Department of Defense in connection with North Atlantic Treaty Organization cooperative agreements.

(18) The annual report required by section 2457(d) of such title, relating to the policy to standardize equipment, ammunition, and fuel procured for the use of United States military forces stationed in Europe under the North Atlantic Treaty.

(19) The reports required by subsection (a) or (e) of section 2662 of such title and the annual report required by subsection (b) of such section, relating to certain real property transactions.

(20) The proposals referred to in section 2667a(b)(1) of such title, relating to sale and replacement of nonexcess real property.

(21) The notifications required by section 2672(b) of such title, relating to acquisitions of interests in land for more than $100,000.

(22) The notifications required by section 2676(d) of such title, relating to reductions in scope and increases in cost of a land acquisition.

(23) The notifications and submissions required by section 2687(b) of such title, relating to base closures and realignments.

(24) The annual report required by section 2779(b)(4) of such title, relating to the use of funds appropriated for the elimination of certain losses caused by fluctuations in currency exchange rates of foreign countries.

(25) The reports required by section 133b of such title relating to sales or transfers of certain defense articles.

(26) The reports required by section 2803(b) of such title, relating to emergency military construction projects carried out under section 2803 of such title.

(27) The reports required by section 2804(b) of such title, relating to military construction projects not authorized by law.

(28) The notifications required by paragraphs (2) and (3) of section 2805(b) of such title, relating to minor construction in connection with certain relocations of activities from one installation to another.

(29) The reports required by section 2806(c)(2) of such title, relating to contributions for North Atlantic Treaty Organization Infrastructure.

(30) The notifications requried by subsection (b) of section 2807 of such title and the reports required by subsection (c) of such section, relating to architectural and engineering services and construction design in connection with military construction or military family housing projects.

(31) The notifications required by section 2808(b) of such title, relating to military construction projects in the event of a declaration of war or national emergency.

(32) The jurisdictions and economic analyses required by section 2809(a)(4) of such title, relating to long-term contracts for the construction, management, and operation of certain facilities.

(33) The notifications and justifications required by section 2823(b) of such title, relating to disagreements on the availability of suitable alternative housing at locations in the United States where family housing is proposed to be constructed.

(34) The notifications required by section 2827(b) of such title, relating to relocation of military family housing units.

(35) The economic analyses required by section 2828(g)(6)(A) of such title, relating to leasing military family housing facilities.

(36) The notifications required by section 2834(b) of such title, relating to agreements with the Secretary of State for the use of Department of State housing and related services by Department of Defense personnel.

(37) The notifications required by subsections (d) and (e) of section 2853 of such title, relating to reductions in the scope of work or increases in the cost of military construction projects.

(38) The notifications required by section 2854(b) of such title, relating to repair, restoration, or replacement of damaged or destroyed military facilities.

(39) The annual request required by section 2859 of such title, relating to military construction authorizations.

(40) The annual report required by section 2861(a) of such title, relating to military construction activities and military family housing activities.

(41) The annual report required by section 138(c)(3) of such title, relating to military and civilian personnel end strength levels, certain other manpower requirements, base structures, and certain requirements for and information on officers.

(42) The annual report required by section 138(d)(2) of such title, relating to average student training loads.

(43) The annual report required by section 138(e) of such title, relating to operations and maintenance.

(44)(A) The annual and supplemental reports required by section 139 of such title, relating to weapons development and procurement schedules, including the matter required by section 53(b) of the Arms Export Control Act (95 Stat. 1524; 22 U.S.C. 2795b(b)) to be included in such annual reports.

(B) The notifications in lieu of such supplemental reports under subsection (b) of such section.

(45) The Selected Acquisition Reports required by section 139a of such title.

(46) The notifications required by subsection (d)(3) of section 139b of such title and reports required by subsection (e) of such section, relating to increases in program acquisition unit costs and procurement unit costs of certain major defense acquisition programs.

(47) The notifications required by section 7307(b)(2) of such title, relating to the disposition of naval vessels to foreign nations.

(48) The quarterly report required by section 7434 of title 10, United States Code, relating to the production from the naval petroleum reserve.

(49) The annual report required by section 406(i) of title 37, United States Code, relating to dependents accompanying members of the Armed Forces stationed outside the United States.

(50) The statements and quarterly report required by subsections (c) and (e) of section 709 of the Department of Defense Appropriation Authorization Act, 1975 (88 Stat. 408; 50 U.S.C. App. 2403-1(e)), relating to the export of certain goods, technology, and industrial techniques.

(51) The notifications, summaries, certifications, and reports required by subsections (a), (b), and (c) of section 502 of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2304 note), relating to conversion of performance of commercial and other type functions from Department of Defense personnel to private contractors.

(52) The notifications required by section 1201(c) of the Department of Defense Authorization Act, 1984 (Public Law 98-94; 97 Stat. 678), relating to transfers of amounts of authorizations.

(53) The reports and assessments required by section 1231 of the Department of Defense Authorization Act, 1984 (Public Law 98-94; 97 Stat. 693), relating to certain intercontinental ballistic missile systems.

(54) The reports required by section 307(b)(3) of the Department of Defense Authorization Act, 1985 (98 Stat. 2515; 10 U.S.C. 2304 note), relating to waivers of a prohibition on contracting out certain logistics activities.

(55) The annual report required by section 1002(d)(1) of the Department of Defense Authorization Act, 1985 (98 Stat. 2575; 22 U.S.C. 1928 note), relating to the supply of munitions and certain aircraft facilities in support of the North Atlantic Treaty Organization.

(56) The annual report required by section 1002(d)(2) of the Department of Defense Authorization Act, 1985 (98 Stat. 2575; 22 U.S.C. 1928 note), relating to the status and cost of the United States commitment to the North Atlantic Treaty Organization and certain activities of other North Atlantic Treaty Organization members.

(57) The annual reports required by subsections (c) and (d) of section 1003 of the Department of Defense Authorization Act, 1985 (98 Stat. 2576; 22 U.S.C. 1928 note), relating to allied contributions to the common defense.

(58) The annual report required by section 1102 of the Department of Defense Authorization Act, 1985 (98 Stat. 2580; 10 U.S.C. 2872 note (formerly 10 U.S.C. 139 note)), relating to the Strategic Defense Initiative and any other antiballistic missile defense program.

(59) The notifications required by section 1501(c) of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2626), relating to transfers of amounts of authorizations.

(60) The reports required by section 1536(g) of the Department of Defense Authorization Act, 1985 (98 Stat. 2633; 46 U.S.C. 1120 note), relating to the Commission on Merchant Marine and Defense.

(61) The certification required by section 125(a)(1) of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 601), relating to any new contract for the procurement of 5-ton trucks.

(62) The legislative environmental impact statement required by section 209(c) of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 610), relating to full-scale development of a small intercontinental ballistic missile or the selection of basing areas for the deployment of such missile.

(63) The certification required by section 222 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 613), relating to termination of a prohibition of deployment of a strategic defense system.

(64) The reports required by section 223 of the Department of Defense Authorization

Act, 1986 (Public Law 99-145; 99 Stat. 613), relating to the Strategic Defense Initiative.

(65) The quarterly reports required by section 502(c) of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 621), relating to the obligation of funds appropriated for civilian personnel.

(66) The report required by section 1002 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 705), relating to Soviet compliance with arms control commitments.

(67) The annual report required by section 1221(d)(2) of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 727), relating to a research program to support the polygraph activities of the Department of Defense.

(68) The annual reports required by section 1407 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 745), relating to unobligated balances in appropriation accounts.

(69)(A) The Certifications required by subsections (b) and (c)(2) of Section 1411 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 745), relating to the procurement or assembly of binary chemical weapons.

(B) The report required by subsection (e) of such section, relating to consultations among North Atlantic Treaty Organization member nations concerning North Atlantic Treaty Organization's chemical deterrent posture.

(70) The annual report required by section 704 of the Military Construction Authorization Act, 1982 (Public Law 97-99; 95 Stat. 1377), relating to contracts for construction in the United States and its possessions.

(71) The economic analyses required by section 802(d)(1) of the Military Construction Authorization Act, 1984 (97 Stat. 784; 10 U.S.C. 2821 note), relating to proposed military housing rental guarantee agreements.

(72) The notifications required by section 803(b)(2) of the Military Construction Authorization Act, 1984 (97 Stat. 785; 10 U.S.C. 2821 note), relating to waivers of a requirement to use manufactured or factory-built housing fabricated in the United States by a United States contractor for military family housing construction in foreign countries.

(73) The report required by section 840(d) of the Military Construction Authorization Act, 1986 (Public Law 99-167; 99 Stat. 998), relating to the sale of land at Fort Jackson, South Carolina.

(74) The notifications required by the proviso in section 8005(m) of the Department of Defense Appropriations Act, 1985 (as contained in section 101(h) of Public Law 98-473 (98 Stat. 1923)), relating to unusual cost overruns incident to overhaul, maintenance, and repair for certain ships.

(75) The annual report required by section 8104(b) of the Department of Defense Appropriations Act, 1985 (as contained in section 101(h) of Public Law 98-473 (98 Stat. 1942)), relating to consultations with members of common defense alliances concerning Strategic Defense Initiative Research.

(76) The notifications required by section 8020 or 8021 of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of Public Law 99-190 (99 Stat. 1206)), relating to transfers of working capital funds.

(77) The notifications required by section 8021 of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of Public Law 99-190 (99 Stat. 1206)), relating to the obligation of working capital funds to procure war reserve material inventory.

(78) The notifications required by section 8042 of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of Public Law 99-190 (99 Stat. 1210)), relating to the availability of appropriated funds for intelligence or special activities different from activities justified to the Congress.

(79) The notification required by section 8075 of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of Public Law 99-190 (99 Stat. 1214)), relating to the acquisition of certain types of weapons, subsystems, and munitions of European North Atlantic Treaty Organization manufacture.

(80) The certification required by section 8097 of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of Public Law 99-190 (99 Stat. 1219)), relating to the obligation or expenditure of funds to carry out a test of the Space Defense System (anti-satellite weapon) against an object in space.

(81) The annual report required by the third proviso in the undesignated paragraph under the heading "FOREIGN CURRENCY FLUCTUATION, CONSTRUCTION, DEFENSE" in the Military Construction Appropriation Act, 1980 (Public Law 96-130; 93 Stat. 1019), relating to transfers of appropriated funds to eliminate losses in military construction or expenses of family housing caused by fluctuations in foreign currency exchange rates of foreign countries.

(82) The reports required by section 125(a) of the Military Construction Appropriations Act, 1985 (as contained in section 101(e) of Public Law 98-473 (98 Stat. 1883)), relating to terminations of a prohibition on the availability of appropriated military construction funds to foreign governments ineligible to receive such funds by reason of inadequate drug control measures.

(83)(A) The semiannual report required by section 5(b) of the Inspector General Act of 1978 (5 U.S.C. App. 3), relating to activities of the Inspector General of the Department of Defense.

(B) The reports required by section 5(d) of such Act (5 U.S.C. App. 3), relating to particular cases of problems, abuses, or deficiencies which have come to the attention of the Inspector General of the Department of Defense.

(C) The statements required by paragraphs (3) and (4) of section 8(b) of such Act (5 U.S.C. App. 3), relating to the exercise of certain authority of the Secretary of Defense with respect to the activities of the Inspector General of the Department of Defense.

(84) The requirement to furnish information and to report to Congress concerning intelligence activities as provided in title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.).

(85) Reports and information required to be furnished under the following provisions of law:

(A) Section 1601(e) of title 10 United States Code, relating to the Defense Intelligence Senior Executive Service.

(B) Section 1604(e) of title 10, United States Code, relating to termination of certain Defense Intelligence Agency personnel.

(C) Section 1605 of title 10, United States Code, relating to benefits and allowances for certain Defense Intelligence Agency civilian personnel.

(D) Section 431 of title 37, United States Code, relating to benefits and allowances for certain military personnel assigned to the Defense Intelligence Agency.

(e) CHANGE FROM QUARTERLY TO ANNUAL REPORT.—Section 406(i) of title 37, United States Code, is amended—

(1) by striking out "quarter" in the matter preceding clause (1); and

(2) by striking out "quarter" in clauses (1) and (2) and inserting in lieu thereof "fiscal year".

Mr. NICHOLS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Alabama [Mr. NICHOLS] is recognized for 10 minutes.

Mr. NICHOLS. Mr. Chairman, let me say at the very outset that I support in principle what the gentleman from New Jersey is trying to do. There is no doubt in my mind but that we have report after report after report laying somewhere in somebody's office here gathering dust and gathering cobwebs, and all of this puts a tremendous additional load on the Department of Defense.

Having said that, let me say further that to accept the gentleman's amendment in its present form, in my judgment, would do a grave injustice to the Members of this body.

The Courter amendment contains identical language to the language in the reorganization bill passed by the other body. So if the amendment passes, then this issue will not be in conference. The Courter amendment would eliminate every periodic reporting requirement except those contained in the list of the gentleman's amendment.

The Courter amendment does not tell us what reports it would cut, only what reports the amendment would not cut. The Courter amendment is unable to tell us what reports would be cut. The Armed Services Committee does not know, the Intelligence Committee does not know, the Defense Appropriations Subcommittee does not know, the Foreign Affairs Committee, the Government Operations Committee and other interested committees do not know.

The point is that this House has not been made aware of the full impact of the gentleman's amendment.

On the other hand, interested Senators and their staffs were indeed consulted in drawing up the list on the Senate side.

My substitute would meet the gentleman's objectives, but in a more orderly fashion. I want to emphasize that I do not find objection to the gentleman's desire to reduce the Pentagon reporting requirements. But I believe

that interested Members of the House should have an opportunity, the same opportunity, to examine each of the reports that are going to be deleted, as was accorded to the Members of the U.S. Senate.

The substitute that I offer would declare in the law the intent of the Congress to eliminate all unneeded reports.

Second, it would contain a list of reports to be saved, to be preserved, the list that has been included in the Courter amendment, but it contains an additional four reports that are critical to the operation of the Inelligence Subcommittee.

Third, I would include a sunset requirement for all other reports. The Secretary of Defense would be required to complete a list of reports that are required of the Department of Defense. The Secretary of Defense would recommend to Congress which reports would be retained and which should be eliminated. If Congress failed to act by the end of the first session of the 100th Congress, the reporting requirements that the gentleman has in his amendment would be eliminated.

Mr. Chairman, I offer this substitute and I hope that we could get good support from the membership for it.

Mr. COURTER. Mr. Chairman, I rise in opposition to the substitute.

Mr. Chairman, I appreciate the gentleman's concern, and I am not going to belabor the point here.

It seems to me, however, that irrespective of your perfect knowledge of what is in any report, a simple amendment that require that they be justified before they are sent has a great deal of appeal. Therefore, I think the substitute lacks the type of merit that the amendment does.

I could go over and over this, but simply what we are trying to do is to take one small step in the direction of reducing the paperwork burden that the Department of Defense is under and the paperwork burden this Congress is under, and any other way to go about it seems to be the wrong way to go about it.

I recognize the fact that the gentleman from Alabama is as concerned as I am about the proliferation of reports, about the requirement that these reports be prepared even without being asked to be prepared, and I would just hope that his concern would be reflected by withdrawing his substitute. I imagine that gentleman is not going.

Certainly if the substitute passes, it is better off than without any type of an amendment in this area, because it does and will eventually lead within 1 year to where I want to be today. So in that sense, it is a step in the proper direction. I would be more inclined to take the bold step now, and the gentleman wants to take the more hesitant step. I am sorry that the gentleman feels like he must do that.

Nevertheless, I would hope that this body would reject the substitute and vote in favor of the original amendment.

□ 1610

Mr. NICHOLS. If the gentleman will yield, again let me reaffirm what I have said. I am in total support of what the gentleman wants to do.

But all I am asking is that we provide some alternate fashion for the Members of this House, each and every Member to look at it as it was given to the Senate. Therefore, I hope that the substitute motion will carry.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Alabama [Mr. NICHOLS] as a substitute for the amendment offered by the gentleman from New Jersey [Mr. COURTER] to the amendment offered by the gentleman from Alabama [Mr. NICHOLS], as amended.

The amendment offered as a substitute for the amendment to the amendment, as amended, was agreed to.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New Jersey [Mr. COURTER], as amended, to the amendment offered by the gentleman from Alabama [Mr. NICHOLS] as amended.

The amendment, as amended, to the amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. SKELTON TO THE AMENDMENT OFFERED BY MR. NICHOLS, AS AMENDED

Mr. SKELTON. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. SKELTON to the amendment offered by Mr. NICHOLS, as amended: At the end of title V (page 68, after line 3), add the following new section:

SEC. 3903. DEPUTY CHAIRMAN OF JOINT CHIEFS OF STAFF.

(a) ESTABLISHMENT OF POSITION OF DEPUTY CHAIRMAN.—(1) Chapter 5 of title 10, United States Code, is amended by inserting after section 142 the following new section:

"§ 142a. Deputy Chairman

"(a)(1) There is a Deputy Chairman of the Joint Chiefs of Staff. The Deputy Chairman shall be appointed by the President, by and with the advice and consent of the Senate, from the officers of the regular components of the armed forces.

"(2) The Chairman and Deputy Chairman may not be members of the same armed force. However, the Secretary of Defense may waive the limitation in the preceding sentence for a limited period of time.

"(3) The Deputy Chairman serves at the pleasure of the President for a term of four years and may be reappointed in the same manner for one additional term. However, in time of war declared by Congress there is no limit on the number of reappointments.

"(b)(1) The Deputy Chairman exercises such duties as may be delegated by the Chairman with the approval of the Secretary of Defense.

"(2) When there is a vacancy in the office of Chairman or in the absence or disability of the Chairman, the Deputy Chairman acts as Chairman and performs the duties of the Chairman until a successor is appointed or the absence or disability ceases.

"(c) The Deputy Chairman is the director of the Joint Staff.

"(d) The Deputy Chairman may attend all meetings of the Joint Chiefs of Staff but may not vote on a matter before the Joint Chiefs of Staff except when acting as Chairman.

"(e) The Deputy Chairman, while so serving, holds the rank of general or, in the case of an officer of the Navy, admiral and outranks all other officers of the armed forces except the Chairman. The Deputy Chairman may not exercise military command over the joint Chiefs of Staff or over any of the armed forces.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 142 the following new item:

"142a. Deputy Chairman.".

(b) EXEMPTION FROM GRADE LIMITATIONS.—Section 525(b)(3) of such title is amended by inserting "or Deputy Chairman" after "Chairman".

(c) CONFORMING AMENDMENT.—Subsection (b) of section 143 of such title is repealed.

Mr. SKELTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SKELTON. Mr. Chairman, this is a simple amendment. What it does, it reiterates what we have already done and ground that we have already plowed. It replaces the Deputy Chairman of the Joint Chiefs of Staff as a full deputy. It is not one which can be dispensed with by the President or the Secretary of Defense. It really reiterates what is already in the law.

Mr. ASPIN. Mr. Chairman, will the gentleman yield?

Mr. SKELTON. I yield to the gentleman from Wisconsin.

Mr. ASPIN. I thank the gentleman for yielding to me.

Mr. Chairman, let me just tell the gentlemen and the chairman that this is an important amendment that the gentleman from Missouri is offering. Let us say that it is an important issue the gentleman from Missouri is raising. I think the gentleman from Alabama will agree.

What we were trying to do when we passed the JCS reform bill was to establish a Deputy Chairman and make sure that that Deputy Chairman had all the power and authority that is vested in the chairman when the chairman was absent. There is a single, little clause in there, in the language of the bill that passed that has

something about, "Unless otherwise directed by the Secretary of Defense."

What the gentleman from Missouri is concerned about and frankly, the gentleman from Wisconsin is concerned about, is that that little clause will allow the Secretary of Defense, who does not want to have a strong Deputy Chairman allow him to continue the same process of rotating the chairmanship of the JCS in the time of the absence of the Chairman.

Now we have heard that there is some concern over this. We think that it might be a good idea to strengthen our bill here just a little bit to going into conference, that is why I think that what the gentleman from Missouri here is doing is absolutely right. I think it is consistent with what we as a committee have wanted to, what the members of the investigating subcommittee have wanted to do and what the House has already voted to do.

I thank the gentleman for his amendment and I thank the gentleman from Alabama for allowing us to talk about this subject.

Mr. SKELTON. I would like to say that if we do not adopt this amendment we are going to be speaking with two voices. Actually, we must be consistent in what we do and clarify this so that the Deputy Chairman will be in fact a Deputy Chairman in all respects. It is just what we intended in the JCS bill; it is what we intend today.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. SKELTON. I yield to the gentleman from Alabama.

Mr. NICHOLS. Let me say that I have had a chance to examine the amendment. I have no objection to it; it is a perfecting amendment and I ask that it be supported by the committee.

Mr. HOPKINS. Mr. Chairman, will the gentleman yield?

Mr. SKELTON. I yield to the gentleman from Kentucky.

Mr. HOPKINS. Mr. Chairman, we accept the amendment on this side.

Mr. SKELTON. I thank the gentleman.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Missouri [Mr. SKELTON] to the amendment offered by the gentleman from Alabama [Mr. NICHOLS], as amended.

The amendment to the amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. HAMILTON TO THE AMENDMENT OFFERED BY MR. NICHOLS, AS AMENDED

Mr. HAMILTON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAMILTON to the amendment offered by Mr. NICHOLS, as amended: On page 61, line 8, after "Relations" insert "and the Select Committee on Intelligence".

On page 61, line 9, after "Affairs" insert "and the Permanent Select Committee on Intelligence".

Mr. HAMILTON. Mr. Chairman, this amendment simply ensures that the intelligence committees of the Congress will receive the President's annual national security strategy report. That report is now made available to the House and Senate Armed Services Committees, the House Foreign Affairs Committee, and the Senate Foreign Relations Committee.

The proposed amendment simply adds the Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence to the list of committees that receive the report. Obviously, I think it is apparent that the intelligence committees involved as they are in national defense and national security strategy should benefit from this report. So far as I know, the amendment is acceptable.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. HAMILTON. I yield to the gentleman.

Mr. NICHOLS. I thank the gentleman for yielding.

Mr. Chairman, I have had a chance to look at the amendment. I thoroughly agree with the intent of the amendment. Certainly, the Intelligence Committee ought to be privy to these reports and I strongly support the amendment offered by the gentleman.

Mr. HOPKINS. Mr. Chairman, will the gentleman yield?

Mr. HAMILTON. I yield to the gentleman from Kentucky.

Mr. HOPKINS. Mr. Chairman, we have had an opportunity to look at it on this side. We accept the amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Indiana [Mr. HAMILTON] to the amendment offered by the gentleman from Alabama [Mr. NICHOLS], as amended.

The amendment to the amendment, as amended, was agreed to.

Mr. HAMILTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise for the purpose of having a colloquy with the gentleman from Alabama [Mr. NICHOLS].

Is it the understanding of the gentleman that section 192(b)(2) of H.R. 4370 would permit the Secretary of Defense to establish procedures under which the National Security Agency's provision of services or supplies to support the combat readiness of the Armed Forces shall be reviewed?

The National Security Agency is not a defense agency, as defined by the bill, but it does perform some activities in support of the combat readiness of the Armed Forces. Is it for this purpose that the review described by section 192(b)(2) is intended?

Mr. NICHOLS. Mr. Chairman, if the gentleman will yield, the gentleman is correct.

Mr. HAMILTON. Is it further the understanding of the gentleman that the review called for under section 193(d) of the bill is for the purpose of ensuring a review of those combat support activities performed by the National Security Agency?

While the NSA does perform such activities in support of military operating forces, its principal responsibilities are as a national collector of intelligence responding to the budget and tasking authority of the Director of Central Intelligence.

Mr. NICHOLS. Again, the gentleman is correct.

Mr. HAMILTON. I thank the gentleman.

AMENDMENT OFFERED BY MR. SHAW TO THE AMENDMENT OFFERED BY MR. NICHOLS, AS AMENDED

Mr. SHAW. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. SHAW to the amendment offered by Mr. NICHOLS, as amended: Page 19, after line 8, insert the following (and redesignate the following paragraphs accordingly):

(3) Creation of a unified command for missions, functions, and responsibilities relating to security of United States borders.

Mr. SHAW. Mr. Chairman, this is an extremely simple amendment.

Division D, title I, section 101, adds a paragraph to title 10 of the United States Code which requires the Chairman of the Joint Chiefs of Staff to periodically review the structure of the unified and specified combatant commands and make recommendations for their improvement.

Section 104 of the same title specifies certain topics which must be considered during the initial review required by section 101. Among these topics are the creation of two new combatant commands, the revision of the responsibilities of four existing commands and the elimination of one existing command.

My amendment would add a new subparagraph, between subparagraphs 2 and 3 of section 104, that would require the consideration of:

(3) Creation of a unified command to coordinate the military missions, functions, and forces committed to the security of U.S. borders.

Essentially what this amendment does is require the Chairman of the Joint Chiefs of Staff in writing whether or not the Defense Department is willing and/or able to assume responsibility for the security of U.S. borders and give reasons why or why not.

Assuming that the bill becomes law with my amendment included, the Chairman would make an initial report to the President sometime in 1987. Included in that report would be consideration of the advantages, disad-

vantages, and feasibility of creating a unified border command. The decision to actually create such a command would rest with the President.

Since section 101 of the bill already requires the Chairman to review the unified commands and report to the President, there are no added costs associated with my amendment.

□ 1620

Mr. Chairman, I have discussed this amendment with the chairman of the subcommittee and with the ranking member, and I understand they have no objection to it.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the subcommittee chairman, the gentleman from Alabama.

Mr. NICHOLS. Mr. Chairman, I have looked at the amendment offered by the gentleman from Florida [Mr. SHAW]. I have no objection to it. It simply calls for a study, and I recommend its approval.

Mr. HOPKINS. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the ranking member.

Mr. HOPKINS. Mr. Chairman, on this side we compliment the gentleman for offering his amendment. We have no problem with it and are willing to accept it.

The CHAIRMAN pro tempore. Are there any Members desiring to speak in opposition to the amendment?

If not, the question is on the amendment offered by the gentleman from Florida [Mr. SHAW] to the amendment offered by the gentleman from Alabama [Mr. NICHOLS], as amended.

The amendment to the amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. SKELTON TO THE AMENDMENT OFFERED BY MR. NICHOLS, AS AMENDED

Mr. SKELTON. Mr. Chairman, I offer an amendment to the amendment:

The Clerk read as follows:

Amendment offered by Mr. SKELTON to the amendment offered by Mr. NICHOLS, as amended: Page 56, strike out lines 1 through 3 and insert in lieu thereof the following:

(6) The existing staff functions in the executive part of a military department relating to the reserve components shall not be abolished or consolidated with other elements of the military department staff (other than the consolidation of existing military staff and civilian secretariat staff functions relating to the reserve components).

Mr. SKELTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Missouri [Mr. SKELTON] is recognized for 10 minutes in support of his amendment.

Mr. SKELTON. Mr. Chairman, I will take but just a few moments on this amendment.

This amendment does nothing more than clarify subsection (6) of section 401(b) relating to military departments. It preserves the Reserve components and makes sure that they are not abolished or consolidated with other elements of the military staff. That is really what it does. I think that the way it is stated in the present language in subsection (6) might lead to some problems and misunderstandings, so I think that clarifying it, as I have done with this amendment, is the best procedure.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. SKELTON. I yield to the gentleman from Alabama.

Mr. NICHOLS. Mr. Chairman, I have had an opportunity to discuss this amendment with the staff and with the Reserve Forces who want to be certain they do not come under this particular provision. I have no objection to the amendment and recommend its adoption.

The CHAIRMAN pro tempore. Are there Members desiring to speak in opposition to this amendment?

If not, the question is on the amendment offered by the gentleman from Missouri [Mr. SKELTON] to the amendment offered by the gentleman from Alabama [Mr. NICHOLS], as amended.

The amendment to the amendment, as amended, was agreed to.

The CHAIRMAN pro tempore. Are there further amendments?

If not, the question is on the amendment offered by the gentleman from Alabama [Mr. NICHOLS], as amended.

The question was taken, and the Chairman pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. NICHOLS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 406, noes 4, not voting 21, as follows:

[Roll No. 281]

AYES—406

Ackerman	Bateman	Bonker	Callahan	Guarini	Mikulski
Akaka	Bates	Borski	Campbell	Gunderson	Miller (OH)
Alexander	Bedell	Bosco	Carper	Hall (OH)	Miller (WA)
Anderson	Bellenson	Boucher	Carr	Hall, Ralph	Mineta
Andrews	Bennett	Boulter	Chapman	Hamilton	Mitchell
Annunzio	Bentley	Boxer	Chappell	Hammerschmidt	Moakley
Anthony	Bereuter	Breaux	Chappie	Hansen	Molinari
Applegate	Berman	Brooks	Cheney	Hatcher	Mollohan
Archer	Bevill	Broomfield	Clinger	Hawkins	Monson
Armey	Biaggi	Brown (CA)	Coats	Hayes	Montgomery
Aspin	Bilirakis	Brown (CO)	Cobey	Hefner	Moody
Atkins	Bliley	Bruce	Coble	Hendon	Moorhead
AuCoin	Boehlert	Bryant	Coelho	Henry	Morrison (CT)
Badham	Boggs	Burton (CA)	Coleman (MO)	Hertel	Morrison (WA)
Barnard	Boland	Burton (IN)	Coleman (TX)	Hiler	Mrazek
Bartlett	Boner (TN)	Bustamante	Collins	Holt	Murphy
Barton	Bonior (MI)	Byron	Combest	Hopkins	Murtha
			Conte	Horton	Myers
			Cooper	Hoyer	Natcher
			Coughlin	Hubbard	Neal
			Courter	Huckaby	Nelson
			Coyne	Hughes	Nichols
			Craig	Hunter	Nielson
			Crane	Hutto	Nowak
			Daniel	Hyde	Oakar
			Dannemeyer	Ireland	Oberstar
			Darden	Jacobs	Obey
			Daschle	Jeffords	Olin
			Daub	Jenkins	Ortiz
			Davis	Johnson	Owens
			de la Garza	Jones (NC)	Packard
			DeLay	Jones (OK)	Panetta
			Dellums	Jones (TN)	Parris
			Derrick	Kanjorski	Pashayan
			DeWine	Kaptur	Pease
			Dickinson	Kasich	Penny
			Dicks	Kastenmeier	Pepper
			Dingell	Kemp	Perkins
			DioGuardi	Kennelly	Petri
			Dixon	Kildee	Pickle
			Donnelly	Kindness	Porter
			Dorgan (ND)	Kleczka	Price
			Dornan (CA)	Kolbe	Pursell
			Dowdy	Kolter	Quillen
			Downey	Kostmayer	Rahall
			Dreier	Kramer	Rangel
			Duncan	LaFalce	Ray
			Durbin	Lagomarsino	Regula
			Dwyer	Latta	Reid
			Dymally	Leach (IA)	Richardson
			Dyson	Leath (TX)	Ridge
			Early	Lehman (CA)	Rinaldo
			Eckart (OH)	Lehman (FL)	Ritter
			Eckert (NY)	Leland	Roberts
			Edgar	Lent	Robinson
			Edwards (CA)	Levin (MI)	Rodino
			Edwards (OK)	Levine (CA)	Roe
			Emerson	Lewis (CA)	Roemer
			English	Lewis (FL)	Rogers
			Erdreich	Lightfoot	Rose
			Evans (IA)	Lipinski	Rostenkowski
			Evans (IL)	Livingston	Roth
			Fascell	Lloyd	Roukema
			Fawell	Loeffler	Rowland (CT)
			Fazio	Lott	Rowland (GA)
			Feighan	Lowery (CA)	Roybal
			Fiedler	Lowry (WA)	Rudd
			Fields	Lujan	Russo
			Fish	Luken	Sabo
			Flippo	Lundine	Savage
			Florio	Lungren	Saxton
			Foglietta	Mack	Schaefer
			Foley	MacKay	Scheuer
			Ford (MI)	Madigan	Schneider
			Frank	Markey	Schroeder
			Franklin	Marlenee	Schuette
			Frenzel	Martin (IL)	Schulze
			Frost	Martin (NY)	Schumer
			Fuqua	Martinez	Seiberling
			Gallo	Matsui	Sensenbrenner
			Garcia	Mavroules	Shaw
			Gaydos	Mazzoli	Shelby
			Gejdenson	McCain	Shumway
			Gekas	McCandless	Shuster
			Gephardt	McCloskey	Sikorski
			Gibbons	McCollum	Sisisky
			Gilman	McCurdy	Skeen
			Gingrich	McDade	Skelton
			Glickman	McEwen	Slattery
			Goodling	McHugh	Slaughter
			Gordon	McKernan	Smith (FL)
			Gradison	McKinney	Smith (IA)
			Gray (IL)	McMillan	Smith (NE)
			Gray (PA)	Meyers	Smith (NJ)
			Green	Mica	Smith, Denny (OR)
			Gregg	Michel	

Smith, Robert (NH)	Synar	Weiss
Smith, Robert (OR)	Tallon	Wheat
Snowe	Tauke	Whitehurst
Snyder	Tauzin	Whitley
Solarz	Thomas (CA)	Whittaker
Solomon	Thomas (GA)	Whitten
Spence	Torres	Williams
Spratt	Torricelli	Wilson
St Germain	Towns	Wirth
Staggers	Traficant	Wise
Stallings	Traxler	Wolf
Stangeland	Udall	Wolpe
Stark	Valentine	Wortley
Stenholm	Vander Jagt	Wright
Stokes	Vento	Wyden
Strang	Visclosky	Wylie
Studds	Volkmer	Yates
Stump	Vucanovich	Yatron
Sundquist	Waldon	Young (AK)
Sweeney	Walgren	Young (FL)
Swift	Walker	Young (MO)
Swindall	Watkins	Zschau
	Waxman	
	Weber	

NOES—4

Carney	Stratton
Gonzalez	Weaver

NOT VOTING—21

Barnes	Grotberg	McGrath
Chandler	Hartnett	Miller (CA)
Clay	Hillis	Moore
Conyers	Howard	Oxley
Crockett	Lantos	Sharp
Ford (TN)	Long	Siljander
Fowler	Manton	Taylor

□ 1640

Mr. GONZALEZ changed his vote from "aye" to "no."

Mr. DINGELL changed his vote from "no" to "aye."

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). Pursuant to House Resolution 523, an amendment containing the text of the amendment printed in House Report 99-732 is in order if offered by Representative MAVROULES or his designee.

Immediately after this amendment is offered a substitute printed in the supplemental report to House Report 99-732 is in order if offered by Representative DICKINSON or his designee.

Before the consideration of any amendments to said amendments, debate shall be limited to 2 hours equally divided and controlled by the proponents of said amendments.

No amendments to the amendment or to the substitute are in order except amendments printed in the supplemental report to House Report 99-732, which shall be debatable for 20 minutes each equally divided and controlled by the proponent and a Member opposed thereto.

Pursuant to the order of the House of today, after 3 hours of debate on amendments to the amendment and to the substitute, no further amendments are in order.

AMENDMENT OFFERED BY MR. MAVROULES

Mr. MAVROULES. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. MAVROULES: Page 182, strike out lines 16 through 22 and insert in lieu thereof the following:

"(3) Cost or pricing data required to be submitted under paragraph (1) (or under subsection (c)), and a certification required to be submitted under paragraph (2), shall be submitted—

"(A) in the case of a submission by a prime contractor (or an offeror for a prime contract), to the contracting officer for the contract (or to a representative of the contracting officer designated by the contracting officer for the purposes of the negotiation of the contract); or

"(B) in the case of a submission by a subcontractor (or an offeror for a subcontract), to the prime contractor.

Page 208, after line 4, insert the following new subsection (and redesignate the succeeding subsection accordingly):

"(e) JUDICIAL REVIEW.—

"(1) RIGHT OF REVIEW.—(A) A member of an armed force aggrieved by a final order of the Board may obtain judicial review of the order by filing a petition for review before the end of the 60-day period beginning on the later of—

"(i) the date the member received notice of the order of the Board; or

"(ii) the date on which the member was deemed to have exhausted administrative remedies under subsection (d)(3).

"(B) A petition for review under subparagraph (A) shall be filed with the United States Court of Appeals—

"(i) for the circuit in which the member resides;

"(ii) for the circuit in which the member is stationed; or

"(iii) in the Court of Appeals for the District of Columbia.

"(2) REVIEW OF RECORD.—With respect to any case for which a petition for review is filed under paragraph (1)(A), the court—

"(A) shall review the record; and

"(B) in any case in which it determines that the record fails to resolve significant issues of fact, may refer the case to the appropriate United States district court for a hearing de novo.

"(3) STANDARD OF REVIEW.—The court shall set aside any order of the Board that, upon completion of a review under paragraph (2), is determined to be—

"(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; or

"(B) not supported by substantial evidence.

"(4) ATTORNEYS FEES.—If, upon completion of a review under paragraph (2), the court finds that the claim of the member is meritorious, the court shall award such member reasonable attorneys fees and costs.

Strike out section 923 (page 212, lines 14 through 19) and redesignate the following sections accordingly.

At the end of title IX of division A (page 214, after line 18), insert the following new sections:

SEC. 925. CONFLICT-OF-INTEREST IN DEFENSE PROCUREMENT.

(a) IN GENERAL.—(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2397a the following new sections:

"§ 2397b. Certain former Department of Defense procurement officials: limitations on employment by contractors

"(a)(1) Any person—

"(A) who is a former officer or employee of the Department of Defense or a former or retired member of the armed forces; and

"(B) who, during the two-year period preceding the person's separation from service in the Department of Defense, participated personally and substantially, and in a manner involving decisionmaking responsibilities, in a procurement function with respect to a contract through contact with the contractor,

may not accept compensation from that contractor for a period of two years following the person's separation from service in the Department of Defense.

"(2) In paragraph (1), the term 'decisionmaking responsibilities' includes the following activities with respect to a contract: approval or disapproval, or making recommendations or engaging in negotiations, with regard to a procurement function.

"(3) For purposes of paragraph (1), whether or not a person is a contractor (as defined in subsection (f)(2)) is determined as of the date of the separation from service of the officer or employee of the Department of Defense or member of the armed forces involved.

"(4) Any person who knowingly violates paragraph (1) shall be imprisoned for not more than one year and shall be subject to a fine in the amount provided in title 18.

"(5) Any person who knowingly offers or provides any compensation to another person, and who knew or should have known that the acceptance of such compensation is or would be in violation of paragraph (1), shall be imprisoned for not more than one year and shall be subject to a fine in the amount provided in title 18.

"(b)(1) This section applies only to—

"(A) civilian positions for which the rate of pay is equal to or greater than the minimum rate of pay payable for grade GS-13 of the General Schedule; and

"(B) to positions held by members of the armed forces in a pay grade of O-4 or higher.

"(2)(A) When a vacancy occurs in a sensitive civilian procurement executive position, the Secretary of Defense, with the concurrence of the Director of the Office of Government Ethics, may exempt the person appointed to fill the vacancy from the provisions of subsection (a) by reason of service in such position.

"(B) For purposes of subparagraph (A), a sensitive civilian procurement executive position is a position—

"(i) which is identified under paragraph (1);

"(ii) which is a civilian position to which a person is appointed by the President, by and with the advice and consent of the Senate; and

"(iii) with respect to which the Secretary of Defense determines that the duties inherent in the position involve personal and substantial participation in procurement functions (to the extent to which subsection (a)(1) applies) with so many contractors that implementation of subsection (a) with respect to persons serving in the position would seriously hamper the ability of the Department of Defense to obtain the services of a highly qualified person to serve in the position.

"(C) An exemption granted under this paragraph shall not apply to the extent that the person granted the exemption acts as a government representative in the negotiation or settlement of a contract with a contractor.

"(D) Whenever the Secretary of Defense grants an exemption under this paragraph, the Secretary shall promptly submit to the Committees on Armed Services and Governmental Affairs of the Senate and the Committees on Armed Services and the Judiciary of the House of Representatives a report describing the exemption and setting forth the specific reasons for the exemption.

"(c) The Secretary of Defense shall provide to each person separated from service in the Department of Defense in a position described in subsection (b)(1) who, within the two years preceding the date of such separation, participated in a procurement function of the Department a notice with respect to this section. Such notice shall include—

"(1) a written explanation of the provisions of this section; and

"(2) the name of each contractor from whom such person is prohibited from accepting compensation under this section.

"(d) This section does not apply—

"(1) to a contract for an amount less than $100,000;

"(2) to compensation of a person by an entity that did not have a Department of Defense contract in excess of $100,000 at the time the person participated personally and substantially in a procurement function (to the extent to which subsection (a)(1) applies) with respect to a contract with that entity; or

"(3) to a contractor that was awarded contracts by the Department of Defense during the preceding fiscal year in a total amount less than $100,000.

"(e)(1) A person who is considering the propriety of accepting compensation that might place the person in violation of subsection (a) may, before acceptance of such compensation, apply to the Director of the Office of Government Ethics for advice on the applicability of this section to the acceptance of such compensation.

"(2) An application under paragraph (1) shall contain such information as the Director requires.

"(f) In this section:

"(1) The term 'compensation' includes any payment, gift, benefit, reward, favor, or gratuity—

"(A) which is provided, directly or indirectly, for services rendered; and

"(B) which is valued in excess of $250 at the prevailing market price.

"(2) The term 'contractor' means—

"(A) a person that contracts to supply the Department of Defense with goods or services; and

"(B) a person that controls, is controlled by, or is under common control with, a person described in subparagraph (A).

Such term does not include a State or local government or an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 which is exempt from taxation under section 501(a) of such Code.

"(3) The term 'procurement function' includes, with respect to a contract, any function relating to—

"(A) the negotiation, award, administration, or approval of the contract;

"(B) the selection of a contractor;

"(C) the approval of changes in the contract;

"(D) quality assurance, operational and developmental testing, the approval of payment, or auditing under the contract; or

"(E) the management of the procurement program.

"(4) The term 'armed forces' does not include the Coast Guard.

"(g) For the purposes of this section and section 2397c of this title, a member or former member of the armed forces shall be considered to have been separated from service in the Department of Defense upon the member's discharge or release from active duty.

"§ 2397c. Defense contractors: requirements concerning former Department of Defense officials

"(a)(1) With respect to a contractor that during a fiscal year enters into contracts with the Department of Defense for the procurement of goods and services in amounts aggregating $100,000 or more, each contract for procurement of goods or services entered into by the Department with that contractor during the next fiscal year shall include a provision under which the contractor agrees not to provide compensation to a person if the acceptance of such compensation by such person would violate section 2397b(a)(1) of this title.

"(2) Such a contract shall also provide that if the contractor knowingly violates a contract provision required by paragraph (1) the contractor shall pay to the United States, as liquidated damages under the contract, an amount equal to the greater of—

"(A) $100,000; or

"(B) three times the compensation paid by the contractor to the person in violation of such contract provision.

"(b)(1)(A) Each contractor subject during a calendar year to a contract term described in subsection (a) shall submit to the Secretary of Defense not later than April 1 of the next year a report covering the preceding calendar year. Each such report shall list the name of each person (together with other information adequate for the Government to identify the person) who—

"(i) is a former officer or employee of the Department of Defense or a former or retired member of the armed forces; and

"(ii) was provided compensation by that contractor during the preceding calendar year, if such compensation was provided within two years after such officer, employee, or member left service in the Department of Defense.

"(B) Each such listing shall—

"(i) show each agency in which the person was employed or served on active duty during the last two years of the person's service in the Government;

"(ii) show the person's job titles during the last two years of the person's service in the Government;

"(iii) contain a full and complete description of the duties of the person during the last two years of such service; and

"(iv) contain a description of the duties (if any) that the person is performing on behalf of the contractor.

"(2) A person who knowingly fails to file a report required by paragraph (1) shall be fined not more than $10,000.

"(3) The Secretary of Defense shall review each report under paragraph (1) to assess the report for accuracy and completeness and for the purpose of identifying possible violations of paragraph (1) or section 2397b(a) of this title or of a contract provision required by subsection (a). The Secretary shall report any such possible violation to the Attorney General.

"(c)(1) The Director of the Office of Government Ethics shall have access to the reports submitted under subsection (b)(1) and shall conduct an annual random review of the reports for violations of section 2397b(a) of this title and subsections (a) and (b)(1).

"(2) Not later than October 1 of each year, the Director shall submit to Congress a report on the operation of this section. Each such report shall include the findings of the Director based on the examination of reports for the preceding calendar year.

"(d) This section does not apply to a contract for an amount less than $100,000.

"(e) The definitions set forth in section 2397b(f) of this title apply to this section.".

(2) The table of sections at the beginning of chapter 141 of title 10, United States Code, is amended by inserting after the item relating to section 2397a the following new items:

"2397b. Certain former Department of Defense procurement officials: limitations on employment by contractors.

"2397c. Defense contractors: requirements concerning former Department of Defense officials.".

(b) REPEAL.—Effective on the effective date of this section, section 921 of the Defense Procurement Improvement Act of 1985 (title IX of Public Law 99-145; 10 U.S.C. 2397a note) is repealed.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Subject to paragraphs (1) and (2), this section and the amendments made by this section shall take effect 180 days after the date of the enactment of this Act.

(2) EFFECTIVE DATE FOR REGULATORY AUTHORITY.—Subsection (b) of section 2397b of title 10, United States Code, as added by subsection (a), shall take effect on the date of the enactment of this Act. The Secretary of Defense shall prescribe and publish in the Federal Register regulations under that subsection not later than 180 days after such date.

(3) EFFECT ON EMPLOYMENT.—(A) The amendments made by this section—

(i) do not preclude the continuation of employment that began before the effective date of this section or the acceptance of compensation for such employment; and

(ii) do not, except as provided in subparagraph (B), apply to a person whose service in the Department of Defense terminates before the effective date of this section.

(B) Subparagraph (A)(ii) does not preclude the application of the amendments made by this section to a person with respect to service in the Department of Defense by such person on or after the effective date of this section.

(4) EFFECTIVE DATE FOR REPORTING REQUIREMENT.—The first report under section 2397c(c)(2) of title 10, United States Code, as added by subsection (a), shall be submitted not later than October 1, 1987.

SEC. 926. REQUIREMENTS RELATING TO UNDEFINITIZED CONTRACTUAL ACTIONS.

(a) LIMITATION ON USE OF FUNDS FOR UNDEFINITIZED CONTRACTUAL ACTIONS.—

(1) LIMITATION ON USE OF FUNDS.—(A) On the last day of a fiscal quarter during a covered fiscal year, the amount of funds represented by undefinitized contractual actions (as determined under paragraph (3)) entered into by the Secretary of Defense (with respect to the Defense Logistics Agency) or the Secretary of a military department during the reporting period with respect to such quarter may not exceed 10 percent of the amount of funds represented by all contractual actions entered into by the Secretary during such period.

(B) If at the end of a fiscal quarter during a covered fiscal year the amount of funds represented by undefinitized contractual ac-

tions under the jurisdiction of a Secretary that were entered into during the reporting period with respect to such quarter exceeds the limit established in subparagraph (A), the Secretary may not enter into any additional undefinitized contractual actions until the end of the following quarter.

(2) QUARTERLY REPORTS TO DEFENSE COMMITTEES.—(A) During each covered fiscal year, the Secretary of Defense and the Secretaries of the military departments shall each submit to the defense committees a report at the end of each fiscal year quarter concerning—

(i) the amount of funds represented by contractual actions under the jurisdiction of the Secretary that were entered into during the reporting period with respect to the month for which the report is submitted; and

(ii) the amount of such funds represented by undefinitized contractual actions.

(B) A report required by subparagraph (A) shall be submitted not later than the end of the 45-day period beginning on the first day following the fiscal year quarter for which the report is submitted.

(C) The first reports required by subparagraph (A) shall be with respect to the fiscal year quarter ending on December 31, 1986.

(3) DETERMINATION OF AMOUNTS OF CONTRACTUAL ACTIONS.—For purposes of this section, the amount of funds represented by a contractual action shall be—

(A) the contractual price; or

(B) in the case of an undefinitized contractual action, the negotiated overall ceiling price.

(4) DEFINITIONS.—For purposes of this subsection:

(A) The term "covered fiscal year" means fiscal year 1987 or 1988.

(B) The term "defense committees" means the Committees on Armed Services and on Appropriations of the Senate and House of Representatives.

(C) The term "reporting period" means, with respect to any month of a covered fiscal year, the period beginning on the first day of such fiscal year and ending on the last day of such month.

(D) The term "Secretary concerned" means—

(i) the Secretary of Defense, with respect to matters concerning the Defense Logistics Agency; and

(ii) the Secretary of a military department, with respect to matters concerning that military department.

(E) The term "undefinitized contractual action" has the meaning given such term in section 2325(g) of title 10, United States Code (as added by section 3(a)(1)).

(b) REQUIREMENTS WITH RESPECT TO UNDEFINITIZED CONTRACTUAL ACTIONS.—

(1) IN GENERAL.—(A) Chapter 137 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2325. Undefinitized contractual actions: restrictions

"(a) IN GENERAL.—The head of an agency may not enter into an undefinitized contractual action unless—

"(1) the request to the head of the agency for authorization of the contractual action includes a description of the anticipated effect on requirements of the military department if a delay is incurred for purposes of determining contractual terms, specifications, and price before performance is begun under the contractual action; and

"(2) the contractual action provides for determination of contractual terms, specifications, and price by the earlier of—

"(A) the end of the 180-day period beginning on the date that the contractual action is initiated; or

"(B) the date on which the amount of funds obligated or expended under the contract is equal to 50 percent of the amount of the negotiated overall ceiling price.

"(b) LIMITATION ON OBLIGATION OF FUNDS.—(1) Except as provided in paragraph (2), the contracting officer for an undefinitized contractual action may not expend with respect to such contractual action an amount that is equal to more than 50 percent of the negotiated overall ceiling price until the contractual terms, specifications, and price are definitized for such contractual action.

"(2) If a contractor submits a proposal to definitize an undefinitized contractual action before an amount equal to more than 50 percent of the negotiated overall ceiling price is expended on such action, the contracting officer for such action may not expend with respect to such contractual action an amount that is equal to more than 75 percent of the negotiated overall ceiling price until the contractual terms, specifications, and price are definitized for such contractual action.

"(c) INCLUSION OF NON-URGENT REQUIREMENTS.—Requirements for spare parts and support equipment that are not needed on an urgent basis may not be included in an undefinitized contractual action for spare parts and support equipment that are needed on an urgent basis unless the head of the agency approves such inclusion as being—

"(1) good business practice; and

"(2) in the best interests of the United States.

"(d) MODIFICATION OF SCOPE.—The scope of an undefinitized contractual action under which performance has begun may not be modified unless the head of the agency approves such modification as being—

"(1) good business practice; and

"(2) in the best interests of the United States.

"(e) ALLOWABLE PROFIT.—The head of an agency shall ensure that the profit allowed on an undefinitized contractual action for which the final price is negotiated after a substantial portion of the performance required is completed reflects—

"(1) the reduced cost risk of the contractor with respect to costs incurred during performance of the contract before the final price is negotiated; and

"(2) the reduced cost risk of the contractor with respect to costs incurred during performance of the remaining portion of the contract.

"(f) APPLICABILITY.—This section does not apply to the Coast Guard or the National Aeronautics and Space Administration.

"(g) DEFINITION.—In this section, the term 'undefinitized contractual action' means a new procurement action entered into by the head of an agency for which the contractual terms, specifications, or price are not agreed upon before performance is begun under the action.".

(B) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2325. Undefinitized contractual actions: restrictions.".

(2) EFFECTIVE DATE.—Section 2325 of title 10, United States Code (as added by subsection (a)(1)), applies to undefinitized contractual actions that are entered into after the end of the 30-day period beginning on the date of the enactment of this Act.

SEC. 927. DEFENSE ACQUISITION CORPS.

(a) IN GENERAL.—Part II of subtitle A of title 10, United States Code, is amended by inserting after chapter 83 the following new chapter:

"CHAPTER 84—DEFENSE ACQUISITION CORPS

"Sec.
"1611. Establishment.
"1612. Appointments.

"§ 1611. Establishment

"(a) ESTABLISHMENT.—There is in the Department of Defense a Defense Acquisition Corps consisting of acquisition-related positions in the Office of the Secretary of Defense, the military departments, and the defense agencies specified in regulations prescribed by the Secretary of Defense. The head of the Defense Acquisition Corps is the Under Secretary of Defense for Acquisition.

"(b) NUMBER.—The number of Defense Acquisition Corps positions in a military department shall be determined by the Secretary of Defense.

"§ 1612. Appointments

"The Secretary of Defense shall make appointments to the Defense Acquisition Corps from the best-qualified military personnel. The qualifications of such personnel shall be established based on levels of education, experience, and training and performance on examinations."

(b) COMPENSATION AND PERSONNEL MANAGEMENT INITIATIVE.—

(1) IN GENERAL.—The Secretary of Defense shall develop a plan for a compensation and personnel management initiative to enhance the professionalism of military personnel in the Defense Acquisition Corps.

(2) REPORT.—The Secretary shall submit to Congress a report describing the plan developed as required by paragraph (1) not later than April 15, 1987.

(c) CLERICAL AMENDMENT.—The tables of chapters at the beginning of subtitle A of such title and at the beginning of part II of such subtitle are each amended by inserting after the item relating to chapter 83 the following new item:

"84. Defense Acquisition Corps ..... 1611".

SEC. 928. DEFENSE ACQUISITION UNIVERSITY.

(a) ESTABLISHMENT.—The Secretary of Defense shall establish by regulation a Defense Acquisition University that includes acquisition-related defense schools in existence on the date of the enactment of this Act.

(b) REGULATIONS.—The regulations establishing the Defense Acquisition University shall include the following:

(1) ACQUISITION SPECIALTIES.—Provision for separate schools within the University with respect to various acquisition specialties, including contracting, logistics, quality, program management, systems engineering, production, and manufacturing.

(2) ADMISSION STANDARDS.—Standards and procedures for admission to the University.

(3) CURRICULUM REQUIREMENT.—A requirement that each student at the University successfully complete a central curriculum of contracting and acquisition methodology.

(4) ASSOCIATED PROGRAMS.—Provision for the education of members of the Defense Acquisition Corps through programs offered in conjunction with or in lieu of attendance at the University.

SEC. 929. BUDGETING FOR DEFENSE INFLATION.

(a) IN GENERAL.—(1) Chapter 131 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2214. Budgeting and accounting for inflation

"(a) INFLATION IN DEFENSE BUDGETING.—In preparing the budget of the Department of Defense to be included in the budget the President submits to Congress under section 1105 of title 31 for any fiscal year, the Secretary of Defense shall set out separately for each budget account the portion of the amount requested for that account that is required to offset estimated inflation.

"(b) LIMITATION ON AN AMOUNT REQUESTED TO OFFSET ESTIMATED INFLATION.—The total amount requested in such budget as required to offset estimated inflation on purchases of property and services by the Department of Defense (other than purchases of fuel and foreign currency and amounts requested for pay and retirement benefits) may not exceed the amount that would be required to offset inflation on such purchases were inflation to be estimated at the rates projected in the President's budget for the gross national product deflator.

"(c) COMPARISONS TO PRIOR FISCAL YEARS.—In preparing such budget, the Secretary shall set out separately for each budget account a comparison, for the fiscal year during which the budget is submitted and the most recently completed fiscal year, of the portions of the amounts appropriated for such accounts that were required and are currently estimated to be required to offset inflation.

"(d) IDENTIFICATION OF INFLATION INDEXES.—If the amount required to offset inflation for any budget account in any fiscal year shown in such budget (other than purchases and amounts excepted in subsection (b)) is based on actual or projected rates of inflation different than the actual or projected rates for the gross national product deflator set forth in such budget, the Secretary shall include in the budget a description of the inflation index used and a justification for its use, together with an estimate of the amount required to offset inflation for such account using the actual and projected rates for the gross national product deflator set forth in such budget.

"(e) PROGRAM ADJUSTMENTS.—If any program adjustment is proposed to or made by Congress with respect to the amount requested or made available for any budget account, the Secretary shall identify the effect of such adjustment on that portion of such amount that was required to offset inflation.

"(f) INFLATION FUND.—(1) There is established in the Treasury a fund to be known as the 'Defense Inflation Fund'. The fund shall be administered by the Secretary of Defense. As part of the budget of the Department of Defense to be included in the President's budget submitted to Congress, the Secretary shall report—

"(A) the balance then in the fund; and

"(B) the amounts estimated to be paid from the fund in offset inflation in each budgetary account.

"(2) Amounts appropriated for a fiscal year to cover amounts required to offset inflation in major defense acquisition programs shall be appropriated to the fund.

"(3) Subject to paragraph (4), amounts in the fund shall be used by the Secretary of Defense without fiscal year limitation to meet costs for inflation—

"(A) under contracts subject to section 2408 of this title, to the extent that those costs are authorized to be paid by contract provisions required by that section; and

"(B) for that portion of spending for major defense acquisition programs that is not made under contracts subject to section 2408 of this title, in accordance with procedures approved by the Secretary of Defense.

"(4) Amounts in the fund may not be used to meet the costs of changes in contract prices due to changes in the specification of the property or services being purchased.

"(5) In this subsection, the term 'major defense acquisition program' means a Department of Defense procurement program—

"(A) that is designated by the Secretary of Defense as a major defense acquisition program; or

"(B) that is estimated by the Secretary of Defense to require an eventual total expenditure for procurement of more than $1,000,000,000 (based on fiscal year 1980 constant dollars).".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2214. Budgeting and accounting for inflation.".

(b) EFFECTIVE DATE.—Section 2214 of title 10, United States Code, as added by subsection (a), shall take effect with respect to fiscal year 1988.

SEC. 930. INFLATION ADJUSTMENT CLAUSES IN MAJOR PROCUREMENT CONTRACTS.

(a) CONTRACT CLAUSE REQUIRED.—(1) Chapter 141 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2408. Major procurement contracts: economic price adjustment clauses

"(a) REQUIRED CONTRACT CLAUSES.—The Secretary of Defense shall require that each major procurement contract include an economic price adjustment clause providing for adjustments in contract prices to compensate for inflation over the life of the contract.

"(b) LIMITATIONS.—An economic price adjustment clause included in a contract pursuant to subsection (a)—

"(1) may not be based on an index or indices measuring inflation for a sector of the economy in which purchases, or wages paid, by the contractor constitute more than 20 percent of total purchases or wages paid;

"(2) may not be based on an index or indices measuring inflation for a sector of the economy in which purchases for national security or military purposes, or wages paid by contractors with the Department of Defense or their subcontractors, are predominant, unless the Committees on Armed Services of the Senate and House of Representatives have been notified in writing of a proposal to base a clause on such an index or indices and 30 days of continuous session of Congress have expired following the date such notice is received; and

"(3) may not permit to be included as inflation under the contract a change in contract prices due to changes in the specifications of the property or service being purchased, except that if any such change in prices becomes effective, the contract may provide for adjustment in the change in price to compensate for inflation over the remaining life of the contract.

"(c) DEFINITION.—In this section, the term 'major procurement contract' means a contract (other than a cost reimbursement contract) for the purchase of property or services awarded after using procedures other than sealed bid procedures which is performable over a period greater than two years and which—

"(1) is a prime contract under a major defense acquisition program for the purposes of section 2214 of this title; or

"(2) is an associate or Government-furnished equipment contract under such a major defense acquisition program which is one of the six largest contracts under such program in dollar amount and which is for an amount in excess of $2,000,000.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2408. Major procurement contracts: economic price adjustment clauses.".

(b) EFFECTIVE DATE.—Section 2408 of title 10, United States Code, as added by subsection (a), shall apply with respect to contracts entered into after the end of the 180-day period beginning on the date of the enactment of this Act.

SEC. 931. GAO REPORT ON IMPLEMENTATION OF DEFENSE BUDGETING FOR INFLATION.

The Comptroller General shall periodically report to Congress on implementation by the Department of Defense of the requirements of sections 2214 and 2408 of title 10, United States Code, as added by the amendments made by sections 936(a) and 937(a). Each such report shall include any recommendations of the Comptroller General for further legislative action.

SEC. 932. GAO REPORT ON DEFENSE FINANCIAL MANAGEMENT SYSTEM.

(a) REPORT.—The Comptroller General shall submit to Congress a report setting forth a proposed financial management system for the Department of Defense. The proposed financial management system shall be designed to reconcile—

(1) funds appropriated or otherwise made available to the Department of Defense, with

(2) funds obligated by the Department.

(b) DEADLINE FOR REPORT.—The report required by subsection (a) shall be submitted not later than the end of the six-month period beginning on the date of the enactment of this Act.

SEC. 933. CODIFICATION OF REQUIREMENT FOR PERIODIC REPORTS ON UNOBLIGATED BALANCES.

(a) PERIODIC REPORTS ON UNOBLIGATED BALANCES.—(1) Chapter 131 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2215. Reports on unobligated balances

"(a) REQUIRED REPORTS.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives reports (at the times specified under subsection (d)) containing an estimate of the amount of funds in each appropriation account of the Department of Defense that at the time of the report—

"(1) is available for obligation; and

"(2) is in excess of the amount needed to carry out the programs for which the funds were appropriated.

"(b) MATTERS TO BE INCLUDED.—Each report under subsection (a) shall include set forth separately for each account estimates of amounts attributable to—

"(1) inflation savings;

"(2) foreign currency savings;

"(3) excess working capital fund cash; and

"(4) all other savings.

"(c) UNANTICIPATED COST INCREASES.—Each such report shall also identify unanticipated

cost increases resulting from adverse economic trends.

"(d) SUBMISSION OF REPORTS.—A report under this section shall be submitted to Congress each year—

"(1) with the President's budget for the next fiscal year;

"(2) with the April Budget Update; and

"(3) with the Mid-Session Budget Review.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2215. Reports on unobligated balances.".

(b) REPEAL OF SOURCE LAW.—Section 1407 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 745), is repealed.

SEC. 934. CERTIFICATION OF ALLOWABLE INDIRECT COSTS.

(a) STRENGTHENING OF CERTIFICATION REQUIREMENT.—Subsection (h) of section 2324 of title 10, United States Code, is amended to read as follows:

"(h)(1) A contractor that submits a proposal for interim or final settlement of indirect costs applicable to a covered contract shall be required to certify that all indirect costs included in the proposal are allowable. Any such certification shall be in the form prescribed in paragraph (2).

"(2) The certification required by paragraph (1) is as follows:

" 'CERTIFICATE OF OVERHEAD COSTS

" 'This is to certify that:

" '1. I have reviewed the indirect cost proposal submitted with this certification.

" '2. All costs included in this proposal to establish (billing) (final indirect cost rates) for identify period are allowable in accordance with the requirements of contracts to which they apply and with the cost principles of the Department of Defense applicable to those contracts,

" '3. This proposal does not include any costs which are unallowable under applicable cost principles of the Department of Defense, such as (without limitation): advertising and public relations costs (contributions and donations), entertainment costs, fines and penalties, lobbying costs, defense of fraud proceedings, and goodwill.

" '4. All costs included in this proposal benefit the Department of Defense and are demonstrably related to or necessary for the performance of each Department of Defense contract covered by the proposal.

" 'I declare under penalty of perjury that the foregoing is true and correct.'.

"(3) Such certification shall identify the contractor and be signed by the chief financial officer of the contractor.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to contracts entered into after the end of the 90-day period beginning on the date of the enactment of this Act.

SEC. 935. COMPETITIVE PROTOTYPE STRATEGY REQUIREMENT FOR MAJOR DEFENSE ACQUISITION PROGRAMS.

(a) ESTABLISHMENT OF REQUIREMENT.—

(1) IN GENERAL.—Chapter 139 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2362. Competitive prototype strategy requirement for major defense acquisition programs

"(a) COMPETITIVE PROTOTYPE STRATEGY REQUIREMENT.—Except as provided in subsection (c), the Secretary of Defense shall require the use of a competitive prototype program strategy in the development of a major weapons system (or a subsystem of such system).

"(b) QUALIFYING STRATEGIES.—A strategy qualifies as a competitive prototype strategy if it—

"(1) requires that contracts be entered into with not less than two contractors, using the same combat performance requirements, for the competitive design and manufacture of a prototype system or subsystem for operational test and evaluation;

"(2) requires that all systems or subsystems developed under contracts described in paragraph (1) be tested in a comparative side-by-side test that is designed to—

"(A) reproduce combat conditions; and

"(B) determine which system or subsystem is most effective under such conditions; and

"(3) requires that each contractor that develops a prototype system or subsystem, before the testing described in subparagraph (B) is begun, submit—

"(A) bids for full-scale engineering development;

"(B) production estimates; and

"(C) if appropriate, fixed-price or not-to-exceed production price options.

"(c) EXCEPTION.—Subsection (a) shall not apply to the development of a major weapons system (or subsystem of such system) after—

"(1) the Secretary submits to Congress—

"(A) written notification that use of a competitive prototype program strategy is not practicable with respect to such system or subsystem; and

"(B) a report that fully explains why use of such a strategy is not practicable, including—

"(i) detailed cost estimates comparing the total program cost of the competitive prototype strategy with the total program cost of the non-competitive prototype strategy; and

"(ii) a demonstration that the total program cost of the competitive prototype strategy is significantly greater than the total program cost of the non-competitive prototype strategy; and

"(2) 30 days of continuous session of Congress elapse after the Secretary submits the notification and report required by paragraph (1).

"(c) DEFINITIONS.—In this section:

"(1) MAJOR WEAPONS SYSTEM.—The term 'major weapons system' means a major weapons system that is acquired under a program that is a major defense acquisition program.

"(2) MAJOR DEFENSE ACQUISITION PROGRAM.—The term 'major defense acquisition program' means a Department of Defense acquisition program that—

"(A) is not a highly sensitive classified program (as determined by the Secretary of Defense); and

"(B) that is estimated by the Secretary of Defense to require an eventual total expenditure for research, development, test, and evaluation of more than $200,000,000 (based on fiscal year 1980 constant dollars).".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2362. Competitive prototype strategy requirement for major defense acquisition programs.".

(b) EFFECTIVE DATE.—Section 2362 of title 10, United States Code (as added by subsection (a)(1)), shall apply to major weapons systems (as defined in subsection (c)(1) of such section) that enter full-scale engineering development after September 30, 1986.

SEC. 936. RELEASE OF TECHNICAL DATA.

(a) IN GENERAL.—Chapter 137 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2326. Release of technical data

"(a) IN GENERAL.—

"(1) RELEASE OF DATA.—The Secretary of Defense shall, if required to release technical data under section 552 of title 5, release technical data to a person requesting such a release if such person pays all costs reasonably attributable to responding to such request, including reasonable charges for the costs of services of agency personnel relating to—

"(A) locating the technical data requested;

"(B) the review of such technical data to determine whether other restrictions apply; and

"(C) duplication and other processing charges.

"(2) REGULATIONS.—The Secretary of Defense shall prescribe regulations, pursuant to notice and receipt of public comment, specifying a uniform schedule of fees under this section.

"(b) DISPOSITION OF COSTS.—Amounts collected under this section shall be retained by the collecting agency and shall be used to reimburse the costs incurred in complying with requests for technical data.

"(c) WAIVER.—The Secretary of Defense shall waive the payment of costs required by subsection (a) which are in addition to costs under section 552 of title 5 if—

"(1) the request is made by a citizen of the United States or a United States corporation, and such citizen or corporation certifies that the technical data requested is required to enable such citizen or corporation to submit an offer or determine whether it is capable of submitting an offer to provide the product to which the technical data relates to the United States or a contractor with the United States;

"(2) the release of technical data is requested in order to comply with the terms of an international agreement; or

"(3) the Secretary determines, in accordance with section 552(a)(4)(A) of title 5, that such a waiver is in the interests of the United States.

"(d) TECHNICAL DATA.—In this section, the term 'technical data' means formulae, designs, drawings, blueprints, technical manuals, or computer software.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2326. Release of technical data.".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect at the end of the 90-day period beginning on the date of the enactment of this Act.

SEC. 937. RELEASE OF TECHNICAL DATA.

(a) IN GENERAL.—Chapter 137 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2327. Release of technical data

"(a) IN GENERAL.—

"(1) RELEASE OF DATA.—The Secretary of Defense shall, if required to release technical data under section 552 of title 5, release technical data to a person requesting such a release if such person pays all costs reasonably attributable to responding to such request, including reasonable charges for the costs of services of agency personnel relating to—

"(A) locating the technical data requested;

"(B) the review of such technical data to determine whether other restrictions apply; and

"(C) duplication and other processing charges.

"(2) REGULATIONS.—The Secretary of Defense shall prescribe regulations, pursuant to notice and receipt of public comment, specifying a uniform schedule of fees under this section.

"(b) DISPOSITION OF COSTS.—Amounts collected under this section shall be retained by the collecting agency and shall be used to reimburse the costs incurred in complying with requests for technical data.

"(c) WAIVER.—The Secretary of Defense shall waive the payment of costs required by subsection (a) which are in addition to costs under section 552 of title 5 if—

"(1) the request is made by a citizen of the United States or a United States corporation, and such citizen or corporation certifies that the technical data requested is required to enable such citizen or corporation to submit an offer or determine whether it is capable of submitting an offer to provide the product to which the technical data relates to the United States or a contractor with the United States;

"(2) the release of technical data is requested in order to comply with the terms of an international agreement; or

"(3) the Secretary determines, in accordance with section 552(a)(4)(A) of title 5, that such a waiver is in the interests of the United States.

"(d) TECHNICAL DATA.—In this section, the term 'technical data' means formulae, designs, drawings, blueprints, technical manuals, or computer software.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2327. Release of technical data.".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect at the end of the 90-day period beginning on the date of the enactment of this Act.

SEC. 938. THRESHOLDS FOR CERTAIN REQUIREMENTS RELATING TO SMALL PURCHASES.

(a) NOTICE THRESHOLDS.—

(1) SMALL BUSINESS ACT.—Subparagraph (A) of section 8(e)(1) of the Small Business Act (15 U.S.C. 637(e)(1)(A)) is amended—

(A) by striking out "$10,000" each place such term appears in subparagraph (A) and inserting in lieu thereof "$25,000";

(B) by striking out "or" at the end of clause (i);

(C) by striking out the comma at the end of clause (ii) and inserting in lieu thereof "; or"; and

(D) by inserting after clause (ii) the following new clause:

"(iii) solicit bids or proposals for a contract for property or services for a price expected to exceed $10,000, if there is not a reasonable expectation that not less than two offers will be received from responsive and responsible offerors,".

(2) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—Subparagraph (A) of section 18(a)(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(a)(1)(A)) is amended—

(A) by striking out "$10,000" each place such term appears in subparagraph (A) and inserting in lieu thereof "$25,000";

(B) by striking out "or" at the end of clause (i);

(C) by striking out the comma at the end of clause (ii) and inserting in lieu thereof "; or"; and

(D) by inserting after clause (ii) the following new clause:

"(iii) solicit bids or proposals for a contract for property or services for a price expected to exceed $10,000, if there is not a reasonable expectation that not less than two offers will be received from responsive and responsible offerors,".

(b) SMALL BUSINESS SET-ASIDES.—The first sentence of subsection (j) of section 15 of the Small Business Act (15 U.S.C. 644(j)) is amended by striking out "$10,000" and inserting in lieu thereof "25,000".

AMENDMENT OFFERED BY MR. COURTER AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. MAVROULES

Mr. COURTER. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment offered as a substitute.

The text of the amendment is as follows:

Amendment offered by Mr. COURTER as a substitute for the amendment offered by Mr. MAVROULES: Page 182, strike out lines 16 through 22 and insert in lieu thereof the following:

"(3) Cost or pricing data required to be submitted under paragraph (1) (or under subsection (c)), and a certification required to be submitted under paragraph (2), shall be submitted—

"(A) in the case of a submission by a prime contractor (or an offeror for a prime contract), to the contracting officer for the contract (or to a representative of the contracting officer designated by the contracting officer for the purposes of the negotiation of the contract); or

"(B) in the case of a submission by a subcontractor (or an offeror for a subcontract), to the prime contractor."

Strike out section 921 (page 201, line 16 through page 208, line 19) and insert in lieu thereof the following new section:

SEC. 921. SAFEGUARDING OF MILITARY WHISTLEBLOWERS.

(a) FINDINGS.—The Congress makes the following findings:

(1) In the course of their duties, members of the Armed Forces may become aware of information evidencing wrongdoing or waste of funds.

(2) It is generally the duty of members of the Armed Forces to report such information through the chain of command.

(3) Members of the Armed Forces who become aware of such information should be encouraged to disclose it to an Inspector General, and, if necessary, to a Member of Congress.

(4) Members of the Armed Forces who disclose such information should be protected from adverse personnel consequences (or threats thereof) as a result of such disclosures.

(5) Members of the Armed Forces who believe they have been subject to retaliation (or the threat thereof) should have the right to an expeditious Inspector General investigation and administrative review of their cases.

(b) WHISTLEBLOWER PROTECTION.—(1) Section 1034 of title 10, United States Code, relating to communicating with a Member of Congress, is amended to read as follows:

"§ 1034. Communicating with a Member of Congress or Inspector General

"(a) RESTRICTING COMMUNICATIONS WITH MEMBERS OF CONGRESS AND INSPECTORS GENERAL PROHIBITED.—

"(1) GENERAL RULE.—No person may restrict a member of an armed force in communicating with a Member of Congress or an Inspector General.

"(2) EXCEPTIONS.—Paragraph (1) does not apply to a communication that—

"(A) is unlawful; or

"(B) violates a regulation necessary to the security of the United States.

"(b) PROHIBITION OF RETALIATORY PERSONNEL ACTIONS.—No person may take (or threaten to take) an unfavorable personnel action, or withhold (or threaten to withhold) a favorable personnel action, as a reprisal against a member of an armed force for making or preparing a communication to a Member of Congress or an Inspector General that (under subsection (a)) may not be restricted.

"(c) INSPECTOR GENERAL INVESTIGATION.—

"(1) INVESTIGATION OF CERTAIN ALLEGATIONS.—The Inspector General of the Department of Defense shall expeditiously investigate an allegation by a member of the armed forces that a reprisal prohibited by subsection (b) has been taken (or threatened) against the member with respect to a communication to a Member of Congress or an Inspector General making a complaint or disclosing information that the member of the armed forces reasonably believes evidences—

"(A) a violation of a law, rule, or regulation; or

"(B) mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.

"(2) TIME FOR ALLEGATION.—The Inspector General is not required to make an investigation under paragraph (1) in the case of an allegation made more than 90 days after the reprisal (or threatened reprisal) that is the subject of the allegation.

"(3) INVESTIGATION OF SUBJECT MATTER OF DISCLOSURE.—If the Inspector General has not already done so, the Inspector General shall commence a separate investigation of the information that the member believes evidences wrongdoing as described in subparagraph (A) or (B) of paragraph (1).

"(4) REPORT.—Not later than 10 days after completion of an investigation under this subsection, the Inspector General shall submit a report on the results of the investigation to the Secretary of Defense. The Inspector General shall provide a copy of the unclassified portions of that report to the member concerned.

"(5) TIME FOR REPORT.—If, in the course of an investigation of an allegation under this section, the Inspector General determines that it is not possible to submit the report required by paragraph (2) within 30 days of the date of receipt of the allegation being investigated, the Inspector General shall provide to the Secretary of Defense and to the member making the allegation a notice—

"(A) of that determination (including the reasons why the report may not be submitted within that time); and

"(B) of the time when the Inspector General anticipates the report will be submitted.

"(6) CONTENT OF REPORT.—The report on the results of the investigation shall contain a thorough review of the facts and circumstances relevant to the allegation and the

complaint or disclosure and shall include documents acquired during the course of the investigation, including summaries of interviews conducted. If a person agrees to be interviewed only on the condition that the person's identity not be disclosed, the report shall not contain any information which might disclose the identity of that person. The report shall contain no findings of fact or recommendations as to the disposition of the complaint.

"(7) DELEGATION.—The Inspector General of the Department of Defense may delegate any function, power, or duty of the Inspector General under this subsection to any other Inspector General in the Department of Defense.

"(d) CORRECTION OF RECORDS.—

"(1) BOARDS FOR CORRECTION OF MILITARY RECORDS.—A correction board acting under section 1552 of this title, in considering the request of a member of an armed force to whom the Inspector General has provided a report under subsection (c) (or the request of the heir or legal representative of such a member) to correct the effects of an alleged retaliatory personnel action prohibited under subsection (b), may—

"(A) direct further investigation;

"(B) direct the production of evidence;

"(C) direct the examination of witnesses;

"(D) receive oral argument; or

"(E) direct or conduct an evidentiary hearing.

"(2) BOARD DECISIONS.—The Board shall issue a final decision with respect to the petition within 180 days after the filing of such petition. If the Board fails to issue such a final decision within such time, the member shall be deemed to have exhausted administrative remedies under section 1552 of this title to the extent that such exhaustion may be required in any judicial proceeding concerning the relief sought in the petition for correction. The decision of the Board shall be in writing and shall include its findings of fact, conclusions, recommendations, and a statement of reasons for the decision. The Board shall cause its decision to be served on the petitioner by first class mail to the address listed in the petition for correction within 10 days of the date of the decision. A determination by the Secretary by a preponderance of the evidence that a personnel action adversely affecting a member would not have been taken in the absence of a complaint or disclosure of information described in subsection (c)(1) shall constitute a determination of a prohibited retaliatory personnel action under subsection (b).

"(3) CORRECTIVE ACTION.—The Secretary shall order such action as is necessary to correct the record and the effect of a prohibited retaliatory personnel action.

"(4) DISCIPLINARY ACTION.—If the Secretary determines that a prohibited retaliatory personnel action, as defined in subsection (b), has occurred, the Board shall refer the record of the matter to the Secretary concerned.

"(e) REGULATIONS.—The Secretary of Defense, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to carry out this section. Such regulations shall include regulations for which violations are subject to section 892 of this title (article 92 of the Uniform Code of Military Justice).".

(2) The item relating to such section in the table of sections at the beginning of chapter 53 of such title is amended to read as follows:

"1034. Communicating with a Member of Congress or Inspector General.".

(c) DEADLINE FOR REGULATIONS.—The Secretary of Defense and the Secretary of Transportation shall prescribe regulations required by subsection (e) of section 1034 of title 10, United States Code, as added by subsection (a), not later than 120 days after the date of the enactment of this Act.

Strike out sections 922 (page 208, line 20 through page 212, line 13), and redesignate the following sections accordingly).

Strike out section 923 (page 2125 lines 14 through 19) and insert in lieu thereof the following:

SEC. 923. COST AND PRICE MANAGEMENT IN DEFENSE PROCUREMENT.

(a) REVISION OF SECTION 917 COST AND PRICE MANAGEMENT PROVISION.—(1) Section 2406 of title 10, United States Code, as added by section 917 of the Department of Defense Authorization Act, 1986 (Public Law 99-145), is amended to read as follows:

"§ 2406. Work measurement data: availability of records

"(a) PURPOSE.—The purpose of this section is to provide for certain work measurement data maintained by defense contractors to be available in a timely manner to the Department of Defense and to Congress.

"(b) RECORDS TO BE AVAILABLE PROMPTLY.—(1) Subject to subsection (e), the head of an agency shall require the contractor under a covered contract with that agency to make available promptly to the agency, in the form in which the contractor maintains such data, all work measurement data relating to the proposed and negotiated costs of the contract.

"(2) For purposes of this section, a contractor's work measurement data consists of all data relating to current industrial engineering standard hours of work content and all other work-measurement information of the contractor.

"(c) VERIFICATION BY AUDIT.—The contractor's standard hours of work content specified in the contractor's bill for payment of labor costs shall be subject to verification by audit.

"(d) PERIOD FOR WHICH RECORDS SHALL BE AVAILABLE.—Regulations prescribed to carry out this section shall specify the period for which records covered by this section shall be available to the agency concerned. Such period shall extend for not less than three years after final payment under the contract to which the records pertain.

"(e) EXCLUSIONS.—(1) This section does not authorize or require the head of an agency to require a contractor to maintain records of or to make available information under this section if the contractor does not otherwise maintain the information—

"(A) under section 2306(f) of this title or some other provision of law (other than this section) or regulation;

"(B) under the terms of a contract provision required under any such law or regulation; or

"(C) for its own management purposes.

"(2) This section does not require a contractor to change the format of or content of information it maintains.

"(f) DEFINITIONS.—In this section:

"(1) The term 'head of an agency' means the Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force.

"(2) The term 'covered contract' means a contract with the United States—

"(A) that is for full-scale production of a major defense acquisition program; and

"(B) that is subject to the provisions of section 2306(f) of this title.

"(3) The term 'major defense acquisition program' means a program subject to the Selected Acquisition Report requirements under section 139a of this title.".

(2) The item relating to section 2406 in the table of sections at the beginning of chapter 137 of such title is amended to read as follows:

"2406. Work measurement data: availability of records.".

(b) APPLICABILITY OF SECTION.—Section 2406 of title 10, United States Code, as amended by subsection (a), shall apply with respect to contracts entered into on or after November 8, 1985.

At the end of title IX of division A (page 214, after line 18), insert the following new sections:

SEC. 925. CONFLICT-OF-INTEREST IN DEFENSE PROCUREMENT.

(a) IN GENERAL.—(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2397a the following new sections:

"§ 2397b. Certain former Department of Defense procurement officials: limitations on employment by contractors

"(a)(1) Any person—

"(A) who is a former officer or employee of the Department of Defense or a former or retired member of the armed forces; and

"(B) who, during the two-year period preceding the person's separation from service in the Department of Defense, participated personally and substantially, and in a manner involving decisionmaking responsibilities, in a procurement function with respect to a contract through contact with the contractor,

may not accept compensation from that contractor for a period of two years following the person's separation from service in the Department of Defense.

"(2) In paragraph (1), the term 'decisionmaking responsibilities' includes the following activities with respect to a contract: approval or disapproval, or making recommendations or engaging in negotiations, with regard to a procurement function.

"(3) For purposes of paragraph (1), whether or not a person is a contractor (as defined in subsection (f)(2)) is determined as of the date of the separation from service of the officer or employee of the Department of Defense or member of the armed forces involved.

"(4) Any person who knowingly violates paragraph (1) shall be imprisoned for not more than one year and shall be subject to a fine in the amount provided in title 18.

"(5) Any person who knowingly offers or provides any compensation to another person, and who knew or should have known that the acceptance of such compensation is or would be in violation of paragraph (1), shall be imprisoned for not more than one year and shall be subject to a fine in the amount provided in title 18.

"(b)(1) This section applies only to—

"(A) civilian positions for which the rate of pay is equal to or greater than the minimum rate of pay payable for grade GS-13 of the General Schedule; and

"(B) to positions held by members of the armed forces in a pay grade of O-4 or higher.

"(2)(A) When a vacancy occurs in a sensitive civilian procurement executive position,

the Secretary of Defense, with the concurrence of the Director of the Office of Government Ethics, may exempt the person appointed to fill the vacancy from the provisions of subsection (a) by reason of service in such position.

"(B) For purposes of subparagraph (A), a sensitive civilian procurement executive position is a position—

"(i) which is identified under paragraph (1);

"(ii) which is a civilian position to which a person is appointed by the President, by and with the advice and consent of the Senate; and

"(iii) with respect to which the Secretary of Defense determines that the duties inherent in the position involve personal and substantial participation in procurement functions (to the extent to which subsection (a)(1) applies) with so many contractors that implementation of subsection (a) with respect to persons serving in the position would seriously hamper the ability of the Department of Defense to obtain the services of a highly qualified person to serve in the position.

"(C) An exemption granted under this paragraph shall not apply to the extent that the person granted the exemption acts as a government representative in the negotiation or settlement of a contract with a contractor.

"(D) Whenever the Secretary of Defense grants an exemption under this paragraph, the Secretary shall promptly submit to the Committees on Armed Services and Governmental Affairs of the Senate and the Committees on Armed Services and the Judiciary of the House of Representatives a report describing the exemption and setting forth the specific reasons for the exemption.

"(c) The Secretary of Defense shall provide to each person separated from service in the Department of Defense in a position described in subsection (b)(1) who, within the two years preceding the date of such separation, participated in a procurement function of the Department a notice with respect to this section. Such notice shall include—

"(1) a written explanation of the provisions of this section; and

"(2) the name of each contractor from whom such person is prohibited from accepting compensation under this section.

"(d) This section does not apply—

"(1) to a contract for an amount less than $100,000;

"(2) to compensation of a person by an entity that did not have a Department of Defense contract in excess of $100,000 at the time the person participated personally and substantially in a procurement function (to the extent to which subsection (a)(1) applies) with respect to a contract with that entity; or

"(3) to a contractor that was awarded contracts by the Department of Defense during the preceding fiscal year in a total amount less than $100,000.

"(e)(1) A person who is considering the propriety of accepting compensation that might place the person in violation of subsection (a) may, before acceptance of such compensation, apply to the Director of the Office of Government Ethics for advice on the applicability of this section to the acceptance of such compensation.

"(2) An application under paragraph (1) shall contain such information as the Director requires.

"(f) In this section:

"(1) The term 'compensation' includes any payment, gift, benefit, reward, favor, or gratuity—

"(A) which is provided, directly or indirectly, for services rendered; and

"(B) which is valued in excess of $250 at the prevailing market price.

"(2) The term 'contractor' means—

"(A) a person that contracts to supply the Department of Defense with goods or services; and

"(B) a person that controls, is controlled by, or is under common control with, a person described in subparagraph (A).

Such term does not include a State or local government or an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 which is exempt from taxation under section 501(a) of such Code.

"(3) The term 'procurement function' includes, with respect to a contract, any function relating to—

"(A) the negotiation, award, administration, or approval of the contract;

"(B) the selection of a contractor;

"(C) the approval of changes in the contract;

"(D) quality assurance, operational and developmental testing, the approval of payment, or auditing under the contract; or

"(E) the management of the procurement program.

"(4) The term 'armed forces' does not include the Coast Guard.

"(g) For the purposes of this section and section 2397c of this title, a member or former member of the armed forces shall be considered to have been separated from service in the Department of Defense upon the member's discharge or release from active duty.

"§ 2397c. Defense contractors: requirements concerning former Department of Defense officials

"(a)(1) With respect to a contractor that during a fiscal year enters into contracts with the Department of Defense for the procurement of goods and services in amounts aggregating $100,000 or more, each contract for procurement of goods or services entered into by the Department with that contractor during the next fiscal year shall include a provision under which the contractor agrees not to provide compensation to a person if the acceptance of such compensation by such person would violate section 2397b(a)(1) of this title.

"(2) Such a contract shall also provide that if the contractor knowingly violates a contract provision required by paragraph (1) the contractor shall pay to the United States, as liquidated damages under the contract, an amount equal to the greater of—

"(A) $100,000; or

"(B) three times the compensation paid by the contractor to the person in violation of such contract provision.

"(b)(1)(A) Each contractor subject during a calendar year to a contract term described in subsection (a) shall submit to the Secretary of Defense not later than April 1 of the next year a report covering the preceding calendar year. Each such report shall list the name of each person (together with other information adequate for the Government to identify the person) who—

"(i) is a former officer or employee of the Department of Defense or a former or retired member of the armed forces; and

"(ii) was provided compensation by that contractor during the preceding calendar year, if such compensation was provided within two years after such officer, employee, or member left service in the Department of Defense.

"(B) Each such listing shall—

"(i) show each agency in which the person was employed or served on active duty during the last two years of the person's service in the Government;

"(ii) show the person's job titles during the last two years of the person's service in the Government;

"(iii) contain a full and complete description of the duties of the person during the last two years of such service; and

"(iv) contain a description of the duties (if any) that the person is performing on behalf of the contractor.

"(2) A person who knowingly fails to file a report required by paragraph (1) shall be fined not more than $10,000.

"(3) The Secretary of Defense shall review each report under paragraph (1) to assess the report for accuracy and completeness and for the purpose of identifying possible violations of paragraph (1) or section 2397b(a) of this title or of a contract provision required by subsection (a). The Secretary shall report any such possible violation to the Attorney General.

"(c)(1) The Director of the Office of Government Ethics shall have access to the reports submitted under subsection (b)(1) and shall conduct an annual random review of the reports for violations of section 2397b(a) of this title and subsections (a) and (b)(1).

"(2) Not later than October 1 of each year, the Director shall submit to Congress a report on the operation of this section. Each such report shall include the findings of the Director based on the examination of reports for the preceding calendar year.

"(d) This section does not apply to a contract for an amount less than $100,000.

"(e) The definitions set forth in section 2397b(f) of this title apply to this section.".

(2) The table of sections at the beginning of chapter 141 of title 10, United States Code, is amended by inserting after the item relating to section 2397a the following new items:

"2397b. Certain former Department of Defense procurement officials: limitations on employment by contractors.

"2397c. Defense contractors: requirements concerning former Department of Defense officials.".

(b) REPEALS.—Effective on the effective date of this section, the following sections are repealed:

(1) Section 921 of the Defense Procurement Improvement Act of 1985 (title IX of Public Law 99-145; 10 U.S.C. 2397a note).

(2) Section 281 of title 18, United States Code (to the extent that such section was not repealed by section 2 of Public Law 87-849 (76 Stat. 1126)).

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), this section and the amendments made by this section shall take effect 180 days after the date of the enactment of this Act.

(2) EFFECTIVE DATE FOR REGULATORY AUTHORITY.—Subsection (b) of section 2397b of title 10, United States Code, as added by subsection (a), shall take effect on the date of the enactment of this Act. The Secretary of Defense shall prescribe and publish in the Federal Register regulations under that subsection not later than 180 days after such date.

(3) EFFECT ON EMPLOYMENT.—(A) The amendments made by this section—

(i) do not preclude the continuation of employment that began before the effective

date of this section or the acceptance of compensation for such employment; and

(ii) do not, except as provided in subparagraph (B), apply to a person whose service in the Department of Defense terminates before the effective date of this section.

(B) Subparagraph (A)(ii) does not preclude the application of the amendments made by this section to a person with respect to service in the Department of Defense by such person on or after the effective date of this section.

(4) EFFECTIVE DATE FOR REPORTING REQUIREMENT.—The first report under section 2397c(c)(2) of title 10, United States Code, as added by subsection (a), shall be submitted not later than October 1, 1987.

SEC. 926. REQUIREMENTS RELATING TO UNDEFINITIZED CONTRACTUAL ACTIONS.

(a) LIMITATION ON USE OF FUNDS FOR UNDEFINITIZED CONTRACTUAL ACTIONS.—

(1) LIMITATION ON USE OF FUNDS.—(A) On the last day of a fiscal quarter during a covered fiscal year, the total amount of funds represented by undefinitized contractual actions (as determined under paragraph (3)) entered into by the Secretary of Defense (with respect to the Defense Logistics Agency) or the Secretary of a military department during the reporting period with respect to such quarter may not exceed 10 percent of the total amount of funds represented by all contractual actions entered into by the Secretary during such period.

(B) If at the end of a fiscal quarter during a covered fiscal year the amount of funds represented by undefinitized contractual actions under the jurisdiction of a Secretary that were entered into during the reporting period with respect to such quarter exceeds the limit established in subparagraph (A), the Secretary may not enter into any additional undefinitized contractual actions until the Secretary certifies to Congress that the amount of funds represented by undefinitized contractual actions has been reduced so that entering into additional undefinitized contractual actions would not result in a breach of the limit established in subparagraph (A) for the next reporting period.

(2) QUARTERLY REPORTS TO DEFENSE COMMITTEES.—(A) The Secretary of Defense and the Secretaries of the military departments shall submit a report described in subparagraph (B) with respect to any fiscal year quarter—

(i) that ends after the date of the enactment of this Act; and

(ii) in which there is a breach of the limit described in paragraph (1)(A).

(B) A report required by subparagraph (A) shall include information concerning—

(i) the amount of funds represented by contractual actions under the jurisdiction of the Secretary that were entered into during the reporting period with respect to the quarter for which the report is submitted; and

(ii) the total amount of such funds represented by undefinitized contractual actions.

(C) A report required by subparagraph (A) shall be submitted not later than the end of the 45-day period beginning on the first day following the fiscal year quarter for which the report is required to be submitted.

(3) DETERMINATION OF AMOUNTS OF CONTRACTUAL ACTIONS.—For purposes of this section, the amount of funds represented by a contractual action shall be—

(A) the contractual price; or

(B) in the case of an undefinitized contractual action, the negotiated overall ceiling price.

(4) DEFINITIONS.—For purposes of this subsection:

(A) The term "covered fiscal year" means fiscal year 1987 or 1988.

(B) The term "defense committees" means the Committees on Armed Services and on Appropriations of the Senate and House of Representatives.

(C) The term "reporting period" means, with respect to any quarter of a covered fiscal year, the period beginning on the first day of such fiscal year and ending on the last day of such quarter.

(D) The term "Secretary concerned" means—

(i) the Secretary of Defense, with respect to matters concerning the Defense Logistics Agency; and

(ii) the Secretary of a military department, with respect to matters concerning that military department.

(E) The term "undefinitized contractual action" has the meaning given such term in section 2325(g) of title 10, United States Code (as added by section 3(a)(1)).

(b) REQUIREMENTS WITH RESPECT TO UNDEFINITIZED CONTRACTUAL ACTIONS.—

(1) IN GENERAL.—(A) Chapter 137 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2325. Undefinitized contractual actions: restrictions

"(a) IN GENERAL.—The head of an agency may not enter into an undefinitized contractual action unless—

"(1) the request to the head of the agency for authorization of the contractual action includes a description of the anticipated effect on requirements of the military department if a delay is incurred for purposes of determining contractual terms, specifications, and price before performance is begun under the contractual action; and

"(2) the contractual action provides for determination of contractual terms, specifications, and price by the earlier of—

"(A) the end of the 180-day period beginning on the date that the contractual action is initiated; or

"(B) the date on which the amount of funds obligated or expended under the contract is equal to 50 percent of the amount of the negotiated overall ceiling price.

"(b) LIMITATION ON OBLIGATION OF FUNDS.—(1) Except as provided in paragraphs (2) and (3), the contracting officer for an undefinitized contractual action may not expend with respect to such contractual action an amount that is equal to more than 50 percent of the negotiated overall ceiling price until the contractual terms, specifications, and price are definitized for such contractual action.

"(2) Except as provided in paragraph (3), if a contractor submits a proposal to definitize an undefinitized contractual action before an amount equal to more than 50 percent of the negotiated overall ceiling price is expended on such action, the contracting officer for such action may not expend with respect to such contractual action an amount that is equal to more than 75 percent of the negotiated overall ceiling price until the contractual terms, specifications, and price are definitized for such contractual action.

"(3)(A) Paragraphs (1) and (2) shall not apply to the expenditure of funds with respect to an undefinitized contractual action if such expenditure is approved by the head of the agency concerned.

"(B) The authority of the head of an agency under this paragraph may not be delegated to a person who holds a rank below that of commander or deputy commander of a major subordinate command, or the equivalent of such rank, as determined under regulations prescribed by the Secretary of Defense.

"(c) INCLUSION OF NON-URGENT REQUIREMENTS.—Requirements for spare parts and support equipment that are not needed on an urgent basis may not be included in an undefinitized contractual action for spare parts and support equipment that are needed on an urgent basis unless the head of the agency approves such inclusion as being—

"(1) good business practice; and

"(2) in the best interests of the United States.

"(d) MODIFICATION OF SCOPE.—The scope of an undefinitized contractual action under which performance has begun may not be modified unless the head of the agency approves such modification as being—

"(1) good business practice; and

"(2) in the best interests of the United States.

"(e) ALLOWABLE PROFIT.—The head of an agency shall ensure that the profit allowed on an undefinitized contractual action for which the final price is negotiated after a substantial portion of the performance required is completed reflects—

"(1) the possible reduced cost risk of the contractor with respect to costs incurred during performance of the contract before the final price is negotiated; and

"(2) the reduced cost risk of the contractor with respect to costs incurred during performance of the remaining portion of the contract.

"(f) APPLICABILITY.—This section does not apply—

"(1) to the Coast Guard or the National Aeronautics and Space Administration; or

"(2) to the purchase of items with advance procurement funds for an end item that are authorized to be appropriated by an Act or joint resolution, if such items are required to be purchased significantly earlier than other components, parts, and materials with respect to the same end item.

"(g) DEFINITION.—In this section, the term 'undefinitized contractual action' means a new procurement action entered into by the head of an agency for an amount of more than $25,000 for which the contractual terms, specifications, or price are not agreed upon before performance is begun under the action. Such term does not include procurement actions entered into on behalf of or in support of foreign military organizations.".

(B) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2325. Undefinitized contractual actions: restrictions.".

(2) EFFECTIVE DATE.—Section 2325 of title 10, United States Code (as added by subsection (a)(1)), applies to undefinitized contractual actions that are entered into after the end of the 180-day period beginning on the date of the enactment of this Act.

SEC. 927. BUDGETING FOR DEFENSE INFLATION.

(a) IN GENERAL.—(1) Chapter 131 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2214. Budgeting and accounting for inflation

"(a) INFLATION IN DEFENSE BUDGETING.—In preparing the budget of the Department of Defense to be included in the budget the President submits to Congress under section 1105 of title 31 for any fiscal year, the Sec-

retary of Defense shall set out separately for each budget account the portion of the amount requested for that account that is required to offset estimated inflation.

"(b) LIMITATION ON AN AMOUNT REQUESTED TO OFFSET ESTIMATED INFLATION.—The total amount requested in such budget as required to offset estimated inflation on purchases of property and services by the Department of Defense (other than purchases of fuel and foreign currency and amounts requested for pay and retirement benefits) may not exceed the amount that would be required to offset inflation on such purchases were inflation to be estimated at the rates projected in the President's budget for the gross national product deflator.

"(c) COMPARISONS TO PRIOR FISCAL YEARS.—In preparing such budget, the Secretary shall set out separately for each budget account a comparison, for the fiscal year during which the budget is submitted and the most recently completed fiscal year, of the portions of the amounts appropriated for such accounts that were required and are currently estimated to be required to offset inflation.

"(d) IDENTIFICATION OF INFLATION INDEXES.—If the amount required to offset inflation for any budget account in any fiscal year shown in such budget (other than purchases and amounts excepted in subsection (b)) is based on actual or projected rates of inflation different than the actual or projected rates for the gross national product deflator set forth in such budget, the Secretary shall include in the budget a description of the inflation index used and a justification for its use, together with an estimate of the amount required to offset inflation for such account using the actual and projected rates for the gross national product deflator set forth in such budget.

"(e) PROGRAM ADJUSTMENTS.—If any program adjustment is proposed to or made by Congress with respect to the amount requested or made available for any budget account, the Secretary shall identify the effect of such adjustment on that portion of such amount that was required to offset inflation.

"(f) INFLATION FUND.—(1) There is established in the Treasury a fund to be known as the 'Defense Inflation Fund'. The fund shall be administered by the Secretary of Defense. As part of the budget of the Department of Defense to be included in the President's budget submitted to Congress, the Secretary shall report—

"(A) the balance then in the fund; and

"(B) the amounts estimated to be paid from the fund to offset inflation in each budgetary account.

"(2) Amounts appropriated for a fiscal year to cover amounts required to offset inflation in major defense acquisition programs shall be appropriated to the fund.

"(3) Subject to paragraph (4), amounts in the fund shall be used by the Secretary of Defense without fiscal year limitation to meet costs for inflation—

"(A) under contracts subject to section 2408 of this title, to the extent that those costs are authorized to be paid by contract provisions required by that section; and

"(B) for that portion of spending for major defense acquisition programs that is not made under contracts subject to section 2408 of this title, in accordance with procedures approved by the Secretary of Defense.

"(4) Amounts in the fund may not be used to meet the costs of changes in contract prices due to changes in the specification of the property or services being purchased.

"(5) In this subsection, the term 'major defense acquisition program' means a Department of Defense procurement program—

"(A) that is designated by the Secretary of Defense as a major defense acquisition program; or

"(B) that is estimated by the Secretary of Defense to require an eventual total expenditure for procurement of more than $1,000,000,000 (based on fiscal year 1980 constant dollars).".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2214. Budgeting and accounting for inflation.".

(b) EFFECTIVE DATE.—Section 2214 of title 10, United States Code, as added by subsection (a), shall take effect with respect to fiscal year 1988.

SEC. 928. INFLATION ADJUSTMENT CLAUSES IN MAJOR PROCUREMENT CONTRACTS.

(a) CONTRACT CLAUSE REQUIRED.—(1) Chapter 141 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2408. Major procurement contracts: economic price adjustment clauses

"(a) REQUIRED CONTRACT CLAUSES.—The Secretary of Defense shall require that each major procurement contract include an economic price adjustment clause providing for adjustments in contract prices to compensate for inflation over the life of the contract.

"(b) LIMITATIONS.—An economic price adjustment clause included in a contract pursuant to subsection (a)—

"(1) may not be based on an index or indices measuring inflation for a sector of the economy in which purchases, or wages paid, by the contractor constitute more than 20 percent of total purchases or wages paid;

"(2) may not be based on an index or indices measuring inflation for a sector of the economy in which purchases for national security or military purposes, or wages paid by contractors with the Department of Defense or their subcontractors, are predominant, unless the Committees on Armed Services of the Senate and House of Representatives have been notified in writing of a proposal to base a clause on such an index or indices and 30 days of continuous session of Congress have expired following the date such notice is received; and

"(3) may not permit to be included as inflation under the contract a change in contract prices due to changes in the specifications of the property or service being purchased, except that if any such change in prices becomes effective, the contract may provide for adjustment in the change in price to compensate for inflation over the remaining life of the contract.

"(c) DEFINITION.—In this section, the term 'major procurement contract' means a contract (other than a cost reimbursement contract) for the purchase of property or services awarded after using procedures other than sealed bid procedures which is performable over a period greater than two years and which—

"(1) is a prime contract under a major defense acquisition program for the purposes of section 2214 of this title; or

"(2) is an associate or Government-furnished equipment contract under such a major defense acquisition program which is one of the six largest contracts under such program in dollar amount and which is for an amount in excess of $2,000,000.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2408. Major procurement contracts: economic price adjustment clauses.".

(b) EFFECTIVE DATE.—Section 2408 of title 10, United States Code, as added by subsection (a), shall apply with respect to contracts entered into after the end of the 180-day period beginning on the date of the enactment of this Act.

SEC. 929. GAO REPORT ON IMPLEMENTATION OF DEFENSE BUDGETING FOR INFLATION.

The Comptroller General shall periodically report to Congress on implementation by the Department of Defense of the requirements of sections 2214 and 2408 of title 10, United States Code, as added by the amendments made by sections 936(a) and 937(a). Each such report shall include any recommendations of the Comptroller General for further legislative action.

SEC. 930. GAO REPORT ON DEFENSE FINANCIAL MANAGEMENT SYSTEM.

(a) REPORT.—The Comptroller General shall submit to Congress a report setting forth a proposed financial management system for the Department of Defense. The proposed financial management system shall be designed to reconcile—

(1) funds appropriated or otherwise made available to the Department of Defense, with

(2) funds obligated by the Department.

(b) DEADLINE FOR REPORT.—The report required by subsection (a) shall be submitted not later than the end of the six-month period beginning on the date of the enactment of this Act.

SEC. 931. CODIFICATION OF REQUIREMENT FOR PERIODIC REPORTS ON UNOBLIGATED BALANCES.

(a) PERIODIC REPORTS ON UNOBLIGATED BALANCES.—(1) Chapter 131 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2215. Reports on unobligated balances

"(a) REQUIRED REPORTS.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives reports (at the times specified under subsection (d)) containing an estimate of the amount of funds in each appropriation account of the Department of Defense that at the time of the report—

"(1) is available for obligation; and

"(2) is in excess of the amount needed to carry out the programs for which the funds were appropriated.

"(b) MATTERS TO BE INCLUDED.—Each report under subsection (a) shall set forth separately for each account estimates of amounts attributable to—

"(1) inflation savings;

"(2) foreign currency savings;

"(3) excess working capital fund cash; and

"(4) all other savings.

"(c) UNANTICIPATED COST INCREASES.—Each such report shall also identify unanticipated cost increases resulting from adverse economic trends.

"(d) SUBMISSION OF REPORTS.—A report under this section shall be submitted to Congress each year—

"(1) with the President's budget for the next fiscal year;

"(2) with the April Budget Update; and

"(3) with the Mid-Session Budget Review.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2215. Reports on unobligated balances.".

(b) REPEAL OF SOURCE LAW.—Section 1407 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 745), is repealed.

SEC. 932. RELEASE OF TECHNICAL DATA.

(a) IN GENERAL.—Chapter 137 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2326. Release of technical data

"(a) IN GENERAL.—

"(1) RELEASE OF DATA.—The Secretary of Defense shall, if required to release technical data under section 552 of title 5, release technical data to a person requesting such a release if such person pays all costs reasonably attributable to responding to such request, including reasonable charges for the costs of services of agency personnel relating to—

"(A) locating the technical data requested;

"(B) the review of such technical data to determine whether other restrictions apply; and

"(C) duplication and other processing charges.

"(2) REGULATIONS.—The Secretary of Defense shall prescribe regulations, pursuant to notice and receipt of public comment, specifying a uniform schedule of fees under this section. The fees established in such schedule may not exceed comparable fees established under section 9701 of title 31.

"(b) WAIVER.—The Secretary of Defense shall waive the payment of costs required by subsection (a) which are in addition to costs under section 552 of title 5 if—

"(1) the request is made by a citizen of the United States or a United States corporation, and such citizen or corporation certifies that the technical data requested is required to enable such citizen or corporation to submit an offer or determine whether it is capable of submitting an offer to provide the product to which the technical data relates to the United States or a contractor with the United States;

"(2) the release of technical data is requested in order to comply with the terms of an international agreement; or

"(3) the Secretary determines, in accordance with section 552(a)(4)(A) of title 5, that such a waiver is in the interests of the United States.

"(c) TECHNICAL DATA.—In this section, the term 'technical data' means formulae, designs, drawings, blueprints, technical manuals, or computer software.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2326. Release of technical data.".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect at the end of the 90-day period beginning on the date of the enactment of this Act.

SEC. 933. THRESHOLDS FOR CERTAIN REQUIREMENTS RELATING TO SMALL PURCHASES.

(a) NOTICE THRESHOLDS.—

(1) SMALL BUSINESS ACT.—Subparagraph (A) of section 8(e)(1) of the Small Business Act (15 U.S.C. 637(e)(1)(A)) is amended—

(A) by striking out "$10,000" each place such term appears in subparagraph (A) and inserting in lieu thereof "$25,000";

(B) by striking out "or" at the end of clause (i);

(C) by striking out the comma at the end of clause (ii) and inserting in lieu thereof "; or"; and

(D) by inserting after clause (ii) the following new clause:

"(iii) solicit bids or proposals for a contract for property or services for a price expected to exceed $10,000, if there is not a reasonable expectation that not less than two offers will be received from responsive and responsible offerors,".

(2) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—Subparagraph (A) of section 18(a)(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(a)(1)(A)) is amended—

(A) by striking out "$10,000" each place such term appears in subparagraph (A) and inserting in lieu thereof "$25,000";

(B) by striking out "or" at the end of clause (i);

(C) by striking out the comma at the end of clause (ii) and inserting in lieu thereof "; or"; and

(D) by inserting after clause (ii) the following new clause:

"(iii) solicit bids or proposals for a contract for property or services for a price expected to exceed $10,000, if there is not a reasonable expectation that not less than two offers will be received from responsive and responsible offerors,".

(b) SMALL BUSINESS SET-ASIDES.—The first sentence of subsection (j) of section 15 of the Small Business Act (15 U.S.C. 644(j)) is amended by striking out "$10,000" and inserting in lieu thereof "25,000".

SEC. 934. DEFENSE ACQUISITION PERSONNEL COMPENSATION AND MANAGEMENT INITIATIVE.

The Secretary of Defense shall develop a plan for a compensation and personnel management initiative to enhance the professionalism of military personnel in acquisition-related positions.

The CHAIRMAN pro tempore. Pursuant to House Resolution 523, the gentleman from Massachusetts [Mr. MAVROULES] will be recognized for 1 hour and the gentleman from New Jersey [Mr. COURTER] will be recognized for 1 hour.

The Chair recognizes the gentleman from Massachusetts [Mr. MAVROULES].

□ 1650

Mr. MAVROULES. Mr. Chairman, I yield myself whatever time I might consume.

Mr. Chairman, the House now begins its debate on the acquisition practices of the Department of Defense and its contractors.

This is not a subject without controversy. But before we discuss the specifics of our disagreements, I wanted to offer a few general comments.

First, I would like to extend my appreciation to the ranking minority member of the Acquisition and Procurement Policy Panel, Mr. COURTER of New Jersey. His cooperation was always helpful and welcomed.

And I would also like to thank all the members of the panel, and the Procurement Reform Task Force for their hard work and effort in this important area.

In some areas, we came to early agreement. For instance, there was clear agreement on the legislation implementing the Packard Commission recommendations on streamlining, program baselining, and the establishment of an Under Secretary of Defense for Acquisition.

The omnibus procurement reform amendment I am offering on behalf of 10 of our colleagues is an important addition to the effort begun in the Acquisition Panel and the Committee.

Why do we come forward with this procurement reform package? It is important to understand the problem. The President's Packard Commission, in their final report, included a public opinion survey on the question of waste and fraud in defense spending.

Their analyses concluded that on average, Americans believe that almost half of the U.S. defense budget is lost to waste and fraud. This public opinion represents a serious problem.

The modernization of American military forces will continue only if the American public has confidence that the Pentagon, the defense industry, and this Congress can adequately manage and supervise the billions of dollars directed into the defense effort each year.

The procurement reform package which we bring before the House was drafted with three clear goals in mind.

Accountability, responsibility, and credibility.

Accountability, for instance, means that the use of unpriced or undefinitized contracts—the focus of the Wyden provision—is limited only to exceptional circumstance.

At the end of the last fiscal year, undefinitized contracts soared to $27 billion. Part of the cause of this problem was year end spending to reduce unobligated balances. That is no excuse for abandoning good judgment and sound sense.

Responsibility from the Pentagon starts with a more honest defense budget. An inflation lottery in the DOD budget has produced a windfall of $30 to $40 billion during the last 4 years.

With the chairman of the committee, I have included a provision requiring that the annual defense budget list the sum requested for each defense account assuming no inflation and with a separate figure to cover estimated inflation. Right now, that inflation figure is simply buried in the total budget.

Finally, there is the issue of credibility. The credibility in question is our credibility in Congress. I think we can meet the task and answer the challenge.

We have tried to be fair.

Our sessions were open, and representatives of the Department of Defense, the military services, and industry were invited in.

But, to all my colleagues, the reform package we bring before the House is a

responsible one. I urge the Members to support this package and against amendments that would reduce the effectiveness of many of these important provisions.

The CHAIRMAN pro tempore. The gentleman from Massachusetts [Mr. MAVROULES] has consumed 5 minutes.

Mr. COURTER. Mr. Chairman, I yield myself as much time as I may consume.

Mr. Chairman, I appreciate the opportunity to talk in favor of the bipartisan substitute to the Mavroules amendment.

First of all I would like to say that there are Members on both sides of the aisle that recognize the importance of changing to a degree the acquisition process, and the chairman of the special acquisition and procurement panel, the gentleman from Massachusetts, NICK MAVROULES, went a long way in making sure that we came up with a responsible piece of legislation. If I may say, I enjoyed very much the opportunity to work with the gentleman from Massachusetts.

The purpose of the panel grew out of a glaring need to bring order to a chaotic situation that existed last year. Last year during the debate of the Defense authorization bill there was no structure when it came to having amendments heard that would perfect, modify, or change the acquisition process, the procurement process inside the Department of Defense. What happened was there were many worthwhile amendments that Members wanted to be heard, they introduced them, some of which were withdrawn because members on the committee had not had a chance to study them. Members intimately involved in defense, the reorganization and acquisition reform had held no hearings on them. Also, the converse happened. There were some reform measures relating to acquisition and procurement that sounded good, that came under the name of reform, but after having been adopted, and with 1 year of experience we find that it has increased the bureaucracy and increased the amount of paperwork.

So this year to avoid the chaotic situation of 1985, the chairman of the full House Armed Services Committee created a special panel to deal with the issues of acquisition and procurement reform. We invited all Members of the House of Representatives to come before our panel to testify on their initiatives, and we did that. The gentleman from Massachusetts, NICK MAVROULES, and I came together on about 8 of the 10 reform proposals and jointly had them adopted in the Department of Defense bill.

So the bill has about eight amendments that the gentleman from Massachusetts and I thought were important that would streamline and better the procurement process.

Then we found that there were Members that nevertheless had procurement amendments and ideas. So the way we decided to handle this was to have a second Mavroules package. This second Mavroules package was everything else basically that people wanted to offer, and, of course, we have a list of those things.

□ 1700

As I and other individuals, myself and Congressmen DANIEL and BILL DICKINSON and HERB BATEMAN and Congressmen BUDDY DARDEN and BILL NICHOLS and JOHN KASICH, the gentleman from Ohio, started reviewing them, we realized that we were very close but we wanted to have some perfecting amendments, some modest changes to the work of those Members who submitted their positions to NICK MAVROULES.

Some of the work that the committee did, the panel did, which is in the bill is as follows, which is important: Establishing an Under Secretary of Defense for Acquisition. The gentleman from Massachusetts and I had some disagreement as to what level he should be, but we thought it would be important to have someone in DOD focus their attention on acquisition, because there were so many problems, so many horror stories.

We had legislation requiring comparable budgets for similar systems; strengthening the Truth in Negotiations Act; streamlining program management—an amendment by myself and another gentleman on the committee; establishing a requirement to baseline an amendment offered by the gentleman from Ohio [Mr. KASICH]; establishing a preference for nondevelopmental commercial products, something that people have been talking about for 20 years around this place, we finally, through the work of NICK MAVROULES, myself, JOHN KASICH, and other members of the panel, came up with this. This is in the bill.

So these things that are good, these things that are important, these things that you agree with are in the bill; they are not really being debated at the present time.

What is being debated is the second Mavroules package; the first one being Courter-Mavroules, Mavroules-Courter, adopted in the bill; the second one is an amalgamation of eight or nine subsequent amendments swept together with the substitute being a bipartisan substitute.

Let me mention a couple of specific things that caused the bipartisan group of Members to believe that a substitute was necessary.

First, and perhaps not most glaring, but first is the issue of work measurement. Work measurement was a concept that was initiated in this country in the 1920's. It was the idea that industrial engineers could measure efficiency and measure the time it took in order to perform particular manual functions.

What we did last year was to impose a certain type of work measurement requirement to be imposed on industry that dealt with large contracts, that they get the information at three different times in the process when they are looking at the bid, after they negotiated the contract, and after the contract was completed.

Then we required industry to convert the type of information into something that would be common language throughout industry, adding massively to the paperwork we found out that it just could not be done in a cost-effective way; and also gave us no information that was useful.

It was, as I mentioned during the hearings, reverse alchemy: What we did last year is convert gold into lead. We required the increase of massive amounts of information, and then converted into a useless form.

So we have in the substitute a work measurement provision, but it is a rational one; it perfects the additional law that is on there today.

Second, and I think this is probably the second major concern that we have that had the substitute, there is in the Mavroules bill a certification of allowable costs. We as well believe in certifying allowable costs; we think it is important.

The problem with the Mavroules bill is that it deletes the language that was placed in the bill last year by the gentleman from Alabama, BILL NICHOLS, and that language was that contractors certify to their best honesty, knowledge and belief.

It creates, in essence, strict liability when it comes to certification on your vouchers to the Department of Defense. In other words, if you are the CEO of General Electric and GE has vouchers after bills forwarded to the Government for payment, every individual who forward those bills certifies that everything on those bills are allowable.

If there is one mistake, it is there is a beer that is on there that is not allowable, if there is some other line item that is there by mistake, is not allowable, the Mavroules bill, unamended by the Courter substitute, would mean that CEO, chief executive officer, chairman of the board, is subject to criminal sanctions and a jail sentence for something he did not know anything about and had no reason to know anything about.

I do not believe anybody in this body wants to create a situation of strict liability with criminal sanctions in that type of a scenario.

The second or third concern that we have, and there are a number of them, has to do with competitive prototyping. Our substitute also encourages

competition. We also encourage prototyping, and the bills have done that, particularly last year.

This particular bill, however, requires, except for those areas where the Secretary of the Department of Defense certifies is against national security interests, to build a second prototype of a major weapon system; and I would argue that under some circumstances, it is a ridiculous requirement.

Do we have to have a second prototype of a B-1 before we move forward to low production rates? We may want to have one prototype; but to have two does not make any rational sense.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. COURTER. I yield to the gentleman.

Mr. KASICH. Mr. Chairman, I just want to emphasize, for purposes of the Members who may be watching this debate, what the gentleman is saying is that we are in agreement with the Mavroules panel on approximately 90 percent of all the items.

The items that were debated within our subcommittee, considered by our subcommittee, worked on by our subcommittee, almost all of them are in this package. The only difference between our proposal and the Mavroules proposal is just a handful of items that either did not have hearings or where we were completely unable to reach a compromise.

Would that be a fair way to describe the differences between the two packages?

Mr. COURTER. Mr. Chairman, they are not very extensive, let me say. There are a couple that as I mentioned have glaring problems, with the Mavroules package. Our substitute, the bipartisan substitute, attempts to clear them up.

Basically we are talking about generally the same reforms. We have language on work measurement. The bill as it came out of the Armed Services Committee—I deleted, as you know, work measurement; and the gentleman from Ohio said there should be some work measurement requirement; let us have a low paperwork, rational work measurement in there; so I am agreeing with the gentleman from Ohio, put it in the package.

So we have work measurement, we have strong language and undefinitized contracts; we keep the threshold of 10 percent; we do not want it to go to 11 or 12 percent. We have some modifications that we think seem to be more rational.

We have whistleblower protection; we have conflict of interest stuff; we have defense acquisition core, although it is modified. We have a problem, of course, with that strict liability when it comes to the certification of allowable costs.

The gentleman is correct. We are talking about the same stuff, and much of the work is precisely the same.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. COURTER. I yield to the gentleman.

Mr. KASICH. Mr. Chairman, I think it is important that we spend just a little bit of time looking at the history of the work measurement debate, because in full committee, Mr. COURTER offered an amendment to flat out repeal the work measurement provision, which I voted against. I was opposed to the Courter amendment, and stuck with the current law because I felt that a compromise should be worked out and urged all interested parties to work for a compromise.

That compromise never came about. Mr. COURTER has now attempted to go halfway in terms of reaching a compromise by requiring work measurement studies, but in a way that does not increase the paperwork burden.

So I want it to be perfectly clear that the gentleman has compromised, that we do have work measurement in our particular amendment, which makes it a stronger amendment.

Mr. COURTER. I thank the gentleman and, Mr. Chairman, I reserve the balance of my time.

Mr. MAVROULES. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. WYDEN].

Mr. WYDEN. Mr. Chairman, I rise in support of the procurement package offered by the distinguished gentleman from Massachusetts [Mr. MAVROULES].

This package is a hardheaded, practical, and long overdue effort to bring Pentagon procurement back to reality. Excesses have been widely noted, and we've heard assurances from the Pentagon that new rules will help whip procurement practices back into shape. Unfortunately, despite these assurances, the discipline demonstrated by, and expected from, our enlisted men and women continues to be lacking among the Pentagon procurers. We've got to make some changes.

Mr. Chairman, throughout this Congress, the Oversight and Investigations Subcommittee of the Energy and Commerce Committee, on which I sit, has been investigating the growing practice of unpriced defense contracts. Unpriced contracts allow defense contractors to begin work or acquire spare parts before negotiating a final price. The Government, and the taxpayers, are responsible for all costs incurred up until the time a price is negotiated.

At the end of fiscal year 1985, the Pentagon had almost $27 billion in unpriced contracts. The fact is that many of these contracts are a breeding ground for waste and inefficiency. Unpriced defense contracts are producing an unconscionable lack of accountability. And that lack of accountability is jacking up the price of critically needed defense goods.

Let me give my colleagues some examples found by the General Accounting Office. A GAO study of 716 unpriced orders in 1985 found that the Department of Defense obligated an average of 12 to 37 percent more money than was needed. In all, the GAO found that, for just these contracts alone, the Department spent $136 million, or 18 percent, more than it should have.

In another example, the GAO found that the Air Force had authorized an unpriced contract for a pulley puller tool—a simple, rectangular tool less than 2 inches long—intended to help remove the antenna drive pulleys from F-16 aircraft during repair and overhaul. A year and a half later, the Air Force negotiated the price, and it amounted to $8,832. A machine shop later confirmed that it could have manufactured the tool for $69.

The excessive use of unpriced orders is literally an invitation to swindle the taxpayers. For business men and women, ordering a product or service before agreeing to the price is the exception rather than the rule. According to the Army's own testimony before the House Armed Services Committee, in many cases unpriced contracts have become the rule.

The fact is, contractors simply don't have any reason under the status quo to control costs or impose fiscal discipline. Costs incurred up to the time the price is finalized are generally accepted by the Department of Defense. Even the Naval Air Systems Command has stated that this is the heart of the problem.

Secretary Weinberger has pointed out that unpriced orders should be limited to urgent operational needs, and I fully agree with him. Unfortunately, it appears that urgent operational needs have been stretched beyond their rational limits.

For example, a recent Navy directive lists specific "criteria of urgency" under which unpriced orders can be used. One of the three specific "criteria of urgency" is "loss of funds," which means, according to the notice, if appropriated funds are "in danger of being lost due to imminent expiration of funding obligation date." In other words, the Navy believes it's OK to use unpriced orders just to make sure it spends all of its money by the end of a given fiscal year.

It's high time for Congress to restrict the excessive use of unpriced contracts to situations which are truly urgent. That's what the provision in the reform package that deals with unpriced contracts would do.

The provision limits the amount of funds the Pentagon can contract—through undefinitized contractual actions—in any given quarter to 10 per-

cent of the total amount the Pentagon contracts in that quarter. To avoid penalizing one service branch for the excesses of another, the 10-percent cap would apply to each service and to the Defense Logistics Agency separately.

Mr. Chairman, after introducing H.R. 4461, the Unpriced Military Contracts Reduction Act, I worked with defense contractors to make this provision palatable to their real-world needs. In addition, this provision does not prohibit the use of unpriced contracts. In a select number of cases, unpriced contracts are necessary to meet the demands of our modern defense. This provision allows the Pentagon to enter into an unpriced contract if the contractor includes a description of the effect of a delay on the project.

Mr. Chairman, the Pentagon's use of unpriced contracts is a train out of control and is being fueled by the unprecedented amount of money at the Pentagon.

If any one of us was to go out and decide to build a house tomorrow, I seriously doubt we would begin the work without a negotiated price. Today we have the opportunity to impose this same kind of common sense to Pentagon spending. We have the opportunity to put an end to toasters and toilet seats so expensive you can't even find them in the Neiman-Marcus catalog. And we have the opportunity to put an end to pocketbook padding by defense contractors.

Finally, I would like to thank my colleagues, JOHN SPRATT, NICK MAVROULES, and JOHN KASICH, who have been extremely helpful in perfecting this provision. The taxpayers have gained immensely by their contributions to this procurement reform effort.

I urge my colleagues to support the undefinitized contracts provision and the entire procurement package offered by Mr. MAVROULES and I further urge them to resist any efforts to weaken it.

Mr. KASICH. Mr. Chairman, I yield myself such time as I may consume.

I would just like to spend the first few minutes to compliment NICK MAVROULES, who really has not only been an outstanding chairman from the standpoint that he has made this a bipartisan package, but NICK clearly has the unique ability to get people to work together.

But I think everybody on this panel will say that we really had the right chemistry and everybody plugged together and worked together. Even those not on the panel. RON WYDEN deserves a pat on the back for his flexibility and his commitment to making changes in the area of undefinitized contracts. We have made great progress in our bill. We have achieved things that are going to make our system of military procurement far more efficient and make far more sense than what we currently have. For example, the creation of an acquisition czar; Mr. MAVROULES' provision that allows us to centralize and then decentralize authority so we can have somebody in charge of procurement, somebody we can point to, somebody who is going to assume responsibility. The baselining provisions are critical in giving the Congress a full view of weapons systems' performance and cost. It gets the Congress' hands off those systems when they are functioning properly.

Or the inflation fund, which NORM SISISKY worked on, which makes very good sense in controlling the inflation windfalls that have occurred in the Pentagon. And whistleblower protection worked on by other members of the subcommittee.

There is one other provision in this package that I would like to spend a few minutes on, and that is in the area of commercial items. I offered an amendment to this package that encourages the purchase of non-developmental or commercial items. Many times people say, "Why can't we simply go and buy things off the shelf?"

So I offered the amendment saying that what the Secretary of Defense ought to do is define procurement items in functional terms. In other words, if you want to buy something that is a simple, common item, rather than having pages and pages of military specifications, we can define these things in functional terms which will do a number of things. If you can buy commercial items, then what you simply do is you cut down on the cost because you can realize the economies of scale of production; the more you produce, the cheaper each item.

Additionally, you do not have development costs that you have to pay industry in order to develop things, and you also cut down on massive paper work.

You may ask, what is it that I am talking about? What kind of examples can we come up with? I would just like to point to a few. The No. 1 example I would like to talk about is simple whistles. These are things that 5-year-old children know how to use. Simply, it is a whistle that blows. I want to explain exactly why we have difficulties with this whistle. If you take a look at the regulations for the Government to procure whistles, you have 16 pages worth of regulations that are in effect in order to buy a whistle for the Government.

Let me read you a few of the specifications regarding a whistle. In the Government specifications, it defines the performance of a whistle, and let me quote:

3.8 *Performance.* The whistle shall be capable of emitting an audible characteristic sound when blown by the mouth with medium or high breath pressure. The center line of the air passage shall be tangent to the 13/32 inch radius for the solid construction whistle and to the 7/16 inch radius for the split construction whistle of the inner chamber so that when the whistle is overblown, the ball shall continue to rotate and the whistle shall show no reduction or cessation in sound or marked change in pitch. Note: Overblown is defined as when the breath pressure is increased to maximum, as under excitement, so as to produce a higher pitch than the fundamental tone.

Now, that is for the whistle. Then it goes on to define a lanyard. Do you know what that is? That is a string that goes around your neck.

Let me quote:

3.1.3 *Lanyard.* The lanyard shall be made from cotton tubular braid conforming to type IV, class 1 of MIL-1-371 except that the braid shall meet the requirements and be tested for breaking strength and good fastness to wet crocking and laundering (3 cycles) only. The color of the braid shall approximate Black 174 (ace 6.4). The braid shall be not less than 37 inches long. The ends shall be either resin dipped or tipped a minimum of ½ inch to prevent fraying. When the ends are tipped, the tips shall be dark gray or black.

Now, that is 16 pages to produce a whistle.

Let me go on to the next item. Let us talk about buying underwear in the military. One thing we know, when it comes to military specifications, they certainly are not "brief," Let me tell you about these specifications. There are 25 pages, 25 pages that are included in the specifications when we want to buy underwear for the military. On one of the pages in the back of the regulation, the intended use is defined as "the drawers are intended for use by male personnel." So that we can have no confusion as to who should buy them. But let me tell you that there is an initial tension test that is connected with buying men's briefs. You just do not buy them and define what the stitching ought to be. But you have a testing requirement. Let me read it to you.

A constant rate-of-extension (see 6.4) type tensile testing machine with flat jaws shall be used to determine the initial tension. The test specimen shall be 14 inches in length and the full width of the heat resistant treated rubber tape shall be used. Bench marks 10± 0.01 inches apart shall be marked on the test specimen. The test specimen shall be placed between the jaws so that the bench marks coincide with the innermost extremities of the top and bottom jaws when in the closed position.

□ 1720

It goes from there to buy men's underwear.

The final one I want to talk about are taco shells. You can all go down to the store and buy simple taco shells. But in order to buy taco shells for the Federal Government, you have to deal with about 18 pages worth of regulations and specifications that define how you should cook the ingredients.

It defines how you inspect them. It defines how you ship them.

Let me just read this regulation briefly. It gets so detailed as to talk about frying oil.

Frying oil shall be refined, hydrogenated or partially hydrogenated coconut oil, peanut oil or cotton seed oil or a combination thereof. The oil shall be refined, deodorized and free from rancidity.—

Imagine trying to tell us we should not use rancid oil—

and objectionable flavor after heating to 400 degrees F and shall have a free fatty acid content of not more than 0.08 percent.

And it goes from there.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, I just want to ask the gentleman, has the gentleman got an answer to this terrible problem the gentleman has laid out for us?

Mr. KASICH. Yes.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I wanted to compliment the gentleman in the well. The gentleman makes a very strong point and statement.

Am I correct, though, that the problem is complicated by the fact that not only are these off-the-shelf items with 25 pages of regulations, but in the case of the first item, it is only one kind of whistle? That is just a pea whistle. It does not cover a boatswain's whistle or some other kind of whistle, and they all have their own specifications.

Mr. KASICH. The gentleman is right. I understand there are two sets of specifications for buying fruitcakes, 33 pages, I believe, for being able to do that.

So I think that we can lick the problem of the briefs and the whistles and the taco shells.

What we are simply saying, and there is companion legislation in the other body, that says that we shall buy these items by defining requirements in broad functional terms. We require the Secretary of Defense to review all the regulations to define things in broad functional terms. And, at the same time, we are going to have the Comptroller General review the Secretary's actions.

But in order to buy common items in a sensible way, we must achieve economies of production, we are going to cut down on ridiculous redtape, and the bottomline is we are going to save a lot of money.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, is the gentleman telling this House that the Pentagon is going to rely on inspector 12 for men's briefs from now on?

Mr. KASICH. I am not sure what inspector they will be relying on. I know one thing, we do not need to have all these pages of regulations in order to buy men's briefs.

Mr. CARNEY. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from New York.

Mr. CARNEY. Mr. Chairman, I would just like to congratulate the gentleman for his efforts in committee to get this very, very vital amendment in the bill. The gentleman has done an excellent job not only on this, but on many other issues in the committee, and the gentleman should be commended for the efforts that he has brought forth. I would hope that the Members of the full body recognize the importance of this amendment, because no matter how you cut the cake, or the fruitcake, a taco is a taco is a taco. This amendment can save the taxpayers dollars and dollars and dollars. Congratulations.

Mr. KASICH. Mr. Chairman, I appreciate the gentleman's comments. The gentleman is a personal friend, and the gentleman will be sorely missed by the committee, come the next session of the Congress.

Mr. MAVROULES. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from Massachusetts.

Mr. MAVROULES. Mr. Chairman, I thank the gentleman for yielding to me. If the gentleman needs more time, I will yield some time to the gentleman's side.

I just wanted to commend the gentleman for putting on a very vivid program here for the benefit of all of the Members of Congress. I think it is a great initiative on the gentleman's part, and also to remind everyone that this is one of the major revisions in the Packard Commission report to the Congress. I want to congratulate the gentleman for a job well done.

Mrs. BOXER. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentlewoman from California.

Mrs. BOXER. Mr. Chairman, I, too, want to add my voice. Sometimes very simply things bring home the case, whether it is coffee pots or toilet seats or hammers. The gentleman today has brought it home once again, and I think to a very good end. I support the gentleman wholeheartedly.

Mr. KASICH. Mr. Chairman, I appreciate the gentlewoman's comments.

Mr. Chairman, I will just close by saying that I think that this is just one small provision that is contained in both packages that makes sense for improving the entire procurement process and saving us an awful lot of money.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, I want to commend the gentleman for his work and for ferreting out this problem, and coming up with some answers to it.

I want to say one thing in defense of the military. I think a lot of their proclivity for paperwork and for these tremendous specifications came from Congress, and came from their desire to make sure that all these competitions were absolutely fair and that they provide for every single contingency that can possibly be met. I agree that they are so voluminous that they are self-defeating and the gentleman is right on.

I think that it should be pointed out that this desire of the military to have a lot of paperwork is something that was congressional in origin.

Mr. KASICH. Mr. Chairman, I appreciate that.

I think that it is interesting to note that in these regulations, there is, in fact, a regulation regarding the whistle that says, "three-quarter-inch diameter, spring tempered, nickel-plated, steel key rings made by the American Chain & Cable, York, PA, have been found suitable for the intended purpose."

I do not know the history of why that was included.

Mr. HUNTER. I bet there was a Congressman who represented that district who had some pretty good contracts.

Mr. MAVROULES. Mr. Chairman, I yield 6 minutes to the gentleman from Virginia [Mr. SISISKY].

Mr. SISISKY. Mr. Chairman, before I start, I also would like to commend the chairman and the ranking minority member of the subcommittee and all the members of this panel. We had a lot of meetings, and I think I have gone to just about every one of them. It has been an exciting thing and, hopefully, it is something that we can continue.

Mr. Chairman, many of you have heard me identify myself as a businessman. I may be naive, but I believe that some of the lessons I learned in private business apply equally to the business of government.

Since coming to Washington, I have been extremely concerned about DOD cost estimates and budget requests. I have been concerned about everything from military construction cost estimates to management reserve funds for major programs.

The straw that broke the camel's back was when I found out that services purchasing nearly identical items make widely differing assumptions about what they will cost.

I am not talking about where Army, Navy, Marine, or Air Force requirements call for equipment that's clearly different from that used by another service. We can all understand that an F-4 fighter in the Air Force has modifications that make it substantially different from an F-4 in the Navy.

What I am talking about is something like a 9-millimeter pistol. How in the world can there be a difference between 9-millimeter pistols in the Army, Navy, Air Force, or Marines?

Yet in going over the budget, I found cost differences where a couple of the services budgeted nearly double what the Army actually expects to pay for 9-millimeter pistols.

I found 12 weapons where I could identify no difference in the versions used by the different services. Yet the services seemed to be completely in the dark about what other people paid for these weapons.

In the case of the pistol, the Army is the lead service and makes the purchase for everybody else. They budgeted for a pistol that costs $207.

In the same year, however, the Air Force expected to pay $353 with that estimate going up to $380 per pistol in fiscal year 1989.

When I asked the services to explain the difference, they couldn't do it. I don't think they realized there was a difference before I brought it to their attention.

I made these discoveries while reading the "procurement programs" and "program acquisition costs by weapon system" books earlier this year. Both are Defense Department publications.

I initially addressed my questions to the Defense Department Comptroller, the Chief of Legislative Liaison in the Plans and Operations Division of the Army, the Director of the Air Force Budget, and the Director of Budget and Reports for the Navy.

These gentlemen did respond to my inquiries, but some of their replies raised more questions than they answered. In some cases, I was provided with information that I already had; in others I found that the service budgeting for more "extras" still had the lowest unit price. It didn't make sense.

The pistol is the most obvious example, but I also tried to get detailed information about Stinger missiles, M-16 rifles, and the Copperhead artillery projectile. On the whole, DOD was not particularly forthcoming with answers to my questions.

I calculated that in the 12 systems I identified, buying at the lowest cost identified by an individual service could save at least $855 million.

I will be happy to share with any of my colleagues detailed information about the 12 systems I identified and the additional systems identified by the Procurement Subcommittee, along with the information that was provided by DOD. I think you will find this information both enlightening and disturbing.

Had the principle of purchasing at the lowest unit price been in place over the 5 years, fiscal year 1985-89, I calculated that we could have saved over $248 million in fiscal year 1985, $237 million in fiscal year 1986, $149 million in fiscal year 1987, $65 million in fiscal year 1988, and $154 million in fiscal year 1989.

At the same time, I recognized that the services might have very good reasons for budgeting at different levels for the same weapon. I can accept that. I simply wanted to know why.

I am extremely pleased that the Armed Services Committee has accepted language instructing the Defense Department to explain why there are differences in service budgets for purchases of virtually identical weapons. I think that's an important step in the right direction.

In addition, I want to strongly commend Chairman STRATTON and the members and staff of the Procurement Subcommittee. They took this principle of buying at the lowest budgeted price and applied it to some of the purchases in this year's authorization.

They tell me that it saved $40 million in the fiscal year 1987 authorization. In some cases, they accepted the explanation provided by the Department of Defense about why the budgeted price was different. In others, they found it was possible for all of the services to purchase weapons at the lowest identified price.

I am convinced that this is an important step that will pay big dividends in coming years. It is a two-pronged approach that ensures DOD will take a closer look at purchases of similar systems. And that the Armed Services Committee will be better equipped to identify the systems where savings may be realized.

On federally funded research and development centers; Mr. Chairman, the purpose of this provision is to take a careful look at the expansion of federally funded research and development centers.

It would require an extensive report by the General Accounting Office on the role of "federally funded research and development centers."

It would also place a moratorium on the establishment of such centers, unless the agency provides a report to Congress about the planned purpose and mission of a new center at least 60 days prior to its creation.

The provision would also prohibit an agency from giving work to a center outside the scope of its stated mission, as defined by its Office of Management and Budget policy circular.

The reason for this reform is that the committee has been advised of circumstances in which a federally funded research and development center has been tasked to do work outside the scope of its charter, work that could have been capably performed by a number of private sector sources.

The committee is concerned that there has been too little oversight of the growth and expansion of these centers; the GAO study should give us information about issues that we don't have now, while leaving DOD and other agencies with the flexibility, under certain circumstances, to establish such centers.

One final word: An exception is provided for federally funded research and development centers that perform applied scientific research under laboratory conditions.

This exception was designed to exclude from provisions of the reform DOD weapons laboratories performing work that cannot be duplicated by the private sector.

□ 1730

Mr. MAVROULES. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of the amendment offered by the Procurement Policy Panel of the Armed Services Committee chaired by the able and effective Representative MAVROULES.

In particular, I strongly support section 925 of that amendment—the section dealing with the revolving door in defense procurement—which I offer on behalf of myself and Representatives BARBARA BOXER and DAN GLICKMAN.

Our provision prevents a DOD procurement official—who has personal and substantial responsibility for a defense contract—from immediately going to work for a firm awarded that contract. The ban lasts for 2 years and applies only to actions during the last 2 years of the official's Government service.

I do not need to remind my colleagues why we need this legislation. Just last week a top official of the strategic defense initiative organization announced that he was quitting to go to work for a defense contractor who has been awarded $18 million in SDI contracts this year. This was a move involving a high official that made the papers, but there are many such questionable moves every year.

Last year, 3,842 officials filed reports showing that they had gone to work for defense firms after leaving Government service. Many of these individuals have no conflict between their old and new jobs. But some are in great conflict.

For example, the former program manager for the MX missile retired from his post 1 week and went to work for a prime contractor for the MX the

next week—working on the MX Program from the other side of the desk.

The same thing happened with the Army colonel who was the plant representative at a major helicopter firm before quitting and going to work for that firm.

The same thing happened with the former program manager of the M–1 tank.

There are many other examples but I will spare my colleagues the details, since we now have a broad consensus on this legislation.

As many of you know, I am not a newcomer to the issue of procurement reform. Ten years ago I introduced a revolving door bill very similar to the one before us today. The House did not pass my legislation until last year, when I was fortunate enough to team up with the very capable representative from California Mrs. BOXER. The House approved the Bennett-Boxer revolving door amendment by the overwhelming vote of 397 to 19, adding it to last year's Defense Authorization Act. However, the provision was severely weakened in conference.

This year, members of the Armed Services and Judiciary Committees have cooperated to produce a simplified and improved version of the revolving door legislation. The gentleman from Kansas [Mr. GLICKMAN] led the Judiciary Committee's consideration of this legislation. He was joined by Representatives BARNEY FRANK and HOWARD BERMAN in hammering out improvements.

In the Armed Services Committee, NICK MAVROULES has been a strong supporter of this effort. He deserves a great deal of credit for dealing with all of his sometimes contentious colleagues and for bringing out a balanced and carefully considered set of reforms. Finally, this revolving door legislation enjoys the support of our two committees, led by the scholarly LES ASPIN and PETE RODINO. This support is bipartisan. The Republican substitute package, for example, adopts our language in toto.

So we have come a long way. We have labored together over the past year to perfect this legislation. We believe we have produced clear, fair and enforceable legislation which will help prevent conflicts of interest in the Department of Defense.

I thank all of my colleagues who have helped in this effort. I ask you to join us in passing the revolving door legislation as part of the package of amendments offered by the Procurement Policy Pannel and to reject any weakening amendments.

Mr. COURTER. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from New Jersey.

Mr. COURTER. I thank the gentleman for yielding to me.

Mr. Chairman, I know the gentleman knows this but I wanted to edify those listening and watching. The gentleman's valuable and important revolving door proposal is in both the Mavroules and the bipartisan Courter substitute. So you are protected regardless of which way you vote. We hope to have your vote on our side.

Mr. MAVROULES. Mr. Chairman, I yield 5 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong support of title IX of the bill and of the Mavroules omnibus amendment. We all owe a hearty thank you to the gentleman from Massachusetts [Mr. MAVROULES] for his extraordinary efforts to put together a procurement reform title to this bill.

There are two provisions in the committee bill which I offered. Both create protections for whistleblowers. Section 921 provides protections for members of the Armed Forces who disclose illegality, waste, mismanagement, or the like to a member of Congress or an inspector general. Section 922 provides protection for employees of defense contractors who disclose the same sort of information to appropriate Government officials.

The Courter substitute weakens the whistleblower protections for members of the Armed Forces and eliminates the protection entirely for employees of contractors. So, the vote on the Courter substitute can be viewed as a vote on whether we should protect individuals who come to us with information which will help reduce the deficit or with information which will help stop an illegal ripoff scheme.

I, frankly, was surprised to hear that Morton Thiokol, which is incidentally also a large defense contractor, had retaliated against two engineers who testified before the Rogers Commission about the launch of the shuttle *Challenger.* I thought there was some law to prevent them from doing that. On learning that no such law existed, I want to make sure that defense contract employees would not be subject to the same form of retaliation. That's what section 922 provides.

In committee, the argument raised against contractor whistleblower protection was that we did not provide the contractor with the chance to make his case. We perfected the amendment to guarantee that the contractor had full due process. So this is no longer an argument against the provision.

The Courter substitute and the separate Courter amendment on section 921 differ. In the amendment, the type of information which can be disclosed is narrower than what is in the committee bill. The language in the committee bill was taken from the Civil Service Reform Act, which provides whistleblower protection for civil servants. I do not see why we should have a different standard for disclosure for different types of employees when our goal is the same: Protection of the taxpayer.

The Mavroules omnibus amendment also contains a provision for judicial review de novo of military whistleblower cases. This provision, pushed by the gentlewoman from California [Mrs. BOXER] would strengthen the protection which is now provided by the committee bill. I strongly support it.

The Courter package should be rejected on whistleblower protection grounds alone.

□ 1740

Mr. COURTER. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. KINDNESS].

Before the gentleman starts his statement, will the gentleman yield to me?

Mr. KINDNESS. I yield to the gentleman from New Jersey.

Mr. COURTER. Mr. Chairman, very quickly, in response to some of the statements from the gentleman from Colorado, the question with regard to whistleblowers is my concern on two things. The gentlewoman's provision on whistleblowers has whistleblower protection for individuals and private companies.

No. 1, there is no provision in the Mavroules substitute that would allow a contractor to present his side of the dispute.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield on that point?

Mr. COURTER. I do not have the time and I am sure we will have a chance to debate this later.

Second, it seems to me that if I were in trouble with my own employer because I was not doing my job properly, the best thing to do would be for me to make a complaint to the Secretary of Defense under the Whistleblower Protection Act that would guarantee me continued employment in the same job with the same compensation.

I thank the gentleman.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield so that I can respond?

Mr. KINDNESS. I yield to the gentlewoman from Colorado, briefly.

Mrs. SCHROEDER. Mr. Chairman, I will be very brief.

I would like to point out that the gentleman's original statement was dealt with in the committee. The gentleman from Virginia [Mr. BATEMAN] pointed that out and we put in the amendment at his request a way so that both sides are heard and we make sure that both sides are heard in private contractors, and again it is only contractors who are defense contrac-

tors, it is not the entire private sector; so I feel that has been taken care of adequately in the amendment and I will be happy to show it to people.

I thank the gentleman for yielding.

Mr. KINDNESS. Mr. Chairman, I rise with a certain amount of concern and confusion when we approach a variety of rather complex subjects, such as we have before us here in a context of this nature. I think maybe we do not do the best job, as we did not do last year, but I am trying to determine the real impact of the parts of the Mavroules amendment which would have to do with work measurement systems.

My concern is that it appears that we would be requiring a duplication of effort which is bound to result in higher cost to the American taxpayers for the work that is performed by defense contractors.

In the June report of the President's blue ribbon commission on defense management, the Packard Commission, it was stated that excellence in defense management will not come from legislative efforts to control and arrange the minutest aspects of DOD's operation. That sentence could well apply to what we are considering here today, I suspect.

We should ask ourselves what new benefits are gained and at what cost when the Congress delves into the operational details of defense management and specifies the collection of labor standards that, for example, from literally thousands of contractors, including small businesses and subcontractors. It gets to be an immense information-gathering project, I would think.

I am sure that if the Members of this body fully appreciate and understand what a massive data collecting job that would mean, they would oppose the amendment that is offered in behalf of the task force by the gentleman from Massachussetts, as the Armed Services Committee did during its consideration.

In fact, Mr. Chairman, that part of this amendment would seem to be unwise and unnecessary, since the contractors already have in place a work measurement system or systems, and another system would be duplicative and the Department of Defense repeatedly says, at least, that they are working to improve the military standards.

The DOD is working, we all believe that, I trust, to improve the military standard procedures they have in place so that they would not need this additional set of work measurement standards.

I am sure, Mr. Chairman, one does not have to be an expert in work measurement to recognize the many thousands of expensive engineering hours that would be required to be involved in this enterprise.

Mr. Chairman, I would urge the Members not to jump into this sort of an approach.

Mr. MAVROULES. Mr. Chairman, I yield 6 minutes to the gentlewoman from California [Mrs. BOXER], and I say to the gentlewoman that at the proper time we will respond to the work measurement problem under the amendment.

Mrs. BOXER. Mr. Chairman, I am proud to associate myself with this omnibus procurement reform amendment that the gentleman from Massachusetts [Mr. MAVROULES] has worked so hard to put together and I urge all Members who care about the continuing reform of our $100 billion military procurement system to support this package. In doing so, it will be necessary to reject any and all gutting amendments, or our legislation will not produce the cost savings and the fairness we know it could.

I want to compliment all the Members who have worked on this package. These amendments go to the very heart of some very serious, but identifiable problems, and here is what some of these problems are:

Overbudgeting for inflation.

Contractor and procurement inefficiency competition.

Whistleblower protection in both the private sectors and the military.

Pricing abuses and the revolving door.

All of these areas are in desperate need of reform, and are handled very well in this omnibus package.

The Courter substitute, in many cases, weakens these reforms. It takes us a step back to business as usual, and business as usual, my friends, is simply not acceptable.

You have seen it in the press, 9 out of 10 major defense contractors under investigation, many already fined in the millions for price padding and lying; whistleblowers being fired for just coming forward and telling the truth.

I wish it were not necessary to point this out. I wish that major corporations, who get 95 percent of their profit from Uncle Sam, had a better sense of duty to their country; but facts are facts.

Mr. Chairman, for a few minutes I would like to briefly speak to the three issues that are near and dear to my heart, three issues that are part of this Mavroules package, three issues that many of us have worked on for years—should cost, revolving door, and whistleblower protection.

A year ago we passed should cost and it was signed into law. It requires that contractors who are already keeping cost and pricing and work measurement data, make it available to the Pentagon and to the Congress.

It is simple. It is consistent with Pentagon regulations under the Truth in Negotiations Act, and under cost accounting standard 401, and it is a necessary tool for us to ensure contractor efficiency.

In working for this issue, I went up to a Member of Congress, and I asked if he did not feel that contractors should have someone looking over their shoulders, given their dismal record of overpricing scandals. Do you know what he said? He said, "No, Barbara, we shouldn't be looking over their shoulders; we should be breathing down their necks."

Should cost does not go that far, but it does give us information we are entitled to. You will hear from Members, well-meaning Members, that should cost will cost too much for the contractors. We will refute that. You will hear that it is a burden. We will refute that.

In summary, please stick with the omnibus bill and reject any substitute to should cost or the elimination of should cost.

Now, I want to spend a minute on the revolving door that I have had the honor of working on with the gentleman from Florida [Mr. BENNETT]. It is testimony to the work of several fine committees, and I am very pleased that the gentleman from New Jersey [Mr. COURTER] supports it in his package. It is a product we can all be proud of. It is a bill that at least will temper the all too cozy relationship between contractors and the Federal officials who are supposed to be supervising them.

And then, there is one last area that is new to our debate—whistleblower protection, and my dear friend and colleague, the gentlewoman from Colorado [Mrs. SCHROEDER] has discussed this. We need to encourage, not discourage, whistleblowers. Let us get that straight. That is why the gentlewoman from Colorado [Mrs. SCHROEDER], the gentleman from Texas [Mr. BRYANT], and I have worked so hard on the Military Whistleblower Protection Act. Our approach assures a firm and swift investigation and hearing for military whistleblowers and gives them leverage in the process. It allows for judicial review de novo, the ability for a military whistleblower who feels he or she has not gotten justice to go to court for a new hearing. We must protect whistleblowers in the military and in private firms, as the amendment of the gentlewoman from Colorado [Mrs. SCHROEDER] does. We need this information they patriotically bring us.

Mr. Chairman, the omnibus bill being shepherded through the House very skillfully by the gentleman from Massachusetts [Mr. MAVROULES] deserves our support intact, and I urge the strongest possible vote in its favor.

I thank the gentleman from Massachusetts [Mr. MAVROULES] for yielding me this 6 minutes.

Mr. COURTER. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. BROWN].

Mr. BROWN of Colorado. Mr. Chairman, I rise in opposition to a portion of the Mavroules amendment.

The most effective method of holding down procurement cost is to engage in tough negotiations and encourage vigorous competition for Government contracts. Work measurement reporting adds duplicative and unnecessary paperwork requirements that will cost the American taxpayer tens of millions of dollars.

Some folks sincerely believe that redtape, reports and duplicative paperwork are the key to holding down cost. These folks are seldom ones who have had experience in negotiating contracts or producing products. Those who have successfully produced products on a cost-effective basis generally try to reduce overhead—not increase it, eliminate duplicative reports—not create them, and expand competition—not discourage it.

The costs of application and the implementing regulations would require the creation of a huge data base to manage bills for labor and materials for every proposal, contract change, negotiation, and performance of contracts over $100,000. Merely creating this data base will cost the taxpayer millions.

The amendment requires the recreation of engineering time charts to compare existing standards to commercial standards for each step of manufacturing. Any manufacturing effort involves thousands of such steps. Experience shows that the recreation of each time chart will require at least 200 engineering hours. The cost of recreating these charts to compare the work to commercial standards will be enormous.

And after all this time, money, and effort, Mr. Chairman, the product of work measurement is of very little use to the Government since commercial and military work differ markedly. The amendment requires comparison of defense contract work with commercial time standards. Because the intended use of a military product is inherently different than the use of a commercial product, the manufacturing processes, specifications, tolerances, quantities, and rates of production for military work necessarily differ greatly from those used for commercial work. The data generated by the comparision will not be accurate because of those differences.

Mr. Chairman, the theory of the amendment is that work measurement will enable contracting officers to negotiate on the basis of greater strength because of better understanding of a contractor's costs. This is incorrect. More appropriate data is already available.

Contracting officers receive certified cost and pricing data which provides detailed insight into a contractor's costs, estimates, and manufacturing experience. Those data are in no way improved by the paperwork required under this amendment.

The amendment will have major effects on subcontractors and small business. It imposes its recordkeeping requirements on all negotiated contracts exceeding $100,000 in value, including subcontracts. Thus, the burdens imposed on prime contractors will also be imposed on the many small businesses which participate in defense work. The costs of their recordkeeping will be passed through as increased material costs to prime contractors and, ultimately, to the Government. Because materials represent at least half the cost of a weapon system, the effect will be to substantially increase the cost of subcontracting. Further, the onerous recording requirements imposed by the amendment will discourage many small companies from competing for defense contracts and subcontracts, thus reducing competition and further driving up the cost of defense contracting.

Lastly, Mr. Chairman, access to detailed cost and pricing data and onerous recordkeeping, do not by themselves reduce cost. In some situations, it could cost more money to measure performance than the cost of manufacturing the product itself. The cost effectiveness of work measurement is unclear. During a time of great pressures to reduce the defense budget, the moneys spent on work measurement should instead be spent on acquiring the weapon systems our Nation needs and reducing the deficit.

I urge a "no" vote.

□ 1755

Mr. MAVROULES. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. RIDGE].

Mr. RIDGE. Mr. Chairman, I rise in very strong support of the omnibus reform package offered by the gentleman from Massachusetts and commend him for his effort. I would like to address my remarks to one of the components of his amendment package, the reinstatement of the workmeasurment reporting requirement which the House of Representatives passed last year by a vote of 384 to 31 and which has been repealed by the language of H.R. 4428. This reform, offered by the gentlewoman from California, is commonly referred to as "should cost." In 1985, the Department of Defense placed contracts worth approximately $164 billion, 70 percent of which went to a group of 100 contractors. Defense contracting is a business of nearly 15 million separate contract actions each year—an average of 56,000 such actions every working day. As the President's Blue Ribbon Commission on Defense Management reported, as of May 1985, 131 separate investigations were pending against 45 of the Department of Defense's 100 largest contractors. These involved such issues as defective pricing, cost and labor mischarging, product substitution, subcontractor kickbacks, and false claims.

The distrust of defense contractors and the public's lack of confidence in the long run is potentially harmful because it erodes public support for important defense programs. There is a widespread impression of substantial waste in DOD, which was most recently confirmed in a survey in which 9 out of 10 Americans expressed a belief that there was waste in defense spending.

There has never been a greater need for a work-measurement system than there is today. The American taxpayer would be fascinated to learn that the Armed Service Procurement Manual gives a definition of a fair and reasonable price to include one that "closely approximates the seller's cost to make or to acquire the part, plus a reasonable profit." This standard of measure or value gives license to the defense industry to tolerate or to ignore work that is done poorly, inefficiently, improperly, or negligently because of the ability to recover the seller's cost. There is no incentive to encourage the defense contractor to assure that the work is done properly the first time and to provide the necessary skills, equipment, motivation, and discipline to also assure it is done efficiently and quickly. Unless this amendment is adopted, there will obviously be little incentives for most defense contractors to increase their efficiency and reduce direct labor hours.

The provision simply states that any defense contractor that had a work-measurement system at the time of enactment of the law must maintain records of the standard hours, or "should take hours" that are needed to produce the item under contract. The provision is limited to only those contracts in excess of $100,000 in value. Although the regulations have only recently been promulgated, opponents now argue that the cost of compliance is excessive and unrealistic. Some contractors actually want us to believe compliance costs total $2.5 billion. That number was so outrageous and so incredible that even DOD refused to accept it. However, rather than develop an accurate answer to that legitimate question, DOD simply divided the $2.5 billion figure by 10 and projected a cost of $250 million. I might add, the second figure is one that even DOD had difficulty in justifying.

If there is additional cost associated with this recording effort, I assure the defense industry it will cost far less

than some of the recent fines they have paid because of their abuses.

It is difficult to conclude that the cost of maintaining these records would be so high. Private sector and DOD witnesses have repeatedly assured the Armed Services Committee that most contractors presently have work-measurement systems. So there should not be any major costs involved. Much of the information is presently required by DD form 633, DD form 1921, and is also consistent with cost accounting standard 401 with which they must also comply. It is my understanding that these existing requirements mandate the provision of information in the same way as required by the gentlewoman's work-measurement amendment. There is no major cost attributable to this record-keeping effort.

My colleagues, please also look at section 917 and note the second to the last paragraph that states:

> Nothing in this section shall require the submission of the information to be submitted under this section if the contractor does not maintain such information on the date of enactment of this section.

I personally wish the language was stronger. I would prefer that all defense contractors be required to maintain these records. Again, it should be noted, that we are not asking them to retain or to preserve any records that they are not now normally keeping in the course of doing business as presently required by other DOD mandate.

I also want to call my colleagues attention to the preliminary draft report issued by the Pentagon inspector general's officer that strongly approves of work-measurement systems, which gauge the labor cost of performing a specific task, as well as contractor-reporting systems similar to those mandated by the law. I quote from an article that appeared in the Washington Post on August 3, 1986, which asserted that the IG study team said it "did not find a single example of work-measurement system or engineering-labor-standard usage not being cost-effective."

Moreover, the team said, "many of the excuses given for not expanding the use of such systems in defense did not stand up to the study team's scrutiny. Competition, shipbuilding, automation, labor relations, and quality generally do not invalidate the applicability or cost effectiveness of these systems.

The gentlewoman's amendments only effects those contractors presently using work-measurement systems. The units of work measurement are "standard hours," a definition used to generally compute the time a trained person working at a normal pace needs to perform a specific task. The amendment with the emphasis on the reporting upon request of the actual hours needed to produce a particular item, will facilitate the work of those contracting officers whose responsibilities includes those 56,000 contracts that go across their desks every working day.

If there is little additional cost involved, and if the inspector general's office approves of the work-measurement system and the reporting requirements, what is the real issue we are debating? The inspector general's study also found that when work measurement was not used by the contracting officer, the Government has little visibility into what the actual labor hours should be. The report states:

> Work-measurement data are useful for procuring contracting officers in the contracting process. They provide visibility into contractor costs and labor performance that is essential for effective proposal evaluation and negotiation. An additional benefit is the reduction of proposal evaluation time.

It went on to state:

> Work-measurement data are useful for administrative contracting officers to effectively administer their contracts.

Most importantly, the report states that work measurement provides visibility to the program costs, contractor performance, and budget accuracy. These are the very items a contracting officer needs to have to determine the validity of the costs of a major procurement program. It makes no sense to repeal a management tool that provides the contracting officer with the information needed to accurately review contracts.

Having worked our way through the allegations of the opponents of this measure, the central issue is the not the availability of this information, but its visibility. Congress should know, more importantly contracting officers should know, and most importantly the taxpayers who will foot the bill for hundreds of billions of dollars' worth of goods and services are entitled to know what the item should cost and what the item actually cost DOD. The gentlewoman's amendment is a major and laudable effort to restore integrity to the contracting system employed by the Department of Defense. I urge my colleagues to support the effort to retain the work-measurement provision, as well as the entire omnibus reform package offered by our colleague from Massachusetts.

The CHAIRMAN pro tempore. (Mr. GRAY of Illinois). The gentleman from Massachusetts [Mr. MAVROULES] has 24 minutes remaining, and the gentleman from New Jersey has 30 minutes remaining.

Mr. COURTER. Mr. Chairman, I yield 7 minutes to the gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. I thank the gentleman for yielding time to me.

Mr. Chairman, I add my thanks and commendation to the chairman of the procurement panel of the Committee on Armed Services, the gentleman from Massachusetts [Mr. MAVROULES]. It has been one of my great pleasures since coming to the House to have had the opportunity to work with him, because he is, indeed, a joy to work with. As a chairman he works you hard, he is thoughtful, he is fair, he is a compromiser; he is a very distinguished legislator.

I would also like to commend the gentleman from South Carolina [Mr. SPRATT], the gentleman from New Jersey [Mr. COURTER], and the gentleman from Virginia [Mr. SISISKY], who worked and spent a great deal of time and effort in this panel.

The panel did good work. I rise, however, to say that I think that one needs to make an evaluation as to when enough has become too much. It is my view that there are provisions in the Mavroules omnibus amendment which go beyond the lengths of that which is really productive and become indeed counterproductive.

The Courter substitute I believe strikes a more reasoned and productive balance.

Reference has been made to the defense contractor whistleblower provisions, and my name was brought up in that context, and it was said that it was modified to meet certain objections that I posed. But quite frankly it would take a lot more than the simple, very elementary change that was made when I raised objections to make this a satisfactory piece of legislation, for indeed, it is not a satisfactory approach on any orthodox context of American law.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. BATEMAN. Not at this point; if I have sufficient time, I will be more than delighted to yield to the gentlewoman from Colorado.

Mr. Chairman, my problems with the bill begin with the fact that here is the U.S. Government telling a private employer what they can and cannot do with reference to their individual employees. There is within this legislation a clear invitation for any disgruntled employee about to be fired to be come a "whistleblower." To be a protected whistleblower with a very elaborate scheme of protection they need only go to any of thousands of people who have any position or title in the Federal establishment and say that their employer is guilty of "mismanagement" or that there has been some abuse of authority. That is all that they have to say to invoke this elaborate umbrella of protection.

That protection goes so far as to say that the Secretary of Defense must investigate and then, yes, it is a new provision that has crept into this, that the contractor can be heard.

Having been heard, if the representative of the Secretary of Defense says, "Oh, you are indeed a whistleblower, you are protected," he can penalize and impose sanctions on that employer. That decision becomes a final administrative action, and if the employer wants to appeal it, he has to bear a standard or a burden of proof that there is no merit whatsoever to the complaint, or otherwise the complaint and the Secretary of Defense's finding becomes a final and valid enforceable fact.

Mr. Chairman, I do not think that that is the proper way to structure American law. I find that in the work-measurement provision that we did indeed go much too far in last year's legislation, and that we are heaping upon Government contractors a burden of overhead that is more than ought to be tolerable because it is the taxpayers of the United States who will bear that cost.

With reference to certification of allowable costs, as much as I and all Members of this Congress want to bring defense contracts under control, as much as we want them to be honest and should insist that indeed they be honest and accurate, to say to the chief executive or financial officer of a multibillion-dollar corporation doing a multibillion-dollar—to say to the chief financial officer of a multibillion-dollar corporation doing multibillion-dollar business with the U.S. Government, certifying to costs, all of which except one may be totally honest, that on pain of perjury if there is one item in hundreds of pages that is not absolutely true and correct that he is amendable to prosecution, conviction, and incarceration for perjury is more than American law ought to tolerate.

□ 1805

If this Congress cares anything about civil rights, I think it has to understand that this is an egregious, outrageous provision to saddle upon someone, except under a standard of the best of his knowledge and belief, a very fair, a very appropriate standard. But an absolute standard that if it is not, in fact, totally correct, you go to jail, even with an abundance of good faith, is just not the way that I understand our system works or is not consistent with any jurisprudence philosophy worthy of the Congress of the United States.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. BATEMAN. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, I really want to correct what the gentleman said about whistleblowers, because I think if people read the bill what is very important to point out is that under the bill the procedures are described by the Secretary of Defense by regulation. The Secretary then will investigate each complaint, and that investigation is also required as per page 210 in the bill that the contractor comes forward and shows cause, so the contractor has every right to appear, and again, it is in front of the Secretary of Defense. I mean, if anything, I am embarrassed that we cannot do more to protect the whistleblower.

The gentleman is talking about civil rights. I think the right to free speech and the right to defend the taxpayers' money in a court set up by the Secretary of Defense for both sides is certainly more than fair.

The CHAIRMAN pro tempore. The time of the gentleman from Virginia [Mr. BATEMAN] has expired.

Mr. MAVROULES. Mr. Chairman, I yield 1 minute to the gentleman from Virginia to continue this colloquy.

Mr. BATEMAN. Mr. Chairman, I thank the gentleman from Massachusetts for his usual fairness.

I would say to the gentlewoman from Colorado that it makes me shiver a bit to hear her make references to the Secretary of Defense establishing a court. I do not like the Secretary of Defense establishing a court.

Mrs. SCHROEDER. I should say he sets the regulations.

Mr. BATEMAN. This Congress even has a Uniform Code of Military Justice enacted by this Congress for its military employees. The gentlewoman is giving to an administrative bureaucrat an authority that goes beyond what he ought to have to impose the kinds of sanctions that would be imposed.

Mrs. SCHROEDER. But the gentleman knows we are not talking about people in uniform, we are talking here about contractors.

Mr. BATEMAN. Absolutely.

Mrs. SCHROEDER. Private employees who have been hired and signed agreements.

Mr. BATEMAN. Reclaiming my time, I am indeed talking about the intrusion of the U.S. Government under the gentlewoman's bill into something that should be the prerogative of a private employer, and it is not the prerogative of this Congress acting through a court of the Secretary of Defense or anyone else.

Mrs. SCHROEDER. Excuse me, sir, the only way we get the right to go to that private employer is that they have a juicy contract with the Secretary of Defense with the taxpayer's money.

Mr. BATEMAN. And so does every employer.

Mr. MAVROULES. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. BRYANT].

Mr. BRYANT. Mr. Chairman, I thank the gentleman from Massachusetts for yielding me this time.

I would like to say briefly, before making my other remarks, I find it almost unbelievable that Members of Congress can come forward, and with a straight face, advocate to this Congress that in order to protect the taxpayer we should maintain the status quo. I think that the decision that we face today in this House of Representatives is whether we are going to maintain the status quo or a piece of the status quo, or whether we are going to recognize the need for significant changes in the way in which we purchase our major military weapons and our major military services.

Mr. COURTER. Mr. Chairman, will the gentleman yield?

Mr. BRYANT. I only have about 4 minutes to speak.

Mr. COURTER. I will yield to the gentleman as much time as I take from him.

Mr. BRYANT. I yield to the gentleman from New Jersey.

Mr. COURTER. Mr. Chairman, the only thing I would just ask is the question: What is status quo about the bipartisan substitute? There is nothing status quo about it. We have reform after reform. We even compromise on work measurement, so the gentleman cannot make the claim that it is the status quo.

I will yield the gentleman whatever time I take from him. The committee itself placed in the bill about eight reforms only with respect to acquisition and procurement which were agreed upon by both sides. In addition to that, we have another eight or nine. We, the bipartisan group, agreed with about 85 or 90 percent of that.

There is nothing status quo whatsoever. This is revolutionary as far as congressional oversight.

Mr. BRYANT. I would respond to the question of what is status quo by referring to the remarks of the previous gentleman who spoke just before I stood before the House and told us that somehow or another we would be treading upon the sensibilities of the public and the Congress to require that the Secretary of Defense, who certainly has been fair, if anything, to the defense contractors of this Nation, should not be able to oversee and find a way to enforce sanctions against an employee of a defense contractor who comes forward with information that the taxpayers' dollars are being stolen. I think that to argue that we cannot do that is to argue in favor of the status quo. That is what I was making reference to in my remarks.

I would like to congratulate the gentleman from Massachusetts [Mr. MAVROULES] and to thank him for a remarkably thorough and well-considered package of amendments which answers each of the major areas of concern which have been identified by the many committees that have studied this problem for the last 18 months, and provides us with a means by which we can fill those loopholes or

plug the areas that solves the problem that is being created by a whole series of past practices with regard to procurement, including the conflict of interest that is inherent in defense procurement by virtue of the revolving door. The Mavroules package answers that problem, finally, after a very long time of waiting.

The Boxer provision to provide for judicial review of those persons in the military who in patriotic fashion come forward, as many have before, and tell us of instances of waste, fraud, and abuse and outright theft so that we can stop them, this package would make it much more difficult for a bureaucrat, whether he is in uniform or not, to retaliate against someone who, with the interests of our Nation at heart, comes forward and gives us information that would provide us with the ability to stop those abuses.

The provision offered by the gentleman from Oregon [Mr. WYDEN] which answers what would seem by any analysis to be a simple matter of common sense, that we not have a multitude of unpriced contracts by which the taxpayer ends up paying not a specified, agreed upon price, but almost any price for products that we purchase for our national defense.

The provision by the gentleman from Michigan [Mr. HERTEL] which takes a common sense approach to the problem of acquisition and says that we are going to have a particular unit within the Pentagon to oversee defense acquisition, we are going to make it a specialty.

And also the provision offered by the gentleman from Minnesota [Mr. SIKORSKI] which simply says that those who come forward and ask us to pay for services or for products which they have sold to us must certify that they have been honest in rendering that bill.

I would finally make reference to the provision that was spoken of earlier by the gentlewoman from California [Mrs. BOXER].

The CHAIRMAN pro tempore. The time of the gentleman from Texas [Mr. BRYANT] has expired.

Mr. COURTER. Mr. Chairman, I yield to the gentleman from Texas [Mr. BRYANT] 1 additional minute.

Mr. BRYANT. Mr. Chairman, I thank the gentleman and want to make it very clear that it does no good for us to talk with regard to the whistleblower problem unless we are going to provide a means by which the whistleblower is able to take the possible retaliation against him outside the normal bureaucratic system in which he has to work every day. The Boxer language simply says that an individual who is not satisfied with the resolution of his problem, as it is presumed frequently he would not be since that resolution would come only within his own agency, can appeal that outside that agency to the court of appeals, which can look the matter over, can decide whether or not the facts justify the conclusion, and if it decides that they do not, can remand that matter back to the Federal district court for a trial de novo.

□ 1815

Without this provision, our whistleblower sanctions are basically meaningless.

This is a well-considered package. I strongly urge the Members of the House to vote for the Mavroules package, to oppose the Courter language, in order that we might make some genuine progress here today.

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). The time of the gentleman has again expired.

Mr. COURTER. Mr. Chairman, before we proceed, I would like an accounting as to how much time I have left and how much time is left on the other side.

The CHAIRMAN pro tempore. The gentleman from New Jersey [Mr. COURTER] has 22 minutes remaining, and the gentleman from Massachusetts [Mr. MAVROULES] has 19 minutes remaining.

Mr. COURTER. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. DARDEN].

Mr. DARDEN. Mr. Chairman, I thank the gentleman from New Jersey and rise to strongly support his amendment in the nature of a substitute.

But first, Mr. Chairman, I want to express my gratitude to the members who served on the acquisition and the procurement policy panel of the Armed Services Committee. Although I do not serve on this panel, I attended several hearings and was impressed by the dedication of panel members to discovering the best solutions for ending procurement abuses.

Mr. Chairman, no one questions that procurement reform is needed. There have been too many documented cases of abuse by major defense industries in this country. In some cases, industries have been discovered, put on probation, but because they are a sole source producer of a product, the necessity to obtain the product negates any real punitive damages assessed against the arms supplier.

This year's Department of Defense authorization bill authorizes over $81 billion for procurement. This constitutes a spending rate of $224 million each day. A tremendous opportunity for contractor abuse and fraud is present.

However, we must not allow radical procurement reform proposals to weaken our ability to procure the best product for the lowest price.

In my opinion, the amendment offered by the gentleman from Massachusetts goes too far in attempting to correct these abuses. Granted, there are many good provisions in the Mavroules amendment. I am pleased that the substitute amendment by the gentleman from New Jersey incorporates most of the meritorious provisions, such as the revolving door provision, the inflation dividend provision, and a provision to restrict access to technical data.

However, the Mavroules amendment is too restrictive in other areas. By creating a defense acquisition corps and requiring head-to-head testing of at least two prototypes, not only would there be another level of bureaucracy, but also an eventual added cost.

Mr. Chairman, Mr. COURTER's substitute amendment is a much more logical and reasonable approach to procurement reform. Mr. Courter keeps the meritorious provisions the panel recommends, but does not maintain the provisions that could strangle our defense industries on their own paperwork.

My primary concern is this whole battle is section 917, the work, measurement standards, commonly referred to as the "should-cost" law. Section 917 was attached to last year's authorization bill. The Armed Services Committee voted to delete section 917 from this years legislation because, as a committee, we realized it was counterproductive and unnecessary. Mr. Chairman, there is no question the individuals who support strict work-measurement standards are well intentioned. However, they have missed the mark in providing an effective and viable method for ensuring cost control by defense industries. The "should-cost" law actually increases costs to the American taxpayer by mandating cumbersome accounting procedures that ultimately drive up the cost procurement.

I urge my colleague to support the Courter substitute which deletes the "should-cost" provision.

Mrs. BOXER. Mr. Chairman, will the gentleman yield?

Mr. DARDEN. I yield to the gentlewoman.

Mrs. BOXER. Mr. Chairman, I just want to thank the gentleman for his very gentle criticism of should-cost, but I want to point out that the gentleman say that should-cost was attached to last year's bill. Should-cost was debated on this floor very aggressively by both sides, it passed this body in an overwhelming vote; it has just been a law for less than a year, the regs have just come out, and I wish that the gentleman would think about giving this law a chance. I understand his perception of it, and I do appreciate the gentleman's gentle criticism. I know that he feels strongly about this.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

Mr. COURTER. Mr. Chairman, I yield the gentleman an additional 20 seconds.

Mr. DARDEN. Mr. Chairman, I yield to the gentleman from New Jersey [Mr. COURTER].

Mr. COURTER. Mr. Chairman, indeed we did debate the should-cost last year. It is important to recognize, however, that it was offered on the floor without having been seen or given to the appropriate committee of jurisdiction, the Committee on Armed Services; there was no debate on it.

We have been living with it for 1 year, and the clear, uncontroverted evidence is that No. 1, it does a lot more than the offerors of the amendment had said that it would, and No. 2, is costing the U.S. taxpayers tens of millions of dollars each day.

Mr. MAVROULES. Mr. Chairman, I yield 4 minutes to the gentleman from Minnesota [Mr. SIKORSKI].

Mr. MAVROULES. Mr. Chairman, will the gentleman yield?

Mr. SIKORSKI. I yield to the gentleman from Massachusetts.

Mr. MAVROULES. Mr. Chairman, on the order of work measurement, we will get into that later on when the amendments are offered. We want to remember, although we took action on the floor a year ago and you might have some forthcoming information, the regulations have not gone into effect until months ago.

So therefore, the program has not been given a chance to work.

Mr. SIKORSKI. Mr. Chairman, I rise in support of the Mavroules procurement reform package and thank the gentleman from Massachusetts and all others who have done such excellent work.

I would like to focus for a moment on the provision of this amendment dealing with the certification of indirect costs. Remember the dog boarding, the lavish parties, the trip to Pago-Pago? This amendment simply puts into law Secretary Weinberger's directive of last year that defense contractors—listen to this radical concept—defense contractors will have to tell the truth when they charge for overhead costs to the taxpayers.

What the requirement does is place contractors on a more equal footing with the millions of Americans who also deal with the Government and have to make similar certifications.

Let's look at just a few examples. A few months ago, over 100 million Americans filled out tax returns; and as they signed those forms, they swore that they were telling the truth. They said they reviewed the returns in what they said was accurate; they would face a fine of up to $5,000 and 3 years in prison if they lied.

Is it too much to ask that the defense contractors, who lay claim to those taxpayers' money, be required to be at least as honest as the taxpayers who foot the bill? Think about it.

Every voter who votes in your district is required to certify the truth of information on the voter registration application. Should not those who take billions of dollars from those voters in your district be required to say they earned it honestly?

When your constituents get a driver's license, a dog license, a car license, they have to swear that they are telling the truth. Should not defense contractors?

Surely we should not make American citizens applying for a fishing or a hunting license do more than the defense contractors who make billions of dollars from those citizens. Surely we should not require anything less of defense contractors than we require of the cotton farmer in Alabama, the dairy farmer in Wisconsin, or the peanut farmer in Georgia. Every one of those has to make certificates of inspection, risking up to a $1,000 fine and 1 year in prison.

College students and their families—Social Security recipients, some of whom cannot even see their applications—must certify the truth of their applications at a risk of $1,000 and 1 year in prison. Should not defense contractors, who have all kinds of taxpayer-funded auditors and lawyers be held equally accountable?

Every kid in America getting a school lunch or school milk must be certified as well. It goes on: The Cuban, Asian, or Polish refugee; offshore oil companies, Alaskan miners, tobacco farmers, small businesses in bankruptcy, home buyers, family farms, farmers, SBA applicants, Commodity Credit applicants, horse owners, salmon fishermen, postal claimants, Federal pensioners, and on and on.

Listen to this: Under 18 U.S.C. 1003, a citizen making a demand against the United States of America for more than $100 must certify the claim at risk of perjury punishable by up to $10,000 in fines and 5 years in prison; but not a defense contractor claiming hundreds of millions of dollars.

□ 1825

This proposal simply says that defense contractors should tell the truth in their billing.

Mr. COURTER. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I tried to get the gentleman, Mr. SIKORSKI, to debate and to yield. Obviously, he would not. There is a distinct and profound difference between the statement that he read and the certifications that are in the bill. The certification in the bill requires that an individual who is the chief executive officer of a corporation is certifying to precisely what others did that he has never seen, he has no knowledge of. When one files their income tax return, when one files a complaint with the Government, one is certifying as to their own position and to precisely what they are doing. So there is a profound difference between the requirement of certification as to what others have done and what you yourself are doing. I cannot believe that anybody in this body wants to have the head of any company risk jail by certifying to something that he has no knowledge of and not really in the real world is expected to have any knowledge of. I do not think we should create strict liability in this type of a bill with regard to criminal sanctions.

Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Chairman, the big event, of course, last year at this time was the introduction of section 917, the so-called Boxer amendment on should-cost. We, as has already been indicated, that was voted on in a hectic way, nobody knew exactly what was involved, nobody knew exactly where it came from, nobody knew exactly what it was going to be doing. But in the last few months I have tried to find out from the manufacturers in my district—and I have a fairly substantial industrial company in my district that has defense contracts. And I talked to them about just how this section 917 is acting. They said it is not needed. An effective standard for defense work is already in place. The data is available to the Government.

Furthermore, the Department of Defense is on record as opposing section 917, alleging that it will cost millions of dollars to maintain this data while serving no useful purpose. It will add nothing to the value of the product nor give any meaningful protection to the public.

Section 917 requires comparison of defense work with commercial time standards because of the differences in a military product, for example specifications, tolerances, quantities and rates of production, the data generated by comparison are not accurate. Also, commercial and military work are not comparable. Perhaps if Members of the House had been given more time for consideration of this issue, we would not be faced with a move to repeal it today.

I also feel sure that, if it had been thoroughly considered, we would never have passed it into law. I have looked at the work measurement controversy in some depth, and I would like to clarify a number of points that are important to our deliberations.

First, I am sure that this body was misled by some of the statements being tossed around last year. For example, that defense contractors were wasting over half of their production efforts. I am afraid that many Mem-

bers bought off on that without bothering to find out what it meant. What the proponents of section 917 were saying was that commercial production was over twice as efficient as defense production.

A recent study by a group headed by the Department of Defense inspector general has found that commercial and defense production were relatively close as far as efficiency is concerned. In other words, supporters of section 917 in their apparent zeal were misled.

Those supporters of section 917 also said that in its implementation it would not cause any great workload on industry. This has certainly proven to be incorrect. I have found this out by the reaction when I questioned them.

The DOD study found that all the companies they looked at already had work measurement systems in effect which means that another data gathering system would be imposed on top of those systems if section 917 is implemented. Not only would the large contractors have to put in a new data system, but the small firms would also. Section 917 imposes the requirement on all contracts over $100,000. That covers a fantastic number of contracts and a fantastic number of contractors. By the way, subcontractors also would have to comply. In this regard the DOD inspector general's study recommended that contracts below $20 million not be covered by a standard system. In other words, this has just not worked, and we should not put it into effect this afternoon or in connection with this legislation this year.

Mr. MAVROULES. Mr. Chairman, I yield 5½ minutes to my colleague, the gentleman from California [Mr. LEVINE].

Mr. MAVROULES. I would ask the gentleman if he would yield to me at this moment.

Mr. LEVINE of California. I would be happy to yield to the gentleman from Massachusetts.

Mr. MAVROULES. I thank the gentleman for yielding.

You know, it is ironic we are talking about the work measurement program, Mr. Chairman, we are talking about a piece of legislation passed last year, and the regulations came out at the end of March this year. As a matter of fact, we are referring to a piece of legislation we want to repeal that takes effect October 1 of this year. As a matter of fact, this piece of legislation is not on the books right now, and we have Members getting up and opposing it already. You know, I have heard the arguments about big weapons systems, give them a chance to work; is it not time that we gave this piece of reform a chance to work? It is not even on the books. It is a nonissue. But we will take that on at the right time.

I thank the gentleman.

Mr. LEVINE of California. I thank the gentleman for yielding this time to me.

I very much appreciate the important point that the chairman has just made. I rise today, Mr. Chairman, as the author of section 935 of the Mavroules omnibus procurement reform amendment. I would like to begin for a moment simply by thanking the distinguished chairman of this procurement panel, the gentleman from Massachusetts, for his outstanding leadership not just in responding to the points that are being made in the course of this debate but in forging this excellent procurement reform package.

This package forged by the chairman and members of his panel is a very significant step forward in the area of procurement reform, and it reflects Chairman MAVROULES' concern for those issues which I, along with many other sponsors of the specific items in this particular amendment, have long been involved. I would also, Mr. Chairman, like to acknowledge and thank the panel and the committee staff for their hard work and their dedication in putting this package together and in particular for their support of my amendment on competitive prototyping.

Before going into the specifics of that amendment, I would simply like to compliment the staff and the panel and the chair as well, specifically for the should-cost provisions in this legislation, for the revolving door provisions in this legislation, provisions which will go a long way toward accomplishing a number of the procurement reforms with which so many Members of this body on a bipartisan basis have so long been involved.

Mr. Chairman, section 935 establishes a competitive prototype strategy requirement for major defense acquisition programs. I introduced this amendment for three major reasons. First, competitive prototyping is critically important for knowing the strengths and weaknesses of a weapons system before entering full-scale engineering development. Second, competitive prototyping gives the troops higher quality, better designed weapons. Third, competitive prototyping helps the industry maintain and have more and better design teams—a vanishing national resource.

The recent Packard Commission report contained a recommendation calling for increased prototyping as a basis both for improving military capability and for more accurate cost estimates prior to full-scale development. It also calls for operational testing in advanced development, using prototype hardware.

My amendment requires that the Department of Defense use a competitive prototype program strategy for developing all new major weapons systems or their subsystems. All programs entering the advanced development phase after September 30, 1986, would be covered by the amendment, with one important exception. This strategy would not be required whenever the Secretary of Defense provides detailed justification as to why such a strategy is not practicable, including cost estimates which show a significant increase in cost when using the competitive prototype strategy.

The amendment states that a strategy qualifies as a competitive prototype program strategy if it:

First, requires that contracts be entered into with two or more contractors, using the same combat performance requirements, for the competitive design and manufacture of a prototype system or subsystem for operational test and evaluation. Competition is crucial, for it is a competitive effort which will ensure the best design effort at the lowest cost, and which will keep multiple design teams alive.

Second, requires that all systems or subsystems developed under the contracts described above be tested in a comparative, side-by-side test that is designed to: First, reproduce combat conditions; and second, determine which system or subsystem is most effective under such conditions.

Third, requires that each contractor that develops a prototype system or subsystem submit, before testing is begun, bids for: full-scale engineering development; production estimates; and, if appropriate, fixed-price or not-to-exceed production price options.

I recognize that a competitive prototype program might not be feasible in every instance. Therefore, my amendment gives the Secretary of Defense an opportunity to waive the requirement if he provides Congress with written notification that this is not practicable accompanied by full justification as to why it is not practicable. However, the amendment does require the Secretary to provide detailed cost estimates comparing the competitive and noncompetitive prototype strategies, demonstrating that the former is significantly greater than the latter.

Mr. Chairman, competitive prototyping has a long history with our Armed Forces. Most of the aircraft competitions prior to World War II were based on evaluation of flying prototypes. Unfortunately, since then we have relied more and more on paper-design competitions, to the detriment of both the American taxpayer and, more importantly, the men on the battlefield. Fortunately, there are some notable recent examples in which competitive prototyping was used and has produced an excellent weapons system.

The A–10 is a superb close air support airplane conceived, initiated, and controlled under the fly before buy

philosophy of former Under Secretary of Defense David Packard. Prior to awarding the prototype phase contracts, six bidders performed extensive performance versus cost tradeoff studies. The result was a plane that performed the close support mission better than any other airplane in the world, and that went into production at very close to the original cost estimate. The F-16 was also developed under a competitive prototype program involving nine corporations. The result? The most effective air-to-air fighter in America's arsenal.

Mr. Chairman, many in this body recognize the difficulty in canceling a weapon once in the full-scale development phase. This is the case even when a weapons system has created considerable cost overruns and, more importantly, does not perform well the job for which it was designed. In fact, many new weapons do not work out as well as predicted, with poor reliability and excessive maintenance costs.

Part of the problem has been overdependence on proposal and paper-design competition as the primary means of selecting sources for the development of aircraft and other major defense systems. While this method might be necessary in some cases, it provides us with neither the most realistic assessment of what a weapon's capabilities would be on the battlefield, nor with the most accurate cost estimates of what it would take to perform its mission. In fact, attempting to evaluate difficult technical areas through paper studies at the outset of a program often leads to poor definition of that program.

Reliance on hardware demonstration and competitive prototypes, on the other hand, enables us to predict with greater confidence what a system will do, and what value it will have to the men in the field. The significance of this approach is that it gives us this information before reaching a point of no return in the full-scale development stage and, of course, prior to placing the weapon on the battlefield.

In sum, Mr. Chairman, competitive prototyping makes good common sense. It ensures the best and most reliable design at reasonable cost, and demonstrates the strengths and weaknesses of a weapons system prior to placing it on the battlefield. As the Packard Commission states so well:

> We recommend that such prototyping, either at the system or critical subsystem level, be done as a matter of course for all major weapons systems. Operational tests should be combined with developmental tests of the prototype to uncover operational as well as technical deficiencies before a decision is made to proceed with full-scale development * * * in short, the prototype program should allow us to fly—and know how much it will cost—before we buy.

Thank you.

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). The Chair would like to inform the Members that the gentleman from Massachusetts [Mr. MAVROULES] has 9½ minutes remaining and the gentleman from New Jersey [Mr. COURTER] has 10 minutes and 40 seconds remaining.

Mr. COURTER. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. NICHOLS].

Mr. NICHOLS. Mr. Chairman, in my judgment the House was misled last year during the discussion of work measurement and section 917 of the bill. I am advised that a recent draft report by the Department of Defense inspector general notes that the Congress was led to believe that contractors were wasting 66 percent of defense dollars compared with commercial production. The DOD study found that in actuality, defense production and commercial production efficiency is relatively close, and that the difference can be attributed in part to lower production quantities and greater product changes by the Department.

This amendment clarifies existing law to insure that no new paperwork or reporting requirements are instituted along with incorporating a recommendation made by the DOD inspector general to apply work measurement only to contracts for production of major weapons systems.

Mr. Chairman, this amendment represents a fair compromise and I urge my colleagues to support it.

Mr. COURTER. Mr. Chairman, I yield 6 minutes to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. I thank the gentleman for yielding.

Let me just say to the gentleman from California, who just read a statement about the need to be able to determine the cost of weapon systems, the membership should recognize that we do have a baselining provision in our bill that requires the DOD and military contractors to sign off on performance and cost levels in the various stages of weapons development. When we are into the stage of full-scale engineering and development, the contractors, along with the Department of Defense, must sign off on the performance of a weapons system and its cost. If performance slumps or the weapon cost increases, then the funding is automatically cut off.

□ 1840

The same conditions apply when you get into full-scale production.

What this essentially means is we will have no more Divads. We will have no more C-5A's. We will have no more systems where No. 1, Congress is not fully aware of cost overruns; and No. 2, performance levels that are not up to standard.

So I understand the gentleman's concern and his amendment, but I want to assure the gentleman that, in the baselining provisions in this bill, we will find every program in DOD baselined, but only a few of them milestone funded.

I am glad that Mr. COYNE is here, because we need the Appropriations Committee to be part of this and to appropriate money for each stage of development, which allows us to keep our hands off these programs if they are working. But if they are not working, if a Divad cannot shoot down a target, then we cut the money off automatically. It gives us visibility into the acquisition process.

Mr. LEVINE of California. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from California.

Mr. LEVINE of California. Mr. Chairman, as the gentleman from Ohio knows, once a program is in full-scale development or in production, it is an extremely different ballgame than when the program is in a prototype phase.

The reason that I am concerned about the gentleman's language is that it does not reach this critical test until a little later in the process.

We have drafted in terms of the competitive prototyping amendment an amendment which will require for competition in the prototyping stage, and we have drafted it in a manner which gives the Secretary of Defense a very significant opportunity for an exception if he, in his own judgment, comes to the conclusion based upon hard numbers that this will cost too much, he can waive the competitive prototyping requirement. It is a very broad waiver in the event that there is a cost consideration.

But, and I would like to remind my friend from Ohio, in the absence of that, the only way, according to a range of experts on a bipartisan basis from within the committee and without, to ensure quality, to ensure performance, to ensure excellence, is to provide our troops with the kind of quality assurance they need. It is enough competition at the prototyping stage, and that is what this amendment provides.

Mr. KASICH. Mr. Chairman, I appreciate the gentleman's comments.

Let me just say that the one concern that I have is that the R&D side of the Department of Defense budget is the most rapidly growing portion of the DOD budget. That is the problem I have.

I am not even casting aspersions on the gentleman's amendment.

I would, however, like to see hearings held to find out what the implications of this proposal are.

My point is that baselining will clearly ensure cost control and quality, because if either cost or quality slips, then we are in a situation where the program money is suspended and the program is placed under review.

The whole point of this, though, is to point out that our package, the Republican and Democratic bipartisan substitute, contains baselining, contains a variety of proposals that are also contained in the Mavroules package.

Mr. COURTER. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from New Jersey.

Mr. COURTER. Mr. Chairman, I want to thank the gentleman for making that additional contribution.

The fact of the matter is that the bipartisan substitute is loaded, chock full with reforms with regard to procurement and acquisition. There is certification of allowable costs, which is part of the existing bill. Our difference with regard to the Mavroules substitute on the certification of allowable costs is the sure knowledge that we know that if this provision goes through requiring strict liability, no knowledge necessary, not even the right to know necessary, with jail terms and criminal penalties exposure, nobody, as far as I am concerned, is going to be willing to either be the chief executive officer, the finance officer or a large-size corporation or a medium-size corporation, No. 1; or No. 2, accept Department of Defense contracts. It is an antidefense contract proliferation bill.

What we want to do is expand the industrial base, not shrink it. The best way to shrink the industrial base is to guarantee that the private industry of America is not willing to undertake contracts with the Federal Government in DOD matters. The best way to do that is to adopt, in my sense, the Nicholas Mavroules substitute, which gives criminal penalties to individuals without any knowledge of what they do, strict liability.

Mr. KASICH. Mr. Chairman, I want to make it clear that this is a bipartisan substitute; if you are for the Bennett revolving door amendment, you are for our bill. We have a revolving door provision in our bill. We deal with the problem of undefinitized contracts, and we will go along with RON WYDEN down the line to secure what the gentleman wants there.

If you are interested in whistleblower protection, we have got it in our package. If you care about the DOD inflation factor, the inflation windfalls reaped by DOD, we have that in our package.

What do we not have? We say there should not be new paperwork.

I want to tell you about this work measurement provision. Mr. COURTER wanted to repeal it. I said no way. But Mr. COURTER came back and offered a moderate approach that guarantees checking into these provisions. What the Courter amendment does on work measurement is to say we shall have work measurement, but we are just not going to have volumes of paperwork.

I have to tell you that there are people on the Democratic side who have urged the sponsors of the effort to repeal the Courter language to accept it. Frankly, I am very disappointed that we could not reach accommodation between those who were for work measurement and those who originally were against. What the Courter amendment does is to assure that we will be able to do the kind of checking we need to do without all the paperwork.

It is an excellent package, and it makes good sense, and it does not have reform for the sake of reform.

Mr. LEVINE of California. Mr. Chairman, I say to the gentleman from Ohio briefly with regard to the competitive prototyping amendment, on that one, we catch the problem at the stage where we can do something about it. The baselining, unfortunately, is a little late.

With regard to the should-cost amendment, the point has been made time and again that is just on the books for a short period of time. It is time to let it work, time to see if it can work.

Mr. MAVROULES. Mr. Chairman, may I inquire of the Chair how much time is remaining on both sides?

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). The gentleman from Massachusetts [Mr. MAVROULES] has 9½ minutes remaining and the gentleman from New Jersey [Mr. COURTER] has 2 minutes and 40 seconds remaining.

Mr. MAVROULES. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I rise in strong support of the Mavroules amendment to improve the military procurement process.

In its final report to the President, the Packard Commission concluded that:

> There is a great need for improvement in the way we think through and tie together our security objectives, what we spend to achieve them, and what we decide to buy. The entire undertaking for our Nation's defense requires more and better long-range planning. (p. xvii).

Mr. Chairman, 25 years before the Packard Commission, President Dwight D. Eisenhower warned in his farewell address that "in the councils of government we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist." Mr. Chairman, the military-industrial complex was a new phenomenon when Ike first warned against it. Today, 25 years later, we are all too familiar with the problems of waste, fraud, and abuse that are so prevalent in our military-industrial complex today. I wonder what Ike would say if he could see us today.

Since I was elected to Congress in 1980, I have warned that we must hold the Pentagon to the same accountability and management standards we are requiring from other departments. I have consistently supported measures aimed at reducing the amount of waste, fraud, and abuse in the procurement system. Today, however, we are presented with a proposal which goes further than any other toward addressing the abuses of the military-industrial complex.

As we take up this debate on procurement reform, it is noteworthy that a recent national poll found that, on average, the American public believes almost one-half of the defense budget is lost to waste and fraud. Clearly this type of perception is not conducive to building public confidence in our national defense. But my colleagues, today we are not just talking about $400 hammers and $600 toilet seats. We are talking about the very heart of the procurement system itself, and yes, the process by which Congress oversees this system.

The bottom line is we are not getting a dollar's worth of defense for a dollar spent. The reasons are twofold. The Pentagon has not established firm spending priorities based on long-range defense strategy and we are saddled with an inefficient and outmoded defense management system.

The realities of our fiscal situation put the Pentagon budget at a crossroads. We can capitalize on the momentum generated by the President's Blue Ribbon Commission's report on defense management—the Packard Commission—and adopt the recommendations made by that Commission.

As was cited in the Packard Commission report:

> The budget process distorts the nature of congressional oversight by focusing primarily on the question of how much before we answer the key questions of what for, why, and how well.

The Mavroules amendment moves us in the right direction. It puts a stop to the DOD revolving door, permits whistle-blower judicial review, places limits on unpriced contracts and perhaps most importantly, by authorizing the formation of a Defense Acquisition Corps headed by a new Undersecretary for Acquisition. In addition, the amendment requires DOD to specify how much of each budget request is intended to pay for anticipated inflation and requires all such estimated spending to be put in one special fund; bars reprogramming from the inflation fund; and requires periodic reports on the size of unobligated balances.

I believe passage of the Mavroules amendment is essential if we are to ensure that the American people's hard-earned tax dollars are spent wisely and that the military has an incentive to be more efficient.

I am pleased that this body overwhelmingly supported the Nichols' Pentagon reform amendment which passed just a short while ago. I am proud to have been an early cosponsor of H.R. 4370, which comprised the text of the Nichols amendment.

H.R. 4370, the comprehensive Defense reorganization bill, is a sequel to the Joint Chiefs reorganization bill passed last year, and has recently been amended to reflect

more accurately the recommendations made by the Packard Commission.

H.R. 4370 makes three significant changes in the Department of Defense organization. These changes would increase the authority of the commander in chiefs of the 10 unified and specified commands; require that officers, for the first time, be selected and trained to serve in assignments that deal with "joint," multiservice operations; and end the duplication of civilian and military bureaucracies by consolidating the military and civilian staffs of each service and requiring a 15-percent cut in headquarters personnel upon consolidation.

Finally, Mr. Chairman, I would like to congratulate the committee for incorporating in this bill the text of H.R. 4682, a measure which would strengthen the role of operational testing in the DOD procurement process. When I cosponsored H.R. 4682 several months ago, I did so with the hope that this legislation could help prevent future boondoggles like the Sergeant York gun, on which billions of dollars were spent before it was determined that the gun simply did not work. Since the Sergeant York fiasco, the Pentagon has requested funding for yet another unproven weapon—the Bigeye nerve gas bomb. The GAO found that the Bigeye consistently fails to meet the Pentagon's own operational and safety standards, and yet the Pentagon is pressing to go ahead with production of this weapon. In their latest report, GAO concluded that the "Bigeye bomb is not ready for production" and that certain problems remain "intractable."

Mr. Chairman, we cannot afford to pour more money down the black hole of untested weapons. The Packard Commission report is instructive on this point. The report reads:

Developmental and operational testing have been too divorced, the latter has been undertaken too late in the cycle, and prototypes have been used and tested far too little. (p. xxiii).

The report further reads that the Pentagon procurement process should:

demonstrate that the new technology under test can substantially improve military capability, and should as well provide a basis for making realistic cost estimates prior to a full-scale development decision. (p. xxvi).

Insufficient operational testing prior to full-rate production decisions by the Department of Defense poses a grave and unnecessary risk to our Nation's fighting men who must accept faulty weapons. In addition, it swindles the American taxpayers out of billions of dollars that could be better used to provide for a strong defense capability.

And after all, isn't that what we are really talking about here? Our responsibility as legislators is twofold: First, to ensure that the defenses of this Nation are strong enough to prevent aggression and keep the peace; and second, to ensure that the American people's hard-earned tax dollars are spent wisely. The amendments we are considering today go a long way toward helping assure the integrity of Pentagon expenditures. But, Mr. Chairman, with the passage of this bill, our work to streamline the Department of Defense has only just begun. We cannot stop now. We cannot afford to rest.

Mr. MAVROULES. Mr. Chairman, I yield 1 minute to the gentleman from Oregon [Mr. DENNY SMITH].

Mr. DENNY SMITH. Mr. Chairman, I rise in support of the amendment offered by my colleague from Massachusetts. The Defense procurement reforms in this amendment will go far to ensure that the taxpayers money is spent more efficiently.

Of particular merit is the language on competitive prototyping authored by my colleague Mr. LEVINE from California.

Competitive prototyping should lower program costs and improve the performance of the weapon systems we give our fighting men. Most importantly, this language requires side-by-side, combat-realistic, testing of prototypes.

I cannot emphasize enough the importance of solid testing at this stage, and all stages of development and production. Testing saves lives and money.

Competitive prototyping is a sound idea that President Reagan's Blue Ribbon Packard Commission fully supports. I strongly commend this amendment to my colleagues who want to help the common foot soldier and the overtaxed citizens of this Nation.

Mr. MAVROULES. Mr. Chairman, I yield 30 seconds to the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Mr. Chairman, I rise in commendation to the gentleman from Massachusetts and other members of the Armed Services Committee who have led the way in procurement reform for this Nation.

It is not additional defense dollars that we need in the budget; it is that the Pentagon needs to use the money more efficiently and more effectively. We do not need $3,000 coffee pots and $600 toilet seats and $200 hammers. We need money used by the Government and the Pentagon allocated for necessary weaponry, but we do not need those additional billions, as I said before. We need the money used efficiently.

Mr. Chairman, I urge all Members to vote for the amendment of the gentleman from Massachusetts.

□ 1850

Mr. MAVROULES. Mr. Chairman, I yield 3½ minutes to the gentleman from Texas [Mr. BROOKS].

Mr. BROOKS. I thank the gentleman for yielding me this time.

Mr. Chairman, I have some reservations about the amendment offered by the gentleman from Massachusetts and even more to subsequent amendments to his procurement reform measure. I do not question the sincerity of Mr. MAVROULES. He is a dedicated, decent and highminded Member of this body. Or the others who seek to reform DOD's procurement system.

What I strenuously object to is the backdoor approach that is being used to avoid a review of the measure by the appropriate committees of Congress. The amendment contains provisions that not only impact on the jurisdiction of the Armed Services Committee, but also many other committees as well. Unfortunately, the sponsors chose to use procedural maneuvering to avoid a thorough review of the proposal. On top of this, we were only given a copy of the amendment last Friday and told that the debate would be limited to a grand total of 3 hours. No amendments would be considered unless they were made a part of this rule. The deadline was Monday at noon. That is a travesty on the treatment of amendments and rules in this body. An amendment is an amendment; you ought to be able to amend it. You should not have to get a rule to amend an amendment. It is a very unusual, unprecedented, and welcome procedure.

I can assure my colleagues that the proposal needs to be looked at very closely before we accept it. There is no doubt that it will have a substantial impact, for better or worse, on the way DOD procures its goods and services. The measure proposes to reorganize DOD in order to create something called the Defense Acquisition Corps reporting to the Under Secretary of Defense. It would also place new restrictions on the employment of Government personnel by defense contractors and impose criminal penalties on those who violate the new provisions. Further, it seeks to establish new budget and accounting procedures for the Defense Department and new certification requirements for contractors under the penalty of perjury. And, these are only the highlights of the proposal.

Over the last few years, the DOD authorization bill has become a grab bag for a host of simplistic cure-alls for the Defense Department. As a result, the procurement problems at DOD may have, in fact, become worse rather than better.

This is no way to legislate a coherent and rational policy for our military services. The committees are where these proposals need to be carefully considered and publicly debated. Procurement changes, such as the ones before us today, should be able to withstand the full light of public hearings. They should be examined thoroughly by the appropriate committees before being brought before the full House.

In closing, I would like to point out that only 5 years ago, the House was falling all over itself to eliminate all controls over DOD's procurement system—all in the name of national security. To give you a idea of how bad it was, the Congress gave the Depart-

ment the authority to award grants in lieu of contracts whenever DOD wanted to. I and a few other Members unsuccessfully opposed this and other measures to give the Department and its defense contractors a blank check. Ironically, many Members who supported DOD then are now proposing a host of restrictions which taken together promise to hamstring DOD's procurement activities.

I want to tell the Members that I am voting for the Mavroules amendment, and I will tell you why. It is the best dog on the track.

Mr. COURTER. Mr. Chairman, I yield myself the remainder of my time.

Mr. Chairman, it is certainly, the previous speaker said that the Mavroules amendment was "The best dog on the track." I would be in agreement if he left the word "best" out. Indeed, it is a dog on the track. The problem with Mavroules, only to the extent that there are a couple of areas that it differs dramatically with ours. Otherwise, it is substantially in agreement; we both know that.

With the risk of being somewhat repetitive here, my major concern is the fact that individuals working for small- or medium-sized companies will be discouraged from entering into contracts with the Department of Defense. They will be discouraged from doing so because they will have to make certifications as to the proper amounts on allowable costs jeopardizing their own freedom, jeopardizing their own clear record when it comes to the criminal laws.

I really do not believe that the companies will want to do business with the Department of Defense. The end result of that is going to be shrinking of the industrial base, reducing competition, and not increasing it.

Second, I would like to mention the fact that the issue on work measurement, which we have debated for some number of minutes, I would like to emphasize the fact that our bill has work measurement. What our bill does, it says that those contractors that gather this data at the present time have to submit this data to the Department of Defense in the form that it now submits.

The Mavroules substitute changes that to the extent that it says it must receive and gather that data in the beginning before the contract is performed in anticipation thereof. It must gather the data for research which is really, work measurement is not designed for research, and also has to change the data to place it into a form that is really unusable according to the inspector general for purposes of analyzing reports, for purposes of making determinations as to whether these contractors are doing business the best way they can.

Other than those small areas, generally the substitute, the Courter-Stratton-Nichols-Daniel-Darden-Dickinson-Holt-Kasich-Bateman substitute is substantially similar to the bill offered by the gentleman from Massachusetts [Mr. MAVROULES].

Mr. Chairman, I would like to yield back the balance of my time recognizing that very quickly we will be going into a debate on the merits of individual Members.

Mr. MAVROULES. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. HERTEL].

Mr. HERTEL of Michigan. I thank the gentleman for yielding me this time.

Mr. Chairman, at this time, at the end of the debate, I would like to remind everyone of how we got to this point. Since 1981, we have seen a doubling of the defense budget, but we have not seen a doubling of our defense. We have not seen a doubling of production. We have not seen a doubling of readiness, but we have seen a doubling in the bill to the taxpayers.

What they heard about were some of the horror stories discussed in this debate and other debates and they got angry. They came to this House and they talked to the Members who represent them to change the system. You see, when you double the amount of money that you spend but leave the system intact, it has not worked.

So, 3 years ago, a few of us tried on our own with individual amendments and we failed. Then last year, Mr. GEPHARDT and the Speaker appointed a task force, a Democratic Task Force on Waste, Fraud and Abuse in the Pentagon. We had Members from across this caucus join together and we won some victories. Unfortunately, some of those great victories on this House floor were taken away in the conference committee. Under the leadership of Mr. MAVROULES, we have put together a panel of members of the Armed Services Committee and their expertise. We have gone out to the caucus of both parties to have a bipartisan group and they worked together well under his leadership.

He has developed many compromises. We have had the hearings and no one can say that we have not on all of these different items and amendments. We have had the experts in. We have worked with the President's Commission. We have only worked to change the system for the better.

If you like the system, it is easy: Vote for the amendments that cripple this package. But if you want change, if the people you represent think that we can do a better job in the Department of Defense, that we can get more for our money, we can be more efficient, we can be more competitive, fairer across the board, then vote for this bipartisan package and keep it together and do not weaken it with individual amendments.

We are going to have a tough enough time in conference once again; I can guarantee you that. There will be many a battle in conference. I am proud of our leadership and Mr. MAVROULES' leadership, not only now, but in those last conference battles. That is where the battle lines were drawn. This is only the beginning tonight of a long process for the rest of this year to guarantee that we improve the system; that we not let slip away the advancements we have made in past years.

□ 1900

Mr. MAVROULES. Mr. Chairman, I yield our final 2½ minutes to finish our debate to the gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. Mr. Speaker, there is a real problem in the way we pick people to design and buy weapons for us.

The people who make these billion-dollar decisions are not people who have spent their lives being trained to do it. They are people who instead have spent their lives training to do combat or to command people who are in combat. So when the luck of the draw takes a combat officer and puts him in charge, say, of designing the F-16 fighter or the Divad antiaircraft gun, it sometimes works and it sometimes does not.

The gentleman from Massachusetts [Mr. MAVROULES], the gentleman from Michigan [Mr. HERTEL], and I have a better idea built into this amendment. We want to establish a career acquisition corps, to some extent modeled after the French system. This will be people whose lives and careers will be built around designing and buying weapons for America's arsenal. They will start small and low down in the chain when they get out of their training, and if they design and buy weapons that turn out well, they will get promoted rapidly. If their weapons do not turn out so well, they will not get promoted at all.

Eventually, those who rise to become program managers of major programs under our system will all have a string of major acquisition successes behind them. Our programs will be run by proven winners and that is the way it should be.

The alternative, contained in the Courter substitute, is to have the Department of Defense study the problem.

A study?

Why do we need another study?

We have been studying and studying and studying—and in this country today we still have the most inefficient acquisition system in the galaxy.

We do not need another study.

We need action.

The point is, Mr. Chairman, the system is broken and we had better fix it.

The American people do not enjoy spending $9,000 for an Allen wrench or $435 for a claw hammer or $900 for a toilet seat.

They do not like watching the careers of whistleblowers ruined by retaliation from higher-ups in the bureaucracy.

They do not like watching billion-dollar procurement programs being supervised by amateurs, by people who have spent their entire professional careers doing something else. I do not happen to like it either. That is why I like the Mavroules amendment—it gives the country some answers.

The Courter substitute does not give us any answers at all. Instead the Courter substitute gives us more of the same nonsense that the taxpayers have been suffering under all this time.

Let us pass the Mavroules amendment, defeat the Courter substitute, and give the taxpayers what they are asking for. They want savings and they want reform.

Mr. COURTER. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I yield to the gentleman from New Jersey.

Mr. COURTER. Are the taxpayers asking for $250 million?

Mr. AuCOIN. What was the gentleman's question?

Mr. COURTER. The gentleman said let us give the taxpayers what they are asking for. Testimony in our committee revealed that just a single, irrational work measure, new requirement is going to cost the taxpayers $250 million.

My question is, Is that what we should give the taxpayers, an additional cost?

Mr. AuCOIN. Well, Mr. Chairman, I would say to the gentleman that the DOD Assistant Secretary admitted in public testimony on April 10 of this year that DOD officials fabricated the $250 million estimate that the gentleman is talking about.

Mr. DORGAN of North Dakota. Mr. Chairman, the public outrage over abuses in Pentagon procurement, symbolized by $450 claw hammers and $600 toilet seat covers, resulted last year in a flurry of constructive amendments to the defense authorization bill. With the print barely dry in the law, these amendments are already under assault by proponents of business as usual procurement.

We must resist the pressure to return to the golden days of throwing money at weapons systems. The budget will not withstand such waste; the American soldier cannot risk such waste; and the American public will not tolerate such waste.

Consequently, I rise in support of the Mavroules omnibus procurement reform package. It will extend and preserve the improvements made in last year's procurement reform debate. It will prevent the Pentagon, for example, from using phony inflation estimates and then squirreling away $40 billion in mattress money for any perceived need or whim. It will protect whistleblowers who say "no" to cozy schemes of wasteful spending. It will do much more.

I offer my support as the author of three of my own amendments to last year's defense spending bill. The first required a prohibition of employment by defense contractors or the Department of Defense of any individual convicted of contract fraud. The second provided for independent auditors to monitor existing contracts of any defense firm barred from future contracting with the Defense Department. A third required a report from the Department on its efforts to implement reforms on suspension and debarment recommended by the DOD inspector general. The first and third became public law.

I want to reiterate why these amendments still warrant the attention of my colleagues. The prohibition on employment as a result of a contract fraud conviction has yet to be implemented. The regulations are still being drafted at the Defense Department. However, from conversations with procurement officials, I understand that these will soon be finalized. Once in place, they will ensure that bureaucratic discretion or slip-ups do not allow individuals to flaunt the law and then turn around and make their livelihood as contract defrauders.

This step will help protect the public against unscrupulous contractors and strenghten the spine of the Pentagon on cleaning up abuses in procurement.

Pentagon procurement officials have also assured me that tougher audits are now occurring—particularly in the case of firms who wish to resume contracting after suspension or debarment. That's the kind of behavior my audit amendment sought to ensure.

I would also add that the Inspector General's Office informed me that the required report on implementing suspension and debarment has helped to focus attention and action on this task in DOD. I am pleased to report to my colleagues that many IG recommendations have now been implemented. For example, the number of suspensions and debarments of questionable contractors has risen from 163 in 1982 to 652 in 1985.

The Department has also recommended a change in procurement regulations by which any contractor or subcontractor must certify that it is not now under suspension or debarment. These are laudatory advances.

At the same time, the report to Congress spells out several areas needing further attention. Among them are: timeliness of suspension and debarment action, increased staffing of suspension and debarment authorities, and the timely provision of information to debarment officials by defense criminal investigators.

Fortunately, a high level working group on suspension and debarment, chaired by the Deputy Assistant Secretary of Defense for Procurement, is now at work to wrap up these loose ends and to tackle new problems. Tough action by this group and the IG can move us down the road to responsible and waste-free contracting.

I would like to request and urge the Armed Services Committee to monitor closely these procurement matters and to press for the active implementation of reforms on the part of DOD officials. In that regard, I would hope that the procurement policy panel continues its important work.

In conclusion, recent revelations about a Litton Industries division adding $6.3 million in fraudulent charges show that the battle against defense fraud and waste are not over. But vigorous oversight by the Congress has helped to turn the tide and I take pride in playing a small part in that vital undertaking.

To alert my colleagues and the public to some of these important changes, I am inserting in the RECORD the "Report On The Implementation of Recommendations Contained in the Report of the Inspector General of the Department of Defense," and related documents.

THE SECRETARY OF DEFENSE,
Washington, DC, May 19, 1986.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This enclosed report on suspension and debarment of Defense contractors is submitted in accordance with the requirement of Section 954 of the Department of Defense Authorization Act for 1986 (Public Law 99-145). This section requires a report on the policies prescribed and actions taken to implement the recommendations contained in the report of the Inspector General of the Department of Defense entitled "Review of Suspension and Debarment Activities Within the Department of Defense," dated May 1984. Our report has been prepared in cooperation with the Inspector General as required by subsection (b) of Section 954.

This Administration has vigorously pursued improved procurement reform initiatives including the suspension and debarment of Defense contractors where the facts warrant such action. As shown in the report, the number of suspensions and debarments has increased fourfold since 1982.

Many of the recommendations of the Inspector General have been implemented by the Department of Defense. Included in the report are detailed reponses from the Military Departments and the Defense Logistics Agency (DLA) as to what actions they have taken in this regard. We still have some areas to address, such as the timing of debarment actions and resources, the need for more coordination in suspension and debarment procedures, and improved relationships with criminal investigative bodies. However, these and other suspension and debarment issues are being addressed by a Joint High Level Working Group on Suspension and Debarment. This group is chaired by the Deputy Assistant Secretary of Defense for Procurement and consists of the Suspending and Debarring Officials from the Military Departments and DLA as well as representatives of the Inspector General and General Counsel.

Sincerely,

WILLIAM H. TAFT IV,
Deputy Secretary of Defense.

Enclosure.

REPORT ON THE IMPLEMENTATION OF RECOMMENDATIONS CONTAINED IN THE REPORT OF THE INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE ENTITLED "REVIEW OF SUSPENSION AND DEBARMENT ACTIVITIES WITHIN THE DEPARTMENT OF DEFENSE" DATED MAY 1984

This report has been prepared in accordance with the requirements of Section 954 of the Department of Defense (DoD) Authorization Act of 1986 (Public Law 99-145).

This Administration has pursued procurement reform initiatives with vigor, including an unstinting effort to root out improper actions by Defense contractors. The number of contractor suspensions and debarments has risen dramatically within the Department of Defense as shown by the figures for the last few calendar years:

Year	Total	DLA [1]	Army	Navy	Air Force
1985	652	222	182	191	57
1984	454	216	104	100	34
1983	317	150	68	52	47
1982	163	55	72	14	22

[1] Defense Logistics Agency.

The Department of Defense suspension and debarment procedures are effective in protecting the government. The Federal Acquisition Regulation (FAR 9.103) requires that contracts are to be awarded to only responsible contractors. Contracting officers must make an affirmative determination on the responsibility of all prospective contractors before award. A reponsible contractor is one which (i) has adequate financial resources, (ii) is able to comply with the delivery or performance schedule, (iii) has a satisfactory record of performance, (iv) has a satisfactory record of integrity, and (v) is otherwise qualified and eligible to receive an award. Suspension or debarment action taken against a contractor results from the contractor's failure to meet the federal standards for responsibility and the government's interest is protected by *not* doing business with the contractor. Suspension or debarment action by one federal agency is effective for all agencies unless authorized officials cite compelling reasons for going ahead with the award. Suspension or debarment is an administrative procedure peculiar to government. There is no comparable procedure in the private sector for commercial transactions. The Department of Defense has recommended a change in the uniform policy on suspension and debarment actions to provide for certification by the contractor that it is not under any suspension or debarment action, nor will it subcontract with such firms. Upon final approval of this rule change, it will be added to the policy contained in the Federal Acquisition Regulation (FAR 9.4) and the companion part in the Defense Federal Acquisition Regulation (DFARS) (Tab 1).

Many of the recommendations contained in the Inspector General's report of May 1984 (Tab 2) have been implemented by the Military Departments and the Defense Logistics Agency (DLA). Initial comments by the Military Departments and DLA are included in the report. The report is principally concerned with the operational process of suspension and debarment rather than the policy. A second round of comments was solicited on actions taken by those DoD components and are at Tab 3.

The Office of the Inspector General has observed that further improvements are necessary in the following areas: timeliness of suspension and debarment action on indicted/convicted contractors; use of DoD data bases to identify all contracts with contractors subject to suspension or debarment action; increased staffing at the suspension and debarment authorities to improve timeliness of all actions; implementation of a June 1985 DoD Directive to establish a centralized point of coordination in procurement fraud cases; suspension and debarment actions in DoD commands outside of the United States; and timely provision of information to the suspension and debarment authorities by the Defense criminal investigative organizations.

A Joint High Level Working Group on Suspension and Debarment, chaired by the Deputy Assistant Secretary of Defense for Procurement, has been established to pursue these and other related areas. This group is composed of the suspension and debarment officials of the Military Departments and DLA as well as representatives of the Inspector General and General Counsel. Our continuing efforts to address suspension and debarment issues will remain focused in this group.

In addition to the vigorous investigation by the Inspector General of possible contractor wrongdoing, we have supported initiatives to help detect and prevent fraud, waste and abuse throughout the Department of Defense with emphasis on procurement. Appropriate booklets have been developed and distributed. These are: "Indicators of Fraud in Department of Defense Procurement" (Tab 4); "Computers; Crimes, Clues and Controls" (Tab 5); and "Integrity Alerts" (Tab 6).

We will also be pursuing a recommendation on this matter contained in the report of February 28, 1986, by the President's Blue Ribbon Commission on Defense Management. The recommendation is at Tab 7. The Commission recommended amending the FAR policy to provide more precise criteria for applying suspension and debarment sanctions based on "present responsibility" to perform rather than past acts.

[From the Federal Register, Mar. 6, 1986]

DEPARTMENT OF DEFENSE 48 CFR PARTS 209 AND 252

DEPARTMENT OF DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT; DEBARMENT AND SUSPENSION

Agency: Department of Defense (DOD).

Action: Proposed rule and request for comments.

Summary: The Defense Acquisition Regulatory (DAR) Council is considering the promulgation of a new rule in the DOD FAR Supplement (DFARS), Parts 209 and 252, with respect to Debarment and Suspension. The purpose of the proposed rule is to provide the contracting officer with current information regarding the debarment or suspension status of offerors and ensure that subcontracts are not awarded to firms which have been debarred or suspended.

Date: Comments on the proposed rule should be submitted in writing to the DAR Council at the address shown below no later than May 5, 1986, to be considered in formulation of the final rule. Please cite DAR Case 83-72 in all correspondence related to this matter.

Address: Interested parties should submit written comments to: Defense Acquisition Regulatory Council, ATTN: Mr. Charles W. Lloyd, Executive Secretary, DAR Council, OASD(P)/DARS, c/o OASD(A&L), Room 3C841, The Pentagon, Washington, DC 20301-3062.

For further information contact: Mr. Charles W. Lloyd, Executive Secretary, DAR Council, (202) 697-7268.

Supplementary information:

A. Background

Current provisions in the FAR and DFARS essentially state that, absent compelling circumstances, DOD Components will not solicit bids or proposals from, award contracts to, or renew existing contracts with firms who are debarred or suspended or are pending debarment action, and in addition, will not consent to nor approve subcontracts with such firms. Debarred or suspended contractors are excluded from conducting business with the DOD as agents or representatives or other contractors. Currently, DOD contracting officers rely upon the Consolidated List of Debarred. Suspended and Ineligible Contractors specified in FAR 9.403 in giving effect to the above provisions. However, on occasion, contracts inadvertenly have been awarded to firms which were debarred or suspended at the time of award or were pending debarment action, because of the administrative delay involved in preparation and distribution of the Consolidated List to DOD contracting offices worldwide. The proposed rule would address and cure this problem by requiring in other than small purchases under FAR Part 13, that offerors certify their eligibility for award at the time of submission of bids and proposals and obtain similar certifications from prospective subcontractors thereby assisting contracting officers in making informed responsibility determinations. As drafted, the proposed rule extends the prohibition on contracting with debarred or suspended firms to the subcontract level, as the prohibition would apply to circumstances other than those in which formal Government consent or approval is required under the terms of a Government prime contract.

B. Regulatory Flexibility Act

The proposed rule is expected to impact only upon a small number of firms which, although debarred or suspended, seek to do business under DOD prime contracts as subcontractors. Because the number of debarred or suspended firms which are small entities is itself currently limited to approximately 1,200 firms, and because present DOD prime contractor purchasing practices and prime contract provisions concerning Government consent and approval of subcontracts tend to exclude such firms from receiving subcontract awards to a large extent, it is believed that an insubstantial number of small entities will be affected. Comments are solicited in this regard.

C. Paperwork Reduction Act

The proposed rule requires certification of status and does not impose information collection requirements under the statute. Therefore, OMB approval under 44 U.S.C. 3501, et seq., is not required.

LIST OF SUBJECTS IN 48 CFR PARTS 209 AND 252

Government procurement.

Charles W. Lloyd, *Executive Secretary, Defense Acquisition Regulator Council.*

Therefore, it is proposed that 48 CFR Parts 209 and 252 be amended as follows:

PART 209—CONTRACTOR QUALIFICATIONS

1. The authority citation for 48 CFR Part 209 continues to read as follows:

Authority: 5 U.S.C. 301, 10 U.S.C. 2202. DoD Directive 5000.35, and DoD FAR Supplement 201.301.

2. Section 209.405-3 is added to read as follows:

209.405-3 Contract clause

The contracting officer shall insert the clause at 52.209-7000, Representation Regarding Debarment and Suspension and Subcontracting with Debarred or Suspended Contractors, in all solicitations and contracts other than small purchases under FAR Part 13.

PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

3. The authority for Part 252 continues to read as follows:

Authority: 5 U.S.C. 301, 10 U.S.C. 2202, DoD Directive 5000.35, and DoD FAR Supplement 201.301.

4. Section 252.209-7000 is added to read as follows:

252.209-7000 Representation regarding debarment and suspension and subcontracting with debarred or suspended contractors

As prescribed in 209.405-3, insert the following cause:

Representation Regarding Debarment and Suspension and Subcontracting With Debarred or Suspended Contractors (1966 MAR)

(a) The Offeror (Contractor) represents and certifies (with its submission of this offer) that it ( ) is, ( ) is not (check one) suspended, debarred or ineligible from entering into contracts with the executive branch of the Federal Government, or in receipt of a notice of proposed debarment from any department or agency of the Department of Defense. This representation concerns a matter within the jurisdiction of a department or agency of the United States so that the making of a false, fictitious or fraudulent representation will render the maker subject to punishment under Title 18, United States Code, Section 1001.

(b) The Offeror (Contractor) certifies that (. if awarded a contract under this solicitation.) it will not knowingly enter into any subcontract exceeding $25,000 under the contract with a contractor that is suspended, debarred or ineligible from entering into contracts with the executive branch of the Federal Government, or in receipt of a notice or proposed debarment from any department or agency of the Department of Defense. The Contractor may rely on a representation by the subcontractor similar to that in paragraph (a), above, unless it has knowledge of a suspension, debarment, or eligibility of, or receipt of notice of proposed debarment by the subcontractor. If the Contractor does knowingly enter into a subcontract exceeding $25,000 with a contractor that is suspended, debarred, ineligible or in receipt of a notice of proposed debarment, the Contracting Officer may direct cancellation of the subcontract at no cost to the Government or terminate the prime contact for default.

(c) Prior to award of a contract under this solicitation, the Offeror shall provide immediate notice to the Contracting Officer in the event of being suspended, debarred or declared ineligible by any department or agency of the Federal Government, or upon receipt of a notice of proposed debarment from any department or agency of the Department of Defense.

(d) (If awarded a contract under this solicitation,) the Offeror (Contractor) shall, during the performance of the contract, provide immediate notice to the Contracting Officer in the event of being suspended, debarred or declared ineligible by any department or agency of the Federal Government, or upon receipt of a notice of proposed debarment from any department or agency of the Department of Defense.

(e) (If awarded a contract under this solicitation,) the Offeror (Contractor) shall include paragraphs (a) and (b), above, and this paragraph (e), modified and supplemented as necessary to reflect the relationship of the contracting parties, in all subcontracts exceeding $25,000 and shall include reference to the government contract number, contracting office, and Contracting Officer in such subcontracts.

(End of clause)

[FR Doc. 86-4888 Filed 3-5-86; 8:45 am]

Mr. STARK. Mr. Chairman, I rise today in support of the many procurement reforms which are proposed in the Mavroules amendment. These changes should help us to ensure that the American taxpayers get maximum return on their defense dollars. I am particularly happy about a section in the Mavroules amendment on procurement reform that would require defense contractors to certify that indirect costs they claim—including the costs of advertising—are allowed under law and regulations.

Last summer I offered an amendment to the defense bill to prohibit defense contractors from passing on to the Government the costs of advertising and other public relations. Millions of dollars every year are tacked on to Government contracts—and paid for by the taxpayer—for such nonessential activities as receptions, entertainment, plastic models of various weapons and so on. In addition, many magazines are full of multicolor ads of airplanes, tanks, and other weapons which these contractors are peddling to the Government.

These activities are certainly wasteful and possibly improper. I don't think the average American is in the market for an F-15 fighter plane or a Bradley fighting vehicle. I hope that Pentagon procurement specialists and congressional staffers would decide which weapons to buy for better reasons than some ad they see while eating their Wheaties. I also hope that these people would not be influenced by which companies could throw the best parties or provide the most goodies. In any case, whether advertising and public relations are ineffectual or improper, the American taxpayer should not be paying for them.

The regulations implementing this law finally went into effect on April 9. I have been collecting several defense-related magazines for the past several months and have counted the ads in each magazine to see if there was a dropoff after those costs could no longer be passed on to the Government. The results were disappointing.

Two of the magazines actually sold more ads after the regulations went into effect. Rotor and Wing magazine averaged 11 pages of ads in its January, March, and April issues but in July, after the regulations went into effect, it had 15 pages. Armed Forces magazine averaged 36 pages before the regulation change, 39 pages after. Three magazines had slight reductions in ads. Aerospace America averaged 27 pages in January and February, 24 pages in June, July, and August. Air Force magazine averaged 47 pages before April, 42.5 pages after. Defense News, which averaged 12 pages through the April 14 issue, 10.5 pages after. I would submit, though, that these slight reductions should be much greater, given the fact that the contractors should now be paying the entire cost of the advertisments.

Mr. Chairman, defense contractors advertise most heavily in these defense-related magazines but they also advertise frequently in more mainstream magazines. I have here a sampling of ads from Time, Newsweek, Fortune, and Forbes magazines. Lockheed has a two-page color ad in Fortune magazine discussing investments in lasers, strategic defense, and systems for a permanent space station. Not your run-of-the-mill consumer goods. The ad cost $90,000. Lockheed has a different two-page color ad in Forbes, Fortune and Business Week, which refers to work on a transatmospheric vehicle, an advanced tactical fighter, and "an extensive array of projects vital to the security of this country." The ad cost $72,360 in Forbes, $83,960 in Business Week. Northrup has full-page, black-and-white ads for its T-38 Talon plane in Time and Newsweek costing $73,965 and $54,095, respectively. There are, of course, many others, but I believe I have made my point.

Mr. Chairman, something is wrong. The laws of economics say that if a company has to start paying for a product they previously got for free, their use of that product should drop off. This is not happening. Either these companies are making so much profit from their contracts that they can absorb those extra costs or they are covering up those costs somewhere and still charging them to the Government.

I intend to ask the inspector general to investigate this question and report fully to the Congress. In the meantime, though, I submit this information as one more reason to support the procurement reforms addressed in the Mavroules amendment.

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). All time has expired.

The Chair is trying to be eminently fair and would like to reread a portion of a statement made earlier today when there was some confusion because of a rollcall.

Pursuant to the order of the House of today, after 3 hours of debate on amendments to the amendment and to the substitute, no further amendments are in order.

Are there amendments to either the amendment or the substitute?

AMENDMENT OFFERED BY MR. OBERSTAR TO THE AMENDMENT OFFERED BY MR. MAVROULES

Mr. OBERSTAR. Mr. Chairman, I offer an amendment to the amendment.

The CHAIRMAN pro tempore. Before the gentleman proceeds, is this amendment printed in the supplemental report?

Mr. OBERSTAR. Yes, Mr. Chairman, the amendment was printed in the RECORD.

The CHAIRMAN pro tempore. The clerk will designate the amendment to the amendment.

The text of the amendment to the amendment is as follows:

Amendment offered by Mr. OBERSTAR to the amendment offered by Mr. MAVROULES:

At the end of the matter proposed to be inserted by the amendment at the end of title IX of division A, add the following:

SEC. 939. SUBCONTRACTOR INFORMATION TO BE PROVIDED TO PROCUREMENT OUTREACH CENTERS.

(a) CONTRACTORS TO FURNISH INFORMATION.—(1) Chapter 142 of title 10, United States Code, is amended—

(A) by redesignating section 2416 as section 2417; and

(B) by inserting after section 2415 the following new section:

"§ 2416. Subcontractor information

"(a) The Secretary of Defense shall require that any defense contractor in any year shall provide to an eligible entity with which the Secretary has entered into a cooperative agreement under this chapter, on the request of such entity, the information specified in subsection (b).

"(b) Information to be provided under subsection (a) is a listing of the name of each appropriate employee of the contractor who has responsibilities with respect to entering into contracts on behalf of such contractor that constitute subcontracts of contracts being performed by such contractor, together with the business addresss and telephone number and area of responsibility of each such employee.

"(c) A defense contractor need not provide information under this section to a particular eligible entity more frequently than once a year.

"(d) In this section, the term 'defense contractor', for any year, means a person awarded a contract with the Department of Defense in that year for an amount in excess of $100,000.".

"(2) The tale of sections at the beginning of such chapter is amended by striking out the item relating to section 2416 and inserting in lieu thereof the following new items:

"2416. Subcontractor information.

"2417. Regulation.".

"(b) EFFECTIVE DATE.—Section 2146 of title 10, United States Code, as added by subsection (a), shall take effect on January 1, 1987.

The CHAIRMAN pro tempore. Pursuant to House Resolution 523, the gentleman from Minnesota [Mr. OBERSTAR] will be recognized for 10 minutes and a Member opposed will be recognized for 10 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, this is a competition amendment. The purpose of this amendment is to increase competition in procurement. The amendment would require defense prime contractors to list the names of their key procurement personnel with procurement outreach centers. These procurement outreach centers, which number about 60 throughout the United States, are operated by State and local governments and nonprofit organizations, providing information to subcontractors who wish to compete on military procurement contracts.

The problem under the current system is that the Commerce Business Daily lists only the name and address of the prime contractor. Small subcontractors, usually small businesses who want to compete on Government contracts, do not know who to contact. They are frustrated. They give up and go away in the process and the Government is really losing money because of the resulting reduced competition on defense contracts. Worse, we are losing the opportunity to expand competition.

This amendment does not add anything to the Government bureaucracy. It operates on an existing system. No additional money is required. Increased competition will result. The Government will benefit from lower procurement costs. This is an amendment that ought to be adopted. It has been discussed with the Members on both sides.

I greatly appreciate the interest and strong support and encouragement given by the chairman of the full committee and by the gentleman from Massachusetts.

Mr. ASPIN. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Chairman, I would like to commend the gentleman in the well for his amendment. I think the gentleman knows the part of the country that we represent needs this kind of help. We are trying to work together to encourage the Defense Department to do more with its procurement in the Northeast and Midwest.

I think that the amendment the gentleman in the well is offering is well thought out. It is a very good amendment and I commend the gentleman for offering it.

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman for those remarks.

Mr. MAVROULES. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Massachusetts.

Mr. MAVROULES. Mr. Chairman, we have looked over the gentleman's amendment very carefully. It is a good amendment, well structured, and I think one that is going to be very useful to the overall bill. Certainly we have no objection and we approve of the gentleman's initiative.

The CHAIRMAN pro tempore. Does any Member desire to speak in opposition to the amendment?

If not, the question is on the amendment offered by the gentleman from Minnesota [Mr. OBERSTAR] to the amendment offered by the gentleman from Massachusetts [Mr. MAVROULES].

The amendment to the amendment was agreed to.

AMENDMENT OFFERED BY MR. ASPIN TO THE AMENDMENT OFFERED BY MR. MAVROULES, AS AMENDED

Mr. ASPIN. Mr. Chairman, I offer an amendment to the amendment, as amended.

The CHAIRMAN pro tempore. The Chair would ask the distinguished gentleman from Wisconsin, is this amendment printed in the supplemental report?

Mr. ASPIN. It is, Mr. Chairman. It is on page 28, amendment No. 16.

The CHAIRMAN pro tempore. The clerk will designate the amendment to the amendment, as amended.

The text of the amendment to the amendment, as amended is as follows:

Amendment offered by Mr. ASPIN to the amendment offered by Mr. MAVROULES, as amended: At the end of the amendment, add the following:

Page 179, line 19, strike out "(2)" and insert in lieu thereof "(2)(A)".

Page 179, line 22, insert "in the industry categories described in subparagraph (B)" after "business concerns".

Page 179, after line 23, insert the following new subparagraph:

"(B) Subparagraph (A) shall apply only to business concerns in the following industry categories:

"(i) Construction.

"(ii) Architectural and engineering services (including surveying and mapping services).

"(iii) Ship building and ship repair.

The CHAIRMAN pro tempore. Pursuant to House Resolution 523, the gentleman from Wisconsin [Mr. ASPIN] will be recognized for 10 minutes and a Member opposed will be recognized for 10 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. ASPIN].

Mr. ASPIN. Mr. Chairman, I ask unanimous consent to modify this amendment. I would like to explain the unanimous-consent request and then put the request, if I might.

Mr. Chairman, we have been working on this amendment with the members of the Small Business Committee. I would like to commend the gentleman who is here, and whom I would like to engage in a dialog in a few minutes, the gentleman from Tennessee [Mr. COOPER].

Basically, I think some of the suggestions the gentleman has made have

improved the amendment. It is an amendment that I think everybody agrees to.

Mr. Chairman, I ask unanimous consent to modify the amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN pro tempore. The Clerk will report the modification to the amendment offered by the gentleman from Wisconsin [Mr. ASPIN] to the amendment offered by the gentleman from Massachusetts [Mr. MAVROULES], as amended.

The Clerk read as follows:

Modification of amendment offered by Mr. ASPIN to the amendment offered by Mr. MAVROULES, as amended: In line nine of the amendment after "(i) Construction" insert (except dredging) before the period.

The text of the amendment, as modified, is as follows:

Amendment offered by Mr. ASPIN to the amendment offered by Mr. MAVROULES: At the end of the amendment, add the following:

Page 179, line 19, strike out "(2)" and insert in lieu thereof "(2)(A)".

Page 179, line 22, insert "in the industry categories described in subparagraph (B)" after "business concerns".

Page 179, line 23, insert 'the following new subparagraph:

"(B) Subparagraph (A) shall apply only to business concerns in the following industry categories:

"(i) Construction (except dredging).

"(ii) Architectural and engineering services (including surveying and mapping services.

"(iii) Ship building and ship repair.

Mr. ASPIN. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Chairman, I had intended to offer an amendment, but have chosen not to since we were able to reach a compromise. I appreciate the help of the distinguished chairmen of the Armed Services Committee, Mr. ASPIN, and the Small Business Committee, Mr. MITCHELL, in this matter.

I reluctantly support the Aspin amendment because it turns the sweeping changes contained in the bill into a test program involving only three types of industries: construction, architecture and engineering, and shipbuilding and repair.

This test program will enable us to see whether these so-called reforms really work before the other industries in America are subjected to them. Many Members have had particular concern about the impact of these reforms on the textile and apparel industries. I am happy to report that textile and apparel firms will not have to worry about the new rules because these industries are not part of the small test group.

This compromise does not end the important debate on how best to structure small business set-aside policy. That debate should and will continue, and I hope we'll follow these guidelines in the process:

Defer as much as possible to the committee of primary jurisdiction, the Small Business Committee.

Offer today's successful small businesses a better choice than the dilemma forced on them by the bill: either lay off employees or lose your small business status.

Watch whether industry giants prey on the small firms that have dismembered themselves to remain small, or the firms that have suddenly been forced to compete with the Goliaths of their field.

Give small businesses as much certainty as possible so they are not constantly threatened with changing small business size standards.

Beware of the "industry category" trap that, on the one hand says to small business you're too successful making things like army uniforms, and, on the other hand, offers them contracts to build things like jet engines, which most small businesses could not possibly build.

See how difficult it is to measure an agency's compliance with the new set-aside rules. The agency's average will be far below 30 percent since small business is incapable of doing many jobs it is offered. Moreover, the burden of proof will shift, unfortunately, from the agency to small business when questions are asked about set-aside targets not being met.

Be careful that the new set-aside rules don't move jobs from rural areas with traditional small businesses like apparel, to urban areas where small businesses hope to compete, not for contracts, but for subcontracts, on items like jet engines.

I appreciate again the opportunity to work with Chairman ASPIN and Chairman MITCHELL on the compromise amendment, and I urge other Members to support it.

Mr. ASPIN. Mr. Chairman, I thank the gentleman for his comments.

I would like to commend the chairman of the Small Business Committee for his help and guidance on this thing, and the gentleman in the well and also the gentleman from Georgia [Mr. RAY].

I started out dealing with this amendment and I found that there is a lot of industry categories that I do not know very much about. The gentleman from Tennessee [Mr. COOPER] talked about textiles and the gentleman from Georgia [Mr. RAY] talked about textiles.

The chairman of the Small Business Committee has been very instructive on some of these industry categories, so I think we are feeling our way along. As the gentleman from Tennessee [Mr. COOPER] says, it is an experimental program. I think perhaps what we have here now is the best that we can do and let us go and try it and leave it for a couple years and see how it works out.

Mr. Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. MITCHELL].

Mr. MITCHELL. Mr. Chairman, I thank the distinguished chairman for yielding to me. I will certainly not consume the full 3 minutes.

Mr. Chairman, I support the compromise that has been worked out, but there is a caution that we must exercise here.

I think it is very important that we make note of this in the record as of this time. As I understand it, this amendment will allow small businesses to move into categories that they have really been barred from. The tendency was to push everything into construction, everything into one or two areas. This gives us an opportunity to move in other areas.

My concern is that we are going to have to monitor this very carefully. I heard the author of the compromise amendment make his statement. We are really going to have to ride herd to make sure that they do not limit participation of small business in these three categories and then fail to take any action, any initiative, to make sure that small businesses can expand to other areas.

□ 1915

That is going to be a tough nut. We have had to deal with this before, but I accept the amendment and support it with the understanding that that is going to be an arduous task, to make sure that it is lived up to.

Mr. ASPIN. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia [Mr. RAY].

Mr. RAY. I thank the gentleman for yielding time to me.

Mr. Chairman, I probably will not take 3 minutes, but I think that we ought to include in the RECORD at this point—and I am a very strong supporter of small business, and a very strong admirer of Mr. ASPIN and Mr. COOPER—but I am concerned about textiles.

Presently the small business groups get about 92 percent of all the defense textile business. This excludes a tremendous amount of expertise that is available only in the large companies such as Milliken, West Point-Pepperell, and others.

What is happening in this respect is that these companies are joint venturing with foreign firms. For instance, not many people know that there is not one single firm in the United States that can manufacture chemical-warfare protective clothing. So I had supported the Aspin amendment which would have brought this back down to 38 percent and in my opinion balanced it out in a little bit better

way. However, I will not object to Mr. COOPER's compromise here at this time, but I do want to maybe talk about it in conference a little bit later.

One other thing that is happening is that the Defense Department in dealing with their share of business to small firms is throwing it all over into the textile arena, exempting many of these firms from their percentage of high technology type business. So I think that we have a real problem here and a dilemma which is going to create a drastic problem with the apparel and clothing and footwear that defense organizations will have in future years.

A report recently to Mr. NICHOLS' committee, the Subcommittee on Investigations, simply pointed out that in a period of something less than a decade, this country will not be able to clothe its military people if we continue on the path along which we are going right now.

So as a proponent of small business, a very strong supporter of Mr. MITCHELL and Mr. COOPER and Mr. ASPIN, I would say that we have some problems here that we must concentrate on or we will drive our large firms into foreign soil.

Mr. ASPIN. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts [Mr. MAVROULES].

Mr. MAVROULES. Mr. Chairman, we have looked it over very carefully, the chairman has agreed, has worked out the language of Mr. COOPER, and I certainly agree, by the way, a point well made by the chairman of the Committee on Small Business, Mr. MITCHELL, that this is going to take extraordinary monitoring to see if it is working. We have no objection to the amendment.

Mr. ASPIN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). Does any Member desire to speak in opposition to the amendment offered by the gentleman from Wisconsin [Mr. ASPIN]?

If not, the question is on the amendment, as modified, offered by the gentleman from Wisconsin [Mr. ASPIN] to the amendment offered by the gentleman from Massachusetts [Mr. MAVROULES], as amended.

The amendment, as modified, to the amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. COURTER TO THE AMENDMENT OFFERED BY MR. MAVROULES, AS AMENDED

Mr. COURTER. Mr. Chairman, I offer an amendment to the amendment, as amended.

The CHAIRMAN. Is the amendment printed to the supplemental report?

Mr. COURTER. Yes, Mr. Chairman, it is.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment to the amendment as amended, is as follows:

Amendment offered by Mr. COURTER, to the amendment offered by Mr. MAVROULES, as amended: Strike out section 934 of the matter proposed to be inserted by the amendment and redesignate the following sections accordingly.

The CHAIRMAN pro tempore. Pursuant to House Resolution 523, the gentleman from New Jersey [Mr. COURTER] is recognized for 10 minutes and a Member opposed will be recognized for 10 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. COURTER].

Mr. COURTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I do not think that this necessarily is going to take 10 minutes; it should not.

During the general debate there was some discussion with regard to certification for allowable costs. As I indicated in general debate, much of the bipartisan substitute bill is very similar to the Mavroules bill. There are a couple of areas, however, where we have sincere differences.

One of those areas is a provision in the Mavroules bill that sets out a standard of strict liability with criminal sanctions. The Courter substitute deletes this provision of the Mavroules amendment. As written, it would require the chief financial officer of a company to certify that no employee of his company submitted a travel voucher which contained a bill for dinner which included, for example, one single, solitary glass of beer while on Government business.

If it turns out that one of the company's perhaps thousands of employees did so, the chief financial officer is guilty of perjury. As he is guilty of perjury, he subjects himself to criminal penalties, and as he subjects himself to criminal penalties, he lays himself open to a jail sentence, confinement, incarceration.

Last year the gentleman from Alabama, Mr. BILL NICHOLS, brought a bill to the floor which was incorporated into law which requires a contractor official to certify that to the best of the official's knowledge and belief the costs that it proposes to be reimbursed for contained no unallowable costs.

We supported that bill by the gentleman from Alabama. It is important. It goes on—the existing law says—to provide for double and triple damages if the contractor submits an unallowable cost, but it does not make an individual criminally liable for something that that person did not know, could not have known, and is in the unique knowledge of the individual filling out the voucher in the first instance.

I think that there probably was an insufficient analysis of the repercussions of this particular amendment which is now part of the MAVROULES bill. As indicated to me, any financial officer of a company recognizing that the has to certify that no unallowable cost is contained in his vouchers to the Federal Government will simply, rather than subjecting himself to incarceration, criminal sanctions, criminal-law violations, will either not make the certification, which means that the company cannot do business, or resign from the company, so somebody else can make the certification. Or what would happen, and I think that this is probably the more logical thing, company after company will not want to do business with the Department of Defense.

The industrial base, rather than expanding, will shrink. The number of companies in a position to do business with the Department of Defense, rather than increasing, will decrease. The amount of competition that we get in DOD contracts, something that this Congress, this individual Member from the State of New Jersey, constantly is encouraging having more of, will actually shrink. There will be fewer contractors, fewer contracts, fewer individuals, less competition, and a shrinking industrial base.

So inasmuch as much of the Mavroules amendment is good, we have adopted that which is good in our substitute. This provision, which means strict liability for a financial officer, must go, and I would like at this particular time to reserve the balance of my time.

The CHAIRMAN pro tempore. Does any Member desire to speak in opposition to the amendment?

Mr. MAVROULES. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN pro tempore. The gentleman from Massachusetts [Mr. MAVROULES] is recognized for 10 minutes.

Mr. MAVROULES. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I might remind my colleagues on the House side here that this is exactly the same legislation that was offered and accepted without a vote last year before it was knocked out in conference.

Let me just take on just two paragraphs, and then I will have Mr. SIKORSKI lend his expertise, because he is the maker of the amendment.

Briefly the certification of allowable costs, indirect costs, is this: This provision requires that when a contractor submits a proposal for interim or final settlement of indirect costs applicable to a covered contract, a certification that all indirect costs included in the proposal are allowable must be included. Very simple, and very simply stated.

Second, the certification will include a clear statement that the proposal

does not include costs which are unallowable under applicable cost principles of the Department of Defense.

I think that it is clearcut, Mr. Chairman. I think that it is a good amendment offered by my colleague from Minnesota, and he now I am sure will want the floor to lend his expertise to the program.

Mr. COURTER. Mr. Chairman, will the gentleman from Massachusetts, who is the chair of the panel, yield?

Mr. MAVROULES. I yield to the gentleman from New Jersey.

Mr. COURTER. I thank the gentleman for yielding.

Mr. Chairman, I would like to engage the chairman of the panel in a dialog, if he would.

I have no problem with the certification that no unallowable costs are contained in a bill to the Federal Government. The existing law has that. The gentleman from Alabama, Mr. BILL NICHOLS, put it in.

□ 1925

The problem with the Mavroules amendment is the fact that it contains a statement that regardless of the knowledge of the certifying officer as to whether something is false or not, there are criminal sanctions involved. He does not certify to his best knowledge and belief, he is certifying that, in fact, a human error did not take place, and if, in fact, a human error did take place, and there is one unallowed cost, one beer in a $175 million voucher sent to the Federal Government, he can go to jail. He has committed perjury.

I think that is wrong, and I would like the gentleman's response, if I may.

Mr. SIKORSKI. Mr. Chairman, will the gentleman yield?

Mr. MAVROULES. I am delighted to yield to the gentleman from Minnesota.

Mr. SIKORSKI. Mr. Chairman, I heard just now and earlier the crazy argument that somehow defense contractors, corporate financial officers should have less responsibility and greater protection than taxpayers or Social Security recipients or other businesses.

Let me read 18 U.S.C. 1003:

> A citizen making a demand against the United States of America for more than $100 must certify the claim, at risk of perjury, punishable by $10,000 in fines and 5 years in prison.

We have had every time trips to Pago Pago, congressional honorariums, dog boarding has come up, and those same corporate officials, official officers say it is not occurring. When we show them their own invoices they say, "We don't know about it."

What the gentleman is proposing to do then is give them an excuse, but not give it as an excuse to the taxpayer. Earlier the gentleman said there is a difference between taxpayers who foot the bill and these people who are billing the Federal Government. The difference, I submit, is that the taxpayer does not get to bring his accountant and his lawyer to the audit and say they are at fault, do not punish me.

You are proposing that that system, which is the system currently in existence, be continued. We simply say that ignorance may be bliss for these officials, but under the law, for Social Security recipients, for Medicare recipients, for school lunch kids, for everyone from the bottom to the top are going to be treated the same. Ignorance is no excuse.

Mr. MAVROULES. Mr. Chairman, I am glad to yield more time, but under the rule we are allowed 10 minutes on either side of the amendment, am I correct?

The CHAIRMAN pro tempore. The gentleman is correct.

Mr. COURTER. Mr. Chairman, how much time do we have remaining?

The CHAIRMAN pro tempore. The gentleman from New Jersey [Mr. COURTER] has 6 minutes remaining and the gentleman from Massachusetts [Mr. MAVROULES] has 5½ minutes remaining.

Mr. COURTER. Mr. Chairman, I yield myself an additional 2 minutes, and want to reserve the balance of my time.

In response to the gentleman's statement, all we are trying to do, or all he is trying to do is put a company in the same position as a private citizen. I respond in the following way: When a private citizen certifies that his tax return is correct, he has read it, and when he certifies that his claim against the Federal Government contains the facts to his own knowledge, it is his own claim. The individual, there is not one, there is no law in existence in America that requires an individual citizen of the United States to make a certification with criminal penalties and sanctions with respect to the actions of a third party of which he does not see, and which maybe by mistake an error be made.

So I really cannot see how anybody would do business with the Federal Government if the certifying officer of that company could have criminal sanctions attached to his behavior, risking a jail sentence, risking a criminal record, if a mistake occurs in one of tens of thousands of vouchers sent to the Federal Government by 1,000 employees inside the corporation in which he works. It would be ridiculous for that company to subject that individual to criminal sanctions under those types of circumstances.

So I think there is a dramatic difference between the situation as I have described it and the situation with food stamps, or one's own complaint, or one's tax return. In that particular case, you are dealing from personal knowledge, you are dealing from what you do yourself, and you know yourself. You are not certifying the accuracy of reports that you, in fact, have never seen, that no one can expect you possibly to review in one lifetime.

Mr. MAVROULES. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. SIKORSKI].

Mr. SIKORSKI. Mr. Chairman, I thank the gentleman for yielding.

The gentleman who proposes that we not require defense contractors to certify the honesty of their billings to the taxpayers sees a difference between the taxpayer, the Social Security recipient and the school lunch kid because that is an individual, and somehow deserves not the protection that a corporation or corporate official does.

Let me cite just some of the 153 situations in the United States Code that apply not only to individuals, but also to corporate structures and organizations which are signed by individuals.

Every TV or radio station carrying a press release of a Member of Congress has to fill out a statement with the FCC at risk of a $5,000 fine and 3 years in prison; the fair housing statement filed by every landlord, or realtor, or realty agent, or business in the United States, a $1,000 fine and 1 year imprisonment; hazardous waste statements filed by business entities, $25,000 fine per day and a year in prison for each violation. The FHA buyers, Federal Land Bank borrowers, VISA applicants, unemployment compensation claimants, campaign fund reports have to all be certified, some at risk of $10,000 fine and 10 years in jail. OSHA reports filed by businesses, corporate entities, the same thing, $10,000 fine and 6 months imprisonment. Labor union reports, corporate entities, $10,000 in fine and 1 year imprisonment. Patent and trademark applications, water pollution certifications and on and on.

There is no magical distinction between an individual in America who somehow does not deserve the protection that some offer today to the defense contractors.

Mr. COURTER. Mr. Chairman, will the gentleman yield?

Mr. SIKORSKI. I yield to the gentleman from New Jersey.

Mr. COURTER. I thank the gentleman very much for yielding. I think we are talking by each other. There is no similar provision in the law. This is a unique requirement saying that the certifying officer of a corporation has to certify to the accuracy, even if it is done by mistake, of reports filed with the Federal Government, if by mistake one beer, one cocktail, one unallowable cost is in there by $5, and he can go to jail.

Mr. SIKORSKI. The gentleman is not correct.

Mr. COURTER. I grant you, if the gentleman will continue to yield, you are citing a lot of criminal sanctions in the law.

Mr. SIKORSKI. The gentleman is not correct.

Mr. COURTER. There are indeed a lot of criminal sanctions, but not under this type situation.

Mr. SIKORSKI. Reclaiming my time——

The CHAIRMAN pro tempore. The time of the gentleman from Minnesota [Mr. SIKORSKI] has expired.

The gentleman from New Jersey [Mr. COURTER] has 2 minutes remaining, and the gentleman from Massachusetts [Mr. MAVROULES] has 2½ minutes remaining.

□ 1935

Mr. COURTER. I yield myself such time as I may consume.

Mr. Chairman, if you are the administrator of a hospital in the United States, and in order to receive Medicare and Medicaid reimbursements, you naturally rely on the work of nurses, people of your employ, of doctors filling out forms correctly.

Are we going to say now—we have had problems in Medicare fraud from time to time and hospital overcharges from time to time—we must be concerned about that.

A logical extension of the gentleman's amendment is to say every hospital administrator may go to jail if there is any inaccuracy later found out in any one of those reports; inaccuracies whether done by intent or done by mistake or done by some third person; reports that you would never expect that that hospital administrator could possibly thumb through, much less read and certify the accuracy thereof.

Mr. Chairman, I reserve the balance of my time.

Mr. MAVROULES. Mr. Chairman, under the rule, who would close out debate?

The CHAIRMAN pro tempore. The gentleman from Massachusetts is entitled to close the debate on behalf of the committee, in opposition.

The gentleman from Massachusetts [Mr. MAVROULES] is recognized for 2 minutes.

Mr. MAVROULES. Mr. Chairman, I yield 30 seconds to the gentleman from Minnesota [Mr. SIKORSKI] to reply to my colleague, the gentleman from New Jersey.

Mr. SIKORSKI. Mr. Chairman, the gentleman from New Jersey is inaccurate. The gentleman is hiding behind some illogical, absurd extension of what we are doing here.

We are simply saying that defense contractors should tell the truth in their billing; they swear that they have reviewed the claim to the taxpayers; that the claim is allowable under the defense accounting requirements, auditing requirements; that there are now unallowable costs in there; and then swear to that.

That is what taxpayers do on a daily basis, what Medicare recipients, three-fourths of which are blind, disabled, or elderly have to do.

Mr. COURTER. Mr. Chairman, I yield myself the balance of my time, and then the gentleman from Massachusetts [Mr. MAVROULES] can finish out.

I want to have unallowable costs not billed. The point is that the existing law, because the effort from the gentleman from Alabama [Mr. NICHOLS] has that. It has the requirement that the certifying officer must certify; it has double and treble damages if there is a mistake, even.

The point is, he does not go to jail if he did not have actual knowledge. That is all it is. The bill as written last year, the law as in existence this year, has very strong certifications for unallowable costs; penalties that range to three times actual damages.

Mr. MAVROULES. Mr. Chairman, I yield myself the balance of my time. I will not take the entire time allotted to me, Mr. Chairman. I am going to cite another example.

The gentleman from Minnesota [Mr. SIKORSKI] has cited one example after another, after another, to close off debate maybe it is not a good analogy, but it gives you an idea why we do need some controls and allowable costs, and why we must be able to certify, Mr. Chairman, because I think that is vital.

We have people living in this country today who are not citizens of this country; and they have to, on occasion, during a brief period they have to file an application stating where they live, how long they have been here, and for what purpose.

Do you know what the penalty is if they do indeed report? If it is not correct, Mr. Chairman, they could go back to the country they came from.

If we put that kind of a restriction on a human being, and the life of a human being, I think the correct thing to do here tonight is to reject the amendment put forth by Mr. COURTER and stick with the amendment that we have forth as an omnibus amendment.

I urge my colleagues to vote against it.

The CHAIRMAN pro tempore. All time has expired.

The question is on the amendment offered by the gentleman from New Jersey [Mr. COURTER] to the amendment offered by the gentleman from Massachusetts [Mr. MAVROULES], as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. COURTER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 157, noes 251, not voting 23, as follows:

[Roll No. 282]

AYES—157

Archer	Gingrich	Packard
Armey	Green	Parris
Badham	Gregg	Pashayan
Barnard	Hall, Ralph	Petri
Bartlett	Hammerschmidt	Quillen
Barton	Hansen	Ray
Bateman	Hartnett	Regula
Bentley	Hatcher	Ritter
Bereuter	Hiler	Rogers
Bevill	Holt	Rowland (CT)
Bliley	Hopkins	Rowland (GA)
Boucher	Hunter	Rudd
Boulter	Hutto	Schaefer
Broomfield	Hyde	Schneider
Brown (CO)	Ireland	Schulze
Burton (IN)	Jenkins	Shaw
Callahan	Johnson	Shelby
Carney	Kasich	Shumway
Chandler	Kemp	Shuster
Chappie	Kindness	Sisisky
Cheney	Kleczka	Skeen
Clinger	Kolbe	Slaughter
Coats	Kramer	Smith (NE)
Cobey	Lagomarsino	Smith, Robert (NH)
Coble	Lewis (CA)	
Coleman (MO)	Lightfoot	Smith, Robert (OR)
Coleman (TX)	Livingston	
Combest	Loeffler	Snyder
Courter	Lott	Solomon
Craig	Lowery (CA)	Spence
Crane	Lujan	Spratt
Daniel	Lungren	Stenholm
Dannemeyer	Mack	Strang
Darden	Madigan	Stratton
Daub	Martin (IL)	Stump
Davis	Martin (NY)	Sundquist
DeLay	McCollum	Sweeney
DeWine	McEwen	Swindall
Dickinson	McKernan	Tauke
DioGuardi	McMillan	Taylor
Dornan (CA)	Mica	Thomas (CA)
Dreier	Michel	Thomas (GA)
Duncan	Miller (OH)	Vander Jagt
Eckert (NY)	Miller (WA)	Vucanovich
Emerson	Molinari	Walker
Evans (IA)	Monson	Whitehurst
Fawell	Montgomery	Wilson
Fiedler	Moorhead	Wolf
Fields	Morrison (WA)	Wortley
Flippo	Myers	Young (AK)
Franklin	Nichols	Young (FL)
Frenzel	Olin	Young (MO)
Fuqua	Oxley	Zschau

NOES—251

Ackerman	Bryant	Early
Akaka	Burton (CA)	Eckart (OH)
Alexander	Bustamante	Edwards (CA)
Andrews	Byron	Edwards (OK)
Annunzio	Carper	English
Anthony	Carr	Erdreich
Applegate	Chapman	Evans (IL)
Aspin	Chappell	Fascell
Atkins	Coelho	Fazio
AuCoin	Collins	Feighan
Bates	Conte	Fish
Bedell	Cooper	Florio
Beilenson	Coughlin	Foglietta
Bennett	Coyne	Foley
Berman	Daschle	Ford (MI)
Biaggi	de la Garza	Frank
Bilirakis	Dellums	Frost
Boehlert	Derrick	Gallo
Boggs	Dicks	Garcia
Boland	Dingell	Gaydos
Boner (TN)	Dixon	Gejdenson
Bonior (MI)	Donnelly	Gekas
Bonker	Dorgan (ND)	Gephardt
Borski	Dowdy	Gibbons
Bosco	Downey	Gilman
Boxer	Durbin	Glickman
Brooks	Dwyer	Gonzalez
Bruce	Dymally	Goodling

Gordon	McCloskey	Scheuer
Gradison	McCurdy	Schroeder
Gray (IL)	McDade	Schuette
Gray (PA)	McGrath	Schumer
Guarini	McHugh	Seiberling
Gunderson	McKinney	Sensenbrenner
Hall (OH)	Meyers	Sharp
Hamilton	Mikulski	Sikorski
Hawkins	Miller (CA)	Skelton
Hayes	Mineta	Slattery
Hefner	Mitchell	Smith (FL)
Hendon	Moakley	Smith (IA)
Henry	Mollohan	Smith (NJ)
Hertel	Moody	Smith, Denny (OR)
Horton	Morrison (CT)	Snowe
Hoyer	Mrazek	Solarz
Hubbard	Murphy	St Germain
Huckaby	Murtha	Staggers
Hughes	Natcher	Stallings
Jacobs	Neal	Stangeland
Jeffords	Nelson	Stark
Jones (NC)	Nielson	Stokes
Jones (OK)	Nowak	Studds
Jones (TN)	Oakar	Swift
Kanjorski	Oberstar	Synar
Kaptur	Obey	Tallon
Kastenmeier	Ortiz	Tauzin
Kennelly	Owens	Torres
Kildee	Panetta	Torricelli
Kolter	Pease	Traficant
Kostmayer	Penny	Traxler
LaFalce	Perkins	Udall
Lantos	Pickle	Valentine
Latta	Porter	Vento
Leach (IA)	Price	Visclosky
Leath (TX)	Pursell	Volkmer
Lehman (CA)	Rahall	Waldon
Lehman (FL)	Rangel	Watkins
Leland	Reid	Waxman
Lent	Richardson	Weaver
Levin (MI)	Ridge	Weber
Levine (CA)	Rinaldo	Weiss
Lewis (FL)	Roberts	Wheat
Lipinski	Robinson	Whitley
Lloyd	Rodino	Whittaker
Lowry (WA)	Roe	Whitten
Luken	Roemer	Williams
MacKay	Rose	Wirth
Markey	Rostenkowski	Wise
Marlenee	Roth	Wolpe
Martinez	Roukema	Wright
Matsui	Roybal	Wyden
Mavroules	Russo	Wylie
Mazzoli	Sabo	Yates
McCain	Savage	Yatron
McCandless	Saxton	

NOT VOTING—23

Anderson	Dyson	Lundine
Barnes	Edgar	Manton
Breaux	Ford (TN)	Moore
Brown (CA)	Fowler	Pepper
Campbell	Grotberg	Siljander
Clay	Hillis	Towns
Conyers	Howard	Walgren
Crockett	Long	

□ 2000

The Clerk announced the following pairs:

On this vote:

Mr. Siljander for, with Mr. Towns against.

Mr. Campbell for, with Mr. Pepper against.

Messrs. GOODLING, GEKAS, and SMITH of New Jersey changed their votes from "aye" to "no."

Mr. YOUNG of Missouri, Mr. McKERNAN, and Mrs. HOLT changed their votes from "no" to "aye."

So the amendment to the amendment, as amended, was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. LEVINE OF CALIFORNIA TO THE AMENDMENT OFFERED BY MR. MAVROULES, AS AMENDED

Mr. LEVINE of California. Mr. Chairman, I offer an amendment to the amendment, as amended.

The CHAIRMAN pro tempore. Is the amendment printed in the supplemental report?

Mr. LEVINE of California. It is amendment No. 10, Mr. Chairman.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. LEVINE of California to the amendment offered by Mr. MAVROULES, as amended:

In section 935(b) of the matter proposed to be inserted by the amendment, strike out "full-scale engineering development" and insert in lieu thereof "the advanced development stage".

The CHAIRMAN pro tempore. Pursuant to House Resolution 523, the gentleman from California [Mr. LEVINE] will be recognized for 10 minutes, and any Member opposed to the amendment will be recognized for 10 minutes.

The Chair recognizes the gentleman from California [Mr. LEVINE].

Mr. LEVINE of California. Mr. Chairman, this is a technical amendment. It simply makes a semantic change in the language of the bill. There is no opposition to it. It inserts the language, "the advanced development stage," for the language, "full-scale engineering development," at the request of the committee staff.

Mr. MAVROULES. Mr. Chairman, will the gentleman yield?

Mr. LEVINE of California. I yield to the gentleman from Massachusetts.

Mr. MAVROULES. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, it is indeed only a technical amendment. It has been recommended by the staff of the Committee on Armed Services, and we certainly approve of it and we accept it.

Mr. COURTER. Mr. Chairman, will the gentleman yield?

Mr. LEVINE of California. I yield to the gentleman from New Jersey.

Mr. COURTER. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I just want to simply say that I think it is an improvement. It is a good amendment and we support it.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from California [Mr. LEVINE] to the amendment offered by the gentleman from Massachusetts [Mr. MAVROULES], as amended.

The amendment to the amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. TRAFICANT TO THE AMENDMENT OFFERED BY MR. COURTER AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. MAVROULES, AS AMENDED

Mr. TRAFICANT. Mr. Chairman, I offer an amendment to the amendment offered as a substitute to the amendment, as amended.

The CHAIRMAN pro tempore. Is the amendment printed in the supplemental report?

Mr. TRAFICANT. Mr. Chairman, yes it is. It is No. 34.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. TRAFICANT to the amendment offered by Mr. COURTER as a substitute for the amendment offered by Mr. MAVROULES as amended: At the end of the matter proposed to be inserted by the substitute at the end of title IX of division A, insert the following:

SEC. 935. PRIORITY FOR DOMESTIC FIRMS WITH RESPECT TO DEFENSE CONTRACTS.

(a) ESTABLISHMENT OF PRIORITY.—

(1) IN GENERAL.—Chapter 141 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2408. Contracts: priority for domestic firms

"(a) IN GENERAL.—The Secretary concerned shall award a contract to a domestic firm that, under the use of competitive procedures, would be awarded to a foreign firm if—

"(1) when completely assembled, not less than 50 percent of the final product of the domestic firm would be domestically produced:

"(2) the difference between the bids submitted by the foreign and domestic firms is not more than five percent; and

"(3) the domestic firm is located in a Labor Surplus Area (as defined and identified by the Department of Labor).

"(b) WAIVER.—This section does not apply to the extent to which the Secretary of Defense determines that—

"(1) such application would not be in the public interest; or

"(2) compelling national security considerations require otherwise.

"(c) COMPUTATION OF COST DIFFERENTIAL.—In computing the cost differential under subsection (a)(2), the Secretary of Defense shall not include costs involved in the final assembly of the product.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

(b) EFFECTIVE DATE.—Section 2408 of title 10, United States Code (as added by subsection (a)), shall apply to contracts for which solicitations for bids are issued after the dateed of the enactment of this Act.

Mr. TRAFICANT. Mr. Chairman, I ask unanimous consent that on page 2, subsection (3), lines 1 through 3, and on page 2, section (c), lines 10 through 13 be deleted.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The text of the amendment, as modified, is as follows:

Amendment offered by Mr. TRAFICANT to the amendment offered by Mr. MAVROULES, as amended: At the end of the matter proposed to be inserted by the substitute at the end of title IX of division A, insert the following:

SEC. 935. PRIORITY FOR DOMESTIC FIRMS WITH RESPECT TO DEFENSE CONTRACTS.

(a) ESTABLISHMENT OF PRIORITY.—

(1) IN GENERAL.—Chapter 141 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2408. Contracts: priority for domestic firms

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"(1) when completely assembled, not less than 50 percent of the final product of the domestic firm would be domestically produced; and

"(2) the difference between the bids submitted by the foreign and domestic firms is not more than five percent.

"(b) WAIVER.—This section does not apply to the extent to which the Secretary of Defense determines that—

"(1) such application would not be in the public interest; or

"(2) compelling national security considerations require otherwise.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

(b) EFFECTIVE DATE.—Section 2408 of title 10, United States Code (as added by subsection (a)), shall apply to contracts for which solicitations for bids are issued after the date of the enactment of this Act.

The CHAIRMAN pro tempore. The gentleman from Ohio [Mr. TRAFICANT] is recognized for 10 minutes.

Mr. TRAFICANT. Mr. Chairman, I expect to have opposition to the amendment because it does deal with attempting to give an opportunity to American firms in the bidding and procurement practices of the military and defense industry.

Mr. Chairman, the amendment speaks to the fact that in 1985 in the President's own words, there was $165 billion spent on military and defense procurement in this country. My amendment would strictly and simply state as follows, that if the items so produced are assembled in America with at least 50 percent domestic content, that it be weighted with a 5-percent advantage over any foreign firm so bidding on the same product or the same item.

Everybody is talking about the fact that these particular types of amendments may drive up the cost for these military items. I would like to differ with that and, in fact, make exception to that point, because I do not believe we have factored in unemployment costs to both the Federal Government and the States. We have not looked at the tremendous increase in the escalation in welfare, food stamps, subsidized housing and other foreclosure actions on individual homes as a result of our unemployment.

It is a well-known fact that our foreign competitors have much lower labor costs. The point that I am making is that if there is a 5-percent differential it would mean this. If the foreign firm's prices or costs are within 5 percent of the domestic firm's bid, then the domestic firm's bid should be and shall be awarded in the process.

Since 1981 it has been stated that we have doubled our defense budget. In 1985, we had $165 billion alone in defense procurement in this country. At the same time since 1981, unemployment in many areas of this country in basic industries have dropped.

My contention is very simply that without steel and without our manufacturing industries, if we continue to let this trend escalate, we will further denigrate the opportunities of America in our defense capabilities.

This is not a socioeconomic amendment. This is a defense amendment that speaks to a strong national defense.

I think more specifically if American firms are having to compete in the marketplace against outside bidders for American taxpayers' dollars, we should weigh them on that basis. The exemptions that are listed here, this has nothing to do with the labor surplus area or the may-bank provisions.

Second of all, it does weigh in the assembly labor-cost factors in this country. So specifically, it would give a 5-percent advantage to American firms, hopefully, to try to keep the American taxpayers' dollars in the defense procurement area into America and into American firms.

I expect opposition. It seems that when you talk about buying American or keeping taxpayers' dollars in America, there is a term known as "protectionist" talk. I would like to talk about that just briefly.

The word "protection" has become known supposedly as a dirty word here in the Congress. I would like to say, if your country is under attack, you should protect it.

□ 2010

This is not a strict protectionist measure, but it does give a weighted advantage to the American firms. I believe we should do that. We should take care of American steel which is almost gone now. The recent LTV actions speak for that. God forbid, if we had a problem, how would we defend ourselves? With styrofoam?

Mr. MAVROULES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am very sincere about this. I very reluctantly stand in opposition to the amendment offered by my colleague from Ohio. Last week, during debate on a similar issue aside from the Defense Department, I stayed on the floor for the better part of 35 or 40 minutes and I listened to the gentleman put forth his argument which I think indeed has some merit to it.

As a matter of fact, the gentleman had convinced me on the floor that he was correct and I voted for him. One of among probably 140 people who supported that amendment.

Mr. Chairman, we are talking about a defense bill for our country and our national security. As much as I want to sympathize with my colleague who offered the amendment, and, by the way, it does make sense. I am reluctant to do that because I do not know enough about the amendment. I would like to be given the opportunity, as the chairman of that committee, and I am sure my colleague, Mr. COURTER, would agree, to have real indepth study of this particular problem.

While I can understand the problems in Ohio, let me assure you I can relate to those because we had similar problems in the Northeast corner, and I do not believe that we ought to be parochial to a point that we do not care for our fellow people in Ohio.

With that in mind, Mr. Chairman, it deserves a hearing, because this is part of a defense bill. I would give my word to the gentleman from Ohio, although we do not accept it, that we would give him indepth hearings and I would hope that he would accept that.

Mr. COURTER. Mr. Chairman, will the gentleman yield?

Mr. MAVROULES. I yield to the gentleman from New Jersey.

Mr. COURTER. I thank the gentleman for yielding.

Mr. Chairman, I certainly understand the intent of the author's amendment. I, as well, sympathize with the goal of increasing employment this way in the United States. But this amendment I think is bad for two reasons that were not mentioned by the gentleman from Massachusetts. The fact that we have not studied it properly in committee is one. But there are two others.

No. 1, it would be in violation of our general agreement on tariff and trade, and No. 2, and most importantly, this is a defense bill. We have certain obligations, certain commitments, certain understandings and treaties with our NATO allies.

Those agreements that we have with respect to NATO equipment and military hardware, when it comes to our NATO allies it is as if, for example, that equipment is built in the United States for that which we use of theirs, and for that which they use of ours. It is treated as if it was built in those host countries. That agreement is entirely across the board with our NATO allies; with Egypt, with Canada, and with Israel. If we now unilaterally attach this type of preference it will do away with those negotiations and the practice with our NATO allies

with Israel, Canada and Egypt. As such, it would make it very difficult to continue the smooth operation of NATO.

Once again, I regrettably oppose the gentleman's amendment; it is not a happy thing to do, but in view of the fact that this has massive NATO implications and implications with Israel and Canada, our closest neighbor, I would have to object to it.

Mr. TRAFICANT. Mr. Chairman, before I yield, I would just like to say this has ramifications to America and Americans as well. Perhaps that is an issue we can look at.

Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. GAYDOS].

Mr. GAYDOS. I thank the gentleman for yielding me this time.

Mr. Chairman, I want to thank the sponsor of the amendment. I want to appeal to the logic of this House.

The committee might be more than justified in saying we are going to study it again. This happens repeatedly. Now, being an active member of the Steel Caucus, we have been frustrated time after time because our committees do not respond sensitively to us. We ask; they refuse.

Here we have the old arguments over here; we have got to study. We have been around here long enough to know what a study means. I do not question the sincerity of the chairman but I am just going back again to look at the repetitive type of actions upon our committee. If we want our committee system to work we are going to have to be more sensitive to the needs of the country.

Now look at the reason here. Five-percent weighted advantage. That is not an unreasonable approach to the subject matter. I can give you and cite situation after situation, internationally, where our so-called foreign trading partners, and that is a misnomer, because some of our trading partners are trading enemies. Some of them as a matter of national policy do this and do a lot more than this. This is a very trivial type of amendment.

It would be high in principle, though, if we would pass this amendment to show the American people we are sensitive to the problem and we have a massive international problem.

Where is the better place to go to attack the problem than in this defense authorization, in this bill. This is the place to do it, here where it is sensitive to us. I do not want to go into all the ramifications of whether or not we had enough steel to supply tanks for Israel at the time and how we had to strip our National Guard. I can go on and on. All I know is that fundamentally this is a sound amendment, I think it is a reasonable amendment, and I think the committee should be more sensitive and at least give the maker of the amendment the recognition that it does have merit and not foist it off on the side as far as the study is concerned.

Mr. MAVROULES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the word "sensitivity" has been used here this evening. Let me assure my colleagues that we are all sensitive to the problems in Ohio and Pennsylvania, but if we are going to begin to start driving these kinds of funds to a particular area, before you know it, this country is going to be in very, very deep trouble. Let me remind my colleagues that the very first amendment offered here this afternoon was offered by Mr. OBERSTAR and accepted by the committee, which addresses part of this problem.

We have 13 percent unemployment in Oklahoma. In Texas, with their problem, they have 10 percent unemployment. I can talk and I certainly do not talk with a chip on my shoulder, but up in New England we are running around 4 percent unemployment. But at one time we were up to 15 percent and I am sensitive to this issue.

The only point I want to make is you are dealing with the national security of our country. There is a difference; it is not a farm bill; it is not a labor bill; it is not an education bill. This is the national security of our country.

I am asking the maker of the amendment, and certainly I am very sensitive to the problem, to give me the opportunity to study it very deeply and come back with a very objective view. That is where I am coming from and I hope that others can appreciate that.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. MAVROULES. I yield to the gentleman from Ohio.

Mr. TRAFICANT. The only thing I would say is that my area had unemployment in excess of 26 percent which was higher than the Great Depression in the early eighties, and this particular amendment does not deal with Ohio and Pennsylvania alone, it deals with the whole country and every bidder within this country who would be bidding on defense work.

Mr. KINDNESS. Mr. Chairman, will the gentleman yield?

Mr. MAVROULES. I yield to the gentleman from Ohio.

Mr. KINDNESS. Mr. Chairman, I appreciate the expressions of the gentleman, the chairman of the subcommittee, as to the need for study, but this is a very moderate approach to providing just a 5-percent differential which we do in many other respects in our laws providing advantage.

□ 2020

We have to deal with that in competition in the world as well, as has been pointed out. I really think that if there are any problems that are deeply associated with the amendment, this is the time for the House to express itself on it and that can be worked out in conference; but I support the amendment of the gentleman, and hope our colleagues will support it as well.

Mr. TRAFICANT. Mr. Chairman, I yield 1 minute to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Chairman, I rise in support of the amendment.

I would like to say to my distinguished colleague, the gentleman from Massachusetts, that the gentleman has offered the second-best thing to do. We ought to study, we ought to have hearings on this issue, but I rise in support because it is a national security issue. We are using varieties of foreign products now for our own national security.

The Defense Department and the Commerce Department put out a report some months ago and said that we could import all these nuts, bolts, and screws that go into our planes and tanks and so forth. We could import them from Japan and Taiwan and West Germany and it would not be a threat to our national security.

So I wanted to see if they were accurate and I asked for a GAO report to see about the accuracy of what I thought was a very hyperbolized recommendation, and lo and behold, what do you think the administration did? They classified my GAO report on whether or not importing of these products would be a threat to our national security.

I say to this body that we ought to have a protest vote against that kind of tactic and others and we should vote for the amendment of the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, I yield myself the remainder of my time.

Mr. Chairman, I would just like to say in closing that there was a time in this House when New York needed some help, and we helped New York. There was a time in this House when Kentucky needed some help and the South needed some help, and we came to the aid of the South. There was a time in this House when Lockheed was in trouble and Congress came to the help of Lockheed. There was a time in this House when Chrysler came before us and we gave our hand out in support to Chrysler.

All I am asking you to do is give any American firm an opportunity. With the greater standard-of-living factor that we have, we should not roll it back to that of Korea or Taiwan. We should give a 5-percent weighted advantage to American firms if it is made in America by American hands with at least 50-percent domestic content.

This is not my district. I do not have that much defense. We have been overlooked all the way, but maybe

there will be some ancillary business that will come up in your districts that will give your people an edge and keep your people working, because the cancer that is in my district will be in your district.

I am asking for your help on this. I believe it is a modest amendment.

I appreciate those who have stood up and tried to support that amendment.

I would like to just close out and say there is no other chairman in this House that I have any more respect for and I do not mean to demean the gentleman by pushing forward and asking for a vote.

Mr. MAVROULES. Mr. Chairman, I yield myself the remainder of my time.

Mr. Chairman, I just want to say in closing, I do not think there are others who will be opposing this, that I, too, have the greatest respect for the gentleman from Ohio [Mr. TRAFICANT]. If he did not push as he did this evening, I would have less respect for him. He is that kind of a gentleman and I want him to know that.

Mr. Chairman, I have no other requests for time and yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT], as modified, to the amendment offered by the gentleman from Massachusetts [Mr. MAVROULES], as amended.

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. COURTER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 241, noes 163, not voting 27, as follows:

[Roll No. 283]

AYES—241

Ackerman	Clinger	Evans (IL)
Akaka	Coats	Feighan
Alexander	Cobey	Fish
Anderson	Coble	Flippo
Andrews	Coelho	Florio
Annunzio	Coleman (TX)	Foglietta
Applegate	Collins	Ford (MI)
Bates	Conte	Franklin
Bedell	Coughlin	Frost
Bennett	Coyne	Garcia
Bentley	Craig	Gaydos
Bevill	Daniel	Gejdenson
Biaggi	Daschle	Gekas
Boehlert	Davis	Gephardt
Boland	de la Garza	Gilman
Boner (TN)	Derrick	Gonzalez
Bonior (MI)	Dingell	Goodling
Borski	DioGuardi	Gordon
Boucher	Dixon	Gray (IL)
Boxer	Donnelly	Gray (PA)
Brooks	Dorgan (ND)	Gunderson
Bruce	Dowdy	Hall (OH)
Bryant	Duncan	Hall, Ralph
Burton (CA)	Durbin	Hamilton
Bustamante	Dymally	Hawkins
Callahan	Eckart (OH)	Hayes
Carper	Edwards (CA)	Hefner
Carr	Emerson	Hendon
Chapman	Erdreich	Henry
Hertel	Morrison (WA)	Sensenbrenner
Hopkins	Mrazek	Sharp
Horton	Murphy	Shelby
Hubbard	Murtha	Shuster
Huckaby	Myers	Sikorski
Hughes	Natcher	Smith (FL)
Hunter	Neal	Smith (IA)
Jacobs	Nelson	Smith (NJ)
Jeffords	Nichols	Smith, Denny (OR)
Jenkins	Nowak	
Johnson	Oakar	Smith, Robert (OR)
Jones (NC)	Oberstar	
Jones (TN)	Obey	Snowe
Kanjorski	Olin	Solomon
Kaptur	Ortiz	Spence
Kasich	Owens	Spratt
Kennelly	Parris	St Germain
Kildee	Pashayan	Staggers
Kindness	Pease	Stallings
Kleczka	Penny	Stokes
Kolter	Perkins	Stratton
Kostmayer	Pickle	Tallon
Lantos	Price	Tauke
Latta	Pursell	Tauzin
Leath (TX)	Quillen	Torres
Lehman (CA)	Rahall	Torricelli
Leland	Rangel	Traficant
Lent	Regula	Traxler
Levin (MI)	Reid	Valentine
Lightfoot	Richardson	Vander Jagt
Lipinski	Ridge	Vento
Lloyd	Rinaldo	Visclosky
Lujan	Ritter	Volkmer
Luken	Robinson	Waldon
Madigan	Rodino	Walgren
Martin (IL)	Roe	Walker
Martinez	Roemer	Watkins
Mazzoli	Rogers	Weaver
McCloskey	Rose	Wheat
McDade	Rostenkowski	Whitley
McEwen	Roth	Whittaker
McKernan	Roukema	Whitten
McKinney	Rowland (CT)	Williams
McMillan	Russo	Wirth
Mikulski	Sabo	Wise
Miller (CA)	Savage	Wolpe
Miller (OH)	Schaefer	Wortley
Mitchell	Scheuer	Wright
Moakley	Schneider	Wylie
Mollohan	Schuette	Yatron
Moody	Schulze	Young (AK)
Morrison (CT)	Seiberling	Young (MO)

NOES—163

Anthony	Dreier	Levine (CA)
Archer	Early	Lewis (CA)
Armey	Eckert (NY)	Lewis (FL)
Aspin	Edwards (OK)	Livingston
Atkins	English	Loeffler
AuCoin	Evans (IA)	Lott
Badham	Fascell	Lowery (CA)
Barnard	Fawell	Lowry (WA)
Bartlett	Fazio	Lungren
Barton	Fiedler	Mack
Bateman	Fields	MacKay
Bellenson	Foley	Markey
Bereuter	Frank	Marlenee
Billirakis	Frenzel	Martin (NY)
Bliley	Fuqua	Matsui
Bonker	Gallo	Mavroules
Boulter	Gibbons	McCain
Broomfield	Gingrich	McCandless
Brown (CO)	Glickman	McCollum
Burton (IN)	Gradison	McCurdy
Byron	Green	McGrath
Carney	Gregg	McHugh
Chandler	Guarini	Meyers
Chappell	Hammerschmidt	Mica
Chappie	Hansen	Michel
Cheney	Hartnett	Miller (WA)
Coleman (MO)	Hatcher	Mineta
Combest	Hiler	Molinari
Cooper	Holt	Monson
Courter	Hoyer	Montgomery
Crane	Hutto	Moorhead
Dannemeyer	Hyde	Nielson
Darden	Jones (OK)	Oxley
Daub	Kastenmeier	Packard
DeLay	Kemp	Panetta
Dellums	Kolbe	Petri
DeWine	Kramer	Porter
Dickinson	LaFalce	Ray
Dicks	Lagomarsino	Roberts
Dornan (CA)	Leach (IA)	Rowland (GA)
Downey	Lehman (FL)	Roybal
Rudd	Snyder	Thomas (CA)
Saxton	Solarz	Thomas (GA)
Schroeder	Stangeland	Udall
Schumer	Stark	Vucanovich
Shaw	Stenholm	Weber
Shumway	Strang	Weiss
Sisisky	Studds	Whitehurst
Skeen	Stump	Wilson
Skelton	Sundquist	Wolf
Slattery	Sweeney	Wyden
Slaughter	Swift	Yates
Smith (NE)	Swindall	Young (FL)
Smith, Robert (NH)	Synar	Zschau
	Taylor	

NOT VOTING—27

Barnes	Crockett	Ireland
Berman	Dwyer	Long
Boggs	Dyson	Lundine
Bosco	Edgar	Manton
Breaux	Ford (TN)	Moore
Brown (CA)	Fowler	Pepper
Campbell	Grotberg	Siljander
Clay	Hillis	Towns
Conyers	Howard	Waxman

□ 2045

Mr. CRANE, Mrs. BYRON, Mr. STARK, and Mr. LEWIS of Florida changed their votes from "aye" to "no."

Messrs. WHITTAKER, VOLKMER, FOGLIETTA, ROWLAND of Connecticut, FRANKLIN, and COBEY changed their votes from "no" to "aye."

So the amendment, as modified, to the amendment as amended was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). The Chair would like to make a statement.

Regarding on the last amendment, the gentleman from Ohio [Mr. TRAFICANT] has two identical amendments pending at the desk and in the report of the Committee on Rules, one to the amendment offered by the gentleman from Massachusetts [Mr. MAVROULES] and another to the amendment offered as a substitute by the gentleman from New Jersey [Mr. COURTER].

The amendment offered was the amendment to the amendment by the gentleman from Massachusetts [Mr. MAVROULES] but the Clerk read the amendment to the substitute offered by the gentleman from New Jersey [Mr. COURTER]. When the Chair put the question, he put the question as an amendment to the amendment offered by the gentleman from Massachusetts [Mr. MAVROULES] and that was adopted.

The only purpose of this announcement is to give the gentleman from Ohio the opportunity of offering an amendment, if he would like it attached to the substitute of the gentleman from New Jersey [Mr. COURTER]. Would the gentleman from Ohio [Mr. TRAFICANT] like the amendment to lie to the amendment of the gentleman from New Jersey [Mr. COURTER] as well?

Mr. TRAFICANT. Mr. Chairman, I ask unanimous consent that, in fact, the amendment be placed in the

RECORD as being placed to the Mavroules amendment and also to the Courter substitute.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. COURTER. Mr. Chairman, reserving the right to object, I reserve the right to object so that the gentleman from Ohio would respond to just one simple question. I recognize the fact that the Members would vote identically if we had a new vote. I want to make sure that the amendment is, in fact, the identical amendment.

Mr. TRAFICANT. It is, Mr. Chairman.

Mr. COURTER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. The Chair would state that the current amendment is identical to the earlier one, with the same modification that the gentleman from Ohio propounded, and which was granted, to modify the earlier amendment.

Mr. COURTER. Mr. Chairman, I understand, and I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman form Ohio?

There was no objection.

The text of the amendment, as modified, is as follows:

Amendment offered by Mr. TRAFICANT to the amendment offered by Mr. COURTER offered as a substitute for the amendment offered by Mr. MAVROULES, as amended: At the end of the matter proposed to be inserted by the substitute at the end of title IX of division A, insert the following:

SEC. 935. PRIORITY FOR DOMESTIC FIRMS WITH RESPECT TO DEFENSE CONTRACTS.

(a) ESTABLISHMENT OF PRIORITY.—

(1) IN GENERAL.— Chapter 141 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2408. Contracts: priority for domestic firms

"(a) IN GENERAL.—The Secretary concerned shall award a contract to a domestic firm that, under the use of competitive procedures, would be awarded to a foreign firm if—

"(1) when completely assembled, not less than 50 percent of the final product of the domestic firm would be domestically produced;

"(2) the difference between the bids submitted by the foreign and domestic firms is not more than five percent; and

"(b) WAIVER.—This section does not apply to the extent to which the Secretary of Defense determines that—

"(1) such application would not be in the public interest; of

"(2) compelling national security considerations require otherwise.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

(b) EFFECTIVE DATE.—Section 2408 of title 10, United States Code (as added by subsection (a)), shall apply to contracts for which solicitations for bids are issued after the date of the enactment of this Act.

AMENDMENT OFFERED BY MRS. BOXER TO THE AMENDMENT OFFERED BY MR. MAVROULES, AS AMENDED

Mrs. BOXER. Mr. Chairman, I offer an amendment to the amendment, as amended.

The CHAIRMAN pro tempore. Has the amendment been printed in the report?

Mrs. BOXER. Yes, it has, Mr. Chairman.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mrs. BOXER to the amendment offered by Mr. MAVROULES, as amended: In paragraph (a)(1) of section 2326 of title 10, United States Code, as proposed to be added by section 936 of the matter inserted by the amendment, strike out "costs reasonably attributable" and all that follows in that paragraph and insert in lieu thereof "reasonable costs attributable to search and duplication.".

At the end of paragraph (a)(2) of such section, insert the following new sentence: "The fees established in such schedule may not exceed comparable fees established under section 9701 of title 31.".

The CHAIRMAN pro tempore. Pursuant to House Resolution 523, the gentlewoman from California [Mrs. BOXER] will be recognized for 10 minutes, and a Member opposed may be recognized for 10 minutes.

The Chair recognizes the gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. Mr. Chairman, I will not take anything like 10 minutes. I will only take a minute or two to explain this amendment.

My amendment sets ceilings on the cost the Government can charge data brokers for Government information.

While I agree with the gentleman from New Jersey [Mr. COURTER] that there may be abuses by certain data brokers who request large quantities of data under the Freedom of Information Act, on the whole, data brokers perform a useful service. I believe data brokers should be charged a fair and reasonable price for the blueprints and technical information they are now getting under the Freedom of Information Act.

The problem I have with the Courter amendment is that as written it would allow the Government to set fees so high they could put data brokers out of business. This would mean hundreds of small businesses who depend on them would be unable to bid on Government contracts. This would defeat the clear intent of Congress to increase, not reduce, competition in spare parts.

Mr. Chairman, I have discussed this amendment with the gentleman from New Jersey [Mr. COURTER]. I am very hopeful, indeed confident, that he will accept it.

Mr. COURTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to say that after we are given an opportunity to clarify the situation this evening that I am going to withdraw my objection to the amendment. As a matter of fact, I know it is late, and I know we have spent a great deal of time on defense acquisition and procurement reform, but I am going to end up accepting the gentlewoman's modification of my original amendment, which I agree with. It is important, I think, to reduce the paperwork, to recover those costs for requests.

I wanted to object to give myself just a few minutes of debate time, and we are going to finish this bill within 10 minutes, so if we could have everybody's attention.

Mr. Chairman, I yield 1 minute to the gentleman from Virginia [Mr. DANIEL].

Mr. DANIEL. Mr. Chairman, I would like to speak today to a procurement reform issue which the House will be asked to vote on shortly. In reporting the 1987 Defense authorization bill the Armed Services Committee voted to repeal the work measurement provision enacted last year by Congress, that is, section 917 of the 1986 Defense Department Authorization Act. This provision requires defense contractors to gather volumes of new data on their manufacturing and labor costs. This requirement was approved last year without benefit of any hearings on the subject or close examination of the practical effects of the law. Since then, it has become an issue lost in emotionalism.

Prior to coming to Congress, I spent 30 years with a major manufacturer, and for 20 of those years gained considerable experience with time and motion studies, industrial engineering, and productivity standards. For most of that score of years the corporation attempted to fine-tune procedures and processes in this area, as it sought to develop a moderately reliable system for the measurement of work. They succeeded somewhat, but at no time was it ever declared that the system was adequate—and this in a manufacturing operation which is simple and fairly straightforward.

But there are significant differences between textile manufacturing, with which I am familiar, and defense work. Rates of production and quantities vary; the processes themselves, which involve detailed specifications and minimum tolerances cannot be compared with any commercial application.

Because of the controversy surrounding work measurement, we held a full day of hearings on this specific issue allowing all parties to participate. In those hearings it became very clear that this matter is so complicated that neither the sponsors of section 917, industry or the Defense Department can agree on a single meaning of the language we now have in law.

The cost of section 917 in terms of manhours and administration to measure performance and gather the new data required may well exceed the value of the components being measured.

I urge my colleagues to support the committee position on this issue and vote against efforts to keep section 917 as we now know it. Business will hire as many industrial engineers, lawyers, and contract administrators as we require, but in the end the taxpayer will ultimately pay for the accumulation of data which will be meaningless and not in the least helpful in reducing costs.

□ 2055

Mr. COURTER. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, if I could just trace for a second the history, everybody today has been complimenting our chairman, NICK MAVROULES, in the package that he has been able to put together.

That is essentially what we have in the bipartisan substitute, the package that NICK MAVROULES was able to put together along with Republicans, Democrats, working together to come up with reforms that make sense, that include CHARLIE BENNETT's revolving door; an end to the inflation slush fund that the Pentagon has been able to have, it accounts for the inflation problems; the creation of an acquisitions czar; baselining legislation that gives Congress a total view with the cost and performance of major weapons systems; whistle blower protection; a variety of things.

What do we not do? We have not adopted in our substitute very few of the contentious provisions that we, in this Mavroules committee, were not able to resolve, including provisions that add volumes of paperwork and volumes of cost to be borne by the American taxpayer.

Now, JIM COURTER himself, in an area that involved, it has been a source of debate tonight, has moved 180 degrees from his original position to give the House an opportunity to vote on a work measurement that makes sense. It holds industry accountable; they do not like the Courter amendment; it holds them accountable, but holds them accountable in such a way as to not drive up the cost of this area for the taxpayers of this country.

I think what we have here is something we can all be proud of, and I would ask Republicans and Democrats alike to support the bipartisan substitute, sponsored and cosponsored by some of the people in this House who have been involved in procurement reform from day one.

I appreciate the House's attention.

Mr. COURTER. Mr. Chairman, this is really the end of a very long discussion about the procurement and acquisition reform. I think the gentleman from Ohio summed it up pretty well.

This whole idea started last year when this body came through with amendment after amendment to change the acquisition modus operandi in the Department of Defense.

This year the special panel of the gentleman from Massachusetts, NICK MAVROULES, I as the ranking Republican on that panel, crafted a bipartisan package which was accepted en bloc in the committee. Therefore, the defense bill that we are debating today, tomorrow, through Friday and into next week contains those reforms; those reforms being debated and accepted by both Republicans and Democrats.

Now along comes a group of additional measures and proposals, 85 to 90 percent of which this gentleman has no problem with; 85 or 90 percent of which the gentleman from New York, Mr. STRATTON; the gentleman from Alabama, Mr. NICHOLS; the gentleman from Virginia, DAN DANIEL; the gentleman from Georgia, BUDDY DARDEN; the gentleman from Alabama, BILL DICKINSON; the gentlewoman from Maryland, MARJORIE HOLT; the gentleman from Ohio, JOHN KASICH; and the gentleman from Virginia, JOHN BATEMAN, have no problem with.

Basically, very soon we will be voting on the bipartisan alternative, and I would expect and hope a yes vote.

If you are in favor of CHARLIE BENNETT's revolving door, it is in my substitute. If you are in favor of rational work measurement without the additional cost, according to some advocates, $250 million of paperwork; work measurement is in my substitute. If you want to make sure that there is a cap of undefinitized contracts at 10 percent, with penalties if they go above that, it is in my substitute. If you are in favor of strong whistle blower provisions inside, those people who work for the Department of Defense and the civil agencies, it is in our substitute. If you want to take away the slush fund that is in the Department of Defense by way of inflation, it is in our substitute.

If you are against additional paperwork, if you are against putting a person in jeopardy and possibly incarcerating them, if they certified to something that they've never seen, then please vote in favor of this bipartisan substitute.

We have debated it all day, I think it is a proper compromise, I urge your support. I thank the ladies and gentlemen of the body.

Mr. Chairman, I yield back the balance of my time.

Mrs. BOXER. Mr. Chairman, I yield myself as much time as I may consume.

Mr. Chairman, we have come to the end of a very long debate. I think it has been a good one. We are about to vote, and I would ask my colleagues who care about procurement reform—and I think it is the vast majority—to vote "no" on the Courter substitute so that the Mavroules omnibus bill will pass.

The Courter substitute weakens should-cost and it weakens other procurement reforms. My colleagues, our should-cost law that you passed resoundingly is a sunshine law. It mandates visibility of contractor information they already keep.

Let us examine the past 9 months to see if anything has transpired to encourage us to weaken should-cost as Mr. COURTER does.

First, the Justice Department is suing TRW for $1.2 billion for overcharging. Former employees have charged the company has been keeping a double set of books.

Second, Litton has pleaded guilty to 321 counts of fraud, for overbilling the Pentagon by $6.3 million.

Third, over the weekend, we learned that McDonnell Douglas has given the Pentagon misleading information about its weapons cost, resulting in more than $130 million in overcharges.

The Government Operations Committee found a pattern of similar offenses among other contractors which cost the Government $1.3 billion in 1984.

Finally, 9 out of 10 top defense contractors are under investigation for similar violations. This is not the time to weaken procurement reform, this is not the time to weaken should-cost. It would be the worst signal to send.

Now I am very tired of hearing about how much should-cost is going to cost us. Let us look at the figures. We have heard bandied about $250 million. How did we get to that number, ladies and gentlemen? I am about to share the information with you.

What happened was, the defense contractors said that the law would cost $2.5 billion. Assistant Secretary of Defense James Wade decided that was not right; he divided it by 10 and came up with $250 million. He so testified before Mr. MAVROULE's panel on procurement reform.

He then said, and I am quoting from the record:

> There's a tendency to highball these numbers. I do not give them much credibility.

That is a fact, and all we know, my friends, the law is just about to be implemented. We do not know the exact costs. We do know these are figures the contractors already keep.

In conclusion, please, let us reinforce what we did last year; let us vote up the Mavroules omnibus bill, let us vote down Courter.

Mr. Chairman, I yield to my good friend and colleague, the gentleman from Massachusetts [Mr. MAVROULES].

□ 2105

Mr. MAVROULES. I thank my colleague for yielding.

Mr. Chairman, I am going to sum up the final arguments here in behalf of the Mavroules amendment that we have before you as opposed to the Courter amendment as a substitute for mine.

If I may just have a moment, Mr. Chairman, let me demonstrate what we have in my procurement package, of course with the cooperation of all the others. But before I do that, let me commend my dear friend and colleague from New Jersey who did a wonderful job and demonstrated great cooperation in bringing to the floor with me a bipartisan bill that we could be very proud of, and to all the Members who have spoken here today and have partaken of this great debate.

We have in the omnibus procurement part of it the Bennett-Boxer revolving door. We were all in agreement on that. The Boxer provision on the work measurement; let me just say a final word on that, Mr. Chairman: The fact is that the regulations did not come out until the end of March. That bill was passed last year, does not take effect until October 1 of this year. The bill has not been tried, we do not know whether it is working or not. Immediately we want to repeal it.

I think we ought to get away from that nonsense.

Therefore, I urge my colleagues to vote against the Courter substitute.

We also have the Wyden language on limitation on use of undefinitized contracts.

We have the Hertel (Michigan) Defense acquisition cost, and we have Mavroules-Aspin, a very important budgeting for defense inflation piece of legislation. Finally we get to the core of the inflation problem with defense.

We have the Sikorski amendment, the Levine amendment, the Courter release of technical data which we agreed to, the Dickinson regulatory threshold on small purchases, the Spratt technical amendments and on top of that the amendments agreed to here this afternoon.

I urge my colleagues to vote down the Courter substitute and support the omnibus amendment put forth for your consideration.

I thank you all very much, and I want to thank everybody here.

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). All time has expired.

The question is on the amendment offered by the gentlewoman from California [Mrs. BOXER] to the amendment offered by the gentleman from Massachusetts [Mr. MAVROULES], as amended.

The amendment to the amendment, as amended was agreed to.

The CHAIRMAN pro tempore. Are there any other amendments?

The question is on the amendment, as amended, offered by the gentleman from New Jersey [Mr. COURTER] as a substitute for the amendment offered by the gentleman from Massachusetts [Mr. MAVROULES], as amended.

The question was taken, and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. COURTER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 164, noes 245, not voting 22, as follows:

[Roll No. 284]

AYES—164

Archer	Hall, Ralph	Packard
Armey	Hammerschmidt	Parris
Badham	Hansen	Pashayan
Barnard	Hartnett	Petri
Bartlett	Hatcher	Porter
Barton	Hendon	Quillen
Bateman	Hiler	Ray
Bentley	Holt	Regula
Bereuter	Hopkins	Ritter
Bevill	Hunter	Roberts
Bliley	Hutto	Rogers
Boulter	Hyde	Rowland (CT)
Broomfield	Ireland	Rowland (GA)
Brown (CO)	Jenkins	Rudd
Burton (IN)	Johnson	Schaefer
Byron	Kasich	Schulze
Callahan	Kemp	Shaw
Carney	Kindness	Shumway
Chappie	Kolbe	Shuster
Cheney	Kramer	Skeen
Coats	Lagomarsino	Skelton
Cobey	Latta	Slaughter
Coble	Lent	Smith (NE)
Coleman (MO)	Lewis (CA)	Smith, Robert (NH)
Coleman (TX)	Lewis (FL)	
Combest	Lightfoot	Smith, Robert (OR)
Courter	Livingston	
Craig	Loeffler	Snyder
Crane	Lott	Solomon
Daniel	Lowery (CA)	Spence
Dannemeyer	Lujan	Spratt
Darden	Lungren	Stangeland
Daub	Mack	Strang
Davis	Madigan	Stratton
de la Garza	Marlenee	Stump
DeLay	Martin (IL)	Sundquist
DeWine	Martin (NY)	Sweeney
Dickinson	McCain	Swindall
DioGuardi	McCandless	Tauke
Dornan (CA)	McCollum	Taylor
Dreier	McEwen	Thomas (CA)
Duncan	McGrath	Thomas (GA)
Dyson	McMillan	Vander Jagt
Eckert (NY)	Michel	Vucanovich
Emerson	Miller (OH)	Walker
Evans (IA)	Miller (WA)	Whitehurst
Fawell	Monson	Whitley
Fiedler	Montgomery	Whittaker
Fields	Moorhead	Whitten
Franklin	Morrison (WA)	Wilson
Fuqua	Myers	Wolf
Gallo	Natcher	Wortley
Gekas	Nichols	Wylie
Gingrich	Nielson	Zschau
Goodling	Olin	
Gregg	Oxley	

NOES—245

Ackerman	Aspin	Biaggi
Akaka	Atkins	Bilirakis
Alexander	AuCoin	Boehlert
Anderson	Bates	Boggs
Andrews	Bedell	Boland
Annunzio	Beilenson	Boner (TN)
Anthony	Bennett	Bonior (MI)
Applegate	Berman	Bonker
Borski	Hoyer	Richardson
Boucher	Hubbard	Ridge
Boxer	Huckaby	Rinaldo
Brooks	Hughes	Robinson
Bruce	Jacobs	Rodino
Bryant	Jeffords	Roe
Burton (CA)	Jones (NC)	Roemer
Bustamante	Jones (OK)	Rose
Carper	Jones (TN)	Rostenkowski
Carr	Kanjorski	Roth
Chandler	Kaptur	Roukema
Chapman	Kastenmeier	Roybal
Chappell	Kennelly	Russo
Clinger	Kildee	Sabo
Coelho	Kleczka	Savage
Collins	Kolter	Saxton
Conte	Kostmayer	Scheuer
Cooper	LaFalce	Schneider
Coughlin	Lantos	Schroeder
Coyne	Leach (IA)	Schuette
Daschle	Leath (TX)	Schumer
Dellums	Lehman (CA)	Seiberling
Derrick	Lehman (FL)	Sensenbrenner
Dicks	Leland	Sharp
Dingell	Levin (MI)	Shelby
Dixon	Levine (CA)	Sikorski
Donnelly	Lipinski	Sisisky
Dorgan (ND)	Lloyd	Slattery
Dowdy	Lowry (WA)	Smith (FL)
Downey	Luken	Smith (IA)
Durbin	MacKay	Smith (NJ)
Dwyer	Markey	Smith, Denny (OR)
Dymally	Martinez	
Early	Matsui	Snowe
Eckart (OH)	Mavroules	Solarz
Edwards (CA)	Mazzoli	St Germain
Edwards (OK)	McCloskey	Staggers
English	McCurdy	Stallings
Erdreich	McDade	Stark
Evans (IL)	McHugh	Stenholm
Fascell	McKernan	Stokes
Fazio	McKinney	Studds
Feighan	Meyers	Swift
Fish	Mica	Synar
Flippo	Mikulski	Tallon
Florio	Miller (CA)	Tauzin
Foglietta	Mineta	Torres
Foley	Mitchell	Torricelli
Ford (MI)	Moakley	Traficant
Frank	Molinari	Traxler
Frenzel	Mollohan	Udall
Frost	Moody	Valentine
Garcia	Morrison (CT)	Vento
Gaydos	Mrazek	Visclosky
Gejdenson	Murphy	Volkmer
Gephardt	Murtha	Waldon
Gibbons	Neal	Walgren
Gilman	Nelson	Watkins
Glickman	Nowak	Waxman
Gonzalez	Oakar	Weaver
Gordon	Oberstar	Weber
Gradison	Obey	Weiss
Gray (IL)	Ortiz	Wheat
Gray (PA)	Owens	Williams
Green	Panetta	Wirth
Guarini	Pease	Wise
Gunderson	Penny	Wolpe
Hall (OH)	Perkins	Wright
Hamilton	Pickle	Wyden
Hawkins	Price	Yates
Hayes	Pursell	Yatron
Hefner	Rahall	Young (AK)
Henry	Rangel	Young (FL)
Horton	Reid	Young (MO)

NOT VOTING—22

Barnes	Edgar	Lundine
Bosco	Ford (TN)	Manton
Breaux	Fowler	Moore
Brown (CA)	Grotberg	Pepper
Campbell	Hertel	Siljander
Clay	Hillis	Towns
Conyers	Howard	
Crockett	Long	

□ 2120

Ms. MIKULSKI and Mr. SENSENBRENNER changed their votes from "aye" to "no."

Mr. GOODLING and Mr. JENKINS changed their votes from "no" to "aye."

So the amendment, as amended, offered as a substitute for the amendment, as amended, was rejected.

The result of the vote was announced as above recorded.

Mr. GLICKMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Mavroules amendment.

Mr. Chairman, over the last several years there has been a growing feeling that this country is faced with serious abuses in the procurement process of the Department of Defense—and that as a result, millions of defense dollars have been wasted.

This concern has intensified because of the tremendous defense buildup that has taken place since 1981, during which billions of dollars have been poured into both old and new weapons development and purchases. In fact, the Department of Defense now accounts for 75 percent of all Government purchases of goods and services.

At the same time this defense buildup has been taking place, there have been several highly publicized incidents where Federal officers and employees have left Government service to take jobs with the very contractors they had supervised immediatley before leaving the Government. These incidents, the so-called revolving door, have raised questions about whether these Government employees used their offices while still in the Government to favor their future employers. At the very least, it has been charged, these incidents have created the appearance of a conflict of interest, even if they did not result in actual conflicts.

The omnibus amendment under consideration by the House contains a provision on postemployment conflict of interest which has been favorably reported, although in somewhat different form, as H.R. 2554 by both the Judiciary Committee and the Armed Services Committee. The version incorporated in this amendment reflects the combined efforts of the two committees to address the revolving door-procurement problem.

This provision prohibits a Department of Defense employee with significant procurement responsibilities as to a contractor from going to work for that contractor for 2 years after leaving the Government. The provision imposes criminal and civil penalties, as well as contract damages, for any violations of this prohibition. In addition, the provision requires such personnel to report any contact made at any time by a contractor regarding future employment.

The issue of ethics in Government is a difficult one to address through statutory mandates. It requires an emphasis on preventing both the existence and the appearance of conflicts of interest. At the same time, however, Government efforts to reduce real and potential conflicts of interest must be balanced with the need to attract skilled, qualified individuals to Government service, both at the career level and in political and short-term positions.

Because of the need to achieve balance between these interests, it is particularly important that any statutory solutions be carefully drafted and focused on solving the real problem of conflicts without at the same time creating unfair burdens or imposing unconstitutional restrictions. As the Judiciary Committee report on H.R. 2554 illustrated, it can be very difficult to craft a provision which addresses the impact of the revolving door on procurement decisions without at the same time imposing unfair and potentially unconstitutional restrictions. (H. Rept. 99-397, Part 2) I believe the provision set forth in the omnibus amendment achieves the appropriate balance among these concerns.

This revolving door provision is an important measure that will help ensure the integrity of the procurement process. The Judiciary and Armed Services Committees have labored over the last year to perfect this legislation, and we urge support of this provision as part of the omnibus amendment before the House today.

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). The question is on the amendment offered by the gentleman from Massachusetts [Mr. MAVROULES], as amended.

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. KASICH. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The question was taken by electronic device, and there were—ayes 347, noes 60, not voting 24, as follows:

[Roll No. 285]

AYES—347

Ackerman	Cobey	Fish
Akaka	Coble	Flippo
Alexander	Coelho	Florio
Anderson	Coleman (MO)	Foglietta
Andrews	Coleman (TX)	Foley
Annunzio	Collins	Ford (MI)
Anthony	Conte	Frank
Applegate	Cooper	Frenzel
Archer	Coughlin	Frost
Aspin	Coyne	Fuqua
Atkins	Craig	Gallo
AuCoin	Darden	Garcia
Barnard	Daschle	Gaydos
Bates	Daub	Gejdenson
Bedell	Davis	Gekas
Beilenson	de la Garza	Gephardt
Bennett	Dellums	Gibbons
Bentley	Derrick	Glickman
Bereuter	DeWine	Gonzalez
Berman	Dicks	Goodling
Bevill	Dingell	Gordon
Biaggi	DioGuardi	Gradison
Bilirakis	Dixon	Gray (IL)
Boehlert	Donnelly	Gray (PA)
Boggs	Dorgan (ND)	Green
Boland	Dowdy	Gregg
Boner (TN)	Downey	Guarini
Bonior (MI)	Duncan	Gunderson
Bonker	Durbin	Hall (OH)
Borski	Dwyer	Hamilton
Bosco	Dymally	Hatcher
Boucher	Dyson	Hawkins
Boulter	Early	Hayes
Boxer	Eckart (OH)	Hefner
Brooks	Eckert (NY)	Hendon
Broomfield	Edwards (CA)	Henry
Brown (CO)	Edwards (OK)	Hiler
Bruce	Emerson	Horton
Bryant	English	Hoyer
Burton (CA)	Erdreich	Hubbard
Bustamante	Evans (IA)	Huckaby
Byron	Evans (IL)	Hughes
Carper	Fascell	Hutto
Carr	Fawell	Ireland
Chandler	Fazio	Jacobs
Chapman	Feighan	Jeffords
Clinger	Fiedler	Jenkins
Coats	Fields	Johnson
Jones (NC)	Murphy	Slattery
Jones (OK)	Murtha	Smith (FL)
Jones (TN)	Myers	Smith (IA)
Kanjorski	Natcher	Smith (NE)
Kaptur	Neal	Smith (NJ)
Kasich	Nelson	Smith, Denny (OR)
Kastenmeier	Nichols	Smith, Robert (NH)
Kennelly	Nielson	Smith, Robert (OR)
Kildee	Nowak	Snowe
Kleczka	Oakar	Snyder
Kolbe	Oberstar	Solarz
Kolter	Obey	Spratt
Kostmayer	Olin	St Germain
Kramer	Ortiz	Staggers
LaFalce	Owens	Stallings
Lagomarsino	Oxley	Stangeland
Lantos	Panetta	Stark
Latta	Pashayan	Stenholm
Leach (IA)	Pease	Stokes
Leath (TX)	Penny	Strang
Lehman (CA)	Perkins	Studds
Lehman (FL)	Petri	Sundquist
Leland	Pickle	Sweeney
Lent	Porter	Swift
Levin (MI)	Price	Swindall
Levine (CA)	Pursell	Synar
Lewis (FL)	Quillen	Tallon
Lightfoot	Rahall	Tauke
Lipinski	Rangel	Tauzin
Lloyd	Ray	Thomas (CA)
Lowery (CA)	Regula	Thomas (GA)
Lowry (WA)	Reid	Torres
Lujan	Richardson	Torricelli
Luken	Ridge	Traficant
MacKay	Rinaldo	Traxler
Madigan	Ritter	Udall
Markey	Roberts	Valentine
Martin (IL)	Robinson	Vander Jagt
Martinez	Rodino	Vento
Matsui	Roe	Visclosky
Mavroules	Roemer	Volkmer
Mazzoli	Rogers	Waldon
McCain	Rose	Walgren
McCandless	Rostenkowski	Walker
McCloskey	Roth	Watkins
McCollum	Roukema	Waxman
McCurdy	Rowland (CT)	Weber
McDade	Rowland (GA)	Weiss
McGrath	Roybal	Wheat
McHugh	Russo	Whitley
McKernan	Sabo	Whittaker
McKinney	Savage	Whitten
McMillan	Saxton	Williams
Meyers	Schaefer	Wirth
Mica	Scheuer	Wise
Michel	Schneider	Wolf
Mikulski	Schroeder	Wolpe
Miller (CA)	Schuette	Wortley
Miller (OH)	Schumer	Wright
Miller (WA)	Seiberling	Wyden
Mineta	Sensenbrenner	Wylie
Mitchell	Sharp	Yates
Moakley	Shaw	Yatron
Molinari	Shelby	Young (AK)
Mollohan	Shuster	Young (MO)
Moody	Sikorski	
Morrison (CT)	Sisisky	
Morrison (WA)	Skeen	
Mrazek	Skelton	

NOES—60

Armey	Dreier	Martin (NY)
Badham	Franklin	McEwen
Bartlett	Gingrich	Monson
Barton	Hall, Ralph	Montgomery
Bateman	Hammerschmidt	Moorhead
Bliley	Hansen	Packard
Burton (IN)	Hartnett	Parris
Callahan	Holt	Rudd
Carney	Hopkins	Shumway
Chappell	Hunter	Slaughter
Chappie	Hyde	Solomon
Cheney	Kemp	Spence
Combest	Kindness	Stratton
Courter	Lewis (CA)	Stump
Crane	Livingston	Taylor
Daniel	Loeffler	Vucanovich
Dannemeyer	Lott	Whitehurst
DeLay	Lungren	Wilson
Dickinson	Mack	Young (FL)
Dornan (CA)	Marlenee	Zschau

NOT VOTING—24

Barnes	Brown (CA)	Clay
Breaux	Campbell	Conyers

Crockett	Hertel	Moore
Edgar	Hillis	Pepper
Ford (TN)	Howard	Schulze
Fowler	Long	Siljander
Gilman	Lundine	Towns
Grotberg	Manton	Weaver

□ 2140

The Clerk announced the following pairs:

On this vote:

Mr. Pepper for, with Mr. Campbell against.

Mr. Towns for, with Mr. Siljander against.

Mr. MACK and Mr. ZSCHAU changed their votes from "aye" to "no."

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. NATCHER] having assumed the chair, Mr. GRAY of Illinois, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4428) to authorize appropriations for fiscal year 1987 for the Armed Forces for procurement, for research, development, test, and evaluation, for operation and maintenance, and for working capital funds, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, had come to no resolution thereon.

LEGISLATIVE PROGRAM

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, I think the Members might be interested in the schedule for tomorrow, and for that reason I have asked to be recognized.

Tomorrow the House will meet at 10 o'clock. We will have recorded votes on three suspensions that were debated on Monday and today. I think our purpose might be to have a 15-minute vote on the first suspension and perhaps 5-minute votes on the others.

Immediately after voting on the suspensions, we will go to the veto override vote on H.R. 1562, the Textile and Apparel Trade Enforcement Act of 1985.

After that has been completed, we will return to the Treasury-Postal appropriations and complete that legislation.

Then, subject to the granting of a rule or a unanimous consent request, we hope to return to the Defense Department authorization bill. It is my understanding that a general agreement is being reached with respect to a rule applicable to the next phase of our House consideration of that bill, and it would be our purpose to seek a unanimous consent request in order that such a rule, if voted out of the committee, might be considered on the House floor tomorrow.

Mr. Speaker, I would yield at this time to the distinguished gentleman from Massachusetts [Mr. MOAKLEY].

Mr. MOAKLEY. Mr. Speaker, I thank the gentleman for yielding.

MAKING IN ORDER ON TOMORROW CONSIDERATION OF A RESOLUTION PROVIDING FOR FURTHER CONSIDERATION OF H.R. 4428

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that a resolution reported to the House by the Committee on Rules tomorrow, August 6, 1986, providing for the further consideration of H.R. 4428, may be considered by the House tomorrow notwithstanding the requirements of clause 4(b) of rule XI.

The SPEAKER pro tempore (Mr. NATCHER). Is there objection to the request of the gentleman from Massachusetts?

Mr. WALKER. Mr. Speaker, reserving the right to object, could we get some idea as to what might be in that rule? It becomes fairly important for the House to know what is going to be included in something that we are now getting permission for.

Mr. MOAKLEY. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman from Pennsylvania.

Mr. MOAKLEY. Mr. Speaker, I believe the gentleman heard the majority leader state that the negotiations are being worked out now. We do not know what will be in the rule. We know that there are some 168 amendments, and we are going to take the bill up as soon as we can and report it out. There will be a vote on the rule, as the gentleman knows, when we do finish deliberations in the Rules Committee tomorrow.

Mr. DICKERSON. Mr. Speaker, will the gentleman yield to me?

Mr. MOAKLEY. Yes, I am glad to yield to the gentleman from Alabama.

Mr. DICKERSON. Mr. Speaker, just by way of explanation, the chairman of the committee, the gentleman from Wisconsin [Mr. ASPIN] who is here on the floor also, and I have been meeting off and on all afternoon trying to come to some conclusion as to what might happen. We are both in agreement that we need this unanimous-consent request.

We have in substance worked out an agreement as to what will come to the floor on Thursday and what will come to the floor on Tuesday and in between, the agreement being that the policy matters that really are not technically a part of the bill or would not normally be a part of the Defense bill, that is, the testing, the SDI, and the chemical weapons issues, will come up Thursday. Those matters will be given 3 hours, 3 hours, and 1 hour. That will probably fill the day.

Then on Tuesday we will take up the balance of the policy issues such as the SALT-II agreement for 3 hours and Asat for 1 hour.

We did not know and could not fix any time without knowing how many amendments had been filed. We only within the past 30 minutes learned that there were over 160 amendments that had been filed by 5 o'clock today. I think they were breeding, I do not know. Anyway, we must now deal with the question of how we can deal fairly with all of the amendments that are pending in the regular order of consideration of the Defense bill and take care of these enumerated amendments.

□ 2150

So tomorrow we will work on the money part of the bill, that is, setting the budget authority and the outlays, when we get back to the floor, if we are allowed to come back to the floor under the rule.

After that, if we have time, we will go into the regular order of amendments to title I and then at the conclusion of business tomorrow we go into the three items that I mentioned for Thursday.

Friday, we go back into the regular order and go by titles as amendments are offered, through Friday at 3.

Monday, we will do the same thing.

On Tuesday, we will come back to the enumerated amendments that I have just mentioned, and hopefully finish up the balance of any amendments still unresolved at that time.

I hope I have stated it correctly. That is my understanding. The chairman of the full committee is here and he might correct me if I am wrong.

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. WALKER. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Speaker, let me just say that the gentleman from Alabama has it exactly, as it is my understanding. We have worked this thing out. We do need some time tonight, because the staff is going to be working all night to go through those 168 amendments, bunching them together, see which ones are duplicative, see which ones we can accept and in fact how many controversial amendments there are and then try to work out a way to divide up the time. They are going to be here for a long night.

We will meet with the Rules Committee tomorrow and hopefully have a rule on the floor to deal with the rest of the bill; but as the gentleman from Alabama outlined it, we have a general outline now of the rule for the rest of the bill.

Mr. WALKER. Further reserving the right to object, Mr. Speaker, I do understand that if the rule were to be approved tomorrow under the unanimous-consent procedure here, that we would be working on the bill tomorrow. We could expect to work late tomorrow on the bill. We would be on money amendments tomorrow until we have some very important votes on the money portions of the bill at some point tomorrow afternoon and evening; is that correct?

Mr. DICKINSON. Very true.

Mr. ASPIN. That is correct.

Mr. WALKER. Further reserving the right to object, Mr. Speaker, we would expect to work Thursday, Friday, Monday, and Tuesday, on the bill under the new rule as well.

Mr. ASPIN. That is what we anticipate.

Mr. DICKINSON. I might say, Mr. Speaker, if the gentleman will yield further, we will do a real good job if in fact we finish it by Tuesday. We are going to do our best, but with 160-odd amendments pending in addition to those I mentioned by name, we have got a pretty tough job ahead of us; so I would hope the gentleman from Pennsylvania would withdraw his reservation of objection.

Mr. ASPIN. Mr. Speaker, if the gentleman will yield further, it is important to remember that we are looking at votes on Friday and on Monday.

Mr. WALKER. Further reserving the right to object, Mr. Speaker, I just wanted to find out here, do I now understand the schedule would be such that we probably would not have suspension bills on the Calendar on Monday in order to complete the schedule?

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I am glad to yield to the Majority Leader.

Mr. WRIGHT. There may be some suspensions that we deal with. I cannot be certain one way or the other, but we surely would reasonably expect to work Friday and to work Monday.

Mr. WALKER. Votes on both Friday and Monday under the provisions of the rule that we would get?

Mr. WRIGHT. I do not know any other way that we can conclude it. I think we have the responsibility to finish the bill. It is going to require our being here and being willing to vote on amendments both Friday and Monday.

Mr. WALKER. Well, it is a very unusual procedure. It is one that I would hope that we are not going to use very often. I mean, basically we are asking the Members to fly blind here.

I appreciate the work that has been done here by these gentlemen trying to work out an agreement, and I think they have worked hard; but really the Members are being put through an exercise here of flying blind on a bill that is very, very important to most Members of the body.

Mr. MOAKLEY. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman from Massachusetts.

Mr. MOAKLEY. Mr. Speaker, as the the gentleman well knows, the Rules Committee is working with both sides of the aisle on this. We will take whatever they agree on, so I think the Rules Committee is being as fair as they can be. We just cannot make any other statement about what will be in the rule.

Mr. WALKER. Well, I understand the dilemma of the Rules Committee on this. They cannot very well assure us what is going to be in the rule if they have not got the rule yet. Under the circumstances, I will not object, but I would hope that this is not a process that we are going to foist upon the Members on important legislation between now and the end of the session. We have a lot of these important issues coming before us and I do not necessarily want to see a pattern develop here where we ask the Members to go into a lot of it flying completely blind with regard to the procedures that we will be operating under.

Mr. MOAKLEY. Mr. Speaker, will the gentleman yield further?

Mr. WALKER. I am glad to yield to the gentleman form Massachusetts.

Mr. MOAKLEY. Mr. Speaker, actually, this was not the decision of the Rules Committee to report the rule in this fashion. It was a decision arrived at by the majority and minority members of the committee in order to adequately discuss and debate the bill fully with fairness for the complete House.

Mr. WALKER. I appreciate the situation we are in. I just hope that it does not become a precedent for other committees that would also be in this situation.

Mr. MOAKLEY. Speaking for myself, I do not intend for it to be a precedent.

Mr. WALKER. Mr. Speaker, I thank the gentleman and I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. STAGGERS). Is there objection to the request of the gentleman from Massachusetts [Mr. MOAKLEY]?

There was no objection.

Mr. WRIGHT. Mr. Speaker, that concludes the legislative business for today.

OVERRIDE PRESIDENT'S VETO OF H.R. 1562

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. RAY] is recognized for 5 minutes.

Mr. RAY. Mr. Speaker, I rise in support of overriding the President's veto of H.R. 1562.

I strongly urge careful and thoughtful consideration by my colleagues as we debate this extremely important and far-reaching legislation. In my following comments I will do my best to set the stage for what I believe is a crucial case for a positive vote—a positive vote to override the President's veto.

I want to say at the outset that the President has a difficult job. He has the responsibility from the oval office to keep his fingers on the pulse of national and international economic and other activities. He has no alternative but to rely on subordinates and to delegate to them in various areas. He is an expert in this particular area. We owe President Reagan a debt of gratitude for his many accomplishments—particularly in the area of arousing the patriotic spirit in America.

But, Mr. Speaker, there are some areas where the President could go down in history as a dismal failure. I want to point out two of these areas and I urge the administration to take heed to this serious problem

First, the budget deficit is one which could very well wreck havoc in generations to come; and

Second, the trade deficit which is fed by the budget deficit. This results, in my opinion, from rather shortsighted advice to the President from the State Department, other trade representatives, and other foreign affairs advisers and perhaps others.

Now, I would not agree to support the majority of truly protectionist trade bills which have been introduced in Congress, but I do believe that a signal must be sent to our trading partners that America is not a patsy. America is not naive. America can stand up when it needs to, and it should—H.R. 1562 is the vehicle which should carry this message, and we should override this veto of this measure.

Now, I believe that history will record that the Libyan strike which President Reagan authorized was a turning point that sent a message to the world that bullying America will not work.

My colleagues, I submit to you that we are being trampled by friends and foe alike around the world in a trade conflict that has been brought about because of America's humanitarian interest in wanting to help our trading partners and third world allies get ahead, some—which are now—rather affluent.

The trade problems we face, in my opinion, are as important as the Libyan crisis and truly just as dangerous to America's well-being by strengthening the threat from within

and by adding to the "treacherous national debt."

Again, we must send the world a message that enough is enough.

Now, Mr. Speaker and my colleagues, please bear with me as I make a few points.

In October 1984, I had the opportunity to meet, along with a number of my colleagues, with the American Chambers of Commerce in Singapore and in South Korea on a number of issues.

The subjects of textiles and agriculture arose only when members of the American congressional delegation at the end of the session brought up the problems of the American textile and agricultural markets.

The chambers of commerce—the American Chambers of Commerce—in both of the countries obviously give American textiles and agriculture a low priority.

These people in the chambers of commerce are our representatives, our friends, Americans and they are not our enemies. However, reference was made in a critical way from them toward American textiles in particular.

One official said, and I quote,

America is endangering its trading policy by continuing to tout an industry which is backward, non-competitive, has goods which are too costly with limited variety and does not take into consideration Asian interests and priorities.

He went on to say that the big United States is picking on little Korea and little Singapore and little countries in Asia.

Another official stated and I quote,

America's high-tech and heavy industrial service industries will be endangered if American promoters continue to harp on forcing textile legislation down the throats of its trading partners.

Also during this visit The Korean Business Week, a prominent Korean publication which is the equivalent of America's The Nation's Business published an article which in effect pointed out that the Korean Government had entered into discussions with America trade officials and was encouraging Korean textile exporters to voluntarily restrain imports to 8-10 percent to the United States.

I was encouraged by this until I flipped over the page and read another statement from the Korean textile group which in effect gave a prediction that textile exports to the United States would increase by more than 30 percent in 1987—this, I might add, is being done on the backs of our domestic textile and apparel manufacturers who have long been producers of quality goods.

It's appropriate for me to also quote from two of our well-known economic forecasters. One of them a cabinet member, Secretary of Commerce Malcolm Baldrige, publicly confirmed in late July the following and I quote:

The U.S. economy took a sharp downturn in the second quarter. The reason American manufacturers continue to be hurt are because of high level foreign imports.

But he went on to say the gross national product increased at only 1.1 percent between April and June, the slowest climb since the recession year of 1982.

Then, let me quote from Federal Reserve Board Chairman Paul Volcker in July who warned, quote:

That the current expansion is going to be in jeopardy unless the United States can curb its tremendous trade deficit which reached a record of $148.5 billion in 1985.

Chairman Volcker also told the Senate Banking Committee in a hearing that further discount rates would not be necessary and would not perk up the economy because our domestic demand is extremely strong, and it is being filled by foreign manufacturers.

Chairman Volcker warned that the trade deficit cannot be erased by the decline in the dollar alone on foreign markets.

He also called on the governments of Japan and western Europe to stimulate additional growth in their own countries which would increase the demand for U.S. imports and to voluntarily restrict their own exports to the United States.

Now, Mr. Speaker, there are many arguments which we can make such as the transfer of textile manufacturing jobs and others to foreign countries. The transfer of our industrial base to foreign lands would be one argument. The dismal growth in the economy in 1985 and 1986 which was only 2 percent or one-half of expected growth is another. Danger to national defense because the industrial textile base is dwindling and is a critical situation. A recent report from the Department of Defense which is mandated by legislation which I introduced and passed to the Armed Services Committee stated, quote:

There is a definite erosion of the production base in the rubber footwear, nonrubber footwear, textile, and to some degree, in the cut-make-and-trim industries.

Now I don't need to explain to any American, except to those who are the most naive, what a disaster this would be. But there is tremendous propaganda being put out from every sector including the administration that overriding the veto of H.R. 1562 will drive up the cost of goods to the average American. This is simply not so. Recently I ran into the lobbying efforts first hand. I received a letter at my northern Virginia mailing address from Julia K. Hughes of the Americans for Fair Trade Council. She stated that the "special interest trade protectionist bill will cost * * * money, reduce your clothing selections and could throw America into a trade war that would cost American jobs and damage American business."

Ms. Julia D. Hughes seeks to frighten the consumer by saying such things as:

Clothes you purchase every day will increase by 25 percent.

This bill will throw America into a trade war!

A few special interest groups are trying to shamelessly exploit the trade protection fever sweeping over Congress.

Ms. Hughes goes on and on for 3½ pages and suggests that a personal letter be written to Congressman STAN PARRIS and then points out that a nice draft letter is enclosed which just by chance is suitable for signing.

It goes as follows:

As a concerned constituent of yours, I would like to voice my opposition to H.R. 1562 because it will raise the cost of clothing for my family.

To Ms. Hughes, to that I say, don't bet the imported shirt off your back because I know better. A recent study proves that this legislation could add over 150,000 jobs within a few months. A lot of these are jobs that were lost during the last 5 years, and will go back to the mothers and fathers who lost those jobs and who have had a hard time making ends meet for themselves and for their children.

Clothing selections will not be reduced because consumers everywhere will still have the same demands for high fashion clothes, and our free market meets demands. What may happen is a few retailers who have been taking a 300-percent markup on the price of the ramie sweaters from southeast Asia may not continue to make a 300-percent profit. But that textile worker who lost her job 3 years ago and has had to pinch pennies to feed her children can go back to making $3.85 an hour.

□ 2205

FIVE-YEAR MORATORIUM ON STEEL IMPORTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. LIPINSKI] is recognized for 5 minutes.

Mr. LIPINSKI. Mr. Speaker, I rise tonight to acknowledge that severe measures need to be taken to deal with our Nation's ailing steel industry. Foreign imports still have control of nearly 25 percent of the U.S. market even with the many voluntary restraint agreements in effect and even with President Reagan's steel program intended to limit this foreign share to 18.5 percent of domestic supply. Clearly, these remedies designed to curb imports while making American steel producers more competitive have not done the job. When it comes down to it, the question should not be why our producers cannot compete effectively, but why they have to compete with

foreign governments. Yet, this is exactly what they have come up against in Japan, in the European Community and in the emerging industrialized countries of the world. These governments have traditionally subsidized their steel industry to such an extent that our private companies simply have not had the chance to compete.

I believe, Mr. Speaker, that we need to counter this unprecedented and unfair growth of foreign steel by implementing a much more stringent policy. My idea of an effective program would call for a 5-year moratorium on all steel imports. In that period of time, the only profits taken out of the company would go toward cost-of-living adjustments for workers and management. All additional revenue would be earmarked for updating and modernizing steel facilities and retraining employees who would be displaced because of increased efficiency. The moratorium would give our Nation's steel companies a new lease on life by providing them with the entire domestic market. After this time, the steel industry would be expected to compete once again with foreign imports. It is my belief that in these 5 years American steel would be reinvigorated. When you consider the consequences of a weak industry—especially in terms of lost jobs and defense preparedness—then this plan does not sound so radical.

Even if it does sound extreme, is it so different from the actions that other governments have taken? Our country attempts to follow a market-oriented approach to steel trade and yet is left out in the cold in the face of foreign government-subsidized, even government-owned and operated steel. The Japanese have historically targeted their steel industry by making sure that investment capital was plentiful, even though this did not take into consideration profitability and other free market concerns. The same can be said of the European Community and the newly industrialized countries, both of whom have lavished billions of dollars on their steel industries and protected them, irrespective of economic logic. What this all means is that these foreign producers have achieved much greater modernization and economies of scale than their American counterparts precisely because of their government intervention. They have even been allowed to survive when normal market conditions would have decimated them. American companies have never had this kind of advantage.

Mr. Speaker, I believe that this kind of advantage is necessary today for America's steel industry. I appeal to my colleagues that the time has come to address this question forcefully. The recent bankruptcy of the LTV Steel Corp., the second largest producer in our country, is clear evidence that steel is a sick industry in our country and one that will only get worse. Raymond Hay, the CEO of LTV, stated that the weakness in steel is due in large part to the sustained level of imports over the past several years which have continued unabated. He estimated that direct and indirect imports account for about 51 percent of total steel consumption in the United States. I am certain that had LTV been a company in Japan or in one of the European Community countries, the government would have bailed it out and it would not have gone under. Mr. Speaker, we must not delude ourselves into thinking that present policy will somehow resolve the crisis in steel. We should rather see the situation for what it is and impose the moratorium.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MOAKLEY) to revise and extend their remarks and include extraneous material:)

Mr. RAY, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. LUNDINE, for 15 minutes, on August 6.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. JEFFORDS, following the remarks of Mr. COURTER during general debate on H.R. 4428, in the Committee of the Whole, today.

Mr. MCEWEN, to include extraneous material on H.R. 4428, in the Committee of the Whole, today.

(The following Members (at the request of Mr. STRANG) and to include extraneous matter:)

Mr. MACK.
Mr. COURTER.
Mr. LAGOMARSINO.
Mr. CARNEY.
Mr. MYERS of Indiana.
Mr. LEWIS of California.
Mr. GALLO.
Mr. PORTER in two instances.
Mr. HENRY.

(The following Members (at the request of Mr. MOAKLEY) and to include extraneous matter:)

Mr. RANGEL.
Mr. KANJORSKI.
Mr. WOLPE.
Mr. DYMALLY.
Mr. FLORIO.
Mr. TORRES.
Mr. WHEAT.
Mr. DERRICK.
Mr. SCHEUER.
Mr. SMITH of Florida.
Mr. DORGAN of North Dakota.
Mr. COELHO.
Mr. STUDDS.
Mr. LELAND.
Mr. GRAY of Illinois.

SENATE ENROLLED BILL SIGNED AND JOINT RESOLUTION

The SPEAKER announced his signature to an enrolled bill and joint resolution of the Senate of the following title:

S. 1073. An act to amend the Stevenson-Wydler Technology Innovation Act of 1980 for the purpose of improving the availability of Japanese science and engineering literature in the United States, and for other purposes, and

S.J. Res. 371. Joint resolution to designate August 1, 1986, as "Helsinki Human Rights Day."

ADJOURNMENT

Mr. LIPINSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 12 minutes p.m.), the House adjourned until tomorrow, Wednesday, August 6, 1986, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4001. A letter from the Comptoller General of the United States, transmitting an evaluation of the technical data management system for the Department of Defense, pursuant to 10 U.S.C. 139 nt.; to the Committee on Armed Services.

4002. A letter from the Secretary of Health and Human Services, transmitting the 13th annual report on the status of handicapped children in Head Start programs, pursuant to 42 U.S.C. 9835(d); to the Committee on Education and Labor.

4003. A letter from the Acting Director, Selective Service System, transmitting notice of an altered Federal records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4004. A letter from the Plan Administrator, Eighth Farm Credit District employee benefit trust, transmitting the Eighth Farm Credit District retirement plan, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

4005. A communication from the President of the United States, transmitting a report containing projections and comparisons of United States and Soviet strategic force dismantlements in terms of adherence to existing arms control agreements, pursuant to Public Law 99-145, section 1001(b) (99 Stat. 705) (H. Doc. No. 99-253); jointly, to the Committees on Armed Services and Foreign Affairs, and ordered to be printed.

4006. A letter from the general counsel, Department of the Treasury, transmitting a draft of proposed legislation to amend the Tariff Act of 1930 to increase the effectiveness of the Customs Service in enforcement matters, and for other purposes; jointly, to the Committees on Ways and Means, Public

Works and Transportation, and the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FUQUA: Committee on Science and Technology. H.R. 3653. A bill to amend the Price-Anderson provisions of the Atomic Energy Act of 1954 to extend and improve procedures for liability and indemnification for nuclear incidents; with amendments (Rept. 99-636, Pt. II). Ordered to be printed.

Mr. HAWKINS: Committee on Education and Labor. H.R. 3810. A bill to amend the Immigration and Nationality Act to revise and reform the immigration laws, and for other purposes; with amendments (Rept. 99-682, Pt. II). Ordered to be printed.

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 3810. A bill to amend the Immigration and Nationality Act to revise and reform the immigration laws, and for other purposes; with amendments (Rept. 99-682, Pt. III). Ordered to be printed.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 3810. A bill to amend the Immigration and Nationality Act to revise and reform the immigration laws, and for other purposes; with amendments (Rept. 99-682, Pt. IV). Ordered to be printed.

Mr. DE LA GARZA: Committee on Agriculture. H.R. 3810. A bill to amend the Immigration and Nationality Act to revise and reform the immigration laws, and for other purposes; with amendments (Rept. 99-682, Pt. V). Preferred to the Committee of the Whole House on the State of the Union.

Mr. HALL of Ohio: Committee on Rules. House Resolution 526. A resolution providing for the consideration of H.R. 5081, a bill to authorize additional economic and military assistance for the Philippines (Rept. 99-739). Referred to the House Calendar.

Mr. BONIOR: Committee on Rules. House Resolution 527. A resolution providing for the consideration of H.R. 1400, a bill to extend the authorization of appropriations for general revenue sharing for 5 years (Rept. 99-740). Referred to the House Calendar.

Mr. FROST: Committee on Rules. House Resolution 528. A resolution providing for the consideration of H.R. 1426, a bill to reauthorize and amend the Indian Health Care Improvement Act, and for other purposes (Rept. 99-741). Referred to the House Calendar.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 4467. A bill to authorize the establishment of a Peace Garden on a site to be selected by the Secretary of the Interior; with an amendment (Rept. 99-742). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 4814. A bill entitled the "Federal Land Exchange Facilitation Act of 1986", with an amendment (Rept. 99-743, Pt. I). Ordered to be printed.

Mr. BROOKS: Committee on Government Operations. A report implementing the Federal Managers' Financial Integrity Act—3 years later (Rept. 99-744). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report: Serious and long-standing deficiencies plague the State Department's overseas construction operations. (Rept. 99-745). Referred to the Committee of the Whole House on the State of the Union.

Mr. ST GERMAIN: Committee on Banking, Finance and Urban Affairs. H.R. 5176. A bill to amend title 31, United States Code, to establish new requirements and procedures in order to combat money laundering, and for other purposes; with an amendment (Rept. 99-746). Referred to the Committee of the Whole House on the State of the Union.

Mr. OBEY: Committee on Appropriations. H.R. 5339. A bill making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1987, and for other purposes (Rept. 99-747). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAZZOLI: Committee on the Judiciary. H.R. 2652. A bill for the relief of Kumari Rajlakshmi Bais; with amendments (Rept. 99-748). Referred to the Committee of the Whole House.

Mr. LUNGREN: Committee on the Judiciary. H.R. 5016. A bill for the relief of Sueng Ho Jang and Sueng Il Jang (Rept. 99-749). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. S. 290. An act for the relief of Catherine and Robert Fossez (Rept. 99-750). Referred to the Committee of the Whole House.

Mr. FRANK: Committee on the Judiciary. S. 343. An act for the relief of Hyong Cha Kim Kay (Rept. 99-751). Referred to the Committee of the Whole House.

Mr. BRYANT: Committee on the Judiciary. S. 98. An act for the relief of Cirilo Raagas Costa and Wilma Raagas Costa (Rept. 99-752). Referred to the Committee of the Whole House.

SUBSEQUENT ACTION ON A REPORTED BILL SEQUENTIALLY REFERRED H.R. 3810

Under clause 5 of Rule X the following action was taken by the Speaker:

H.R. 3810. Committees on Banking, Finance, and Urban Affairs and Post Office and Civil Service discharged from further consideration of H.R. 3810, a bill to amend the Immigration and Nationality Act to revise and reform the immigration laws, and for other purposes.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DINGELL (for himself, Mr. WAXMAN, Mr. SCHEUER, Mr. WIRTH, Mr. FLORIO, Mr. LUKEN, Mr. WALGREN, Ms. MIKULSKI, Mrs. COLLINS, Mr. RICHARDSON, Mr. SLATTERY, Mr. SIKORSKI, Mr. BATES, and Mr. LEVINE of California):

H.R. 5334. A bill to establish Federal programs for the prevention and treatment of drug abuse; jointly, to the Committees on Energy and Commerce, Interior and Insular Affairs, the Judiciary, and Education and Labor.

By Mr. ALEXANDER:

H.R. 5335. A bill to amend the Consolidated Farm and Rural Development Act to direct the Secretary of Agriculture to transfer sufficient funds from amounts authorized for guaranteed loans to amounts authorized for insured loans to meet the continuing need for such insured loans; the Committee on Agriculture.

By Mr. BATES:

H.R. 5336. A bill to establish a program of Federal grants to States for drug and alcohol abuse education in elementary and secondary schools; to the Committee on Education and Labor.

By Mr. FEIGHAN:

H.R. 5337. A bill to amend the Clayton Act regarding consent judgments; to the Committee on the Judiciary.

By Mr. MURPHY (for himself, Mr. WALKER, Mr. RIDGE, Mr. CLINGER, Mr. GEKAS, Mr. COUGHLIN, Mr. RITTER, Mr. KOLTER, Mr. FOGLIETTA, Mr. CARPER, Mrs. HOLT, Mr. MITCHELL, Mr. HOYER, Mr. DYSON, Mrs. BENTLEY, Ms. MIKULSKI, Mr. BARNES, Mrs. BYRON, and Mr. KOSTMAYER):

H.R. 5338. A bill to grant the consent of the Congress to the Appalachian States low-level radioactive waste compact; jointly, to the Committees on Interior and Insular Affairs, and Energy and Commerce.

By Mr. OBEY:

H.R. 5339. A bill making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1987, and for other purposes.

By Mr. HUBBARD:

H.R. 5340. A bill to amend title 28, United States Code, to designate Hopkinsville as a place of holding court for the Western District of Kentucky; to the Committee on the Judiciary.

By Mr. BARNES (for himself, Mr. HANSEN, Mr. AKAKA, Mr. ANDREWS, Mr. APPLEGATE, Mr. ATKINS, Mr. BIAGGI, Mr. BLAZ, Mr. BOSCO, Mrs. BOXER, Mr. COATS, Mr. COYNE, Mr. DANNEMEYER, Mr. DARDEN, Mr. DE LUGO, Mr. DIXON, Mr. DORGAN of North Dakota, Mr. DORNAN of California, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. DYSON, Mr. EVANS of Iowa, Mr. EVANS of Illinois, Mr. FAZIO, Mr. FEIGHAN, Mr. FLORIO, Mr. FOGLIETTA, Mr. FOLEY, Mr. FRANK, Mr. FRENZEL, Mr. FROST, Mr. FUQUA, Mr. FUSTER, Mr. GEPHARDT, Mr. GILMAN, Mr. GOODLING, Mr. GUARINI, Mr. RALPH M. HALL, Mr. HAYES, Mr. HEFNER, Mrs. HOLT, Mr. BEVILL, Mr. CONTE, Mr. COOPER, Mr. DASCHLE, Mr. DAUB, Mr. FLIPPO, Mr. HALL of Ohio, Mr. HYDE, Mr. MACKAY, Mr. LEWIS of California, Mr. LUNDINE, Mr. MCEWEN, Mr. MCKINNEY, Mr. NEAL, Mr. NICHOLS, Ms. OAKAR, Mr. OXLEY, Mr. PACKARD, Mr. PASHAYAN, Mr. PEPPER, Mr. DANIEL, Mr. THOMAS of Georgia, Mr. SMITH of New Hampshire, Mr. GRAY of Illinois, Mr. LOWRY of Washington, Mr. RINALDO, Mr. BRYANT, Mr. CHANDLER, Mr. GARCIA, Ms. MIKULSKI, Mr. CROCKETT, Mr. FAUNTROY, Mr. HUTTO, Mr. BEILENSON, Mr.

DEWINE, Mr. SILJANDER, Mr. MCGRATH, Mr. LEWIS of Florida, Mr. HORTON, Mr. HOWARD, Mr. HOYER, Mr. HUGHES, Mr. IRELAND, Mrs. JOHNSON, Mr. KOSTMAYER, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LEHMAN of California, Mr. LEVIN of Michigan, Mr. LOEFFLER, Mr. LUNGREN, Mr. MARKEY, Mr. MARTINEZ, Mr. MATSUI, Mr. MAZZOLI, Mr. MCCLOSKEY, Mr. MCDADE, Mr. MCHUGH, Mr. MINETA, Mr. MRAZEK, Mr. MURPHY, Mr. NELSON of Florida, Mr. NELSON of Utah, Mr. OBERSTAR, Mr. ORTIZ, Mr. OWENS, Mr. PARRIS, Mr. PORTER, Mr. RAHALL, Mr. REID, Mr. RICHARDSON, Mr. ROE, Mr. ROUKEMA, Mr. SAVAGE, Mr. SCHULZE, Mr. SCHUMER, Mr. SEIBERLING, Mr. DE LA GARZA, Mr. HATCHER, Mr. SPRATT, Mr. STRATTON, Mr. TRAFICANT, Mr. VANDER JAGT, Mr. WISE, Mr. YATES, Mr. BENNETT, Mr. CARR, Mr. CHENEY, Mr. COELHO, Mrs. COLLINS, Mr. CONYERS, Mr. COUGHLIN, Mr. DELLUMS, Mr. DICKINSON, Mr. DIOGUARDI, Mr. EARLY, Mr. EMERSON, Mr. FASCELL, Mr. FISH, Mr. GREEN, Mr. GUNDERSON, Mr. HAMMERSCHMIDT, Mr. HARTNETT, Mr. JONES of North Carolina, Mr. KANJORSKI, Mrs. KENNELLY, Mr. LELAND, Mr. LENT, Mr. MCCAIN, Mr. MOAKLEY, Mr. MONSON, Mr. MOORE, Mr. MOOREHEAD, Mr. MORRISON of Washington, Mr. ARCHER, Mr. BARNARD, Mr. SHAW, Mr. SHELBY, Mr. SKELTON, Mr. DENNY SMITH, Mr. SMITH of Florida, Mr. STALLINGS, Mr. STENHOLM, Mr. STOKES, Mr. SWINDALL, Mr. SYNAR, Mr. TALLON, Mr. THOMAS of California, Mr. UDALL, Mr. VALENTINE, Mr. WATKINS, Mr. WAXMAN, Mr. WEISS, Mr. WHITTAKER, Mr. WOLF, Mr. WOLPE, Mr. WORTLEY, Mr. YOUNG of Florida, Mr. PETRI, Mr. PRICE, Mr. PURSELL, Mr. RIDGE, Mr. ROBINSON, Mr. RODINO, Mr. ROSE, Mr. ROTH, Mr. ROWLAND of Connecticut, Mr. SMITH of Iowa, Mr. SOLARZ, Mr. SPENCE, Mr. SUNIA, Mr. TAUKE, Mr. WHEAT, Mr. YOUNG of Missouri, Mr. SAXTON, Mr. SCHAEFER, Mrs. BYRON, Mr. KOLTER, Mr. YOUNG of Alaska, Mr. ROBERT F. SMITH, Mr. RUSSO, Mr. MACK, Mr. RANGEL, Mr. HENDON, Mrs. VUCANOVICH, Mr. MARTIN of New York, Mr. TOWNS, Mr. STRANG, Mr. KOLBE, Mr. LAFALCE, Mr. BLILEY, Mr. TORRICELLI, Mr. KASTENMEIER, Mr. ASPIN, Mr. AUCOIN, Mr. BATEMAN, Mrs. BENTLEY, Mr. BERMAN, Mr. BOLAND, Mr. BONER of Tennessee, Mrs. BURTON of California, Mr. CAMPBELL, Mr. CARNEY, Mr. CARPER, Mr. ZSCHAU, Mr. YATRON, Mr. LEHMAN of Florida, Mr. PANETTA, and Ms. KAPTUR):

H.J. Res. 694. Joint resolution to designate the week of December 14, 1986, through december 20, 1986, as "National Drunk and Drugged Driving Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. LUJAN:

H.J. Res. 695. Joint resolution to designate October 1986, as "National Home Knitting Month"; to the Committee on Post Office and Civil Service.

By Mr. MITCHELL:

H.J. Res. 696. Joint resolution to designate the week beginning November 9, 1986, as "American Indian Heritage Week"; to the Committee on Post Office and Civil Service.

By Mr. McCANDLESS:

H. Res. 529. Resolution to facilitate compliance with congressional intent expressed in the Balanced Budget and Emergency Deficit Control Act of 1985 with respect to fiscal year 1987; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

446. The SPEAKER presented a memorial of the Legislature of the State of California, relative to telephone service rate regulation; to the Committee on Energy and Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 442: Mr. PORTER and Mr. COYNE.

H.R. 524: Mr. HAYES, Mr. ORTIZ, Mr. MORRISON of Connecticut, Mr. GUARINI, Mr. STAGGERS, Mr. SILJANDER, Mr. WISE, Mr. SPRATT, Mr. CONTE, Mr. GRAY of Illinois, Mr. GARCIA, Mr. ST GERMAIN, Mr. CARNEY, Mr. WYLIE, Mr. MCEWEN, Mr. BILIRAKIS, Mr. BONER of Tennessee, Mr. WATKINS, Mr. YATRON, Mr. KINDNESS, Mr. LEWIS of Florida, Mr. PASHAYAN, Mr. WHITEHURST, and Mrs. VUCANOVICH.

H.R. 551: Mr. CONYERS.

H.R. 1398: Mr. ACKERMAN, Mr. RODINO, and Mr. WALDON.

H.R. 1659: Mr. SILJANDER.

H.R. 1875: Mr. SABO, Mr. QUILLEN, Mr. LUJAN, Mr. BARNARD, Mr. WALDON, Mr. MILLER of California, Mr. BLAZ, Mr. ANNUNZIO, and Mr. DURBIN.

H.R. 1902: Mr. CONYERS, Mr. MITCHELL, and Ms. MIKULSKI.

H.R. 2531: Mr. VOLKMER.

H.R. 2793: Mr. DAVIS, Mr. SMITH of New Hampshire, and Mr. DYSON.

H.R. 2895: Mr. MRAZEK, Mr. LELAND, Mr. FRANK, Mr. COELHO, Mr. DASCHLE, Mrs. BURTON of California, Mr. MITCHELL, Mr. MARTINEZ, Mr. HYDE, Mr. TOWNS, Mr. GRAY of Illinois, Mr. HOWARD, Mr. RAHALL, Mrs. BENTLEY, Mr. ROE, and Mr. HORTON.

H.R. 3040: Mr. GILMAN.

H.R. 3513: Mr. BEREUTER, Mr. CHENEY, Mr. COLEMAN of Texas, Mr. COUGHLIN, Mr. GIBBONS, Mr. GINGRICH, Mr. JACOBS, and Mr. JONES of Oklahoma.

H.R. 3799: Mrs. BYRON.

H.R. 4154: Mrs. BURTON of California, Mr. WILSON, Mr. WEAVER, Mr. KILDEE, Mr. ACKERMAN, Mr. LANTOS, Ms. OAKAR, Mr. MCDADE, and Mr. LEVIN of Michigan.

H.R. 4183: Mr. MCCANDLESS, Mr. MONTGOMERY, Mr. BIAGGI, Mr. MYERS of Indiana, Mr. OXLEY, Mr. WHITEHURST, Mr. HUNTER, Mr. TRAFICANT, Mr. YOUNG of Missouri, Mr. OLIN, Mr. STOKES, and Mr. WOLF.

H.R. 4455: Mr. FOWLER, Mr. DARDEN, Mrs. BYRON, Mr. WATKINS, Mr. FRANK, Mr. SPENCE, and Mr. PENNY.

H.R. 4485: Mr. KOLTER, Mr. SEIBERLING, and Mr. WISE.

H.R. 4524: Mr. DELAY and Mr. CLINGER.

H.R. 4659: Mr. BOEHLERT.

H.R. 4682: Mr. RINALDO and Mr. COATS.

H.R. 4711: Mr. WEISS, Mr. KINDNESS, Mr. KOLBE, Mr. ACKERMAN, Mr. HORTON, Mr. BATES, Mr. CHAPPIE, Mr. FUSTER, Mr. BEILENSON, Mr. LIPINSKI, Mrs. BENTLEY, and Mr. BOLAND.

H.R. 4783: Mr. VENTO.

H.R. 4787: Mr. SMITH of New Hampshire.

H.R. 4820: Mr. LENT.

H.R. 4838: Mr. LOWRY of Washington, Mr. WALGREN, and Mr. VOLKMER.

H.R. 4849: Mr. STENHOLM, Mr. MCDADE, Mr. KOLBE, Mr. BORSKI, Mr. HUTTO, Mr. MITCHELL, Mr. TAUKE, Mr. WHITEHURST, and Mr. GARCIA.

H.R. 4919: Mr. LAFALCE, Mrs. LONG, Mr. RANGEL, Mr. ROE, Mr. TORRICELLI, and Mr. UDALL.

H.R. 4999: Mr. STANGELAND.

H.R. 5000: Ms. MIKULSKI, Mr. LIPINSKI, Mr. MCGRATH, and Mr. OLIN.

H.R. 5011: Mr. MONSON and Mr. SUNIA.

H.R. 5048: Mrs. HOLT, Mrs. BENTLEY, Mr. LAGOMARSINO, Mr. DELAY, Mr. BARTON of Texas, Mr. MCCANDLESS, and Mr. PORTER.

H.R. 5058: Mr. HUCKABY.

H.R. 5066: Ms. KAPTUR, Mr. BRYANT, Mr. COLEMAN of Texas, and Mr. SCHEUER.

H.R. 5103: Mr. MOLLOHAN, Mr. KOLTER, Mr. BORSKI, Mr. RINALDO, Mr. ECKART of Ohio, and Mrs. BOXER.

H.R. 5106: Mr. BRUCE and Mr. DENNY SMITH.

H.R. 5116: Mr. HILER.

H.R. 5117: Mr. HILER.

H.R. 5125: Mr. BARNARD, Mr. RINALDO, and Mr. HILER.

H.R. 5157: Mr. GARCIA.

H.R. 5225: Mr. DANIEL, Mr. WOLPE, Mr. SHARP, and Mr. DONNELLY.

H.R. 5238: Mr. FAUNTROY, Mr. TRAFICANT, Mr. LAGOMARSINO, Mrs. BOXER, Mrs. LLOYD, Mr. FUSTER, Mr. VENTO, and Mr. OWENS.

H.R. 5272: Mr. BROOKS.

H.R. 5274: Mr. MONTGOMERY, Mr. SUNDQUIST, and Mr. PENNY.

H.R. 5326: Mr. MARTIN of New York and Mr. MORRISON of Washington.

H.J. Res. 10: Mr. BRYANT, Mr. DAUB, Mr. DIXON, Mr. FAUNTROY, Mr. NIELSON of Utah, and Mr. VENTO.

H.J. Res. 90: Mr. DYSON, Mr. BRUCE, Mr. PERKINS, and Mr. REGULA.

H.J. Res. 552: Mr. SAVAGE, Mr. YOUNG of Alaska, Mr. RALPH M. HALL, Mr. LEACH of Iowa, Mr. NIELSON of Utah, Mr. KINDNESS, Mr. PASHAYAN, Mr. HUTTO, Mr. COYNE, Mr. MACK, Mr. KLECZKA, Mr. BLILEY, Mr. VENTO, Mr. KILDEE, Mr. FOLEY, and Mr. RAHALL.

H.J. Res. 583: Mr. CONTE, Mr. WHITTAKER, Mr. BRYANT, Mr. TAUKE, Mrs. BOXER, Mr. MILLER of Washington, Mr. WEISS, Mr. WYLIE, Mr. FRENZEL, and Mr. STOKES.

H.J. Res. 657: Mr. RITTER, Mr. BLILEY, Mr. BONIOR of Michigan, Mr. LAGOMARSINO, Mr. WOLPE, Mr. UDALL, Mr. HENRY, Mr. CLAY, Mr. RINALDO, Mr. HUTTO, Mr. MCGRATH, Mr. FUQUA, Mr. MOORHEAD, Mr. SMITH of New Jersey, Mr. BRYANT, Mr. LAFALCE, Mr. BIAGGI, and Mr. VENTO.

H.J. Res. 670: Mr. VENTO, Mr. BIAGGI, Mr. BERMAN, Mr. BUSTAMANTE, Mr. MARTINEZ, Ms. OAKAR, Mr. ORTIZ, and Mr. BONIOR of Michigan.

H.J. Res. 678: Mr. KLECZKA, Mr. LUKEN, Mr. BROWN of California, Mr. DE LA GARZA, Mr. BENNETT, Mr. SEIBERLING, Mr. YATRON, Mr. STRANG, Mr. VENTO, Mr. DWYER of New Jersey, Mr. LOWERY of California, Mr. COELHO, and Mr. NIELSON of Utah.

H.J. Res. 681: Mr. ANNUNZIO.

H.J. Res. 686: Mr. HAYES, Mr. HAMILTON, Mr. CARR, Mr. BOSCO, Mr. DELLUMS, Mr. STARK, Mr. FUSTER, Mr. FAZIO, Mr. FAUNTROY, Mr. LUNDINE, Mr. EVANS of Illinois, Mr. SCHEUER, Mr. MANTON, Mr. CARPER, Mr. SUNIA, Mr. FOWLER, Mr. MILLER of Washington, Mr. ROSTENKOWSKI, Mr. TRAFICANT, Mr. YATES, Mr. LOWRY of Washington, Mr. MCCLOSKEY, Ms. OAKAR, Mr. PRICE, Mrs. COLLINS, Mr. BROWN of California, Mr. GRAY of Illinois, Mr. STOKES, Mr. MINETA, Mr. PERKINS, Mrs. BENTLEY, Mr. MITCHELL, Mr. JACOBS, Mr. SHARP, Mr. CONYERS, Mr. HORTON, Mr. WOLPE, Mr. COATS, Mr. CROCKETT, Mr. WALDON, Mr. FRANK, Mr. MATSUI, Mr. RINALDO, Mr. REID, Mr. HOWARD, Mr. TOWNS, Mrs. BOXER, Mr. WORTLEY, Mr. RODINO, Mr. WAXMAN, Mr. LEVIN of Michi-

gan, Mr. LUKEN, Mr. PANETTA, Mr. WHITTAKER, Mr. WEISS, Mr. BEDELL, Mr. WHEAT, Mr. RANGEL, Mr. MAVROULES, Mr. DIXON, Mr. BEILENSON, Mr. OWENS, Mr. BUSTAMANTE, Mr. RICHARDSON, Mr. ORTIZ, Mr. COELHO, Ms. KAPTUR, Mr. WISE, Mr. BATES, Mr. LEHMAN of Florida, Mr. BLAZ, Mr. LANTOS, Mr. CLAY, Mr. SILJANDER, Mr. HERTEL of Michigan, Mr. DOWDY of Mississippi, Mr. GRAY of Pennsylvania, Mr. KANJORSKI, Mr. COOPER, Mr. SCHUMER, Mr. CHAPMAN, Mr. BRUCE, Mr. COYNE, Mr. MURPHY, Mr. HOYER, Mr. STALLINGS, Mr. DURBIN, Mr. ATKINS, Mr. WYDEN, Mr. SMITH of Florida, Mr. GORDON, Mr. MILLER of California, Mr. STUDDS, Mr. GONZALEZ, Mr. DE LUGO, Mr. STAGGERS, Mr. SYNAR, Mr. KLECZKA, Mr. DASCHLE, Mr. DE LA GARZA, Mr. EDWARDS of California, Mr. LEVINE of California, Mr. MARKEY, Mr. MORRISON of Connecticut, Mr. OBERSTAR, Mr. SEIBERLING, Mr. TALLON, Mr. WEAVER, Mr. SOLARZ, Mr. SABO, Mr. BOEHLERT, Mr. STRATTON, Mr. FEIGHAN, Mr. ACKERMAN, Mr. AKAKA, Mrs. BURTON of California, Mr. DICKS, Mrs. KENNELLY, Mr. KILDEE, Mr. LEHMAN of California, Mrs. LONG, Mr. MACKAY, Mr. VENTO, Mr. BRYANT, Mr. TAUZIN, Mr. FORD of Tennessee, Mr. BIAGGI, Mr. MCHUGH, Mr. WIRTH, Mr. HEFNER, Mr. KASICH, Mr. ANDERSON, Mr. RITTER, Mr. FROST, Mr. ECKART of Ohio, Mr. BOUCHER, Mr. LATTA, Mr. RAHALL, Mr. MONSON, Mr. FOGLIETTA, Mr. MOODY, Mr. GOODLING, Mr. YATRON, Mr. GALLO, Mr. APPLEGATE, Mr. FRENZEL, Mr. PEPPER, Mr. HUGHES, Mr. MCMILLAN, Mr. LIPINSKI, Mr. YOUNG of Missouri, Mr. GEPHARDT, Mr. KOSTMAYER, Mr. TORRES, Mr. ANTHONY, Mr. BERMAN, Mr. EVANS of Iowa, Mr. FASCELL, Mr. FAWELL, Mr. FLIPPO, Mr. GEJDENSON, Mr. GIBBONS, Mr. GILMAN, Mrs. MARTIN of Illinois, Mr. SMITH of Iowa, Mr. JEFFORDS, Mr. PORTER, Mr. MRAZEK, Mr. KOLBE, Mr. PICKLE, Mr. NEAL, Mr. SIKORSKI, Mr. UDALL, Mr. TORRICELLI, Mr. BLILEY, and Mr. ZSCHAU.

H. Res. 509: Mr. VENTO, Mr. FROST, and Mr. BROOKS.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

454. By the SPEAKER: Petition of the Stated Clerk, Office of the General Assembly, Presbyterian Church (U.S.A.), relative to AIDS; to the Committee on Energy and Commerce.

455. Also, petition of the Roane County Commission, Roane County, TN, relative to the commercial nuclear power industry; jointly, to the Committee on Interior and Insular Affairs and Energy and Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4428

By Mr. BENNETT:

[24]—Page 129, line 13, is amended by redesignating subsection (b) as subsection (c) and inserting the following:

(b) PHASED MAINTENANCE PROGRAM.—The Navy is directed to continue the Phased Maintenance Program on Navy Amphibious and Auxiliary Ships as it is presently structured. Planning for those combatant ships that are scheduled to enter the Phased Maintenance Program in FY 87 and FY 88 is also to continue as presently structured.

(To the amendment offered by Mr. MAVROULES.)

[25]—At the end of the matter proposed to be inserted by the amendment at the end of title IX of division A, insert the following:

SEC. 939. LIMITATION ON AVAILABILITY OF EXCESS FUNDS.

(a) UNNECESSARY FUNDS.—The Secretary of Defense may not obligate or expend amounts appropriated to the Secretary, for any program, project, or activity, that are in excess of the amount needed to carry out the program, project, or activity for which such amounts were appropriated. Excess amounts that may not be obligated or expended are—

(1) inflation savings;

(2) excess working capital fund costs;

(3) foreign currency savings; and

(4) all other savings.

(b) FAILURE TO OBLIGATE FUNDS WITHIN THREE YEARS.—The Secretary of Defense may not obligate amounts appropriated to the Secretary for any program, project, or activity, for which a contract has not been entered into, after the end of the three-year period beginning on the date that such amounts become available for obligation for such program, project, or activity.

[26]—At the end of title IX of division A, (page 214, after line 18), insert the following new section:

SEC. 925. LIMITATION ON AVAILABILITY OF EXCESS FUNDS.

(a) UNNECESSARY FUNDS.—The Secretary of Defense may not obligate or expend amounts appropriated to the Secretary, for any program, project, or activity, that are in excess of the amount needed to carry out the program, project, or activity for which such amounts were appropriated. Excess amounts that may not be obligated or expended are—

(1) inflation savings;

(2) excess working capital fund costs;

(3) foreign currency savings; and

(4) all other savings.

(b) FAILURE TO OBLIGATE FUNDS WITHIN THREE YEARS.—The Secretary of Defense may not obligate amounts appropriated to the Secretary for any program, project, or activity, for which a contract has not been entered into, after the end of the three-year period beginning on the date that such amounts become available for obligation for such program, project, or activity.

[27]—At the end of title X of division A, (page 239, after line 5), insert the following new section:

SEC. 1033. LIMITATION ON AVAILABILITY OF EXCESS FUNDS.

(a) UNNECESSARY FUNDS.—The Secretary of Defense may not obligate or expend amounts appropriated to the Secretary, for any program, project, or activity, that are in excess of the amount needed to carry out the program, project, or activity for which such amounts were appropriated. Excess amounts that may not be obligated or expended are—

(1) inflation savings;

(2) excess working capital fund costs;

(3) foreign currency savings; and

(4) all other savings.

(b) FAILURE TO OBLIGATE FUNDS WITHIN THREE YEARS.—The Secretary of Defense may not obligate amounts appropriated to the Secretary for any program, project, or activity, for which a contract has not been entered into, after the end of the three-year period beginning on the date that such amounts become available for obligations for such program, project, or activity.

[28]—Page 158, line 14, is amending by adding the following:

PART C—COMMISSION ON MERCHANT MARINE AND DEFENSE MATTERS

SEC. 814. STATUS OF MEMBERS OF COMMISSION ON MERCHANT MARINE AND DEFENSE; EXTENSION OF REPORT DEADLINES AND AVAILABILITY OF APPROPRIATIONS.

(a) STATUS OF COMMISSION MEMBERS.—Subsection (d) of section 1536 of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2633), is amended—

(1) by inserting "(1)" after "(d)"; and

(2) by adding at the end the following new paragraph:

"(2) A member of the Commission appointed under subsection (c)(1)(C) (who is not otherwise employed by the Federal Government) shall not be considered to be a Federal employee, except for the purposes of—

"(A) chapter 81 of title 5, United States Code, relating to compensation for work-related injuries; and

"(B) chapter 171 of title 28, United States Code, relating to tort claims.".

(b) EXTENSIONS.—Such section is further amended as follows:

(1) The last sentence of subsection (b) and the first sentence of subsection (g) are each amended by striking out "the date of the enactment of the law first providing funds for the Commission" and inserting in lieu thereof "the date on which sufficient members of the Commission to constitute a quorum have been appointed".

(2) The second sentence of subsection (g) is amended by striking out "of enactment" each place it appears.

(3) The last sentence of subsection (i) is amended by striking out "September 30, 1988" and inserting in lieu thereof "36 months after that date on which sufficient members of the Commission to constitute a quorum have been appointed".

[29]—At the end of title IX of division A (page 214, after line 18), add the following new section:

SEC. 925. CONFLICT-OF-INTEREST IN DEFENSE PROCUREMENT.

(a) IN GENERAL.—(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2397a the following new sections:

"§ 2397b. Certain former Department of Defense procurement officials: limitations on employment by contractors

"(a)(1) Any person—

"(A) who is a former officer or employee of the Department of Defense or a former or retired member of the armed forces; and

"(B) who, during the two-year period preceding the person's separation from service in the Department of Defense, participated personally and substantially, and in a manner involving decisionmaking responsibilities, in a procurment function with respect to a contract through contact with the contractor.

may not accept compensation from that contractor for a period of two years following the person's separation from service in the Department of Defense.

"(2) In paragraph (1), the term 'decisionmaking responsibilities' includes the following activities with respect to a contract: approval or disapproval, or making recommendations or engaging in negotiations, with regard to a procurement function.

"(3) For purposes of paragraph (1), whether or not a person is a contractor (as

defined in subsection (f)(2)) is determined as of the date of the separation from service of the officer or employee of the Department of Defense or member of the armed forces involved.

"(4) Any person who knowingly violates paragraph (1) shall be imprisoned for not more than one year and shall be subject to a fine in the amount provided in title 18.

"(5) Any person who knowingly offers or provides any compensation to another person, and who knew or should have known that the acceptance of such compensation is or would be in violation of paragraph (1), shall be imprisoned for not more than one year and shall be subject to a fine in the amount provided in title 18.

"(b)(1) This section applies only to—

"(A) civilian positions for which the rate of pay is equal to or greater than the minimum rate of pay payable for grade GS-13 of the General Schedule; and

"(B) to positions held by members of the armed forces in a pay grade of 0-4 or higher.

"(2)(A) when a vacancy occurs in a sensitive civilian procurement executive position, the Secretary of Defense, with the concurrence of the Director of the Office of Govenment Ethics, may exempt the person appointed to fill the vacancy from the provisions of subsection (a) by reason of service in such position.

"(B) For purposes of subparagraph (A), a sensitive civilian procurement executive position is a position—

"(i) which is identified under paragraph (1);

"(ii) which is a civilian position to which a person is appointed by the President, by and with the advice and consent of the Senate; and

"(iii) with respect to which the Secretary of Defense determines that the duties inherent in the position involve personal substantial participation in procurement functions (to the extent to which subsection (a)(1) applies) with so many contractors that implementation of subsection (a) with respect to persons serving in the position would seriously hamper the ability of the Department of Defense to obtain the services of a highly qualified person to serve in the position.

"(C) An exemption granted under this paragraph shall not apply to the extent that the person granted the exemption acts as a government representative in the negotiation or settlement of a contract with a contractor.

"(D) Whenever the Secretary of Defense grants an exemption under this paragraph, the Secretary shall promptly submit to the Committees on Armed Services and Governmental Affairs of the Senate and the Committees on Armed Services and the Judiciary of the House of Representatives a report describing the exemption and setting forth the specific reasons for the exemption.

"(c) The Secretary of Defense shall provide to each person separated from service in the Department of Defense in a position described in subsection (b)(1) who, within the two years preceding the date of such separation, participated in a procurement function of the Department a notice with respect to this section. Such notice shall include—

"(1) a written explanation of the provisions of this section; and

"(2) the name of each contractor from whom such person is prohibited from accepting compensation under this section.

"(d) This section does not apply—

"(1) to a contract for an amount less than $100,000;

"(2) to compensation of a person by an entity that did not have a Department of Defense contract in excess of $100,000 at the time the person participated personally and substantially in a procurement function (to the extent to which subsection (a)(1) applies) with respect to a contract with that entity; or

"(3) to a contractor that was awarded contracts by the Department of Defense during the preceding fiscal year in a total amount less than $100,000.

"(e)(1) A person who is considering the propriety of accepting compensation that might place the person in violation of subsection (a) may, before acceptance of such compensation, apply to the Director of the Office of Government Ethics for advice on the applicability of this section to the acceptance of such compensation.

"(2) An application under paragraph (1) shall contain such information as the Director requires.

"(f) In this section:

"(1) The term 'compensation' includes any payment, gift, benefit, reward, favor, or gratuity—

"(A) which is provided, directly or indirectly, for services rendered; and

"(B) which is valued in excess of $250 at the prevailing market price.

"(2) The term 'contractor' means—

"(A) a person that contracts to supply the Department of Defense with goods or services; and

"(B) a person that controls, is controlled by, or is under common control with, a person described in subparagraph (A).

Such term does not include a State or local government or an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 which is exempt from taxation under section 501(a) of such Code.

"(3) The term 'procurement function' includes, with respect to a contract, any function relating to—

"(A) the negotiation, award, administration, or approval of the contract;

"(B) the selection of a contractor;

"(C) the approval of changes in the contract;

"(D) quality assurance, operational and developmental testing, the approval of payment, or auditing under the contract; or

"(E) the management of the procurement program.

"(4) The term 'armed forces' does not include the Coast Guard.

"(g) For the purposes of this section and section 2397c of this title, a member or former member of the armed forces shall be considered to have been separated from service in the Department of Defense upon the member's discharge or release from active duty.

"§ 2397c. Defense Contractors: requirements concerning former Department of Defense officials

"(a)(1) With respect to a contractor that during a fiscal year enters into contracts with the Department of Defense for the procurement of goods and services in amounts aggregating $100,000 or more, each contract for procurement of goods or services entered into by the Department with that contractor during the next fiscal year shall include a provision under which the contractor agrees not to provide compensation to a person if the acceptance of such compensation by such person would violate section 2397b(a)(1) of this title.

"(2) Such a contract shall also provide that if the contractor knowingly violates a contract provision required by paragraph (1) the contractor shall pay to the United States, as liquidated damages under the contract, an amount equal to the greater of—

"(A) $100,000; or

"(B) three times the compensation paid by the contractor to the person in violation of such contract provision.

"(b)(1)(A) Each contractor subject during a calendar year to a contract term described in subsection (a) shall submit to the Secretary of Defense not later than April 1 of the next year a report covering the preceding calendar year. Each such report shall list the name of each person (together with other information adequate for the Government to identify the person) who—

"(i) is a former officer or employee of the Department of Defense or a former or retired member of the armed forces; and

"(ii) was provided compensation by that contractor during the preceding calendar year, if such compensation was provided within two years after such officer, employee, or member left service in the Department of Defense.

"(B) Each such listing shall—

"(i) show each agency in which the person was employed or served on active duty during the last two years of the person's service in the Government;

"(ii) show the person's job titles during the last two years of the person's service in the Government;

"(iii) contain a full and complete description of the duties of the person during the last two years of such service; and

"(iv) contain a description of the duties (if any) that the person is performing on behalf of the contractor.

"(2) A person who knowingly fails to file a report required by paragraph (1) shall be fined not more than $10,000.

"(3) The Secretary of Defense shall review each report under paragraph (1) to assess the report for accuracy and completeness and for the purpose of identifying possible violations of paragraph (1) or section 2397b(a) of this title or of a contract provision required by subsection (a). The Secretary shall report any such possible violation to the Attorney General.

"(c)(1) The Director of the Office of Government Ethics shall have access to the reports submitted under subsection (b)(1) and shall conduct an annual random review of the reports for violations of section 2397b(a) of this title and subsections (a) and (b)(1).

"(2) Not later than October 1 of each year, the Director shall submit to Congress a report on the operation of this section. Each such report shall include the findings of the Director based on the examination of reports for the preceding calendar year.

"(d) This section does not apply to a contract for an amount less than $100,000.

"(e) The definitions set forth in section 2397b(f) of this title apply to this section.".

(2) The table of sections at the beginning of chapter 141 of title 10, United States Code, is amended by inserting after the item relating to section 2397a the following new items;

"2397b. Certain former Department of Defense procurement officials: limitations on employment by contractors.

"2397c. Defense contractors: requirements concerning former Department of Defense officials.".

(b) REPEAL.—Effective on the effective date of this section, section 921 of the Defense Procurement Improvement Act of 1985 (title IX of Public Law 99-145; 10 U.S.C. 2397a note) is repealed.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Subject to paragraphs (1) and (2), this section and the amendments made by this section shall take effect 180 days after the date of the enactment of this Act.

(2) EFFECTIVE DATE FOR REGULATORY AUTHORITY.—Subsection (b) of section 2397b of title 10, United States Code, as added by subsection (a), shall take effect on the date of the enactment of this Act. The Secretary of Defense shall prescribe and publish in the Federal Register regulations under that subsection not later than 180 days after such date.

(3) EFFECT ON EMPLOYMENT.—(A) The amendments made by this section—

(i) do not preclude the continuation of employment that began before the effective date of this section or the acceptance of compensation for such employment; and

(ii) do not, except as provided in subparagraph (B), apply to a person whose service in the Department of Defense terminates before the effective date of this section.

(B) Subparagraph (A)(ii) does not preclude the application of the amendments made by this section to a person with respect to service in the Department of Defense by such person on or after the effective date of this section.

(4) EFFECTIVE DATE FOR REPORTING REQUIREMENT.—The first report under section 2397c(c)(2) of title 10, United States Code, as added by subsection (a), shall be submitted not later than October 1, 1987.

[30]—Page 34, line 4, strike out "$7,678,782,000" and insert in lieu thereof "$7,124,782,000".

Strike out section 208 (page 43, lines 7 through 11) and insert in lieu thereof the following:

SEC. 208. STRATEGIC DEFENSE INITIATIVE.

Of the amount authorized in section 201 for research, development, test, and evaluation for the Defense Agencies, not more than $2,846,000,000 is available for the Strategic Defense Initiative (SDI) program, such amount being the amount of $2,750,000,000 provided for fiscal year 1986 plus an additional $96,000,000 representing a 3.5 percent increase for inflation.

Strike out section 3013 (page 329, lines 21 through 25) and insert in lieu thereof the following:

SEC. 3013. AUTHORIZATION FOR STRATEGIC DEFENSE INITIATIVE.

Of the funds authorized to be appropriated in sections 3011 and 3012, $279,000,000 is authorized for programs, projects, and activities of the Strategic Defense Initiative, such amount being the amount of $270,000,000 provided for fiscal year 1986 plus an additional $9,000,000 representing a 3.5 percent increase for inflation.

Page 332, line 23, strike out "(a) IN GENERAL.—".

Page 333, strike out lines 4 through 11.

[31]—Page 8, line 18 strike out "$6,071,000,000" and insert in lieu thereof "$4,971,000,000".

At the end of part A of title I of division A (page 21, after line 14), add the following new section:

SEC. 114. PROHIBITION ON USE OF FUNDS FOR MX MISSILE PROGRAM.

None of the funds appropriated or otherwise made available to the Air Force for fiscal year 1987 may be obligated or expended for test missiles under the MX missile program.

SEC. 115. INCREASED AUTHORIZATIONS FOR CONVENTIONAL WEAPONS PROGRAMS.

(a) ARMY.—The amount authorized to be appropriated in section 101(a)(4) for ammunition for the Army is increased by $85,000,000, none of which shall be available for nuclear weapons programs or chemical weapons programs.

(b) NAVY AND MARINE CORPS.—The amounts authorized to be appropriated in section 102 for the Navy and Marine Corps are increased as follows:

(1) for aircraft procurement, Navy, $46,800,000, of which—

(A) $45,800,000 is for modification of aircraft for the following programs and amounts:

(i) A-4 series, $10,000,000.

(ii) EA-6 series, $3,000,000.

(iii) F-4 series, $1,600,000.

(iv) SH-60 series, $1,800,000.

(v) Common ECM equipment, $29,400,000.

(B) $1,000,000 is for spares and repair parts for the AH-IT aircraft.

(2) For weapons procurement, Navy, $10,500,000 for Other Missiles Support.

(3) For Other Procurement, Navy, $29,800,000, of which—

(A) $10,400,000 is for supply support equipment for automated materials handling systems; and

(B) $19,400,000 is for personnel and command support equipment for the following programs and amounts:

(i) Training Support Equipment, $5,100,000.

(ii) Commercial Support Equipment, $3,900,000.

(iii) Naval Reserve Support Equipment, $5,000,000.

(iv) Oceanographic Support Equipment, $5,400,000.

(4) For Marine Corps Procurement, $25,000,000, of which—

(A) $21,200,000 is for mortar ammunition.

(B) $3,800,000 is for weapons procurement for the following programs and amounts:

(i) Mortar, medium extended range, 100 units for $2,200,000.

(ii) Machine gun, auto saw 5.56-millimeter, $700,000.

(iii) Mk-19 40-millimeter machine gun, for $900,000.

(d) AIR FORCE.—The amount authorized to be appropriated in section 103 for Other Procurement, Air Force, is increased by $52,900,000 as follows:

(1) $37,900,000 for munitions and associated support costs, in quantities and amounts as follows:

(A) Cartridge caliber 5.56 millimeter, 28,193 units and $3,900,000.

(B) Cartridge 20 millimeter combat, 1,273 units and $3,700,000.

(C) Cartridge 30 millimeter API, 199 units and $8,300,000.

(D) Bomb hard target, 2000 pound, 500 units and $10,000,000.

(E) Target, Aerial tow target assembly, 248 units and $6,200,000.

(F) Other Items, MJU-10B Flare, 40 units and $5,800,000.

(2) $15,000,000 for other base support, of which—

(A) $5,000,000 is for tactical shelters.

(B) $10,000,000 is for mobility equipment.

[32]—Page 8, line 18, strike out "$6,071,000,000" and insert in lieu thereof "$4,971,000,000".

At the end of part A of title I of division A (page 21, after line 14), add the following new section:

SEC. 114. INCREASED AUTHORIZATIONS FOR CONVENTIONAL WEAPONS PROGRAMS.

(a) ARMY.—The amounts authorized to be appropriated in section 101 for the Army are increased as follows:

(1) For ammunition, $119,000,000, none of which shall be available for nuclear weapons programs or chemical weapons programs, of which $34,000,000 is for Proj. 155mm, HE Adam M731.

(2) For Other Procurement, Army $32,800,000, of which—

(A) $18,000,000 is for tactical and support vehicles for the following programs and amounts:

(i) Chassis Trailer, GP 3½ ton, $3,700,000.

(ii) Semitrailer, Tank 7,500 gal., $7,300,000.

(iii) Semitrailer, Van Supply, 12 ton, $7,000,000.

(B) $14,800,000 is for other support equipment in the following programs and amounts:

(i) Tug Inland and Coastal Waterways, $10,000,000.

(ii) Railway Car, Tank, Pol, $4,800,000.

(b) NAVY AND MARINE CORPS.—The amounts authorized to be appropriated in section 102 for the Navy and Marine Corps are increased as follows:

(1) For aircraft procurement, Navy, $46,800,000, of which—

(A) $45,800,000 is for modification of aircraft for the following programs and amounts:

(i) A-4 series, $10,000,000.

(ii) EA-6 series, $3,000,000.

(iii) F-4 series, $1,600,000.

(iv) SH-60 series, $1,800,000.

(v) Common ECM equipment $29,400,000.

(B) $1,000,000 is for spares and repair parts for the AH-IT aircraft.

(2) For weapons procurement, Navy, $50,500,000, of which—

(A) $10,500,000 is for Other Missiles Support.

(B) $40,000,000 is for the MK-60 Captor.

(3) For Shipbuilding and Conversion, Navy, $49,800,000 for one TAGOS surtass ship.

(4) For other Procurement, Navy, $29,800,000, of which—

(A) $10,400,000 is for supply support equipment for automated materials handling systems; and

(B) $19,400,000 is for personnel and command support equipment for the following programs and amounts:

(i) Training Support Equipment, $5,100,000.

(ii) Commercial Support Equipment $3,900,000.

(iii) Naval Reserve Support Equipment, $5,000,000.

(iv) Oceanographic Support Equipment, $5,400,000.

(5) For Marine Corps Procurement, $25,000,000, of which—

(A) $21,200,000 is for mortar ammunition.

(B) $3,800,000 is for weapons procurement for the following programs and amounts:

(i) Mortar, medium extended range, 100 units for $2,200,000.

(ii) Machine gun, auto saw 5.56-millimeter, $700,000.

(iii) Mk-19 40-millimeter machine gun, for $900,000.

(c) AIR FORCE.—The amount authorized to be appropriated in section 103 for Other Procurement, Air Force, is increased by $196,000,000 as follows:

(1) $47,000,000 for munitions and associated support costs, in quantities and amounts as follows:

(A) 2.75 inch rocket motor, $1,800,000.
(B) 2.75 inch rocket head wp, $7,300,000.
(C) Cartridge caliber 5.56 millimeter, 28,193 units and $3,900,000.
(D) Cartridge 20 millimeter combat, 1,273 units and $3,700,000.
(E) Cartridge 30 millimeter API, 199 units and $8,300,000.
(F) Bomb hard target, 2000 pound, 500 units and $10,000,000.
(G) Target, Aerial tow target assembly, 248 units and $6,200,000.
(H) Other Items, MJU-10B Flare, 40 units and $5,800,000.
(2) $11,400,000 for electronics and telecommunications programs, of which—
(A) $7,000,000 is for traffic control and landing systems.
(B) $4,400,000 is for North Atlantic Defense C3.
(C) $15,000,000 is for MAC Command and Control support.
(D) $31,800,000 is for Range Improvements.
(E) $3,700,000 is for radar bomb scorer.
(F) $30,000,000 is for Joint Tactical Communications Prog.
(G) $20,000,000 is for Tactical C-E Equipment.
(H) $20,300,000 is for radio equipment.
(I) $1,900,000 is for fiber optic equipment.
(3) $15,000,000 for other base support, of which—
(A) $5,000,000 is for tactical shelters.
(B) $10,000,000 is for mobility equipment.

By Mr. BROOMFIELD:

[33]—Page 34, line 3, strike out "$14,129,058,000" and insert in lieu thereof "$14,132,058,000".

Page 41, after line 18, add the following:

(e) TECHNICAL ON-SITE INSPECTION.—Of the amount authorized in section 201 for the Air Force, not less than $9,850,000 shall be available for technical on-site inspection.

By Mr. BROWN of California:

[34]—Strike out section 214 (page 67, line 17 through page 68, line 4) and insert in lieu thereof the following:

SEC. 214. LIMITATION ON TESTING OF ANTI-SATELLITE WEAPONS.

(a) ASAT TESTING MORATORIUM.—The Secretary of Defense may not carry out a test of the Space Defense System (anti-satellite weapon) against an object in space until the President certifies to Congress that the Soviet Union has conducted, after the date of the enactment of this Act, a test against an object in space of a dedicated anti-satellite weapon.

(b) EXPIRATION.—The prohibition in subsection (a) expires on October 1, 1987.

By Ms. KAPTUR:

[35]—At the end of title III of division A (page 85, after line 12), add the following new section:

SEC. 314. TRANSPORTATION OF CARGO THROUGH GREAT LAKES PORTS.

Of the funds appropriated for fiscal year 1987 for operation and maintenance of the Department of Defense, not less than $10,000,000 shall be spent for the transportation of cargo by ocean common carrier via Great Lakes ports and the St. Lawrence seaway in vessels documented under the laws of the United States.

By Mr. LUNDINE:

[36]—At the end of title X of division A (page 239, after line 5), add the following:

SEC. . COOPERATION OF SECRETARY OF DEFENSE IN INTERDICTION OF ILLEGAL DRUGS.

The Secretary of Defense shall cooperate with the United States Coast Guard in making available to the United States Coast Guard Tactical Law Enforcement Teams and other United States Coast Guard drug enforcement operations the ships, personnel, and facilities of the United States Navy on a more liberal basis for the interdiction of the smuggling of illegal drugs into the United States, taking into consideration the high priority Congress places on making that interediction more effective.

By Mr. MONTGOMERY:

[37]—Page 10, line 1, strike out "$509,100,000" and insert in lieu thereof "$539,100,000".

[38]—At the end of title V of division A (page 103, after line 6), add the following new section:

SEC. . ACTIVE DUTY OF NATIONAL GUARD.

(a) GOVERNOR CONSENT FOR ACTIVE DUTY OF NATIONAL GUARD MEMBERS.—Section 501 of title 32, United States Code, is amended by adding at the end the following new subsection:

"(c) With regard to active duty outside the United States, its territories, and its possessions, the consent of the Governor described in sections 672(b) and 672(d) of title 10 may not be withheld in whole or in part because of any objection to the location, purpose, type, or schedule of such active duty.".

(b) CONFORMING AMENDMENT.—Section 672 of title 10, United States Code, is amended—

(1) by inserting "except as provided by section 501(c) of title 32" after "as the case may be" in subsection (b); and

(2) by inserting "except as provided by section 501(c) of title 32" after "whichever is concerned" in subsection (d).

[39]—Page 86, line 4, strike "459,310" and insert in lieu thereof "456,596".

Page 86, line 6, strike "153,013" and insert in lieu thereof "152,994".

Page 87, line 12, strike "25,231" and insert in lieu thereof "25,731".

Page 87, line 14, strike "20,510" and insert in lieu thereof "21,476".

[40]—Page 87, line 12, strike "25,231" and insert in lieu thereof "25,731".

Page 87, line 14, strike "20,510" and insert in lieu thereof "21,476".

By Mr. PANETTA:

[41]—At the end of title X of division A (page 239, after line 5), insert the following new section:

SEC. 1033. OFF-POST RENTAL HOUSING LEASE INDEMNITY PILOT PROGRAM.

(a) ESTABLISHMENT OF PROGRAM BY SECRETARY OF DEFENSE.—

(1) IN GENERAL.—The Secretary of Defense shall establish a pilot program to test the feasibility of implementing a program under which the Secretary of a military department may guarantee compensation of any person who leases a rental unit to any member of the armed forces under the jurisdiction of the Secretary for any breach of any lease or any damage to the rental unit by the member.

(2) DEADLINE.—The program referred to in paragraph (1) shall be established not later than the 90-day period beginning on the date of the enactment of this Act, but not before October 1, 1986.

(b) ACTIONS BY SECRETARIES OF MILITARY DEPARTMENTS.—

(1) DESIGNATION OF MILITARY INSTALLATIONS.—In accordance with action taken by the Secretary of Defense under subsection (a), the Secretary of each military department shall designate one military installation in the United States that is under the jurisdiction of such Secretary to participate in the program established under subsection (a).

(2) SECURITY AGREEMENTS.—For purposes of carrying out this section, the Secretary of a military department, to the extent approved in advance in appropriation Acts, may enter into an agreement with any person who leases a rental unit to any member of the armed forces under the jurisdiction of the Secretary. Any agreement under this paragraph shall provide that—

(A) the term of the agreement shall not be for more than one year;

(B) the member shall not pay a security deposit;

(C) the Secretary (except as provided in subparagraphs (D) and (E)) shall compensate the lessor for any breach of the lease by the member and for any damage to the rental unit caused by the member or by any guest or dependent of the member;

(D) the total liability of the Secretary for any breach of the lease or for any damage described in subparagraph (C) shall not exceed an amount equal to the amount that the Secretary determines would have been required by the lessor as a security deposit absent the agreement authorized in this paragraph;

(E) the Secretary shall not compensate the lessor for any breach of the lease or for any damage described in subparagraph (C) until the lessor exhausts any remedies available to the lessor against the member for the breach or damage; and

(F) the Secretary shall be subrogated to the rights of the lessor in any case in which the Secretary compensates the lessor for any breach of the lease or for any damages described in subparagraph (C).

(3) REGULATIONS.—Any authority of the Secretary of a military department under this section shall be exercised under regulations prescribed by the Secretary of Defense.

(c) GARNISHMENT OF PAY FROM MEMBER OF ARMED FORCES.—Any Secretary who compensates any lessor under subsection (b) for any damage to a rental unit or any breach of a lease by a member of the armed forces may issue a special order under section 1007 of title 37, United States Code, to authorize the withholding from the pay of the member of an amount equal to the amount paid by the Secretary to the lessor as compensation for the breach or damage.

(d) REPORT REQUIREMENT.—

(1) IN GENERAL.—The Secretary of Defense shall submit to Congress a report concerning the pilot program established under subsection (a), including—

(A) findings and conclusions of the Secretary with respect to the pilot program; and

(B) recommendations as to the feasibility of implementing a program similar to the pilot program on all military installations.

(2) DEADLINE.—The report referred to in paragraph (1) shall be submitted before the expiration of the 18-month period following the date of the establishment of the pilot program under subsection (a).

(e) TERMINATION OF AUTHORITY.—The authority of the Secretary of a military department to enter into any contract under subsection (b) shall terminate upon the expiration of the 18-month period following the date of the establishment of the pilot program under subsection (a).

[42]—At the end of title III of division A (page 85, after line 12), add the following new section:

SEC. 314. PREFERENCE FOR UNITED STATES AGRICULTURAL PRODUCTS IN COMMISSARY FOOD PURCHASES.

(a) PREFERENCE REQUIREMENT.—The Secretary of Defense shall require that, when ac-

quiring food products through the use of competitive procedures for resale through commissary stores located in the United States, the Department of Defense gives preference to United States companies that use United States agricultural commodities in the products sold to the Department of Defense.

(b) GUIDELINES.—The Secretary shall develop guidelines to implement the preference required by subsection (a). Such guidelines shall be developed and implemented not later than 60 days after the date of enactment of this Act. The Secretary shall transmit a copy of the guidelines to the Committees on Armed Services of the Senate and House of Representatives as soon as they are developed.

(c) REPORT.—The Scretary shall, not later than 120 days after the date of the enactment of this Act, submit to the Committees on Armed Services of the Senate and House of Representatives a report on the implementation of this section.

[43]—Page 104, after line 15, insert the following new section:

SEC. 603. SPECIAL PAY FOR MEMBERS OF THE ARMED FORCES WHO ARE PROFICIENT IN A FOREIGN LANGUAGE.

(a) IN GENERAL.—(1) Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

§ 316. Special pay: foreign language proficiency pay

"(a) A member of the armed forces who meets the criteria described in subsection (b) may be paid special pay, in addition to any other pay or allowance to which the member is entitled, in the amount set forth in subsection (c).

"(b)(1) A member of the armed forces qualifies for special pay under this section if the member—

"(A) is entitled to basic pay;

"(B) has been certified by the Secretary concerned within the past 12 months to be proficient in a foreign language identified by the Secretary of Defense as necessary for the national defense; and

"(C) fulfills at least one of the criteria described in paragraph (2).

"(2) The criteria referred to in paragraph (1)(C) are as follows:

"(A) The member is qualified in a military specialty requiring the foreign language proficiency.

"(B) The member received training, under regulations prescribed by the Secretary concerned, designed to develop such proficiency.

"(C) The member is assigned to military duties requiring such proficiency.

"(D) The member is proficient in a foreign language for which an armed force under the jurisdiction of the Secretary concerned may have a critical need.

"(c) The monthly rate for special pay under subsection (a) may not exceed $100.

"(d)(1) Under regulations prescribed by the Secretary concerned and to the extent provided for in appropriations Acts, when a member of a reserve component of the armed forces, or of the National Guard, who is entitled to compensation under section 206 of this title, fulfills the criteria for special pay as described in subsection (b), except the requirement described in subsection (b)(1)(A), the member may be paid an increase in compensation equal to 1/30th of the monthly special pay authorized by subsection (c) for the performance of that duty by a member who is entitled to basic pay.

"(2) A member eligible for increased compensation under paragraph (1) shall be paid such increase—

"(A) for each regular period of instruction, or period of appropriate duty, at which he is engaged for at least two hours, including instruction received or duty performed on a Sunday or holiday; and

"(B) for each period of performance of such other equivalent training, instruction, duty, or appropriate duties, as the Secretary may prescribe.

"(3) This subsection does not apply to a member who is entitled to basic pay under section 204 of this title.

"(d) This section shall be administered under regulations prescribed by the Secretary of Defense for the armed forces under his jurisdiction and by the Secretary of Transportation for the Coast Guard when the Coast Guard is not operating as a service in the Navy.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"316. Special pay; foreign language proficiency pay.".

(b) EFFECTIVE DATE.—Section 316 of title 37, United States Code, as added by subsection (a), shall take effect on October 1, 1986.

(c) LIMITATIONS ON OBLIGATIONS.—Of the funds appropriated or otherwise made available for military personnel during fiscal year 1987, not more than $7,300,000 may be obligated or expended for the payment of the special pay authorized by section 316 of title 37, United States Code, as added by this section.

By Mr. SMITH of New Jersey:

[44]—At the end of part B of title VIII of division A (page 158, after line 13), insert the following new section:

SEC. 814. ELIGIBILITY OF PHILANTHROPIC INSTITUTIONS TO RECEIVE REIMBURSEMENTS UNDER CHAMPUS.

(a) IN GENERAL.—

(1) ACTIVE-DUTY DEPENDENTS.—Section 1079 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(1) Notwithstanding subsection (j), a hospital that is operated primarily for philanthropic purposes may not be denied payment for a charge for services for which a claim is submitted under a plan contracted for under subsection (a) solely on the basis that such hospital does not impose a legal obligation on patients to pay for such services.".

(2) CERTAIN MEMBERS, FORMER MEMBERS, AND THEIR DEPENDENTS.—Section 1086 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(h) Notwithstanding subsection (d) or any other provision of this chapter, a hospital that is operated primarily for philanthropic purposes may not be denied payment for a charge for services for which a claim is submitted under a plan contracted for under subsection (a) solely on the basis that such hospital does not impose a legal obligation on patients to pay for such services.".

(b) EFFECTIVE DATE.—Section 1079(1) of title 10, United States Code (as added by subsection (a)(1)), and section 1086 of such title (as added by subsection (a)(2)) shall apply with respect to medical care received after the date of the enactment of this Act.

By Mr. SOLOMON:

[45]—Page 239, after line 5, insert the following new section:

SEC. 1033. RESTRICTION ON PERFORMANCE OF SERVICES BY PERSONS WHO FAIL TO REGISTER UNDER THE MILITARY SELECTIVE SERVICE ACT.

(a) IN GENERAL.—(1) Chapter 141 of title 10, United States Code, is amended by adding at the end the following:

"2408. Contracts: performance of services by selective service nonregistrants

"(a) A person born after December 31, 1959, who is required to register under section 3(a) of the Military Selective Service Act (50 U.S.C. App. 453(a)) and who has not so registered shall not perform services under any contract or subcontract financed in whole or in part by funds appropriated to the Department of Defense.

"(b) The Secretary may waive the application of this section with respect to a contract when the Secretary determines such a waiver is necessary in the interests of national security.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"§ 2408. Contracts: performance of services by selective service nonregistrants.".

(b) EFFECTIVE DATE.—Section 2408 of title 10, United States Code (as added by subsection (a)), shall apply to contracts entered into after the date of the enactment of this Act and only with respect to individuals hired by contractors or subcontractors after such date.

Mr. SPRATT:

[46]—Page 3, line 8, strike out "$2,361,900,000" and insert in lieu thereof "$2,391,900,000".

Page 3, line 12, strike out "$5,093,600,000" and insert in lieu thereof "$5,150,900,000".

Page 3, line 18, strike out "$1,407,200,000" and insert in lieu thereof "$1,464,500,000".

Page 8, line 17, strike out "$16,746,800,000" and insert in lieu thereof "$17,237,200,000".

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By Mr. FAUNTROY:

Page 13, after line 8, add the following:

SEC. 204. RECOVERY BY HAITI OF ASSETS STOLEN BY DUVALIER REGIME.

(a) FINDINGS.—The Congress finds that—

(1) the Government of Haiti believes that former president-for-life Jean Claude Duvalier and other individuals associated with the Duvalier regime illegally diverted to their own use substantial amounts of the assets of the Government of Haiti;

(2) the Government of Haiti is attempting to locate and recover those assets through legal means;

(3) virtually every relevant jurisdiction, both in the United States and abroad, requires the posting of some form of security to secure the issuance of orders of attachment or other judicial seizures of property;

(4) the Government of Haiti is unable, without outside assistance, to post the necessary security because of its lack of assets;

(5) Haiti's economic situation could be significantly improved, and the need for external resources reduced, if the Government of Haiti is able to pursue its legal remedies against those who are in large part responsible for the economic crisis in Haiti; and

(6) the United States has a substantial foreign policy interest in helping the Government of Haiti recover any assets which were illegally diverted by those associated with the Duvalier regime.

(b) ACTIONS TO ASSIST HAITI.—The President shall exercise the authorities granted

by section 203 of the International Emergency Economic Powers Act (50 U.S.C. app. 1702) to assist the Government of Haiti in its efforts to recover, through legal proceedings, assets which the Government of Haiti alleges were stolen by former president-for-life Jean Claude Duvalier and other individuals associated with the Duvalier regime. This subsection shall be deemed to satisfy the requirements of section 202 of that Act.

By Mr. LELAND:

—Page 10, after line 14, insert the following new subsection:

(e) ADDITIONAL ASSISTANCE FOR ECONOMIC DEVELOPMENT IN HAITI.—In order to assist economic development in Haiti, a Foreign Commercial Service officer shall be assigned to the United States embassy in Haiti.

SENATE—*Tuesday, August 5, 1986*

(Legislative day of Monday, August 4, 1986)

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

God of Abraham, Isaac, and Israel—God of our fathers—our God—save us from being victims of the visible as if only that is reality. One of the greatest leaders in history, Moses, "endured as seeing the invisible." His leadership, his greatness, his power grew out of his connection with the invisible. In this scientific age, Father, our inclination is to reduce reality to the visible, despite the fact that much of reality with which we have to do is invisible. In You O Lord, we "live and move and have our being." Sensitize us to this greatest of all reality, Your invisible presence, here and everywhere. Help us to seek You, to connect with You, to depend upon You. Grant that each may be an instrument of Your divine will. Give us the wisdom of Moses, O Lord our God. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished and abled acting majority leader is recognized.

Mr. RUDMAN. I thank the distinguished President pro tempore.

SCHEDULE

Mr. RUDMAN. Mr. President, under the standing order, the two leaders will each have 10 minutes. There will then be special orders in favor of Senators HAWKINS, PROXMIRE, GORE, GORTON, HEFLIN, and MELCHER not to exceed 5 minutes. Then routine morning business will extend not beyond the hour of 10 o'clock, with Senators permitted to speak therein for a period of 5 minutes.

At 10 o'clock this morning, the Senate will resume consideration of S. 2638, the DOD authorization bill. Pending is the Johnston amendment No. 2273. The Senate will stand in recess between the hours of 12 noon and 2 p.m. in order for the weekly party caucuses to meet.

At 2 o'clock the Senate will resume consideration of the DOD authorization bill. Votes can be expected throughout the day today and a late night session is likely in order to make progress on the DOD authorization bill.

Those are the comments furnished to me in behalf of the majority leader, who is attending a leadership meeting this morning with the President.

I will now yield to my good friend, the Democratic leader, and reserve the balance of the leader's time.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. WALLOP). Under the previous order, the Democratic leader is recognized.

Mr. BYRD. Mr. President, I thank the distinguished acting leader.

STEEL INDUSTRY PLIGHT

Mr. BYRD. Mr. President, the American steel industry is facing the most serious challenge in its history. The Washington Post of Sunday, August 3, includes a report on that challenge.

Much of the current problem has been caused by imports. While the level of imports has declined to around 23 percent of the U.S. market, this is still above the target established by the President's steel program which called for import levels not to exceed 20.2 percent.

That program was put into place only after imports had grown at record levels and had captured nearly one-third of the U.S. market. The industry petitioned for relief under the trade laws—section 201 of the Trade Act—and the International Trade Commission found in favor of the American steel industry. But the President refused to implement the ITC recommendation. He opted instead for his own program of voluntary restraints—a program that has institutionalized foreign control over nearly one-quarter of the American steel market.

By now, the damage from imports has been done. The administration's failure to develop a comprehensive policy with regard to steel has encouraged the crisis in this vital industry. Employment in steel has fallen from 215,000 in May 1985 to current levels of 187,500.

When several hundred textile, apparel, and shoe workers gathered on the west lawn of the Capitol last week to urge a congressional override of the President's veto of the textile bill, I reminded them of the plight of the steelworkers. These industries—and many others—share a common problem. The administration has done nothing to craft a realistic trade policy. Our trade deficit—the largest in history—threatens to exceed $168 billion by the end of 1986.

When is this administration going to wake up? America is the greatest trading Nation in the world. But we cannot retain that status if the Government neglects trade policy—anymore than we can retain our greatness if Government neglects its defense obligation, or neglects education.

I ask unanimous consent that the Washington Post report, entitled "Big Steel Producers Scrap on Home Turf" be included in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 3, 1986]

BIG STEEL PRODUCERS SCRAP ON HOME TURF

(By Peter Behr)

The nation's major steel producers, allies for the most part in a long, losing struggle against cheaper foreign and nonunion American steel, face a threat from a new direction: each other.

The biggest producer, USX Corp., was closed down Thursday in a labor dispute with 45,000 members of the United Steelworkers union. The strike—or lockout, as the union calls it—is only the second major stoppage in the steel industry since 1959 and is not expected to end soon. But USX's grief will be the other companies' gain. USX's rivals will be happy to take its business for the time being.

"If USS [the steel division of USX] can't ship steel, all of us will benefit," said a senior vice president of one of the Big Six steel companies, who declined to be quoted by name. "There are a lot of markets that will open up."

Since 1973, the big steel companies had stood together in labor bargaining with the steelworkers union, negotiating terms that applied to all of them, while the union gave up the right to strike over these general contract issues. This year, competitive strains broke up the alliance, and they have bargained separately.

At the heart of the strike is the question of whether USX will gain wage concessions to match those that other companies already have received from the steelworkers. The steelworkers refuse to yield, contending that USX's overall steelmaking costs are already on a par with the other companies'. Further labor-cost concessions would give USX an important competitive advantage, the union maintains.

From now on, such competitive advantages are survival issues, industry analysts believe. "I think the struggle from here on out is among the [Big Six] integrated mills," said Walter Carter, of Data Resources Inc., an economic-forecasting firm.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The major steel makers' share of domestic steel output has fallen from 75 percent in the early 1970s to 60 percent now. They still face unrelenting competition from foreign rivals and low-cost, nonunion "mini-mills" in this country. But the next round, Carter said, is essentially among the Big Six: USX (formerly U.S. Steel), LTV Corp., Bethlehem Steel Corp., Inland Steel Co., Armco Inc. and National Intergroup Inc.

"The big fight now is in the domestic market" said Donald F. Barnett, a steel industry consultant. "All of them cannot survive. It's almost economic warfare."

The second-largest company, LTV, last month sought refuge from its creditors by filing a Chapter 11 bankruptcy petition. This move enables LTV to seek major cost savings on pensions, interest charges and raw materials that would give it a strong edge in the domestic steel business.

LTV thus joins eight other basic steel companies that have used bankruptcy or the threat of it to sharply reduce labor and material costs.

They have become the "People Express" of the domestic steel industry, and their no-frills steel making now represents the most serious threat to the big companies, steel analysts Peter F. Marcus and Karlis M. Kiris of Paine Webber said.

This group of companies includes Weirton Steel, Wheeling Pittsburgh, Steel Corp., California Steel and other firms which now claim 11 percent of domestic steel shipments.

Whether LTV will achieve significantly lower costs and become an aggressive price-cutter remains to be seen. But the addition of LTV to the Wheeling-Pitt contingent could boost its share to a quarter of domestic shipments by the early 1990s, cutting the other major producers' portion to less than half, Paine Webber estimates.

The steel industry, whose products help form the framework for daily life, has never been weaker.

"We find it doubtful that the major U.S. steel companies can survive in their present structure . . . ," Marcus and Kirsis said in their report.

Barnett and Robert Crandall, a senior fellow at the Brookings Institution, are completing a book that predicts a kind of slow liquidation for the major producers as domestic steel capacity drops from about 120 million tons now to under 100 million by the 1990s. It was 154 million tons in 1982.

Every decision to invest in essential new facilities will be an agonizing one, and few major investments will look like winners. "The costs are enormous," Crandall said. "There is no way to pay for it."

"It's hard to believe anybody in this country is going to build a new blast furnace or new coke oven," the primary facilities required to make steel from iron ore, a senior steel industry executive agreed.

That reality has finally dawned on the industry and union, Crandall said. "It isn't an industry that can hold on and right itself in better times."

American producers have been helped by the decline in the dollar since last fall, which boosted the price of steel imported from Japan and Western Europe. There is relief, too, in the import restrictions imposed by President Reagan, which promise to hold imports at around 23 percent of total demand for the next three years. But the new competitors—South Korea and Brazil—are straining to modernize their already formidable plants, assuring no letup in competition from low-cost foreign steel. And in the 1990s, China will enter the picture.

At home, low-cost mini-mills such as Nucor Corp, continue to bite into the sales of the Big Six. Using a cheaper technology that avoids the great expenses of making steel from iron ore, Nucor and the other mini-mills produce steel products by melting scrap. And these mills are run with nonunion workers and incentive-based payment plans that resemble those in Japan or Silicon Valley rather than Pittsburgh or Gary, Ind. The mini-mills' share of domestic-steel shipments has risen from 5 percent in 1973 to 17 percent now.

All of these outside pressures will keep steel prices from rising, many experts predict. "Except during brief periods of tight supply, we look for no increases in steel prices during the next decade," the Paine Webber study determined.

With prices flat, prosperity requires constant cost cutting, and here the steel industry has special, heavy burdens.

For each active steelworker, there are three retirees entitled to benefits from the steel companies' pension funds. Although USX has kept its pension funds in healthy condition, other, weaker companies have not.

The bankruptcy route chosen by LTV and Wheeling-Pittsburgh provides companies with a way to dump heavy penson obligations on the backs of the federal government, and, ultimately, other employers. When Wheeling-Pitt filed its Chapter 11 petition, it abandoned its pension responsiblities to the federal Pension Benefit Guaranty Corp., which uses private funding to ensure that workers receive most if not all of their pension entitlements.

A similar step by LTV would save $30 for each ton of steel—a crucial 6 percent reduction in costs.

The LTV bankruptcy filing has galvanized USX's determination to win cost reductions from the steelworkers, USX Chairman David Roderick said last week. "It is very clear LTV got concessions [from the steelworkers]. And now they're trying to build on those concessions through bankruptcy . . . We have to equalize it in spades now," Roderick said.

As both the USX and the steelworkers make plain, the strike is not just a rerun of old battles over wages and benefits.

In negotiations earlier this year, the steelworkers signed new contracts with USX's rivals providing for labor-cost reductions of about $3 an hour, bringing the companies' total costs to around $23 per hour. These reductions were offset somewhat by the companies' commitments for profit sharing or incentive pay, if steel profits rise.

USX has said its costs now exceed $25 an hour and has demanded comparable cuts to maintain parity. The union, and some of USX's rivals, respond that USX already enjoys a cost advantage, and that granting comparable-wage cost cuts would give USX a crucial competitive advantage.

The steelworkers' goal is to create a "level playing field" economically for all of the companies, to prevent one from waging a price war against the others, said Buddy W. Davis, a steelworker district director from St. Louis.

"We don't want to give them [USX] an advantage," Davis said, either through lower labor costs or by giving USX greater freedom to farm out steel-making business to cheaper contractors than the other companies possess.

"If they cut prices with those savings, then the whole steel industry is in a lot of trouble, and we are, too. They need price increases, not price cuts," said Davis. "We can't let USX go their merry way."

At every other crisis point in the past decade, the steel industry and the steelworkers have come to Washington for help. There may not be much more of that available.

USX Chairman Roderick, for instance, doesn't expect more protection against foreign steel. "The level of imports has declined . . . I don't think we're going to get any more than that," he said last week. "I don't see any great surge of movement" to help the industry on any front, he added.

In fact, the tax bill taking shape hurts the industry, he said, by reducing tax incentives to invest in steel-making facilities and steel goods. "This is a [pro-] consumer, politically driven tax bill. It's going to hurt the steel industry and it's going to hurt markets for steel," he charged.

"I think the reduction of the industry will come swiftly," said Barnett. "It will be very painful for those involved . . . but it will be over quickly and permanently." A smaller, much more efficient industry will emerge, providing profits and well-paying jobs, he predicted.

No one can predict what that industry will look like, he added. "I wouldn't count on any of the established ownership arrangements being around."

THE FIFTH ANNIVERSARY OF THE AIR TRAFFIC CONTROLLERS' STRIKE

Mr. BYRD. Mr. President, Sunday, August 3, was the fifth anniversary of the strike by the Nation's air traffic controllers. To mark this event, the Washington Post published an excellent report by Post reporter Douglas Feaver, entitled "'81 Strike Still a Drag on Air Traffic Monitors."

Mr. Feaver briefly recounts the events leading up to the strike by the air traffic controllers, and then focuses attention on the aftermath of the strike and the firing of the 11,400 striking controllers by President Reagan. The firing decimated the ranks of experienced air traffic controllers. However, the article points out, the administration promised that the system would be back to "normal" by January 1984. Of course, as we all know now, the Nation's air traffic control system is far from being back to "normal." In fact several months ago the General Accounting Office issued a report, based on a survey of air traffic controllers, indicating that the air traffic control system is "less safe than it once was."

For example, Mr. President, at the time of the air traffic controllers' strike, 81 percent—13,205—of the 16,205 air traffic work force were full performance level controllers. As of April 1986, 63 percent—8,861—of the 14,036 controller work force were on the job in July 1981.

This means that there are 4,344 fewer experienced controllers handling a workload that has grown significantly since 1981. For example, the

Post story points out, in 1980, the last full year before the strike, there were 9.9 million takeoffs and landings by airlines in the United States. In 1985, there were 11.5 million takeoffs and landings. In the first 5 months of this year, there were 5 million takeoffs and landings, an 8.7-percent increase over the same period last year, and a 19-percent increase over the same period in 1980.

It is also important to point out that when these figures are considered in the context of some of the Nation's busiest airports the picture appears to be even bleaker. For example, according to a recent story in the U.S. News-World Report, 67 percent of the air traffic controllers in 1981 at Chicago's O'Hare Airport, the busiest in the Nation, were at full performance level. In 1986, 43 percent are full performance level controllers. Similarly, at Atlanta's airport, 87 percent of the air traffic controllers were at full performance level. In 1986, 69 percent are full performance level controllers.

Secretary of Transportation Elizabeth Dole announced plans to rebuild the air traffic controller work force by hiring 500 controllers in each of fiscal years 1986 and 1987. However, the Post story quotes a GAO official who points out that, in the first 6 months of this fiscal year, the FAA has added a net of only 30 controllers.

Mr. President, I have testified before the Aviation Subcommittee and the Joint Economic Committee on the issue of aviation safety. In my testimony I have pointed out that the margin of aviation safety has declined dramatically since airline deregulation. I have introduced legislation, S. 2417, the Aviation Safety Commission Act, which directs the President to appoint a "blue ribbon" aviation safety commission to study and make recommendations to the Congress regarding aviation safety issues. The work of the commission will complement congressional reports, and will be especially timely because next year Congress will begin considering the reauthorization of the Airport and Airway Improvement Act of 1982.

S. 2417 is scheduled to be marked up by the Commerce Committee this week, and I will work to bring this important legislation to the floor for consideration by the full Senate in the near future.

Mr. President, the story which appeared in Sunday's Post underscores once again the fragile condition of the Nation's aviation safety 5 years after the air traffic controllers' strike. It would appear from the Post account that many of the conditions—such as heavy workloads—which precipitated the strike in 1981 persist 5 years later.

The men and women who bear the burden of maintaining the safety of the Nation's air space are to be commended. The American people thank them for their hard work, for their dedication, and for their perseverance in the face of difficult conditions.

Mr. President, I ask unanimous consent that the articles I mentioned in my remarks from the Washington Post and U.S. News & World Report be inserted in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 3, 1986]

'81 STRIKE STILL A DRAG ON AIR TRAFFIC MONITORS

(By Douglas B. Feaver)

Five years ago this morning, almost 12,000 air traffic controllers walked off their jobs, seeking more money and a little respect from Federal Aviation Administration managers who for years had minimized suggestions that controller jobs were stressful.

By midmorning, Drew Lewis, then secretary of transportation, was able to advise President Reagan that supervisors and nonstriking controllers were keeping the airplanes flying, although with many delays. It would be possible to do so for months, Lewis advised.

It was also possible for Reagan to deliver an ultimatum that still reverberates throughout the FAA and the airline industry: Controllers who didn't return to work would be fired. In all, 11,400 of about 16,500 controllers were dismissed, and the federal government began a massive program to replace thousands of people with unusual skills. The system would be back to normal by January 1984, the government promised.

It didn't happen. FAA Administrator Donald D. Engen says today that it will be another "12 to 18 months" before the term "normal" can be used, and although the system is handling more airplanes than it did before the strike, it is showing signs of stress.

A controller at Washington National Airport recently wrote, "The shortage of experienced controllers combined with the lack of time to allow developmentals [trainees] to gain experience before letting them work alone causes severe safety problems."

The comment was one of many expressing similar sentiments volunteered by controllers nationwide who responded to a General Accounting Office survey. Their opinions buttress concerns of aviation specialists who work closely with the intricate web of people, radios, data links, radar antennas and computers that make up the air traffic control system.

That system, they say, is:

Less safe than it once was.

Short of trained personnel despite a continually increasing number of flights. The FAA labels as critical the controller and experience shortages at seven of its 20 regional traffic centers.

Dependent on tired, overloaded computers. Replacements are taking longer to acquire than scheduled and costing more than planned, thus calling into question FAA claims that fewer controllers will be able to handle more planes because of increased automation.

Subject to unpredictable federal budget pressures that have made management more witchcraft than science.

The air traffic control system "is not unsafe," said the GAO's Charles Cotton, whose office supervised the survey and constantly studies the FAA. "However, the level of safety has diminished."

That opinion is shared at the National Transportation Safety Board, on Capitol Hill and by some safety consultants. It is contested by the FAA and the airlines, which have an enormous economic stake in continued growth, dependent in large part on a public perception that flying is safe.

William F. Bolger, president of the Air Transport Association (ATA), the airlines' lobbying group, said recently that "the air traffic control system is safe, but it could be better. We need a system that is able to accommodate growth."

Jim Burnett, chairman-designate of the safety board, said, "There has to be a stop in traffic growth at some point. I wonder if the FAA has the willingness to inch the industry."

Everybody wants to help. Sen. Nancy Landon Kassebaum (R-Kan.), chairman of the Senate Commerce subcommittee on aviation, wondered whether "maybe . . . a moratorium" on traffic growth will be necessary.

The ATA is pushing a program to divorce the FAA's air traffic control and airport operations responsibilities from the Department of Transportation and place them in an independent federal authority that presumably would have more flexibility than an agency buried in a Cabinet-level department.

Last week, for the first time, congressional proponents of rehiring fired controllers got legislation as far as the House floor. It failed, but attracted 193 votes.

Senate Minority Leader Robert C. Byrd (D-W.Va.) says he wants a commission to study "the management of aviation safety by the FAA."

Engen, noting that "We certainly have had oversight," said, "Running this outfit is like taking a shower in Times Square. There are no secrets."

Seventeen percent of the controllers who answered the GAO survey said safety was poor or very poor, which means that 83 percent said it was adequate or better. But those are nationwide figures. The look at specific FAA facilities shows a higher level of concern.

At the Washington Air Route Traffic Control Center in Leesburg, which handles flights from the Ohio River to the Atlantic and from New York to South Carolina, only 72 percent said safety was adequate or better. Ninety-two percent said they were handling "much more or somewhat more" traffic than they should be handling.

There are 19 other Air Route Traffic Control Centers in the 48 contiguous states. At the Chicago Center in Aurora, Ill., which feeds the world's busiest airport, Chicago O'Hare, only 69 percent of the controllers said safety was at least acceptable, and 81 percent thought they were working too much.

TWO-FACED MANAGEMENT

"Management is two-faced," a Washington Center controller wrote. "They want you to move heavy traffic at all costs, but come down on you if you try to use short cuts to move it. A disaster is waiting to happen . . . . "

Another controller wrote about how lucky the FAA has been to avoid "the Big One," shorthand for a collision between two loaded jets.

The GAO survey was made last year and the FAA insists that it has progressed since then in rebuilding the air traffic control system and in completing the training of more controllers.

The GAO is not so sure. "For the first six months of this fiscal year, they added a net of 30 controllers," the GAO's Joseph McGrail said, because of higher than expected retirements and slower than expected replacement rates.

It takes from 18 months to three years for a newly hired controller to become fully qualified. Early months of training are at the FAA Academy in Oklahoma City; the rest is at the center or tower that employs the controller. Much on-the-job training with an experienced controller is necessary to complete the job.

Transportation Secretary Elizabeth Hanford Dole has promised that the FAA will hire 500 new controllers by the end of September, for a total strength of 14,480, and 500 more controllers in fiscal 1987.

However, 216 of those 14,480 will be students who just entered the FAA Academy, and half of all students usually wash out before becoming full-fledged controllers. Another 1,465 or so of the 14,480 will not really be controllers, but "air traffic assistants" who handle many bookkeeping chores that controllers did before the strike.

Further, the GAO contends that the FAA is underestimating the number of senior controllers and supervisors who will retire because of the way anticipated changes in tax law will affect federal workers.

Top FAA officials say they think the GAO is being picky. They say the guarantees they have placed in the system to protect green controllers and airline passengers assure a level of safety at least as great as that before the strike.

"I can't define what the mystical margin of safety is . . . but I am satisfied the system is safe," said Walter Luffsey, the FAA's associate administrator for air traffic.

He points to a 23.7 percent decrease in "operational errors" in the first six months of this year compared with the same period of 1985. An operational error occurs when planes get closer to each other than they are supposed to; the minimum permissible distance between aircraft vary, depending on the flight situation.

One reason the errors are down, Luffsey and others agree, is a computerized error-catcher installed in the system two years ago. It alerts supervisor when two planes approach within error range of each other, and results in official inquiries. Its existence has programmed controllers to keep planes farther apart than standards require.

Controllers call the device the "snitch patch" and universally dislike it, charging that insignificant but technical errors help them move traffic efficiently and should not be counted. Safety proponents think the device is a good idea.

TOWERS EMPTIER, SKIES FULLER

Concerns about safety have centered on the dramatic increase in traffic over the past five years. In 1980, the last full year before the strike, there were 9.9 million takeoffs and landings by airlines in the United States; last year, with about 5,000 fewer fully qualified controllers working, the number was 11.5 million, or 16,585 flights a day.

During the first five months of this year there were 5 million airline takeoffs and landings, an 8.7 percent increase over the same period a year earlier and a 19.1 percent increase over the same period in 1980, the last year before the strike. Those numbers do not include the thousands of private, business and military flights that also require services from the air traffic control system.

"I say the system is at optimum efficiency," Luffsey said. "We feel we're overdriving the system as far as we can, but we're working hard to improve capacity. There is not a direct-line relationship between people and capacity."

Engen asserts that the system is and will be safe because, no matter how many flights are scheduled, "We will not let it go critical."

The FAA has made two significant changes in the air traffic system since the strike. One is the emergence of a flight-metering program called flow control as the dictator of whether a plane will take off on time.

The other is administrative: Air traffic centers and towers are now responsible operationally to Washington, not to their regional headquarters. That makes it easier for central flow control in Washington to tell controllers in Denver what to do to alleviate a problem in Cleveland.

A flight from Washington National to Chicago O'Hare will be handled first by a controller in the glassed-in room on the top of the National tower. Immediately after takeoff, control is transferred to a radar-monitoring controller at National, then to a series of radar controllers at the Washington Center, the Cleveland Center, the Indianapolis Center and the Chicago Center. When the flight approaches O'Hare, it will be taken over by a controller in the radar room there, then finally by a tower controller.

Each time the plane changes controllers, it is "handed off," and the pilot switches radio frequencies to talk to the new controller.

AVOIDING TRAFFIC JAMS

Before the strike, a controller viewing his radar screen would accept or reject aircraft as they arrived at his "sector" of airspace: If he had too much traffic, he would deny the handoff, or "slam the door" as controllers say, and the rejected plane would be stuck in a holding pattern.

Holding patterns are not popular with pilots and can be dicey for controllers, especially if several planes get stacked on top of each other. The history of air traffic control is replete with near collisions resulting from communications foulups involving airplanes in holding patterns.

So planes are held on the ground until the FAA can be sure there is room for a flight to proceed undeterred, barring bad weather. That makes the industry unhappy. It wants a small number of airborne holds programmed into the FAA's planning so there are flights aloft to take advantage of gaps that sometimes appear in the FAA's traffic stream. "You've got to tweak the system a little bit," said the ATA's Paul Leonard.

Not on my watch, said Luffsey. "Airborne holding will not be planned for in the system," he said.

Once a plane is permitted off the ground, a big brother controller in an air route center's "traffic management unit" sorts out the airplanes to assure an even flow miles before flights reach a critical sector, such as the one handling all the traffic from the west destined for Washington National.

The 20 traffic management units are connected with central flow control, on the fourth floor of the FAA building at 800 Independence Ave. SW. Central flow controllers try to solve the same problems from center to center that the traffic management unit does from sector to sector within centers. If there is a line of thunderstorms between Chicago and Cleveland, for instance, traffic handled in regional centers in Minneapolis and Kansas City will be slowed down or held on the ground on the orders of central flow control.

It is an imperfect business, much of it done by guesswork and manual computation. The FAA is writing computer programs to predict problems and remove gaps, but there is a shortage of capacity in the present FAA computers.

The controllers who do all these things, said the GAO's McGrail, "are not ordinary people. They have a uniqueness of skills, and what they do requires a lot of conceptualization and an ability to deal in three dimensions. It has nothing to do with education."

FAA managers have had problems communicating with controllers for years. There was a brief, illegal strike in 1970, a decade of turmoil and the big strike in 1981. The 1981 walkout, McGrail said, "was a great opportunity for the FAA. They got a whole new work force, but there was no change" in the underlying personnel management problems that led to the strike. "I was really dismayed by that."

"It's like the late, late movie," said Rep. James L. Oberstar (D.-Minn.), "You've seen it before." Oberstar is chairman of the House Public Works subcommittee on investigations which periodically calls the FAA on the carpet.

Charles E. Weithoner, FAA associate administrator for human resource management, points out that while the FAA fired the controllers, it kept the managers. A management training program to improve employe relations has been instituted, the agency is in the midst of its second employe attitude survey, labor-management committees have been established at all FAA facilities and new ways to choose supervisors and managers are being tried.

Nonetheless, Weithoner said, "It will take us a number of years. . . . No cultural change is ever rapid." He said the "can-do" attitude of controllers and supervisors that followed the strike has been replaced with fatigue. Controllers are all pressed hard. They're working overtime on the boards, and they're in traffic up to their eyebrows," he said.

In addition, the 4.3 percent federal budget cut forced this year by the Gramm-Rudman-Hollings deficit-reduction law has pinched the rebuilding effort. Luffsey said he would like to transfer some controllers from towers to the seven critical air route centers—Cleveland, Chicago, Indianapolis, Minneapolis, New York, Los Angeles and Oakland—but there is no money to pay for such moves.

"If I had unlimited money I could be very close to full recovery today," said Don A. Enders, manager of the Cleveland Center. The cuts this year, he said, have added six to nine months to the time it takes to complete the training of one controller. That is because Enders cannot pay overtime for qualified controllers to provide on-the-job training. He is authorized 329 fully qualified controllers and has 210, he said.

So the personnel problems continue, with a tired work force, old computers and money problems. And the traffic continues to grow.

"Yes, someday there's going to be a midair collision," FAA Chief Engen conceded. "There's nobody in this world who can prevent two pilots or two automobile drivers, both failing to do what they're supposed to do, coming together sometime . . . . Unfortunately, people make mistakes. A control-

ler can make a mistake. That doesn't make the system unsafe."

[From the Washington Post, July 3, 1986]

FLYING UNDER THE PERSONNEL CEILING

The Federal Aviation Administration, seeking to hire more air traffic controllers without exceeding a ceiling on total personnel, found half the solution at the Small Business Administration (which the Reagan administration periodically seeks to destroy) and the other half at IBM.

The problem started when Transportation Secretary Elizabeth Hanford Dole called a news conference to announce that the agency would hire 1,000 new controllers over two years. That meant a total controller work force of 14,480 by the end of September and 14,980 by Sept. 30, 1987.

Unfortunately for FAA managers, the ceiling for all air traffic personnel—clerks, administrators, maintenance technicians and secretaries as well as controllers—has been coming down over the years to about 25,000.

A controller force of 14,480 would push total employment through the ceiling unless some other workers were fired.

The FAA decided it could contract out some classroom training for controllers and some computer maintenance at air traffic centers. That would reduce the payroll by 370 and give the agency a bonus: Many of those 370 people were former controllers who might prefer to requalify on the radar screens. They would have two other choices: to quit or to accept a job from the new contractor performing the same work they had been doing for the FAA. Walter Luffsey, associate administrator for air traffic, estimates that about 200 former controllers will choose to requalify.

The agency had another problem. Because it has to have its personnel accounts in order by the end of September, there was not enough time to go through the competitive bidding required by federal law. There is a provision in the law, however, that exempts disadvantaged minority businesses from the requirement that they compete.

Two such businesses appeared on the FAA's doorstep with unsolicited proposals to train air traffic controllers, and they won the jobs as subcontractors to the SBA. One contract, with Systems, Requirements and Services Associates Inc. (SRSA) of McLean, is worth $5.2 million.

The other, with Washington Consulting Group Inc. (WCG), is worth $4.4 million.

SBA records list WCG's owner as Armando Chapeli, who told The Washington Post he qualified as disadvantaged because he is a Cuban American. The technical director for the WCG contract is Raymond J. Van Vuren, the immediate past chief of air traffic control for the FAA.

SRSA's owners are listed as Ramon A. Alvarez, Jeanne M. Alvarez, Bonnie J. Alvarez and Larry R. Alvarez, all of whom claimed disadvantaged status with the SBA. Ramon Alvarez is the FAA's former deputy chief of air traffic control and at one time worked for Van Vuren.

"They were an available, reasonable source" of training, Luffsey said.

So much for classroom training. The way around the requirement for competition on the computer maintenance contract was to add it to an existing contract with IBM, because there is no requirement for competition in contract add-ons. The add-on is worth $8.1 million to IBM.

Will this save the taxpayers money?

"It was position management, not dollar management, that was the issue," Luffsey said.

[From The Washington Post, Aug. 3, 1986]

REPLACEMENT LONGS FOR A UNION

He is among the thousands of replacements the Federal Aviation Administration hired after the 1981 strike, but to a reporter who interviewed many controllers in the 1970s before they were fired, his comments have a familiar ring.

The controller agreed to be interviewed in his suburban Cleveland home on condition that he not be identified, saying, "I just don't know what the repercussions would be." Most controllers seek anonymity when talking to reporters; they don't have the protections that the Professional Air Traffic Controllers Organization (PATCO) provided before it self-destructed.

The controller said he thinks it is time for another union. "I love the work," he said. "It's a high-stress job, but one of the greatest jobs. It is a challenge. You get weather [to deal with], and you get to talk to a lot of people."

However, "I don't think management takes us into consideration." He complained of working one six-day week after another and of difficulty in scheduling vacations. Then he got to the prime complaint of controllers for at least a decade: "If the FAA wants to change something, like a procedure, they go ahead and do it without talking to anybody. I should have some voice in the procedure."

To an outsider it sounds like a small thing. To a controller, who may be juggling as many as 12 airplanes and a thunderstorm at the same time, anything that messes with his airspace messes with his mind.

A General Accounting Office survey of controllers asked, "Do you believe you have sufficient say in determining the volume and complexity of traffic you are expected to handle?" Almost two-thirds of the controllers said "probably no" or "definitely no" on volume, and three-fourths said "probably no" or "definitely no" on complexity.

Controllers need a union, the Cleveland controller said, because "nobody in Congress is lobbying for us. The FAA just contracted out some jobs here. Who's to say they won't contract out our jobs?"

He said controllers have learned that "you can't strike the government" and that the FAA "does things without a union they couldn't do with a union. We need a union, we really do."

He grumbled, as have many federal employes, about this year's pay freeze, but not about his basic salary. Controllers at the busiest facilities now earn about $55,000 annually, plus overtime. Those at smaller facilities earn about $46,000. At the time of the strike, the average controller was earning $35,000 a year.

Most senior FAA officials say they expect a controllers' union again sometime. Two organizations are competing to be certified: the American Federation of Government Employees, which has been trying for almost five years, and the Marine Engineers' Beneficial Association, through an affiliated group called the National Air Traffic Controllers Association (NATCA).—By Douglas B. Feaver.

AN EVENING RUSH HOUR IN A DIFFERENT PLANE

OBERLIN, OH.—Homer Stamper is a traffic manager at the FAA's Cleveland Air Route Traffic Control Center here. His job this afternoon is to sort out the evening rush-hour traffic from points west to the New York area's LaGuardia and Newark airports.

By the time airplanes reach the eastern edge of Cleveland Center airspace, somewhere in western Pennsylvania, Stamper wants them lined up like ducks on an aerial highway, 15 miles behind each other, regardless of altitude. That way, when they reach the New York area, controllers there can fit flights from Boston and Washington into the gaps and establish a smooth flow to the runways.

Airplanes from all directions are going to converge on one Cleveland Center controller who handles the sector over western Pennsylvania. To keep that controller from getting too many planes at once, an even flow must be established before the planes reach the sector.

The Cleveland Center handles traffic from Canada south to about mid-Ohio, and from central Indiana to western Pennsylvania. All New York-Chicago traffic and almost all transcontinental flights pass through Cleveland's airspace. The center also has three major airports, in Cleveland, Detroit and Pittsburgh.

Stamper talks to controllers, not airplanes. His job is to tell them when they need to smooth the flow by redirecting an airplane or changing its speed and to assign takeoff times for New York-bound flights from Pittsburgh, Cleveland, Detroit or Columbus.

His tools consist of a radar screen, on which he can call up existing traffic in any of the 38 airspace sectors controlled by the Cleveland Center, and a telephone console with direct lines to airport towers, to central flow control in Washington, and to the sector controllers scattered about Stamper in the darkened control room.

There is also a little board in front of him that says 32, DTW. That means it takes 32 minutes for a jet airplane to take off from Detroit (DTW) and reach the point on the aerial highway to New York where the Cleveland Center hands the plane off to the New York Center.

A tower controller at Detroit calls and says, "I need a release time for People 823," a People Express flight to Newark. Stamper looks at the radar screen, spots a potential gap in the traffic flow, adds 10 minutes for taxiing time at Detroit and 32 minutes for flight time to arrive at the target on the jet highway and assign People 823 a departure time. The process takes about 10 seconds.

"We would like to have better tools," he said, noting the modern computers can do such mathematics more swiftly. "I can't look (on radar) beyond my own center (or) even within it" until an airplane has left the ground and been picked up by radar.

Assigning a takeoff time is just the beginning of the problem. The next question is whether People 823 will actually meet the assigned time, and Stamper won't know that until the flight is acquired by radar. In two hours of watching on a clear blue day, most planes hit the release times within two or three minutes and were easily adjusted into the flow by Stamper's calls to controllers or area supervisors.

So planes are held on the ground until the FAA can be sure there is room for a flight to proceed undeterred, barring bad weather. That makes the industry unhappy. It wants a small number of airborne holds programmed into the FAA's planning so there are flights aloft to take advantage of gaps that sometimes appear in the FAA's traffic

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Trouble in the Control Tower

It was an afternoon to forget. Northwest flight 49 was holding about 37 miles from Boston's Logan Airport at 12,000 feet. Suddenly, a Continental Boeing 727 zoomed by at the back of the aircraft, only 300 to 500 feet away. Pandemonium over the airwaves ensued as it became clear that the Continental plane had been cleared to 11,000 feet—right through the flight path of the other plane. It was only one of two near collisions for the Northwest flight that day, one of the pilots later reported.

Despite such incidents, the Federal Aviation Administration, which is responsible for managing the nation's air-traffic-control system, says near collisions between commercial aircraft still are rare, and that air travel continues to be the safest way to get from one place to another. "The system is better today than I personally have ever seen it before," insists FAA Administrator Donald Engen.

But five years after the strike in which about 11,500 air-traffic controllers walked off their jobs, a number of aviation experts believe that flying has become a riskier proposition. As the Flight Safety Foundation, a highly Flight Safety Foundation, a highly regarded independent aviation group, recently stated: "The present system does not provide the same level of safety as before the August, 1981, strike."

Critics argue that a huge rise in air traffic coupled with a substantial decline in the number of experienced air-traffic controllers is at the heart of the problem. "I haven't been in an airplane since 1981 because I don't think it's safe," Terry Conroy, a veteran controller in San Jose, Calif. Adds an air-traffic supervisor in Boston: "The government is telling everyone the system is back. But the people inside know better."

A recent look inside the system by the General Accounting Office, Congress's watchdog, raised similar doubts. While controllers surveyed by the GAO felt the system generally was safe, the agency's auditors concluded that the controllers were "being stretched too thin" to maintain a proper degree of safety in the air-traffic network in the future.

TRAFFIC TAKES OFF

There is no dispute that air travel has taken off since airline deregulation in 1978 as Americans have come to regard flying as an everyday experience. As a result, controllers at busy traffic-control centers such as the one in Leesburg, Va., outside Washington, D.C., will monitor 2.3 million flights this year, approximately a 40 percent increase from five years ago. In one 2-hour stint in front of the radar scope, a controller may handle as many as 100 aircraft.

The workload will be even heavier if the economy remains strong and airline competition continues unabated. The FAA expects traffic to jump from 279 billion passenger-miles this year to 478.6 billion in 1997 as a staggering 602 million travelers head for domestic destinations. Controllers will have thousands more commercial and private aircraft to direct.

ENOUGH TO DO THE JOB?

Handling today's workload is an air-traffic-control corps of 14,168 that is dramatically different from that of five years ago. Not only is it 13 percent smaller but it also has fewer personnel fully trained to handle all the jobs at a particular facility. Though the FAA maintains that its staff of 16,244 controllers before the strike was underworked much of the time, 13,205 of that number were fully qualified controllers, compared with 8,987 now.

Administrator Engen says the agency continues to replenish the ranks of its most experienced controllers at air-traffic centers and terminals. But progress has been slow. At the Chicago center, one of the country's busiest airspaces, the number of fully qualified controllers rose from 42 percent to only 43 percent of the total staff in the eight months ended May 30. Retirements will further deplete the supply of seasoned controllers.

To meet future demand, the agency has been authorized to hire 1,000 new controllers, which would bring the work force back to 15,000. But GAO audit manager Joseph McGrail says the FAA will meet staffing goals only by counting students at its training academy, trainees and assistants who perform mostly clerical tasks. Charges Representative Gary Ackerman (D-N.Y.): "I think they are diluting the numbers."

Critics of the air-traffic system also maintain that relatively unseasoned controllers are now classified as experienced by the FAA under a provision that allows the agency to turn some of them out in about half the time of their predecessors. Fred Gilbert, a controller at the Chicago center, tells of a newly certified radar controller who asked another controller how many engines there were on a Boeing 727.

Though Engen claims controller morale is high, many complain of stress, too many hours before the radar scope and inadequate on-the-job training. Says Daniel Schillaci, an area manager at Leesburg: "They're asked if they can skip, dance and throw in a musical instrument." James Burnett, National Transportation Safety Board member, sees the need for more supervision to prevent controllers from "forgetting" an aircraft or a command they have given.

Retired controller Ed Collins, who works at the Washington center four days a week, says poor maintenance of equipment compounds the problem. "At certain times, the confidence factor as far as the equipment is concerned is practically nil," says Collins. The union that represents the technicians who keep the system in repair says they have had their ranks reduced by almost half of what they were seven years ago. The FAA maintains it needs fewer of them as it installs more-advanced systems.

Despite assurances that the system is safe, incidents of midair near collisions and close calls on the ground between planes mount. Last year, reports of near collisions in the

air jumped to 776 from 589 the previous year, an increase the agency attributes to better reporting. Close calls on the ground shot up to 102 incidents last year from half that number in 1982. Pilots can be responsible for mistakes as well as controllers.

The FAA has tried to minimize errors and assure safety by restricting traffic—holding planes on the ground until conditions warrant takeoff. The number of daily delays so far this year, on average, is nearly as high as last year's. Engen says bad weather accounts for most delays.

The agency contends that there are fewer operational errors since a computer program, dubbed the "snitch machine," has been put into operation to gauge 5-mile separations between planes. Controllers also have other electronic tools to help them see how far apart aircraft are in the sky. But John O'Brien, the safety director for the Air Line Pilots Association, says that he receives reports almost daily of "a common tendency of controllers to apply absolute minimum separation standards in their attempt to expedite traffic, leaving little or no margin for error."

In response to midair and runway incidents, the FAA says controllers are receiving additional training. At busy centers such as Chicago, shifts are being better coordinated when new controllers come on duty.

FLYING IN THE FUTURE

Many of these problems, the FAA hopes, will be remedied by a $12 billion modernization of the air-traffic system. Although it is behind schedule, the plan is expected to increase capacity four times. Engen also wants cities to create "land banks" to plan for airports of the future. And he says that he will hire as many more controllers as needed to insure safety, although the agency has a record of underestimating.

Many users of the air-traffic-control system say the job simply has gotten away from the FAA. "The hard reality is that the FAA has lost control completely of what is going on," says John Baker, president of the Aircraft Owners and Pilots Association. He suggests that the FAA be run independently of the Department of Transportation, which has the ultimate say in its operation. The Air Transport Association, representing major airlines, wants the air-traffic system turned over to a federal corporation, as in the case of the post office. The airlines feel the system is currently safe but inefficient.

The more immediate fix recommended by the GAO is to curtail traffic. Some lawmakers favor rehiring a number of fired controllers. Neither is politically likely, particularly in light of the Supreme Court's recent refusal to hear the appeal of 400 fired controllers who want their jobs back.

Whatever the solution, the challenge remains to keep traffic moving while meeting growing demands on the system. Says Representative Guy Molinari (R-N.Y.): "We are engaged in a dangerous game—literally a race against time—to avert major air disasters." That prediction may never come true, but the margin of safety in the skies is narrowing.—By Cindy Skrzycki.

TO BE AN AIR CONTROLLER, IT TAKES QUICK WITS

At the FAA's Washington center in Leesburg, Va, Bob Peltonen is working the Raleigh, N.C., approach sector on the day shift. Before him on a round radar screen, flecks of light the size of grains of rice represent aircraft—Boeing 727s, DC-9s and L-1011s coming in from Chicago, Dallas-Fort Worth and San Francisco. There are 18 grains of rice on the scope, 18 metal tubes with engines and wings, each going 450 knots or so, each with 100 to 200 passengers.

Peltonen's job: Keep those light specks 5 miles apart. In calm, rapid commands, in the patois of air control, Peltonen keeps order in a piece of sky 210 miles away. "Delta five thirty-three reduce speed to four four zero." Delta 533 acknowledges. "Eastern six fifty turn right one two zero." A third aircraft is advised of thunderstorms off Cape Hatteras. At 44, with 19 years under his belt, Peltonen is older than the average controller—4 out of 5 fully qualified controllers are younger than he, and half of those are under 32.

In Oklahoma City, studies by the Civil Aeromedical Institute of the FAA show that 22-year-olds have the highest pass rate in airtraffic-control school—around 79 percent. At age 30, only about 55 percent get through the 12-week screening program. Over all, 40 percent wash out. College education seems to make little difference. Institute psychologist Carol Manning thinks younger candidates are better able to make a rapid-fire string of decisions. Controllers must also be naturals at "getting the picture" or visualizing spatial relationships in three dimensions. "If a person's good at bridge or chess, if they can plan moves in advance, they'll probably do well," explains controller Bob Zoldos.

Of those who take take the initial written test, only 1 in 33 makes it to the FAA Academy in Oklahoma City, where all FAA controllers are trained. Controller candidates are paid at an annual rate of $17, 824. About 2,000 will be enrolled this year, 2,900 next year, attending classes where they must master the basics and lab problems that simulate air-traffic situations. Some 15 percent are women; 7 percent are minorities. The 500 instructors are mostly highly experienced controllers. Some served as military controllers.

The make-or-break nature of the screening—people can wash out at any point—keeps stress levels high. Students are constantly tested: Two points off for saying "nine" instead of "niner," the standard phraseology; 15 points for "running two together," or directing two aircraft closer than allowed. Still, half of the controllers and supervisors responding to a General Accounting Office questionnaire thought training was less than adequate.

Graduates are assigned to towers or "en route" centers, with higher-scoring graduates going to facilities with higher traffic flows, such as Leesburg, VA. Most trainees spend three to four years learning on the job, first as adjuncts to radar controllers, then in directing aircraft themselves. The pay can be good: $45,000 plus overtime. The ultimate goal is to become intimately acquainted with the airspace above a specific geographic area, the half-dozen high and low altitude sectors within it and the airways through it.

With today's computers and telecommunications, some control centers handle 7,500 aircraft a day. In 30 years, planners hope that supercomputers will do most of the work. But in the interim, air-traffic safety will depend on the finely tuned eyes and ears of the controllers, choreographing flights across the sky.—By Clemens P. Work.

Mr. BYRD. Mr. President, I yield the floor.

Mr. RUDMAN. Mr. President, I believe that the Senators who have special orders reserved will be on the floor shortly. I remind them that at 10 o'clock under the previous order, we are returning to the DOD authorization bill, and with six special orders, I would hope they would come to the floor and keep their appointed special orders.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for a period not to exceed 5 minutes.

□ 0930

REAGAN ARMS CONTROL PROPOSALS COULD INCREASE NUKE WAR PROSPECTS

Mr. PROXMIRE. Mr. President, President Reagan's present arms control proposals are designed to advance the prospect that star wars might work from zero to very remote. But if the two superpowers ever agree to those proposals, they could dangerously advance the prospect of nuclear war. To understand why this is so, consider:

What is the prime purpose of arms control? The answer is easy: The prime purpose of arms control is to prevent nuclear war. What kind of arms control agreement will provide the best prospect for peace in the nuclear age? On the answer to this question, much of the best informed opinion in the arms control community in this country sharply disagrees with the President of the United States. But the President, not his critics, largely determines arms control policy.

What is the heart of the disagreement? The President has repeatedly expressed his prime objective in arms control as a mutual verifiable agreement for both sides to make deep cuts in offensive nuclear weapons. At the same time, the President pressed hard and won congressional support for the deployment of 100 MX missiles, each able to carry 10 nuclear warheads. The administration is also pushing ahead with an increasing number of Trident submarines, carrying 24 missiles with 8 warheads each, for a total of 192 warheads in each Trident submarine.

So what happens if the Reagan administration wins an agreement to

reduce the present 10,000 strategic nuclear warheads down to 5,000? It means that both sides not only will have fewer warheads but each side will have far, and I mean far, fewer launchers. Because both the MX missile and the Trident submarine can carry so many more warheads, it could mean a net reduction in launchers—not of 50 percent but of 90 percent. Why is not the reduction of nuclear missile launchers on both sides to possibly 10 percent of the present number arms control progress? Answer: Because the smaller number of United States and Soviet launchers would make both nuclear deterrents more vulnerable to preemptive attack. That kind of deployment would certainly make a preemptive attack more tempting.

This is particularly true because the MX will not only carry as many as 10 warheads on each missile but it will be deployed in land-based, stationary mode. Each MX will be sitting in the same place day after day, month after month, year after year. The Trident submarine does provide a far less vulnerable mode of deployment. But the fewer Tridents deployed, the easier the Soviet problem of tracking and destroying them.

Even such a trusted and respected Presidential adviser as Gen. Brent Scowcroft, who chaired President Reagan's strategic commission in 1983, has warned that the deep-cut approach could make the American deterrent more vulnerable.

So why does the administration propose an arms control agreement that would so starkly increase the vulnerability of our nuclear deterrent? The answer is because the administration wants to use arms control to advance the possibility that the strategic defense initiative, or star wars, can be made to work. The crux of the Reagan strategy is not the number of warheads on each side. It is the number of launchers.

The President can also be expected to negotiate vigorously to reduce the number of Soviet launchers, but because the agreement would have to be mutual, we would have to agree to reduce United States launchers, too. SDI or star wars, not arms control, has become the Reagan administration's No. 1 priority, in fact, its obsession.

The prime criticism of SDI has been that it can only work against a relatively small number of missile launchers that are stationery. If the administration could persuade the Soviet Union to reduce its warheads by 50 percent and its launchers by 90 percent and then talk the Soviets into keeping the bulk of its launchers stationary, it would greatly advance the presently dim possibility that star wars, or SDI, could work. It would also make both nuclear arsenals far more vulnerable and a preemptive nuclear strike much more likely. The ironic result of this arms control perversion: Star wars' prospect of working successfully to protect American cities from nuke attack could advance from 1 in 1,000 to something like 1 in 100, but the prospect of a superpower war occurring at all would become a far more grim reality.

I ask unanimous consent that an editorial by a writer in the Los Angeles Times, Ernest Conine, reprinted in the Milwaukee Journal, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DEEP ARMS CUTS COULD UPSET BALANCE

(By Ernest Conine)

The flurry of diplomatic activity suggests that there may yet be a summit meeting late this year between President Reagan and Soviet leader Mikhail Gorbachev. And, despite all the setbacks, the prospects for a new strategic arms reduction agreement still look alive.

That being the case, it is important for the administration to get its act together—not just on the crucial question of strategic defenses but also on the issue of how deeply the offensive missile forces on each side should be cut and how those cuts should be made.

As some critics keep warning, an agreement on missile reduction would not necessarily translate into a more stable nuclear balance and, therefore, a safer world. If not carefully drawn and implemented, such an agreement could have the opposite effect.

Some highly respected experts—including Brent Scowcroft, who headed the President's Commission on Strategic Forces three years ago—urge the administration to alter its current deep-cut proposal to take better account of this danger.

Public discussion of arms control has been dominated in recent months by the "Star Wars" issue. And understandably so.

The Soviet Union has made it clear that its chief goal in the strategic arms reduction talks at Geneva is to stop Reagan's Strategic Defense Initiative. The chief American goal is to negotiate reductions in the Soviet offensive missile force, particularly in the number of warheads aboard the Soviet fleet of superheavy land-based missiles. But the Soviets say that they won't agree to deep cuts in strategic nuclear forces unless the U.S. president's Star Wars program is confined by treaty to laboratory experiments.

The Soviet demand is extreme, but a compromise allowing some development work might be negotiable. Reagan, however, has refused so far to put Star Wars squarely on the bargaining table, and this refusal is generally seen as the biggest obstacle to serious negotiations.

But what if this obstacle is overcome? What kind of deep cuts in offensive strategic nuclear forces should we be shooting for?

As things stand, the Soviets have more than 2,300 land- and sea-based missiles of intercontinental range—at least 700 more than the United States has. But when you throw bombers and cruise missiles into the equation, the two sides come out about even on warheads, with around 10,000 each.

Reagan and Gorbachev agreed at their summit meeting last November on a negotiating goal of 50% reductions in long-range offensive weapons. In the ensuring exchange of proposals the two governments proved to be far apart on how and where cuts would be made. But both sides offered formulas that would leave each with about 6,000 missile-borne warheads.

Under the American proposal, only 4,500 warheads could be put aboard ballistic missiles. Of these, no more than 3,000 could be deployed on land-based ICBMs. There was also a formula intended to cause a reduction in the number of Soviet heavy missiles that are considered especially threatening to the survivability of land-based US missiles.

Seven weeks ago Gorbachev unveiled a more modest proposal that would only cut each side to 8,000 warheads on strategic weapons but seemed to narrow the definitional differences and to be more flexible on the Star Wars issue. Washington is putting together a response.

Scowcroft, among others, is urging that the modified American proposal take greater account of the vulnerability problem that could arise from a combination of deep cuts in offensive nuclear weapons and the Pentagon's weapons preferences.

The critics point out that, even with fewer nuclear warheads on each side, nuclear stability could be threatened if one side's nuclear deterrent is significantly more vulnerabe than the other's to destruction in a surprise attack. A nation feeling itself vulnerable is forced into a hair-trigger posture of response, which is the opposite of good war-avoidance strategy. And, the critics warn, the existing US proposal for deep cuts could, if accepted by the Soviets, make American nuclear forces more vulnerable than they are now.

The American proposal, if accepted by Moscow as it stands, would leave the Soviets with fewer warheads and delivery vehicles aimed at US targets, just as we would have fewer aimed at them. But there would also be fewer missiles on each side to be targeted. Thus the ratio of Soviet warheads to US missile silos, and to our missile-firing submarines, could actually increase.

Such a result could be avoided by a careful structuring of the deep cuts in warheads to spread the allowable number of warheads among the maximum number of missile launchers allowed under an agreement. This would confront the Soviets with a maximum number of targets, thereby enhancing the survivability of the US force. Unfortunately, the administration is going in precisely the opposite direction.

The Reagan team, for example, wants to deploy at least 100 silolaunched MX missiles able to carry 10 warheads each. Research and development are proceeding on the Midgetman—a single-warhead, small mobile missile. But Reagan's current proposal would ban mobile missiles.

To stay within the warhead limit, there would be pressures to speed the retirement of Poseidon submarines and hold down the number of Trident subs ultimately deployed; each Trident carries 24 missiles armed with probably eight warheads each. The smaller the number of subs, the easier they are to find and destroy.

At the very least, the new US proposal should abandon the call for a ban on mobile ICBMs in order to leave room for an armada of several hundred highly survivable, single-warhead Midgetmen. It should also re-emphasize the goal of causing the Soviets to reduce their force of superheavy, multiwarhead missiles.

The Geneva talks on strategic arms are not going anywhere anyway unless the impasse over Star Wars is resolved. But if that

hurdle can be overcome, it is vital to remember that deep cuts in the offensive nuclear forces on each side are desirable, and may be achievable—but should not be sought at the cost of creating imbalances that would make the world more dangerous than it already is.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mrs. HAWKINS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR HAWKINS

The PRESIDING OFFICER. Under the previous order, the Senator from Florida [Mrs. HAWKINS], is recognized for not to exceed 5 minutes.

Mrs. HAWKINS. I thank the Chair.

LET'S HAVE A "NO DRUGS" POLICY AT OUR COLLEGES

Mrs. HAWKINS. Mr. President, Secretary of Education William J. Bennett recently came up with an interesting suggestion. He proposed that every college president write his students and send them a forthright, nononsense message about drugs. That message, he said, should be: "Welcome back for your studies in September; but no drugs on campus. None. Period." Secretary Bennett then emphasized a point that should be included in the letter: "This policy will be enforced—by deans and administrators and advisers and faculty—strictly but fairly."

The Education Secretary then no doubt raised the eyebrows of some college administrators by saying that educators have an obligation to care for the moral and physical well-being of their students and to protect them from certain influences, including drugs, criminals, fraud, and exploitation.

Some educators would agree to this obligation on their part, others would disagree contending that an institution has no right and certainly no obligation to wetnurse its students. Put me in the column of those who maintain that the obligations of a college go beyond teaching what is in the textbooks. I do not know of any instance where a college student has been hurt by instruction in basic responsibilities to society.

The drug problem on campus is too large in scope to be solved by colleges and universities alone. Students are capable of individual and independent action. They are free to make decisions about their own lives. But they need guidance and leadership. The university encourages physical fitness and good health; it discourages smoking and alcohol abuse. It follows then that institutions of higher learning have an obligation to wage war on drugs.

They would move boldly and swiftly against theft or violence and punish those responsible for that kind of antisocial behavior. There is no logical reason then why colleges should drag their feet on campaigning actively against drugs on campus. Such a campaign means a total ban on possession of drugs and use by students, and vigorous action against those who sell drugs on campus. This does not mean that college officials have to run a police state.

It does not mean that they have to call in local police in every situation. They have both the authority and responsibility to deal with infractions and to take necessay measures to cope with the problem. When any situation is out of hand, when the scope of a drug operation is beyond a college's ability to deal with it, then authorities with specialized experience and more extensive law enforcement backgrounds can be summoned for help.

The concern that educators have about drugs should be heightened by a new study which discloses that cocaine use has increased sharply on college campuses in the past 5 years. In fact, one-third of the students have tried cocaine by the time they graduate, and deaths from cocaine and episodes in hospital emergency rooms that are cocaine related are on the rise.

Secretary Bennett also urged that college presidents show "a little courage" in dealing with drugs and challenged them to work toward drug-free campuses. He suggested that they take a page from the operating manual of the military service academies. The academies have passed the word loud and clear—no drugs. The policy works there. And it would work at our nonmilitary schools as well. It is certainly worth a try.

THE FIRST FAMILY'S WAR ON DRUGS

Mrs. HAWKINS. Mr. President, I applaud President Reagan's and the First Lady's leadership in the war on drugs. Yesterday, the White House became our national war room in the fight against narcotics. Today we can begin in earnest the fight to reclaim our cities, our schools, and our children from the plague of illicit drugs. It is heartening to me as one who has labored so long and often so lonely on this issue to see the war on drugs finally get the high priority it deserves.

□ 0940

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HEFLIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, is it so ordered.

RECOGNITION OF SENATOR HEFLIN

The PRESIDING OFFICER. Under the previous order, the Senator from Alabama [Mr. HEFLIN] is recognized for not to exceed 5 minutes.

TEXTILE VETO OVERRIDE

Mr. HEFLIN. Mr. President, on Wednesday the House of Representatives will vote on whether or not to override the President's veto of the Textile and Apparel Trade Enforcement Act of 1985, an act which would correct some of the serious trade problems America faces today, problems that for the first time since World War I have made us a debtor nation.

It is my firm belief that the House, as the "representative" body, will carry out the wishes of the American people and vote to override the textile veto. A national public opinion survey conducted in June 1986, shows just how strongly the public feels about this issue: 66 percent of Americans say their Congressman should vote to override President Reagan's veto and control clothing and textile imports. That percentage, incidentally, is exactly two-thirds—the number needed in both Houses of Congress to override the veto.

I hope and pray that this body, often called the greatest deliberative body on Earth, will quit deliberating and act to stem the flood of imported textiles and apparel which is throwing literally hundreds of thousands of Americans out of their jobs.

In reality, Mr. President, that is what we are dealing with today—jobs, American jobs. We can couch it, if you like, in terms of the trade deficit, or of the health of the textile industry, or in any number of other ways, but, in the long run, it all comes back to that one word—jobs.

A few years ago, everyone in America was concerned about unemployment. We were suffering under the worst scourge of unemployment since the Great Depression. Today, a lot of this concern has lessened. Today, we can pick up a newspaper or magazine and, although we will probably see a story about the dangers of our budget deficit, we will also be able to read about economic recovery and economic growth and see all sorts of statistics and charts indicating just how healthy our economy is today.

Mr. President, I do not mean to stand here today as a "naysayer" or a

prophet of doom. All I want to express to my colleagues is the fact that the recovery is not compete, and all is not rosy in the American economy. In my home State of Alabama, the unemployment rate has improved, but it is still running at more than 10 percent. In fact, in my home area or northwest Alabama, the rate is even much higher than that.

The cruelest part of all, Mr. President, is that without positive action from Congress, my State's already intolerable unemployment rate will go even higher, as will those in other textile-oriented States.

It is also important for us to realize that, when I use the term, "textile-oriented States," I am, in reality, talking about almost every State in our Nation.

Many people have formed the opinion that this is largely a regional matter, that it affects only Southern industry, but clearly it is vitally important to the entire Nation as well as it is to various regions. Included within this is the copper problem, included also is the shoe problem.

At the same time, however, we should take note that there are textile plants located in 42 of the 50 States; 45 States have apparel plants located within their boundaries; and 48 States produce raw products used by these industries, such as cotton, wool, and manmade fibers.

The textile-apparel industry is our Nation's largest manufacturing employer, accounting for 1 of every 10 factory workers in the United States. The industry's contribution to our gross national product can be calculated at $48 billion, as compared to $51 billion for the automobile industry and only $31 billion for the petroleum industry.

Clearly, Mr. President, this is a national industry, not a regional one, and its problems are, just as clearly, national problems.

Some people think we are talking about large mills when we talk about textiles, but there is almost in every community in my area, and I would say in the vast majority of the States, some form of a cut and sew factory, a garment factory or garment shop. Whether they employ 100 or 200 or 50 or whether it is 900, all of these jobs have been affected by imports.

Mr. President, I would like to take a case in point that is close to home. Liberty Trouser Co. in Birmingham easily qualifies as a pioneer in Alabama's apparel business. The firm has manufactured men's work clothes since 1912, supplied soldiers' uniforms during four wars and diversified its product line several times to remain competitive. Most recently, Liberty diversified by adding dress slacks and children's sportswear, but imported apparel eventually drove the company back to its original line.

Despite its deep roots in the apparel fields and its survival instinct over the long haul, Liberty like the other textile and apparel industries in Alabama has scrambled for high ground to keep from drowning in the flood of imported goods.

Liberty's situation is typical of the dilemma that textile and apparel industries face across Alabama. The company has a $5 million annual payroll but its work force has shrunk from 500 to 300 in recent years.

The flow of imports is accelerating while employment in Alabama's textile and apparel plants has taken a nosedive. An estimated 12,800 jobs in the State have been lost to imports since 1976, and the number continues to climb. On Wednesday of last week, it was announced that economically troubled Winston County, AL with an 18.8 percent unemployment rate in June faces the loss of 482 jobs later this year due to the closing of the Haleyville Textile Mills, Inc. complex. In neighboring Cullman County, 235 jobs will be lost in a similar planned closing. Fifteen textile plants have shut down in Alabama since 1980.

Foreign-made textile and apparel goods worth $19 billion were imported into this country in 1984, compared to 3 billion dollars' worth of exports. Data Resources, Inc., a nationally recognized barometer on the industry, projects a possible apparel import penetration of 80 percent by 1990. At that rate, the United States could lose an additional 1.9 million jobs, half of them in the textile and apparel industry.

Another tragic example comes from a small town in northwest Alabama. Crompton, a nationally recognized textile company since the early 1800's, built their Leesburg, AL plant in 1974. Crompton produced velveteen and corduroy and had developed an aggressive sales program overseas. But when the dollar got strong their export business "disappeared." Crompton found imports were taking over more and more of the markets.

There was no mistaking the direct cause and effect of imports in Crompton's case. Crompton has been the only American company to make velveteen, and the Japanese raised the price of velveteen by $1 a yard immediately after Crompton crumbled.

Crompton's Leesburg plant was the largest single employer in Cherokee County and the unemployment in that rural area of northeast Alabama more than doubled with its closing. Only 50 percent have found other jobs.

Mr. President, I must admit that I find a certain bit of cruel irony in the problems we are confronting today. Throughout the extended debate regarding the Textile and Apparel Trade Enforcement Act of 1985, we have seen a great deal of attention paid to the efforts which the administration has reportedly made to assist the American textile and apparel industry.

The cruel irony of this lies in the fact that, while the administration has reportedly been doing so much to help the industry, more than 50 textile plants have closed this year. More than 20 others have imposed permanent layoffs this year. Returning directly to what I see as the lowest common denominator of this debate—jobs. Since 1980 more than 300,000 textile and apparel workers have lost their jobs, their means of providing for themselves and their families, their very livelihoods.

Mr. President, with all of these horribly negative statistics coming about while the administration has supposedly been so supportive of the textile industry, I, for one, would surely hate to see what the situation would be like if they weren't supporting the industry. With continued support like this, in the near future we may have to face the neartotal elimination of this entire industry.

Let's take a look at what the administration has done to "help" the textile and apparel industry in just the last few months. First, they negotiated an agreement with Turkey that sets quotas which are much higher than our Government's own guidelines for determining when imports are disruptive, and forgives huge overshipments by Turkey in 1985. Second, they concluded an agreement with Hong Kong that is an outright reversal of the President's commitment to relate import growth to the growth of the domestic market. Third, they have agreed to permit Taiwan to ship over 1.6 billion square yards into our market each year. This is 41 percent more than the next supplier and represents 160,000 lost job opportunities for American workers. Fourth, the administration has concluded an agreement with—of all countries—South Africa, approving a 4-percent increase in textile exports. And finally, the administration last week signed a new multifiber arrangement [MFA] that has so many loopholes it is almost totally meaningless. With friends like these, Mr. President, the textile and apparel workers of America cannot afford any enemies.

Perhaps the clearest indication of the urgent need for congressional override of the President's veto lies in the fact that the domestic textile and apparel industry has made every effort to keep pace with their foreign competition. Over $1 billion a year has been reinvested to improve the industry's technology. This year, a record $2.1 billion will be reinvested in these efforts, which have resulted in a 10-percent improvement in the industry's productivity since 1980, which is significantly higher than the national average.

Still, despite these determined and concerted efforts, the domestic textile and apparel industry continues to lose ground to foreign imports. During the last 5 years, the problem has grown geometrically. In 1984, textile imports accounted for 23 percent of the American market, double the level for 1979. Clothing imports took 33 percent of the market, up 11 percent in 5 years.

In this same time period, while our textile imports from Third World countries have tripled, Japanese and European imports from those same countries have declined. Today, this trend has resulted in our buying 60 percent of the textile and apparel production of the Third World.

Of course, Mr. President, we all need to realize that, when an American textile company goes against a foreign competitor, they are also competing against the foreign government in question. Critics of the Textile and Apparel Trade Enforcement Act have spoken fervently in favor of free trade. Personally, think its high time that we realize free trade does not really exist, and, just as importantly, neither does fair trade. In the instance at hand, free trade will never exist as long as foreign textile companies receive preferential loans, grants, tax breaks, and other subsidies from their governments. As long as we force our companies to compete with both foreign companies and foreign governments, it isn't fair trade, either.

Mr. President, as we all know, the textile industry is not the only domestic industry suffering at the hands of illegal and unfair foreign competition. It is not the only domestic industry whose situation points out the complete and total inadequacy of our national trade policy—if, indeed, it can be said that we have a national trade policy. Every second, we are exporting more and more jobs, just as fast as we import subsidized foreign products. In fact, in terms of the textile industry, for every 1 billion square yards of foreign produced textiles, apparel, and fibers that we import, we can chalk up a loss of 100,000 American job opportunities. One billion square yards may sound like an extremely high amount, but it isn't; that is less than the import level for September 1985—1 month that cost American textile workers 100,000 job opportunities; 100,000 chances to support their families; 100,000 chances to build a better future for their children; 100,000 chances to dream the American dream. All this was lost—in only 1 month.

On the other hand, Mr. President, we have heard how this legislation will hurt the American consumer. To my way of thinking, Mr. President, it can only help the consumer. It will help keep our textile and apparel companies in business, workers on the job, it will help keep our economy from losing the contributions of an important sector.

A study of the employment and economic effects of this legislation prepared by ICF, Inc., and reviewed by MIT Professor Lester C. Thurow concludes that this act will produce net economic benefits for the U.S. economy. Real incomes will go up and Government welfare and compensation payments will go down.

Mr. President, we cannot afford to write off the textile and apparel industries. We cannot afford to tell these hundreds of thousands of workers, that we don't care about their jobs, that we don't care if we turn their dreams into nightmares. In short, we cannot afford not to care. We cannot afford not to help. The time to begin is now, and we can only pray it is not too late.

RECOGNITION OF SENATOR GORTON

The PRESIDING OFFICER. Under the previous order, the Senator from Washington [Mr. GORTON] is recognized for not to exceed 5 minutes.

□ 0950

NATIONAL AERONAUTICAL AND SPACE ADMINISTRATION AUTHORIZATION, FISCAL YEAR 1987

Mr. GORTON. Mr. President, today I am introducing a bill to authorize appropriations for the National Aeronautics and Space Administration [NASA] for research and development; space flight, control, and data communications; construction of facilities; and research and program management; and for other purposes in fiscal year 1987.

Mr. President, the agency which has provided this Nation with some of its proudest moments is in budgetary trouble. Not only is NASA having to recover from the emotional trauma of the tragic accident of the space shuttle *Challenger*, but it is also having to resurrect a space launch capability and revitalize its whole space program within one of the most austere budgetary environments we have faced in years. The implications of this challenge are extensive and warrant our serious consideration. Our Nation's response to this dilemma will indicate to each of us and to the rest of the world just how serious the United States is about maintaining a space program that is a leader among nations. Or, do we simply get by on a level of effort that does not distinguish our space program from that of five or six other national space programs?

NASA's fiscal year 1987 budget request was submitted to the Congress days after the *Challenger* accident and does not reflect the budgetary effects of the *Challenger* accident. This original budget request was for $7.694 billion, but now it appears that NASA's fiscal year budget requirements could easily approach $8.5 billion.

NASA will achieve some savings relative to its original fiscal year 1987 budget request because it will conduct fewer shuttle flights and because it will not have the opportunity to operate some scientific satellites that were previously scheduled for launch and operation by fiscal year 1987. NASA, however, is faced with an overwhelming array of additional costs which will exceed these minor savings by hundreds of millions of dollars.

Not the least of these additional budget requirements are those associated with redesigning and requalifying the solid rocket boosters, complying with the recommendations of the Rogers Commission, and addressing other shuttle-related safety and technical concerns. These costs are conservatively estimated at between $500 and $600 million, and I, for one, believe these numbers will grow exceedingly fast before we are ready to resume shuttle flights.

We all know that 1986 was scheduled to be NASA's "Year of Space Science," with the shuttle launch of the *Galileo* mission to Jupiter, the shuttle launch of the French satellite *Ulysses* to the Sun, and the shuttle launch of the long-awaited Hubble Space Telescope. Now, rather than experience some of the exciting scientific returns that we were anticipating in fiscal year 1987, we must provide over $170 million to store these satellites and to maintain the respective scientific teams associated with these missions. This is a disappointing reality, but one that we cannot ignore.

In June, NASA made one of the most difficult choices it has had to make in many years when it canceled the shuttle/Centaur upper stage program, which would have developed the *Galileo, Ulysses,* and *Magellan* planetary missions, and would have been used by the Department of Defense [DOD] to deploy classified payloads. This cancellation occurred after NASA has invested almost 5 years and $1 billion into this program. Nevertheless, the decision to cancel the shuttle/Centaur program was sound and was grounded in the principle that safety is foremost in our space program.

Now, however, we are faced with the difficult choices of selecting other launch options for the NASA payloads that were to have been deployed by the shuttle/Centaur. NASA is studying alternative launch options, but until these decisions are made, the associated costs are not precisely quantifiable. Nevertheless, this represents another significant new cost that only inflates NASA's already burdensome budget requirements.

Mr. President, another accident-related cost that NASA must absorb in

fiscal year 1987 is $350 million in unrealized shuttle services payments from its commercial customers who will not be able to use the shuttle as scheduled. The significance of these anticipated payments is that, in preparing its fiscal year 1987 budget request, NASA had counted on these payments to offset some of its fiscal year 1987 programmatic requirements. And as if this were not enough, both the Senate and House Armed Services Committees have approved reductions of up to $530 million in DOD's fiscal year 1987 shuttle services payments to NASA. These DOD payments were scheduled pursuant to a current NASA/DOD shuttle services agreement, and just as with the commercial payments, NASA had factored them into the preparation of its fiscal year 1987 budget request. In my bill, I have not taken into account these potential DOD reductions, because they are not enacted. If they are enacted, they will create a disruptive force within NASA that is unthinkable.

If I have painted a frightening picture of NASA's budget situation, then I have succeeded in accurately portraying the realities as we know them today.

Mr. President, as Members of Congress, we have a multitude of responsibilities to our Nation. One, is to restore our space program to its previous position of superiority. Another is to restore order to our Nation's economy. As a member of the Senate Budget Committee, I argued for a greater budget authority for NASA than the administration's budget request provided. I knew in March that NASA was facing budget requirements that would far exceed its budget request. I was successful in augmenting the Budget Committee's mark for NASA to compensate for the some of the accident-related costs. Yet, immediately before the budget resolution was considered by the Senate, the additional compensation for NASA was eliminated, and NASA funding was assumed at the level of the fiscal year 1986 appropriation, $7.3 billion. This freeze level held up in conference, and it is the funding level that is now in our fiscal year 1987 budget resolution.

As a conferee to the fiscal year 1987 budget resolution, I feel obligated to uphold the budget resolution in the spirit in which Congress approved it. I also feel an obligation to the taxpayers who expect Congress to reduce the Federal budget deficits. For these reasons, my bill authorizes an appropriation of $7.3 billion. Yet, I also feel, as we all should, an immense obligation to our space program, and I realize that NASA needs much more in fiscal year 1987 than the budget resolution assumes. For these reasons, my bill also makes available to NASA an additional $460 million in excess Conrail funds, for a total authorization of $7.76 billion.

Mr. President, now I will briefly mention some of the major NASA programs funded in my bill.

This bill authorizes $515 million for space transportation capability development which supports, among other things, NASA's Spacelab Program, the orbital maneuvering vehicle, and the development of alternative upper stage options for NASA's planetary programs. This bill provides $400 million for the Space Station Program, an authorization which is only $10 million below the President's request. This funding will keep the Space Station Program on schedule so that actual development may begin in fiscal year 1987 and so that the program will continue to enjoy strong international and industrial support.

In this bill, NASA's space science programs are authorized at a funding level of $971 million, an increase of $34 million above the budget request. This funding level maintains the scientific teams that are critical to the eventual success of the scientific missions that were scheduled for launch in 1986 and which will be delayed for as much as 2 or 3 years. This bill also maintains the administration's budget request in space science research and analysis, which provides an important lifeline between NASA's space science programs and our universities and colleges.

Space applications is authorized at a level of $542 million, which is $16 million more than the budget request. These programs support critical research and development in advanced communications technologies, the observation and study of the Earth and its surrounding environment, and the development of new and better materials and products through space-based processing.

The authorization in my bill provides $371 million for NASA's aeronautical research and technology programs, an authorization which is $5 million below the budget request. Our support of these programs is critical to maintaining a competitive U.S. position in the global arenas of aviation technology and sales.

One of two "new start" programs in NASA's budget request is transatmospheric research and technology. This program is NASA's contribution to the joint NASA/DOD Program, the National Aerospace Plane Program, which, if successful, could revolutionize our ability to enter space and transport passengers around the globe. This authorization of $40 million, which is $5 million below the budget request, enables NASA to conduct on schedule its technology analysis in new propulsion systems and in advanced materials, both of which are critical to the success of this program.

This bill's authorization for NASA's Space Flight, Control, and Data Communications Programs is $3,086 million, a funding level which is $27 million more than the budget request. These programs support, among other things, the operations of our Space Shuttle Program and will also provide the primary support for the recovery of our shuttle launch capability. As I cautioned earlier in my statement, we are unable to define precisely all of the costs associated with this effort. There will undoubtedly be more, but this authorization supports NASA's space recovery requirements as we know them today. Nevertheless, we should be prepared for additional budget requirements later in the year as NASA defines more precisely its shuttle recovery needs.

Mr. President, there are a few other provisions of this bill that deserve mention. One is the replacement of the shuttle *Challenger*. Within the total funds made available in this bill, there is no specific authorization for a new space shuttle. To try to squeeze into this authorization an additional requirement of several hundreds of millions of dollars for a replacement orbiter would decimate NASA's other programs. Also, the administration is still studying the issue of a replacement shuttle and how it can be most effectively financed. Nonetheless, this bill would authorize the construction of a replacement orbiter if the President makes the determination that it is in the national interest to do so and if the funds for a replacement orbiter are made available in addition to those provided in this bill.

The issue of deciding whether to replace the *Challenger* leads me to another provision in this bill—the reestablishment of a White House National Aeronautics and Space Council. The current policymaking body for our civilian space program, the Senior Interagency Group on Space [SIG] of the National Security Council, has been inexcusably slow in making crucial decisions in the aftermath of the *Challenger* accident.

Furthermore, the SIG has neglected to keep Congress informed as to the space recovery options that it has been considering, using the cloak of "national security" as an excuse. Admittedly, the issues have been extremely complex. Nevertheless, our space program has foundered for months, partly because the Senior Interagency Group on Space has failed to develop in a timely manner an appropriate space recovery plan.

This bill would reestablish in the Executive Office of the President a National Aeronautics and Space council, similar to the one which existed from 1985 to 1973. This council would assume responsibility for assisting in the development of civilian space

policy, in addition to resolving interagency disputes among those involved in aeronautical and space activities, responsibilities that presently belong to the SIG.

In reestablishing the NASC, this bill would designate the Vice President as chairman of the NASC. The rest of the NASC would be composed of the NASA Administrator, and the Secretaries of Defense, State, Commerce, and Transportation. The purpose of reestablishing the NASC is to elevate space policy issues on the national agenda and to provide for a more timely and appropriate resolution of aeronautical and space policy issues.

Finally, this bill would direct the NASA Administrator to review the report of the National Commission on Space and provide to the relevant committees of Congress a long-range implementation plan, including a specific agenda for the next 5 years. At a time when we are looking for specific direction for our space program, such a plan would be an immeasurable assistance to the Congress as we attempt to restore our once unchallenged space program to its position of preeminence.

Mr. President, the needs of our space program are immediate, crucial, and vast. This authorization bill, while complying with the intent of the budget resolution and the need to restore order to our economy, provides a funding level which will marginally meet these needs as we know them today. I believe that eventually we must face up to the reality that in fiscal year 1987 we will have to provide a supplemental appropriation for NASA if we have any notion of having a first-class space program. Meanwhile, I urge my colleagues to support this authorization bill for NASA. Our civilian space program has recorded a rich history of unprecedented achievements, and there is no reason why we should expect any less from our space program of the future.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2714

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Aeronautics and Space Administration Act, 1986".

SEC. 2. There is authorized to be appropriated to the National Aeronautics and Space Administration to become available October 1, 1986:

(a) For "Research and development", for the following programs:

(1) Space station, $325,000,000;

(2) Space transportation capability development, $505,500,000;

(3) Physics and astronomy, $507,400,000;

(4) Life sciences, $66,300,000;

(5) Planetary exploration, $345,300,000;

(6) Space applications, $419,600,000;

(7) Technology utilization, $13,300,000;

(8) Commercial use of space, $12,000,000;

(9) Aeronautical research and technology, $351,000,000;

(10) Space research and technology, $160,200,000; and

(11) Tracking and data advanced systems, $17,100,000.

(b) For "Space flight, control and data communications", for the following programs:

(1) Space shuttle production and operational capability, $847,400,000;

(2) Space transportation operations, $1,320,700,000; and

(3) Space and ground network, communications and data systems, $830,900,000.

(c) For "Construction of facilities", including land acquisition, as follows:

(1) Construction of addition to Orbiter Processing Facility Annex, John F. Kennedy Space Center, $3,400,000;

(2) Construction of addition to the Systems Integration and Mockup Laboratory, Johnson Space Center, $5,000,000;

(3) Construction of Central Computing Facility, Johnson Space Center, $9,000,000;

(4) Modifications to Test Stand 300 for Space Station Hydrogen/Oxygen Propulsion Systems Development, George C. Marshall Space Flight Center, $2,100,000;

(5) Construction of Spacecraft Systems Development and Integration Facility, Goddard Space Flight Center, $8,000,000;

(6) Construction of Engineering Support Building, Jet Propulsion Laboratory, $9,800,000;

(7) Modification of Uninterruptible Power System in Space Flight Operations Facility, Jet Propulsion Laboratory, $2,600,000;

(8) Construction of Human Performance Research Laboratory, Ames Research Center, $9,400,000;

(9) Construction of Integrated Test Facility, Dryden Flight Research Facility, $17,500,000;

(10) Modifications of 8-Foot High Temperature Tunnel, Langley Research Center, $9,700,000;

(11) Construction of addition for Non-Destructive Evaluation Research Laboratory, Langley Research Center, $2,000,000;

(12) Construction of Power Systems Facility, Lewis Research Center, $5,800,000;

(13) Construction of the Second Tracking and Data Relay Satellite System Ground Terminal Facility, New Mexico, $22,000,000;

(14) Repair of facilities at various locations, not in excess of $750,000 per project, $24,000,000;

(15) Rehabilitation and modification of facilities at various locations, not in excess of $750,000 per project, $30,000,000;

(16) Minor construction of new facilities and additions to existing facilities at various locations, not in excess of $500,000 per project, $7,000,000; and

(17) Facility planning and design not otherwise provided for, $14,000,000.

Notwithstanding paragraphs (1) through (17) of this subsection, the total amount authorized by this subsection shall not exceed $153,300,000.

(d) For "Research and program management", $1,425,000,000.

(e) Notwithstanding the provisions of subsection (h), appropriations authorized in this Act for "Research and development" and "Space flight, control and data communications" may be used for (1) any items of a capital nature (other than acquisition of land) which may be required at locations other than installations of the Administration for the performance of research and development contracts, and (2) grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities; and title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to ensure that the United States will receive therefrom benefit adequate to justify the making of that grant. None of the funds appropriated for "Research and development" and "Space flight, control and data communications" pursuant to this Act may be used in accordance with this subsection for the construction of any major facility, the estimated cost of which, including collateral equipment, exceeds $500,000, unless the Administrator or the Administrator's designee has notified the President of the Senate and the Speaker of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science and Technology of the House of Representatives of the nature, location, and estimated cost of such facility.

(f) When so specified and to the extent provided in an appropriation Act, (1) any amount appropriated for "Research and development," for "Space flight, control and data communications" or for "Construction of facilities" may remain available without fiscal year limitation, and (2) maintenance and operation of facilities and support services contracts may be entered into under the "Research and program management" appropriation for periods not in excess of 12 months beginning at any time during the fiscal year.

(g) Appropriations made pursuant to subsection (d) may be used, but not to exceed $35,000, for scientific consultations or extraordinary expenses upon the approval or authority of the Administrator, and the Administrator's determination shall be final and conclusive upon the accounting officers of the Government.

(h) Of the funds appropriated pursuant to subsections (a), (b), and (d), not in excess of $100,000 for each project, including collateral equipment, may be used for construction of new facilities and additions to existing facilities, and for repair, rehabilitation, or modification of facilities: *Provided,* That, of the funds appropriated pursuant to subsection (a) or (b), not in excess of $500,000 for each project, including collateral equipment, may be used for any of the foregoing for unforeseen programmatic needs.

SEC. 3. Authorization is granted whereby any of the amounts prescribed in paragraphs (1) through (11) of section 2(c) of this Act—

(1) in the discretion of the Administrator or the Administrator's designee, may be varied upward 10 percent, or

(2) following a report by the Administrator or the Administrator's designee to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science and Technology of the House of Representatives on the circumstances of such action, may be varied upward 25 percent.

to meet unusual cost variations, but the total cost of all work authorized under such

paragraphs shall not exceed the total of the amounts specified in such paragraphs.

SEC. 4. Not to exceed one-half of 1 per cent of the funds appropriated pursuant to section 2(a) or (b) of this Act may be transferred to and merged with the "Construction of facilities" appropriation, and when so transferred, together with $10,000,000 of funds appropriated pursuant to section 2(c) of this Act (other than funds appropriated pursuant to paragraph (12) of such section) shall be available for expenditure to construct, expand, and modify laboratories and other installations at any location (including locations specified in section 2(c)), if (1) the Administrator determines that such action is necessary because of changes in the national program of aeronautical and space activities or new scientific or engineering developments, and (2) the Administrator determines that deferral of such action until the enactment of the next authorization Act would be inconsistent with the interest of the Nation in aeronautical and space activities. The funds so made available may be expended to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment. No portion of such sums may be obligated for expenditure or expended to construct, expand, or modify laboratories and other installations unless a period of 30 days has passed after the Administrator or the Administrator's designee has transmitted to the President of the Senate and to the Speaker of the House of Representatives and to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science and Technology of the House of Representatives a written report containing a full and complete statement concerning (A) the nature of such construction, expansion, or modification, (B) the cost thereof including the cost of any real estate action pertaining thereto, and (C) the reason why such construction, expansion, or modification is necessary in the national interest.

SEC. 5. Notwithstanding any other provision of this Act, no amount appropriated pursuant to this Act may be used for any program—

(1) deleted by the Congress from requests as originally made either to the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Science and Technology of the House of Representatives;

(2) in excess of the amount actually authorized for that particular program by section 2(a), (b), and (d); and

(3) which has not been presented to either such committee,

unless a period of 30 days has passed after the receipt by the President of the Senate and the Speaker of the House of Representatives and each such committee of notice given by the Administrator or the Administrator's designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action.

SEC. 6. No civil space station authorized under section 2(a)(1) of this Act may be used to carry or place in orbit any nuclear weapon or any other weapon of mass destruction, to install any such weapon on any celestial body, or to station any such weapon in space in any other manner. This civil space station may be used only for peaceful purposes.

SEC. 7. It is the sense of the Congress that it is in the national interest that consideration be given to geographical distribution of Federal research funds whenever feasible, and that the National Aeronautics and Space Administration should explore ways and means of distributing its research and development funds whenever feasible.

SEC. 8. Section 24 of the Commercial Space Launch Act (49 App. U.S.C. 2623) is amended by adding at the end thereof the following: "There is authorized to be appropriated to the Secretary to carry out this Act $2,275,000 for fiscal year 1987.".

SEC. 9. The Administrator of the National Aeronautics and Space Administration shall review the proposed space agenda submitted by the National Commission on Space pursuant to title II of the National Aeronautics and Space Administration Authorization Act, 1985 (Public Law 98-361; 98 Stat. 427) and recommend to the appropriate committees of the Congress a long-range plan to implement such proposed space agenda, including a specific agenda for the five-year period beginning on the date of enactment of this Act. Such recommendations shall be made not later than March 1, 1987.

SEC. 10. The National Aeronautics and Space Administration may undertake construction of a fourth space shuttle orbiter in fiscal year 1987 if—

(1) the President determines, and notifies the Administrator of the National Aeronautics and Space Administration and the appropriate committees of the Congress, that the President has determined that the construction of such an orbiter is in the national interests; and

(2) sums are appropriated for such construction which are in addition to sums made available pursuant to this Act.

SEC. 11. (a) The Consolidated Rail Corporation (hereinafter in this section referred to as "Conrail"), in consideration of and in advance of the exercise by the United States of the authority set forth in section 402 of the Regional Rail Reoganization Act of 1973 (45 U.S.C. 762) to reduce its interest in any debt or preferred stock of Conrail to the interest which attaches to such debt or preferred stock in the event of bankruptcy, substantial sale, or liquidation of the assets of Conrail, and to subordinate such debt or preferred stock to securities issued by Conrail in the future, shall redeem $460,000,000 in principal amount of debentures and, if all of the outstanding debentures are redeemed, Series A preferred stock from the United States Railway Association. Conrail shall also pay any interest accrued and unpaid on the debentures redeemed.

(b) The Secretary of Transportation, in the Secretary's capacity as holder of the common shares of the United States of Conrail stock or as a director of the United States Railway Association, the Comptroller General of the United States as a director of the United States Railway Association, the Chairman of the Interstate Commerce Commission as a director of the United States Railway Association, and the United States Railway Association shall vote, consent to, agree to waive, and take whatever other action is required to effectuate the redemption specified by subsection (a) of this section. Any action necessary to effectuate the provisions of this section by the Secretary of Transportation, any such director or a director of Conrail shall not be deemed to be in a personal capacity and shall not give rise to personal liability of such person in connection with such action.

(c) Upon redemption by Conrail of its debentures and preferred stock in accordance with subsection (a) of this section, the United States Railway Association shall immediately pay all of the funds received from the Corporation as a result of such redemption to the Treasury of the United States. Such funds shall then be made available to the Administrator of the National Aeronautics and Space Administration to become available October 1, 1986, as follows:

(1) For "Research and development", for the following programs:

(A) Space station, $75,000,000;

(B) Space transportation capability development, $10,000,000;

(C) Physics and astronomy, $15,000,000;

(D) Life sciences, $8,000,000;

(E) Planetary exploration, $29,000,000;

(F) Space applications, $123,000,000;

(G) Commercial use of space, $15,000,000;

(H) Aeronautical research and technology, $20,000,000;

(I) Transatmospheric research and technology, $40,000,000; and

(J) Space research and technology, $20,000,000.

(2) For "Space flight, control and data communications", for the following programs:

(1) Space shuttle production and operational capability, $37,000,000;

(2) Space transportation operations, $30,000,000; and

(3) Space and ground network, communications and data systems, $30,000,000.

(3) For "Construction of facilities", including land acquisition, $8,000,000.

(d) If any provision of this section, or the application of such provision to any person or circumstance, is held invalid, the remainder of this section, or the application of this section to persons or circumstances other than those as to which it is held invalid, shall not be affected by such invalidation.

SEC. 12. (a) Section 210 of the National Aeronautics and Space Act of 1958 is amended by striking subsection (c), and by redesignating subsections (d) through (f) as subsections (c) through (e), respectively.

(b) Section 201(a) of such Act is amended—

(1) by striking paragraph (6);

(2) by redesignating paragraph (5) as paragraph (6);

(3) by inserting immediately after paragraph (4) the following:

"(5) the Secretary of Commerce; and"; and

(4) in paragraph (6), as so redesignated, by striking"; and" and inserting in lieu thereof a period.

(c) Section 201(c) of such Act, as so redesignated, is amended—

(1) by striking "(c)" and inserting in lieu thereof "(b)";

(2) by striking "his" and inserting in lieu thereof "such member's"; and

(3) by striking "he" wherever it appears and inserting in lieu thereof "the member's".

(d) Section 201(d) of such Act, as so redesignated, is amended—

(1) by striking "he" and inserting in lieu thereof "the President"; and

(2) in paragraph (1), (A) by inserting "the United States, including" immediately before "all departments", and (B) by inserting ", and other nations" immediately before the semicolon.

(e) Section 201(e) of such Act, as so redesignated, is amended—

(1) by striking all after "persons" through "amended";

(2) by striking "203(b)(2)" and inserting in lieu thereof "203(c)(2)";

(3) by striking "(except those relating to pay and retirement)";

(4) by striking "council employees" and inserting in lieu thereof "employees of the Council"; and

(5) by striking "chairman" and inserting in lieu thereof "Chairman".

RECOGNITION OF SENATOR LEVIN

The PRESIDING OFFICER. Under the previous order, the Senator from Michigan [Mr. LEVIN] is recognized for not to exceed 5 minutes.

Mr. LEVIN. I thank the Chair.

INTEGRITY OF THE POLITICAL PROCESS

Mr. LEVIN. Mr. President, later this month, the Senate has been promised an opportunity to act on the so-called PAC limit amendment offered by Senator BOREN and others. As a cosponsor of the amendment, I am looking forward to that debate. I understand the time pressures the majority leader and the Senate are under, but I believe that we must deal with this problem—and we must have sufficient time devoted to it to allow the Senate to speak clearly on this issue. A full debate and a clean vote are critical if we want to do more than just give speeches about the integrity of the political process.

The plain truth is that a good many Americans believe that most politicians are corrupt. The headlines link that corruption to our continual search for campaign funds. "PAC's Hold Mortgage on Congress"—that did not come from the National Enquirer; it was a headline last year in the Christian Science Monitor. Most articles are more restrained—they do not draw an explicit link between contributions and votes; they simply allow—or perhaps encourage—readers to draw their own conclusions. And so we see the Wall Street Journal tell readers that "Insurance Industry Boosts Political Contributions as Congress Takes Up Cherished Tax Preferences" and the Washington Post reports that "PAC's donated $16.8 Million to Tax Bill Writers."

And those are the news stories. When you want to see a point of view explicitly expressed, look at the editorials.

□ 1000

"Congress Still for Sale," states the Albuquerque Journal in New Mexico; "PAC's Buy Too Much Influence in Congress," claims the State in Columbia, SC, and "Buying Congress" is the simple and direct evaluation of PAC power in the Greensboro, NC, News and Record. No matter what we actually do, no matter how we behave in fact, the appearance remains less than pristine. Appearances are important. We take them into account—as we should—and so do our constituents—as they should.

And it is not just "the media" which creates this appearance of corruption. We do as well. Let me share with you a "Dear Colleague" letter which was circulated last November. A fact sheet was attached to the letter which identified the "major objections" to the Boren amendment. The second of the six identified objections said that:

> The Amendment's limits will confer a disproportionate advantage upon the largest, best financed interest groups by permitting those with large amounts of ready cash to move quickly and contribute where they chose before limits are exhausted.

Now I ask my colleagues what advantage we are giving to those who contribute more and early which we are denying to those who contribute late or less? I am afraid even those of us who know better begin to adopt the language of influence peddling. To some degree, I am also afraid we actually have a vested interest in suggesting that contributions can affect behavior—because that suggestion is what gets many PAC's to make their contributions.

Again, Mr. President, I am not proposing that there is in fact a link. I am not making that suggestion because I do not believe it is true. The fact is that PAC's, like individuals, tend to support people whose views they identify with; in other words, PAC's do not buy votes—they support candidates whose voting records they like or whose philosophies they share. But it is also a fact that many people believe that unlimited special interest contributions buy the votes and support of politicians.

Not all Americans are skilled in detecting the existence of a post hoc, ergo proctor hoc fallacy. Many see one thing happen, then they see something happen after that—and they believe there must be a causal link between the two. That logic may be fallacious but a lot of people believe it.

Surely our national interest requires us to try to end the corrosive belief that Congress is up for auction. That belief undermines the public's faith in government and can ultimately destroy our form of government.

In addition to being in the national interest, the Boren amendment is in the self-interest of every Member of this body. Most of those who oppose this amendment do so only after bemoaning the fact that the high cost of campaigns makes it necessary for them to depend so heavily on PAC contributions. But, Mr. President, I would suggest that to a certain extent it is our ability to depend so heavily on PAC money which makes the costs of campaigns so high.

I believe it is one of Parkinson's laws which tells us that work expands to fill the time allotted to it. A variant of that applies to campaign costs: campaign expenses increase to consume the resources available. As Senator BOREN indicated when he testified before the Rules Committee last year, the "massive influx of funds has helped fuel a mind-boggling increase in campaign costs." And if we look at our own experiences over the years, we know that is true. When we were poor underfunded challengers, a TV buy which got us 500 gross rating points was a saturation buy; as well-financed incumbents, we think of 1,000 GRP's, twice the number of TV ads, as a totally inadequate way to remind the voters of all the wonderful things we have done.

Mr. President, campaign costs have risen by 385 percent over the past 8 years. That is more than the increase in the cost of TV time, more than the increase in the cost of travel, more than the increase in the cost of printing. No, costs don't justify the increase. The 500-percent jump in PAC contributions explains it, I'm afraid.

If we begin to limit the total amount of money which candidates can raise from PAC contributions, we might very well begin to get at the problem created by the unlimited amount of money which candidates are willing to spend.

Now I would prefer to do that in other ways—through spending limits and public funding. But the Congress is not ready to go that far—and the Boren amendment does not ask us to. The amendment simply asks us to limit—equitably and universally—the amount of PAC money which a candidate can accept. It does not outlaw PAC's, it does not restrict anyone's freedom of speech—it simply seeks to help restore and protect public faith in the political process and provide all of us with some sense of limits.

As such the amendment is a modest but positive step. When the Senate turns its attention to this legislation later in the month, we will no doubt discuss the other features it contains—the "antibundling" component, the negative independent campaign provisions it contains and so on. But as we consider the details, I hope we also remember the concept of the bill and the context in which we debate it—the need to restore and retain public confidence in the political process. John F. Kennedy once said that "politics is a noble profession." I agree. The Boren amendment may make it easier for the general public to agree as well.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business with statements therein limited to 5 minutes each.

CONGRESSIONAL CALL TO CONSCIENCE FOR MARGULIS FAMILY

Mr. HART. Mr. President, a little over 1 year ago, I participated in the Congressional Call to Conscience for Soviet Jewry on behalf of my good friends Naum and Inna Meiman. The Meimans have been trying to leave the Soviet Union and join their daughter, Olga Plum, who is a constituent of mine in Colorado. The Meimans have repeatedly been denied emigration visas to seek medical treatment and to be reunited with their daughter. We in the Congress who have been working for years on the Meiman's behalf are frustrated. Yet that frustration is minor compared to what the Meimans and many others must face every day. Today, I am compelled to speak of another family trying desperately to leave the Soviet Union.

Inda Margulis struggles on, for the ninth year in a row, to convince Soviet officials to release her family and grant them exit visas. The Margulis family has received in return only empty promises.

In 1975, Pinchos and Haya Margulis and their son Vladimir first applied to emigrate from the Soviet Union. They based their application on an invitation from Pinchos' aunt in Denver, CO. The Soviets handed the Margulis the first of many refusals stating that the invitation was not from a close enough relative. Repeated applications were met by repeated refusals.

New hope came to the Margulis family when Inda's parents and brother received permission to go to the United States. Though her brother, Vladimir, had just entered the army, the Margulis were hopeful that it was not too late for him to leave with them, but these hopes too were shattered. Vladimir was denied an exit visa and his parents were forced to reapply to leave without their son. The Soviet response was cruel. Pinchos and Haya were denied permission to leave—despite earlier promises—with the following explanation: "In 2 years when the army service is complete, you will go together with your son."

In 1979, Inda, her husband and daughter were allowed to emigrate to Israel with little difficulty. They assumed that the rest of their family would soon join them there. History repeated itself, however, when the Soviet Government again denied permission for the family to leave.

Still the requests continue, and still the refusals follow. In a letter to me, Inda Margulis wrote:

> My parents are very ill now. They have serious heart problems and diabetes. They had a very hard life. During World War II their sisters, brothers, and parents were killed, and now they cannot see their older daughter and their grandson.

Together, through the Call to Conscience, we urge the Soviet Government to remember its responsibility to its citizens. We have been told by some in the Soviet Union that those who want to leave can leave, and that we in the United States wrongly assume that every Jewish person wants to emigrate. The Margulis family wants to emigrate. They cannot.

It seems that the cycle of request and refusal is endless, but those who want to leave must continue to struggle, and we must continue the struggle to help them. We must work through our frustrations and learn from those who are directly affected by these issues. From them we draw our energies while providing them the support they need. They must know that others care. When I met in Israel with Elena Friedman, sister of Soviet refusenik Ida Nudel, I marveled at Elena's own strength and courage—put to the test every day. Together, we must use every channel available to us to reunite these families.

TRIBUTE TO AVERELL HARRIMAN

Mr. ROCKEFELLER. Mr. President, on July 26 our country lost one of its most able and most extraordinary public servants of this century, W. Averell Harriman. His many contributions to this Nation, both domestically and on the world stage, have become an indelible part of 20th century America. His ardent commitment to public service continues to be an inspiration to all who knew him.

Governor Harriman's career in public life spanned nearly seven decades, and his accomplishments are as numerous as his years of service. His abiding interest in and concern for relations with the Soviet Union began 60 years ago when he first traveled to Moscow; a businessman at the time, his ostensible purpose was to discuss a joint mining venture. But it was to be the first of many trips to the Soviet Union, the last one only 3 years ago.

During the war years, Governor Harriman directed the Lend-Lease Program and in 1943 became U.S. Ambassador to Moscow. His intimate exposure to the Soviet leadership convinced him that when the war-time marriage of convenience with Russia ended, the Soviet Union would constitute a serious challenge to Western values and societies. Indeed, the world would be a very different place had Averell Harriman not led the fight for Allied rejection of Stalin's demands for a power-sharing arrangement in post-war Japan. Following the war, Governor Harriman went to Europe to administer the Marshall plan and served as one of the leading figures in the formation of the NATO Alliance.

He had no delusions about the nature of the Soviet system, but that did not blind him from seeking a common ground when possible. He firmly believed that the existence of nuclear weapons required that we and the Soviets attempt to regulate our relations through political—not military—means. He firmly dedicated to the pursuit of nuclear arms control, and was instrumental in negotiating the first such accord with the Soviets: the 1963 Limited Nuclear Test Ban Treaty. His concern over the deterioration in United States-Soviet relations took him to Moscow only 3 years ago to meet with Soviet leader Andropov. The Institute for Advanced Study of the Soviet Union at Columbia University, which bears his name, is a lasting tribute to his life-long dedication to informed policy and understanding of that country.

As a diplomat, Averell Harriman accomplished much, but his contributions to national life were not limited to foreign affairs. In 1928, Harriman pursued his convictions rather than family tradition, and left the Republican Party to support Al Smith for President. His business acumen was enlisted by FDR during the Depression when he served as head of the Business Advisory Council and later as Administrator of the National Recovery Administration.

In 1954, the confidence of the many Presidents which Averell Harriman served was confirmed by the people of the State of New York when they elected him Governor. During his tenure as Governor, he fought for new civil rights initiatives, and sought tirelessly to improve conditions for the mentally ill, the poor, and the elderly.

Governor Harriman was a good friend and mentor to me. He played a key role in my decision to devote myself to public service. In 1964, I sought his counsel about changing my party affiliation from Republican to Democrat. The Governor, himself a convert, not only urged me to do it, but encouraged me to enter public life. I will always be grateful to the Governor for his generosity and kindness.

KAZUYOSHI HAYASHIDA—NATION'S PUBLIC WORKS LEADER

Mr. MATSUNAGA. Mr. President, our Nation is becoming increasingly conscious of the necessity to refurbish our deteriorating public infrastructure as well as the need for new public works to accommodate and facilitate growth. Therefore it is well for us in this body, concerned as we are with the financing required for these tasks, to salute those upon whom these responsibilities fall: the public works engineers. These thoughts came to my mind when I read a list of the top 10 public works leaders of 1986, as selected under a program of the American Public Works Association in cooperation with a number of professional groups. I was gratified to see on this

list the name of a native of my State: Kazuyoshi Hayashida, manager and chief engineer of the city and county of Honolulu Board of Water Supply since 1978.

Mr. President, it is the membership of the American Public Works Association to whom we look for the design, construction maintenance and operation of so many public service facilities which we tend to take for granted until crises arise, such as transportation bottlenecks during rush-hourur-ban commuting periods or droughts which tax the availability of municipal water supplies. We seem to recognize the challenges these professional engineers continually face, rather than the accomplishments they have already made for us.

The accomplishments of Kazu Hayashida are many and varied during the past 30 years since he obtained his engineering degree in 1956 at the University of Hawaii. He began his career as a design engineer with the Hawaii Territorial Irrigation Authority prior to statehood and later joined the U.S. Army Corps of Engineers, where he was given the responsibility for supervising the construction of a 500-bed hospital as well as dependent housing at Poitiers, France, gaining his first experience in the art of inspiring a productive working environment for those working under his supervision.

In 1960 he joined the Hawaii State Department of Land and Natural Resources as project engineer for all public work of the department on my home island of Kauai. So successful was he in this assignment that 4 years later he was tapped to be the department's flood control engineer, responsible for developing and carrying out Hawaii's first statewide Flood Control Program. In 1973 he was asked to join the city and county of Honolulu as deputy director of its department of public works; a year later he was promoted to the directorship of the department as Honolulu's chief engineer. Subsequently, he served as director of the Honolulu Department of Transportation Services before assuming his present position with the board of water supply.

Kazu has not been cited for national recognition because of the variety of public works posts he has held in my State during his career or even over the last 12 years. Rather, he has been recognized for the high operational performance of the facilities he was responsible for building and for the innovations in operations and people management he has initiated as a government administrator. He initiated a shift in solid waste disposal from landfill practices to a resource recovery approach which promises to provide a biomass energy source for Honolulu as well. He also convinced a recalcitrant city administration of the need to undertake formal personnel training at the operating level in order to improve productivity of service.

Among his professional contributions, he has presented papers on municipal transit research methodology to the National Academy of Sciences and has written an essay on management philosophy for the Journal of the American Water Works Association, on whose national board of directors he now serves. Despite his demanding responsibilities, he also has found time to participate in neighborhood youth programs. The people of Hawaii are immensely proud of Kazu Hayashida and of his colleagues in public works engineering. We are especially proud that he is the fourth engineer from our small State to be accorded this national recognition. A predecessor in the position of manager and chief engineer of the Honolulu Board of Water Supply, the late Edward J. Morgan, received the award in 1964. Since then two career engineers with the State government, State Public Works Engineer Rikio Nishioka, who supervised construction of our magnificent capitol, and Owen Miyamoto, chief of the division of airports, were similarly recognized in 1978 and 1982 respectively.

Builders and public servants, the men and women of public works engineering carry heavy responsibilities for the design, construction, operation and maintenance of the facilities provided by all levels of government. To a very large measure, they make America work, and this Senator for one salutes them for their accomplishments.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1987

The PRESIDING OFFICER. The clerk will report the pending business.

The assistant legislative clerk read as follows:

A bill (S. 2638) to authorize appropriations for military functions of the Department of Defense and to prescribe military personnel levels for such Department for fiscal year 1987, to revise and improve military compensation programs, to improve defense procurement procedures to authorize certain construction at military installations for fiscal year 1987, to authorize appropriations for national security programs of the Department of Energy for fiscal year 1987, and for other purposes.

The Senate resumed consideration of the bill.

Pending: Johnston amendment No. 2273, to reduce funding for the Strategic Defense Initiative Program.

The PRESIDING OFFICER (Mr. SYMMS). The Senator from Georgia.

Mr. NUNN. Mr. President, Chairman GOLDWATER will be here in a few minutes, but he asked us to go ahead and proceed this morning on the Defense bill.

The Senator from Louisiana has been discussing his amendment.

And may I ask the Senator from Louisiana the plans as far as Senators making speeches and presentations on the SDI amendment this morning.

Mr. JOHNSTON. Mr. President, we had thought we were ready to go with Senator KENNEDY's speech at 10 o'clock. I am advised that he will be unable to come at 10. He will be able to come later. But we are trying to get someone else to fill in on that.

I would remind my colleagues, Mr. President, if the Senator will further yield, that we are trying to accommodate the Armed Services Committee, which wants to finish the whole bill by Wednesday night. So we are trying to get all our speeches out of the way this morning if we can.

So I would urge my colleagues to come over if they wish to be heard.

I am now advised that Senator KERRY will arrive between 10:15 and 10:30.

Mr. NUNN. I thank the Senator from Louisiana.

Mr. President, I shall make some remarks this morning that do not relate to the SDI which is an important subject.

In my view, though, the general outline of the fiscal picture we face in defense is even more important than the amendment we are debating.

I know Senator GOLDWATER will be making remarks on this subject. Senator GOLDWATER and I hope to meet with President Reagan to discuss it directly with him within the next day or so because we face a problem of unprecedented proportions in terms of the defense budget not just this year but more importantly over the next 5 years.

I would like to outline for my colleagues this morning the extent and the scope of this very, very serious problem.

Mr. President, we may have adopted a budget resolution for fiscal year 1987 last month but we are a long way as a nation from putting our fiscal house in order.

The Balanced Budget and Emergency Deficit Control Act of 1985, or what is commonly known as the Gramm-Rudman-Hollings Act, has put in law the mileposts for achieving a balanced budget by fiscal year 1990, at least based on reasonable economic assumptions. However, the President and Congress are in a fiscal stalemate over the path that is required to meet these mileposts. The President favors much deeper cuts in domestic spending than a bipartisan majority in Congress will approve.

The President's own budget this year was some $15 billion over the Gramm-Rudman target because they had underestimated defense outlays. A bipartisan majority of Congress probably favors some revenue increases which the President promises to veto, but we all know there is not going to be a revenue bill as long as the President has that position.

Between Congress and the President both, most entitlement programs, which comprise a very large part of the budget, are not even on the the table. We are not even playing with the full deck of cards. Yet we are expecting to get the Gramm-Rudman targets and the balanced budget in 5 years.

We have a mandate to cut the budget deficit each and every year under Gramm-Rudman-Hollings and I say that as one who voted for this amendment.

The defense budget is therefore caught right in the middle of this squeeze. I do not believe that is commonly understood. I do not know that the President understands it. If he does, I have serious questions about why he endorsed Gramm-Rudman-Hollings given his position on entitlements and give his position on revenue.

The defense budget is really the easy target that everyone is shooting at. This impasse between Congress and the President poses serious problems for our national defense programs, of which there is a near term and a long-term aspect.

I want to address both of those aspects this morning and I think people in this body, and the American public, and I am absolutely certain those in the Pentagon are going to be shocked with some of these figures.

In the next 2 months the fiscal year 1987 defense budget faces a near-term outlay squeeze that will produce the second consecutive year of negative real growth in overall defense budget authority. Over the next 2 to 3 years, the current 5-year defense plan faces a budget authority squeeze that will create serious deficiencies in our national defense program. In fact, Mr. President, the cuts in the defense program and the fiscal stalemate and the political impact it will cause in terms of our current military strength are really staggering. These reductions will contribute to major future deficiencies in our defense posture.

□ 1010

Mr. President, I want to spend a few moments talking about this problem because I think it is time that the Senate of the United States, the House of Representatives, the American people, and particularly Secretary Weinberger and President Reagan begin to face the facts about some cold, hard defense budget realities. Not only must they wake up to these realities, but we must find a way to work together to develop a long-term overall plan that deals with domestic spending, that deals with entitlement programs, that deals with defense and, yes, that even deals with revenues, if we are going to solve this problem and protect our fiscal foundation without gravely jeopardizing our national security foundation.

As Chairman GOLDWATER and I pointed out in our opening statements, the 1987 Defense authorization bill before the Senate does not meet the budget authority, nor does it meet the outlay targets established for national defense in the budget resolution which was adopted by Congress only 6 weeks ago.

With the adoption of the committee amendment, this bill results in a total of $294.8 billion in national defense budget authority, which is still $2.6 billion above the $292.2 billion budget authority level provided in the 1987 budget resolution.

As Chairman GOLDWATER and I pointed out, we have every intention of bringing back a conference report to the Senate at the budget authority level provided in the 1987 budget resolution, but the $279.2 billion oulay figure for national defense presents real problems.

According to the Congressional Budget Office, this bill will now result in a 1987 defense outlay level of approximately $286 billion, which is $3.8 billion above the $282 billion contingency figure, and $6.8 billion above the resolution in the budget without the contingency. The fact is that meeting both the budget authority and outlay targets for national defense in the 1987 budget resolution presented to the Armed Services Committee with a mission impossible due to the serious mismatch between budget authority and outlays. I went into this issue in some detail in my statement yesterday and I will not repeat my remarks, but suffice it to say that the $292 billion budget authority number is incompatible with the $279 billion outlay number. Those two numbers do not go together.

At some point the Senate and the House have to tell our committee which number they are serious about, because they cannot be serious about both.

The longer term dilemma is even more important than the near-term dilemma that we face, Mr. President. If we look at the 6-year period, that is the fiscal 1987 that we are debating now and the following 5 years, the President's budget calls for spending some $2.245 trillion on national defense—$2.245 trillion. Now, what is the meaning of that very large figure?

This represents an average real growth of 4 percent each year. But if we look at the spending path contained in the 1987 budget resolution which Congress passed in June, and if we assume the same conditions hold for the 5-year period, the budget for defense will be only $1.921 trillion over the 6-year period. Well, what is the difference in those two figures? The difference is $325 billion less than the budget resolution and current Department of Defense planning.

The budget resolution provides for zero growth. The average DOD growth is some 4 percent. There is a 15-percent reduction in overall Defense Department plans that is compelled by the budget resolution and, in my view, that is a best case, unless our fiscal dilemma is addressed in a far different fashion than either the President or the Congress has been willing to undertake so far.

Let us look at it further down the line. What does this $325 billion reduction mean in terms of our defense over the next 6 years? Let us take it down to the service level by military service. For the U.S. Army, this would represent a $52 billion reduction, or 10 percent of what they are planning over the next 6 years. The Air Force, a $55 billion, or 8-percent reduction. The largest reduction is in the Navy. The Navy would have to take a $110 billion reduction. That is 15 percent less than what the Navy is planning for over the next 6 years.

Now, there are some critical assumptions here, as there are in any kind of outyear projections. I have assumed here that if the budget remains unchanged in real terms from the 1987 level, each military service will retain the budget level they now have in real terms over the next 5 years. As a result of that, the reduction the Navy will suffer is much larger than the cut for the Army or the Air Force, because the Navy's budget share increases dramatically within the current 5-year defense plan. If the administration plans to increase the Navy's budget while total DOD funding remains frozen, there will be even deeper, more painful cuts imposed on the Air Force and the Army.

Mr. President, even over 5 years, these dollar reductions are so enormous they lack practical meaning for us here in the Senate. What does the reduction of $52 billion mean for the Army? What does the reduction of $110 billion mean for the U.S. Navy? What does the reduction of $55 billion mean for the U.S. Air Force? What do these reductions mean in practical terms?

No one can stand here on the floor of the Senate and predict the exact programmatic content of the budgets over the next 5 years. Nor can I predict what systems or programs the services will have to cut. But let me just give a few examples, a shopping list of options of the cuts that would

be needed to meet these levels. I do not advocate these cuts, but I say that something like this is going to have to occur if we are serious about the budget resolution that was passed, if we are serious about Gramm-Rudman, if the President is serious about no revenue increase, and if both the President and the Congress are serious about taking the entitlement programs out of the deck of cards which has been done under the Gramm-Rudman plan.

The Army would have to cut $55 billion from its 5-year plan. Let us just say, for instance, if the Army terminated the 220 AH-64 helicopters and the 330 UH-60 helicopters that happen to be the backbone of Army aviation, you would save $3.8 billion. If the Army terminated 2,500 M-1 tanks and the 3,200 M-2 fighting vehicles, which are the backbone of our armored combat modernization program, you would save another $10.8 billion. If the Army terminated every missile, every single missile program, that would save $12.8 billion.

So, if the Army did all of these things, and it is hard to describe how serious this would be in terms of completing the capability of our Army to fight, you would save $27.4 billion over the next 5 years. That represents one-half—one-half only of the $55 billion goal that the budget resolution called for. To save the other half, the Army would have to cut tens of thousands of military and civilian personnel from their current levels. They would also have to substantially reduce the operating tempo; that means flying hours, the training exercises, that are taking place at the current level.

Let us take a look at the Navy. What would the Navy have to do to meet $110 billion in budget cuts? If we did not build a single attack submarine, if we did not build a single cruiser, if we did not build a single destroyer, a single frigate, or a single aircraft carrier during the next 5 years, that would total 45 fewer major combatants, we would save $46.7 billion. Let us add in a few other items of significance. If we terminated the A-6 program, the F-14 and the F-18 combat aircraft programs, we would remove a total of 900 aircraft that would be the backbone of our air carrier wing. That would save an additional $26.2 billion over the next 5 years.

These two actions together, decimating the shipbuilding program and decimating the aircraft program, would save $73 billion, which represents only two-thirds—only two-thirds—of the cuts that the Navy is going to have to take.

Let us turn to the Air Force. The Air Force share of this reduction is $55 billion. What could the Air Force do to save $55 billion? They could start with terminating the two frontline fighters, the F-15 and the F-16. That is a total of 1,300 aircraft. Now, that would save $30.8 billion.

Let us add in the C-17 cargo program, a high-priority program for many in the Air Force and, of course, also many in the Army. That would save $7.8 billion. This still meets only 70 percent of the $55 billion required reduction.

Mr. President, I am not sure what actions the services will take if their budgets were frozen at this year's level.

□ 1020

The Department of Defense still approaches the budget on a 1-year basis, hoping each year that the next year is going to be better, hoping each year we are going to have some kind of breakthrough in terms of revenue. I do not really know what the hopes are. But they are not based on anything that this body has been able to see down the road or that the House of Representatives has been able to see, or that the Office of Management and Budget has been able to see, or that the Congressional Budget Office has been able to see.

So somebody over in the Pentagon has a crystal ball unavailable to the rest of us. This approach does not even begin to deal with what is potentially ahead over the next 5 years.

These are not trivial cuts. These are not bookkeeping entries. These are not inflation adjustments. These are not fuel savings. Last week, the Committee on Armed Services received a letter signed by each member of the Joint Chiefs of Staff protesting the provision in the committee bill which requires a 2-percent reduction in the officer levels of the military services—a reduction of 6,200 officers from the current level of approximately 300,000 officers in the Department of Defense. We have not heard word one from the Joint Chiefs about what is a looming budgetary disaster over the next 5 years. It seems that no one in the Department of Defense is analyzing the defense budget in the context of fiscal reality. It seems no one is doing this in the White House. We are still focusing on small individual pieces. It seems to me that the Department of Defense does not realize they are putting together a puzzle which is missing over $300 billion in pieces.

They are worrying about a headache when they face a massive coronary. That is what we are faced with.

Mr. President, these reductions sound devastating. But I can assure this body that these represent the best-case scenario for the defense picture over the next 5 years unless we have a change in the fiscal picture in this country, and unless we have a total change in the way both the President and the Congress are approaching our overall fiscal dilemma.

Remember that last year the Department of Defense got a 6-percent real decline in its budget. The budget resolution this year calls for a 3-percent real decline. The budget resolution over the next 5 years calls for zero growth, yet last year we saw a real decline in the defense budget. This year will be the second straight year of a real decline in the defense budget. There is nothing on the horizon to get the Department of Defense out of the visegrips because no revenues are forthcoming, and we see no major breakthrough in domestic cuts.

Mr. President, another case that could even add more cuts to this gloomy prospect is the sequester on defense this fall which may or may not occur. Earlier this week, we adopted a resolution to the Gramm-Rudman controversy which mandates a compromise position on economic assumptions between likely Congressional Budget Office forecasts and Office of Mangement and Budget forecasts. No one knows for sure what compromise will be worked out. Some experts have suggested that we face a potential sequester in October of this year of $20 billion in outlays. Half of that would have to come from the defense spending by the terms of the Gramm-Rudman-Hollings amendment. In order to get $10 billion in outlay cuts, the Department of Defense will have to cut approximately $20 billion in budget authority from the appropriated level, and I assume that level is $292 billion.

So if we are going to get those outlay cuts and if we do have a sequester in the fall, we are going to have to get the budget authority of the Department of Defense down to about $272 billion, about $22 billion less than we are now.

Let us take a look at that $10 billion outlay sequester. What does this do in fiscal year 1987, and what does it do over the next 5 years? We must remember there is no flexibility in the Gramm-Rudman-Hollings legislation allowing the President to exempt the military personnel budget accounts in fiscal 1987 as there was in fiscal 1986. Under the current Gramm-Rudman formula allocating the sequester, a $10 billion outlay sequester in the Defense Department would require a $3 to $4 billion reduction in military personnel budget accounts. What do cuts of this magnitude mean? Mr. President, cuts of this magnitude will require the Department of Defense to furlough or release tens of thousands perhaps even hundreds of thousands of active duty military personnel.

If we take the same assumptions I have used earlier, and if we assume zero real growth over the next 5 years but start with a lower sequester number in 1987, the total cuts over the 5-year defense plan no longer are $325

billion. The total cuts are then $475 billion. That is 22 percent, 22 percent of the requested growth over the next 5 years. We are no longer playing "what if" exercises. We are really within 45 to 60 days of seeing this implemented.

Mr. President, to place this in the proper context, let us look at the past 5 years. During the past 5 years, the Department of Defense budget was cut a total of $104 billion: $89 billion by Congress over the last 5 years, and then another $15 billion in the Gramm-Rudman sequester.

This is an average cut of $20 billion per year. About half of the total cuts have been through financial savings such as lower inflation rate, contract savings, and lower fuel prices. But here we are now faced with cuts of $300 to $450 billion over the next 5 years. This is an average reduction of from $60 to $90 billion each year from the President's request. This is not just a request. This is the planning document of the Department of Defense. These are the plans of our military services. These are the plans on which priorities are based. These are the plans on which decisions are made, trading off one to the other. These are the plans that the Senator from Louisiana and I have been debating about SDI, and how much of this goes to SDI. These are not pie-in-the-sky type things. These are actual documents of the Department of Defense.

I must amend that to say that based on budget reality they are pie-in-the-sky. But that is not the intention. That is not the intention over in the Department of Defense. What will these cuts mean? This is three to four times more than was cut in the last 5 years. I must say to my colleagues the inflation dividend of the last 5 years is soaked up and gone. We are no longer putting that kind of inflation mark in the defense bill. We are no longer going to be putting that kind of fuel mark in the annual defense bill.

I say to my friend from Louisiana, if he will take a look at this chart, in 1981, this little red dot here represented the amount we cut from the President's defense budget. In 1982, this red line right here represents the cuts from the President's defense budget. In 1983, it goes up to about a $23 billion cut; in 1984, about the same amount, about $23 billion; in 1985, slightly more than the $23 billion category. In 1986, it took a big jump because of the sequester, and got up around $45 billion. In 1987, it seems we are going to be cutting depending on the sequester somewhere in the neighborhood of $50 to $60 billion.

But look at the growth in the years ahead. In 1988, we are talking about cutting somewhere around $75 billion out of the budget as now being prepared. In 1989, the growth is even more. We are talking about cutting $80 billion out. In 1990, we are talking about cutting some $92 billion out. In 1991, over $100 billion has to come out the budget. In 1992, we get up to $115 billion that comes out of the budget.

Headache? Or massive coronary? Mr. President, I submit we are heading for a massive coronary in terms of the Defense Department plans and in terms of any kind of fiscal reality blending with those plans. It is absolutely incredible. But this harsh reality does not seem to have arrived in terms of the President understanding it. It does not seem to have penetrated the thick walls of the Department of Defense.

□ 1030

It certainly does not seem to me to have penetrated most of us here in Congress who are dealing with, hopefully, fiscal responsibility.

All of the military services have major new programs starting in the fiscal 1987 budget which they probably will not be able to afford even under the Pentagon 5-year plan. They have programs in this budget that they do not, in my opinion, have the money to fund. We have far too many programs. The priorities are being obscured. No one is looking intelligently and analytically at where we are really going in terms of the 5-year plan. Somebody managing the Department of Defense in the next 4 to 5 years will have the hardest job any Defense Secretary has ever had in peacetime, in my view.

I am told that the current planning for fiscal years 1988 to 1992 starts from a projected budget request for next year—listen to this—of $340 billion. And here we are cutting a $320 billion request this year by anywhere from $25 to $45 billion. And they are going to go to $340 billion next year.

Anyone who believes that in this fiscal environment the defense budget will be $340 billion next year also believes in the tooth fairy, and probably looks for the Easter bunny.

We just do not have a realistic assessment going on as to the fiscal reality that we must face.

Mr. President, there is no way we can have a coherent defense program when the Department of Defense and the President are making decisions on a defense plan and program that is $300 billion to $450 billion out of touch with reality. There is no way that priority decisions can be made or any kind of analytical basis. We certainly must find a way to face reality. We cannot continue to act as if this is a 1-year problem.

Gramm-Rudman-Hollings requires declining deficits each year.

Recently the Packard Commission summed up this problem very succinctly, and I quote from that Commission:

> Today there is no rational system whereby the executive branch and the Congress reach coherent and enduring agreement on national military strategy, the forces to carry it out, and the funding that should be provided in light of the overall economy and competing claims on national resources.

That says it all. That happens to be actually an understatement, if anything, of the facts.

Another quote:

> Better long-range planning must be based on military advice of an order not always available, fiscally constrained, forward-looking, and fully integrated.

To repeat, Mr. President, our military services are planning on a budget that is not in tune with anything that any of us believe is going to happen.

Unfortunately, a very capable, former high level defense official of this administration, Dr. Larry Korb, suggested that the Defense Department should begin realistic planning to live within fiscal restraints. Dr. Korb indicated that senior Navy officials complained to his company, a large defense contractor, and he was fired.

So I guess that is the reward you get in the Department of Defense for facing reality. That is a sad commentary on the Pentagon leadership and on the defense contractor involved.

I guess it is more important to have people fired who disagree with you rather than to fight for a consensus solution to deficit problems that are causing the defense cut. The Pentagon apparently would rather shoot the messenger rather than shoot the overall deficit.

With that background, where are we going in the future?

Let me return to the outlay target of the fiscal year 1987 budget resolution.

As I mentioned earlier, we had to cut $6.8 billion in outlays from our bill as amended to meet outlay target. Cutting an additional $6.8 billion in outlays is not easy and it is not painless.

I see the Senator from Louisiana on his feet. Would he like to interject here? If he has a solution to this budget dilemma, I would be delighted to hear it.

Mr. JOHNSTON. Mr. President, I thank the Senator for asking for my advice on this subject.

What I was going to say is the reason we are in this problem is because of the failure to follow the advice of the Senator from Georgia in at least two respects: No. 1, on the budget in failing to either cut spending or in cutting taxes so much as to create a budgetary crisis, which is absolutely predictable.

It is not as if those numbers suddenly added up to be 2 and 2 equals 4—2 and 2 was 4 all along. Any time you cut this much in taxes and do not otherwise cut spending, you create a budgetary crisis. That was what the Senator from Georgia and the Senator from Louisiana have been saying not for months, not for weeks, but for

years. Yet the administration has continued on with that.

The second thing that the Senator from Georgia has warned us about is the failure to adopt any strategic plan.

The Senator from Georgia has told this body year after year we need to make some choices. We need to decide what our strategy is, how many ships for the Navy, what the role of fighter aircraft and bombers and missiles is in the overall strategic plan. And not only have we failed to adopt a strategic plan that the Senator from Georgia has proposed, but we failed to make any choices among weapons.

Somebody said, "We need a new bomber" and they said, "Fine, let us have two, both the B-1 and the Stealth."

They said, "We need a new rocket," so they said, "Let us build the MX, make a Midgetman, a D-5, and let us have everything. Let us not make any choices."

I think that the present situation which the Senator from Georgia has decribed in doomsday terms, which I do not think is an overstatement at all, is the absolutely predictable result of the failure to make choices, the failure to define a strategy and the deliberate adoption of a budgetary and fiscal program that leads us inevitably here. It was not a chance meeting. It was not a ship happening to pass in the night and bumping into something it did not expect. This was deliberate, expected, inevitable, inexorable, and no one should be surprised that we are here at this doomsday situation on defense.

I wish the administration had listened to the Senator from Georgia last year and the year before that and for the last 5 or 6 years.

Mr. NUNN. I thank the Senator from Louisiana. We also had a 5-year plan that would have gotten the budget under control which the Senator from Louisiana sponsored back in 1982 and 1983. I think we got 13 votes one year and 16 votes the other. I would have to say I agree with everything the Senator said about the administration and their lack of planning.

I also have to say the Congress has to face the fact squarely, too. We have not been able to put together a consensus that really dealt with the hard problems in terms of the deficit. We now have Gramm-Rudman-Hollings, which I voted for. But that is an act of desperation. We cannot find any other way, so let us put it on automatic pilot. With the automatic pilot we have this on, we will go off the cliff.

If we cannot use a consensus to avoid going off the cliff, then Gramm-Rudman-Hollings will work, but if Gramm-Rudman-Hollings sends us off the cliff, it is a dismal failure. We have the national security of our country involved. We have hundreds of thousands of young people in military uniform who have every right to expect when they go into the military that they are going to have some protection in terms of their jobs, in terms of their pay, in terms of these kinds of considerations. We are about to get into the situation where we are going to have a lot of people who are no longer going to be in the military who are wearing uniforms today. We are about to get into that kind of squeeze. If is not 3 or 4 years down the road. It is this year. It is coming. It is coming very soon. I hope the message will get to the President.

I agree completely with the Senator from Louisiana about how the ox got into the ditch, but all of us have to figure out how to get the ox out of the ditch now, without wrecking our national security. It has been a lot easier for the ox to go into the ditch than it is to get it out. Hauling that ox out will be one big struggle. It will be very tough even under the best of circumstances.

When I look at these figures, when I look at the state of the economy, I no longer believe that we can get the budget under control in 5 years. I no longer believe that. I think we could have in 1982 when the Senator from Louisiana and I were cosponsors of a 5-year plan playing with a whole deck of cards, entitlements, revenue spending, and defense. I believed that in 1982, and I believed it in 1983. I believed it could have happened.

But we have gone through a very large growth period and the deficits have gotten worse and we have ignored them. Now we have the brakes coming on. We have a 5-year plan and it is based on pretty optimistic economic assumptions. We have to have a pretty strong rate of growth for Gramm-Rudman-Hollings to meet the targets under any scenario.

I think we have to take another look in the Congress at the targets. I think we have to look at the possibilities of putting this on a glide path of 7 or 8 years rather than 5 years. I think the President will have to look at some possible revenue. But I no longer believe revenue is going to solve this problem alone. The gaps are too big. If we put on the kind of taxes that would be required to solve the defense problem alone, it would be a real detriment to the economy in the short term. We cannot afford to put on that kind of revenue increases.

□ 1040

We have reached the juncture where I believe the President has to reexamine his position, Congress has to reexamine our position; we are going to have to reexamine the targets in Gramm-Rudman-Hollings in terms of the timespan; we are going to have to take a look at entitlement programs; we are going to have to determine whether we are going to play with a whole deck of cards. We are no longer in a position simply to talk about the future. The future is now. We have to start dealing with it.

If we do not, we are going to see the largest increase in national security spending over the last 5 years erode very substantially in terms of what that has produced. We are going to see a very substantial deterioration in our current military posture; there is no way around it.

Let me give a couple of examples in the interim. I have talked about the long term. Let us take a look at the result of cutting an additional $6.8 billion in outlays, which we have been mandated to do. If we do not do it, the Appropriations Committee has to do it. We have asked the staff of the Armed Services Committee to develop three amendments to solve the problem in meeting these targets. There are three different routes we can go. Without going into details, it involves several different options.

One option is to do the cutting across the board. Let us look at that option.

Reduce the military pay raise to 3 percent. It is now 4 percent. Delay its introduction by 3 months. Instead of having it start in October, have it start in January. Reduce active duty end strength by 10,000 personnel below the fiscal year 1986 level. Reduce drilling reserve end strength 100,000 personnel below last year's. Reduce civilian end strength by 20,000 below the committee bill. The committee bill already makes a 25,000 personnel cut in the current level.

Eliminate the funding for the fiscal year 1987 civilian pay raise. Cut 120 tanks, combat aircraft, 1 attack submarine in addition to the reductions in the bill. Terminate one C-17 program. That is one option.

The second option protects the personnel and readiness accounts which, obviously, the first option does not. Cuts in those fast-spending programs in this option were minimized to lessen the adverse impact on combat readiness. What this means is we have to take deeper cuts in the investment accounts. Under the second option, additional cuts totaling $22 billion will be required. That, combined with the $26 billion already cut, will reduce defense spending by $48 billion this year.

Under option 2, the staff indicates we would have to freeze active duty end strength at last year's level. We would have to reduce civilian end strength by 20,000, cut 240 tanks, 120 more fighing vehicles, terminate the A-6 program, terminate the F-14 combat program, cut a total of 22 more combat aircraft, 1 attack submarine, 2 air defense destroyers and 1 air defense cruiser, as well as, again, terminate the C-17 program, which the

services have identified as a very important program.

There is another option. The third option, I hear it whispered, is being looked at more and more in terms of what is happening around here. That is using financing adjustments. Some people would call these gimmicks and in fairness, I think they must be labeled gimmicks. One of these gimmicks would be to shift the date on which military members are paid from the last day of the month to the first day of the month starting in September 1987. This would simply move approximately $2 billion in military payroll outlays from fiscal year 1987 into fiscal year 1988. I ask anyone, does that affect our fiscal picture, reduce our deficit? Obviously no, but it is a gimmick that could be employed.

Another option would be to slow down progress payments which would save $1 billion. A third option would be to postpone payment of Department of Defense bills due in September until the following, which would save $4.3 billion.

We can employ these gimmicks. We are kidding ourselves if we do. We are kidding the American people; we are kidding the financial markets, because we really are not doing anything about the deficit. All we are doing is sliding expenditures by a few days' worth from one fiscal year to the other.

I suppose what David Stockman would say is this is cooking the numbers. I do not like cooking the numbers. I do not like gimmicks.

I think the American people are intelligent, that they have every right to be dealt with on an intelligent basis, and I think we need to tell the American people the truth about what we are facing. I do not like gimmicks. I think they simply postpone the inevitable, but I hear more and more talk that that is the direction we will be moving in this year.

If we use gimmicks this year, what do we do next year? The Gramm-Rudman-Hollngs amendment is not a 1-year plan, it is a 5-year plan.

I ask my colleagues to study the options we have now. I ask them to take a look at the long-term problem. I ask them to take a look at where we are going if we have a sequester in October. I ask them also to take a look at what we inevitably face over the next 5 years; that is, cuts of $350 billion to over $450 billion in the next budget. I say to my colleagues that no matter how we got here, the ox is in the ditch. All of us are going to have to try to get it out and get it out without doing critical damage to our national security.

We face a crisis for defense; cuts of unparalleled dimension lie ahead. Even if we can reduce the scope of those cuts by one-half, even if we can find a way to reduce them by one-half, we still face a crisis of unprecedented magnitude in the Department of Defense.

There is a crying need for realism in the White House, realism in the Department of Defense, realism in Congress, and realism in the American people. Unfortunately, as I hear it, realism is still far from the scene. I pointed out earlier that the Department of Defense still continues to lay plans for next year's budget assuming DOD will get $340 billion in budget authority, over $50 billion more than what DOD is likely to get this year. What corporation in America could survive laying out plans like this that have total disregard for fiscal reality?

We are starting countless programs we know we will not be able to afford. We are continuing to stretch out to even lower rates the production of most of our weapons systems. We are on a downward spiral, although it is just the beginning of it, of inefficiency and waste because of these stretchouts and the great increases in per-unit cost. The Defense Department, the White House, and Congress must face the fact that we have to do some serious readjusting to our fiscal plans.

I know the President opposes tax increases. I know the President opposes most entitlement cuts. I know Congress opposes most entitlement cuts. I know the President has threatened to veto any revenue bill. But the price we are all going to pay for this kind of continued impasse could well be the functional disarming of our country. Our President may totally undermine the achievements of his first 4 years in national security by not coming to grips with fiscal reality now. This may continue to be popular in the polls, but it is not going to be popular 4 or 5 years from now when people recognize what we have done to our national security.

Mr. President, I yield the floor.

Mr. JOHNSTON. Mr. President, I simply want to congratulate the distinguished Senator from Georgia. I hope our colleagues and the Nation are listening to that warning, which I think ought to be heeded. We cannot continue business as usual. I think the warning of the Senator from Georgia sets a very good opening point for the amendment now pending before the Senate.

I yield the floor.

THE STRATEGIC DEFENSE INITIATIVE, A TIME FOR RESTRAINT

Mr. LEAHY. Mr. President, today the Senate has an important opportunity to inject some common sense and fiscal reality into the strategic defense initiative [SDI]. The decision on whether to further cut SDI funding from the $3.9 billion contained in the Armed Services Committee bill should be based on the pace and direction of the SDI program, its goals, its implications for arms control and its long-term consequences for other components of the defense budget.

The $3.9 billion in the committee bill represents a decrease on nearly $1.5 billion below the President's request of some $5.4 billion. The President's request would have let SDI grow by some 73 percent in real terms over fiscal year 1986. I applaud the Armed Services Committee's significant reduction in the President's unjustifiable and unsustainable SDI request. While this is a sizable cut, I believe that more savings can be found in the SDI program.

That is why I have cosponsored the effort led by my distinguished colleague [Mr. JOHNSTON] to limit the SDI budget to 3-percent real growth in fiscal year 1987. The effect of the Johnston amendment would be to cut an additional $700 million, bringing the total authorization for SDI to $3.2 billion, which is more than ample to fund a robust research program into ballistic missile defense technologies.

Contrary to assertions by the administration, such a funding level will neither jeopardize the national security nor undermine U.S. leverage in negotiating an arms control agreement with the Soviet Union.

The issue is certainly not whether this Nation should maintain a robust research and development program in strategic defense technologies. Democrats and Republicans alike, including this Senator, believe in a strong ballistic missile research program. We must have a vigorous research program to protect against technological surprise or Soviet breakout of the ABM Treaty. Certainly, $3.2 billion is insufficient to permit such a program to go forward. This level of funding is far more sustainable over the long term than the 75–100 percent annual increases the administration has been seeking.

The problem with the administration's approach on SDI has been its intention to seek an early 1990's deployment decision, even if, in the process, it wastes billions of dollars on showcase demonstrations and premature technology decisions, guts or destroys the ABM Treaty, and starves the rest of the defense budget, especially conventional defenses.

What is needed is a measured, prudent research program that is consistent with the provisions of the ABM Treaty, and by that I mean the interpretation of the treaty limits on development, testing, and deployment of new systems agreed during the negotiations—not the "reinterpretation" ginned up by some administration lawyers over the past 6 months. We most certainly do not need a pie-in-the-sky star wars program aimed at some sort of "astrodome" over the United States. That is not feasible, and reputable scientists as well as the cold-eyed "experts" in the Pentagon know it.

That vision exists largely in the President's mind.

I am convinced the chances for a new arms control agreement rests largely on the President's willingness to trade the right to test and deploy SDI systems in exchange for deep cuts in the Soviet offensive nuclear forces. In recent weeks, the Soviets have offered a cut of nearly one-third in strategic weapons if we agree not to withdraw from the ABM Treaty for 15 to 20 years. Evidently, there has been a positive response from the President, though he apparently speaks of 5–7 years commitment to the treaty in return for up to 50-percent reductions. For more than 2 years, I have urged this sort of trade, and it is gratifying to see there is a real prospect that we maybe moving toward it.

However, I suspect that some in the administration may have another goal in the maneuvering now going on; that is, to abandon the numerical ceilings of the SALT II treaty limits while simultaneously pressing for a commitment to full scale testing and deployment of SDI. As I read the press accounts, the President is, in effect, offering to codify in treaty provisions our current SDI research and development schedule in exchange for deep cuts—perhaps 50 percent—in Soviet strategic forces. If that is how the Soviets read the President's position, we will have a way to go before we reach the breakthrough point in arms control.

As a result of these developments, deep divisions have once again surfaced in the administration on the question of whether accepting limits on the testing and development of ballistic missile defensive systems is a price worth paying to achieve significant reductions in offensive forces.

Ambiguities concerning its position on the existing arms control framework, especially the SALT and ABM treaties, should be clarified quickly by the administration as a prelude to the summit we all hope will occur late this year. Continued adherence to these agreements could pave the way to a new arms reduction treaty. Used correctly, SDI could contribute significantly to the chances for the first deep reductions since the nuclear arms control agreements began. Conversely, a lack of restraint at this critical time on SALT, the ABM Treaty and our intentions with SDI can doom the arms control process for years to come.

Mr. President, on grounds of fiscal prudence, on grounds of strategic stability, on grounds of balance and sensible priorities in the defense budget, and on grounds of arms control, I urge Senators to support this amendment. We are at a turning point in SDI. If Congress cannot restrain both its goals and its funding levels now, we probably never will be able to do so.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. I thank the Chair.

□ 1050

Mr. President, I rise to join a number of my colleagues, and I hope an increasing number, in support of the amendment of the Senator from Louisiana. I personally thank and congratulate him for opening up what I think has been one of the more important and better debates that we have had in recent times particularly on this issue. Unfortunately, usually when this issue has come to the floor, we have been under a time agreement or under constraints and we have not had the ability to give this particular concept the kind of scrutiny at the many different arms control levels that it involves. So I welcome this opportunity and am delighted to be able to join my colleague in presenting this amendment.

As the events of the last year and the last 6 years, if you take the totality of this administration's nonprogress in arms control, have made clear, we are really at a critical crossroads for arms control. Today, two decades of fitful progress in achieving restraints on the arms race appear to be coming to a voluntary close. I say voluntary close because it is the United States which as a matter of policy has elected to move away from restraints that we have struggled to create over a period of time.

At this time, as we debate this most important subject, we are unable to agree on the issue of a halt to nuclear tests, as the Soviet Union has offered, nor can we agree on reductions in huge land-based missiles, as the United States has sought. We have made no visible progress on halting chemical weapons and the United States is again about to begin the production of lethal chemicals for use on battlefields of Europe. We cannot even agree on counting methods to begin reductions in NATO and the Warsaw Pact troops in Europe.

In this same period, the Soviet Union has challenged the integrity of the ABM Treaty by building an early warning radar in the middle of the Soviet Union whose location is obviously prohibited by that treaty, and the United States has also begun preparations for wholesale disregard of that treaty with the star wars program.

Only 3 years old, this program was already the largest single item in the proposed Reagan defense budget this year. I listened with great interest to the comments of the distinguished Senator from Georgia, who knows the budget and knows our defense system as well as anybody in this country, and recognize the concerns he has articulated about the current defense budget crunch.

Notwithstanding the concerns that the Senator from Georgia has articulated, the committee wants us to spend additional funds way above and beyond what I think common sense or even evidence and data dictate we ought to be spending on this program, given the fact that only a few short years ago this program was a $900 million program. Then suddenly, in 1984 it was a $1.4 billion program. In 1985, it was a $2.8 billion program. And now we will decide on whatever level it might be, but it looks as though the best shot we have might be to get it in the $3 billion area.

There is no compelling demonstration of a Soviet increase in their current program. There is no compelling showing of defense or CIA data as to how we are drastically behind in this field. There is no compelling data whatsoever that says our national security will be threatened if we do not spend the additional money. There is no compelling data that says we will somehow be threatened if we merely spend what we were spending a year ago. But because this program has this special momentum, and because this program has a special level of hype, and because this program has a special interest by the President and by others, and because it is so integral to an overall concept and ideology which opposes arms control and the ABM Treaty, we are being called on to give it an extraordinary increase above the increase we are giving to any other program in the U.S. Government, above education, above childrens' needs, above health care, above hazardous waste and toxic waste cleanup, above anything that is a documented and clear priority of this country.

So today in this particular amendment, the amendment of the Senator from Louisiana, I believe we are making more than just a decision about one particular defense program. We are making a fundamental decision about priorities, about who cares about those priorities, and about what those priorities are.

In addition, I believe, as do other colleagues who have preceded me, that the Star Wars Program poses a fundamental question about how we will best ensure national security in the 21st century. The alternatives, it seems to me, are clear. Either our national security is best protected by an arms control regime, including the Limited Test Ban Treaty, Outer Space Treaty, the ABM Treaty, which prevents the United States and the Soviet Union from deploying defenses against each other's nuclear missiles, or it can be best protected by the deployment of star wars program, the massive deployment, if you will, of the highest of high technologies. So which alternative is the right one? Well, I hear some argue that we ought to research it in

greater levels than we are today and move ahead in this massive effort to confront the ABM Treaty because that is the only way that we can make a decision about whether or not it is a program we want or a program that will contribute to our national security.

I would like to look just for an instant at the historical context with which we are making this choice about where we spend money. First, with respect to arms control and the current regime, there is no question at all that the Limited Test Ban Treaty and the Outer Space Treaty have worked. We have no nuclear weapons being tested in the oceans or in the atmosphere or in outer space, and we have no nuclear weapon deployed at this time in outer space.

Second, the Soviets have not deployed ABM interceptors except around their nation's capital, as permitted by the ABM Treaty, and this deployment is limited to 100 ABM rockets. As of today, neither the Soviets nor the United States could survive a nuclear attack by the other side, nor could either side deploy ABM systems that would permit them to do so. We have a mutually assured destructive capacity today, as securely as we had it the day President Nixon signed the ABM Treaty and on the day that the Senate ratified it with only two Senators in opposition.

Third, there has been some erosion, some rubbing up against the ABM Treaty. The Soviet decision to deploy huge land-based missiles capable of delivering many MIRV'd warheads on United States soil and the deployment of thousands of air defense interceptors on Soviet soil as well as the building of the Krasnoyarsk radar and the encryption of Soviet weapons tests to impede verification—all of these have given to those who oppose arms control ample opportunity to charge that somehow arms control has impeded or injured our national security.

But at the same time, Mr. President, we should not ignore that it has been the United States which is abandoning SALT II, which has failed to ratify the Threshold Test Ban and Peaceful Nuclear Explosions Treaties and which is even today rejecting the year-old Soviet moratorium on nuclear testing, and it is the United States which is moving forward with tests under SDI that dramatically erode the buffer provided by the ABM Treaty.

So what does this historical context say? It says that on the one hand arms control can work and has worked and there are treaties in effect which have clearly reduced the rush to put nuclear weapons into arenas where they are not, and in addition it shows and reminds us by virtue of our mutual rubbing up against that treaty and moving into a gray area exactly how perilous and how dangerous this arms race is, the history of arms control should remind us to question these extra expenditures which move into a star wars program that perhaps create a momentum which we are unable to slow down.

Mr. President, I think it is clear the Reagan administration believes that instead of the SALT II Treaty we need merely modernize our nuclear forces and that instead of the ABM Treaty we should build the star wars system.

But is it true that these new weapons will change the pattern of escalation that we have seen for 40 years?

□ 1100

(Mr. RUDMAN assumed the chair.)

I see the distinguished Senator from Arizona sitting here now. He has sat here through many of the debates on all these treaties and has been here for a good part of the development of the nuclear strategic force of the United States. He has lived this history. This history has shown us a historic pattern of action and reaction that is inescapable. If we, as Senators, do not measure that historical pattern in making a judgment about SDI, we are ignoring the most apparent trend of all within the history of the arms race.

In 1945, we exploded the first atomic bomb. What happened afterward? Did we buy our security? No. The Soviet Union followed in 1949.

We decided that we were going to enhance our security. We did it by unveiling the first intercontinental bomber capable of carrying nuclear weapons. Did that enhance our security? The Soviet Union followed 7 years later. It took them until 1955, and between that period they lived with our advantage, but they caught up.

Then we said: "We're going to build a bigger bomb, because we know that the Soviets are researching and we are researching."

So, in 1952, the United States exploded the first hydrogen bomb. What happened? The Soviets followed the next year.

In 1957, the Soviets, in the first and only major technical breakthrough they have ever been first on, launched the first satellite into space, and perfected the first intercontinental ballistic missile. The United States followed suit on both scores within 1 year.

In 1960, the United States fired the first submarine-launched ballistic missile, once again in this technological pursuit of safety and security. What happened? The Soviet Union followed suit in 1968. So submarines were off our shores with nuclear weapons.

In 1964, the United States developed the first multiple warhead missile, and in 1968 the United States tested the first multiple indpendently targetable reentry vehicle, and the Soviets did not score this breakthrough until 1973, almost 10 years later.

In 1982, the United States successfully completed testing the first long-range cruise missile and began bomber deployments of this system.

In 1984, the United States began deployment of submarine-launched cruise missiles, and the Soviets are still racing to catch up.

Obviously, in each of these decisions we did not act totally unilaterally. They were looking for it; we were looking for it. We were reacting to them; they were reacting to us. But what is clear is that this action-reaction phenomenon has locked us into a process where we have lost the ability to think about how you begin to stop, how you gain a handle on this arms race.

The action-reaction phenomenon moved George Kennan to say the following:

> We have gone on piling weapon upon weapon, missile upon missile, new levels of destructiveness upon old ones, helplessly, almost involuntarily, like victims of some sort of hypnotism, like men in a dream, like lemmings headed for the sea.

Nothing underscores the danger and absurdity of this inexorable drive to create and deploy and deploy ever more sophisticated weapons, whether a threat exists or not, than the decision of the United States to "MIRV" our land-based and submarine-launched ICBM's.

Thinking that we were increasing our security by countering Soviet air defenses—and this is very important to the star wars debate—we MIRV'd in response to our perception that the Soviet Union was building a defense. Anyone who questions what the Soviet Union is going to do in response to our building a defense ought to stop and reread the history of our own decision to MIRV our missles. We let a genie out of the bottle that resulted in enlarging the threat against our own land-based missiles—the window of vulnerability that became the justification for the MX missile and even for star wars. Nothing underscores more clearly how one action invites another action, with neither improving world security.

Despite an overpowering advantage in nuclear weapons which had at the particular time, even though the ABM Treaty was then in place and established limits on defense, thereby precluding the need for the United States to MIRV, notwithstanding that, we made the decision to go ahead and put more warheads on our missiles, so that we had enlarged our own threat to the Soviet Union. We proceeded to deploy a counterforce weapon that rendered 70 percent of the then existing Soviet strategic nuclear systems vulnerable to a first strike.

I think it is of little comfort that, today, most experts agree that MIRV'ing was one of the worst decisions ever made by our strategic planners. The

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Soviets followed suit, and now these multiple warhead missiles have increased the jeopardy.

More than a decade later, we are trying to undo the damage we did because of this notion, somehow, that technological superiority was going to buy our way out of the nuclear threat. That is the history which got us to where we are today.

Now what is our response? Now our response is to say that we have not learned anything at all. We are going to go ahead and continue to create a momentum by putting before the American people the illusion that building a defensive system is going to eliminate the nuclear threat and make the world safer.

It seems to me that both sides are already moving steadily onward toward the production of a new generation of arms that will have profound implications for arms control and for national security, and that is at the center of this debate which has been brought to us through the good efforts of the Senator from Louisiana.

How do we make decisions about national security? Are we going to look at each decision as part of a whole of decisions which affect the totality of the American defensive structure, or are we going to pretend that it will not hurt if we proceed forward with more money for star wars, no matter what, because star wars does not have anything to do with the other parts of the system? I think everyone here knows that is not true. Because of the march of technology, verification will become a larger problem in the future than in the past. Both the United States and the Soviet Union are now developing cruise missiles in a variety of basing modes, some of which are increasingly difficult to verify. The advent of the Midgetman and the presumed mobility of the SS-25's suggest that these weapons may pose real verification problems in the near future if arms control ageements do not create both counting and deployment rules to protect the ability to verify.

At the same time, as we all know, the development of antisatellite systems erodes in fundamental ways the basic assumptions we have been able to make that our satellites, our early satellite warning system, have sanctuary in space. The development of ASAT's will erode our key functions of intelligence, warning, attack assessment, command and control, damage reporting, and prehostilities crisis management.

But, the biggest problem of all for arms control is simply SDI, star wars. The SDI Program, by its own terms, by its very existence, and by the very developmental and engineering and test programming that has been laid out in the architecture for this program so far, repudiates the ABM Treaty and seeks to replace the concept of security through mutually assured destruction with this mythical notion of mythically assured survival, the so-called invulnerable peace shield.

□ 1110

Many of my colleagues, Senator GORE, and others, have come to the floor and have clearly articulated the different kinds of SDI that exist. But we must remember this is the President's program. And at that program's heart is the promise of invulnerability.

Unfortunately, this premise has already resulted in clever advertisements selling the notion that American kids are going to have their homes protected by this invisible shield that is going to prevent any nuclear weapons from hitting them.

When proposed to the American people as a peace shield, star wars gets some support. But when proposed to the American people as the entity which the Senator from Georgia has described it as and which other Senators describe it as, which is a so-called point defense or defense of our own missile systems, or even as merely a complicating factor in the equation by which the Soviet Union makes decisions and will be deterred because it will complicate that decisionmaking, when presented as that, it is a wholly different animal. Imperfect or limited defenses are a wholly different entity. Incidentally, when you ask the American people if they support this form of star wars, of spending our tax dollars to defend our weapons system or to complicate the strategy, they overwhelmingly say no, they do not.

No one is going to disagree with the President's goal that we want to render nuclear weapons impotent and obsolete. But since almost no one believes it can, we wind up debating in circles here. The Senator from Georgia and others say, "I don't believe that is the goal; I don't think we can really achieve this with SDI." Different people are trying to put one or another different coat on this concept. One person thinks it is a peace shield. Another person says, no, it is not a peace shield anymore: it is something different that may or may not defend but we ought to go ahead and research at a crazy pace to find out whether it does.

Mr. President, one thing we have learned over these years of the arms race is that when two nations fear each other's motives and are locked in the kind of syndrome of action and reaction, then a unilateral creation of a new system does nothing to slow down or end that arms race, absent a fundamental change in relationships between those two nations. Without such a change, the creation of a new system can result only in a continued reaction by the opposing force.

It is for this reason, based on history, that we conclude that star wars will escalate the arms race, not reduce it, leading both sides to build more nuclear weapons while filling the heavens with killer lasers and battleships in space costing billions of dollars.

This assessment is not just based on logic; it is also based on the history of the arms race and it suggests that star wars really means endless military competition between the United States and the Soviet Union that raises the tensions and raises the risks.

The choice we really face, Mr. President, is a choice of arms control or star wars but not necessarily both. When I say, "not necessarily both," could star wars be the greatest bargaining chip in all of history? Yes, it could be, if the President were willing to play it and if the President decides to play it. But you certainly cannot play it as that kind of bargaining chip when you are merely offering to the Soviet Union to delay deployment for 6 years when everyone knows you would not have the potential to deploy for 10 years at the earliest if you ever had the potential to deploy. It is a nonoffer, particularly when it is accompanied by a request or a requirement that the Soviet Union accept the totally new interpretation of the ABM treaty which effectively lets us move forward with the development of ABM systems.

Former President Nixon and Soviet dissident nuclear physicist Dr. Andrei Sakharov are among the many people who have recognized that star wars can increase the risk of a nuclear war by providing a partial shield so that one could use the sword of an offensive nuclear weapon. As Dr. Sakharov said:

> A "shield" could create the illusion of invulnerability. For the "hawks" and "madmen," a shield would increase the lure of nuclear blackmail. It would strengthen their attraction to the idea of a preventive thermonuclear strike.

And even President Reagan, in announcing creation of his star wars program, also recognized this threat and he said that if you combine star wars or a defense system with offensive weapons, that could be viewed as "fostering an aggressive policy."

Already, star wars advocates are suggesting that the United States can gain "strategic superiority through SDI," to quote the title of an article that appeared in Defense & Foreign Affairs in December 1985 by Jack Swift, a former U.S. military officer. As Swift writes, "The side that solves homeland defense problems first * * * would be in the catbird seat." Swift argues that with strategic defenses, the United States or Soviet Union could present its opponent with two options—surrender or suicide. "The United States could compel the Kremlin to disarm unilaterally," he writes,

"disband its alliance system, and free satellite states."

While hopefully few in the Pentagon share the illusions of Mr. Swift that SDI will bring about a "Pax Americana," Swift's article illustrates the fundamental problem. Strategic defense systems might give both sides the illusion of invulnerability—an illusion that could make people think that it is possible for us to fight a nuclear war and win.

I cannot think of a more dangerous illusion. As the tragedies of the space shuttle Challenger and the Chernobyl nuclear accident have demonstrated, we cannot rely on high technology fixes to provide perfection because we are human, we are obviously fallible, and we have learned that only too tragically recently.

If we go ahead, Mr. President, with the star wars program and abandon the ABM Treaty, then I think most people would agree arms control is dead because the Soviet Union has no choice but to respond, and I ask my colleagues to go back to what I said about MIRV. They started to build the defense. What did we do? We said we have to be able to penetrate their defense. How did we proceed? We put multiple warheads on missiles to penetrate their defense. Ultimately, we gave up our defense, back then the safeguard system, because we knew at that point in time, it could not do anything for us, and here we are again chasing the same issue when the fundamental strategic issues remain unchanged.

If we go ahead with star wars and abandon the ABM Treaty, arms control is dead, and the Soviets inevitably will respond in three ways. First, they will put their own star wars systems in space. Second, they will develop countermeasures to thwart our star wars systems. Third, they will build as many nuclear weapons as it will take to punch a hole through any defense we build.

So star wars is very much the MIRV decision. Once developed, once deployed unilaterally—and I think it is obvious from the Soviet Union's attitude we are proceeding unilaterally—it renders the primary portion of their deterrence even more vulnerable.

I would agree with my colleagues we will continue to research, and we should. The issue here is not whether or not to research. The issue here is how much money we should be putting into that research, for what reasons, and whether or not the money we are putting into it is really simply for research or is part of a major push to create an inevitability to this program to give it such luster, such a position in our defense spectrum that we do not any longer have any choices in the future.

Yes, research is one thing. It is quite another, I think, to launch the kind of program which in its totality provides a base for a defense of U.S. territory in violation of article I of the ABM Treaty.

Mr. President, this is at the center of the comments that I want to make to my colleagues. Part of the vote that we are making today in reducing the amount of money we spend and in trying to restrain the growth of this program is a vote directed at trying to restrain this headlong rush which so threatens the ABM Treaty.

I think the Senator from Louisiana and others know that if I had my preference, I would prefer to have the straight freeze. But if we can get it at this level, I think it would be a great step forward.

Last year I came to the floor to seek a freeze on SDI spending and restrictions on the high-technology demonstration projects which were envisioned by it.

At that time, Mr. President, I warned that the star wars program included testing and engineering projects that would either directly violate the ABM Treaty or render it meaningless, and I warned then that those violations struck at the heart of that treaty and that it rode roughshod over both the intent as well as the specific language of that treaty.

In the year following that debate the SDI office has abandoned or downselected a number of those tests that I warned were most threatening to the treaty, and I am pleased that they have done so. Tests of such things as space-based railguns and space-based lasers are no longer part of the current program of technology or the demonstrations or tests under SDI.

But the SDI office continues to gear up for other tests that we assuredly would call violations if the Soviet Union were conducting them. We are planning, for example, to test a mobile, air-based ABM sensor, the Airborne Optical System.

The Airborne Optical System is termed an "adjunct" by the SDI office, because it will be limited in the breadth of its tracking ability, and may not operate in real time. But these factors are not technological limitations on the system. They are mechanical limits which artificially constrain the AOA for the ostensible purpose of complying with the treaty.

How are the Soviets to regard such a component, Mr. President, when they know how easy it is to make the minor technical adjustments to deploy such a system, once the real technological problems have been worked out through a testing program such as is contemplated in the SDI. The buffer which the treaty is supposed to provide disappears. We move closer to deployment—and the Soviets must push rapidly forward with their own testing program to do the same.

The same problem appears in the other areas of SDI "research" which is really not laboratory research at all of the kind permitted by the treaty but engineering and development of the kind the treaty was designed to prohibit.

This year we are again funding the early stages of technology demonstrations to test space-based kinetic-kill vehicles or "smart rocks" to intercept ICBM's in space, tests which will violate the prohibition on the development, testing, and deployment of space-based ABM components. We are pushing forward with the testing of prototypic land-based free-electron laser systems that also, when combined with space-based mirrors, will violate the treaty.

□ 1120

Article 5 of the ABM Treaty states very clearly that neither the United States nor the Soviet Union can test, develop, or deploy ABM systems or components that are sea-based, air-based, space-based, or mobile land-based.

This clause of the treaty has caused the administration some serious problems because it is hard to push ahead with the development of mobile air- and space-based strategic defenses in the face of that prohibition. So as a result what has the administration done? We have seen a formidable attack launched in the course of the last year on this very treaty. All of us remember when suddenly the United States developed a completely new interpretation of the treaty last fall that said lo and behold, we can go ahead and test space-based systems after all despite the clear prohibition of article 5 of the treaty so long as they are "based on other physical principles."

Any fair reading of the legislative and negotiating history of that treaty make it unambiguously clear that it absolutely bars the development of all nonfixed land-based ABM systems and components. The chief negotiator of the SALT I Treaty Gerard Smith has stated that any other treaty interpretation is erroneous. Other U.S. officials directly involved in negotiating and drafting the treaty include John Rhinelander, former counsel to the ABM Treaty negotiations; and Prof. Albert Carnesale of Harvard, member of the ABM working group that drafted the treaty language; and retired Gen. Royal Allison, senior military official on the ABM negotiating delegation. All of them agreed that they had no doubt the United States and the Soviet Union gave up the right to test and develop all nonfixed land-based ABM systems, including those systems based on new physical concepts other than those used by existing systems.

But the reinterpretation has been offered in the face of the understand-

ing of its negotiators, because it gives the administration an opportunity, in the future, to abandon the ABM Treaty by simply defining it not to include development of SDI.

The reinterpretation of the treaty would do this remarkably easily. While the treaty's ban on a nationwide ABM defense, a base for such defense, and a regional ABM defense would remain for traditional ABM technologies, it would be eliminated for exotic technologies.

With the new interpretation of the treaty, the United States could test mobile or space-based exotic systems at its will, without any restrictions, since the restrictions on ABM testing that limit those tests to the designated test sites—for the United States, the Kwajalein and White Sands sites—would apply only to fixed, land-based ABM launchers, missiles and radars.

The United States could even transfer exotic ABM technologies to other states, such as our NATO allies, and deploy them in Europe since the prohibitions in article IX of the ABM Treaty against transferring such systems to other States would apply only to traditional technology and not to exotic systems.

We no longer would have an ABM Treaty worth paying attention to. We would be well on our way to deploying star wars systems.

The new interpretation of the treaty would eliminate the problems of treaty compliance with the prohibitions on testing and development by doing an end-run around them and asserting that the treaty prohibitions just don't cover these new types of ABM's.

This maneuver demonstrates great creativity on the part of those in the Reagan administration who have no use for the ABM Treaty and is evidence of their recognition that the SDI testing program as currenty constituted and the ABM Treaty are fundamentally incompatible.

This is a strong argument in and of itself for holding back the SDI Program: if we fund SDI at lower levels, we delay giving the administration a reason for adopting the new interpretation of the treaty as a means to allowing otherwise prohibited testing and development under SDI.

I would respectfully suggest it is ludicrous to believe that the Soviet Union will sign another treaty with the United States to limit offensive weapons while we retain the right to go ahead with unlimited testing and development of star wars components in the air, on the sea, and in space. It is also dangerous to assume that our vital relationships with our NATO allies also will remain unaffected.

There is much that could be said, Mr. President, about how this move toward an SDI would effect our relations with Europe, and particularly the NATO forces.

We all have read the reports about the devastating reaction in Europe to the proposed reinterpretation of the treaty. Our allies recognize the value of the ABM Treaty—they have profound fears about the effect of the deployment of star wars systems on their own security—and I fear deeply for the strain on the alliance if we continue to go forward full speed ahead with this program regardless of the limitations contained on the face of the ABM Treaty.

Since SDI's inception, the program has caused serious strains on the NATO alliance. These strains began when our allies were not told about the President's speech of March 23, 1983, ahead of time. Why should they feel bad—no one else was told. They continued as Europeans wondered what the effect of defensive systems would have on the NATO nuclear umbrella, the French and British nuclear forces, and the doctrine of flexible response.

I do not believe for a moment that star wars systems, if deployed, could work. But if one takes the position of President Reagan that SDI can produce a 99-percent effective defense of the United States and its allies, one must assume that the Soviets will also be able to develop or steal a 99-percent effective defensive system.

If both sides have a shield that protects their populations, that means that both sides will have a shield to protect against tactical or intermediate range nuclear weapons as well. And Secretary of Defense Weinberger has testified, our SDI Program will indeed protect our European allies against tactical or intermediate range nuclear weapons.

So in a world where star wars systems were 99 percent or more effective, nuclear weapons have little or no military use. At that point, we no longer have either a nuclear umbrella or an option of flexible response—Europe can only deter the Soviets from conventional attack through strength in conventional forces.

Then Presidential Science Adviser and SDI advocate George Keyworth has been quoted as saying last year that "a high probability conflict with acceptable consequences is preferable to a low probability global conflict with unacceptable consequences."

I think there are some questions we should be asking ourselves about such a statement.

Do we agree with Presidential Adviser Keyworth that increasing the probability of a conventional war in Europe be eliminating the U.S. nuclear umbrella is preferable for West Germany or for our other allies in Western Europe? Because that is what happens if in fact the star wars that the President of the United States envisions were able to be deployed.

Is the United States prepared to increase its standing forces in Europe to help our allies defend themselves in a conventional war, if necessary? How will we pay for this, along with the major costs of deploying and maintaining all the star wars systems? And what has happened to flexible response doctrine we have operated under for so many years?

If the star wars that the President of the United States envisions cannot be deployed, we are merely talking about a defense that somehow confounds the Soviet Union and provides us with some defense of our missiles. If that is what we are talking about, then with respect to Europe, you are going to have to persuade them that they are safer with the deployment of countless numbers of new interceptors on their territory which then makes them a further target by the Soviet Union who has to add new offensive weapons to ensure their ability to retaliate.

It seems to me that European security is best served not by star wars systems with a combination of defense and offense, but by an ABM Treaty that is reinforced at the same time that offensive systems are vastly reduced. This is the choice that appears to be available to the United States in the current Geneva negotiations. This choice recognizes what star wars advocates appear unable to recognize—that the solution to the arms race is not technical in nature, but political. Arms agreements, not new military hardwares, will ultimately provide our Nation, and all nations, with security against nuclear war.

It is clear to this Senator that the reinterpretation of the ABM Treaty sought by some members of the Reagan administration is a potential national security and arms control disaster for the United States, as reckless as it is dangerous.

Neither I nor anyone else can definitely tell you the date and the time when the United States will be in violation of the ABM Treaty. What all of us can say assuredly is that the SDI Program and the ABM Treaty are on a collision course.

This is reflected in the unclassified SDI report to the Congress issued this June. Last year, that report acknowledged that not only testing was prohibited by the treaty, but development as well. As the SDI office acknowledged last year:

> Development begins when field testing is initiated on either a breadboard model or prototype of an ABM component. This definition of development was used as a basis of ratification by the Senate and has been used as a U.S. Government standard for the last 13 years. The definition of development coupled with article V led to the prohibition on field testing of ABM systems and compo-

nents or their prototypes and breadboard models which are other than fixed land-based. SDI field tests or space- or other mobile-based devices cannot involve ABM components or prototypes or breadboard models thereof.

What this means, is that development prohibits the field testing of nonfixed land-based prototypes or SDI components. In short, development takes place before testing of actual SDI components begins—development takes place when you test a prototype or breadboard model in the field.

Significantly, the SDI office no longer acknowledges that the ABM Treaty prohibition on development constitutes a greater limit than a mere prohibition on testing. This year, the SDI says that devices are only limited by the ABM Treaty if they are capable of substituting for an ABM component. Thus, the only thing that is prohibited is the testing of components, and the deployment of components. The word "development" ceases to have any meaning at all.

This is a perfect example of how SDI is eroding the buffer provided by the treaty. If you accept this argument, we are not violating the treaty until the moment that we test an actual star wars compenent in air, on sea or in space. Everything else is permitted.

The result is that SDI can go foward—with both sides building devices which can do everything except substitute for an ABM component before they break the treaty. It's like prohibiting both sides from building an automobile, and leaving out the battery, and saying you haven't violated the treaty until you test the automobile with the battery installed.

That kind of interpretation of the treaty is the end of the treaty, and we ought to recognize that is where we are heading if we don't slow down the SDI Program.

Some in the the administration seem to be ready to get rid of the treaty now. For example, on June 2, the Baltimore Sun reported that Secretary of Defense Weinberger was against extending the ABM Treaty if it prevented progress on the SDI. The following day, the New York Times reported that the Reagan administration is divided over how long the United States should be strictly bound by the 1972 Antiballistic Missile Treaty.

Two days later, Presidential arms control Ambassador Paul Nitze issued a statement that the United States would continue to honor the treaty. On the same afternoon, Secretary of Defense Weinberger said that the new Soviet arms proposal in Geneva which would prevent either the United States or the Soviet Union from withdrawing from the ABM Treaty was terribly wrong and against the United States national interest.

Mr. President, one doesn't have to have a very good memory to recall where one has heard these kind of stories before. This is exactly the debate that went on in the Reagan administration for 5 years over the SALT II Treaty. On one side, people like the Joint Chiefs and Mr. Nitze fought to keep the United States within the treaty. On the other side, Secretary Weinberger and others opposed to any form of arms control, fought to end U.S. compliance with this treaty.

Regrettably, Secretary Weinberger's side won, and arms control and the treaty lost.

The idea that SDI is a bargaining chip to achieve massive reductions in offensive nuclear weapons remains a great hope, Mr. President. But it is a hope that the administration is not fostering. For example, on March 22, Secretary Weinberger told reporters in Wurzburg, Germany that he had told NATO defense ministers that star wars would not be abandoned in order to reach an arms control agreement with the Soviet Union.

"It is not a bargaining chip," Secretary Weinberger said at a news conference. "It will not be set aside in response to any demand in connection with any arms reduction agreement."

Secretary Weinberger was only repeating abroad what he had already told the Christian Science Monitor almost 2 years ago, in October 1984. Even then, Secretary Weinberger stated unequivocably, "it's not a bargaining chip. If we can get it, we would want to have it, and we're working very hard to get it. It's not a chimerical thing out there on the margins to try to influence them to make reductions in offensive systems."

Or to quote President Reagan himself—"It must go forward. * * * It will go forward. It is not a bargaining chip," as cited by the Washington Post, October 8, 1985. Or, as President Reagan succinctly told the New York Times on October 16, 1985, "we will not bargain this research and testing program away."

Let's not fool ourselves. The administration's goal to date has not been to trade SDI deployment for a new arms control treaty. The administration's goal has been to deploy SDI and get rid of our remaining arms control treaties. Let us hope that President Reagan changes his mind and decides to play the SDI chip while there is still time.

Let us hope Secretary Weinberger is overruled on his statement "I am ruling out the possibility of giving up a strategic defense either in the reseach stage, or if it becomes feasible, in the deployment stage." Weinberger, Newsweek, January 28, 1985.

Let us hope Fred Ikle is overruled on his statement, "it is not our intention to negotiate limitations on strategic defense." Fred Ikle, Under Secretary of Defense for Defense Policy. Senate Armed Services hearings, February 21, 1985.

Because I fear that SDI is not a bargaining chip at all, but merely the newest form of the arms race, the most recent weapon to end all weapons, a panacea for the nuclear era.

Now we have all heard a lot about how "mutually assured destruction" is immoral and how SDI holds what the President keeps calling the promise of making nuclear weapons obsolete, guaranteeing "mutually assured survival."

But the fantasy of perfection is denied even by those in the military who are responsible for developing star wars. The head of the star wars office, Gen. James Abrahamson, has said that "a perfect astrodome defense against ballistic missiles is not a realistic thing."

And on June 17, Secretary of Defense Weinberger told reporters that he would deploy star wars systems even if "we can't give you a guarantee that everything will always be perfect."

Yet the President continues to sell the SDI Program to the American people as if the program will allow the United States to "save lives, rather than avenge them." President Ford's Secretary of Defense, James Schlesinger, has said that it is reckless to pretend that star wars can end our need to deter war with offensive nuclear weapons, when we know that just isn't true.

The fact is, while this administration talks glibly about mutually assured survival, if we put star wars into place no one knows how many millions would die in nuclear attack. We never will know, because among other things we could never test the system under realistic wartime conditions ahead of time. It would all be one roll of the dice. Maybe the defenses would work—maybe they wouldn't, and millions of us would die.

Throughout human history, nations have sought to build perfect defenses and failed. The Great Wall of China is still standing, but it didn't keep the hordes of Mongol barbarians from invading the ancient civilization of China. The Maginot Line built against the Germans after World War I didn't keep them out of France in World War II. Even the Miami Dolphins during the greatest season in NFL history, had points scored against them.

If we build a trillion dollar Maginot Line in space against Soviet ICBM's and it is 99 percent effective, 100 nuclear weapons will strike our soil and no one can say who of us would survive. Even if we assume what those in charge of star wars say its impossible, a defense that is 100 percent effective against ICMB's, the Soviets will still figure out a way to maintain their

ability to retaliate. Our military already has told us how they would do this—with low-flying cruise missiles launched from submarines off our shores, with other "air-breathing" systems, or by building miniature nuclear bombs and putting them in terrorist suitcases.

If we build a Great Wall of China or Maginot Line in space, the Soviets will go around it, just as aggressive nations have always gone around defenses. The reality is that with or without star wars, we cannot protect ourselves and our children from nuclear weapons except by ending the nuclear arms race. You can only end the arms race with arms control.

As Ernest Conine of the Los Angeles Times wrote June 16, "hardly anybody except the President himself really believes that it is possible to build a leakproof missile defense system of the sort that would really be necessary to make strategic nuclear missile obsolete, no matter how many tens of billions are spent. Yet the SDI sales pitch—and, to a considerable extent, the structure of the research program—is built on this dream."

As Conine concludes, "the path of responsibility for Congress is simply to hold spending for SDI to roughly present levels * * * a budgetary cap would slow the administration's headlong pursuit of SDI with reckless disregard for the effect on other vital military programs and on this country's relations with its allies and its major potential adversary."

Mr. President, this bring me to another issue which is central to the SDI debate—the cost of this program, which has already become the single biggest line-item in the Department of Defense.

This is the era of the Gramm-Rudman budget reductions, Mr. President, and while other military programs are being held to a freeze, the administration has sought to double star wars spending again this year.

Everyone agrees that the cost of star wars will be staggering, but so far the Secretary of Defense refuses to tell Congress or the American people how much star wars will cost.

President Ford's Secretary of Defense, James Schlesinger, has estimated that the cost of star wars will exceed $1 trillion. That's more than the entire current Federal budget, and about $5,000 in additional taxes for every man, woman, and child in the United States. That $5,000 is in addition to other ongoing military spending to maintain our Army, Navy, Air Force, and all of our weapons.

Others on the floor have talked at great length about the cost. I am not going to go into and repeat their comments in entirety because I know that time is of the essence. But I would like to point out to my colleagues that most of that cost issue as yet has been avoided. No one is really confronting what Richard Perle and the Defense Department is saying is their methodology for funding this system versus the methodology that we are being presented here on the floor of the Senate.

As the distinguished Senator from Wisconsin pointed out, the cost of star wars will be more than phenomenal. First, there is the research program. We have already spend some $5 billion over the past 3 years. We have been advised that research alone is going to cost another $30 billion. And following research we have to build a prototype, the components, the system, and then we have to deploy them. We are not talking about deploying a simple "peace shield" against Soviet missiles. The star wars that is envisioned by the SDI office is more than complex. Unclassified system architecture plans for the boost phase defense tier described thousands of space-based kinetic kill platforms in space with 1 to 10 kill vehicles in each platform in low orbit plus tens of platforms for high-energy laser-directed weapons, plus 50 to 100 platforms for tracking and surveillance. Mid-course defense would require thousands of exo-endo atmospheric interceptors for late mid-course engagements. Then terminal defenses would require a whole series of ground-based radars and airborne optical systems, and hundreds to thousands of low-altitude interceptors.

□ 1130

We know we are talking about billions and even trillions of dollars. As Senator PROXMIRE has argued, when you add all of that up, you are finally getting to the real money that Senator Dirksen used to talk about. As Defense Week reported in February, at current costs, it would cost $87 billion just to lift into space all the weaponry currently part of the star wars designs. Unless we build new space shuttles and additional heavy lift capacity, it would also take the United States 58 years to deploy that kind of system. So you would have to add in the cost of building the new shuttles at the cost of more than $1 billion each.

The American people and the President have made it clear they want a balanced budget. We have had a hard time doing that. We have seen how difficult it is going to be to make the choices that we have to make now.

According to Richard Perle, the architect of our move away from SALT II and a dedicated opponent of this arms control process, he says we can pay for star wars funding by "shifting resources gradually from offensive to defensive weapons."

Well, the Hartford Courant quoted Perle on March 6 as saying that the SDI Program:

> Could be fully accommodated within a defense budget not significantly larger than it would otherwise be. If the allocations for strategic defense come at the expense of strategic offensive forces, then there would be no increase whatsoever.

What kind of game are we playing? Perle did not say which offensive weapons are going to be pared to fund the SDI Program. So I ask the Senators to support this. Are they going to eliminate the MX missile now? Are they going to vote to eliminate funds for the Stealth bomber or the Trident submarine? Is that the strategic area that we are going to shift the funds to fund this program?

It is also interesting to note that the scientists working on SDI take exactly the opposite approach from Mr. Perle. They say that if we go ahead with SDI deployment, we will have to spend more money on our strategic forces.

On June 2, the Washington Post reported that scientists at Livermore have warned that if both superpowers build missile defenses the United States might have to compensate by building heavier and more powerful nuclear warheads.

If you face a wholly new threat, you must beef up your warheads to defeat that threat.

Robert Perret, a physicist who heads the Lawrence Livermore Analysis Section, told the Washington Post,

> You also have to assume degradation in accuracy. So what do you do to retain the effectiveness? You increase the yield.

That means we will spend more on a new generation of nuclear weapons and so will the Soviets.

This is not a matter of guessing about Soviet intentions. I think it is very ironic that the administration which has always charged the Soviets with relentless building, assumes that the deployment of SDI is suddenly going to cause them to reduce that relentless building drive and reduce their stockpiles.

I think it is a fundamental fact of the strategy in the nuclear age that no matter what you do you do not put your ability to deter the other side at risk. Nuclear deterrence is not merely a statement of a particular approach to strategy; it is a reality, which star wars is not going to change no matter what happens. The Soviet Union will still have to know that it has the confidence to penetrate our systems.

I would like to just dwell on that point for a moment before closing.

Mr. President, I would like to engage whichever supporter of star wars wants to engage on this particular subject because it is at the heart of why star wars is flawed.

For 40 years or more we have now maintained an uneasy peace with the Soviet Union, and we have had to live under the terrible cloud of this concept of mutual assured destruction. All of us would like to move away from mutual assured destruction. The Presi-

dent has hit on this thing, star wars, that he has attached to that dream of moving away from mutual assured destruction.

When Richard Perle was in front of the Foreign Relations Committee on just this issue, talking about star wars, I asked him about the notion of mutual assured survival, which has been offered as an alternative to mutual assured destruction. Mr. Perle said that it is just a slogan. That it is just a slogan.

Of course, you would not have mutual assured survival. That is just a slogan which is being used to sell this program.

What Mr. Perle acknowledged is the reality of the nuclear era we live in, and that is that neither the Soviet Union nor the United States will ever feel fully secure absent a fundamental change in the way we think and relate to each other, which is not about to happen in this moment in time. Neither will feel secure at all unless each knows it can deter the other's action.

What is it that deters the other's action? It is the knowledge that we will both be destroyed. It is the knowledge that our society will be destroyed that prevents us from shooting at them, and it is the knowledge that their society will be destroyed that prevents them from shooting at us.

Mr. President, if we have a star wars deployed, and let us make the very best assumptions possible about it, give it everything everybody says it can do, let us believe star wars can give us all the defense in the world, 98 percent, 97, 96, 95, if we ever could achieve that, would we have improved our deterrent position? Would we have improved the security of the United States? I would very respectfully suggest that no amount of money, no capacity of star wars, will ever alter the fundamental law that we live under now that we live in the nuclear age, which is that with that genie out of the bottle, with each power capable of building those weapons, we will only deter each other and feel secure because of the knowledge we have that we can destroy the other side.

So if we put that defense system up there, the Soviet response has to be the same as our response would be. We must build increased offensive weapons, they must build increased offensive weapons, in order to maintain the equilibrium by which you have a peaceful existence.

Imagine the world in which you did not. Suppose both sides had a successful, completely totally effective star wars system. Suppose both sides were able to protect each other. You would have eliminated the nuclear umbrella. Europe would suddenly be exposed. We would have to upgrade all our conventional warfare. We would have to be prepared to have much more ability to wage conventional war.

We would, in fact, go back to an older kind of warfare where we make judgments about sending thousands and even millions of men at each other in trenches and across battlefields. Whether we like it or not, the nuclear deterrent is real, it is here, and it is not going to suddenly disappear. Star wars will not one iota change the current relationship of our deterrent with the Soviet Union. It will set us on a course where we will challenge each other's satellites, where we will move to computers, where we will be moving away from human beings the decision-making process, where we will put ourselves at greater risk.

I challenge anyone who supports the star wars program to tell me how it is fundamentally going to improve the national security of the United States; how is it going to make us somehow stronger in this deterrent relationship.

Do you think the Soviet Union is suddenly going to sit back and say we do not mind if the United States has a defensive system which means if the United States were to shoot first and the Soviet Union we have a ragged response the United States can shoot down the ragged offense and finish the Soviet Union off? That is called first-strike capacity. Do you think the Soviets will sit there and let the United States develop a first strike capacity without doing everything they can to insure their ability to retaliate?

I come back to what I said earlier, it may be a bargaining chip, and it may be ultimately that it will be played. But let me tell you, Mr. President, you can play the bargaining chip with SALT, you can play it with Midgetman, you can play it with submarines, you can play it with deployments in Europe, you can play it totally without star wars. You could play it with $900 million of star wars. You can play your bargining chip with $1.4 billion or you can play it with last year's level of $2.75 billion. You do not need to go up into the $4.7 billion or $3.9 billion. You do not even need $3.3 billion to be able to play the bargaining chip of star wars if indeed it is a bargaining chip.

The fact that we are pushing so hard for so much money so fast raises serious questions in at least this Senator's mind as to whether or not it really is a bargaining chip and as to whether or not we are really willing to play it.

So, Mr. President, it has been more than four decades now since Albert Einstein said that the atomic bomb had changed everything, that we needed a new way of thinking, however, because that was the one thing that it had not changed.

I think that we have to stop and think about star wars in that context. Are we rushing headlong into the next step of those 40 years of progressions by which we do something, then they do something, by which we pretend that we are going to build this and it will somehow strengthen our deterrent and then they do it, and lo and behold the next thing we know is the President of the United States is addressing the Nation saying, "My fellow Americans, I hate to tell you this but the Soviet Union is deploying more of these and we have to respond and I am asking the Congress for more money in order to respond."

Star wars is guaranteed to do that and it is guaranteed to threaten the heavens, the one line we have not yet crossed with weaponry, the heavens.

□ 1140

Mr. JOHNSTON. Will the Senator yield at that point?

Mr. KERRY. Mr. President, I yield at that point.

Mr. JOHNSTON. Dr. Edward Teller, who is credited very strongly with originally interesting the President in this star wars architecture, was in my office about 10 days ago. I asked Dr. Teller:

> Suppose the Soviet Union is on the threshold of getting stars wars? Suppose they are ahead of us. Would you feel threatened? Would that be a threat to the United States?

He said, "Oh, definitely."

I said, "Why is that, Dr. Teller?"

He said:

> Because that would enhance their first-strike capability, because they could then make a first strike and when we would reply to that first strike, they would be able to take out so much of our reply that it would be a ragged response, as the term goes, and we would therefore feel threatened.

Of course, I did not ask the next question because I did not want to argue with the good doctor, but the fact of the matter is the Soviet Union would feel threatened and I am sure does feel threatened by our development of star wars, which, in turn, destabilizes the situation because, as they feel threatened, and in a period of crisis, when both sides are in fear and fatigue and worry about some situation in the Middle East or wherever, in the back of the Russian mind is the fact that, if we do not strike now, 5 years from now, the United States will have the capacity to have first strike against us with inpunity. It destablizes the situation by making perhaps the Russians a little more likely to further escalate and further take their own first strike.

That point, I think, is consistent with the very point the Senator from Massachusetts is making so eloquently.

Mr. KERRY. I thank the Senator from Louisiana. I think he is absolutely on target. That is exactly what it does and no less than President Nixon and others who have been involved in this process have noted that when you combine an offense and defense, you

are providing the possibilities for exactly that kind of change in the equation.

I think what we are doing is—we never stop and measure that. We always proceed ahead as though in a vaccum, as though somehow, the Soviets are duty bound to respond differently from the way in which we would respond.

I think Dr. Teller's answer to the Senator indicates that: Yes, the Soviets would respond this way. Obviously, the next question is, Why would that not have an impact for the United States?

Somehow, there is this belief that we are going to have a different attitude and a different set of actions and they are going to have a different attitude. But that is not the way it works. When you are dealing with the potential total destruction of each other's homeland, each of us is going to act in whatever way best guarantees that we protect that homeland. And the only way to do that is by protecting your ability to retaliate.

In the United States, if the Soviets decided to build a defense, we would do exactly what we did before, MIRV, increase our missiles and probably missile yields. The Soviets would deploy star wars defense, increase their missiles and yields. Then we are going to be here on the floor of the Senate arguing about what response we have to take to their responses to our current program.

That is the dilemma: When do you get it in check? When do you play that bargaining chip if, indeed, it is a bargaining chip?

In the final analysis, I still ask this question: How does this improve the deterrent status of the United States? How does this improve our security? If we have a defense and the defense is only what the Senator from Georgia says it might be, which is the defense of some missiles, of some weapons systems, of some areas—if that is all the defense is, then the question has to be asked, how are you better off? Because whatever level of defense you have, the Soviet Union will have to build enough offensive weapons to guarantee that defense does not take away their deterrent. You will always be searching for that final equilibrium of deterrent. That is what I think the 40 years of the arms race have taught us.

Dwight Eisenhower, 30 years ago—I shall just close on this, because I see the senior Senator from Arizona is standing—said:

> • • • the true security problem of the day • • • is not merely man against man or nation against nation, it is man against war. • • • When we get to the point, as one day we will, that both sides know that in any outbreak of hostilities, regardless of the element of surprise, destruction will be both reciprocal and complete, possibly we will have sense enough to meet at the conference table with the understanding that the era of armaments has ended and the human race must conform its notion to this truth or die.

That was no less than President Eisenhower. I think that is advice we ought to heed.

Mr. JOHNSTON. Will the Senator yield?

Mr. KERRY. I yield.

Mr. JOHNSTON. Mr. President, I commend the Senator for one of the more thoughtful statements I have heard, not only on this subject but on any subject on the floor of the Senate. I wish—I hope, indeed—that all of our colleagues or at least most of our colleagues heard that statement. I think it was compelling, I think it was powerful, I think it was eloquent. I congratulate him for having made that statement.

Mr. KERRY. I thank the Senator.

Mr. GOLDWATER. Mr. President, I have enjoyed very much listening to the remarks of the Senator from Massachusetts. I think he has covered the subject very thoroughly.

I just wanted to make a short statement relative to the importance of this debate, if that is what we can call it, between those who believe in the Nunn system that has been developed by Senator COHEN and Senator NUNN, or whether we believe in the Johnston system.

I recognize first that all of these gentlemen are just as opposed to nuclear war as any of us.

The debate—and I would like to see it stay at that particular level—is, how did we develop the research on an eventual ability to intercept an incoming missile? It is a very, very complicated subject. It is a subject that very, very few people on this floor understand. In fact, it is a subject that very few scientists in this country understand.

I believe there are some approaches to it that we can debate that are of great interest not just to the solution of the eventual problem. but of great interest to the fallout that all research and development in highly unsophisticated unknown regions produce for the United States.

I remind my friend from Massachusetts that the Soviets have already developed an antiballistic missile system. They have had one for many, many years, protecting the city of Moscow and, to some extent, the smaller communities around it. They have had that since we gave up our efforts many years ago to develop an antiballistic missile. This recent SDI or star wars, as the President, I think foolishly, called it, is just a reintroduction of the efforts.

So we are not looking at a country that is naked in the area of defensive missiles. They have it. The problem is that we do not.

Mr. KERRY. Will the distinguished Senator yield on that point?

Mr. GOLDWATER. Yes, I yield.

Mr. KERRY. I know the distinguished Senator was part of that debate. I do not pretend to know as much as the distinguished Senator from Arizona and I am not serving on the Armed Services Committee. But I do know from what I have read and gleaned from history that we made a conscious judgment as a country. We did have, as the Senator knows, an ABM system. We had one. The ABM Treaty permits both of us to have one. We have made judgments about how the current system, the Galosh system or whatever around Moscow and its 100 interceptors, affects us.

We decided, even knowing that the Soviet Union had that system, that keeping ours was not worthwhile. So we took our system down. That was a conscious policy decision.

□ 1150

Now, we know that 100 interceptors around Moscow does precious little to protect Moscow and indeed Moscow knows that, and that has never been part of the arms control debate. Never has anybody come to the floor and said that because there are these 100 missiles around Moscow, Moscow has a system that threatens the United States.

Mr. GOLDWATER. I am not arguing whether or not the Russian system is 100 percent effective. I am just saying we need not fear that any work we do on a so-called SDI type missile will force the Soviets into getting into the same effort. They already have been in it and they already have it. I am not arguing whether or not it is an effective system. I am arguing that they have it. No treaty had any bearing on what we did with ours. I was here when we were forced by public pressure because of the great cost to do away with our efforts in this particular field.

I do think, to get back to my original statement, that nobody is going to argue against the concept that being able to intercept any kind of a weapon, whether it is a bullet, a bomb, or a missile, is not worthwhile. We all wish we could do that. We all know that there has never been a weapon developed in history that there has not been an antiweapon developed for it, up until now. We do not have, and neither do the Soviets, a complete, adequate system to protect ourselves from an incoming missile. I think we are going to find it someday.

I think the argument that we should be engaged in is how far should we go in the spending of money and the spending of effort at this time. I think you will find the Armed Services Committee to be very openminded on it. The Nunn-Cohen approach to me is a good start. The Johnston amendment has many, many good features in it. I

would like to see the argument develop here so that we come out with the best way to spend whatever money we want to spend. I think it will emphasize to the President the need for his closer attention to the whole subject of SDI. There is the necessity of having people in the force that can better explain it.

We can sit down and listen to gentlemen like General Abrahamson for hour after hour after hour and then somebody asks us, "Well, what is the solution to this whole thing?" And you do not know any more about it than when you started. Our purpose—and I think we could reach it on this floor debate—is how do we spend this money in the most effective way.

For example, many Members of Congress are proposing the Midgetman. There is not in my mind any need for a Midgetman. It is going to cost far more than any of us realized. So what we are doing here in my opinion is two things: One, debating how we are going to spend the money that we can provide for research on stopping incoming missiles, and, two, what can we do to improve our conventional forces. I do not care what you say about war; if there is going to be a war—and I do not happen to see one coming—we are going to fight it with conventional forces, and right now we are not in the best of shape to get that done.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. GOLDWATER. Yes.

Mr. JOHNSTON. Mr. President, I commend Senator GOLDWATER for his thoughtful approach to what I consider to be a very difficult problem. I wonder if the Senator would agree with me that what the Soviets have done is fundamentally different from what we are doing. That is to say, the Soviets basically have, to quote General Abrahamson, "a ground-based, nuclear-tipped terminal kind of system." In other words, a point defense for Moscow, rockets that go up with nuclear tips on them and explode, whereas what the Department is doing is principally, most of this money being spent is spent on beam weapons. The request, for example, for directed energy weapons is $1.614 billion, for beam weapons which are basically not terminal defense weapons because, for example, the free electron laser cannot even penetrate clouds. And if you were going to defend Washington, you would not use the free electron laser undoubtedly because we are cloudy so much here. Would the Senator agree, therefore, that what star wars proposes, and I support research in star wars, and what the Soviets have done is fundamentally different?

Mr. GOLDWATER. Oh, yes; different. We developed, as the Senator knows, the Sprint missile, which was to be used at the final phase of the defense of any city, Washington, New York, or anyplace in the United States. The Sprint was a very, very high-velocity missile. I believe, if my memory serves me right, it pulled about 80 G's on takeoff, and proved in testing on Johnson Island to be theoretically effective up to certain ranges. We get to talking about lasers, for example—and lasers are a good thing to talk about in this whole subject—to develop a laser beam today to intercept an incoming missile at the altitude it would have to be intercepted would require almost all of the electric power provided by the United States for one shot. Now, I think the day is coming, and coming rather quickly, when we will have developed the ability to create a laser that can do this job. That is something we have to look at. It is something we cannot say now we can do. We are using the laser, as the Senator knows, as a weapons system. It is effective up to about 8 or 9, it might even have reached 10 miles now, but we are not talking the distance that we have to be talking.

What I get back to is the need for this debate. I would like to see it concentrated on what can we do with this money, where can we spend it that will produce the best ability on our part to proceed with the actual interception. That, I think, is the whole subject.

Mr. KERRY. Will the Senator yield further?

Mr. GOLDWATER. Yes.

Mr. KERRY. I think nobody here is making the argument we should not proceed with the research that the Senator has talked about. I think all of us agree that the Soviet Union is doing something. We all know that as a matter of record. Perhaps the Senator can share with the Senate knowledge he has of what makes this so compelling that we suddenly move from $900 million only 3 short years ago to $1.4 billion, to $2.75 billion and now to $3-something billion. This Senator has asked for briefings. I have been out to Los Alamos. I have met with countless scientists.

I have asked countless people, "What does the Soviet Union have? What exactly is the level of Soviet capacity?" Nothing that I have heard tells me there is compelling national security reasons for our taking a program, at a time when we are cutting education, losing our competitive ability, cutting countless other funds, to such a height. Why are we? I think that is the issue here. This is at the heart of the amendment of the Senator from Louisiana.

Mr. GOLDWATER. I cannot answer the Senator's question.

The PRESIDING OFFICER. Will the Senate suspend. I advise the distinguished chairman of the Armed Services Committee there is an order for the Senate to go into recess.

Mr. GOLDWATER. I was about to ask unanimous consent.

The PRESIDING OFFICER. The Chair will entertain such a request.

□ 1200

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Senate delay the recess for the party caucuses until 1 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. To answer as quickly as I can, I do not know what is the answer to how much. I do not know what is the answer to what. I do believe that we have to continue research, and that, I think, is the whole purpose of the Johnston approach and the whole purpose of the Armed Services Committee and the Nunn-Cohen amendment. Where do we spend this money, and what do we spend it on?

I can give you sort of an answer of my own. I am a very firm believer in research and development in the field of technology.

I remember when we first started work on the rockets and the Atlas missiles, getting people up to the Moon. One year, we would have a $3 billion budget and the next year it would be $8 billion and the next year $5 billion.

I asked the question, What are we getting? Dr. Fletcher finally convinced us of the wisdom of what we were doing. First, he straightened out the budget so they had similarity each year. We put together in that committee a list, I believe, of 10,000 items that were fallouts from the research on how to get to the Moon. Those 10,000 items were all patentable. How many have been used, I do not know, but I can name one, Teflon, which has probably produced enough money to pay for the whole missile system.

I do not mind saying that I do not urge that approach on everybody. I just happen to be a firm believer in research.

I remember when we were debating on this floor the wisdom of a supersonic transport, and we decided we should not build the supersonic transport.

I remember going to the Paris Air Show that year and having lunch with a large group of friends of mine in the aviation business in Europe. The President of Aerospaciale looked at me and said:

I never thought I would live to see the United States caught in advanced technology. You quit. We're going to catch you.

That was when we were furnishing about 93 or 94 percent of all the world's aircraft. Today, we are developing 70 percent.

So, what do we get out of it? That is my interest. It is not whether we are able to shoot down a missile. You may find in this whole crazy thing an answer to cancer. I do not know. That is my own personal feeling.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. GOLDWATER. I yield.

Mr. JOHNSTON. Would the Senator agree with me or actually agree with the statement by the Under Secretary of Defense for Research and Engineering, given this year to the Appropriations Committee—I suppose they probably gave the same testimony to the Armed Services Committee—that of the 20 top technologies, for example, aerodynamics, computers, software, directed energy—of those 20 technologies, the United States is ahead on 14? The United States and U.S.S.R. are equal on six. The Soviet Union is superior on none of those.

I hand this to the Senator and ask if he concurs with that.

Mr. President, I ask unanimous consent to have this information printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Fiscal year 1987 Department of Defense Program for Research and Development statement by the Under Secretary of Defense, Research and Engineering to the 99th Congress second session 1986:

TABLE II—3.—RELATIVE UNITED STATES-USSR STANDING IN THE 20 MOST IMPORTANT BASIC TECHNOLOGY AREAS*

Basic technologies	U.S. superior	United States U.S.S.R. equal	U.S.S.R. superior
1. Aerodynamics fluid dynamics.			X
2. Computers and software	◆ X		
3. Conventional warheads (including all chemical explosives.			X
4. Directed energy (laser)			X
5. Electro-Optical sensor (including infrared).	X		
6. Guidance and navigation	X		
7. Life sciences (human factors biotechnology).	X		
8. Materials (lightweight, High strength, high temperature).	X ◆		
9. Micro-electronic materials and integrated circuit manufacturing.	X		
10. Nuclear warheads			X
11. Optics			X
12. Power sources (mobile) (includes energy storage).			X
13. Production/manufacturing (includes automated control).	X		
14. Propulsion (aerospace and ground vehicles).	X ◆		
15. Radar sensor	X ◆		
16. Robotics and machine intelligence.	X		
17. Signal processing	X		
18. Signature reduction	X		
19. Submarine detection	X ◆		
20. Telecommunications (includes fiber optics).	X		

*1. The list is limited to 20 technologies, which were selected with the objective of providing a valid base for comparing overall United States and U.S.S.R. basic technology. The list is in alphabetical order. These technologies are "on the shelf" and available for application. (The technologies are not intended to compare technology levels in currently deployed military systems.)

2. The technologies selected have the potential for significantly changing the military capability in the next 10 to 20 years. The technologies are not static; they are improving or have the potential for significant improvements; new technologies may appear on future lists.

3. The arrows denote that the relative technology level is changing significantly in the direction indicated.

4. Relative comparisons of technology levels shown depict overall average standing only; countries may be superior, equal or inferior in subcategories of a given technology.

5. These average assessments can incorporate a significant variance when the individual components of a technology are considered.

Mr. GOLDWATER. I have seen this chart. There is nothing wrong with these figures. I just do not want it to change. I want the United States to stay ahead all the time in everything.

Mr. JOHNSTON. I totally agree with the Senator from Arizona, but I think it does bear importantly on the debate here, on the question of the urgency and of the emergency.

In other words, we are not trying to catch the Soviet Union on a series of technologies that they are ahead on. Rather, we want to stay ahead. The question is, how much do we have to spend to stay ahead and stay comfortable on the cutting edge of technology?

Mr. GOLDWATER. Part of my answer would be to continue the work we have been doing on SDI.

I would agree that we do not have to continue with the idea that we are going to wrap something around the missile and go down the road, and maybe next year or 5 years from now, our technology may be able to tell us how to accomplish that.

I might say in closing that the Senator has brought up a very interesting point. The Soviets graduated 600,000 engineers last year. We graduated 60,000. That is the reason they show such rapid increase in certain areas of technology. We have sat around comfortably, feeling that they could never catch up, that they are not that smart. They are smarter than hell. They have a lousy government, that is the trouble.

Mr. HOLLINGS. Mr. President, I oppose the amendment to cut SDI funding. I have a different impression with respect to who is ahead in the defense game. I definitely believe at this particular point that we are playing catchup ball with the Soviets.

The distinguished Senator from Louisiana was citing Dr. Teller a moment ago. Dr. Teller and others at Livermore will tell you that we have been playing catchup ball for a number of years.

In fact, General Abrahamson has testified with respect to lasers that we are always worrying about a transfer of technology from the United States to the Soviet Union, and that from the Soviet handbooks, we copied substantial parts of advanced technology in laser science. So it goes right to the heart of what others believe.

The distinguished Senator from Massachusetts says they have the knowledge that both would be destroyed; in other words, that neither could survive a nuclear attack. This Senator does not believe we could survive a nuclear attack, but I do not agree that the Soviet believes in that philosophy. On the contrary, the Soviets, by their actions, seem to think they can survive, they should survive, and they are prepared to survive. I do not think they can at this particular point; but they have spent funds in accordance with that belief over a 10-year period. I do not have the updated figures, but I think the figures from 1972 to 1982 indicate that they spent $260 billion on strategic defense, whereas we spent less than $20 billion. We did not believe in it.

The distinguished Senator was right. We could have put a defense around the Minuteman field in North Dakota. We dismantled it. But that is not to say it would not work. We thought it was futile under the missile capabilities at that particular time—that we had the MIRV and we had the superiority. The administration was testifying, at the time we were dismantling, that it would take the Soviets 10 to 20 years to catch up with the MIRV systems we had; however, within 3 years, they had it. By that time, we were dismantled.

With respect to Soviet beliefs, we will argue, and the Senator from Arizona is right on target: we do not know a lot of those things. This Senator from South Carolina does not know. But we have definite knowledge, whether I believe in the SDI or other Senators believe in it, that Gorbachev believes in the SDI. That is what makes it so significant.

We could tell, long before we got into the business of umbrellas of population defense and peace in our time, and whatever nonsense, that this is not going to be the perfect defense. I believe the distinguished President overspoke on its capabilities.

During the Carter administration, numerous Senators here at that time became concerned about a point defense—the ballistic missile defense, a terminal point defense, as they called it. Our trouble was that the R&D was in Alabama. You know the politics of the Pentagon. The Air Force was not getting the money. The Army was doing BMD work and it barely gets a ration when it comes to R&D.

In any event, the Senator from Wyoming, Mr. WALLOP, and myself and several others joined together to force-feed the Carter administration in this particular direction. I am not trying to allocate or subtract credit from President Reagan in his strategic defense initiative. He has dramatized it, if you please. But we had a point defense system on course, and we can show you the hearings we had in the Defense Appropriations Subcommittee, whereby the ballistic missile in Huntsville readily attested to the fact that they were ready to deploy and have one in course by 1990. Now that particular schedule has been put back to 1993.

So, no, I cannot make sense out of peace in our time, and it is going to end nuclear war, but I think I can make positive sense that with this technology, we can move forward to protect the MX field. I believe we ought to have the mobile system, the

Midgetman. I believe we ought to develop at least seven more Trident subs with the D-5 missile than currently planned. It would be a better defense system. We would get almost the same hard-target kill capability and the nearly same accuracy at one-half the cost—plus survival.

□ 1210

(Mr. MATTINGLY assumed the Chair.)

Mr. HOLLINGS. But the answer to what we are trying to do here, if nothing else, is continue. Where our research would lead us, no one knows. Everyone agrees with that. We hope it will work.

But we have very positive information from none other than one of their better authorities whom we agree with, Harold Brown. In the Foreign Policy Journal last year, he wrote a very outstanding article about how we could go ahead within a 10-year period and at least defend these MX missiles that we are spending billions on to deploy at this very moment.

Mr. KERRY. Mr. President, will the Senator yield for a question?

Mr. HOLLINGS. Yes.

Mr. KERRY. If we were to do what the Senator suggests and defend the MX fields, I take it the Senator believes the MX missiles would then be safer and more impregnable to a Soviet attack; is that correct?

Mr. HOLLINGS. Some hopefully would survive for a second strike.

Mr. KERRY. Some would survive.

Mr. HOLLINGS. That is right, for retaliation.

Mr. KERRY. If some would survive, we would be stronger, would we not, in the Senator's perception?

Mr. HOLLINGS. I think the perception would be without war that we are stronger. I do not think we have to go to war to prove it.

Mr. KERRY. Does the Senator think the Soviets would make the same judgment about the United States being stronger?

Mr. HOLLINGS. I think the Soviets have already made the judgment that they are stronger with the defense. The Senator should listen to my answer. He does not like it, but I like it.

Mr. KERRY. No.

Mr. HOLLINGS. But that is they have already spent well in excess of $260 billion. I can tell the Senator this year while we are arguing the difference between $3.9 billion and $3.2 billion, they are spending $18 billion on defense. Six billion of the $18 billion is for deployment, $6 billion of that $18 billion is for development, and the other $6 billion is for support and other activities.

We just tried in this Congress to get something less than $6 billion in research and we have been cut down to $3.9 billion. This is my answer.

Mr. KERRY. I understand why the distinguished Senator likes his own answer better because he answered his own question, not mine.

Mr. HOLLINGS. Yes; that is my answer to the Senator's question.

Mr. KERRY. My question is: If the Soviet Union perceived that strength, what would their step be? What would the Soviet Union do?

Mr. HOLLINGS. They would continue right on. I do not know what they would do.

Mr. KERRY. So they are going to continue on.

Mr. HOLLINGS. Right.

Mr. KERRY. If they continue on, then what will our response be?

Mr. HOLLINGS. We are going to continue on. We live in the real world. I do not think that only arms control agreements or, as the Senator said, the ABM Treaty that defends us, is the answer. That has already been violated with the Krasnoyarsk radar. The Senator wants to defend the United States with a Soviet treaty. I strongly disagree with the distinguished Senator from Massachusetts on that point.

No; I get no defense out of treaties, not at all. I look at the real defense of this country.

Mr. KERRY. The Senator is not going to disagree that the SALT II Treaty has resulted in the Soviets dismantling over 1,000 missiles?

Mr. HOLLINGS. We will debate that when we want to get into SALT II. They were going to dismantle those anyway and those were mainly single warhead, obsolete missiles with far less capability than their replacements. The Soviets violate the SALT II Treaty. They have so many violations that any Senate debate on SALT II will be a very long one.

Mr. KERRY. I think it is important to know whether or not in the large view of the treaty in terms of the particular missiles we have in fact abided by that treaty by and large. Have there been infractions? Yes; there have been minor infractions, but as the Senator knows, the dismantling of 1,000 missiles is not tokenism with respect to adherence to a treaty.

Mr. HOLLINGS. Mr. President, let me stick to my statement because we are going to argue SALT II and everything else and I have been waiting on the floor for quite a while to speak. I want to be respectful to the distinguished Senator from Massachusetts. We never have debated SALT II. If we had ever gotten to a debate of SALT II, we would begin to understand it did not control anything.

So, technically speaking, when any of us talks about violations, how can you violate it when it did not control? SALT II did not control missiles. Everyone will agree with that. It did not control warheads.

Under article 4, section 10, second-agreed statement if you read there you could use decoys and so there was no real control. While everybody talked about the control of launchers and everything else, article 4, section 10, second-agreed statement said you could use the decoy. So missiles were not controlled and warheads were not controlled.

And then when you got to the launchers, Soviet Defense Secretary Ustinov and Harold Brown when talking about it got into an argument. We set up and we talk about launchers with the cannister. The distinguished Senator from Arizona will remember. We put up on the tarmack at the end of Vandenberg Air Force Base a Minuteman III, made an X mark there with a canister and fired 5,000 miles downrange. We hit the targets. And Secretary Ustinov came along and said "Oh, no, we were talking about silos themselves."

And they argued and there was a good debate about it—I remember it well—and we can furnish it for the record.

So it did not control, and I do not get all this sanctimony out of treaties, not that I disregard them. I voted for the ABM Treaty. It helps us have some understanding.

Yes; I would sign, if I were the President of the United States, another treaty if it were balanced, if it were enforceable, if it was mutual and if it was verifiable.

We can get into all those other things. So I do not want to be quoted, no, he is just against all treaties.

I am just against defending the United States of America with only treaties right this moment.

We are talking about the defense authorization bill as the Armed Services Committee has outlined. We know that General Abrahamson had a 10-point program of research and in the language of the particular committee report, the $3.9 billion is for: Surveillance, tracking and kill assessments, $1.262 million; the directed energy weapons, $1.614; kinetic energy weapons, $991 million; systems concept and battle management, $462 million; and an undistributed reduction of $454 million.

Now, some of it, you cannot go into because of classified information.

But the distinguished Senator from Alaska Senator STEVENS has tried his best to keep track of SDI spending along with myself and other Senators on the Defense Appropriations Subcommittee.

When I first got to Congress our distinguished colleague, the Senator from Arkansas, Senator McClellan, was into NIKE X or some other kinds of weapons systems. We had already wasted $2.5 billion and we were shocked because at that time the whole budget was not but $49 billion and $2.5 billion was quite a waste of

expenditures. We have seen already now the Divad. That is another several hundred billion that has gone down the tubes.

We were here when they had the electronic Maginot Line in Vietnam and everything else like that.

So all of us in the particular discipline look askance at the approach used by the Pentagon in the way they spend money.

So what we did in the Defense Appropriations Subcommittee at the end of last year was to get an update on SDI spending. We had it printed in a report which is very short and I ask unanimous consent, Mr. President, to print the report as if delivered on the floor at this particular point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT ON STRATEGIC DEFENSE INITIATIVE—STATUS OF PROGRAM OBLIGATION AND EXPENDITURES

(Submitted by Senator Ted Stevens, Chairman, Subcommittee on Defense to the Committee on Appropriations, United States Senate)

FOREWORD

The Strategic Defense Initiative has become a major issue not only in the context of U.S. defense spending but as a centerpiece in renewed arms control negotiations with the Soviet Union. It is a program that involves a substantial Federal investment and rapidly increasing expenditures at a time when efforts to reduce the national debt have created an unprecedented drive to restrain Government spending.

It is essential, then, that Congress should be well informed not only on the strategic and technological ramifications of the program but on its administration and financing. Accordingly, when questions arose on the capability of the Strategic Defense Initiative Organization to utilize substantial funding increases and manage rapid program expansion, I asked for a timely report on SDIO's obligation and expenditure performance.

This report presents the SDIO response, together with the latest Congressional Budget Office outlay assessment and a subcommittee staff analysis. This information, I believe, will be useful not only to the Committee on Appropriations but to all interested Members of Congress.

Obligations and outlays are only one small indicator of SDI program management quality, of course. It is my intent to insure that wider ranging matters involving program content and direction, validity of research, and—the final true measure—program achievement will be carefully monitored by the Defense Subcommittee. For it matters little how efficiently funds are spent if they are not spent prudently and wisely.

TED STEVENS,
Chairman, Subcommittee on Defense.

BACKGROUND

With the advent of the Strategic Defense Initiative launched by President Reagan in 1984, significant funding increases have been proposed in the research areas needed to develop an effective defense against an attack on the United States by intercontinental ballistic missiles. Leadoff funding, although Congress reduced the President's request, was about a 50-percent increase over fiscal year 1984 investments. The fiscal year 1985 level of $1,400,000,000 could double under current funding levels under consideration by Congress for fiscal year 1986.

Concerns have been expressed in Congress over the ability of the Department of Defense and the Strategic Defense Initiative Organization [SDIO] to manage and expend these large funding increases effectively. Some preliminary data in the early expansion phases of the SDI program were seen to indicate an unwarranted buildup in unexpended appropriations.

In light of these valid concerns, the Defense Appropriations Subcommittee met on September 19, 1985, to hear a detailed report from the SDIO Director on the financial and programmatic status of the SDI program. The information provided by the Director, Lt. Gen. James Abrahamson, indicated there was no inappropriate lag in obligations or expenditures. The subcommittee chairman, Senator Ted Stevens, and other Members asked for a full written report on the subject to assist the subcommittee in its preparation for markup of the fiscal year 1986 Defense appropriations bill. The SDIO information on obligations and expenditures is reprinted in full in this subcommittee report.

The Congressional Budget Office has also maintained a budget track of SDI outlays as a percentage of budget authority through August 31, 1985. In addition, CBO has developed a month-by-month outlay record and analysis since February by major SDI program element. These CBO displays are also reprinted in this report. The data from SDIO and CBO represent the most recent information available on the financial status of the SDI program.

Purpose: The appropriate funding level for SDI will clearly be a major consideration when Congress takes up the fiscal year 1986 Defense appropriations bill. This report is an effort by the subcommittee to present the latest financial data and to address concerns over SDIO program management and obligation and expenditure rates. There is no intent in this report to address the merits of individual SDI research programs or to make any judgment on the appropriate second year level of appropriations.

ANALYSIS

Funding to support strategic defense research and development increased sharply when SDI was established as a separate and distinct program under the Secretary of Defense, but not at the rate requested by the President. The fiscal year 1985 budget submission proposed a 78-percent increase in SDI funding; Congress approved a 41-percent increase over the collective funding level for individual strategic defense programs in fiscal year 1984. Action by Congress to date in the authorization process for fiscal year 1986 indicates the administration's funding request will again be reduced. The SDI funding history is detailed below:

SDI funding profile for fiscal years 1985–86

	Millions
Fiscal year 1984 appropriations for SDI-related technologies	$991
Fiscal year 1984 budget projection for SDI-related technologies in fiscal year 1985	1,527
Fiscal year 1985:	
Budget request	1,777
Authorization	1,627
Appropriation	1,400
Final budget reduction	−377
Fiscal year 1986:	
Budget request	3,713
Senate authorization	$2,963
House authorization	2,500
Pending authorization conference agreement	2,750
House Appropriations Committee mark	2,500

The fiscal year 1986 budget request for SDI was about 1.2 percent of the total defense budget and one-third of 1 percent of the Federal budget. The Senate-passed defense authorization would put SDI research at about 1 percent of the defense budget for fiscal year 1986. Projected SDI funding levels, even as high as $5,000,000,000 a year, would still be much less than 1 percent of the Federal budget.

Although a rapid expansion of SDI is proposed for fiscal year 1986 and projected for fiscal year 1987, this rate of growth is not excessive when compared with other R&D efforts with high national priority. This is illustrated in the following comparative funding chart:

Obligations: The rate of obligations reported by SDIO compares favorably to those of other military R&D efforts and surpasses those of the Defense Advanced Research Project Agency [DARPA] and Air Force strategic R&D which have similar high technology emphasis. Appropriations for fiscal year 1985, although available for 2 years, were 83 percent obligated at the end of August and were projected to be 95 percent obligated by the close of the fiscal year on September 30. This rate would indicate an aggressive management program in SDIO, involving as it does more than 1,000 individual contracts.

Expenditures: Outlay rates for SDI compare less favorably to servicewide rates, however. The SDIO chart on expenditure comparisons shows 34 percent of fiscal year 1985 appropriations had been expended by the end of August while servicewide R&D ranged between 45 and 50 percent. But SDIO outlay rates again surpassed those of DARPA and the Air Force strategic R&D—perhaps a more realistic comparison. For a new program concentrating on advanced research, SDIO's expenditure performance would appear to be reasonable and stable. Since outlays more accurately measure performance than obligations, however, expenditure rates should continue to be followed closely in the future.

CBO data: Cumulative outlays tracked by the Congressional Budget Office from February through August 1985 essentially confirm the expenditure information provided by SDIO. Where discrepancies exist, much of the difference can be laid to rounding of estimates.

As might be expected, the lower expenditure rates occur in the program elements that deal with the more advanced technologies. Overall, monthly outlay rates appear to reflect a stable program growth. Between March and August, SDI outlays increased an average of about 4 percent monthly. This performance is analyzed in the following table:

Increase over previous month—outlay rate data:	*Percent*
March to April	3.6
April to May	4.2
May to June	4.5
June to July	6.2
July to August	6.2

Conclusion: Despite early concerns stemming from preliminary spending data, then, it would appear the SDI program is experiencing a stable and manageable financial

performance. Obligation rates are above average for military R&D through fiscal year 1985, while outlays are reported occurring at an acceptable rate for advanced research. Based on the data supplied SDIO and CBO, there is no evidence to date to suggest that the rapidly expending SDI effort has been overfunded.

Obligation and outlay rates are not the only measure of program effectiveness, but they are useful indicators. As the SDI program progresses into an accelerating expansion phase, Congress should continue to track and assess these rates with obligations as a measure of program administration and outlays as an indicator of program performance.

STRATEGIC DEFENSE INITIATIVE ORGANIZATION REPORT ON OBLIGATIONS AND EXPENDITURES[1]

The Stategic Defense Initiative [SDI] is a research program to vigorously pursue new technologies that can be used to create a defense against ballistic missiles which could strengthen deterrence and increase our security and that of our allies. The SDI research effort is designed to allow a future President and Congress to decide whether to go ahead with such a system. The SDI effort is fully consistent with all of our arms control treaty obligations.

We are now pursuing SDI for the following reasons:

—A defense against ballistic missiles could significantly enhance deterrence and stability.

—Recent technological breakthroughs suggest that it may be possible to overcome the difficulties in defending against ballistic missiles.

—The Soviets have long been hard at work in this area. We cannot afford to risk letting them gain a significant technological advantage that could in time be converted to a military advantage over us.

—By pursuing this SDI research now we learn more about the prospect for defense against ballistic missiles and have a prudent hedge against the possibility of a Soviet breakthrough in defensive technologies and breakout or abrogation of the ABM treaty.

Concomitant with this effort is the associated resource management challenge to develop an SDI program on short notice and ensure the stringent SDI funds are put to their most productive use. Some SDI achievements in resource management follow:

—High obligation rates in fiscal year 1985.

—Normal expenditure rates despite significant program growth and new program startup problems.

—Over 90 percent of fiscal year 1985 work accomplished by fiscal year end.

—Execution of approximately 1,000 SDI contracts.

—Effective stewardship of all SDI funds.

—Complimentary review/findings by the General Accounting Office on fiscal year 1985 obligations and program plan.

—Establishing of centralized planning/control of the SDI program, yet decentralizing the execution of technology efforts.

SDIO continues to achieve nigh obligation rates in fiscal year 1985. These obligation rates are comparable or higher than other DOD R&D accounts. These rates are consistently higher than comparable research programs, such as DARPA, and Air Force strategic R&D programs. These programs are the types of programs most comparable to SDIO efforts. SDIO expects to obligate over 95 percent of the fiscal year 1985 SDI funds by September 30, 1985, even though these multiyear funds are available for obligation purposes for another year.

FISCAL YEAR 1985 SDI OBLIGATION COMPARISONS

[By percentage]

	March	April	May	June	July	August
Total Army R&D	53	59	64	69	75	80
Total Navy R&D	70	76	80	84	86	89
Total Air Force R&D	51	58	62	66	71	76
SDIO	56	62	66	70	76	83
DARPA	44	51	57	66	72	77
Air Force strategic R&D	44	51	58	60	64	66

SDIO continues to emphasize to the R&D financial community the urgent need to record and report expenditure data in an accurate and timely manner. In this endeavor, SDIO is executing its relatively new program at an expenditure rate that is comparable, or higher, than other more established and comparable DOD programs. Normally, a new DOD program experiences startup or procedural problems, which can slow the reporting of expenditures. SDIO was no exception. In spite of these reporting but not execution problems, SDIO continued to emphasize performance and these aggressive efforts have resulted in an SDI expenditure rate that is greater than other established R&D programs, such as DARPA and the Air Force strategic R&D programs.

FISCAL YEAR 1985 SDI EXPENDITURE COMPARISONS

[By percentage]

	March	April	May	June	July	August
Total Army R&D	20	26	32	39	45	50
Total Navy R&D	14	19	24	33	39	45
Total Air Force R&D	20	25	30	34	40	45
SDIO	9	12	16	21	27	34
DARPA	3	5	8	20	25	29
Air Force strategic R&D	10	15	19	21	26	30

An SDI aim is to put resources to their most productive use, SDI maintains that the traditional milestones of obligations and expenditures are important, but inadequate. Obligations only indicate work is ready to begin, not that it began; and they generally occur when contracts are awarded. Furthermore, expenditures only reflect payment and they basically occur after consumption and many months later. Both bear little relationship to the effectiveness of the use of resources. Both of these financial tools fail to reflect the true measurement of actual performance of the SDI program.

In view of the above, SDIO now members the SDI efforts by means of noncancelable commitments [NCC]. This is a method to determine what is actually being accomplished and the actual Government liability. Our NCC data reveals that over 90 percent of the SDI work to be accomplished with fiscal year 1985 funds will be finished by the end of the fiscal year.

NCC is a sound financial parameter, since it is closely related to performance. NCC are costs incurred during a given period representing liabilities for goods and services received, other assets acquired, and performance accepted, whether or not payment has been made. In essence, SDI views the NCC data as more meaningful execution data since it reflects work actually accomplished and actual Government liability. It articulates in real-time the debts being incurred by SDIO for research efforts, materials, deliveries, et cetera. This is closely related to cost accounting procedures used in the private sector. SDI plans to continue to emphasize the use of SDI NCC, since these costs present incurred liabilities based on contractor performance. It allows SDI to monitor actual performance and ensure that SDI funds are put to their most productive use.

SDI offers the United States and its allies a potential option to increase deterrence by reducing the utility of offensive arms proliferation and ensuring the survival of existing offensive retaliatory forces. To meet this SDI objective, a fiscal year 1986 funding plan was developed that provides an affordable strategic defense system.

This fiscal year 1986 funding plan includes $2,350,000,000 in existing contracts started in fiscal year 1985. A significant portion of this SDI effort was initiated in late fiscal year 1985 in order to accommodate the fiscal year 1985 congressional cut imposed on the SDI program.

SDIO expects to execute over 1,000 contracts in fiscal year 1986. These contracts will primarily involve technical research in surveillance, acquisition, tracking, and kill assessments; directed energy weapons; kinetic energy weapons, system analysis and battle management; and major research efforts in space system survivability technology, lethality, and target hardening.

To accommodate this assortment of high priority technologies, SDI is seeking a considerable amount of growth in the fiscal year 1986 funding plan. This growth is attributable to the fact that the many technologies which make up the SDI program have reached a point where they are ripe for exploitation. This funding phenomena is common with emerging technology in order to grow rapidly as it is experimentally applied to potential weapon system concepts after an extended period of low-level research. In this effort, the SDI goal has not changed at all since the President's March 1983 speech. We plan to continue our vital ongoing efforts and the fiscal year 1986 SDI program. The fiscal year 1986 SDI fiscal expectations include a 99-percent obligation rate, a 90-percent noncancelable commitment rate, and a 60-percent expenditure rate.

CONGRESSIONAL BUDGET OFFICE DEFENSE COST UNIT

STRATEGIC DEFENSE INITIATIVE OUTLAYS FROM 1985 APPROPRIATIONS AS OF AUG. 31, 1985

[Dollar amounts in millions]

Program element and program name	Budget authority	Outlays to date	Remaining to be spent	Outlays to date as percent of budget authority
63220C: Surveillance and tracking	$546.0	$256.2	$289.7	46.9
63221C: Directed energy weapons	376.4	100.7	275.6	26.8
63222C: Kinetic energy weapons	256.0	57.3	198.7	22.4
63223C: Systems concepts/battle management	99.0	14.5	84.5	14.7
63224C: Survivability and lethality	112.0	14.0	98.0	12.5
65989C: Program management	8.0	2.4	5.6	30.1
Undistributed	NA	21.1	NA	NA
Total	1,397.3	466.3	952.2	33.4

Source: Department of Defense comptroller form 1002 for period ending Aug. 31, 1985.

[1] Views expressed in this report are those of the Department of Defense.

SDI CUMULATIVE OUTLAYS FEBRUARY THROUGH AUGUST 1988

[In millions of dollars]

Program element and program name	Budget authority	February	March	April	May	June	July	August
63220C: Surveillance and tracking	$546.0	$14.9	$31.7	$52.4	$64.6	$136.4	$188.1	$256.2
63221C: Directed energy weapons	$376.4	$8.7	$10.0	$19.7	$26.4	$55.1	$97.6	$100.7
63222C: Kinetic energy weapons	$256.0	$8.8	$12.1	$17.7	$22.7	$33.9	$47.7	$57.3
63223C: Systems concepts/battle management	$99.0	$1.1	$0.2	$2.8	$3.9	$7.1	$11.5	$14.5
63224C: Survivability and lethality	$112.0	$0.7	$1.3	$2.5	$3.3	$7.0	$10.7	$14.0
65989C: Program management	$8.0	$0.4	$0.6	$0.8	$1.0	$1.5	$2.1	$2.4
Undistributed		NA	$65.8	$75.8	$108.5	$52.2	$22.9	$71.1
Total	$1,397.4	$34.6	$121.7	$171.7	$230.4	$293.2	$380.6	$466.3
Monthly delta			$87.1	$50.0	$58.7	$62.8	$87.4	$85.7
Outlays as percent budget authority		2.5	8.7	12.3	16.5	21.0	27.2	33.4

Mr. HOLLINGS. Mr. President, I will try to draw this to a close.

The main point is that there was a 90-percent commitment by the DOD as of September of last year of all the SDI contracts. There were about 1,000.

The Senator from Louisiana is on the Appropriations Committee and he follows these matters closely, too. All of us have been watching and waiting because as a supporter of the strategic defense initiative you do not want to get caught off base and find out oh, my heavens, there goes a billion gone.

In fact, when the Senator used the example, I think it was on last evening that got me disturbed that we are going way off the deep end. The Senator said that just for a moment we have gotten into the Institute of Gerontology with the SDI and how could we spend 150 grand on that nonsense. It is not nonsense. It makes a lot of sense. It is not within SDI. It was an amount factored out. If you remember when we got into the markup on the Defense appropriations bill, the House of Representatives singled out some $12 million, if I am accurate, to examine the medical benefits of the free electron laser. They wanted to take that out because they had heard of the advancements made by the SDI. General Abrahamson and everyone else said let us look medically at that impact? We want to get results.

They gleaned out some $12 million and then directed the SDIO to operate and regulate and control that particular expenditure.

So it is not really a part of SDI. It is not General Abrahamson but yet in the same breath I might say it is General Abrahamson because he administers the funds at the direction of House of Representatives. So the Senator says he has gone off on the deep end of spending $150,000 on gerontology.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. JOHNSTON. As I mentioned yesterday, I am glad they are doing this for gerontology because it would be a great thing for those of us who are getting a little older now to find the fountain of youth in the free electronic laser.

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All I did was quote from the Gerontology News, which stated that "The Institute of Gerontology at the University of Michigan was funded as part of the new Federal strategic defense initiative." I do not know who decided on that. Maybe the House did.

Mr. HOLLINGS. The House did. We ought to be quoting from our own report because they picked off the $12 million and directed that it be expended to see what medical benefits could be obtained.

Mr. JOHNSTON. I hope they can find the fountain of youth. Maybe we will get a spinoff that will be a lot more important than Teflon.

Mr. HOLLINGS. I agree. We should be very careful, and I will yield because the distinguished Senator from Washington wants the floor. What we have is an unusually talented individual, General Abrahamson, administering this program. He is not a super salesman and everything. But he is very responsive, very conscientious, and very talented. He is an excellent administrator. For one person to sit up here and answer all the questions from all the subcommittees in this Congress and at the same time administer anything is a miracle, I do not see how he gets his meals at home, much less administer the program, but he has done it. He continues to do it. You can call him now this afternoon, and you will get an immediate response. He is watching these things closely.

I can tell you here and now that there is no question in my mind that he is doing the job. We are not wasting the money. We are behind. We have had to cancel out certain of the programs as you well know because of previous cuts. With respect to the comparable cost issue being made, Senator, let's take a look at one of the biggest research programs we ever had. The Apollo program. We have those figures that NASA experienced just as President Kennedy was coming into office. They were spending less than $1 billion—$967 million—in 1961. But by 1964, they had jumped up to $5.1 billion, a growth of five times. If we were to grant the full amount of some $3.9 billion, for SDI we would be just less than three times from 1985's figures. So comparatively speaking we are not ahead of our own President Kennedy's Space Program is research at this particular point. We are frankly behind.

The Kennedy Space Program represented more than 10 percent, $5.1 billion, of the $49.6 billion defense budget; whereas SDI is only slightly over 1 percent of the DOD. I would commend an interesting article on SDI by Gregory Fossedal in the Washington Times.

I ask unanimous consent that the entire article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD as follows:

DOING A NUMBER ON SDI FUNDING

(Gregory Fossedal)

Critics of President Reagan's Strategic Defense Initiative (to shield the west from nuclear weapons) have dismissed the plan in vivid imagery as a "Star wars dream." Ironically, it's the opponents who are fantasizing—most recently in an effort, led by Senator William Proxmire, a Wisconsin Democrate, to enact a virtual freeze on SDI funding.

Mr. Proxmire, jointed by 45 colleagues, says he merely proposes to trim back what he calls an excess of money. Star wars, he says is "the biggest research program ever" and "the costliest project in the history of the United States, a constantly surging, revenous shark consuming appropriations without end."

Mr. Proximire has his figures wrong.

When John F. Kennedy took office, for example, the National Aeronautics and Space Administration was spending $967 million per year, for 1961. Mr. Kennedy, however, made a major commitment to land a man on the moon within the decade. By 1964, NASA was spending $5.1 billion: the program, in three years, had grown to five times its original funding.

By contast, the Star Wars program spent $1.4 billion in its first full year, fiscal 1985, and requests (but won't get) $6.2 billion for 1988. Assuming Congress enacts not Mr. Proximre's draconian cut, but a cut of about one-third as it has in the past, SDI will spend just over $4 billion in fiscal 1988. It will have grown by a factor of less than three.

Such growth is common for new programs. One organization that has been critical of the supposedly rapid growth in Star Wars, for example, is the Congressional Office of Technology Assessment. Yet the OTA grew from $2 million in its first year, 1974, to $6.6 million two years later—faster than the Reagan initiative it now attacks.

Nor is America's present SDI effort the "biggest research program ever." Even without adjusting for inflation, NASA's annual budgets of $5 billion in the 1960s were greater. In 1965, NASA spent $5.1 billion: all the research and development conducted by the Pentagon, by contrast, was $4.6 billion, and the entire Defense Department budget was $49.6 billion.

True, Star Wars, as Congressman Charles Bennett, a Florida Democrat, put it, is "devouring 14 percent of the entire defense research and development effort." Yet that's about one-seventh the NASA level of the Kennedy era. Where the Kennedy space program represented more than 10 percent of the defense budget, Star Wars this year will take up less than 1 percent.

A more important point of reference for our current strategic defense effort, of course, is the comparable Soviet program. In 1986, the United States will spend approximately $3.2 billion on all strategic defense efforts, including the SDI program, a beef-up of our traditional air defense, and badly needed efforts to harden and protect U.S. intelligence satellites. In 1985, the Soviet spent an estimated $18 billion, according to figures derived from published Pentagon estimates.

Such figures have limited utility as a comparison of actual U.S. and Soviet capabilities. They do, however, cast doubt on claims that America's strategic defense program is obese.

There is one respect in which Mr. Proxmire is correct, however, and the Reagan Star Wars program is skewed. Of $18 billion in Soviet strategic defense spending for 1985, at least $6 billion, or about one-third, went to actual deployments. An equal amount was dedicated to actual development of systems, such as a space-based laser scheduled for launch in the next year, as opposed to pure, laboratory research. Similarly, by 1965, more than $500 million of NASA's budget, about one-tenth, was devoted to actual construction of facilities.

President Reagan, on the other hand, is getting almost no weapons bang for his research buck. Total procurement of strategic defense, air defense, and space defense systems for 1986 will be less than $200 million. There isn't even a line-item for procurement of anti-missile defenses.

Yet lack of action is hardly the complaint being registered by Mr. Proxmire and other critics. Their goal is to bury Star Wars, not improve it. In their zeal to make sure SDI isn't started before Mr. Reagan leaves office, though, these critics are being less than fair with the figures.

When some poor government bureaucrat makes a similar distortion or error, he is lilely to find himself in the headlines as the recipient of a "Golden Fleece" award from Mr. Proxmire. When it comes to Star Wars, however, it's Mr. Proxmire who deserves a woolly award—for creeping up on a vital defense program like a wolf, under a sheep suit of fiscal responsibility.

The United States saw the Soviet Union gain nuclear parity in the early 1970s. However, the Kremlin continued its buildup so that today Moscow has the ability to launch a first strike against the United States, significantly curtailing our ability to launch a retaliatory strike.

Paul C. Warnke, another member of the study group, appeared before Congress in support of the SALT I agreement. He acknowledged at that time that SALT I did not provide for reduced levels of the nuclear weapons possessed by both sides, as had been the original intent of the negotiations, but that he would not support any future SALT agreement that failed to impose such reductions:

A few years later, Mr. Warnke was back before Congress in support of a SALT II agreement which, like SALT I, imposed caps at future levels of nuclear weapons but failed to provide for the future reductions he had assured Congress would be forthcoming.

It would be fortunate if the United States were in a position in which it could adopt a "no first use" policy of nuclear weapons. However, the realities of the Soviet conventional threat deny us the luxury of making such a declaration, now or in the near future.

Mr. HOLLINGS. I will join the Senator from Massachusetts, and the Senator from Louisiana in further debate. Yes. They say they want to hold back in one breath, and then in the next breath they say we hope this whole issue will be eliminated. There are those who want to eliminate defense. I happen to not believe in the mutually assured destruction [MAD] concept. I am not allowed in conscience to believe in it because the Soviets do not believe in it. They are my adversary. We are playing catch-up ball.

It is time we get with the program. Just last week, the distinguished Senator from Colorado had a $15 billion revenue measure he wanted to place on the debt limit bill. I voted for it to pay the bill. I would be gladly willing to vote and allocate additional revenue to the needs here of SDI research.

The reason for our freedom today is our superiority in technology. We do not have as many Americans as Soviets, we do not have as many Americans as Chinese, the free world depends on the United States to defend the security of all of it, and we can do that because of our superiority in technology. Let us not stop it now. Let us not waste the funds. I think the Armed Services Committee has made a very credible outline of what we can and what we should afford. Let us not cut the program back so that we can say look, it was a failure.

Mr. President, as a long-time and continuing supporter of a ballistic missile defense [BMD] capability, I see one positive outcome from the debate on the structure of the strategic defense initiative [SDI] as reported by the Armed Services Committee. We can look at SDI for what it should be—a multicapable system that enhances the survivability of our strategic forces, particularly our land-based ICBM's, and a multicapable system that has real and credible near-term possibilities for terminal or area defense.

Budget priorities have altered the context of SDI as framed by the administration. Can we wait a decade and spend tens of billions of dollars on research before making some tough choices that can be made today? The opponents of SDI will never agree to defense because it exposes the myths they preach about arms control. The supporters of SDI, like myself, are ready to adopt the technology of today and the next 7 to 10 years and let a vigorous research program continue until the goals of 1995 and beyond can be achieved. The long-term objective of a multitiered, mainly space-based system with deployment potential into the next century—and eventually a system that may protect many lives, should be retained but recognized for what it is—something that is a future capability.

We have reached a major crossroad for ballistic missile defense. Potential capabilities for BMD have been delayed, deferred, and underfunded for several years. The door is open for relatively near-term BMD component deployments such as a terminal defense overlay system, although it may not originally be as sophisticated as we would all like. If this opportunity is not seized upon, we may find ourselves locked into an extended research period and ultimate inferiority to the Soviets. Not only would this result in a highly vulnerable strategic force, but it would increase the pressure for more first strike assets whether we want to admit it or not. Increased ICBM survivability, resulting from emerging BMD capabilities, would have the opposite effect—a strong deterrent force.

Mr. President, I have listened closely to the discussion on the amendment to limit SDI funding to 3-percent real growth. Some debate has been good and focused on the real issues; parts have been farfetched. Last week, the Senate debated "truth in budgeting" as it passed new Gramm-Rudman-Hollings legislation. What the SDI debate needs is "truth in packaging." It strikes me that many proponents of the amendment are very sincere in their efforts. They are perplexed by what they perceive as a lack of direction and by a lack of decisions. They prefer a slowdown in spending until precise decisions are forthcoming. Other proponents of the reduction will never accept a BMD deployment. To them, deterrence is derived only from the illogical mutual assured destruction [MAD] policy for the 1960's, where both the United States and Soviet Union are guaranteed nuclear arsenals in the thousands in order to destroy each country's population. These SDI opponents extol the virtues of arms control treaties that have done nothing to control arms but have only created a proliferation of them.

We have been told that SDI funding exceeds funding for cancer research, and that is a terrible thing. The National Cancer Institute's budget for 1987 is $1.3 billion, and there are many Federal programs funded in excess of this amount. The total medical re-

search budget at the NIH in 1987 is projected at $6.1 billion. Comparisons of such dissimilar activities are meaningless in the debate, and each activity must stand on its own merit. A reduction in SDI funding or the complete elimination of it would not add a dime to cancer research activity.

Similarly, we have heard outlandish and unsubstantiated estimates of SDI costs. No reliable estimates of an SDI system exist because no decision has been made regarding its composition. A trillion dollars has a nice ring to it, so SDI opponents started floating that figure around. This trifling amount wasn't good enough. Questions from the floor regarding 10-year operating and support costs soon ballooned the trillion to 2 trillion and up—it could be all our GNP. Next we heard predictions of a doubling of individual income taxes to pay for it.

I call this nonsense "space-age arithmetic"—it's out of this world. What is known is that terminal defenses that increase survivability and enhance deterrence should cost far less than $100 billion in the next decade, and this is a pittance compared to our strategic offensive forces budget. CBO has estimated that strategic forces, including a proration of command and control, support, and DOE costs would total about $60 billion per year—over $600 billion in the next decade—a figure far in excess of deploying and operating the first phases of a BMD system.

Further, funding for SDI is not excessive when compared to other critical needs of the past. SDI funding would grow 250 percent from 1985 to 1987. Both the Apollo and Manhattan projects far exceeded this growth in a similar time of development. Apollo at 578 percent; Manhattan project at 345 percent.

Today we are discussing the right subject but for the wrong reason. The issue should not be $3.2 billion versus $3.9 billion, but what do we want from strategic defense and when? Like in so many other areas of national security, we are playing catch-up ball with the Soviets. While they have spent billions of dollars on strategic defense—$260 billion from 1972-82—we are only recognizing now our responsibilities in this regard and the potential that defense has for putting a halt to nuclear proliferation. The Soviet Union's record on compliance with the ABM Treaty is similar to its dismal record of compliance with other treaties. There is the Krasnoyarsk radar which is a clear violation of the treaty. Other potential or probable violations are the mobility of its ABM system components, the concurrent testing of ABM and air defense components, and the rapid reload capability of ABM launchers.

In 1980, I was briefed extensively about BMD efforts by the Army, by the national laboratories, and by participating defense contractors. All signs pointed to potential deployment of a layered, endoatmospheric/exoatmospheric system starting in about 1989 with full deployment by 1993 to 1995. I am talking about a terminal defense of our ICBM's with interceptors capable of shooting down Soviet RV's within the atmosphere and well above 50,000 feet. Last year, I asked the Army—whose efforts had been swallowed by the SDI program—when deployment of similar efforts could be achieved. The response was 1993. Mr. President, that is what we ought to do; 1993 could be optimistic, but many definitely believe the 1993-95 timeframe is an achievable goal if the DOD concentrates its resources on recent technological innovations and successes achieved for site defense components.

This brings us to the crux of the matter. While I firmly support the President's objective for strategic defense, the concept of a population defense umbrella and a deployment decision 10 years hence for systems 20 years from now is not practical at this time. Those are certainly responsible objectives, but they should not be the only concern in the SDI debate. As I said, a vigorous research program can provide answers to those key questions at a future date. We need defense today.

It is implausible to me that we are proceeding with MX deployment in unprotected and totally vulnerable Minuteman silos. It makes absolutely no sense at all. We are deploying 500 of the most accurate, hard-target warheads in the world today on the MX in place of 150 Minuteman warheads of a sufficiently capability. Soviet planners don't even have to change their targeting objectives and techniques. The American public should be outraged at our stupidity. There are two actions that should be undertaken by the DOD immediately. It should move to harden the MX silos to an approximate level of 25,000 pounds per square inch that it asserts is possible, and it should move to a point defense of the missiles. There is no doubt in my mind that the confidence in an upgraded survivability of the missiles would meet with congressional approval of the 100 MX missile deployment sought by the DOD. Such a move would increase potential survivable warheads from roughly 25 with the unprotected 50 missile deployment scheme to perhaps 400 to 500 warheads with a protected 100 missile deployment plan.

Mr. President, I don't have any illusions that a site defense system that can be deployed in 10 years is the ultimate capability we will need. It will be an evolving system. But, even at the outset, it will introduce uncertainty into the Soviet target planner's mind, and it will aid in deterrence and survivability. Some may question whether anything can be done this soon. I would quote no less an authority than former Secretary of Defense Harold Brown on this matter. In an article appearing in the journal Foreign Affairs last year, Secretary Brown stated, and I quote:

Terminal hard point defenses (e.g., defending ICBMs), using hardened ground-based radars and interceptors rockets, would require about ten years between a decision to deploy and having a significant force; the time to completion of deployment would approach 15 years from decision. The necessary technology exists now, and some subsystems have already been partially developed. What would be required would be the design of a new system involving—in sequence—some additional prototype development, full-scale engineering development, production and deployment. Such a system would include an interceptor like the Spartan missile aimed at reentry vehicle (RVS) outside the atmosphere, and another, rather like the Sprint missile, for intercepting RVS that have already entered the atmosphere.

Present designs of both missiles would require the use of nuclear warheads. Alternatively, non-nuclear versions could be developed using terminal homing devices in the interceptor. There is some question about how heavy a conventional warhead (and therefore the interceptor missile) would need to be in order to provide high probability of destroying the incoming RV and missile warhead; it depends on how close to the reentry vehicle the terminal guidance could bring the interceptor. If a non-nuclear interceptor is chosen, this would lengthen by at least a few years the time to a substantial deployed capability.

An additional optical sensor, the Airborne Optical Adjunct (AOA), which would track reentry vehicles by detecting their infrared emissions or viewing them with visible light, could also be included at about the same time as a non-nuclear warhead. Such a capability is feasible technologically and likely to be helpful in discrimination during or shortly before the offensive missile's reentry, but the technology would need some additional development.

The major change in technology from when Secretary Brown's article appeared is that we are closer to a nonnuclear kill vehicle though research on reducing its size must continue.

I oppose the 3-percent real growth amendment because I feel it restricts unnecessarily on the research that must continue. I do not agree with all elements of the present SDI program structure. As I have stated, it should be restructured to evaluate real and near-term options. Failure to do so may cause a total collapse of the program.

On June 14, 1979, our former distinguished colleague, and my dear friend, Scoop Jackson, spoke about the SALT II Treaty and the terrible disadvantages it would bring down on us. Senator Jackson stated, "we are less secure today than when the SALT negotiations began 10 years ago. And we will be still less secure at the end of the treaty period than we are today."

That is what this debate is about. Security. Strategic defense can be a valuable tool in gaining it. We must accept our responsibility and support it now.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I listened with great interest to the remarks of my colleague from South Carolina, which I felt to be cogent and persuasive, as I have to the President's distinguished senior colleague from Georgia.

I must say that this has not been an issue free from doubt in my mind. My friend from Louisiana, who is the sponsor of this amendment, asked me on numerous occasions whether or not I would cosponsor it with him. I seriously considered doing so, as I felt that whatever the values of the strategic defense initiative—and I regard it as being of high value—the request of the administration for fiscal year 1987 was for a greater amount of money than could be effectively used for the purpose of the initiative. I now find myself quite satisfied with the recommendation of the majority of the members of the Armed Services Committee, and I oppose the further reductions which are proposed by this amendment.

I have four reasons for doing so, Mr. President, which I can outline relatively briefly. The first is that it seemed to me to a certain extent—at the time at which it was introduced or first broached—and it seems to me now, that the 3-percent figure for real increased spending in 1987 for the strategic defense initiative was to a certain extent an arbitrary figure, that it simply equaled the amount of money which we thought the defense budget for 1987 was going to be increased over that of 1986, the amount by which it would have been increased if we followed the dictates of the 1986 budget resolution. But there was little more in the determination of the figure than that rationale.

Second, Mr. President, by the very nature of the differences between the Senate of the United States and the House of Representatives, by the time the entire process has been completed through appropriations, the House will almost certainly cut more out of the strategic defense initiative than is proposed in this amendment. As a result, even if a modest 3-percent increase in 1987 is appropriate or correct, we are more likely to end up with that increase at the end of the debate if we vote against this amendment and defeat it today than we are if we adopt it. If we adopt it, it will inevitably become the largest amount of money available for any future negotiations on the subject. And each of us in this body knows perfectly well that this debate on the defense authorization bill on the floor of the Senate is not the final word on this subject.

My last two reasons for opposing this amendment are perhaps more important, and certainly more persuasive to me, Mr. President. The first was referred to more than in passing by the distinguished Senator from South Carolina. It is the high value which I believe we should place on attempting to determine whether or not there is a way out of the defense policy known as mutually assured destruction. I believe it would be worthwhile to make a substantial investment of the defense budget of the United States in attempting to determine whether or not a defense against nuclear weapons is possible, and to the extent that it is possible how effective it can be.

We are, here and across the country, still debating as to whether or not that is a worthy goal, though I believe the vast majority of the Members of the Senate believe it to be so, including the sponsors of this amendment. We continue to debate exactly what the primary goal of the strategic defense initiative is to be. The majority of the members of the Armed Services Committee did ask us in their authorization to change somewhat the direction of the strategic defense initiative. They suggested that we should continue to determine the ability of ballistic missile defenses to provide nationwide population protection, but to focus primarily at least in the immediate future, on assuring survivable, cost-effective defense options for enhancing the survivability of our retaliatory forces, and command, control, and communications systems.

I believe that both of those goals are appropriate. I believe the attention which the Armed Services Committee wishes to focus on the latter of those two goals to be perhaps what should be our primary focus over the course of the next several years, at least. Those goals are more modest than those of the administration. They are reflected in what the Armed Services Committee has recommended to us. Even those goals, I am afraid, would be undercut to a certain extent by the adoption of this amendment.

Most important of all, Mr. President, is the impact that this program has had over the course of the last 2 or 3 years, and the impact that it can have in the course of the next year, on the process of negotiations toward nuclear disarmament in Geneva.

It seems clear to me that we are now closer to a real agreement on a sharp reduction in the number, and perhaps the power of nuclear weapons than has been the case for decades. It seems to me that after a long and continuing debate within the administration, a debate which admittedly continues, that the President, with strong encouragement from the Congress, is moving toward such a treaty as a capstone to his Presidency. He has recently shown some willingness to consider changes in his strategic defense initiative priorities to get such an agreement.

□ 1236

There is evidence not only in his communications with the Soviet leaders but in a number of reports from the administration itself.

At the same time, Mr. President, it seems crystal clear to this Senator that the reason that the Soviet Union has made new and more attractive, and what one may properly call real offers with respect to nuclear disarmament, is its fear of the strategic defense initiative and the cost to the Soviet Union in attempting to match what this initiative means for the United States.

As a consequence, to give up even in part what has brought us thus far on the road toward some kind of nuclear disarmament agreement, to give up even in part the prospect for some form of relief from the nuclear arms race, to reduce even marginally the chances of real disarmament, on the basis of unilateral decisions taken here in the Congress of the United States as opposed to negotiations involving both the United States and the Soviet Union, seems to me to be ill advised.

At this point we probably only need to wait 6 months or so to determine whether or not such an agreement is truly possible. In fact, not much more than a year from now this administration will have lost any real possibility of reaching such an agreement on nuclear disarmament during its two terms of office.

It seems to me, Mr. President, that by far the wisest course of action is to stay the course, to retain at least the level of funding for the strategic defense initiative recommended by the Armed Services Committee, rather than at this point to make a unilateral decision to reduce what has been the most effective single measure in bringing us to a greater possibility of success in reaching an arms control treaty than we have had during the course of more than the last 10 years.

For those reasons, and with some regret and some real understanding of the motives of the sponsors of the amendment, I believe it would be wise for us to reject it.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. HART. Mr. President, the amendment offered by the distinguished Senator from Louisiana [Mr. JOHNSTON], deserves the support of all our colleagues. It embodies the substance of a letter which Senator JOHNSTON sent to the Armed Services Committee with the support of 45 Senators. It is my hope that at the conclusion of this debate, we will be joined in

support of this policy by a majority of the Senate.

By adopting this amendment, which provides a reasonable 3-percent increase in the SDI Program, SDI will have a total of $3.24 billion for research and development. This will ensure vigorous and high quality research for missile defense technology consistent with good strategy and efficient defense budgeting.

By adopting this amendment, the Senate will demonstrate that SDI research remains consistent with opportunities to reach an arms control agreement with the Soviet Union that is consistent with our national interest.

By adopting this amendment, the Senate will demonstrate its continued support for the current, plausible, commonly understood meaning of the ABM Treaty.

Finally, by adopting the amendment offered by the Senator from Louisiana, we will be buying time for the administration and the people of this country to better understand the direction, purpose, and goals of this program.

Mr. President, this amendment does not shut down SDI research. The sponsors of this amendment support, as I do, basic research on strategic defense for a number of reasons:

First, SDI research can provide us an important hedge against Soviet advances in missile defense techologies;

Second, research in this area allows for the continued examination of limited defensive systems which—in conjunction with arms control agreements to halt the growth of offensive arsenals—may provide for increased security;

Third, modest funding enables us to continually assess the feasibility of ever deploying an impenetrable defensive shield which would eliminate the threat of nuclear attack.

The United States has explored defense technologies for years, as permitted by the ABM accord.

And this type of exploration into defensive systems will continue. However, there are important guidelines which can ensure that these efforts are both economically efficient and consistent with U.S. compliance with arms control agreements.

By contrast, the administration's requests—74 percent increase this year alone over last year—will undoubtedly lead to a considerable waste of defense resources. Indeed, of national resources. A number of noted defense experts—including former Secretaries of Defense James Schlesinger and Harold Brown—have warned that excessive annual funding increases for SDI could ultimately damage continuing efforts in spaces and defense research.

Mr. President, I want to draw my colleagues' attention at this time to a letter I, and I presume most of us, received today from Kenneth Adelman, Director of the Arms Control and Disarmament Agency. In his letter to Members of the Senate, Mr. Adelman assails those of us who are skeptical of the administration's huge funding request for SDI. He suggests that cutting the SDI request is to "award concessions to the Soviet Union which its military buildup has, so far, been unable to extort." Mr. Adelman goes on to state his belief that "it would be irresponsible if the Congress should thereby undercut our hopes for productive negotiations." Now I ask my colleagues, is it fair to equate skepticism of a 74-percent increase in funding with congressional irresponsibility? The President could not ask for a more supportive committee than he has in the Senate Armed Services Committee, under the leadership of Senators GOLDWATER and NUNN, and yet the committee could not, itself, grant the administration's extraordinarily large funding request for SDI. The irresponsibility lies in statements like Mr. Adelman's that equate strong defense and patriotism with unbridled support of an incoherent spending spree.

Since 1984, the SDI budget has tripled. If the history of domestic and defense programs teach us anything, it is that the gorging of resources—as requested by the administration—can lead only to a slothful and indolent program. SDI simply cannot effectively absorb the funding increases requested by the President or approved, even scaled back, by the committee.

Ambassador Paul Nitze recently said "it now appears we will be well into the 1990's" before we can determine whether or not SDI can meet "the President's criteria of feasibility, survivability, and cost effectiveness at the margin." The President's Fletcher panel said a vigorous SDI effort within a controlled budget would result in minimal schedule slippage. Therefore, I believe we can and should pursue a research program, but at a reasonable pace—especially until we know if space defense is feasible—and within the same funding constraints as the rest of the DOD budget and perhaps even closer to the rest of the entire national budget.

A 3-percent real increase in SDI funding over last year's appropriations, as provided by this amendment, is more than sufficient to sustain a vigorous program.

Mr. President, these programs—regardless of their rate of increase—must remain in the realm of research and development to preserve our commitments to the ABM Treaty.

It would be a tragedy, quite simply, to set aside the ABM Treaty casually—as the administration proposes, absent major, significant changes in the strategic environment. By major changes, I mean only if the Soviet Union blatantly abrogates the terms of the ABM Treaty, or if arms control agreements reduce the number of offensive nuclear weapons to the extent that testing and deployment of limited defensive systems would unquestionably enhance our security.

The administration's new interpretation of the Anti-Ballistic Missile [ABM] Treaty suggests that the most fundamental aspects of a treaty which had guided our defense planning since 1972 are somehow no longer legally binding. The administration is in effect asking the Senate to accede to a new treaty formulation which contravenes the substance and guidelines of the treaty ratified by the Senate in 1972.

To preserve the ABM accord as we have known it for 14 years, only basic research should continue and those projects aimed at early demonstrations and prototype development should be deemphasized. These latter efforts—if pursued vigorously—will lead eventually to serious questions regarding U.S. compliance with the terms of the ABM accord.

Finally, the continued contradictions in the administration's presentation of SDI Program objectives and its failure to identify an overall systems architecture still suggest a program in search of coherence. After 3 years, the administration continues variously to define the initiative as a research program, a deployment program, a lever for arms control, a move to total population defenses, or simply a means of defending our existing offensive strategic forces. The American people deserve far better from their Government before they are asked to dedicate billions of their tax dollars on behalf of this quixotic venture.

The United States will continue with a vigorous effort in the area of defensive research. The question we must decide today is what is an appropriate level for that research, and within what parameters this research should take place.

The debate over SDI funding is not occurring in some sort of budgetary vacuum. In this era of defense budget constraints, due primarily to the administration's endorsement of Gramm-Rudman, each program must be weighed on its merits and against other defense budget priorities. We face the real possibility under Gramm-Rudman that cuts in defense accounts vital to our military preparedness will be compromised. A 3-percent growth in the SDI budget will allow us to explore promising defensive technologies while ensuring that military pay, readiness, and overall U.S. defense capabilities do not suffer.

Based on the testimony presented to the Armed Services Committee and the analysis of noted strategic experts,

I believe this amendment strikes an appropriate balance among the need for defensive research, the necessity of spending defense dollars wisely, and our collective desire to promote policies consistent with reaching arms control agreements and keeping existing agreements in effect.

Mr. President, Senators NUNN and BYRD have discussed on the Senate floor the nearly incomprehensible position of the State Department regarding the ABM Treaty record. The Soviets have the record, the Senate does not. What the administration hopes to achieve with such gamesmanship, the Senator from Colorado can only guess. But he can assure the administration this: There is no more certain way to destroy the prospects for SDI than to keep this record from the Senate. We will be forced to assume the record contradicts the administration's position on SDI, as to its consistency with ABM, and the Senate will act accordingly.

Mr. President, the Johnston amendment is consistent with good budgeting, good defense policy, the prospects for arms control, and continued adherence with the traditional interpretation of ABM, and I urge its adoption.

□ 1250

Mr. WARNER and Mr. MATSUNAGA addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I have listened very carefully to the remarks of my distinguished colleague from Colorado. It has been my privilege to serve with him nearly 8 years on the Armed Services Committee, and indeed he is the ranking member of the Subcommittee on Strategic Forces, of which I chair, and together we have done our very best to present to the committee and indeed the Senate as a whole our views on this subject.

I say to my colleague that I have found no action certainly taken by the Senator from Colorado or any other Member of this body that is tantamount to "irresponsible." We have a difference of views on this subject. The Senator from Colorado and the Senator from Louisiana know full well my strong support for the President's program at a figure higher than we are considering at this time. But where we are on this amendment will soon be decided by the Senate as a whole this afternoon by virtue of constructive and I think thoughtful views expressed by all Members of this body. At no time in this debate or in the analysis by our subcommittee or the committee of the whole, the Armed Services Committee, was any statement or action taken which would justify the accusation of "irresponsible" by a Member or collective Members of this body.

Mr. HART. Mr. President, if the Senator will yield briefly, perhaps there may have been a misunderstanding about the statement which the Senator from Colorado just made. First of all, I appreciate the kind remarks of the Senator from Virginia.

Mr. WARNER. Mr. President, it was clear to me the Senator read a letter in which that word was used, and I enjoin the Senator in rebutting that there is no basis whatsoever for the use of that word in addressing this body in the context of this amendment or any other action by the Senate.

Mr. HART. I thank the Senator from Virginia. His observation in this regard is typical of his constant effort to seek what is the national security of this country and to work thoughtfully with all Members of the Senate. I think his observations here are extremely well-taken. I appreciate them very much and they stand very much in a consistent pattern of his behavior.

Mr. MATSUNAGA. Mr. President, I rise in support of the Johnston amendment to the defense authorization bill, which would set a $3.24 billion limit on fiscal year 1987 strategic defense initiative [SDI] funding. I use the word "limit" advisedly, however, in that this figure still represents a full 3-percent increase over and above last year's funding. Combined with the fact that the program has tripled in cost since its inception, with more to come, this seemingly modest increase serves to brake a runaway program, bringing it more in line with what former Secretary of Defense Schlesinger meant when he spoke of maximum profitable growth rates for research programs.

Mr. President, when thinking of SDI the first thought that comes to my mind is the enormous cost of the project. We are talking now of billions of dollars, and this is only a starter. When and if we decide to deploy the space shield, it will cost American taxpayers hundreds of billions of dollars, if not trillions, as the senior Senator from Wisconsin [Mr. PROXMIRE] has repeatedly stated on this floor. A recent study for the Johns Hopkins Foreign Policy Institute roughly estimates that a fully deployed SDI could cost as much as $770 billion, at an annual rate of expenditure that would equal what the Navy currently invests in all weapons development and procurement. This estimate is, as noted, only a rough one, however, and it is among the lower calculations that I have come across. But the indeterminacy of the cost itself is disturbing—it demonstrates that we are not sure of what we are dealing with here.

But, returning to this year's authorization level of only $3 billion or so, this figure itself is egregiously large in the context of this country's serious fiscal and economic situation. Only a few days ago, it seems, we were talking of enormous Federal imbalances, huge and increasing trade deficits, the fact that for the first time since World War I the United States has become a debtor nation. We were fighting among ourselves over what, in comparison to SDI, were trivial sums but which represented vital services and benefits to the citizens of this Nation, particularly to the less fortunate among us. We were just beginning to understand fully the zero-sum nature of the fiscal pie, particularly in the face of the President's intransigence on tax increases, and were attempting to make relatively responsible decisions in the context of this new fiscal environment.

This, on top of an economy which has been experiencing slow growth, relatively high unemployment, a diminishing capacity to compete internationally, and a rapidly deteriorating capital base, forces me to pose the same question that the senior Senator from Illinois [Mr. DIXON] asked yesterday: "Can we afford it?" Can we afford to invest billions and billions of dollars in nonproductive defense assets that return far less on the dollar than do comparable private sector investments? Can we afford to bypass investment in industrial R&D, already pitifully low, and simultaneously drain so much of the best scientific and engineering talent of our universities into speculative defense research?

As some of my colleagues have stated, "SDI must be cost-effective at the margin;" even the administration's own arms control negotiator, Paul Nitze, has affirmed this. To make sense, SDI must cost the Soviets more to counteract than it costs us to build SDI. But it is becoming much more clear that the Soviets do not have to suffer the burden of SDI's high costs in this respect: Through relatively inexpensive methods, including a simple numerical increase in delivery vehicles, warheads, decoys, and the development of fast-burn boosters and other innovations, they can almost immediately make SDI's effectiveness problematic and increase the number and kind of their own offensive forces.

Mr. President, the second thing that comes to my mind regarding SDI is its current direction, pace, and scope. From what I have read and heard, it is clear that there have been no major theoretical or engineering breakthroughs to make SDI deployment by the late 1990's any more feasible than contemplated in previous years. It appears that SDI scientists are just beginning to identify the type and magnitude of the problems they are encountering, much less understand how to overcome them. The high priority the President has given the program has also contributed to the heavy going the scientists find themselves in:

By mandating that SDI be limited only by available technology, certain research will be compromised in the effort to adhere to an arbitrary, forced schedule. The Senate staff study which noted this also indicated that although the SDI budget has tripled in 3 years, no definite set of systems architectures has yet been developed against which a set of threat scenarios can be generated or tested. In other words, after 3 years of nonstop research, the Department of Defense still cannot give us an idea of what the system will look like, much less tell us how effective it will be.

This seems to be the situation all around. Two years ago, the offeror of the pending amendment, the junior Senator from Louisiana [Mr. JOHNSTON] cogently remarked that SDI was undefined—the same situation obtains today. From one part of the administration we hear that SDI will protect our cities and our military installations; from another part, that SDI can feasibly protect only our strategic retaliatory forces. I would like to know just whom and what SDI is supposed to protect, if only from parochial concern—I believe it was the senior Senator from Arkansas [Mr. BUMPERS] who raised this point—that Hawaii and Alaska have not been mentioned as among the lucky beneficiaries of this space shield. I hope that is an oversight, Mr. President.

Third and finally, Mr. President, what comes to mind when I contemplate SDI is the effect it will have on the arms race. The President and General Abrahamson have characterized SDI as a defensive weapons system. But weapons, for whatever purpose, are weapons. In this enlightened century, we are far more aware of the semantic connotation of words—their power, their potential for abuse, their potential for misinterpretation. In speaking of the technologies of star wars as defensive, we must also recognize its obverse; that SDI can, in its broadest sense, be construed as a system which can enhance offensive war-making potential. In the interconnected world of nuclear strategy, I do not believe that any element which impinges on the nuclear question can be removed from the strategic equation. Of greater importance, I do not believe the Soviets believe this.

Although I do not personally believe that an effective space shield can ever be built at any price—what one scientist can build, another can avoid—this is not really the issue. The issue is what the Soviets perceive, and what they are forced to assume. If they think that there is even a small possibility that SDI might upset the nuclear balance, might give this country some kind of edge, rest assured that they will react; and the reaction might well be a massive increase in ICBM's, cruise missiles, and bomber groups, the latter two against which SDI does not even contemplate a defense. Let us never forget that with nuclear weapons it is not large numbers which is important: it will take only 500 bombs to obliterate half the population of the United States and make all our cities unlivable.

A prominent physicist, Dr. Sydney Drell, codirector of the Stanford Linear Accelerator Center, has noted that SDI's popularity is a result of moral fatigue—the weariness people feel after years of living with the bomb. "The world is stuck with deterrence for as long as we live," he said, "and people don't want to hear that." Dr. Drell is correct: For all intent and purposes, we must abide by the monstrous logic of mutually assured destruction. To imagine less than the worst with nuclear weapons is to invite false hopes and false promises.

Massive unilateral defensive armament shares the same impulse with unilateral disarmament: both refuse to recognize the nuclear reality—that it will be here, that, like the possibility of war in general, it must be dealt with by conventional political wisdom. If we allow SDI funding to increase beyond that called for by the pending amendment, we risk once again the possibility that our moral capacity to control new technology will be outstripped by the sexual allure of scientific potential.

□ 1300

Mr. President, I join my colleagues, who have distinguished themselves in the depth and sincerity of this debate, to urge support for the pending amendment. We must send a message to the President that SDI is simply too costly, too ambiguous in pace, direction, and scope, and too provocative to justify authorizing more than the $3.2 billion called for in the Johnston amendment.

Mr. KENNEDY. Mr. President, I am a cosponsor of the Johnston-Evans-Proxmire amendment to increase spending for the strategic defense initiative 3 percent over last year's level plus an allowance for inflation. In expressing my support for this amendment and in discussing the SDI, I would like to focus on several areas: the 1987 SDI budget request, the air defense problem, the nuclear-pumped x-ray laser and the ABM Treaty.

SDI BUDGET REQUEST

Mr. President, The Senate Armed Services Committee just spent weeks trying to trim the defense budget in order to meet the budget authority and outlay targets established in the budget resolution. Across the board, we cut planes and tanks and spare parts and still came up short.

The items we did cut are all very important to our national defense—they are the things we would need most if we went to war tomorrow. And as Senator NUNN has explained—more cutting remains to be done.

In light of the severe budgetary crunch we face, to talk about a 78-percent increase in funding for star wars is absurd. There is simply no compelling reason to boost funding for star wars to the level the administration has requested. Under the administration's plan, funding for SDI would grow at an incredible rate over the next 5 years—accounting for $37.5 billion between 1987 and 1991. This would represent an average annual increase of 22.4 percent in constant dollars after having risen at a 41.8-percent rate between 1984 and 1986. It is more money for research than is allocated for the two largest procurement items in the 5-year budget projections: the F-16 and F-18 fighter aircraft.

Nobody is talking about eliminating or even cutting back SDI research. All we are saying is—let's bring this program in line with the realities of the budget problems we face. Three percent real growth will still make SDI one of the biggest items in the defense budget. $3.24 billion is an enormous amount of money and more than adequate to conduct a vigorous SDI research program.

The Senate Armed Services Committee correctly recognized that a 78-percent ramp-up in SDI spending is imprudent and unnecessary and cut the administration's request by $1.4 billion. As I stated in the committee's report on the Defense authorization bill, I personally believe that the committee's approved level is still far too high; I had proposed freezing spending at last year's level.

Such increases in spending year after year might be worth it if, at the end, they would indeed provide us with a leak-proof shield against nuclear weapons. But, of course, they won't. Even the President's advisers now admit this and are trying to distance themselves from the President's statements to the contrary. The SDIO Director, Gen. James Abrahamson has stated, "No where have we stated that the goal of the SDI is to come up with a 'leakproof' defense."

So, what will this massive expenditure buy the American taxpayer? First, it will buy an increased arms race in both antimissile weaponry and a race to build more offensive weapons to penetrate defenses. As Reagan's advisers admit, the most likely Soviet response to our attempt to build SDI will be to overcome it. Stated Secretary Weinberger before the Senate Armed Services Committee last year, "I think they (the Soviets) will try to overwhelm or otherwise defeat a strategic defense." This will mean that the Soviets, particularly in the absence of arms control, will begin a new program to build more and better missiles and we will have to do the same to be able

to penetrate their ABM system—which is sure to follow.

AIR DEFENSE INITIATIVE

The Soviet Union is also likely to move toward alternative means of delivering their nuclear weapons, such as advanced strategic bombers and modern, long-range cruise missiles. We know from our intelligence that the Soviet Union is developing and deploying an enormous cruise missile fleet, following our lead. These Soviet cruise missiles are modern and sophisticated with increased range, accuracy, and reliability. Will the SDI be able to cope with thousands of Soviet nuclear cruise missiles launched from submarines, bombers, and every other imaginable means? Of course not.

To deal with that problem, the Air Force has another idea: It wants to build an "air wars" system to go with the "star wars" system. As Dr. Robert S. Cooper, Assistant Secretary of Defense for research and technology stated last year, "It makes no sense to provide a robust system to intercept ICBM's and ignore the threat of long-range bombers and cruise missiles." Or more simply put: Why spend a lot of money to build a steel roof against the elements if you leave the windows open? Moreover, the Fletcher Commission, in its report, also identified the need for an air defense complementary to any ballistic missile defense.

The air defense initiative [ADI], while not as far along as the SDI, nor as well funded—yet—would require that we completely rebuild our quite modest current air defense force. This would mean new fleets of air defense interceptors, surface-to-air missiles, airborne surveillance aircraft, large phased-array radars, and other items.

The cost of all this: Staggering. Gen. Robert Herres, Commander of the North American Aerospace Defense Command [NORAD] and the U.S. Space Command has stated that "It's going to cost a lot of money to build an air defense system that is anywhere near leakproof."

ADI is off to a slow start. The funding for fiscal year 1987 is about $50 million, although programs within the budget that could be slated for air defense total considerably more. Yet, there is nowhere near the crash program for the ADI that we have for the SDI, even though we know that the Soviet air-breathing threat is real and growing. So, as we debate the funding level for strategic defense, let us not forget that defense against ballistic missiles is only one part of the problem. Building a defense against other nuclear weapons systems—such as bombers and cruise missiles—will cost billions more, money that we simply don't have.

SDI VERSUS MIDGETMAN

One of the major justifications we are now hearing for deployment of a strategic defense is to protect our land-based strategic forces which are, theoretically, threatened by Soviet missiles.

Yet, ironically, we are being asked to fund a dramatic increase in the SDI budget while, simultaneously, the administration is nodding its approval to cut back on the request for the small ICBM or Midgetman.

Cutting back the Midgetman program to pay for star wars makes no sense. Midgetman, which is designed to enhance the survivability of our land-based missile force, would be available a decade before any comprehensive star wars system and at a fraction of the cost.

SDI AND THE X-RAY LASER

The administration often tries to claim that the SDI is a program to pursue nonnuclear technologies to defeat ballistic missiles. Contrary to these claims, one of the most prominent technologies being explored for ballistic missile defense is the nuclear-pumped x-ray laser. This weapon would use a nuclear explosion from a hydrogen bomb to focus the emitted x rays into a concentrated beam directed at the target.

Despite the enormous technical obstacles to turning this technology into a usable weapon, the administration is vigorously pursuing nuclear research and testing within the SDI to find a role for a nuclear weapon in the star wars system.

In fact, the SDIO has actually increased funding in order to accelerate testing of nuclear weapons for possible star wars weaponry. Funding for nuclear-related programs within the SDI would rise from $282 to $600 million in fiscal year 1987—an increase of over 100 percent. It would increase to $800 million in fiscal year 1988.

This increase on funding would occur even though many knowledgeable physicists are extremely skeptical that nuclear-driven directed-energy concepts can be weaponized and tests over the past several years indicate numerous shortcomings with this technology. The increase in funding for nuclear star wars would require taking funds away from other more important areas of research into more promising weapon concepts for SDI.

Testing new types of third generation nuclear weapons for SDI runs directly counter to the President's vision of an antimissile system that would render nuclear weapons "impotent and obsolete" and his statements on many occasions that the SDI is seeking to develop only non-nuclear defenses.

Development of a nuclear x-ray laser will take many years and require dozens and perhaps hundreds of tests—and is therefore incompatible with a comprehensive ban on nuclear testing.

Its development and deployment would also collide with three existing arms agreements: the 1972 Anti-Ballistic Missile Treaty; the 1963 Limited Test Ban Treaty, and the 1967 Outer Space Treaty. All of these security-enhancing accords will be rendered useless if the development of nuclear weapons for SDI proceeds unconstrained.

For these and other reasons, Senator KERRY and I will cosponsor an amendment to delete funding to test nuclear weapons for star wars so long as the Soviet test moratorium continues. This amendment will simply seek to ensure that the SDI is conducted in accordance with the President's stated objective of a nonnuclear defense against ballistic missiles. I will be speaking in more detail about this issue later.

Finally, I would like to make a few comments about the relationship between the SDI and arms control. Simply put—as it is presently configured, the strategic defense initiative is on a collision course with our most important arms control agreement—the ABM Treaty of 1972.

The ABM Treaty bans the deployment of fixed, land-based nationwide anti-missile weapon systems and severely restricts the development and testing of mobile, air-based or space-based ABM's.

The ABM Treaty is the cornerstone of deterrence which increases U.S. security and makes nuclear war less likely. It is absolutely critical to the future of arms control. Without it, no limits on offense forces will be possible, because each side will be striving to build more missiles to preserve its ability to penetrate the other side's defenses.

The ABM Treaty has enhanced our security for a decade and a half by preventing a costly and dangerous race in antimissile weapons.

It has saved us tens of billions of dollars that even a limited ABM defense of missile silos would have cost.

It has prevented Soviet deployment of a massive ABM system that would have forced the United States to build thousands more nuclear weapons.

Sometime in the late 1980's, development and testing of antimissile systems and components currently planned as part of the SDI effort will be in violation of the ABM Treaty unless these tests are greatly modified. Arms control opponents within the administration, having recognized this fact, have tried to end these limits by unilaterally—and incorrectly—reinterpreting the treaty to allow all testing of air- and space-based ABM systems and components.

This tactic has been met with universal derision by the treaty's negotiators, our allies, and the Congress. A number of us in the Senate have been pressing the administration to provide us with the evidence from the negoti-

ating record of the treaty that would support this outrageous action.

Mr. President, I will continue to press the administration to stay within the strict—and only correct—interpretation of the ABM Treaty.

I will also continue to press, with other Senators, to be allowed to examine the treaty's negotiating record so that the Senate can determine for itself which version of the treaty is correct.

Mr. President, to conclude, I strongly support Senators JOHNSTON and EVANS' amendment and urge its adoption by the Senate.

Mr. CHILES. Mr. President, in the past several hours we have heard many criticisms of the President's strategic defense initiative. We have heard that it is too ambitious. We have heard that it is too expensive. We have heard that it is destabilizing. I would like to take this opportunity to explain my support for the SDI and the concerns I have over its current pace and direction.

First, the SDI provides much needed funding for exotic technologies like supercomputers, free electron lasers, and adaptive optics that might not be available in a less visionary program. Underfunding of research and development has become a chronic problem throughout our economy and our commitment to the SDI, at the very least, establishes that America is willing to take on long-range research endeavors which may take a generation or more to mature.

Second, the SDI, has helped change the calculus of arms control. In fact, the SDI coupled with the largest and longest defense buildup in post World War II history, has clearly provided us with an historic opportunity at Geneva.

Third, a robust SDI Program should protect us against a Soviet breakout of the ABM Treaty. The Soviets continue to invest heavily in defensive technologies and we must understand their potential capabilities.

However, my support of the SDI is tempered by the reality of the current SDI Program. While the SDI does provide funding for some exotic technologies, its direction is uncertain. A recent GAO report requested by the Senator from Wisconsin, the Senator from Louisiana, and myself indicated that promising technologies were being sacrificed in order to meet an arbitrary demonstration schedule.

Additionally, while SDI should provide us with a valuable deterrent to Soviet breakout of the ABM Treaty, it is not at all clear that experts within our own administration place as high a value on the ABM Treaty as do those of us in Congress. Unfortunately, this lack of concern for the deterrent value of the ABM Treaty is directly at odds with many of the experts and scientists at the national weapons laboratories.

Moreover, while the bipartisan defense buildup and the SDI have provided us with an historic opportunity at Geneva, historic opportunities are inherently brief. Indeed, the more we know about the challenges an SDI faces, the more its potential value as a bargaining chip diminishes. We may be moving toward the time we must use it or lose it.

I believe, as our staff report indicated, that support of a robust SDI research program is broad and bipartisan. However, the administration risks this support with the current pace and direction of this program. While the amendment of the Senator from Louisiana appears to provide for only modest growth it would more than triple the program over a brief 4 years. The level assumed by the Armed Services Committee would quadruple it and the administration request would have quintupled it. SDI has suddenly become a crash program which has begun to impinge on other important research endeavors. Clearly, the pace and direction of this program must be adjusted to meet with reasonable goals and balanced objectives.

The Senator from Georgia and the Senator from Maine, with their usual clarity have done this. The SDI Program they describe would give much needed focus to the President's vision. It would provide for a deterrent to the Soviets as well as a challenge to our scientists to build an SDI Program which meets Ambassador Nitzes' objectives of feasibility, survivability, and cost effectiveness on the margin.

More importantly, the balanced technology initiative these Senators have drawn places much needed emphasis on our conventional technology base. Today in NATO, the threat we face is represented by thousands of Soviet tanks and helicopters. Unfortunately, our abiltiy to destroy their tanks and helicopters is diminishing in some cases and nonexistent in others. We must redress these imbalances. The balanced technology initiative would go a long way in doing this.

We have made much progress in the SDI debate this year. It is substantive and it is thoughtful and around this debate a reasonable bipartisan consensus can be developed. Yet, there are still many serious questions which must be answered in order to build that consensus.

Initially, we must determine what research efforts will receive priority within the SDI. Will software development receive priority over space-based transportation and logistics? Will midcourse discrimination get priority over boost-phase attack? Will space-based survivability be placed ahead of ground-based deployment? In order to begin to answer these questions the SDI organization must provide us with a framework of systems architectures. To date, they have been unable to do so.

As important as these questions, are the questions of when we test and deploy an SDI system. On what basis and with what information should we base these decisions? Secretary Brown has cautioned us and I quote:

> I have some concerns that the technology may be slighted for the benefit of spectaculars, spectaculars which claim to show great progress, which are aimed at maintaining public support, and at giving the program a momentum which may not be justified on the basis either of technology considerations, cost-effectiveness considerations or policy considerations.

I think Secretary Brown speaks for most of us on this issue. We want to see a vigorous research program based on innovative technologies. We want a program which enhances our strategy of deterrence with the Soviet Union. We want a program which, if developed properly, improves the possibilities for peace.

Mr. BRADLEY. Mr. President, I rise in support of the amendment by my distinguished colleague from Louisiana, Senator JOHNSTON. This amendment would limit funding for the strategic defense initiative [SDI] for fiscal year 1987 to no more than 3 percent real growth over the 1986 appropriated level.

The SDI Program is an ambitious, long term, research program. Funding for SDI does not represent a decision to deploy a defensive system. Nevertheless, the deployment of cost-effective defenses could reduce the incentive of an aggressor to launch a nuclear strike. Even though a system that is 100 percent effective is not a realistic goal, I supported research to determine whether we can design cost-effective defenses that could reduce our reliance on the threat of retaliation to deter nuclear attacks.

Given overall constraints on defense spending and competing claims on the defense budget, however, I question the wisdom of increasing SDI funding by more than 3 percent. And I am particularly troubled by the President's proposed 77-percent increase for the coming fiscal year. This request would increase the program fivefold since its inception. Unless the program can effectively utilize all the resources allocated to it, excess funding would damage the program by wasting valuable defense dollars. Earlier this year I expressed these concerns along with a number of my colleagues to the distinguished chairman and ranking minority member of the Armed Services Committee.

Mr. President, we must not compromise our defense capabilities because of budget constraints. By limiting the growth of SDI, we will able to more adequately allocate funds for many vital research programs.

SDI DECISIONS CRITICAL TO OUR NATIONAL SECURITY

Mr. DOLE. Today, we will be making some fundamental decisions on a program of critical importance to our strategic posture and to our strategy for achieving large reductions in nuclear stockpiles—the President's strategic defense initiative, SDI.

As we get into the details of this debate—as we talk about how many dollars we are going to spend, what technologies we're going to pursue, what pace we are going to maintain in R&D, and possibly into deployment—let us not lose sight of the broader picture.

We have an SDI Program, basically, for two reasons.

THE POTENTIAL OF SDI

First, to find out the real potential of SDI technologies. The President has laid out a compelling vision for SDI—the vision of a world in which strategic defense, rather than the chilling concept of mutually assured destruction, will safeguard our security; a world in which there is no longer any incentive to produce new nuclear weapons, or maintain large nuclear stockpiles. We have a responsibility to see if the President's vision can be turned into reality; a responsibility to use whatever technology does emerge from SDI to make our world a safer, more secure one.

Now, some will see this as unrealistic. These people—the crowd that coined the term "star wars"—claim that we don't have the resources, the scientists, the knowledge, the technological capability to turn SDI into reality.

Well, maybe they are right. I do not know for sure. But the real point is, nobody knows for sure. Everyday, in a hundred ways, each of us uses an invention, a technology, that didn't exist, was impossible, a decade ago.

Our SDI Program—still in its infancy—is already marked by examples of technologies which are far more advanced today than when they first surfaced; which today offer real potential for practical application when, only yesterday, they seemed merely the gleam in some visionary scientist's eye. We are making rapid progress in lasers, in neutral particle beam systems, in a whole range of technologies. And we now have the prospect of being in a position to consider the field testing of actual, working defensive systems as early as 1990, if only we can maintain the current rate of progress.

Let us not give up the future that SDI may hold, merely because we can now only glimpse its outlines, or begin to understand the scientific and technological principles on which it will work.

SDI ESSENTIAL ELEMENT IN ARMS CONTROL NEGOTIATIONS

Second, no one can doubt the importance of SDI to our negotiating strategy in Geneva. Indeed, it is, in large measure, the very reason that the Soviets are back in Geneva in the first place. And it is clearly what stimulated the Soviets to put their latest offer on the table—the first offer they have ever made which offers 'real grounds' for serious bargaining.

Unfortunately, some in the Senate, and cynics off Capitol Hill, have been trying to emasculate SDI for years. They have been trying to wipe out spending on SDI: limit SDI R&D; give up SDI unilaterally. Developments in Geneva—the resumption of negotiations, the latest Soviet offer—have proved they were wrong.

Let us not do now what we have wisely avoided before. Let us vote to keep SDI going; to keep it going at a reasonable pace, with maximum R&D flexibility, with wide scope to see where it can take us.

SOVIETS AGGRESSIVELY PURSUING SDI-TYPE R&D

And let us keep in mind something else. While we debate this issue—and debate it, and debate it—the Soviets act. They started seriously into research in SDI-type technologies before we did. They have probably spent more than we have. And they have pulled ahead—substantially ahead—in some critical SDI-related research areas.

I hear people say that we should scuttle SDI research because it will force the Soviets to match us, generating a new arms race. Well, I have news for those people: the race is already on. The Soviets jumped the gun. And we have got some catching up to do.

SOVIETS SERIOUSLY VIOLATING ABM TREATY

And I also hear talk about U.S. obligations to observe the ABM Treaty, or other international agreements which might put some limits on our SDI R&D. We should take any treaties or agreements which we sign—and, when necessary, which we ratify—very seriously. We should not violate them—as long as they remain binding on all parties to the agreement.

But when the other party, or parties to an agreement, does violate it—seriously, blatantly, repeatedly—and when those violations begin to seriously undermine our national interest and threaten our national security, then we have no—absolutely no—obligation to continue to tie our own hands unilaterally. There is no legal reason to do so; there is no political reason to do so; there is no moral reason to do so.

Let me make clear what I am saying, because there is an unfortunate tendency in the media to put a higher priority on generating a headline than reporting the facts. I am not saying we should abandon the ABM Treaty. There may be good policy or political reason to continue to abide by its provisions.

What I am saying is that we have no obligation to limit our own activities when the Soviets are not limiting theirs. And, at some point, if Soviet violations continue, we will have to make decisions on our activities dictated solely by our security interests, as they are affected by the Soviet violations. That is where we are on Salt II—and, of course, that was never even ratified. That is where we could be some day on the ABM Treaty, if serious Soviet violations of that treaty continue.

ALLIES SUPPORT SDI R&D

Finally, let us remember that SDI—though basically an American program—has the potential to create a safer future for the entire world. Despite the naysayers here at home, our allies have come to recognize the potential of SDI, and the need to be involved in its evolution. That is why the British, the West Germans, the Italians, the Israelis—and, soon, I hope the Japanese and French—are joining us in SDI research. They do not want to be left behind. They see the benefits of SDI, to their security and to their technology. They know the first applications may well be in systems that will keep them more secure from surprise Soviet attack. They know that the ultimate applications, should our R&D prove successful, mean that they need no longer suffer the fear of another world war.

GIVE THE FUTURE A CHANCE

Mr. President, I started out by saying that the decisions we take on SDI will be among the most important strategic decisions the Senate has taken in modern history. That is not rhetoric. It is reality.

Our security may depend on the decisions we make. Our children's security surely will. Let us act accordingly, by strongly supporting a vigorous, flexible SDI Program.

I ask unanimous consent that a letter on this subject, dated August 5, 1986, from William J. Crowe, Jr., Chairman of the Joint Chiefs of Staff be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE CHAIRMAN,
THE JOINT CHIEFS OF STAFF,
Washington, DC, August 5, 1986.

Hon. ROBERT J. DOLE,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR SENATOR DOLE: I fully support the President's Strategic Defense Initiative and urge your continued backing of this important national program as you address the difficult budget decisions before you. Funding for SDI substantially below the FY 1987 President's Budget would jeopardize a balanced and efficient follow-on effort to the promising initial research. Our significant commitment to SDI has been a key factor in

convincing the Soviet Union to seriously discuss nuclear arms reductions. Further, SDI technology research will have important applications for conventional force capabilities, especially as a potential solution to the theater tactical ballistic missile threat we face together with our allies.

SDI is a vital component of our total program for responding to the Soviet strategic threat. The three elements of this broad, continuing program are to modernize our offensive nuclear retaliatory forces, attempt to negotiate radical reductions in offensive nuclear arms, and take vigorous steps now to research future options for ensuring stability over the long term through effective strategic defenses. Since each of these efforts is interdependent and complementary, to reduce our commitment to one is to undermine the effectiveness of the others.

While much remains to be done, we have made excellent progress. To continue that progress, and our commitment to investigate effective strategic defenses as a means of self-protection and deterrence, I strongly urge you to fund SDI at higher levels.

Sincerely,

WILLIAM J. CROWE, Jr.,
Chairman, Joint Chiefs of Staff.

Mr. RIEGLE. Mr. President, I rise in strong support of the Johnston amendment to reduce the overall funding level for the strategic defense initiative to $3.24 billion for fiscal year 1987, from the $3.95 billion recommended by the Senate Armed Services Committee.

Altogether, SDI is projected to be the largest military research program ever undertaken. Its current funding level is as costly as the total basic technology research efforts of all the armed services combined.

This year, the administration has requested $5.3 billion in SDI funding, or a 73 percent real increase over last year. In justifying its reduction of that request, the Senate Armed Services Committee expressed its belief that the administration's fiscal year 1987–89 funding profile for the SDI is excessive, in light of the absence of basic architectures for this program, and continuing indications of basic disagreements within the administration as to the program's goals.

The extent of the debate which has occurred on the Johnston amendment now before us, clearly indicates the deep concern many Members have over the SDI Program.

As the ranking minority member on the Science, Technology and Space Subcommittee, I am particularly concerned over the effect of the SDI Program on our Nation's space program.

In yesterday's debate, Senator PROXMIRE noted that the Congressional Research Service has investigated the space transportation requirements SDI will have when it is called upon to put tons of equipment into orbit. Thus far, that investigation has disclosed that the crisis we face in our space launch capabilities will slow down SDI progress in the early 1990's.

SDI officials concede that as it now stands, the U.S. transportation-support-logistics system is inadequate and would entail too much cost to sustain a strategic defense.

In order to make SDI affordable in the future, the United States will have to make substantial changes in its transportation-support-logistics capabilities. Today, payloads cost $1,500 to $3,000 per pound to lift into orbit. U.S. space launchers now put less than 1 million pounds in space per year. The phase I architecture studies predict that anywhere from 20 to 200 million pounds of SDI material would have to be put in space. That would conceivably mean 600 to 5,000 shuttle flights, whose launch cost could run anywhere from $30 billion to $600 billion at today's prices. Not only is this an enormous dollar cost, but it also raises the question of whether it will be feasible to transport this level of cargo, given our prospective space launch capability. SDI officials say the cost per pound would have to be reduced to between $200 and $400.

Even before the loss of the *Challenger*, the shuttle was considered inadequate to the task of SDI deployment, according to congressional testimony given last year by General Abrahamson, head of the SDI Program.

If, in the mid-1990's, the Government goes ahead with building an SDI system, the Pentagon will need something other than the shuttles to lift the thousands of space sensors and weapons into orbit. The Pentagon is considering the shuttle-derived vehicle, or SDV which would be bigger, cheaper and more reliable than the shuttle. Such a program will have to compete with the need for many billions of dollars to rebuild the shattered space program. To replace the *Challenger* alone, it has been estimated that it will cost some $2.8 billion.

Currently, the Defense Department is spending more than $15 billion on space-related activities. NASA, by contrast, is currently spending only about $7 billion. This 2-to-1 advantage for the military is extremely troublesome to me, and will only get worse if we permit the SDI Program to grow in a reckless fashion, and without fully examining what we are doing and why.

The Johnston amendment, providing for a 3-percent real increase in SDI over last year's level will allow a much more balanced and measured research program than that which the administration is seeking, and I urge its adoption.

Finally, while I will not discuss it in detail at this point, most scientists in America have grave doubts about the technical feasibility and wisdom of SDI as presently conceived. By all measures, this program requires very tight spending controls, and much more knowledge before additional sums are spent.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER (Mr. ROTH). Under the previous order, the Senate will now stand in recess until 2 p.m.

Thereupon, at 1:04 p.m., the Senate recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BOSCHWITZ).

□ 1400

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, while we are waiting for our colleagues to come and finish this debate, I would simply like to make a couple of points on the technology of so-called star wars, as to how far we have to go to ever have a working star wars system, and some of the things that have to be invented.

The first thing that has to be invented is a new lift capability. We cannot even use the shuttle until 1988, assuming that we redesign the rocket lifter, the so-called O-ring. If that works, that will give us only the present lift capability, which in no way can lift the star wars hardware.

So we will have to invent something like the so-called Orient Express, which, in turn, must not only work and be able to have tremendous lift capability many times greater than present lift capability, but also, must lift per pound at a fraction of the cost of the present lift capability; and if it does not, it costs too much to work. That is the first thing that has to be invented.

The second thing that would have to be invented is a space power system, probably nuclear in nature, many, many times greater than anything conceived of right now. The so-called SP-100, the nuclear power reactor which is designed to be put up, we hope, by 1983, is designed at 300 kilowatts. The requirements, if we go to a space-based laser system, would be to have power in the neighborhood of 100 to 200 megawatts—in other words, maybe as much as 600 times as great as the space-based power system scheduled for deployment in 1993. Whether it would work, whether we would have the lift capability to get it up there if it would work, and whether it would even be within the realm of conceivable costs, are very doubtful and skeptical questions.

The third thing we have to invent—or at least which most of our money is

going on now—is a usable beam weapon. The administration is requesting $1.614 billion on directed energy weapons, or what you might call beam weapons, principally lasers. The free electron laser and the x-ray laser are the principal two of those. But we will also be looking in future years, I suppose, at the excimer as well as the neutral particle beam. We are decades away from developing one of those weapons to work, if it ever does work. It is also an open question as to whether the beam not only will work with the designated power, but also, whether it can be brought down in a beam which is coherent enough and has little enough diffusion so as to be directed over a space of perhaps thousands of miles.

Next, Mr. President, we must develop a software program many times more complicated, more involved, more difficult than anything ever conceived of at present.

Dr. David Parnas, the distinguished computer expert, who was a member of the Strategic Defense Initiative Advisory Board on Computer Matters, said it is a dream to think that that could be done; that not only is it beyond the capacity of humans to devise, but also, if devised, it could not be tested; and software that cannot be tested cannot work, almost by definition. In any event, that must be devised, built, and deployed before a system can be run.

Next, these orbiting satellites must be defended. Just last month, I was at Lawrence Livermore Labs, where the experts will frankly say, as the present literature reveals, that there is not any idea—no concept, even—of how to defend orbiting satellites against space mines or against attacks by other satellites. We simply do not know how to do it. We do not know how to conceive of how to do it. Yet, that must be done if we are going to build an architecture providing for defense at the boost phase, the intermediate phase, and the final phase.

Next, Mr. President, we must develop space mirrors, especially if we are going to use the ground-based lasers. There is a lot of doubt about whether lasers will be able to work from the ground, through the atmosphere, and be collected by a mirror in the air. The first problem is that if you use the x-ray laser, it cannot go through a cloud formation. That which you cannot see through, it cannot propagate through.

□ 1410

Excuse me. The free electron laser cannot go through a cloud. The free electron laser is where most of the research is being done.

But if you can build that kind of laser that can go through the atmosphere and can get that much energy, then you must develop a space mirror, so-called rubber mirror, which is many, many square meters in size which must be able to capture this energy and send it thousands of miles to fighting mirrors which would be closer to the Soviet Union.

No mirrors like this have ever been built or devised or even conceived. We do not know whether it can be done, and there is some serious doubt as to whether that can be done.

Next, Mr. President, if we are going to go with the so-called pop-up rockets which would be used in connection with the x-ray laser, the x-ray laser is that which is powered by nuclear explosion and most of the literature and most of the talk and most of the testimony about the x-ray laser is that it would be used in that kind of setting, that is, they would be in submarines and subject to being shot up in the air in order to shoot down the attacking missiles.

The problem is, Mr. President, that if the Soviet Union were to launch their missiles, they would, by definition, have a head start on ours because by the time our orbiting eyes saw the takeoff of the Soviet missile, they would then have to send a message down to the submarine which would be submerged somewhere, that would have to be read by the computers in the submarine. The order would then have to go out to the submarine to fire, missiles would have to go through the water, ignite, go into the air and be up in the air in time, in effect, to catch that Soviet missile which had been launched earlier.

Obviously, Mr. President, this requires a communications system of better reliability and greater haste than those which we presently have.

Because our present system simply cannot be relied upon to shoot automatically a rocket from the submarine in that short period of time, the amount of time that you would have actually to deal with the threat would be something probably less than 60 seconds, depending on whether it is a fast-burn rocket that the Soviets had or not.

So, communication with the submarine is a tremendous problem that has not been solved as yet.

Next, Mr. President, there is the problem of what we call interactive discrimination. It has been discussed here in the last 2 days of debate that when the Soviets would fire their rockets, if they did attack the United States, they would put out a tremendous number of drones or decoys, which would be deployed once the rocket got into space and which would be very light in terms of weight. It might be only mylar balloons but would look to the radar as if it were in fact an incoming rocket. The number of those to be deployed might be in the hundreds of thousands.

So what our system must do is be able to discriminate between that which is a warhead, and it might be a warhead enshrouded itself in a balloon, and to be able to discriminate between that and a balloon. From all outward appearances, the two would be identical, identical in shape, identical in configuration. Neither would have any heat signature and you have to devise a way to discriminate between these two, keep track on the computers as to which was a rocket and which was a warhead and which was just a balloon.

How do they do that? The only way that they have right now is on a conceptual way, and that is to get some kind of a directed energy beam of sufficient power and force to be able to hit one of these balloons and disturb its orbit enough to read the differential in that orbit sufficiently to record that that balloon has a different mass than a balloon containing a rocket or warhead, then to be able to send that signal back and say, tell the computer it is not a warhead; it is a balloon.

The problem is, Mr. President, it must be able to do that with hundreds of thousands of orbiting decoys and warheads. It must first identify it, then send the information back, and then be able to keep track of them all as you are trying to shoot them down both in the boost phase, the intermediate phase, and the final phase, the so-called terminal phase, and it is an incredible problem.

Any one of these things, Mr. President, you might well say we could solve and these are not an exclusive list. This is just a list of things that come to mind all of which must be solved.

It it one thing to say that you can solve them; it is another thing to say that you can solve them at a reasonable cost. If you solve them all and deploy the system and deploy it at a cost that you can afford, which seems like a whimsical idea, then you still have not solved the problem because you have the problem of bombers and cruise missiles. And, of course, the bombers and cruise missiles are not even targets to be defended against by the Strategic Defense Initiative. That would require still another initiative, the air defense initiative, which itself might cost up to a half trillion dollars according to Jim Schlesinger, former Secretary of Defense.

Mr. President, if any of my colleagues are ready to speak on this matter, I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I will be very brief. I spoke yesterday and I do not want to take the Senate's vital time to speak at length.

I want to point out two or three things to my colleagues and that is, No. 1, there is the suggestion here that if we do not defeat the Johnston

amendment, there is not going to be enough in this program to force the Soviets to the bargaining table.

The point has been made, for example, that it was the safeguard system of the sixties where we built this $6 billion antiballistic missile system in North Dakota and dismantled it within 6 months of the time it was completed, but we wasted $6 billion.

The point is made but if we had not done that we never would have gotten the ABM Treaty; it was that system that brought them to the bargaining table.

Let me remind my colleagues and say this as emphatically as I can. We are not scrapping the SDI concept; we are not saying that this will never work; we are not saying that we should never deploy it. We are simply saying that $3.24 billion is enough to do everything we need to do to continue research in SDI.

The Johnston amendment is a cut of $600 million from the armed services bill. And while $600 million is a lot of money, as a matter of fact, the last year I was Governor of my State that is exactly what the total budget of my State was, $600 million, and here we are talking about $600 million on one research project. In 1975 that was enough to run the entire State of Arkansas for a year.

So we are talking about a lot of money, but we are talking about continuing research on this project at a sensible stable rate and hoping that by not just throwing massive sums of money at the project so every college and university in the United States will get a piece of the action and probably wind up spending an awful lot of inefficient money, we are not making that decision right now.

□ 1420

We are just simply saying we think this is a more sensible pace to fund this project.

Maybe we ought to debate whether we should ever deploy this system at all even if it is feasible. But we are not debating that. Everybody in the U.S. Senate that I know wants to continue this research project. What we are saying is money for this project goes into the bottom line of the deficit; $220 billion we are looking at this year. We spent half our time debating Gramm-Rudman and how are we going to meet the $144 billion deficit target for 1987. Here is the place where you can pick up $600 million of it, not jeopardize this project, not dilute our defenses, and give us plenty of time to continue thinking about this whole star wars approach.

Mr. President, I yield the floor.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I ask unanimous consent that the pending amendment may be set aside for up to 5 minutes so that I may offer a technical amendment on behalf of myself and Senator THURMOND.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. I do not intend to object. But I wonder if the Senator would forgo this for a moment and allow perhaps Senator GOLDWATER and myself to have a colloquy with the proponents of this amendment. Concerning time, we feel it is extensive nature, and we have to address many other areas. And we feel a very substantial amount of time has been allocated to this matter thus far. On our side we are anxious to proceed to a vote. We recommend in view of the need to have more time on the other side that we establish the hour of 3 o'clock, at which time myself and the distinguished chairman of the committee will move to table.

Mr. JOHNSTON. Mr. President, I appreciate the courtesy of my distinguished friend from Virginia to put us on notice because, of course, he can move to table at any time. Let me simply say to him that I have at least four Senators, including Senator EVANS on the other side, who is a coauthor, who wants to be heard. Excuse me, let me make that five, including Senator EVANS.

Mr. WARNER. Mr. President, Senator EVANS was free to speak. He has already spoken once and Senator BUMPERS has spoken a second time. The Senator from Louisiana has addressed this issue several times.

Mr. JOHNSTON. Let me say he is the principal coauthor of the amendment. Senator CHILES has been waiting around for a long time, Senator BIDEN has been on the floor a number of times, as has Senator METZENBAUM and Senator GLENN. I do not think they will be that long. This is after all the largest R&D Program in all of the Department of Defense, and I have cooperated all along. I think both sides have in bringing this matter to a full debate. I wonder if we might have until 3:30. I think that would give us time enough to hurry it up and get it done.

Mr. WARNER. Mr. President, I say to my distinguished colleague that we have been quite reserved on this side in terms of conserving time. The Senator from Maine desires to speak. I will have a few concluding remarks. But I urge the Senator to let us look at the hour of 3 o'clock as the time which we can bring this to a conclusion. This gives adequate time for Senators to come off and certainly make their introductory remarks for the balance.

Having said that, Mr. President, I yield the floor.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas has the floor. Is there objection to the unanimous-consent request of the Senator from Texas? Without objection, it is so ordered.

AMENDMENT NO. 2411

(Purpose: To make adjustments in funds authorized for Brooke Army Medical Center, Petroleum resupply facilities in Morocco, and the combat targeting center in Germany)

Mr. GRAMM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM] for himself and Mr. THURMOND, proposes an amendment numbered 2411.

Mr. GRAMM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 263, line 26, strike out "$54,500,000" and insert in lieu thereof "$31,500,000".

On page 264, between lines 14 and 15, insert the following new item: "Morocco, various locations $25,400,000".

On page 268, line 15, strike out "$327,143,000" and insert in lieu thereof "$239,543,000".

On page 268, line 20, strike out "$127,260,000" and insert in lieu thereof "$124,860,000".

On page 272, between lines 7 and 8, insert the following new item:

"Brooke Army Medical Center, San Antonio, Texas, $129,000,000."

On page 274, between lines 13 and 14, insert the following:

"(a) AUTHORIZATION TO CONTRACT IN ADVANCE OF APPROPRIATIONS.—The Secretary of Defense may enter into one or more contracts, in advance of appropriations therefor, for the design and construction of the military construction project authorized by section 2131 to be accomplished at Brooke Army Medical Center, San Antonio, Texas, if such contracts limit the Government's liability to the amount of funds available for obligation at the time each contract is entered into. Such design and construction may be accomplished by using one-step turn-key selection procedures, or other competitive contracting methods."

On page 274, line 14, insert "Repeal Provisions.—" before "Section".

Mr. THURMOND. Mr. President, during the full committee markup of the Defense authorization bill we debated several important issues pertaining to the badly needed replacement hospital at Brooke Army Medical Center, petroleum resupply facilities in Morocco and the combat targeting center in Germany. The Defense authorization bill contains the committee's decisions based on the best available information at that time. Since then, agreements have been reached and new information has been made available from the Department of Defense that makes it prudent to propose

adjustments to those items. These adjustments will not require any additional authorization for appropriation to military construction:

Defense agencies:	*Millions*
Brooke Army Medical Center	+10
General reduction Army medical facilities	−10
Air Force: Morocco—Various locations: petroleum resupply system	+25
Germany: Ramstein protected combat targeting center	−23
Planning and design	−2

Mr. GRAMM. Mr. President, this amendment does two things to deal with opportunities that have come to pass since the armed services authorization bill was adopted. Had either of these things occurred prior to the adoption of the bill they would have been included. The first is a country-to-country agreement with Morocco, that allows us to have a refueling point. The second allows us to end a 10-year dispute which has jeopardized the quality of medical care and training in the Army by authorizing $129 million for the Brooke Army Replacement Hospital in San Antonio.

Mr. President, we have faced a problem with regard to this facility because of the dispute concerning bed size. I remind my colleagues that Brooke Army is a center for medical training in the Army. It is a critical area for the entire military service. What we have done here is crafted a compromise supported by Dr. Mayer in the Defense Department, by the Army, and by the Armed Services Committee. This compromise will allow us immediately to engineer and to begin construction on a 200-bed replacement hospital and teaching facility to allow us to continue all our medical instruction programs in San Antonio.

It is a hospital that will be designed and sited so that, if in the future justification can be given for expanding its size, it can be expanded on an efficient basis to 450 beds. I think this represents a good stewardship of a critical program for the Army, military instruction in San Antonio, and represents a compromise that meets our budget constraint as well.

I thank my colleagues who have worked with me on working out this compromise. I commend it to the body.

I yield the floor.

Mr. COHEN addressed the Chair.

Mr. GOLDWATER addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. I would like to ask my friend from Texas: Is this going to cost any money?

Mr. GRAMM. We have offsets in terms of the outlays that will be undertaken this year. It has been worked out by the committee. There will be no net increase in outlays as a result.

Mr. NUNN. Mr. President, we have looked over the amendment on this side. I think the Senator from New Mexico, Senator BINGAMAN, has worked with the Senator from Texas, Senator GRAMM. We have no objection to the amendment.

Mr. GOLDWATER. We have no objection, Mr. President.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Texas.

The amendment (No. 2411) was agreed to.

Mr. GOLDWATER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GRAMM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Mr. President, earlier today I was in the course of chairing a set of hearings on the need to establish a unified command to combat terrorism in unconventional warfare. Senator NUNN is on the floor helping to manage this bill. I was unable to reach the floor at the conclusion of those hearings in order to offer this as an amendment to the DOD authorization bill. I now request unanimous consent that I be allowed to offer this amendment to the bill.

Mr. JOHNSTON. Mr. President, reserving the right to object, we have been told there will be a motion to table this matter at 3 o'clock. We cannot consider a whole raft of amendments between now and 3 and still vote to table.

Mr. COHEN. The purpose is not to consider it now but simply have it in by 1 o'clock. I was chairing a hearing at 1 o'clock and could not get to the floor.

Mr. JOHNSTON. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. I have no objection.

AMENDMENT NO. 2273

Mr. COHEN. Mr. President, I would like a take a few moments to address the pending issue.

Mr. President, the SDI Program ever since its conception, with what certainly was a conceptualizing speech by the President, has been plagued with a good deal of ambiguity regarding its purpose and objective. The original concept, you may recall, involved providing a sort of shield, an astrodome, to be placed over the United States to protect the population as well as defense installations from an attack by the Soviet Union. That immediately came under a bevy of criticism by a number of scientists saying that it was impossible to achieve and that we were raising false expectations. Then there was a retreat back from the concept of an astrodome over the United States to a point defense.

That, in turn, produced another round of political opposition. So there has been some ambiguity in the description of the scope and in the kind of program that was originally envisioned by the President.

There has also been a good deal of ambiguity regarding the economics of the program itself. We are told by one administration representative that any such program certainly had to be cost effective at the margins. Presumably by that we mean that any deployment of a defensive system would have to provide benefits at a cost less than that required of the Soviet Union or other potential enemy to overwhelm that system with more offensive weapons.

We have moved from the criterion of cost effective at the margin, and now the test seems to be that a system merely be affordable. That seems to me to be an entirely new test, and one which I do not lend my support to.

Now we have arrived at a point where if the system is feasible, it will be deployed, whereas before we were simply seeking to determine whether or not science could carry us to a point where we might consider the possibility of deploying a strategic defense initiative system as some future time.

□ 1430

Then, of course, we have had the interjection of the ABM Treaty into the middle of this. Many of the Members of the Senate were very concerned that our research and development program not be conducted in such a way that it might violate the ABM Treaty.

What we have done there is to have a reinterpretation of the ABM Treaty rather than revoke it, or repeal it outright, or say we will declare it to be nonexistent. We have determined that there is another interpretation which would permit certain types of R&D which would not violate the ABM Treaty.

So there has been a good deal of ambiguity throughout the program.

What has been of concern to me and to many other members of the Armed Services Committee is the need to try to arrive at a consensus on where the program is going and to give it some sort of definition and shape which could command bipartisan support, both in the committee and also here, on the Senate floor.

That has been the objective of the Senator from Georgia and myself.

I have heard the argument back and forth today that to cut the budget down to the 3-percent increase would undercut our ability to negotiate with the Soviets.

I think there is some merit to that argument. But in my view, at least, it is much more important to the Soviets that we have a sustainable program. We can influence their behavior provided they are able to determine what our behavior is going to be. If we have bipartisan support for a program that is fairly well defined, shaped, and funded, that will do more to influence the Soviets over the long term than what we do in any 1 year, either with cuts or increases.

I think what we have tried to arrive at is some sort of balance, some sort of definitional context in which to place the SDI program.

Senator NUNN and I believed that the administration request was too high. We felt that was an inordinate amount of money to spend in 1 year over the previous year and that the money could not be well spent. By the same token, I certainly did not feel that we should limit it to a 3-percent increase, which sounds more like a COLA argument, a cost-of-living adjustment. The pending amendment sounds more like a formula that we apply to NATO, to have a real growth of 3 percent.

You cannot really analyze individual programs based upon that kind of formula.

Senator NUNN and I felt that while the administration request was too high, that the proposed 3-percent increase was far too low. What we tried to do was to arrive at a figure that had some basis in expert testimony.

Harold Brown, former Secretary of Defense—I think one of the most highly regarded Secretaries that we have had—has indicated in some of his prepared statements that this sort of program should be able to absorb not more than a 20 percent real increase during the course of this year.

Secretary Schlesinger, former Secretary of Defense, also indicated that we could perhaps fund this between 20 and 30 percent over last year and spend that money efficiently in active research programs.

Senator NUNN and I decided to arrive at a compromise. There are those on our committee who felt very strongly we ought to spend as much as the President requested and there are those in this Congress who feel we should not go above 3 percent.

We tried to come to a responsible compromise based upon the kind of testimony as Secretary Brown's and Secretary Schlesinger's and we arrived at a 28-percent figure.

Even that was controversial, but what we were trying to do was to build some basis for sustaining support over the long term, not just this year or next year but over the long term. We believe we struck that balance and that compromise with the votes in the committee.

We also tried to balance the SDI account against the other interests that we have in technology. Senator NUNN and I introduced the balanced technology initiative to say that there are other areas where emerging technologies are going to play, a role if not more important, then at least as important as SDI technology in the near term.

I would urge my colleagues not to follow what would seem to be a popular vote, cutting SDI to 3 percent. This is not a COLA program or a NATO program. It is something that is, in fact, an important hedge against the kind of research and development that we know the Soviets are conducting on a very active basis.

I just returned from a seminar conducted by the Rand Corp. in which some of our most brilliant scientists participated. I think there is no doubt that the Soviets have, for at least a decade and probably longer, been investigating rather intensely defensive programs and that we do have to have a hedge against the breakout potential that they pose.

It is important that we not allow this to slip beyond our control.

I hope the Johnston amendment will be rejected, looking at the fact that Senator NUNN and I tried to strike the compromise and get a figure which we believe would be supported by some well-founded, expert testimony and that would provide the basis for continuing this program at a reasonable and responsible level. I hope the Senate will not accept the Johnston amendment.

In March 1983, President Reagan delivered a landmark address to the Nation outlining a vision of a world safe from the threat of nuclear weapons. The vision was based on a plan to transform the nuclear weaponry and thinking of the United States and U.S.S.R. from offensive to defensive.

The speech unleashed an immediate whirlwind of emotional criticism and support. The dust gradually subsided and the Congress began its work of studying and assessing the approach being pursued by the administration. Countless hearings, floor debates, public forums, and private meetings were held to learn the details of the strategic defense initiative and assess the merits of proceeding with it at the pace and scope proposed by the administration.

The debate has been healthy. The President has forced us to turn our thinking in new and innovative directions and to reassess our reliance on offensive nuclear weaponry to keep the peace. But, over 3 years after the announcement of what has become the SDI Program, key elements are still poorly defined and the program has raised serious concerns in the Congress and the country at large.

There is, first of all, still confusion within the administration over the goals of SDI. Some, including the President, speak of a shield-like system to protect land masses and populations. Others talk about defending retaliatory weapons from nuclear attack. The emphasis seems at times to vary from speaker to speaker and audience to audience.

There is also confusion about the nature or operating plan of the SDI. General Abrahamson, the director of the program, has told us that SDI "is a research program, not a program to deploy weapons." The former Under Secretary of Defense for Research and Engineering, Richard DeLauer, said that the program "is a research effort to provide the evidentiary basis for an informed decision on whether and how to proceed into system development." Yet, the Defense Department's Under Secretary for Policy, Fred Ikle, has told us that "the strategic defense initiative is not an optional program, at the margin of our defense effort. It is central."

All of this leads me to ask if we are exploring advanced defensive technologies in order to make a decision or to support a decision which has already been made?

A key question which has not been satisfactorily addressed by the administration is how we would make the transition from reliance on offensive nuclear forces to defensive systems without dangerously destabilizing the nuclear balance and removing incentives for negotiating reductions in offensive nuclear weapons.

The likely Soviet response to increased U.S. defense against ballistic missiles would be to increase the production and deployment of offensive missiles to overwhelm the new U.S. defenses. A study commissioned by the Department of Defense suggested this very scenario. Indeed, Secretary Weinberger seems to have come around to this view in his unclassified memo to the President as it appeared in the New York Times prior to last November's summit meetings with Soviet General Secretary Gorbachev.

So we are faced with a dilemma. Moving from reliance on offensive nuclear weapons to some measure of defense may well make some sense. In studying the proposition, however, it is critical to examine questions related to such a transition: how to avoid triggering a buildup in offensive weapons; how to maintain incentives for negotiating reductions in weaponry of all types; how to maintain the interests of our allies. The administration has not, thus far, anticipated a serious approach to resolving these issues.

Indeed, in the 3 years since the President's speech, there have been some disturbing actions related to the SDI Program which have raised con-

cerns both at home and abroad. Last autumn, for example, the administration announced, without prior consultation with the Congress or our allies, a reinterpretation of the ABM Treaty calculated to permit portions of the SDI Program to proceed beyond what previously would have been allowed. This action raised two fundamental issues: From the standpoint of international law, what did the United States and U.S.S.R. actually agree to in 1972? From the U.S. constitutional standpoint, what was the understanding presented to the Senate in 1972 and afterward which formed the basis for ratification of the treaty and subsequent treaty-related legislation?

In seeking to answer these questions, the Senate Armed Services Committee has sought to review the negotiating record of the ABM Treaty and related documents. The administration has refused to make these documents available. I am forced to wonder why.

The difficulties surrounding this reinterpretation issue have been compounded recently by a disturbing paragraph in this year's arms control impact statements:

> The SDI research program was originally structured in a manner that was designed to permit it to achieve critical research objectives while remaining consistent with a more narrow interpretation of the ABM treaty. This being the case, in October 1985, the President determined that as long as the program receives the support needed to implement its plan, it is not necessary to restructure the SDI program towards the boundaries of Treaty interpretation which the US could observe.

The implication here is that if the Congress does not provide what the administration believes to be adequate funding for SDI, the President will authorize actions in the SDI Program which would carry the United States beyond the traditional interpretation of the ABM Treaty. Such a threat is, to say the least, inappropriate and counterproductive. It exacerbates rather than resolves two critical issues: the scope and pace of the SDI Program and the status of the ABM Treaty reinterpretation question.

Another disturbing development in the SDI debate is the attempt by high administration officials to alter the criteria agreed to by the Congress for assessing the SDI Program. Last year, Ambassador Paul Nitze outlined these criteria as follows:

> Let me note that the criteria by which we will judge the feasibility of new technologies will be demanding. They must produce systems which are reasonably survivable; if not, the defenses could themselves be tempting targets for a first strike. This would decrease, rather then enhance stability.
>
> New defensive systems must also be cost-effective at the margin—that is, it must be cheaper to add additional defensive capability than it is for the other side to add offensive capability necessary to overcome the defense. If this criterion is not met, the defensive systems could encourage a proliferation of countermeasures and additional offensive weapons to overcome deployed defenses, instead of a redirection of effort from offense to defense.
>
> As I said, these criteria are demanding. If the new technologies cannot meet the standards we have set and, thus, not contribute to enhancing stability, we would not deploy them.

In last year's defense authorization bill, the Congress endorsed these criteria and gave them the force of law. Yet, we have been told this year by General Abrahamson and Secretary Weinberger that SDI need only be affordable, rather than cost effective at the margin. This alteration would change a relatively objective criterion into a clearly subjective one. It runs counter to the Congress' intent and, in my view, is unacceptable.

Finally, I am deeply concerned about the escalating costs of the SDI Program and the impact of these costs on other important defense programs. As we look toward the future, we must determine if we are prepared to maintain our national interests in an environment in which nuclear weapons play a decreasing role. While we have been spending an increasingly higher share of our research money on SDI, we have been draining resources from research in an area in which the Warsaw Pact clearly is superior: conventional armaments. To cite one example, in the area of armor and antiarmor capabilities, a Defense Science Board study concluded last year that the Soviet Union is 10 years ahead of the United States. After reviewing this study, Secretary Weinberger is reported to have stated: "Not only are we behind the Soviets, but we are falling further behind at an alarming rate."

As I look at the strategic defense initiative 3 years after the President's speech, I see a program with rapidly eroding support. The notion of an umbrella or shield to protect against nuclear attack is not taken seriously, as virtually all scientists agree that a totally leak-proof shield is, to put it mildly, unrealistic. General Abrahamson has bent over backward to bridge the gap between rhetoric and reality. Last December, he told the Strategic Subcommittee: "Obviously, a defense is perfect if it is so good that the other side decides they cannot achieve their military objective, and therefore, they do not attack and we achieve deterrence." Mr. President, if we were to accept that as the definition of the perfect defense that General Abrahamson is seeking, some might argue that our current and projected offensive force structure meets the mark.

In sum, continuing debate within the administration over the goals, pace, direction, and negotiability of SDI has led to increasing skepticism and declining support in Congress. This, in turn, has a damaging effect on relations with our allies and reduces its value in weapons reduction negotiations with the U.S.S.R.

Eroding support for SDI was graphically demonstrated in the recent letter sent by 46 Senators from both sides of the aisle—and subsequently endorsed by at least 2 other Senators—calling for a limit of 3 percent real growth in SDI funding in fiscal year 1987. The administration has requested a real increase of 73 percent. This request is not only unrealistic in these budget-constrained times, it is also unnecessary to sustain a vigorous SDI research effort.

Mr. President, in my view, it is not in the Nation's interest to have SDI fall into oblivion. Every U.S. administration and Congress since the ABM Treaty went into force has supported research and development on defensive systems and related technologies. SDI provides a means of hedging against Soviet breakthroughs in advanced defense-related technologies, providing leverage in arms control negotiations, and offering possible improvements in the survivability of the U.S. strategic deterrent force.

I believe that simply cutting money from the SDI Program is not the way to deal with the concerns that I and many of my colleagues have with the SDI Program. We must, in my view, clearly define the objectives of the U.S. defense research effort and refine and shape our approach to achieving these objectives. It is time to broaden the debate on this critical subject and attempt to work toward a bipartisan consensus on the direction and scope of the program.

It was for these reasons that Senator NUNN and I, along with other colleagues on the Armed Services Committee, introduced what we have termed the balanced technology initiative. Under this approach, the SDI would be but one part—albeit an important part—of a broad-based and balanced U.S. technology initiative aimed at ensuring our security, and that of our allies, in both nuclear and nonnuclear military environments. Our premises are as follows:

SDI is absorbing an inordinate portion of defense dollars allocated to research and development. In fiscal year 1985, SDI accounted for 4 percent of all Pentagon research and development funding; this figure would climb to 15 percent by fiscal year 1989 under the administration's plans. Indeed, the administration's plans would fund SDI at a higher level next year than the entire research and development budget for the U.S. Army. This build-up in SDI funding has coincided precisely with the decline in the defense technology base funding.

Efforts to find means of developing a leak-proof population defense

against ballistic missiles are extremely unlikely to prove successful.

Even if we were successful in developing such a population defense, we would have to address other means of delivering nuclear weapons such as cruise missiles and aircraft.

If SDI was successful in making nuclear weapons "impotent and obsolete," we would still—more than ever, in fact—be confronted with the disparity in conventional power between NATO and the Warsaw Pact.

This brings us back to the draining impact of SDI on advanced conventional technology research in recent years.

We must, in my view, begin immediately to deal with this problem. The way Senator NUNN and I propose to do this is through an expansion of the role of technology and innovative weapons concepts while reducing the growth rate of SDI.

Specifically, in the bill approved by the Senate Armed Services Committee, the SDI budget has been reduced by over $1.4 billion from the amount requested by the administration. This would not starve the SDI Program. The $3.95 billion authorized for the SDI Program would still represent a 28-percent increase over last year's figure. The reduction, accompanied by report language outlining the committee's views and intentions, should have the effect of altering the emphasis in the SDI Program from an unrealistic objective of a shield toward a greater emphasis on developing survivable and cost effective defensive options for enhancing the survivability of U.S. retaliatory forces and command, control, and communications systems.

In order to expand the role of advanced conventional technology efforts, the committee's bill includes measures to strengthen both the defense technology base and research on advanced conventional warfare technologies. The objective is to leapfrog current quantitative imbalances between NATO and Warsaw Pact forces along with the narrowing qualitative advantages of current fielded equipment.

To accomplish this, the bill authorizes the expenditure of not less than $300 million for enhancing technology research in selected areas of conventional defenses. The bill also authorizes not less than $153 million for restoration of the conventional defense technology base. This is the area which has produced such breakthroughs as radar, jet engines, and Stealth technology.

We have provided in the bill that no portion of the $453 million authorized for enhancing research on conventional defense concepts and capabilities and for restoration of the conventional defense technology base may be applied to any project or activity in support of the Strategic Defense Initiative.

Mr. President, I believe that the balanced technology initiative offers a means of providing focus and direction to our country's efforts to develop and sustain a viable research effort in advanced defensive technologies. It addresses the concerns voiced by many in this body and elsewhere that our strategic defense program lacks clear objectives and priorities and is draining resources from areas in which there are more immediate needs.

In his address to the Nation last February, President Reagan spoke of SDI and our reliance on nuclear weapons:

> But while SDI offers hope for the future, we have to consider today's world. For too long, we and our allies have permitted nuclear weapons to be a crutch, a way of not having to face up to real defense needs. We must free ourselves from that crutch. Our goal should be to deter, and if necessary to repel, any aggression without a resort to nuclear arms.

These are valid points which, in my view, point up the need for the approach outlined in the balanced technology initiative included in this year's defense authorization bill. After 3 years of debate, it is time to begin developing a broad-based, broadly supported approach to our Nation's defense research efforts. I believe the balanced technology initiative provides a basis for consensus and I urge my colleagues to support this concept.

Mr. GOLDWATER. Mr. President, the Senator from Louisiana [Mr. JOHNSTON] and the majority leader, Senator DOLE, have agreed that we would vote at 3:30.

Mr. NUNN. I hope that would be possible. I have given notice to Senator BYRD, and he will send word back. He would like to be on the floor for any unanimous consent. I certainly support that request, and I hope we can vote at 3:30.

Mr. GOLDWATER. I did not announce a unanimous consent. I announced a decision by the majority leader.

Mr. President, I rise in opposition to the amendment by my colleagues Senators JOHNSTON and PROXMIRE which would reduce funding for the President's Strategic Defense Initiative [SDI] Program by an additional $700 million below the level recommended by the Committee on Armed Services.

The committee has already reduced the administration's request for the SDI Program by almost $1.4 billion, a reduction of 26 percent. I believe that the level of funding contained in the committee bill is already too low for a number of reasons. These include the need to develop deployment options to respond to a Soviet ABM Treaty breakout; the need to provide defensive options to enhance the survivability and effectiveness of our strategic forces; and the need to provide a more stable and effective basis for deterrence than our current sole reliance on offensive retaliation.

The funding level of $3.6 billion for the Department of Defense portion of the SDI Program contained in the committee bill, and the accompanying report language—which has been referred to several times on the Senate floor—were controversial issues in committee and were adopted by votes of 10 to 9. I opposed these amendments in committee, and continue to believe that this funding level is not adequate to support valid U.S. national security requirements. I continue to support an SDI funding level of $4.05 billion, the level recommended by Senator WARNER's Strategic Subcommittee.

In view of my concern about the inadequacy of the SDI funding level contained in the committee bill, I am very much opposed to the pending amendment by my colleagues which would reduce funding by an additional $700 million. This amendment would have the effect of reducing funding for the SDI Program by a total of $2.1 billion—or 40 percent—from the administration's request.

An additional reduction of this magnitude would have grave programmatic implications for the SDI Program, delaying significant portions of the program and driving up overall costs. I view these delays in the program as particularly disturbing, because every month that we delay in developing strategic defenses is another month we give Soviet planners to devise means to counter our defensive system. Thus, by delaying the SDI Program we increase the likelihood that the Soviets will be able to develop countermeasures to it.

Mr. President, eight of my colleagues on the Committee on Armed Services joined with me in submitting minority views on the SDI Program in the committee report. These minority views explained in some detail our views about the SDI Program, and our reasons for opposing the committee's action. In addition, I received a letter from the President on June 4, 1986. In that letter he expressed the very high priority he attaches to the SDI Program, and the concerns he has about the implications of a 3-percent real growth funding level for the program. At this time, I ask unanimous consent that these documents be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MINORITY VIEWS OF MESSRS. GOLDWATER, THURMOND, WARNER, HUMPHREY, QUAYLE, EAST, WILSON, DENTON, AND GRAMM, ON THE STRATEGIC DEFENSE INITIATIVE PROGRAM

We would like to express our opposition to the action taken by the Committee on the President's Strategic Defense Initiative

(SDI) program. The full Committee rejected the recommendation of the Subcommittee on Strategic and Theater Nuclear Forces to fund the program at $4.05 billion. Instead, the Committee reduced funding for the SDI program in the Departments of Defense and Energy budgets by a total of $1.4 billion from the Administration's request of almost $5.4 billion. The Committee applied $453 million of that reduction to a complementary technology initiative in conventional defenses. Report language was adopted regarding the SDI program and a conventional technology initiative under the notion of a "Balanced Technology Initiative". These actions were taken by the Committee as a result of a series of 10-9 votes. We strongly disagree with both the level of funding for the SDI program and with the associated report language.

We believe that the funding level for the SDI program resulting from this amendment is insufficient to meet the requirements of our national security. In addition, although we support an aggressive program to develop high technology conventional defenses, we do not support the conventional technology initiative as described in the Committee report. We agree that more focus is required in defining objectives and milestones for the SDI program. Finally, we regret that the manner and timing of the introduction of this initiative into the Committee's deliberations inhibited rather than facilitated potential bipartisan cooperation on the concept. We believe that we must, therefore, express our views on the SDI program.

SDI FUNDING LEVEL

In our judgment, a more aggressive SDI program is necessary for several important reasons. The full range of Soviet activities in the area of strategic defense indicate that the Soviet Union may be preparing an ABM defense of its national territory in violation of the 1972 ABM Treaty. As a result of these activities, the Soviet Union is in a position to rapidly break out or "creep out" of the ABM Treaty.

A unilateral widespread deployment of strategic defenses by the Soviet Union would be highly destabilizing. When viewed in the context of the vast counterforce capability of Soviet strategic and theater nuclear forces, such a deployment would further undermine the credibility of the United States strategic deterrent and thus pose a grave threat to our national security and that of our allies. An aggressive SDI program is necessary to provide the United States with deployment options should further Soviet activities to expand its strategic defenses or increase its offensive forces require a response by the United States.

An aggressive SDI program is also necessary because of the role that strategic defenses could play in enhancing the survivability of U.S. strategic forces—an important objective of our strategic force modernization program—and of U.S. and allied conventional forces in various theaters. By denying Soviet warplanners the option of a credible disarming first strike, and in general by significantly reducing the level of confidence they have in their warplans, strategic defenses would provide increased stability in a crisis and thus enhance deterrence.

In that regard, even limited strategic defense deployments could make an important contribution to U.S. national security. As a nation, we should have a balanced force posture including both strategic offensive forces and strategic defenses. While we comply with our current arms control obligations, our arms control policies should be aimed at facilitating a transition to this more balanced force posture. As the Administration's policy rationale for SDI has evolved, there has been an increasing emphasis on this important role for strategic defenses in our deterrent strategy. As we will discuss later, we believe that even greater emphasis needs to be given to this important role for strategic defenses.

Finally, we believe it important to support an aggressive SDI program because of the role that it plays in the United States arms reduction strategy. It is clear that the Soviet desire to halt the SDI program was the decisive factor influencing Moscow's decision to return to the negotiating table in Geneva. The SDI program has supported U.S. arms reduction negotiating efforts in the short term, and by reducing the utility of ballistic missiles it holds the promise of facilitating U.S. efforts to achieve significant and stabilizing offensive arms reduction in the future. In our judgment, reductions of the magnitude contained in the current bill undercut the U.S. negotiating team in Geneva and the important work its members are trying to do.

The SDI Organization (SDIO) has been able to absorb Congressional funding reductions in previous years by making premature down-selections in a variety of technology areas. That has introduced increased technical risk into the program. Large funding reductions this year cannot be accommodated in a similar fashion, because in most cases these premature down-selections have already been made. The SDIO will, therefore, be forced to make decisions between technology development and the validation of that technology through testing. Since we are several years into the SDI program, the portion of the total SDI budget consumed by the technology validation effort has grown naturally as the technology that is being developed requires testing.

According to the SDIO, $4.1 billion will be required in fiscal year 1987 simply to maintain a level of activity consistent with the contractual obligations undertaken in previous years. The funding level provided by the Balanced Technology Initiative is $500 million below that sustaining level. Therefore, it threatens to delay the planned early 1990s decision, and thus delay the availability of options to move toward a more stable and effective basis for deterrence through the introduction of strategic defenses.

SDI PROGRAM OBJECTIVES

We do believe that the goals and objectives of the SDI program need to be more clearly defined by the Administration. Perhaps more important, however, we believe that they need to be more forcused on performing specific military missions. We continue to support the President's long term goal of highly effective strategic defenses that would offer comprehensive protection of the United States and the American people. The feasibility of such defenses remains to be demonstrated, and an important objective of the SDI program should be to determine it.

There are, however, more limited objectives that strategic defenses can meet prior to demonstrating the feasibility of comprehensive population defense. The SDI program should be indentifying promising initial deployment options that are designed to erode the confidence of Soviet leaders in their warplans. In this way, strategic defenses could address urgent military requirements that the United States faces in the near-term. For example, early applications of strategic defense technology could be used to enhance the survivability of our space systems, which are vital in deterring both conventional and nuclear conflict.

The principal targets of Soviet strategic offensive forces are: U.S. strategic forces; their supporting command, control, and communications systems; leadership; other military forces; and war-supporting industry. The ultimate objective of the SDI program is to destroy ballistic missiles before they reach their targets, whatever those targets may be. Initial strategic defense deployments could be used preferentially to defend those and other targets, and in so doing introduce a significant degree of uncertainty in the minds of Soviet warplanners. By demonstrating to the Soviets that they cannot with confidence achieve their objectives in using nuclear weapons, strategic defenses of even limited effectiveness would significantly enhance deterrence.

The Armed Services Committee has stated in the past that it believes that inadequate emphasis is being given within the SDI program to the development of initial deployment options. We continue to be concerned that the SDI Organization has institutionalized a response to the President's challenge that is biased against the development of intermediate options. Our recognition of the potential contribution of initial strategic defense deployments does not indicate a lack of support for the SDI program's long-term objectives. Rather, it is a recognition that an evolutionary approach to the President's vision could provide positive benefits to our national security in the near-term.

Another area that has received less attention than it deserves is the application of strategic defense technologies to the problem of theater defenses. Because the Committee believes that the threat to our allies posed by Soviet tactical ballistic missiles has received inadequate emphasis, this year we have initiated the development of an anti-tactical ballistic missile system for deployment. This is a good example of how the SDI program can make a positive contribution to our national security and that of our allies in the near-term.

The budget environment we face today is very different from the one that existed at the time of the President's March 23, 1983, speech. The need to limit overall federal spending has created significant constraints on the defense budget. In this environment, the SDI program must address today's real military requirements if it is going to compete successfully for scarce resources.

ENHANCED CONVENTIONAL DEFENSE

There is no disagreement among members of the Committee on the need for a significant research and development effort to enhance our conventional capabilities. In view of significant Soviet numerical advantages in conventional forces, an advantage that we are unlikely ever to match, we need the force multiplier effects that innovative concepts like smart weapons can provide. In addition, as strategic defense reduces the military utility of ballistic missiles, it will be incumbent on our conventional forces to take on a greater share of the burden in meeting our extended deterrent commitments. We therefore view strategic defenses and enhanced high-technology conventional forces as complimentary.

We do take issue, however, with the approach to enhancing our conventional capability that is outlined in the Balanced Technology Initiative. That approach seems to seek a solution to a problem simply by

throwing money at it. It invites the same criticism that is often heard regarding the rapid growth in funding for the Strategic Defense Initiative program. The notion of throwing money at a problem, without clearly defining the goals and objectives of the research, is just as wrong in the area of conventional defense as it would be in any other area of defense investment.

More important, in the context of the overall recommendations of the Committee for funding for research and development, the Balanced Technology Initiative amounts to little more than a technology "shell game". Under the pressure of budgetary constraints, the Committee recommended undistributed reductions totalling over $2.0 billion to research and development accounts. A significant portion of this reduction will of necessity be applied to ongoing technology base, advanced technology, and defense-wide support activities that the Committee has supported in the past. Many of those programs directly address the conventional shortfalls that are the target of the proposed initiative. It makes little sense to us to significantly reduce ongoing programs supported by valid requirements and budget requests, while reallocating resources to new programs in amounts that will be difficult to obligate in the initial year. Such an approach can hardly be viewed as an "enhancement" of our conventional defense technology base.

There are practical problems in the implementation of the Balanced Technology Initiative as well. For example, the allocation of a single dollar of Balanced Technology Initiative funding protects the recipient program from undistributed reductions. In view of the magnitude of the undistributed reductions contained in the Committee's recommendations, one can imagine the bureaucratic chaos that is likely to occur in the scramble by program managers to seek immunity from undistributed reductions by securing a claim to Balanced Technology Initiative resources. In addition, the language of the initiative stipulates that no funding can be applied to any project or activity that supports the SDI program. As a consequence, a defense agency project that is conducting the vast majority of its work on a vital conventional defense program, but they receive a very small portion of funding for activities to support the SDI program, will be prohibited from benefitting from Balanced Technology Initiative funding.

In addition, the Balanced Technology Initiative approach ignores the activities within the SDI program that have an important and direct application to conventional defense. The distinction drawn in the initiative between technologies and weapons systems that are applicable to nuclear rather than conventional conflict is not as clear as it once was. The sensor activities within the SDI program will make an important contribution to high-technology conventional defense. The space system survivability activities within the SDI program will help to ensure that our strategic and conventional command, control, and communications systems and survivable and therefore effective. In addition, certain weapons systems being developed under SDI may in the end have a more important application to conventional than to strategic defense. For example, railgun technology has great promise for ship defense and anti-armor applications, two areas that are stressed in the Balanced Technology Initiative. It is therefore likely that significant reductions in the SDI program will slow the development of systems that have both conventional and strategic defense applications.

BARRY GOLDWATER,
Chairman.
STROM THURMOND.
JOHN W. WARNER.
GORDON J. HUMPHREY.
DAN QUAYLE.
JOHN P. EAST.
PETE WILSON.
JEREMIAH DENTON.
PHIL GRAMM.

THE WHITE HOUSE,
Washington, DC, June 4, 1986.

Hon. BARRY GOLDWATER,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR BARRY: Soon you and your colleagues will be engaged in deliberations about one of the most important defense programs this country has ever undertaken. I want to emphasize once again my strong commitment to this program.

The Strategic Defense Initiative (SDI) holds the promise of reducing the risk of nuclear war by establishing a safer, more stable basis for deterrence and by providing new and compelling incentives to the Soviet Union for seriously negotiating reductions in existing nuclear arsenals.

I am particularly concerned about the letter which you received from 46 of your colleagues who recommended an SDI funding freeze. In making the difficult budget decisions before you, I hope you will bear in mind why SDI must continue to be a top national priority.

The SDI research program has already yielded considerable dividends on our investment. Because of good management, the program has progressed significantly, meeting our technical expectations and more. Moreover, the Soviets are back at the table in Geneva discussing nuclear arms reductions for the first time in recent memory, and SDI is one of the key factors which brought them back.

Cuts in SDI funding would undermine our broad program for responding to the Soviet strategic threat. Our effort to maintain the balance which has kept the peace has three components: modernizing our offensive nuclear retaliatory forces over the near term; negotiating radical reductions in offensive nuclear arms; and taking steps now to determine future options for ensuring deterrence and stability over the long term through the introduction of effective strategic defenses.

Each of these efforts is necessary and complementary to the others; to reduce our commitment to one is to undermine the effectiveness of the others, including arms control.

Cuts made in SDI funding requests last year have already slowed progress in several key areas and have narrowed the range of technologies we can explore. Further cuts would seriously compound these problems. They would increase our risks in two ways: first, we would not have sufficient funds to explore thoroughly some important technologies; second, the risk to our national security would also be increased by setting back SDI's potential to answer the relentless growth of Soviet programs in both strategic offense and defense.

The debate about strategic defenses has been widespread and lengthy. No doubt it will continue. But to make an informed judgment about the possibility of effective strategic defenses, the SDI program must be sustained.

Now is the time to come together and support the vital scientific and technological exploration of strategic defenses at the levels of funding I have requested. To do otherwise would be short-sighted. I urge you to join me in a continued commitment to SDI and a safer future.

Sincerely,

RON.

Mr. GOLDWATER. In closing, Mr. President, I again urge my colleagues to oppose the pending amendment. It would reduce funding for the President's SDI Program to a level that is insufficient to meet the requirements of U.S. national security. As I stated this morning, the Soviet Union already has a strategic defense system protecting important assets in the Soviet Union. The question we should be asking ourselves is whether the United States should be defended as well.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, I join in this debate today in opposition to the pending amendment and hope the amendment is defeated. In doing so, I want to point to an imbalance between the military posture of this country and of our major antagonist in the world, the Soviet Union. It deals with a question that is perhaps more directly linked to another portion of this bill than to the SDI, but is inevitably linked to this discussion.

This defense authorization bill contains sense-of-the-Senate language which unfortunately would recommit the United States to continue unilateral compliance with the SALT II Treaty, which, I might point out again, is unratified and by its own terms would have expired if it had been ratified, was unequal in the first instance and should never have been signed let alone ratified.

U.S. unilateral disarmament is a dangerous policy which the history of the 1930's clearly demonstrates does not contribute to world peace. This language is on page 219 of the bill and reads as follows:

It is the sense of the Senate that it is in the national security interests of the United States to continue voluntary compliance with strategic offensive arms agreements with the Soviet Union by recognizing the central numerical sublimits on strategic nuclear delivery systems contained in such agreements so long as the Soviet Union complies with such limits.

Mr. President, let me comment on this language and then disclose some new judgments just received yesterday which bear upon this language.

First, President Reagan has long confirmed that the Soviets are above the overall number of strategic nuclear delivery vehicles they had in June 1979 when the SALT II Treaty was signed. That number was 2,504.

The Soviets are also well above the overall SALT II ceiling on strategic nuclear delivery vehicles, 2,250.

But now it is confirmed that the Soviets are increasing their margin of violation. I would now like to reveal an altogether new verification judgment released just yesterday by the U.S. Arms Control and Disarmament Agency, the only executive branch agency with the legally established duty to make verification judgments, and cleared for declassification by the Central Intelligence Agency.

Their clearance and review is on the basis that it does not reveal U.S. intelligence sources and methods.

I am indebted to my distinguished colleague, the senior Senator from North Carolina and ranking Republican member on the Foreign Relations Committee, Senator JESSE HELMS, whose questions to ACDA and the CIA generated this declassified ACDA-generated judgment:

The number of Soviet strategic nuclear delivery vehicles that are accountable under SALT II is now larger than it was when in 1984 and 1985 President Reagan found the Soviets to be in violation of their obligation to abide by the SALT II Treaty, and the number is larger than it was on May 27, 1986, when President Reagan announced his intention to abandon U.S. compliance with the SALT II Treaty by November 1986.

The precise numbers are difficult to determine, due to severe Soviet camouflage, concealment, and deception, which deliberately impedes United States verification by national technical means, also in violation of SALT II. The number of Soviet strategic nuclear delivery vehicles is classified, but it is well above and increasingly above 2,504.

Thus, Mr. President, the Soviets have far exceeded the SALT II overall ceiling of 2,250 strategic nuclear delivery vehicles, but more importantly, the Soviets are increasing even the number of strategic nuclear delivery vehicles over the number that they had when SALT II was signed in June 1979—2,504. This is a clear-cut, conclusive verification judgment supported by strong intelligence evidence whose interpretation is not disputed. The Soviet violation of the overall SALT II ceiling is increasing as the Soviets continue to deploy TU-95 Bear H heavy bombers equipped with long-range cruise missiles, new Blackjack heavy bombers equipped with ALCM's, and SS-25 road mobile ICBM's.

The fact that the Soviets are increasing their confirmed violation of overall SALT II is agreed to by everybody, except Ambassador Paul Warnke. I might note that he negotiated most of SALT II.

Paul Warnke says he has better intelligence and better judgment than President Reagan. Everyone is entitled to his own opinion, of course, but not to his own facts.

Mr. NUNN. Mr. President, will the Senator yield for a unanimous-consent request while the minority leader is on the floor?

Mr. McCLURE. I shall be happy to yield at this point, if I may do so without losing my right to the floor.

Mr. NUNN. Without losing his right to the floor.

The PRESIDING OFFICER. The Senator from Georgia.

UNANIMOUS-CONSENT REQUEST

Mr. NUNN. I ask unanimous consent that a vote occur in relation to the Johnston amendment at 3:30 p.m. today with no intervening motions or amendments.

Mr. JOHNSTON. Reserving the right to object, Mr. President, is that time to be equally divided?

Mr. NUNN. The time would be equally divided between the Senator from Virginia [Mr. WARNER] and the Senator from Louisiana [Mr. JOHNSTON].

The PRESIDING OFFICER. Is there objection?

Mr. WARNER addressed the Chair.

Mr. WILSON. Objection, Mr. President.

The PRESIDING OFFICER. Objection is heard.

Mr. WARNER. Mr. President, may I finish my observation?

First, do I understand that if we reconsider this unanimous-consent request, a motion to table would be in order?

Mr. NUNN. Yes, Mr. President.

Mr. WARNER. I understand from the leadership on this side of the aisle and that side of the aisle that a motion to table would be in order. We have heard objection, so for the moment, I shall not pursue this matter further, except to say to all Senators listening that this has the strong backing of the majority leader.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, I repeat that Paul Warnke says that he has better intelligence and better judgment than President Reagan. Everyone is entitled to his own opinion, of course, but not to his own facts. The facts in this case are clear, which is why only Warnke disputes them.

The facts of this Soviet SALT II violation are probably the reason that the Senate proponents of SALT II have deliberately ignored the overall ceiling of SALT II in their bill language, and have instead focused only upon the SALT II sublimits.

But, Mr. President, let's turn to the SALT II sublimits. These are: 820 MIRV'd ICBM's for each side; 1,200 MIRV'd ICBM's and MIRV'ed SLBM's for each side; 1,320 MIRV'd ICBM's, MIRV'd SLBM's, and heavy bombers equipped with long-range air-launched cruise missiles on each side.

The most important of these SALT II sublimits is the 820 sublimit on MIRV'd ICBM's. This is because it attempts to constrain the most lethal weapons in the world—MIRV'd ICBM's—which are capable of first-strike, counterforce attacks upon U.S. ICBM silos and other hardened targets. According to official, authoritative, unclassified information, the Soviets now have 818 MIRV'd ICBM's. Thus only three more Soviet MIRV'd ICBM launchers deployed will put the Soviets over this ceiling.

Mr. President, it is important to consider the following brandnew verification judgment made by ACDA and cleared for declassification:

We cannot exclude the possibility, in the context of the SALT II Treaty, that several launchers for the SS-X-24, a rail mobile MIRV'd ICBM, have left their place of final assembly and may therefore be accountable under SALT II.

These two new ACDA verification judgments mean that, in addition to being increasingly above the overall SALT II ceiling, the Soviets may now also be over the most important sublimit of SALT II, the sublimit of 820 MIRV'd ICBM's. "Several launchers" for the MIRV'd SS-X-24 rail mobile ICBM is, according to Webster's Dictionary, "more than two." More than two is at least three. If three or more SS-24's are SALT II-accountable, then the Soviets are over the sublimit of 820, because they already have 818. The burden of proof that the Soviets are not already violating the most important sublimit is on the proponents of United States SALT II compliance, and they cannot prove that three SS-24's are not already deployed, because United States intelligence cannot prove otherwise. Given the long track record of United States intelligence continuously underestimating Soviet strategic forces, I believe that the three SS-24's are in fact already SALT II-accountable. Perhaps this is why the Soviets are trying to continuously camouflage and conceal their SS-24 rail mobile launchers.

In sum, the Soviets may already be over the main sublimit of SALT II, as well as the overall ceiling. Indeed, further supporting this conclusion is the following statement from the Defense Department's authoritative unclassified book "Soviet Military Power" published in April 1986:

The SS-X-24 deployment in a rail mobile mode could begin as early as late 1986. . . . Early preparations for the deployment of the SS-X-24 are already underway.

This same document also stated that rail mobile SS-24 deployment was expected "soon." These Defense Department statements are consistent with the recent ACDA and CIA verification judgment that the SS-24 may already be deployed.

Mr. President, it will be late 1986 before this Defense Authorization bill is signed by the President into law,

and SS-24 deployment is probably already underway. By late 1986, an additional Soviet Typhoon SLBM submarine and an additional Delta IV Class SLBM submarine will probably begin sea trials, thus becoming SALT II-accountable. When this happens, the Soviets will be above the SALT II sublimit of 1,200 MIRV'd ICBM's and SLBM's. These submarines are about to be launched, so it is clear that the Soviets already intend to exceed two of the three SALT II sublimits. I hope that the proponents of continued United States unilateral compliance with the SALT II Treaty will realize the danger and futility of continued United States compliance in light of these new ACDA and CIA verification judgments on Soviet violations of the overall ceiling and the most important sublimits of SALT II.

Defense Secretary Weinberger made an important and correct statement in his article in the spring 1986 edition of Foreign Affairs:

> Even with the SALT II restraints, the Soviet Union has built more warheads capable of destroying our missile silos than we had initially predicted they would build without any SALT agreement.

I strongly agree with the tragic accuracy of this conclusion, as well as with Secretary Weinberger's famous statement that we are facing precisely the situation that the SALT process was supposed to prevent. We must not continue with this folly of trying to lend legal or political support to continued United States uniliateral SALT compliance. This is simply unilateral disarmament and appeasement. It did not work to preserve peace against Hitler's arms control treaty violations of the 1930's, and it will not work against Gorbachev's arms control treaty violations of the 1980's.

□ 1450

In view of that tragic and threatening history, it seems to me we should not shut our eyes or turn our backs to the possibility of developing a new means of countering Soviet military capability. It would be a tragic mistake on the part of the Senate of the United States to adopt the pending amendment, and I hope it is resoundingly rejected.

Mr. QUAYLE, Mr. METZENBAUM, and Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, I rise in opposition to the amendment to reduce by more than $2 billion the funding requested by the administration for the Strategic Defense Initiative Program. This is more than $700 million below the committee's recommended level. In my judgment, the amendment is ill-advised at a time when the United States is embarking upon a vigorous and comprehensive research program to analyze and design defenses that enhance the security of our Nation and our allies, provide a hedge against a Soviet breakout of the ABM Treaty and ultimately, if feasible, provide options on whether to develop and deploy advanced defensive systems. As I have said many times before this body, the SDI represents a welcome shift in our strategic policy from one which relies upon mutual assured destruction for deterrence to one based upon a commitment to self defense. The effect of this amendment would be to gut many of the existing projects now ongoing within the SDI organization.

The administration requested $4.7 billion in its 1987 defense budget for the SDI, and another $534 million for Department of Energy accounts, in order to build upon the 1986 program. The Armed Services Committee reduced the DOD figure by $1.1 million down to $3.59 billion. Also, the committee reduced the administration's request for Department of Energy accounts from $534 million to $356 million. I believe this is the minimum acceptable funding for the SDI in either department if we are to countinue the intensive research already begun in many defense technologies.

Thus far the SDI has taken a balanced approach toward ballistic missile defense by stepping up the pace of research on advanced, long-range defense concepts such as directed energy devices while continuing work on more mature, nearer term BMD concepts. This is an approach I have advocated since the inception of the SDI. However, in my judgment, the SDI Program should place greater emphasis on research in conventional defense technologies. The United States must maintain the option of deploying a BMD system of relatively mature technology within a decade. This is an appropriate response to the ongoing and extensive Soviet antiballistic effort. The Soviet Union has had a very active BMD Program for many years and has constructed an ABM system around Moscow. They are also engaged in extensive research on lasers and neutral particle beams for strategic defense, on which I understand they have more than 10,000 scientists working. Many of these could be developed by the early 1990's. It is vital to our Nation's security that we provide a deterrent to any Soviet decision to expand its ballistic missile defense capability beyond that permitted by the ABM Treaty.

The ability to respond to unforseen national and international developments quickly and effectively constitutes one of the greatest reasons for pursuing BMD research. We have already shown substantial success in this area when, in June 1984, the Army homing overlay experiment demonstrated the capability of a nonnuclear missile to intercept and destroy an incoming warhead outside the Earth's atmosphere. Also, Mr. President, in June of this year, the Army's flexible lightweight agile guided experiment or FLAG demonstrated the ability to intercept targets within the atmosphere using nonnuclear means. If we are to continue to make such great and progressive steps forward in this important research, it is essential that the Senate defeat the amendment. In fact, in my judgment, the reduction in the committee bill is already too large in the view of valid U.S. national security requirements. In that regard, I will therefore be supporting an amendment which be offered later which would increase funding for this program to $4.05 billion. This is the level recommended by the Strategic Subcommittee.

Critics of the SDI Program argue that it constitutes a breach by the United States of the ABM Treaty. In my opinion, and that of many experts, this charge is totally unfounded. The ABM Treaty places limitations on deployment of an ABM system and prohibits development, testing, or deployment of space-based, sea-based, air-based or mobile land-based ABM systems or components. SDI is a comprehensive research program only and does not include development or testing inconsistent with the treaty. No decision on development or deployment of the system has been made nor will it be made until we know the results of the research. Nothing in the ABM Treaty prohibits this type of research. With the SDI Program the United States is merely investing in research of a wide range of technology such as computers, sensors, radars, high energy particle beams and lasers. If a comprehensive, strategic defense system proves not to be feasible the program should nonetheless yield many important technological spinoffs.

A second criticism leveled at the SDI Program is that it will prove both destabilizing and provocative. In my judgment, development of a strategic defense system would only accelerate and guarantee a nuclear ballistic missile disarmament. If these new technologies do prove feasible and a defense system can be both cost effective and survivable it would ultimately increase a potential attackers' uncertainty about the likelihood of a successful attack, which would enhance deterrence. If each side neutralizes the others offensive ICBM capability the threat of ICBM's must be reduced. The United States must pursue equal and verifiable agreements with the Soviet Union to produce real reductions in the nuclear arsenals of both sides. The SDI can be a crucial means by which such agreements can be reached.

Mr. President, those of us that support the strategic defense initiative also demand the cost of the program be kept reasonable. However, the funding reduction proposed in this amendment would absolutely cripple the SDI Program. To merely sustain the contracts already begun will cost $4.1 billion. Further, the current funding proposed for the program by the Armed Services Committee is below that recommended by the Fletcher study and must be maintained if we are to meet the goals and timeliness established for the SDI by that study and the President. Anything less will mean delays in meeting the objectives of the program and arriving at the ability to provide a basis for informed decisions regarding strategic defense.

In its report accompanying the defense authorization bill the Armed Services Committee endorsed the priority of the strategic defense initiative as contained in the administration's budget request. However, in reducing the program $1.1 million it was the committee's view that the allocation of the reduction should be left to the discretion of the program manager. As a guideline to the program manager, the committee stated that the reduction should not detract from technology demonstrations nor from the priority which the committee believed should be assigned to research and development on near-term options. The amendment we are now considering, Mr. President, would do just that.

First, the committee has already reduced funding for the surveillance, acquisition, tracking, and kill assessment program by more than 25 percent. Now, this amendment would reduce the element of the SDI Program an additional 16 percent. While the flight experiment will continue, the program will be greatly delayed and descoped. This is a 38-percent reduction from the administration's request. This program is the "eyes" of the SDI and includes technology development and technology experiments. Two experiments that would be severely limited if this amendment is adopted are the airborne optical adjunct, which will provide late mid-course and terminal phase detection, tracking, and discrimination from a nonspace platform and the terminal radar, a key element in any terminal defense to perform detection, discrimination, and tracking as well as guidance to interceptors.

Second, the committee bill would reduce the Directed Energy Weapons Program by nearly 25 percent which would result in postponing all the initiation of major integration experiments and demonstrations, and delay by more than 1 year the date by which system level development decisions could be made. Here again, Mr. President, the amendment would reduce this vital element of the program by an additional 16 percent. Cuts in this program will also postpone by more than 1 year all spaced-based acquisition tracking and pointing experiments, the multiple aperture phased array program, and the single aperture ground experiment.

Third, the Kinetic Energy Weapons Program would be greatly dismembered. This is the portion of the SDI that could most readily support near-term options and conceiveably contribute to a hedge against a Soviet breakout of ABM Treaty. This amendment eliminates the ability to explore unique KEW capability to cover all phases of the SDI including both endoatmospheric and exoatmospheric research efforts. Also, there would be an extensive delay in the ground-launched and space-based miniature kill vehicle program and could also preclude actions of the recent homing overlay experiment success.

Fourth, under the survivability, lethality and key support program, cuts to space power and space logistics would be catastrophic. Power technology development would be discontinued and there would be no investment in technologies for reducing launch and support cost. Without investment in system definition and enabling technology, an informed decision by the early 1990's on economic and technical feasibility of the SDI will not be possible.

Fifth, the heart of the SDI, the Battle Management and Systems Concepts Program, would be cut by this amendment more than 25 percent. This amendment would cut this program by another 17 percent. This is a 35-percent reduction from the administration's request. Architecture concepts would be affected by retarding development of allocation concepts and deferring development of evaluation test beds. Software technology for battle management and missions requirements would be deferred and investigation of technology supporting communications leaks would be slowed. Most importantly, integrated experiments or demonstrations would be severely limited by the amendment which means that many technologies would be developed in isolation so that the interaction of the parts of any whole would not be fully understood. Decisions in the absence of integration work or demonstrations are unreliable, faulty, and incomplete if not irresponsible.

Mr. President, while supporting the survivability programs and raising the visibility of the countermeasures program the amendment tends to eliminate the efforts aimed at a demonstrable military capability as well as those aimed at substantive evaluation of military capabilities. Futhermore, it suppresses the programs that would provide a focus for the technology. This amendment is a major departure from the current SDI and, if passed, would require a complete reappraisal of the program. The amendment would require elimination or cut back of many of the 140 technology thrusts within the SDI Program. Vital contracts would have to be terminated causing a national decision to be indefinitely delayed. To reduce the program beyond the viability needed to protect our defense option would send the wrong signal to the Soviet Union, severely injuring the SDI Program and setting its development back several years.

Mr. President, because of budget reductions in previous years, the SDI organization has already made most of the premature technology cutbacks that it can handle. Further reductions in the SDI Program will force vital elements to be delayed or possibly terminated. The SDI Program cannot proceed on schedule with vital elements of the system either missing or delayed. I, therefore, urge my colleagues to oppose this amendment to reduce SDI funding and to support an amendment, if offered, to increase funding to $4.05 billion which is the level recommended by the Strategic Subcommittee.

Mr. QUAYLE and Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. QUAYLE. Thank you, Mr. President.

Mr. President, I rise in opposition to this amendment. I know the sponsor and many of his supporters have indicated that they strongly support the concept of SDI and they would like to see the program move forward. However, I vigorously disagree with that assessment. If this amendment were to pass, I think you would begin to see the chipping away, the serious erosion of support of SDI. As a matter of fact, if this amendment were to pass, it would be like a cold shutdown; we would freeze the activities of SDI, and then sit back and watch it wither away and then say, "Gee, what happened?"

So we have to ask ourselves right up front, if we are committed to SDI and if we really believe that strategic defenses are essential to increasing our security. If we are, we ought to give SDI the resources it needs to at least sustain those programs it already has underway.

We had testimony before our committee by General Abrahamson and others that said that just to keep the current programs going at the current funding level it would take about $4.1 billion. We had a lot of debate in committee and finally the committee resolved to go below that and reduced it to $3.6 billion, despite my opposition and that of eight other members of the committee. It was a very close vote, a 10 to 9 vote. And now we have

an amendment that even takes it further down to $2.9 billion.

Mr. President, we are on what we call a roller coaster, only this roller coaster is all downhill. This is hardly a commitment to the strategic defense initiative, hardly a commitment to the idea that we might have strategic defenses. This is certainly not the kind of commitment that is going to signal to the Department of Defense, to the people who are going to get involved in strategic defense, to our allies, and to our adversaries that we are really committed to having strategic defenses contribute to increasing the deterrent capability of this country.

Now, do we need defenses? I suppose that is a legitimate question and I know many in this Chamber probably do not feel that we ultimately need strategic defenses. But you know, Mr. President, that we do. We are beyond the days of the 1950's and 1960's when the United States has overwhelming superiority in offensive strategic arms. Then defenses were not as critical to deferring the Soviets. But you know what? We no longer have this superiority. As a matter of fact, if you want to look at any superiority on a first-strike capability, the Soviet Union has that in their prompt hard-target missile warhead inventory.

The CBO says that the Soviet advantage in such first-strike weapons over the United States is at least 3 to 1. The Department of Defense estimates perhaps as much as 5 to 1. And what have we been doing during that time? Well, we have been researching a bit and this President put it together in his speech and said we are going to accelerate that research; we are going to try to catch up to what the Soviet Union had been doing for years. Not only did they deploy an ABM system, they have built Krasnoyarsk in violation of the ABM Treaty. They have 10,000 scientists working on a laser program. They have spent billions and billions of dollars on strategic defense. They have a deployed Asat. They are thinking about trying to get it into higher orbits than the low orbit in which they can launch it today. Last year just on lasers alone they spent over a billion dollars.

But I do not think we ought to develop strategic defenses just because the Soviets are. I think we ought to because it is in our national interest. It is in our national security interest to have the strategic defense initiative. It will increase deterrence, deter the Soviet Union from contemplating a first strike.

And finally I believe it offers us the only hope to get away from mutually assured destruction, a very tenuous military theory that we have had for a long period of time, a theory I might add that the Soviet Union has never adopted. By this theory each side will remain vulnerable, will not have great big defensive weapons, we will have offensive weapons and we will completely be naked, as they say, to attack.

Well, I do not believe the American people want that. I know many in this Congress do not want that, and we believe there is a real opportunity to change that, to say that there is a proper mixture of offenses and defenses that can enhance deterrence.

That is what the debate is all about. I believe, if this amendment were to pass, you would see just in the freezing of SDI, less of a commitment to the strategic defenses that many feel are very important. Also, Mr. President, it is very important that we not make this dramatic radical cut at this particular point because of the very extensive arms control negotiations that are ongoing.

Just like the Strategic Defense Initiative, arms control talks today are different than they were in the sixties. The old arms control agreements promoted caps at very high levels. They allowed the Soviets to build up and we would constrain ours at very high levels where we would see the launchers built up. We did not limit warheads. We did not think of that. We have seen the proliferation of those. We have new ideas, new approaches in the area of arms control that talk about deep cuts coupled with defensive capability.

We all know full well that SDI is a very important reason why the Soviet Union has come back to the negotiating table. We know full well that the Soviet Union would like to see SDI dry up, be frozen, and whither away. We know that it means a lot to the Soviet Union. Why? First of all, they have their own. They have been going forward. They know the importance of it. And, two, once we get into this, hopefully with our technological capabilities, that we would be able to eliminate their first-strike advantage and do so without threatening a first-strike Soviet Union world against them.

□ 1500

Third, Mr. President, I believe that SDI can solve many of our military problems that we have now.

Let us look at the situation of our allies, where they are threatened with shorter range ballistic missiles. An SDI assisted ATBM, which is in the defense authorization bill, is one answer. There are a lot of things SDI can learn from such an effort.

SDI also offers hope that we can protect our satellites against attacks that might render our military deaf, dumb, and blind.

Also, SDI offers hope that we can defend against accidental attacks. We need defenses. We do not have any defenses right now against any kind of ballistic missile attack.

I have listened for the last day-and-a-half to some of the arguments put forth as to why we need to freeze the activities and slow down the growth of SDI. One argument is that SDI is too new, that it is half-baked. Somehow, the President of the United States just reached into a lottery, so to speak in 1983 and said we are going to have the strategic defense initiative.

Well, I do not know where many have been over the years, but we have had research going on for decades concerning strategic defenses, and now we are going to accelerate it. It is not a new idea. The only thing that is new is that we should make a major effort to develop defenses.

Some have said there is a disproportionate amount spent on SDI and strategic research. But I point out to my colleagues that we are spending well over twice as much on nonstrategic R&D than on strategic R&D. That makes the case. We are spending more than twice as much on nonstrategic, on conventional R&D, as on strategic. So if there is any imbalance, it would be on the conventional.

I daresay that when you look to providing effective deterrence to the Soviet Union, strategic modernization has the highest priority. Make no mistake about that. Conventional deterrence is important, but the strategic deterrecne is the one that has worked since World War II. Some say that its growth is too rapid, that it has gone up too fast.

Any time you are committed to a program, whether it be the Apollo Program, the Trident II Program—there was a request for the Midgetman Program for 167-percent cost growth. I believe the House of Representatives had 167-percent increase in their request. But in relationship to other advanced military programs at the R&D level, I say this is not out of whack at all.

Some say that SDI would give us, the United States, first strike. Nonsense. First of all, we do not have a first strike policy. Second, we do not have the hard target warheads to target the military targets of the Soviet Union, even if we wanted to.

Furthermore, sometime in the decade of the 1990's, if we would get that capability, we will not be able to find the Soviets' mobile missiles and will almost certainly encounter Soviet missile defenses so that argument will wash out.

Some have raised the question about the cost effectiveness at the margin. I think that is good question. We will not know about the cost effectiveness at the margin until we get into the research, the development, and testing and find the effectiveness of this program.

Some people say that if we go ahead with this, the Soviet Union will overwhelm us offensively. Who knows what the response of the Soviet Union

will be? Who knows what the Politburo decision will be once we get defenses? Who knows what their allocation of resources will have to be? We do not know. I do not believe anybody in this Chamber can say that they know for sure.

What I know for sure is that the Soviet Union does not like it. They want to constrain us. I am convinced beyond any reasonable doubt that the strategic defense initiative offers great hope for deterrence, for promoting peace, for promoting stability throughout the entire world. I believe this amendment would cripple that effect.

I believe you will see the chipping away of SDI, and it will wither away if this kind of step is taken.

We have to sustain SDI if we are serious. We have to make that commitment and stay with it. This amendment unties that commitment, a commitment that we have made in the past.

The PRESIDING OFFICER (Mr. ARMSTRONG). The Senator from California.

Mr. WILSON. Mr. President, I rise in strong opposition to the amendment of the Senator from Louisiana.

We have listened now for 10 hours or more to debate on this amendment. Yet, not one proponent of the Johnston amendment, not one of its defenders, not one of my colleagues on this floor, has refuted the basic fact that the American people are unprotected by any kind of defensive system. We have no defense against nuclear weapons delivered by ballistic missiles today—no defense at all beyond our reliance upon mutually assured destruction.

The American people are fully justified in demanding of us, why? Why is there no defense? Why are we relying upon what my colleague from Michigan yesterday defined as a balance of nuclear terror?

Mr. President, we have talked about the cost of this system that we call SDI, and it will be costly. We have talked about the complexity of such a system, and it will be infinitely complex. We have talked about the risks that a transition to defenses from our complete reliance upon offensive weaponry will involve. Yes, there is risk that if great care is not taken to manage this transition properly, we could make mistakes.

We have even talked about who is to be defended and who will be left undefended. But no one, not one person, has argued that we should not be defended, that defensive technology should not be pursued. Yet, that is implicit.

We seem to be making progress, and I suppose we should be heartened by that; because at this time a year ago, the arguments being raised against spending for SDI came from the mouths of those who wanted no spending, who argued that this system was not worth funding or, alternatively, that it would be provocative. There are echoes of that in the debate we have heard at length in the past day and a half. But today, Mr. President, the Senate is not debating whether we should defend our Nation against nuclear weapons, not even whether we should have a vigorous research program to develop such a defensive system. We are debating none of these, although there have been such contradictory arguments that those old implications do persist. But, explicitly, what we are debating, instead, is whether we should spend $3 or $3.6 billion on the Strategic Defense Initiative Program.

The proponents of this amendment have a multitude of reasons why to oppose the figure agreed upon by the Senate Armed Services Committee in their markup. They have not one good reason to favor the arbitrarily chosen number of $3 billion.

Some want to cut $600 million from the committee mark because the administration, they say, has raised the hopes of Americans for a future free of the threat of instant obliteration. They are offended by this. They say it is a false hope, and therefore we should demonstrate our understanding of the limitations of defensive technology by cutting some $600 million from what the committee agreed should be spent for it.

□ 1510

Now there are some who forthrightly contend, still not very many, that defenses just will not work, that they are too complicated, that they can be too easily overwhelmed, and so they conclude that SDI should be reduced to $3 billion.

Mr. President, if they were right, how do they justify expending anything for it. If it is too complicated to work, if in fact it will not work, why are they saying we should spend $3 billion?

The logic of their premise would be to spend nothing and yet this is not what they are asking. They are asking that we cut by $600 million.

Some are critical of the details of the program. Some worry about how nonnuclear the program is. Some feel that too much is being spent on exotic technologies; some feel not enough. But all these critics believe that an additional cut of $600 million to the program is the right answer, the right response, with all of their different and often contradictory premises in arguing for the cut.

Some have elaborate and intricate theories about nuclear stability and arms control that cannot accommodate a simply and straightforward defense against nuclear intercontinental ballistic missiles. Do they think about revising their theories? No. They think that the answer is to cut not the entire program but $600 million that will do the trick.

Mr. President, the sponsors and the supporters of this amendment represent a grab bag of conflicting contradictory particular stated interests against the SDI Program. The only thing in many instances that unites them in this symbolic gesture is the desire to cut it.

Well, Mr. President, I think the American people are entitled, fully justified to demand why it is that they do not have a defensive technology to defend them against the threat of instant oblivion, and I think they are entitled to demand of the proponents of this amendment why it is that in demanding the cut of a magical $600 million this will in some way advance us on the cause of achieving a defensive technology which most of the opponents concede is a desirable thing.

Mr. President, there are not five Members of the Senate who can tell you why $3 billion is the right number for SDI. But for the majority of the supporters of the amendment the figure might as well be the $3.3 billion advanced by a vociferous organization in criticism of SDI, the American Federation of Scientists. Hardly anyone has been more outspoken than they, but even they would accord far more than the proponents of this amendment are willing to spend. There is not anyone on the floor able to defend $3.5 or $2.5 billion. This is a totally arbitrary figure.

But, Mr. President, it does have real implications, although they have not chosen to tell us why this cut of $600 million favored by the proponents would have crippling effects upon the SDI Program.

It would very seriously impede the pace, the progress, and the hope of even not exotic but near-term, quite achievable results that can put in place the kind of defensive technology that the American people now lack, not only for their cities but even for their system of retaliation upon which we are now solely reliant to prevent a first strike by the Soviet Union.

We have not heard from the proponents specific criticism of space-based sensors, such as the infrared detector rays for the space survey and tracking system. I have not heard anybody say that that is the real bone they have to pick with this program.

I do not know whether the proponents of the Johnston amendment favor direct energy systems over kinetic energy weapons, or vice versa.

I do not know whether they have a preference for the free electron laser, whether they think that we should persist and not do anything until we have achieved a boost phase capability or whether they think, as I and many

others, that we should in fact achieve through intermediate steps of the kind that were advocated by the Hoffman panel, the kind of defensive technology that the American people now lack.

I do not know whether the proponents are opposed to our achieving the kind of advanced technology that is necessary for low-cost space transport, to bring about the kind of lightweight electronics, the computer processing that can lead not only to a battle management capability but perhaps to wonderous things in the private, peaceful sector.

I do not know, Mr. President, whether or not they are eager to delay or to cancel large experiments that must be conducted in an integrated fashion in order to resolve systems performance issues. Maybe they are against the idea of the national test bed by which we can develop the capability that we need to assess in real terms with the most realistic scenarios the impact of a nuclear attack against this kind of defensive technology. I do not know whether they were against space surveillance and tracking.

In short, what they would do leaves large unknowns in key system design and performance questions that are being attacked now by the program, not to mention many more that indeed should be attacked, should be the subject of vigorous exploration. We do not know this because they have not told us.

What we have heard here on the floor are not hard facts, not scientific objections. We have heard political science of a very basic kind, a kind that does not give a rationale for the hard number of $600 million which they urge be cut. What they are saying is they do not want to spend this much but they cannot tell you why.

Well, some have made in fairness a slight effort to tell why. Some have said and I think they did not mean to misrepresent the facts but have done so by saying we have not begun to spend what has already been allocated to the purpose that the rate of obligation and the rate of actual expenditure is not what it should be and, therefore, why spend more. That simply is not an accurate statement of the facts.

The rates of 75 percent of obligation, 20 percent for expenditures, have been received for fiscal year 1986. The requested increase for fiscal year 1987 is no greater than and in many cases substantially less than for other programs of the same or perhaps a lesser magnitude.

For example, the fiscal year 1987 request for the small ICBM represents an increase of 167 percent over the last year, and talk about something that is not cost-effective on the margin; we will need to get into that in great detail.

The Trident II program, which I hope Members will support, has grown by 150 percent from the fiscal year 1981–82 budget to the fiscal year 1983–84 budget. It grew by 150 percent in a 2-year span.

The current level of funding for this program, Mr. President, is even less than was recommended by the Fletcher panel, whose recommendations have been resorted to by proponents of this amendment who in some strange way justify their attack upon adequate funding for the strategic defense initiative.

The increase that we are asking is substantial, make no mistake, but it is no more nor less than is justified by the program. Indeed, what is being voted, the $3.6 billion that is recommended by the Armed Services Committee, is already a 25-percent cut from the President's request.

Now, Mr. President, I will only say in the interest of time that while this is by no means a perfect program and cannot be by virtue of its complexity, its magnitude, it represents the best hope that the United States has for any significant arms control advances and in the event of failure of arms control agreements it represents clearly the best hope we have for safeguarding the United States and its people and indeed the free world.

The basic fact remains we have no defense against nuclear weapons from ballistic missiles and the American public is entitled to demand why not? Why are we not making progress?

□ 1520

Why are we not making progress? We owe it to them and we owe it to our children to act as expeditiously and as generously as we can, not wastefully, but not being so penny wise that we are pound foolish with their safety.

Let me conclude, Mr. President, with a few minutes on discussing the alternatives. Many years ago we dropped a bomb, a terrible bomb and it changed history. It led many people to thinking that we should do something about this awful new weapon that the United States had developed. But after its first use, Mr. President, the United States, having a monopoly on that weapon, did not extort from its adversaries in the geopolitical arena the kind of concessions that in fact might have made the world a safer place. No. We all know what happened. The Soviet Union developed the capability substantially beyond ours, certainly in the area of intercontinental ballistic missiles.

Finally, the fear on the part of civilized people that we might see the world disappear in a terrible holocaust led to efforts to bring about arms control agreements because it was clear that we had been led into an arms race. The Soviet Union having started from a position of no capability was working to achieve a preeminent capability, a position from which they might extort political concessions without ever firing a shot. So we continued to improve our arsenal as they continued to improve theirs.

For the past four decades, Mr. President, the people of the world have had to depend upon what has come to be known as the doctrine of mutual assured destruction which means that simply stated the fear of retaliation has prevented one side from conducting a first strike against the other. Or, to put it more simply, as my friend from Michigan did yesterday in saying that he hoped the day would come when we might be able to move away from it, we have been dependent upon the most precarious possible balance of nuclear terror. It is precarious. Accidents can happen. Somehow a trigger might be pulled that would launch an unintended attack and trigger an unintended, undesirable retaliation.

Some madman with a capability, a Qadhafi, with a submarine capability could start World War III. This scenario is well known not just on this floor but even to casual readers of not very venturesome science fiction.

Mr. President, we have had to rely upon MAD, the doctrine of mutual assured destruction because we had no better alternative. But a better alternative exists, and if we do not know today that it is perfect, if we do not believe that we can ever achieve what some have termed an astrodome, what we do know is that even primitive defensive systems of the kind now arranged around Moscow make so additionally uncertain the success of a first-strike capability that any rational war planner would shrink from the idea, being guaranteed failure rather than success.

Arms control agreements have not been an answer to the fears that have been generated by our reliance upon offensive weaponry and the doctrine of mutually assured destruction. Under SALT II we have seen a steady increase in the Soviet arsenal. We have tried to improve our own weapons to make them cleaner, to make them more accurate so that we could target weapons and not cities. Are we going to engage in the kind of continued reliance upon only offensive weaponry that necessarily involves us in the threat of escalating arms races? We have seen, Mr. President, that the best intended of arms control agreements have not ended arms races and have not made the world safer.

I ask unanimous consent to submit for the RECORD an article that appeared in the Los Angeles Times of July 27 by Henry Kissinger, in which he has stated:

The arms controllers have refused to face the fact that their insistence on basing de-

terrence on offensive weapons and on atrophying strategic defense will ultimately drive democracies to pacifism. The "defense unilateralists" have refused to face the fact that arms control is now an essential element of both domestic and allied politics that their choice may be between a negotiated agreement or a legislated unilateral one.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEFINING DEFENSE BY U.S. PURPOSE

(By Henry A. Kissinger)

NEW YORK.—After months of shadowboxing, Washington and Moscow have signaled each other that their interest in improved relations—and hence a summit—is high. This raises the perennial questions of East-West relations. What are Soviet purposes? What agenda will advance the world toward peace?

No doubt Mikhail S. Gorbachev seeks a relaxation of tensions. He has the herculean task of making the existing Soviet system more efficient; avoidable foreign policy crises are likely to prove an unwanted distraction. But prudence—in addition to ideology—will cause Gorbachev to strive for a relaxation of tensions at the lowest possible bureaucratic cost.

Soviet leaders will change, if at all, grudgingly, because they are imprisoned by domestic constraints. A creative American diplomacy must discourage the easy way out—which would be simply to freeze the existing status quo, especially in the military field. American diplomacy must show the way to a better solution.

The Soviet desire to confine the East-West dialogue to arms control is understandable. Circumscribing the discussion obscures the Soviet global political pressures—in Afghanistan, Cambodia, Angola, Nicaragua—that have been a major factor in international tensions. And by enshrining a concept of deterrence based exclusively on offensive weapons and rejecting deployments on strategic defense, it contributes to the eventual demoralization of the West.

The unresolved domestic controversy in the United States between advocates of arms control and those who rely on unilateral defense has prevented elaboration of a long-range strategy and of criteria by which to judge progress. It has exhausted the energies of the American leadership, reduced to refereeing arcane disputes between technical experts. It causes defense policy to be shaped by the pressures of the budget and arms-control discussions to be dominated by what the Soviets have said they will accept. Thus a high Administration official, explaining the President's draft reply to the Soviets' latest arms-control proposal, was quoted as saying that Reagan knows Gorbachev "needs a quid pro quo to buy time to compete with us on defense." Can this be an American objective? Or is it sophistication run amok?

For three decades Western arms controllers and the scientific groups backing them have opposed every new strategic weapon because they believe a small number of relatively unsophisticated weapons is enough to deter aggression by threatening massive civilian and industrial damage. For an equal period, those relying on unilateral defense have harassed arms-control negotiators because they consider that arms control creates the illusion of eased tensions while in fact thwarting the sophisticated weapons needed for a strategy aimed at military rather than civilian targets.

The arms controllers have refused to face the fact that their insistence on basing deterrence on offensive weapons and on atrophying strategic defense will ultimately drive democracies to pacifism. The "defense unilateralists" have refused to face the fact that arms control is now an essential element of both domestic and allied politics, that their choice may be between a negotiated agreement or a legislated unilateral one. Each group has managed to paralyze the other without achieving its own objectives.

As a result, arms-control policy has been frozen in the categories of a generation ago, when each missile had a single warhead and accuracies were poor. But now a single missile can carry 10 or more warheads and threaten several launchers; improvements in accuracy are dramatic. Thus reductions that do not alter the disproportion of warheads to launchers do not ease the dangers of a first strike; indeed they may well increase the risk by making surprise attacks on land-based missiles more calculable.

The unresolved internal U.S. debate tempts the Soviets to choose among a flood of schemes from contending elements of the U.S. bureaucracy. America is perilously close to negotiating with itself.

The United States has proposed reducing strategic nuclear warheads from the current approximately 12,000 to 6,000. The Soviets have countered by offering a ceiling 8,000, but they have linked that ceiling to a renunciation of the deployment and development of defensive weapons for a period of 15 to 20 years. A "grand compromise" is now being widely urged that envisages reductions below the Soviet ceiling in return for a moratorium on defensive weapons for, say, 10 years.

The biggest argument on behalf of the "grant compromise" is that its advocates believe the Soviets will accept it. I defy any systems analyst to distribute the 8,000 warheads that would remain were the Soviet proposal accepted—or the 6,000 in the U.S. version for that matter—in a manner that would reduce the threat each side poses to the other.

It will be argued that the "grand compromise" concedes nothing because the moratorium on deploying a strategic defense could be negotiated to coincide with the U.S. estimate of the time needed to complete the research necessary for deployment. But no moratorium has ever been abandoned first by the United States, no matter what the provocation.

President Reagan was roundly castigated when after five years of restraint he declared that he was no longer bound by SALT II, which he had refused to ask the Senate to ratify, which the Soviets were violating and which, had it been ratified, would have expired at the end of this year. How then could a formal moratorium on defensive weapons be ended? And, were it ended, would Congress finance the Strategic Defense Initiative program? I doubt that during a moratorium there would be adequate funds even for research.

We may well be a facing a unique opportunity for a new start in East-West relations. But its test will be the content, not the fact, of an agreement. This is a time to bring about a new direction in East-West diplomatic and security relationships, with a new Soviet leadership facing major problems and far less encumbered by the past than it will be later. Can the West do no better than a numbers game that rearranges existing categories but does not change them?

The attempt to negotiate a numerical compromise is likely to prove either irrelevant or dangerous. It also focuses the dialogue between the heads of governments on issues that are most likely to make them prisoners of technical bureaucrats. A much more realistic and useful objective would be to seek to elaborate principles that can guide negotiators and that might well lead to an agreement by the time the President visits Moscow in late 1987 or in 1988.

Two principles seem essential: First, deployment of strategic defense cannot be separated from the level of strategic offense. Second, reductions must involve restructuring strategic forces on both sides. One way would be to ban multiple warheads, at least on land-based missiles. This would reduce warheads by some 80%. It would also be a major obstacle to a first strike because an aggressor would exhaust his arsenal in seeking to destroy the opposing retaliatory force, leaving no reserve for threatening other damage.

To achieve the same kind of new direction in arms-control policy that it has already achieved in domestic policy, the Reagan Administration needs to strengthen its national security machinery. Earlier Administrations may have erred by reserving too much power for the White House; the pendulum has now clearly swung too far in the opposite direction of departmental self-will.

Outside panels have proved successful with respect to space in the Rogers Commission, with respect to Defense Department organization in the Packard Commission. A panel on national strategy should be created. It should be charged not with developing actual negotiating positions but with developing a strategic doctrine by which negotiating positions can be judged. It could begin with seeking to answer the key questions raised by the Strategic Defense Initiative. Against what dangers does SDI seek to protect: the defense of missile bases, of population centers, or of both? The basic debate over strategic defense concerns not technical feasibility but purpose and doctrine.

Together with establishing the criteria, it might be useful to appoint a presidential representative for East-West negotiations. To cut through departmental rivalries, he could be given broad conceptual instructions by the President and empowered to make referendum agreements—that is, provisional agreements subject to subsequent approval. This way, the President could raise the issues of long-term purposes for which no forum now exists.

Disputes that are essentially philosophical obviously cannot be settled by procedural devices alone. They will help only if the Administration decides that to explore the prospects of peace it will first have to define its content.

Mr. WILSON. Mr. President, that is not an acceptable solution. Indeed, although we are hopeful that arms control may yet provide the safety that we seek, the outcome of arms control negotiations is highly uncertain. What is quite certain is that we have managed to bring the Soviets back to the tables in Geneva at a gallop when in 1984, an election year, they had stomped out of those negotiations declaring that they would not come back, but now they are have dropped

all the stated preconditions to the resumption of negotiations.

Why? Well, I think even most of the proponents of this unwise amendment would agree that it is because of the Strategic Defense Initiative. If they do not agree, the Soviets have with commendable and rare candor stated that is the reason they are back. It is not only explicit in their negotiations, but it is implicit. We do not need to wonder about it. There are many who say that is the ultimate purpose of SDI, if it has a good purpose. They say it is useful as a bargaining chip.

Mr. President, I submit that someone with limited experience in negotiation can tell all of us that a bargaining chip has no bargaining power unless indeed it represents some substantive advantage.

Why is it that the Soviets are seeking to have us abandon even research in the field of SDI? That is not a rhetorical question. The fact of the matter is they are seeking to have us abandon the very kind of research that they, themselves, have been engaged in for decades. They have tried to tie offensive reductions which they were unwilling to make before to the strategic defense initiative.

Mr. President, it is not something to be lightly bargained away from modest concessions in the status quo. Indeed, it is not something to be bargained away very likely at all. Mr. President, here is the point. I commend to the attention of my colleagues a letter that has already been sent to them by the Director of the Arms Control and Disarmament Agency, Kenneth Adelman. Let me read just a brief portion of it.

> It seems clear that some, if not many, Members of the Congress intend to stymie the progress of the Strategic Defense Initiative by slashing the amount requested in the President's budget for this critical program.
>
> What could possibly be the justification of such a cutback, precisely at a moment when we may be at a "turning point" in arms control due to increased Soviet sincerity? That the Soviets do not have an SDI program of their own? This is clearly wrong. That US restraint will induce the Soviets to do likewise? This has never been the case in history. That the program technically has not progressed? This is most certainly not true. That such a move would help arms control? This is inconceivable.

Mr. President, I ask unanimous consent to have the letter by Mr. Adelman printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> U.S. ARMS CONTROL
> AND DISARMAMENT AGENCY,
> *Washington, DC, August 4, 1986.*
>
> DEAR SENATOR: It seems clear that some, if not many, Members of the Congress intend to stymie the progress of the Strategic Defense Initiative by slashing the amount requested in the President's budget for this critical program.
>
> What could possibly be the justification of such a cutback, precisely at a moment when we may be at a "turning point" in arms control due to increased Soviet sincerity? That the Soviets do not have an SDI program of their own? This is clearly wrong. That US restraint will induce the Soviets to do likewise? This has never been the case in history. That the program technically has not progressed? This is most certainly not true. That such a move would help arms control? This is inconceivable.
>
> Indeed, SDI helped bring the Soviets back to the negotiating table and has proven to be the engine driving them to make proposals for reductions. Congress should not unplug that engine.
>
> History has shown that such moves are taken by the Soviets, not as a sign of goodwill, but as a sign of lack of will. Unilateral reductions on our side mean unilateral advantages on their side.
>
> Should Congress fail to sustain this nation's absolutely vital research to determine the feasibility of a defense against ballistic missiles, the basis for our current hopes in arms control would be diminished, if not gone. The case is glaring that our resolve to complete the strategic modernization program and to explore the possibilities for strategic defense has furnished a major incentive to the Soviets to negotiate more seriously. It would be ironic if the Congress should award concessions to the Soviet Union which its military buildup has, so far, been unable to extort. It would be irresponsible if the Congress should thereby undercut our hopes for productive negotiations. SDI may be the single most important defense endeavor of our lifetime. We should not throw it away or diminish its possibilities.
>
> A failure by Congress to sustain a comprehensive SDI program, and to continue the modernization of our strategic forces, would undermine our negotiating efforts and damage our national security. It is imperative that Congress fully support these programs.
>
> Sincerely,
>
> KENNETH L. ADELMAN.

Mr. WILSON. Mr. President, it is absolutely crystal clear that all the questions Mr. Adelman has asked and answered bear directly on what is a unilateral decision being proposed in this amendment. Those who propose it without exception do an about face on the need to engage in the most fervent steadfast arms control negotiations, and yet they would undermine our negotiating position precisely at the time as Mr. Adelman has pointed out when we may be in a position to exact far greater and more realistic and useful concessions than ever before.

□ 1530

But I think we have to bear in mind history, and history has taught us that there should be limits to the reasonable expectations of those even engaged in the best of faith in the most fervent negotiations for arms control.

There are three very significant points that particularly argue against the Johnston amendment.

The first is that the Soviets themselves are and have been actively engaged in precisely the kind of Strategic Defense Initiative that they now seek to have us abandon.

The second is that the ABM Treaty, which has been held aloft repeatedly during the debate by the proponents, has been violated. They concede that it has been violated, seriously violated, by the Soviet Union.

They know that the system at Krasnoyarsk in Central Siberia is a battle management system.

So what we have is a situation in which, one, the Soviet Union seeks to have us abandon the very program in which they are engaged; two, they seek to have us abide for an additional 15 to 20 years with a treaty they have violated, and seriously violated; and, three, Mr. President, we have to ask ourselves what difference does it make who gets a capability of this kind first.

Mr. President, I have heard the story, and I believe you have, of the moment during the Constitutional Convention when Gen. George Washington as the Presiding Officer was, by virtue of that duty, unable to participate in debate at precisely the moment that a delegate to the Convention offered a spectacularly unwise amendment seeking to limit the Army of the United States of America to a mere 5,000 men. Although precluded from joining in the debate directly, since he was the Chair, General Washington, in a stage whisper intended to be heard, said to the opponent, "Offer an amendment that no invading army can exceed 2,000 men."

I think the point is clear. With the Soviets we have no such assurance that they are going to limit their aggressive behavior. They are engaged in this program that they would have us abandon. They would have us, if we are going to continue, continue our efforts abiding unilaterally with a treaty they have seriously violated. It makes an enormous difference who achieves this capability first.

Yesterday in a colloquy between the proponents, the Senator from Louisiana and the Senator from Michigan, an exchange was had in which the question was asked:

> Do you not think that our achievement, our aggressive pursuit of this capability, this defensive capability, will be inflammatory to the Soviets? Will it not inflame them to make a greater effort?

Mr. President, they do not need to be inflamed. They have been making the effort for years, long before we were, and they have contributed far more of their resources than we have.

It makes an enormous difference who achieves that capability first because as they implied in their colloquy but which they did not state, he who has the shield has the impugnity to at least threaten to strike with a hammer.

If we speak of first strike on this floor, Mr. President, we must realize that if the Soviet Union were to engage in and achieve the kind of capability that would give them a reliable defensive technology or one sufficiently reliable as indeed they may possess, they are in a position to threaten us far more realistically with a first strike, whereas if the United States achieves the kind of defensive capability that in fact we must achieve, there is not a moral equivalency.

We held a monopoly on nuclear power once. We did not use it against the Soviets then. We do not intend to use it in the future. We do not even intend to achieve a monopoly on defensive technology. This President has been criticized for offering to share the benefits of that defensive technology once we are assured that it is in place sufficiently to safeguard our own people.

Mr. President, it makes an enormous difference who gains a reliable defensive capability first. If the Soviet Union does it, we will live to regret it because we will find ourselves in a position where they may be able to successfully extort political concession, whereas, if the United Stats gets it, we are in a position simply to guarantee not only the lives and safety of our own children but theirs as well.

There is no political equivalency, there is no moral equivalency, between these two superpowers.

If there is anyone mistaken enough to believe that, then let them talk to Anatoly Shcharansky. Let them speak to the widow of Larry MacDonald and others whose loved ones were lost on the Korean airliner that was shot down. I hope that memory has not faded.

Let them speak to the widows of freedom fighters in Afghanistan.

Let them, in short, examine recent history and recognize that the same people who have been the sponsors not of petty mischief but of regional conflict, of the kind of thing that threatens world peace in virtually every corner of the world, are the kind of people who are trying to get us to negotiate away the kind of reliable defense that the American people are entitled to have.

Finally, Mr. President, the American people are entitled to ask why it is that the Soviets engaged in this should be helped by the Congress? Why is it that those in Geneva urging that the United States abandon its advantage, if we have one, in terms of research and possible development of a defensive technology—why should they be assisted by those on this floor who seek to degrade the technological edge that we hope we have?

There is no good answer to that question, Mr. President. The fact of the matter is that if we cut from $3.6 to $3 billion the amount that we spend in the fiscal 1987 budget for the Strategic Defense Initiative, we undermine the ability of the United States not only to bargain in Geneva, but, indeed, to bargain in the future with the Soviet Union in Geneva with regard to conventional weapons, and, indeed, to bargain with the Soviet Union in virtually every area in which we are in conflict.

That is what is at stake. When those who say that we should cut $600 million cannot say why, cannot say what specific criticism they have, then I think that they should also explain why it is that they are willing unilaterally to be in the position of doing that work for those in Geneva seeking to undermine our position.

I thank the Chair and yield the floor.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I rise to support the move to cut SDI funding.

Mr. President, to paraphrase the great Winston Churchill, never has so much been spent by so few for so little.

Many of my colleagues have thoroughly described the flaws in the system. They have discussed its lack of technical feasibility, its staggering cost, its ineffectiveness, and its impact on arms control.

I endorse many of these criticisms.

Some say, "What else is new?" It is true, there are lots of Pentagon weapons that do not work.

We have missiles that kill trees and rocks instead of tanks, the Maverick. We have tanks that incinerate their drivers, Bradley, we have an air defense gun that cannot aim properly and worse radar locks in on the wrong target, Divad.

But star wars will be the pinnacle of botched procurement. It will make these other gold-plated systems shimmer in comparison. In short, SDI is destined to be known as the Edsel of the Pentagon.

There are some on this floor who have spent many more years than I studying SDI. I do not come to this floor pretending to know all there is to know about the subject. I confess I am not an expert.

But I know something about business and I know something about negotiations.

But the President's idea to develop star wars and then give it to the Soviet Union is incredible. To think that the Soviet Union's leadership would somehow come to a way of thinking that the United States would develop this new advanced defense system and then suddenly we would say, "Well, we have got it now; come on, our friends, here it is; you may have it."

□ 1540

Think about what the President is proposing. It is absolutely ludicrous. He wants to spend as much as $80 billion developing the ultimate weapon system and then give the benefits to the enemy. That is like General Motors discovering the perfect car, then giving the details to Ford or Chrysler so they can stay competitive.

It is like locating all the drug dealers in the country at a convention and then tipping them off as a courtesy before arresting the whole crowd.

You know, Mr. President, I thought about this idea of how ludicrous it is to think that we are going to give away something that we spent billions and billions of dollars to develop to put us in a superior position against the Soviet Union, and then we would give it to them. I thought that was an absolutely absurd idea. I thought it was just off the wall. But maybe there is some logic to it.

I see us doing other ludicrous things. I see us selling subsidized wheat to our sworn enemy at prices cheaper than we sell it to Americans. I suppose if we can treat the Soviets better than Americans with respect to wheat, maybe we can treat them as well as ourselves after we have developed the ultimate weapon system. I suppose that could happen. But I cannot believe that the leadership of the Soviet Union will ever believe that it will happen. I am frank to say, I do not believe it ever will happen.

I believe that the effort to cut SDI funds makes sense. I believe it is logical. I believe an even deeper cut would be a better idea. I believe that we can spend our precious dollars on something far more sensible than star wars.

We can buy more spare parts so our existing systems work; we can buy more ammunition so our troops are not left defenseless. And heavens to Betsy, as even one idea, we might even use the dollars that are involved toward moving this Nation closer to a balanced budget.

We do not have to throw money at the military. We do not have to waste money with the military. We do not have to buy every military system that is proposed. And we do not have to spend as much on the SDI as the bill provides as it came out of the committee.

Mr. BIDEN. Mr. President, let me begin by complimenting my colleague from the State of Louisiana [Mr. JOHNSTON] for what I think is an extremely important and, I might add, an extremely statesmanlike position that he is taking with regard to the SDI Program with this amendment. I should like to make several points and I shall take, with the permission of my colleagues, about 10 minutes to do it.

First of all, in this Senator's view, the so-called vision of the administra-

tion, the star wars vision, itself is fraudulent. Analysis of the star wars vision must begin with the vision itself.

The President presented star wars as an escape from the doctrine of mutual assured destruction and also as an escape from nuclear dependence, implying that this nonexistent technology which we are doing research for would free us also from the need to bargain with the untrustworthy Soviet Union. He also proposed, astonishingly, that we would then, as my friend from Ohio suggested, provide the Soviets full access to this information so our adversary would share the benefits of this forthcoming miracle of national security. But regardless of any limitations science may certainly impose, this vision itself, in my view, is inherently and fundamentally fraudulent.

First, the Strategic Defense Initiative would, in fact, not eliminate reliance on the doctrine of mutual assured destruction. That is the policy by which, if the Soviets were to attack first, there would be enough nuclear capability left that we would be able to devastate them and, because they know that, they therefore would not attack first, ergo, mutual assured destruction.

The President talks about the immorality of that doctrine, but it is difficult to escape two facts. One, thus far, it has worked. We have avoided a nuclear confrontation or, quite frankly, any major world confrontation between the superpowers. And, two, there is nothing to replace it with.

The President has spoken repeatedly and beguilingly about the new era of not mutual assured destruction but mutual assured survival. Obviously, given the choice of whether you are for mutual assured destruction or mutual assured survival, you would choose mutual assured survival. But what does it mean? How does the President get us to this mutual assured survival?

Certainly, the President cannot be arguing that once this visionary system is deployed, we can be totally complacent about whether or not it works and whether or not it is, in fact, perfect, which will be required for it to work as envisioned; or that he will be totally passive even if attacked with nuclear weapons by the Soviets. Consequently, even with comprehensive strategic defenses, the United States would always find it necessary to retain a substantial retaliatory nuclear capability.

This means, quite simply, that we would still be relying on deterrence through the threat of retaliation, which is nothing more or less than the doctrine of mutual assured destruction. So, even under the President's proposal, although he uses phrases like "mutual assured survival," if you look at the Star Wars Orogram, it requires that there be offensive nuclear weapons at the ready. Why? Because he knows the system cannot be perfect; therefore, we must have enough nuclear weapons at hand so that the Soviet Union will know that, if they attack, notwithstanding our defenses, we would be able to retaliate. So what do we have? We have a policy of mutual assured destruction at about $1.5 trillion more than we are now paying for it.

The second fraudulent aspect of this policy, the intellectually fraudulent aspect of this policy, is that Star Wars would move us away from nuclear dependence. Even defensive technologies, which this envisions, would involve nuclear explosive devices, most notably, the x ray laser which, indeed, the administration is so bent on testing that it refuses even to consider negotiating a nuclear test ban treaty.

Think about this. He says this is nonnuclear, this Star Wars. "Don't worry, we are not talking about nuclear." Then he says:

> By the way, I will not negotiate a test ban treaty because if we ban the testing of nuclear weapons, then how in the devil can I test my Star Wars Program?

Let me go through that again to make sure we all understand that.

He says that this is not a nuclear system, that we are not going, if we have Star Wars, to have to rely on nuclear weapons. But then he says that the reason why he will not agree to cease the testing of nuclear weapons is that if you have a rule that says you cannot test, then he cannot have a Star Wars Program. Why? Because he cannot test the nuclear component of his star wars program. Ergo, Star Wars is nuclear.

□ 1550

Now, I do not argue with whether it should or should not be nuclear but let us talk about the underlying premise upon which we are selling this to the American public: If you sign on to Star Wars, we have an astrodome over America that will save us from nuclear weapons and we can have a policy called mutual assured survival, but we have to keep a lot of nuclear weapons ready to retaliate in case they get through. There goes mutual assured survival. You are now back to mutual assured destruction.

And then the second thing he says—and it sounds good to me; I am ready to buy it—"Hey, this is not a nuclear program." Then he says, "But by the way, I have got to test the nuclear component of this program; therefore, we can't have a nuclear test ban treaty." So this is the second intellectually fraudulent aspect of the way this program is being sold.

Third, Star Wars, it is argued, would free us from the need for arms control. This is an interesting phenomenon. My friends, my conservative friends like the distinguished Senator from Wyoming—a man of great knowledge and substance and a member of the Intelligence Committee of long standing—and many others here including my Democratic friends say you cannot trust the Russians. I sign onto that. They go on to say that you can never negotiate a treaty with them because they do not keep it. There is no way to independently verify it. So what you need is a new system relating to nuclear weapons that does not require us to have to negotiate with the Russians; that in fact you can unilaterally act, and your action will produce two things. It will produce safety and it will produce the Soviets having to come along because they have no choice. So, therefore, you do not have to negotiate, a little bit like saying I can negotiate with my 17-year -old son whether he can have the car.

Now, that is not a negotiation I enjoy. I can say, "You cannot have the car unless you have enough money to go buy a car or unless you move out of the House." So he says, "Aha, I do not want to move out of the House, don't have enough money for the car, so I agree to your judgment that I can't have the car."

Well, that is a little bit like the argument that is being offered here; if you have the Star Wars, you do not have to negotiate because de facto they have to move, like my son de facto would have to acknowledge he cannot have the car.

Well, let us look at that a little bit. Even with this theory there is no way a defensive system can work without a limitation on the offensive weapons that they have. Even if we have a defensive system, even if we spend a $1.5 trillion, even if everything we hope comes to fruition, even if we do everything that is even remotely plausible and we do it with prefection, we still have to sit down with the Russians and say, "By the way, those 9,500 hydrogen bombs you have in the form of warheads, what are you going to do with them?" You still have to do this and we still have to say, "By the way, so that you can't overwhelm our system by raining upon us 30,000 nuclear bombs, we want to negotiate a limit on the number of offensive weapons."

The third fraudulent notion encompassed in Star Wars is that—remember now, the first is, it will allow us to have a policy of mutual assured survival, according to the President. I hope I have explained how that is fraudulent. The second one is that we would not, in fact, need any nuclear weapons; there would be no nuclear dependence. We would be free of it. I hope I pointed out the flaws in that notion. And the third one is, again very beguiling,

that it would free us from the need to negotiate an arms control agreement.

But in fact you have to negotiate an arms control agreement because unless the—I hope the pages understand this. I am being serious, because if the pages understand this, everybody understands it. And I mean that sincerely, because they are bright young people, and they can figure it out. Everybody thinks when you start talking about Star Wars, you have to be some kind of nuclear expert, you have to know what the PSI of a Soviet silo is, you have to be able to understand the trajectory of an SS-18, you have to be able to understand how in fact our Midgetman would work if in production, you have to understand what the throw-weight of an MX missile is.

You do not have to understand that. You have to understand the concepts, the concepts. I spent 9 years learning all of that. I think I know as much of that detail as any Member of this body, but you do not even have to get to that—you just need the concept.

Now, the fourth part of this is—remember now, the President says the reason for star wars is, we will be able to eliminate the immoral doctrine of mutual assured destruction; we will no longer have to rely on offensive nuclear weapons; the world will be nuclear free; we will no longer need arms control; and last, we will share it with the Soviets. That is what he says. That is how it is sold. That is what the American people are told it is going to do.

Now let us look at the fourth one, whether or not we are going to share it with our friends, the Soviets. You know, surely on the basis of logic, sharing the star wars defensive system would be unsound because to know the technology is to know how to defeat the technology. Let me make an analogy to sports.

If I come in and share with you the detail of my offensive system, the way in which I am going to run at you, how I am going to use my flankerbacks, what the capability of my quarterback is, whether or not my guards can pull, how hard my tackles can hit, and how well my fullback can block. If I tell you all that in detail, you are going to be able to sit there, if you are a smart coach, and say, "Well, let me tell you how I am going to get at these guys, how I am going to defend."

If I come in and tell you, "Look, this Sunday's game at the Redskins football field down the road here, what we are going to do is, we are going to have the following 11 people play, these are all their capabilities, this is precisely the defense we are going to use under certain circumstances, and lay it all out, you are telling me, as a coach of the visiting team, I cannot figure out how to beat your defense if I know the detail of it? And here the President is saying, I believe somewhat disingenuously, to the American public, "To prove that I mean well by this, I am going to give you—you, the Soviets—a copy of how we are going to erect this defensive system." And they are going to say, "Hey, good. I am glad we got it now."

I say to my friend, Senator LONG from Louisiana, "I now have it and, by the way, I am not going to spend any time figuring how to break the combination. I am not going to do that. I am just going to keep it and say, peace, love, and brotherhood, we are all in good shape."

Now, I want to run by them again because my friend from Louisiana is probably the most practical Member of the Senate I have served with here in 14 years. Let me run by it again now to make sure I got it straight. Star wars: The President says, first, it means we no longer have to have the doctrine of mutual assured destruction because that is immoral.

So now we have a new policy called mutual assured survival. The problem is in order to make mutual assured destruction obsolete, you have to get rid of your offensive weapons, but he acknowledges you have to keep those weapons in case they break through the defensive shield so you can hit them back. Now, I call that mutual assured destruction. If ultimately the thing you are relying on is, they know even if they break through, they will not go unscathed—it is the same doctrine.

Second, he says star wars would move us away from nuclear dependence, but he points out, "I will not sign a nonproliferation treaty," that is, a test ban treaty, not going out and testing new nuclear weapons.

You say, "Well, why won't you do that?" He says, "Well, if I do that, how do you expect me to test my x-ray laser technology?" You say, "What is that?" He says, "That is a nuclear device; you have to have a nuclear explosion to make this x-ray laser work. And if you keep me from testing it, then I won't know whether or not my star wars system is working."

□ 1600

You say, "Mr. President, I thought you said this makes us nuclear-free. What do you need nuclear for?" He says, "In order to make the nuclear defense work, you need a nuclear component."

Obviously, it is not nuclear-free because you are using nuclear devices to make the new thing work. If it has no nuclear components, agree to no nuclear testing.

The third thing he said is that it is going to free us from the need to negotiate with the Soviets. We are going to say, take it or leave it—3 yards, a cloud of dust, and what are you going to do about it?

The problem is that you still have to negotiate about those 9,000 nuclear warheads they have that are sitting there, and you have to be sure that they do not build another 20,000, so that they have 30,000 to overwhelm your defensive system. Obviously, you still have to negotiate with the Soviets.

The fourth fallacy in this bill of goods being sold to the American public is the one I have mentioned, and that is that we will share the system. I have made that point.

That is why I think it is an intellectually fraudulent doctrine. If you are going to have star wars, come to the American people and tell them what it is all about. Do not tell them all the things I have said which are not true.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BIDEN. I yield.

Mr. LONG. By the time you get through with these trillions of dollars—it is a huge amount—think of the national debt.

Mr. BIDEN. A trillion bucks is a lot of money.

Mr. LONG. By the time you get through spending all this money, if you give it to the Soviet Union, why should we not ask them to contribute to the cost? [Laughter.]

Mr. BIDEN. I never thought of it that way.

Now my colleagues know why I say, after 14 years here, that the most practical and quickwitted Member of the U.S. Senate is the Senator from Louisiana.

The answer is, I guess, that they have not been asked, I say to my friend.

Let me make a couple of more points.

Let me move on for a moment and point out the second major problem.

Turning to the technical reality, the plain and widely recognized truth is that a comprehensive system of population defense simply will not work. In the Reagan Pentagon, this is obviously understood. Assistant Secretary of Defense Richard Perle, for example, is reported to have told his European counterparts that the real aim is to develop point-defenses for missile fields and command centers; he might have added, although he apparently did not, that the star wars program has the advantage of undermining arms control. For his own part, however, the President continues to insist on the purity of his dream: a system that protects the American population.

But pleasing and politically expedient as that vision may be, it runs in total defiance of these fundamental facts: Even under the rosiest predictions about the effectiveness of layered defenses—at the boost, midcourse, and terminal phases—a significant number of the Soviet interconti-

nental ballistic missiles that exist now would penetrate any system we could conceivably deploy 20 years from now. Given the inevitable development of Soviet countermeasures, offense would always remain ahead of defense, making a leakproof missile defense an ever-receding aspiration.

Moreover, the layered space-based defense being envisaged offers no defense at all against an attack that "comes in under"—either with bombers, cruise missiles, or depressed-trajectory SLBM's, not to mention nuclear devices delivered through more elemental means.

Military folks like to use phrases like "shoot them in the face missiles." Keep in mind that we have Soviet subs just like American subs sitting out in the Atlantic. There is no defense for this system, for missiles that come in under the system. There is no way you are going to prevent a missile being shot 20 miles off the coast of the United States of America, aimed at Washington, DC, by this missile defense system. Impossible. No one has even fathomed that that can be done at this point. It has not even been dreamed yet.

We have bombers, we have cruise missiles, and we have depressed trajectory SLBM's. That is a fancy word for saying missiles that sit in the hulls of submarines. Instead of going up like this, they go like this. They shoot jump shots, like BILL BRADLEY used to bang through the hoop, rather than like I used to, and missed. That is the difference.

My third major point focuses on the role of defensive research.

All of this is not to say—and it bears emphasis—that we can neglect defensive research. That is not what the junior Senator from Louisiana is suggesting.

The reason why we need research is that we have to hedge against and deter Soviet defenses. Keeping pace with Soviet research is a necessary precaution to preclude any Soviet temptation to break out of the ABM Treaty. This task, however, requires a far slower budget pace than that planned by the Reagan Pentagon. That is why I support the Johnston amendment, which provides for 3 percent real growth for SDI. This will allow more than enough funds for defensive research.

The second point I would like to make about the role of research is that we should probe the possibility of stability enhancing point defenses. Conceivably, point defenses, deployed under an agreed modification of the ABM Treaty, could play a stabilizing role in the United States-Soviet balance by protecting retaliatory forces and command centers. To avoid crossing the threshold into a defense-oriented world, a strong presumption should be maintained in favor of achieving first-strike invulnerability through other means: deceptive basing and missile mobility. But research may yield the possibility of negotiated, stability enhancing point defenses, which should remain open for consideration.

To put it another way, if we are out there and we have an umbrella around a limited area where our missiles sit in the ground or in submarine bases and the Soviets cannot with certainty penetrate that, and they have the same system available to them, that means both our systems are totally survivable. People may think, "We don't want those systems to be totally survivable." But if we know our system is invulnerable to attack and they know their system is invulnerable to being attacked, then neither side has the inclination to strike first. They know that they will not get anywhere with it. That is why the survivability of their system and ours is in the interest of the world, as well as, obviously, the United States strategic defenses.

Let me make a few final points. The fourth major point is the negative consequences of this program if it goes forward as envisioned. First, I think SDI has confused the domestic debate. This, of course, is not entirely by accident. By creating an apparent alternative to arms control—that is, SDI—the President has satisfied the longings of his rightwing supporters while relieving mounting public pressure for progress against the nuclear threat. But whatever the short-term political benefits, the President has committed a grievous act by sowing such confusion in a realm where rational public dialog—in support of rational public policy—is crucial to this Nation's future.

□ 1610

The second negative consequence is that Star Wars is a misallocation of defense and research and development resources.

At a time of exteme budgetary pressure, when the Nation's economic future is in question, the SDI has placed additional and unnecessary pressure on the defense budget, and within the defense budget will draw funds away from conventional forces, where resources are more urgently needed. By creating a feeding frenzy among defense contractors, the SDI Program has gained a momentum that any future administration will find difficult to halt, which means a continuing diversion of our top intellectual resources that this Nation can ill afford in an era when we desperately need more civilian R&D.

A third negative consequence of this program is that strategic defenses would undermine strategic deterrence. It gets a little complicated, but it is important.

The longstanding United States and NATO deterrence doctrine of flexible response requires a capacity for limited nuclear retaliation, a posture now possible because of the ABM Treaty. But the creation of Soviet defenses, following inevitably on our own, would eliminate any possibility of such precision, forcing us back toward massive retaliation, a doctrine entirely devoid of credibility in the age of parity, since it amounts to no more than a suicide pact between the two great powers. Soviet defenses would also weaken NATO's deterrent by neutralizing the relatively small British and French nuclear forces, which now complicate Soviet planning. Thus, having drawn funds away from conventional forces, star wars could have the doubly perverse effect of undermining the doctrine by which we currently compensate for conventional weaknesses in NATO.

The fourth negative consequence is that the SDI has weakened the alliance. Clearly, among our allies, Star Wars has generated doubts not only about American sanity but about our commitment to basic alliance policy, which combines collective defense with an effort to improve East-West relations. The impression that we are bent upon erecting a nuclear Fortress America undermines the very concept of strategic coupling, which is central to NATO's defense posture. And the impression that we are discarding arms control means that we are failing to fulfill our role as NATO's leader in the conduct of East-West relations. To watch allied political leaders attempt to deal with Star Wars as if it were a rational policy has been to observe a complete course in the art and limits of diplomacy. Their agreement to sign on to Star Wars research can only be seen as a reluctant act of political solidarity under duress, made slightly more palatable by some possible and marginal economic benefit.

The fifth negative consequence is that Star Wars pushes Soviet behavior the wrong way. Look, the Soviets are going to behave the way they want to behave and we are not going to make them good guys instead of bad guys. But our evident intent to develop strategic defenses obviously generates doubt about our future interest in arms control, thereby creating incentives to intensify Soviet defense research and prepare for additional offensive deployments. Logic says the Soviets will do this; the Soviets say they will do it; our own intelligence agencies predict they will do this; we would do it ourselves, as we told the Soviets in the late 1960's, when they moved toward developing strategic defenses; and finally, the Soviets have the capability to expand their offenses and to do so promptly, which is one of the most compelling arguments for keeping current SALT limits in effect. The administration's decision to aban-

don SALT while pressing forward with Star Wars is an act not just of folly but of absolute illogic.

The sixth negative consequence is that the SDI is a major impediment to arms control. A favorite administration claim, of course, is that the Star Wars initiative has "brought the Soviets back to the bargaining table." But the fact is that, apart from a symbolic walkout to protest NATO INF deployments, the Soviets have—over the years—shown a far more steady preparedness to negotiate than has the United States.

By the way, if it, in fact, is a ploy, the President has a phenomenal opportunity, if he is a good poker player, to cut a deal this time when he meets with Gorbachev. He has a prospect of making a significant breakthrough, and I hope that is where he is going.

It is, after all, not the Soviet side which has signed but failed to ratify three treaties. And it is not the Soviet side which now proposes to abandon the key numerical limits of SALT, to which both sides have adhered for years as the essential governing cap on the arms race. The truth is that the Soviets have demonstrated ample interest in arms control without the SDI. And indeed they have good reason to be interested, given the imminence of nuclear deployments—most particularly the Trident II missile—that will place each of their nonmobile ICBM's in jeopardy.

Administration officials seem almost gleeful about Soviet protests against Star Wars, as if Soviet distaste for a competition in defensive technology were enough to justify the program. But the Soviets are in fact expressing no more than the simple logic of arms control, which is that neither side, in its own self-interest, can agree to sharp reductions in offensive weaponry when faced with the prospect of defensive deployments by the other. This the administration now clearly threatens to do through its Star Wars Program and its unwarranted reinterpretation of the ABM Treaty to allow the development and testing of strategic defenses.

This multiplicity of negative consequences combines into a single conclusion: the star wars initiative represents a fundamental assault on the concepts, alliances, and arms control agreements that have buttressed American security for the past several decades. There is, in summary, no reason to mince words: the President's propagation of the star wars concept, and his continued adherence to it, constitute, in my view, one of the most dangerous acts in the history of modern statesmanship.

Mr. President, I ask unanimous consent that I be added to this list of cosponsors of the Johnston amendment to limit funding for the SDI Program in 1987 to 3 percent real growth over 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. I thank my colleagues for their indulgence on this critically important subject.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, we are very anxious to bring this important amendment to a vote. I hasten to point out to the Senate that there are 138 amendments pending to this bill, and we are now concluding after 10-plus hours of debate the first amendment.

It is my intention to move to table. But I see present on the floor and desiring to speak, the Senator from Wyoming and the Senator from Kansas, and I believe the proponent of the amendment, the Senator from Louisiana.

Mr. JOHNSTON. I would like a few minutes to summarize.

Mr. WARNER. I hope we fully understand, as a matter of courtesy, we begin to move.

Mr. HART. Mr. President, will the Senator yield 1 second?

Mr. WARNER. I yield.

Mr. HART. I wonder if we might have an estimate when the vote might occur.

Mr. WARNER. My understanding is the Senator from Kansas wishes a minute or two, and the Senator from Wyoming, 4 to 5 minutes, and concluding statement by the Senator from Louisiana of about 5 minutes. So I think we are looking at less than 15 minutes.

Mr. HART. I thank the Senator.

Mrs. KASSEBAUM. Mr. President, I would like to commend my colleague from Louisiana, Senator JOHNSTON, for leading this debate on what may be perhaps the most important national security issue facing the Congress today.

The strategic defense initiative is foremost among the defense issues that we must address realistically and responsibly. We are at a critical crossroad in our strategic policy. We are already moving with our rhetoric and with our arms control negotiating posture beyond a deterrent based on offensive forces to one which incorporates defenses.

But before we can negotiate where we want to go—before we can even decide where we may wish to go unilaterally—it is important to understand the scope and limitations of where we can go.

The Senate Armed Services Committee has done an excellent job with this bill and its accompanying report in its efforts to define and direct this Strategic Defense Research Program. I strongly support the committee's efforts to structure the Strategic Defense Program to promote a number of realistic goals, with an emphasis on developing survivable and cost-effective defensive options for the protection of our offensive forces and command, communications and control centers.

None of the technical experts working on the strategic defense initiative have held out the promise of an impenetrable defense. The best estimates have only been as high as 90 percent protection. And that protection is only against ballistic missiles, leaving open the threat from a whole array of other nuclear systems.

This type of less than perfect defense raises a series of policy questions, very different from those of an impenetrable defense. The most important difference is that the defenses will not be primarily for the protection of people, but rather for missile silos and command centers. Destruction of society will consequently remain the underpinning of our deterrence strategy.

Although this is an alarming state of affairs, it is important at this point that we acknowledge this reality and handle it responsibly. If we do not do so, we will only be sowing the seeds of disillusionment with what will probably be our longstanding deterrence strategy.

Mr. President, we are currently facing important decisions on the Strategic Defense Program that will not only affect our strategic policy but will also affect our overall priorities on how we want to spend our defense dollars. The problem facing us is how much money we should be spending on SDI research over the next several years. In making these decisions, we must make sure that we do not sacrifice our real security needs for a vision.

It is for this reason that I am supporting the Johnston amendment which calls for 3 percent real growth in the SDI program for fiscal year 1987. Without repeating the discussion of the past day, I would just like to point out the projected effect of a continued 75 percent annual growth in SDI funding which the President requested on our defense research efforts if the defense budget grows at the rate of inflation over the next couple of years. Mr. President, if this is the policy we pursue, by 1992 SDI will consume all of our research and development funding in the defense budget.

Over the past 3 years, Congress has more than tripled funding for ballistic missile defense research, making it one of the fastest growing programs in the Federal budget. In fact, Defense funding for basic technology research has actually declined during the past 3 years while funding for strategic defense has more than tripled.

I strongly support a vigorous research program for SDI, and I would like to emphasize that under the Johnston amendment there would still be an increase of $200 million for the strategic defense program for this coming fiscal year. This will provide funding for SDI at still more than triple what it was before the President's March 23, 1983 speech which launched the program.

Mr. President, I also want to briefly address the arms control implications of the SDI program. Over the next couple of years, SDI will pose important challenges to our arms control policy. Already the program has raised serious questions and challenges to the SALT I ABM Treaty which limits strategic defenses. This treaty has served as the framework for our strategic relationship with the Soviets over the past 13 years.

I believe it is essential that we continue this type of serious and thoughtful discussion of the strategic defense initiative to define the real role it can play in our national security. It is only after such a debate that we will be able to evaluate carefully the merits of the SDI Program in relation to the merits of the ABM Treaty. We are dealing with the most pressing issue of our time—how to ensure stability and security in the nuclear age. We should not discard our present policies for the mere hope for another.

Much has been made of the necessity to support defense programs in order to enhance the prospects for arms control. I would like to emphasize that I believe the funding levels under the Johnston amendment will continue to support our efforts in Geneva.

But the main reason that it will do so is because our position in arms control negotiations can only be strengthened by realistic and broadly supported defense efforts which truly enhance our national security, not by pursuing bargaining chips for bargaining chips sake. Maintaining a strong defense, enhancing our deterrent must be our overriding concern when addressing the defense budget.

I do not believe there are any votes to be swayed at this point. I think the case has been eloquently stated by the Senator from Louisiana (Mr. JOHNSTON) and the Senator from Washington [Mr. EVANS].

It is an important amendment. I think it has been an important debate. But I do not intend to prolong what has been I think stated well over the last 10 hours.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. Mr. President, I have heard a torrent of verbiage about SDI on this floor over the past 2 days, much of which is inaccurate and misleading. The opponents of strategic defense have been making a curious argument: They have not opposed strategic defense on its merits, they have merely engaged in a seminar, scripted by the union of concerned scientists and other groups opposed to any defense of the United States, that attempts to discredit the administration's SDI Program.

Yet they wish us to spend over $3 billion on strategic defense in this next fiscal year. How is it possible, if SDI is so destabilizing, so impossible technically, so damaging to arms control, and so unbelievably expensive, that these opponents of strategic defense are asking us to spend so much money on such a folly? Why?

Because they know that strategic defense is possible. Because they know that the American people cannot understand why they have not already been defended. Because they know that their attack on SDI is a disguise for a narrow set of policy preferences, preferences that have been in ascendence for over 20 years, preferences that maintain that the best way for America to be safe is to remain forever naked to a decision of the Soviet planner in Moscow, not the decision of the Commander in Chief in the White House.

The proponents of this bill would be more consistent with their argumentation against SDI if they were to ask us to zero out the program. But they repeatedly tell us that we need a robust SDI Program. That they support a vigorous research program into strategic defense. Why?

Well, if they want this "robust," "vigorous" research program, why are these Senators quibbling over $600 million. What justification, as the Senator from California has pointed out, is there for a funding limitation at $3 billion? Or even $3.6 billion for that matter. The only justification for cutting funding is that the program is not providing us with the defense we so vitally need. And here some of the critics of the program have a good case. But that is not so much a reason to cut the funding as it is justification for a restructuring of the program.

□ 1620

I would like to turn to a subject now that has been virtually ignored by the seminar put on by the opponents of strategic defense. And that is the scope and breadth of the Soviet strategic defense program. And in particular, I would like to challenge the idea being propagated by the opponents of a defense for America that it is the United States which is challenging the spirit and letter of the ABM Treaty. Mr. President, the Soviet Union is committed to the idea and the deployment of a nationwide strategic defense. Senators here have pointed out that the Soviets are afraid of our SDI in the same way that we fear their strategic defense deployments. I reject this idea as moral equivalence.

Why do we build any defense systems at all? Because the Soviet Union is the Soviet Union, not Great Britain, not West Germany, and not France. We fear the Soviet Union because, through force or cunning, they have subjugated every nation that they have been given the opportunity to. That is why we build defenses. And that is why we need strategic defenses.

Mr. President, I wish to review what the Soviets have done in the ABM area, both in violation of the letter and the spirit of the treaty, and thereby demonstrate to all those who are willing to maintain an open mind—and there are few of them around any longer—that the Soviets are defending themselves today while we debate over $600 million for research.

Four areas come to mind that are relevant to this issue. They are, first, the evolutionary testing of SAM interceptors and radars; second, the netting of various SAM and ABM radars; third, their traditional ABM systems and related activities; and fourth, the development of advanced technologies, such as directed energy weapons.

Mr. President, in 1973-74 the Soviets tested the SA-2, the SA-5 and the associated SA-5 radars some 50 times in an ABM mode—over 100,000 feet—over a period of 18 months. They continued the development of their SA-5 systems, and its deployment, on that basis. In the mid-1970's, they developed the SA-10 system to counter our SRAMS and cruise missiles, thereby giving the interceptor missile a significant capability for low-altitude defense, including defense against some ballistic missile reentry vehicles.

In 1980, this system was actually tested with phased-array radars for low-altitude against ballistic missile RVS. In 1980, they continued testing of the SA-5 in an ABM mode, even though the disputes over such testing was supposedly resolved in the SCC 5 years earlier. In 1981, they began testing, and are now ready for deployment, of the SA-12, an air defense weapon that completely blurs the distinction between ABM's and air defense missiles. The CIA says this missile has significant capabilities to intercept ballistic missile RVS, including strategic RVS.

Mr. President, it is inconceivable to me that Senators, but for political purpose, would seek to keep this Nation naked with no defense. Most of America believes we have defense. Most of America thinks that when the Senator from Colorado's home State begins to sense the beginning of attack that we will have something with which to counter, and we have none. Most Americans would like to believe that their Government is responsible enough to try to defend them where

they can be defended but they are sadly mistaken. Most Americans would like to believe that there is enough courage to say that we can do what we know how to do and are willing to do it in behalf of our people, but they are mistaken.

What about netting of SAM and ABM radars? Such netting is crucial if the Soviets are going to use their air defense missiles as ABM systems. The Soviets in 1975 netted mobile ABM radars at test sites Sary Shagan and Kapustan Yar to other ABM radars for ABM interceptor launches. In 1984, the Soviets netted C^3, air defense and ABM radars with battle management radars to tie together elements of a nationwide strategic defense system. It has been reported recently that the Soviets have calibrated the SA-5 "square pair" radar to the ABM-X-3 battle management radar to allow the handing off of acquisition information to the SA-5 for interceptor launch.

Perhaps the best-known element of the Soviet ABM effort is their Moscow defense. The original system is being upgraded to include both endo- and exoatmospheric intercepters. That means that it has more than just a point defense capability, but also an area defense potential of Moscow and its surroundings. The new system will have reloadable launchers and new radars, such as the Pushkino radar. It is interesting to note, Mr. President, that R&D on this system must have begun in the early 1970's, which shows that the ABM Treaty did not represent a lessening of the interest in strategic defense that proponents of the treaty, such as Gerard Smith, have argued.

June 1982 saw the testing of a new SH-08 hypersonic interceptor, controlled by the ABM-X-3 radar, in a fully integrated simulation of a nuclear war using ICBM's. They have tested this missile in a rapid reload configuration by firing two of the missiles from the same silo within hours. The internal reload, rapid refire system appears to be a clear violation of the ABM Treaty, by allowing an unknown reserve of interceptors to be stored underground. And, Mr. President, there is no restriction on the production of these missiles in the ABM Treaty. And we know that Soviet production lines are hot.

Let me point out for those who might be wondering that with the exception of our brief flirtation with the one site of the Safeguard system in 1974-75, which we have dismantled, there has been no analogous BMD activity on the part of the United States, even though some of the things I have mentioned are allowed by the treaty.

As our great lead in advanced technologies, consider the Soviet program. They will shortly have a capability to put over 200,000 pounds in space. The shuttle can launch about 50,000 pounds. They will put a high-energy laser in space in 1987, long before we have such capability.

They will claim that it is not capable of destroying missiles. I am not at all comfortable in trusting their word on it and frankly we will have no idea of how capable it is until it is used, possibly against us.

Are these examples a response to the U.S. SDI? No. In the mid-1960's the Soviets began funding for space-based BMD and ASAT laser weapons. Particle beam research began in the late 1960's as did the beginning of R&D on ground-based ASAT lasers. By mid-1975 they began testing components designed for a ground-based proton beam. This device has potential ABM and ASAT capabilities.

In the mid-to-late 1970's developmental testing of a compact hydrogen fluoride high energy laser intended for space-basing began. In 1975, reports indicated that they reached 5.5 megawatt power levels with this laser. By the early 1980's, they had prototypes developed to attack satellites from the ground. This system is possibly operational today. They also began development of tactical air defense lasers for defense of high value targets in the U.S.S.R. for point defense of ships and theater forces. Their programs in other areas, such as kinetic kill and radio frequency weapons, continue apace. All these efforts were either continued or stepped up after the Soviets put their signature on the ABM Treaty.

Now, what is it that we are talking about today? The Soviets spend more on strategic defense procurement than they do on strategic offensive procurement. That is shocking, considering the amount the Soviet Union invests in offensive forces today. This chart shows a useful comparison of the United States and Soviet efforts. Six billion dollars on deployments; and what are we spending on deployments? Next to nothing. That is what we should be criticizing, not that SDI is overfunded, but that it is not providing us with near-term defense options, options that can help us move toward a comprehensive defense that the President has talked about, but that will also offset current Soviet military advantages in offensive and defensive deployments.

This can best be achieved with an evolutionary approach that defends now what we can now, while continuing research into the future possibilities. Such a defense is not limited to just missile silos, but also command and control, early warning systems, and some level of population defense.

Mr. President, that is the real question here. Is SDI giving us a defense? The question is not: Is strategic defense possible or desirable? I know it is, and the opponents know it is, and acknowledge it every time they pay lip service to maintaining a "robust" or "vigorous" SDI program.

If this support for strategic defense per se is real. I ask that my colleagues join me in restructuring the SDI program, not defunding it, so that we can deploy the defenses we need to counter Soviet offensive and defensive capabilities that threaten our very existence.

I thank the Chair.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER (Mr. EVANS). The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I understand the distinguished Senator from Virginia will move to table this amendment after a short summary. So I would like in very few words to state where we are on this amendment.

First of all, Mr. President, I want to commend my distinguished coauthor, the Senator from Washington, Mr. EVANS, the other coauthors, Senator PROXMIRE, Senator CHILES, without naming all of them who worked so hard and so long on this amendment. I think they have contributed immeasurably to the quality of this debate. But, Mr. President, I especially want to commend the distinguished floor managers of this bill, Senator GOLDWATER, Senator NUNN, and Senator WARNER because I think, Mr. President, they have allowed, and they have participated in one of the most constructive and reasonable debates that I have heard here in many months, perhaps at least that I have been involved in in many years. I think the debate has been reasonable, and well focused. I think it has served that great function of educating not only the Senate but now with television in the Senate, the American public. I hope they understand this question of Star Wars—Strategic Defense Initiative better than they did before this debate began.

It is interesting, Mr. President, how much we agree upon, and how much has been established almost without argument. We started off with a debate focused narrowly. The committee on the one hand says we ought to have an increase in star wars. We say yes, we ought to have an increase. We say limit the increase to $225 million. They say limit the increase to $937 million. We agree there ought to be an increase in the Strategic Defense Initiative. or to put it another way, the committee says let us decrease star wars from the President's budget by $1.5 billion. We say let us decrease it by $2.2 billion.

So we both agree there ought to be an increase in the last year's level of funding. There ought to be a healthy decrease in the President's level. Virtually everybody agrees on that.

Our amendment allows for a 3-percent real increase of some $225 million, hardly a paltry sum, or a 7-percent nominal increase. We allow $3.24 billion which is triple what the program was when the President announced it back in 1983. It is a 48-percent per year compounded increase over a period of 3 years, the largest increase in any program I can recall, certainly since I have been here. It compares with the great crash programs of the past in terms of the size of the funding.

Let us point out a few other items that we agreed on. I think it is uncontested here that this program was not conceived by the Joint Chiefs of Staff and then adopted by the President. Rather, the President conceived it and submitted it to the Joint Chiefs of Staff and to his other scientists in the administration.

We have established that prior to the President's speech in March 1983 he gave Richard Perle 2 days' notice; his science adviser, Mr. Keyworth, 9 days' notice; and the Joint Chiefs of Staff had only 2 days' notice; Dick DeLauer, the Assistant Secretary of Defense for RTD&E, only 9 hours' notice; the Secretary of State had no notice that this matter was going to be proposed by the President. It was proposed, and the word to the administration was "Get on board if you are with me. Otherwise you are not with me." What did they all do? Of course, they got on board.

But, Mr. President, the chief scientist of the Strategic Defense Initiative is one Ronald Reagan, a great President in many ways, many would agree. But hardly a scientist.

Point No. 2: I think we have established here, Mr. President, that the astrodome, the leakproof astrodome is impractical and should not be pursued as a primary goal. First, it does not defend against cruise missiles or bombers. That is a given. Second, as the committee so well points out, there is no architecture conceived or thought of at this point. They did not even talk about an architecture or in effect a way to do it. There is no concept here. All we have is a vast array of technologies hoping we will find something, there are ray guns, there are rockets, x-ray lasers, free electronic lasers—there are a whole vast array of technologies, none of which has been seized upon yet as something that will work. But their idea is being pursued. They ought to be pursued.

But as the committee well points out, it is an unfocused program. And the astrodome is not practical. What should be the focus? We agree with the committee. The committee says we ought to do it first so we will understand the Soviets in what they do, and in what breakthroughs are possible for them. And we can understand that only if we do it ourselves. We agree.

□ 1630

Second, they say it is a hedge against the Soviet breakout, in case they wish to break out of the treaty. We agree.

Third, they say we ought to pursue point defense for survivability of our retaliatory missiles, for command control and communication, defense of those matters.

The American public would hardly want to spend $1 trillion, I submit, in order to defend Washington, to defend its politicians, or even to defend its missile field.

Nevertheless, this is, as the committee points out, an appropriate goal to narrow the focus.

So we are in complete agreement with the committee on those three matters.

We also agree, Mr. President, as we established with the distinguished Senator from Arizona, that we are ahead in most of the basic technologies, in the 20 basic technologies such as computers and such as lasers. Of those 20 basic technologies, the United States is ahead in 14 and we are tied in 6. That comes from this administration in testimony before the Defense Appropriations Committee. We agree with that.

That does not mean, Mr. President, that we ought to sit back on our laurels and let the Soviets catch up. It does mean, Mr. President, that it is hardly an argument for a crash program. It is hardly an argument to take from the rest of the defense budget, which, as the distinguished Senator from Georgia spoke about this morning, has been cannibalized to the extent that we cannot maintain our existing programs.

Where is the money going to come from for this huge increase? It has to come from the rest of defense.

So if we are ahead in these basic technologies, Mr. President, let us not have this big increase at the expense of those things we need.

Next, Mr. President, there is agreement that to cut the President's budget is not harmful to the summit. Why is it not harmful to the summit? First of all, Mr. President, basic research has never, by anyone, been referred to as a bargaining chip. Basic research in the first place is not susceptible of being a bargaining chip. It is not susceptive of an arms agreement.

Why? Because it cannot be verified. No one knows what either side is doing in their laboratories. There are only two basic things that are subject to being bargained away. That is testing and deployment.

That can be well monitored and that has been the subject of all the exchanges with the Soviet Union. The most recent, just 2 days ago, was a suggestion by us that there be a 7½-year delay between notice and deployment. There have been suggestions that that would be unacceptable to the Soviets considering that deployment would be decades away in any event. But the point is however you come out on the reasonableness of those press accounts, what the President's position is, however you come out on that, the fact of the matter is that the level of funding for research and development has never been a bargaining chip, has not been discussed as a bargaining chip, and cannot be.

The committee is dead right, Mr. President, when they say that, and I am quoting from the defense authorization report, page 182. Here is what they say:

> The committee, however, believes that it is not necessary to fund the President's entire request for SDI to maintain our negotiating leverage in Geneva. It is the committee's belief that leverage for arms control negotiations comes only from real defense programs which are aimed at realistic objectives, adequately funded, and broadly supported by bipartisan consensus. The committee believes our negotiations in Geneva are well served by a robust and well-managed SDI research program.

Mr. President, I could not have written it better myself. We are in full agreement. That is why the committee cut $1.5 billion from the President's request, because it has nothing to do with our posture in Geneva or at the summit. It is entirely possible to have bargaining over SDI deployment and testing without dealing with the question of the level of funding.

What we ought to do on the level of funding is to fund a robust R&D program, a research program, do it adequately in a credible manner that we can sustain year after year. That is the issue presented here.

Neither side wants to undercut Geneva. Both sides believe the President's program should be cut. So the final issue is, Mr. President, what can we afford?

Mr. President, the committee right now stands at a deficit of $2.6 billion in budget authority and they are down $6.9 billion in outlays. That is if we pass that budget resolution and fully implement it, including the taxes. If we raise those taxes which the President says he will veto, then you are down on outlays by $6.9 billion. So where is this extra money going to come from? The $712 million that the committee wants to increase this level of strategic defense initiative, where is that going to come from?

I do not know, Mr. President. You are already going to have to cut, if we are going to live up to Gramm-Rudman and the budget resolution, you are going to have to cut some $6.8 billion in outlays. The question presented is, do you want to have to cut that by almost an additional $1 billion, to take it out of some other program, to fund some nebulous program of

strategic defense initiative which has not been defined, not even conceptually, and no architecture exists?

I submit, Mr. President, our amendment gives a robust research program in strategic defense initiative. It fully funds everything that can be done, with an increase over last year of $225 million. With that submission, the amendment ought to be accepted.

I thank the distinguished Senator from Virginia for being so courteous and allow us the time to finish the debate.

Mr. WARNER. I thank the distinguished Senator from Louisiana.

Mr. President, I move to table the pending amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia [Mr. WARNER] to lay on the table the amendment of the Senator from Louisiana. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS] is necessarily absent.

I further announce that, if present and voting, the Senator from Florida [Mrs. HAWKINS] would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 50, nays 49, as follows:

[Rollcall Vote No. 176 Leg.]

YEAS—50

Abdnor	Goldwater	Nickles
Armstrong	Gorton	Nunn
Bingaman	Gramm	Pressler
Boschwitz	Hatch	Quayle
Broyhill	Hecht	Roth
Byrd	Heflin	Rudman
Cochran	Heinz	Simpson
Cohen	Helms	Stennis
D'Amato	Hollings	Stevens
Danforth	Humphrey	Symms
Denton	Kasten	Thurmond
Dole	Laxalt	Trible
Domenici	Lugar	Wallop
Durenberger	Mattingly	Warner
Exon	McClure	Wilson
Garn	McConnell	Zorinsky
Glenn	Murkowski	

NAYS—49

Andrews	Gore	Metzenbaum
Baucus	Grassley	Mitchell
Bentsen	Harkin	Moynihan
Biden	Hart	Packwood
Boren	Hatfield	Pell
Bradley	Inouye	Proxmire
Bumpers	Johnston	Pryor
Burdick	Kassebaum	Riegle
Chafee	Kennedy	Rockefeller
Chiles	Kerry	Sarbanes
Cranston	Lautenberg	Sasser
DeConcini	Leahy	Simon
Dixon	Levin	Specter
Dodd	Long	Stafford
Eagleton	Mathias	Weicker
Evans	Matsunaga	
Ford	Melcher	

NOT VOTING—1

Hawkins

So the motion to lay on the table amendment No. 2273 was agreed to.

□ 1650

Mr. WARNER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER (Mr. COHEN). The Senate is not in order. Those Senators standing in the aisle and conversing, please take their seats.

□ 1700

Mr. GOLDWATER. Mr. President, as I indicated in my opening statement, it is my intention to emerge from the House/Senate conference on the authorization bill with an authorization conference report which will conform the level of spending reflected in the recently passed budget resolution. I want to caution my colleagues, however, that if they continue to support and insist that we appropriate for defense no more than the outlay spending limits reflected in the budget resolution for fiscal year 1987, −$17.5 billion from the President's request; fiscal year 1988, −$31.2 billion; and fiscal year 1989, −$38.1 billion, they will be responsible for returning this Nation's defense posture to the status that it was in during the late 1970's, when we had quality of people problems, military manpower shortages, unrealistic and insufficient training, cost overruns due to program stretchouts, and near block obsolescence in many of our major weapons systems.

It may be worth spending just a few moments to explain first, why I think the Congress has agreed to these imprudently large reductions in defense spending, and second, to explain to my colleagues the dilemma that we on the defense authorization and defense appropriations committees are facing.

FLAWED CONGRESSIONAL RATIONALE FOR DEFENSE SPENDING REDUCTIONS

In my view, there are at least two reasons why my colleagues in the Congress have been willing to use the defense budget as the deep pocket for all our other economic woes. On one hand, we clearly have a grave budget deficit problem which must be resolved. Coincident with this looming deficit has been the constant diatribe of media reports over faulty Pentagon procurement practices and waste, fraud and abuse within the defense industry. Had the media and my colleagues been willing to keep these so-called waste, fraud, and abuse stories in perspective, the results would have been very positive because they would have recognized that such attention has compelled the Pentagon and the defense industry to reform the way they conduct their business. But, unfortunately, there has been very little effort to keep these stories in perspective and instead too many of us in the Congress and the media have been showboating on these issues because it has been the politically popular thing to do. These stories of waste, fraud, and abuse have led the uninformed to feel comfortable with the flawed notion that, if only the Pentagon would tighten up its procurement practices, our country could be secure with much lower levels of defense spending than those requested by this administration. For my colleagues concerned with the deficit problem, but unwilling—particularly for political reasons—to stem the enormous growth in social spending programs, reducing defense spending rather than reducing funding for social programs is the easier political path to walk. After all—they argue—"Congress reduced the President's request over $36 billion last year, $19 billion the year before, and $15 billion the year before that, and still we have seen no signs of Soviet forces mobilizing on our United States borders—so what's the harm? We'll take care of it next year."

My colleagues should remember that it was this same rationale that put our defense posture in the sorry state it was in the late 1970's. Instead of the deficit problem and waste, fraud, and abuse issues of today, it was the generally poor economic situation—high unemployment, skyrocketing inflation, and high interest rates—and the post-Vietnam antidefense mood that provided the excuse for not spending adequately for our military needs. When will my colleagues understand that it is not defense spending which is the culprit of the current deficit situation and admit that the real culprit is the roughly 400 percent growth—in constant dollars—for domestic social programs since 1960? When will my colleagues muster the political courage to reevaluate the affordability of those nice to have social programs before they resort to the politically expedient but very risky solution of reducing defense spending? Let's not forget that defense spending under Ronald Reagan consumes little more than 6 percent of our gross national product [GNP] compared to 9 percent of GNP during the Kennedy administration, while social programs consume almost 18 percent of GNP, compared to 9 percent of GNP during the Kennedy administration.

Mr. President, I fail to see the logic in the argument proffered by some of my colleagues that our national security should be conditioned and indeed held hostage to the willingness of the President to agree to new taxes, particularly since this President received

an unequivocal response from the American people on that issue in 1984—no tax increases. Instead, we should be asking the American people whether they would be willing to support additional taxes to fund the geometric spending increases in social programs that have occurred since 1960.

Mr. President, in summary, we have to reduce the deficit. Some of my colleagues want to reduce it by reducing the defense budget because they don't understand the impact these reductions will have on defense and they don't want new taxes. Others would solve the problem with the same solution that got us here in the first place—just raise some more taxes and we'll give a little to defense and a lot to social programs, and whatever is left will be applied against the deficit. This is my version of why my colleagues are once again willing to resort to deep reductions in defense spending, and now I will address what I believe is the more important dilemma that we on the Defense Authorization and Appropriations Committees are confronting as we attempt to conform to the congressional will, as flawed as it clearly is.

Unfortunately, the windfall savings from inflation, decreasing fuel prices and the like that we have become accustomed to in the defense budget over the past few years have already been excised from this bill. Therefore, there is no easy way to conform to the defense spending level of the budget resolution. We have essentially three options, which represent my own personal view.

OPTION I—PAY AND TRAIN OUR MILITARY PERSONNEL BUT FAIL TO EQUIP THEM PROPERLY

One option would be to minimize funding reductions in the manpower and readiness accounts so that we ensure that the current level of military and civilian personnel are properly paid and trained. However, in order to accomplish this and still satisfy the outlay ceilings reflected in the budget resolution, we must ravage the procurement and research and development accounts. It is these R&D accounts, however, which ensure that we will preserve a qualitative edge over our adversaries in weaponry in future years. This option would require that we cancel the major R&D programs in each service—namely, the Air Force's advanced tactical fighter [ATF], the C-17 airlift aircraft, the small ICBM [Midgetman missile], in addition to causing at least a 6-month delay in the Advanced Technology Bomber [ATB] Program and at least a 1-year delay in the Milstar Communications Program. With respect to Navy R&D, I would propose cancellation of the Navy's tilt rotor aircraft [V-22 Osprey] and the advanced tactical aircraft [ATA] and a 1-year delay in fleet introduction of their new *Seawolf* attack submarine. With these budget constraints, it is also clear that the Army's Light Helicopter Program [LHX] must also be cancelled.

With the cancellation or delay of these very important research and development efforts, the committee would be required to identify additional program reductions which would reduce the fiscal year 1987 R&D budget request by almost 24 percent. My colleagues must understand that these reductions will seriously impair our ability to maintain the narrow qualitative edge in weaponry over the Soviets which is essential to this Nation's current deterrent strategy, particularly since long ago we lost our quantitative superiority in weaponry to the massive Soviet production lines.

With this option, in the procurement accounts, I would propose, among other things, that the Air force F-16 program be reduced by 36 aircraft, that the F-15 program be cancelled, that the MC-130 aircraft be reduced by 5 aircraft—along with substantial reductions in the C-135 reengining program. In Navy procurement, I would purpose the termination of the A-6E/F aircraft program and the F-14D fighter aircraft program. In addition, I would propose a reduction of 36 F/A18 aircraft, elimination of funding for one of the four requested SSN-688 attack submarines, one Trident submarine, and a CG-47 AEGIS cruiser. In the Army, I would propose a reduction of 32 Apache helicopters, cancellation of the Attack Helicopter Improvement Program [AHIP] and the CH-47 helicopter program. I would also propose a reduction of 240 M-1 tanks and 270 Bradley fighting vehicles.

These are the types of program funding reductions that will have to be made if the Congress continues to insist that we appropriate no more for defense than is permitted in the outlay ceilings reflected in the budget resolution for each of the next 3 years. I am not gaming my colleagues; these program reductions are the only option remaining if we are going to satisfy outlay limits in the budget resolution and at the same time, protect the manpower and readiness accounts.

OPTION II—EQUIP OUR MILITARY PERSONNEL BUT FAIL TO PAY AND TRAIN THEM PROPERLY

The second option that our committee would have to consider would involve not giving preferential treatment to the manpower and readiness accounts. Instead, we would reduce the requested military pay raise even though we are starting to observe the long predicted, adverse trends in our military personnel retention rates. In addition, we would have to reduce the number of active military personnel by 10,000 below the current level—24,000 fewer than the current administration request. We would consider reducing drilling military reserve personnel 100,000 below current levels—160,000 fewer than the current administration requested; we would have to consider reducing the number of DOD civilian personnel by at least 50,000 below the current level. In addition, I would propose that we eliminate the requested civilian pay raise for fiscal year 1987.

In the so-called readiness accounts, substantial funding reductions would be required which in turn would increase the weapons maintenance and ship overhaul backlogs. We will be forced to reduce flying hours, steaming hours, training days, and other operational support accounts. But even these reductions would not be sufficient to meet the outlay targets reflected in the budget resolution. So we would have to cancel some of the same programs that I mentioned earlier in option I and make substantial reductions in many other procurement and R&D programs as well.

OPTION III—OUTLAY SLIP

Option III involves making some of the program reductions previously mentioned in options I and II, was well as some or all of the following changes:

First, delay the payment of salary checks to military personnel by 1 day. This is a one-time modification which would result in at least a $2 billion outlay reduction by delaying the last military pay date of fiscal year 1987 by 1 day into fiscal year 1988. Slipping such outlays into the next fiscal year would not result in any net reduction in pay for military personnel, nor would it cause a spending bow wave in fiscal year 1988 or 1989 since these expenditures would be slipped by 1 day, forevermore.

Second, prohibit the Department of Defense from making payments on goods and services, until 10 days have elapsed from the time such payments would be required to be made under existing law and regulation, which could result in outlay savings up to $4.3 billion in fiscal year 1987. An exception would be made for payments by the Department of Defense for goods and services received by those qualifying as small businesses.

Third, prohibit the Department of Defense from making progress payments to defense contractors in excess of 70 percent of incurred costs. The current limit on progress payments is 80 percent. This would result in $1 billion in outlay savings in fiscal year 1987 and $3 billion in outlay savings in fiscal year 1988. Again, an exception would be made for those entities which qualify as small businesses.

Fourth, prohibit the Department of Defense from issuing checks for payment of contracts during all or a part of the months of September in fiscal years 1987, 1988, 1989, and 1990, again exempting payments to small businesses. This prohibition would be

waived in cases where finance charges would accrue if payments were delayed into October of the next fiscal year. This would result in outlay savings of up to $500 million per day based on a 20-day month.

SUMMARY

The fact of the matter is that none of these three options is particularly attractive. Option I is untenable because it results in draconian programmatic reductions that no reasonable person—concerned with our national security—could support. Option I permits us to pay and train our people properly, but does not provide the wherewithal to equip our military personnel with the weapons they will need to prevail in a conflict. Option II permits us to equip our military personnel, but compromises our ability to recruit, train, and retain quality people. In my view, we will have to resort to some or all of the financial adjustments described in option III because of the unrealistic outlay ceilings mandated by the budget resolution.

I, for one, am not suggesting that the proposal I have just mentioned affecting military pay dates and payments to defense contractors would result in real program reductions; we have already made far more program reductions than I think is prudent. What I am suggesting is that, despite continued written and verbal warnings by members of the Senate and House Armed Services Committees and defense appropriations committees to the Budget Committees and to my colleagues, we are simply unable to adhere responsibly to the budget resolution without pursuing the third option. That is why, as unattractive as it is to me, option III is the least harmful method available for us to resolve this impasse on the defense budget.

The PRESIDING OFFICER. Senators will please take their seats or remove themselves from the Chamber.

Mr. GOLDWATER. Mr. President, I hope my colleagues can hear me.

The PRESIDING OFFICER. The Chair is having difficulty hearing the Senator from Arizona.

Mr. GOLDWATER. Mr. President, there are 138 amendments which have been offered to this bill, and we have Wednesday, Thursday, Friday, and Saturday left this week. I remind my colleagues that we have the important vote on the South Africa sanctions, the vote on Central America. We have not finished the debt ceiling. If we are going to finish this bill, I remind my colleagues——

Mr. STENNIS. Mr. President, may we have conditions in the Senate so that we can hear the Senator? I am a very short distance from him, and it is impossible to hear what he has to say. The Chair is the only one who can do anything about it.

The PRESIDING OFFICER. The Senator is correct.

Senators standing and talking will remove themselves from the Chamber or take their seats.

Mr. GOLDWATER. Mr. President, I want to remind my colleagues that this is a very important bill. This is the authorization bill to provide the money for the defense of our country. I remind my colleagues that when we came here, we took an oath to defend and protect the Constitution of the United States.

I put as much importance in this bill as any bill we have before us, and I would like to finish it this week.

I propose that we stay in all night tonight. I have no reason not to stay. So the bill is open to further amendment, and I would appreciate the author of one of those 138 amendments standing up and offering an amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, I do not have an amendment, but I want to reaffirm what has just been said by the distinguished chairman of the committee.

I think we will be in until about midnight tonight. I do not know about all night.

Under an agreement we entered last Saturday morning, about 12:30 a.m., we can get off this bill by calling for the regular order—anybody can—after the close of business tomorrow night.

I know that the amendment we have just debated was very important. It took 12 or 13 hours and probably was worth every minute of it, but I understand there are about four or five more SDI amendments.

If it is going to take a lot of time, obviously we will not be able to finish this bill. But I am prepared to work with the chairman and the manager on the other side—Senator GOLDWATER and Senator NUNN—and stay in late tonight, late tomorrow night, late Thursday night, if we are still on this bill, in an effort to complete action on it.

I say to my colleagues that there are 138 amendments. One way to get rid of about 100 of them would be to vote for cloture tomorrow, so that we do not go through the comedy we went through on the debt ceiling for 8 days.

I read one headline in a newspaper, "Legislative Graffiti," which is perhaps an accurate description of what happened after 8 days on the debt ceiling bill.

Mr. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. DOLE. I yield.

Mr. BYRD. Mr. President, some of us have amendments that are not SDI amendments and they are not graffiti. They are amendments we would like to call up and get a vote on.

I am not suggesting that we stay in all night, but I hope we will have some opportunity to call up those amendments before we vote cloture on the bill. The cloture vote will come up on tomorrow, and those of us who have not had an opportunity to call up our amendments, I think, should have an opportunity to do so. I do not have a great number; I have two or three amendments. I might call up one or two or three, but they are not legislative graffiti and they are not SDI amendments.

I want to join with Senator EXON at some point to offer an SDI amendment that it seems to me would be a compromise amendment. I hope we will have an opportunity to offer it and to vote on it.

I say to the distinguished majority leader that I certainly hope we do not vote cloture on this bill as soon as tomorrow if we are not going to have an opportunity to call up a few amendments.

Mr. DOLE. I do not have any problem with amendments. I hope they are germane to the subject matter of the bill. I have heard about Social Security amendments coming out of the woodwork and playing the whole game we played with the debt ceiling. Of course, anybody can do that. Anybody who has an amendment can vote against cloture. But if we are serious about completing this bill and completing action on the debt ceiling and completing action on South Africa, Contra aid, and the reconciliation, plus a discussion of the Boren PAC amendments between now and a week from Friday, we have a lot of work to do.

I am perfectly willing, as is the chairman, to stay every night. I think my colleagues are willing, because they know that we are going to be out for 3 weeks if we keep the August 15 recess date.

I am not trying to shut off amendments, but if there are 138 amendments and 75 are offered, we will be on this bill 30 days.

Mr. EXON. Mr. President, I know the position the majority leader is in. I am ready to offer an amendment, but I have been trying to decide whether it would be most appropriate to offer $3.5 or $3.7 billion.

I believe that the distinguished minority leader feels that we should offer the $3.7 billion. I have always felt it should be $3.5 billion.

I am about to offer an amendment and will offer an amendment to raise this to a 15 percent real increase, at $3.5 billion.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. BYRD. Mr. President, will the Senator yield?

Mr. EXON. I yield to the distinguished minority leader.

Mr. BYRD. Mr. President, I would join in the amendment to make it 20 percent. I did not want to go to 3 percent, and I certainly do not intend to go to the 75 percent requested by the President. The committee reduced it to 28 percent. It seems to me that 20 percent is a reasonable compromise that would keep the program going in a reasonable way and would not be vulnerable to charges of waste and overfinancing, but it would also keep the thing on the track.

It seems to me that 20 percent would be a reasonable figure, and I am prepared to join the distinguished Senator from Nebraska in cosponsoring such an amendment. If it is less than that, I would like to think about offering my own.

Mr. EXON. I appreciate the position the minority leader is in. As usual, he thinks these things through.

It has always been the position of this Senator, as a member of the committee, that we should have gone for a 15 percent real increase. I voted in the committee against $3.9 billion.

I wanted to mention to the minority leader—if I may have his attention—that in order to move things along, I would like to to offer this amendment.

The PRESIDING OFFICER. Will the Senator suspend?

Will those Senators standing in the aisle please take their seats? The Senator from Nebraska cannot be heard.

Mr EXON. I thank the Chair.

Mr. President, I would like to advise the majority leader and the minority leader that I do not wish to debate this at length. I think the issue has been debated. I would certainly agree to offer the amendment shortly and make a brief statement on it. I would agree to a half-hour equally divided, 15 minutes to a side, with the understanding that at that time we could have an up-or-down rollcall vote on the amendment.

□ 1710

Since I usually feel it is the prerogative of the majority leader to propose unanimous consent agreements, I am wondering if I could yield to him time without losing my right to the floor for such an agreement if he would like to enter into that?

AMENDMENT NO. 2413

(Purpose: To reduce funds for the SDI Program)

Mr. EXON. Mr. President, while the discussion is going on, I send the amendment to the desk for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for himself, and Mr. JOHNSTON, proposes an amendment numbered 2413.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 19 between lines 18 and 19, insert the following new section:

LIMITATIONS ON FUNDS FOR THE STRATEGIC DEFENSE INITIATIVE PROGRAM

SEC. 206. Notwithstanding the provisions of section 201, section 205(a), section 3113(a) and section 3114(a)—

(1) Not more than $6,974,974,000 are authorized to be appropriated for fiscal year 1987 for the Defense Agencies for the use of the Armed Forces for research, development, test, and evaluation

(2) not more than $3,261,000,000 of the amounts authorized for Defense Agencies is available for the Strategic Defense Initiative;

(3) the total amount authorized to be appropriated to the Department of Energy for national security programs is $7,369,225,000;

(4) not more than $300,000,000 shall be available to the Department of Energy for research, development, test, and evaluation, and for other purposes, in connection with the Strategic Defense Initiative program.

Mr. DOLE. Mr. President, will the Senator from Nebraska yield?

Mr. EXON. I am glad to yield without losing my right to the floor.

Mr. DOLE. Mr. President, I understand this is at 20 percent.

Mr. EXON. Let me state it again, if I might. I just stated it, but we had disruption in the Chamber. This is a 15-percent real increase, $3.5 billion in total funding, not 20 percent, which would be $3.7 billion.

Mr. JOHNSTON. Mr. President, will the Senator yield at that point for a correction?

Mr. EXON. Yes.

Mr. JOHNSTON. I believe it is $3.561 billion.

Mr. EXON. $3.561 billion, which is 15 percent.

The suggestion made by the distinguished minority leader was to go to 20 percent, which is in the area of $3.7 billion, which was the original mark approved by the Armed Services Committee. It was subsequently raised about $200 million to $3.9 billion, which is the basic matter before the body now.

The proposition offered, which was lost by a vote or two by the Senator from Louisiana, was in the area of $3.12 billion, in that area.

Mr. JOHNSTON. $3.24 billion.

Mr. EXON. $3.24 billion. With the amendment that I have just offered, we can go up to $3.56 billion.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. BYRD. Mr. President, will the Senator yield?

Mr. EXON. I am glad to yield for a question.

Mr. BYRD. Does he yield the floor?

The PRESIDING OFFICER. The Senator said without losing his right to the floor.

Mr. BYRD. All right.

Mr. EXON. This was discussed at great length in the Subcommittee on Strategic and Theater Nuclear Forces. It was discussed at great length in the full committee.

There were some amendments made to it that I thought were good and proper.

I have been a supporter of the strategic defense initiative from its very inception. I think that more than anything else the strategic defense initiative has been the instrument that brought the Soviet Union to the bargaining table, to the serious bargaining table.

I think what we are talking about here is whether or not we are going to go higher than the amendment offered by the Senator from Nebraska, whether we are going to go higher, which would be up toward the over $5 billion that the President requested in his budget message to the U.S. Senate.

I simply say, Mr. President, that I would suspect that if we would approve the amendment offered by the Senator from Nebraska, we would probably end up after conference with the House of Representatives in the area of $3.1 billion to $3.3 billion, somewhere in that basic area. That may be somewhat less than what some people think necessary. But once again I do not think it is a particularly significant amount.

From the beginning this Senator from Nebraska has always felt that a 15 percent real increase, the equivalent to the amendment that I have just offered, would be entirely proper and entirely in order. I think that is enough.

I do not disagree with those who think it should be somewhat less or somewhat more. I think that the 15 percent real increase which is far, far higher than most other portions of the budget that we are addressing, certainly it is higher than what we are going to end up in real increase for the overall national defense budget is sufficient. I think it will be sufficient even after conference with the House of Representatives. We have to come down somewhat.

I would certainly ask in the interest of saving time, without losing my right to the floor, could we get some kind of an agreement as to how long we wanted to debate this? I think the basis merits have been debated very thoroughly over the past couple of days.

Without losing my right to the floor, is the majority leader in agreement and is the minority leader in agreement with the amendment?

Mr. DOLE. Mr. President, will the Senator yield?

Mr. EXON. I am glad to yield without losng my right to the floor.

Mr. DOLE. Whatever the managers say, I was under the impression there was going to be an amendment by Senator BYRD, which would be a 20-percent increase. So that has been reduced.

I do not know there is any tendency on this side to have any agreement. We will just talk for a while, I guess. There is noting else going on.

Mr. EXON. Would the majority leader state his question again, please?

Mr. DOLE. It is my impression there was going to be a Byrd-Exon amendment, which would be a 20-percent increase. That is not what we have before us.

On that basis, we suggested we get an agreement. If the managers are willing to settle for a lesser amount, it is up to them. I do not know if the distinguished minority leader is still planning to offer an amendment.

Mr. EXON. I certainly do not wish to preempt anyone else's suggestion or ideas. If the distinguished minority leader wishes to offer an amendment to my amendment which is in the first degree, and if we can get agreement to do that, I have no objection whatsoever with that. That is his prerogative as I understand the parliamentary procedure.

But my amendment is for 15 percent real increase at $3.56 billion and I would like a vote on it. But if the minority leader wishes to offer 20 percent as an amendment to mine I have no objection to that whatsoever.

But in absence of that, to save time, which everyone is wanting to do so we are not going to be here until 2 or 3 o'clock in the morning, is it in order to ask for a unanimous-consent agreement that we would have one-half hour equally divided and then have an up or down vote on the Exon amendment?

Mr. DOLE. Will the Senator yield to the Senator from Virginia?

Mr. EXON. I am glad to yield to the Senator from Virginia without losing my right to the floor.

Mr. WARNER. Mr. President, may I suggest that this body has deliberated this issue very thoroughly for close to 11 hours. Further deliberation I think is of little value.

My suggestion is that those who desire to have this figure lowered caucus, establish the figure among themselves, and come out and present the amendment.

The realities are that a change of one or two votes will bring this figure down. I am concerned about the impact of what we are doing now on our negotiations in Geneva. The eyes of the world are on this Chamber at the moment with respect to this program which is integral to our negotiating posture, which is integral to the hoped for sumits.

I think we have an obligation to the President and others to try and conduct these negotiations to conclude our deliberations as promptly as possible.

So, Mr. President, my suggestion is to allow the various Members of the Senate who desire to put in another amendment at a lower figure to caucus and submit that amendment. So I am inclinded to suggest the absence of a quorum.

Mr. EXON. Mr. President, if I might respond, I feel exactly like my colleague from Virginia, the minority leader and majority leader, and others. Let us move along with this.

If we can have a caucus for those of us who want to come in below the $3.9 billion figure and come back in here in 20 minutes, I would be ready to amend my amendment if we can come up with some kind of agreement as to where we should go without having a whole series of votes. I think the Senator from Virginia has made a good suggestion.

Mr. WARNER. I suggest the Chamber hear from the distinguished minority leader.

Mr. EXON. I yield the floor.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

Mr. JOHNSTON. Will the Senator withhold?

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1720

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that I might proceed as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, the strategic defense initiative just had a very, very close call. I hope the White House realizes that this initiative is in big, big, big trouble.

□ 1730

The White House has largely itself to blame. Those of us who were the earlier supporters of SDI and through whose help we like to think we won that proposal some credibility for this country and indeed internationally, are astounded that having once been assured that SDI would not be on the table, that the President now in a letter to Mr. Gorbachev has, in effect, the system on the table.

The PRESIDING OFFICER. The Senator will suspend. The Senate is not in order.

The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, as I said a moment ago, the White House has only itself to blame. The political support of SDI can only be further eroded, or that support in the scientific and academic communities can only be further eroded, unless there is some clarification on the part of the White House about this letter to Mr. Gorbachev.

No one wants to support a program that does not have whole-hearted support by the administration. No one wants to support a program that involves the expenditure of a great deal of money if that program is only a bargaining chip.

I hope that the White House will review the history of the arms control process and will come to the conclusion that once SDI gets caught up in that spider's web of arms control negotiations, we shall never free it, never. Mr. Gorbachev is by far the cleverest Soviet leader in modern times ever. He is a very clever propagandist, a very clever negotiator, a very shrewd bargainer. If we let SDI fall into the spider's web, we shall never, ever retrieve it. We are on the very brink of letting that happen.

Unless the White House clarifies within the next few days to the satisfaction of this Senator, at least, exactly where we are going, what we are proposing in the way of constraining field testing with respect to SDI and the antitactical ballistic missile system, I may well change my mind about this program altogether and side with those who are now nearly in the majority in voting to scale back this program.

Mr. President, apparently the White House is unaware that we could deploy on very short order, say over a period of just a couple of years, a workable strategic defense program using off the shelf technology. We do not have to wait until the turn of the century. To suggest that we have to wait until the year 2000 or the late 1990's gives rise to the belief that there is no harm in forgoing testing over the next 5, 6, or 7 years.

That is not true. We can deploy on very short order if the White House would make that decision.

Apparently, however, we are going in a direction that will preclude our deploying and perhaps even our field testing for many years to come. That is going to destroy the political support of this program and it is going to destroy the support of the scientific and professional community. It will be a tragedy of enormous and historical proportions. But that is the direction in which the White House is leading us. I hope we will soon see a change in direction.

Mr. President, I suggest the absence of a quorum.

Mr. EXON. Mr. President, will the Senator withhold his request?

Mr. HUMPHREY. I withhold.

Mr. EXON. Mr. President, I appreciate very much the suggestion of the

Senator from Virginia. We have had a little caucus on the floor. We are unable to come to any agreement other than the amendment that is before the body by this Senator cosponsored by the Senator from Louisiana [Mr. JOHNSTON]. I am still prepared for a time agreement, but I have proposed it two or three times and, therefore, I will not propose it again. My remarks will be very short and I think those of us who are in support of this amendment, who wish to speak, will speak on it very briefly and we can move to a vote in rapid fashion.

As the Senator from Virginia has said, this matter has been debated very thoroughly. All we are doing is moving up from a 3-percent real growth as suggested by the amendment offered by the Senator from Louisiana up to a 15-percent real growth in the SDI program. I have nothing further to say on this at the present time. I reserve the right to have some closing arguments hopefully just before we vote.

Mr. JOHNSTON. Mr. President, I rise in suport of the Exon-Johnston amendment and just very briefly to tell my colleagues how this was arrived at.

When we lost by a single vote, and a switch at that in the last vote, Senator EXON and I continued our discussions about what would be a proper level.

Frankly, we initially agreed at $3.5 billion. Later, the Senator from Nebraska [Mr. EXON] said let us go the full 15 percent, which was more than really Senator EVANS or the other Senators in our group wanted to do, but in the interest of getting an amendment that could be broadly supported we went for the full 15 percent, which is $3.561 billion.

Mr. President, I would say to my colleagues speaking for this Senator, and I think speaking for the broad group, I believe I am correctly reflecting their views when I say that this is the top limit that we will go for. I would be surprised if it does not represent all the group. There could or could not be a defection or two, but I would doubt it. But that represents the upper limit.

Mr. President, I commend my distinguished colleague [Mr. EXON], who has contributed greatly to not only the debate but now, I hope, to the solution of this problem which will give not only a robust increase but a robust increase plus a half-billion dollars for the strategic defense initiative.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. EVANS. Mr. President, we have all debated this issue at length, and it is an important issue. It is one that deserves the lengthy debate we have had on it.

I heard in the last few hours before the first vote Member after Member talking in favor of the committee's position, talking about cut, cut, cut, cut.

There in no cut. There was no cut in what the original amendment would have provided. It is an increase over spending for the last year of 3 percent after inflation. Now we are talking about an amendment that I think represents a rational compromise, but certainly as high as I believe the program ought to go when it has not yet been identified and focused and understood either by the administration or by the Congress as a program of this nature ought to be.

Conventional research and development is focused, our work on the Midgetman is focused, our work generally in nonmilitary research and development is focused. But we simply have not yet settled in on a focus or as some have suggested an architecture on this program.

I will only speak to one other item. That is the continual reminder that this will send some kind of a message to the Soviets on the eve of the next round of arms negotiations.

The committee must have had that in mind whey they drastically reduced the administration's proposal of over 70 percent to 28 percent. Presumably that sends some kind of a message to an arms control meeting.

I do not think there is any question that at any of the figures we have talked about, from 3 percent to the full 70-some percent of the administration, the message still is one of continuation of research, the only question being how long we take to focus that research and how wisely we use the money.

There is no question this year as there was last year, at least it has not been expressed very much, that we should just simply abandon the whole project.

I think the message is still a strong one. The real circumstance here is not one of sending a strong or a weak message to our adversaries at the next session of arms control talks, but it is a question of how well we do internally in identifying our program, in focusing our program, and in wisely using the very, very large amount of money, the largest we will spend on any military research and development program in this Nation.

□ 1740

We ought to do it wisely and I think that the amount we are now talking about is more than ample to do that job wisely.

Mr. WARNER and Mr. DIXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIXON. Mr. President, I shall be very brief. I support the amendment by the distinguished Senator from Nebraska. I had spoken in favor of the amendment by the distinguished Senator from Louisiana and since supported the lower amount, I obviously will support this amount. I want to make this first point. That is that at one time, and the Members of the Senate ought to know and understand this, at one time initially, in the committee, the committee had voted for a number of $3.7 billion, which was the original Nunn-Cohen accord, which at that time a majority of the committee supported. I must confess and some here may correct my recollection of it, I do not recall entirely what happened in the committee. At one time, we had a majority for that number in the Nunn-Cohen amendment of $3.7-plus billion.

I confess I cannot remember what transpired that led us to change that amount. But I think on a vote with a majority of one, and I may stand to be corrected, a couple of hundred million dollars was added on. We ended up with a committee number which represents a 28-percent increase or 23 percent after inflation, of $3.953 billion.

I would argue to my colleagues here, if the committee at one point was tolerant of a level of $3.7 billion and if, on a vote a moment ago on the amendment of the Senator from Louisiana, the whole Senate acting here rejected that amendment by one vote, certainly, this is a fair accommodation at this level. I think that this kind of growth, quite frankly, in the view of this Senator, for this program is still excessive. But it is certainly more in line with what I expect the ultimate result in the conference will be.

The House figure in the committee, may I tell my colleagues, is $3.708 billion. That was originally zero, as I understand it, in the subcommittee. The whole committee made it $3.70 billion. There is no likelihood that the House, in the total vote of the House, will go with that figure.

I shall again just say this in conclusion: this is a reasonable number. I said in my original speech on this subject, funding for SDI has tripled since 1984, funding for this program, while all total defense budget expenditures by Congress have increased only 8 percent. I think that dramatically shows how out of line we are on this program.

I might say I was visiting the other day with a couple of scientists who genuinely support the concept of this program in its generic sense, at least. If you look at page 180 of our report language, you will see that in there, they talk about, directed energy weapons, $1.6149 billion. Every one of those scientists assured me that that is so far out of bounds in connection with what they could possibly spend in research that it boggles the mind. These were sincere, responsible men who support this program, who do not laugh at this program, saying, "Hey,

you could not spend more than $100 million. There is no possible way you could spend $1.6 billion."

Finally, I am ranking on preparedness and I went through this whole exercise about what we have done in the DOD authorization bill this year. I took the hard position on this floor when we cut military pensions and I saw us hold the line on salaries and I saw us cut major conventional weapons systems.

I saw the evidence of what we are doing with spare parts and ammunition and how, over the next 5 years, that is going straight down into the basement. I say to my colleagues here that, having all those things in mind, it is, in my view, and entirely reasonable position to support the amendment of the Senator from Nebraska. That is a reasonable sum. If the administration, I say to my friend from Nebraska, ended up with the figure that he is offering here out of a conference, it would be more than this Senator thinks we ought to spend for the program. But it is certainly a reasonable number for the Senate.

I hope my colleagues here will vote for the amendment of the Senator from Nebraska and fix this sum this year at $3.5 billion, almost a half-billion-dollar increase over last year. Tell me what other program we are going to vote on in Congress this year can make that claim. I do urge support for the amendment offered by the Senator from Nebraska.

Mr. WARNER. Mr. President, I urge the Senate to discontinue this debate and proceed to a vote. The issues are well-known. On the substantive side, I have reason to believe that there may be undercurrents which signal a change of vote at this time for reasons which, in my judgment, are irrelevant to the subject at hand. At this point, I urge the Senate to vote as rapidly as possible. I urge colleagues on my side not to move to table—not to move to table.

Mr. NUNN. Mr. President, I do not want to delay a vote, but let me recount very briefly where we are in terms of funding.

We are at the 28-percent growth mark in the bill as it now exists. That was a committee cut from the President's requested funding profile of $5.268 billion, which was a 74.6-percent growth rate over last year. I think the message has already been sent to the President and to the people in the Defense Department who are in charge of the strategic defense initiative that this program has significant difficulties. But, I think, there is a balance to strive for here and that balance is hard to arrive at because people are always asking, are you for or against SDI?

As I said at the outset of the debate, I do not think that is the question, whether you are for or against SDI. I think 90 percent of the people here are for research on the strategic defense initiative, but I think 50 or 60 percent of the body are extremely skeptical of the way the program is being run, about the President's vision of a roof over America that would render nuclear weapons obsolete. I think the people in this body are skeptical about the lack of architecture, which is a point we have emphasized in a lot of speeches here. I think a majority in this body are very disillusioned about the quarrels within the administration of whether SDI is a population protector or a move to have defenses that would enhance our deterrence.

I think there is a great deal of skepticism about whether we really have established a criterion that SDI must be cost effective at the margin, which is part of Ambassador Nitze's definition which has been incorporated in Presidential directive and later incorporated in the Proxmire amendment, which is now law, or whether we now have a new criterion called affordability, which is being talked about by General Abrahamson and others. I think there is a lot of skepticism in other areas as well.

But we have to decide here what is a proper balance. While I think the administration has gone too far, without any doubt, in its grandiose descriptions about this program, which has caused great skepticism, disillusionment, and, I think, well-placed overall disbelief, nevertheless, the question becomes whether the Senate is going to react the other way—if it is going to react too far.

Are we going to react too far the other way? We have to go to conference with this bill. When we get to conference, we may well have a zero growth rate, maybe below the Johnston amendment. We may have that come out of the House debate on the floor. That is not what the House Armed Services Committee has proposed, but the debate on the House floor may well go to zero growth. We have heard the Senator from Louisiana say where he wants to end up, which is with some growth in spending on the Strategic Defense Initiative.

□ 1750

If we go in too low we may end up below even where the Senator from Louisiana wants to end up because we are not through this process. This bill is over $6 billion too large in outlays, so we are not going to be done with the outlay debate even when we get the authorization bill back from conference. I do not think we are going to meet the outlays in conference. It means the Appropriations Committee is going to have to do it. The House Appropriations Committee could very well come back with a number on SDI that is below a real growth level. We could end up in a continuing resolution with an SDI Program which is below the Johnston amendment. I know that it is not the Senator's intention, but I think the Senator and others should be willing to support either the committee number, which provides a 28-percent growth rate and, if that is not possible, support a number somewhere in the range of a 17- to 20-percent growth. The reason I say that is because it is obvious this number is going to come down, down, down. This is the high water mark for SDI. What we vote here today is the highest it is possibly going to be. It is going to come down in conference. It is going to come down with the appropriations process. It is going to come down on the continuing resolution. And at some point we have to decide to whom we are sending the message. If we are sending the message to the Reagan administration, if they have any ears at all, they have gotten the message from the vote today and from the very fine debate conducted by the Senate. But the question is whether we want to send this message all over the world or are we trying to confine it to the Senate of the United States and the executive branch? I would prefer this message not go all over the world, although what we do here is perfectly open to the public. I think there is a difference between ending up with some type of growth in what will likely be the high water mark of the SDI Program and ending up with a program that has been cut so badly that we end up perhaps with a growth of zero or below before the process is over.

Mr. JOHNSTON. Will the Senator yield?

Mr. NUNN. So I urge my colleagues, if this 15-percent growth rate is voted on, to vote against this amendment for the reasons I have enumerated. I urge those who may be on the verge of victory here today with the Johnston and Exon amendment to consider the possibility of agreeing to a growth rate in the 17- to 20-percent range so we go to conference with a program that can make sense, not just for domestic consumption, but also in the overall relationship with out allies and in the arms control talks in Geneva.

No one has the precise number. I do not think there is anything absolutely magic about 28 percent. The problem is that there was nothing magic about the President's number. This is why it is in so much difficulty. There was no real rationale for that number. There is no real rationale for 3 percent, I might add, either, so we have to find a balance. The people who are the most perhaps credible in this area, in my opinion, are the former Secretaries of Defense. We have former Secretary of Defense Schlesinger, former Secretary of Defense Brown, former National Se-

curity Adviser Scowcroft, former Assistant Secretary of the Navy Woolsey, and former Secretary of Defense Mel Laird, who have talked of ending up somewhere between a 10- and 20-percent growth rate in the level of SDI spending from last year's level.

So, I would hope those who may be on the verge of winning this by one vote would consider the possibility of going to a perhaps 20-percent growth rate or a compromise number that would come out of here as a consensus rather than coming out with a very split position that really does not send the message we want abroad, although I would again contend that that message that was so visible here has already been sent downtown to the administration.

Mr. COHEN. Will the Senator yield?

Mr. NUNN. Yes.

Mr. COHEN. Could I just add a point to what the Senator from Georgia is saying? One of the great items debated in the Armed Services Committee is this very process that is now taking place. There was tremendous sentiment on my side of the aisle at least to say let us go with the highest figure we can possibly get because you know what those people are going to do on the House and Senate floor. Let us come in with a high figure and at least if we get half what we are asking for we are a lot better off than if we go with a reasonable figure. If we do this today, by constantly undercutting the figure that came out of the Senate Armed Services Committee, next year we are going to come back with a higher figure, it will be subject to debate and we are going back into the unstable, really, reckless sort of process that we have visited upon ourselves.

What the Senator from Georgia and I tried to do was to come up with a figure that has some basis in expert testimony, and he has cited those gentlemen to whom we have talked. They have gone anywhere from that 10 percent figure to as high as 30 percent, with former Secretary Schlesinger talking between 20 and 30 percent, Brown talking up to 20 percent. We tried to come out with a figure that we could sustain hopefully on the Senate floor.

If we come here with the kind of a vote and then you are undercut once or twice or three times, then the pressure next year is going to be, "Ignore the Senate in the future; we are going to come in with the highest figure possible. Then we will get a compromise which will be at least a lot better than coming in with a responsible figure."

So I would hope we would reject this particular amendment. I was one who joined the Senator from Georgia in coming down to that 28-percent figure, and I am not going to be inclined to do it in the future if we are going to come to the floor and constantly be undercut. I am certainly prepared to support my Republican colleagues if we are going to face that kind of pressure in the future. I hope that we would try to follow the leadership of the Senator from Georgia and strike some kind of responsible compromise that both Republicans and Democrats can support in the future, not just this year but next year and the year after that as well. So I want to join my colleague in urging rejection of this amendment.

Several Senators addressed the Chair.

Mr. NUNN. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Georgia has the floor.

Mr. NUNN. I thank the Chair. Let me say that the Senator from Maine more than any other person in this body has helped us reach what I believe is an emerging consensus on SDI. He joined in when it was against the will of his colleagues on the committee on the Republican side of the aisle because he felt this program had merit and deserved to have a rational definition. The concept that has been agreed to by almost everyone who has been debating this in my opinion is far more important than the exact funding level.

But without the Senator from Maine we would not have this kind of concept. Almost everyone has said that the committee language—not everyone, but almost everyone who has debated it—is where we ought to be. That is the fundamental message that has come forth, but I hope we could take this concept and would come up with a funding level that is consistent with the concept. We have said in our report, which everyone speaking on this side has embraced and said nice things about, that there are valid purposes for SDI. The fact it does not have an architecture now, the fact we have had discord in the administration on its goals, all of those things do not mean it has no merit. It has merit because the Soviets have a very busy and a very active program in the strategic defense area. It has merit because the Soviet Union could break out in this area. They are already violating the ABM Treaty. We know that. I do not predict a breakout but that is something we have to hedge against. This program has merit because although we have technological advantages, we have tremendous quantitative disadvantages overall. So what we are talking about is a program that does have merit. Everyone who has spoken on this subject realizes it has some merit in the arms control arena.

So I say let us confine our message between here and the other end of Pennsylvania Avenue. Let us not send a message all over the world that we are split on this situation, that we have a tenuous one-vote margin in the Senate. I hope that the Senator from Nebraska, who has been a tremendous stalwart in the Armed Services Committee, would consider going to a figure where we could get a broader array of support rather than coming out with a one-vote victory. But that is a matter of choice for the authors of the amendment. I urge my colleagues not to support this amendment as it is now drafted.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I will be very brief. Let me say that the figure we are coming up with by way of compromise is hardly a miserly increase in the Strategic Defense Initiative. It is over one-half of a billion dollars increase. As to all of these experts that the distinguished Senator from Maine referred to as recommending 20 and 30 percent, I would simply like to correct the record so far as I understand that record. The figure that former Secretary Schlesinger used of 30 percent was the most you can use in a research program "if waste is to be avoided." I think he said that over and over again. And indeed at the 3 percent figure we were at a 40-percent compound rate over a period of 3 years. Now we are exceeding a 50-percent figure, if the Exon-Johnston amendment is adopted. So we are already on an annualized basis well beyond what Secretary Schlesinger said was that figure at which you could avoid waste, that is, 30 percent.

□ 1800

Secretary Harold Brown said somewhere between 10 and 20 percent. You can get all kinds of other estimates, ranging from zero to—I think the Brown figure was at the top. But a $546 million increase is hardly a miserly amount.

One final point: The Senator from Georgia said that if you are going to end up with any increase at all, you have to exceed 15 percent, because the House, he said, may come up with no increase. Mr. President, I cannot conceive of a conference with the House, with the House coming in at zero and the Senate coming in at 15 percent, where you end up with no increase. If that is so, I submit that it means the House will, under no circumstances, go along with an increase, which means that no matter what you put in here, it would not help.

The fact is that if the House does not come in at zero and the Senate comes in at 15 percent, what they usually do is split the difference, which would be 7.5 percent, which exceeds by a considerable margin what 49 Senators here believe is the upper limit.

We believe that the $225 million increase in the past amendment is sufficient, considering the other priorities,

considering the size of this deficit, considering that you will have to cannibalize existing military programs in order to find either the 15 percent or the 3 percent.

Mr. President, 15 percent is enough. We say not $1 more; it is enough. I hope we will get a substantial margin.

Mr. WILSON. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. WILSON. I ask the Senator from Louisiana, who is satisfied with this 15-percent increase, whether or not he is aware that during Secretary Schlesinger's tenure, there was an increase in the Trident II Program in 1 year of 434 percent. That was in research and development.

Mr. JOHNSTON. The Trident I Program was relatively mature technology, in the sense that it was a nuclear submarine. It was research and development on a relatively mature technology. This was not in some brand new research program which was unfocused, which did not have a defined architecture or clear purpose.

Mr. WILSON. I ask the Senator whether or not he is aware of some of these R&D growth factors: Trident II, in the year from 1981 to 1982, experienced a growth of 150 percent; in the year from 1983 to 1984, 303 percent.

Is the Senator aware that a 167-percent increase is being sought with respect to the small ICBM? Is he aware, as so many have made reference to the growth in the Apollo Program and the Manhattan project, that, respectively, those programs, in their largest increase years, received a 116-percent increase and a 156-percent increase?

Mr. JOHNSTON. I say to the Senator, as I caught his reading, that those programs involved development of mature technology, involving development and testing; and testing with the Trident II—I do not know whether it is the Trident II missile or the Trident II submarine. In any event, it is mature technology. We have had nuclear submarines since the 1950's. There is a world of difference between them.

Mr. WILSON. Let me suggest to my friend that we go back and review these expenditures, and I will be happy to make this sheet available to him. He will find that we are comparing apples and apples, not bananas and apples. We are talking about growth in research and development. They are comparable.

The point, very simply, that I ask my friend from Louisiana is this: Does this not rather clearly indicate that there have not only been larger growths in the different programs, but also, the tremendous difference indicates that it is impossible to generalize as to what is an adequate level of growth in a program? It has to do with need. It has to do with priority. It has to do with what the impact will be on other weapons systems or on arms control negotiating stances of the Soviet Union.

Mr. JOHNSTON. Mr. President, if the Senator will yield, I quite agree with him. I was not promoting the figure of 30 percent. I was simply saying that Secretary Schlesinger did not recommend a 30-percent increase. He simply said that the usual rule of thumb is that in a research program, a 30-percent increase is all you can accommodate without incurring waste. That is Secretary Schlesinger, and he may have been right or wrong, but he did not recommend a 30-percent increase.

Mr. WILSON. What I think is clear from these numbers is that the Secretary, himself, found that there were clear instances in which his rule of thumb did not apply, because obviously he did not apply it in the instance where he urged a 434-percent increase in the Trident I Program.

Mr. President, I simply say that my friend from Nebraska has been a stalwart on the Armed Services Committee. No one can impugn his integrity. No one can inpugn his patriotism.

Mr. EXON. Mr. President, may we have order? The Senator from Nebraska cannot hear the Senator from California.

The PRESIDING OFFICER (Mr. HUMPHREY). The Senate will be in order.

Mr. WILSON. I thank the Chair, and I thank my friend from Nebraska. He will want to hear this.

No Member of the Senate can impugn the integrity or the patriotism or the motivation of the Senator from Nebraska, who has been rightfully described as a stalwart on the Armed Services Committee.

I simply point out that the history of this year's markup and all the deliberations preceding it have been accurately and precisely described by the Senator from Georgia and the Senator from Maine. They have given almost verbatim the deliberations—certainly, they have given the spirit of the deliberations—that led the Armed Services Committee to the precise number of $3.6 billion.

I urge my colleagues on both sides of the aisle to listen to the Senator from Georgia when he emphasizes, as clearly as he can, the inevitability that in conference with the House Armed Services Committee, if there ever is one, or through the appropriations process, or when this bill or its counterpart reaches the floor of the House, there is a virtual certainty that the number presented there will be reduced. He is absolutely correct when he predicts the distinct probability that if we continue on this route, we are going to see a number even less than that proposed in the amendment of the Senator from Louisiana.

I urge my colleagues to heed that message.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, when I started out, I said we would limit the time, but we have not. I will speak briefly and try to answer some of the points that have been made pretty well by my distinguished colleagues.

No. 1, I say that the message was sent, very loud and very clear, to whoever the message was intended to be sent. Forty-eight Members of this body wrote a letter to the President of the United States. Nearly half the Members of this body said we should have no more than a 3-percent real increase in Star Wars, or SDI, whatever you might call it.

The Senator from Nebraska has prevailed upon many of his colleagues who are not as sold on research and development—and I emphasize "research and development" because that is all I have ever been for.

□ 1810

But 48 percent of the Members of this body who have the same vote as all the rest of us said we should not have more than a 3-percent increase in SDI.

The Senator from Nebraska has taken a sampling on this floor, and I believe that the majority of this body probably does not want to go to even 15 percent, let alone any more. I would also be in favor of something more.

The facts of the matter are that we have to realize that despite what some of the wiser heads feel, I do not think we have any chance of getting what the President wanted, 5.2. I doubt very much if we have a chance of getting the mark of the committee at a 20-percent increase or 3.9.

But what I am saying is that the amendment offered by the Senator from Nebraska and cosponsored by my colleague from Louisiana is a 15-percent increase in SDI, the highest increase of any other figure in the defense budget from an increase standpoint, probably one of the greatest increases of any particular part of the total budget of the United States of America for fiscal 1987, and yet we are led to believe here that it is a miserly approach.

What I am trying to say, it is a reasonable approach and it falls right into that area that we have heard described by many defense experts who say we should come somewhere between 10 and 20 percent. I think my arithmetic tells me that 15 percent is about as close to a middle position between 10 and 20 as you can get.

Mr. WARNER. Will the Senator yield?

Mr. EXON. I will yield in a minute.

I also heard, Mr. President, that we have to raise our number higher because of what the House of Representatives is going to do.

One of the things I have noticed on the floor is a deterioration in this Senator's view in the responsibility we have individually and collectively as Members of the Senate.

Are we in a betting game with the House of Representatives? Or should we vote as I think the Founding Fathers anticipated as to what we think should be spent on an individual program? And then the Founding Fathers in their wisdom or lack thereof, depending on your point of view, decided that they should have another House called the House of Representatives that stands for election every 2 years, and they did that, among other reasons, because they felt that body should be closer to the people.

I believe the people of the United States would think that a 15-percent increase in SDI, the highest of any other ongoing program in the whole budget, military and otherwise, is enough.

Yet, we are being led to believe here by some of the comments that we are miserly.

I would say to this body that if we are going to make every appropriation on the basis of getting it as high as we possibly can, not because that is what we want but to get it up there so we will be at a better betting level position, when we meet with the House of Representatives, says something about the way the Government is operating. I would think that most people would agree that when the framers of the Constitution brought forth this process that has worked well for well over 200 years they felt that this body would vote as to what they think should be spent and the other body would vote legitimately on what they thought should be spent and then they would get together and work out on a compromise basis the difference.

Unfortunately, we are going to a system over and over again where we are told that we have to go to this figure that is not what we really want but we have to go to that figure so we will be in a position to make a compromise with the House of Representatives.

I think that is not a very wise process that we are following, and I am pointing it out for that reason.

I have always supported research and development on this program and I will continue to in the future. Not deployment.

I would simply note that a 15-percent increase in a program that I think is necessary and as I said a few moments ago has been responsible more in my opinion than anything else we have done to bring the Soviets back to the bargaining table is worth a further investment, a 15-percent increase.

We are sending that signal by saying to the people we are giving SDI more than any other part of the defense budget as far as an increase is concerned.

I would also say that we should take into account that the President agrees with us that SDI is important, so much so that he wanted an increase up to $5.2 billion for fiscal 1987. At the same time, the President reportedly has sent a message to the Soviet Union that we will not under any circumstances deploy any parts of this defense program for at least 7½ years if we can get some kind of arrangement with the Soviet Union to reduce the arsenal of both countries with regard to nuclear weapons.

I firmly believe that when we are giving a 15-percent increase to SDI, which I said I think is tremendously important from the standpoint of bringing and keeping the Soviet Union to the bargaining table, I think the signal is very clear. We think it is very important. We want to continue with research and development.

That is a message that we are sending, despite the fact that 48 percent of this body wrote a letter to the President saying they want no more than a 3-percent increase. I think that basically what this amendment is is on the side of those who want a higher figure. I do not believe that we want to go up as high as some suggested.

Mr. President, I hope that we will support this amendment because I think it is a consensus amendment that deserves the support of our body.

I yield the floor.

Mr. WARNER. Mr. President, I suggest that we have had considerable debate on this. I believe there is about to be a consensus reached and for the purposes of reaching that consensus and cutting off debate momentarily I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1820

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska [Mr. EXON]. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS] is necessarily absent.

I further announce that, if present and voting, the Senator from Florida [Mrs. HAWKINS] would vote "nay."

The result was announced—yeas 49, nays 50, as follows:

[Rollcall Vote No. 177 Leg.]

YEAS—49

Andrews	Ford	Melcher
Baucus	Gore	Metzenbaum
Bentsen	Grassley	Mitchell
Biden	Harkin	Moynihan
Boren	Hart	Pell
Bradley	Hatfield	Proxmire
Bumpers	Inouye	Pryor
Burdick	Johnston	Riegle
Chafee	Kassebaum	Rockefeller
Chiles	Kennedy	Sarbanes
Cranston	Kerry	Sasser
DeConcini	Lautenberg	Simon
Dixon	Leahy	Specter
Dodd	Levin	Stafford
Eagleton	Long	Weicker
Evans	Mathias	
Exon	Matsunaga	

NAYS—50

Abdnor	Gorton	Nunn
Armstrong	Gramm	Packwood
Bingaman	Hatch	Pressler
Boschwitz	Hecht	Quayle
Broyhill	Heflin	Roth
Byrd	Heinz	Rudman
Cochran	Helms	Simpson
Cohen	Hollings	Stennis
D'Amato	Humphrey	Stevens
Danforth	Kasten	Symms
Denton	Laxalt	Thurmond
Dole	Lugar	Trible
Domenici	Mattingly	Wallop
Durenberger	McClure	Warner
Garn	McConnell	Wilson
Glenn	Murkowski	Zorinsky
Goldwater	Nickles	

NOT VOTING—1

Hawkins

So the amendment (No. 2413) was rejected.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. NUNN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The minority leader is recognized.

SDI, THE ABM TREATY, AND THE NATIONAL INTEREST

Mr. BYRD. Mr. President, I voted against the amendments providing 3 percent real growth and 15 percent real growth for the strategic defense initiative [SDI], compared with SDI's fiscal year 1986 budget, because I believe somewhat more real growth is reasonable for ballistic missile defense research in fiscal year 1987.

The strategic defense initiative is perhaps the most controversial defense research program in the fiscal year 1987 budget request.

Several questions have been raised by proponents of this amendment about SDI's impacts on other funding priorities in the defense budget, especially about adequate spending for

conventional forces, on the strategic balance, and on arms control. I share the concerns expressed by many in this body about these matters.

However, the Armed Services Committee already has acted to significantly reduce the SDI budget below the President's exorbitant budget request of 73 percent real growth—as well as to reshape the program and reorient some of its funds to research to improve our conventional forces capabilities.

Many of us have legitimate disagreements with each other, and with the administration, about the SDI Program and about what constitutes a reasonable funding level from military, fiscal, and arms control perspectives.

For example, while both the 3-percent and the 15-percent real growth amendments would permit some growth in the SDI Program in fiscal year 1987, no less a national security expert than Dr. Harold Brown, the former Secretary of Defense, has suggested that real growth even beyond that provided by these amendments is not unreasonable for proceeding at a measured technological pace with ballistic missile defense research.

I believe a higher funding level is needed than either amendments provided, and so I voted against both.

As another example of disagreements with the administration about this program, several of us now are engaged in a very serious discussion with the administration about increasing the Senate's access to the negotiating record for the Anti-Ballistic Missile [ABM] Treaty. It is appropriate that I mention this discussion in reference to the subject matter of these SDI amendments. We are trying to ascertain whether the administration's recent reinterpretation of that treaty is valid, as many doubt, and what the relationship of that new theory is to the pace, scope, and funding of the SDI Program.

So far, the administration's refusal to provide the Senate with increased access, as well as the manner in which the executive branch developed and propounded its treaty reinterpretation, threatens the constitutional role of the Senate in treatymaking.

I believe that role must be protected, and asserted, especially as it relates to the ABM Treaty and SDI. Thus, I have indicated that my final decisions on SDI funding in fiscal year 1987, will, in no small part, reflect the extent to which the executive branch recognizes and respects the Senate's co-equality in treaty matters.

AMENDMENT NO. 2414

(Purpose: To impose additional economic sanctions against South Africa)

Mr. BYRD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for himself, Mr. KENNEDY, and Mr. WEICKER, proposes an amendment numbered 2414.

Mr. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new provisions:

DIVISION E—SOUTH AFRICA

SHORT TITLE

SECTION 1. This Act may be cited as the "Comprehensive Anti-Apartheid Act of 1986".

TABLE OF CONTENTS

SEC. 2. The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Definitions.
Sec. 4. Purpose.
TITLE I—POLICY OF THE UNITED STATES WITH RESPECT TO ENDING APARTHEID
Sec. 101. Policy toward the Government of South Africa.
Sec. 102. Policy toward the victims of apartheid.
Sec. 103. Policy toward other countries in Southern Africa.
Sec. 104. Policy toward "frontline" states.
Sec. 105. Policy toward a negotiated settlement.
Sec. 106. Policy toward international cooperation on measures to end apartheid.
Sec. 107. Policy toward "necklacing".
TITLE II—MEASURES TO ASSIST VICTIMS OF APARTHEID
Sec. 201. Scholarships for the victims of apartheid.
Sec. 202. Human rights fund.
Sec. 203. Expanding participation in the South African economy.
Sec. 204. Export-Import Bank of the United States.
Sec. 205. Labor practices of the United States Government in South Africa.
Sec. 206. Welfare and protection of the victims of apartheid employed by the United States.
Sec. 207. Employment practices of United States nationals in South Africa.
Sec. 208. Code of Conduct.
Sec. 209. Prohibition on assistance.
Sec. 210. Use of the African Emergency Reserve.
Sec. 211. Assistance for Beira Corridor Project.
Sec. 212. Assistance to South African refugees.
TITLE III—MEASURES BY THE UNITED STATES TO UNDERMINE APARTHEID
Sec. 301. Prohibition on the importation of krugerrands.
Sec. 302. Prohibition on the importation of military articles.
Sec. 303. Prohibition of the importation of products from parastatal organizations.
Sec. 304. Prohibition on computer exports to South Africa.
Sec. 304a. Prohibition on the sale or export of items on the munitions list.
Sec. 305. Prohibition on loans to the Government of South Africa.
Sec. 306. Prohibition on air transportation with South Africa.
Sec. 307. Prohibitions on nuclear trade with South Africa.
Sec. 307a. Prohibitions on cooperation with the Armed Forces of South Africa.
Sec. 307b. Prohibitions on U.S. Government activities.
Sec. 308. Restrictions on issuance of visas to South African nationals.
Sec. 309. Sales of gold stocks.
Sec. 310. Government of South Africa bank accounts.
Sec. 311. Prohibition on importation of uranium and coal from South Africa.
Sec. 312. Prohibition on new investment in South Africa.
Sec. 313. Termination of certain provisions.
Sec. 314. Authority to permit States and political subdivisions of States to enforce State or local anti-apartheid laws.
TITLE IV—MULTILATERAL MEASURES TO UNDERMINE APARTHEID
Sec. 401. Negotiating authority.
Sec. 402. Unfair trade practices.
Sec. 403. Private right of action.
TITLE V—FUTURE POLICY TOWARD SOUTH AFRICA
Sec. 501. Additional measures.
Sec. 502. Study of health conditions in the "homelands" areas of South Africa.
Sec. 503. Reports on South African imports.
Sec. 504. Study and report on the economy of southern Africa.
Sec. 505. Report on relations between other industrialized democracies and South Africa.
Sec. 506. Study and report on deposit accounts of South African nationals in United States banks.
Sec. 507. Study and report on the violation of the international embargo on sale and export of military articles to South Africa.
TITLE VI—ENFORCEMENT AND ADMINISTRATIVE PROVISIONS
Sec. 601. Regulatory authority.
Sec. 602. Congressional priority procedures.
Sec. 603. Enforcement and penalties.
Sec. 604. Applicability to evasions of Act.
Sec. 605. Construction of Act.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "Code of Conduct" refers to the principles set forth in section 208(a);

(2) the term "controlled South African entity" means—

(A) a corporation, partnership, or other business association or entity organized in South Africa and owned or controlled, directly or indirectly, by a national of the United States; or

(B) a branch, office, agency, or sole proprietorship in South Africa of a national of the United States;

(3) the term "loan"—

(A) means any transfer or extension of funds or credit on the basis of an obligation to repay, or any assumption or guarantee of the obligation of another to repay an extension of funds or credit, including—

(i) overdrafts,

(ii) currency swaps,

(iii) the purchase of debt or equity securities issued by the Government of South Africa or a South African entity on or after the date of enactment of this Act,

(iv) the purchase of a loan made by another person,

(v) the sale of financial assets subject to an agreement to repurchase, and

(vi) a renewal or refinancing whereby funds or credits are transferred or extended to the Government of South Africa or a South African entity, and

(B) does not include—

(i) normal short-term trade financing, as by letters of credit or similar trade credits;

(ii) sales on open account in cases where such sales are normal business practice; or

(iii) rescheduling of existing loans, if no new funds or credits are thereby extended to a South African entity or the Government of South Africa;

(4) the term "new investment"—

(A) means—

(i) a commitment or contribution of funds or other assets, and

(ii) a loan or other extension of credit, and

(B) does not include—

(i) the reinvestment of profits generated by a controlled South African entity into that same controlled South African entity or the investment of such profits in a South African entity;

(ii) contributions of money or other assets where such contributions are necessary to enable a controlled South African entity to operate in an economically sound manner, without expanding its operations; or

(iii) the ownership or control of a share or interest in a South African entity or a controlled South African entity of a debt or equity security issued by the Government of South Africa or a South African entity before the date of enactment of this Act, or the transfer or acquisition of such a share, interest, or debt or equity security, if any such transfer or acquisition does not result in a payment, contribution of funds or assets, or credit to a South African entity, a controlled South African entity, or the Government of South Africa;

(5) the term "national of the United States" means—

(A) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States or is an alien lawfully admitted for permanent residence in the United States, as defined by section 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(20)); or

(B) a corporation, partnership, or other business association which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia;

(6) the term "South Africa" refers to the territory that constituted the Republic of South Africa on May 31, 1961;

(7) the term "South African entity" means—

(A) a corporation, partnership, or other business association or entity organized in South Africa; or

(B) a branch, office, agency, or sole proprietorship in South Africa of a person that resides or is organized outside South Africa; and

(8) the term "United States" includes the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

PURPOSE

SEC. 4. The purpose of this Act is to set forth a comprehensive and complete framework to guide the efforts of the United States in helping to bring an end to apartheid in South Africa and lead to the establishment of a nonracial, democratic form of government. This Act sets out United States policy toward the Government of South Africa, the victims of apartheid, and the other states in southern Africa. It also provides the President with additional authority to work with the other industrial democracies to help end apartheid and establish democracy in South Africa.

TITLE I—POLICY OF THE UNITED STATES WITH RESPECT TO ENDING APARTHEID

POLICY TOWARD THE GOVERNMENT OF SOUTH AFRICA

SEC. 101. (a) United States policy toward the Government of South Africa shall be designed to bring about reforms in that system of government that will lead to the establishment of a nonracial democracy.

(b) The United States will work toward this goal by encouraging the Government of South Africa to—

(1) suspend the present state of emergency and respect the principal of equal justice under law for citizens of all races;

(2) release Nelson Mandela, Govan Mbeki, Walter Sisulu, black trade union leaders, and all political prisoners;

(3) permit the free exercise by South Africans of all races of the right to form political parties, express political opinions, and otherwise participate in the political process;

(4) establish a timetable for the elimination of apartheid laws;

(5) negotiate with representatives of all racial groups in South Africa the future political system in South Africa; and

(6) end military and paramilitary activities aimed at neighboring states.

(c) The United States will encourage the actions set forth in subsection (b) through economic, political, and diplomatic measures as set forth in this Act. The United States will adjust its actions toward the Government of South Africa to reflect the progress or lack of progress made by the Government of South Africa in meeting the goal set forth in subsection (a).

POLICY TOWARD THE VICTIMS OF APARTHEID

SEC. 102. (a) The United States policy toward the victims of apartheid is to use economic, political, diplomatic, and other effective means to achieve the removal of the root cause of their victimization, which is the apartheid system. In anticipation of the removal of the system of apartheid and as a further means of challenging that system, it is the policy of the United States to assist these victims of apartheid as individuals and through organizations to overcome the handicaps imposed on them by the system of apartheid and to prepare themselves for their rightful roles as full participants in the political, social, economic, and intellectual life of their country in the post-apartheid South Africa envisioned by this Act.

(b) The United States will work toward the purposes of subsection (a) by—

(1) providing assistance to South African victims of apartheid without discrimination by race, color, sex, religious belief, or political orientation, to take advantage of educational opportunities in South Africa and in the United States to prepare for leadership positions in a post-apartheid South Africa;

(2) assisting victims of apartheid;

(3) aiding individuals or groups in South Africa whose goals are to aid victims of apartheid or foster nonviolent legal or political challenges to the apartheid laws;

(4) furnishing direct financial assistance to those whose nonviolent activities had led to their arrest or detention by the South African authorities;

(5) intervening at the highest political levels in South Africa to express the strong desire of the United States to see the development in South Africa of a nonracial democratic society; and

(6) supporting the rights of the victims of apartheid through political, economic, or other sanctions in the event the Government of South Africa government fails to make progress toward the removal of the apartheid laws and the establishment of such democracy.

POLICY TOWARD OTHER COUNTRIES IN SOUTHERN AFRICA

SEC. 103. (a) The United States policy toward the other countries in the Southern African region shall be designed to encourage democratic forms of government, full respect for human rights, political independence, and economic development.

(b) The United States will work toward the purposes of subsection (a) by—

(1) helping to secure the independence of Namibia and the establishment of Namibia on a nonracial democracy in accordance with appropriate United Nations Security Council resolutions;

(2) supporting the removal of all foreign military forces from the region;

(3) encouraging the nations of the region to settle differences through peaceful means;

(4) promoting economic development through bilateral and multilateral economic assistance targeted at increasing opportunities in the productive sectors of national economies, with a particular emphasis on increasing opportunities for nongovernmental economic activities;

(5) encouraging, and when necessary, strongly demanding, that all countries of the region respect the human rights of their citizens and noncitizens residing in the country, and especially the release of persons persecuted for their political beliefs or detained without trial; and

(6) providing appropriate assistance, within the limitations of American responsibilities at home and in other regions, to assist regional economic cooperation and the development of interregional transportation and other capital facilities necessary for economic growth.

POLICY TOWARD "FRONTLINE" STATES

SEC. 104. It is the sense of the Congress that the President should discuss with the governments of the African "frontline" states the effects on them of disruptions in transportation or other economic links through South Africa and of means of reducing those effects.

POLICY TOWARD A NEGOTIATED SETTLEMENT

SEC. 105. (a)(1) United States policy will seek to promote negotiations among representatives of all citizens of South Africa to determine a future political system that would permit all citizens to be full participants in the governance of their country. The United States recognizes that important and legitimate political parties in South Africa include several organizations that have been banned and will work for the unbanning of such organizations in order to permit legitimate political viewpoints to be represented at such negotiations.

(2) To this end, it is the sense of the Congress that the President, the Secretary of State, or other appropriate high-level United States officials should meet with the leaders of opposition organizations of South Africa, particularly but not limited to those organizations representing the black majority. Furthermore, the President, in concert with the major allies of the United States and other interested parties, should seek to bring together opposition political leaders with leaders of the Government of South Africa for the purpose of negotiations to achieve a transition to a post-apartheid democracy envisioned in this Act.

(b) The United States will encourage the Government of South Africa and all participants to the negotiations to respect the right of all South Africans to form political parties, express political opinions, and otherwise participate in the political process without fear of retribution by either governmental or nongovernmental organizations. It is the sense of the Congress that a suspension of violence is an essential precondition for the holding of negotiations. The United States calls upon all parties to the conflict to agree to a suspension of violence.

(c) The United States will work toward the achievement of agreement to suspend violence and begin negotiations through coordinated actions with the major Western allies and with the governments of the countries in the region.

(d) It is the sense of the Congress that the achievement of an agreement for negotiations could be promoted if the United States and its major allies, such as Great Britain, Canada, France, Italy, Japan, and West Germany, would hold a meeting to develop a four-point plan to discuss with the Government of South Africa a proposal for stages of multilateral assistance to South Africa in return for the Government of South Africa implementing—

(1) an end to the state of emergency and the release of the political prisoners, including Nelson Mandela;

(2) the unbanning of the African National Congress, the Pan African Congress, the Black Consciousness Movement, and all other groups willing to participate in negotiations and a democratic process;

(3) a revocation of the Group Areas Act and the Population Registration Act and the granting of universal citizenship to all South Africans, including homeland residents; and

(4) the use of the international offices of a third party as an intermediary to bring about negotiations with the object of establishment of power-sharing with the black majority.

POLICY TOWARD INTERNATIONAL COOPERATION ON MEASURES TO END APARTHEID

SEC. 106. (a) The Congress finds that—

(1) international cooperation is a prerequisite to an effective anti-apartheid policy; and

(2) the situation in South Africa constitutes an emergency in international relations and that action is necessary for the protection of the essential security interests of the United States.

(b) Accordingly, the Congress urges the President to seek such cooperation among all individuals, groups, and nations.

POLICY TOWARD NECKLACING

SEC. 107. It is the sense of the Congress that the African National Congress should strongly condemn and take effective actions against the execution by fire, commonly known as "necklacing", of any person in any country.

TITLE II—MEASURES TO ASSIST VICTIMS OF APARTHEID

SCHOLARSHIPS FOR THE VICTIMS OF APARTHEID

SEC. 201. Section 105(b) of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end thereof the following new paragraph:

"(2)(A) Of the assistance provided under this section by the Administrator of the agency primarily responsible for administering this part of this Act—

"(i) for the fiscal year 1987, $8,000,000;

"(ii) for the fiscal year 1988, $11,000,000; and

"(iii) for the fiscal year 1989 and each fiscal year thereafter, $15,000,000,

shall be used to finance education, training, and scholarships for the victims of apartheid who are attending universities, colleges, and secondary schools in South Africa and who are selected in accordance with subparagraph (B). Of the funds available under the preceding sentence to carry out this subparagraph, not less than one-third shall be available only for assistance to full-time teachers or other educational professionals pursuing studies toward the improvement of their professional credentials.

"(B) Of the funds provided in subparagraph (A) for each fiscal year, 50 percent shall be available for educational assistance for the victims of apartheid in accordance with section 802(c) of the International Security and Development Cooperation Act of 1985. The remainder of the funds in each fiscal year which are not made available under the preceding sentence shall be available to finance scholarships for individuals selected by a nationwide panel or by regional panels composed solely of members of the teaching profession appointed by the United States chief of diplomatic mission to South Africa. No such individual may be selected through any contract entered into with the agency primarily responsible for administering this part of this Act.".

HUMAN RIGHTS FUND

SEC. 202. (a) Section 116(e)(2)(A) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "1984 and" and inserting in lieu thereof "1984,"; and

(2) by inserting after "1985" a comma and the following: "and $1,500,000 for the fiscal year 1986 and for each fiscal year thereafter".

(b) Section 116 of such Act is amended by adding at the end thereof the following new subsection:

"(f) Of the funds made available to carry out subsection (e)(2)(A) for each fiscal year, $350,000 shall be used for direct legal and other assistance to political detainees and prisoners and their families, including the investigation of the killing of protesters and prisoners, and for support for actions of black-led community organizations to resist, through nonviolent means, the enforcement of apartheid policies such as—

"(1) removal of black populations from certain geographic areas on account of race or ethnic origin,

"(2) denationalization of blacks, including any distinctions between the South African citizenships of blacks and whites,

"(3) residence restrictions based on race or ethnic origin,

"(4) restrictions on the rights of blacks to seek employment in South Africa and live wherever they find employment in South Africa, and

"(5) restrictions which make it impossible for black employees and their families to be housed in family accommodations near their place of employment.".

EXPANDING PARTICIPATION IN THE SOUTH AFRICAN ECONOMY

SEC. 203. (a) The Congress declares that—

(1) the denial under the apartheid laws of South Africa of the rights of South African blacks and other nonwhites to have the opportunity to participate equitably in the South African economy as managers or owners of, or professionals in, business enterprises, and

(2) the policy of confining South African blacks and other nonwhites to the status of employees in minority-dominated businesses,

is an affront to the values of a free society.

(b) The Congress hereby—

(1) applauds the commitment of nationals of the United States adhering to the Code of Conduct to assure that South African blacks and other nonwhites are given assistance in gaining their rightful place in the South African economy; and

(2) urges the United States Government to assist in all appropriate ways the realization by South African blacks and other nonwhites of their rightful place in the South African economy.

(c) Notwithstanding any other provision of law, the Secretary of State and any other head of a department or agency of the United States carrying out activities in South Africa shall, to the maximum extent practicable, in procuring goods or services, make affirmative efforts to assist business enterprises having more than 50 percent beneficial ownership by South African blacks or other nonwhite South Africans.

EXPORT-IMPORT BANK OF THE UNITED STATES

SEC. 204. Section 2(b)(9) of the Export-Import Bank Act of 1945 is amended—

(1) by striking out "(9) In" and inserting in lieu thereof "(9)(A) Except as provided in subparagraph (B), in"; and

(2) by adding at the end thereof the following:

"(B) The Bank shall take active steps to encourage the use of its facilities to guarantee, insure, extend credit, or participate in the extension of credit to business enterprises in South Africa that are majority owned by South African blacks or other nonwhite South Africans. The certification requirement contained in clause (c) of subparagraph (A) shall not apply to exports to or purchases from business enterprises which are majority owned by South African blacks or other nonwhite South Africans.".

LABOR PRACTICES OF THE UNITED STATES GOVERNMENT IN SOUTH AFRICA

SEC. 205. (a) It is the sense of the Congress that the labor practices used by the United States Government—

(1) for the direct hire of South Africans,

(2) for the reimbursement out of official residence funds of South Africans and employees of South African organizations for their long-term employment services on behalf of the United States Government, and

(3) for the employment services of South Africans arranged by contract,

should represent the best of labor practices in the United States and should serve as a model for the labor practices of nationals of the United States in South Africa.

(b) The Secretary of State and any other head of a department or agency of the United States carrying out activities in South Africa shall promptly take, to the extent permitted by law, the necessary steps

to ensure that the labor practices applied to the employment services described in paragraphs (1) through (3) of subsection (a) are governed by the Code of Conduct.

WELFARE AND PROTECTION OF VICTIMS OF APARTHEID BY THE UNITED STATES

SEC. 206. (a) The Secretary of State shall acquire, through lease or purchase, residential properties in the Republic of South Africa that shall be made available, at rents that are equitable, to assist victims of apartheid who are employees of the United States Government in obtaining adequate housing. Such properties shall be acquired only in neighborhoods which would be open to occupancy by other employees of the United States Government in South Africa.

(b) There are authorized to be appropriated $10,000,000 for the fiscal year 1987 to carry out the purposes of this section.

EMPLOYMENT PRACTICES OF UNITED STATES NATIONALS IN SOUTH AFRICA

SEC. 207. (a) Any national of the United States that employs more than 25 persons in South Africa shall take the necessary steps to insure that the Code of Conduct is implemented.

(b) No department or agency of the United States may intercede with any foreign government or foreign national regarding the export marketing activities in any country of any national of the United States employing more than 25 persons in South Africa that is not implementing the Code of Conduct.

CODE OF CONDUCT

SEC. 208. (a) The Code of Conduct referred to in sections 203, 205, 207, and 210 of this Act is as follows:

(1) desegregating the races in each employment facility;

(2) providing equal employment opportunity for all employees without regard to race or ethnic origin;

(3) assuring that the pay system is applied to all employees without regard to race or ethnic origin;

(4) establishing a minimum wage and salary structure based on the appropriate local minimum economic level which takes into account the needs of employees and their families;

(5) increasing by appropriate means the number of persons in managerial, supervisory, administrative, clerical, and technical jobs who are disadvantaged by the apartheid system for the purpose of significantly increasing their representation in such jobs;

(6) taking reasonable steps to improve the quality of employees' lives outside the work environment with respect to housing, transportation, schooling, recreation, and health; and

(7) implementing fair labor practices by recognizing the right of all employees, regardless of racial or other distinctions, to self-organization and to form, join, or assist labor organizations, freely and without penalty or reprisal, and recognizing the right to refrain from any such activity.

(b) It is the sense of the Congress that in addition to the principles enumerated in subsection (a), nationals of the United States subject to section 207 should seek to comply with the following principle: taking reasonable measures to extend the scope of influence on activities outside the workplace, including—

(1) supporting the unrestricted rights of black businesses to locate in urban areas;

(2) influencing other companies in South Africa to follow the standards of equal rights principles;

(3) supporting the freedom of mobility of black workers to seek employment opportunities wherever they exist, and make provision for adequate housing for families of employees within the proximity of workers' employment; and

(4) supporting the rescission of all apartheid laws.

(c) The President may issue additional guidelines and criteria to assist persons who are or may be subject to section 207 in complying with the principles set forth in subsection (a) of this section. The President may, upon request, give an advisory opinion to any person who is or may be subject to this section as to whether that person is subject to this section or would be considered to be in compliance with the principles set forth in subsection (a).

(d) The President may require all nationals of the United States referred to in section 207 to register with the United States Government.

(e) Notwithstanding any other provision of law, the President may enter into contracts with one or more private organizations or individuals to assist in implementing this section.

PROHIBITION ON ASSISTANCE

SEC. 209. No assistance may be provided under this Act to any group which maintains within its ranks any individual who has been found to engage in gross violations of internationally recognized human rights (as defined in section 502B(d)(1) of the Foreign Assistance Act of 1961).

USE OF THE AFRICAN EMERGENCY RESERVE

SEC. 210. Whenever the President determines that such action is necessary or appropriate to meet food shortages in southern Africa, the President is authorized to utilize the existing, authorized, and funded reserve entitled the "African Emergency Reserve" to provide food assistance and transportation for that assistance.

ASSISTANCE TO BEIRA CORRIDOR PROJECT

SEC. 211. Of the funds authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), $30,000,000 shall be available only for the Beira Corridor Project to improve the transportation infrastructure of the Front Line States.

ASSISTANCE TO SOUTH AFRICAN REFUGEES

SEC. 212. In addition to any amount used for the Human Rights Fund for South Africa, up to $4,000,000 may be used each fiscal year for refugee education assistance programs under the Foreign Assistance Act of 1961 and section 2(b) of the Migration and Refugee Assistance Act of 1962.

TITLE III—MEASURES BY THE UNITED STATES TO UNDERMINE APARTHEID

PROHIBITION ON THE IMPORTATION OF KRUGERRANDS

SEC. 301. No person, including a bank, may import into the United States any South African krugerrand or any other gold coin minted in South Africa or offered for sale by the Government of South Africa.

PROHIBITION ON THE IMPORTATION OF MILITARY ARTICLES

SEC. 302. No arms, ammunition, or military vehicles produced in South Africa or any manufacturing data for such articles may be imported into the United States.

PROHIBITION ON THE IMPORTATION OF PRODUCTS FROM PARASTATAL ORGANIZATIONS

SEC. 303. (a) Notwithstanding any other provision of law, no article which is grown, produced, or manufactured by a parastatal organization of South Africa may be imported into the United States, except for those strategic minerals for which the President has certified to the Congress that the quantities essential for the economy or defense of the United States are unavailable from reliable and secure suppliers.

(b) For purposes of this section, the term "parastatal organization" means a corporation or partnership owned or controlled by the Government of South Africa.

PROHIBITION ON COMPUTER EXPORTS TO SOUTH AFRICA

SEC. 304. (a) No computers, computer software, electronic components or goods or technology intended to manufacture or service computers may be exported, directly or indirectly to South Africa.

PROHIBITION ON THE SALE OR EXPORT OF ITEMS ON THE MUNITIONS LIST

SEC. 304. No item contained on the United States Munitions List which is subject to the jurisdiction of the United States or which is exported by a person subject to the jurisdiction of the United States may be exported to South Africa.

PROHIBITION ON LOANS TO SOUTH AFRICA

SEC. 305. (a) Notwithstanding any other provision of law, no United States person may, directly or through another person make any loan or other extension of credit to or provide funds for the purpose of making a loan or other extension of credit to any South African person or to any corporation, partnership, or other organization which is owned or controlled by South African nationals or which is organized under the laws of South Africa.

(b) The prohibition contained in this section shall not apply to any loan or extension of credit for which an agreement is entered into before July 23, 1986.

(c) The prohibition contained in this section shall not apply to any loan or extension of credit for any educational, housing, or health facility which is available to all persons on a nondiscriminatory basis and which is located in a geographic area accessible to all population group without any legal or administrative restriction.

PROHIBITION ON AIR TRANSPORTATION WITH SOUTH AFRICA

SEC. 306. (a)(1) The Secretary of State shall terminate the Agreement Between the Government of the United States of America and the Government of the Union of South Africa Relating to Air Services Between Their Respective Territories, signed May 23, 1947, in accordance with the provisions of that agreement.

(2) Upon termination of such agreement, the Secretary of Transportation shall prohibit any aircraft of a foreign air carrier owned, directly or indirectly, by the Government of South Africa or by South African nationals from engaging in air transportation with respect to the United States.

(3) Notwithstanding any other provision of law, including any international agreement, the Secretary of Transportation shall prohibit the takeoff and landing in South Africa of any aircraft by any air carrier owned, directly or indirectly, by a national of the United States or by any corporation or other entity organized under the laws of the United States or of any state.

(c) The Secretary of Transportation may provide for such exceptions from the prohibition contained in subsection (a) as the Secretary considers necessary to provide for emergencies in which the safety of an air-

craft or its crew or passengers are threatened.

(d) For purposes of this section, the terms "aircraft", "air transportation", and "foreign air carrier" have the meanings given those terms in section 101 of the Federal Aviation Act of 1958 (49 U.S.C. 1301).

PROHIBITIONS ON NUCLEAR TRADE WITH SOUTH AFRICA

SEC. 307. (a) Notwithstanding any other provision of law—

(1) the Nuclear Regulatory Commission shall not issue any license for the export to South Africa of production or utilization facilities, any source or special nuclear material or sensitive nuclear technology, or any component parts, items, or substances which the Commission has determined, pursuant to section 109b. of the Atomic Energy Act, to be especially relevant from the standpoint of export control because of their significance for nuclear explosive purposes;

(2) the Secretary of Commerce shall not issue any license for the export to South Africa of any goods or technology which have been determined, pursuant to section 309(c) of the Nuclear Non-Proliferation Act of 1978, to be of significance for nuclear explosive purposes for use in, or judged by the President to be likely to be diverted to, a South African production or utilization facility;

(3) the Secretary of Energy shall not, under section 57b.(2) of the Atomic Energy Act, authorize any person to engage, directly or indirectly, in the production of special nuclear material in South Africa; and

(4) no goods, technology, source or special nuclear material, facilities, components, items, or substances referred to in clauses (1) through (3) shall be approved by the Nuclear Regulatory Commission or an executive branch agency for retransfer to South Africa,

unless the Secretary of State determines and certifies to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that the Government of South Africa is a party to the Treaty on the Non-Proliferation of Nuclear Weapons, done at Washington, London, and Moscow on July 1, 1968, or otherwise maintains International Atomic Energy Agency safeguards on all its peaceful nuclear activities, as defined in the Nuclear Non-Proliferation Act of 1978.

(b) Nothing in this section shall preclude—

(1) any export, retransfer, or activity generally licensed or generally authorized by the Nuclear Regulatory Commission or the Department of Commerce or the Department of Energy; or

(2) assistance for the purpose of developing or applying International Atomic Energy Agency or United States bilateral safeguards, for International Atomic Energy Agency programs generally available to its member states, for reducing the use of highly enriched uranium in research or test reactors, or for other technical programs for the purpose of reducing proliferation risks, such as programs to extend the life of reactor fuel and activities envisaged by section 223 of the Nuclear Waste Policy Act of 1982 or which are necessary for humanitarian reasons to protect the public health and safety.

(c) The prohibitions contained in subsection (a) shall not apply with respect to a particular export, retransfer, or activity, or a group of exports, retransfers, or activities, if the President determines that to apply the prohibitions would be seriously prejudicial to the achievement of United States nonproliferation objectives or would otherwise jeopardize the common defense and security of the United States and, if at least 60 days before the initial export, retransfer, or activity is carried out, the President submits to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth that determination, together with his reasons therefor.

PROHIBITION ON COOPERATION WITH THE ARMED FORCES OF SOUTH AFRICA

SEC. 307a. Notwithstanding any other provision of law, no funds may be obligated or expended for any cooperation, directly or indirectly, with the armed forces of the Government of South Africa.

PROHIBITION ON U.S. GOVERNMENT ACTIVITIES

SEC. 307b. (a) None of the funds appropriated or otherwise made available by any provision of law may be available for any assistance to investment in, or any subsidy for trade with South Africa, including but not limited to funding for trade missions in South Africa and for participation in exhibitions and trade fairs in South Africa.

(b) None of the funds appropriated or otherwise made available by any provision of law may be available to promote United States tourism to South Africa.

(c) On or after the date of enactment of this Act, no department, agency, or other entity of the United States may enter into a contract with any corporation or other business enterprise organized under the laws of South Africa or which is 50 percent or more beneficially owned by South African nationals.

(d) On or after the date of enactment of this Act, no department, agency or other entity of the United States may enter into a contract for the procurement of goods or services produced or performed in South Africa.

RESTRICTIONS ON ISSUANCE OF VISAS TO SOUTH AFRICAN NATIONALS

SEC. 308. (a) The Congress finds that—

(1) American journalists, scholars, and clergy, among others, have experienced problems in obtaining visas to visit South Africa; and

(2) South African officials may have visited the United States to gather, surreptitiously, information useful in circumventing the international arms embargo in effect against South Africa.

(b)(1) Notwithstanding any other provision of law, the President shall define a class of persons consisting of all officials of the Government of South Africa, including individuals performing services for the Government of South Africa, and members of their immediate families.

(2) On or after the date of enactment of this Act, no visa for admission to the United States may be issued to any individual in such class except on a case-by-case basis in the discretion of the Secretary of State.

(3) No visa issued before the date of enactment of this Act to a nonimmigrant alien described in section 101(a)(15)(A) of the Immigration and Nationality Act shall be valid after a date which is 30 days after the date of enactment of this Act, unless such visa is sooner renewed.

SALES OF GOLD STOCKS

SEC. 309. Whenever the President determines that such action is necessary or appropriate to affect the price of gold on the world markets and thereby to carry out the purpose of this Act, the President is authorized to sell United States gold stocks on the open market and to engage in other transactions involving gold in such manner as the President may prescribe.

GOVERNMENT OF SOUTH AFRICA BANK ACCOUNTS

SEC. 310. (a) A United States depository institution may not accept, receive, or hold a deposit account from the Government of South Africa or from any agency or entity owned or controlled by the Government of South Africa except for such accounts which may be authorized by the President for diplomatic or consular purposes. For purposes of the preceding sentence, the term "depository institution" has the same meaning as in section 19(b)(1) of the Federal Reserve Act.

(b) The prohibition contained in subsection (a) shall take effect 45 days after the date of enactment of this Act.

PROHIBITION ON IMPORTATION OF URANIUM AND COAL FROM SOUTH AFRICA

SEC. 311. (a) Notwithstanding any other provision of law, no—

(1) uranium ore,

(2) uranium oxide,

(3) coal,

(4) diamonds,

(5) textiles,

(6) crude oil or refined petroleum products,

(7) agricultural commodity or product, or

(8) article that is suitable for human consumption,

that is produced or manufactured in South Africa may be imported into the United States.

(b) This section shall take effect 90 days after the date of enactment of this Act.

PROHIBITION ON NEW INVESTMENT IN SOUTH AFRICA

SEC. 312. (a) No national of the United States may, directly or through another person, make any new investment in South Africa.

(b) The prohibition contained in subsection (a) shall take effect 30 days after the date of enactment of this Act.

TERMINATION OF CERTAIN PROVISIONS

SEC. 313. (a) The provisions of sections 301 through 312 and sections 501(c) and 503(b) shall terminate if the Government of South Africa—

(1) releases political prisoners and Nelson Mandela from prison;

(2) repeals the state of emergency in effect on the date of enactment of this Act and releases all detainees held under such state of emergency;

(3) unbans democratic political parties;

(4) repeals the Group Areas and Population and Registration Act; and

(5) publicly commits itself to good faith negotiations with truly representative members of the black majority without preconditions.

(b) The President may suspend or modify any of the measures required by sections 301 through 312 or section 501(c) or section 503(b) thirty days after he determines, and so reports to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, that the Government of South Africa has—

(1) taken the action described in paragraph (1) of subsection (a),

(2) taken three of the four actions listed in paragraphs (2) through (5) of subsection (a), and

(3) made substantial progress toward dismantling the system of apartheid and establishing a nonracial democracy,

unless the Congress enacts within such thirty-day period, in accordance with section 602 of this Act, a joint resolution disapproving the determination of the President under this subsection.

AUTHORITY TO PERMIT STATES OR POLITICAL SUBDIVISIONS OF STATES TO ENFORCE STATE OR LOCAL ANTI-APARTHEID LAWS

SEC. 314. (a) Notwithstanding any other provision of law and subject to subsection (b)—

(1) the eligibility of a State or a political subdivision of a State to receive funds under any Federal law; and

(2) the amount of funds which a State or a political subdivision of a State is eligible to receive under any Federal law,

shall not be affected by the application of any anti-apartheid law of the State or political subdivision to a contract entered into by the State or political subdivision which is funded in whole, or in part, with funds provided by the Federal Government.

(b) The Federal Government shall not be responsible for the payment of the amount of any increase in the cost of any contract entered into by a State or political subdivision of a State if such increase is a result of the application of an anti-apartheid law of that State or political subdivision.

(c) For purposes of this Act—

(1) the term "anti-apartheid law" means a law which requires a State or a political subdivision of a State to include in contracts entered into by such State or political subdivision provisions and conditions relating to the contractor's business relationships in South Africa or to limit or condition the award of contracts on the basis of such relationships or to take such relationships into consideration in the award of contracts; or a law which prohibits or restricts the purchase of goods originating in South Africa; and

(2) the term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands.

TITLE IV—MULTILATERAL MEASURES TO UNDERMINE APARTHEID

NEGOTIATING AUTHORITY

SEC. 401. (a)(1) It is the policy of the United States to seek international cooperation with the industrialized democracies on measures which will encourage an end to apartheid. The net economic effect of such cooperation should be at least equal to the net economic effect of the measures imposed by this Act.

(2) For purposes of paragraph (1), the term "net economic effect" means the cumulative impact on the South African economy as a whole of the measures imposed under this sections 301 through 312.

(b) Negotiations to reach international cooperative arrangements with the other industrialized democracies should begin promptly and should be concluded not later than 180 days after the date of enactment of this Act.

(c) If the President successfully concludes an international agreement on measures described in subsection (a), he may, 30 days after the text of such agreement has been received by the Congress, adjust, modify, or otherwise amend the measures imposed under any provision of sections 301 through 312 to conform with such agreement.

(d) Each agreement submitted to the Congress under this subsection shall enter into force with respect to the United States if (and only if)—

(1) the President, not less 30 days before the day on which he enters into such agreement, notifies the House of Representatives and the Senate of his intention to enter into such an agreement, and promptly thereafter publishes notice of such intention in the Federal Register;

(2) after entering into the agreement, the President transmits a document to the House of Representatives and to the Senate containing a copy of the final text of such agreement together with—

(A) a description of any administrative action proposed to implement such agreement and an explanation as to how the proposed administrative action would change or affect existing law, and

(B) a statement of his reasons as to how the agreement serves the interest of United States foreign policy and as to why the proposed administrative action is required or appropriate to carry out the agreement; and

(3) a joint resolution of disapproval has not been adopted within 30 days of transmittal of such document to the Congress.

UNFAIR TRADE PRACTICES

SEC. 402. The Congress declares that it shall be an unfair trade practice under section 301(a)(1)(B)(ii) of the Trade Act of 1974 for any foreign person, partnership, or corporation to benefit from or otherwise take commercial advantage of any sanction or prohibition against any national of the United States imposed by or under this Act.

PRIVATE RIGHT OF ACTION

SEC. 403. (a) Any national of the United States who is required by this Act to terminate or curtail business activities in South Africa may bring a civil action for damages against any person, partnership, or corporation that takes commercial advantage or otherwise benefits from such termination or curtailment.

(b) The action described in subsection (a) may only be brought, without respect to the amount in controversy, in the United States district court for the District of Columbia or the Court of International Trade. Damages which may be recovered include lost profits and the cost of bringing the action, including a reasonable attorney's fee.

(c) The injured party must show by a preponderance of the evidence that the damages have been the direct result of defendant's action taken with the deliberate intent to injure the party.

TITLE V—FUTURE POLICY TOWARD SOUTH AFRICA

ADDITIONAL MEASURES

SEC. 501. (a) It shall be the policy of the United States to impose additional measures against the Government of South Africa if substantial progress has not been made within 12 months of the date of enactment of this Act in ending the system of apartheid and establishing a nonracial democracy.

(b) The President shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate within twelve months of the date of enactment of this Act, and every twelve months thereafter, a report on the extent to which significant progress has been made toward ending the system of apartheid, including—

(1) an assessment of the extent to which the Government of South Africa has taken the steps set forth in section 101(b) of this Act;

(2) an analysis of any other actions taken by the Government of South Africa in ending the system of apartheid and moving toward a nonracial democracy; and

(3) the progress, or lack of progress, made in reaching a negotiated settlement to the conflict in South Africa.

(c) If the President determines that significant progress has not been made by the Government of South Africa in ending the system of apartheid and establishing a nonracial democracy, the President shall include in the report required by subsection (b) a recommendation on which of the following additional measures should be imposed:

(1) a prohibition on the importation of steel from South Africa;

(2) a prohibition on military assistance to those countries that the report required by section 507 identifies as continuing to circumvent the international embargo on arms and military technology to South Africa;

(3) a prohibition on United States banks accepting, receiving, or holding deposit accounts from South African nationals; and

(4) a prohibition on the importation into the United States of strategic minerals from South Africa.

(d) A joint resolution which would enact part or all of the measures recommended by the President pursuant to subsection (c) shall be considered in accordance with the provisions of section 602 of this Act.

STUDY OF HEALTH CONDITIONS IN THE "HOMELANDS" AREAS OF SOUTH AFRICA

SEC. 502. The Secretary of State shall conduct a study to examine the state of health conditions and to determine the extent of starvation and malnutrition now prevalent in the "homelands" areas of South Africa and shall, not later than December 1, 1986, prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth the results of such study.

REPORT ON SOUTH AFRICAN IMPORTS

SEC. 503. (a) Not later than 90 days after the date of enactment of this Act, the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report on the extent to which the United States is dependent on the importation from South Africa of—

(1) chromium,

(2) cobalt,

(3) manganese,

(4) platinum group metals,

(5) ferroalloys, and

(6) other strategic and critical materials (within the meaning of the Strategic and Critical Materials Stock Piling Act).

(b) The President shall develop a program which reduces the dependence, if any, of the United States on the importation from South Africa of the materials identified in the report submitted under subsection (a).

STUDY AND REPORT ON THE ECONOMY OF SOUTHERN AFRICA

SEC. 504. (a) The President shall conduct a study on the role of American assistance in southern Africa to determine what needs to be done, and what can be done to expand the trade, private investment, and transport prospects of southern Africa's landlocked nations.

(b) Not later than 180 days after the date of enactment of this Act, the President shall prepare and transmit to the chairman of the Committee on Foreign Relations of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth the findings of the study conducted under subsection (a).

REPORT ON RELATIONS BETWEEN OTHER INDUSTRIALIZED DEMOCRACIES AND SOUTH AFRICA

SEC. 505. (a) Not later than 180 days after the date of enactment of this Act, the President shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report containing a detailed assessment of the economic and other relationships of other industrialized democracies with South Africa. Such report shall be transmitted without regard to whether or not the President successfully concluded an international agreement under section 401.

(b) For purposes of this section, the phrase "economic and other relationships" includes the same types of matters as are described in sections 201, 202, 204, 205, 206, 207, sections 301 through 308, and sections 311 and 312 of this Act.

STUDY AND REPORT ON DEPOSIT ACCOUNTS OF SOUTH AFRICAN NATIONALS IN UNITED STATES BANKS

SEC. 506. (a)(1) The Secretary of State shall conduct a study on the feasibility of prohibiting each depository institution from accepting, receiving, or holding a deposit account from any South African national.

(2) For purposes of paragraph (1), the term "depository institution" has the same meaning as in section 19(b)(1) of the Federal Reserve Act.

(b) Not later than 180 days after the date of enactment of this Act, the Secretary of State shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report detailing the findings of the study required by subsection (a).

STUDY AND REPORT ON THE VIOLATION OF THE INTERNATIONAL EMBARGO ON SALE AND EXPORT OF MILITARY ARTICLES TO SOUTH AFRICA

SEC. 507. (a) The President shall conduct a study on the extent to which the international embargo on the sale and exports of arms and military technology to South Africa is being violated.

(b) Not later than 179 days after the date of enactment of this Act, the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth the findings of the study required by subsection (a), including an identification of those countries engaged in such sale or export, with a view to terminating United States military assistance to those countries.

TITLE VI—ENFORCEMENT AND ADMINISTRATIVE PROVISIONS

REGULATORY AUTHORITY

SEC. 601. The President shall issue such rules, regulations, licenses, and orders as are necessary to carry out the provisions of this Act, including taking such steps as may be necessary to continue in effect the measures imposed by Executive Order 12532 of September 9, 1985, and Executive Order 12535 of October 1, 1985, and by any rule, regulation, license, or order issued thereunder (to the extent such measures are not inconsistent with this Act).

CONGRESSIONAL PRIORITY PROCEDURES

SEC. 602. (a)(1) The provisions of this subsection apply to the consideration in the House of Representatives of a joint resolution under sections 313(b), 401(d), and 501(d).

(2) A joint resolution shall, upon introduction, be referred to the Committee on Foreign Affairs of the House of Representatives.

(3)(A) At any time after the joint resolution placed on the appropriate calendar has been on that calendar for a period of 5 legislative days, it is in order for any Member of the House (after consultation with the Speaker as to the most appropriate time for the consideration of that joint resolution) to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of that joint resolution. The motion is highly privileged and is in order even though a previous motion to the same effect has been disagreed to. All points of order against the joint resolution under clauses 2 and 6 of Rule XXI of the Rules of the House are waived. If the motion is agreed to, the resolution shall remain the unfinished business of the House until disposed of. A motion to reconsider the vote by which the motion is disagreed to shall not be in order.

(B) Debate on the joint resolution shall not exceed ten hours, which shall be divided equally between a Member favoring and a Member opposing the joint resolution. A motion to limit debate is in order at any time in the House or in the Committee of the Whole and is not debatable.

(C) An amendment to the joint resolution is not in order.

(D) At the conclusion of the debate on the joint resolution, the Committee of the Whole shall rise and report the joint resolution back to the House, and the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion.

(b)(1) The provisions of this subsection apply to the consideration in the Senate of a joint resolution under section 313(b), 401(d), or 501(d).

(2) A joint resolution shall, upon introduction, be referred to the Committee on Foreign Relations of the Senate.

(3) A joint resolution described in this section shall be considered in the Senate in accordance with procedures contained in paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98-473), except that—

(A) references in such paragraphs to the Committee on Appropriations of the Senate shall be deemed to be references to the Committee on Foreign Relations of the Senate; and

(B) amendments to the joint resolution are in order.

(c) For purposes of this subsection, the term "joint resolution" means only—

(A) in the case of section 313(b), a joint resolution which is introduced in a House of Congress within 3 legislative days after the Congress receives the report described in section 313(b) and for which the matter after the resolving clause reads as follows: "That the Congress, having received on the report of the President containing the determination required by section 313(b) of the Comprehensive Anti-Apartheid Act of 1986, disapproves of such determination.", with the date of the receipt of the report inserted in the blank;

(B) in the case of section 401(d)(3), a joint resolution which is introduced in a House of Congress within 3 legislative days after the Congress receives the document described in section 401(d)(2) and for which the matter after the resolving clause reads as follows: "That the Congress, having received on the text of the international agreement described in section 401(d)(3) of the Comprehensive Anti-Apartheid Act of 1986, disapproves of such agreement.", with the date of the receipt of the text of the agreement inserted in the blank; and

(C) in the case of section 501(d), a joint resolution which is introduced in a House of Congress within 3 legislative days after the Congress receives the determination of the President pursuant to section 501(c) and for which the matter after the resolving clause reads as follows: "That the Congress, having received on a determination of the President under section 501(c) of the Comprehensive Anti-Apartheid Act of 1986, approves the President's determination.", with the date of the receipt of the determination inserted in the blank.

(d) As used in this section, the term "legislative day" means a day on which the House of Representatives or the Senate is in session, as the case may be.

(e) This section is enacted—

(1) as an exercise of the rulemaking powers of the House of Representatives and the Senate, and as such it is deemed a part of the Rules of the House and the Rules of the Senate, respectively, but applicable only with respect to the procedure to be followed in the House and the Senate in the case of joint resolutions under this section, and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(2) with full recognition of the constitutional right of the House and the Senate to change their rules at any time, in the same manner, and to the same extent as in the case of any other rule of the House or Senate, and of the right of the Committee on Rules of the House of Representatives to report a resolution for the consideration of any measure.

ENFORCEMENT AND PENALTIES

SEC. 603. (a)(1) The President with respect to his authorities under section 601 shall take the necessary steps to ensure compliance with the provisions of this Act and any regulations, licenses, and orders issued to carry out this Act, including establishing mechanisms to monitor compliance with this Act and such regulations, licenses, and orders.

(2) In ensuring such compliance, the President may—

(A) require any person to keep a full record of, and to furnish under oath, in the form of reports or otherwise, complete information relative to any act or transaction described in this Act either before, during, or after the completion thereof, or relative to any interest in foreign property, or relative to any property in which a foreign country or any national thereof has or has had any interest, or as may be otherwise necessary to enforce the provisions of this Act; and

(B) conduct investigations, hold hearings, administer oaths, examine witnesses, receive evidence, take depositions, and require by subpoena the attendance and testimony of witnesses and the production of all books, papers, and documents relating to any matter under investigation.

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(b) Except as provided in subsection (d)—

(1) any person that violates the provisions of this Act, or any regulation, license, or order issued to carry out this Act shall be subject to a civil penalty of $50,000;

(2) any person, other than an individual, that willfully violates the provisions of this Act, or any regulation, license, or order issued to carry out this Act shall be fined not more than $1,000,000;

(3) any individual who willfully violates the provisions of this Act or any regulation, license, or order issued to carry out this Act shall be fined not more than $50,000, or imprisoned not more than 10 years, or both; and

(4) any individual who violates section 301(a) or any regulations issued to carry out that section shall, instead of the penalty set forth in paragraph (2), be fined not more than 5 times the value the krugerrands or gold coins involved.

(c)(1) Whenever a person commits a violation under subsection (b)—

(A) any officer, director, or employee of such person, or any natural person in control of such person who knowingly and willfully ordered, authorized, acquiesced in, or carried out the act or practice constituting the violation, and

(B) any agent of such person who knowingly and willfully carried out such act or practice,

shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

(2) Paragraph (1) shall not apply in the case of a violation by an individual of section 301(a) of this Act or of any regulation issued to carry out that section.

(3) A fine imposed under paragraph (1) on an individual for an act or practice constituting a violation may not be paid, directly or indirectly, by the person committing the violation itself.

(d)(1) Any person who violates any regulation issued under section 208(d) or who, in a registration statement or report required by the Secretary of State, makes any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading, shall be subject to a civil penalty of not more than $10,000 imposed by the Secretary of State. The provisions of subsections (d), (e), and (f) of section 11 of the Export Administration Act of 1979 shall apply with respect to any such civil penalty.

(2) Any person who commits a willful violation under paragraph (1) shall upon conviction be fined not more than $1,000,000 or imprisoned not more than 2 years, or both.

(3) Nothing in this section may be construed to authorize the imposition of any penalty for failure to implement the Code of Conduct.

APPLICABILITY TO EVASIONS OF ACT

SEC. 604. This Act and the regulations issued to carry out this Act shall apply to any person who undertakes or causes to be undertaken any transaction or activity with the intent to evade this Act or such regulations.

CONSTRUCTION OF ACT

SEC. 605. Nothing in this Act shall be construed as constituting any recognition by the United States of the homelands referred to in this Act.

CLOTURE MOTION

Mr. BYRD. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on amendment No. 2414:

Robert Byrd, George J. Mitchell, Charles McC. Mathias, Patrick Leahy, Alan Cranston, Jeff Bingaman, Frank R. Lautenberg, Paul Sarbanes, Don Riegle, Gary Hart, Jim Sasser, Daniel K. Inouye, Edward M. Kennedy, John F. Kerry, Spark Matsunaga, Dale Bumpers, and Tom Harkin.

Mr. BYRD. Mr. President, for the information of Senators, this is an amendment that deals with sanctions against South Africa. The vote on the cloture motion will occur on the day after tomorrow in the event the cloture is not invoked in the Department of Defense authorization bill tomorrow.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I want to indicate to the majority leader that we are prepared to debate this amendment this evening or any time prior to the vote on cloture under the rules. Or we will be glad to set this amendment aside and move forward on the defense authorization bill for the time being, while we try to work out an appropriate agreement.

There has been good progress on the SDI issue. I know there are other amendments dealing with that in the defense authorization bill.

Those of us who are supporting the South Africa amendment do not want to disrupt the orderly process of the Senate on the defense bill, but we do wish to guarantee that we will at least have an opportunity prior to the recess to vote on the issue of economic sanctions against South Africa. So far, we have been frustrated in the attempt to get that assurance.

□ 1850

As a result of the action taken yesterday by those who filed a cloture motion on the DOD bill, we would be prohibited from offering the South Africa amendment to that bill if cloture is invoked.

Our preference is to have a free-standing bill and to permit the Senate to vote on South Africa, but we have made no progress on that, and time is running out.

Senator WEICKER, Senator CRANSTON, and I and others hope, prior to the recess, to have a brief period of time to debate South Africa and to permit the Senate to work its will on the issue of economic sanctions. The amendment we have offered incorporates what has already been approved in the Foreign Relations Committee, plus a limited additional number of recommendations that were made by the Eminent Persons Group of the Commonwealth of Nations.

We can debate those issues in a timely way. It is still the desire of myself and the Senator from Connecticut to work with the majority leader to obtain the assurance that we can get a vote on this measure. We regret that we had to take this particular step, but nonetheless, we are committed to assuring that we have a vote before the recess.

I believe that it is imperative that the Senate as an institution speak to this issue prior to the recess. The step we have taken is the only way to get that assurance without a unanimous-consent request. There has been no indication whatsoever that such consent would be forthcoming.

So I indicate again to the leader and others that we are quite prepared to accommodate the schedule, but we are going to insist that we have some opportunity to vote on South Africa.

Senator WEICKER, Senator CRANSTON and I are asking the United States Senate—finally and at long last—to take action against apartheid in South Africa. This action is long overdue. We should have acted 20 years ago; we should have taken action last year at this time; we should have done it last month; we should have done it last week; we should have done it yesterday.

Every day that goes by without the Senate voting to impose economic sanctions against the apartheid regime in Pretoria, the moral standing of the United States is diminished—in the eyes of the world and in the pages of history.

The Members of the Senate should welcome the chance to take action today. We cannot, we should not, accept more delay.

Those who would forestall or postpone this debate carry a heavy burden. They will have to answer to millions of Americans who have already made their views known—in the universities, the union halls, the board rooms and the churches—who have been working to put our country on the right side of justice. Those who would defer this debate will also have to answer to hundreds of millions of people throughout the world who look to the United States as the leader for freedom, who see us as a beacon of hope for the oppressed but who now see the United States as an ally of oppression and apartheid.

Those who would delay or defer this debate will also have to answer to history—which is perhaps the most unforgiving judge of both our words and our deeds.

I am not happy about the fact that, to have this debate and to allow the Senate to act against apartheid, we must offer this legislation as an amendment to the DOD authorization bill. The importance of this issue calls for separate and special treatment. I would be happy to withdraw this amendment and to withhold any further attempts to offer South Africa legislation on other legislation if the leadership will simply give us some assurance that we will have an opportunity to take this issue up and to take final action—one way or another—before we leave for the August recess. But no such assurance has been forthcoming.

On the contrary, the leadership has been steadfast in its effort to couple any action on South Africa to a requirement that we give up our rights to a full and complete debate of the contra aid package. That proposal is totally unacceptable.

It is wrong for the leadership to hold the South African legislation hostage to the Contra aid package. Sanctions against South Africa have deep and widespread support throughout the Senate and throughout the country, and aid to the contras is in serious trouble, inside the Senate and throughout the Nation.

It is ironic that the leadership is using the momentum generated by the unpopularity of one administration policy—constructive engagement in South Africa—to achieve success for another unpopular policy—more money for more war in Central America.

No such considerations should stand in the way of full and complete discussion of our policy toward South Africa—and final action on sanctions legislation.

The amendment that we offer today takes the good work of the Senate Foreign Relations Committee—which passed a sanctions bill by the overwhelming vote of 15 to 2—and strengthens that legislation with a number of modest, yet important, additions. The amendment that we propose today is "the Lugar bill plus"—and the plus part includes the following additions to the product of the Senate Foreign Relations Committee:

First. Earmark $4 million for South African refugee education assistance.

Second. Authorize $30 million for the Beira corridor project.

Third. Prohibit all loans to the South African private sector.

Fourth. Expand the import ban to include textiles; crude oil and refined petroleum products; food and agricultural products.

Fifth. Expand the computer ban to make it a comprehensive ban on the export of all computers to South Africa.

Sixth. Prohibit the following U.S. Government activities: promoting, subsidizing or supporting trade, investment and tourism in South Africa; and United States Government contracts with South African corporations and procurement of good and services.

Seventh. Prohibit United States-South Africa military cooperation.

Eighth. Add items on the munitions list to the arms embargo.

Ninth. Lift any penalties on cities that use U.S. aid to offset losses resulting from divestment.

Tenth. Sever all air links with South Africa.

I urge the Senate to adopt this amendment, and say unequivocally to all nations on Earth—the United States stands against apartheid, and the U.S. Senate is prepared to so something about it.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, let me yield, if I may, to the distinguished Senator from Connecticut without losing my right to the floor.

Mr. WEICKER. I thank the distinguished majority leader.

Mr. President, the issue really that confronts all of us in the Senate is not whether we are going to have a vote on South Africa. We could amend the DOD bill, we could amend the debt ceiling, we could amend anything that comes to the floor. We are going to have a vote on South Africa. So that is not the issue.

The issue, it seems to me, and this is what I have had a discussion with the majority leader on, is are we going to have a bill on South Africa? We are in what is known as a three-legged race here insofar as Contras and South Africa are concerned. I think the time has come to untie the knot between the runners.

I have gone to the majority leader over the past several days in an effort to find out the possibility of having separate, freestanding votes on the issue of South Africa and on the issue of Contras.

Very frankly, I think it would be wrong in any way to say that we are at the present state of affairs because of the unwillingness of the majority leader to try to effect compromise. That just is not so. We can sit here and dig in in a partisan way and if we do that, I think one of the greatest tragedies of all will occur, which is that we will do nothing that is meaningful insofar as South Africa is concerned.

The blacks of that nation have already had to suffer through the disappointment of a Presidential speech and something less than decisive action by the Commonwealth. All we have to do is something ineffective on the Senate floor and that will be devastating to the hope which they hold insofar as action by the U.S. Senate is concerned.

No one is more passionately against the policy of Contra aid than I am. Yet I would have to be the first one to state as a matter of fact that the issue has had its day in court. But just on the simple matter of fairness and equity, South Africa is now at the head of the agenda and it deserves its day in court, which it has not yet had.

I wish I could say that there was unanimity among those who are against Contra aid insofar as what to do with the next piece of legislation coming down the pike. But there is not and those who are against contra aid know that. To link these two and destroy our opportunity as a Nation to send forth a clear message on the issue of apartheid—unfortunately for me, and I think many of my colleagues understand that I do not shift my ground very often. But I indicated to the majority leader that in order that this might—I now refer to the South Africa sanctions—move, I would be willing to vote cloture on the contra issue. I am still against it. I will vote against the substance. I did in the Appropriations Committee today.

I deem this issue of South African sanctions to be of sufficient overriding importance that I think accommodation in these few days left is something that has to be a part of the process. And that is what we are here for.

This is not a amateur night. These are the finest professionals in a political sense in the United States. And it does not mean you get your way 100 percent of the time. I fought contra aid and I lost. I am going to fight it again. But right now, the fight to be waged relates to South Africa and the sanctions and the hope that we can send the blacks of that nation.

And to get into a partisan squabble or philosophical squabble or where we deem this to be important and we try to link this to that demeans us as a body and I think betrays the professionalism which is attributed to the 100 Members of this body.

□ 1900

I do not think there is much the majority leader and I have agreed on in terms of substance on issue, but, yes, I believe his word and I believe he is doing his best to unravel a very knotty situation. Just so I keep it on my side of the aisle, try to go ahead and resolve a dispute between JESSE HELMS and LOWELL WEICKER, try that on for size sometime, never mind as between Republicans and Democrats.

Well, that is the job he has, very simply, right here on this issue. And you can compound that with many other Senators on both sides of both these issues.

One last word, if I might, in the sense of the good Senator from Massachusetts and myself. Two years ago he went to South Africa, I went to jail. So

I am well aware how our heart is in this issue and what we have tried to do to bring it to pass.

And as in any other governmental political current many forces are now moving around us in these last few days of this legislature. But I would ask those of us who share the opinion that Senator KENNEDY and I have vis-a-vis the issue of sanctions that we give the leadership, both Republican and Democratic leaders, the opportunity to work this out so that we can speak clearly on both issues, separately and clearly and not confuse it in some parliamentary muddle which sends no message to anybody. I think that can be done, but I think both the minority and the majority leader are going to need the support of all those on every side of this issue and certainly those of us who are considered the most extreme, whatever that means.

I say all this because somebody came to me today and indicated that remarks had been made, not I might add from within this body but from without, that the impasse was the fault in the main of the majority leader. That is not the case. As late as 1 hour ago, the majority leader sat in that cloakroom and indicated to me that he would now go ahead and see what he could do and there was no mention of any amendment being put up to force his hand. It was strictly a conversation as to how we could get out of this, that he would now see what he could do to get individual day's debate on each one of these issues.

Now, there is where we sit and that explains everything as to what has been out on the table and what has been back in the cloakroom. I hope that every Member of this body will do everything he can to see that that takes place because I will tell you what is going to happen to an amendment on the debt ceiling. It is not going to become law. And I can tell you what is going to happen to an amendment on the DOD authorization. My gosh, they will not even be finished with the conference until October or November and then all help for the blacks is going to be totally lost.

It is going to do us no good. So I repeat where I started. The issue is not a vote on sanctions. The issue is a vote on a bill that will become law, become law, and therefore be the statement of the United States of America to combat this inhumanity and indignity and that overrides to me our philosophical and partisan differences.

Mr. DOMENICI. Will the Senator yield for observation without losing his right to the floor?

Mr. DOLE. Mr. President, I do not want to farm out the floor but I do want to yield just briefly to my distinguished colleague from Kansas.

Mr. DOMENICI. I did not see the Senator. I am sorry.

Mrs. KASSEBAUM. Mr. President, I appreciate the majority leader yielding. I would just like to comment for a moment as one who cares deeply about legislation for South Africa as well. Many do on this floor, including the chairman of the Foreign Relations Committee, who worked hard to put together a bipartisan package and certainly the majority leader, who has worked hard to try to work out a consensus of time and agreements so that could move forward. It seems to me—and I certainly agree with the Senator from Connecticut [Mr. WEICKER] when he says the South Africa legislation is a very important piece of legislation—to bring it up at such a time that we will have to discuss it at the same time we are trying to move ahead on the defense authorization, which has many amendments, importance in and of itself, I think does a disservice to both pieces of legislation. And I as chairman of the African Affairs Subcommittee would just like to say I know there is no one who has tried harder to work out some agreements so we can discuss the South African legislation than the majority leader. I really think that it would serve us all well if somehow, Mr. President, we could find the means in which we could find some agreement and work out the orderly processes on this so we can get on with discussion on two very important bills, the defense authorization and South African legislation.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, first let me express surprise and some disappointment because I remember raising with the Senator from Massachusetts and others on this floor Saturday morning that we did not want any surprise parties, we had to be heads up about whether we are going to sneak in and offer some amendment on DOD authorization or any other bill. And that is precisely what has happened. Now, I know they have a right to offer the amendment. I said, "I have to be at a tax conference. I cannot sit on the floor all day, offer all the amendments and make certain somebody else is not recognized."

I would just say at the outset it is obvious that this is going to be a struggle that is going to go right down to the wire, and I am prepared for that, though I must say I thought we were operating in good faith. We reached an agreement about 12:30 a.m. on Saturday morning, with only three of us left, the distinguished minority leader, myself, and the Senator from Alaska, and I thought there was a gentlemen's agreement that we would try to work it out, work out some agreement—we had half the agreement—work out the other half, and that is why as recently as a couple hours ago I was sitting talking to the distinguished Senator from Connecticut [Mr. WEICKER] and I asked staff to put together a time agreement, which I assume has been prepared so we could start circulating it on the issue of South Africa and the issue of Contra aid.

□ 1910

I am not certain what may motivate some, and I really do not care. But I believe there are some in this body on both sides who are concerned about South Africa legislation rather than just getting a vote and demonstrating that somehow you can force a vote. That may not be too easy, either. It may not be too easy to invoke cloture.

I am going to suggest on this side that we do not vote for cloture on South Africa, if that is necessary, because what I believe to be, at least in spirit, a violation of what I understood we spent several hours doing here on Friday evening.

Mr. KENNEDY. Mr. President, will the majority leader yield on that point?

Mr. DOLE. I yield.

Mr. KENNEDY. With reference to the discussions of Friday evening, my recollection of that was that there was going to be no action that would be taken with respect to consideration of South Africa sanctions and that no action was going to be taken by either side to do that without proper notice.

I was in my office yesterday afternoon and suddenly a cloture motion was filed on the DOD bill, and whose name do I read on that cloture motion but the majority leader's

The effect of that cloture motion, should it be successful tomorrow, would be to deny us the opportunity to consider South Africa sanctions on one of the two remaining available measures that will be considered by the Senate before recess. One was the DOD authorization and the second the debt limit.

So I want to be very clear, as one who participated in those discussions on Friday, that those of us who were supporting the South African sanctions were surprised first. We were very much surprised to hear that a cloture motion was being filed yesterday, which, if it is successful, would deny us the possibility of acting on South Africa on the DOD bill.

That was the first surprise, and I will be very frank and candid with the membership—I felt that was a violation of the Friday agreement, and I felt absolutely no inhibition about taking this course of action now.

Having said that, I want to join in what the Senator from Connecticut has stated earlier today to the majority leader. Having taken this step, I would be glad to set this amendment

aside now, and consider other defense authorization measures. We are prepared to accede to any reasonable request that will permit us a vote on South Africa this prior to the recess, with only 1 day's debate, so far as the Senator from Connecticut and I are concerned.

Mr. DOLE. The Senator from Kansas could have rushed in with a Contra aid amendment on the DOD authorization bill. The only reason cloture was filed—we discussed in my office about bringing up DOD and filing cloture, bringing up Contra aid and filing cloture, bringing up South Africa and filing cloture. We could not get the agreement; we got half of it.

There was nothing in the agreement we reached Saturday night that said you could not file cloture. There was nothing in the agreement that said you could not offer amendments to the DOD authorization, on South Africa or Contra aid. But made the point, apparently not very well, that I thought that if we were going to try to work this out, we had to have some flexibility.

We have been trying to work it out. My staff met with the staff of the Senator from Massachusetts today. I thought they were in good faith—that is the impression I had—that both were trying to figure out what to do. My staff was advised that in no way would the Senator from Massachusetts agree to a time agreement on Contra, and that was related to me.

In the meantime, I visited with the Senator from Connecticut. I do not believe there has been any reluctance on the part of the majority leader to work out some meaningful agreement.

I also know that this is a highly politically charged matter, I say to the Presiding Officer, and I know that there are some who are looking for political gain. Maybe they are not in this Chamber. There are lot of people pushing, pushing on sanctions. They might want to read an article in New York Times written by a liberal member of the South African Parliament, who indicated that sanctions would be the worst thing we could do, and proceeded to say why. I believe I have inserted that article in the RECORD. I did not write it. It was written by someone who lives there, someone who knows the problem and deals with it on a daily basis, indicating that she felt we would probably do something like this, but it would have no impact.

So I know the politics of it and I assume that if it were brought up to a vote they would prevail—those who believe something should be done would prevail.

I understand that today there was an objection filed with the Foreign Relations Committee with respect to reporting out the Foreign Relations Committee bill—an objection from that side of the aisle.

So we could block the Lugar bill, block the bill that had a margin of 15 to 2 in the Foreign Relations Committee.

I think it is time we ask ourselves, in all honesty, what kind of game we are playing here. Are we playing a political game, a partisan political game, for the benefit of some in this country, or are we sincerely trying to help the plight of people being oppressed in South Africa? That is the only question. It seems to me that the answer may be as obvious as the amendment just offered.

I can offer an amendment in the nature of a substitute, which would be Contra aid; and if cloture is invoked, my amendment will fall.

We have, in effect, spent 2 days on the DOD authorization bill. I guess we are not going to spend any more.

I was told all last week that we had to bring up the DOD authorization bill, that we are holding up a very important piece of legislation. Every day I was reminded by the minority leader: Where is the DOD authorization bill?

So, in an effort to accommodate Senators on both sides—and I agreed with the minority leader, I might say—we tried to work it out, to bring up the DOD authorization bill last Friday evening. But after 2 days on one amendment—one amendment—the SDI amendment, here we are. There are 138 amendments at the desk. Cloture was filed, hoping that we could dismiss some of those amendments, work out our agreement on Contra aid and South Africa, and get on with it, and try to complete the business by August 15. I am not prepared yet to say that we cannot do that, but I am suggesting that it is looking a little more difficult each hour that passes.

I think we have sort of stopped the DOD bill dead in its tracks, and if that was the purpose, I think it has been achieved.

We will have a cloture vote, and I hope cloture will not be invoked, but we will wait until that happens.

If those who want South Africa aid want to stop everything else, they are gong to get their wish. There are a lot of problems that should be dealt with in America in addition to South Africa. This is a very important piece of legislation. I agree with the Senator from Georgia: Why not spend some time worrying about the American interests? That is why we have the DOD authorization bill on the floor.

Mr. WEICKER. Mr. President, will the majority leader yield?

Mr. DOLE. We can play all the games we want with South Africa, and some will play every game they can.

□ 2020

We have the DOD authorization bill. We have the debt limit extension. We are not going to be able to pay our bills, send checks to veterans and other people, after September 2. We will just tell them we could not get together on South Africa and that was more important than anything we had pending that affected people in this country.

So you can look at South Africa. You can look at the defense bill. You can look at Contra aid. You can look at reconciliation.

And if we want to buy a headache I guess we just do not have reconciliation before we leave. If that is what some want in this body we will accommodate them and fail to accommodate many people the week of the 17th through the 23d or how long it takes in August, because I believe if the showdown is what the Senator from Massachusetts wants, and it is apparently what he wants, then let us have it. Let us just lay it out.

He does not want any agreement. He does not want us to vote on Contra aid. We only passed it three, four, or five times in this body. But he wants to block Contra aid because he does not like it. But he wants us to all agree on South Africa because that is his No. 1 priority. Maybe he can work it that way. Maybe it will happen. Maybe the wishes of other Senators who are concerned about the DOD authorization bill, about home porting, about other issues in the DOD authorization bill, can wait and wait and wait until we satisfy the Senator from Massachusetts.

I am not certain that is what we are here for.

It is the view of this Senator that we are trying to work out some agreement. You cannot make an agreement if one party does not want to make an agreement.

I just suggest we have been doing this in good faith—at least I thought I was in good faith. Maybe I have learned something in this experience. Maybe that is not possible.

Mr. WEICKER. Mr. President, will the majority leader yield?

Mr. DOLE. I am happy to yield to the Senator from Connecticut.

Mr. WEICKER. I think it is possible. I think I would hope the distinguished majority leader, who has been dealing in good faith, and the distinguished minority leader, would renew their effort because I will tell you: There is only one person that is relishing this squabbling among ourselves and that is Mr. Botha in South Africa. Nothing would please him more than to see us founder on the rocks whether on partisanship, philosophy, or whatever.

The surge of sentiment is overwhelming in this body for these sanctions.

But you are darn right we need every vote in order to assure that we are going to have a bill. I do not want

some hollow victory with a narrow margin that says as an amendment we would like to do something about South Africa when there is a possibility that we can do something about South Africa, but that is going to require literally in my book about 67 votes to 70 votes, not a simple majority.

So I would hope—I know how heated we all get on this subject, but I want the record clear. As I stated at the outset, the majority leader has been doing his job as a leader in trying to bring the parties together. I do not want to threaten them. I do not want to throw a ring around them.

I think he should have the utmost flexibility. I hope we will do that, and it will be done in conjunction with the distinguished minority leader, who I might add at the session we had last week was just as flexible and just as encompassing of all views as anyone on this side.

So, I would hope that the rhetoric does not get too steamed up because if it does, we are going to get in the very box that will kill the sanctions bill.

Mr. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. DOLE. I am happy to yield without losing my right to the floor.

Mr. BYRD. Mr. President, I will not ask the majority leader to yield beyond just this question. The distinguished majority leader said something a little earlier to the effect that someone sneaked, someone sneaked and offered an amendment.

Is the distinguished majority leader referring to me as having sneaked and offered an amendment?

Mr. DOLE. No. I think what I said, what I repeated was someone could sneak in and offer an amendment, yes.

Mr. BYRD. Is the majority leader implying that I sneaked in and offered this amendment? He was here on the floor. Is he referring to me?

Mr. DOLE. No. The Senator was recognized. He had a right to offer the amendment. As I stated, I was talking about the gentlemen's agreement that I thought, apparently did not have, and maybe the Senator from West Virginia was not a party to that.

But I think I had a rather careful discussion on that with the Senator from Massachusetts. We talked about this for about 4 or 5 hours on Friday evening.

I hoped we had left it on that basis.

But I am not going to characterize what the distinguished minority leader did. He offered an amendment. I understood we were not going to do that. He understood it differently.

Mr. BYRD. No, I did not understand that way at all.

Mr. DOLE. It is obvious he would not offer it had he understood it that way.

Mr. BYRD. I will seek the floor in my own right in a moment to respond to some of the things the distinguished majority leader said.

I want to know specifically whether or not the majority leader is addressing his remarks to me when he refers to someone as having sneaked in and offered an amendment.

Mr. DOLE. I will say that the minority leader was recognized, he offered the amendemnt, and now we are in this predicament.

Mr. BYRD. So the distinguished majority leader——

Mr. DOLE. I assume the record will reflect what I said, If I said that, I did not intend to say that, but I believe what I tried to reflect what I thought was a gentlemen's agreement. I have been in this Senate a long time. All you have around this place is your word.

Mr. BYRD. That is exactly right.

Mr. DOLE. And I was under the impression, as a matter of fact I made it rather clear that I was a tax conferee, that I could not sit on the floor all day Monday, and all day Tuesday, and all day Wednesday to make certain someone did not run in and I think I used the word surprise us or sneak in with an amendment. That is why we sat here to 12:30 that morning trying to work out some agreement. We did not get it all put together.

But now we have the amendment. Maybe we ought to deal with it. Maybe this is the time we ought to deal with it. But before I do that I want to suggest the absence of a quorum so I can find out what my rights are.

Mr. BYRD. Before we suggest the absence of a quorum, I hope I will get an opportunity in my own right to this floor to respond to some of the things that the distinguished majority leader has said. He has indicated his viewpoint of what was said on Friday night, what was agreed to and what has happened since.

I also want to respond as to what my viewpoint is. The distinguished majority leader has made some comment here about what happened prior to last Friday night and I just want to have an opportunity to respond, and I want an opportunity to get this floor in my own right.

I have had enough of this business of having the majority leader stand here and act as a traffic cop on this floor and yield it only to other Senators. He determines who will call up an amendment, when they will call up an amendment, and what will be in the amendment.

I want the floor in my own right in a moment, because I feel that there should be a response to some of the things that the distinguished majority leader has said. But I want to tie this down while he has the floor because there is rule 19 of the Standing Rules of the Senate, Mr. President. And if he is intimating or implying that I sneaked when I called this amendment in his presence right here I want to know it now.

Mr. DOLE. The record will reflect what I said, but I think it will reflect what I recall the conversation to be on Friday evening.

Mr. BYRD. Does the Senator think I sneaked when I offered this amendment?

Mr. DOLE. No, I will say for the record, you didn't but I also say for the record what I recollect I said on Friday night, and there were people around. I said someone can sneak here and offer an amendment I am not going to back away from that.

But the Senator was recognized in his right to offer an amendment.

Mr. BYRD. Will the Senator yield?

Mr. DOLE. I am happy to yield.

Mr. BYRD. Mr. President, Friday night my recollection was that the distinguished majority leader said that in his absence someone might come to the floor and call for the regular order and bring back——

Mr. DOLE. That was also said.

Mr. BYRD. And bring back the debt limit resolution.

I said to him I will not come to the floor and call for the regular order when you are not on the floor. When your back is turned I will not do that.

Mr. DOLE. That is correct.

Mr. BYRD. That is right.

I certainly did not enter into any agreement that there would not be a South Africa amendment offered on this bill. A cloture motion has been offered on the Department of Defense authorization bill. If cloture is invoked tomorrow, that shuts out any opportunity to offer a South Africa amendment or any other amendment that is not germane.

I will take the floor in my own right a little later.

But I want the record to show that the distinguished majority leader is not saying that I sneaked and offered an amendment, nor is he implying that I sneaked and offered an amendment.

I hope I am correct in saying that. Am I?

Mr. DOLE. I think I indicated that, and I would also say that the minority leader is correct: We did talk about anybody could call for the regular order. He said he would not do that in my absence. There were other conversations.

We were in here 5 hours. We had a lot to talk about, and my understanding when I left—apparently not the correct understanding—was that we would try to work out some agreement on South Africa and the Contras if we could.

□ 1930

We could not do it that night. We had been up all day long and until 2

o'clock the morning before. The distinguished minority leader came in and said, "I don't think we can do this now. We need to think about it overnight. Maybe we ought to come in on Saturday."

We started discussing it. We had a lot of staff around who were very helpful, and about an hour later we reached a partial agreement.

And during that time before the Senator from Massachusetts left, I made it clear I did not want to have to be here all the time. My view was we would work out something. I have already indicated I want to work out something on South Africa. I am not trying to block action on South Africa; never have; did not do it last year.

But if we want just a party division on South Africa, if that is what some people want in this Chamber, they may get it, not because of what I say, but I think we have a right on this side to also accommodate what the President would like us to take up, and that is aid to the Contras. We passed it. We passed it. We passed it. And now we have to pass it again.

I share the view expressed by the Senator from Connecticut. I think we have to ask ourselves do we want a bill on South Africa freestanding or do you want to put it on the debt ceiling or do you want to put it on DOD authorization? Is that why we wanted to bring up the DOD authorization? I do not think so, because it could be offered to the debt ceiling.

But I am willing to try to work out an agreement. I am also willing to just let nature take its course. If this is what we want to do on Thursday, to vote on cloture; if it is invoked, we are on South Africa and we will be on it, then we will go back on the DOD authorization bill. We have been on it 2 days and we have not disposed of but one amendment on the DOD authorization bill. It is a very important piece of legislation.

Now, we have to find some way out of the debt ceiling morass. I have been advised by Senators DOMENICI, GRAMM, and RUDMAN—and I am certain Senator HOLLINGS would agree—we have real problems if we do not do something, because the Gramm-Rudman amendment is on the debt ceiling, if we do not go to conference with the House.

But, again, if it is the desire of those who want nothing but South Africa to happen between now and the 15th of August, because I think the House is going to leave on the 15th of August, then we can take it up, if they are successful.

So I just suggest, as I have in the past, if I had a record that was somehow perceived as anti-civil rights or insensitive to blacks anywhere, then I would understand the Senator from Massachusetts being a little nervous about what we might be doing. But I believe the record is there. I believe it has been demonstrated time and time again that we have been trying to provide leadership in all those areas, civil rights areas.

And, let us face it. That is what the bill has become, or the amendment which was offered, a civil rights issue in this country. The blacks are split in South Africa, but we are being asked to vote, to turn everything aside, do not worry about anything until we have registered something on South Africa. I am not even certain what the amendment is. Has the amendment been read?

The PRESIDING OFFICER. The reading was dispensed with.

Mr. DOLE. We have no idea what the amendment is. We understand it is not the bill agreed to by a vote of 15 to 12, it is apparently sort of the Kennedy-Weicker amendment, with additions.

Mr. President, I have no objection to yielding the floor, except I do want to check some things with the Parliamentarian before I do that. So I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1950

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2417

Mr. DOLE. Mr. President, I send a perfecting amendment to the desk which I will explain.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an amendment numbered 2417.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the words "Division E" and insert the following:

TITLE II—CENTRAL AMERICA

PURPOSES

SEC. 201. The purposes of this title are to promote economic and political development, peace, stability and democracy in Central America, to encourage a negotiated resolution of the conflict in the region, and towards these ends, to enable the President to provide additional economic assistance for the Central American democracies as well as assistance for the Nicaraguan democratic resistance, subject to the terms and conditions of this title.

POLICY TOWARD CENTRAL AMERICA

SEC. 202. (a) It is the policy of the United States that—

(1) the building of democracy, the restoration of peace, economic development, the improvement of living conditions, and the application of equal justice under law in Central America are important to the interests of the United States and the community of American States;

(2) the interrelated issues of social and human progress, economic growth, political reform, and regional security must be effectively dealt with to assure a democratic and economically and politically secure Central America; and

(3) the September 1983 Contadora Document of Objectives, which sets forth a framework for negotiating a peaceful settlement to the conflict and turmoil in the region, is to be encouraged and supported.

(b) The United States strongly supports as essential to the objectives set forth in subsection (a)—

(1) a long-term commitment of economic assistance to the Central American democracies in amounts recommended by the National Bipartisan Commission on Central America;

(2) national reconciliation in Nicaragua and the creation of a framework for negotiating a peaceful, democratic settlement to the Nicaraguan conflict; and

(3) efforts to reach a comprehensive and verifiable final agreement based on the Contadora Document of Objectives, including efforts to encourage the Government of Nicaragua to pursue a dialogue with the representatives of all elements of the Nicaraguan democratic opposition for the purpose of achieving a democratic political settlement of the conflict, including free and fair elections.

POLICY TOWARD THE GOVERNMENT OF NICARAGUA

SEC. 203. (a) United States policy toward the Government of Nicaragua shall be based upon that government's responsiveness to continuing concerns affecting the national security of the United States and Nicaragua's neighbors about—

(1) Nicaragua's close military and security ties to Cuba and the Soviet Union and its Warsaw Pact allies including the presence in Nicaragua of military and security personnel from those countries and allies;

(2) Nicaragua's buildup of military forces in numbers disproportionate to those of its neighbors and equipped with sophisticated weapons systems and facilities designed to accommodate even more advanced equipment;

(3) Nicaragua's unlawful support for armed subversion and terrorism directed against the democratically elected governments of other countries;

(4) Nicaragua's internal repression and lack of opportunity for the exercise of civil and political rights which would allow the people of Nicaragua to have a meaningful voice in determining the policies of their government through participation in regularly scheduled free and fair elections and the establishment of democratic institutions; and

(5) Nicaragua's refusal to negotiate in good faith for a peaceful resolution of the conflict in Central America based upon the comprehensive implementation of the September 1983 Contadora Document of Objectives and, in particular, its refusal to engage in a serious national dialogue with all elements of the Nicaraguan democratic opposition.

(b) The United States will address the concerns described in subsection (a) through economic, political, and diplomatic measures (including efforts to secure the co-

operation of other democratic nations in such measures), as well as through support for the Nicaraguan democratic resistance. In order to assure every opportunity for a peaceful resolution of the conflict in Central America, the United States will—

(1) engage in bilateral discussions with the Government of Nicaragua with a view toward facilitating progress in achieving a peaceful resolution of the conflict, if the Government of Nicaragua simultaneously engages in a serious dialogue with representatives of all elements of the Nicaraguan democratic opposition; and

(2) limit the types and amounts of assistance provided to the Nicaraguan democratic resistance and take other positive action in response to steps taken by the Government of Nicaragua toward meeting the concerns described in subsection (a).

(c) The duration of bilateral discussions with the Government of Nicaragua and the implementation of additional measures under subsection (b) shall be determined, after consultation with the Congress, by reference to Nicaragua's actions in response to the concerns described in subsection (a). Particular regard will be paid to whether—

(1) freedom of speech, assembly, religion, and political activity are being respected in Nicaragua and progress is being made toward the holding of regularly scheduled free and fair elections;

(2) there has been a halt to the flow of arms and the introduction of foreign military personnel into Nicaragua, and a withdrawal of all foreign military personnel has begun;

(3) a cease-fire with the Nicaraguan democratic resistance is being respected; and

(4) Nicaragua is refraining from acts of aggression, including support for insurgency and terrorism in other countries.

(d) The actions by the United States under this title in response to the concerns described in subsection (a) are consistent with the right of the United States to defend itself and to assist its allies in accordance with international law and treaties in force. Such actions are directed, not to determine the form or composition of any government of Nicaragua, but to achieve a comprehensive and verifiable agreement among Central American countries, based upon the 1983 Contadora Document of Objectives, including internal reconciliation within Nicaragua based upon democratic principles, without the use of force by the United States.

(e) Notwithstanding any other provision of this title, no member of the United States Armed Forces or employee of any department, agency, or other component of the United States Government may enter Nicaragua to provide military advice, training, or logistical support to paramilitary groups operating inside that country. Nothing in this title shall be construed as authorizing any member or unit of the Armed Forces of the United States to engage in combat against the Government of Nicaragua.

POLICY TOWARD THE NICARAGUAN DEMOCRATIC RESISTANCE

SEC. 204. (a) It is the policy of the United States to assist all groups within the Nicaraguan democratic resistance which—

(1) are committed to work together for democratic national reconciliation in Nicaragua based on the document issued by the six Nicaraguan opposition parties on February 7, 1986, entitled "Proposal to the Nicaraguan Government for a Solution to the Crisis in Our Country"; and

(2) respect international standards of conduct and refrain from violations of human rights or from other criminal acts.

(b) No assistance under this title may be provided to any group that retains in its ranks any individual who has been found to engage in—

(1) gross violations of internationally recognized human rights (as defined in section 502B(d)(1) of the Foreign Assistance Act of 1961); or

(2) drug smuggling or significant misuse of public or private funds.

(c)(1) It is recognized that the Nicaraguan democratic resistance has been broadening its representative base, through the forging of cooperative relationships between the United Nicaraguan Opposition (UNO) and other democratic resistance elements, and has been increasing the responsiveness of military forces to civilian leadership.

(2) The President shall use the authority provided by this title to further the developments described in paragraph (1) and to encourage the Nicaraguan democratic resistance to take additional steps to strengthen its unity, pursue a defined and coordinated program for representative democracy in Nicaragua, and otherwise increase its appeal to the Nicaraguan people.

(d) In furtherance of the policy set out in this section, not less than $10,000,000 of the funds transferred by section 6(a) shall be available only for assistance to resistance forces otherwise eligible and not currently included within UNO, of which amount $5,000,000 shall be available only for the Southern Opposition Bloc (BOS) and $5,000,000 shall be available only for the Indian resistance force known as Misurasata.

ASSISTANCE FOR THE CENTRAL AMERICAN DEMOCRACIES

SEC. 205. (a) There are hereby transferred to the President for assistance to the Central American democracies (Costa Rica, El Salvador, Guatemala, and Honduras) in accordance with the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, $300,000,000 of unobligated funds from the accounts specified in subsection (b). Amounts transferred under this section shall be administered in accordance with the terms and conditions of chapter 6 of part I of the Foreign Assistance Act of 1961. Notwithstanding any other provision of law, funds made available by this section—

(1) shall be in addition to amounts previously appropriated for the fiscal year 1986 and allocated for assistance to Central American countries, and

(2) shall remain available for obligation until September 30, 1987, except that not less than $100,000,000 shall be obligated on or before September 30, 1986.

(b) Amounts made available by this section shall be transferred from such accounts as the President may designate for which appropriations were made by title II of the Foreign Assistance and Related Programs Appropriations Act, 1986, title IV of the Agriculture, Rural Development and Related Agencies Appropriations Act, 1986, (as contained in Public Law 99-190), and title II of the Urgent Supplemental Appropriations Act, 1985 (Public Law 99-10).

(c)(1) The Secretary of State, the Administrator of the Agency for International Development, and the Director of the Office of Management and Budget, shall—

(A) develop a plan for fully funding the assistance to the Central American democracies (Costa Rica, El Salvador, Guatemala, and Honduras) proposed in the January 1984 report of the National Bipartisan Commission on Central America; and

(B) provide a report describing this plan to the President and the Congress no later than March 1, 1987.

(2) The report required by paragraph (1) shall include an analysis and recommendations, prepared in consultation with the Secretary of Agriculture, on how more effective use can be made of agricultural commodities from the United States in alleviating hunger in Central America and contributing to the economic development of the Central American democracies.

(d)(1) There are hereby transferred to the President out of funds appropriated by the Supplemental Appropriations Act, 1985 (Public Law 99-88), under the heading "Assistance For Implementation of a Contadora Agreement" such sums as the President may require, but not more than $2,000,000, to facilitate the participation of Costa Rica, El Salvador, Guatemala, and Honduras in regional meetings and negotiations to promote peace, stability, and security in Central America.

(2) Funds transferred under paragraph (1) shall remain available for the same period of time as such funds would have been available under the Supplemental Appropriations Act, 1985 (Public Law 99-88), but for the enactment of this title.

(e) The Congress reaffirms its support for the establishment of a Central American Development Organization, authorized by section 464 of the Foreign Assistance Act of 1961, as an effective forum for dialogue on, and the continuous review and advancement of, Central America's political, economic, and social development, including the strengthening of democratic pluralism and respect for internationally recognized human rights. Toward this end, not less than $750,000 of the funds transferred by this section should be used to establish the Central American Development Organization and its administrative apparatus so as to ensure that Central American development objectives are encouraged.

ASSISTANCE FOR THE NICARAGUAN DEMOCRATIC RESISTANCE

SEC. 206. (a)(1) The Congress hereby approves the provision of assistance for the Nicaraguan democratic resistance in accordance with the provisions of this title.

(2) There are hereby transferred to the President for the purposes of this section $100,000,000 of unobligated funds from such accounts for which appropriations were made by the Department of Defense Appropriations Act, 1986 (as contained in Public Law 99-190), as the President shall designate.

(b) Notwithstanding the Impoundment Control Act of 1974, not more than 40 percent of the funds transferred under subsection (a) may be available for obligation or expenditure in accordance with this title upon the date of its enactment; not more than an additional 20 percent of such funds may be so available no earlier than October 15, 1986, and 15 days after the transmittal to the Congress of the determination required by section 11(c); and not more than the remaining 40 percent may be so available no earlier than February 15, 1987, and 15 days after the transmittal to the Congress of the determination required by section 11(e).

(c) Funds transferred under subsection (a) shall remain available for the same periods of time, but not to exceed September 30, 1987, as such funds would have been avail-

able under the Department of Defense Appropriations Act, 1986 (as contained in Public Law 99-190), but for the enactment of this title.

COORDINATION OF AND ACCOUNTABILITY FOR ASSISTANCE TO THE NICARAGUAN DEMOCRATIC RESISTANCE

SEC. 207. (a) The Secretary of State (or his designee) shall be responsible for policy guidance, coordination, and supervision of United States Government activities under this title.

(b) Any agency to which funds transferred under section 6(a) are allocated shall establish standards, procedures and controls necessary to assure that such funds are fully accounted for and are used exclusively for the purposes authorized by this title. Such standards, procedures and controls shall be developed in consultation with the Comptroller General and the appropriate committees of the Congress, and shall include such safeguards as segregation of accounts, monitoring of deliveries, and requirements for the keeping of complete records available for audit by authorized representatives of the United States Government.

FUNDS FOR HUMANITARIAN ASSISTANCE

SEC. 208. (a) Of the amounts transferred under section 6(a), $30,000,000 shall be available only for the provision of humanitarian assistance to the Nicaraguan democratic resistance.

(b) Of the $30,000,000 made available only for purposes of subsection (a), $3,000,000 shall be available only for strengthening programs and activities of the Nicaraguan democratic resistance for the observance and advancement of human rights.

APPLICATION OF EXISTING LAWS

SEC. 209. (a) Except as otherwise provided in this title, funds transferred under section 6(a) shall be available for the purposes described in section 105(a) of the Intelligence Authorization Act for Fiscal Year 1986, and all the requirements, terms, and conditions of such section and sections 101 and 102 of such Act, section 502 of the National Security Act of 1947, and section 106 of the Supplemental Appropriations Act, 1985 (Public Law 99-88), shall be deemed to have been met for such use of such funds.

(b) The use of funds made available under this title is subject to all applicable provisions of law and established procedures relating to the oversight by the Congress of operations of departments and agencies.

(c) Nothing in this title shall be construed as permitting the President to furnish additional assistance to the Nicaraguan democratic resistance from funds other than the funds transferred under section 6(a) or otherwise specifically authorized by the Congress for assistance to the Nicaraguan democratic resistance.

(d) No limitation or restriction contained in section 10 of Public Law 91-672, section 8109 of the Department of Defense Appropriations Act, 1986, section 502 of the National Security Act of 1947, or any other provision of law shall apply to the transfer or use of funds transferred to the President under this title.

USE OF FUNDS AFTER A PEACEFUL SETTLEMENT

SEC. 210. If the President determines and so reports to the Congress that a peaceful settlement of the conflict in Central America has been reached, then—

(1) the unobligated balance, if any, of funds transferred under section 6(a) shall be available for the purposes of relief, rehabilitation, and reconstruction in Central American countries in accordance with the authorities contained in chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to economic support fund assistance);

(2) the President shall terminate any economic embargo of Nicaragua then in effect; and

(3) the President shall take such further actions as are appropriate to carry out the policy described in section 2(a)(1) of this title with respect to all Central American countries, including Nicaragua.

INCENTIVES FOR A NEGOTIATED SETTLEMENT

SEC. 211. (a) Assistance to the Nicaraguan democratic resistance under this title shall be provided in a manner designed to encourage the Government of Nicaragua to respond favorably to the many opportunities available for achieving a negotiated settlement of the conflict in Central America. These opportunities include the following proposals:

(1) six opposition Nicaraguan political parties on February 7, 1986, called for an immediate cease-fire, an effective general amnesty, abolition of the state of emergency agreement on a new electoral process and general elections, effective fulfillment of international commitments for democratization, and observance of implementation of these actions and commitments by appropriate international groups and organizations;

(2) President Reagan on February 10, 1986, offered simultaneous talks between the Government of Nicaragua and all elements of the Nicaraguan democratic opposition in Nicaragua and between the Government of Nicaragua and the United States Government;

(3) President Jose Napoleon Duarte of El Salvador on March 5, 1986, offered an additional dialogue between the Government of El Salvador and the insurgents in El Salvador if the Government of Nicaragua would simultaneously engage in a dialogue with all elements of the Nicaraguan democratic opposition; and

(4) the United Nicaraguan Opposition on May 29, 1986, reiterated its support for the six-party proposal described in paragraph (1) as a means to achieve national reconciliation and democratization.

(b)(1) In furtherance of the objectives set forth in subsection (a), and except as provided in subsection (e), assistance to the Nicaraguan democratic resistance under this title shall be limited to the following:

(A) humanitarian assistance (as defined in section 722(g)(5) of the International Security and Development Cooperation Act of 1985);

(B) logistics advice and assistance;

(C) support for democratic political and diplomatic activities;

(D) training, services, equipment and supplies for radio communications, collection, and utilization of intelligence, logistics, and small-unit skills, tactics and operations; and

(E) equipment and supplies necessary for defense against air attacks.

(2) The assistance described in paragraph (1) shall be limited, by type and value, to the matters specified in the classified annex to the communication from the President to the Speaker of the House of Representatives and the President of the Senate dated June 24, 1986.

(3) No weapons or ammunition shall be delivered under this title to the Nicaraguan democratic resistance prior to September 1, 1986.

(c) On and after October 15, 1986, an additional $20,000,000 of the funds transferred under section 6(a) may be made available for obligation and expenditure for assistance to the Nicaraguan democratic resistance 15 days after the President determines and reports to the Congress that—

(1) the Central American countries have not concluded a comprehensive and effective agreement based on the Contadora Document of Objectives;

(2) the Government of Nicaragua is not engaged in a serious dialogue with representatives of all elements of the Nicaraguan democratic opposition, accompanied by a cease-fire and an effective end to the existing constraints on freedom of speech, assembly, religion, and political activity, leading to regularly scheduled free and fair elections and the establishment of democratic institutions; and

(3) there is no reasonable prospect of achieving such agreement, dialogue, cease-fire, and end to constraints described in paragraphs (1) and (2) through further diplomatic measures, multilateral or bilateral, without additional assistance to the Nicaraguan democratic resistance.

(d)(1) Notwithstanding any other provision of this title, on or after October 15, 1986, funds transferred under section 6(a) may be obligated or expended only if the President determines and reports to the Congress that the Nicaraguan democratic resistance groups receiving assistance under this title have agreed to and are beginning to implement—

(A) confederation and reform measures to broaden their leadership base;

(B) the coordination of their efforts;

(C) the elimination of human rights abuses;

(D) the pursuit of a defined and coordinated program for achieving representative democracy in Nicaragua;

(E) the subordination of military forces to civilian leadership; and

(F) the application of rigorous standards, procedures and controls to assure that funds transferred under section 6(a) are fully accounted for and are used exclusively for the purposes authorized by this title.

(2) In making his determination under paragraph (1), the President shall take into account the effectiveness and legitimacy of the political leadership of those Nicaraguan democratic resistance groups receiving assistance under this title, including the ability of that political leadership—

(A) to reflect the views and objectives of the internal and external Nicaraguan democratic opposition;

(B) to function as the spokesman for the Nicaraguan democratic opposition with Central Americans, international organizations, and the United States Government;

(C) to represent the Nicaraguan democratic opposition in dealing with the Government of Nicaragua;

(D) to provide command and control for the military forces of all resistance groups receiving assistance under this title and to establish the goals for their military operations;

(E) to determine the distribution of and maintain accountability for assistance provided under this title; and

(F) to provide the legal mechanisms necessary for the enforcement of standards of conduct applicable to all members of the resistance groups receiving assistance under this title.

(e) On and after February 15, 1987, the restrictions in subsection (b) shall cease to apply and the remaining funds transferred under section 6(a) may be made available for obligation and expenditure for assist-

ance to the Nicaraguan democratic resistance 15 days after the President determines and reports to the Congress that—

(1) the Central American countries have not concluded a comprehensive and effective agreement based on the Contadora Document of Objectives;

(2) the Government of Nicaragua is not engaged in a serious dialog with representatives of all elements of the Nicaraguan democratic opposition, accompanied by a cease-fire and an effective end to the existing constraints on freedom of speech, assembly, religion, and political activity leading to regularly scheduled free and fair elections and the establishment of democratic institutions; and

(3) there is no reasonable prospect of achieving such agreement, dialog, cease-fire, and end to constraints described in paragraphs (1) and (2) through further diplomatic measures, multilateral or bilateral, without additional assistance to the Nicaraguan democratic resistance, unless the Congress has enacted a joint resolution under section 12 disapproving the provision of additional assistance (other than assistance described in subsection (b)(1) within the limits of funds previously made available).

(f)(1) Notwithstanding subsection (e), no assistance (other than the assistance described in subparagraphs (A) through (C) of subsection (b)(1)) shall be provided at any time to the Nicaraguan democratic resistance under this title if—

(A) the President determines that—

(i) the Central American countries have concluded a comprehensive and effective agreement based on the Contadora Document of Objectives; or

(ii) the Government of Nicaragua is engaging in a serious dialog with representatives of all elements of the Nicaraguan democratic opposition, accompanied by a cease-fire and an effective end to the existing constraints on freedom of speech, assembly, religion, and political activity leading to regularly scheduled free and fair elections and the establishment of democratic institutions; or

(B) the Congress enacts a joint resolution under section 12 disapproving the provision of additional assistance (other than assistance described in subparagraphs (A) through (C) of subsection (b)(1)).

(2) The prohibition contained in paragraph (1) shall not apply—

(A) with respect to assistance described in subparagraph (D) of subsection (b)(1) if the Government of Nicaragua fails to observe an applicable cease-fire; or

(B) with respect to assistance described in subparagraph (E) of subsection (b)(1) if the Government of Nicaragua acquires additional equipment or materiel to carry out air attacks.

CONGRESSIONAL PRIORITY PROCEDURES

SEC. 212. (a)(1) A joint resolution described in subsection (e) of section 11 shall be one without a preamble, the matter after the resolving clause of which is as follows: "That the Congress disapproves the provision of additional assistance to the Nicaraguan democratic resistance pursuant to title of the Military Construction Appropriations Act, 1987, except as provided in section 11(b) thereof within the limits of funds previously made available.".

(2) A joint resolution described in subsection (f)(1)(B) of section 11 shall be one without a preamble, the matter after the resolving clause of which is as follows: "That the Congress disapproves the provision of additional assistance to the Nicaraguan democratic resistance pursuant to title of the Military Construction Appropriations Act, 1987, except as provided in subparagraphs (A) through (C) of section 11(b)(1) and paragraph (2) of section 11(f) thereof.".

(b) A joint resolution described in subsection (a)(1) or (a)(2) shall be considered in the House of Representatives and in the Senate in accordance with the provisions of paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98-473), except that—

(1) references in such paragraphs to a joint resolution shall be deemed to be references to the respective joint resolution set forth in subsection (a)(1) or subsection (a)(2);

(2) references in such paragraphs to the Committee on Appropriations shall be deemed to be references to the appropriate committee or committees of the respective House of Congress; and

(3) references in such paragraphs to the eighth day and to fifteen calendar days shall be deemed to be references to the fifth day and to five calendar days, respectively.

(c) The provisions of this section are enacted—

(1) as exercises of the rulemaking powers of the House of Representatives and Senate, and as such they are deemed a part of the Rules of the House and the Rules of the Senate, respectively, but applicable only with respect to the procedure to be followed in the House and the Senate in the case of joint resolutions under section 11, and they supersede other rules only to the extent that they are inconsistent with such rules; and

(2) with full recognition of the constitutional right of the House and the Senate to change their rules at any time, in the same manner, and to the same extent as in the case of any other rule of the House or Senate, and of the right of the Committee on Rules of the House of Representatives to report a resolution for the consideration of any measure.

COMMISSION ON CENTRAL AMERICAN NEGOTIATIONS

SEC. 213. (a)(1) There is established the Commission on Central American Negotiations (hereafter in this section referred to as the "Commission"), which shall be composed of five members appointed as follows:

(A) one individual appointed by the Speaker of the House of Representatives;

(B) one individual appointed by the Minority Leader of the House of Representatives;

(C) one individual appointed by the Majority Leader of the Senate;

(D) one individual appointed by the Minority Leader of the Senate; and

(E) one individual, who shall serve as Chairman of the Commission, selected by majority vote of the other members of the Commission.

(2) No officer or employee of the United States may be appointed as a member of the Commission.

(3) The appointments referred to in subparagraphs (A), (B), (C), and (D) of paragraph (1) shall be made within 5 calendar days following enactment of this title, and the selection of a chairman referred to in subparagraph (E) of paragraph (1) shall be made within 10 days following enactment of this title.

(b) The purpose of the Commission is to monitor and report on the efforts of the Nicaraguan democratic resistance to coordinate and reform and on the status of any negotiations on the peace, stability, and security of Central America, including negotiations conducted between or among—

(1) the Government of Nicaragua and all elements of the Nicaraguan democratic opposition, including the Nicaraguan democratic resistance;

(2) the governments of Central American countries;

(3) the Government of the United States and the Government of Nicaragua;

(4) the governments of the Contadora and Support Group countries and the governments of the Central American countries; and

(5) the Government of El Salvador and the insurgents in El Salvador.

(c)(1) The Commission may appoint and fix the pay of not more than seven staff personnel, but at such rates not in excess of the rate of pay for GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(2)(A) Each member of the Commission shall be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code, for each day during which such member is engaged in the performance of duties as a member of the Commission.

(B) While away from his home or regular place of business in the performance of duties for the Commission, a member or staff personnel of the Commission shall be allowed travel expenses, including a per diem in lieu of subsistence, not to exceed the expenses allowed persons employed intermittently in Government service under section 5703 of title 5, United States Code.

(3) For purposes of pay and other employment benefits, rights, and privileges and for all other purposes, any employee of the Commission shall be considered to be a congressional employee as defined in section 2107 of title 5, United States Code.

(d)(1) A majority of the members of the Commission shall constitute a quorum.

(2) All decisions of the Commission shall be by majority vote.

(e) The Commission may make such reports in connection with its duties as it deems necessary to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, except that—

(1) not later than 5 days after receipt by the Congress of a report by the President under section 14 the Commission shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report addressing all the matters which are required to be included in reports of the President by paragraphs (1), (3), and (4) of section 14; and

(2) not later than September 30, 1986, the Commission shall prepare and transmit to the Congress a report on whether the Nicaraguan democratic resistance groups receiving assistance under this title have agreed to and are beginning to implement measures described in subparagraphs (A) through (F) of section 11(d)(1) and an evaluation of the factors described in section 11(d)(2).

(f)(1) Salaries and expenses of the Commission, but not more than $400,000, shall be paid from the contingent fund of the Senate out of the Account for Miscellaneous Items, in accordance with the provisions of this section.

(2) Funds made available to the Commission by paragraph (1) shall be disbursed on vouchers approved by the Chairman, except

that no voucher shall be required for the disbursement of the salary of an individual appointed under subsection (c).

(3) For purposes of section 502(b) of the Mutual Security Act of 1954, the Commission shall be deemed to be a standing committee of the Congress and shall be entitled to use of funds in accordance with such section.

(g) The Commission shall terminate not later than 90 days after transmittal of the reports required by subsection (e).

PRESIDENTIAL REPORTING REQUIREMENT

SEC. 214. The President shall prepare and transmit to the Congress with each determination required by section 11 a report on actions taken to achieve a resolution of the conflict in Central America in a manner that meets the concerns described in section 3(a). Each such report shall include—

(1) a detailed statement of the status of negotiations toward a negotiated settlement of the conflict in Central America, including the willingness of the Nicaraguan democratic resistance and the Government of Nicaragua to negotiate a settlement;

(2) a detailed accounting of the disbursements made to provide assistance with the funds transferred under section 6(a) and a detailed statement of how the accountability standards, procedures and controls established under section 7(b) and 11(d)(1)(F) are being implemented so as to assure that all such funds are fully accounted for and are being used exclusively for the purposes authorized by this title;

(3) a discussion of alleged human rights violations by the Nicaraguan democratic resistance and the Government of Nicaragua, including a statement of the steps taken by the Nicaraguan democratic resistance to remove from their ranks any individuals who have engaged in human rights abuses; and

(4) an evaluation of the progress made by the Nicaraguan democratic resistance in broadening its political base and defining a unified and coordinated program for achieving representative democracy in Nicaragua.

REQUESTS FOR ADDITIONAL ASSISTANCE

SEC. 215. The provisions of subsections (s) and (t) of section 722 of the International Security and Development Cooperation Act of 1985 shall apply—

(1) with respect to any request described in section 722(p) of such Act submitted by the President to the Congress on or after the date of enactment of this title, and

(2) with respect to any request by the President for additional economic assistance for the Central American democracies to carry out recommendations contained in the report required by section 5(c)(1)(B) (in which case references to a joint resolution in subsections (s) and (t) of section 722 of such Act shall be deemed to be references to a joint resolution without a preamble, the matter after the resolving clause of which is as follows: "That the Congress approves the additional economic assistance for the Central American democracies that the President requested pursuant to title of the Military Construction Appropriation Act, 1987."),

except that, for purposes of consideration in a House of Congress of a joint resolution under subsection (s) or (t) of such section, amendments to such a joint resolution may be in order but only if such amendments are germane.

LIMITATION ON PARTICIPATION OF UNITED STATES GOVERNMENT PERSONNEL IN DELIVERY OF ASSISTANCE

SEC. 216. (a) United States Government personnel may not provide any training or other service, or otherwise participate directly or indirectly in the provision of any assistance, to the Nicaraguan democratic resistance pursuant to this title within those land areas of Honduras and Costa Rica which are within 20 miles of the border with Nicaragua.

(b) As used in this section, the term "United States Government personnel" means—

(1) any member of the United States Armed Forces who is on active duty or is performing inactive duty training; and

(2) any employee of any department, agency, or other component of the executive branch of the United States Government;

but does not include any officer or employee of the United States General Accounting Office of any employee of the Inspector General of the Department of State and the Foreign Service who is carrying out inspections, investigations, or audits with respect to assistance for the Nicaraguan democratic resistance pursuant to this title.

SHORT TITLE

SECTION 1. This Act may be cited as the "Comprehensive Anti-Apartheid Act of 1986".

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SEC. 2. The table of contents of this Act is as follows:

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TITLE VI—ENFORCEMENT AND ADMINISTRATIVE PROVISIONS

Sec. 601. Regulatory authority.
Sec. 602. Congressional priority procedures.
Sec. 603. Enforcement and penalties.
Sec. 604. Applicability to evasions of Act.
Sec. 605. Construction of Act.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "Code of Conduct" refers to the principles set forth in section 208(a);

(2) the term "controlled South African entity" means—

(A) a corporation, partnership, or other business association or entity organized in South Africa and owned or controlled, directly or indirectly, by a national of the United States; or

(B) a branch, office, agency, or sole proprietorship in South Africa of a national of the United States;

(3) the term "loan"—

(A) means any transfer or extension of funds or credit on the basis of an obligation to repay, or any assumption or guarantee of the obligation of another to repay an extension of funds or credit, including—

(i) overdrafts,

(ii) currency swaps,

(iii) the purchase of debt or equity securities issued by the Government of South Africa or a South African entity on or after the date of enactment of this Act,

(iv) the purchase of a loan made by another person,

(v) the sale of financial assets subject to an agreement to repurchase, and

(vi) a renewal or refinancing whereby funds or credits are transferred or extended to the Government of South Africa or a South African entity, and

(B) does not include—

(i) normal short-term trade financing, as by letters of credit or similar trade credits;

(ii) sales on open account in cases where such sales are normal business practice; or

(iii) rescheduling of existing loans, if no new funds or credits are thereby extended to a South African entity or the Government of South Africa;

(4) the term "new investment"—

(A) means—

(i) a commitment or contribution of funds or other assets, and

(ii) a loan or other extension of credit, and

(B) does not include—

(i) the reinvestment of profits generated by a controlled South African entity into that same controlled South African entity or the investment of such profits in a South African entity;

(ii) contributions of money or other assets where such contributions are necessary to enable a controlled South African entity to operate in an economically sound manner, without expanding its operations; or

(iii) the ownership or control of a share or interest in a South African entity or a controlled South African entity of a debt or equity security issued by the Government of South Africa or a South African entity before the date of enactment of this Act, or the transfer or acquisition of such a share, interest, or debt or equity security, if any such transfer or acquisition does not result in a payment, contribution of funds or assets, or credit to a South African entity, a controlled South African entity, or the Government of South Africa;

(5) the term "national of the United States" means—

(A) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States or is an alien lawfully admitted for permanent residence in the United States, as defined by section 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(20)); or

(B) a corporation, partnership, or other business association which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia;

(6) the term "South Africa" refers to the territory that constituted the Republic of South Africa on May 31, 1961;

(7) the term "South African entity" means—

(A) a corporation, partnership, or other business association or entity organized in South Africa; or

(B) a branch, office, agency, or sole proprietorship in South Africa of a person that resides or is organized outside South Africa; and

(8) the term "United States" includes the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

PURPOSE

SEC. 4. The purpose of this Act is to set forth a comprehensive and complete framework to guide the efforts of the United States in helping to bring an end to apartheid in South Africa and lead to the establishment of a nonracial, democratic form of government. This Act sets out United States policy toward the Government of South Africa, the victims of apartheid, and the other states in southern Africa. It also provides the President with additional authority to work with the other industrial democracies to help end apartheid and establish democracy in South Africa.

TITLE I—POLICY OF THE UNITED STATES WITH RESPECT TO ENDING APARTHEID

POLICY TOWARD THE GOVERNMENT OF SOUTH AFRICA

SEC. 101. (a) United States policy toward the Government of South Africa shall be designed to bring about reforms in that system of government that will lead to the establishment of a nonracial democracy.

(b) The United States will work toward this goal by encouraging the Government of South Africa to—

(1) suspend the present state of emergency and respect the principal of equal justice under law for citizens of all races;

(2) release Nelson Mandela, Govan Mbeki, Walter Sisulu, black trade union leaders, and all political prisoners;

(3) permit the free exercise by South Africans of all races of the right to form political parties, express political opinions, and otherwise participate in the political process;

(4) establish a timetable for the elimination of apartheid laws;

(5) negotiate with representatives of all racial groups in South Africa the future political system in South Africa; and

(6) end military and paramilitary activities aimed at neighboring states.

(c) The United States will encourage the actions set forth in subsection (b) through economic, political, and diplomatic measures as set forth in this Act. The United States will adjust its actions toward the Government of South Africa to reflect the progress or lack of progress made by the Government of South Africa in meeting the goal set forth in subsection (a).

POLICY TOWARD THE VICTIMS OF APARTHEID

SEC. 102. (a) The United States policy toward the victims of apartheid is to use economic, political, diplomatic, and other effective means to achieve the removal of the root cause of their victimization, which is the apartheid system. In anticipation of the removal of the system of apartheid and as a further means of challenging that system, it is the policy of the United States to assist these victims of apartheid as individuals and through organizations to overcome the handicaps imposed on them by the system of apartheid and to prepare themselves for their rightful roles as full participants in the political, social, economic, and intellectual life of their country in the post-apartheid South Africa envisioned by this Act.

(b) The United States will work toward the purposes of subsection (a) by—

(1) providing assistance to South African victims of apartheid without discrimination by race, color, sex, religious belief, or political orientation, to take advantage of educational opportunities in South Africa and in the United States to prepare for leadership positions in a post-apartheid South Africa;

(2) assisting victims of apartheid;

(3) aiding individuals or groups in South Africa whose goals are to aid victims of apartheid or foster nonviolent legal or political challenges to the apartheid laws;

(4) furnishing direct financial assistance to those whose nonviolent activities had led to their arrest or detention by the South African authorities;

(5) intervening at the highest political levels in South Africa to express the strong desire of the United States to see the development in South Africa of a nonracial democratic society; and

(6) supporting the rights of the victims of apartheid through political, economic, or other sanctions in the event the Government of South Africa government fails to make progress toward the removal of the apartheid laws and the establishment of such democracy.

POLICY TOWARD OTHER COUNTRIES IN SOUTHERN AFRICA

SEC. 103. (a) The United States policy toward the other countries in the Southern African region shall be designed to encourage democratic forms of government, full respect for human rights, political independence, and economic development.

(b) The United States will work toward the purposes of subsection (a) by—

(1) helping to secure the independence of Namibia and the establishment of Namibia on a nonracial democracy in accordance with appropriate United Nations Security Council resolutions;

(2) supporting the removal of all foreign military forces from the region;

(3) encouraging the nations of the region to settle differences through peaceful means;

(4) promoting economic development through bilateral and multilateral economic assistance targeted at increasing opportunities in the productive sectors of national economies, with a particular emphasis on increasing opportunities for nongovernmental economic activities;

(5) encouraging, and when necessary, strongly demanding, that all countries of the region respect the human rights of their citizens and noncitizens residing in the country, and especially the release of persons persecuted for their political beliefs or detained without trial; and

(6) providing appropriate assistance, within the limitations of American responsibilities at home and in other regions, to assist regional economic cooperation and the development of interregional transportation and other capital facilities necessary for economic growth.

POLICY TOWARD "FRONTLINE" STATES

SEC. 104. It is the sense of the Congress that the President should discuss with the governments of the African "frontline" states the effects on them of disruptions in transportation or other economic links through South Africa and of means of reducing those effects.

POLICY TOWARD A NEGOTIATED SETTLEMENT

SEC. 105. (a)(1) United States policy will seek to promote negotiations among representatives of all citizens of South Africa to determine a future political system that would permit all citizens to be full participants in the governance of their country. The United States recognizes that important and legitimate political parties in South Africa include several organizations that have been banned and will work for the unbanning of such organizations in order to permit legitimate political viewpoints to be represented at such negotiations.

(2) To this end, it is the sense of the Congress that the President, the Secretary of State, or other appropriate high-level United States officials should meet with the leaders of opposition organizations of South Africa, particularly but not limited to those organizations representing the black majority. Furthermore, the President, in concert with the major allies of the United States and other interested parties, should seek to bring together opposition political leaders with leaders of the Government of South Africa for the purpose of negotiations to achieve a transition to a post-apartheid democracy envisioned in this Act.

(b) The United States will encourage the Government of South Africa and all participants to the negotiations to respect the right of all South Africans to form political parties, express political opinions, and otherwise participate in the political process without fear of retribution by either governmental or nongovernmental organizations. It is the sense of the Congress that a suspension of violence is an essential precondition for the holding of negotiations. The United States calls upon all parties to the conflict to agree to a suspension of violence.

(c) The United States will work toward the achievement of agreement to suspend violence and begin negotiations through coordinated actions with the major Western allies and with the governments of the countries in the region.

(d) It is the sense of the Congress that the achievement of an agreement for negotiations could be promoted if the United States and its major allies, such as Great Britain, Canada, France, Italy, Japan, and West Germany, would hold a meeting to develop a four-point plan to discuss with the Government of South Africa a proposal for stages of multilateral assistance to South Africa in return for the Government of South Africa implementing—

(1) an end to the state of emergency and the release of the political prisoners, including Nelson Mandela;

(2) the unbanning of the African National Congress, the Pan African Congress, the Black Consciousness Movement, and all other groups willing to participate in negotiations and a democratic process;

(3) a revocation of the Group Areas Act and the Population Registration Act and the granting of universal citizenship to all South Africans, including homeland residents; and

(4) the use of the international offices of a third party as an intermediary to bring about negotiations with the object of establishment of power-sharing with the black majority.

POLICY TOWARD INTERNATIONAL COOPERATION ON MEASURES TO END APARTHEID

SEC. 106. (a) The Congress finds that—

(1) international cooperation is a prerequisite to an effective anti-apartheid policy; and

(2) the situation in South Africa constitutes an emergency in international relations and that action is necessary for the protection of the essential security interests of the United States.

(b) Accordingly, the Congress urges the President to seek such cooperation among all individuals, groups, and nations.

POLICY TOWARD NECKLACING

SEC. 107. It is the sense of the Congress that the African National Congress should strongly condemn and take effective actions against the execution by fire, commonly known as "necklacing", of any person in any country.

TITLE II—MEASURES TO ASSIST VICTIMS OF APARTHEID

SCHOLARSHIPS FOR THE VICTIMS OF APARTHEID

SEC. 201. Section 105(b) of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end thereof the following new paragraph:

"(2)(A) Of the assistance provided under this section by the Administrator of the agency primarily responsible for administering this part of this Act—

"(i) for the fiscal year 1987, $8,000,000;

"(ii) for the fiscal year 1988, $11,000,000; and

"(iii) for the fiscal year 1989 and each fiscal year thereafter, $15,000,000,

shall be used to finance education, training, and scholarships for the victims of apartheid who are attending universities, colleges, and secondary schools in South Africa and who are selected in accordance with subparagraph (B). Of the funds available under the preceding sentence to carry out this subparagraph, not less than one-third shall be available only for assistance to full-time teachers or other educational professionals pursuing studies toward the improvement of their professional credentials.

"(B) Of the funds provided in subparagraph (A) for each fiscal year, 50 percent shall be available for educational assistance for the victims of apartheid in accordance with section 802(c) of the International Security and Development Cooperation Act of 1985. The remainder of the funds in each fiscal year which are not made available under the preceding sentence shall be available to finance scholarships for individuals selected by a nationwide panel or by regional panels composed solely of members of the teaching profession appointed by the United States chief of diplomatic mission to South Africa. No such individual may be selected through any contract entered into with the agency primarily responsible for administering this part of this Act.".

HUMAN RIGHTS FUND

SEC. 202. (a) Section 116(e)(2)(A) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "1984 and" and inserting in lieu thereof "1984,"; and

(2) by inserting after "1985" a comma and the following: "and $1,500,000 for the fiscal year 1986 and for each fiscal year thereafter".

(b) Section 116 of such Act is amended by adding at the end thereof the following new subsection:

"(f) Of the funds made available to carry out subsection (e)(2)(A) for each fiscal year, $350,000 shall be used for direct legal and other assistance to political detainees and prisoners and their families, including the investigation of the killing of protesters and prisoners, and for support for actions of black-led community organizations to resist, through nonviolent means, the enforcement of apartheid policies such as—

"(1) removal of black populations from certain geographic areas on account of race or ethnic origin,

"(2) denationalization of blacks, including any distinctions between the South African citizenships of blacks and whites,

"(3) residence restrictions based on race or ethnic origin,

"(4) restrictions on the rights of blacks to seek employment in South Africa and live wherever they find employment in South Africa, and

"(5) restrictions which make it impossible for black employees and their families to be housed in family accommodations near their place of employment.".

EXPANDING PARTICIPATION IN THE SOUTH AFRICAN ECONOMY

SEC. 203. (a) The Congress declares that—

(1) the denial under the apartheid laws of South Africa of the rights of South African blacks and other nonwhites to have the opportunity to participate equitably in the South African economy as managers or owners of, or professionals in, business enterprises, and

(2) the policy of confining South African blacks and other nonwhites to the status of employees in minority-dominated businesses,

is an affront to the values of a free society.

(b) The Congress hereby—

(1) applauds the commitment of nationals of the United States adhering to the Code of Conduct to assure that South African blacks and other nonwhites are given assistance in gaining their rightful place in the South African economy; and

(2) urges the United States Government to assist in all appropriate ways the realization by South African blacks and other nonwhites of their rightful place in the South African economy.

(c) Notwithstanding any other provision of law, the Secretary of State and any other head of a department or agency of the United States carrying out activities in South Africa shall, to the maximum extent practicable, in procuring goods or services, make affirmative efforts to assist business enterprises having more than 50 percent beneficial ownership by South African blacks or other nonwhite South Africans.

EXPORT-IMPORT BANK OF THE UNITED STATES

SEC. 204. Section 2(b)(9) of the Export-Import Bank Act of 1945 is amended—

(1) by striking out "(9) In" and inserting in lieu thereof "(9)(A) Except as provided in subparagraph (B), in"; and

(2) by adding at the end thereof the following:

"(B) The Bank shall take active steps to encourage the use of its facilities to guarantee, insure, extend credit, or participate in the extension of credit to business enterprises in South Africa that are majority owned by South African blacks or other nonwhite South Africans. The certification requirement contained in clause (c) of subparagraph (A) shall not apply to exports to or purchases from business enterprises which are majority owned by South African blacks or other nonwhite South Africans.".

LABOR PRACTICES OF THE UNITED STATES GOVERNMENT IN SOUTH AFRICA

SEC. 205. (a) It is the sense of the Congress that the labor practices used by the United States Government—

(1) for the direct hire of South Africans,

(2) for the reimbursement out of official residence funds of South Africans and employees of South African organizations for their long-term employment services on behalf of the United States Government, and

(3) for the employment services of South Africans arranged by contract,

should represent the best of labor practices in the United States and should serve as a model for the labor practices of nationals of the United States in South Africa.

(b) The Secretary of State and any other head of a department or agency of the United States carrying out activities in South Africa shall promptly take, to the extent permitted by law, the necessary steps

to ensure that the labor practices applied to the employment services described in paragraphs (1) through (3) of subsection (a) are governed by the Code of Conduct.

WELFARE AND PROTECTION OF VICTIMS OF APARTHEID BY THE UNITED STATES

SEC. 206. (a) The Secretary of State shall acquire, through lease or purchase, residential properties in the Republic of South Africa that shall be made available, at rents that are equitable, to assist victims of apartheid who are employees of the United States Government in obtaining adequate housing. Such properties shall be acquired only in neighborhoods which would be open to occupancy by other employees of the United States Government in South Africa.

(b) There are authorized to be appropriated $10,000,000 for the fiscal year 1987 to carry out the purposes of this section.

EMPLOYMENT PRACTICES OF UNITED STATES NATIONALS IN SOUTH AFRICA

SEC. 207. (a) Any national of the United States that employs more than 25 persons in South Africa shall take the necessary steps to insure that the Code of Conduct is implemented.

(b) No department or agency of the United States may intercede with any foreign government or foreign national regarding the export marketing activities in any country of any national of the United States employing more than 25 persons in South Africa that is not implementing the Code of Conduct.

CODE OF CONDUCT

SEC. 208. (a) The Code of Conduct referred to in sections 203, 205, 207, and 210 of this Act is as follows:

(1) desegregating the races in each employment facility;

(2) providing equal employment opportunity for all employees without regard to race or ethnic origin;

(3) assuring that the pay system is applied to all employees without regard to race or ethnic origin;

(4) establishing a minimum wage and salary structure based on the appropriate local minimum economic level which takes into account the needs of employees and their families;

(5) increasing by appropriate means the number of persons in managerial, supervisory, administrative, clerical, and technical jobs who are disadvantaged by the apartheid system for the purpose of significantly increasing their representation in such jobs;

(6) taking reasonable steps to improve the qualify of employees' lives outside the work environment with respect to housing, transportation, schooling, recreation, and health; and

(7) implementing fair labor practices by recognizing the right of all employees, regardless of racial or other distinctions, to self-organization and to form, join, or assist labor organizations, freely and without penalty or reprisal, and recognizing the right to refrain from any such activity.

(b) It is the sense of the Congress that in addition to the principles enumerated in subsection (a), nationals of the United States subject to section 207 should seek to comply with the following principle: taking reasonable measures to extend the scope of influence on activities outside the workplace, including—

(1) supporting the unrestricted rights of black businesses to locate in urban areas;

(2) influencing other companies in South Africa to follow the standards of equal rights principles;

(3) supporting the freedom of mobility of black workers to seek employment opportunities wherever they exist, and make provision for adequate housing for families of employees within the proximity of workers' employment; and

(4) supporting the rescission of all apartheid laws.

(c) The President may issue additional guidelines and criteria to assist persons who are or may be subject to section 207 in complying with the principles set forth in subsection (a) of this section. The President may, upon request, give an advisory opinion to any person who is or may be subject to this section as to whether that person is subject to this section or would be considered to be in compliance with the principles set forth in subsection (a).

(d) The President may require all nationals of the United States referred to in section 207 to register with the United States Government.

(e) Notwithstanding any other provision of law, the President may enter into contracts with one or more private organizations or individuals to assist in implementing this section.

PROHIBITION ON ASSISTANCE

SEC. 209. No assistance may be provided under this Act to any group which maintains within its ranks any individual who has been found to engage in gross violations of internationally recognized human rights (as defined in section 502B(d)(1) of the Foreign Assistance Act of 1961).

PROHIBITION ON NEW INVESTMENTS IN CERTAIN FIRMS

SEC. 210. No national of the United States may make or approve any new investment in South Africa to, or on behalf of, any controlled South African entity employing 25 or more individuals if such entity is not implementing the Code of Conduct.

USE OF THE AFRICAN EMERGENCY RESERVE

SEC. 211. Whenever the President determines that such action is necessary or appropriate to meet food shortages in southern Africa, the President is authorized to utilize the existing, authorized, and funded reserve entitled the "African Emergency Reserve" to provide food assistance and transportation for that assistance.

TITLE III—MEASURES BY THE UNITED STATES TO UNDERMINE APARTHEID

PROHIBITION ON THE IMPORTATION OF KRUGERRANDS

SEC. 301. No person, including a bank, may import into the United States any South African krugerrand or any other gold coin minted in South Africa or offered for sale by the Government of South Africa.

PROHIBITION ON THE IMPORTATION OF MILITARY ARTICLES

SEC. 302. No arms, ammunition, or military vehicles produced in South Africa or any manufacturing data for such articles may be imported into the United States.

PROHIBITION ON THE IMPORTATION OF PRODUCTS FROM PARASTATAL ORGANIZATIONS

SEC. 303. (a) Notwithstanding any other provision of law, no article which is grown, produced, or manufactured by a parastatal organization of South Africa may be imported into the United States, except for those strategic minerals for which the President has certified to the Congress that the quantities essential for the economy or defense of the United States are unavailable from reliable and secure suppliers.

(b) For purposes of this section, the term "parastatal organization" means a corporation or partnership owned or controlled by the Government of South Africa.

PROHIBITION ON COMPUTER EXPORTS TO SOUTH AFRICA

SEC. 304. (a) No computers, computer software, or goods or technology intended to manufacture or service computers may be exported to or for use by any of the following entities of the Government of South Africa:

(1) The military.

(2) The police.

(3) The prison system.

(4) The national security agencies.

(5) ARMSCOR and its subsidiaries or the weapons research activities of the Council for Scientific and Industrial Research.

(6) The administering authorities for controlling the movements of the victims of apartheid.

(7) Any apartheid enforcing agency.

(8) Any local, regional, or homelands government entity which performs any function of any entity described in paragraphs (1) through (7).

(b)(1) Computers, computer software, and goods or technology intended to service computers may be exported, directly or indirectly, to or for use by an entity of the Government of South Africa other than those set forth in subsection (a) only if a system of end use verification is in effect to ensure that the computers involved will not be used for any function of any entity set forth in subsection (a).

(2) The Secretary of Commerce may prescribe such rules and regulations as may be necessary to carry out this section.

PROHIBITION ON LOANS TO THE GOVERNMENT OF SOUTH AFRICA

SEC. 305. (a) No national of the United States may make or approve any loan or other extension of credit, directly or indirectly, to the Government of South Africa or to any corporation, partnership or other organization which is owned or controlled by the Government of South Africa.

(b) The prohibition contained in subsection (a) shall not apply to—

(1) a loan or extension of credit for any education, housing, or humanitarian benefit which—

(A) is available to all persons on a nondiscriminatory basis; or

(B) is available in a geographic area accessible to all population groups without any legal or administrative restriction; or

(2) a loan or extension of credit for which an agreement is entered into before the date of enactment of this Act.

PROHBITION ON AIR TRANSPORTATION WITH SOUTH AFRICA

SEC. 306. (a)(1) The Secretary of State shall terminate the Agreement Between the Government of the United States of America and the Government of the Union of South Africa Relating to Air Services Between Their Respective Territories, signed May 23, 1947, in accordance with the provisions of that agreement.

(2) Upon termination of such agreement, the Secretary of Transportation shall prohibit any aircraft of a foreign air carrier owned, directly or indirectly, by the Government of South Africa or by South African nationals from engaging in air transportation with respect to the United States.

(b) The Secretary of Transportation may provide for such exceptions from the prohibition contained in subsection (a) as the

Secretary considers necessary to provide for emergencies in which the safety of an aircraft or its crew or passengers are threatened.

(c) For purposes of this section, the terms "aircraft", "air transportation", and "foreign air carrier" have the meanings given those terms in section 101 of the Federal Aviation Act of 1958 (49 U.S.C. 1301).

PROHIBITIONS ON NUCLEAR TRADE WITH SOUTH AFRICA

SEC. 307. (a) Notwithstanding any other provision of law—

(1) the Nuclear Regulatory Commission shall not issue any license for the export to South Africa of production or utilization facilities, any source or special nuclear material or sensitive nuclear technology, or any component parts, items, or substances which the Commission has determined, pursuant to section 109b. of the Atomic Energy Act, to be especially relevant from the standpoint of export control because of their significance for nuclear explosive purposes;

(2) the Secretary of Commerce shall not issue any license for the export to South Africa of any goods or technology which have been determined, pursuant to section 309(c) of the Nuclear Non-Proliferation Act of 1978, to be of significance for nuclear explosive purposes for use in, or judged by the President to be likely to be diverted to, a South African production or utilization facility;

(3) the Secretary of Energy shall not, under section 57b.(2) of the Atomic Energy Act, authorize any person to engage, directly or indirectly, in the production of special nuclear material in South Africa; and

(4) no goods, technology, source or special nuclear material, facilities, components, items, or substances referred to in clauses (1) through (3) shall be approved by the Nuclear Regulatory Commission or an executive branch agency for retransfer to South Africa,

unless the Secretary of State determines and certifies to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that the Government of South Africa is a party to the Treaty on the Non-Proliferation of Nuclear Weapons, done at Washington, London, and Moscow on July 1, 1968, or otherwise maintains International Atomic Energy Agency safeguards on all its peaceful nuclear activities, as defined in the Nuclear Non-Proliferation Act of 1978.

(b) Nothing in this section shall preclude—

(1) any export, retransfer, or activity generally licensed or generally authorized by the Nuclear Regulatory Commission or the Department of Commerce or the Department of Energy; or

(2) assistance for the purpose of developing or applying International Atomic Energy Agency or United States bilateral safeguards, for International Atomic Energy Agency programs generally available to its member states, for reducing the use of highly enriched uranium in research or test reactors, or for other technical programs for the purpose of reducing proliferation risks, such as programs to extend the life of reactor fuel and activities envisaged by section 223 of the Nuclear Waste Policy Act of 1982 or which are necessary for humanitarian reasons to protect the public health and safety.

(c) The prohibitions contained in subsection (a) shall not apply with respect to a particular export, retransfer, or activity, or a group of exports, retransfers, or activities, if the President determines that to apply the prohibitions would be seriously prejudicial to the achievement of United States nonproliferation objectives or would otherwise jeopardize the common defense and security of the United States and, if at least 60 days before the initial export, retransfer, or activity is carried out, the President submits to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth that determination, together with his reasons therefor.

RESTRICTIONS ON ISSUANCE OF VISAS TO SOUTH AFRICAN NATIONALS

SEC. 308. (a) The Congress finds that—

(1) American journalists, scholars, and clergy, among others, have experienced problems in obtaining visas to visit South Africa; and

(2) South African officials may have visited the United States to gather, surreptitiously, information useful in circumventing the international arms embargo in effect against South Africa.

(b)(1) Notwithstanding any other provision of law, the President shall define a class of persons consisting of all officials of the Government of South Africa, including individuals performing services for the Government of South Africa, and members of their immediate families.

(2) On or after the date of enactment of this Act, no visa for admission to the United States may be issued to any individual in such class except on a case-by-case basis in the discretion of the Secretary of State.

(3) No visa issued before the date of enactment of this Act to a nonimmigrant alien described in section 101(a)(15)(A) of the Immigration and Nationality Act shall be valid after a date which is 30 days after the date of enactment of this Act, unless such visa is sooner renewed.

SALES OF GOLD STOCKS

SEC. 309. Whenever the President determines that such action is necessary or appropriate to affect the price of gold on the world markets and thereby to carry out the purpose of this Act, the President is authorized to sell United States gold stocks on the open market and to engage in other transactions involving gold in such manner as the President may prescribe.

GOVERNMENT OF SOUTH AFRICA BANK ACCOUNTS

SEC. 310. (a) A United States depository institution may not accept, receive, or hold a deposit account from the Government of South Africa or from any agency or entity owned or controlled by the Government of South Africa except for such accounts which may be authorized by the President for diplomatic or consular purposes. For purposes of the preceding sentence, the term "depository institution" has the same meaning as in section 19(b)(1) of the Federal Reserve Act.

(b) The prohibition contained in subsection (a) shall take effect 45 days after the date of enactment of this Act.

PROHIBITION ON IMPORTATION OF URANIUM AND COAL FROM SOUTH AFRICA

SEC. 311. (a) Notwithstanding any other provision of law, no—

(1) uranium ore,

(2) uranium oxide, or

(3) coal,

that is produced or manufactured in South Africa may be imported into the United States.

(b) This section shall take effect 90 days after the date of enactment of this Act.

PROHIBITION ON NEW INVESTMENT IN SOUTH AFRICA

SEC. 312. (a) No national of the United States may, directly or through another person, make any new investment in South Africa.

(b) The prohibition contained in subsection (a) shall take effect 30 days after the date of enactment of this Act.

TERMINATION OF CERTAIN PROVISIONS

SEC. 313. (a) The provisions of sections 301 through 312 and sections 501(c) and 503(b) shall terminate if the Government of South Africa—

(1) releases political prisoners and Nelson Mandela from prison;

(2) repeals the state of emergency in effect on the date of enactment of this Act and releases all detainees held under such state of emergency;

(3) unbans democratic political parties;

(4) repeals the Group Areas and Population and Registration Act; and

(5) publicly commits itself to good faith negotiations with truly representative members of the black majority without preconditions.

(b) The President may suspend or modify any of the measures required by sections 301 through 312 or section 501(c) or section 503(b) thirty days after he determines, and so reports to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, that the Government of South Africa has—

(1) taken the action described in paragraph (1) of subsection (a),

(2) taken three of the four actions listed in paragraphs (2) through (5) of subsection (a), and

(3) made substantial progress toward dismantling the system of apartheid and establishing a nonracial democracy,

unless the Congress enacts within such thirty-day period, in accordance with section 602 of this Act, a joint resolution disapproving the determination of the President under this subsection.

TITLE IV—MULTILATERAL MEASURES TO UNDERMINE APARTHEID

NEGOTIATING AUTHORITY

SEC. 401. (a)(1) It is the policy of the United States to seek international cooperation with the industrialized democracies on measures which will encourage an end to apartheid. The net economic effect of such cooperation should be at least equal to the net economic effect of the measures imposed by this Act.

(2) For purposes of paragraph (1), the term "net economic effect" means the cumulative impact on the South African economy as a whole of the measures imposed under sections 301 through 312.

(b) Negotiations to reach international cooperative arrangements with the other industrialized democracies should begin promptly and should be concluded not later than 180 days after the date of enactment of this Act.

(c) If the President successfully concludes an international agreement on measures described in subsection (a), he may, 30 days after the text of such agreement has been received by the Congress, adjust, modify, or otherwise amend the measures imposed under any provision of sections 301 through 312 to conform with such agreement.

(d) Each agreement submitted to the Congress under this subsection shall enter into force with respect to the United States if (and only if)—

(1) the President, not less 30 days before the day on which he enters into such agreement, notifies the House of Representatives and the Senate of his intention to enter into such an agreement, and promptly thereafter publishes notice of such intention in the Federal Register;

(2) after entering into the agreement, the President transmits a document to the House of Representatives and to the Senate containing a copy of the final text of such agreement together with—

(A) a description of any administrative action proposed to implement such agreement and an explanation as to how the proposed administrative action would change or affect existing law, and

(B) a statement of his reasons as to how the agreement serves the interest of United States foreign policy and as to why the proposed administrative action is required or appropriate to carry out the agreement; and

(3) a joint resolution of disapproval has not been adopted within 30 days of transmittal of such document to the Congress.

UNFAIR TRADE PRACTICES

SEC. 402. The Congress declares that it shall be an unfair trade practice under section 301(a)(1)(B)(ii) of the Trade Act of 1974 for any foreign person, partnership, or corporation to benefit from or otherwise take commercial advantage of any sanction or prohibition against any national of the United States imposed by or under this Act.

PRIVATE RIGHT OF ACTION

SEC. 403. (a) Any national of the United States who is required by this Act to terminate or curtail business activities in South Africa may bring a civil action for damages against any person, partnership, or corporation that takes commercial advantage or otherwise benefits from such termination or curtailment.

(b) The action described in subsection (a) may only be brought, without respect to the amount in controversy, in the United States district court for the District of Columbia or the Court of International Trade. Damages which may be recovered include lost profits and the cost of bringing the action, including a reasonable attorney's fee.

(c) The injured party must show by a preponderance of the evidence that the damages have been the direct result of defendant's action taken with the deliberate intent to injure the party.

TITLE V—FUTURE POLICY TOWARD SOUTH AFRICA

ADDITIONAL MEASURES

SEC. 501. (a) It shall be the policy of the United States to impose additional measures against the Government of South Africa if substantial progress has not been made within 12 months of the date of enactment of this Act in ending the system of apartheid and establishing a nonracial democracy.

(b) The President shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate within twelve months of the date of enactment of this Act, and every twelve months thereafter, a report on the extent to which significant progress has been made toward ending the system of apartheid, including—

(1) an assessment of the extent to which the Government of South Africa has taken the steps set forth in section 101(b) of this Act;

(2) an analysis of any other actions taken by the Government of South Africa in ending the system of apartheid and moving toward a nonracial democracy; and

(3) the progress, or lack of progress, made in reaching a negotiated settlement to the conflict in South Africa.

(c) If the President determines that significant progress has not been made by the Government of South Africa in ending the system of apartheid and establishing a nonracial democracy, the President shall include in the report required by subsection (b) a recommendation on which of the following additional measures should be imposed:

(1) a prohibition on the importation of steel from South Africa;

(2) a prohibition on military assistance to those countries that the report required by section 507 identifies as continuing to circumvent the international embargo on arms and military technology to South Africa;

(3) a prohibition on the importation of food, agricultural products, diamonds, and textiles from South Africa;

(4) a prohibition on United States banks accepting, receiving, or holding deposit accounts from South African nationals; and

(5) a prohibition on the importation into the United States of strategic minerals from South Africa.

(d) A joint resolution which would enact part or all of the measures recommended by the President pursuant to subsection (c) shall be considered in accordance with the provisions of section 602 of this Act.

STUDY OF HEALTH CONDITIONS IN THE "HOMELANDS" AREAS OF SOUTH AFRICA

SEC. 502. The Secretary of State shall conduct a study to examine the state of health conditions and to determine the extent of starvation and malnutrition now prevalent in the "homelands" areas of South Africa and shall, not later than December 1, 1986, prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth the results of such study.

REPORT ON SOUTH AFRICAN IMPORTS

SEC. 503. (a) Not later than 90 days after the date of enactment of this Act, the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report on the extent to which the United States is dependent on the importation from South Africa of—

(1) chromium,

(2) cobalt,

(3) manganese,

(4) platinum group metals,

(5) ferroalloys, and

(6) other strategic and critical materials (within the meaning of the Strategic and Critical Materials Stock Piling Act).

(b) The President shall develop a program which reduces the dependence, if any, of the United States on the importation from South Africa of the materials identified in the report submitted under subsection (a).

STUDY AND REPORT ON THE ECONOMY OF SOUTHERN AFRICA

SEC. 504. (a) The President shall conduct a study on the role of American assistance in southern Africa to determine what needs to be done, and what can be done to expand the trade, private investment, and transport prospects of southern Africa's landlocked nations.

(b) Not later than 180 days after the date of enactment of this Act, the President shall prepare and transmit to the chairman of the Committee on Foreign Relations of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth the findings of the study conducted under subsection (a).

REPORT ON RELATIONS BETWEEN OTHER INDUSTRIALIZED DEMOCRACIES AND SOUTH AFRICA

SEC. 505. (a) Not later than 180 days after the date of enactment of this Act, the President shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report containing a detailed assessment of the economic and other relationships of other industrialized democracies with South Africa. Such report shall be transmitted without regard to whether or not the President successfully concluded an international agreement under section 401.

(b) For purposes of this section, the phrase "economic and other relationships" includes the same types of matters as are described in sections 201, 202, 204, 205, 206, 207, sections 301 through 308, and sections 311 and 312 of this Act.

STUDY AND REPORT ON DEPOSIT ACCOUNTS OF SOUTH AFRICAN NATIONALS IN UNITED STATES BANKS

SEC. 506. (a)(1) The Secretary of State shall conduct a study on the feasibility of prohibiting each depository institution from accepting, receiving, or holding a deposit account from any South African national.

(2) For purposes of paragraph (1), the term "depository institution" has the same meaning as in section 19(b)(1) of the Federal Reserve Act.

(b) Not later than 180 days after the date of enactment of this Act, the Secretary of State shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report detailing the findings of the study required by subsection (a).

STUDY AND REPORT ON THE VIOLATION OF THE INTERNATIONAL EMBARGO ON SALE AND EXPORT OF MILITARY ARTICLES TO SOUTH AFRICA

SEC. 507. (a) The President shall conduct a study on the extent to which the international embargo on the sale and exports of arms and military technology to South Africa is being violated.

(b) Not later than 179 days after the date of enactment of this Act, the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth the findings of the study required by subsection (a), including an identification of those countries engaged in such sale or export, with a view to terminating United States military assistance to those countries.

TITLE VI—ENFORCEMENT AND ADMINISTRATIVE PROVISIONS

REGULATORY AUTHORITY

SEC. 601. The President shall issue such rules, regulations, licenses, and orders as are necessary to carry out the provisions of this Act, including taking such steps as may be necessary to continue in effect the measures imposed by Executive Order 12532 of September 9, 1985, and Executive Order 12535 of October 1, 1985, and by any rule, regulation, license, or order issued thereunder (to

the extent such measures are not inconsistent with this Act).

CONGRESSIONAL PRIORITY PROCEDURES

SEC. 602. (a)(1) The provisions of this subsection apply to the consideration in the House of Representatives of a joint resolution under sections 313(b), 401(d), and 501(d).

(2) A joint resolution shall, upon introduction, be referred to the Committee on Foreign Affairs of the House of Representatives.

(3)(A) At any time after the joint resolution placed on the appropriate calendar has been on that calendar for a period of 5 legislative days, it is in order for any Member of the House (after consultation with the Speaker as to the most appropriate time for the consideration of that joint resolution) to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of that joint resolution. The motion is highly privileged and is in order even though a previous motion to the same effect has been disagreed to. All points of order against the joint resolution under clauses 2 and 6 of Rule XXI of the Rules of the House are waived. If the motion is agreed to, the resolution shall remain the unfinished business of the House until disposed of. A motion to reconsider the vote by which the motion is disagreed to shall not be in order.

(B) Debate on the joint resolution shall not exceed ten hours, which shall be divided equally between a Member favoring and a Member opposing the joint resolution. A motion to limit debate is in order at any time in the House or in the Committee of the Whole and is not debatable.

(C) An amendment to the joint resolution is not in order.

(D) At the conclusion of the debate on the joint resolution, the Committee of the Whole shall rise and report the joint resolution back to the House, and the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion.

(b)(1) The provisions of this subsection apply to the consideration in the Senate of a joint resolution under section 313(b), 401(d), or 501(d).

(2) A joint resolution shall, upon introduction, be referred to the Committee on Foreign Relations of the Senate.

(3) A joint resolution described in this section shall be considered in the Senate in accordance with procedures contained in paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98-473), except that—

(A) references in such paragraphs to the Committee on Appropriations of the Senate shall be deemed to be references to the Committee on Foreign Relations of the Senate; and

(B) amendments to the joint resolution are in order.

(c) For purposes of this subsection, the term "joint resolution" means only—

(A) in the case of section 313(b), a joint resolution which is introduced in a House of Congress within 3 legislative days after the Congress receives the report described in section 313(b) and for which the matter after the resolving clause reads as follows: "That the Congress, having received on the report of the President containing the determination required by section 313(b) of the Comprehensive Anti-Apartheid Act of 1986, disapproves of such determination.", with the date of the receipt of the report inserted in the blank;

(B) in the case of section 401(d)(3), a joint resolution which is introduced in a House of Congress within 3 legislative days after the Congress receives the document described in section 401(d)(2) and for which the matter after the resolving clause reads as follows: "That the Congress, having received on the text of the international agreement described in section 401(d)(3) of the Comprehensive Anti-Apartheid Act of 1986, disapproves of such agreement.", with the date of the receipt of the text of the agreement inserted in the blank; and

(C) in the case of section 501(d), a joint resolution which is introduced in a House of Congress within 3 legislative days after the Congress receives the determination of the President pursuant to section 501(c) and for which the matter after the resolving clause reads as follows: "That the Congress, having received on a determination of the President under section 501(c) of the Comprehensive Anti-Apartheid Act of 1986, approves the President's determination.", with the date of the receipt of the determination inserted in the blank.

(d) As used in this section, the term "legislative day" means a day on which the House of Representatives or the Senate is in session, as the case may be.

(e) This section is enacted—

(1) as an exercise of the rulemaking powers of the House of Representatives and the Senate, and as such it is deemed a part of the Rules of the House and the Rules of the Senate, respectively, but applicable only with respect to the procedure to be followed in the House and the Senate in the case of joint resolutions under this section, and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(2) with full recognition of the constitutional right of the House and the Senate to change their rules at any time, in the same manner, and to the same extent as in the case of any other rule of the House or Senate, and of the right of the Committee on Rules of the House of Representatives to report a resolution for the consideration of any measure.

ENFORCEMENT AND PENALTIES

SEC. 603. (a)(1) The President with respect to his authorities under section 601 shall take the necessary steps to ensure compliance with the provisions of this Act and any regulations, licenses, and orders issued to carry out this Act, including establishing mechanisms to monitor compliance with this Act and such regulations, licenses, and orders.

(2) In ensuring such compliance, the President may—

(A) require any person to keep a full record of, and to furnish under oath, in the form of reports or otherwise, complete information relative to any act or transaction described in this Act either before, during, or after the completion thereof, or relative to any interest in foreign property, or relative to any property in which a foreign country or any national thereof has or has had any interest, or as may be otherwise necessary to enforce the provisions of this Act; and

(B) conduct investigations, hold hearings, administer oaths, examine witnesses, receive evidence, take depositions, and require by subpoena the attendance and testimony of witnesses and the production of all books, papers, and documents relating to any matter under investigation.

(b) Except as provided in subsection (d)—

(1) any person that violates the provisions of this Act, or any regulation, license, or order issued to carry out this Act shall be subject to a civil penalty of $50,000;

(2) any person, other than an individual, that willfully violates the provisions of this Act, or any regulation, license, or order issued to carry out this Act shall be fined not more than $1,000,000;

(3) any individual who willfully violates the provisions of this Act or any regulation, license, or order issued to carry out this Act shall be fined not more than $50,000, or imprisoned not more than 10 years, or both; and

(4) any individual who violates section 301(a) or any regulations issued to carry out that section shall, instead of the penalty set forth in paragraph (2), be fined not more than 5 times the value the krugerrands or gold coins involved.

(c)(1) Whenever a person commits a violation under subsection (b)—

(A) any officer, director, or employee of such person, or any natural person in control of such person who knowingly and willfully ordered, authorized, acquiesced in, or carried out the act or practice constituting the violation, and

(B) any agent of such person who knowingly and willfully carried out such act or practice,

shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

(2) Paragraph (1) shall not apply in the case of a violation by an individual of section 301(a) of this Act or of any regulation issued to carry out that section.

(3) A fine imposed under paragraph (1) on an individual for an act or practice constituting a violation may not be paid, directly or indirectly, by the person committing the violation itself.

(d)(1) Any person who violates any regulation issued under section 208(d) or who, in a registration statement or report required by the Secretary of State, makes any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading, shall be subject to a civil penalty of not more than $10,000 imposed by the Secretary of State. The provisions of subsections (d), (e), and (f) of section 11 of the Export Administration Act of 1979 shall apply with respect to any such civil penalty.

(2) Any person who commits a willful violation under paragraph (1) shall upon conviction be fined not more than $1,000,000 or imprisoned not more than 2 years, or both.

(3) Nothing in this section may be construed to authorize the imposition of any penalty for failure to implement the Code of Conduct.

APPLICABILITY TO EVASIONS OF ACT

SEC. 604. This Act and the regulations issued to carry out this Act shall apply to any person who undertakes or causes to be undertaken any transaction or activity with the intent to evade this Act or such regulations.

CONSTRUCTION OF ACT

SEC. 605. Nothing in this Act shall be construed as constituting any recognition by the United States of the homelands referred to in this Act.

Mr. DOLE. Mr. President, let me explain very briefly. This is the Contra aid provision as reported today by the full Appropriations Committee along

with the Lugar bill on South Africa. It is a combination. It is Contra aid and South Africa.

CLOTURE MOTION

Mr. DOLE. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The bill clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the Dole amendment to the Byrd amendment No. 2414 to S. 2638, the Department of Defense authorization bill.

Frank H. Murkowski, John H. Chafee, Paul Trible, Bob Kasten, Rudy Boschwitz, Warren Rudman, Jake Garn, Phil Gramm, Pete V. Domenici, Barry Goldwater, Pete Wilson, Mitch McConnell, Al Simpson, Nancy L. Kassebaum, Dan Quayle, Bob Dole, and Bill Cohen.

Mr. DOLE. Mr. President, let me indicate what the perfecting amendment is. As I have indicated, it is the Contra aid proposal which was reported today by a vote of 15 to 14. It is the Lugar committee proposal, I would say, on South Africa, which was reported by a vote of 15 to 2. The cloture motion is filed with that perfecting amendment, the perfecting amendment to the amendment offered by the distinguished minority leader.

A parliamentary inquiry. The cloture vote would come on Friday?

The PRESIDING OFFICER. The cloture vote will come if cloture fails on the bill tomorrow and on the Byrd amendment, immediately after the vote on the Byrd amendment.

Mr. DOLE. A parliamentary inquiry. What day would that be?

The PRESIDING OFFICER. On Thursday.

Mr. DOLE. If cloture is not invoked on the bill, which I assume it will not be, then the vote on the Byrd cloture motion will fall on Thursday?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. And if cloture is not invoked on the Byrd amendment, then there would be a vote on cloture on the perfecting amendment?

The PRESIDING OFFICER. The Senator is correct.

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Mr. DOLE. Mr. President, I suggest that one way to resolve all these matters, again trying—I do not see the Senator from Connecticut here but those two might have an interest in trying to work out some agreement on South Africa and Contra aid and everything—is for everyone to withdraw the cloture motions by unanimous consent on the bill, on the Byrd amendment, and on the perfecting amendment. That is a possibility before cloture is voted on.

It is obvious to me that we will not get cloture on the bill tomorrow with 138 amendments pending. I assume many will not want to invoke cloture until their amendments are disposed of.

Again, I add that that was done to try to expedite the process. We are supposedly in the last 2 weeks before the so-called Labor Day recess, which is scheduled to begin at the close of business on Friday, August 15. That was the purpose of that. We will have a party caucus at 8:15.

I yield the floor.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER (Mr. TRIBLE). The Democratic leader.

Mr. BYRD. Mr. President, I am glad to see this willingness now on the part of the distinguished majority leader to work out some arrangement whereby the Senate can express its will on the South Africa issue. Up to this point, I had not detected that kind of willingness. Perhaps I have erred in my perceptions. I recognize that I can certainly be wrong, and have been wrong many times.

Nobody here has challenged the distinguished majority leader's sensitivity to the plight of blacks in South Africa. Nobody here, as far as I know, is taking a position that the distinguished majority leader is not willing to have a vote on the South Africa issue. But the thing that is disturbing to this Senator and to many of us is the apparent choice by the majority leader of a tactic which would link the South Africa issue with the Contra aid issue.

Time and time again, I have heard the distinguished majority leader stand on the floor and on one occasion, he said, "There will not be any South Africa amendment, there will not be any debate on South Africa." And he quickly changed that statement to qualify it by saying, "at this time" at that particular time. But time and time again, the distinguished majority leader has said, and the RECORD will show, "If there is an amendment offered on South Africa, I will offer one on Contra aid. And if a Senator moves to recommit the measure with instructions that it be reported back with language concerning South Africa, I will top that one. I will offer an amendment on Contra aid to that." So there has always been this tactic that has been either implicitly or explicitly stated that he will tie the two together.

As far as I am concerned, we can have a vote on Contra aid; we have had it before, we can have it again; we can have it tomorrow, we can have it tonight; we can have it at any time, and I shall be at my post of duty. But there has been no willingness that I have been able to perceive on the part of the distinguished majority leader, and I say this with the utmost respect, to come to grips with this situation and say, "We will give you a vote on South Africa tomorrow, the next day, the next week."

I think that I and others have indicated very clearly that we would be happy if we could just get a vote on a cloture motion on South Africa no later than Thursday or even Friday of next week.

I do not know whether there have been misunderstandings or what the problem is here. I have to say that I have never seen what is happening in this Senate happen before, and I have been here 28 years.

I am perfectly agreeable, may I say to the distinguished majority leader, to pull all this down—South Africa, Contra aid—as far as I am concerned, if we can establish an agreement that will give the Senate a vote on the measure that was reported out by the Foreign Relations Committee. What happened there, if there was an objection to their reporting—I am not on the committee. I do not know what may have happened. I hope someone in a moment will speak to that because there are just too many occasions, I think, that things that possibly ought not to be implied and inferences are drawn from what is said on the RECORD and nobody responds to it to clarify it. I hope that someone on the Foreign Relations Committee will feel disposed to tell us why there was an objection.

In any event, I think the distinguished Senator from Connecticut [Mr. WEICKER] expressed a willingness—so did the distinguished Senator from Kansas [Mrs. KASSEBAUM]—and that is all we have been asking for all along, to have an opportunity for the Senate to express its will on South Africa.

The distinguished majority leader has said something to the effect that day after day, the minority leader has stood on the floor and wanted to know when we were going to bring up the DOD bill. I did that. I did that day after day. The distinguished Senator from Georgia [Mr. NUNN] wanted to know when the Senate was going to have up the DOD bill.

We wasted a lot of time, Mr. President. The Senate wasted a lot of time. It has wasted days, it has wasted hours, when other things could have been done. I shall not go into that. But we have gotten ourselves now down to the last few days before a scheduled recess and we have a platter that is heaping full and running over with controversial legislation that needs to be acted on. Some of this could have been done some days ago. We could have reached an agreement at some point days ago to have a vote

on the South Africa issue. But that was not done.

Mr. DOLE. Will the Senator yield there?

Mr. BYRD. I shall be happy to yield.

Mr. DOLE. He just indicated that the South Africa measure was not yet available to us on the floor to have a vote on it last week.

□ 2010

Mr. BYRD. I understand that, Mr. President, but we certainly could have reached an agreement. That was all that this Senator sought to do. This Senator only sought to achieve an agreement that would say that, on a certain day, we will vote on South Africa or we will offer a cloture motion; not that we have the matter out of the Foreign Relations Committee. I offered to the distinguished majority leader, if he would join with me in giving joint consent to the Foreign Relations Committee to meet, I would do it with him. He did not do that. He was not willing to say that. But that is all right. I respect his problems in that regard. Fortunately, the Foreign Relations Committee, the next day, did act. But I have attempted in every way I know to advance this matter along with other matters. Mr. President, I regret that the distinguished majority leader has said things here today that would indicate there has been some violation in the spirit of what was agreed to last Friday evening, at 12:30 or 12:40 in the morning of Saturday. I feel that there should be an explanation of that. I think that before Senator NUNN left the floor on that day the Senate was discussing a possible unanimous-consent agreement and included in that proposed unanimous-consent agreement at that time was a paragraph, paragraph No. 3, which I shall read as follows:

I further ask unanimous consent that no amendments dealing with Contra aid or South Africa be in order to S. 2638, the DOD authorization bill.

It was the suggestion by the distinguished Senator from Georgia [Mr. NUNN] that that provision be dropped from the agreement. In other words, so that amendments dealing with Contra aid or South Africa would be in order to the DOD authorization bill.

Mr. NUNN. Will the Senator yield?

Mr. BYRD. Am I correct?

Mr. NUNN. The Senator from West Virginia is eminently correct. The reason I made that suggestion was not because I wanted South Africa or the Contra amendment on the DOD bill, but the reason was because we had the debt ceiling up. We were trying to block out other amendments beyond South Africa and Contra aid to the debt ceiling bill. That was the majority leader's aim. It was apparent to me that that goal, which was important I think to the whole institution, was not going to be attainable unless we gave those who had an interest in those two matters an opportunity, since the debt ceiling was going to be drawn down and DOD was going to be brought up, to put those two amendments, if they could not reach an agreement, if they could not reach an agreement, on bringing them up in some other fashion, to give them an opportunity to put those two amendments not only on the debt ceiling when it came back up but also the DOD bill.

I expressed the fervent hope that the majority leader and minority leader could work out an agreement so that all of these matters would not be put on the military authorization bill. But that was explicitly my suggestion, that we remove that paragraph because had that paragraph not been removed, First, we would not have been able to get unanimous consent and, Second, we would have still had the debt ceiling in my view pending without having any closing out of other amendments and we could have another hundred amendments pending to the debt ceiling. So that impasse was broken. But the Senator from West Virginia is entirely correct, that was my suggestion.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Georgia. His proposal was a good one, and we proceeded then to agree that with respect to the debt ceiling resolution, no other amendments would be in order except those dealing with South Africa and Contra aid. The point is that we dropped that amendment, thus opening the doors to amendments dealing with South Africa and Contra aid.

Now, what happens, the distinguished majority leader comes in on the floor yesterday, Monday, or some Senator does, and offers a cloture motion on DOD. I guess it was the able senior Senator from Virginia. I understand that the cloture motion had the distinguished leader's name on it. When that cloture motion was entered, then that was the signal to everybody that if cloture is invoked, no nongermane amendment would then be in order following the invoking of cloture—for example, no South Africa amendment would be in order after cloture is invoked.

So here we are. We first agreed Friday we would drop that provision out of the agreement so as to allow DOD to be open to such amendments and then the cloture motion is entered yesterday which threatens to shut out, foreclose any Senator's right to offer an amendment dealing with South Africa.

Mr. President, that action I think indicated that those who would be foreclosed would have to resort to whatever measures they could take within the rules to get action on South Africa. So that is what has brought us to this point, and the amendment has been offered.

I agree with the Senator from Connecticut. To have this measure on the debt ceiling, to have either Contra aid or South Africa on the debt ceiling is taking a futile action. That resolution is not going to come out of conference with either of these amendments on it, even if they should be adopted. There will have to be a temporary extension of the debt limit, and the best thing to do is to get up a freestanding measure, the measure on South Africa that was reported out of the Foreign Relations Committee and let us have some agreement that we will call that up and that we will have a vote on it at a certain time, and that is all we are asking.

I am sorry that Senators and the RECORD would be left with inferences to be drawn that somebody went back on some agreement here late last Friday evening and that somebody has taken advantage of the majority leader in having this amendment called up.

I tell you, Mr. President, we are having some problems with getting consent agreements around here, and the problem here this evening I think derives from what appears to be a misconception of the rights of other Senators in this Chamber. Every Senator has a right to call up an amendment and no Senator has to answer to any other Senator as to what his amendment embraces before he can get the floor. Time and time again, I say most respectfully to the distinguished majority leader, he has filled the amendment tree and I and other Senators have been frustrated, but I have also said when that was done that the rules allowed that to be done.

I have never said that the rules did not allow that. But I have said that beyond that, when the majority leader uses his power of recognition, which is the most awesome power the majority leader has—the majority leader has few weapons in his arsenal. I know. But he does have the power of recognition. He does have the Chair. He does have the votes. He may not have enough votes sometimes, but he has the majority of Senators or he would not be majority leader. But if I could have that power of first recognition, as the minority leader, I would be willing to let the majority leader have 53 Members of this body and let me have 47. Give me that power of recognition and I will give him the odds on the votes. But the distinguished majority leader has gone beyond filling the tree and time and time again the RECORD will show—and every Senator here can remember—the distinguished majority leader has stood right there at that desk and he has not let another Senator offer an amendment unless the

majority leader first knows what is in the amendment.

He will say, "What does your amendment do?" There have been times when other Senators have merely sought recognition to speak and the distinguished majority leader has said, "For what reason does the Senator want the floor?" He said that to me recently when he was about to put in a quorum call. I sought the floor and he wanted to know why I wanted the floor. I just dropped the effort.

But the majority leader has a lot of power and I respect the majority leader's office. I respect the distinguished majority leader. And no Senator here has bent over backward more than I have in deference to the majority leader or the previous majority leader, and nobody here over these many years has exhibited more patience than this Senator, whether acting as majority leader or acting as minority leader.

□ 2020

But there is a point beyond which deference is not required toward an office, and that point is reached, I think, when the distinguished majority leader will not let other Senators have the floor. He will threaten to call a quorum; he will threaten to go into recess, as he did the other day; he will threaten to go into executive session, as he did the other day, rather than permit an amendment to be called up by another Senator.

Here are 47 Senators on this side, and there are 52 Senators on that side of the aisle, aside from the distinguished majority leader. Each has a right to this floor. No Senator has to answer to another Senator as to what subject he is going to speak on, or whether he is going to speak, or whether he is going to offer an amendment, or whatever. That is my right as a Senator. That is the right of the Senator from Georgia who sits in the ranking manager's seat here this evening. Every Senator has that right.

The majority leader has certain powers and certain rights, but other Senators also have rights.

Having said that, I think I have explained why there comes a time when another Senator or a minority leader has to exercise his rights under the rules also.

I made careful notice that the majority leader was in this Chamber before I offered that amendment. I did not want it to be said that I waited until the majority leader was outside the Chamber before I offered the amendment. He was here, and what I did was within the rules.

I just have to say that we have to have a little more respect toward one another, and there has to be a little more consideration of another Senator's rights, and there has to be a willingness to recognize the rights of other Senators and the rights of the minority. I feel that at times the minority has not been accorded its rights to call up amendments under the rules; and the point has been reached, I am afraid, when things have begun to deteriorate. I am sorry that we have reached that point.

As to discussions now between our staffs on a time agreement, there have been comments that discussions were going on. There has been no discussion with my staff since last Friday night; no discussions with my staff with regard to any time agreement. I do not think these statements can be left unchallenged on the RECORD.

I do not want to impose on the time of the Senate, but while I have the floor, I think I should say this, too:

It seems to me, Mr. President, that we ought to be a little more careful about how we speak of other Senators in this Chamber. All we have in this body is our word, as the distinguished majority leader has said. I think each Senator here cherishes his word, treasures his word, and intends to keep it. That is my attitude. Once a Senator breaks his word, then of course everybody knows it, and he has lost something that is beyond price.

I am just concerned that too many things have been thoughtlessly said recently here about other Senators. I heard a Senator on this floor not too long ago accusing other Senators of telling lies. I do not think the Senator named any Senator.

Rule XIX provides that no Senator shall speak in derogation of another Senator or of another Senator's State. No Senator shall speak of another Senator as acting or conducting himself in a way that is unbecoming of a Senator. Under rule XIX, any Senator who does so can be made to take his seat, and the Chair will have to direct that Senator to take his seat.

I hope that Senators would not go so far as to speak so loosely and so carelessly about other Senators in this Chamber as to put themselves—those who are speaking—in danger of violating rule XIX and having possibly to take their seat. If we will just restrain ourselves a little more and not speak too carelessly about the motivations of other Senators, I think we might have a better spirit of comity here, and we would get more things done.

There is nobody here who is not a politician. One has to be a politician before he can be a statesman. Every Senator here is a politician, and every Senator has some political motivation. Nobody can stand here and say: "I am perfect. I am pure. I have no political motivation, but every other Senator is being political."

Whom are we kidding? I hope we will restrain ourselves in the future and be cognizant that while a Senator may today be in a position to choke off the rights of another Senator, the time will come when the worm will turn. The rules are there for every Senator. I hope the rules and practices will not be abused.

I shall continue to respect the office of majority leader, and I shall continue to cooperate with the distinguished majority leader in the effort to move things forward. But I must say that when it gets to the point when Senators on this side, on the minority side, cannot offer amendments, and the majority leader can stand here and determine who calls up what and when, and we have to indicate to the majority leader—he turns to me and says, "Why do you want the floor? Do you just want to speak?"—that goes too far.

I do not have to indicate to any Senator in this body why I want the floor. Let him go ahead and suggest the absence of a quorum. When the quorum call is over, I will get my chance at some point.

I never knew, and I do not find it in the rule book, and I have never understood, that just because a Senator is a majority leader, by virtue of his having been elected to that very honorable office by his colleagues, he alone has all the rights in the Senate and he can stand here and determine who speaks and when they will speak and who will not speak and who can offer an amendment and what amendment will be offered and when.

So I say that I hope that what has happened today will, in the long run, be good for the Senate. I hope I have not said anything here today that is amiss. I have tried to be very careful in what I have said.

Mr. PELL. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. PELL. The Senator raised the question of what happened in the Foreign Relations Committee. The bill, which was voted for by a 15-to-2 vote, is in hand. The report had not been agreed to—until the end of business today. The report language will be circulated tomorrow morning.

□ 2030

If no Senator objects, it should be ready for the majority leader by tomorrow afternoon.

Mr. BYRD. Mr. President, I thank the distinguished ranking minority member of the Foreign Relations Committee for that observation. I think it is a very helpful one.

Mr. President, I am about to yield the floor.

I want to say again to the distinguished majority leader that I stand ready on this side of the aisle, if there is a willingness all around, to work out a very clear and definite understanding now as to when the Senate can vote on a freestanding measure dealing with South Africa, and as far as I am concerned, I would then be willing

to ask that the cloture motion that I have offered be vitiated and be happy to withdraw the amendment.

I am not interested in cluttering up this bill. I happen to be one of those in this Chamber who also believes that our own country comes first and, as the distinguished Senator from Arizona [Mr. GOLDWATER] said a moment ago, something to the effect—I think he may have been referring to Senator NUNN's earlier statement when he said that he would like to see us get on with this DOD bill also because it is in the interest of our own country.

I would hope we could work out an agreement whereby these other issues that are not germane—and I am talking about South Africa and Contra aid—can be taken down and that indeed we can get on with this DOD bill which is, to use Senator NUNN's words, a measure that is first in the interest of our own country and its security.

So I would be willing to do that so we stay on that bill and get on with it.

Having said that, I thank all Senators for their patience, and just to say again that my own patience is almost unlimited, and I will be very happy to work with other Senators in trying to establish an orderly way of achieving a vote on the freestanding measure that has been reported out of the Foreign Relations Committee, as well as the military construction appropriations bill which has the Contra aid in it.

Mr. President, I yield the floor.

Mr. DOLE. Mr. President, there have been a lot of inferences tossed around on the floor here this evening. I pretend I did not hear much of it. I want to set the RECORD straight in a couple of areas.

First, I was chastised because of what someone said I might have said about sneaking in an amendment. I have the RECORD. I did not think I had indicated that. I believe I would know better. Maybe not.

But let me read back the RECORD where I said:

> Mr. President, first let me express surprise and some disappointment because I remember raising with the Senator from Massachusetts and others on this floor Saturday morning that we did not want any surprise parties, we had to be heads up about whether we are going to sneak in and offer some amendment on DOD authorization or any other bill.

So I suggest that is the statement I made.

As far as I do not understand with all these talks going on about reaching some agreement, the distinguished minority leader did not know we were working on that.

I said on the floor here last Friday in the morning session and it is in the RECORD—it is page 18762, and I quote:

> I had a little agreement drafted here that I thought would suit everyone. Just let me read it. I will be happy to try one tonight.

Then I went on to ask unanimous consent that

> . . . the debt limit bill, H.J. Res. 668. be read a third time no later than the close of business today; provided, that amendments dealing with South Africa and aid to freedom fighters be in order when it is resumed, no later than Monday; August 11; . . .

That is the agreement we could not reach but at least we tried to reach.

Even earlier than that I suggested in numerous colloquys with the Senator from Massachusetts and maybe the minority leader that we were working first at a staff level, then in my office, trying to reach some agreement.

But I am not certain that rehashing that is going to solve any problem.

As far as all this talk about how I have dictated, and I do not intend to be intimidated by anyone in the Senate, but all of this talk about how I filled up the tree, I think I can recall doing that on two occasions, two occasions. Maybe the distinguished minority leader never did it when he was majority leader. I never realized you could do it either until someone told me because I am not an expert on the rules. It may have happened more than twice, but I think only a couple of times.

With reference to asking the distinguished minority leader what he wished to speak about, it is rather delicate. If someone asked to be recognized, the minority leader, majority leader, to put in a quorum call, but you do not deal with the minority leader or the majority leader in that fashion. You do not suggest, or at least I do not and have not suggested, the absence of a quorum when the distinguished minority leader was seeking recognition, but I do have a right to protect my rights not only as a leader but as a Senator and I will do that as long as I am able to do that and as long as I understand what you need to be able to do to do that.

I need a little help from the Parliamentarian from time to time. I am not the expert on the rules the distinguished minority leader is. I am just an average Senator in this body when it comes to knowing the rules. But after I have been told what the options are, then I can make a judgment.

In this case, I did not know what might happen. There might have been a second-degree amendment from that side, might be something else, that might have blocked me out and that would have not been fair to many on this side who have an interest not only in South Africa but the Contras, and everything else.

But having said that, I will say to the distinguished minority leader that I could probably recall, but I do not intend to do that—when anybody is the leader you are going to take a little heat. If you did not want to pay the penalty, do not try it. But I cannot recall any time that I have ever overridden the rights of any Senator in this body by something that may have happened on the Senate floor.

In fact, I think I can almost list all the Senators that have asked me if they could not clear something. In fact I could name a couple of times when they were not cleared, but we tried to do as I think the distinguished minority leader did when he was a majority leader to accommodate everyone we can. Sometimes you cannot do it. Sometimes you do it and you lose. And I did not become majority leader to lose. If you do not have the votes, you lose.

But if somebody preempts you on the floor when they should not, then that is a problem.

But I have just said to all my colleagues that is not going to solve the issue we have.

We can second guess about the debt ceiling and whether or not we should have waited a couple days or 3 days for Gramm-Rudman-Hollings to be drafted. There was not much else we could have done at that time. We took up some nominations.

But I believed the Senators from Arizona and Georgia when they said they wanted to bring up the DOD bill and they thought with a little luck they could finish it, if not 3 days, maybe 4 days at the outside, maybe 5 days. And I share the view that there is nothing more important than that authorization bill.

I also agree with the distinguished minority leader that anyone who believes that the Contra aid or South Africa aid is going to see the light of day as an amendment on this bill or on the debt ceiling is whistling in the dark. So why are we playing games? Why can we not reach an agreement? Why not bring up South Africa freestanding? Why not bring up Contra aid freestanding? Why not dispose of those two rather important pieces of legislation?

So we have gone through this effort for the last couple of weeks, and it seems to me that there is an effort to see who can be first. Maybe we plant the flag and we will have the honor and the glory of being first on civil rights.

Again, I do not think anyone on either side of the aisle as far as this Senator knows is going to walk away from our responsibility in that area. We may have different views. We may vote differently. But as far as I know, we have already passed that barrier years and years ago.

The hangup is Contra aid. Let us face it. Even though we faced it a number of times, there are some who do not want it to pass.

So I have been trying as a leader in an effort to carry out the President's program as well as the program of other Senators to get another vote and

we have not voted on it since March. It passed. The House finally acted. Now we have to act again.

Now, some would say just bring it up and file cloture; you have the votes. I am not certain we have 60 for cloture. We only had 53 to pass it. But we may have.

I think there are a number of Senators, witnessing what is going on the last couple weeks, who voted against Contra aid, who might now be willing to vote for cloture.

□ 2040

Why? They are not for it, for Contra aid, but they are for giving us a chance to bring it up.

So it may be that we can work out some agreement. We have been trying to do that. And I apologize if the distinguished minority leader had not been aware of the efforts that are being made. But I think they have been made and I think the record reflects that we could even dredge up some draft of things we have been circulating without much success in an effort to reach an agreement.

So what I would like to do now is recess the Senate, at least, and announce there will be no more votes, because we have a party caucus that started at 15 minutes after 8.

Mr. President, I move that we stand in recess.

Mr. NUNN. Would the majority leader withhold? Could we get some indication about the defense bill and whether we are going to get back on that tomorrow morning or whether the Senator from Massachusetts would be willing to set aside the amendment without anyone losing their present status so we do not spend tomorrow to no avail?

It seems to me we could take up a great number of amendments tomorrow. We, hopefully, completed the SDI funding portion of this bill. That was a big amendment. It took a long time. I do not think we wasted time. People wanted to speak on it. They had been waiting for a long time for it.

So I hope we could get some agreement to start early in the morning, while both leaders are trying to reconcile these various impasses, where we could go ahead and have the defense bill up.

Mr. DOLE. As far as I am concerned, the better way to resolve it would be for everybody to withdraw their amendments and withdraw their cloture petitions, including the cloture petition on the bill itself, and then proceed and have an understanding—if we cannot work out anything on these issues, then I guess you could still offer, anybody can offer an amendment—that there might be at least some consultation with the two leaders if I were going to jump up and offer something or if the minority leader wanted to offer something, at least we would protect each other's rights and the rights of both sides in that fashion. If we could do that, otherwise I assume we ought to debate South Africa, if we are going to have a cloture vote on Thursday, and we should debate Contra aid if we are going to have a cloture vote in the event the vote on South Africa fails.

Maybe the caucus is over.

Mr. BYRD. Will the distinguished majority leader yield?

Mr. DOLE. I am happy to yield.

Mr. BYRD. Mr. President, let me just say again, I hope we can work out an agreement whereby there will be a definite vote set on the South Africa issue. I would be happy to pull all of this off the DOD bill. If the cloture were to be invoked tomorrow, this Senate could be in session the rest of tomorrow, and Friday, and Saturday, next Monday, Tuesday, on the DOD bill alone, and the scheduled recess which is to begin at the close of business next Friday would find us not having done much of anything else except DOD.

It seems to me that one of the things we can do to expedite the business around here is to take cloture off of DOD, because if that is invoked, then we are going to be on DOD, which is fine with me, stay on it and vote on it, but that in itself will keep the Senate from acting on other measures.

Let me close by once more saying to the majority leader, I hope that we can take the amendment dealing with South Africa off his bill, vitiate the cloture motion; take off Contra aid, vitiate that cloture motion; take off the cloture motion on DOD, vitiate that tomorrow before the vote or, if it cannot be done before the vote, then after the vote if it fails; agree on bringing up the Foreign Relations measure so that we will have South Africa as a freestanding measure, agree to a time limit on each side, and let us vote on it. I do not know of any more that I can offer by way of trying to be helpful.

I would finally just ask the distinguished majority leader if, before he recesses, he could state to the Senate the program, which will have to include the impeachment notice that has been sent over to the Senate by the House. And, under the rules regarding impeachment procedures in this body, action has to be taken quickly to inform the House that the Senate is ready to receive the House managers to carry the articles of impeachment to the Senate and exhibit them here. The House managers have to be introduced at the bar of the Senate after which they will exhibit the articles of impeachment, after which the distinguished Presiding Officer will, under the rules, inform them that the Senate will proceed to take proper order on the subject of the impeachment, and that in due course the House would be notified of the trial.

Now, that is a matter that is going to come before the Senate. The reconciliation measure is also going to be called up at some point.

What does the distinguished majority leader see with respect to the rest of the week, including Friday and Saturday? And I presume, with all of this business that is before us, we are certainly going to have some votes and be around here. If he could address himself at this moment to that so that other Senators can be preparing for whatever tasks may be assigned to them in relation to these various items.

Mr. DOLE. Well, I would hope, in fact, we had planned on being here tonight until about midnight on the DOD authorization, finish the SDI amendment and homeporting. Obviously, that opportunity is gone, because we have been on this for about 3 hours.

So we would come in early tomorrow morning and be on the DOD authorization bill.

I will ask unanimous consent later on tonight that we receive the managers appointed by the House for the purpose of exhibiting the articles of impeachment against Harry E. Claiborne, judge of the U.S. District Court for the District of Nevada, agreeably to the notice communicated to the Senate, and that, at the hour of 1 o'clock on Wednesday, the Senate will receive the honorable managers on the part of the House of Representatives in order that they may present and exhibit the said articles of impeachment against the said Harry E. Claiborne, and then we would fix a date.

We still have not worked out how we are going to do that. But, again, the Speaker called again today saying he would like to have it after the recess. I believe, if I am correct, he indicated on the 15th of September which would be, I believe, on a Monday, 1 week after we return.

So that would not take any time tomorrow. But if I can get this agreement, we will interrupt for that.

I assume we would be on the DOD authorization bill late tomorrow evening. At least the distinguished Senator from Arizona, Senator GOLDWATER, indicated as much.

At the close of business tomorrow evening, anybody could call for regular order and bring the debt ceiling back. We have got a real problem with the debt celing. I have been advised today by the chairman of the Budget Committee that, unless he can go to conference almost immediately with the House on the debt ceiling, there is very little chance they are going to resolve all these problems that we have created with all the amendments, in-

cluding Gramm-Rudman. That is another reason we ought to have some agreement on South Africa and Contra aid. Then we would release that hostage, the hostage being the debt limit extension.

Now, if we could do that, we have already gone to third reading with no other amendments being in order except the amendments relating to Central America/Contra aid and South Africa/front line countries, as I recall the wording.

□ 2050

That would expedite that process. That would be one way we could start the conference on that. That would leave us an agreement if we could reach an agreement, if not, if we could reach an agreement, we would invoke cloture, try to invoke cloture on both South Africa and Contra aid. If cloture would be involved, then some time agreement following that, and reconciliation would, I hope, may be ready by next week. I do not know of any other matter—Superfund. But I do not believe that will be ready by next week because the taxwriting committee has not agreed on the funding. They have agreed on the principal parts of Superfund but not how to fund it.

So, this week I think the distinguished minority leader is correct. I would alert my colleagues to be available on Friday. They do not have to be available, but there will be votes on Friday. I cannot say what we might expect on Saturday. But I do believe there is a desire by the managers, and I hope by most Members, to complete action on the DOD authorization bill. That may demand on what happens at the close of business tomorrow, whether or not we have reached an agreement on South Africa and Contra aid. If not, and if regular order is called for, we are back on the debt ceiling. That would get us right back into these two sticky issues.

Mr. BYRD and Mr. DOMENICI addressed the Chair.

Mr. BYRD. Mr. President, may I ask the distinguished majority leader, if the distinguished Senator from New Mexico will allow me to ask one further question with regard to scheduling, in the event that the House should override the President's veto on the textiles, apparel, and shoes bill, would it be the intention of the distinguished majority leader to go to that override in the Senate immediately upon receipt of the message in this body?

Mr. DOLE. That is the present intention though I have had a call from Senator HOLLINGS. I have been unable to discuss it with him. I know he has an interest, and also Senator THURMOND. I am not certain if they want to do it immediately or fix a time certain.

Mr. THURMOND. If the Senator will yield, I suggest we do it immediately and get through with it.

Mr. DOMENICI. Would the distinguished majority leader yield?

Mr. DOLE. I am happy to yield to the Senator from New Mexico.

Mr. DOMENICI. I thank my friend from Kansas.

Might I say to the distinguished majority leader I have been here for the entire debate, and I have heard the distinguished minority leader speak tonight words that I have not heard yet in the 14 years on the Senate floor. He indicated things were happening around here that he had never perceived. I would like it to be known that I have never heard the kind of things that the distinguished Senator from West Virginia had to say about the distinguished majority leader in my 14 years. But let me say to the distinguished minority leader one of the problems we are having is it seems to me that the distinguished majority leader is the majority leader. We have not been here very long. I might say to my friend from West Virginia that he was there for a long time. Excuse me—the distinguished Senator from West Virginia was there for a long time. I might also say we learned most of what we know from the distinguished Senator from West Virginia, as he led the Senate. I might also say we learned about filling the tree at least for some of us who were common, ordinary people that did not read the book when we were trained here for the first couple of years.

We went to committee hearings. We learned about controlling the floor. We did not invent any of that.

I might say, and I want to say here and now that I compliment the distinguished majority leader. I think he has done a marvelous job. I think the Senate is getting more and more difficult to run. It will continue to get more and more difficult to run from the standpoint of using procedures and processes. I can say that the Senator from New Mexico on a number of occasions suggested to the distinguished majority leader that there were shortcuts and manners of things he could do to retain control. I can say more times than not his intuition was better than mine. He said we will vote. Or let us just go down there, and when the time is right, let us table the matter instead of some kind of process that was discussed here tonight by some where one abuses the process in order to get his way.

That is not really why I stood up. Now that I did, I am glad I said it. But in any event, I might say, what the distinguished minority leader is saying in his continual requests that we work this out is that there are many of us who want to vote on South Africa. There may be some who do not. But many of us do. Let me repeat what our leader has said time and time again tonight. There are many of us who want to vote on Contra aid. I mean actually in terms of this institution, since we have been speaking of its tonight—we voted on it five times. I will admit they were not always the same. It changed a little in texture. But we voted on it. We voted on something very similar to what the committee reported out today once already.

I might say to my friend from West Virginia I was there today for 2½ hours in committee debating that measure. I heard not from anyone on this side, not from the majority leader, but from Senators on the minority leader's side. I am going to paraphrase. "It doesn't matter what you do here in this committee. You are not going to vote on this measure in the Senate." I had not even told our majority leader that when he was talking about fair play. But I am telling him now that there are four or five of us that heard that, and it does not strike us too well, either, about our processes, and letting this Senate do its job. We have done that job once. The U.S. House, not led by our party, but by the party of the minority leader in the Senate—as a matter of fact, they were party to putting in $300 million in economic aid that is in that measure, not us. I am speaking now as a Senator with certain rights. If you are going to get some concurrence around here about South Africa, some agreement, then we had better be thinking about getting some agreement to vote on aid to the Contras, which we have already voted on a number of times. That, I think, will expedite this. It will be fair if we are talking about fairness.

It does not do any good for the Senator from New Mexico—and I believe almost all of us on this side of the aisle, the majority represented by our majority leader, and we think he is doing a tremendous job—it does not do any good to keep saying we can get an agreement if you will agree on South Africa. We understand that. There may be some who will not do it. But we need an agreement to vote on Central American aid, also. That is why we pulled the debt limit bill. It was not South Africa. It was both of them. Am I right, I ask the distinguished majority leader?

Mr. DOLE. That is right.

Mr. DOMENICI. He probably said it 50 times—that we would like to set it aside for those two. All of a sudden one is taking precedence over the other. The Senator from New Mexico wants to give neither precedence over the other—just both of them.

So if we are shopping around, I can say for myself we had better be shopping on both for as far as I am concerned we can wait around here, Mr. Leader, until we sequester. We do not have to vote on anything; nothing. We

will have on about August 10th about a $25 billion sequester across the board. Then we will find out what is important around here. Cut every domestic program, cut agriculture 8 percent, cut defense off the current low level, and cut it another $15 billion.

As far as I am concerned I just want to say to the distinguished majority leader you have my support.

Mr. DOLE. I thank the Senator.

Mr. HARKIN. Will the majority leader yield for a parliamentary inquiry?

Mr. DOLE. I thank the distinguished Senator from New Mexico. I share that view. It seems to me I am not certain I can get an agreement on South Africa. I have indicated that to the Senator from Massachusetts, to the Senator from West Virginia, and to the minority leader. There are some here who do not believe we ought to impose sanctions. They have a right to believe that. They may be right. They may not be anxious and may not be willing at all. That is why it was suggested maybe cloture is the best route to go to get you down to 30 hours even with the DOD cloture. You would have only 30 hours.

But I do suggest that if we are going to get an agreement, I think we can get locked in here. Both sides can get locked in, and get no agreement at all. But it seems to me that we ought to agree for at least the time being to accommodate the manager of the DOD bill, if everybody would withdraw their amendments, their cloture petitions, try to work out an agreement tomorrow night, then have a moratorium on either anybody offering South Africa, or Contra aid on the DOD bill tomorrow while we try to work out some agreement.

Otherwise, we will leave it as it is and debate the pending issue.

I will be happy to yield.

Mr. HARKIN. Will the majority leader yield for a parliamentary inquiry? I hope the majority leader will please excuse this freshman Senator's lack of knowledge of the rules and what is going on on the floor right now. This Senator would like to know what the parliamentary situation is. As this Senator understands it, there have been three cloture petitions filed. I would like to inquire of the President what is the parliamentary situation right now? What will be the first cloture petition that this Senate will be asked to vote upon one day, but one from the present day? I will ask further, what will happen if that cloture petition either is approved or not approved?

□ 2100

The PRESIDING OFFICER. The first cloture vote will take place on the bill itself tomorrow. If that fails, there will be a second cloture vote on the Byrd amendment on Thursday. If that fails, there will be a third cloture vote on the Dole amendment.

Mr. HARKIN. What happens if the cloture vote tomorrow, which I understand will be held on the bill, does not fail?

The PRESIDING OFFICER. Then the two pending amendments would fall.

Mr. HARKIN. So on cloture on the bill, if there are 60 votes for cloture tomorrow on the bill, the two amendments fall.

The PRESIDING OFFICER. The Senator is correct.

Mr. HARKIN. And they cannot be brought up again. Is that correct?

The PRESIDING OFFICER. They cannot be brought up postcloture.

Mr. HARKIN. Again on the bill.

The PRESIDING OFFICER. That is correct.

Mr. HARKIN. Might I ask the distinguished majority leader, again, this Senator does not understand what the problem is. It would seem that at least a majority of people want to vote on South Africa and a majority want to vote on Contra aid. It appears to this Senator that on both measures cloture motions would be filed. Under the present rules of the Senate, once the cloture motion is filed, a vote would be held on the cloture motion on the following calendar day but one.

If the cloture motion wins, then there are 30 hours of debate. All that time can be used for amendments and there is a final vote. So there are the 2 days plus basically the 1 day that you vote.

Then that can be held for the South Africa bill as well as the Contra aid bill.

This Senator is a little perplexed as to why we do not just go down that route, have a freestanding measure on the South Africa bill, file the cloture motion, have the 2 days of debate which I think is adequate on South Africa, vote on the cloture motion and see what happens.

If it succeeds, which I think it probably will, then we go on for 30 hours of debate on the amendment and vote on final passage.

Then bring up the Contra aid bill, file the cloture motion, have 2 days of debate, and I suppose the cloture motion would pass, and we would have 30 hours of debate and that would be the end of it. It seems to me that the time we are piddling away could be used up for that.

This Senator is perplexed as to why we are going through this whole exercise right here when we can do either one of those things and get on with it.

Mr. DOLE. Mr. President, again, we would like to recess for a period. There will not be any more votes. Perhaps after the recess we can work out some arrangements to decide to withdraw the cloture motions and amendments or not. If not, we will have a cloture vote 1 hour after we convene tomorrow. If we withdraw, there will not be a cloture vote on the DOD bill. That would be a part of a package. I do not see cloture is going to be invoked anyway on any of these measures. That would be my guess.

Mr. SARBANES. Will the majority leader yield for a question?

Mr. DOLE. Yes.

Mr. SARBANES. I have been concerned about the fact that apparently the Senate has not received the impeachment papers. Did I understand the majority leader to say earlier that it was his intention to receive those papers tomorrow at 1 o'clock? At the moment, although convicted, sentenced and in jail, and with all of his appeals expired, he is collecting his salary. The only way that can be brought to a termination is for the Senate to proceed to the trial of the impeachment charges brought by the House of Representatives.

Was it the majority leader's intention that the Senate would now turn its attention to that matter?

Mr. DOLE. In fact, we wondered why it has taken the House so long to act on this matter. It has been months. I was called by the Speaker about 3 weeks ago indicating they would not be ready to do this until after the Labor Day recess. We assumed that was it. Then I read in a newspaper the other day that the House Members were upset with the Senate. As far as I know, we were carrying out what the Speaker indicated.

I talked with the Speaker again today and he said they were not prepared to take up until after the recess.

We will accept the message and they will come over and read the charges if the distinguished minority leader will agree to a unanimous-consent request I will propound later this evening.

Mr. BYRD. I would certainly have no difficulty in agreeing to that request. I think it is about time we think about this man who is drawing down $215 a day at the taxpayers' expense, 7 days a week. I do not think the leader will have any problem with the unanimous-consent request on this side.

The distinguished Senator from New Mexico is here.

May I say he does an excellent job as chairman of the Budget Committee. I admire him for his courage and his fearlessness and for his integrity and for his ability. Nobody could help but admire those qualities. He spends hours and days, I am sure, in performing his difficult assignment. It has to, at times, appear to be a thankless task, but it is not. Every Senator is in his debt.

Mr. President, I have never attempted to lecture the distinguished Senator from New Mexico. I have never delivered any preachments with respect to

his work or anything that he has said on the floor.

If he wishes to rise, in his words, in defense of the distinguished majority leader, that is all right. Yet, I do not think the majority leader needs anyone to defend him. He has always been very able to do that himself, as far as I can tell.

But I would hope that the Senator from New Mexico would accord to me the right to express what I think are the facts in connection with this situation.

I hope the distinguished Senator from New Mexico will save his preachments for others who cannot defend themselves. I can defend myself and I am willing to do so at any time. I am sorry that the distinguished Senator from New Mexico seems to take upon himself this evening the responsibility for a rather heavy lecture with respect to the minority leader.

I want to respect him; I do respect him. I do not have to say again how much I respect the work he does. I will not undertake to lecture him on his task or deliver preachments on how the Senator should do his work. What I have said and done this afternoon is how I perceive my task as minority leader. I have tried to be as restrained as I could be. I do hope I have not said anything that under the rules would be amiss.

I offer to continue to cooperate in every way I can with the distinguished majority leader.

I am willing to let the record go at that. I do not want particularly to stay around here just to get in the last word. I have said enough and I have offered enough. I will let the record stand.

Mr. DOLE. Mr. President, I would like to ask my colleagues on this side if they could all meet in the Old Senate Chamber forthwith, like right now.

We will stand in recess—I do not think it will take long—until 9:40 p.m. That will be 30 minutes.

□ 2110

Mr. HARKIN. Mr. President, did the majority leader say there will be no more votes tonight?

Mr. DOLE. There will be no more votes tonight. I think we will stand in recess until 9:40.

I ask unanimous consent that the Senate stand in recess until 9:40 p.m.

There being no objection, the Senate at 9:10 p.m., recessed until 9:40 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. TRIBLE].

□ 2140

The PRESIDING OFFICER. The majority leader is recognized.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent there be a period for the transaction of routine morning business not to extend beyond the hour of 10 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOUTH AFRICA

Mr. PRESSLER. Mr. President, when the South African bill comes before this body I shall vote against any further sanctions against South Africa. I do so based on a visit I made to South Africa within the past year, and on the facts.

Let me also say that I have worked as a former Rhodes Scholar with a group of Rhodes Scholars to improve education for black South Africans, so I am not a Johnny-come-lately to this issue.

Also when the South African bill comes before this body, I shall offer an amendment striking the gold clause. I offered a similar amendment in the Foreign Relations Committee.

I was one of two votes against the South African sanctions bill in the Foreign Relations Committee, a vote of which I am very proud.

Mr. President, there are certain assumptions about South Africa that are incorrect in my view.

First of all, there is an assumption that sanctions will speed the ending of apartheid. I am very much opposed to apartheid, but the above assumption is dead wrong.

While in South Africa I met with business leaders from all areas of South Africa, the black business leaders, the colored business leaders, the Asian business leaders and the white business leaders.

It was my impression that the business community is the engine for social change. It is the strongest force against apartheid.

But if sanctions were to be enforced and were to be effective, it would destroy the South Africa business community which, in my view, is the strongest force for change there. Thus sanctions would have the exact opposite effect from the one intended.

A second assumption that one gets from watching our media and from the other information that is distributed is that the African National Congress activity is the same as our civil rights movement of the 1950's and 1960's. That is not true at all.

The African National Congress is a totalitarian Communist group that engages in killing and necklacing of people; that is, putting a tire around a victim's neck, pouring gasoline into it, lighting it, and assassinating them. Most of the deaths in South Africa have come from blacks killing blacks, very frankly. And that does not come through clearly enough in our media reports. But the assumption that the African National Congress is interested in equal rights is very false.

Another assumption is that the black and colored and Asian communities of South Africa favor sanctions. Very reliable polls by the University of Natal and by British newspapers have indicated that as much as 70 percent of the blacks in South Africa fear and oppose sanctions because they would be the first to suffer. So we would be accomplishing a contrary aim, that is, the sanctions would have the opposite impact from what we are seeking in South Africa—we would hurt the very people we are trying to help.

Another assumption that is thrown about is that the Botha government would move to the left if there were sanctions put on, that there would somehow be a cutting and running by the current Government there. I am not a defender of that government. There are many things wrong in South Africa, but there are many things that are right there compared to conditions in the rest of Africa.

The fact of the matter is, the Botha, government would probably move to the right. Their main political threat is from the right, not from the left, and that is something that has not been analyzed rigorously.

So, this vote on South Africa is taking place as if in the heat of a domestic civil rights vote than in terms of a carefully and rigorously analyzed foreign policy vote.

Basically, this has become a domestic civil rights issue. I can understand how many well-intentioned people would look upon it as a civil rights vote considering our media's coverage.

But the fact of the matter is that it should be subjected to a rigorous analysis as a foreign policy vote.

We must rigorously analyze what is going to happen after sanctions.

Let us talk about that a bit. Let us say, first of all, that sanctions are imposed and let us say that all of our allies cooperate. This is not going to be the case because already Japanese businessmen are in South Africa waiting to take over some of our business.

But let us just imagine that all of the nations of the world had sanctions against South Africa. What would happen?

Suppose we implemented the gold clause and the President of the United States sold U.S. gold to force the price of gold down. That would hurt our own gold mining operations. It would also hurt gold mining operations in the Philippines, a country to which we give aid.

Next, the sanctions would cripple the transportation system of all of southern Africa. It would hurt Zimbabwe, a country to which we give aid. It would hurt Mozambique, a country to which we give aid.

Next, let us say that sanctions shut down the industry of South Africa and southern Africa. It has been estimated that it would take at least a billion dollars worth of foreign aid to replace the lost economic productivity. Medical supplies and food supplies would be requested for the very people many here are chanting about. The blacks, the coloreds, the Asians, and the whites there would all be suffering and the blacks the most.

The other day we had before our committee Lane Kirkland, a person whom I respect very much, who is head of one of our largest labor unions. He came back from South Africa and he supports sanctions that I do not. He agreed that the average wage for a black South African is 10 times what it is in adjacent countries. They can belong to a union in South Africa. They cannot in other countries to which we give aid and which we support.

I am not saying that things are right in South Africa, but if we are to impose sanctions against South Africa, we surely must be concerned about Mozambique, Uganda, and Zimbabwe where respect for human rights and civil rights is much, much lower.

So, the more rigorously one analyzes the results of these sanctions the more it seems that we are likely to have the exact opposite effect. Many in the United States who are campaigning for sanctions will not be happy until Oliver Tambo or someone similar is prime minister or president, someone from the African National Congress. All of the intelligence reports we have received and much of the other reporting is that the African National Congress is really not interested in a democracy. They are totalitarian hardline Communists and they want to come to power. They will sit down at a bargaining table but only if it benefits them. They really do not want elections.

Indeed, people who disagree with them within the black community are killed, necklaced, and that is the harsh truth of the matter.

The main activity of the South African police and security forces has been separating different black groups who are fighting and those security forces have been criticized when they have not intervened.

Again, I will say I am not defending or apologizing for the South Africa Government. I am merely asking that we look at the facts, and make comparisons with other countries in that area.

So, Mr. President, I shall be offering some amendments to the South Africa sanctions bill when it finally reaches this floor, and I suspect that it will be very soon this week or next. I shall certainly offer an amendment striking the gold clause. I shall oppose additional sanctions because I think they will have the wrong effect.

I voted for a limited sanctions bill a year ago. Since that time I have visited South Africa. I am a member of a group of former Rhodes Scholars working to improve educational opportunities for blacks in that country, and I think it is very important that we act on our concerns.

Let us remember that the very thing we are doing in such a heat of passion may very well have the opposite impact from what we are seeking.

This is viewed as a domestic civil rights vote by many. I know there are great pressures. One can very easily be marked forever as being pro-apartheid or insensitive to human rights by refusing to vote for the sanctions bill.

But we must rise above these possible consequences and rigorously analyze what is going on in South Africa, exactly what sanctions will do and will not do, and exactly what our foreign policy objectives in that part of the world are and should be.

I am a great admirer of Margaret Thatcher who voiced the thought that sanctions usually do not have the intended economic impact. On a somewhat related issue, the current debate regarding Romania, I feel we should continue the most-favored-nation clause, although there are a great many problems there in terms of religious freedom. I think there would be far fewer freedoms if we forced them more into the hands of the Soviets by cutting off trade. The sanction of eliminating MFN for Romania may well have the opposite impact from what is intended. Analogously, I think the same thing is true with South Africa sanctions.

□ 2150

So, Mr. President, I wish to say I will be offering some amendments. I shall be fighting the bill. I imagine it will pass this Senate in a sweep of passion because it is basically viewed as a domestic civil rights vote. Indeed, it passed the Foreign Relations Committee with only two dissenting votes out of 17 cast.

I think that what we are doing is a great mistake. I think in 5 years we will see it as a mistake. I hope the President sticks to his position. I support President Reagan very strongly on this matter. I think his speech on this matter was on point. I hope he does not change his position because what he is saying is true.

Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator has suggested the absence of a quorum. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRODUCT LIABILITY

Mr. PRESSLER. Mr. President, I would like to speak briefly on the subject of product liability.

In the Commerce Committee, we have been working for some time on finding a way to revise product liability laws in this country. The problem is that in our country we have a growing number of lawsuits, and record recoveries. Everybody is suing everybody. As a result, the consumer in America is ending up paying much more for products. The fact of the matter is that we are unable to compete internationally in some areas because of the cost of insurance. We must have tort reform in this country to try to bring down the cost of lawsuits, to try to have more arbitration, and to try to see if insurance rates are fair and meet the consumer guidelines that they should.

□ 2200

Mr. President, for some time we have worked on a bill in the Commerce Committee. We have held endless hearings—hearing from consumers and hearing from companies. In my own State many small companies have gone out of business because of the cost of insurance. Day care centers have gone out of business because of the cost of insurance, all because of the threat of lawsuits. We are a country with very highly developed individual rights and those rights are expensive. The argument against our legislation is that if some citizen has a car accident, the only way he or she can sue General Motors is to go to a lawyer, get a contingency fee and sue the great corporation.

Indeed, there is a certain amount of truth to that. It seems to be the only way that some levels of safety can be required. But the problem is that the plaintiff frequently does not get recovery. Over 60 percent of the amounts awarded go to lawyers, and to court costs. And actually, the little old ladies are not getting the money. It is going elsewhere.

Mr. President, I say to you that the Trial Lawyers of America have opposed almost every effort that we have had in the Commerce Committee to reform our tort laws, and to try to get the cost of lawsuits down. Hopefully they will change. But there are three areas at which I think it is very important for us to look. We have passed a bill that will be coming to the Senate floor, and I hope debated before the end of this session. But the number of legislative days that we have left is

waning. Last year our product liability bill failed by 1 vote to get out of the Commerce Committee. This year we have gotten it out. Now the problem is to get it up here on the Senate floor, not to mention passing it in the House.

First of all, we need to have some limits on the amount of recovery in certain categories; that is, a person should be able to recover all of his or her medical bills and all bills for lost health, but there should be a limit on the amount one is allowed to receive for pain and suffering and punitive damages, for example. Some have suggested a $250,000 limit. Others have suggested a higher level. The point is that there would be some cap, and some limitations on recovery. People could recover earnings lost; they could recover whatever else they have lost and medical damages; but they would be limited in the amount of recovery for either punitive damages or pain and suffering damages.

A second area of great concern is joint and several liability. I offered an amendment in this area in the Commerce Committee to try to bring some equality. You can be 1 percent guilty in an accident, and end up having to pay 100 percent of the damages. That is not fair. It is counterproductive. It causes the setting up of dummy corporations. It causes the setting up of all kinds of dummy corporations by manufacturing companies so they can actually avoid being brought into court. We really must change this to protect plaintiffs who really need help.

A third area of need is uniform standards of product liability laws. Here we get into a very tough area because this traditionally has been reserved to the States. For the first time the Federal Government would be getting into nationwide regulation of a subject traditionally regulated by the States. What happens today is that there is much forum shopping by plaintiffs, going to the State where the highest recovery is possible, either New Jersey or California, usually, if one is a corporation that operates in many States. And once a jury trial has been held there and a recovery standard has been set, every body else across the country just pays off at the level. The insurance companies pay. The cost of products goes up and consumers pay more for products.

All of this sounds very complicated. But the fact of the matter is we do need uniform product liability standards in this country. It is almost impossible for the States to act individually. Some States have acted, but this has not brought their insurance rates down because there are still many companies that operate on a national basis. There is forum shopping by lawyers representing clients. As a result, there are very high recoveries.

So, Mr. President, the issue of product liability and insurance rates is one that is very much before us. We cannot escape it. In my listening meetings in my home State it is one of the leading issues brought to me by small businessmen. It is brought to me by operators of day care centers. It has caused communities to shut down swimming pools this summer because of fear of lawsuits. It is a national problem, and we must address it in spite of the powerful interest groups that will be offended.

I might also say that I think our insurance companies should be forthcoming with data and statistics on the reason for the rates although the reason for the rates is basically that the recoveries are so high.

Let me say that I think many of those who oppose this legislation are consumer groups still rooted in the thinking of the 1950's and 1960's. There was a time when safety standards were bad in some areas. That has now changed. There have been so many governmental boards and so many consumer protection groups at the State level that the standard for safety has increased dramatically.

But these consumer groups must admit that in the 1980's and 1990's the cost of products has gone up so much as a result of the higher insurance rates that consumers are paying more for everything they buy. It also is hurting us in international competition because the Japanese do not have that many lawsuits among themselves. The Chinese have hardly any. Other countries find arbitration is much cheaper. We must find a way to encourage more arbitration, which is cheaper than litigation and which provides incentive for settling disputes earlier.

So, Mr. President, let me conclude by saying that I hope the Senate takes up the product liability bill yet this year. If it does not, we are going to start all over in the Commerce Committee, hold hearings, get it through the Commerce Committee and try to bring it to the Senate floor in the next Congress. This is my 12th year as a Member of the Congress, my 8th year in the Senate, having served 4 years in the House before. This has been an issue of great importance, and we must solve it here in the Senate. I urge that the product liability bill be included in the Senate's agenda before we adjourn. It is a matter of national importance.

Mr. President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ABDNOR). The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

□ 2210

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HUNGARY'S JANOS KADAR

Mr. PRESSLER. Mr. President, the current issue of Time magazine carries an interview with Hungary's Communist Party First Secretary Kadar. It was my privilege to meet with Mr. Kadar earlier this month in Budapest on a trip that I made to that country.

Mr. President, I ask unanimous consent to insert in the RECORD at this point the interview from Time magazine, which is two pages in length.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

AN INTERVIEW WITH KADAR

His hands tremble slightly now, and the flesh around his eyes makes them seem smaller than they really are, heightening an occasional glare, muffling his frequent shy smiles. Yet Janos Kadar still displays the same unexpected charm and cool canniness that have helped make the onetime typewriter mechanic the boldest and most beloved leader in Eastern Europe. Wearing a tailored gray suit and a wine-red silk tie, Kadar chain-smoked Symphonia cigarettes while talking for two hours with a group of TIME visitors in his office in Budapest's Central Committee headquarters. Any initial reserve that the General Secretary displayed quickly vanished. Present at Kadar's first interview with a U.S. publication in two decades were TIME Managing Editor Jason McManus, Chief of Correspondents Henry Muller, Deputy Chief B. William Mader, and Eastern Europe Bureau Chief Kenneth W. Banta. Excerpts from the session which consisted of answers to written questions followed by a lively, give-and-take discussion:

Q. Under your leadership Hungary has been more successful economically than most other Council for Mutual Economic Assistance [Comecon] bloc members. How do you explain this performance?

A. In my view there are both common characteristics and particularities in the development of members of the bloc. Since their endowments are different, I can see no reason for the economic results of the individual countries being compared superficially—and even less for their being contrasted.

As for the Hungarian economy, I think we are pursuing a policy whose main lines have been justified by practice. An important factor is that we are a small country of 10 million people, requiring large imports of raw materials and energy. As a result we are heavily influenced by the state of the world economy. That is reflected in our vigorous economic growth from 1960 to 1975, and, later, a slowdown in the rate of development.

We do not underestimate our problems. We have not yet found the formula for a more effective and lasting improvement of the economy. We are not applying the results of science rapidly enough. Some of our products are not competitive enough, and the organization of work leaves much to be desired.

Still, an indication of our overall success is that since 1960 industrial production has increased more than 3½ times, agricultural production has nearly doubled and national income has nearly trebled. That we have

held ground, particularly in the past five years, is, I think, of no less significance. In the past few years we have stood the test of unfavorable international economic conditions, halted the process of accumulating debts, preserved the country's solvency, and even slightly improved upon our achievements. It proves that the political and economic foundations of our society are firm. When accounting for these results, I should like to lay particular emphasis on the fact that our people feel this country belongs to them.

To sum up, let me say that in the past four decades we have built a new country here along the Danube and Tisza rivers, namely socialist Hungary, whose people are incomparably better off both materially and culturally than ever before and enjoy more extensive rights and greater freedom and democracy than at any other time during their long history.

Q. The Hungarian economy now appears to be facing some problems familar to the West, including a slowdown in growth, inflation and the threat of unemployment. How do you plan to deal with these problems?

A. In some respects, there are similarities. In the past few years we had to reduce our rate of growth temporarily, due to weakness in the world economy and the need to improve the stability of our own economy. But in the five-year plan that began this year, we would like to achieve an annual GNP growth rate of 3%. This rate would enable us to continue necessary restructuring of the economy, to upgrade technology, and to raise the living standard while reducing the rate of inflation. Unemployment, a serious problem for Western countries, is unknown in Hungary.

Q. How do you view relations between the U.S. and Hungary? In what areas is an improvement necessary and possible?

A. In the past two decades joint efforts have gradually removed the obstacles to good relations. Despite the differences in social systems and the great geographical distance, we can further strengthen the ties. A major contribution to this would be an end to all trade barriers between our two countries, and long-term assurance of most-favored-nation treatment.

Q. There have been indications that Soviet Leader Mikhail Gorbachev wants to draw his East European allies economically and politically nearer to the Soviet Union. What is your reaction to this idea? What is the importance and the future of Hungary's close ties with the West?

A. As you know, Hungary is a member of the Warsaw Pact and Comecon, groups of independent socialist countries. For them the main issue is improving their existing cooperation, and not to set up the dilemma of "drawing nearer" or "increasing the distance." Mikhail Gorbachev spoke about our cooperation in that spirit at his 27th Party Congress and in other statements.

That cooperation, however, does not mean seclusion from the rest of the world. Hungary today exports to 143 and imports from 103 countries. Many years of observation indicate that the stronger the economic cooperation between socialist and capitalist countries, the firmer are the foundations for building their political relations. The converse is also true: when the political atmosphere is improving, economic cooperation is encouraged. This is obviously not a one-way street. Politicians of the capitalist countries have pointed out themselves the advantage of cooperating with socialist countries, including additional employment and marketing opportunities.

Q. Gorbachev's style of leadership has led to the replacement of many top party officials in the Soviet Union, especially of the older generation. How do you view this development?

A. That is an internal affair of the Soviet party and the Soviet Union. Of course, the personal factor always influences the making of a policy. For us Hungarians, it is the main political line of the Soviet Union that chiefly matters. The leadership of our party welcomed without reservations the important decisions made at the 27th Congress earlier this year because they point in the same direction as our own endeavors.

Kádár passed a signed copy of his written answers across the table. The General Secretary then lit a cigarette and leaned toward his visitors. "Now," he said, "I am at your disposal."

Q. If you had to choose just one achievement of the past 30 years that you would most like to be remembered for, what would it be?

A. I usually do not think about that, but if you ask me, two things come to mind. The first is not high politics, but a personal matter. When I was a young man I became a Communist at a time when they did not hand out awards for it. I joined the underground and the party because of my conviction. I believed in that ideal, but it was not certain I would live to see the ideal come true. Now I can say I have lived to that point, to the birth of a new Hungary.

The second relates to the very grave and difficult period that occurred in Hungary in 1956. It was a situation in which I felt I had to take a strong stand, to assume an important position. There were others who could have done the job, but it fell to me. I did not seek it.

At that time Hungary was in the forefront of international interest for a number of reasons. My purpose was to remove Hungary from the front pages, and gradually we succeeded. For my actions in those days I was widely denounced, especially in the West. I was called all kinds of unpleasant names. But we were able to put an end to a very bloody series of events that could have led to civil war. Things became normal and gradually another favorable approach emerged with regard to our country. This was due, among other things, to our efforts to avoid ready-made solutions, trying to see the world as it is.

Q. Gorbachev was here for a visit before the Warsaw Pact summit in Budapest two months ago. Did he come to teach or to learn?

A. At meetings of this kind, teachers and students do not negotiate. Of course there is an exchange of experiences, but it is impossible to apply those in a pattern-like manner. It think that many things we do in this country Gorbachev cannot accept, which is quite understandable. The conditions and possibilities of the Soviet Union are quite different from ours. I can definitely say the Soviets understand and appreciate that we search for new solutions to present problems. I would like to single out our system of economic management, which I would describe as a socialist planned economy that pays attention to the market. Our system has been operating for 18 years, and that indicates it is a realistic system. We have reorganized our agriculture completely in a way that has been accepted by the farmers. We do not interfere in how cooperatives are run. How should I know, for example, who should be leading a cooperative? They choose their own managers and decide what they should produce. The results are tangible, this is undeniable.

Q. In 30 years in power you seem to have avoided creating a cult of personality. Was this a deliberate strategy or simply the unintended result of your own personal style and instincts?

A. I have never been interested in rank and to a certain extent even in popularity. In my view, anyone who thinks he creates history is stupid. Everyone should attend to the job at hand. If it becomes a part of history, so be it.

I have always stuck to my positions, and I have always paid the necessary price. To be on good terms with the world, you must have a good and clear conscience. Ordinary men do not spend a lot of time looking at themselves in the mirror. But it is important that when you *do* look in the mirror, you should not feel ashamed.

Q. What is your concept of democracy under socialism?

A. Democracy is an essence of our political system, which means that it is a serious matter. We wish to strengthen the democratic features of Hungary without changing the basic structures. It is a sad but historic fact that Hungary has had on considerable traditions of democracy. The development of democracy is a manifold task. Just to give you an example, I would mention the trade unions, which are not independent but autonomous. We take that seriously. We do not pass resolutions that are binding on the unions. Instead, we feel it is up to party members in the unions to convince the people there by argument and, it is a principle we maintain.

Q. What guarantee is there that the achievements of the past 30 years can be preserved in the future?

A. I believe the Hungarian public appreciates the achievements of the past 30 years, that there is law-and-order, that everyone who wants to work can, that the living standards have improved. People are aware of this. They do not talk about it every day—instead, they set claims for what they miss. This is understandable. But if people see our achievements are in danger, they will defend them.

Q. Has it been decided who will be your successor?

A. The succession question is, of course, interesting, but I am not interested in dealing with the question. I believe that more important than the personal issue is that when I leave this job there will be no change in the main line of policy. I am deeply convinced about this. There are several guarantees. Among them the most important is the fact that our present policies have been shaped in open political activity, with masses of people involved.

As for the personal factor, I have always stood for broad autonomy for people in key positions who are my close associates. Under our system we take collective decisions, but the implementation of those decisions is the responsibility of the individual. So I am not too concerned about the succession. In a sense, you know, there is always a successor. Even in 1956 there was one.

Mr. PRESSLER. Mr. President, let me make the observation that on the trip I made to Czechoslovakia, Hungary, Yugoslavia and Romania, President Kadar seemed to be the most eager to have close ties with the United States.

In Czechoslovakia, as I have stated previously on this floor, there is a

severe problem in terms of individual rights. The Charter 77 group, which is opposed to the Government, is a group of dissidents who are very repressed. Czechoslovakia seemed the closest to the Soviet Union of any countries we visited. It also seemed to be the least interested in improving ties with the United States.

In contrast, Hungary is very eager to expand business relationships with the United States. Indeed, First Secretary Kadar emphasized that American businessmen are very welcome in Budapest and throughout Hungary. We found the same atmosphere in Yugoslavia, and some to extent the same atmosphere in Romania, although there the repression of religious rights and civil rights was more apparent.

I do think that First Secretary Kadar's journey from the dark days of 1956, when he carried out action which I certainly do not agree with, to the present day is somewhat remarkable. Our analysts say the First Secretary Kadar is probably the only leader in the Eastern European bloc who could be elected if there were an election. He has become very popular in his country by maintaining a low profile and by working for reforms. He has also resisted the Russians as much as he can—being on their border and having Russian troops in his country.

I am in no way an apologist for him, but I do think we can lessen Russian influence and control in Eastern Europe by taking advantage of those trade opportunities.

In this Senate and in Congress we hear a great deal about student exchanges and about exchanges of cultural groups. But perhaps the group that most helps to improve relations is the exchange of businessmen. We have that with Hungary, with Yugoslavia, and Romania, and, to a lesser extent, Czechoslovakia.

But if our policy is to keep the Eastern countries more independent of the Soviet Union, we can best do it through trade.

Mr. President, I think many of us, myself included, have had a difficult time understanding Eastern Europe. It is a murky area to most of us. We are oriented toward Western European history. We are oriented toward our own history and our own conduct, and we tend to skip over Eastern Europe to the Soviet Union.

□ 1020

There are a lot of Soviet Union study groups, and we hear about the Soviet Union in our reports and on TV. But we seldom hear about or study closely the leaders and the political succession that is occurring in Eastern Europe. In all of the countries of Eastern Europe, there is a leadership succession struggle going on. Indeed, a key issue regarding First Secretary Kadar in Hungary is who will succeed him. He is a man in his early seventies.

The same issue exists in Czechoslovakia; to some extent, the same issue is apparent in Yugoslavia, where a firm successor to Tito has not been established. In Romania, a 67-year-old Ceausescu leads the country.

So all of these countries have a generation of leaders who are about to change dramatically. I hope that we, through our Department of State and through trade, stay in touch with possible successors. Indeed, I think our foreign policy should be to have an Eastern Europe that is as little dependent on the Soviet Union as possible. That will require a vigorous diplomatic effort. It will require continued trade and continued contacts.

I think the interview I have placed in the record with First Secretary Kadar is a very important interview, because it is significant in the sense that he has granted an interview to Time magazine. He is the sort of man who has been very low-profile and has refused to be interviewed in the past. He does want to communicate. He is not a man of the television generation, but this interview with Time represents a significant change in policy by the Hungarian Communist Party. It indicates a desire to stay as free of the Soviets as possible.

Mr. President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 2240

Mr. DOLE. Mr. President, I ask unanimous consent that order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

(During the day routine morning business was transacted and statements were submitted, as follows:)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mrs. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in excutive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 2:40 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 4555. An act to designate the Federal Building at Spring and High Streets in Columbus, Ohio, as the "John W. Bricker Federal Building";

H.R. 4825. An act to amend chapter 89 of title 5, United States Code, to provide authority for the direct payment or reimbursement of certain additional types of health care professionals; to clarify certain provisions of such chapter with respect to coordination with State and local law; and for other purposes;

H.R. 5233. An act making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1987, and for other purposes; and

H.R. 5234. An Act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1987, and for other purposes.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled bill and joint resolution:

S. 1073. An act to amend the Stevenson-Wydler Technology Innovation Act of 1980 for the purpose of improving the availability of Japanese science and engineering literature in the United States; and

S.J. Res. 371. Joint resolution to designate August 1, 1986, as "Helsinki Human Rights Day".

The enrolled bill and joint resolution were subsequently signed by the President pro tempore [Mr. THURMOND].

At 5:54 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has agreed to the following resolution:

H. Res 502. Resolution informing the Senate of the impeachment of Harry E. Claiborne, judge of the U.S. District Court for the District of Nevada.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 4555. An act to designate the Federal Building at Spring and High Streets in Columbus, OH, as the "John W. Bricker Federal Building"; to the Committee on Environment and Public Works.

H.R. 4825. An act to amend chapter 89 of title 5, United States Code, to provide authority for the direct payment or reimbursement of certain additional types of health care professionals; to clarify certain provisions of such chapter with respect to coordination with State and local law; and for other purposes; to the Committee on Government Affairs.

H.R. 5233. An act making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1987, and for other purposes; to the Committee on Appropriations.

H.R. 5234. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1987, and for other purposes; to the Committee on Appropriations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPECTER, from the Committee on Appropriations, with amendments:

H.R. 5175: A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1987, and for other purposes (Rept. No. 99-367).

By Mr. MATTINGLY, from the Committee on Appropriations, with amendments:

H.R. 5052: A bill making appropriations for Military Construction for the Department of Defense for the fiscal year ending September 30, 1987, and for other purposes (Rept. No. 99-368).

By Mr. SYMMS, from the Committee on Environment and Public Works, with amendments:

S. 2405: A bill to authorize appropriations for certain highways in accordance with title 23, United States Code, and for other purposes (Rept. No. 99-369).

By Mr. SYMMS, from the Committee on Environment and Public Works, without amendment:

S. Res. 459: An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 for the consideration of S. 2405.

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

S. 1421: A bill consenting to a modification in the Susquehanna River Basin Compact relating to the rate of interest on bonds issued by the Susquehanna River Basin Commission.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GORTON (for himself and Mr. DANFORTH):

S. 2714. A bill to authorize appropriations for the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. CHILES (for himself, Mr. BIDEN, Mr. BYRD, Mr. CRANSTON, Mr. DECONCINI, Mr. DODD, Mr. LEAHY, Mr. NUNN, Mr. ROCKEFELLER, and Mr. SASSER):

S. 2715. A bill to provide an emergency Federal response to the crack cocaine epidemic through law enforcement, education and public awareness, and prevention; to the Committee on Labor and Human Resources.

By Mr. BIDEN (for himself, Mr. CHILES, Mr. BYRD, Mr. CRANSTON, Mr. DECONCINI, Mr. DODD, Mr. LEAHY, Mr. NUNN, Mr. ROCKEFELLER, Mr. SASSER, Mr. BOREN, Mr. INOUYE, Mr. MELCHER, Mr. KERRY, Mr. BUMPERS, Mr. HART, Mr. BINGAMAN, Mr. HEFLIN, Mr. BAUCUS, Mr. LEVIN, Mr. SARBANES, Mr. MITCHELL, Mr. JOHNSTON, Mr. PRYOR, Mr. FORD, Mr. GORE, Mr. LAUTENBERG, Mr. LONG, Mr. PELL, Mr. MOYNIHAN, Mr. SIMON, Mr. GLENN, Mr. METZENBAUM, Mr. HOLLINGS, and Mr. MATSUNAGA):

S. 2716. A bill to establish an Office of the Director of National and International Drug Operations and Policy; to the Committee on Governmental Affairs.

By Mr. QUAYLE:

S. 2717. A bill to amend the Agricultural Act of 1949 to require the Commodity Credit Corporation to pay producers for on-farm storage of commodities, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. RIEGLE (for himself, Mr. HOLLINGS, Mr. GORE, and Mr. ROCKEFELLER):

S. 2718. A bill to authorize appropriations for the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mrs. HAWKINS:

S. 2719. A bill to eliminate the statute of limitations for serious drug offenses under the Controlled Substances Act and the Controlled Substances Import and Export Act; to the Committee on the Judiciary.

By Mr. CHAFEE (for himself and Mr. LAUTENBERG):

S. 2720. A bill to establish an Asbestos Information Clearinghouse in the Environmental Protection Agency; to the Committee on Environment and Public Works.

By Mr. DODD (for himself, Mr. CHILES, Mr. BIDEN, Mr. BYRD, Mr. CRANSTON, Mr. DECONCINI, Mr. LEAHY, Mr. NUNN, and Mr. ROCKEFELLER):

S.J. Res. 386. Joint resolution to designate October 6, 1986, as "National Drug Abuse Education Day"; to the Committee on the Judiciary.

By Mr. HECHT (for himself, Mr. GARN, Mr. RIEGLE, Mr. GORTON, Mr. CRANSTON, Mr. EAGLETON, Mr. DODD, Mr. DECONCINI, Mr. HEFLIN, Mr. INOUYE, Mr. ABDNOR, Mr. MELCHER, Mr. DIXON, Mr. BOSCHWITZ, Mr. LUGAR, Mr. MOYNIHAN, Mr. DOMENICI, Mr. SASSER, Mr. SARBANES, Mr. PROXMIRE, Mr. STAFFORD, Mr. GRAMM, Mrs. HAWKINS, Mr. MATTINGLY and, Mr. WEICKER):

S.J. Res. 387. Joint resolution to designate the week of October 19, 1986, through October 26, 1986, "National Housing Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SYMMS from the Committee on Environment and Public Works:

S. Res. 459. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 for the consideration of S. 2405; to the Committee on the Budget.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GORTON (for himself and Mr. DANFORTH):

S. 2714. A bill to authorize appropriations for the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes; to the Committee on Commerce, Science, and Transportation.

(The remarks of Mr. GORTON and the text of the legislation appear earlier in today's RECORD.)

By Mr. CHILES (for himself, Mr. BIDEN, Mr. BYRD, Mr. CRANSTON, Mr. DECONCINI, Mr. DODD, Mr. LEAHY, Mr. NUNN, Mr. ROCKEFELLER, Mr. SASSER, Mr. BOREN, Mr. INOUYE, Mr. MELCHER, Mr. KERRY, Mr. BUMPERS, Mr. HART, Mr. BINGAMAN, Mr. HELFIN, Mr. BAUCUS, Mr. LEVIN, Mr. SARBANES, Mr. MITCHELL, Mr. JOHNSTON, Mr. PRYOR, Mr. FORD, Mr. GORE, Mr. LAUTENBERG, Mr. LONG, Mr. ROCKEFELLER, Mr. MOYNIHAN, Mr. SIMON, Mr. GLENN, Mr. METZENBAUM, Mr. HOLLINGS, and Mr. MATSUNAGA):

S. 2715. A bill to provide ar emergency Federal response to the crack cocaine epidemic through law enforcement, education, and public awareness, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BIDEN (for himself, Mr. CHILES, Mr. BYRD, Mr. CRANSTON, Mr. DECONCINI, Mr. DODD, Mr. LEAHY, Mr. NUNN, Mr. ROCKEFELLER, Mr. SASSER, Mr. BOREN, Mr. INOUYE, Mr. MELCHER, Mr. KERRY, Mr. BUMPERS, Mr. HART, Mr. BINGAMAN, Mr. HEFLIN, Mr. BAUCUS, Mr. LEVIN, Mr. SARBANES, Mr. MITCHELL, Mr. JOHNSTON, Mr. PRYOR, Mr. FORD, Mr. GORE, Mr. LAUTENBERG, Mr. LONG, Mr. PELL, Mr. MOYNIHAN, Mr. SIMON, Mr. GLENN, Mr. METZENBAUM, Mr. HOLLINGS, and Mr. MATSUNAGA):

S. 2716. A bill to establish an Office of the Director of National and International Drug Operations and Policy; to the Committee on Governmental Affairs.

DRUG LEGISLATION

● Mr. CHILES. Mr. President, Senator BIDEN and I are introducing today a package of legislation which addresses the growing emergency of crack cocaine. Crack cocaine and its lethal effects are an epidemic in this country. With the opening of a new school year upon us, it is imperative that the Congress take immediate and decisive action. Each day of delay costs us lives. With each day, crack becomes further and further entrenched in our communities, and it will be increasing-

ly difficult to uproot the network of dealers and traffickers who have engineered its insidious spread.

Crack cocaine is now widely available in over 25 States. It is out of control in New York, Los Angeles, Detroit, Houston, and Miami. In my State of Florida, 66 percent of the law enforcement officials tell me that the crack cocaine problem is serious or severe in their jurisdictions. Crack users tell me that they can drive the length of my State and find crack in every large town without any trouble whatsoever. Usually, they don't even have to get out of their car. The dealers provide curbside service.

Crack is also a killer. In south Florida alone, 34 people died in the first 6 months of this year from cocaine overdoses. And they were not street punks or addicts hooked on other drugs. They came from all walks of life, and they were so-called recreational users who never knew what hit them. Just remember the deaths of sports stars Len Bias and Don Rogers.

Crack is available to the young, and it will be in the schools this fall. Police have told me horror story after horror story involving children as young as nine who are already crack users. The dealers and traffickers also use the young as lookouts and workers in crack houses. This cannot be tolerated.

We have all heard of cocaine, but I must stress to you that crack cocaine is something altogether different. It is more powerful; it is cheaper to use; it is also far more addictive. Crack cocaine is a purified form of powdered cocaine that is smoked. A hit of crack costs around $10, well within the budget of any teenager. When smoked, crack reaches the brain in less than 10 seconds. It produces a short but incredibly powerful high that is followed by an equally powerful low. This rapid cycle of euphoria and depression is what produces in users the intense craving for the crack. That is why users say addiction can begin after only their second use of crack.

In the wake of crack cocaine comes increased crime. Crime rates are skyrocketing in communities across the country, and law enforcement attributes the increases to crack. Once addicted, persons with no criminal records lose all scruples and morals and become thieves and killers.

Crack is a growing plague. It requires emergency action on all fronts. That is the purpose of the bills we are introducing today. They address the crack cocaine emergency in terms of law enforcement, education, and health and prevention. We must help our law enforcement officials by strengthening criminal penalties for crack cocaine. This is an absolutely essential first step. But law enforcement officials tell me that is not enough; they require help in combating crack. That is why both education and health and prevention programs are equally necessary.

Current law makes it very difficult to arrest and convict crack dealers and traffickers. The stiffest penalties for possession of cocaine apply for possession of 1 kilo of cocaine. A kilo is enough to produce as much as 25,000 rocks. The kilo limit imposes no difficulties on the traffickers and dealers. Police also have difficulty arresting the operators of crack houses, the places where users congregate to purchase and use crack. When police raid these crack houses, the dealers and users can easily dispose of the drugs, thus avoiding arrest.

Our bills move cocaine freebase to schedule 1 of the Controlled Substances Act and decrease to 5 grams the amount required for enhanced penalties to apply. The penalties are as follows:

Violation	First offense	Repeat offense
5 grams	up to 20 years....	up to 40 years
	up to $250,000....	up to $500,000

The measures also strengthen penalties for other particular crack-related offenses. They make it a felony with double penalties for anyone who employs, hires, or uses minors in illegal drug enterprises. They make it a new offense of 20 years and/or $250,000 for those who maintain or operate a crack house or facility where drugs are manufactured, distributed, used, or stored.

Penalties also increase when crack cocaine is found within 1,000 feet of a school. Double penalties are imposed when the crack houses are within 1,000 feet of a school. The bills also expand existing law so that increased penalties apply for distributing or manufacturing any drugs within 1,000 feet of a school.

These bills will help police put behind bars the dealers and traffickers in crack. Those who lead our young down the path to addiction will have to think twice about their actions or pay dearly.

Our measures also recognize the importance of education in efforts to stop the spread of crack. They direct the President to designate October 6 as National Drug Abuse Education Day with an emphasis on crack education in the classrooms.

The Department of Education is directed to provide emergency assistance to schools on the crack epidemic and ways to address and prevent further usage of the drug. They also establish an Office and Program of Drug and Alcohol Abuse within the Department of Education which will assist schools in developing drug and alcohol abuse programs within their curriculums. The bills also propose a Federal program of assistance for those States who agree to include drug education in their curriculum.

Students will be faced with the temptations of crack and other drugs during their school years. It is essential that we provide them with the knowledge and the support systems which will allow them to resist these temptations.

The legislation also directs the Centers for Disease Control to prepare a report on the impact of crack cocaine, a data base for practitioners to use in responding to the diseases associated with crack, effective methods of treating crack addicts, and analysis of existing educational programs on crack.

They also direct the National Institute on Drug Abuse to prepare public service announcements warning the public about the intensified effects of cocaine freebase—crack.

If we are to successfully battle crack, all of these measures must be passed. Law enforcement must be able to address crack with laws that have some teeth. But that is not enough. The education of potential users and the treatment of those who have succumbed to crack's seductions and become addicts are absolutely imperative. I urge my colleagues to give these bills immediate and serious attention. They will prevent crime, and they will save lives.

Mr. President, I ask unanimous consent that the text of these bills be inserted at this point in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 2715

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Emergency Crack Control Act of 1986".

TITLE I—LAW ENFORCEMENT

SEC. 101. ADDICTION OF COCAINE FREEBASE TO SCHEDULE I.

(a) RESCHEDULING.—Schedule I of section 202(c) of the Controlled Substances Act is amended by adding at the end thereof the following:

"(d) Cocaine freebase.".

(b) INCREASED PENALTIES.—Subsection (b)(1)(A) of section 401 of the Controlled Substances Act is amended by—

(1) striking out "or" after the semicolon in clause (iii);

(2) striking out the matter after the semicolon in clause (iv) through the period and inserting in lieu thereof "or" and the following:

"(v) 5 grams or more of cocaine freebase, such person shall be sentenced to a term of imprisonment of not more than 20 years or a fine of not more than $250,000, or both.".

SEC. 102. CREATING NEW OFFENSES AND INCREASING PENALTIES.

(a) EMPLOYMENT OR USE OF PERSONS UNDER TWENTY-ONE YEARS OF AGE IN DRUG OPERATIONS.—(1) Part D of the Controlled Substances Act is amended by adding after section 405A the following new section:

"EMPLOYMENT OR USE OF PERSONS UNDER TWENTY-ONE YEARS OF AGE IN DRUG OPERATIONS

"SEC. 405B. (a) Except as authorized by this title, it shall be unlawful for any person at least eighteen years of age knowingly and intentionally—

"(1) to employ, hire, or use a person under twenty-one years of age to violate any provision of this title; or

"(2) to employ, hire, or use a person under twenty-one years of age to assist in avoiding detection or apprehension for any offense of this title by any Federal, State, or local law enforcement official.

"(b) Except as otherwise provided by this title—

"(1) any person who violates subsection (a)(1) shall be subject to a term of imprisonment or fine twice that authorized for the offense for which the person under twenty-one is employed, hired, or used; and

"(2) any person who violates subsection (a)(2) shall be punished by a term of imprisonment for not more than fifteen years or a fine of not more than $125,000, or both.

"(c) Any person who violates subsection (a)(1) or (a)(2)—

"(1) by providing any person under twenty-one years of age with any controlled substance; or

"(2) if the person employed, hired, or used is fourteen years of age or younger,

shall be subject to a term of imprisonment for not more than five years or a fine of not more than $50,000, or both, in addition to any other punishment authorized by this section.".

(2)(A) Section 401(b) of such Act (21 U.S.C. 841(b)) is amended by striking out "or 405A" and inserting in lieu thereof ", 405A, or 405B".

(B) Section 401(c) of such Act is amended by striking out "405A" and inserting in lieu thereof ", 405A, or 405B" each place it appears.

(C) Section 405 of such Act (21 U.S.C. 845) is amended by striking out "or 405A" in subsections (a) and (b) and inserting in lieu thereof ", 405A, or 405B".

(b) MANUFACTURE OF A CONTROLLED SUBSTANCE IN OR NEAR A SCHOOL.—(1) Section 405A of the Controlled Substances Act (21 U.S.C. 845a) is amended—

(A) in subsection (a) by inserting "manufacturing or" before "distributing"; and

(B) in subsection (b) by inserting "manufacturing or" before "distributing".

(2) The caption for section 405A of the Controlled Substances Act is amended to read as follows:

"MANUFACTURE OR DISTRIBUTION IN OR NEAR SCHOOLS".

(c) MANUFACTURING OPERATIONS.—(1) Part D of the Controlled Substances Act is amended by adding at the end thereof the following new section:

"ESTABLISHMENT OF MANUFACTURING OPERATIONS

"SEC. 416. (a) Except as authorized by this title, it shall be unlawful to—

"(1) open or maintain any place for the purpose of manufacturing, distributing, or using any controlled substance;

"(2) manage or control any building, room, or enclosure, either as an owner, lessee, agent, employee, or mortgagee, and knowingly and intentionally rent, lease, or make available for use, with or without compensation, the building, room, or enclosure for the purpose of unlawfully manufacturing, storing, distributing, or using a controlled substance.

"(b) Any person who violates subsection (a) of this section shall be sentenced to a term of imprisonment of not more than 20 years or a fine of not more than $250,000, or both.".

(2) Section 405A of the Controlled Substances Act is amended—

(A) in subsection (a) by inserting after "section 401(a)(1)" the following: "or section 416"; and

(B) in subsection (b) by inserting after "section 401(a)(1)" the following: "or section 416".

TITLE II—EDUCATION AND PUBLIC AWARENESS

PART A—EMERGENCY RESPONSE

SEC. 201. NATIONAL DRUG ABUSE EDUCATION DAY.

(a) FINDINGS.—The Congress finds that—

(1) drug abuse in the United States is a major health problem that damages our social institutions and threatens our most valuable human resource—our young people;

(2) the 1984 National Strategy for Prevention of Drug Abuse and Drug Trafficking stated that "prevention has come to the forefront as the essential element in the long-range goal of eliminating drug abuse"; and

(3) President Reagan has called drug abuse one of the gravest problems facing the Nation and has further warned that if we, as a Nation, fail to act we run the risk of losing a great part of a whole generation.

(b) NATIONAL DRUG ABUSE EDUCATION DAY.—(1) October 6, 1986, the first day of Drug Abuse Awareness Week as established in Senate Joint Resolution 354, is designated as National Drug Abuse Education Day. The purpose of National Drug Abuse Education Day is to focus national attention on the rapidly escalating threat that drug abuse poses to the Nation's health, by calling on the President of the United States to proclaim a national day.

(2) As a part of National Drug Abuse Education Day, the President shall—

(A) call upon every elementary and secondary school, and all institutions of higher education to devote the day's curriculum to instruction on the physiological, psychological, social, and legal consequences of drug use and abuse; and

(B) call upon students, parents, community groups, and local law enforcement agencies to actively participate in programs sponsored in conjunction with National Drug Abuse Education Day.

(c) DEFINITION.—For purposes of this section, the term "drug" shall include—

(1) any substance listed in section 102(17) of the Controlled Substances Act (21 U.S.C. 802(17)); and

(2) alcohol.

SEC. 202. EMERGENCY ASSISTANCE TO STATE AND LOCAL EDUCATION AGENCIES.

The Secretary of Education shall insure that State educational departments and local school districts and all elementary and secondary schools and institutions of higher education have timely information on—

(1) the scope and nature of the cocaine freebase epidemic;

(2) strategies for effective school level intervention and community mobilization; and

(3) available resources including technical assistance and training.

The Secretary of Education shall publish and disseminate information required by this section no later than October 6, 1986 (National Drug Abuse Education Day).

(b) There are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this section.

SEC. 203. EMERGENCY PUBLIC SERVICE ANNOUNCEMENTS.

The Director of the National Institute of Drug Abuse shall, in consultation and collaboration with the Centers for Disease Control, produce and disseminate two emergency public service announcements to warn the American people of the physiological, psychological, social, and legal consequences of cocaine freebase use. The announcements required by this section shall be produced and disseminated not later than October 6, 1986 (National Drug Abuse Education Day).

PART B—ESTABLISHMENT OF OFFICE WITHIN THE DEPARTMENT OF EDUCATION

SEC. 211. ESTABLISHMENT OF OFFICE OF DRUG AND ALCOHOL ABUSE EDUCATION AND POLICY WITHIN THE DEPARTMENT OF EDUCATION.

(a) ESTABLISHMENT OF OFFICE.—Title II of the Department of Education Organization Act (Public Law 96-88) is amended by adding at the end thereof the following new section:

"OFFICE OF DRUG AND ALCOHOL ABUSE EDUCATION AND POLICY

"SEC. 215. (a) There shall be in the Department an Office of Drug and Alcohol Abuse Education and Policy to be administered by the Assistant Secretary for Drug and Alcohol Abuse Education and Policy appointed under section 202(b).

"(b) The Office of Drug and Alcohol Abuse Education and Policy shall be responsible for—

"(1) developing and coordinating, in consultation with appropriate Federal agencies, including law enforcement, health and education, a long-term and detailed strategy for the Federal Government's drug and alcohol abuse education efforts;

"(2) monitoring, promoting, and encouraging, in cooperation with the National Institute of Drug Abuse, the National Institute on Alcohol Abuse and Alcoholism, Alcohol, Drug Abuse, and Mental Health Administration, research in the area of drug and alcohol education;

"(3) providing technical assistance to State educational departments and local school districts in implementing promising drug and alcohol abuse education programs;

"(4) developing and demonstrating new and promising drug and alcohol abuse education programs that are appropriate and flexible for the unique needs of State educational departments and local school districts, and promoting the implementation of such programs by State educational departments and local school districts;

"(5) significantly expanding the Department of Education's existing program for training elementary and secondary school administrators, teachers, counselors, athletic directors, and other school personnel in the area of drug and alcohol abuse education and prevention; and

"(6) disseminating information to State educational departments and local school districts relating to research, programs, and training opportunities in drug and alcohol abuse education and prevention.

(b) TECHNICAL AMENDMENTS.—Subsection (b)(1) of section 202 of such Act is amended—

(1) in clause (F) by striking out "and" after the semicolon;

(2) in clause (G) by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(H) an Assistant Secretary for Drug and Alcohol Abuse Education and Policy.".

(c) REPORT BY THE SECRETARY.—The Secretary of Education shall submit to Congress one year after the date of enactment of this title, a report which shall detail the Department of Education's progress in establishing the Office of Drug and Alcohol Abuse and Policy and the long-term strategy of the Office for drug and alcohol abuse education efforts by the Federal Government.

PART C—STUDENT DRUG ABUSE AND PREVENTION

SECTION 221. SHORT TITLE.

This part may be cited as the "Student Drug Abuse Education and Prevention Act of 1986".

SEC. 222. FINDINGS.

The Congress hereby makes the following findings:

(1) drug abuse among young Americans is a national crisis;

(2) in 1985, 61 percent of all high school seniors representing about two million adolescents tried an illicit drug at least once, and 41 percent of all seniors used drugs other than marijuana;

(3) in 1985, one in twenty high school seniors drank alcohol daily and 37 percent had five or more drinks in a row at least once every two weeks;

(4) the use of cocaine is increasing among young people;

(5) in 1985, 13 percent of high school seniors used cocaine, the highest percentage ever reported;

(6) the use of crack (cocaine freebase), a dangerous and addictive form of cocaine, is being used by a growing number of young people; and

(7) drug abuse costs the United States billions of dollars in health care, law enforcement, and lost productivity.

SEC. 223. ESTABLISHMENT.

The Secretary of Education, acting through the Assistant Secretary for Drug and Alcohol Abuse Education and Policy, shall establish a program of Federal grants to the States for drug abuse education in elementary and secondary schools in accordance with the provisions of this part.

SEC. 224. USE OF FUNDS.

(a) STATE USE OF FUNDS.—

(1) Funds available to a State under this part shall be used for—

(A) the development, dissemination, implementation, and evaluation of drug abuse education curricula and teaching materials for elementary and secondary schools throughout the State;

(B) demonstration projects of drug abuse education;

(C) drug abuse education training;

(D) technical assistance to local educational agencies; and

(E) State administrative costs.

(2) Not more than 10 percent of the funds available to a State under this part may be used under paragraph (1)(E).

(b) AUTHORIZED ACTIVITIES FOR LOCAL EDUCATIONAL AGENCIES.—Funds available to a local educational agency under this part shall be used for—

(1) the development and implementation of drug abuse education curricula for elementary and secondary schools;

(2) drug abuse prevention counseling programs including peer and professional counseling;

(3) programs of drug abuse treatment referral;

(4) programs of in-service and pre-service training in drug abuse prevention for teachers, counselors, and other educational personnel, public service personnel (including law enforcement officials), and community leaders;

(5) programs in primary prevention and early intervention, such as the interdisciplinary school-team approach development by the Department of Education;

(6) community education programs on drug abuse prevention, particularly programs for parents;

(7) public education programs on drug abuse, including programs utilizing professionals, and former drug abusers and drug dependent individuals; or

(8) other programs of drug abuse education and prevention consistent with the purposes of this part.

SEC. 225. ALLOTMENTS TO STATES.

(a) FORMULA.—(1) From the sums appropriated to carry out this part in any fiscal year, the Secretary shall—

(A) reserve 1 percent for payments to Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands, to be allotted in accordance with their respective needs; and

(B) allocate $200,000 to each of the participating States.

(2) From the remainder of such sums after the allocation made under paragraph (1) the Secretary shall allot to each State an amount which bears the same ratio to the amount of such remainder as the school-age population of the State bears to the school-age population of all States.

(b) REALLOTMENT.—The Secretary is authorized to reallot any amount of any allotment to a State to the extent that the Secretary determines that the State will not be able to obligate such amount within two years of allotment. Any such reallotment shall be made on the same basis as an allotment under subsection (a).

(c) DEFINITIONS.—The purposes of this section:

(1) The term "school-age population" means the population aged five through seventeen.

(2) The term "States" includes the fifty States, the District of Columbia, and Puerto Rico.

SEC. 226. STATE APPLICATIONS.

In order to receive grants under this part a State shall submit an application with the Secretary which—

(1) provides assurances that the State has a Statewide requirement that each local education agency in the State establish a drug abuse education curriculum or that the State will use funds available under this part to implement such a requirement;

(2) designates the State educational agency as the State agency responsible for the administration and supervision of programs assisted under this part;

(3) describes how the State will coordinate its efforts with appropriate State health, law enforcement, and drug abuse prevention agencies;

(4) identifies the student populations and areas of the State known to be most at risk for drug abuse and describes the method used to identify such populations and areas;

(5) describes a plan for allocating funds under the part that will target the highest risk students and areas identified in clause (4);

(6) provides for an annual evaluation of the effectiveness of programs assisted under this part;

(7) provides that the State educational agency will keep such records and provide such information to the Secretary as may be required for fiscal audit and program evaluation; and

(8) contains assurances that there is compliance with the specific requirements of this part.

SEC. 227. ALLOCATION TO LOCAL EDUCATIONAL AGENCIES.

(a) FORMULA.—From the sum made available each year under section 224, the State educational agency shall reserve not more than 20 percent for State activities under section 223(a). The State educational agency shall reserve an additional amount, consistent with the number of children enrolled in private schools in the State, for the purposes of section 228. From the remainder of such sum the State educational agency shall allocate to each local educational agency an amount which bears the same ratio to the amount of such remainder as the school-age population of the local educational agency bears to the school-age population of the State not served by programs under section 228.

(b) PAYMENT.—From the funds paid to it pursuant to section 224 during each fiscal year, the State educational agency shall distribute to each local educational agency which has submitted an application as required under section 227 the amount of its allocation as determined under subsection (a).

(c) REALLOCATION.—The State educational agency is authorized to reallocate any amount of any allocation to a local educational agency to the extent that the State educational agency determines that the local educational agency will not be able to obligate such amount within two years of allocation. Any such reallocation shall be made on the same basis as an allocation under subsection (a).

SEC. 228. LOCAL APPLICATIONS.

A local educational agency may receive its allocation of funds under this Act for any fiscal year for which its application to the State educational agency has been certified to meet the requirements of this subsection. The State educational agency shall certify any such application if such application—

(1) provides assurances of compliance with the provisions of this part;

(2) provides for an annual evaluation of the effectiveness of programs assisted under this part;

(3) provides assurances that the local educational agency will coordinate its efforts with appropriate State and local drug abuse agencies; and

(4) agrees to keep such records and provide such information to the State educational agency as reasonably may be required for fiscal audit and program evaluation, consistent with the responsibilities of the State agency under this part.

SEC. 229. PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS.

(a) EQUITABLE PARTICIPATION.—To the extent consistent with the number of children in a State who are enrolled in private nonprofit elementary and secondary schools, the State educational agency (from funds reserved under section 226 and after consultation with appropriate private school officials) shall provide for such services and programs as will provide such children equitable participation under this part.

(b) AUTHORITY OF SECRETARY.—If a State is unable or unwilling to provide for the participation under subsection (a), the Secre-

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tary shall withhold from the allocation of the affected State the amount necessary to provide such services and shall arrange for the provision of services and programs to such children.

SEC. 230. FEDERAL COORDINATION AND TECHNICAL ASSISTANCE.

(a) FEDERAL ASSISTANCE.—The Secretary of Education and the Secretary of Health and Human Services shall through cooperative efforts—

(1) collect and disseminate information to State and local educational agencies on effective drug education curricula and other proven student drug abuse education and prevention approaches;

(2) provide technical assistance to State and local educational agencies in the selection and implementation of drug abuse education curricula and programs to most effectively address the needs of the elementary and secondary schools served by such agencies; and

(3) identify research and development priorities with regard to student drug abuse education and prevention.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 231. GENERAL PROVISIONS.

(a) DEFINITIONS.—(1) Except as otherwise provided, the terms used in this part shall have the meaning provided under section 595 of the Education Consolidation and Improvement Act of 1981.

(2) For purposes of this part, the term "drug abuse" includes abuse of—

(1) any substance listed in section 102(17) of the Controlled Substances Act; and

(2) alcohol.

(b) USE OF FEDERAL FUNDS.—Federal funds made available under this Act shall be used to supplement and, to the extent practical, to increase the level of funds that would, in the absence of such Federal funds, be made available by the recipient for the purposes described in this part, and in no case supplant such funds.

SEC. 232. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $50,000,000 for each of the fiscal years 1987, 1988, 1989, 1990, and 1991 to carry out the purposes of this part.

(b) AVAILABILITY OF APPROPRIATIONS ON SCHOOL-YEAR BASIS.—Appropriations for any fiscal year for payments under this part, in accordance with regulations of the Secretary, may be made available for obligation or expenditure by the agency or institution concerned on the basis of an academic or school year differing from such fiscal year.

(c) AVAILABILITY OF APPROPRIATIONS.—Funds appropriated for any fiscal year under this part shall remain available for obligation and expenditure until the end of the fiscal year succeeding the fiscal year for which such funds were appropriated.

SEC. 233. EFFECTIVE DATE.

This part shall take effect October 1, 1986.

TITLE III—PREVENTION

SEC. 301. SECRETARY OF HEALTH AND HUMAN SERVICES REPORT ON CRACK.

(a) FINDINGS.—The Congress finds that—

(1) the abuse of cocaine freebase, commonly referred to as "crack", has reached epidemic proportions in large metropolitan areas, and has the potential of becoming a major threat to the Nation's health;

(2) there are particular population subgroups that appear to be at high risk of exposure and abuse, notably mid level and high school age children;

(3) cocaine freebase abuse and addiction are health phenomenon that are poorly understood at this time and there is evidence that cocaine freebase is intensely addictive, and that existing programs are ineffective in treating cocaine freebase abusers and addicts;

(4) while various Federal and State agencies have compiled limited statistical data on cocaine freebase abuse, the exact extent of cocaine freebase abuse is relatively unknown and generally not distinguished from cocaine hydrochloride and thus a comprehensive and reliable national data base on cocaine freebase abuse is not available;

(5) the efforts of Federal, State, and local law enforcement agencies to stem cocaine freebase distribution and availability have been seriously challenged and strained by the increasing availability of crack and its direct impact on significant increases in crime, particularly robbery, grand larceny, burglary, and assault; and

(6) it is clear that the only effective solution to the cocaine freebase epidemic must involve a comprehensive strategy, based on a thorough and reliable data base, and must further involve rigorous law enforcement, effective treatment programs, and credible education and prevention programs and can assist medical examiners, crime lab technicians, health personnel in emergency rooms, drug clinics, and drug rehabilitation programs in a better understanding of the particular characteristics, symptoms, side effects, and treatment for freebase;

(7) the Centers for Disease Control—

(A) has the experience, expertise, and resources to respond to health crises, particularly in response to the outbreak of diseases;

(B) has unique experience in the area of epidemiological analysis, and can make a significant contribution to the Government's current data base on cocaine freebase abuse;

(C) has experience in the area of drug abuse, particularly in the area of Controlled Substances Analogs or "designer drugs", and is conducting ongoing research to identify and educate persons who are at a high risk of exposure and abuse, which may prove valuable in responding to the cocaine freebase epidemic;

(D) has experience, expertise, and resources to develop effective and timely education, prevention, and treatment programs, which are desperately needed in the area of cocaine freebase abuse; and

(E) is the only Federal agency capable of responding in a timely, effective, and comprehensive manner to the rapidly increasing cocaine freebase epidemic; and

(7) the National Institute of Drug Abuse—

(A) is the primary agency responsible for drug abuse health issues including treatment, biomedical technology, and applied and epidemiological research; and

(B) is the primary agency responsible for developing and disseminating drug abuse prevention information.

(b) REPORT.—The Secretary of Health and Human Services, in consultation with the Director of the Centers for Disease Control and the Director of the National Institute of Drug Abuse, and appropriate State agencies, shall prepare an emergency report and feasibility study of intervention by the Centers for Disease Control and the National Institute of Drug Abuse to reduce the epidemic of cocaine freebase use in the United States. This report shall serve as a plan of action, including specific recommendations, for an immediate and effective response to the cocaine freebase abuse problem.

(c) CONTENTS OF REPORT.—The report required by this section shall include a detailed analysis of the following:

(1) DATA BASE AND INFORMATION SHARING.—

(A) The adequacy of the existing data collection and distribution system for statistics and information relating to drug abuse generally, and to cocaine freebase specifically. Of particular importance is the timeliness of data provided by the current system.

(B) The feasibility and necessity of providing additional coordination for information sharing between law enforcement and health agencies.

(C) The role the Centers for Disease Control and the National Institute of Drug Abuse could play in coordinating any efforts necessary to establish an accurate and timely data base on cocaine freebase abuse, and to make recommendations for developing a timely and long term strategy to implement such a system to more effectively respond to future crises.

(2) TREATMENT.—

(A) The effectiveness of the existing treatment and rehabilitation programs for cocaine freebase addiction and the adequacy of the current body of knowledge on cocaine freebase addiction.

(B) The role they could play in developing new treatment and rehabilitation strategies.

(3) EDUCATION AND PREVENTION.—

(A) The adequacy of any existing educational and prevention programs relating specifically to crack.

(B) The role of the Centers for Disease Control and the National Institute of Drug Abuse in developing new educational and prevention strategies and programs to warn persons at high risk of exposure of the hazards of cocaine freebase use.

(4) EMERGENCY INTERVENTION TEAMS.—

(A) The availability of existing personnel and resources to provide emergency intervention teams from the Center for Disease Control to State and local governments and agencies which request assistance in responding to the cocaine freebase abuse.

(B) A plan, including specific recommendations, for establishing such teams.

(5) FUNDING AND TIMELINE.—

(A) The level of funding necessary to implement each of the programs the report and feasibility study recommends for the Centers for Disease Control and the National Institute of Drug Abuse.

(B) A realistic timetable for the implementation of any programs deemed feasible and desirable.

(d) SUBMISSION OF REPORT TO CONGRESS.—The report required by this section shall be submitted to the appropriate Committees of Congress no later than 30 days after the date of enactment of this title. The Director of the Secretary of Health and Human Services shall notify the appropriate committees in Congress if 30 days is an insufficient amount of time to prepare the report in which case the report shall be due no later than 60 days after the date of enactment of this title.

S. 2716

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Narcotics Act of 1986".

SEC. 2. FINDINGS.

(a) The Congress hereby makes the following findings:

(1) The flow of narcotics into the United States is a major and growing problem.

(2) The problem of narcotics drug abuse falls across the entire spectrum of Federal activities both nationally and internationally.

(3) Illegal drug trafficking is estimated by the General Accounting Office to be a $80,000,000,000 a year industry in the United States.

(4) The annual consumption of heroin in the United States is in the range of four metric tons, and annual domestic consumption of cocaine is estimated to be forty to forty-eight metric tons.

(5) Despite the efforts of the United States Government and other nations, the mechanisms for smuggling opium and other hard drugs into the United States remain virtually intact and United States agencies estimate that they are able to interdict no more than 5 to 15 per centum of all hard drugs flowing into the country.

(6) Such significant indicators of the drug problem as drug-related deaths, emergency room visits, hospital admissions due to drug-related incidents, and addiction rates are soaring.

(7) Increased drug trafficking is strongly linked to violent, addiction-related crime and recent studies have shown that over 90 per centum of heroin users rely upon criminal activity as a means of income.

(8) Much of the drug trafficking is handled by syndicates which results in increased violence and criminal activity because of the competitive struggle for control of the domestic drug market.

(9) Controlling the supply of illicit drugs is a key to reducing the crime epidemic confronting every region of the country.

(10) The magnitude and scope of the problem requires a director of National and International Drug Operations and Policy with the responsibility for the coordination and direction of all Federal efforts by the numerous agencies.

(11) Such a director must have broad authority and responsibility for making management, policy, and budgetary decisions with respect to all Federal agencies involved in attacking this problem so that a unified and efficient effort can be made to eliminate the illegal drug problem.

(b) It is the purpose of this Act to insure—

(1) the development of a national policy with respect to narcotics and other dangerous drugs;

(2) the direction and coordination of all Federal agencies involved in the effort to implement such a policy; and

(3) that a single, competent, and responsible high-level official of the United States Government, who is appointed by the President, by and with the advice and consent of the Senate, and who is accountable to the Congress and the American people, will be charged with the responsibility of coordinating the overall direction of United States policy, resources, and operations with respect to narcotics and drug abuse.

SEC. 3. ESTABLISHMENT OF OFFICE.

There is established in the executive branch of the Government an office to be known as the "Office of the Director of National and International Drug Operations and Policy" (hereinafter in this Act referred to as the "Office of the Director"). There shall be at the head of the Office of the Director a Director of National and International Drug Operations and Policy (hereinafter in this Act referred to as the "Director"). There shall be a Deputy Director of National and International Drug Operations and Policy (hereinafter in this section referred to as the "Deputy Director") to assist the Director in carrying out the Director's functions under this Act.

SEC. 4. APPOINTMENT AND DUTIES OF DIRECTOR.

(a) The Director and the Deputy Director shall be appointed by the President, by and with the advice and consent of the Senate. The Director and the Deputy Director shall each serve at the pleasure of the President. No person may serve as Director or Deputy Director for a period of more than four years unless such person is reappointed to that same office by the President, by and with the advice and consent of the Senate. The Director shall be entitled to the compensation provided for in section 5312, title 5, United States Code. The Deputy Director shall be entitled to the compensation provided for in section 5314, title 5, United States Code.

(b) The Director shall serve as the principal director and coordinator of United States operations and policy on illegal drugs.

(c) The Director shall have the responsibility, and is authorized to—

(1) develop, review, implement, and enforce United States Government policy with respect to illegal drugs;

(2) direct and coordinate all United States Government efforts to halt the importation, manufacture, distribution, and use of, narcotics and other dangerous drugs within the United States;

(3) develop in concert with other governmental entities budgetary priorities and budgetary allocations of entities of the United States Government with respect to narcotics and other dangerous drugs; and

(4) coordinate the collection and dissemination of information necessary to implement United States policy with respect to narcotics and dangerous drugs.

(d) In carrying out his responsibilities under subsection (c) the Director is authorized to—

(1) direct, with the concurrence of the head of the agency employing such personnel, the temporary reassignment of Government personnel within the United States Government in order to implement United States policy with respect to narcotics and dangerous drugs;

(2) procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for the grade of GS-18 of the General Schedule;

(3) accept and use donations of property from all Government agencies; and

(4) use the mails in the same manner as any other department or agency of the executive branch.

(e) Notwithstanding any other provision of law, rule, or regulation to the contrary, the Director shall have the authority to direct each department or agency with responsibility for drug control to carry out the policies established by the Director consistent with the general authority of each agency or department.

(f) The Administrator of General Services shall provide to the Director on a reimbursable basis such administrative support services as the Director may request.

SEC. 5. REPORT TO CONGRESS.

The Director shall submit to the Congress, within nine months after enactment of this Act, and annually thereafter, a full and complete report reflecting United States policy with respect to narcotics and dangerous drugs, plans proposed for the implementation of such policy, and, commencing with the submission of the second report, a full and complete report reflecting accomplishments with respect to the United States policy and plans theretofore submitted to the Congress.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

For the purpose of carrying out this Act, there are authorized to be appropriated $1,000,000 for fiscal year 1987, and such sums as may be necessary for each of the four succeeding fiscal years, to be available until expended.

SEC. 7. EFFECTIVE DATE.

This Act shall be effective January 1, 1987.●

Mr. BIDEN. Mr. President, today's proposals relating to cocaine freebase, commonly referred to as "crack," and the creating of a Cabinet level office to coordinate our Federal drug effort are the first initiatives proposed by the Senate Democratic Working Group on Narcotics and Substance Abuse.

For those of us who have been working on these issues for some time, it is abundantly clear that the abuse of crack cocaine is reaching epidemic proportions. This problem requires an immediate and encompassing response by the Federal Government. It is for this reason that our proposals seek to provide better enforcement, better education, and better prevention in addressing the crack cocaine problem.

On the enforcement side, we are proposing new criminal offenses with stiff penalties for employing children in crack operations, increasing existing penalties for distributing crack, and new offenses for opening or maintaining a building, or "crack house," where the drug is produced, sold, and used.

On the prevention side, we propose that every school age child in the country be made aware of the dangers of this substance this school year. Moreover, our proposal commits the Federal Government to a long-term drug abuse education effort by creating an Office of Drug and Alcohol Abuse Education and Policy in the Department of Education that would assist State and local school districts in establishing drug abuse education programs.

The need for an immediate and encompassing Federal response to the "crack" and cocaine epidemic simply can not be overstated. From 1983 to 1984, cocaine related deaths increased 77 percent nationwide, while requests for treatment for cocaine use have increased 600 percent over the last 3 years. The emergence of crack as the drug of choice in many metropolitan areas has occurred so quickly that reliable national statistics are not available. In New York City, for example, 53 percent of cocaine arrests in March 1986, involved crack, as the percentage

of drug arrests that involve cocaine generally has doubled since 1983. The low cost, widespread availability, and intense addiction associated with crack have overwhelmed the capacity of our law enforcement agencies to deal with this new problem. The impact is all the more intensive on law enforcement given the fact that crack is associated with significant increases in burglary, robber, and assault.

The picture painted above clearly details the need for immediate Federal action. In the past several years, we have devoted additional resources and enacted important statutes to assist law enforcement agencies in their struggle against drug trafficking. While these initiatives have proved useful, we need to continue to seek innovative tools to allow our law enforcement people to more effectively combat drug dealers. In the area of prevention, the Secretary of Education has committed $3 million in discretionary funds to drug abuse education, but clearly much more needs to be done.

Thus, it is imperative that any solution to the crack abuse epidemic must involve new and effective law enforcement tools, coupled with innovative proposals for reducing demand. The Emergency Crack Control Act of 1986 provides an immediate Federal response in both of these areas.

The second focus of the working group is the need for central direction of our Federal drug effort. In our committee hearings we have witnessed first hand the finger pointing and bureaucratic infighting among the 11 Cabinet Departments, 32 Federal agencies, and 5 independent agencies that have responsibilities for drug control efforts. We all know the frustration of asking various administration officials about our Federal drug control effort and being told that someone else has the answers. The unanswered question remains, who is in charge and responsible for our Federal drug policy? Is it the Attorney General, who we in Congress have tried to give this role by making him the Chairman of the National Drug Enforcement Policy Board? Or maybe it is the Vice President, who periodically announces his leadership in such initiatives as border interdiction, or the recent Military Assistance Program in Bolivia. Then again, is it the Director of the White House Office of Drug Abuse Policy, who the President has chosen to spearhead his latest proposals?

This administration, like others before it, has buckled under the weight of interagency turf battles and has yet to follow a clear path in establishing budget priorities or a long-term Federal strategy that moves this country toward successfully resolving our No. 1 domestic problem: drug abuse.

It is time to clearly delineate to whom the American people and the Congress can look to as the Federal Government's leader on drug issues. In order for this person to succeed, it will require the full time commitment of a Cabinet level official, who has the full backing of the President, and has the authority to end needless bickering between various agency heads.

These are the working group's first proposals and issues we believe require prompt congressional action. We intend to pursue whatever avenues are available to move this legislation.

We recognize that, as a result of the lofty rhetoric and hyperbole that often accompany new drug control initiatives, the American public understandably has become cynical about new and comprehensive strategies to solve the drug problem. This despair, however, must not undermine our resolve in undertaking constructive steps in the search for solutions to drug abuse in this country. The proposals we advance today will not, in and of themselves, solve the Nation's drug problems. But, they will address two of the most important aspects of this complex problem: crack cocaine, and Federal drug policy coordination.●

● Mr. NUNN. Mr. President, I rise in support of the legislative package on drug abuse which has been introduced by Senators CHILES and BIDEN and which is the product of the recently created Democratic Work Group on Drug Substance Abuse. As a member of that group, I have worked with my colleagues to develop a realistic and effective legislative agenda to deal with the ongoing tragedy of drug abuse among America's youth. The Crack Emergency Protection Act of 1986, which we offer today, reflects the work group's consensus on a strong and committed first step toward that goal.

The first step which we are suggesting is an immediate and focused emergency effort against the plague of crack cocaine, a plague which threatens our young people in truly epidemic proportions. Crack is the term given to small pellets of freebase cocaine, a form designed to be easily smoked by the user.

Because crack is sold in much smaller amounts than cocaine powder, it has become a cheap and readily available source of cocaine for many young people who previously simply could not afford it. It offers a short, but intense, high for the user, who instantly craves another hit, despite the grave depression which inevitably follows. Crack's high level of purity and its direct method of administration smoking combine to make it one of the most addictive and dangerous drugs ever. Law enforcement officials tell us that crack cocaine constitutes the most dangerous illicit drug that they have ever confronted.

Despite those sobering facts, the American public, including the law enforcment community, were for the most part unprepared for the crack epidemic which is now upon us. With its low cost and easy availability, use of the drug has spread rapidly, becoming literally an overnight phenomenon.

Senator CHILES, who with Senator BIDEN chairs our work group, and who has seen firsthand in Florida the devastation which crack brings to youth, is to be commended as among the first to recognize crack as an unprecedented peril to the health and well-being of this Nation. He proposed legislation aimed specifically at crack on June 17, 1986. He was also instrumental in prompting hearings on this most critical issue before the Permanent Subcommittee on Investigations, where I serve as ranking minority member.

Those hearings, which were held on July 15, amply demonstrated the very serious threat which crack poses to our youth. We heard testimony from reformed users of crack, young people whose very promising lives had been quickly devastated by a drug that they had believed was safe.

We heard from a successful journalist who had turned to bank robbery to sustain his craving for crack. We heard from a young athlete whose ability and future fell victim to crack addition. We heard testimony that one or two hits from crack is all that is needed to create an addict. We heard from a young man who worked numerous crack houses in the Washington, DC area, selling crack to persons from every walk of life: "lawyers, doctors, firemen, government workers, laborers, prostitutes, pimps, thieves, and drug dealers." We heard how he, too, in the end lost everything to crack.

Our hearings painted a very sobering and frightening picture of the horrors of drug addiction, particularly crack addiction. Having heard that testimony, I wholeheartedly supported Senator CHILES in cosponsoring his previous legislation. Likewise, I enthusiastically endorse the legislative package put forth today.

That legislation will do much to strengthen law enforcement's resources in the battle against crack cocaine. It enhances penalties for the drug and reclassifies crack as a schedule 1 drug. At our hearings, law enforcement officials testified that under current law, penalties were plainly insufficient given the extremely high potency of crack in the small dosages in which it is made and sold. The bill also creates a Federal criminal offense for the employment of minors in the manufacture or distribution of illegal drugs. That provision is designed to stop the hiring of children as lookouts or distributors for crack houses, a practice underscored in hear-

ing testimony. The legislation also amends current law to provide criminal penalties for the manufacture of drugs within the vicinity of a school. This addresses testimony describing the routine operation of crack houses in and around school areas.

These law enforcement provisions address the supply side of the drug equation, attempting to halt the flow of drugs into our streets. Our bill does not stop there, however. It addresses equally the other half of the equation: quenching the demand for drugs.

The bill creates a new Office of Drug and Alcohol Abuse Education and Policy and directs that office to develop concrete plans and programs for drug abuse education and to assist State education boards and local school districts in the implementation of those plans. The bill establishes a program of Federal grants to the States for drug abuse education in elementary and secondary schools. The bill requires the development of a specific education program on crack abuse and designates a National Drug Abuse Education Day as a day for nationwide educational efforts on drug abuse. The bill requires an emergency report from the Secretary of Health and Human Services on the role of the National Institute on Drug Abuse and the Center for Disease Control in steming the crack epidemic. The bill requires the National Institute on Drug Abuse to produce and disseminate at least two emergency public service announcements on the consequences cf cocaine freebase use.

All of those measures will go a long way toward beefing up what has been, according to testimony at our hearing, an inadequate Federal effort on drug abuse education. If we are to expect our young people to resist the temptation of illicit, dangerous, and easily available drugs like crack, we must be able to show them convincing and credible reasons for doing so. Our bill, by mandating a coordinated educational effort with direct input to our school systems, is a strong and essential step in that direction.

In closing, I am pleased to have been a part of the Work Group on Drug Substance Abuse in the development of this legislative package. I endorse this proposal wholeheartedly and look forward to developing additional proposals for improved drug enforcement, education, and treatment with my colleagues in the work group.●

● Mr. DODD. Mr. President, I wish to commend the minority leader for appointing this task force on the prevention and treatment of drug abuse last week. And, I also wish to applaud my colleagues for working together to take immediate steps in an ongoing battle against addiction and abuse among some of our youngest citizens.

Today, we introduce the "Crack Emergency Protection Act of 1986." A few months ago, "crack" was not a household word. Today, due to the tragic deaths of several athletes, it has become one. But addiction, injury, and even death from "crack" have not been isolated to a few well-known athletes. In my State of Connecticut, the number of children in treatment for cocaine addiction increased 100 percent from 1983-84. Moreover, the age of the first use of cocaine in my State is going down, as is the age of the first use of alcohol and all other drugs.

Although Connecticut students from kindergarten through the senior year in high school receive instruction in school every year on the risks posed by alcohol and drug abuse, many are confused by some of the conflicting messages they see on television and in their communities. Despite the fact that 85 percent of the high school seniors in my State acknowledged the harmful effects of using cocaine regularly, only one out of every three saw much danger in experimenting. Yet experts acknowledge that even first users can become addicted to such pure forms of cocaine as "crack."

Dramatic problems demand dramatic action. Thus, I encouraged this task force to call on the President to proclaim October 6, 1986, as "National Drug Abuse Education Day" in all schools from Connecticut to California. On that day, students, parents, teachers, law enforcement officials, and community leaders can collaborate and educate each other as to the deadly risks posed by "crack" and many other drugs, including some that are socially acceptable such as alcohol. In recognition of the seriousness of the drug abuse epidemic, all other work in school should be put aside that day. I am pleased my colleagues have concurred with me and the legislation we are introducing today would mandate such a national day. I urge the rest of my colleagues to join with us in supporting this measure.

Our bill mandates additional educational and enforcement measures to combat alcohol and drug abuse addiction. In terms of enforcement, it doubles existing penalties if a minor is used to manufacture or distribute controlled substances, or serve as a lookout during drug-trafficking operations. In addition, it provides for enhanced penalties if the minor involved is 14 years old or younger, or if the minor is supplied with any controlled substances. Last, but not least, the bill doubles penalties for manufacturing drugs within 1,000 feet of a school.

Having accompanied a group of undercover law enforcement officers to a city in my State where I observed cocaine car hops providing curb service to buyers of illegal drugs, I can attest to the need for stiffer penalties. I spoke with a 14-year-old boy who had started drinking at age 8, and a 14-year-old girl who had abused cocaine, angel dust, alcohol, marijuana, uppers, downers, and LSD before undergoing treatment. Such startling histories of childhood drug running and abuse can be documented across the country. Natonal surveys reveal that one out of every three children has been intoxicated by alcohol or other drugs before reaching age 11.

To combat these grim statistics, we must rely on prevention, education, and early intervention as well as enforcement. The legislation we are introducing today would provide for both short- and long-term educational assistance for schools and communities grappling with the crack epidemic—from developing model curriculum to creating an office of drug and alcohol abuse policy at the Department of Education to give grants to schools testing new prevention programs. Moreover, the center for disease control would prepare an emergency report on the scope of crack use, detailing the adequacy of existing education, prevention, and treatment programs, and making recommendations to Congress within 30 days. This center would also be responsible for providing emergency assistance in the form of intervention teams to communities in greatest need.

We know we must intervene with treatment and rehabilitation programs earlier, if we are to offer hope to children who have already begun to abuse drugs and alcohol. Experts at the commission on alcohol and drug abuse in my State assert that, if a child who abuses drugs is still in school, there is an 85-percent chance of helping him or her to break the habit. However, that chance falls precipitously once a youngster drops out and loses the support of school, family, and community. As a result, this task force will continue to work in the coming months on strengthening treatment and intervention programs, to give all children a chance.

In closing, this is the first step in many we will have to take if we want to combat the menace which drug and alcohol abuse pose to our children, our families, our communities, and our Nation as a whole. I urge all our colleagues in the Senate and the President to join with us in taking serious, concerted, and comprehensive steps to stop childhood drug abuse Now.●

● Mr. ROCKEFELLER. Mr. President, It is an honor to join Senator CHILES, Senator BIDEN, and my other distinguished colleagues leading the fight in the Senate against drug abuse.

Mr. President, I believe the time has come for an aggressive, nationwide effort to stop young Americans from becoming drug users and abusers. In the past two decades, more and more children and adolescents have experimented with illicit drugs, and many of

these young people have become addicts and/or alcoholics.

The trends are frightening. Drug abuse among young people has spread to all parts of the country and has entered every segment of society. Children from families of all income levels, and from urban and rural communities, are smoking pot, using cocaine, and using stimulants.

The National Institute on Drug Abuse has sponsored a highly respected survey of student drug abuse. Their report of 1985 should spur all of us—the President, Congress, State governments, and schools—to take immediate and serious action. Starting with marijuana, we've been told that the recent decline in use of "pot" among high school seniors has halted. For the first time in the past 4 years, marijuana use increased slightly.

Even more disturbing are the statistics on cocaine use among high school seniors. Almost 7 percent of these seniors used cocaine regularly in 1985 and 17 percent say they have tried it. Despite efforts to publicize the health and psychological dangers of this drug, young people are increasingly attracted to trying it—putting themselves in grave danger of becoming addicts or even criminals in order to pay for their habit.

My distinguished colleagues have just talked about "crack," freebase cocaine. National data still needs to be developed on the scope of the use of this drug, but we don't need studies to know that "crack" has made its way to small communities as well as the large cities and that it has come to our schools.

Behind these statistics are painful, tragic stories about young individuals who have become drug abusers. Take "Kevin" in Charleston, WV, whose father is an executive of a major local business and whose mother is prominent in various civic efforts. Kevin is a big, good-looking 17-year-old, who was getting "A's" in school until he began smoking marijuana at age 13. He turned to drinking and other drugs, and lost control. His grades slipped, and ultimately he overdosed on barbituates, which is what led him to finally—after 4 years of drug abuse—to seek help.

There's also "Sarah," who is from a small town in West Virginia. Sarah had her hopes set on a college scholarship—she was a superb athlete and looked forward to playing basketball and continuing her education. She tried cocaine, and her downward spiral began. Sarah is now in a treatment center for adolescents and faces the horrible possibility of being rejected by colleges.

Mr. President, I know my colleagues are aware of similar tragic situations in their own States—young people whose lives are ruined or who have become half as productive as they could be as a result of using and abusing drugs; families who are devastated by the change in their children, wondering how this could happen to them.

It is time to defend our children from drugs and prevent them from ever even trying one of these dangerous substances. To do this, I believe that a nationwide program must be established to assist States and local schools to undertake effective education and prevention programs aimed at elementary and secondary school students.

This is not to say we should abandon our efforts to stop the production and trafficking of illicit drugs. In my view, we should strengthen our eradication and interdiction programs. But the demand for drugs must be targeted. The United States ranks first in drug abuse among industrialized countries. That is a national disgrace, and it is up to us to persuade our young and adult citizens to say no to drugs.

In congressional hearings and private conversations, officials involved in customs, border patrol, and law enforcement have called on Congress to increase support for drug education—they say that serious initiatives must be undertaken to drastically reduce the demand for drugs.

A key part of the legislation we are introducing today, my bill, the Student Drug Abuse Education and Prevention Act, launches such a national effort. With my fellow sponsors of this legislation, we are proposing to require the U.S. Department of Education to establish an office whose focus would be on student drug abuse prevention and whose mission would be to distribute materials such as model curriculums, training, and technical assistance to States and schools nationwide.

Currently, out of its $18 billion, the Department of Education allocates only $3 million to student drug abuse problems. This is far from adequate. Drug abuse among young people is a national emergency that requires an immediate investment of national leadership and Federal resources to reach all parts of the country. When States are struggling to improve the academic quality of their schools, they simply cannot afford to deal with the drug problem on their own.

This legislation proposes to distribute $50 million to States, on the condition that they establish a statewide requirement that drug education and prevention be included in their elementary and secondary school curriculum. These funds could be used by the States for developing appropriate teaching materials, training teachers and other school personnel, and evaluating what works in different situations to keep kids off of drugs.

Schools would receive the bulk of these funds. Federal support could be used toward a range of progams in the schools and in communities focused on young people. Our goal in offering this legislation is to provide resources which will enable schools to reach children early and follow them as they get older with effective drug education. We envision programs that will involve parents, law enforcement officers, role models in the community, and even former drug abusers who want to do what they can to ensure that children do not follow their pattern.

Mr. President, we have 20 years of research to draw upon to undertake a successful national drug education and prevention effort. There are experts, States, and individual schools which have determined effective methods to convince young people to say no to drugs. The question is not how to educate kids about drugs, it is whether we will make the commitment now to do it.

We know, for example, that drug education must follow a student throughout their school years. A once-a-year "pep" rally or lecture will not equip a child with the knowledge and determination to reject drugs—efforts like the First Lady's must be coupled with ongoing programs in and out of the schools.

We have learned that the community must be involved to create an atmosphere of intolerance for drug use and to support other avenues for kids to gain self-esteem. All young people must be targeted, not just the so-called at-risk youth, because eventually most students will be affected by peer pressure encouraging them to use drugs. Clear-cut and reliable information on the health effects of drugs must be presented in compelling ways.

The job is not easy, but parents, schools, and communities at large must provide positive alternatives to drugs. Kids must be taught how to be responsible decisionmakers and they must be rewarded for turning down drugs and choosing other ways to be successful. These and other lessons and insights about what works to prevent drug abuse will be—and should be—applied on a national basis by making the investment to get the job done.

I believe this legislation provides an urgently needed response to the drug epidemic among our youth. Unless we step up efforts to prevent drug abuse, thousands more young people will ruin their lives; the burden on our health care facilities, criminal justice system, and prisons will continue to grow; and the productivity of our workers will continue to decline. Let us put a stop to drug abuse among young people. As an important step to reaching this goal, I urge my colleagues to support this legislation and join us in pursuing its immediate passage.●

● Mr. MITCHELL. Mr. President, I rise today in support of the Democrat-

ic drug package, which includes the Emergency Crack Control Act of 1986 and the National Narcotics Act of 1986.

In recent weeks and months we have become aware of the serious incidence of drug abuse, particularly of cocaine and crack use, by Americans from all walks of life—most disturbingly by our youth.

There is an immediate and critical need to address the crack and cocaine epidemic on the Federal level. The Emergency Crack Control Act of 1986 includes provisions for new criminal offenses with stiff penalties for employing children in crack operations, increasing existing penalties for distributing crack, and new offenses for opening or maintaining "crack houses" where the drug is produced, sold, and used.

Cocaine has become the drug of choice in the United States. Other sponsors of this legislation have cited the increasing incidence of cocaine and crack use in metropolitan areas of our Nation such as New York City, where 53 percent of cocaine arrests in 1 month involved crack. Unfortunately, cocaine and crack abuse is not a problem limited to our urban areas.

Cocaine and crack have also made their way to Maine and other rural States. Cocaine toxicity is no longer a rare occurrence in emergency rooms of Maine hospitals. Doctors in Maine say that cocaine addiction is becoming commonplace, especially among adolescents. In several of the State's substance abuse treatment centers, which used to treat primarily alcoholics, doctors say that one-third to one-half of their patients are now there because of cocaine.

Dr. Richard Corbett, the medical director at Mid-Maine Medical Center's Seton Unit recovery program, believes that Maine's increase in cocaine use is the result of cheaper and more available cocaine, primarily in the form of crack. Nationwide, drug experts estimate that crack sells for $10 to $25 for one dose, and Maine officials assert that the drug is now available in our State for this price as well.

The Emergency Crack Control Act of 1986 also addresses the critically important aspect of drug education among the Nation's youth. The bill calls for the creation of an office within the Department of Education to develop a long-term Federal strategy for drug and substance abuse education and to administer a $50 million grant program to States to assist with the establishment of drug abuse education programs in schools.

We must make our children aware of the dangers of cocaine, dangers few adolescents were cognizant of before the recent deaths of University of Maryland basketball star Len Bias and Cleveland Browns defensive back Don Rogers.

Passage of the Emergency Crack Control Act of 1986 will be an important step toward increasing the awareness of our young people of the dangers of cocaine and crack. This bill will also convey the message to those who distribute and sell drugs that the Federal Government is going to impose stiff penalties on those who make these drugs available.

The second piece of the Democratic drug package is the National Narcotics Act of 1986. This bill establishes an Office of National and International Drug Operations and Policy which will be administered by a Cabinet level Director and a Deputy Director.

The Director will be responsible for developing, reviewing and implementing all U.S. policy with respect to drug law enforcement efforts. We have seen a lack of coordination among Federal agencies with regard to drug control efforts. This bill will resolve this problem by centralizing the authority over drug related matters in an Office of National and International Drug Operations and Policy.

I urge my colleagues in the Senate to support this important legislation.●

● Mr. LEAHY. Mr. President, I am very pleased to have been appointed to the new Senate task force to combat the increasing drug problem in the United States. I appreciate the initiative Senator BYRD has taken in organizing this group, and I am especially pleased to be an original cosponsor of Senator CHILES' and Senator BIDEN's two new legislative proposals—"The Emergency Crack Control Act of 1986" and "The National Narcotics Act of 1986." The fact that these bills have been introduced today, just 1 week after the formation of the task force, indicates how serious we are about doing something constructive to combat the drug epidemic in this country.

The need for immediate and strong action to address the alarming increase in the use of cocaine by young people cannot be overstated. From 1983 to 1984, cocaine-related deaths increased 77 percent nationwide, while requests for treatment for cocaine use have risen 600 percent in the past 3 years. In New York City alone, cocaine arrests increased 68 percent last year, and thousands of individuals were arrested for selling drugs in the vicinity of elementary schools. Since 1984, when "crack" cocaine first appeared, it has become the new rage. Crack arrests now account for more than 60 percent of the cocaine arrests in New York City.

The country was shaken recently when cocaine killed two talented young athletes—Len Bias of the University of Maryland and Don Rogers of the Cleveland Browns. They were only the best known of the more than 500 Americans who died from cocaine in the past year.

As ranking member of the Subcommittee on Security and Terrorism, I have often voiced my concern about the increase in drug trafficking and the violence that is associated with it. Illegal drugs is a growth industry. Its price is addiction, misery, ruined lives, and death. Still, we condone it, even encourage it, by our lack of an aggresive, national response.

The President has often spoken about the terrible problem of drug abuse, but in the past 6 years of this administration we have seen very little action. At a recent oversight hearing of the Drug Enforcement Agency, I asked Administrator Lawn how much of his 1987 budget request of $411 million will be used for drug abuse prevention, which he had identified as the "long-range solution to the drug problem." His answer was $270,000, with which he hopes to educate 57 million students from kindergarten through college about the dangers in using drugs.

I agree with Administrator Lawn that prevention should be the cornerstone of our campaign against drugs, but does anyone seriously think that $270,000, or less than ½ of 1 percent per student, will have any noticeable effect? Neither would Secretary of Education Bennett's plan to expel students who use drugs solve the problem. It would only add to the number of jobless kids on the streets who are living off drugs.

These two bills focus on criminal penalties and drug abuse prevention. While I fully endorse the creation of new criminal offenses with severe penalties for employing children in crack operations and increasing penalties for manufacturing and distributing crack, I am especially enthusiastic about the emphasis these bills place on prevention.

For the first time, we are committing the Federal Government to a long-term drug abuse education effort, by creating an Office of Drug and Alcohol Abuse Education and Policy in the Department of Education, to assist State and local school districts in establishing drug abuse education programs. Every school age child will be made aware of the dangers of crack in this school year.

Eleven Cabinet departments, 32 Federal agencies, and 5 independent agencies have responsibilities for drug control efforts. With no single office clearly in charge, our fight against drugs has suffered from bureaucratic infighting and lack of direction. "The National Narcotics Act of 1986" will put an end to this confusion, by establishing the Office of National and International Drug Operations and Policy. Its Cabinet level Director will have the authority to direct each department or agency with drug control responsibilities to carry out the poli-

cies of the Office, consistent with the mandate of each agency.

Mr. President, there is an understandable cynicism among the American people about new Federal offices and programs to address age-old problems. While we should not ignore this cynicism, I believe this legislation addresses serious deficiencies in existing law and in the way in which we are combating the drug problem.

We need a comprehensive policy to combat drug abuse, and I am encouraged by the work of the task force thus far. These two bills are the first step in addressing the full range of issues relating to drug trafficking and abuse—source eradication, interdiction, domestic enforcement, public education, and treatment.

I am also hopeful that in the months ahead we can focus on the causes of the drug epidemic in this country, as well as the symptoms. The relationship between drug abuse and the increase in broken homes, unemployment, and the decline of our public schools, is unmistakable. Our campaign to end drug abuse will fail unless we confront the larger societal ills that cause people to turn to drugs and to turn others onto drugs.●

By Mr. QUAYLE:

S. 2717. A bill to amend the Agricultural Act of 1949 to require the Commodity Credit Corporation to pay producers for on-farm storage of commodities, and for other purposes.

THE TEMPORARY EMERGENCY GRAIN STORAGE ACT OF 1986

● Mr. QUAYLE. Mr. President, today I am introducing a bill designed to address the serious grain storage shortfall that is developing quickly in my home State of Indiana and throughout the upper Midwest.

As I made clear in a letter to Secretary of Agriculture Richard E. Lyng on July 29, the huge carryover of 1985 grain stocks, combined with stagnant exports and a record 1986 crop, will bring about a potentially disastrous shortage of grain storage capacity this fall.

In Indiana alone, we began this crop year with some 330 million bushels of corn and over 46 million bushels of soybeans in our bins. Between now and the end of September, it is estimated that, under the Federal crop programs, Hoosier farmers will forfeit and attempt to deliver to federally licensed grain warehouses throughout Indiana over 150 million bushels of corn, soybeans, and wheat. Yet approved storage space is available for only a small part of that crop.

Because of this burdensome surplus, many farmers in the Midwest may find that tight storage will preclude them from delivering their forfeited grain from earlier crop years in time to clear their bins for the fall harvest. With a new crop ready for harvest and their storage bins full, farmers may face yet another costly dilemma. They will face this dilemma not because they made risky marketing decisions, nor because they are poor managers, but because they are following provisions of the Farm Program passed by this Congress.

Mr. President, it is with a great deal of frustration that I introduce this legislation, for the huge surpluses of grain and falling farm exports that have combined to produce this storage problem are the direct result of our Federal farm policies. The strength of our dollar and unfair foreign trade practices have certainly contributed to the problem, but the fact is that record-high deficiency payments and rigid loan rates have acted simultaneously to increase domestic production and cut exports. It is our responsibility to deal with this problem, because, frankly, we in Congress asked for it.

Our commodity price support programs allow farmers to borrow against their grain as collateral. When the term of the loan expires, if the price for that commodity is below the loan rate, the Federal Government has an obligation to accept delivery of the grain within 60 days. Farmers are forced to follow these rules and regulations, and I strongly believe that the Federal Government has an obligation to honor its part of the deal.

My legislation would require the Secretary of Agriculture to use several tools available to him, in addition to those steps he has already taken, in order to address the impending grain storage problem more aggressively.

First, where a lack of storage makes the delivery of crops under loan impossible and therefore forces farmers to hold their crops, my bill would authorize the Secretary to increase onfarm storage rates to a level which more closely reflects the value of the storage space. In carrying out this provision, the Secretary would be authorized to pay for onfarm storage in part or in whole with inkind surplus commodities.

Second, this bill would encourage the Secretary to use inkind payments—specifically generic commodity certificates—where possible as a further tool to alleviate the storage problem. As my colleagues know, the Food Security Act of 1985 encouraged the use of negotiable commodity certificates as a means of making payments to farmers who participate in various Federal farm programs.

These certificates, which represent title to commodities held in surplus by the Commodity Credit Corporation, are now being used in our 1986 Wheat and Feedgrains Program. The certificates are redeemable in commodities, and provide the holders with an additional tool in the handling and marketing of their crop. By using these negotiable certificates as payment for commercial or onfarm storage, the management of stocks becomes more flexible, giving farmers and warehouse managers another way to address the storage problem.

Third, my bill would direct the Secretary to use available barge, railcar, and other emergency storage to the extent practicable in areas hardest hit by a storage shortfall. While the Secretary has announced his intention to utilize these forms of emergency storage, many warehouse managers have been hesitant to exercise this option voluntarily because it is difficult to manage grain stocks held in such facilities. Because the warehouse managers are responsible for the quality of the stored grain, the use of barges, for example, is unpopular. My bill would encourage the Secretary to use these temporary, emergency options for the storage of commodities owned by the CCC.

I would also strongly encourage the Secretary to assign additional personnel to the administration of this Grain Storage Program—and to help with the overall management of CCC stocks. It is obvious that the bulk commodities offices of the Department of Agriculture in Kansas City and in various regional locations are hard pressed to handle the tremendous workload of handling and managing of these inventories.

My legislation would be effective immediately upon enactment. The Grain Storage Program my bill establishes would be in effect through May 1, 1987, at which time the Secretary would be given authority to extend it for an additional year. Under no circumstances would the life of my initiative extend beyond May 1, 1988. I am proposing this program for a limited duration because I firmly believe that our interrelated farm export and storage problems are short term in nature and will moderate as lower loan rates, export initiatives, and a weaker U.S. dollar begin to take effect this fall. Until then, we have a serious problem to deal with in a responsive and timely manner.

Or course, this legislation alone will not solve the many problems facing our farmers this fall. In order to more fully address this specific storage problem, as well as the overall state of our farm economy, I would suggest that we continue to work to increase our farm exports. I would encourage the President to look for opportunities to expand agricultural exports in all commodities, to all eligible nations, until our reduced loan rates and other factors make our farm products more price competitive.

Mr. President, I hope my colleagues will join me in supporting this much needed legislation, and I ask unani-

mous consent that a copy of my bill be printed in the RECORD.●

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2717

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as "The Temporary Emergency Grain Storage Act of 1986".

SEC. 2. Section 110 of the Agricultural Act of 1949 (7 U.S.C. 1445e) is amended by adding the following new subsections at the end thereof—

"(j) Notwithstanding any other provision of law, whenever the Secretary determines that delivery of a commodity to a storage facility approved by the Commodity Credit Corporation is impossible due to insufficient capacity in such facilities, the Secretary shall pay producers participating in Federal commodity price support programs for on-farm storage of commodities owned by the Commodity Credit Corporation at a rate which is consistent with, but not in excess of, such rate paid for storage in commercial facilities.

"(k) Whenever the demand for CCC-approved storage facilities exceeds available capacity, the Secretary shall exercise his authority to utilize rail cars, barges and other forms of temporary and emergency storage facilities as may be necessary.

"(l) The Secretary may, at his discretion, utilize generic commodity certificates, or other in-kind payments to pay the costs of storage under subsections (j) and (k).

"(m) Authority under subsection (j) shall expire on May 1, 1987, but the Secretary may extend such authority for no more than one year thereafter.".

By Mr. RIEGLE (for himself, Mr. HOLLINGS, Mr. GORE, and Mr. ROCKEFELLER):

S. 2718. A bill to authorize appropriations for the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities and research and program management, and for other purposes; to the Committee on Commerce, Science, and Transportation.

CIVILIAN SPACE PROGRAM RESTORATION ACT

● Mr. RIEGLE. Mr. President, I am pleased to be joined by Senators HOLLINGS, GORE, and ROCKEFELLER, my colleagues on the Science, Technology and Space Subcommittee, in introducing the Civilian Space Program Restoration Act of 1986. This is a proposed fiscal year 1987 NASA authorization bill which reflects the needs of the Space Agency to return to flight status, begin work on a new orbiter and put the entire space effort back on track.

Since the tragedy of January 28, 1986, our Space Program has been on hold awaiting the results of the Presidential investigation and recommendations of an executive branch interagency policy and budgetary-making apparatus. While the former has submitted its report to the President and the Congress and NASA has prepared an implementation plan for the Rogers' commission recommendations, the critical policy and budgetary issues have not been addressed. Quite frankly, the time has come for the Congress to take the initiative and to make the necessary decisions before irreparable damage is done to the U.S. Civilian Space Program.

To accomplish this, we are today introducing this legislation. The bill would authorize $8.661 billion in fiscal year 1987 for NASA, and will serve as a signal to the Nation and to the world that the United States does not intend to let our Space Program fall into a second-rate status, and that we fully intend on maintaining our position of leadership now and well into the future. This legislation attempts to meet NASA's needs, both short-term and long-term, in a realistic and honest fashion.

The bill provides sufficient resources to enable NASA to maintain an aggressive Space Science and Applications Program, fund the activities associated with repairing the defects in the shuttle system, and it will enable us to begin work on a replacement orbiter. The space station, which in my view, must be built, would be accommodated in this legislation and phase C/D would be initiated. In addition, Topex—an ocean topography experiment—would be funded; a replacement tracking, data and relay satellite would be started, the ACTS Program would proceed and many other critical space applications programs could continue. In addition, the level of funding would enable NASA to fully fund the implementation of the Rogers Commission recommendations.

In other areas, the bill would create the National Space Council to direct national space policy formulation, it includes protections for Government whistle blowers, and sense of the Senate language concerning the transition of foreign and commercial launch services from NASA to expendable vehicles, as well as expressing the need for a separate line item in the NASA budget for safety and quality control.

Finally, the bill offsets the loss of reimbursements caused by the grounding of the shuttle fleet, provides for a 1992 delivery date for the new orbiter, and a modest increase in funding for the space research and technology budget to begin the necessary work to develop the next generation of launch vehicles both reusable and expendable.

Mr. President, many vital decisions remain to be taken and this legislation is but a first step in the revitalization of the Space Program. Without this legislation, and the funding levels it incorporates, the United States may well find itself dependent upon Europe, Japan, even the Soviet Union for its space needs.

I ask unanimous consent that the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2718

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Civilian Space Program Restoration Act, 1986".

SEC. 2. There is authorized to be appropriated to the National Aeronautics and Space Administration to become available October 1, 1986:

(a) For "Research and development", for the following programs:

(1) Space station, $400,000,000;

(2) Space transportation capability development, $515,500,000;

(3) Physics and astronomy, $522,400,000;

(4) Life sciences, $74,300,000;

(5) Planetary exploration, $374,300,000;

(6) Space applications, $542,600,000;

(7) Technology utilization, $13,300,000;

(8) Commercial use of space, $27,000,000;

(9) Aeronautical research and technology, $371,000,000;

(10) Space research and technology, $200,200,000;

(11) Tracking and data advanced systems, $17,100,000; and

(12) Transatmospheric research and technology, $40,000,000.

(b) For "Space flight, control and data communications", for the following programs:

(1) Space shuttle production and operational capability, $1,234,400,000, of which $250,000,000 is for initiating the procurement of a replacement space orbiter;

(2) Space transportation operations, $1,881,700,000; and

(3) Space and ground network, communications and data systems, $860,900,000.

(c) For "Construction of facilities", including land acquisition, as follows:

(1) Construction of addition to Orbiter Processing Facility Annex, John F. Kennedy Space Center, $3,400,000;

(2) Construction of addition to the Systems Integration and Mockup Laboratory, Johnson Space Center, $5,000,000;

(3) Construction of Central Computing Facility, Johnson Space Center, $9,000,000;

(4) Modifications to Test Stand 300 for Space Station Hydrogen/Oxygen Propulsion Systems Development, George C. Marshall Space Flight Center, $2,100,000;

(5) Construction of Spacecraft Systems Development and Integration Facility, Goddard Space Flight Center, $8,000,000;

(6) Construction of Engineering Support Building, Jet Propulsion Laboratory, $9,800,000;

(7) Modification of Uninterruptible Power System in Space Flight Operations Facility, Jet Propulsion Laboratory, $2,600,000;

(8) Construction of Human Performance Research Laboratory, Ames Research Center, $9,400,000;

(9) Construction of Integrated Test Facility, Dryden Flight Research Facility, $17,500,000;

(10) Modifications to 8-Foot High Temperature Tunnel, Langley Research Center, $9,700,000;

(11) Construction of addition for Non-Destructive Evaluation Research Laboratory, Langley Research Center, $2,000,000;

(12) Construction of Power Systems Facility, Lewis Research Center, $5,800,000;

(13) Construction of the Second Tracking and Data Relay Satellite System Ground Terminal Facility, New Mexico, $22,000,000;

(14) Repair of facilities at various locations, not in excess of $750,000 per project, $24,000,000;

(15) Rehabilitation and modification of facilities at various locations, not in excess of $750,000 per project, $30,000,000;

(16) Minor construction of new facilities and additions to existing facilities at various locations, not in excess of $500,000 per project, $7,000,000; and

(17) Facility planning and design not otherwise provided for, $14,000,000.

Notwithstanding paragraphs (1) through (17) of this subsection, the total amount authorized by this subsection shall not exceed $161,300,000.

(d) For "Research and program management", $1,425,000,000.

(e) Notwithstanding the provisions of subsection (h), appropriations authorized in this Act for "Research and development" and "Space flight, control and data communications" may be used for (1) any items of a capital nature (other than acquisition of land) which may be required at locations other than installations of the Administration for the performance of research and development contracts, and (2) grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities; and title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to ensure that the United States will receive therefrom benefit adequate to justify the making of that grant. None of the funds appropriated for "Research and development" and "Space flight, control and data communications" pursuant to this Act may be used in accordance with this subsection for the construction of any major facility, the estimated cost of which, including collateral equipment, exceeds $500,000, unless the Administrator or the Administrator's designee has notified the President of the Senate and the Speaker of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science and Technology of the House of Representatives of the nature, location, and estimated cost of such facility.

(f) When so specified and to the extent provided in an appropriation Act, (1) any amount appropriated for "Research and development," for "Space flight, control and data communications" or for "Construction of facilities" may remain available without fiscal year limitation, and (2) maintenance and operation of facilities and support services contracts may be entered into under the "Research and program management" appropriation for periods not in excess of 12 months beginning at any time during the fiscal year.

(g) Appropriations made pursuant to subsection (d) may be used, but not to exceed $35,000, for scientific consultations or extraordinary expenses upon the approval or authority of the Administrator, and the Administrator's determination shall be final and conclusive upon the accounting officers of the Government.

(h) Of the funds appropriated pursuant to subsections (a), (b), and (d), not in excess of $100,000 for each project, including collateral equipment, may be used for construction of new facilities and additions to existing facilities, and for repair, rehabilitation, or modification of facilities: *Provided*, That, of the funds appropriated pursuant to subsection (a) or (b), not in excess of $500,000 for each project, including collateral equipment, may be used for any of the foregoing for unforeseen programmatic needs.

Sec. 3. Authorization is granted whereby any of the amounts prescribed in paragraphs (1) through (11) of section 2(c) of this Act—

(1) in the discretion of the Administrator or the Administrator's designee, may be varied upward 10 percent, or

(2) following a report by the Administrator or the Administrator's designee to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science and Technology of the House of Representatives on the circumstances of such action, may be varied upward 25 percent, to meet unusual cost variations, but the total cost of all work authorized under such paragraphs shall not exceed the total of the amounts specified in such paragraphs.

Sec. 4. Not to exceed one-half of 1 per cent of the funds appropriated pursuant to section 2(a) or (b) of this Act may be transferred to and merged with the "Construction of facilities" appropriation, and when so transferred, together with $10,000,000 of funds appropriated pursuant to section 2(c) of this Act (other than funds appropriated pursuant to paragraph (12) of such section) shall be available for expenditure to construct, expand, and modify laboratories and other installations at any location (including locations specified in section 2(c)), if (1) the Administrator determines that such action is necessary because of changes in the national program of aeronautical and space activities or new scientific or engineering developments, and (2) the Administrator determines that deferral of such action until the enactment of the next authorization Act would be inconsistent with the interest of the Nation in aeronautical and space activities. The funds so made available may be expended to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment. No portion of such sums may be obligated for expenditure or expended to construct, expand, or modify laboratories and other installations unless a period of 30 days has passed after the Administrator or the Administrator's designee has transmitted to the President of the Senate and to the Speaker of the House of Representatives and to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science and Technology of the House of Representatives a written report containing a full and complete statement concerning (A) the nature of such construction, expansion, or modification, (B) the cost thereof including the cost of any real estate action pretaining thereto, and (c) the reason why such construction, expansion, or modification is necessary in the national interest.

Sec. 5. Notwithstanding any other provision of this Act, no amount appropriated pursuant to this Act may be used for any program——

(1) deleted by the Congress from requests as originally made either to the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Science and Technology of the House of Representatives;

(2) in excess of the amount actually authorized for that particular program by section 2(a), (b), and (d); and

(3) Which has not been presented to either such committee, unless a period of 30 days has passed after the receipt by the President of the Senate and the Speaker of the House of Representatives and each such committee of notice given by the Administrator or the Administrator's designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action.

Sec. 6. No civil space station authorized under section 2(a)(1) of this Act may be used to carry or place in orbit any nuclear weapon or any other weapon of mass destruction, to install any such weapon on any celestial body, or to station any such weapon in space in any other manner. This civil space station may be used only for peaceful purposes.

Sec. 7. It is the sense of the Congress that it is in the national interest that consideration be given to geographical distribution of Federal research funds whenever feasible, and that the National Aeronautics and Space Administration should explore ways and means of distributing its research and development funds whenever feasible.

Sec. 8. Section 24 of the Commercial Space Launch Act (49 App. U.S.C. 2623) is amended by adding at the end thereof the following: "There is authorized to be appropriated to the Secretary to carry out this Act $2,275,000 for fiscal year 1987.".

Sec. 9. The Administrator of the National Aeronautics and Space Administration shall review the proposed space agenda submitted by the National Commission on Space pursuant to title II of the National Aeronautics and Space Administration Authorization Act, 1985 (Public Law 98-361; 98 Stat. 427) and recommend to the appropriate committees of the Congress a long-range plan to implement such proposed space agenda, including a specific agenda for the five-year period beginning on the date of enactment of this Act. Such recommendations shall be made not later than March 1, 1987.

Sec. 10. (a) Section 201 of the National Aeronautics and Space Act of 1958 is amended by striking subsection (c), and by redesignating subsections (d) through (f) as subsections (c) through (e), respectively.

(b) Section 201(a) of such Act is amended—

(1) by striking paragraph (6);

(2) by redesignating paragraph (5) as paragraph (6);

(3) by inserting immediately after paragraph (4) the following:

"(5) the Secretary of Commerce; and"; and

(4) in paragraph (6), as so redesignated, by striking "; and" and inserting in lieu thereof a period.

(c) Section 201(c) of such Act, as so redesignated, is amended—

(1) by striking "(c)" and inserting in lieu thereof "(b)";

(2) by striking "his" and inserting in lieu thereof "such member's"; and

(3) by striking "he" wherever it appears and inserting in lieu thereof "the member's".

(d) Section 201(d) of such Act, as so redesignated, is amended—

(1) by striking "he" and inserting in lieu thereof "the President"; and

(2) in paragraph (1), (A) by inserting "the United States, including" immediately before "all departments", and (B) by inserting ", and other nations" immediately before the semi-colon.

(e) Section 201(e) of such Act, as so redesignated, is amended—

(1) by striking all after "persons" through "amended";

(2) by striking "203(b)(2)" and inserting in lieu thereof "203(c)(2)";

(3) by striking "(except those relating to pay and retirement)";

(4) by striking "council employees" and inserting in lieu thereof "employees of the Council"; and

(5) by striking "chairman" and inserting in lieu thereof "Chairman".

Sec. 11. (a) Congress finds that—

(1) the number of personnel assigned by the National Aeronautics and Space Administration to carry out a function involving quality assurance and reliability has dropped by 71 percent since 1970; and

(2) the National Aeronautics and Space Administration should take every action available to it to restore, to its previous standards of excellence, its commitment to quality assurance, reliability, and safety.

(b) The estimated expenditures and proposed appropriations necessary for the National Aeronautics and Space Administration to carry out its functions relating to quality assurance, reliability, and safety shall be included as a separate item in the budget submitted by the President under section 1105 of title 31, United States Code, for any fiscal year.

Sec. 12. (a) As used in this section, the term "agency" means—

(1) an executive department specified in section 101 of title 5, United States Code;

(2) a military department specified in section 102 of title 5, United States Code;

(3) an independent establishment, as defined in section 104(1) of title 5, United States Code;

(4) the United States Postal Service; and

(5) a wholly owned Government corporation, as defined in section 9101(3) of title 31, United States Code.

(b) A Federal Government contractor may not take any reprisal action against any officer or employee of such contractor for disclosing to an agency information which the officer or employee reasonably believes indicates—

(1) a violation of any law or regulation, or

(2) mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety,

in connection with performance of a contract awarded by the Federal Government.

(c)(1) any officer or employee of a Federal Government contractor who is aggrieved by any action prohibited under subsection (b) of this section may bring a civil action in any court of competent jurisdiction for such legal or equitable relief as will carry out the purpose of such subsection.

(2) A court in any civil action brought under paragraph (1) of this subsection may assess against a Federal Government contractor reasonable attorney's fees and other litigation costs reasonably incurred by an officer or employee of the contractor who has substantially prevailed in such acton.

(d) A determination to impose a civil penalty in an action under subsetion (c) of this section shall be subject to judicial review under chapter 7 of title 5, United States Code. The facts determined by an agency for the purposes of subsection (c) of this section are not subject to trial de novo by a reviewing court under this subsection.

(e) This section shall take effect with respect to any reprisal action described in subsection (b) of this section which is taken on or after the date of enactment of this Act.

Sec. 13. (a) It is the sense of the Senate that the National Aeronautics and Space Administration should meet the obligations of existing space shuttle launch services agreements with foreign and commercial customers. After the date of enactment of this Act, the National Aeronautics and Space Administration should only solicit proposals to launch by means of the space shuttle foreign and commercial payloads that are unique to the space shuttle.

(b) It is the sense of the Senate that the United States requires a diversified launch transportation system, including the capabilities of the space shuttle and expendable launch vehicles. Maintenance of such capabilities is a national priority and critical to the national and economic security of the Nation●

By Mrs. HAWKINS:

S. 2719. A bill to eliminate the statute of limitations for serious drug offenses under the Controlled Substances Act and the Controlled Substances Import and Export Act; to the Committee on the Judiciary.

ELIMINATING THE STATUTE OF LIMITATIONS FOR DRUG TRAFFICKING OFFENSES

● Mrs. HAWKINS. Mr. President, I am most encouraged to see the sudden high level interest in passage of tough new measures against drug traffickers. While these measures are long overdue, and many wonder what took us so long, we shouldn't look a gift horse in the mouth. Clearly, getting tough on drug traffickers is an idea whose time has come.

The recent deaths of Len Bias and Don Rogers were the straws that broke the camel's back of public apathy toward drug use. The back-to-back deaths of these two popular sports stars forced the media to finally focus on the deadly truth about so-called "recreational drug use," something the media has avoided, or even promoted in the past. Heavy media coverage and comment on those tragic deaths caused by cocaine has suddenly galvanized public resolve to finally get tough on drugs. The unfounded liberal objections to this crackdown are finally being brushed aside, as they should have been long ago.

To compliment other bills calling for increased penalties for drug trafficking, I am today introducing a bill to eliminate the statute of limitations for drug trafficking offenses and asset forfeitures related to such offenses.

At present, there is no statute of limitations for the crime of murder. Drug traffickers are murdering the soul of our society as we know it, as well as taking the lives of many individual victims. The damage wreaked upon society by drug traffickers is permanent. So should their criminal liability be permanent. And likewise, I see no reason why drug traffickers should gain a legally sanctioned windfall of their ill-gotten goods, just because of the passage of time. If the evidence is there and the case can be made, I see no reason for giving drug traffickers a free ride just because the offense took place before an arbitrarily designated period of time.

This bill applies only to serious drug trafficking offenses which are punishable by a maximum term of imprisonment of 10 years or more. This is the same cutoff point recognized by the Congress in the 1984 Comprehensive Crime Control Act as a measure of the danger of the offense to the vital interests of the community. In this 1984 act offenses punishable by a maximum term of 10 years or more are removed from that category of offenses subject to release without bail on personal recognizance.

This domestic legislation would compliment an earlier resolution, Senate Resolution 456 which I introduced on August 1, 1986. Senate Resolution 456 calls upon the President to seek international agreement on the elimination of the statute of limitations for drug trafficking offenses as an element of the new U.N. Convention on Drug Trafficking now being drafted by the U.N. Division on Narcotic Drugs in Vienna, Austria. Such a provision in the new treaty or convention would require a change in domestic law. This bill would also accomplish that necessary change in our own domestic criminal law on drug trafficking.

By Mr. CHAFEE:

S. 2720. A bill to establish an Asbestos Information Clearinghouse in the Environmental Protection Agency; to the Committee on Environment and Public Works.

ASBESTOS INFORMATION CLEARINGHOUSE ACT OF 1986

● Mr. CHAFEE. Mr. President, today, I am introducing the Asbestos Information Clearinghouse Act [AICA] to set in place a mechanism that will speed the process of resolving legal disputes over the potential hazards associated with asbestos in buildings. It is now widely recognized that asbestos containing materials are present in thousands of buildings. Building owners face the difficult task of determining whether this situation presents a danger sufficient to require some form of abatement of these materials, and if so, whether to attempt to seek compensation from the manufacturers of them. Efforts to deal with the resulting cost allocations have been, and will continue to be, centered in the courts.

We have seen just the beginning of litigation relating to asbestos in buildings. While the claims are being processed through the legal system, the

uncertainty of the outcome leaves hundreds of millions of dollars in both removal costs and legal costs hanging in the balance, with drastic impact on both building owners and manufacturers. The procedural wrangling over these cases also presents a drain on the resources of the legal system and on society as a whole. The AICA is designed to assist the legal system and avoid a repetition of the nightmare of asbestos personal injury litigation. In that litigation, thousands of deserving claimants were denied compensation for many years by the avalanche of cases that clogged the courts and by the procedural maneuvering of the lawyers on both sides. The result was not only delay but enrichment of lawyers rather than claimants.

The AICA seeks to avoid or reduce some of the uncertainties of such litigation, without influencing the merits of the litigation, by providing a clearinghouse for information at EPA. These building materials are of distinct types—ceiling tile, plasters, pipe insulation, fire proofing, and so forth—and they can be further identified through laboratory analysis. Building owners often do not know who manufactured the asbestos products in their buildings and without the manufacturers' product formulas, often can not know, even if they have analyses of samples from their buildings. Thus, in order not to overlook a potentially responsible party, they often sue 40 or more defendants, even through only a few might actually have supplied the products in their building. For the others the legal defense costs mount none the less.

Under the AICA the identification process will be accelerated. The bill is designed to increase litigation efficiency without affecting the substantive issues in asbestos-in-buildings litigation. Issues of law should continue to be decided by the courts based on the applicable law, and issues of fact should continue to be decided by juries. The bill includes safeguards to assure that no party will be prejudiced as to either type of issue.

In short, I am introducing this bill to speed the process by which asbestos in buildings gets cleaned up and responsibility for the costs of such cleanup is decided. Having learned a valuable lesson from the asbestos personal injury litigation, this is an attempt to enable claimants to reach the merits of their claims more quickly. With the increase in certainty, building owners are more likely to get on with the necessary business of assuring a healthful environment for the occupants of their buildings.

My proposal suggests that the National Bureau of Standards [NBS] establish a protocol of testing asbestos materials in an effort to distinguish characteristics of the various products. It further provides that NBS would assist in accrediting laboratories across the country that are qualified to follow the protocol for testing asbestos samples. The companies that manufactured asbestos building materials would be required to disclose formulas and descriptions of their product class, and these formulas and descriptions would become a matter of public record. Further, the owner of a building would, prior to filing a lawsuit, simply preserve representative samples of the asbestos-containing materials and inspect the building to determine the year it was built or renovated and the type or class of asbestos product to be removed or abated—ceiling tile, plaster, and so forth. Finally, if the building owner should send a sample to a lab report shall accompany the complaint in a subsequent lawsuit.

The information that will be provided by the process established by this bill sets up a situation whereby building owners can match their asbestos material to the formulas and descriptions provided by manufacturers. This will enable the building owners to seek recovery for damages from a narrow group of suspects rather than from the universe of all manufacturers of asbestos building material. If the building owner chooses to send samples to a laboratory for analysis, a further narrowing of suspects should result. This information also assists the manufacturer whose product is clearly not in the building. If such a manufacturer is named as a party to litigation, it could seek dismissal at an early stage of the proceedings.

I do not contend that this bill is a panacea. Constructive criticism can help in the evolution of legislation such as this prior to committee consideration and enactment into law. Comments and criticism from affected individuals and groups are encouraged. I urge my colleagues to assist me in eliminating a tragic waste of our judicial resources and a bottleneck to prompt cleanup and compensation for asbestos in buildings.

Mr. President, I ask unanimous consent that a summary of the bill and the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2720

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Asbestos Information Clearinghouse Act of 1986."

SEC. 2. ASBESTOS INFORMATION.

(a) SUBMISSION OF INFORMATION BY MANUFACTURERS.—(1) Within 90 days after the date of the enactment of this Act, any person who manufactured, processed, or sold, before the date of the enactment of this Act, asbestos or asbestos-containing materials for use in buildings (or whose corporate predecessor manufactured, processed, or sold such asbestos or materials) shall submit to the Administrator the formulas (including mineral and chemical constituents), products types or classes, years of manufacture, and other identifying characteristics of the asbestos or materials.

(2) Within 180 days after the date of the enactment of this Act, the Administrator shall publish the information submitted under paragraph (1).

(b) BUILDING OWNER REQUIREMENTS.—

(1) INSPECTION AND PRESERVATION OF SAMPLES.—Before commencing any civil action to recover costs or to seek other relief relating to the presence, abatement, or other management of asbestos or asbestos-containing material in a building, the owner of such building or his agent shall—

(A) preserve representative samples of asbestos or asbestos-containing materials present, abated, or otherwise managed in the building, and

(B) inspect such building to determine the type or class of asbestos or asbestos-containing material in the building and the year in which the building was constructed or renovated.

(2) SAMPLE ANALYSIS.—A building owner may provide for a chemical or other analysis of any sample of asbestos or asbestos-containing materials taken from the building under paragraph (1). Any such analysis shall be carried out by a laboratory accredited under subsection (c). The cost of any such analysis may be taxed as court costs in any civil action relating to the presence, abatement, or other management of asbestos or asbestos-containing materials in the building.

(3) INCLUSION OF INFORMATION IN CIVIL ACTION.—The information developed under paragraph (1) and the results of any analysis under paragraph (2) shall be attached to the complaint in any civil action relating to the presence, abatement, or other management of asbestos or asbestos-containing materials in the building.

(c) PROTOCOLS AND LABORATORY ACCREDITATION BY NATIONAL BUREAU OF STANDARDS.—Within 180 days after the date of the enactment of this Act, the Secretary of Commerce, in consultation with the Administrator and acting through the National Bureau of Standards, shall do each of the following:

(1) PROTOCOLS.—Develop and publish protocols for the taking, preservation, identification, and analysis of samples of asbestos-containing materials.

(2) LABORATORY ACCREDITATION.—Develop an accreditation program for laboratories which perform the analyses of samples submitted under subsection (b)(2). The accreditation program shall conform with the protocol developed by the Secretary under paragraph (1) and shall require that any analysis under subsection (b)(2) include analysis for asbestos content, the relative weight percentages of the other mineral constituents of the sample, and any other distinguishing characteristics which may be appropriate. The Secretary of Commerce shall publish periodically the names and addresses of laboratories accredited under this paragraph.

SEC. 3. SAVINGS PROVISION.

Nothing in this Act shall affect or modify any right of any person to seek recovery of costs or to seek other relief relating to the presence, abatement, or other management of asbestos or asbestos-containing materials in buildings.

SEC. 4. DEFINITIONS.

For the purposes of this Act—

(1) the term "abatement" means the removal, encapsulation, or enclosure of, or operations and maintenance activities relating to, asbestos or asbestos-containing materials in buildings;

(2) the term "Administrator" means the Administrator of the Environmental Protection Agency;

(3) the term "asbestos" means—

(A) chrysotile, amosite, or crocidolite, or

(B) in fibrous form, tremolite, anthophyllite, or actinolite;

(4) the term "asbestos-containing material" means any material containing more than one percent asbestos by weight;

(5) the term "building" means any structure other than a residential structure with five or fewer residential units;

(6) the term "owner" when used with respect to a building means the owner of record or the person in whose name any litigation relating to the presence, abatement, or other management of asbestos-containing materials in such building is commenced or maintained, and does not mean a person whose ownership interest is limited to the holding of a mortage or other note with respect to such building; and

(7) the term "protocol" means the procedure developed by the Secretary of Commerce for taking, handling, preserving, and identifying samples of asbestos-containing materials and for testing and analyzing such samples to determine their principal mineral constituents.

SUMMARY OF ASBESTOS INFORMATION CLEARINGHOUSE ACT

(1) Within 90 days after enactment, any person who manufactured asbestos containing building materials shall submit information to EPA on formulas, year of manufacture, and other identifying characteristics of such materials. EPA shall publish such information for use by plaintiffs.

(2) Building owners who plan to sue manufacturers shall:

(a) retain samples of asbestos containing materials removed from building;

(b) inspect the building to determine the type or class of material removed and the year in which the building was built or renovated; and

(c) if owner sends sample to lab, attach lab analysis to complaint filed to recover costs or other damages.

(3) The National Bureau of Standards shall:

(a) develop protocols for sampling of asbestos building materials; and

(b) accredit labs that will analyze samples.●

Mr. LAUTENBERG. Mr. President, I am pleased to join Senator CHAFEE in introducing the Asbestos Information Act of 1986. This bill is intended to help expedite the process of resolving property damage claims involving asbesto-containing products in buildings. The purposes of the bill is to help make it possible for parties involved in damage suits to identify the manufacturer of specific asbestos products, or to narrow down the number of likely manufacturers.

I am joining in putting this bill forward at this time to allow interested parties an opportunity to study it and consider whether it will serve its purpose as a neutral mechanism in the litigation system.

Many damage suits have already been filed and many more can be expected. Procedural wrangling in these cases has led to long delays and increased costs for all parties. One source of difficulty has been the lack of information, at an early stage in the proceedings, about the identity of the asbestos-containing building materials.

This bill seeks to avoid some of the delay and confusion caused by the lack of information. Building owners often do not know who manufactured the asbestos products in their buildings. Even if they have analyses of samples of the asbestos, they cannot identify the manufacturer without having access to the formulas of the products.

In order to include all potentially responsible parties in their suits, the owners often sue 60 or more defendants, even though only a few may have manufactured the products at issue. And all the manufacturers have to defend the suits, without knowing whether their own products are involved.

Under this bill the process of product identification should be accelerated with resulting litigation efficiencies. Manufacturers will submit their formulas and other identifying information to EPA. Building owners will take samples of asbestos-containing products, and at their discretion have the samples analyzed for their mineral content as well as for other characteristics that will help distinguish the products of various manufacturers.

Building owners will then be able to compare their sample analysis results with the product formulae before beginning a lawsuit. They should be able to narrow down the number of potential defendants. The manufacturers should be able to determine if their product is implicated in the suit. Currently, this comparison of samples and formulas is often not possible until a lawsuit is nearly ready for trial.

The bill calls for the National Bureau of Standards to develop protocols for taking and handling asbestos samples and an accreditation program for laboratories which can perform analyses of the samples.

Mr. President, this bill is not intended to affect the substantive issues in asbestos-in-buildings litigation. It should not be interpreted as affecting any cause of action, theory of recovery, or other right of any party involved in asbestos-related litigation. Issues of law will still be decided by the courts and issues of fact by juries. Liability issues will still be governed by State law. If the bill functions as intended, no party will be prejudiced.

By making information available to building owners at an early stage in the process, this bill intends to reduce transaction costs in litigation. With the increase in certainty about the identity of asbestos-containing products, the owners should be able to target their suits more precisely. The legal process should function more efficiently.

Mr. President, I urge other Senators to join us in considering the merits of this bill.

By Mr. DODD (for himself, Mr. CHILES, Mr. BIDEN, Mr. BYRD, Mr. CRANSTON, Mr. DECONCINI, Mr. LEAHY, Mr. NUNN, and Mr. ROCKEFELLER):

S.J. Res. 386. Joint resolution to designate October 6, 1986, as National Drug Abuse Education Day; to the Committee on the Judiciary.

NATIONAL DRUG ABUSE EDUCATION DAY

● Mr. DODD. Mr. President, the joint resolution I am introducing today is also a part of the Crack Emergency Protection Act of 1986. I am pleased to have Mr. CHILES, Mr. BIDEN, Mr. BYRD, Mr. CRANSTON, Mr. DECONCINI, Mr. LEAHY, Mr. NUNN, and Mr. ROCKEFELLER join me in introducing this piece of legislation, establishing October 26, 1986 as National Drug Abuse Education Day.

Mr. President, we know that parents, teachers, and community leaders across the country are as concerned, as many of us in the Senate are, about the recent "crack" epidemic and other forms of alcohol and drug abuse among our Nation's youth. The administration recently called for drug-free schools and no-one would dispute the merit of that. But if we are to prevent childhood drug abuse, we must take immediate steps, in addition to exploring long-term remedies.

On June 13, 1986, every teacher in Newark, NJ from kindergarten on up spent the first hour of the day educating and warning students about the dangers of "crack." Dramatic problems demand dramatic responses. We therefore want the Nation to follow the lead of the schools in Newark by spending an entire day on October 6, early in the school year, discussing the critical problems associated with alcohol and drug abuse. We urge parents and community leaders to collaborate and cooperate with students and teachers in prevention activities on this day.

Many States, including my State of Connecticut have laws mandating some form of alcohol and drug abuse prevention programs in the curriculum. But teachers and administrators often express frustration at the lack of visible community and family support associated with such efforts. Yet, as groups such as Students and Mothers Against Drunk Driving have demonstrated, such supports are there.

By designating October 6, 1986 as National Drug Education Day, we can ensure that every school-age child from kindergarten through university

learns of the commitment of their teachers, parents, community leaders, and peers in combating alcohol and drug abuse. I urge my colleagues in the Senate to support this joint resolution.

I ask unanimous consent that the text of my legislation be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in THE RECORD, as follows:

S.J. RES. 386

Whereas drug abuse in the United States is a major health problem that damages our social institutions and threatens our most valuable human resource—our young people;

Whereas the 1984 National Strategy for Prevention on Drug Abuse and Drug Trafficking stated that "prevention has come to the forefront as the essential element in the long-range goal of eliminating drug abuse"; and

Whereas President Reagan has called drug abuse one of the gravest problems facing the Nation and has further warned that if we, as a Nation, fail to act we run the risk of losing a great part of a whole generation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) October 6, 1986, the first school day of Drug Abuse Awareness Week as established in Senate Joint Resolution 354, is designated as National Drug Abuse Education Day. The purpose of National Drug Abuse Education Day is to focus national attention on the rapidly escalating threat that drug abuse poses to the Nation's health, by calling on the President of the United States to proclaim a national day.

(b) As a part of National Drug Abuse Education Day, the President shall—

(1) call upon every elementary and secondary school, and all institutions of higher education to devote the day's curriculum to instruction on the physiological, psychological, social, and legal consequences of drug use and abuse; and

(2) call upon students, parents, community groups, and local law enforcement agencies to actively participate in programs sponsored in conjunction with National Drug Abuse Education Day.

SEC. 2. For purposes of this Act, the term "drug" shall include—

(1) any substance listed in section 102(17) of the Controlled Substances Act (21 U.S.C. 802(17)); and

(2) alcohol.●

By Mr. HECHT (for himself, Mr. GARN, Mr. RIEGLE, Mr. GORTON, Mr. CRANSTON, Mr. EAGLETON, Mr. DODD, Mr. DECONCINI, Mr. HEFLIN, Mr. INOUYE, Mr. ABDNOR, Mr. MELCHER, Mr. DIXON, Mr. BOSCHWITZ, Mr. LUGAR, Mr. MOYNIHAN, Mr. DOMENICI, Mr. SASSER, Mr. SARBANES, Mr. PROXMIRE, Mr. STAFFORD, Mr. GRAMM, Mrs. HAWKINS, Mr. MATTINGLY, and Mr. WEICKER):

S.J. Res. 387. Joint resolution to designate the week of October 19, 1986, through October 26, 1986, "National Housing Week"; to the Committee on the Judiciary.

NATIONAL HOUSING WEEK

● Mr. HECHT. Mr. President, today along with 25 of my colleagues, I am introducing a Senate joint resolution to proclaim the week of October 19, 1986, through October 26, 1986, "National Housing Week."

The housing industry is the single most critical sector of our Nation's economy. I think that is safe to say that America cannot move ahead unless the housing industry is strong, vibrant, and healthy.

Over the past several decades, the housing industry has been a good economic indicator. Five recessions identified by the national Bureau of Economic Research since 1960 were preceded by downturns in the housing starts and sales while each subsequent recovery was led by a pickup in housing activity.

The general recovery from our most recent experience with an economic downturn was again led by dramatic improvement in housing activity. The housing industry has helped the United States to achieve economic recovery through the creation of jobs, demand for goods and services, as well as through the generation of billions of dollars in tax revenues.

In conjunction with playing such a vital role in this Nation's economy, the housing industry has long served as an able partner with the Government in providing safe, decent, and affordable housing for Americans. It is appropriate, then, that we reaffirm the historic national commitment to providing Americans the opportunity to own a home and to recognize the economic benefits resulting from the activities of the housing industry. Therefore, Mr. President, it is only fitting that Congress acknowledge their tremendous contribution to our society as well as their continuing commitment to housing and homeownership in America.●

ADDITIONAL COSPONSORS

S. 519

At the request of Mr. EVANS, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of S. 519, a bill to require a study of the compensation and related systems in executive agencies, and for other purposes.

S. 827

At the request of Mr. D'AMATO, his name was added as a cosponsor of S. 827, a bill to amend the Public Health Service Act to provide for the compensation of children and others who have sustained vaccine-related injuries, and for other purposes.

S. 1594

At the request of Mr. LAUTENBERG, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1594, a bill to amend the Communications Act of 1934 to increase the availability of educational and informational television programs for children.

S. 1900

At the request of Mr. ROTH, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 1900, a bill to amend the Foreign Agents Registration Act of 1938 by providing for the 5-year suspension of exemptions provided to an agent of a foreign principal convicted of espionage offenses.

S. 1901

At the request of Mr. ROTH, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 1901, a bill to amend the Foreign Missions Act regarding the treatment of certain Communist countries, and for other purposes.

S. 1917

At the request of Mr. BRADLEY, the name of the Senator from Oregon [Mr. PACKWOOD] was added as a cosponsor of S. 1917, a bill to amend the Foreign Assistance Act of 1961 to provide assistance to promote immunization and oral rehydration, and for other purposes.

S. 2115

At the request of Mr. THURMOND, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 2115, a bill to recognize the organization known as the 82d Airborne Division Association, Inc.

S. 2209

At the request of Mr. DOLE, the names of the Senator from Washington [Mr. GORTON], and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of S. 2209, a bill to make permanent and improve the provisions of section 1619 of the Social Security Act, which authorizes the continued payment of SSI benefits to individuals who work despite severe medical impairment; to amend such act to require concurrent notification of eligibility for SSI and Medicaid benefits and notification to certain disabled SSI recipients of their potential eligibility for benefits under such section 1619; to provide for a GAO study of the effects of such section's work incentive provisions; and for other purposes.

S. 2230

At the request of Mr. ROTH, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 2230, a bill to improve the management of the Government by establishing an Officer of Federal Management in the Executive Office of the President, and for other purposes.

S. 2453

At the request of Mr. COHEN, the names of the Senator from Arkansas [Mr. BUMPERS], the Senator from Arizona [Mr. DECONCINI], the Senator from Tennessee [Mr. GORE], and the Senator from Nevada [Mr. LAXALT] were added as cosponsors of S. 2453, a bill to enhance the capabilities of the United States to combat terrorism and other forms of unconventional warfare.

S. 2573

At the request of Mr. HEINZ, the name of the Senator from Alabama [Mr. DENTON] was added as a cosponsor of S. 2573, a bill to amend the Disaster Relief Act of 1974 to provide more effective assistance to disaster and emergency victims.

S. 2574

At the request of Mr. HEINZ, the names of the Senator from Alabama [Mr. DENTON], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 2574, a bill to amend the Disaster Relief Act of 1974 to provide more effective assistance to disaster and emergency victims.

S. 2577

At the request of Mr. LAUTENBERG, the names of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 2577, a bill to insure that amounts paid for home improvements to mitigate indoor air contaminants such as radon gas qualify for the tax deduction for medical care expenses.

S. 2619

At the request of Mr. ROTH, the names of the Senator from Utah [Mr. HATCH], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of S. 2619, a bill to increase Government economy and improve efficiency and to reduce the deficit by implementing certain recommendations of the President's Private Sector Survey on Cost Control regarding improved collection of tax revenue and enforcement of the internal revenue laws, and for other purposes.

S. 2622

At the request of Mr. ROTH, the names of the Senator from Utah [Mr. HATCH], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of S. 2622, a bill to amend the Federal Meat Inspection Act, the Poultry Products Inspections Act, and the Egg Products Inspection Act to increase economy and efficiency in the Federal Government and to reduce the Federal budget deficit by implementing certain recommendations of the President's Private Sector Survey on Cost Control concerning the examination and inspection of meat, poultry, and egg products processing operations, and for other purposes.

S. 2623

At the request of Mr. ROTH, the names of the Senator from Utah [Mr. HATCH], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of S. 2623, a bill to increase Government economy and improve efficiency and to reduce the deficit by implementing certain recommendations of the President's Private Sector Survey on Cost Control regarding the improvement of executive agency mail management, and for other purposes.

S. 2625

At the request of Mr. ROTH, the names of the Senator from Utah [Mr. HATCH], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of S. 2625, a bill to increase Government economy and efficiency and to reduce the budget deficit by implementing certain recommendations of the President's Private Sector Survey on Cost Control regarding improvements to Medicare auditing, medical review and administration, and Medicaid quality control, and for other purposes.

S. 2626

At the request of Mr. ROTH, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 2626, a bill to increase Government economy and efficiency and to reduce the deficit by implementing certain recommendations of the President's Private Sector Survey on Cost Control regarding the consolidation of border management and the revision of overtime laws for inspectors, and for other purposes.

S. 2628

At the request of Mr. ROTH, the names of the Senator from Utah [Mr. HATCH], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of S.2628, a bill to increase Government economy and efficiency and to reduce the deficit by implementing certain recommendations of the President's Private Sector Survey on Cost Control to aid in verification of housing eligibility, and for other purposes.

S. 2629

At the request of Mr. ROTH, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 2629, a bill to increase Government economy and efficiency and to reduce the deficit by implementing certain recommendations of the President's Private Sector Survey on Cost Control relating to improved coordination between Department of Defense research facilities.

S. 2630

At the request of Mr. ROTH, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 2630, a bill to increase Government economy and efficiency and to reduce the deficit by implementing certain recommendations of the President's Private Sector Survey on Cost Control to strengthen the auditing of Department of Defense transportation bills, and for other purposes.

S. 2631

At the request of Mr. ROTH, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 2631, a bill to increase Government economy and efficiency and to reduce the deficit by implementing certain recommendations of the President's Private Sector Survey on Cost Control relating to reimbursements of the Department of Defense for the use of Defense Industrial Reserve property by Federal Government agencies.

S. 2632

At the request of Mr. ROTH, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 2632, a bill to increase Government economy and efficiency and to reduce the deficit by implementing certain recommendations of the President's Private Sector Survey on Cost Control regarding the increased use of paralegals by the Department of Justice, and for other purposes.

S. 2639

At the request of Mr. SIMON, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 2639, a bill to prohibit the removal by United States citizens and companies of natural resources from Namibia, and for other purposes.

S. 2654

At the request of Mr. D'AMATO, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of S. 2654, a bill to permit States and political subdivisions of States to enforce State or local antiapartheid laws with respect to contracts funded in whole or in part by funds provided by the Federal Government.

S. 2683

At the request of Mr. THURMOND, the names of the Senator from Alaska [Mr. MURKOWSKI], and Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of S. 2683, a bill to make unlawful the laundering of money, and for other purposes.

SENATE JOINT RESOLUTION 322

At the request of Mr. LAUTENBERG, the names of the Senator from South Dakota [Mr. ABDNOR], the Senator from Minnesota [Mr. DURENBERGER], the Senator from South Carolina [Mr. THURMOND], the Senator from Illinois [Mr. DIXON], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Michigan [Mr. LEVIN], the Senator from Arizona [Mr. DECONCINI], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from South Dakota [Mr. PRESSLER] were added as cosponsors of Senate Joint Resolution 322, a joint resolution to designate December 7, 1986, as "Na-

tional Pearl Harbor Remembrance Day" on the occasion of the anniversary of the attack on Pearl Harbor.

SENATE JOINT RESOLUTION 345

At the request of Mr. DOLE, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of Senate Joint Resolution 345, a joint resolution to designate the week beginning November 9, 1986, as "National Reye's Syndrome Awareness Week."

SENATE JOINT RESOLUTION 367

At the request of Mr. HEINZ, the names of the Senator from Maine [Mr. MITCHELL], the Senator from Florida [Mrs. HAWKINS], the Senator from North Dakota [Mr. ANDREWS], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Utah [Mr. GARN]. the Senator from Michigan [Mr. LEVIN], the Senator from South Carolina [Mr. HOLLINGS], the Senator from South Dakota [Mr. PRESSLER], the Senator from Oklahoma [Mr. NICKLES], the Senator from Arkansas [Mr. BUMPERS], the Senator from Nevada [Mr. HECHT], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Kentucky [Mr. FORD], the Senator from Idaho [Mr. MCCLURE], the Senator from Virginia [Mr. WARNER], and the Senator from South Dakota [Mr. ABDNOR] were added as cosponsors of Senate Joint Resolution 376, a joint resolution to designate July 31, 1986, as "National Kidney Program Day."

SENATE JOINT RESOLUTION 368

At the request of Mr. DIXON, the names of the Senator from Michigan [Mr. LEVIN], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Idaho [Mr. MCCLURE], the Senator from Arkansas [Mr. BUMPERS], the Senator from Virginia [Mr. TRIBLE], the Senator from Illinois [Mr. SIMON], the Senator from Nevada [Mr. HECHT], the Senator from Alabama [Mr. DENTON], and the Senator from Connecticut [Mr. WEICKER] were added as cosponsors of Senate Joint Resolution 368, a joint resolution to designate the month of October 1986 as "National Spina Bifida Month."

SENATE CONCURRENT RESOLUTION 155

At the request of Mr. SIMON, the names of the Senator from Vermont [Mr. LEAHY], the Senator from New Jersey [Mr. BRADLEY], the Senator from Michigan [Mr. LEVIN], the Senator from Massachusetts [Mr. KERRY], and the Senator from Maryland [Mr. SARBANES] were added as cosponsors of Senate Concurrent Resolution 155, a concurrent resolution expressing the support of the Congress for a transition to democracy in Paraguay.

AMENDMENT NO. 2273

At the request of Mr. JOHNSTON, the names of the Senator from Maryland [Mr. SARBANES], the Senator from North Dakota [Mr. BURDICK], and the Senator from Delaware [Mr. BIDEN] were added as cosponsors of amendment No. 2273 proposed to S. 2638, a bill to authorize appropriations for military functions of the Department of Defense and to prescribe military personnel levels for such Department for fiscal year 1987, to revise and improve military compensation programs, to improve defense procurement procedures, to authorize certain construction at military installations for fiscal year 1987, to authorize appropriations for national security programs of the Department of Energy for fiscal year 1987, and for other purposes.

SENATE RESOLUTION 459—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. SYMMS, from the Committee on Environment and Public Works, reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 459

Resolved, That section 303(a) of the Congressional Budget Act of 1974 is hereby waived with respect to the consideration of S. 2405, the Federal-Aid Highway Act of 1986.

SEC. 2. This waiver is necessary so that multiyear highway legislation may be considered by the Senate. Highway authorizations are contract authority which when enacted create new spending authority. To consider this multiyear highway bill such a waiver is required by section 303(a).

AMENDMENTS SUBMITTED

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, FISCAL YEAR 1987

KERRY (AND OTHERS) AMENDMENT NO. 2278

Mr. KERRY (for himself, Mr. KENNEDY, and Mr. RIEGLE) submitted an amendment intended to be proposed by them to the bill (S. 2638) to authorize appropriations for military functions of the Department of Defense and to prescribe military personnel levels for such Department for fiscal year 1987, to revise and improve military compensation programs, to improve defense procurement procedures, to authorize certain construction at military installations for fiscal year 1987, to authorize appropriations for national security programs of the Department of Energy for fiscal year 1987, and for other purposes; as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . PROHIBITION AGAINST NUCLEAR WEAPON TESTING IN CONNECTION WITH THE STRATEGIC DEFENSE INITIATIVE.

None of the funds in this Act may be authorized to carry out, in connection with the Strategic Defense Initiative program, the test of a warhead, bomb, or other explosive device which uses fissionable material until the President certifies using existing authority to Congress that the Soviet Union has conducted, after the date of the enactment of this Act, a test of a nuclear weapon.

KERRY (AND OTHERS) AMENDMENT NO. 2279

(Ordered to lie on the table.)

Mr. KERRY (for himself, Mr. CHAFEE, Mr. MATHIAS, Mr. SIMON, Mr. HATFIELD, Mr. STAFFORD, Mr. HART, Mr. LEAHY, Mr. CRANSTON, Mr. MITCHELL, Mr. PROXMIRE, Mr. METZENBAUM, Mr. RIEGLE, Mr. KENNEDY, Mr. BURDICK, Mr. SARBANES, and Mr. PELL) submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

On page 19, between lines 18 and 19, insert the following new section:

SEC. 206. PROHIBITION AGAINST ANTI-SATELLITE WEAPON TESTING.

None of the funds are authorized in this Act to carry out a test of the Space Defense System (anti-satellite weapon) against an object in space until the President using existing authority certifies to Congress that the Soviet Union has conducted, after the date of the enactment of this Act, a test against an object in space of a dedicated anti-satellite weapon.

SIMON (AND PROXMIRE) AMENDMENT NO. 2280

(Ordered to lie on the table.)

Mr. SIMON (for himself and Mr. PROXMIRE) submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

On page 19, between lines 18 and 19, insert the following new section:

SEC. 206. PROHIBITION ON USE OF FUNDS FOR ESTABLISHMENT OR OPERATION OF AN FFRDC.

None of the funds may be authorized in this Act for the purpose of establishing or operating a federally funded research and development center for the support of the Strategic Defense Initiative program.

SIMON AMENDMENT NOS. 2281 AND 2282

(Ordered to lie on the table.)

Mr. SIMON submitted two amendments intended to be proposed by him to the bill S. 2638, supra; as follows:

AMENDMENT NO. 2281

On page 78, line 17, strike out "$100" and insert in lieu thereof "$250".

AMENDMENT NO. 2282

On page 80, line 5, strike out "$7,300,000" and insert in lieu thereof "$18,300,000".

ROTH (AND OTHERS) AMENDMENT NO. 2283

(Ordered to lie on the table.)

Mr. ROTH (for himself, Mr. DIXON, Mr. DENTON, Mr. HATCH, and Mr. GLENN) submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

At an appropriate place in the bill add the following:

SEC.

That (a) the Foreign Missions Act is amended by adding at the end thereof the following new section:

"APPLICATION TO CERTAIN COMMUNIST COUNTRIES

SEC. 214. (a) Notwithstanding any other provision of this title, the Secretary shall apply to each foreign mission in the United States of the German Democratic Republic, Hungary, Czechoslovakia, Poland, Bulgaria, Rumania, and Cuba the same terms, limitations, restrictions, and conditions which are applied under this title to the foreign mission in the United States of the Soviet Union unless the Secretary determines and so reports to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives that national security and foreign policy circumstances require that this section be waived in specific circumstances with respect to such country—

"(b) The Secretary shall prepare and transmit to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives a report describing—

"(1) not later than thirty days after the date of the enactment of this section, the plans of the Secretary for implementing this section; and

"(2) not later than six months thereafter, the actions taken pursuant to these plans.".

(b) Section 202(a)(4) of the Foreign Missions Act is amended—

(1) in the text above clause (A), by inserting ", including Government activities involving international trade," after "governmental activities"; and

(2) in clause (A), by inserting "or any instrumentality thereof" after "foreign government".

ROTH AMENDMENT NO. 2284

(Ordered to lie on the table.)

Mr. ROTH submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

At an appropriate place in the bill add the following:

SEC.

That section 794 of title 18, United States Code, is amended—

(1) in subsection (a), by—

(A) inserting "(1)" after "(a)";

(B) striking out "any term of years or for life" and by inserting in lieu thereof "a term of 20 years to life"; and

(C) inserting at the end thereof the following:

"(2) The sentence of death may not be imposed for an offense under this subsection occurring during a period other than war or when the United States Armed Forces are engaged in hostilities outside the territory of the United States, its possessions and territories unless the jury of, if there is no jury, the court, finds that the offense directly concerned—

"(A) nuclear weaponry, military spacecraft or satellites, early warning systems, or other means of defense or retaliation against large-scale attack;

"(B) war plans;

"(C) communications intelligence or cryptographic information;

"(D) sources or methods of intelligence or counterintelligence operations; or

"(E) any other major weapons system or major element of defense strategy.";

(2) in subsection (b), by—

(A) inserting after "in time of war" the following: "or at any time the United States Armed Forces are engaged in hostilities outside the territories of the United States, its possessions and territories"; and

(B) striking out "any term of years or life" and inserting in lieu thereof the following "a term of 20 years to life"; and

(3) by inserting after subsection (c) the following: "(d)(1) A person shall be subjected to the penalty of death for the offense prohibited by this section only if a hearing is held in accordance with this subsection.

"(2)(A) If, in a case involving an offense described in this section, the attorney for the government believes that the circumstances of the offense are such that a sentence of death is justified under this subsection, he shall, at a reasonable time before the trial, or before acceptance by the court of a plea of guilty, or at such time thereafter as the court may permit upon a showing of good cause, sign and file with the court, and serve on the defendant, a notice—

"(i) stating that the government believes that the circumstances of the offense are such that, if the defendant is convicted, a sentence of death is justified under this chapter; and

"(ii) setting forth the aggravating factor or factors that the government, if the defendant is convicted, proposes to prove as justifying a sentence of death.

The court may permit the attorney for the government to amend the notice upon a showing of good cause.

"(B) If the attorney for the government has filed a notice as required under subparagraph (A) and the defendant is found guilty of an offense described in this section, the judge who presided at the trial or before whom the guilty plea was entered, or another judge if that judge is unavailable, shall conduct a separate sentencing hearing to determine the punishment to be imposed. Prior to such a hearing, no presentence report shall be prepared by the United States Probation Service, notwithstanding the provisions of Rule 32(e) of the Federal Rules of Criminal Procedure. The hearing shall be conducted—

"(i) before the jury that determined the defendant's guilt;

"(ii) before a jury impaneled for the purpose of the hearing if—

"(I) the defendant was convicted upon a plea of guilty;

"(II) the defendant was convicted after a trial before the court sitting without a jury;

"(III) the jury that determined the defendant's guilt was discharged for good cause; or

"(IV) after initial imposition of a sentence under this section, reconsideration of the sentence under this section is necessary; or

"(iii) before the court alone, upon the motion of the defendant and with the approval of the attorney for the government.

A jury impaneled pursuant to clause (ii) shall consist of twelve members, unless, at any time before the conclusion of the hearing, the parties stipulate, with the approval of the court, that it shall consist of a lesser number.

"(C) At the hearing, information may be presented as to any matter relevant to the sentence, including any mitigating or aggravating factor permitted or required to be considered under paragraphs (3) and (4). Information presented may include the trial transcript and exhibits if the hearing is held before a jury or judge not present during the trial. Any other information relevant to a mitigating or aggravating factor may be presented by either the attorney for the government or the defendant, regardless of its admissibility under the rules governing admission of evidence at criminal trials, except that information may be excluded if its probative value is substantially outweighed by the danger of creating unfair prejudice, confusing the issues, or misleading the jury. The attorney for the government and the defendant shall be permitted to rebut any information received at the hearing, and shall be given fair opportunity to present argument as to the adequacy of the information to establish the existence of any aggravating or mitigating factor, and as to the appropriateness in the case of imposing a sentence of death. The attorney for the government shall open the argument. The defendant shall be permitted to reply. The attorney for the government shall then be permitted to reply in rebuttal. The burden of establishing the existence of any aggravating factor is on the government, and is not satisfied unless the existence of such a factor is established beyond a reasonable doubt. The burden of establishing the existence of any mitigating factor is on the defendant, and is not satisfied unless the existence of such a factor is established by a preponderance of the information.

"(D) The jury, or if there is no jury, the court, shall consider all the information received during the hearing. It shall return a special finding as to each mitigating and aggravating factor, concerning which information is presented at the hearing, required to be considered under paragraphs (3) and (4). The jury must find the existence of a mitigating or aggravating factor by a unanimous vote, although it is unnecessary that there be a unanimous vote on any specific mitigating or aggravating factor if a majority of the jury finds the existence of such a specific factor.

"(E) If an aggravating factor is found to exist under paragraph (4), the jury, or if there is no jury, the court, shall then consider whether all the aggravating factors found to exist sufficiently outweigh all the mitigating factors found to exist to justify a sentence of death, or, in the absence of a mitigating factor, whether the aggravating factors alone are sufficient to justify a sentence of death. Based upon this consideration, the jury by unanimous vote, or if there is no jury, the court, shall return a finding as to whether a sentence of death is justified.

"(F) In a hearing held before a jury, the court, prior to the return of a finding under subsection (e), shall instruct the jury that, in considering whether a sentence of death is justified, it shall not consider the race, color, national origin, creed, or sex of the defendant. The jury, upon return of a finding under subsection (e), shall also return to the court a certificate, signed by each juror, that consideration of the race, color, national origin, creed, or sex of the defendant was not involved in reaching the juror's individual decision.

"(3) In determining whether a sentence of death is to be imposed on the defendant, the jury, or if there is no jury, the court shall consider whether at the time of the offense—

"(A) the defendant was less than 18 years of age at the time of the offense;

"(B) the defendant had the capacity to appreciate the wrongfulness of his conduct;

"(C) the capacity of the defendant to conform his conduct to the requirements of law was significantly impaired, but no so impaired as to constitute a defense to the charge;

"(D) the defendant was under unusual and substantial duress, although not such duress as constitutes a defense to the charge; and

"(E) the defendant was a principal (as defined in section 2(a) of this title) in the offense, which was committed by another, but his participation was relatively minor, although not so minor as to constitute a defense to the charge.

The jury or, if there is no jury, the court, may consider whether any other mitigating factor exists.

"(4) In determining whether a sentence of death is to be imposed on the defendant, the jury, or if there is no jury, the court shall consider whether—

"(A) the defendant has been previously convicted of another offense involving espionage or treason for which either a sentence of life imprisonment or death was authorized by statute;

"(B) in the commission of the offense, the defendant knowingly created a grave risk of substantial danger to the national security; and

"(C) in the commission of the offense, the defendant knowingly created a grave risk of death to another person.

The jury or, if there is no jury, the court, may consider whether any other aggravating factor exists.

"(e) Notwithstanding any other provision of law, the court shall not place on probation or suspend the sentence of any person convicted of a violation of this section, nor shall any term of imprisonment imposed under this section run concurrently with any other term of imprisonment. No person sentenced to a term of years under this section shall be eligible for parole during the term of imprisonment imposed.".

WALLOP AMENDMENT NO. 2285

(Ordered to lie on the table.)

Mr. WALLOP submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

At the end thereof, add the following:

SEC. . REPORT ON THE ANTI-BALLISTIC MISSILE TREATY.

The Secretary of Defense shall, not later than January 15, 1987, transmit to Congress a report concerning the impact of the new interpretation of the Anti-Ballistic Missile Treaty. Such report shall include, but not be limited to the following:

(1) an analysis of the ramifications of the new interpretation on the development of strategic defense based on "other physical principles" under the Strategic Defense Initiative program, including an analysis of—

(A) the overall cost of the program, including the research program and future development and deployment costs;

(B) the schedule of the program, including the ability to enter full-scale development of a comprehensive strategic defense system or a more limited system designed to protect vital United States military assets; and

(C) the level of confidence attained in the program, including the capacity to support a full-scale engineering development decision in the early 1990's; and

(2) a list of options to advance the schedule for a full-scale engineering development decision, or to increase the level of confidence in the results of the research by the original full-scale engineering development date, or both.

PRYOR AMENDMENT NOS. 2286 THROUGH 2288

(Ordered to lie on the table.)

Mr. PRYOR submitted three amendments intended to be proposed by him to the bill S. 2638, supra; as follows:

AMENDMENT No. 2286

On page 142, line 1, strike out all of Part C up to page 148, line 1.

AMENDMENT No. 2287

At the appropriate point in the bill add the following new section:

SEC. . It is the sense of the Senate that no reprogramming of funds shall occur in any federal agency unless a notification of such reprogramming has appeared in the Congressional Record and has been approved through procedures approved by the Senate.

AMENDMENT No. 2288

On page 4, line 13, strike out "$6,121,657,000" and insert in lieu thereof "$6,093,124,000".

On page 6, line 20, strike out "$10,374,848,000" and insert in lieu thereof "$10,346,448,000".

On page 10, between lines 16 and 17, insert the following new section:

SEC. 110. RESTRICTIONS ON THE BIGEYE BOMB PROGRAM.

(a) IN GENERAL.—Except as provided in subsection (b), none of the funds appropriated pursuant to an authorization contained in this or any other Act may be used for procurement or assembly of the BIGEYE binary chemical bomb, for the procurement of any component or subcomponent for such bomb, or for the procurement of any construction facilities or equipment associated with the production of such bomb until specific, subsequent legislation has been enacted authorizing the obligation and expenditure of funds for production of the BIGEYE binary chemical bomb.

(b) EXCEPTION FOR RESEARCH, DEVELOPMENT, TESTING, AND EVALUATION.—The requirements of this section shall not apply to funds obligated solely for the purpose of carrying out research, development, testing, and evaluation in connection with the BIGEYE binary chemical bomb program.

(c) LIMITATION ON FISCAL YEAR 1986 FUNDS.—Except as provided in subsection (b), of the funds appropriated to carry out the BIGEYE binary chemical bomb program in fiscal year 1986, and which remain unexpended on the date of the enactment of this Act, may not be used to carry out such program.

PRYOR (AND MATSUNAGA) AMENDMENT NO. 2289

(Ordered to lie on the table.)

Mr. PRYOR (for himself and Mr. MATSUNAGA) submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

On page 130, strike out lines 6 through 10 and insert in lieu thereof the following:

SEC. 914. DIRECTOR OF OPERATIONAL TEST AND EVALUATION.

(a) IN GENERAL.—Section 136a of title 10, United States Code, is amended—

(1) in subsection (a), by striking out subclause (i) and inserting in lieu thereof the following:

"(i) the field test under realistic operational conditions of a production representative item or an engineering development model representative of a production configuration of a weapon system, equipment, or munition for the purpose of assessing and determining the effectiveness and suitability of such weapon system, equipment, or munition for use by typical users;";

On page 130, line 11, strike out "(1)" and insert in lieu thereof "(2)".

On page 130, strike out lines 20 through 23 and insert in lieu thereof the following:

(C) in clause (5)—

(i) by striking out "Secretary of Defense and to" and inserting in lieu thereof "Secretary of Defense, the Secretary of Defense for Acquisition, and";

(ii) by striking out "and" at the end of subclause (A); and

(iii) by adding at the end the following new subclause:

"(C) the side-by-side effectiveness of the weapons system, equipment, or munition in operational tests, to include at least the elements defined in subsections (a)(2)(A) and (e)(4) of this section; and";

On page 130, line 24, strike out "(2)" and insert in lieu thereof "(3)".

On page 131, strike out lines 17, 18, and 19 and insert in lieu thereof the following:

(4) in subsection (e), by adding at the end the following new paragraph:

"(4) In prescribing procedures under subsection (b)(1) for the conduct of operational test and evaluation of any item of (or key component of) weapons, equipment, or munitions, the Director shall require that such testing—

"(A) not involve, at any stage of the operational test and evaluation, any officer or employee of the contractor of the article being tested other than personnel of the contractor involved in depot-level maintenance of the article being tested and that such personnel be involved only in the same manner and to the same extent such personnel would be involved in such maintenance in time of war;

"(B) in the case of conventional weapon systems, equipment, or munitions, include a side-by-side comparison test of the article being tested against an equal procurement cost quantity of the article intended to be replaced or against the nearest, most effective, in-production competitor of the article being tested (if the article being tested is not intended to replace another article); and

"(C) in the case of conventional combat weapon systems, equipment, or munitions (except when such testing is demonstrably irrelevant to the nature of the article being tested), include testing of—

"(i) the ability of the article to survive (with primary emphasis on casualties) when hit in a combat situation by the principal weapons likely to be encountered in combat;

"(ii) the ability of military personnel of average skill and training, operating under stress of combat, to maintain the article in an operational status;

"(iii) the probability of system failure of the article being tested in a combat situation when maintained as specified in clause (ii);

"(iv) the time required to move, with no prior notice, complete combat units equipped with the article being tested in a realistic combat environment over typical deployment distances and typical battlefield distances;

"(v) the maneuverability of the article in a combat situation with respect to survival and firing advantage; and

"(vi) the time required by combat units equipped with the article being tested to destroy a typical enemy unit in a realistic combat environment.";

(5) by striking out subsection (f)(2) and inserting in lieu thereof the following:

"(2) A final decision or any contract of the Department of Defense to proceed with a major defense acquisition program, or any other weapon system, equipment, or munition considered appropriate by the Director and approved by the Secretary of Defense, into low-rate initial production may not be made until 30 calendar days after the date of the submission of the reports required by subsection (b)(5), taking into account the requirements of subsection (e)(4), except that this production prohibition shall not apply to articles produced for the sole purpose of operational testing under this section to determine whether a low-rate initial production decision or contract is justified."; and

On page 131, line 20, strike out "(4)" and inserting in lieu thereof "(6)".

On page 131, line 23, strike out "and".

On page 131, after line 23, insert the following:

(B) by striking out "such comments" in the third sentence and inserting in lieu thereof "a detailed enumeration and explanation of the instances of agreement and disagreement between the Director and the Secretary of the military department concerned with respect to each test and evaluation conducted by the Secretary during the fiscal year for which the report is submitted and such other comments"; and

On page 132, line 1, strike out "(B)" and insert in lieu thereof "(C)".

On page 132, between lines 3 and 4, insert the following:

(b) EFFECTIVE DATE.—(1) The amendments made by subsection (a) shall apply to any major defense acquisition program which has not entered into full-scale engineering development before October 1, 1986, and to such other weapon systems, equipment, and munitions designated by the Secretary of Defense on the advice of the Director of Operational Testing and Evaluation.

(2) As used in paragraph (1), the term "major defense acquisition program" has the same meaning prescribed in section 139a(a)(1) of title 10, United States Code.

GORE AMENDMENT NOS. 2290 THROUGH 2292

(Ordered to lie on the table.)

Mr. GORE submitted three amendments intended to be proposed by him to the bill S. 2638, supra; as follows:

AMENDMENT No. 2290

On page 14, line 10, strike out "$337,750,000" and insert in lieu thereof "$562,500,000".

AMENDMENT No. 2291

On page 14, line 8, strike out "$675,000,000" and insert in lieu thereof "$1,125,000,000".

AMENDMENT No. 2292

On page 11, line 3, strike out "$15,301,673,000" and insert in lieu thereof "$15,751,673,000".

STEVENS AMENDMENT NOS. 2293 AND 2294

(Ordered to lie on the table.)

Mr. STEVENS submitted two amendments intended to be proposed by him to the bill S. 2638, supra; as follows:

AMENDMENT No. 2293

None of the provisions in this Act which provide for a mandatory or discretionary increase in the pay or allowances of a member of the armed forces shall be effective except in the manner or to the extent provided for in a subsequently enacted appropriation act.

AMENDMENT No. 2294

Notwithstanding any other provision of law, it shall not be in order in the Senate to consider a conference report on the authorization bill for the Department of Defense for fiscal year 1987 unless such bill is in compliance with the budget authority and budget outlay targets for the national defense functions (050) set forth in the most recently agreed to concurrent resolution on the budget.

JOHNSTON AMENDMENT NO. 2295

(Ordered to lie on the table.)

Mr. JOHNSTON submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

On page 19 between lines 18 and 19, insert the following new section:

SEC. 206. LIMITATION ON FUNDS FOR STRATEGIC DEFENSE INITIATIVE PROGRAM.

Notwithstanding the provisions of section 201, section 205(a), section 3113(a), and section 3114(a)—

(1) Not more than $6,665,974,000 are authorized to be appropriated for fiscal year 1987 for the Defense Agencies for the use of the Armed Forces for research, development, test, and evaluation;

(2) The total amount authorized to be appropriated to the Department of Energy for national security programs is $7,358,225,000;

(3) Not more than $2,952,000,000 of the amounts authorized for Defense Agencies is available for the Strategic Defense Initiative;

(4) Not more than $289,000,000 shall be available to the Department of Energy for research, development, test, and evaluation, and for other purposes, in connection with the Strategic Defense Initiative program.

D'AMATO AMENDMENT NO. 2296

(Ordered to lie on the table.)

Mr. D'AMATO submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

On page 229, between lines 14 and 15, insert the following new section:

SEC. 1221. FACILITIES FOR THE DETENTION OF CERTAIN ALIENS.

Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall transmit to the Attorney General of the United States—

(1) a list of at least 10 facilities under the jurisdiction of the Department of Defense which are suitable for use for the detention of Marielito criminal aliens and have the capability to house at least 2,500 such aliens with maximum security;

(2) a statement of the estimated costs of using such facilities for the detention of such aliens; and

(3) a statement identifying the agencies of the Federal Government which would bear such costs.

A copy of this report shall be made available, upon request to the Attorney General, to Members of the United States Senate and the United States House of Representatives.

ROTH AMENDMENT NO. 2297

(Ordered to lie on the table.)

Mr. ROTH submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

On page 3, strike out line 9 and all that follows through line 2 on page 4, and insert in lieu thereof the following:

(b) AQUILA REMOTELY PILOTED VEHICLE.—None of the funds appropriated to the Army pursuant to an authorization in this or any other Act may be obligated or expended for the procurement of the Aquila remotely piloted vehicle system until the Secretary of Defense has certified in writing, to the Committees on Armed Services and Appropriations of the Senate and the House of Representatives, the following matters:

(1) The Aquila system meets or exceeds all operational test requirements prescribed by the Department of the Army for such system.

(2) The Director of Operational Test and Evaluation of the Department of Defense has determined that—

(A) the operational capabilities of the Aquila system are satisfactory considering—

(i) the capability for recovery of the Aquila vehicle;

(ii) the overall system reliability;

(iii) the flight reliability;

(iv) the mission reliability;

(v) the overall system operating proficiency, including software enhancements to ensure the overall operating proficiency of the system;

(vi) the modular integrated communication and navigation system hardware reliability;

(vii) target detection, recognition, and identification capabilities;

(viii) target tracking capabilities;

(ix) target designation capabilities;

(x) the electromagnetic interference capabilities;

(xi) electromagnetic capabilities;

(xii) built-in test equipment reliability;

(xiii) automatic test equipment reliability;

(xiv) the sight and laser stabilization capabilities; and

(xv) such other criteria as the Director considers appropriate; and

(B) appropriate goals have been established for the Aquila system by the Department of the Army relating to system operator skills proficiency, including goals relating to training provided for ground control station console operators and crew in target detection, tracking, and designation.

On page 13, between lines 5 and 6, insert the following:

(f) AQUILA REMOTELY PILOTED VEHICLE.—(1) Except as provided in paragraph (2), none of the funds appropriated to the Army pursuant to an authorization in this or any other Act may be obligated or expended for research, development, test, and evaluation of the Aquila remotely piloted vehicle system until the Secretary of the Army has certified in writing, to the Committees on Armed Services and Appropriations of the

Senate and the House of Representatives, the following matters:

(A) The Army has completed the testing of the Aquila system in the Army Collective Training Program.

(B) The Aquila system is ready for operational testing.

(C) The Aquila system meets or exceeds the following requirements specified in the contract awarded by the Army under the Aquila program:

(i) The system reliability requirements.

(ii) The modular integrated communication and navigation system hardware reliability requirements.

(iii) The target tracking requirements.

(iv) The electromagnetic interference requirements.

(v) The built-in test equipment reliability requirements.

(vi) The requirements for overall operating proficiency, including the requirements relating to system software enhancements that ensure that such system meets the overall operating proficiency requirements.

(vii) The sight and laser stabilization requirements.

(D) The Army has achieved the goals relating to system operator skills proficiency established for such system by the Department of the Army, including the goals relating to training furnished to ground control station console operators and crew members in target detection, tracking, and designation.

(2) Subsection (a) does not limit the obligation or expenditure of research, development, test, and evaluation funds for testing the Aquila remotely piloted vehicle system in the Army Collective Training Program.

ROTH (AND OTHERS) AMENDMENT NO. 2298

(Ordered to lie on the table.)

Mr. ROTH (for himself, Mr. PRYOR, and Mrs. KASSEBAUM) submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

On page 126, line 11, strike out "He" and insert in lieu thereof "Except as provided in section 136a of this title, the Under Secretary".

Strike out section 914 of the bill and insert in lieu thereof the following:

SEC. 914. DIRECTOR OF OPERATIONAL TEST AND EVALUATION TO REPORT TO SECRETARY OF DEFENSE.

Section 136a of title 10, United States Code, is amended—

(1) in subsection (b)—

(A) by inserting ", the Under Secretary of Defense for Acquisition," in clause (2) after "Secretary of Defense"; and

(B) by striking out "Secretary of Defense and to" in clause (5) and inserting in lieu thereof "Secretary of Defense, the Under Secretary of Defense for Acquisition, and";

(2) by striking out subsections (c) and (d) and inserting in lieu thereof the following:

"(c) Each report of the Director required under subsection (b)(5) shall be submitted to the Secretary of Defense, the Under Secretary of Defense for Acquisition, and the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives without intervening review or approval and without any change or revision by any other officer or employee. The Under Secretary of Defense for Acquisition may submit such comments regarding the report as he considers appropriate to the Secretary of Defense and the Committees referred to in the preceding sentence. The Secretary of Defense may also submit such comments regarding the report as he considers appropriate to such Committees.

"(d) The Director reports directly, without intervening review or approval, to the Secretary of Defense. The Director shall consult with, but the Director and the Director's staff are independent of, the Under Secretary of Defense for Acquisition and all other officers and employees of the Department of Defense responsible for acquisition or research and development. The Director shall keep the Under Secretary of Defense for Acquisition fully and currently informed of his activities with respect to his duties under this section and any recommendations made in carrying out those duties."; and

(3) in subsection (g)(1)—

(A) by inserting ", the Under Secretary of Defense for Acquisition," after "Secretary of Defense" in the second sentence; and

(B) by inserting "of Defense and the Under Secretary of Defense for Acquisition" after "Secretary" in the last sentence.

ROTH (AND OTHERS) AMENDMENT NO. 2299

(Ordered to lie on the table.)

Mr. ROTH (for himself and Mr. ANDREWS) submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

On page 186, between lines 9 and 10, insert the following:

SEC. 963. OPERATIONAL TEST AND EVALUATION REQUIREMENTS BEFORE COMMENCEMENT OF LOW-RATE PRODUCTION.

(a) IN GENERAL.—(1) Subsection (b)(5) of section 136a of title 10, United States Code, is amended—

(A) by striking out "at the conclusion of such operational test and evaluation," and inserting in lieu thereof "at the decision points specified in paragraphs (2) and (3) of subsection (f),";

(B) by striking out "and" at the end of subclause (A); and

(C) by striking clause (B) and inserting in lieu thereof the following:

"(B) with respect to the report required by subsection (f)(2), whether the results of the test and evaluation on items or components actually tested substantially justify any determination that production items or components will be effective and suitable for their intended use by typical users; and

"(C) with respect to the report required by subsection (f)(3), whether the test and evaluation results confirm that the items or components actually tested are effective and suitable for their intended use by typical users; and".

(2) Subsection (f) of section 136a of title 10, United States Code, is amended—

(A) in paragraph (1), by adding at the end the following: "No such plan may be approved unless it provides for operational testing adequate to meet the requirements of subsection (b)(5).".

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following new paragraph (2):

"(2) A final decision within the Department of Defense to begin low-rate initial production of a major defense acquisition program may not be made until the Director has submitted to the Secretary of Defense the report with respect to that program required in subsection (b)(5) and the Committees on Armed Services and on Appropriations of the Senate and House of Representatives have received that report.".

(3) Section 136a of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(i) The Secretary of Defense may waive the requirement to submit a report to the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives under subsection (b)(5) or (f) if—

"(1) the Secretary finds that a waiver of such requirement is necessary in the interest of national security; and

"(2) the Secretary has transmitted to the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives a written notification of his finding.".

(b) DEFINITION.—Section 136a(a) of title 10, United States Code, is amended to read as follows:

"(A) 'Operational test and evaluation' means—

"(i) the field test, under realistic operational conditions, of an item of (or concept for or key component of) weaponry, equipment, or munitions for purposes of assessing and determining the effectiveness and suitability of the weapons, equipment, or munitions for use by typical users and, if appropriate, additional testing, including simulation and analysis; and

"(ii) the evaluation of the results of such test and other relevant information.".

(c) APPLICABILITY.—The amendments made by this section shall not apply to items and components subject to operational test and evaluation for which low-rate initial production has begun before the date of the enactment of this Act.

PRYOR AMENDMENTS NOS. 2300 THROUGH 2303

(Ordered to lie on the table.)

Mr. PRYOR submitted four amendments intended to be proposed by him to the bill, S. 2638, supra; as follows:

AMENDMENT No. 2300

At the appropriate point in the bill add the following new section:

SEC. . None of the funds to be made available by this Act shall be reprogrammed unless a notification of such reprogramming has appeared in the Congressional Record and has been approved through procedures approved by the Senate.

AMENDMENT No. 2301

On page 4, line 13, strike out "$6,121,657,000" and insert in lieu thereof "$6,093,124,000".

AMENDMENT No. 2302

On page 6, line 20, strike out "$10,374,848,000" and insert in lieu thereof "$10,346,448,000".

AMENDMENT No. 2303

On page 10, between lines 16 and 17, insert the following new section:

SEC. 110. RESTRICTIONS ON THE BIGEYE BOMB PROGRAM.

(a) IN GENERAL.—Except as provided in subsection (b), none of the funds authorized to be appropriated by this Act may be used for procurement or assembly of the Bigeye binary chemical bomb, for the procurement of any component or subcomponent for

such bomb, or for the procurement of any construction facilities or equipment associated with the production of such bomb until specific, subsequent legislation has been enacted authorizing the obligation and expenditure of funds for production of the Bigeye binary chemical bomb.

(b) EXCEPTION FOR RESEARCH, DEVELOPMENT, TESTING, AND EVALUATION.—The requirements of this section shall not apply to funds obligated solely for the purpose of carrying out research, development, testing, and evaluation in connection with the Bigeye binary chemical bomb program.

LAUTENBERG (AND D'AMATO) AMENDMENT NO. 2304

(Ordered to lie on the table.)

Mr. LAUTENBERG (for himself and Mr. D'AMATO) submitted an amendment intended to be proposed by them to the bill, S. 2638, supra; as follows:

On page 229, between lines 14 and 15, insert the following new section:

SEC. 1221. WEARING RELIGIOUS APPAREL NOT PART OF THE OFFICIAL UNIFORM.

(a) IN GENERAL.—Chapter 45 of title 10, United States Code, is amended—

(1) by redesignating section 774 as section 775; and

(2) inserting after section 773 the following new section:

"§ 774. Wearing religious apparel

"(a) Except as provided in subsection (d), a member of the armed forces may wear an item of religious apparel if—

"(1) the wearing of the item of apparel is part of the religious observance of the religious faith practiced by the member; and

"(2) the item of apparel is neat, conservative, and unobtrusive.

"(b) The Secretary concerned may prohibit a member from wearing an item of religious apparel if the Secretary determines that the wearing of such item significantly interferes with the performance of the member's military duties.".

(b) CONFORMING AMENDMENTS.—The table of chapters at the beginning of such chapter is amended—

(1) by redesignating the item relating to section 774 as 775; and

(2) by inserting below the item relating to section 773 the following new item:

"774. Wearing religious apparel.".

INOUYE AMENDMENT NO. 2305

(Ordered to lie on the table.)

Mr. INOUYE submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

On page 317, after line 22, insert the following new section:

SEC. 2192. LAND TRANSFER, AIEA, HAWAII.

(a) IN GENERAL.—The Secretary of the Navy (hereinafter in this section referred to as the "Secretary") is authorized to transfer to the United States Postal Service (hereinafter in this section referred to as the "Postal Service") jurisdiction over approximately 3.2 acres of land, together with improvements thereon, located in Aiea, Hawaii.

(b) PAYMENT BY POSTAL SERVICE.—(1) The Postal Service shall pay, out of any funds available to the Postal Service, to the Secretary of the Navy an amount equal to the greater of the following:

(A) The approved fair market value of the property over which jurisdiction is to be transferred (as determined by the Secretary).

(B) The cost of providing to the Navy fleet laundry and dry cleaning facilities to replace facilities located on the land over which jurisdiction is to be transferred pursuant to subsection (a).

(c) LEGAL DESCRIPTION OF LAND.—The exact acreage and legal description of the land over which jurisdiction is to be transferred under this section shall be determined by surveys that are satisfactory to the Secretary. The cost of the surveys shall be borne by the Postal Service.

(d) ADDITIONAL TERMS.—(1) The Secretary may require such additional terms and conditions under this section as the Secretary considers appropriate to protect the interest of the Navy.

(2) If the fair market value of the property over which jurisdiction is to be transferred to the Postal Service under subsection (a) exceeds the cost of the replacement fleet laundry and dry cleaning facilities, the Secretary shall deposit the excess into the general fund of the Treasury.

PROXMIRE AMENDMENT NO. 2306

(Ordered to lie on the table.)

Mr. PROXMIRE submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

On page 19, between lines 18 and 19, insert the following and renumber accordingly:

"No funds may be authorized pursuant to Section 511(2) of this bill until the Secretary of Defense, pursuant to subsection (b) of Section 223 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 613), and pursuant to existing authority submits to Congress a report on the cost estimates for procurement and deployment of Strategic Defense Initiative programs.

"(2) Included in such report such projected cost data as may be necessary or appropriate to inform Congress fully on anticipated future costs associated with the Strategic Defense Initiative programs. The Secretary shall specifically include in such report the following information:

"(A) The cost goals or cost objectives for the production and deployment of a Strategic Defense Initiative determined on the basis of capabilities expected to be developed in the future and the cost goals or cost objectives for the individual components of such system (determined on the basis of capabilities expected to be developed in the future).

"(B) The estimated cost for the production and deployment of the Strategic Defense Initiative System referred to in subparagraph (A) and determined on the basis of prices in effect and capabilities in existence at the time of the preparation of the report and the estimated cost for the production and deployment of the individual components of such system (determined on the basis of prices in effect and capabilities in existence at the time of the preparation of the report).

"(3) Included in the submission shall be an interim report to Congress under this subsection not later than the time of the submission of the budget request of the Department of Defense for fiscal year 1988. The interim report shall contain the information specified in paragraph (2) on as many of the individual components of the Strategic Defense Initiative System as possible.

"(4) To remove the limitation in the authorization the Secretary shall submit a final report to Congress under this subsection not later than the time of the submission of the budget request of the Department of Defense for fiscal year 1989.

"(5) The Secretary shall submit the reports referred to in paragraphs (3) and (4) in both classified and unclassified forms.

"(6) As used in this subsection, the term 'Strategic Defense Initiative System' means a defense system designed to eliminate the threat posed to the United States by ballistic missiles."

DIXON AMENDMENT NOS. 2307 AND 2308

(Ordered to lie on the table.)

Mr. DIXON submitted two amendments intended to be proposed by him to the bill S. 2638, supra; as follows:

On page 10, between lines 16 and 17, insert the following new section:

SEC. 110. CLARIFICATION OF RESTRICTIONS ON PURCHASE OF 5-TON TRUCKS.

Section 125 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 601), is amended by adding at the end thereof the following new subsection:

"(d) APPLICABILITY OF DFARS.—Nothing in this section shall be construed as exempting the applicability of the provisions of 8.7801 through 8.7803 of Department of Defense Federal Acquisition Regulations (DFARS), relating to forging items that must be acquired from domestic sources, to the purchase of 5-ton trucks, engines, or components by the Army.".

On page 195, in the list of materials between lines 4 and 5, strike out the following:

"Fluorspar, Metal Grade 33,750 short dry tons
Fluorspar, Acid Grade .... 22,500 short dry tons."

DOMENICI (AND CHILES) AMENDMENT NO. 2309

(Ordered to lie on the table.)

Mr. DOMENICI (for himself and Mr. CHILES) submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

At the appropriate place in the bill, add the following new section:

SEC. . LIMITATION ON NEW SPENDING AUTHORITY.

Any new spending authority (as defined in section 401(c)(2) of the Congressional Budget Act of 1974) provided by any provision of this Act or by any amendment made by this Act shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

HATFIELD AMENDMENT NOS. 2310 and 2311

(Ordered to lie on the table.)

Mr. HATFIELD submitted two amendments intended to be proposed by him to the bill S. 2638, supra; as follows:

AMENDMENT No. 2310

On page 10, strike out lines 9 through 16 and insert in lieu thereof the following:

(a) PROHIBITION ON USE OF FUNDS.—None of the funds authorized to be appropriated in this Act may be used—

(1) for the procurement or assembly of binary chemical munitions (or components of such munitions); or

(2) for establishment of production facilities necessary for procurement or assembly of binary chemical munitions (or components of such munitions),

until legislation has been enacted, after the date of the enactment of this Act, declaring that the certification requirements of section 8093 of the Act referred to in subsection (a) have been met.

(b) EXCEPTION.—The prohibition in subsection (b) does not apply to funds used exclusively for research, development, test, and evaluation of binary chemical munitions.

AMENDMENT No. 2311

On page 10, strike out lines 9 through 16 and insert in lieu thereof the following:

SEC. 109. BINARY CHEMICAL WEAPONS.

(a) SENSE OF CONGRESS.—It is the sense of the Congress that the Presidential certification of July 29, 1986, transmitted to Congress pursuant to section 8093 of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of Public Law 99-190 (99 Stat. 1217)), does not meet the requirements of such section and, therefore, the conditions necessary to begin production of binary chemical munitions pursuant to such section do not yet exist.

(b) PROHIBITION ON USE OF FUNDS.—None of the funds appropriated pursuant to an authorization contained in this or any other Act may be used—

(1) for the procurement or assembly of binary chemical munitions (or components of such munitions); or

(2) for establishment of production facilities necessary for procurement or assembly of binary chemical munitions (or components of such munitions).

until legislation has been enacted, after the date of the enactment of this Act, declaring that the certification requirements of section 8093 of the Act referred to in subsection (a) have been met.

(c) EXCEPTION.—The prohibition in subsection (b) does not apply to funds used exclusively for research, development, test, and evaluation of binary chemical munitions.

CHILES AMENDMENT NO. 2312

(Ordered to lie on the table.)

Mr. KERRY (for Mr. CHILES) submitted an amendment intended to be proposed to the bill S. 2638, supra; as follows:

At the end of title IX, insert the following new section:

SEC. . GOALS FOR INCREASED USE OF MULTIYEAR CONTRACTING AUTHORITY.

(a) IN GENERAL.—The Secretary of Defense shall take appropriate actions to ensure that the Department of Defense increases the use of multiyear contracting authority.

(b) MULTIYEAR PROCUREMENT GOALS.—(1) In the case of a fiscal year specified under column 1 of the table set out in paragraph (2), the total amount obligated for high-rate production procurement programs of the Department of Defense under multiyear contracts authorized by section 2306(h) of title 10, United States Code, shall be an amount equal to not less than the amount determined by multiplying the percentage number specified under column 2 of such table opposite such fiscal year by the total obligational authority used by the Department of Defense for high-rate production procurement programs during such fiscal year.

(2) For purposes of paragraph (1), the table is as follows:

Column 1 Fiscal year:	Column 2 Percentage of total obligational authority to be obligated under multiyear contracts:
1988	10
1989	13
1990	16
1991	20
1992 and each subsequent fiscal year	25.

(c) APPORTIONMENT OF GOALS.—The Secretary of Defense shall specify the percentage of obligational authority of each military department and Defense Agency that is to be used for multiyear contracts in any fiscal year in order to achieve the goals prescribed in subsection (b).

(d) BASELINE REPORT.—Not later than ——, 198-, the Secretary of Defense shall submit to the Committees a written report containing a list of all high-rate production procurement programs conducted by the Department of Defense which are eligible for multiyear contracting.

(e) ANNUAL REPORT.—(1) Each year, at the same time that the President submits the budget under section 1105(a) of title 31, United States Code, the Secretary of Defense shall submit to the Committees a written report which—

(A) indicates whether the Department of Defense achieved the goal prescribed in subsection (b) for the fiscal year preceding the fiscal year in which such report is submitted;

(B) indicates whether the Secretary expects to achieve the goal prescribed in subsection (b) for the fiscal year in which the report is submitted and, if the Secretary does not expect to achieve such goal, the reasons why such goal will not be achieved; and

(C) contains a list of all high-rate production procurement programs conducted by the Department of Defense which (i) were not included in the baseline report under subsection (d) and the previous annual reports under this subsection, and (ii) are eligible for multiyear contracting.

(2) Each report under paragraph (1) shall include—

(A) a list containing each high-rate production procurement program of the Department of Defnese—

(i) which has been reported to the Committees under subsection (d) or paragraph (1)(C);

(ii) for which a multiyear contract has not been awarded; and

(iii) for which a notification has not been given pursuant to section 2306(h)(3) of title 10, United States Code; and

(B) the reasons for not awarding a multiyear contract for each program listed under subparagraph (A).

(3) If the Secretary of Defense certifies in a report under paragraph (1) that a military department or Defense Agency has used the percentage of obligational authority specified pursuant to subsection (c) for such department or Agency for the fiscal year ending before the fiscal year in which the report is submitted, the Secretary may omit the information otherwise required under paragraph (2) relating to such department or Agency.

(f) COMPTROLLER GENERAL'S REVIEW.—At the end of each fiscal year the Comptroller General of the United States shall review all high-rate production procurement programs conducted by the Department of Defense during such fiscal year for the purposes of determining—

(1) in the case of each program for which a multiyear contract has been awarded—

(A) the amount of any savings achieved or extra costs incurred during such fiscal year as a result of using a multiyear contract; and

(B) the unit cost of systems procured under such program and whether such unit cost is appropriate; and

(2) in the case of each program for which a multiyear contract has not been awarded, whether such program is eligible for multiyear contracting.

(h) DEFINITION.—As used in this section:

(1) The term "Committees" means the Committees on Armed Services of the Senate and the House of Representatives.

(2) The term "eligible for multiyear contracting", with respect to a procurement program, means that the procurement program satisfies the conditions of clauses (A) through (F) of section 2306(h)(1) of title 10, United States Code.

(3) The term "high-rate production" means the rate of production which uses or approaches facilitization for a single shift of workers.

WILSON AMENDMENT NO. 2313

(Ordered to lie on the table.)

Mr. WILSON submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

AMENDMENT No. 2313

On page 19, between lines 18 and 19, insert the following new section:

SEC. 206. SMALL INTERCONTINENTAL BALLISTIC MISSILE PROGRAM

None of the funds appropriated pursuant to an authorization contained in this Act may be obligated or expended in connection with the full-scale engineering development of the small mobile intercontinental ballistic missile or the hard mobile launcher for such missile until the Secretary of Defense has certified to the Committees on Armed Services of the Senate and the House of Representatives that the small mobile intercontinental ballistic missile system, including the associated basing mode, is cost effective on the margin and is survivable against a responsive threat.

WILSON (AND OTHERS) AMENDMENT NO. 2314

(Ordered to lie on the table.)

Mr. WILSON (for himself, Mr. NUNN, Mr. QUAYLE, and Mr. LUGAR) submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

AMENDMENT No. 2314

On page 4, line 11, strike out "$5,557,490,000" and insert in lieu thereof "5,597,490,000".

On page 6, between lines 12 and 13, insert the following new subsection:

(g) ROLLING AIRFRAME MISSILE PROGRAM.—(1) None of the funds appropriated pursuant to an authorization in this title may be

obligated or expended in connection with procurement of the Rolling Airframe Missile program until the Secretary of Defense has certified in writing to the Committees on Armed Services of the Senate and the House of Representatives that—

(A) the Rolling Airframe Missile satisfies the requirements of the Navy and constitutes a valid military requirement;

(B) the total development cost of the Rolling Airframe Missile program will not exceed $409,000,000;

(C) the Secretary will terminate the program if at any time he determines that the total development cost will exceed the amount specified in subparagraph (B);

(D) the design of the Rolling Airframe Missile and its unique support equipment are complete and that the system performance has not been degraded from the original development specifications (as contained in Navy Decision Coordinating Paper No. SO-167-AA);

(E) the recurring missile unit flyaway cost for a minimum of 4,900 missiles will not exceed $100,000 per missile in fiscal year 1986 dollars; and

(F) the Director of Operational Test and Evaluation has approved a test program that will test an adequate number (as determined by the Director) of Rolling Airframe Missiles incorporating the final design intended for production.

(2) If the Secretary of Defense fails to make the certification described in paragraph (1) by March 30, 1987, he shall cause the Rolling Airframe Missile program to be terminated effective on that date.

(3) Subsection (d) of section 205 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 608), is repealed.

On page 11, line 2, strike out "$9,265,378,000" and insert in lieu of "$9,305,306,000".

On page 13, between lines 5 and 6, insert the following new subsection:

(f) PENGUIN MISSILE PROGRAM.—(1) Of the funds appropriated to the Navy pursuant to this title, $15,718,000 shall be available only for further development of the Penguin Missile program.

(2) None of the funds specified in paragraph (1) may be obligated or expended until the Secretary of Defense has certified in writing to the Committees on Armed Services of the Senate and the House of Representatives that—

(A) the Navy has a valid requirement for the Penguin Missile and that such missile satisfies that requirement;

(B) the Penguin Missile does not degrade the effectiveness or survivability of the SH-60 LAMPS helicopter; and

(C) the total cost of the Penguin Missile program will not exceed $200,000,000.

WILSON AMENDMENT NOS. 2315 AND 2316

(Ordered to lie on the table.)

Mr. WILSON submitted two amendments intended to be proposed by him to the bill S. 2638, supra; as follows:

AMENDMENT No. 2315

On page 259, between lines 9 and 10, insert the following:

SEC. 2117. SEWAGE TREATMENT CONSTRUCTION AT THE NAVAL FACILITIES ENGINEERING COMMAND

The Navy shall include in the budget request for fiscal year 1988, submitted to Congress, a request for $5,100,000 for sewage treatment construction at the Mare Island Naval Shipyard.

AMENDMENT No. 2316

On page 305, line 14, beginning with "pursuant", strike out all that follows through "section 2115(a)(7)(A)" and insert in lieu thereof ", pursuant to an authorization contained in this Act, to the Navy for fiscal year 1987 for maintenance of military housing".

WILSON AMENDMENT NO. 2317

(Ordered to lie on the table.)

Mr. WILSON submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

AMENDMENT No. 2317

On page 228, beginning with line 1, strike out all down through line 4 and insert in lieu thereof the following:

"(c) In addition to the expenses authorized to be paid under subsection (a), the Secretary of Defense may pay such other expenses in connection with any such conference, seminar, or similar meeting as the Secretary considers in the national security interests of the United States.

"(d) The authority to pay expenses under this section is in addition to the authority to pay certain expenses and compensation of officers and students of Latin American countries under section 1050 of this title.".

● Mr. WILSON. Mr. President, I am submitting an amendment which serves to clarify the scope of coverage of section 1218 of the committee bill (S. 2638).

Section 1218 authorizes the Secretary of Defense to pay certain expenses of defense personnel from developing countries in connection with their attendance at bilateral or regional meetings where such participation is in the national security interest of the United States. Under the 1960 Latin American Cooperation Act, similar authority currently exists for defense personnel from Latin America.

It has been brought to my attention that section 1218, as currently drafted, raises the question of dual coverage for Latin America.

The committee's intent during consideration of this provision—and I welcome Senator NUNN's comments on this point—was to extend coverage similar to that which currently exists under the Latin American Cooperation Act to other regions of the world. We did not intend this provision to replace the program which has successfully been in existence for years under the Latin American Cooperation Act.

The clarifying amendment that I have proposed would make the minor changes necessary to bring this provision in line with the committee's intent. It would make clear that section 1218 would be operative for all regions of the world except Latin America, where the Latin American Cooperation Act would remain the legal authority.●

THURMOND AMENDMENT NO. 2318

(Ordered to lie on the table.)

Mr. THURMOND submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

On page 263, line 26, strike out "$54,500,000" and insert in lieu thereof "$31,500,000".

On page 264, between lines 14 and 15, insert the following new item: Morocco, various locations $25,400,000.

On page 268, line 15, strike out "$327,143,000" and insert in lieu thereof "$329,543,000".

On page 268, line 20, strike out "$127,260,000" and insert in lieu thereof "$124,860,000".

On page 272, between lines 7 and 8, insert the following new item:

Brooke Army Medical Center, San Antonio, Texas, $129,000,000.

On page 274, between lines 13 and 14, insert the following:

(a) AUTHORIZATION TO CONTRACT IN ADVANCE OF APPROPRIATIONS.—The Secretary of Defense may enter into one or more contracts, in advance of appropriations therefor, for the design and construction of the military construction project authorized by section 2131 to be accomplished at Brooke Army Medical Center, San Antonio, Texas, if such contracts limit the Government's liability to the amount of funds available for obligation at the time each contract is entered into. Such design and construction may be accomplished by using one-step turn-key selection procedures, or other competitive contracting methods.

On page 274, line 14, insert "Repeal Provision.—" before "Section".

DANFORTH (AND BINGAMAN) AMENDMENT NO. 2319

(Ordered to lie on the table.)

Mr. DANFORTH (for himself and Mr. BINGAMAN) submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

On page 19, between lines 18 and 19, insert the following new section:

SEC. —. RESTRICTIONS ON USE OF RESEARCH AND DEVELOPMENT FUNDS OF THE DEPARTMENT OF DEFENSE.

This Act does not authorize any research, development, test, and evaluation funds to or for the use of the Department of Defense for the purpose of making any grant or contribution to any educational institution unless the Secretary of Defense, using existing authority, determines—

(1) that the purpose of such grant or contribution has a potential relationship to a military function or operation; and

(2) that the grant or contribution is based on the technical merit of the proposed research that best satisfies the requirements of the Department of Defense.

STEVENS (AND D'AMATO) AMENDMENT NO. 2320

(Ordered to lie on the table.)

Mr. STEVENS (for himself and Mr. D'AMATO) submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

On page 229, insert the following after line 14:

SEC. 1221. COAST GUARD.

There are authorized to be appropriated to the Secretary of Defense—

(1) $200,000,000 for the acquisition and maintenance of United States Coast Guard inventories related to the national defense; and

(2) $100,000,000 in operating funds for the performance of defense readiness responsibilities of the United States Coast Guard.

Funds made available pursuant to the authorizations specified in this section shall be attributed to functional category 050 (National Defense) of the Budget of the Government of the United States.

On page 60, insert the folllowing after line 5:

(e) COAST GUARD.—Any increase in pay for personnel of the United States Coast Guard under this section shall be funded only from appropriations made for the Department of Defense pursuant to authorizations of appropriations specified in this Act. Any such increases shall be attributed to functional category 050 (National Defense) of the Budget of the Government of the United States.

D'AMATO (AND STEVENS) AMENDMENT NO. 2321

(Ordered to lie on the table.)

Mr. D'AMATO (for himself and Mr. STEVENS) submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

(a) On page 229, between lines 14 and 15, insert the following new section:

SEC. 1221. ENHANCED DRUG-INTERDICTION ASSISTANCE.

(A) ASSIGNMENT OF COAST GUARD PERSONNEL ON NAVAL VESSELS.—Chapter 18 of title 10, United States Code, is amended by adding after section 379 the following new section § 379. Assignment of personnel to naval vessels for drug enforcement purposes.

"(a) The Secretary of Defense and the Secretary of Transportation shall provide that there be assigned on board surface naval vessels at sea in a drug-interdiction area members of the Coast Guard who are trained in law enforcement and have power to arrest, search, and seize property and persons suspected of violations of law.

"(b) Members of the Coast Guard assigned to duty on board naval vessels under this section shall perform such law enforcement functions (including drug-interdiction functions)—

"(1) as may be agreed upon by the Secretary of Defense and the Secretary of Transportation; and

"(2) as are otherwise within the jurisdiction of the Coast Guard.

"(c) No fewer than 500 active duty personnel of the Coast Guard shall be assigned each fiscal year to duty as provided in subsection (a).

"(d) As used in this section, the term 'drug-interdiction area' means an area outside the land area of the United States in which the Secretary of Defense (in consultation with the Attorney General) determines that activities involving smuggling of drugs into the United States are ongoing.".

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting immediately below the item relating to section 378 the following new item:

"378. Assignment of personnel to naval vessels for drug enforcement purposes.".

(b) Of the funds authorized to be appropriated for operation and maintenance for the Navy for fiscal year 1987, the sum of $15,000,000 shall be transferred to the Secretary of Transportation and shall be available only for the program described in paragraph (a).

ROTH AMENDMENT NO. 2322

(Ordered to lie on the table.)

Mr. ROTH submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

On page 158 strike out line 8 and all that follows through page 181, line 18, and insert in lieu thereof the following:

PART E—PERSONNEL MANAGEMENT DEMONSTRATION PROJECT FOR DEPARTMENT OF DEFENSE SCIENTIFIC, TECHNICAL, AND ACQUISITION PERSONNEL

SEC. 951. REQUIREMENT TO CONDUCT A PERSONNEL DEMONSTRATION PROJECT FOR DEPARTMENT OF DEFENSE SCIENTIFIC, TECHNICAL, AND ACQUISITION PERSONNEL.

(a) IN GENERAL.—(1) Chapter 47 of title 5, United States Code, is amended by adding at the end the following new section:

"§ 4707. Department of Defense demonstration project

"(a) For the purposes of this section—

"(1) 'acquisition employee' means an employee who is assigned to perform duties relating to acquisitions, including an employee serving in a managerial or supervisory capacity, and who—

"(A) is an expert in acquisition program management, contracting, business management, financial management, production, logistics, quality assurance, or a related field; or

"(B) has completed or is currently pursuing a baccalaureate degree at an institution of higher education in an acquisition-related discipline; and

"(2) 'scientific and technical employee' means an employee, including an employee, serving in a managerial or supervisory capacity—

"(A) who—

"(i) is required to have an advanced level of knowledge in one of the mathematical, computer, physical, or natural sciences or in chemical, electrical, mechanical, or other engineering and is customarily expected to have acquired such advanced level of knowledge in an extensive program of specialized academic instruction and study in an insitution of higher education (rather than in a program of general academic education, a program of apprenticeship, or a program of training in the performance of routine mental, manual, mechanical, or physical activities); and

"(ii) is engaged in the performance of work which consistently requires the exercise of discretion and judgment and is of such character that the output or other result of such work cannot be standardized in relation to any period of time; or

"(B) who has completed an extensive program of specialized academic instruction and study described in clause (A)(i) and is performing related work under appropriate direction or guidance to qualify the employeee as a scientific and technical employee described in clause (A).

"(b) At least one of the demonstration projects in effect at any time under this chapter shall be a demonstration project for acquisition employees and scientific and technical employees assigned to acquisition activities of the Department of Defense.

"(c)(1) The Director of the Office of Personnel Management and the Secretary of Defense shall assure that the total cost of the pay (including pay differentials) and benefits of the employees of the Department of Defense who are participants in any demonstration project described in subsection (b) does not exceed the total cost of pay and benefits of such employees under the system of pay and benefits that would apply to such employees if they were not participating in such demonstration project.

"(2) Not later than 120 days after the end of each fiscal year, the Secretary of Defense shall submit to the Congress an annual report containing a comparison, for such fiscal year, of the total cost of the pay (including pay differentials) and benefits of the employees of the Department of Defense who were participants in any demonstration project described in subsection (b) during such fiscal year and in total cost of pay and benefits of such employees under the systems of pay and benefits that would apply to such employees if they had not participated in such demonstration project during such fiscal year.

"(d) The requirements of this section shall terminate on September 30, 1991, unless terminated earlier by legislation enacted after the date of the enactment of this Act which establishes or provides authority to establish a comprehensive alternative personnel management system or systems for Federal Government employees.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

"4707. Department of Defense demonstration project.".

(b) AMENDMENTS TO FACILITATE DEMONSTRATION PROJECT.—(1) Section 4701(a)(1) of title 5, United States Code, is amended by striking out "Defense Intelligence Agency,".

(2) Section 4703 of title 5, United States Code, is amended—

(A) in subsection (a), by inserting after the first sentence the following: "Except as provided in this section, the head of an agency may, with the approval of the Director of the Office of Personnel Management, conduct and evaluate demonstration projects."; and

(B) in subsection (b), by inserting "or the head of an agency, with the approval of the Director of the Office," after "Office".

(3) Section 4703(d)(1)(A) of title 5, United States Code, is amended by striking out "5,000" and inserting in lieu thereof "10,000".

BINGAMAN (AND OTHERS) AMENDMENT NO. 2323

(Ordered to lie on the table.)

Mr. BINGAMAN (for himself, Mr. EXON, Mr. GLENN, and Mr. DIXON) submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

On page 317, after line 22, insert the following new section:

SEC. 2191. STRATEGIC HOMEPORTING.

No funds authorized to be appropriated by this Act may be used to construct homeporting facilities at Staten Island, New York, or Everett, Washington.

LEVIN AMENDMENT NOS. 2324 THROUGH 2330

(Ordered to lie on the table.)

Mr. LEVIN submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

AMENDMENT No. 2324

On page 220, line 10, beginning with "report", strike out all through line 12, and insert in lieu thereof "reports described in subsection (b) and 45 legislative days have elapsed following the date on which Congress has received both reports.".

On page 220, line 19, strike out "shall" and insert in lieu thereof "and the Comptroller General of the United States shall each".

AMENDMENT No. 2325

On page 220, beginning with line 1, strike out all down through line 10 on page 221 and insert in lieu thereof the following:

SEC. 1213. PROHIBITION ON OBLIGATION OF FUNDS FOR ESTABLISHING A FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTER FOR THE STRATEGIC DEFENSE INITIATIVE PROGRAM.

(a) None of the funds appropriated pursuant to an authorization contained in this or any other Act may be obligated or expended on or after the date of the enactment of this Act for the purpose of operating a Federally Funded Research and Development Center for the support of the Strategic Defense Initiative Program unless (1) the Secretary of Defense submits to the Committees on Armed Services of the Senate and House of Representatives the report described in subsection (b), and (2) the funds have been specifically authorized to be appropriated for such purpose after the date of the enactment of this Act in an Act other than an appropriations Act (including a continuing resolution).

(b) In order for Congress to be able to make an informed decision on whether a legitimate need exists for the establishment of a Federally Funded Research and Development Center to support the Strategic Defense Initiative Program and in order for Congress to determine whether such a center, if needed for such purpose, would function as an independent and objective source of information, it will be necessary for the Secretary of Defense to provide Congress with certain specific information including the following:

(1) Whether or not existing Federally Funded Research and Development Centers, Federal research laboratories, and private contractors would be able to perform the stated objectives of technological integration and evaluation.

(2) A comparison of the costs of having the proposed work performed by the Strategic Defense Initiative Organization, by existing Federally Funded Research and Development Centers, by Federal research laboratories or private contractors, or by the proposed Federally Funded Research and Development Center.

(3) Whether or not the proposed Federally Funded Research and Development Center will be primarily a study and analysis center or primarily a system engineering/system integration center.

(4) Whether or not the proposed Federally Funded Research and Development Center will be required and allowed to subcontract research projects to other Federally Funded Research and Development Centers, Federal research laboratories, and private contractors.

(5) Whether or not the contract to operate the proposed Federally Funded Research and Development Center will be awarded on a competitive basis.

(6) Whether or not all proposals to operate the proposed Federally Funded Research and Development Center will be considered by the appropriate Defense Agency and whether or not such proposals will be subjected to peer review by persons to be selected by the National Academy of Sciences.

(7) Whether or not the proposed Federally Funded Research and Development Center will be designed to prevent even the possibility of an appearance of a conflict of interest—

(A) by prohibiting any officer, employee, or member of the governing body of the proposed Federally Funded Research and Development Center from holding any position with the Strategic Defense Initiative Organization or with a private contractor which has a substantial interest in the development of the Strategic Defense Initiative; and

(B) by prohibiting more than one-half of the members of the governing body of the proposed Federally Funded Research Center from simultaneously holding any position with the Strategic Defense Initiative Advisory Committee or any similar body which provides technological, scientific, or strategic advice to the Department of Defense about the Strategic Defense Initiative.

(8) Whether or not additional steps will be taken to avoid possible conflict of interest situations within the proposed Federally Funded Research and Development Center.

(9) Whether or not the Department of Defense will have any role or influence in the selection of the staff and the internal organization of the proposed Federally Funded Research and Development Center and, if so, what that role or influence will be.

(10) Whether or not a prescribed minimum percentage of the annual budget of the proposed Federally Funded Research and Development Center will be set aside and devoted exclusively to independent research to be conducted without regard to the preferences or desires of the Department of Defense.

AMENDMENT No. 2326

On page 130, between lines 10 and 11, insert the following:

(1) in subsection (a)(1), by striking out "Director of Operational Test and Evaluation in the Department of Defense," and inserting in lieu thereof "Director of the Independent Office of Operational Test and Evaluation in the Department of Defense (to be known as the 'Director of Operational Test and Evaluation'),".

On page 130, line 11, strike out "(1)" and insert in lieu thereof "(2)".

On page 130, line 24, strike out "(2)" and insert in lieu thereof "(3)".

On page 131, line 17, strike out "(3)" and insert in lieu thereof "(4)".

On page 131, line 20, strike out "(4)" and insert in lieu thereof "(5)".

On page 131, strike out lines 11 through 16, and insert in lieu thereof the following:

"(d)(1) The Director reports directly to the Under Secretary of Defense for Acquisition.

"(2) The Under Secretary of Defense for Acquisition may not—

"(A) prohibit the Director from initiating, carrying out, or completing operational tests in addition to tests proposed by the Under Secretary; or

"(B) prescribe procedures for the conduct of operational testing and evaluation in the Department of Defense.

"(3) The Director shall consult closely with, but the Director and the Director's staff are independent of, the Director of Defense Research and Engineering and all other officers and entities of the Department of Defense responsible for research and development.".

AMENDMENT No. 2327

On page 130, between lines 10 and 11, insert the following:

(1) in subsection (a)(1), by striking out "Director of Operational Test and Evaluation in the Department of Defense," and inserting in lieu thereof "Director of the Independent Office of Operational Test and Evaluation in the Department of Defense (to be known as the 'Director of Operational Test and Evaluation'),".

On page 130, line 11, strike out "(1)" and insert in lieu thereof "(2)".

On page 130, line 24, strike out "(2)" and insert in lieu thereof "(3)".

On page 131, line 17, strike out "(3)" and insert in lieu thereof "(4)".

On page 131, line 20, strike out "(4)" and insert in lieu thereof "(5)".

On page 131, strike out lines 11 through 16, and insert in lieu thereof the following:

"(d)(1) The Director reports directly to the Under Secretary of Defense for Acquisition.

"(2) The Under Secretary of Defense for Acquisition may not prescribe procedures for the conduct of operational testing and evaluation in the Department of Defense.

"(3) The Director shall consult closely with, but the Director and the Director's staff are independent of, the Director of Defense Research and Engineering and all other officers and entities of the Department of Defense responsible for research and development.".

AMENDMENT No. 2328

On page 130, line 16, strike out "(2), and (6)" and insert in lieu thereof "and (2)".

AMENDMENT No. 2329

On page 130, strike out line 12 and all that follows through page 132, line 3, and insert in lieu thereof the following:

(A) by inserting "or the Under Secretary of Defense for Acquisition if the Secretary so designates" after "the Secretary of Defense" in the matter before clause (1);

(B) by inserting "or the Under Secretary of Defense for Acquisition if the Secretary so designates" after "the Secretary of Defense" in clauses (1), (2), and (6); and

(C) in clause (5), by striking out "Secretary of Defense and to" and inserting in lieu thereof "Secretary of Defense, the Under Secretary of Defense for Acquisition, and";

(2) by striking out subsections (c) and (d) and inserting in lieu thereof the following:

"(c) Each report of the Director required under subsection (b)(5) shall be submitted to the Secretary of Defense, the Under Secretary of Defense for Acquisition, and the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives with intervening review or approval and without any change or revision by any other officer or employee. The Under Secretary of Defense for Acquisition may submit such comments regarding the report as he considers appropriate to the

Secretary of Defense and the Committees referred to in the preceding sentence.

"(d) The Director reports directly to the Secretary of Defense or the Under Secretary of Defense for Acquisition if the Secretary so designates. The Director shall consult closely with, but the Director and the Director's staff are independent of, the Director of Defense Research and Engineering and all other officers and entities of the Department of Defense responsible for research and development.";

(3) in subsection (f)(2), by inserting "and the Under Secretary of Defense for Acquisition" after "Secretary of Defense"; and

(A) by inserting ", through the Under Secretary of Defense for Acquisition," after "concurrently" in the second sentence; and

(B) by inserting "or the Under Secretary of Defense for Acquisition if the Secretary so designates" after "the Secretary of Defense" in the last sentence.

AMENDMENT No. 2330

On page 220, line 10, beginning with "report", strike out all that follows through page line 19, and insert in lieu thereof "reports described in subsection (b) and 45 legislative days have elapsed following the date on which the Congress has received both reports.

"(b) REPORT REQUIREMENT.—In order for Congress to make an informed decision on the need for the establishment of a Federally Funded Research and Development Center for the support of the Strategic Defense Initiative Organization and on the ability of such an entity to function as an independent and objective source of technical support, the Secretary of Defense and the Comptroller General of the United States shall each submit to Congress a report that includes the following:".

GOLDWATER AMENDMENT NOS. 2331 THROUGH 2341

(Ordered to lie on the table.)

Mr. GOLDWATER submitted 11 amendments intended to be proposed by him to the bill S. 2638, supra; as follows:

AMENDMENT No. 2331

At an appropriate place in the bill, insert the following new section:

SEC. xx. (a)(1) Effective December 1, 1986, and thereafter, no payment of military pay and allowances (including military retired pay and military survivors benefits) payable under any provision of title 10 or 37, United States Code, of a member of the Army, Navy, Air Force, or Marine Corps or of a survivor of such a member may be made prior to the first day of the first month immediately following the month in which the member or survivor, as the case may be, becomes entitled to such pay and allowances, except that one mid-month payment may be made each month for such pay and allowances to which a member is entitled on the date of such mid-month payment. Nothing herein prevents advance payment of such pay and allowances to such a member under any specific provision of law.

(2) Beginning with the month of December 1986, the amount required to be paid for any month into the Department of Defense Military Retirement Fund under section 1466(a) of title 10, United States Code, shall not be paid until the first day of the immediately following month and the calculation of such amount for any month shall include amounts of basic pay paid on the first day of such following month pursuant to paragraph (1) of this subsection.

(3) Notwithstanding paragraph (1) of this subsection, payments representing the withholding of amounts for Federal income taxation purposes and for Federal Insurance Compensation Act contributions deriving from the pay and allowances described by paragraph (1) of this subsection shall be made by the Department of Defense not later than the last day of the month during which entitlement to such pay and allowances is earned.

(b)(1) During fiscal year 1987, 1988, 1989, and 1990, payments by the United States, except such payments to small business concerns, under contracts of the Department of Defense which would be required to be made during the month of September of any of such fiscal years pursuant to any law or regulation shall not be made during such month but shall be made during the month of October immediately following the month of September in which such payments would, but for this subsection, be required to be made. However, no payment shall be delayed pursuant to this subsection later than the day immediately before the date upon which an interest penalty shall accrue on such payment pursuant to section 3902 of title 31, United States Code.

(2) No officer or employee of the Department of Defense may accept early delivery of goods or services from a contractor of the Department of Defense if such early acceptance would result in a payment for such goods or services that would, but for paragraph (1) of this subsection, be required by law or regulation to be made during the month of September in fiscal years 1987, 1988, 1989, or 1990, being required to be made in a month other than September of the same fiscal year, unless such early acceptance is necessary in the interests of national defense.

(3) The Secretary of Defense shall, during fiscal year 1987, reduce the rates of progress payments for new contracts or renewal of existing contracts, other than contracts with small business concerns, entered into during fiscal year 1987 from 80% to 70%. However, the Secretary of Defense may exempt from this requirement contracts for which procurement actions have been initiated on or before the date of enactment of this Act if he determines that such a change to progress payments would be unduly disruptive to such ongoing procurement action.

(4) As used in this subsection, the term "small business concern" shall have the meaning given to that term by section 8(d)(3)(C) of the Small Business Act (15 U.S.C. 637 (d)(3)(C)).

(c) The provisions of this section shall take effect on the day after the effective date of any Act or Joint Resolution making appropriations available to or for the use of the Department of Defense (except for military construction and family housing) for fiscal year 1987, or for any period of more than 90 days during such fiscal year, whether such effective date be before, on, or after the date of enactment of this Act, but only if on the date of enactment of such Act or Joint Resolution making appropriations, the Committee on the Budget of the United States Senate, pursuant to its authority under section 302(g) of the Congressional Budget and Impoundment Control Act of 1974, as amended, has determined that the conference report on the bill or joint resolution making such appropriations provides for budget outlays in excess of the allocation for such outlays reported pursuant to subsection (b) of such section 302 in connection with the most recently agreed to concurrent resolution on the budget, as revised if appropriate, for fiscal year 1987.

AMENDMENT No. 2332

At an appropriate place in the bill, insert the following new section:

SEC. xx. (a)(1) Effective December 1, 1986, and thereafter, no payment of military pay and allowances (including military retired pay) payable under any provision of title 10 or 37, United States Code, of a member of the Army, Navy, Air Force, or Marine Corps may be made prior to the first day of the first month immediately following the month in which the member becomes entitled to such pay and allowances, except that one mid-month payment may be made each month for such pay and allowances to which a member is entitled on the date of such mid-month payment. Nothing herein prevents advance payment of such pay and allowances to such a member under any specific provision of law.

(2) Beginning with the month of December 1986, the amount required to be paid for any month into the Department of Defense Military Retirement Fund under section 1466(a) of title 10, United States Code, shall not be paid until the first day of the immediately following month and the calculation of such amount for any month shall include amounts of basic pay paid on the first day of such following month pursuant to paragraph (1) of this subsection.

(3) Notwithstanding paragraph (1) of this subsection, payments representing the withholding of amounts for Federal income taxation purposes and for Federal Insurance Compensation Act contributions deriving from the pay and allowances described by paragraph (1) of this subsection shall be made by the Department of Defense not later than the last day of the month during which entitlement to such pay and allowances is earned.

(b)(1) During fiscal year 1987, 1988, 1989, and 1990, payments by the United States, except such payments to small business concerns, under contracts of the Department of Defense which would be required to be made during the month of September of any of such fiscal years pursuant to any law or regulation shall not be made during such month but shall be made during the month of October immediately following the month of September in which such payments would, but for this subsection, be required to be made. However, no payment shall be delayed pursuant to this subsection later than the day immediately before the date upon which an interest penalty shall accrue on such payment pursuant to section 3902 of title 31, United States Code.

(2) No officer or employee of the Department of Defense may accept early delivery of goods or services from a contractor of the Department of Defense if such early acceptance would result in a payment for such goods or services that would, but for paragraph (1) of this subsection, be required by law or regulation to be made during the month of September in fiscal years 1987, 1988, 1989, or 1990, being required to be made in a month other than September of the same fiscal year, unless such early acceptance is necessary in the interests of national defense.

(3) The Secretary of Defense shall, during fiscal year 1987, reduce the rates of progress payments for new contracts or renewal of existing contracts, other than contracts

with small business concerns, entered into during fiscal year 1987 from 80% to 70%. However, the Secretary of Defense may exempt from this requirement contracts for which procurement actions have been initiated on or before the date of enactment of this Act if he determines that such a change to progress payments would be unduly disruptive to such ongoing procurement action.

(4) As used in this subsection, the term "small business concern" shall have the meaning given to that term by section 8(d)(3)(C) of the Small Business Act (15 U.S.C. 637 (d)(3)(C)).

(c) The provisions of this section shall take effect on the day after the effective date of any Act or Joint Resolution making appropriations available to or for the use of the Department of Defense (except for military construction and family housing) for fiscal year 1987, or for any period of more than 90 days during such fiscal year, whether such effective date be before, on, or after the date of enactment of this Act, but only if on the date of enactment of such Act or Joint Resolution making appropriations, the Committee on the Budget of the United States Senate, pursuant to its authority under section 302(g) of the Congressional Budget and Impoundment Control Act of 1974, as amended, has determined that the conference report on the bill or joint resolution making such appropriations provides for budget outlays in excess of the allocation for such outlays reported pursuant to subsection (b) of such section 302 in connection with the most recently agreed to concurrent resolution on the budget, as revised if appropriate, for fiscal year 1987.

AMENDMENT No. 2333

At an appropriate place in the bill, insert the following new section:

SEC. xx. (a)(1) Effective December 1, 1986, and thereafter, no payment of military pay and allowances (including military retired pay and military survivors benefits) payable under any provision of title 10 or 37, United States Code, of a member of the Army, Navy, Air Force, or Marine Corps or of a survivor of such a member may be made prior to the first day of the first month immediately following the month in which the member or survivor, as the case may be, becomes entitled to such pay and allowances, except that one mid-month payment may be made each month for such pay and allowances to which a member is entitled on the date of such mid-month payment. Nothing herein prevents advance payment of such pay and allowances to such a member under any specific provision of law.

(2) Beginning with the month of December 1986, the amount required to be paid for any month into the Department of Defense Military Retirement Fund under section 1466(a) of title 10, United States Code, shall not be paid until the first day of the immediately following month and the calculation of such amount for any month shall include amounts of basic pay paid on the first day of such following month pursuant to paragraph (1) of this subsection.

(3) Notwithstanding paragraph (1) of this subsection, payments representing the withholding of amounts for Federal income taxation purposes and for Federal Insurance Compensation Act contributions deriving from the pay and allowances described by paragraph (1) of this subsection shall be made by the Department of Defense not later than the last day of the month during which entitlement to such pay and allowances is earned.

(b) The provisions of this section shall take effect on the day after the effective date of any Act or Joint Resolution making appropriations available to or for the use of the Department of Defense (except for military construction and family housing) for fiscal year 1987, or for any period of more than 90 days during such fiscal year, whether such effective date be before, on, or after the date of enactment of this Act, but only if on the date of enactment of such Act or Joint Resolution making appropriations, the Committee on the Budget of the United States Senate, pursuant to its authority under section 302(g) of the Congressional Budget and Impoundment Control Act of 1974, as amended, has determined that the conference report on the bill or joint resolution making such appropriations provides for budget outlays in excess of the allocation for such outlays reported pursuant to subsection (b) of such section 302 in connection with the most recently agreed to concurrent resolution on the budget, as revised if appropriate, for fiscal year 1987.

AMENDMENT No. 2334

At an appropriate place in the bill, insert the following new section:

Sec. xx.(a)(1) Effecitve December 1, 1986, and thereafter, no payment of military pay and allowances (including military retired pay) payable under any provision of title 10 or 37, United States Code, of a member of the Army, Navy, Air Force, or Marine Corps may be made prior to the first day of the first month immediately following the month in which the member becomes entitled to such pay and allowances, except that one mid-month payment may be made each month for such pay and allowances to which a member is entitled on the date of such mid-month payment. Nothing herein prevents advance payment of such pay and allowances to such a member under any specific provision of law.

(2) Beginning with the month of December 1986, the amount required to be paid for any month into the Department of Defense Military Retirement Fund under section 1466(a) of title 10, United States Code, shall not be paid until the first day of the immediately following month and the calculation of such amount for any month shall include amounts of basic pay paid on the first day of such following month pursuant to paragraph (1) of this subsection.

(3) Notwithstanding paragraph (1) of this subsection, payments representing the withholding of amounts for Federal income taxation purposes and for Federal Insurance Compensation Act contributions deriving from the pay and allowances described by paragraph (1) of this subsection shall be made by the Department of Defense not later than the last day of the month during which entitlement to such pay and allowances is earned.

(b) The provisions of this section shall take effect on the day after the effective date of any Act or Joint Resolution making appropriations available to or for the use of the Department of Defense (except for military construction and family housing) for fiscal year 1987, or for any period of more than 90 days during such fiscal year, whether such effective date be before, on, or after the date of enactment of this Act, but only if on the date of enactment of such Act or Joint Resolution making appropriations, the Committee on the Budget of the United States Senate, pursuant to its authority under section 302(g) of the Congressional Budget and Impoundment Control Act of 1974, as amended, has determined that the conference report on the bill or joint resolution making such appropriations provides for budget outlays in excess of the allocation for such outlays reported pursuant to subsection (b) of such section 302 in connection with the most recently agreed to concurrent resolution on the budget, as revised if appropriate, for fiscal year 1987.

AMENDMENT No. 2335

At an appropriate place in the bill, insert the following new section:

SEC. xx. (a)(1) Effective December 1, 1986, and thereafter, no payment of military pay and allowances (including military retired pay and military survivors benefits) payable under any provision of title 10 or 37, United States Code, of a member of the Army, Navy, Air Force, or Marine Corps or of a survivor of such a member may be made prior to the first day of the first month immediately following the month in which the member or survivor, as the case may be, becomes entitled to such pay and allowances, except that one mid-month payment may be made each month for such pay and allowances to which a member is entitled on the date of such mid-month payment. Nothing herein prevents advance payment of such pay and allowances to such a member under any specific provision of law.

(2) Notwithstanding paragraph (1) of this subsection, payments representing the withholding of amounts for Federal income taxation purposes and for Federal Insurance Compensation Act contributions deriving from the pay and allowances described by paragraph (1) of this subsection shall be made by the Department of Defense not later than the last day of the month during which entitlement to such pay and allowances is earned.

(b) The provisions of this section shall take effect on the day after the effective date of any Act or Joint Resolution making appropriations available to or for the use of the Department of Defense (except for military construction and family housing) for fiscal year 1987, or for any period of more than 90 days during such fiscal year, whether such effective date be before, on, or after the date of enactment of this Act, but only if on the date of enactment of such Act or Joint Resolution making appropriations, the Committee on the Budget of the United States Senate, pursuant to its authority under section 302(g) of the Congressional Budget and Impoundment Control Act of 1974, as amended, has determined that the conference report on the bill or joint resolution making such appropriations provides for budget outlays in excess of the allocation for such outlays reported pursuant to subsection (b) of such section 302 in connection with the most recently agreed to concurrent resolution on the budget, as revised if appropriate, for fiscal year 1987.

AMENDMENT No. 2336

At an appropriate place in the bill, insert the following new section:

SEC. xx. (a)(1) Effective December 1, 1986, and thereafter, no payment of military pay and allowances (including military retired pay) payable under any provision of title 10 or 37, United States Code, of a member of the Army, Navy, Air Force, or Marine Corps may be made prior to the first day of the first month immediately following the month in which the member becomes entitled to such pay and allowances, except that one mid-month payment may be made each month for such pay and allowances to

which a member is entitled on the date of such mid-month payment. Nothing herein prevents advance payment of such pay and allowances to such a member under any specific provision of law.

(2) Notwithstanding paragraph (1) of this subsection, payments representing the withholding of amounts for Federal income taxation purposes and for Federal Insurance Compensation Act contributions deriving from the pay and allowances described by paragraph (1) of this subsection shall be made by the Department of Defense not later than the last day of the month during which entitlement to such pay and allowances is earned.

(b) The provisions of this section shall take effect on the day after the effective date of any Act or Joint Resolution making appropriations available to or for the use of the Department of Defense (except for military construction and family housing) for fiscal year 1987, or for any period of more than 90 days during such fiscal year, whether such effective date be before, on, or after the date of enactment of this Act, but only if on the date of enactment of such Act or Joint Resolution making appropriations, the Committee on the Budget of the United States Senate, pursuant to its authority under section 302(g) of the Congressional Budget and Impoundment Control Act of 1974, as amended, has determined that the conference report on the bill or joint resolution making such appropriations provides for budget outlays in excess of the allocation for such outlays reported pursuant to subsection (b) of such section 302 in connection with the most recently agreed to concurrent resolution on the budget, as revised if appropriate, for fiscal year 1987.

AMENDMENT NO. 2337

At an appropriate place in the bill, insert the following new section:

SEC. xx. (a)(1) During fiscal years 1987, 1988, 1989, and 1990, payments by the United States, except such payments to small business concerns, under contracts of the Department of Defense which would be required to be made during the month of September of any of such fiscal years pursuant to any law or regulation shall not be made during such month but shall be made during the month of October immediately following the month of September in which such payments would, but for this subsection, be required to be made. However, no payment shall be delayed pursuant to this subsection later than the day immediately before the date upon which an interest penalty shall accrue on such payment pursuant to section 3902 of title 31, United States Code.

(2) No officer or employee of the Department of Defense may accept early delivery of goods or services from a contractor of the Department of Defense if such early acceptance would result in a payment for such goods or services that would, but for paragraph (1) of this subsection, be required by law or regulation to be made during the month of September in fiscal years 1987, 1988, 1989, or 1990, being required to be made in a month other than September of the same fiscal year, unless such early acceptance is necessary in the interests of national defense.

(3) The Secretary of Defense shall, during fiscal year 1987, reduce the rates of progress payments for new contracts or renewal of existing contracts, other than contracts with small business concerns, entered into during fiscal year 1987 from 80% to 70%. However, the Secretary of Defense may exempt from this requirement contracts for which procurement actions have been initiated on or before the date of enactment of this Act if he determines that such a change to progress payments would be unduly disruptive to such ongoing procurement action.

(4) As used in this subsection, the term "small business concern" shall have the meaning given to that term by section 8(d)(3)(C) of the Small Business Act (15 U.S.C. 637(d)(3)(C)).

(b) The provisions of this section shall take effect on the day after the effective date of any Act or Joint Resolution making appropriations available to or for the use of the Department of Defense (except for military construction and family housing) for fiscal year 1987, or for any period of more than 90 days during such fiscal year, whether such effective date be before, on, or after the date of enactment of this Act, but only if on the date of enactment of such Act or Joint Resolution making appropriations, the Committee on the Budget of the United States Senate, pursuant to its authority under section 302(g) of the Congressional Budget and Impoundment Control Act of 1974, as amended, has determined that the conference report on the bill or joint resolution making such appropriations provides for budget outlays in excess of the allocation for such outlays reported pursuant to subsection (b) of such section 302 in connection with the most recently agreed to concurrent resolution on the budget, as revised if appropriate, for fiscal year 1987.

At an appropriate place in the bill, insert the following new section:

SEC. xx. (a)(1) During fiscal year 1987, 1988, 1989, and 1990, payments by the United States, except such payments to small business concerns, under contracts of the Department of Defense which would be required to be made during the month of September of any of such fiscal years pursuant to any law or regulation shall not be made during such month but shall be made during the month of October immediately following the month of September in which such payments would, but for this subsection, be required to be made. However, no payment shall be delayed pursuant to this subsection later than the day immediately before the date upon which an interest penalty shall accrue on such payment pursuant to section 3902 of title 31, United States Code.

(2) No officer or employee of the Department of Defense may accept early delivery of goods or services from a contractor of the Department of Defense if such early acceptance would result in a payment for such goods or services that would, but for paragraph (1) of this subsection, be required by law or regulation to be made during the month of September in fiscal years 1987, 1988, 1989, or 1990, being required to be made in a month other than September of the same fiscal year, unless such early acceptance is necessary in the interests of national defense.

(3) As used in this subsection, the term "small business concern" shall have the meaning given to that term by section 8(d)(3)(C) of the Small Business Act (15 U.S.C. 637(d)(3)(C)).

(b) The provisions of this section shall take effect on the day after the effective date of any Act or Joint Resolution making appropriations available to or for the use of the Department of Defense (except for military construction and family housing) for fiscal year 1987, or for any period of more than 90 days during such fiscal year, whether such effective date be before, on, or after the date of enactment of this Act, but only if on the date of enactment of such Act or Joint Resolution making appropriations, the Committee on the Budget of the United States Senate, pursuant to its authority under section 302(g) of the Congressional Budget and Impoundment Control Act of 1974, as amended, has determined that the conference report on the bill or joint resolution making such appropriations provides for budget outlays in excess of the allocation for such outlays reported pursuant to subsection (b) of such section 302 in connection with the most recently agreed to concurrent resolution on the budget, as revised if appropriate, for fiscal year 1987.

AMENDMENT NO. 2339

At an appropriate place in the bill, insert the following new section:

SEC. xx. (a)(1) Effective on August 1, 1987, through September 30, 1987, the Secretary of Defense shall direct that, notwithstanding any other provision of law or regulation, payments by the United States to contractors of the Department of Defense, except under contracts with small business concerns, shall not be paid earlier than the day before the date upon which an interest penalty would be incurred under section 3902 of title 31, United States Code.

(2) As used in this subsection, the term "small business concern" shall have the meaning given to that term by section 8(d)(3)(C) of the Small Business Act (15 U.S.C. 637(d)(3)(C)).

(b) The provisions of this section shall take effect on the day after the effective date of any Act or Joint Resolution making appropriations available to or for the use of the Department of Defense (except for military construction and family housing) for fiscal year 1987, or for any period of more than 90 days during such fiscal year, whether such effective date be before, on, or after the date of enactment of this Act, but only if on the date of enactment of such Act or Joint Resolution making appropriations, the Committee on the Budget of the United States Senate, pursuant to its authority under section 302(g) of the Congressional Budget and Impoundment Control Act of 1974, as amended, has determined that the conference report on the bill or joint resolution making such appropriations provides for budget outlays in excess of the allocation for such outlays reported pursuant to subsection (b) of such section 302 in connection with the most recently agreed to concurrent resolution on the budget, as revised if appropriate, for fiscal year 1987.

AMENDMENT NO. 2340

At an appropriate place in the bill, insert the following new section:

SEC. xx. (a)(1) The Secretary of Defense shall, during fiscal year 1987, reduce the rates of progress payments for new contracts or renewal of existing contracts, other than contracts with small business concerns, entered into during fiscal year 1987 from 80% to 70%. However, the Secretary of Defense may exempt from this requirement contracts for which procurement actions have been initiated on or before the date of enactment of this Act if he determines that such a change to progress payments would be unduly disruptive to such ongoing procurement action.

(2) As used in this subsection, the term "small business concern" shall have the meaning given to that term by section 8(d)(3)(C) of the Small Business Act (15 U.S.C. 637(d)(3)(C)).

(b) The provisions of this section shall take effect on the day after the effective date of any Act or Joint Resolution making appropriations available to or for the use of the Department of Defense (except for military construction and family housing) for fiscal year 1987, or for any period of more than 90 days during such fiscal year, whether such effective date be before, on, or after the date of enactment of this Act, but only if on the date of enactment of such Act or Joint Resolution making appropriations, the Committee on the Budget of the United States Senate, pursuant to its authority under section 302(g) of the Congressional Budget and Impoundment Control Act of 1974, as amended, has determined that the conference report on the bill or joint resolution making such appropriations provides for budget outlays in excess of the allocation for such outlays reported pursuant to subsection (b) of such section 302 in connection with the most recently agreed to concurrent resolution on the budget, as revised if appropriate, for fiscal year 1987.

AMENDMENT No. 2341

At the end of Division A of the bill, insert the following new section:

SEC. xx. None of the funds authorized to be appropriated by titles I, II, and III of this division and none of the pay, allowances, compensation, or benefits authorized by title VI of this division may be considered authorized for use, obligation, or expenditure after September 1, 1987, if the Secretary of Defense exercises his discretion to pay—

(1) military pay and allowances to a member of the Army, Navy, Air Force, or Marine Corps earned on or after September 1, 1987, except advance payment of such pay and allowances authorized under a specific provision of law, to such a member before October 1, 1987;

(2) after March 1, 1987, progress payments under new contracts, or renewals of existing contracts, entered into after the date of enactment of this Act, other than contracts with small business concerns as defined by section 8(d)(3)(C) of the Small Business Act (15 U.S.C. 637(d)(3)(C)), at a rate in excess of 70%; or

(3) after March 1, 1987, final payments under contracts, other than contracts with small business concerns as defined by section 8(d)(3)(C) of the Small Business Act (15 U.S.C. 637(d)(3)(C)), before the due date for such payments under such contracts or renewals, or if no such due date, before the due date established pursuant to section 3903 of title 31 U.S.C., if on the date of enactment of any Act or Joint Resolution making appropriations available to or for the use of the Department of Defense (except for military construction and family housing) for fiscal year 1987, or for any period of more than 90 days during such fiscal year, the Committee on the Budget of the Senate, pursuant to its authority under section 302(g) of the Congressional Budget and Improvement Control Act of 1974, as amended, has determined that the conference report on the bill or joint resolution making such appropriations provides for budget outlays in excess of the allocation for such outlays reported pursuant to subsection (b) of such section 302 in connection with the most recently agreed to concurrent resolution on the budget, as revised if appropriate, for fiscal year 1987.

EXON AMENDMENT NO. 2342

(Ordered to lie on the table.)

Mr. EXON submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follow:

AMENDMENT No. 2342

On page 59, between lines 3 and 4, insert the following new section:

SEC. 512. AUTHORITY TO ORDER CERTAIN RESERVE COMPONENTS AND INDIVIDUAL MEMBERS OF RESERVE COMPONENTS TO ACTIVE DUTY.

Section 672 of title 10, United States Code, is amended—

(1) by striking out the second sentence of subsection (b) and inserting in lieu thereof the following: "Units and members of the Army National Guard of the United States or the Air National Guard of the United States may not be ordered to active duty under this subsection without the consent of the governor of a State or of the appropriate authority of a territory, the Commonwealth of Puerto Rico, or the Canal Zone, or the commanding general of the District of Columbia National Guard, as the case may be, unless the President determines that the national security interests of the United States require that such units or members to be ordered to active duty."; and

(2) by striking out the second sentence of subsection (d) and inserting in lieu thereof the following: "A member of the Army National Guard of the United States or the Air National Guard of the United States may not be ordered to active duty under this subsection without the consent of the governor of a state or the appropriate authority of a territory, the Commonwealth of Puerto Rico, the Canal Zone, or the District of Columbia, whichever is concerned, unless the President determines that the national security interests of the United States require that such members be ordered to active duty.".

LAUTENBERG AMENDMENT NO. 2343

(Ordered to lie on the table.)

Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

On page 229, between lines 14 and 15, insert the following new section:

SEC. 1221. WEARING RELIGIOUS APPAREL NOT PART OF THE OFFICIAL UNIFORM.

(a) IN GENERAL.—Chapter 45 of title 10, United States Code, is amended—

(1) by redesignating section 774 as section 775; and

(2) inserting after section 773 the following new section:

"§ 774. Wearing religious apparel

"(a) Except as provided in subsection (b), a member of the armed forces may wear an item of religious apparel if—

"(1) the wearing of the item of apparel is part of the religious observance of the religious faith practiced by the member; and

"(2) the item of apparel is neat and conservative.

"(b) The Secretary concerned may prohibit a member from wearing an item of religious apparel if the Secretary determines that the wearing of such item significantly interferes with the performance of the member's military duties.".

(b) CONFORMING AMENDMENTS.—The table of chapters at the beginning of such chapter is amended—

(1) by redesignating the item relating to section 774 as 775; and

(2) by inserting below the item relating to section 773 the following new item:

"774. Wearing religious apparel.".

GLENN AMENDMENT NOS. 2344 THROUGH 2347

(Ordered to lie on the table.)

Mr. GLENN submitted four amendments intended to be proposed by him to the bill S. 2638, supra; as follows:

AMENDMENT No. 2344

On page 229, between lines 14 and 15, insert the following new section:

SEC. 1221. TRANSPORTATION OF DEFENSE CARGO THROUGH GREAT LAKES PORTS ON VESSELS DOCUMENTED UNDER LAWS OF THE UNITED STATES

The Secretary of Defense shall take such action as may be necessary to ensure that, of funds spent by the Department of Defense during fiscal year 1987 for the ocean transportation of cargo, not less than $10,000,000 is expended for the transportation of cargo by ocean common carrier via ports of the Great Lakes and through the St. Lawrence Seaway in vessels documented under the laws of the United States.

AMENDMENT No. 2345

On page 186, between lines 9 and 10, insert the following new section:

SEC. 963. RIGHTS RELATING TO THE USE, RELEASE, AND DISCLOSURE OF TECHNICAL DATA.

(a) RIGHTS IN TECHNICAL DATA.—Subsection (a) of section 2320 of title 10, United States Code, is amended to read as follows:

"(a)(1) The Secretary of Defense shall prescribe regulations to define the legitimate interest of the United States and of a contractor or subcontractor in technical data pertaining to a product or process. Such regulations shall be included in regulations of the Department of Defense prescribed as part of the Federal Acquisition Regulation. Such regulations may not impair any right of the United States or of any contractor or subcontractor with respect to patents or copyrights or any other right in technical data otherwise established by law.

"(2) Such regulations shall include the following provisions:

"(A) In the case of a product or process that is developed by a contractor or subcontractor exclusively with Federal funds, the United States shall have the unlimited right to use, release, or disclose technical data pertaining to the product or process.

"(B) In the case of a product or process that is developed by a contractor or subcontractor exclusively at private expense, the contractor or subcontractor may limit the right to use, release, or disclose to persons outside the Government technical data pertaining to the product or process.

"(C) Notwithstanding subparagraph (B), the Government may use, release, or disclose technical data pertaining to a product or process to persons outside the Government if such technical data is otherwise publicly available or if—

"(i) such use, release, or disclosure—

"(I) is necessary for emergency repair and overhaul; or

"(II) is a use, release, or disclosure to a foreign government that is in the interest of the United States and is required for evaluational or informational purposes; and

"(ii) such use, release, or disclosure is made subject to a prohibition that the person to whom the data is released or disclosed may not further use, release, or disclose such data.

"(iii) the contractor or subcontractor asserting the restriction is notified of such use, release, or disclosure.

"(D) In the case of a product or process that is developed in part with Federal funds and in part at private expense, rights in technical data pertaining to such product or process shall be [*negotiated*] established as early in the acquisition process as practicable (preferably during contract negotiations), based upon consideration of the following factors:

"(i) The statement of congressional policy and objectives in section 200 of title 35, the statement of purposes in section 2(b) of the Small Business Innovation Development Act of 1982 (15 U.S.C. 638 note), and the declaration of policy in section 2 of the Small Business Act (15 U.S.C. 631).

"(ii) The interest of the United States in increasing competition and lowering costs by developing and locating alternative sources of supply and manufacture.

"(iii) The interest of the United States in encouraging contractors to develop at private expense items for use by the Government.

"(E) A contractor or subcontractor, or a prospective contractor or subcontractor, that develops a product or process exclusively at private expense may not be required, as a condition of being responsive to a solicitation or as a condition for the award of a contract, to sell or otherwise relinquish to the United States any rights in technical data that would permit the use by, or release or disclosure of, such data to persons outside the Government except under the conditions described in paragraph (2)(C).

"(F) The Secretary of Defense may—

"(i) enter into a contract [*negotiate*] with a contractor or subcontractor *to contract* for the acquisition of rights in technical data pertaining to a product or process developed by such contractor or subcontractor exclusively at private expense if necessary to develop alternative sources of supply and manufacture; or

"(ii) agree to limit rights of the United States in technical data pertaining to a product or process developed entirely or in part with Federal funds if the United States receives a royalty-free license to use, release, or disclose the data for purposes of the United States (including purposes of competitive procurement).

[**"(2) The Secretary of Defense shall include definitions of the terms 'developed' and 'private expense' in regulations prescribed under paragraph (1).]**

"(3) In this subsection, the term 'Federal Acquisition Regulation' means the single system of Government-wide procurement regulations as defined in section 4(4) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(4)).".

(b) VALIDATION OF PROPRIETARY DATA RESTRICTIONS.—Subsections (a) and (b) of section 2321 of title 10, United States Code, are amended to read as follows:

"(a) A contract for supplies or services entered into by the Department of Defense which provides for the delivery of technical data shall provide that a contractor or subcontractor at any tier shall be prepared to furnish to the contracting officer a written justification for any restriction asserted by the contractor or subcontractor on the right of the United States to use such technical data.

"(b)(1) The Secretary of Defense shall ensure that there is a thorough review of the appropriateness of any restriction on the right of the United States to use, release, or disclose technical data delivered under a contract. Such review shall be conducted before the end of the 3-year period beginning on the date on which final payment is made on a contract under which technical data is required to be delivered, or the date on which the technical data is delivered under such contract, whichever is later.

"(2)(A) If the Secretary determines, at any time before the end of the 3-year period beginning on the date on which final payment is made on a contract under which technical data is required to be delivered, or the date on which the technical data is delivered under such contract, whichever is later, that a challenge to a restriction asserted in the contract is warranted, the Secretary shall provide written notice to the contractor or subcontractor asserting the restriction. Such a determination shall be based on a finding by the Secretary that reasonable grounds exist to question the current validity of the asserted restriction and that the continued adherence to the asserted restriction by the United States would make it impracticable to procure the item competitively at a later time. Such notice shall—

"(i) state the specific grounds for challenging the asserted restriction;

"(ii) require a response within 60 days justifying the current validity of the asserted restriction; and

"(iii) state that evidence of a validation by any agency of the Department of Defense of a restriction identical to the asserted restriction within the 3-year period preceding the challenge shall serve as justification for the asserted restriction if—

"(I) the validation occurred after a review of the validated restriction under this subsection; and

"(II) the validated restriction was asserted by the same contrator or subcontractor to whom such notice is being provided.

"(B) Notwithstanding subparagraph (A), if technical data delivered under a contract is otherwise publicly available, the United States may challenge a restriction on the use, release, or disclosure of such technical data at any time.".

"(c) CONFORMING AMENDMENTS.—Section 1202 of the Department of Defense Authorization Act, 1985 (10 U.S.C. 2301 note), is amended—

(1) by inserting "and" at the end of paragraph (4);

(2) by striking out "; and" at the end of paragraph (5) and inserting in lieu thereof a period; and

(3) by striking out paragraph (6).

(d) DEADLINE FOR REVISION OF REGULATIONS.—The regulations required by section 2320(a)(1) of title 10, United States Code (as amended by subsection (a)), shall be prescribed not later than 180 days after the date of the enactment of this Act.

AMENDMENT NO. 2346

On page 19, between lines 18 and 19, insert the following new section:

SEC. 206. PROHIBITION AGAINST CERTAIN CONTRACTS.

(a) Funds appropriated to or for the use of the Department of Defense for research and development in connection with the Strategic Defense Initiative may not be used for the purposes of entering into or carrying out any contract with any foreign firm or foreign government or any combination of foreign firms and/or foreign governments unless the Secretary of Defense certifies to the Congress in writing that the foreign government (or governments) concerned has agreed to assume a substantial share of the costs of such a contract.

(b) As used in subsection (a), the term "foreign firm" means a business entity owned or controlled by one or more foreign nationals or a business entity in which more than 50 percent of the stock is owned or controlled by one or more foreign nationals.

AMENDMENT NO. 2347

At the appropriate place insert the following new section:

SEC. . PROHIBITION AGAINST CERTAIN CONTRACTS.

(a) Funds appropriated to or for the use of the Department of Defense may not be used for the purposes of entering into or carrying out any contract with any foreign government or any foreign firm if the contract is to provide for the conduct of basic research in connection with the Strategic Defense Initiative Program unless the Secretary of Defense certifies to the Congress in writing that the research to be performed under the contract cannot be reasonably performed by a United States firm. This prohibition does not apply to any funds intended specially for research on antitactical ballistic missile systems and separately designated for that purpose.

(b) As used in subsection (a), the term "foreign firm" means a business entity owned or controlled by one or more foreign nationals or a business entity in which more than 50 percent of the stock is owned or controlled by one or more foreign nationals.

MURKOWSKI AMENDMENT NO. 2348

(Ordered to lie on the table.)

Mr. MURKOWSKI submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

On page 228, between lines 17 and 18, insert the following new subsection:

(b) Drug Educational and Counseling Report: The Secretary of Defense, in consultation with the National Drug Enforcement Policy Board and the Department of Education, shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report, not later than December 1, 1986, discussing (i) the extent to which youth in schools operated by the Department of Defense for dependent members of the Armed Forces are receiving education on drug and substance abuse, (ii) the types of drug education programs that are currently being provided, (iii) whether additional drug education programs are needed, and (iv) the extent to which drug education programs for youth in grades K through 12 include or should include preventative peer counseling classes.

Redesignate subsection (b) as subsection (c).

NICKLES AMENDMENT NO. 2349

(Ordered to lie on the table.)

Mr. NICKLES submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

AMENDMENT No. 2349

At the appropriate place in the bill insert the following new section:

CONTRACTING OUT FOR PERFORMANCE OF CERTAIN FUNCTIONS

SEC. . Section 1231(e) of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 733), is amended—

(1) by adding at the end the following new sentence: "In the case of McAlester Army Ammunition Plant, McAlester, Oklahoma, such term also means the manufacture of ammunition manufactured at such plant.";

(2) by redesignating subsection (f) as subsection (h); and

(3) by inserting after subsection (e) the following new subsections:

"(f) The Secretary of Defense may not waive the prohibition contained in subsection (b)(1) of section 307 of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat, 2514), insofar as such prohibition applies to logistics activities performed at McAlester Army Ammunition Plant, McAlester, Oklahoma.

"(g) Neither the Secretary of Defense nor the Secretary of a military department may provide for any study relating to the contracting out of any function referred to in subsection (b).".

GRASSLEY AMENDMENT NOS. 2350 THROUGH 2351

(Ordered to lie on the table.)

Mr. GRASSLEY submitted two amendments intended to be proposed by him to the bill S. 2638, supra; as follows:

AMENDMENT No. 2350

On page 153, strike out lines 15 through 21.

AMENDMENT No. 2351

On page 153, strike out lines 15 through 21, and insert in lieu thereof the following:

SEC. 943. COST AND PRICE MANAGEMENT IMPROVEMENTS

(a) IN GENERAL.—Section 2406 of title 10, United States Code, is amended to read as follows:

"§ 2406. Cost and price management

"(a) In this section:

"(1) 'Covered contract' means a contract (A) that is awarded by the Department of Defense for the procurement of a manufactured product and is awarded under procedures prescribed under chapter 137 of this title, (B) that exceeds $25,000,000, and (C) for which cost or pricing data is required under section 2306(f) of this title.

"(2) 'Covered subcontract' means a subcontract (A) that is awarded under a covered contract, (B) that exceeds $25,000,000, and (C) for which cost or pricing data is required under section 2306(f) of this title.

"(3) 'Engineered labor standard' means the amount of time it should take a trained worker or group of trained workers working at a normal pace under specified working conditions to perform, according to a specified method, a described unit of work with an acceptable level of quality.

"(b) Covered contracts and subcontracts shall provide for the use of a work measurement system that is based on engineered labor standards.

"(c) The Secretary of Defense may extend the application of subsection (b) to any other contract awarded by the Department of Defense (and to any subcontract under such contract) if the Secretary finds that the use of a work measurement system in the performance of the contract (or subcontract) would be cost effective and otherwise appropriate.

"(d) Work measurement records maintained by a contractor or subcontractor pursuant to a work measurement system provided under this section shall be subject to examination under the same circumstances and in the same manner that books, records, documents, and other data of a contractor or subcontractor may be examined under section 2306(f)(5) of this title.

"(e) The Secretary of Defense shall prescribe regulations to carry out this section.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect with respect to procurement solicitations issued on or after the date of the enactment of this Act.

INOUYE AMENDMENT NO. 2352

(Ordered to lie on the table.)

Mr. INOUYE submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

On page 299, line 25, before the period insert ", except that no amount shall remain available until the Secretary of the Navy (hereinafter in this section referred to as the "Secretary") transfers to the United States Postal Service (hereinafter in this section referred to as the "Postal Service") jurisdiction over approximately 3.2 acres of land, together with improvements thereon, located in Aiea, Hawaii, and the Postal Service pays, out of any funds available to the Postal Service, to the Secretary of the Navy an amount equal to the greater of the following:

(1) The approved fair market value of the property over which jurisdiction is to be transferred (as determined by the Secretary).

(2) The cost of providing to the Navy fleet laundry and dry cleaning facilities to replace facilities located on the land over which jurisdiction is to be transferred pursuant to this subsection.

(l) LEGAL DESCRIPTION OF LAND.—The exact acreage and legal description of the land over which jurisdiction is to be transferred under this section shall be determined by surveys that are satisfactory to the Secretary. The cost of the surveys shall be borne by the Postal Service.

(m) ADDITIONAL TERMS.—(1) The Secretary may require such additional terms and conditions under this section as the Secretary considers appropriate to protect the interest of the Navy.

(2) If the fair market value of the property over which jurisdiction is to be transferred to the Postal Service under subsection (k) exceeds the cost of the replacement fleet laundry and dry cleaning facilities, the Secretary shall deposit the excess into the general fund of the Treasury.

DOLE AMENDMENT NO. 2353

(Ordered to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

On page 230, line 16, strike out "$8,250,000" and insert in lieu thereof "$9,450,000".

KENNEDY AMENDMENT NO. 2354

(Ordered to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

On page 19 between lines 18 and 19, insert the following new section:

SEC. 206. LIMITATION ON FURDS FOR STRATEGIC DEFENSE INITIATIVE PROGRAM.

Notwithstanding the provisions of Sec. 201, Sec. 205(a), Sec. 3113(a) and Sec. 3114(a)—

(1) Not more than $6,472,074,000 are authorized to be appropriated for fiscal year 1987 for the Defense Agencies for the use of the Armed Forces for research, development, test and evaluation;

(2) The total amount authorized to be appropriated to the Department of Energy for national security programs is $7,339,225,000;

(3) Not more than $2,759,000,000 of the amounts authorized for Defense Agencies is available for the Strategic Defense Initiative;

(4) Not more than $270,000,000 shall be available to the Department of Energy for research, development, test, and evaluation, and for other purposes, in connection with the Strategic Defense Initiative program.

MATHIAS (AND OTHERS) AMENDMENT NO. 2355

(Ordered to lie on the table.)

Mr. MATHIAS (for himself, Mr. LEAHY, and Mr. BRADLEY) submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

At the appropriate place, insert the following new title:

TITLE —

SECTION 1. DECLARATION THAT ANY SUPPORT FOR MILITARY OR PARAMILITARY OPERATIONS IN ANGOLA SHOULD BE OPENLY ACKNOWLEDGED AND PUBLICLY DEBATED.

The Congress finds that the United States Government should support military or paramilitary operations in Angola only if the provision of that support is the openly acknowledged policy of the United States. It is, therefore, the sense of the Congress that the United States Government should not provide any such support until the President has publicly informed the Congress and the American people that the United States Government support for military or paramilitary operations in Angola is important to the national security and the Congress has approved such support.

SEC. 2. ENSURING THAT SUPPORT IS OPENLY ACKNOWLEDGED.

(a) ANY SUPPORT MUST BE OPENLY ACKNOWLEDGED.—During fiscal years 1986 and 1987, a department, agency or other instrumentality of the United States Government may obligate or expend funds—

(1) to conduct, directly or indirectly, military or paramilitary operations in Angola, or

(2) to provide any financial, material, or other assistance, directly or indirectly, to any group engaged in military or paramilitary operations in Angola,

only if the use of funds for that purpose is the openly acknowledged policy of the United States Government, as determined in accordance with subsection (b).

(b) PRESIDENTIAL REQUEST AND CONGRESSIONAL APPROVAL.—In order to ensure that any United States Government support for military or paramilitary operations in Angola is openly acknowledged, funds may be used for the purposes described in subsection (a) only if—

(1) the President determines that United States Government support for military or paramilitary operations in Angola is important to the national security and submits to the Speaker of the House of Representatives and the President of the Senate a request that the Congress approve openly acknowledged United States Government support for those operations; and

(2) the Congress enacts a joint resolution approving United States Government support for military or paramilitary operations in Angola.

Any such support may be provided only to the extent permitted by that joint resolution.

(c) INTERPRETATION OF LIMITATION.—Nothing in this section should be construed to prohibit the obligation or expenditure of funds for—

(1) United States diplomatic activities;

(2) activities of the United States Armed Forces which are reported to the Congress pursuant to section 4(a) of the War Powers Resolution; or

(3) assistance provided through the United Nations High Commissioner for Refugees or the International Committee of the Red Cross.

(d) RELATIONSHIP WITH OTHER LAWS.—The requirements of this section may not be waived under the authority of any other provision of law. This section supersedes any provision of law which might otherwise be construed to allow funds to be used for the purposes described in subsection (a).

MATHIAS AMENDMENT NOS. 2356 THROUGH 2359

(Ordered to lie on the table.)

Mr. MATHIAS submitted four amendments intended to be proposed by him to the bill S. 2638, supra; as follows:

AMENDMENT No. 2356

On page 13 strike out lines 6 through 9.

AMENDMENT No. 2357

On page 229, between lines 14 and 15 insert the following:

SEC. 1221. LIMITATION ON TESTS OF NUCLEAR MUNITIONS.

Notwithstanding any other provision of this Act, none of the funds appropriated pursuant to an authorization contained in this Act may be obligated or expended to conduct any test explosion of nuclear munitions unless the President has certified, in writing, to the Congress that the Soviet Union has exploded, on or after the date of the enactment of this Act, any nuclear munitions.

AMENDMENT No. 2358

On page 229, between line 14 and 15, insert the following:

SEC. 1221. PROHIBITION ON ANTI-SATELLITE TESTING.

Notwithstanding any other provision of this Act, none of the fund appropriated pursuant to an authorization contained in this Act may be obligated or expended to carry out a test of the Space Defense System (anti-satellite weapon) against an object in space.

AMENDMENT No. 2359

On page 229, between line 14 and 15, insert the following:

SEC. 1221. SENSE OF THE CONGRESS ON NUCLEAR EXPLOSIVE TESTING.

(a) FINDINGS.—The Congress finds that—

(1) the United States is committed in the Limited Test Ban Treaty of 1963 and in the Non-Proliferation Treaty of 1968 to seek to achieve the discontinuance of all test explosions of nuclear weapons for all time;

(2) a comprehensive test ban treaty would promote the security of the United States by constraining the United States-Soviet nuclear arms competition and by strengthening efforts to prevent the proliferation of nuclear weapons;

(3) the Threshold Test Ban Treaty was signed in 1974 and the Peaceful Nuclear Explosions Treaty was signed in 1976, and both have yet to be considered by the full Senate for its advice and consent to ratification;

(4) the entry into force of the Peaceful Nuclear Explosions Treaty and the Threshold Test Ban Treaty will ensure full implementation of significant new verification procedures and so make completion of a comprehensive test ban treaty more probable;

(5) a comprehensive test ban treaty must be adequately verifiable, and significant progress has been made in methods for detection of underground nuclear explosions by seismological and other means;

(6) at present, negotiations are not being pursued by the United States and the Soviet Union toward completion of a comprehensive test ban treaty; and

(7) the past five administrations have supported the achievement of a comprehensive test ban treaty.

(b) Sense of Congress.—It is the sense of Congress that at the earliest possible date, the President of the United States should—

(1) request advice and consent of the Senate to ratification (with a report containing any plans the President may have to negotiate supplemental verification procedures, or if the President believes it necessary, any understanding or reservation on the subject of verification which should be attached to the treaty) of the Threshold Test Ban and Peaceful Nuclear Explosions Treaties, signed in 1974 and 1976, respectively; and

(2) propose to the Soviet Union the immediate resumption of negotiations toward conclusion of a verifiable comprehensive test ban treaty.

In accordance with international law, the United States shall have no obligation to comply with any bilateral arms control agreement with the Soviet Union that the Soviet Union is violating.

WILSON (AND NUNN) AMENDMENT NOS. 2360 THROUGH 2363

(Ordered to lie on the table.)

Mr. WILSON (for himself and Mr. NUNN) submitted four amendments intended to be proposed by them to the bill S. 2638, supra; as follows:

AMENDMENT No. 2360

On page 4, line 11, strike out "$5,557,490,000" and insert in lieu thereof "$5,597,490,000".

AMENDMENT No. 2361

On page 11, line 2, strike out "$9,265,378,000" and insert in lieu thereof "$9,305,306,000".

AMENDMENT No. 2362

On page 13, between lines 5 and 6, insert the following new subsection:

(f) PENGUIN MISSILE PROGRAM.—(1) Of the funds authorized pursuant to this title, $15,718,000 shall be available only for further development of the Penguin Missile program.

(2) No funds specified in paragraph (1) are authorized until the Secretary of Defense using existing powers has certified in writing to the Committees on Armed Services of the Senate and the House of Representatives that—

(A) the Navy has a valid requirement for the Penguin Missile and that such missile satisfies that requirement;

(B) the Penguin Missile does not degrade the effectiveness or survivability of the SH-60 LAMPS helicopter; and

(C) the total cost of the Penguin Missile program will not exceed $200,000,000.

AMENDMENT No. 2363

On page 6, between lines 12 and 13, insert the following new subsection:

(g) ROLLING AIRFRAME MISSILE PROGRAM.—(1) No funds are authorized for the Rolling Airframe Missile program until the Secretary of Defense using existing powers has certified in writing to the Committees on Armed Services of the Senate and the House of Representatives that—

(A) the Rolling Airframe Missile satisfies the requirements of the Navy and constitutes a valid military requirement;

(B) the total development cost of the Rolling Airframe Missile program will not exceed $409,000,000;

(C) the Secretary will terminate the program if at any time he determines that the total development cost will exceed the amount specified in subparagraph (B);

(D) the design of the Rolling Airframe Missile and its unique support equipment are complete and that the system performance has not been degraded from the original development specifications (as contained in Navy Decision Coordinating Paper No. SO-167-AA);

(E) the recurring missile unit flyaway cost for a minimum of 4,900 missiles will not exceed $100,000 per missile in fiscal year 1986 dollars; and

(F) the Director of Operational Test and Evaluation has approved a test program that will test an adequate number (as determined by the Director) of rolling Airframe Missiles incorporating the final design intended for production.

(2) If the Secretary of Defense fails to make the certification described in paragraph (1) by March 30, 1987 the rolling Airframe Missile program is no longer considered to be authorized by this Act.

DODD (AND BOREN) AMENDMENT NO. 2364

(Ordered to lie on the table.)

Mr. DODD (for himself and Mr. BOREN) submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

On page 147, after line 22, insert the following new section:

SEC. 933. PROHIBITION ON FELONS CONVICTED OF DEFENSE CONTRACT RELATED FELONIES AND PENALTY OF EMPLOYMENT OF SUCH PERSONS BY DEFENSE CONTRACTORS.

Subsection (a) of section 932 of the Department of Defense Authorization Act, 1986 (Public Law 99-145) is amended by—

(1) inserting after "management or supervisory capacity" the following: ", including the capacity of service on the board of directors,"; and

(2) striking out "one year" and inserting in lieu thereof "five years".

DODD AMENDMENT NO. 2365

(Ordered to lie on the table.)

Mr. DODD submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

On page 186, between lines 9 and 10, insert the following:

SEC. 963. LIMITATIONS ON THE PROCUREMENT OF BALL BEARINGS AND ROLLER BEARINGS; EXPEDITED CONSIDERATION UNDER CERTAIN TRADE LAWS.

(a) FINDINGS.—The Congress finds that—

(1) a healthy domestic ball and roller bearing industry (hereafter in this subsection referred to as the "industry") is of critical importance to a sound domestic industrial base in the United States;

(2) the industry has a broad role in the supply of essential components to other industries representing the core of a modern industrial economy;

(3) the Federal Government has previously recognized the importance of the industry to the defense-related industrial base of the United States by requiring that certain bearings purchased by the Department of Defense be manufactured in the United States or Canada;

(4) the United States market for this industry has been increasingly penetrated by imports over the past decade, which has resulted in reductions in capacity, employment, and abandonment of certain markets by domestic producers in the industry; and

(5) the industry is under a state of siege, caught between an eroding share of the domestic market and rising imports of bearings that compete with the industry's domestic customers.

(b) LIMITATIONS ON PROCUREMENT.—(1) Except as provided in paragraph (2), the Department of Defense may not procure ball bearings or roller bearings which have been manufactured outside the United States (including the Commonwealth of Puerto Rico, the Virgin Islands of the United States, and the territories and possessions of the United States).

(2)(A) If the Secretary of Defense certifies in writing to the Secretary of Commerce that—

(i) any kind of ball or roller bearings needed by the Department of Defense is not manufactured in the United States; or

(ii) any kind of ball or roller bearings manufactured in the United States is not available in sufficient quantities to meet the needs of the Department of Defense,

the prohibition prescribed in paragraph (1) shall not apply in the case of any contract for the procurement of such kind of ball or roller bearings which is awarded pursuant to a procurement solicitation issued during the period beginning 30 days after the date on which the certification is received by the Secretary of Commerce and ending on the date on which the Secretary of Defense or the Secretary of Commerce determines that the certified condition has terminated.

(B) Notwithstanding subparagraph (A), the Department of Defense may not conduct a procurement with respect to which a certification has been made under such subparagraph if the Secretary of Commerce disagrees with the findings of the Secretary of Defense (with respect to a condition described in such subparagraph) contained in the certification and notifies the Secretary of Defense, in writing, of the disagreement within 30 days after the date on which the certification is received by the Secretary of Commerce.

(3) The Secretary of Defense shall prescribe regulations to carry out this subsection.

(4) This subsection shall apply to procurement solicitations issued by the Department of Defense during the 5-year period beginning on January 1, 1987.

(d) AMENDMENTS TO THE TRADE EXPANSION ACT OF 1962.—Subsection (b) of section 232 of the Trade Expansion Act of 1962 (19 U.S.C. 1862(b)) is amended—

(1) by striking out "Upon request" and inserting in lieu thereof "(1) Upon request", and

(2) by adding at the end thereof the following new paragraph:

"(2)(A) The President and the Secretary shall give expedited consideration to any application submitted under this section with respect to imports of ball bearings or roller bearings.

"(B) The Secretary shall provide notice to the Secretary of Labor of any determination made by the Secretary under paragraph (1) that imports of ball bearings or roller bearings threaten to impair the national security.".

(e) AMENDMENTS TO THE TRADE ACT OF 1974.—(1) Section 223 of the Trade Act of 1974 (19 U.S.C. 2273) is amended by adding at the end thereof the following new subsection:

"(e) The Secretary shall give expedited consideration to any petition filed under section 221 on behalf of workers of a firm, or subdivision of a firm, that produces ball bearings or roller bearings if the Secretary of Commerce has determined under section 232 of the Trade Expansion Act of 1962, at any time during the 3-year period preceding the date of the determination of the Secretary under subsection (a), that imports of ball bearings or roller bearings threaten to impair the national security.".

(2) Section 251 of the Trade Act of 1974 (19 U.S.C. 2341) is amended by adding at the end thereof the following new subsection:

"(e) The Secretary shall give expedited consideration to any petition filed under subsection (a) on behalf of a firm that produces ball bearings or roller bearings if the Secretary has determined under section 232 of the Trade Expansion Act of 1962, at any time during the 3-year period preceding the date of the determination of the Secretary under subsection (c), that imports of ball bearings or roller bearings threaten to impair the national security.".

STEVENS AMENDMENT NO. 2366

(Ordered to lie on the table.)

Mr. STEVENS submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

On page 158 strike out line 8 and all that follows through page 181, line 18.

BYRD AMENDMENT NOS. 2367 THROUGH 2369

(Ordered to lie on the table.)

Mr. BYRD submitted three amendments intended to be proposed by him to the bill S. 2638, supra; as follows:

AMENDMENT NO. 2367

At the end of the bill, add the following new section:

SEC. .

(a) None of the funds authorized to be appropriated under this Act to carry out the Advanced Technology Bomber program or the Advanced Cruise Missile program may be used for any other purpose.

(b) None of the funds authorized to be appropriated under this Act may be used for research, development, demonstration, procurement or any other purpose related to B-1B bombers beyond the 100 such bombers previously authorized.

AMENDMENT NO. 2368

On page 20, line 5, strike the period at the end of the line and add the following—

, except that none of these funds are authorized after November 1, 1986, for use by the Organization of the Joint Chiefs of Staff for studies and analyses to be accomplished by individual civilian contractors or civilian contractor entities if the President—

(a) has not received from the Joint Chiefs of Staff a report, in both classified and unclassified versions, containing a comprehensive assessment, including their individual views, of the military impacts on the national security of the United States, of the possible military responses of the Soviet Union to an American decision to no longer comply with major provisions of existing strategic offensive arms limitation agreements, including the central numerical sublimits on strategic nuclear delivery vehicles contained in the SALT II accord, and concentrating on possible Soviet military responses during the period between fiscal year 1987 and fiscal year 1996, inclusive, and addressing the following considerations:

(1) the impact on the ability of U.S. strategic forces to accomplish their nuclear deterrent mission, including the impacts on the survivability of U.S. strategic forces and on the ability of U.S. strategic forces to achieve required damage expectancies against Soviet targets, of any expansion of Soviet military capabilities undertaken in response to a U.S. decision to abandon compliance with existing strategic offensive arms agreements;

(2) the additional cost to the United States, above currently projected military expenditures for those periods for which such budget projections are available, of research, development, production, deployment, and annual operations and support for any additional strategic forces required to counter any expansion in Soviet military capabilities undertaken in response to a U.S. decision to abandon compliance with existing strategic offensive arms agreements;

(3) under average annual real growth projections in defense spending of 0%, 1%, 2%, and 3%, the percent of the annual defense budget in each year between FY 87 and FY 1996 which would be consumed by increased U.S. strategic forces needed to counter the Soviet force expansions;

(4) the military impacts on U.S. national security of the diversion the funds identified in subsection (a)(1) away from non-stra-

tegic defense programs and to strategic programs to counter expanded Soviet strategic capabilities, including the military impacts of such a diversion on the ability of U.S. conventional forces to meet the nation's specific non-nuclear defense commitments as a member of the North Atlantic Treaty Organization, and under the 1960 Treaty of Mutual Cooperation and Security with Japan;

(b) has not certified to the Congress that he has received such a report; and,

(c) has not transmitted, on a classified and unclassified basis, to Congress any information contained in this report that he already has the authority to so transmit under existing law.

AMENDMENT NO. 2369

On page 24, line 11, insert the following new subsection—

(c)(1) PROHIBITION ON USE OF FUNDS FOR CERTAIN PURPOSES IN JAPAN UNLESS AND UNTIL THE GOVERNMENT OF THE U.S. FORMALLY PROPOSES TO THE GOVERNMENT OF JAPAN THAT JAPAN INCREASE SIGNIFICANTLY ITS CONTRIBUTIONS TO THE COMMON DEFENSE.—None of the funds authorized by this act for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses for operations and maintenance are authorized after December 31, 1986, for the purchase of bulk petroleum products and any other goods and services in Japan for the operations and maintenance of American armed forces stationed in, or on the waters directly contiguous to, Japan, unless and until the President has certified to the Congress that the Government of the United States has proposed formally, by November 30, 1986, to the Government of Japan that Japan significantly increase its contributions to meet its self-defense needs, to obtain the agreed upon 1,000 mile self-defense capabilities by the end of the decade, and to meet common United States-Japan defense objectives and alliance responsibilities by the following means in Japan's 1987 fiscal year budget—

(A) Japan spend any financial savings achieved in buying U.S. military equipment and due to the yen appreciation to purchase additional front line equipment or rear support (combat readiness, logistics, and sustainability) capabilities to accelerate the improvement of its self-defense forces and the achievement of the objectives of the 1986–1990 Mid-Term Defense Plan; or,

(B) Japan spend some of the aforementioned financial savings to pay the approximately $300 million in wages now paid annually by the U.S. Government for Japanese civilians supporting American armed forces stationed in, or on the waters directly contiguous to, Japan, and add any remaining savings to the 1986–1990 Mid-Term Defense Program; and,

(C) Japan fully fund the second year of the 1986–1990 Mid-Term Defense Program by actually allocating in its Fiscal 1987 national budget, to be decided finally in December, 1986, sufficient resources to ensure, at least 5.4 percent real growth above fiscal 1986 spending in Japan's defense budget; and

(D) Japan formally reexamine its 1976 National Defense Program Outline with the objective of revising this outline to reflect that nation's agreed-upon common defense responsibilities and today's increased mutual security requirements.

(2) Any certification submitted pursuant to this subsection shall be accompanied by any information supporting and explaining the certification which the President already has the authority under existing law to transmit to Congress, including, if so authorized and as applicable, the contents of the formal proposal made to the Government of Japan under (c)(1) above.

BINGAMAN AMENDMENT NO. 2370

(Ordered to lie on the table.)

Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

On page 229, between lines 14 and 15, insert the following:

SEC. 1221. SALE OF TOBACCO PRODUCTS IN COMMISSARIES, EXCHANGES, AND SHIPS' STORES.

None of the funds appropriated pursuant to an authorization in this Act for operations and maintenance of commissary stores may be obligated or expended until the Secretary of Defense has issued regulations containing the following provisions:

"(a) Tobacco products may be sold in commissary stores, military exchanges, or ships' stores subject to the requirements prescribed in subsections (b) and (c).

"(b)(1) In the case of a commissary store, military exchange, or ship's store located in the United States, the price charged for any tobacco product shall be the prevailing price charged by private commercial businesses for the retail sale of such tobacco product in the retail market area in which the exchange or ship's store is located.

"(2) In the case of a commissary store, military exchange, or ship's store located outside the United States, the price charged for any tobacco product shall be the average amount charged by private commercial businesses for the retail sale of such product in the United States.

"(3)(A) In determining the prevailing price charged or the average price charged by a commercial business, applicable State and local taxes shall be included.

"(B) The prevailing price or the average price may be determined under an appropriate sampling procedure.

"(c)(1) The Secretary of a military department may use the profits from the sale of tobacco products by commissary stores under the Secretary's jurisdiction to promote health and fitness for members of the armed forces and their dependents.

"(2) Amounts made available under paragraph (1) shall remain available for obligation without fiscal year limitation.

"(2) In such regulations:

"(1) The term 'profits' means the amount which represents the difference between the price charged by commissary stores for the sale of tobacco products and the cost incurred by such commissary stores for the purchase and sale of such products (including appropriate amounts for overhead).

"(2) The term 'tobacco product' includes cigarettes, cigars, tobacco processed for cigarette or pipe smoking, and tobacco processed for oral use.

"(3) The term 'United States' includes the Commonwealth of Puerto Rico and the territories and possessions of the United States.".

McCLURE AMENDMENT NO. 2371

(Ordered to lie on the table.)

Mr. McCLURE submitted an amendment intended to be proposed by him to bill S. 2638, supra; as follows:

Strike title XI and insert in lieu thereof the following:

TITLE XI—NATIONAL DEFENSE STOCKPILE

SECTION 1101. SHORT TITLE.

This Act may be cited as the "Strategic and Critical Materials Stock Piling Amendments Act of 1986".

SEC. 1102. STOCKPILE REQUIREMENTS.

(a) PURPOSE OF STOCKPILE.—Section 2 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98a) is amended by adding at the end the following new subsection:

"(c) It is the intent of Congress—

"(1) that the National Defense Stockpile be used to serve the interest of national defense only and not be used for economic or budgetary purposes; and

"(2) that the quantities of materials stockpiled under this Act should be sufficient to sustain the United States for a period of not less than three years in the event of a national emergency.".

(b) ESTABLISHMENT OF STOCKPILE REQUIREMENTS BY LAW.—Section 3 of such Act (50 U.S.C. 98b) is amended to read as follows:

"ESTABLISHMENT BY LAW OF STOCKPILE REQUIREMENTS

"SEC. 3. (a) The materials that are strategic and critical materials for the purposes of this Act, and the quality and quantity of each such material to be acquired for the purposes of this Act and the form in which each such material shall be acquired and stored, shall be established by law.

"(b) Such materials when acquired, together with the other materials described in section 1104, shall constitute and be collectively known as the National Defense Stockpile (hereinafter in this Act referred to as the 'stockpile').

"(c) Determinations under subsection (a) shall be known as 'stockpile requirements'.".

(c) INITIAL LEVEL OF STOCKPILE REQUIREMENTS.—The determinations in effect as of October 1, 1984, under section 3(a) of the Strategic and Critical Materials Stock Piling Act shall be the stockpile requirements for the purposes of such section, as amended by this Act, until otherwise provided by law.

SEC. 1103. TRANSFER OF CERTAIN STOCKPILE FUNCTIONS TO THE SECRETARY OF DEFENSE.

(a) IN GENERAL.—Sections 5, 6, 10, and 11 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98d, 98e, 98h-1, 98h-2) are amended by striking out "President" each place it appears and inserting in lieu thereof "Secretary".

(b) DEFINITION OF SECRETARY.—Section 12 of such Act (50 U.S.C. 98h-3) is amended by adding at the end the following new paragraph:

"(3) The term 'Secretary' means the Secretary of Defense.".

(c) TECHNICAL AMENDMENT.—Section 11(b) of such Act (50 U.S.C. 98h-1) is amended by striking out "each year" and all that follows through "the next fiscal year" and inserting in lieu thereof "each year, at the time that the Budget is submitted to Congress pursuant to section 1105 of title 31, United States Code, for the next fiscal year,".

SEC. 1104. ANNUAL RECOMMENDATION OF STOCKPILE REQUIREMENTS BY SECRETARY OF DEFENSE.

The Strategic and Critical Materials Stock Piling Act is amended by adding at the end the following new section:

"ANNUAL RECOMMENDATIONS BY SECRETARY OF DEFENSE

"SEC. 14. (a) IN GENERAL.—In order to assist Congress in establishing stockpile requirements under section 1103, the Secretary shall submit to Congress an annual report on stockpile requirements. Each such report shall be submitted with the annual report submitted under section 11(b) and shall include—

"(1) the Secretary's recommendations with respect to stockpile requirements; and

"(2) the matters required under subsections (b) through (e).

"(b) NATIONAL EMERGENCY PLANNING ASSUMPTIONS.—Each report under this section shall set forth the national emergency planning assumptions used in determining the stockpile requirements recommended by the Secretary. Assumptions to be set forth include assumptions relating to each of the following:

"(1) Length and intensity of the assumed emergency.

"(2) The military force structure to be mobilized.

"(3) Losses from enemy action.

"(4) Military, industrial, and essential civilian requirements to support the national emergency.

"(5) The availability of supplies of strategic and critical materials from foreign sources, taking into consideration possible shipping losses.

"(6) Domestic production of strategic and critical materials.

"(7) Civilian austerity measures.

"(c) CONSIDERATION OF MATERIALS BASED ON NET IMPORT RELIANCE.—

"(1) IN GENERAL.—In determining the materials to be recommended to Congress under subsection (a)(1) as strategic and critical materials (and the quantity and quality of such materials to be recommended), the Secretary shall consider—

"(A) whether each of the materials determined under paragraph (3) should be recommended as a strategic and critical material; and

"(B) in the case of any such material, whether the quantity determined under paragraph (5) with respect to such material is the appropriate quantity of such material to be established by Congress as the stockpile requirement for that material.

"(2) MATTERS TO BE INCLUDED IN REPORT.—In each report under this section, the Secretary shall identify—

"(A) each material determined under paragraph (3); and

"(B) the quantity determined under paragraph (5) with respect to each such material.

"(3) MATERIALS TO BE IDENTIFIED.—The Secretary shall identify each material that the Secretary determines is necessary for the security of the United States, essential to the economy of the United States, and obtained from foreign sources.

"(4) CLASSIFICATION OF MATERIALS BASED ON NET IMPORT RELIANCE.—Each of the materials identified under paragraph (3) shall be classified by the Secretary for the purposes of this section as follows:

"(A) CLASS A MATERIALS.—A material shall be classified as a class A material if—

"(i) the material is not produced in the United States or is produced in the United States in limited quantities; and

"(ii) the net import reliance of the United States for the material is greater than or equal to 65 percent.

"(B) CLASS B MATERIALS.—A material shall be classified as a class B material if—

"(i) the material is produced in the United States but is not available in sufficient quantities in the United States; and

"(ii) the net import reliance of the United States for the material is greater than or equal to 30 percent but less than 65 percent.

"(C) CLASS C MATERIALS.—A material shall be classified as a class C material if—

"(i) the material is produced in substantial quantities in the United States; and

"(ii) the net import reliance of the United States for the material is less than 30 percent.

"(5) QUANTITY TO BE DETERMINED.—For each material identified under paragraph (3), the Secretary shall determine the following:

"(A) CLASS A MATERIALS.—In the case of a material classified under paragraph (4) as a class A material, the Secretary shall determine the quantity of such material equal to three years' net imports of such material.

"(B) CLASS B MATERIALS.—In the case of a material classified under paragraph (4) as a class B material, the Secretary shall determine the quantity of such material equal to two years' net imports of such material.

"(C) CLASS C MATERIALS.—In the case of a material classified under paragraph (4) as a class C material, the Secretary shall determine the quantity of such material equal to one year's net imports of such material.

"(6) DETERMINATION OF NET IMPORTS.—For purposes of paragraph (5), a year's net imports of a material is the quantity of the material equal to the amount by which—

"(A) the sum of—

"(i) the average annual imports of such material into the United States during the base period; and

"(ii) the average annual shipment of such material from the stockpile as excess material during the base period; exceeds

"(B) the average annual exports of such material from the United States during the base period.

"(7) BASE PERIOD DEFINED.—For purposes of paragraph (6), the term 'base period' means the most recent period of five calendar years for which data is available.

"(d) EFFECT OF ESTABLISHING STOCKPILE REQUIREMENTS IN ACCORDANCE WITH DETERMINATIONS UNDER SUBSECTION (c).—The Secretary shall include in each report under this section an analysis of the effect (including the cost and the impact on world markets) of establishing the stockpile requirements in accordance with the materials, and the quantities of materials, identified under subsection (c).

"(e) DIFFERENCES BETWEEN RECOMMENDATIONS AND NET IMPORT RESULTS.—When the stockpile requirements recommended by the Secretary in a report under this section differ from the materials and quantities that are identified under subsection (c), the Secretary shall also include in the report a detailed explanation for such differences, including—

"(1) a description of the assumptions used to determine the recommended stockpile requirements; and

"(2) a detailed analysis supporting the recommended quantity and quality for each material recommended as a strategic and critical material.

"(f) PERIODIC REVIEW.—The Secretary shall conduct a detailed review of the stockpile requirement for each strategic and critical material at least once every five years. If the Secretary determines at any time that the stockpile requirement for a material should be revised, the Secretary shall submit to Congress a report that—

"(1) notifies Congress of that determination;

"(2) sets forth the Secretary's recommended stockpile requirement for that material; and

"(3) sets forth the assumptions used by the Secretary in determining that recommended requirement.".

SEC. 1105. STOCKPILE MANAGEMENT.

The Strategic and Critical Materials Stock Piling Act is amended by adding after section 14 (as added by section 1104) the following new sections:

"INTERAGENCY AGREEMENTS

"SEC. 15. (a) AUTHORITY TO ENTER INTO AGREEMENTS.—The Secretary may enter into an interagency agreement with the head of any other department or agency for the performance of functions of the Secretary relating to section 1106.

"(b) REIMBURSEMENT.—The Secretary shall reimburse the head of any such agency for expenses incurred by that agency in the administration of functions relating to the stockpile assigned to that agency by the Secretary under such an interagency agreement.

"APPROPRIATIONS TO BE MADE TO DEPARTMENT OF DEFENSE

"SEC. 16. Appropriations for the operation and management of the stockpile and for deposit to the National Defense Stockpile Transaction Fund shall be made as part of appropriations made to the Department of Defense for the military functions of the Department.".

SEC. 1106. EXTENSION OF USES OF STOCKPILE TRANSACTION FUND AND CODIFICATION OF REVOLVING FUND PROVISIONS.

(a) IN GENERAL.—Section 9(b) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h(b)) is amended—

(1) by striking out the second sentence of paragraph (1); and

(2) by striking out paragraphs (2) and (3) and inserting in lieu thereof the following:

"(2) Subject to section 5(a)(1), moneys covered into the fund under paragraph (1) are hereby made available (subject to such limitations as may be provided in appropriation Acts) for—

"(A) the acquisition of strategic and critical materials under section 6(a)(1);

"(B) transportation, storage, and other incidental expenses related to such acquisition;

"(C) development of current specifications of stockpile materials and the upgrading of existing stockpile materials to meet current specifications (including transportation related to such upgrading);

"(D) testing and quality studies of stockpile materials; and

"(E) other reasonable requirements for management of the stockpile.

"(3) Moneys in the fund shall remain available until expended.".

(b) CONFORMING AMENDMENT.—Section 110 of Public Law 97-377 (96 Stat. 1911) is amended by striking out "Notwithstanding" and all that follows through "That during" and inserting in lieu thereof "During".

(c) APPLICABILITY OF AMENDMENTS.—The amendments made by subsection (a) apply with respect to funds covered into the National Defense Fund before, on, or after the date of the enactment of this Act.

SEC. 1107. MISCELLANEOUS TECHNICAL AMENDMENTS.

(a) TECHNICAL AMENDMENTS.—Section 4(a) of Strategic and Critical Materials Stock Piling such Act (50 U.S.C. 98c(a)) is amended—

(1) by striking out "on the day before the date of the date of the enactment of the Strategic and Critical Materials Stock Piling Revision Act of 1979" in paragraphs (1) and (3) and inserting in lieu thereof "on July 29, 1979", and

(2) by striking out "on or after the date of the enactment of the Strategic and Critical Materials Stock Piling Revision Act of 1979" in paragraph (2) and inserting in lieu thereof "after July 29, 1979".

(b) CLARIFYING AMENDMENT.—Section 6(a)(3) of such Act (50 U.S.C. 98e(a)(3)) is amended by striking out "the form most" and inserting in lieu thereof "a form more".

NUNN (AND BYRD) AMENDMENT NO. 2372

(Ordered to lie on the table.)

Mr. NUNN (for himself and Mr. BYRD) submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

At the appropriate section of the bill, add the following new section:

SECTION . SENATE ACCESS TO THE ABM TREATY NEGOTIATING RECORD

No funds are authorized in this bill for the Office of the Secretary of Defense or for support of White House operations unless, not later than thirty days after the enactment of this Act, the President, using existing powers, shall provide the Senate access to:

(1) All documentary materials in the negotiating record of the ABM Treaty for the period from March 15, 1971, through May 26, 1972, which deal with the negotiation of the limits in Articles II, III, and V, and Agreed Statement D pertaining to ABM systems and components based on then-current technologies or other physical principles, including, but not limited to, the following:

(a) All messages to and from the delegation;

(b) Relevant versions of the Joint Draft Text;

(c) Prepared statements presented at all joint meetings between the United States and the Soviet Union, including all proposals regarding treaty provisions and texts;

(d) The legal analysis of the Treaty provisions prepared in May 1972, by John Rhinelander, the legal advisor to the delegation; and,

(2) The 1985 study of the ABM Treaty negotiations prepared under a Defense Department contract by the System Planning Corporation.

DECONCINI AMENDMENT NO. 2373

(Ordered to lie on the table.)

Mr. DECONCINI submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

At the appropriate place in the bill, insert the following new section:

RESTRICTION ON THE SALE OF STINGER ANTIAIRCRAFT MISSILES

SEC. . No stinger antiaircraft missiles may be sold, donated, or otherwise provided, directly or indirectly, to democratic resistance forces, pursuant to the Act unless the President using existing authority certifies to the Congress that the proposed recipient has agreed to the following conditions:

(1) Physical security of such missiles shall consist of the following:

(A) Magazines of reinforced concrete, arch-type, and earth-covered whose construction is at least equivalent in strength to the requirements of the Chief of Engineers (Department of the Army) drawings, 652-686 through 652-693, 27 Dec 1941 as revised 14 Mar 42, shall be provided.

(B) Lighting shall be provided for exterior doors and along perimeter barriers.

(C) Exterior doors shall be class 5 steel vault doors secured by two-key operated high security padlock and hasp (mil spec P-43607), and keys shall be secured separately to insure effective two-man control of access.

(D) Fencing shall be 6-foot (minimum) steel chain link on steel or reinforced concrete posts over firm base, and clear zones shall be established inside and outside fencing.

(E) A full-time guard force or combination guard force and intrusion detection system shall be provided.

(2) Such missiles shall be accounted for as follows:

(A) A 100 percent physical count shall be taken monthly with two-man verification, and records shall be available for United States inspection.

(B) A United States Military Training Mission shall conduct the United States inspection and inventory annually, and weapons expended outside of hostilities shall be accounted for.

(3) Movements shall meet United States standards for safeguarding classified material in transit.

(4) Access to such missiles and to classified information relating thereto shall be as follows:

(A) Access to hardware and related classified information shall be limited to military and civilian personnel who have the proper security clearance and who have an established need-to-know. Information released shall be limited to that necessary for assigned functions or operational responsibility and, where possible, shall be oral or visual only.

(B) No maintenance shall be authorized which required access to the interior of the operational system. Such maintenance shall be performed under United States control.

(5) The recipient shall report to the United States by the most expeditious means any instance of compromise, loss, or theft of any material or related information. This report shall be followed by prompt investigation and the results provided to the United States.

(6) The recipient shall agree that no information on Basic STINGER shall be released to a third government or any other party without United States approval.

(7) The security standards applied by the recipient to protection of Basic STINGER information and material shall be at least equivalent to those of the United States at the indentified security classification.

(8) The recipient shall use the information on Basic STINGER only for the purpose for which it was given.

(9) United States officers shall be allowed to inspect and assess physical security measures and procedures established for implementation of these security controls on an announced random access basis.

(10) Damaged launchers shall be returned to United States Armed Forces for repair or demilitarization prior to disposal by United States authorities.

(11) Two principal components of the STINGER system, the gripstock and the missile in its disposable launch tube, shall be stored in separate locations. Each location shall meet all physical security requirements applicable to the STINGER system as a whole. The two locations shall be physically separated sufficiently so that a penetration of the security at one site shall not place the second at risk.

(12) The principle components of the STINGER system, the gripstock, missile, and launch tube, may be brought together and assembled only under the following circumstances:

(A) In the event of hostilities or imminent hostilities.

(B) For firing as part of regularly scheduled training (only those rounds intended to be fired shall be withdrawn from storage and assembled).

(C) For lot testing (only proof round(s) shall be withdrawn and assembled).

(D) When STINGER systems are deployed as part of the point of defenses of high priority installations or activities.

(13) Field exercises or deployments wherein the use of STINGER system is simulated shall not create conditions for the assembly of the system.

DECONCINI (AND D'AMATO) AMENDMENT NO. 2374

(Ordered to lie on the table.)

Mr. DECONCINI (for himself and Mr. D'AMATO) submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

On page 229, between lines 14 and 15, insert the following new section:

SEC. 2121. AUTHORIZATION OF APPROPRIATIONS FOR ENHANCED DRUG INTERDICTION ACTIVITIES

(a) IN GENERAL.—Funds are hereby authorized to be appropriated to the Department of Defense for fiscal year 1987 for enhancement of drug interdiction assistance activities of the Department as follows:

(1) For procurement of aircraft for the Navy—

(A) $83,000,000 to be available for modification of four P-3 aircraft by the addition of APS-138 radar, including the purchase of four APS-138 radar sets; and

(B) $138,000,000 to be available for refurbishment and upgrading of four existing E2C Hawkeye surveillance aircraft for drug interdiction purposes, and the procurement of four replacement E2C Hawkeye aircraft and related spares for the Navy.

(2) For procurement for the Air Force, $49,500,000, to be available for procurement of 3 aerostat radar systems, 3 aerostat radar spares for such system, and 1 aerostat radar spare for an aerostat radar system authorized and funded for location in the Bahamas by section 5(b) of the Urgent Supplemental Appropriations Act, 1986 (Public Law 99-349; 100 Stat. 723).

(3) For operation and maintenance for the Air Force, $12,615,000 to be available for the transfer of 6 Air Force helicopters to Davis

Montahn Air Force Base for use in carrying out drug interdiction missions.

(4) For the Secretary of Defense, $12,000,000 for enhanced intelligence collection activities concerning illegal importation into the United States of drugs originating in South America.

(b) LOANS TO THE UNITED STATES CUSTOMS SERVICE.—The Secretary of Defense shall make available the refurbished, upgraded, and modified aircraft, using funds appropriated pursuant to authorizations in subsection (a)(1) to the United States Customs Service in accordance with chapter 18 of title 10, United States Code, except that the four replacement E2C Hawkeye aircraft procured using funds appropriated pursuant to authorizations in subsection (a)(1) shall be delivered to the Navy.

(c) RESPONSIBILITIES OF THE UNITED STATES CUSTOMS SERVICE.—(1) The United States Customs Service shall have the responsibility for operation and maintenance costs attributable to the aircraft refurbished, upgraded, or modified using funds appropriated pursuant to authorizations in subsection (a)(1) and the aerostat radar systems using funds approriated pursuant to authorizations in subsection (a)(2), except that responsibility for the operation and maintenance costs by the United States Customs Service shall commence upon receipt of the modified, refurbished, and upgraded aircraft authorized in subsection (a)(1) and upon completion of the installation of the aerostat radar systems authorized in subsection (a)(2).

(2) Upon enactment of this Act, the Commissioner of Customs shall immediately commence consultations with the Commandant of the United States Coast Guard regarding coordination of the deployment of the aircraft authorized in subsection (a)(1) and on loan to the United States Customs Service under subsection (b) in order to maximize the detection, surveillance, and intelligence gathering capabilities of the drug surveillance aircraft on loan to the United States Customs Service. The Commissioner of Customs shall make quarterly reports to the Committees on Appropriations and the Committees on Armed Services of the Senate and the House of Representatives regarding drug interdiction plans developed under this paragraph.

(d) AMOUNTS IN ADDITION TO OTHER AMOUNTS.—The amounts authorized by subsection (a) are in addition to any other amounts authorized to be appropriated to the Department of Defense in this Act for fiscal year 1987.

● Mr. DECONCINI. Mr. President, yesterday afternoon the President of the United States declared war on the drug abuse program that plagues this Nation, poisons our youth, and destroys the fabric of American society. On April 18, the President signed a national security decision directive which, among other things, called for the increased use of military resources to combat the narcotics trafficker. And on June 18, after nearly 4 years of congressional badgering, the administration finally concurred with elements of a national drug interdiction strategy that Congressman GLENN ENGLISH, Senator NUNN, Senator STEVENS, Senator D'AMATO, Senator CHILES, and myself have been supporting in cooperation with DOD, Customs, and other civilian drug enforcement agencies. The amendment that I am offering today will authorize funding for the second important phase of this drug interdiction plan and accelerate DOD's role in providing sophisticated military resources to our civilian drug interdiction effort. The first phase of this drug interdiction program was authorized in the fiscal year 1986 DOD authorization bill—Public Law 99-145—funded in the continuing resolution, 1986—Public Law 99-190—and reconfirmed in the urgent supplemental appropriation bill, 1986, that was signed into law by the President on July 2.

Mr. President, this amendment authorizes a total of $295.1 million to fund five major proposals for enhanced Department of Defense drug interdiction assistance. The Attorney General, as Chairman of the Drug Policy Board, recommended four of these proposals in a letter to the Armed Services Committee of the House and Senate on June 18, while the Secretary of Defense recommended the fifth proposal to the Drug Policy Board in April. Also, the elements addressed in my amendment today will form a major plank in an administration Southwest border initiative that is scheduled to be announced next week.

Specifically, the amendment that Senator D'AMATO and I are offering will contribute the following drug interdiction assets to our war against the drug smuggler:

(1) Four (4) existing E2C Hawkeye surveillance aircraft will be refurbished by the Navy and turned over to the U.S. Customs Service; and the Navy, in return will receive four replacement E2C aircraft: Total cost $138 million (includes spares).

Notes: Four new E2C's normally cost approximately $40 million each, for a total of $160 million. This deal offered to Navy and supported by the Drug Policy Board, will not only provide four, badly-needed E2C's for the Navy, it will provide four excellent, refurbished E2C's to Customs for use in its air interdiction program.

These aircraft will provide excellent 360-degree radar surveillance coverage, particularly in the southwest and Gulf of Mexico threat corridors.

The administration fully supports this program.

(2) Four (4) existing P-3 Navy aircraft will be retrofit with APS-138, 360-degree radar and turned over to the U.S. Customs service for drug interdiction purposes: Total cost: $83 million (includes 3 APS-138 radars).

Notes: Customs already has four P-3A aircraft and another P-3B prototype aircraft is also available in the private sector to be retrofit with APS-138, 360-degree radar for the Customs air program. Thus there is no need to make wholesale purchases of brand new airplanes.

These surveillance assets will complement the E2C's recommended by the administration and provide the long endurance and expandability that the Customs air program mission requires.

These aircraft will be deployed in cooperation with the Coast Guard for dedicated drug interdiction missions in the Yucatan Passage; the Windward Passage; off the coasts of South America; and interchangeably with E2C's along the southwest border.

The use of P-3 aircraft with 360-degree radar was a recommendation of the Secretary of Defense to the Drug Enforcement Policy Board in April 1986, and has strong support from the U.S. Customs Service.

These P-3 aircraft, coupled with the four E2C's provided in this amendment, will be able to provide nearly four times more surveillance coverage for our drug interdiction agencies than the coverage envisioned in the 16-aircraft fleet Air Wing proposal last year.

(3) Three (3) aerostat radar surveillance systems to be purchased by the Air Force for both national security and drug interdiction purposes: Total cost: $49,500,000 (includes spares for these aerostats and aerostat authorized in P.L. 99-349 for the Bahamas).

Notes: The administration is recommending a total of five (5) aerostats for the southwest border drug enforcement effort and supports this program to provide low-flying penetration surveillance during wartime and drug detection during peacetime.

These aerostats will be located in southern California and Texas locations selected for their strategic importance in the war against airborne drug smugglers.

(4) Transfer of six Air Force helicopters to Davis Monthan Air Force Base near Tucson, Arizona to be co-located with the Tucson Customs Service Air Support Branch. These aircraft would be flown by Air Force pilots with Customs Service officers on-board: Total cost: $12,615,000.

This would not, in anyway, interfere with the transfer of six H-3 helicopters to the 304th Air Rescue Squadron in Portland, Oregon.

These helicopters would be co-located at the U.S. Customs Air Support Branch at Davis Monthan Air Force Base for use in drug interdiction operations.

The administration strongly supports this proposal.

Notes: This is strongly supported by the administration.

It will help bolster existing DOD intelligence sources examining drug trafficking from South America.

Mr. President, this amendment offers a balanced, well-conceived cost-effective strategy for combating the drug smuggler with sophisticated military resources. It represents a culmination of vigorous, sometimes heated negotiations and compromise between myself, the Defense Department, the administration, and other Members of the House and Senate. My amendment will fund four proposals that have the support of OMB and the administration, plus a P-3 proposal that will offer an outstanding addition to this comprehensive plan for putting more sophisticated military assets into the war on drugs—at a price that the American taxpayers can afford.

Mr. President, last Monday, Attorney General Meese said in an editorial—Washington Post, August 4, 1986—that:

The President's decision to sign the recent national security decision directive underscores our commitment to use military re-

sources when appropriate against the insidious drug threat.

Our plan is consistent with the President's national security directive of April. It is consistent with the original air wing concept originally authorized back in May 1985. It is consistent with the plan endorsed by the Secretary of Defense in April, in his report to Congress and the Drug Enforcement Policy Board. It is consistent with our original concept of using existing DOD aircraft and sensors, whenever possible, and only purchasing those assets that are not already available for drug interdiction purposes. And my amendment is consistent with our attempts to provide the most sophisticated DOD assets to meet the requirements of our drug interdiction agencies to detect, intercept, and arrest the drug trafficker. My amendment will put our national drug interdiction effort into overdrive as we attempt to catch up with the narcotics trafficker, at a cost that the American taxpayers should be more than willing to pay.

Mr. President, let me finish by saying, that if we are willing to spend over $3 billion on a strategic defense initiative [SDI] that might not work, then we should be able to find $295 million for a program that will. This amendment will go a long way toward meeting the President's goals and our own goals of attacking the drug smuggler that threatens our shores, our cities, and our children's futures. I urge my colleagues to enthusiastically support this amendment and to turn up the heat on the narcotics trafficker.●

NUNN (AND BYRD) AMENDMENT NO. 2375

(Ordered to lie on the table.)

Mr. NUNN (for himself and Mr. BYRD) submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

On page 15, line 16, insert the following:

Of this amount, not more than $2,750,000,000 is authorized unless and until the Senate has been given access to:

(1) All documentary materials in the negotiating record of the ABM Treaty for the period from March 15, 1971, through May 26, 1972, which deal with the negotiation of the limits in Articles II, III, and V, and Agreed Statement D pertaining to ABM systems and components based on then-current technologies or other physical principles, including, but not limited to, the following:

(a) All messages to and from the delegation;

(b) Relevant versions of the Joint Draft Text;

(c) Prepared statements presented at all joint meetings between the United States and the Soviet Union, including all proposals regarding treaty provisions and texts;

(d) The legal analysis of the Treaty provisions prepared in May 1972, by John Rhinelander, the legal advisor to the delegation; and,

(2) The 1985 study of the ABM Treaty negotiations prepared under a Defense Department contract by the System Planning Corporation.

NUNN (AND BINGAMAN) AMENDMENT NO. 2376

(Ordered to lie on the table.)

Mr. NUNN (for himself and Mr. BINGAMAN) submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

On page 229, between lines 14 and 15, insert the following new section:

SEC. 1221. EFFICIENT PRODUCTION FOR MAJOR ACQUISITION PROGRAMS.

(a) RESTRICTION ON OBLIGATION OF FUNDS.—(1) Except as provided in paragraph (2), no funds are authorized in any fiscal year for the procurement of a major acquisition program that is included in the report referred to in subsection (b) for that fiscal year unless the annual production rate for the program for that fiscal year exceeds 50 percent of the maximum efficient production rate for such program as specified in the report required under subsection (d).

(2) The prohibition contained in paragraph (1) shall not apply in the case of a major defense acquisition program in any fiscal year if—

(A) production of fully-configurated end items under the programs is in the first, second, or last year of the program, as determined by the Secretary of Defense; or

(B) the Secretary of Defense using existing powers has certified to Congress in writing that it is in the national interest to continue production under the program and that budget requests for subsequent fiscal years will provide funds sufficient to result in an annual production rate for such program that would exceed 50 percent of the maximum efficient production rate for the program (as specified in the report required under subsection (a)).

(b) REPORT.—(1) The Secretary of Defense using existing powers shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report each year on the maximum efficient production rates for each major defense acquisition program under which 6 or more fully-configured end items are produced per year.

(2) The report required under paragraph (1) shall be submitted to the committees named in such paragraph at the same time each year that the President submits the budget to Congress under section 1105(a) of title 31, United States Code, except that the first such report shall be submitted within 60 days after the date of the enactment of this Act.

(c) DEFINITIONS.—In this section:

(1) The term "major defense acquisition program" has the same meaning provided in section 139(a)(1) of title 10, United States Code.

(2) The term "maximum efficient production rate" has the same meaning prescribed for "maximum production rate" in section 1201(c)(3)(c)(iii) of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 715).

NUNN AMENDMENTS NOS. 2377 THROUGH 2386

(Ordered to lie on the table)

Mr. NUNN submitted ten amendments intended to be proposed by him to the bill S. 2630, supra; as follows:

AMENDMENT NO. 2377

No funds are authorized for the Navy for the design or procurement of any tall masted sailing vessels.

AMENDMENT NO. 2378

At the appropriate point in the bill insert the following new section:

SEC. . No funds are authorized for the Navy for;

(1) planning, design or construction of a naval ship primarily powered by wind;

(2) raising, refurbishing and/or recommissioning the Monitor or Merrimac, or any replica thereof;

(3) introducing Kitty Hawk type biplanes as light attack bombers aboard Navy aircraft carriers;

(4) developing submarines made wholly or largely from balsawood or rattan products.

AMENDMENT NO. 2379

At the appropriate point insert the following new section;

SEC. . No funds are authorized for the Navy to procure used or new commercial jet transport aircraft for purposes of modifying those aircraft to serve as tanker aircraft for the Navy.

AMENDMENT NO. 2380

At the appropriate point in the bill, insert the following new section:

AMENDMENT ON SPECIAL OPERATIONS AIRLIFT

ADEQUATE AIRLIFT FOR SPECIAL OPERATIONS FORCES

SEC. . (a) No funds are authorized for research, development, test and evaluation of the Advanced Technology Fighter, or for any research and development program that includes activities that support development of the Advanced Technology Fighter, until 30 days following the date the budget is submitted by the President unless the Secretary of Defense using existing powers makes the certification required in subsection (b).

(b) For each fiscal year through fiscal year 1991, the Secretary of Defense shall, using existing powers, submit a report to the Congress on the progress that has been made to date toward achieving the goals established for airlift for special operations forces as outlined in the Secretary of Defense's certification pursuant to section 152 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 715). The report shall certify that:

(1) the aircraft procurement plans identified in the Section 152 certification still meet the airlift requirements of the Joint Special Operations Command and the special operations forces of unified commander-in-chief;

(2) the aircraft scheduled for procurement as identified in the Section 152 certification will be delivered to operating forces not later than the date assumed in the Section 152 certification;

(3) the five year defense plan associated with the budget submitted under section 1105(a) of title 31 provides sufficient funds to execute the goals established for airlift as identified in the Section 152 certification.

AMENDMENT NO. 2381

On page 19 between lines 18 and 19, insert the following new section:

SEC. 206. LIMITATION ON FUNDS FOR STRATEGIC DEFENSE INITIATIVE PROGRAM

Notwithstanding the provisions of Sec. 201, Sec. 205(a), Sec. 3113(a) and Sec. 3114(a)—

(1) Not more than $7,113,974,000 are authorized to be appropriated for fiscal year 1987 for the Defense Agencies for the use of the Armed Forces for research, development, test, and evaluation;

(2) The total amount authorized to be appropriated to the Department of Energy for national security programs is $7,369,000,000;

(3) Not more than $3,400,000,000 of the amounts authorized for Defense Agencies is available for the Strategic Defense Initiative;

(4) Not more than $300,000,000 shall be available to the Department of Energy for research, development, test, and evaluation, and for other purposes, in connection with the Strategic Defense Initiative program.

AMENDMENT No. 2382

On page 11, line 4, strike out "$7,310,974,000" and insert in lieu thereof "$7,113,974,000".

AMENDMENT No. 2383

On page 15, line 15, strike out "$3,597,000,000" and insert in lieu thereof "$3,400,000,000".

AMENDMENT No. 2384

On page 330, line 5, strike out "$7,425,225,000" and insert in lieu thereof "$7,369,225,000".

AMENDMENT No. 2385

On page 330, line 13, strike out "$356,000,000" and insert in lieu thereof "$300,000,000".

AMENDMENT No. 2386

On page 15, line 13, strike all through page 19, line 18 and insert in lieu thereof the following:

SEC. 205. BALANCED TECHNOLOGY INITIATIVE.

(a) LIMITATION ON FUNDS FOR SDI PROGRAM.—Of the amount authorized in section 201 for Defense Agencies, not more than $3,400,000,000 is available for the Strategic Defense Initiative.

(b) EARMARKING FOR CERTAIN PROGRAMS.—(1) Of the amount authorized in section 201 for the Defense Agencies, not less than $400,000,000 shall be used to expand research on innovative concepts and methods of enhancing conventional defense capabilities. The research and development efforts shall emphasize, but not be limited to the following:

(A) Armor/anti-armor initiatives.

(B) Defenses against armed helicopters.

(C) Hypervelocity missiles for ground combat use.

(D) Defense against anti-ship missiles, including those with "stealth" characteristics.

(F) Lightweight, air transportable vehicles with anti-armor capabilities for rapid transport to remote areas.

(G) Improved conventional anti-submarine warfare munitions.

(H) "Smart" standoff munitions and submunitions for aircraft delivery outside of lethal air defense ranges.

(2) The amount specified in paragraph (1) is in addition to the amount specified for the Strategic Defense Initiative in subsection (a) and is made available subject to the following conditions:

(A) That the Director of Defense Research and Engineering apportion the funds among the research, development, test and evaluation accounts of the Army, the Navy, the Air Force, and the Defense Agencies on a merit basis, taking into consideration ongoing technology research and exploitation opoortunities.

(B) That no portion of any undistributed reduction be applied against the funds appropriated for purposes of paragaph (1) and that no portion of any undistributed reduction be applied against any program, project, or activity for which additional funds are provided under subparagraph (A).

(C) That no portion of the funds provided for in paragraph

(1) be applied to any program, project, or activity in support of the Strategic Defense Initiative.

(c) FUNDS FOR CONVENTIONAL DEFENSE TECHNOLOGY BASE.—Of the amount authorized in section 201 for Defense Agencies, not less than 250,000,00 shall be applied to restoration of the conventional defense technology base. Such amount is in addition to the amounts specified in subsections (a) and (b)(1) and is made available subject to the following conditions:

(1) That the Director of Defense Research and Engineering apportion the funds among the research, development, test and evaluation accounts of the Army, the Navy, the Air Force, and Defense Agencies on a merit basis, either to augment ongoing but underfunded basic and exploratory research or to establish new basic or exploratory research programs.

(2) That no portion of such funds be applied to any program, project, or activity in support of the Strategic Defense Initiative.

(3) That no portion of any undistributed reduction made in any research, development, test, and evaluation account be applied against the technology base activities of any military department or Defense Agency in a greater proportion than the share of that department's or Agency's technology base as a proportion of the total research, development, test, and evaluation funds made available to that department or Agency for fiscal year 1987.

(4) That no portion of any undistributed reduction be applied against any program, project, or activity which has received additional funds under this subsection.

(d) REPORT.—Within 90 days after the date of the enactment of this act, the Director of Defense Research and Engineering shall provide to the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives a report on the implementation of this section. Such report shall include—

(1) the allocation by project of the amounts specified in subsections (b)(1) and (c);

(2) the identification of other ongoing research and development projects that should be included in a balanced defense technology effort to improve conventional defenses;

(3) for each program, project or activity for which funds have been allocated under subsection (b)(1), or which is identified under clause (2) of this subsection, a 5-year funding profile sufficient to maintain significant progress in such program, project, or activity, including the major milestones and projected dates of accomplishment for such program, project, or activity; and

(4) a 5-year funding profile that would be required to restore by the end of Fiscal Year 1992 the defense technology base to the proportion of total research, development, test, and evaluation that such base was, on average, during the period from 1971 through 1980, and the effect of implementing that funding profile on the research, development, test, and evaluation defense programs of the United States.

(e) RESTRICTION ON OBLIGATION OF FUNDS.—None of the funds provided under subsections (b)(1) and (c) may be obligated until Congress has received the report required under subsection (d) and a period of 30 days has elapsed following the date on which the report is received by Congress.

LEVIN AMENDMENTS NOS. 2387 AND 2388

(Ordered to lie on the table.)

Mr. LEVIN submitted two amendments intended to be proposed by him to the bill S. 2638, supra; as follows:

AMENDMENT No. 2387

On page 11, line 4, strike out "7,310,974,000" and insert in lieu thereof "6,988,474,000.".

On page 15, line 15, strike out "$3,597,000,000" and insert in lieu thereof "3,274,500,000".

On page 330, line 5, strike out "$7,425,225,000" and insert in lieu thereof "$7,391,725,000".

On page 330, line 13, strike out "$356,000,000" and insert in lieu thereof "$322,500,000".

AMENDMENT No. 2388

On page 19, line 19, insert the following new subsection:

(f) COMPLIANCE WITH THE ABM TREATY.—

(1) The Congress finds—

(a) that the President's Commission on Strategic Forces declared in its report to the President, dated March 21, 1984, that "One of the most successful arms control agreements is the Anti-Ballistic Missile Treaty of 1972"; and

(b) that the Secretary of State has stated that the "ABM Treaty requires consultations, and the President has explicitly recognized that any ABM-related deployments arising from research into ballistic missile defenses would be a matter for consultations and negotation between the Parties"; and

(c) that the Secretary of State has stated that "our research program has been structured and . . . will continue to be conducted in accordance with a restrictive interpretation of the treaty's obligations".

(2) The Congress therefore declares—

(a) that it fully supports the declared policy of the President that a principal objective of the United States in negotiations with the Soviet Union on nuclear and space arms is to reverse the erosion of the Treaty between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, signed on May 26, 1972; and

(b) that action by the Congress in approving funds for research on the Strategic Defense Initiative does not express or imply an intention on the part of the Congress that the United States should abrogate, violate, or otherwise erode such treaty, and does not express or imply any determination or commitment on the part of the Congress that the United States develop, test, or deploy ballistic missile strategic defense weaponry that would contravene such treaty.

BUMPERS (AND OTHERS) AMENDMENT NO. 2389

(Ordered to lie on the table.)

Mr. BUMPERS (for himself, Mr. LEAHY, Mr. CHAFEE, and Mr. HEINZ) submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

On page 219, strike out lines 9 through 15 and insert in lieu thereof the following:

"The Senate finds:

It is in the national interest of the United States to continue the policy of not undercutting existing strategic offensive arms agreements; and

(b) The Senate supports the President's recent decision to order the dismantling of older launchers as the eighth Trident submarine commenced sea trials; and

(c) The Senate also supports the President's efforts to pursue the resolution of concerns over Soviet noncompliance with strategic arms control agreements, particularly the encryption of telemetry and the deployment of the SS-25, both clear violations of SALT II provisions; and

(d) Soviet violations of existing strategic offensive arms agreements weaken the integrity of those agreements and the positive environment necessary for successful negotiation of new agreements; and

(e) There are appropriate, proportionate responses to Soviet violations which can be implemented without abandoning existing strategic offensive arms agreements; and

(f) There is concern about the continuing Soviet buildup in strategic nuclear warheads, which will add significantly to the number of nuclear warheads deployed by the Soviet Union; and

(g) Soviet ability to deploy substantially more nuclear warheads would be enhanced by the absence of an interim restraint framework; and

(h) The Soviet Union has to date dismantled hundreds of operational missile launchers, and would have to dismantle hundreds more over the next few years, to stay within the numerical limits of existing strategic arms agreements; and

(i) Ending the U.S. no-undercut policy has the potential for igniting an unlimited nuclear arms race; and

(j) Both the United States and the Soviet Union should intensify their efforts at the Geneva arms negotiations to agree upon substantial and verifiable reductions in their nuclear forces.

Therefore, it is the sense of the Senate that

(1) It is currently against the national security interests of the United States to abandon existing strategic offensive arms agreements by exceeding the numerical sublimits therein as long as the Soviet Union remains within these sublimits; and

(2) The Soviet Union should take positive steps to resolve U.S. concerns about Soviet violations of existing strategic arms agreements in order to maintain the integrity of those agreements and to strengthen the positive environment necessary for the successful negotiation of a new agreement; and

(3) The Congress and the President should continue to review the policy of mutual adherence to the numerical sublimits on launchers of strategic nuclear delivery systems, how such adherence serves U.S. security interests, the significance of both Soviet compliance and non-compliance with existing strategic offensive arms agreements, and the advisability of taking appropriate, proportionate responses to Soviet violations.

BUMPERS AMENDMENTS NOS. 2390 THROUGH 2396

(Ordered to lie on the table.)

Mr. BUMPERS submitted seven amendments intended to be proposed by him to the bill S. 2638, supra; as follows:

AMENDMENT NO. 2390

At the appropriate place in Title I of the bill, add the following:

"The amount authorized to be appropriated by this Act for the AMRAAM air-to-air missile shall be reduced by $368.7 million;

The amounts authorized to be appropriated for the Army's TOW II anti-tank missile shall be increased by $56.1 million;

The amounts authorized to be appropriated for Army ammunition shall be increased by $59.5 million;

The amounts authorized to be appropriated for Navy AIM-9L/M air-to-air missiles shall be increased by $40.6 million;

The amounts authorized to be appropriated for Navy AGM-88A HARM anti-radiation missiles shall be increased by $15.5 million;

The amounts authorized to be appropriated for Marine TOW anti-tank missiles shall be increased by $13.2 million;

The amounts authorized to be appropriated for Marine M-198 155 mm howitzer shall be increased by $12.0 million;

The amounts authorized to be appropriated for Marine ammunition shall be increased by $19.0 million;

The amounts authorized to be appropriated for Marine spare and repair parts shall be increased by $60.4 million;

The amounts authorized to be appropriated for Air Force AGM-88A HARM anti-radiation missiles shall be increased by $92.4 million."

AMENDMENT NO. 2391

At the appropriate place in Title I of the bill, add the following:

"The amounts authorized by this Act to be appropriated for the Army's TOW II anti-tank missile shall be increased by $56.1 million;

The amounts authorized to be appropriated for Army ammunition shall be increased by $59.5 million;

The amounts authorized to be appropriated for Navy AIM-9L/M air-to-air missiles shall be increased by $40.6 million;

The amounts authorized to be appropriated for Navy AGM-88A HARM anti-radiation missiles shall be increased by $15.5 million;

The amounts authorized to be appropriated for Marine TOW anti-tank missiles shall be increased by $13.2 million;

The amounts authorized to be appropriated for Marine M-198 155 mm howitzer shall be increased by $12.0 million;

The amounts authorized to be appropriated for Marine ammunition shall be increased by $19.0 million;

The amounts authorized to be appropriated for Marine spare and repair parts shall be increased by $60.4 million;

The amounts authorized to be appropriated for Air Force AGM-88A HARM anti-radiation missiles shall be increased by $92.4 million."

At the appropriate place in Title II of the bill, add the following:

"The amounts authorized by this Act to be appropriated for the Strategic Defense Initiative shall be reduced by $368.7 million."

AMENDMENT NO. 2392

On page 219 strike out section 1211 of the bill.

AMENDMENT NO. 2393

At the appropriate place in the military construction provisions of the bill, insert the following:

SEC. . $2,750,000 is authorized from Fiscal Year 1987 or prior year funding, whichever is available, for the construction of a Fuel Systems Maintenance Dock at Little Rock Air Force Base, Arkansas."

At the appropriate place in the bill, insert the following:

SEC. . Notwithstanding any other provision of this act or other law, no agency of the United States Government or any of its contractors shall earmark any funds provided for the Strategic Defense Initiative for contracts with non-United States contractors, subcontractors, or vendors, or exclusively for consortia containing non-United States contractors, subcontractors, or vendors, prior to source selection in order to meet a specific quota or allocation of funds to any allied nation. Furthermore, it is the sense of Congress that, whenever possible, the Secretary of Defense and others should award Strategic Defense Initiative contracts to United States contractors, subcontractors, and vendors unless such awards would appreciably degrade the likely results obtained from such contracts. Furthermore, it is the sense of Congress that while allied nations are encouraged to participate in the Strategic Defense Initiative research effort on a competitive basis, they should be awarded contracts solely on the basis of technical merit as described above. Furthermore, it is the sense of Congress that allied nation participation in the Strategic Defense Initiative should include financial as well as technical participation."

At the appropriate place in the Military Construction provisions of the bill, insert the following:

"SEC. . From funds authorized for the Army National Guard, $825,000 is hereby authorized from fiscal year 1987 or prior year funds for the construction of a National Guard armory at Booneville, Arkansas, contingent upon provision of $275,000 in matching funds by the State of Arkansas, provision of a suitable tract of land for such a facility by the community and the availability of authorized fiscal year 1987 or prior year funds.

At the appropriate place in the military construction provisions of the bill, insert the following:

"SEC. . $100,000 is authorized from available Fiscal Year 1986 funds, in addition to the $540,000 already authorized to be expended from P341 funds, for the construction of a petroleum/oil/lubricants facility at Blytheville Air Force Base, Arkansas."

HART AMENDMENTS NOS. 2397 THROUGH 2399

(Ordered to lie on the table.)

Mr. HART submitted three amendments intended to be proposed by him to the bill S. 2638, supra; as follows:

On page 19, between lines 18 and 19, insert the following new section:

SEC. 206. SATELLITE SURVIVABILITY RESEARCH.

(a) LIMITATIONS ON AUTHORIZATIONS.—Notwithstanding any other provision of this Act—

(1) the total amount authorized for the Air Force for the procurement of missiles is $8,582,900,000; and

(2) the total amount authorized for the Air Force for research, development, test, and evaluation is $15,306,673,000.

(b) FUNDS FOR SATELLITE SURVIVABILITY.—Of the funds appropriated pursuant to the authorization contained in this title for the Air Force, $5,000,000 shall be available only for research, development, test, and evaluation in connection with satellite survivability.

At the end of the Act, add the following new section:

Whereas the effectiveness of arms control agreements depend on full compliance by all parties to those agreements;

Whereas apparent arms control agreements can be threatened by either willful violations or different interpretations by the signators;

Whereas arms control treaties negotiated by the United States and the Soviet Union since 1972 have used the Standing Consultative Commission to settle successfully differences on interpretations of and compliance with arms control treaties;

Whereas the Soviet Union has apparently violated the Anti-Ballistic Missile Treaty by building a phased-array radar by Krasnoyarsk and has taken other actions—including the encryption of sensitive information critical to monitoring compliance—that could undermine arms control;

Whereas the SCC continues to be an effective means for addressing these and other differences which may arise in the future between the United States and the Soviet Union, the settlement of which will preserve the viability of arms control;

It is therefore the Sense of Congress that it shall continue to be the policy of the United States to support the role of the Standing Consultative Commission as fundamental to the integrity and survival of the arms control process.

At the end of the Act, add the following new section:

Whereas the United States relies to a tremendous extent on satellites for the command and control of our military forces, for monitoring compliance of arms control agreements, and for civilian communications;

Whereas many more U.S. satellites for these purposes operate in high altitude orbits than do satellites belonging to the Soviet Union;

Whereas, given the disproportional reliance of the United States on high altitude satellites, it is in the U.S. interest to begin efforts to avert deployment of high altitude weapons systems;

It is therefore the Sense of Congress that the United States and the Soviet Union should begin negotiations to stem development of space weapons which operate in or can reach high altitude orbits.

QUAYLE AMENDMENT NO. 2400

(Ordered to lie on the table.)

Mr. QUAYLE submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

At the appropriate place in the bill, add the following new section:

"SEC. . (a) The Department of Defense is required to provide Congress on or before March 15, 1987, a report detailing what Strategic Defense Initiative technologies can be developed or deployed within the next 5 to 10 years to defend against significant military threats and help accomplish critical military missions including:

(1) defending our troops and allies abroad against tactical ballistic missiles particularly new and highly accurate Soviet shorter range ballistic missiles armed with conventional, chemical, or nuclear warheads,

(2) defending against a limited but militarily effective Soviet attack aimed at disrupting our National Command Authority and other valuable military assets,

(3) providing sufficient warning and tracking information to defend or effectively evade possible Soviet attacks against our military satellites including those in high orbits,

(4) providing early warning and attack assessment information and the necessary survivable command, control and communication to defend against possible Soviet conventional or strategic attacks.

(b) This report shall also—

(1) identify any other significant near-term military missions that the application of Strategic Defense Initiative technologies might help accomplish;

(2) list what specific program elements of the Strategic Defense Initiative are pertinent to these applications;

(3) estimate initial operating capability dates for the systems needed to accomplish these missions;

(4) estimate the level of funding necessary for each program to reach these operating capability dates;

(5) estimate the survivability and effectiveness of these systems against current and projected Soviet threats.

(c) The Department of Defense will provide the Senate and House Armed Services Committees an interim report of its findings not later than December 31, 1986.

DODD (AND OTHERS) AMENDMENT NO. 2401

(Ordered to lie on the table.)

Mr. DODD (for himself, Mr. CHILES, Mr. BIDEN, Mr. ROCKEFELLER, and Mr. SASSER) submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

At the appropriate place in the bill, add the following new section:

SEC. . NATIONAL DRUG ABUSE EDUCATION DAY.

(a) FINDINGS.—The Congress finds that—

(1) drug abuse in the United States is a major health problem that damages our social institutions and threatens our most valuable human resource—our young people;

(2) the 1984 National Strategy for Prevention of Drug Abuse and Drug Trafficking stated that "prevention has come to the forefront as the essential element in the long-range goal of eliminating drug abuse"; and

(3) President Reagan has called drug abuse one of the gravest problems facing the Nation and has further warned that if we, as a Nation, fail to act we run the risk of losing a great part of a whole generation.

(b) NATIONAL DRUG ABUSE EDUCATION DAY.—(1) October 6, 1986, the first day of Drug Abuse Awareness Week as established in Senate Joint Resolution 354, is designated as National Drug Abuse Education Day. The purpose of National Drug Abuse Education Day is to focus national attention on the rapidly escalating threat that drug abuse poses to the Nation's health, by calling on the President of the United States to proclaim a national day.

(2) As a part of National Drug Abuse Education Day, the President shall—

(A) call upon every elementary and secondary school, and all institutions of higher education to devote the day's curriculum to instruction on the physiological, psychological, social, and legal consequences of drug use and abuse; and

(B) call upon students, parents, community groups, and local law enforcement agencies to actively participate in programs sponsored in conjunction with National Drug Abuse Education Day.

(c) DEFINITION.—For purposes of this section, the term "drug" shall include—

(1) any substance listed in section 102(17) of the Controlled Substances Act (21 U.S.C. 802(17)); and

(2) alcohol.

KENNEDY AMENDMENTS NOS. 2402 THROUGH 2406

(Ordered to lie on the table)

Mr. KENNEDY submitted five amendments intended to be proposed by him to the bill S. 2638, supra; as follows:

AMENDMENT NO. 2402

Beginning on page 186, line 15, strike all through page 191 line 14.

AMENDMENT NO. 2403

Beginning on page 186, line 15, strike all through page 191 line 14, and insert in lieu thereof the following:

"SEC. 1002. APPLICATION OF DAVIS-BACON ACT OF 1931 AND SERVICE CONTRACT ACT OF 1965 TO DEPARTMENT OF DEFENSE CONSTRUCTION AND SERVICE CONTRACTS.

(a) A person contracting on behalf of the United States or the District of Columbia may not devide projects for construction, alteration, or repair contracts of less than the statutory thresholds for the purpose of avoiding the application of the Davis-Bacon Act (40 U.S.C. 276(a)) or the Service Contract Act (41 U.S.C. 351).

AMENDMENT NO. 2404

On page 191, after line 14, insert: "Notwithstanding any other provision of the bill, section 1001 shall not apply"

AMENDMENT NO 2405

Motion to strike: "Beginning on page 186, line 15, strike everything through page 191 line 22."

AMENDMENT NO. 2406

Beginning on page 191 line 15, strike everything through page 191 line 22.

WARNER AMENDMENT NO. 2407

(Ordered to lie on the table.)

Mr. Warner submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

On page , of title V after line , insert the following new section:

SEC. . FLAG OFFICERS IN THE NURSE CORPS AND MEDICAL SERVICE CORPS.

Section 5155(c) of title 10, United States Code, is amended by striking out of the first sentence the words "an officer", and inserting in place thereof "officers", by striking out of the first sentence the words "grade of commodore" and inserting in place thereof "grade of rear admiral or rear admiral (lower half)", and by striking out of the second sentence after the words "an officer appointed" the word "shall" and inserting in place thereof the word "may".

ZORINSKY AMENDMENT NO. 2408

(Ordered to lie on the table.)

Mr. ZORINSKY submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

(At the appropriate place in the bill, insert the following:)

The Secretary of Defense shall require the Chief of the National Guard Bureau to develop and implement procedures to monitor the backlog of maintenance and repair projects of Army National Guard armories.

BINGAMAN AMENDMENT NO. 2409

(Ordered to lie on the table.)

Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 2638, supra; as follows:

On page 229, between lines 14 and 15, insert the following:

SEC. 1221. SALE OF TOBACCO PRODUCTS IN COMMISSARIES, EXCHANGES, AND SHIPS' STORES.

No funds are authorized in this Act for the purpose of operations and maintenance of commissary stores until the Secretary of Defense has issued regulations containing the following provisions:

"(a) Tobacco products may be sold in commissary stores, military exchanges, or ships' stores subject to the requirements prescribed in subsections (b) and (c).

"(b)(1) In the case of a commissary store, military exchange, or ship's store located in the United States, the price charged for any tobacco product shall be the prevailing price charged by private commercial businesses for the retail sale of such tobacco product in the retail market area in which the exchange or ship's store is located.

"(2) In the case of a commissary store, military exchange, or ship's store located outside the United States, the price charged for any tobacco product shall be the average amount charged by private commercial businesses for the retail sale of such product in the United States.

"(3)(A) In determining the prevailing price charged or the average price charged by a commercial business, applicable State and local taxes shall be included.

"(B) The prevailing price or the average price may be determined under an appropriate sampling procedure.

"(c)(1) The Secretary of a military department may use the profits from the sale of tobacco products by commissary stores under the Secretary's jurisdiction to promote health and fitness for members of the armed forces and their dependents.

"(2) Amounts made available under paragraph (1) shall remain available for obligation without fiscal year limitation.

"(d) In such regulations:

"(1) The term 'profits' means the amount which represents the difference between the price charged by commissary stores for the sale of tobacco products and the cost incurred by such commissary stores for the purchase and sale of such products (including appropriate amounts for overhead).

"(2) The term 'tobacco product' includes cigarettes, cigars, tobacco processed for cigarette or pipe smoking, and tobacco processed for oral use.

"(3) The term 'United States' includes the Commonwealth of Puerto Rico and the territories and possessions of the United States.".

BINGAMAN (AND OTHERS) AMENDMENT NO. 2410

(Ordered to lie on the table.)

Mr. BINGAMAN (for himself, Mr. EXON, Mr. GLENN, and Mr. DIXON) submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

On page 317, after line 22, insert the following new section:

SEC. 2191. STRATEGIC HOMEPORTING.

No funds are authorized by this Act to be used to construct homeporting facilities at Staten Island, New York, or Everett, Washington.

GRAMM (AND THURMOND) AMENDMENT NO. 2411

Mr. GRAMM (for himself and Mr. THURMOND) proposed an amendment to the bill S. 2638, supra; as follows:

On page 263, line 26, strike out "$54,500,000" and insert in lieu thereof "$31,500,000".

On page 264, between lines 14 and 15, insert the following new item:

Morocco, various locations $25,400,000.

On page 268, line 15, strike out "$327,143,000" and insert in lieu thereof "$329,543,000".

On page 268, line 20, strike out "$127,260,000" and insert in lieu thereof "$124,860,000".

On page 272, between lines 7 and 8, insert the following new item:

Brooke Army Medical Center, San Antonio, Texas, $129,000,000.

On page 274, between lines 13 and 14, insert the following:

(a) AUTHORIZATION TO CONTRACT IN ADVANCE OF APPROPRIATIONS.—The Secretary of Defense may enter into one or more contracts, in advance of appropriations therefor, for the design and construction of the military construction project authorized by section 2131 to be accomplished at Brooke Army Medical Center, San Antonio, Texas, if such contracts limit the Government's liability to the amount of funds available for obligation at the time each contract is entered into. Such design and construction may be accomplished by using one-step turn-key selection procedures, or other competitive contracting methods.

On page 274, line 14, insert "Repeal Provision.—" before "Section".

COHEN (AND NUNN) AMENDMENT NO. 2412

(Ordered to lie on the table)

Mr. COHEN (for himself and Mr. NUNN) submitted an amendment intended to be proposed by them to the bill S. 2638, supra; as follows:

At an appropriate place, add the following new section:

SEC. . SPECIAL OPERATIONS FORCES.

(a) CONGRESSIONAL FINDINGS.—The Congress finds—

(1) that the threat to the United States and its allies from unconventional warfare, including terrorism and insurgency, continues to increase at an alarming rate;

(2) that, although the United States must continue to maintain and improve its strategic and conventional force capabilities in order to deter aggression and to protect the security of the United States and its allies, the use of armed force by the United States since the end of the Korean conflict has principally been in response to insurgencies against allies of the United States and to terrorist attacks directed at the United States and American citizens;

(3) that the most likely use of armed force by the United States in the foreseeable future will be counterterrorist, counterinsurgency, and other unconventional operations;

(4) that the capabilities needed to respond to threats from unconventional warfare are not those traditionally fostered by the armed forces of the United States;

(5) that the Department of Defense has failed to recognize that conventional force capabilities can seldom be effectively employed in unconventional warfare missions;

(6) that conventional force commanders have a limited understanding of special operations forces capabilities and have misemployed such forces;

(7) that the Department of Defense has not given sufficient emphasis to the planning and preparation for unconventional warfare missions or to the appropriate integration of special operations forces capabilities into the national security strategy of the United States;

(8) that the National Security Council and the Office of the Secretary of Defense have not given sufficient attention to the formulation of policies to guide the development of special operations forces capabilities;

(9) that the Department of Defense has not provided adequate resources or support for special operations forces, particularly in airlift capability;

(10) that the Department of Defense has not given sufficient attention to ensuring the provision of adequate intelligence support for unconventional warfare missions;

(11) that the Department of Defense has not given sufficient attention to the tactics, doctrines, and training associated with unconventional warfare missions;

(12) that problems of command and control have repeatedly beset military forces of the United States engaged in unconventional warfare operations;

(13) that such problems were evident during the Mayaguez incident, the Iranian hostage rescue mission, the Grenada operation, and the Beirut peacekeeping mission;

(14) that the cooperation and coordination among the special operations forces of the Army, Navy, and Air Force are seriously deficient; and

(15) that the Department of Defense has not given sufficient attention to personnel policies, practices, and procedures to ensure the availability of sufficient numbers of officers with the skills required for unconventional warfare.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress—

(1) that the President should establish a unified combatant command for special operations forces;

(2) that the commander of such command, while so serving, should hold the grade of general or, in the case of an officer of the Navy, admiral;

(3) that all active and reserve special operations forces of the Army, Navy, and Air Force based in the United States, except for forces assigned to the Joint Special Operations Command, should be assigned to such command;

(4) that the commander of such command should be responsible for and should have the authority necessary to conduct all affairs of such command relating to special operations forces, including the following:

(A) Developing strategy, doctrine, and tactics.

(B) Training of assigned forces.

(C) Prescribing professional military education.

(D) Planning resources (including validating requirements).

(E) Ensuring combat readiness.

(F) Developing special equipment.

(G) Ensuring the interoperability of equipments and forces.

(H) Tasking of intelligence support.

(I) Monitoring the promotions, assignments, retention, training, and professional military education of special operations forces officers.

(5) that special operations forces located outside of the United States should be assigned to the unified combatant command in whose geographic area such forces are stationed;

(6) that special operations missions should normally be conducted under the operational command of the unified combatant commanders in whose geographic areas such missions are to be conducted;

(7) that the commander of the unified combatant command for special operations forces should be fully prepared to assume operational command of selected special operations missions if directed to do so by the National Command Authority;

(8) that the commanders of the special operations commands assigned to the U.S. European Command and the U.S. Pacific Command should hold the grade of general or flag officer;

(9) that a major force program category of the Five-Year Defense Plan of the Department of Defense should be created for special operations forces;

(10) that the Secretary of Defense should designate an Assistant Secretary of Defense for Special Operations and Low Intensity Conflict with full responsibility for policy and resource oversight of special operations forces;

(11) that the President should establish within the National Security Council a Board for Unconventional Warfare whose principal duty shall be the coordination of unconventional warfare policy for the United States;

(12) that the President should designate within the Executive Office of the President a Deputy Assistant to the President for National Security Affairs for Unconventional Warfare; and

(13) that the Department of Defense should fully fund the programs established in the Special Operations Forces Master Plan.

(c) REPORT.—The President shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the actions that the President and the Secretary of Defense have taken to correct the deficiencies identified in subsection (a) and to implement the recommendations of the Congress contained in subsection (b). Such report shall be submitted not later than March 1, 1987.

EXON (AND JOHNSTON) AMENDMENT NO. 2413

Mr. EXON (for himself and Mr. JOHNSTON) proposed an amendment to the bill S. 2638, supra; as follows:

On page 19 between lines 18 and 19, insert the following new section:

LIMITATIONS ON FUNDS FOR THE STRATEGIC DEFENSE INITIATIVE PROGRAM

Sec. 206. Notwithstanding the provisions of Sec. 201, Sec. 205 (a),

Sec. 3113(a) and Sec. 3114(a)—

(1) Not more than $6,974,974,000 are authorized to be appropriated for fiscal year 1987 for the Defense Agencies for the use of the Armed Forces for research, development, test, and evaluation;

(2) not more than $3,261,000,000 of the amounts authorized for Defense Agencies is available for the Strategic Defense Initiative;

(3) the total amount authorized to be appropriated to the Department of Energy for national security programs is $7,369,225,000;

(4) not more than $300,000,000 shall be available to the Department of Energy for research, development, test, and evaluation, and for other purposes, in connection with the Strategic Defense Initiative program.

KENNEDY (AND WEICKER) AMENDMENT NO. 2414

Mr. BYRD (for Mr. KENNEDY and Mr. WEICKER) proposed an amendment to the bill S. 2638, supra; as follows:

At the end of the bill, add the following new provisions:

DIVISION E—SOUTH AFRICA

SHORT TITLE

SECTION 1. This Act may be cited as the "Comprehensive Anti-Apartheid Act of 1986".

TABLE OF CONTENTS

SEC. 2. The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Definitions.
Sec. 4. Purpose.

TITLE I—POLICY OF THE UNITED STATES WITH RESPECT TO ENDING APARTHEID

Sec. 101. Policy toward the Government of South Africa.
Sec. 102. Policy toward the victims of apartheid.
Sec. 103. Policy toward other countries in Southern Africa.
Sec. 104. Policy toward "frontline" states.
Sec. 105. Policy toward a negotiated settlement.
Sec. 106. Policy toward international cooperation on measures to end apartheid.
Sec. 107. Policy toward "necklacing".

TITLE II—MEASURES TO ASSIST VICTIMS OF APARTHEID

Sec. 201. Scholarships for the victims of apartheid.
Sec. 202. Human rights fund.
Sec. 203. Expanding participation in the South African economy.
Sec. 204. Export-Import Bank of the United States.
Sec. 205. Labor practices of the United States Government in South Africa.
Sec. 206. Welfare and protection of the victims of apartheid employed by the United States.
Sec. 207. Employment practices of United States nationals in South Africa.
Sec. 208. Code of Conduct.
Sec. 209. Prohibition on assistance.
Sec. 210. Use of the African Emergency Reserve.
Sec. 211. Assistance to Beira Corridor Project.
Sec. 212. Assistance to South African refugees.

TITLE III—MEASURES BY THE UNITED STATES TO UNDERMINE APARTHEID

Sec. 301. Prohibition on the importation of krugerrands.
Sec. 302. Prohibition on the importation of military articles.
Sec. 303. Prohibition on the importation of products from parastatal organizations.
Sec. 304. Prohibition on computer exports to South Africa.
Sec. 304a. Prohibition on the sale or export of items on the munitions list.
Sec. 305. Prohibition on loans to the Government of South Africa.
Sec. 306. Prohibition on air transportation with South Africa.
Sec. 307. Prohibitions on nuclear trade with South Africa.
Sec. 307a. Prohibition on cooperation with the Armed Forces of South Africa.
Sec. 307b. Prohibitions on U.S. Government activities.
Sec. 308. Restrictions on issuance of visas to South African nationals.
Sec. 309. Sales of gold stocks.
Sec. 310. Government of South Africa bank accounts.
Sec. 311. Prohibition on importation of uranium and coal from South Africa.
Sec. 312. Prohibition on new investment in South Africa.
Sec. 313. Termination of certain provisions.
Sec. 314. Authority to permit States and political subdivisions of States to enforce State or local anti-apartheid laws.

TITLE IV—MULTILATERAL MEASURES TO UNDERMINE APARTHEID

Sec. 401. Negotiating authority.
Sec. 402. Unfair trade practices.
Sec. 403. Private right of action.

TITLE V—FUTURE POLICY TOWARD SOUTH AFRICA

Sec. 501. Additional measures.
Sec. 502. Study of health conditions in the "homelands" areas of South Africa.
Sec. 503. Reports on South African imports.
Sec. 504. Study and report on the economy of southern Africa.
Sec. 505. Report on relations between other industrialized democracies and South Africa.
Sec. 506. Study and report on deposit accounts of South African nationals in United States banks.
Sec. 507. Study and report on the violation of the international embargo on sale and export of military

articles to South Africa.

TITLE VI—ENFORCEMENT AND ADMINISTRATIVE PROVISIONS

Sec. 601. Regulatory authority.
Sec. 602. Congressional priority procedures.
Sec. 603. Enforcement and penalties.
Sec. 604. Applicability to evasions of Act.
Sec. 605. Construction of Act.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "Code of Conduct" refers to the principles set forth in section 208(a);

(2) the term "controlled South African entity" means—

(A) a corporation, partnership, or other business association or entity organized in South Africa and owned or controlled, directly or indirectly, by a national of the United States; or

(B) a branch, office, agency, or sole proprietorship in South Africa of a national of the United States;

(3) the term "loan"—

(A) means any transfer or extension of funds or credit on the basis of an obligation to repay, or any assumption or guarantee of the obligation of another to repay an extension of funds or credit, including—

(i) overdrafts,

(ii) currency swaps,

(iii) the purchase of debt or equity securities issued by the Government of South Africa or a South African entity on or after the date of enactment of this Act,

(iv) the purchase of a loan made by another person,

(v) the sale of financial assets subject to an agreement to repurchase, and

(vi) a renewal or refinancing whereby funds or credits are transferred or extended to the Government of South Africa or a South African entity, and

(B) does not include—

(i) normal short-term trade financing, as by letters of credit or similar trade credits;

(ii) sales on open account in cases where such sales are normal business practice; or

(iii) rescheduling of existing loans, if no new funds or credits are thereby extended to a South African entity or the Government of South Africa;

(4) the term "new investment"—

(A) means—

(i) a commitment or contribution of funds or other assets, and

(ii) a loan or other extension of credit, and

(B) does not include—

(i) the reinvestment of profits generated by a controlled South African entity into that same controlled South African entity or the investment of such profits in a South African entity;

(ii) contributions of money or other assets where such contributions are necessary to enable a controlled South African entity to operate in an economically sound manner, without expanding its operations; or

(iii) the ownership or control of a share or interest in a South African entity or a controlled South African entity of a debt or equity security issued by the Government of South Africa or a South African entity before the date of enactment of this Act, or the transfer or acquisition of such a share, interest, or debt or equity security, if any such transfer or acquisition does not result in a payment, contribution of funds or assets, or credit to a South African entity, a controlled South African entity, or the Government of South Africa;

(5) the term "national of the United States" means—

(A) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States or is an alien lawfully admitted for permanent residence in the United States, as defined by section 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(20)); or

(B) a corporation, partnership, or other business association which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia;

(6) the term "South Africa" refers to the territory that constituted the Republic of South Africa on May 31, 1961;

(7) the term "South African entity" means—

(A) a corporation, partnership, or other business association or entity organized in South Africa; or

(B) a branch, office, agency, or sole proprietorship in South Africa of a person that resides or is organized outside South Africa; and

(8) the term "United States" includes the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

PURPOSE

SEC. 4. The purpose of this Act is to set forth a comprehensive and complete framework to guide the efforts of the United States in helping to bring an end to apartheid in South Africa and lead to the establishment of a nonracial, democratic form of government. This Act sets out United States policy toward the Government of South Africa, the victims of apartheid, and the other states in southern Africa. It also provides the President with additional authority to work with the other industrial democracies to help end apartheid and establish democracy in South Africa.

TITLE I—POLICY OF THE UNITED STATES WITH RESPECT TO ENDING APARTHEID

POLICY TOWARD THE GOVERNMENT OF SOUTH AFRICA

SEC. 101. (a) United States policy toward the Government of South Africa shall be designed to bring about reforms in that system of government that will lead to the establishment of a nonracial democracy.

(b) The United States will work toward this goal by encouraging the Government of South Africa to—

(1) suspend the present state of emergency and respect the principal of equal justice under law for citizens of all races;

(2) release Nelson Mandela, Govan Mbeki, Walter Sisulu, black trade union leaders, and all political prisoners;

(3) permit the free exercise by South Africans of all races of the right to form political parties, express political opinions, and otherwise participate in the political process;

(4) establish a timetable for the elimination of apartheid laws;

(5) negotiate with representatives of all racial groups in South Africa the future political system in South Africa; and

(6) end military and paramilitary activities aimed at neighboring states.

(c) The United States will encourage the actions set forth in subsection (b) through economic, political, and diplomatic measures as set forth in this Act. The United States will adjust its actions toward the Government of South Africa to reflect the progress or lack of progress made by the Government of South Africa in meeting the goal set forth in subsection (a).

POLICY TOWARD THE VICTIMS OF APARTHEID

SEC. 102. (a) The United States policy toward the victims of apartheid is to use economic, political, diplomatic, and other effective means to achieve the removal of the root cause of their victimization, which is the apartheid system. In anticipation of the removal of the system of apartheid and as a further means of challenging that system, it is the policy of the United States to assist these victims of apartheid as individuals and through organizations to overcome the handicaps imposed on them by the system of apartheid and to prepare themselves for their rightful roles as full participants in the political, social, economic, and intellectual life of their country in the post-apartheid South Africa envisioned by this Act.

(b) The United States will work toward the purposes of subsection (a) by—

(1) providing assistance to South African victims of apartheid without discrimination by race, color, sex, religious belief, or political orientation, to take advantage of educational opportunities in South Africa and in the United States to prepare for leadership positions in a post-apartheid South Africa;

(2) assisting victims of apartheid;

(3) aiding individuals or groups in South Africa whose goals are to aid victims of apartheid or foster nonviolent legal or political challenges to the apartheid laws;

(4) furnishing direct financial assistance to those whose nonviolent activities had led to their arrest or detention by the South African authorities;

(5) intervening at the highest political levels in South Africa to express the strong desire of the United States to see the development in South Africa of a nonracial democratic society; and

(6) supporting the rights of the victims of apartheid through political, economic, or other sanctions in the event the Government of South Africa government fails to make progress toward the removal of the apartheid laws and the establishment of such democracy.

POLICY TOWARD OTHER COUNTRIES IN SOUTHERN AFRICA

SEC. 103. (a) The United States policy toward the other countries in the Southern African region shall be designed to encourage democratic forms of government, full respect for human rights, political independence, and economic development.

(b) The United States will work toward the purposes of subsection (a) by—

(1) helping to secure the independence of Namibia and the establishment of Namibia on a nonracial democracy in accordance with appropriate United Nations Security Council resolutions;

(2) supporting the removal of all foreign military forces from the region;

(3) encouraging the nations of the region to settle differences through peaceful means;

(4) promoting economic development through bilateral and multilateral economic assistance targeted at increasing opportunities in the productive sectors of national economies, with a particular emphasis on increasing opportunities for nongovernmental economic activities;

(5) encouraging, and when necessary, strongly demanding, that all countries of the region respect the human rights of their citizens and noncitizens residing in the country, and especially the release of persons persecuted for their political beliefs or detained without trial; and

(6) providing appropriate assistance, within the limitations of American responsibilities at home and in other regions, to assist regional economic cooperation and the development of interregional transportation and other capital facilities necessary for economic growth.

POLICY TOWARD "FRONTLINE" STATES

SEC. 104. It is the sense of the Congress that the President should discuss with the governments of the African "frontline" states the effects on them of disruptions in transportation or other economic links through South Africa and of means of reducing those effects.

POLICY TOWARD A NEGOTIATED SETTLEMENT

SEC. 105. (a)(1) United States policy will seek to promote negotiations among representatives of all citizens of South Africa to determine a future political system that would permit all citizens to be full participants in the governance of their country. The United States recognizes that important and legitimate political parties in South Africa include several organizations that have been banned and will work for the unbanning of such organizations in order to permit legitimate political viewpoints to be represented at such negotiations.

(2) To this end, it is the sense of the Congress that the President, the Secretary of State, or other appropriate high-level United States officials should meet with the leaders of opposition organizations of South Africa, particularly but not limited to those organizations representing the black majority. Furthermore, the President, in concert with the major allies of the United States and other interested parties, should seek to bring together opposition political leaders with leaders of the Government of South Africa for the purpose of negotiations to achieve a transition to a post-apartheid democracy envisioned in this Act.

(b) The United States will encourage the Government of South Africa and all participants to the negotiations to respect the right of all South Africans to form political parties, express political opinions, and otherwise participate in the political process without fear of retribution by either governmental or nongovernmental organizations. It is the sense of the Congress that a suspension of violence is an essential precondition for the holding of negotiations. The United States calls upon all parties to the conflict to agree to a suspension of violence.

(c) The United States will work toward the achievement of agreement to suspend violence and begin negotiations through coordinated actions with the major Western allies and with the governments of the countries in the region.

(d) It is the sense of the Congress that the achievement of an agreement for negotiations could be promoted if the United States and its major allies, such as Great Britain, Canada, France, Italy, Japan, and West Germany, would hold a meeting to develop a four-point plan to discuss with the Government of South Africa a proposal for stages of multilateral assistance to South Africa in return for the Government of South Africa implementing—

(1) an end to the state of emergency and the release of the political prisoners, including Nelson Mandela;

(2) the unbanning of the African National Congress, the Pan African Congress, the Black Consciousness Movement, and all other groups willing to participate in negotiations and a democratic process;

(3) a revocation of the Group Areas Act and the Population Registration Act and the granting of universal citizenship to all South Africans, including homeland residents; and

(4) the use of the international offices of a third party as an intermediary to bring about negotiations with the object of establishment of power-sharing with the black majority.

POLICY TOWARD INTERNATIONAL COOPERATION ON MEASURES TO END APARTHEID

SEC. 106. (a) The Congress finds that—

(1) international cooperation is a prerequisite to an effective anti-apartheid policy; and

(2) the situation in South Africa constitutes an emergency in international relations and that action is necessary for the protection of the essential security interests of the United States.

(b) Accordingly, the Congress urges the President to seek such cooperation among all individuals, groups, and nations.

POLICY TOWARD NECKLACING

SEC. 107. It is the sense of the Congress that the African National Congress should strongly condemn and take effective actions against the execution by fire, commonly known as "necklacing", of any person in any country.

TITLE II—MEASURES TO ASSIST VICTIMS OF APARTHEID

SCHOLARSHIPS FOR THE VICTIMS OF APARTHEID

SEC. 201. Section 105(b) of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end thereof the following new paragraph:

"(2)(A) Of the assistance provided under this section by the Administrator of the agency primarily responsible for administering this part of this Act—

"(i) for the fiscal year 1987, $8,000,000;

"(ii) for the fiscal year 1988, $11,000,000; and

"(iii) for the fiscal year 1989 and each fiscal year thereafter, $15,000,000,

shall be used to finance education, training, and scholarships for the victims of apartheid who are attending universities, colleges, and secondary schools in South Africa and who are selected in accordance with subparagraph (B). Of the funds available under the preceding sentence to carry out this subparagraph, not less than one-third shall be available only for assistance to full-time teachers or other educational professionals pursuing studies toward the improvement of their professional credentials.

"(B) Of the funds provided in subparagraph (A) for each fiscal year, 50 percent shall be available for educational assistance for the victims of apartheid in accordance with section 802(c) of the International Security and Development Cooperation Act of 1985. The remainder of the funds in each fiscal year which are not made available under the preceding sentence shall be available to finance scholarships for individuals selected by a nationwide panel or by regional panels composed solely of members of the teaching profession appointed by the United States chief of diplomatic mission to South Africa. No such individual may be selected through any contract entered into with the agency primarily responsible for administering this part of this Act.".

HUMAN RIGHTS FUND

SEC. 202. (a) Section 116(e)(2)(A) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "1984 and" and inserting in lieu thereof "1984,"; and

(2) by inserting after "1985" a comma and the following: "and $1,500,000 for the fiscal year 1986 and for each fiscal year thereafter".

(b) Section 116 of such Act is amended by adding at the end thereof the following new subsection:

"(f) Of the funds made available to carry out subsection (e)(2)(A) for each fiscal year, $350,000 shall be used for direct legal and other assistance to political detainees and prisoners and their families, including the investigation of the killing of protesters and prisoners, and for support for actions of black-led community organizations to resist, through nonviolent means, the enforcement of apartheid policies such as—

"(1) removal of black populations from certain geographic areas on account of race or ethnic origin,

"(2) denationalization of blacks, including any distinctions between the South African citizenships of blacks and whites,

"(3) residence restrictions based on race or ethnic origin,

"(4) restrictions on the rights of blacks to seek employment in South Africa and live wherever they find employment in South Africa, and

"(5) restrictions which make it impossible for black employees and their families to be housed in family accommodations near their place of employment.".

EXPANDING PARTICIPATION IN THE SOUTH AFRICAN ECONOMY

SEC. 203. (a) The Congress declares that—

(1) the denial under the apartheid laws of South Africa of the rights of South African blacks and other nonwhites to have the opportunity to participate equitably in the South African economy as managers or owners of, or professionals in, business enterprises, and

(2) the policy of confining South African blacks and other nonwhites to the status of employees in minority-dominated businesses,

is an affront to the values of a free society.

(b) The Congress hereby—

(1) applauds the commitment of nationals of the United States adhering to the Code of Conduct to assure that South African blacks and other nonwhites are given assistance in gaining their rightful place in the South African economy; and

(2) urges the United States Government to assist in all appropriate ways the realization by South African blacks and other nonwhites of their rightful place in the South African economy.

(c) Notwithstanding any other provision of law, the Secretary of State and any other head of a department or agency of the United States carrying out activities in South Africa shall, to the maximum extent practicable, in procuring goods or services, make affirmative efforts to assist business enterprises having more than 50 percent beneficial ownership by South African blacks or other nonwhite South Africans.

EXPORT-IMPORT BANK OF THE UNITED STATES

SEC. 204. Section 2(b)(9) of the Export-Import Bank Act of 1945 is amended—

(1) by striking out "(9) In" and inserting in lieu thereof "(9)(A) Except as provided in subparagraph (B), in"; and

(2) by adding at the end thereof the following:

"(B) The Bank shall take active steps to encourage the use of its facilities to guarantee, insure, extend credit, or participate in the extension of credit to business enterprises in South Africa that are majority

owned by South African blacks or other nonwhite South Africans. The certification requirement contained in clause (c) of subparagraph (A) shall not apply to exports to or purchases from business enterprises which are majority owned by South African blacks or other nonwhite South Africans.".

LABOR PRACTICES OF THE UNITED STATES GOVERNMENT IN SOUTH AFRICA

SEC. 205. (a) It is the sense of the Congress that the labor practices used by the United States Government—

(1) for the direct hire of South Africans,

(2) for the reimbursement out of official residence funds of South Africans and employees of South African organizations for their long-term employment services on behalf of the United States Government, and

(3) for the employment services of South Africans arranged by contract,

should represent the best of labor practices in the United States and should serve as a model for the labor practices of nationals of the United States in South Africa.

(b) The Secretary of State and any other head of a department or agency of the United States carrying out activities in South Africa shall promptly take, to the extent permitted by law, the necessary steps to ensure that the labor practices applied to the employment services described in paragraphs (1) through (3) of subsection (a) are governed by the Code of Conduct.

WELFARE AND PROTECTION OF VICTIMS OF APARTHEID BY THE UNITED STATES

SEC. 206. (a) The Secretary of State shall acquire, through lease or purchase, residential properties in the Republic of South Africa that shall be made available, at rents that are equitable, to assist victims of apartheid who are employees of the United States Government in obtaining adequate housing. Such properties shall be acquired only in neighborhoods which would be open to occupancy by other employees of the United States Government in South Africa.

(b) There are authorized to be appropriated $10,000,000 for the fiscal year 1987 to carry out the purposes of this section.

EMPLOYMENT PRACTICES OF UNITED STATES NATIONALS IN SOUTH AFRICA

SEC. 207. (a) Any national of the United States that employs more than 25 persons in South Africa shall take the necessary steps to insure that the Code of Conduct is implemented.

(b) No department or agency of the United States may intercede with any foreign government or foreign national regarding the export marketing activities in any country of any national of the United States employing more than 25 persons in South Africa that is not implementing the Code of Conduct.

CODE OF CONDUCT

SEC. 208. (a) The Code of Conduct referred to in sections 203, 205, 207, and 210 of this Act is as follows:

(1) desegregating the races in each employment facility;

(2) providing equal employment opportunity for all employees without regard to race or ethnic origin;

(3) assuring that the pay system is applied to all employees without regard to race or ethnic origin;

(4) establishing a minimum wage and salary structure based on the appropriate local minimum economic level which takes into account the needs of employees and their families;

(5) increasing by appropriate means the number of persons in managerial, supervisory, administrative, clerical, and technical jobs who are disadvantaged by the apartheid system for the purpose of significantly increasing their representation in such jobs;

(6) taking reasonable steps to improve the qualify of employees' lives outside the work environment with respect to housing, transportation, schooling, recreation, and health; and

(7) implementing fair labor practices by recognizing the right of all employees, regardless of racial or other distinctions, to self-organization and to form, join, or assist labor organizations, freely and without penalty or reprisal, and recognizing the right to refrain from any such activity.

(b) It is the sense of the Congress that in addition to the principles enumerated in subsection (a), nationals of the United States subject to section 207 should seek to comply with the following principle: taking reasonable measures to extend the scope of influence on activities outside the workplace, including—

(1) supporting the unrestricted rights of black businesses to locate in urban areas;

(2) influencing other companies in South Africa to follow the standards of equal rights principles;

(3) supporting the freedom of mobility of black workers to seek employment opportunities wherever they exist, and make provision for adequate housing for families of employees within the proximity of workers' employment; and

(4) supporting the rescission of all apartheid laws.

(c) The President may issue additional guidelines and criteria to assist persons who are or may be subject to section 207 in complying with the principles set forth in subsection (a) of this section. The President may, upon request, give an advisory opinion to any person who is or may be subject to this section as to whether that person is subject to this section or would be considered to be in compliance with the principles set forth in subsection (a).

(d) The President may require all nationals of the United States referred to in section 207 to register with the United States Government.

(e) Notwithstanding any other provision of law, the President may enter into contracts with one or more private organizations or individuals to assist in implementing this section.

PROHIBITION ON ASSISTANCE

SEC. 209. No assistance may be provided under this Act to any group which maintains within its ranks any individual who has been found to engage in gross violations of internationally recognized human rights (as defined in section 502B(d)(1) of the Foreign Assistance Act of 1961).

USE OF THE AFRICAN EMERGENCY RESERVE

SEC. 210. Whenever the President determines that such action is necessary or appropriate to meet food shortages in southern Africa, the President is authorized to utilize the existing, authorized, and funded reserve entitled the "African Emergency Reserve" to provide food assistance and transportation for that assistance.

ASSISTANCE TO BEIRA CORRIDOR PROJECT

SEC. 211. Of the funds authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), $30,000,000 shall be available only for the Beira Corridor Project to improve the transportation infrastructure of the Front Line States.

ASSISTANCE TO SOUTH AFRICAN REFUGEES

SEC. 212. In addition to any amount used for the Human Rights Fund for South Africa, up to $4,000,000 may be used each fiscal year for refugee education assistance programs under the Foreign Assistance Act of 1961 and section 2(b) of the Migration and Refugee Assistance Act of 1962.

TITLE III—MEASURES BY THE UNITED STATES TO UNDERMINE APARTHEID

PROHIBITION ON THE IMPORTATION OF KRUGERRANDS

SEC. 301. No person, including a bank, may import into the United States any South African krugerrand or any other gold coin minted in South Africa or offered for sale by the Government of South Africa.

PROHIBITION ON THE IMPORTATION OF MILITARY ARTICLES

SEC. 302. No arms, ammunition, or military vehicles produced in South Africa or any manufacturing data for such articles may be imported into the United States.

PROHIBITION ON THE IMPORTATION OF PRODUCTS FROM PARASTATAL ORGANIZATIONS

SEC. 303. (a) Notwithstanding any other provision of law, no article which is grown, produced, or manufactured by a parastatal organization of South Africa may be imported into the United States, except for those strategic minerals for which the President has certified to the Congress that the quantities essential for the economy or defense of the United States are unavailable from reliable and secure suppliers.

(b) For purposes of this section, the term "parastatal organization" means a corporation or partnership owned or controlled by the Government of South Africa.

PROHIBITION ON COMPUTER EXPORTS TO SOUTH AFRICA

SEC. 304. (a) No computers, computer software, electronic components or goods or technology intended to manufacture or service computers may be exported, directly or indirectly, to South Africa.

PROHIBITION ON SALE OR EXPORT OF ITEMS ON MUNITIONS LIST

SEC. 304a. No item contained on the United States Munitions List which is subject to the jurisdiction of the United States or which is exported by a person subject to the jurisdiction of the United States may be exported to South Africa.

PROHIBITION ON LOANS TO SOUTH AFRICA

SEC. 305. Notwithstanding any other provision of law, no United States person may, directly or through another person make any loan or other extension of credit to or provide funds for the purpose of making a loan or other extension of credit to any South African person or to any corporation, partnership, or other organization which is owned or controlled by South African nationals or which is organized under the laws of South Africa.

(b) The prohibition contained in this section shall not apply to any loan or extension of credit for which an agreement is entered into before July 23, 1986.

(c) The prohibition contained in this section shall not apply to any loan or extension of credit for any educational, housing, or health facility which is available to all persons on a nondiscriminatory basis and which is located in a geographic area accessible to all population groups without any legal or administrative restriction.

PROHIBITION ON AIR TRANSPORTATION WITH SOUTH AFRICA

SEC. 306. (a)(1) The Secretary of State shall terminate the Agreement Between the Government of the United States of America and the Government of the Union of South Africa Relating to Air Services Between Their Respective Territories, signed May 23, 1947, in accordance with the provisions of that agreement.

(2) Upon termination of such agreement, the Secretary of Transportation shall prohibit any aircraft of a foreign air carrier owned, directly or indirectly, by the Government of South Africa or by South African nationals from engaging in air transportation with respect to the United States.

(3) Notwithstanding any other provision of law, including any international agreement, the Secretary of Transportation shall prohibit the takeoff and landing in South Africa of any aircraft by any air carrier owned, directly or indirectly, by a national of the United States or by any corporation or other entity organized under the laws of the United States or of any state.

(c) The Secretary of Transportation may provide for such exceptions from the prohibition contained in subsection (a) as the Secretary considers necessary to provide for emergencies in which the safety of an aircraft or its crew or passengers are threatened.

(d) For purposes of this section, the terms "aircraft", "air transportation", and "foreign air carrier" have the meanings given those terms in section 101 of the Federal Aviation Act of 1958 (49 U.S.C. 1301).

PROHIBITIONS ON NUCLEAR TRADE WITH SOUTH AFRICA

SEC. 307. (a) Notwithstanding any other provision of law—

(1) the Nuclear Regulatory Commission shall not issue any license for the export to South Africa of production or utilization facilities, any source or special nuclear material or sensitive nuclear technology, or any component parts, items, or substances which the Commission has determined, pursuant to section 109b of the Atomic Energy Act, to be especially relevant from the standpoint of export control because of their significance for nuclear explosive purposes;

(2) the Secretary of Commerce shall not issue any license for the export to South Africa of any goods or technology which have been determined, pursuant to section 309(c) of the Nuclear Non-Proliferation Act of 1978, to be of significance for nuclear explosive purposes for use in, or judged by the President to be likely to be diverted to, a South African production or utilization facility;

(3) the Secretary of Energy shall not, under section 57b.(2) of the Atomic Energy Act, authorize any person to engage, directly or indirectly, in the production of special nuclear material in South Africa; and

(4) no goods, technology, source or special nuclear material, facilities, components, items, or substances referred to in clauses (1) through (3) shall be approved by the Nuclear Regulatory Commission or an executive branch agency for retransfer to South Africa,

unless the Secretary of State determines and certifies to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that the Government of South Africa is a party to the Treaty on the Non-Proliferation of Nuclear Weapons, done at Washington, London, and Moscow on July 1, 1968, or otherwise maintains International Atomic Energy Agency safeguards on all its peaceful nuclear activities, as defined in the Nuclear Non-Proliferation Act of 1978.

(b) Nothing in this section shall preclude—

(1) any export, retransfer, or activity generally licensed or generally authorized by the Nuclear Regulatory Commission or the Department of Commerce or the Department of Energy; or

(2) assistance for the purpose of developing or applying International Atomic Energy Agency or United States bilateral safeguards, for International Atomic Energy Agency programs generally available to its member states, for reducing the use of highly enriched uranium in research or test reactors, or for other technical programs for the purpose of reducing proliferation risks, such as programs to extend the life of reactor fuel and activities envisaged by section 223 of the Nuclear Waste Policy Act of 1982 or which are necessary for humanitarian reasons to protect the public health and safety.

(c) The prohibitions contained in subsection (a) shall not apply with respect to a particular export, retransfer, or activity, or a group of exports, retransfers, or activities, if the President determines that to apply the prohibitions would be seriously prejudicial to the achievement of United States nonproliferation objectives or would otherwise jeopardize the common defense and security of the United States and, if at least 60 days before the initial export, retransfer, or activity is carried out, the President submits to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth that determination, together with his reasons therefor.

PROHIBITION ON COOPERATION WITH THE ARMED FORCES OF SOUTH AFRICA

SEC. 307a. Notwithstanding any other provision of law, no funds may be obligated or expended for any cooperation, directly or indirectly, with the armed forces of the Government of South Africa.

PROHIBITION ON U.S. GOVERNMENT ACTIVITIES

SEC. 307b. (a) None of the funds appropriated or otherwise made available by any provision of law may be available for any assistance to investment in, or any subsidy for trade with South Africa, including but not limited to funding for trade missions in South Africa and for participation in exhibitions and trade fairs in South Africa.

(b) None of the funds appropriated or otherwise made available by any provision of law may be available to promote United States tourism to South Africa.

(c) On or after the date of enactment of this Act, no department, agency, or other entity of the United States may enter into a contract with any corporation or other business enterprise organized under the laws of South Africa or which is 50 percent or more beneficially owned by South African nationals.

(d) On or after the date of enactment of this Act, no department, agency or other entity of the United States may enter into a contract for the procurement of goods or services produced or performed in South Africa.

RESTRICTIONS ON ISSUANCE OF VISAS TO SOUTH AFRICAN NATIONALS

SEC. 308. (a) The Congress finds that—

(1) American journalists, scholars, and clergy, among others, have experienced problems in obtaining visas to visit South Africa; and

(2) South African officials may have visited the United States to gather, surreptitiously, information useful in circumventing the international arms embargo in effect against South Africa.

(b)(1) Notwithstanding any other provision of law, the President shall define a class of persons consisting of all officials of the Government of South Africa, including individuals performing services for the Government of South Africa, and members of their immediate families.

(2) On or after the date of enactment of this Act, no visa for admission to the United States may be issued to any individual in such class except on a case-by-case basis in the discretion of the Secretary of State.

(3) No visa issued before the date of enactment of this Act to a nonimmigrant alien described in section 101(a)(15)(A) of the Immigration and Nationality Act shall be valid after a date which is 30 days after the date of enactment of this Act, unless such visa is sooner renewed.

SALES OF GOLD STOCKS

SEC. 309. Whenever the President determines that such action is necessary or appropriate to affect the price of gold on the world markets and thereby to carry out the purpose of this Act, the President is authorized to sell United States gold stocks on the open market and to engage in other transactions involving gold in such manner as the President may prescribe.

GOVERNMENT OF SOUTH AFRICA BANK ACCOUNTS

SEC. 310. (a) A United States depository institution may not accept, receive, or hold a deposit account from the Government of South Africa or from any agency or entity owned or controlled by the Government of South Africa except for such accounts which may be authorized by the President for diplomatic or consular purposes. For purposes of the preceding sentence, the term "depository institution" has the same meaning as in section 19(b)(1) of the Federal Reserve Act.

(b) The prohibition contained in subsection (a) shall take effect 45 days after the date of enactment of this Act.

PROHIBITION ON IMPORTATION OF URANIUM AND COAL FROM SOUTH AFRICA

SEC. 311. (a) Notwithstanding any other provision of law, no—

(1) uranium ore,

(2) uranium oxide,

(3) coal,

(4) diamonds,

(5) textiles,

(6) crude oil or refined petroleum products,

(7) agricultural commodity or product, and

(8) the articles that are suitable for human consumption,

that is produced or manufactured in South Africa may be imported into the United States.

(b) This section shall take effect 90 days after the date of enactment of this Act.

PROHIBITION ON NEW INVESTMENT IN SOUTH AFRICA

SEC. 312. (a) No national of the United States may, directly or through another person, make any new investment in South Africa.

(b) The prohibition contained in subsection (a) shall take effect 30 days after the date of enactment of this Act.

TERMINATION OF CERTAIN PROVISIONS

SEC. 313. (a) The provisions of sections 301 through 312 and sections 501(c) and 503(b) shall terminate if the Government of South Africa—

(1) releases political prisoners and Nelson Mandela from prison;

(2) repeals the state of emergency in effect on the date of enactment of this Act and releases all detainees held under such state of emergency;

(3) unbans democratic political parties;

(4) repeals the Group Areas and Population and Registration Act; and

(5) publicly commits itself to good faith negotiations with truly representative members of the black majority without preconditions.

(b) The President may suspend or modify any of the measures required by sections 301 through 312 or section 501(c) or section 503(b) thirty days after he determines, and so reports to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, that the Government of South Africa has—

(1) taken the action described in paragraph (1) of subsection (a),

(2) taken three of the four actions listed in paragraphs (2) through (5) of subsection (a), and

(3) made substantial progress toward dismantling the system of apartheid and establishing a nonracial democracy,

unless the Congress enacts within such thirty-day period, in accordance with section 602 of this Act, a joint resolution disapproving the determination of the President under this subsection.

AUTHORITY TO PERMIT STATES AND POLITICAL SUBDIVISIONS OF STATES TO ENFORCE STATE OR LOCAL ANTI-APARTHEID LAWS

SEC. 314. (a) Notwithstanding any other provision of law and subject to subsection (b)—

(1) the eligibility of a State or a political subdivision of a State to receive funds under any Federal law; and

(2) the amount of funds which a State or a political subdivision of a State is eligible to receive under any Federal law,

shall not be affected by the application of any anti-apartheid law of the State or political subdivision to a contract entered into by the State or political subdivision which is funded in whole, or in part, with funds provided by the Federal Government.

(b) The Federal Government shall not be responsible for the payment of the amount of any increase in the cost of any contract entered into by a State or political subdivision of a State if such increase is a result of the application of an anti-apartheid law of that State or political subdivision.

(c) For purposes of this Act—

(1) the term "anti-apartheid law" means a law which requires a State or a political subdivision of a State to include in contracts entered into by such State or political subdivision provisions and conditions relating to the contractor's business relationships in South Africa or to limit or condition the award of contracts on the basis of such relationships or to take such relationships into consideration in the award of contracts; or a law which prohibits or restricts the purchase of goods originating in South Africa; and

(2) the term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands.

TITLE IV—MULTILATERAL MEASURES TO UNDERMINE APARTHEID

NEGOTIATING AUTHORITY

SEC. 401. (a)(1) It is the policy of the United States to seek international cooperation with the industrialized democracies on measures which will encourage an end to apartheid. The net economic effect of such cooperation should be at least equal to the net economic effect of the measures imposed by this Act.

(2) For purposes of paragraph (1), the term "net economic effect" means the cumulative impact on the South African economy as a whole of the measures imposed under this sections 301 through 312.

(b) Negotiations to reach international cooperative arrangements with the other industrialized democracies should begin promptly and should be concluded not later than 180 days after the date of enactment of this Act.

(c) If the President successfully concludes an international agreement on measures described in subsection (a), he may, 30 days after the text of such agreement has been received by the Congress, adjust, modify, or otherwise amend the measures imposed under any provision of sections 301 through 312 to conform with such agreement.

(d) Each agreement submitted to the Congress under this subsection shall enter into force with respect to the United States if (and only if)—

(1) the President, not less than 30 days before the day on which he enters into such agreement, notifies the House of Representatives and the Senate of his intention to enter into such an agreement, and promptly thereafter publishes notice of such intention in the Federal Register;

(2) after entering into the agreement, the President transmits a document to the House of Representatives and to the Senate containing a copy of the final text of such agreement together with—

(A) a description of any administrative action proposed to implement such agreement and an explanation as to how the proposed administrative action would change or affect existing law, and

(B) a statement of his reasons as to how the agreement serves the interest of United States foreign policy and as to why the proposed administrative action is required or appropriate to carry out the agreement; and

(3) a joint resolution of disapproval has not been adopted within 30 days of transmittal of such document to the Congress.

UNFAIR TRADE PRACTICES

SEC. 402. The Congress declares that it shall be an unfair trade practice under section 301(a)(1)(B)(ii) of the Trade Act of 1974 for any foreign person, partnership, or corporation to benefit from or otherwise take commercial advantage of any sanction or prohibition against any national of the United States imposed by or under this Act.

PRIVATE RIGHT OF ACTION

SEC. 403. (a) Any national of the United States who is required by this Act to terminate or curtail business activities in South Africa may bring a civil action for damages against any person, partnership, or corporation that takes commercial advantage or otherwise benefits from such termination or curtailment.

(b) The action described in subsection (a) may only be brought, without respect to the amount in controversy, in the United States district court for the District of Columbia or the Court of International Trade. Damages which may be recovered include lost profits and the cost of bringing the action, including a reasonable attorney's fee.

(c) The injured party must show by a preponderance of the evidence that the damages have been the direct result of defendant's action taken with the deliberate intent to injure the party.

TITLE V—FUTURE POLICY TOWARD SOUTH AFRICA

ADDITIONAL MEASURES

SEC. 501. (a) It shall be the policy of the United States to impose additional measures against the Government of South Africa if substantial progress has not been made within 12 months of the date of enactment of this Act in ending the system of apartheid and establishing a nonracial democracy.

(b) The President shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate within twelve months of the date of enactment of this Act, and every twelve months thereafter, a report on the extent to which significant progress has been made toward ending the system of apartheid, including—

(1) an assessment of the extent to which the Government of South Africa has taken the steps set forth in section 101(b) of this Act;

(2) an analysis of any other actions taken by the Government of South Africa in ending the system of apartheid and moving toward a nonracial democracy; and

(3) the progress, or lack of progress, made in reaching a negotiated settlement to the conflict in South Africa.

(c) If the President determines that significant progress has not been made by the Government of South Africa in ending the system of apartheid and establishing a nonracial democracy, the President shall include in the report required by subsection (b) a recommendation on which of the following additional measures should be imposed:

(1) a prohibition on the importation of steel from South Africa;

(2) a prohibition on military assistance to those countries that the report required by section 507 identifies as continuing to circumvent the international embargo on arms and military technology to South Africa;

(3) a prohibition on United States banks accepting, receiving, or holding deposit accounts from South African nationals; and

(4) a prohibition on the importation into the United States of strategic minerals from South Africa.

(d) A joint resolution which would enact part or all of the measures recommended by the President pursuant to subsection (c) shall be considered in accordance with the provisions of section 602 of this Act.

STUDY OF HEALTH CONDITIONS IN THE "HOMELANDS" AREAS OF SOUTH AFRICA

SEC. 502. The Secretary of State shall conduct a study to examine the state of health conditions and to determine the extent of starvation and malnutrition now prevalent in the "homelands" areas of South Africa and shall, not later than December 1, 1986, prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth the results of such study.

REPORT ON SOUTH AFRICAN IMPORTS

SEC. 503. (a) Not later than 90 days after the date of enactment of this Act, the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report on the extent to which the United States is dependent on the importation from South Africa of—

(1) chromium,

(2) cobalt,

(3) manganese,

(4) platinum group metals,

(5) ferroalloys, and

(6) other strategic and critical materials (within the meaning of the Strategic and Critical Materials Stock Piling Act).

(b) The President shall develop a program which reduces the dependence, if any, of the United States on the importation from South Africa of the materials identified in the report submitted under subsection (a).

STUDY AND REPORT ON THE ECONOMY OF SOUTHERN AFRICA

SEC. 504. (a) The President shall conduct a study on the role of American assistance in southern Africa to determine what needs to be done, and what can be done to expand the trade, private investment, and transport prospects of southern Africa's landlocked nations.

(b) Not later than 180 days after the date of enactment of this Act, the President shall prepare and transmit to the chairman of the Committee on Foreign Relations of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth the findings of the study conducted under subsection (a).

REPORT ON RELATIONS BETWEEN OTHER INDUSTRIALIZED DEMOCRACIES AND SOUTH AFRICA

SEC. 505. (a) Not later than 180 days after the date of enactment of this Act, the President shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report containing a detailed assessment of the economic and other relationships of other industrialized democracies with South Africa. Such report shall be transmitted without regard to whether or not the President successfully concluded an international agreement under section 401.

(b) For purposes of this section, the phrase "economic and other relationships" includes the same types of matters as are described in sections 201, 202, 204, 205, 206, 207, sections 301 through 308, and sections 311 and 312 of this Act.

STUDY AND REPORT ON DEPOSIT ACCOUNTS OF SOUTH AFRICAN NATIONALS IN UNITED STATES BANKS

SEC. 506. (a)(1) The Secretary of State shall conduct a study on the feasibility of prohibiting each depository institution from accepting, receiving, or holding a deposit account from any South African national.

(2) For purposes of paragraph (1), the term "depository institution" has the same meaning as in section 19(b)(1) of the Federal Reserve Act.

(b) Not later than 180 days after the date of enactment of this Act, the Secretary of State shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report detailing the findings of the study required by subsection (a).

STUDY AND REPORT ON THE VIOLATION OF THE INTERNATIONAL EMBARGO ON SALE AND EXPORT OF MILITARY ARTICLES TO SOUTH AFRICA

SEC. 507. (a) The President shall conduct a study on the extent to which the international embargo on the sale and exports of arms and military technology to South Africa is being violated.

(b) Not later than 179 days after the date of enactment of this Act, the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth the findings of the study required by subsection (a), including an identification of those countries engaged in such sale or export, with a view to terminating United States military assistance to those countries.

TITLE VI—ENFORCEMENT AND ADMINISTRATIVE PROVISIONS

REGULATORY AUTHORITY

SEC. 601. The President shall issue such rules, regulations, licenses, and orders as are necessary to carry out the provisions of this Act, including taking such steps as may be necessary to continue in effect the measures imposed by Executive Order 12532 of September 9, 1985, and Executive Order 12535 of October 1, 1985, and by any rule, regulation, license, or order issued thereunder (to the extent such measures are not inconsistent with this Act).

CONGRESSIONAL PRIORITY PROCEDURES

SEC. 602. (a)(1) The provisions of this subsection apply to the consideration in the House of Representatives of a joint resolution under sections 313(b), 401(d), and 501(d).

(2) A joint resolution shall, upon introduction, be referred to the Committee on Foreign Affairs of the House of Representatives.

(3)(A) At any time after the joint resolution placed on the appropriate calendar has been on that calendar for a period of 5 legislative days, it is in order for any Member of the House (after consultation with the Speaker as to the most appropriate time for the consideration of that joint resolution) to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of that joint resolution. The motion is highly privileged and is in order even though a previous motion to the same effect has been disagreed to. All points of order against the joint resolution under clauses 2 and 6 of Rule XXI of the Rules of the House are waived. If the motion is agreed to, the resolution shall remain the unfinished business of the House until disposed of. A motion to reconsider the vote by which the motion is disagreed to shall not be in order.

(B) Debate on the joint resolution shall not exceed ten hours, which shall be divided equally between a Member favoring and a Member opposing the joint resolution. A motion to limit debate is in order at any time in the House or in the Committee of the Whole and is not debatable.

(C) An amendment to the joint resolution is not in order.

(D) At the conclusion of the debate on the joint resolution, the Committee of the Whole shall rise and report the joint resolution back to the House, and the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion.

(b)(1) The provisions of this subsection apply to the consideration in the Senate of a joint resolution under section 313(b), 401(d), or 501(d).

(2) A joint resolution shall, upon introduction, be referred to the Committee on Foreign Relations of the Senate.

(3) A joint resolution described in this section shall be considered in the Senate in accordance with procedures contained in paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98-473), except that—

(A) references in such paragraphs to the Committee on Appropriations of the Senate shall be deemed to be references to the Committee on Foreign Relations of the Senate; and

(B) amendments to the joint resolution are in order.

(c) For purposes of this subsection, the term "joint resolution" means only—

(A) in the case of section 313(b), a joint resolution which is introduced in a House of Congress within 3 legislative days after the Congress receives the report described in section 313(b) and for which the matter after the resolving clause reads as follows: "That the Congress, having received on the report of the President containing the determination required by section 313(b) of the Comprehensive Anti-Apartheid Act of 1986, disapproves of such determination.", with the date of the receipt of the report inserted in the blank;

(B) in the case of section 401(d)(3), a joint resolution which is introduced in a House of Congress within 3 legislative days after the Congress receives the document described in section 401(d)(2) and for which the matter after the resolving clause reads as follows: "That the Congress, having received on the text of the international agreement described in section 401(d)(3) of the Comprehensive Anti-Apartheid Act of 1986, disapproves of such agreement.", with the date of the receipt of the text of the agreement inserted in the blank; and

(C) in the case of section 501(d), a joint resolution which is introduced in a House of Congress within 3 legislative days after the Congress receives the determination of the President pursuant to section 501(c) and for which the matter after the resolving clause reads as follows: "That the Congress, having received on a determination of the President under section 501(c) of the Comprehensive Anti-Apartheid Act of 1986, approves the President's determination.", with the date of the receipt of the determination inserted in the blank.

(d) As used in this section, the term "legislative day" means a day on which the House of Representatives or the Senate is in session, as the case may be.

(e) This section is enacted—

(1) as an exercise of the rulemaking powers of the House of Representatives and the Senate, and as such it is deemed a part of the Rules of the House and the Rules of the Senate, respectively, but applicable only with respect to the procedure to be followed in the House and the Senate in the case of joint resolutions under this section, and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(2) with full recognition of the constitutional right of the House and the Senate to change their rules at any time, in the same manner, and to the same extent as in the case of any other rule of the House or Senate, and of the right of the Committee on Rules of the House of Representatives to report a resolution for the consideration of any measure.

ENFORCEMENT AND PENALTIES

SEC. 603. (a)(1) The President with respect to his authorities under section 601 shall take the necessary steps to ensure compliance with the provisions of this Act and any regulations, licenses, and orders issued to carry out this Act, including establishing mechanisms to monitor compliance with this Act and such regulations, licenses, and orders.

(2) In ensuring such compliance, the President may—

(A) require any person to keep a full record of, and to furnish under oath, in the form of reports or otherwise, complete information relative to any act or transaction described in this Act either before, during, or after the completion thereof, or relative to any interest in foreign property, or relative to any property in which a foreign country or any national thereof has or has had any interest, or as may be otherwise necessary to enforce the provisions of this Act; and

(B) conduct investigations, hold hearings, administer oaths, examine witnesses, receive evidence, take depositions, and require by subpoena the attendance and testimony of witnesses and the production of all books, papers, and documents relating to any matter under investigation.

(b) Except as provided in subsection (d)—

(1) any person that violates the provisions of this Act, or any regulation, license, or order issued to carry out this Act shall be subject to a civil penalty of $50,000;

(2) any person, other than an individual, that willfully violates the provisions of this Act, or any regulation, license, or order issued to carry out this Act shall be fined not more than $1,000,000;

(3) any individual who willfully violates the provisions of this Act or any regulation, license, or order issued to carry out this Act shall be fined not more than $50,000, or imprisoned not more than 10 years, or both; and

(4) any individual who violates section 301(a) or any regulations issued to carry out that section shall, instead of the penalty set forth in paragraph (2), be fined not more than 5 times the value the krugerrands or gold coins involved.

(c)(1) Whenever a person commits a violation under subsection (b)—

(A) any officer, director, or employee of such person, or any natural person in control of such person who knowingly and willfully ordered, authorized, acquiesced in, or carried out the act or practice constituting the violation, and

(B) any agent of such person who knowingly and willfully carried out such act or practice,

shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

(2) Paragraph (1) shall not apply in the case of a violation by an individual of section 301(a) of this Act or of any regulation issued to carry out that section.

(3) A fine imposed under paragraph (1) on an individual for an act or practice constituting a violation may not be paid, directly or indirectly, by the person committing the violation itself.

(d)(1) Any person who violates any regulation issued under section 208(d) or who, in a registration statement or report required by the Secretary of State, makes any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading, shall be subject to a civil penalty of not more than $10,000 imposed by the Secretary of State. The provisions of subsections (d), (e), and (f) of section 11 of the Export Administration Act of 1979 shall apply with respect to any such civil penalty.

(2) Any person who commits a willful violation under paragraph (1) shall upon conviction be fined not more than $1,000,000 or imprisoned not more than 2 years, or both.

(3) Nothing in this section may be construed to authorize the imposition of any penalty for failure to implement the Code of Conduct.

APPLICABILITY TO EVASIONS OF ACT

SEC. 604. This Act and the regulations issued to carry out this Act shall apply to any person who undertakes or causes to be undertaken any transaction or activity with the intent to evade this Act or such regulations.

CONSTRUCTION OF ACT

SEC. 605. Nothing in this Act shall be construed as constituting any recognition by the United States of the homelands referred to in this Act.

METZENBAUM AMENDMENT NOS. 2415 AND 2416

(Ordered to lie on the table.)

Mr. METZENBAUM submitted two amendments intended to be proposed by him to amendment No. 2404 proposed by Mr. KENNEDY to the bill S. 2638, supra; as follows:

AMENDMENT NO. 2415

Strike all words after "Notwithstanding" in the pending first degree amendment No. 2404, and insert:

"any other provisions of the bill, sections 1002 through 1004 shall not apply."

AMENDMENT NO. 2416

Strike all words after "Notwithstanding" in the pending first degree amendment No. 2404, and insert:

"any other provision of the bill, sections 1002 and 1004 shall not apply."

DOLE AMENDMENT NO. 2417

Mr. DOLE proposed an amendment to amendment No. 2414 proposed by Mr. BYRD (and others) to the bill S. 2638, supra; as follows:

Strike all after the words "Division E" and insert the following:

TITLE II—CENTRAL AMERICA

PURPOSES

SEC. 201. The purposes of this title are to promote economic and political development, peace, stability and democracy in Central America, to encourage a negotiated resolution of the conflict in the region, and toward these ends, to enable the President to provide additional economic assistance for the Central American democracies as well as assistance for the Nicaraguan democratic resistance, subject to the terms and conditions of this title.

POLICY TOWARD CENTRAL AMERICA

SEC. 202. (a) It is the policy of the United States that—

(1) the building of democracy, the restoration of peace, economic development, the improvement of living conditions, and the application of equal justice under law in Central America are important to the interests of the United States and the community of American States;

(2) the interrelated issues of social and human progress, economic growth, political reform, and regional security must be effectively dealt with to assure a democratic and economically and politically secure Central America; and

(3) the September 1983 Contadora Document of Objectives, which sets forth a framework for negotiating a peaceful settlement to the conflict and turmoil in the region, is to be encouraged and supported.

(b) The United States strongly supports as essential to the objectives set forth in subsection (a)—

(1) a long-term commitment of economic assistance to the Central American democracies in amounts recommended by the National Bipartisan Commission on Central America;

(2) national reconciliation in Nicaragua and the creation of a framework for negotiating a peaceful, democratic settlement to the Nicaraguan conflict; and

(3) efforts to reach a comprehensive and verifiable final agreement based on the Contadora Document of Objectives, including efforts to encourage the Government of Nicaragua to pursue a dialogue with the representatives of all elements of the Nicaraguan democratic opposition for the purpose of achieving a democratic political settlement of the conflict, including free and fair elections.

POLICY TOWARD THE GOVERNMENT OF NICARAGUA

SEC. 203. (a) United States policy toward the Government of Nicaragua shall be based upon that government's responsiveness to continuing concerns affecting the national security of the United States and Nicaragua's neighbors about—

(1) Nicaragua's close military and security ties to Cuba and the Soviet Union and its Warsaw Pact allies including the presence in Nicaragua of military and security personnel from those countries and allies;

(2) Nicaragua's buildup of military forces in numbers disproportionate to those of its neighbors and equipped with sophisticated weapons systems and facilities designed to accommodate even more advanced equipment;

(3) Nicaragua's unlawful support for armed subversion and terrorism directed against the democratically elected governments of other countries;

(4) Nicaragua's internal repression and lack of opportunity for the exercise of civil and political rights which would allow the people of Nicaragua to have a meaningful voice in determining the policies of their government through participation in regularly scheduled free and fair elections and the establishment of democratic institutions; and

(5) Nicaragua's refusal to negotiate in good faith for a peaceful resolution of the conflict in Central America based upon the comprehensive implementation of the September 1983 Contadora Document of Objectives and, in particular, its refusal to engage in a serious national dialogue with all elements of the Nicaraguan democratic opposition.

(b) The United States will address the concerns described in subsection (a) through economic, political, and diplomatic measures (including efforts to secure the cooperation of other democratic nations in such measures), as well as through support for the Nicaraguan democratic resistance. In order to assure every opportunity for a

peaceful resolution of the conflict in Central America, the United States will—

(1) engage in bilateral discussions with the Government of Nicaragua with a view toward facilitating progress in achieving a peaceful resolution of the conflict, if the Government of Nicaragua simultaneously engages in a serious dialogue with representatives of all elements of the Nicaraguan democratic opposition; and

(2) limit the types and amounts of assistance provided to the Nicaraguan democratic resistance and take other positive action in response to steps taken by the Government of Nicaragua toward meeting the concerns described in subsection (a).

(c) The duration of bilateral discussions with the Government of Nicaragua and the implementation of additional measures under subsection (b) shall be determined, after consultation with the Congress, by reference to Nicaragua's actions in response to the concerns described in subsection (a). Particular regard will be paid to whether—

(1) freedom of speech, assembly, religion, and political activity are being respected in Nicaragua and progress is being made toward the holding of regularly scheduled free and fair elections;

(2) there has been a halt to the flow of arms and the introduction of foreign military personnel into Nicaragua, and a withdrawal of all foreign military personnel has begun;

(3) a cease-fire with the Nicaraguan democratic resistance is being respected; and

(4) Nicaragua is refraining from acts of aggression, including support for insurgency and terrorism in other countries.

(d) The actions by the United States under this title in response to the concerns described in subsection (a) are consistent with the right of the United States to defend itself and to assist its allies in accordance with international law and treaties in force. Such actions are directed, not to determine the form or composition of any government of Nicaragua, but to achieve a comprehensive and verifiable agreement among Central American countries, based upon the 1983 Contadora Document of Objectives, including internal reconciliation within Nicaragua based upon democratic principles, without the use of force by the United States.

(e) Notwithstanding any other provision of this title, no member of the United States Armed Forces or employee of any department, agency, or other component of the United States Government may enter Nicaragua to provide military advice, training, or logistical support to paramilitary groups operating inside that country. Nothing in this title shall be construed as authorizing any member or unit of the Armed Forces of the United States to engage in combat against the Government of Nicaragua.

POLICY TOWARD THE NICARAGUAN DEMOCRATIC RESISTANCE

SEC. 204. (a) It is the policy of the United States to assist all groups within the Nicaraguan democratic resistance which—

(1) are committed to work together for democratic national reconciliation in Nicaragua based on the document issued by the six Nicaraguan opposition parties on February 7, 1986, entitled "Proposal to the Nicaraguan Government for a Solution to the Crisis in Our Country"; and

(2) respect international standards of conduct and refrain from violations of human rights or from other criminal acts.

(b) No assistance under this title may be provided to any group that retains in its ranks any individual who has been found to engage in—

(1) gross violations of internationally recognized human rights (as defined in section 502B(d)(1) of the Foreign Assistance Act of 1961); or

(2) drug smuggling or significant misuse of public or private funds.

(c)(1) It is recognized that the Nicaraguan democratic resistance has been broadening its representative base, through the forging of cooperative relationships between the United Nicaraguan Opposition (UNO) and other democratic resistance elements, and has been increasing the responsiveness of military forces to civilian leadership.

(2) The President shall use the authority provided by this title to further the developments described in paragraph (1) and to encourage the Nicaraguan democratic resistance to take additional steps to strengthen its unity, pursue a defined and coordinated program for representative democracy in Nicaragua, and otherwise increase its appeal to the Nicaraguan people.

(d) In furtherance of the policy set out in this section, not less than $10,000,000 of the funds transferred by section 6(a) shall be available only for assistance to resistance forces otherwise eligible and not currently included within UNO, of which amount $5,000,000 shall be available only for the Southern Opposition Bloc (BOS) and $5,000,000 shall be available only for the Indian resistance force known as Misurasata.

ASSISTANCE FOR THE CENTRAL AMERICAN DEMOCRACIES

SEC. 205. (a) There are hereby transferred to the President for assistance to the Central American democracies (Costa Rica, El Salvador, Guatemala, and Honduras) in accordance with the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, $300,000,000 of unobligated funds from the accounts specified in subsection (b). Amounts transferred under this section shall be administered in accordance with the terms and conditions of chapter 6 of part I of the Foreign Assistance Act of 1961. Notwithstanding any other provision of law, funds made available by this section—

(1) shall be in addition to amounts previously appropriated for the fiscal year 1986 and allocated for assistance to Central American countries, and

(2) shall remain available for obligation until September 30, 1987, except that not less than $100,000,000 shall be obligated on or before September 30, 1986.

(b) Amounts made available by this section shall be transferred from such accounts as the President may designate for which appropriations were made by title II of the Foreign Assistance and Related Programs Appropriations Act, 1986, title IV of the Agriculture, Rural Development and Related Agencies Appropriations Act, 1986, (as contained in Public Law 99-190), and title II of the Urgent Supplemental Appropriations Act, 1985 (Public Law 99-10).

(c)(1) The Secretary of State, the Administrator of the Agency for International Development, and the Director of the Office of Management and Budget, shall—

(A) develop a plan for fully funding the assistance to the Central American democracies (Costa Rica, El Salvador, Guatemala, and Honduras) proposed in the January 1984 report of the National Bipartisan Commission on Central America; and

(B) provide a report describing this plan to the President and the Congress no later than March 1, 1987.

(2) The report required by paragraph (1) shall include an analysis and recommendations, prepared in consultation with the Secretary of Agriculture, on how more effective use can be made of agricultural commodities from the United States in alleviating hunger in Central America and contributing to the economic development of the Central American democracies.

(d)(1) There are hereby transferred to the President out of funds appropriated by the Supplemental Appropriations Act, 1985 (Public Law 99-88), under the heading "Assistance For Implementation of a Contadora Agreement" such sums as the President may require, but not more than $2,000,000, to facilitate the participation of Costa Rica, El Salvador, Guatemala, and Honduras in regional meetings and negotiations to promote peace, stability, and security in Central America.

(2) Funds transferred under paragraph (1) shall remain available for the same period of time as such funds would have been available under the Supplemental Appropriations Act, 1985 (Public Law 99-88), but for the enactment of this title.

(e) The Congress reaffirms its support for the establishment of a Central American Development Organization, authorized by section 464 of the Foreign Assistance Act of 1961, as an effective forum for dialogue on, and the continuous review and advancement of, Central America's political, economic, and social development, including the strengthening of democratic pluralism and respect for internationally recognized human rights. Toward this end, not less than $750,000 of the funds transferred by this section should be used to establish the Central American Development Organization and its administrative apparatus so as to ensure that Central American development objectives are encouraged.

ASSISTANCE FOR THE NICARAGUAN DEMOCRATIC RESISTANCE

SEC. 206. (a)(1) The Congress hereby approves the provision of assistance for the Nicaraguan democratic resistance in accordance with the provisions of this title.

(2) There are hereby transferred to the President for the purposes of this section $100,000,000 of unobligated funds from such accounts for which appropriations were made by the Department of Defense Appropriations Act, 1986 (as contained in Public Law 99-190), as the President shall designate.

(b) Notwithstanding the Impoundment Control Act of 1974, not more than 40 percent of the funds transferred under subsection (a) may be available for obligation or expenditure in accordance with this title upon the date of its enactment; not more than an additional 20 percent of such funds may be so available no earlier than October 15, 1986, and 15 days after the transmittal to the Congress of the determination required by section 11(c); and not more than the remaining 40 percent may be so available no earlier than February 15, 1987, and 15 days after the transmittal to the Congress of the determination required by section 11(e).

(c) Funds transferred under subsection (a) shall remain available for the same periods of time, but not to exceed September 30, 1987, as such funds would have been available under the Department of Defense Appropriations Act, 1986 (as contained in Public Law 99-190), but for the enactment of this title.

COORDINATION OF AND ACCOUNTABILITY FOR ASSISTANCE TO THE NICARAGUAN DEMOCRATIC RESISTANCE

SEC. 207. (a) The Secretary of State (or his designee) shall be responsible for policy guidance, coordination, and supervision of United States Government activities under this title.

(b) Any agency to which funds transferred under section 6(a) are allocated shall establish standards, procedures and controls necessary to assure that such funds are fully accounted for and are used exclusively for the purposes authorized by this title. Such standards, procedures and controls shall be developed in consultation with the Comptroller General and the appropriate committees of the Congress, and shall include such safeguards as segregation of accounts, monitoring of deliveries, and requirements for the keeping of complete records available for audit by authorized representatives of the United States Government.

FUNDS FOR HUMANITARIAN ASSISTANCE

SEC. 208. (a) Of the amounts transferred under section 6(a), $30,000,000 shall be available only for the provision of humanitarian assistance to the Nicaraguan democratic resistance.

(b) Of the $30,000,000 made available only for purposes of subsection (a), $3,000,000 shall be available only for strengthening programs and activities of the Nicaraguan democratic resistance for the observance and advancement of human rights.

APPLICATION OF EXISTING LAWS

SEC. 209. (a) Except as otherwise provided in this title, funds transferred under section 6(a) shall be available for the purposes described in section 105(a) of the Intelligence Authorization Act for Fiscal Year 1986, and all the requirements, terms, and conditions of such section and sections 101 and 102 of such Act, section 502 of the National Security Act of 1947, and section 106 of the Supplemental Appropriations Act, 1985 (Public Law 99-88), shall be deemed to have been met for such use of such funds.

(b) The use of funds made available under this title is subject to all applicable provisions of law and established procedures relating to the oversight by the Congress of operations of departments and agencies.

(c) Nothing in this title shall be construed as permitting the President to furnish additional assistance to the Nicaraguan democratic resistance from funds other than the funds transferred under section 6(a) or otherwise specifically authorized by the Congress for assistance to the Nicaraguan democratic resistance.

(d) No limitation or restriction contained in section 10 of Public Law 91-672, section 8109 of the Department of Defense Appropriations Act, 1986, section 502 of the National Security Act of 1947, or any other provision of law shall apply to the transfer or use of funds transferred to the President under this title.

USE OF FUNDS AFTER A PEACEFUL SETTLEMENT

SEC. 210. If the President determines and so reports to the Congress that a peaceful settlement of the conflict in Central America has been reached, then—

(1) the unobligated balance, if any, of funds transferred under section 6(a) shall be available for the purposes of relief, rehabilitation, and reconstruction in Central American countries in accordance with the authorities contained in chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to economic support fund assistance);

(2) the President shall terminate any economic embargo of Nicaragua then in effect; and

(3) the President shall take such further actions as are appropriate to carry out the policy described in section 2(a)(1) of this title with respect to all Central American countries, including Nicaragua.

INCENTIVES FOR A NEGOTIATED SETTLEMENT

SEC. 211. (a) Assistance to the Nicaraguan democratic resistance under this title shall be provided in a manner designed to encourage the Government of Nicaragua to respond favorably to the many opportunities available for achieving a negotiated settlement of the conflict in Central America. These opportunities include the following proposals:

(1) six opposition Nicaraguan political parties on February 7, 1986, called for an immediate cease-fire, an effective general amnesty, abolition of the state of emergency agreement on a new electoral process and general elections, effective fulfillment of international commitments for democratization, and observance of implementation of these actions and commitments by appropriate international groups and organizations;

(2) President Reagan on February 10, 1986, offered simultaneous talks between the Government of Nicaragua and all elements of the Nicaraguan democratic opposition in Nicaragua and between the Government of Nicaragua and the United States Government;

(3) President Jose Napoleon Duarte of El Salvador on March 5, 1986, offered an additional dialogue between the Government of El Salvador and the insurgents in El Salvador if the Government of Nicaragua would simultaneously engage in a dialogue with all elements of the Nicaraguan democratic opposition; and

(4) the United Nicaraguan Opposition on May 29, 1986, reiterated its support for the six-party proposal described in paragraph (1) as a means to achieve national reconciliation and democratization.

(b)(1) In furtherance of the objectives set forth in subsection (a), and except as provided in subsection (e), assistance to the Nicaraguan democratic resistance under this title shall be limited to the following:

(A) humanitarian assistance (as defined in section 722(g)(5) of the International Security and Development Cooperation Act of 1985);

(B) logistics advice and assistance;

(C) support for democratic political and diplomatic activities;

(D) training, services, equipment and supplies for radio communications, collection, and utilization of intelligence, logistics, and small-unit skills, tactics and operations; and

(E) equipment and supplies necessary for defense against air attacks.

(2) The assistance described in paragraph (1) shall be limited, by type and value, to the matters specified in the classified annex to the communication from the President to the Speaker of the House of Representatives and the President of the Senate dated June 24, 1986.

(3) No weapons or ammunition shall be delivered under this title to the Nicaraguan democratic resistance prior to September 1, 1986.

(c) On and after October 15, 1986, an additional $20,000,000 of the funds transferred under section 6(a) may be made available for obligation and expenditure for assistance to the Nicaraguan democratic resistance 15 days after the President determines and reports to the Congress that—

(1) the Central American countries have not concluded a comprehensive and effective agreement based on the Contadora Document of Objectives;

(2) the Government of Nicaragua is not engaged in a serious dialogue with representatives of all elements of the Nicaraguan democratic opposition, accompanied by a cease-fire and an effective end to the existing constraints on freedom of speech, assembly, religion, and political activity, leading to regularly scheduled free and fair elections and the establishment of democratic institutions; and

(3) there is no reasonable prospect of achieving such agreement, dialogue, cease-fire, and end to constraints described in paragraphs (1) and (2) through further diplomatic measures, multilateral or bilateral, without additional assistance to the Nicaraguan democratic resistance.

(d)(1) Notwithstanding any other provision of this title, on or after October 15, 1986, funds transferred under section 6(a) may be obligaged or expended only if the President determines and reports to the Congress that the Nicaraguan democratic resistance groups receiving assistance under this title have agreed to and are beginning to implement—

(A) confederation and reform measures to broaden their leadership base;

(B) the coordination of their efforts;

(C) the elimination of human rights abuses;

(D) the pursuit of a defined and coordinated program for achieving representative democracy in Nicaragua;

(E) the subordination of military forces to civilian leadership; and

(F) the application of rigorous standards, procedures and controls to assure that funds transferred under section 6(a) are fully accounted for and are used exclusively for the purposes authorized by this title.

(2) In making his determination under paragraph (1), the President shall take into account the effectiveness and legitimacy of the political leadership of those Nicaraguan democratic resistance groups receiving assistance under this title, including the ability of that political leadership—

(A) to reflect the views and objectives of the internal and external Nicaraguan democratic opposition;

(B) to function as the spokesman for the Nicaraguan democratic opposition with Central Americans, international organizations, and the United States Government;

(C) to represent the Nicaraguan democratic opposition in dealing with the Government of Nicaragua;

(D) to provide command and control for the military forces of all resistance groups receiving assistance under this title and to establish the goals for their military operations;

(E) to determine the distribution of and maintain accountability for assistance provided under this title; and

(F) to provide the legal mechanisms necessary for the enforcement of standards of conduct applicable to all members of the resistance groups receiving assistance under this title.

(e) On and after February 15, 1987, the restrictions in subsection (b) shall cease to apply and the remaining funds transferred under section 6(a) may be made available for obligation and expenditure for assistance to the Nicaraguan democratic resistance 15 days after the President determines and reports to the Congress that—

(1) the Central American countries have not concluded a comprehensive and effective agreement based on the Contadora Document of Objectives;

(2) the Government of Nicaragua is not engaged in a serious dialog with representatives of all elements of the Nicaraguan democratic opposition, accompanied by a cease-fire and an effective end to the existing constraints on freedom of speech, assembly, religion, and political activity leading to regularly scheduled free and fair elections and the establishment of democratic institutions; and

(3) there is no reasonable prospect of achieving such agreement, dialog, cease-fire, and end to constraints described in paragraphs (1) and (2) through further diplomatic measures, multilateral or bilateral, without additional assistance to the Nicaraguan democratic resistance,

unless the Congress has enacted a joint resolution under section 12 disapproving the provision of additional assistance (other than assistance described in subsection (b)(1) within the limits of funds previously made available).

(f)(1) Notwithstanding subsection (e), no assistance (other than the assistance described in subparagraphs (A) through (C) of subsection (b)(1)) shall be provided at any time to the Nicaraguan democratic resistance under this title if—

(A) the President determines that—

(i) the Central American countries have concluded a comprehensive and effective agreement based on the Contadora Document of Objectives; or

(ii) the Government of Nicaragua is engaging in a serious dialog with representatives of all elements of the Nicaraguan democratic opposition, accompanied by a cease-fire and an effective end to the existing constraints on freedom of speech, assembly, religion, and political activity leading to regularly scheduled free and fair elections and the establishment of democratic institutions; or

(B) the Congress enacts a joint resolution under section 12 disapproving the provision of additional assistance (other than assistance described in subparagraphs (A) through (C) of subsection (b)(1)).

(2) The prohibition contained in paragraph (1) shall not apply—

(A) with respect to assistance described in subparagraph (D) of subsection (b)(1) if the Government of Nicaragua fails to observe an applicable cease-fire; or

(B) with respect to assistance described in subparagraph (E) of subsection (b)(1) if the Government of Nicaragua acquires additional equipment or materiel to carry out air attacks.

CONGRESSIONAL PRIORITY PROCEDURES

SEC. 212. (a)(1) A joint resolution described in subsection (e) of section 11 shall be one without a preamble, the matter after the resolving clause of which is as follows: "That the Congress disapproves the provision of additional assistance to the Nicaraguan democratic resistance pursuant to title of the Military Construction Appropriations Act, 1987, except as provided in section 11(b) thereof within the limits of funds previously made available.".

(2) A joint resolution described in subsection (f)(1)(B) of section 11 shall be one without a preamble, the matter after the resolving clause of which is as follows: "That the Congress disapproves the provision of additional assistance to the Nicaraguan democratic resistance pursuant to title of the Military Construction Appropriations Act, 1987, except as provided in subparagraphs (A) through (C) of section 11(b)(1) and paragraph (2) of section 11(f) thereof.".

(b) A joint resolution described in subsection (a)(1) or (a)(2) shall be considered in the House of Representatives and in the Senate in accordance with the provisions of paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98-473), except that—

(1) references in such paragraphs to a joint resolution shall be deemed to be references to the respective joint resolution set forth in subsection (a)(1) or subsection (a)(2);

(2) references in such paragraphs to the Committee on Appropriations shall be deemed to be references to the appropriate committee or committees of the respective House of Congress; and

(3) references in such paragraphs to the eighth day and to fifteen calendar days shall be deemed to be references to the fifth day and to five calendar days, respectively.

(c) The provisions of this section are enacted—

(1) as exercises of the rulemaking powers of the House of Representatives and Senate, and as such they are deemed a part of the Rules of the House and the Rules of the Senate, respectively, but applicable only with respect to the procedure to be followed in the House and the Senate in the case of joint resolutions under section 11, and they supersede other rules only to the extent that they are inconsistent with such rules; and

(2) with full recognition of the constitutional right of the House and the Senate to change their rules at any time, in the same manner, and to the same extent as in the case of any other rule of the House or Senate, and of the right of the Committee on Rules of the House of Representatives to report a resolution for the consideration of any measure.

COMMISSION ON CENTRAL AMERICAN NEGOTIATIONS

SEC. 213. (a)(1) There is established the Commission on Central American Negotiations (hereafter in this section referred to as the "Commission"), which shall be composed of five members appointed as follows:

(A) one individual appointed by the Speaker of the House of Representatives;

(B) one individual appointed by the Minority Leader of the House of Representatives;

(C) one individual appointed by the Majority Leader of the Senate;

(D) one individual appointed by the Minority Leader of the Senate; and

(E) one individual, who shall serve as Chairman of the Commission, selected by majority vote of the other members of the Commission.

(2) No officer or employee of the United States may be appointed as a member of the Commission.

(3) The appointments referred to in subparagraphs (A), (B), (C), and (D) of paragraph (1) shall be made within 5 calendar days following enactment of this title, and the selection of a chairman referred to in subparagraph (E) of paragraph (1) shall be made within 10 days following enactment of this title.

(b) The purpose of the Commission is to monitor and report on the efforts of the Nicaraguan democratic resistance to coordinate and reform and on the status of any negotiations on the peace, stability, and security of Central America, including negotiations conducted between or among—

(1) the Government of Nicaragua and all elements of the Nicaraguan democratic opposition, including the Nicaraguan democratic resistance;

(2) the governments of Central American countries;

(3) the Government of the United States and the Government of Nicaragua;

(4) the governments of the Contadora and Support Group countries and the governments of the Central American countries; and

(5) the Government of El Salvador and the insurgents in El Salvador.

(c)(1) The Commission may appoint and fix the pay of not more than seven staff personnel, but at such rates not in excess of the rate of pay for GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(2)(A) Each member of the Commission shall be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code, for each day during which such member is engaged in the performance of duties as a member of the Commission.

(B) While away from his home or regular place of business in the performance of duties for the Commission, a member or staff personnel of the Commission shall be allowed travel expenses, including a per diem in lieu of subsistence, not to exceed the expenses allowed persons employed intermittently in Government service under section 5703 of title 5, United States Code.

(3) For purposes of pay and other employment benefits, rights, and privileges and for all other purposes, any employee of the Commission shall be considered to be a congressional employee as defined in section 2107 of title 5, United States Code.

(d)(1) A majority of the members of the Commission shall constitute a quorum.

(2) All decisions of the Commission shall be by majority vote.

(e) The Commission may make such reports in connection with its duties as it deems necessary to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, except that—

(1) not later than 5 days after receipt by the Congress of a report by the President under section 14 the Commission shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report addressing all the matters which are required to be included in reports of the President by paragraphs (1), (3), and (4) of section 14; and

(2) not later than September 30, 1986, the Commission shall prepare and transmit to the Congress a report on whether the Nicaraguan democratic resistance groups receiving assistance under this title have agreed to and are beginning to implement measures described in subparagraphs (A) through (F) of section 11(d)(1) and an evaluation of the factors described in section 11(d)(2).

(f)(1) Salaries and expenses of the Commission, but not more than $400,000, shall be paid from the contingent fund of the Senate out of the Account for Miscellaneous Items, in accordance with the provisions of this section.

(2) Funds made available to the Commission by paragraph (1) shall be disbursed on vouchers approved by the Chairman, except that no voucher shall be required for the

disbursement of the salary of an individual appointed under subsection (c).

(3) For purposes of section 502(b) of the Mutual Security Act of 1954, the Commission shall be deemed to be a standing committee of the Congress and shall be entitled to use of funds in accordance with such section.

(g) The Commission shall terminate not later than 90 days after transmittal of the reports required by subsection (e).

PRESIDENTIAL REPORTING REQUIREMENT

SEC. 214. The President shall prepare and transmit to the Congress with each determination required by section 11 a report on actions taken to achieve a resolution of the conflict in Central America in a manner that meets the concerns described in section 3(a). Each such report shall include—

(1) a detailed statement of the status of negotiations toward a negotiated settlement of the conflict in Central America, including the willingness of the Nicaraguan democratic resistance and the Government of Nicaragua to negotiate a settlement;

(2) a detailed accounting of the disbursements made to provide assistance with the funds transferred under section 6(a) and a detailed statement of how the accountability standards, procedures and controls established under section 7(b) and 11(d)(1)(F) are being implemented so as to assure that all such funds are fully accounted for and are being used exclusively for the purposes authorized by this title;

(3) a discussion of alleged human rights violations by the Nicaraguan democratic resistance and the Government of Nicaragua, including a statement of the steps taken by the Nicaraguan democratic resistance to remove from their ranks any individuals who have engaged in human rights abuses; and

(4) an evaluation of the progress made by the Nicaraguan democratic resistance in broadening its political base and defining a unified and coordinated program for achieving representative democracy in Nicaragua.

REQUESTS FOR ADDITIONAL ASSISTANCE

SEC. 215. The provisions of subsections (s) and (t) of section 722 of the International Security and Development Cooperation Act of 1985 shall apply—

(1) with respect to any request described in section 722(p) of such Act submitted by the President to the Congress on or after the date of enactment of this title, and

(2) with respect to any request by the President for additional economic assistance for the Central American democracies to carry out recommendations contained in the report required by section 5(c)(1)(B) (in which case references to a joint resolution in subsections (s) and (t) of section 722 of such Act shall be deemed to be references to a joint resolution without a preamble, the matter after the resolving clause of which is as follows: "That the Congress approves the additional economic assistance for the Central American democracies that the President requested pursuant to title of the Military Construction Appropriation Act, 1987."),

except that, for purposes of consideration in a House of Congress of a joint resolution under subsection (s) or (t) of such section, amendments to such a joint resolution may be in order but only if such amendments are germane.

LIMITATION ON PARTICIPATION OF UNITED STATES GOVERNMENT PERSONNEL IN DELIVERY OF ASSISTANCE

SEC. 216. (a) United States Government personnel may not provide any training or other service, or otherwise participate directly or indirectly in the provision of any assistance, to the Nicaraguan democratic resistance pursuant to this title within those land areas of Honduras and Costa Rica which are within 20 miles of the border with Nicaragua.

(b) As used in this section, the term "United States Government personnel" means—

(1) any member of the United States Armed Forces who is on active duty or is performing inactive duty training; and

(2) any employee of any department, agency, or other component of the executive branch of the United States Government;

but does not include any officer or employee of the United States General Accounting Office of any employee of the Inspector General of the Department of State and the Foreign Service who is carrying out inspections, investigations, or audits with respect to assistance for the Nicaraguan democratic resistance pursuant to this title.

SHORT TITLE

SECTION 1. This Act may be cited as the "Comprehensive Anti-Apartheid Act of 1986".

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SEC. 2. The table of contents of this Act is as follows:

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Sec. 601. Regulatory authority.
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Sec. 604. Applicability to evasions of Act.
Sec. 605. Construction of Act.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "Code of Conduct" refers to the principles set forth in section 208(a);

(2) the term "controlled South African entity" means—

(A) a corporation, partnership, or other business association or entity organized in South Africa and owned or controlled, directly or indirectly, by a national of the United States; or

(B) a branch, office, agency, or sole proprietorship in South Africa of a national of the United States;

(3) the term "loan"—

(A) means any transfer or extension of funds or credit on the basis of an obligation to repay, or any assumption or guarantee of the obligation of another to repay an extension of funds or credit, including—

(i) overdrafts,

(ii) currency swaps,

(iii) the purchase of debt or equity securities issued by the Government of South Africa or a South African entity on or after the date of enactment of this Act,

(iv) the purchase of a loan made by another person,

(v) the sale of financial assets subject to an agreement to repurchase, and

(vi) a renewal or refinancing whereby funds or credits are transferred or extended to the Government of South Africa or a South African entity, and

(B) does not include—

(i) normal short-term trade financing, as by letters of credit or similar trade credits;

(ii) sales on open account in cases where such sales are normal business practice; or

(iii) rescheduling of existing loans, if no new funds or credits are thereby extended to a South African entity or the Government of South Africa;

(4) the term "new investment"—

(A) means—

(i) a commitment or contribution of funds or other assets, and

(ii) a loan or other extension of credit, and

(B) does not include—

(i) the reinvestment of profits generated by a controlled South African entity into that same controlled South African entity or the investment of such profits in a South African entity;

(ii) contributions of money or other assets where such contributions are necessary to enable a controlled South African entity to operate in an economically sound manner, without expanding its operations; or

(iii) the ownership or control of a share or interest in a South African entity or a controlled South African entity of a debt or equity security issued by the Government of South Africa or a South African entity before the date of enactment of this Act, or the transfer or acquisition of such a share, interest, or debt or equity security, if any such transfer or acquisition does not result in a payment, contribution of funds or assets, or credit to a South African entity, a controlled South African entity, or the Government of South Africa;

(5) the term "national of the United States" means—

(A) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States or is an alien lawfully admitted for permanent residence in the United States, as defined by section 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(20)); or

(B) a corporation, partnership, or other business association which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia;

(6) the term "South Africa" refers to the territory that constituted the Republic of South Africa on May 31, 1961;

(7) the term "South African entity" means—

(A) a corporation, partnership, or other business association or entity organized in South Africa; or

(B) a branch, office, agency, or sole proprietorship in South Africa of a person that resides or is organized outside South Africa; and

(8) the term "United States" includes the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

PURPOSE

SEC. 4. The purpose of this Act is to set forth a comprehensive and complete framework to guide the efforts of the United States in helping to bring an end to apartheid in South Africa and lead to the establishment of a nonracial, democratic form of government. This Act sets out United States policy toward the Government of South Africa, the victims of apartheid, and the other states in southern Africa. It also provides the President with additional authority to work with the other industrial democracies to help end apartheid and establish democracy in South Africa.

TITLE I—POLICY OF THE UNITED STATES WITH RESPECT TO ENDING APARTHEID

POLICY TOWARD THE GOVERNMENT OF SOUTH AFRICA

SEC. 101. (a) United States policy toward the Government of South Africa shall be designed to bring about reforms in that system of government that will lead to the establishment of a nonracial democracy.

(b) The United States will work toward this goal by encouraging the Government of South Africa to—

(1) suspend the present state of emergency and respect the principal of equal justice under law for citizens of all races;

(2) release Nelson Mandela, Govan Mbeki, Walter Sisulu, black trade union leaders, and all political prisoners;

(3) permit the free exercise by South Africans of all races of the right to form political parties, express political opinions, and otherwise participate in the political process;

(4) establish a timetable for the elimination of apartheid laws;

(5) negotiate with representatives of all racial groups in South Africa the future political system in South Africa; and

(6) end military and paramilitary activities aimed at neighboring states.

(c) The United States will encourage the actions set forth in subsection (b) through economic, political, and diplomatic measures as set forth in this Act. The United States will adjust its actions toward the Government of South Africa to reflect the progress or lack of progress made by the Government of South Africa in meeting the goal set forth in subsection (a).

POLICY TOWARD THE VICTIMS OF APARTHEID

SEC. 102. (a) The United States policy toward the victims of apartheid is to use economic, political, diplomatic, and other effective means to achieve the removal of the root cause of their victimization, which is the apartheid system. In anticipation of the removal of the system of apartheid and as a further means of challenging that system, it is the policy of the United States to assist these victims of apartheid as individuals and through organizations to overcome the handicaps imposed on them by the system of apartheid and to prepare themselves for their rightful roles as full participants in the political, social, economic, and intellectual life of their country in the post-apartheid South Africa envisioned by this Act.

(b) The United States will work toward the purposes of subsection (a) by—

(1) providing assistance to South African victims of apartheid without discrimination by race, color, sex, religious belief, or political orientation, to take advantage of educational opportunities in South Africa and in the United States to prepare for leadership positions in a post-apartheid South Africa;

(2) assisting victims of apartheid;

(3) aiding individuals or groups in South Africa whose goals are to aid victims of apartheid or foster nonviolent legal or political challenges to the apartheid laws;

(4) furnishing direct financial assistance to those whose nonviolent activities had led to their arrest or detention by the South African authorities;

(5) intervening at the highest political levels in South Africa to express the strong desire of the United States to see the development in South Africa of a nonracial democratic society; and

(6) supporting the rights of the victims of apartheid through political, economic, or other sanctions in the event the Government of South Africa government fails to make progress toward the removal of the apartheid laws and the establishment of such democracy.

POLICY TOWARD OTHER COUNTRIES IN SOUTHERN AFRICA

SEC. 103. (a) The United States policy toward the other countries in the Southern African region shall be designed to encourage democratic forms of government, full respect for human rights, political independence, and economic development.

(b) The United States will work toward the purposes of subsection (a) by—

(1) helping to secure the independence of Namibia and the establishment of Namibia on a nonracial democracy in accordance with appropriate United Nations Security Council resolutions;

(2) supporting the removal of all foreign military forces from the region;

(3) encouraging the nations of the region to settle differences through peaceful means;

(4) promoting economic development through bilateral and multilateral economic assistance targeted at increasing opportunities in the productive sectors of national economies, with a particular emphasis on increasing opportunities for nongovernmental economic activities;

(5) encouraging, and when necessary, strongly demanding, that all countries of the region respect the human rights of their citizens and noncitizens residing in the country, and especially the release of persons persecuted for their political beliefs or detained without trial; and

(6) providing appropriate assistance, within the limitations of American responsibilities at home and in other regions, to assist regional economic cooperation and the development of interregional transportation and other capital facilities necessary for economic growth.

POLICY TOWARD "FRONTLINE" STATES

SEC. 104. It is the sense of the Congress that the President should discuss with the governments of the African "frontline" states the effects on them of disruptions in transportation or other economic links through South Africa and of means of reducing those effects.

POLICY TOWARD A NEGOTIATED SETTLEMENT

SEC. 105. (a)(1) United States policy will seek to promote negotiations among representatives of all citizens of South Africa to determine a future political system that would permit all citizens to be full participants in the governance of their country. The United States recognizes that important and legitimate political parties in South Africa include several organizations that have been banned and will work for the unbanning of such organizations in order to permit legitimate political viewpoints to be represented at such negotiations.

(2) To this end, it is the sense of the Congress that the President, the Secretary of State, or other appropriate high-level United States officials should meet with the leaders of opposition organizations of South Africa, particularly but not limited to those organizations representing the black majority. Furthermore, the President, in concert with the major allies of the United States and other interested parties, should seek to bring together opposition political leaders with leaders of the Government of South Africa for the purpose of negotiations to achieve a transition to a post-apartheid democracy envisioned in this Act.

(b) The United States will encourage the Government of South Africa and all participants to the negotiations to respect the right of all South Africans to form political parties, express political opinions, and otherwise participate in the political process without fear of retribution by either governmental or nongovernmental organizations. It is the sense of the Congress that a suspension of violence is an essential precondition for the holding of negotiations. The United States calls upon all parties to the conflict to agree to a suspension of violence.

(c) The United States will work toward the achievement of agreement to suspend violence and begin negotiations through coordinated actions with the major Western allies and with the governments of the countries in the region.

(d) It is the sense of the Congress that the achievement of an agreement for negotiations could be promoted if the United States and its major allies, such as Great Britain, Canada, France, Italy, Japan, and West Germany, would hold a meeting to develop a four-point plan to discuss with the Government of South Africa a proposal for stages of multilateral assistance to South Africa in return for the Government of South Africa implementing—

(1) an end to the state of emergency and the release of the political prisoners, including Nelson Mandela;

(2) the unbanning of the African National Congress, the Pan African Congress, the Black Consciousness Movement, and all other groups willing to participate in negotiations and a democratic process;

(3) a revocation of the Group Areas Act and the Population Registration Act and the granting of universal citizenship to all South Africans, including homeland residents; and

(4) the use of the international offices of a third party as an intermediary to bring about negotiations with the object of establishment of power-sharing with the black majority.

POLICY TOWARD INTERNATIONAL COOPERATION ON MEASURES TO END APARTHEID

SEC. 106. (a) The Congress finds that—

(1) international cooperation is a prerequisite to an effective anti-apartheid policy; and

(2) the situation in South Africa constitutes an emergency in international relations and that action is necessary for the protection of the essential security interests of the United States.

(b) Accordingly, the Congress urges the President to seek such cooperation among all individuals, groups, and nations.

POLICY TOWARD NECKLACING

SEC. 107. It is the sense of the Congress that the African National Congress should strongly condemn and take effective actions against the execution by fire, commonly known as "necklacing", of any person in any country.

TITLE II—MEASURES TO ASSIST VICTIMS OF APARTHEID

SCHOLARSHIPS FOR THE VICTIMS OF APARTHEID

SEC. 201. Section 105(b) of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end thereof the following new paragraph:

"(2)(A) Of the assistance provided under this section by the Administrator of the agency primarily responsible for administering this part of this Act—

"(i) for the fiscal year 1987, $8,000,000;

"(ii) for the fiscal year 1988, $11,000,000; and

"(iii) for the fiscal year 1989 and each fiscal year thereafter, $15,000,000,

shall be used to finance education, training, and scholarships for the victims of apartheid who are attending universities, colleges, and secondary schools in South Africa and who are selected in accordance with subparagraph (B). Of the funds available under the preceding sentence to carry out this subparagraph, not less than one-third shall be available only for assistance to full-time teachers or other educational professionals pursuing studies toward the improvement of their professional credentials.

"(B) Of the funds provided in subparagraph (A) for each fiscal year, 50 percent shall be available for educational assistance for the victims of apartheid in accordance with section 802(c) of the International Security and Development Cooperation Act of 1985. The remainder of the funds in each fiscal year which are not made available under the preceding sentence shall be available to finance scholarships for individuals selected by a nationwide panel or by regional panels composed solely of members of the teaching profession appointed by the United States chief of diplomatic mission to South Africa. No such individual may be selected through any contract entered into with the agency primarily responsible for administering this part of this Act.".

HUMAN RIGHTS FUND

SEC. 202. (a) Section 116(e)(2)(A) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "1984 and" and inserting in lieu thereof "1984,"; and

(2) by inserting after "1985" a comma and the following: "and $1,500,000 for the fiscal year 1986 and for each fiscal year thereafter".

(b) Section 116 of such Act is amended by adding at the end thereof the following new subsection:

"(f) Of the funds made available to carry out subsection (e)(2)(A) for each fiscal year, $350,000 shall be used for direct legal and other assistance to political detainees and prisoners and their families, including the investigation of the killing of protesters and prisoners, and for support for actions of black-led community organizations to resist, through nonviolent means, the enforcement of apartheid policies such as—

"(1) removal of black populations from certain geographic areas on account of race or ethnic origin,

"(2) denationalization of blacks, including any distinctions between the South African citizenships of blacks and whites,

"(3) residence restrictions based on race or ethnic origin,

"(4) restrictions on the rights of blacks to seek employment in South Africa and live wherever they find employment in South Africa, and

"(5) restrictions which make it impossible for black employees and their families to be housed in family accommodations near their place of employment.".

EXPANDING PARTICIPATION IN THE SOUTH AFRICAN ECONOMY

SEC. 203. (a) The Congress declares that—

(1) the denial under the apartheid laws of South Africa of the rights of South African blacks and other nonwhites to have the opportunity to participate equitably in the South African economy as managers or owners of, or professionals in, business enterprises, and

(2) the policy of confining South African blacks and other nonwhites to the status of employees in minority-dominated businesses,

is an affront to the values of a free society.

(b) The Congress hereby—

(1) applauds the commitment of nationals of the United States adhering to the Code of Conduct to assure that South African blacks and other nonwhites are given assistance in gaining their rightful place in the South African economy; and

(2) urges the United States Government to assist in all appropriate ways the realization by South African blacks and other nonwhites of their rightful place in the South African economy.

(c) Notwithstanding any other provision of law, the Secretary of State and any other head of a department or agency of the United States carrying out activities in South Africa shall, to the maximum extent practicable, in procuring goods or services, make affirmative efforts to assist business enterprises having more than 50 percent beneficial ownership by South African blacks or other nonwhite South Africans.

EXPORT-IMPORT BANK OF THE UNITED STATES

SEC. 204. Section 2(b)(9) of the Export-Import Bank Act of 1945 is amended—

(1) by striking out "(9) In" and inserting in lieu thereof "(9)(A) Except as provided in subparagraph (B), in"; and

(2) by adding at the end thereof the following:

"(B) The Bank shall take active steps to encourage the use of its facilities to guarantee, insure, extend credit, or participate in the extension of credit to business enterprises in South Africa that are majority owned by South African blacks or other nonwhite South Africans. The certification requirement contained in clause (c) of subparagraph (A) shall not apply to exports to or purchases from business enterprises which are majority owned by South African blacks or other nonwhite South Africans.".

LABOR PRACTICES OF THE UNITED STATES GOVERNMENT IN SOUTH AFRICA

SEC. 205. (a) It is the sense of the Congress that the labor practices used by the United States Government—

(1) for the direct hire of South Africans,

(2) for the reimbursement out of official residence funds of South Africans and employees of South African organizations for their long-term employment services on behalf of the United States Government, and

(3) for the employment services of South Africans arranged by contract,

should represent the best of labor practices in the United States and should serve as a model for the labor practices of nationals of the United States in South Africa.

(b) The Secretary of State and any other head of a department or agency of the United States carrying out activities in South Africa shall promptly take, to the extent permitted by law, the necessary steps

to ensure that the labor practices applied to the employment services described in paragraphs (1) through (3) of subsection (a) are governed by the Code of Conduct.

WELFARE AND PROTECTION OF VICTIMS OF APARTHEID EMPLOYED BY THE UNITED STATES

SEC. 206. (a) The Secretary of State shall acquire, through lease or purchase, residential properties in the Republic of South Africa that shall be made available, at rents that are equitable, to assist victims of apartheid who are employees of the United States Government in obtaining adequate housing. Such properties shall be acquired only in neighborhoods which would be open to occupancy by other employees of the United States Government in South Africa.

(b) There are authorized to be appropriated $10,000,000 for the fiscal year 1987 to carry out the purposes of this section.

EMPLOYMENT PRACTICES OF UNITED STATES NATIONALS IN SOUTH AFRICA

SEC. 207. (a) Any national of the United States that employs more than 25 persons in South Africa shall take the necessary steps to insure that the Code of Conduct is implemented.

(b) No department or agency of the United States may intercede with any foreign government or foreign national regarding the export marketing activities in any country of any national of the United States employing more than 25 persons in South Africa that is not implementing the Code of Conduct.

CODE OF CONDUCT

SEC. 208. (a) The Code of Conduct referred to in sections 203, 205, 207, and 210 of this Act is as follows:

(1) desegregating the races in each employment facility;

(2) providing equal employment opportunity for all employees without regard to race or ethnic origin;

(3) assuring that the pay system is applied to all employees without regard to race or ethnic origin;

(4) establishing a minimum wage and salary structure based on the appropriate local minimum economic level which takes into account the needs of employees and their families;

(5) increasing by appropriate means the number of persons in managerial, supervisory, administrative, clerical, and technical jobs who are disadvantaged by the apartheid system for the purpose of significantly increasing their representation in such jobs;

(6) taking reasonable steps to improve the qualify of employees' lives outside the work environment with respect to housing, transportation, schooling, recreation, and health; and

(7) implementing fair labor practices by recognizing the right of all employees, regardless of racial or other distinctions, to self-organization and to form, join, or assist labor organizations, freely and without penalty or reprisal, and recognizing the right to refrain from any such activity.

(b) It is the sense of the Congress that in addition to the principles enumerated in subsection (a), nationals of the United States subject to section 207 should seek to comply with the following principle: taking reasonable measures to extend the scope of influence on activities outside the workplace, including—

(1) supporting the unrestricted rights of black businesses to locate in urban areas;

(2) influencing other companies in South Africa to follow the standards of equal rights principles;

(3) supporting the freedom of mobility of black workers to seek employment opportunities wherever they exist, and make provision for adequate housing for families of employees within the proximity of workers' employment; and

(4) supporting the rescission of all apartheid laws.

(c) The President may issue additional guidelines and criteria to assist persons who are or may be subject to section 207 in complying with the principles set forth in subsection (a) of this section. The President may, upon request, give an advisory opinion to any person who is or may be subject to this section as to whether that person is subject to this section or would be considered to be in compliance with the principles set forth in subsection (a).

(d) The President may require all nationals of the United States referred to in section 207 to register with the United States Government.

(e) Notwithstanding any other provision of law, the President may enter into contracts with one or more private organizations or individuals to assist in implementing this section.

PROHIBITION ON ASSISTANCE

SEC. 209. No assistance may be provided under this Act to any group which maintains within its ranks any individual who has been found to engage in gross violations of internationally recognized human rights (as defined in section 502B(d)(1) of the Foreign Assistance Act of 1961).

PROHIBITION ON NEW INVESTMENTS IN CERTAIN FIRMS

SEC. 210. No national of the United States may make or approve any new investment in South Africa to, or on behalf of, any controlled South African entity employing 25 or more individuals if such entity is not implementing the Code of Conduct.

USE OF THE AFRICAN EMERGENCY RESERVE

SEC. 211. Whenever the President determines that such action is necessary or appropriate to meet food shortages in southern Africa, the President is authorized to utilize the existing, authorized, and funded reserve entitled the "African Emergency Reserve" to provide food assistance and transportation for that assistance.

TITLE III—MEASURES BY THE UNITED STATES TO UNDERMINE APARTHEID

PROHIBITION ON THE IMPORTATION OF KRUGERRANDS

SEC. 301. No person, including a bank, may import into the United States any South African krugerrand or any other gold coin minted in South Africa or offered for sale by the Government of South Africa.

PROHIBITION ON THE IMPORTATION OF MILITARY ARTICLES

SEC. 302. No arms, ammunition, or military vehicles produced in South Africa or any manufacturing data for such articles may be imported into the United States.

PROHIBITION ON THE IMPORTATION OF PRODUCTS FROM PARASTATAL ORGANIZATIONS

SEC. 303. (a) Notwithstanding any other provision of law, no article which is grown, produced, or manufactured by a parastatal organization of South Africa may be imported into the United States, except for those strategic minerals for which the President has certified to the Congress that the quantities essential for the economy or defense of the United States are unavailable from reliable and secure suppliers.

(b) For purposes of this section, the term "parastatal organization" means a corporation or partnership owned or controlled by the Government of South Africa.

PROHIBITION ON COMPUTER EXPORTS TO SOUTH AFRICA

SEC. 304. (a) No computers, computer software, or goods or technology intended to manufacture or service computers may be exported to or for use by any of the following entities of the Government of South Africa:

(1) The military.

(2) The police.

(3) The prison system.

(4) The national security agencies.

(5) ARMSCOR and its subsidiaries or the weapons research activities of the Council for Scientific and Industrial Research.

(6) The administering authorities for controlling the movements of the victims of apartheid.

(7) Any apartheid enforcing agency.

(8) Any local, regional, or homelands government entity which performs any function of any entity described in paragraphs (1) through (7).

(b)(1) Computers, computer software, and goods or technology intended to service computers may be exported, directly or indirectly, to or for use by an entity of the Government of South Africa other than those set forth in subsection (a) only if a system of end use verification is in effect to ensure that the computers involved will not be used for any function of any entity set forth in subsection (a).

(2) The Secretary of Commerce may prescribe such rules and regulations as may be necessary to carry out this section.

PROHIBITION ON LOANS TO THE GOVERNMENT OF SOUTH AFRICA

SEC. 305. (a) No national of the United States may make or approve any loan or other extension of credit, directly or indirectly, to the Government of South Africa or to any corporation, partnership or other organization which is owned or controlled by the Government of South Africa.

(b) The prohibition contained in subsection (a) shall not apply to—

(1) a loan or extension of credit for any education, housing, or humanitarian benefit which—

(A) is available to all persons on a nondiscriminatory basis; or

(B) is available in a geographic area accessible to all population groups without any legal or administrative restriction; or

(2) a loan or extension of credit for which an agreement is entered into before the date of enactment of this Act.

PROHIBITION ON AIR TRANSPORTATION WITH SOUTH AFRICA

SEC. 306. (a)(1) The Secretary of State shall terminate the Agreement Between the Government of the United States of America and the Government of the Union of South Africa Relating to Air Services Between Their Respective Territories, signed May 23, 1947, in accordance with the provisions of that agreement.

(2) Upon termination of such agreement, the Secretary of Transportation shall prohibit any aircraft of a foreign air carrier owned, directly or indirectly, by the Government of South Africa or by South African nationals from engaging in air transportation with respect to the United States.

(b) The Secretary of Transportation may provide for such exceptions from the prohibition contained in subsection (a) as the

Secretary considers necessary to provide for emergencies in which the safety of an aircraft or its crew or passengers are threatened.

(c) For purposes of this section, the terms "aircraft", "air transportation", and "foreign air carrier" have the meanings given those terms in section 101 of the Federal Aviation Act of 1958 (49 U.S.C. 1301).

PROHIBITIONS ON NUCLEAR TRADE WITH SOUTH AFRICA

SEC. 307. (a) Notwithstanding any other provision of law—

(1) the Nuclear Regulatory Commission shall not issue any license for the export to South Africa of production or utilization facilities, any source or special nuclear material or sensitive nuclear technology, or any component parts, items, or substances which the Commission has determined, pursuant to section 109b. of the Atomic Energy Act, to be especially relevant from the standpoint of export control because of their significance for nuclear explosive purposes;

(2) the Secretary of Commerce shall not issue any license for the export to South Africa of any goods or technology which have been determined, pursuant to section 309(c) of the Nuclear Non-Proliferation Act of 1978, to be of significance for nuclear explosive purposes for use in, or judged by the President to be likely to be diverted to, a South African production or utilization facility;

(3) the Secretary of Energy shall not, under section 57b.(2) of the Atomic Energy Act, authorize any person to engage, directly or indirectly, in the production of special nuclear material in South Africa; and

(4) no goods, technology, source or special nuclear material, facilities, components, items, or substances referred to in clauses (1) through (3) shall be approved by the Nuclear Regulatory Commission or an executive branch agency for retransfer to South Africa,

unless the Secretary of State determines and certifies to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that the Government of South Africa is a party to the Treaty on the Non-Proliferation of Nuclear Weapons, done at Washington, London, and Moscow on July 1, 1968, or otherwise maintains International Atomic Energy Agency safeguards on all its peaceful nuclear activities, as defined in the Nuclear Non-Proliferation Act of 1978.

(b) Nothing in this section shall preclude—

(1) any export, retransfer, or activity generally licensed or generally authorized by the Nuclear Regulatory Commission or the Department of Commerce or the Department of Energy; or

(2) assistance for the purpose of developing or applying International Atomic Energy Agency or United States bilateral safeguards, for International Atomic Energy Agency programs generally available to its member states, for reducing the use of highly enriched uranium in research or test reactors, or for other technical programs for the purpose of reducing proliferation risks, such as programs to extend the life of reactor fuel and activities envisaged by section 223 of the Nuclear Waste Policy Act of 1982 or which are necessary for humanitarian reasons to protect the public health and safety.

(c) The prohibitions contained in subsection (a) shall not apply with respect to a particular export, retransfer, or activity, or a group of exports, retransfers, or activities, if the President determines that to apply the prohibitions would be seriously prejudicial to the achievement of United States nonproliferation objectives or would otherwise jeopardize the common defense and security of the United States and, if at least 60 days before the initial export, retransfer, or activity is carried out, the President submits to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth that determination, together with his reasons therefor.

RESTRICTIONS ON ISSUANCE OF VISAS TO SOUTH AFRICAN NATIONALS

SEC. 308. (a) The Congress finds that—

(1) American journalists, scholars, and clergy, among others, have experienced problems in obtaining visas to visit South Africa; and

(2) South African officials may have visited the United States to gather, surreptitiously, information useful in circumventing the international arms embargo in effect against South Africa.

(b)(1) Notwithstanding any other provision of law, the President shall define a class of persons consisting of all officials of the Government of South Africa, including individuals performing services for the Government of South Africa, and members of their immediate families.

(2) On or after the date of enactment of this Act, no visa for admission to the United States may be issued to any individual in such class except on a case-by-case basis in the discretion of the Secretary of State.

(3) No visa issued before the date of enactment of this Act to a nonimmigrant alien described in section 101(a)(15)(A) of the Immigration and Nationality Act shall be valid after a date which is 30 days after the date of enactment of this Act, unless such visa is sooner renewed.

SALES OF GOLD STOCKS

SEC. 309. Whenever the President determines that such action is necessary or appropriate to affect the price of gold on the world markets and thereby to carry out the purpose of this Act, the President is authorized to sell United States gold stocks on the open market and to engage in other transactions involving gold in such manner as the President may prescribe.

GOVERNMENT OF SOUTH AFRICA BANK ACCOUNTS

SEC. 310. (a) A United States depository institution may not accept, receive, or hold a deposit account from the Government of South Africa or from any agency or entity owned or controlled by the Government of South Africa except for such accounts which may be authorized by the President for diplomatic or consular purposes. For purposes of the preceding sentence, the term "depository institution" has the same meaning as in section 19(b)(1) of the Federal Reserve Act.

(b) The prohibition contained in subsection (a) shall take effect 45 days after the date of enactment of this Act.

PROHIBITION ON IMPORTATION OF URANIUM AND COAL FROM SOUTH AFRICA

SEC. 311. (a) Notwithstanding any other provision of law, no—

(1) uranium ore,

(2) uranium oxide, or

(3) coal,

that is produced or manufactured in South Africa may be imported into the United States.

(b) This section shall take effect 90 days after the date of enactment of this Act.

PROHIBITION ON NEW INVESTMENT IN SOUTH AFRICA

SEC. 312. (a) No national of the United States may, directly or through another person, make any new investment in South Africa.

(b) The prohibition contained in subsection (a) shall take effect 30 days after the date of enactment of this Act.

TERMINATION OF CERTAIN PROVISIONS

SEC. 313. (a) The provisions of sections 301 through 312 and sections 501(c) and 503(b) shall terminate if the Government of South Africa—

(1) releases political prisoners and Nelson Mandela from prison;

(2) repeals the state of emergency in effect on the date of enactment of this Act and releases all detainees held under such state of emergency;

(3) unbans democratic political parties;

(4) repeals the Group Areas and Population and Registration Act; and

(5) publicly commits itself to good faith negotiations with truly representative members of the black majority without preconditions.

(b) The President may suspend or modify any of the measures required by sections 301 through 312 or section 501(c) or section 503(b) thirty days after he determines, and so reports to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, that the Government of South Africa has—

(1) taken the action described in paragraph (1) of subsection (a),

(2) taken three of the four actions listed in paragraphs (2) through (5) of subsection (a), and

(3) made substantial progress toward dismantling the system of apartheid and establishing a nonracial democracy,

unless the Congress enacts within such thirty-day period, in accordance with section 602 of this Act, a joint resolution disapproving the determination of the President under this subsection.

TITLE IV—MULTILATERAL MEASURES TO UNDERMINE APARTHEID

NEGOTIATING AUTHORITY

SEC. 401. (a)(1) It is the policy of the United States to seek international cooperation with the industrialized democracies on measures which will encourage an end to apartheid. The net economic effect of such cooperation should be at least equal to the net economic effect of the measures imposed by this Act.

(2) For purposes of paragraph (1), the term "net economic effect" means the cumulative impact on the South African economy as a whole of the measures imposed under this sections 301 through 312.

(b) Negotiations to reach international cooperative arrangements with the other industrialized democracies should begin promptly and should be concluded not later than 180 days after the date of enactment of this Act.

(c) If the President successfully concludes an international agreement on measures described in subsection (a), he may, 30 days after the text of such agreement has been received by the Congress, adjust, modify, or otherwise amend the measures imposed under any provision of sections 301 through 312 to conform with such agreement.

(d) Each agreement submitted to the Congress under this subsection shall enter into force with respect to the United States if (and only if)—

(1) the President, not less 30 days before the day on which he enters into such agreement, notifies the House of Representatives and the Senate of his intention to enter into such an agreement, and promptly thereafter publishes notice of such intention in the Federal Register;

(2) after entering into the agreement, the President transmits a document to the House of Representatives and to the Senate containing a copy of the final text of such agreement together with—

(A) a description of any administrative action proposed to implement such agreement and an explanation as to how the proposed administrative action would change or affect existing law, and

(B) a statement of his reasons as to how the agreement serves the interest of United States foreign policy and as to why the proposed administrative action is required or appropriate to carry out the agreement; and

(3) a joint resolution of disapproval has not been adopted within 30 days of transmittal of such document to the Congress.

UNFAIR TRADE PRACTICES

SEC. 402. The Congress declares that it shall be an unfair trade practice under section 301(a)(1)(B)(ii) of the Trade Act of 1974 for any foreign person, partnership, or corporation to benefit from or otherwise take commercial advantage of any sanction or prohibition against any national of the United States imposed by or under this Act.

PRIVATE RIGHT OF ACTION

SEC. 403. (a) Any national of the United States who is required by this Act to terminate or curtail business activities in South Africa may bring a civil action for damages against any person, partnership, or corporation that takes commercial advantage or otherwise benefits from such termination or curtailment.

(b) The action described in subsection (a) may only be brought, without respect to the amount in controversy, in the United States district court for the District of Columbia or the Court of International Trade. Damages which may be recovered include lost profits and the cost of bringing the action, including a reasonable attorney's fee.

(c) The injured party must show by a preponderance of the evidence that the damages have been the direct result of defendant's action taken with the deliberate intent to injure the party.

TITLE V—FUTURE POLICY TOWARD SOUTH AFRICA

ADDITIONAL MEASURES

SEC. 501. (a) It shall be the policy of the United States to impose additional measures against the Government of South Africa if substantial progress has not been made within 12 months of the date of enactment of this Act in ending the system of apartheid and establishing a nonracial democracy.

(b) The President shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate within twelve months of the date of enactment of this Act, and every twelve months thereafter, a report on the extent to which significant progress has been made toward ending the system of apartheid, including—

(1) an assessment of the extent to which the Government of South Africa has taken the steps set forth in section 101(b) of this Act;

(2) an analysis of any other actions taken by the Government of South Africa in ending the system of apartheid and moving toward a nonracial democracy; and

(3) the progress, or lack of progress, made in reaching a negotiated settlement to the conflict in South Africa.

(c) If the President determines that significant progress has not been made by the Government of South Africa in ending the system of apartheid and establishing a nonracial democracy, the President shall include in the report required by subsection (b) a recommendation on which of the following additional measures should be imposed:

(1) a prohibition on the importation of steel from South Africa;

(2) a prohibition on military assistance to those countries that the report required by section 507 identifies as continuing to circumvent the international embargo on arms and military technology to South Africa;

(3) a prohibition on the importation of food, agricultural products, diamonds, and textiles from South Africa;

(4) a prohibition on United States banks accepting, receiving, or holding deposit accounts from South African nationals; and

(5) a prohibition on the importation into the United States of strategic minerals from South Africa.

(d) A joint resolution which would enact part or all of the measures recommended by the President pursuant to subsection (c) shall be considered in accordance with the provisions of section 602 of this Act.

STUDY OF HEALTH CONDITIONS IN THE "HOMELANDS" AREAS OF SOUTH AFRICA

SEC. 502. The Secretary of State shall conduct a study to examine the state of health conditions and to determine the extent of starvation and malnutrition now prevalent in the "homelands" areas of South Africa and shall, not later than December 1, 1986, prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth the results of such study.

REPORT ON SOUTH AFRICAN IMPORTS

SEC. 503. (a) Not later than 90 days after the date of enactment of this Act, the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report on the extent to which the United States is dependent on the importation from South Africa of—

(1) chromium,

(2) cobalt,

(3) manganese,

(4) platinum group metals,

(5) ferroalloys, and

(6) other strategic and critical materials (within the meaning of the Strategic and Critical Materials Stock Piling Act).

(b) The President shall develop a program which reduces the dependence, if any, of the United States on the importation from South Africa of the materials identified in the report submitted under subsection (a).

STUDY AND REPORT ON THE ECONOMY OF SOUTHERN AFRICA

SEC. 504. (a) The President shall conduct a study on the role of American assistance in southern Africa to determine what needs to be done, and what can be done to expand the trade, private investment, and transport prospects of southern Africa's landlocked nations.

(b) Not later than 180 days after the date of enactment of this Act, the President shall prepare and transmit to the chairman of the Committee on Foreign Relations of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth the findings of the study conducted under subsection (a).

REPORT ON RELATIONS BETWEEN OTHER INDUSTRIALIZED DEMOCRACIES AND SOUTH AFRICA

SEC. 505. (a) Not later than 180 days after the date of enactment of this Act, the President shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report containing a detailed assessment of the economic and other relationships of other industrialized democracies with South Africa. Such report shall be transmitted without regard to whether or not the President successfully concluded an international agreement under section 401.

(b) For purposes of this section, the phrase "economic and other relationships" includes the same types of matters as are described in sections 201, 202, 204, 205, 206, 207, sections 301 through 308, and sections 311 and 312 of this Act.

STUDY AND REPORT ON DEPOSIT ACCOUNTS OF SOUTH AFRICAN NATIONALS IN UNITED STATES BANKS

SEC. 506. (a)(1) The Secretary of State shall conduct a study on the feasibility of prohibiting each depository institution from accepting, receiving, or holding a deposit account from any South African national.

(2) For purposes of paragraph (1), the term "depository institution" has the same meaning as in section 19(b)(1) of the Federal Reserve Act.

(b) Not later than 180 days after the date of enactment of this Act, the Secretary of State shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report detailing the findings of the study required by subsection (a).

STUDY AND REPORT ON THE VIOLATION OF THE INTERNATIONAL EMBARGO ON SALE AND EXPORT OF MILITARY ARTICLES TO SOUTH AFRICA

SEC. 507. (a) The President shall conduct a study on the extent to which the international embargo on the sale and exports of arms and military technology to South Africa is being violated.

(b) Not later than 179 days after the date of enactment of this Act, the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth the findings of the study required by subsection (a), including an identification of those countries engaged in such sale or export, with a view to terminating United States military assistance to those countries.

TITLE VI—ENFORCEMENT AND ADMINISTRATIVE PROVISIONS

REGULATORY AUTHORITY

SEC. 601. The President shall issue such rules, regulations, licenses, and orders as are necessary to carry out the provisions of this Act, including taking such steps as may be necessary to continue in effect the measures imposed by Executive Order 12532 of September 9, 1985, and Executive Order 12535 of October 1, 1985, and by any rule, regulation, license, or order issued thereunder (to

the extent such measures are not inconsistent with this Act).

CONGRESSIONAL PRIORITY PROCEDURES

SEC. 602. (a)(1) The provisions of this subsection apply to the consideration in the House of Representatives of a joint resolution under sections 313(b), 401(d), and 501(d).

(2) A joint resolution shall, upon introduction, be referred to the Committee on Foreign Affairs of the House of Representatives.

(3)(A) At any time after the joint resolution placed on the appropriate calendar has been on that calendar for a period of 5 legislative days, it is in order for any Member of the House (after consultation with the Speaker as to the most appropriate time for the consideration of that joint resolution) to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of that joint resolution. The motion is highly privileged and is in order even though a previous motion to the same effect has been disagreed to. All points of order against the joint resolution under clauses 2 and 6 of Rule XXI of the Rules of the House are waived. If the motion is agreed to, the resolution shall remain the unfinished business of the House until disposed of. A motion to reconsider the vote by which the motion is disagreed to shall not be in order.

(B) Debate on the joint resolution shall not exceed ten hours, which shall be divided equally between a Member favoring and a Member opposing the joint resolution. A motion to limit debate is in order at any time in the House or in the Committee of the Whole and is not debatable.

(C) An amendment to the joint resolution is not in order.

(D) At the conclusion of the debate on the joint resolution, the Committee of the Whole shall rise and report the joint resolution back to the House, and the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion.

(b)(1) The provisions of this subsection apply to the consideration in the Senate of a joint resolution under section 313(b), 401(d), or 501(d).

(2) A joint resolution shall, upon introduction, be referred to the Committee on Foreign Relations of the Senate.

(3) A joint resolution described in this section shall be considered in the Senate in accordance with procedures contained in paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98-473), except that—

(A) references in such paragraphs to the Committee on Appropriations of the Senate shall be deemed to be references to the Committee on Foreign Relations of the Senate; and

(B) amendments to the joint resolution are in order.

(c) For purposes of this subsection, the term "joint resolution" means only—

(A) in the case of section 313(b), a joint resolution which is introduced in a House of Congress within 3 legislative days after the Congress receives the report described in section 313(b) and for which the matter after the resolving clause reads as follows: "That the Congress, having received on the report of the President containing the determination required by section 313(b) of the Comprehensive Anti-Apartheid Act of 1986, disapproves of such determination.", with the date of the receipt of the report inserted in the blank;

(B) in the case of section 401(d)(3), a joint resolution which is introduced in a House of Congress within 3 legislative days after the Congress receives the document described in section 401(d)(2) and for which the matter after the resolving clause reads as follows: "That the Congress, having received on the text of the international agreement described in section 401(d)(3) of the Comprehensive Anti-Apartheid Act of 1986, disapproves of such agreement.", with the date of the receipt of the text of the agreement inserted in the blank; and

(C) in the case of section 501(d), a joint resolution which is introduced in a House of Congress within 3 legislative days after the Congress receives the determination of the President pursuant to section 501(c) and for which the matter after the resolving clause reads as follows: "That the Congress, having received on a determination of the President under section 501(c) of the Comprehensive Anti-Apartheid Act of 1986, approves the President's determination.", with the date of the receipt of the determination inserted in the blank.

(d) As used in this section, the term "legislative day" means a day on which the House of Representatives or the Senate is in session, as the case may be.

(e) This section is enacted—

(1) as an exercise of the rulemaking powers of the House of Representatives and the Senate, and as such it is deemed a part of the Rules of the House and the Rules of the Senate, respectively, but applicable only with respect to the procedure to be followed in the House and the Senate in the case of joint resolutions under this section, and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(2) with full recognition of the constitutional right of the House and the Senate to change their rules at any time, in the same manner, and to the same extent as in the case of any other rule of the House or Senate, and of the right of the Committee on Rules of the House of Representatives to report a resolution for the consideration of any measure.

ENFORCEMENT AND PENALTIES

SEC. 603. (a)(1) The President with respect to his authorities under section 601 shall take the necessary steps to ensure compliance with the provisions of this Act and any regulations, licenses, and orders issued to carry out this Act, including establishing mechanisms to monitor compliance with this Act and such regulations, licenses, and orders.

(2) In ensuring such compliance, the President may—

(A) require any person to keep a full record of, and to furnish under oath, in the form of reports or otherwise, complete information relative to any act or transaction described in this Act either before, during, or after the completion thereof, or relative to any interest in foreign property, or relative to any property in which a foreign country or any national thereof has or has had any interest, or as may be otherwise necessary to enforce the provisions of this Act; and

(B) conduct investigations, hold hearings, administer oaths, examine witnesses, receive evidence, take depositions, and require by subpoena the attendance and testimony of witnesses and the production of all books, papers, and documents relating to any matter under investigation.

(b) Except as provided in subsection (d)—

(1) any person that violates the provisions of this Act, or any regulation, license, or order issued to carry out this Act shall be subject to a civil penalty of $50,000;

(2) any person, other than an individual, that willfully violates the provisions of this Act, or any regulation, license, or order issued to carry out this Act shall be fined not more than $1,000,000;

(3) any individual who willfully violates the provisions of this Act or any regulation, license, or order issued to carry out this Act shall be fined not more than $50,000, or imprisoned not more than 10 years, or both; and

(4) any individual who violates section 301(a) or any regulations issued to carry out that section shall, instead of the penalty set forth in paragraph (2), be fined not more than 5 times the value the krugerrands or gold coins involved.

(c)(1) Whenever a person commits a violation under subsection (b)—

(A) any officer, director, or employee of such person, or any natural person in control of such person who knowingly and willfully ordered, authorized, acquiesced in, or carried out the act or practice constituting the violation, and

(B) any agent of such person who knowingly and willfully carried out such act or practice,

shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

(2) Paragraph (1) shall not apply in the case of a violation by an individual of section 301(a) of this Act or of any regulation issued to carry out that section.

(3) A fine imposed under paragraph (1) on an individual for an act or practice constituting a violation may not be paid, directly or indirectly, by the person committing the violation itself.

(d)(1) Any person who violates any regulation issued under section 208(d) or who, in a registration statement or report required by the Secretary of State, makes any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading, shall be subject to a civil penalty of not more than $10,000 imposed by the Secretary of State. The provisions of subsections (d), (e), and (f) of section 11 of the Export Administration Act of 1979 shall apply with respect to any such civil penalty.

(2) Any person who commits a willful violation under paragraph (1) shall upon conviction be fined not more than $1,000,000 or imprisoned not more than 2 years, or both.

(3) Nothing in this section may be construed to authorize the imposition of any penalty for failure to implement the Code of Conduct.

APPLICABILITY TO EVASIONS OF ACT

SEC. 604. This Act and the regulations issued to carry out this Act shall apply to any person who undertakes or causes to be undertaken any transaction or activity with the intent to evade this Act or such regulations.

CONSTRUCTION OF ACT

SEC. 605. Nothing in this Act shall be construed as constituting any recognition by the United States of the homelands referred to in this Act.

DANFORTH AMENDMENT NO. 2418

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2274 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2419

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2275 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2420

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2277 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2421

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2278 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2422

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2279 to the bill S. 2638, supra, as follows:

At the end of the amendment add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2423

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2280 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2424

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2281 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Nothwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2425

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2282 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2426

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2283 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2427

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2284 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATION FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,886,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2428

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2285 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be

appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2429

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2286 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2430

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2287 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2431

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2288 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2432

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2289 to the bill S, 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2433

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2290 to the bill S, 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2434

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2291 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2435

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2292 to bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2436

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2293 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act; funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2437

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2294 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act; funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2438

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2295 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for opration and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2439

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2296 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2440

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2297 to the bill S. 2638, supra; as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follow:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2441

(Order to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2298 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Nothwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,886,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2442

(Order to lie on the table.)

Mr. DANFORTH submitted an amendment intended intended to be proposed by him to amendment No. 2299 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2443

(Order to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2300 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2444

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2301 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Nothwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2445

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2302 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2446

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2303 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2447

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2304 to the bill S. 2638, supra,as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2448

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2305 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2449

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2306 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be

appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2450

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2307 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2451

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2308 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2452

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2309 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2453

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2310 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2454

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2311 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2455

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2312 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2456

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2313 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2457

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2314 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2458

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2315 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2459

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2316 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2460

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2317 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2461

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2318 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2462

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2319 to the bill S. 2638, supra, as follows:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2463

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2320 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2464

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2321 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2465

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2322 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2466

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2323 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for opration and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2467

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2324 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000

DANFORTH AMENDMENT NO. 2468

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2325 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2469

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2326 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2470

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2327 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2471

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2328 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2472

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2329 to the bill S. 2638, supra; as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2473

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2330 to the bill S. 2638, supra; as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2474

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2331 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2475

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2332 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2476

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2333 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2477

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2334 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2478

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2335 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2479

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2336 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2480

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2337 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2481

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2338 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2482

(Ordered to lie on the table)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2339 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2483

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2340 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2484

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2341 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2485

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2342 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2486

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2343 to the bill S. 2638, supra; as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2487

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2344 to the bill S. 2638, supra; as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2488

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2345 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.0

DANFORTH AMENDMENT NO. 2489

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2346 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provisions of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2490

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2347 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provisions of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2491

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2348 to the bill S. 2638, supra; as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be

appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2492

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2349 to the bill S. 2638, supra; as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2493

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2350 to the bill S. 2638, supra; as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2494

(Order to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2351 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2495

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2352 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2496

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2353 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2497

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2354 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2498

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2355 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2499

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2356 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2500

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2357 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2501

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2358 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO 2502

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2359 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the follows:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2503

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2360 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO 2504

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2361 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the follows:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2505

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2362 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2506

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2363 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2507

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2364 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2508

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2365 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2509

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2366 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2510

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2367 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2511

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2368 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2512

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2369 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be

appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2513

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2370 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2514

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2371 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2515

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2372 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2516

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2373 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2517

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2374 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2518

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2375 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2519

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2376 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provisions of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2520

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2377 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2521

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2378 to the bill S. 2638, supra, as follows:

Viz: At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2522

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2379 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2523

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2380 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2524

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2381 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2525

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2382 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2526

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2383 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2527

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2384 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2528

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2385 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2529

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2386 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2530

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2387 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2531

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2388 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2532

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2389 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2533

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2390 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be

appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2534

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2391 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2535

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2392 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2536

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2393 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2537

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2394 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2538

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2395 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2539

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2396 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2540

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2397 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2541

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2398 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2542

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2399 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2543

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2400 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2544

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2401 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2545

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2402 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2546

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2403 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2547

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amemdment No. 2404 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2548

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2405 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2549

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2406 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2550

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2407 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2551

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2408 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2552

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2409 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2553

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2410 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

DANFORTH AMENDMENT NO. 2554

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to amendment No. 2412 to the bill S. 2638, supra, as follows:

At the end of the amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS FOR THE AIR FORCE.

Notwithstanding any other provision of this Act, funds are hereby authorized to be appropriated for fiscal year 1987 for the Air Force as follows:

For missiles, $8,866,000,000.

For research, development, test, and evaluation, $15,334,573,000.

For expenses, not otherwise provided for, for operation and maintenance, $19,687,171,000.

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. ANDREWS. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs and the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Monday, August 11, 1986, to hold a joint hearing on S. 2676, a bill to provide for the settlement of water rights claims of the La Jolla, Rincon, San Pasqual, Puama, and Pala Bands of Mission Indians in San Diego County, CA, and for other purposes.

SUBCOMMITTEE ON FOREIGN AGRICULTURAL POLICY

Mr. HELMS. Mr. President, I wish to announce that the Subcommittee on Foreign Agricultural Policy, of the Committee on Agriculture, Nutrition, and Forestry, will hold the second of three hearings entitled "Overview of U.S. Food Aid Programs and World Hunger."

The topic of the hearing will be "humanitarian relief in threatened areas" with questions focusing on one, causes of world hunger, two, how world hunger can be avoided, and three, effectiveness of U.S. response to world hunger. The hearing, to be chaired by Senator BOSCHWITZ, is scheduled for 9:45 a.m., Tuesday, August 12, 1986, in room 332 Russell Senate Office Building.

If further information is needed, please contact Darryl Nirenberg, at 224-2035.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON NATURAL RESOURCES DEVELOPMENT AND PRODUCTION

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Subcommittee on Natural Resources Development and Production of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, August 5, to hold an oversight hearing on the prospects for exporting American coal.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SEA POWER AND FORCE PROJECTION

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Subcommittee on Sea Power and Force Projection of the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, August 5, in order to conduct a hearing to receive testimony on S. 2435, the combat terrorism and unconventional warfare bill; and to consider routine military nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY, AND SPACE

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Subcommittee on Science, Technology and Space of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Tuesday, August 5, to conduct a hearing on the fiscal year 1987 budget of the National Aeronautics and Space Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE OF AGRICULTURE NUTRITION, AND FORESTRY

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Committee on Agriculture, be authorized to meet during the session of the Senate on Tuesday, August 5, 1986, in order to examine U.S. goals for agriculture, in the upcoming round of trade negotiations under the GATT.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

MILWAUKEE'S BEN BARKIN, "MR CIRCUS PARADE"

● Mr. KASTEN. Mr. President, Americans know how to put on a parade.

Every year, we enjoy the color, pageantry, imagination, technical expertise and wonderful music that make up such nationally recognized parades as the Mummer's Parade of Philadelphia, Pasadena's Rose Bowl Parade, New York's Easter Parade, Washington, DC's Fourth of July Parade.

Americans celebrate myriad facets of everyday life with parades. Folks in my home State of Wisconsin, for example, celebrate with parades such diverse events as Dairy Days in Platteville, the welcoming of autumn in Stratford, and the joys of winter in Luck.

Probably every high school in the Nation has a homecoming parade replete with floats, baton twirlers, and marching bands.

Parades are part of our culture, which is why it gives me great pleasure today to call to the attention of my colleagues the achievement of Ben Barkin, the man who brought the Great Circus Parade back to Milwaukee.

Mr. President, this past July 13 more than three-quarters of a million people crowded the sidewalks and curbs of downtown Milwaukee streets to watch unfold before their eyes the spectacle of an era gone by—a parade of brightly painted and exquisitely built circus carts and wagons that have over the years become part of the Circus World Museum in Baraboo, WI.

For a few hours on a steaming summer day, people from throughout Wisconsin and, indeed, from across the country, joined in a festival of pure Americana: a parade. If anything can surpass the joy of watching a parade—the floats, the bands that march together in perfect time, the vibrant colors and sounds—it is being part of it. My wife and I had the opportunity to participate in the parade.

The Great Circus Parade began in Milwaukee in 1963, when C.P. Fox, then-director of Barboo's Circus World Museum, and Schlitz Brewing President Robert Ulheim joined forces to create a parade featuring historic antique circus wagons. That parade continued each summer until 1973, when time and events conspired to put it to an end.

But Ben Barkin, a native inner-city Milwaukeean, had too much boy in him to let the love for Milwaukee expressed in those parades die from neglect. He almost singlehandidly brought back the Circus Parade last summer.

Ben once said, "Any city can do a flower parade. Any city can do a float parade. Other cities would dearly love to have it, but only Milwaukee can do this parade."

Ben Barkin has played a major role in the city's business and civic affairs for more than 40 years. Perhaps his most significant and lasting contribution is bringing back the Great Circus Parade, of returning to the streets of this beautiful city that special family feeling of standing shoulder-to-shoulder, toe-to-toe watching the parade pass by.

Mr. President, Ben Barkin today is known in Milwaukee as "Mr. Circus Parade." It is a fitting tribute for a man with his love for the unique family spirit of Milwaukee.●

A REMEDY FOR COSTLY FRAUD

● Mr. COHEN. Mr. President, our colleague BILL ROTH recently authored an insightful column published in the Washington Times concerning legislation that would strengthen the Government's ability to fight fraud.

As Senator ROTH points out, the Federal Government loses hundreds of millions of dollars to fraud each year. What's especially frustrating is that this loss includes not only fraud that goes undetected, but also fraud that has been uncovered. In thousands of cases, the Federal Government simply walks away from its losses because the

cost of litigating these individual cases in Federal court is simply too high.

A General Accounting Office study found that the Justice Department does not pursue more than 60 percent of the fraud cases referred by other Federal agencies, in most cases because the small amounts involved cannot justify the cost of going to court.

The Program Fraud Civil Remedies Act, which is awaiting Senate action, is aimed at capturing those "small-dollar" fraud cases—ranging from defense procurement fraud to food stamp fraud—that now fall through the cracks. This legislation would permit a Federal agency, with the Justice Department's concurrence, to initiate its own administrative proceedings in false claim cases under $100,000.

The absence of a practical procedure for adjudicating false claims under $100,000 now is an open invitation to those individuals tempted to defraud the Federal Government. For this reason, the Program Fraud Civil Remedies Act has been endorsed by the major players in the fight against fraud—the Department of Justice, the Inspectors General, and the General Accounting Office. Until Federal agencies are given the power to bring administrative proceedings in such cases, "small-dollar" frauds, which cost us millions of dollars each year, will continue unabated.

As chairman of the Governmental Affairs Committee, Senator ROTH has been a leader in devising an effective and fair remedy to this problem. I congratulate him for his efforts and commend his excellent article to my colleagues.

I ask that Senator ROTH's article "A Remedy for Costly Fraud," be printed in the RECORD.

The article follows:

A REMEDY FOR COSTLY FRAUD

Every year the federal government loses millions to fraud that succeeds because the individual legal cases are too small to prosecute. Since 1863, the Justice Department has been authorized to sue such wrongdoers and collect double damages.

Unfortunately, the government is the victim of more fraud than the Justice Department has time and resources to pursue. The Justice Department, correctly, establishes priorities and pursues the biggest cases. And that means the smaller cases escape untouched.

The Justice Department estimates that our inability to pursue small-dollar fraud costs us "tens, if not hundreds, of millions of dollars annually." Moreover, these lapses undermine the integrity of government programs and public confidence in them. In the case of welfare programs, fraud robs the truly needy at the hands of the truly greedy.

What's the solution? Expanding the resources of the Justice Department could help, but that's not entirely satisfactory. The high cost of litigation makes it imprudent to pursue small-dollar fraud.

In 1981 the General Accounting Office, Congress's watchdog agency, reported on program fraud and recommended federal legislation authorizing government agencies to pursue small-dollar fraud administratively. Since then the Senate Governmental Affairs Committee has worked diligently to fashion an administrative remedy that is both effective and fair. With the able leadership of Sen. Bill Cohen, Republican of Maine, strong legislation to remedy this problem has been developed. [Sen. Roth has worked closely with Sen. Cohen in developing this legislation.]

The legislation, the Program Fraud Civil Remedies Act, would authorize defrauded federal agencies to initiate administrative proceedings in cases involving sums under $100,000, which the Justice Department declines to pursue.

While the bill merely establishes new remedies against old violations—all its prohibitions are contained in current law—there is some controversy over this approach.

This is quite puzzling. Giving government agencies the authority to pursue fraud among their clientele may be new in this context, but it's not a novel concept. Some 200 laws already authorize the administrative imposition of civil penalties. The procedures in this legislation are borrowed from the Administrative Procedure Act, which has withstood close scrutiny over the years and has few, if any, legal detractors.

The Program Fraud Civil Remedies Act would provide the respondent with a right to written notice of the allegations, a right to be represented by counsel, a right to present evidence, a right to be heard by an administrative law judge, and a right of appeal in federal court. The bill creates as fair an administrative process as is known in our law. The investigatory, prosecutorial, and adjudicatory functions are all insulated from each other.

Why the controversy? Perhaps the critics are concerned that the plan is too effective. Those representing welfare recipients, for example, fear the pending remedy would apply to their clients. So do those representing defense contractors. Each group says this legislation should apply to others, not them.

Each says that no new procedures are necessary, that there are existing administrative procedures governing their conduct. But current provisions of federal law limit administrative recourse to cases of inadvertent overpayments or underpayments. We need a practical way to deal with fraud.

In contrast to the anemic authority now granted government agencies, our legislation would authorize the imposition of double damages and a fine up to $10,000 for each violation. The present penalty, compeling perpetrators to return their ill-gotten gains when caught, does not deter fraud. The perpetrator of fraud now risks nothing.

If undetected, he keeps the loot, if caught, he merely gives it back. That's our policy for small-dollar fraud! That's why all the major players in the fraud fight—the Justice Department, the General Accounting Office, and the inspectors general—are backing this bill.

We've waited too long for a fair and effective administrative remedy for small-dollar fraud. This bill was sent by the Governmental Affairs Committee to the full Senate for action last year, but there's been no action yet. The American taxpayer clearly wants us to squeeze the most out of our federal programs. The time to act is now.●

NATIONAL CHILDHOOD VACCINE-INJURY COMPENSATION ACT

● Mr. D'AMATO. Mr. President, I rise today in support of legislation, S. 827, the National Childhood Vaccine-Injury Compensation Act, which will have a strong and positive impact on the health and well-being of our Nation's children. I commend my colleague from Florida, Senator HAWKINS, for introducing such worthy legislation.

For many years, parents have trusted a variety of vaccines to protect their children from disease. Vaccines have proven to be effective combatants of polio, whooping cough, rubella, tetanus, diphtheria, and other childhood diseases. However, vaccines also have been the source of some difficult and serious injury. No vaccine is completely risk-free and, as a result, adverse reactions are not uncommon.

The National Childhood Vaccine-Injury Compensation Act helps reduce the risks involved in childhood vaccinations. This legislation establishes an Advisory Commission on childhood vaccines. The Commission will be responsible for advising the Secretary of Health and Human Services on the implementation of the program. In addition, the Commission will recommend ways to improve the safety, efficacy, and supply of vaccines.

S. 827 requires that the Secretary develop educational materials which address the frequency, severity, and potential risks of both the vaccine and the disease to be prevented by the vaccine. These materials will be of invaluable use to parents and child health practitioners. In addition, the legislation creates a statistically more accurate picture of vaccine risks through mandatory reporting, recording, and long-term followup of major vaccine reactions.

I am pleased that Senator HAWKINS has had the foresight to address such a serious issue. I urge my colleagues to give their full support to S. 827 to promote a strong and safe vaccination program for our Nation's children.●

NOTICE OF DETERMINATIONS BY THE SELECT COMMITTEE ON ETHICS

● Mr. RUDMAN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee has received a request for a determination under rule 35, for Ms. Sheila Burke, a member of

the staff of Senator BOB DOLE, to participate in a program in Brussels, Strasbourg, and Luxembourg, sponsored by the European Parliament and Commission of the European Community, from November 5 to November 26, 1986.

The committee has determined that participation by Ms. Burke in the program in Brussels, Strasbourg, and Luxembourg, at the expense of the European Parliament and Commission of the European Community, is in the interest of the Senate and the United States.

The Select Committee has received a request for a determination under rule 35, for Mr. Joe Cobb, of the staff of the Joint Economic Committee, to participate in a program in the Federal Republic of Germany, sponsored by the Haus Rissen International Institute for Politics and Economics, of Hamburg and Berlin, from August 8 to August 23, 1986.

The committee has determined that participation by Mr. Cobb in the program in the Federal Republic of Germany, at the expense of the Haus Rissen International Institute for Politics and Economics, is in the interest of the Senate and the United States.

The Select Committee has received a request for a determination under rule 35, for Senator JESSE HELMS, Mrs. Helms, and Mr. James P. Lucier, Mr. Clifford Kiracofe, and Miss Deborah DeMoss, members of Senator HELMS' staff, to participate in a program in Chile, sponsored by La Sociedad Nacional de Agricultura de Chile, from July 8 to July 12, 1986.

The committee has determined that participation by Senator HELMS, Mrs. Helms, and Messrs. Lucier and Kiracofe and Miss DeMoss in the program in Chile, at the expense of La Sociedad Nacional de Agricultura de Chile, is in the interest of the Senate and the United States.

The Select Committee has received a request for a determination under rule 35, for Ms. Julie Carson and Mr. John McConnell, members of the Foreign Relations Committee staff, to participate in a program in Taipei, Taiwan, sponsored by Soochow University, from August 18 to August 27, 1986.

The committee has determined that participation by Ms. Carson and Mr. McConnell in the program in Taipei, Taiwan, at the expense of Soochow Univeristy, is in the interest of the Senate and the United States.●

HIROSHIMA DAY REMEMBRANCE

● Mr. SIMON. Mr. President, today is the 41st anniversary of the atomic destruction of Hiroshima. Three days later, on August 9, 1945, Nagasaki was destroyed. The world was changed forever.

One lesson can be learned from Hiroshima. That lesson, which, like the code-name "Trinity" given to the first atomic test at Los Alamos, can be divided into three parts: Nuclear weapons must never again be used. Nuclear testing must end. The arms race must be reversed.

How can we honor the memory of those who perished at Hiroshima and Nagasaki? How can we reverse the folly of governments? One way would be to enact legislation introduced by Senators CRANSTON, HATFIELD, KERRY, HARKIN and myself calling for a 6-month mutual moratorium on nuclear weapons tests. Our amendment is different from earlier test ban legislation, because we would withhold funds for that 6-month period as long as the Soviet refrained from testing. So far the Soviets have kept to their moratorium. Why haven't we joined them?

The United States must become the leader in arms control, not the leader in the arms race. As we debate the fiscal year 1987 defense budget, let us keep in mind Hiroshima, the utter destruction that nuclear war will bring, and the consequences of failed diplomacy for every one of us.●

THE 55 MILES PER HOUR IS INEFFECTIVE AND INAPPROPRIATE

● Mr. SYMMS. Mr. President, I recently received a letter from Salvatore A. "Sam" Caruso, mayor of Slidell, LA, in which he praises the speed limit bill, S. 2665, that I have sponsored with 17 of my colleagues.

Mr. Caruso, along with his family, recently returned from a 3 week tour of our Western States. In Mr. Caruso's own words, his family saw an "overabundance of the incredible beauty that God gave the West." However, he found driving 55 miles per hour through some of the beautiful areas "insane" and "ridiculous."

People who live or are from the West, know of its beauty. Moreover, like Mr. Caruso, we know all-too-well of the unreasonableness of driving through the West's vast expanses at 55 miles per hour.

Mr. Caruso and his family appreciate the efforts of Senators who have introduced and cosponsored legislation to increase the maximum speed limit. I want to share his letter with my colleagues and take this opportunity to encourage other Senators to cosponsor S. 2665 allowing States to raise the speed limit up to 65 miles per hour on rural interstate highways. I would remind the Senate that this bill will be offered as an amendment when we consider highway reauthorization legislation on the floor later this month or in September.

I would also like to note for the record that Senator WALLOP, should have been included as an original cosponsor of S. 2665. His name was inadvertently dropped from the list of cosponsors when the bill was introduced. I want to thank the Senator from Wyoming for his support of this measure.

Mr. President, I ask that Mr. Caruso's letter be printed in today's RECORD.

The letter follows:

SLIDELL, LA,
July 29, 1986.

Senator STEVE SYMMS,
U.S. Senate, Senate Office Building, Washington, DC.

DEAR SENATOR SYMMS: On July 24, 1986, the day after I returned from a three week vacation in most of our Western States, there appeared in one of our local newspapers a story about your plans to introduce an amendment which would allow States to raise "the speed limit to 65 m.p.h. on rural, interstate highways."

The same story contained comments from Senator Max Baucus of Montana and Senator Alan Simpson of Wyoming regarding the absurdity of the universally applied 55 miles-per-hour speed limit on Interstate Highways.

All three of you are right.

I have just completed what was largely a "driving vacation" through each of your States plus ten (10) other Western States.

A quote attributed to Senator Baucus says: "There just aren't many cars out there in the West.

He is more than right. There aren't many cars. There aren't many people. There aren't many of anything—except some forms of animals and an overabundance of the incredible beauty that God gave the West.

My family and I saved money since 1982 in order to visit everyone of the contiguous States west of the Dakotas. We do not regret a day or a dollar of it. The group of you have some of the most gorgeous ground and seacoast that God ever created.

But let me tell you something. If I had obeyed the 55 m.p.h. speed limit in all places I would be getting home sometime around Halloween and in the meantime my own constituency would have probably recalled me as Mayor.

I am a careful driver. Where necessary because of the terrain or because of the few areas of high population density that we did go through (e.g. Seattle, Portland, San Francisco) I drove at considerably less than 55 m.p.h. But in most of the West it is simply insane to drive at or below 55 m.p.h.

Have any of you ever crossed Nevada and the western part of Utah on I-80? I just did—at an average speed of 80 m.p.h. And, let me tell you something else—to do it at a lower speed is ridiculous. If you slow down to 70 m.p.h., you feel like you are crawling. First, there are almost no other cars on the Interstate. Second, there are almost no points of reference to give you much of a sensation of speed. There is the road surface itself, a series of widely-spaced utility poles, miles and miles of open semi-desert or open salt flats, and beautiful desolation.

Now, I could see and be awed by the beauty and desolation at eighty (80) m.p.h. But when I say there was nothing else around, I mean there was nothing else around. I didn't want to spend any more time than necessary in crossing that territory.

Even where the terrain is different, and the cities or towns appear more frequently,

such as in Montana, Washington, and Oregon, still the distances are vast and the Interstates are made to span those distances at high but reasonable speed, not at speeds appropriate to covered wagons. In spite of some appearances to the contrary, it is, after all, 1986 not 1886.

Your own comment about the cost of enforcement is very appropriate. In Wyoming we saw one law enforcement vehicle, in Montana one, in Washington, Oregon, and California only a few, in Nevada none, in Utah none, in Arizona two, in New Mexico none, in Texas, west of San Antonio, two. It would take an occupying army to cover all of that territory. What is needed are a few outposts where help is concentrated, plus a good system of motorist call-boxes, plus a speed limit of at least 70 miles-per-hour.

Regarding fuel conservation, at the national level not the personal level, the entire connection to the 55 m.p.h. speed limit seems ridiculous. At the present time there is no fuel shortage. And, when there is a new one (and I believe there will be a new one), it will require response measures of a far different type than a lowering of the speed limit by 15 miles per hour. In fact, we ought to be taking some serious preparatory action now in order to meet the next Arab-induced crisis and order to prepare for the inevitable day of real, physical shortage in the world's oil supply. But, net balance, the 55 m.p.h. speed limit is neither an effective nor an appropriate tool to accomplish that goal.

I hope that you and your colleagues can succeed in restoring an appropriate speed limit to all of our Interstate Highways.

You may use this letter in any way that you choose.

Sincerely,

SALVATORE A. "SAM" CARUSO,
Mayor.●

SALUTING PARTICIPANTS OF BOY'S AND GIRL'S NATION

● Mr. ANDREWS. Mr. President, Teddy Roosevelt once said "[t]he first requisite of a good citizen in this republic of ours is that he shall be able and willing to pull his weight." Learning to meet that "first requisite" is just what four young North Dakotans, and other young people from across the Nation, have done this summer thanks to the American Legion and its auxiliary.

Wayne Sattler, Brett Bourne, Linda Zespy, and Heather Hoff have all recently returned to North Dakota from Washington, DC, where they received hands-on experience in the inner workings of our governmental system. They did this through their participation in Boy's Nation and Girl's Nation, programs sponsored by the American Legion and the American Legion Auxiliary. Boy's and Girl's Nations represent a nationwide classrooms in our Capital City that allows young people the opportunity to learn and grow into the citizens Teddy Roosevelt envisioned.

During their stay in Washington, Wayne, Brett, Linda, Heather, and others elected officers, formed a senate, toured various Government buildings, passed legislation, met President Reagan, and benefited from the exchange of ideas necessary to keep our Government strong and healthy. In particular, Wayne Sattler, of Dickinson, was elected president pro tem of the senate, the third highest position at Boy's Nation while Brett Bourne, of Fargo, tried his hand at being both the sergeant at arms of the senate and the secretary of the Air Force.

North Dakota's representatives to Girl's Nation won equally prestigious positions. Heather Hoff, of Richardton, served as the assistant secretary for food and consumer services of USDA and Linda Zespy, also from Fargo, as an associate supreme court justice and the director of prisons. I would certainly say these bright, young people had their hands full.

Throughout Thomas Jefferson's life he wrote and spoke fervently about our new democracy and our need to ensure its viability through an educated citizenry—I believe he would have warmly endorsed this program. I know I do. I want to thank the American Legion and its auxiliary, and I want to warmly congratulate Wayne, Linda, Heather, and Brett. Good luck to all of you.●

NAUM AND INNA MEIMAN: STATE SECRETS

● Mr. SIMON. Mr. President, the Soviet Government continues to deny Naum and Inna Meiman permission to emigrate to Israel. The Meimans are an elderly, ailing couple who desperately want to leave their native Soviet Union so they may obtain proper medical treatment for Inna's cancer in the West.

Naum is a 74-year-old professor. The Soviet Government has refused him permission to leave the country because of classified work he once performed and state secrets he may have known. However, Naum's mathematical calculations were completed over 30 years ago at the dawn of the atomic age. These calculations have been neither secret nor of any significance to anyone anywhere for a long time. When Naum applied to emigrate, however, Soviet authorities informed him that because of his former classified work, it had been decided never to let him emigrate. Authorities would not tell Naum who decided his fate or when. In fact, it is Naum's life sentence that is a secret.

It is also a secret why the Soviet Government continues to hold the Meimans captive. Of what use are the 74-year-old mathematician and his cancer-ridden wife and why are the Soviets going to such lengths to keep them from emigrating?

It is not a secret, however, the cruel and unnecessary treatment the Meimans have had to endure as refuseniks. I strongly urge the Soviet Government to allow the Meimans permission to emigrate to Israel.●

ABORTION AND INFORMED CONSENT: ALABAMA

● Mr. HUMPHREY. Mr. President: as I indicated in my floor statement yesterday, I intend to print in the RECORD one letter a day from every State in the Union. These letters have a common theme: they are written by women who recognize that they should have been informed about the procedure and consequences of abortion before they underwent surgery. Moreover, these women plead with us, stressing the need for information before the next generation or women undergoes abortion.

This letter from Elaine in Huntsville, Alabama, our first State, is poignant and insightful. She illustrates that abortion is not always a safe surgical procedure, and yet she was never informed about the physical risks involved with abortion. Clearly, the withholding for such vital information is in no way in the best interest of the woman.

Elaine also mentions another pertinent issue related to informed consent, namely the undue obstacles placed in the paths of women who, in seeking alternatives to abortion, wish to opt for adoption. Not only is it apparent that physicians frequently avoid providing women with information about adoption, but abortion is unfairly portrayed as more convenient than adoption. This is tragically short-sighted advice when given to a woman in a crisis pregnancy situation.

As this letter indicates, the oftensevere physical and emotional trauma associated with abortion makes the abortion option much less attractive in the long run. Certainly, this speaks for the necessity of informed consent in all cases where a woman may be seeking an abortion as a short-run solution to a long-term problem. It is these women we hope to protect.

I urge may colleagues to read this letter and subsequent letters which will be included in the RECORD as part of this series. I urge each and every one to consider the broken lives of women who have not been properly informed about the risk and consequences of abortion. I urge each to consider whether we can allow "safe and legal" abortion to go much longer without informed consent.

The letter follows:

JUNE 10, 1986.

DEAR SENATOR HUMPHREY: I am a woman who was exploited by abortion ten years ago. My abortion was free, legal and by no means performed in a "back alley facility. In fact, the abortion facility was recommended by Planned Parenthood. Since I was not working at the time, Planned Parenthood happily gave me a "free pass" for

abortion. I didn't even have to pay for the abortion.

At the time I opted for abortion, I was a single mother with a three-year old daughter. Initially, I wanted to opt for adoption, but it is so hard to pursue adoption. In order to opt for adoption I would have had to go into a home for unwed mothers and place my daughter in a foster home. There was no way I was going to do that, so I was forced to choose between the two children. Unfortunately, I was forced to opt for abortion.

At the Kansas City abortion clinic, I was given a pelvic exam by a sophomore in high school! Many of the girls having abortions were here age or younger. I was 29 years old and was the oldest one there. Contrary to what I was told, the abortion hurt very much and it led to severe complications. The "doctor" who performed my abortion perforated my uterus, cut an artery and traumatized my colon. The doctor left me alone there with "counselors" and one "nurse" for one and a half hours.

After all of the other patients left the abortion facility, I was rushed by ambulance to a hospital across the state line for observation and blood transfusions. The ambulance rushed me to the hospital with lights flashing and sirens blaring in an attempt to save my life. The complaint that back alley abortions kill girls must be seen in light of the fact that girls are dying today from LEGAL abortions.

In order to save my life, a few hours later a hysterectomy was performed at the Kansas City, Missouri hospital. I am telling you this because I was an adult. I was misled into believing it was a simple procedure with no complications. Since then I have had eighty percent of my colon removed.

Thank you for your efforts on behalf of those women who have suffered from an abortion to which they never gave informed consent.

Sincerely,

ELAINE BLAKELY,
HUNTSVILLE, ALABAMA ●

IMPEACHMENT OF JUDGE HARRY E. CLAIBORNE

Mr. DOLE. Mr. President, in connection with the communication from the House of Representatives relative to the impeachment, I send an order to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report. The assistant legislative clerk read as follows:

Ordered, That the Secretary inform the House of Representatives that the Senate is ready to receive the managers appointed by the House for the purpose of exhibiting articles of impeachment against Harry E. Claiborne, judge of the United States District Court for the District of Nevada, agreeably to the notice communicated to the Senate, and that at the hour of 1:00 o'clock p.m. on Wednesday, August 6, 1986, notwithstanding the provisions of Rule XXII, the Senate will receive the honorable managers on the part of the House of Representatives, in order that they may present and exhibit the said articles of impeachment against the said Harry E. Claiborne, judge of the United States District Court for the District of Nevada.

Mr. BYRD. Mr. President, I wish to ask the distinguished majority leader, for the record, where reference is made—I do not have that in front of me—to the Senate rule XXII, let the record be clear that we are talking about rule XXII of the Standing Rules of the Senate.

Mr. DOLE. That is correct. I thank the distinguished minority leader.

CLOTURE VOTE TOMORROW AT 2 P.M.

Mr. DOLE. Mr. President, unless it is changed, we plan to come in at 10:15 tomorrow, and there would be a live quorum at 11:15 with respect to the cloture vote. I wonder if we might postpone that to 2 p.m.

Mr. BYRD. Yes, that would be agreeable.

May I say, while I am responding, that the reason I pointed out the rule XXII as mentioned in the order has to do with rule XXII of the Standing Rules of the Senate, I wanted to be sure that that was understood, in contradistinction to rule XXII in the Rules of Procedure and Practices of the Senate, when sitting on impeachment trials. I have no objection to changing the time on rule XXII of the Standing Rules.

Mr. DOLE. I ask unanimous consent that the cloture vote scheduled for tomorrow occur at 2 p.m. I further ask unanimous consent that the mandatory live quorum under rule XXII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. It is my hope, I indicate to the distinguished minority leader—and his, too—that maybe between now and that time we may be able to resolve not only the issue on the DOD authorization bill, the cloture vote, but also the amendment offered by the minority leader and the amendment offered by the majority leader.

ORDER FOR RECESS UNTIL TOMORROW

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10:15 a.m. on Wednesday, August 6, 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR WEDNESDAY

ORDER FOR RECOGNITION OF CERTAIN SENATORS

Mr. DOLE. Mr. President, I ask unanimous consent that following the recognition of the two leaders under the standing order on tomorrow, there be special orders in favor of the following Senators, not to exceed 5 minutes each: Mrs. HAWKINS, Mr. PROXMIRE, Mr. CHAFEE, Mr. GORE, Mr. HUMPHREY, Mr. BAUCUS, and Mr. DIXON.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that on tomorrow, following the special orders just identified, there be a period for the transaction of routine morning business, not to extend beyond 11:30 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. Mr. President, following routine morning business on tomorrow, the Senate will resume consideration of S. 2638, the DOD authorization bill. Pending is the Dole amendment No. 2417, in the second degree, to the Byrd amendment No. 2414.

Votes can be expected throughout the day on Wednesday. I am advised by the managers, Senators GOLDWATER and NUNN—and I think most Members expect it—that there will be votes tomorrow and probably we will be here late tomorrow evening.

There will be a 2 p.m. cloture vote, unless it is further changed or unless we should agree to withdraw it.

Mr. President, today is election day in Kansas, and I have to check on the election returns.

Mr. BYRD. The majority leader appears to be very worried.

Mr. DOLE. So far, it is holding out all right.

RECESS UNTIL 10:15 A.M. TOMORROW

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate stand in recess until 10:15 a.m., tomorrow, Wednesday, August 6, 1986.

There being no objection, the Senate, at 10:45 p.m., recessed until tomorrow, Wednesday, August 6, 1986, at 10:15 a.m.

NOMINATIONS

Executive nominations received by the Senate August 5, 1986:

DEPARTMENT OF JUSTICE

Joseph P. Russoniello, of California, to be U.S. attorney for the northern district of California for the term of 4 years, reappointment.

IN THE AIR FORCE

The following officer for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, provided that in no case shall he be appointed in a grade higher than major:

CHAPLAIN CORPS

Gary A. Piepkorn, [redacted]

The following-named officers for permanent promotion in the U.S. Air Force, under the provisions of section 628, title 10, United States Code, as amended, with dates of rank to be determined by the Secretary of the Air Force:

CHAPLAIN

To be major

Gary A. Piepkorn, xxx-xx-xxxx

JUDGE ADVOCATE

To be lieutenant colonel

Stephen P. Donohue, xxx-xx-xxxx

NURSE CORPS

To be lieutenant colonel

Charlene A. Miller, xxx-xx-xxxx

The following officers for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform duties indicated with grade and date or rank to be determined by the Secretary of the Air Force provided that in no case shall the following officers be appointed in a grade higher than indicated:

MEDICAL CORPS

To be colonel

Robert P. Belihar, xxx-xx-xxxx
Earl W. Ferguson, xxx-xx-xxxx

To be lieutenant colonel

James P. de Santis, xxx-xx-xxxx
Kenneth D. Dykstra, xxx-xx-xxxx
Richard J. Ruda, xxx-xx-xxxx
Venugopala R. Sanda, xxx-xx-xxxx

To be major

Allen P. Burke, xxx-xx-xxxx
Gary R. Lanham, xxx-xx-xxxx
Thomas H. Nelson, xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

Lewis A. Humbert, xxx-xx-xxxx
Robert L. Phillips, xxx-xx-xxxx

To be major

Mullen O. Coover, Jr., xxx-xx-xxxx
Timothy L. Lillard, xxx-xx-xxxx
Robert C. Tollefson, xxx-xx-xxxx
James M. Wilson, xxx-xx-xxxx
Dennis J. Zent, xxx-xx-xxxx

To be captain

Earl F. Cubbage, xxx-xx-xxxx
Scott E. Semba, xxx-xx-xxxx
Jeremy J. Smith, xxx-xx-xxxx
Curtis D. Weyrauch, xxx-xx-xxxx

BIOMEDICAL SCIENCES CORPS

To be major

Carl H. Hagen, xxx-xx-xxxx

The following officer for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with grade and date of rank to be determined by the Secretary of the Air Force provided that in no case shall the officer be appointed in a grade higher than major:

LINE OF THE AIR FORCE

Steven R. Onines, xxx-xx-xxxx

The following-named officer for reappointment to the active duty list of the Regular Air Force in the grade indicated under the provisions of sections 1210 and 1211, title 10, United States Code:

LINE OF THE AIR FORCE

To be captain

Sanford McLaurin, Jr., xxx-xx-xxxx

The following individuals for appointment as Reserve of the Air Force, in the grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated:

EXTENSIONS OF REMARKS

DR. STUART HUTCHINSON ON SOUTH AFRICA

HON. ROBERT J. LAGOMARSINO
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 5, 1986

Mr. LAGOMARSINO. Mr. Speaker, there is much controversy and debate today over what policy this country should pursue regarding South Africa. As you know, this is a complex issue dealing with a nation whose political and cultural heritage is much different from our own. Only a few Americans have had the opportunity to live in South Africa and experience the difficulties it is encountering.

Mr. Speaker, one man who has come to know South Africa better than most Americans is my constituent, Dr. Stuart Hutchinson of Santa Barbara, CA. He attended medical school in South Africa in the 1970's. Since then he has returned there twice, most recently in 1985, traveling widely. Dr. Hutchinson is an intelligent, educated observer. His thoughtful insights into the complexities of South Africa are very valuable. I believe my colleagues would be very interested in reviewing them as stated here in the form of a speech Dr. Hutchinson delivered to the Santa Barbara Rotary Club.

The material follows:

DR. STUART COMMENTS ON SOUTH AFRICA

Mr. Chairman: Thank you very much for that kind introduction. Rotarians and guests, it is a pleasure to be here and I feel honored to be able to speak to you today about my experiences in South Africa. This is the first time I have been asked to speak about South Africa to a group of your size, and it is appropriate that it be the Rotary Club. The South African family that made us part of their family, did so because of a contact through Rotary. My father-in-law is a member of the Sacramento Rotary Club. Before I get started, I would like to give you some more background about myself. Growing up in a medical family as I did, it was hard not to be influenced towards a medical career. I had set my goals early to become a surgeon, and not in my wildest dreams did I ever think that my persistence towards these goals would lead me to South Africa. A technician in a research center in Seattle encouraged me to make application to Stellenbosch University. This same technician had just returned from Stellenbosch where he had helped with the first primate kidney transplants that later led to the human kidney transplants. I applied to Stellenbosch and was accepted to begin studies in 1970. I was the first American to be accepted in this particular medical school. Needless to say, it presented quite a challenge to me as all the lectures were in Afrikaans. Ultimately, it was a blessing in disguise as I would come to know and understand the Afrikaaner culture better than I would have been able to do in an English-speaking University. I feel that I have been educated in a country that medically is as sophisticated as any in the world. Indeed, as I look back now on my medical school education, it is my opinion that medical education in South Africa is slightly better than the average medical school in this country.

I decided to return to the U.S. because of family. We found it to be a cultural shock to return to this country after living five years overseas. After completing my residency at the University of Washington, we headed for Santa Barbara—a climate and geographic area very similar to Capetown. I have returned to South Africa twice—once in 1982 and again in 1985. This last Christmas I took my wife and 4 children and we visited every major city in South Africa. We drove through most of the eastern transfall, Kruger National Park to within a couple of miles of the Mozambique border, thru farmland in the Orange Free State, and several beach resorts including Cape Town, Port Elizabeth, and Durban. Although this by no means qualifies me as an expert on South Africa, it does give me a basis for rational thought about a country that right now faces problems and issues that one day may confront us in this country. I am talking about not only problems between black and white, but problems of significant proportions between rich and poor, cultural differences between the different population groups, problems of a modern industrialized country, and the fact that, in significant numbers, has people who on the one hand have not discovered the wheel, and on the other hand, are some of the most intelligent and sophisticated people in the world. To add to this, they are also fighting a continual war against communism on their borders. The highly-publicized recent raids by South Africa into Zambia, Zimbabwe, and Botswana should underscore to the Western world the severity of this conflict. Knowing what I do about the situation in South Africa, I find very little difference between our country's acts against terrorism in Libya and the recent raids into neighboring countries by South Africa. The A.N.C. (African National Congress) is a communist-backed organization that has repeatedly stated that it intends to overthrow South Africa by violent means. When we were in South Africa this past Christmas, not 150 miles from where we were in the Kruger National Game Park on the border of Zimbabwe, a farmer and his family were killed by terrorist land mines on their own farm land.

Two days after we left Durban for Cape Town on this same trip, six innocent people were killed in Amanzamtoti, a beach resort south of Durban, by a terrorist bomb.

The recent raids into neighboring countries were carried out against A.N.C. positions, and not on the countries themselves. South Africa has nothing against their neighbors, in fact, these countries rely heavily on the South African economy for their own survival.

This border problem of communist-backed terrorists, be it A.N.C. or other, is not a new problem to Southern Africa. Since before I started my studies in 1970, Rhodesia had been fighting a war with Zambia who was backed by communists. In 1973 through 1974, I heard numerous stories about border conflicts from my neighbor, who was a policeman. He would serve 3 months per year patrolling the border, and told of many encounters with terrorists.

Today, this same problem looms even bigger for South Africa. There is no more Portuguese-controlled Angola and Mozambique, and there is no more Rhodesia to buffer South Africa from communism. In Angola, 30,000 Cubans have been brought in to help preserve and promote communism for this part of the world.

My years in South Africa (1970-1974) although relatively quiet years politically, were not without significant change. Most of this change seemed to take place in the last 1½ years of my stay in the country. It was reflected more in the attitudes of the people than with the passage of any new legislation. What impressed me was that it seemed to originate with the young people of high school age. It was then that I witnessed Afrikaaner authority being questioned by Afrikaaners for the first time. "Why can't I wear my hair long?" "Gee Dad, why does this black student not get the same opportunities that I do?" Reported in the Cape Times (the daily English-speaking newspaper in Cape Town) in about 1973 was an article which gave figures on the relative amounts of money spent per white vs. colored vs. black students. I have always remembered these figures because of the impact they made on me at that time—R.116 per white, R.60 per colored, R.16 per black student. The discrepancy speaks for itself. I am happy to say that great efforts have been made to decrease this gap. The Department of Education budget in 1972 was R.27,000,000 as compared to R.475,000,000 in 1982. To put it in another way, in 1960 there were 50,000 high school educated blacks, as opposed to 1980, when there were 550,000. The same sets of standards apply in black schools as white, and the degrees attained are equivalent. South Africa has more than 22 percent of its total black population attending school, which is the highest percentage in Africa. Although there remains a gap between black and white teachers' salaries, this has been eliminated at the University level, and is well on its way to elimination at other levels. These changes are indeed significant when one considers that most of them have taken place within the last 10 to 15 years.

Another example of this rapid change is at the University where I was trained—Stellenbosch. The town of Stellenbosch is one of the oldest in South Africa, 300+ years old. It is quite Afrikaaner in its tradition, and, although somewhat liberal Afrikaaner, still to the right. It never accepted nonwhite students while I was studying; however, Cape Town University just 30 miles away and an English-speaking university always had a small contingent of black students. Not only has this continued to grow in numbers, but Stellenbosch University now has accepted a small number of black students. This change has taken place just over the last several years, and I feel this represents a significant change in attitude, particularly among the educated Afrikaaner.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

The present state of racial and political discord in South Africa is magnified due to the recent declining state of the economy. Over the last several years, the Rand has devalued significantly. (about 50%). In 1974 the Rand was about $1.20. In 1982, $1.00, in 1986, 40¢. Needless to say, we did our best to take advantage of this low rate of exchange. This may sound a bit gloomy, but I should point out that the blacks in South Africa still maintain the highest standard of living, education, housing, and medical treatment of any country in Africa. The declining emphasis on gold has also contributed to the downturn of the economy. All of these economic woes have led to increased idle time in the working sector, and thus more political trouble. Those that have been following some of the recent events in our news might recognize the name Crossroads.

This area is a black squatter camp just outside Cape Town. Several years ago this area made big news throughout the world when the government tried to move the squatters into more respectable housing. There was such an outcry at the time from the rest of the world that the plan was scrapped. As the government had anticipated at the time, a greater slum would be created, and now we see that bigger problems have arisen. Several people have been killed in recent unrest. This is not a black-white conflict, but rather a conflict between members of the same community. It represents a struggle of the older members of the community against the younger, the older being those that are used to work and want to work, the younger being a product of the times—large in number, and unemployed. In fact, a recent statistic which was most startling to me is that 80% of the blacks between ages 18 and 26 have never had a job.

They become a group that is angered by those succeeding around them, and seek to destroy others more successful. It is with this group of people that communist influences make their greatest inroads. This is exemplified in the following story: A friend of mine has a black gardener who has worked for him for several years. He describes this gardener as a very tough guy. With some of the recent unrest, my friend has had to put this gardener up at his own home, because he feared for his life should he return home in the evening. Crossroads is a concern of the whole cape community. The Boy Scouts were each asked to donate a blanket and food for a child in Crossroads.

They met the request. Indeed, the present wave of unrest in many of the townships is almost exclusively confined to the unemployed young people. This, then, leads naturally to the next topic of my discussion: Disinvestment. It pretty much means what it says: taking our investments as a country and individually, out of South Africa, whether it be by closing down businesses or taking out investments (i.e.: pension plans, etc.).

There has been much written in our press about this and also many displays on our university campuses. Do we really understand the implications of this disinvestment campaign? I think not.

We must not give ourselves too much credit for South Africa's economy. After all, U.S. investment in South Africa equals only about 3% of their GNP. Even if our Congress were to mandate complete withdrawal of all U.S. corporations in South Africa, it would not be a dire economic blow.

It would, however, meaningfully affect black unemployment, and these effects could be very serious. As I stated earlier, it is the unemployed sector that causes much of the unrest and is so ripe for communism. We would therefore in my opinion play into the hands of the communists. We can ill afford to do this in this part of the world.

South Africa's strategic importance geographically cannot be lightly dismissed, nor can the importance of some of its mineral reserves. Indeed, South Africa supplies many of the key strategic minerals used in the defense of the U.S. It is true that these minerals are found elsewhere in exploitable amounts, but only in the Soviet Union.

American and U.S. corporations have played a very big role in influencing positive change in South Africa in the business sector. They were responsible for instituting the Sullivan principles into the work force. These were principles promoting non-discrimination in employment, equal opportunity and upward job mobility, which were endorsed by the State Dept. and subsequently by companies employing over 70% of the work force of U.S. corporations. This was followed by similar code established by the European economic community. Finally, the South African business community set a similar code of employment practices.

U.S. companies through these same sets of principles have contributed greatly to black education, health, and business training. General Mohan personally went to the Mayor of PE and demanded that beaches be integrated or they would have to leave. The opportunities for influence and thereby positive effects are endless, but they end the minute we disinvest. To me, disinvestment is an easy way out for companies that are struggling. Not only does one save face at home, but it looks good to the rest of Africa.

Also, because of poor economic times, many of these companies are struggling for survival, so under the guise of disinvestment, they pull out. Some disinvesting are truly successful companies, but the vacancies they leave are quickly filled by competing Japanese and German firms, thus cutting into the American share of the world market. Disinvestments for the U.S. is ultimately self-destructive.

Probably one of the biggest opponents of disinvestment is the leader of the largest black political organization, Chief Buthelezi. His organization Inkautha has one million paid-up members, but he has a following of about 6 million blacks, which are mostly Zulus.

Every year, his organization unanimously rejects disinvestment as a strategy against the white regime. It rejects violence as a means of bringing about radical change in South Africa, and is committed to nonviolent tactics and negotiation. He is well respected amongst white South Africans, some of which are quite displeased because he has not been given a place in the South African government.

This may, however, change. Within the last 2 weeks, Prime Minister Botha has formed a national statutory council, the purpose of which will be to work out a new constitution which will include all race groups. Chief Buthelezi has been asked to be part of this council, and he has expressed interest in serving. This could evolve into a very important body which would have the capability of shaping the political future of the country.

The minister of Constitutional Development recently stated that it is not a question of whether blacks will participate in the present Government but how they will bring them in.

In closing, I would submit to you that there have been tremendous changes taking place in South Africa in a very positive direction in recent years. Of course, these changes are not happening fast enough for us, but let us not forget how long it took us to solve our own racial problems.

Certainly, we cannot expect them to incorporate a highly-divided black population into their very complicated social and political structure overnight. It is very difficult to predict the future of South Africa, but I sincerely hope that the end result will be a country in which all population groups can strive together for common goals.

A CALL TO ARMS ON DRUGS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 5, 1986

Mr. RANGEL. Mr. Speaker, in seeking solutions to the multifaceted problem of substance abuse, I have been fortunate to be able to seek the wise counsel of PETER RODINO, the chairman of the House Judiciary Committee and the ranking member of the House Select Committee on Narcotics Abuse and Control. Chairman RODINO has been a leader in the fight against drugs for many years. It was he who proposed and shepherded into law in 1972, an amendment to the Foreign Assistance Act, which for the first time gave the President of the United States legislative authority authorizing him to cut off foreign assistance to countries which do not take adequate steps to curtail narcotics production. This provision still remains an important tool in our diplomatic efforts to curtail foreign narcotics production.

Chairman RODINO was one of the first Members of Congress to realize that before we could achieve significant reductions in the levels of substance abuse in America, a comprehensive, well-coordinated strategy was necessary. I recently read an article from the Baltimore Sun of August 3 entitled "A Call to Arms on Drugs," in which Chairman RODINO makes his position clear:

The approaches we have tried—border interdiction, crop substitution, prosecuting traffickers, prevention and education—have met with only sporadic success. Yet though often poorly funded and coordinated these tactics all have merit.

The problem is that none of these tactics bears any relation to the other. They are part of a piecemeal approach to a crisis that requires coordination and long-range planning at the federal level. Scattered shots in the dark will not win this war.

What we need is a comprehensive national strategy on drugs.

Despite annual Federal spending of $1.8 billion on narcotics law enforcement, the use of narcotics and other dangerous drugs continues unabated. The situation clearly requires strong national leadership, leadership which only the President of the United States can provide. Chairman RODINO introduced House Joint Resolution 631, which provides for the calling of a White House Conference on Narcotics Abuse and Control. I am pleased to join Chairman RODINO as an original cosponsor of this legislation. Other original cosponsors are Congressman BENJAMIN GILMAN, the ranking

minority member of the Select Committee on Narcotics, and Congressman FRANK GUARINI, a senior member of the Select Committee on Narcotics, and Congressman WILLIAM HUGHES, the chairman of the House Committee on the Judiciary Crime Subcommittee, and also a member of the Select Committee on Narcotics.

Mr. Speaker, House Joint Resolution 631, which has been amended since its original introduction, by Chairman RODINO, would require the President within 6 months of its passage to convene a White House Conference on Drug Abuse and Control to develop recommendations for further action to control the illicit production, trafficking, and distribution of controlled substances internationally and in the United States, and to prevent and treat drug abuse. Participants at the conference would include elected officials from all levels of government, persons from business and industry, individuals distinguished in medicine, law, sociology, education, and law enforcement, and private citizens who have firsthand experience with drug abuse.

Mr. Speaker, I am glad to see that President Reagan has decided to make drug abuse prevention one of his domestic priorities. I agree with Chairman RODINO that "a long-range strategy is what we need, and that is what a White House conference is all about." In my opinion, a White House conference provides an excellent vehicle for President Reagan to demonstrate his leadership and commitment to the war against drug abuse. I urge him to support passage of House Joint Resolution 631 and to work to make the White House conference a success. It is my hope that all of the committees with jurisdiction over House Joint Resolution 631, Judiciary, Foreign Affairs, and Energy and Commerce will give it careful but expeditious consideration.

Mr. Speaker, I am including Chairman RODINO's article from the Baltimore Sun of August 3, entitled "A Call to Arms on Drugs," for your perusal.

The article follows:

A CALL TO ARMS ON DRUGS

(By PETER W. RODINO, Jr.)

WASHINGTON.—Imagine fighting a war without an overall strategy or the resources to implement it. One would be forced to question the wisdom of such a move.

Unfortunately, that's exactly what is happening in our national war on drugs. Despite all the rhetoric about getting tough on drugs, we lack an effective and comprehensive national strategy to combat them. We are losing the war on drugs, and our nation is suffering.

If this were a real war, the public would be clamoring for leadership and direction. Instead, what we have is the closest thing to chaos, with drug enforcement agents, prosecutors, parents and educators overwhelmed and demoralized.

Right now, national efforts to combat this overwhelming complex problem are fragmented between 14 competing agencies. Funds for prevention, rehabilitation, education, and prosecution are inadequate and have been cut. This administration—like every one before it—has yet to make drugs a major foreign policy issue, even with known drug-producing nations.

Organized crime, not the government, seems to be calling the shots.

The approaches we have tried—border interdiction, crop substitution, prosecuting traffickers, prevention and education—have met with only sporadic success. Yet, though often poorly funded and coordinated, these tactics all have merit.

The problem is that none of these tactics bears any relation to the other. They are part of a piecemeal approach to a crisis that requires coordination and long-range planning at the federal level. Scattered shots in the dark will not win this war.

What we need is a comprehensive national strategy on drugs—a nerve center to set priorities, monitor the trafficking, and gauge the drug culture's ever-changing pulse. Otherwise, we are bound to be caught off guard again and again, which is what happened when the new drug—"crack"—burst on the scene and we were ill prepared to confront it. "Crack" now threatens to overrun whatever lines of defense we have left.

That is why I have introduced a bipartisan resolution calling on the president to convene a White House Conference on Narcotics Abuse and Control for the purpose of pooling the best minds and resources of our nation in order to develop a strategy for the war on drugs.

Why a White House conference? Because the crisis has reached such a critical point that the president's leadership is essential. Only the president can bring together the experts, in a non-partisan and cooperative manner, to address it in a comprehensive way. Our national drug habit requires nothing less than a wholesale commitment—and energetic, coordinated response—from the highest level of government.

A White House conference on drugs is not a new idea. President Kennedy held a similar conference in 1962, calling it an opportunity to gather "information and experiences" so that "an orderly, vigorous, and direct attack can be undertaken at all levels, local, state, federal and international."

But the 1962 problem, which President Kennedy called "urgent," cannot compare to today's crisis. The scope, magnitude and impact of the drug menace today far exceeds anything we have ever known. It has already jeopardized the health, productivity and safety of our people, especially our youth. Allowed to go unchecked, its disastrous consequences will be incalculable. As the deaths of Len Bias and Don Rogers have shown, drug abuse is not just a "street problem"—students, professionals, gifted athletes, and our nation's future are victims as well.

President Reagan has indicated he intends to launch a personal campaign of speeches and appearances warning against the dangers of drugs. While these initiatives are welcome and helpful, they are not enough. A long-range strategy is what we need, and that is what a White House conference is all about.

Unlike other concerns facing our nation, the drug problem is a national security and domestic crisis rolled into one, threatening the stability of friendly countries abroad and at the same time causing crime, broken families, addiction, and despair at home. Such a uniquely corrosive problem certainly demands a more comprehensive national response than it has gotten. Only the president can make that happen.

If we are really going to commit ourselves to a full scale war on drugs, it is time to develop a national strategy and make available all the necessary resources. Let us show that we mean business. The first step should be a White House conference on drugs.

A TRIBUTE TO FRANCIS J. BARRY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 5, 1986

Mr. BIAGGI. Mr. Speaker, it is my privilege and pleasure to have this opportunity to pay tribute to an outstanding citizen, an exemplary businessman, a model human being, and a good, and loyal friend—Mr. Francis J. Barry.

Frank Barry passed away on June 8, leaving a legacy of accomplishments, achievements, and contributions to the New York community. He also left a lovely wife, Marion, two devoted children, Beverly and Robert, and three delightful grandchildren, Catherine, John, and Dana.

To fully and adequately list Frank Barry's numerous and noteworthy accomplishments is an accomplishment in and of itself, one which I undertake with profound respect for this list. As chairman of the Merchant Marine Subcommittee, I feel confident in calling Frank Barry "Mr. New York City Merchant Marine." As founder and chairman of the board of directors of Circle Line-Sightseeing Yachts, Inc., he established "America's Favorite Boat Ride," a trip around New York which I hope all of my colleagues will have the opportunity to experience. Frank wrote the 98-page script for the 3-hour tour. His anecdotes, pieces of history, and bits of humor serve as the basis upon which his tour guides build their own narrative.

Frank Barry was also involved with two other boat tour companies. In fact, his ships, which circle Manhattan, Liberty Island, where the Statue of Liberty is located, and Ellis Island, and even venture to Liberty State Park in Jersey City, NJ, and up the Hudson to Bear Mountain, West Point, and Poughkeepsie, represent one of the world's largest passenger shipping organizations. As owner, president and director of Circle Line-Statue of Liberty Ferry, Inc., Frank Barry expanded the tourline from a Battery Park and Liberty Island trip, to include Liberty State Park in New Jersey. As the owner and Chairman of the board of directors of the Hudson River Day Line, Inc., Frank Barry transported passengers from New York City to Bear Mountain, the U.S. Military Academy at West Point and to Poughkeepsie. If you wanted a boat ride in New York, Frank Barry was the man to see.

Frank's business accomplishments are impressive. But what is perhaps more impressive is that he built his merchant marine empire from scratch. As the son of Irish immigrants, Frank had to start working early in life. At the age of 13, while still in elementary school, Frank had to turn down a scholarship for St. Francis Xavier High School to help his family. His choice of position dictated his future. He started as a messenger with the U.S. Customs Service. Within 5 years he had earned a position with the firm of Kirkland & Schneider, custom house brokers. By the age of 30, Frank Barry had secured a partnership with Campbell & Gardiner, Inc., another Custom House Broker. He assumed the office of president, bought the company, served as director and after selling part of the company, re-

mained a consultant. Campbell & Gardiner, Inc., represents over 30 steamship lines and practically every tugboat, passenger, and barge concern in the Port of New York. They also represent yacht brokers, most passenger vessel owners from points between Montauk, N.Y., and Brielle, NJ, most admiralty law firms in registering vessels, and the entrance and clearance of vessels, the clearance of foreign merchandise through Customs, and assist vessel owners with inspection and certification of vessels by the U.S. Coast Guard. To rise from employee to owner of such an organization and then to insure its growth is indeed a tribute to Frank Barry's dedication in his work and devotion to achieving excellence.

Frank Barry did not limit his talents to his businesses; he generously shared them with the entire New York community by serving as director of numerous organizations. Perhaps one of his most noteworthy involvements was his work to avert a walkout by tugboat crews in 1962, which would have left the Port of New York stranded. Initially acting as a special representative of New York Mayor Robert F. Wagner, and was subsequently appointed as Mediator of Local 333, United Marine Division of the International Longshoremen's Association, AFL–CIO, which represents the crews of the owners and operators of tugboats, lighters, tank barges, tankers and certain passenger vessels. He was appointed for this position in 1967.

Frank Barry served in numerous other positions in the New York maritime community. He was Chairman of the Harbor and Shipping Committee of the New York Chamber of Commerce from 1963 to 1977. He was appointed by Mayors Wagner, Lindsay, Beame and Koch as Chairman of the New York City Council on Port Development and Promotion. As Vice Chairman and former Chairman of the Maritime Committee of the Catholic Charities of the New York Archdiocese, as Vice-Chairman of the Cardinal's Committee on the Laity, and as General Chairman of the St. Francis Hospital Building Fund, Frank Barry dedicated his energies to raise money for charitable organizations. In fact, he raised $12.5 million for the St. Francis Hospital Building Fund. Frank used his business talents and intelligence on behalf of his faith and to show his dedication to his fellow man.

Perhaps, a final jewel in his crown was his election in 1979, as Director of the International Marine Transit Association, which is the information exchange for ferry and passenger vessel operations worldwide. This association is comprised of vessel operators, ship builders, fishing boat operators, excursion, hydrofoils, hovercrafts, engine builders, fuel suppliers, and others from all over the world.

Unbelievably, the list of organizations which Frank Barry was a member of continues. In most of these organizations, he held a position of leadership. To give you an example of the volume and variety of these organizations, I will list a few and the positions Frank Barry held in them: Vice-President, Chairman of Shipping Committee and Chairman of Ports and Piers Committee for the West Side Association of Commerce, member of the Executive Committee, Board of Directors, and Chairman of the Nominating Committee of the New York Convention and Visitors Bureau, member of the Executive Committee, the Committee on City Affairs and the Harbor and Shipping Committee of the New York Chamber of Commerce, Commissioner for Licensing Seamen's Hotels or Boarding Houses, member of the Board of Directors of the Downtown-Lower Manhattan Association, the New York City National Shrines Associates, and the Castle Clinton Monument Associates, member of the Advisory Committee for the Francis Schervier Home and Hospital, member of the Hotel Association of New York City, the National Defense Transportation Association, the Maritime Association of the Port of New York and the Navy League of the United States. The list continues with member of the Board of Directors of the Seamen's Church Institute of New York, the Mariner's Home on Staten Island, the Riverdale Community Planning Association Inc., and the George W. Rogers Construction Corporation, member of the Society of Naval Architects and Marine Engineers, the New York State Waterways Association, the Irish Institute of New York, the United States Customs Holy Name Society of the Port of New York, the Broadway Association, Inc., the South Street Seaport Museum, the Bronx County Narcotics Control Council, the Second Panel Sheriff's Jury, the New York City American Revolution Bicentennial Committee, and Governor Carey's Task Force on Transportation. He was appointed to the New York State Financial Control Board, served on the American Merchant Mariner's Memorial Inc., was director of the Municipal Assistance Corporation for the City of New York from 1975, served as Director of Lake Drive Apartments in Florida, served on the Board of Directors of the New York Convention Center Operating Corporation, and was elected to the Board of Governors of the Propeller Club. These memberships demonstrate his diversity of interests; not only was Frank Barry one of the most successful business leaders in the City of New York, he was also an effective and devoted community leader.

Frank Barry was also very involved in the political life of New York. He served as a delegate for the National Democratic Convention in 1964 and 1968, was a member of the Presidential Electoral College in 1964, 1976, and 1980, and served as campaign director for Hon. Isidore Dollinger for 1963 successful election as Bronx Attorney General. Other successful campaign involvements include Treasurer for Hon. Daniel Sullivan's campaign for Bronx County District Attorney, Hon. S. Samuel DiFalco's campaign for New York County Surrogate, and Campaign Manager for Hon. James J. Lyons' reelection as Bronx Borough President. He also served as trustee for the Congressman Charles A. Buckley Memorial Fund, as a member of the Finance Committee for the 1965 election of Beame, O'Connor, and Procaccino, as a member of the 1966 Democratic Platform and Resolutions Advisory Committee, as Chairman and Treasurer for the reelection campaign for Burton Roberts for Bronx County District Attorney, as Chairman of the Citizens for Bertram R. Gelfand for Surrogate, as Chairman of the Citizens Committee for the Election of Judge Alvin F. Klein to the Supreme Court, and as a member of the Finance Committee for the election of Abraham D. Beame for Mayor of New York. His vast political involvement demonstrates his position as one of New York's most prominent community leaders and political figures.

Of course, as you may well imagine, Frank Barry's immense contributions did not go unrecognized. He received numerous awards and recognitions for his many accomplishments and efforts. He was named Waterfront Man on the Year in 1961 by the Barnacles, an organization of government, municipal and transportation officials devoted to the betterment of the Port of New York; he was designated "New York's Waterfront Ambassador" by Catholic Digest Magazine. He received the American Legion Service Scroll by the Col. Francis Vigo Post in recognition of his work on behalf of the American Legion. The Irish Institute of New York presented him with their first President John Fitzgerald Kennedy Memorial Award in 1964. For his involvement in port activities and his citizenship, he received the Bronze Medal of the City of New York in 1965. He was also presented the New York Scroll of Honor that same year. In 1967, he was awarded the Knight of the Greek Order of St. Denis of Zante. In 1973, Frank Barry received the Key to the City of New York "in recognition of what he personally has done over the years to help promote the City and Port of New York." Later that year he received a "Certificate of Appreciation" from the American Cancer Society. In 1974, he was honored by the Annual Award from International Trade Division of the Jewish Synagogue.

Perhaps one of the greatest tributes to Francis J. Barry was given to his by the New York State legislature which passed a resolution commending him for his distinguished tenure as a member of the New York State Emergency Control Board and expressing appreciation for "his dauntless spirit, innovative business ventures and loyal commitment to the stability and development of this great Empire State." In 1974, he received a Certificate of Citation from the Commissioner of Customs for his assistance with programs of the U.S. Customs Service. His laurels were numerous and well deserved. The outstanding character and achievements of Frank Barry serve as a small indication of exemplary and model individual that Frank Barry was.

The best example, perhaps, of the variety of interests and talents Frank Barry possessed is the list of clubs which he could claim membership in. He was actively involved in the Downtown Athletic Club, serving as its president for 3 years, chairman of its Nominating Committee for 2 years, member of its Finance Committee for almost 20 years and named as Honorary Member for Life. He also served on the board of governors and as vice president for the Westhampton Country Club. He was a member of the board of governors for the Propeller Club of the United States, the Whitehall Lunch Club, and the Chiselers Club. He was actively involved with the National Golf Links of America, the Breakers Golf Club of Palm Beach, the Old Guard Society of Palm Beach Golfers, the Rudder Club, the Everglades Club and the Barnacles. He was on the board of directors and served as first vice president general of the American-Irish Historical Society

and a member of the board of stewards and the Admissions Committee for the Friendly Sons of Saint Patrick. Frank also took an active interest in youth as demonstrated by position as chairman of the St. Francis Xavier High School Committee and Athletic Committee. Having once had to turn down a full scholarship to this high school, Frank Barry wanted to ensure other young people would not be forced to face similar hardships.

By examples of Frank Barry's achievements, I have tried to portray Frank Barry, a truly remarkable individual. I have great respect for him, as an indivdual—always kind, compassionate, and thoughtful—as a businessman—talanted, the best in his profession—as a family man—dedicated and devoted to his wife and children. His fond memory will remain in the minds and hearts of New Yorkers, and his legacy will live for years. A special type of an American he stood ramrod straight with his word his bond and the currency of his realm. Those of my colleagues who had the privilege of knowing Francis J. Barry as I did, are truly fortunate. It is indeed sad that this year, in which we celebrate the Centennial of the Statue of Liberty, we lost the man responsible for taking so many Americans to visit her. Frank, we loved you and will sorely miss you.

APPALACHIAN STATES LOW-LEVEL RADIOACTIVE WASTE COMPACT

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 5, 1986

Mr. MURPHY. Mr. Speaker, today I am introducing legislation designed to secure congressional ratification of the Appalachian States Low-Level Radioactive Waste Compact. This compact binds the States of Pennsylvania, Maryland, West Virginia, and Delaware together in search of a mutual solution to the growing problem of low-level radioactive waste.

While it is certainly commendable that these four sovereign entities could put aside self-interest and join together in the search for a safe method of handling and storing this waste, it is apparent that things are not moving as quickly or as smoothly as we might have hoped.

The safe disposal of low-level waste is not an issue to be taken lightly. Low-level waste, often a byproduct of many basic industries and medical facilities, is a problem that demands immediate attention. Yet my home State of Pennsylvania, which has agreed under provisions of this compact to be the first host State, seems reluctant to proceed with its duties and responsibilities under the compact.

While it is safe to say that everyone wants this problem solved, it is equally safe to say that few want the solution in their county or community. Still, this is not a legitimate reason to delay a decision or to hide the bad news until it is more convenient. it is not the time to close the doors of government to free and open discussion of this issue. It is not the time to smother public debate or the time to staff advisory committees with the self-interested or the self-serving. This is a regulatory process that should not seek the path of least resistance through a policy that attracts the least public attention.

The strongest asset that this compact can have is demonstrable public support and confidence. Such confidence is never fostered in an atmosphere of secrecy or delay. The legitimate concerns of many citizens have not been addressed and the support of many others has not been enlisted.

The legislation that I am introducing contains the names of 19 original cosponsors from both sides of the aisle and from all four States represented in the compact. We all recognize that it is time to put aside the inherently partisan nature of this issue and to treat it with the respect and attention that it deserves. No one expects the solutions to come easy or to be universally popular. Yet no one expects this issue to become mired in the kind of election-year politics that distract and detract from the quality of the debate while doing little to advance the purposes and goals of the compact.

I am calling upon the Governors and the legislatures of the four States, especially Pennsylvania because of its role as the first host State, to get together as quickly as possible to address the serious nature of this problem with the degree of attention demanded by the compact. And that while addressing this problem, provide full and open disclosure of all the considerations and invite the general public to participate in the ultimate selection of the sites and methods of disposal of such waste.

LET'S REMEMBER WHAT IT'S ALL ABOUT

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 5, 1986

Mr. PORTER. Mr. Speaker, Congress has developed an acumen for denouncing the deficit, but our record on reducing it is not so impressive. Perhaps, in all our efforts to denounce the deficit, our rhetoric has obscured in our own minds just exactly why the deficit is bad. In this regard, the Washington Post recently provided a useful service in an editorial which reminds us all of just some of the tangible macroeconomic consequences of deficit spending. True, the deficit symbolizes a fundamental selfishness—an inability to live within our means. The deficit also represents a transfer of wealth from lower income taxpayers to the holders of Treasury securities. And these can also be no question that through deficit spending we are mortgaging our children's future.

But, it is important to remember that the deficit has a tangible impact on our current economic condition. High interest rates, abysmal personal savings, sluggish investment, mediocre growth, record merchandise trade deficits, and borrowings of foreign capital are all characteristic of today's U.S. economy. Massive Federal budget deficits have created many of these conditions and exacerbated others. If we do not remember the connection, we will not muster the will to undertake serious deficit reduction; and that is why the Post editorial—by touching on a few of these issues—makes for good reading.

The editorial follows:

[From the Washington Post, July 10, 1986]

DOES THE DEFICIT MATTER?

President Reagan's deficit this year is apparently going to be even larger than last year's record $212 billion. Congress will go back to work on the budget in the knowledge that the deficit is still not headed down.

Congress—both houses, and both parties—thinks that the deficit is a lot more important than the president does. Mr. Reagan deplores the size of it, but there are other things to which he gives a much higher priority—low taxes for one, and higher defense spending for another. Congress was getting increasingly apprehensive about it in his first term, but there were many reassuring hints and murmurs from the White House that, after the election, things would change.

After the election, of course, nothing changed. As 1985 went on, Congress saw that Mr. Reagan had no intention of any serious attack on the repeated budget shortfalls. That's why, late in the year, Congress voted to level off the defense appropriations and to impose the Gramm-Rudman-Hollings Act to force the deficits down. The Supreme Court's decision on Monday makes the G-R-H process somewhat more difficult to manage, and it gives the president an opportunity to veto the result—as the original act would not have done. That raises once again the central question: who's right about the defict, Congress or the president?

The short answer is the Congress is right. The deficit is a threat to the country's prosperity and economic stability. Investment for growth has to be financed out of the same pool of savings as the deficit, and this country has a notoriously low savings rate. With the deficit preempting the present large share of savings, the bidding for the remainder pushes up to the interest rates. Real interest rates, adjusted for inflation, are now two or three times as high as they were during the years of great economic growth in the 1950s and 1960s. Is it really surprising that the economy is not growing now as it did then?

Interest rates would be even higher if foreign investors were not continuing to send their money here at a rate of about $130 billion a year. That helps in the short run, but this country is accumulating tremendous foreign debts very rapidly. It is going to have to pay interest on them like any other debtor. For the past four years this country has been living far beyond its means, spending much more than it has been earning. That has contributed a lot to the glow of good cheer in the Reagan ear. But at some point down the road—no one knows when—Americans are going to have to start spending less than they earn in order to carry that rising burden of debt. It will happen at the foreign lenders' option, not the United States'.

The Reagan administration had been giving Mexico good economic advice, telling it that it can manage it foreign debts only if it gets its budget deficits down. The same good advice applies, for the same reasons; to the United States.

STATEMENT IN PRAISE OF HAL FREEMAN, FORMER REGIONAL MANAGER FOR THE OFFICE FOR CIVIL RIGHTS, DEPARTMENT OF HEALTH AND HUMAN SERVICES, SAN FRANCISCO REGIONAL OFFICE

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 5, 1986

Mr. DYMALLY. Mr. Speaker, earlier this year, an obscure article appeared in the Washington Post on Saturday, February 23, 1986, announcing the resignation of the Department of Health and Human Services' regional manager of the Office for Civil Rights. Ordinarily, such an event would not have aroused public interest, however, the circumstances of this resignation, and the principles enunciated in the accompanying letter of resignation have raised this public act to one of profound implication, not only because it would impact on the public discussion concerning the protection of all Americans who may become victims of AIDS or who may contract this deadly virus and have to fight for their lives, but also because ensuing public concern would focus on enforcement of our civil rights laws. Mr. Speaker, I am publishing this moving letter of resignation of Hal Freeman because it eloquently speaks about this courageous civil servant who dared to fight to change the system from within and who resigned on principle when he failed to move his Director. I am certain that when Members read this letter, they will surely join with me in public praise of this young man of conscience and conviction.

Now about Hal Freeman: Born in Oklahoma City in 1936, Hal Freeman has had a distinguished career in public service. Having graduated from Northwestern University in Evanston, IL, with a B.S. in sociology in 1957, Mr. Freeman earned a masters degree in clinical psychology in 1984 in broadening his education. Hal served with the Chicago Commission on Human Relations rising to become its Director of Housing and Community Services by 1962. Then in 1968 he came to the Department of Health and Human Services' Office for Civil Rights, where he became director after over 18 years of dedicated service at the San Francisco regional office. He has had a most accomplished period of civil rights advocacy from 1968 to 1986.

Hal Freeman is articulate and excellent individual who is also a compassionate and caring person. He has exempified multiple skills and expertise in developing high standards for the regional office and has pursued excellence and high achievement throughout his Federal service career. In his services to his community, he has been a volunteer of good works; he served as a counselor at the Pacific Center for Human Growth; as a member of the National Gay Rights Advocates and National Gay Task Force, as well as a member of the American Civil Liberties Union, and the Sierra Club, and NAACP.

Mr. Speaker, I am proud to have a Californian of his high principles of conscience and the patience of his discipline come before our committee of Congress to express his thoughtful observations and experience in the conduct of civil rights enforcement in our Nation today. I commend to all Members reading of Hal Freeman's letter which follows below:

DEPARTMENT OF HEALTH AND HUMAN SERVICES,
San Francisco, CA, February 20, 1986.

MS. BETTY LOU DOTSON,
Director, U.S. Department of Health and Human Services, Washington, DC.

DEAR MS. DOTSON: This letter is to confirm my resignation as Regional Manager of the Office for Civil Rights (OCR), Region IX, in protest over current OCR policy regarding discrimination against persons with AIDS, AIDS-related conditions, or persons who are perceived as having such a condition.

As you know, during four telephone conversations with you on February 7, 14, and 20, 1986, I discussed my objections to OCR policy, and I informed you on February 7th that I wanted to resign since I was unable to follow that policy in good conscience. On February 20th, after attempting to dissuade me from resigning, you finally accepted my resignation.

My objections to OCR policy regarding AIDS cases fall into the following five areas:

1. Whether persons with AIDS and AIDS-related conditions are considered "handicapped" within the meaning of Section 504.

Both the statute and our Department regulation define "handicapped person", in part, as "any person who has a physical or mental impairment which substantially limits one or more major life activities . . ." The regulation defines "physical impairment" as "any physiological disorder or condition . . ." "Major life activities" are "functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working." Appendix A, Analysis of Final Regulation, states that the definition of handicapped person "does not set forth a list of specific diseases and conditions that constitute physical or mental impairments because of the difficulty of ensuring the comprehensiveness of any such list."

Anyone diagnosed with AIDS, according to the Centers for Disease Control, has both a life-threatening curtailment of the immune system and an opportunistic infection such as Karposi's sarcoma, a skin cancer, or pneumocistis carinii pneumonia, medical disorders which clearly "substantially limit a major life activity." Therefore, it is inconceivable that someone with AIDS would not be considered "handicapped" within the meaning of Section 504. Moreover, Social Security Administration, a part of our Department, has ruled that AIDS is a disability, entitling AIDS patients to SSI disability benefits.

In the case of persons with AIDS-related conditions, OCR could state with certainty that any such condition that substantially limited a person's ability to perform a major life activity would be considered "handicapped" within the meaning of Section 504.

In our discussion of February 7, 1986, you insisted that we cannot consider persons with AIDS or AIDS-related conditions to be "handicapped" within the meaning of Section 504 because, unlike other medical conditions, we have "no track record" with AIDS. You further informed me that you have referred this issue to the Office of the General Counsel for a legal opinion and that, until one is developed, we are unable to advise anyone of our position with regard to the coverage of AIDS under Section 504.

Although it is true that we have no "track record" with AIDS cases, we have, since OCR began enforcement of Section 504 in 1977, a long history of considering various diseases and injuries, both temporary and permanent, as handicapping conditions. For example, complainants with allergies, sprained ankles, and even contagious diseases such as staph infections and Hansen's Disease (leprosy) have been found to be handicapped within the meaning of Section 504. Moreover, in 1985, the 11th Circuit found tuberculosis to be a handicapping condition under Section 504.

In our discussion on February 14th, attempting to demonstrate how impossible it would be to say that AIDS patients are handicapped persons, you referred to a news story that day about a school system that had readmitted a child with AIDS. You said, "How could that child be handicapped if he was able to return to school." As I indicated to you on the phone, a child with diabetes or a mobility impairment who was able to attend school would still be considered "handicapped."

One of the points that you made with me on February 7th was that we could not say that every AIDS case would be covered by Section 504. You stated, "In OCR the complaint is always from the viewpoint of the eyes of the beholder" and that "we deal with each case within the four corners of what the case is." I certainly agree, as I stated to you. We must consider other factors in addition to a person's physical condition before assuming jurisdiction over any case, including one involving AIDS. It would be neither legally correct nor appropriate for OCR to say that all AIDS cases are covered by Section 504 or that all AIDS patients are "handicapped". But for OCR to carry out its legal mandate properly, we should admit that AIDS and AIDS-related conditions are physical handicaps covered by Section 504 and, depending on the circumstances of the particular case, OCR may or may not have jurisdiction or find that the law was violated. The burden is on OCR, however, to inform recipients, complainants and the general public that Section 504 may apply in an AIDS case. This issue is being discussed widely in law journals, such as the Spring 1985 issue of the University of Dayton Law Review, which was circulated within OCR in October 1985 by the Regional Manager in Region II. It is ludicrous for us still to be debating whether AIDS patients are "handicapped" or if Section 504 covers persons with AIDS; rather, we should move on to the more difficult questions as to how we will decide if a person with AIDS is a "qualified handicapped person" within the meaning of Section 504 and other more complicated issues. To accomplish this, we should coordinate with two components of our Department, the Centers for Disease Control and the Public Health Service, both of which have issued guidelines and instructions regarding AIDS, including guidelines for health workers who treat AIDS patients.

2. Whether Section 504 of the Rehabilitation Act of 1973 applies to persons with AIDS or AIDS-related conditions.

Since anyone with AIDS or an AIDS-related condition unquestionably is physically handicapped (as discussed above), there is no question that Section 504 applies to them and protects them from certain forms of discrimination.

Over the years, OCR has cited numerous medical conditions, such as heart disease,

cancer, diabetes, etc., that would cause a person to be considered "handicapped" within the meaning of Section 504 and therefore eligible for its protection. However, you told me on February 7th that OCR cannot say that Section 504 covers persons with AIDS or AIDS-related conditions. When I questioned you about this, you stated, "There is no reason to gratuitously come out and make an unqualified statement that all AIDS cases are covered under Section 504 because, in fact, they are not." I readily agreed and still agree with you that not all AIDS cases would be covered by Section 504, but AIDS, as a handicapping condition, would be covered, and for us to refuse to provide that information to the public is to fail our responsibility as a civil rights law enforcement agency and to fail to help establish national policy in this important new area.

3. Whether a person who is treated as if he/she had AIDS is covered by Section 504.

In December, 1985, OCR, Region IX, received a complaint from a person without AIDS who alleged that he was being harassed by co-workers who treated him as if he had AIDS. Your office stated (1) that this complaint did not fall under Section 504 since the complainant did not actually have AIDS and therefore could not be considered handicapped, and 2) the complainant probably was being harassed because he is homosexual. Your first argument does not take into account that one of the statutory and regulatory definitions of "handicapped person" is "any person . . . who is regarded as having such a (physical) impairment," meaning persons who have no physical or mental impairment but are treated by a recipient of Federal funds as if they are handicapped.

The allegation in the complaint cited above certainly fell within this definition of "handicapped person," but your office insisted incorrectly that a person must be at least "a little bit handicapped" to be "regarded as" handicapped. Moreover, before conducting an investigation, OCR should never impute motives to the alleged wrongdoers (such as assuming they are harassing the complainant because of his homosexuality rather than their perception of him as a person with AIDS) without conducting OCR's obligatory investigation.

A large number of persons in groups that are at high risk for contracting AIDS are being subjected to discrimination because they are thought to have AIDS or be "carriers" of AIDS. Alleged discrimination against people regarded as having AIDS should be investigated under the provisions of Section 504, contrary to the policy of your office.

4. What should be the process and timing of developing OCR's policy on AIDS?

In our discussion of February 7th, the only action that you cited towards development of OCR policy regarding AIDS cases was your referral of the matter to the Office of the General Counsel for a legal opinion. Further, you said you did not know how long it would take for the policy to be issued.

This is in contrast to the "Baby Doe" activity which OCR was involved in a couple of years ago. Within weeks of the famous "Baby Doe" case in Indiana, and the President's mention of it in a press conference, OCR declared "handicapped infants" to be "handicapped" within the meaning of Section 504; developed policies and procedures immediately to apply to this new application of Section 504; held national meetings in a timely manner to train OCR staff; prepared manuals and other explanatory materials for distribution to all OCR staff; sent notification to all hospitals regarding their responsibility to comply with Section 504 requirements concerning handicapped infants; advertised and maintained a 24-hour hotline for the filing of complaints; arranged for on-site investigations to occur within 24 hours of the receipt of any complaint; etc.

Some of these actions were necessitated by the emergency nature of complaints of discrimination against handicapped infants. However, some of these procedures would also be appropriate in some instances of discriminatory medical treatment against AIDS patients. For example, on two occasions, the Mayor of San Francisco has accused other communities of "dumping" its AIDS cases on San Francisco's county hospital. These patients were in a seriously debilitated state and required emergency treatment upon arrival at San Francisco General Hospital.

These two cases also illustrate that discrimination against AIDS patients, both in terms of services as well as employment, is a real problem. The media frequently have described incidents of persons with AIDS and AIDS-related conditions losing their jobs, suffering other forms of employment discrimination, and being denied needed medical services. We are now five years into what the President calls the number one health crisis in America. OCR should have its policies and procedures developed on this issue and be ready to move promptly to handle complaints and provide information to the public on the consequences of illegal discrimination against persons with AIDS.

5. How OCR should carry out its technical assistance mandate with regard to AIDS.

One of the priorities of your administration has been called "preventive civil rights" or providing technical assistance to recipients and the public as as to achieve voluntary compliance with the statutes that are enforced by OCR. In fact, the only reference to OCR's work in the Department's FY 1987 Budget Statement is that we will continue to provide technical assistance so as "to encourage voluntary compliance by organizations receiving assistance from the Department, thereby avoiding or reducing the number of formal investigations or enforcement actions."

We are unable to carry out completely the mandate for technical assistance because your policy prevents our saying that a person with AIDS is considered handicapped. Recently, for example, we received a call from a nursing home chain urgently seeking advice about action it could take concerning an employee who they thought had AIDS; because we were unable to say anything, the recipient may inadvertently violate the law. If the question had concerned any other medical condition, we would have been able to answer it.

CONCLUSION

On February 7th, you agreed with me that the few complaints and inquiries that OCR has thus far received is "only the tip of the iceberg." You stated that "that is why we need to proceed so cautiously." I disagree. That is why we need to move ahead boldly and expeditiously to deal with an issue that legitimately falls under our jurisdiction.

I am concerned that the decision to move "cautiously" is politically motivated and stems, in part, from prejudice towards gay people and the concomitant erroneous assumption that AIDS is a gay disease. For example, one of your special assistants told me, in reference to the AIDS complaint in Region IX, that it was "not a priority" and "should not command our resources." I understand also that you stated in a meeting discussing the Region IX AIDS complaint that you did not want "to lend an aura of dignity" to these cases.

These statements reflect a lack of sensitivity and awareness, particularly since AIDS is affecting racial and ethnic minorities in disproportionately high numbers. You may not be aware that in the United States, roughly four out of every ten people with AIDS are non-white; 25% of Americans with AIDS are Black; nearly 15% are Hispanic.

As it appears to me that this agency will not willingly assume its proper responsibility for enforcing the law on this important issue, I cannot in good conscience remain silent. It is clear to me that OCR will dodge this issue as long as possible and try to avoid taking jurisdiction over any case involving AIDS. I fear that our direction in this area of civil rights will be similar to that in other areas: as far as I know, OCR has not found a recipient of HHS funds in violation of any civil rights law for the last four to five years.

In our discussions over the past month, I attempted to persuade you of the importance of fashioning an effective public response to the issue of AIDS discrimination under Section 504 in a timely manner. When you "ordered" me to follow your policies, I agreed to do so, as long as I remained in my position. When I informed you that you left me with no choice but to resign, you attempted to dissuade me from doing so and asked me to reconsider my decision. We failed in our attempts to convince each other, and I regret that. I am sorry to leave the organization I have served for 18 years, but since my greater allegiance is to my conscience and to my commitment to eliminate bigotry in all its forms, I am forced to resign as Regional Manager of Region IX. I wish you and all of OCR the best of success in your endeavors, and please call on me in the future if I can be of any assistance.

Sincerely,

HAL M. FREEMAN,
Regional Manager,
Office for Civil Rights, Region IX.

STRONG DEFENSE

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 5, 1986

Mr. WOLPE. Mr. Speaker, I would like to call the attention of my colleagues to the following article by Mr. David Evans which appeared in the Washington Post on Sunday, August 3, 1986. Mr. Evans just retired from the Marine Corps last Friday and offers in this essay compelling insights based on 20 years of service in our Armed Forces, including combat experience in Vietnam and many years in defense planning and analysis.

We will be debating the defense authorization bill for fiscal year 1987 later this week. During this debate there will be considerable discussion of what constitutes a strong defense. Too often the litmus test for determining who supports a strong defense has consisted of nothing more than support for a particular dollar figure for the Pentagon or support for the latest in complex and costly weap-

ons systems. Mr. Evans interjects a welcome sense of reality and reason into this discussion. I strongly recommend this piece as a must read for all of us who are concerned about the strength and effectiveness of our national defense.

[From the Washington Post, Aug. 3, 1986]

WE STILL DON'T HAVE THE ARMS AND TACTICS FOR A MAJOR WAR

(By David Evans)

When I joined the 3d Marine Division on Okinawa last year, I was issued brand new equipment. Helmet, pack, canteens, the works. It was the first time in two decades the Marines had ever issued me anything new. Evidence, I thought, that the huge spending increases for defense were finally having an effect. Hard goods were trickling all the way to the tip of the national security spear.

Then I tried to install the leather sweatband in the new German-style helmet made of Kevlar. The simple spring clips on the sweatband of yore had been replaced by fasteners with little metal loops. It took a good half-hour, armed with pliers and jeweler's screwdriver, to work the sweatband into the helmet.

It was obvious the designers of the new headgear were sublimely ignorant of the infantryman's rustic lot in the field, were visegrip pliers and miniature screwdrivers are as rare as Faberge eggs.

The helmet is symptomatic of the kind of military the United States is producing. It is rather like the British sports cars of the 1950s. Beautiful to look at, they were nevertheless cantankerous and touchy to operate. Under less than optimum conditions—like rain—their electrical systems were maddening. They stand as an apt paradigm for today's combat systems.

War remains very simple, direct, and brutal. In contrast, our latest combat systems offer baroque complexity. They require the skills of highly trained technicians to understand and maintain. As we have pushed technology, the operating tolerances of our systems have narrowed. The military is now so complex it cannot go to war without air-conditioners. Not for the comfort of the troops, mind, but to keep its delicate computers from overheating. The question is whether we are overdesigning forces that cannot win wars.

Indeed, the American military system suffers from seven deadly flaws:

The system is not self-correcting.—Instead, the American military is stuck in the rut of ingrained and comfortable habit. Too many of the lessons learned painfully years ago remain uncorrected.

When the Marines staggered out of the Chosin Reservoir 35 years ago, they said the standard five-gallon water can was too heavy for troops weakened by fatigue and cold. They suggested a three-gallon, insulated model.

In those engagements, only the simple M1 rifle, with its loose tolerances and robust operating mechanism, could be kept working in the extreme cold. The temperamental carbine, with its shorter bolt movement, jammed frequently. The complicated Browing Automatic Rifle (BAR) tended to clog with ice, and the Marines urged "simplification of the weapon."

Few of the men who fought that bitter campaign had received actual experience in cold-weather operations beforehand. Those who survived commented enviously on the white cloaks worn by the Chinese, which made them all but impossible to spot.

The situation today: White parkas are in the system. Genuine progress there. But the standard water can remains the five-gallon model, uninsulated. "How we're going to get water to the troops remains a basic, unanswered problem," one colonel told me. The M16A2 rifle, with its close tolerances and short bolt movement, experienced significant failures in cold weather tests in 1984.

The Marines have prepositioned a brigade's worth of equipment in Norway, but they have not designated or trained a specific unit for cold-weather operations.

Whether campaigning in the snow or desert, American troops are likely to encounter Soviet tanks. Their ability to kill them remains dismal. Recall the Army's experience with Task Force Smith, the Rapid Deployment Force of its day, fighting North Korean tanks at Osan in July, 1950. The forward companies were overrun because the Army's 2.36-inch bazooka lacked the punch to kill a tank from the front. Today, the infantryman's last-ditch weapon is still essentially a disposable bazooka—the M72—which fires a warhead that remains too small to inflict a kill.

The Army seems to have forgotten that fighting is largely psychological, and that battles are oftentimes won or lost on the strength of perceptions. If an attacking tank is hit from the front and explodes, an entire armored attack may be halted. Nobody wants to burn to death. On the other hand, if the tank is hit and keeps coming, what incentive does the defending infantryman have to stand and fight?

We're easy targets.—Three rules for battlefield survival remain unchanged since World War I: Keep a low profile, stay off the skyline, and spread out. The U.S. military is distinguished by its billboard profile. The standard M923 cargo truck is a good 10 percent bigger than the M54 truck of 1960s vintage. Yet the new truck carries the same five-ton load.

The Army's M2 Bradley troop carrier is fully 10 feet high. Crashing through the woods at Fort Benning, it looks as big as a house.

Standing out against a neutral background is worse—troops moving along the crest of a ridge, for example. There is an electronic skyline, too. Anything that sends out electromagnetic radiation—radars and radios specifically—can reveal one's position. The need to transmit has to be balanced against the risk of detection. Instead, radios have become a convenient crutch. There are about 1,100 of them in a Marine division now, filling the air with mostly routine administrative messages, advertising our positions like so many searchlights on a dark night.

Omnidirectional antennas aggravate the situation by broadcasting in every direction. Directional antennas would greatly enhance communications security. One of the more powerful tactical radios, the AN/TSC95, does not come so equipped, and pours out its 1,000 watts of power in all directions, like one of those faceted mirrored balls that hang from discotheque ceilings. Yet a good high-gain, directional antenna can be had for a fraction of the radio's cost. Claims one signals officer, "You can buy a better antenna for the TSC95 from Radio Shack than the one that comes with it."

Contrary to the need for dispersion, the massive and more powerful electronics tend to aggregate into large headquarters complexes. A division command post looks like an antenna farm, pumping out electromagnetic radiation, as well as heat and noise from ranks of diesel generators, fairly shouting its location.

We're too complicated.—The virtue of simplicity runs counter to the reigning devotion to complex weapons. Although more can go wrong with complicated systems, the U.S. military is now freighted with unnecessary complexities.

The Pentagon's approach to weapons design is a major contributor. "Cost-effectiveness analysis," says one former Army officer, "tends to drive one to single-purpose weapons because of the one-on-one simulations and the fact that special interest communities conduct the analyses." The end effect was captured in one recent report, revealing for its frankness on the matter, "All combat-vehicle programs have designed their own unique weapons stations, resulting in a significant number of single-purpose stations with unique logistics * * * heavy demands on training, and little or no interoperability or commonality * * * between different vehicles."

The Air Force and Navy have incompatible aerial refueling systems. The Air Force flies "female" fighters; its pilots fly next to the tanker and are plugged in by the boom on the mother ship. The Navy flies "male" fighters, mounting a probe that the pilot flies into the tanker's fuel receptacle. Unless both systems are mounted on the tanker, as in the case of the new hermaphroditic KC10, or the modification kit is handy for the older KC135, the two systems are not interchangeable.

At a more fundamental level, all the players on the battlefield are not dealing in the same units of measure. Infantry units use kilometers and meters for horizontal and vertical measure, using grid coordinates to mark locations. Pilots flying close air support for them deal in nautical miles, feet above sea level, and latitude-longitude locations.

Some aviators claim the difference is trivial, as it is easy to convert from one to the other. But why convert at all? The conversion process injects an unnecessary source of error. The military adopted 24-hour time to eliminate potential confusion. The same argument applies for problems of location.

There is not enough slack in the system.—We are building systems where anything less than perfect execution can upset the game plan. Loose tolerances are more forgiving, especially under the terrific and often unpredictable strains of combat. The Navy's latest air-cushioned amphibious landing craft, the LCAC, is a good example of the kind of unforgiving systems now entering service. Since the LCAC is more like a helicopter with the roof off than a boat, the latest employment manual cautions that the "spotting of cargo is critical" to stay within center of gravity limits. Three inches is the allowed tolerance. Now imagine doing this with a 60-ton tank from a heaving loading ramp at sea.

Laser-guided bombs are the current rage in high-fashion weaponry. Accurate, yes, but they present unique problems. Laser spotters held by troops on the ground generate pulsed codes. These are meant to be read by a seeking device in the nose of the bomb hung under the wing of an aircraft. Yet the ground-based spotter pulses in a three-digit code while the bomb only "recognizes" a four-digit code. So, rather than having both components use the same three- or four-digit code, the bomb's coding has to be carefully translated before hand into a three-digit equivalent.

There is absolutely no room for error here. Not only must the laser on the ground and the seeker in the air work perfectly, the pilot must be in constant radio contact with the infantryman to ensure that the ground laser is turned on at precisely the right time. If it is turned on prematurely, the bomb will lock on too early and fall short of the target. Moreover, since the pilot has to ride right down the laser beam, he must come in directly over the soldier's back. Thus, a bomb that falls short is likely to fall on friendly troops.

We are not ready for close-in fighting.—The Army and Marine Corps have adopted a three-layer approach to antitank combat: TOW heavy antitank missiles for kills beyond two miles, the DRAGON medium antitank missile for kills at about a mile, and shoulder-launched rockets at belt-buckle range.

For these weapons, they have not invested in enogh ammunition to do the job. The military does not buy munitions according to wartime need, but on the basis of what share of its peacetime budget it chooses to spend on ammunition. The planned consumption rates that result are absurdly low—in intense combat, one shot every two days for the TOW, and one shot every four days for each DRAGON, for example. "I'll shoot up my allowance in the first five minutes." said one astonished battalion commander when he was informed of these planned firing rates.

Even with adequate stocks of missiles, there are problems. The TOW can be spoofed by smoke and heat. The DRAGON is notoriously unrealiable. After a decade of neglect the Army is finally moving to replace the near-useless DRAGON with an effective weapon of European design, but only for select units such as Rangers.

However, few battles are won or lost at long range. Opening fire early at long range can betray one's positions, and Rommel, a master at setting antitank ambushes, repeatedly inveighed against opening fire too soon for this very reason.

The nature of the battleground probably will not allow for the distant shots, anyway. Germany, for example, is heavily wooded and urbanized, and the Bundeswehn estimates 55 percent of all targets will be sighted at less than a quarter-mile. The Soviets, too, figure roughly 60 percent of all antitank engagements will take place within a half-mile range.

Army Gen. Frederick J. Kroesen, former commander of NATO's Central Army Group, is even more conservative: "Fog . . . and smoke-generating devices in abundance lead me to believe the next war will be won or lost at the 300-meter [fifth of a mile] range, just as in the past."

It is at this vital range that American troops are most vulnerable to the unnerving psychological impact of massed armored attacks, and where they stand virtually naked. The Army and Marines are buying the AT4 shoulder-fired rocket to replace the M72. It is not much of an improvement, and is known among cynics as "The Paint-Scratcher" because it will not penetrate the frontal armor of modern Soviet tanks.

Effective alternatives are available. Yet the situation now is that Soviet tanks will be able to break through at close range, and then there is almost no limit to what they can do. They will create havoc in the rear, overrunning artillery units with impunity. The standard U.S. 155mm artillery piece, although an excellent weapon for longrange fire, cannot kill tanks at close range, as it does not come supplied with antitank shells.

We are over-centralized.—The swirling nature of a mechanized war of movement, slugged out at the small-unit level, calls for on-the-spot decisions. Leaders at the head of their troops will see more and react more quickly than commanders in the rear.

"There is no inspiration in the squeaking voice made dim and quavering by a mile of [telephone] wire," said Patton. But state of the art has come to mean centralized command, and a growing family of esoteric command-and-control systems are intended to push the flow of information to the rear.

This definition from a Marine Corps handbook is instructive: "Command-and-control is an active system for decision-making where decision makers are some distance from events on which their decision is based," and [significantly] "from the people who must carry it out"!

Note the shift away from officers as commanders and leaders to pallid "decision makers" who, like wingless queen bees, are absolutely dependent on a rich flow of information from engaged troops who have more pressing matters than sending detailed reports to the rear. The big difference from the bunker generalship of the First World War is that what was once done with telephone lines now takes place via radio.

The on-site, personal presence of the commander remains the greatest "force multiplier" of all. Instead, he has been pushed to the rear, snuggled up to a dozen or more radios, all broadcasting like beacons telling the enemy exactly where he is.

There are signs of change. Col. Creighton Abrams Jr., commander of the Army's 3rd Infantry Division's artillery in West Germany and son of the last Army chief of staff, suggests committing each artillery unit in a sector to support a designated front-line maneuver battalion. "This violates the time-honored principle of maximum feasible centralized control of artillery," Abrams admits, "but it frees up the bottleneck" of trying to control all the artillery firing from a central location. Abrams' argument for decentralization recognizes the fast-paced nature of modern maneuver combat, where there isn't time for elaborate coordination through centralized facilities far to the rear.

We do not push ourselves in training.—The prospect of our complex systems working in battle is not likely to be discovered in peacetime, because our units and systems are rarely stressed under less than ideal conditions. Most large-scale exercises lack operational realism. Intended to orchestrate and rehearse the complicated command relationships stemming from over-centralization, the basic systems are not challenged.

"We should start field problems with a quarter instead of a full tank of gas," says one logistician, in order to pressure the supply systems from the first hours.

Despite all the Pentagon hype about Soviet numerical superiority, we do not train to deal with it. Maneuvers typically are carried out against token and hopelessly outnumbered enemy forces. Although battalion commanders are admonished they must be prepared to fight outnumbered, they practice against company-size foes. Local air superiority is taken for granted. Frequent time-outs are provided to refresh and resupply units.

The ingrained and comfortable habits of peacetime exercises are not easily shed; recall that 6,500 troops were hurled against a few hundred haphazardly armed Cubans on Grenada.

Occasionally the defense establishment admits to itself things are badly amiss. Last spring the RAND Corp., a Pentagon-funded think tank, offered this confessional to its board of trustees: "The Army is currently deploying increasing numbers of technically sophisticated weapons that are hard to maintain, extremely expensive, and whose wartime demand rates are difficult to forecast." This assessment applies with equal, if not greater force, to the other armed services.

Appearances can lead to a false perception of power, and the U.S. military stands like a fine porcelain figure, good for display but best not dropped onto the hard surface of the battlefield. How did we get here? By not looking at the reality of war. "Touchy, sensitive, delicate technology has no place at the front line," asserts one Marine reserve colonel. He's right, of course, but that is what the troops have got.

An aura of "techno-prophecy" surrounds the promises of weapons now under development. But the current penchant for revolutionary leaps in capability aggravates technical and cost uncertainties. A vicious cycle of unrealized expectations and explosive cost growth is the usual result, with readiness cutbacks and smaller forces in the field. Steady, incremental improvements may not be as dramatic, but they are likely to produce more usable combat power.

Other factors are at work. An absence of healthy skepticism, for one, leaving too many basic assumptions unchallenged. For example, the current rubric that "High-technology weapons are more lethal" is belied by actual battlefield experience. Shrapnel and bullets are doing most of the killing in the war between Iran and Iraq, although both sides have invested in some of the most complex weaponry money can buy—from Exocet missiles to F14 fighters. In field exercises, the U.S. Army is discovering that large numbers of antitank missiles must be fired to achieve relatively few kills.

Counterproductive parochialism, for another, leads to endless compromises with special-interest fiefdoms. The Bradley troop carrier, for example, is the proverbial "camel"—a horse built by a committee. As an armored taxi, it carries too few troops. As a high-profile weapons platform, it will draw fire from every enemy weapon in range.

The Navy and Air Force have their own legacy of costly parochialism. The lightweight-fighter program of the 1970s was intended to produce a common first-line aircraft for both services. Instead, the Air Force flies the winner of that competition, the F16, and the Navy flies the loser, the F18.

Perhaps the basic problem is the easy availability of money. It has corrupted a sense of reality, and distorted the focus on fighting. "The battle's the thing," said the late military historian S.L.A. Marshall. Instead of fighting power, the wealth poured into the business of war now stands as the measure of effectiveness.

There is much earnest talk coming out of the Pentagon about the need for 3, 5, or 8 percent growth in defense spending. But when the argument shifts to the subject of fighting power, the certain rhetoric of an instant before devolves into vague ramblings about the "synergistic effects of combined arms," about the "single-pass multiple-kill" systems the troops will have five years hence, and the forthcoming marvels of "enhanced connectivity."

Faddish jargon has become a substitute for clear and serious thinking about the underlying foundations of combat effective-

ness. Poetry devoid of philosophy is merely verse, and spending absent a sound concept of national defense is simply procurement. A freeze on defense spending would be an appropriate first step to sort things out. Mindless buying is producing a military described by one former Army general as a "force without power"—and at a cost the country cannot afford.

NEWARK MAYOR SHARPE JAMES' INAUGURAL ADDRESS

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 5, 1986

Mr. COURTER. Mr. Speaker, there is something inspiring and thrilling in seeing the American dream being realized in the life of an individual. Newark, NJ.'s new mayor is just such a person, as his moving inaugural address shows.

Mayor James tells his story briefly, and I won't repeat it here. But when you consider this speech and his recent and totally unexpected electoral success in the light of an improverished childhood and the struggle to realize his potential and achieve the excellence of which he is clearly capable, these remarks take on a transformed meaning.

I suspect it is no accident that this address recalls President Kennedy's inaugural 25 years ago. It is by turns graceful, patriotic, populist, concerned about political and social reform, committed to moral and ethical principle to family and improving the quality of people's lives in all dimensions. There is not one word of divisiveness or bitterness here. Indeed this is one of the most positive speeches I've seen, grounded in lines which deserve to be written in stone: "We must pursue academic and moral excellence. For, if we stress a moral force and a passion for excellence, we can overcome all odds. We can lift ourselves with our mind and morals."

I congratulate Newark's new leader and wish him well in his effort to restore Newark to the greatness that city has every right to reclaim. And I would not be surprised if the State of New Jersey will be seeing many more "Sharpe changes" to come.

MAYOR SHARPE JAMES' INAUGURAL ADDRESS, JULY 1, 1986

To my loving wife, Mary, who has stood by my side during good and bad times; my three sons, John, who with the grace of God escaped from near death, graduated with honors from high school and will enter college in September, Elliot, a musician, dancer and politician, and Kevin, the quiet one; to my mother who labored to give us a home and stressed the importance of an education; to my brother, Joseph, an graduate of Newark College of Engineering now NJIT and his lovely family; to all of my relatives and friends who gave me inspiration and hope along the highway of life; to the Honorable Members of the Newark Municipal Council and their families, many of whom I have shared the best years of my life with; to Mr. Frank D'Ascensio, our esteemed City Clerk; Reverend Clergy; honored guests; citizens of Newark; my dedicated campaign workers; ladies and gentleman, good afternoon. It's time for a Sharpe change!"

First, I sincerely and humbly wish to thank you for your vote of confidence in selecting me the 37th Mayor of Newark. It is an honor and challenge to lead the largest city in New Jersey and the third oldest city in America.

Second, and most importantly, let me personally extend my sincere and heartfelt gratitude and appreciation to a great American, our friend, our former Mayor, the Honorable Kenneth A Gibson. We thank him for sixteen years of leadership. We wish him every success and happiness in his future endeavors.

Third, let me personally and wholeheartedly congratulate the duly elected Members of the Newark Municipal Council. I pledge my full cooperation in working with you to improve the quality of life for all citizens. Together, we go forward. Together, we can build bridges of opportunities and achievement. Together, we can make Newark a city of hope and prosperity. Together we stand, divided we fall.

I will miss my eighteen years at Essex County College. I will miss its outstanding staff, faculty and administration. And, most of all, I will miss standing in front of a classroom watching students challenging the unknown and experiencing the thrill of discovery. Thank you Dr. A. Zachary Yamba, President and to the entire Essex County College Family.

Today, there is a mood of celebration and security in beautiful Symphony Hall, which grows out of our being together. We feel that joy and security in new relationships, new life, new energy and new hope.

My election is testimony to the validity of the American dream. Where else can a poor boy with holes in his sneakers and no suit living on Howard Street, move from Robert Treat to Miller Street School and on to South Side High; attend college on a work/athletic scholarship, graduate with honors, serve two years in the United States Army in Germany, return to the State of Massachusetts for graduate study, become a Newark school teacher, a community activist, former President of UCC Area Board 9 and President of the Weequahic Community Council, a college professor, a district leader, a ward councilman, twice a delegate to the National Democratic Convention, a councilman at-large and now Mayor? Only in America. Only with the grace of God and only with your trust and support.

My victory in this election is not a personal one. Many citizens of all colors, languages and ages labored in my behalf. We learned that signs do not vote. And, we learned that truth crushed to the ground will rise again. Our victory provides hope for all who share a belief in better tomorrows. A belief that our children, their children and children yet unborn, can live, grow and prosper. A belief that they can share and shape the American dream. A belief that every child should be able to dream that one day he or she can be president of the United States of America.

No generation can choose the age or circumstances in which it is born, but through leadership it can choose to make the age in which it is born, an age of enlightment.

Our society generally seems more violent, more drunk, more suicidal and more threatening of one another than generations past. Too many individuals are experiencing an ethical collapse, a spiritual withdrawal, and escaping reality through drugs, alcohol, sex-without-love, making unwanted babies, and turning on each other with violence.

Drugs, especially crack, have reached epidemic proportions among our youth. We must crack down on crack. We must meet the challenge of raising the price and value of life everywhere. What difference does it make if the door of opportunity swings wide open when you are too drunk or too high to through?

What difference does it make if you have an old school book or a new book, if you open neither. In our homes and churches we must teach by word and by example, that drugs are morally wrong, physically destructive and will kill you. Will power must replace pill power if we are to face the future and its difficulties head-on and overcome all obstacles. During these hours of crisis. We must reject premature death and reaffirm life. We must turn to each other and not on each other. The Bible says that "without vision the people perish."

There are no quick and easy solutions to the problems before us. Problems of public safety, a need for more housing and jobs for the unemployed; a need to better educate our children and recognize the importance of job training programs; expanded economic development, more cultural and recreational opportunities for the young and old, and the need to recognize the importance of the family, religion, justice and peace. A major part of the solution to these problems rests with a public administration that is thorough, honest, meticulous and responsible. A government that will form a meaningful partnership with the private sector. A government serving the people and not a government serving the people in government.

Government can and must work. It must work for those who have entrusted their faith in us. It must work for the poor and disadvantaged. Government must prove fiscally and programatically sound for struggling taxpayers. In this administration, we will have the courage to change those governmental functions requiring change and the courage to accept those governmental functions not requiring change. The job of moving Newark forward to take its rightful place among the great cities of this nation will not be achieved overnight, or in one year. Progress may at first be slow.

There will be pain and gains, setbacks and cutbacks, regress and progress. But, I assure you that as Mayor, there will be a change. I call upon every citizen, every block leader, district leader, ward councilman, councilperson at-large, elected official, clergy and business people to join me in a partnership for a new Newark. One that will offer new vision, new hope, and a better way of life for all citizens.

The philosophy of the James administration will be to come to work early and leave late; to demonstrate self-discipline and the disposition to make some sacrifice for the common good. We are dedicated to the principle that one man, one woman can make a difference.

We stand on the shoulders of great men and women whose dreams and struggles have brought us this far. Men and women such as Dr. Martin Luther King, Jr., Rosa Parks, John Kennedy, Paul Robeson, Eleanor Roosevelt, Adam Clayton Powell and Harry Truman, who stated, "the buck stops here!". One man, one woman can make a difference.

In this administration we will select men and women to serve in government who are qualified to do their job. They will remain on the job and be promoted based on the quality of their performance. No employee will be required to participate in political activity. City Hall will function as a business,

and not as a social or political club. We will encourage proper dress codes, good telephone manners and will insist on sound and courteous relations with the public. Our function is to provide services not excuses. Performance not promises. We will establish a code of ethics to govern the conduct of all key officials in this administration.

We will ask large and small businesses to share in the responsibility of keeping their property free of litter. We will ask the young and old not to use our streets and sidewalks as a waste paper basket. Pride in Newark begins with pride in self.

Pride in throwing grass seeds, and in growing grass. Pride in not littering and not loitering. Pride in taking care of our family . . . our personal family . . . our community family.

Last week, I presented to the distinguished members of the Newark Municipal Council a plan for reorganization. This plan will save valuable tax dollars, consolidate responsibilities, establish clear lines of communication and improve our delivery of services. A plan for a better administration, a better city.

For too long we have looked for financial help from Washington, D.C. or the Office of the President. For too long we have looked to Trenton for miracles. In this administration we will accept the challenge of doing more for ourselves.

Without one additional federal dollar, we can sweep in front of our homes. Without one additional federal dollar, we can clean our vacant lots. Without one additional federal dollar, we can paint, repair and improve our homes and apartments. Without one additional federal dollar we can declare war against grafitti, and respect the rights and property of others. We can fight drug abuse.

With the possibility of the Gramm-Rudman bill becoming a reality and no "big brother" watching over us in Washington, we must accept the challenge of doing more for ourselves—the challenge of doing more with less.

We in government must never forget from whence we came. When we are right we want to hear from you. When we are wrong we want to hear from you also.

I can hear the words of Lord Chesterfield in Letters to My Son, written in 1853: "The gallaries are full of critics. They play no games. They fight no fights. They make no mistakes because they attempt nothing. Down in the arena are the doers. They make mistakes because they attempt many things. The man who makes no mistakes lacks boldness and the spirit of adventure. He is the one who never tries anything. He is the brake on the wheel of progress."

We will make mistakes, because we are doers. We have entered the arena for a Sharpe change.

Both sweat and tears are wet and salty, but progress comes through sweat in ways that it will never come through tears. Tears will gain you sympathy, but sweat will allow you to make progress. We must pursue academic and more excellence. For, if we stress a moral force and a passion for excellence, we can overcome all odds. We can lift ourselves with our minds and morals.

We need social, economic and political change. But, let the change begin today, and let it begin with you and me! Let us vow together that we will excel . . . We will push for moral, academic, social and political excellence—even against the odds.

If we do, we can win. If we do, we can make a difference! In looking back, I decided to forfeit a council at-large seat to run for the Office of Mayor. I decided to risk what I had based on my belief in a better Newark. For the only way to protect a true democracy is to continue to challenge those in office. For there is always room at the top for those who dream great dreams and have the courage of their convictions.

We won because of you. We won against all odds. We won because of the need for a Sharpe change.

Together we have dreamed great dreams.
Together we must march to solution.
Together we stand, divided we fall.

I need your help. Without you there can be no me . . . no city . . . no hope. With you as my partner in progress, there will be visible, viable and meaningful change . . . a better city for all citizens!

As I close, I am reminded of the words of the great American poet, Robert Frost, who wrote so eloquently:

The road is lovely, dark and deep,
and I have many promises to keep,
and miles to go before I sleep,

This is reminiscent of JFK inaugural!

Thank you and may God bless you all.

SOUTH AFRICA AFTER 6 YEARS OF CONSTRUCTIVE ENGAGEMENT

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 5, 1986

Mr. RANGEL. Mr. Speaker, on June 18, the U.S. House of Representatives passed the Anti-Apartheid Act of 1986. An endorsement of full, immediate sanctions and divestment, the bill calls for an end to American trade with South Africa, and a withdrawal of American investment within 6 months. Only strategic mineral imports are exempted from the trade embargo. The bill bans the sale of krugerrands and revokes landing rights to South African aircraft except in emergencies. It also prohibits claiming tax credits or deductions for income connected with South Africa.

H.R. 997, the Anti-Apartheid Act of 1986, is the most unequivocal piece of legislation Congress could have devised. Its demand for total economic disassociation from South Africa is as forceful a signal as we can send. The House has already indicated its approval of the bill's provisions. It is now up to the Senate to determine its passage.

In the last 20 months, over 1,600 people have been killed and 38,000 arrested in growing antiapartheid protests. In the last 3 months, the daily death rate has nearly doubled. And most recently, the South African Government responded to the escalating crisis by declaring a nationwide state of emergency, giving the country's security forces virtually unlimited powers outside the realm of the courts.

South Africa has made it legal to shoot people on sight, to arrest, search, and detain without warrant. Access by lawyers to those in jail has been prohibited. Public protests, opposition newspapers, and any remarks the Government arbitrarily deems subversive have likewise been banned. And in the few weeks immediately following imposition of this de factor martial law, some 4,000 opponents of apartheid have been arrested.

South Africa is at flashpoint, and the next several months will determine the country's future. The House's early approval of the Anti-Apartheid Act was made possible because the sense of urgency was understood. House Members voted on the conviction that the United States can be instrumental in influencing the South African Government's choice of direction—toward new negotiations or increasing bloodshed.

The Senate could claim that the apartheid regime has already made its choice, that it is slowly but steadily liberalizing the Nation, and that U.S. interference would only strengthen the arguments of extremists in the Government and thwart the cause of genuine reform. Apologists could point to the decision to allow mixed marriages, the outlawing of forced removals of blacks from forbidden areas, and the recent abolition of the pass laws that regulated blacks' movement.

These technical reforms were hoped to be enough to placate the international community to which they were really offered in the first place. But none of the reforms have changed anything for the 24 million blacks living oppressed and disenfranchised in South Africa. They were never intended to. Reforms that strike at the core of apartheid have not been considered, and even the peripheral reforms of which the South African Government so proudly boasts have had little discernible impact. The reforms were designed more for South African public relations than for the blacks themselves, and so their implementation has been predictably ignored.

Perhaps what we should do is shudder at a society so inhuman that the granting of such basic rights as freedom of movement and marriage can be hailed as great reforms. Perhaps what we should say is that we have supported and accepted this injustice for long enough. Perhaps we should refuse to have our money or trade linked with South Africa in any way.

It would be easy for the Senate to affirm its commitment to the principle of sanctions while restricting trade and investment only minimally. Reasonable, practical considerations could dictate its reasonable, practical judgment: The harshness of a full embargo and divestment, the financial impact on U.S. investors, the tremendous favor we do for South African blacks by giving money to the society that dehumanizes them.

It might be easy. "Prejudice is never easy, until you can justify it with reason," it was once said. But there is no reason in apartheid. There is no reason in the subjugation of a people because of the color of their skin. There is only hatred, and it cannot be easy for the United States to knowingly take part in such racism. Every dollar of our investment in South Africa, every dollar of our trade makes us culpable in the outrage that is taking place there.

We must not continue to bolster the apartheid economy and regime with U.S. money. Every antiapartheid leader and organization with popular support in South Africa has called for economic sanctions against the Government—Archbishop Tutu and Rev. Alan

Boesak; the ANC and the United Democratic Front; the South African Council of Churches and the Southern African Catholic Bishops Conference; the labor federations COSATU and CUSA. The World Council of Churches and the British Commonwealth's Eminent Persons Group have both issued similar appeals for concerted international action. In the United States, action has been taken by some 17 States, 45 cities and counties, and 75 colleges and universities, resulting in the divestment of over $12 billion from firms doing business in South Africa.

In the Anti-Apartheid Act of 1986, this growing public outcry is finally recognized by decisive legislation. Total economic sanctions and divestment are the sole remaining means through which the United States can influence South Africa. They are the last hope for peaceful settlement in that burning and bleeding country. And they are the only way the United States can finally make clear which side it is on, and how much justice really means to us after all.

CANCER COULDN'T WHIP J.D. MAARLEVELD

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 5, 1986

Mr. BIAGGI. Mr. Speaker, J.D. Maarleveld is 24 years old. He stands at 6 feet, 5½ inches and weighs 300 pounds. J.D. recently was selected as a fifth-round draft pick with the Tampa Bay Buccaneers, and signed a 1-year contract worth $200,000. What is so great, so special about that? J.D. Maareveld is a cancer survivor, having been diagnosed and successfully treated for Hodgkin's disease over 4 years ago.

An article about J.D. recently appeared in People magazine. I wish to share with my colleagues his courageous and inspirational story. He has fought cancer, and is now battling to gain acceptance in the National Football League. His story follows:

CANCER COULDN'T WHIP TAMPA BAY'S J.D. MAARLEVELD; NOW HE'S MAKING SURE THAT THE NFL GETS THE MESSAGE

(By Jack Friedman)

Rutherford, N.J., a suburb of New York City, lies at the bitter end of Route 17. It is mostly working class and largely Italian. On Park Avenue is a neighborhood deli called Jonny Bacc's. J.D. Maarleveld's parents own Jonny Bacc's, which is lucky for both them and him. J.D. stands 6' 5½", weighs 300 lbs. and considers eating to be an inalienable right.

The Maarlevelds are a close-knit family. So when J.D. strolled into the deli one afternoon this summer, he found his mother, Marianne, behind the register and his Uncle Steve working the counter. There were also plenty of friends around, including a little guy who wandered up and playfully threw a punch at J.D.'s arm. J.D. playfully threw one back. "Oh, Jeez," said the little guy, whose arm was instantly paralyzed.

Maybe the 24-year-old football player didn't know his own strength. Or maybe he was angry.

"Angry?" says J.D., who, when he sits down, makes tables and chairs look like doll furniture. "Not really." Not really? Come on, J.D., out with it. "Ah, yeah," he says finally. "I'm pissed off. I don't understand why people lie to me. They keep saying my cancer is no problem to them."

It started back in 1982, when J.D. had just finished his sophomore year at Notre Dame. He was in Rutherford that weekend, visiting a girlfriend, when he suddenly became violently ill. He lay on the couch, delirious with fever, vomiting. The girl started to panic. She called J.D.'s mother, who said to put J.D. in the car and bring him home. But J.D. was too big to move. So Marianne and her daughter, June, rushed over to the girl's house. They still couldn't budge him, so they summoned J.D.'s father. Finally, the four of them were able to get him to the emergency room of St. Mary's Hospital in Passaic. At first pneumonia was suspected. But then x rays were taken, and doctors noticed a suspicious mass. So J.D.'s chest was cracked open, and a malignant tumor the size of a man's fist was removed.

"I'm happy to tell you J.D. has Hodgkin's Disease," the doctor told Marianne Maarleveld, who immediately became hysterical. "You're happy? she shrieked. "This is my kid!" Of course what the doctor meant was that Hodgkin's Disease is a slow-moving cancer with a 75-percent cure rate if caught early enough. So it was good news. But the Maarlevelds went to pieces before they were able to pull themselves together. "It was the weirdest thing," says J.D. "The roles totally changed. It was the first time I saw my father cry. My mother became the strong one."

At least that's how it seemed. "I never cried in front of J.D." says Marianne. She did her crying in private. She prayed constantly. "For a year we had no sex life," says John Maarleveld, J.D.'s father. "I had to yell at her to keep the goddamn rosary beads out of our bed."

As for J.D., he stayed calm. "You need a positive mental attitude to get through cancer," he says, "so I never thought about dying. I thought about getting better." He had plenty of incentive: Gerry Faust, then the Notre Dame football coach, told J.D. he would be back at offensive tackle as soon as he beat the cancer. "We were on the phone to Gerry Faust on a weekly basis," says Marianne. "He'd say, 'How's my boy doing? I can't wait till he gets back.'"

J.D. endured the month of radiation treatments that made him feel like a broiled lobster. He endured the weekly chemotherapy sessions that seemed to be every bit as bad as the disease itself. "For a day after, I'd be throwing up, passing out, sick as a dog," he says. But the moment the weakness passed and the nausea left him, he'd head right over to Johnny Bacc's. "My Uncle Steve would make me the biggest, greasiest omelet. I'd eat it, then I'd go work out." J.D. forced himself to eat. He forced himself to pump iron. Throughout the entire ordeal he lost only 35 lbs.

After a year the doctors pronounced him clean. The cancer was not in remission. It was gone. The odds of it coming back were 100 to 1. Because of his prodigious eating and workout schedule, J.D. was still close to his football weight of 305. Marianne Maarleveld called Coach Faust with the good news that J.D. was ready to return. Then Faust delivered the crusher: There was no place on the team for J.D. "He said, 'Mrs. Maarleveld, how many people do you know who've had cancer and come back to play football?' He'd lied to me all that time." When J.D. heard the news, he simply could not believe it. He had to call Faust himself. "He told me I'd been out of football too long, that he didn't think I could make the comeback," says J.D. "He suggested I try a Division II school."

Instead, J.D. transferred to Maryland, where he was given a full football scholarship. "Coach Bobby Ross and offensive line coach Ralph Friedgen were great," says J.D. "They told me I could be as good as I wanted to be." And when he looked inside himself, J.D. noticed there was something new. Something that hadn't been there at Notre Dame—fire. As a mother, Marianne had noticed it too." J.D. was a very lovable, sweet, sensitive child," she says. "You couldn't holler at him. I used to hope he'd get tougher." Indeed, an assistant coach at Notre Dame had once told the Maarlevelds that their son had all the physical tools to play football. "The problem," said the coach, pounding his heart, "is that he just doesn't have it here." J.D. now agrees. "I wasn't aggressive enough," he says, "I was lackadaisical. I wasn't hungry, but being sick changed that. It was like God gave me a kick in the butt and said, 'I gave you all this ability, all this size. Don't let it go to waste.'"

He didn't. At Maryland he delivered enough divinely inspired butt-kickings to win a spot as the starting right tackle. John and Marianne came to every one of J.D.'s games at Maryland. As long as they live, they will be haunted by their first sight of him trotting out onto the field. The Terps lost to Syracuse that day, but just by being in uniform J.D. had won a great victory. "John and I and J.D.'s grandparents were all in the stands holding hands, hugging and crying," says Marianne. "Everyone was looking at us," adds John. "They thought we were crazy. Nobody knew what it was about. It was the greatest day of our lives."

J.D. went on to win 1985 All-American honors, as well as the 1984 Brian Piccolo Award as the comeback player of the year. He holds no grudges, he says, against Faust, who left Notre Dame last fall. "I proved him wrong." J.D. says quietly, smiling. Now he has something more to prove. In last spring's National Football League draft, J.D. was expected to be chosen in the first round. Instead he went in the fifth—to the Tampa Bay Buccaneers. "They treated me like I was still a cancer victim," he says—perhaps, he suspects, because the draft followed close on the news that Jeff Blatnick, the wrestler who seemed to have beaten Hodgkin's Disease and went on to win a gold medal at the 1984 Olympics, had recently suffered a relapse. (Blatnick's cancer is again in remission.)

To demonstrate his own fitness, J.D. underwent a CAT scan and other tests, but it seems likely that being sick cost him money. As a fifth-round pick, he signed a one-year contract worth at least $200,000. As a first-rounder, says his agent, Greg Marotta, he could have expected more with a longer-term contract. "Yeah, I'm disappointed," admits J.D. "I had bad feelings at first." Now the fire inside is just burning hotter. J.D. reported to the Buccaneer camp in Tampa last week and started two-a-day drills in heat that would melt down a Pontiac. "I'm really excited to get things going, get out of camp and start the season," he says. John and Marianne Maarleveld have no doubts: J.D. has made them believers. They plan to be in the stands for Tampa Bay's first regular season game, against San Francisco on Sept. 7. When they see their son run on the field, they'll hug, they'll

hold hands, and they will certainly cry. "We cry easy," says Marianne Maarleveld.

ANTIBIOTIC THERAPY FOR RHEUMATOID ARTHRITIS: A RAY OF HOPE

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 5, 1986

Mr. PORTER. Mr. Speaker, rheumatoid arthritis is the world's most crippling disease and NIADDK support for a clinical trial of an antibiotic therapy for arthritis is needed at this time. I think my colleagues would benefit from reading E. Douglas Reddan's testimony on this subject before the House Appropriations Subcommittee on Labor, Health and Human Services, and Education. Mr. Reddan is Trustee of the Arthritis Institute of the National Hospital for Orthopedics and Rehabilitation.

The testimony follows:

STATEMENT OF E. DOUGLAS REDDAN, TRUSTEE OF THE ARTHRITIS INSTITUTE OF THE NATIONAL HOSPITAL FOR ORTHOPEDICS AND REHABILITATION, ARLINGTON, VIRGINIA BEFORE THE LABOR—HEALTH AND HUMAN SERVICES—EDUCATION APPROPRIATIONS SUBCOMMITTEE

"NIH SUPPORT OF A CLINICAL TRIAL OF AN ANTIBIOTIC THERAPY FOR ARTHRITIS"

HOUSE OF REPRESENTATIVES MAY 1, 1986

Formal Prepared Remarks

April 25, 1986.

Mr. Chairman and Distinguished Members of this Committee:

I am grateful to the Subcommittee for the opportunity to appear before it once again to discuss Dr. Thomas McPherson Brown's antibiotic approach to the treatment of rheumatoid arthritis. I want to take this opportunity, as I have in the past, to again emphasize the importance of a clinical trial of his therapy for rheumatoid arthritis.

For the past seven years I have commuted each month to Washington from Santa Barbara studying the arthritis problem. When I started this monthly pilgrimage, two members of my family were arthritics. During the past year, unfortunately, two more were added: a sister-in-law—who moved from excellent health to a wheelchair in a matter of months, and then a young mother to a life-threatening situation almost overnight—life threatening in its direct meaning, because of the toxic side-effects of the drugs involved.

Barbara Matia, a patient of Dr. Brown's from Scottsdale, has also testified before this Subcommittee for the past several years. She couldn't make it today; her 10-year old daughter, her mother and her sister were stricken with arthritis since her last appearance. Arthritis, as you well know, is an enigmatic disease; it affects patients as young as one year and as old as 90.

Parenthetically let me say that the implication should not be drawn from this recitation of family misfortunes of mine and Mrs. Matia that the disease is contagious; it is not. What happened was simply fortuitous. But it does serve to point out its unpredictability.

All of Dr. Brown's extensive clinical research for the past four decades points to an infectious or microbial cause or causes. Many researchers have now joined him in this belief. At an NIH Workshop on the "Infectious Etiology of Early Arthritis" last November, Dr. Larry Shulman, Director of Arthritis, at NIADDK opened the session by stating. "I believe that Dr. Thomas McPherson Brown has done us all a great service. He has aroused interest in the infectious etiology of rheumatoid arthritis and has persuaded Congress to take an interest in this whole area."

And I am indeed grateful for that.

I am here today to stress once again the criticalness of the arthritic problem and to urge your active backing of our efforts to minimize, if not eradicate, the terribly debilitating effects of this disease. The N.Y. Times stated last December, and I quote, "If cancer and heart trouble are sentences to death, rheumatoid arthritis is a life sentence on earth." In my seven year study of the disease I have learned this lesson well.

On the Subcommittee, you also have come to know the magnitude of the arthritic problem:

It affects more Americans than any other disease—and 1,000,000 new arthritics join the existing 40 million, yearly.

Rheumatoid arthritis is the world's most crippling disease.

Not only is the disease painful and debilitating; therapeutic failure with rheumatoid arthritis is so rampant that the patient's loss of hope can become as great a problem as the disease itself. The drug of first choice, gold, has a 5-year success rate of less than 10%. And has been reported as having the highest mortality rate of all prescription drugs.

The costs of arthritis are enormous—not only are there great emotional and physical costs of living with a chronic disease, there are the enormous economic costs of medical care and disability payments for those unable to earn a living.

The Arthritis Foundation recently estimated that by the end of the next decade the costs of arthritis will approach $100 billion per year.

The cause or causes of arthritis remain elusive. Drugs such as gold, penicillamine and placquenil have been shown to modify the progression of the disease, and are approved for that purpose, but their efficacy varies and their side effects are highly dangerous—and, are therefore as worrisome to the patient as the disease itself.

Dr. Brown's antibiotic therapy, on the other hand, has been used safely and effectively for some 40 years, both at George Washington University School of Medicine where he was Chairman of the Department of Medicine, and, later at the National Hospital in Arlington where his patients include among others members of virtually every branch of the government, as well as some from overseas. Case reports and anecdotal evidence on more than 10,000 patients treated by his staff strongly suggest that antibiotic therapy is of distinct value for arthritics.

Since his treatment has, however, not been tested in controlled prospective studies with a large number of patients, few in the medical profession are willing to consider using it, despite the extremely poor results obtained from approved therapies.

After a considerable period of time it suddenly became quite obvious to me that the dichotomy of thought that existed between those few physicians willing to use Dr. Brown's unapproved but effective and safe antibiotic therapy and those willing to stay with the dangerous but approved therapies could only be resolved by a full-scale, independent, multi-center tightly-controlled, NIH sponsored, clinical trial—with the benefits to be derived: a safe, effective therapy for millions of arthritics who deserve more than they have received from the 100's of millions of dollars of Federal funds spent on arthritis research to date; on a longer range basis, proof that antibiotics truly work on arthritis will cause more researchers to look for the microbial cause rather than settling for better methods of disease control.

A grant application for such a clinical trial was submitted to NIADDK last summer. It was rejected by the Peer Review Committee with certain suggestions. These have been taken into account and resubmission made in the past few days. My purpose in testifying here today is to solicit your support for this study. I feel quite certain it will document the efficacy and safety of antibiotics for the management of rheumatoid arthritis and lead the way to an eventual cure.

The immediate result should be FDA recognition of antibiotic therapy as a highly efficacious alternative leading to its widespread use by clinicians.

Thank you very much.

I will be pleased to try to answer any questions you may have.

A SALUTE TO AMERICA'S PEOPLE

HON. CONNIE MACK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 5, 1986

Mr. MACK. Mr. Speaker, I rise today to share with my colleagues and fellow Americans a heartfelt pledge to and for the people of the United States of America, written by Mr. Harold Block of Sarasota, FL. Mr. Block was inspired to write his pledge by our Nation's recent celebration of the 100th anniversary of the Statue of Liberty, and the people the statue represents. His pledge acknowledges our need to help one another preserve the freedoms and quality of life we as Americans enjoy today. Mr. Block's words epitomize the true meaning of the Fourth of July and the Declaration of Independence it commemorates. The pledge:

I pledge allegiance to the people of the United States of America. A people dedicated to the rights and dignity of man and working together so that all may share in the endowment of freedom and prosper from the fruits of our bountiful land.

I pledge to stand beside my countrymen, for a nation's strength is in its people, so that our flag will fly forever free and that Lady Liberty's torch will always be held high, as a beacon of freedom welcoming all those who approach our shores in peace.

I pledge this because I am an American and this is my heritage and my sacred trust as a free citizen of a free land.

On July 4, 1986, Mr. Block's pledge was printed in the Sarasota Herald-Tribune. I believe that his expression of spirit and dedication deserves to be recorded in history as a part of the CONGRESSIONAL RECORD.

I am honored to represent Mr. Block in the Congress and wish him many more productive years.